INFORMATION NDING UND SGE



Creating shared value through socially responsible initiatives in the **United States**

We believe that a healthy economy, environment, and society are fundamental to long-term business growth. This is why we manage our business in accordance with the Triple Bottom Line principle and pursue business solutions that maximize value to business and society. This report details how this principle has contributed to our success in the United States.

JPPO



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If we...

- address barriers to high-quality care for patients and those at risk of type 2 diabetes...
- have a positive societal impact in the communities we call home...
- partner with our stakeholders to help them reach their goals...

We could...

- improve patients' lives and help to reduce their healthcare costs...
- create jobs and give back to the community...
- build a committed workforce that enables the growth of our business

We would create shared value.

By putting patient, societal, and stakeholder needs at the center of our business, we build relationships. This differentiates our company, opening doors for those we serve and for ourselves. We seek to

change diabetes

and establish our

patient, societal,

and stakeholder

presence in a

holistic way,

addressing

needs.

creating shared value

The Triple Bottom Line: A commitment to sustainable growth

What is shared value?

Put quite simply, shared value means what is good for patients, our employees, and our communities is good for us.

The Novo Nordisk Way describes who we are, where we want to go, and how we work.¹ We believe that a healthy economy, environment and society are fundamental to long-term business success.¹ This is why we manage our business in accordance with the Triple Bottom Line principle and pursue business solutions that generate value to business, patients, and society.

When we consider the interests of our patients and other stakeholders — providers, payers, and suppliers and other business partners who support our efforts to improve outcomes for people with diabetes — we maximize value for both society and our company (Figure 1).

Our Triple Bottom Line principle carries a business rationale. When we address societal issues, we build an engaged workforce that creates synergies with our partners. It helps us to build trust with our customers by strengthening their value chain — potentially opening new opportunities for long-term business success. **That's shared value**.

Corporate social responsibility is not only a moral decision. Evidence now shows that socially responsible activities can help companies gain a competitive advantage in building a strong reputation, earning the trust of customers and investors, and attracting, engaging, and retaining employees.

> ADAM M. GRANT, Professor The Wharton School University of Pennsylvania

We never compromise on quality and business ethics.

the Novo Nordisk Way¹

Figure 1



Shared value starts with the patient

our approach

Our activities align with our Triple Bottom Line principle. Together, these drive our success.

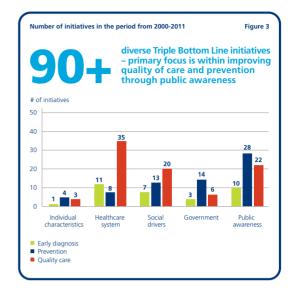
The Triple Bottom Line is grounded in the needs of patients and society

A successful organization must contribute to — and engage with — society to address societal needs.

That's the philosophy the US executive team adopted after Novo Nordisk announced, in 2000, its vision to become the world's leading diabetes care company. Focusing on the needs of those whom we serve, it was determined, would foster a strong corporate culture, improve the company's reputation, and lead to business success (Figure 2).¹

At that time, Novo Nordisk was a relatively unknown Danish company with a US insulin market share of 25%.² Though our size made it difficult to draw top talent, we sought and attracted people who would embrace the Triple Bottom Line principle and build a stakeholderfocused business strategy.

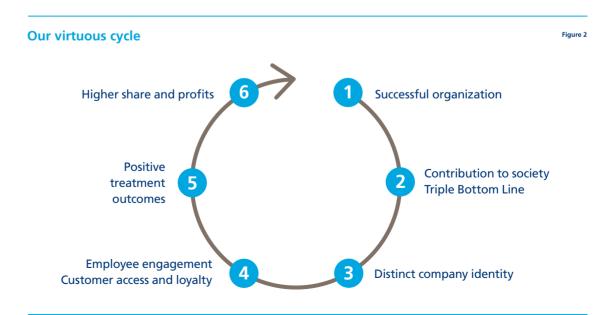
Our goal is to help people with diabetes and those at risk of diabetes to live better lives. Our people engaged in more than 90 diverse initiatives¹ — all of them aimed at improving outcomes for patients and those at risk of developing diabetes (Figure 3).



"

It makes me feel good to participate in Triple Bottom Line activities. I'm proud to say that my company supports these great activities.

Novo Nordisk diabetes sales force employee



Driven by a social commitment that dates to the founding of the company in 1923,¹ Novo Nordisk launched a number of programs in the United States focused on quality of care, education, and the health of patients and communities (Figure 4).

At the same time, Novo Nordisk opened a legislative advocacy office in Washington. This office supported the creation of public policies intended to focus the healthcare system on the needs of people with diabetes and to reduce the societal and economic consequences of undertreatment.

What has this focus on the Triple Bottom Line done for us?

We have a workforce whose enthusiasm creates advocates for our company beyond our walls. We are convinced that our Triple Bottom Line principle enabled our growth.

The pages in the "value to us" section qualify this statement.

"

I'm extremely proud of what Novo Nordisk does externally to live up to the values of the Triple Bottom Line.

Novo Nordisk diabetes sales force employee

		Figure 4
		of initiatives conducted Nordisk since 2000
_	2000	
		DAWN [™] Worldwide survey on attitudes to diabetes
	0	Demerger Novo Nordisk Novozymes A/S Focus on diabetes
_	2002	
	*	Communicating Care Program Response to DAWN [™]
-	2003	
	İ Hİ	Patient Assistance Programs Medicines to poor
_	2004	
	\odot	Diabetes Aware Public awareness United Nations "Unite For Diabetes"
	шÌ	Expansion of Clayton factory Growth of our business activities
		Diabetes Recognition Program Recognition of HCPs* for high quality of care
_	2005	
	K	National Changing Diabetes® Program Unified diabetes communities to address issues of diabetes
	Â	Washington DC office establishment Patient focused business growth
_	2006	
	*	CO ₂ reduction activities at Clayton Reduction of our environmental impact
		DM Educate® Educating pharmacists
	\mathbf{O}	Medicare Diabetes Screening Program Promotion of screening
-	2007	
	4	Changing Diabetes [®] Bus Screening and awareness
_	2009	
	!	Ask.Screen.Know Promotion of screening
_	2010	
	Ŭ	National Diabetes Prevention Program Federal funding advocacy, mobilizing insurers
_	8	Diabetes Advocacy Alliance [™] Focus on policy change and advocacy

*HCP is a healthcare proffesional.

the challenge

Diabetes trends present a complex challenge that requires interventions on multiple fronts.

