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NOVO NORDISK FOUNDATION IN BRIEF

The Novo Nordisk Foundation is an independent Danish foundation with corporate interests. Its history goes back more than 90 years. The objectives of the Foundation are:

1: to provide a stable basis for the commercial and research activities of:

- Novo Nordisk A/S, which is involved in the research, development, production and sales of pharmaceuticals and related products and services;
- Novozymes A/S, which is involved in the research, development, production and sales of biological solutions; and
- other future equity-based or private companies in which the Foundation’s subsidiary, Novo A/S, owns a significant stake or in which Novo A/S has a significant stake by proxy or other means.

2: to support physiological, endocrinological and metabolic research and other medical research;

3: to contribute to the continuing operation of the research hospital of Novo Nordisk A/S; and

4: to support other scientific endeavours and humanitarian and social purposes.

The vision of the Foundation is to contribute significantly to research and development that improves the health and welfare of people.

The Foundation’s commercial ambition is for the companies in the Novo Group to position themselves as internationally recognized and significant actors creating renewal and world-class business results. They achieve this by generating research-based products and services that improve how disease is combated and support the sustainable use of natural resources.

In awarding grants, the Foundation strives to use its independence and flexibility to promote world-class research at universities, hospitals and other not-for-profit research institutions in Denmark and the other Nordic countries. The Foundation wishes to ensure that the region develops and is recognized as an international powerhouse in the health sciences and biotechnology.

The Foundation believes that world-class research is best achieved by providing long-term funding for developing knowledge environments in which top researchers and innovative talents have the best possible conditions to enable them to carry out ground-breaking research of the highest quality.
Commercializing research at an early stage: The Foundation provides funding that enables researchers in the Nordic countries to identify the commercial potential of their research discoveries and mature the sustainability of their innovation. The focus is on commercializing new diagnostic methods, therapies, medical devices and technologies that can result in establishing new biotechnology companies. In 2014, the Foundation expanded its grants for pre-seed awards. Annual exploratory pre-seed grants increased from DKK 10 million to DKK 12 million and pre-seed grants from DKK 15 million to DKK 20 million. Novo A/S also increased its seed investment.

Jobs in Denmark: In total, the grants awarded by the Foundation in 2014 have generated an estimated 1,500 science-related jobs, primarily in the research and education sectors in Denmark. In 2014, Novo Nordisk A/S employed about 17,600 people in Denmark and Novozymes A/S about 2,800. In addition, the investment in life-science companies by Novo A/S also supports at least 1,000 jobs in Denmark.

Grants for public research: In 2014, the Foundation awarded net grants totalling DKK 968 million (€130 million), representing new grants of DKK 975 million and cancelled grants of DKK 7 million. The Foundation paid out DKK 733 million (€98.5 million), primarily for public research at universities and hospitals.

Investments in private research and development: In 2014, Novo Nordisk A/S spent DKK 13,762 million (€1,850 million) on research and development activities and Novozymes A/S spent DKK 1,981 million (€266 million). The companies owned by Novo A/S on behalf of the Foundation made additional investment in research and development.

Generating new knowledge: The Foundation’s grants help to retain, create and develop dynamic knowledge and research environments. They also help to create the basis for educating more-skilled graduates and developing more-talented researchers for companies and research institutions. The Foundation’s grants enable many articles to be published in scientific journals as well as numerous other scientific publications, for the benefit of global society as a whole.
**Taxes paid:** In 2014, the activities of the Novo Nordisk Foundation Group resulted in taxes paid in Denmark of about DKK 11 billion (€1.47 billion), including corporate tax, personal income tax and other taxes.

**Sustainable activities:** The companies in the Novo Group must comply with a special charter that obligates the companies to demonstrate financial, environmental and social responsibility and to deliver products that improve how people live and work. Both Novo Nordisk A/S and Novozymes A/S produce annual Communication on Progress reports that detail the initiatives the companies take to support and implement the principles of the United Nations Global Compact.

**Environmental Awareness:** Novo Nordisk A/S and Novozymes focus on reducing the amount of energy and water used and carbon dioxide (CO2) emitted. This has resulted in considerable reductions for both companies in 2014 and previous years.

**Humanitarian and social support:** In accordance with the Articles of Association, the Foundation provides grants for operating the Steno Diabetes Center, grants for education activities related to diabetes in low and medium-income countries and grants for research into health promotion. The Foundation also provides annual grants to numerous well-known humanitarian and social organizations based on the applications received. In 2014, the Foundation awarded grants to 12 such organizations.
The Foundation supports free and independent research of the highest quality, especially research at universities and hospitals. The research results belong to the researchers and the public research institutions.

