



# Global Compact Communication on Progress 2011

nne pharmaplan<sup>®</sup>  
Engineering for a healthier world

## Table of contents

- > 4 About NNE Pharmaplan
- > 5 Sustainability in the NNE Pharmaplan context
- > 9 Sustainable engineering and consulting services
- > 10 Principles 1 & 2: Human rights
- > 12 Principles 3, 4, 5 & 6: People (labour)
- > 18 Principles 7, 8 & 9: Environment
- > 23 Principle 10: Business ethics (anti-corruption)
- > 25 Matrix: The ten principles in the NNE Pharmaplan context
- > 27 Audit of the NNE Pharmaplan COP report
- > 27 Global Reporting Initiative (GRI)



Welcome to the NNE Pharmaplan 2011 Communication on Progress (COP) report.

NNE Pharmaplan became a member of the UN Global Compact in 2008 and this is our third official report. The COP report is an opportunity not only to support this commendable global initiative but also to foster a transparent dialogue with our stakeholders as part of our corporate citizenship.

In 2011 we turned our focus into corporate sustainability leadership. We initiated a systematic and strategic process to develop the sustainability work in NNE Pharmaplan and established a global sustainability group with members from all our five regions. The first task of the group will be to make a new corporate sustainability strategy in 2012.

NNE Pharmaplan's overall reason for being is 'Engineering for a healthier world'. We cannot claim to save lives or cure diseases. We do not produce any medicine, but we put all our engineering and consulting capabilities behind the companies that do – our customers. And by supporting our customers, we play our part.

From a sustainability perspective 'Engineering for a healthier world' implies concern for people and the earth in a wide sense. Sustainable measures in our own company are of course necessary and important, but NNE Pharmaplan's sustainable engineering and consulting services also have considerable impact on our customers' environmental footprint and employee working conditions.

We prepare and publish our COP report together with the annual report.

A handwritten signature in black ink that reads "Morten Nielsen". The signature is written in a cursive, flowing style.

Morten Nielsen, CEO  
8 March 2012

## About NNE Pharmaplan

### Who we are

NNE Pharmaplan is the world's leading engineering and consulting company in the complex field of pharma and biotech. We cover all segments from biopharmaceuticals and vaccines to medical devices and help our customers develop, establish and improve their product manufacturing. NNE Pharmaplan employs 1,700 people at more than 30 locations around the world.

To learn more about our company, please visit [nnepharmaplan.com](http://nnepharmaplan.com)

### What we do

Our competencies span all technical disciplines relating to engineering, construction, validation, start-up, optimisation and reconstruction of facilities for product development, production plants, pilot plants and laboratories. We work in a flexible and integrated organisation where engineers, architects and pharmacists work closely together and continuously share experience, knowledge and expertise.

Our engagements encompass everything from short-term staffing to expert consulting and from greenfield projects to turnkey.

## Sustainability in the NNE Pharmaplan context

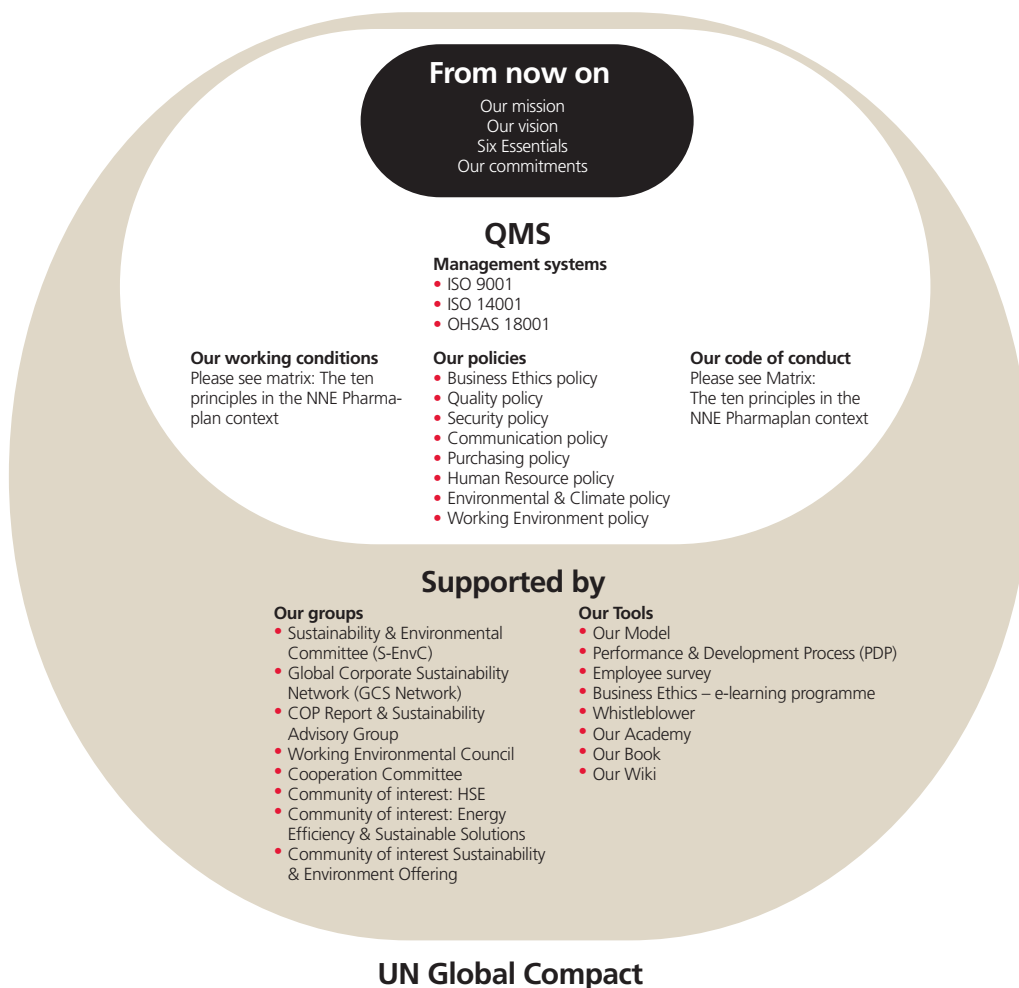
The best-known definition of sustainability and sustainable development is that of the Commission of the United Nations of March 20, 1987: *“Sustainable development is development that meets the needs of the present without compromising the ability of future generations to meet their own needs”*. Other definitions of sustainability often refer to the ‘three pillars’ of people, planet and profit.

