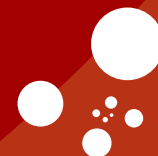


CSR REPORT

2019



BAVARIAN NORDIC

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CSR REPORT 2019

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ABOUT THE REPORT

This Statutory Report on Corporate Social Responsibility (CSR), cf. sections 99a and 99b of the Danish Financial Statements Act, is part of the management's review in the 2019 Annual Report and covers the financial period January 1 – December 31, 2019.

LESS RISK, MORE MEMORIES

A new virus emerged in China and quickly spread to countries around the globe. This was the reality we faced in the beginning of 2020 as we have done so many times before. We still do not know the magnitude of the outbreak, nor its severity on a global scale. What we do know is, that it was something, we were not prepared for. Despite learnings from the SARS outbreak in 2003 and the Swine flu outbreak in 2009, the speed of which an outbreak evolves surpasses our ability to contain it properly. We also saw impact on the financial markets, as uncertainty arose around the potential implications of the outbreak on the global economy.

“Risk is always present in our world, but the less there is of it, the more there is to experience in life.”

Due to globalization and climate changes, communicable diseases spread easier and rapidly, creating significant demands for better surveillance and preparedness as well as increased vaccination efforts. While we cannot eliminate the risk of new diseases

emerging, we can mitigate the risk by applying our knowledge to develop new and improved solutions to fight these diseases.

At Bavarian Nordic, we are committed to developing and manufacturing life-saving vaccines, and with the recent FDA approval of our smallpox and monkeypox vaccine, as well as the acquisition of two commercial vaccines for rabies and tick-borne encephalitis, we aspire to establish ourselves as a leader in infectious disease vaccines, thus fulfilling our mission to save and improve lives by unlocking the power of the immune system.

With a growing portfolio of vaccines, we have significantly increased our global impact on good health and well-being, and our vaccines can help combat the negative impact of climate change, which globally results in spreading of diseases into new areas.

We have embarked on a new era as a commercial vaccine company generating a solid cash flow that will allow us to support the continued investments in our promising pipeline to bring additional life-saving products to the market. Products, that hopefully can offer less risk and more memories.



SDG 3:
Ensure healthy lives and promote well-being for all at all ages



SDG 13:
Take urgent action to combat climate change and its impact

BAVARIAN NORDIC AT A GLANCE

LIFE-SAVING VACCINES

By 2025 we aspire to be one of the largest pure play vaccines companies, improving and saving lives by excelling in R&D innovation, manufacturing and commercialization.

Bavarian Nordic is a fully integrated biotechnology company developing, manufacturing and commercializing vaccines for the prevention and treatment of life-threatening diseases.

We are a global leader in smallpox vaccines and following the acquisition of two commercial vaccines in 2019, we are creating a leading infectious disease franchise.

R&D INNOVATION

We have a strong heritage in vaccine development and with a proven technology, we continue to make innovations to help fight existing and emerging diseases.



COMMERCIAL

Two acquired vaccines with a strong reputation and market leading positions are the stepping stones to establish our commercial organization to drive profitable growth.



MANUFACTURING

We are experts in live virus vaccine manufacturing and with the addition of fill and finish capabilities for liquid and freeze-dried vaccines, we will enable end-to-end commercial-scale manufacturing.



OUR IMPACT ON GLOBAL HEALTH

At Bavarian Nordic, we are committed to developing and manufacturing life-saving vaccines, and with the recent FDA approval of our smallpox and monkeypox vaccine, as well as the acquisition of two commercial vaccines for rabies and tick-borne encephalitis, we aspire to establish ourselves as a leader in infectious disease vaccines, thus fulfilling our mission to save and improve lives by unlocking the power of the immune system.



With Janssen we have developed an investigational Ebola vaccine regimen which has been deployed in several African countries in response to the current outbreak in DRC



COMMERCIAL PRODUCTS

JYNNEOS

SMALLPOX & MONKEYPOX VACCINE

Key markets:

- USA (government stockpiling of smallpox vaccine and as travel vaccine for people travelling to regions in Africa where monkeypox is endemic)

Also approved as smallpox vaccine in EU (trade name: IMVANEX) and in Canada (trade name: IMVAMUNE)

RABIPUR/RABAVERT

RABIES VACCINE

Key markets:

- USA and Germany

ENCEPUR

TICK-BORNE ENCEPHALITIS (TBE) VACCINE

Key markets:

