



Sustainability report 2023

Allergy solutions for life

ALK-Abelló A/S
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Find out more on our website

Find more information about ALK at www.alk.net



LinkedIn

Since 2019, ALK has been committed to the UN Global Compact corporate responsibility initiative and its principles in the areas of human rights, labor, environment and anti-corruption.

cf. sections 99a, 99b, 99d and 107d of the Danish Financial Statements Act cf. Article 8 of the EU Taxonomy

WE SUPPORT



Our purpose

We strive today to make a better tomorrow for those we care about most – people living with allergies. In everything we do, we want to provide solutions that make life with allergies surprisingly simple.



ESG at a glance

As an international pharmaceutical allergy company specialised in making products based on allergenic source materials, we acknowledge the various impacts, risks, and opportunities associated with sustainability.

Our ongoing focus remains on people with allergies, health-care professionals, our workforce, climate impacts, as well as business ethics, with an additional emphasis on biodiversity.

During 2023 we have taken steps to align with the upcoming European Corporate Sustainability Reporting Directive (CSRD) for which we will be eligible by January 1st, 2024. Following the new guidelines, in 2023 we performed a double materiality assessment. The process allowed us to make a gap assessment against the European Sustainability Reporting Standards (ESRS) requirements. In this year's report, we have addressed certain data gaps, with ongoing efforts to fill the remaining disclosure requirements by 2024.

In anticipation of the ESRS, we have adjusted the structure of our Sustainability Report. Our material topics are now presented according to the Environmental, Social

and Governance sequence. In line with previous years, our target areas remain on reducing CO₂ emissions, reaching more people with allergies, supporting diversity and inclusion, as well as ensuring good governance practices.

In 2023, we furthered our commitment to mitigate anthropogenic greenhouse gas emissions by submitting an absolute CO₂ reduction target to the Science Based Targets initiative (SBTi). In January 2024, our targets were confirmed to be in line with what the latest climate science deems necessary to meet the goals of the Paris Agreement – limiting global warming to 1.5°C above pre-industrial levels.

In addition, we recognise biodiversity topics emerging as material within our business. As such, in 2023 we have increased our understanding of biodiversity and ecosystem-related impacts, risks and opportunities by conducting an on-site assessment at our Post Falls (USA) production site where the majority of our allergenic source materials are produced. Enhancing our reporting on this topic underscores our dedication to fostering a balance between our operations and the ecosystems in which we operate.

For an overview of the requirements according to §99a, 99b, 99d and 107d of the Danish Financial Statements act and §8 of the EU Taxonomy, see the appendix ([p. 43](#)).

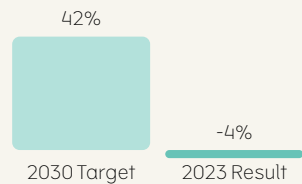


ESG at a glance

Environment

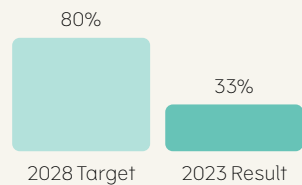
Reduce CO₂ emissions from Scope 1 and 2 by 42% by 2030 from a 2022 baseline

In progress



Suppliers representing 80% of scope 3 emissions covering purchased goods & services, capital goods, upstream and downstream transportation & distribution and business travel, have science-based targets in place by 2028

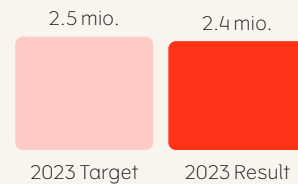
In progress



Social

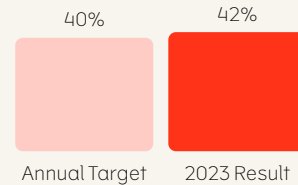
Number of patients in treatment with ALK allergy immunotherapy treatments (AIT) and/or adrenaline products

Not met*



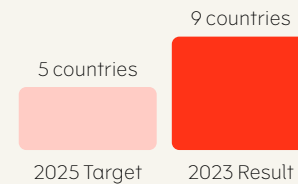
Share of underrepresented gender in Board of Management and their direct reports

Exceeded



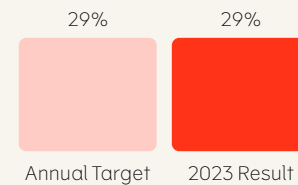
Introduce tablet-based AIT in 5 new countries by 2025 from a 2021 baseline

Exceeded



Share of underrepresented gender in the shareholder-elected members of Board of Directors

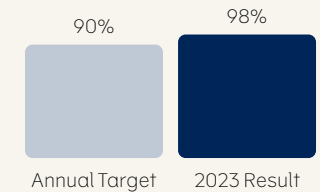
Met



Governance

Employee Code of Conduct training completion

Exceeded



* In 2023 the number of patients treated with AIT increased but the total number of patients in treatment with ALK products remained unchanged due to supply challenges with adrenaline products.

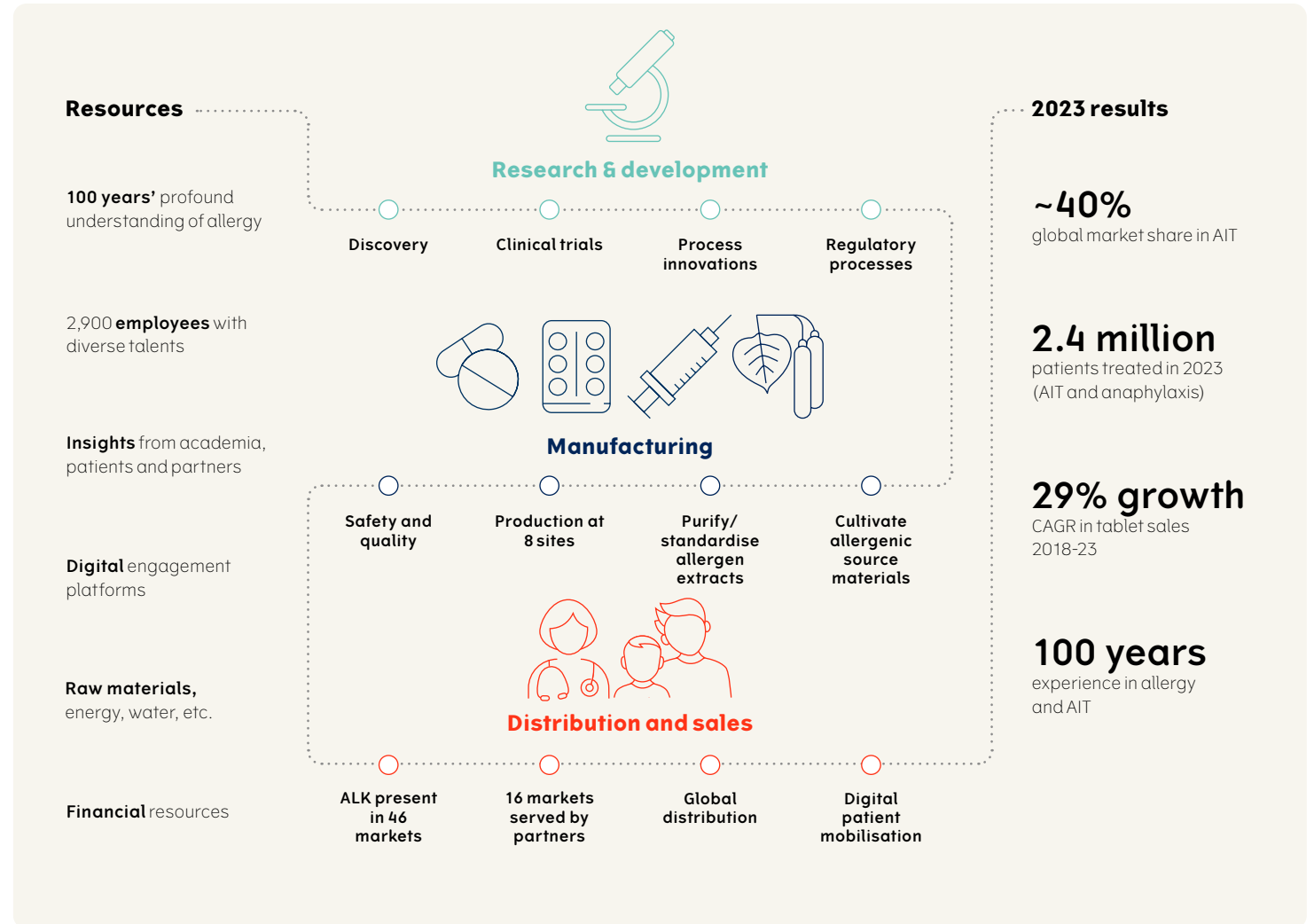
ALK at a glance

Business model

ALK is a global allergy solutions company with a wide range of allergy treatments that meet the unique needs of people with allergy. We offer products, services and resources covering a wide range of allergies, supplemented by diagnosis and emergency treatment products. In addition to being a world leader in respiratory allergies we hold emerging positions in food allergies and anaphylaxis.

Our business model is centred around strong R&D skills, insight into immunology, cultivation of allergenic source materials, unique manufacturing processes, and a desire to bring the best of modern science to the allergy field.

Based on the industry's most comprehensive clinical data set and insights into patient behaviour, we seek to transform the clinical landscape from experience-based to evidence-based medicine for people with allergies and healthcare professionals.



Sustainability governance model

Our governance model aims to ensure that sustainability is integrated into ALK’s decision-making processes and overall business strategy. The model establishes clear roles and responsibilities for sustainability within the organisation and provides a framework for setting and monitoring sustainability targets.

Through our governance model we are committed to managing sustainability in a systematic and responsible manner, promoting long-term value creation while addressing societal and environmental challenges.

