

Læsevejledning

Denne præsentation skal ses i sammenhæng med <u>præsentationen fra selve prisuddelingen</u> og præsentationen med <u>gode eksempler fra andre virksomheder end vinderne</u>

I denne præsentation er således udelukkende eksempler fra vindernes årsrapport, dvs. fra:

Novo Nordisk A/S – vinder af prisen for bedste årsrapport fra et C25 selskab.

Arla Foods amba – vinder af prisen for bedste årsrapport fra gruppen bestående af Large cap og ikkebørsnoterede selskaber.

A.P. Møller - Mærsk A/S – vinder af specialprisen for bedste outlook – både finansielt og ESG.

Præsentationen indeholder eksempler på, hvad selskaberne gør godt, og dommerkomitéens bemærkninger til, hvad vinderne kan gøre bedre.

Formålet: Løft af kvalitet og brugsværdi i årsrapporterne

Regnskabspriserne har til formål at fremme udviklingen i **kvaliteten** og **brugsværdien** af årsrapporterne for de største danske virksomheder, både børsnoterede og ikke-børsnoterede. Der fokuseres på:

- At årsrapporten som en central del af virksomhedens kommunikation giver et retvisende billede af dens resultater og positionering for fremtiden, herunder økonomi og finansielle forhold.
- En overskuelig, klar, konsistent og letforståelig formidling af budskaberne i årsrapporten.

I år har vi valgt at lægge særligt fokus på ESG-dimensionen. Det sker på baggrund af den lovgivning om bæredygtighedsrapportering som en integreret del af årsrapporten, der træder i kraft fra regnskabsåret 2024.

Dommerkomitéen har derfor valgt <u>først</u> at vurdere selskabernes ESG rapportering, og <u>dernæst</u> deres finansielle rapportering.

Med tildeling af priserne giver dommerkomitéen sit bud på, hvad der er 'god praksis' blandt de største danske virksomheder, som kan inspirere andre.

Årets temaer: 1. bæredygtig forretning

Tema 1: Rapportering om bæredygtighed i ledelsesberetningen

Kvaliteten af bæredygtighedsrapporteringen (som en del af ledelsesberetningen) vurderes i forhold til virksomhedens forretningsmodel og kontekst. Der lægges særlig vægt på, om de rapporterede forhold er væsentlige for virksomheden, og på en tilgængelig måde beskriver f.eks. virksomhedens miljøpåvirkning og klimahandlingsplan og iværksatte tiltag til aflastning heraf, skattepolitikker og betalte skatter, hvordan virksomheden arbejder med diversitet mv. Der skal også være en beskrivelse af, hvordan virksomheden påvirkes af omverdenen, f.eks. klimaændringer eller forbrugerforventninger.

Der er særligt fokus på, hvordan virksomheden rapporterer i henhold til EU's taxonomi forordning, og i øvrigt om bæredygtighed i forhold til gældende 'best practice' og kommende krav, herunder implementeringen af EUs direktiv for bæredygtighedsrapportering og den internationale udvikling af standarder. Der lægges vægt på brug af relevante nøgletal, redegørelse for bæredygtighedsforhold, og om den samlede beskrivelse fremstår som relevant for virksomheden og brugerne af dens regnskab. Rapporteringen om bæredygtighed skal være sammenhængende med den overordnede fremstilling af virksomhedens strategi og resultater, herunder den finansielle rapportering i ledelsesberetningen.

Årets temaer: 2. resultater og forventninger

Tema 2: Rapportering om virksomhedens resultater for året, opfølgning på udmeldte forventninger og kvaliteten af IFRS-regnskabet

Formår ledelsen at give regnskabslæserne et klart og tydeligt billede af selskabets aktuelle resultater og de forhold, der har påvirket den? Der lægges vægt på, at årsrapporten giver et godt indblik i afvigelser i forhold til tidligere udmeldinger, samt beskrivelse af virksomhedens resultater i regnskabsperioden. Såfremt virksomheden anvender Alternative Performance Measures, skal disse være forståelige, motiverede og give regnskabsbrugerne yderligere indsigt i virksomhedens resultater, og understøtte forståelsen af virksomhedens forretningsmodel.

Det finansielle regnskab indgår også, idet dette er grundlaget for omtalen af udviklingen i året. Her vurderes, hvorvidt det finansielle regnskab fremstår moderne i forhold til **noteapparat, struktur, grafik** m.v.

Endvidere lægges der vægt på **beskrivelser i noterne af ESG-relevante forhold**, f.eks. betydningen af klima, forbrugertendenser m.v. i forhold til nedskrivningstests, anlægsaktiver, hensatte forpligtelser og lign. Har virksomheden indgået Power Purchase Agreements eller optaget lån med indbyggede ESG-variable, vurderes omtalen heraf.

Årets temaer: 3. strategi, mål, risici og ressourcer

Tema 3: Rapportering om virksomhedens strategi, målsætninger, forretningsmodel, risici (drift og finansielle) og ressourcer (herunder ledelsens vederlæggelse)

Giver årsrapporten et godt indblik i virksomhedens forretningsmodel og de risici, der knytter sig hertil? Dette skal beskrives på overskuelig vis, og væsentlige risici skal beskrives og vægtes. Endvidere skal årsrapporten give regnskabslæseren et troværdigt indblik i virksomhedens værdiskabelse, ledelse, langsigtede målsætninger samt risici fordelt på de enkelte segmenter. Der lægges vægt på, at langsigtede målsætninger beskrives, og det forklares, hvordan virksomheden forventer at realisere sine mål, herunder også ved at adressere kritiske ressourcer. Endelig vurderes omtalen af kriterierne for ledelsens vederlæggelse (herunder sammenhæng mellem værdiskabelsen i virksomhedens og ledelsens aflønning), i det omfang disse er beskrevet i årsrapporten.

Årets priser

C25 Regnskabsprisen

Uddeles til den C25virksomhed, hvis årsrapport udmærker sig særligt inden for årets fokusområder, og som kan være en inspiration for andre virksomheder.

Regnskabsprisen+

Uddeles blandt large cap selskaber uden for C25 og de 10 største ikke-noterede virksomheder, der aflægger årsrapport efter IFRS, og som udmærker sig særligt indenfor årets fokusområder.

Dommerkomitéens særpris

Tildeles som anerkendelse til en virksomhed, der har udmærket sig særligt ved at give et overskueligt outlook (ESG og finansielt) og opfølgning på mål.

Tillykke til vinderen af C25 Regnskabsprisen Novo Nordisk A/S

Derfor vinder Novo Nordisk C25 Regnskabsprisen

- Novo Nordisks årsrapport er kort, præcis og klar i sin kommunikation og med fokus på væsentlige forhold.
- ESG-rapportering er integreret i ledelsesberetningen, der fremstår som en samlet fortælling.
- Stærk beskrivelse af selskabets ESG-initiativer og ESG-governance, der giver regnskabsbrugerne det nødvendige overblik.
- ESG-regnskabspraksis er beskrevet og ESG-data er forsynet med erklæring fra revisor.
- Regnskabsdelen af årsrapporten er af høj kvalitet, og der er gode og relevante kommentarer i noterne. Særligt bemærkes det, at det er lykkedes at præsentere finansielle instrumenter på en forholdsvis overskuelig måde.
- Har en transparent og tydelig omtale af Alternative Performance Measures (APM'er), inkl. begrundelse for valg.
- Godt overblik over udviklingsprojekter og patentudløb over de væsentligste patenter, der kan kobles til en detaljeret segmentnote.

Dommerkomitéens forslag til forbedringer

- De væsentligste forhold vedrørende ledelsesaflønning og dataetik kan indarbejdes i årsrapporten fremfor i en særskilt rapport.
- Det finansielle outlook kan udbygges med mid-term og long-term og sammenstilles med 2024-outlook.
 Samtidig kan overblikket styrkes ved brug af grafik.
- Det kan godt være tydeligere, hvordan ledelsens aflønning er linket till ESG.
- Der kan indarbejdes yderligere grafik, bl.a. i noteapparatet, så det bliver endnu mere læsevenligt.

Indledende overblik

PERFORMANCE HIGHLIGHTS

Our strategy execution progress

 Tidligt i årsrapporten (s. 8) gives dette overblik på udviklingen i 2023 i forhold til de strategiske mål for 2025. Dette giver regnskabsbrugeren et godt overblik over væsentlige begivenheder i året.

 Oversigten kan dog forbedres ved at indsætte klare mål for alle punkter, ligesom det er gjort for Commercial execution.

		Strategic Aspirations 2025	Progress	det er gjort for Commercial execution				
~	Purpose and	Progress towards zero environmental impact	Carbon emissions from operations and transportation de-	ecreased by 34% compared to 2019 (decreased by 8% compared to 2022)				
	sustainability	Being respected for adding value to society	 Medical treatment provided to 40.5 million people living with diabetes Reached more than 52,000 children in Changing Diabetes® in Children programme Human insulin with more flexible storage without refrigeration now approved in 29 countries Partnership with Aspen to produce human insulin for people living with diabetes in Africa 					
		Being recognised as a sustainable employer	Share of women in senior leadership positions has increase.	ased to 41% from 39% in 2022				
	Innovation and therapeutic focus	Further raise the innovation-bar for diabetes treatment	 Regulatory submission of once-weekly insulin icodec in t Successful completion of phase 3 trial with higher doses Initiation of phase 3a trial with CagriSema in type 2 diabo FLOW kidney outcomes trial stopped based on interim at Successful completion of phase 3 trial with IcoSema 	of oral semaglutide etes				
		Develop a leading portfolio of superior treatment solutions for obesity	Successful completion of phase 3 trial with 50 mg of oral Successful completion of SELECT cardiovascular outcome Successful completion of STEP HFpEF phase 3 trials Acquisition of Inversago Pharma and phase 2 trial initiat Successful completion of phase 1 trial with oral amycreti	es trial es trial es trial initiated with INV-347				
		Strengthen and progress the Rare Disease pipeline	Somapacitan approved in the US, EU and Japan for the tr	eatment of growth hormone deficiency in children				
		Establish presence in Cardiovascular & Emerging Therapy Areas focusing on CVD, MASH and CKD	Phase 1 trials initiated with cell therapy treatment in hea Acquisition of ocedurenone for the treatment of hyperte Phase 1 trial initiated with ANGPTL3i mAb Phase 1 trial initiated with VAP-1i in MASH					
1 2	Commercial	Strengthen diabetes leadership – aim at global value market share of more than 1/3	Diabetes value market share increased by 1.9 percentage	e points to 33.8% (MAT)				
<u></u>	execution	More than DKK 25 billion in Obesity sales by 2025	Obesity care sales increased by 154% (CER) to DKK 41.6 b	illion				
		Secure a sustained growth outlook for Rare Disease	Rare disease sales decreased by 15% (CER) to DKK 17.2 b	illion				
	Financials	Deliver solid sales and operating profit growth	Sales growth of 36% (CER)Operating profit growth of 44% (CER)					
		Drive operational efficiencies across the value chain to enable investments in future growth assets	Operational leverage reflecting sales growth					
		Deliver free cash flow to enable attractive capital allocation to shareholders	Free cash flow of DKK 68.3 billion DKK 61.7 billion returned to shareholders					

Overblik over skattebetalinger

inclusion brings value to the company, by enabling a diverse line of thought, increasing innovation and leading to better decision-making.

The policy focuses on three primary drivers: mitigating bias, creating an inclusive workplace and having leaders serve as role models. Its most significant activities include yearly equal pay reviews, a global gender-neutral parental leave policy, tracking of gender representation across all managerial levels and aspirational gender diversity targets.

Further reporting on diversity and inclusion is included in note 8.3 on Gender diversity, and for the Board of Directors, also in the Corporate Governance Report. Novo Nordisk's diversity and inclusion policy is available at: www.novonordisk.com/sustainable-business/esg-portal/principles-positions-and-policies/diversity-inclusion-policy.html.

Sustainable tax approach

Our overall guiding principle within taxation is to have a sustainable tax approach, emphasising our business-anchored approach to managing the impact of taxes while remaining true to the Novo Nordisk values of operating our business in a responsible and transparent manner. Our legal structures are based on business-anchored considerations and substance.

Consequently, we pay tax where value is generated and always respect international and domestic tax rules. As a global business, we conduct cross-border trading, which is subject to transfer pricing regulations. We apply a 'Principal structure' in line with OECD principles, meaning all legal entities, except for the principals, perform their functions under contract on behalf of the principals. As a result, entities contracted by the principals are being allocated an activity-based profit according to a benchmarked profit margin. The tax outcome of this operational model is reflected in the overview to the right, which shows our corporate income taxes by region.

To ensure alignment between tax authorities regarding the allocation of profit between our entities, we aim to have Advance Pricing Agreements and similar tax rulings in place for geographies representing around 70% of our revenue worldwide.

Our tax policy has been approved by the Board of Directors. Read more about this at: www.novonordisk.com/sustainable-business/esg-portal/principles-positions-and-policies/tax-policy.html.

In addition to corporate income taxes, we also pay other taxes. Please refer to note 8.7 on Total tax contribution for further information.

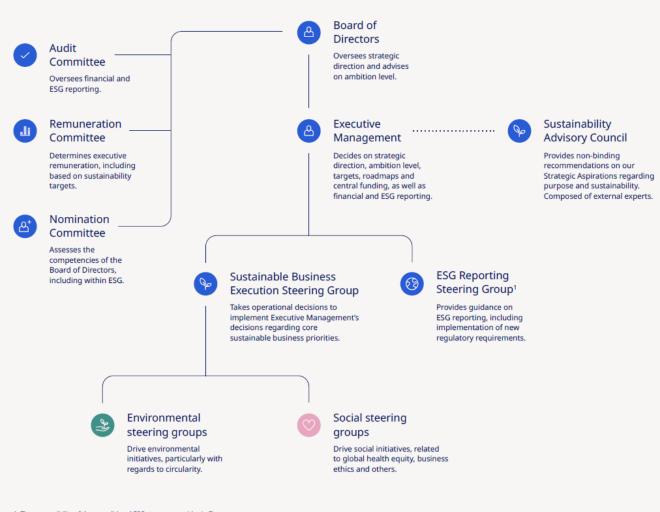
TAXES BY REGION (THREE-YEAR AVERAGE 2021-2023)

Region	Intellectual property rights ⁶	Production ⁷	Sales ⁸	Corporate income taxes (DKK billion)	contribution
International Operations	•	•		14.2	32.8
Denmark	•	•		12.2	21.6
EMEA (excluding Denmark)	•	•		1.0	5.4
China		•		0.6	2.6
Rest of the world		•	•	0.4	3.2
North America Operations			•	1.1	7.1
US		•	•	1.0	7.0
Total three-year average				15.3	39.9

Minor or no activities
 Share of category
 Significant activities

- På s.18 gives oplysninger om skattebetalingerne i Novo Nordisk.
 Oversigten er opdelt på de regioner, som Novo Nordisk opererer i og indeholder ikke alene selskabsskatter, men også skatter opkrævet på vegne af offentlige myndigheder.
- Yderligere anføres det, om regionen besidder intellektuelle rettigheder, produktion eller alene salg. Dette giver et godt indtryk af, hvordan Novo Nordisk bidrager til den region, de opererer i.
- Novo Nordisk kan med fordel opdatere lagkagediagrammerne, så disse summer til 100% på tværs af regionerne. Det vil gøre oversigten endnu mere brugbar end nu, idet det tydeligere vil komme frem hvor værdierne skabes og beskattes.

