

GLOBAL COMPACT COMMUNICATION ON PROGRESS (COP)

SUSTAINABILITY REPORT 2020



nne®

Focused pharma engineering



CEO statement

2020 brought many unpredictable challenges. We saw and felt a global pandemic, which has shaken the very core of world society. The pharmaceutical industry has played and still plays an essential role in helping society re-establish and we are proud to play a small part in that effort.

However, while 2020 will be forever remembered for the Covid-19 pandemic, it was also the year where pharma manufacturers put sustainability at the top of their agendas. At NNE, we welcome this increased focus and look forward to playing an active role in helping our customers meet their ambitions. As an international company specialized in pharma engineering, 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.

The 10 principles of the UN Global Compact and the Sustainable Development Goals (SDGs) form the framework for supporting and systematizing our work with sustainability. Our consulting expertise and engineering services are tailored specifically towards the highly GMP regulated pharma industry. We call this focused pharma engineering. Our mission is to help pharmaceutical companies bring products to market by helping them create flexible, intelligent and sustainable manufacturing solutions.

Our strategic focus towards 2021 is to maintain the position as the leading pharma engineering company in Denmark by delivering solutions that are innovative, sustainable and competitive on cost. In 2020, our focus on sustainable design solutions has generated hundreds of green ideas which has resulted in reduction of energy consumption and turned waste into resources for our customers.

We continue to build our company on the belief that to be a sustainable business we must balance our projects, people and planet. We have a responsibility to our shareholders, employees, customers and the environment - and we act on this responsibility not because we have to, but simply because it is the right thing to do.

We are motivated and thrilled to continue the journey designing sustainable pharma facilities – one sustainable solution at a time.

Jesper Kløve
Chief Executive Officer and President
June 2021

NNE at a glance

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 mission is to help pharmaceutical companies bring products to market by helping them create flexible, intelligent and sustainable manufacturing solutions.

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Managing sustainability at NNE

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, both inside and outside of NNE.

We have been a member of the UN Global Compact since 2008 and remain committed to adhering to the 10 principles regarding human rights, labor standards, environment and anti-corruption, as well as supporting the fulfilment of the 17 SDGs.

Sustainability as a strategic priority

Delivering sustainable solutions to our customers is an integral part of our company strategy. We work to continuously develop our ability to offer our customers consultancy, design and solutions that reduce their carbon footprint and increase circularity in their manufacturing processes.

Through our global policies, systems and goals, we ensure that our company develops in a sustainable direction. The solutions we provide to our customers must support the realization of their social and environmental commitments, goals and basic compliance aspects, such as the SDGs, circular economy, employee safety and well-being and responsible sourcing.

The SDGs and the 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 on sustain-

able design solutions that improve productivity, fulfil GMP requirements, and respect human rights. We aim to enable our customers to excel through our design, which means that the SDGs most relevant for NNE are to ensure Decent work and economic growth (no. 8), Responsible consumption and production (no. 12) and indirectly promoting Healthy life and well-being (no. 3) through state-of-the-art design of pharma facilities.

In 2020, it was decided to put extra focus on sustainability and sustainable design solutions. The purpose was to develop and execute the services and solutions that support our customers in reducing their carbon footprint in their manufacturing processes by bringing down their emission level, level of energy consumption and improve their ability to turn waste into resources.

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 wish to help our customers turn their sustainability strategies into design solutions that support their goals for sustainable facilities. In order to do so, we must work smart and efficiently.

At NNE, we work with a four-step model which ensures that sustainability initiatives are identified, evaluated and implemented based on the customer's goals, with economical ben-

efits and without compromising GMP requirements. The model is relevant in all the design phases of a project and the result is long-term sustainability in the lifecycle of the facility.

