Sustainability statement

UCB is committed to sustainable practices in all our business operations. As we move towards compliance in alignment with the European Corporate Sustainability Reporting Directive (CSRD) and the European Sustainability Reporting Standards (ESRS) from 2024 onwards, the following Statement provides details of our sustainability reporting for the full year 2023 (including policies, targets, and performance on our material topics).

The CSRD and ESRS will only be applicable to the sustainability reporting of UCB for the year 2024. For this Integrated Annual Report relating to the year 2023, UCB reporting obligations on non-financial information continue to follow the rules of the NFRD (Non-Financial Reporting Directive), as implemented in Belgian Law as well as the EU Taxonomy Regulation (Regulation 2020/852). Where this Sustainability Statement has been voluntarily structured, as much as possible, based on the framework proposed by the CSRD and ESRS, in anticipation of their implementation in 2024, this Sustainability Statement should therefore not be interpreted or construed as if it was intended to be compliant with the CSRD and ESRS.

Where applicable, we will also refer in this report to other sustainability reporting standards that we are applying on a voluntary basis, such as the SASB (Sustainability Accounting Standard Board) reporting framework.

General Disclosures

Basis for preparation

UCB's 2023 integrated annual report complies with article 12 of the Royal Decree of November 14, 2007 relating to the obligations of issuers of financial instruments admitted to trading on a regulated market in Belgium. All information required to be included in such management report pursuant to articles 3:6 and 3:32 of the Belgian Code of Companies and Associations is reported throughout all different sections of this Integrated Annual Report, including UCB's Statement on extra-financial information which covers social, environmental, human resources, human rights and anti-bribery and anti-corruption practices.

This integrated annual report has been prepared inspired by the European Sustainability Reporting Standards (ESRS), as UCB goes through the journey of complying with the Corporate Sustainability Reporting Directive (CSRD). Sustainability Accountability Standards Board (SASB) standards were also used as reference. In addition, we support the recommendation of the Task Force on Climate-Related Financial Disclosures (TCFD) and the update of the metrics related to carbon emissions can be found in this report while the full methodology for assessing risks and governance is part of our TCFD statement.

The report indicates how UCB's operations respect and react to stakeholders concerns and interests and is prepared to reach different stakeholders', but it primarily addresses investors. Assessing, measuring and reporting our activities' positive and negative impacts on our society and the planet is a key aspect of UCB's engagement with stakeholders.

The presentation of the 2023 report has been prepared considering the material topics from our previous materiality assessment, which guided UCB's sustainable performance efforts in 2023. The double materiality assessment performed in 2023, described in the next pages, will inform our efforts and reporting in 2024 and will be updated as needed. We have decided to include a few of the new material topics that were identified during this exercise in our sustainability statement as these topics are already part of UCB's habitual operations but going forward we will strive to improve the measurement and reporting of these new topics, further embedding them into our sustainable performance framework.

All data presented in this statement relates to the financial year of 2023, unless stated otherwise. Any change in methodology or restatement of extra-financial information is cited (in the text or in footnotes) when the corresponding metric is presented.

The social and governance-related disclosures scope of consolidation is the same as for the financial statement, while for the environmental disclosures the scope of consolidation can differ. For energy, water and waste metrics the scope includes all manufacturing sites, laboratories, the owned offices and some additional affiliates' offices, covering around 94% of our headcount. CO_2e emissions metrics such as car fleet (scope 1), business travel, employee commuting and end-of-life treatment of sold products (scope 3) are extrapolated to cover 100% of operations.

Materiality Assessment

In 2023, UCB conducted a structured double materiality analysis in accordance with the requirements of the CSRD and the ESRS. The goal was to identify the most relevant environmental, social, and governance topics for UCB, based on how topics might create financial risks and opportunities for the company (outside-in perspective), as well as the company's own impact on people and the environment (inside-out perspective).

Since 2019, UCB has been committed to an integrated approach to sustainable performance to better deliver societal value for key stakeholders – including patients, shareholders, employees, and communities, while minimizing our environmental footprint. Materiality assessments are part of this approach, as they not only guide reporting, but inform corporate strategy and guide efforts to improve our impact. Our 2023 materiality assessment was based on the following approach:

1. Define the scope of the materiality assessment exercise and objective

The scoping of the assessment included an identification of UCB's main activities, value chain mapping, and the geographies to be included. The ESRS topics, sub-topics, and entity/sector-specific ESG topics for UCB were then mapped and clustered to define a tailored list of ESG topics for the assessment that ensured completeness and CSRD compliance.

2. Identify topics and Impacts, Risks and Opportunities (IROs)

Based on the topics identified, a stakeholder engagement strategy was developed by selecting key internal and external stakeholders to be consulted via direct (e.g., semi-structured interviews, workshops, and IRO templates) and indirect methods (e.g., internal and external desk research). The process engaged stakeholders from UCB's main geographies, and occasionally beyond, including gaining more detailed local analyses in specific countries[1].

The assessment of the potential IROs was performed in close collaboration with a wide range of internal and external stakeholder groups. Both affected and interested stakeholders were consulted, including UCB employees, the Sustainability Governance Committee, the UCB Board and Executive Committee members, the External Sustainability Advisory Board, suppliers, business partners, patient representatives, sector associations, NGOs, foundations, and the media. Impacts were identified along UCB's value chain – both downstream in UCB's own operations and upstream.

The non-exhaustive list of internal and external desk research sources consulted included:

- Internal UCB sources of information (e.g., Integrated Annual Reports, Task Force on Climate-Related Financial Disclosure (TCFD) results, UCB Materiality Update Results 2021, etc.)
- Public media coverage on UCB and/or value chain and/or peers
- Sector and/or governmental reports
- Scientific research papers
- ENCORE (Exploring Natural Capital Opportunities, Risks and Exposure)
- Refinitiv data analytics

Through stakeholder consultation and these additional inputs, a consolidated list of IROs was derived for each assessed topic.

1 This was done for Belgium, Brazil, China, France, Germany, Italy, Japan, Mexico, Spain, Switzerland, Turkey, the U.K. and the U.S.

3. Assess impact and financial materiality

All qualitative inputs used to assess IROs were translated into quantitative inputs based on a set of defined thresholds for each of the assessed criteria. Impact materiality was assessed independently from financial materiality by looking at positive and negative impacts and risks and opportunities for each sustainability topic.

For impact materiality, the assessment of each negative impact on society and the environment was based on severity (e.g., scale, scope, and remediability) and likelihood. Positive impacts of UCB were evaluated using scale, scope, and likelihood. Both criteria of likelihood and remediability were aligned with UCB's Enterprise Risk Management methodology. The scale of impact materiality was assessed mostly using qualitative data, with quantitative data considered only for environmental topics (ie. "Climate Change Mitigation", "Water extraction, consumption and discharge" and "Circular Economy"). The assessed impacts were marked as material when passing the materiality thresholds with scores categorizing them as important, significant, or critical.

For financial materiality, sustainability-related risks and opportunities were identified, evaluated, and prioritized using a pre-defined set of thresholds. Risks and opportunities were assessed using the criteria of likelihood and magnitude of financial impacts in the short, medium, or long term. Both criteria were aligned with UCB's Enterprise Risk Management methodology. The magnitude of financial impacts included UCB's ability to continue to use or obtain resources, the impacts on its reputation – in terms of trust, media, and government/regulation – and ESG-related risks and opportunities. The assessed risks and opportunities were marked as material when passing the financial materiality thresholds with scores categorizing them as significant or critical.

The thresholds and evaluation criteria used to assess the impacts, risks, and opportunities followed the recommendations of ESRS. Some of the key assumptions taken were:

- Clustering of similar (sub-)sub-topics as defined in the ESRS standards into one sustainability topic to facilitate the identification of IROs during interviews, workshops, or through IRO templates. Some of the topics defined by ESRS were tailored to our industry (e.g., health system resilience in the context of "access to information" and "access to products and services" ESRS sub-sub-topics), in addition to some sector specific topics that were identified (e.g., ethical use of technology).
- Use of inputs of some stakeholders as proxy for a whole stakeholder group.
- Assumption that the consulted stakeholders would share insights on the topics where they have the most knowledge.
- Adoption of existing Enterprise Risk Management criteria or tailor-made categories developed for scale, scope, and remediability of IROs, assuming them to be well-suited for the assessment across all sustainability topics.
- Application of a quantitative assessment for evaluating the scale of environmental topics (e.g., energy and emissions, water withdrawal, and waste).
- Consideration of remediability as a criterium only for the calculation of negative impacts – not for positive impacts.

4. Validate material topics

The following results of the materiality assessment were presented to and validated by the Executive Committee and the Board.

Topics that are both financially material and impact material	Topics that are financially material	Topics that are impact material
Climate change mitigation	Climate Change adaptation	Circular economy
Pollution of air, water and soil	Employee development	Workers' rights and working conditions
Water extraction, consumption and discharge	Data privacy and security	Ethical business practices
Scientific innovation		Political influence and advocacy
Equitable access to medicine		
Health system resilience		
Patient engagement		
Patient safety and product quality		
Employee health, safety and wellbeing		
Employee diversity, equity and inclusion		
Human rights in the value chain		
Responsible sales and marketing		
Ethical use of technology		

These findings will continue to guide our efforts in sustainable business performance and will be embedded within the company's strategy, as well as being the base for increasing our transparency and reporting during 2024 in view of complying with the CSRD. The Enterprise Risk Management (ERM) team and the Corporate Strategy team were actively engaged in the double materiality assessment to ensure the integration of risks into the internal risk list and vice versa. The financial impact (outside-in) results (risks and opportunities) of the double materiality results were fully integrated within the ERM framework. This process was also aligned with the human rights salience assessment performed in 2023, and the information gathered in these two types of assessments will continuously be integrated.

Driving Sustainable Business in 2023 – Social

Scientific innovation

Scientific innovation allows UCB to fulfil its ambition to bring differentiated treatments to people living with severe diseases.

Every day, our research and development (R&D) teams conduct ground-breaking work to turn science into differentiated medicines which we hope will transform treatment paradigms through their disease-modifying and even curative potential. We reinvest consistently 25-30% of our revenues back into R&D, as we recognize that enabling scientific innovation is a long-term investment to maintain our ability to deliver impactful solutions for those we serve. In 2023, this ongoing investment in R&D delivered meaningful Phase 3 results in our clinical studies on the efficacy and safety of *bimekizumab* in adults with moderate to severe hidradenitis suppurativa (HS), and as a result, we are progressing on global regulatory license application submissions going into 2024. Further clinical development studies were launched to investigate potential treatment options for people living with Parkinson's disease (UCB0222) and atopic dermatitis (UCB9741), with first results expected in 2024, and all other clinical development programs are continuing as planned.

Engagement with patients and healthcare practitioners is a fundamental pillar of R&D efforts. We seek the perspectives of patients and caregivers from early development (including disease understanding, development plans, and protocol design) and consistently along the development lifecycle, through patient councils, panels, 1:1 interviews, ethnography and market research studies, depending on whether we want to build deep long-term partnerships or one-off engagements with more breadth across multiple geographies. This is done under the supervision of our Chief Medical Officer and Chief Scientific Officer.

Diverse teams, including public-private partnerships teams, venture and scouting teams, academic networks, and patient engagement teams, ensure that we remain informed in scientific innovation and that our decisions are guided by patient and societal impact. This includes enhancing predictability of response for our solutions, so that healthcare spending can be more efficient, and engaging early with regulators.

In 2023, UCB established formal guidelines governing external innovation processes, to streamline engagement types (e.g. partnerships, sponsorships, research services) by defining roles across functional teams. This aims to reduce workload for scientists, enable detailed tracking, ensure strategic alignment at a portfolio level, maintain consistency and compliance, and provide transparency for all external engagement requests.

2023 Performance

10

molecules in clinical development

12

clinical development pipeline programs

UCB's senior leadership and portfolio governance bodies actively monitor objectives and targets year-round, conducting quarterly performance reviews that combine quantitative and qualitative metrics to ensure a balance in activity focus and resource allocation. Quantitative analysis assesses pipeline size to align resources with growth ambitions, while qualitative analysis emphasizes differentiation and innovation by evaluating best-in-class and first-in-class initiatives with unprecedented mechanisms of action. In addition, the continuous assessment of our portfolio and program-level risks, categorized into biology, technology, and value creation risks, ensures a balanced risk strategy.

Equitable Access to Medicine

We work closely with healthcare systems, payers and partners to improve access so that patients and society can benefit from our medicines.

Our Sustainable Access Framework, implemented in 2023, is our overarching approach to deliver on equitable access to medicines. It aims to better understand barriers to access, health infrastructures and local funding, and guide UCB teams to shape the right business approach to deliver on our equitable access ambitions, while ensuring the financial return expected to secure a robust R&D pipeline and deliver expected returns by our shareholders.

Our value-based pricing framework combines patient insights on ability to pay with additional context on local health systems' willingness to pay, alongside other indicators on therapy areas and product-specific context, to analyze the value that each UCB treatment can bring. The resulting tiered pricing model recognizes differences in health ecosystems and patient needs, and mutually defined priorities in achieving health outcomes.

UCB's annual **Access Coverage Performance** and **Time to Access** Indices monitor our performance, looking at how many UCB medicines with marketing authorization have achieved market access that enables patient use, and how much earlier positive reimbursement decisions are received compared to typical industry benchmarks in the countries where UCB operates. Both annual targets are set globally and developed at a market and product level, where progress is monitored each quarter, and re-assessed with involved stakeholders[1] where needed.

By 2030, we aim to reach 90% of access coverage performance, as well as performing above the industry benchmark 90% of the time when it comes to time to access, so that more people can benefit from our medicines as soon as possible[2].

While in principle, we aspire to reach all patients who need our medicines, we recognize that in reality, there will be instances in which we will not be able to provide access due to the absence of alignment between all parties, and therefore set our long-term target at 90% access coverage performance in recognition of these challenges.