Within these definitions NNE Pharmaplan sees sustainability as our umbrella concept for environment, energy and climate, health and safety, Corporate Social Responsibility (CSR) and Global Compact in our business context.

This section describes how we integrate sustainability and the Global Compact principles into our way of management, organisation, quality management system, groups and tools.

See figure 1 and the overview of all documents in the section ‘Matrix: The ten principles in the NNE Pharmaplan context’.

**Figure 1 Sustainability in the NNE Pharmaplan context**



## FROM NOW ON

NNE Pharmaplan is managed according to the guidelines and commitments laid out in 'From now on' - the Essentials of our culture. 'From now on' presents and explores the culture and behaviour that we strive for at NNE Pharmaplan.

150 employees contributed to the development of NNE Pharmaplan's new fundamental values, our six Essentials:

- *Demonstrate leadership*
- *Closer to the customer*
- *Be passionate*
- *Smarter execution*
- *Be global*
- *Be result-oriented*

'From now on' also includes our

### **Mission**

We improve the lives of people by enabling pharma and biotech companies to bring products to market with fast, innovative and reliable services.

### **Vision**

- To be the leading international supplier of projects, engineering and consulting services to the pharma and biotech industries
- To achieve competitive and sustainable business results
- To be an exciting and rewarding place to work

Furthermore, NNE Pharmaplan also adheres to a number of other responsibilities and obligations ranking with the guidelines of 'From now on':

- Our Commitments
- Our Business Ethics
- UN Global Compact
- Quality Management System (QMS)

Key extracts of our Commitments:

*Our commitments define NNE Pharmaplan's obligations towards our stakeholders and to global society in general. Our commitments reflect the ethical standards that we have imposed on ourselves:*

- **Financial responsibility**

*We will work to continuously improve our financial performance by setting high objectives for growth and value creation and deliver competitive performance in these areas. We will maintain an open dialogue with our stakeholders and comply with international reporting standards.*

- **Environmental responsibility**

*We will work to continuously improve our environmental performance by setting high objectives and integrating environmental and bioethical considerations into our daily business. We will maintain an open dialogue with our stakeholders and report annually on our environmental performance.*

*We subscribe to the International Chamber of Commerce's Business Charter for Sustainable Development and we support the United Nations Convention on Biological Diversity.*

- **Social responsibility**

*We will work to continuously improve our social performance by setting high objectives and integrating social, human rights and health and safety considerations into our daily business. We will maintain an open dialogue with our stakeholders and report annually on our social performance. We support the United Nations Universal Declaration of Human Rights*

## QUALITY MANAGEMENT SYSTEM

NNE Pharmaplan has implemented three internationally recognised standards. Two of these systematise our Health, Safety and Environment (HSE) processes: The OHSAS 18001 for working environment management and the ISO 14001 for environmental management. Although only NNE Pharmaplan's Danish offices are officially certified, OHSAS 18001 and ISO 14001 have been integrated into our corporate HSE management concept. All NNE Pharmaplan business units are certified according to ISO 9001, which covers quality management. All three standards have been integrated into our common quality management system (QMS).

Policies, codes of conduct and working conditions are part of our QMS, which also includes complementary documents to guide NNE Pharmaplan employees on responsibilities and objectives in relation to customers, shareholders, communities and other stakeholders.

Policies for focus areas selected by the NNE Pharmaplan Management apply to NNE Pharmaplan worldwide.

Codes of conduct vary from location to location due to local legislation and culture. Codes of conduct establish how we manage our business in compliance with all applicable laws and regulations of the countries in which we operate. They also provide information about our standards of integrity and state our legal and ethical responsibilities.

Working conditions also vary according to local legislation and culture. Our working conditions policy provides detailed information about our standards of integrity and explains what we do to meet our policies and achieve our objectives.

## AUDITS

Every two to four years, NNE Pharmaplan is subject to a worldwide audit performed by a team of experienced facilitators from our owners, Novo Nordisk A/S, to make sure that we live up to our vision, Essentials and commitments and that we document our performance systematically and satisfactorily. The audit is based on interviews with employees at all levels of the organisation.

The audit results and findings are reported to the NNE Pharmaplan Management and the Board of Directors. The most recent audit took place in 2009, and the next will be carried out in 2012.

Of course, external audits are also conducted by certification bodies regarding our ISO management systems.

## OUR TOOLS

A series of global tools supports our business and global cooperation, including:

- Our own Facebook and Wikipedia-inspired sites which we have named Our Book and Our Wiki respectively. They support internal communication also regarding sustainable issues, e.g. via blogs and groups.
- Our Model, a global engineering execution model which ensures our engineering activities, including HSE management, are implemented and conducted in projects in a common and efficient way.
- A global Performance and Development Process (PDP) that supports several people (labour) issues.
- On-line employee surveys on various people (labour) issues.
- Our Academy, which is an internal forum for competence development.
- E-learning programme on business ethics as described in the business ethics (anti-corruption) section.