Type 2 diabetes is a growing epidemic

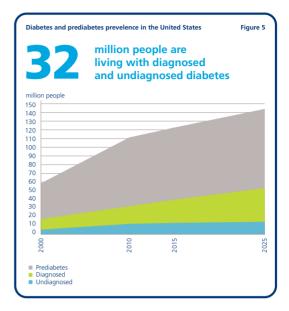
Indisputably, type 2 diabetes is an epidemic.³

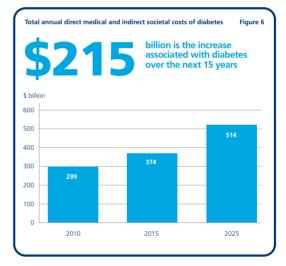
If that weren't enough, too few people with diabetes get adequate care. The result is a public health crisis that stretches healthcare budgets, reduces business productivity, and robs people of quality of life through loss of income and physical disabilities, such as blindness, kidney and heart disease, stroke, and amputation.⁴

Fueled by poor lifestyle choices and escalating obesity rates,⁵ the number of Americans diagnosed with diabetes has ballooned by more than 65% in the past decade.⁶ Over the same period, the number of people with prediabetes has risen even more sharply. Moreover, it is believed that one-third of Americans with diabetes are not medically diagnosed⁷ (Figure 5).⁶ Taken together, these trends accelerate the economic stress that diabetes places on society (Figure 6).⁶



ROSEBUD RESERVATION





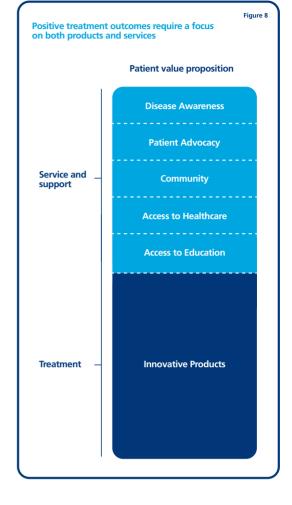
Type 2 diabetes is a complex condition

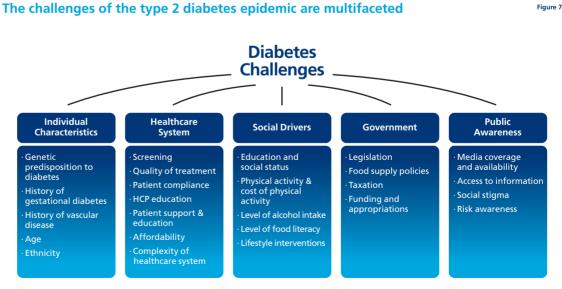
The challenges of the type 2 diabetes epidemic are multifaceted.

We know that prevention and quality care can help to reverse this crisis. People with diabetes who maintain near-normal blood glucose levels can gain, on average, 8 years of sight, 6 years free of kidney disease, and 5 years of life.8 And yet, fewer than 4 in 10 people diagnosed with diabetes reach recommended treatment targets.9

Some risk factors for diabetes can be modified, though they present complex challenges (Figure 7).^{10,11} Because of this, tackling diabetes successfully depends on a holistic approach (Figure 8) that targets individuals, the healthcare system, social drivers, government, and public awareness.

The pages that follow describe our response to this challenge.





value to society – quality of care

High-quality care improves the health and welfare of our community. Education, access, and innovation are cornerstones in building a framework for quality.

The goal of quality must be to help people achieve therapeutic targets

What is quality of care?

In large part, it depends on the context in which it is used. This makes a consistent definition elusive.

The World Health Organization has identified 6 dimensions of quality in healthcare. Healthcare, it says, must be effective, efficient, accessible, patient centered, equitable, and safe.¹² We balance these dimensions through our Triple Bottom Line principle.

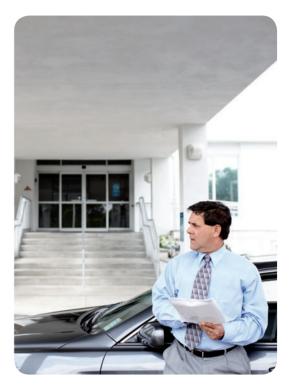
The objective of diabetes care is to ensure that patients achieve therapeutic targets. Today, most people with diabetes do not achieve those targets,⁹ and only 3% of insulin users receive optimal care.¹³ Our strategy for improving the quality of care for people with diabetes, then, contains several critical elements. Through the provision of provider and patient education, access to care, and innovative treatments, Novo Nordisk contributes to the quality equation.

Value of medical education

Because greater knowledge among HCPs correlates with better quality of care,¹⁴ Novo Nordisk is a consistent supporter of patientcentered, independent HCP education. In the United States, Novo Nordisk provided \$28 million in educational grants in 2010 and 2011,¹ and since 2005 has supported more than 2,000 educational programs.¹ Almost all educational activities supported by Novo Nordisk are accredited for continuing medical education (CME) or continuing education (CE).

Novo Nordisk-supported CME programs bridge knowledge gaps among primary care practitioners (PCPs) and endocrinologists. For PCPs, CME programs focus on the progression of diabetes and the physiological effects of insulin. These programs also provide tools for the successful initiation of insulin therapy in people with type 2 diabetes.