- Germany and Sweden

OUR CSR FRAMEWORK

Bavarian Nordic is undergoing a great transformation these years and while pursuing our vision to become one of the largest pure play vaccines companies, improving and saving lives by excelling in R&D innovation, manufacturing and commercialization, we recognize the importance of protecting and taking care of the world around us, and act responsibly in all matters. →

We aim to do this by:

- working actively and systematically to minimize our impact on the environment and climate.
- maintaining an active dialog with our stakeholders on a local, national and global level.
- actively supporting and respecting human rights and labor standards.
- providing a safe and healthy working environment for our staff that includes opportunities for professional and personal development.
- conducting business according to highest ethical standards.
- communicating our CSR policy openly and honestly to external collaboration partners, including our suppliers.

These are our guiding principles for working with CSR, upon which we have formulated our policies which are further specified in relevant areas throughout this report. With this we are acting on the basis of principles regarding human rights, labor, environment and anti-corruption, thus adhering to the ten principles of the United Nations Global Compact¹.

Reporting framework

Since the establishment of our production facility at Kvistgaard, Denmark in 2005, we have been subject to annual environmental reporting to the Danish authorities. This has served as a framework for key areas of our sustainability reporting, which has been expanded to include other relevant sustainability indicators as laid out by the Global Reporting Initiative (GRI).

In addition, we have incorporated the Sustainable Development Goals (SDGs) adopted by the United Nations in support of the 2030 Agenda for Sustainable

Development. They serve as a framework to highlight the impact of our business in a global perspective and help to raise awareness of the goals among all our stakeholders.

We have identified the following seven SDGs as important and relevant for our business. However, according to Gavi², the Vaccine Alliance, vaccines positively impacts, directly or indirectly, 14 of the 17 SDGs that support the 2030 Agenda for Sustainable Development.

¹⁾ www.unglobalcompact.org/what-is-gc/mission/principles

²⁾ www.gavi.org/about/ghd/sdg/



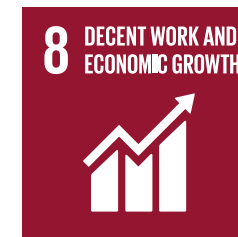
SDG 3:
Ensure healthy lives and promote well-being for all at all ages



SDG 4:
Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all



SDG 5:
Achieve gender equality and empower all women and girls



SDG 8:
Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all



SDG 12:
Ensure sustainable consumption and production patterns



SDG 13:
Take urgent action to combat climate change and its impact



SDG 16: Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels

CSR organization

To ensure that our CSR initiatives are carried out timely and efficiently and to improve transparency on the activities, we have established a CSR steering committee comprised of senior representatives in the Company, in addition to a CSR working group comprised of representatives from human resources, our environmental, health and safety manager and investor relations & communications.

Scope of our reporting

Our manufacturing facility at Kvistgaard, Denmark, where also our headquarters has historically been located, is one of the chief sources of our environmental impact, and we seek to provide a high degree of transparency by reporting our carbon emissions and additional environmental data from this site. Furthermore, it represents almost two thirds of our employees. In addition, we have included our research and development facilities in Germany and the USA, which represent the last third of employees and contribute to our global emissions by approximately 20%.



ENVIRONMENT AND CLIMATE

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

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

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

Non-financial key figures, environment and climate

The presented key figures relate to our production facility at Kvistgaard, Denmark, which also comprises our headquarters with administrative functions and quality laboratories. However, we also present our global emissions, which include all other company locations.

2019 developments

Manufacturing activities in 2019 were primarily related to bulk manufacturing of smallpox vaccine under our ongoing contracts with the U.S. Government and small-scale manufacturing of vaccines for clinical trials.

We finalized the construction of a new fill and finish facility in extension of our existing manufacturing facility at Kvistgaard, and validation activities will continue into 2020 with the aim to initiate commercial manufacturing by the end of 2020. During construction, the site has had a significant increase in workers which, in combination



SDG 12:
Ensure sustainable consumption
and production patterns

	Unit	Note	2019	2018	2017	2016	2015
CO₂							
CO ₂ emissions, total	metric tons	1	2,087	2,361	2,641	2,695	3,103
- of which is related to production	metric tons	1	1,718	1,935	1,975	1,995	2,178
Energy							
Energy used in production	mWh	2	9,483	9,035	8,916	9,602	8,449
Water							
Waste water from production	m ³	3	10,556	8,543	7,486	8,689	7,660
Waste							
Waste from production	metric tons	4	159	130	151	154	145
Recycling			50%	42%	40%	43%	9%

with the construction work has contributed to a higher consumption of energy and water.

