

An aerial photograph of a dense forest. A white van is parked on a dirt path on the right side of the image. Two people are sitting on the ground next to the van. A small white box is on the ground near them. The text 'Sustainability Report 2023' is overlaid on the left side of the image.

Sustainability Report 2023

Protecting our tomorrow

Bavarian Nordic A/S
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CVR no: 16 27 11 87



BAVARIAN NORDIC

Navigating the invisible struggle: Living with tick-borne encephalitis (TBE)

Tick-borne diseases often evoke images of remote forests and outdoor adventures taken a turn for the worse. However, for many individuals like Jessica, the reality of contracting tick-borne encephalitis (TBE) hits closer to home. This is Jessica's journey of grappling with the invisible yet profound impact of TBE on her life.

Jessica's story begins as a routine excursion into the woods to collect mushrooms, a hobby she cherishes. Despite her precautions, including changing clothes and showering upon returning home, fate dealt her a cruel hand. A seemingly harmless tick bite marked the onset of her battle with TBE.

What follows is an account of Jessica's descent into the depths of TBE-induced illness. Initially dismissed as a flu-like reaction to a recent vaccine, Jessica's

symptoms rapidly escalated into debilitating headaches, sensory overload, and profound exhaustion. Her journey through hospitalization, marked by agonizing pain and cognitive fog, paints a stark picture of the toll exacted by this insidious disease.

The invisible struggle

One of the central aspects of Jessica's story is her struggle with the invisible nature of TBE. Unlike more overt illnesses, TBE manifests in ways that are not immediately apparent to the casual observer. Jessica describes the challenge of conveying the severity of her condition to others, who may struggle to comprehend the profound impact on her daily life.

Central to Jessica's narrative is her quest for understanding and acceptance amidst the chaos wrought



Photo: Jessica Hägg

by TBE. From grappling with memory lapses and sensory sensitivities to navigating the unpredictability of her symptoms, Jessica's journey is one of resilience and adaptation. Through participation in rehabilitation programs and the support of her community, she finds solace and strategies to cope with the challenges posed by TBE.

Vaccination as a preventive measure against TBE

However, Jessica's story also serves as a call for greater awareness and action. She emphasizes the importance of vaccination as a preventive measure against TBE, urging others to take the lesson she learned through adversity. Moreover, she advocates for enhanced support and resources for individuals living with TBE, recognizing the need for a holistic approach to managing this complex condition.

As we reflect on Jessica's journey, we are reminded of the profound impact of tick-borne diseases on individuals and communities alike. Beyond the physical toll, TBE exacts a psychological and emotional burden that is often overlooked. Through Jessica's courage and resilience, we gain insight into the challenges faced by those living with TBE and the urgent need for collective action to address this pressing public health issue.

Our Purpose

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

Access to vaccines saves, empowers, and improves lives across the world. We offer employees the opportunity to be part of a dedicated and diverse team that takes pride in pioneering advancements in vaccine development, and distribution. This important endeavor protects individuals and safeguards communities from the damaging effects of infectious diseases.



About the report

This Statutory Report on Corporate Social Responsibility (CSR), cf. sections 99a, 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 Annual Report 2023 and covers the financial period January 1 - December 31, 2023.

ESG figures

In the tables on page 44-45 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 page 46-47.

Alignment with TCFD disclosure recommendations

In 2023, we reviewed and updated our 2022 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 page 21-24 accounts for our compliance with the recommendations.

EU Taxonomy

EU taxonomy reporting on page 39-43.

Assurance of data

The indicators presented on page 44-45 have been assessed by Deloitte Statsautoriseret Revisionspartnerselskab in accordance with the ISAE 3000 – ‘Assurance engagements other than audits or reviews of historical financial information’ (Revised) and ISAE 3410 ‘Assurance Engagements on Greenhouse Gas Statements’. The Independent Auditor’s Assurance Report is found on page 52-53

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Introduction

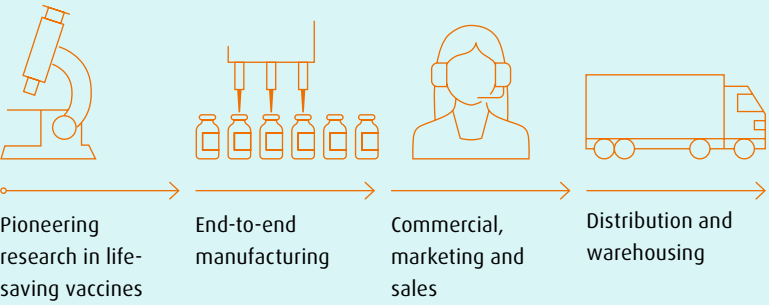
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Our value chain

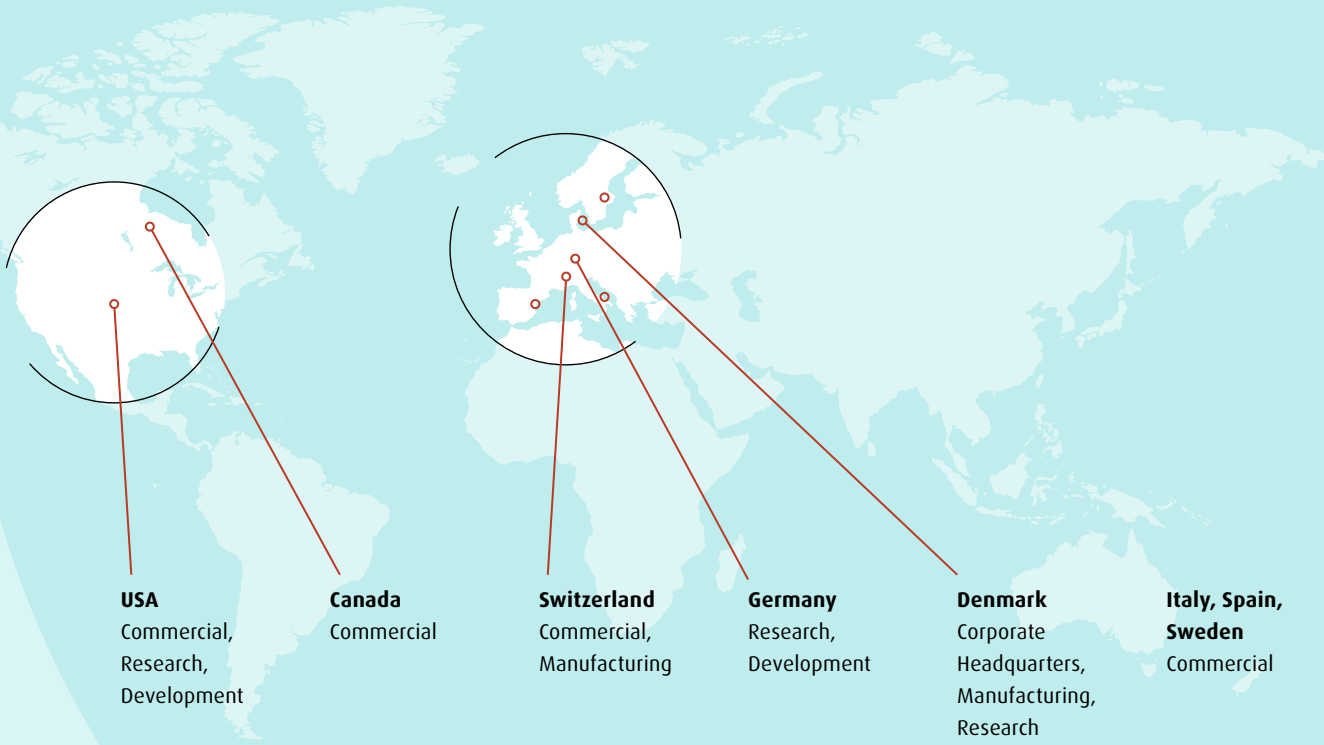
Spanning the full value chain from early research and development, manufacturing and supply through marketing and distribution of vaccines globally, we are committed to delivering life-saving vaccines.

Our value chain



Our global presence in 2023

Founded in 1994 as a collaboration between Danish investors and German scientists, we have expanded our presence and operations globally, and by end of 2023 had 1,379 FTE's. This number includes +250 employees joining after the acquisition of the travel vaccines business of Emergent BioSolutions mainly located in the acquired manufacturing site in Bern (Switzerland) and research facility in San Diego (USA).



Our approach

Our commitment to developing a sustainable business is integral to lasting success in global markets.

Through collaboration with local partners and institutions, we aim to expand our commercial footprint while improving access to vaccines.

We focus our efforts on where we can make the greatest impact, mitigate risks, and seize business opportunities.



Committed
to improving
and saving
lives

Addressing
the impact of
climate change on
people's health

Expanding access
to vaccines

Fostering
trust among
stakeholders

A message from the CEO

Pioneering vaccines for a sustainable future

In today's interconnected world, access to vaccines saves, empowers, and improves lives across the world. At Bavarian Nordic, we are proud to pioneer advancements in vaccine development and distribution, driven by our unwavering commitment to protect individuals and safeguard communities from infectious diseases.

Our focus on sustainability goes hand in hand with our recognition of the critical role that vaccines play in mitigating the adverse effects of climate change on human health. By preventing the spread of infectious diseases, vaccines contribute to healthier populations, reducing the burden on healthcare systems and promoting resilience in the face of environmental challenges.

We recognize that mitigating climate change is not just a moral imperative but also a necessity for the sustain-



ability of our planet and the well-being of future generations. That's why, beyond climate goals, we are continuously investing in sustainable and efficient manufacturing processes to enhance our resource efficiency and minimize our environmental footprint.

In 2023, we grew organically as well as inorganically with the acquisition of the travel vaccines business from Emergent BioSolutions. We have welcomed more than 250 new colleagues, integrated a new manufacturing facility in Bern (Switzerland), and extended

our research organization in San Diego (USA). This underlines the significant growth of Bavarian Nordic in recent years. As we have added new sites and locations to the company and reached more people and communities with our vaccines, our footprint has also become larger. We will remain focused on how to keep controlling and reducing our environmental impact towards Net Zero.

In 2023, we progressed on our sustainability journey. As highlighted in this report we have established a 2022 greenhouse gas baseline for scopes 1, 2, and 3, (which includes the acquired sites from Emergent BioSolutions), and this will feed into our 2024 ambition of defining our Net Zero ambition and establishing a reduction pathway. Another achievement was the finalization a double materiality assessment in preparation for upcoming corporate sustainability reporting directive (CSRD) giving us a solid understanding of impacts, risks and opportunities in relation to our activities and operations, which works as a compass in defining our future ambitions and focus areas in the near- and long-term. We have adopted a human rights policy and become formal participants of the United Nations Global Compact (UNGC), to which effect we here reaffirm our support of the Ten Principles of the UNGC in the areas of human rights, labor, environment, and anti-corruption.

