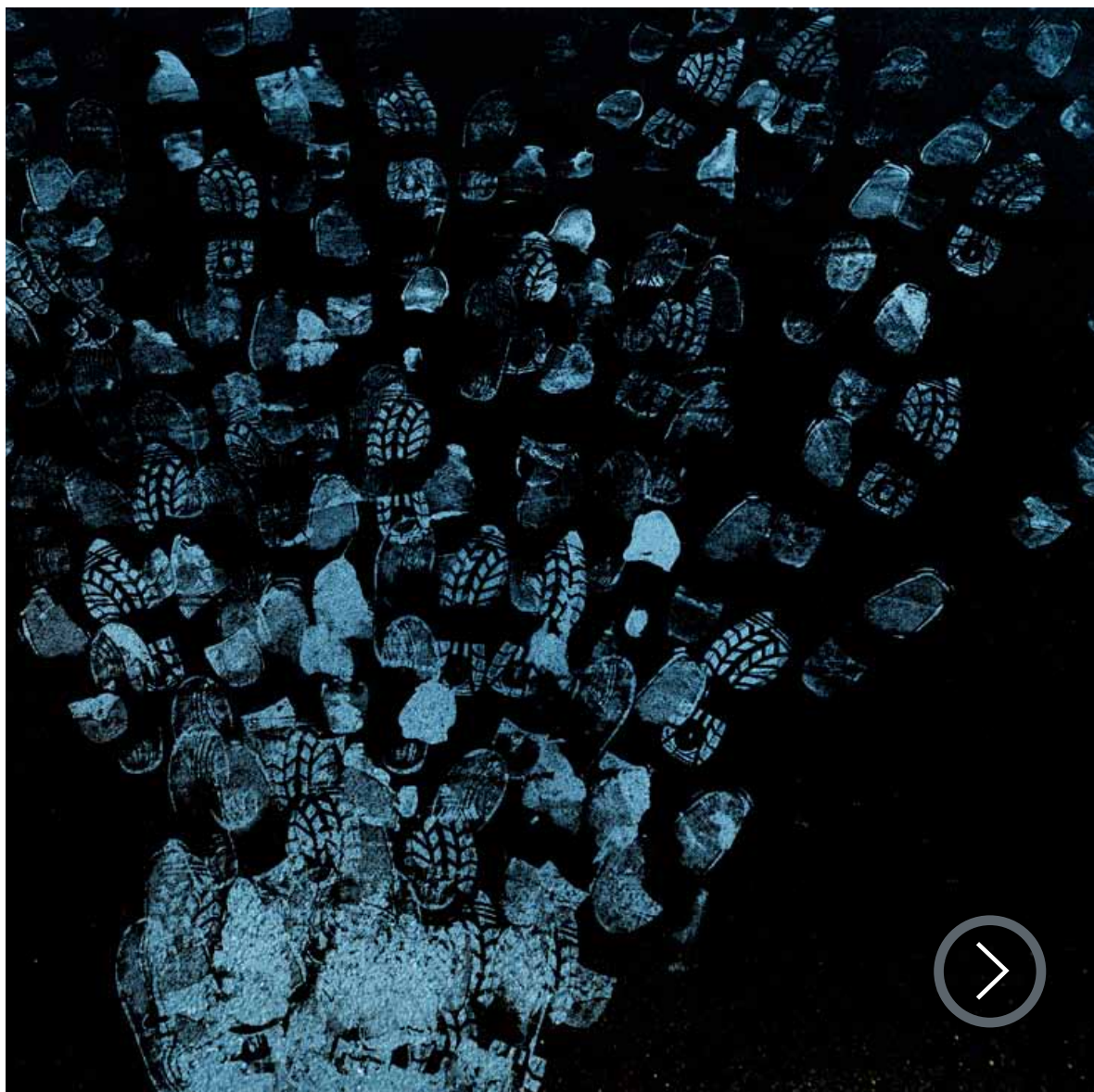


# THE NOVO NORDISK FOUNDATION GROUP AND SOCIETY

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THE 2012 SOCIAL RESPONSIBILITY REPORT  
OF THE NOVO NORDISK FOUNDATION GROUP

novo nordisk fonden

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## COMMON RESPONSIBILITY

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Today, the world is facing major challenges as the global population increases and ages. Growing numbers of people have lifestyle-related diseases, natural resources are being depleted and carbon dioxide (CO<sub>2</sub>) emissions are rising.

The Novo Nordisk Foundation wants to help to develop solutions to these challenges – to benefit both individuals and society as a whole. Our vision is to contribute significantly to research and development that improves the health and welfare of people. This is to be achieved through the Foundation's grants as well as the products and solutions developed by our companies.

This report explains how the Foundation incorporates social responsibility into its activities. The report focuses on the initiatives that benefit society economically, socially or environmentally and those that create an inspiring and healthy working environment for personnel in the Group. The report thus presents: 1) the Foundation's policies on corporate social responsibility; 2) how the Foundation transforms these policies into action; and 3) the quantifiable results the Foundation achieves as a result of the initiatives.

