

United Nations Global Compact communication on progress

Novo Nordisk 2012

CEO Statement of continued support in 2012

Twenty years ago Novo Nordisk hosted its first meeting with critical stakeholders at the table to learn how to meet their expectations without compromising business objectives. Ten years ago, we signed up as a supporter of the Global Compact. This year, we were lauded as 'the most sustainable company on earth'. The book '20 years in the business of sustainability', prepared on the occasion of RIO+20, the UN Conference on Sustainable Development in Rio de Janeiro in June 2012, tells the story of our journey, the lessons learnt and the challenges ahead in becoming a sustainable business.

One key learning has been how to engage with stakeholders to better understand their priorities, to learn with them, and to partner up on shaping common solutions to the big issues. And the community of businesses united under the auspices of the Global Compact, large and small, from all corners of the world, is a rich resource and an inspiring learning lab. As subscribers to the Global Compact we work within a common framework and are encouraged by the spirit of its principles to push ahead towards our common vision of corporate sustainability.

The 1992 Earth Summit in Rio was a turning point that brought environmental issues on the international political agenda. For Novo Nordisk, it also marked the start of our commitment to sustainable development. We have chosen to translate it as the Triple Bottom Line principle.

The Triple Bottom Line is today anchored in our bylaws, in the Novo Nordisk Way and in our management and reward systems. It is the lens we use to make decisions with a broader perspective – balancing considerations for 'people, planet and profit'. Through this approach we drive integration of the Global Compact's principles of respect for human and labour rights, eco-balance and anti-corruption into our business operations and strategies. In short: it's how we do business.

In our experience, this approach to doing business creates value in three ways. First, being attuned to stakeholders' and society's expectations makes our company more adaptive to changes in its business environment, which helps protect our licence to operate and builds trust. Second, it strengthens competitiveness by spurring new solutions and operational excellence. And third, it can be an engine for business development, inspiring partnerships to co-create innovative solutions to global or local challenges. In this Communication on Progress we report on our achievements and our actions to implement the Blueprint for Corporate Sustainability.

Novo Nordisk representatives were among the more than 50,000 people attending RIO+20, alongside world leaders who met to discuss and deal with the big global issues and to point to a more sustainable future – 'The future we want'. It was encouraging

to see that business has earned a place at the table and is now part of the process of developing a new set of global sustainable goals.

At the Corporate Sustainability Forum, hosted and organised by the Global Compact, we co-hosted a side event that dealt with one of the new challenges: Next Generation Living – the links between healthy living and sustainability. In the future we want, we have to connect the dots – between environment and health, between health and wealth – and we have to mobilise across sectors, geographies and individual interests.

In this light we were particularly pleased to see the 193 UN Member States acknowledge that 'the global burden and threat of non-communicable diseases (NCDs) constitutes one of the major challenges for sustainable development in the 21st century' and commit to 'strengthen health systems toward the provision of equitable, universal coverage' and 'establish or strengthen multi-sector national policies for the prevention and control of non-communicable diseases'.

Partnerships will be the name of the game, and we are keen to play our part. In 2012, following consultations with multiple stakeholders including the WHO, we have set a new, ambitious target: we will double the number of people with diabetes who are treated with Novo Nordisk's anti-diabetes products, reaching 40 million people towards 2020. Today, serving 23 million people with diabetes, we are the world leader in diabetes care, with more than a 49% share of the global market for diabetes care.

Severe unmet needs and significant disparities in access to health, a fundamental human right, exist. Of the 371 million people with diabetes, despite the fact that therapeutic treatments exist, a large proportion are undiagnosed and untreated. About 80% of all people with diabetes live in low- and middle-income countries where provision of adequate healthcare is often absent or insufficient. Our global access to diabetes care strategy aims at closing the gap between health needs and health care. To achieve our Changing Diabetes® 40by20 target, we will need to maximise impact by increasing the availability of all of our products, coupled with awareness-raising and early detection, training of healthcare professionals and support to patients, in partnerships with local stakeholders.

This target addresses global health needs and pursues commercial opportunities. That, in my view, is the essence of corporate sustainability. There has to be a business case. And there has to be a purpose beyond making a profit. Combining the two is what sustainable value creation is all about.

Lars Rebién Sørensen
President and chief executive officer

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Reporting to UN Global Compact – Executive summary

This Communication on Progress accounts for Novo Nordisk's activities during 2012 towards corporate sustainability. It captures our contribution as a committed signatory to the United Nations Global Compact, and a proud leader of the LEAD initiative. The Global Compact's ten universally accepted principles in the areas of human rights, labour, environment and anti-corruption and its approach to corporate sustainability is consistent with Novo Nordisk's business approach of balancing financial, social and environmental considerations – we call it the Triple Bottom Line business principle (TBL). In essence, TBL is about how we do business responsibly and profitably with a view to maximise sustainable value creation for the society.

Novo Nordisk has been an active subscriber to the UN Global Compact since 2002 and co-founder and member of Global Compact LEAD since its inception in 2011. LEAD is a platform for a selected group of approximately 50 UN Global Compact companies to drive leadership to the next generation of sustainability performance. Over the years, our engagement with the Global Compact has been an inspiration in our efforts to embed sustainability into our business practices through policies and strategic initiatives towards achieving the aspirations expressed in the Global Compact. In 2012, we took part in Rio+20 and several other meetings, hosted by the UN Global Compact and UN agencies and contributed to collective progress through working groups. We are also actively engaged in several work streams under the LEAD initiative.

In 2012 we made progress on all Global Compact principles, further implementing these principles in our business activities:

Human rights

Knowing and showing that we respect human rights throughout our business and business relationships is a continuous challenge. In 2012, we established a cross-organisational task force charged with driving implementation of the UN Guiding Principles on Business and Human Rights. Based on the gap analysis conducted in 2011, the main priorities for 2012-2014 are policy adjustments, risk management and reporting and access to grievance mechanisms. Our external position on human rights was updated early 2012 now making specific reference to the UN Guiding Principles. In the area of risk management, we initiated a baseline analysis of labour rights for own employees and a review of human rights management in our responsible sourcing programme. Advancing human rights outside our own organisation is another key priority. In 2012, we updated our global strategy for access to diabetes care and we signed up to the Children's Rights and Business Principles promoted by UNGC, UNICEF and Save the Children.

Labour

In support of the principles of respect for labour rights, we worked hard in 2012 to both mitigate risks and improve performance related to labour rights throughout our value chain.

We initiated an analysis of labour conditions in key markets with the purpose of defining a global baseline in Novo Nordisk. Furthermore, actions were taken to ensure that employees are not dismissed on grounds related to their decision to report a concern about the company via the whistle-blower hotline.

Environment

Limiting our environmental impact while growing the business is a key challenge in the coming years as our production continues to increase, in response to growing demand for our products. We pursue an ambitious target to reduce, in absolute terms, our CO₂ emissions in response to the climate change challenge, and we keep a focus on decoupling environmental impact from growth. The aspiration is to remain at the forefront of the pharmaceutical industry in terms of environmental responsibility, pursuing good practices and excelling in strategic areas.

Anti-corruption

Doing business globally entails many challenges, particularly when working in diverse cultures where appropriate business conduct can vary widely and in countries where enforcement of national or international standards may be weak. Novo Nordisk operates in a highly regulated business environment in which rules and regulations increase in both numbers and complexity, change often and are vigorously enforced. Therefore adherence to the company's global standards for ethical behaviour must be observed and monitored. In such a business environment, making the right choices becomes more complex – and more important. As Novo Nordisk is growing rapidly, it is important that new employees are guided through adherence to a set of values which make it very clear what is expected behaviour by a Novo Nordisk employee. Emphasising the business ethics element in the Novo Nordisk Way has been one of the ways to deal with this challenge. In 2012, we rolled out business ethics training to all employees and ensured that training was documented.

Content of the Communication on Progress

As a UN Global Compact member, Novo Nordisk is required to report its progress in relation to the UN Global Compact principles on an annual basis. Being a LEAD member we demonstrate our sustainability governance and management processes through the 'Blueprint for Corporate Sustainability Leadership' which is also a part of the Communication on Progress. In addition, we are being recognised as a UN Global Compact 'advanced level reporter'. Information on how we meet the 24 advanced criteria is provided via UN Global Compact's website, www.unglobalcompact.org.

This UN Global Compact Communication on Progress includes three parts:

Part 1: UN Global Compact Communication on Progress – Providing content by reporting progress against the 10 UNGC principles

Part 2: Blueprint for corporate sustainability leadership – Demonstrating leadership

Novo Nordisk also reports according to the Global Reporting Initiative (GRI) guidelines, G3. The Guidelines provide a disclosure framework of management approaches and performance against indicators for economic, environmental and social impacts, human rights, product responsibility and societal activities, as well as a company profile. The relevant GRI G3 indicators are referenced under each of the ten UN Global Compact principles.

The full GRI reporting is available at our [2012 Annual Reporting webpage](#).

Novo Nordisk and Global Compact

Novo Nordisk signed up to the United Nations Global Compact in 2002. In 2004, when the tenth principle was adopted, we reaffirmed our commitment as a signatory to the Global Compact.

The Global Compact is a forum for learning and a way of engaging in dialogue with stakeholders. For Novo Nordisk it is also an opportunity to inspire improved performance and to advocate for change through collective action. One such example is our participation in the Caring for Climate initiative since 2007, in which we are active through the Steering Committee.

Key activities in 2012

Novo Nordisk participated in the Rio+20 N Conference on Sustainable Development and related events, hosted on the occasion of the 20th anniversary of the Earth Summit in Rio de Janeiro, Brazil. Leading up to the official meeting of heads of states, UNGC organised The Corporate Sustainability Forum as a 'progressive business-led voice'. Novo Nordisk contributed with several presentations at the forum. Novo Nordisk also hosted a side event, *'Next Generation Living: Exploring integrated solutions in NCD prevention and sustainable development'*, organised in partnership with Cambridge Programme for Sustainability Leadership, the Global Health Council, the NCD Alliance and Sustainia. The purpose of this event was to raise awareness about the links between Non-Communicable Diseases (NCDs) and sustainable development and showcase solutions in different intervention settings (cities, workplaces and schools).