Integral to our approach is our commitment to good governance and integrity. We understand that trust is the bedrock of our relationships with all stakeholders, from employees and customers to investors and

communities. We continue to uphold high standards of ethical practices, transparent business conduct, and anti-corruption measures in all aspects of our operations.

We will also hold our external partners and suppliers to the same standards, ensuring that our entire value chain operates with integrity and accountability. By fostering a sustainability mindset and culture, we want to inspire confidence to uphold our commitments to our employees and external stakeholders. To this effect, we are also glad to announce our associate membership of the Pharmaceutical Supply Chain Initiative (PSCI), where we will engage with peers to address sustainability matters in our value chain.

At Bavarian Nordic, we are pioneers on a mission committed to creating a healthier, more sustainable future. Through our pioneering work in developing and supplying vaccines, our commitment to sustainability, and our unwavering dedication to good governance and integrity, we are driving positive change and making a tangible impact on the world around us.

I am proud to be able to offer employees the opportunity to be part of such a dedicated quest.

Paul Chaplin
President & CEO

Committed to saving and improving lives

We believe a commitment to developing a fully sustainable business is key to lasting success in global markets. Our quest to improve and protect lives and communities is driven by actions within the ESG framework. The priorities are embedded in our business strategy and plans for the coming years.



Target achievements in 2023

2023 has been an eventful year, where we have welcomed new colleagues as part of organic growth and as a result of the acquisition of the travel vaccines business from Emergent BioSolutions. Our Sustainability and ESG organization has grown, increasing focus on the sustainability strategy, governance, and ESG reporting. This is to ensure a long-term strategic view on our sustainability strategic focus area and actions as well as a short-term view ensuring readiness to report in accordance with the Corporate Sustainability Reporting Directive (CSRD) in the Annual Report 2024.

Key highlights from the year

- Completion and update of our scopes 1, 2 and 3 greenhouse gas inventory – establishing 2022 as baseline year, and reporting 2023 numbers.
- Completed the double materiality assessment which is a central component in our 2024 CSRD readiness program
- Adopted a human rights policy
- Joined as a participant of the UN Global Compact
- Applied for associate membership with the Pharmaceutical Supply Chain Initiative (PSIC) and our application was accepted in February 2024
- Initiated dialog on a biodiversity baseline project which is set to begin in 2024

2023 targets follow-up

Area	Focus	Target	Status
Our People	Employee engagement	Employee voluntary turnover ≤ global industry standards	Achieved We have achieved a reduced voluntary turnover to 13.1% (compared to 2022 it was 16.4%). This is 1.8% below the industry standard compared to the markets we operate (based AON Radford data) ¹ .
	Diversity and inclusion	Maintain 40/60 gender ratio in all management	Achieved We maintain a 40/60 gender ratio in all management with 47% female leaders and 53% male leaders in the organization.
	Health and safety	Work-related injuries (LTIF - Lost-Time Injury Frequency) ≤ last 3 years average	Not achieved Our LTIF in 2023 is at a frequency of 4.5 per 1 million hours work. This is above the target and although there are no severe accidents, it demonstrates the need for continued focus on health and safety.
Environment and Climate	Energy and emissions	Reduce energy consumption per commercial product	Achieved In 2022 we established a baseline on CO ₂ e per commercial dose from our manufacturing site in Kvistgaard (Denmark). This year we saw a 9% decrease in energy use per commercial dose which has been produced at Kvistgaard (Denmark) in 2023. In 2024 we will revisit the KPI and include commercial doses produced in our manufacturing network.
		Implement technical solutions in our manufacturing with an aim to reduce energy (gas) consumption	Achieved Our overall CO ₂ e emissions in 2023 have increased due to higher production volumes, new buildings and sites added due to the acquisition. Based on the energy efficiency evaluation done in 2022 we have implemented technical solutions and energy efficiency initiatives that contribute to a reduction of approximately 320 tons CO ₂ e over a calendar year (scopes 1 and 2).
		Embark on scope 3 emissions reporting	Achieved We have established a scope 3 inventory (2022 baseline year) which is an essential part of developing a pathway for CO ₂ e reductions to meet our 2050 Net Zero commitment.
	Waste	Waste recycling rate > 50%	Achieved Our recycling rate across our two manufacturing sites was at 51% in 2023. Excluding the acquired manufacturing site in Bern, the recycling rate for Denmark and Germany was at approximately 55%.

¹ Industry standards calculation based on input from AON Radford

Governance & sustainability organization

How we work with sustainability

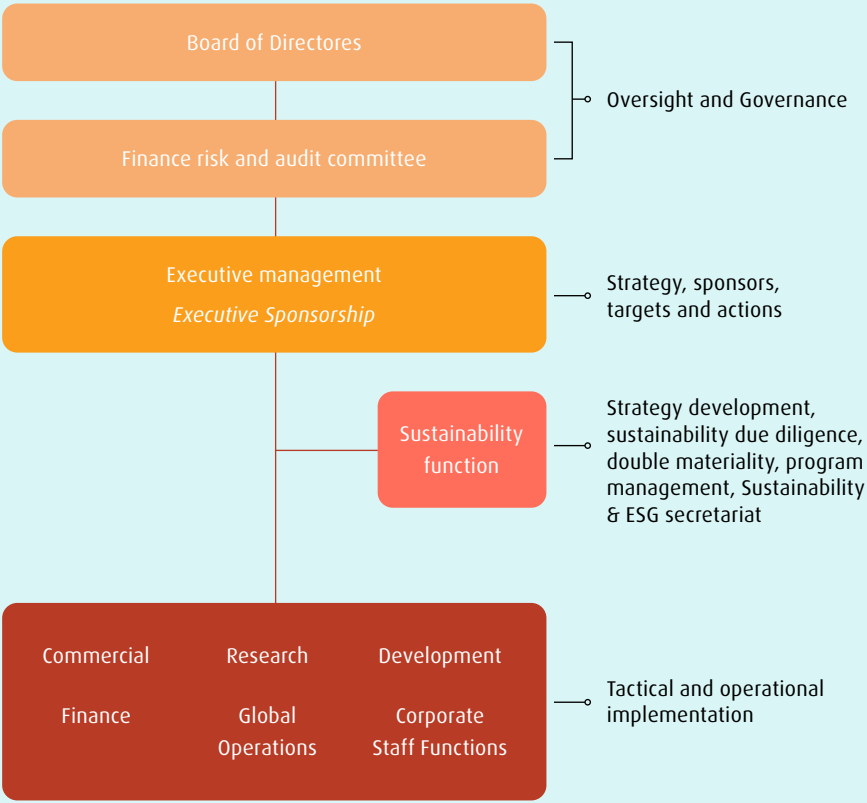
Our sustainability efforts aim to promote good health while also identifying and mitigating risks and adverse impacts of our business on environment and society. The overall responsibility for environment, social and governance (ESG) issues resides with the Board of Directors with the ongoing oversight and follow up placed in the Finance, Risk and Audit Committee in the Board of Directors. In 2023 our Board also held a dedicated ESG training session, to raise further awareness and understanding of the agenda at large.

Our Executive Management remains the main driver and sponsor of Sustainability and ESG and it is anchored under the Executive Vice President, People & Organization and Sustainability. Executive Management is responsible for developing and executing on sustainability strategy by setting targets and driving actions in their respective functions. During 2023 a Sustainability and ESG function was established to assist Executive Management and the line of business with strategy development, sustainability due diligence, double materiality program management, and secretariat functions.

Likewise, in Finance, a group responsible for ESG reporting has been established to oversee all ESG data gathering and reporting, to be implemented in 2024 for future reports in accordance with updated legislation such as the Corporate Sustainability Reporting Directive (CSRD).

We strongly believe that the ownership for sustainability needs to be anchored with each department responsible for driving actions and results. Involvement of all functions in the company are therefore essential in order to further develop and execute on our sustainability ambitions.

Sustainability and ESG organization and governance





Materiality and risks

Similar to previous years, our value chain continues to expand, and increases our potential and actual impact on global health, growing our workforce, environmental footprint, 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 have as a business, either directly or indirectly via third parties. This is part of the overall Enterprise Risk Management process which is reviewed by Management with oversight from the Board of Directors via the Finance, Risk and Audit Committee.

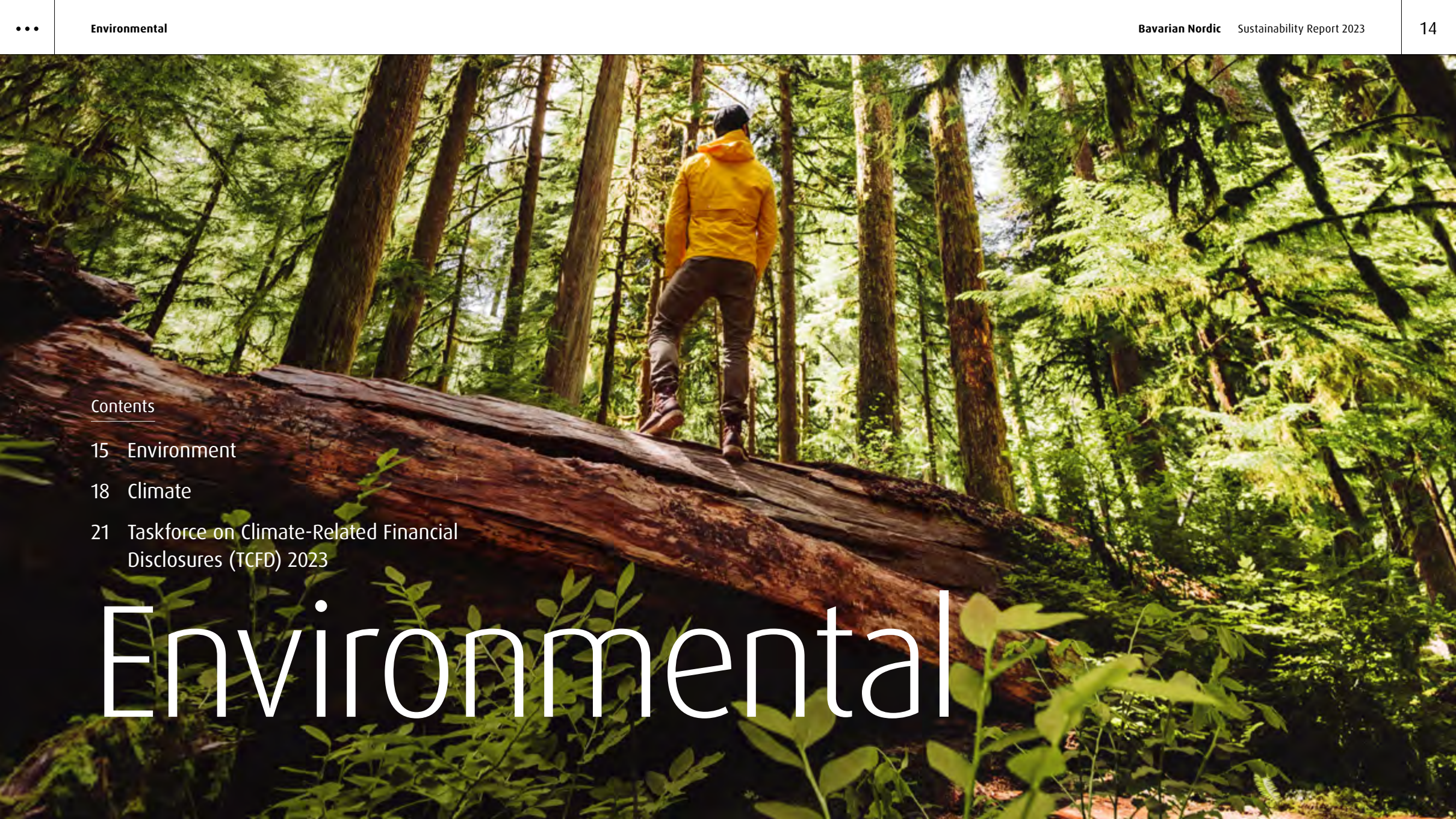
A double materiality assessment was conducted in 2023 as a basis for our readiness with the Corporate Sustainability Reporting Directive (CSRD) in 2024. The results of this assessment will feed into our future sustainability and ESG reporting.

