

MY OWN EXTRACTS OF THE REPORT

THE NOVOZYMES
REPORT 2008

WELCOME TO THE NOVOZYMES REPORT 2008

More opportunities on the Internet

This year, Novozymes has once again collected all the report material in its online reporting universe at www.report2008.novozymes.com.

The Novozymes Report 2008 is available in English through a dedicated website, as a PDF file, and in print. A Danish version is available as a PDF file at www.novozymes.com.

The reporting universe is a website dedicated to The Novozymes Report 2008 and other information relevant to our investors but also to anyone else with an interest in Novozymes. We continuously supplement the report with information such as quarterly reports, company announcements, news, and teleconferences.

All the photos in the report show partners, employees, or their relatives in situations that illustrate Novozymes' business or way of working. The cover illustrates how Novozymes looks for inspiration in a grain field and turns it into solutions for detergents, agriculture, the energy sector, and countless other applications.

Reporting and audits

The Novozymes Report 2008 has been audited by PricewaterhouseCoopers (PwC), which also examined and assessed the report on the basis of the AA1000 Assurance Standard.

The printed English version of the Report does not contain the annual report for the parent company, Novozymes A/S.

The annual report for Novozymes A/S can be found online under "Financial statements for Novozymes A/S."

The audit covers financial, social, and environmental data, and PwC has also audited all content within "Report," "Outlook," and "Management" in The Novozymes Report 2008. Online, these are marked "Audited by PwC." See also the statements in the report.

PwC has not audited the section of the report found online under the heading "Supplementary reporting." "Supplementary reporting" includes our "Communication on progress" with respect to Global Compact, our reports based on the Global Reporting Initiative (GRI), and data from our activities in Brazil, China, Denmark, India, Sweden, the UK, and the USA.

The report has been produced in accordance with International Financial Reporting Standards (IFRS), the Danish Financial Statements Act, and the additional requirements of NASDAQ OMX Copenhagen A/S for presentation of financial statements by listed companies. It has also been prepared as an element of Novozymes' reporting according to the Global Reporting Initiative G3 Guidelines for Sustainability Reporting.

In the event of any discrepancy between the printed report and the online report, the printed report shall take precedence.