In 2012, we also worked in support of the new human rights guidelines, UN Guidelines on Business and Human Rights; and we committed to women's empowerment by supporting the Women's Empowerment Principles produced by the UN Development Fund for Women (UN Women) and the UN Global Compact.

We have been part of defining and developing four work streams under the UN Global Compact LEAD:

- Board adoption and oversight of corporate sustainability
- Co-creating new forms of UN-business partnerships
- Communicating corporate sustainability leadership
- Every Woman, Every Child.

Novo Nordisk is actively involved in the Global Compact LEAD contribution to the UN Sustainable Development Goals-process. For Novo Nordisk it is important to ensure that there is a focus in the SDGs on healthy people and healthy planet and the potential synergies between the two. The company also works actively with the 'Global Compact Network Nordic Countries' to ensure the principles gain further ground in the Nordic countries and to share best practices for implementation among Nordic companies. Other examples of activities in support of the Global Compact principles include Novo Nordisk's support of the UN Resolution on Diabetes, and participation in the Global Business Initiative for Human Rights.

The Global Compact's 10 principles for responsible business are incorporated into policies in the company's governance framework, the Novo Nordisk Way, and serve as the strategic frame for comprehensive programmes such as Changing Diabetes®, business ethics and the responsible sourcing.

Part 1: UN Global Compact – Communication on Progress

Human rights – Principle 1–2

Principle	Reference to GRI G3 performance indicators
1. Businesses should support and respect the protection of internationally proclaimed human rights within their sphere of influence.	HR1, HR2, HR3, HR4, HR5, HR6, HR7, HR8, HR9, EC5, LA4, LA6, LA7, LA8, LA9, LA13, LA14, SO5, PR1, PR2, PR8
2. Businesses should make sure they are not complicit in human rights abuses.	HR1, HR2, HR3, HR4, HR5, HR6, HR7, HR8, HR9, SO5

Materiality and scope

Novo Nordisk was one of the first companies in the world to publicly endorse and commit to adhere to the Universal Declaration on Human Rights. Today, the Novo Nordisk Way, the company's values-based management system, emphasises that 'we treat everyone with respect'. We are committed to supporting and respecting internationally recognised human rights throughout our operations and business relationships and have welcomed the Guiding Principles on Business and Human Rights.

We understand respect for human rights to be a minimum standard for conducting business with legitimacy and acknowledge that the private sector, as a member of society, can play an important role in the protection and promotion of human rights. Specifically Novo Nordisk can contribute by addressing the fulfilment of the right to health globally through our business. As a world leader in diabetes care, we have a global responsibility and plays a role in the development of sustainable healthcare solutions. Developing innovative biological medicines and making them accessible globally is a key contribution.

Commitments and memberships

Supporting the UN Universal Declaration of Human Rights is an important part of Novo Nordisk's commitment to social responsibility. This commitment requires the company to integrate human rights considerations into its business. See also our position on human rights on our corporate website, novonordisk.com/sustainability.

As a member of a number of organisations and initiatives Novo Nordisk shows its commitment to respect human rights. These include:

- Global Business Initiative on Human Rights
- Danish Ethical Trading Initiative (DIEH)
- Danish Institute on Human Rights – working group on Human Rights Assessment Tool for Pharmaceutical Companies (HRAPC)
- UN Global Compact – Nordic Network
- The NCD Alliance's Corporate Supporters
- NCD Roundtable
- Danish Council for CSR

Other parties that we see as important stakeholders include:

- Amnesty International
- International Labour Organization (ILO)
- The International Organization for Standardization (ISO) – the international standard on social responsibility, ISO 26000
- International Diabetes Federation

Relevant policies

The Novo Nordisk Way is the foundation of the values-based management system in Novo Nordisk. It describes who we are, where we want to go, and how we work. A core statement in this is that 'we treat everyone with respect', which implies that we seek to demonstrate respect in all aspects of our business from consistent global standards for conducting clinical trials to clear guidelines for non-discrimination of employees.

Providing a link from Novo Nordisk Way, policies are defined on how we operate our business. For our external stakeholders, each policy gives information about principles that guide our decisions. They cover 13 key areas that are of relevance to our business. Internally, the policies provide high level guidance on basic principles on how we conduct our business.

Each policy is owned by an internal board or a committee which operates with a mandate from Executive Management.

The policies relevant for human rights are:

Novo Nordisk's purchasing policy

Novo Nordisk will purchase at best terms, balancing price with delivery, quality and risk as well as social, environmental and ethical responsibility.

Novo Nordisk's people policy

Novo Nordisk will provide attractive, engaging and effective workplaces for our people throughout the world. This also implies creating a diverse and inclusive workplace providing equal opportunities for all, offering a workplace that supports a healthy lifestyle, and complying with legislation, relevant requirements and the UN Global Compact.

Novo Nordisk's global health policy

Novo Nordisk will discover, develop and provide high-quality products and services within our areas of expertise to help patients throughout the world live better lives. Considering 'the Global Health Agenda' set out by the World Health Organization as an inspirational framework for our efforts and contributing to the development of sustainable healthcare systems are central elements to our commitment.

Novo Nordisk's bioethics policy

Novo Nordisk will discover, develop and produce biological medicines with respect for people, animals and the environment. We operate by high ethical global standards and require adherence to high ethical standards by our external partners, contract research organisations and suppliers. We promote bioethical awareness in Novo Nordisk, comply with laws, relevant requirements and act in accordance with international conventions.

For full text of our policies see our [corporate website](http://novonordisk.com/sustainability).

Responsibilities

Human rights issues are overseen by the following bodies within Novo Nordisk, which have representation from Executive Management and senior management:

- General human rights questions: in view of the cross-cutting nature of human rights, responsibility for human rights in general is anchored in the Sustainability Committee. This committee has the overall responsibility for the sustainability agenda in Novo Nordisk and oversees the implementation of the UNGC principles and related commitments.
- Human rights issues related to our research and development: handled by the R&D Bioethics Council, which covers all bioethical issues related to human, animal, and environmental ethics. The Council makes recommendations for the Sustainability Committee's approval on bioethical issues, strategies, targets and action plans related to research and development.
- Employees' human rights: responsibility for oversight of these issues is anchored in the Global People Board. See Labour Principle 3–6 for more information on the Global People Board.
- Human rights in the supply chain: overseen by the Procurement Committee.
- Human rights in relation to global health issues: the responsibility of the Health Policy Committee. The Committee steers and coordinates the company's efforts to improve access to health.

For more information about our boards and committees see our [corporate website](#).

Challenges in 2012

As Novo Nordisk continues to globalise and grow in number of employees and supplier base, the challenge of systematically monitoring and managing human rights risks and impacts increases. Novo Nordisk has robust programmes in place on responsible sourcing, clinical trials ethics, health and safety, diversity and inclusion, and access to health. Nevertheless, the company has continued the work of ensuring that we stay on top of the human rights agenda and comply with the UN Guiding Principles on Business and Human Rights – also as these guidelines are integrated into OECD's guidelines for multinational companies and finding their way into national legislation.

Addressing the right to health means adjusting our efforts to the changing global healthcare needs. Access to care is a global issue. And pharmaceutical companies are expected to shoulder their part of ensuring that people have access to affordable medicines and proper care. With prevalence of type 2 diabetes rising to epidemic proportions, growing most rapidly in South-East Asia and Africa, Novo Nordisk, has decided to accelerate the reach, in particular towards people with diabetes living in low- and middle-income countries. The answer to the growing challenge has been to set an ambitious long-term target: we will double the number of people with diabetes who are treated with Novo Nordisk's anti-diabetes care products, reaching 40 million people towards 2020.

Progress made in 2012

Responsible sourcing

Novo Nordisk has a risk based approach to managing environmental, ethical and social risks in the supply chain. With risk assessment of product-related and non-product-related suppliers implemented, the responsible sourcing approach was revisited and adjusted in 2012.

With the risk approach as a solid foundation, and a strengthened focus on continuous improvements via supplier capability building as a supplement to auditing, the strategic priorities going forward

will be I) further investment in Novo Nordisk capability building; II) further integrate responsible sourcing into sourcing practices across Novo Nordisk; III) ensure differentiated and dynamic risk management models in place; IV) implement differentiated supplier engagement approaches; and V) collaborate effectively with external stakeholders to achieve synergies and optimise resources.

The company's responsible sourcing standards are being reviewed to ensure that they fully reflect adherence to the UN Guiding Principles on Human Rights and Business.

Read more about responsible sourcing at our [corporate website](#).

Access to healthcare

Novo Nordisk has a long-standing commitment to access to healthcare. A commitment recognising access to healthcare as a universal human right defined by four parameters: availability, accessibility, affordability and quality. This commitment is an integral part of the company's Triple Bottom Line business principle and the Novo Nordisk Way.

Through the global Changing Diabetes® platform, we work to build sustainable, cross-sector partnerships at global, regional, national and local levels. We aim to ensure that the company's strategies are firmly rooted in existing healthcare systems and that all programmes contribute to building local capacity, which can be scaled up over time. Partnerships are built around a shared vision of Changing Diabetes® and implementing the UN Resolution on Diabetes.

In 2012, Novo Nordisk decided to introduce long-term target for number of people with diabetes reached with Novo Nordisk products. This was a response to the growth in diabetes prevalence, especially type 2 diabetes in low and middle income countries. Novo Nordisk has the broadest portfolio of diabetes care products, including human insulin and the most advanced modern treatments. This means that we can serve people with diabetes in most income groups, in rich and poor markets. With our products, global presence and strong partnerships we believe it can change diabetes sustainably. The long-term target is that by 2020, we want to provide medical care for an estimated 40 million people with diabetes worldwide – a doubling from the 2011 baseline.

Access to Medicines Index

In the third Access to Medicines Index (ATMI), Novo Nordisk was ranked 6 among 20 research-based pharmaceutical companies. The ATMI ranks the world's largest drug originator and generics companies on their efforts to make sure that medicines are made for, and reach, people in low and medium-income countries. The benchmark is made on the basis of company commitments, transparency, performance and innovation. In the 2010 ATMI, we were ranked 8 among 20 companies.

