The Novo Nordisk Foundation Group and Society in brief

Research grants. In 2015, the Novo Nordisk Foundation awarded grants worth a total of DKK 1.159 billion (€156 million) gross and paid out DKK 914 million (€123 million). The money was spent primarily for public research at universities and hospitals. Grants cancelled amounted to DKK 132 million (€18 million) and repayments were DKK 13.4 million (€1.8 million). The net grants were therefore DKK 1.027 billion (€138 million).

Investments in private research and development. In 2015, Novo Nordisk A/S spent DKK 13.608 billion (€1.83 billion) on research and development activities and Novozymes A/S DKK 1.896 billion (€255 million). In addition, Novo A/S made additional investments in research and development in companies that it owns.

Research hospital, Steno Diabetes Center A/S. Novo Nordisk A/S, the Novo Nordisk Foundation and the Capital Region of Denmark jointly financed Steno Diabetes Center with a grant of DKK 186.1 million (€25 million). The treatments provided benefited nearly 6000 people with diabetes. The Foundation has also funded international education programmes on diabetes for professionals in low- and middle-income countries and supported research in areas such as health promotion and the development of Steno Diabetes Center.

Generating new knowledge. The Foundation’s grants help to create, retain and develop dynamic knowledge and research environments at public research institutions. They also help to create the basis for educating more-skilled graduates and developing more-talented researchers who can find jobs in both private companies and public research institutions. In 2015, recipients of grants from the Foundation published around 2000 articles in various scientific publications to benefit global society as a whole.

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 to mature the sustainability of their innovations. The focus is on commercializing and using promising research discoveries such as for developing new diagnostic methods, therapies, medical devices and technologies that can result in establishing new biotechnology companies.

Jobs in Denmark. In all, the grants awarded by the Foundation in 2015 have generated an estimated 1500 science-related jobs, primarily in the research and education sectors in Denmark. At the end of 2015, Novo Nordisk A/S employed 17,029 people in Denmark, Novozymes A/S 2715 people and NNIT A/S 1547 people. In addition, the investment in life-science companies by Novo A/S also supports at least 1500–2000 jobs in Denmark.

Taxes paid. In 2015, the activities of the Novo Nordisk Foundation Group resulted in taxes paid in Denmark of about DKK 6 billion (€808 million).

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 implement the principles of the United Nations Global Compact. Other investments must not contravene the charter.

Environmental awareness. Novo Nordisk A/S and Novozymes A/S 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 2015 and previous years.

Humanitarian and social support. The Foundation supports well-known humanitarian and social organizations every year based on the applications received. In 2015, the Foundation awarded grants to 14 humanitarian and social organizations.

Read more about key facts and figures in Novo Nordisk Foundation Group Facts and Results 2015 on the Foundation’s website: www.novonordiskfoundation.com.
Novo Nordisk Foundation Group governance

The Novo Nordisk Foundation and the companies in the Novo Group comprise the Novo Nordisk Foundation Group. The Foundation receives dividends from its wholly owned subsidiary Novo A/S and makes grants to society. The income received by Novo A/S derives from commercial companies and other investments.

The Foundation’s commercial and grant-awarding activities are separate. The Novo Nordisk Foundation awards grants in accordance with the strategy laid down by the Foundation’s Board of Directors, which also decides or approves the grants. Novo A/S manages the Foundation’s commercial activities within the overall financial strategy and Charter for the Novo Group and the framework decided by the Foundation’s Board.

The Foundation’s Board comprises the ordinary general meeting of Novo A/S and thereby approves both the annual report and elects the members of the Board of Novo A/S. The Foundation ensures control of Novo Nordisk A/S and Novozymes A/S through the controlling ownership by Novo A/S of the two companies.

The Novo Nordisk Foundation is an independent Danish foundation with corporate interests. The Foundation has two objectives:
1) to provide a stable basis for the commercial and research activities of the companies in the Novo Group; and
2) to support scientific, humanitarian and social causes.

The Foundation funds its grants through income primarily comprising dividends from Novo A/S, its wholly owned subsidiary and investment company. The income of Novo A/S derives from:
- dividends from Novo Group companies;
- dividends and returns from investment stakes in companies; and
- dividends and returns from financial investments.

Figure 1. Organization and financial flow chart in the Novo Nordisk Foundation Group

Note: Novo Nordisk A/S and Novozymes A/S are the two most important operating companies in the Novo Group and are some of the most significant research organizations in Denmark’s life-science cluster. One of the Foundation’s main purposes is to provide a stable basis for the commercial and research activities conducted by Novo Nordisk A/S and Novozymes A/S. NNIT A/S is considered to be an independent member of the Novo Group.