- Our **Access Coverage Performance Index** tracks coverage and reimbursement of UCB's medicines, based on the number of UCB products that have achieved a negotiated reimbursement listing or a negotiated managed access program in our operating markets[3]. It covers 35 countries assessed[4], alongside all products that have received regulatory approvals in those geographies and for which the patent has not expired yet, and all indications with regulatory approval for those products. We define "Access" coverage as negotiated reimbursed access to the drug, regardless of any restrictions applied, whereas "No Access" is defined as no reimbursed access to the drug.
- The **Time to Access Index**[5] tracks the observed time between marketing authorization and payers' decision to provide coverage and reimbursement for new UCB medicines – it is measured against median industry time to access (TTA) benchmarks in individual markets where UCB operates, as evaluated by IQVIA. These "TTA benchmarks" refer to the median number of days it takes a country to progress from market authorization of a medication to a negotiated reimbursement listing (national level) for that medication or negotiated managed access program.

For full details of the methodology, assumptions and deviations we use to assess our access to medicines metrics, refer to the "Access to Medicines Metrics Appendix".

1 Various stakeholders are involved in setting these annual targets. The Access Performance team collects data and assesses target feasibility exchanging with Regional Access Leaders (Europe, International Markets and USA) and local access managers in our affiliates. Various scenarios are then presented to the Head of Global Access and Pricing External Engagement and Head of Sustainability, Corporate Affairs & Risks who will align and agree on final targets for the period. At a later stage, some targets are also shared and discussed with our Compensation and Benefits team in charge of including Access to Medicines targets into the Long-Term Incentives plan of senior executives. Once targets are finalized, roll out and communication is taking place to inform the regions and affiliates of the new period goals to achieve.

2 The period considered to reach our ambition goes from 2022 to 2030 included. Annual milestones targets are approached by applying a linear progression which is revised every year, based on latest results and feasibility analysis with our stakeholders in UCB regions and affiliates.

3 Access Coverage Performance Index is based on the total number of reimbursement listings achieved for any product/indication in any country in the reporting year, divided by total number of products/indications in any country that have or will have market authorization in that year. Formula used: Total number of reimbursement listings achieved for any product/indication in any country / Total number of products/indications in any country that have or will have market authorization.

4 This adds up to 44 geographies and channels in total (U.S. is split into five channels; Brazil, Canada and Mexico are split into public and private channels, U.K. is split into England, Wales and Scotland), from three major regions (the EU, International Markets and U.S.) where we operate.

5 Time to Access Index is expressed as a percentage of the pricing and reimbursement listings (as per definitions used by IQVIA for evaluating median time to reimbursement) for UCB products expected during the relevant year of scope (as identified using the industry "TTA benchmarks") which have not exceeded the relevant median time to reimbursement. These industry "TTA benchmarks" measure the median time (days) between market authorization and reimbursement listing for a product, separately for each country, and is updated annually by IQVIA for UCB. Formula used: # of countries which timely obtained P&R or a managed access program within the year (versus industry "TTA benchmarks") / # of countries which were expected to obtain P&R Listing within the year (as identified using the industry "TTA benchmarks") * 100

89

In the U.S., we continue to invest in new solutions and partnerships to improve health equity, and to ensure that those who need our medicines can access them. More details on how UCB aims to foster an innovative, competitive and value-based system which keeps patients at the center can be found in our U.S. Sustainable Access and Pricing Transparency Report in the annex.

In 2023, our U.S. net price change (after discounts and rebates) averaged 1.3% across the U.S. product portfolio (list price change averaged 5.7%). This reflects our significant market rebates and discounts to ensure patients can access UCB medicines. At a product level, the largest single percentage change was a 5.9% list price increase and an 8.6% net price change from 2022 to 2023. This is a result of several external factors including drug pricing program policy changes and the impact of certain contract changes in our business.

In line with our Sustainable Access Framework, our social business approach recognizes the challenges impeding access to healthcare services and medicines in lower and middle-income (LMIC) settings. Key initiatives to deliver sustainable access in some specific situations include:

Expanding our social business in India

Exploring new social business models in Brazil and Rwanda

Increasing availability of *levetiracetam* in selected LMIC

Alongside scaling our social business in India and developing an innovative partnership in Brazil to address the treatment gap for people among a lower socio-economic strata, in other countries with high unmet need and where UCB has no commercial presence, like Rwanda, we continually test new approaches to enable local, sustainable access. In July 2023, *levetiracetam* was included in the 24th edition of the WHO's Essential Medicines List (EML)[1]. During the review of the application, UCB submitted a letter to the WHO, signed by CEO Jean Christophe Tellier, in which we publicly expressed UCB's support for EML inclusion. We also submitted a regulatory filing with the Rwandan Food and Drug Authority for INN (generic) *levetiracetam* in October 2023, followed by a pricing dossier for public and private reimbursement.

Health system resilience

External shocks to health systems, such as pandemics, war, climate crisis, or economic volatility can disrupt the continuity and quality of healthcare delivery.

The ability of health systems to recover and ultimately adapt more quickly to minimize the impact of these shocks represents the resiliency of the system and requires a multidisciplinary approach to building it.

While UCB is not responsible for addressing all factors in health system resilience, developing our own agility in formulating solutions for patients, healthcare providers, and health systems creates opportunities for us to contribute to it and preserve our business. The potential solutions are multidisciplinary in nature and based on a thorough identification of needs. Our roadmap to support greater health system resilience and improve health equity is an integral part of our sustainable access framework.

Preventing and adapting to the climate crisis is a key factor to strengthen the resilience of health systems around the world, with different studies finding that CO_2e coming from pharmaceuticals can account to up to one third of health systems' carbon footprint. Following the launch of the UN and WHO-backed Health Care Without Harm international program and its commitment set at COP26[2] for countries to reduce their climate impact, 75 countries have set climate reduction targets within their healthcare systems. UCB is committed to supporting health systems in the countries where we operate to reach these goals by working on providing greener medicine, including through our Green Product Scorecard program.

Health system resilience was identified as a new material topic for UCB in 2023, as part of our materiality assessment update. As a result, in 2024 we will start defining key performance indicators to better measure our performance in this area.

1 Executive summary of the report of the 24th WHO Expert Committee on Selection and Use of Essential Medicines. Available at: https://iris.who.int/bitstream/handle/10665/371291/WHO-MHP-HPS-EML-2023.01-eng.pdf Last Accessed: December 2023.

2 COP26 Health Programme Commitments described at: https://www.who.int/initiatives/alliance-for-transformative-action-on-climate-and-health/cop26-health-programme. Last Accessed: February 2024.

Patient safety

UCB has robust systems to ensure patient safety. Our Pharmacovigilance System ensures that we oversee, assess, and report patient safety information to regulatory authorities, and is regularly updated in line with all local requirements.

As part of this, we monitor and audit metrics to assess compliance with internal Standard Operating Procedures and external regulations.

To ensure patient safety of pharmaceutical products, UCB:

- Monitors and collects information on adverse reactions to our products, including unexpected reactions.
- Systematically collects, analyzes and interprets data from various sources to identify potential safety concerns associated with UCB products.
- Evaluates the risks and benefits of our products and implements strategies to minimize risks and maximize benefits.
- Reports adverse events and safety information to regulatory authorities in compliance with regulations.
- Facilitates communication and information exchange about patient or product safety among healthcare professionals, regulatory agencies, and the pharmaceutical industry.

All patient safety-related actions are taken in agreement with regulatory authorities and endorsed by the UCB Benefit Risk Board (BRB). Chaired by our Chief Medical Officer and including patient representatives, the BRB monitors and advises on product benefit-risk across UCB's portfolio of development and approved products – independently of commercial plans. Internal discussions are aligned with opinions from external technical experts, delivering detailed scientific rigor and analysis informed by patient insights. The BRB regularly reviews all products and newly emerging data to ensure that all potential changes to a product's benefit risk are assessed and appropriately communicated to health authorities.

Patients can contact UCB directly to raise any concerns, including reporting adverse events, and safety reporting information is included in all relevant communications, and on the UCB website. All UCB staff and other relevant individuals are trained on safety reporting requirements, and are required to send any information on potential adverse events identified directly to our Patient Safety team for review.

If a safety signal is identified, the data is reviewed to determine any potential or clinically relevant risk. Safety risks and concerns of interest are monitored via systematic signal detection and assessment activities. Whenever changes in a product's safety profile are identified, we assess any need for further risk mitigation and implement them if required, with the appropriate reporting and agreement from the relevant regulatory authorities. This analysis, combined with the regular routine product safety oversight activities, ensures a holistic and objective product and patient safety review process.

2023 Performance

0

Critical findings reported by EMA inspection on pharmacovigilance

99%

Compliance rate with UCB safety reporting obligations training (target: 90%)

97%

Compliance rate in reporting adverse events to regulatory authorities

Product quality

The quality of our products is of paramount importance at UCB, with internal processes, unwavering principles, and meticulous protocols to ensure excellence in every pharmaceutical product we deliver.

To ensure the safety, compliance, and quality of our products, UCB:

- Upholds quality principles in our business operations to ensure patients receive trustworthy products and solutions by consistently adhering to rigorous quality, safety, and regulatory compliance.
- Complies with relevant regulations, laws, and internal quality standards and requirements, guaranteeing that our practices consistently meet industry requirements.
- Sustains a Quality Management System (QMS) that aligns with the industry's evolving quality objectives.
- Cultivates a culture of quality, risk prevention, and continuous improvement by teaching and promoting individual responsibility for maintaining high-quality standards.
- Implements policies and procedures rooted in the principles outlined in the Enterprise Quality Manual and UCB's Code of Conduct.
- Emphasizes data integrity as a core principle across all business activities.

The UCB Quality Policy is our highest-level QMS document, ensuring the delivery of top-quality products, earning patient trust, and safeguarding UCB's reputation.

The Enterprise Quality Manual (EQM), aligned with the Code of Conduct and UCB Quality Policy, applies universally across UCB business functions, sites, and affiliates under Good Practice regulations. It includes all processes throughout the product lifecycle supplemented by domain-specific Quality Manuals, as required.

Consumers can raise issues via product quality complaints, received by designated roles within UCB. This initiates a comprehensive investigation, guided by the Global Quality Standard Operating Procedure (SOP) covering products manufactured, supplied, or distributed by UCB in all stages. Complaints are collected from sources including market (e.g., patients, healthcare professionals, wholesalers), partners and third-party logistics (3PLs) or parties involved in clinical studies (e.g., patients, investigators, clinical sites, clinical study supply). All UCB's associated actions are monitored and tracked to completion. This process is described in UCB's quality policies and SOP and evaluated annually to ensure effectiveness of the program.

To prevent adverse impacts, UCB employs a process to assess quality issues, facilitate necessary recalls, and maintain a Quality Management Framework that complies with regulatory files globally. Monitoring and control systems, internal/external audits, and key performance indicators reviewed by the Quality Leadership Team ensure continuous quality risk management and drive performance improvements. Monthly reports inform relevant corporate process owners, fostering a proactive approach through actionable insights.

2023 Performance

Recalls

0

critical recalls[1]

2

class II voluntary recalls

0

class III voluntary recalls

Inspections

72

Inspections in our internal and external network across the various good practices (GxPs)

1 A critical recall is a recall at the patient level - class 1 and/or with significant Market impact and/or on Company reputation..

Patient engagement

We forge strong connections with people living with severe diseases, to identify the most promising innovations by seeing the person and not just the disease. We maintain these connections by continually partnering with patient communities across all stages and domains of the medicine life cycle.

UCB's ambition for patient engagement is that creating value with and for people living with severe diseases becomes the norm. We want to ensure that we partner with patients and their representatives for each patient population throughout the life cycle of our solutions, from early research to post launches. The UCB Patient Engagement Framework supports this ambition of systematic, continuous, and consistent patient engagement embedded across the value chain. This ensures that patients' needs, experience and preferences inform decision-making.

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In 2023, we developed and rolled out a Patient Engagement Standard Operating Procedure, led by a dedicated patient engagement function, with additional operational tools, on top of a company-wide learning program and the launch of a patient engagement academy. For specific patient populations, plans are defined at the global level but also at national levels to account for geographic particularities. We continue to integrate patient perspective by having patients sit on our Benefit Risk Board as non-voting members, and by listening to our employees who live with severe diseases.

Annual PatientView surveys provide valuable feedback on our reputation for patient engagement directly from patient groups, considering indicators such as transparency, patient centricity, patient-group relationships, involvement in R&D, patient information and patient safety. Notable 2023 results included in the U.K., UCB receiving the top rating (number 1 out of 17 companies assessed) on the "Corporate Reputation of Pharma" survey – a significant achievement for UCB – and globally being ranked second for neurology among people living with neurological conditions, as well as the company who had made the most progress with rare disease patients in the reporting year. The effectiveness of our patient engagement processes will be further tracked by a patient engagement customer relationship management (CRM) system, to be launched in 2024.

Patient organizations, individual patients, their caregivers and other patient experts have designated points of contact (i.e. patient engagement leads) to whom any feedback or questions about engagement activity can be raised, which differentiates it from pharmacovigilance, while specific questions on diseases or products are answered via the UCBCares® program, which tracks and monitors each individual request and response.

2023 Performance

126

Patient organizations engaged

>€ 2.8 million

of funding provided to patient organizations

86

Patient engagement strategies[2] tracked through Activity Notification Form[3] system

2 Number of events with participation of Patient Organizations that took place in 2023, as tracked by our Activity Notification Form system. For each event there could be multiple Patient Organizations participating, coming from different countries. This is the number of activities that have been completed in 2023. Ongoing activities that started in 2023 but have not been finalized yet are not included in this number

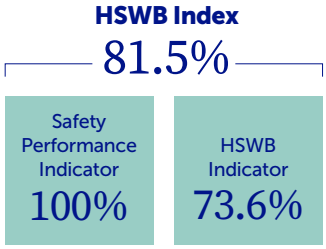
3 UCB's policies require an Activity Notification Form to be reviewed and approved prior to engaging with any healthcare stakeholder. The Activity Notification Form must clearly present all the information regarding the engagement activity to allow formal review and evaluation of bona fide assessment and fair market value analysis.

Employee Health, Safety and Wellbeing

UCB's health, safety and wellbeing (HSWB) policy covers all employees, third-party personnel, visitors, contractors, and consultants at all UCB entities, aligned with ISO 45001 standards, and fulfilling all local requirements, legal or otherwise. We establish HSWB responsibilities, provide training for relevant procedures, and integrate product safety stewardship considerations across our operations.

