

# Environmental Guide for Suppliers & CMOs

Driving change in our supply  
chain together

September 2026, v2

**SUPPLIERS**  
FOR **zero**





# Together for a resilient, future-proof supply chain

**Environmental challenges have never been more critical or urgent** than they are today. That's why it's important we work together to address them.

As we grow to reach more patients, so does our responsibility to address urgent environmental challenges. That's why Novo is taking action to reduce emissions and protect nature.

But we can't do it alone. More than 95% of our environmental impact comes from our supply chain. That's why working together with you – our suppliers and CMOs – is essential.

That is nothing new. As an example, over 3,500 suppliers have committed to using renewable electricity when sourcing to Novo. Now, we are taking our collaboration to the next level.

That's why we've launched Suppliers for Zero – our environmental supplier programme. Building on our Circular for Zero strategy, it outlines how we will work together to reach our environmental targets across the Climate and Nature agendas. The programme recognises that every supplier is different – it's not one-size-fits-all. Instead, it enables collaboration with those who share our commitment to action.

Together, we can build a resilient, future-proof supply chain – one that supports innovation, sustainability, and the health of future generations. We look forward to working with you on this journey.

Dorethe Nielsen

Assoc Vice President, Environmental Responsibility  
Novo



# Introduction to the document and reading guide

- 1 Novo's environmental challenges and targets

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- 2 Strategic roadmaps guiding action with suppliers and CMOs
  - 2.1 Climate
  - 2.2 Nature

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- 3 Summary of initiatives we will drive with suppliers and CMOs

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- 4 How to get support and meet our expectations

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- 5 Glossary

This document introduces **Suppliers for Zero** – Novo's environmental programme for suppliers and contract manufacturing organisations (CMOs).

The document provides **guidance to our suppliers and CMOs** on our key environmental priorities and what we will collaborate on to drive change in line with our commitments.

We firmly believe in the power of collaboration and **invite you to work with us** on this critical agenda.

# Novo's environmental strategy | Circular For Zero

We focus our efforts on four priority areas, where we can have greatest impact, to drive science-based action across our value chain

## STRATEGIC COMMITMENTS

We are committed to reducing our environmental impact to protect the planet and build a resilient business

## SUPPLIER COLLABORATION

Suppliers for Zero currently focuses on collaborating with suppliers on **reducing emissions** and **protecting nature**

AMBITIONS

### Reducing emissions

Decouple emissions from growth to reach 2033 targets and net zero emissions across our value chain by 2045

- Scope 1 + 2: 75% reduction by 2033 compared to 2024
- Scope 3: 33% reduction by 2033 compared to 2024

TARGETS

### Protecting nature

Mitigate impacts and dependencies on natural resources to halt the loss of nature by 2033 and contribute to global nature positive outcomes by 2045

- 100% glucose from regen. agriculture by 2033
- Deforestation-free supply chain by 2030
- Two water restoration projects by 2030

### Rethinking chemistry

Reduce the use of toxic chemicals and minimise pharmaceuticals in the environment

- Targets to be assessed in the future

### Driving circularity by design

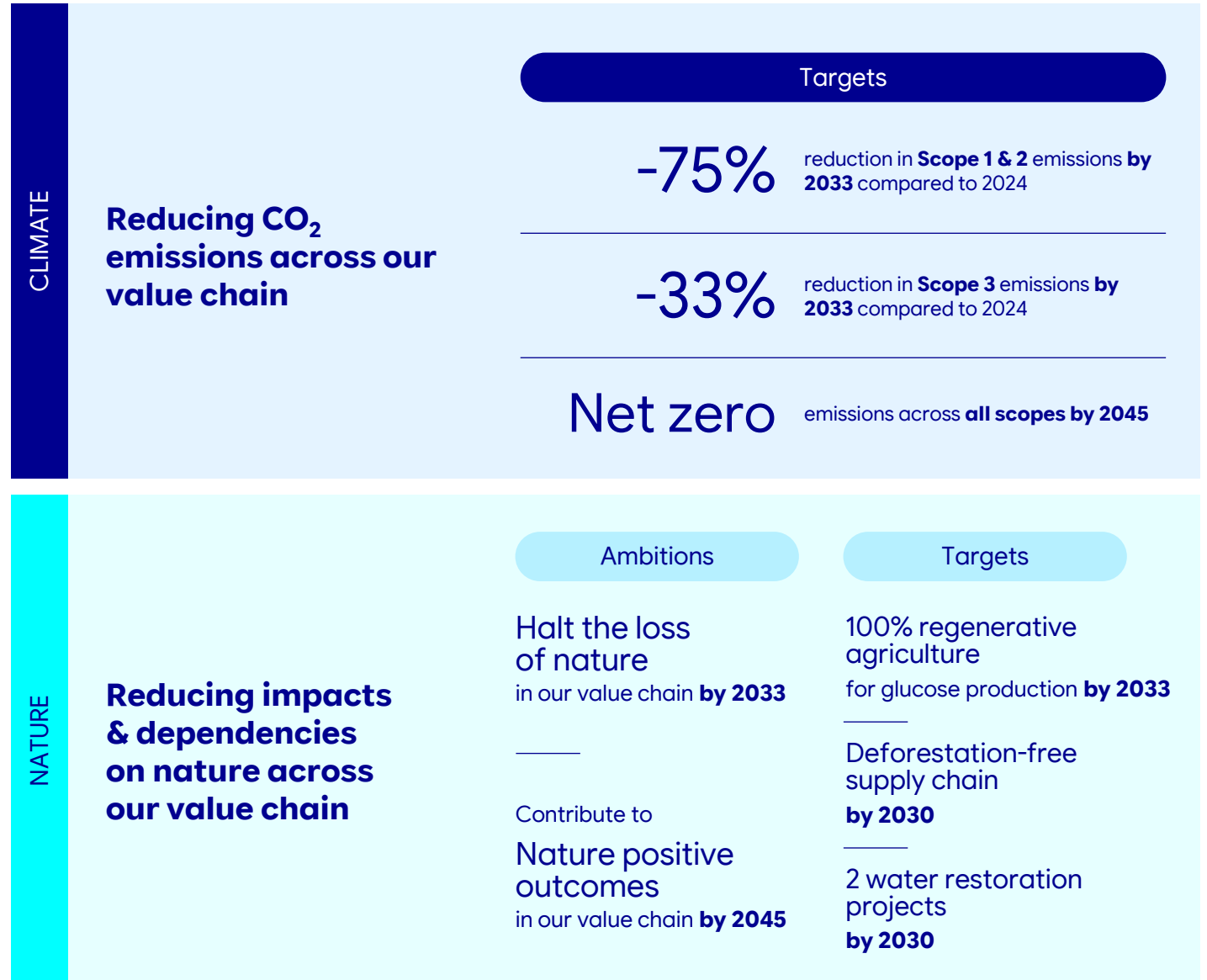
Reduce environmental impacts through integration of circularity in product and process design

