

Report Pursuant to the *Fighting Against Forced Labour and Child Labour in Supply Chains Act*



About this report

This is a joint report produced by H. Lundbeck A/S (“**Lundbeck A/S**”) on behalf of itself and its subsidiaries, Lundbeck Canada Inc. and Lundbeck LLC (collectively the “**Companies**” and with other affiliates “**Lundbeck**”), to comply with the *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the “**Act**”).

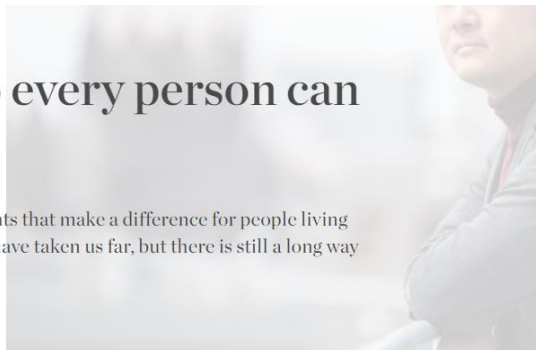
The report discusses the steps that the Companies have taken during the previous financial year, ending December 31, 2023 (the “**Reporting Period**”), to prevent and reduce the risk that forced labour or child labour is used at any step of the production of goods in Canada or elsewhere by the Companies or of goods imported into Canada by the Companies.

The report also provides supplementary information as is required under the Act. Lundbeck maintains a steadfast commitment to zero tolerance for forced labour and child labour through our policies and ongoing process evaluations. These efforts align with our best business practices and commitment to environmental responsibility.

OUR FOCUS

Restoring brain health, so every person can be their best

Every day, we go to work to develop new and improved treatments that make a difference for people living with brain disorders. For decades, hard work and commitment have taken us far, but there is still a long way to go.



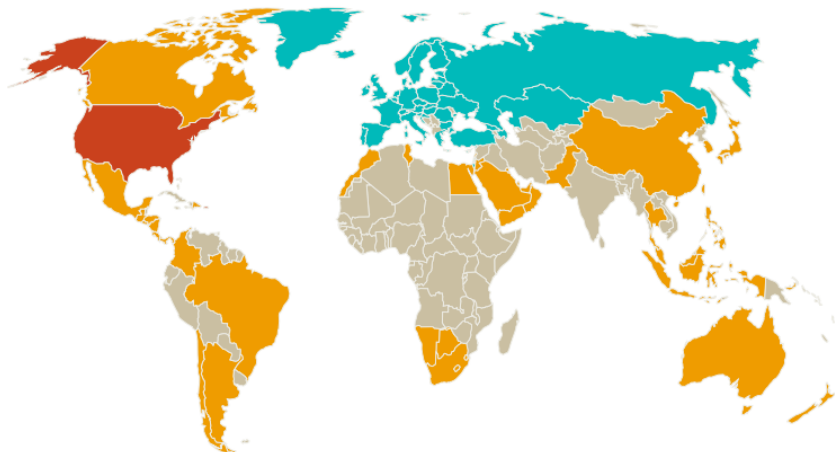
1. Structure and Activities

Lundbeck is global pharmaceutical company highly committed to improving the quality of life of people living with brain diseases. With a head office in Denmark, research facilities in

Denmark and the U.S., and a vertical production set-up in Denmark (2 sites), Italy (1 site), and France (1 site), Lundbeck’s products target disease areas within psychiatry and neurology.

Markets

Lundbeck’s products are registered in more than 100 countries, and we have employees in more than 50 countries. Our largest markets are the U.S., China, Canada, Spain, Italy, France, Brazil, Australia, South Korea and Switzerland.





ORGANIZATION AND OWNERSHIP

How We are Organized

Lundbeck's largest shareholder is the Lundbeck Foundation, which owns roughly 70% of the shares in Lundbeck, while the remaining 30% are traded on the stock exchange. Lundbeck is divided into six divisions, and is managed by an Executive Management team and a Board of Directors.

Lundbeck A/S is a publicly traded company headquartered in Denmark, and the controlling entity of the Lundbeck group. It establishes policies and protocols which apply to all companies in the corporate group. Lundbeck A/S produces almost all products for Lundbeck companies and sells certain pharmaceuticals in Canada. Lundbeck LLC is a Delaware corporation and subsidiary of Lundbeck A/S, which also sells pharmaceuticals produced abroad in Canada. Lundbeck Canada, Inc. is a wholly owned subsidiary of Lundbeck A/S and

is the principal organization through which the Lundbeck group conducts business in Canada. It is engaged in importing, marketing, and selling pharmaceuticals in Canada.

As of December 31, 2023, Lundbeck employed approximately 5,600 highly specialized employees across over 50 countries (please consult the Annual Report 2023). Out of the 5,600 employees, approximately 140 individuals are in Canada.