Throughout its history, social responsibility has been at the heart of the Foundation's activities. Nobel Prize winner August Krogh laid the basis for this in 1922 when he made a rights agreement to produce insulin in the Nordic countries. This stipulated that part of the profit should be used to support free and independent research and that insulin would be made widely available to benefit as many people as possible. Since then, the Foundation and its companies have expanded, and the Foundation has thereby increased its influence on society.

The Foundation bases its grant activities on a set of values that comprises four cornerstones. The Foundation has established a policy on corporate social responsibility for awarding grants based on these cornerstones. The Foundation has a Charter: common values with which all companies in the Novo Group must comply. The two largest companies in the Group, Novo Nordisk A/S and Novozymes A/S, participate in the United Nations Global Compact. Both companies have their own policies on corporate social responsibility and publish independent reports on their activities related to these policies.

Social responsibility is integrated into the activities of the Novo Nordisk Foundation Group. This report describes how the Foundation incorporates social responsibility into its work in relation to each of its two main purposes, commercial activities and awarding grants, and how this influences society.

**Ulf J. Johansson**

Chair, Novo Nordisk Foundation

**Birgitte Nauntofte,**

CEO, Novo Nordisk Foundation

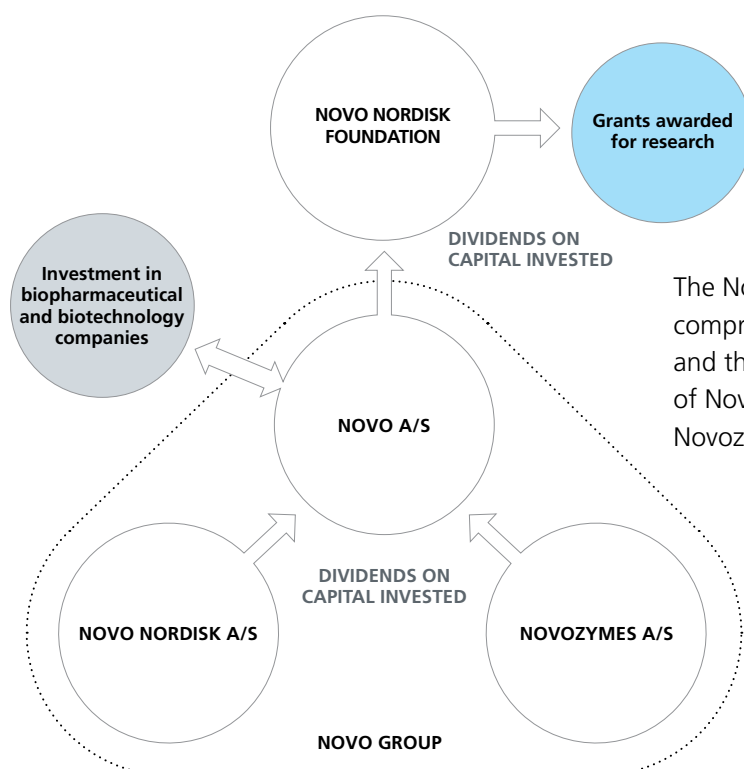




## INTRODUCTION

The Novo Nordisk Foundation is a Danish foundation with corporate interests with a history extending to the 1920s. The Foundation's two main objectives are:

- to provide a stable basis for the commercial and research activities of the companies in the Novo Group; and
- to support scientific, humanitarian and social causes.



The Novo Nordisk Foundation Group comprises the Novo Nordisk Foundation and the Novo Group, which consists of Novo A/S, Novo Nordisk A/S and Novozymes A/S.

In organizational terms, the Foundation awards grants and Novo A/S, the Foundation's wholly owned subsidiary, manages the Foundation's commercial activities. Novo A/S manages the Foundation's assets in the best way possible as well as its controlling interests in Novo Nordisk A/S and Novozymes A/S. The Foundation finances its activities through dividends from Novo A/S, whose income derives from:

- dividends from Novo Nordisk A/S and Novozymes A/S; and
- dividends and other income from investments within life-science and bioindustrial companies and from financial investments.

The ambition of the Foundation is that Novo Group companies will position themselves as internationally recognized and significant actors and generate world-class business results through research-based products and services that improve how disease is combated and how natural resources are used.

The Foundation aims to use its independence and flexibility to promote world-class research at universities and hospitals in Denmark and the rest of the Nordic countries. The Foundation thereby wants to contribute to the Nordic region developing and being recognized as an international powerhouse within the health sciences and biotechnology. This will be achieved by providing long-term funding of a knowledge environment in which top researchers and innovative talents can carry out research of the highest quality.



## GRANT ACTIVITIES

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The Foundation awards grants for research in public institutions, primarily within biomedicine and biotechnology. The Foundation also awards grants for other research purposes and for developing innovative application-oriented research discoveries with commercial potential. In addition, the Foundation supports humanitarian and social causes, including the operation of the research hospital of Novo Nordisk A/S.