- All new products assessed by Circular Product Design Framework and Life Cycle Assessment covering top 30-selling products by end of 2027

# Collaboration with our suppliers is key to delivering on our targets

Climate change and nature loss represent key environmental challenges in our value chain, which we have set targets to address.

Our environmental strategy **Circular for Zero** ensures that we work across the value chain – from supply, to operations and products – and embrace a circular mindset to achieve our targets.



# Driving change in our supply chain is essential to succeed

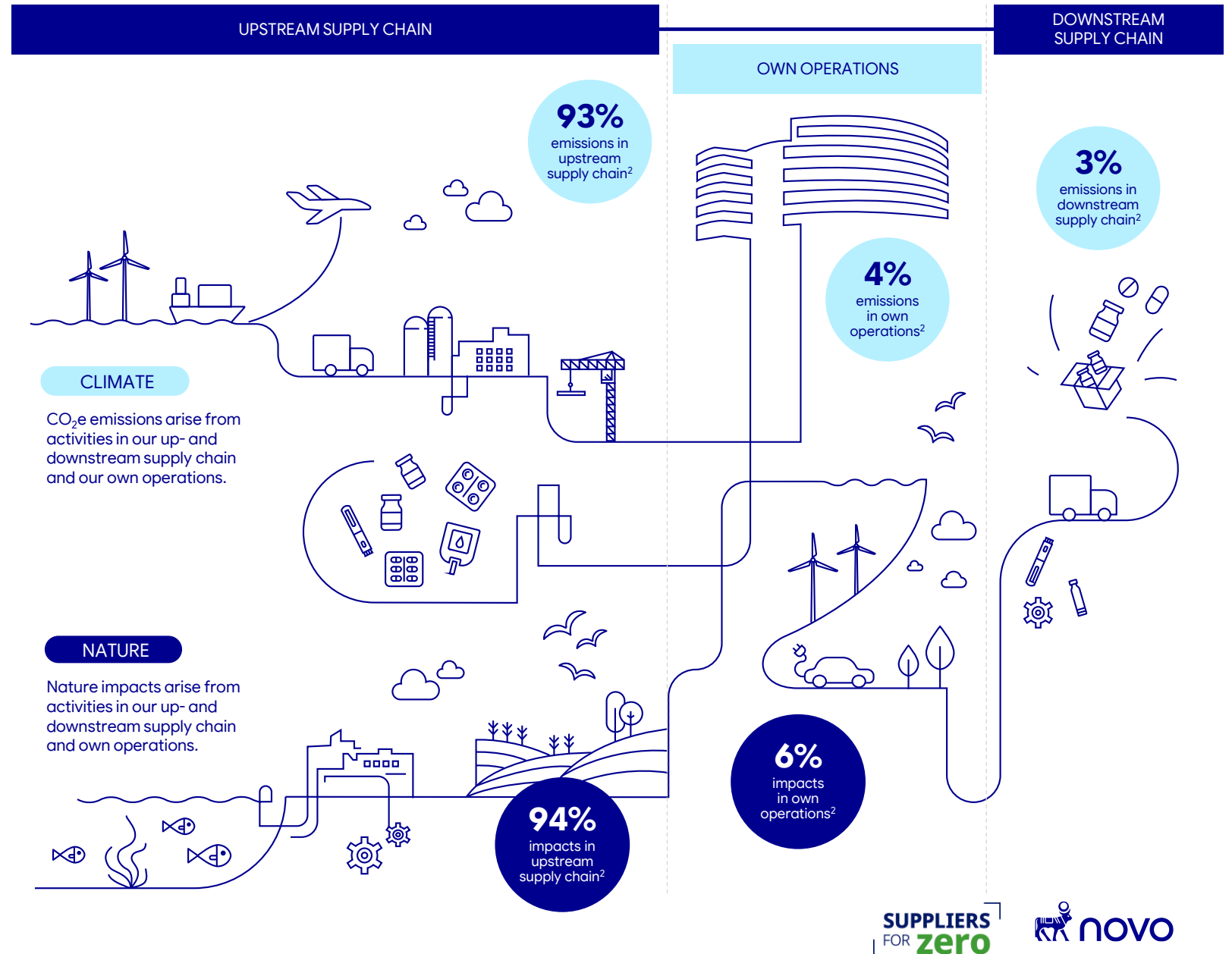
Since over 95% of our environmental impact lies outside our own operations, we know that **real progress depends on what happens in our supply chain**.