1 NNIT A/S was listed on the stock exchange on 6 March 2015 in connection with the sale by Novo Nordisk A/S of shares in NNIT A/S.
Committed to social responsibility

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 has a major responsibility for society.

The Foundation has a Charter: 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 and societal impact

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.
- **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 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.

Economic impact

In 2015, the Novo Nordisk Foundation awarded grants worth a total of DKK 1.159 billion (€156 million) gross (DKK 1.027 (€138 million) net after cancelled grants) and paid out DKK 914 billion (€123 million). The grants were primarily for research. This represents a five-fold increase in the amount paid annually during the past 7 years since 2008. Figure 2 shows how much the Foundation has awarded and paid out for each year since 1989 based on its grant-awarding remit laid down in the Articles of Association. The columns show how much the Foundation has awarded in grants, 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 Foundation’s focused efforts on research within biomedicine and biotechnology at public research institutions contribute to new knowledge, which is also a precondition for renewal, education and innovation. In the public sector, this leads to improved services within such sectors as education, health and the environment. Research within the supported fields also
creates synergy in the rest of society. Based on information from the Foundation’s grant recipients and on its own calculations, the Foundation estimates that its grants in 2015 have supported about 1500 jobs in science, especially at universities and hospitals.

Figure 2. Annual grants awarded and paid out by the Novo Nordisk Foundation, 1989–2015

![Graph showing annual grants awarded and paid out by the Novo Nordisk Foundation, 1989–2015.]

**Scientific impact**
The Foundation helps to retain, 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. Talented researchers and graduates from Denmark and abroad are the employees of the future in the private and public sectors who are involved in research, education and innovation.

**Scientific production**
In 2015, the Foundation assessed the impact of and monitored the activities supported by the Foundation’s grants. In 2015, grant recipients began systematically reporting using researchfish®, which is used by 80 public and private foundations funding research in the United Kingdom and other countries. In 2015, 99% of the Foundation’s grant recipients reported about 8000 activities covering the period in which their grants were active (2015), including more than 2000 scientific publications published in 2015. Most of the publications are research articles in international journals but also include books, book chapters and PhD and postdoctoral theses.

**Scientific collaboration**
About 60% of the scientific articles by the recipients of Foundation grants are published in international collaboration. About 12% of the collaborative articles are published with researchers from companies. The number of articles in journals generated through research collaboration by the recipients of Foundation grants is now three times that in the early 1980s.

**Citation impact factor**
The number of publications indicates a researcher’s production of new knowledge that is shared with the research community. The citation impact factor of articles is measured through the number of citations per article, with measurements performed 2 years after the year the article is published. The Foundation uses the internationally recognized Leiden Ranking bibliometric indicator known as MNCS (mean normalized citation score). This indicates the average number of citations per publication relative to the world average within the same scientific field in the same year. The Foundation has measured the impact of
scientific articles published in 2006–2013 for which the Foundation has funded the work. However, the articles published in 2014 and 2015 will first be measured in 2016 and 2017, respectively. Figure 3 shows that MNCS remained stable at about twice the world average for this period.

Figure 3. Impact (MNCS) of scientific articles deriving from projects supported by the Novo Nordisk Foundation in 2006–2013. MNCS indicates the average number of citations per scientific publication relative to the world average within the same scientific field in the same year.

Social and environmental impact
The Foundation strives to support sustainable societal development, research and research practices. In this context, sustainability should not solely be interpreted as considering climate and the environment but also ensuring that people and animals are treated optimally and in accordance with laws and regulations. The Foundation contributes to a sustainable society in social and health terms by supporting research within health and welfare and humanitarian and social causes that improves the health and welfare of people.

The Foundation also strives for a 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 from the Foundation. The standards for good research practice are summarized briefly below (see also 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 etc. of the materials used, utensils, waste etc.; avoiding contaminating the local environment; and improving environmental performance continually.

To ensure a sustainable research practice, all applicants wishing to submit an application in the Foundation’s electronic application system must confirm that they have read and accept the Foundation’s standards for good research practice. Before submitting an application, applicants must confirm that they will commit themselves to using any future grant in a responsible manner and for the purposes described in their application and their budget. Researchers must also comply with the Danish Code of Conduct for Research Integrity from...
Denmark’s Ministry of Higher Education and Science (updated on 5 November 2014) if they are grant recipients or apply for grants. 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.