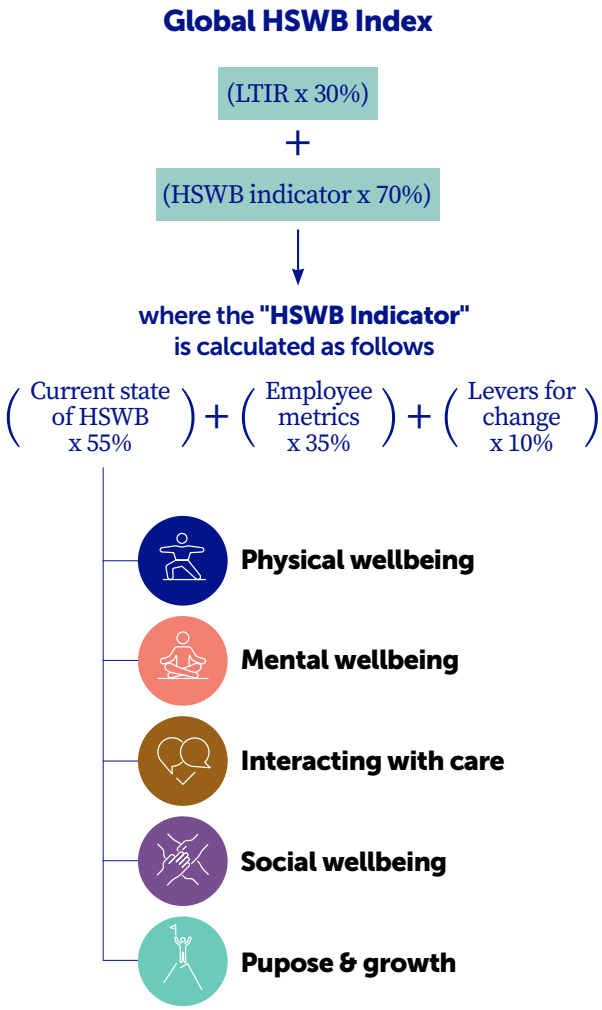
Prior to implementation, UCB's HSWB policies and practices are formally discussed among work councils or HSWB committees, and developed with employee input. These include hazardous situation and near-misses reporting, job risk assessment and process risk assessments, personal protective equipment (PPE) selection, investigation of adverse events, and defining related corrective and preventive actions. Every employee is encouraged to proactively identify and report dangerous situations before an accident occurs, to continually improve our site safety. Every year, risk assessment teams appraise potential hazards associated with each activity to determine if any new risk mitigation actions are needed.

We conduct regular remediation of our equipment, installations, and facilities. All UCB staff must be adequately qualified, whether from education, experience, or training, before performing the tasks associated with their role. On-site health professionals are present in specific locations with high-impact activities, such as manufacturing locations, while volunteer first-aid teams are present in all UCB locations.



UCB continues to measure our performance through our HSWB Index.

- **Our Safety Performance Indicator**, consisting of the Lost Time Injury Rate (LTIR) for UCB employees, accounts for 30%. LTIR refers to the number of occupational accidents which result in a person being away from the workplace for one or more days following the day of the injury, per million hours worked. In January 2023, we extended the scope of this measurement to include third-party personnel (external employees under direct supervision of an UCB employee). The measurement period covered is a calendar year.
- Our **HSWB indicator** is comprised of results from our global HSWB survey and employee metrics such as promotion rate, personal development plan engagement rate, and employee assistance program coverage. Survey results are weighed at 65%, and employee metrics at 35%; together they account for 70% of the HSWB Index.



Employees can provide feedback on wellbeing policies and practices via the annual survey, as well as by contacting local wellbeing committees and champions.

In 2023, UCB introduced initiatives aimed at enhancing the wellbeing of our workforce. This included specialized wellbeing training through our leadership program, focused on identifying signs of burnout to provide better support to our teams. Services and support were reinforced through a new employee portal with learning resources and centralized Employee Assistance Program contacts, as well as new local initiatives such as financial wellbeing programs and healthy workplace certifications. Our Wellbeing team expanded to additional markets, and deepened their engagement internally to give more visibility to wellbeing initiatives, based on learnings from our annual survey.

At UCB, all employees and third-party personnel (external employees under direct supervision of an UCB employee) are covered by our health and safety policies. These policies and our health and safety management system are based on ISO45001 requirements, to which some of our sites (with a focus on the manufacturing sites) are certified. Additionally to the Lost Time Incident Rate, Total Recordable Injury Rate and Health, Safety and Wellbeing Index, UCB also monitors other metrics related to health and safety. In 2023, there were 0 fatalities due to work-related injuries or work-related ill-health, keeping the same number from 2022. In 2023, 311 days lost to work-related injuries from work-related accidents were reported, compared to 378 days in 2022. Both of these metrics cover UCB employees and third-party personnel.

In terms of safety at work, new programs for 2023 included a safety assessment of our manufacturing sites (evaluating our safe-by-design maturity level and any remediation plans needed), and a project to better understand the risks that chemical substances pose in the workplace (e.g. per- and polyfluoroalkyl [PFAS]).

Elsewhere, our PLCA Program (Potentially Life Changing Activities) has made substantial strides in mitigating risks associated with high-risk activities. In 2023, we addressed eight out of eleven identified high-risk activities, demonstrating our ongoing commitment to safety. Additionally, we continue to prioritize safe-by-design practices, investing in comprehensive standards, infrastructure integration, and workforce training to ensure task execution remains safe and efficient. Our proactive approach extends to driver safety, with a robust training program implemented in 2023 for over 2 000 UCB employees, reaffirming our dedication to fostering a secure working environment for our employees and their families.

Employee Diversity, Equity and Inclusion

UCB's definition of DE&I:

Diversity

The accumulated richness of people's unique backgrounds, lives, cultural experiences, and the diversity of thought that this brings to our work.

Equity

Ensuring all employees are offered fair opportunities for development, advancement, compensation and reward as per their aspirations.

Inclusion

Respecting individual differences and capturing the advantages that this provides to drive greater impact and value in our work.

DE&I is an enterprise-wide priority for UCB. We set concrete objectives on DE&I, including our aims to achieve a gender balance of at least 45/55% at senior leadership level (i.e. executive and above) by 2025, to promote equal representation that reflects local demographics, and to improve our scores in our annual Inclusion Index. Our local markets set specific targets each year that reflect locally under-represented groups, with the aim of reaching specific goals by 2025.

These targets are backed by guidance on DE&I-related communications, equipping internal advocates with information on DE&I to boost understanding, and continuing inclusive recruitment and pay equity initiatives started in previous years.

Employees by subgroup and age group, women

	2023 (β)				2022			
	≤ 29y	**30–49y**	**≥ 50y**	**Total**	≤ 29y	30–49y	≥ 50y	Total
Administration/support	44	247	210	501	47	248	195	490
Executives	0	13	45	58	1	12	42	55
Managers, professionals and GDPs[1]	172	2 112	963	3 249	162	2 039	871	3 072
Sales force	47	409	299	755	41	429	255	725
Technical staff	13	51	16	80	14	46	12	72
Total	**276**	**2 832**	**1 535**	**4 643**	**265**	**2 774**	**1 375**	**4 414**

Employees by subgroup and age group, men

	2023 (β)				2022			
	≤ 29y	**30–49y**	**≥ 50y**	**Total**	≤ 29y	30–49y	≥ 50y	Total
Administration/support	60	194	117	371	45	174	117	336
Executives	0	29	66	95	0	24	65	89
Managers, professionals and GDPs[1]	123	1 725	983	2 831	105	1 708	944	2 757
Sales force	38	425	329	792	48	421	293	762
Technical staff	32	208	111	351	30	216	99	345
Total	**253**	**2 581**	**1 606**	**4 440**	**228**	**2 543**	**1 518**	**4 289**

Part-time and full-time contracts by gender

	2023 (β)			2022		
	Women	**Men**	**Total**	Women	Men	Total
Part-time contract	485	148	633	469	126	595
Full-time contract	4 158	4 292	8 450	3 945	4 163	8 108
Total	**4 643**	**4 440**	**9 083**	**4 414**	**4 289**	**8 703**

1 Graduate Development Program participants

Employees by region and gender

	2023 (β)			2022		
	Women	**Men**	**Total**	Women	Men	Total
Europe	**2 913**	**2 834**	**5 747**	2 751	2 721	5 472
Belgium	1 379	1,548	2,927	1 288	1 477	2 765
Germany	309	188	497	304	189	493
U.K.	478	383	861	474	389	863
Switzerland	232	393	625	212	368	580
Rest of Europe	515	322	837	473	298	771
International Markets (IM)	**672**	**843**	**1,515**	688	849	1 537
China	247	153	400	245	162	407
Japan	123	446	569	128	433	561
Rest of IM	302	244	546	315	254	569
U.S.	**1058**	**763**	**1 821**	975	719	1 694
Grand total	**4 643**	**4 440**	**9 083**	**4 414**	**4 289**	**8 703**

U.S. headcount by race

	2023 (β)		2022	
	Number	**%**	Number	%
White	1 183	65%	1 109	65.5%
Not specified	280	15.4%	247	14.6%
Black or African American	155	8.5%	148	8.7%
Asian	156	8.6%	146	8.6%
Two or More Races	25	1.4%	23	1.4%
Does not wish to answer	18	1.0%	16	0.9%
American Indian/Alaskan Native	3	0.2%	3	0.2%
Native Hawaiian or Other Pacific Island	1	0.1%	2	0.1%
Total	**1 821**	**100%**	**1 694**	**100%**

Workers' rights and working conditions

Patient value pillars[1]

	2023	2022
Patient value solutions	**8 212**	7 895
PV Early Solutions	749	741
PV Development Solutions	1 209	1 157
PV Immunology Solutions	1 474	1 402
PV Neurology Solutions	2 063	1 986
PV Supply and Technology Solutions	2 717	2 609
Patient value support functions	**851**	806
PV Corporate Development and Finance	483	414
PV Legal Affairs	137	158
PV Talent and Company Reputation	231	234
CEO office[2]	**20**	2
Total	**9 083 (β)**	**8 703**

Permanent and fixed-term contracts by gender[3]

	2023 (β)			2022		
	Women	**Men**	**Total**	Women	Men	Total
Fixed-term contract	244	222	466	239	220	459
Permanent contract	4 399	4 218	8 617	4 175	4 069	8 244
Total	**4 643**	**4 440**	**9 083**	**4 414**	**4 289**	**8 703**

Permanent and fixed-term contracts by region

	2023 (β)				2022			
	Europe	**International markets**	**U.S.**	**Total**	Europe	International markets	U.S.	Total
Fixed-term contract	150	310	6	466	144	311	4	459
Permanent contract	5 597	1205	1 815	8 617	5 328	1 226	1 690	8 244
Total	**5 747**	**1 515**	**1 821**	**9 083**	**5 472**	**1 537**	**1 694**	**8 703**

In addition to monitoring certain employee metrics, another way to assess how UCB's employees perceive their working conditions is through our global employee survey. UCB's surveys are designed to help us keep track of important aspects of our company culture and employee engagement. We can only achieve our purpose of creating value for our stakeholders and ourselves if we are committed to fostering a working environment where each of us is able to thrive. In 2023, our global employee survey had a response rate of 76% (versus 77% in 2022). Our global engagement score was 74/100(β) (keeping the same level as 2022), versus a 79/100 benchmark of the top 25% high performing global industry using Glint platform.

1 Scope of reporting: these numbers represent all UCB active employees as of December 31, 2023. Students, apprentices, trainees, employees on leave and contractors are not included in the headcount data.

2 In 2023, a small organizational change took place which grouped the Sustainability, Risk and Corporate Affairs functions. These functions were previously being reported under PV Talent and Company Reputation and PV Legal Affairs and now are reported under the CEO office. The Global Internal Audit function was previously reported under the PV Corporate Development and Finance and now is reported under the CEO office as well.

3 UCB has no non-guaranteed hours employees

Employee development

We invest in our employees to empower them to lead, innovate and grow.

Structured policies ensure all candidates that apply to UCB open positions receive equal evaluation in recruitment, while internal mobility, professional development, and referral programs encourage skills development, expertise sharing, and connections with talented candidates. We support lifelong learning through clear guidelines on how to upskill to achieve new career milestones. All UCB employees can access learning platforms and cross-functional skilling opportunities, such as the UCB RISE Learning Experience Platform, to assess and develop skills, explore internal mobility opportunities, and share content among colleagues.

In 2023, we set clear employee development goals aligned with UCB's overall objectives. Our 3-step (Reflect, Develop, Impact) Employee Growth Model guided professional development, including a renewed focus on leadership and management. In addition, the Employee Growth Center (launched in 2023) provides access to a wide range of available tools, platforms, learning programs, and resources. To promote the platform, several sessions were held – leading to over 15 000 views in 2023 – while an annual communication plan promotes a growth mindset among our employees.

24.3% of vacancies were filled by current employees, reflecting a decrease compared to 27% in 2022. This comes as a result of a higher overall recruitment volume in 2023. 411 vacancies were filled by internal employee in 2023, whist this is a significant improvement on 2022 (324 vacancies filled), the 2023 percentage of 23.4% vacancies filled by internal candidates has fallen short of UCB's 30% ambition. The high volume of open vacancies means that UCB has relied on an influx of external candidates rather than internal mobility. Employee retention[4] increased to over 92.5%. This is reflected in our 2023 employee engagement results, which showed employees' sense of purpose increased by 3% and work satisfaction by 2%.

Our talent market is highly competitive, given the specialized nature of our industry. To attract, develop and retain top research and development (R&D) talent, we run various initiatives targeted specifically at scientists and R&D professionals. In 2023, this included:

- Continuing to offer **job rotations** between different roles to all employees working in development, to expand their professional experience by collaborating across different departments. This includes the rollout of an Internal Opportunity Marketplace, offering all R&D talent the ability to explore and apply for short term assignments or projects across all areas of the business and in turn also enabling colleagues from other areas to explore opportunities in the scientific space.
- Maintaining a **sponsorship program** between UCB executives and junior employees to develop emerging talent and our Project Leader Learning Journey, which aims to equip UCB employees with the wealth of technical, scientific and leadership skills required of project leaders.
- Aiming to recruit and retain the best R&D talent by continuing to fund a series of **internal and external PhDs** at several academic institutions in the U.K. and EU.