Collaborating with our suppliers to reduce our environmental impact is **nothing new for Novo**. For instance:

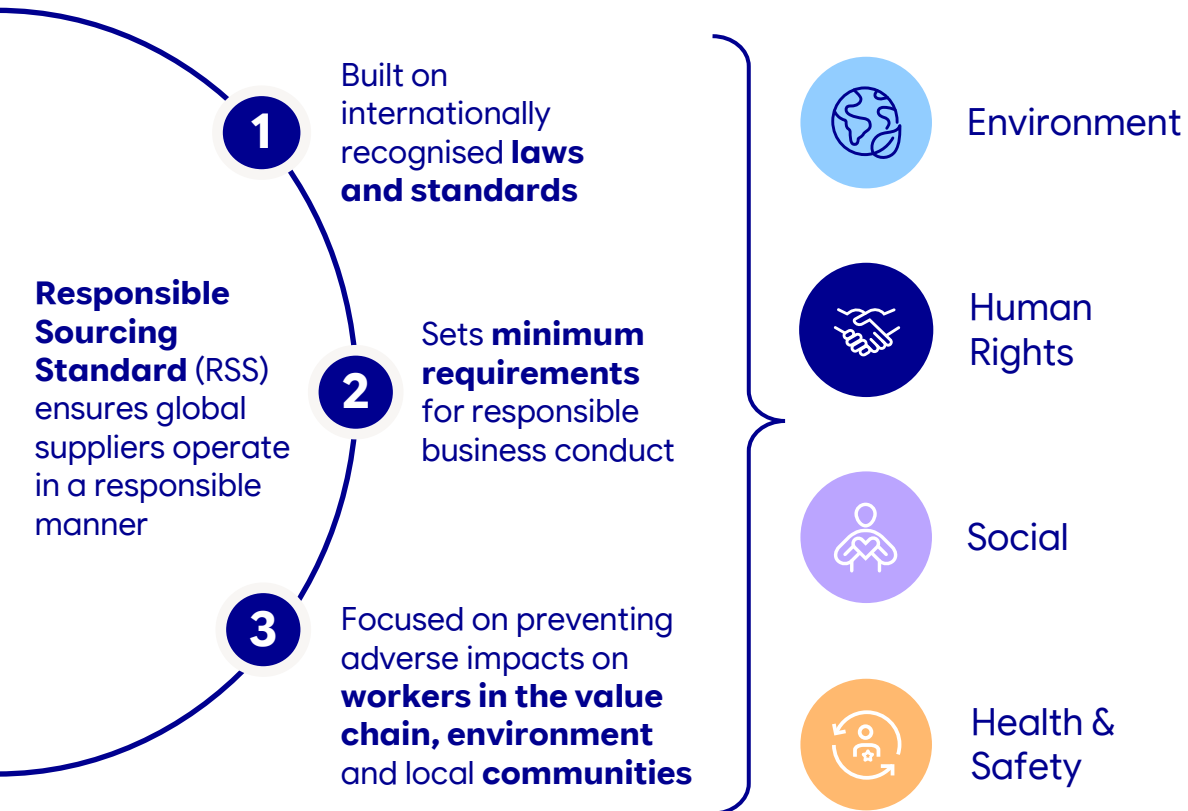
- Since 2002, our Responsible Sourcing Standard has outlined our **minimum environmental requirements** to suppliers<sup>1</sup>.
- And since 2020, we have actively engaged our suppliers to transition to **renewable electricity**.

Yet **taking collaboration with suppliers to the next level** is needed to reach our targets.

Notes: 1. *Responsible Sourcing* also covers minimum requirements for human rights, social, health & safety. 2. According to Novo's 2024 baseline. Scope 1, 2 and 3 emissions are validated through limited assurance. Nature impacts not yet third-party validated and downstream not currently estimated due to data limitations.