Grants are not paid to the grant recipients 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. In 2015, the Foundation decided that it may provide an administration budget of up to 5% of the total project budget so that the individual institution can monitor that a grant is used in accordance with the approved budget and for the purposes intended.

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. To ensure efficiency and to protect the environment, the Foundation strives to have paperless applications and administration.

**The Foundation as a workplace**

The Executive 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 and develop their professional competencies optimally. 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. These are designed to ensure a well-functioning workplace with clear objectives for the work and to ensure that the employees 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 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 these cornerstones in their activities; to provide annual feedback to Executive Management 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 2015 as in previous years, the Foundation carried out an anonymous workplace survey of how employees experienced working at the Foundation. The overall result of the survey showed a high level of satisfaction and commitment among employees. On a scale of 1–10, employees in the secretariat registered average scores of 8.1 to 9.1 on the parameters of satisfaction, commitment, the relationship with an employee’s line manager, collaboration, staff development, the daily work and fulfillment of the Foundation’s cornerstones. A score of 8 or higher is considered to be excellent. The overall result of the workplace survey is considered satisfactory, especially since the organizational structure has changed and the number of employees grew significantly from 2014 to 2015.
The Foundation made organizational changes in 2015 that included creating new departments and changing the names of other departments. At the end of 2015, the organization comprised the following departments: Research and Innovation Grants, Strategic Awards, Steno Grants, Operations and an Executive Management secretariat. In 2015, a decision was also taken to establish an independent Stakeholder Relations & Communication department.

The Foundation emphasizes ensuring diversity in its staff 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. At the end of 2015, the Foundation had 32 employees and four student interns. In terms of diversity, 53% of the employees were women; 47% were men. In addition, almost half of the employees had a PhD and/or doctorate degree. The age range between the youngest and oldest employees was about 40 years.

**Commercial activities**

**The Novo Group**

The ambition of the Foundation is that the companies in the Novo Group (Novo A/S, Novo Nordisk A/S, Novozymes A/S and NNIT 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. 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.

Companies in the Novo Group commit to:
- Value-based management
- Open and honest dialogue with their stakeholders
- Continuous improvement of:
  - financial performance
  - environmental performance
  - 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. 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 investment and its interactions with other companies. The 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 also 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 (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, societal 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.

**Financial impact of the companies**

In 2015, the activities of the Novo Nordisk Foundation Group resulted in corporate tax paid in Denmark of about DKK 6 billion (€808 million).

In 2015, Novo A/S invested DKK 3.013 billion (€404 million) in 20 new and 42 existing life-science companies. The investments in life-science companies made by Novo A/S are the basis for jobs in Denmark and abroad, of which at least 1500–2000 are in Denmark.

In 2015, Novo Nordisk A/S hired 1240 new full-time employees in Denmark, equivalent to nearly 5% of the total jobs created in the private sector in Denmark.

In 2015, the global revenue and other financial income of Novozymes A/S was DKK 14.104 billion (€1.87 billion), of which 86% was returned to global society by purchasing goods and services from suppliers; salaries and pensions for the company’s global workforce of 6485 employees; various taxes paid to society; and dividends and financial expenses to providers of capital. The remaining 14% was reinvested in Novozymes A/S to develop the company and to ensure its competitiveness and the continued future value available for distribution to the company’s most important stakeholders.

At the end of 2015, Novo Nordisk A/S had 17,029 employees in Denmark, comprising 40% of its global employees. Novozymes A/S had 2715 employees in Denmark, comprising 40% of its global employees. At the end of 2015, NNIT A/S had 1547 employees in Denmark, comprising 61% of its global employees.

In 2015, Novozymes A/S invested DKK 1.896 billion (€254 million) in research and development, Novo Nordisk A/S DKK 13.608 billion (€1.82 billion) and NNIT A/S DKK 12 million (€1.6 million). The European Commission’s [EU Industrial R&D Investment Scoreboard 2015](http://iri.jrc.ec.europa.eu/scoreboard15.html) publishes data for the world’s 2500 largest companies based on their investment in research and development. Novo Nordisk A/S ranks number 22 in Europe and number 67 globally in investment in research. Novozymes A/S ranks number 118 in Europe and number 430 globally.

**Social and environmental impact**

The Novo Group is very interested in making a positive global social and environmental impact on its surroundings and on exercising sustainable management, and it invests significant resources in implementing this.