With this new facility, we will obtain full control of the value chain, from development over manufacturing to commercialization, which enables us to provide a more accurate reporting of our environmental impact going forward.

There were no breaches of the environmental permit for the facility in 2019.

Emissions

While energy consumption increased in 2019, we saw a decrease in our CO₂ emissions, mainly resulting from higher use of green energy in the purchased electricity. With the recent acquisition of two commercial vaccines that eventually will be transferred to our manufacturing facility as well as insourcing of fill and finish activities, we expect our manufacturing output to increase significantly over the next years, and thus also to increase the energy consumption. See also [note 1](#).

Water

Water consumption at our Kvistgaard facility increased in 2019, primarily due to activities related to construction of the new fill and finish facility.

Waste and recycling

While the overall amount of waste increased in 2019, mainly as result of the work with the fill and finish facility, including initiation of performance test runs of the filling

line, we saw a further increase in the recycling of waste, going from 42% in 2018 to 50% in 2019.

In addition, hazardous waste was decreased by almost 25%.

We are continuously looking into ways of improving recycling, and in 2019, collection of food waste was initiated at our manufacturing site, concurrently with a campaign encouraging our employees only to take the food, they can eat. By raising awareness in single areas like this, we aim to heighten the general awareness in the company to improve the sustainability mindset among employees. See also [note 4](#).

Goals and priorities

→ We continuously seek to increase recycling throughout our company. To support this objective, we have introduced additional recycling fractions at our headquarters and production site, aiming to further increase the recycling rate.

Risks

Our vaccines are based on live viruses, classified as GMO class 1, which is the lowest risk category. Viruses 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 perform regular assessments of any risks associated with our manufacturing activities and its impact on the environment, and from the initial phase of any new project.

In connection with the construction of a new fill and finish facility, a thorough assessment of risks and impact was made and presented to the Danish Environmental Protection Agency who in 2018 issued a permit for the facility, supplementary to our existing environmental permit for the entire manufacturing facility.

We work continuously on improvements in connection with the identified areas of risks or opportunities.



BUILT ON SCIENCE, DRIVEN BY PEOPLE

Our employees are our most valuable asset and as an innovative, knowledge-based company, it is important for us to attract and retain highly qualified workers. For this reason, we want to offer our staff a good and inspiring working environment that also provides them with development opportunities.

“

We strive to maintain a good work-life balance, and we focus on employee health, safety and job satisfaction.

Being a global organization, we support a diverse, accommodating and non-discriminatory working environment where we all aspire to the same objectives – regardless of gender, age, ethnicity, physical impairment, religion or sexual orientation. We do not, under any circumstances, accept any kind of discriminatory behavior - verbal nor physical.

We strive to maintain a good work-life balance, and we focus on employee health, safety and job satisfaction.

We have established a formal organization with oversight of all issues pertaining to health and safety, proactively working to ensure that we comply with relevant requirements as defined by the authorities.

We systematically map both the physical and psychosocial working environment so that the necessary preventive steps can be taken, for the benefit of both individual employees and the Company as a whole. We do so in a close dialogue between management and employees, both on a daily basis and through a number of established committees, including local works councils and a health and safety committee, which receives regular education and training in relevant areas. To promote decent work and economic growth, we act in accordance with the ISO 45001 standard for an occupational health and safety (OH&S) management system.



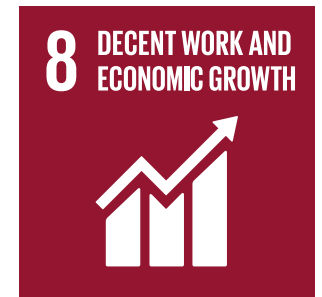
SDG 3:
Ensure healthy lives and promote well-being for all at all ages



SDG 4:
Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all



SDG 5:
Achieve gender equality and empower all women and girls



SDG 8:
Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all

2019 developments

In preparation for our manufacturing expansion as well as the establishment of a new commercial organization to manage sales and marketing of our newly acquired products, we increased our staff in 2019 by almost 9%. Ramp-up of manufacturing and commercial activities will continue in 2021 with a significant increase in employees.