Changing Diabetes® in Children

There are more than half a million children with type 1 diabetes in the world. About half of these children live in resource-poor settings, often without necessary diabetes treatment facilities. Children with type 1 diabetes have high mortality rates, with a life expectancy of less than one year after diagnosis in some countries in sub-Saharan Africa. This is the result of lack of awareness, and poor accessibility and affordability of diabetes care.

As a response, Novo Nordisk established the Changing Diabetes® in Children in 2009. It is a five-year programme for the improved delivery of care to children with type 1 diabetes. The Changing Diabetes® in Children programme is active in nine countries: Bangladesh, Cameroon, Democratic Republic of Congo, Ethiopia, Guinea, India, Kenya, Tanzania and Uganda.

Achievements in 2012 in collaboration with partners include:

- 4,962 children were enrolled bringing the total number of children in the programme to 9,710;
- 20 clinics have been created to deliver care, totalling 74 clinics since 2009;
- 925 healthcare professionals working in the clinics were trained in the specialities of diabetes care for children. In total 2,024 healthcare providers have been trained;
- Patient education material was developed in English, French and Amharic and distributed to all programme countries. The material is publically available at the website, click [here](#);
- Partnerships with other pharmaceutical companies strengthened. For example, Novo Nordisk and project partner Roche jointly supported initiatives in the course of 2012, e.g. training of HCPs at the First African Diabetes Congress in July 2012.

For more information on Changing Diabetes® in Children, click [here](#).

Changing Diabetes® in Pregnancy

Worldwide, about 10 million women every year develop gestational diabetes (GDM). The majority of these women are never diagnosed. The Changing Diabetes® in Pregnancy (CDiP) programme was developed in 2010 to put focus on how screening and treating pregnant women for GDM can prevent millions of future diabetes cases – both among the women and their children. CDiP works at three levels: country programmes, evidence building, and advocacy.

From the start of the programme and until October 2012, achievements by Novo Nordisk and its collaborating partners include:

- Three country projects established with partners in Colombia, Nicaragua, and India;
- 5,000 women screened for GDM / 500 cases of GDM diagnosed;
- 1,120 health care professionals trained in GDM screening and management;
- 120,000 people reached through awareness campaigns;
- A health economic tool to inform policy making in countries developed;
- Country analyses of GDM screening cost-effectiveness conducted in India and Israel;

For more information about the Changing Diabetes® in Pregnancy programme, click [here](#).

Affordability of insulin

Novo Nordisk works to improve affordability of treatment for patients globally. In response to the call for concerted action at the UN High-level Meeting in 2001, Novo Nordisk further elaborated its commitment to the access to health agenda by promising to:

- always have a low-cost insulin in its product portfolio
- ensure to produce and make human insulin available to low- and middle-income markets for at least another ten years
- improve transparency on average cost of human insulin sold in LDCs and low- and middle-income markets.

Under the company's differential pricing policy for Least Developed countries (as defined by the UN), Novo Nordisk sells insulin at an average price of 15 US cent per patient per day benefitting millions of patients. Novo Nordisk also sells insulin at a similarly low price to many governments in middle-income countries through public tenders. Our affordable pricing is one component of the wider partnership required to improve access to care.

To see the reach of the differential pricing policy in 2012, go to our [Annual Report 2012](#), p 12.

For more information about our differential pricing policy, click [here](#).

Access to haemophilia care

Besides diabetes care, Novo Nordisk offers therapeutic treatments for haemophilia. By using the experience from our work in diabetes care, we have built partnerships in the haemophilia community, for example, working with the World Federation of Haemophilia as well as national haemophilia foundations on a psychosocial survey, physician training and educational materials. For more information, click [here](#). Through the Novo Nordisk Haemophilia Foundation, we support projects in low-income countries to increase treatment capacity, awareness and education on haemophilia.

Training in clinical research ethics

Novo Nordisk sponsors clinical trials globally. We apply the same procedures wherever trials are conducted, which means that all participants enrolled in Novo Nordisk trials are protected by the same high ethical standards, the same rights and regulations irrespective of the location of the study.

To see our performance in 2012 see the performance highlights table in the [Annual Report 2012](#), pp 4–5.

Human rights assessment

As a result of the gap assessment of Novo Nordisk against the Guiding Principles on Business and Human Rights carried out by an external consultant in 2011, we are now carrying out a labour condition baseline analysis supported by Danish Institute for Human Rights. For more information see Principle 3–6 on Labour.

Read more about human rights at our [corporate website](#).

Labour – Principle 3–6

Principle	Reference to GRI G3 performance indicators
3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.	LA4, LA5, HR1, HR2, HR3, HR5, SO5
4. Businesses should uphold the elimination of all forms of forced and compulsory labour.	HR1, HR2, HR3, HR7, SO5
5. Businesses should uphold the effective abolition of child labour	HR1, HR2, HR3, HR6, SO5
6. Businesses should eliminate discrimination in respect of employment and occupation.	LA2, LA13, LA14, HR1, HR2, HR3, HR4, EC7, SO5

Materiality and scope

Novo Nordisk strives to ensure that the freedom of association and the right to collective bargaining are upheld, that the company does not engage in forced and compulsory labour or child labour, and that the company works to ensure diversity and non-discrimination in respect of employment and occupation.

For Novo Nordisk this implies requiring of suppliers that they respect our commitment to the UN Global Compact; and as the company grows globally this means that we will ensure a diverse work force working in a healthy and safe working environment.

As the pharmaceutical industry is highly specialised and regulated, child labour and forced labour is not perceived as a material problem for Novo Nordisk. Nevertheless, we are aware that this might be a different issue when it comes to our suppliers, especially within non-product related sourcing. We, however, aim at treating this area as we treat our product-related sourcing.

Having a good work relationship between management and employees is important to the company. Therefore, we strive to ensure that all employees' working conditions are considered in the local governance structure and that employees have the opportunity to discuss working conditions with their local management group. Furthermore, freedom of association is regarded as a core element for employees.

Commitments and memberships

Novo Nordisk supports the United Nations Universal Declaration of Human Rights, the principles of UNGC, and the Women's Empowerment Principles. We are also engaged in Danish Ministry for Equality's Operation Chain Reaction. The initiative aims at developing and recruiting more female managers to the supervisory boards of Danish limited companies.

As a member of a number of organisations and initiatives Novo Nordisk shows its commitment to respecting labour rights.

See Principle 1–2 Human Rights for a list.

Relevant policies

The Novo Nordisk policies relevant for labour issues are:

Novo Nordisk's occupational health and safety policy

In Novo Nordisk we will provide a healthy and safe working environment by operating in accordance with high occupational health and safety standards throughout the world, by ensuring that the working environment is not compromised for economic or productivity reasons, and by motivating and educating people working at Novo Nordisk to be accountable for their actions in all matters regarding occupational health and safety.

Novo Nordisk's purchasing policy

In Novo Nordisk we will purchase at best terms, balancing price with delivery, quality and risk as well as social, environmental and ethical responsibility.

Novo Nordisk's people policy

In Novo Nordisk we will provide attractive, engaging and effective workplaces for our people throughout the world by creating a diverse and inclusive workplace with equal opportunities for all, and by offering a workplace that supports a healthy lifestyle.

For full text of our policies see our [corporate website](#).

Responsibilities

Labour issues are overseen by the Global People Board, which is responsible for overseeing strategy, performance and compliance in relation to the People Policy and the Occupational Health & Safety Policy. The board's mandate includes responsibility for issues such as labour relations, human rights, diversity and equal opportunities.

Occupational health and safety issues are also subject to oversight by the Sustainability Committee.

In relation to labour issues in our supply chain, the responsible sourcing programme is overseen by the Procurement Committee.

For more information about our boards and committees see our [corporate website](#).

Challenges in 2012

Novo Nordisk has solid management systems on human resources and occupational health and safety covering headquarters, production sites, and research and development sites globally. With the global growth of the company combined with a need to comply and deal with changing local legislation and relevant requirements globally, we are now working hard to set up appropriate management systems in our affiliates. Furthermore, the increased focus on legal compliance the need to comply and deal with changing legislation and relevant requirements globally, we have seen a need to strengthen management, processes and monitoring, by establishing a Global Human Resources Compliance Office..

One of the challenges that we faced in our responsible sourcing programme in 2012 was:

Training our procurement staff to a level where they have a deep understanding of their role in ensuring responsible sourcing practises throughout the supply chain and how to engage suppliers to improve conditions

Progress made in 2012

Labour condition analysis

Novo Nordisk's People Policy refers to the UNGC and in order to document compliance with the UNGC it was decided in 2011 to initiate a process with the purpose of defining a baseline analysis of the current labour conditions globally in Novo Nordisk. In 2012 the baseline analysis was conducted in Denmark, Japan and Brazil and followed up with concluding reports describing the status of labour conditions in these countries. The baseline analysis will continue in 2013, covering China, France and the USA. The process is supported by the Danish Institute for Human Rights.

See also human rights at our [corporate website](#).

Global human resources compliance office

The Global Human Resources Compliance Office has now been active as a global one point of entry for human resources legal compliance related matters. The Global HR Compliance Office was established due to the increased requirements within legal and business ethics compliance which have implications for a range of HR processes in Novo Nordisk. The office has an active role in ensuring that Novo Nordisk complies with legislation, relevant requirements and the UNGC which all are key elements in the Novo Nordisk People Policy.

Grievance mechanism and anti-retaliation

We want to ensure that employees are not being dismissed because of or partly because of their decision to report a concern. The Global HR Compliance Office has been provided access to 'the global whistle-blower list' as the one point of entry in HR compliance related matters and a formal procedure has been established as part of the anti-retaliation focus.

Freedom of association

The Novo Nordisk anti-retaliation policy includes union affiliation/non-affiliation. Novo Nordisk is committed to foster dialogue between management and employees and therefore, freedom of association is regarded as a core element for employees.

Health and safety strategy for 2020

During 2012, a revised occupational health and safety strategy has been approved. The strategy states that:

- Novo Nordisk is committed to continuously improve the working environment.
- Novo Nordisk embraces a zero-injury mind-set and will not accept people are injured due to our working conditions.
- Novo Nordisk is committed to a sustainable health and safety strategy and falling trends in injury frequency rate with absence towards 2020.
- Good workplace ergonomics is a key element in ensuring long-term work-life health in Novo Nordisk.
- Novo Nordisk is committed to continuously improve the working environment and reduce the employee's experienced work-related muscular/skeletal pain.
- Novo Nordisk wants to take on a broader responsibility to our people's well-being and thereby develop a systematic approach to support sustainable business performance and healthy growth of the company.