For additional information on Lundbeck's purpose, mission, vision, values, strategic directions, corporate social responsibility, and activities, please refer to our annual report and sustainability report, as well as the section of our website: [Investors \(lundbeck.com\)](https://investors.lundbeck.com)

2. Supply Chain for the Canadian market

a. Lundbeck Supply Chain Transparency
Lundbeck's direct suppliers in our supply chain plays a critical role in producing, distributing, and importing pharmaceutical products in Canada. We collaborate closely with a network of key suppliers of goods and services (over 100 suppliers) to ensure transparency and accountability. These suppliers are categorised as the subset of direct suppliers limited to suppliers delivering components, packaging materials, excipients or services directly related to the manufacturing of the pharmaceutical products. At every stage, we identify the source countries or regions for each component, enhancing traceability.

b. Product Availability in Canada
Within Canada, Lundbeck offers twenty-six products, of which twenty-four are imported from Europe, and two are produced and exported from the US. For a complete list of products available to residents of Canada please visit [Our Products in Canada \(lundbeck.com\)](https://www.lundbeck.com/our-products-in-canada)

c. Manufacturing and Packaging
The supply chain for pharmaceutical products commercialized by Lundbeck Canada begins with the manufacturing of active pharmaceutical ingredients (API's), primarily produced in Lundbeck Plants located in Denmark and Italy. A smaller portion of chemical substances comes from countries like China and India. The next phase involves the manufacturing and packaging of the products. This step is exclusively done in Denmark and France, except for Sabril™, which is manufactured in the US States through Contract Manufacturing Organizations.

d. Distribution
Finished goods are imported into Canada and distributed nationwide via a third-party logistics (3PL) warehouse in Ontario to ensure timely access to medications for patients across the country. With regards to the vendors for supply chain for products for the Canadian market they are limited in geographical locations to the following countries: Denmark, Italy, France, United States, China, and India.

3. Risk Environment and Assessment



Lundbeck applies a risk-based approach when engaging with third parties and suppliers. Through our due diligence processes, we aim to identify potential risks associated with collaborations and to take the appropriate mitigating actions to address any adverse issues.

Risk assessment in relation to the parts of its business and supply chains of forced labour or child labour being used

In relation to the above, Lundbeck implements a risk-based approach to select suppliers. We consider all chemical suppliers in countries outside of Europe, USA and Canada as high-

risk for forced labour and child labour because of challenges like insufficient laws, corruption, poor legal enforcement, and hiring of young workers.

4. Due diligence process in relation to forced labour and child labour

Lundbeck's Supplier Due Diligence process starts with a comprehensive Health, Safety, and Environment (HSE) and Human Resources (HR) evaluation of prospective chemical suppliers. This initial assessment, conducted via a detailed questionnaire, includes verification of the supplier's policies on Child Labour and Forced Labour. Based on a Corporate Decision Tree document Child labour and Forced labour will never be tolerated in any form. All chemical suppliers in high-risk countries require a mandatory on-site HSE audit.

The audit is scheduled in collaboration with the supplier and spans an entire day, encompassing both a thorough physical inspection of the facilities (workshops, laboratories, warehouses) and an exhaustive review of relevant documentation. This ensures that all new chemical suppliers within the scope undergo rigorous screening and on-site evaluation by Lundbeck. The audit thoroughly examines all pertinent HSE/HR issues.

Child Labour and Forced Labour are critical components of the audit agenda, receiving focused attention during the process. In the event of any discovered noncompliance, the supplier is disqualified from consideration, and

Lundbeck ceases all collaboration with the entity.

Following an audit, suppliers are given a report detailing observations and are required to develop Corrective and Preventive Actions (CAPA). Lundbeck supports suppliers in making necessary improvements, enhancing local HSE systems, and achieving better future performance on issues of lesser severity. The progress is monitored through subsequent HSE/ HR audits. Suppliers with high HSE/HR/Ethics ratings (4-5 out of 5) will not undergo further audits. However, suppliers with lower ratings (1-3 out of 5) will be re-audited within 1-4 years, depending on the urgency and their HSE/HR levels. Additionally, the Quality department employs a simplified HSE screening tool to evaluate chemical suppliers outside of high-risk countries (such as the EU, USA) during Quality audits. Child labour and forced labour is part of that screening tool. In that way Lundbeck can cover more chemical suppliers (including in low-risk countries). Quality department will report back to Corp. HSE if they notice any red flags. The Quality Auditors are trained and introduced to the tool by Corp. HSE.