The Foundation awards its grants based on four core values – the four cornerstones.

- **COMMITMENT**

In awarding grants, we strive to contribute significantly to research and development that improves the health and welfare of people, and we believe that research benefits the development of society.

- **PROFESSIONALISM**

In awarding grants, we consult with experts to ensure that the research we support is of the highest international quality with the aim of generating new in-depth knowledge and innovation.

- **RESPECT**

In awarding grants, we take an international perspective; we support free and independent research and publishing freedom.

- **TRUST**

In awarding grants, we trust that researchers will strive to ensure that the results of their research will benefit as many people as possible.

The following pages summarize the societal value of the Foundation's grants in terms of their economic impact and their social and environmental impact.





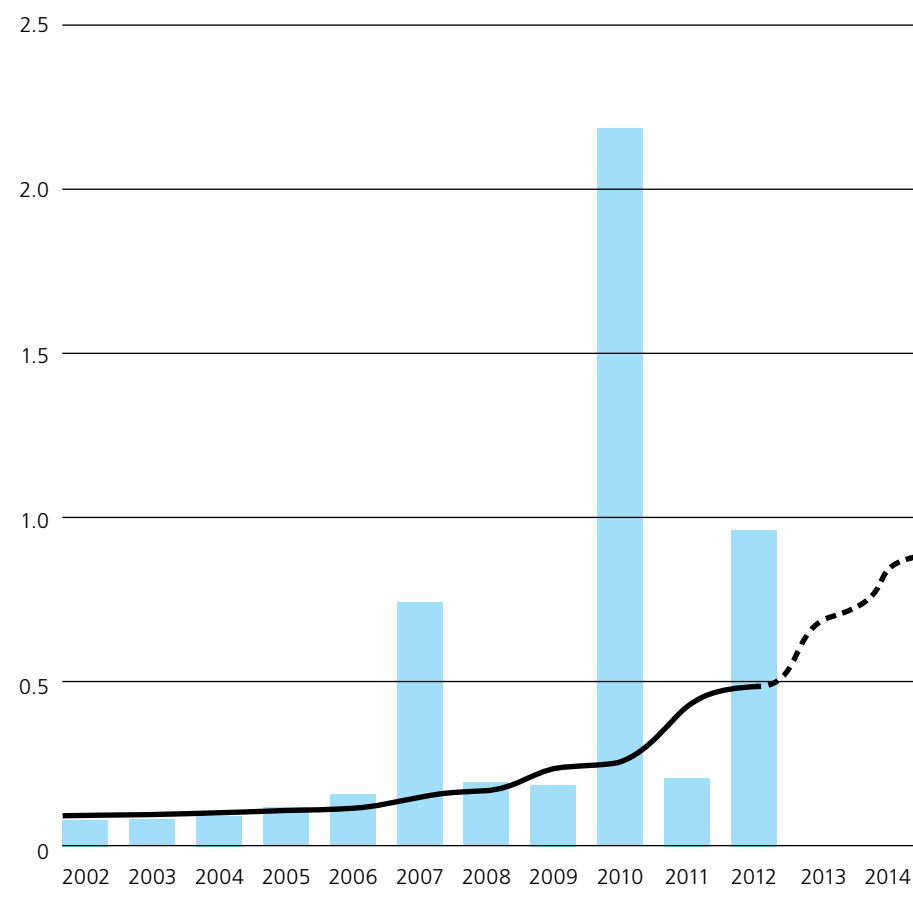
## ECONOMIC IMPACT

The positive trend in the financial results of companies in the Novo Group will enable the Foundation to increase its annual grants significantly in the coming years. The Board of the Foundation has therefore decided to raise the total annual grants to about DKK 800–900 million (€107–121 million) in 2014. The figure below shows how much the Foundation has awarded and paid out in grants in each year since 2002. The columns show how much the Foundation has awarded, and the curve shows the amount paid out every year. Since some grants extend over periods up to 10 years, the money for such grants is paid out over several years rather than as a lump sum in the year the grant is awarded.

The Foundation receives about 1200 applications for grants each year. Grants are awarded for research of the highest international quality, and the Foundation therefore uses experts from Denmark and other countries to assess and select the best projects. All the Foundation's grant recipients are informed of the Foundation's cornerstones for grants.

### ANNUAL GRANTS AWARDED AND PAID OUT

(Billions of Danish kroner)



The columns show the amounts awarded. The curve shows the amounts paid out.





The Foundation's grants are unconditional. The research results and any patents belong to the researchers and the public research institutions that employ the researchers. No company in the Novo Group has preferential access to the research results funded by grants from the Foundation.

### PRACTICES

The Foundation strives for transparency in its activities, and its website describes all current thematic grants and social and humanitarian grants, including the amounts. The Foundation also publicizes the project titles and the names of all the researchers awarded a grant based on applications submitted in response to an open call from a Foundation committee.

