



facing up to the climate change challenge

Novo Nordisk is committed to conducting business in a financially, environmentally and socially responsible way. As climate change has global implications on all three dimensions, taking steps to reduce our impact is both an act of corporate responsibility and critical risk mitigation.

In 2003, Novo Nordisk began shaping its strategic response to climate change and in January 2006, Novo Nordisk joined the WWF Climate Savers Programme. The agreement between the WWF and Novo Nordisk commits the company to restructure its energy consumption from global production sites so that total CO₂ emissions will be 10% below 2004 emissions by 2014.

The absolute target represented a relative reduction of approximately 65% when the agreement was made. In light of the projected significant growth in production capacity, meeting the target required that growth in production was decoupled from growth in energy consumption and called for both incremental advances and innovative solutions.

The reduction was to be achieved through three levers; optimisation through the Novo Nordisk LEAN programme, cLEAN®, a global energy saving programme and conversion to renewable energy.

Groundbreaking partnership on wind power

Producing the active pharmaceutical ingredient in our insulin products is an energy-intensive process which only takes place in Denmark. In 2006, Danish production facilities accounted for approximately 85% of our total CO₂ emissions.

In May 2007, Novo Nordisk signed a partnership agreement with the Danish energy supplier DONG Energy. 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.

With this agreement Novo Nordisk devised a cost-neutral way to achieve significant reductions in CO₂ emissions and at the same time help build the market for renewable energy in Denmark.

The wind farm – Horn Rev 2 – was inaugurated in 2009 and in 2010 electricity supplied to all Novo Nordisk's facilities in Denmark was converted to wind energy from Horns Rev 2.

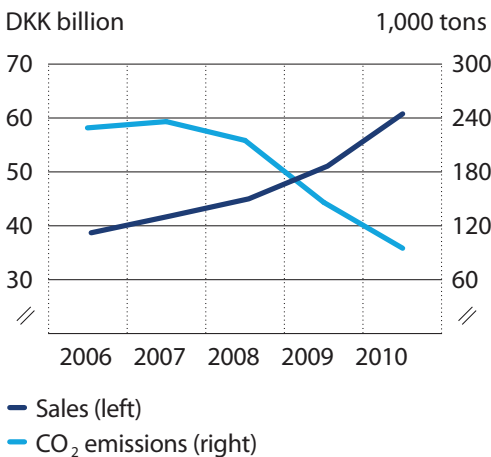
Breaking the curve with short pay-back

Since 2004, CO₂ emissions from global production have decreased by 55% while sales have doubled. While emissions are expected to increase with the planned opening of a new production facility in China in 2012, we are confident that the 10% CO₂ reduction target will be exceeded by 2014.

In 2010, CO₂ emissions from energy consumption at production sites decreased by 35% from 146,000 tons in 2009 to 95,000 tons. The reduction reflects the conversion to renewable energy certificates and continued process optimisations and energy savings in our Danish production.

From 2005 to 2010, Novo Nordisk has implemented approximately 500 energy saving projects resulting in an estimated 31,000-ton reduction in CO₂ emissions. Accounting for the biggest reduction was the optimisation of cooling and ventilation in production. The average pay-back period is two years.

Climate strategy impact



Looking towards 2020

In 2010, the Novo Nordisk climate strategy was updated setting direction for climate action towards 2020. The updated climate strategy extends the scope of climate action in Novo Nordisk to embrace the majority of our business activities and aspires to make continuous absolute cuts in emissions from production at a level reflecting the recommendations of the Intergovernmental Panel on Climate Change (IPCC).

This aspiration entails significant challenges as production will continue to grow to meet the increasing global demand for diabetes medicines. In addition, new more energy-intensive diabetes treatments in our R&D pipeline will increase energy consumption if these are approved for market. Furthermore, continued absolute reductions require finding solutions to green our steam supply at the insulin plant in Kalundborg, Denmark. In 2010, the steam supply accounted for 23% of total CO₂ emissions from global production sites.

Reporting and reducing emissions from company cars, business travel and product distribution is another key focus area of our updated climate strategy 2020.

Advocating a global deal

As a global business, we need a long-term, stable and global framework to guide future operations. Our key message to political leaders is that given a clear target, and policies and incentives to stimulate initiatives from business, business will and can deliver the solutions needed. Recognising the importance of business supporting a new global deal on climate change, Novo Nordisk was a leading force behind the World Business Summit on Climate Change in Copenhagen in May 2009. We have also signed up to the United Nations-supported statement, 'Caring for Climate: The Business Leadership Platform', and the Bali, Poznan, Copenhagen and Cancun Communiqués of the Prince of Wales Corporate Leaders Group.

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.