This is our Communication on Progress in implementing the principles of the United Nations Global Compact and supporting broader UN goals.

We welcome feedback on its contents.
CEO STATEMENT OF CONTINUED SUPPORT IN 2015

In September 2015, the United Nations launched a new agenda for sustainable global development towards 2030 with a set of Global Goals intended to eradicate poverty and improve lives. Governments must develop national plans choosing goals and targets that are most relevant for them, including local indicators. Novo Nordisk has been active in the process leading up to their adoption, and we will take our part in delivering on the goals which are well aligned with current priorities including urban health, access to diabetes care, climate action and good governance. We see the goals as an opportunity to engage with governments to ensure that diabetes is given priority and that people with diabetes receive proper care in efforts to meet the goal to ‘ensure healthy lives and promote well-being for all at all ages’.

At Novo Nordisk, we are more than 40,000 people united around a common purpose: driving change to defeat diabetes and other serious chronic conditions. Our key contribution is to discover and develop innovative biological medicines and make them accessible to patients throughout the world. But, it takes more than medicine for people to be able to live their lives to the full.

In step with societal developments and the company’s growth, Novo Nordisk is committed to being a responsible business leader in a globalised world. What we do is defined by societal needs and business priorities; how we do it is defined by our values and informed by stakeholder expectations.

The Triple Bottom Line principle is the foundation for how we do business. It is anchored in the Articles of Association and the Novo Nordisk Way. It obliges everyone to always consider how decisions and actions may affect people, communities and the environment. Our aim is to ensure long-term profitability by reducing risks caused by business activities and to enhance the positive contributions to society from our global operations. In other words: we want to be in business for the next generations.

The Global Goals are ambitious, as they should be. It is a tall task to safeguard the world’s global health and development challenges. To succeed, governments, civil society organisations and the private sector need to work together as partners in the implementation, as we have done in the framing of the goals.

In our experience, our continued commitment to the ten principles of the UN Global Compact constitutes a good foundation for demonstrating focus on responsible business practices. These principles are fully consistent with the Novo Nordisk values-based management approach, expressed in the Novo Nordisk Way, with our Triple Bottom Line at the core. On top of that, we pursue the obligations for Corporate Sustainability Leadership laid out for companies that are member of the UN Global Compact LEAD initiative. In this Communication on Progress we share our achievements during 2015 and the challenges we see ahead. Enjoy reading.

Lars Rebien Sørensen
President and chief executive officer
CONTENTS

02 | CEO statement of continued support in 2015

INTRODUCTION

04 | Reporting to UN Global Compact
05 | Highlights 2015
06 | About Novo Nordisk
07 | Reporting to Danish Financial Statements Act (§99a and §99b)

PART 1: UN GLOBAL COMPACT – COMMUNICATION ON PROGRESS

08 | Human rights – Principles 1–2
16 | Labour – Principles 3–6
21 | Environment – Principles 7–9
24 | Anti-corruption – Principle 10

PART 2: BLUEPRINT FOR CORPORATE SUSTAINABILITY

27 | Blueprint for corporate sustainability
INTRODUCTION

REPORTING TO UN GLOBAL COMPACT
This Communication on Progress report accounts for Novo Nordisk’s activities during 2015 to be a sustainable business – resilient to change and profitable for the long term because we build our business on a values-based management approach, as defined in the Novo Nordisk Way. It complements our integrated Annual Report which provides our account of performance during the year and presents the company strategy and priorities.

Novo Nordisk’s annual reporting is prepared in accordance with the Danish Financial Statements Act (FSA). The UN Global Compact Communication on Progress and the Annual Report fulfil the requirements in sections §99a and §99b by accounting for the company’s activities relating to social responsibility and reporting on business strategies and activities in the areas of human rights, labour standards, diversity, environment, anti-corruption and climate change.

Read more about our reporting to requirements of the Danish Financial Statements Act on page 7.

The Communication on Progress captures our contribution as a committed signatory to the UN Global Compact and an active member of the LEAD initiative. The Global Compact’s 10 universally accepted principles in the areas of human rights, labour, environment and anti-corruption, and its approach to corporate sustainability are consistent with Novo Nordisk’s business approach of balancing financial, social and environmental considerations – which we call the Triple Bottom Line business principle (TBL). In essence, TBL is about how we do business responsibly and profitably with a view to maximising sustainable value creation for society.

As a UN Global Compact member, Novo Nordisk is required to report progress in relation to the UN Global Compact principles on an annual basis. Being a LEAD member we demonstrate our sustainability, governance and management processes through the Blueprint for Corporate Sustainability Leadership model, which is also part of the Communication on Progress.

Read more at unglobalcompact.org

This UN Global Compact Communication on Progress has two parts:

• Part 1: UN Global Compact Communication on Progress
• Part 2: Blueprint for Corporate Sustainability Leadership
  – Demonstrating leadership in a Novo Nordisk context.
NOVO NORDISK AND THE UN GLOBAL COMPACT ORGANISATION

Novo Nordisk has been an active subscriber to the UN Global Compact since 2002 and a co-founder and member of Global Compact LEAD since its inception in 2011. LEAD is a platform for a selected group of approximately 50 UN Global Compact companies to drive leadership to the next level of sustainability performance. Over the years, our engagement with the Global Compact has been an inspiration for our efforts to embed sustainability into our business practices through policies and strategic initiatives aimed at achieving the aspirations expressed in the Global Compact. Throughout 2015, we continued our active participation in LEAD through work streams and active participation in the steering group. Our engagement in the work streams under the UN Global Compact LEAD has focused on one issue: The Post-2015 Development Agenda – business input to the Sustainable Development Goals.

In September 2015, world leaders adopted the 2030 Agenda for Sustainable Development. The 2030 Agenda comprises 17 universal Sustainable Development Goals or Global Goals, which will guide policy and funding for the next 15 years, beginning with a historic pledge to end poverty. Novo Nordisk welcomes and supports the 17 universal Global Goals and believes that an integrated approach, involving the private sector across the multiple goals, is crucial to achieving the Global Goals. Novo Nordisk’s view is that the goals are interlinked. We will play our part in delivering on the goals which are well aligned with our current priorities including urban health, access to diabetes care, climate action and good governance. Novo Nordisk sees the goals as an opportunity to engage with governments to ensure that diabetes is given priority and that people with diabetes receive proper care, which will support efforts to achieve Goal 3: Ensure healthy lives and promote wellbeing for all at all ages.

The Cities Changing Diabetes partnership is a good example of how a positive impact on several goals can be achieved in the same project. Cities Changing Diabetes focuses on diabetes in an urban setting, recognising that urban living shares many root causes for obesity, diabetes and climate change but also co-benefits of addressing them in an integrated way.

In 2015, we have also worked actively with the Global Compact Nordic Network to ensure that the principles gain further ground in the Nordic countries and to share better practices for implementation among Nordic companies. We value the peer reviews and interactions with other member companies, with whom we continue to learn. We would like to acknowledge the analyst team at Guilé Foundation who in their annual benchmark of companies in their investment portfolio offer valuable suggestions for continued improvement of the Communication on Progress.

NOVO NORDISK FOCUS ON THE GLOBAL GOALS

HIGHLIGHTS 2015

In 2015, we made progress on all Global Compact principles, further implementing these principles in our business activities. These are our key accomplishments:

Human rights

We made further progress implementing Novo Nordisk’s commitment to respect human rights as set out in our position on human rights, in line with the UN Guiding Principles on Business and Human Rights and Children’s Rights and Business Principles. Our position has been further embedded and implemented at an operational level. Our human rights impact assessment covered all corporate functions and global processes and we have been acting on findings through a number of work streams. Furthermore, we enhanced access to remedy by strengthening our grievance mechanisms both at corporate and operational levels.

Labour

We tracked the implementation of our Global Labour Guidelines which set the standard for minimum requirements at Novo Nordisk globally, and that address human rights and labour rights in workplace, including the four Labour Principles of the UN Global Compact. The result of the tracking process shows that the guidelines are sufficiently implemented in all affiliates.

Environment

We announced an ambitious new target on climate action, pledging that all our production facilities will be powered by renewable electricity by 2020. We signed up for the RE100 initiative, underlining this commitment. We also initiated a deep analysis of our indirect CO2 impact, the so-called Scope 3 emissions, and plan to set targets for prioritised areas, such as raw materials, business travel and cars.

Anti-corruption

We launched our internal Global Compliance Framework which effectively links and communicates global and local requirements to all employees. The simple online format supports the implementation of the global business ethics procedures and ensures consistent and relevant business ethics advice to all employees. Furthermore, we strengthened our business ethics mindset by continuing to focus on training and communication to our employees via our expanding global compliance organisation.

Figure: Overview of selected Global Goals which are most material for Novo Nordisk in terms of a possible positive impact on the society in strong alignment with business goals. All Global Goals and the targets related to each of them will be a part of an overall assessment to be carried out in 2016 on how Novo Nordisk could contribute to their fulfilment.
ABOUT NOVO NORDISK
Headquartered in Denmark, Novo Nordisk is a global healthcare company with more than 90 years of innovation and leadership in diabetes care. This heritage has given us experience and capabilities that also enable us to help people defeat other serious chronic conditions: haemophilia, growth disorders and obesity. Novo Nordisk employs approximately 40,300 people in 75 countries and markets its products in more than 180 countries. For more information, visit novonordisk.com, Twitter, LinkedIn, YouTube.

Novo Nordisk’s strategic commitment to corporate sustainability has propelled the company to a leadership position in today’s business environment, recognised for our integrated reporting, stakeholder engagement and consistently high sustainability performance.

OUR BUSINESS MODEL
Taking a patient-centred approach, Novo Nordisk provides innovation for the benefit of all of the company’s stakeholders. The Triple Bottom Line principle, anchored in the Novo Nordisk Way, is the foundation that makes it possible to optimise the use of resources and maximise value creation in a sustainable way.

Novo Nordisk reports its performance according to the Triple Bottom Line. To see Novo Nordisk’s financial, social and environmental performance in 2015, see our Annual Report 2015 pages 11–15.

For more information on Novo Nordisk’s strategy, see our Annual Report 2015 pages 16–17.

THE NOVO NORDISK WAY
In 1923 our Danish founders began a journey to change diabetes. Today thousands of Novo Nordisk employees across the world have the passion, skills and commitment to continue this journey to prevent, treat and ultimately cure diabetes.

- Our ambition is to strengthen our leadership in diabetes.
- Our key contribution is to discover and develop innovative biological medicines and make them accessible to patients throughout the world.
- We aspire to change possibilities in haemophilia and other serious chronic conditions where we can make a difference.
- Growing our business and delivering competitive financial results is what allows us to help patients live better lives, offer an attractive return to our shareholders and contribute to our communities.
- We never compromise on quality and business ethics.
- Our business philosophy is one of balancing financial, social and environmental considerations – we call it ‘The Triple Bottom Line’.
- We are open and honest, ambitious and accountable, and treat everyone with respect.
- We offer opportunities for our people to realise their potential.

In order to guide and support our employees the Novo Nordisk Way has been simplified and shortened to ten essentials, presenting the company’s ambitions and values in a format that is easier to understand and more accessible for all employees.

NOVO NORDISK WAY ESSENTIALS
- Essential 1: We create value by having a patient-centred business approach.
- Essential 2: We set ambitious goals and strive for excellence.
- Essential 3: We are accountable for our financial, environmental and social performance.
- Essential 4: We provide innovation to the benefit of our stakeholders.
- Essential 5: We build and maintain good relations with our key stakeholders.
- Essential 6: We treat everyone with respect.
- Essential 7: We focus on personal performance and development.
- Essential 8: We have a healthy and engaging working environment.
- Essential 9: We optimise the way we work and strive for simplicity.
- Essential 10: We never compromise on quality and business ethics.

OUR BUSINESS MODEL

RESOURCES

**EXTERNAL**
- Capital provided by investors
- Insights from patients and expertise from academic and educational institutions
- Raw materials

**INTERNAL**
- Financial resources to invest in R&D, production capacity and customer outreach
- A skilled and diverse workforce
- Biological research and manufacturing facilities

FOCUS

WE DISCOVER, DEVELOP AND MANUFACTURE INNOVATIVE BIOLOGICAL MEDICINES AND MAKE THEM ACCESSIBLE TO PATIENTS THROUGHOUT THE WORLD

PATIENTS

- Diabetes
- Obesity
- Haemophilia
- Growth disorders

CORPORATE STRATEGY

NOVO NORDISK WAY

VALUE CREATED

- Improved health and quality of life for people with diabetes and other serious chronic diseases
- Return to shareholders
- Contributions to communities
- Tax contributions
- Job creation and productivity
- Capacity and competence building
The Novo Nordisk Way is supported by specific policies in relevant areas across the organisation:

- Bioethics
- Business ethics
- Communication
- Environment
- Finance
- Global health
- Information security
- Information technology
- Legal
- Occupational health and safety
- People
- Procurement
- Quality
- Risk management

Read our policies

REPORTING TO REQUIREMENTS OF THE DANISH FINANCIAL STATEMENTS ACT

Novo Nordisk’s Triple Bottom Line approach takes its point of departure in the acknowledgement that as a business with impacts on people, communities and the environment, it is imperative to be a responsible business that strives to manage these impacts in a way that minimises any harm and maximises benefits to stakeholders. This philosophy, which originates from the personal values and beliefs of the company’s founders, builds on the assumption that demonstrating consistent adherence to stated values and responsible business conduct is an imperative for earning continued license to operate and stakeholder support. This view is fully in line with the current definition of corporate responsibility by the European Commission and the UN Global Compact principles for responsible business.

Novo Nordisk has policies in place for all the areas covered by the UN Global Compact principles (see chart). Adherence to the policies is overseen via internal governance mechanisms, anchored with corporate functions and overseen by cross-organisational boards and committees. The policies are included in the company’s global quality system, ensuring that all employees are required to familiarise themselves with all of the corporate policies (14 in total). For employees working within the individual policy areas, such as bioethics in R&D there is additional training and requirements. The policies set global standards that include compliance with regulatory requirements and local legislation.