Key risks

Risk area	How we mitigate the risk
Environment and Climate	<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. We have rigorous procedures and processes in place to ensure compliance on this,.</p> <p>We work continuously on improvements in connection with the identified areas of risks or opportunities.</p> <p>For climate related risks we have updated our 2022 TCFD assessment, incorporating our new sites in Bern and San Diego. We have also enhanced our climate governance by building up internal teams to manage Sustainability and ESG Reporting. We have updated our scopes 1 & 2 inventory, established a scope 3 emission baseline (with 2022 as a baseline year) and we are committing to being Net Zero, in alignment with the Paris Agreement, latest by 2050 where we in 2024 will assess our reduction pathway. To read more about our work with climate, see the climate section of this report Climate →</p> <p>Our overall policy commitment to Climate and Environment can be found in the Sustainability chapter of our Code of Conduct→</p> <p>For our TCFD disclosure alignment, including climate risks and opportunities, see here TCFD →</p>

Risk area	How we mitigate the risk
Talent acquisition and retention (our people)	<p>As a knowledge-based company, it is critical for us to attract and retain sufficient talent in order to deliver high performance and stay competitive, which is why we strive to place 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> <p>Our overall policy commitment to our employees can be found in the Equal Opportunities, Health and Safety chapter of our Code of Conduct →</p>
Human rights	<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 (OECD Member Countries), thus with a perceived low risk of labor and human rights violations.</p> <p>Our human rights policy can be found on our webpage Human Rights Policy→</p> <p>Our responsible sourcing standards can be found on our webpage Responsible Sourcing Standards→</p>

Risk area	How we mitigate the risk
Health and safety	<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 the systematic work of our global EHS organization.</p> <p>Similarly, with labor intense processes at our manufacturing sites and lab facilities, employees are more exposed to health and safety risks as compared to office-based work. These risks are also mitigated on an ongoing basis through the work done within our global EHS organization, where we in 2023 have established a global EHS committee to ensure ongoing oversight and alignment on EHS matters.</p> <p>Our overall policy commitment to our employees can be found in the Equal Opportunities, Health and Safety chapter of our Code of Conduct→</p>
Business Ethics & anti-corruption	<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 primarily do business in countries and regions typically perceived as low risk countries with respect to corruption. We mitigate the risk by ensuring continuous mandatory training of all employees - with particular focus on customer-facing personnel, and by carefully selecting and assessing our partners.</p> <p>Our policy level commitment to combat anti-corruption can be found in several chapters throughout our Code of Conduct→</p>

A person wearing a bright yellow jacket and dark pants stands on a large, weathered log in a dense forest. The forest is filled with tall, thin trees and lush green foliage, with sunlight filtering through the canopy. The person is seen from behind, looking into the woods.

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Environmental



Environment

We are committed to achieving Net Zero carbon emissions by latest 2050, where we in 2024 will define our reduction pathway, across scopes 1, 2, and 3 greenhouse gas emissions. We continuously work to enhance our resource efficiency through investments in more sustainable and efficient production processes to reduce our environmental footprint. Dedicated to sustainability, we recognize the crucial role of vaccines in mitigating the adverse effects of climate change on human health.

As one of the world's largest pure play vaccine companies, we acknowledge 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 manufacturing facility and we are expanding our global commercial footprint with an aim to make a larger impact on global health through the supply of our vaccines. As a consequence, there has been an increased use of energy and natural resources which is foreseen to continue for the coming year. Additionally, as the tech transfer progresses, this will have an impact on our own scopes 1 and 2 emissions as some activities today are in scope 3 (value chain based) emissions.

In 2023, our efforts with regards to climate related to establishing a 2022 baseline for our scopes 1, 2 and 3 CO₂e emissions. This baseline incorporates our new sites in Bern and San Diego as a result of the acquisition of the travel vaccines business from Emergent BioSolutions, as well as an updated accounting method where we now disclose our

scope 2 emissions according to market-based and location-based emission factors.

This work is leading up to our 2024 ambition to define our carbon reduction pathway in alignment with the Paris Agreement on Climate Change, being Net Zero across all scopes by latest 2050.

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.

Our overall CO₂e emissions in 2023 have increased due to higher manufacturing volumes, new buildings for manufacturing in Kvistgaard (Denmark), and the addition of the manufacturing site in Bern (Switzerland) and the research center in San Diego (USA). Finally, the updated accounting policies have also resulted in higher emission numbers. In 2023 we have implemented initiatives and efficiencies that contribute to a reduction of approximately 320 tonnes CO₂e over a calendar year

(scopes 1 and 2). These efforts will continue in 2024 with a target of 500 tonnes CO₂e reduction.

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

We will continue to involve our employees to raise further awareness and ensure a proactive approach to environmental work throughout the company where sustainability targets are incorporated in the annual company goals to drive a shared focus and incentives for our employees.

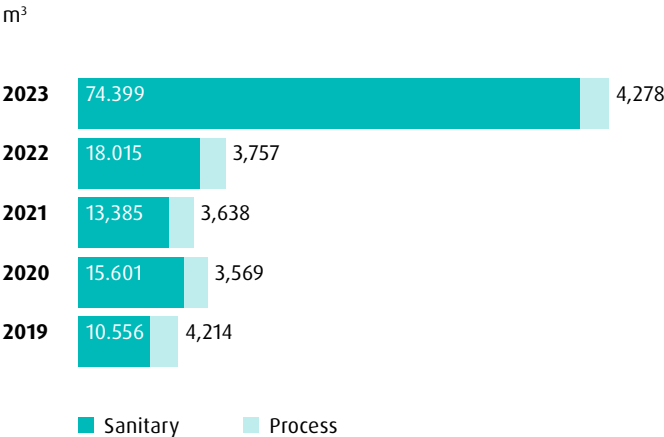


Water use

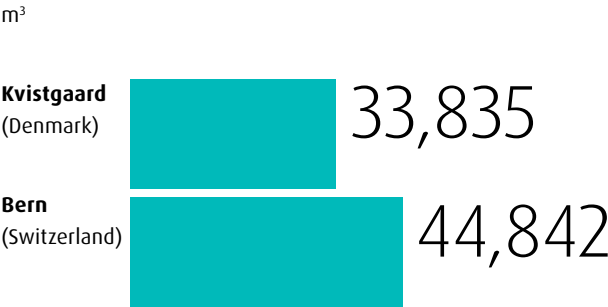
Water is an important resource throughout our manufacturing process. Before discharge, wastewater is heat-inactivated, cooled and pH adjusted in accordance with our permit to use the public sewer system.

In 2023, we saw a significant rise in water consumption as a result of incorporating the acquired manufacturing site in Bern (Switzerland). Similarly, there was an increase in water consumption at our manufacturing site in Kvistgaard (Denmark) due to higher production volumes, and a new manufacturing building entering into operation. Using the WWF Water Risk-Filter, we in 2023 have not identified any risks related to our consumption of water at our manufacturing sites in Kvistgaard (Denmark) and Bern (Switzerland).

Consolidated water consumption, manufacturing¹



Water consumption, manufacturing sites 2023¹



¹ The water consumption in Bern (Switzerland) has been included in the report for reference, but is not subject to assurance in the 2023 ESG data – this will be included in the future. Reason for exclusion from assurance is that the site was acquired in 2023

Recycling efforts remain as waste increases

Total manufacturing waste increased by 89% as expected due to incorporating a new manufacturing site and higher production volumes at Kvistgaard (Denmark). The recycling rate remained above 50% which was achieved despite the significantly higher activity level.

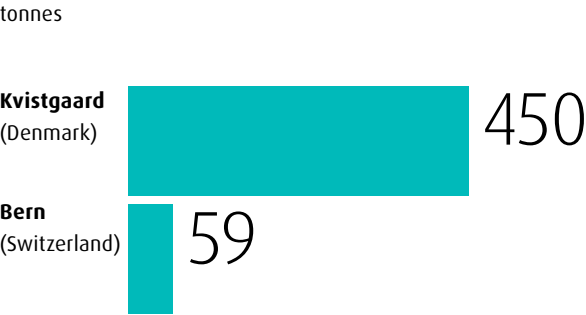
We will continue to explore options to further increase recycling from our manufacturing with several initiatives being assessed, particularly focusing on recycling options for mixed plastics, which is widely used in our processes, and recycling of glass from vaccine vials that have been discarded.

Recycling rate from production waste



In line with regulatory requirements, we have introduced 10 different waste fractions for collection in Denmark. Waste from other facilities than our manufacturing sites in Denmark and Switzerland is not reported and thus does not contribute to the overall recycling rate. Excluding the newly acquired Bern site, the recycling rate at our manufacturing site in Kvistgaard (Denmark) and our office and lab space in Munich was at 55%.

Waste from manufacturing, 2023



Working with partner to baseline our biodiversity footprint in 2024

To further understand our biodiversity footprint in the areas where we have manufacturing (Kvistgaard, Denmark and Bern, Switzerland) we will engage in a collaboration with FaunaPhotonics, who with their innovative technology and data solution on biodiversity will map, through sensor technology, the state of biodiversity surrounding our manufacturing sites. The solution offers baselining and continuous monitoring by using insects as an effective proxy for assessing overall biodiversity health and trends.





Emissions in 2023

97.7 kt CO₂e

Bavarian Nordic emitted 97.7 k tonnes of CO₂e in 2023

89%

with 89% attributed to scope 3 emissions.