# Our minimum supplier requirements to operate a responsible business



To access the complete Responsible Sourcing Standard, please visit our website:  
[External commitments Responsible Sourcing Standard](#)

| RESPONSIBLE SOURCING ACROSS THE SUPPLIER LIFECYCLE                                                                                                                                                                                                                                                                                                                                                         |                                                                                                                                                                                                                                                          |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| SUPPLIER SELECTION                                                                                                                                                                                                                                                                                                                                                                                         | <ul style="list-style-type: none"> <li>Responsible Sourcing <b>requirements integrated into tenders</b></li> <li><b>Risk-based onboarding screening</b> to evaluate potential suppliers' human rights, environmental, and governance baseline</li> </ul> |
| CONTRACTING                                                                                                                                                                                                                                                                                                                                                                                                | <ul style="list-style-type: none"> <li>Commitment to Responsible Sourcing Standard through <b>signing Responsible Sourcing clause in contract</b></li> </ul>                                                                                             |
| SUPPLIER ENGAGEMENT                                                                                                                                                                                                                                                                                                                                                                                        | <ul style="list-style-type: none"> <li>Ongoing supplier <b>support &amp; dialogue</b></li> <li><b>Risk-based assessments<sup>1</sup></b> and audits</li> <li><b>Corrective action plans</b> and <b>remediation</b></li> </ul>                            |
| <b>Need support or want to raise a concern?</b> <ul style="list-style-type: none"> <li>Reach out early if challenges arise in meeting RSS requirements</li> <li>Report potential or actual adverse impacts through reporting channels</li> <li><a href="#">Compliance Hotline</a> available for confidential reporting</li> </ul> <p>Novo <b>prioritises collaboration, prevention and remediation</b></p> |                                                                                                                                                                                                                                                          |

Notes: 1. May include supplier self-assessments, Corporate Sustainability Due Diligence Directive (CSDDD) questionnaires and other risk-based due diligence activities

# In addition, we ask suppliers & CMOs to collaborate on climate and nature priorities

- 1 Across our value chain, we focus on reducing emissions and protecting nature across a broad range of topics.
- 2 To succeed, we need to **drive change in our supply chain** together with our suppliers and CMOs.
- 3 We **do not impose one-size-fits** all requirements. In our engagements with you, we will specify actions that we expect from you.
- 4 In each area, we outline specific **actions that we will take together** with our suppliers.

## CLIMATE | 7 workstreams

## NATURE | 5 workstreams

### SUPPLIERS

**Production materials:** Decarbonise key production materials sourced to produce medicine<sup>1</sup>

**Indirect goods & services<sup>3</sup>:** Decarbonise goods & services we source to run the company<sup>1</sup>

**Expansion projects:** Decarbonise equipment & facilities we build to scale capacity<sup>1</sup>

**Transportation & Distribution:** Decarbonise transportation of raw materials, products & people<sup>1</sup>

**Land:** Avoid degradation of land in our value chain focusing on paper, cardboard and glucose

**Water:** Reduce our relative impact on water at manufacturing sites and in our value chain

### INTERNAL

**Own operations:** Decarbonise our own operations through renewable energy<sup>2</sup>

**Internal levers:** Innovate to reduce material demand & identify low-carbon alternatives<sup>1</sup>

**Carbon removals:** Act beyond the value chain to remove residual CO<sub>2</sub> from the atmosphere

**Biodiversity:** No-net-loss of biodiversity in expansions and avoid impact on endangered species

**Restoration:** Initiate restoration projects within our value chain

**Transformation:** Optimise and replace API production to eliminate land footprint

Notes: 1. Scope 3 emissions. 2. Scope 1 and 2 emissions. 3. Indirect purchased goods and services include, but are not limited to, IT hardware, software and consultancy, clinical trials and laboratories, services related to consulting, facility management, human resources, marketing and communication.