5. Policies in relation to forced labour and child labour

Lundbeck has several policy-related documents regarding human and labour rights. Lundbeck has a Human Rights Statement which describes Lundbeck's commitment to respect human rights based on several international guidelines and standards (e.g., Universal Declaration of Human Rights, ILO

conventions, etc.), including our own operations globally and collaborations with external parties throughout our global value chain. Lundbeck's corporate governance framework aims at preventing, identifying, and mitigating risks related to modern slavery and human trafficking, wherein the definition of



modern slavery includes child labour and forced, bonded, or compulsory labour. Lundbeck is committed to respecting human rights and condemning all forms of modern slavery. Lundbeck's policies are based on the standards and guidance set out in the UN Guiding Principles and the OECD Guidelines for Multinational Enterprises, as well as Labor Rights due diligence including forced or bonded labour (ILO Conventions 29 and 105) and Child labour (Convention on the Rights of the Child, ILO Conventions 138 and 182).

Suppliers are contractually bound to adhere to local and internationally recognized labour rights and human rights standards as dictated by the UN Global Compact. Third parties are contractually required to acknowledge and

comply with Lundbeck's Code of Conduct and Lundbeck's Third Party Obligations, which specifically state that the party shall ensure that it:

- i) provides its employees with at least a minimum amount of income to meet their basic needs.
- ii) provides its employees with the right to rest.
- iii) protects employees against discrimination in the workplace.
- iv) protects employees against coercion and degrading treatment.
- v) respects employees right to freedom of association; and
- vi) upholds the effective abolition of child labour.

6. Steps taken to prevent and reduce risks of forced labour and child labour

Lundbeck communicates clearly to all suppliers and collaboration partners about our policies and train relevant staff on our policies.

We make our expectations clear to our suppliers as part of the contractual processes we ask them to adhere to local and internationally recognized anti-corruption, labour rights, human rights, and environmental

standards as dictated by the UN Global Compact.

We maintain a continuous open dialogue with our suppliers and engage as much as possible in longer term business relationships with trusted partners. We support the dialogue through training of our own and external staff on relevant issues, performance monitoring, and compliance audits.

7. Measures taken to remediate any forced labour or child labour

Lundbeck operates a whistleblower "Compliance Hotline" in place allowing internal and external stakeholders to report legal or other serious concerns, which includes violations of Lundbeck policies and concerns with regards to human rights including forced and child labour.

Any concerns reported to the Compliance Hotline are investigated and handled in line with Lundbeck's global investigation procedure. Lundbeck continuously works to increase visibility of the Compliance Hotline via internal awareness campaigns and externally on localized Lundbeck websites.

8. Measures taken to remediate the loss of income to the most vulnerable families that results from measures taken to eliminate the use of forced labour or child labour in its activities

Lundbeck is not aware of any loss of income to families resulting from its efforts to eliminate forced labour or child labour risks in its supply chain to date, and therefore the issue of remediation of loss of income has not arisen.



9. Training provided to employees on forced labour and child labour

HUMAN RIGHTS

Lundbeck's commitment to respect human rights is based on the Universal Covenant on Civil and Political Rights (ICCPR) and its second optional Rights (ICESCR), Core international human rights instruments as defined by the OHCHR, and the fundamental ILO conventions.

As described above, the risk for forced labour or child labour is considered for Lundbeck's chemical suppliers in high-risk countries. Lundbeck's Code of Conduct outlines the expectations for how Lundbeck and its employees must adhere to procedures for engaging with suppliers and third parties, including their being subjected to Lundbeck's due diligence processes and agreement to

adhere to the UN Global Compact Principles and Lundbeck's Code of Conduct. Lundbeck requires all employees to complete annual Code of Conduct training.

All employees in Lundbeck complete training on topics in our Code of Conduct.

10. Assessment in the effectiveness in ensuring that forced labour and child labour are not being used

Aside from its due diligence processes as described above, Lundbeck does not currently have any additional regular, independent assessments in place to assess the effectiveness of ensuring that forced labour and child labour are not being used, as it is considered a low risk.

11. Relevant Documents and Further Information

For further information and documentation, please follow the below links:

- [Lundbeck's Code of Conduct](#)
- [Lundbeck's Third Party Obligations](#)
- [Lundbeck's Sustainability Report 2022](#)
- [Suppliers and Third-Party Obligations](#)
- [Lundbeck's Compliance Hotline](#)
- [Lundbeck's Human Rights Statement](#)
- [About Lundbeck](#)



Approval and attestation

This report was approved pursuant to subparagraph [11(4)(b)(ii)] of the Act by the Board of Directors of Lundbeck A/S.

In accordance with the requirements of the Act, and in particular section 11 thereof, I attest that I have reviewed the information contained in the report for the entities listed above. Based on my knowledge, and having exercised reasonable diligence, I attest that the information in the report is true, accurate and complete in all material respects for the purposes of the Act, for the reporting year listed above.

DocuSigned by:

A handwritten signature in black ink that reads "Dorothea Wenzel".

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Dorothea Wenzel

Member of the Lundbeck A/S Board and Chair of Audit Committee

Date