

Sustainability in NNE's world



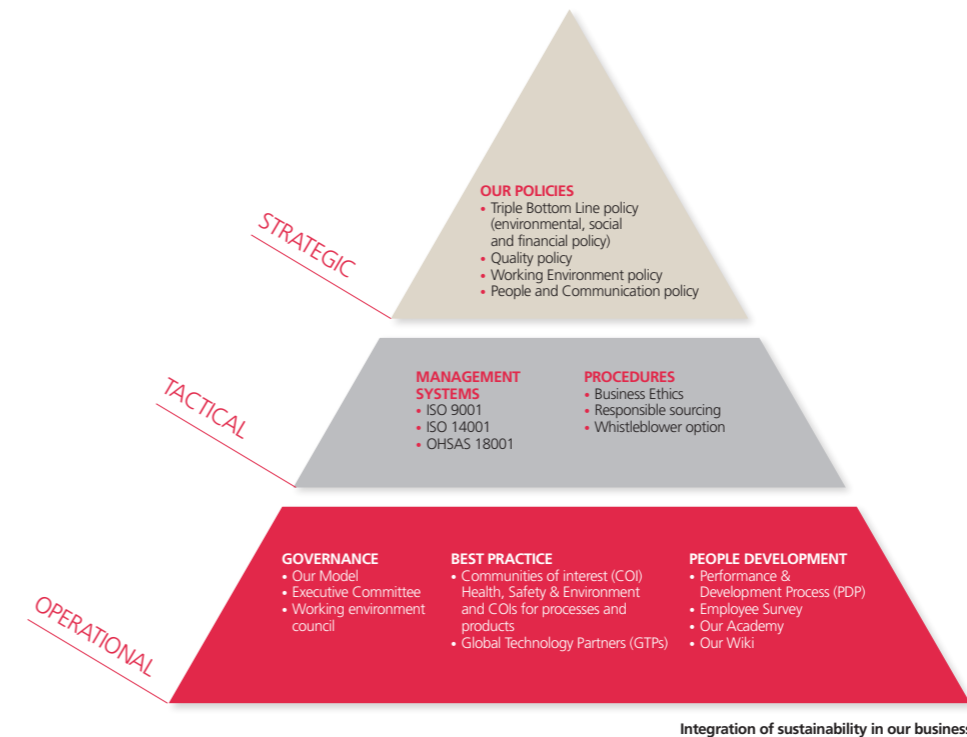
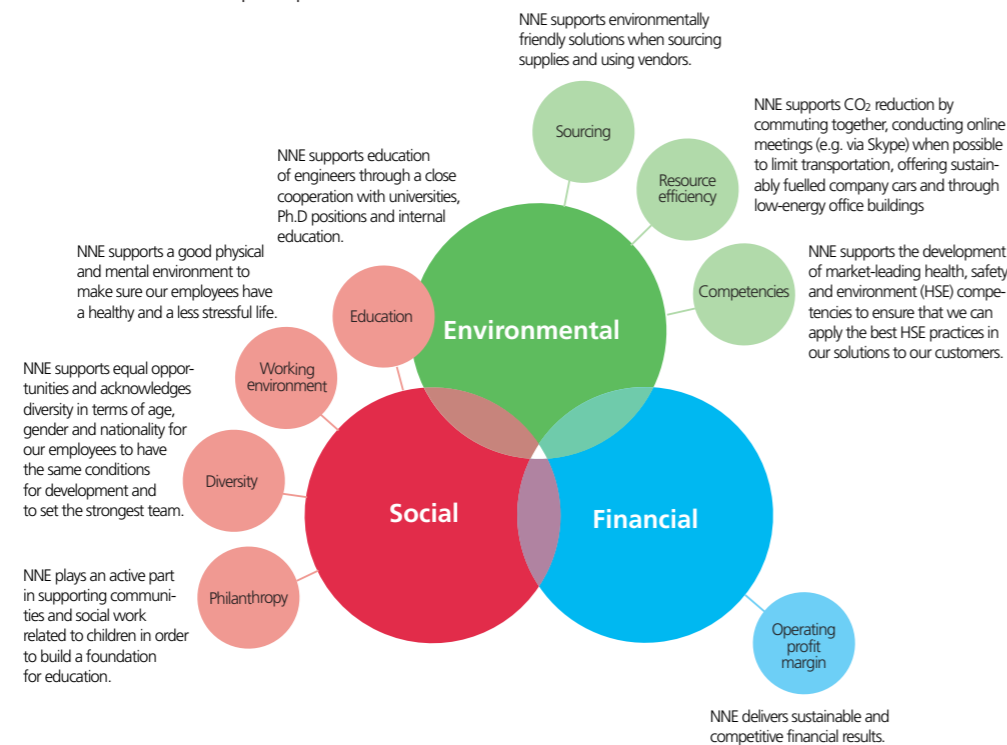
NNE takes responsibility for the impact our business has on people, communities and the environment, and we strive to make a positive contribution to society and human well-being. To be a sustainable business, we follow the triple bottom line (TBL) principle balancing financial, social and environmental aspects of our business².