**Sustainable management**

**Novo A/S**

Novo A/S operates based on a responsible investment process that has a value-based background in environmental, social and communication policy predicated on the fact that “we live in a dynamic and complex reality in which the most important indicators of success are legitimacy and integrity”. This is designed to minimize both risk and responsibility and to create opportunities. Before Novo A/S invests in a company, it investigates whether the company’s activities conflict with the Charter for Companies in the Novo Group. When
investing directly in a company, Novo A/S is responsible for ensuring that a company in which it invests does 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 fulfill the criteria. Novo A/S strives to act as an active and responsible shareholder and is represented on the boards of Novo Nordisk A/S, Novozymes A/S and NNIT A/S and, with few exceptions, on the boards of all the other companies in its portfolio.

**Novo Nordisk A/S**

Novo Nordisk A/S operates based on a value-based management system as formalized in the Novo Nordisk Way with the triple bottom line principle. The company’s Articles of Association state that Novo Nordisk A/S will “strive to carry out its activities in a financially, environmentally and socially responsible way”, which encapsulates the company’s long-term strategy of a sustainable business. This commits everyone in the company to always consider how decisions and actions can affect people, society and the environment. The aim is to ensure long-term profitability by minimizing the risks from business activities and maximizing the positive contributions to society from the company’s global activities.

The triple bottom line business principle requires systematic and respectful collaboration with the company’s stakeholders, which also makes the company more prepared for any reorganization when the business environment changes and also provides opportunities for competitive advantages. Novo Nordisk A/S collaborates proactively with stakeholders on managing global and systemic challenges that may affect the company’s results in the long term. One example of this is the active participation of Novo Nordisk A/S in contributing to the Sustainable Development Goals under the auspices of the United Nations.

Novo Nordisk A/S operates in accordance with the Ten Principles for responsible companies of the United Nations Global Compact and is an active member of the Global Compact LEAD initiative. The company strives to contribute to achieving global goals in partnerships to solve major systemic societal challenges.

Novo Nordisk’s global practice for responsible management includes anti-corruption initiatives and standards for business ethics. A compliance hotline enables employees and external stakeholders to anonymously report suspected irregularities, such as non-compliance with the Novo Nordisk Way, financial crime, conflicts of interest, corruption and other forms of illicit behaviour.

In 2015, the focus continued to be on due diligence and follow-up to ensure that human rights are respected in processes across the whole value chain. This complies with the United Nations Guiding Principles on Business and Human Rights. Given continued growth, emphasis was placed on giving management the guidance and tools that they could use for taking decisions that consider the impact on people, society and the environment and strive to balance the goals of stakeholders with the company’s commercial interests.

**Novozymes A/S**

Novozymes A/S operates in a transparent and responsible manner across the company’s business methods and proactively shares information with stakeholders through various platforms and information channels.

Novozymes A/S is recognized for its sustainable management and is accredited in numerous registers. For example, the company was awarded a Silver Class rating in the RobecoSAM Sustainability Yearbook 2016 for the chemical industry and, for the second consecutive year, was in the top 3% of sustainable management in its peer group.

Several of the important customers of Novozymes A/S have recognized it as a supplier of innovative and sustainable solutions. In 2015, Novozymes was awarded the prestigious BusinessGreen prize in the Biotechnology of the Year category for Novozymes Eversa®, an enzyme that converts oil to biodiesel. The prize was decided by and expert jury comprising
11 leading figures within the environment and technology. In awarding the prize, the jury stated: “Novozymes has a hugely impressive track record within green biotechnology innovation spanning many years. Eversa® has properties that drastically reduce the costs and increase the efficiency of the production of biodiesel processes, delivering many environmental savings in the process.”

**Use of resources**

**Novo Nordisk A/S**

In 2015, Novo Nordisk set a new long-term target of reducing CO₂ emissions. A key aspect of the strategy was to increase the share of renewable energy by having all production sites obtain 100% of their electricity from renewable sources by 2020. To achieve the target, the company signed up to the [We Mean Business](https://wemebusiness.org) coalition and the [RE100 initiative](https://re100.org) led by the Climate Group in partnership with CDP. This initiative represents a coalition of influential companies committed to achieving the target of having 100% of their electricity produced from renewable sources and to working to increase the demand for renewable energy.

The long-term ambition of Novo Nordisk A/S is to decouple the consumption of water and energy from sales growth. The current target is set as a maximum of half of the percentage increase in sales in local currencies, measured as a 3-year average. In 2015, sales increased by 8% in local currencies while energy consumption increased by 9% and water consumption increased by 6%. The target is challenged by the increase in production capacity and lower sales growth rates.