Through the Foundation’s activities, we strive to contribute to strengthening the research and development within biomedicine and biotechnology in Denmark and the other Nordic countries to benefit people’s health and welfare and to drive value creation in the region.”
GRANTS FROM THE NOVO NORDISK FOUNDATION

HIGHLIGHTS OF THE GRANTS IN 2014

In 2014, the Foundation accelerated its grant-awarding activities. The number of applications, new resources and the number of committees all increased. The Foundation received 1,995 applications divided into the four categories described below.

- **Open competition within physiology, endocrinology, metabolism and other scientific research and other scientific purposes (biotechnology, innovation and art history):** The Foundation received and processed 1,295 research applications in the open competition category. Of these, women submitted 38% and men 62%, with 251 (almost 20%) receiving a grant. Women comprised 35% of the grant recipients and men 65%. The Foundation’s committees recommended project grants, research leader programmes, scholarships, innovation projects and honorary prizes totalling DKK 435.7 million (€58.6 million). Grants as part of the Foundation’s pre-seed programme are awarded in partnership with Novo A/S.

- **Stand-alone grants within research, education of researchers, inspiration and communication projects (and other proposals covered by the Foundation’s grant purposes):** The Foundation received and processed 182 applications for stand-alone grants and made nine awards. There were 21 applications (4 from women and 17 from men) under the Foundation’s 2014 Challenge Programme theme of research into preventing diabetes and obesity and research into the complications of diabetes. Two grants totalling DKK 119.6 million (€16.1 million) were awarded over 6 years (both to men – see also below). The Foundation awarded seven grants totalling DKK 15.1 million (€2 million) for other stand-alone applications, including grants for research, communication and education projects.

- **The Novo Nordisk Foundation research centre cluster for selected fields of biomedicine and biotechnology:** The Foundation received and processed 484 applications covering the research centre cluster and awarded 275 grants. Based on an application from the Novo Nordisk Foundation Center for Protein Research at the University of Copenhagen, the Foundation awarded additional funding of DKK 180 million (€24.2 million) to extend and further strengthen the activities of the Center until 2019. Two grants under the Foundation’s 2014 Challenge Programme totalling DKK 119.7 million (€16.1 million) went to researchers (one woman and one man) at the Novo Nordisk Foundation Center for Basic Metabolic Research. The Foundation also awarded DKK 24.3 (€3.3
(269) to the Program for Clinical Research Infrastructure (PROCRIN) for improving the quality of the registry and databases linked to the Danish National Biobank. In 2014, the Foundation received 482 applications from researchers to participate in the Copenhagen Bioscience Conferences; 269 were approved. In 2014, the Foundation awarded DKK 7 million (€941,000) to the Copenhagen Bioscience Conferences, Cluster Days and a workshop in 2015 on immunometabolism involving, among others, scientists from the Novo Nordisk Foundation Center for Basic Metabolic Research.

• **Humanitarian and social causes:**
The Foundation received and processed 34 applications for humanitarian and social causes. In 2014, the Foundation awarded 12 grants totalling DKK 3 million (€403,000) to charitable organizations for the purpose of improving health and welfare. Under humanitarian and social causes, the Foundation also supports the Steno Diabetes Center, the research hospital of Novo Nordisk A/S, which received four grants. In 2014, the Foundation awarded DKK 71.1 (€9.5 million) to the Steno Diabetes Center, of which DKK 30.4 million (€4.1 million) was for operating the hospital. A grant of DKK 10 million (€1.3 million) was awarded for research activities at the Steno Health Promotion Research Department, with DKK 11.9 million (€1.6 million) awarded to the STAR (Steno Training and Application of Resources) education programme and DKK 18.8 million (€2.5 million) awarded to the REACH education programme.

The overhead ratio for administering grants in 2014 comprised 7.1% of the grants paid out and 5.4% of the grants awarded. The equivalent figures in 2013 were 6.9% and 7.8%, respectively. The overhead ratio in 2014 includes employee salaries, rebuilding and expanding the Foundation’s offices, rent, consultancy fees, travel expenses and honorariums for committee and Board members. The overhead ratio also includes a service agreement with Novo A/S for the provision of services such as accounts, financial activities, legal services, human resources, IT and Novo Seeds.