We support the American College of Endocrinology's Endocrine University, held annually at the Mayo Clinic. The curriculum enhances and expands educational experiences for endocrine fellows-in-training. Since 2003, Novo Nordisk has been a supporter and has provided nearly \$4 million in grants for this effort. In the past decade, more than 2,000 endocrine fellows have participated in the program.¹



ROY AUMILLER USA Diabetes care specialist

Recently, Novo Nordisk has placed a stronger emphasis on CE programs.¹

We offered CME and CE programs to more than 700,000 HCPs* in 2010 alone.¹

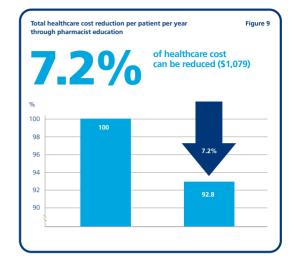
Novo Nordisk launched DM Educate[®] as a web-based education program for pharmacy students, and 1 in 10 US pharmacy students (11,000) have taken DM Educate[®] electives. Since then, DM Educate[®] has developed into a professional training program. It has helped more than 2,100 HCPs (primarily pharmacists) become better acquainted with best practices that increase the effectiveness of diabetes treatment.¹

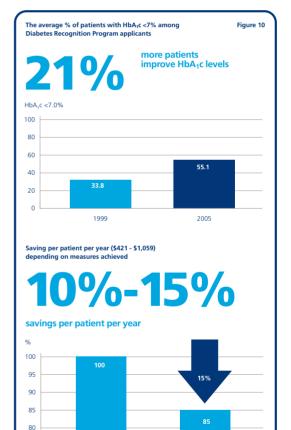
Studies show that pharmacist education improves both clinical outcomes (0.4% improvement in HbA₁c) and economic outcomes (7.2% cost reduction) for people with diabetes (Figure 9).¹⁵ Pharmacist intervention improves adherence, reduces diabetes-related complications, improves health status, and has the potential to save \$34 billion in health-system costs over the next decade.¹⁶

The National Committee for Quality Assurance (NCQA) and the American Diabetes Association (ADA) developed NCQA's Diabetes Recognition Program (DRP) in 1997.¹⁷ Novo Nordisk has been a founding sponsor since 2004.¹ This voluntary program recognizes PCPs, nurse practitioners, and PCP assistants who consistently engage in such evidence-based practices as control of HbA₁c, blood pressure, and LDL cholesterol; eye examinations; and assessment of kidney function, among others.¹⁷

By April 2011, NCQA had recognized 9,700 clinicians¹⁷ for their provision of high-quality care to people with diabetes. Among DRP applicants, the average percentage of patients whose HbA₁c was below 7% increased from 33.8% in 1999 to 55.1% in 2005 (Figure 10).¹⁸ Applicants' per-patient healthcare costs dropped 10%-15% per year (\$421 to \$1,059, depending on measures achieved).¹⁸

By actively supporting programs that motivate HCPs to improve the quality of care for people with diabetes, we contribute to better patient outcomes and cost-efficient care.





75

Value of access to care

In 2010, the Centers for Disease Control and Prevention estimated that 59 million Americans — nearly 1 in 5 people — do not have health insurance.¹⁹ Tragically, in 2009 it was estimated that 45,000 Americans die every year because they cannot afford the medical care they need.²⁰ When people with diabetes have to make choices between their medication and other necessities of life, they often skip treatments. Subsequently, they get sicker. This not only reduces their own quality of life, it increases the overall societal costs of diabetes.²¹

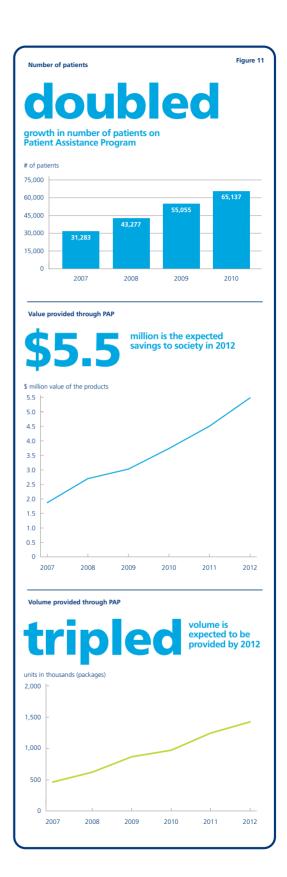
The Novo Nordisk Patient Assistance Program (PAP) provides medications at no charge to those who qualify. People who are uninsured and whose household income is at or below 200% of the Federal Poverty Level are eligible to receive free medications.¹ All Novo Nordisk diabetes products are available through this program.¹

PAP is a lifeline to thousands of people who have difficulty obtaining and affording their medications. In 2010, PAP made treatment accessible to more than 65,000 people without the means to afford them — more than double the number of people served in 2007 (Figure 11).¹ Over that time, the volume of medication tripled and the value of the medications distributed through this program rose from \$1.9 million to almost \$4 million in 2010. By 2012, PAP's direct cost savings to society is expected to rise to \$5.5 million, with diabetes medications accounting for 85% of the total¹ (Figure 11).

Value of innovation in diabetes treatments

The Novo Nordisk Way says "our key contribution is to discover and develop innovative biological medicines and to make them accessible to patients throughout the world."¹ As society grapples with what has become a worldwide pandemic, the importance of providing innovative, safe, and effective therapies for diabetes cannot be understated.

In 2009 and 2010, the editors of R&D Directions named our research and development pipeline as the industry's best in diabetes care.¹ Our pipeline holds the largest number of therapeutic protein projects¹ for diabetes (Figure 12). Since 2005, we have applied for more protein patents¹ and initiated more phase 3 trials for diabetes than anyone in the industry.¹ Our science is cited frequently in the medical literature.¹ From discovery to market, we provide value through a continual emphasis on innovation.