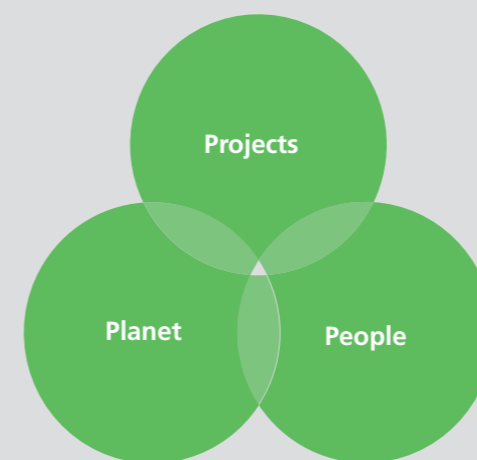
Sustainability tools and green solutions

It can be challenging to clarify actual environmental savings, especially when working with many different and large-scale production facilities. In 2020, we developed a carbon footprint estimator to solve this challenge and concretize our work with sustainability in projects. With this tool, it is much easier to demonstrate potential, tangible savings from our different solutions, which strengthens the basis for decision when evaluating and prioritizing the different options.

In 2020, we experienced an even greater demand for green development among our customers in the pharmaceutical industry. Based on our solutions, we helped multiple customers to reduce their carbon footprint. In one project alone, we helped a customer save 879 tons of CO₂ and 117,000 m³ water on three solutions alone – all in all, a win-win situation for both the planet and business.

Management systems
Environmental management (ISO 14001)
Occupational health and safety (ISO 45001)

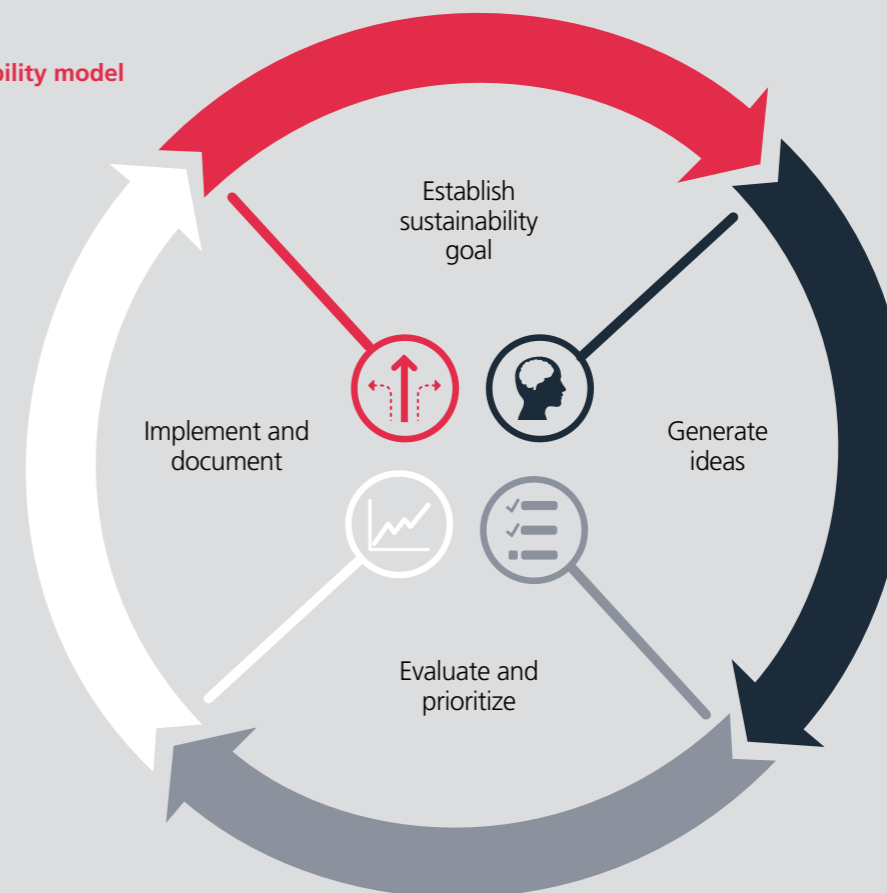
Sustainability focus



Sustainable development goals



Four-step sustainability model



Planet

The Danish pharmaceutical industry has reduced its greenhouse gas emissions by 45 % since 1990 – from 130,000 tonnes to 72,000 tonnes¹. This is great progress, but there is still a long way to go if we want to reach the Danish government's goal of 70 % emissions reductions by 2030 and climate neutrality by 2050. With our green solutions, we strive to support the pharmaceutical industry in the green transition, but we must also consider our own sustainability performance.

