



# ***An open world through vaccines***

***Sustainability Report 2022***



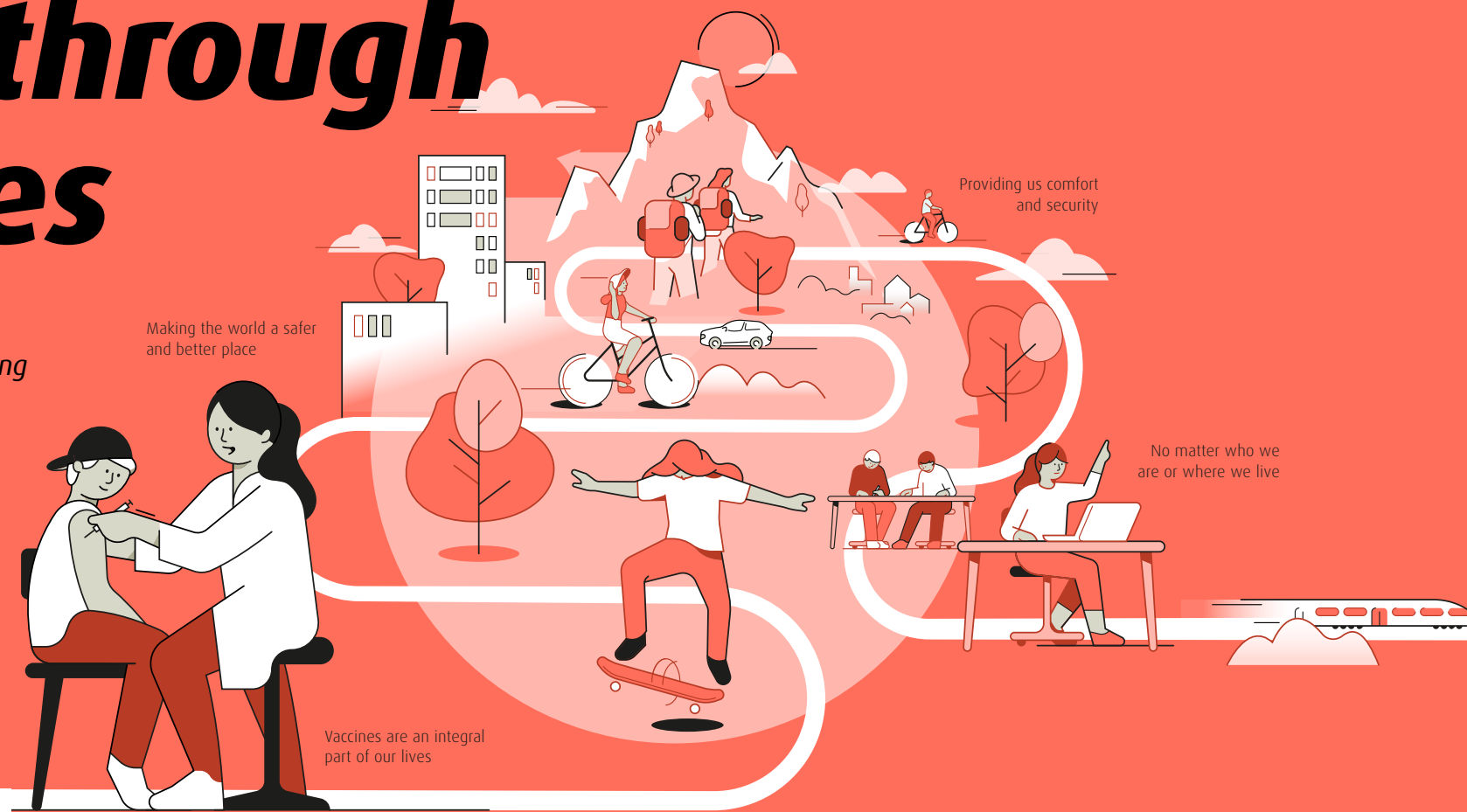
BAVARIAN NORDIC



## *Our purpose*

# *An open world through vaccines*

*At Bavarian Nordic, we are working to save and improve lives by unlocking the power of the immune system*



Making the world a safer and better place

Providing us comfort and security

Vaccines are an integral part of our lives

No matter who we are or where we live

*Our DNA in Bavarian Nordic*

***Protecting lives every day is an essential part of our DNA in Bavarian Nordic, and we aspire to develop vaccines that address unmet medical needs for the greater good of the global society.***

*By improving access to new and better vaccines for the most vulnerable people, we play an important role in the vaccine industry that is transforming the lives of individuals, helping to boost the economies of low- as well as high-income countries, and making the world a safer and better place.*

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### About the report

This Statutory Report on Corporate Social Responsibility (CSR), cf. sections 99a, 99b, and 107d of the Danish Financial Statements Act and Article 8 of the EU Taxonomy Regulation, is part of the management's review in the 2022 Annual Report and covers the financial period January 1 - December 31, 2022. Our report on section 99d of the Danish Financial Statements Act can be found in the Annual Report.

### ESG figures

In the tables on page 36 consolidated figures are presented by each of the three ESG categories: environment, social and governance. Detailed figures, including country-specific figures are presented in the notes on pages 37-39.

### Alignment with TCFD disclosure recommendations

In 2022, we have conducted our first scenario-based analysis of climate-related risks and opportunities according to the recommendations from the Task Force on Climate-Related Financial Disclosure. The table on pages 32-33 accounts for our compliance with the recommendations.

### EU taxonomy

Our compliance with the EU taxonomy is further explained on pages 34-35.

### Assurance of data

The indicators presented on pages 36-39 have been assessed by Deloitte Statsautoriseret Revisionspartnerselskab in accordance with the ISAE 3000 standard to obtain limited assurance. The Independent Auditor's Assurance Report is found on pages 43-44.



**Read our  
Corporate Governance Report 2022**



**Read our  
Remuneration Report 2022**



# ***Introduction***

- ***Sustainability key figures***
- ***Our company***
- ***Letter from our CEO***

# Sustainability key figures

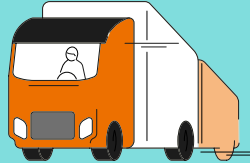
Total emissions, tCO<sub>2</sub>e

↑10%

Our total emissions increased by 10%, mainly driven by the establishment of our own sales force in Germany. Emissions from production decreased by 4%.

Emissions from production, tCO<sub>2</sub>e

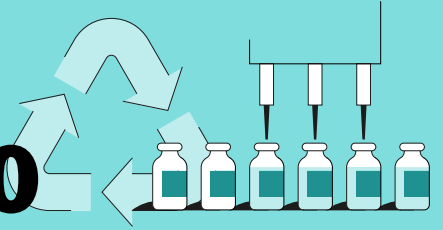
↓4%



Recycling

→55%

Recycling from our production was maintained at 55%, despite increased manufacturing activities, which entailed higher volumes of single-use (non-recyclable) technologies.

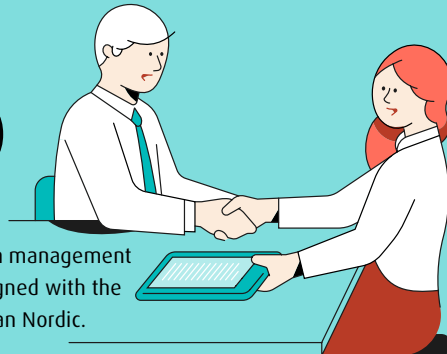


Gender Diversity

45%

55%

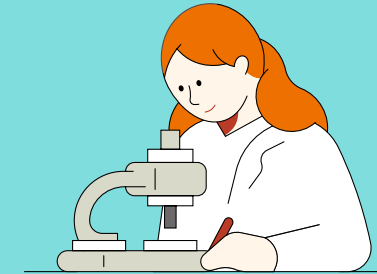
Gender diversity (Men/Women) in management positions is balanced and well aligned with the overall gender diversity in Bavarian Nordic.



Health and safety

1.3

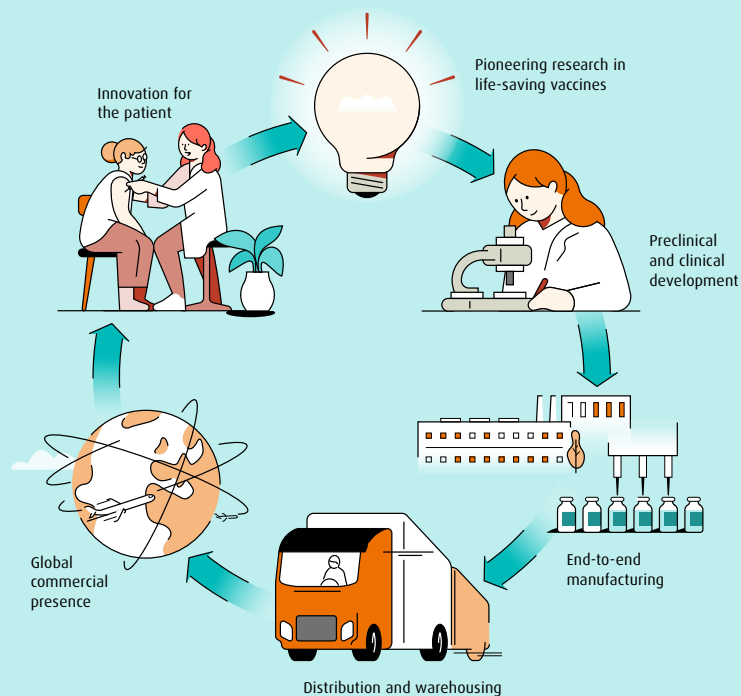
The rate of working accidents significantly decreased with only two working accidents reported in 2022, resulting in a Lost Time Injury Frequency Rate (LTIFR) of 1.3 in 2022 vs. 3.9 in 2021.