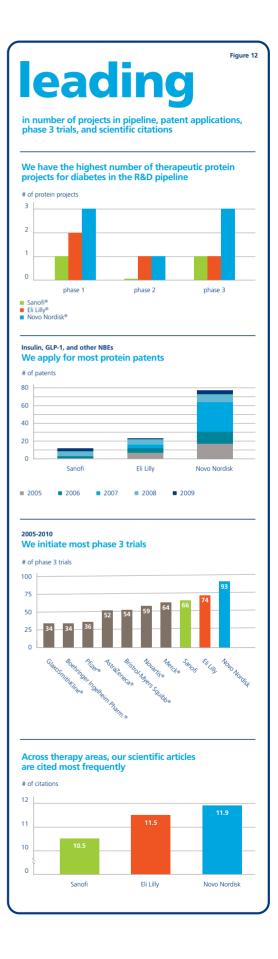


In the belief that there are further opportunities to improve care for people with diabetes, we are committed to supporting research also into noninsulin products and services.

We demonstrate this commitment to innovation through sponsorship of a grant program that supports new and established scientists' research into novel hypotheses in protein-based therapeutics and technologies for diabetes and obesity. In 2010, our Innovation Award Program provided funding of \$250,000 to \$500,000¹ for each of 10 projects. We view this as an investment in quality of care, and in the future, we plan to increase the number of awards to 20-25 annually.

Our board of directors has initiated 5 major innovation projects broadening access and improving quality of care in vulnerable populations (Future Field Force, Future Workplace, Googling the Beta Cell, Base of the Pyramid, and Early Origins of Health).¹

Though we have made important strides in the treatment of diabetes, there is still great potential for progress. Though insulin is effective for achieving glycemic control, many HCPs and patients are still reluctant to initiate insulin therapy.²² Barriers to increased insulin go beyond HCPs' concerns and include patients' fear of needles and hypoglycemia.²³ Even modern insulin still leaves room for improvement in duration of action, day-to-day variability, and the ability to mitigate hypoglycemia risk. The goal for the development of insulin formulations should be to address these barriers to equitable treatment so that patients may enjoy a greater quality of life.



value to society – early diagnosis

Our activities that support early diabetes detection can have a positive impact on patients' lives and healthcare costs.

Diabetes is a gateway disease — a gateway to increased risk of possible blindness, loss of kidney function, heart disease, stroke, and limb amputations⁴

Early detection may improve quality of life and may reduce costs

Diabetes is also an insidious disease. But evidencebased interventions have proven that for many high-risk individuals, diabetes and its costly complications can be prevented. Targeted screening is a cost-effective method for early diagnosis²⁴ that may halt progression from prediabetes to type 2 diabetes to its myriad complications.

The number of people with undiagnosed diabetes is believed to be on the rise, carrying an unnecessary burden on patients and the healthcare system. In a comprehensive health economic study published in the *Lancet* in 2010,²⁴ various diabetes screening strategies for early diagnosis reduced the incidence of myocardial infarction and diabetes-related microvascular complications (for each, 3–9 events prevented per 1,000 people screened) compared with no screening.²⁴ Screening may also increase life expectancy.²⁴

For patients, the benefits of screening are evident in reducing HbA_1c sooner, potentially preventing complications. Both the United Kingdom Prospective Diabetes Study and the Diabetes Control and Complications Trial showed that a period of untreated hyperglycemia, such as what might be expected in a person with undiagnosed diabetes, has lasting effects on cardiovascular morbidity and mortality — even if blood glucose levels are later appropriately controlled.²⁵

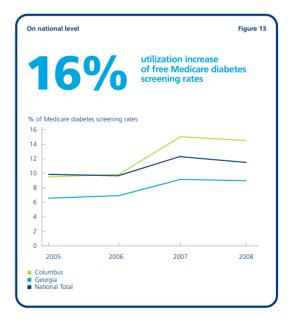
Target: undiagnosed diabetes

Currently, Medicare supports diabetes screening in people aged 65 or older who have hypertension. Evidence suggests, however, that screening people with other risk factors — obesity and ethnicity, for instance — may be an effective way to help to identify more people with diabetes.²⁶

Since 2006, Novo Nordisk has actively promoted screening activities. (See "Partnering with our communities" on the next page). In 2005, only 10% of Medicare beneficiaries took advantage of Medicare's offer of free diabetes screening.²⁷ Through the many initiatives of the Medicare Diabetes Screening Project — founded by Novo Nordisk and the ADA but now a collaborative project involving more than 20 organizations —



ADRI VAN DER WIELEN South Africa Occupational health nurse Netcare Pretoria East Hospital



we believe we have contributed to a 16% increase in diabetes screening rates since 2005 (Figure 13).²⁷

Since then Novo Nordisk, together with a range of stakeholders, developed the Ask.Screen.Know. program to promote screening among Medicare beneficiaries and others at risk who are eligible for the benefit. We also have been involved in screening activities like the Health Mart Healthy Living Tour, which offered free screening in selected cities across the United States. During this event, almost 3,500 people were screened; almost half of those screened were at risk of developing diabetes.¹

By investing in these activities, we contribute to better patient care, while building partnerships with and credibility among our stakeholders.

My sister was in the hospital 29 times in the past year. She came to Nimesh [the pharmacist] and he reworked all her meds and she's only been in the hospital once since she made the change in January.

PATIENT, Riverwalk Health Mart Pharmacy

Partnering with our communities

The Medicare Diabetes Screening Project has 2 simple goals: Make Medicare beneficiaries aware that they can be screened for diabetes at no cost, and motivate them to take advantage of the benefit.

In Columbus, GA, Novo Nordisk partnered with community leaders — the mayor, pastors, and others — to spread the word.¹ The result? A spike in screening rates that outpaced national and state averages (Figure 13).²⁷ People at risk who were screened learned what they could do to avoid the disease, and those who had been living with undiagnosed diabetes could be treated for it, potentially forestalling complications.

Novo Nordisk's grassroots involvement in Columbus and elsewhere could offer inspiration to policymakers and to communities to take action to promote early detection of diabetes.

"

Because Novo Nordisk is a true partner in these community efforts, my customers call me to ask how they can get involved and work with Novo Nordisk and other members of our local coalitions.

DAYE BEXLEY

Novo Nordisk senior account manager who spearheaded a community effort in Georgia to publicize Medicare screenings

value to society – prevention

By engaging in diabetes prevention and awareness efforts, we contribute to efforts to limit the onset of diabetes and reduce healthcare costs.