Climate

We commit to being Net Zero by latest 2050 in accordance with the Paris Agreement on Climate Change, where we in 2024 will work to define our reduction pathway. In 2023, we completed a new greenhouse gas inventory with updated accounting policies (which also includes newly acquired sites), and inclusion of scope 3 emission inventory. The updated inventory represents our next step on the journey in 2024 and beyond to define our concrete reduction pathway.

Overall, in 2023 we saw an increase in our emissions across all scopes. The main drivers behind the increase relate to:

- Acquisition of new sites in Bern and San Diego, where primary source of heating is from diesel and natural gas
- Increased manufacturing activities, including opening of one more production building, at our Kvistgaard (Denmark) manufacturing site
- Updated accounting policies, now capturing both market- and location-based emission factors

Bavarian Nordic' GHG inventory - 2022¹
(‘000 tonnes CO₂e)



Bavarian Nordic' GHG inventory - 2023²
(‘000 tonnes CO₂e)



¹ In 2022: No split between market- and location- based emissions
² 2023 consolidated numbers are based on market based emission factors (in Scope 2)

Based on the energy screening done for Kvistgaard in 2022, in 2023, we have implemented energy saving initiatives equaling a future annual reduction of 320 CO₂e across our sites in Denmark, Switzerland, and Germany. These actions include activities such as:

- Optimization of an existing heat pump
- Use of split air-conditioning units for heating the office building replacing the use of the oil stream-based heating
- Replacement of cooling units -20°C container with more energy efficient container
- Investment in 50 kWh heat pump for service water to replace a boiler
- Installation and replacement of existing lighting with LED lights
- Installation of individual switchable sockets

Emissions at production sites¹

Scopes 1 + 2, tonnes CO₂e



In 2023 we conducted an energy screening in our site in Munich. During 2024 further energy reducing initiatives will be taken to reduce CO₂e emissions with 500 tonnes CO₂e using on the input from the energy screenings done. We have also introduced a new car policy that require company cars to move from fuel to energy efficient vehicles when the leases are up for renewal.

As we progress with our Net Zero commitment, we will in 2024 focus on defining our carbon footprint reduction pathway, as we are determined to reduce our carbon footprint in alignment with the Paris Agreement, whilst we also do our part as a vaccine company to address the impact that climate change has on human health.

Energy used in production²

GJ



Bus service for employees at our Danish manufacturing site, Kvistgaard

In 2023, we launched a dedicated bus service in collaboration with the public transport authorities. The new service enhances the commuting experience to and from our manufacturing site Kvistgaard (Denmark).

With frequent departures every morning and afternoon, the new service addresses the current challenges of impractical public transportation to and from our Kvistgaard facilities. With this implementation, some colleagues can enjoy a substantial timesaving of nearly 40 minutes each way, making the daily commute more efficient and convenient.

For employees choosing the bus over a solo car commute can reduce CO₂e emissions through employee commuting.

¹ Production sites are defined as emissions, and energy use, at our manufacturing sites, in Kvistgaard (Denmark) and Bern (Switzerland). For scopes 1 + 2, prior to 2023, emission factors for Scope 2 emissions, have been primarily based on location-based emission factors, and only relate to our manufacturing site in Kvistgaard (Denmark). In 2023, we have used market-based emission factors for Scope 2 emissions, and added our new Bern (Switzerland) site (as a result of an acquisition in 2023).
² The Bern (Switzerland) site has also been added to energy used at production sites.

Scope 3

In 2023, we initiated and finalized our first scope 3 greenhouse gas inventory (up- and down-stream value chain) – establishing a baseline in 2022 and updated in 2023 (which also includes acquired sites' scope 3 emissions in 2022, where Bavarian Nordic took operational control in May 2023).

Our scope 3 inventory¹

		2023	2022
Category 1:	Purchased goods and services	46.41%	44.45%
Category 2:	Capital goods	43.45%	48.51%
Category 3:	Fuel- and energy-related activities	1.99%	1.07%
Category 4:	Upstream transportation and distribution	4.76%	3.62%
Category 5:	Waste generated in operations	0.24%	0.06%
Category 6:	Business trips	1.32%	1.01%
Category 7:	Employee commuting	1.82%	1.29%
Category 8:	Upstream leased assets		
Category 9:	Downstream transport		
Category 10:	Processing of sold products		
Category 11:	Use of sold products (optional)		
Category 12:	End of life of goods sold	0.01%	0.01%
Category 13:	Downstream leased assets		
Category 14:	Franchises		
Category 15:	Investments		

¹ Percentages in this chart are rounded to two decimal places, which may cause the total to slightly deviate from 100%

Our scope 3 emissions methodology consists of three primary steps:

- screening and selection of key categories,
- enhancing data quality, and
- consolidating data for finalization.

During the initial phase, the process involved screening activities to identify those relevant to the 15 scope 3 categories outlined in the GHG Protocol. This method led to the identification of emissions across 8 categories.

By progressively enhancing data accuracy and granularity going forward, we aim to optimize our understanding of emissions sources and streamline sustainability initiatives accordingly. Categories 1, 2, 4, and 6 were calculated utilizing spend-based data. Category 3 utilizes scopes 1 and 2 data, while categories 5 and 12 employ hybrid data, incorporating both activity data and average emissions factors for emissions calculations. In the case of category 7, an internal employee survey was conducted to gather relevant data. In all instances where spend-based data was utilized, emission factors were sourced from the Exiobase database. For the remaining categories, DEFRA serves as the primary source of data.

Value chain emissions were predominantly driven by Purchased Goods & Services and Capital Goods, which together represent more than 90% of scope 3 emissions, followed by Upstream Transportation, making them significant focal points for Bavarian Nordic's sustainability efforts.

Primary scope 3 drivers

The primary drivers of our scope 3 categories stem from category 1: Purchased goods and category 2: Services and capital goods.

In both 2022 and 2023, the primary drivers in category 1 can be mostly allocated to outsourced clinical research – attributing to over 50% in category 1. We have in both years run extensive clinical research in relation to two phase 3 clinical studies.

In category 2, the majority of emissions can be seen in investments in machinery and equipment as well as furniture and other manufactured goods. Both of these represent over 80% in Capital goods.

Scope 3 – next steps

As this marks the first two years of our scope 3 inventory, the majority of the selected calculation methods currently prioritize spend-based data, as this approach offers an initial insight into the distribution of emissions within the value chain. This preliminary insight enables targeted efforts in subsequent years aimed at refining methodologies to incorporate more specific data sources (e.g.: moving from spend-based to supplier-specific data).

This will be a central element as we progress with our Net Zero commitment, where scope 3 emissions will be a central focus point in our ongoing collaboration with suppliers and business partners throughout our value chain.



Taskforce on Climate-Related Financial Disclosures (TCFD) 2023

Climate change is undoubtedly one of the greatest challenges we will be facing in the next few years to come.

The risks of climate change are numerous, ranging from the frequency of severe weather events impacting our operations and disrupting our value chain, to the spread of vector-borne illnesses associated with rising global temperatures.

In recognition of these challenges, Bavarian Nordic supports the Task Force on Climate-Related Financial Disclosures (TCFD) framework. In 2022, for the first time, we reported against the 11 TCFD recommendations.

This year we have enhanced our climate governance by building up internal teams to manage Sustainability and ESG Reporting. We have also established a scope 3 emission baseline (with 2022 as a baseline year) and we are committing to being Net Zero, in alignment with the Paris Agreement, where we are assessing our near-term and long-term reduction pathway.

Further work is underway in 2024 to:

- Expand our climate change risk assessment to cover our new infrastructure and product offerings.
- Update our 2022 scenario analysis by incorporating newly published scenarios.
- Strengthen our monitoring of climate-related risks and opportunities through the development of new carbon reduction targets where we assess our near-term and long-term reduction pathway.

Taskforce on Climate-Related Financial Disclosures (TCFD) 2023

Alignment of our reporting according to the TCFD recommendations

Governance	Disclose the organization’s governance around climate-related risks and opportunities.	Describe the board’s oversight of climate-related risks and opportunities.	See section: How we work with sustainability →
		Describe management’s role in assessing and managing climate-related risks and opportunities.	See section: Materiality and risks →
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 impact from risk or opportunities has 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.

Taskforce on Climate-Related
Financial Disclosures (TCFD) 2023

Risk Management	<p>Disclose how the organization identifies, assesses, and manages climate-related risks.</p>	<p>Describe the organization’s processes for identifying and assessing climate-related risks.</p>	<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>
		<p>Describe the organization’s processes for managing climate-related risks.</p>	<p>Climate-related risks are evaluated by relevant business representatives.</p>
		<p>Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization’s overall risk management.</p>	<p>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 relevant internal stakeholders. Throughout 2024, we will continue to work on the management of climate-related risks.</p>

Taskforce on Climate-Related
Financial Disclosures (TCFD) 2023

Metrics and Targets	Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.	<p>Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.</p> <p>Disclose scope 1, scope 2 and, if appropriate, scope 3 greenhouse gas (GHG) emissions and the related risks.</p> <p>Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.</p>	<p>Relevant climate-related metrics are disclosed in this report, including scope 1, scope 2 and scope 3 emissions according to the GHG protocol.</p> <p>We disclose our scope 1 and scope 2 emissions in our annual report and in this report, we also include our new scope 3 report baseline result (2022 baseline) and 2023 data.</p> <p>See: Scopes 1 and 2 emissions →</p> <p>See: Scope 3 emissions →</p> <p>Targets have not yet been set. During 2023, we have established a 2022 baseline to enable goal setting for future reductions in energy and emissions.</p>

A photograph of two men in a cleanroom environment. They are wearing blue protective suits and white hairnets. The man on the right is wearing glasses and is focused on a task, holding a tool. The man on the left is looking towards him. In the background, a digital display shows red numbers, including '50.09.05' and '08'.

Social

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Our reach

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 2023. We delivered millions of doses in 40+ countries, with a potential to protect millions of human lives. Our efforts have demonstrated our commitment and ability to transform our knowledge, expertise, and capabilities into life-saving vaccines with a significant global impact.

Engaging with governments and 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 a global website with the purpose of educating and informing about diseases like mpox, rabies and tick-borne encephalitis.

www.loweringtherisk.com →

We continuously work closely with governments to build resilience and public preparedness. This includes both national governments, inter-governmental organizations, and civil society organizations at large. Examples include our collaboration with the WHO, ongoing dialog with CEPI, and our presence at UNICEF Vaccines Industry Consultations.

European Health Emergency Preparedness and Response Authority

Another example is our engagement with the Health Emergency Preparedness and Response Authority (HERA) was launched in September 2021 with a mission to prevent, detect and rapidly respond to health emergencies. HERA was created in the aftermath of COVID-19 pandemic to anticipate threats and potential health crises, through building necessary response capacities.