**THE FOUNDATION’S WEBSITE**
(WWW.NOVONORDISKFOUNDATION.COM) PROVIDES FURTHER INFORMATION ABOUT THE RESEARCH GRANTS AWARDED, INCLUDING A COMPLETE LIST OF THE GRANTS AWARDED IN 2014 AND PREVIOUS YEARS.
### THE FOUNDATION’S STRATEGIC GOALS

<table>
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<th>COMMERCIAL GOALS</th>
<th>GRANT WARDING GOALS</th>
</tr>
</thead>
<tbody>
<tr>
<td>WITH DENMARK AS THE FOUNDATION’S CENTRE OF GRAVITY, THE PRIME FOCUS IS:</td>
<td>Be a strong owner of the companies in the Novo Group</td>
<td>Strengthen biomedical and biotechnology research in selected fields</td>
</tr>
<tr>
<td>To promote world-class research and innovation in the medical, biotechnological</td>
<td>Generate attractive investment returns for the Foundation on its financial</td>
<td>Fuel cross-disciplinarity</td>
</tr>
<tr>
<td>and natural sciences and help to foster a world-class education system</td>
<td>investment portfolio</td>
<td>Advance individual scientific excellence</td>
</tr>
<tr>
<td>To help to develop a knowledge-based society that contributes to long-term</td>
<td>Make investments with the main goal of promoting knowledge and world-class research</td>
<td>Spur imagination, inspiration and knowledge about science and technology</td>
</tr>
<tr>
<td>economic activity and job creation for improving general health and welfare</td>
<td></td>
<td>Build bridges between scientific discoveries and their commercial applications</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Achieve social and humanitarian impact</td>
</tr>
</tbody>
</table>
THE BOARD
THE BOARD OF THE NOVO NORDISK FOUNDATION IN MARCH 2014: LARS FUGGER, MARIANNE PHILIP, STEN SCHEIBYE, BO AHRÉN, KARSTEN DYBVAD, ANNE MARIE KVERNELAND, STEEN RIISGAARD, KAREN LAUBERG LAURITSEN, LARS BO KØPPER.
FINANCIAL RESULTS AND GRANTS
The Foundation’s audited accounts for 2014 showed a profit of DKK 2,835 million (€381.2 million) versus DKK 1,950 million (€262.2 million) in 2013. The dividend from Novo A/S in 2014 was DKK 2,745 million (€369.1 million) versus DKK 1,949 million (€262 million) in 2013. In 2014, the Foundation awarded grants totalling DKK 968 million (€130 million). New grants of DKK 975 million were awarded for research, education and innovation activities as well as for humanitarian and social causes, including the continuing operation of the Steno Diabetes Center. DKK 7 million in grants were cancelled. The net total annual grants awarded have thus increased by DKK 279 million (€37.5 million) since 2013. In 2014, the value of grants due to be paid was DKK 3,082 million (€414.4 million) versus DKK 2,843 million (€382.3 million) in 2013.

THE FOUNDATION’S ASSETS
In addition to the assets in Novo Nordisk A/S and Novozymes A/S, the Foundation had accessible capital at the end of 2014 of DKK 56 billion (€7.53 billion) that can be used for capital increases, grants and investment. Further, the Foundation has a capital reserve for the commercial activities of the Foundation’s subsidiaries, and it maintains a liquid reserve of DKK 25 billion (€3.3 billion) for participating in a capital increase of Novo Nordisk A/S, Novozymes A/S and other companies in which the Foundation’s wholly owned subsidiary Novo A/S owns a significant stake. The assets excluding the stake in Novo Nordisk A/S and Novozymes A/S comprise investments in life-science companies and financial investments.
<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dividends from Novo A/S</td>
<td>2,745</td>
<td>1,949</td>
<td>0</td>
</tr>
<tr>
<td>Net profit for the year</td>
<td>2,835</td>
<td>1,951</td>
<td>52</td>
</tr>
<tr>
<td>Grants awarded</td>
<td>968</td>
<td>688</td>
<td>956</td>
</tr>
<tr>
<td>Equity in Novo A/S*)</td>
<td>2,142</td>
<td>2,142</td>
<td>2,142</td>
</tr>
<tr>
<td>Securities</td>
<td>6,391</td>
<td>4,840</td>
<td>2,879</td>
</tr>
<tr>
<td>Total assets</td>
<td>8,630</td>
<td>7,039</td>
<td>5,360</td>
</tr>
<tr>
<td>Equity</td>
<td>5,538</td>
<td>3,671</td>
<td>2,409</td>
</tr>
<tr>
<td>Grants awarded (pending payment)</td>
<td>3,082</td>
<td>2,843</td>
<td>2,938</td>
</tr>
<tr>
<td>Equity ratio (%)</td>
<td>64.2</td>
<td>52.2</td>
<td>44.9</td>
</tr>
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*) Valued at historical cost price.
Novo A/S plays a major and independent role as an investor in biotechnology and combines the company’s pharmaceutical and biotechnology insight and network with an investor’s focus on results and creating value.

