

GLOBAL COMPACT COMMUNICATION ON PROGRESS (COP)

# SUSTAINABILITY REPORT 2021





# CEO statement

In 2021, NNE had yet another exciting year. We have been busier than ever as a result of the pharmaceutical industry's continued, fast growth. However, we did not disregard our role in the green transition, which was given particular focus in 2021.

It is part of our core business, our responsibility, and our priority to develop green solutions and help our customers achieve more innovative and sustainable production facilities. We continue to build our company on the conviction that in order to be a long-term sustainable and profitable organization, we must balance the demands of our projects, our people, and the planet. We have a responsibility to our employees, customers, and the environment – and we act on this responsibility not because we have to, but because it is the right thing to do.

In 2021, we formalised and framed our efforts regarding environmental sustainability when it comes to the operation of our premises. We made our "Planet Strategy" with concrete and measurable targets. The implementation process will start in 2022 at the offices in Denmark through action plans, activities and campaigns and will be expanded to comprise our internal activities in India and US in the coming years.

NNE has been a member of UN Global Compact since 2008 and we will continue to grow, learn and strengthen our efforts within the 10 principles on Human Rights, Labour, Environment and Anti-Corruption.

I feel confident that our new environmental strategy will complement our efforts to deliver solutions and services that support our customers in their sustainability journey. We want to make it visible for our employees, customers and other stakeholders that we also make an effort to reduce the environmental impact from our daily operations and that we too fight for the green transition and a more sustainable future.

**Jesper Kløve**  
Chief Executive Officer and President  
July 2022

# NNE in brief

NNE is an international company specialized in pharma engineering. That means that our consulting expertise and engineering services are tailored specifically towards the highly GMP regulated pharma industry. We call this focused pharma engineering.

Our vision is to be the frontrunner in pharma engineering and technology, sustainable solutions, and lean project execution - employing the best people and being a unique advisor and partner for our customers. Our mission is to help pharmaceutical companies bring products to market by helping them create flexible, intelligent, and more sustainable manufacturing solutions.

**2021 in numbers**

REVENUE MDKK	OPERATING PROFIT (MDKK)	OPERATING PROFIT MARGIN	NUMBER OF EMPLOYEES	NUMBER OF PROJECTS
1,420	197	14%	1,227 FTE	>1,400

# Managing sustainability at NNE

## PROJECTS

Our projects are the core of our business. It is through our projects that we have the greatest environmental impact, where we make a real change and where we grow stronger as a profitable business.

NNE wants to be the leading engineering company within sustainable design solutions in the pharmaceutical industry. We help our customers turn their sustainability strategies into design solutions that support their goals for sustainable facilities. We do this by working smart and efficiently.

At NNE, we continue to work with a four-step model which ensures that sustainability initiatives are identified, evaluated and implemented based on the customer's goals, with financial benefits and without compromising GMP requirements. The model is relevant in all design phases of a project and the result is long-term sustainability in the lifecycle of the facility.

## PEOPLE

At NNE, our greatest asset is our people and their minds. We believe that by ensuring a healthy, diverse, inclusive and safe culture, we create the best conditions for fully utilizing the pool of knowledge that our employees represent and thereby generate more innovative solutions and financial growth.

### Developing talents

We believe that everyone has talents to be developed and that talent development should be prioritized as a key element of our work. We encourage our employees to take

the lead on their own development. We call this process "Leading performance". To strengthen our competencies, we offer several internal development opportunities to empower each one of our employees, thus making it possible to unleash their full potential:

- We invest in the development of our talents with our talent program Sprighthouse.
- We invest in the development of our leaders. One key driver in developing our leadership skills is our internal program LEAD, which strengthens the ability to set direction, motivate teams and provide feedback.
- We have a strategic focus on talent development called "NNE as a Talent Factory". With this, we aim to build a strong succession pipeline for our key positions, as well as secure the development of all our employees.

These initiatives support our people development strategy, enabling everyone to develop their competencies and skills.

### Inclusion and gender equality

In 2021, we strengthened our Diversity & Inclusion efforts through internal campaigns and by attending multiple student fairs to expand our talent pool, build a diverse organization, and nurture an inclusive culture where our differences drive new thinking.

In 2021, the Board consisted of six members, of which three were females and two of them employee

selected. NNE has obtained equal representation on its Board of Directors in accordance with the guidance from the Danish Business Authority.

Across all NNE management teams, we aim for a distribution equivalent to NNE's overall gender distribution, while taking local cultures and circumstances into account. The gender split for management positions was 40% female and 60% male in 2021 compared to 35% female and 65% male in 2020. The overall gender split across all employees was 31% female and 69% male in 2021.

### A safe and healthy working environment

In 2021, NNE (DK) registered 4 lost time incidents (LTI) and 7 incidents without lost time (no LTI). NNE's executive management reviews all lost-time incidents, and line of business continuously monitors and evaluates incidents to learn from and mitigate recurrence.