# Our company

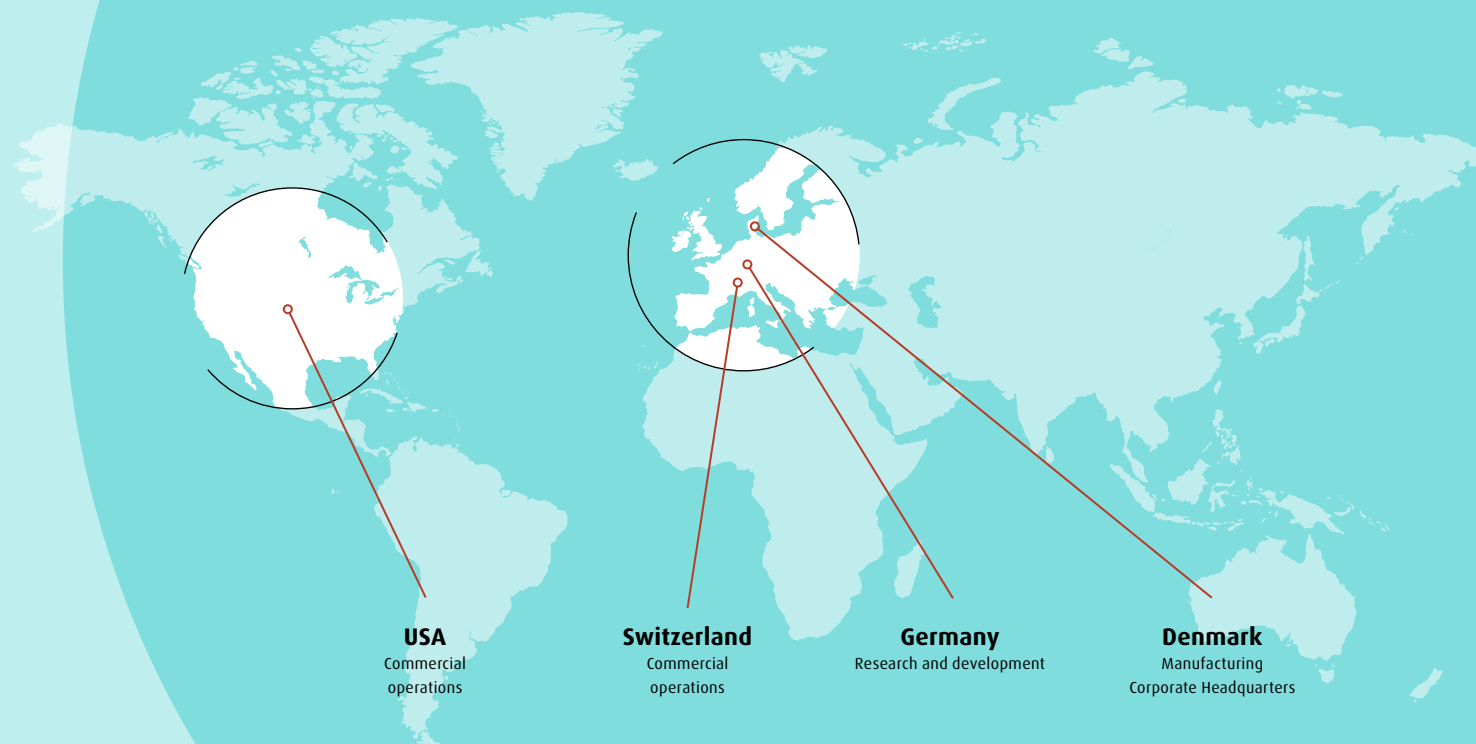
## Our value chain

Spanning the full value chain from early research and development, manufacturing and supply through marketing and distribution of vaccines globally, we are committed to delivering life-saving vaccines.



## Our global presence

Founded in 1994 as a collaboration between Danish investors and German scientists, we have expanded our presence and operations globally.



Letter from the CEO

# Protecting our tomorrow

*2022 was an extraordinary year for Bavarian Nordic with the achievement of several important milestones that could support the launch of new life-saving vaccines in the future. Most importantly, we will remember the year for the significant efforts in making our vaccine available as part of the global response against mpox.*



For the second time over the past decade, we responded to a health crisis which was declared a Public Health Emergency of International Concern (PHEIC) by the World Health Organization (WHO). In 2014 the Ebola outbreak spurred the development of our Ebola vaccine, which was licensed by Janssen, and since gained approval in the EU. The global mpox outbreak in 2022 created an unprecedented demand for our vaccine – the only smallpox vaccine also approved for mpox in the US, Canada and EU.

Both vaccines are born out of our collaboration with the US government that we have worked with for two decades to develop new and improved vaccines. For the mpox vaccine, no one had fore-

seen a global demand at the scale seen during 2022. The vaccine was developed with the purpose of protecting the US against smallpox in case of re-emergence of the disease. As such, the vaccine has only been made available to governments. The mpox outbreak changed this situation, and we have worked tirelessly to ensure supplies to countries and organizations worldwide.

Protecting lives is a key part of our DNA and a significant driver of the huge commitment our employees demonstrate every day at work. Our role during the outbreak and the significant impact of our vaccines has made everyone in Bavarian Nordic immensely proud. We are inspired by the prospects to launch more vaccines in the coming years as we advance our pipeline, specifically our RSV vaccine for older adults, addresses a large unmet medical need, and our COVID-19 booster vaccine, has the potential to offer improved durability over existing vaccines.

While endeavoring to expand our impact on global health, we remain aware of our responsibility for ensuring a sustainable future for the global community. With an expanded manufacturing and distribution footprint worldwide, we are committed to optimizing our operations to enable emission reductions in line with international agreements. Our suppliers represent a significant contribution to our overall emissions and during 2022, we have strengthened our interactions with them to ensure alignment with our ESG objectives. This engagement extends beyond climate-related issues to areas such

as ethics, human rights and labor standards and health & safety.

We have continued to strengthen our work on sustainability and for the first time this year we are supporting the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD). Thorough work has been undertaken to analyze our risks and opportunities under different future climate scenarios which also help to prepare us for the future reporting requirements under the EU Corporate Sustainability Reporting Directive.

Also, for the first time, we have incorporated relevant environmental, social and governance (ESG) targets into the remuneration principles for Executive Management and the organization. This not only aims to strengthen accountability for our actions, but also helps to increase awareness and ownership of the sustainability agenda among our employees and serves as inspiration for continued improvements.

Our interactions with external stakeholders also remain an important driver of change, and we welcome the continued dialogue with shareholders and others in support of our continued efforts towards a sustainable operation.

**Paul Chaplin**  
President and CEO



# ***Sustainability at Bavarian Nordic***

- ***Our approach to sustainability***
- ***Our actions and targets***
- ***Our impact on global health***
- ***Our people***
- ***Environment and climate***
- ***Business ethics and governance***



# Our approach to sustainability

*At Bavarian Nordic, we are committed to improving and saving lives through development, manufacturing and commercialization of novel vaccines.*

With an expanding portfolio of vaccines and a growing presence in the market, we have significantly increased our global impact on good health and prevention of serious diseases.

While pursuing our vision to become one of the largest pure play vaccines companies, we recognize the importance of protecting the world around us, and to act responsibly in all matters.

Conscious about the impact we make throughout our value chain, we have identified four core areas that are affected by our activities: patients, our people, environment & climate and business ethics & governance.

Within each area, we have established principles governing our approach to sustainability. With this we are acting on the basis of principles regarding human rights, labor, environment and anti-corruption, thus adhering to the ten principles of the United Nations Global Compact<sup>1</sup>.

## The Sustainable Development Goals (SDGs)

The United Nation's Sustainable Development Goals (SDGs) are widely recognized for their importance for a sustainable future for the world.

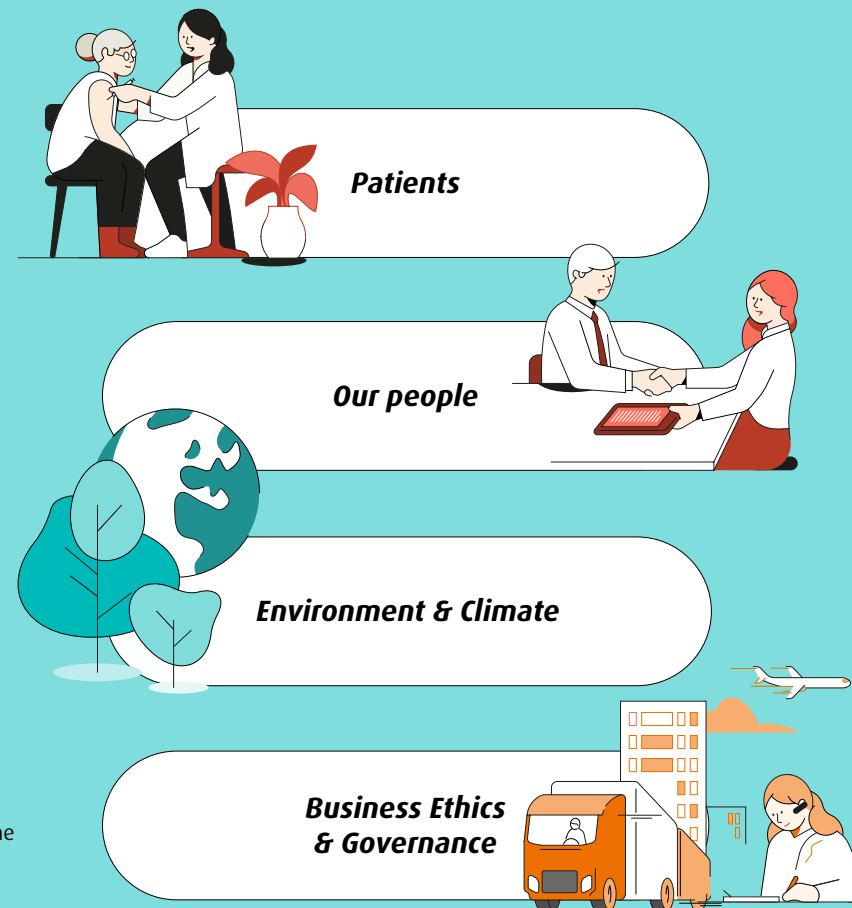
To align our work with the global sustainability agenda, we have selected five SDGs that we consider most important for our business and where our activities can contribute to fulfilling the goals:

- GOAL 3: Good Health and Well-being
- GOAL 5: Gender Equality
- GOAL 8: Decent Work and Economic Growth
- GOAL 12: Responsible Consumption and Production
- GOAL 13: Climate Action



## How vaccines impact the SDGs

According to Gavi, the Vaccine Alliance, vaccines positively impact, directly or indirectly, 14 of the 17 SDGs that support the 2030 Agenda for Sustainable Development

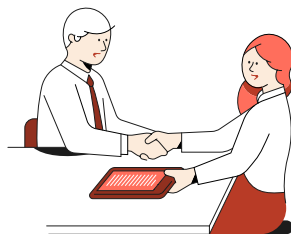


<sup>1</sup> <https://www.unglobalcompact.org/what-is-gc/mission/principles>



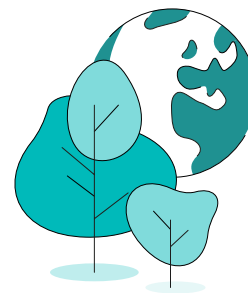
## Patients

- We are committed to improving and saving lives through research, development and manufacturing of vaccines.