In diabetes, the power of prevention is clear

Some epidemics can't be prevented. Some can In the United States and worldwide, the diabetes epidemic is growing at an alarming rate. Slowing its spread will require lifestyle changes, including healthier diets and more physical activity. This is a societal change. Fostering that kind of change is an ongoing process that requires scientific evidence, financial incentives, and supportive health policies that increase awareness of the diabetes burden and elevate its place on the national agenda.

Type 2 diabetes may be preventable. Numerous studies have shown that lifestyle changes could prevent hundreds of thousands of new cases of diabetes, and could remove hundreds of millions of dollars in spending on diabetes care (See "Impact of diabetes prevention, by the numbers" on next page).

Some such interventions are achievable, inexpensive, and decidedly low-tech. For instance, a UnitedHealth Group analysis, found that a 5% reduction in body weight could reduce prediabetes prevalence by about 10 million people by 2020¹⁶ — or about 1 in 8 people with prediabetes.

Even a more conservative 1% reduction in body mass index could prevent more than 2 million cases of diabetes onset. A 1% reduction is roughly equivalent to a 2-pound weight loss.²⁸ Sustaining this reduction would require a net 20-calorie reduction per day for 3 years — a goal that could be obtained simply by consuming 1 less nondiet, 12-ounce soda per week.

In a country where 68% of the adult population is overweight²⁸ and where 1.9 million new adult cases of diabetes are diagnosed each year,²⁹ the possibilities that come with these interventions are significant. In a country struggling to contain healthcare costs, these interventions have the potential to reduce diabetes-related expenditures significantly for patients, payers, and employers.

"

We should partner with our local communities to adopt Novo Nordisk values [that] encourage society to change behavior to prevent diabetes rates from increasing.

Novo Nordisk employee

Making prevention a priority

Since 2006, Novo Nordisk has engaged in activities intended to make diabetes a public policy priority (Figure 14).³⁰ We have been working to put diabetes on the national health policy agenda for several years — first through the National Changing Diabetes[®] Program (2005) and, later, the Diabetes Advocacy Alliance[™] (DAA) (2010). Collectively, these initiatives have focused on driving federal policy change through stakeholder engagement.

Our early public policy efforts were grounded in science and involved building an evidence base of more than 10 peer-reviewed papers conveying the economic impact of diabetes and its complications.¹ This contributed to the enactment of several diabetes-related proposals. Notably, we were the only pharmaceutical company to support the creation of the National Diabetes Prevention Program and the Prevention and Public Health Fund¹ (Figure 14). More recent coalition-based efforts have focused on the need for screening and prevention, and on how lifestyle change can reduce the prevalence and costs of diabetes.

These activities have strengthened our reputation and company culture, which we consider to be key enablers of continued success.

Impact of diabetes prevention, by the numbers

1 case of diabetes prevented per 7 persons treated for 3 years with life-style intervention²⁶

8% reduction in the share of people who move from prediabetes to diabetes by 2020, using lifestyle-intervention methods employed in the Diabetes Prevention Program¹⁶

11 years that lifestyle-change interventions can delay the onset of type 2 diabetes³¹

330,000 diabetes cases prevented per year if 1 in 2 people with prediabetes makes lifestyle changes⁶

300 billion dollars saved by 2025 if 1 in 2 people with prediabetes makes lifestyle changes⁶

Lobbying activities within diabetes care Figure 14

we actively engage in public policy activities

	Novo Nordisk	Eli Lilly	Sanofi	Takeda®
Care & Prevention	 ✓ 	×	 ✓ 	×
General Legislation	~			 Image: A second s
Minorities & Disparities	~			<
NDPP & National Coord.	~			
Gestational	~			×
Туре 1	 ✓ 			×

"

As a company with a passion for helping people in need ... it feels good to know that you are making a difference in the world.

Novo Nordisk sales force employee

value to society – helping to build sustainable communities

Through job creation, grants, and community involvement, we bring our business and the people we affect closer together.

As its name implies, shared value involves putting communities and stakeholders at the center of our business

Here are some of the many ways Novo Nordisk has lived up to its commitment to the Triple Bottom Line and creating shared value.

Job generation

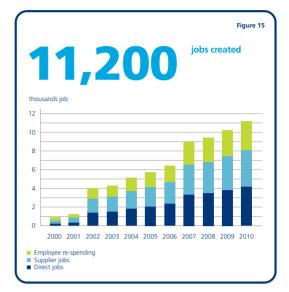
A growing business creates jobs, both within and beyond its walls. In the United States, the number of people who work for Novo Nordisk has increased 200%¹ since 2002 — even as the overall number of jobs within the pharmaceutical industry decreased by 6%.³² Our internal job creation has a ripple effect among our business partners and in our communities; in 2010 alone, roughly two-thirds of the 11,200 jobs we created in the United States were within our supply chain, and another third resulted from employee spending.³³ Since 2000, the number of jobs Novo Nordisk has created in the United States has grown at a compound annual rate of 30% (Figure 15).¹

Community investment

We are committed to making a difference in the communities where our employees live and work. To live up to this commitment, Novo Nordisk provides grants that help local organizations build sustainable communities and to provide access to basic health and humanitarian services. The nature of these investments ranges from grants to local healthcare organizations to a joint project with Aetna in which Novo Nordisk provided diabetes education materials in Spanish and English to HCPs serving Latino populations.¹

Together with Wells Fargo, we set up a \$3 million Native American Health Initiative (2010) to provide diabetes education and prevention on the Rosebud Reservation in South Dakota.¹ This program addresses severe health disparities among Native Americans, a population that historically has high diabetes rates.

Overall, in 2010 and 2011, Novo Nordisk awarded more than 2,000 grants worth approximately \$46 million¹ — all dedicated to critical education and local community issues and needs.



4

Engaging in Triple Bottom Line activities shows that we as a company care about the community at large and that we really "walk the walk" ... taking steps that make a difference.