### Supporting communities

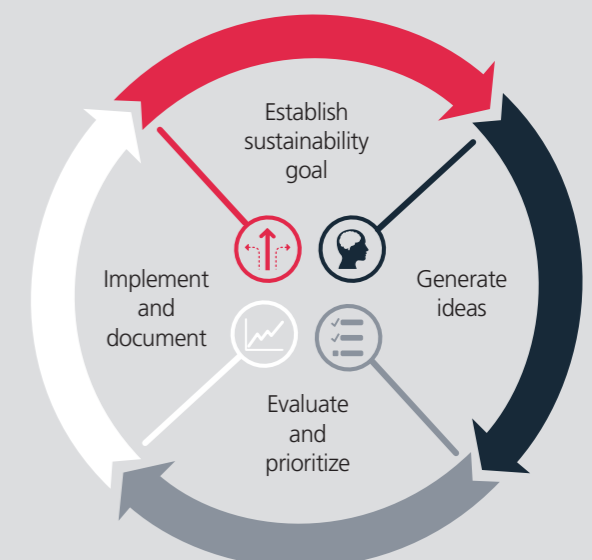
In 2021, NNE became a Premium Member of Engineers without Borders Denmark, enabling us to help improve the living conditions of some of the poorest communities in the world. To kick-start our cooperation with EWB, NNE donated DKK 200,000 in 2021. Together with other donors, our contribution supports the installation of a water well and solar-powered pumps at primary schools in Zimbabwe. It could also help with the renovation of rural health clinics in Sierra Leone with insufficient or dysfunctional sanitation and energy facilities to secure better treatment and hygienic conditions.



We are very proud of our collaboration with Engineers Without Borders and for becoming a part of life-changing projects in communities worldwide. As our core competencies lie within engineering knowledge, we believe it is a perfect match for us to support this organization and the technical-humanitarian projects they facilitate. This means we, together with other donors, can make a difference and better the future of local communities around the world.

In addition, 52 employees contributed close to 21,000 DKK to Engineers Without Borders Denmark by donating their yearly NNE Christmas gift. The donation will directly support a project in the small village Baoma in the Southern part of Sierra Leone. The plan in Baoma is to build a small health clinic where villagers can seek medical attention and women can give birth safely. NNE's Christmas gift donation goes to the water and sanitation for this project.

### FOUR-STEP SUSTAINABILITY MODEL



**PLANET**

**Our internal environmental focus**

We have decided that the growing environmental focus in our projects should also be reflected in the internal operations of NNE. If we are to make a coherent effort within the green transition, we must involve the entire business and ‘walk the talk’ ourselves. We believe it is important that our ambitions to deliver the best sustainable solutions in our projects are also reflected and clearly seen in the everyday life experienced by NNE employees.

In 2021 we therefore launched the NNE “Planet Strategy”. The purpose of the Planet Strategy is to strengthen our internal focus on the environment and take responsibility for our own operations. Through concrete goals with matching initiatives, we want to reduce NNE’s internal environmental impact.

**This is our goal:**

- In 2025 we will be carbon neutral in our direct and indirect impact (scope 1 and 2) by converting to renewable electricity and heating at NNE facilities as well as shifting to electrical NNE vehicles.
- In 2025 we will reduce our other indirect impact by emitting no more than 100 tCO<sub>2</sub>e from air travel (scope 3), which is an 80% reduction from a 2019 baseline.

Additionally, to reduce our scope 3 emissions, we will focus on our suppliers and waste sorting. In relations to suppliers, we will always request an environmentally sound alternative in order to reduce impact from our purchases of goods and services. Furthermore, we want to enhance waste sorting and increase employee awareness on sustainable

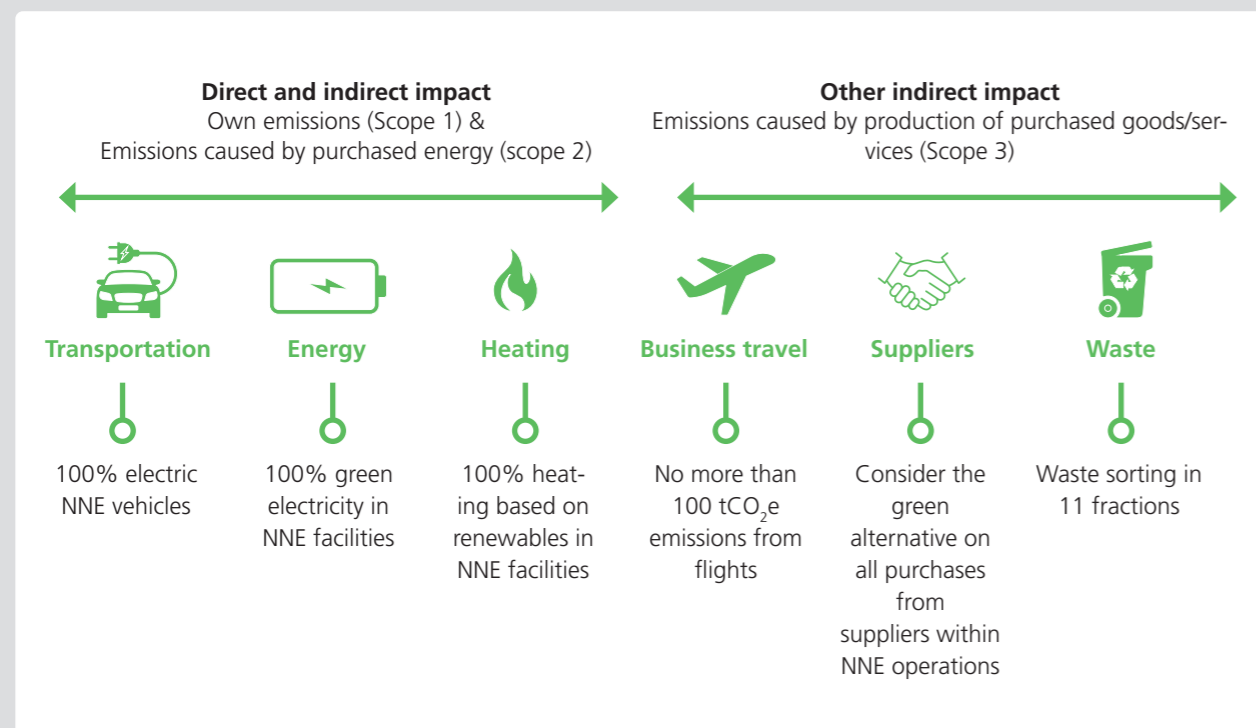
behavior through internal campaigns and increased waste fractions in our offices.