One global health & safety management system

We have continued our work to establish global governance on health and safety by developing global standards and processes and improving data collection to monitor health and safety performance throughout the organisation. The Novo Nordisk occupational health and safety management system is being implemented, and by the end of 2012, 85% of the employees were covered by the system. By the end of 2013 it will be fully implemented throughout the company.

To see our performance in 2012 visit the [Annual Report 2012](#), pp 4–5.

Promoting the health of employees

Through the NovoHealth programme, Novo Nordisk promotes and supports healthy living for all employees as a means to prevent type 2 diabetes and other lifestyle-driven diseases. This is seen as part of our commitment to running a responsible healthcare company and being a leader in diabetes care. A healthy lifestyle is the best way to fight the diabetes epidemic. The programme is based on four global standards and by end of 2012, 88% of the employees were fully covered by the Global NovoHealth programme – full coverage means that employees are covered by minimum three of four standards. The number is based on self-reporting from affiliates on the implementation level of Novo Nordisk's global employee health program.

One of the global NovoHealth standards is, that all employees are offered a health check minimum every two years. After two cycles of health checks, data now show that employees who participate in health checks generally reduce their number of risk factors that would normally be an indication of an increased risk of diabetes and heart disease. The health check facilitates the change by motivating employees to participate in many of our health promotion activities.

See more about the health programmes for our employees at the [corporate website](#).

Actively promoting equal opportunities and diversity

Progress towards the 2014 Diversity Aspiration has been steady. 93% of our senior management teams are now gender-diverse. Novo Nordisk's Diversity Strategy places advancement of women in leadership as one of its key pillars, directly aligned with the Women Empowerment Principles [1, 2, 4 and 7]. Activities undertaken at corporate level in 2012 include:

- Further embedded diversity into the annual organisational review, which requires every business unit to develop and nominate female successors to global key positions and to ensure robust talent pipeline development.
- Established external and internal benchmarks and

institutionalised accountability and transparency with target-setting and monitoring on gender and national diversity.

- Developed a HR IT systems that tracks gender balance in recruitment (currently in Denmark) as well as internal talents (globally).
- Continued leadership development and networking programmes targeted at female managers to help them clarify their leadership ambitions and career paths.

To see our performance in 2012, visit our [Annual Report 2012](#), pp 4–5.

See also our diversity section at our [corporate website](#).

Labour issues in supply chain

With an increasingly globalised supply chain, Novo Nordisk's share of produces sourced from countries with potential governance gaps is growing. This emphasises the need to understand the risks related to the social, environmental and ethical performance of our suppliers. Some of the activities carried out in 2012 related to our responsible sourcing programme include:

- Face-to-face training of procurement professionals globally as well as roll-out of an e-learning programme for procurement staff to raise awareness about our responsible sourcing approach and about responsible sourcing issues and impacts in our supply chain.
- As a supplement to auditing, our responsible sourcing strategy was adjusted, so there will be an increased focus on supporting continuous improvements of e.g. labour conditions via building suppliers' capabilities. In 2012 this approach was applied in connection with construction of a new production facility in Russia where we provided face to face training regarding e.g. business ethics, health & safety and responsible working conditions to main contractor and subcontractors involved in the construction.

Risk based approach to responsible supply chain management

At Novo Nordisk, we have adopted a risk based approach to manage environmental, ethical and social risks in the supply chain. Our methodology builds on a common set of screening principles and our risk models are tailored to specific sourcing areas, which allow us to identify and manage social and environmental risks.

In product-related spend, which includes spend directly related to the manufacturing of products, 9.7% of suppliers (34 of 350) have been identified as high risk.

Within our engineering sourcing supply chain, which covers sourcing of goods, works and services related to production and mainly within larger investment projects, 1.4 % (16 out of 1,137) were identified as high risk suppliers.

The majority of our suppliers relate to non-product related, or indirect, spend. This supplier base not only comprises the biggest number of Novo Nordisk suppliers worldwide (approx. 40,000) but also covers the highest spend, within the current responsible sourcing scope 127 suppliers are considered highest-risk.

Action plans for all high risk suppliers have been established and focus principally on responsible sourcing contract coverage as well as responsible sourcing audits. Findings from audits direct the concrete activities that should be implemented by the supplier.

Responsible sourcing audits

Suppliers' performance and adherence to our responsible sourcing standards are regularly evaluated. A total of 45 responsible audits were carried out in 2012, resulting in 45 major findings. The findings were distributed between labour practices (33 %), occupational health and safety (44 %), environment (7 %) and

other, incl. business integrity and sub-suppliers (16 %). No critical findings were identified. We have engaged with the suppliers on the identified findings to ensure improvements. Procedures for follow-up have been agreed upon by Novo Nordisk and the supplier, including time frames for the corrective action plan.

Currently, Novo Nordisk makes use of our own audit team when auditing suppliers. During 2012, we have been involved in the development of a shared audits model with other pharmaceutical companies through the Pharmaceutical Supply Chain Initiative (PSCI). Depending on the learning from this initiative and other supplier engagement approaches that we are currently piloting and testing, we will determine how this can be efficiently integrated our audit approach to benefit for both Novo Nordisk and our suppliers.

See also responsible sourcing at our [corporate website](#).

Employee engagement activities

TakeAction is an employee programme designed to encourage and support employees to integrate the Novo Nordisk Way into everything they do. The programme provides an opportunity to engage in voluntary activities and a forum for sharing best practices. All activities are developed and undertaken by Novo Nordisk employees during working hours insofar as they support the company's business objectives as well as cover social and/or environmental objectives in their local communities.

TakeAction activities are divided into three categories addressing social issues in the local community, helping the environment or positively affecting the lives of the people whose healthcare needs we serve. In 2012, more than 72 TakeAction activities were carried out in 21 Novo Nordisk local offices. A total of 15,511 hours were volunteered by 2,425 employees.

Besides volunteering, our employees raised funds through raffles, donations, flea markets, marathons and auctions. The fundraising projects reported in 2012 raised a total of 2,299,000 USD to support local initiatives, organisations and causes.

See also employee engagement at our [corporate website](#).

Environment – Principle 7–9

Principle	Reference to GRI G3 performance indicators
7. Businesses should support a precautionary approach to environmental challenges.	EC2, EN18, EN26, EN30, SO5
8. Businesses should undertake initiatives to promote greater environmental responsibility.	EN1, EN2, EN3, EN4, EN5, EN6, EN7, EN8, EN9, EN10, EN11, EN11, EN12, EN13, EN14, EN15, EN16, EN17, EN18, EN19, EN20, EN21, EN22, EN23, EN24, EN25, EN26, EN27, EN28, EN29, EN30, SO05, PR3, PR4
9. Businesses should encourage the development and diffusion of environmentally friendly technologies.	EN2, EN5, EN6, EN7, EN10, EN18, EN26, EN27, EN30, SO5

Materiality and scope

Novo Nordisk has a long tradition of effective management of environmental challenges such as chemical pollution, genetically modified organisms and climate change. Although environment is an highly relevant topic, the pharmaceutical industry is less

exposed than other industries due to a limited industry footprint and prioritisation by stakeholders. Nevertheless, pharmaceutical players have become increasingly environmentally responsible. Novo Nordisk is committed to the Novo Nordisk Way and the Triple Bottom Line business principle. Staying at the forefront of the industry to deliver on that commitment will remain increasingly challenging because good practice is a moving target and our environmental footprint will grow significantly in the future due to the growth of our business.

In relation to applying the precautionary principle, Novo Nordisk's contained use of approved GMOs for research and production is based upon approximately 25 years of risk assessments and safety records. No damage to human health or the environment has ever been recorded. Field surveys have not shown living GMOs in the surrounding soil. Nevertheless, Novo Nordisk continuously aims at eliminating and reducing uncertainties and at developing additional precautionary approaches.

Commitments and memberships

Novo Nordisk subscribes to the International Chamber of Commerce's Business Charter for Sustainable Development, and supports the UNGC.

Organisations that we support or are member of include:

- WWF's Climate Savers Programme
- United Nations: Caring for Climate Working Group
- Danish Ethical Trading Initiative (DIEH)
- Prince of Wales Corporate Leaders Group on Climate Change

Other important stakeholders include:

- Intergovernmental Panel on Climate Change (IPCC)
- World Resource Institute (WRI)
- World Wildlife Fund (WWF)
- United Nations Environment Programme (UNEP)
- Carbon Disclosure Project
- Danish Society for Nature Conversation
- Business for Social Responsibility

Relevant policies

Our policies relevant for environmental management are:

Novo Nordisk's environmental policy

In Novo Nordisk we will reduce our use of resources and the environmental impact from our activities by integrating environmental assessments in all decision-making across the value chain, promoting more sustainable processes and products, and by engaging in stakeholder dialogue and partnerships.

Novo Nordisk's bioethics policy

In Novo Nordisk we will discover, develop and produce biological medicines with respect for people, animals and the environment by operating by high ethical global standards in research involving people, animals, human materials and gene technology.

Novo Nordisk's purchasing policy

In Novo Nordisk we will purchase at best terms, balancing price with delivery, quality and risk as well as social, environmental and ethical responsibility.

For full text of our policies see our [corporate website](#).

Responsibilities

Environmental issues are overseen by the following bodies in Novo Nordisk:

- The Sustainability Committee has the overall responsibility to set direction for the strategic and proactive management of the sustainability agenda in Novo Nordisk. This includes

implementation of strategies in support of the company's long-term strategy for sustainable growth and in accordance with voluntary commitments. The committee is the company's highest authority with regard to environmental, bioethical and occupational health & safety issues.

- The R&D Bioethics Council oversees environmental ethics in research and development and makes recommendations for the Sustainability Committee's approval. More specifically in relation to principle 7, the council ensures that we apply the precautionary principle in the use of gene technology by conducting risk assessments prior to use.