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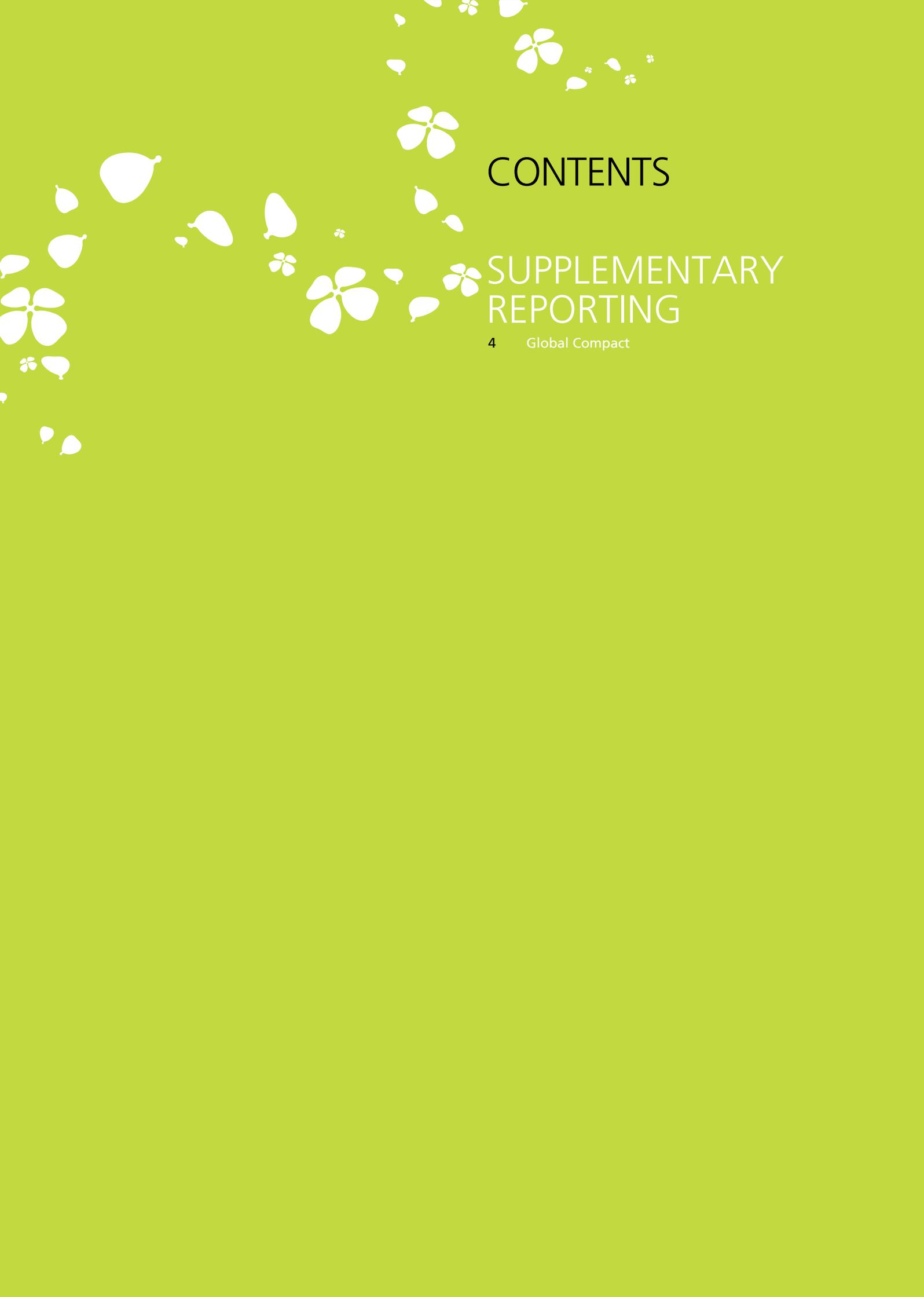
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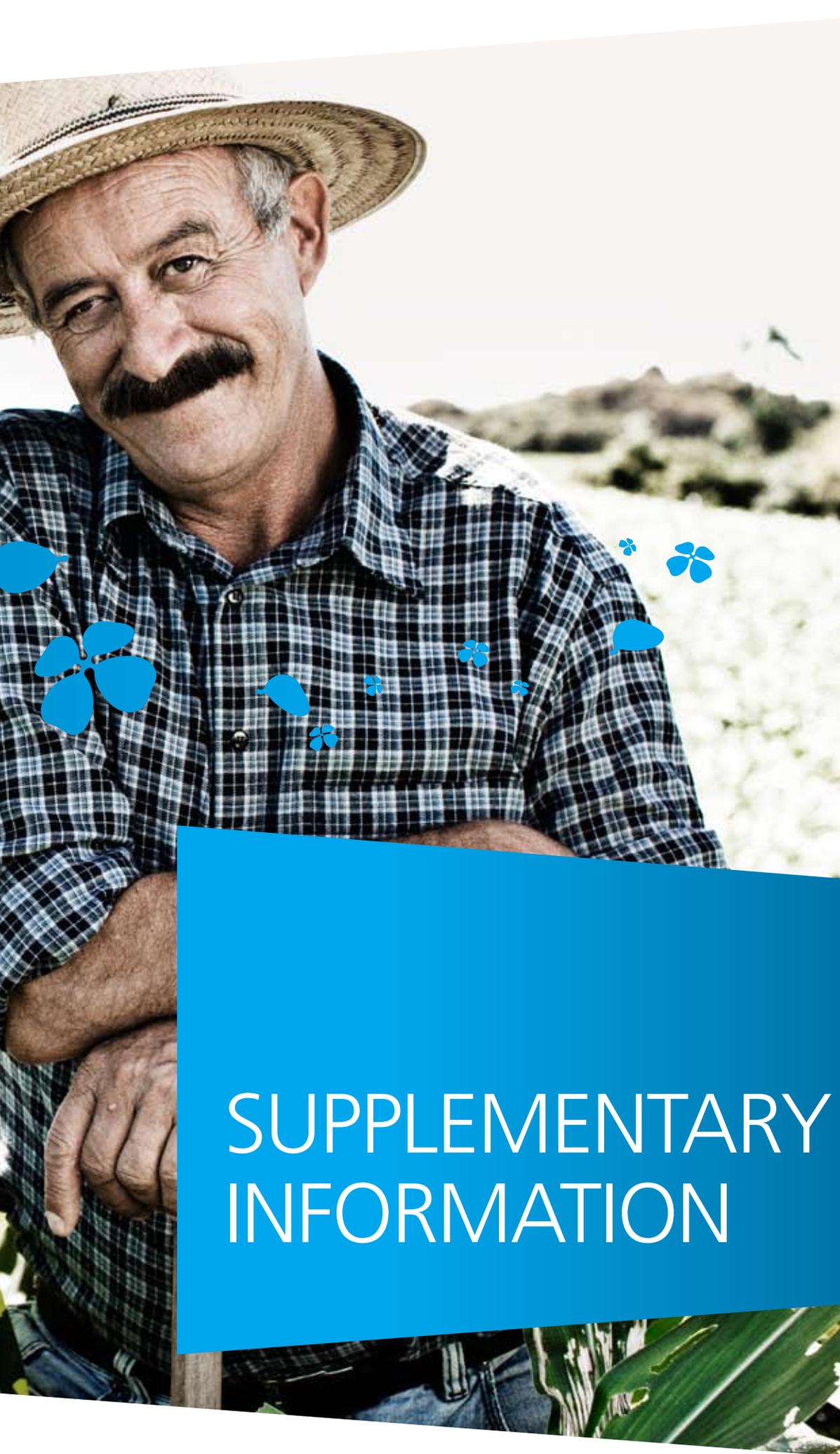


CONTENTS

SUPPLEMENTARY REPORTING

4 Global Compact





SUPPLEMENTARY INFORMATION

Global Compact

Statement of continued support

At Novozymes, sustainability is a fundamental part of the way we make decisions, set our priorities, and conduct our business. We believe that long-term business success is linked to the integration of environmental, social, and governance issues with corporate management and day-to-day operations. Novozymes' biotechnology-based innovation offers an environmentally friendly, resource-efficient, and cost-effective alternative to traditional means of addressing industry needs.

As we are steadily growing our business internationally, we are constantly reaching new and diverse stakeholders. Accordingly, we seek to proactively address rising global expectations, and implement environmental and social aspects in our business and within our sphere of influence.

Novozymes has been a signatory to the Global Compact since 2002. To us, the compact represents an opportunity to state our commitment and to be transparent and accountable to our stakeholders. Consequently, we welcome the opportunity to communicate our commitment and progress again this year.

For additional information and data, please refer to the Novozymes Report 2008 and our website.

A handwritten signature in black ink, appearing to read 'Steen Riisgaard', written in a cursive style.