## OUR GROUPS

A number of groups and committees support sustainability issues such as the:

- **Sustainability & Environmental Committee (S-EnvC)**  
Sets the direction of the strategic corporate sustainability leadership and creates long-term value by embracing opportunities and managing risks from financial, environmental and social developments.
- **Global Corporate Sustainability Network (GCS Network)**  
Responsible for embedding the CS policy globally across the organisation and overseeing the implementation of the UN Global Compact principles and related commitments.
- **COP Report & Sustainability Advisory Group**  
Secures the interdisciplinary and cross-functional approach to the sustainability work. Reports and acts as adviser to the global corporate sustainability network (GCS Network) and the Sustainability & Environmental Committee (S-EnvC)

## SUSTAINABLE ACTIONS

### Supporting the fight against breast cancer

On 29 October 2011, NNE Pharmaplan employees volunteered for the Danish Cancer Society's Breast Gala Show. As was the case in 2008, 2009 & 2010, we manned the call centre during the show, which was broadcasted on Danish national TV.

### Waste turned into charity to Tanzania

Five 600 litre containers and 40 moving boxes with obsolete IT equipment and office supplies were sent to schools and hospitals in Tanzania when the head office relocated in 2011.



## Sustainable engineering and consulting services

NNE Pharmaplan engages in professional engineering and consulting services worldwide:

- Sustainable facilities/HSE management in projects
- CSR & Management systems
- Energy & Climate
- Environmental compliance
- Sustainable products & CleanTech
- Health and Safety
- Noise & Acoustics
- Wastewater sampling

These services are integrated into engineering projects or supplied as separate consulting services. To learn more about our sustainable engineering and consulting services, please visit [nnepharmaplan.com](http://nnepharmaplan.com) and have a look at [our offering catalogue](#).

### HSE management in projects

Our customers in the pharma and biotech industries often have ambitious HSE requirements. Through the application of OHSAS 18001 and ISO 14001 standards, we have developed a HSE management concept that can help our customers meet their HSE goals using cost-effective systems. Thus, it is our declared policy to carry out an initial HSE evaluation when we prepare our proposals and start up projects (see the detailed description in the section on Principle 8).

### Safety and accidents at construction sites

The responsibility for safety management at construction sites lies with the building owner. We have experienced that more and more of our customers appoint a consultant as health and safety officer during the construction and commissioning phases of a project.

The accident frequency is recorded for the NNE Pharmaplan projects where construction site health and safety management have been managed or supervised by NNE Pharmaplan. In 2011, NNE Pharmaplan managed projects in China, Belgium, Denmark, India and the USA.

**TABLE 1: ACCIDENTS RECORDED ON CONSTRUCTION SITES IN 2011**  
(NNE Pharmaplan employees and contractors)

Country	Sites	Working hours (1000)	Accidents w/absence	Frequency
China	5	586	1	1.7
Belgium	1	29	1	34.1
Denmark	9	103	2	19.4
India	2	388	1	2.6
USA	7	64	0	0
Total	24	1,170	5	4.3

### Method used

Accident frequency is equivalent to the number of accidents per one million working hours. The total number of working hours for all employees and contractors is recorded for each project. Furthermore, the number of accidents that cause absence from work (defined as more than one day of absence due to injuries or near misses) is recorded, as well as accidents that do not cause absence from work. Site safety officers compile the data regularly based on information that all contractors on site are requested to submit.

### Accident frequency in 2011

The higher frequency in Belgium and Denmark is due to the relatively low number of working hours, which causes one or two accidents to have a disproportionate impact on the frequency compared to the other countries.

In 2012 we will continue our focus on preventive actions by training construction workers in health and safety and involving them in initiatives on acting safety on construction sites.

## Principles 1 & 2: Human rights

Human rights and freedom are an integral part of our business and we support the UN's Universal Declaration of Human Rights. The section 'Sustainability in the NNE Pharmaplan context' illustrates how we address the human rights aspect for instance in our vision, values and commitments.

Our sphere of influence covers not only our employees, but also our suppliers and – not least – people who need health care. Health and human rights go hand in hand as expressed in this extract from the WHO Constitution:

*"...the enjoyment of the highest attainable standard of health is one of the fundamental rights of every human being..."*

and in the United Nations Universal Declaration of Human Rights, article 25:

*"Everyone has the right to a standard of living adequate for the health and well-being of himself and of his family, including food, clothing, housing and medical care ..."*

'Engineering for a healthier world' is our role in an industry that can actually make the world a healthier place for millions of people. This is in line with our mission: *"We improve the lives of people by enabling pharma and biotech companies to bring products to market with fast, innovative and reliable services"*.

For more information please see our corporate film at: [nnepharmaplan.com](http://nnepharmaplan.com) and [our offerings](#).

#### PRINCIPLE 1

### Businesses should support and respect the protection of internationally proclaimed human rights

#### Obligations

As an ethically responsible company, NNE Pharmaplan wants to be known as a socially and environmentally sustainable company with unbiased integrity in our human relations.

The human rights aspect is also contained in our purchasing policy where we state that:

*“NNE Pharmaplan will ensure that purchase shall be executed at best terms balancing price with quality and risk as well as social, environmental and ethical responsibility according to the current risk classification”.*

*“NNE Pharmaplan plans to*

- interact with our suppliers in a competent and proactive way in line with the NNE Pharmaplan requirements as well as our customers’ requirements.*
- encourage selected suppliers to a quality, environmental, socially responsible and business ethical behaviour”*

### **Systems**

We use our quality management system to evaluate if we live up to internationally proclaimed human rights. The system is audited worldwide both by internal and external auditors, who report any findings or breaches to the NNE Pharmaplan Management.

Furthermore, we have a responsible sourcing programme, which enables us to identify suppliers who match our social, environmental and ethical responsibilities stated in our responsible sourcing standard. This standard comprises issues that relate to all 10 principles. Our main focus is the suppliers on our list of preferred suppliers.