LIFE-SCIENCE INVESTMENT
Investment by Novo A/S falls into four categories, three of which are within the life sciences in the following areas.

- **Novo Seeds** develops and finances innovative biotechnology and life-science companies in the Nordic region through direct investment and participates in awarding Foundation-funded pre-seed grants. Novo A/S made four new seed investments in 2014.

- **Novo Ventures** is an active, international partner in the life-science venture industry. In 2014, investments were made in new life-science venture companies with follow-on investments in the existing portfolio.

- **Large investments** invest in well-established and profitable companies, preferably with a leading position in their field and good growth potential, to ensure an attractive financial return in the long term and to create diversity in the overall investment portfolio. In 2014, Novo A/S and the management of Sonion A/S acquired all the shares in the company. Sonion A/S is a leading global producer of components for hearing aids. Sonion invests heavily in research and development to continually make hearing aid devices better and smaller to help people with hearing impairments lead a normal life.

FINANCIAL INVESTMENT ACTIVITIES
During recent years, in a fourth category in parallel with its investment activities in the life sciences, Novo A/S has expanded its financial investment activities and has built up a broad, global portfolio of financial assets.

The main purpose of these financial investment activities is to spread the risk associated with the assets of the Novo Nordisk Foundation and to accumulate a substantial high-returning liquidity reserve. The investment universe comprises shares in listed and unlisted securities, bonds, corporate debt, emerging market bonds, infrastructure and real estate. The value of the financial investments at the end of 2014 was DKK 24 billion (€3.22 billion).

FINANCIAL HIGHLIGHTS
The investment activities of Novo A/S in 2014 resulted in a net profit of DKK 13,460 million (€1,809.9 million), with life-science investments making a profit of DKK 5,291 million (€711.4 million) versus DKK 1,335 million (€179.5 million) in 2013, and financial investments making a profit of DKK 3,201 million (€430.3 million) versus DKK 3,056 million (€410.9 million) in 2013.

The value of the equity in associated companies increased by DKK 1,857 million (€149.7 million) to DKK 9,280 million (€1,247.8 million) in 2014 versus DKK 7,433 million (€999.4 million) in 2013. The value of life-science investment increased by DKK 2,629 million (€353.5 million) from DKK 7,300 million (€981.6 million) in 2013 to DKK 9,929 million (€1,335.1 million) in 2014.
## SELECTED FINANCIAL HIGHLIGHTS FOR NOVO A/S

<table>
<thead>
<tr>
<th>DKK million</th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dividends from Novo Nordisk A/S and Novozymes A/S</td>
<td>3,360</td>
<td>2,752</td>
</tr>
<tr>
<td>Gain on sale of shares in Novo Nordisk A/S and Novozymes A/S</td>
<td>306</td>
<td>2,451</td>
</tr>
<tr>
<td>Profit from associates</td>
<td>2,134</td>
<td>1,327</td>
</tr>
<tr>
<td>Profit from life-science investments</td>
<td>5,291</td>
<td>1,335</td>
</tr>
<tr>
<td>Profit from financial investments</td>
<td>3,201</td>
<td>3,056</td>
</tr>
<tr>
<td>Net profit</td>
<td>13,460</td>
<td>10,784</td>
</tr>
<tr>
<td>Investments in subsidiaries DKK million *</td>
<td>6,166</td>
<td>5,985</td>
</tr>
<tr>
<td>Investments in associates</td>
<td>9,280</td>
<td>7,433</td>
</tr>
<tr>
<td>Life-science investments</td>
<td>9,929</td>
<td>7,300</td>
</tr>
<tr>
<td>Financial investments (securities)</td>
<td>23,965</td>
<td>19,778</td>
</tr>
<tr>
<td>Total assets</td>
<td>54,630</td>
<td>42,412</td>
</tr>
<tr>
<td>Total equity</td>
<td>52,816</td>
<td>42,101</td>
</tr>
<tr>
<td>Equity ratio (%)</td>
<td>96.7</td>
<td>99.3</td>
</tr>
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</table>

* Valued at historical cost price.