Bavarian Nordic has been actively engaged with the European Commission since the fourth quarter in 2020 when the first case of mpox has appeared in EU in May 2022, and have been in the forefront of the industry supporting to manage outbreak response. The contract signed in June 2022 between HERA and Bavarian Nordic, was the first-time where EU budget was used through the EU4Health program to directly purchase vaccines for Member States.



Chikungunya

Our efforts focus on where we can make the greatest impact, mitigate risks, and seize business opportunities. A recent example is our commitment to develop a vaccine against chikungunya, which is in late-stage development.

Chikungunya is a mosquito-borne viral disease caused by the chikungunya virus (CHIKV). CHIKV disease typically presents with acute symptoms, including fever, rash, fatigue, headache, and often severe and incapacitating joint pain. While mortality is low, morbidity is high; nearly 50% of individuals with CHIKV disease have debilitating long-term symptoms that can intensify with age. In the past 20 years, CHIKV has emerged in several previously non-endemic regions in Asia, Africa, southern Europe, and the Americas, often causing large unpredictable outbreaks.

Bavarian Nordic’s chikungunya vaccine candidate is progressing towards regulatory submissions in the U.S. and Europe in 2024 after reporting positive topline results from two Phase 3 clinical trials in both adults and adolescents aged 12 to 64 years of age and adults aged 65 and above. A Phase 3 roll-over study was initiated to evaluate the long-term safety and immunogenicity of the vaccine candidate as well as responses to a booster vaccination up to five years after the initial vaccination.



Working with governments in combating outbreaks

Due to a severe drought affecting the oversea French territory of Mayotte, the French Ministry of Health decided to prevent the potential spread of outbreaks of cholera and typhoid fever by vaccinating specific segments of the population, where Bavarian Nordic has been one important player.

This is an important achievement reinforces one of our central commitments to public health, and we engage in similar collaborations with other government and inter-government agencies to build public preparedness.



Donation of vaccines to Turkey in the aftermath of the earthquake

In early 2023, we received a request from Vaccines Europe and AIFD Turkey (Association of Research-Based Pharmaceutical Companies) to support the urgent vaccine needs in the aftermath of the earthquake that occurred in Turkey in February. After consideration, we decided to donate 44,000 vaccine doses to Turkey to help protect the people affected by the earthquake. We are proud that our contribution plays a crucial role in safeguarding lives and supporting the recovery efforts in the affected areas.



Donations and Grants

Bavarian Nordic provides grants and donations to organizations in support of healthcare, medical education, research, or other similar initiatives that benefit patients, people and society.

In August 2023, Bavarian Nordic provided a donation to Kansas State University in the USA for a poster competition to be conducted in schools to raise awareness and education about rabies for children aged 8 to 13 years old. Bavarian Nordic provided prizes for the top 3 winners of this community engagement initiative.

Other projects included a donation of clinical materials to Project Cure (an international medical relief organization), and a grant to the Global Alliance for Rabies Control (an international non-profit organization) for a Rabies Ambassador Program initiative to raise awareness about rabies prevention and control.



Product safety & quality

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, and 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 pharmacovigilance, 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 the proper handling of information, should they become aware of an

adverse event or other potential safety issue related to our products.

Our Quality Management System (QMS) covers our Good Practice (GxP) activities. The system complies with regulatory requirements and good industry practices. All employees must follow relevant laws and regulations, international guidelines, and standards.

The Quality and Safety Policies and Procedures includes:

- Good Clinical Practice (GCP)
- Good Laboratory Practice (GLP)
- Good Manufacturing Practice (GMP)
- Good Distribution Practice (GDP)
- Good Pharmacovigilance Practice (GVP)
- Applicable ethical standards

Our people

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

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 resulting from both organic growth and acquisitions. By year end of 2023 we counted 1,379 FTE's worldwide with a shared purpose to protect and save lives through innovative vaccines.

We offer employees the opportunity to be part of a dedicated and diverse team that takes pride in pioneering advancements in vaccine development and distribution. This endeavor helps to save, empower, and improve lives while safeguarding communities worldwide from the damaging effects of infectious diseases.

Employee engagement

We follow up regularly on the engagement and work environment among employees. In 2023, we brought in a new platform for continuously

check-in with our employees' engagement. The latest engagement survey demonstrated a high level of engagement particularly due to a sense of flexibility, personal impact and autonomy in how to perform activities and task and strong sense of freedom of opinion. Actions have focused on the development of leaders and employees, mentoring of talent, and progressing health and well-being and an engaging work environment.

The high engagement is also reflected in a lower voluntary turnover rate decreasing from 16% to 13% during 2023. Fierce competition for talent within pharmaceutical development and manufacturing, in the geographical areas where Bavarian Nordic is located, remains a challenge for retention. In 2023, onboarding and integration of new employees as well as general well-being and people development have been a key focus area to advance the needs of people and organization. These efforts will continue



in 2024 with even more emphasis on development and well-being for people in the organization.

In 2023 we launched our new Leadership Framework putting focus on what good leadership stands for in Bavarian Nordic. Based on this a leadership development program has been rolled out to equip our leaders with the skills and knowledge necessary to develop the individual and the team and foster an inclusive and supportive work environment. As we continue 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 quarterly surveys and conduct follow-up meetings to stay in tune with our employees and the work environment in each location.

Flexible and inclusive workplace

Our commitment to improving our employees’ work environment and way of working is formulated in our Code of Conduct, health & safety policy, and remote working policy, 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.

Developing our leaders

To ensure our leader lives the behavior that is supportive of our culture and our purpose, we have defined a set of Leadership Commitments that describe the leadership behavior we need. The Leadership Commitments are a shared and articulated framework that describes the four different roles we expect all our leaders to live through in actions and behavior.

We have also developed a program for newly appointed leaders to ensure they feel supported and to strengthen their confidence and competencies within leadership.

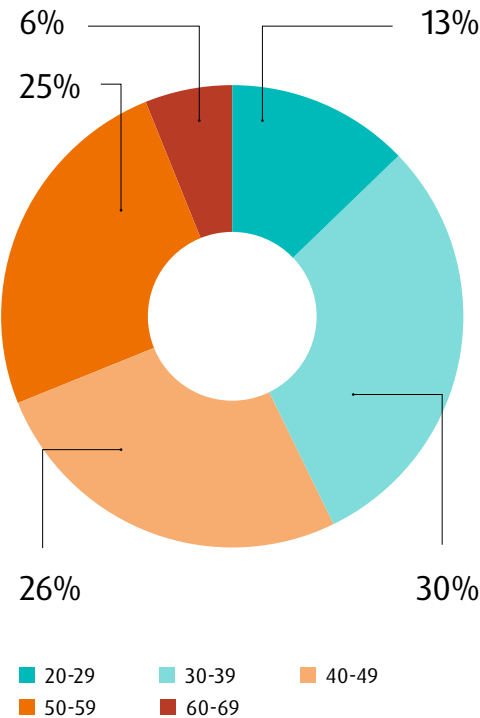
Further, our senior leadership (referred to as our top 60 leaders) gathers once a year to discuss strategic direction and engage in team building to develop an even stronger ‘one global company’ mindset as Bavarian Nordic is growing in size and geographical presence.

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.

Over the past years we have increased the number of internships and student positions in the organization. As a new initiative in 2024 we will

Age diversity 2023



start hiring young trainees to the different parts of the organization to develop skilled employees and expand our access to talent.

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 2023, and we have female representation at all leadership levels in the organization, including the Executive Management, where two out of six members are female. The proportion of females in leadership saw a decrease in 2023, as a result of the proportion of female leaders in the acquired organizations. Bavarian Nordic is still well within the 40/60 ratio with 47% female leaders and 53% male leaders.

In 2023 the gender ratio of the shareholder elected board members was 2/5 (29%/71%). With the expected inclusion of a new female board member, subject to election at the Annual General Meeting in April 2024, the gender ratio of the shareholder elected board members will change to 3/4 (42%/58%).

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.

During 2023 all leaders were trained in how to develop and keep focus on an inclusive and respectful working environment and how to respond to any potential cases related to harassment or discrimination.

[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, also noting that work accident frequency has increased in 2023.

We remain committed to increasing the focus on detection and prevention of absence due to sick leave and occupational accidents.

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, and we are working to implement a ‘Vision 0’ framework for reducing the accident frequency and encouraging employees to report near-misses – so that accidents, where possible, can be prevented to a greater extent.

Occupational accidents, LTIF¹



¹ Lost-Time Injury Frequency per 1 million hours work.



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 2023, we also promoted the importance of well-being 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. This training will be repeated to address new leaders in the organization and uphold the importance of safeguarding the well-being of our employees.

To enhance our global EHS oversight, in 2023, a global EHS Committee has been established to increase collaboration and leadership globally to continuously develop a safe and healthy work environment.

People performance and development

We see continuous performance dialogs and personal development as a key element when working with us.

Performance dialogues are conducted semi-annually where we take a comprehensive review of progress towards stated goals and tracking actions outlined in the individual development plans. Employees are also actively engaged in discussions to determine new goals and activities that both align with company and department goals.

We place great importance on continuously enhancing the skills and capabilities of our employees. As our company grows and evolves, so too must our workforce, and we request all leaders to engage in developmental discussions with their employees and craft personalized development plans.

Health care programs for employees

Across our sites we strive to offer health and well-being programs for our employees. This often includes access to early-care programs, where agreements cover both physical and mental health; from early-stage treatment for stress and other serious illnesses.

Respecting human rights

In 2023 we released our human rights policy, and we are committed to respecting human rights throughout our own operations, and we will continuously seek to work with suppliers and business partners in our value chain to do the same.

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 extends to the human rights of any person who can be adversely impacted by Bavarian Nordic's activities, including employees, patients, and people in our value chain.

In 2023, we have not received any reports of adverse human rights impact within or relating to our company.

