

Novo Nordisk

Communication of Progress
March 2009

Novo Nordisk's approach

Novo Nordisk signed up to the United Nations Global Compact in 2001. In 2004 Novo Nordisk reaffirmed its commitment as a signatory to the Global Compact, including the tenth principle, which was adopted in June 2004.

Novo Nordisk strives to implement the Global Compact principles into its business and within its sphere of influence. Novo Nordisk actively support the proliferation of the Global Compact by providing case studies and giving presentations related to Global Compact activities, both at international events and through the Nordic network.

In 2008 Novo Nordisk took part in a two-day retreat in Boston in June, co-hosted by the UN Global Compact, the Boston College Centre for Corporate Citizenship and AccountAbility. The objective was to share experience on implementing the Global Compact principles in complex, global organisations and to offer recommendations on how to support the Global Compact as a set of guiding principles for businesses into the next decade.

Novo Nordisk also co-hosted a discussion on the future development of the Global Compact at the World Economic Forum in Davos in January 2009 and is an active partner in this effort.

Novo Nordisk has since 2007 been a part of the UN Global Compact initiative - Caring for Climate: The Business Leadership Platform. This initiative is well in line with Novo Nordisk's climate strategy and the initiatives in which Novo Nordisk is engaged on the road to Copenhagen in 2009.

For Novo Nordisk, the Global Compact is a forum for learning and a way of engaging in dialogue with stakeholders. The Global Compact is also an opportunity to be accountable and transparent about efforts to integrate sustainability into the business.

Novo Nordisk works actively with the Global Compact Nordic Network for the Compact to gain further ground in the Nordic countries and to share better practices for implementation among Nordic companies.

Examples of activities in support of the Global Compact principles include Novo Nordisk's support of the UN Resolution on Diabetes, participation in the Business Leaders Initiative on Human Rights, the Global Compact Human Rights Working Group, and the Respect Europe initiative 'Road to Copenhagen 2009'.

The Global Compact's 10 principles for responsible business are incorporated into the company's governance framework, the Novo Nordisk Way of Management and serve as the strategic frame for comprehensive programmes such as the Changing Diabetes programmes to improve access to health, the Business Ethics Programme and the Responsible Sourcing Programme.

Human rights – Principle 1-2

Taking responsibility is part of Novo Nordisk's commitment to the Triple Bottom Line. The company's approach is described in its framework for corporate governance and fundamental business principles, the Novo Nordisk Way of Management. It explicitly refers to the company's support for the United Nations Universal Declaration of Human Rights.

Novo Nordisk has worked with human rights since 1998, when the first human rights review was undertaken. The current focus areas are the rights to health, equal opportunities and diversity.

During 2008, Novo Nordisk worked to develop a global standard regarding human rights of employees. The standard aims at setting global minimum standards for human rights of employees in Novo Nordisk throughout the company's operations. It covers non-discrimination, fair wages and labour practices and other issues as spelled out in the Universal Declaration of Human Rights and other international human rights standards. The standard is a way to demonstrate Novo Nordisk's commitment to social responsibility.

In 2008 Novo Nordisk continued to actively participate in the international debate on how to define corporate responsibility for human rights being led by the Special Representative to the Secretary General of the UN on business and human rights. The company co-organised and sponsored the Conference on 60th Anniversary of the Declaration of Human Rights in Paris in December, 2008.

Novo Nordisk has published its position on human rights on its website. The position states that Novo Nordisk will:

- Promote the protection of international human rights within our sphere of influence
- Reach out to promote the right to health
- Actively promote equal opportunities and diversity
- Make a valuable difference by our example and presence
- Contribute to the development of international standards on human rights for business.

Examples of corporate programmes that actively promote human rights are:

- Access to health
(<http://annualreport2008.novonordisk.com/how-we-perform/access-to-health/default.asp>)
- Responsible sourcing
(<http://annualreport2008.novonordisk.com/how-we-perform/responsible-business-practices/responsible-sourcing.asp>)
- Diversity
(<http://annualreport2008.novonordisk.com/how-we-perform/people-and-communities/people/diversity.asp>).

Labour standards – Principle 3-6

It is a minimum requirement for companies and affiliates in Novo Nordisk 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.

Novo Nordisk has activities all over the world and also has operations in countries where employees do not have a free choice of union. In those cases it is ensured that the national legislation is followed.

Examples of comprehensive corporate programmes that actively promote labour standards are:

- **Responsible sourcing**
(<http://annualreport2008.novonordisk.com/how-we-perform/responsible-business-practices/responsible-sourcing.asp>)
- **Diversity**
(<http://annualreport2008.novonordisk.com/how-we-perform/people-and-communities/people/diversity.asp>).

