



8 UN Global Compact – Communication on Progress

Novo Nordisk is a signatory to the United Nations Global Compact, a platform for encouraging and promoting good corporate principles and learning experiences in the areas of human rights, labour, environment and anti-corruption. We signed up to the United Nations Global Compact in 2002, and reaffirmed this commitment in 2004 as a signatory to the Global Compact, including the tenth principle, which was adopted in June 2004.

Communication on progress provides an overview of activities during 2010 in support of the Global Compact's objectives. The GRI indicators have been linked to the ten principles.

Novo Nordisk and Global Compact

We strive to implement the Global Compact principles into our business and within its sphere of influence. Novo Nordisk actively supports 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.

Novo Nordisk has worked systematically for more than two decades to actively manage our business according to the Triple Bottom Line perspective – seeking to be financially, socially and environmentally responsible. And our motives for doing so are fully consistent with the objectives behind the Global Compact. Initially we focused on ensuring our 'license to operate', managing risks related to environmental, social and economic impacts of our activities by proactively engaging with stakeholders to understand their concerns and perspectives.

In January 2011, Novo Nordisk, together with a group of 54 companies, which all are part of UN Global Compact, made an ambitious commitment to work towards implementation of the 'Blueprint for Corporate Sustainability Leadership', a comprehensive roadmap outlining roughly 50 concrete actions businesses can take to achieve greater sustainability.

Originally, Novo Nordisk signed up to the United Nations Global Compact in 2002. 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 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.

Read more about Climate action in section 4.3.

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 Network Nordic Countries’ for the principles to gain further ground in the Nordic countries and to share better 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, participation in the Global Business Initiative for Human Rights, and the Global Compact Human Rights Working Group.

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

- Access to health (see section 3.1.1)
- Patient support and advocacy (3.1.3)
- Business ethics (3.3.1)
- Supply chain (see section 3.3.4)

For more information on our reporting according to UN Global Compact’s Advanced Criteria see section 8.2

8.1 Principles

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

Taking responsibility is part of Novo Nordisk’s commitment to the Triple Bottom Line. The company’s approach is described in the Novo Nordisk Way.

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

This year we 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.

In December 2010, Professor John Ruggie, Special Representative to the UN Secretary General, presented the Draft Guiding Principle on human rights. Professor Ruggie’s Guiding Principles elaborate and clarify for companies, states, and other stakeholders how they can put into practice their respective roles in the UN ‘Protect, Respect and Remedy’ Framework; the duty of states to protect human rights, the responsibility of business to respect these rights and the obligation for both to ensure appropriate mechanisms for remedy in cases of infringement. Novo Nordisk was one of the first companies to welcome the new guidelines.

To see our position on human rights visit our corporate website.

Examples of corporate programmes that actively promote human rights are:

- Human rights (see section 3.3.3)
- Access to health (see section 3.1.1)
- Diversity (see section 3.2.1.1)
- Supply chain (see section 3.3.4)

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

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:

- Supply chain (see section 3.C.4)
- Diversity (see section 3.B.1.1)

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, 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

Ensuring environmental sustainability is one of the global challenges addressed by the UN Millennium Development Goals. The unequal access to resources means that in some parts of the world economic growth is hindered by the lack of eg clean drinking water, whereas in other parts of the world the abundant usage of energy is accelerating the depletion of fossil fuels.

Governments and intergovernmental organisations such as the United Nation (UN) recognise the urgency of this issue and seek to promote the integration of the principles of sustainable development into national and regional policy programmes.

Legislation and policy instruments such as taxation and regulation aim to curb or even reverse the loss of environmental resources, but not even these initiatives fully factor in the environmental costs and the potentially negative impacts on human lives in the long term. The business community has a key role to play if we are to achieve more sustainable growth.

Novo Nordisk supports the International Chamber of Commerce's Business Charter for Sustainable Development.

Novo Nordisk is a member of the Caring for Climate Working Group on Climate Change and Development which is composed of senior corporate executives within the Caring for Climate signatories as well as representatives from the UN Global Compact, United Nations Environment Programme (UNEP) and the World Resources Institute (WRI). The working group seeks to enhance the understanding of ways in which businesses can find strategic solutions throughout their operations and value chains to address the impacts of climate change on development.

The outcomes of the working group will feed into important UN processes and in particular into the Secretary-General's High-Level Panel on Global Sustainability and the UN Conference on Sustainable development (Rio+20).

Novo Nordisk has been an active member of The Copenhagen Climate Council, an independent global initiative gathering business leaders from Europe, the Americas, Asia and Oceania and leading politicians, authorities and scientists.

Novo Nordisk is a signatory to the Bali Communiqué, the Poznan Communiqué, the Copenhagen Communiqué and the Cancun Communiqué of the Prince of Wales Corporate Leaders Group on Climate Change.