Steen Riisgaard, President and CEO

Principle 1

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

Novozymes' management system – including values, relevant policies, etc.	Novozymes' approach in 2008	Reference to GRI G3 performance indicators
The Novozymes Touch	Scope and approach	HR 1
<ul style="list-style-type: none"> ● Vision, values, and fundamental principles ● Support for the United Nations Universal Declaration of Human Rights ● Support for the United Nations Global Compact 	Novozymes supports the international human rights principles and labor standards. Relevant principles are integrated systematically to ensure that global and local initiatives do not conflict. Novozymes' seven minimum standards of human and labor rights are based on the United Nations Universal Declaration of Human Rights and the principles of the UN Global Compact.	HR 2 HR 3 HR 4 HR 5 HR 6 HR 7 HR 9
Social responsibility policy People policy	The minimum standards cover freedom of association, nondiscrimination, working hours, salary and benefits, disciplinary measures, child labor, and forced labor.	EC 5
Position on human rights Position on diversity and equal opportunities	As well as ensuring compliance with global minimum standards, Novozymes' sites have developed local social responsibility strategies on an annual basis since 2004. In 2008, it has been decided that the minimum standards will be reported to the Sustainability Development Board, which will review them and decide upon further action. For more information, please refer to Novozymes' overall approach to sustainability.	LA 6 LA 7 LA 8 LA 13 SO 5 PR 1

Please refer to principles 2 to 6 for an outline of Novozymes' responsibilities and activities with regard to human rights and labor rights.

See also:

- Financial and sustainability discussion
- Environmental, social, and knowledge data

Principle 2

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

Novozymes' management system – including values, relevant policies, etc.	Novozymes' approach in 2008	Reference to GRI G3 performance indicators
The Novozymes Touch	Please refer to Principle 1 for scope and general approach regarding Novozymes' support of human rights and labor rights.	HR 1
<ul style="list-style-type: none"> • Vision, values, and fundamental principles • Support for the United Nations Universal Declaration of Human Rights • Support for the United Nations Global Compact 	Novozymes' social responsibility minimum standards cover freedom of association, nondiscrimination, working hours, salary and benefits, disciplinary measures, child labor, and forced labor.	HR 2 HR 3 HR 4 HR 5 HR 6 HR 7 HR 9
Social responsibility policy People policy	<p>Responsibilities and activities</p> <p>Regional Vice Presidents within Novozymes have overall responsibility for human rights and labor rights aspects in the particular regions, whereas the person responsible for a particular site has operational responsibility. This is reviewed by the Sustainability Development Board, which is made up of line of business representatives.</p>	SO 5
Position on human rights Position on diversity and equal opportunities	<p>Self-assessments</p> <p>Novozymes' business units conduct annual self-assessments, which are carried out on the basis of our global minimum standards. The minimum standards make it possible to identify better practices and share experiences between business units, thereby improving performance locally. The anchoring of the minimum standards in line of business through self-assessments is reported to the Sustainability Development Board, which reviews and decides on further action in collaboration with the Sustainability Development Department on an annual basis.</p> <p>In 2008, it was decided that training and communication of the minimum standards will be conducted at local sites to allow for emphasis on the most relevant standards locally.</p> <p>Again in 2008, new suppliers of raw materials carried out self-assessments to document compliance with the same minimum standards that form the basis for internal self-assessment at Novozymes' business units.</p>	
	<p>Auditing</p> <p>Audits of business units' compliance with internationally recognized human rights and labor standards have been an integrated part of the internal auditing program since 2006. Annually, Novozymes' internal audit panel selects business units to be audited with regard to their compliance with human rights and labor standards. Audit findings are reported internally to Executive Management, and follow-up on corrective actions is integrated into our audit procedures/system, which is verified by our external auditors. Novozymes does not report audit findings externally.</p>	
	<p>Local social responsibility strategies</p> <p>Beyond ensuring compliance with global minimum standards, Novozymes' sites have developed local social responsibility strategies on an annual basis since 2004.</p>	
	<p>Human rights and supplier performance</p> <p>To further expand the scope of sustainability and responsible</p>	

sourcing in our supply chain, Novozymes is currently developing a comprehensive supplier performance management system. The system covers all aspects of our supplier performance management from approval of new suppliers to performance evaluation, and is based on an integrated set of evaluation criteria, including environmental, employee health and safety, human rights, and business ethics. The purpose of the system is to eventually provide performance profiles on all suppliers in Novozymes' Enzyme Business. Implementation of the system will be initiated in April 2009, and the full implementation is expected to be in place by 2010.

See also:

- Financial and sustainability discussion
- Environmental, social, and knowledge data
- Combined global and local efforts at www.novozymes.com
- Responsible purchasing at www.novozymes.com

Principle 3

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

Novozymes' management system – including values, relevant policies, etc.	Novozymes' approach in 2008	Reference to GRI G3 performance indicators
The Novozymes Touch	Please refer to Principle 1 for scope and general approach regarding Novozymes' support of human rights and labor rights.	LA 5
<ul style="list-style-type: none"> ● Vision, values, and fundamental principles ● Support for the United Nations Universal Declaration of Human Rights ● Support for the United Nations Global Compact 	<p>Novozymes' minimum standards of social responsibility cover <u>freedom of association</u>, nondiscrimination, working hours, salary and benefits, disciplinary measures, child labor, and forced labor.</p> <p>Novozymes recognizes the <u>right to form and join associations, and to bargain collectively</u>. In countries where labor rights may be restricted, Novozymes takes action to establish internal committees and unions, which can discuss various work-related issues with management.</p>	<p>HR 1</p> <p>HR 2</p> <p>HR 3</p> <p>HR 4</p> <p>HR 5</p> <p>SO 5</p>
Social responsibility policy People policy	<p>Responsibilities and activities</p> <p>Regional Vice Presidents within Novozymes have overall responsibility for human rights and labor rights aspects in the particular regions, whereas the person responsible for a particular site has operational responsibility. This is reviewed by the Sustainability Development Board, which is made up of line of business representatives.</p>	
Position on human rights	<p>Self-assessments</p> <p>Novozymes' business units conduct annual self-assessments, which are made on the basis of our global minimum standards. The minimum standards make it possible to identify better practices and share experiences between business units and thereby improve performance locally. The anchoring of the minimum standards in line of business through self assessments is reported to the Sustainability Development Board, who reviews and decides on further action in coordination with the Sustainability Development Department on an annual basis.</p> <p>In 2008, it was decided that training and communication of the minimum standards will be conducted at local sites to allow for emphasis on the most relevant standards locally.</p> <p>Again in 2008, new suppliers of raw materials carried out self-assessments to document compliance with the same minimum standards that form the basis for internal self-assessment at Novozymes' business units.</p>	
	<p>Auditing</p> <p>Audits of business units' compliance with internationally recognized human rights and labour standards have been an integrated part of the internal auditing program since 2006. Annually, Novozymes' internal audit panel selects business units that are audited with regard to their compliance with human rights and labour standards. Audit findings are reported internally to executive management, and follow-up on corrective actions is integrated into our audit procedures/system, which is verified by our external auditors. Novozymes does not report audit findings externally.</p>	
	<p>Local social responsibility strategies</p>	