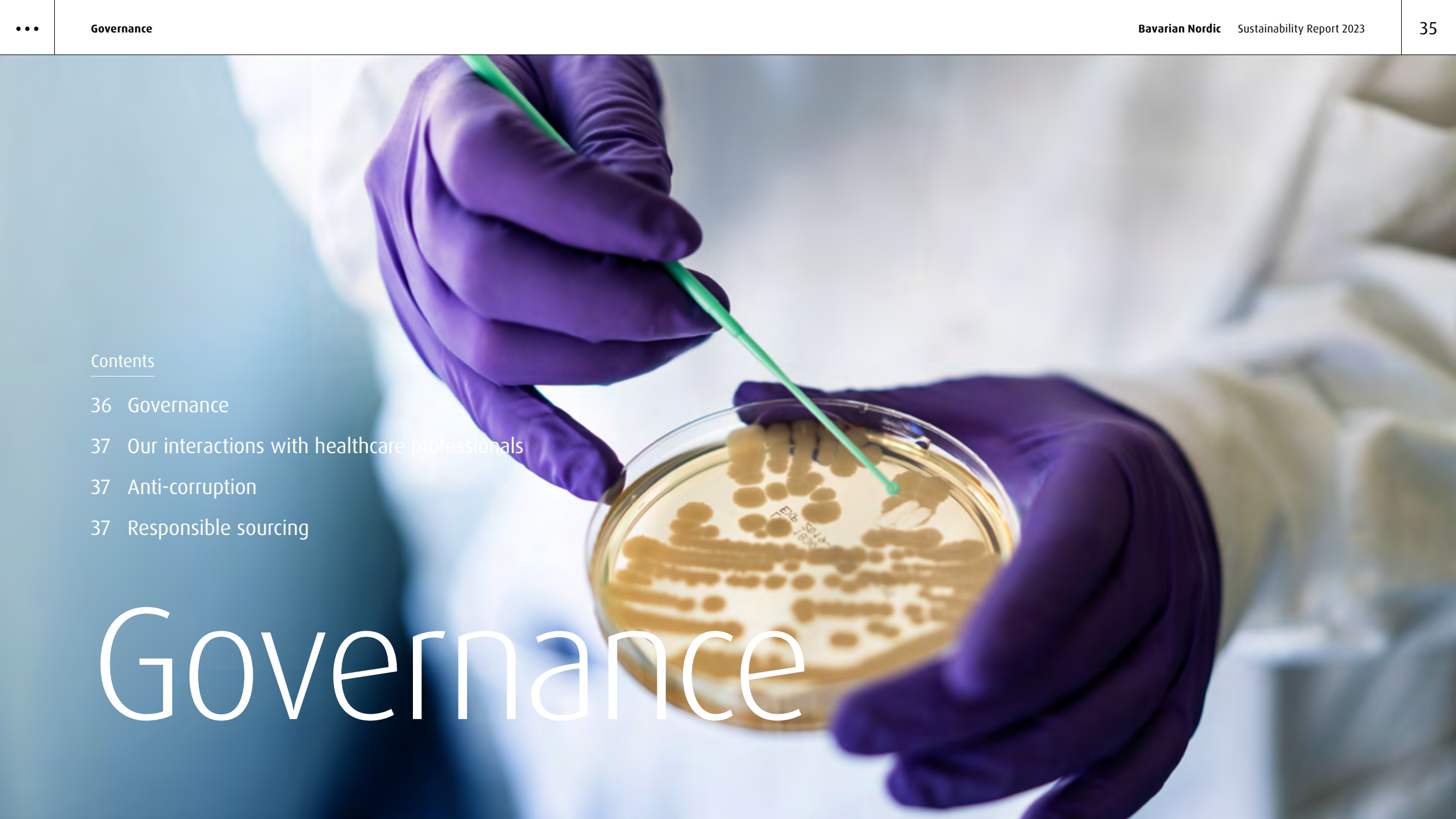
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Governance





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 2023. 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. The Company has appointed a global Chief Compliance Officer with overall responsibility for the Company's global compliance program, and the Company has appointed a US Compliance Officer with responsibility for the Company's 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 2023, the Company received three compliance concerns from all reporting channels, none of which have been substantiated.

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



Joining the Pharmaceutical Supply Chain Initiative (PSCI)

In our effort to further strengthen our social and environmental due diligence as well as enhancing supplier collaboration on sustainability matters, we see it as a natural step to join industry peers as an Associate member (approved in Feb 2024) of the Pharmaceutical Supply Chain Initiative.

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.

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 manufacturing 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.

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.

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EU Taxonomy

The EU Taxonomy is a European sustainability classification framework. It enables corporates to communicate to stakeholders which of their business activities have the potential to be considered sustainable (i.e. are Taxonomy-eligible) and which activities will be reported as EU Taxonomy-aligned (i.e. fulfil EU requirements to be considered sustainable). For each relevant business activity, the company has to disclose how much of its Turnover, Operating Expenditures (OpEx) and Capital Expenditures (CapEx) can be considered eligible and aligned, respectively.

In 2023 Bavarian Nordic identified eligible economic activities based on the six published environmental objectives. Each of the economic activities was assessed on its percentage of Taxonomy-eligibility. As a result, we report 98%, 18% and 87% Taxonomy-eligible Turnover, OpEx and CapEx in 2023, respectively.

Eligibility and alignment

We continuously assess our business and economic activities and the environmental impact thereof. We utilized a two-step approach in formulating our Taxonomy disclosures. Initially, we screened the economic activities outlined in the EU Taxonomy to identify those relevant, considering Bavarian Nordics business model. With the introduction of the four new environmental objectives in the EU Taxonomy, based on

our review, we identified one new economic activity to report on in 2023: 'PPC 1.2 Manufacture of medicinal products' under the environmental objective of 'Pollution Prevention and Control'. The screening was performed across revenue generation, costs, and investments, considering materiality.

Manufacture of medicinal products is our primary economic activity which drives the high eligibility percentage for Turnover.

The identified eligible CapEx consists of additions in 2023 related to PPE, Intangible assets and Right-of-use assets in note 15, 16 and 17 of the Annual Report 2023. Additions mainly relate to the acquisition of the travel vaccines business from Emergent BioSolutions, which included the acquisition of a production property, plant and equipment in Bern, product rights for two commercial vaccines and a late-stage chikungunya vaccine candidate. The acquisition was completed in May 2023. The numerator of the eligible CapEx is thus mainly driven by the acquisition.

We are still assessing our production process against the technical screening criteria pertaining to the manufacture of medicines to work towards alignment.



Accounting policies

Turnover: Total Turnover consists of total revenue from sale of goods and services, as defined in under IFRS. The Turnover KPI is defined as Taxonomy-eligible Turnover divided by total Turnover.

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. OpEx does not include amortizations and impairments.

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 divided by total OpEx.

CapEx: The denominator consists of additions to tangible assets, intangible assets, and right-of-use assets during the financial year 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 consists of 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. In respect of (a), we assess intangible assets, which have successfully finalized stage 3 clinical studies, to be associated with our Taxonomy-aligned (eligible) economic activities. The CapEx KPI is defined as Taxonomy-eligible CapEx divided by total CapEx.

Contextual information about the KPIs

We perceive the principal part of Bavarian Nordic’s revenue related to manufacture of medicinal products, cf. note 3 to the Consolidated financial statements. As Taxonomy-eligible, we only include CapEx directly associated with the manufacturing processes or (for 2022) related to construction or renovation of buildings. Eligible CapEx for 2023 mainly relates to the acquisitions from Emergent BioSolutions, which also includes strategic acquisitions of product rights and acquired rights in development, cf. note 31 to the Consolidated financial statements. Eligible OpEx relates to research and development directly associated with manufacturing processes, cf. note 4 to the Consolidated financial statements. The narrow EU Taxonomy OpEx definition is the main reason for a reported low eligibility.

When allocating CapEx and OpEx to economic activities, we prioritize those that directly contribute to our primary economic activity first. Secondly, we allocate to other environmental objectives for which specific technical screening criteria are set. This is the reason that

Construction of new buildings is linked to Pollution Prevention and Control for 2023 and Climate change mitigation in 2022. This is how we have avoided double counting where activities contribute to multiple environmental objectives.

We are adjusting the R&D cost for amortizations to not double count these costs, as the amortization would also have been part of CapEx in prior years.

EU Taxonomy

Turnover

Financial year - 2023	2023			Sustainable contribution criteria						DNSH criteria ("Does Not Significantly Harm")									
Economic activities (1)	Code (2)	Turnover (3)	Proportion of Turnover year 2023 (4)	Climate change mitigation (5)	Climate change adaption (6)	Water (7)	Pollution (8)	Circular economy (9)	Biodiversity (10)	Climate change mitigation (11)	Climate change adaption (12)	Water (13)	Pollution (14)	Circular economy (15)	Biodiversity (16)	Minimum safeguards (17)	Proportion of Taxonomy-aligned (A.1) or -eligible (A.2.) turnover, year 2022 (18)	Category enabling activity (19)	Category transitional activity (20)
		DKK thousand	%	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)																			
None																			
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0	0%														0%		
Of which is enabling																		E	
Of which is transitional																			T
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
Manufacture of medicinal products	PPC 1.2	6,899,057	98%	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
				N/EL	N/EL	N/EL	EL	N/EL	N/EL								N/A		
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		6,899,057	98%				100%										N/A		
A. Turnover of Taxonomy-eligible acitivities (A.1+A.2)		6,899,057	98%				100%												
B. Taxonomy-non-eligible activities																			
Turnover of Taxonomy-non-eligible activities		163,283	2%																
Total		7,062,340	100%																

Y - Yes, Taxonomy-eligible and Taxonomy-aligned activity with the relevant environmental objective
N - No, Taxonomy-eligible but not Taxonomy-aligned activity with the relevant environmental objective
N/EL - Not eligible, Taxonomy-non-eligible activity with the relevant environmental objective

EU Taxonomy

OpEx

Financial year - 2023				2023						Sustainable contribution criteria										DNSH criteria ("Does Not Significantly Harm")					
Economic activities (1)	Code (2)	OpEx (3)	Proportion of OpEx year 2023 (4)	Climate change mitigation (5)	Climate change adaption (6)	Water (7)	Pollution (8)	Circular economy (9)	Biodiversity (10)	Climate change mitigation (11)	Climate change adaption (12)	Water (13)	Pollution (14)	Circular economy (15)	Biodiversity (16)	Minimum safeguards (17)	Proportion of Taxonomy-aligned (A.1.) or -eligible (A.2.) OpEx, year 2022 (18)	Category enabling activity (19)	Category transitional activity (20)						
		DKK thousand	%	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)																									
None																									
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0	0%														0%								
Of which is enabling																		E							
Of which is transitional																			T						
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																									
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL																
Manufacture of medicinal products	PPC 1.2	295,080	18%	N/EL	N/EL	N/EL	EL	N/EL	N/EL								N/A								
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		295,080	18%				100%										N/A								
A. OpEx of Taxonomy-eligible acitivities (A.1+A.2)		295,080	18%				100%																		
B. Taxonomy-non-eligible activities																									
OpEx of Taxonomy-non-eligible activities		1,382,080	82%																						
Total		1,677,160	100%																						

Y - Yes, Taxonomy-eligible and Taxonomy-aligned activity with the relevant environmental objective
N - No, Taxonomy-eligible but not Taxonomy-aligned activity with the relevant environmental objective
N/EL - Not eligible, Taxonomy-non-eligible activity with the relevant environmental objective

EU Taxonomy

CapEx

Financial year - 2023				2023						Sustainable contribution criteria										DNSH criteria ("Does Not Significantly Harm")					
Economic activities (1)	Code (2)	CapEx (3)	Proportion of Capex year 2023 (4)	Climate change mitigation (5)	Climate change adaption (6)	Water (7)	Pollution (8)	Circular economy (9)	Biodiversity (10)	Climate change mitigation (11)	Climate change adaption (12)	Water (13)	Pollution (14)	Circular economy (15)	Biodiversity (16)	Minimum safeguards (17)	Proportion of Taxonomy-aligned (A.1.) or -eligible (A.2.) CapEx, year 2022 (18)	Category enabling activity (19)	Category transitional activity (20)						
		DKK thousand	%	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)																									
None																									
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0	0%														0%								
Of which is enabling																		E							
Of which is transitional																			T						
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																									
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL																
Manufacture of medicinal products	PPC 1.2	2,761,286	87%	N/EL	N/EL	N/EL	EL	N/EL	N/EL								N/A								
Construction of new buildings	CCM 7.1	0	0%	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL								10%								
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		2,761,286	87%				100%										10%								
A. CapEx of Taxonomy-eligible acitivities (A.1+A.2)			87%				100%																		
B. Taxonomy-non-eligible activities																									
CapEx of Taxonomy-non-eligible activities		389,779	13%																						
Total		3,155,776	100%																						

Y - Yes, Taxonomy-eligible and Taxonomy-aligned activity with the relevant environmental objective
N - No, Taxonomy-eligible but not Taxonomy-aligned activity with the relevant environmental objective
N/EL - Not eligible, Taxonomy-non-eligible activity with the relevant environmental objective

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.

