



Global Compact Communication on Progress 2012

nne pharmaplan®
Engineering for a healthier world

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Welcome to the NNE Pharmaplan 2012 Communication on Progress (COP) report. NNE Pharmaplan became a member of the UN Global Compact in 2008 so this is our fourth official report. The COP report is an opportunity not only to support this commendable global initiative but also to foster a transparent dialogue with our stakeholders as part of our corporate citizenship.

In 2011 we turned our focus into corporate sustainability leadership. In 2012 we further developed a systematic and strategic process to develop the sustainability work at NNE Pharmaplan and prepared both a new corporate sustainability strategy and a new strategy for social investment and philanthropy; both to be approved and implemented in 2013. NNE Pharmaplan's overall reason for being is 'Engineering for a healthier world'. We cannot claim to save lives or cure diseases. We do not produce any medicine, but we put all our engineering and consulting capabilities behind the companies that do – our customers. And by supporting our customers, we play our part.

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

We prepare and publish our COP report together with the Annual Report.

Morten Nielsen, CEO
4 April 2013

About NNE Pharmaplan

Who we are

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

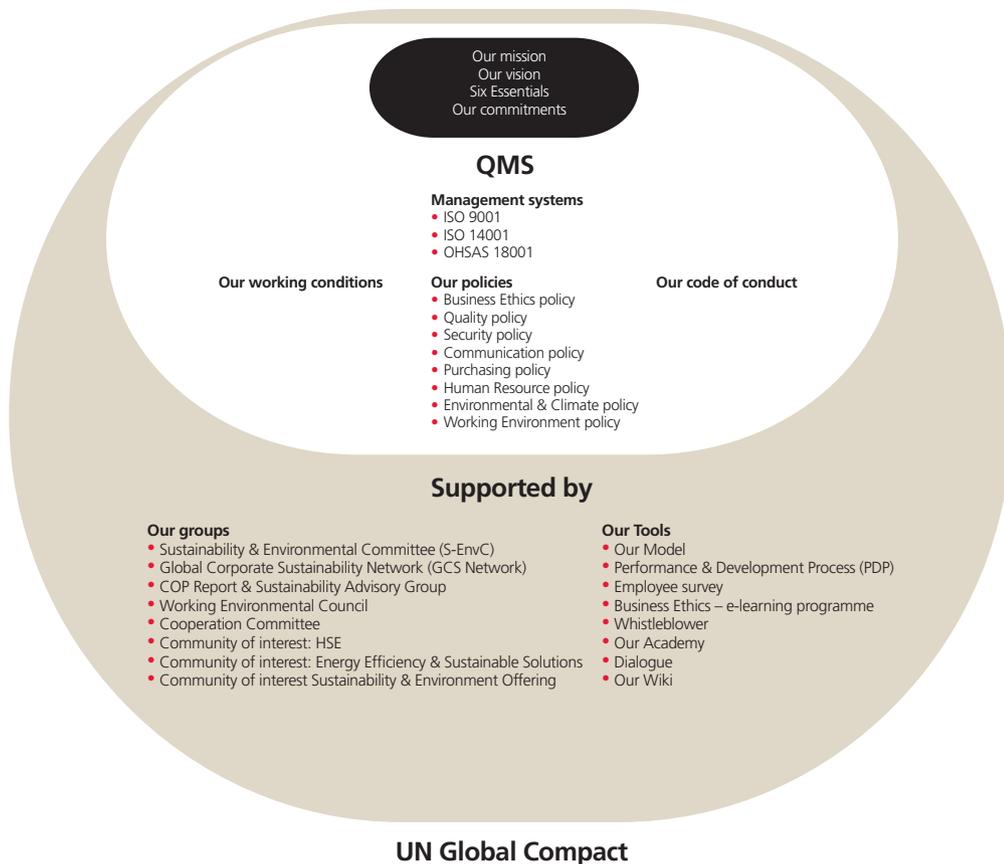
What we do

Our competencies span all technical disciplines relating to engineering, consulting, construction, validation, start-up, optimisation and reconstruction of facilities for product development, production plants, pilot plants and laboratories. We work in a flexible and integrated organisation where engineers, architects and pharmacists work closely together and continuously share experience, knowledge and expertise. Our engagements encompass everything from short-term staffing to expert consulting and from greenfield projects to turnkey.

Sustainability in the NNE Pharmaplan context

Figure 1 illustrates how sustainability and the Global Compact principles are integrated into our business, culture, organisation, management system and tools.