Beyond ensuring compliance with global minimum standards, Novozymes' sites have developed local social responsibility strategies on an annual basis since 2004.

Internal committee set-up

In 2008, Novozymes set up an internal committee in China to negotiate our Chinese colleagues' right to organize and negotiate. This set-up provides a forum for employee representatives to discuss various issues with management, including benefits, working environment, and feedback to employees. Various actions have also been organized regarding cooperation with the local union, focusing on employee welfare, work-life balance, and corporate culture.

See also:

- Financial and sustainability discussion
- Environmental, social, and knowledge data
- Combined global and local efforts at www.novozymes.com
- Responsible purchasing at www.novozymes.com

Principle 4

Businesses should uphold the elimination of all forms of forced and compulsory labor

Novozymes' management system – including values, relevant policies, etc.	Novozymes' approach in 2008	Reference to GRI G3 performance indicators
The Novozymes Touch	Please refer to Principle 1 for scope and general approach regarding Novozymes' support of human rights and labor rights.	HR 1 HR 2 HR 3 HR 7
<ul style="list-style-type: none"> ● Vision, values, and fundamental principles ● Support for the United Nations Universal Declaration of Human Rights ● Support for the United Nations Global Compact 	Novozymes' minimum standards of social responsibility cover freedom of association, nondiscrimination, working hours, salary, and benefits, disciplinary measures, child labor, and <u>forced labor</u> .	SO 5
Social responsibility policy People policy	<p>Responsibilities and activities Regional Vice Presidents within Novozymes have overall responsibility for human rights and labour rights aspects in the particular regions, whereas the person responsible for a particular site has operational responsibility. This is reviewed by the Sustainability Development Board, which is made up of line of business representatives.</p>	
Position on human rights	<p>Self-assessments Novozymes' business units conduct annual self-assessments, which are made on the basis of our global minimum standards. The minimum standards make it possible to identify better practices and share experiences between business units and thereby improve performance locally. The anchoring of the minimum standards in line of business through self assessments is reported to the Sustainability Development Board, who reviews and decides on further action in coordination with the Sustainability Development Department on an annual basis.</p> <p>In 2008, it was decided that training and communication of the minimum standards will be conducted at local sites to allow for emphasis on the most relevant standards locally.</p> <p>Again in 2008, new suppliers of raw materials carried out self-assessments to document compliance with the same minimum standards that form the basis for internal self-assessment at Novozymes' business units.</p>	
	<p>Auditing Audits of business units' compliance with internationally recognized human rights and labour standards have been an integrated part of the internal auditing program since 2006. Annually, Novozymes' internal audit panel selects business units that are audited with regard to their compliance with human rights and labour standards. Audit findings are reported internally to executive management, and follow-up on corrective actions is integrated into our audit procedures/system, which is verified by our external auditors. Novozymes does not report audit findings externally.</p>	
	<p>Local social responsibility strategies Beyond ensuring compliance with global minimum standards, Novozymes' sites have developed local social responsibility strategies on an annual basis since 2004.</p>	
	<p>Labor rights and supplier performance To further expand the scope on sustainability and responsible</p>	

sourcing in our supply chain, Novozymes is currently developing a comprehensive supplier performance management system. The system covers all aspects of our supplier performance management from approval of new suppliers to performance evaluation. Based on an integrated set of evaluation criteria, including a number of sustainability-related aspects that cover environmental, employee health and safety, human rights, and business ethics, the system will provide risk profiles on all suppliers in Novozymes' Enzyme Business. The system will be implemented in April 2009.

See also:

- Financial and sustainability discussion
- Environmental, social, and knowledge data
- Combined global and local efforts at www.novozymes.com
- Responsible purchasing at www.novozymes.com

Principle 5

Businesses should uphold the effective abolition of child labor

Novozymes' management system – including values, relevant policies, etc.	Novozymes' approach in 2008	Reference to GRI G3 performance indicators
The Novozymes Touch	Please refer to Principle 1 for scope and general approach regarding Novozymes' support of human rights and labor rights.	HR 1
<ul style="list-style-type: none"> • Vision, values, and fundamental principles • Support for the United Nations Universal Declaration of Human Rights • Support for the United Nations Global Compact 	Novozymes' social responsibility minimum standards cover freedom of association, nondiscrimination, working hours, salary and benefits, disciplinary measures, <u>child labor</u> , and forced labor.	HR 2 HR 3 HR 6
Social responsibility policy People policy	<p>Responsibilities and activities</p> <p>Regional Vice Presidents within Novozymes have overall responsibility for human rights and labour rights aspects in the particular regions, whereas the person responsible for a particular site has operational responsibility. This is reviewed by the Sustainability Development Board, which is made up of line of business representatives.</p>	SO 5
Position on human rights	<p>Self assessments</p> <p>Novozymes' business units conduct annual self-assessments, which are made on the basis of our global minimum standards. The minimum standards make it possible to identify better practices and share experiences between business units and thereby improve performance locally. The anchoring of the minimum standards in line of business through self assessments is reported to the Sustainability Development Board, who reviews and decides on further action in coordination with the Sustainability Development Department on an annual basis.</p> <p>In 2008, it was decided that training and communication of the minimum standards will be conducted at local sites to allow for emphasis on the most relevant standards locally.</p> <p>Again in 2008, new suppliers of raw materials carried out self-assessments to document compliance with the same minimum standards that form the basis for internal self-assessment at Novozymes' business units.</p>	
	<p>Auditing</p> <p>Audits of business units' compliance with internationally recognized human rights and labour standards have been an integrated part of the internal auditing program since 2006. Annually, Novozymes' internal audit panel selects business units that are audited with regard to their compliance with human rights and labour standards. Audit findings are reported internally to executive management, and follow-up on corrective actions is integrated into our audit procedures/system, which is verified by our external auditors. Novozymes does not report audit findings externally.</p>	
	<p>Local social responsibility strategies</p> <p>Beyond ensuring compliance with global minimum standards, Novozymes' sites have developed local social responsibility strategies on an annual basis since 2004.</p>	
	<p>Human rights and supplier performance</p> <p>To further expand the scope of sustainability and responsible</p>	