Many of the accounting policies have been updated for 2023 – these accounting updates have not been implemented for legacy data (2022 – 2019) and are only reflected in 2023 numbers.

Environmental data

	Unit	Note	2023	2022	2021	2020	2019
Emissions							
CO ₂ e, Scope 1	Tonnes	1	4,364	1,765	1,422	1,381	909
CO ₂ e, Scope 2 (Market-based) ¹	Tonnes	1	6,318	988	1,085	1,175	1,178
CO ₂ e, Scope 2 (Location-based) ¹	Tonnes	1	3,038				
CO ₂ e, total (scopes 1+2) Market- based ¹	Tonnes	1	10,682	2,753	2,506	2,556	2,087
CO ₂ e, total (scopes 1+2) Location-based ¹	Tonnes	1	7,402				
CO ₂ e per employee (FTE)	Tonnes	1	7.8	3.1	3.4	4.2	4.5
Energy							
Energy consumption	GJ	2	136,066	53,325	42,577	45,110	34,137
Water							
Water consumption ²	m ³	3	33,835	21,772	17,023	19,170	14,770
Waste							
Waste, total	Tonnes	4	510	269	245	196	159
Recycling rate	%	4	51	55	55	53	50
Environmental incidents							
			2	0	2	0	0

¹ In 2023 we report on a split between market-based and location-based emissions. The big increase in Scope 1 emissions is attributed to the acquisition of our Bern and San Diego sites. Our Scope 2 emissions have also increased due to the acquisition, and also as a consequence of adopting both market-based and location-based emission factors.

² For assurance purposes, we have only reported on water consumption at our manufacturing facility in Kvistgaard (Denmark). Water data from Bern (Switzerland) has been collected, and can be seen on page 16, but is not consolidated into the assurance due to the site being onboarded in May 2023 as a result of an acquisition. Our ambition is to include the water consumption data for Bern (Switzerland) in the future.

ESG figures

Social data

	Unit	Note	2023	2022	2021	2020	2019
Full-Time Equivalents ¹	FTE	5	1,379	874	734	607	465
Gender diversity, All employees	% Female		56	59	61	61	N/A
Gender diversity, All management	% Female		47	55	56	56	51
Gender diversity, Executive Management ²	% Female		33	33	33	28	0
Gender diversity, Senior Management	% Female		50	-	-	-	-
Employee turnover ratio	%	5	18	19	14	9	10
Sickness absence ³	%		5.8	3.7	3.1	2.7	2.8
Sickness absence ³	Days per FTE		11	8	7	6	6
Occupational injuries, LTIF ⁴		5	4.5	1.3	3.9	2.8	2.5

1 In 2023, we updated the accounting policy, where FTE count is based on status end-of-year. Previous years the accounting policy was based on consolidated monthly FTE average.

2 Senior management includes members of the executive management (across locations) and their direct reports who have at least one full-time direct report. 2023 represents the first year that we consolidate these figure and kindly note that "Senior management" does not compose our compliance with cf. section 99.b of the Danish Financial State, as this is reported separately in our Annual Report 2023.

3 Sickness absence does not include offices in the USA and staff working remotely in Canada. For the years 2019-2021, the numbers include child sick days.

4 LTIF: Lost Time Injury Frequency

Governance data

	Unit	2023	2022	2021	2020	2019
Gender diversity, Board of Directors ¹	% Female	29	20	29	29	29
Board meeting attendance rate ¹	%	97	99	99	97	98
CEO pay ratio ¹	Times	21	22	16	16	15

¹ Data derived from the Company's annual reports 2019-2023, except for CEO pay ratio, which is presented in the remuneration reports 2019-2023.

Notes

Unless otherwise stated, the presented figures cover all Bavarian Nordic sites and employees. The subtotals below may not add up exactly due to the rounding of the figures in the underlying dataset.

Note 1

Emissions

Total ¹ , tonnes CO ₂ e	2023	2022	2021
Direct emissions (Scope 1)			
Heating	3,825	1,507	1,301
Electricity generation	17	1	14
Fugitive emissions	32	51	16
Transport in company-owned cars	490	206	91
Indirect emissions (Scope 2)			
Electricity, purchased	6,294	924	1,020
Heating, purchased	24	65	65
Emissions, total	10,682	2,753	2,506
Emissions from production, tonnes CO ₂ e ^{1,2}	2023	2022	2021
Direct emissions (Scope 1)			
Heating	3,368	1,507	1,301
Electricity generation	17	1	14
Fugitive emissions	32	50	16
Transport in company-owned cars	39	43	37
Indirect emissions (Scope 2)			
Electricity, purchased	4,339	421	747
Heating, purchased	-	-	-
Emissions, total	7,795	2,022	2,114

¹ Total emissions exclude leased offices in Zug Switzerland.
² Production sites are defined as our manufacturing sites, in Kvistgaard (Denmark) and Bern (Switzerland). For scopes 1 + 2, prior to 2023, emission factors for Scope 2 emissions, have been primarily based on location-based emission factors, and only relate to our manufacturing site in Kvistgaard (Denmark). In 2023, we have used market-based emission factors for Scope 2 emissions, and added our new Bern (Switzerland) site (as a result of an acquisition in 2023).

Note 2

Energy

Energy Consumption, Production	2023	2022	2021
Energy, total (GJ)	101,638	53,325	42,577
Energy, total (MWh)	28,233	14,813	11,827
- electricity (MWh)	11,969	7,386	5,259
- other energy sources (MWh)	16,264	7,427	6,568

Note 3

Water

Production, cubic meters (m³)	2023	2022	2021
Sanitary water ¹	4,278	3,757	3,638
Process water ¹	29,557	18,015	13,385
Total water consumption	33,835	21,772	17,023

¹ Only covers water consumption from our manufacturing site at Kvistgaard (Denmark).

Notes

Note 4 Waste

Production, tonnes	2023	2022	2021
Combustible	181	103	89
Recyclable	261	149	136
Hazardous waste	65	15	19
Waste for deposition	2	1	1
Total waste	510	269	245
Recycling rate	51%	55%	55%

Note 5 Employees

Full-time equivalent (FTE)	2023	2022	2021
Denmark	815	604	511
Germany	258	217	169
Switzerland	160	17	17
USA	129	36	37
Canada	11	N/A	N/A
Other ¹	5	N/A	N/A
Total full-time employees at end-of-year	1,379	874	734

¹ Italy, Spain, Sweden

Turnover, %	2023	2022	2021
Denmark	18.0	22.1	14.0
Germany	18.5	11.6	12.0
Switzerland	9.2	22.5	11.5
USA	29.8	19.0	32.4
Canada	0	-	-
Other ¹	0	-	-
Turnover, total	18.0	19.3	14.4
Turnover, voluntary	13.1	16.4	10.5

¹ Italy, Spain, Sweden

Occupational injuries	2023	2022	2021
Injuries with absence, (number)	10	2	5
Lost Time Injury Frequency Rate (LTIF)	4.5	1.3	3.9

Accounting policies

Environmental

Emissions

Calculations of CO₂e emissions are based on the Corporate Standard of the Greenhouse Gas Protocol Initiative³ and include the greenhouse gasses addressed by the UNFCCC/Kyoto Protocol (CO₂, CH₄, N₂O, HFCs, PFCs, SF₆ and NF₃) calculated in metric tonnes of CO₂e when possible.

Numbers have been rounded for presentation purposes (please note that for rounding purposes, 64.57 would be rounded up to 65, whereas 54.4 would be rounded down to 54).

The chosen approach for defining organizational boundaries was the operational control approach. 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.

Additional considerations

1. San Diego underwent a system migration in October 2023. As a result, consumption data prior to this date was unavailable. To provide complete 2023 data, consumption figures for Q1-Q3 were calculated by extrapolating data from Q4 and

adjusting for quarterly seasonality to achieve a more accurate representation of reality.

- 2. Bern's data for Q4 was extrapolated using the average consumption from Q1-Q3. This was necessary because, due to a system migration, Q4 data was not available before the reporting date.
- 3. The leased offices in Zug, Switzerland (3 office rooms in a shared building) have been omitted from the current inventory due to minimal contribution to total scopes 1 and 2 emissions, the lack of sufficient data, and decision to discontinue lease. Estimations suggest that the impact of this exclusion on emissions figures is expected to be less than 0.001% of our total scopes 1 and 2 emissions (estimation derived from electricity consumption data from the Durham commercial site adjusted by FTE).

Scope 1

Direct emissions under Scope 1 include the following:

- Heating; this accounts entirely for heating at our manufacturing sites, as all other sites are leased facilities which use district heating, reported under Scope 2. Natural gas and heating oil are

used for heating of the manufacturing sites and consumption is based on monthly readings. In addition to our manufacturing facilities, one of our laboratories relies on natural gas.

- Electricity generation; this accounts entirely for consumption of diesel oil for power generators at one of the manufacturing site and is based on the volume purchased during the year.
- Fugitive emissions; these relate to CO₂e from the use of dry ice and CO₂e gas, as well as emissions from cooling systems at the manufacturing sites, 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. For our sites in Durham and Martinsried, the data provided herein for company cars relies on source documentation obtained directly from the suppliers. The data was incorporated as pre-calculated mileages and emissions, respectively. Please note that while we strive to provide accurate and transparent data, we do not control the methodology behind the data provided. The information presented here is based on sources

we rely upon. Furthermore, regarding company car data for Durham, in the absence of November and December 2023 data, figures from previous year have been used as substitutes.