#### **The Foundation has two main categories of research grants:**

- grants awarded in open competition based on applications submitted in response to open calls, assessed by the Foundation's 10 committees that include 45 experts of a high international calibre; and
- thematic grants, in which the Foundation decides the overall theme and international experts assess the research proposals by peer review.

The grants the Foundation's committees award are processed in a fixed cycle, in which applications are solicited for the grants (such as scholarships or project grants) within one research field with specified deadlines. The Foundation allocates money for each committee for grants for the best projects and the most qualified applicants within its research field. After the application deadline expires, the committee members assess all the applications and decide which projects will receive grants. The committee members also assess the final scientific report when a project ends to evaluate whether the Foundation's funds have been used responsibly and in accordance with the purposes stated in the application.

Examples of thematic grants are the Foundation funding a biobank and four research centres in the respective fields of metabolism, proteins, stem cells and biosustainability. The first three research centres were established at the University of Copenhagen and the last one at the Technical University of Denmark. The Danish National Biobank was established at Statens Serum Institut. The vision for the centres is for Copenhagen to become an international beacon within bioscience research by developing and strengthening the region's scientific competencies, educating top researchers and obtaining world-class research results. Since 2007, the Foundation has awarded DKK 3.1 billion (€420 million) for this research cluster.

Finally, the Foundation, in accordance with its Articles of Association, is responsible for funding the Steno Diabetes Center (see the section on social and environmental impact).

Through its funding, the Foundation takes a focused approach to research within biomedicine and biotechnology that is strategically important for Denmark. This research generates new knowledge, which is required for economic growth, makes Danish society robust and increases its competitiveness. The Foundation asserts that the grants help to





retain, create and develop dynamic research environments, including talented fellows and researchers who will be the employees of the future in companies and research institutions.

In partnership with Novo A/S, the Foundation provides funding that enables researchers in the Nordic countries to test the commercial potential of their research discoveries and to mature the sustainability of the innovation. The focus is on commercializing new diagnostic methods, therapies, medical devices and technologies that can result in establishing new biotechnology companies.

The research grants provided by the Foundation over a five-year period have directly or indirectly generated an estimated 1000 jobs in science.

In 2012, the Foundation awarded grants totalling DKK 960 million (€29 million), with research grants accounting for about 95% of the total. The Foundation's administrative overhead comprises 3.4% of the total grants. This figure includes employee salaries, office expenses, travel expenses and honorariums for committee members, Board members and others.

**The grants awarded in 2012 are distributed as follows:**

- DKK 286 million (€38 million) awarded in open competition by the Foundation's committees in the form of project grants, research leader programmes, scholarships, symposia and prizes;
- DKK 411.25 million (€55 million) for the Novo Nordisk Foundation Center for Biosustainability at the Technical University of Denmark;
- DKK 201.88 million (€27 million) for the Danish Diabetes Academy at Odense University Hospital;
- DKK 4.2 million (€565,000) for stand-alone grants including lectures, education and postdoctoral scholarships;
- DKK 6.5 million (€875,000) for the Copenhagen Bioscience Conferences;
- DKK 47.3 million (€6.4 million) for the Steno Diabetes Center, of which DKK 27 million is for development work and operating the hospital, DKK 10 million is for research activities at the Steno Health Promotion Center and DKK 10.3 million is for Steno STAR (Steno Training and Application of Resources) for education projects related to course activities for improving the treatment of diabetes; and
- DKK 3 million (€404,000) for social and humanitarian causes.

The Foundation's website ([www.novonordiskfonden.dk/en](http://www.novonordiskfonden.dk/en)) provides further information about the research grants awarded, including a complete list of the grants awarded in 2012.





## SOCIAL AND ENVIRONMENTAL IMPACT

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The Foundation wants to support sustainable research practice through its grants. In this context, sustainability should not just be interpreted as considering climate and the environment but also treating people and animals optimally and in accordance with laws and regulations – to benefit society.

The Foundation has formulated a set of standards for good research practice to which a grant recipient must agree when accepting a grant. The standards for good research practice cover four main points that are summarized briefly below.

- **LAWS AND REGULATIONS**

A grant recipient must comply with the generally recognized standards for good research practice, the national and international rules on animal welfare as well as the regulations on the safety and rights of clinical trial patients and healthy volunteers. Further, a grant recipient must not simply comply with all laws and regulations on bribery and corruption in the country in which the research project takes place but must also refrain from engaging in such activities.

- **LABOUR PRACTICES**

Employees on a project must be paid, as a minimum, in accordance with the applicable collective agreement; must have working hours and holidays in accordance with the national rules; must be treated with respect and dignity; and must not be discriminated against.

- **WORKING ENVIRONMENT**

A grant recipient's institution must ensure that the employees on the project have a safe and healthy workplace.

- **ENVIRONMENT**

A grant recipient must, when conducting the research in question, minimize adverse impacts on the environment to the greatest possible extent. This must be achieved by complying with environmental laws; establishing systems to ensure safe handling, storage etc. of raw materials, utensils, waste etc.; and avoiding contamination of the local environment and improving environmental performance continuously.