See section ‘Matrix: The ten principles in the NNE Pharmaplan context’ for an overview of systems and documents that support Principle 1.

### **2011 highlights**

In 2010, NNE Pharmaplan’s responsible sourcing programme was revised to focus on local suppliers in high-risk countries. This risk based approach will ensure the optimum benefit of our resources. The main focus should be on approved suppliers on our list of preferred suppliers. The revised programme was not fully implemented globally in 2011 and we will continue the implementation in 2012.

## **PRINCIPLE 2**

**Businesses should make sure that they are not complicit in human rights abuses**

### **Obligations**

Our general approach regarding human rights is described in the preface to this chapter and the corresponding section under Principle 1.

### **Systems**

Please refer to the ‘Systems’ paragraph under Principle 1. See also section ‘Matrix: The ten principles in the NNE Pharmaplan context’ for an overview of systems and documents which support Principle 2.

### **2011 highlights**

See Principle 1.

## Principles 3, 4, 5 & 6: People (labour)

To NNE Pharmaplan, labour represents our employees whose knowledge and skills form the cornerstone of our business. Therefore, part of our vision is *“to be an exciting and rewarding place to work”*, and it is crucial for us to *“attract, develop and retain the best people in the industry”* as stated in our human resource (HR) policy. Compliance with labour standards is only one step in that direction.

NNE Pharmaplan is committed to maintaining a stress-free, healthy and safe working environment. Our applied working environment standard is described in the section on quality management system in ‘Sustainability in the NNE Pharmaplan context’. Our human resource, working environment and purchasing policies all support the principles in this section.

Besides our employees, our sphere of influence comprises our suppliers, who are subject to certain requirements, and employees in our customers’ organisations.

### PRINCIPLE 3

### Businesses should uphold freedom of association and the effective recognition of the right to collective bargaining

#### Obligations

Our obligation to this principle is expressed in our working conditions under the topic of local unions and cooperation:

*“NNE Pharmaplan accepts the employee’s right to be organised and encourages the setting up of professional unions and clubs, which, via representatives, can operate as cooperative and contractual parties in relation to management. NNE Pharmaplan respects the general contractual system in the labour market, hereunder labour legislation, which the company, via a contract, or contract of acceptance, has obligated itself to adhere to.”*

Also, in our human resource policy we address the subject:

*“NNE Pharmaplan wants to:*

- *encourage freedom of discussions and emphasise that all employees feel free to discuss any aspect of their job with management or HR”.*
- *be dedicated to a fair and consistent treatment of all employees, providing each with the opportunity to succeed with the company.”*

All NNE Pharmaplan employees have the right to collective bargaining with management.

#### Systems

Systems vary from country to country and are adapted to local legislation. In Denmark and Germany, for instance, we have a Workers Council where representatives from management and the unions/employees meet regularly. In the other EU countries, employers must follow EU’s Occupational Safety and Health (OSH) Framework Directive, which states that:

*“The employer shall inform and consult workers and allow them to take part in discussions on all questions relating to safety and health at work”.*

In relation to our suppliers, this principle is covered by our responsible sourcing programme (please refer to the section under Principle 1).

See section ‘Matrix: The ten principles in the NNE Pharmaplan context’ regarding systems and documents that support Principle 3.

### 2011 highlights

No specific initiatives in 2011.

#### PRINCIPLE 4

### Businesses should uphold the elimination of all forms of forced and compulsory labour

#### Obligations

Our obligations concerning Principle 4 are stated in our working environment policy and our human resource policy respectively:

From our working environment policy:

*“NNE Pharmaplan will:*

- *create a safe, healthy and developing working environment for all*
- *ensure that working environment considerations are not pushed aside in favour of economic and productivity related interests”*

From our human resource policy:

*“NNE Pharmaplan plans to:*

- *be an attractive place to work, where well-qualified employees wish to take an active part in the development of the company.*
- *aim at having an open and honest business practice to protect the integrity of the company and the employees.*
- *encourage free, open and direct communication among employees at all levels and establish formal communications programmes, where necessary, to ensure that such interaction takes place.”*

Please also refer to the section on Principle 1 on our overall approach to supporting human rights.

NNE Pharmaplan does not have forced and/or compulsory labour. Accordingly we comply with the International Labour Organization’s (ILO) convention on working hours:

*“Employees shall not be required to work more than 60 hours a week, including overtime, on a regular basis (or the maximum legal working hours if this is less than 60).”*

#### Systems

All employees have individual contracts stating terms and conditions for their employment and terms of notice. All contracts are in accordance with international and national legal requirements. Overtime must comply with local legislation and in general be limited. Non-managerial employees normally receive compensation for overtime. All employees are required to fill in timecards, which must be approved by their managers. The line managers are responsible for following up on working hours to secure an appropriate work-life balance for all employees.

Several systems facilitate the elimination of forced and compulsory labour and support our human resource and working environment policy as well as the overall employee satisfaction, for instance:

- Three times a year we conduct performance and career development meetings and reviews for all employees
- Twice a year an online employee survey is carried out across the entire global organisation requesting all employees to give constructive feedback to management. This ensures fast, up-to-date and focused feedback from the organisation on job satisfaction and working conditions including work-life balance issues. The employees are ensured anonymity when participating in the survey. In the 'Figures and targets' section below we provide a few examples of the survey results.

In relation to our suppliers, this principle is covered by our responsible sourcing programme (please refer to the section under Principle 1).

See section 'Matrix: The ten principles in the NNE Pharmaplan context' regarding additional systems and documents which support Principle 4.