Environment – Principle 7-9

As part of Novo Nordisk's commitment to the Triple Bottom Line, the company is committed to pursuing its business goals as a profitable enterprise and in a way that is socially and environmentally responsible.

Novo Nordisk also subscribes to the International Chamber of Commerce's Business Charter for Sustainable Development. The company's approach is described in its framework for corporate governance and fundamental business principles, the Novo Nordisk Way of Management.

Through prudent use of nature's resources since the early 1990s, Novo Nordisk has achieved improvements in eco-productivity. Efficient resource consumption reduces environmental impacts and lowers costs for both the company and society. The correlation between sound environmental management and cost optimisation is a well-established business case for a broader business perspective.

Now Novo Nordisk's updated strategy for environment, health and safety raises the bar. The company expects to continue to increase production. This means being able to provide treatment for more patients while decreasing environmental impacts and reducing the frequency of occupational injuries.

Novo Nordisk's production is energy intensive. It is critical to reduce the company's dependency on the availability and cost of fossil fuels. The climate strategy rests on three pillars: increasing productivity and thereby lowering energy consumption per produced unit, identifying and implementing energy savings and converting to renewable energy supplies. Being prepared for a carbon-constrained world is an act of due diligence. An early response to the climate change challenge is an act of leadership. Combining the two is sound business.

changing diabetes

In 2006, Novo Nordisk joined WWF's Climate Savers programme by signing an agreement to reduce Novo Nordisk emissions of CO₂. Under this agreement the company has committed to an ambitious target of a 10% reduction in its CO₂ emissions in absolute figures by 2014 compared to 2004.

Assessments of performance against the long-term target indicate that performance is on track. CO₂ emissions fell for the first time in 2008, achieving a 9% reduction compared to 2007.

Being a pharmaceutical company means that a majority of activities related to the production of pharmaceutical products have a high level of safety, always ensuring that Novo Nordisk have identified any potential risks to the users of Novo Nordisk's products before they are taken into use. An example of how Novo Nordisk's work with the precautionary principle can be found in Novo Nordisk's position on gene technology.

Examples of comprehensive corporate programmes that actively promote environmental responsibility are:

- **Climate strategy**
(<http://annualreport2008.novonordisk.com/how-we-perform/environment-health-and-safety/environmental-management.asp>)
- **Environmental management**
(<http://annualreport2008.novonordisk.com/how-we-perform/environment-health-and-safety/environmental-management.asp>).
- **Environmental footprint**
(<http://annualreport2008.novonordisk.com/how-we-perform/environment-health-and-safety/environmental-footprint.asp>)



Anti-corruption – Principle 10

Integrity and ethical business conduct has always been a business principle for Novo Nordisk and one that is included in the Novo Nordisk Way of Management and its systematic follow-up methodology.

Bribery and corruption are key local concerns today, detrimental to the wealth, stability and economic growth of societies as well as to the environment and Novo Nordisk believes that these problems must be tackled by all levels of society. Novo Nordisk's role as a private company is to act responsibly in all aspects of how Novo Nordisk conducts business as well as actively supporting relevant initiatives to combat corruption.

Novo Nordisk's Business Ethics programme includes compliance with legislation and offers guidance on individual judgements. The Business Ethics Policy sets direction and states that bribery and corruption is unacceptable. It is backed by three procedures for ethical business conduct, product promotion and contracting with agents and other third parties.

In addition, all Novo Nordisk's managers and relevant employees in their units have completed an e-learning module on business ethics and all employees within sales and marketing are trained every year in a face-to-face workshop. This programme is now also a mandatory part of the training for new managers.

Novo Nordisk has established a Business Ethics Compliance office to support and monitor the company's business ethics policy and procedures, and manage training covering anticorruption, conflicts of interest, promotion of pharmaceutical products, and interaction with healthcare professionals, suppliers and intermediaries.

These procedures were updated in 2008 to ensure the company's public affairs work is consistent with its values and in compliance with legal requirements.

Examples of comprehensive corporate programmes that actively promote anti-corruption are:

- Business ethics (<http://annualreport2008.novonordisk.com/how-we-perform/environment-health-and-safety/environmental-management.asp>)
- Environmental management (<http://annualreport2008.novonordisk.com/how-we-perform/environment-health-and-safety/environmental-management.asp>).
- Environmental footprint (<http://annualreport2008.novonordisk.com/how-we-perform/responsible-business-practices/business-ethics.asp>)