Given the increasing focus and importance of sustainability and ESG, the Sustainability Committee met several times in 2023

to discuss progress on strategic initiatives as well as how to best prepare for CSRD before engaging Board of Management on sustainability topics at several additional meetings. In addition, the roadmap and progress were shared and discussed with both the Audit Committee and the Board of Directors at several meetings throughout the year.

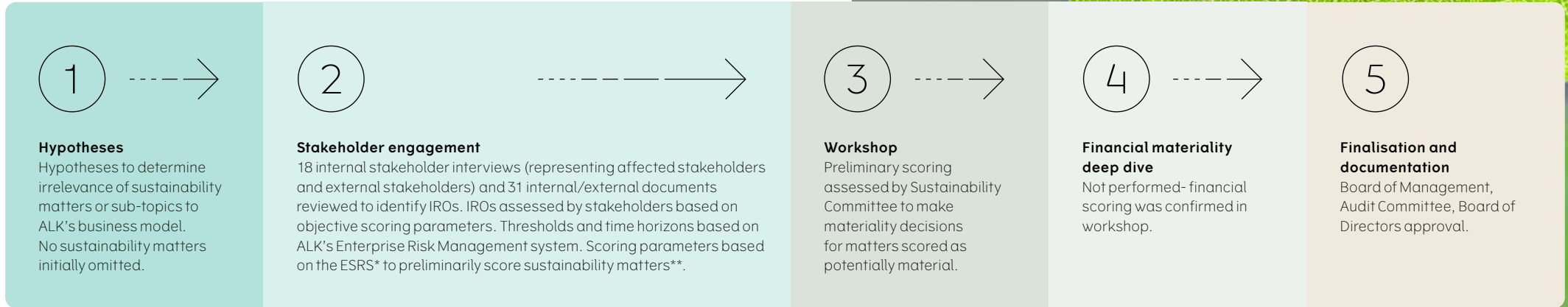
Board of Directors	is overall responsible for ALK’s sustainability strategy and purpose.
Audit Committee	is responsible for overseeing Sustainability/ESG disclosures, processes, controls and assurance.
Board of Management	is responsible for approval of all sustainability-related policies, development of strategy and purpose.
Sustainability Committee	is responsible for ensuring implementation and monitoring of sustainability-related policies and governance.
Sustainability Department	is responsible for coordinating and supporting implementation and daily management of the sustainability strategy, including identifying and monitoring risks and relevant, complete, consistent, transparent and accurate reporting. The Sustainability Department is also responsible for advising policy owners on policy content.
Business Units	are responsible for daily management, monitoring and execution of the sustainability plans of action. Responsible for reporting to the Sustainability Department on a quarterly basis.

Double materiality

To better prioritise sustainability matters that are most relevant to our business, ALK completed a double materiality assessment in 2023.

Process

Our double materiality assessment consists of a five-step process to identify actual and potential environmental, social and governance impacts, risks and opportunities (IROs), as well as objectively score these IROs as a basis for the materiality decision.



* ESRS scoring parameters:

- Impact materiality: Scale, scope, irremediability, likelihood (positive/negative, actual/potential).
- Financial materiality: magnitude of risk/opportunity, likelihood, nature of financial effect.

** Matters preliminarily scored as:

- material (at least one IRO well over threshold)
- non-material (IROs well below threshold)
- potentially material (IROs marginally over or under threshold)

Results

Our material and double material sustainability matters largely align with the topics we have previously reported on. Regarding environmental aspects, we will continue to address our impacts, risks, and opportunities within the areas of climate change, water and resource use. On the social side, our own workforce, value chain workers as well as consumers and end users remain our priority. In terms of governance, we continue our reporting on whistleblower protection, supplier relationships, and prevention of corruption and bribery.

Looking ahead, we are expanding our focus areas to include pollution prevention and control as well as biodiversity, which is gaining momentum given the global biodiversity crisis. Furthermore, we will be adding more disclosures in every sustainability matter in our commitment to transparency and compliance with the CSRD.

In 2024 our main priorities will be to obtain limited assurance on our ESG reporting as well as progressing our CO₂ reduction targets and keeping up our high engagement while reaching even more people with allergies.

	Impact material	Double material
Environment	<ul style="list-style-type: none"> • Energy • Air pollution • Substances of concern • Water consumption and withdrawals • State of species • Resource inflows • Waste 	<ul style="list-style-type: none"> • Climate change mitigation • Climate change adaptation
Social	<ul style="list-style-type: none"> • Health and safety • Working conditions for workers in the value chain 	<ul style="list-style-type: none"> • Working conditions • Equal treatment and opportunities • Training and skills development • Information related impacts for end users • Personal safety of end users • Social inclusion of end users
Governance	<ul style="list-style-type: none"> • Protection of whistle blowers • Animal welfare 	<ul style="list-style-type: none"> • Corporate culture • Corruption and bribery

Sustainability matters are presented as outlined in the ESRS.

Environment

Change in scope 1 and 2 CO₂ emissions since 2022:

+4%

Our target is 42% reduction by 2030

Share of emissions from suppliers with science-based targets:

33%

Our target is 80% by 2028

Waste reused or recycled:

75%

We continue to reuse or recycle a majority of our waste

Water consumption:

128,000 m³

Our water use increased from 2022 due to increased production activity

Climate change

Our Impact

Climate change poses a direct threat to respiratory health by extending pollen seasons, increasing airborne allergens, and altering the distribution and abundance of allergenic plants. Global warming can lead to longer pollination seasons and the increased humidity creates favorable conditions for the growth of molds leading to potential higher allergen exposure. Addressing climate change therefore is not only an environmental imperative but also encompasses social and public health dimensions.

ALK seeks to ease the burden of allergies on individuals as well as on society. We recognise the potential adverse effects our business operations can have on the climate, and consequently, on people living with allergies. Thus, we are committed to mitigating climate change in a manner that safeguards both the environment and society.

Climate risk

ALK's business model (p. 5) includes cultivation of pollen used in our allergen products. We therefore understand the importance of safeguarding our agricultural operations against risks posed by climate change. Although a comprehensive climate risk scenario analysis is yet underway, we recognise that chronic precipitation and

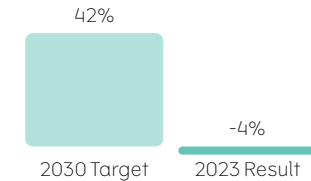
temperature changes as well as acute water and temperature-related events risk our ability to supply pollen and subsequently allergen products. We have therefore developed strategies to mitigate and adapt to risks related to climate change. For example, we reserve at least 2 years of pollen safety stock and have distributed our pollen collection operations across a diverse range of ecosystems, climates and micro-climates across the USA and Europe. Furthermore, our commitment to sustainable farming practices, including crop diversity and soil management (see p. 14 under biodiversity and ecosystems), ensures the resilience of our agricultural production to provide a steady and high-quality supply of pollen. We are proud to engage in sustainable agriculture practices, not only protecting our business but also contributing to the long-term well-being of our planet and people with allergies.

Climate change mitigation

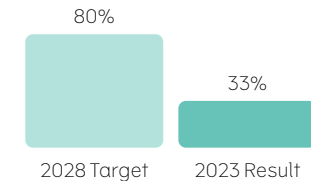
In 2023 an absolute CO₂ reduction target was approved by ALK's Board of Directors and was submitted to the Science Based Targets initiative (SBTi). In January 2024, our targets were confirmed to be in line with what the latest climate science deems necessary to meet the goals of the Paris Agreement – limiting global warming to 1.5°C above

Setting science-based targets

Reduce CO₂ emissions from Scope 1 and 2 by 42% by 2030 from a 2022 baseline



Suppliers representing 80% of scope 3 emissions covering purchased goods & services, capital goods, upstream and downstream transportation & distribution, and business travel, have science-based targets in place by 2028



pre-industrial levels. The setting of these targets underscores our commitment to mitigate the tangible impacts and risks associated with climate change.

CO₂ action plan

In 2023 our scope 1 and 2 CO₂ emissions increased 4% from a 2022 baseline. We recognise that the rise in CO₂ emissions resulting from our own operations is unfavourable. The elements contributing to this can be attributed to enhanced reporting of refrigerant chemical usage and increased business activities.

As we are planning continuous business growth, several decarbonisation levers are either planned or underway in order to reach our target of 42% CO₂ reduction by 2030. This includes transitioning towards renewable energy as our primary energy source, electrification of our water boilers and company fleet, phasing out refrigerant chemicals in our coolers, and other energy efficiency measures.

Our ongoing commitment to increase our share of renewable energy consumption has resulted in 48% renewable energy in 2023 (2022: 45%). In instances where direct renewable electricity consumption is not available, we have covered 100% of our electricity needs since 2022 through the acquisition of third-party audited renewable energy certificates.

Furthermore, we are transitioning our natural gas-operated water boilers to electricity and have initiated

a number of energy-efficiency measures across our sites. Seeking input from our workforce, we organised a competition for suggesting sustainability initiatives at our headquarters in Hørsholm (DK). The response was overwhelming with over 100 suggestions, many of which have already been implemented, including installation of energy-efficient LED lights.

In 2023 we strategically placed approximately 400 measuring devices across our global production sites to monitor both water and electricity consumption. These meters not only provide detailed insights into the usage patterns of water and electricity but also help identify high-consumption areas, enabling us to concentrate our efforts.

In our production process, refrigerant chemicals are contained within a closed system to minimise pollution and emissions. Despite these precautions, the possibility of leakage exists. In an effort to address our use of ozone-depleting substances, we are completing a mapping of all equipment to enhance leak reporting and have implemented systematic maintenance practices to prevent leaks. In 2023, we also began proactively replacing the most harmful R-22 refrigerants with less polluting alternatives.

We are currently reviewing our global fleet electrification policy. To support electrification of our fleet, charging stations have been installed at our sites in Post Falls (USA), Vandeuil (FR), Varennes (FR) and Hørsholm (DK).