Governance struktur for ESG



 På s.21 er strukturen for organiseringen af arbejdet med ESG vist. Figuren giver et godt overblik, herunder roller og ansvar, og viser hvordan arbejdet med ESG er forankret i selskabets organisation.

Overblik over pipeline

Pipeline overview

DIABETES

Project	Indication	Description	Phase
Oral Semaglutide HD¹ NN9924	T2D²	A long-acting GLP-1 ³ analogue, 25.0 and 50.0 mg, intended for once-daily oral treatment.	• •
Icodec NN1436			• •
icoSema T2D A combination of GLP-1 analogue NN1535 semaglutide and insulin icodec intended for once-weekly subcutaneous treatment.		• •	
CagriSema T2D NN9388		A combination of amylin analogue cagrilintide and GLP-1 analogue semaglutide intended for once-weekly subcutaneous treatment.	• •
GELA NN9506	T2D	A collaboration with GE Healthcare, using ultrasound for once-monthly treatment.	00
Glucose-sensitive insulin NN1845	T1D and T2D	A glucose-sensitive insulin analogue intended for once-daily subcutaneous treatment.	00
Pumpsulin NN1471	T1D	A novel insulin analogue ideal for use in closed loop pump systems.	00
DNA Immunotherapy NN9041	T1D	A novel plasmid encoding pre- and pro-insulin intended for preservation of beta cell function.	00
OW GLP-1 GIP ⁵ T2D A combination of GLP-1 and GIP NN9541 co-agonist intended for once-weekly subcutaneous treatment.		co-agonist intended for once-weekly	00
OW Oral Semaglutide NN9904	T2D	An oral version of semaglutide intended for once-weekly treatment.	00

OBESITY

Project	Indication	Description	Phase
Oral Semaglutide NN9932	Obesity	A long acting GLP-1 analogue intended for once-daily oral treatment.	• 0
CagriSema NN9838	Obesity	A combination of amylin analogue cagrilintide and GLP-1 analogue semaglutide intended for once-weekly subcutaneous treatment.	• •
GELA NN9505	Obesity	A collaboration with GE Healthcare, using ultrasound for once-monthly treatment.	00
INV-202 NN9440	Obesity	A CB-16 receptor inverse agonist intended for once-daily oral treatment.	00
Amycretin NN9487	Obesity	A long-acting co-agonist of GLP-1 and amylin intended for once-weekly subcutaneous treatment or once-daily oral treatment.	00
OW GLP-1 GIP NN9541	Obesity	A combination of GLP-1 and GIP co-agonist intended for once-weekly subcutaneous treatment.	00

RARE DISEASE

Project	Indication	Description	Phase
Concizumab NN7415	Haemophilia A or B w/wo inhibitors	A monoclonal antibody against tissue factor pathway inhibitor (TFPI) intended for subcutaneous prophylaxis treatment.	• •
Nedosiran NN7022	Primary hyperoxaluria type 1	An siRNA targeting lactate dehydrogenase A (LDHA) intended for once-monthly subcutaneous treatment.	::
Mim8 NN7769	Haemophilia A w/wo inhibitors	A next generation FVIIIa mimetic bispecific antibody intended for subcutaneous prophylaxis of haemophilia A.	• 0
Etavopivat NN7535	Sickle cell disease	A second-generation small molecule PKR-activator intended for once-daily oral treatment.	• 0
Etavopivat NN7536	Thalassemia	A second-generation small molecule PKR-activator intended for once-daily oral treatment.	00
Etavopivat NN7537	MDS ⁷	A second-generation small molecule PKR-activator intended for once-daily oral treatment.	00
NDec NN7533	Sickle cell disease	An oral combination of decitabine and tetrahydrouridine. Project is developed in collaboration with EpiDestiny.	00

- Novo Nordisk har på s. 27 et skema over de væsentligste kandidater der er i pipeline

 fordelt på segmenter. Oversigten viser, på hvilket stadie de enkelte udviklingsprojekter er på.
- Udviklingsstadierne anføres med to farveren lys og en mørk. Det synes dog ikke entydigt defineret, hvad forskellen er mellem disse to farvekoder. Dette kan forklares tydeligere.

Ziltivekimab NN6018	HFpEF ¹¹	A once-monthly monoclonal antibody intended for inhibition of IL-6 activity.	• •
Ocedurenone NN6023	CVD ¹²	A small molecule, non-steroidal mineralocorticoid receptor antagonist (nsMRA) intended for oral treatment.	• •
ATTR-CM NN6019	CVD	An anti-amyloid immunotherapy intended for intravenous treatment.	00
M4HF NN9003	CVD	An investigational cell therapy intended for restoring heart function in people with chronic heart failure.	00
Anti-ANGPTL3 nAb NN6491	CVD	An ANGPTL3 neutralising sweeping antibody intended for once-monthly subcutaneous treatment.	00
Semaglutide NN6535	Alzheimer's	A long-acting GLP-1 analogue intended for once-daily subcutaneous treatment.	• •
Semaglutide NN9931	MASH ¹³	A long-acting GLP-1 analogue intended for once-weekly subcutaneous treatment.	• •
CagriSema NN9588	MASH	A combination of amylin analogue cagrilintide and GLP-1 analogue semaglutide intended for once-weekly subcutaneous treatment.	00
GF21 NN9500	MASH	A long-acting FGF21 analogue intended for once-weekly subcutaneous treatment.	00
XRa NN6582	MASH	An siRNA targeting LXRa intended for once-monthly subcutaneous treatment.	00
MARC1 NN6581	MASH	An siRNA targeting MARC1 intended for once-monthly subcutaneous treatment.	00
/AP-1i NN6561	MASH	A VAP-1 inhibitor intended for once-daily oral treatment.	• O
C4PD NN9001	Parkinson's	A cryopreserved cell therapy intended for disease modifying treatment.	00
STAT3 NN4002	Oncology	A GalXC-derived lipid conjugate one-time subcutaneous treatment.	• 0

^{2022 2023} Phase 1 Phase 2 Phase 3 Submission and/or approve

Overblik over patent status

Patent status for products with marketing authorisation

DIABETES

The patent expiry dates for products marketed by Novo Nordisk¹ are shown in the tables on the right. The dates provided are for expiry in the US, China, Japan and Europe of patents on the active ingredient, unless otherwise indicated, and include actual and estimated extensions of patent term, when applicable. For several products, in addition to the active ingredient patent, Novo Nordisk holds other patents on manufacturing processes, formulations or uses that may be relevant for exclusivity beyond the expiration of the active ingredient patent. Furthermore, regulatory data protection and/or orphan exclusivity may apply.

Product	US	China	Japan	Europe ²	
Human insulin and Modern insulins ³	Expired	Expired	Expired	Expired	
Victoza®4	Expired	Expired	Expired	Expired	
Tresiba*	2029	2024	2027	2028	
Ryzodeg*	2029	2024	20245	2028	
Xultophy*	2029	2024	20245	2028	
Fiasp®	20306	20306	20306	20306	
Ozempic*	2032	2026	2031	2031	
Rybelsus®	2032	2026	2031	2031	

OBESITY

Product	US	China	Japan	Europe	
Saxenda®	Expired	Expired	Expired	Expired	
Wegovy®	2032	2026	2031	2031	

RARE DISEASE

Product	US	China	Japan	Europe ²
Norditropin® (SimpleXx®)	Expired	Expired	Expired	Expired
NovoSeven®	Expired	Expired	Expired	Expired
NovoEight®	No patent	No patent	No patent	No patent
Refixia® (REBINYN®)	2028	2027	2032	2027
Esperoct®	2032	2029	2034	2034
Vagifem® 10 mcg	Expired	No patent	Expired	Expired

Net sales - Business segments and geographical are	eas				Total I	nternation	nal Onerr	rions					1	Total f	North Amer	wica Oner	ations		Total	Novo Nor	odleb.
		Total IO	1	1	EMEA	ite	iai ope	China	1	Re	est of World	.d	1 .	Total NAO	1	little ope.	US			net sales	IISK.
DKK million	2023	2022	2021	2023	2022	2021	2023	2022	2021	2023	2022	2021	2023	2022	2021	2023	2022	2021	2023	2022	2021
Diabetes and Obesity care segment:		F			i			, T	(/			$\Gamma = 1$,	, T						_
Rybelsus*	7,389	3,155	524	4,232	1,714	289	131	63	-	3,026	1,378	235	11,361	8,144	4,314	11,060	8,011	4,243	18,750	11,299	4,838
Ozempic*	26,378	17,369	8,856	14,327	10,417	6,393	4,821	2,196	303	7,230	4,756	2,160	69,340	42,381	24,849	63,010	38,750	23,168	95,718	59,750	33,705
Victoza®	4,850	5,672	6,726	2,166	2,724	3,527	1,256	1,478	1,544	1,428	1,470	1,655	3,814	6,650	8,328	3,613	6,406	8,031	8,664	12,322	15,054
Total GLP-1	38,617	26,196	16,106	20,725	14,855	10,209	6,208	3,737	1,847	11,684	7,604	4,050	84,515	57,175	37,491	77,683	53,167	35,442	123,132	83,371	53,597
Long-acting insulin	11,339	11,403	11,074	7,103	7,157	6,729	1,649	1,636	2,080	2,587	2,610	2,265	3,566	5,338	6,990	2,931	4,685	6,412	14,905	16,741	18,064
of which Tresiba*	5,864	6,092	5,486	3,435	3,485	2,979	848	1,050	1,095	1,581	1,557	1,412	1,888	3,261	4,243	1,333	2,723	3,793	7,752	9,353	9,729
of which Xultophy®	2,887	2,400	2,135	1,831	1,716	1,693	409	45	3	647	639	439	332	409	522	325	399	512	3,219	2,809	2,657
of which Levemir®	2,588	2,911	3,453	1,837	1,956	2,057	392	541	982	359	414	414	1,346	1,668	2,225	1,273	1,563	2,107	3,934	4,579	5,678
Premix insulin	9,342	10,023	10,512	2,570	2,622	2,879	4,441	4,912	5,224	2,331	2,489	2,409	232	539	691	216	517	665	9,574	10,562	11,203
 of which Ryzodeg* 	3,730	2,889	1,711	587	495	392	1,965	1,218	283	1,178	1,176	1,036	-	, -1	-	-	-	-	3,730	2,889	1,711
of which NovoMix®	5,612	7,134	8,801	1,983	2,127	2,487	2,476	3,694	4,941	1,153	1,313	1,373	232	539	691	216	517	665	5,844	7,673	9,492
Fast-acting insulin	10,415	10,826	10,903	6,695	6,456	6,454	1,545	1,942	2,288	2,175	2,428	2,161	5,534	6,637	6,784	5,265	6,247	6,357	15,949	17,463	17,687
 of which Flasp[®] 	1,512	1,354	1,106	1,266	1,138	965	-	-	1 -1	246	216	141	661	649	642	618	606	605	2,173	2,003	1,748
of which NovoRapid®	8,903	9,472	9,797	5,429	5,318	5,489	1,545	1,942	2,288	1,929	2,212	2,020	4,873	5,988	6,142	4,647	5,641	5,752	13,776	15,460	15,939
Human insulin	6,134	6,508	7,453	1,919	1,983	2,152	1,213	1,812	2,692	3,002	2,713	2,609	1,460	1,678	1,599	1,406	1,605	1,515	7,594	8,186	9,052
Total insulin	37,230	38,760	39,942	18,287	18,218	18,214	8,848	10,302	12,284	10,095	10,240	9,444	10,792	14,192	16,064	9,818	13,054	14,949	48,022	52,952	56,006
Other Diabetes care	1,987	2,428	2,644	661	717	713	892	1,181	1,432	434	530	499	325	797	950	267	660	806	2,312	3,225	3,594
Total Diabetes care	77,834	67,384	58,692	39,673	33,790	29,136	15,948	15,220	15,563	22,213	18,374	13,993	95,632	72,164	54,505	87,768	66,881	51,197	173,466	139,548	113,197
Wegovy*	1,913	54	-1	1,913	54		-	-	1 -1	-	-	i -!	29,430	6,134	1,386	29,430	6,134	1,386	31,343	6,188	1,386
Saxenda®	6,402	5,832	3,117	3,780	3,561	1,809	146	133	61	2,476	2,138	1,247	3,887	4,844	3,897	3,306	4,368	3,526	10,289	10,676	7,014
Total Obesity care	8,315	5,886	3,117	5,693	3,615	1,809	146	133	61	2,476	2,138	1,247	33,317	10,978	5,283	32,736	10,502	4,912	41,632	16,864	8,400
Diabetes and Obesity care total	86,149	73,270	61,809	45,366	37,405	30,945	16,094	15,353	15,624	24,689	20,512	15,240	128,949	83,142	59,788	120,504	77,383	56,109	215,098	156,412	121,597
Rare disease segment:					i			, I	1 /			$\Gamma = I$, 1	, P						
Rare blood disorders	6,432	6,671	5,784	4,021	3,795	3,712	372	604	222	2,039	2,272	1,850	5,344	5,035	4,433	5,070	4,710	4,170	11,776	11,706	10,217
of which Haemophilia A	1,939	1,769	1,625	1,271	1,137	1,162	223	81	24	445	551	439	483	569	487	468	543	460	2,422	2,338	2,112
of which Haemophilia B	584	479	400	377	294	268	13	13	4	194	172	128	477	280	237	336	152	102	1,061	759	637
 of which NovoSeven® 	3,789	4,335	3,673	2,285	2,311	2,225	136	510	194	1,368	1,514	1,254	4,169	3,973	3,548	4,065	3,811	3,461	7,958	8,308	7,221
Rare endocrine disorders	2,045	4,904	4,880	699	2,232	2,212	216	246	167	1,130	2,426	2,501	1,791	2,234	2,423	1,757	2,205	2,400	3,836	7,138	7,303
Other Rare disease	1,006	1,002	1,064	781	804	837	5	6	6	220	192	221	545	696	619	203	358	330	1,551	1,698	1,683
Rare disease total	9,483	12,577	11,728	5,501	6,831	6,761	593	856	395	3,389	4,890	4,572	7,680	7,965	7,475	7,030	7,273	6,900	17,163	20,542	19,203
Total sales by geographical area	95,632	85,847	73,537	50,867	44,236	37,706	16,687	16,209	16,019	28,078	25,402	19,812	136,629	91,107	67,263	127,534	84,656	63,009	232,261	176,954	140,800
Total sales growth as reported	11.4%	16.7%	11.7%	15.0%	17.3%	9.9%	2.9%	1.2%	13.7%	10.5%	28.2%	13.5%	50.0%	35.4%	10.1%	50.6%	34.4%	9.0%	31.3%	25.7%	10.9%

 Novo Nordisk giver på s. 29 et godt overblik over patentstatus på deres vigtigste produkter pr. geografisk segment. Kobles tabellen med den detaljerede oversigt over omsætning (note 2.2, s. 57 – indsat i lille format), får regnskabsbrugeren et godt indblik i sikkerheden i omsætningen hos Novo Nordisk.