In 2015, the worldwide production facilities of Novo Nordisk A/S used 2,778,000 GJ of energy and 3,131,000 m³ of water. Energy consumption increased by 9% and water consumption by 6% despite an ongoing focus on optimizing processes. This development reflected increased production and capacity-building. Production facilities in regions of Brazil and China subject to high water stress consumed 14% of the water used. There is a particular focus on using water responsibly at these facilities.

In 2015, Novo Nordisk generated 37,715 tonnes of waste, representing a 13% increase compared with 2014. This mainly resulted from a large quantity of non-recyclable ethanol, which is used in the cleaning processes when producing insulin. Reducing ethanol waste is a high priority, and efficient regeneration plants enable the ethanol to be reused repeatedly.

**Novozymes A/S**

With growing constraints on global resources, Novozymes A/S focuses on optimizing its operations from year to year in a bid to reduce the consumption of natural resources and minimize the negative environmental effects of production. Novozymes A/S has set long-term targets for energy efficiency, CO₂ emissions and water consumption to optimize production processes. This will both reduce the consumption of scarce resources and reduce costs.

In 2015, Novozymes A/S reduced its CO₂ intensity by 17%, exceeding the target of a 4% reduction relative to a 2014 baseline. This was achieved through a concerted effort by Novozymes A/S to reduce energy consumption at all locations and to increase the sourcing of renewable energy. Novozymes A/S improved its energy efficiency by 15% relative to a 2014 baseline, exceeding its target by 10%. This improvement was driven by continuous process optimization and the implementation of many energy efficiency projects.

The renewable energy share increased to 24% in 2015, thereby meeting the 24% target set by the company. Most of the renewable energy used by the company comes from the Horns Rev 2 offshore wind farm 30 km off the west coast of Denmark. In 2015, Novozymes A/S improved its water efficiency by 9% compared with a 2014 baseline. This improvement was less than expected because a new water reuse system at a major production facility was not able to operate at full capacity during the year. The system is undergoing adjustment and is expected to deliver significant water savings in 2016.
Climate responsibility

Novo Nordisk A/S

While the main focus of the company’s climate action programme has been to reduce CO₂ emissions from production as well as emissions from distribution of products, Novo Nordisk is now extending the scope of the climate programme to encompass indirect emissions from relevant business activities. The initial focus is on the supply chain and emissions from company cars and business travel. The CO₂ emissions related to consumption of energy at the production facilities decreased by 11%, despite the increase in energy use of 9%. The production plant in Tianjin, China has started sourcing wind power from a wind farm in Inner Mongolia, and the Danish production facilities are now sourcing bio-natural gas. This is biogas produced from liquid manure, food waste and organic waste from industry. The biogas is upgraded to meet the quality requirements of natural gas and feeds into the natural gas distribution system. CO₂ emissions from transport (product distribution) decreased significantly, by 25%, compared with 2014. This is mainly due to an increase in the volume of products distributed via sea from 72% in 2014 to 83% in 2015.

In 2015, CO₂ emissions from sea freight accounted for 16% of total emissions, transport via trucks accounted for 5% and air transport accounted for 79%. Distributing as many products as possible by sea is a priority for Novo Nordisk A/S, as it reduces both CO₂ emissions and costs. The company also aims to reduce CO₂ emissions from business flights and company cars. In 2015, business flights resulted in estimated CO₂ emissions of 74,000 tonnes, which is an increase of 9% compared with 2014. The estimated CO₂ emissions from leased company cars decreased by 7%, from 72,000 tonnes in 2014 to 67,000 tonnes in 2015.

Novozymes A/S

Novozymes A/S has a climate strategy. Many of Novozymes A/S’ biological solutions provide customers with environmental improvements compared with conventional technologies. These lead to higher-quality products with lower costs and provide customers with the opportunity to reduce their CO₂ emissions. For more than 10 years, Novozymes A/S has conducted peer-reviewed life-cycle assessment studies to document the environmental impact of its biosolutions and to develop specific claims for benefits with its customers. Novozymes A/S estimated that its customers avoided 60 million tonnes of CO₂ emissions in 2015 by using its products. The annual savings achieved are equivalent to taking about 25 million cars off the road.