Novo Nordisk sales force employee

Volunteer activities

The volunteer spirit is pervasive at Novo Nordisk. These activities are driven by the social awareness team (SAT) and by individuals. The SAT is a cross-functional team of employees who are committed to making a difference through social interaction within Novo Nordisk, social awareness within our local community, and involvement within the diabetes community.¹

The SAT reviews activity funding and goodwill from management. These activities have included food, toy, and clothing drives, benefitting vulnerable populations, such as the native Americans, homeless people, and disadvantaged children. Other activities include annual "lend-a-hand-a-day" in Camp Nejeda, a camp in New Jersey for more than 300 children with diabetes, sponsored by an annual \$50,000 grant and insulin donations from Novo Nordisk.¹

The Diabetes Sales Force has carried out numerous volunteer Triple Bottom Line initiatives, including ADA Step Out walks, fundraising events, diabetes awareness days, celebrity speaker events, community health fairs, community education events, and disaster relief programs. Almost 90% of Novo Nordisk's sales force is involved in volunteer Triple Bottom Line activities, and 80% invest their personal time. In 2010 and 2011, our sales force spent more than 18,000 hours (2,290 days) on volunteer activities that create value in our communities.¹

Working at local diabetes camps for Novo Nordisk makes me realize how important our jobs as ambassadors really are — we're helping patients with diabetes live better lives.

Novo Nordisk sales force employee



ALEX DE LA ROSA, DAVID GARCIA, and IAN SMITH USA Diabetes care specialists

Three Novo Nordisk Representatives partnered with Habitat for Humanity in the rebuilding efforts for the Tornado victims in Birmingham, AL.

value to us – culture and employee engagement

A great place to work energizes employees to contribute to its success.

Triple Bottom Line strengthens company culture and employee engagement

What does our way of doing business balancing financial, social, and environmental decisions — mean for our employees?

Our people are crucial to our success. When the values inherent in Triple Bottom Line become part of our fabric as a company, they weave a strong corporate culture. This, in turn, energizes a workforce with the will to champion the company — secure in the knowledge that Novo Nordisk is committed to not only its success as a company, but to their own success as well.

In general, our employees believe that the culture within Novo Nordisk is strongly aligned with the spirit of our Triple Bottom Line principle and that the company creates an attractive place to work. Employee satisfaction and engagement scores, which are measured through annual eVoice surveys, have been high since 2006 (Figure 16).¹

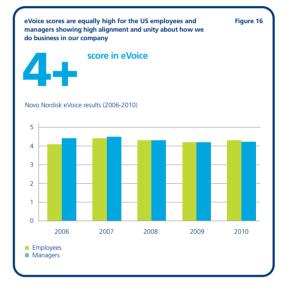
In a survey of US employees conducted for this case study, 80% expressed that our Triple Bottom Line principle has a significant positive impact on our company's reputation.¹ What's more, those surveyed believe that a sound reputation contributes positively to overall performance and strong stakeholder support.

Among "100 Best Companies to Work for"

External stakeholders have also recognized our corporate culture. In the United States, Novo Nordisk has made the Fortune "100 Best Companies to Work for" list 3 times since 2009 and the "Best Places to Work in New Jersey" list 6 times since 2005.¹ The Great Place to Work Institute, which creates the Fortune list, surveys employees on 5 key attributes: credibility, respect, fairness, pride, and camaraderie.³⁴ "

People who work for Novo Nordisk accept the challenge to live the values.

> Novo Nordisk diabetes sales force employee



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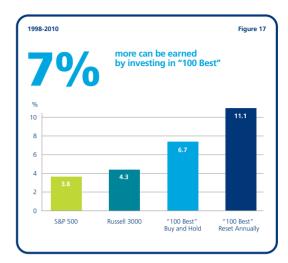
The founders of Novo Nordisk understood that the company should survive on its ability to challenge and empower the employees. This has created a culture where the principle of sustainability is transformed into daily actions. Novo Nordisk is the employees, and their engagement in the mission is crucial.

LARS REBIEN SØRENSEN President and CEO Novo Nordisk A/S Companies on the Fortune "100 Best" list, reward investors better than other companies. The average annual return of the "100 Best Reset Annually" portfolio, from 1998 to 2010, was 7%-points greater than that of the Standard & Poors 500 (Figure 17). Moreover, companies on the list have, on average, lower employee turnover than their industry peers.³⁵ In the United States, our unwanted turnover rate has fallen from 7.3% in 2005 to 3.4% in 2010, allowing us to retain a highly qualified work force.¹

We care about our employees

As part of our strategy for fostering employee engagement, we have also paid close attention to employees' needs — as evidenced by having been named in 2010 to the "Working Mother 100 Best Companies" list; 3 times by the Dave Thomas Foundation as one of the "100 Best Adoption-Friendly Workplaces" since 2007; and 4 times to "Conceive Magazine's 50 Best Fertility- and Adoption- Friendly Companies" rankings since 2007.1

According to an internal survey in July 2011, our employees are committed to the Triple Bottom Line principle¹ and believe that it contributes positively to the value we create for society and Novo Nordisk (Figure 18).¹ The survey showed that field and home office employees have a similar opinion about the contribution of the Triple Bottom Line, suggesting a uniform and strong company culture.

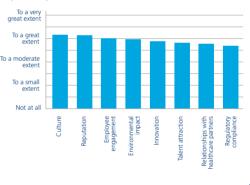


Average rating

Figure 18

Our Triple Bottom Line initiatives have a positive contribution to our culture and engagement





"

If employees see how the Novo Nordisk Way guides our activities, then we are being true to the Triple Bottom Line and developing our Novo Nordisk Way culture all at the same time.

Novo Nordisk employee

value to us - stakeholder support

What's good for our patients and our customers is good for our business.