**2011 highlights**

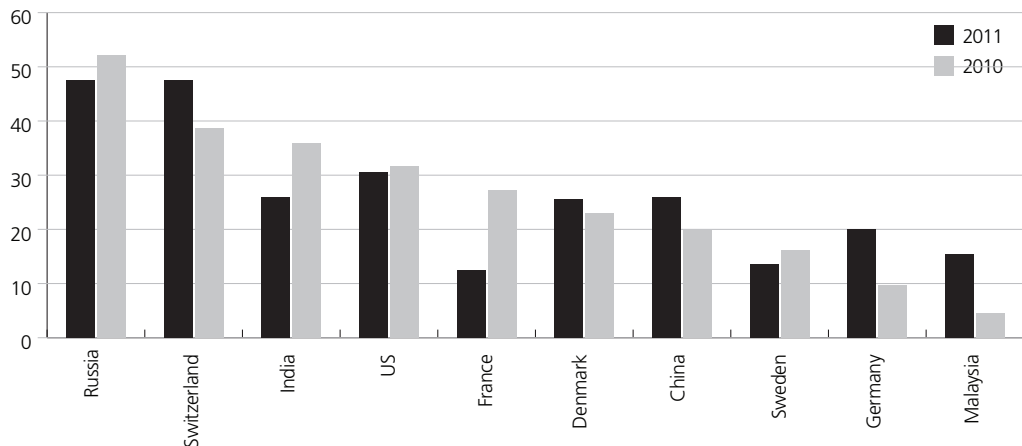
To facilitate the annual performance and career development meetings, NNE Pharmaplan continued the implementation of our global, IT-based Personal Development Plan (PDP) system. In 2011, the system was implemented worldwide in NNE Pharmaplan apart from India, where a paper-based PDP version was used.

**Figures and targets**

Two global online employee surveys were carried out in 2011 to measure the level of engagement, satisfaction and loyalty of our employees. The average response rate was 81 percent - a slight decline compared to 82 percent in 2010, but still considered high.

The employee survey KPI is the number of ambassadors, defined as employees who assign 9 or 10 points on a 10-point scale to six specific questions on loyalty and engagement. We believe these ambassadors are the driving force of our company.

**TABLE 2: EMPLOYEE SURVEY 2011 RATING ON AMBASSADORS**  
(engagement, satisfaction and loyalty)



Our 2014 target is for 30 percent or more of our people to act as ambassadors for the company. The 2011 goal of  $\geq 24$  percent was exceeded by an average score of 26.7 percent.

The semi-annual employee survey results and especially the ambassador score are monitored closely. When significant changes appear from one survey to another, we investigate the reason and make sure appropriate actions are taken. An action plan was introduced in France, where the ambassador score dropped from 27.3% in 2010 to 12.5% in 2011.

**TABLE 3: WORK-LIFE BALANCE RATING IN EMPLOYEE SURVEY 2009**

Survey question	2011	2010	2009
"I'm able to keep an acceptable balance between my work life and my private life"	7.5	7.4	7.4

#### PRINCIPLE 5

### Businesses should uphold the effective abolition of child labour

#### Obligations

NNE Pharmaplan does not have child labour, and our overall approach is that

*"with the exception of apprentices, trainees or others undergoing training, employees under 18 years of age are not normally taken on. Employees below 15 years of age are never taken on".*

#### Systems

The employee age is monitored worldwide via our integrated HR management and reporting system. Employees under 15 years would be detected by the HR administrator.

In relation to our suppliers, this principle is covered by our responsible sourcing programme (please refer to the section under Principle 1).

For an overview of systems and documents which support Principle 5, please see the section 'Matrix: The ten principles in the NNE Pharmaplan context'.

#### 2011 highlights

NNE Pharmaplan did not introduce any specific initiatives in 2011 regarding child labour, but the issue is part of our responsible sourcing programme.

#### PRINCIPLE 6

### Businesses should uphold the elimination of discrimination in respect of employment and occupation

#### Obligations

It is stated in our Code of Conduct on Discrimination that:

*"NNE Pharmaplan wants to work determinedly at creating a safe and sound working environment which strongly opposes discrimination in connection with sex, age, ethnic or religious background, race, political orientation, sexual orientation or handicap."*

## **Systems**

Employees always have the possibility to raise questions and concerns regarding discrimination, promotion, job content, personal development, etc. to the management or the Human Resource department. The annual Performance and Development Process described under Principle 5 is also an ideal platform for dialogue with the line manager.

In connection with our code of conduct on discrimination, we have also implemented a procedure on how to file a complaint if a case of discrimination should occur.

In our employee surveys, all employees are asked questions regarding equal opportunities (see the 'Figures and targets' section below).

In relation to our suppliers, this principle is covered by our responsible sourcing programme (please refer to the section under Principle 1).

All systems and documents which support Principle 6 are showed in the section 'Matrix: The ten principles in the NNE Pharmaplan context'.

## **2011 highlights**

Our Global Exchange Programme continuously develops our global mindset so that we meet our customers worldwide as 'one organisation'. The exchange of specialists and other talented employees between our offices facilitates the development of global competences, integration of technical skills and formation of strong cross-regional networks. In 2011, a total of 31 exchanges took place with participants and hosts from all five regions. This is above our 2011 target of 30 exchanges and a considerable increase compared to the 20 exchanges in 2010. These exchanges strengthened NNE Pharmaplan's ability to carry out offshoring assignments and execute global and complex projects. The 2012 target is the same as for 2011.

## **Figures and targets**

By the end of 2011, female employees made up 35 percent of NNE Pharmaplan's workforce, a continuation of the slightly increasing tendency seen in recent years. The gender distribution varies considerable from country to country, with a maximum deviation of 39 percent between the highest and the lowest percentage. Russia is the only country having a majority of female employees (59 percent).

The distribution of men and women in the management segment (executive management, line management, general and local management and specialist/senior specialist positions) varies as shown in the table below. NNE Pharmaplan does not support any gender or other quota schemes.