For further information, please see the 2014 annual report of Novo A/S at www.novo.dk.
Throughout its history, social responsibility has been at the heart of the Novo Nordisk Foundation’s activities. Nobel Prize winner August Krogh laid the basis for this in 1922 when he entered into a rights agreement to produce insulin in the Nordic countries. The agreement 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 activities have expanded significantly, and the Foundation has thereby increasingly influenced its surroundings and taken responsibility for society as a whole.

The Foundation has a Charter: common values with which all companies in the Novo Group must comply. The two largest companies in the Novo Nordisk Foundation 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 in this area.

Social responsibility is integrated into the activities of the Novo Nordisk Foundation Group in accordance with the Foundation’s overall societal goals. The following pages summarize how the Foundation influences society in relation to the Foundation’s societal and strategic goals for each of the Foundation’s two main purposes: providing a stable basis for the commercial activities of the companies in the Novo Group and awarding grants.

THE FOUNDATION’S GRANT ACTIVITIES

The Foundation awards grants for research based on the following 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.

- **Professionalisme**: 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 Foundation’s grants are unconditional. 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 Group has preferential access to the research results funded by grants from the Foundation.
In 2014, the Foundation awarded grants totaling DKK 968 million (€130 million) and paid out DKK 733 million (€98.5 million) primarily for research, which represents a three-fold increase in the amount paid annually during the past 5 years. The figure on the opposite page shows how much the Foundation has awarded and paid out for each year since 2004 based on its grant-awarding remit laid down in the Articles of Association. The columns show how much the Foundation has awarded, with the curve showing the amount paid out each year. Since some grants extend over several years, the money for such grants is not paid out as a lump sum in the year the grant is awarded. The dotted line represents the anticipated level of grant payments until 2018 based on the strategy adopted by the Board of the Foundation.

The Foundation’s focused efforts on research within biomedicine and biotechnology contribute to new knowledge and insight, which are also preconditions for renewal and innovation. In the public sector, this leads to improved services within the health, social and environmental sectors. Research within the supported fields also has synergy effects for private businesses by promoting competitiveness.

Based on information from the research centre cluster and other initiatives supported by the Foundation, the Foundation estimates that its annual grants have led to creating about 1,500 jobs in science, especially at universities and hospitals, based on the recent increase in total grants and payments and calculation of the average cost per job in science. This creates synergy in the rest of society through products and services supplied by the private sector, tax revenue and the use of the new knowledge created at public and non-profit knowledge institutions supported by grants from the Foundation.

The Foundation helps to create, maintain and develop strong research environments at universities and hospitals. For society, this means strengthening research-based education and increasing the supply of talented university graduates and researchers 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. Talented researchers and graduates from Denmark and elsewhere are the employees of the future in private businesses and public organizations involved in research, education and innovation. The Foundation also provides funding that enables researchers in the Nordic countries to identify the commercial potential of their research discoveries, focusing on commercializing new diagnostic methods, therapies, medical devices and technologies that can result in establishing new biotechnology companies and jobs within biotechnology.
Denmark’s Ministry of Higher Education and Science has documented in its latest report on the effects of research\(^1\) that research increases productivity and contributes to increased economic activity and more jobs in the long term.

\(^1\) Overview of some of the most important system analyses and results of grants and investment in research in Denmark: http://ufm.dk/publikationer/2014/analysis-of-the-danish-research-and-innovation-system
The Foundation wants to support sustainable research and research practice. In this context, sustainability should not solely be interpreted as considering climate and the environment but also treating people and animals optimally and in accordance with laws and regulations. The Foundation contributes to a sustainable society in social and health terms by supporting science within health and welfare and for humanitarian and social purposes that improve the health and welfare of people.

The Foundation also works for sustainable research practice and 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 are summarized briefly below (see www.novonordiskfonden.dk/en/content/standards-good-research-practice).

- **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 patients and healthy volunteers in clinical trials. Further, grant recipients 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**: An employee on a project must be paid, as a minimum, in accordance with the applicable collective agreement; must have working hours and holiday in accordance with the national rules; must be treated with respect and dignity; and must not be subject to discrimination.

- **Working environment**: A grant recipient’s institution must ensure that the employees working on a project have a safe and healthy workplace.