New hires by region

	2023 (β)	2022
Europe	**663**	**516**
Belgium	358	233
Germany	42	31
U.K.	85	114
Switzerland	76	57
Rest of Europe	102	81
International Markets (IM)	**226**	**205**
China	59	62
Japan	78	85
Rest of IM	89	58
U.S.	**320**	**340**
Grand total	**1 209**	**1 061**

4 The employee retention rate calculation methodology is the following: 100% - employees' voluntary attrition rate for the last 12 months.

New hires by region and age group, women

	2023 (β)				2022			
	≤ 29y	**30–49y**	**≥ 50y**	**Total**	≤ 29y	30–49y	≥ 50y	Total
Europe	**85**	**234**	**44**	**363**	**60**	**169**	**40**	**269**
Belgium	48	119	18	185	34	71	11	116
Germany	1	22	1	24	2	9	7	18
U.K.	15	31	3	49	11	41	9	61
Switzerland	11	19	3	33	8	12	2	22
Rest of Europe	10	43	19	72	5	36	11	52
International Markets (IM)	**16**	**77**	**8**	**101**	**26**	**69**	**6**	**101**
China	9	31		40	15	29	0	44
Japan		9	1	10	3	17	6	26
Rest of IM	7	37	7	51	8	23	0	31
U.S.	17	110	83	210	**13**	**119**	**74**	**206**
Grand total	**118**	**421**	**135**	**674**	**99**	**357**	**120**	**576**

New hires by region and age group, men

	2023 (β)				2022			
	≤ 29y	**30–49y**	**≥ 50y**	**Total**	≤ 29y	30–49y	≥ 50y	Total
Europe	**70**	**189**	**41**	**300**	**44**	**172**	**31**	**247**
Belgium	45	113	15	173	24	87	6	117
Germany		13	5	18	1	11	1	13
U.K.	7	19	10	36	8	35	10	53
Switzerland	15	25	3	43	7	24	4	35
Rest of Europe	3	19	8	30	4	15	10	29
International Markets (IM)	**21**	**89**	**15**	**125**	**13**	**74**	**17**	**104**
China	10	9		19	8	10	0	18
Japan	4	54	10	68	5	41	13	59
Rest of IM	7	26	5	38	0	23	4	27
U.S.	13	60	37	110	**12**	**70**	**52**	**134**
Grand total	**104**	**338**	**93**	**535**	**69**	**316**	**100**	**485**

Departures by region

	2023 (β)	2022
Europe	**392**	**417**
Belgium	167	203
Germany	29	23
U.K.	87	83
Switzerland	39	37
Rest of Europe	70	71
International Markets (IM)	**241**	**218**
China	63	85
Japan	68	63
Rest of IM	110	70
U.S.	182	247
Grand total	**815**	**882**

Departures by region and age group, women

	2023 (β)				2022			
	≤ 29y	**30–49y**	**≥ 50y**	**Total**	≤ 29y	30–49y	≥ 50y	Total
Europe	**24**	**127**	**59**	**210**	**25**	**121**	**44**	**190**
Belgium	9	62	16	87	13	53	14	80
Germany		5	9	14	2	9	3	14
U.K.	5	28	15	48	5	27	5	37
Switzerland	7	7	3	17	3	6	2	11
Rest of Europe	3	25	16	44	2	26	20	48
International Markets (IM)	**8**	**82**	**30**	**120**	**16**	**71**	**12**	**99**
China	5	25	5	35	14	30	1	45
Japan	1	16	1	18	1	13	3	17
Rest of IM	2	41	24	67	1	28	8	37
U.S.	3	71	43	117	**7**	**83**	**48**	**138**
Grand total	**35**	**280**	**132**	**447**	**48**	**275**	**104**	**427**

Departures by region and age group, men

	2023 (β)				2022			
	≤ 29y	**30–49y**	**≥ 50y**	**Total**	≤ 29y	30–49y	≥ 50y	Total
Europe	**4**	**102**	**76**	**182**	**27**	**133**	**67**	**227**
Belgium	3	46	31	80	16	72	35	123
Germany		4	11	15	2	3	4	9
U.K.	1	26	12	39	7	28	11	46
Switzerland		15	7	22	0	16	10	26
Rest of Europe		11	15	26	2	14	7	23
International Markets (IM)	**11**	**66**	**44**	**121**	**15**	**81**	**23**	**119**
China	11	14	3	28	14	23	3	40
Japan		25	25	50	0	30	16	46
Rest of IM		27	16	43	1	28	4	33
U.S.	4	30	31	65	**7**	**63**	**39**	**109**
Grand total	**19**	**198**	**151**	**368**	**49**	**277**	**129**	**455**

Staff turnover

	2023		
	Voluntary	Involuntary	Total voluntary and involuntary
Administration/support staff	2.4%	3.2%	5.6%
Executives	5.2%	3.2%	8.4%
Managers/professionals	5.6%	2.3%	7.9%
Sales force	6.9%	5.5%	12.5%
Technical staff	3.4%	1.2%	4.6%
Total turnover rate[1]	**5.4%**	**2.9%**	**8.3% (β)**

1 Total turnover is the percentage of voluntary and involuntary terminated permanent contract employees during the last 12 months out of the average 12 month permanent contract employee's headcount.

Average training hours

	2023	2022
Average training hours	36	34
Total	36	34

Regular performance and career development reviews

	2023		
	Women	Men	Total
% performance reviews[3]	96%	96%	96%
% career development reviews[4]	93%	90%	91%

Mandatory trainings compliance rate

Percentage (%)	Code of conduct[4]	Safety reporting obligations	Data protection at UCB	Phishing awareness	Anti-bribery and anti-corruption
Audience	All employees	All employees	All employees	All employees	All employees
Frequency	Every year	Every 2 years	Every 2 years	Every 2 years	Every year
Compliance rate 2023[6]	**100% (β)**	**99%**	**97%**	**100%**	**94% (β)**
Compliance rate 2022[6]	100%	99%	97%	98%	93%

2 Graduate Development Program participants.

3 % performance reviews: % of UCB employees eligible for the performance evaluation process who have received performance rating for the reporting period out of the total UCB employee headcount as of Dec 31: # of employees with reporting period performance rating / Dec 31 UCB employee headcount * 100

4 % career development reviews: % of UCB employees eligible for the talent review process who have received talent rating for the reporting period out of the total UCB employee headcount as of Dec 31: # of employees with reporting period talent rating / Dec 31 UCB employee headcount * 100

5 The Ethics and Compliance team collaborates with the Talent and Company Reputation team to promote timely completion of the training. This training includes training on human rights policies or procedures concerning aspects of human rights that are relevant to operations.

6 Compliance rate is a sum of employees who have completed the training and employees who are still within the time-frame to complete and comply with the mandatory trainings.

Human Rights

UCB proudly respects the rights and dignity of all people. We strive to prevent any adverse human rights impact – as defined by the UN Declaration of Human Rights – on all business operations, value chains, and the communities where we operate, and hold all third parties to these same standards.

We promote high ethical standards of working, ensure workers are treated with dignity and respect, and account for human rights aspects in programs impacting patients, including activities relating to access to healthcare and clinical studies.

In July 2023, UCB issued our own Human Rights Policy. It serves as a foundation to identify human rights of the highest priority (salience) and respective due diligence activities that focus on actions to drive continuous improvement of human rights practices. Priority areas were confirmed through a salience assessment which established the following areas for 2024:

- Third party related risks (notably labor rights, environmental impacts, corruption)
- Non-discrimination, non-harassment and fair treatment for UCB employees
- Clinical studies
- Artificial Intelligence
- Environment (connections between environmental and social impacts)
- Right to health

UCB will establish a governance framework in 2024 to provide oversight on our human rights approach and actively continue to integrate the voices of rights holders into our activities.

All UCB colleagues are required to comply with all applicable laws and respect human rights, and receive mandatory annual training. We act diligently to avoid infringing on the rights of others, as expressed by the International Bill of Human Rights and principles set out in the International Labor Organization's Declaration on Fundamental Principles and Rights at Work, and we are a signatory of the UN Global Compact. UCB colleagues are encouraged to notify their manager, or report via the UCB Integrity Line[1], any adverse impact involving the company, colleagues, or third parties. All complaints submitted trigger a confidential investigation, which may lead to corrective and disciplinary actions, and UCB has a strict non-retaliation policy to protect all employees that raise concerns or report misconduct.

We are committed to prohibiting, identifying, and preventing forced or child labor, modern slavery and human trafficking in all operations and supply chains. Our Modern Slavery Act Statement (U.K.) and Transparency Act (Norway) are publicly available.

In 2023, there were no material cases of human rights policy violations.

1 Reports can be submitted to the UCB Integrity Line at https://www.ucb.com/Integrity-line which provides access to phone or web reporting in multiple languages and including the option for anonymous reporting.

Human rights in the value chain

We are committed to respecting the rights and dignity of all people and expect high ethical working standards and fair treatment in our suppliers' operations.

We hold third-party partners in our value chain (including consultants, suppliers, and others acting on behalf of UCB) to the same standards as UCB employees and expect them to restrict any form of workplace discrimination or harassment and ensure the health and safety of their workers, while complying with national laws.

Our Supplier Code of Conduct is a key part of procurement efforts to drive respect for human rights. This Code covers all subjects from the International Labor Organization standard, except for specific mention of human trafficking, employment security, and maternity protection. Potential vendors must agree to adhere to this Code before participating in any bid. This obligation is also set out in supplier contracts and general terms and conditions.

All external rights holders can report potential human rights complaints to the UCB Integrity Line.

We monitor human rights standards of strategic suppliers and potential suppliers via EcoVadis, where we ask for a minimum target score of 45/100, and via Sphera, an online platform to monitor risk signals linked to fair labor practices, human rights, and ethical behaviors. When risks are identified, we evaluate the severity and impact, decide on actions to take, monitor risk and document mitigating actions identified (such as corrective action plans with prioritized improvement initiatives) via our enterprise risk management system. A low to very-low EcoVadis score on the Labor and Human Rights pillar is also considered as a risk signal when deciding on-site audits to strategic suppliers.

We participate in peer initiatives to advance sustainability in the upstream pharmaceutical value chain and build capabilities needed by our direct suppliers. This includes the Pharmaceutical Supply Chain Initiative (PSCI) through which our suppliers can access different learning resources. For example, in 2023, the PSCI organized events to address the German Supply Chain Due Diligence Act, and gender equality in the workforce for suppliers located in India.

In the year ahead, we plan to identify the credible proxies representing value chain workers and evaluate feasible ways to engage with them beyond on-site discussions when conducting in-person audits, and assess the effectiveness of the UCB Integrity Line as a grievance mechanism for value chain workers. We also aim to increase our spend coverage with suppliers with an EcoVadis score, targeting to achieve a 65% coverage for 2024.

2023 Performance

No
material human rights issues or incidents

64%
of suppliers improved their EcoVadis score[2]
(vs. 68% in 2022)

53%
Global supplier spend covered by EcoVadis

91.6%
of rated suppliers have an EcoVadis score above 45/100

2 For EcoVadis scorecards published in 2023, compared to the previous assessment done by the suppliers.

Responsible sales and marketing

Our promotional strategies prioritize truth and accuracy, and must have clear and legitimate intent, especially in communicating complex medical and scientific information.

We are transparent when marketing to healthcare professionals, patients, the public, government agencies and others. We are committed to responsible and compliant promotion, and only encourage the use of our products based on their approved uses, appropriate scientific merits, and benefits for patients. We do not reward stakeholders for prescribing or purchasing our medications.

We adhere to applicable local laws, regulations, and industry codes related to ethical marketing[1]. All employees receive training and regular communications to ensure prohibitions on off-label promotion are understood, with additional training on requirements for responsible and ethical practices for any employees involved in sales and marketing. To ensure promotional messages are accurate, objective, and transparent, all promotional press and scientific communications relating to our compounds, products, and diseases and intended for external stakeholders are reviewed by trained members of Legal, Regulatory Affairs and Medical Affairs teams.

Activities of sales personnel are monitored worldwide, and any inappropriate activities detected are addressed through corrective or disciplinary actions. Any reports of inappropriate marketing received through our reporting channels are thoroughly investigated.

Beyond standard promotion, UCB also closely regulates interactions with healthcare professionals. This includes a robust set of internal controls to ensure engagements are ethically conducted and remain in accordance with applicable rules and regulations – covered in the Code of Conduct and global and local policies. These processes are routinely assessed as part of the annual Ethics and Compliance risk assessment and monitoring plan, and further reviewed by Internal Audit.

Any concerns can be reported to our UCB Integrity Line[2], where all reports are investigated and any wrongdoing found during the process will result in root cause analysis, corrective action implementation, and disciplinary action, in accordance with UCB employment misconduct policies.

Data privacy and security

As individual healthcare journeys become increasingly reliant on digital infrastructure, data privacy and security are vitally important in all UCB operations.

While UCB operates in numerous jurisdictions with specific privacy regulations, we also maintain our own policies and standard operating procedures that support our Global Privacy Policy. Essential privacy training is provided to employees, with UCB's privacy standards being communicated by notices posted to our websites (e.g. for web users, patients, job candidates, and healthcare professionals), and when data is collected from an individual. These notices detail how UCB collects, uses, and protects data collected. They also clarify that users can contact UCB for more information or further action. In many situations, UCB collects consent for various types of personal data use, which can all be revoked.

Our privacy program allows consumers to contact UCB with privacy concerns – either directly to the privacy team or through the UCBCares® program. We also maintain incident response protocols to ensure proper response to any individual whose data might be involved in an incident.

As privacy regulations evolve, UCB continues to update its privacy program. In 2023, we expanded our privacy team, and built new operational models to support our global privacy commitments.

UCB has a multifaceted cybersecurity and data management strategy, along with active programs for proper prevention, detection and response controls, and continuous improvements to protect intellectual property and critical information assets. This includes continuous monitoring and analytics, intrusion incident detection and response, security testing and user awareness training and campaigns. Additionally, UCB has a Cyber Crisis program that allows us to properly handle large security incidents (e.g. data breach or malware).

