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Responsible research and innovation to benefit Danish society

The Novo Nordisk Foundation Group

CSR Report 2018

Summary of 2018

Economic and scientific responsibility

Grants: The Novo Nordisk Foundation contributes to create and develop dynamic research environments at universities and hospitals. In 2018, the Foundation awarded grants of DKK 3.9 billion (gross) and paid out DKK 1.7 billion. The money was spent for primarily public research at universities and hospitals and for education, outreach and innovation, social and humanitarian projects, BioInnovation Institute, LIFE and the National Genome Center Infrastructure. Grant-recipients published about 2300 scientific publications and the Foundation fully or partly financed about 3000 jobs.

Taxes: In 2018, the Nordisk Foundation Group paid corporate taxes in Denmark of about DKK 7.5 billion.

R&D investments: In 2018, Novo Nordisk A/S invested DKK 14.8 billion on research and development activities and Novozymes A/S DKK 1.9 billion. In 2018, additional investments in research and development were made in companies that Novo Holdings A/S has ownership.

Social responsibility

In 2018, the Foundation contributed to improving health, social and humanitarian conditions for people, preventing disease and improving diagnosis and treatment. The Foundation awarded DKK 92 million in social and humanitarian grants in 2018. The Foundation entered into a partnership with Denmark's five administrative regions to fund a Steno Diabetes Center in each respective region. All the centres are expected to treat about 30,000 people with diabetes each year in 2023 and to be engaged in prevention of complications related to diabetes.

Novo Nordisk A/S' ambition was to drive change to defeat diabetes and other serious chronic diseases. In 2018, Novo Nordisk provided medical treatment to an estimated 29.2 million people with diabetes worldwide.

Environmental responsibility

The Novo Nordisk Foundation Group focused on improving the lives of people and the sustainability of society. In 2018, the Foundation paid out DKK 257 million to research activities within industrial biotechnology and awarded new grants for nearly DKK 100 million. Novo Nordisk A/S and Novozymes A/S were among other focusing on reducing energy and the emission of CO₂. Moreover, Novozymes A/S strived to catalyse partnerships that drives action on the Sustainable Development Goals (SDGs) and enable a sustainable bioeconomy.

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1 Management report

1.1 Introduction

The report *Responsible research and innovation benefiting Danish society 2018* is part of the Novo Nordisk Foundation's annual reporting (*Annual Report 2018*) according to the requirements in Section 99a and b of the Danish Financial Statements Act on social responsibility and diversity and it has become a part of the management review of the Annual Report 2018. The report summarizes the corporate social responsibility of the Novo Nordisk Foundation Group. The companies in the Group also have their own policies on corporate social responsibility and publish independent reports on their activities. In addition, the Novo Nordisk Foundation annually publishes a report on the societal impact of the Foundation's grant awarding.

The Foundation's vision is to contribute to research and development that improves the lives of people and the sustainability of society.

Through its history, societal responsibility has been an integral part of the Novo Nordisk Foundation Group's activities. Nobel Prize Laureate August Krogh laid the basis for this in 1922 when he entered into a rights agreement to produce and sell insulin in Scandinavia. The agreement stipulated that insulin would be made widely available to benefit as many people as possible and that proceeds from the commercial activities should be returned to society to scientific, social and humanitarian purposes.

The following sections summarize how the Novo Nordisk Foundation Group affects society. Section 2 describes scientific, social and environmental responsibilities of the Foundation. Section 3 describes the economic, social and environmental responsibility of the companies in the Novo Nordisk Foundation Group. Section 4 provides an overview of the most significant policies for responsibility in the Group. Section 5 focuses on diversity. The annexes provide a historical overview over important events of the Novo Nordisk Foundation Group and an overview over sustainability indicators within economic, social and environmental performance.

1.2 Commitment to corporate social responsibility

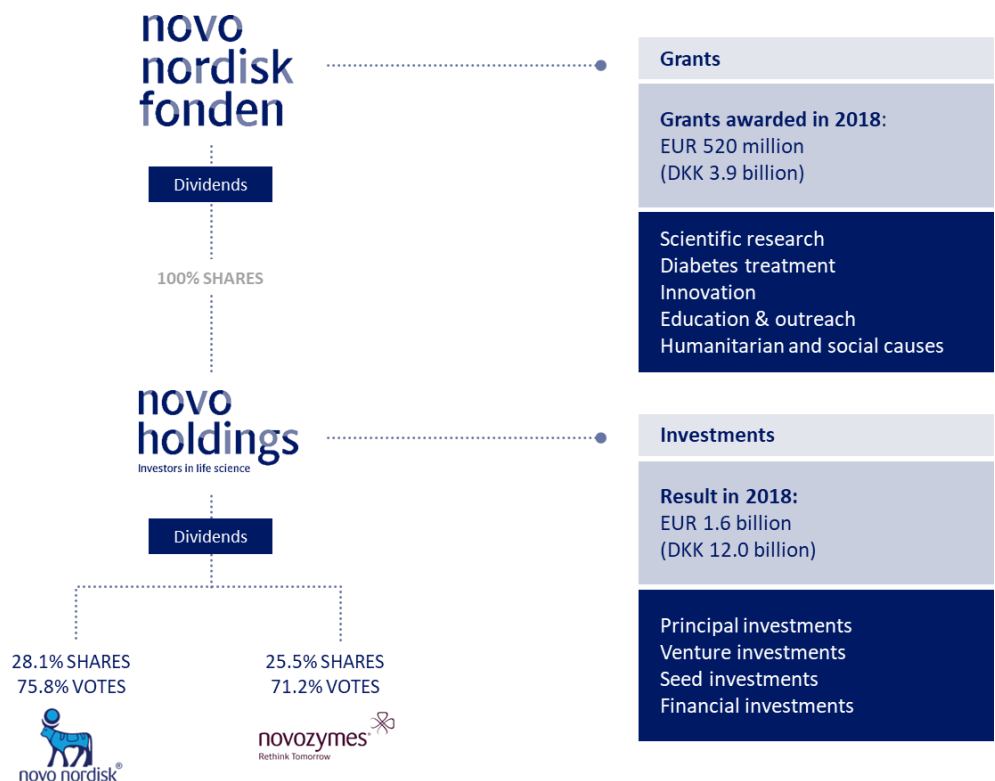
The Novo Nordisk Foundation Group comprises the Novo Nordisk Foundation, Novo Holdings A/S, Novo Nordisk A/S and Novozymes A/S and other companies in which Novo Holdings A/S has a controlling interest. Novo Holding A/S together with Novo Nordisk A/S and Novozymes A/S comprises the Novo Group.