Pollution

Prevention and control actions

Controlling chemicals used in the cultivation, purification and production of our medicines constitutes a crucial aspect of our operational framework. Our chemical management process prioritises safe handling to foster a healthy workplace for our employees and minimise our environmental impact.

Refrigerant chemicals used in our production facilities have been identified as a potential contributor to pollution in the event of a leak. Several measures have been put in place to prevent such leaks, the details of which can be found on [p. 11](#) under CO₂ action plan.

While the active ingredient in our products is naturally derived and biodegradable, the cultivation of these source pollens presents potential impacts to soil and water through the use of fertiliser and pesticide. These impacts are minor however, due to our sustainable agricultural practices that minimise pesticide and fertiliser use, as well as optimise soil pH (see [p. 14](#)).

Once cultivated, the processing of pollen dust has the potential to generate air pollution, posing a risk of allergy development for individuals exposed to elevated levels. To mitigate these risks, a number of initiatives are being implemented (see [p. 20](#) under Health and safety).



Pollution mitigation hierarchy

⊖ Avoid pollution

- Chemical management process at production sites
- Nature-derived, biodegradable active pharmaceutical ingredients (APIs)
- Implementing refrigerant chemical leak prevention
- Buffer zone to protect native flora and fauna from fertiliser and pesticides

↘ Reduce

- Sustainable farming practices that minimise pesticide and fertiliser inputs
- Replacing R-22 chemicals with less harmful refrigerants
- Pollen filters and PPE

↻ Restore

- Soil liming to restore pH

Water

Resource use actions

ALK utilises water primarily for domestic purposes, production and cleaning processes (such as steam generation and incorporating water into injectable products), and irrigation. We are continuously seeking to reduce our water usage, despite an increase in 2023 due to increased production. For example, in 2023 a new water recirculation system was installed at our site in Luther (USA) which increases water efficiency and decreases consumption by 20%. The site also repurposes wastewater for irrigating one of our birch pollen orchards.

In 2023 we strategically placed approximately 400 measuring devices across our global production sites to monitor both water and electricity consumption. These meters not only provide detailed insights into the usage patterns of water and electricity but will also help identify high-consumption areas, enabling us to concentrate our

efforts and decouple consumption from production going forward.

In 2023 we performed a high-level overview of basin and operational water risks at our production facilities. Although our Madrid (ES) site is situated in a region of high risk according to the assessment, there have been no issues identified regarding water scarcity or quality that have negatively impacted our production capabilities. Furthermore, we do not expect any adverse future consequences on our production, as pharmaceutical companies in the area are given water consumption priorities. Despite this, we will be integrating water risk planning across our sites to specific areas of concern and effectively mitigate future impacts and risks. In addition, to uphold water quality standards, all water leaving our facilities has been tested for chemical pollutants as well as adjusted for pH and temperature according to local regulations.

Water consumption

128,000 m³

(2022: 119,400 m³)

Water intensity

26.6 m³/DKKm

(2022: 26.5)

Water resource mitigation hierarchy



Reduce water

- Efficient water use system installed at our site in Luther
- Reuse of wastewater for irrigation at our site in Luther
- Metering to provide consumption insights to focus our reduction efforts



Restore

- Wastewater treatment for pH, chemicals and temperature

Biodiversity and Ecosystems

From farm to pharma

A majority of our allergen source materials, including tree pollen, ragweed, grass, dust mites, and insect venom, are cultivated at our production site or our 280-hectare farm in Post Falls, Idaho, US. Here, systemic sustainable agricultural practices are implemented to minimise our impact on nature.

Our site in Post Falls (USA) also collects insect (wasp, hornet, and bee) venom as an API in our medicinal products. To do so, we collaborate with local communities to remove wasp and hornet nests. We also work together

with beekeepers to extract venom by utilising a low-mortality venom removal system to protect the wellbeing of this important pollinator species.



Species Diversity

We plant a variety of crop types to provide a diverse range of pollination times for pollinator species like bees. In addition, these perennial crops are rotated with nitrogen-fixing species.



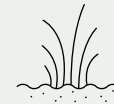
Minimise pesticide and fertiliser inputs

We leverage Integrated Pest Management Principles, as well as GPS technology and weather data to optimise product application. This approach ensures their efficacy, reducing the amount of product applied. In addition, we have established a composting area for mite media waste, along with grass clippings and leaf litter from our orchards, supporting both soil health as well as circular economy principles.



Protect native flora and fauna

We have established a large buffer zone to protect adjacent farms and riparian areas from potential product runoff and soil erosion. These buffer zones are intentionally left untouched, demonstrating our commitment to not cut any natural forest on our property, and allowing natural flora and fauna to flourish.



Minimum soil disturbance

Recognising the presence of acidic soils in the region, we implement lime application to optimise soil pH, contributing to a more balanced soil ecosystem. In addition, we are investigating the use of cover crops during the winter and utilise no-till or minimum-till soil practices when appropriate.

Biodiversity risk

In 2023 we conducted a high-level overview of biodiversity risks at our production sites. Although we have not experienced any detrimental effects on our production capabilities related to biodiversity or climate impacts, a

focus will be to integrate biodiversity risk planning across our sites to pinpoint specific areas of concern, allowing us to effectively mitigate future impacts, as well as consider how systemic risks impact our business and society. Read more about our climate risk planning measures on [p. 10](#).



Biodiversity mitigation hierarchy

⊖ Avoid impacts

- No cutting of any natural forest on our land
- Large natural buffer zone
- Humane bee venom extraction

↘ Minimise

- Integrated Pest Management principles to reduce pesticide inputs
- GPS and weather technology to optimise product application
- No-till or minimum-till practices to minimise soil disturbance
- Supporting soil health with organic matter inputs
- Nitrogen-fixing species in crop rotations
- Diverse crop types for pollinators

↻ Restore

- Wastewater treatment for pH, chemicals and temperature

Resource use and circular economy

Resource inflows

We strive to ensure that our resource inflows align with our sustainability goals by prioritising efficiency and increasing our use of renewable materials. For example, in 2023, our facility in Madrid (ES) initiated the replacement of expanded polyethylene (plastic) foam with recycled paper for filling empty volumes in product shipping boxes. This decision avoids approximately 300 kg/year of plastic, while ensuring the same protection of our shipped products.

Resource outflows

Recognising the environmental impact of packaging materials, we are dedicated to minimising waste of our product packaging. For example, since 2022, one of our allergy immunotherapy drops has been packaged with biodegradable cardboard instead of plastic. However, our ability to design our product packaging with circularity principles is limited due to restraints placed on pharma-

ceutical companies for patient safety, for example in the case of our adrenaline pen which must be packaged in plastic for durability protection.

Waste Streams

At ALK, we prioritise the reduction, reuse, and recycling of waste, and promote responsible disposal practices where waste cannot be recovered. Some solid waste in the US, however, is landfilled due to limited waste stream availability in the area (11% of total waste).

As a result of our waste optimisation practices, we currently reuse/recycle 75% of waste. For example, our Post Falls (USA) site promotes circular economy principles by using growth media waste and excrement from the dust mites that we cultivate, as a soil supplement for the fields where we harvest grass, weed and tree pollen. The remaining house dust mite process material is sold as a bulking agent for wastewater treatment facilities.

Waste hierarchy

Avoid waste

- Replacement of plastic with cardboard packaging for certain allergy immunotherapy drops
- Replacement of expanded polyethylene (plastic) foam with recycled paper for shipping boxes

Re-use

- Solvents, electronics, glass, pallets, some plastics
- Dust mite excrement reused as soil supplement

Recycle

- Some plastics, metal, paper, cardboard

Recovery

- Food waste in Hørsholm, DK (biogas)

Disposal

- Solid waste and glass in US (landfilled)
- Hazardous waste, clinical waste, chemicals (incinerated)
- Solid waste in Europe (incinerated)

EU Taxonomy

Under Article 8(1) of the Taxonomy regulation (EU) 2020/852, ALK is required to disclose information on to what extent our group's main economic activities within turnover, OpEx and CapEx are eligible or aligned with the EU Taxonomy's six environmental objectives. For a full overview of our taxonomy-eligible activities, see the tables on p. 38-40.

Eligibility and alignment

In the 2022 sustainability report, we reported 0% eligibility and 0% alignment. In 2023, we have identified 97.8% turnover, 70.5% CapEx and 47.4% OpEx eligibility. This increase is largely attributed to adoption of the recently finalised environmental objective covering pollution prevention and control (PPC).

ALK has not claimed EU taxonomy alignment for any eligible activities. For activities covering the PPC environmental objective, ALK will be assessing alignment in 2024. For eligible activities within the climate change mitigation (CCM) environmental objective, we cannot claim EU Taxonomy alignment due to current data limitations.

ALK has not identified any parts of turnover, CapEx or OpEx that have contributed to more than one environmental objective.

This assessment is contingent on the current interpretation of the EU Taxonomy regulation. Given the existing uncertainties in interpretations, we may adapt our future reporting as understanding of the regulations and best practices evolves.

Turnover

ALK has identified the following eligible turnover activities:

- PPC 1.2, manufacture of medicinal products: A large portion of our turnover stems from the production of allergy immunotherapy treatments as well as adrenaline pens (97.4% of turnover).
- PPC 1.1, manufacture of active pharmaceutical ingredients (API) or active substances: A minor portion of ALK's turnover is related to manufacture of allergen extracts for use in the diagnosis of specific allergies, for instance in skin prick tests (0.4% of turnover).