Novo Nordisk’s enterprise risk management system takes a holistic approach to risks and includes both financial and reputational risks. In addition, the company conducts risk assessment, as part of due diligence processes related to its global operations, that complies with the UN Guiding Principles on Business and Human Rights, assessing risks to people as well as risk to the business, and implements mitigating actions. Key risks relating to environmental and social impacts are considered in the risk reporting, that is consolidated on a quarterly basis from line of business and reported to the Board of Directors. Examples are quality and product safety issues, supply disruptions, market risks and business ethics risks. The disclosure provided to investor questionnaires such as the CDP includes risk assessments related to climate change, water scarcity or other megatrends. There are no individual environmental or social issues that pose such significant risks as to be included in the key risks.

<table>
<thead>
<tr>
<th>Principle</th>
<th>Policy</th>
<th>Governance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Human Rights</td>
<td>1 Businesses should support and respect the protection of internationally proclaimed human rights</td>
<td>Human rights position and embedded in other policies</td>
</tr>
<tr>
<td></td>
<td>2 Make sure that they are not complicit in human rights abuses</td>
<td>Human rights position and embedded in other policies</td>
</tr>
<tr>
<td>Labour</td>
<td>3 Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining</td>
<td>People policy</td>
</tr>
<tr>
<td></td>
<td>4 The elimination of all forms of forced and compulsory labour</td>
<td>People policy</td>
</tr>
<tr>
<td></td>
<td>5 The effective abolition of child labour</td>
<td>People policy</td>
</tr>
<tr>
<td></td>
<td>6 The elimination of discrimination in respect of employment and occupation</td>
<td>People policy, Occupational health &amp; safety policy</td>
</tr>
<tr>
<td>Environment</td>
<td>7 Businesses should support a precautionary approach to environmental challenges</td>
<td>Environment policy, Bioethics policy</td>
</tr>
<tr>
<td></td>
<td>8 Undertake initiatives to promote greater environmental responsibility</td>
<td>Environment policy, Bioethics policy</td>
</tr>
<tr>
<td></td>
<td>9 Encourage the development and diffusion of environmentally friendly technologies</td>
<td>Environment policy, Bioethics policy</td>
</tr>
<tr>
<td>Anti-Corruption</td>
<td>10 Businesses should work against corruption in all its forms, including extortion and bribery</td>
<td>Business ethics policy</td>
</tr>
</tbody>
</table>
PART 1: UN GLOBAL COMPACT
– COMMUNICATION ON PROGRESS

MATERIALITY & SCOPE

The Novo Nordisk Way emphasises that ‘we treat everyone with respect’. We are committed to meeting our corporate responsibility to respect universally-accepted human rights throughout our operations, value chain and business relationships, as set out in the UN Guiding Principles on Business and Human Rights.

Read our position on Human Rights

In 1998, Novo Nordisk was one of the first companies in the world to publicly commit to working with the International Bill of Human Rights including the Universal Declaration on Human Rights. Today, as part of our commitment to respect human rights, we practice proactive human rights due diligence on an ongoing basis. Both our business operations and operating contexts are constantly evolving which makes it essential for us to be vigilant and proactive in our due diligence. Avoiding complicity in human rights abuses is part of our human rights due diligence efforts.

We are therefore engaged in continuous mutual learning with, among others, the Global Business Initiative on Human Rights (GBI), a business-led initiative committed committed to advance respect of human rights and implementation of the UN Guiding Principles on Business and Human Rights. We actively promote strong implementation of the Guiding Principles among our business networks (including at the national level) and the global business community.

We believe that meeting the corporate responsibility to respect human rights is a key vehicle through which business can help achieve the broader vision of peaceful and inclusive societies, as embraced by the Sustainable Development Goals (SDGs). Our key contribution lies in developing innovative biological medicines that address unmet medical needs and make them accessible to people who need them, anywhere in the world.

Read more about what we do to enhance access to care

HUMAN RIGHTS – PRINCIPLES 1–2

1. Businesses should support and respect the protection of internationally proclaimed human rights within their sphere of influence.
2. Businesses should make sure they are not complicit in human rights abuses.

COMMITMENTS & MEMBERSHIPS

COMMITMENTS

In 2015, Novo Nordisk has been implementing our company commitment to respect human rights, which was further strengthened in 2014 by the Social and Environmental Committee acting with a mandate from Executive Management:

Novo Nordisk is committed to meeting its responsibility to respect human rights as defined by the UN Guiding Principles on Business and Human Rights. As such we will:

- Identify potential and actual adverse human rights impacts that our operations may cause, contribute to or be directly linked to.
- Establish processes to prevent or mitigate potential adverse impacts on human rights, where identified.
- Seek to best remediate or participate in the remediation of any actual adverse human rights impacts that our business causes or contributes to.
- Account for how we address our potential and actual impacts on human rights, where it will not put the people concerned at risk or damage legitimate requirements of commercial confidentiality.
- Expect our business partners and other parties directly linked to our operations, products or services to respect human rights as described by the UN Guiding Principles on Business and Human Rights, including committing to respect human rights, carrying out human rights due diligence and providing access to remedy when needed.
- Use leverage to make other parties directly linked to our operations, products or services cease actions or omissions that lead to adverse impacts on human rights, once we become aware of such impact.

As expressed in the Novo Nordisk Way, we expect every employee to treat everyone with respect.

While implementing the UN Guiding Principles in a non-discriminatory manner, we will pay particular attention to the rights of, as well as the challenges faced by, vulnerable groups, such as children and indigenous peoples, and the different risks that may be faced by women and men.

In addition to working with respect for human rights, we pursue opportunities to respect human rights where we can make a positive impact. In addition to our company commitment to respect human rights, we have a number of operational-level policy commitments to respect human rights which are fully integrated into relevant areas and functions.

In 2015, Novo Nordisk was one of the first companies in the world to publicly commit to working with the International Bill of Human Rights including the Universal Declaration on Human Rights. Today, as part of our commitment to respect human rights, we practice proactive human rights due diligence on an ongoing basis. Both our business operations and operating contexts are constantly evolving which makes it essential for us to be vigilant and proactive in our due diligence. Avoiding complicity in human rights abuses is part of our human rights due diligence efforts.

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In addition to working with respect for human rights, we pursue opportunities to respect human rights where we can make a positive impact. In addition to our company commitment to respect human rights, we have a number of operational-level policy commitments to respect human rights which are fully integrated into relevant areas and functions.
MEMBERSHIPS
We are engaged in continuous mutual learning and demonstrate our commitment to respect for human rights including labour rights as a member of a number of organisations and initiatives. These include:

- Global Business Initiative on Human Rights – a peer-learning network committed to advancing human rights in a business context through cross-industry peer learning, outreach and capacity building, and by informing policy.
- UN Guiding Principles Professional Network with Global CSR, a global peer-learning network committed to implementing the UN Guiding Principles on Business and Human Rights.
- Business Network for Human Rights with KPMG Denmark, a peer-learning network on business and human rights.
- Danish Ethical Trading Initiative (DIEH) – a responsible sourcing network with focus on knowledge sharing between companies, trade unions and NG.
- Institute on Human Rights and Business (IHRB) – a network aiming to raise corporate standards and strengthen public policy by undertaking cutting-edge research.
- Global Compact Nordic Network – a peer-learning network among Nordic companies.
- NCD Alliance – an organisation focusing on policy development and advocacy around non-communicable diseases.

OTHER IMPORTANT STAKEHOLDERS INCLUDE:
- Amnesty International
- Coalition for Social Justice
- International Labour Organization (ILO)
- International Organization for Standardization (ISO)
- International Diabetes Federation

READ MORE ABOUT OUR BOARDS AND COMMITTEES

RESPONSIBILITIES

SOCIAL AND ENVIRONMENTAL COMMITTEE
Novo Nordisk’s Social and Environmental Committee works on behalf of the company’s Executive Management. It has overall responsibility for the sustainability agenda including Novo Nordisk’s strategy for global access to diabetes care and it oversees the implementation of the UN Global Compact principles and related commitments.

R&D BIOETHICS COUNCIL
Novo Nordisk’s R&D Bioethics Council is responsible for human rights issues related to the company’s research and development.

GLOBAL PEOPLE BOARD
Novo Nordisk’s Global People Board is responsible for employees’ human rights. See ‘Labour Principles 3–6’ for more information.

PROCUREMENT COMMITTEE
Novo Nordisk’s Procurement Committee has oversight of progress on the responsible sourcing programme.

RELEVANT NOVO NORDISK POLICIES
- Procurement policy
- People policy
- Global health policy
- Bioethics policy

CHALLENGES & RISKS 2015
Novo Nordisk recognises that conducting ongoing human rights due diligence is a complex task for a company with global operations experiencing rapid growth in the number of its employees, business partners, customers and suppliers. As we grow our business, we have increased operations and production in regions affected by various instabilities, including conflicts and weakness in upholding the rule of law. Furthermore,
we recognise that somewhere in our value chains we always have business relationships in such challenging environments. The nature of our business and operating environments therefore exposes us to human rights risk and requires us to exercise proactive due diligence to prevent and mitigate potential adverse human rights impacts. As we operate in environments where abuses by other individuals or organisations may occur we exercise due diligence adapted for the specific context of our operations. This is to avoid complicity and we strive to stay vigilant. Domestic laws do not always protect all human rights and in challenging environments they may not be enforced or may be contradictory to internationally recognised human rights. We acknowledge that these challenges do not change our responsibility to respect human rights.

For Novo Nordisk supporting each person’s fundamental right to health, through our innovation and efforts to improve access to healthcare for people everywhere, is at the core of our business. The main challenge is to meet the growing demand for diabetes care globally. See our actions on access to healthcare below.

PROGRESS IN 2015
HUMAN RIGHTS POLICY COMMITMENT
Novo Nordisk made progress on implementing the company’s position on human rights on p. 9 and embedding it at the operational-level, by including it in the relevant policies and procedures such as those for supply chain management. Furthermore, we made progress in conducting comprehensive human rights due diligence and enhancing access to remedy as elaborated below.

HUMAN RIGHTS DUE DILIGENCE
Novo Nordisk continued with its comprehensive company-wide due diligence process, which consists of two stages: corporate-level global functions, followed by local-level operations next year. We assessed Novo Nordisk’s potential and actual impacts on all human rights included in the International Bill of Human Rights and our due diligence at the corporate level covered all relevant functions and global processes. We used the views of affected people, including patients, and reached out to multiple independent human rights experts to ensure due diligence quality.

Given the nature of our business as a research-based global healthcare company, we recognise that we have a great number of potential human rights impacts. For the majority of these impacts we have robust management systems in place. We have initiated work streams in those areas where we can and should do more, and in 2015 we made significant progress. We have also begun to use the UN Guiding Principles Reporting Framework as a tool to drive continuous improvements in our human rights management.

The following are examples of our measures:

Right to health: Novo Nordisk has global procedures in place for collection, evaluation and reporting of side effects and continuous safety monitoring of our products in accordance with international and local legislation. For historical reasons there are big differences in reporting patterns from different countries. Areas like the US, Japan and EU have advanced national reporting systems in place while many developing countries have different local conditions, such as limited access to medication, an insufficient number of healthcare professionals and less well-functioning national reporting systems, resulting in lower adverse event reporting from these countries. Therefore we have taken concrete steps - beyond domestic and regional legal requirements - and started pilot initiatives to enhance reporting of adverse events from patients and healthcare professionals in areas with current low reporting.

Right to free informed consent in medical experimentation:
The informed consent is one of the cornerstones in performing clinical research under Good Clinical Practise. We have initiated a project to identify potential improvements in how the information is conveyed to patients that are interested in participating in clinical trials.

Right to privacy: To ensure proper handling and protection of personal data for all the people whose right to privacy we might potentially impact, we have introduced procedures, across our global organisation, incorporating the most stringent international standards, which we vigilantly implement through mandatory periodic training for all relevant employees, contractual controls with business partners, internal experts’ supportive guidance to employees and regular internal audit.

Right to safe and healthy working conditions: Novo Nordisk seeks to ensure a healthy and safe working environment for all employees regardless of where they work. We have a zero injury mind set and aim to have a continuously declining Lost Time Accident Frequency, which was 3.0 per million working hours in 2015, compared to 3.2 in 2014. To achieve these working conditions, we have implemented a common platform (OHS Management System) for the occupational health and safety work globally and implementing the OHS strategy, with focus on safety (including road safety), ergonomics and well-being (including mental well-being and reduction of stress symptoms). To track effectiveness of our measures, we conduct annual engagement employee questionnaire, annual well-being survey, annual OHS management reviews and audits. In 2015, one employee (sales representative) in India died in a traffic accident. See more under Labour Principles page 16.

ACCESS TO REMEDY
Providing access to effective remedy requires ongoing efforts and continuous learning. Further to our 2014 mapping and assessments of operational-level grievance mechanisms, Novo Nordisk made progress in developing or strengthening them in our various business contexts including inventor recognition, customer complaints and safety reporting. We also made further progress in improving the effectiveness of our corporate-level grievance mechanism - the Compliance Hotline - where concerns of violation of laws, our company procedures (eg within Business Ethics) or our values-based management system (the Novo Nordisk Way) can be reported and subsequently dealt with. We conducted a number of face-to-face trainings, workshops and onsite visits to various business units including affiliates in China, the US, India, Japan and Korea in 2015, in order to align investigation practices and to improve awareness among employees about the Compliance Hotline.

Read more about the Compliance Hotline
In addition to working with respect for human rights, Novo Nordisk is proactively engaged in supporting and promoting human rights in several ways:

**ACCESS TO HEALTHCARE**
Access to diabetes care is a global issue with 75.4% of diabetes cases occurring in low- and middle-income countries.

Novo Nordisk has a long-standing commitment to access to healthcare as a universal human right. This commitment is an integral part of the company’s Triple Bottom Line business principle and the Novo Nordisk Way. With type 2 diabetes reaching epidemic levels and growing most rapidly in South-East Asia and Africa, Novo Nordisk is scaling-up its efforts to change diabetes, particularly in low- and middle-income countries. We have set ourselves a long-term target to double the number of people with diabetes treated with our diabetes care products, reaching 40 million people by 2020.