**TABLE 4:** DISTRIBUTION OF WOMEN AND MEN IN THE MANAGEMENT SEGMENT IN 2011

Country	2011		2010	
	Women %	Men %	Women %	Men %
China	25	75	32	68
Denmark	26	74	26	74
France	17	83	29	71
Germany	17	83	19	81
India and Malaysia	13	87	9	91
Russia	33	67	30	70
Sweden	40	60	14	86
Switzerland	18	82	25	75
The United States	17	83	17	83

Table 5 shows the specific results from the 2010 and 2009 employee surveys on equal opportunities. A score  $\geq 7.3$  is considered a good result, scores between 7.0 and 7.3 are termed average and  $<7$  is not acceptable (on a 1-10 scale).

**TABLE 5:** EQUAL OPPORTUNITIES RATING IN EMPLOYEE SURVEY 2011

Survey question	2011	2010	2009
"People with different backgrounds have equal opportunities at NNE Pharmaplan, regardless of gender, race etc"	7.8	8.0	8.1

As regards international diversity, the total population of NNE Pharmaplan employees consists of 44 percent Danes and 56 percent other nationalities.

**TABLE 6: DIVERSITY FROM AN INTERNATIONAL PERSPECTIVE 2011**

Nationality	Country										Total
	CH	CN	DK	FR	DE	IN	MY	RU	SE	US	
American		1	3							88	92
Australian			1								1
Belgian				1							1
Brazilian	2		4								6
British		1	3							2	6
Canadian		1									1
Chinese		376	3							2	381
Croatian	1										1
Danish		30	708	2	1				1	11	753
French	8	1	3	49							61
German	48	1	4		91					1	145
Indian						108				3	111
Iraqi			2								2
Irish		1	2								3
Laotian				1							1
Malaysian		1					14			1	16
Mexican										1	1
Norwegian									1		1
Russian							72				72
Spanish			2								2
Swedish			9						26		35
Swiss	8										8
Total	67	413	744	53	92	108	14	72	28	109	1700

## Principles 7, 8 & 9: Environment

For many years, NNE Pharmaplan has worked systematically to reduce the environmental impact of our operations and project execution. Our environmental management standard is described in the section on quality management system in the 'Sustainability in the NNE Pharmaplan context' chapter.

Our environmental and climate policy states that NNE Pharmaplan will:

- *integrate environmental considerations into our services and business processes*
- *include impact on climate in environmental considerations*
- *deliver environmentally sound services*
- *reduce our impact on the environment and climate*
- *promote environmental awareness*
- *enter into dialogue with stakeholders*
- *report on our environmental efforts*
- *comply with the environmental legislation, regulatory requirements and other regulations that NNE Pharmaplan has agreed to follow*
- *include environmental issues in the evaluation of suppliers*

As an engineering and consultancy company, our efforts in terms of environmental measures are twofold: Firstly, our own environmental impact from our 1,700 employees and more than 30 locations in 11 countries around the world. Secondly, the contribution of our HSE consultancy services to a reduction of the environmental impacts of our customers.

Our environmental sphere of influence thus covers our employees and buildings as well as our suppliers and customers.

#### PRINCIPLE 7

### **Businesses are asked to support a precautionary approach to environmental challenges**

#### **Obligations**

According to our environmental and climate policy we integrate environmental and climatic considerations into our services and business processes with the purpose of continuously paying attention to and trying to reduce our impact on the environment and climate – as a precautionary approach.

#### **Systems**

To identify significant environmental impacts, NNE Pharmaplan carries out – as a minimum – annual environmental mapping of the buildings we occupy. Globally, this environmental mapping includes energy consumption and carbon dioxide emissions, as these are the most significant environmental impacts. At the head office in Denmark, the mapping also includes other, minor environmental impacts.

In projects we always carry out an initial HSE evaluation at the beginning of our proposals and projects (see the detailed description in the section on Principles 8).

In relation to our suppliers, this principle is covered by our responsible sourcing programme (please refer to the section under Principle 1).

In the section 'Matrix: The ten principles in the NNE Pharmaplan context' we provide an overview of systems and documents which support Principle 7.

### Figures and targets

In 2009 NNE Pharmaplan established a baseline for four types of emissions for all our offices worldwide. In 2010 and 2011 NNE Pharmaplan continued to assess these figures:

- *Fossil fuel combustion* – natural gas consumption for heating or fuel oil/petrol consumption for production of electricity, based on monthly or annual meter readings, or bills from supplier companies. The GHG emissions from the combustion of natural gas were calculated based on an average emission factor.
- *Refrigerant leakage* – from cooling systems according to the official logbooks for refrigerant refilling. The greenhouse gases included in this report are the six gases named in the Kyoto Protocol: CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O, HFCs, PFCs and SF<sub>6</sub>.
- *Electricity consumption* – electricity used for operating the offices and for heating, based on meter readings at the end of 2011, or on bills from supplier companies. The GHG emissions from electricity consumption are calculated on the basis of specific emission factors from the energy companies whenever possible, or from average emission factors for electricity production for the country or region.
- *Transport* – use of company and employee-owned cars and air travel. For transport by car, the emissions are based on either recorded fuel consumption or recorded mileage allowances, using an average fuel consumption rate or an average emission factor for the normal type of vehicle used. For the Danish and Swedish offices the information on air travel and the related GHG emissions was provided by our external travel agency. For our other offices, the air travel information was recorded as the annual number of flights above or below 2000 km. Emissions were calculated using the emission calculator from the SAS homepage.

### Emissions in 2011

The Danish offices were the main contributors to NNE Pharmaplan's greenhouse gas emissions in 2011, accounting for more than one third of total emissions. The head office moved during 2011. The relocation took place in steps and energy consumption for the temporary residence of 200 employees from April to December has been estimated.