Figure 1 Sustainability in the NNE Pharmaplan context



AUDITS

Every two to four years, NNE Pharmaplan is subject to a worldwide facilitation performed by a team of experienced facilitators from our owners, Novo Nordisk A/S, to make sure that we live up to our vision, Essentials and commitments and that we document our performance systematically and satisfactorily. The audit is based on interviews with employees at all levels of the organisation. The audit results and findings are reported to the NNE Pharmaplan Management and the Board of Directors. The most recent audit took place in 2012.

External audits are also conducted by certification bodies regarding our ISO management systems.

Audit of the NNE Pharmaplan COP report

Only information and figures (Table 1: Accidents recorded on construction sites in 2012 and Table 7: Greenhouse gas emissions (tCO₂) quoted from our 2012 Annual Report have been audited by PricewaterhouseCoopers.

SUSTAINABLE ACTIONS

NNE Pharmaplan donates help to Storm Recovery Efforts in the USA

Sandy disrupted the lives of millions of people when it turned toward the Northeast United States and morphed into a super storm. Most people eventually returned to their routine lives, but some lives are forever changed. NNE Pharmaplan donated \$10,000 USD to the American Red Cross to assist with the recovery efforts.

Freebikes and sustainable employer branding in region Nordic

In 2012, we launched two sustainable employer branding activities. Green Career was the first activity that took place and was hosted by DTU (Technical University of Denmark). At this event we gave a lecture on how we as a company offer green careers. The second activity we launched was a campaign called Freebikes. The students at DTU answered the question “what is a healthier world to you” and seven students were selected to become an NNE Pharmaplan Freebiker. They were each given a bike, which they can ride for one year. After one year, the bikes are donated to African students living far from their school.

Sustainable engineering and consulting services

NNE Pharmaplan engages in professional engineering and consulting services worldwide: sustainable facilities/HSE management in projects, CSR & Management systems, Energy & Climate, Environmental compliance, Sustainable products & CleanTech, Health and Safety, Noise & Acoustics and Wastewater sampling. These services are integrated into engineering projects or supplied as separate consulting services. To learn more about our sustainable engineering and consulting services, please visit nnephar-maplan.com and have a look at our [offering catalogue](#), called “What we do”.

Safety and accidents at construction sites

The accident frequency is recorded for the NNE Pharmaplan projects where construction site health and safety management has been handled or supervised by NNE Pharmaplan. In 2012, NNE Pharmaplan managed projects in China, Belgium, Denmark, India, Switzerland and the United States.

TABLE 1: ACCIDENTS RECORDED ON CONSTRUCTION SITES IN 2012
(NNE Pharmaplan employees and contractors)

Country	Sites	Working hours (1000)	Accidents w/absence	Frequency (no. of accidents per million worked hours)
China	5	1,075	0	0
Belgium	1	128	2	15.6
Denmark	6	221	5	22.6
India	12	65	0	0
USA	16	32	0	0
Switzerland	1	116	5	43.1
Total	41	1,637	12	7.3

In Belgium, Denmark and Switzerland the number of working hours is relatively low. One or two accidents therefore cause a high impact on the frequency. The frequency in Denmark and Switzerland seems high compared to the other countries but when compared to general statistics in the two countries NNE Pharmaplan is below average.

Method used

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

2013: Focus on prevention

In 2013 we will continue our focus on preventive actions by training construction workers in health and safety and involving them in initiatives to improve safety on construction sites. Members of the Community of Interest (COI) for Site Safety Management are working on a procedure to ensure that the reporting follows the same guidelines in all countries. The reporting will be handled monthly using existing systems.

COP according to UN Global Compact Ten Principles

The remaining part of our communication on progress is reported consecutively according to the UN Global Compact Ten Principles. We have structured the reporting into four main criteria: obligations, systems, figures and targets and highlights from 2012.

Principles 1 & 2: Human rights

Human rights and freedom are an integral part of our business and we support the UN's Universal Declaration of Human Rights. Our sphere of influence covers not only our employees, but also our suppliers and – not least – people who need health care. Health and human rights go hand in hand as expressed in this extract from the WHO Constitution:

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

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

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

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

PRINCIPLE 1

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

PRINCIPLE 2

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

Obligations

As an ethically responsible company, NNE Pharmaplan wants to be known as a socially and environmentally sustainable company with unbiased integrity in our human relations. The human rights aspect is contained in our purchasing policy:

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

“At NNE Pharmaplan we

- interact with our suppliers in a competent and proactive way in line with the NNE Pharmaplan requirements as well as our customers’ requirements.
- establish close cooperation with suppliers that supply products or services of strategic importance.
- encourage selected suppliers to a quality, environmental, socially responsible and business ethical behaviour”.