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:

- Environmental strategy (see section 4.1)
- Limiting our footprint (see section 4.2)
- Climate strategy (see section 4.3)

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

Integrity and ethical business conduct has always been a business principle for Novo Nordisk and one that is included in the Novo Nordisk Way 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 staff must complete training that provides guidance, including examples of what constitutes unacceptable behaviour. Business ethics training has been required of all employees since 2010.

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

Our Business Ethics policy and procedures also set standards for our public affairs activities and engagement with stakeholders such as public officials, healthcare professionals and patient organisations.

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

- Business ethics (see section 3.3.1)
- Public affairs (see section 6.1.2)

8.2 Advanced Criteria

Novo Nordisk is part of the UN Global Compact's Advanced Programme. The goal of the Advanced Programme is to create a higher standard for corporate sustainability performance and disclosure, giving recognition to companies who – through their Communication on Progress (COP) – demonstrate the adoption of best practices, many of them rooted in the Global Compact Blueprint for Corporate Sustainability Leadership.

The Advanced Programme is a first step in the implementation of the 'Blueprint for Corporate Sustainability Leadership' launched in June 2010. Initially, the Advanced Programme covers the core elements of the Blueprint, its first dimension on the implementation of the Global Compact principles and its second dimension on taking action in support of broader UN goals.

Over time, the Programme will be expanded to include the third dimension of the Blueprint –engaging with the Global Compact – and will function as a laboratory for the development of a Leadership COP that captures all elements of the Blueprint.

In Novo Nordisk we are reporting according to the Advanced Programme by referencing to specific pages or sections in our Annual Report (download at <http://annualreport2010.novonordisk.com/downloads.aspx>) and the Additional Online Information from 2010.

The criteria for the Advanced Programme are:

Strategy Governance & Transparency

Criterion 1: The COP describes C-suite and Board level discussions of strategic aspects of Global Compact implementation

Reference:

Additional Online Information: 2.1 Triple bottom line performance, 5.3 Risk management
Annual Report: Pp. 4, 9, 43

Criterion 2: The COP describes decision-making processes and governance for Corporate Sustainability

Reference:

Additional Online Information: 5.2 Corporate governance, 5.4 Triple Bottom Line governance
Annual Report: Pp. 40-42, 50-53

Criterion 3: The COP describes actions taken in support of broader UN goals and issues

Reference:

Additional Online Information: 3.A.1 Access to health, 3.C.3 Human rights, 3.C.6 Donations, 6.A.2 Public affairs
Annual Report: 4-5, 20, 31, 34, 38

Criterion 4: The COP describes implementation of the Global Compact principles in the value chain

Reference:

Additional Online Information: 3.C.4 Supply chain
Annual Report: Pp. 44, 93

Criterion 5: The COP describes the processes and outcomes of stakeholder engagement

Reference:

Additional Online Information: 6.A.1 Stakeholder Engagement
Annual Report: Pp. 22-23, 31-32, 34, 37-39

Criterion 6: The COP provides information on the company's profile and context of operation

Reference:

Additional Online Information: 7. Global Reporting Initiative
Annual Report: Pp. 26-27, 29-30, 37-38, 40-41, 50-53, 54

Criterion 7: The COP incorporates best practices in transparency and disclosure

Reference:

Additional Online Information: 2.4 Long-term targets, 6.A.1 Stakeholder engagement, 6.A.3 Partnerships, 6.B Reporting
Annual Report: Pp. 14-15, 43-45

Criterion 8: The COP is independently verified by a credible third-party

Reference:

Additional Online Information: 6.B.2 Audit and assurance
Annual Report: 42, 107

Implementation of UN Global Compact issues areas

Criteria 9-12: The COP describes commitments, strategies or policies in each of the 4 issue areas¹

Reference:

Additional Online Information: 3.A.3 Support and advocacy, 3.C.3 Human rights, 3.C.4 Supply chain
Annual Report: Pp. 9, 31-32, 40-41

Criteria 13-16: The COP describes procedures or activities in each of the 4 issue areas

Reference:

Additional Online Information: 3.C.1 Business ethics, 3.C.4 Supply chain, 5.1 Novo Nordisk Way, 5.3 Risk management
Annual Report: Pp. 10-11, 21, 41-45, 93

Criteria 17-20: The COP describes monitoring and evaluation mechanisms in each of the 4 issue areas

Reference:

Additional Online Information: 2.2 Social performance, 3.C.1 Business ethics, 3.C.4 Supply chain, 5.1 Novo Nordisk Way
Annual Report: 10-11, 41-42

Criteria 21-24: The COP contains GRI (or similar) performance indicators in each of the 4 issue areas

Reference:

Additional Online information: 8.1 UN Global Compact CoP - Principles