**CHANGING DIABETES®**
Changing Diabetes® is Novo Nordisk’s response to the global diabetes challenge. The company’s key contribution is to discover and develop better biological medicines, but more is needed to help people defeat diabetes – to live a life with as few limitations as possible. Changing Diabetes® addresses the biggest unmet needs and focuses on three priorities: more people with diabetes must be diagnosed earlier, more people with diabetes must achieve optimal control, and diabetes must be on the agenda of those managing cities, where two out of three people with diabetes live today. Improving access to care is essential to changing diabetes. It is our aspiration to work with partners to break the diabetes Rule of Halves by overcoming barriers to access to care.

Novo Nordisk’s key contribution is to discover and develop products that serve the diverse needs of people with diabetes globally, and to make them accessible to patients across the world. We are committed to offering a product portfolio that includes low-priced insulin.

We aim to ensure that our partnerships are multi-sectorial and that our efforts are firmly rooted in existing healthcare systems, so that all programmes, which contribute to building local capacity, can be scaled up over time.

Our efforts across the world in recent years have shown that business integration is essential for making access to care sustainable and making it work at scale. It was with this focus that Novo Nordisk renewed its access to diabetes care strategy in 2013. The purpose of the renewed strategy is to contribute to breaking the Rule of Halves by overcoming barriers to access to care, in order to reach more people with quality treatments and enable more people with diabetes to live better lives.

As part of the strategy, Novo Nordisk has set a long-term target to double the number of people we reach with our diabetes medicines in a decade - from 20 million in 2010 to 40 million in 2020. This 40by20 long-term target will also contribute towards the World Health Organization’s (WHO’s) non-communicable diseases (NCDs) target of reducing premature mortality from chronic diseases by 25% by 2025.

In 2015, Novo Nordisk provided medical treatments to an estimated 26.8 million people with diabetes worldwide, compared with 24.4 million in 2014. This number is calculated using the WHO’s recommended daily doses for diabetes medicines.

In the run-up to 2020, our renewed strategy also entails a scaling-up of activities in three cross-cutting areas:

- Health for the next generation.
- Reaching the base of the pyramid.
- Building healthcare capacity.

The efforts within these three areas are complemented by Novo Nordisk’s donation to the World Diabetes Foundation (WDF) and the company’s differential pricing policy for Least Developed Countries – all of which are elements of Novo Nordisk’s strategy to improve global access to diabetes care.

Furthermore, Novo Nordisk is engaged at global and local levels to raise awareness about diabetes and other major NCDs through targeted advocacy work. We work with partners like the NCD Alliance, the Global Health Council and UN entities to advocate for increased global action towards the implementation of the WHO Global Action Plan for the Prevention and Control of NCDs.

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– not least as a priority under the new Sustainable Development Goals. Novo Nordisk and partners therefore use a range of advocacy opportunities, like events and roundtable discussions, to encourage policy makers, key opinion leaders and leading health and development organisations to take advantage of the post-2015 era to strengthen the focus on integrated care, also including NCDs - thereby paving the way for a healthier population, economic growth and sustainable development for all.

Read our position on access to diabetes care

World Diabetes Foundation
The WDF was founded by Novo Nordisk in 2002 with the objective of supporting sustainable projects at local level in developing countries. Through this commitment, Novo Nordisk is one of the largest contributors to the prevention of diabetes and improvement of diabetes care in the developing world. The WDF is set up as an independent foundation with its own management and Board of Directors. In 2014, Novo Nordisk made a third donation to the WDF of a maximum of 654 million Danish kroner to be dispersed between 2015 and 2024.

Read more on the WDF website

CHANGING DIABETES® IN CHILDREN
There are more than half a million children with type 1 diabetes in the world and 86,000 new cases are diagnosed every year. About half of these children live in resource-poor environments, often without the necessary diabetes treatment facilities. Children with type 1 diabetes have high mortality rates, with life expectancy of less than one year after diagnosis in some countries in sub-Saharan Africa. This is the result of lack of awareness and poor accessibility and affordability of diabetes care.

As a response, in 2009 Novo Nordisk established the Changing Diabetes® in Children programme – a five-year commitment to improve delivery of care to children with type 1 diabetes. In 2014 the programme was extended by an additional three years (2015–2017) to further strengthen the sustainability of the programme.

The Changing Diabetes® in Children programme is active in nine countries: Bangladesh, Cameroon, Democratic Republic of Congo, Ethiopia, Guinea, India, Kenya, Tanzania and Uganda.

Partnerships with other pharmaceutical companies are an integral part of the programme, for example Novo Nordisk and Roche jointly support this programme with insulin and blood glucose monitoring equipment free of charge to the children.

In 2015 achievements, in collaboration with the programme partners, include:

- 13,494 children actively enrolled in the programme, who have received insulin treatment free of cost.
- 108 clinics created to deliver care (since 2009).
- 1,187 healthcare professionals working in the clinics trained or retrained in special aspects of diabetes care for children (bringing the total of healthcare providers trained to 6,934).
- Patient education material was developed in English, French, Amharic and Swahili, and distributed to all programme countries. The materials are also being translated into Spanish.

Read more about Changing Diabetes® in Children

CHANGING DIABETES® IN PREGNANCY
One in seven births is affected by gestational diabetes (GDM). GDM is an underlying factor for maternal and new born morbidity and mortality, and can also have serious implications for the long-term health of both mother and child. About 50% of women with GDM develop type 2-diabetes within five years, and children born to a mother with GDM have a 4- and 8-fold increased risk of developing pre-diabetes and type 2-diabetes, respectively, later in life. In developing countries, women with GDM often go undiagnosed. The Changing Diabetes® in Pregnancy programme, established in 2009, aims to increase awareness of GDM among medical practitioners and pregnant women, and improve diagnosis and care.

In 2015 achievements, in collaboration with the programme partners, include:

- 415 million people with diabetes...
- of whom about 50% are diagnosed...
- of whom about 50% receive care...
- of whom about 50% achieve treatment targets...
- of whom about 6% live a life free from diabetes-related complications.

Read more on the WDF website

**THE ‘RULE OF HALVES’**

<table>
<thead>
<tr>
<th>Diabetes 100%</th>
<th>Diagnosed 50%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Receive care 25%</td>
<td>Achieve treatment targets 12.5%</td>
</tr>
<tr>
<td>Achieve desired outcomes ≈ 6%</td>
<td>Of whom about 6% live a life free from diabetes-related complications.</td>
</tr>
</tbody>
</table>

*Actual rates of diagnosis, treatment, targets and outcomes vary in different countries. **That is, recommended glucose levels.

A health-economic tool (GeDiForCE®) to inform policymakers.

A total of 179,600 people have been reached through

331 healthcare professionals were trained in GDM screening and management in 2015 (adding up to a total of 3,921 since programme start).

A total of 179,600 people have been reached through awareness campaigns to date.

A health-economic tool (GeDiForCE®) to inform policymakers on the cost-effectiveness of GDM screening and management was developed. Analyses have been conducted in India, Israel and China.

Support to the GDM initiative of the International Federation of Gynaecology and Obstetrics (FIGO), which in October 2015 resulted in the launch of the FIGO guidelines for GDM diagnosis, management and care in the International Journal of Gynaecology and Obstetrics (IJOG).

Activities/results to date include:

- Support of three partnership projects in Colombia, India and Nicaragua. A fourth GDM project is being set up in the State of Madhya Pradesh in India.
- 5,683 women screened for GDM adding up to a total of 33,383 since 2009.
- 1,190 women with GDM diagnosed, treated and educated, adding up to a total of 3,890 since 2009.
- 331 healthcare professionals were trained in GDM screening and management in 2015 (adding up to a total of 3,921 since programme start).
- A total of 179,600 people have been reached through awareness campaigns to date.
- A health-economic tool (GeDiForCE®) to inform policymakers on the cost-effectiveness of GDM screening and management was developed. Analyses have been conducted in India, Israel and China.
- Support to the GDM initiative of the International Federation of Gynaecology and Obstetrics (FIGO), which in October 2015 resulted in the launch of the FIGO guidelines for GDM diagnosis, management and care in the International Journal of Gynaecology and Obstetrics (IJOG).

Read more about Changing Diabetes® in Pregnancy

AFFORDABILITY OF INSULIN

Novo Nordisk works to improve affordability of treatment for people with diabetes, especially in low- and middle-income countries. In response to the call for concerted action at the UN High-level Meeting on Non-communicable Diseases in September 2011, Novo Nordisk further elaborated its commitment to enhance access to care by promising to always have low-cost insulin in its product portfolio.

Through the differential pricing policy for Least Developed Countries (as defined by the UN), Novo Nordisk sold insulin at an average price of USD 0.19 per patient per day in 2015, while the average realised price for insulin sold under the programme was USD 0.15, corresponding to USD 3.85 per vial.

Novo Nordisk also sold insulin at a similarly low price to many governments in middle-income countries through large public tenders. In 2015, we reached 5.5 million people with diabetes through these tenders. Our affordable pricing is one component of the wider partnership required to improve access to diabetes care. For more information on our differential pricing policy in 2015, see our Annual Report 2015 p 11-12 and 15.

THE BASE OF THE PYRAMID PROJECT

In 2011, Novo Nordisk initiated a Base of the Pyramid (BOP) project. The project is currently running in four countries: India, Nigeria, Ghana and Kenya. In each of the countries, we have applied innovative business models adapted to the local environment in order to increase access to care for the working poor. The aim is to develop sustainable solutions that create value for people with diabetes, their communities and Novo Nordisk.

Kenya

Since 2012, we have partnered with the Kenyan Ministry of Health and well-established faith-based organisations which manage approximately 1,000 health facilities in Kenya. The focus of the partnership is to ensure a stable and affordable supply of insulin and to build diabetes care capacity in urban as well as rural areas of the country.

At the time the project was initiated, the price of a vial of insulin could be as high as 1,800 Kenyan Shillings (approximately 18 USD) and often insulin was not available close to the patient due to the pharmacy being out of stock. Together with faith-based organisations we have succeeded in limiting price mark-ups, ultimately controlling the price that the patient has to pay at the pharmacy, and ensuring that insulin is more accessible in Kenya. Today, the price of a vial of insulin has been reduced to 500 Kenyan shillings (approximately 5 USD) and insulin is available in 184 facilities compared to only 53 in 2012. In 2015, the project covered 28 of Kenya’s 47 counties.

In collaboration with the faith-based organisations and the Kenya Defeat Diabetes Association, we have also helped establish diabetes patient support groups at the faith-based facilities. More than 1,100 healthcare professionals have also received training in diabetes care. In 2015, the project was scaled-up to also focus on building capacity in the public sector by establishing centres of excellence for diabetes care in connection with large public hospitals and two such centres were launched in Kenya in 2015.

Furthermore, a new awareness campaign on diabetes risk factors, the importance of early detection and proper treatment of the disease was rolled out in 2015. The aim is to reach approximately 1.5 million people with this campaign.

Ghana and Nigeria

Novo Nordisk has established Diabetes Support Centres in collaboration with local hospitals and local health authorities in Ghana and Nigeria. The Diabetes Support Centres serve as one-stop-shops for all diabetes care needs, to offer comprehensive care in one place. The centres include a pharmacy and laboratory and offer education and counselling around nutrition and healthy lifestyle. This means that people with diabetes no longer have to travel far or to multiple places to receive diabetes care.

India

Novo Nordisk works with public health workers – ASHA workers – to deliver diabetes care to people’s doorstep in rural and semi-rural areas in India. We provide training to ASHA workers in diabetes management and monitoring. The role of the ASHA workers is to support people in managing their diabetes and to give advice on healthy living. They encourage patients to visit clinics for regular check-ups and refer people at risk of diabetes to a primary care facility for screening.

Read more about the Base of the Pyramid project
NO EMPTY SHELVES: DIABETES SUPPLIES, THERE WHEN NEEDED

In 2014, Novo Nordisk initiated a partnership with the international health organisation PATH. The purpose of the collaboration is to document the irregularities and their causes in the supply of essential diabetes medicines in both public and private health facilities in low- and middle-income countries and to use this information to advocate for appropriate solutions. Evidence is gathered through a global landscape analysis and two country supply chain assessments conducted in Kenya and Senegal in 2015.

This partnership has been highlighted at an event hosted by the Global Health Council during UN General Assembly week in New York, on 28 September 2015. The global landscape report Diabetes Supplies: Are they there when needed? was launched at the event, which was attended by approximately 63 representatives of the NGO, corporate, and donor communities. PATH presented the project and the preliminary country assessment results at a symposium panel on access to diabetes medicines at the World Diabetes Congress on 2 December 2015.

To build on the momentum of the Global Goals (SDGs) adoption by the UNGA, a Call to Action for improving access, availability, and affordability of essential medicines and technologies for NCDs was launched on Universal Health Coverage Day, 12 December 2015. The Call to Action has over 100 signatories to date, including 30 institutional signatories such as The Lancet, NCD Alliance, PSI, MSH, AstraZeneca, Medtronic, Roche, World Heart Federation and the MoHs of Kenya and Senegal.

CHANGING HAEMOPHILIA®

Novo Nordisk brings the most advanced treatment to people with haemophilia through innovation and has a broad and innovative clinical pipeline and portfolio. Based on our 90-year development history, we have unique expertise in recombinant protein development and manufacturing. We are the driver of one of the broadest clinical development programmes in haemophilia and market a comprehensive portfolio of products. Furthermore, we have a promising pipeline aimed at improving haemophilia treatment, as we continue to explore treatment concepts beyond replacement therapy and expand treatment options based on novel bypassing agents even further. Novo Nordisk also has a unique patient-centric approach in haemophilia: Changing Haemophilia® is our response to addressing the unmet needs in haemophilia care.

Haemophilia is a rare and serious disease affecting approximately 1 out of 10,000 people around the world and many people with haemophilia are still undiagnosed or inadequately treated.7 Even when treated, people may suffer from chronic pain and limited mobility mainly due to bleeds in the joints. If undertreated or not treated at all, people with haemophilia are at risk of dying at a young age.

For three decades Novo Nordisk has been improving the lives of people with haemophilia by supporting improved diagnosis, treatment and care. But to truly change haemophilia, we need to do more than supply the right medicines. Together with our community partners, we work to advocate for and create better access to diagnosis and multidisciplinary care. We aim for better joint health and mobility including a strong focus on well-being for people living with haemophilia.