The Novo Nordisk Foundation is an independent Danish foundation with corporate interests. The Foundation has two main objectives: 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 Foundation owns and invests in companies through its wholly owned subsidiary Novo Holdings A/S. Novo Holdings A/S manages the Foundation’s commercial activities within the overall financial strategy, Charter for the Novo Group and the framework decided by the Foundation’s Board. Through Novo Holdings A/S the Foundation ensures control of Novo Nordisk A/S and Novozymes A/S. Moreover, the Foundation through Novo Holdings A/S fully or partly have ownership of about 100 companies, primarily within life sciences. Companies in the Novo Group are obligated to live up to the Charter and continuous improvement of economic, social and environmental performance including diversity, climate impact, human rights and anti-corruption.

Novo Holdings A/S receives dividends from Novo Nordisk A/S and Novozymes A/S and returns on its commercial and financial investments. The Foundation receives income from Novo Holdings A/S and awards grants to benefit society.

The Foundation’s grant-awarding activities to society are separated from the commercial and research activities of the Novo Group. The Foundation awards grants in accordance with the strategy laid down by the Foundation’s Board of Directors, which also approves the grants.



2 Responsibility of the Foundation

2.1 Risks in relation to societal responsibility

The main risks of the Novo Nordisk Foundation Group in relation to economic, social and environmental responsibility including climate impact, diversity, human rights and anti-corruption are related to the risks of the companies in the Group. Similar economic, social and environmental risks of the funding activities of the Foundation are small and minimized through the Foundation's article of association and its policies for responsibility as described in section 4.

2.2 Scientific responsibility

In 2018, the Foundation awarded DKK 3.9 billion (gross) in grants and paid out DKK 1.7 billion. The Foundation's grant-awarding activity fully or partly financed about 3000 jobs within science, education and innovation, primarily at universities and hospitals in Denmark. The grant-awarding activities and payouts are described in the *Novo Nordisk Foundation Grant Report 2018*: www.novonordiskfonden.dk/en/publications.

The Foundation supports free and independent research primarily within biomedicine and biotechnology at public research institutions that contributes to new generations of knowledge, education and innovation. The research results and any patents belong to the researchers and the public universities and hospitals that employ the researchers. No company in the Novo Nordisk Foundation Group has preferential access to the research results funded by grants from the Foundation.

In 2018, the Foundation's grant recipients reported about 12,000 activities, outputs and outcomes in the survey system researchfish®, including about 2300 scientific publications, approximately 90% of which are journal articles in international journals. About 55-60% of the journal articles by the Foundation's grant recipients are involved in international collaboration. One in eight articles is published with researchers from companies. The number and share of articles in scientific journals generated through research collaboration has grown during the past 30 years and is now three times as high as it was in the early 1980s. The share of journal articles by grant recipients that are among the world's top 10% most cited articles was 21% in 2011–2013 and 23% in 2014–2016.

2.3 Social responsibility

The Foundation contributes to create and develop dynamic research environments at universities and hospitals. For society, this means strengthening research-based education and increasing the supply of talented university graduates, researchers and clinicians and attracting highly qualified researchers and graduates from outside Denmark. In addition, the Foundation contributes to improving health, preventing disease and improving diagnosis and treatment.

The Foundation has entered into a partnership with Denmark's five administrative regions to fund a Steno Diabetes Center in each respective region. Steno Diabetes Center Copenhagen was established on 1 January 2017. The Steno Diabetes Centers in Aarhus, Aalborg and Odense were established on 1 January 2018 and at the end of 2018, the Foundation approved a grant for Steno Diabetes Center Zealand, which was established on 1 January 2019. The Centers are expected to treat about 30,000 people with diabetes each year in 2023 when they are fully developed. The Steno Diabetes Centers carry out treatment and research and provide and develop training activities and health promotion activities. In total, the Foundation has awarded DKK 7.4 billion in 2016–2018 to establish and operate Steno Diabetes Centers in the five administrative regions.

The Foundation contributes to social initiatives in Denmark and abroad by supporting activities that improve health, general resilience and welfare, especially for vulnerable people. Most grants have been awarded for initiatives on education and developing the competencies of vulnerable children and young people and for international humanitarian efforts. The Foundation has among other invested in Den Sociale Kapitalfond Invest 1 (Social Capital Fund Invest 1), which aims to support job creation for socially marginalized groups in the labour market. The social and humanitarian grants increased to DKK 92 million in 2018. In the coming years, the Foundation expects to further strengthen this area and increase the grant awarding.