## CLIMATE

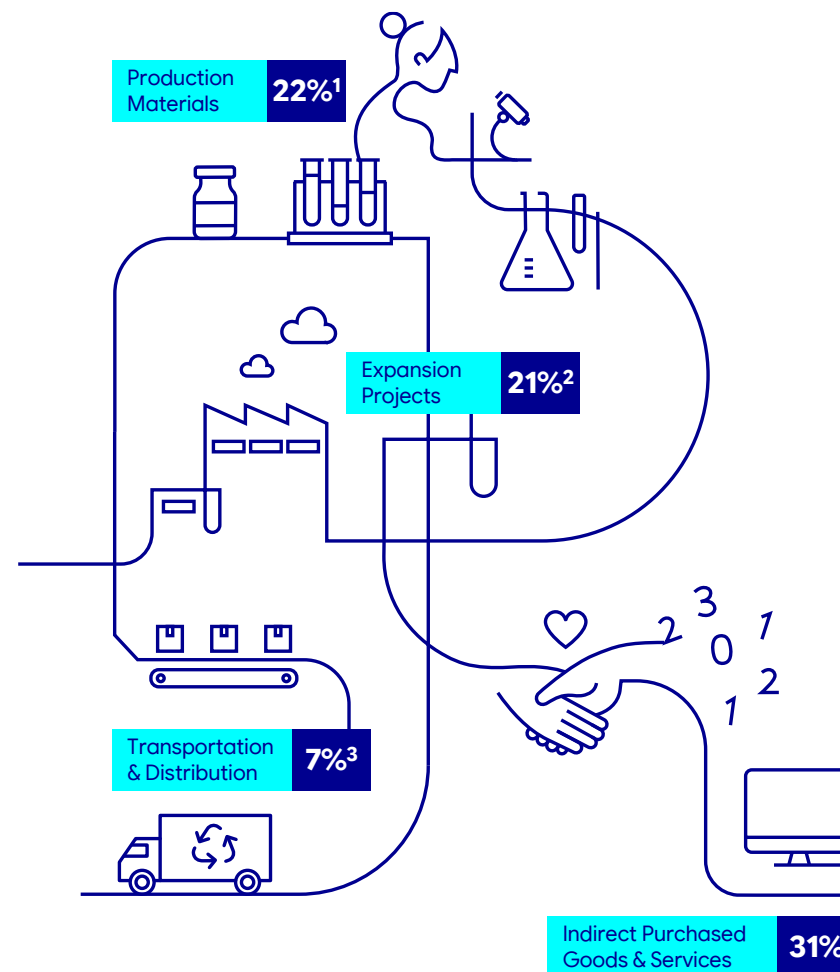
# Our targets and priorities

As a global company with sourcing, manufacturing, and distribution to reach patients across the world, Novo has **impacts on climate change**.

The majority of Novo's CO<sub>2</sub>e emissions are generated by the purchase of **production materials, goods and services**, as well as **expansion projects** and **distribution**.

That's why we prioritise **addressing these areas together** with our suppliers to meet our targets.

## Priority areas related to suppliers and CMOs



% Share of CO<sub>2</sub>e emissions in 2024

## Targets

(approved by SBTi)

- 75%**  
 reduction in **Scope 1 & 2** emissions **by 2033** compared to 2024
- 33%**  
 reduction in **Scope 3** emissions **by 2033** compared to 2024
- Net zero**  
 emissions across **all scopes by 2045**

Notes: 1. Direct Purchased Goods & Services. 2. Capital Goods. 3. Up- and Downstream Transportation and Distribution.

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# What we will achieve with you

To reach our scope 3 targets, we need our **suppliers and CMOs to implement specific decarbonisation levers** and support us to improve data foundations to measure impacts and potentials.

We **do not impose one-size-fits** all requirements. In our engagements with you, we will specify actions that we expect from you.

## When requested by Novo, we expect our suppliers and CMOs to:

### Source renewable electricity:

Source 100% renewable electricity for supply to Novo.

*Expected of all Novo Tier 1 suppliers and CMOs.*

### Disclose emissions:

Assess and publicly disclose scope 1, 2 and 3 emissions (e.g. through CDP or EcoVadis)

### Source renewable heat:

Implement solutions to source renewable heat in your operations.

### Share carbon footprint data:

Share product carbon footprint data for products and services sourced to Novo (e.g. LCAs or PCFs)

### Use low-carbon materials:

Implement solutions to source low-carbon materials for Novo supply.

### Set science-based emissions targets:

Set targets to reduce emissions aligned with science and develop plans to reduce emissions accordingly.

### Use low-carbon transportation:

Implement solutions to decarbonise transportation and travel for Novo supply.

These expectations go **beyond the minimum requirements** we have in our Responsible Sourcing Standard. [Link](#) to complete overview.

## CLIMATE

Our progress so far:

# Success stories in our own operations

## Scope 1 & 2 emissions



### Energy efficiency and optimisation

Sites and processes are optimised through our **energy savings programme which has run since 2004**. The programme rethinks the design of our site infrastructure to ensure a resource-efficient energy supply.

In 2025, energy savings initiatives across sites resulted in total energy savings of 29.8 GWh. Yet, this reduction could not offset the overall growth in energy consumption.

In addition, we are building a **district cooling ring** at site Kalundborg, Denmark, with expected energy savings of over 20,000 MWh/year after completion in 2026.

### Renewable energy in operations

Switching to renewable energy in our global operations is a key priority to Novo.

In 2025, **66%** of Novo's total energy consumption was from renewable sources (incl. from biomass), and **86% of electricity** consumption at production sites from renewables.

We will **continue the transition** to convert electricity, heat and steam in our production processes through alternative energy sources and electrification.



## CLIMATE

Our progress so far:

# Success stories in our value chain



## Low-carbon product distribution

Since 2021, we have utilised Maersk's ECO delivery solution for sea freight. Lower carbon fuels in the Maersk network reduces GHG emissions by up to 84%<sup>1</sup>.

To reduce air freight emissions, we prioritise switching to lower-carbon transport modes, and source sustainable aviation fuel (SAF).

Our ongoing dialogue with distribution partners focuses on exploring innovative solutions and potential collaboration opportunities in sustainability.

This partnership approach plays a key role in our decarbonisation efforts in logistics.

## Renewable electricity journey with suppliers

Since 2020, we have engaged our **Tier 1 suppliers and CMOs** to commit to sourcing renewable electricity for supply to Novo.