Challenges 2012

The company's environmental policy covers the entire value chain from molecule to patient, and in addition to ensuring compliance and sound management practices at production sites in accordance with ISO14001, efforts include process optimisations in production, a focus on smarter uses of resources and materials in the discovery and development of new products, and innovation projects in partnerships with suppliers, healthcare providers and local communities. As production and sales continue to grow it becomes increasingly challenging to keep minimising environmental impact.

Progress made in 2012

Environmental strategy long-term targets

Novo Nordisk has chosen three long-term environmental targets to support long-term financial performance, balancing responsibility with profitability, with an aim to create sustainable value to shareholders and other stakeholders. The environmental targets are ambitious and reflect the aspiration to produce more with less and continuously reduce impacts on the environment: to curb annual increases in energy to 3% and annual increases in water consumption to 5%, and to achieve an absolute reduction in CO₂ emissions of 10% by 2014, compared with the 2004 baseline. Performance against the CO₂ emissions targets is on track.

To see how we performed against our long-term environmental targets, see the [Annual Report 2012](#), p 14.

Climate action

The main focus of our climate action strategy is to continue our focus on reducing emissions from production (scope 1 and 2). We intend to work with our partners to reduce emissions towards 2014 and 2020. We want reductions to take place at a rate that lies in the upper end of the UN Intergovernmental Panel on Climate Change recommendations for 2020. We are also extending the scope of our climate strategy to encompass emissions from all business activities. We focus on reducing and reporting emissions from company cars, product distribution and business travel. Some of the key activities in 2012 were:

- Product distribution: In 2012 focus has been on meeting the target on volume being transported by ship and airplane.
- Company car guidelines: Among other things the guideline will ensure that all affiliates report their CO₂ emissions and that affiliates with more than five leased cars calculate their CO₂ baseline and set local emissions reduction targets.
- Business travel: With the roll-out of an updated IT-platform, Novo Nordisk employees now have access to a tool for easy web-meetings ensuring an alternative to travelling.
- SO₂/NO_x: In 2012, our emissions from SO₂ and NO_x were 163 tons and 206 tons respectively, showing an increase from emissions in 2011 which were 86 tons and 122 tons respectively. Increase is mainly due to new filling plant in China.

To see our environmental performance in 2012, see the environmental statements in the [Annual Report 2012](#), p 99.

In 2012, Novo Nordisk submitted the 10th Carbon Disclosure Programme report. Novo Nordisk has continuously reported

its CO₂ emissions, actions, risk and opportunities since the first CDP-report was requested in 2002. The 2012 disclosure score for Novo Nordisk was 90 points, which is one point more than in 2011, while the 2012 performance score was 'B'. With this score Novo Nordisk remains in the top 10 of healthcare companies in the Carbon Disclosure Project (CDP) Global 500 2012 report. According to the report's assessment, the company's disclosure score reflects senior managements understanding of the business issues related to climate change and efforts to build climate related risks and opportunities into core business.

See also the news on the CDP score at the [corporate website](#).

Anti-corruption – Principle 10

Principle	Reference to GRI G3 performance indicators
10. Businesses should work against all forms of corruption, including extortion and bribery.	SO2, SO3, SO4, SO5, SO6

Materiality and scope

Each day, Novo Nordisk employees bring ethical standards to work. Doing business globally entails many challenges, particularly when working in diverse cultures where concepts of appropriate business conduct can vary widely. Making the right choices becomes more complex – and more important – in the pressures of a competitive business environment.

Ethical business conduct is about values and integrity as well as compliance and risk mitigation. Taking a proactive approach also presents opportunities such as enhanced trust in the company and improved relationships with key stakeholders.

Institutionalising ethical conduct requires more than codes and standards, it requires fostering a strong, values-based corporate culture. The Novo Nordisk Way outlines expectations for employee behaviour by stating that 'we never compromise on quality and business ethics' (Essential 10), which is also supported by our business ethics policy as well as detailed procedures for how to operate.

Novo Nordisk's approach to business ethics consists of three elements:

- Setting direction
- Training the organisation
- Monitoring and following up through audits

For more information on our business ethics approach see our [corporate website](#).

Commitments and memberships

Novo Nordisk supports the tenth UNGC principle on anti-corruption, and as stated in the Novo Nordisk Way, 'we never compromise on quality and business ethics' – we are committed to maintain high business ethics standards.

In relation to business ethics, we constantly learn and seek knowledge from different stakeholders, such as:

- Transparency International
- The Organisation for Economic Co-operation and Development (OECD) – OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions
- World Economic Forum (WEF) – Partnering Against Corruption Initiative
- International and national industry associations such as European Federation of Pharmaceuticals Industries and Associations (EFPIA) and Pharmaceutical Research and Manufacturers of America (PhRMA)

Relevant policies

Novo Nordisk's business ethics policy

In Novo Nordisk, we will act with integrity in our efforts to deliver competitive results by applying consistently high business ethics standards across the value chain, and be transparent about our business decisions and practices.

Novo Nordisk's purchasing policy

In Novo Nordisk we will purchase at best terms, balancing price with delivery, quality and risk as well as social, environmental and ethical responsibility.

For full text of our policies see our [corporate website](#).

Responsibilities

The business ethics policy is supported by a global business ethics strategy overseen by Executive Management, and implemented by the Business Ethics Board, which has representation from Executive Management and senior management across the values chain and from the regions in which we operate. The Business Ethics Board sets the direction for business ethics within Novo Nordisk with procedures and guidelines, training, advice and monitoring, and verifies progress through audits and follow-up actions. Additionally, the Business Ethics Board ensures on-going development of compliance programmes on a global and regional level, monitors business ethics risks and reports to Novo Nordisk's Audit Committee.

Furthermore, we have established a Business Ethics Compliance Office in Headquarters to support and monitor the implementation of the global compliance programme. This includes developing procedures, providing the global advice framework, and establishing business ethics training for all employees. The Business Ethics Compliance Office thus drives and oversees implementation of the compliance programme through our regional compliance representatives.

Concerns over business ethics compliance are reported through the Compliance Hotline (our whistle-blower function). This is managed by the Audit Committee Secretariat on behalf of the Audit Committee, which is part of the Board of Directors. Independent and objective investigations are carried out for all cases, including those reported and identified internally. This approach is designed to provide employees security, full anonymity and confidence in reporting concerns.

Challenges in 2012

As Novo Nordisk is growing rapidly by number of employees, it is important that new employees are guided by a strong set of values that clearly states what expected behaviour by a Novo Nordisk employee is. Emphasising the business ethics element in our Novo Nordisk Way has been one of the ways to deal with this challenge.

Progress made in 2012

Improved business ethics governance

The Business Ethics Board is charged with the development and implementation of the global business ethics strategy to ensure governance and alignment across the organisation.

To ensure effective implementation of the business ethics strategy across the organisation, a global compliance organisation has been established with resources dedicated to compliance in each region. To establish a link to integration of the business ethics strategy from the Business Ethics Board to the Business Ethics Compliance Office and the regions, a Global Compliance Forum has been established, which acts as the operational body that ensures a coordinated approach across Novo Nordisk to implementation of the business ethics compliance programme.

Improved third party due diligence and training

We have improved our third party procedure and due diligence system to ensure relevant third parties are checked to ensure ethical business conduct. This includes pre-contract due diligence, business ethics contract clauses, training, and follow up activities.

Roll-out of business ethics training

Training activities for employees are split between corporate-wide certification of procedures for all employees in scope, e-learning courses targeting a broad audience, and tailored face-to-face training focusing on in-depth and interactive dialogue with key employee groups. As of 2012, employees also have to pass a test to ensure our corporate procedures have been both read and understood.

Business ethics advice framework established

To ensure consistent and uniform business ethics advice, a global advice framework anchored in the Global Compliance Forum has been implemented. This includes guidance on corporate procedures and best practice sharing.

See our performance in 2012 in relation to business ethics training in the [Annual Report 2012](#), p 93.

Public affairs transparency

Novo Nordisk takes a stakeholder approach to engaging in health policy discussions about quality diabetes care. We enter into dialogue with regulatory bodies, payers and policy makers and the diabetes community focusing on the tremendous unmet need for better prevention, early detection, and better quality treatment in diabetes care. Citizens have a right to expect political processes to be transparent and to take place in compliance with the law as well as in due respect of ethical principles, avoiding undue pressure, illegitimate or privileged access to information or to decision makers.

The European Commission and European Parliament have established a transparency register that encourages any external organisation working to influence the EU institutions to sign up to a voluntary code of conduct and a register of interest representatives. Reporting of Novo Nordisk's advocacy expenditures for the European Changing Diabetes® Advocacy office is available via the [EU Register](#). In relation to Novo Nordisk's lobbying efforts in US, the lobby expenditures for 2012 are available via this [register](#). The number includes in-house lobbying staff (time and expenses), fees for external lobbying firms, and membership fees to industry organisations that lobby.

Political Action Committee in the US

The Novo Nordisk Political Action Committee (PAC) continued to grow in 2012 and now includes more than 295 members in the company. Created in 2006, the PAC solicits funds from only those Novo Nordisk employees that are US citizens and have executive or managerial responsibilities. The funds raised are used to make contributions to candidates for federal office. The amounts that may be contributed to and by a PAC are limited, and steps are taken to ensure that employee contributions are strictly voluntary and made without coercion.