Improving diabetes treatment for everyone in Denmark

Globally, more than 425 million people have diabetes, and the number is rising. Since 2016, the Novo Nordisk Foundation has awarded grants of DKK 7.4 billion (€1 billion) towards modernizing and systematizing the current treatment initiatives. The funds have been donated to the Danish administrative regions for establishing and operating regional diabetes centers intended to be equivalent to the world's best diabetes centers.

Few diseases affect as many people as diabetes. The disease has multifaceted effects, which places major demands on the people who carry out the treatment. The Novo Nordisk Foundation has therefore decided to support the establishment of five regional Steno Diabetes Centers in Denmark. The opportunity to gather competencies and expertise at central hospitals will ensure that people with diabetes in Denmark will receive treatment equivalent to the best in the world.

Denmark has maintained a strong position within diabetology for many decades. After August Krogh secured the right to manufacture insulin in 1922, Denmark became a global centre for insulin production and research and education within diabetes. One way this was done was by establishing Niels Steensens and Hvidøre diabetes hospitals. The two hospitals merged in 1992 to become Steno Diabetes Center.

The aim is to enable optimal diabetes treatment to be developed and disseminated by linking research and clinical treatment. Each Steno Diabetes Center focuses on a specific development aspect of the complicated problems faced by people with diabetes, including those related to the feet, eyes, kidneys, nervous system, cardiovascular system and the oral cavity.

To ensure the dissemination of best practices within the treatment of diabetes, the Foundation is both supporting the establishment of the Steno Diabetes Centers and contributing financially to their activities in prevention in relation to diabetes, treatment, research and education.

The new Steno Diabetes Centers will stimulate collaboration between hospitals, universities and other public and private actors, and Steno Partners will be established at regional hospitals to ensure the dissemination of knowledge.

All five Steno Diabetes Centers will be operating from 2019 and, when new outpatient clinic facilities are inaugurated in 2023, the Centers will treat about 30,000 persons with diabetes each year.

2.4 Environmental responsibility

The Foundation helps to build and strengthen Denmark's positions within environmental sustainability. In 2018, the Foundation paid out DKK 257 million to research activities within industrial biotechnology and awarded new grants for nearly DKK 100 million.

In the Foundation's new 2019–2023 strategy one of the six long-term goals are to "*Act for and inspire the development of a more sustainable world by supporting research that translates into life science solutions to benefit people and the environment*" where the Foundation will focus on the following themes promoting environmental sustainability:

- industrial biotechnology;
- plant and food biotechnology;
- environmental biotechnology;
- basic research and platforms and technologies supporting research on sustainability; and
- training programmes and methods related to life science research and industrial applications promoting research on sustainability.

Industrial biotechnology applies biological systems to produce commercially important products that reduce reliance on natural resources or use them in a more sustainable way. Plant and food biotechnology enables higher productivity from natural resources and advances the applications of alternative sources for sustainable food production. Environmental biotechnology can improve the health and welfare of people through advances in clean water, air, land and energy sources. Basic research and platforms and technologies are necessary to support advances in discoveries and solutions from research on sustainability. Finally, training programs and methods related to research will develop critical talent through pre- and postgraduate training, internationalization programs, networks and new educational and pedagogical methods.

3 Responsibility of the companies

3.1 Risks in relation to societal responsibility

The main risks of the Novo Nordisk Foundation Group in relation to economic, social and environmental responsibility are related to the risks of the companies in the Group. The risks are minimized through the Charter for the companies in the Group described below as well as the companies' own policies for responsibility which are published in the companies' independent corporate social responsibility reports.

Companies in the Novo Nordisk Foundation Group report on their social and environmental responsibility in accordance with the Danish Financial Statements Act. Novo Holdings and Novo Nordisk A/S incorporate this information in its integrated annual report, while Novozymes A/S produces a supplement to their annual report: All three reports are available at www.novoholdings.dk, www.novonordisk.com/annualreport and www.report2018.novozymes.com/.¹

Novo Holdings A/S' mission is to enable and make a positive and meaningful impact on health, science and society by generating attractive long-term returns on the wealth of the Novo Nordisk Foundation and being a life science focused investor and supporting the application of science by investing in start-up companies, in the life science venture industry and in well-established and profitable companies, preferably with a leading position in their field and good growth potential. It also invests in financial assets.

Novo Nordisk A/S is a global healthcare company with more than 95 years of innovation and leadership in diabetes care. This long-term commitment has provided experience and competencies that enables the company to help to combat other serious chronic diseases.

Novozymes A/S is the world leader in biological solutions and manufactures a wide variety of industrial enzymes and microbes used in many products, including in the laundry detergent, bio-energy, agriculture, food and beverage, leather, paper, textile and wastewater industries. In fulfilling the company's purpose to find biological answers for better lives in a growing world.

The Charter for the companies in the Group

The ambition of the Foundation is that the companies in the Novo Group (Novo Holdings 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 to use natural resources sustainably.

¹ Companies in which Novo Holdings A/S has a controlling interest either report on their social and environmental responsibility in accordance with the Danish Financial Statements Act or refer to the annual report Responsible research and innovation benefiting Danish society of the Novo Nordisk Foundation Group.