CapEx

ALK has identified the following eligible CapEx activities:

- PPC 1.2, manufacture of medicinal products: Capital expenditures related to the manufacturing of our allergy immunotherapy treatments and adrenaline pens (69.0% of CapEx).
- CCM 7.3, installation, maintenance and repair of energy efficiency equipment: In 2023 ALK installed energy-efficient sensor LED lights at our site in Hørsholm (DK) (0.7% of CapEx).
- CCM 7.5, installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings: In 2023 ALK installed several measuring devices across our global production sites to monitor water and electricity consumption (0.8% of CapEx).

OpEx

ALK has identified the following eligible OpEx activities:

- PPC 1.2, manufacture of medicinal products: OpEx relate to the manufacturing of our allergy immunotherapy treatments and adrenaline pens (46.9% of OpEx).
- CCM 6.5, transport by motorbikes, passenger cars and light commercial vehicles: Leased low-emission electric vehicles account for 19% of the ALK fleet (0.5% of OpEx).

Accounting policies

The turnover, OpEx and CapEx numerators are determined from ALK's assessment of the relevant economic activities within all six environmental objectives. The turnover denominator is derived from ALK's total group turnover as stated in the revenue note of the ALK group annual report.* The CapEx denominator is derived from the ALK group's total annual investments in property, plant and equipment as well as intangible assets, excluding leases, as stated in the asset notes of the ALK group annual report.** The OpEx denominator covers direct non-capitalised costs that primarily relate to repair and maintenance, costs of materials, car expenses, and any other direct expenditures relating to the servicing of group assets that are necessary to ensure the continued and effective functioning of such assets.

* Refer to note 2.1 in the consolidated financial statements of the ALK group's 2023 annual report.

** Refer to notes 3.1 - 3.3 in the consolidated financial statements of the ALK group's 2023 annual report.

Social

Share of underrepresented
gender in Board of Management
and their direct reports

42%

We reached our target of 40%

Share of underrepresented
gender in the shareholder-elected
members of the Board of Directors

29%

We reached our target of 29%

Tablet-based
AIT introduced in

9 countries

We exceeded our target of 5 new countries
by 2025 from a 2021 baseline

Number of patients in treatment with
ALK allergy immunotherapy and/or
adrenaline products

2.4 mio.

Our target was to reach
2.5 million people by 2023

Own workforce

Employee engagement

Our commitment to fostering a culture of open communication and collaboration is exemplified through the formalised workers councils established at all European sites. These councils serve as dedicated forums where both employees and management can address and resolve a spectrum of topics, spanning from the company's competitiveness to employee engagement. In the US and China dialogues are facilitated through the People & Organisation departments.

Employees are encouraged to participate in our annual global engagement survey, providing a direct avenue for expressing satisfaction and offering feedback. In 2023,

our engagement score reached 8.4 on a 10-point scale (2022: 8.3), positioning ALK in the top 5% within the healthcare industry. The survey, which saw an impressive 95% participation rate for the second consecutive year, facilitates direct communication between employees and their managers, fostering a culture of openness and constructive dialogue, exemplified by over 10,800 comments submitted.

With a specific focus on health and wellbeing, ALK has made significant strides, reflected in the survey's health and wellbeing score of 8.3 (2022: 8.1). While challenges persist in certain departments where high work volumes intermittently impact health and wellbeing, many

employees appreciate the flexibility and work-from-home options now available.

Although our employee engagement was high in 2023, our employee turnover was 12% (2022: 13%), a reflection of the persistent high demand for skilled labour in our key locations, particularly within the healthcare industry. This underscores the importance of our continued efforts to create a supportive and fulfilling workplace.

Human rights and labour rights

We support the UN Guiding Principles on Business and Human Rights. Human rights considerations are integrated into our work with employees and other stake-

Engagement
score

8.4/10

(2022: 8.3)

Engagement score
– ranking

Top 5%

(2022: Top 5%)

Engagement survey
participation

95%

(2022: 95%)

Engagement survey
comments

10,800+

(2022: 11,000+)

holders. We have conducted a human rights risk assessment as a part of our double materiality assessment, in which we continue to prioritise health and safety, non-discrimination and general working conditions at our own sites as focus areas. We have not identified any signs of adverse human rights impacts in 2023 at our own sites or with our suppliers.

Activities are enforced through policies, actions, targets and training, as well as grievance mechanisms and our whistle-blower function – ALK Alertline. Please refer to Governance (p. 28) for more information.

Health and safety

Regular dialogues regarding safety, impacts and risks are performed either through workers councils or in direct dialogue with employees. This collaborative approach ensures that the perspectives of our employees are considered in the development and improvement of safety policies and procedures, fostering a culture of safety in the workplace.

In 2023, we have directed efforts towards minimising the risk of allergy development associated with employees exposed to high levels of pollen. We have increased personal protective equipment for those handling pollen, as well as investigated in closed systems and filters for the pollen extraction process to further mitigate potential health risks.

Accidents with absense

3

(2022: 6)

We perform monthly safety inspections across all our production facilities to identify and address potential hazards. The findings from these inspections are documented, and corrective actions are implemented.

Our near miss frequency reporting system encourages all employees to report incidents, regardless of severity. Near misses are invaluable opportunities for us to identify potential hazards and prevent accidents before they occur. For all reports, a risk assessment is performed using our global risk matrix, allowing us to implement corrective measure and improve safety protocols where needed. In 2023, we have increased our focus on near miss frequency reporting by making it easier to report through digitalisation of our processes. Through this increased focus, we increased our near miss frequency reporting to 103 reports in 2023 (2022: 78). In 2023 we had



3 occupational accidents with absense (2022: 6), most accidents related to safety risks (falls, overhead hazards, burns), with three chemical risks and one biological risk to pollen.

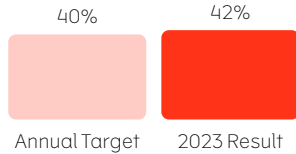
Non-discrimination/inclusion

In 2023, our commitment to fostering an inclusive culture gained momentum, aligning with the objectives outlined in our comprehensive Diversity & Inclusion policy. Embracing a multi-dimensional perspective, we acknowledge diversity in terms of physical, psychological, social, lifestyle, and cognitive dimensions.

Building on the success of our Leading with Impact program for senior leaders, which emphasises the importance of Allyship as well as how to ensure diverse perspectives in contributing to innovative solutions, we expanded

Share of underrepresented gender in Board of Management and their direct reports

42%

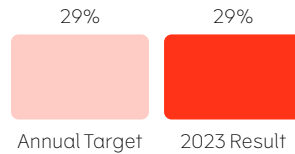


our efforts to include training on inclusion and unconscious bias into our Early Career program, recognising the significance of nurturing a diverse workforce from the outset.

We actively engage with a number of employee focus groups to seek input on improving inclusion across ALK. The insights gathered from these sessions resulted in both local and global actions to be implemented in 2024. Concrete actions include emphasising transparent communication around aspirations and targets, employee storytelling to connect with diverse employees, and strengthening inclusion efforts in certain local regions. Additionally, recognising the need for tailored interventions, we conducted targeted training for departments that scored low on diversity & inclusion metrics.

Share of underrepresented gender in shareholder-elected members of Board of Directors

29%

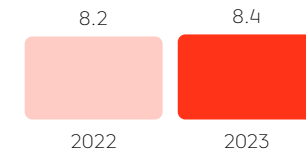


Turning our attention to leadership representation, our Board of Management and their direct reports with managerial responsibility currently comprises 18 women (42%) and 25 men (58%). Our target is to maintain a minimum of 40% for the underrepresented gender at this level.

At the Board of Director level, two women are shareholder-elected. Our target is to have minimum two members (29%) of the underrepresented gender out of a total of seven shareholder-elected members in line with the guidelines for equal representation by the Danish Business Authority. Additionally, four employee-elected members of the Board, of which three are women, further contribute to the diverse composition of our leadership. Three shareholder-elected Board members hold nationalities other than Danish, while five are designated as independent members.

Diversity, inclusion and non-discrimination score in the employee engagement survey

8.4/10



The Remuneration and Nomination Committee oversees the Board of Directors and Board of Management selection and nomination process, adhering to a transparent approach that defines desired profiles and competencies while considering the need for new talent, diversity, age, and gender. Our diversity targets and results are disclosed in accordance with sections 99b and 107d of the Danish Financial Statements Act. For an overview of gender diversity in Board of Management and Board of Directors, please see [p. 35](#).

The impact of the various initiatives reverberated across the organisation, contributing to a notable increase in our diversity, inclusion and non-discrimination score in the engagement survey—from 8.2 in 2022 to 8.4 in 2023.

Training and skills development

Recognising the pivotal role of development in enhancing employee retention and performance, we integrate development agreements as a fundamental component of our annual people processes for all employees. Through engaging in development dialogues and agreements, employees gain a clear direction for their learning and growth opportunities to ensure their development links with our business goals, thereby establishing a relationship wherein individual growth contributes to the overall advancement of ALK.

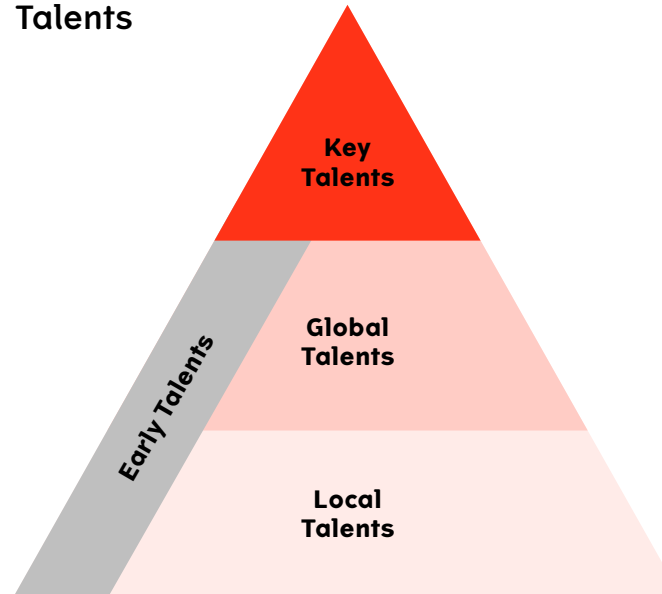
The avenues for development are diverse and tailored between leaders and employees to ensure a personalised and effective approach, encompassing on-the-job learning, knowledge acquisition from peers, and formal learning activities. An example of formal learning is ALK Learn, our internal online learning platform available to all employees globally, which plays a pivotal role in fostering knowledge dissemination relevant to ALK employees. In 2023, the quarterly sessions facilitated by internal and/or external experts covered such topics as 'How to accelerate your own development', 'ALK's history', 'What does our future workplace look like' and 'Diversity & Inclusion'.