We work towards a future where everyone with haemophilia is diagnosed, and can live a life with as few limitations as possible.

Read more about Changing Haemophilia®


HAEMOPHILIA FOUNDATION STAKEHOLDER TESTIMONIALS 2015

OUR PARTNERS SAY THAT...

98%

NNHF is a trusted and committed partner in improving access to care for people living with haemophilia

98%

NNHF brings own and international expertise that makes a real difference and leads to lasting change, addressing local needs

96%

Collaboration with NNHF enhanced my ability to act as a leader and drive local change to the benefit of people with haemophilia

Novo Nordisk Haemophilia Foundation

In 2005, Novo Nordisk’s approach to fulfilling its commitment to social responsibility led to the establishment of a non-profit organisation - the Novo Nordisk Haemophilia Foundation (NNHF). Based in Zurich, Switzerland, the NNHF is dedicated to defining and funding sustainable programmes that improve access to quality care, benefiting people with haemophilia and allied bleeding disorders in the developing world, where 75% of the patient population lives. With local partners and renowned experts, NNHF addresses three focus areas: Capacity building; diagnosis and registry; and education and empowerment. Underpinning these focus areas are awareness creation activities and the development of strategic partnerships, which enable and facilitate local impact creation through empowered community advocates and authority engagement. The work of the NNHF is governed by the NNHF Council, in accordance with the guidelines and principles of the Swiss Foundation Code.

To date, the NNHF has provided grants and programme management support to 121 projects, 68 fellowships and 12 awards in 68 countries resulting in more than 24,000 healthcare professionals being trained, more than 18,500 patients diagnosed and more than 26,500 patients and family members being educated. The NNHF receives approximately 20 million Danish kroner per year from Novo Nordisk.

In 2015, the tenth anniversary year, NNHF and Novo Nordisk collectively carried out an analysis of the overall value created by NNHF to date. The analysis identified the local impact created through NNHF programmes, including key gaps in access to haemophilia care. It helped to further shape important focus areas and facilitate local action planning in the form of improved programmes offering, internal processes and overall more focus on strategic partnerships. The results of the value created to date are communicated in the NNHF annual report, in internal and external presentations, at the annual global ISTH Congress, NNHF core story and other online platforms.

Read more about the Novo Nordisk Haemophilia Foundation

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Read more about the Novo Nordisk Haemophilia Foundation
TRAINING IN CLINICAL RESEARCH ETHICS
Staff and investigators involved in conducting Novo Nordisk-sponsored clinical trials must always be appropriately qualified. Hence, they are all trained in compliance with Good Clinical Practices (GCP) requirements. Research activities will only take place in countries where the regulatory environment, infrastructure, medical standards, and Independent Ethics Committees (IEC) or Institutional Review Boards (IRB) in place are all adequate. Furthermore, Novo Nordisk only conducts trials in countries where we intend to market the products.

SHARED VALUE OF CLINICAL RESEARCH
To provide new insight into the shared value created for key stakeholders in connection with clinical research, Novo Nordisk conducted a Blueprint for Change study on clinical trials, which was published in 2015. The study puts numbers on how Clinical research leads to improvements in patient care, enhances hospital/clinic capabilities and helps to drive scientific progress. In addition, clinical research has a positive impact on the surrounding economy. Findings from the study are being used to engage in a conversation across multiple stakeholders and in different engagements throughout the R&D organisation, and plans are that senior management will present the study in an international conference, to improve the language around the additional value created with clinical trials.

In Russia we have analysed the shared value of our investments to ensure availability of high-quality insulin for the more than 467,000 people who depend on our products every day. In the beginning of 2015 we started local production of insulin at the first greenfield manufacturing facility for modern insulin in Russia. With our Russian partners we have improved screening rates, trained health care professionals, and conducted a fourth of all industry sponsored clinical trials the past three years. This has reduced the likelihood of diabetes related complications, and thereby reduced the associated costs burden for society, while positioning Novo Nordisk as a transparent and trusted partner with the government.

INCREASED RESOURCE ALLOCATION TO REDUCE REPLACE AND REFINE ANIMAL RESEARCH.
In 2015 Novo Nordisk established a new, centralised strategic department, 3R Management & Strategy, to drive innovation to replace, reduce or refine (3R) animal research. The department will contribute to internal awareness and education as well as ensuring continued integration of the 3R considerations into the company’s research and development decision-making processes. Specific focus will be given to identification of new initiatives to replace animal experimentation. Furthermore, the department will engage in dialogues and partnerships with Novo Nordisk’s key stakeholders.

Read more about Blueprint for change studies
Read more about animal ethics
LABOUR RIGHTS – PRINCIPLES 3-6
3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.
4. Businesses should uphold the elimination of all forms of forced and compulsory labour.
5. Businesses should uphold the effective abolition of child labour.
6. Businesses should eliminate discrimination in respect of employment and occupation.

MATERIALITY & SCOPE
Novo Nordisk strives to ensure that the freedom of association and the right to collective bargaining are upheld, that the company does not engage in forced and compulsory labour or child labour, and that the company works to ensure diversity and non-discrimination in respect of employment and occupation. Novo Nordisk’s Global Labour Guidelines, which cover these principles, were implemented in September 2014 to ensure our adherence to the UN Global Compact.

As set out in our position on human rights (see Human Rights section above), Novo Nordisk is committed to meeting its responsibility to respect human rights as defined by the UN Guiding Principles on Business and Human Rights. As such, we recognise our responsibility to respect labour rights and uphold the UN Global Compact Labour Principles not only for our employees but also for people whom we might potentially impact in our value chains, e.g. workers in our supply chain.

Materiality varies whether it is within Novo Nordisk workplace or somewhere within our supply chain. For example, as the pharmaceutical industry is highly specialised and regulated, child labour and forced labour are not perceived as a material problem within Novo Nordisk workplace. Data covering the entire global organisation showed that all employees in Novo Nordisk are above the age of 18 years. However, we recognise that as a large global company we might be linked to potential human rights impacts on child labour and forced labour through business relationships in our value chains.

In Novo Nordisk, we expect our suppliers to respect internationally recognised human rights including labour rights, as described in the UN Guiding Principles on Business and Human Rights and encourage them to work with all the Principles of the UN Global Compact. This obviously includes child labour. Pre-audits and supplier audits include requests for documentation of workers’ age, salary, working hours etc.

Non-discrimination and equal opportunities are the foundation for our approach to promoting diversity, which focuses on gender and nationality. These priorities are reflected in our diversity policy and the targets. We do, though, consider diversity to also include experience, competences and cultural background.

Freedom of association is regarded as one of the fundamental human rights in workplace. We strive to ensure that all employees’ working conditions are considered in the local governance structure and that employees have the opportunity to discuss working conditions with their local management team or can choose another channel to raise questions or address grievances.

COMMITMENTS AND MEMBERSHIPS
Novo Nordisk is committed to meeting its responsibility to respect human rights as defined in the United Nations Guiding Principles on Business and Human Rights. We are also committed to implementing the Children’s Rights and Business Principles, the Women’s Empowerment Principles and the principles of the UN Global Compact. As such we work with the International Bill of Human Rights (including the Universal Declaration of Human Rights) and other relevant international standards, e.g. the UN Convention on the Rights of the Child.

External stakeholders
- We are engaged in continuous mutual learning and demonstrate our commitment to respect for internationally recognised human rights including labour rights as a member of a number of organisations and initiatives. See Human Rights – Principles 1–2, p 8–9 for a full list.
- International Association for Volunteer Effort (IAVE) which works to promote, support and celebrate volunteering worldwide. See more on p 18.
- UN Global Compact Women’s Empowerment Principles – a set of Principles for business offering guidance on how to empower women in the workplace, marketplace and community.
- Global Corporate Volunteer Council (GCVC) – a leadership network for global companies sharing a commitment to engaging their employees as volunteers in their communities. See more on p 18.

RESPONSIBILITIES
Board of Directors
The Board of Directors is responsible for and determines Novo Nordisk’s overall diversity approach and follows up on its implementation, ensures adequate management and organisation, and supervises the company’s performance.

Social and Environmental Committee
Novo Nordisk’s Social and Environmental Committee works on behalf of the company’s Executive Management. It has overall responsibility for the sustainability agenda including Novo Nordisk’s strategy for global access to diabetes care, bioethics and environment, and it oversees the implementation of the UN Global Compact principles and related commitments.

Operations Committee
The Operations Committee is responsible for occupational health and safety issues.

Global People Board
The Global People Board is responsible for overseeing strategy, performance and compliance in relation to the People policy and the Occupational Health and Safety policy. The Board’s mandate furthermore includes responsibility for issues such as labour relations, human rights and equal opportunities.

Procurement Committee
Progress on the responsible sourcing programme is reported quarterly to the Responsible Sourcing Strategic Forum with representatives from senior management and annually to the Procurement Committee with representatives from Executive Management.

Read more about our boards and committees
RELEVANT NOVO NORDISK POLICIES

- Occupational health and safety policy
- Procurement policy
- Diversity policy – Equal Opportunities Guidelines
- People policy
- Novo Nordisk Way
- Business Ethics Policy
- Procedure for the Compliance Hotline

Read the full text of our policies

CHALLENGES & RISKS IN 2015

Novo Nordisk has robust management systems in place for human resources and occupational health and safety, covering headquarters, production sites, and research and development sites globally. The People Compliance Office focuses on HR legal compliance and deals with changing legislation and relevant requirements globally, including the UN Global Compact.

Following the implementation of our Global Labour Guidelines in 2014, we have set up an appropriate management systems in our affiliates in order to track and monitor the Guidelines as part of our continuous due diligence to address human rights in the workplace, including the four labour principles of the UN Global Compact.

As part of the Responsible Sourcing programme, challenges in relation to the responsible sourcing audit follow-up process were identified in 2014. In 2015 an initiative targeting these challenges was implemented, with Local Responsible Sourcing Experts (LRE) appointed in China, Russia and Brazil. The LRE’s responsibility is to be closely involved in the Responsible Sourcing audit process to support suppliers in developing relevant Corrective and Preventive Action Plans (CAPAs), with an aim to ensure fewer recurrent findings and thereby a higher level of programme compliance. A new strategy for 2016–2018 will ensure continued focus on this.

PROGRESS MADE IN 2015

GLOBAL LABOUR GUIDELINES IMPLEMENTED

Novo Nordisk’s people policy refers to the UN Global Compact. In order to document adherence to the UN Guiding Principles on Business and Human Rights, in line with the company’s commitment to the UN Global Compact, a labour condition assessment was conducted globally in Novo Nordisk in 2012. The conclusion was that we are in adherence; however, to ensure documentation and consistent practices it was decided to develop a set of Global Labour Guidelines which were implemented in 2014.

The guidelines address human rights and labour rights in workplace, including the four labour principles of the UN Global Compact, and encompass all employees in Novo Nordisk. An interpretation guideline was made to assist local management in Novo Nordisk affiliates in understanding the Global Labour Guidelines. The Novo Nordisk facilitation team provides assurance that the organisation is living up to the Novo Nordisk Way, including the Global Labour Guidelines. The facilitation team has been trained in how to safeguard the Global Labour Guidelines. Through facilitation it is possible to detect potential adverse impacts or other issues raised by employees during facilitations. Findings or patterns from facilitations will be tracked, reported and addressed. Communication to internal stakeholders on the Global Labour Guidelines themes will be an ongoing focus.

PEOPLE COMPLIANCE OFFICE

The People Compliance Office serves as a single point of entry for global human resources (HR) compliance-related matters and oversees the increased requirements within legal and business ethics compliance, which have implications for a range of HR processes in Novo Nordisk. The office has an active role in ensuring compliance with legislation, relevant requirements including the UN Guiding Principles on Business and Human Rights, the UN Global Compact and related labour conditions, which are all key elements of the Novo Nordisk people policy. The office ensures that a systematic approach is in place to address potential issues and mediate in case of an adverse event; the office will act as one point of contact ensuring appropriate actions are taken. Furthermore, it handles legal issues related to personal data protection and information security related to HR processes within Novo Nordisk. The office has implemented a user-friendly website where employees can find relevant and helpful information.

GRIEVANCE MECHANISM AND ANTI-RETALIATION

Novo Nordisk is committed to providing its employees with access to mechanisms for raising workplace-related grievances. An employee can raise concerns directly with their manager, HR or other local channels, or bring the matter to the ombudsman.

Furthermore, individuals can use the Compliance Hotline - where concerns of violation of laws, our company procedures or our values-based management system (the Novo Nordisk Way) can be reported in a secure and confidential way and subsequently dealt with. The Compliance Hotline procedure ensures that individuals, including employees who raise concerns are protected from retaliation.

The Novo Nordisk Facilitation team provides assurance that the organisation is living up to the Novo Nordisk Way. In addition, the facilitators highlight opportunities for improving the business, based on best practices from around the world. The team also helps address potential labour rights impacts, so that they can be dealt with in an appropriate and well-balanced manner.

Read more about the Compliance Hotline

FREEDOM OF ASSOCIATION

The Novo Nordisk anti-retaliation policy includes union affiliation/non-affiliation. We respect our employees’ right to associate freely, to join or refrain from joining labour unions and workers’ councils. If employees have chosen not to be represented by a union, management and employees may address workplace-related topics in a suitable forum.

Employee representatives have access to collective bargaining agreements and other relevant documentation needed to fulfil their duties. The company engages with elected employee representatives in good faith.

Read more about human rights

UNITED NATIONS GLOBAL COMPACT COMMUNICATION ON PROGRESS 2015 17
HEALTH AND SAFETY STRATEGY FOR 2020

The global Novo Nordisk health and safety strategy was approved in 2014. The strategy outlines the following:

- Novo Nordisk is committed to continuously improving the working environment.
- Novo Nordisk’s 2020 ambitions are in place for the three strategic focus areas: safety, ergonomics and well-being.
- Novo Nordisk embraces a zero-injury mind-set and will not accept people being injured as a result of our working conditions.
- Novo Nordisk is committed to a sustainable health and safety strategy and falling trends in injury frequency rate with absence towards 2020.
- Good workplace ergonomics is a key element in ensuring long-term health for employees.
- Novo Nordisk is committed to reducing work-related muscular/skeletal pain experienced by employees.
- Novo Nordisk wants to take on broader responsibility for our people’s well-being and thereby develop a systematic approach to supporting sustainable business performance and the healthy growth of the company.
- Novo Nordisk strives to enable people to live longer, healthier and more productive lives.
- Novo Nordisk is committed to improving mental well-being and reducing the level of stress symptoms among our employees.