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

Moreover, companies in the Novo Group commit to: value-based management, open and honest dialogue with their stakeholders, continuous improvement of financial performance, environmental performance and social performance and reporting in accordance with relevant, internationally approved conventions.

Based on the Charter the companies in the Novo Group have established their own policies on corporate social responsibility and publish independent reports about their activities dealing with adverse impact: economic policies; environmental and social responsibility (including anti-corruption); compliance with relevant conventions (including human rights); value-based management; and open and honest dialogue with stakeholders. Section 4 provides an overview of the most significant policies on corporate social responsibility.

Novo Holdings A/S

Novo Holdings A/S has used the Charter to define a set of values that define the way they as an investment company do business. The values underpin the combined culture of performance, responsibility and long-term thinking.

Novo Nordisk A/S and Novozymes A/S

Novo Nordisk A/S and Novozymes A/S have used the Charter as the basis for developing their own visions and management values: The Novo Nordisk Way (Novo Nordisk A/S) and Touch the World (Novozyms A/S). Both companies have for many years been participants to the United Nations Global Compact, the largest global initiative within corporate social responsibility. The Compact involves companies in solving some of the major global social, societal and environmental challenges. More than 12,000 companies and organizations from more than 193 countries participate in the United Nations Global Compact. This includes a group of about 40 leading companies that have been invited to contribute further through Global Compact LEAD. Both Novo Nordisk A/S and Novozymes A/S are members of LEAD, thereby setting an example for others.

3.2 Economic and scientific responsibility

Anti-corruption

Novo Holdings A/S

Novo Holdings A/S' management approach to addressing anti-corruption and business integrity is embedded in the company's set of guiding principles and values, based on the mission of Novo Holdings A/S. Novo Holdings A/S strives to be a well-respected company.

Novo Nordisk A/S

Novo Nordisk A/S keeps a close eye on compliance with all applicable local and international anti-corruption laws, regulations and standards, such as the US Foreign Corruption Practices Act and the UK Bribery Act. These requirements are spelled out in the company's Business Ethics Compliance Framework. Any suspected breaches of the company's standards can be reported anonymously by employees and external parties through the Compliance Hotline. Breaches are investigated and, if substantiated, action is taken immediately.

Novozymes A/S

Novozymes A/S' management approach to addressing anti-corruption and business integrity is embedded in their corporate values and policies. Novozymes A/S have dedicated compliance function handling business integrity-related matters, including training of employees. Moreover, Novozymes A/S also works proactively to prevent, detect and respond to fraud and has an internal control system enabling to identify fraud cases and concerns raised, either through Novozymes' whistle-blower system or other reporting channels.

Taxes, turnover and facility investments

In 2018, the Novo Nordisk Foundation Group payed corporate taxes of DKK 7.5 billion (EUR 1 billion) in Denmark, where Novo Nordisk A/S paid the largest share.

Much of the Foundation's income via Novo Holdings A/S is dividends from Novo Nordisk A/S and Novozymes A/S, which primarily earn their profits outside Denmark. Novo Nordisk A/S had turnover in 2018 of DKK 112 billion, 81% from outside Europe and 19% from within Europe. Novozymes A/S had a global turnover in 2018 of DKK 14.4 billion, with 64% from outside Europe, the Middle East and Africa, of which 32% in the United States. The two companies' turnover earned totalled DKK 126 billion. For Novo Nordisk A/S 99.6% of the turnover are realised outside Denmark while it is 98.6% for Novozymes A/S.

Jobs

The investment in life-science companies by Novo Holdings A/S supports many thousand jobs world-wide. The grant-awarding of the Foundation supports about 3000 jobs. Moreover, the Foundation employed 106, Novo Holdings A/S employed 84, Novo Nordisk A/S employed 43,202 and Novozymes A/S employed 6245.

R&D investments

In 2018, Novo Nordisk A/S invested DKK 14.8 billion in research and development and Novozymes A/S invested DKK 1.9 billion. In addition, the companies owned by Novo Holdings A/S made investments in research and development.

The European Commission's 2018 EU Industrial R&D Investment Scoreboard (<http://iri.jrc.ec.europa.eu/scoreboard18.html>) provides data for the world's 2500 largest companies based on their investments in research and development activities. Novo Nordisk A/S ranks as 22 in Europe and number 68 globally in research investment. Novozymes A/S is number 128 in Europe and 468 globally.

Responsible research and innovation at Novozymes A/S

A growing global population with a rising need for food, water, energy and other essentials is pushing industries to get smarter and produce more from less.

With R&D facilities in multiple regions and commercial teams with strong insights into different markets, Novozymes is able to identify enzymes and microorganisms capable of meeting global and regional needs. More than 23% of Novozymes' employees work in R&D to create innovation that influences how customers work and succeed, and every year, around 13% of revenue is re-invested in R&D. Novozymes' researchers screen thousands of microorganisms to track down the one that produces the enzyme with the exact characteristics needed for a specific product. In 2018, Novozymes launched eight impactful innovations aimed at the household care, agriculture, bioenergy and wastewater industries. In 2018, Novozymes' total research and development costs came to DKK 1865 million, and Novozymes had 1041 active patent families, which comprise the number of inventions for which there are one or more active patent applications or active patents at year-end.