Systems

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

We have a responsible sourcing programme, which enables us to identify suppliers who match our social, environmental and ethical responsibilities stated in our responsible sourcing standard. This standard comprises issues that relate to all 10 principles. Based on country risk, all suppliers are divided in three groups and in order to mitigate the risk, various actions are required to be carried out prior to entering into an agreement.

These actions vary from:

- all approved suppliers on our supplier list must have received the Responsible Sourcing Standards
- all approved suppliers on our supplier list must have received the Responsible Sourcing Standards as information and must, on a regularly basis, have filled in the self-evaluation Responsible Sourcing questionnaire satisfactorily (High Risk countries).

2012 highlights

In 2012, NNE Pharmaplan’s responsible sourcing programme was revised and fully implemented globally. In 2013 we will focus on further training in using the procedures.

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

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

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

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

PRINCIPLE 3**Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining****Obligations**

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

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

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

“NNE Pharmaplan wants to:

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

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

Systems

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

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

2012 highlights

No specific initiatives in 2012.

PRINCIPLE 4**Businesses should uphold the elimination of all forms of forced and compulsory labour****Obligations**

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

From our working environment policy (extract):

“NNE Pharmaplan will

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

From our human resource policy (extract):

“NNE Pharmaplan plans to:

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

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

Systems

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

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

- *Two times a year we conduct performance and career development meetings and reviews for all employees.*
- *Twice a year an online employee survey is carried out across the entire global organisation requesting all employees to give constructive feedback to management.*

In the 'Figures and targets' section below we provide key figures from the 2012 survey results.

2012 highlights

To facilitate the annual performance and career development meetings, NNE Pharmaplan continued the implementation of our global, IT-based Personal Development Plan (PDP) system. In 2012, the system was implemented worldwide at NNE Pharmaplan. To support the performance and development process a tool-kit has been developed for Line and Project Managers. In addition, all employees have received a guideline providing advice on how to prepare in the best possible way for the performance and development review.

Figures and targets

Two global online employee surveys were carried out in 2012 to measure the level of engagement, satisfaction and loyalty of our employees. The average response rate was 82 percent which is considered a high response rate.

We carefully measure the number of ambassadors in every survey and report in our Balance Score Card on the status. Ambassadors are defined as employees who assign 9 or 10 points on a 10-point scale to six specific questions on loyalty and engagement. We believe these ambassadors are the driving force of our company which is also why one of our strategic targets for 2015 is to reach a minimum of 35 percent Ambassadors.

The 2012 target of ≥ 26 percent was exceeded with a score of 30.4 per cent in the 2012 survey.

TABLE 2: EMPLOYEE SURVEY 2012 RATING ON AMBASSADORS
(ENGAGEMENT, SATISFACTION AND LOYALTY)

Country	Ambassadors 2012	Ambassadors 2011	Ambassadors 2010
NNE Pharmaplan	30.4%	26.6%	23.05%

TABLE 3: WORK-LIFE BALANCE RATING IN THE EMPLOYEE SURVEY 2012

Survey question	2012	2011	2010	2009
"I'm able to keep an acceptable balance between my work life and my private life"	7.5	7.5	7.4	7.4

A score ≥ 7.3 is considered a good result; scores between 7.0 and 7.3 are termed average; and <7 is not acceptable (on a 1 to 10 scale). The results of the survey are very stable demonstrate satisfaction with the work-life balance.

PRINCIPLE 5

Businesses should uphold the effective abolition of child labour

Obligations

NNE Pharmaplan does not have child labour, and our overall approach is that (extract):

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

Systems

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

2012 highlights

No specific initiatives in 2012.

PRINCIPLE 6

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

Obligations

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

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

Systems

Employees always have the possibility to raise questions and concerns regarding discrimination, promotion, job content, personal development, etc. to the management or the Human Resource department.

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

In our employee surveys, all employees are asked questions regarding equal opportunities (see the ‘Figures and targets related to gender and equal opportunities’ section below).