ONE GLOBAL HEALTH AND SAFETY MANAGEMENT SYSTEM

An Occupational Health and Safety (OHS) management system has been implemented to create a common global platform, which ensures appropriate processes for health and safety governance and also specifies minimum requirements. See more under the Human Rights principles, p 10.

PROMOTING THE HEALTH OF EMPLOYEES

Through our global employee health programme, NovoHealth, Novo Nordisk promotes and supports healthy living for all employees as a means of preventing type 2 diabetes and other lifestyle-driven diseases. This is part of our commitment to prevent type 2 diabetes within the company. NovoHealth is based on four global standards – a smoke-free working environment and support to stop smoking, access to healthy food and beverages in the workplace, support in being physically active and the opportunity for regular health checks.

Type 2 diabetes is largely preventable and a healthy lifestyle is the best way to fight the diabetes epidemic. About nine cases in 10 could be avoided by making a lifestyle changes. We see that employees who regularly participate in health checks also make healthy lifestyle changes, which reduces the number of risk factors for developing diabetes, resulting in a decreased risk of developing diabetes.
DIVERSITY AS A KEY BUSINESS FOCUS

Diversity became a key business focus at the beginning of the 2015, when Executive Management agreed the following rationale for increasing diversity in Novo Nordisk:

- Broaden our access to talent.
- Secure diversity of perspectives.
- Foster a global mind set.
- Offer equal opportunities.

Within this framework, all senior management teams discussed their specific diversity challenges, based on standardised data material, and agreed on key initiatives to meet their local challenges.

Organisational audit

The organisational audit (OA) is an intensive annual process that analyses and evaluates key business needs and challenges, and identifies relevant actions for the upcoming year. In line with these challenges, organisational capabilities are assessed with specific focus on identifying successors to all key global positions in the company and top talents in the global organisation. Each business area prepares an organisational audit report, and the most important business challenges are discussed and finalised by Executive Management. The final report is approved by the Board of Directors.

Since 2010, diversity has been part of the organisational audit as a critical theme that all business areas should address. In the 2015 OA process, the diversity focus was increased further, through the requirement for all business units to analyse their key diversity challenges and specify the actions that would be implemented to meet these challenges. This approach aims to make each business unit responsible for progress in their specific diversity challenges and for the success of the local actions.

The corporate diversity focus for 2016, arising out of the OA process, will be on further reducing implicit bias in performance reviews, talent and succession discussions, and recruitment processes.

Corporate Balanced Scorecard

In 2011, Novo Nordisk incorporated diversity into the corporate Balanced Scorecard, so requiring all business areas to set locally-anchored outcome targets for diversity. Based on the actions identified in the 2015 OA process, each business unit has formulated their own diversity targets for 2016. This ensures that relevant targets are defined locally as culture, business needs and challenges vary across the organisation.

Furthermore, specific diversity targets are defined in the corporate Balanced Scorecard for each senior vice president area throughout the global organisation to explore and address their local diversity challenges.

For information about diversity in the Board of Directors, see our Annual Report 2015 p 47.

For our diversity performance in 2015, see our Annual Report 2015 p 100.

SPECTRA

Novo Nordisk runs a three-day corporate leadership development programme for women called SPECTRA, which encourages participants to clarify their own career ambitions, increase their impact and influence, and develop career strategies. The programme also creates opportunities for participants to gain inspiration from senior female role models and extend their global network.

WINN

Women in Novo Nordisk (WINN) is a network that provides women with opportunities to discuss advancement and development of their careers and gain inspiration from internal and external speakers.

### PROGRESS IN GENDER DIVERSITY IN MANAGEMENT

<table>
<thead>
<tr>
<th>Managers/Team Leaders</th>
<th>Corporate Vice Presidents/General managers</th>
<th>Executive Vice Presidents/Senior Vice Presidents</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>2010</strong></td>
<td><strong>2010</strong></td>
<td><strong>2010</strong></td>
<td><strong>2010</strong></td>
</tr>
<tr>
<td>Men: 39%</td>
<td>Women: 61%</td>
<td>26%</td>
<td>37.5%</td>
</tr>
<tr>
<td>Men: 74%</td>
<td>Men: 26%</td>
<td>11%</td>
<td>37.5%</td>
</tr>
<tr>
<td>61%</td>
<td>74%</td>
<td>89%</td>
<td>62.5%</td>
</tr>
<tr>
<td><strong>2015</strong></td>
<td><strong>2015</strong></td>
<td><strong>2015</strong></td>
<td><strong>2015</strong></td>
</tr>
<tr>
<td>Men: 42%</td>
<td>Women: 58%</td>
<td>30%</td>
<td>41%</td>
</tr>
<tr>
<td>Men: 58%</td>
<td>Men: 30%</td>
<td>14%</td>
<td>59%</td>
</tr>
<tr>
<td>58%</td>
<td>57%</td>
<td>86%</td>
<td>62.5%</td>
</tr>
</tbody>
</table>

#### INTERNAL PROMOTIONS

**1,827**

<table>
<thead>
<tr>
<th><strong>2015</strong></th>
<th><strong>2015</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Women: 51%</td>
<td>Men: 49%</td>
</tr>
</tbody>
</table>

#### OVERALL RETENTION RATE

**90.8%**

#### ENGAGEMENT SCORE

**4.3**

* Employees moving to a job at a higher level within a 12-month period excl NNIT A/S. ** Retention of employees excl NNIT A/S. *** Working the Novo Nordisk Way (scale 1–5)
The Responsible Sourcing (RS) strategy at Novo Nordisk was reviewed and updated in 2015. The updated strategy aims to drive responsible sourcing practices, to build resilient supply chains and to support business growth by ensuring compliance through cost-effective processes, increasing impact with key high risk suppliers and increasing leverage through collaboration. This strategic review was conducted to ensure the ongoing development of the program and included an assessment of external trends and benchmarks as well as consultation with internal and external stakeholders.

In conjunction with the strategy review, the RS standards for business partners were also updated to align with the Pharmaceutical Supply Chain Initiative Principles. This alignment aims at ensuring a unified set of supplier RS requirements across the pharma industry, increased leverage with suppliers and ease of implementation. The standards now reflect new external requirements, including adherence to the UN Guiding Principles on Human Rights and Business, focus on management systems (e.g., due diligence) and reference internationally recognised human rights and disclosure requirements for conflict minerals and forced labour.

### NUMBER OF MAJOR FINDINGS IN RESPONSIBLE SOURCING AUDITS 2013–2015

<table>
<thead>
<tr>
<th>Year</th>
<th>Labour practices</th>
<th>OHS*</th>
<th>Environment</th>
<th>Other**</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>45%</td>
<td>4%</td>
<td>35%</td>
<td>15%</td>
</tr>
<tr>
<td>2014</td>
<td>45%</td>
<td>9%</td>
<td>35%</td>
<td>15%</td>
</tr>
<tr>
<td>2015</td>
<td>32%</td>
<td>10%</td>
<td>35%</td>
<td>16%</td>
</tr>
</tbody>
</table>

* Occupational health and safety
** Including business integrity and sub-suppliers

Focus on suppliers who provide services to Novo Nordisk (service providers) was expanded in 2015 to include on-site service providers at Novo Nordisk in Kaluga, Russia. This now ensures RS audits are conducted in conjunction with internal environmental, health and safety audits. This joint audit approach aims to reduce disruption for suppliers and improve transparency and efficiency for Novo Nordisk. For manufacturing suppliers, a partnership focus has also continued and improvements have now been seen. An example of this is with one supplier with whom Novo Nordisk has worked to improve since an RS audit in 2013. Improvements demonstrated inclusion of better processes, systems and conditions for workers as well as a reduction in excessive working hours.

The development of the corporate approach to implement responsible supply chain management through our supply chains, based on an interpretation of the UN Guiding Principles on Business and Human Rights, has also been a focus in 2015. Novo Nordisk has in 2015 developed, with one of our partners, a scalable robust tool for assessing risk beyond our first tier suppliers (those suppliers we contract with directly) to enable engagement with relevant Novo Nordisk suppliers to address risks further down the supply chain.

As a result of the continuous development of the RS programme as well as supplier engagement activities namely in Bangladesh, Russia and China, the Novo Nordisk RS programme secured a score of 93 out of 100 in the Dow Jones Sustainability Index in 2015.

**Read more about responsible sourcing**

Novo Nordisk’s risk-based approach to responsible supply chain management continues and builds on a common set of principles with risk models tailored to fit specific sourcing areas. Once high risk suppliers are identified, risk is managed through action plans and includes; ensuring contract coverage (inclusion of responsible sourcing clauses in supplier contracts), a key performance indicator (KPI) for the programme with a 90% target, supplier self-assessment questionnaires, responsible sourcing audits (closure of actions resulting from audits is also a KPI with an 80% target), and relevant other supplier engagement activities. Performance on both KPIs and all other relevant activities is reported annually at the executive management level via the Novo Nordisk Procurement Committee.

High risk suppliers’ performance is primarily evaluated via responsible sourcing audits. In 2015, 28 responsible sourcing audits were conducted with all suppliers engaged where major findings were identified. Additionally, for all routine Quality audits, an RS check is in place to ensure any RS issues found are flagged. All checks where issues are raised are followed up and resulting actions implemented. In 2015, 152 RS checks were completed.

Local Responsible Sourcing Experts (LRE) have been appointed at Novo Nordisk production sites in Russia, China and Brazil, which are key production markets for Novo Nordisk. The role of the LRE is to support suppliers’ root cause analysis of their RS challenges which lead to poor performance at audit, and to support the development and implementation of their corrective action plans.
MATERIALITY & SCOPE

In Novo Nordisk our business philosophy is one of balancing financial, social and environmental performance - we call it the Triple Bottom Line. This principle is further expressed in the Novo Nordisk Way, Essential 3: We are accountable for our financial, environmental and social performance. Staying at the forefront of the industry to deliver on this commitment will become increasingly challenging as good practice evolves and as our environmental footprint will grow significantly in the future as our business grows.

Novo Nordisk has a long tradition of effective environmental management. In terms of materiality, Novo Nordisk considers our use of resources, including raw materials, water and energy and our impact on climate change the most substantial issues to address.

However, in the past few years our own research has shown that the indirect emissions impact from our supply chain, and a number of other business-related activities, is many times higher than the direct impact from our production. This trend is also documented in our Environmental Profit and Loss Account (EP&L), a joint pilot project with the Danish Ministry of Environment, published in a report in 2014.

Read more about our environmental profit and loss account

Novo Nordisk’s contained use of approved genetically modified organisms (GMOs) for research and production is based on approximately 25 years of risk assessments and safety records. No damage to human health or the environment has ever been recorded. Field surveys have not shown living GMOs in the surrounding soil. Nevertheless, we continuously aim to eliminate and reduce uncertainties, and develop additional precautionary approaches.

Novo Nordisk keeps improving its manufacturing processes for the benefit of our business and because we understand that efficient processes are what limit the use of resources and keep emissions low.

COMMITMENTS & MEMBERSHIPS

Novo Nordisk subscribes to the International Chamber of Commerce’s Business Charter for Sustainable Development.

Organisations that we support or are a member of include:

- United Nations: Caring for Climate initiative – an initiative which aims to advance the role of business in addressing climate change.

- RE100 initiative – a collaborative initiative of influential businesses committed to 100% renewable electricity, working to massively increase corporate demand for renewable energy. RE100 is led by The Climate Group in partnership with CDP (formerly known as Carbon Disclosure Project), as part of the We Mean Business coalition.

PRINCIPLES 7–9

7. Businesses should support a precautionary approach to environmental challenges.
8. Businesses should undertake initiatives to promote greater environmental responsibility.
9. Businesses should encourage the development and diffusion of environmentally friendly technologies.

RESPONSIBILITIES

SOCIAL AND ENVIRONMENTAL COMMITTEE

Novo Nordisk’s Social and Environmental Committee has overall responsibility for setting direction for the strategic and proactive management of our sustainability agenda. This includes implementation of strategies in support of the company’s long-term strategy for sustainable growth and in accordance with voluntary commitments. The committee is the company’s highest authority with regard to environmental, bioethical and global health issues. The chairman of the committee is a member of Executive Management.

R&D BIOETHICS COUNCIL

Novo Nordisk’s R&D Bioethics Council (RDBC) is our research and development coordinating governance body driving our bioethical performance – in accordance with the Novo Nordisk Bioethics policy. RDBC is responsible for the bioethics strategy and handling of risks and emerging issues. RDBC is appointed by and reports to R&D Management. RDBC governs initiatives related to bioethical issues in research and development.

Read more about our boards and committees

RELEVANT NOVO NORDISK POLICIES

- Bioethics policy
- Environment policy
- Procurement policy [link to be updated]

Read our policies
CHALLENGES AND RISKS IN 2015

LONG-TERM ENVIRONMENTAL TARGETS
Novo Nordisk’s environmental policy covers the entire value chain from molecule to patient. In addition to ensuring compliance and robust management practices at production sites in accordance with ISO 14001, efforts include even more efficient manufacturing processes, a focus on smarter use of resources and materials in the discovery and development of new products, and innovation projects in partnership with suppliers, healthcare providers and local communities.

The current target for energy and water use and CO2 emissions is that the increase of these may not exceed 50% of the sales growth measured in local currencies. The business grew by 8% in local currencies from 2014 to 2015 while energy and water use increased by 9 and 6% respectively and CO2 emissions decreased by 11%.

Continued decoupling of water and energy use related to sales growth is a challenge, given the substantial growth of the business and with new production areas giving rise to relatively higher use of energy and water. In terms of carbon emissions, however, the company is able to decouple CO2 emissions from growth in sales by increasing our use of renewable energy. Setting company-wide targets on energy, water and waste - even targets related to the products - remains a challenge for a company like Novo Nordisk, with substantial growth and a large diverse portfolio of products. While existing facilities and normal operations continue to become even more efficient, with higher yields and volumes and less relative use of water and energy, new production facilities and expansions result in relatively steep annual increases.