NNE has been a member of the UN Global Compact since 2008, and we have thus committed to uphold 10 principles regarding human rights, labour standards, environment and anti-corruption, and our support to the fulfilment of the sustainable development goals (SDGs). Our TBL approach is aligned with our commitment to these principles.

In 2017, each NNE subsidiary established concrete goals within diversity, working environment, education, profit, environment and philanthropy to match the targets for NNE's global goals (see figure below).

We integrate sustainability into our business on strategic, tactical and operational levels (as seen in the pyramid).

Through our global policies, systems and goals, we ensure that our company develops sustainably. The solutions we provide for our customers must support the realisation of their social and environmental commitments, goals, challenges and basic compliance aspects, such as the SDGs, resource scarcity, employee safety and well-being and responsible sourcing.



ENABLING CUSTOMER GOALS AND SUSTAINABILITY PERFORMANCE

The SDGs, Paris Agreement on climate, and UN guiding principles on business and human rights set out goals and guidelines for how businesses can tackle global sustainability challenges.

At NNE, we strive to balance these challenges by advising our customers with environmentally safe, sound solutions that improve productivity, fulfill GMP requirements, and respect human rights. Continuous processing technology in the pharmaceutical industry is a good example of a promising fit between GMP, capacity, environment, health and safety. We have already implemented continuous processing in several projects, and we are currently investigating additional applications.

We participate in global standardisation of machine safety requirements, including standards for robots. In addition, we strive to ensure that risk assessment tools stay up-to-date and allow for evaluation of opportunities.

Sustainable building design and the associated design drivers have been another focus area for us in 2017. Together with our customers, we have in-

vestigated certifiable standards such as Leadership in Energy and Environmental Design (LEED) as a driver for environmental improvements. Other focus areas have been indoor climate, explosion safety and intelligent incident investigation.

ENVIRONMENTAL FOOTPRINT

Our indirect carbon and water footprint associated with our advice to customers remains our most important environmental impact. We are striving to set up KPIs and monitor how well we advise our customers in this area. NNE reviews its direct environmental footprint based on contributions from offices and transportation.

In 2017, our carbon footprint for transportation decreased by 34 percent. The reduction in our CO₂ footprint from business travel is mainly a result of changes to our project portfolio compared with 2016. We have seen an increase in projects located near our local offices, resulting in less long-distance flying.

²⁾ For compliance with the Statutory Statement on Corporate Social Responsibility in accordance with the Danish Financial Statements Act section §99a, please refer to the Communication On Progress report for Novo Nordisk Group: <https://www.novonordisk.com/content/dam/Denmark/HQ/AnnualReport/2017/PDF/NN-COP17.pdf>

**CORPORATE
GOVERNANCE
AND RISK
MANAGEMENT**

NNE is managed according to four principles called 'Our Values', launched at the end of 2017. Additional guidance and commitments include our business ethics, quality management system and triple bottom line commitment to continuously improve our financial, environmental and social performance.

OWNERSHIP

NNE complies with the same principles of corporate governance as our parent company, Novo Nordisk A/S. Because NNE A/S is 100 percent owned by Novo Nordisk A/S, we are included in the consolidated financial statements of Novo Nordisk A/S³. Our ultimate parent company is the Novo Nordisk Foundation⁴.

BOARD OF DIRECTORS

NNE's Board of Directors is elected every year at the annual General Meeting. The six members consist of two representatives from the parent company, two external members and two employees elected by NNE employees for a term of four years.

ENTERPRISE RISK MANAGEMENT STRUCTURE

We assess short-term risks on a monthly basis, particularly project and business risks. Long-term risks are assessed annually when we conduct a formal review and evaluation of the potential risks to meet our long-term business objectives. We identify the major risks to NNE by considering both the country-specific risk assessments as well as a general review of the outlook for the pharma engineering market.

BUSINESS ETHICS

At NNE, we conduct our business according to high ethical standards. We live Our Values and

protect the reputation of our company to maintain and grow our business. To reduce the risk of NNE employees violating business ethics, laws and regulations, we have established a compliance programme to ensure proper training, guidance and reporting facilities for our employees and business partners. NNE employees are obliged and committed to comply with the business ethics principles in their day-to-day business, and we also expect sub-consultants, suppliers, sub-suppliers and other business partners and representatives to comply with these principles.

NNE's global compliance programme includes an e-learning programme and certification known as 'Doing business the right way'. This programme is mandatory for all employees and internal consultants to complete once a year. Other activities to support compliance include audits and general awareness training.

PROJECT EXECUTION

Each year, NNE delivers 3,000 projects globally. For major projects, a governance structure and risk assessment are established during the proposal process and maintained throughout project delivery. Project steering committees and management representatives ensure continuous focus on project performance and risk mitigation. Project portfolio risks are assessed and reported on a monthly basis and challenged during quarterly business review meetings between the Executive Management and the individual country General Managers.

³⁾ To obtain a copy of The Annual Report of Novo Nordisk A/S, contact Novo Nordisk A/S, Novo Allé, DK-2880 Bagsvaerd, Denmark or see www.novonordisk.com

⁴⁾ The Novo Nordisk Foundation, Tuborg Havnevej 19, DK-2900 Hellerup, Denmark.