The Foundation's website ([www.novonordiskfonden.dk/en](http://www.novonordiskfonden.dk/en)) provides further information about the Foundation's standards for good research practice.

### **PRACTICES**

Applicants submitting an application on the Foundation's electronic application system must confirm that they have read and accepted the Foundation's standards for good research practice. Before submitting an application, applicants must actively confirm that they commit to using any grant responsibly and for the purposes stated in application.

Grant recipients declare that they will use and account for the funds granted in accordance with good accounting practices and be subject to audit. The Foundation may commission





an independent audit of the accounts to determine whether the funds granted have been used for the intended purposes. Further, if the Foundation requests it, a grant recipient must submit a brief report on the progress of the project confirming that the grant recipient has used the funds awarded for the purposes described in the application. Grant recipients must return any funds not used to the Foundation.

If the Foundation determines that a grant recipient has or may have violated the Foundation's standards for good research practice, the grant recipient is asked to respond to the allegations. If the Foundation considers the grant recipient to have violated the standards, it may suspend payments associated with a grant and may require that the grant recipient refund payments already made.

To ensure efficiency and to protect the environment, the Foundation has paperless applications and administration. Applications are submitted through the Foundation's electronic application system and are then processed electronically.

## A BETTER LIFE

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Although the Foundation's primary grant area is research, the Foundation also supports social and humanitarian causes that improve the lives of people.

The Foundation ensures that the organizations it supports focus on people's health and welfare, are recognized organizations and publish publicly available audited accounts. The Foundation weights the social causes it supports in favour of projects that promote the welfare of people in Denmark. The grant recipients submit reports on these grants to the Foundation.

### PRACTICES

In accordance with the Articles of Association, the Foundation provides grants for operating the Steno Diabetes Center. The Center is a specialist hospital carrying out treatment, prevention, research and education within diabetes. In addition to operating the hospital, the Foundation also supports the Steno Health Promotion Center, which addresses one of the greatest diabetes-related challenges: changing people's lifestyles. The Foundation supports Steno STAR, which aims to improve the treatment of people with diabetes in such countries as China, India and Indonesia through teaching and disseminating knowledge about the latest research.

The Foundation also provides annual support based on applications to numerous well-known humanitarian and social organizations working nationally and internationally such as Médecins Sans Frontières, the Red Cross and Save the Children Denmark.





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## THE FOUNDATION AS WORKPLACE

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The senior management of the Foundation is aware of the responsibility the Foundation has for its employees as an employer. The Foundation strives to be an attractive workplace at which employees thrive both professionally and privately – to benefit the Foundation, the individual employee and society. A key element of the Foundation's policy involves creating a healthy, safe and flexible working environment for its employees.

Similar to the four cornerstones covering grants, the Foundation has four cornerstones covering its employees – the Foundation's team. These are designed to ensure a well-functioning workplace with clear objectives for the work and to ensure that the employees develop their professional competencies optimally and treat their fellow employees and collaborators in a trusting and respectful way. The cornerstones are as follows.

- **COMMITMENT**

In our team, we are open and dedicated, we are curious and eager to learn, and we focus on generating outstanding results.

- **PROFESSIONALISM**

In our team, we work to allow each individual to develop their potential, we are conscientious, have high integrity and we are always ready to do our work in the best possible way.

- **RESPECT**

In our team, we meet in mutual trust while understanding each other's qualities and we have forthright dialogue characterized by openness, honesty and trust.

- **TRUST**

In our team, we are targeted and result oriented, and we value freedom with responsibility.

### **PRACTICES**

The Foundation expects its employees to comply with the cornerstones for the team in their activities and to comply with the relevant guidelines for the working environment, etc.

To ensure that the Foundation's employees have good opportunities for balancing their work and private life and thereby develop their professional competencies optimally, the Foundation offers incentives including:

- the opportunity to work from home;
- the opportunity to take time off to care for a sick child;
- an annual dialogue between a supervisor and an employee; and
- fringe benefits that focus on health.

To ensure a healthy workplace and to minimize sick leave, the Foundation has a committee monitoring the working environment. The Foundation carries out an annual workplace risk assessment and regular anonymous surveys of employee satisfaction. The questions in the satisfaction surveys cover such areas as: well-being, loyalty and commitment, image, senior management, employee development, daily work and salary and employment terms and conditions. The Foundation carried out the latest survey in 2011, and the results revealed high satisfaction with the Foundation as a workplace in all areas.

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## COMMERCIAL ACTIVITIES

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The ambition of the Foundation is that the companies in the Novo Group (Novo A/S, Novo Nordisk A/S and Novozymes A/S) create world-class business results and position themselves as internationally recognized and significant actors in improving how disease is combated and how natural resources are used.

The Foundation has therefore laid down a common set of values in its Charter for Companies in the Novo Group, which all companies in the Novo Group must demonstrate that they are willing and able to make a targeted effort to meet. The criteria of the Charter are as follows.