Our direct and indirect environmental footprint

In 2020, NNE has calculated its direct environmental footprint from power consumption at our offices and transportation in company cars. In 2020, the harvest of solar energy covered 56% compared to 23% in 2019 of our total energy consumption at our headquarters. In 2020 our carbon footprint from transportation decreased by 39% compared to 2019.

Business travel was virtually non-existent in 2020, due to travel bans caused by the Covid-19 pandemic. Thus, our carbon emission numbers from flight travels is unusually low in 2020. While we must expect this number to pick up again once travel bans are lifted and we are again allowed on customer sites, we do not expect it to reset to its normal level. The pandemic has taught us that we can conduct meaningful customer meetings without having to travel. During the past year, we have had a lot of practice – and in-house courses – in conducting online project meetings, customer workshops, design reviews, etc. The organization as a whole has fully embraced this as our “new normal” and we are confident that we will see much less flight travel in the future.

¹) Article: “Medarbejderne er en kæmpe ressource i klimaarbejdet” by Christian K. Thorsted, brought in Pharma Medlemsblad, 2/2020

In 2020, NNE initiated a new and green alternative for its employees. Every year our employees receive a Christmas present but in 2020 it was possible to choose to donate a tree instead. This was made possible through a collaboration with “Plant et Træ”, which has planted more than 1.5 million trees in Denmark, since 1988. All donated trees were later planted by children from the kindergarden Baunegaarden in Gentofte, who learned all about trees and their great environmental properties.

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 for generating more innovative solutions and financial growth. Therefore, we continue to strengthen our core competencies and develop our people.

Our values are the cultural foundation for NNE. Being passionate, innovative, taking initiative and teaming up are all actions that reflect who we are, how we do things and provide a means to reach our goals. Trust and respect for each other are at our core, and we believe that we perform at our best when we embrace our diversity and play on our different strengths.

Diversity and inclusion

In 2020, the Board consisted of six members, of which two were females, one of them being employee selected. Therefore, gender diversity at the Board level according to Section §99B of the Danish financial statements act is achieved. 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 35% female and 65% male in 2020 compared to 31% female and 69% male in 2019. The overall gender split across all employees was 29% female and 71% male in 2020.

NNE's ambition is to have a balanced gender split and the company strives to include female candidates in the recruitment process for all positions and as successors for management positions wherever possible.

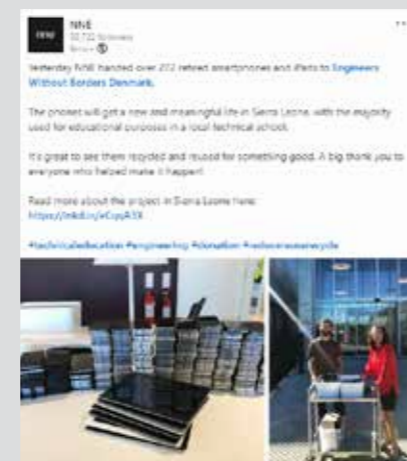
Safety

In 2020, NNE registered 6 lost time incidents (LTI) and 1 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.

Local communities

NNE supports the local communities in the areas where we are present. Many of NNE's employees have voiced their expectations for the company to partner up with relevant NGOs to contribute to society. We are always looking for new and meaningful partnerships in Denmark and abroad. In 2020, we started supporting two new local NGOs in the Kalundborg area which do charity work.

Example of NGO support



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 whistleblower system.

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.

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.





Lis Thodberg is Corporate Sustainability Manager. 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.



CONTACT

Lis Thodberg, Director,
Health, Safety & Environment
ljpt@nne.com
T: +45 3075 0750