As part of our commitment to fostering a culture of continuous learning and growth, we continued the rollout of our

Leading with Impact programme. This initiative provided training in agile- and inclusive leadership to 120 leaders across the organisation in 2023.

Furthermore, we continued to refine our talent programmes and included additional modules and specific case learnings.

Talents



Key Talents with the potential to ascend to senior management in strategic roles are enrolled in a program focused on enhancing abilities to impact across the organisation at a more strategic level.

Early Career talents are enrolled into a dedicated program focused on cultivating competencies to advance their career either as a leader or as a specialist.

Value chain workers

ALK's Third-party Code of Conduct outlines the standards of behaviour that we expect from all third parties globally when it comes to business conduct and treatment of employees. The Third-party Code of Conduct is an integrated part of our GxP (good practice) supplier agreements.

The ALK Third-party Code of Conduct is aligned with the Ten Principles of the United Nations Global Compact, as well as all applicable laws, regulations, standards and labour agreements. Key areas covered include animal welfare, anti-corruption, environmental practices, working conditions, human rights (including child and forced labour, anti-discrimination and fair pay), interaction with healthcare professionals and patient organisations, and more. Any violations of the standards set out in the ALK Third-party Code of Conduct can be reported on our whistleblower platform, ALK Alertline (read more on [p. 29](#) under whistleblowing protection).

In addition to the ALK Third-Party Code of Conduct covering human rights impacts, ALK also adheres to the UK Modern Slavery Act and publishes an annual statement of compliance.

We always aim to sign long-term contracts in order to maintain good relationships with our suppliers and subsequent value chain workers. To address supplier risk, we utilise the EcoVadis supplier evaluation platform to identify environment, labour and human rights, and procurement risks. Out of our total of 7,000+ suppliers, 400+ corresponding to more than 90% of the suppliers approved for our GxP processes have been screened. None of those suppliers have been identified as high-risk suppliers. From this initial risk assessment ALK continues to conduct high level assessments to identify whether further engagement may potentially be required.



Consumers and end users

Information-related impacts

Conducting clinical trials

In our ongoing efforts to develop innovative treatments for allergies, we conduct clinical trials in close collaboration with authorities, healthcare professionals, scientists and, most critically, people with allergies. We uphold safety, privacy, ethics and respect throughout every phase of our clinical trials. We adhere to the European Federation of Pharmaceutical Industries and Associations (EFPIA) and the Pharmaceutical Research and Manufactures of America (PhRMA) Principles for Responsible Clinical Trial Data Sharing. In this way, we ensure that clinical trial data is used responsibly and transparently, safeguarding patient privacy and respecting the integrity of national regulatory systems that protect proprietary information. For more information about how data is used and processed, see [p. 30-31](#).

Safety of end users (people with allergies)

ALK has a rigorous safety reporting system in place ensuring that safety data from any source, including clinical trials, are collected and analysed systematically by our global pharmacovigilance team. This ensures that the safety profile of our products is optimised for the benefit of

people with allergies, and that the relevant authorities can be made aware of any safety issue arising from our products to facilitate immediate action.

Ensuring high quality products

We are continuously raising our quality level due to dedicated efforts from colleagues across the company. High quality is an important step to safeguard ALK as a robust and compliant company with high quality products and service levels – and hereby helping even more people with allergies.

To mitigate risks, we invest significantly in ensuring robustness and compliance in our processes, employee training and manufacturing facilities. We adhere to GxP requirements described in various procedures within our Quality Management System.

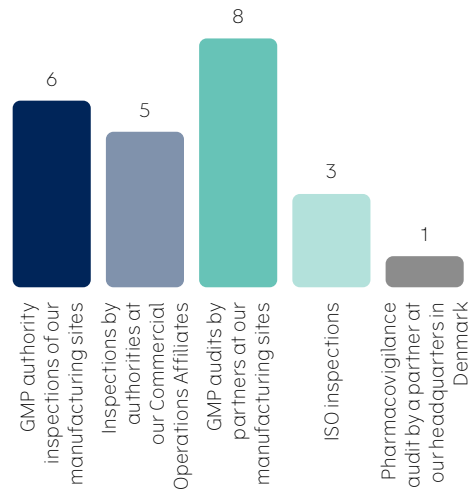
In 2023, we prepared an ALK quality culture definition based on our cultural beliefs – with input from all GxP areas. The new definition describes the everyday behaviours we would like to see from all employees at ALK. The next step is to implement tools that help all employees to continuously ensure quality in everything we do.



Should a situation occur in which it is necessary to recall a product, ALK has procedures in place to ensure swift and efficient management of the situation. During 2023, ALK issued 2 product recall notices covering a limited number of products manufactured in the US (2022:4).

Manufacturing and pharmacovigilance processes are subject to periodic and routine inspections and audits by regulatory authorities and partners. In 2023 ALK had a number of inspections and audits, all of which were

Inspections and audits in 2023



successfully completed. This includes 6 GMP (good manufacturing practice) authority inspections of our manufacturing sites, 5 inspections by authorities at our Commercial Operations Affiliates, 8 GMP audits by partners at our manufacturing sites, 3 ISO inspections, 1 pharmacovigilance audit by a partner at our headquarters in Denmark.

Social inclusion of end-users (people with allergies)

As part of our efforts to ensure inclusivity and accessibility of our allergy medicines, we are prioritising two key areas: extending our geographical reach and obtaining approvals for children and adolescents.

With over 500 million people worldwide affected by respiratory allergies, many suffer without adequate support and treatment options. We wish to improve access to clinically proven allergy diagnosis and treatment solutions, ultimately improving the lives of allergy sufferers globally. We are expanding our AIT and adrenaline products to additional countries, either organically or through strategic partnerships. Since 2021 we have introduced AIT in Saudi Arabia, Uzbekistan, UAE, Croatia, Slovenia, Serbia, Greece, Hungary and Romania. In addition, we have established partnerships in India and China.

In addition, we obtained regulatory approvals for adrenaline products in Czech Republic, Slovenia, Poland, Portugal, Romania and Serbia and for AIT in Serbia, Lebanon and Qatar.

New countries where **Tablet-based AIT** was introduced

9

Target of 5 new countries by 2025

The prevalence of allergies has been steadily increasing over the past 60 years, particularly among children. We are therefore actively engaged in clinical trials and studies to demonstrate the safety and efficacy of our allergy medications in paediatric and adolescent patients. By obtaining regulatory approvals, we aim to provide health-care providers and parents with a reliable and effective option for diagnosing and treating allergies at an early stage of life. In 2023 transatlantic paediatric phase III trials in allergic rhinitis were completed to support our endeavours.



Stakeholder engagement

Reaching more patients through digital engagement

Our digital universe empowers people to proactively manage their allergies by offering information and guidance on how to avoid or alleviate symptoms and seek treatment. In 2023, the klarify/consumer-centric universes extended its digital reach, successfully mobilising 962,000 users across 12 markets to gain control over their allergies.

Education of healthcare professionals

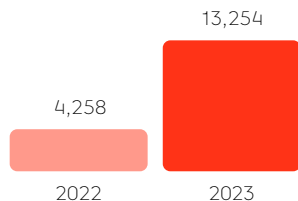
In addition to reaching people with allergies through our digital platforms we engage systematically in educational activities, training and dialogue with healthcare professionals to elevate the standard of care in allergy diagnosis and treatment. Much of our engagement is done digitally enabling us to reach more healthcare professionals within

a shorter time and reduce our climate impact from travelling to physical meetings.

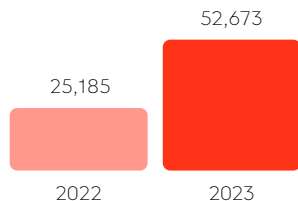
In 2023 we trained 13,254 healthcare professionals in allergy and AIT treatment (2022: 4,258). Furthermore, our education efforts extended to educating an additional 52,673 (2022: 25,185) healthcare professionals in advancements in allergic disease management via scientific communication. Our approach to engagement with healthcare professional also encompasses collaborations with patient organisations across the globe to raise awareness around patient care and product safety.

Through our prescriber infrastructure, digital engagement and training of healthcare professionals, 2.4 million patients were able to seek allergy treatment through ALK's product portfolio in 2023 (2022: 2.4m).

Healthcare professionals trained in allergy and AIT treatment



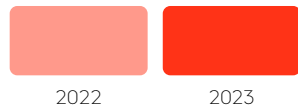
Healthcare professionals educated in advancements in allergic disease management via scientific communication



Number of patients

2.4 million

(2022: 2.4 million)



2023 sustainability award

In 2022, we unveiled a global sustainability award initiative to acknowledge one ALK team for their exceptional contribution towards our sustainability targets. This year, given the numerous outstanding initiatives, two winners were chosen.

Winner 1: **ALK China's respiratory health screening**

In collaboration with Zhong Nanshan Medical Foundation, ALK China successfully initiated a house dust mite allergy screening across 34 hospitals for more than 4,000 patients, at the same time educating healthcare professionals on allergy. The project raised allergy awareness in both the government and the public, supported the hospitals' diagnosis and treatment of allergy, and helped patients to receive early diagnosis and access to allergy immunotherapy treatment.