This overview does not include products whose sales represent less than 0.5% of covering the Victoza® formulation. These patents generally expire in November 2024

Finansielle risici og instrumenter

Derivative

15,838

7,363

32,574

Sensitivity of an immediate 5% decrease in currency rates on 31 December versus DKK²

DKK million	2023	2022
Sensitivity of all currencies		
Income statement	(117)	(37)
Other comprehensive income	6,058	3,431
Total	5,941	3,394
Hereof sensitivity of USD		
Income statement	70	150
Other comprehensive income	5,082	2,923
Total	5,152	3,073

2. An immediate 5% increase would have the opposite impact of the above

The foreign exchange sensitivity analysis comprises effects from the Group's cash, trade receivables and trade payables, current loans, current and non-current financial investments, lease liabilities and foreign exchange forwards. Anticipated currency transactions, investments in foreign subsidiaries and non-current assets are not included

Financial contracts coverage at year end

Months	USD	CNY ³	CAD	JPY	GBP
2023	12	12	9	12	0
2022	12	0	9	12	11

3. Chinese yuan traded offshore (CNH) is used to hedge Novo Nordisk's CNY currency exposure.

The table above shows financial contracts existing at year-end to cover the expected future cash flow for the disclosed number of months. During 2023, the hedging horizon varied between 9 and 12 months for USD, CAD and JPY. The hedge horizon for CNY has

- Novo Nordisk har i noterne 4.4 og 4.5 (s. 69-73) redegjort for finansielle risici og brugen af finansielle instrumenter på en overskuelig måde. Særligt skemaet over krediteksponeringer på likvider, markedsinvesteringer og derivater giver et godt overblik.
- Der kan med fordel gives yderligere oplysninger omkring følsomheden på valuta og brugen af regnskabsmæssig sikring.

Credit exposure for cash at bank, marketable securities and derivative financial instruments (fair value)

DKK million	Cash at bank	Marketable securities	financial instruments
2023			
AAA range	_	15,838	-
AA range	6,451	_	912
A range	7,292	_	1,432
BBB range	17	_	-
Not rated or below BBB range	632	_	_
Total	14,392	15,838	2,344
2022			
AAA range	6	10,797	_
AA range	5,507	_	963
A range	6,550	124	
BBB range	124	-	Financial reserves DKK million
Not rated or below BBB range	466		Cash and cash equ (note 4.7)
Total	12,653	10,92	Marketable securit
			Undrawn committe

Credit risk exposure to financial counterparties

Novo Nordisk considers its maximum credit exposure to f DKK 32,574 million (DKK 26,301 million in 2022). In addition maximum credit exposure to trade receivables, other rece VAT receivables) and other financial assets to be DKK 67, of the Group's total

> ncial counterparties. oney market deposits credit rating from at , Moody's and Fitch.

Credit risk exposure to non-financial counterparties

Outside the US, Novo Nordisk has no significant concentration of credit risk related to trade receivables or other receivables and prepayments, because the exposure in general is spread over a large number of counterparties and customers. In the US, the three major wholesalers account for a large proportion of total net sales, see note 2.1. However, US wholesaler credit ratings are monitored, and part of the trade receivables are sold on full non-recourse terms; see below for details.

Novo Nordisk closely monitors the current economic conditions of countries impacted by currency fluctuations, high inflation and an unstable political climate. These indicators, as well as payment history are taken into account in the valuation of trade receivables. The country risk ratings in 2023 have overall remained unchanged from

Trade receivable programmes

At year-end, the Group had derecognised receivables without recourse having due dates after 31 December 2023 amounting to:

DKK million	2023	2022	2021
US	5,059	1,394	1,313

ancial reserve K million sh and cash equivalents 14.392 12.653 10.719 10,921 Undrawn committed credit facility 11,552 11.527 11,526 (12.861) Borrowings (Note 4.6) (5.431)

4. The undrawn committed credit facility comprises a facility EUR 1,550 million in 2023 and EUR 1,550 million in

Financial reserves comprise the sum of cash and cash equivalents at the end of the year, marketable securities with original term to maturity exceeding three months and undrawn committed credit and loan facilities, with a maturity of more than 12 months, less Eurobonds and bank overdrafts contractually obliged for repayment within 12

4.5 Derivative financial instruments

	2023				202		
DKK million	Contract amount at year-end	Positive fair value at year-end		Contract amount at year-end	Positive fair value at year-end	Negative fair value at year-end	
Forward contracts USD¹	104,022	1,600	193	59,292	1,591	907	
Forward contracts CNH, CAD and JPY ²	20,246	295	90	10,677	373	31	
Forward contracts, cash flow hedges	124,268	1,895	283	69,969	1,964	938	
Forward contracts USD ¹	65,870	330	946	38,432	639	1,942	
Forward contracts EUR, CNH, CAD and others ²	28,520	119	43	4,111	124	23	
Forward contracts, fair value hedges	94,390	449	989	42,543	763	1,965	
Total derivative financial instruments	218,658	2,344	1,272	112,512	2,727	2,903	
Recognised in the income statement		449	989		763	1,965	
Recognised in other comprehensive income		1,895	283		1,964	938	

1. Average hedge rate for USD cash flow hedges is 676 at the end of 2023 (696 at the end of 2022) and average hedge rate for USD fair value hedges is 675 at the end of 2023 (714 at the end of 2022). 2. For 2022 the relevant

The fair value of cash flow hedges at year-end 2023, a gain of DKK 1,612 million, has been recognised in other comprehensive income.

The financial contracts are expected to impact the income statement within the next 12 months, with deferred gains and losses on cash flow hedges then being transferred to financial income or financial expenses. There is no expected ineffectiveness at 31 December 2023, primarily because hedging instruments match currencies of hedged cash flows

Use of derivative financial instruments

The derivative financial instruments are used to manage the exposure to foreign exchange risk. None of the derivatives are held for trading. Novo Nordisk uses forward exchange contracts to hedge forecast transactions, assets and liabilities Net investments in foreign subsidiaries are currently not hedged.

ACCOUNTING POLICIES

On initiation of the contract, Novo Nordisk designates each derivative financial contract that qualifies for hedge accounting as one of:

- · hedges of the fair value of a recognised asset or liability (fair value hedge)
- hedges of the fair value of a forecast financial transaction (cash flow hedge).

All contracts are initially recognised at fair value and subsequently remeasured at fair value at the end of the reporting period.

Value adjustments of fair value hedges are recognised in the income statement along with any value adjustments of the hedged asset or liability that are attributable to the hedged risk.

Value adjustments of the effective part of cash flow hedges are recognised in other comprehensive income. The cumulative value adjustment of these contracts is transferred from other comprehensive income to the income statement when the hedged transaction is recognised in the income statement. For cash flow hedges of foreign currency risk on highly probable non-financial asset purchases, the cumulative value adjustments are transferred directly from the cash flow hedge reserve to the initial cost of the asset when recognised

Discontinuance of cash flow hedging

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognised when the forecasted transaction is ultimately recognised in the income statement. When a forecasted transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to the income statement under financial income or financial expenses

For additional disclosures on accounting policies for financial instruments refer to note 4.9.

Alternative Performance Measures

Non-IFRS financial measures

(part of the Management review - not audited)

In the Annual Report, Novo Nordisk discloses certain financial measures of the Group's financial performance, financial position and cash flows that reflect adjustments to the most directly comparable measures calculated and presented in accordance with IFRS. These non-IFRS financial measures may not be defined and calculated by other companies in the same manner, and may therefore not be comparable.

The non-IFRS financial measures presented in the Annual Report are:

- Net sales and operating profit in constant exchange rates (CER)
 'Net profit', adjusted for 'income taxes', 'financial items', 'depreciation and
- amortisation' and 'impairment losses' (EBITDA)

 Return on invested capital (ROIC)
- Free cash flow
- · Cash to earnings

IFRS refers to an IFRS financial measure

Sales and operating profit growth in constant exchange rates

'Growth in constant exchange rates' means that the effect of changes in exchange rates is excluded. It is defined as sales/operating profit for the period measured at the average exchange rates for the same period of the prior year, compared with net sales/operating profit for the same period of the prior year. Price adjustments within hyperinflation countries as defined in IAS 29 'Financial reporting in hyperinflation economies' are excluded from the calculation to avoid growth in constant exchange rates being artificially inflated. Growth in constant exchange rates is considered to be relevant information for investors in order to understand the underlying development in sales and operating profit by adjusting for the impact of currency fluctuations.

Net sales in constant exchange rates

DKK million	2023	2022	2021
Net sales IFRS	232,261	176,954	140,800
Effect of exchange rate	7,658	(13,024)	3,643
Net sales in constant exchange rates	239,919	163,930	144,443
Net sales previous year	176,954	140,800	126,946
% increase/(decrease) in reported currencies	31.3%	25.7%	10.9%
% increase/(decrease) in constant			
exchange rates	35.6%	16.4%	13.8%

Operating profit in constant exchange rates

exchange rates

DKK million	2023	2022	2021
Operating profit IFRS	102,574	74,809	58,644
Effect of exchange rate	4,898	(7,578)	2,332
Operating profit in constant exchange rates	107,472	67,231	60,976
Operating profit previous year	74,809	58,644	54,126
% increase/(decrease) in reported currencies	37.1%	27.€~	0.30
% increase/(decrease) in constant			teturn on inve

Earnings before interest, taxes, depreciation, amortisation and impairment losses (EBITDA)

EBITDA is defined as 'net profit', before 'income taxes', 'financial items', 'depreciation and amortisation' and 'impairment losses'.

Management believes EBITDA is a useful measure as it helps analyse operating results from core business operations without including the effects of capital structure, tax rates, depreciation, amortisation and impairment losses.

The following table shows a reconciliation of EBITDA with operating profit, the most directly comparable IFRS financial measures:

EBITDA

DKK million	2023	2022	2021
Net profit IFRS	83,683	55,525	47,757
Income taxes IFRS	20,991	13,537	11,323
Financial income IFRS	(2,945)	(239)	(2,887)
Financial expenses IFRS	845	5,986	2,451

invested capital (ROI

ROIC is defined as 'operating profit after tax' (using the effective tax rate) as a percentage of average inventories, receivables, property, plant and equipment, intangible assets and deferred tax assets, less non-interest-bearing liabilities including provisions and deferred tax liabilities (where the average is the sum of the above assets and liabilities at the beginning of the year and at year-end divided by two).

Management believes ROIC is a useful measure in providing investors and Management with information regarding the Group's performance. The calculation of this financial target is a widely accepted measure of earnings efficiency in relation to total capital employed.

The following tables show the reconciliation of ROIC with operating profit/equity in %, the most directly comparable IFRS financial measure:

Operating profit/equity in %

	2022	202
102,574	74,809	58,644
106,561	83,486	70,746
96.3%	89.6%	82.99
2023	2022	2021
2023 81,957	2022 60,146	2021 47,384
	106,561	102,574 74,809 106,561 83,486

ROIC numerator

Reconciliation of operating profit to operating profit after tax

2023	2022	2021
102,574	74,809	58,644
(20,617)	(14,663)	(11,260)
81,957	60,146	47,384
	2023 102,574 (20,617)	2023 2022 102,574 74,809 (20,617) (14,663)

- Novo Nordisk foretager på s. 83-85 en afstemning af Alternative Performance Measures (APM'er), som indgår i årsrapporten.
- Noten indeholder dels en afstemning af de anvendte APM'er, dels en redegørelse for, hvorfor ledelsen anvender de pågældende APM'er.

._ ._..

IC denominator			
K million	2023	2022	2021
angible assets	60,406	50,939	43,171
pperty, plant and equipment	90,961	66,671	55,362
ferred income tax assets	20,380	13,904	8,672
her receivables and prepayments (non- rrent)	1,430	206	267
ventories	31,811	24,388	19,621
ide receivables	64,770	50,560	40,643
receivables	2,423	940	1,119
her receivables and prepayments irrent)	8,068	6,005	5,037
ferred income tax liabilities	(10,162)	(7,061)	(5,271)
tirement benefit obligations	(742)	(762)	(1,280)
her liabilities (non-current)	(189)	(100)	(360)
ovisions (non-current)	(6,649)	(4,590)	(4,374)
de payables	(25,606)	(15,587)	(8,870)
c payables	(7,116)	(7,091)	(3,658)
her liabilities (current)	(28,705)	(23,606)	(19,600)
ovisions (current)	(100,478)	(70,287)	(51,520)
t operating assets	100,602	84,529	78,959
erage net operating assets	92.566	81.744	68.634

leconciliation of net operating assets to equity: IFRS					
OKK million	2023	2022	2021		
equity IFRS	106,561	83,486	70,746		
nvestment in associated companies	(410)	(327)	(525)		
Other financial assets	(1,253)	(1,016)	(916)		
Marketable securities	(15,838)	(10,921)	(6,765)		
Derivative financial instruments	(2,344)	(2,727)	(1,690)		
Cash at bank	(14,392)	(12,653)	(10,720)		
Borrowings – non-current	20,528	24,318	12,961		
Borrowings – current	6,478	1,466	13,684		
Derivative financial instruments	1,272	2,903	2,184		
Net operating assets	100,602	84,529	78,959		

Regnskabspraksis på ESG-rapportering

Notes to the consolidated ESG statement Section 6 Basis of preparation

General reporting standards and principles

Novo Nordisk's annual reporting complies with the Danish Financial Statements Act. Sections 99a, 99b, 99d and 107d specify the requirements to report on the management of risks related to the environment, climate, human rights, labour and social conditions, anti-corruption, gender distribution and data ethics. These requirements are addressed in

As recommended by the Taskforce on Climate-related Financial Disclosures (TCFD), Novo Nordisk is working to integrate two climate change scenarios into the risk management process, to identify short-, medium- and long-term risks within the production and

- · Limiting temperature increase to well below 2°C scenario, preferably 1.5°C, compared to pre-industrial times in accordance with the Paris Agreement.
- · A temperature increase of 4°C scenario as an alternative high-emission scenario

Scope 1, 2 and 3 emissions have been prepared in accordance with the Greenhouse Gas (GHG) Protocol. Novo Nordisk also discloses in accordance with the recommendations put forward by the Carbon Disclosure Project (CDP). For a full breakdown of climate and water impacts, please refer to the publicly available report on Novo Nordisk's CDP disclosures at:

As a pharmaceutical business with global reach, Novo Nordisk is committed to being accountable to those stakeholders who are impacted by the organisation. From the perspective of social responsibility, the key stakeholder groups are patients who rely on Novo Nordis

chain, bus

The Annual range of sta Nordisk stak

Understanding, measuring and communicating the positive and negative impacts on society and the planet of Novo Nordisk's activities is important and remains a priority

• I sektion 6-9 (s. 87-94) giver Novo Nordisk

konsoliderede tal i ESG-rapporten er

opgjort. Beskrivelsen starter med en

generel sektion, efterfulgt af en separat

• Dommerkomitéen så dog gerne, at ESG-

en revisionspåtegning med høj grad af

sikkerhed fremfor med begrænset

rapporteringen havde været forsynet med

en beskrivelse af, hvordan de

sektion for E, S og G.

sikkerhed.

