

Global Compact
Communication on Progress (COP)

Sustainability report 2014

nne pharmaplan®
Focused pharma engineering



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Statement from the CEO



In 2014, we developed and approved the new sustainability strategy for NNE Pharmaplan. The focal point of the strategy is the services we deliver to our customers since our greatest opportunity to influence our customers' environmental and social footprint is in the engineering and consulting solutions and services we provide. Consequently, NNE Pharmaplan strives to be best at transforming and operationalising trends and retaining the highest sustainability standards within the pharmaceutical industry. Our current framework of policies and systems is a good starting point. However, we will step up our capacity and implementation of systems and tools. In response to the UN Guiding principles for human rights, we are currently reviewing our supplier due diligence mechanisms. We also continue to monitor our direct environmental and social impacts.

In 2014, NNE Pharmaplan established new programmes to support and develop our greatest asset – our employees. We focused on developing and implementing our new

on-boarding programme which received an International Award. Continued focus on developing leadership skills, talents and ensuring global knowledge sharing are other key initiatives where we are progressing.

Many employees also express a keen interest in doing voluntary work to make a positive difference. We are working intensively to identify projects and initiatives with partners where we can make a difference using our engineering skills and competencies to improve lives for the less privileged.

NNE Pharmaplan became member of the UN Global Compact in 2008 and we are still committed to the 10 principles and fulfilment of the UN millennium development goals and the outline of the new Sustainable Development Goals.

Morten Nielsen, CEO
March 2015

NNE Pharmaplan at a glance

NNE Pharmaplan is an international company specialised in pharma engineering. We help pharmaceutical companies bring products to market by providing flexible, compliant and future-proof solutions. We have close to 2,000 professionals delivering global knowledge and best practices, all dedicated to supporting our customers globally and on local sites.

We are involved in the development of new products, in planning and establishment of pharmaceutical facilities and in the ongoing support of pharmaceutical operations. We help our customers with everything from engineering design to qualification of their processes and facilities, including technology transfer.

Our conceptual, basic and detailed design services include process layout, user requirement specifications and architectural concept – all with consideration for GMP processes.

We work in a flexible and integrated organisation where engineers, architects and scientists 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.

WHO WE
ARE AND
WHAT WE DO

TURNOVER

1,846

DKK million

OPERATING PROFIT

55

DKK million

PEOPLE

1,813

People distributed across
four regions and 12 countries

PROJECTS

1,100

The number of ongoing projects is
continuously at a level of approx. 1,100

Managing sustainability

Sustainability at NNE Pharmaplan is about creating financial value in balance with environmental footprint and social responsibility, with a keen focus on business ethics.

The framework for our efforts is defined by the 10 principles of UN Global Compact in the areas of human rights, labour standards, environment and anti-corruption. NNE Pharmaplan has been a member of UN Global Compact since 2008 and we remain committed to the principles and goals of United Nations.

NEW STRATEGY FOR SUSTAINABILITY

Being an international company specialised in pharma engineering sets high demands for deliverables in the sustainability area. Our customers and business partners have high standards and ambitions. We need to be able to inspire and challenge them to improve. Our single largest environmental and social footprint is the engineering solutions we provide for our customers.

During 2014, NNE Pharmaplan's Sustainability and Environmental Committee formulated a new strategy on sustainability under the umbrella of the overall strategy development for the company. The strategy was approved by NNE Pharmaplan Management in November 2014. The strategy focuses on continuously improving the value proposition of sustainability towards our stakeholders, enabled by internal capacity development and supported by robust management systems and tools.