sourcing in our supply chain, Novozymes is currently developing a comprehensive supplier performance management system. The system covers all aspects of our supplier performance management from approval of new suppliers to performance evaluation. Based on an integrated set of evaluation criteria, including environmental, employee health and safety, human rights, and business ethics, the system will provide risk profiles on all suppliers in Novozymes' Enzyme Business. The system will be implemented in April 2009.

See also:

- Financial and sustainability discussion
- Environmental, social, and knowledge data
- Combined global and local efforts at www.novozymes.com
- Responsible purchasing at www.novozymes.com

Principle 6

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

Novozymes' management system – including values, relevant policies, etc.	Novozymes' approach in 2008	Reference to GRI G3 performance indicators
The Novozymes Touch	Please refer to Principle 1 for scope and general approach regarding Novozymes' support of human rights and labor rights.	LA 2 LA 13 LA 14
<ul style="list-style-type: none"> • Vision, values, and fundamental principles • Support for the United Nations Universal Declaration of Human Rights • Support for the United Nations Global Compact 	Novozymes' social responsibility minimum standards cover freedom of association, <u>nondiscrimination</u> , working hours, salary and benefits, disciplinary measures, child labor, and forced labor.	HR 1 HR 2 HR 3 HR 4
Social responsibility policy People policy	Novozymes' approach is to focus on the opportunities for working with diversity as a business asset. Diversity and equal opportunities were a special focus area for Novozymes in 2006. A number of activities took place throughout the year such as workshops, launch of guidelines and tools, and internal communication campaigns. In 2007, several of these activities have been continued, experiences have been used, and better practices are continuously implemented. Furthermore, in order to follow up on these initiatives, a question regarding diversity performance has been incorporated into our new annual employee survey.	SO 5
Position on human rights	Responsibilities and activities	
Position on diversity and equal opportunities	Regional Vice Presidents within Novozymes have overall responsibility for human rights and labour rights aspects in the particular regions, whereas the person responsible for a particular site has operational responsibility. This is reviewed by the Sustainability Development Board, which is made up of line of business representatives.	
	Self-assessments	
	Novozymes' business units conduct annual self-assessments, which are made on the basis of our global minimum standards. The minimum standards make it possible to identify better practices and share experiences between business units and thereby improve performance locally. The anchoring of the minimum standards in line of business through self assessments is reported to the Sustainability Development Board, who reviews and decides on further action in coordination with the Sustainability Development Department on an annual basis.	
	In 2008, it was decided that training and communication of the minimum standards will be conducted at local sites to allow for emphasis on the most relevant standards locally.	
	Again in 2008, new suppliers of raw materials carried out self-assessments to document compliance with the same minimum standards that form the basis for internal self-assessment at Novozymes' business units.	
	Auditing	
	Audits of business units' compliance with internationally recognized human rights and labour standards have been an integrated part of the internal auditing program since 2006. Annually, Novozymes' internal audit panel selects business units that are audited with regard to their compliance with human rights and labour standards. Audit findings are reported internally to executive management, and follow-up on corrective actions is integrated into our audit procedures/system, which is verified by our external auditors.	

Novozymes does not report audit findings externally.

Local social responsibility strategies

Beyond ensuring compliance with global minimum standards, Novozymes' sites have developed local social responsibility strategies on an annual basis since 2004.

Grievance mechanisms

Novozymes strives to be an attractive place to work because of what we do and how we do it. In support of this, Novozymes has established a number of guidelines for how to behave as a Novozymes employee – including the *Novozymes Touch*, the Novozymes Policies, and the Novozymes Standards. In order to ensure that these guidelines are lived up to, a regional ombudsperson has been installed. The ombudsperson ensures that all employees in Novozymes have the possibility to report, in confidence, events that are perceived to conflict with the above mentioned guidelines, and to have such events evaluated on the basis of an objective analysis. The regional Finance Directors are appointed as regional ombudspersons in each of the three Novozymes regions Asia, Americas and EMEA (excl. Denmark). The regional ombudspersons report to a global ombudsperson, who is also the responsible ombudsperson for Denmark.

Global Diversity Management Program

From 2005 - 2008, a global diversity management program was implemented to raise awareness among managers about the benefits of diversity and build an understanding of the leadership skills and behaviors that foster respect and inclusion. To introduce special working procedures for both managers and employees, the project was introduced by a training program focusing on diversity and equal opportunities before, during, and after hiring. Additionally, tools for working with diverse teams as well as courses in diversity management have been offered to all managers with responsibility for three or more persons. From August 2008, the responsibility for diversity management has been placed in line of business and a complete Diversity website was launched on September 1, 2008. The diversity management program is reflected in the relevant Novozymes positions, standards, and policies.