Engagement

In 2019 we conducted an employee engagement survey among all employees in Bavarian Nordic Group. The response rate was high and showed great engagement, as 89% of the employees responded to the survey. The survey showed, among other things, that working at Bavarian Nordic provides a sense of personal accomplishment, great opportunity to grow, learn and develop and a good work-life-balance. The survey further showed that employees are positive about the teamwork and collaboration within the Company.

Based on the results, action plans have been developed locally in the departments to ensure an ongoing dialogue and work towards further increasing the engagement of our employees in the future. A follow-up survey is planned for 2021.

Health and safety

The absence rate was 2.8% in 2019 (2018: 2.9%) and thus we met our target to maintain the rate below 4%. We will continue our efforts around dialog-based absence management with an aim to maintain a lower rate of illness-related absence. See also [note 5](#).

We recorded two occupational accidents in 2019, resulting in injury-related absence of a total of 3 days. This translates into a lost time injury accident frequency rate (LTIFR) of 2.5 accidents per million working hours compared to 2.7 in 2018. There were no serious injuries. See also [note 5](#).

We have seen a positive, large increase in observations of potential issues as well as opportunities, which is believed to relate to increased involvement of employees and focus on the importance of mapping potential risks. All reports have been analyzed, and appropriate mitigating actions have been implemented.

Our health and safety committees also continued to work proactively to identify potential issues related to the new processes and working procedures related to the new fill and finish facility under construction, thereby seeking to mitigate risks at an early stage in the development of the facility.

As planned, we conducted a workplace assessment at our headquarters and production in 2019. Results have been analyzed and action plans are being developed for integration into the daily work in our EHS organization.

Diversity

We strive to maintain an equal gender distribution among managers. In doing this we are, first and foremost, focusing our selection of candidates on the basis of the candidates' talent and qualifications not their gender – or any other demographic factors.

In 2019, we maintained an equal distribution of men and women in managerial positions.

With the election of Anne Louise Eberhard as new member of the board, the board exceeded its target (15%, corresponding to one member) for shareholder-elected women in the Board of Directors. With two members, the female representation is now almost 30%. However, the target is upheld until 2021. As part of the board's annual self-assessment, including the long-term succession planning of the board, diversity with respect to gender and other factors is being discussed.

Privacy and data protection

Since the EU General Data Protection Regulation (GDPR) came into force in 2018, we have maintained a strong focus on the processing of personal data and securing the privacy of internal and external stakeholders by introduction of proper procedures and guidelines which employees are being trained in.

Human rights

We support and respect human rights. Our compliance in this area is widely covered by our health and safety policies and our Code of Conduct as well as observance of the national labor and anti-discrimination laws in the countries in which we operate. In 2019, we have not received any reports of violation of human rights within our company.

While the scope of these efforts is mainly directed towards our own employees, we seek to conduct our business with third parties in compliance with the

principles as well. We have previously performed a screening to assess how our business may impact human rights, and it indicated no actual adverse impacts. We will continue to monitor for potential adverse impacts, in order to determine if additional actions are required.

As part of our procurement policies, we perform regular audits of our suppliers, whom we encourage to act responsibly in all matters, including observing international human rights. Also, we conduct our clinical trials in a manner that recognizes the importance of protecting the safety of and respecting the research participants. We do this by applying the highest legal, ethical and scientific standards, in addition to complying with applicable laws and regulations.

Stakeholder engagement

Throughout 2019, specialists within different areas of our company have given lectures and participated in educational sessions, both on site, but also at universities and other higher education institutions.

We also participated in a number of career fairs to promote the company and its working culture towards potential candidates as part of increased recruitment efforts for our future fill-finish activities.