The 2023 consolidated ESG statement includes KPIs as guided by Novo Nordisk's ESG strategy and ongoing external stakeholder engagement. When assessing whether a KPI is material to the consolidated ESG statement. Management considers whether the matter is of such relevance and importance that it could substantially influence the assessment of Novo Nordisk's ESG performance by the users of the Annual Report 2023.

The provisional Double Materiality Assessment ACCOUNTING POLICIES end of 2023, will inform our ESG reporting in 2 Waste is measured as the sum of all the waste disposed of at production sites based

Principles of consolidation

The disclosures of energy consumption and (laboratories and offices. The disclosures of wat and waste cover production sites. Novo Nordis

The social and governance-related disclosure Novo Nordisk A/S and entities controlled by No business ethics, failed inspections and facilita

Sustainability Reporting Directive (CSRD) and w on weight receipts. Organic residues for recycling are waste from the production of the active pharmaceutical ingredients, where the energy is recovered in biogas plants and the digested slurry is used on local farmland as fertiliser. Ethanol is recovered in internal regeneration plants and re-used. Energy recovery is waste disposed of at waste-to-energy plants and at a biogas plant. Waste with no energy recovery covers water waste and other waste not suitable for other disposal methods, such as hazardous waste for incineration and various other types of waste.

A/S is not included in our reporting for Sustain. 7.5 Breaches of environmental regulatory limit values

2 breaches compared to 8 in 2022. None of the breaches resulted naterial negative impact on the environment. For all breaches,

tory limit values cover all breaches with limit values reported to the horities. Breaches related to the same continued exceedance at the one breach for the year

The following changes to accounting policies and new KPIs have been considered in the 2023 consolidated ESG statement:

Environmental performance

In 2022, scope 1 emissions, scope 2 emissions and scope 3 emissions from business travel were calculated as CO., To further align with the GHG Protocol, in 2023 these KPIs are calculated as CO₃e. The remaining scope 3 emissions have been calculated as CO₃e in 2022 and 2023. CO₃e includes CO₃ and all other greenhouse gases; for more information, please refer to section 7.2, Additionally, scope 1 emissions have been expanded to also include refrigerants. Further scope changes may occur in the future as more data becomes available.

Section 8 Social performance

8.1 Patients reached with Novo Nordisk's Diabetes and Obesity care products

2023	2022	2021
40.5	36.3	34.6
1.1	0.6	0.3
41.6	36.9	34.9
	40.5	40.5 36.3 1.1 0.6

The estimated number of full-year patients reached with Novo Nordisk's Diabetes care products increased from 36.3 million in 2022 to 40.5 million in 2023. The 12% increase was primarily driven by the GLP-1 franchise, followed by the new-generation insulin franchise and the human insulin franchise. The increase in number of full-year patients reached with Novo Nordisk's Obesity care products in 2023 was primarily driven by the continued launch of Wegovy® in new markets.

In 2023, the estimated number of full-year patients with diabetes reached with Novo Nordisk's human insulin vials through the Access to Insulin Commitment was 2.4 million, compared to 1.8 million in 2022. The 33% growth through the Access to Insulin Commitment was driven by increased sales through both government and private market channels, sold at or below the USD 3 ceiling price. Novo Nordisk also sold human insulin vials at or below the ceiling price of USD 3 in countries outside the Commitment, reaching an estimated additional 2.6 million patients in 2023. This represents a total of 5 million patients with diabetes reached with human insulin at or below USD 3 per vial globally.

Through the Changing Diabetes® in Children (CDIC) partnership, 52,249 children and youth were reached in total by the end of 2023, compared to 41,033 by the end of 2022. Almost half of the new enrolled children were reached through expansion in Asian countries, mainly India, Pakistan, Indonesia and Vietnam. The children receive access to diabetes care in clinics (e.g. patient education), as well as medical supplies if needed.

The number of full-year patients reached with Novo Nordisk's Diabetes and Obesity care products, excluding devices, is estimated by dividing Novo Nordisk's annual sales volume by the annual usage dose per patient for each product class, as defined by the WHO (for Diabetes) and in accordance with the dose strength of the product (for Obesity).

The number of full-year patients reached with human insulin vials via the Novo Nordisk Access to Insulin Commitment is estimated by dividing Novo Nordisk's annual sales volume by the annual usage dose per patient reached via the Novo Nordisk Access to Insulin Commitment, as defined by the WHO. The WHO-defined daily dosage for these products may not accurately reflect the recommended or prescribed daily dose. Actual doses are based on individual characteristics (e.g. age and weight) and pharmacokinetic considerations. Despite this uncertainty, Novo Nordisk assesses this to be the most consistent way of reporting

The number of children reached with Diabetes care treatment through the Changing Diabetes® in Children programme is measured as the total accumulated number of children enrolled since the initiation of the partnership in 2009.

8.2 Employees

Number of employees

North America Operations

Year-end employees (total)

Number	2023	2022	2021
Year-end employees (total)	64,319	55,185	48,478
Year-end number of full-time employees	63,370	54,393	47,792
Employees by geographical area			
Number	2023	2022	2021
International Operations	56,004	47,935	42,372
Denmark	28,692	22,916	19,150
EMEA (Europe, the Middle East and Africa),			
excluding Denmark	8,808	7,954	7,530
China (Mainland China, Hong Kong, Taiwan)	6,485	6,148	5,833
Rest of World (all other countries)	12,019	10,917	9,859

55,185

Overblik over ESG initiativer

ESG initiatives Across Novo Nordisk, 63.2% of the energy sourced and 99.5% of the power sourced thi year was renewable. At production sites, 61.3% of the energy sourced and 100% of the power sourced was renewable. Three-fold approach to reduce CO₂e emissions associated to air transportation. This includes limiting business flights, reducing air freight of our products and purchasing Sustainable Aviation Fuel (SAF). Minimising air We reduced CO₄e emissions associated to air transportation by 32%, We entered into the Sustainable Aviation Buyers Alliance (SABA) to purchase SAF, hereby securing significant investment and scalability in SAF solutions. $Ho listic effort to decarbonise our supply chain, with over 90\% of CO_2 e emissions coming from suppliers, by identifying and implementing levers within high-impact scope 3 categories.\\$ Address 3.5 million tonnes of CO₂e per year across Public-private partnership, involving CEOs and leaders from healthcare organisations, that aims to decarbonise healthcare The SMI private sector CEOs launched joint, minimum environmental targets systems by reducing emissions from supply chains, patient care pathways and clinical trials. pharmaceutical suppliers. Efforts to move away from single-use devices and convert into reusable devices that have a longer lifespan. While Novo Build on this year's conversions to raise the ambition We increased our efforts to shift more patients towards reusable devices in Region Nordisk has manufactured reusable devices for almost 30 years, we intend to prioritise this conversion going forward. Finding fossil-free plastic alternatives Efforts to find viable, lower-carbon alternatives to fossil-based plastic, which is present in the hundreds of millions of pens ESG initiatives (continued) Take-back scheme tasked with recycling injection pens. This includes pilot programmes in a number of countries, and the world's first industry pilot in Denmark, in collaboration with Lilly, Sanofi and Merck. DK5, UK6, BR7,

29 countries across AF¹⁰, ME¹¹, AS¹²,

Commitment to provide human insulin at a ceiling price of USO 3 per vial to governments and public tenders in 77 LMIC*, as well as USO 2 per vial to selected humanitarian organisations and NGOs.

Public-private partnership providing comprehensive care for children and young people living with type 1 diabetes in LMIC.
This includes free life-saving medicine and supplies for those up to 25 years old.

Cross-functional initiative that challenges and re-evaluates the thermal stability of short- and intermediate-acting human insulin products. These are widely used in JMC and humanization settings, where people with diabetes, and without access to stable cooling options, can benefit from revised storage guidance.

Integrated business model, driven by our regional affiliate, that uses partnerships across sub-Saharan Africa to improve access to diabetes care. It does so by establishing and strongthening four building blocks of diabetes management capacity,

Commitment to significantly increase availability of insulin to people with diabetes on the African continent. It focuses on local production, and will both reduce the environmental footprint from transportation and support creation of local jobs.

Collaboration between the International Committee of the Red Cross (ICRC), the Danish Red Cross and Novo Nordisk investigating better approaches to care for people living with non-communicable diseases (NCDs) in humanitarian crises

1. NWE: North West Europe. 2. AU: Australia. 3. CN: China. 4. CA: Canada. 5. DK: Denmark. 6. UK: United Kingdom. 7. BR: Brazil. 8. FR: France. 9. LMIC: Low- and middle-income countries. 10. AF: Africa. 1

Access to Insulin

Thermostable insulin

Africa for Africa

Partnering for Change

• Novo Nordisk givet et struktureret overblik (s. 102-103) over ESG initiativer. Som regnskabsbruger kan det være meget vanskeligt selv at danne dette overblik.

ch	Access and affordability (continued)	MyInsulinRx™	Programme allowing eligible patients to obtain a monthly supply of any combination of Novo Nordisk insulin products (up to three vials or two packs of pens) for USD 35.	US ¹⁶	Provide access to affordable insulin to those in need in the US.	We replaced My99Insulin with MyfnsulinRx™, reducing the out of pocket cost for patients from USD 99 to 35.
ch		Patient Assistance Program	Programme offering free diabetes medication to people in need who meet certain eligibility criteria, including annual household income at or below 400% of the government-defined poverty level.	US	Provide access to affordable diabetes medication to those in need in the US.	We provided free insulin to 63 thousand people and free GLP-1-based medicines to 162 thousand people.
sic		Immediate Supply Program	Programme providing a free, one-time, short-term supply of our insulin (up to three vials or two packs of pens) to eligible patients who may be at risk of radioning.	US	Provide access to affordable insulin to those in need in the US.	Nine thousand patients had access to this programme, and we provided education on availability of our affordability offerings.
du		Copay Savings Offers	Offers reducing the cost for commercially insured patients who are exposed to higher than average copays.	US	Provide access to affordable diabetes medication to those in need in the US.	We provided USD 169 million in copay assistance for insulin and USD 599 million in copay assistance for GLP-1-based medicines.
olis	S Prevention	Cities Changing Diabetes	Programme bringing together a network of 47 city-based public-private partnerships that aim to prevent obesity and type 2 diabetes in vulnerable populations and children.	Global	Promote health equity, expand prevention efforts and address barriers to health for vulnerable populations and children.	Over 50 research studies were conducted, more than 250 local partnerships were created or strengthened, and over 85 local interventions on diabetes and obesity were initiated.
un		Partnership with UNICEF	Collaboration aiming to prevent childhood obesity across Latin America and Asia Pacific. It uses policies, programmes and practices to directly impact the nutrition, wellbeing and development of children.	MX ¹⁷ , CO ¹⁸ , BR, ID ¹⁹	Directly impact at least 10 million children through programmatic activities by 2026.	So far, the partnership has benefitted more than 2.7 million children and caregivers across Latin America and the Caribbean through direct programmatic reach.
l	Diversity and inclusion	Global parental leave policy	Policy offering a minimum of eight weeks of paid leave within the first year of becoming a parent to all non-birthing parents globally, regardless of gender.	Global	Ensure that all employees get the opportunity to bond with their child.	Employees worldwide continue to benefit from our enhanced parental leave policy.
/E		Global inclusion index	Numerical indicator, included in our annual employee engagement survey, of how employees rate the state of inclusion in Novo Nordisk. It includes four statements covering psychological safety, equal opportunity, sense of belonging and valuing of diverse perspectives.	Global	Sustain progress on the state of inclusion in Novo Nordisk.	Of the more than 47,000 employees who completed the survey, 82% rated the inclusion statements favourable, compared to 78% in 2021 and 82% in 2022.
		Yearly equal pay reviews	Equal pay reviews conducted on a yearly basis and followed by corrective actions for confirmed equal pay risk cases.	Global, excluding US	Mitigate bias in pay processes and decisions.	Out of the more than 49,000 positions covered in the pay review, we identified 0.5% with an equal pay gap and we are taking corrective actions.
ĺ		Gender diversity targets	Two appirational gender diversity targets that accelerate progress towards balanced gender representation and ensure leadership accountability.	Global	Achieve a balanced gender representation across all managerial levels and a minimum of 45% women and 45% men in senior leadership positions by the end of 2025.	By end of year, 46% of all leaders were women, and 41% of leaders in senior leadership positions were women, compared to 44% and 39%, respectively, at the end of 2022.
ĺ	G Company culture	Novo Nordisk Way Facilitation	Collaborative assessment that a team of facilitators performs with selected units to evaluate their compliance with the Novo Nordisk Way.	Global	Assess all high-risk units yearly.	42 units were assessed, one of which was deemed to not be working in accordance with the Novo Nordisk Way. The most frequent findings raised to management teams relate to ambition, empowerment, stakeholder relations, simplicity or agility.
	G Ethics and compliance	Global Ethics and Compliance Framework	The Novo Nordisk Way, our OneCode and international and local standards for responsible business conduct set the foundation for ethics and compliance in Novo Nordisk. This covers and fraud, anti-bribey, anti-off-label promotion, transparency in dealing with healthcare professionals are organisations, protection of personal data and respect to human rights.	Global	Ensure that all Novo Nordisk employees act with integrity and in compliance with the ethics and compliance framework.	We launched OneCode, which sets expectations and guides all Novo Nordisk employees on how we act as a company and individuals.
		Annual Ethics and Compliance Training	Ethics and compliance training conducted on an annual basis and mandatory for all employees, including all new hires.	Global	Train all Novo Nordisk employees annually in ethics and compliance.	99% of all employees completed and documented their training, with the remaining 1% missing mainly due to employees being on leave.
		Business Ethics Reviews	Business ethics reviews performed by Group Internal Audit (GIA) in subsidiaries, production sites, vendors and headquarters to assess the level of ethics and compliance in Novo Nordisk.	Global	Complete 45 business ethics reviews in 2024.	40 business ethics reviews were completed, compared to 35 reviews in 2022. Consolidated conclusions were reported to Executive Management and the Audit Committee. GIA assessed that the level of ethics and compliance in Novo Nordisk is south.