## Our People

- We want to be a diverse and inclusive workplace that offers continuous learning and development
- We are committed to providing a healthy, safe and engaging work environment.
- We support and respect human rights and labor standards.
- We engage our own organization in the sustainability agenda and to help identify and take action on areas where we can optimize our operations.



## Environment and Climate

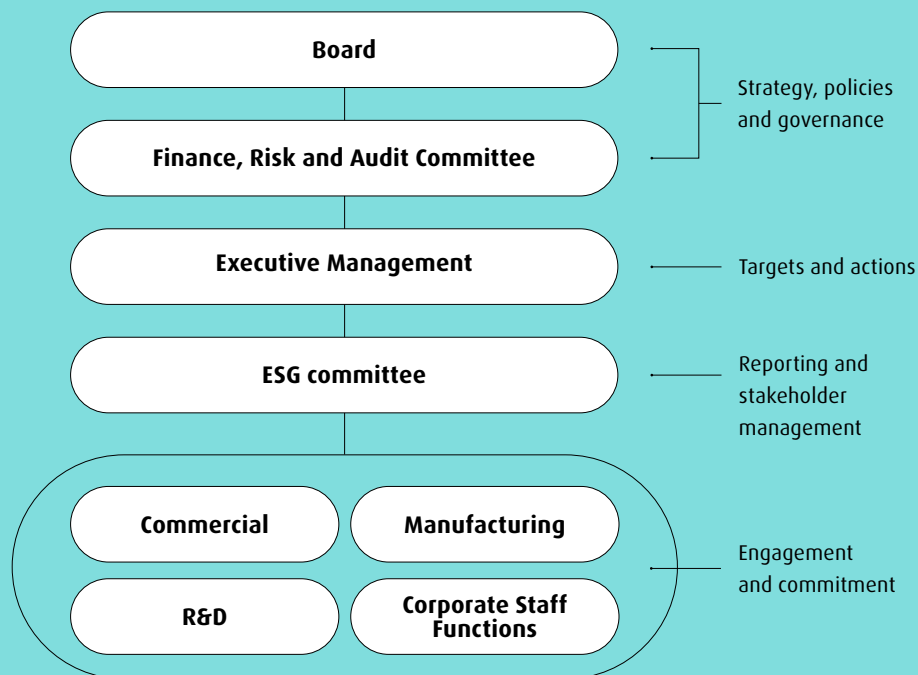
- We work actively and systematically to minimize our impact on the environment and climate.
- We seek to continuously demonstrate a more efficient use of resources benefitting from synergies and scale in our operation.
- We aim to reduce our environmental footprint by increasing the use of renewable energy and support a more efficient use of materials and resources



## Business Ethics and Governance

- We conduct business according to high ethical standards.
- We expect our external partners to have similarly high ethical standards and to have a responsible and ethical conduct throughout their business
- We seek to maintain an active dialog with our stakeholders on a local, national and global level.

## Sustainability Management



### How we work with sustainability

Our sustainability efforts aim to promote good health while also mitigating the risks and adverse impacts of our business on society. As with the general risk management, we have anchored the responsibility and oversight of environment, social and governance (ESG) issues with the Finance, Risk and Audit Committee in the Board of Directors.

Our executive management is responsible for executing the sustainability strategy by setting targets and driving actions in their respective functions. Our ESG Committee is chaired by a member of executive management and comprises subject-matter experts from the organization who ensure that activities are aligned and communicated to stakeholders, externally as well as internally. The ESG Committee is also responsible for the consolidation and reporting of data on relevant performance indicators.

To strengthen accountability for our actions, sustainability is linked to the performance-based remuneration throughout the company, including Executive Management.

### Building a long-term sustainability strategy

With a strengthened commitment and the inclusion of ESG targets in the remuneration principles, we have taken the first steps to build a long-term strategy to support sustainable operations.

To further unfold our ambitions, and enable ourselves to set long-term targets, we will work to enhance our data platform and broaden the scope of our reporting introducing one or more recognized reporting standards in the short- to medium-term which will allow us to better demonstrate progress towards our goals.

While our long-term ambitions and goals will be further defined in 2023, we have established our reporting framework and short-term goals based on an initial materiality and impact assessment. This will continue on an annual basis to ensure that our priorities are aligned.



## Materiality and risks

Our value chain has expanded significantly over the past years, increasing our impact on global health increasing our workforce, environmental footprint and our interactions with suppliers, healthcare professionals, shareholders, and other external stakeholders.

While the requirements for transparency on material issues are largely governed by legislation, we continuously evaluate the impact of our business on our stakeholders by means of quantitative analyses, and ongoing dialogue, to align our expectations for a proper disclosure.

The materiality of issues relating to our environmental, social and governance performance are assessed along with the risks associated with the impact we make as a business, either directly or indirectly via third parties. This work is part of the overall risk management which is reviewed by Management annually and with oversight from the Board of Directors via the Finance, Risk and Audit Committee.

Risk area	How we mitigate the risk
<i>Environment</i>	<p>We perform regular assessments of any risks associated with all our manufacturing activities and their impact on the environment, and from the initial phase of any new project. We work closely together with all relevant authorities to ensure that we have all the necessary approvals and that any impact on the surrounding environment is minimized as much as possible.</p> <p>Our vaccines are based on live viruses and are handled in a contained environment which has been designed to avoid viruses to escape into the indoor or outdoor environment through the air, waste, or wastewater.</p> <p>We work continuously on improvements in connection with the identified areas of risks or opportunities.</p>
<i>Talent acquisition and retention</i>	<p>As a knowledge-based company, it is critical for us to attract and retain sufficient talent in order to perform at high standards and stay competitive. To mitigate this risk, we have established our operations in areas with high intensity of skilled labor, relevant for the biotech industry. We continuously monitor the employee engagement and work actively to identify actions that support retention of key employees.</p>

Risk area	How we mitigate the risk
<i>Human rights</i>	<p>We operate in countries with a high labor standard, regulated by labor laws and are therefore at low risk of violations in this area. Our suppliers are also mainly located in highly regulated countries, thus with a perceived low risk of labor and human rights violations.</p>
<i>Health and safety</i>	<p>With our manufacturing and associated activities, we are aware of the risks associated with handling of viruses and chemicals as well as handling of goods and production equipment. These risks are mitigated on a daily basis through proactive and systematic work in our EHS organization.</p>
<i>Business ethics</i>	<p>The main consequences associated with potential non-compliance with anti-bribery laws and regulations or with our Code of Conduct include fines, limitation in the Company's license to operate and reputational damage to the Company.</p> <p>The overall risk for Bavarian Nordic is considered low as we have a relatively low level of activities and as we primarily do business in countries and regions which are typically perceived at low risk with respect to corruption. We mitigate the risk by continuous training, in particular training of all customer-facing personnel, and by carefully selecting and assessing our partners.</p>

## Climate-related risks and opportunities (TCFD)

In 2022, we mapped key risks and opportunities for Bavarian Nordic arising from climate change. We conducted our first scenario analysis based on the recommendations from the Task Force on Climate-Related Financial Disclosures (TCFD).

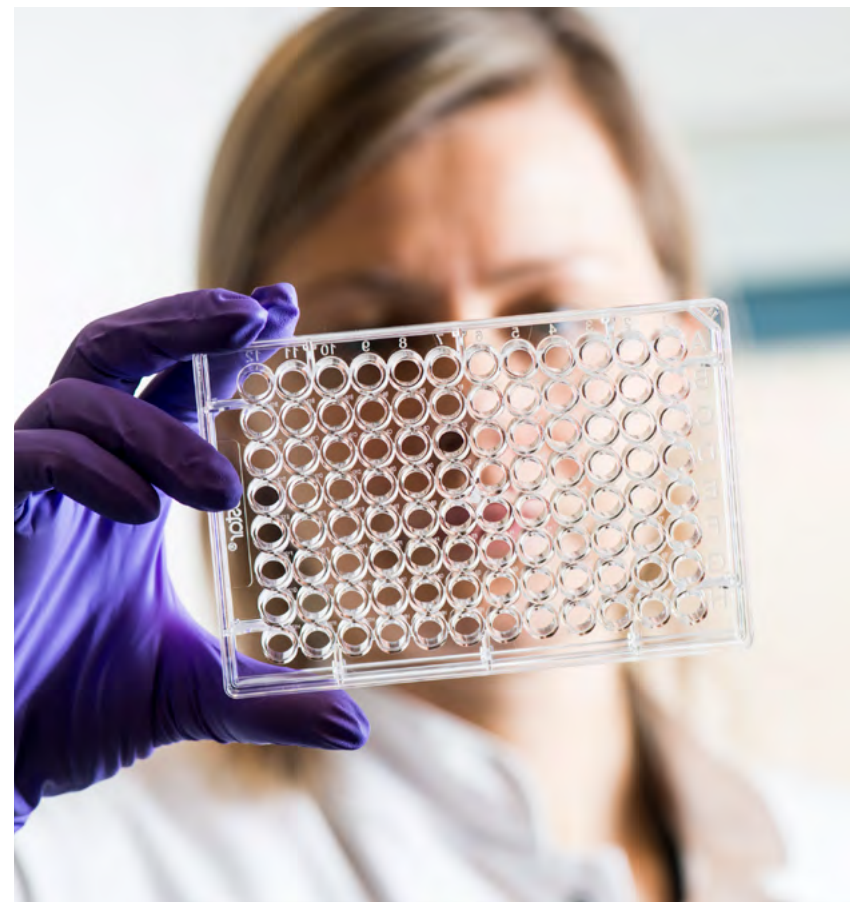
Specifically, we assessed climate-related risks and opportunities against two physical and two transition scenarios under different timeframes, and current and planned actions to mitigate risks and leverage opportunities have been identified.

Our assessment did not reveal significant financial or operational risks to our business in the short-to medium term. Going forward, we will assess climate-related risks and opportunities against the selected scenarios as part of our annual enterprise risk management process.