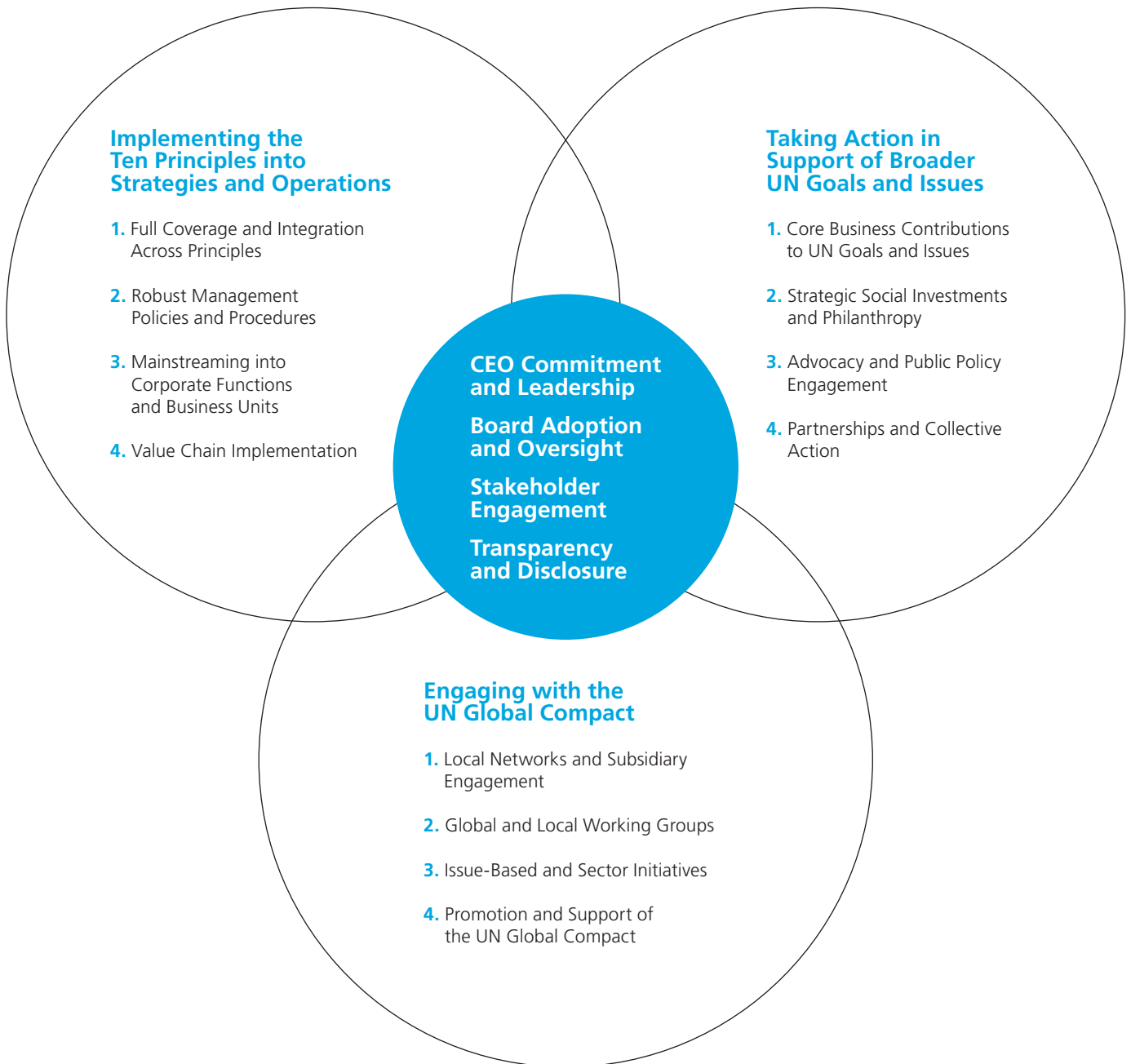
The Novo Nordisk Inc. PAC has contributed \$258,500 US dollars to 136 Congressional candidates of both major US political parties in both the Senate and the House of Representatives.

Business ethics training of suppliers

In connection with construction of a new production facility in Russia, Novo Nordisk has provided face to face training to main contractor and subcontractors involved in the construction with the aim to build knowledge about Novo Nordisk's business ethics procedures and requirements as well as standards regarding protection of the environment, healthy and safe working conditions, and responsible labour practices.

Part 2: Blueprint for Corporate Sustainability Leadership in a Novo Nordisk context

As a UNGC LEAD member we demonstrate our sustainability governance and management processes through the following 'Blueprint for Corporate Sustainability Leadership'. Being the first year of reporting leadership in the Communication on Progress, no established standards exist on how to use the Blueprint. In Novo Nordisk we have chosen to take the Blueprint very literally and respond directly to the 49 action points in a table format.



Source: http://www.unglobalcompact.org/docs/news_events/8.1/Blueprint.pdf

For Novo Nordisk using the Blueprint in this manner is a way of being transparent about how we operationalise the Triple Bottom Line in our business, and how this is aligned with the UN Global Compact concept.

Implementing the Ten Principles into Strategies and Operations

Full Coverage and Integration Across Principle

Indicator/subject

Novo Nordisk

1. Implement all the ten UN Global Compact principles into strategies and operations
- All ten principles are incorporated in Novo Nordisk's relevant policies. These issues are operationalised through our committee and board structure. In practice we work with the ten principles through activities embedded into the business:
- Principles 1–2 Human rights (through access to health, responsible sourcing, diversity)
 - Principles 3–6 Labour (through human resources, responsible sourcing, diversity)
 - Principles 7–9 Environment (through environmental management systems, product stewardship):
 - Principle 10 Anti-corruption (business ethics, responsible sourcing)

Reference: UNGC CoP – Part 1

2. Design corporate sustainability strategy to leverage synergies between and among issue areas and to deal adequately with trade-offs
- Applying the Triple Bottom Line business principle in decision-making serves two purposes. It builds trust and protects our licence to operate and it helps drive innovation and long-term growth, generating value in the process. We monitor trends that could impact our business success and proactively respond to stakeholder expectations and emerging issues in areas such as the right to health, business ethics and bioethics. We also take responsibility for addressing global challenges that are critical to our ability to manage a sustainable business for the long term.

Reference: [Access to health, business ethics, bioethics, health & safety](#)

3. Ensure that different corporate functions coordinate closely to maximize performance and avoid unintended negative impact
- In Novo Nordisk, several boards and committees have been established to ensure that vital cross-organisational issues and tasks are attended to and co-ordinated in a timely manner. The committees and boards are established with representation from executive and senior management areas and headed by a member of executive management or an appointed senior vice president. This means that all boards and committees operate with a mandate from Executive Management.

The committees and boards include Global People Board, External Affairs Board, R&D Bioethics Board, Procurement Committee, Business Ethics Board, and the Sustainability Committee, which has the overall responsibility for the sustainability agenda in Novo Nordisk and oversees the implementation of the UN Global Compact principles and related commitments.

Furthermore, Novo Nordisk sets short- and medium-term priorities and targets that are cross-organisational. These are managed through the balanced scorecard, which is company-wide tool to measure and monitor progress.

Reference: UNGC CoP – Part 1

Robust Management Policies and Procedures

Indicator/subject

Novo Nordisk

4. Assess risks and opportunities on an on-going basis at both enterprise and product level and undertake due diligence to ensure that the company identifies any negative impacts caused by its operations and activities.
- Novo Nordisk has developed a dynamic approach to risk management to ensure that key risks are effectively identified, assessed and managed so they will not affect the company's ability to achieve our business objectives. Four times a year, the Risk Management Board meets to set the strategic direction for risk management, and analyse the risk and control information generated by the individual business areas. This process helps to reduce blind spots and considers potential cross-functional impacts. Both financial and non-financial risks are assessed and quantified in terms of potential financial impact and reputational damage.

Reference: [Risk management](#)

5. Develop strategies and policies specific to the company's operating context – as well as scenarios for the future – and establish measurable short, medium, and long term goals.
- See item 3 above.
- In 2012, Novo Nordisk was in the process of developing new long-term strategies for areas such as access to health, bioethics, and occupational health & safety. This, together with the on-going work of our the 2020 environmental strategy, resulted in new environmental long-term targets as well as a new patient target.

Reference: [Environmental management](#), [Access to health](#), [Annual Report 2012](#), pp 11-14

6. Engage and educate employees through training activities, the development and adjustment of business processes, and sound incentive schemes.	<p>The Novo Nordisk Way forms a values-based governance framework for the company. From vision to policies, it describes how people working for Novo Nordisk put values into action, and it defines the principles for how the company does business. It sets direction for all Novo Nordisk employees, and exists to assure and safeguard the strong company culture of responsible and sustainable business practices and engaged employees and stakeholders. The Novo Nordisk Way states that we manage the company by the Triple Bottom Line business principle. All departments are held accountable for applying the Triple Bottom Line business principle through internal value audits which evaluate each business unit's operations vis-a-vis the Novo Nordisk Way. These value audits are conducted by a team of senior people with a deep understanding of our business and business environment. This process helps us develop people and adjust business processes.</p> <p>In keeping with our aim to attract, retain and motivate talented employees in the competitive global pharmaceutical market, compensation at Novo Nordisk is designed to be competitive and reward short-term as well as long-term performance. This is the case both for employees and management (see also item 7 below regarding performance system for employees).</p> <p>Reference: Remuneration report in Annual Report 2012, Wages and Benefits, Novo Nordisk Way</p>
7. Implement a system to track and measure performance based on standardised performance metrics.	<p>We use different systems to track performance within occupational health and safety, environmental management, people management, business ethics, suppliers, etc. The overall performance on sustainability is tracked through the annual corporate balanced scorecard which includes sustainability targets. The corporate balanced scorecard is cascaded into business units, departments and team and finally tied to each employee's performance management process called 3P (people, performance, process).</p> <p>The 3P system supports goal setting, mid-year review, and year-end appraisals where information is documented to support on-going performance and development conversations throughout the year. 3P ensures alignment of individual goals with the organisation's goals and priorities to drive results and meet customer needs.</p> <p>Furthermore, we report on various financial and non-financial performance metrics through our annual report.</p> <p>Reference: Financial and non-financial statements in Annual Report 2012</p>

Mainstreaming into Corporate Functions and Business Unit

Indicator/subject

Novo Nordisk

8. Place responsibility for execution of sustainability strategy in relevant corporate functions (procurement, government affairs, human resources, legal, etc.) and ensure that no function is operating in conflict with sustainability commitments and objectives of company

Novo Nordisk's strategy for sustainability is based on the Triple Bottom Line principle, which means the company sets goals, manages and accounts for performance on three dimensions: financial, social and environmental. The aim is to ensure long-term profitability by minimising any negative impacts from business activities and maximising the positive footprint from its global operations: improved health, employment, economic prosperity and social equity.

The Triple Bottom Line model illustrates how long-term value is created by considering all three aspects and making balanced decisions with patient interests at the core.