- Company products and services make a significant difference in improving the way people live and work.
- The company is perceived to be an innovator – in technology, in products, in services and/or in market approach.
- The company is among the best in its business and a challenging place to work.
- The company delivers competitive financial performance.

### **Companies in the Novo Group therefore commit to:**

- Value-based management
- Open and honest dialogue with their stakeholders
- Continuous improvement of:
  1. Financial performance
  2. Environmental performance
  3. Social performance
- Reporting in accordance with relevant internationally approved conventions

Companies in the Novo Group have established their own policies on corporate social responsibility based on the Charter and publish independent reports about their activities in this field. Reporting includes measuring trends and results in accordance with the Danish Financial Statements Act and international auditing rules.

Novo A/S has defined its cornerstones based on the Charter, and these form the basis for the company's investments and its interactions with other companies. Novo's cornerstones are as follows.

- **INSIGHT**

In our interactions, we strive to provide deep knowledge and innovative solutions.

- **COMMITMENT**

In our interactions, we strive to achieve groundbreaking and long-term results.

- **PROFESSIONALISM**

In our interactions, we will act in a proper manner, emphasizing high integrity.

- **TRUST**

In our interactions, we emphasize building relationships based on mutual trust and respect.





Novo Nordisk A/S and Novozymes A/S have used the Charter as the basis for developing their own visions and senior management values: The Novo Nordisk Way (Novo Nordisk A/S) and Touch the World (Novozymes A/S). Both companies participate in the United Nations Global Compact, the largest global initiative within corporate social responsibility. The Compact involves companies in solving some of the major social and environmental challenges resulting from globalization. More than 8700 companies and organizations worldwide participate in the United Nations Global Compact.

Similar to the section on the Foundation's grant activities, the following section assesses the societal value of the Foundation's commercial activities, including the economic impact and the social and environmental impact. The companies' websites provide comprehensive reports on the individual companies' policies on corporate social responsibility.





## ECONOMIC IMPACT

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Through its controlling interest in Novo Nordisk A/S and Novozymes A/S, the Foundation ensures that these publicly listed and globally operating companies are able to plan for the long term. The Foundation also maintains the companies' ties with Denmark.

The Novo Group companies are liable for Danish corporate tax on their income. Thus, the Foundation can reduce its tax liability by deducting the amount paid in grants. The Foundation may also deduct a further 25% of the amounts awarded so that its total endowment is not eroded. Any remaining surplus is taxed thereafter.

### PRACTICES

In 2012, the activities of the Novo Nordisk Foundation Group resulted in taxes paid in Denmark of about DKK 7.5 billion (€1.0 billion), including corporate tax, personal income tax and other taxes.

By far the largest share of the Foundation's income via Novo A/S comprises dividends from Novo Nordisk A/S and Novozymes A/S based on profits primarily earned outside Denmark. Only 0.6% of the total turnover of the two companies, equivalent to DKK 574 million (€77 million), was generated in Denmark. By comparison, the Foundation awarded grants of DKK 960 million (€129 million) in 2012 and paid out DKK 484 million (€65.1 million) to support research and humanitarian and social causes, primarily research in the public sector.

In 2012, Novo A/S invested DKK 1.6 billion (€215.3 million) in 13 new and 31 existing innovative life-science companies that are all dedicated to researching, developing and commercializing new products. In addition, in 2012, Novo A/S invested DKK 4.2 billion (€570 million) in the bioindustrial company Chr. Hansen A/S. Through Novo A/S, the Foundation now owns 26.3% of the equity of Chr. Hansen, which employs 2450 people worldwide. Through its investment in life-science companies, Novo A/S has created the basis for jobs in Denmark and abroad, with at least 1000 created in Denmark.

In 2012, Novo Nordisk A/S employed about 14,000 people in Denmark and Novozymes A/S about 2500. For both companies, this comprises about 40% of the total number employed globally.





## SOCIAL AND ENVIRONMENTAL IMPACT

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Companies in the Novo Group are very interested in and invest major resources in making a positive global social and environmental impact on their surroundings. Novo A/S calls this a responsible investment process.

Novo Nordisk A/S and Novozymes A/S strive to improve their social and environmental impact in accordance with the guidelines and recommendations of the United Nations Global Compact. The Global Compact has 10 principles for responsible company leadership covering human rights, labour, the environment and combating corruption.

### PRACTICES

Before Novo A/S invests in a company, it investigates whether the company's activities conflict with the Novo Group Charter. When investing directly in a company, Novo A/S ensures that the companies in which it invests do not act irresponsibly in social or environmental terms. When investing through a third party, Novo A/S has a duty to ensure that this party does not act irresponsibly in social or environmental terms in taking decisions. Every investment is subjected to this process, and a potential investment is declined if a company or third party is considered not to fulfil the criteria. In 2012, three potential investments were turned down for this reason.

Novo A/S strives to act as an active and responsible shareholder and is represented on the boards of Novo Nordisk A/S and Novozymes A/S and, with few exceptions, on the boards of all the other companies in its portfolio.