The TCFD recommendations provide a framework for disclosure of the governance, strategy, risk management and metrics and targets used in the assessment of the company's climate-related risks and opportunities. Our compliance with the recommendations is further explained here:



[TCFD disclosure alignment](#)



# Our actions and targets

*In 2022, we strengthened the accountability for our sustainability efforts in the entire organization by implementing relevant ESG targets in the incentive program for all employees, including our Executive Management.*

Our performance against the targets is explained in the table on the next page. In addition to these targets, we have continued to expand our activities across the company to enhance the overall commitment to sustainability. We have identified and prioritized our actions based on feedback from internal and external stakeholders. Internally, we have driven higher awareness of our actions and targets through quarterly updates to all employees via townhall presentations, and we have included a broader range of internal specialists in ad hoc projects facilitated by the ESG Committee.

We have also further developed our active engagement with external stakeholders. In the fall, we conducted an internal seminar with the participation of the chair of our Finance, Risk and Audit Committee, our ESG Committee and representatives from our largest shareholders and external ESG specialists to discuss our role and responsibility in the global sustainability agenda.

*Apart from this the ESG Committee has led the execution of a number of important actions:*

- Development and implementation of standards for responsible sourcing applicable for selected vendors regarding i.e., ethics, human rights, health & safety, and environmental performance.
- Completion of a scenario-based analysis and development of initial disclosure of risks and opportunities in accordance with the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD)
- Execution of an initial assessment of scope 3 reporting requirements
- Review of the reporting requirements under the upcoming EU Corporate Sustainability Reporting Directive (CSRD) and the EU Taxonomy
- Completion of an energy efficiency screening of our manufacturing site with key optimization project identified and planned for implementation as a result.

## Target achievement in 2022

Area	Focus	Our accomplishments	
Our People	Employee engagement	✓	91% completion of actions identified in 2021 engagement survey
	Diversity and inclusion	✓	Maintained equal gender distribution in all management in line with target
	Health and safety	✓	Sick leave increased from 3.1% in 2021 to 3.7% in 2022
		—	Work-related injuries decreased, resulting in LTIFR of 1.3 vs. 3.9 in 2021
Environment and Climate	Emissions	✓	A baseline for energy consumption in commercial production was established to be used for future reporting and goalsetting
	Waste	✓	Recycling rate at 55% in line with target
Business Ethics and Governance	Governance	✓	Implemented enhanced process for third-party due diligence process for anti-bribery purposes

## 2023 targets

Area	Focus	Target	
Our People	Employee engagement	○	Employee turnover ≤ global industry standards
	Diversity and inclusion	○	Maintain 40/60 gender ratio in all management
	Health and safety	○	Work-related injuries (LTIFR) ≤ last 3 years average
Environment and Climate	Energy and emissions	○	Reduce energy consumption per commercial product
			Implement technical solutions in our manufacturing with an aim to reduce energy (gas) consumption
			Embark on scope 3 emissions reporting
	Waste	○	Waste recycling rate > 50%

✓ accomplishment

— Not accomplishment

○ Target



# Our impact on global health

*Our commitment to saving and improving lives by unlocking the power of the immune system is strong and we have continued to increase our impact on global health in 2022.*

The reopening of the world after COVID-19 has gradually increased the global travel activity with higher demand for our vaccines for travelers. However, the mpox outbreak was both unexpected and unprecedented and truly put us in the spotlight to manufacture and deliver vaccines around the globe.

These efforts have clearly demonstrated our commitment and ability to transform our knowledge, expertise and capabilities into life-saving vaccines with a significant global impact.

## Targeting unmet medical needs

In 2022, we nearly quadrupled our investments in research and development. These large investments aim to ensure that we can continue to provide novel vaccines to fight infectious diseases with unmet medical needs.

Specifically, we initiated a Phase 3 trial in 20,000 subjects of our RSV vaccine candidate for older adults, representing a significant unmet medical need. In 2023, we expect the results from the trial leading to the potential approval for the Western markets in 2025. We also entered a partnership which could help expand access to the vaccine in China and other Asian countries.

A next-generation COVID-19 vaccine is another of our priorities. While many vaccines have been developed and approved for emergency use and/or have obtained full regulatory approval, they are still subject to continuous refining as new variants of the SARS-CoV-2 virus emerge. Our vaccine candidate has been designed to offer longer-lasting protection with broader efficacy that obviates the need for continuously adapting to new variants. In 2022, we initiated a Phase 3 trial of the vaccine candidate and expect to report results from the trial in 2023.



RSV Phase 3 study

**20,000**

subjects enrolled

COVID-19 Phase 3 study

**4,000**

subjects enrolled

*The global mpox outbreak started in May 2022 and quickly spread to many countries. At its peak in August, more than 1,000 daily cases were reported on average.*

*By year-end, more than 84,000 cases had been reported in over 100 countries.*

*While infections still occur, the outbreak has been largely contained as result of awareness and vaccination campaigns among high-risk groups.*

### Mpox

The global outbreak of mpox in 2022 took the world by surprise. No one was expecting an outbreak of this magnitude within a disease area there was little experience with handling. Even after COVID-19, with all the lessons learned – the public health system around the globe was faced with a new challenging health situation. This time, however, with a vaccine that was developed and licensed.

Our vaccine was – and still is – the only one approved by the U.S. Food and Drug Administration (FDA), Health Canada and the European Commission for the protection of mpox. In order to meet the urgent demand for the vaccine, we managed to reprioritize our production schedule to fill and finish

vaccines at our facility. In addition, we entered into an agreement with a US-based contract manufacturer to expand the filling capacity.

By year-end, we had manufactured and delivered more than 4 million doses of the vaccine worldwide, thereby ensuring access to more than 70 countries through both bilateral agreements as well as agreements with the European Health Emergency Preparedness and Response Authority (HERA) and the Pan American Health Organization (PAHO), the WHO's regional office for the Americas. Our work to manufacture and supply mpox vaccines continue into 2023.



## Engaging with society

Our commitment to saving lives goes beyond delivering vaccines. We see it as part of our obligation to also raise awareness of life-threatening viruses and how they can be prevented among the general public. To support this, we have launched a global website with the purpose of educating and informing about diseases like mpox, rabies and tick-borne encephalitis.



[www.loweringtherisk.com](http://www.loweringtherisk.com)

We work closely with healthcare and patient organizations through various activities and campaigns to raise awareness and share our expertise and insights. Specifically in 2022, on World Rabies Day we supported the Global Alliance for Rabies Control (GARC) for the third consecutive year by helping to raise global awareness about rabies and prevention of the disease. We also again participated in World Encephalitis Day through a campaign on our social media channels and by engaging our employees globally to take part in the campaign.

The mpox outbreak during 2022 provided us a unique opportunity to share our knowledge in

the field. We supported multiple research groups working on the real-life evaluation of our mpox vaccine and two investigator-initiated trials, one studying the effectiveness of pre-exposure vaccination with the vaccine in non-endemic countries and one determining whether it can reduce mpox burden of illness in exposed household contacts of confirmed cases in endemic countries.

## Human rights

Our human rights efforts strive to go beyond compliance and drive high standards of conduct and responsibility, including, but not limited to, anti-bribery and anti-corruption, product safety, labor rights, and the development of supplier capabilities to support high social standards.

We are committed to respecting human rights throughout our organization and supply chain, as defined by the United Nations Guiding Principles on Business and Human Rights (UNGPs), International Labour Organization's (ILO) Declaration on Fundamental Principles and Rights at Work, principles of the UN Global Compact, and the Universal Declaration of Human Rights (UDHR). Our human rights work is grounded in our health and safety standards and Responsible Sourcing Standards for Suppliers,

both of which are reviewed periodically to ensure that we recognize and address any adverse implications.

Our commitment and implementation of human rights adherence are not limited to national labor and anti-discrimination laws. We work to maintain or exceed compliance with legal and regulatory requirements in the locations we operate in. Our commitment extends to the human rights of any person who can be adversely impacted by Bavarian Nordics' activities, including employees, patients, and people in our value chain.

Our aim is to prohibit human rights violations by proactively identifying risks in our organization and value chain and responding promptly with appropriate actions. To do so, management reviews our risk management at least annually with the cooperation of our Board of Directors via the Finance, Risk and Audit Committee.

In 2022, we have not received any reports of violations of human rights within our company.

We are in the process of adopting a separate human rights policy that further expresses our under-

standing of human rights and represents a guideline for our actions.

## Patient safety

The safety of patients and study participants is paramount to our business, and quality and responsibility are important elements of our corporate culture. Vaccine development is a highly regulated area, in which a strong regulatory regime of inspections and approvals sets high standards for our work, from early development, clinical trials, product approval, commercial manufacturing through distribution.

We follow the regulatory requirements from the International Council for Harmonisation (ICH), which provides guidelines on safety, quality and efficacy topics, the Declaration of Helsinki, Good Clinical Practice (GCP) as well as respective national clinical trial regulations. Our commitment to patient safety is supported through our quality management system, which ensures we live up to applicable legislation and safety requirements for our trials and products. Our pharmacovigilance system supports the collection, assessment, and notification of relevant safety data. All employees in our organization are required to complete training in pharmacovig-



ilance, which is monitored in the quality management system.

We have robust procedures in place for reporting adverse events and product quality complaints, and all our employees are trained in proper handling of information, should they become aware of an adverse event or other potential safety issue related to our products.



# Our people

*Our growth over the past years has not only expanded our footprint on global health but has also led to a significant expansion of our organization in terms of size and geographical scope. Our workforce has increased by nearly 100% since 2019 – the year we launched our ambitious growth strategy and by year-end 2022, we counted nearly 1,000 employees worldwide with a shared aspiration to protecting lives through innovative vaccines.*

Our skilled employees remain the most important asset to Bavarian Nordic, as they are key to our success as an innovative and knowledge-based company. It is therefore important for us to offer a diverse and inclusive workplace that offers continuous learning and development, while also providing a safe, healthy and engaging work environment.

## Employee engagement

We follow up regularly on the engagement and work environment among employees. The latest engagement survey demonstrated an impressive response rate and a high level of engagement

(80%) compared to our peers. Based on the results we have spent 2022 identifying and completing the important actions (91%) to continue to improve the level of engagement. Actions have focused on development of leaders, mentoring of talent and further actions towards a positive work environment.