Expanding Diversity project in Novozymes Brazil

To coincide with the Global Diversity program and accommodate the Brazilian government's quota legislation, which states that in companies with 100 - 200 employees, a minimum of 2% of the employees must be persons with special needs, Novozymes in Brazil launched an "expanding diversity project" in 2005. The project included an adjustment of the organizational set-up and adapted the physical working environment in order to employ and retain persons with special needs and to further enhance equal opportunities for all our employees. To ensure understanding and acceptance among existing and new employees with special needs, a training program was held to introduce special working procedures for both managers and employees focusing on diversity and equal opportunities before, during, and after the hiring. The project has provided a solid platform for encouraging a diverse workforce and nurtured acceptance of people with diverse needs and disabilities. Today, out of the 168 employees in Novozymes Brazil, five have a physical disability.

See also:

- Financial and sustainability discussion
- Environmental, social, and knowledge data
- Combined global and local efforts at www.novozymes.com
- Responsible purchasing at www.novozymes.com
- Diversity and equal opportunities at www.novozymes.com

Principle 7

Businesses should support a precautionary approach to environmental challenges

Novozymes' management system – including values, relevant policies, etc.	Novozymes' approach in 2008	Reference to GRI G3 performance indicators
The Novozymes Touch	Scope and approach	EC 2
<ul style="list-style-type: none"> ● Vision, values, and fundamental principles ● Support for the United Nations Convention on Biological Diversity ● Support for the United Nations Global Compact 	<p>At Novozymes, a precautionary approach to environmental challenges is particularly relevant in the use of modern biotechnology. Novozymes uses genetic engineering, and production is to a large extent based on genetically modified microorganisms (GMM). The precautionary approach therefore forms part of the management system. Research, development, and production follow fixed safety procedures.</p>	<p>EN 18 EN 26 EN 32</p>
Environment and bioethics policy	Lifecycle assessment	SO 5
<p>Position on antibiotic resistance genes in GMMs Position on detergent enzymes Position on enzymes produced by GMMs Position on gene technology in connection with food/feed production Position on global warming and energy Position on the labeling of enzymes Position on biofuels</p>	<p>Over the last four years, the majority of Novozymes' product groups have undergone a thorough evaluation of their environmental impacts, an evaluation process called a lifecycle assessment (LCA). LCA is a scientifically based study of a product's positive and negative environmental impacts throughout its lifecycle —from extraction and production of resources and raw materials through production to use and final disposal of the product.</p>	
	<p>Please refer to Principles 8 and 9 for an outline of Novozymes' responsibilities and activities with regard to environmental challenges.</p>	
	See also:	
	<ul style="list-style-type: none"> ● Risk factors ● Our science at www.novozymes.com ● Environmental assessment at www.novozymes.com ● Microorganisms, genetic engineering and safety in the Novozymes Report 2006 	

Principle 8

Businesses should undertake initiatives to promote greater environmental responsibility

Novozymes' management system – including values, relevant policies, etc.	Novozymes' approach in 2008	Reference to GRI G3 performance indicators
<p>The Novozymes Touch</p> <ul style="list-style-type: none"> ● Vision, values, and fundamental principles ● Support for the United Nations Convention on Biological Diversity ● Support for the United Nations Global Compact 	<p>Scope and approach</p> <p>Novozymes operates in the business-to-business market. Companies are increasingly encountering requirements and expectations that they should contribute to sustainable development, and this is increasingly seen as an opportunity for Novozymes. Promoting environmental responsibility is becoming enlightened self-interest. Using product lifecycle assessments (LCA), we look at the impact on the environment at every stage of a product's lifecycle, and find that enzyme technology is generally an environmentally friendly alternative to other technologies.</p>	<p>EN 1 EN 3 - 8 EN 11 - 26 EN 28 SO 5 PR 3 PR 4</p>
<p>Environment and bioethics policy</p> <p>Position on the Labelling of enzymes</p> <p>Position on global warming and energy</p> <p>Position on biofuels</p>	<p>Responsibilities and activities</p> <p>Novozymes has a central environmental unit and a number of de-central units linked to production sites. Efforts on environmental performance are coordinated in a network of management representatives from production sites. Developing Novozymes' overall approach to sustainability, providing internal guidelines and tools, and carrying out LCAs, are responsibilities of corporate headquarter.</p> <p>Promoting environmental responsibility</p> <p>Managing stakeholder relations and promoting environmental responsibility are increasingly integrated into our day-to-day business. Examples are:</p> <ul style="list-style-type: none"> ● Results of LCAs are used in the dialog with Novozymes' customers about enzyme technology and product quality ● All pipeline discovery and development projects in R&D must pass through LCA Light analysis ● Novozymes' suppliers are asked to provide information on environmental management and performance through a questionnaire. Accordingly, evaluating suppliers' environmental performance is an integrated part of Novozymes' purchasing management system ● Environmental audits are carried out for selected suppliers as an integrated part of Novozymes' quality audits. 	
	<p>Environmental safety and supplier performance</p> <p>To Novozymes it is important to promote environmental responsibility among partners in our supply chain, and to further expand the scope of sustainability and responsible sourcing in our supply chain, Novozymes is currently developing a comprehensive supplier performance management system. The system covers all aspects of our supplier performance management from approval of new suppliers to performance evaluation. Based on an integrated set of evaluation criteria, including environmental, employee health and safety, human rights, and business ethics, the system will provide risk profiles on all suppliers in Novozymes' Enzyme Business. Implementation of the system will be initiated in April 2009, and full implementation is expected to be in place by 2010.</p>	
	<p>Transport and the environment</p> <p>Novozymes purchases transport services from providers in different</p>	

countries around the world. These services involve transport of Novozymes' raw materials, products, etc. by train, ship, truck, and air. Calculating the environmental impact of transport is extremely complex and requires close collaboration with the transport companies. The data relates only to the transport of goods within Denmark and transport by truck and air to and from Denmark, and covers approx. 90% of Novozymes' total transport of enzymes by truck from sites in Denmark. We strive to continue to improve environmental performance.