Today, more than **3,500 suppliers and CMOs** responsible for app. 50% of our emissions in Scope 3 Purchased Goods & Services and Capital Goods emissions have committed sourcing renewable electricity for Novo supply.



## Scope 3 emissions

Notes: 1. On a well-to-wake basis compared to conventional fossil fuels.

## CLIMATE

Our progress so far:

# Success stories in our value chain



## Finding alternatives to fossil plastic

Conventional plastic is fossil-based and emits CO<sub>2</sub> during production. We need a **viable, fossil-free alternative**.

We source **e-methanol from Europe's first large scale e-methanol facility** in Kassø, Denmark, together with the LEGO Group and Maersk, allowing us to explore alternative ways to make **lower carbon plastic** for our injection pens.

This technology will enable us to substitute traditional plastic with **lower-carbon sources** in our insulin pens and other medical devices.

## End-of-life take-back of medical devices

We take action to **recycle medical devices** to avoid plastic waste being incinerated or ending up in landfills.

Through our **ReMed™ programme**, we aim to ensure that prefilled injection pens are collected and recycled for new purposes.

Since 2020 Novo has collected more than **5 million pens** through the programme, which is now active in **seven key markets**.



Plastic

## NATURE

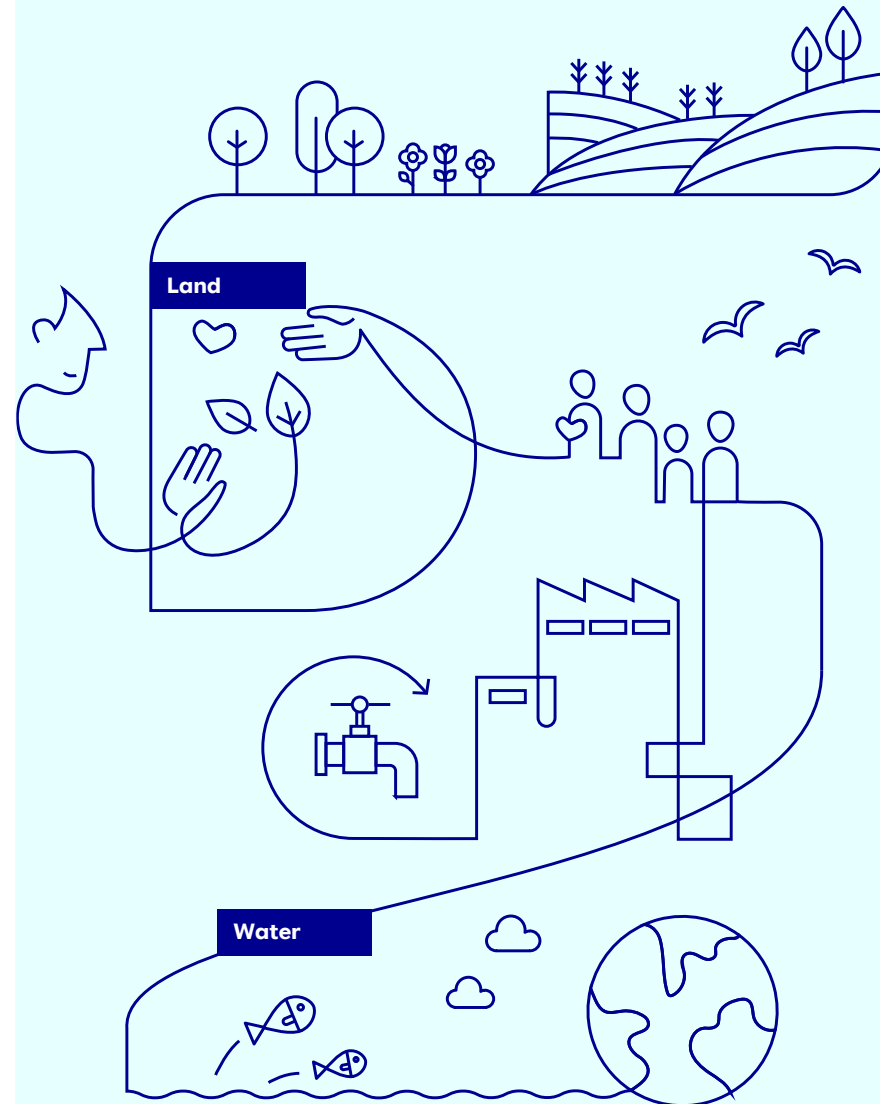
# Our targets and priorities

We recognise that **our business impacts and depends on nature** to serve an increasing number of patients living with serious chronic diseases.

94% of Novo's nature impacts are generated in our supply chain and relate particularly to **land- and water-use** from sourced raw materials. These impacts are particularly key to **agricultural and forestry-derived raw materials**.

We aim to **halt the loss of nature in our value chain by 2033** - by preventing further decline or degradation of natural ecosystems and the biodiversity they support. **By 2045**, we aim to contribute to **nature positive outcomes in our value chain** by contributing to the recovery of nature.