We will not use any offsetting or climate compensating activities to reach our Planet Strategy goals. Our approach to environmental sustainability is to perform actual initiatives and thereby perform actual climate actions. Without offsetting we can not become 100% carbon neutral (in all three scopes), but we will make a real and radical reduction to the emissions from our internal operations.

To start, we will implement the Planet Strategy in our DK offices. Later, we will begin the implementation process in India and the US.

To support our goals we have created an action plan for 2022. See more in the table on page 7.

**PLANET STRATEGY GOALS 2025**



**A LOOK INTO THE DATA**

See more below about our travel, electricity, water and heat consumption over the past three years in all locations.

**Travel consumption**



CARS & COMPANY CARS (DK)		2019	2020	2021
Gasoline	Liter	7,897	3,430	5,496
Diesel	Liter	57,600	36,789	12,038



BUS (DK)		2019	2020	2021
Diesel	Liter	22,048	9,169	22,000



FLIGHTS		2019	2020	2021
	kg CO <sub>2</sub> e	485,000	101,042	13,310

**Energy and water consumption**



Group total		2019	2020	2021
Electricity	MWh	2,469	2,058	2,029
Water	m <sup>3</sup>	7,335	6,258	6,380
Heat (gas)	MWh	1,519	1,556	1,719



**PLANET STRATEGY – STRATEGIC INITIATIVES IN 2022**

Direct and indirect impact Own emissions (Scope 1) & Emissions caused by purchased energy (scope 2)			Other indirect impact Emissions caused by production of purchased goods/services (Scope 3)			
Transportation	Energy	Heating	Business travel	Suppliers	Waste	Other
 Establish 24 EV charging stations at our offices at Virum and Kalundborg.  Introduce 5 EV cars to the company fleet.  Identify supplier for EV bus in 2022 so we can implement the new bus in 2023.  Phase out or convert company cars to EV.	 Establish a Power Purchase Agreement to convert to green electricity.	 Investigate how NNE can connect with new potential district heating system in local municipality.	 Initiate business travel campaign to obtain a 25% reduction vs 2019 level in CO <sub>2</sub> from business travel. The campaign will focus on promoting alternative ways to travel to encourage employees to seek the alternative.	 Establish a supplier guide which presents the Planet Strategy and requests an environmentally friendly alternative.	 Strengthen agreement with waste handler and add 4 waste fractions at the office in Virum.  Improve the waste sorting experience for NNE employees inside offices by adding waste disposal areas.  Create awareness through communication initiatives.	 Implement 1 weekly vegetarian day in Virum and Kalundborg.  Introduce grass lanes and insect houses.  Run 4 different sustainability related campaigns.  Introduce the Planet Strategy in the onboarding program.

## GOVERNANCE

NNE is managed according to four principles called 'Our Values'. Additional guidance and commitments include our business ethics and quality management system to continuously improve our financial, environmental, and social performance.

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

NNE's Board of Directors is elected yearly 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.

We assess short-term risks monthly, particularly project and business risks. Long-term, we 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 program 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. local cultures and circumstances into account.

NNE's global compliance program includes an e-learning program

and certification known as 'Doing business the right way'. This program is mandatory for all employees and internal consultants to complete once a year. Other activities to support compliance include audits and general awareness training. 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.

### Anti-corruption

NNE has a zero-tolerance policy towards corruption. Examples of our anticorruption measures are our mandatory business ethics e-learning program – which all employees must pass annually – and our whistle-blower system.





Lis Thodberg is Director of Health, Safety and Environment and Corporate Sustainability. She is responsible for driving corporate sustainability management in NNE according to the obligations related to our membership of the UN Global Compact. She follows sustainability trends, concerns and stakeholder interests and participates in internal and external audits on sustainability and environmental issues and performance.

**nne**<sup>®</sup>  
Focused pharma engineering

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