Goals and priorities

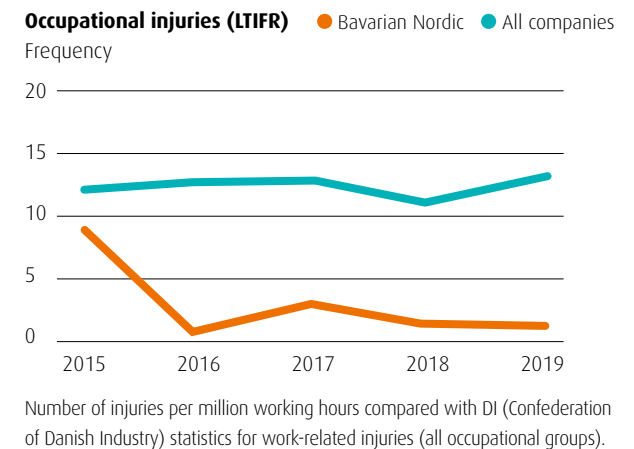
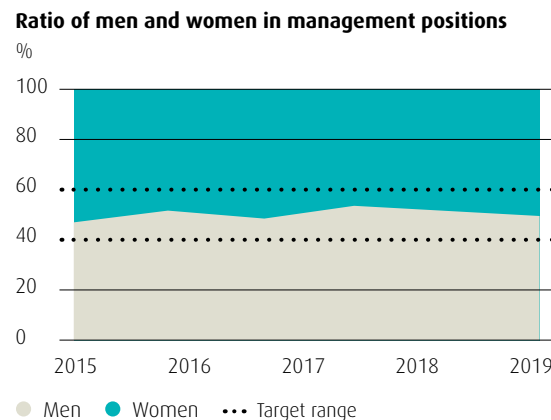
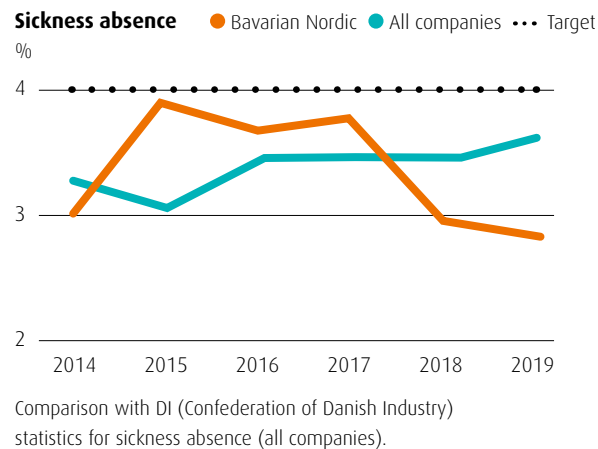
- We will continue our focused efforts to minimize the risks of accidents through increased communication and involvement of employees.
- We intend to conduct a follow-up employee engagement survey among all employees in 2021.

Risks

As a knowledge-based company, it is critical for us to attract and retain sufficient talent in order to perform at high standards and stay competitive. To mitigate this risk, we have established our operations in areas with high intensity of skilled labor, relevant for the biotech industry.

We 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 located in highly regulated countries, thus with a perceived low risk of labor and human rights violations.

With our manufacturing and associated activities, we are aware of the risks associated with handling of viruses and chemicals as well as handling of goods and production equipment. These risks are mitigated on a daily basis through proactive and systematic work in our EHS organization.



PRODUCTS

With the acquisition of two commercial vaccines from GlaxoSmithKline, Bavarian Nordic is entering the commercial market by having a portfolio of vaccines against several life-threatening diseases affecting people globally. We have assumed ownership of the vaccines as per January 1, 2020 and will gradually take over marketing authorizations and distribution in relevant markets, and later we will also assume manufacturing of the vaccines. While our customer base will change significantly, our responsibility remains to ensure that our products meet the necessary requirements as set out by the authorities such as the FDA and EMA.

Product safety

Product safety is crucial in 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 a high standard for all areas of our disciplines.

We work according to Good Manufacturing Practice (GMP), which are rules laid down by the European and U.S. health authorities. GMP includes strict requirements with respect to a product's traceability, quality and purity, which means that quality management is built into each step of the manufacturing process.

In 2018, we launched a data integrity project in order to establish a common, overarching framework for ensuring data quality across the entire organization, and to mitigate potential compliance risks. A policy for data integrity was adopted and all employees received basic training in the policy. Advanced training of relevant staff was performed throughout 2019 and will continue in 2020.

Responsible procurement

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

Our suppliers of raw materials are mainly located in North America and the EU, which are areas with a high level of regulation of social and environmental parameters in place.

ANTI-CORRUPTION

Bavarian Nordic prioritizes business ethics as a natural part of its underlying business concept. We want to be seen as credible and reliable by all our stakeholders, and we are committed to work actively against bribery and corruption in all its forms as well as to ensure a high level of IT-security.

//
In 2019, all employees were trained in the Code, and new employees will receive training as part of their introductory program.