It's our ambition to revitalise the way the Sustainability and Environmental Committee works based on the newly approved sustainability strategy. Our aim is to expand and strengthen the Committee with global representatives and plan and conduct meetings in such a way that all major offices are involved within a given period. We thereby seek to enhance the organisational focus on sustainability in general, and especially on our customers' expectations in that respect. ▶

NEW
SUSTAINABILITY
STRATEGY

Key initiatives in the coming years will be to:

- Transform and operationalise global trends and customer needs in the global market to provide sustainable consulting and services
- Develop sustainability goals and KPIs for our services
- Improve our platform for knowledge sharing/communication and training
- Implement and disseminate ISO 14001 and OHSAS 18001 in the entire NNE Pharmaplan organisation
- Review our supplier due diligence mechanisms

- Support voluntary and charitable initiatives linked to the business. See fact box about the “less privileged”

The strategy for our people is essentially unchanged. However, NNE Pharmaplan will focus on developing and implementing a competency development programme in 2015.

NNE Pharmaplan already has sustainability integrated in the business defined by a number of policies, management systems and tools. See figure 1. The new sustainability strategy builds on this platform.

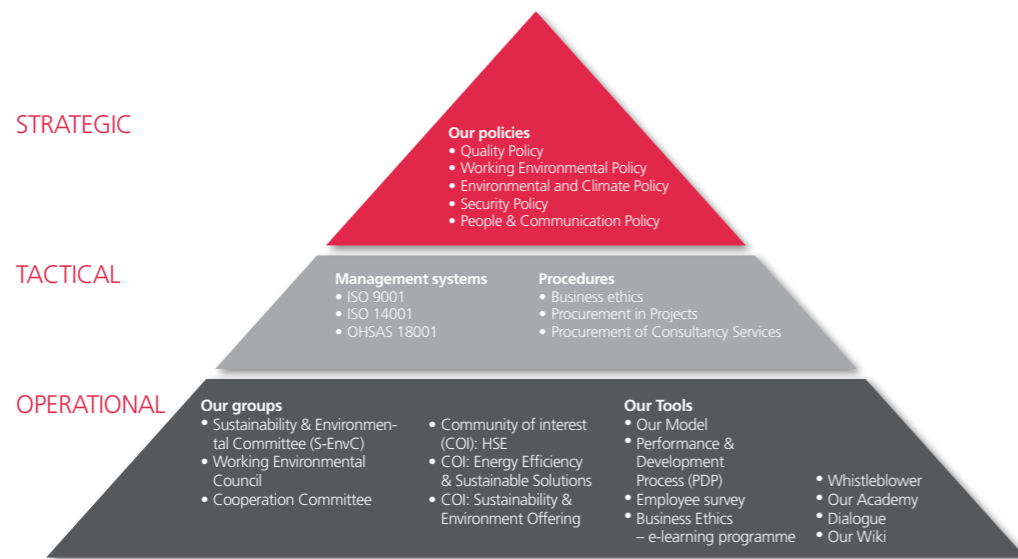


Figure 1 Integration of sustainability in our business



UN Global Compact Principles and NNE Pharmaplan initiatives

HOW WE WORK WITH THE PRINCIPLES

	How we work with the principle	2014
HUMAN RIGHTS		
Principle 1	"Businesses should support and respect the protection of internationally proclaimed human rights".	<ul style="list-style-type: none"> • People & Communication Policy • NNE Pharmaplan's responsible sourcing standards for business partners. Ongoing
Principle 2	"Businesses should make sure they are not complicit in human rights abuses".	<ul style="list-style-type: none"> • QMS (Quality Management System). The system is audited. Ongoing
LABOUR		
Principle 3	"Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining".	<ul style="list-style-type: none"> • People & Communication Policy. • NNE Pharmaplan's responsible sourcing standards for business partners. See Social Responsibility section.
Principle 4	"Businesses should uphold the elimination of all forms of forced and compulsory labour".	<ul style="list-style-type: none"> • People & Communication Policy. • NNE Pharmaplan's responsible sourcing standards for business partners. See Social Responsibility section.
Principle 5	"Businesses should uphold the effective abolition of child labour".	<ul style="list-style-type: none"> • NNE Pharmaplan's responsible sourcing standards for business partners. • The employee age is monitored via our integrated HR management and reporting system. NNE Pharmaplan's responsible sourcing standards for business partners. See Social Responsibility section.
Principle 6	"Businesses should uphold the elimination of discrimination in respect of employment and occupation".	<ul style="list-style-type: none"> • People & Communication Policy. • Working environment policy. • NNE Pharmaplan's responsible sourcing standards for business partners. • One employee survey a year. See Social Responsibility section.