16. US: United States. 17. MX: Mexico. 18. CO: Colombia. 19. ID: Indonesia.

Overblik over sustainability

Sustainability frameworks and performance

We strive to follow and adhere to international standards, recommendations and commitments set by globally recognised entities. We are also regularly assessed by independent organisations on our ESG performance. This table compiles some of the most relevant standards, recommendations and commitments we adhere to, as well as assessments we receive.

Agenda	Name	Туре	Description	Scale	Result	Comment
E S G	Value Reporting Foundation (VRF)	Standard	The VRF (previously known as Sustainability Accounting Standards Board, and now part of the IFRS Foundation) enables organisations to provide industry-based disclosures on sustainability risks and opportunities affecting cash flows, access to finance or cost of capital in short, medium or long term.	N/A	N/A	Novo Nordisk reports on VRF in alignment with the 'Biotechnology & Pharmaceuticals' standard. We are fully or partially aligned with all the 25 indicators required by VRF.
	UN Sustainable Development Goals (UN SDGs)	Commitment	The UN SDGs are a set of 17 goals and 169 targets designed to achieve a sustainable future by 2030. The goals cover a range of issues, including poverty, inequality, climate change and environmental sustainability.	N/A	N/A	Novo Nordisk uses SDGs to step up sustainability, drive zero environmental impact by 2030 and improve healthcare for more people. The priority SDGs are Goal 3 (Good health and wellbeing) and Goal 12 (Responsible consumption and production).
	UN Global Compact (UNGC) Ten Principles	Commitment	The UNGC requires companies to align strategies and operations with universal principles on human rights, labour, environment and anti-corruption, and to take actions that advance societal goals.	N/A	N/A	Novo Nordisk is committed to UNGC principles and has been an active participant since 2002. We submit the 'Communication on Progress' focusing on governance, human rights, labour, environment and anti-corruption on an annual basis.
	Morgan Stanley Capital International (MSCI) ESG Ratings	Assessment	The MSCI ESG Ratings measure an organisation's resilience to financially material ESG risks. They assess how companies manage risks compared to their peers, using a customised methodology to identify industry leaders and laggards.	CCC-AAA	AAA	Novo Nordisk maintained an AAA leadership ESG rating in line with the past six years, and is among the top 5% of pharmaceutical peers, which comprises 267 companies.
	Sustainalytics ESG Risk Ratings	Assessment	The Sustainalytics ESG Risk Ratings measure an organisation's exposure to industry-specific, material ESG risks as well as risk management. Sustainalytics ESG Risk Ratings assess the ESG performance of more than 16,000 companies.	>40-0	23.1	Novo Nordisk ranked among the top 15% of the pharmaceutical industry group, with a ranking of 139 out of 912, incurring an ESG risk rating of 23.1 (medium risk). Sustainalytics ESG Risk Ratings range from severe (>40) to negligible (0-10) risk.
	Standard & Poor's (S&P) Scores	Assessment	The S&P Global ESG Score measures ESG performance via disclosures, media analysis, modelling approaches and company engagement. The S&P Corporate Sustainability Assessment (CSA) Score is the ESG Score without utilising modelling approaches.	0-100	59 in ESG Score 53 in CSA Score	Novo Nordisk ranked in the 91st percentile within the pharma peer group with an ESG score of 59 and a CSA score of 53.
	Corporate Knights Global 100	Assessment	The Corporate Knights 19th annual ranking of the world's 100 most sustainable corporations is based on an assessment of over 6,000 public companies with revenue over USD 1 billion.	100-1	53	Novo Nordisk ranked 1st within Denmark in the 'Pharmaceutical & Biotech Manufacturing Peer Group', 2nd in the healthcare sector globally and 53rd in the overall rank.
(3	Taskforce on Climate-related Financial Disclosures (TCFD)	Standard	The TCFD establishes recommendations for disclosing comparable and consistent information on climate-related aspects across organisations. TCFD is specifically focused on climate governance, strategy, risk management and setting of metrics and targets.	N/A	N/A	Novo Nordisk integrates TCFD-recommended scenarios into its risk management: limiting temperature increase below 2°C, preferably 1.5°C as per the Paris Agreement, and a 4°C increase scenario as high-emission alternative. We have assessed production sites on these scenarios and intend to assess the entire supply chain going forward.
	Science Based Targets initiative (SBTi)	Standard	The SBTI defines best practice in emissions reduction and net zero targets aligned with climate sciences. It also independently assesses and approves companies' targets in accordance with its strict criteria.	N/A	N/A	Novo Nordisk has an approved near-term 2030 target in line with the 1.5 °C requirement from SBTI. Additionally, Novo Nordisk is committed to achieving net zero emissions by 2045, with an aim to be aligned with SBTI's net zero requirements.
	Carbon Disclosure Project (CDP) Scores	Assessment	The CDP measures environmental performance through three disclosure stages: awareness, management and leadership. The CDP Scores incentivise companies to measure and manage environmental impacts via climate change and water security questionnaires.	D- to A	A in CDP Climate A- in CDP Water	In 2022, Novo Nordisk maintained an A leadership ranking in CDP Climate and improved from a B to an A-leadership ranking in CDP Water. Scores for the 2023 CDP Climate & Water will be available at: www.cdp.net in February 2024.
5	UN Guiding Principles on Business and Human Rights (UNGPs)	Commitment	The UNGPs comprise of guidelines for states and companies to prevent, address and remedy adverse impacts on human rights in their business operations.	N/A	N/A	In accordance with the UNGPs, Novo Nordisk commits to the responsibility to respect human rights throughout own operations and value chains, as elaborated in our Human Rights Commitment. In adherence with the UN Guiding Principles Reporting Framework, Novo Nordisk annually publishes a Human Rights Report which outlines our latest work towards meeting this responsibility. Please refer to: www.novomordisk.com/sustainable-busingss/seno.nordia/nordia/brmi
	Access To Medicine Foundation (ATMI) Score	Assessment	The ATMI evaluates 20 of the world's largest pharmaceutical companies on their performance on priority access-to-medicine topics. Companies are assessed based on research and development, governance of access and product delivery.	0-5	2.97	In 2022, Novo Nordisk ranked 11th, with where a score of 4.43 out of 5 was achieved 2024. Novo Nordisk giver 6
G	World Economic Forum (WEF) 'Good Work Framework'	Standard	The WEF 'Good Work Framework' sets out five objectives and goals: promote fair pay and social justice; provide flexibility and protection; deliver on health and well-being; drive diversity, equity and inclusion; foster employability and learning culture.	N/A	N/A	Novo Nordisk published a WEF 'Good Wor a Reality'. It featured work practices and
	OECD Guidelines for Multinational Enterprises on Responsible Business Conduct (OECD Guidelines)	Recommendation	The OECD Guidelines are government-backed recommendations on responsible business conduct with the purpose of fostering business contribution to sustainable development and addressing adverse impacts on people, planet and society that stem from business activities.	N/A	N/A	Novo Nordisk adheres to the OECD Guide business conduct. We set expectations in by integrating the OECD Guidelines to out by integrating the OECD Guidelines the OECD Guidelines the OECD Guidelines t

disk giver et overblik over de ste standarder, anbefalinger og mmer inden for bæredygtighed, som Novo Nordisk søger at overholde. Opsamlingen giver et overblik, man som regnskabsbruger ellers kan have svært ved at få.



Tillykke til vinderen af Regnskabsprisen+ Arla Foods amba

Derfor vinder Arla Foods amba Regnskabsprisen+

- Arlas årsrapport fremstår som en sammenhængende fremstilling af såvel finansielle resultater som bæredygtighed
- Rapporten indeholder en beskrivelse af processen bag og resultatet af den dobbelte væsentlighedsvurdering, som er grundlaget for de valgte ESG temaer, jf ESRS kravene.
- ESG-regnskabspraksis er beskrevet og ESG-data er forsynet med erklæring fra revisor.
- En særdeles flot, overskuelig og læsevenlig årsrapport, der gør god brug af illustrationer og grafik.
- Der gives en detaljeret landeoversigt over udviklingen i året, uden at overblikket fortabes.
- Outlook er opstillet meget overskueligt og med sammenligning til det foregående års outlook og realiserede tal.
- Generelt et særdeles stærkt finansielt regnskab, hvor noteapparatet er opdelt i emne, der hver især indeholder beskrivelse af regnskabspraksis, skøn og vurderinger, som understøttes med passende kommentarer og illustrationer.

Dommerkomitéens forslag til forbedringer

- Der kan gives en bedre oversigt over ESG nøgletal i femårs-oversigten.
- Der kan gives en tydeligere redegørelse om, hvordan Arla vil realisere sine ambitioner med omstillingen til bæredygtig drift.
- Der kan udarbejdes en oversigt over de centrale begreber, som Arla arbejder med, og som benyttes i årsrapporten.

Indledende overblik

On the frontpage: Kevin Anhamm, the Arla Innovation Farm in Central Europe, Kampt-Lintfort, Germany



In the heart of North Rhine-Westphalia, Germany Kevin Anhamm operates the first Central European Arla Innovation Farm alongside his wife Rebecca. one full-time employee, one part-time employee and two trainees. This means that there is now an innovation farm in each of the four European Arla areas. These farms serve as testing grounds for new ideas and projects aimed at enhancing our carbon

At Kevin's farm, the key areas of focus include feed efficiency, biodiversity and, in particular, animal welfare. Kevin places great importance on the well-being of his 295 Holstein dairy cows with 180 female offspring, and is committed to ongoing investments in this aspect. Kevin strives to continually develop his farm and remain at the forefront of modern agriculture. The external opening of the Central European Innovation Farm is scheduled for April 2024.

ABOUT THIS REPORT

This is our detailed annual report of Arla's financial and sustainability performance, risks, strategy and governance. It includes our consolidated financial statements and our externally audited sustainability statements

In 2022, we integrated our financial and sustainability (ESG) reports into one comprehensive report to enhance transparency in our reporting and provide our stakeholders with a holistic view of our company's performance and long-term value creation. In 2023, we made further changes to the report to align with the European Sustainability Reporting Standards (ESRS) structure and requirements following the EU Corporate Sustainability Reporting Directive (CSRD), which Arla is obliged

ESRS structure and requirements

According to the ESRS, companies are required to disclose their Environmental, Social and Governance (ESG) information in a dedicated section called 'Sustainability Statements'. placed within the management review section. To meet this requirement, the ESG data section, which was placed after the financial statements in last year's report, is now integrated into the Environmental, Social and Governance sections on pages 28-86.

In the first chapter of the sustainability statements, we give a detailed account of our double materiality assessment and provide an overview of the ESRS topics that we determined as material. In the following sections, we report on our impacts, ambitions, policies,

progress towards targets for each of these material topics. Use the little coloured page tags to navigate and understand the page structure. For a detailed overview of all the ESRS disclosure requirements addressed in this report, please refer to page 154.

Consolidated financial statements

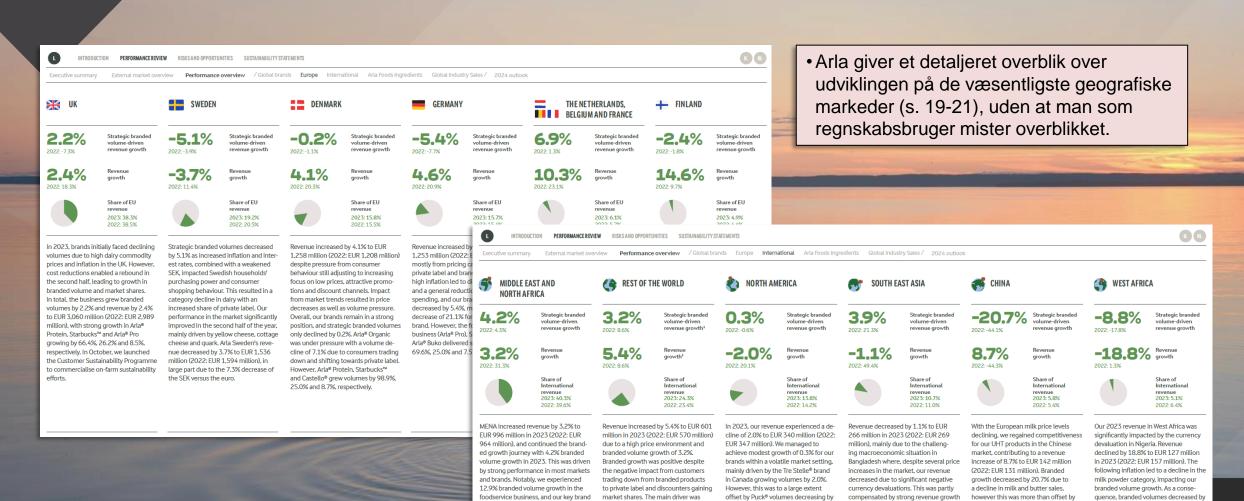
In this condensed report, the consolidated financial statements on pages 87-144 do not include the parent company financial statements. These are included in the report submitted for the authorities in Denmark. The structure of the consolidated financial statements is unchanged compared to the structure in the annual report 2022.

- Arla giver indledningsvis (s. 2) en introduktion til årsrapporten, som beskriver, hvordan årsrapporten har udviklet sig i forhold til årsrapporten fra det foregående år. Yderligere nævnes hvad man kan forvente til næste år. Dette giver læseren en godt afsæt for at læse årsrapporten.
- Yderligere er årsrapporten opbygget via brug af links og en navigationsbar (fra s. 4 og frem), der går det muligt hurtigt at springe runde i årsrapporten. Dette fungerer virkelig godt.





Udvikling på de væsentligste markeder



in the region, Puck®, grew volumes by

cheese and cream categories.

6.9%, gaining market shares in both the

¹ Russia was divested in the first half of 2022, impacting year on year comparison in 2023. Branded revenue growth and revenue growth including Russia was -3.6% and 0.8%

Starbucks™ which increased branded

volumes by 10.6% in 2023.

12.0%. We saw positive branded growth

of 0.8% in Canada, while USA decreased

by 0.4%, mainly driven by cheese and

cooking categories.

in both the Philippines and Indonesia.

Branded volumes increased by 3.9%,

mainly driven by Lurpak® increasing

by 47.4%. Foodservice remained an

Asia, growing by 2.8%.

important growth driver in South East

increased private label volumes. Our

revenue by 17.4% after we obtained

Early Life Nutrition (ELN) business grew

registration for three ELN brands in the

8.8% due to a volume decrease of 6.1%

for the Arla Dano® brand, During 2023.

which was well received by society and

the authorities, boding well for further backwards integration in Nigeria.

we opened our Arla farm in Kaduna,

Outlook

2024 OUTLOOK

WE FORESEE 2024 TO BE ANOTHER CHALLENGING YEAR WITH VOLATILE MARKET CONDITIONS. HOWEVER, WE EXPECT THE POSITIVE MOMENTUM OF OUR BRANDS, EFFICIENCIES AND SUSTAINABILITY EFFORTS TO CONTINUE.