Both Novo Nordisk A/S and Novozymes A/S produce annual Communication on Progress (COP) reports that detail the initiatives the companies take to support and implement the principles of the Global Compact in their business activities. Both companies are also members of Global Compact LEAD, a forum of about 50 Global Compact companies selected to lead within sustainability. The purpose of Global Compact LEAD is to create a higher standard for companies' sustainability and reporting. The companies' websites outline the developments of the past year related to implementing the individual principles of the Global Compact.

Both Novo Nordisk A/S and Novozymes A/S have been recognized for taking social responsibility. Novo Nordisk A/S was rated as the world's most sustainable company, achieving first place in the 2012 Global 100 List. Novozymes A/S was number 1 in the biotechnology sector in the Dow Jones Sustainability Index and received a Gold Class rating in biotechnology in the internationally recognized *The sustainability yearbook 2012* for the third year in a row.

In the 1920s, one aspect of August Krogh's agreement with his Canadian colleagues was that the insulin he had the rights to produce in the Nordic countries should be made widely available. Novo Nordisk A/S has set out a strategy called 40by20, which means that the company is striving to be able to treat 40 million people with diabetes by 2020. Novo Nordisk A/S also has a pricing policy that involves the company offering insulin to the world's 49 lowest-income countries at prices not exceeding 20% of the average price in high-income countries. In 2012, 35 of these lowest-income countries accepted the offer. This meant that people were treated with insulin for less than USD 0.20 a day. Under the Changing Diabetes in Children programme, 9710 children with type 1 diabetes in nine of



the world's lowest-income countries now receive insulin and treatment free of charge. In addition, about 2000 health workers have been educated, and more than 70 clinics were established during 2012. The target of the programme, which was established in 2008, is to reach 10,000 children in 2014.

Since qualified health professionals need to know and understand chronic diseases such as diabetes and haemophilia and the availability of treatment to improve diagnosis and treatment, Novo Nordisk A/S continually invests in expanding capacity by setting up diabetes clinics and educating qualified health professionals. During 2012, more than 1.25 million health workers participated in courses or online training programmes carried out or sponsored by Novo Nordisk A/S. In addition, 836,000 people with diabetes received training on how they could manage their own condition.

Novo Nordisk A/S' initiative to increase global access to the respective treatments for diabetes and haemophilia also includes financial support for the World Diabetes Foundation, an independent foundation established by Novo Nordisk A/S in 2002, as well as the Novo Nordisk Haemophilia Foundation, which was established in 2005. In 2012, Novo Nordisk A/S donated DKK 64 million (€8.6 million) to the World Diabetes Foundation and DKK 20 million (€2.7 million) to the Novo Nordisk Haemophilia Foundation for projects and research in 48 low- and medium-income countries.

Novozymes A/S has worked systematically over many years on business activities that also contribute to achieving the United Nations Millennium Development Goals for providing the world's poorest people with a better life and greater opportunities. Novozymes A/S increased its efforts again in 2012 and especially contributed to seven of the eight Millennium Development Goals through two initiatives, CleanStar Mozambique and Citizymes.

The aim of the CleanStar Mozambique project is to promote sustainable farming to increase food production and supply raw materials for producing ethanol to replace the charcoal currently used for cooking. Novozymes A/S has invested in the project with the purpose of providing householders with a sensible new method of cooking that is cleaner, faster and safer than using charcoal. In 2012, the project involved 1200 small farmers and 150 of their employees and their families. The first facility for producing and selling ethanol was opened in Sofala Province in May 2012. The project helps to eradicate extreme poverty and hunger (Millennium Development Goal 1), promote gender equality and empower women (Millennium Development Goal 3), reduce child mortality and improve maternal health (Millennium Development Goals 4 and 5), ensure environmental sustainability (Millennium Development Goal 7) and create global partnerships (Millennium Development Goal 8).

The Citizymes project grew significantly in 2012. It focuses on local activities that increase the awareness of the natural sciences and contribute to scientific understanding and environmental responsibility in society and among the coming generation of researchers and inventors. In 2012, the educational activities reached 26,000 people around the world, of which one third were in growth markets in Asia and Latin America, where the need for education is enormous. The project contributes to achieving universal primary education (Millennium Development Goal 2) as well as environmental sustainability (Millennium Development Goal 7) and global partnerships (Millennium Development Goal 8).



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## ENERGY CONSUMPTION

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Based on the expectation that global environmental challenges will continue to grow, both Novo Nordisk A/S and Novozymes A/S are working systematically to reduce the amount of energy they use in their production processes.

### PRACTICES

The companies have set annual targets for reducing their energy consumption. This has resulted in both companies using significantly less energy in recent years.

Between 2007 and 2011, Novo Nordisk A/S substantially reduced its consumption of water by 34% and energy by 21%. The company also reduced its CO<sub>2</sub> emissions by 54% between 2004 and 2011. As production has increased, the company has adopted a strategy of "more for less". The aim is to reduce the environmental impact on an ongoing basis by keeping the annual average increases in energy consumption to 3% and water consumption to 5% and to reduce CO<sub>2</sub> emissions in absolute terms by 10% in 2014 compared with 2004.