	How we work with the principle	2014
ENVIRONMENT		
Principle 7	"Businesses should support a precautionary approach to environmental challenges".	<ul style="list-style-type: none"> • Environmental & Climate Policy • Annual environmental mapping of the buildings we occupy. See Environmental Footprint section.
Principle 8	"Businesses are asked to undertake initiatives to promote greater environmental responsibility".	Health, Safety and Environment (HSE) planning is included from the design phase to the construction phase. A sustainability "One-pager" is developed in the beginning of several projects describing the sustainability goals of the project. Several ideas concerning sustainability were developed in connection with the Facility of the Future (FOF) ² event in November 2014. The ideas will in 2015 be further investigated and implemented in our business.
Principle 9	"Businesses are asked to encourage the development and diffusion of environmentally friendly technologies".	HSE conscious design in our projects. Knowledge sharing and development of sustainable solutions at COI ¹ for Sustainability and HSE. COIs, Facility of the Future (FOF) ²
ANTI-CORRUPTION		
Principle 10	"Businesses should work against corruption in all its forms, including extortion and bribery".	<ul style="list-style-type: none"> • Procedure for Business Ethics • Mandatory business ethics e-learning programme for all employees. • Whistleblower system. Business ethics e-learning

¹ COI: Communities of Interest. At NNE Pharmaplan we have organised our formal knowledge sharing into 25 Discipline COIs. The COIs make their knowledge accessible to all employees through the global engineering model Our Model.

² FOF: Facility Of the Future. The Facility of the Future programme is about releasing ideas. Since the programme started in 2013, more than 1000 ideas have been released, and many of them are becoming new services, products, or procedures at NNE Pharmaplan.



Picture from the Sustainability Lab workshop at the Facility of the Future (FOF) event 2014

Social Responsibility

At NNE Pharmaplan, social responsibility encompasses human rights and labour rights as well as business ethics and social development (volunteering programmes, see fact box) in the entire life cycle of pharma products and the value chain we are part of.

Social responsibility thereby addresses the UN Global Compact Principles 1 to 6 and 10.

RESPONSIBLE SUPPLY CHAIN MANAGEMENT

Our new sustainability strategy sets an ambitious target for responsible sourcing, i.e. to review our criteria for supplier due diligence, addressing all aspects such as human rights, labour standards, environmental issues and anti-corruption. NNE Pharmaplan has already developed a code for responsible sourcing from business partners. In 2015, we will review our supplier due diligence mechanism to ensure its compliance with the UN guiding principles.

NNE Pharmaplan is a global actor providing its services anywhere in the world. With our new sustainability strategy we stress to address any

potential violations of human rights and other sustainability aspects in our daily business. This is on the one hand a part of our planned capacity building, and on the other hand it is planned to be integrated in all services that we offer to our customers.

Human rights and labour rights aspects for NNE Pharmaplan employees are already successfully incorporated in our global policies and procedures.

SAFETY AT CONSTRUCTION SITES

In 2014, NNE Pharmaplan managed projects in France, China, Switzerland and Denmark, where we had the responsibility for health and safety related aspects. We are pleased that the accident frequency was significantly reduced to 2.7 accidents per million working hours in 2014, which is below average compared to general statistics in those countries.