In 2023, following a global trend, the number of potential data breaches including IT security increased. One incident was reported to the Brazilian Data Protection Authority. However, none of these incidents resulted in high risk to the rights and freedoms of the data subjects concerned. In 2023, UCB started to prepare for the upcoming NIS2 regulation that will become effective in October 2024.

To reflect the growing importance of data privacy and security as a material topic to UCB and to align with ESRS reporting requirements, in 2024 we will work on defining new targets and key performance indicators to better measure our performance in this area.

1 This includes the CIOMS/WHO recommendation derived from the WHO Ethical Criteria of Medicinal Drug Promotion, the Directive of the European Parliament, and the Council on the Community Code relating to medicinal products for human use. It also references codes from the European Federation of Pharmaceutical Industries and Associations (EFPIA), International Federation of Pharmaceutical Manufacturers & Associations (IFPMA), Pharmaceutical Research and Manufacturers of America PhRMA, and more.

2 Reports can be submitted to the UCB Integrity Line at https://www.ucb.com/Integrity-line which provides access to phone or web reporting in multiple languages and including the option for anonymous reporting.

Driving Sustainable Business in 2023 – Environmental

Climate crisis mitigation and adaptation

Our Science Based Target encompasses:

- **Scope 1 emissions**, caused by all energy burned (gas, fuel) at UCB's sites and by UCB's car fleet worldwide.
- **Scope 2 emissions**, caused by electricity consumed as an energy source at all UCB sites.
- **Scope 3 emissions**, including fuel and energy-related emissions, treatment of the waste produced on-site, business travel and employee commuting (for colleagues who do not have a company car), transportation and distribution of our raw materials and finished goods as well product end-of-life emissions from treatment for UCB products waste at patient or hospital level.
- **Scope 3 emissions** attached to UCB suppliers, which represent 90% of our total emissions, have a dedicated target.

UCB's climate ambition – including the definition of targets, KPIs and framework – has been validated by the Science-Based Targets Initiative (SBTi) and is embedded in the overall strategy of UCB as defined by the Board, upon proposal of the Executive Committee. Climate-related matters are therefore on the agenda of the full Board as part of our strategy. The Board Chair, in full collaboration with the CEO, is responsible for making sure that climate-related matters and overall climate strategy of the company are on the agenda of the Board and form an integral part of the overall strategy of the company that is reviewed and approved on an annual basis.

Going forward, our GHG emissions reduction targets are evolving to reinforce our ambition, in line with our 2023 commitment to follow SBTi Net Zero targets. Our near-term target – previously to reduce absolute Scope 1, 2 and 3 GHG emissions under our control by 38% by 2030, compared to 2015 – is being reworked, to become fully aligned with the need to limit global temperature increases to 1.5°C temperature, as set in the Paris Agreement[3].

A detailed ten-year climate change transition plan is consolidated from all UCB departments owing a carbon footprint, and embedded into UCB's strategic planning and multi-year financial plan. This covers all business needs to finance green investments (i.e. to improve the existing assets), operations required to decarbonize our value chain, and plans to embed green features in new investments (i.e. a green-by-design approach). For example:

- **Renewable energy:** Our target to achieve 100% renewable energy by 2030 on either sourcing or generating energy from renewable sources (e.g. electricity, biomethane, geothermal energy) is embedded in our energy cost budget. In 2022, we inaugurated a physical Power Purchase Agreement covering 25% of our Belgium campus electricity consumption. Through the acquisition of biogas certificates sourced exclusively from waste biomass we are able to reduce CO_2e, as we transition from natural gas to more decarbonized heat production. Through this shift, we align our operations with greener practices and advance our mission to promote a more sustainable and eco-conscious future.
- **Upgrading energy efficiency:** A € 4 million budget envelope is available to render UCB's sites or installations more energy and water efficient, including HVAC efficiency installations or looking for additional heat recovery projects.
- **Investing in green building certification:** The budget related to real estate assets increased by approximately 10-15% of the project envelope to support our ambition to reach a minimum Gold / Very good LEED/BREEAM certification for all new buildings or major revamping projects.
- **Green car fleet**: As part of our facilities budget, we invested in on-site electric vehicle (EV) chargers to support our transition to a greener car fleet, including a € 1.8 million investment to install 300 chargers on our two Belgian sites, which represents one of the biggest EV charging stations in Belgium.

3 As part of this evolution, we have recalculated our full GHG inventory and reassessed to extend our scope 1 and 3 reporting and disclosure to all relevant categories on those that make most sense for UCB.

UCB currently does not apply any type of internal carbon pricing mechanism, but continues to investigate its potential implementation to support our climate mitigation plan.

Ongoing initiatives to mitigate and adapt to the impact of climate change across UCB operations include:

- **Solvent waste recycling:** An Active Pharmaceutical Ingredient under development decreased climate change impact of its manufacturing process by 45% compared to the initial route of synthesis (kg CO_2e per kg API – using Process Mass Intensity metric). This was achieved through reusing and in-house recycling of solvents waste.
- **Responsible sourcing:** An extensive responsible sourcing program, aligned with our SBTi target to reach 60% of our purchased goods and services, by emissions, being committed to Science Based Targets. To date, our Contract Manufacturing Operations (core strategic business partners) have reach 71%, by emissions, being SBTi-aligned.
- **Lower-carbon distribution:** Distribution of products by ocean freight (via UCB's 'Air to Ocean' program) remained stable, despite a very challenging year with supply pressure due to supply volatility, geopolitical situations and a sea freight market under pressure (e.g. capacity constraints, Panama low water levels, Suez Canal security concerns).
- **Resource optimization efforts:** In place at UCB manufacturing sites to reduce energy consumption, these include prioritizing air recycling (recovery of extracted air to reduce energy requirements for air treatment) and heat recovery (recovery of energy from extracted air; recovery from utilities via cold production, compressed air production, etc.).
- **Advocating for change and supporting suppliers:** UCB is part of several industry coalitions, such as the Pharmaceutical Supply Chain Initiative, the American Chemical Society GCI Pharmaceutical Roundtable, and BioPhorum, as well as industry movements and coalitions to decarbonize the supply chain (e.g. Manufacture 2030 Activate Program). Our new Supplier Recognition Program acknowledges progress made by our business partners, while those at the start of their journey are supported by the UCB-sponsored Energize Program through tools and guidance to overcome energy market barriers and advice and access to renewable energy purchase opportunities.
- **Carbon capture and storage:** UCB supports two biodiversity projects which capture and store carbon via a continued collaboration with WeForest and CO2logic in the Desa'a Forest in Northern Ethiopia and Virunga National Park in the Democratic Republic of Congo to restore and reforest habitats – aiming for projects to be Gold Standard and PlanVivo certified.

The increased expectation for low-carbon operations and products in the healthcare sector may result in increasing/decreasing demand for UCB's products depending on UCB's response to this risk.

Carbon footprint[1] — CO_2e emissions

Indicator	Definition - Tons CO_2e	2015 Benchmark year	2023	Variance (%) 2023/2015
Scope 1	Gas	36 610	9 074	-75%
	Fuel	973	290	-70%
	Car fleet	18 995	11 184	-41%
	% of electric vehicles in UCB car fleet	0%	15.5%	N/A
	Total	**56 578**	**20 547 (β)**	**-64%**
Scope 2	Electricity (market based)	28 138	1 619 (β)	-94%
	Electricity (location based)	N/A	17 867 (β)	N/A
Scope 1 and 2	**Total**	**84 716**	**22 167**	**-74%**
Scope 1 and 2 intensity	**CO_2e tonnes/€m in revenue**	**21.9**	**4.2**	**-81%**
Scope 3	Category 3 – Energy and fuel related activities[2]	15 709	8 941	-43%
	Category 4 – Upstream transportation and distribution	23 319	17 172	-26%
	Category 5 – Waste generated in operations[3]	589	1 387	+135%
	Category 6 – Business travel[4]	46 734	25 345	-46%
	Category 7 – Employee commuting[5]	13 949	7 420	-45%
	Category 12 – End-of-life treatment of sold products[6,7]	3 844	2 902	-25%
	Total	**104 144**	**63 165 (β)**	**-39%**
Scope 1, 2 and 3 (except Scope 3 Category 1)	**Total**	**188 861**	**85 332**	**-55%**
Scope 1, 2 and 3 intensity (except Scope 3 Category 1)	**CO_2e tonnes/€m in revenue**	**48.7**	**16.2**	**-67%**
Scope 1, 2 and 3 (including suppliers) intensity	**CO_2e tonnes/€m in revenue**	**222.0**	**169.0**	**-23%**
Scope 3	Category 1 – Purchased goods and services	663 936	802 472	+21%
	% of suppliers (by CO_2e emissions) committed to SBT-like targets[8]	8.7% in 2019 (first year of calculation)	59.4% (β)	+50.7

1 UCB is reporting its CO_2e emissions as per the GHG protocol methodology. The applied emission factors from Bilan Carbon and EIO-LCA databases are provided and updated yearly by UCB's carbon third-party specialists. EIA emission factors are also used. For energy, invoices are collected from all sites that are part of the reporting (94% coverage): UCB's manufacturing sites, laboratories and all affiliates considered. For the other part of the scope, extrapolation is made to reach 100% of UCB's emissions and are reported.

2 Despite a reduction in UCB's scope 1 and 2 energy emissions, this category witnessed a slight increase in 2023 compared to the previous year. This is due to the application of a more accurate emission factor for biogas.

3 UCB increased its data accuracy and reporting on its waste stream (waste category and treatment type), allowing usage of refined emission factors. The new methodology leads to a 30% increase compared to the previous one (equivalent to 319 tons increase) as it is not possible to retroactively calculate the waste carbon footprint using the new methodology (detailed waste stream data not available before 2023). Additionally, we had several construction activities throughout 2023 in our main Belgium campus, leading to an overall increase in our waste tonnage. Waste from UCB operations is stable compared to last year. The construction waste (non-hazardous/inert) is a one-time activity and is 100% recycled.

4 This metric covers both air and rail business travel.

5 Defined as the energy consumed by UCB's employees during the commute between their own homes and UCB's sites (based on number of kilometres travelled, transportation mode used and number of days at the office). UCB's employee with a company car (reported under Scope 1 – Car fleet and contractors (reported under Scope 3- Purchased goods and services) are excluded from this calculation. Around 95% of our employee commuting emissions are calculated based on data collected from 9 countries. The remaining 5% is extrapolated using the average T.CO_2e/commuter. Assumptions are made to compensate for data accuracy (e.g., UCB's hybrid model policy for the frequency on site), always considering countries specificities (facilities, habits and site's location) and combined with the worst-case scenario (e.g., 100% personal cars used in some countries).

6 This metric calculates the CO_2e emissions from the end-of-life treatment of all products sold by UCB in different markets in the reporting year. This includes everything that patients or caregivers dispose of after using UCB drugs, with the exclusion of: pallets (tertiary packaging stops at the shipping box); site waste (already accounted for in UCB's waste metrics); and destroyed drugs after they reach the market (insignificant related impact). A life cycle analysis (LCA) tool is used to obtain the end-of-life impact of a finished good per dose and per market. When the LCA is not available yet for certain SKU, a proxy assignation is done, always using the worst-case scenario.

7 End of life treatment of sold products values has been corrected from 2015 with more accurate data, leading to an average 25% emissions decrease compared to the previously reported values.

8 This metric is calculated with the annual spend of UCB supplies, converted into CO_2e emissions using average industry spend based emission factors (from Bilan Carbon and EIO-LCA databases). Suppliers already accounted for in UCB's other greenhouse gas emission scope 1, 2, or 3 and suppliers with a CAPEX spend representing more than 80% of its total spend (which falls under the 'capital goods' reporting category) are not in scope for this reporting category. Suppliers with uncategorized spending are excluded from this disclosure, representing only 1% of UCB's purchased goods and services emissions. Therefore, UCB's purchased goods and services category considers more than 99% of its suppliers' CO_2e emissions.

Energy consumption

	Definition - GigaJoules	2015 Benchmark year	2023	Variance (%) 2023/2015
Total	Total energy consumption	1 434 110	932 600 (β)	-35%
Gas[1]	Gas consumption	652 584	391 526	-40%
Fuel oil	Fuel oil consumption	12 956	4 261	-67%
Fuel vehicles	Utility vehicle fuel consumption	158	153	-3%
	Car fleet fuel consumption[2]	295 869	174 978	-42%
Electricity[3]	Electricity consumption	472 543	361 682	-23%
	% of renewable electricity	59%	94%	+61%
	% of self-produced electricity in sites owned by UCB	N/A	18%	N/A
Energy saved[4]	Energy saved due to consideration and efficiency improvements	6 743	14 929	+121%

Water extraction, consumption and discharge

Water withdrawal[5]

	Definition - m^3	2015 Benchmark year	2023	Variance (%) 2023/2015
Water	Total water	809 116	476 866 (β)	-41%
	Main water	629 183	441 345	-30%
	Ground and surface water	179 933	35 521	-80%
	Total water withdrawal on area with water stress	335 539	248 041	-26%
	Percentage of water withdrawal area with water stress	N/A	52%	N/A
Water intensity	m^3 of water/€m in revenue	208.8	90.8	-57%
Water saved[6]	Water saved due to conservation and efficiency improvements	-	31 000	N/A

1 UCB is actively working to reduce its energy consumption by running energy efficiency programs, to switch to biogas from waste biomass only instead of natural gas and to progressively phase out fuel usage.

2 Progressive transition to electrical fleet permits UCB to reduce the company's vehicle fuel consumption. In Europe, this reduction (average decrease of -10% in our car fleet emissions) is enabled by the governmental actions implemented in 2023 and good infrastructures extension.

3 Four additional sites transitioned to renewable electricity in 2023.

4 Main reduction projects were on HVAC efficiency optimisation, heat recycling.

5 The total water withdrawn is the sum of the main water (supplied by the city) and the ground and surface water (water taken from the environment in accordance with local regulations) over the course of the reporting period. For water, invoices are collected from all sites part of the reporting (94% coverage). UCB's manufacturing sites, laboratories and all affiliates considered. The water stressed areas are identified as high and extremely high per the World Resources Institute 'Aqueduct Water Risk Atlas' database.