Looking ahead to 2024, we anticipate another challenging year with volatile market conditions, driven by external factors such as continued pressure on consumer spending, foreign exchange rate developments and geopolitical tension and uncertainty.

In late 2023, lower prices and stronger purchasing power stimulated demand for dairy which, combined with global milk supply stagnation, moved commodity and farm prices upward. This helped relieve economic pressure on farmers and created more stable milk supply and prices.

For our brands, the momentum from late 2023 is expected to continue into the first half of 2024. We anticipate branded volume growth for 2024 as a whole of 1.0-3.0%, despite a more uncertain market and a lower growth outlook for the second half of the year.

For revenue, it takes expectations to a range of EUR 13.2-13.7 billion, as sales prices towards the end of 2023 are at a lower level than the record high levels present at the beginning of 2023. The profit share is expected to be between 2.8 and 3.2%, and leverage between 2.4 and 2.8, driven by an expected strong cash flow. We expect to keep a firm momentum through our efficiency programme and to deliver savings in the range of EUR 85-105 million.

Through our climate strategy, including the Incentive model, we will keep the current pace in our efforts to reduce our climate impact. This is expected to enable us to reach our 2030 emission reduction targets – a 63% reduction in scope 1 and 2 emissions and a 30% reduction in scope 3 emissions per kg of milk and whey – by leveraging the strong momentum fuelled by the important milestones achieved in 2023.

	Outlook 2023¹	Results 2023
STRATEGIC BRANDED VOLUME-DRIVEN REVENUE GROWTH	-2.0~-1.0%	-0.7%
REVENUE EUR BILLION	13.2-13.7	13.7
PROFIT SHARE	2.8-3.0%	2.8%
EFFICIENCIES EUR MILLION	85-105	114
LEVERAGE	2.4-2.8	2.6
SCOPE 1+2 EMISSIONS PERCENTAGE POINTS	REDUCTION	-4%P
SCOPE 3 EMISSIONS PERCENTAGE POINTS	REDUCTION	-3%P

Arla giver outlook på 7 forskellige forhold, som dækker udviklingen i de finansielle forhold, udledning af CO2 og efficiencies.

1.0-3.0%

13.2-13.7

2.8-3.2%

85-105

2.4-2.8

 Arla kan med fordel indsætte definitioner af de forskellige målepunkter.

Dobbelt-væsentlighedsanalyse

MATERIALITY ASSESSMENT

IN 2023. WE CONDUCTED A DOUBLE MATERIALITY ASSESSMENT TO MAP AND GAIN A DEEP UNDERSTANDING OF OUR MOST MATERIAL IMPACTS ON PEOPLE. THE ENVIRONMENT (IMPACT MATERIALITY) AS WELL AS BUSINESS RISKS AND OPPORTUNITIES ARISING FROM SUSTAINABILITY TOPICS (FINANCIAL MATERIALITY).

A double materiality assessment is a strategic and comprehensive approach to evaluate the impacts, risks and opportunities related to sustainability. The double materiality assessment determined all topics stemming from the European Sustainability Reporting Standards (ESRS) to be material, except for three. The materiality threshold.

E1

Climate change

Climate change is one of the most

on both our own operations and our

value chain. Methane emissions from

use emerged as Arla's key impacts

related to this topic. Simultaneously.

this presents us with the chance to

within the dairy industry, leading to

Our key risks are climate-related

regulations to reduce emissions in

actions also gives us a potential

opportunities, see pages 43-44.

production and agricultural activities.

Being able to lead on decarbonisation

ousiness opportunity. For a detailed

description of climate-related risks and

regulatory changes as well as

reduced climate impacts.

drive the sustainability transformation

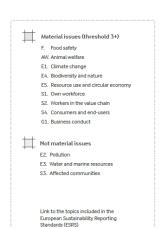
ESRS E1

as indicated in the matrix on a one to five scale, was set at an average score above three. The topic names listed are aligned with ESRS.

Although water, pollution and affected communities fell under our threshold for material topics following the methodology for our assessment.

we recognise our existing water and pollution footprint as well as our impact on communities. Therefore, we have included disclosures on our key in and, where applicable, metrics that relevant to our stakeholders. Wate withdrawal is reported in the biodi ty and nature chapter as water is a element for sustaining biodiversity

 Arla har udarbejdet en dobbeltvæsentlighedsanalyse, hvor de enkelte ESRS standarder er plottet ind i en matrice med angivelse af mulige aftryk, risici og muligheder (s. 30-31). Brugen af matricen gør det nemt for regnskabsbrugeren at få et overblik.





Food safety Arla-specific

As a global food company, the safety of our products is our core foundation. Our key impact is that the products

Animal welfare Arla-specific

Animal welfare is a key priority of our farmers and our consumers. Th farmers' management methods have

Biodiversity and nature ESRS E4

Although separating dairy farming's material topics for Arla due to its impact impact from the impact of other agricultural activities in the countries we operate in is complex, our assesscows, other COze emissions and energy ment revealed that Arla has a material impact on biodiversity loss, on the number of species and on the conditions of ecosystems. Arla's impact on biodiversity materialises through the land use of our farmers.

> At the same time, this gives us the opportunity to lead the transformation towards greater biodiversity and increase our brand value. The key risks related to biodiversity are potentially stricter regulations and taxation, such as on land use, and failing ecosystems causing problems with feed production or other aspects of dairy farming.

Resource use and circular economy ESRS ES

As an agricultural company, we are depleting some crucial non-renewable resources, for example phosphorus through our land use, fossil fuels through our operations and logistics and plastic used in our packaging. Our other big impacts on this topic relate to generating solid waste and food waste.

Sustainable packaging is of key importance for our customers and consumers, representing both a hygiene factor as well as an opportunity to be first movers on circularity in specific product packaging. Our most material risk related to this topic is dairy farming losing the competition for land with other contestants, who would use the land to grow human food, forests or fibre raw materials.



Our own workers and workers in the value chain

Arla's policies and practices related to our own employees impact over 20,000 people. Even more people employed in our upstream and downstream value chains are covered by our human rights due diligence process, risk and impact assessments and human rights and modern slavery policies. Our impact ranges from providing a healthy and safe working environment, securing employment and appropriate grievance mechanisms to ensuring that child labour and forced labour do not occur in our value chain.

Mitigating any negative impact and ensuring that we positively impact both our own employees and workers in the value chain is a great opportunity for Aria. This encompasses creating a loval. diverse and skilled workforce, positively impacting their health and safety and the employment practices of our suppliers. Failing to do so is an equally significant risk.



Consumers and end-users

Our key impacts related to consumers are ensuring the safety of our products (see food safety above), and contributing to their diets with nutritious and healthy options. Apart from these, we also identified access to quality information regarding products and the protection of our most vulnerable consumers, for example children and low-income consumers, as important aspects of our impact.

Our greatest opportunity lies in differentiating ourselves by reducing the carbon footprint of dairy products significantly. The main risks we face relate to food safety, transformation of consumer preferences, decreasing competitiveness of our branded portfolio, changes in dietary quidelines and loss of consumer attractiveness due to new labelling guidelines.



Business conduct ESRS G1

Honest and transparent business conduct is expected from Arla, and we continuously seek to meet and exceed these expectations. Our key impacts related to business conduct are to pro tect the data privacy of consumers, and responsible marketing and lobbying

Honest business conduct further gives us the opportunity to differentiate ourselves within the food and beverage industry. The most important risk is that Arla is not perceived as a company built on honest and transparent business

Read more on pages 33-44. Read more on pages 45-51. Read more on pages 52-57. Read more on pages 58-67. Read more on pages 68-73. Read more on pages 74-86.

Udarbejdelse af dobbelt-væsentlighed

Process and metrics

MATERIALITY ASSESSMENT

The process of our double materiality assessment followed the requirements of the European Sustainability Reporting Standards (ESRS 1 and 2). Below, we detail how material impacts, risks and opportunities were identified and assessed.

Stakeholder and proxy identification

A key objective of the double materiality assessment was to understand how our most important stakeholders see Arla's sustainability-related impacts, risks and opportunities. To achieve this, we first identified stakeholders who are affected by Arla's business activities, and also stakeholders who use the information presented in the annual report.

According to our stakeholder analysis, the following groups are our key stakeholders: our farmer owners, nature, customers, consumers, affected communities, workforce, NGOs, financial institutions, the media and governments.

As certain stakeholder groups could not be directly reached or sampled in an unbiased way, proxies were selected to represent them. Proxies were selected based on several criteria, for example their role in Arla, their expertise in a certain field, their relation to a certain stakeholder group and their role in society. Some stakeholder groups were also proxied by research papers to obtain an objective view of the matter. For example, consumer opinion was covered by desktop research by looking at representative opinion surveys, and also by talking to members of the Agriculture, Sustainability and Communications management team, who, in their daily work, make business decisions considering consumer's priorities and behaviour.

Assessing impacts, risks and opportunities related to sustainability matters

Sustainability matters included in the double materiality assessment were mainly identified based on the list of topics presented in ESRS 1.

Based on the topics suggested by ESRS 1, proxies representing different stakeholder groups identified positive and negative impacts, risks and opportunities

related to the topics. When identifying impacts, proxies considered both Arla's own impact and impacts resulting from our business relationships. After identifying them, proxies scored the severity of impacts, taking their scope, scale and irremediability into consideration. Risks and opportunities were scored based on their likelihood of materialising and their potential financial impact on Arla.

For assessing the size of the potential financial impact, proxies used qualitative thresholds due to the immaturity of quantifiable thresholds. The risk and opportunity assessment for the purposes of establishing double materiality is, for now, separate from Arla's overall Enterprise Risk Management process. Qualitative thresholds used for the double materiality risk and opportunity assessment are not necessarily the same thresholds used in the global risk assessment presented on pages 25-27.

To determine the materiality of each sustainability-related topic, an average of all the impact scores, and separately an average for all the related risks and opportunities, were calculated. If a topic had both a risk and opportunity associated, only the higher scores were taken into consideration to give such topics more weight in the analyses.

External validation of impact, risk and opportunity assessment

based on the impact, risk and opportunity assessment by internal proxies, a draft materiality matrix was created. The map was then presented to various external experts, representing or related to our stakeholder groups, for validation. External experts were chosen from NGOs, financial institutions and universities.

STRATEGY DEVELOPMENT

Aria's unique democratic setup makes it possible to formulate and execute strategies in close collaboration with our owners and most important suppliers and stakeholders – the farmers.

Future 26 and its sustainability pillar 'Stronger People, Stronger Planet' was built together with our farmer owners with a strong focus on pursuing material sustainability-related opportunities while mitigating sustainability risks (see a detailed description of such risks and opportunities on pages 43-44).

During the process of developing our strategy, our Executive Management Team (EMT) and Board of Directors ensured that the opinions and concerns of key stakeholders were considered. Farmers are involved in reviewing our strategy through various meetings and forums.

As part of the strategy development, relevant targets addressing material sustainability topics were set and approved by the EMT.

Further, the materiality assessment is taken into consideration during the strategy update process. Read more in the environmental and social sections.

GENERAL ACCOUNTING POLICIES

The sustainability statements on pages 28-86 encompass Arla's reporting on Environmental, Social and Governance (ESG) matters. Starting from 2025 on, Arla will be obliged to adhere to the European Sustainability Reporting Standards (ESRS) as per the new EU Corporate Sustainability Reporting Directive (CSRD) that came into effect in early 2023. To proactively meet these requirements, we revised the report structure and content to ensure better alignment with the ESRS requirements. For a detailed overview of all the ESRS disclosure requirements addressed in the report, please refer to page 154.

Other reporting standards

The sustainability statements include statutory reporting on Corporate Social Responsibility (CSR) in accordance with section 99a of the Danish Financial Statements Act. Read more on page 10 (business model), pages 45-44 (climate-related risks) and pages 28-86 (policies, actions, management systems, key ESG figures and expectations for the future).

Our statutory statement on section 99b regarding diversity on the Board of Directors and management can be found in the statutory reporting for each entity subject to this regulation. The target and progress for the gender diversity of the Board of Directors and management of the Arla Foods Group are disclosed

in this report on pages 61, 66, 77 and 86. Our statutory statement on section 99d regarding data ethics can be found on page 85.

In 2022, we disclosed our climate-related risks and opportunities according to the Task Force on Climate-Related Financial Disclosures' (TCFD) recommendations for the first time. Climate-related risks and opportunities are now described in the climate change and animal welfare chapter on pages 43-44.

An overview of progress towards the UN Sustainable Development Goals is included on page 158.

Basis for preparation

Arla's sustainability statements are developed using regular monthly and annual reporting procedures. The consolidation principles primarily rely on operational control, unless otherwise specified in the accounting policies to each section. All reported data aligns with the reporting period of the consolidated financial statements.

For our definitions of applied time horizons, please refer to page 43.

We obtain reasonable assurance on the followingkey sustainability metrics: energy and climate-renlated metrics, food safety, animal welfare, accidents and certain employee-related metrics. We obtained limited assurance for the remaining disclosure of the sustainability statements.

Reporting scope

Environmental KPIs included data from all production and logistical sites. This, together with purchased milk, externally purchased whey, external waste handling, external transport and packaging, covers all material activities in Aria's value chain. The environmental impact related to offices, business travel and other less material activities was not included in the total emission figure. This scope also applies to the accidents KPI, page 65, however accidents at head offices in Denmark, the UK, Sweden and Germany were also included.

All of our revenue relates to the food and beverages sector. Some of our impacts also relate to the agriculture and farming sector. All our revenue stems from high climate impact sectors.

Restatement principles

Baselines and comparison figures are restated

according to Aria's Restatement Policy. By default, Aria's baseline emissions are reviewed every five years from the target base year (2020, 2025, 2030), if no significant structural or methodological changes trigger a recalculation beforehand. Every five years, Aria assesses whether the structural changes for example acquisitions or divestments) in the past years reach the significance threshold when accumulated. Each year, Aria assesses if the structural changes that year reach the significance threshold by themselves or when added together.

A threshold is defined for each science-based target:

- Scope 1 and 2: 5% change compared to the base year
- · Scope 3 per kg of raw milk: 3% change compared to the base year

When the baseline emissions are recalculated due to significant structural changes in the company (as defined above), historic figures are also recalculated and reported alongside the non-recalculated (actual) historic emission figures. This provides the reader with more clarity to understand Arla's actual emissions each year. Other externally reported sustainability figures are only restated if material mistakes in the previous years' reporting are discovered. The materiality of mistakes is determined on a case-by-case basis.