Health and society

Novo Nordisk A/S

Just over half of the 415 million people living with diabetes² are diagnosed, and many of those diagnosed do not receive medical treatment.³ As part of the company’s strategy for global access to diabetes care, Novo Nordisk A/S has set itself the long-term target of reaching 40 million people with its diabetes care products by 2020, which is double the baseline number in 2010. The aim is to enable more people with diabetes to receive medical treatment. In 2015, Novo Nordisk provided medical treatments to an estimated 26.8 million patients with diabetes worldwide, compared with 24.4 million in 2014, calculated based on WHO’s recommended daily doses for diabetes medicines. The number reflects an overall increase in the number of patients treated with Novo Nordisk’s insulin products and was driven by human insulin in International Operations (1.2 million patients) and modern and new-generation insulins globally (0.9 million patients). Novo Nordisk A/S focuses on enhancing quality of care through product innovation, while remaining committed to expanding access to medical treatment and care for patients with diabetes throughout the world. The company has several programmes specifically targeting people in low- and middle-income countries who have limited access to health services.

Novo Nordisk A/S is actively engaged in fighting diabetes by contributing to helping people with diabetes live a decent life, providing people with high-quality treatment, ensuring that they are diagnosed and giving help to identify groups at risk of diabetes and what can be done to prevent or mitigate the disease. Millions of people with diabetes receive no treatment, and the aim of the global strategy of Novo Nordisk A/S for access to diabetes treatment is to ensure better care for every person that needs care who does not have access to the necessary medical treatment.

This also applies to countries that are ill equipped to tackle the human, social and financial challenges that arise from the explosive growth in the incidence of diabetes. Novo Nordisk A/S is also working to increase the awareness of diabetes, prevent the disease and improve diagnosis and treatment. One example of this is the World Diabetes Foundation. Established by Novo Nordisk A/S in 2002, the aim is to expand access to the prevention and treatment of diabetes in low-income countries. Read more at www.worlddiabetesfoundation.org. In 2014, Novo Nordisk A/S also launched its global initiative Cities Changing Diabetes, which aims to combat diabetes in the world’s major cities.

Novozymes A/S
As a United Nations Global Compact LEAD member, Novozymes A/S is actively engaged in several United Nations–led initiatives as well as United Nations Global Compact networks in Brazil, China, Denmark, India and the United States. In September 2015, Novozymes A/S ended the proceedings of the United Nations General Assembly in New York by introducing the new United Nations Sustainable Development Goals. The 17 Sustainable Development Goals reflect fundamental challenges such as poverty and climate change that the world needs to overcome to grow in a fair and sustainable manner. During the next 15 years, countries expect to use these Sustainable Development Goals to implement policies, share funding and drive changes that will help to build a fairer and sustainable world for all.

Novozymes A/S was among the first to adapt its strategies to the Sustainable Development Goals with pioneering biotechnological solutions that may be the answer to several global development challenges. The Sustainable Development Goals are a reference framework for Novozymes A/S to guide its decisions, manage risks and to ensure future business opportunities.

The Novo Group as a workplace
The Novo Group strongly emphasizes offering employees an attractive, committed and efficient workplace. This comprises an inclusive culture with respect for individuals, ongoing personal development, health and safety. Novo A/S did not carry out an employee satisfaction survey in 2015. This report therefore only describes the results of the surveys carried out by Novo Nordisk A/S and Novozymes A/S.

Novo Nordisk A/S
Measured on a scale from 1 to 5, with 5 being the best score, the consolidated score in the annual employee survey, eVoice, was 4.3 in 2015, the same as in 2014. The survey measured the extent to which the organization is working in accordance with the Novo Nordisk Way. The 2016 result reflects a strong culture and commitment to the company’s values.

By the end of 2015, gender diversity among managers was 59% men and 41% women. Of the newly promoted managers, 44% were women. In a new initiative and with the aim of ensuring a robust pipeline of talent for recruitment to management positions, all management teams, from entry level upwards, will strive for enhanced diversity.

Novozymes A/S
In 2015, Novozymes A/S met its target for employee satisfaction and motivation related to workplace development. Employee satisfaction and motivation scored 77 of 100 in the company’s annual survey and once more exceeded the target of 75. In addition, the opportunities for professional and personal development scored 80, meeting the target of
75 – an improvement compared with 2014. The focus on employee development throughout the organization, supported and driven by management, is a key element in relation to improving employee satisfaction and motivation.

Novozymes A/S’ proactive approach to avoiding discrimination and to promoting equal opportunities is reflected in specific targets for new managers in terms of nationality and gender diversity. Novozymes A/S has taken major steps to meet the diversity targets. In 2015, Novozymes A/S exceeded its target of ensuring women filled at least 35% of new management positions, with 41% of the positions being filled by women.