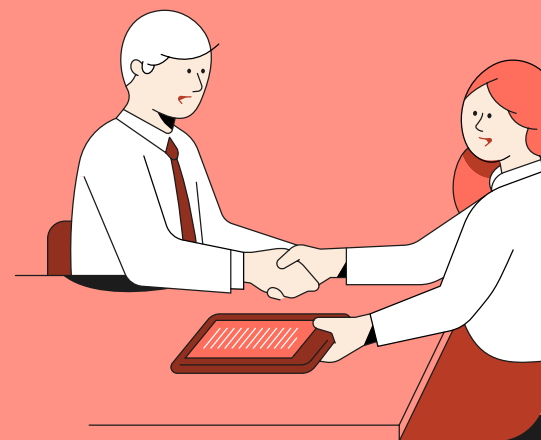
In spite of a high level of engagement, turnover has increased during 2022. Fierce competition for talent within pharmaceutical development and manufacturing in the geographical areas where Bavarian Nordic is located has been a challenge for retention. We have witnessed a higher turnover among

Total workforce  
increase in 2022

**28%**

Employees

**>1000**



employees with low seniority, who have not yet fully integrated into Bavarian Nordic due to months of remote working during the COVID-19 pandemic. Nevertheless, the awareness and interest in joining Bavarian Nordic with our exciting growth track and important life-saving role in society has never been higher. In 2023, onboarding and integration of new employees as well as general well-being and people development will be key focus areas to further advance the needs of people and organization.

As part of this we are rolling out a leadership development program that equips our leaders with the skills and knowledge necessary to foster an inclusive and supportive work environment and strengthen the connection and engagement among our employees. As we continue on our growth journey, it is important that we keep listening to our employees to ensure a high level of understanding and ownership of our strategic objectives and values critical to deliver on our ambitions. In the coming year we will track the engagement via surveys and meetings to stay in tune with the local work environment.

### Flexible and inclusive workplace

Our commitment to improving our employees' work environment and way of working is formulated in our remote working policy, health and safety policy and Code of Conduct and the legal and regulatory requirements in the locations we operate in.

Remote working has become a new normal practice in our organization. In the past years we have embraced a flexible way of working, allowing leaders and employees to make individual agreements for how to plan and execute work in alignment with the individual role. The opportunity for remote working has increased flexibility for employees and helped strengthen the digital mindset in the organization via the added use of digital technology and tools to work smarter. In addition, it has reduced the need for regular travel across geographies.

As part of the flexible working conditions all offices have been renovated to a more dynamic, modern, and appealing workspace, with a specific focus on establishing a welcoming, collaborative, and knowledge-sharing environment.

In agreement with the leader employees can adjust working hours for a period of time, if it aligns with the individual's role and responsibility. This supports the individual employees' lifestyles, well-being, and personal circumstances and allows for a more inclusive workplace.



## Diversity and inclusion

We strive to foster workplace diversity across different dimensions, including educational, cultural, national, age, and gender dimensions. We believe that a diverse workforce is a prerequisite for our continued innovation and success. We are committed to diversity at all levels of the company and strive to minimize biases when recruiting new employees by focusing on the right skills and competences, regardless of gender, age, ethnicity, and other differences.

We want to promote an inclusive workplace that caters for changing family circumstances and constellations. For this reason, we have implemented improved parental leave policies that provide mothers, fathers, and adoptive parents with better paid leave conditions following the birth or adoption of a child. Across our sites, our offerings are aligned or exceeding industry standards and legal requirements. Our diversity policy underlines our understanding of diversity and inclusion and represents a guideline for our actions. Furthermore, it sets out a number of ambitions for our work with diversity across the company:

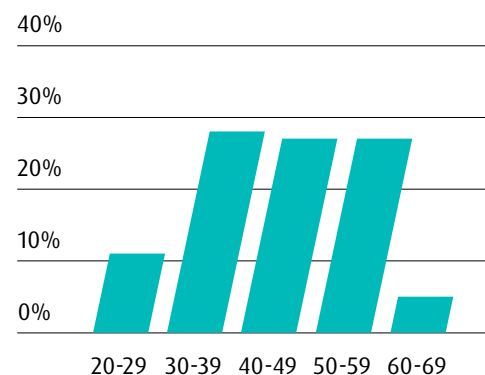
- Have a balanced gender distribution in all managerial positions and at all levels in the organization.
- Seek an age-diverse workforce that brings new perspectives, knowledge, and experiences.
- Develop a workplace that embrace the diverse backgrounds and perspectives stemming from an increasingly global and specialized organization.
- Ensure that the composition of our Board and Management is diverse in terms of experience, competencies, nationality, and gender.



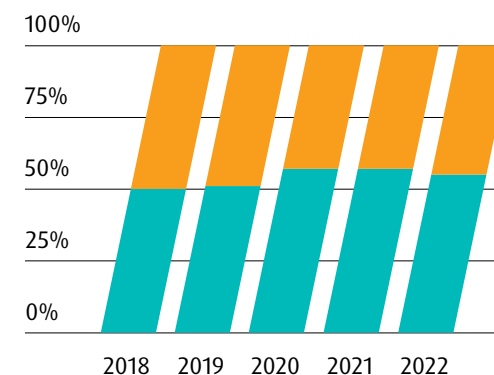
### [Diversity Policy](#)

In line with our target, we have maintained an equal distribution of men and women in managerial positions in 2022, and we have female representation at all leadership levels in the organization, including the Executive team, where two out of six members are female.

## Age diversity



## Gender diversity in all management



Men  
Women

At the beginning of 2022, our Board of Directors had a representation of five male and two female members elected by the shareholders, thus adhering to the guidelines from the Danish Business Authority on equal gender distribution in boards. During the year, a male and a female sharehold-

er-elected member left the board, after which the board composition was no longer in line with the guidelines. It is the aim to fill the vacant positions at the annual general meeting in March 2023 so that the board composition will again adhere to the guidelines from the Danish Business Authority on equal gender distribution on the Board.

As described in our Code of Conduct and our global policy on bullying and harassment, we do not accept any kind of discrimination. We promote an inclusive work environment in which everyone is given equal opportunities for development and advancement and is treated with fairness and respect. If employees, shareholders, partners or customers experience any breach of our anti-harassment policy or Code of Conduct, they can report it via our Ethics Hotline. The collaboration with our works councils in Denmark and Germany, helps ensure that workplace decisions are made in the shared interests of both employees and Bavarian Nordic.



[Ethics Hotline](#)

## Health and safety

Creating a healthy and safe working environment continues to be a strong focus for Bavarian Nordic.

With the ongoing expansions and changes to our work environment it is key to evaluate and secure healthy and safe working conditions. We remain committed to increasing the focus on detection and prevention of absence due to sick leave and occupational accidents.

Due to the opening of societies during 2022 while COVID-19 was still around absence due to sick leave increased compared to 2021 level (absence 3.7% in 2022 vs to 3.1% in 2021). There was a significant decrease in working accidents compared to 2021 level (accident frequency per million working hours was 1.3 in 2022 vs. 3.9 in 2021). With a growing organization and the changes to our manufacturing facility, we will continue to put focus on training leaders and employees in health and safety standards and measures and assess and improve of the working environment. Our efforts are guided by and in accordance with the ISO 45001 standard for an occupational health and safety (OH&S) management system.

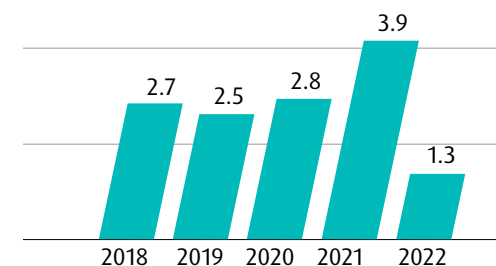
An important aspect of occupational health and safety is safeguarding mental health and well-being at work. We believe that mental health is just as important as physical health. In 2022 we have promoted the importance of wellbeing and



mental health within our organization. All leaders have received awareness and stress management training where they have been provided with a toolkit to understand and identify symptoms of work pressure and stress, and how to facilitate a sustainable work environment.

To enhance our global EHS oversight a global EHS Committee will be established to increase collaboration and leadership involvement in the status and development of a safe and healthy work environment.

## Occupational injuries



Number of occupational injuries per million working hours



# Environment and climate

*With our growth and ambition to become one of the world's largest pure play vaccine companies, we recognize our responsibility towards ensuring sustainable operations and contribute to reducing our impact on the environment and climate.*

We are in a transition period tech transferring acquired vaccines to our own production facility and expanding our global commercial footprint all with an aim to make a larger impact on global health through the supply of novel vaccines. As a consequence, there will be an increased use of energy and natural resources.

We are committed to continuously look for more energy efficient production methods and processes and to gradually switch to more sustainable energy sources in our production and distribution activities to contribute to the objectives outlined in the Paris Agreement on Climate Change.

## Our position

Our primary impact on the environment and climate is derived from our vaccine manufacturing, and we endeavor to reduce this impact by improving our manufacturing efficiency and processes to optimize energy consumption and to minimize emissions and waste in the future.

During 2022 an energy efficiency screening of our production facility was done to identify technical and non-technical solutions to reduce or optimize our energy consumption. In 2023, three of the suggested solutions are planned for implementation that will reduce consumption of energy and gas as an energy source.

We wish to continuously strengthen our environmental work, and we seek to do so by maintaining a high degree of compliance and systematization in our organization, in accordance with the principles in the ISO 14001:2015 standard for environmental management.

We seek to involve and commit our employees to raise awareness and ensure a proactive approach to environmental work throughout the company.



## Emissions

Our total emissions<sup>1</sup> increased by 10% as a natural consequence of increased activities. While we have expanded our total office and manufacturing space, to house new production processes and to cover the entire workforce, we have seen a 4% decrease in emissions from the production site due to an increased share of renewable energy in the purchased electricity.

The general increase in emission has primarily been driven by our site in Germany and an expansion of our sales force with the need to travel long distances by car to our customers.

In 2023, we plan to do an energy efficiency screening on sites outside Denmark to look into ways to reduce energy consumption in those geographies as well.

## Baseline established for energy consumption

As a starting point for our ambition to reduce our climate impact, we have set a baseline for our energy consumption and CO<sub>2</sub> emission per commercial vial in 2022. We will use this baseline to

measure our ability to increase the efficiency of our production and to optimize our energy consumption and energy mix going forward. During 2022, we installed charging stations at our manufacturing site and have initiated a move towards energy-efficient cars. Going forward all new benefit cars must be either electric cars or plug-in hybrid cars to support a reduction of the CO<sub>2</sub> emissions of our car fleet.