See detailed data from the constructions sites in table 1 in the appendices. The data for 2014 shows an overall decrease in accident frequency of almost 80% compared to 2013 which is very satisfactory. ▶

EMPLOYEE
VOLUNTEERING
PROGRAMME

FACILITY OF THE FUTURE (FOF) #7 FOR THE LESS PRIVILEGED

At NNE Pharmaplan, we are working on an employee volunteering programme enabling and engaging all NNE Pharmaplan specialised and passionate employees to attend in pharma-related aid projects around the world. Our employee volunteering programme is being defined and developed at the moment. This includes a detailed screening of relevant partnerships and specific aid projects where NNE Pharmaplan's specific pharma engineering skills and competencies can make a difference for the less privileged.

This idea was initially presented at the FOF event in 2013. During 2014, the idea was further developed and refined with inputs from the top management and our employees. In connection with the development of the idea, a workshop was held at the FOF event in 2014.

In 2015, we hope to be able to launch the first pharma aid tasks and projects of this programme in collaboration with relevant NGOs.

In 2015, our focus will continue to be preventive actions by training construction workers in health and safety and by involving them in initiatives to improve safety on construction sites.

PEOPLE DEVELOPMENT

In 2014, NNE Pharmaplan established new programmes to support and develop our greatest asset – our employees.

New on-boarding programme that boasts efficiency receives an international award

NNE pharmaplan's highly anticipated on-boarding programme, Navigate, was launched on 1 April 2014 with tremendous success. Designed to seamlessly introduce new employees to NNE Pharmaplan, this systematic programme on-boarded almost 150 employees to the company in 2014.

The programme offers the smoothest introduction possible, making new employees quickly feel at ease. Successful integration of new hires is important, as it potentially can reduce the time between introduction and productivity by 60 percent.

In October 2014, just six months after the launch, Navigate was announced the Gold Award Winner in the 2014 Intranet Innovation Awards for the Business and Frontline category. Read more in the Annual report 2014.

Learn to LEAD with a new programme geared toward managers and directors

In an effort to enhance managers' and project directors' leadership skills, NNE Pharmaplan has established the leadership development programme, LEAD 2014. This intensive programme aims to study leadership techniques and is organised around three key angles: authentic leadership, closer to the customer, and engaging employees. A total of 186 managers and project directors have participated in 13 LEAD courses. Read more in the Annual Report 2014.

Employee survey – overall steady rates

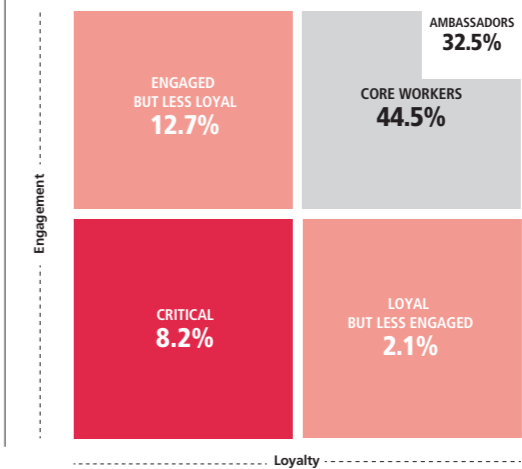
This year, the response rate of the annual global employee survey reached a record high of 94 percent. This is the highest response rate in NNE Pharmaplan's history.

One of the survey's KPIs, the number of ambassadors, is defined as the number of employees who assign nine or ten points (on a ten-point scale) to six specific questions concerning loyalty and engagement. This score remains at a high level (32.5 percent), however, the score has dropped 1.4 percent from last year's 33.9 percent. Though we did not reach our ambassador target for 2014 (33 percent), 32.5 percent is still a very positive result. In addition, 77 percent of our employees, corresponding to almost 1,300 people, are either ambassadors or core workers. This figure actually indicates a best-in-class result for knowledge-based companies.

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% Ambassadors.

Unfortunately we have seen a drop in the PDP (performance and development process for each employee) scores from 7.7 in 2013 to 7.6 in 2014. We know for a fact that PDP and everything related to professional development have a very high effect on people's engagement.