Novozymes has anchored its specialized application development units in the commercial side of the organization within the Household Care & Technical Industries, Agriculture & Bioenergy and Food & Beverages divisions. This creates a strong connection between the commercial side and R&D. The result is a solid pipeline of impactful products with the characteristics customers are looking for. A Portfolio Board manages the R&D pipelines and prioritizes funding across Novozymes' divisions. This board ensures that the innovations brought to market have strategic and financial impact, and that they help Novozymes to deliver on the SDGs.

In 2018, Science Magazine's once again published its Top Employer 2018 ranking of companies within biotech, pharma and related industries. Novozymes stood out with a ranking as the third best employer in the world. Novozymes has been among the 10 employers in the world for the last four years. Based on the survey, Science Magazine highlighted that Novozymes has its 'Work culture values aligned' [with employees' personal values], 'Treats employees with respect' and 'Is socially responsible', among other characteristics.

Novozymes measures progress on its purpose and strategic focus areas against nine long-term financial and nonfinancial targets. One of Novozymes' long-term targets is to educate 1 million people about the potential of biology from 2015 to 2020. Ensuring access to quality education for all is crucial for global sustainable development. Novozymes believes that the more people we educate about biology, sustainability and the environment, the more people will get involved in creating and using sustainable biological solutions. In 2018, Novozymes educated around 302,000 people. This brings the total to more than 612,000 learners since 2015.

3.3 Social responsibility

Novo Holdings A/S

In 2018, Novo Holdings A/S revised its responsible investment approach to reflecting an increasing focus on corporate social responsibility. Novo Holdings A/S does this by ensuring an attractive return on investments to support the Novo Nordisk Foundation's grant-awarding. Moreover, Novo Holdings A/S strives to be a responsible and attractive employer. On the impact of investments on human rights Novo Holdings A/S refer to the Corporate Social Responsibility Reports of the respective Novo Group companies.

Novo Nordisk A/S

Novo Nordisk A/S accounts for social performance on three dimensions: patients, employees and responsible business in pursuit of the ambition to be a sustainable business.

Novo Nordisk A/S' business is built on the ambition to drive change to defeat diabetes and other serious chronic diseases. In 2018, Novo Nordisk provided medical treatment to an estimated 29.2 million people with diabetes worldwide. This is an increase of 5% compared to 2017 about 27.7 million people with diabetes received medical treatment from Novo Nordisk.

In 2018, Novo Nordisk A/S updated and expanded its Business Ethics Code of Conduct. As part of the update, Novo Nordisk A/S' commit to meet the corporate social responsibility to respect human rights as set out in the UN Guiding Principles on Business and Human Rights. Internal, training in business ethics is mandatory for all employees were 99% of all relevant employees completed and documented their training. External there is focus supply chain. Here human rights risks in the direct spend supply chain were assessed, with focus on modern slavery.

Novozymes A/S

In Novozymes A/S business it's about turning science into sustainable biological answers in a world with growing needs. Therefore, Novozymes purpose: "Together we find biological answers for better lives in a growing world – Let's rethink tomorrow" is engrained in how they work and innovate, and it serves as the foundation for Novozymes A/S' collaboration with customers, governments, academia and other institutions. Novozymes A/S engages with governments in all regions of operations, primarily through policy advocacy. Their engagement with industry and trade associations further helps them to carry out their policy advocacy effects.

Novozymes A/S strives to catalyse partnerships that drives action on the Sustainable Development Goals and enable a sustainable bioeconomy. They are a member of various institutions, and use these platforms to explore partnerships, collectively drive positioning to policymakers and learn about fellow members' approaches to sustainability.

In 2018, Novozymes A/S reinforced its commitment to its business integrity principles. 99% of Novozymes' employees completed business integrity training in 2018. Novozymes A/S is also responsible for ensuring that human rights are respected throughout its value chain. Every two years it is Novozymes A/S plan to carry out a global human rights impact assessment. The assessment is region-specific and the first one will be held in India in 2019.

Novo Nordisk A/S as founder of World Diabetes Foundation

The World Diabetes Foundation (WDF) was founded by Novo Nordisk A/S in 2002 as an independent and non-profit foundation. WDF is based in Denmark with the objective to support capacity building within low- and middle-income countries (LMICs) to improve diabetes care. Today, the WDF is still one of the few funding mechanisms dedicated to preventing and treating diabetes in developing countries. The WDF's income base derives primarily from two ten-year deeds of gift from Novo Nordisk A/S. The deeds of gift covered 2008–2017 and 2015–2024. In 2018, Novo Nordisk A/S donated DKK 85 million.

The mission of WDF is to create partnerships to assist people with diabetes and those at risk, acting as a catalyst to help others do more and to link people and resources to educate and advocate globally and provide care locally. WDF wishes to empower governments, civil society and other non-state actors who strive to deliver on global commitments through national and local action. The priority of WDF is to support the poorest of the poor. The aim is to empower local communities to achieve sustainable solutions and yield replicable models and to encourage innovative strategies to prevent diabetes and its consequences

WDF encourages and funds innovative projects and strategies to prevent and treat diabetes and its complications. Since 2002, the WDF has provided USD 149 million in funding to 555 projects in 116 low- and middle-income countries. For every dollar provided by WDF, about 2 dollars in cash or in-kind donations are contributed to the supported projects from other sources. Grants, and technical support, are provided by WDF through partnerships with a variety of organizations and entities including ministries of health, international organizations, civil society, professional associations, academia and the private sector.