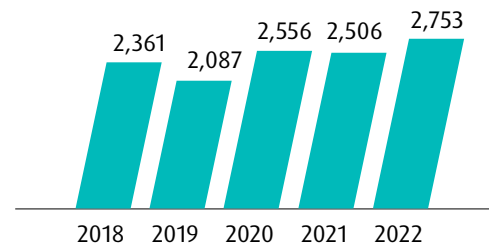
*Total scope 1 and scope 2 emissions increased by*

**10%**

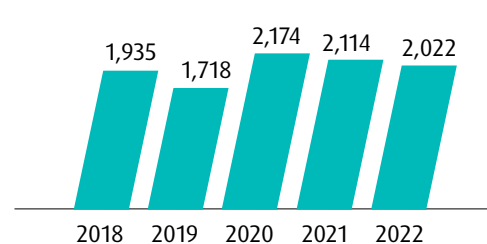
*Emissions from production decreased by*

**4%**

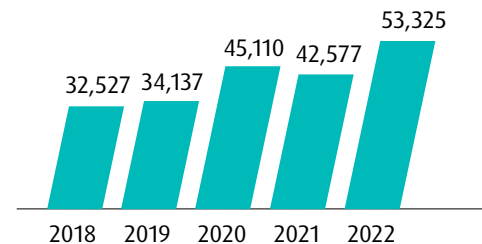
**Total emissions, tCO<sub>2</sub>e**



**Emissions from production, tCO<sub>2</sub>e**



**Energy used in production, GJ**



### Protecting the water environment

Water is an important resource in our production where it is used throughout our manufacturing process. Before discharge, wastewater is heat-inactivated, cooled and pH adjusted in accordance with our permit to use the public sewer system.

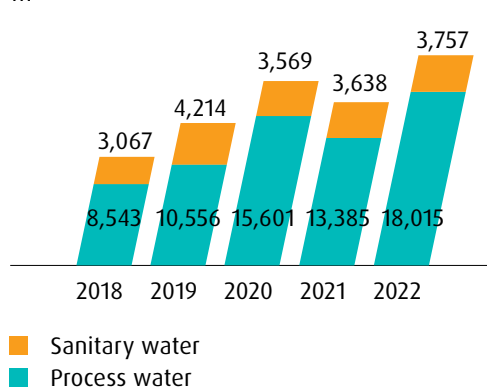
In 2022, we completed the expansion of our bulk manufacturing facility and have started qualification of the facility in preparation for taking over manufacturing of the two acquired vaccines against tick-borne encephalitis and rabies. A minor fraction of

the wastewater from this process is being collected and transported to an external waste treatment facility for additional treatment. In 2022, 558m<sup>3</sup> or approx. 3% of the process wastewater was collected and sent for special treatment.

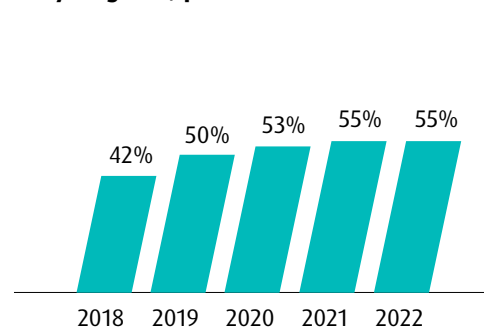
### Recycling efforts widened

Total waste from our manufacturing facility increased by 10% as expected due to higher production. Yet recycling rate at 55% in 2022 was achieved which was on par with 2021 levels in spite of a significantly higher activity level. More importantly,

### Water consumption, production



### Recycling rate, production



hazardous waste was reduced by more than 20% compared to 2021.

We continue to explore options to further increase recycling from our production with several initiatives being assessed, particularly focusing on recycling options for mixed plastics, which is widely used in our processes, and recycling of glass from vaccine vials that have been discarded.

In line with regulatory requirements, we have introduced 10 different waste fractions for collection in Denmark. Waste from other facilities than our manufacturing site is not reported and thus does not contribute to the overall recycling rate.

# Business ethics and governance

*In Bavarian Nordic, we believe that a commitment to honesty, integrity and ethical conduct is essential to build trust with our patients, customers, suppliers, collaboration partners, employees, shareholders, and the communities in which we operate.*

## Code of conduct

Our Code of Conduct describes the ethical principles that characterize our Company and the expectations to our employees, our Executive Management, and our Board of Directors. The Code of Conduct is available on our website, and it helps us communicate to leaders and to employees as well as our external stakeholders the values and ethical mindset that we apply in our decision-making throughout the organization.



[Code of Conduct](#)

All employees have been trained in the Code of Conduct in 2022. In addition, we have global and local procedures in place to ensure that our interactions and activities comply with all applicable laws and regulations. In particular employees who have interactions with healthcare professionals, healthcare organizations or government officials are regularly trained in applicable legal requirements and the Company's procedures.



To ensure corporate oversight with the Company's global business ethics compliance risks, we have a Business Ethics Compliance Committee who represents Executive Management and relevant business functions. The Committee meets regularly to review and assess risks, training, and the levels of compliance. The Finance, Risk and Audit Committee receives regular updates from the Business Ethics Compliance Committee. In 2022, it was decided – in line with the Company's growth – to appoint a global Chief Compliance Officer who, together with the Business Ethics Compliance Committee, have the overall oversight of the Company's global compliance program. At the same time, it was decided to appoint a US Compliance Officer to have specific oversight with the US compliance program.

### Open and honest culture

We encourage an open and honest culture, and we take violations of the Code or applicable laws and regulations very seriously.

Employees are instructed to seek guidance from their manager, and if employees face or become aware of a situation that may violate or lead to a violation of our Code of Conduct or applicable laws and regulations, they are instructed to report concerns to their manager, to the legal department,

to a member of Executive Management or the Business Ethics Compliance Committee, or via our whistleblower scheme "Ethics Hotline".



### [Ethics Hotline](#)

The hotline provides employees and our external stakeholders the opportunity to report serious violations of the law or the Code of Conduct, or suspicion thereof, in a confidential manner.

In 2022, the Company received no reports through the hotline.

### Our interactions with healthcare professionals

Our entry into the commercial vaccine market over the past few years has significantly increased our interactions with customers and healthcare professionals globally. We believe that such interactions, including those we conduct with healthcare organizations and patient organizations, are essential to the quality of patient treatment and future innovations.

All our interactions are based on a legitimate business purpose and are conducted in compliance with all applicable laws and regulations. We never give or offer anything of value to healthcare professionals and healthcare organizations that could unduly influence their prescribing or purchasing decisions, and any transfer of value (including provision of meals, travel, and accommodation, as well as fees

for services) is proportionate to the legitimate need and it is offered only if permitted under local laws and regulations and only in accordance with our policies and procedures.

We report and disclose payments (transfers of value) made to healthcare professionals and healthcare organizations when required by local laws.







### Anti-corruption

At Bavarian Nordic, we do not accept bribery, corruption or fraud in any form whether conducted by an employee or by a third party on our behalf. These principles are implemented in our Code of Conduct which all employees are regularly trained in. For third parties who represent Bavarian Nordic in critical business matters, we have processes in place to evaluate their integrity and to assess the level of alignment with our ethical principles and standards. As we further commercialize our products globally we remain focused on ensuring ethical and compliant operations going forward.

### Responsible sourcing

In accordance with GMP and our supplier management system, we perform a risk assessment of all new suppliers of critical materials and equipment used in our production and laboratories. Suppliers whose products are considered to have a material impact on our products' quality and safety, will undergo an initial audit, followed by an evaluation every third year as a minimum, either by way of a visit or a questionnaire, depending on the situation. The structured audit process helps us to gauge the quality mindset of our suppliers.

While our suppliers are mainly located in North America and the EU, which are highly regulated areas in respect to environmental, social and governance matters, we wish to improve the transparency in our business relationships. We have therefore developed a set of standards which outline our expectations to our suppliers within ethics, human rights and labor standards, health & safety, and environmental performance. These responsible sourcing standards are aligned with our own policies and guidelines and constitute a cornerstone in our supplier selection and evaluation.

During 2022, we have implemented the standards in our supplier contracts and have initially engaged with our largest vendors with our ask for them to pledge their commitment to the standards or equivalent standards. We will continue to engage with more suppliers, including also service providers to increase awareness and commitment throughout our supply chain.



[Responsible Sourcing](#)

# ***ESG figures***



- ***ESG figures***
- ***Notes***
- ***Reporting practices***
- ***Independent auditor's assurance report***

## Alignment of our reporting according to the TCFD recommendations

The table below references the sources of information aligned with the disclosure recommendations.

### Governance

Disclose the organization's governance around climate-related risks and opportunities.	Describe the board's oversight of climate-related risks and opportunities.	<a href="#">→ See section: How we work with sustainability</a>
	Describe management's role in assessing and managing climate-related risks and opportunities.	<a href="#">→ See section: Materiality and risks</a>

### Strategy

Disclose the actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning where such information is material.	Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	No material risks or opportunities have been identified.
	Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.	No material impact from risk or opportunities has been identified.
	Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	Resilience plans have not yet been developed but are in scope for our future work with the TCFD recommendations.

## Risk Management

<p><i>Disclose how the organization identifies, assesses, and manages climate-related risks.</i></p>	Describe the organization's processes for identifying and assessing climate-related risks.	<p>To integrate the identification and management of climate hazards and/or the risks posed by the transition to a low-carbon economy into our existing systems and processes, we have integrated climate assessments into Bavarian Nordic's Enterprise Risk Management (ERM) process.</p> <p>The ERM Process is coordinated by the Finance department with responsibility for overseeing Bavarian Nordic's ERM program and reported to the Finance Risk and Audit Committee. Each risk has a defined risk mitigation plan directed by relevant members of the senior leadership team.</p>
	Describe the organization's processes for managing climate-related risks.	Climate-related risks are evaluated by the ESG Committee with relevant business representatives and subject matter experts.
	Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	In 2022 we looked at climate-related risks and opportunities stemming from various perspectives to better evaluate their potential financial impact in our company and to inform our strategy, risk mitigation and opportunity enhancement measures. Climate-related risks have already been incorporated into our ERM system and are communicated to internal stakeholders by the ESG Committee. Throughout 2023, we will continue to work on the management of climate-related risks.