PROGRESS MADE IN 2015

LONG-TERM ENVIRONMENTAL TARGETS
In 2014 Novo Nordisk met its long-term target of reducing CO2 emissions by 10% in absolute measures from a 2004 baseline of 217,000 tons to be less than 195,000 tons. Since 2004 Novo Nordisk has reduced CO2 emissions from energy consumption by 100,000 tons, equal to 51%, while in the same period the company has grown close to three-fold (272%) measured in sales in DKK. The key drivers have been process optimisations, conversion to renewable energy and more than 700 energy-saving projects.

The CO2 emissions related to consumption of energy at our production facilities decreased by 11%, despite increased energy use, as a result of increased share of renewable energy. The production plant in Tianjin, China, has started sourcing wind power from a windfarm in Inner Mongolia, and the Danish production facilities are now sourcing biogas. This is biogas produced from liquid manure, food waste and organic waste from the industry. The biogas is upgraded to meet the quality requirements of natural gas and feeds into the natural gas distribution system.

In 2015, Novo Nordisk submitted information to the 13th CDP report and reported on Scope 1, 2 and 3. The 2015 disclosure score for Novo Nordisk was 100 (out of max 100) points, which is a three point improvement compared to 2014, while the performance score remained at B (the highest being A, the lowest E). Novo Nordisk remained in the Nordic Climate Performance Leadership Index.

NEW LONG-TERM TARGET ON CO2 AND RENEWABLE ENERGY
Novo Nordisk has set a new long-term target for energy: In 2020 all electricity used at our production sites worldwide, existing and new, will be powered by renewable energy. This fits well with the new business focus and our climate ambition programme. Novo Nordisk has joined the RE100 initiative led by The Climate Group in partnership with CDP, as part of the We Mean Business coalition. This is a collaborative initiative of influential businesses committed to 100% renewable electricity, working to massively increase corporate demand for renewable energy. To find out how we performed against our long-term environmental targets, see our Annual Report 2015 p 13 and 102–104.

Read more about our environmental commitment.
CLIMATE ACTION

While historically the main focus of Novo Nordisk’s climate action programme has been to continue to reduce emissions from production (scope 1 and 2), we are now extending the scope of our climate programme to encompass indirect emissions from relevant business activities (scope 3). Our first aim in this regard is to reduce emissions from our supply chain, company cars, product distribution and business travel.

CO₂ emissions from transport (product distribution) decreased significantly by 25% compared with 2014. This is mainly due to an increase in the volume of products being distributed via sea from 72% in 2014 to 83% in 2015. In 2015, CO₂ emissions from sea freight accounted for 16%, transport via trucks accounted for 5% and air transport accounted for 79% of total emissions. Distributing as many products as possible by sea is a priority for Novo Nordisk, as it reduces both CO₂ emissions and costs.

Based on reports from all affiliate and headquarter travel agencies, we estimate that business flights resulted in 74,000 tons of CO₂ emissions, which is 9% higher than in 2014 following a growing workforce. With a new CO₂ tracking system in place, going forward Novo Nordisk will be able to track emissions from business flights more accurately.

Estimated CO₂ emissions from leased company cars decreased by 7% from 72,000 tons to 67,000 tons in 2015. This estimation is based on information from affiliates following reporting guidance from HQ.

ENERGY CONSUMPTION AND CO₂ EMISSIONS AT PRODUCTION FACILITIES

In 2015, 2,778,000 GJ energy was consumed at Novo Nordisk production sites around the world. Energy consumption increased by 9% as a result of increased production and new production facilities becoming operational. Focus on optimisations in the production processes and improving energy efficiency has limited energy consumption. In 2015, the main energy consumed was power, steam, natural gas and heat, while only 0.35% of the energy use was oil which was used as back up. The share of renewable energy increased from 37% to 41%.

WATER CONSUMPTION AT PRODUCTION FACILITIES

The production and purification of insulin is water demanding, as a very high level water quality is needed to secure the quality of our products, and this requires a number of water treatment steps.

75% of the water Novo Nordisk uses globally is used in Denmark. Increased water consumption is a direct consequence of increased production and more products in our portfolio and increased R&D activities. A large number of water-saving initiatives over the years at all our production facilities have limited the increase in water consumption. In 2015 optimisations of the water purification at one of the filling plants led to a decrease of 27%.

In 2015, 3,131,000 m³ water were consumed at Novo Nordisk production sites. Water consumption increased by 6% compared with 2014, following increased production in all business areas.

In total, 14% of the water used by Novo Nordisk globally is used at production sites located in water scarce regions in Brazil and China. These sites have particular focus on good water stewardship and closely monitor water risks. From 2008, Novo Nordisk has mapped the production sites according to water risks, using, for example, water risk atlas tools such as Aqueduct by the World Resource Institute. We also consult with insurance companies for their view on the threat to safe water supply for our production facilities. The insulin plant in Denmark is, as we reported in 2014, no longer categorised as located in a water scarcity zone, a fact confirmed to Novo Nordisk by experts in the field.

ORGANIC RESIDUES

Organic residues from Novo Nordisk insulin production are mainly fermentation slurry and ethanol. These are recycled in biogas plants and generate biogas. The biomass from the biogas plants is then used at local farmland as fertiliser. Novo Nordisk’s working with partners to establish a biogas plant near our insulin plant in Denmark. This biogas plant will use our fermentation slurry to generate biogas which in turn will replace natural gas for our production.

WASTE

In 2015, Novo Nordisk generated 34,715 tons of waste from production, which is an increase of 13% compared with 2014. Almost all this is increase of non-recyclable ethanol. This increase is due to increased production activities in diabetes and obesity care. The ethanol is disposed of in special incineration plants with energy recovery. Reduction of ethanol waste is a high priority for Novo Nordisk and efficient regeneration plants allow re-use of ethanol many times.

The non-hazardous waste decreased by 6% mainly because urea\(^9\), earlier categorised as waste, is now categorised as fertiliser.

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9. See explanation of scope, p 22
10. Urea is a nitrogenous organic compound used in our production of biopharmaceuticals. It is an important fertiliser as a source of nitrogen.
MATERIALITY AND SCOPE
Doing business globally entails many challenges, particularly when working in diverse cultures where concepts of appropriate business conduct can vary widely. Making the right choices becomes more complex – and more important – with the pressures of a competitive business environment.

Ethical business conduct is about values and integrity, compliance and risk mitigation. Taking a proactive approach also presents opportunities such as enhanced trust in the company and improved relationships with key stakeholders.

Institutionalising ethical conduct requires more than codes and standards; it requires the fostering of a strong, values-based corporate culture. The Novo Nordisk Way and Essential 10 outlines expectations for employee behaviour by stating that ‘we never compromise on quality and business ethics’, which is also supported by our business ethics policy, as well as detailed procedures for how we operate.

The broad scope of business ethics in Novo Nordisk covers anti-corruption, fraud, bribery, off-label promotion, and transparency regarding payments to healthcare professionals (HCPs) that apply to all employees, including the Board of Directors. More specifically, Novo Nordisk has separate global policies on interactions with HCPs (covering hospitality at events) and third party representatives. Novo Nordisk’s approach to business ethics consists of these elements:

- Setting direction
- Training the organisation annually
- Implementing the standards in daily business decisions
- Monitoring and various follow-up activities, including audits and investigations of cases of potential misconduct.

COMMITMENTS AND MEMBERSHIPS
Novo Nordisk supports the 10th UN Global Compact principle on anti-corruption and we are committed to anti-corruption and maintaining high business ethics standards.

In relation to business ethics, we constantly learn and seek knowledge from different stakeholders, such as:

- Transparency International – which tracks practices country-by-country through its Corruption Perception Index.
- World Economic Forum (WEF) – Partnering against Corruption Initiative.
- International and national industry associations such as European Federation of Pharmaceuticals Industries and Associations (EFPIA) and Pharmaceutical Research and Manufacturers of America (PhRMA), where we follow and influence discussions on the research, development and manufacturing of medicinal products for human use in Europe and the US.

ANTICORRUPTION – PRINCIPLE 10
10. Businesses should work against all forms of corruption, including extortion and bribery.

RESPONSIBILITIES

AUDIT COMMITTEE
Novo Nordisk’s Audit Committee oversees our global business ethics strategy.

EXECUTIVE MANAGEMENT
Executive management oversees the global business ethics strategy together with the Audit Committee.

BUSINESS ETHICS BOARD
Novo Nordisk’s Business Ethics Board is responsible for the development and implementation of our global business ethics strategy to ensure governance and alignment across the organisation. Furthermore, the board sets the direction for business ethics and ensures ongoing development of the global compliance programmes on a global and regional level and monitors business ethics risks.

RELEVANT NOVO NORDISK POLICIES
- Business ethics policy
- Procurement policy
- Risk management policy

CHALLENGES AND RISKS IN 2015
As the company is growing rapidly in terms of its number of employees, it is important that new employees are guided by a strong set of values that clearly state the behaviour expected of a Novo Nordisk employee. Emphasising the business ethics element in the Novo Nordisk Way and in the on-boarding programmes are ways of dealing with this challenge. Novo Nordisk applies a global approach to the implementation of our standards, but regional and local management is expected to be actively involved in ensuring increased visibility and effective communication.

An increasing part of Novo Nordisk’s growth will come from emerging markets that are traditionally rated low in terms of transparency, for example on the Corruption Perception Index. Our global compliance organisation is responding by continuously increasing the number of regional and local employees dedicated to compliance and implementing specific measures addressing the issues arising in high-risk markets.

The complex external regulations combined with an increase in the global enforcement of the anti-corruption rules require Novo Nordisk to continuously improve its process for risk identification and mitigation, and ensure that global and local requirements are met at all times.
PROGRESS MADE IN 2015

THIRD-PARTY DUE DILIGENCE AND TRAINING

Novo Nordisk has a well-established process to identify and manage our relationship with high-risk third parties, in particular those that interact with public officials and healthcare professionals on our behalf. We perform detailed due diligence on our high-risk third parties and require compliance with our business ethics principles. In 2015 we updated the business ethics clauses included in all contracts with high-risk third parties and require annual certification of compliance with our business ethics principles. Furthermore, our due diligence process is under constant revision to strengthen third party compliance in both the short and long term, and we are progressing implementation of a more risk-based global due diligence system. Novo Nordisk is continuing its efforts on developing its risk assessment of third parties and ensuring that high-risk third parties also receive face-to-face training in our business ethics procedures.

BUSINESS ETHICS TRAINING

Novo Nordisk’s Business Ethics Compliance Office supports the development and implementation of effective education and training programmes related to compliance. Training activities for employees are split between corporate certification of procedures for all employees in scope, e-learning courses targeting a broad audience, and tailored face-to-face training focusing on in-depth and interactive dialogue with key employee groups. In 2015, a new e-learning course focusing on the manager’s role and responsibilities within business ethics compliance was launched for all new managers. Furthermore, a business ethics internal control framework is being implemented in 2015 for key affiliates to establish an overview of the main business ethics risks and processes.

BUSINESS ETHICS: EDUCATION AND COMPLIANCE TRAINING IN NOVO NORDISK

TRAINING ACTIVITIES

CORPORATE PROCEDURES

Annual completion of corporate business ethics procedures and tests

E-LEARNING FOR NEW MANAGERS

All new managers in Novo Nordisk must take a business ethics e-learning course

FACE-TO-FACE TRAINING

Business ethics training conducted in all regions

COMMUNICATION AND ADVICE

An annual off-site meeting was instituted in 2015 to communicate with the expanding global compliance organisation on the global business ethics compliance programme. Other initiatives include quarterly business ethics webinars. To ensure continued support for relevant and consistent business ethics communication, in 2015 the business ethics toolbox was updated with a new video message from the global compliance officer, in addition to advice, dilemma cases, monitoring tools and guidance for use by management and compliance professionals in all regions. The toolbox is promoted to all managers and is being widely used across the organisation. Innovative examples of local communication are shared as inspiration for local and regional communication on business ethics to all employees.

TRANSPARENCY

Novo Nordisk reports in accordance with the disclosure requirements under the US Sunshine Payments Act, the French Loi Bertrand Act and the EFPIA Disclosure Code, in which pharmaceutical companies are required to report on value transfers to healthcare professionals and healthcare organisations. Novo Nordisk has established a system to achieve compliance with all federal, state, local and regional transparency requirements worldwide, while maintaining or improving operational consistency and efficiency.

Read about our performance in 2015 in relation to business ethics training in our Annual Report 2015, p 98.

PUBLIC AFFAIRS TRANSPARENCY

Novo Nordisk takes a stakeholder approach to engaging in health policy discussions about quality diabetes care. We enter into dialogue with regulatory bodies, payers, policymakers and the diabetes community, focusing on the tremendous unmet need for better prevention, early detection and better quality treatment in diabetes care. Citizens have a right to expect political processes to be transparent and to take place in compliance with the law and with due respect to ethical principles, avoiding undue pressure or illegitimate or privileged access to information or decision-makers.

The European Commission and European Parliament have established a transparency register that encourages any external organisation working to influence EU institutions to sign up to a voluntary code of conduct and a register of interest representatives. Novo Nordisk’s advocacy expenditure reporting is available via the EU register.

In relation to Novo Nordisk’s lobbying efforts in the US, lobby expenditures for 2015 are available via this register. The aggregated expenditure includes in-house lobbying staff (time and expenses), fees for external lobbying firms, membership fees to industry organisations associated with carrying out lobbying activities, and a proportion of office overhead expenses such as rent, telephone, mail and office supplies.
POLITICAL ACTION COMMITTEE IN THE US
The voluntary Novo Nordisk Political Action Committee (PAC) now has more than 850 members from the company’s US affiliate, Novo Nordisk Inc. Created in 2006, the PAC solicits funds only from those employees who are US citizens and have executive or managerial responsibilities. The funds raised are used to make contributions to candidates for federal office as approved by an employee-run board representing all parts of Novo Nordisk. The amounts that may be contributed to and by a PAC are limited, and steps are taken to ensure that employee contributions are strictly voluntary and made without coercion. In 2015, the Novo Nordisk Inc. PAC contributed 124,882 US dollars to 70 Congressional candidates from the two major US political parties in both the Senate and the House of Representatives.