WDF today extensively supports national responses towards diabetes and related NCDs as well as co-morbidities. These responses encompass prevention and control and are anchored within national NCD strategies or action plans, owned by governments. In 2018, the Novo Nordisk Foundation awarded DKK 31 million to the WDF for the project "Full scale national response to diabetes and other NCDs in Tanzania – a first attempt in sub-Saharan Africa" for 2019–2023.

The UN Sustainable Development Goals (SDGs), the World Health Organisation's (WHO) Global Action Plan (2013–2020) and national strategies and action plans remain key benchmarks in the realization of WDF's mission. WDF is an official member of the WHO Global Coordinating Mechanism (GCM). The Coordinating Mechanism is tasked with the mandate of supporting the implementation of the SDGs and WHO's Global Action Plan, including knowledge sharing and coordination with non-state actors and philanthropic foundations.

3.4 Environmental responsibility

Novo Holdings A/S

In 2018, Novo Holdings A/S revised its responsible investment approach to reflecting an increasing focus on corporate social responsibility. On the impact of investments on environment Novo Holdings A/S refer to the Corporate Social Responsibility Reports of the respective Novo Group companies.

Novo Nordisk A/S

In 2018, Novo Nordisk A/S set an ambition to have zero negative environmental impact. A new environmental strategy was adopted that addresses risks across the entire value chain, including climate change, water and resource scarcity, pollution and plastic waste.

In 2018, CO₂ emissions from production sites and production distribution decreased by 2%. In 2018, a new target was set, as part of the environmental strategy, committing to zero CO₂ emission from operations and transportation by 2030.

At the end of 2018, power (electricity) decreased by 1%. 77% of the power for production was provided from renewable sources. Water consumption at production sites decreased by 5% in 2018 and waste from production sites decreased by 10%.

Novozymes A/S

Mitigating climate change impacts is material to Novozymes A/S within its operations and throughout the value chain. In 2018, Novozymes A/S set up the SDG Governance Board to build a shared understanding of SDG opportunities and risks, and to ensure that this knowledge is embedded in corporate strategy and targets.

In 2018, CO₂ emissions increased by 7%. Despite this, Novozymes' net overall impact on climate change remains positive, as its products result in lower CO₂ emission over their life cycles compared with conventional technologies. In 2018, their customers avoided an estimated 88 million tons of CO₂ emissions by applying their solutions in their products and processes.

At the end of 2018, power (electricity) decreased by 1%. All power in Denmark comes from wind-farms and hydropower. Water consumption decreased by 1% in 2018 and waste was unchanged.

4 Policies and Honours & Awards for responsibility of the Novo Nordisk Foundation Group

Company policies 2018

The companies in the Novo Nordisk Foundation Group have established their own policies on corporate social responsibility: social, environmental and financial responsibility.

Novo Nordisk Foundation

- Articles of Association
- Recommendations on foundation governance
- Standards for good research practice and integrity
- Standards for eligibility for receiving grants
- Standards for eligibility for assessing grant applications
- Grant-awarding policy including grant-awarding principles
- Cornerstones

Novo Holding A/S

- The Novo Group Charter
- Responsible Investment Policy and Procedure
- Guiding principles and values: How we do business

Novo Nordisk A/S

- The Novo Nordisk Way
- Danish Corporate Governance Recommendations
- National Standard and NNF Standard for Research Integrity
- Rules for conflict of interests and insider rules
- US Foreign Corrupt Practices Act
- UK Bribery Act
- UN Guiding Principles on Business and Human Rights
- UK Modern Slavery Act
- United Nations Global Compact principles

Novozymes A/S

- Touch the World
- United Nations Global Compact principles
- UN Guiding Principles on Business and Human Rights
- UN Convention against Corruption

The companies' membership and Honours & Awards 2018	
Memberships	Honours & Awards
Novo Nordisk A/S	
<ul style="list-style-type: none"> • UN Global Compact: Participant • RE100 initiative: A global initiative promote conversion to renewable sources 	<ul style="list-style-type: none"> • #5 in the World's Most Reputable Companies for Corporate Responsibility 2018 • A List ranking in CDP: for climate action and disclosure
Novozymes A/S	
<ul style="list-style-type: none"> • UN Global Compact: LEAD member • World Business Council for Sustainable Development (WBCSD): 200 leading businesses working together to drive transition and acceleration of sustainability development • Ethibel Sustainability Index Excellence Global: Novozymes is a constituent of the Ethibel Sustainability Index Excellence Europe and global • Carbon Disclosure Project (CDP): Novozymes is recognized as a leader on climate change with A-rating for reducing carbon emissions and mitigating climate change • FTSE4Good Index Series: Novozymes has been independently assessed according to the FTSEGood criteria - transparent management designed to demonstrate strong environmental, social and governance practices • below50: Novozymes is a founding member of the global campaign to reduce emissions in the transport sector by increasing demand for sustainable fuels • Supplier Ethical Data Exchange (Sedex): AB member of the sustainability collaboration platform 	<ul style="list-style-type: none"> • WIN WIN Gothenburg Sustainability Award 2018 for sustainable production, as part of the Kalundborg Symbiosis (attributed to both Novozymes A/S and Novo Nordisk A/S)

5 Diversity in the Novo Nordisk Foundation Group

Section 99b of the Danish Financial Statements Act requires the Danish Companies of a certain size report on diversity.

At the end of 2018, the number of employees in the Novo Nordisk Foundation Group were as follows: The Foundation employed 106, Novo Holdings A/S employed 84, Novo Nordisk A/S employed 43,202 and Novozymes A/S employed 6427.