In 2023, we chose to restate the historical figures for solid waste to correct errors related to prior years.

Further, in 2023 we chose to restate the historical figures for the renewable electricity share to adjust the methodology to better align with the chosen reporting frameworks.

 Arla giver på s. 32 en beskrivelse af arbejdet med dobbelt-væsentlighed. Dette giver regnskabsbrugeren et godt billede af, hvad der ligger til grund for dobbeltvæsentlighed.

Overblik i underafsnit



Power Purchase Agreements

Classification of power purchase agreements

To support the reduction of scope 1+2 CO2e emissions, Arla has entered into 11 power purchase agreements (PPAs) with a contractual annual energy volume of 446 GWh. Solar energy accounts for 287 GWh and wind energy accounts for 159 GWh. The first two agreements went live in 2023.

Through a structured process, the accounting classification of the individual contracts was rigorously assessed based

on the latest available guidance and involvement of external expertise. All contracts are for the purpose of own use and classified as executory supplier

contracts.

Please refer to Note price risk and Note mitments, contingenties.



Table 4.1.4.a Contrac	ted power purchase agreements
	Annual MWh

Country	of energy contracted	Price terms	Average duration	Operating	Objective	Classification
Denmark	276,630	Fixed	10 years	2023	Own use	Executory contracts
Sweden	100,000	Fixed	10 years	2025	Own use	Executory contracts
Germany	49,207	Fixed	12 years	2024	Own use	Executory contracts
UK	19,732	Fixed	15 years	2024	Own use	Executory contracts
Total	445,569					

Type of energy
Solar 286

 Solar
 286,754

 Wind
 158,815

Table 5.5 Contractual commitments*

Table 5.5 Contractual Commitments				
(EUR million)	0-1 years	1-5 years	5+ years	Total
2023				
IT contracts	34	31	-	65
Short-term and low value leases	39	-	-	27
Power purchase agreements	11	120	177	308
Property, plant and equipment investment commitments	187	27	-	214
Total	259	178	177	614
2022				
IT contracts	27	29	-	56
Short-term and low value leases	29	-	-	29
Power purchase agreements	-	23	142	165
Property, plant and equipment investment commitments	149	21	-	170
Total	205	73	142	420

^{*} Other contractual commitments not disclosed in the table include mortgaged property provided as security for mortgage loans and financial surety and quarantee obligations.

Power purchase agreements

Arla has signed power purchase agreements covering 446 GWh, of which 83 GWh went into operation in 2023.

Accounting classification of the individual contracts was assessed through a structured process based on the latest available guidance and involvement of external expertise. It was concluded that all contracts are for the purpose of own use and are therefore classified as executory supplier contracts.

For contractual obligations, please refer to Note 5.5.

- Arla har en åben omtale af, hvorfra de får grøn energi.
 Således ses det, at de har indgået en række forskellige
 Power Purchase Agreements (PPA'er) (s. 97, note 4.1 og note 5.5). Omtalen af PPA'er giver god indsigt i de indgåede aftaler.
- Som regnskabsbruger kunne man dog ønske sige endnu flere oplysninger om PPA'erne, særligt omkring pris og mængden af modtaget el, som Arla ikke selv har kunnet gøre brug af.

God brug af illustrationer og grafik

4.3 NET INTEREST-BEARING DEBT

Financial comments

Net interest-bearing debt, excluding pension liabilities, decreased to EUR 2,683 million (2022: EUR 2,825 million). The decrease in net interest-bearing debt was mainly driven by the decrease in net working capital.

Pension liabilities increased by EUR 6 million to EUR 167 million. Net interest-bearing debt. including pension liabilities, amounted to EUR 2.850 million (2022: EUR 2.986 million). The UK pension scheme net assets were EUR 21 million (2022: EUR 16 million). These assets are excluded from the calculation of pension liabilities, net interest-bearing debt and leverage.

Arla's leverage ratio was 2.6, a decrease of 0.4 compared to last year. This is according to expectations, however better than the long-term target range of 2.8-3.4.

The average maturity of interest-bearing borrowings decreased by 0.3 years to 4.9 years. Average maturity is impacted by a lapse of time to maturity, the level of net interest-bearing debt and offset by new facilities.

The equity ratio increased to 36% (2022: 35%).

Funding

The group applies a diversified funding strategy to balance the liquidity and refinancing risk with the aim of achieving low financing costs. Major acquisitions or investments are funded separately.

A diverse funding strategy includes diversification of markets, currencies, instruments, banks, lenders and maturities to secure broad access to funding and to ensure that the group is independent of one single funding partner or one single market. All funding opportunities are benchmarked against the three-month EURIBOR rate, and derivatives are applied to match the currency of our funding needs. The interest profile is managed with interest rate swaps independently of the individual loans. At 31 December 2023, 24% (2022: 22%) of the total interest-bearing borrowings is covered by interest rate swaps.

The credit facilities contain financial covenants on equity/total assets and minimum equity as well as standard non-financial covenants. The group did not default on or fail to fulfil any loan agreements in 2023.

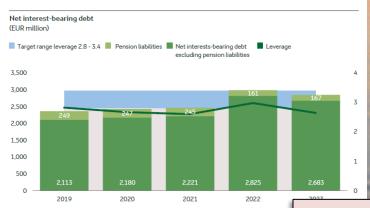
During 2023, the group's most significant funding activities were:

 Extension of EUR 400 million ESGlinked revolving credit multi-bank facility to 2029.

- Bond issue of SEK 1,200 million which will expire after two years while SEK 800 million will expire after five years.
- Schuldschein issue of EUR 350 million, of which EUR 200 million will expire after three years and EUR 150 million will expire after five years. A Schuldschein is a form of private placement loan, primarily used by companies to raise funds directly from investors, typically institutional investors or banks. The loan is unsecured.
- Arla has a commercial paper programme in Sweden denominated in SEK and EUR. The average utilisation in 2023 was EUR 144 million.
- During the year, Arla entered into sale and repurchase arrangements based on its holdings of listed AAA-rated Danish mortgage bonds. Please refer to Note 4.6 for more details.

In 2023, bonds were repaid at a value of EUR 137 million, of which EUR 128 million matured before the end of 2023. EUR 9 million will mature in April 2024.





 Arla har gode illustrationer for at understøtte fortællingen om udviklingen i væsentlige nøgletal - her illustreret med udviklingen i den finansielle gearing, som Arla giver outlook på.

Overblik i underafsnit

4.3 NET INTEREST-BEARING DEBT (CONTINUED)

Maturity of net interest-bearing debt excluding pension liabilities at 31 December 2023 (EUR million)

■ Debt ■ Unused committed facilities

Maturity of net interest-bearing debt excluding pension liabilities at 31 December 2022 (EUR million)

■ Debt ■ Unused committed facilities



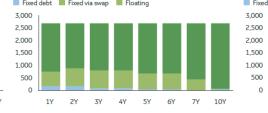
Table 4.3.d Net interest-bearing debt excluding pension liabilities and the effect of hedging, maturity

(EUR million)	Total	2024	2025	2026	2027	2028	2029	2030	2031-	2033
2023										
DKK	982	-9	99	60	59	64	76	66	215	352
SEK	671	239	116	187	5	120	4	-	-	-
EUR	930	79	14	209	108	156	112	24	78	150
GBP	34	5	8	7	6	3	5	-	-	-
Other	66	1	54	6	3	2	3	-	-	-3
Total	2,683	315	291	469	181	345	200	90	293	499
									2030-	After
	Total	2023	2024	2025	2026	2027	2028	2029	2032	2032
2022										
DKK	1,046	30	36	97	57	58	61	67	201	439
SEK	606	228	139	5	183	3	48	-	-	-
EUR	1,014	-10	390	163	5	105	7	102	76	176
GBP	39	8	7	6	5	5	8	-	-	-
Other	120	-71	135	6	46	1	3	-	-	-
Total	2.825	185	707	277	296	172	127	169	277	615

Interest profile for net interest-bearing debt excluding pension liabilities at 31 December 2023
(EUR million)

Fixed debt Fixed via swap Floating

The fixed via swap Floating



3,000 2,500 2,000 1,500 1,000

Table 4.3.e Currency profile of net interest-bearing debt excluding pension liabilities*

(EUR million)	Original principal	Effect of swap	After swap
2023			
DKK	982	-	982
SEK	671	-570	101
EUR	930	46	976
GBP	34	524	558
Other	66	-	66
Total	2,683	-	2,683
2022			
DKK	1,046	-	1,046
SEK	606	-538	68
EUR	1,014	183	1,197
GBP	39	355	394
Other	120	-	120
Total	2,825	-	2,825

^{*} Before and after derivative financial instruments.

 Tabeller understøttes med brug af grafik til at gøre regnskabet mere læsevenligt - her illustreret ved forfaldsprofilen på gæld, s. 126. Dommerkomitéen uddeler:

Dommerkomitéens særpris

Kriterier for Dommerkomitéens særpris

Dommerkomitéen har vurderet, at "Outlook" er et meget relevant og aktuelt emne og har lagt vægt på:

Outlook er valgt, fordi det anses som én af de væsentligste oplysninger i ledelsesberetningen, og fordi der efter dommerkomitéens vurdering er tale om et område, der godt kan forbedres blandt danske virksomheder, herunder de børsnoterede virksomheder.

- Mindst 1 års udsigt på resultatet og øvrige relevante talstørrelser og på ESG-forventninger.
- Omtale af outlook i forhold til segmenter.
- Outlook må ikke være open-ended.
- Tydelig beskrivelse af forudsætninger for outlook og med følsomhed på de væsentligste forudsætninger.
- Beskrivelse af, hvordan ledelsen forventer at opnå målene.
- Tydelig opfølgning på tidligere udmeldt outlook og opfølgning med historikken for ændringer gennem året.
- Opfølgning på outlook (kort/mellemlang/lang sigt) skal være neutral og skal derfor beskrive såvel fremdrift som setbacks med begrundelser for justeringer af mellemlang/lang sigt.
- Såvel outlook som opfølgning skal understøttes af grafik og tabeller.



Derfor vinder A.P. Møller - Mærsk Dommerkomitéens særpris

- A. P. Møller Mærsk har udarbejdet en overskuelig og let tilgængelig præsentation af outlook.
- Outlook gives for finansielle mål på kort og mellemlang sigt, både for koncernen samlet og pr. segment.
- Der gives outlook for ESG målsætninger på kort sigt, mellemlang sigt og lang sigt.
- Der laves en god opfølgning på ESG-mål, herunder på langt sigt, der viser om selskabet er "on-track" i forhold til dette outlook. Endvidere vises eventuelle justeringer.
- Selskabet giver følsomhedsoplysninger for væsentlige faktorer, der ligger til grund for det afgivne outlook.
- Realiserede mål sammenholdes direkte med de udmeldte forventninger.

Dommerkomitéens forslag til forbedringer

- Der kan indarbejdes yderligere beskrivelser af forudsætningerne for det udmeldte outlook, og opfølgning herpå, når det vedrører outlook på mellemlang og lang sigt.
- Der kan gives mere specifik information om tiltag til at nå langsigtede ESG mål, særligt i forhold til SBTI målet, og mere fokus på biodiversitet og strategi til at mitigere risici.
- Der kan laves en mere overskuelig og grafisk opfølgning på sidste års outlook, herunder med ændringer i offentliggjort outlook gennem regnskabsåret.
- Der kan gives en tydeligere begrundelse for de udmeldte targets.

Tillykke til vinderen af Dommerkomitéens særpris A.P. Møller - Mærsk

Beskrivelse af outlook



Financial guidance and ESG targets

Financial guidance for 2024

Guidance is based on the expectation that global container volume growth in 2024 will be in the range of 2.5% to 4.5% and that A.P. Moller - Maersk will grow in line with the market. It is further expected that the significant oversupply challenges in the Ocean industry will materialise fully over the course of 2024. High uncertainty remains around the duration and degree of the Red Sea disruption with the duration from one quarter to full year reflected in the guidance range. Front-loading is expected towards the start of 2024.

						USDbn
EBITDA Underlying	1.0-6.	0.	EBIT Underlying	-5.0-0.0	Free cash flow (FCF) or higher	-5.0
CAPEX guidan 2023-2024	ce, maintained	8	.0-9.0	CAPEX guidance 2024-2025	9.0	10.0

Sensitivity guidance

Financial performance for A.P. Moller - Maersk for 2024 depends on several factors subject to uncertainties related to the given uncertain macroeconomic conditions, bunker fuel prices and freight rates. All else being equal, the sensitivities for 2024 for four key assumptions are listed below.

Factors	Change	Effect on EBIT (full year 2024)		
Container freight rate	+/- 100 USD/FFE	+/- USD 1.2bn		
Container freight volume	+/- 100,000 FFE	+/- USD 0.1bn		
Bunker price (net of expected BAF coverage)	+/- 100 USD/tonne	+/- USD 0.3bn		
Foreign exchange rate (net of hedges)	+/- 10% change in USD	+/- USD 0.3bn		

Forward-looking statements

The Annual Report contains forward-looking statements. Such statements are subject to risks and uncertainties as various factors, many of which are beyond A.P. Moller - Maersk's control, may cause the actual development and results to differ materially from expectations contained in the Annual Report.

ESG commitments

A.P. Moller - Maersk's ESG strategy highlights three core commitments







Each of the core ESG commitments is supported by a set of short, mid and long-term strategic targets and as of 2023, the executive remuneration is linked to A.P. Moller - Maersk's ESG performance.

Performance against the 2023 targets is reported in the 2023 Sustainability Report and ESG Factbook and the targets will continue for 2024.

In 2023, A.P. Moller - Maersk became the first in the shipping industry to have its decarbonisation targets validated under the maritime guidance published by the Science Based Targets initiative (SBTI) in December 2022. The new validated targets include near-term 2030 targets aligned to a 1.5-degree pathway and a 2040 net zero target, from an updated baseline year of 2022.



high potential incident

Roadmap towards 2025

The mid-term financial targets introduced at the Capital Markets Day in May 2021 relate to the transformation towards becoming the integrator of container logistics.

Consolidated

The return on invested capital (ROIC) (last twelve months) was 7.4%, slightly below the target of above 7.5% every year under normalised conditions due to the declining profits in 2023. The average return on invested capital for 2021-2023 was 37.7%, above the 12% target for the period 2021-2025.

ROIC (LTM) 7.4%

and leadership

A.P. Moller - Maersk will prioritise the capital allocation to investments in the business, including acquisitions in Logistics & Services, repaying debt, paying dividends based on a pay-out ratio of 30-50% of underlying net profit and distributing excess cash to shareholders through share buy-backs and special dividends in that order.

The proposed dividend payment for 2023 of DKK 515 per share represents a dividend yield of 4.2% and 30% of the net underlying profit.