6 Main projects were on cooling tower improvement and recycling water from utilities flush.

We have embarked on a wastewater recycling pilot at one of our largest manufacturing sites, representing a significant stride in our dedication to responsible water management. Beyond the scope of recycling, our commitment extends to actively reducing water consumption and improving efficiency in HVAC systems and cleaning processes.

We monitor environmental impact of suppliers and potential suppliers covering water, waste water, pollution and waste, amongst others, via EcoVadis[7] and Sphera. Sphera's online platform monitors risk signals linked to physical environmental risks (e.g. typhon, flooding, drought) in real time, as well as the probability of environmental incidents occurring in specific locations. When risks are identified, we evaluate the severity and impact, decide on actions to take, monitor risk and document mitigating actions identified (such as corrective action plans with prioritized improvement initiatives) via our enterprise risk management system.

Additionally, we participate in peer initiatives to advance sustainability in the upstream pharmaceutical value chain and build capabilities needed by our direct suppliers. This includes the Pharmaceutical Supply Chain Initiative (PSCI) through which our suppliers can access different learning resources and where environmental and health and safety audits are shared with members to avoid audit fatigue. In 2023, 16 site audits were performed on UCB key strategic suppliers.

Within the TCFD exercise performed in 2022, UCB analyzed the impact of seven climate-related physical hazards ranked as potentially material for our activities, including heavy precipitation and flooding and water availability. The seven risks (i.e., water quality, water availability, heavy precipitation and flooding, wildfires, extreme high temperatures, hurricanes, and hailstorms) were studied in a hotspot analysis for various locations key to UCB: major research hubs, third-party logistics, UCB manufacturing sites and key suppliers (mainly contract manufacturing organizations [CMOs]). Two scores were developed for each risk:

- A **climate change risk score**, based on a combination of information from the most recent scientific literature (covering over 60 references) and climate data analysis, including that from the World Resources Institute's (WRI) Aqueduct tool, the Coupled Model Intercomparison Project Phase 5, and World Wildlife Fund for Nature (WWF) water filters. This climate change risk score was assigned based on the degree of change (delta), compared to the historical period.
- A **financial impact/materiality score**, determined following UCB's internal Enterprise Risk Management (ERM) and financial impact assessment frameworks (via information gathered from one workshop and six interviews with key UCB stakeholders).

Potential impacts for UCB related to heavy precipitation and flooding include direct damage to buildings, increase in insurance costs, production and supply chain interruptions, and adaptation costs for building protection. Two types of flooding were considered for this assessment:

- **Riverine flooding:** flooding related to rivers leaving their usual bed due to prolonged periods of rain; and
- **Coastal flooding:** coastal flooding relates to the concept of so-called 'extreme sea levels', which includes tides, storm surges, and sea level rise.

Data

The **Aqueduct Floods Hazard Maps** tool provides high resolution global flood risk projections for 2° and 4° scenarios for 2030 and 2050

The outputs are **absolute inundation heights** provided for different **return periods**: 10, 25, 50, 100 years

The **absolute inundation heights** are used to evaluate the risk exposure of the different facilities.

Indicators analyzed

Flooding is a very local phenomenon and may vary significantly around the immediate surroundings of a facility, therefore three indicators were obtained:

- Inundation height at the **exact location** of the facility
- **Mean** inundation height for **a 5km buffer area** around the facility
- **Maximum** inundation height for a **5km buffer area** around the facility

7 EcoVadis coverage encompasses 55% of UCB suppliers by spend, and 74% of UCB core strategic suppliers such as CMOs, clinical development, research, development and distribution. The minimum target score is 45/100 for the environmental category.

The overall impact of flooding was determined to be not material to UCB.

A detailed water scarcity assessment for 2030 and 2050 under a 2°C and a 4°C scenario was performed, to determine potential impact on operations, existing and planned mitigation actions and potential impacts on financials. The financial impact of water scarcity was deemed as not material to UCB.

The multifaceted risk of water scarcity was assessed using two drought definitions to model the change in water supply

Meteorological drought indicators

- A meteorological drought describes the lack of precipitation over a certain amount of time.
- Future precipitation projections provided by the NASA via the NASA-NEX GDDP climate database were used for this assessment.

- **Annual precipitation**
- **Consecutive dry days**

Hydrological drought indicators

- A hydrological drought describes a shortage in water resources, including groundwater, rivers and other water reservoirs.
- Future projections of different variables describing the local water balance from the CO-MICC dataset on freshwater-related hazards of climate change were used.

- **Blue water production**
- **River streamflow**
- **Water availability**

All sites

- **Groundwater recharge**
- **Snow storage**

Selected sites, where relevant

Pollution

In 2023, we formalized our approach to disclose information on UCB pharmaceuticals potentially entering the environment (PiE).

We will continue to strengthen our efforts to minimize the environmental risks in our medicines' lifecycle, which happens:

- Through patients' excretions, where the majority of our material outflow lies, and for which an environmental risk assessment is performed following recognized standards, and submitted to Regulatory Authorities;
- Through our manufacturing activities and our water management, where we will formalize safe discharge measures and disclose our compliance;
- Through disposal of unused medicines, where we are developing targeted communication plans to ensure that any unused medicines enter the correct waste stream.

Initially, we are disclosing the environmental risk level of our medicines when they are released in the environment through patient excretions. Environmental risk refers to the potential adverse effect that pharmaceuticals could have on the natural environment when they enter the ecosystem, and more specifically the aquatic compartment (surface waters) after medicines have been excreted by patients. In all cases for which data has been generated, the risk has been determined as low to insignificant. The environmental risk level of UCB's medicines provided in the table was assessed from data generated via our marketing authorization applications.

These assessments use conservative, worst-case assumptions on environmental exposure, considering the maximum expected use of UCB's medicines; and the maximum potential concentration in water, with no degradation of pharmaceuticals occurring in the human body nor sewage treatment.

The Predicted Environmental Concentration (PEC) – i.e. the quantity of pharmaceuticals expected to be released in the environment – of each medicine, disclosed below, is most probably overestimated. To classify environmental risk, the PEC is divided by the Predicted No Effect Concentration (PNEC) which is the maximum quantity of pharmaceuticals under which no harm to nature is expected. The PNEC is calculated following the European Medicines Agency guideline[3] by using the worst ecotoxicity value available for the pharmaceutical.

The result of the PEC/PNEC ratio defines the environmental risk level, aligned with scientific recommendations[4], as such:

- PEC/PNEC below 0.1: insignificant environmental risk level
- PEC/PNEC between 0.1 & 1: low environmental risk level
- PEC/PNEC between 1 & 10: medium environmental risk level
- PEC/PNEC higher than 10: high environmental risk level

For medicines marketed before 2006, data were not required by regulatory authorities. In these cases, UCB is committed before the end of 2025 to provide a risk classification either by generating data, or based on data from reliable scientific literature if available, to avoid duplication of ecotoxicological testing on three trophic levels.

Information on PEC and PNEC for each medicine will be made available on UCB.com website in 2024, showcasing how the environmental risk level was calculated based on scientific data.

UCB's Brand Name	Generic Name	Environmental Risk Level
BIMZELX®	*bimekizumab*	Insignificant[5]
BRIVIACT®	*brivaracetam*	Insignificant
CIMZIA®	*certolizumab pegol*	Insignificant[5]
CIRRUS®	*levocetirizine / pseudoephedrine*	N/A[6]
EVENITY®	*romosozumab*	Insignificant[5]
FERRO SANOL®	*ferrous(II) glycine sulphate complex*	Insignificant[5]
FINTEPLA®	*fenfluramine*	Insignificant
KEPPRA®	*levetiracetam*	Insignificant
NAYZILAM®	*midazolam*	N/A[6]
NEUPRO®	*rotigotine*	Low
RYSTIGGO®	*rozanolixizumab-noli*[7]	Insignificant[5]
VIMPAT®	*lacosamide*	Insignificant
XYREM®	*sodium oxybate*	Insignificant
XYZAL®	*levocetirizine*	N/A[6]
ZILBRYSQ®	*zilucoplan*	Insignificant
ZYRTEC®	*cetirizine*	N/A[6]

3 Guideline on the environment risk assessment of medicinal products for human use; EMEA/CHMP/SWP/4447/00 corr 2; 01. June 2006.

4 Wennmalm A, Gunnarsson B. Pharmaceutical management through environmental product labeling in Sweden. Environ Int. 2009 Jul;35(5):775-7. doi: 10.1016/j.envint.2008.12.008. Epub 2009 Feb 3. PMID: 19193440.

5 Due to their nature, vitamins, electrolytes, amino acids, peptides, proteins, carbohydrates and lipids are unlikely to result in a significant risk to the environment so no PEC nor PNEC has been calculated.

6 Insufficient data available.

7 U.S. specific.

Circular economy

We seek to keep materials and resources in use for as long as possible across all our operations, from facilities and process improvement to developing and producing solutions.

Waste production[1,2]

Tons	Definition	2015 Benchmark year	2023	Variance (%) 2023/2015
Total waste generated	Total	9 745	10 858 (β)	11%
Total waste directed to disposal		3 439	1 863	-46%
Incineration		2 919	1 614	-45%
Landfill		N/A	111	N/A
Other disposal		N/A	138	N/A
Total waste diverted from disposal		6 306	8 994	43%
Reuse		0	7	N/A
Recycling		3 394	7 661	126%
Recovery/regeneration		2 913	1 327	-54%
% of waste recovered[3]		94.7%	82.9% (β)	-12%
Hazardous waste	Hazardous waste as defined by locally applicable regulations	6 455	2 679	-59%
Non-hazardous waste[4]	Other solid waste (excluding emissions and effluents)	3 291	8 179	148%
Total significant spills[5]	Total number of significant spills (absolute number)	0	0 (β)	N/A
Total volume of significant spills	Total volume of significant spills	0	0	N/A

1 This disclosure covers the total amount of waste defined as hazardous by local legislation (excluding wastewater) at the point of generation, created by UCB's major sites' own activities (covering a minimum of 95% of the impact) during the reporting period. Waste data are compiled by type of treatment.

2 As of 2023, UCB has refined its waste reporting methodology using the precise waste stream information instead of the treatment type only (i.e. the methodology used from 2015 to 2022). We now have the precise waste directed to disposal split between the different type of disposal operations. This exact split information is not available before 2023.

3 The percentage of waste recovered decreased compared to previous years as since 2022, UCB reports its waste recovered without taking into account the incineration with energy recovery as per the evolution of the reporting standards.

4 We have a high level of construction activity ongoing at our main manufacturing site in Braine-l'Alleud which leads to a significant increase in our overall waste tonnage. This construction waste represents around 40% of UCB's total waste amount in 2023 (landing at approximately 6 500 tons otherwise).

5 Spill is any accidental release of a hazardous substance that can affect human health, land, vegetation, waterbodies, and groundwater. UCB uses a standard operational procedure to calculate the significance of a spill. The Spill Index calculation is based on three criteria: the nature, volume and fate of a spill (Spill Index – N x V x F), each is attributed with a score between 1-4 depending on its importance and we recognize a significant leakage when the Spill Index exceeds the score of 30.

By using data analytics and AI, we aim to avoid physical testing wherever possible, and efficiently manage energy and water resources in our facilities. We commit to using greener solvents and increasing the amount of recycled solvent (including reuse of enantiomer molecules) and have long sought to ensure our packaging is green by design such as using more recycled materials in packaging (where permitted by authorities), redesigning shipping pallets to reduce plastic waste or optimizing packaging line technology to cut back on aluminum film. On-site waste management efforts include up-cycling in the Braine-l'Alleud manufacturing site's waste stream, and procedures that reduce the volume of unvalorized waste. In 2023, 72.8% of solvents (over 1200 metric tons) were recovered or regenerated from our manufacturing activities in Braine-l'Alleud, Belgium and Bulle, Switzerland. A solvent recycling program, in partnership with a Contract Manufacturer Organization, reduced the amount of a fresh solvent used in this process by 19% (67 metric tons) and could reach up to 50% reduction in the future. We also hold green building certifications (i.e., BREEAM Excellent/LEED gold standard) for all new or significantly refurbished UCB buildings and facilities. The concept of circularity remains embedded in all our actions as a company, including sourcing upcycled equipment where possible and assessing prospective equipment based on their energy efficiency profiles. When we decommission manufacturing, laboratory, and IT equipment, we look for every possibility to have items refurbished and sold back onto the market.

Ongoing initiatives to promote circularity across different segments of UCB medicines' lifecycle and products include joining the non-profit Circularity in Primary Pharmaceutical Packaging Accelerator (CiPPPA) in the U.K., to increase circularity in the use of blisters and auto-injector medical devices.

2023 Performance

10 058 tons

Waste generated

8 994 tons

Waste diverted

- **7** via preparation for reuse
- **7 661** via recycling
- **1 327** via other recovery perations

1 863 tons

Waste not recycled

- **1 614** via incineration
- **111** via landfill
- **138** via other means of disposal

EU Taxonomy Disclosure

UCB SA – Consolidated disclosures pursuant to Article 8 of the Taxonomy Regulation

The Taxonomy Regulation is a key component of the European Commission's action plan to redirect capital flows towards a more sustainable economy. As a classification system for environmentally sustainable economic activities, the Taxonomy represents an important step towards achieving carbon neutrality by 2050, in line with EU climate goals.

In this section, as a non-financial parent undertaking, we present the share of our group turnover, capital expenditure (CapEx) and operating expenditure (OpEx) according to the EU taxonomy requirements for the reporting period of 2023. These are associated with Taxonomy-eligible and Taxonomy-aligned economic activities related to the first two environmental objectives (climate change mitigation and climate change adaptation) and Taxonomy-eligible for the other four environmental objectives (sustainable use and protection of water and marine resources, transition to the circular economy, pollution prevention and control and protection, and restoration of biodiversity and ecosystems) in accordance with Article 8 of the Taxonomy Regulation.