GLOBAL COMPLIANCE PROGRAMME
Novo Nordisk’s global compliance programme is structured according to the seven elements for an effective business ethics compliance programme, as set out by the US Office of the Inspector General of the Department of Health & Human Services:

- Implementing written business ethics policies and procedures
- Designating a compliance officer and compliance committees
- Conducting effective training and education
- Developing effective lines of communication
- Conducting internal monitoring and audits
- Enforcing standards through well-publicised disciplinary guidelines
- Responding promptly to detected problems and undertaking corrective action.

THE COMPLIANCE HOTLINE
Concerns over business ethics compliance are reported through Novo Nordisk’s Compliance Hotline, our whistle-blower function. Independent and objective investigations are carried out for all cases, including those reported and identified internally. This approach is designed to give employees security, full anonymity and confidence in reporting concerns. The different ways to ask for help or raise concerns are communicated to all new employees, and all employees are reminded in the annual training that non-compliance with our business ethics principles will result in disciplinary sanctions ranging from counselling/retraining to warning or, in severe cases, dismissal in accordance with our internal guidelines.

Read more about the Compliance Hotline
PART 2: BLUEPRINT FOR CORPORATE SUSTAINABILITY – LEADERSHIP IN A NOVO NORDISK CONTEXT

As a UNGC LEAD member, we support the ‘Blueprint for Corporate Sustainability Leadership’ model and have chosen to organise our account of activities in support of the Global Compact and broader UN goals around this model. We find that it is well aligned with how we operationalise the Triple Bottom Line in our business.

In the absence of established reporting standards, we simply respond directly to each of the 49 action points in a table format.

CEOs Commitment and Leadership
Board Adoption and Oversight
Stakeholder Engagement
Transparency and Disclosure

IMPLEMENTING THE TEN PRINCIPLES INTO STRATEGIES AND OPERATIONS
1. Full Coverage and Integration Across Principles
2. Robust Management Policies and Procedures
3. Mainstreaming into Corporate Functions and Business Units
4. Value Chain Implementation

TAKING ACTION IN SUPPORT OF BROADER UN GOALS AND ISSUES
1. Core Business Contributions to UN Goals and Issues
2. Strategic Social Investments and Philanthropy
3. Advocacy and Public Policy Engagement
4. Partnerships and Collective Action

ENGAGING WITH THE UN GLOBAL COMPACT
1. Local Networks and Subsidiary Engagement
2. Global and Local Working Groups
3. Issue-Based and Sector Initiatives
4. Promotion and Support of the UN Global Compact

IMPLEMENTING THE TEN PRINCIPLES INTO STRATEGIES AND OPERATIONS

FULL COVERAGE AND INTEGRATION ACROSS PRINCIPLE

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<tr>
<td>1. Implement all the ten UN Global Compact principles into strategies and operations.</td>
<td>All 10 principles are inherent in the Novo Nordisk Way and incorporated in relevant company policies. Oversight of adherence to policies is ensured through a committee and board structure, while strategy and implementation is anchored with functional areas. In practice we work with the 10 principles through activities embedded into the business:</td>
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<td>• Principles 1–2 Human rights (across the value chain)</td>
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<td>• Principles 3–6 Labour (human resources, responsible sourcing, diversity)</td>
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<td></td>
<td>• Principles 7–9 Environment (environmental management systems, product stewardship)</td>
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<td></td>
<td>• Principle 10 Anti-corruption (business ethics, responsible sourcing)</td>
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<tr>
<td>Reference: UNGC CoP – Part 1</td>
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2. Design corporate sustainability strategy to leverage synergies between and among issue areas and deal adequately with trade-offs. | Novo Nordisk’s corporate strategy is underpinned by the Triple Bottom Line business principle, which ensures that financial, social and environmental impacts are considered when decisions are made. This requires systematic and respectful engagements with key stakeholders to stay attuned to their interests and expectations. The aim is to ensure long-term profitability by mitigating risks and minimising negative impacts from business activities, and to enhance the positive contributions to society from the company’s global operations. |
| Reference: Access to care, business ethics, bioethics, health and safety | |

3. Ensure that different corporate functions coordinate closely to maximize performance and avoid unintended negative impact. | In Novo Nordisk, several boards and committees have been established to ensure that vital cross-organisational issues and tasks are attended to and coordinated in a timely manner. The committees and boards are established with representation from executive and senior management areas and headed by a member of Executive Management or an appointed senior vice president. This means that all boards and committees operate with a mandate from Executive Management. The committees and boards include Global People Board, External Affairs Board, R&D Bioethics Board, Procurement Committee, Business Ethics Board, and the Social & Environmental Committee, with short- and medium-term priorities and targets that are cross-organisational. These are managed through the Balanced Scorecard, which is a company-wide tool to measure and monitor progress. |
| Reference: UNGC CoP – Part 1 | |

ROUST MANAGEMENT POLICIES AND PROCEDURES

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<td>4. Assess risks and opportunities on an ongoing basis at both enterprise and product level and undertake due diligence to ensure that the company identifies any negative impacts caused by its operations and activities.</td>
<td>Novo Nordisk has developed a dynamic approach to risk management to ensure that key risks are effectively identified, assessed and managed so they will not affect the company’s ability to achieve our business objectives. Four times a year, the Risk Management Board meets to set the strategic direction for risk management, and analyse the risk and control information generated by the individual business areas. This process helps to reduce blind spots and considers potential cross-functional impacts. Both financial and non-financial risks are assessed and quantified in terms of potential financial impact and reputational damage.</td>
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<td>Reference: Risk management</td>
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5. Develop strategies and policies specific to the company’s operating context – as well as scenarios for the future – and establish measurable short, medium, and long term goals. | See item 3 above. Novo Nordisk has long-term targets for social and environmental performance, as well as for financial performance, all supporting profitable and sustainable business growth. A long-term target has been set to reach 40 million people in 2020 with its diabetes care products, a doubling from the baseline number in 2010. Novo Nordisk also has ambitious long-term targets for energy and water consumption which reflect the aspiration of continuously decoupling environmental impacts from business growth. |
6. Engage and educate employees through training activities, the development and adjustment of business processes, and sound incentive schemes. The Novo Nordisk Way is the foundation of the values-based management system in Novo Nordisk. From vision to policies, it describes how people working for Novo Nordisk put values into action and it defines the principles for how the company does business. It sets direction for all Novo Nordisk employees, and exists to assure and safeguard the strong company culture of responsible and sustainable business practices and engaged employees and stakeholders. The Novo Nordisk Way states that we manage the company by the Triple Bottom Line business principle. All units are held accountable for applying the Triple Bottom Line business principle through internal value audits that evaluate each business unit’s operations vis-à-vis the Novo Nordisk Way. These value audits are conducted by a team of senior people with a deep understanding of our business and business environment. This process helps us adjust business processes. In keeping with our aim to attract, retain and motivate talented employees in the competitive global pharmaceutical market, compensation at Novo Nordisk is designed to be competitive and reward short-term as well as long-term performance. This is the case both for employees and management (see also item 7) below regarding performance system for employees).

Reference: Wages and Benefits, Remuneration article in Annual Report 2015 pp 49–51

7. Implement a system to track and measure performance based on standardised performance metrics. We use different systems to track performance within occupational health and safety, environmental management, people management, business ethics, supply chain etc. The overall performance on sustainability is tracked through the annual Balanced Scorecard which includes sustainability targets. The corporate Balanced Scorecard is cascaded into business units, departments and teams, and finally tied to each employee’s performance management process called 3P (People, Performance and Process).

The 3P system supports goal-setting, mid-year review and year-end appraisals, where information is documented to support ongoing performance and development conversations throughout the year. 3P ensures alignment of individual goals with the organisation’s goals and priorities to drive results and meet customer needs. Furthermore, we report on various financial and non-financial performance metrics through our annual report.

Reference: Remuneration article in Annual Report 2015, pp 49–51

**MAINSTREAMING INTO CORPORATE FUNCTIONS AND BUSINESS UNIT**

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<td>8. Place responsibility for execution of sustainability strategy in relevant corporate functions (procurement, government affairs, human resources, legal, etc.) and ensure that no function is operating in conflict with sustainability commitments and objectives of company.</td>
<td>Novo Nordisk’s strategy for sustainability is based on the Triple Bottom Line principle, which means the company sets goals, manages and accounts for performance on three dimensions: financial, social and environmental. The aim is to ensure long-term profitability by minimising any negative impacts from business activities and maximising the positive footprint from its global operations: improved health, employment, economic prosperity and social equity. The Triple Bottom Line model illustrates how long-term value is created by considering all three aspects and making balanced decisions with patient interests at the core. Responsibility for execution of our sustainability efforts lies in the relevant functions, while oversight is coordinated by the Corporate Sustainability team and anchored with the Social and Environmental Committee. We manage emerging sustainability issues through our corporate functions until they reach a level of maturity that makes it possible to implement them through the line on business. The programmes for climate action, business ethics and responsible sourcing are examples of how sustainability issues were first managed and operationalised in a corporate function before being handed over to line of business. The Corporate Sustainability department is in charge of coordinating, driving, aligning, supporting and challenging Novo Nordisk’s sustainability efforts, monitoring the sustainability performance of the company, and initiating action on issues identified through our trend-spotting. The Social and Environmental Committee has the overall responsibility for our sustainability efforts ensuring that no conflicts exist between sustainability commitments and business objectives.</td>
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9. Align strategies, goals and incentive structures of all business units and subsidiaries with corporate sustainability strategy.

- See item 8 above. Short- and long-term corporate targets and priorities are tracked through the Balanced Scorecard (see item 7).
- An example of how Novo Nordisk is creating both business and societal value has been showcased in the Blueprint for Change case studies. The strategic objective is to identify the drivers of shared value creation, measure realised benefits for both society and the organisation, and share this information with our stakeholders. The publications so far include cases on climate action, the value of clinical studies and how the company has worked to change diabetes in China, the US, Bangladesh, Indonesia, India and Turkey.

- Reference: COP part 1, Blueprint for Change cases

10. Assign responsibility for corporate sustainability implementation to an individual or group within each business unit and subsidiary.

- See item 3 above on governance and item 6 on department responsibilities.

### VALUE CHAIN IMPLEMENTATION

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<td>11. Analyse each segment of the value chain carefully, both upstream and downstream, when mapping risks, opportunities and impacts.</td>
<td>See items 4, 8 and 9 above. As stated in the Novo Nordisk Way, our key contribution is to discover and develop innovative biological medicines and to make them accessible to patients throughout the world. By systematically tuning in to the economic, social and environmental implications of business decisions, and by continuously listening to and engaging with key stakeholders, we can respond earlier and better to the risks and opportunities facing the company such as bioethics, business ethics and access to health in developing countries. Novo Nordisk’s social and environmental responsibility extends throughout the value chain, including the company’s suppliers. Novo Nordisk has implemented global standards for responsible sourcing, setting the bar for suppliers’ performance in terms of compliance with laws and regulations, environment, health and safety, labour practices, business ethics, including safety and rights of clinical trial patients and healthy volunteers, animal welfare and sub-suppliers.</td>
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<tr>
<td>12. Communicate policies and expectations to suppliers and other relevant business partners.</td>
<td>Novo Nordisk’s social and environmental responsibility extends throughout the value chain, including the company’s suppliers. Novo Nordisk has implemented global standards for responsible sourcing, setting the bar for suppliers’ performance in terms of compliance with laws and regulations, environment, health and safety, labour practices, business ethics, including safety and rights of clinical trial patients and healthy volunteers, animal welfare and sub-suppliers.</td>
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<td>13. Implement monitoring and assurance mechanisms within company’s sphere of influence.</td>
<td>See item 12 above. In addition, Novo Nordisk risk-screens its supply chain and conducts supplier audits among high-risk suppliers.</td>
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<td>14. Undertake awareness-raising, training and other types of capability building with suppliers and other business partners.</td>
<td>See item 12 above. A part of Novo Nordisk’s responsible sourcing approach is to engage with business partners to build capabilities. This happens to some extent today with key suppliers that have challenges with issues such as working time. An example is in Russia, where we provided face-to-face training regarding business ethics, health &amp; safety and responsible working conditions to the main contractor and subcontractors involved in the construction of a new production facility.</td>
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- Reference: UN Global Compact Part 1, Principles 3–6; Responsible sourcing
- Reference: Responsible sourcing
# TAKING ACTION IN SUPPORT OF BROADER UN GOALS AND ISSUES

## CORE BUSINESS CONTRIBUTIONS TO UN GOALS AND ISSUES

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<tr>
<td>15. Align core business strategy with one or more relevant UN goals/issues.</td>
<td>In September 2015, the United Nations launched a new agenda for sustainable global development towards 2030 with a set of Global Goals intended to eradicate poverty and improve lives. As a leading provider of diabetes treatments, we take part in this global effort to address the challenges of the diabetes pandemic and improve access to health. Novo Nordisk has for many years based its business conduct on a multi stakeholder approach by engaging in dialogue with key parties such as NGOs, governmental regulators, healthcare professionals and patients. We have a number of activities and initiatives supporting the Global Goals. Novo Nordisk is also actively involved in the Global Compact LEAD contribution to the UN Sustainable Development Goals process. For Novo Nordisk it is important to ensure that there is a focus in the SDGs on healthy people and a healthy planet, and the potential synergies between the two. Reference: UNGC CoP – part 1, CEO statement of continued support</td>
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<tr>
<td>16. Develop relevant products and services or design business models that contribute to UN goals / issues.</td>
<td>Through Novo Nordisk ‘Base of the Pyramid’ (BoP) projects in Nigeria, Kenya and India, we are exploring new ways of working in partnerships to build sustainable access to diabetes care. The models used in the different countries are adapted to address local barriers to care and to meet the needs of the people with diabetes – in a scalable, sustainable and yet profitable way. One example is how Novo Nordisk is working with distributors in Kenya to limit price mark-ups and ultimately to control the price that the patient has to pay at the pharmacy. We signed individual Memorandum of Understanding (MoU) agreements with every link in the distribution chain, and the price of a vial of insulin has been stamped on the package, making it difficult for distributors to exceed the agreed price. The Changing Diabetes® in Children and Changing Diabetes® in Pregnancy are other examples of how Novo Nordisk supports the development of services that contribute to UN goals. Other examples are the offering of human insulin to least developed countries at differential pricing, and the current project exploring the business model for people living with diabetes at the base of the pyramid. Novo Nordisk’s partnerships with its energy supplier in Denmark, DONG Energy, which supported Novo Nordisk’s ability to achieve its long-term target for reduction of CO₂ emissions, also expanded renewable energy capacity and became a model for new business partnership solutions. Reference: Annual Report 2015, p 40–41, UNGC CoP – part 1</td>
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<tr>
<td>17. Adopt and modify operating procedures to maximise contribution to UN goals / issues.</td>
<td>See item 15 above.</td>
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## STRATEGIC SOCIAL INVESTMENTS AND PHILANTHROPY