## Priority areas related to suppliers and CMOs



## Ambitions

- **Halt the loss of nature**  
in our value chain **by 2033**
- Contribute to **Nature positive outcomes**  
in our value chain **by 2045**

## Targets

- **100% regenerative agriculture**  
for glucose production **by 2033**
- **Deforestation-free supply chain**  
**by 2030**
- **2 water restoration projects**  
**by 2030**

# What we will achieve with you

Working with our suppliers on transparency in our supply chains, ensuring deforestation-free commodities, and adopting water stewardship practices are critical to mitigate our negative impacts on natural resources in our value chain.

When requested by Novo, we expect our suppliers and CMOs to:

## **Collaborate on supply chain transparency:**

Share supply chain data and information on raw materials. This can be done e.g. through nature-relevant product footprint data from LCAs (e.g. land use, water use, pollution) and providing information on upstream sourcing locations.

## **Water stewardship:**

Suppliers and CMOs operating in areas of high water-stress or risk that are contributing to water scarcity or pollution should adopt approaches to improve their overall water impacts in alignment with water stewardship principles.

## **Ensure deforestation free supply chain:**

Screen your supply chains and operations for deforestation and disclose your commitments and plans to address deforestation and conversion risks.

These expectations go **beyond the minimum requirements** we have in our Responsible Sourcing Standard. [Link to complete overview.](#)

## NATURE

Our progress so far

# Success stories in our own operations



## Water savings at production sites

We work to reduce our relative impact on water at our priority sites through water savings plans. We reached total **water savings in 2024 amounting to 105,600 m<sup>3</sup>**, of which 48% was in areas of high water-stress and/or water risk.

A **rainwater collection system** and reservoir with a capacity of 80 million litres of water has been installed in our Brazilian production site. Water is used for the manufacture of insulin, industrial processes and irrigation. The project **saves about 40%** of the site's annual water consumption.

## Regenerative agriculture for glucose

We will avoid degradation of land in our glucose supply chain by striving to source all **glucose from regenerative agriculture**.

In 2025, over **10% of the glucose** we procured was from regenerative agriculture. By 2033, we **aim to reach 100%** for glucose supply.

Regenerative agriculture holds potential for **reducing GHG emissions and water pollution**, while **improving soil health and biodiversity**.

We will continue transition discussions with all our glucose suppliers.



# Summary of initiatives we will drive with suppliers and CMOs

We do not impose one-size-fits all requirements through Suppliers for Zero. In our engagements with you, we will specify the actions that we expect from you.

| Expectation                                                                                                                        | Description                                                                                                                                                             | Suppliers and CMOs in scope |
|------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------|
|  <b>Meet the Responsible Sourcing Standard</b>    | Suppliers are obligated to comply with Novo's minimum requirements in the Responsible Sourcing Standard. <a href="#">Link</a> to overview.                              | All Novo suppliers and CMOs |
|  <b>Source renewable electricity</b>              | Source 100% renewable electricity for supply to Novo by 2033.                                                                                                           | All Novo suppliers and CMOs |
|  <b>Source renewable heat</b>                     | Implement solutions to source renewable heat in your operations.                                                                                                        | Upon request                |
|  <b>Use low-carbon materials</b>                  | Implement solutions to source low-carbon materials for Novo supply.                                                                                                     | Upon request                |
|  <b>Use low-carbon transportation</b>             | Implement solutions to decarbonise transportation and travel for Novo supply.                                                                                           | Upon request                |
|  <b>Disclose emissions</b>                        | Assess and publicly disclose scope 1, 2 and 3 emissions (e.g. through CDP or EcoVadis).                                                                                 | Upon request                |
|  <b>Share carbon footprint data</b>               | Share product carbon footprint data for products and services sourced to Novo (e.g. LCAs or PCFs).                                                                      | Upon request                |
|  <b>Set Science-Based emissions targets</b>       | Set targets to reduce emissions aligned with science and develop plans to reduce emissions accordingly.                                                                 | Upon request                |
|  <b>Collaborate on supply chain transparency</b> | Share supply chain data on raw materials and locations of these. This can be done through nature-relevant product footprint data from LCAs (e.g. water use, pollution). | Upon request                |
|  <b>Ensure deforestation free supply chain</b>  | Screen your supply chains and operations for deforestation and disclose your commitments and plans to address deforestation and conversion risks.                       | Upon request                |
|  <b>Adopt water stewardship practices</b>       | Adopt approaches to improve overall water impacts in alignment with water stewardship principles.                                                                       | Upon request                |

 General  Climate  Nature

How to get  
support and meet our  
expectations

# We see this as a collaborative journey and sponsor programmes that give you free access to training and support on implementing solutions

We acknowledge that fulfilling our expectations will be a **journey** – some suppliers have made significant progress, while others are just beginning.

However, to meet our commitments by 2033, **we expect all suppliers to advance on the priorities we outline.**

To support you on this journey, Novo actively participates in partnerships promoting industry standardisation and offering free training for suppliers.

## What it is



The Energize programme is a collaborative effort by the pharmaceutical industry and Schneider Electric, which aims to **accelerate renewable energy adoption** within the pharmaceutical value chain.