For more information, please refer to The Novozymes Report on Transportation and the Environment.

See also:

- The Outlook section in The Novozymes Report 2008
- Environmental assessment at www.novozymes.com
- Responsible purchasing at www.novozymes.com

Principle 9

Businesses should encourage the development and diffusion of environmentally friendly technologies

Novozymes' management system – including values, relevant policies, etc.	Novozymes' approach in 2008	Reference to GRI G3 performance indicators
The Novozymes Touch	Scope and approach	EN 5
<ul style="list-style-type: none"> ● Vision, values, and fundamental principles ● Support for the United Nations Convention on Biological Diversity ● Support for the United Nations Global Compact 	<p>Novozymes provides solutions to industrial processes. Our customers increasingly demand up-to-date solutions, for example, solutions that are resource efficient and low in greenhouse gas emissions. Contributing to such solutions by making use of the potential of modern biotechnology is an important driver for Novozymes.</p>	<p>EN 6 EN 7 EN 18 EN 26 EN 28</p>
Environment and bioethics policy	<p>Using product lifecycle assessments (LCA), we look at the impact on the environment at every stage of a product's lifecycle and find that the use of enzyme technology generally provides environmental benefits. For further information on lifecycle assessment, please refer to principles 7 and 8.</p>	SO 5
<p>Position on global warming and energy Position on biofuels</p>	<p>Responsibility and activities</p> <p>One of the most urgent issues on the global agenda is climate change. In recent years, global warming as a consequence of burning fossil fuels has prompted greater awareness of energy consumption and CO₂ emissions. As part of the efforts to be able to meet this challenge as a company, Novozymes adopted a new energy and climate strategy. An important element of the strategy is to bring Novozymes' technology into play in order, together with suppliers and customers, to help solve some of the problems of climate change.</p>	
	<p>Carbon Footprint project</p> <p>Product lifecycle assessments (LCA) of Novozymes' products conducted during the past five years show major environmental advantages of using enzymes in industrial production. Climate change is high on the agenda in these days and this has inspired us to estimate the total effects on climate change of all Novozymes' products produced in 2007.</p>	
	<p>CO₂ emissions of an order of magnitude of 25 million tons were avoided due to the application of enzymes sold by Novozymes. In other words: A small "investment" of greenhouse gas emissions in enzyme production is justified from an environmental point of view by the much larger reduction in greenhouse gas obtained by using the enzymes.</p>	
	<p>The study is conducted at screening level, which means that the results of the study only indicate orders of magnitude. The study takes into account all significant greenhouse gases (CO₂, CH₄, N₂O, and CO) and all significant processes in the product chain from raw material extraction through production and use, covers about 90% of Novozymes' sales.</p>	
	<p>Reductions in CO₂ emissions were driven by a broad range of Novozymes' products, some of the most important being detergent enzymes because they help reduce laundry wash temperature; fuel ethanol enzymes because they help save gasoline; feed enzymes because they help save animal feed; and starch, textile, and brewing enzymes because they help save energy and raw materials in industrial production. The only exception in the LCAs was in</p>	

production of a sugar called fructose which contributed negatively to the overall result.

Climate strategy

Novozymes' climate strategy incorporates the complete lifecycle of our products from the extraction of raw materials to use of our products. The strategy's main areas of focus are a) the opportunities for exploiting the potential of our products' ability to reduce CO₂ emissions in our customers' application of our products, and b) reducing the CO₂ emissions related to our own activities. In 2008, the climate strategy was revised, and the visions underlying the long term targets were identified:

- Supplier perspective: We will reduce our carbon footprint and our sensitivity to changes in energy and GHG emission markets
- Customer perspective: We will reduce the energy-saving potential of our technology to increase customers' demand for our products
- Society perspective: We will sell our application of biotechnology as a key to energy efficiency and reduction of GHG emissions
- The Novozymes perspective: We will strive for a continuous improvement of our energy efficiency in a Novozymes perspective world wide

In continuation, the following concrete objectives for 2008 were set and achieved:

- To develop new lifecycle assessment procedures for evaluation of products in the pipeline
- To give a material/realistic estimate of the total CO₂ reduction achieved when our customers use our enzymes
- To revise Novozymes' energy and climate strategy, and to identify specific plans and improvement targets for the coming years

Collaboration with DONG Energy to reduce CO₂ and support renewable energy

In 2008, Novozymes entered into a partnership with DONG Energy. The partnership is in complete accordance with Novozymes' climate strategy, exploring the potential of our products' ability to reduce CO₂ emissions in our customers' applications, as well as reducing CO₂ emissions related to our own activities. The collaboration will lead to identification and execution of energy-saving projects covering all sites in Denmark. The cost reductions gained from the savings will be used to buy green energy from a new wind farm called Horns Reef II, which is located off the Western coast of Denmark. The economic outcome of the energy savings will be reinvested in renewable energy, which will be supplied by the coming wind farm. The agreement will cover more than 30% of the combined capacity of the wind farm and is seen as a step towards solely depending on green electricity usage at all Danish sites by 2012. In this way we will contribute significantly to the Novozymes' overall goal of decoupling growth in the CO₂ emission from the company's overall growth.

Pipeline LCA

Over the last four years, many of Novozymes' products have undergone a thorough evaluation of their environmental impacts in the form of LCA. Now it is the turn of products in the pipeline. In order to further promote the CO₂ reduction potential of our products in the pipeline, all new discovery and development projects in Research & Development must pass through a "mini lifecycle assessment", known as Pipeline LCA. Pipeline LCAs are based on

assumptions concerning the production of the enzyme together with its effects and effectiveness during use. Pipeline LCAs provide information about the carbon value of the new products and thus strengthen our opportunities to further improve the environmental performance of Novozymes' products. In 2008, we reached a milestone, completing Pipeline LCA studies on all discovery and development projects.