Scope 1 emission factors

In calculating CO₂e emissions, specific emission factors based on emissions type and geographic location were used. CO₂e 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.

When referencing production figures, Kvistgaard and Bern are considered.

Scope 2

Indirect emissions under Scope 2 include emissions from purchased electricity and heating which are based on meter readings and supplier statements. For our site in Martinsried, the data provided herein for company cars relies on source documentation obtained directly from the supplier. The data was incorporated as pre-calculated emissions.

Please note that while we strive to provide accurate and transparent data, we do not control the methodology behind the data provided.

When calculating emissions associated with electricity consumption in Scope 2, both the location-based method and the market-based method are utilized, as recommended by the GHG Protocol. The location-based method is the method to quantify Scope 2 GHG emissions based on average energy generation emission factors for defined geographic locations, including local, subnational, or national boundaries. The location-based method reflects the average emissions intensity of grids on which energy consumption occurs (using mostly grid-average emission factor data). The market-based method is the method to quantify the Scope 2 GHG emissions of a reporter based on GHG emissions emitted by the generators from which the reporter contractually purchases electricity bundled with contractual instruments, or contractual instruments on their own. The market-based method reflects emissions from electricity that companies have purposefully chosen (or their lack of choice). It derives emission factors from contractual instruments, which include any type of contract between two parties for the sale and purchase of energy bundled with attributes about the energy generation, or for unbundled attribute claims.

Scope 2 emission factors

Emission factors for locally procured electricity, whether market-based or location-based, were obtained from the Association of Issuing Bodies (2022) when accessible; otherwise, IEA emission factors were employed. District heating emission factors were taken from national averages.

For the market-based method, Germany alone utilized certificates to authenticate renewable electricity consumption. In areas where no certificates were purchased, the Residual Mix emission factor issued by the AIB is applied.

Please note that when referencing production figures, Kvistgaard and Bern are considered.

CO₂e per employee

Emissions per employee is expressed in CO₂e per employee calculated as the ratio between the total emissions and number of FTEs. Total emissions are calculated using market-based figures.

Energy

Energy consumption is calculated for the entire manufacturing sites (Kvistgaard and Bern), the Research & Development facilities (Hørsholm, Martinsried and San Diego) and administrative functions (headquarter in Hellerup and Durham commercial site). The figure includes purchased electricity, purchased diesel oil used for power generators, consumption of natural gas or heating oil which is used for heating and fuel used in company vehicles.

Electricity

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

Water

Full year water consumption (inflow) is measured monthly and aggregated at end of year at for manufacturing site in Kvistgaard (Denmark) and include both water inflow for production and sanitary use. Water data is collected end of year from an online portal which collects meter readings (cubic meters / m³) from meters distributed across our Kvistgaard (Denmark) site. Production water is read from main meters (water input from municipal supply) and then read from sub-meters installed in production water inflows. Sanitary water is calculated based on: total water from municipal lines (main meters), minus water read from sub-meters installed in production water inflows. Our manufacturing site in Bern (Switzerland) has not been included in this years' assurance due to lack of alignment in collection of water data (as the site was acquired in 2023) but will be included going forward. Production water is defined as water used in, and/or supporting, manufacturing processes, and sanitary water as water used in kitchens, bathrooms, and for drinking purposes.

Waste

Full year waste volumes (excluding wastewater) are consolidated end of year, based statements or invoices from approved waste carriers handling

combustible waste, hazardous waste, recyclable waste, and waste for landfill (previous years referred to as deposition) waste at our two production sites in Kvistgaard (Denmark) and Bern (Switzerland).

Recycling rate

Based on statements or invoices from approved waste carriers handling combustible waste, hazardous waste, recyclable waste, and waste for landfill (previous years referred to as deposition) waste at our two manufacturing sites in Kvistgaard (Denmark) and Bern (Switzerland). The recycling rate is calculated as the ratio of recycled waste which is calculated by taking the total volume of recycled waste divided by the total volume of waste in a calendar year, from our two manufacturing sites in Kvistgaard (Denmark) and Bern (Switzerland).

Environmental incidents

Environmental incidents include accidental or unintentional release of substance from our manufacturing sites in Kvistgaard (Denmark) and Bern (Switzerland) which can have an impact on the external environment, and incidents where the environmental permit is breached, which in both cases are subject to reporting to the authorities. Our current scope only includes our manufacturing sites in Kvistgaard (Denmark) and Bern (Switzerland) as these sites are most exposed to such environmental incidents, through handling of substances, environmental permits, and potential effect on external environment.

Social

Full Time Equivalents (FTE)

Number of employees calculated as the equivalent number of full-time employees at year end, based on year-end extracts from HR IT System. One full FTE count is based on scheduled weekly hours per employee (as defined in individual contract) divided by weekly hours applicable for a given location of work.

Employee turnover ratio

Employee turnover rate represents, in percent, the ratio of employees (headcounts) that leave over a calendar year (excluding students and retirements). The turnover rate is based on employees (headcounts) who left during the year, divided by the total average headcount over one calendar year, multiplied by one hundred.

Sickness absence ratio

Absence ratio is calculated based on the number of registered days of sick-leave, divided by the total average working days per FTE (per location) over a calendar year. Absence includes recorded staff sick days for employees in Denmark, Germany, Switzerland, Sweden, Spain, and Italy. Parental leave is not included in these figures. Accounting policy has significantly been updated in 2023.

Sickness absence days per FTE

Absence per FTE is calculated based on the total number of days of registered sick-leave, divided by

the total average working days per FTE (per location) over a calendar year in Denmark, Germany, Switzerland, Sweden, Spain, and Italy.

Occupational injuries

Occupational injury data relates to injuries resulting in at least one day of absence in addition to the day of injury. The lost time injury frequency rate (LTIF) is the number of occupational injuries, reported per site or by confirmation from the global Environmental Health & Safety (EHS) manager, per one million working hours.

Gender diversity

Gender diversity is expressed as the percentage of women in following groups: all employees, all management, executive management, and senior management. The percentage is derived from an extract, at year end, from our HR IT System, where registered female headcounts is divided by the registered male headcounts. Management levels are accounted for as persons employed with staff responsibility for at least one full-time person. Senior management is defined as a combination of our Executive Management at all locations and their direct reports who have staff responsibility for at least one full-time person - note that "Senior management" does not compose our compliance with cf. section 99.b of the Danish Financial State, as this is reported separately in our Annual Report 2023.

Governance

Gender diversity, Board of Directors

Gender diversity is expressed as the percentage of women in our Board of Directors. The metric only accounts for members of the board who have been elected by our shareholders (and excludes employee elected board members). The percentage of women is derived from a board member registered gender in their respective national identity documents, where the proportion of women is divided by the proportion of men.

Board meeting attendance rate

The attendance rate is calculated, based on recorded board member attendance in meeting minutes of regular board meetings (all board members) and board committee meetings (excluding employee elected board members, as they are not members of board committees). Attendance ratio is calculated based on the total number of meetings actually attended by individual board members (where attendance is applicable), divided by the total number of meetings which they individually could have attended. This includes individual attendance ratio in regular board meetings (all board members) and board committee meetings (excluding employee board members, as they are not members of board committees). Board committees include: Finance, Risk and Audit Committee (FRAC), Nomination and Compensation Committee (NOMCOM), and Science, Technology and Investment Committee (STI).

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 (FTE's) in the company (excluding executive management). The CEO ratio in 2023 is sourced from the 2023 Remuneration Report "Table 14 – Financial Measures (Group)" row "CEO Pay Ratio." For reference and clarity in calculating the ratio:

The average total remuneration for all employees is calculated as total staff cost (note 8 in Annual Report 2023), minus total management remuneration (note 8 in Annual Report 2023), divided by average number of employees converted to full-time (excluding FTE count for executive management, note 8 in Annual Report 2023).

Remuneration of the CEO is calculated includes paid out salary, bonus, and other benefits and expensed costs on running warrants, RSU and PSU incentive programs, in accordance with the financial accounting policy (Note 30 in Annual Report 2023).

The remuneration of the CEO is then divided by the average total remuneration for all employees.

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 2023.

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, March 6, 2024

Board of Directors



Luc Debruyne
Chairman of the Board



Anders Gersel Pedersen
Deputy Chairman



Peter H. Kürstein-Jensen



Frank A.G.M. Verwiel



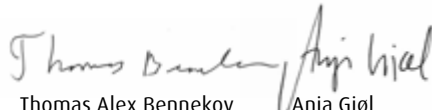
Anne Louise Eberhard



Johan van Hoof



Heidi Hunter



Thomas Alex Bennekov
Employee-elected



Anja Gjøøl
Employee-elected



Karen Merete Jensen
Employee-elected



Linette Munksgaard Andersen
Employee-elected

Independent auditor's assurance report

To the stakeholders of Bavarian Nordic A/S

Bavarian Nordic A/S has engaged us to provide limited assurance on the environmental, social and governance performance data for the financial year 1 January – 31 December 2023 as presented in section ESG Data 2023 on page 44-45 in the Sustainability Report 2023 of Bavarian Nordic A/S (herein-after referred to as "ESG Data Overview").

Other than as described in the preceding paragraph, which sets out the scope of our engagement, we did not perform assurance procedures on the Notes 1-5 presented on page 46-47 in section "ESG Data 2023" nor on the remaining in the Sustainability Report 2023, and accordingly, we do not express an opinion on this information.

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 Data Overview, 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 Data Overview, for the overall content of the ESG Data Overview, and for measuring and reporting ESG data in accordance with the accounting policies presented on page 40 in the Sustainability Report 2023.

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 in respect of the greenhouse gas emissions, in accordance with 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 ESG Data Overview 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 stakeholders of Bavarian Nordic Group A/S.

Deloitte Statsautoriseret Revisionspartnerselskab applies International Standard on Quality Management 1, ISQM 1, which requires the firm to design, implement and operate a system of quality management including policies or 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 Data Overview. 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;

- reviewed evidence 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 Data Overview;
- 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 The Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011); and
- evaluated the evidence obtained.

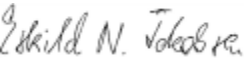
Our conclusion

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 Overview for the financial year 1 January – 31 December 2023, as presented in section ESG Data 2023 on page 44-45 in the Bavarian Nordic A/S Sustainability Report 2023 has been prepared, in all material respects, in accordance with the accounting policies.

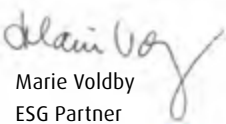
Copenhagen, 6 March 2024

Deloitte

Statsautoriseret Revisionspartnerselskab
Business Registration No. 33 96 35 56



Eskild Nørregaard Jakobsen
State Authorised
Public Accountant
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Marie Voldby
ESG Partner

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