Data was incomplete on the electricity consumed at our small offices in the USA and for the heating, ventilation and air conditioning (HVAC) of offices in the USA, Sweden, Russia and China - mainly due to the nature of the tenancy arrangements in these countries, where the HVAC equipment is owned by landlords.

Travel activities are the main source of our greenhouse gas emissions – in company-owned cars, employee-owned cars or by plane. These activities account for 74 percent of total emissions. Flights from Denmark and the USA account for nearly half of the travel-related emissions.

In 2011, NNE Pharmaplan was able to keep the emission at the 2010 level. In 2012 we will assess the possibilities of reducing our travel activities and set up reduction targets for our carbon footprint.

TABLE 7: GREENHOUSE GAS EMISSIONS (tCO<sub>2</sub>)

Greenhouse gas emissions (tCO <sub>2</sub> )*	2011	2010	2009
<b>Direct emissions (scope 1)</b>			
Heating of office buildings	363	325	335
Fugitive emissions from cooling plant	3	4	8
Transport in company-owned cars	532	1,044	674
<b>Indirect emissions (scope 2)</b>			
Purchased electricity	1,731	1,752	1,472
Purchased heating	58	66	N/A
Purchased cooling	2	2	5
<b>Indirect emissions (scope 3)</b>			
Transport in employee-owned cars	550	554	626
Transport by plane	5,191	4,715**	2,672
<b>Total greenhouse gas emissions (tCO<sub>2</sub>)</b>	<b>8,430</b>	<b>8,462</b>	<b>5,792</b>

\* tCO<sub>2</sub> refers to tonnes of CO<sub>2</sub> equivalence

\*\* In 2010 we obtained more complete data on air travel from our offices in China and the USA, which nearly doubled the air travel emissions. Consequently, this figure may be regarded as a new baseline value.

#### PRINCIPLE 8

### Businesses are asked to undertake initiatives to promote greater environmental responsibility

#### Obligations

As stated in our environmental and climate policy, we promote greater environmental responsibility by

- delivering environmentally sound services
- promoting environmental awareness
- entering into dialogue with stakeholders

#### Systems

At the beginning of every project, we carry out an initial Health, Safety & Environment (HSE) evaluation. This clarifies, at a general level, any impact the project will have on health, safety and environment during the lifetime of the facility. The evaluation is then used to find out in which areas our customer can reduce emissions and save energy, water and auxiliaries. We recommend solutions that give our customer the most value for money and suggest measures that will ensure optimal working conditions and safety both during construction and when the facility is fully operational.

Based on these results the customer decides which recommendations to adopt. Customers can choose to do just enough to satisfy legislation or they can follow more of our recommendations and take their HSE achievements much further.

See section 'Matrix: The ten principles in the NNE Pharmaplan context' for an overview on our systems and documents which support Principle 8.

#### 2011 highlights

In 2011, we maintained our focus on the initial HSE evaluation and established a Community of interest (COI) within HSE to develop the HSE management concept globally.

**PRINCIPLE 9****Businesses are asked to encourage the development and diffusion of environmentally friendly technologies****Obligations**

Our environmental and climate policy states that we will integrate environmental and climatic considerations into our services and business processes. One of the key issues with regard to reducing environmental impacts is the application of environmentally friendly technologies in our engineering and consultancy services.

**Systems**

The mandatory initial HSE evaluation described under Principle 8 is the key to selecting environmentally friendly technologies. The evaluation is communicated to and discussed with the customer in order to identify or develop environmentally friendly and best available technologies for the project in question.

In our context, HSE conscious design is one of the most essential HSE project activities as NNE Pharmaplan's project portfolio comprises design and construction of new buildings and revamps of biotechnological and pharmaceutical plants. The purpose of HSE conscious design is to minimise the HSE effects in the lifetime of the plant.

In order to develop and share knowledge in NNE Pharmaplan we have, among other things, established a global interdisciplinary group (functioning as a so-called Community of Interest COI) with the following purposes:

- To develop and commercialise solutions that decouple pollution and resources consumption from increased productivity
- To integrate energy efficiency and sustainable solutions in all NNE Pharmaplan projects and thereby assist our customers in meeting their goals in relation to climate and environment.

See section 'Matrix: The ten principles in the NNE Pharmaplan context' for an overview on systems and documents which support Principle 9.

**2011 highlights**

We have decided to set up a common, internal NNE Pharmaplan sustainability standard for facilities. The work was initiated in 2010 and continued in 2011 when, for example, we educated five employees in the cradle-to-cradle concept.

## Principle 10: Business ethics (anti-corruption)

In our point of view, business ethics is much more than anti-corruption. Business ethics is a natural part of our business. NNE Pharmaplan has always prioritised accountability and a high level of trust with our stakeholders.

The following is an extract from our business ethics policy:

*“NNE Pharmaplan will:*

- *conduct business according to a high ethical standard, live our values and protect NNE Pharmaplan’s reputation*
- *adhere to the principles of the UN Convention against Corruption*
- *conduct business with integrity, honesty and professionalism*
- *work against bribery in any form*
- *set up facilities to ensure the possibility of anonymous whistleblower communication”*

Apart from our employees, our primary sphere of influence is our suppliers, authorities and customers.

### PRINCIPLE 10

**Businesses should work against corruption in all its forms, including extortion and bribery**

#### Obligations

We wish to conduct business according to high ethical standards and protect the reputation of our company. We care about how we actually conduct business as well as how our business conduct is perceived.

In order to achieve high standards, we have increased awareness about our business ethics. In addition to ensuring that all employees and internal consultants know about our policy in the area, we consider it is just as important that they are able to identify situations where potential dilemmas may arise.