Of the total planned share buy-back programme of USD 12.0bn over 2022-2025 or USD 3.0bn annually, A.P. Moller - Maersk has bought back USD 6.3bn as of 31 December 2023.

Given the heightened uncertainty, the Board of Directors has decided to immediately suspend the share buy-back programme, with a re-initiation to be reviewed once market conditions in Ocean have settled.

of executives

Survey (EES) percentile rank

on global norms

ucear

Ocean delivered an EBIT margin of 6.6% over the last twelve months, above the target of 6% under normalised conditions. Total average operated fleet capacity is within the range of 4.1-4.3m TEU.

EBIT margin Target: -6% 6.6% Execute with the existing fleet size 4.2 TEUm

Logistics and Services

For Logistics & Services, organic growth of negative 15% over the last twelve months was below the target of positive 10%. The EBIT margin for the Last twelve months was 3.2% versus the target of above 6% due to a combination of lower rates, lower utilisation and costs relating to cost management initiatives, e.g. restructuring charges.

Organic growth Target >10% -15% Target >6% 3.2

erminals

The return on invested capital (ROIC) (LTM) was 10.5% for Terminals, exceeding the expectation of above 9% towards 2025.

emissions

emissions

emissions

ROIC Target >9% 10.5

 Maersk giver outlook på både finansielle forhold og ESG. Outlook på finansielle forhold gives på kort og mellemlang sigt, mens det på ESG gives på kort, mellemlang og lang sigt.

ESG targets towards 2025 (actual performance 2023) ESG targets towards 2030 ESG targets towards 2040 Diversity, Equity & Inclusion | Diversity, Equity & Inclusion Climate change Climate change > 30% > 75% 35% 100% 22% 96% 90% (35%) Absolute reduction Renewable electricity Employee Engagemen in total scope 1 in total scope 3 in total scope 1 and 2 in total scope 3 Women in managemen Diverse nationality

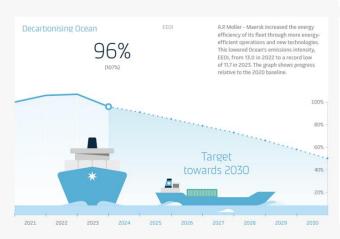
emissions

Opfølgning på ESG målsætninger



Progress on ESG commitments

In 2023, A.P. Moller - Maersk continued maturing the roadmaps and processes identified in previous years to fully integrate ESG into the company's business, delivering many examples of its environmental and social commitments. This included a milestone for A.P. Moller - Maersk and the entire industry - the arrival of the world's first vessel capable of running on green methanol



science-based targets

1.5°C aligned

A.P. Moller - Maersk is the shipping industry's first to secure validation from the Science Based Targets Initiative for 1.5°C-aligned 2030 targets and Net Zero 2040 targets, to be reported on from 2024 replacing previous targets.

Laura Mærsk, the world's first green methanol capable container ve pleted her first voyage from South to Copenhagen, Denmark, entirely methanol. 24 more methanol-capable vessels are on order, as well as a pilot the world's first methanol vessel ret

In 2023, A.P. Moller - Maersk furthe continued investing in end-to-end log houses were opened in the UK. M and Colombia, as well as a state-of cold storage space in New Zealand.

In Terminals, the equipment elect cation continued, and 10 terminals an running on 100% renewable energy.

60th

The challenging business climate of 2023, combined with uncertainty from A.P. Moller - Maersk's large structural reorganisation in the beginning of the year and a workforce reduction had a dampening effect on employee engagement, which fell from the 67th percentile in 2022. to 60th percentile in 2023, measured in the biannual engagement survey relative to the global benchmark.

(0.93 LTIF) In 2023, the lost-time injury frequency rate increases

Progress on ESG strategy

2023 was the hottest year in recorded history, highlighting the urgency of addressing climate change and the imperative for a green transition in global supply chains. A.P. Moller - Maersk took delivery of the world's first container vessel capable of running on green methanol. This is only the beginning of the journey, however, and transitioning the industry is not something one company can do alone – it is dependent on the right regulatory framework, among others, and the willingness of customers to support decarbonisation.

Sustainable and responsible supply chains are a baseline requirement from customers, investors, employees, regulators and broader society today. In 2023, A.P. Moller - Maersk worked actively and strategically with all aspects of sustainability risks and impacts, as part of its comprehensive ESG strategy, A.P. Moller - Maersk's focus since the launch of this strategy in early 2022 has been on defining the roadmaps and ensuring strong governance to drive meaningful progress on the ESG commitments and to aim for fully integrating those activities across the business and into

The ESG strategy is linked to the company's Purpose and Core Values. It is also an integral part of, and prerequisite for, the success of A.P. Moller - Maersk's global integrator strategy, including ambitious and science-based targets to reach net zero emissions by 2040. This is essential to supporting many of A.P. Moller - Maersk's customers' own ambitious decarbonisation targets. In 2023, the company achieved validation of an updated set of climate targets aligned with the Science Based Targets initiative's 1.5-degree pathway and net-zero standard. These will lead to a review and alignment of some of A.P. Moller - Maersk's current targets on decarbonisation. In other ESG areas, targets set for 2023 including for safety and security, business ethics and data ethics, will carry over into 2024 as annual training targets.

Looking ahead, external expectations, regulation and reporting requirements continue evolving, and new ESG regulatory landscapes are taking shape regionally and globally - these will spark increased transparency and enhanced reporting practices which will unfold over the coming years. From 2024 and onwards, the Corporate Sustainability Reporting Directive (CSRD) will require A.P. Moller - Maersk to fully integrate reporting according to European Sustainability Reporting Standards (ESRS) directly in the Annual Report. In 2023, in preparation for these requirements, A.P. Moller - Maersk conducted a double materiality assessment which will guide the 2024 integration of the company's annual and sustainability reports.

 Maersk giver en god beskrivelse af, hvordan udviklingen har været i forhold til deres ESG målsætninger, og om de er på rette vej.

A.P. Moller - Maersk ESG strategy

We live our Code

of Conduct

Strategic targets Performance 2023 Updates to targets We will take leadership in the decarbonisation of logistics We will deliver on Carbon intensity our customer (Ocean) decreased by Aligned with the Science Based Targets 35% absolute reduction in commitment to 4% compared to 2020 total scope 1 emissions initiative's 1.5-degree pathway decarbonise their baseline 100% renewable electricity Industry-leading green customer supply chains in Reduction of emissions offerings across the supply chain time and our (scope 1 and 2) of 13% in 22% absolute reduction in societal commit Terminals since 2020 total scope 3 emissions ment to act and Share of Ocean freight have impact transported with green in this decade fuels increased to 3% in total scope 1 and 2 100% green solutions to customers 90% absolute reduction in We will ensure that our people thrive at work by providing a safe and inspiring workplace gets home safe by 100% of Learning Teams completed completed following following High Potential Incidents High Potential Incidents Global Leadership (Top 1,200) upskilled 98% leadership trained in in A.P. Moller - Maersk safety and security A.P. Moller - Maersk safety and security principles We create an engag- 2025: Employee Engagement Survey 60th percentile No change to target ing environment for score in the 75th percentile of global norm 35 % women in managediversity of thought 20% diverse nationality (non-OECD) of executive >30% diverse nationality (non-OECD)

We operate based on responsible business practices

committed to the Supplier Code of Conduct (in scope) committed

92% of employee

(in scope) trained

91% of employees

(in scope) trained

95% of suppliers

Target continues for 2024

Target continues for 2024

No change to target

2023: 100% of employees (in scope)

trained in Maersk Code of Conduct

2024: 100% of suppliers (in scope)

We protect and treat 2023: 100% of employees (in scope)

Opfølgning på udmeldt outlook













Financial review

A.P. Moller - Maersk delivered solid financial results for 2023 in line with guidance in a difficult market environment, with a strong performance in Terminals while Ocean and Logistics & Services faced strong headwinds coming off the pandemic peak. While volumes were up across most products and cost reductions improved results, rates continued to erode, in particular in Ocean.

The financials for 2023 declined significantly versus 2022, which was a year of all-time high results due to an exceptional market situation, which was not expected to continue. Revenue, BBITDA and BBIT Saw substantial declines, predominantly due to the financial results in Ocean.

Ocean results were solid on a cumulative basis but declined in the second half of the year reaching break-even levels in Q3, and entering negative territory by Q4 as the result of the continuous pressure on rates. The impact of lower rates was partially offset by a strong cost containment focus.

Logistics & Services performance continued to be impacted by lower rates, particularly in the air and haulage business and by lower volumes for lead logistics and e-commerce. Profitability declined versus previous year with an increased emphasis on cost management to resize the organisation and tackle a lower-rate environment.

Terminals revenue declined given the normalisation of storage revenue and lower volumes, mostly due to ongoing construction work and exits of terminals. However, tariff increases in line with local inflation as well as strong cost control secured a continued solid financial performance.

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Highlights	for the ve	ar	

	Revenue		EBITDA		EBIT		CAPEX	
	2023	2022	2023	2022	2023	2022	2023	2022
Ocean	33,653	64,299	6,940	33,770	2,227	29,149	1,987	2,620
Logistics & Services	13,916	14,423	1,251	1,378	446	814	771	657
Terminals	3,844	4,371	1,278	1,535	980	832	541	516
Towage & Maritime Services	2,160	2,293	320	369	457	307	318	350
Unallocated activities, eliminations, etc.	-2,508	-3,857	-198	-239	-176	-242	29	20
A.P. Moller - Maersk consolidated	51,065	81,529	9,591	36,813	3,934	30,860	3,646	4,163

Unless otherwise stated, all figures in parenthesis refer to the corresponding figures for the same period prior year.

inancial and operational performance

declined significantly.

Financial items, net, an

est income and impact

Tax expense decreased

Net profit was USD 3.9b

The underlying net pro-

net gains of USD 523m,

gains from the divestm

and Maersk Supply Servi

of brands of USD 485m

the impact from utilis

Revenue decreased by USD 30.5bn to USD 51.1bn (USD 81.5bn), with decreases across segments, in Ocean by USD 30.6bn, in Logistics & Services by USD 507m and in Terminals by USD 527m.

Revenue in Ocean reflects the inventory corrections seen in Western economies in 2025 with lower volumes and significantly lower freight rates. In Logistics & Services, total revenue decreased, due to destocking in the USA in lifestyle and retail volumes, lower growth in Europe and China, as well as lower air freight rates, only partially compensated by increased revenue from the integration of LF Logistics and Martin Bencher. Revenue decreased in Terminals due to lower volumes and significantly lower storage revenue, particularly in North America.

EBITDA decreased to USD 9.6bn (USD 36.8bn) with a decrease in Ocean of USD 26.8bn due to lower rates, and smaller decreases in Logistics & Services of USD 127m and in Terminals of USD 257m.

 tccan, USDbn 2022: 33.8)
 6.9
 Logistics & Services, USDbn (2022: 1.4)
 1.3
 Terminals, USDbn (2022: 1.5)
 1.

EBIT decreased by USD 26.9bn to USD 3.9bn (USD 30.9bn) impacted by the declining EBITDA. The EBIT margin decreased to 7.7% (37.9%).

Cash flow from operating activities of USD 9.6bn (USD 34.5bn) was driven by EBITDA of USD 9.6bn and lower net working capital of USD 417m due to improved trade receivables, translating into a strone cash conversion of 101% (94%).

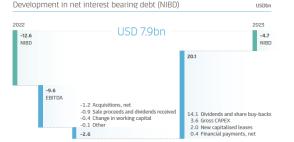
Gross capital expenditure (CAPEX) was USD 3.6bn (USD 4.2bn), driven by lower investments in Ocean

n, USDm 1,987 Logistics & Services, USDm 771 Terminals, USDm (2022: 516)

Free cash flow decreased to USD 4.0bn (USD 27.1bn), negatively impacted by lower cash flow from operating activities, partly offset by lower CAPEX, higher financial income and sales proceeds and dividends received

Capital structure and credit rating

Net interest-bearing debt decreased to a net cash position of USD 17.6hn (a net cash position of USD 17.6hn at year-end 2022), as cash used for share buy-backs of USD 3.1hn and dividends of USD 11.0hn was partly offset by free cash flow of USD 4.0hn. Further, new net lease liabilities amounted to USD 2.0hn, and excluding lease liabilities, the Group had a net cash position of USD 15.1hn (USD 24.2hn at year-end 2022).



 Der gives en meget fin opfølgning på udmeldt outlook pr. segment og pr. resultatmål, jf. s. 32-33.

• Dommerkomitéen ser gerne, at ændringer i det forventede outlook gennem 2023 vises og begrundes i årsrapporten.

A.P. Moller - Maersk remains investment grade-rated and holds a Baa2 (positive) from Moody's and a BBB+ (stable) rating from Standard & Poor's.

Total **equity** decreased to USD 55.1bn (USD 65.0bn at year-end 2022), due to higher dividend payments and share buy-backs partly offset by net profit of USD 3.9bn, resulting in an equity ratio of 671% (69.4% at vear-end 2022).

The **liquidity reserve** decreased to USD 24.4bn (USD 33.3bn at year-end 2022) and was composed of cash and bank balances (excluding restricted cash), term deposits and securities of USD 18.4bn (USD 27.3bn at year-end 2022) and undrawn revolving credit facilities of USD 6.0bn (USD 6.0bn at year-end 2022).

Dividend

The dividend for 2022 of USD 10.9bn declared at the Annual General Meeting on 28 March 2023 was paid on 31 March 2023. Withholding tax of USD 1.5bn was paid in Q2 2023.

The Board of Directors proposes a dividend to the shareholders for 2023 of DKK 515 per share of DKK 1,000 (DKK 4,300 per share of DKK 1,000) corresponding to 30% (37.5%) of underlying net result as per the company's dividend policy of distributing between 30-50% of the underlying net result to shareholders in dividends.

The proposed dividend payment represents a dividend yield of 4.2% (27.5%), based on the Maersk B share's closing price of DKK 12,140 on 29 December 2023. Payment is expected to take place on 19 March 2024.

Proposed dividend 2024, DKK Per share of DKK 1,000 Ordinary dividend 2023, DKK
Per share of DKK 1,000

4,300

Share buy-back

During 2023, A.P. Moller - Maersk bought back 332,309 A shares and 1,327,842 B shares, worth DKK 211bn (approximately USD 31bn), including shares bought back for the long-term incentive plan. At 31 December 2023, A.P. Moller - Maersk owns a total of 306,636 A shares and 1,279,120 B shares as treasury shares, corresponding to 9.03% of the share capital.

Given the heightened uncertainty, the Board of Directors has decided to immediately suspend the share buy-back programme, with a re-initiation to be reviewed once market conditions in Ocean have settled.

The Annual General Meeting has authorised the Board of Directors to allow the company to acquire treasury shares to the extent that the nominal value of the company's total holding of treasury shares at no time exceeds 15% of the company's share capital.