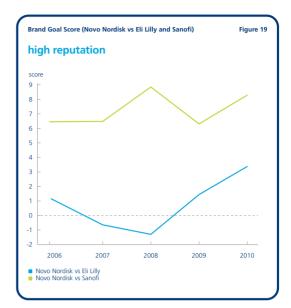
The Triple Bottom Line helps us to build win-win relationships

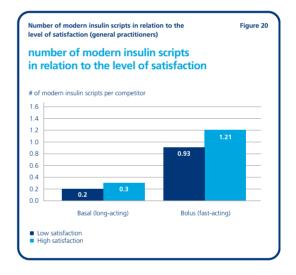
Reputation and trust

In business, success often hinges not only on the value of your products, but on the value of your word as well. We strive not just for innovation, but to be recognized as a leader in our industry. When our actions match our words about our Triple Bottom Line principle, we build customer relationships that contribute to our reputation — and, in turn, our success.

For several years, we have measured how we are perceived externally through our brand goal score. Brand goal scores are based on questions that measure perception of leadership as a diabetes care company, leadership in the fight against diabetes, and leadership within type 1 and type 2 diabetes. Among patients, PCPs, and secondary care respondents, our score outranks our peer diabetes companies (Figure 19).³⁶

Healthy patients and high customer satisfaction create brand loyalty. This is evident from a cross-analysis of our 2011 customer satisfaction survey with insulin prescribing rates; the results suggest a correlation between high prescribing and high PCP satisfaction with the company (Figure 20).¹ In another study it was found that two-thirds of PCPs said our Triple Bottom Line principle is unique, believable, and motivating.¹

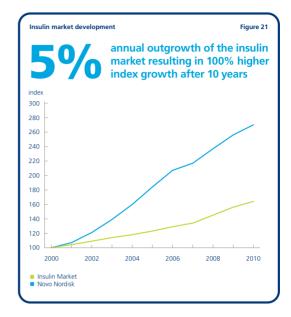




Increased market potential

Our efforts to improve quality of care and to develop innovative treatments poise us for long-term business success. Helping patients to achieve treatment goals and to stay adherent to medication therapy not only has an impact on their quality of life; it has the potential to drive sales volume and help us sustain long-term business growth.

Our emphasis on Triple Bottom Line may be reflected on the company growth, which has outperformed that of the market (Figure 21). Whereas a decade ago our insulin market share was 25%, today it is 42%.²

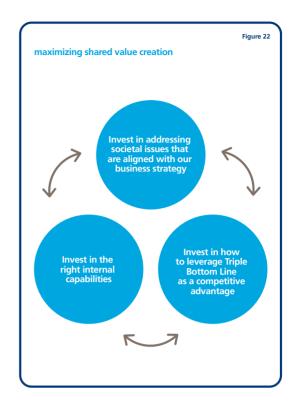


looking to the future

Challenges ahead

We believe that maximizing shared value requires a conscious balance of choices. To maximize value creation, we must continuously invest with an eye toward 3 things: societal issues that are aligned with our business strategy; the right internal capabilities to enable success; and leveraging the Triple Bottom Line principle as a competitive advantage. These activities are interdependent: without investing in addressing societal issues, we would be unable to leverage the Triple Bottom Line principle, and without the engagement, support, and skills of our employees, we would be unable to create shared value activities and programs.

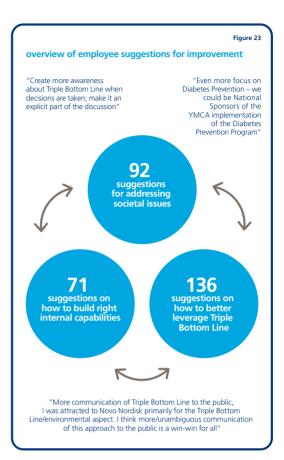
Our employees have contributed greatly to this Blueprint report. In doing so, they shed light on internal perceptions of the Triple Bottom Line principle and what we can do to create even greater value for society and to our business (Figures 22 and 23). Suggestions include better communication about and awareness of our Triple Bottom Line principle to internal and external stakeholders, and a stronger focus on being environmentally conscious and socially responsible. All of these suggestions will be taken into account in future business planning.



Diabetes prevalence continues to rise. Novo Nordisk must work together with multiple stakeholders to address this and to expand efforts to prevent, detect, and improve quality of diabetes care. This recognition necessitates an increased focus on our commitment to the Triple Bottom Line and the need to induce sustainable change. Every day, we must make difficult choices and challenge ourselves to consider the following:

- How do we enable a focus on targeted screening for people with prediabetes and obesity?
- How should we weigh our investments between building capabilities, new Triple Bottom Line initiatives, and leveraging them to create shared value?
- How may public and private partnerships, such as the Diabetes Advocacy Aliance[™], create sustainable shared value?
- How do we address business challenges while balancing stakeholders' interests?
- How do we balance innovation with the need for greater access to care?

We challenge our peers, policymakers, and society to consider the same.

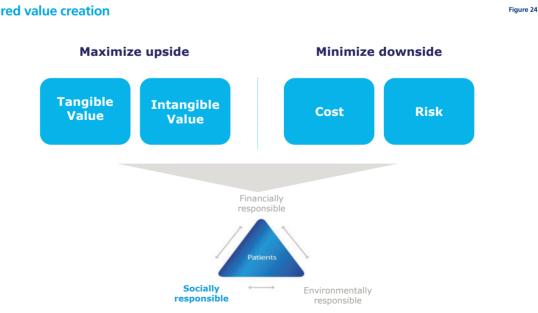


methodology and definitions

Assessing value creation in the United States

This case study is 1 of a series in our Blueprint for Change Program. We create value for business and society as described in Figure 24, by maximizing the upsides, and minimizing the downsides. "Maximizing the upsides" includes early detection of diabetes, improving quality of life, and treatment possibilities for our patients and at the same time building reputation, trust, employee engagement, stakeholder support, and increasing market potential. "Minimizing the downsides" includes reduction of diabetes costs, limiting diabetes onset, and other examples of risk mitigation for our business and society. Initiatives that address societal issues within the need for prevention, early detection, and improved quality of care have had a central focus of this Blueprint for Change case.

At the end of the US Blueprint for Change case, we challenge ourselves, our peers, policymakers, and society to consider what we should do to enhance value creation, and how we all should come together to address the diabetes epidemic in the United States.