Definitions

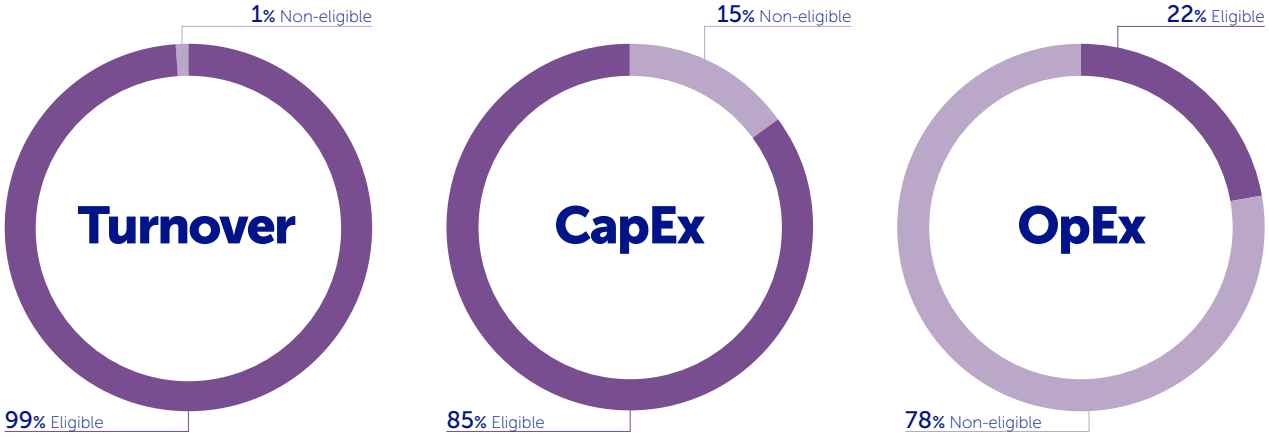
Taxonomy-eligible economic activity means an economic activity that is described in the delegated acts supplementing the Taxonomy Regulation (Climate Delegated Act), irrespective of whether that economic activity meets any or all of the technical screening criteria laid out in those delegated acts.

An economic activity is Taxonomy-aligned when it complies with the technical screening criteria as defined in the Climate Delegated Act and it is carried out in compliance with the minimum safeguards regarding human and consumer rights, anti-corruption and bribery, taxation, and fair competition. To meet the technical screening criteria, an economic activity contributes substantially to one or more environmental objectives while not doing significant harm to any of the other environmental objectives.

Taxonomy-non-eligible economic activity means any economic activity that is not described in the delegated acts supplementing the Taxonomy Regulation.

Our activities

Overview



Taxonomy-eligible and Taxonomy-aligned economic activities

We have reviewed the main economic activities carried out by the Group to see which of these are eligible and aligned in accordance with the Climate Delegated Act. The table below indicates the environmental objective for which the activities qualify as eligible. Information on the extent to which the economic activities (as defined in the Climate Delegated Act) are also aligned is provided in the KPI templates below. The templates also provide a clear indication of which environmental objective is pursued by the respective activity. With the activity highlighted below, we generate revenue, and we generally incur both CapEx and OpEx for these activities. We describe the economic activities related to individually eligible CapEx and OpEx in the dedicated sections for the CapEx and OpEx key performance indicators to explain our further investment activities not directly related to our turnover-generating activities.

This is the first year that significant eligibility has been identified for UCB, following the adoption of the Environmental Delegated Act. To identify the taxonomy-eligible activities, we limited the scope to the entities representing a significant part of the CapEx and OpEx. For CapEx, a significant part includes the two main production sites located in Braine-l'Alleud, Belgium and Bulle, Switzerland and other important locations. For OpEx, a significant part includes the most material entities in terms of share of the total OpEx. Concerning the turnover, 100% of the revenues have been included in the scope. The taxonomy-alignment for the first two objectives, climate change mitigation and climate change adaptation, has not been determined as we are currently improving the Group's systems and methodology to track and determine with a reasonable certainty the alignment of the Group's turnover, CapEx, and OpEx. The Group took this approach to avoid misleading the readers of this Integrated Annual Report. A project team is working to gradually implement reliable tracking systems and a technical screening criteria methodology to identify the turnover, CapEx and OpEx alignment. The other four objectives have been assessed for eligibility but have not been considered for alignment as they are not legally required yet. UCB will continue to monitor and consider any changes in the EU Taxonomy regulation going forward, along with overall readiness procedures for next year's Integrated Annual Report.

UCB does not carry out activities in the nuclear or fossil fuel sectors.

Nuclear energy related activities	
1. The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	**No**
2. The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	**No**
3. The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, incuding for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	**No**
Fossil gas related activities	
4. The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	**No**
5. The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	**No**
6. The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	**No**

Taxonomy-eligible economic activities

Economic activities	Description
1.2 Manufacture of medicinal products	Manufacture and sale of medicines produced by the group or a by contract manufacturing organization (CMO) intended for patients living with diseases in immunology, neurology, and other therapeutic areas.

Taxonomy-eligibility

We consider as Taxonomy-eligible under activity 1.2 the revenue coming from medicinal products and OpEx and CapEx that support the assets used in the production of the medicinal products.

Our KPIs and accounting policies

The key performance indicators (KPIs) include the turnover KPI, the CapEx KPI and the OpEx KPI. For presenting the Taxonomy KPIs, we use the templates provided in Annex II of the Disclosures Delegated Act. Since the KPIs are presented for the first time for the reporting period 2023, we do not present comparative figures.

Turnover template for financial year 2023

				Substantial contribution criteria					
Economic Activities	Codes	Absolute turnover (EUR)	Proportion of turnover %	Climate change mitigation %	Climate change adaptation %	Water & marine resources %	Circular economy %	Pollution %	Biodiversity & ecosystem %
A. TAXONOMY-ELIGIBLE ACTIVITIES									
A.1 Environmentally sustainable activities (Taxonomy aligned)									
Turnover of environmentally sustainable activities (taxonomy-aligned) (A.1)			0%						
Of which Enabling									
Of which transitional									
A.2 Taxonomy eligible but not environmentally sustainable acivities (not Taxonomy-aligned activities)									
Manufacture of medicinal products	1.2	4 817	99%						
Turnover of Taxonomy eligible but not environmentally sustainable acivities (not Taxonomy-aligned activities) (A.2)		4 817	99%						
Total (A.1 + A.2)		4 817	99%						
B. TAXONOMY-NON ELIGIBLE ACTIVITIES									
Turnover of taxonomy-non eligible activites (B)		50	1%						
Total (A + B)		4 867	100%						

Proportion of turnover/Total turnover

	Taxonomy aligned per objective	Taxonomy eligible per objective
CCM		
CCA		
WTR		
CE		
PPC		
BIO		100%

	Does not significantly harm criteria (DNSH)										
	Climate change mitigation Y/N	Climate change adaptation Y/N	Water & marine resources Y/N	Circular economy Y/N	Pollution Y/N	Biodiversity & ecosystem Y/N	Minimum safeguards Y/N	Taxonomy aligned proportion of turnover 2023 %	Taxonomy aligned proportion of turnover 2022 %	Category (enabling activity)	Category (transitional activity)
									N/A		
									N/A		
									N/A		
									N/A		
									N/A		

CapEx template for financial year 2023

Economic Activities	Codes	Absolute CapEx (EUR)	Proportion of CapEx %	Substantial contribution criteria: Climate change mitigation %	Climate change adaptation %	Water & marine resources %	Circular economy %	Pollution %	Biodiversity & ecosystem %
A. TAXONOMY-ELIGIBLE ACTIVITIES									
A.1 Environmentally sustainable activities (Taxonomy aligned)									
CapEx of environmentally sustainable activities (taxonomy-aligned) (A.1)			0%						
Of which Enabling									
Of which transitional									
A.2 Taxonomy eligible but not environmentally sustainable acivities (not Taxonomy-aligned activities)									
Manufacture of medicinal products	1.2	167	41%						
Urban wastewater treatment	2.2	0	0%						
Renovation of existing buildings	3.2	34	9%						
Transport by motorbikes, passenger cars and light commercial vehicles	6.5	24	6%						
Construction of new buildings	7.1	53	13%						
Data processing, hosing and related activities	8.1	64	16%						
CapEx of Taxonomy eligible but not environmentally sustainable acivities (not Taxonomy-aligned activities) (A.2)		342	85%						
Total (A.1 + A.2)		342	85%						
B. TAXONOMY-NON ELIGIBLE ACTIVITIES									
CapEx of taxonomy-non eligible activites (B)		62	15%						
Total (A + B)		404	100%						

Proportion of CapEx/Total CapEx

	Taxonomy aligned per objective	Taxonomy eligible per objective
CCM		41%
CCA		
WTR		0%
CE		10%
PPC		49%
BIO		

	Does not significantly harm criteria (DNSH)										
	Climate change mitigation Y/N	Climate change adaptation Y/N	Water & marine resources Y/N	Circular economy Y/N	Pollution Y/N	Biodiversity & ecosystem Y/N	Minimum safeguards Y/N	Taxonomy aligned proportion of CapEx 2023 %	Taxonomy aligned proportion of CapEx 2022 %	Category (enabling activity)	Category (transitional activity)
									N/A		
									N/A		
									N/A		
									N/A		
									N/A		

OpEx template for financial year 2023

Economic Activities	Codes	Absolute OpEx (EUR)	Proportion of OpEx %	Substantial contribution criteria: Climate change mitigation %	Climate change adaptation %	Water & marine resources %	Circular economy %	Pollution %	Biodiversity & ecosystem %
A. TAXONOMY-ELIGIBLE ACTIVITIES									
A.1 Environmentally sustainable activities (Taxonomy aligned)									
OpEx of environmentally sustainable activities (taxonomy-aligned) (A.1)			0%						
Of which Enabling									
Of which transitional									
A.2 Taxonomy eligible but not environmentally sustainable acivities (not Taxonomy-aligned activities)									
Manufacture of medicinal products	1.2	58	12%						
Urban wastewater treatment	2.2	1	0%						
Renovation of existing buildings	3.2	32	7%						
Transport by motorbikes, passenger cars and light commercial vehicles	6.5	10	2%						
OpEx of Taxonomy eligible but not environmentally sustainable acivities (not Taxonomy-aligned activities) (A.2)		101	22%						
Total (A.1 + A.2)		101	22%						
B. TAXONOMY-NON ELIGIBLE ACTIVITIES									
OpEx of taxonomy-non eligible activites (B)		366	78%						
Total (A + B)		467	100%						

Proportion of OpEx/Total OpEx

	Taxonomy aligned per objective	Taxonomy eligible per objective
CCM		10%
CCA		
WTR		1%
CE		32%
PPC		57%
BIO		

	Does not significantly harm criteria (DNSH)										
	Climate change mitigation Y/N	Climate change adaptation Y/N	Water & marine resources Y/N	Circular economy Y/N	Pollution Y/N	Biodiversity & ecosystem Y/N	Minimum safeguards Y/N	Taxonomy aligned proportion of OpEx 2023 %	Taxonomy aligned proportion of OpEx 2022 %	Category (enabling activity)	Category (transitional activity)
									N/A		
									N/A		
									N/A		

Turnover KPI

Definition

The proportion of Taxonomy-eligible economic activities in our total turnover has been calculated as the part of net turnover derived from products associated with Taxonomy-eligible economic activities (numerator) divided by the net turnover (denominator), in each case for the financial year from 1 January 2023 to 31 December 2023.

The denominator of the turnover KPI is based on our consolidated net turnover in accordance with paragraph 82(a) of IAS 1. For further details on our accounting policies for our consolidated net turnover, see summary of our significant accounting policies.

The numerator of the turnover KPI is defined as the net turnover derived from products associated with Taxonomy-eligible economic activities 1.2, manufacture of medicinal products.

Reconciliation

Our consolidated net turnover can be reconciled to our consolidated income statement within this report.

CapEx KPI

Definition

The CapEx KPI is defined as Taxonomy-eligible CapEx (numerator) divided by our total CapEx (denominator).

Total CapEx consists of additions to tangible and intangible fixed assets during the financial year, before depreciation, amortization, and any remeasurements, including those resulting from revaluations and impairments, as well as excluding changes in fair value. It includes acquisitions of tangible fixed assets (IAS 16), intangible fixed assets (IAS 38), right-of-use assets (IFRS 16) and investment properties (IAS 40). Goodwill is not included in CapEx, because it is not defined as an intangible asset in accordance with IAS 38. For further details on our accounting policies regarding our CapEx, see a summary of our significant accounting policies.

To determine the numerator, we consider that assets and processes are associated with Taxonomy-eligible economic activities when they are essential components for executing an economic activity. Consequently, all CapEx invested into the following areas are considered in the numerator of the CapEx KPI:

- machinery and equipment for the production process of our Taxonomy-eligible medicinal products,
- laboratory equipment for quality control and research and development,
- the corresponding share of our production and administrative buildings,
- car fleet leasing capitalized under IFRS 16.

We generally follow the generation of external revenues as a guiding principle to identify economic activities that are associated with CapEx. Thus, CapEx related to activities that are exclusively supporting our turnover-generating activities 1.2 are allocated to that activity. Specific CapEx related to construction and renovation of buildings are directly allocated to activity 3.2 or 7.1.

Reconciliation

Our total CapEx can be reconciled to our consolidated statement of financial position in this report. They are the total of the movement type additions for intangible assets, and property, plant and equipment.

Double counting

To avoid double counting in the CapEx KPI (and OpEx KPI), we allocated the CapEx (OpEx) related to purchased outputs to only one economic activity and environmental objective for each CapEx and OpEx qualified as eligible.

OpEx KPI

Definition

The OpEx KPI is defined as Taxonomy-eligible OpEx (numerator) divided by our total OpEx (denominator).

Total OpEx consists of direct non-capitalized costs related to research and development, building renovation measures, short-term leases, plant and laboratory equipment purchased but not capitalized as well as all forms of maintenance and repair. This includes:

Research and development expenditure recognized as an expense during the reporting period in our consolidated income statement. In line with our consolidated financial statements, this includes all non-capitalized expenditure that is directly attributable to research or development activities.

The volume of non-capitalized leases was determined in accordance with IFRS 16 and includes expenses related to car fleet, short-term leases, and low-value leases.

Maintenance and repair expenditures were determined based on the maintenance and repair costs allocated to our internal cost centers. The related cost items can be found in various line items in our income statement, including production costs (maintenance in operations), and administration costs (such as maintenance of IT systems). This also includes building renovation measures.