## Metrics and Targets

<p><i>Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.</i></p>	Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	Relevant climate-related metrics are disclosed in this report, including Scope 1
	Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks.	<p>We disclose our Scope 1 and Scope 2 emissions in our annual report and in this report.</p> <p>See data on → <a href="#">Scope 1 and 2 emissions</a></p>
	Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	Targets have not yet been set. During 2022, we have established a baseline to enable goal setting for future reductions in energy and emissions



## EU Taxonomy alignment

*We continuously assess our business and economic activities and the environmental impact hereof.*

We have assessed that our primary economic activities do not currently fall within the environmental objectives (climate change mitigation and climate change adaptation) as currently published by the EU Taxonomy Regulation. We monitor whether activities are eligible and aligned in accordance with the taxonomy, i.e. are considered to have the potential to be sustainable within the taxonomy and whether the activities are aligned i.e. the activities are making a substantial contribution to at least one of the climate and environmental objectives, while also doing no significant harm to the remaining objectives.

The assessment has been done by screening all economic activities against the EU Taxonomy Regulation's prioritized sectors, considering whether any of these were eligible and relate to the climate-related objectives. It is our conclusion that the taxonomy-eligible, or aligned, share of our revenue is zero. OPEX is deemed immaterial, and we thus use the exemption and report this at zero. With respect to CAPEX, we report 10% eligibility (0% alignment)

related to economic activity 7.1 Construction of new buildings.

The screening has been done for all activities across revenue generation, cost, and investments. The criteria for investments are built into our investment screening and reporting processes and is assessed at time of investment approval.

We will monitor the further development and interpretation of the EU taxonomy against our activities to assess how activities fall within aligned or eligible activities for EU Taxonomy in 2023 and coming years.

The identified eligible CAPEX mainly relate to a new building which has been established for future production of acquired products; the building



Activity	Total DKK million	Eligible DKK million	Eligible %	Aligned DKK million	Aligned %
Turnover	3,151	0	0	0	0
OPEX	1,228	0	0	0	0
CAPEX	803	79.9	10%	0	0



expansion was completed in 2022. The numerator of the eligible CAPEX is thus mainly driven by investments related to purchase of output of taxonomy-eligible economic activities (category C).

The activities are classified as taxonomy-eligible but cannot be classified as taxonomy aligned.

### Accounting policies

CAPEX: The denominator consists of additions to tangible assets, intangible assets, and right-of-use assets during the financial year<sup>1</sup> considered before depreciation, amortization and any re-measurements, including those resulting from revaluations and impairments, for the relevant financial year, excluding any fair value changes. Furthermore, the denominator also covers any additions to tangible and intangible assets resulting from business combinations.

The numerator equals to the part of the capital expenditure included in the denominator that is any of the following: (a) related to assets or processes that are associated with taxonomy-aligned economic activities; (b) part of a CAPEX plan to

expand taxonomy-aligned economic activities; (c) related to the purchase of output from taxonomy-aligned economic activities. The CAPEX KPI is defined as taxonomy-eligible CAPEX (numerator) divided by total CAPEX (denominator).

OPEX: The denominator consists of direct non-capitalized costs that relate to research and development, building renovation measures, short-term lease, maintenance and repair, and any other direct expenditures relating to the day-to-day servicing of assets of property, plant and equipment by the undertaking or third party to whom activities are outsourced that are necessary to ensure the continued and effective functioning of such assets.; where the costs are zero or close to zero the cost has been excluded. The numerator equals to the part of the operating expenditure included in the denominator that is any of the following: (a) related to assets or processes that are associated with taxonomy-aligned economic activities; (b) part of a CAPEX plan to expand taxonomy-aligned economic activities; (c) related to the purchase of output from taxonomy-aligned economic activities. The OPEX KPI

is defined as taxonomy-eligible OPEX (numerator) divided by total OPEX (denominator).

None of the activities contribute to multiple objectives based on the relevant underlying activity and purpose of the activity; no activity is hence double-counted.



<sup>1</sup> Reference is made to the consolidated financial statements for the Group: tangible assets (note 16), intangible assets (note 15), and right-of-use assets (note 17).

## ESG figures

Consolidated figures on environmental, social and governance indicators are presented in the following tables. Additional disclosures, including to some extent disclosures of country-specific numbers are found in the [Notes](#) section.

The principles used for assembling and calculating data are further described in the [Accounting Policies](#) section and have been consistently applied for the financial year and for the comparative figures, unless otherwise stated..

### Environmental data

DKK thousand	Unit	Note	2022	2021	2020	2019	2018
<b>Emissions</b>							
CO <sub>2</sub> e, scope 1	Metric tons	1	1,765	1,422	1,381	909	964
CO <sub>2</sub> e, scope 2	Metric tons	1	988	1,085	1,175	1,178	1,398
CO <sub>2</sub> e, total	Metric tons	1	2,753	2,506	2,556	2,087	2,361
CO <sub>2</sub> e per employee (FTE)	Metric tons	1	3.1	3.4	4.2	4.5	5.6
<b>Energy</b>							
Energy consumption	GJ	2	53,325	42,577	45,110	34,137	32,527
<b>Water</b>							
Water consumption	m <sup>3</sup>	3	21,772	17,023	19,170	14,770	11,610
<b>Waste</b>							
Waste, total	Metric tons	4	269	245	196	159	130
Recycling rate	%	4	55	55	53	50	42
Environmental incidents			0	2	0	0	0

### Social data

DKK thousand	Unit	Note	2022	2021	2020	2019	2018
Full-Time Workforce	FTE	5	874	734	607	465	421
Gender diversity <sup>1</sup>	%	5	59	61	61	N/A	N/A
Gender diversity, All management	%	5	55	56	56	51	50
Gender diversity, Executive Management	%	5	33	33	28	0	0
Employee turnover ratio	%	5	19	14	9	10	13
Sickness absence <sup>2</sup>	%	5	3.7	3.1	2.7	2.8	2.9
Sickness absence <sup>2</sup>	Days per FTE	5	8	7	6	6	6
Occupational injuries, LTIFR <sup>3</sup>		5	1.3	3.9	2.8	2.5	2.7

<sup>1</sup> Data not collected before 2020

<sup>2</sup> Sickness absence does not include offices in the USA. For the years 2018-2021, the numbers include child sick days.

<sup>3</sup> LTIFR: Lost Time Injury Frequency Rate

### Governance data

DKK thousand	Unit	2022	2021	2020	2019	2018
Gender diversity, Board <sup>1</sup>	%	20	29	29	29	14
Board meeting attendance rate <sup>1</sup>	%	99	99	97	98	97
CEO pay ratio <sup>1</sup>	Times	22	16	16	15	N/A

<sup>1</sup> Data derived from the Company's annual reports 2018-2022, except for CEO pay ratio, which is presented in the remuneration reports 2018-2022.

# Notes

Unless otherwise stated, the presented figures cover all Bavarian Nordic sites and employees.

## Note 1

### Emissions

Total <sup>1</sup> , tCO <sub>2</sub> e	2022	2021	2020
<b>Direct emissions (Scope 1)</b>			
Heating	1,507	1,301	1,288
Electricity generation	1	14	16
Fugitive emissions	51	16	18
Transport in company-owned cars	206	91	59
<b>Indirect emissions (Scope 2)</b>			
Electricity, purchased	924	1,020	1,115
Heating, purchased	65	65	60
<b>Emissions, total</b>	<b>2,753</b>	<b>2,506</b>	<b>2,556</b>

Production, tCO <sub>2</sub> e	2022	2021	2020
<b>Direct emissions (Scope 1)</b>			
Heating	1,507	1,301	1,288
Electricity generation	1	14	16
Fugitive emissions	50	16	18
Transport in company-owned cars <sup>2</sup>	43	37	33
<b>Indirect emissions (Scope 2)</b>			
Electricity, purchased	421	747	820
Heating, purchased	-	-	-
<b>Emissions, total</b>	<b>2,022</b>	<b>2,114</b>	<b>2,174</b>

<sup>1</sup> Total emissions exclude leased offices in Switzerland.

<sup>2</sup> Covers transport for all sites in Denmark.

## Note 2

### Energy

Production	2022	2021	2020
Energy, total (GJ)	53,325	42,577	45,110
Energy, total (MWh)	14,813	11,827	12,530
- electricity (MWh)	7,386	5,259	6,028
- other energy sources (MWh)	7,427	6,568	6,503

## Note 3

### Water

Production, m <sup>3</sup>	2022	2021	2020
Sanitary water	3,757	3,638	3,569
Process water	18,015	13,385	15,601
<b>Total water consumption</b>	<b>21,772</b>	<b>17,023</b>	<b>19,170</b>

## Note 4

**Waste**

Production, metric tons	2022	2021	2020
Combustible	103	89	77
Recyclable	149	136	103
Hazardous waste	15	19	16
Waste for deposition	1	1	-
<b>Total waste</b>	<b>269</b>	<b>245</b>	<b>196</b>
Recycling rate	55%	55%	53%

## Note 5

**Employees**

Full-time employees (FTE)	2022	2021	2020
Denmark	604	511	408
Germany	217	169	154
Switzerland	17	17	8
USA	36	37	38
<b>Total full-time employees (FTE), average over the year</b>	<b>874</b>	<b>734</b>	<b>607</b>

Turnover	2022	2021	2020
Denmark	22.1%	14.0%	10.4%
Germany	11.6%	12.0%	7.1%
Switzerland	22.5%	11.5%	0.0%
USA	19.0%	32.4%	8.0%
<b>Turnover, total</b>	<b>19.3%</b>	<b>14.4%</b>	<b>9.3%</b>
<b>Turnover, voluntary</b>	<b>16.4%</b>	<b>10.5%</b>	<b>6.5%</b>

Absence (sick leave)	2022	2021	2020
Denmark	3.4%	3.1%	2.8%
Germany	4.9%	3.3%	2.5%
Switzerland	0.1%	1.3%	0.2%
USA	N/A <sup>1</sup>	N/A <sup>1</sup>	N/A <sup>1</sup>
<b>Absence, total</b>	<b>3.7%</b>	<b>3.1%</b>	<b>2.7%</b>
<b>Absence, days per FTE</b>	<b>8</b>	<b>7</b>	<b>6</b>

<sup>1</sup> Sickiness absence is not recorded in the U.S.

## Note 5

**Employees (continued)**

Occupational injuries	2022	2021	2020
Injuries with absence, number	2	5	3
Absence days per injury, average	8.0	4.6	30.0
Lost Time Injury Frequency Rate (LTIFR)	1.3	3.9	2.8
Gender diversity	2022	2021	2020
Gender diversity, All employees	59%	61%	61%
Gender diversity, All management	55%	56%	56%
Gender diversity, Executive Management	33%	33%	28%
Gender diversity, Board of Directors	20%	29%	29%

Age diversity	2022	2021	2020
20-29 years	11%	8%	N/A <sup>1</sup>
30-39 years	28%	28%	N/A <sup>1</sup>
40-49 years	27%	29%	N/A <sup>1</sup>
50-59 years	27%	30%	N/A <sup>1</sup>
60-69 years	5%	5%	N/A <sup>1</sup>

<sup>1</sup> Age diversity has not been measured before 2021.