2012 highlights

Global Exchange Programme

The exchange of specialists and talented employees between our offices facilitates the development of global competences, integration of technical skills and formation of strong cross-regional networks. In 2012, a total of 30 exchanges took place with participants and hosts from all five NNE Pharmaplan regions. These exchanges strengthened NNE Pharmaplan’s ability to carry out offshoring assignments and execute global and complex projects.

Figures and targets

By the end of 2012, female employees made up 35 percent of NNE Pharmaplan’s workforce, a continuation of the slightly increasing tendency seen in recent years. The gender distribution varies considerably from country to country.

The distribution of men and women in the management segment (executive management, line management, general and local management and specialist/senior specialist positions) is shown in the table below. NNE Pharmaplan does not yet support any gender or other quota schemes, but plans to set up targets in 2013.

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

Country	2012		2011		2010	
	Women %	Men %	Women %	Men %	Women %	Men %
NNE Pharmaplan	28.2	71.8	22.8	77.2	22.3	77.7

TABLE 5: EQUAL OPPORTUNITIES RATING IN EMPLOYEE SURVEY

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

Survey question	2012	2011	2010	2009
"People with different backgrounds have equal opportunities at NNE Pharmaplan, regardless of gender, race etc."	8.0	7.8	8.0	8.1

With regards to international diversity, the total population of NNE Pharmaplan employees consists of 44 percent Danes and 56 percent other nationalities (based on HR-data from 2011).

Principles 7, 8 & 9: Environment

Our environmental and climate policy states that NNE Pharmaplan will:

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

As an engineering and consultancy company, our efforts in terms of environmental measures are two-fold: Firstly, our own environmental impact from our 1,700 employees and more than 30 locations in 11 countries around the world. Secondly, the contribution of our HSE consultancy services to a reduction of the environmental impacts of our customers. Our environmental sphere of influence thus covers our employees and buildings as well as our suppliers and customers.

PRINCIPLE 7

Businesses are asked to support a precautionary approach to environmental challenges

Obligations

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

Systems

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

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

Figures and targets

In 2009 NNE Pharmaplan established a baseline for four types of emissions for all our offices worldwide. In 2010, 2011 and 2012 NNE Pharmaplan continued to assess these figures:

- *Fossil fuel combustion* - natural gas consumption for heating or fuel oil/petrol consumption for production of electricity, based on monthly or annual meter readings, or bills from supplier companies. The GHG emissions from the combustion of natural gas were calculated based on an average emission factor.
- *Refrigerant leakage* – from cooling systems according to the official logbooks for refrigerant refilling. The greenhouse gases included in this report are the six gases named in the Kyoto Protocol: CO₂, CH₄, N₂O, HFCs, PFCs and SF₆.
- *Electricity consumption* – electricity used for operating the offices and for heating, based on meter readings at the end of 2011, or on bills from supplier companies. The GHG emissions from electricity consumption are calculated on the basis of specific emission factors from the energy companies whenever possible, or from average emission factors for electricity production for the country or region.
- *Transport* – use of company and employee-owned cars and air travel. For transport by car, the emissions are based on either recorded fuel consumption or recorded mileage allowances, using an average fuel consumption rate or an average emission factor for the normal type of vehicle used. For the Danish and Swedish offices the information on air travel and the related GHG emissions was provided by our external travel agency. For our other offices, the air travel information was recorded as the annual number of flights above or below 2000 km. Emissions were calculated using the emission calculator from the SAS homepage.

TABLE 6: GREENHOUSE GAS EMISSIONS (tCO₂)

Greenhouse gas emissions (tCO₂)*	2012	2011	2010	2009
Direct emissions (scope 1)				
Heating of office buildings	323	363	325	335
Fugitive emissions from cooling plant	5	3	4	8
Transport in company-owned cars	582	532	1,044	674
Indirect emissions (scope 2)				
Purchased electricity	1,315	1,731	1,752	1,472
Purchased heating	46	58	66	N/A
Purchased cooling	1	2	2	5
Indirect emissions (scope 3)				
Transport in employee-owned cars	566	550	554	626
Transport by plane	4,337	5,191	4,715**	2,672
Total greenhouse gas emissions (tCO₂)	7,138	8,430	8,462	5,792

* tCO₂ refers to tonnes of CO₂ equivalence

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

Data was incomplete regarding the electricity consumed at our small offices in the United States and for the heating, ventilation and air conditioning (HVAC) of offices in the United States, Sweden, Russia and China, as well as the small office in Hillerød, Denmark – this is mainly due to the nature of the tenancy arrangements at these sites, in particular where the HVAC equipment is owned by a landlord. During 2012 offices were opened in Belgium and Brazil and no figures for these sites are included in the report since it was not possible to obtain the amounts for a full year.