In general, this includes costs for services and material costs for daily servicing, as well as for regular and unplanned maintenance and repair measures. These costs are directly allocated to the Property, plant and equipment. This does not include expenditures relating to the day-to-day operation of the Property, plant and equipment, such as raw materials, cost of employees operating the machinery, electricity or fluids that are necessary to operate the Property, plant and equipment. Amortization and depreciation are also excluded in the OpEx KPI.

Individually Taxonomy-eligible CapEx and OpEx

We have identified the following purchased outputs and individual measures that correspond to eligible economic activities and, thus, result in Taxonomy-eligible CapEx and OpEx:

Economic activities	Description
6.5 Transport by motorbikes, passenger cars and light commercial vehicles	Including mainly the car fleet intended for employee use and related CapEx and OpEx.
8.1 Data processing, hosting and related activities	Including CapEx related to data storage and processing, linked to administrative, manufacturing and R&D activities.
7.1 Construction of new buildings	Construction of buildings to internalize production of API and pharmaceutical products.
2.2 Urban wastewater treatment	Mainly the pre-treatment of wastewater from the manufacture of biologic products before their evacuation into public treatment systems.
3.2 Renovation of existing buildings	Renovation of own buildings to change outdated portions of existing buildings and to improve efficiency and energy performance of manufacturing, laboratories, and administrative facilities.

Contextual Information

As previously mentioned, as we are currently improving the tracking system to validate all the technical screening criteria to determine the alignment of the turnover, CapEx and OpEx, we have taken the decision to not present information about the Taxonomy-alignment to avoid misleading readers. Consequently, no contextual information is presented to further describe the Taxonomy-alignment.

Driving Sustainable Business in 2023 – Governance

Ethical business practices

Business conduct policies and corporate culture

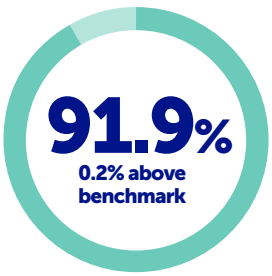
The UCB Code of Conduct reinforces our ethical principles. Available in 24 languages and endorsed by UCB's Executive Committee and the Board, the Code applies to all employees, agents and consultants acting on behalf of UCB, and includes mandatory annual training expectations.

In addition to overarching ethical principles, it contains 26 commitments on topics such as anti-corruption practices and anti-trust and fair competition, owned by experts within the company. Each topic owner develops policies, procedures, and tools to assist UCB employees in operating in line with our company expectations, and training is provided on all relevant policies and procedures.

UCB's **Ethics and Compliance Program** is built on the established elements of compliance programs defined by the U.S. Office of Inspector General and adapted based on local country requirements. Elements include leadership and governance; risk assessments and due diligence; standards, policies, and procedures; training and communications; systems for employee reporting; case management and investigations; testing and monitoring; third party compliance and continuous improvement.

The Ethics and Compliance organization collaborates with leadership to embed UCB's ethical principles into the organization, cascading regular communications on ethics and organizing annual Ethics Days for colleagues to discuss topics relevant to their business activities. In 2023, the global Ethics Day included activities at all UCB sites, with messages from UCB leaders on the importance of ethics in all that we do. Our annual, anonymous **Ethical Culture and Compliance Perception Survey** keeps UCB informed about the trust of our mechanisms. Conducted by a third party, UCB receives data on how colleagues see, understand, live and apply ethical principles and behaviors, together with a comparison to a peer benchmark.

of respondents agree they have a personal responsibility for making sure UCB behaves ethically



of respondents believe their managers are committed to ethical conduct at all times

Our 2023 survey results saw a 2.7% improvement compared with 2022 data, with improvements noted across every region and each UCB organization. In particular, responses on employees' perceptions of function, employees' awareness of the program and resources, and perceptions of peers and environment were at or above the peer benchmark.

Oversight is further enforced through:

- **Employee annual review**: Employees are assessed on how they met their objectives, including ethical business practice considerations. Employees involved in compliance breaches are subject to disciplinary action in alignment with UCB's disciplinary standards.
- **Vendors review:** Vendors are reviewed during the selection process to assess risks related to ethics and business integrity and may be subject to audit and oversight from Ethics and Compliance or Internal Audit.

Organizational Model

Ethics and Compliance (E&C) resources are divided between operational teams focused on design, implementation, execution, measurement and optimization of compliance programs, and business advisors helping teams to navigate E&C in their activities. Ethics and Compliance is represented at all UCB affiliates. Resources are re-assessed regularly to ensure staffing supports business needs, and additional contract resources provide specific expertise or additional support when needed. The Chief Ethics and Compliance Officer reports to the General Counsel and has direct access to senior leadership including the Executive Committee, CEO and Board. In addition, the Chief Ethics and Compliance officer makes annual presentations to the Executive Committee, the Board and the Audit Committee of the Board.

Program Measurement

We continually assess activities through monitoring and governance processes, and use the data obtained to drive continuous improvement of the function. Monitoring plans are based on compliance risk assessments conducted annually by each affiliate, and aligned with the Global Internal Audit (GIA) team to minimize duplication and flag concerns for elevated awareness. Data analytics help to identify trends to address with business leadership. Using dashboards and metrics, leaders can provide ongoing coaching to their teams and demonstrate leadership commitment to the importance of ethics and compliance. Vendors are reviewed during selection to provide the necessary due diligence to assess risks related to ethics and business integrity and may be subject to audit and oversight from Ethics and Compliance or Internal Audit.

Speaking up and non-retaliation

Being accountable to preserve UCB's reputation and the trust patients and stakeholders place in our company is a core element of the UCB mindset. Our leaders must create a trustful and safe environment, which allows colleagues to step up, express different opinions or ideas, engage in healthy debates and challenge the status quo. If an employee sees something they consider could be illegal, unethical or a behavior that contradicts the ethical principles found in the Code of Conduct, they are expected to bring this to the attention of a supervisor or manager. Employees may also contact the E&C, local Talent (HR), or Legal departments, or the 24/7 UCB Integrity Line.

Managing incoming grievances

An established, impartial process is used to assess and investigate all incoming grievance reports in a timely manner, and regular updates are provided to the reporter, if they are known. This is managed by an E&C Investigation Lead under the direction of the Chief Ethics and Compliance Officer and involving Legal and Talent leaders. For cases submitted anonymously, the reporter's identity is unknown to UCB, and the hotline is managed by a third party. Investigation results are used to determine corrective actions and any disciplinary actions. Regular updates on the process are provided to senior leadership and the Audit Committee of the Board.

Non-retaliation and protection of whistleblowers

UCB has a strict non-retaliation policy. Employees are encouraged to report situations without fear of retaliation, and they are not penalized for reporting in good faith, even if it turns out that a violation did not occur. Retaliation is not tolerated in any form, and anyone involved in retaliating is subject to discipline, up to and including termination. Ethics and Compliance also follows up with reporters to ensure that they are not experiencing retaliation after reporting and monitors any employment actions as a result of reporting the misconduct.

UCB has assessed requirements of the EU Whistleblower Directive, and our processes and systems are compliant with the Directive. As EU member states incorporate the directives through respective legislations, additional assessments are being conducted to ensure compliance with these emerging requirements and we are fully compliant at this time.

Prevention and detection of corruption and bribery

The UCB Code of Conduct encompasses, amongst others, core principles and behaviors aiming at mitigating risks related to bribery and corruption. Considering the nature of our business, UCB identified our engagement with healthcare stakeholders as the primary anti-bribery and anti-corruption (ABAC) risk area.

Our ABAC policy and training outlines key anti-corruption and anti-bribery principles, supported by additional procedures and guidelines that describe how we detect, prevent, and mitigate bribery and corruption risks in our business activities. As of December 31, 2023 94% of employees were compliant with the training on the ABAC policy (this compliance rate is a sum of employees who have completed and employees who are still within the time-frame to complete and comply with the mandatory training). This training is provided annually to all employees, including management.

The Ethics and Compliance team conducts a risk assessment for every market where UCB operates to assess local risks related to several topics, including corruption. These risks, when identified, are addressed through a mitigation plan developed with local leadership teams and reported to the global Ethics and Compliance leadership team for additional follow up.

Any incidents of bribery and corruption discovered through the monitoring program are referred to the investigations function within Ethics and Compliance which operates independently from the country organizations, to ensure full independence of the process. In addition, all cases of bribery and corruption reported by employees or outside stakeholders through our Integrity Line or other reporting channels are promptly investigated. Corrective actions and any necessary disciplinary actions are implemented following the conclusion of the investigation.

The Global Internal Audit department periodically audits UCB's global operations for potential risks related to these areas in accordance with an established rotational schedule or on an issue basis where appropriate. As part of their approved Audit Plan for 2023, the Global Internal Audit department has performed 25 reviews of various sites/affiliates/partners which includes, among others, an assessment of ABAC procedures and controls. They continuously monitor, enforce, and follow up on any compliance-related findings.

Incidents of corruption or bribery

In 2023, there were no material cases of bribery and corruption that resulted in fines for violations.

Competition and antitrust

UCB remains committed to full compliance with all laws and regulations related to anti-competitive behavior, antitrust or monopoly. Our Global Antitrust Policy was revised in 2021 to introduce additional global guidelines. We have also released a new set of e-learnings on EU Competition Law. In 2023 there were no material actions or litigations associated with UCB.

Political influence and advocacy

UCB is dedicated to the continued evolution of a healthcare and public policy ecosystem that recognizes and rewards innovation, encourages value-based care, and promotes affordable and equitable access to medicines.

Our advocacy is focused on addressing unmet needs and creating sustainable solutions for people living with severe diseases, health systems, and society.

UCB's efforts around political influence are overseen by the Head of U.S. Corporate Affairs, Head of U.S. Public Policy & Government Relations, and the Global Head of Sustainability, Corporate Affairs & Risk.

Our approach to public policy aligns with our purpose. In 2023, UCB engaged in advocacy activities concerning innovation, value-based care, and affordable and equitable access. The issues were as follows:

Innovation:

- Tax incentives to enable continued investment in innovation, particularly regarding rare disease.
- Proposals that would strengthen the intellectual property system.

Value-based Care:

- Creation of Rare Disease Advisory Boards to enable increased patient voice in public policy related to rare disease.
- Advocate for the removal of barriers to affordable and equitable access to care
- Advocate for examining the entire prescription drug supply chain to identify reforms that will improve access and affordability while allowing for continued innovation to bring improved treatments to people living with severe diseases.

Affordable and Equitable Access:

- Removing barriers to manufacturers providing appropriate patient assistance to those who cannot afford their medicines.
- Mechanisms for patients to obtain medically necessary therapies and avoid unnecessary impediments to access.
- Improved access to therapies in state Medicaid programs (for the underserved, including low socioeconomic communities.)

In 2023, in the U.S., US$70 000 of UCB's dues to the Pharmaceutical Research and Manufacturers of America (PhRMA) contributed to political candidates in California.

U-PAC (UCB's Political Action Committee) made US$18 000 in political contributions directly to candidates. Contributions by both UCB and UCB's employee political action committee (PAC) combined totaled US$88 000. No in-kind contributions were provided by UCB in 2023.

In the U.S., 7 UCB employees are registered to lobby by jurisdiction, and a retainer of 16 external consultants are registered to lobby on behalf of UCB by jurisdiction. In the EU, UCB is listed on the following transparency registers:

- **EU** – Transparency Register (identification number: 294359117093-66)
- **Germany** – Lobby Register Deutscher Bundestag (identification number: R001559)
- **Belgium** – Lobby Register/Registre Des Lobbies (identification number: N/A)

Governance for suppliers

We treat our suppliers fairly and equally. We foster strong relationships through transparent contracts, clear expectations, and regular communication.

Supplier risks and sustainability performance are assessed through specific risk domains, considering the supplier's industry. We engage with strategic and critical suppliers through quarterly business review meetings (or sooner if necessary), operational discussions, and specific strategic alignment sessions. Suppliers under the scope of the External Network Governance (i.e. contract manufacturing, contract laboratory services, third-party logistics, and contract research organizations) are evaluated annually on sustainability performance as part of risk assessments.

Our procurement team has access to our Procurement Academy, a collection of self-directed learning courses structured by role and competency, which include modules on supplier and stakeholder management.

UCB's sourcing methodology is shaped by spend category and aligns with our overarching strategic corporate objectives. Our sourcing strategy balances quality, cost-efficiency, and sustainability to mitigate potential risks and ensure supply continuity. Sustainability carries a total weight of 10% in our evaluation criteria, and considers the supplier's EcoVadis score, as well as any additional sustainability considerations relevant to a sourcing project (e.g., diversity or environmental practices).

Payment practices

UCB has a standard payment term of either 60 or 30 days unless a specific legal requirement applies, and does not have a specific payment term for small and medium-size companies. Regarding our purchase requisition to pay process, we generate a Purchase Order internally and suppliers must send their invoice through our invoice management system for internal approval, and subsequent payment within the applicable term. This electronic invoice process is not yet applicable in some countries (e.g. Brazil, Mexico, Turkey, Russia, China).

Our average time taken to pay an invoice is 60 days from the day the invoice is posted. This number is calculated for all Purchased Orders created from January 2023 to December 2023.

Ethical use of technology

By using and implementing systems based on cutting-edge technologies and AI, we believe we can add value to our scientific innovation, while continually ensuring appropriate care, concern, and oversight. As technology becomes more advanced and influential, we must be attentive to possible ethical implications, including human rights impacts.

We are dedicated to following ethical standards in our decisions and actions, as well as in the technology we use. Our Code of Conduct covers matters related to AI and generative AI (GenAI) and ensures ethical practices are upheld throughout our operations and the technologies we use. Together with ongoing training, this helps our colleagues to make smart and ethical choices about AI technology.

As technologies become more integrated into our business, we are developing a systematic approach to ensure ethical use of technology throughout our operations. Equally, we are mindful of their potential impact on the environment. In June 2023, we became the first pharmaceutical company globally to be awarded the Sustainable IT Level 2 Label, which is the highest certification available. This certification reflects our continued commitment to reduce the environmental footprint of the information and communication technologies we use and conduct business responsibly.

To reflect the growing importance of emerging technologies as a material topic to UCB and to align with ESRS reporting requirements, in 2024 we will work to define key performance indicators to better measure our performance in this area.