Our Code of Business Conduct and Ethics ("the Code") describes the ethical requirements for all employees' and the Board of Directors' behavior in relation to customers, employees, shareholders, society, suppliers and partners. The Code includes the rules and regulations in the Foreign Corrupt Practices Act (FCPA) and the Truth in Negotiations Act (TINA) that are relevant in connection with the Company's business transactions and negotiations in the United States, but equally relevant in other markets, where the Company operates.

In 2019, all employees were trained in the Code, and new employees will receive training as part of their introductory program. Thus, the observation of the Code rests upon all employees and all employees are encouraged to report issues, concerns and any breach of the Code. For this purpose, the Company has established a whistleblower system, which provides our employees with an opportunity to file reports in a secure and confidential manner.

No reports were made in 2019 through the whistleblower system.

Risks

The main risk associated with our activities relates to the potential legal and/or financial consequences deriving from violations by our employees of our Code of Business Conduct.

The overall risk for Bavarian Nordic in this area however is considered low. We primarily do business in countries and regions which typically are perceived at low-risk with respect to corruption, and we also make frequent assessments of our suppliers to mitigate any such risks.



SDG 16: *Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels*

INDEPENDENT AUDITOR'S ASSURANCE REPORT

To Management and broader stakeholders of Bavarian Nordic A/S

We have assessed Bavarian Nordic A/S' 2019 CSR Report ("the Report") to provide limited assurance that the data provided in notes 1-5 to the Report has been prepared in accordance with the reporting practice described. The Report covers Bavarian Nordic A/S' international activities from January 1, to December 31, 2019.

We express a conclusion providing limited assurance.

Management's responsibility

The Management of Bavarian Nordic A/S is responsible for collecting, analyzing, aggregating and presenting the information in the Report, ensuring that the Report is free from material misstatement, whether due to fraud or error. Bavarian Nordic A/S' reporting practice contains Management's defined reporting scope for each data type.

Auditor's responsibility

Our responsibility is to express a limited assurance conclusion on the data presented in notes 1-5 of the Report 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, Assurance Engagements Other than Audits or Reviews of Historical Financial Information, and additional requirements under Danish audit regulation to obtain limited assurance as to whether data in notes 1-5 is free from material misstatement.

Deloitte Statsautoriseret Revisionspartnerselskab is subject to International Standard on Quality Control (ISQC) 1 and, accordingly, applies a comprehensive quality control system,

including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by FSR – Danish Auditors (Code of Ethics for Professional Accountants), which are based on the fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

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. Considering the risk of material misstatement, we planned and performed our work to obtain all information and explanations necessary to support our conclusion.

We performed our on-site review at Bavarian Nordic A/S' head office in Kvistgaard, Denmark, in February 2020. Our work included interviews with key functions at Bavarian Nordic A/S, inquiries about procedures and methods to ensure that data and information have been presented in accordance with the reporting practice. We have assessed the processes, tools, systems and controls for gathering, consolidating and aggregating data, performed analytical review procedures and tested data prepared for consistency with underlying documentation.

We have not performed site visits or interviewed external stakeholders, nor have we performed any assurance procedures on baseline data or forward-looking statements such as targets and expectations. Consequently, we draw no conclusion on these statements.

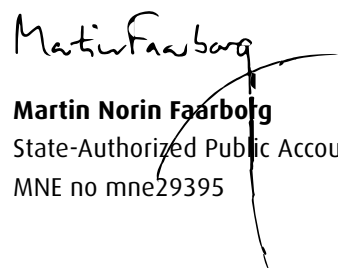
Conclusion

Based on our work, nothing has come to our attention causing us to believe that the data in notes 1-5 to the 2019 CSR Report has not been prepared in accordance with the reporting practice described.