- **Environment**: A grant recipient must minimize any adverse effects on the environment when conducting the research. This must be achieved by complying with environmental laws; establishing systems to ensure safe handling, storage of the materials used such as utensils, waste etc.; avoiding contaminating the local environment; and improving environmental performance continually.

To ensure sustainable research practice, all applicants submitting an application on the Foundation’s electronic application system must confirm that they have read and ac-
cepted 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 the application. From November 5, 2014 researchers must also comply with the Danish Code of Conduct for Research Integrity from Denmark’s Ministry of Higher Education and Science if they are grant recipients or apply for grants and intend to conduct their research in Denmark.

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 strives to have paperless applications and administration.

Grants are not paid to the grant recipient but to the institution that will monitor whether the grant is being used correctly and in accordance with the rules and procedures with which the institutions are obligated to comply. All 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. Any unused funds must be returned to the Foundation.
Although the Foundation’s largest grant area is research in the health sciences, the Foundation also supports humanitarian and social causes that improve people’s lives. The Foundation emphasizes supporting projects that promote the health and welfare of people in Denmark.

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. The hospital treats and provides high-quality services to more than 5,000 people annually, provides teaching and undertakes research. The Foundation provides annual support to the Steno Health Promotion Center, which carries out research into patient education, lifestyle changes and in primary, secondary and tertiary prevention.

In 2014, the Foundation supported STAR (Steno Training and Application of Resources Courses), an international education programme that aims to improve the treatment of people with diabetes in such countries as China, India and Indonesia by teaching and disseminating new knowledge about diabetes.

The Foundation awarded a grant to Steno Diabetes Center to cover the start-up costs of the Steno-REACH diabetes education programme, which aims to address the shortfall of health professionals in diabetes in low- and medium-income countries. The programme will provide additional qualifications to doctors, nurses and other health professionals in preventing, treating and diagnosing diabetes. The goal is to ensure that 20% more people are treated in accordance with the recommended guidelines.

For over 60 years, the Foundation has supported well-known humanitarian and social organizations working nationally and internationally. The Foundation ensures that the organizations it supports focus on people’s health and welfare and file audited accounts. The Foundation publishes the names of the organizations supported at www.novonordiskfoundation.com
The management of the Foundation is aware of the responsibility the Foundation has for its employees. The Foundation strives to be an attractive workplace at which employees thrive both professionally and privately. A key element of the Foundation’s policy involves creating a healthy, safe and flexible working environment. 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:

• **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 his or her potential, we are conscientious, we 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 straightforward dialogue characterized by openness, honesty and credibility.

• **Trust:** In our team, we are targeted and result oriented, and we value freedom with responsibility.

The Foundation expects its employees to comply with the cornerstones in their activities; to provide annual feedback on whether the values are being implemented in practice; and to comply with the relevant guidelines for the working environment and other areas. To ensure a healthy workplace and to minimize sick leave, the Foundation has a committee that monitors the working environment and proposes initiatives to improve the working environment. In 2014, anonymous workplace assessment revealed that employees experienced a good working environment with a high degree of satisfaction in senior management and with the Foundation as a place to work.

The Foundation made organizational changes in 2014 that included creating three teams – the Thematic Team, the Open Competition Team and the Operations Team – in addition to the Executive Management and its secretariat.

The Foundation emphasizes ensuring diversity in employees 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 sex, age, education, cultural background and international experience. There is gender equality at the management level under the CEO.

The Foundation had 24 employees at the end of 2014. In terms of diversity, 54% of the employees were women and 46% men. In addition, slightly less than half the employees have a PhD and/or doctorate degree, and the age range between the youngest and oldest employees is about 40 years. Further, the employees include citizens of four countries.
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 to use natural resources sustainably. The Board of 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.

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.

• 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 commit to:
• Value-based management
• Open and honest dialogue with their stakeholders
• Continuous improvement of:
  – Financial responsibility
  – Environmental responsibility
  – Social responsibility
• Reporting in accordance with relevant, internationally approved conventions
Novo A/S has defined its cornerstones based on the Charter, and these form the basis for the company’s investment and its interactions with other companies.

Novo Nordisk A/S and Novozymes A/S have also 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 have committed themselves for many years 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 and environmental challenges. More than 12,000 companies and organizations from more than 145 countries participate in the United Nations Global Compact. This includes a group of about 50 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.

**CORNERSTONES OF NOVO A/S**

- **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.