Other parameters indicating the well-being of employees such as work life balance, development opportunities, equal opportunity, etc. also scored above 7.3 which is considered a good result³. However, there was a slight decrease in some of the indicators compared to 2013. NNE Pharmaplan will focus on and support both the performance and development processes and other areas to increase engagement amongst our employees and thereby create more Ambassadors.



FACILITY OF THE FUTURE (FOF) PROCESS

NNE Pharmaplan relies on the innovative competency of our employees, so it is possible for us to develop and offer the best solutions to our customers.

Innovation was shown at this year's Facility of the Future (FOF) event in November 2014 where several

ideas on the subject of sustainability (developed on various levels) were presented. All the ideas were challenged by co-workers as well as customers in workshops, presentations or demonstrations and will be investigated for further integration in our business.

³ A score of ≥ 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)

EMPLOYEE DATA AND DIVERSITY**Number of employees**

NNE Pharmaplan employed a total of 1,813 full-time employees at the end of 2014 distributed across four regions and 12 countries. The number of employees in Central Europe and Americas remained essentially unchanged, while the number of employees in Asia decreased and the number of employees in the Northern Europe region increased, in particular in Denmark.

Diversity in the workforce

The average age of employees in 2014 was 40.6 years – a slight increase compared with 2013 (2013: 39.8 years; 2012: 39.9 years). The maximum inter-office difference is 12.8 years. Our office in Brazil has the lowest average age, while Denmark has the highest.

The Board of Directors strives to include at least one of each gender in the boardroom. Employee-selected members are not included in this target. In 2014, the Board consisted of six members, where one of the non-employee-selected members was female.

Across all NNE Pharmaplan management teams, we aim to achieve a distribution equivalent to NNE Pharmaplan's overall gender distribution, taking local cultures into account.

The gender split was 36 percent female and 64 percent male in 2014. Across all line management positions, 28 percent were held by women, which demonstrate a small discrepancy compared with the overall gender distribution.

To balance management team gender distribution with the general distribution, NNE Pharmaplan strives to include female candidates in the recruitment process for management positions and as successors to management positions. We also seek to achieve the general gender distribution in our talent programmes.

All these initiatives are an integrated part of the Organisational Audit process.

The average employee seniority at NNE Pharmaplan was 6.9 years in 2014, a slight increase compared with 2013 (2013: 6.6 years).

BUSINESS ETHICS

At NNE Pharmaplan, we conduct our business according to a high ethical standard. We live our values and protect the reputation of our company in order to maintain and grow our business. To reduce the risk of NNE Pharmaplan employees violating business ethics as well as laws and regulations, NNE Pharmaplan has implemented various activities to support compliance. These activities include policies and procedures for quality and business ethics. Training via e-learning programme is mandatory in the global NNE Pharmaplan organisation. The ethics programme consists of a basic course "Our way of doing business" and an annual refresher course "Doing business the right way". Both courses are mandatory for all employees.

The business ethics policies include:

- Personal data protection and confidentiality
- Export control
- Conflict of interest
- Bribery and facilitation payment
- Donations
- Gifts and Entertainment
- Fraud

In addition, a compliance hotline (whistleblower hotline) has been established which is shared by our owner Novo Nordisk. Employees as well as external stakeholders have the opportunity to report suspected misconduct safely and confidentially.

Our responsible sourcing standards for business partners also encompass requirements regarding business ethics.

**DONATIONS****142,800 DKK donated to Danish Hospital Clowns, DK**

As always, one of the options for the employees was to donate the value of the company Christmas present to charity. Last year Doctors without Borders received the donation but this year, Danish Hospital Clowns were chosen. The Hospital Clowns are trained professionals who work together with the hospital staff and provide comfort, smiles and a welcome distraction to hospitalised children.

NNE Pharmaplan-employees donated 71,400 DKK to the charity, an amount that was then doubled by Corporate Management. The money makes a huge difference to Danish Hospital Clowns who were thrilled by the support:

"We use the donations from companies such as NNE Pharmaplan to train and educate more hospital clowns. We are present at 20 Danish pediatrics wards and currently six new clowns are in training. In May, 6-7 new hospital clowns will start their training," says Sissel Witt, Project Manager from Danish Hospital Clowns.