The Novo Nordisk Foundation Group emphasizes ensuring diversity in its staff, management and boards since a broad range of skills contributes to promoting further development, renewal and quality in work efforts. This broad range of skills covers diversity in relation to gender, age, education, cultural background and international experience comprises an inclusive culture with respect for individuals, ongoing personal development, health and safety. Diversity is promoted through the recruitment processes in the Group.

Novo Nordisk Foundation

The Foundation's Board of Directors decided in 2015 a gender diversity target for its board members. The goal is that there is to be minimum two board members of each gender selected in accordance with the Articles of Association in the Board of Directors in 2019. The Board meet this target in 2018 and have obtained equal representation in accordance with the legislation.

In 2018, 42% of the management were women and 58% were men, and it has therefore not been necessary to formulate a policy on gender diversity.

Furthermore, 54% of the employees were women and 46% were men, and 8% came from other countries than Denmark.

Novo Holdings A/S

The Board of Directors in Novo Holdings A/S decided in 2016 a gender diversity target for its board members. The goal is that there is minimum one board members of each gender in 2020. The Board meet this target in 2018 and hope to maintain current representation until a new target is set in 2020.

In 2018, 13% of the management were women and 87% were men. In 2018, 32% of the employees were women and 68% were men, and 31% came from other countries than Denmark.

Novo Nordisk A/S

By having at least three shareholder-elected board members of each gender the Board of Directors in Novo Nordisk A/S has obtained equal representation in accordance with the legislation.

At the end of 2018, 38% of the management were women and 62% were men. Moreover, 49% of the employees were women and 51% were men, and 60% came from other countries than Denmark.

Novozymes A/S

At least one-third of the shareholder-elected board members are female by which the Board of Directors in Novozymes has obtained equal representation in accordance with the legislation.

In 2018, 30% of the senior management were women, exceeding the target for the year of at least 27%. In 2018, 38% of the employees were women and 62% were men, and 58% came from other countries than Denmark.

Annex 1: History of the Novo Nordisk Foundation Group

The story of the Novo Nordisk Foundation Group goes back more than 95 years.

In 1923 the Nobel Prize winner August Krogh, the young doctor Hans Christian Hagedorn and the entrepreneurial pharmacist August Kongsted established the nonprofit Nordisk Insulinlaboratorium and Nordisk Insulin Foundation.

In 1925, the former employees of Hans Christian Hagedorn, chemist Thorvald Pedersen and his brother Harald Pedersen, established Novo Terapeutisk Laboratorium and, in 1951, the Novo Foundation.

When August Krogh received permission to produce insulin, he promised that the profit from the sale of insulin would be returned to society to fund scientific and humanitarian purposes. The objectives of the Nordisk Insulin Foundation were to support people with diabetes and research in physiology and endocrinology, while the objectives of the Novo Foundation were to support social, humanitarian and scientific research. Moreover, both foundations had to ensure the continuity of the companies.

The companies started to produce the revolutionary new drug, insulin, that had just been discovered by two Canadian scientists and have since the earliest days focused on developing products to benefit people with diabetes.

Over the years, the two companies developed into the world's leading manufacturers of insulin. After competing with each other for more than 60 years, the companies decided that it would be beneficial to combine forces and conquer the world markets.

In January 1989, the Nordisk Insulin Foundation, Nordisk Insulinlaboratorium and Novo Foundation merged into the Novo Nordisk Foundation – an independent institution whose objectives were to create a solid basis for the operation of Novo Nordisk and to support scientific, social and humanitarian causes. The new objectives were inspired by the objectives of the three foundations.

The merger was primarily driven by the companies' needs and the impending European Union single market and the obligations of the foundations to function as a stable base for their respective companies. Nordisk Gentofte A/S and Novo Industri A/S therefore merged to become Novo Nordisk A/S, one of the largest mergers ever in Denmark. At the time, Nordisk had 11 foreign subsidiaries, 14 branches and 14,500 employees, and Novo had subsidiaries and representative offices in 27 countries and 5900 employees.

In 2000, the two core businesses of Novo Nordisk A/S, healthcare and the enzymes business, were split into two companies. Novo Nordisk A/S continued the healthcare business, and the enzyme business took the name Novozymes A/S. At the same time, the holding company Novo A/S (now Novo Holdings A/S) was established to manage the assets of the Novo Nordisk Foundation. The three operating companies, including NNIT A/S, are today part of the Novo Nordisk Foundation Group, a family of independent companies with a set of shared core values as defined in the Novo Group Charter.

Timeline

- 1921: Insulin discovered by a research team at the University of Toronto, Canada
- 1922: August Krogh receives permission to manufacture insulin in Scandinavia
- 1923: Nordisk Insulinlaboratorium and Nordisk Insulin Foundation are established
- 1925: Novo Terapeutisk Laboratorium is established and listed on the stock exchange in 1974 as Novo Industri A/S
- 1932: Steno Memorial Hospital opens
- 1938: Hvidøre Hospital opens
- 1951: The Novo Foundation is established
- 1957: Steno Memorial Hospital Research Laboratory opens (from 1979 Hagedorn Research Laboratory, and later Hagedorn Research Institute)
- 1984: Nordisk Gentofte A/S is spun off from Nordisk Insulinlaboratorium's research and hospital activities and listed on the stock exchange
- 1989: The Novo Nordisk Foundation is established through the merger of the three foundations; Nordisk Insulin Foundation, Nordisk Insulinlaboratorium and Novo Foundation
- 1989: Novo Nordisk A/S is established as a merger of Nordisk Gentofte A/S and Novo Industri A/S
- 1992: Steno Memorial Hospital and Hvidøre Hospital merge to create Steno Diabetes Center
- 1999: Novo A/S is established (from 2017: Novo Holdings A/S)
- 2000: Novo Nordisk A/S is split into Novo Nordisk A/S and Novozymes A/S
- 2017: Steno Diabetes Center Copenhagen is established and to be administered by the Capital Region of Denmark
- 2018: Steno Diabetes Centers are established in four administrative regions: Region Zealand, North Denmark Region, Central Denmark Region and Region of Southern Denmark
- 2018: BioInnovation Institute opens

