

## COP peer review 2016 – meeting minutes

**Participants:** Charlotte Bengt - Novo Nordisk, Kimberley Chan – DSM, Frances Iris Lu & Lene Bjørn Serpa – Maersk, Sarah Hempel & Maria Carlsen - Novozymes

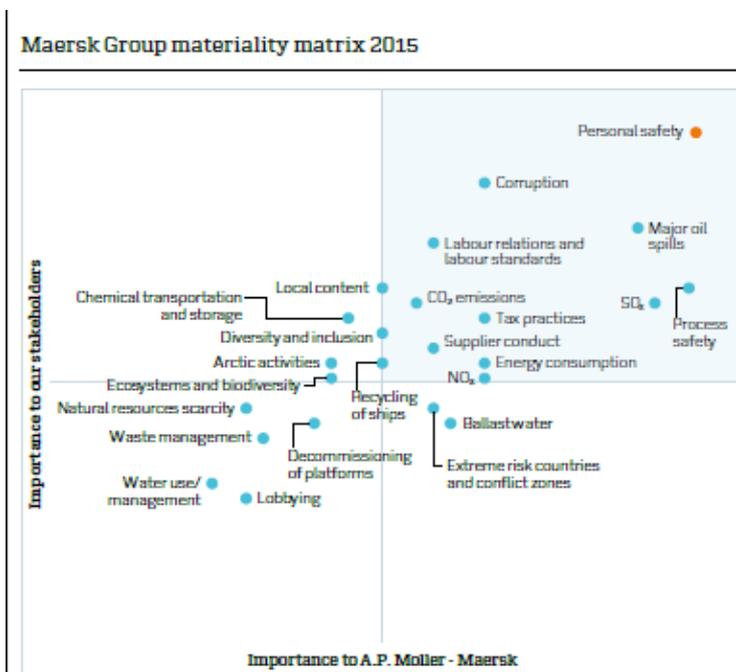
Company	Report (link + PDF)	Selected sections for feedback
Novozymes	Link: <a href="http://report2015.novozymes.com/supplementary/ungc-communication-on-progress">http://report2015.novozymes.com/supplementary/ungc-communication-on-progress</a>  PDF: see PDF to follow pages 159-187	<ul style="list-style-type: none"> <li>• Governance structure &amp; Strategy (incl. Materiality matrix) – see pages 162-164 in PDF</li> <li>• Progress on Human and Labour rights – see pages 182-184 in PDF</li> </ul>
Novo Nordisk	Link: <a href="http://www.novonordisk.com/content/dam/Denmark/HQ/Commons/documents/Novo-Nordisk-UN-Global-Compact-2015.pdf">http://www.novonordisk.com/content/dam/Denmark/HQ/Commons/documents/Novo-Nordisk-UN-Global-Compact-2015.pdf</a>  PDF: see attached	<ul style="list-style-type: none"> <li>• Anticorruption – Principle 10 – see pages 24-26 in PDF</li> </ul>
Maersk Group	Link to PDF: <a href="http://www.maersk.com/~media/the%20maersk%20group/sustainability/files/publications/2016/files/maersk_group_sustainability_report_2015_a3_final.pdf">http://www.maersk.com/~media/the%20maersk%20group/sustainability/files/publications/2016/files/maersk_group_sustainability_report_2015_a3_final.pdf</a>	<ul style="list-style-type: none"> <li>• Enabling Trade – p. 8-9</li> <li>• Responsible Procurement – p. 30-31</li> </ul>
DSM	Link: <a href="http://annualreport.dsm.com/ar2015/en_US/home.html">http://annualreport.dsm.com/ar2015/en_US/home.html</a>  PDF: see attached	<ul style="list-style-type: none"> <li>• International Labour Standards, People in DSM's value chains, Human rights – p. 46</li> <li>• Planet in 2015, Targets 2010-2015, DSM Responsible care plan 2016-2020 – p. 47-49</li> </ul>

## 1. On Materiality:

- DSM has adopted the “IR” framework in 2015 (but still makes a GRI G4 index available on their website), in which they present a traditional materiality matrix (see p. 24 in pdf). Their matrix is featured in front of their integrated annual report:



- Novo Nordisk has removed their materiality matrix entirely – with the notion that what is in the report is material per default. Hence, no need to illustrate it in a matrix.
- Maersk considers removing their materiality matrix next year. In 2015, they included a traditional matrix in their Sustainability Report (they do not have an integrated annual report nor a COP per se) – see p. 4 in pdf:



## 2. Feedback to Novozymes materiality matrix:

Our peers were very impressed by:

- The description of our materiality assessment – mostly because we included external stakeholders' perspectives by involving them in the assessment directly
- Our peers were impressed by the short and concise description of the matrix and the issues
- We did not get feedback on the value chain analysis of the issues – more discussion on materiality to come at next meeting September 30<sup>th</sup> 2016

### **3. On GRI:**

- DSM has adopted the G4 guidelines in 'inspired by' mode and put it on their website – no part of the annual report – we heard from Kimberley that they are considering not using GRI – but rely on the 'IR' framework instead
- Novo Nordisk does not use GRI – and will not in the future
- Maersk does not use GRI – need to get their perspective on this at the next meeting September 30<sup>th</sup> 2016

### **4. On investor perspectives and DJSI:**

- Novo Nordisk has also had a dialogue and feedback session with Fondation Guilé (so did we in June 2016 with IR) – that uses COP reporting in their assessments of companies – NN received the feedback that they were missing the sustainability governance description and materiality matrix
- Novo Nordisk has an internal target for performance in DJSI – on criteria level (improvements in three selected criteria) and not on overall rank
- Maersk does not seem to have a dialogues with ESG investors on sustainability reporting – Maersk does not report in to DJSI – could consider if it is worth if given the developments in transparency in collaboration with Bloomberg
- DSM is in close dialogue with RobecoSAM and has an external target for DJSI to get Gold
- DSM uses peer benchmarks to get improvements through – typically they compare to AkzoNobel and Phillips
- We discussed that there were two types of investors to cater to – 1) the analysts (detail oriented, ESG data) and 2) the 'real' sustainability investors (high-level strategy, mitigating business risks)

### **5. On the Blueprint for LEAD companies:**

- Novo Nordisk adopts the blueprint extensively and has a G4-like index in the back of their COP report – legacy from Lise Kingo's involvement in creating the Blueprint
- We discussed if the Blueprint is still relevant – given the developments in reporting frameworks – and we could consider to ask the UNGC about this
- Maersk and DSM are not guided by the blueprint nor do they have a COP report

- Novozymes is 'inspired by' the Blueprint – for the structure of the COP – since AR2014

## **6. Learnings and inspiration from the peer companies:**

- Maersk has created an internal dashboard that tracks their performance on sustainability and is shared with their sustainability council – to be presented at our next meeting September 30<sup>th</sup> 2016
- Maersk has a sustainability council – comprised of multiple CEOs of the business units, people from legal + head of sustainability
- Maersk hosts an annual 2-day sustainability conference for the employees working with sustainability (around 70 people)

## **7. Feedback to Novozymes' COP:**

- Crisp and great description of sustainability governance
- Would like more information on stock-option programs and the link to sustainability
- Would like more examples of what is being discussed at the BoD or ExLT level around sustainability
- On progress on Human rights: due diligence – explain the process more and give examples of findings
- Explain what actions we take if we have non-compliant suppliers
- On progress on labor rights: diversity in the BoD could be included
- Like the structure of the COP report