Stop Cancer campaign in Denmark

Again this year, NNE Pharmaplan employees helped man the phones during the fundraising event "Stop Cancer" in Aarhus. The show was broadcast live on national Danish television and a record sum of 153 million DKK was raised. From that amount, 9 million DKK was collected on phone by NNE Pharmaplan/Novo-group attendees.

Environmental footprint

EMISSIONS REDUCED BY 11%

We achieve the greatest impact on reducing the environmental footprint in general via the work we do in our projects.

Right from the start of the projects, we assess the health, safety and environmental impacts so that we can include sustainable improvements in our projects and discover and implement mitigation measures. A sustainability "One-pager" is developed at the beginning of several projects, describing the sustainability goals of the project.

Environmental footprint addresses the UN Global Compact Principles 7,8 & 9.

CARBON FOOTPRINT IN 2014

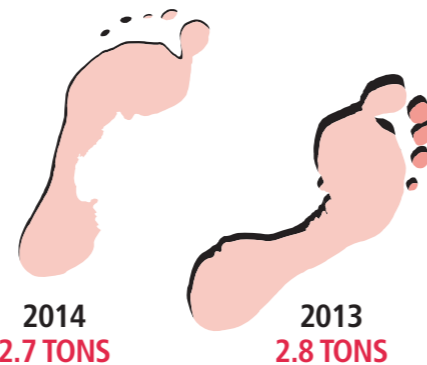
Since 2008 we have calculated our carbon footprint for the buildings we occupy as well as for our travel activities. The carbon footprint includes the emissions from heating, cooling, electricity consumption as well as transportation in cars and by plane.

In 2014, NNE Pharmaplan was able to reduce its emissions by 11% compared with 2013, mainly due to increased use of virtual meetings across borders which reduced the air travel. See figure 2.

The average CO₂ emission per employee is 2.7 tons in CO₂. In 2013 it was 2.8 tons. Travel activities are still the main source of our greenhouse gas emissions (GHG) – company-owned cars, employee-owned cars and air travel. These activities account for 74 percent of total emissions. Therefore, in 2015 we will strive to reduce our GHG emissions, especially the emissions related to our transport, by further exploring how to lower GHG emissions from travel activities. Two initiatives have been successfully carried out in 2014: 'The Buzz' and 'Meet the Electric Car'. These initiatives will be further developed in 2015.

See detailed data from our carbon footprint in table 5 in the appendices.

EMPLOYEE FOOTPRINT



THE BUZZ

In 2014, a regular bus service, with busses fitted with the facilities needed for working, was established from Nybrovej to Kalundborg in Denmark, saving 32 tons in CO₂. The bus also saved our colleagues 3,000 unproductive driving hours.

TONS CO₂ SAVED

32

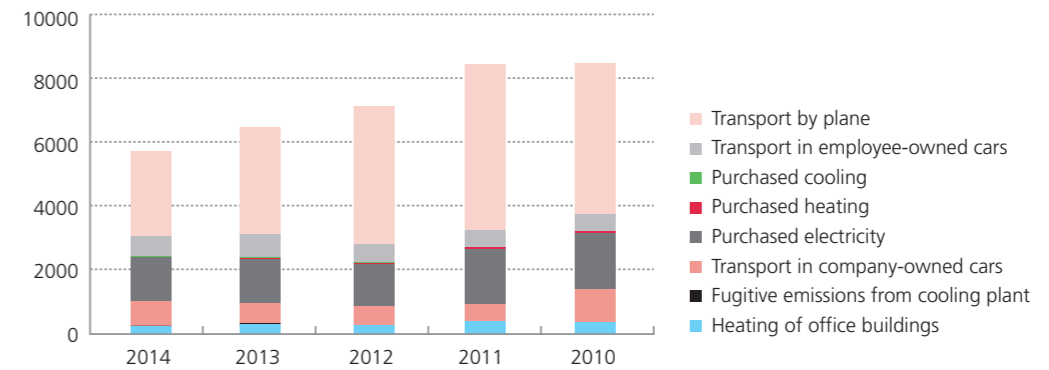


Figure 2. Greenhouse gas emissions (tCO₂)