This project has a strong link to our purpose at ALK and clearly supports our goals to reach over 100,000 new patients annually and train healthcare professionals in allergy treatment and immunotherapy.

Winner 2: **ALK Denmark's innovative energy savings**

In a commendable display of sustainable innovation, ALK Denmark achieved significant energy and cost savings by using cold water from the central heating system to cool the return water of a new electric steam unit.

This project has saved 9 tonnes of CO₂ in just three months of operation, supporting our target of reducing CO₂ emissions from our own sites by 42% by 2030 and illustrates how sustainable innovations can be implemented without compromising financial efficiency.



Governance

Code of conduct
training

98%

(2022: 95%)

ALK Alertline
cases

16

(2022: 11)

GxP suppliers
risk assessed

400

for environmental, labour and human
rights and procurement risks

Governance

Corporate culture and business conduct

Whistleblowing protection

Promoting a culture of transparency and accountability, ALK encourages employees, suppliers, vendors, consultants or others with a work-related relationship with ALK to raise serious and sensitive concerns using our whistleblower hotline, ALK Alertline. For minor concerns, employees are encouraged to address the issue with their direct manager or the People and Organisation function. ALK Alertline is available online or by phone in 8 languages reflecting the geographies where ALK has its largest footprint.

Our whistleblower policy covers safeguards to protect those who speak up or collaborate in investigations:

- No adverse employment consequences
- Confidentiality regarding the information shared as part of the investigation
- The possibility to maintain anonymity

This policy is publicly communicated as an independent document, as well as linked in our Code of Conduct. Both the anti-corruption policy as well as ALK Alertline are addressed in the annual online Code of Conduct training.

The ALK Audit Committee holds the overall responsibility for these policies, while the Corporate Affairs and Legal department holds the day-to-day operational responsibility.

ALK is committed to thoroughly investigate all allegations brought forward to the Corporate Affairs and Legal team in a fair and discreet way. Allegations are investigated on a case-by-case basis, and if necessary, appropriate remedy is provided in line with applicable laws and regulations. In 2023 16 cases were raised (2022: 11) through ALK Alertline.

To foster a Speak-Up culture, ALK conducts awareness activities and monitors relevant benchmarks for case intake. In addition, an annual survey was initiated in 2023 to enhance the whistle-blower experience and build trust in the reporting process. Performance relative to applicable benchmarks is reported to and reviewed by the Audit Committee annually.

To further strengthen our compliance culture and governance, ALK will be establishing a compliance committee in 2024.





Management of relationships with suppliers

ALK GxP suppliers are expected to comply with our Third-party Code of Conduct (see [p. 23](#)) which is an integrated part of our supply agreements. In addition, we are actively exploring how to incorporate environmental and social performance criteria into the evaluation process for both contract renewals and selection of new suppliers. To address supplier risk, we utilise the EcoVadis supplier evaluation platform to identify environmental, social and governance risks for more than 400+ of our approved GxP suppliers (see more on [p. 23](#) under Value chain workers).

Prevention and detection of corruption and bribery

ALK has zero-tolerance for employees engaging in any corrupt activities, as outlined in our anti-corruption policy. We regularly assess risks and adjust our compliance program accordingly. Our bribery and anti-corruption risks include, but are not limited to, facilitation payments, kickbacks, and any forms of inappropriate financial interaction, including improper gifts or hospitality. All employees must maintain accurate records that transparently reflect or document pertinent transactions. Moreover, interactions with patient organisations and health-care professionals are to be conducted according to the applicable laws. ALK does not provide financial support to political parties or campaigns.

To proactively prevent corruption and bribery events, online training in the company's Code of Conduct is delivered annually to all employees globally. In 2023, 98% of employees completed the training.

ALK investigates business conduct incidents promptly, independently and objectively. Allegations of corrupt behaviour undergo thorough internal investigations, with external investigators engaged in case of potential conflicts of interest. In 2023, such investigations led to warning letters or dismissals, emphasising our expectation that employees adhere to both legal requirements and internal policies. The ALK Audit Committee receives an annual update on corruption and bribery cases and has the overall responsibility for reviewing the effectiveness of actions taken.

Responsible tax management

ALK adheres to all applicable tax laws and regulations, ensuring transparency and compliance in our financial practices. ALK's Tax Policy, which is publicly communicated, covers both direct and indirect taxes and applies to the whole ALK Group. Responsible tax management implies a commitment to transfer pricing compliance in line with applicable best practice guidelines issued by the OECD. The group tax policy is evaluated annually by the Audit Committee and approved by the Board of Directors. The responsibility for implementation and compliance with the policy rests with the Board of Management

Data ethics

ALK processes data from clinical trials, research and development, employees, customer interactions and pharmacovigilance. We recognise the significance of responsibly managing and protecting the data entrusted to us by our stakeholders. As such, our approach to

data ethics, as outlined in our publicly communicated data ethics policy, involves strict adherence to privacy regulations and best practices to safeguard the confidentiality, integrity, and availability of the data we handle. In addition, we ensure clear communication about how data is collected, processed, and utilised. Data is only used to expand scientific and medical understanding, ensure patient safety, generate a firmer evidence base to improve our products and services, and deliver treatments to the right patients.

This policy is assessed by the Board of Directors regularly and applies to all ALK employees. Daily management of data ethics is carried out by relevant business units, who have integrated these principles in the way they work. This constitutes our reporting according to cf. section 99d of the Danish Financial Statements Act.

Data privacy

We continue to work on ensuring and enhancing the safe and responsible use of personal data in accordance with data protection regulations, such as the General Data Protection Regulation (GDPR). In 2023, we focused on refining our data handling processes and privacy protocols, including updates to internal policies and notices. These efforts were complemented by targeted training initiatives for key management personnel in the EU, enhancing overall data protection awareness. Notably, we successfully maintained a robust data security environment with no data breaches reported to the supervisory authorities in 2023.



In 2024 we are planning to launch our Data Protection+ project, an initiative that will update various personal data information documents and documentation and further integrate our commitment to global data privacy standards.

Animal welfare

Animal welfare is a focus throughout our research and development of new medicines. We select professional, well-recognised and accredited suppliers, adhering to the Federation of European Laboratory Animal Science Associations' (FELASA) guidelines. Our commitment extends to the humane shipment and transport of animals to our facilities.

We embrace alternative approaches to minimise the use of animals whenever possible. The 'three R's: replace, reduce and refine', philosophy guides our strategy. For example, each experiment undergoes a thorough assessment to ensure that its value justifies the use of animals over available alternatives. We strive to avoid unnecessary repetition of animal studies and prioritise cellular-level testing wherever possible to minimise the number of animals required for research.



Appendix

Environment

Climate change

Scopes	Unit	2023	2022	2021	2020	2019
Scope 1						
Direct energy consumption	Tonnes CO ₂ eq	3,173	3,334	4,325	3,960	4,168
Fleet	Tonnes CO ₂ eq	1,454	1,355	1,406	1,368	1,311
Refrigerants	Tonnes CO ₂ eq	501	235	70	193	N/A
Total	Tonnes CO ₂ eq	5,128	4,924	5,801	5,521	5,479
Scope 2						
Location-based	Tonnes CO ₂ eq	5,917	5,669	6,533	6,497	6,511
Market-based	Tonnes CO ₂ eq	360	347	2,833	3,020	3,003
Scope 3						
Purchased goods and services	Tonnes CO ₂ eq	41,175	49,096	N/A	N/A	N/A
Capital goods	Tonnes CO ₂ eq	3,403	3,974	N/A	N/A	N/A
Fuel and energy related activities	Tonnes CO ₂ eq	2,364	2,483	N/A	N/A	N/A
Upstream transportation and distribution	Tonnes CO ₂ eq	5,471	4,748	N/A	N/A	N/A
Waste generated in operations	Tonnes CO ₂ eq	773	105	N/A	N/A	N/A
Business travel	Tonnes CO ₂ eq	4,615	3,995	625	962	4,244
Employee commuting	Tonnes CO ₂ eq	6,153	5,724	N/A	N/A	N/A
Downstream transportation and distribution	Tonnes CO ₂ eq	74	313	N/A	N/A	N/A
End of life treatment of sold products	Tonnes CO ₂ eq	39	37	N/A	N/A	N/A
Total	Tonnes CO ₂ eq	64,067	70,475	N/A	N/A	N/A
Emissions from suppliers with science-based targets	%	33	N/A	N/A	N/A	N/A

Total GHG emissions	Unit	2023	2022	2021	2020	2019
Total scope 1 & 2 emissions (location-based method)	Tonnes CO ₂ eq	11,045	10,593	12,334	12,018	11,990
Total scope 1 & 2 emissions (market-based method)	Tonnes CO ₂ eq	5,488	5,271	8,634	8,541	8,482
Total emissions (location-based method)	Tonnes CO ₂ eq	75,112	81,068	N/A	N/A	N/A
Total emissions (market-based method)	Tonnes CO ₂ eq	69,555	75,746	N/A	N/A	N/A
GHG intensity	Tonnes CO ₂ eq/DKKm	14.4	16.8	N/A	N/A	N/A
Change in scope 1 & 2 emissions since 2022	%	+4	0	N/A	N/A	N/A

Energy consumption and mix	Unit	2023	2022	2021	2020	2019
Crude oil and petroleum products	MWh	2,199	1,929	1,695	1,619	1,387
Natural gas	MWh	14,166	15,255	15,909	14,759	15,595
Nuclear products	MWh	4,658	4,846	4,934	4,883	4,768
Purchased electricity and heat from non-renewable sources	MWh	4,901	4,724	8,833	N/A	N/A
Total non-renewable energy consumption	MWh	25,924	26,754	31,371	N/A	N/A
Purchased electricity and heat from renewable sources	MWh	23,702	21,497	15,456	N/A	N/A
Total energy consumption	MWh	49,626	48,251	46,827	44,923	46,766
Energy Intensity	MWh/DKKm	10.3	10.7	12.0	12.9	14.3
Renewable energy share	%	48	45	33	N/A	N/A

Water

	Unit	2023	2022	2021	2020	2019
Water used for irrigation	m ³	25,673	23,550	42,218	28,996	36,571
Total water consumption	m ³	128,087	119,395	127,823	110,530	122,461
Water intensity	m ³ /DKKkm	26.6	26.5	32.6	31.7	37.4

Resource use and circular economy

Waste	Unit	2023	2022	2021	2020	2019
Waste landfilled	Tonnes	218	185	203	339	86
Waste incinerated	Tonnes	270	262	239	186	260
Waste recycled or reused	Tonnes	1,451	1,747	367	326	226
	%	75	80	45	38	38
Total waste generated*	Tonnes	1,939	2,194	809	851	572

*Waste increase from earlier reporting years is mainly related to improved and expanded documentation of waste fractions.