Between 2005 and 2012, Novozymes A/S reduced its consumption of water by 32% and energy by 38%. The company obtains all the energy used in Denmark from renewable wind energy and has reduced its CO<sub>2</sub> emissions by 55%. (The original long-term target was to reduce emissions by 50% in relation to the 2005 base year.) Customers using products and technologies produced by Novozymes A/S have reduced their CO<sub>2</sub> emissions by an estimated 48 million tonnes in 2012, equivalent to 75% of Denmark's annual CO<sub>2</sub> emissions.

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## FOCUS ON EMPLOYEES

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The Novo Group strongly emphasizes a healthy and motivating working environment. Novo A/S shares offices with the Foundation and offers its employees the same working conditions as the Foundation. The previous section about the Foundation's grant activities describes the social and environmental impact.

Through their respective value-based senior management systems, Novo Nordisk Way and Touch the World, Novo Nordisk A/S and Novozymes A/S have defined several core values designed to ensure a company culture in which employees perform optimally, feel valued and have good opportunities to develop their potential. This is intended to make the companies attractive to employees all over the world.

### PRACTICES

The latest survey of employee satisfaction in Novo A/S from 2011 revealed a high degree of satisfaction.

Both Novo Nordisk A/S and Novozymes A/S provide information and facilities for employees designed to help them make healthy choices. This includes access to fitness centres and canteen facilities with healthy and varied food.





Novo Nordisk A/S carries out anonymous surveys that measure employee satisfaction and employees' assessment of the extent to which the organization meets the values in the Novo Nordisk Way. The overall score of 4.3 (scale from 1 to 5, with 5 the highest) achieved in 2012 was the same as 2011. Science Careers carries out an annual employer survey of people familiar with pharmaceutical and biotechnology workplaces, and this ranked Novo Nordisk A/S fourth in the world based on 4276 replies. The respondents especially emphasized that the company treats its employees with respect, that it has loyal employees and that it is socially responsible.

Novozymes A/S invites all employees around the world to express their views on their workplace in the company's annual People's Opinion survey. In 2012, the company achieved the highest score ever of 78 for employee satisfaction and motivation based on a scale of 1–100.



## THE NOVO NORDISK FOUNDATION GROUP AND SOCIETY IN BRIEF

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**GRANTS:** In 2012, the Foundation awarded grants totalling DKK 960 million (€129 million), with research grants accounting for about 95% of the total.

**RESEARCH AND GENERATING NEW KNOWLEDGE:** Research leads to new knowledge, which is required for economic growth, and makes Danish society robust and increases its competitiveness. The grants help to retain, create and develop dynamic research environments, including talented fellows and researchers who will be the employees of the future in companies and research institutions.

**COMMERCIALIZING RESEARCH:** The Foundation provides funding that enables researchers in the Nordic countries to test the commercial potential of their research discoveries and to mature the sustainability of the innovation. The focus is on commercializing new diagnostic methods, therapies, medical devices and technologies that can result in establishing new biotechnology companies.

**JOBS IN DENMARK:** The research grants provided by the Foundation over a five-year period have directly or indirectly generated an estimated 1000 jobs in science. The investment in life-science companies by Novo A/S creates the basis for a similar number of jobs in Denmark. In 2012, Novo Nordisk A/S employed about 14,000 people in Denmark and Novozymes A/S about 2500.

**TAXES PAID:** In 2012, the activities of the Novo Nordisk Foundation Group resulted in taxes paid in Denmark of about DKK 7.5 billion (€1.0 billion), including corporate tax, personal income tax and other taxes.

**RESPONSIBLE INVESTING:** Novo A/S ensures that the companies in which it invests do not act irresponsibly in social or environmental terms. Novo A/S strives to act as an active and responsible shareholder and is represented on the boards of Novo Nordisk A/S and Novozymes A/S and, with few exceptions, on the boards of all the other companies in its portfolio.

**SUSTAINABLE ACTIVITIES:** Both Novo Nordisk A/S and Novozymes A/S produce annual Communication on Progress (COP) reports that detail the initiatives the companies take to support and implement the principles of the United Nations Global Compact in their business activities. Novo Nordisk A/S was rated as the world's most sustainable company, achieving first place in the 2012 Global 100 List.

**ENVIRONMENTAL AWARENESS:** To protect the environment, the Foundation has paperless applications and administration. Novo Nordisk A/S and Novozymes have set annual targets for reducing the amount of energy and water they use and their CO<sub>2</sub> emissions. This has resulted in both companies using significantly less energy in recent years.

**SOCIAL AND HUMANITARIAN SUPPORT:** In accordance with the Articles of Association, the Foundation provides grants for operating the Steno Diabetes Center. The Center carries out treatment, prevention, research and education within diabetes. The Foundation also provides annual support to numerous well-known humanitarian and social organizations.