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<td>18. Pursue social investments and philanthropic contributions that tie in with the core competences or operating context of the company as an integrated part of its sustainability strategy.</td>
<td>Since diabetes care is our primary business, our philanthropic contributions focus on support for the World Diabetes Foundation (WDF). WDF acts as a catalyst, moving diabetes higher on the global agenda and focusing on ‘neglected areas’ of diabetes care that are important both from a health and socioeconomic standpoint and are of particular relevance to the poor. Projects focus among other things on avoiding diabetes complications and reaching people in the most remote rural areas. People with haemophilia and related bleeding disorders are the focus of the Novo Nordisk Haemophilia Foundation. Its purpose is to address the significant need for improving care in the developing world and raise awareness about haemophilia and bleeding disorders. Reference: World Diabetes Foundation; Novo Nordisk Haemophilia Foundation</td>
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<tr>
<td>19. Coordinate efforts with other organisations and initiatives to amplify – and not negate or unnecessarily duplicate – the efforts of other contributors.</td>
<td>See item 15 above on Novo Nordisk’s multistakeholder approach. Furthermore, we are engaged in a range of business organisations, think tanks, advocacy organisations, academic research and sustainability networks. We also support and collaborate with patient organisations within our therapy areas. In relation to supporting organisations and initiatives such as WDF, the Novo Nordisk Haemophilia Foundation, Changing Diabetes® in Children and Changing Diabetes® in Pregnancy, it is important for Novo Nordisk that efforts take place within existing healthcare systems and in agreement with ministries of health – among other things to limit duplication of efforts. Reference: Stakeholder engagement; Patient group donations</td>
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20. Take responsibility for the intentional and unintentional effects of funding and have due regard for local customs, traditions, religions, and priorities of pertinent individuals and groups.

Novo Nordisk’s subsidiaries make decisions on local charitable donations. A corporate sponsorship guideline has been developed and is available for voluntary use. We assist patient groups in advocating in support of patients and caregivers. We conduct this type of collaboration in an open and transparent manner in order to ensure the independence and integrity of patient groups and our own high ethical standards. We disclose how we work with patient groups in Europe.

Reference: Patient group donations

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<td>21. Publicly advocate the importance of action in relation to one or goals/issues.</td>
<td>Novo Nordisk is active in advocating the importance of action in relation to UN goals. Novo Nordisk is committed to women’s empowerment by supporting the Women’s Empowerment Principles produced by the UN Development Fund for Women (UN Women) and the UN Global Compact. In 2015, we assessed Novo Nordisk’s potential and actual impacts on all human rights included in the International Bill of Human Rights and our due diligence at the corporate level covered all relevant functions and global processes. We have also begun to use the UN Guiding Principles Reporting Framework as a useful tool to track and further strengthen our work.</td>
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<td>22. Commit company leaders to participate in key summits, conferences, and other important public policy interactions in relation to one or more UN goals / issues.</td>
<td>Other engagements include participation in the Caring for Climate Initiative, where Novo Nordisk has had a seat in the steering committee since its inception, and contributions to the Sustainable Energy for All platform.</td>
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<td>23. Develop and implement partnership projects with public or private organisations (UN entities, government, NGOs, or other groups) on core business, social investments and/or advocacy.</td>
<td>Novo Nordisk is engaged in a number of partnerships including the Changing Diabetes in Children programme which is a partnership to improve access to diabetes care for children with type 1 diabetes. The programme has both local and global partners, including the relevant ministries of health, diabetes associations, World Diabetes Foundation, Roche and the International Society for Paediatric and Adolescent Diabetes (ISPAD). Another partnership is the Changing Diabetes in Pregnancy programme which is currently supporting projects in Colombia in partnership with the District Government of Barranquilla and the World Diabetes Foundation and in Nicaragua in partnership with the World Diabetes Foundation, the Pan American Social Marketing Organisation (PASMO) and Population Services International (PSI) to build sustainable capacity for screening and management of diabetes in pregnancy in these two countries. Novo Nordisk is also collaborating with the NCD Alliance to raise awareness of major non-communicable diseases (NCDs) including diabetes, and putting them higher on the health and political agendas.</td>
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<td>24. Join industry peers, UN entities and/or other stakeholders in initiatives that contribute to solving common challenges and dilemmas at the global and/or local levels with an emphasis on initiatives that extend the company’s positive impact on its value chain.</td>
<td>See item 23 above. We work with peers in initiatives such as BSR Healthcare Working Group, Pharmaceutical Supply Chain Initiative, Danish Initiative on Ethical Trading, SustainAbility, CSR Europe and the International Integrated Reporting Council). Novo Nordisk was also a founding partner of Sustainia, an alliance of international organisations and companies working to create sustainable growth. Sustainia demonstrates and visualises the attractive societies these solutions could realise if companies, scientists, politicians and civil society worked together to implement existing solutions at large scale.</td>
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Reference: Sustainia
ENGAGING WITH THE UN GLOBAL COMPACT

LOCAL NETWORKS AND SUBSIDIARY ENGAGEMENT

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<td>25. Contribute to the building and operating of at least one UN Global Compact Local Network and help elevate performance of other companies through raining, mentoring, COP peer review, etc.</td>
<td>We regularly attend meetings of the UNGC Nordic Network, sharing best practices for implementation among Nordic companies. This Communication on Progress is peer-reviewed by select members of the UNGC Nordic Network. Novo Nordisk’s affiliate in China is also a member of the local network. Affiliates do not generally have the resources to engage in broad sustainability initiatives, and prioritise specific initiatives related to our therapy areas. Our sustainability experts are sought-after speakers at sustainability/CSR conferences globally and we willingly share our approach, experience and lessons learned with other companies at such events.</td>
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26. Encourage subsidiaries to engage with UN Global Compact Local Networks and to participate actively in events and activities. | Our commitment to UNGC is company-wide. One of our wholly owned subsidiaries, NNE Pharmaplan, has also signed up to UNGC and submits its own CoP. |

27. Publish sustainability information related to each individual subsidiary separately or reference it explicitly in the Communication on Progress of Corporate Headquarters. | In general, our affiliates do not publish sustainability information. Our Annual Report and UNGC CoP represent consolidated information on the company’s performance. Reference: Annual Report 2015 website |

GLOBAL AND LOCAL WORKING GROUPS

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<tr>
<td>28. Participate in relevant global or local working groups and share experiences, networks, tools and good practices with other UN Global Compact participants.</td>
<td>See items 23 and 25.</td>
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29. Take active part in defining scope and objectives of new working groups when relevant. | Novo Nordisk was a co-founder of UNGC LEAD and has played an active role in the conception and development of all of the work streams. Currently our engagement is focused on the Post-2015 development agenda. Novo Nordisk has published integrated annual reports since our 2004 reporting cycle and we have long advocated for widespread adoption of integrated reporting. We have therefore joined the efforts of the International Integrated Reporting Council (IIRC) to develop an international integrated reporting framework that ultimately could lead to an international standard for reporters and report users. We have been an active member of the Working Group under the IIRC since its inception. We believe that agreement on how to move from reporting silos to integrated reporting is very important and we have been pleased to be able to contribute to the development of the framework. |

ISSUE-BASED AND SECTOR INITIATIVES

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<tr>
<td>30. Join and help advance one or more existing UN Global Compact initiatives, eg Caring for Climate, CEO Water Mandate, Women’s Empowerment Principles, and Global Business Initiative on Human Rights.</td>
<td>Novo Nordisk is committed to UNGC: Caring for Climate, Women’s Empowerment Principles and Global Business Initiative on Human Rights. Reference: UNGC CoP – Part 1</td>
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31. Spearhead need-driven development of new issue-based or sector initiatives within the UN Global Compact and the wider United Nations. | Since 2011 we have been part of UN’s Every Woman Every Child initiative. Novo Nordisk commits to Every Woman Every Child through the Changing Future Health initiative, which is committed to advancing the prevention of non-communicable diseases (NCDs) with a focus on improving maternal, new-born and child health. The overarching aim is to give a healthy start to life by supporting young couples prior to pregnancy with the aim of improving health before, during and after pregnancy in mother, father and child. See also items 23 and 29. |
### ISSUE-BASED AND SECTOR INITIATIVES

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<td>32. Advocate the UN Global Compact to business partners, peers and the general public.</td>
<td>Novo Nordisk explores how to make use of and promote the UNGC platform. As part of our work on the 'New Geographies of Sustainability' project, which was developed together with UNGC and Business for Social Responsibility, we engaged with local UNGC networks in China, Brazil and India to discuss the changing landscape of sustainability in emerging economies.</td>
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<td>33. Encourage suppliers and other business partners to join the UN Global Compact, and take on mentoring role on issues related to the initiative.</td>
<td>See item 32 above.</td>
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<tr>
<td>34. Participate in activities to further develop and strengthen the UN Global Compact.</td>
<td>See item 29 above.</td>
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### CEO COMMITMENT AND LEADERSHIP

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<td>35. CEO publicly delivers explicit statements and demonstrates personal leadership on sustainability and commitment to the UN Global Compact.</td>
<td>Our CEO statement in the UNGC CoP demonstrates the commitment. Furthermore, members of our Executive Management participate in UNGC-hosted events at the World Economic Forum in Davos Council for Corporate Responsibility. See also item 21.</td>
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<td>36. CEO promotes initiatives to enhance sustainability of the company's sector and leads development of industry standards.</td>
<td>See item 35 above.</td>
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<td>37. CEO leads executive management team in development of corporate sustainability strategy, defining goals and overseeing implementation.</td>
<td>The CEO and his Executive Management team are held accountable for the non-financial performance of the company by the Board of Directors. Our sustainability approach is executed through our boards and committees. See also item 3.</td>
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<td>38. Make sustainability criteria and UN Global Compact principles part of goals and incentive schemes for CEO and executive management team.</td>
<td>The Board of Directors oversees development of corporate strategy and long-term targets. An example of how it oversees actual implementation is through executive remuneration, which is tied to long-term financial and non-financial performance. Reference: Remuneration article in Annual Report 2015 pp 49–51</td>
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### ISSUE-BASED AND SECTOR INITIATIVES

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<td>39. Board of Directors (or equivalent) assumes responsibility and oversight for long term corporate sustainability strategy and performance.</td>
<td>See item 38 above.</td>
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<tr>
<td>40. Board of Directors (or equivalent) assumes responsibility and oversight for long term corporate sustainability strategy and performance.</td>
<td>The Board of Directors has historically worked without permanent committees and continues to do so, except where good corporate governance requires a dedicated committee to cover areas such as audit, nomination and remuneration. As a principle, Novo Nordisk believes that each board member must have the opportunity to contribute actively to all discussions and have access to all relevant information. Sustainability issues are therefore the responsibility of the entire Board of Directors, and an annual review of the company’s sustainability strategy and performance is part of the Board’s annual wheel.</td>
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<td>41. Board (or committee), where permissible, approves formal reporting on corporate sustainability (Communication on Progress).</td>
<td>The Board of Directors approves the financial and non-financial reporting as part of its sign-off of the Annual Report. The UNGC CoP is approved by Executive Management.</td>
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## Stakeholder Engagement

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<td>42. Publicly recognise responsibility for the company’s impacts on internal and external stakeholders.</td>
<td>See item 43 below.</td>
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<tr>
<td>43. Define sustainability strategies, goals and policies in consultation with key stakeholders.</td>
<td>In 2015 Novo Nordisk completed a strategy review, based on insights from stakeholders, trend analyses and thorough reviews. A stakeholder workshop in 2015 was instrumental in framing the new strategy.</td>
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<td>44. Consult stakeholders in dealing with implementation dilemmas and challenges and invite them to take active part in reviewing performance.</td>
<td>See item 43 above.</td>
</tr>
<tr>
<td>45. Establish channels to engage with employees and other stakeholders to hear their ideas and address their concerns, and protect ‘whistle-blowers’.</td>
<td>Addressing concerns is an integrated part of business and takes place through our Compliance Hotline or our Ombudsperson. Sharing ideas takes place at department and managers’ meetings, at regular intervals, just as web-based internal media call for input and comments from employees on sustainability-related subjects. Reference: <a href="#">Compliance Hotline</a></td>
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## Stakeholder Engagement

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<tr>
<td>46. Share sustainability information with all interested parties and respond to stakeholder inquiries and concerns.</td>
<td>This is part of our annual reporting.</td>
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<tr>
<td>47. Ensure that Communication on Progress covers all aspects of the Leadership Blueprint and utilise, where appropriate, the Global Reporting Initiative framework.</td>
<td>The UNGC CoP is supplementary reporting to our Annual Report, and can be downloaded via our Annual Reporting webpage. In 2013 Novo Nordisk decided to discontinue reporting against the GRI framework and instead to continue developing the reporting in line with the framework for integrated reporting.</td>
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<tr>
<td>48. Integrate Communication on Progress into annual financial report or publish them together.</td>
<td>See item 47 above.</td>
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<tr>
<td>49. Secure external verification of Communication on Progress or seek other methods for legitimisation by external stakeholders.</td>
<td>In addition, the Annual Report has been assured according to AA1000AS. Novo Nordisk has used AA1000AS in the assurance process since 2002. This assurance process is aligned with the internal control processes in the company, from individual affiliates and facilities to board level. Reference: Independent assurance report in Annual Report 2015, p 111</td>
</tr>
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