ALK follows internationally recognised standards:
Greenhouse Gas Protocol
EU Taxonomy

ALK policies on environment and climate:
Code of Conduct
Environment, Health and Safety Policy

In this area we support:

UN Global Compact Principles 7-9



UN Sustainable Development Goals



Science Based Targets



Social

Own Workforce

Employee engagement	Unit	2023	2022	2021	2020	2019
Engagement participation rate	%	95	95	93	N/A	N/A
Engagement score	Index points	8.4	8.3	8.2	N/A	N/A

Characteristics of employees	Unit	2023	2022	2021	2020	2019
	China	164	133	81	52	41
	Denmark	983	932	902	850	823
	France	379	378	379	387	373
	Germany	142	134	129	119	115
	Poland	101	89	78	79	78
	Spain	373	363	343	333	305
	USA	533	491	479	491	473
	Total Headcount	2,889	2,731	2,593	2,486	2,406
	# Women in workforce	1,801	1,711	1,619	1,580	1,503
Employee turnover	%	12%	13%	13%	10%	11%
Number of new hires	#	543	555	487	420	352
% female new hires	%	62	63	58	66	62

Diversity indicators	Unit	2023	2022	2021	2020	2019
Age distribution of employees	<30	355	324	298	274	304
	30-50	1,698	1,643	1,585	1,572	1,498
	50+	836	764	707	663	620
Gender Diversity total workforce	% female	62	63	62	64	62
Gender diversity all management levels	% female	49	49	49	46	47
Gender diversity Board of Directors	# male	5	5	4	4	5
	# female	2	2	2	1	1
	Total	7	7	6	5	6
	% underrepresented gender	29	29	33	20	17
Gender diversity Board of Management and their direct reports	# male	25	25	N/A	N/A	N/A
	# female	18	18	N/A	N/A	N/A
	Total	43	43	N/A	N/A	N/A
	% underrepresented gender	42	42	N/A	N/A	N/A
Gender diversity EVP & SVP	# female	6	5	4	4	4
	% female	32	25	22	21	21
Gender Diversity VP & Senior Director	# female	21	22	18	15	13
	% female	32	34	29	26	N/A
Gender Diversity Manager & Director	# female	214	199	187	172	166
	% female	53	53	53	51	N/A
Gender Pay Ratio (men to women)*	rate	1.19	1.14	1.18	1.14	1.13
CEO annual compensation ratio**	Times	30	33	34	34	29
Reported cases of discrimination	#	3	1	0	0	1

* Gender pay ratio from 2022 and earlier report on median earnings, while 2023 reports on average.

**For 2023, CEO total compensation includes compensation for the previous CEO and the new CEO for their period of employment respectively and includes all compensation elements except for termination payments and sign-on compensation.

Own Workforce, continued

Health and safety	Unit	2023	2022	2021	2020	2019
Work-related fatalities	#	0	0	0	0	0
Work related accidents	#	106	75	N/A	N/A	N/A
Work-related accidents with absence	#	3	6	1	9	15
Lost time due to work-related accidents	rate	0.8	1.7	0.3	2.9	3.5
Absence due to illness	% working days	3.6	3.2	3.1	3.1	2.7

ALK follows internationally recognised standards:
 The Universal Declaration of Human Rights
 The International Labour Organization's Declaration on Fundamental Principles and Rights at Work
 The UN Guiding Principles on Business and Human Rights

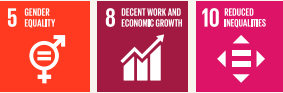
ALK policies on human rights and labour rights:
[Code of Conduct](#)
[Conflicts of Interest Policy](#)
[Diversity and Inclusion Policy](#)
[Environment, Health and Safety Policy](#)
[Harassment Policy](#)

In this area we support:

UN Global Compact Principles 1-6



UN Sustainable Development Goals



Governance

	Unit	2023	2022	2021	2020	2019
Number of ALK alertline cases (whistleblower platform)	#	16	11	8	6	8
Breaches of data protection incidents submitted to the national Data Protection Agency	#	0	0	0	0	3
Board Independence	%	71	57	50	40	50
Board meeting attendance rate	%	97	97	94	98	97
Employee Code of Conduct training completion	%	98	95	97	94	90

ALK follows internationally recognised standards:
 European Federation of Pharmaceutical Industries and Associations (EFPIA)
 The Ethical Committee for the Pharmaceutical Industry (ENLI)
 The International Federation of Pharmaceutical Manufacturers and Associations (IFPMA)
 The UK Bribery Act
 UK Modern Slavery Act 2015
 The US Foreign Corrupt Practices Act
 The Universal Declaration of Human Rights

ALK policies for responsible business practices:
[Anti-corruption Policy](#)
[Code of Conduct](#)
[Data Ethics Policy](#)
[Data Protection Policy](#)
[IT Security Policy](#)
[Third Party Code of Conduct](#)
[Quality Manual](#)
[Stakeholder & Communications Policy](#)
[Tax Policy](#)
[Whistleblowing Policy](#)

In this area we support:

UN Global Compact Principles 10



UN Sustainable Development Goals



Taxonomy turnover

Proportion of turnover from products or services associated with Taxonomy-aligned economic activities – disclosure covering year 2023

Financial year 2023	Year		Substantial Contribution Criteria								DNSH criteria ('Does Not Significantly Harm')								Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) turnover, year N-1 (18)	Category (enabling activity) (19)	Category (transitional activity) (20)
Economic Activities (1)	Code (2)	Absolute turnover (3)	Proportion of Turn-over (4)	Climate Change Mitigation (5)*	Climate Change Adapta-tion (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiver-sity and ecosys-tems (10)	Climate Change Mitigation (11)	Climate Change Adapta-tion (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiver-sity (16)	Minimum Safeguards (17)					
		mDKK	%	Y;N;N/EL	Y;N;N/EL	Y;N;N/EL	Y;N;N/EL	Y;N;N/EL	Y;N;N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T		
A. Taxonomy-eligible activities																					
A.1. Environmentally sustainable activities (Taxonomy-aligned)																					
-		0	0%	N	N	N	N	N	N	N	N	N	N	N	N	N	0%				
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0	0%	N	N	N	N	N	N	N	N	N	N	N	N	N	0%				
Of which enabling		0	0%	N	N	N	N	N	N	N	N	N	N	N	N	N	0%	E			
Of which transitional		0	0%	N							N	N	N	N	N	N	0%		T		
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																					
Manufacture of active pharmaceutical ingredients (API) or active substance	PPC 1.1	20	0.4%	N/EL	N/EL	N/EL	EL	N/EL	N/EL									0.4%			
Manufacturing of medicinal products	PPC 1.2	4,699	97.4%	N/EL	N/EL	N/EL	EL	N/EL	N/EL									97.4%			
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		4,719	97.8%	0%	0%	0%	97.8%	0%	0%									97.8%			
A. Turnover of Taxonomy eligible activities (A1 + A2)		4,719	97.8%	0%	0%	0%	97.8%	0%	0%									97.8%			
B. Taxonomy-non-eligible activities																					
Turnover of Taxonomy-non-eligible activities		105	2.2%																		
Total (A+B)		4,824	100%																		

Taxonomy CapEx

Proportion of CapEx from products or services associated with Taxonomy-aligned economic activities – disclosure covering year 2023

Financial year 2023	Year			Substantial Contribution Criteria						DNSH criteria ('Does Not Significantly Harm')							Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) CapEx, year N-1 (18)	Category (enabling activity) (19)	Category (transitional activity) (20)
Economic Activities (1)	Code (2)	Absolute CapEx (3)	Proportion of CapEx (4)	Climate Change Mitigation (5)*	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity and ecosystems (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum Safeguards (17)			
		mDKK	%	Y;N;N/EL	Y;N;N/EL	Y;N;N/EL	Y;N;N/EL	Y;N;N/EL	Y;N;N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. Taxonomy-eligible activities																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
-		0	0%	N	N	N	N	N	N	N	N	N	N	N	N	N	0%		
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0	0%	N	N	N	N	N	N	N	N	N	N	N	N	N	0%		
Of which enabling		0	0%	N	N	N	N	N	N	N	N	N	N	N	N	N	0%	E	
Of which transitional		0	0%	N							N	N	N	N	N	N	0%		T
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
Manufacture of medicinal products	PPC 1.2	261	69.0%	N/EL	N/EL	N/EL	EL	N/EL	N/EL								69.0%		
Installation, maintenance and repair of energy efficiency equipment (CapEx C)	CCM 7.3	3	0.7%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.7%		
Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings (CapEx C)	CCM 7.5	3	0.8%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.8%		
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		267	70.5%	1.5%	0%	0%	69.0%	0%	0%								70.5%		
A. CapEx of Taxonomy eligible activities (A1 + A2)		267	70.5%	1.5%	0%	0%	69.0%	0%	0%								70.5%		