The responsibility for execution of our sustainability efforts lie in the relevant functions. We manage new emerging sustainability issues through our corporate functions until they reach a maturity level that makes it possible to hand them over to line of business. The programmes for climate action, business ethics, and responsible sourcing are examples of how sustainability issues were first handled and operationalised in a corporate function before being handed over to line of business. The department, Corporate Sustainability, is in charge of coordinating Novo Nordisk sustainability efforts, monitoring the sustainability performance of the company, and initiating action on issues identified through our sustainability trend spotting.

The Sustainability Committee has the overall responsibility for our sustainability efforts ensuring that conflicts between sustainability commitments and business objectives exist.

Reference: [Corporate Strategy in Annual Report 2012](#), pp 15–19

9. Align strategies, goals and incentive structures of all business units and subsidiaries with corporate sustainability strategy.

See item 8 above. Short- and long-term corporate targets and priorities are tracked through the balanced scorecard (see item 7).

An example of how Novo Nordisk is creating both business and societal value has been showcased in the Blueprint for Change publications. The strategic objective is to identify the drivers of shared value creation, measure realised benefits for both society and the organisation, and share this information with our stakeholders. The publications so far include cases on climate action, and Changing Diabetes in China, US, and Bangladesh.

Reference: [Blueprint for Change cases](#)

10. Assign responsibility for corporate sustainability implementation to an individual or group within each business unit and subsidiary.

See item 3 above on governance, and item 6 on department responsibilities. It should also be noted that corporate targets and priorities are company-wide.

Value Chain Implementation

Indicator/subject

Novo Nordisk

11. Analyse each segment of the value chain carefully, both upstream and downstream, when mapping risks, opportunities and impacts.

See items 4, 8 and 9 above. As stated in the Novo Nordisk Way, our key contribution is to discover and develop innovative biological medicines and to make them accessible to patients throughout the world. By systematically tuning in to the economic, social and environmental implications of business decisions, and by continuously listening to and engaging with key stakeholders, we can respond earlier and better to the risk and opportunities facing the company such as bioethics, business ethics and access to health in developing countries.

12. Communicate policies and expectations to suppliers and other relevant business partners

Novo Nordisk's social and environmental responsibility extends throughout the value chain including the company's suppliers. Novo Nordisk has implemented global standards for responsible sourcing setting the bar for suppliers' performance in terms of compliance with laws and regulations, environment, health and safety, labour practices, business ethics, including safety and rights of clinical trial patients and healthy volunteers, animal welfare and sub-suppliers.

Reference: [Responsible sourcing](#)

13. Implement monitoring and assurance mechanisms within company's sphere of influence.

See item 12 above. In addition, Novo Nordisk risk screens its supply chain, and conducts supplier audits among high risk suppliers.

Reference: UN Global Compact (CoP) – Part 1, Principle 3–6; [Responsible sourcing](#)

14. Undertake awareness-raising, training and other types of capability building with suppliers and other business partners.	See item 12 above. A part of Novo Nordisk's responsible sourcing approach is to engage with business partners to build capabilities. This happens to some extent today with key suppliers that have challenges with e.g. working time. An example is in Russia where we provided face to face training regarding e.g. business ethics, health & safety and responsible working conditions to main contractor and subcontractors involved in the construction of a new production facility.
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Reference: UNGC CoP – Part 1, Principle 3–6

Taking Action in Support of Broader UN Goals and Issues

Core Business Contributions to UN Goals and Issues

Indicator/subject

Novo Nordisk

15. Align core business strategy with one or more relevant UN goals / issues.	<p>The UN Millennium Development Goals (MDGs), defined by world leaders in 2000, call for global partnerships between governments, civil society and businesses. As a leading provider of diabetes treatments, we take part in this global effort to address the challenges of the diabetes pandemic and improve access to health. Novo Nordisk has for many years based its business conduct on a multi-stakeholder approach by engaging in dialogue with key parties such as NGOs, governmental regulators, healthcare professionals and patients. We have a number of activities and initiatives supporting the MDGs:</p> <ul style="list-style-type: none"> • MDG 3 Promote gender equality and empower women: Diversity aspiration • MDG 4 Reduce child mortality: Changing Diabetes® in Children, the Novo Nordisk Haemophilia Foundation • MDG 5 Improve maternal health: Changing Future Health, Changing Diabetes® in Pregnancy • MDG 6 Combat HIV/AIDS, malaria and other diseases: Access to health activities • MDG 7 Ensure environmental sustainability: Environmental management, climate action • MDG 8 Global partnership for development: UNGC: Caring for Climate; WWF Climate Savers <p>Novo Nordisk is also actively involved in the Global Compact LEAD contribution to the UN Sustainable Development Goals-process. For Novo Nordisk it is important to ensure that there is a focus in the SDGs on healthy people and healthy planet and the potential synergies between the two.</p>
16. Develop relevant products and services or design business models that contribute to UN goals / issues.	<p>One example is how Novo Nordisk by working with distributors in Kenya to limit price mark-ups and to ultimately controls the price that the patient has to pay at the pharmacy. The company signed individual Memorandum of Understanding (MoU) agreements with every link in the distribution chain, and the price of a vial of insulin has been stamped on the package, making it difficult for distributors to exceed the agreed price. For our Changing Future Health initiative see item 23.</p> <p>The Changing Diabetes® in Children and Changing Diabetes® in Pregnancy are other examples of how Novo Nordisk support the development of services that contribute to UN goals. Other examples are the offering of human insulin to least developed countries at differential pricing, and the current project of exploring the business model for people living with diabetes at the base of the pyramid. Novo Nordisk's partnerships with its energy supplier in Denmark, DONG Energy, which supported Novo Nordisk's ability to achieve its long-term target for reduction of CO₂ emissions, also expanded renewable energy capacity and became a model for new business partnerships solutions.</p>
	Reference: Access to Medicine Index 2012 , pp 10–13
17. Adopt and modify operating procedures to maximise contribution to UN goals / issues.	See item 15 above.

Strategic Social Investments and Philanthropy

Indicator/subject

Novo Nordisk

18. Pursue social investments and philanthropic contributions that tie in with the core competences or operating context of the company as an integrated part of its sustainability strategy

Since diabetes care is our primary business, our focus in terms of philanthropic contributions is on support for the World Diabetes Foundation (WDF). WDF acts as a catalyst, moving diabetes higher on the global agenda and focusing on 'neglected areas' of diabetes care that are important both from a health and socio-economic standpoint and are of particular relevance to the poor (prevention of needless foot amputations, blindness as a consequence of diabetes and the recent scientific link between diabetes and tuberculosis).

People with haemophilia and related bleeding disorders are the focus of the Novo Nordisk Haemophilia Foundation. Its purpose is to address the significant need for improving care in the developing world and raise awareness around haemophilia and bleeding disorders.

Reference: [World Diabetes Foundation](#); [Novo Nordisk Haemophilia Foundation](#)

19. Coordinate efforts with other organisations and initiatives to amplify – and not negate or unnecessarily duplicate – the efforts of other contributors.

See item 15 above on Novo Nordisk's multi-stakeholder approach. Furthermore, we are engaged in a range of business organisations, think tanks, advocacy organisation, academic research and sustainability networks. We also support and collaborate with patients' organisations within our therapy areas. In relation to supporting organisations and initiatives such as WDF, the Novo Nordisk Haemophilia Foundation, Changing Diabetes® in Children and Changing Diabetes® in Pregnancy it is important for Novo Nordisk that efforts happen within existing healthcare system and in agreement with ministries of health – among other things also to limit duplication of efforts.

Reference: [Stakeholder engagement](#); [Patient group donations](#)

20. Take responsibility for the intentional and unintentional effects of funding and have due regard for local customs, traditions, religions, and priorities of pertinent individuals and groups.

Novo Nordisk's subsidiaries make decisions on local charitable donations, which are not centrally tracked by the company. A corporate sponsorship guideline has been developed and is available for voluntary use.

We assist patient groups in advocating in support of patients and caregivers. We conduct this type of collaboration in an open and transparent manner in order to ensure the independence and integrity of patient groups and our own high ethical standards. We disclose how we work with patient groups in Europe.

Reference: [Patient group donations](#)

Advocacy and Public Policy Engagement

Indicator/subject

Novo Nordisk

21. Publicly advocate the importance of action in relation to one or more UN goals / issues.

Novo Nordisk is active in advocating the importance of action in relation to UN goals.

In 2012, Novo Nordisk participated in the Rio+20 United Nations Conference on Sustainable Development and related events, hosted on the occasion of the 20th anniversary of the first global summit on this theme, both taking place in Rio de Janeiro, Brazil. Leading up to the official meeting of heads of states, the UNGC organised The Corporate Sustainability Forum as a 'progressive business-led voice', to which Novo Nordisk contributed with several presentations. Novo Nordisk also hosted a side event, 'Next Generation Living: Exploring integrated solutions in NCD prevention and sustainable development', organised in partnership with leading organisations in this space, to set a new agenda.

See also items 15 and 23.

22. Commit company leaders to participate in key summits, conferences, and other important public policy interactions in relation to one or more UN goals / issues.

See item 21.