Emissions in 2012

In 2012, NNE Pharmaplan was able to reduce emissions by 15 percent compared to 2011. The major contributions to these reductions can be found in scopes 2 and 3 – purchased electricity and transport by plane. The reduction in transport by plane is mainly due to the implementation of Lync (instant messaging and collaborative software) during 2012 that makes it easier to conduct virtual meetings across borders.

Travel activities are the main source of our greenhouse gas emissions – in company-owned cars, employee-owned cars or by airplane. These activities account for 69 percent of total emissions. Flights from Denmark and the United States account for approximately 40 percent of the travel-related emissions.

PRINCIPLE 8

Businesses are asked to undertake initiatives to promote greater environmental responsibility

PRINCIPLE 9

Businesses are asked to encourage the development and diffusion of environmentally friendly technologies

Obligations

See our environmental and climate policy at the top of the Environment section.

Systems

Our customers in the pharma and biotech industries often have ambitious HSE requirements. Through the application of OHSAS 18001 and ISO 14001 standards, we have developed a global HSE management concept that can help our customers meet their HSE goals using cost-effective systems. Thus, it is our declared policy to carry out an initial HSE evaluation when we prepare our proposals and start up projects. This clarifies, at a general level, any impact the project will have on health, safety and environment during the lifetime of the facility. The evaluation is then used to find out in which areas our customer can reduce emissions and save energy, water and auxiliaries. We recommend solutions that give our customer the most value for money and suggest measures that will ensure optimal working conditions and safety both during construction and when the facility is fully operational. Based on these results the customer decides which recommendations to adopt. Customers can choose to do just enough to satisfy legislation or they can follow more of our recommendations and take their HSE achievements much further.

In our context, an HSE conscious design is one of the most essential HSE project activities as NNE Pharmaplan's project portfolio comprises design and construction of new buildings and revamps of biotechnological and pharmaceutical plants. The purpose of HSE conscious design is to minimise the HSE effects in the lifetime of the plant. In order to develop and share knowledge at NNE Pharmaplan we have, among other things, established a global interdisciplinary group (functioning as a so-called Community of Interest COI) with the purposes to develop and commercialise solutions that decouple pollution and resources consumption from increased productivity.

2012 highlights

In 2012, we maintained our focus on the initial HSE evaluation and finished the HSE management concept globally.

Principle 10: Business ethics (anti-corruption)

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

PRINCIPLE 10**Businesses should work against corruption in all its forms, including extortion and bribery****Obligations**

The following is an extract from our business ethics policy:

“NNE Pharmaplan will:

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

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

Systems

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

Business ethics e-learning programme

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

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

Part of the policy and code of conduct is very straightforward as to what is permitted and what is not.

All employees must undertake a mandatory e-learning programme on our business ethics policy and guidelines. The business ethics e-learning programme is rolled out to all new employees who are required to complete this training shortly after joining the company. This reduces the risk of NNE Pharmaplan employees violating business ethics as well as laws and regulations. Participation in and completion of the e-learning programme is monitored at corporate level.

Whistleblower system

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

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

2012 highlights

In addition to the mandatory business ethics e-learning programme that is part of our on-boarding process, a certification programme for existing employees has been implemented in 2012. The certification consists of a multiple choice test and a certification of understanding of and compliance with the business ethics rules and procedures. The certification is mandatory for all employees and is organised in a three year cycle: every third year of employment employees are required to complete the mandatory e-learning programme that is also part of the on-boarding process. In the intervening years, employees are required to complete a yearly certification programme.

Business ethics due diligence of third parties

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

Quarterly compliance report

All NNE Pharmaplan offices are required to deliver a quarterly compliance report to the business ethics officer on all cases of misconduct, or possible misconduct, related to business ethics and financial fraud. The first reporting was made in Q3, 2009 and has continued throughout 2010, 2011 and 2012. No issues have been reported in 2012.

Business ethics audits

On a regular basis, Business Ethics audits are conducted in all companies within the NNE Pharmaplan group. In 2012, an audit was carried out at NNE Pharmaplan China. The conclusion of the audit was that the company has a satisfactory level of compliance.

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