Environmental safety and supplier performance

To further expand the scope of sustainability and responsible sourcing in our supply chain, Novozymes is currently developing a comprehensive supplier performance management system. The system covers all aspects of our supplier performance management from approval of new suppliers to performance evaluation. Based on an integrated set of evaluation criteria, including environmental, employee health and safety, human rights, and business ethics, the system will provide risk profiles on all suppliers in Novozymes' Enzyme Business. Implementation of the system will be initiated in April 2009, and full implementation is expected to be in place by 2010.

See also:

- The Outlook section in The Novozymes Report 2008
- Environmental assessment at www.novozymes.com

Principle 10

Businesses should work against all forms of corruption, including extortion and bribery

Novozymes' management system – including values, relevant policies, etc.	Novozymes' approach in 2008	Reference to GRI G3 performance indicators
The Novozymes Touch	Scope and approach	SO 2
<ul style="list-style-type: none"> ● Vision, values, and fundamental principles ● Support for the United Nations Global Compact 	<p>Novozymes has adopted a management standard on business integrity, which constitutes an integrated part of Novozymes' internal quality management system and links to the social responsibility policy and the financial policy. The standard is based on a set of principles covering bribery, facilitation payments, money laundering, protection money, and gifts, as well as political and charitable contributions.</p>	<p>SO 3 SO 4 SO 5 SO 6</p>
<p>Social responsibility policy Financial and legal policy</p>	Responsibilities and activities	
<p>Position on business integrity Position on donations</p>	<p>All employees have received a booklet on business integrity, entitled "<i>Bribery - no thanks!</i>", and we train selected employee groups in selected countries and regions. Internal processes are in place to ensure that all employees have access to guidance and opportunity to anonymously raise consensus about possible breaches of Novozymes' integrity principles. Employees are required to report facilitation payments and excessive gifts given/received.</p>	
	<p>A special Committee on Business Integrity oversees implementation, provides general guidance and assesses and reviews the effectiveness of the standard.</p>	
	<p>In 2007, several sites carried out business integrity training activities locally.</p>	
	Business ethics and supplier performance	
	<p>To further expand the scope of sustainability and responsible sourcing in our supply chain, Novozymes is currently developing a comprehensive supplier performance management system. The system covers all aspects of our supplier performance management from approval of new suppliers to performance evaluation. Based on an integrated set of evaluation criteria, including a number of sustainability-related aspects that cover environmental, employee health and safety, human rights, and business ethics, the system will provide risk profiles on all suppliers in Novozymes' Enzyme Business. Implementation of the system will be initiated in April 2009 and full implementation is expected to be in place by 2010.</p>	

See also:
Business integrity at www.novozymes.com

Novozymes' overall approach to sustainability

In Novozymes we strive to integrate sustainability into all our business areas on a continuous basis, and accordingly, we are committed to the Triple Bottom Line reporting approach. The commitment to the United Nations Global Compact forms part of Novozymes' values. Consequently, the Global Compact principles are guiding the efforts to integrate social and environmental responsibility into all business processes and decisions.

Organizational setup

The Sustainability Development Unit facilitates the development of Novozymes' corporate sustainability strategy with input from the regional Vice Presidents and business representatives, anchoring the strategy in both the regions and in line of business. Furthermore, the unit supports business areas in further integrating sustainability into their operations, processes, and activities. The unit comprises specialists within the fields of social and environmental responsibility and lifecycle assessment.

In order to achieve solid integration and coordination throughout the organization, sustainability is anchored within the Executive Management of Novozymes. The Executive Vice President of the Stakeholder Relations business unit has overall responsibility for the sustainability development strategy and for reporting to Executive Management. Executive management approves the strategy, targets, and focus areas. The performance of the Sustainability Development unit is reported to the Board of Directors on a quarterly basis. For more information on the organizational setup, please refer to our website for Our Approach

Elements of integration and follow-up

Novozymes' business units and regions report on sustainability aspects and stakeholder engagement as an integrated part of the annual regional outlook and strategy processes, contributing to Novozymes' overall sustainability strategy. Achievement of performance and development targets related to social and environmental responsibility is integrated into incentive programs. Furthermore, social and environmental responsibility is a fixed agenda item twice a year at Board meetings. Financial, social, and environmental results are reported quarterly, both internally and externally.

Novozymes' business units are regularly visited by a facilitator corps. These facilitators assess compliance with Novozymes' values by means of interviews with employees at all levels. To ensure that The Novozymes Touch, policies, and standards are complied with, Novozymes has a global ombudsperson. The ombudsperson ensures that all employees in Novozymes have the opportunity to report events that are perceived to conflict with the above-mentioned guidelines, and to have such events evaluated on the basis of an objective analysis. The ombudsperson is appointed by Executive Management for a two-year period and reports to the CEO.

Further information about Novozymes' work on social and environmental responsibility is available under Sustainability at www.novozymes.com. Information about 2008 in particular is available in The Novozymes Report 2008, which is an integrated annual report covering financial, environmental, and social data. Further information is available at www.novozymes.com, where you also can find Novozymes' values and mission statement (The Novozymes Touch), as well as policies and positions on aspects of social and environmental responsibility. Particular reference is made to Novozymes' social responsibility policy, and environment and bioethics policy.

Forward-looking statements

The Novozymes Report 2008 contains forward-looking statements, including Novozymes' financial outlook for 2009, which, by their very nature, are associated with risks and uncertainties that may cause actual results to differ materially from expectations. The uncertainties may include unexpected developments in the international currency exchange and securities markets, market-driven price decreases for Novozymes' products, and the introduction of competing products within Novozymes' core areas. See "Risk management."

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