Partnerships and Collective Action

Indicator/subject

Novo Nordisk

<p>23. Develop and implement partnership projects with public or private organisations (UN entities, government, NGOs, or other groups) on core business, social investments and/or advocacy.</p>	<p>Since 2011, Novo Nordisk has been building a multi-sector partnership to support a unique diabetes prevention project called – Changing Future Health. The partnership’s mission is to translate developmental origins of health and disease research into a health intervention targeting young couple prior to having a child. Changing Future Health is a private public partnership between the Malaysian Ministry of Health, Novo Nordisk, Steno Diabetes Center Denmark, University of Southampton UK, and the University of Witwatersrand Johannesburg. The project will design an intervention package that is community specific, implemented within the existing health system, targeting men and women of reproductive age. Packages will aim to measure, prevent and modify diabetes risk factors. While women will be central to these interventions, the involvement of male partners and family members is also seen as critical to improving health outcomes and empowering women and parents-to-be. In 2012, Changing Future Health initiated formative and ethnographic research to understand the needs of young couples, healthcare professionals and community leaders to co-create and design an effective intervention. The project is scheduled to be fully implemented in August 2013.</p> <p>Furthermore, we are active in various partnerships and organisation such as UNGC: Caring for Climate, WWF Climate Savers, Global Business Initiative on Human Rights, and WEF Workplace Wellness Alliance.</p>
<p>24. Join industry peers, UN entities and/ or other stakeholders in initiatives that contribute to solving common challenges and dilemmas at the global and/ or local levels with an emphasis on initiatives that extend the company’s positive impact on its value chain</p>	<p>See item 23 above. Furthermore, we are involved with peers in various initiatives such as BSR Healthcare Working Group, Pharmaceutical Supply Chain Initiative, Danish Initiative on Ethical Trading, SustainAbility, Boston College for Corporate Citizenship, CSR Europe, and International Integrated Reporting Committee (IIRC).</p> <p>In 2012, Novo Nordisk became part of Sustainia, an alliance of international organisations and companies working to create sustainable growth. Sustainia demonstrates and visualises the attractive societies these solutions could realise if companies, scientists, politicians and civil society worked together to implement existing solutions at large scale.</p> <p>Reference: Sustainia</p>

Engaging with the UN Global Compact

Local Networks and Subsidiary Engagement

Indicator/subject

Novo Nordisk

<p>25. Contribute to the building and operating of at least one UN Global Compact Local Network and help elevate performance of other companies through training, mentoring, COP peer review, etc.</p>	<p>We regularly attend meetings in the UNGC Nordic Network, sharing best practices for implementation among Nordic companies. This Communication on Progress has also been peer reviewed by the UNGC Nordic Network.</p> <p>Novo Nordisk does not have representation in UNGC Local Networks in the markets in which we operate. The reason for the limited involvement by the affiliates is simply that specific initiatives related to our therapy areas are prioritised over more general sustainability initiatives.</p> <p>Our sustainability experts are sought-after speakers at sustainability/CSR conferences globally and we willingly share our approach, experience and lessons learned with other companies at such events.</p>
<p>26. Encourage subsidiaries to engage with UN Global Compact Local Networks and to participate actively in events and activities.</p>	<p>Our commitment to UNGC is company-wide. One of our fully-owned subsidiaries, NNE Pharmaplan, has also signed up to UNGC and submits its own CoP.</p>
<p>27. Publish sustainability information related to each individual subsidiary separately or reference it explicitly in the Communication on Progress of Corporate Headquarters</p>	<p>In general, our affiliates do not publish sustainability information. However, some such as Italy and Russia publish a report which contains some sustainability information. Our Annual Report and UNGC CoP represent consolidated information of the company’s performance.</p> <p>Reference: Annual Report 2012, pp 4–5</p>

Global and Local Working Groups

Indicator/subject

Novo Nordisk

<p>28. Participate in relevant global or local working groups and share experiences, networks, tools and good practices with other UN Global Compact participants.</p>	<p>See item 25 and 23.</p>
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<p>29. Take active part in defining scope and objectives of new working groups when relevant.</p>	<p>Novo Nordisk was a co-founder of the UNGC LEAD.</p> <p>Novo Nordisk has published integrated annual reports since our 2004 reporting cycle and we have long advocated for widespread adoption of integrated reporting. We have therefore joined the efforts of the International Integrated Reporting Committee to develop an international integrated reporting framework which ultimately could lead to an international standard for reporters and report users. We are a member of the Working Group under the IIRC. We believe that agreement on how to move from reporting silos to integrated reporting is very important and we have been pleased to be part of discussions related to this process.</p>
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Issue-Based and Sector Initiatives

Indicator/subject

Novo Nordisk

<p>30. Join and help advance one or more existing UN Global Compact initiatives, e.g. Caring for Climate, CEO Water Mandate, Women's Empowerment Principles, and Global Business Initiative on Human Rights.</p>	<p>Novo Nordisk is committed to UNGC: Caring for Climate, Women's Empowerment Principles; and Global Business Initiative on Human Rights.</p> <p>Reference: UNGC CoP – Part 1</p>
<p>31. Spearhead need-driven development of new issue-based or sector initiatives within the UN Global Compact and the wider United Nations.</p>	<p>Since 2011 we have been part of UN's Every Woman Every Child initiative. Novo Nordisk commits to Every Woman Every Child through the Changing Future Health initiative, which is committed to advancing the prevention of non-communicable diseases (NCDs) with a focus on improving maternal, new-born and child health. The overarching aim is to give a healthy start to life by supporting young couples prior to pregnancy with the aim of improving health both before, during and after pregnancy in mother, father and child. See also item 23 and 29.</p>

Issue-Based and Sector Initiatives

Indicator/subject

Novo Nordisk

<p>32. Advocate the UN Global Compact to business partners, peers and the general public.</p>	<p>Novo Nordisk explores how to make use of and promote the UNGC platform. As part of our work on 'New Geographies of Sustainability' project, which was developed together with UNGC and Business for Social Responsibility, we engaged with local UNGC networks in China, Brazil and India in discussing the changing landscape of sustainability in emerging economies.</p>
<p>33. Encourage suppliers and other business partners to join the UN Global Compact, and take on mentoring role on issues related to the initiative.</p>	<p>See item 32 above.</p>
<p>34. Participate in activities to further develop and strengthen the UN Global Compact</p>	<p>See item 29 above.</p>

The cross-cutting components

CEO Commitment and Leadership

Indicator/subject

Novo Nordisk

<p>35. CEO publicly delivers explicit statements and demonstrates personal leadership on sustainability and commitment to the UN Global Compact.</p>	<p>Our CEO statement in the UNGC CoP demonstrates the commitment. Furthermore, our Executive Management participated in various side events at the Rio+20 United Nations Conference on Sustainable Development in Rio de Janeiro, Brazil in June 2012.</p> <p>See also item 21.</p>
<p>36. CEO promotes initiatives to enhance sustainability of the company's sector and leads development of industry standards.</p>	<p>See item 35 above.</p>
<p>37. CEO leads executive management team in development of corporate sustainability strategy, defining goals and overseeing implementation.</p>	<p>The CEO and his Executive Management team are held accountable for the non-financial performance of the company by the Board of Directors. Our sustainability approach is executed through our boards and committees. See also item 3.</p>

38. Make sustainability criteria and UN Global Compact principles part of goals and incentive schemes for CEO and executive management team.	Board of Directors oversee development of corporate strategy and long-term targets. An example of how it oversees actual implementation is through the executive remuneration, which is tied long term financial and non-financial performance.
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Reference: [Remuneration section in Annual Report 2012](#)

Issue-Based and Sector Initiatives

Indicator/subject	Novo Nordisk
39. Board of Directors (or equivalent**) assumes responsibility and oversight for long term corporate sustainability strategy and performance.	See item 38 above.
40. Board establishes, where permissible, a committee or assigns an individual Board member with responsibility for corporate sustainability.	The Board has historically worked without permanent committees. In principle Novo Nordisk believes that each board member must have the opportunity to contribute actively to all discussions and have access to all relevant information. Sustainability issues are thus the responsibility of the entire board of directors.
41. Board (or committee), where permissible, approves formal reporting on corporate sustainability (Communication on Progress).	The Board of Directors approves the financial and non-financial reporting as part of their sign-off of the Annual Report. The UNGC CoP is approved by Executive Management.

Stakeholder Engagement

Indicator/subject	Novo Nordisk
42. Publicly recognise responsibility for the company's impacts on internal and external stakeholders.	Stakeholder engagement is an integrated part of the way Novo Nordisk does business. Long-standing engagement with stakeholders is vital for building trust, respect and understanding of the Novo Nordisk Triple Bottom Line business principle. At Novo Nordisk, we work to identify and engage stakeholders in the reporting process to better represent their reasonable expectations and interests. Our commitment to engaging with stakeholders is a part of the essentials of the Novo Nordisk Way, which states: <ul style="list-style-type: none"> • We provide innovation to the benefit of our stakeholders • We build and maintain good relations with our key stakeholders
43. Define sustainability strategies, goals and policies in consultation with key stakeholders.	Stakeholder engagement is an integrated part of the Novo Nordisk Way Essentials which state that 'We build and maintain good relations with our key stakeholders'. This implies that all employees in the company are responsible for engaging with stakeholders. As a result, we do not engage with stakeholders only from a corporate perspective, but to a much larger extent from a decentralised perspective in the business units or different markets where we operate. Examples on how Novo Nordisk consults stakeholders when developing sustainability strategies, goals, policies or approaches are: <ul style="list-style-type: none"> • Environmental strategy • Climate action • Access to health approach • Responsible sourcing
44. Consult stakeholders in dealing with implementation dilemmas and challenges and invite them to take active part in reviewing performance.	See item 43 above.
45. Establish channels to engage with employees and other stakeholders to hear their ideas and address their concerns, and protect 'whistle-blowers'	Addressing concerns is an integrated part of business and takes place through our compliance hotline or our Ombudsman. Sharing ideas takes place at department and managers' meetings, at regular intervals, just as web-based internal media call for input and comments from employees on sustainability-related subjects.

Reference: [Compliance hotline](#)

Transparency and Disclosure

Indicator/subject	Novo Nordisk
46. Share sustainability information with all interested parties and respond to stakeholder inquiries and concerns.	This is part of our annual reporting.

47. Ensure that Communication on Progress covers all aspects of the Leadership Blueprint and utilise, where appropriate, the Global Reporting Initiative framework.	The UNGC CoP and Global Reporting Initiative are supplementary reporting to our Annual Report, and can be downloaded via our Annual Reporting webpage. Reference: Global Reporting Initiative at 2012 Annual Reporting webpage
48. Integrate Communication on Progress into annual financial report or publish them together.	See item 47 above.
49. Secure external verification of Communication on Progress or seek other methods for legitimisation by external stakeholders.	The UNGC CoP will be validated by UNGC as criteria for participation. The assurance process related to the Annual Report consists of an internal and an external assurance process, including both financial and non-financial data of our Annual Report. This UNGC CoP has been reviewed by UNGC Nordic Network. In addition, the Annual Report has been assured according to AA1000AS. Novo Nordisk has used AA1000AS in the assurance process since 2002. This assurance process is aligned with the internal control processes in the company, from individual affiliates and facilities to board level. Reference: Independent assurance report in Annual Report 2012