#### Systems

NNE Pharmaplan has implemented a business ethics policy and a code of conduct on business ethics where the following items are addressed, defined and described:

- Conflict of interest
- Bribery
- Facilitation payments
- Donations
- Gifts and entertainments

Part of the policy and code of conduct is very straightforward as to what is permitted and what is not. But we often experience grey area challenges in our daily work that call for due considerations in terms of business ethical assessment.

All employees in the global NNE Pharmaplan organisation have undertaken a mandatory e-learning programme on our business ethics policy and guidelines. The business ethics e-learning programme is repeated several times every year to ensure that all new employees complete this training shortly after joining the company. This reduces the risk of NNE Pharmaplan employees violating business ethics as well as laws and regulations. Participation in and completion of the e-learning programme is monitored at corporate level.

NNE Pharmaplan has established a whistleblower system which allows employees, agents and other stakeholders to report any suspected violations or concerns regarding financial fraud or business ethics.

In this context, we also make demands on our suppliers and these demands are integrated into our responsible sourcing programme (see the paragraph on Principle 1).

The section 'Matrix: The ten principles in the NNE Pharmaplan context' contains an overview of all systems and documents that support Principle 10.

### **2011 highlights**

A yearly certification of the internal business ethics training in NNE Pharmaplan was developed in 2011. The certification will consist of a multiple choice test and a certification of understanding of and compliance with the business ethics rules and procedures in NNE Pharmaplan. The certification will be implemented globally in 2012 and be mandatory for all NNE Pharmaplan employees.

In 2011, we also developed a procedure for business ethics due diligence of third parties who interact with public officials on behalf of NNE Pharmaplan. According to this procedure, all such parties shall undergo a thorough due diligence. A risk assessment of the gathered information will be carried out by the Legal Department and conclusion of a contract is subject to approval based on the result of the assessment being satisfactory. It is mandatory that business ethics requirements are included in contracts with such third parties and that they perform training in the business ethics rules and procedures of NNE Pharmaplan. The procedure will be implemented globally in NNE Pharmaplan in 2012.

All NNE Pharmaplan offices are required to deliver a quarterly compliance report to the business ethics officer on all cases of misconduct, or possible misconduct, related to business ethics and financial fraud. The first reporting was made in Q3, 2009 and has continued throughout 2010 and 2011. Two minor issues were reported in 2011.

On a regular basis, Business Ethics audits are conducted in all companies in the NNE Pharmaplan group. In 2011, an audit was carried out in NNE Pharmaplan India. No critical findings were discovered.



**Matrix: The ten principles in the NNE Pharmaplan context**

UN Global Compact principles	1	2	3	4	5	6	7	8	9	10	Global
NNE Pharmaplan context	Human rights		People (labour)				Environment			Business ethics (anti-corruption)	
Our mission	●										●
Our vision	●	●					●	●	●		●
<b>From now on</b>											
Six Essentials	●	●	●	●	●	●	●	●	●	●	●
<b>We promise</b>											
Our commitments	●	●	●	●	●	●	●	●	●	●	●
Our business ethics										●	●
<b>Quality Management System</b>											
ISO 9001	●	●	●	●	●	●	●	●	●	●	●
ISO 14001							●	●	●		
OHSAS 18001			●	●	●	●					
<b>Policies</b>											
Quality policy	●	●	●	●	●	●					●
Environmental & climate policy							●	●	●		●
Working environment policy	●		●	●	●	●					●
Security policy	●	●	●	●	●		●	●	●	●	●
Business ethics policy										●	●
Communication policy	●	●	●	●	●	●	●	●	●	●	●
Purchasing policy	●	●	●	●	●	●	●	●	●	●	●
Human resource policy	●	●	●	●	●	●					●
<b>Codes of conduct (Extracts)</b>											
Bullying and sexual harassment	●	●				●					
Discrimination	●	●				●					
Collections for aid charities											
Storage and handing over of sensitive personal data	●	●				●					

● Full ● Partly

UN Global Compact principles	1	2	3	4	5	6	7	8	9	10	Global
NNE Pharmaplan context	Human rights		People (labour)			Environment			Business ethics (anti-corruption)		
Working conditions (Extracts)											
Gifts and entertainment										●	
Stress				●							
Rehabilitation				●							
Senior conditions	●			●							
Education	●			●							
Help to employees going through crisis				●							
Flexitime				●							
Working at home				●							
Working part time				●							
Job abroad				●							
Equal opportunities	●					●					
Holiday and days off				●							
Illness				●							
Leave				●							
Local unions and cooperation			●								
Social counselling				●							
Working hours				●							
<b>Our tools</b>											
Our Book	●	●	●	●	●	●	●	●	●	●	●
Our Model							●	●	●		●
Performance & Development Process (PDP)	●					●					
Business ethics - e-learning programme										●	●
Our Academy				●	●		●	●	●	●	●
<b>Our groups</b>											
Sustainability & Environmental Committee (S-EnvC)	●	●	●	●	●		●	●	●	●	●
Global corporate sustainability network (GCS Network)	●	●	●	●	●	●	●	●	●	●	●
COP Report & Sustainability Advisory Group	●	●	●	●	●	●	●	●	●	●	●
Working Environment Council			●	●	●	●					
COI: HSE							●	●	●		

## Audit of the NNE Pharmaplan COP report

Only information and figures (Table 1: Accidents recorded on construction sites in 2011 and Table 7: Greenhouse gas emissions (tCO<sub>2</sub>)) quoted from our 2011 annual report have been audited.

## Global Reporting Initiative (GRI)

In this edition we have excluded the GRI section. It is a voluntary framework and we have still used it as an internal checklist and as inspiration in our reporting process. The framework provides a well-defined structure and puts forward principles and indicators used to measure and explain financial, environmental and social performance.

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