Annex 2: Sustainability indicators

Economic performance

Indicator (DKK million)	Group		Novo Nordisk Foundation		Novo Holdings A/S		Novo Nordisk A/S		Novozymes A/S	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
Turnover	131,398	131,190	-	-	-	-	111,831	111,696	14,390	14,531
Operating profit	50,683	60,571	1,410	-142	11,015	20,285	47,248	48,967	4,070	4,047
Corporate income taxes in the income statement worldwide	9,426	11,443	-	-	-370 ¹	0 ¹	8,987	10,550	709	756
Corporate income taxes paid for current year ²	-	-	-	-	-	-	-	-	-	-
- Paid in Denmark	-	-	-	-	-	-	6,640	6,798	546	527
- Paid outside Denmark	-	-	-	-	-	-	2,376	2,639	215	325
R&D investments	-	-	-	-	-	-	14,805	14,014	1,865	1,913
Intangible assets	-	-	-	-	-	-	2,789	1,103	1,109	863
Investments excluding R&D ³	-	-	-	-	-	-	9,537	8,688	1,424	1,593
Donations	-	-	3,891	5,839	-	-	103	103	-	-
- Research, education and innovation	-	-	2,896	2,158	-	-	-	-	-	-
- Research hospitals	-	-	902	3,618	-	-	-	-	-	-
- Social and humanitarian	-	-	92	63	-	-	-	-	-	-

Note 1. When assessing Danish corporation tax, the company and all Danish subsidiaries are taxed jointly. Novo Holdings A/S is the administrative body in relation to the joint taxation. The Danish group companies are jointly liable for corporation tax on the consolidated taxable income.

Note 2. Corporate income taxes paid for current year are taxes paid for current financial year. Novo Nordisk A/S does not include repayments relating to prior years on country level.

Note 3. Property, plant and equipment.

Indicator	Novo Nordisk Foundation		Novo Holdings A/S		Novo Nordisk A/S		Novozymes A/S	
	2018	2017	2018	2017	2018	2017	2018	2017
Patients								
People reached with diabetes care (million)	-	-	-	-	29.2	27.7	-	-
Research and development								
R&D investments (DKK million)	3,891 ⁷	5,839 ⁷	-	-	14,805	14,014	1,865	1,913
Number of journal articles	2,000 ⁸	1,900 ⁸	-	-	349	342	95	92
Number of patents and patent applications	140 ⁹	128 ⁹	-	-	-	-	6,500+	6,500+
Number of R&D personnel	2,998 ¹⁰	2,750 ¹⁰	-	-	8,205	8,218	1,522	1,473

Note 4. Novo Nordisk Foundation calculate the number of employees as full-time equivalents (FTEs).

Note 5. Committee members are both internal experts and external peer review.

Note 6. Novo Nordisk Foundation and Novo Holdings A/S use a scale from 1 to 10, while Novo Nordisk A/S and Novozymes A/S use a scale from 1 to 100.

Note 7. Amount granted for R&D activities.

Note 8. Number of journal and review articles reported by grant recipients of the Novo Nordisk Foundation.

Note 9. Number of patents and patent applications reported by grant recipients of the Novo Nordisk Foundation.

Note 10. Employees partly or fully financed by grants from the Novo Nordisk Foundation.

Environmental performance

Indicator	Novo Nordisk Foundation ¹¹		Novo Holdings A/S ¹¹		Novo Nordisk A/S		Novozymes A/S	
	2018	2017	2018	2017	2018	2017	2018	2017
CO ₂ emissions (tons)	-	-	-	-	127 ¹²	129 ¹²	472	447
Energy (1000 GJ)	-	-	-	-	2,890	2,922	4,831	4,760
- Electricity (1000 MWh)	0.33	0.31	0.40	0.39	-	-	802	795
- District heating (1000 GJ)	1.54	1.62	1.89	2.05	-	-	179	183
Water (1000 m ³)								
- Water consumed	0.93	0.92	1.15	1.16	3,101	3,276	8,205	8,106
- Wastewater discharge	-	-	-	-	-	-	6,303	6,182
Waste (1000 tons)	0.01	0.02	0.02	0.02	142 ¹³	157 ¹³	14 ¹⁴	14 ¹⁴

Note 11. Office at Tuborg Havnevej 19, DK-2900 Hellerup. Consumption is based on invoices from suppliers.

Note 12. CO₂ emissions from production sites and product distribution. In 2018, CO₂ emissions from global offices, laboratories, company cars and business flights amounted to 269,000 tones, of which 114,000 tons were from operations, 116,000 tons from company cars and business flights and 39,000 tons from product distribution.

Note 13. Waste from production sites.

Note 14. Solid waste, excluding biomass where 97-98% is recycled.