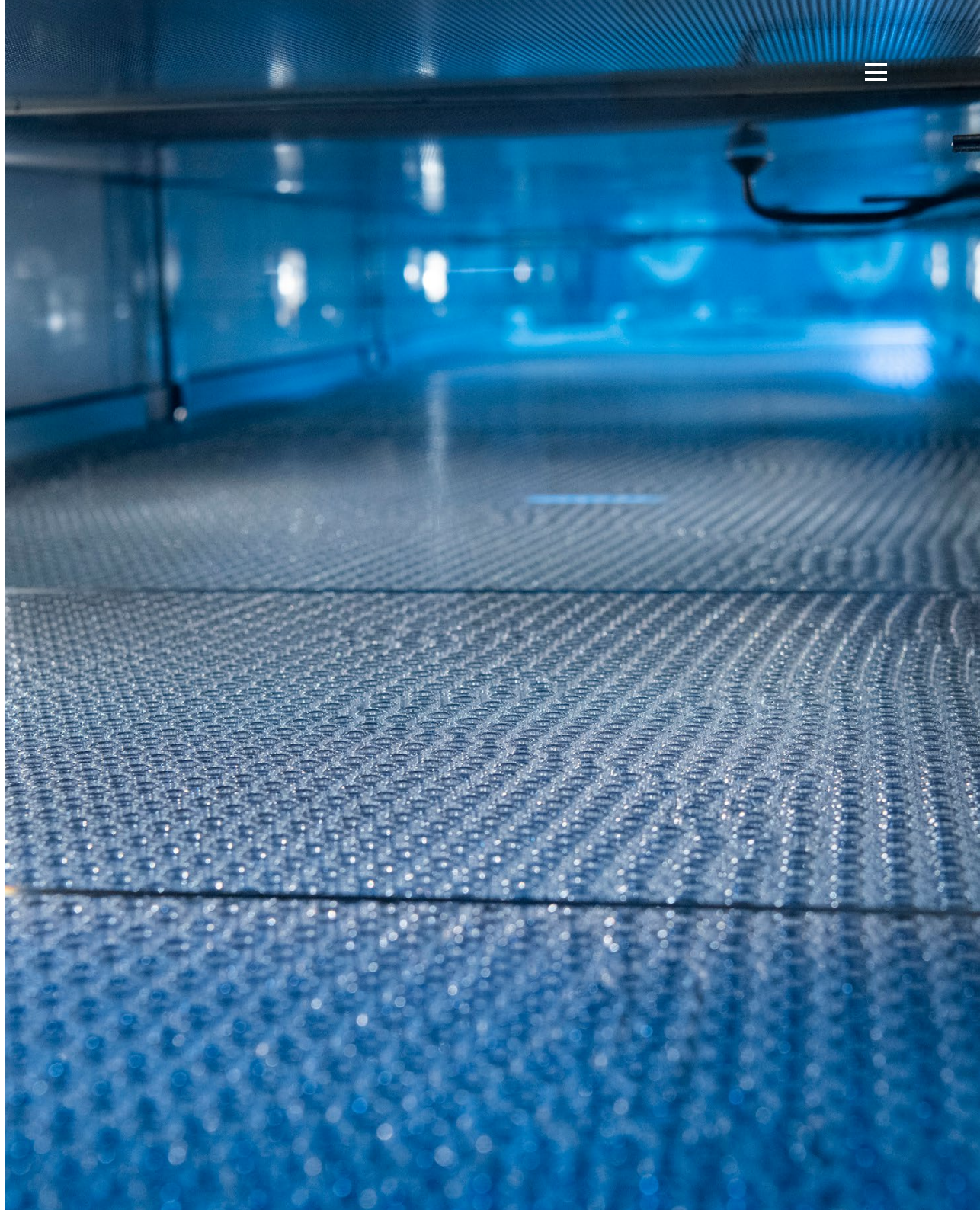
Copenhagen, February 20, 2020

Deloitte

Statsautoriseret Revisionspartnerselskab
Business Registration No 33 96 35 56


Martin Norin Faarborg
State-Authorized Public Accountant
MNE no mne29395


Helena Barton
Lead Reviewer



NOTES TO STATEMENTS ON ENVIRONMENTAL AND SOCIAL PERFORMANCE

The reporting practices have been consistently applied for the financial year and for the comparative figures.

Note 1

CO₂ emissions (all sites)

CO ₂ emissions	2019		2018	
	Production	Total	Production	Total
Direct emissions (Scope 1)				
Heating	821	821	865	865
Electricity generation	24	24	7	7
Fugitive emissions	15	15	30	31
Transport in company-owned cars	38	48	51	61
Indirect emissions (Scope 2)				
Electricity, purchased	820	1,078	981	1,280
Heating, purchased	–	100	–	118
Emissions, total	1,718	2,087	1,935	2,361

Reporting practice

Calculations of CO₂-emissions are based on the Corporate Standard of the Greenhouse Gas Protocol Initiative³ and include the greenhouse gasses addressed by the UNFCCC⁴/Kyoto Protocol (CO₂, CH₄, N₂O, HFC, PFC, SF₆ and NF₃) calculated in metric tons of CO₂ equivalents.

