



driving the market for renewable energy

In January 2006, Novo Nordisk became the tenth member of the WWF Climate Savers Programme. The agreement between the WWF and Novo Nordisk commits Novo Nordisk to restructure energy consumption from global production with a 2014 target of CO₂ emissions 10% lower than in 2004.

In light of the projected significant growth in production capacity, the absolute reduction target represented a relative reduction of approximately 65% when the agreement was made. Novo Nordisk achieves the target through three levers: Process optimisation through the company's LEAN programme cLEAN®, a global energy saving programme and promotion of renewable energy.

Searching for cost-effective solutions

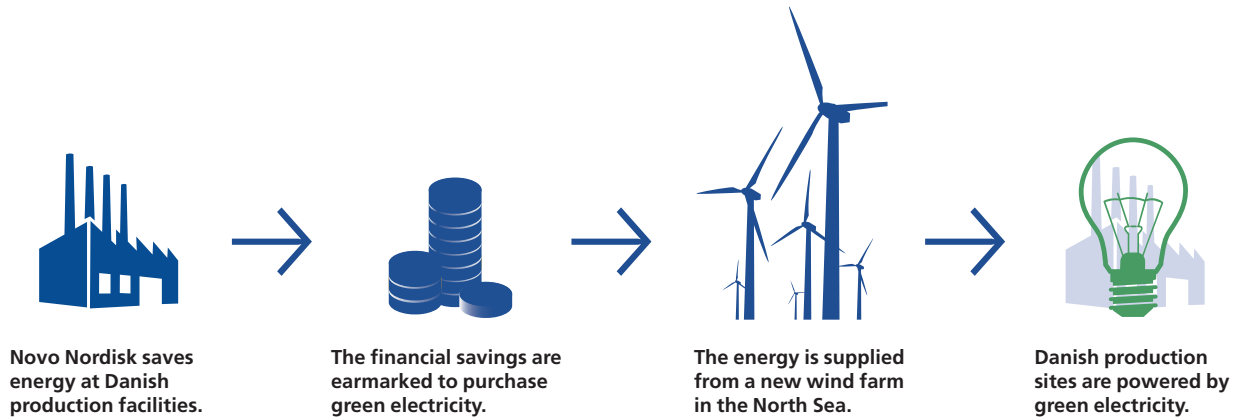
In looking for ways to achieve the reduction target, Novo Nordisk prioritised the greening of the electricity supplied to our Danish production sites. Producing the active pharmaceutical ingredient in Novo Nordisk's insulin products is an energy-intensive process which only takes place in Denmark. In 2006, Danish production facilities accounted for 85% of CO₂ total emissions. Electricity alone accounted for 62% of these emissions.

Being experts in insulin production, Novo Nordisk realised that a partner specialising in energy was needed and the company teamed up with Danish energy supplier DONG Energy. Novo Nordisk entered negotiations with the ambition to find a cost-effective model that would significantly reduce CO₂ emissions while also contributing to expanding the capacity of renewable energy in the Danish market.

Spurring innovation

At the time of Novo Nordisk's request, DONG Energy had no ready-made solution at hand. In May 2007, after a year of negotiations exploring various wind power projects, Novo Nordisk signed a partnership which makes a unique link between energy savings and the greening of electricity supply. Under the first of its kind partnership we pledged to convert energy savings realised at our Danish production sites into the purchase of renewable energy certificates from a new wind farm DONG Energy was planning to build in the North Sea. The partnership agreement runs until 2020.

Since 2007, around 250 energy saving projects have been implemented under the partnership resulting in annual savings



of 57 million kWh. The wind farm – Horns Rev 2 – was inaugurated in 2009 and in 2010 all electricity supplied to Novo Nordisk’s Danish operations was converted to certified renewable energy from Horns Rev 2.

Win-win-win

With the agreement Novo Nordisk devised a cost-neutral way to significantly achieve reductions in CO₂ emissions while at the same time helping to build the market for renewable energy in Denmark. The partnership is a win-win-win model.

For Novo Nordisk, the greening of electricity supply has been an important step on the way to achieving the 10% reduction already in 2009, five years ahead of schedule. The cost-neutrality is realised by earmarking the financial value of energy savings to purchase renewable energy certificates, which despite favourable taxation and other government incentives, are marketed at higher prices per unit than carbon-based fuels.

For DONG Energy, the long-term financial commitment from Novo Nordisk secured funding for the Horns Rev 2 wind farm. Novo Nordisk purchases approximately 20% of the electricity produced by the wind farm. Furthermore, Novo Nordisk continues to help DONG Energy fulfil an obligation to the Danish energy authorities to identify energy savings with their customers.

For Denmark, the new partnership model helps stimulate the demand for renewable energy, thus expanding the capacity.

An inspiration to others

So far, more than 50 Danish companies and municipalities have made similar partnerships with DONG Energy. In 2008, DONG Energy established a new department dedicated to driving this new business area in the European energy market.

Novo Nordisk is a global healthcare company with 87 years of innovation and leadership in diabetes care. The company also has leading positions within haemophilia care, growth hormone therapy and hormone replacement therapy. Headquartered in Denmark, Novo Nordisk employs approximately 30,900 employees in 76 countries, and markets its products in 179 countries.

Novo Nordisk strives to conduct its activities in a financially, environmentally and socially responsible way. The strategic commitment to corporate sustainability has brought the company onto centre stage as a leading player in today’s business environment, recognised for its integrated reporting, stakeholder engagement and consistently high sustainability performance. Novo Nordisk is listed in the 2010 Carbon Disclosure Leadership Index, the 2010 Carbon Performance Leadership Index and in the 2010/2011 Dow Jones Sustainability Indices with a gold class rating.

For more information, visit novonordisk.com/sustainability.