Shared value creation

Developed by Novo Nordisk and Accenture

The Blueprint for Change case is built on extensive field and desk research, including 28 qualitative interviews, a comprehensive employee survey, economic simulations and information gathered from news, announcements, and annual reports for the past 10 years. Both the US management team and key employees at Novo Nordisk were interviewed for the report.

The comprehensive employee survey was an anonymous survey of all Novo Nordisk US employees. The intent of the survey was to understand how employees believe Triple Bottom Line is perceived to create value. Three areas formed the basis of the survey: (1) value to society; (2) value to Novo Nordisk; and (3) enablers and personal input. We received 720 responses, which accounts for 20% of US employees.¹

The assessment of societal value creation is based on analysis of several initiatives and health economic analyses. The selection of these initiatives is guided by input from key members of the US management team. The initiatives analyzed are those that are perceived to bring most value to society while also having a direct or indirect business rationale. We have intended this to be a balanced report on our business impact.

The study was conducted by Novo Nordisk. For further information on methodology, please contact Ole Kjerkegaard Nielsen.

Academic reviewers of this Blueprint for Change case:

Associate Professor, Adam M. Grant, University of Pennsylvania Wharton Business School

Associate Professor, Jette Steen Knudsen, Copenhagen Business School

Research Fellow, Stacie Rabinowitz, Harvard Business School Institute for Strategy and Competitiveness

glossary

CE:

Continuing Education for pharmacists, nurses, registered dieticians, certified diabetes educators, and case managers.

CME:

Continuing Medical Education for PCPs, PCP assistants, and nurse practitioners.

Compound Annual Growth Rate (CAGR):

The year-over-year growth rate of an investment over a specified period of time.

Diabetes Advocacy Alliance™:

A coalition that is committed to helping improve diabetes prevention, detection, and care by aligning key diabetes stakeholders around diabetes-related policy and legislative efforts. Members include Novo Nordisk, the American Association of Clinical Endocrinologists, American Association of Diabetes Educators, American Clinical Laboratory Association, American Diabetes Association, American Optometric Association, Medicare Diabetes Screening Project, Results for Life Lab Testing: Better Health, Improved Outcomes, The Endocrine Society, and Vision Service Plan.

Diabetes Recognition Program:

This National Committee for Quality Assurance program provides HCPs with tools to support the delivery and recognition of consistent high quality care. This voluntary program is designed to recognize PCPs and other HCPs who use evidencebased measures to provide quality care to their patients with diabetes.

DM Educate®:

A comprehensive diabetes management course packaged as multiple web-based diabetes educational modules. Courses are available in 2 formats, for schools of pharmacy or for HCPs for CE credit.

GLP-1:

Glucagon-like peptide, widely viewed as an important emerging treatment for diabetes and obesity.

HbA₁c:

Glycated hemoglobin, the average plasma glucose concentration over prolonged periods of time.

Healthy people with diabetes:

Patients who not only achieve treatment targets but also those who receive ongoing, high-quality diabetes care.

HCP:

Healthcare professional.

Innovation:

Product innovation and treatment innovation within diabetes care, solving current and future challenges while spurring other new innovations.

Medicare Diabetes Screening Project:

Novo Nordisk/American Diabetes Association program to help reduce the burden of diabetes on older adults through early detection and treatment of diabetes and through primary prevention or delay of onset.

National Changing Diabetes® Program:

Brings together innovators in diabetes education, treatment, reimbursement, and policy to shift attitudes and change the way patients and HCPs think about diabetes.

National Committee for Quality Assurance (NCQA):

A private, not-for-profit organization dedicated to improving healthcare quality through programs that measure healthcare delivery and recognize high-performing HCPs.

Novo Nordisk Way:

Describes who we are, where we want to go, and how we work.

Triple Bottom Line:

Our business principle of balancing financial, social, and environmental considerations.

Reset annually:

Liquidating the portfolio at the end of the year and using the proceeds to invest in the new list of "100 Best" is repeated for all years.

Shared value:

About realizing synergies between business and society.

S&P 500:

One of the most commonly used benchmarks of the overall stock market.

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About the Blueprint for Change Program

By definition, a blueprint is a guide or plan that gives instructions about how to build or create a new structure. Based on a common methodology, the Novo Nordisk Blueprint for Change Program aims at assessing and communicating how our Triple Bottom Line business principle delivers value to business and society. All topics in the program explore our approach to sustainability and related value creation that:

- Goes beyond or seeks to go beyond traditional challenges of incremental improvement, compliance, and accountability
- Drives or has potential to drive genuine market transformation through innovative partnerships, products, and practices
- Delivers ethical robustness and transparency throughout the value chain

Our intent is not to present a solution. Rather, each paper presents work in progress; therefore, these presentations also identify key challenges ahead

For more information, visit novonordisk.com/sustainability/How-we-manage/blueprints.asp

Get in touch

Questions regarding this case:

Lori Moore HR – Comm. & Public Affairs +1 609-919-7991 Irmo@novonordisk.com

Questions regarding the Blueprint for Change Program:

Ole Kjerkegaard Nielsen Global Triple Bottom Line Management +45 30 79 22 20 okn@novonordisk.com



About Novo Nordisk

Novo Nordisk is a global healthcare company with 88 years of innovation and leadership in diabetes care. The company also has leading positions within hemophilia care, growth hormone therapy, and hormone replacement therapy. Headquartered in Denmark, Novo Nordisk employs approximately 32,000 employees in 74 countries, and markets its products in 179 countries. Novo Nordisk's B shares are listed on NASDAQ OMX Copenhagen (Novo-B). Its ADRs are listed on the New York Stock Exchange (NVO). Novo Nordisk strives to conduct its activities in a financially, environmentally, and socially responsible way. The strategic commitment to corporate sustainability has brought the company onto center stage as a leading player in today's business environment, recognized for its integrated reporting, stakeholder engagement, and consistently high sustainability performance. Novo Nordisk is listed in the 2010/2011 Dow Jones Sustainability Indices with a gold class rating. For more information, visit novonordisk.com/sustainability.

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