B. Taxonomy-non-eligible activities

CapEx of Taxonomy-non-eligible activities	112	29.5%
Total (A+B)	379	100%

Taxonomy OpEx

Proportion of OpEx from products or services associated with Taxonomy-aligned economic activities – disclosure covering year 2023

Financial year 2023		Year		Substantial Contribution Criteria						DNSH criteria ('Does Not Significantly Harm')								Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) OpEx, year N-1 (18)	Category (enabling activity) (19)	Category (transitional activity) (20)
Economic Activities (1)	Code (2)	Absolute OpEx (3)	Proportion of OpEx (4)	Climate Change Mitigation (5)	Climate Change Adapta- tion (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiver- sity and ecosys- tems (10)	Climate Change Mitigation (11)	Climate Change Adapta- tion (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiver- sity (16)	Minimum Safeguards (17)				
		mDKK	%	Y;N;N/EL	Y;N;N/EL	Y;N;N/EL	Y;N;N/EL	Y;N;N/EL	Y;N;N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T	
A. Taxonomy-eligible activities																				
A.1. Environmentally sustainable activities (Taxonomy-aligned)																				
		0	0%	N	N	N	N	N	N	N	N	N	N	N	N	N	0%			
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0	0%	N	N	N	N	N	N	N	N	N	N	N	N	N	0%			
Of which enabling		0	0%	N	N	N	N	N	N	N	N	N	N	N	N	N	0%	E		
Of which transitional		0	0%	N						N	N	N	N	N	N	N	0%		T	
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																				
Manufacture of medicinal products		PPC 1.2	407	46.9%	N/EL	N/EL	N/EL	EL	N/EL	N/EL							46.9%			
Transport by motorbikes, passenger cars and light commercial vehicles (CapEx C)		CCM 6.5	4	0.5%	EL	N/EL	N/EL	N/EL	N/EL	N/EL							0.5%			
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		411	47.4%	0.5%	0%	0%	46.9%	0%	0%							47.4%				
A. OpEx of Taxonomy eligible activities (A1 + A2)		411	47.4%	0.5%	0%	0%	46.9%	0%	0%							47.4%				

B. Taxonomy-non-eligible activities

OpEx of Taxonomy-non-eligible activities	455	52.6%
Total (A+B)	866	100%

Reporting scope

The reporting period covered by this report extends from 1 January 2023 to 31 December 2023. Environmental data collected in this report covers ALK's production sites in the USA (Post Falls, Port Washington, Oklahoma City and Luther), Denmark (Hørsholm), Spain (Madrid), and France (Vandeuil and Varennes). Our 23 sales offices located across the globe have been excluded from reporting on environmental data, due to being less than 2.5% of our scope 1 and 2 footprint. All other information covers the entire ALK group, unless otherwise stated.

We seek to align our reporting with the draft EFRA standards, and follow the Danish Financial Statements Act sections 99a, 99b, 99d and 107d. Further details of the risks associated with the Danish Financial Statements Act can be found in our 2023 Annual Report.

Definitions and calculations

Environment

Intensity calculations are reported as unit/annual revenue in million DKK.

CO₂ emissions

Carbon emissions are reported in metric tonnes of carbon dioxide equivalents according to global warming potential values published by the Intergovernmental Panel on Climate Change (IPCC) based on a 100-year time horizon.

Scope 1 emissions include direct fuel consumption (natural gas, gas oil, diesel and petrol), which is calculated using emission factors provided by the UK's Department for Environment, Food and Rural Affairs (DEFRA). Also included in scope 1 is our company fleet, where average passenger vehicle emission factors have been taken from DEFRA to calculate emission based on either on litres of fuel consumed, kWh used, actual mileage, or contracted annual mileage. Fuel consumption and mileage were estimated for the months of November and December based on average monthly consumption over the year. Finally, scope 1 also includes emissions of refrigerant chemicals which are defined as those listed in the Montreal Protocol on Substances that Deplete the Ozone Layer. Emission factors are taken from IPCC for global warming potential 4 (GWP4) and GWP6 chemicals.

Scope 2 emissions include electricity and district heating, where emission values for sites in the USA are taken from the United States Environmental Protection Agency (USEPA) eGRID, and emission values for sites in Europe are taken from the International Energy Agency (IEA). For electric company vehicle, emission factors have been obtained from DEFRA. Scope 2 location-based emissions are calculated based on average energy generation emission factors for defined locations, while scope 2 market-based emissions are calculated based on emissions calculated from specific energy purchase contracts, and therefore consider renewable energy purchase certificates.

All **Scope 3 emissions**, except category 3, 5 and 7, are calculated based on data covering January – October 2023. The months of November and December are estimated based on average consumption in the reporting year. Category 3, 5 and 7 cover actual values from January – December.

Purchased goods and services (Category 1): Calculated using spend-based emission factors from the Comprehensive Environmental Data Archive (CEDA).

Capital goods (Category 2): Calculated using spend-based emission factors from CEDA for upstream emissions of industrial machinery owned and operated by ALK.

Fuel and energy related activities (Category 3): Calculated for upstream transmission & distribution losses of fuels, electricity and district heating consumed by ALK in scope 1 and 2 using emission factors from DEFRA.

Upstream transportation and distribution (Category 4): Calculated using a mix of spend-based emission factors from CEDA and primary emissions from certain distribution providers. Well-to-tank emission factors are provided by DEFRA. Waste generated in operations (Category 5): Calculated using emission factors from DEFRA dependent on material type, treatment type, material location and material weight

Business travel (Category 6): Calculated using well-to-wheel flight emissions from DEFRA including radiative force emissions. A small amount of business travel is also calculated using spend-based emission factors from CEDA, and well-to-tank emission factors from DEFRA.

Employee commuting (Category 7): Estimated using Quantis emission factors based on the average number of FTEs in the reporting year, with well-to-tank emission factors from DEFRA.

Downstream transportation and distribution (Category 9): Calculated using spend-based emission factors from CEDA for warehousing and storage.

Definitions and calculations continued

Environment continued

End-of-life treatment of sold products (Category 12): Estimated for materials used in ALK products using DEFRA emission factors for material type, country of distribution, assumed treatment type and weight.

Energy

Energy consumption is based on meter readings and/or invoices at individual production sites and reported in MWh. Conversion factors for each energy source are taken from the local supplier or a unit converter. While invoice service periods do not correspond with calendar months, they are approximately one month long. Reporting time periods will correspond to the invoice period ending in that month.

Water

Water consumption is reported in m³ based on meter readings and/or invoices at individual production sites.

Waste

Waste is reported in metric tonnes at all sites. For compacted mixed municipal solid waste at production sites in the US, we use the volume-to-weight conversion factors provided by the United States Environmental Protection Agencies (EPA). At one site where the area and waste container are shared with another entity, waste is estimated based on proportion of occupied square footage.

Social

Employee engagement

Participation rate and engagement score are collected from a survey conducted by a third party.

Characteristics of employees

All employee-related data is downloaded from our internal HR-system, Workday, and is relevant as of 31 December 2023.

Workforce headcount is broken down for countries with more than 50 employees.

The employee turnover ratio is calculated by dividing the number of employees who left the company by the average number of employees in the reporting year.

Diversity indicators

The gender diversity figures from 2021 and earlier do not include Germany, as job grades were not yet approved by the works council in that region.

The gender pay ratio is presented as the average gross hourly earnings of male employees compared to female employees.

The CEO annual compensation ratio is determined by the annual total compensation of the CEO against the median annual total compen-

sation for all active (permanent and temporary) employees, excluding the CEO. Annual total compensation includes salary, bonus, allowances, pension and all one-time payments over the course of a year.

Cases related to discrimination are all cases that have been reported and investigated in the reporting year, and includes discrimination on the grounds of an individual's uniqueness such as perspectives, work and life experiences, age, gender, race, ethnicity, religion, sexual orientation, ability, or any other characteristics. Discrimination concerns can be raised through several channels such as our whistle-blower hotline, Alertline, through direct managers or through Employee Representative Groups, P&O, EHS and direct managers.

Health & safety

Work-related accidents are reported to our EHS department and are defined as occurrences arising out of or in the course of work that result in injury.

Work-related accidents with absense is defined as work-related injuries resulting in an individual being physically or mentally unable, as determined by a competent medical person, to work on the next scheduled day or shift.

Lost time due to work-related accidents is determined by dividing the number of work-related accidents with absense by the total hours worked, multiplied by 1,000,000 to give the number of cases per one million hours worked.

Absense due to illness is calculated as the number of total working days with absense due to any illness, work related or otherwise, divided by total working days to give a percentage.

Definitions and calculations continued

Governance

Alertline cases are all cases from our external system that have been reported and investigated in the reporting year.

When reporting on bribery, cases that have been reported and investigated in the reporting year are included. Bribes can take the form of money, gifts, loans, fees, hospitality, services, discounts, the award of a contract or any other advantage or benefit, and it comprises any financial or other inducement or reward for an action which is illegal or unethical. When reporting on corruption, this is defined as 'abuse of entrusted power by someone for personal gain'.

Board diversity is measured by the percentage of female shareholder-elected members.

Board independence is measured by the percent of independent, shareholder-elected members.

The Board Meeting Attendance rate is calculated as (number of meetings*number of members)-meetings not attended/(number of meetings*number of members)*100.

Code of Conduct training is calculated by the percentage of employees completing the training based on internal registrations.

Disclosure requirements, cf. §99a, 99b and 107d of the Danish Financial Statements Act and §8 of the EU Taxonomy

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99a	
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