PROJECT EDELWEISS – UCB

Coupling speed, cost savings and sustainability at UCB

Early assessment of the sustainability footprint in UCB's large-scale biotech production facility not only

resulted in fast-tracking products to the market, but also substantial cost savings.

Total savings implemented: 400,000 EUR per year
E.g. 23,000 m³ water and 47,000 m³ waste water saved per year.

Appendices

SAFETY AT CONSTRUCTION SITES

2014					2013	2012	2011	2010
Country	No. of sites	Working hours	No. of accidents with absence	Frequency*	Frequency	Frequency	Frequency	Frequency
France	2	47,000	1	21.3	29.0	N/A	N/A	N/A
China	1	530,010	1	1.9	0.0	0.0	1.7	0.3
Denmark	6	45,473	0	0.0	4.6	22.6	19.4	8.4
Switzerland	10	124,649	0	0.0	22.9	43.1	N/A	N/A
Belgium	0	N/A	N/A	N/A	N/A	15.6	34.1	N/A
India	0	N/A	N/A	N/A	N/A	0.0	2.6	2.0
USA	0	N/A	N/A	N/A	N/A	0.0	0.0	N/A
Total	19	747,132	2	2.7	13.2	7.3	4.3	0.9

Table 1 Accidents recorded on construction sites during 2014 (NNE Pharmaplan employees and contractors)

* Accident frequency is equivalent to the number of accidents per one million working hours.

** Accident frequency data is monitored for NNE Pharmaplan projects where construction site health and safety management has been handled or supervised by NNE Pharmaplan. 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.

EMPLOYEE HEALTH, SAFETY AND WELL-BEING

Country	Ambassadors – 2014 %	Ambassadors – 2013 %	Ambassadors – 2012 %	Ambassadors – 2011 %	Ambassadors – 2010 %
NNE Pharmaplan	32.5	33.9	30.4	26.6	23.1

Table 2 Ambassadors (engagement, satisfaction and loyalty) rating in employee survey 2010-2014

Survey question	2014	2013	2012	2011	2010
"I'm able to keep an acceptable balance between my work life and my private life."	7.6	7.6	7.5	7.5	7.4

Table 3 Work-life balance rating in employee survey 2010-2014

Survey question	2014	2013	2012	2011	2010
"People with different backgrounds have equal opportunities at NNE Pharmaplan, regardless of gender, race etc."	8.4	8.1	8.0	7.8	8.0

Table 4 Equal opportunities rating in employee survey 2010-2014

Greenhouse gas emissions (tCO ₂)*	2014	2013	2012	2011	2010
Direct emissions (scope 1)					
Heating of office buildings	226	270	249	363	325
Fugitive emissions from cooling plant	0	39	5	3	4
Transport in company-owned cars	770**	638	582	532	1,044
Indirect emissions (scope 2)					
Purchased electricity	1,180	1,334	1,315	1,731	1,752
Purchased heating	28	29	46	58	66
Purchased cooling	24	15	15	2	2
Indirect emissions (scope 3)					
Transport in employee-owned cars	610	743	566	550	554
Transport by plane	2,873	3,346	4,337	5,191	4,715
Total greenhouse gas emissions (tCO ₂)	5,711	6,414	7,115	8,430	8,462

Table 5 Greenhouse gas emissions at NNE Pharmaplan 2010-2014

* tCO₂ refers to tonnes of CO₂ equivalents

** Transport in all company-owned cars, and not only FM cars, included in the 2014 figures

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