# Accounting policies

## Emissions

Calculations of CO<sub>2</sub>-emissions are based on the Corporate Standard of the Greenhouse Gas Protocol Initiative and include the greenhouse gasses addressed by the UNFCCC / Kyoto Protocol (CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O, HFCs, PFCs, SF<sub>6</sub> and NF<sub>3</sub>) calculated in metric tons of CO<sub>2</sub> equivalents when possible.

Numbers have been rounded for presentation purposes.

Our reporting covers scope 1 (direct emissions from sources that are owned or controlled by the Company) and scope 2 (indirect emissions from purchased electricity and heating), thus adhering to the Corporate Standard. The reported figures exclude leased offices in Switzerland.

### Scope 1

Direct emissions under scope 1 include the following:

- Heating; this accounts entirely for heating at our manufacturing site, as all other sites are leased facilities which use district heating, reported under scope 2. Natural gas is used for heating of

the manufacturing site and consumption is based on monthly readings.

- Electricity generation; this accounts entirely for consumption of diesel oil for power generators at the manufacturing site and is based on the volume purchased during the year
- Fugitive emissions; these relate to CO<sub>2</sub> from the use of dry ice and CO<sub>2</sub> gas, as well as emissions from cooling systems at the manufacturing site, and are based on invoices and supplier statements.
- Transport in company-owned cars; this is predominantly related to company cars and is based on either consumption of petrol and diesel, or kilometers driven.

### Scope 2

Indirect emissions under scope 2 include emissions from purchased electricity and heating which are based on meter readings and supplier statements.

### Emission factors

In calculating CO<sub>2</sub> emissions, specific emission factors based on emissions type and geographic

location were used. CO<sub>2</sub> emissions from the combustion of natural gas, oil, gasoline, diesel fuel and liquefied pressurized gas and from fugitive emissions were deemed to have a general global effect with minor local differences. Emission factors from these sources are based on data provided by the Danish Energy Agency, Department for Environment, Food & Rural Affairs (DEFRA) and Linde. Emissions for locally purchased electricity were determined on the basis of local conditions. Emission calculations for electrical power in USA are based on emission factors provided by Duke Energy. Emission calculations for electrical power purchased in Germany are based on historical German emission factors; emission calculations for district heating purchased in Germany are based on emission factors collected from local district heating companies.

### CO<sub>2</sub>e per employee

Emissions per employee is expressed in CO<sub>2</sub>e per employee calculated as the ratio between the total emissions and number of FTEs.

### Energy

Energy consumption is calculated for the entire manufacturing site, including laboratories and administrative functions. The figure includes

purchased electricity, purchased diesel oil used for power generators, and consumption of natural gas which is used for heating.

### Electricity

Electricity is stated as part of the energy consumption for the entire manufacturing site (as indicated above) but is also presented separately. Includes purchased electricity.

### Water

Water consumption is measured for the entire manufacturing site, including laboratories and administrative functions.

### Waste

Waste volumes are calculated for the entire manufacturing site and are based on annual statements from approved waste carriers handling ordinary and hazardous waste.

### Recycling rate

The recycling rate has been calculated as the ratio between the volume of recyclable waste and the total volume of waste.

**Environmental incidents**

Environmental incidents include accidental or unintentional release of substance with potential for adverse impact on the external environment and incidents where the environmental permit is breached, which in both cases are subject to reporting to the authorities.

**Employees****FTE**

Number of employees calculated as the equivalent number of full-time employees.

**Employee turnover rate**

The turnover rate expresses the ratio between all employees who have left the company during a year and the average monthly number of employees throughout the year counted by headcount. Employees with fixed-term contracts and retiring employees are not included. The calculation is based on the average monthly number of employees throughout the year counted by headcount. Voluntary turnover rate expresses the ratio of employees who voluntarily have left the company.

**Absence**

Absence data includes recorded staff sick days for employees in Denmark, Germany and Switzerland only. Leave – also parental leave – is not included in these figures. From 2022, child sick days are no longer included, but were included in comparative figures for 2018-2021. The absence rate calculation is based on the average monthly number of full-time employees for the year and the number of effective workdays in the calendar year, i.e., vacation days are excluded.

**Occupational injuries**

Occupational injury data relates to injuries resulting in at least one day of absence, in addition to the day of injury. Absence days per injury expresses the average number of working days lost as result of the injury, measured as an average of all injuries occurred. The lost time injury frequency rate (LTIFR) is the number of occupational injuries per one million effective working hours.

**Gender diversity**

Gender diversity expresses the percentage of women of the total workforce based on total headcounts at year-end. Gender diversity for all management expresses the percentage of women

of all managers with staff responsibility. Gender diversity for the Executive Management and Board of Directors expresses the percentage of women among members in respective groups at year-end. For the Board of Directors, only shareholder-elected members are included in the calculation.

**Age diversity**

Age diversity is presented in 10-year brackets based on total headcounts and age at year-end. The percentage displayed in each age-bracket is calculated by dividing the number of employees in the age-bracket with the total number of employees.

**Governance****Board meeting attendance rate**

The attendance rate is calculated by dividing the total number of meetings actually attended by all board members by the total number of meetings which could have been attended by all board members.

**CEO pay ratio**

The CEO pay ratio expresses the ratio between the expensed total remuneration of the CEO in the calendar year and the expensed average total remuneration for all employees in the company.

# Statement by the Board of Directors

The Board of Directors have today considered and approved the Sustainability Report ("the Report") of Bavarian Nordic A/S for the financial year 1 January – 31 December 2022.

The Sustainability Report has been prepared in accordance with the environmental, social and governance accounting policies.

In our opinion, the Report gives a true and fair presentation of Bavarian Nordic A/S' sustainability activities and results of the company's sustainability efforts in the reporting period, as well as a balanced presentation of Bavarian Nordic A/S' environmental, social and governance performance in accordance with the stated accounting policies.

Hellerup, 2 March 2023

## Board of Directors



Gerard W.M. van Odijk  
*Chairman of the Board*



Anders Gersel Pedersen  
*Deputy Chairman*



Peter H. Kürstein-Jensen



Frank A.G.M. Verwiel



Anne Louise Eberhard



Thomas Alex Bennekov  
*Employee-elected*



Anja Gjøl  
*Employee-elected*



Karen Merete Jensen  
*Employee-elected*



Linette Munksgaard Andersen  
*Employee-elected*

# ***Independent auditor's assurance report***

## **To Management and broader stakeholders of Bavarian Nordic A/S**

Bavarian Nordic A/S engaged us to provide limited assurance on ESG data for the year ended 31 December 2022, presented on page 36 including notes 1-5 on pages 37-39 in the Sustainability Report 2022 of Bavarian Nordic A/S (collectively "the ESG statement").

## **Management's responsibility**

Management of Bavarian Nordic A/S is responsible for designing, implementing, and maintaining internal controls over information relevant to the preparation of the ESG data and information in the ESG statement, ensuring it is free from material misstatement, whether due to fraud or error. Furthermore, Management is responsible for establishing objective accounting policies for the preparation of the ESG statement, for the overall content of the ESG statement, and for measuring and reporting the ESG data in the ESG statement in accordance with the accounting policies included on pages 40-41 in the Sustainability Report.

## **Auditor's responsibility**

Our responsibility is to express a limited assurance conclusion based on our engagement with Management and in accordance with the agreed scope of work. We have conducted our work in accordance with ISAE 3000 (Revised) Assurance Engagements Other than Audits or Reviews of Historical Financial Information and ISAE 3410 Assurance Engagements on Greenhouse Gas Statements and additional requirements under Danish audit regulation, to obtain limited assurance about our conclusion. Greenhouse Gas emissions quantification is subject to inherent uncertainty because of incomplete scientific knowledge used to determine emission factors and the values needed to combine emissions of different gasses.

We are responsible for:

- planning and performing the engagement to obtain limited assurance about whether the selected ESG statement is free from material misstatement, whether due to fraud or error, and

prepared, in all material respects, in accordance with the accounting policies;

- forming an independent conclusion, based on the procedures we performed and the evidence we obtained; and
- reporting our conclusion to the Management and broader stakeholders of Bavarian Nordic A/S.

Deloitte Statsautoriseret Revisionspartnerselskab is subject to International Standard on Quality Control (ISQC) 1 and, accordingly, applies a comprehensive quality control system, including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements. We have complied with the requirements for independence and other ethical requirements of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code), which is founded on fundamental principles of integrity, objectivity, professional

competence and due care, confidentiality and professional behaviour, and ethical requirements applicable in Denmark.

A limited assurance engagement is substantially less in scope than a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement.

## **Work performed**

We are required to plan and perform our work in order to consider the risk of material misstatement in the ESG statement. To do so, we have:

- conducted interviews with data owners and internal stakeholders to understand the key processes and control activities for measuring, recording and reporting the ESG data;

- performed limited substantive testing on a selective basis to check that data has been appropriately measured, recorded, collated and reported;
- performed analysis of data, selected based on risk and materiality;
- made inquiries regarding significant developments in the reported data;
- considered the presentation and disclosure of the ESG statement;
- assessed that the process for reporting greenhouse gas emissions data follows the principles of relevance, completeness, consistency, transparency and accuracy outlined in The Greenhouse Gas Protocol Corporate Standard Revised edition (2015); and
- evaluated the evidence obtained.

A/S for the year ended 31 December 2022, have been prepared, in all material respects, in accordance with the accounting policies on pages 40-41.

Copenhagen, 2 March 2023

#### **Deloitte**

Statsautoriseret Revisionspartnerselskab

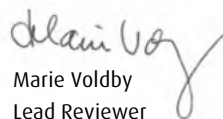
Business Registration No. 33 96 35 56



Eskild Nørregaard Jakobsen

State Authorised Public Accountant

MNE no 11681



Marie Voldby

Lead Reviewer

#### **Our conclusion**

Based on the procedures performed and the evidence obtained, nothing has come to our attention that causes us not to believe that the ESG data presented on page 36 including notes 1-5 on pages 37-39 in the Sustainability Report of Bavarian Nordic



**Bavarian Nordic A/S**

Philip Heymans Alle 3  
DK-2900 Hellerup  
Denmark

CVR no: 16 27 11 87

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