Our reporting covers scope 1 (emissions from sources that are owned or controlled by the Company) and scope 2 (emissions from purchased electricity), thus adhering to the Corporate Standard.

Numbers have been rounded for presentation purposes.

Emission factors

In calculating CO₂ emissions, specific emission factors based on emissions type and geographic

location were used. CO₂ 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. Emissions for locally purchased electricity were determined on the basis of local conditions. Emission factors for Kvistgaard are based on factors for Denmark as a whole. Emission calculations for electrical power in USA are based on emission factors provided by Duke Energy. Emission calculations for electrical power purchased in Germany are based on historical German emission factors; emission calculations for district heating purchased in Germany are based on emission factors collected from local district heating companies.

³⁾ www.ghgprotocol.org

⁴⁾ United Nations Framework Convention on Climate Change

Note 2

Energy (Kvistgaard site)

Energy	2019	2018	2017
	mWh	mWh	mWh
Energy, total	9,483	9,035	8,916

Reporting practice

Energy consumption is calculated for the entire Kvistgaard facility, including laboratories and administrative functions. The figure includes purchased electricity, purchased diesel oil used for power generators, and consumption of natural gas which is used for heating.

Note 3

Water (Kvistgaard site)

Water consumption	2019	2018	2017
	m³	m³	m³
Sanitary water	4,214	3,067	3,391
Process water	10,556	8,543	7,486
Total water consumption	14,770	11,610	10,877

Process wastewater is heat-inactivated, cooled and pH adjusted before being discharged into the public sewer system. Inactivation is a procedure that ensures that all vaccine remnants are rendered 100% harmless, and the system is checked for operational problems before discharge. This treatment ensures that the discharged wastewater complies with the requirements in the Company's permit to use the municipal sewer system.

Reporting practice

Water consumption is measured for the entire Kvistgaard facility, including laboratories and administrative functions.

Note 4

Waste (Kvistgaard site)

Waste	2019	2018	2017
	metric tons	metric tons	metric tons
Total waste	159	130	151
– of which hazardous waste	13	17	22
Breakdown of waste disposed of:			
Incineration	40%	45%	46%
Recycling	50%	42%	40%
Special treatment	10%	13%	14%

Waste consists primarily of disposable process equipment (production bags, tubing and other disposable equipment) and egg waste. Paper, egg waste, metal, electronics and pallets are being recycled.

Hazardous waste includes organic solvents, acids, bases, hazardous clinical waste, etc.

Reporting practice

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

Note 5

Employees (Full-time employees FTE)

	2019	2018	2017
Employees, total at year-end			
Denmark	298	252	279
Germany	137	143	139
USA	30	26	21
Total full-time employees (FTE), average over the year	465	421	439
Turnover			
Denmark	7.9%	9.7%	21.4%
Germany	12.5%	16.1%	9.4%
USA	16.8%	18.9%	41.7%
Turnover, total	9.8%	12.5%	18.3%
Absence (sickness)			
Denmark	2.3%	2.6%	3.6%
Germany	4.0%	3.4%	3.8%
USA	N/A ¹	N/A ¹	N/A ¹
Absence, total	2.8%	2.9%	3.7%
Occupational injuries			
Injuries with absence, number	2	2	3
Absence days per injury, average	1.5	10.5	3.3
Lost Time Injury Frequency Rate (LTIFR) ²	2.5	2.7	3.9

¹ Sickness is not recorded in the U.S., ² Number of work-related injuries with absence per million working hours.

Reporting practice

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

Employee turnover rate

The turnover rate expresses the ratio of employees who have left the company during a year. Employees with fixed-term contracts are not included. The calculation is based on the average number of employees over the year.

Absence

Absence data includes recorded staff sick days and

child sick days for employees in Denmark and Germany only. Leave – also parental leave – is not included in these figures. The absence rate calculation is based on the average number of full-time employees for the year and the number of effective work days in the calendar year, i.e. vacation days are excluded.

Occupational injuries

Occupational injury data relates to injuries resulting in at least one day of absence, in addition to the day of injury. The lost time injury frequency rate (LTIFR) is the number of occupational injuries per one million effective working hours.