An industry-led initiative with +70 members focusing on **helping suppliers meet industry expectations**, incl. defining responsible supply chain practices, human rights, environmental sustainability, etc.



Sustainable Markets Initiative

The Health Systems Task Force in the Sustainable Markets Initiative (SMI) takes **joint, scalable action to accelerate the delivery of net zero healthcare**, with focus on supply chain decarbonisation.

## How it supports suppliers

Novo suppliers can gain **access to educational resources on renewable electricity** and opportunities to **join buyer cohorts** for power purchase agreements (PPAs) through the Energize programme.

Novo suppliers can gain **access to extensive e-learning modules** on sustainability topics (including decarbonisation and biodiversity) to support maturity advancement.

Novo suppliers can get **support to source renewable electricity** (currently focused on China, India and Japan) and renewable heat.

## Links

[Energize – Renewable Energy for Pharmaceutical Suppliers | Schneider Electric](#)

[PSCI - Building responsible supply chains](#)

[Health Systems taskforce | Sustainable Markets Initiative](#)

# Pharmaceutical Supply Chain Initiative (PSCI) | Support



Novo collaborates through PSCI, which has established the **PSCI Principles for Responsible Supply Chain Management**. These principles set expectations for suppliers across areas such as ethics, human rights, health and safety, environment, and governance.

The PSCI also provides **practical tools, including maturity models and learning plans**, to help suppliers strengthen their practices and advance their sustainability journey.

## PSCI Principles

### Environment

- Climate Change
- Resource Efficiency
- Biodiversity Conservation
- Management of Waste and Emissions

### Ethics

### Human Rights

### Health and Safety

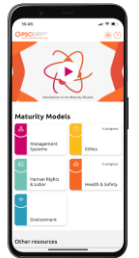
### Governance and Management Systems

## [Link to PSCI resources and tools](#)

- Suppliers can participate in **Global Supplier Conferences** to connect, learn, and contribute to the future of sustainable value chains. The conferences feature expert-led sessions on the most important sustainability topics in the pharmaceutical industry.



- The **PSCI Maturity App** provides an interactive experience of the PSCI Maturity Models.



- Available on Android and iOS.

- The PSCI's on-demand **learning platform Learnster** is your one-stop-shop to develop your skills and improve your practices in line with the PSCI Principles. Courses are available and can be taken by PSCI Members, Suppliers, and Supplier Partners.

**Learnster** <sup>®</sup>



# Sustainable Markets Initiative (SMI) | Support to suppliers



Sustainable  
Markets  
Initiative

As part of our collaboration in the Sustainable Markets Initiative (SMI), we are working with leading pharma companies.

One of the focus areas is to **decarbonise our supply chain and we ask our suppliers to do the same.**

**The SMI offers access to resources like webinars and toolkits** to support suppliers in their decarbonization journey.

Our Suppliers for Zero programme aligns with our SMI joint supplier targets.

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## [Link to SMI resources and toolkit](#)



### Supplier Solutions Webinar Series

Join our webinar series to understand the supplier targets in detail and explore practical implementation solutions — including renewable energy, green heat, resource efficiency and emissions measurement.

#### Upcoming webinars

SMI Renewable Electricity Initiative in China (Option #1)

- Date: Thursday August 20
- Time: 09:00 AM (London)
- [Register here](#) →

SUPPLIERS  
FOR zero



# Guidance on how to meet our expectations (1/2)

| Expectation                                                                                                                                                                                                                                                                                                                 | Why                                                                                        | How                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|  <b>Meet the Responsible Sourcing Standard</b>                                                                                                                                                                                             | Comply with minimum requirements for human rights, social, health & safety and environment | Adhere to the requirements set out in the <a href="#">Responsible Sourcing Standard</a> .                                                                                                                                                                                                                                                                                                                                                                                    |
|  <b>Source renewable electricity</b>                                                                                                                                                                                                       | Reducing supplier scope 2 emissions and Novo scope 3 emissions                             | Source renewable electricity e.g. following <a href="#">RE100</a> criteria through onsite or offsite sources and retain energy attributes through power purchase agreements (PPAs) or environmental attribute certificates (EACs). The volume should cover at least the share of electricity used to manufacture the products or perform the services to Novo (calculated as: Novo MWh share = Total Supplier power consumption x Novo spend with Supplier/Supplier revenue) |
|  <b>Source renewable heat</b>                                                                                                                                                                                                              | Reducing supplier scope 1 and/or 2 emissions and Novo scope 3 emissions                    | Source renewable heat through onsite (e.g. electric heat pumps using renewable electricity) or offsite sources (e.g. renewable gas from the grid). Solutions will depend on local market conditions and technical feasibility. The volume should cover at least the share of heat used to manufacture the products or perform the services to Novo.                                                                                                                          |
|  <b>Use low-carbon materials</b>                                                                                                                                                                                                           | Reducing supplier scope 1, 2 and/or 3 emissions and Novo scope 3 emissions                 | Source or manufacture goods to Novo with a reduced carbon footprint compared to traditional materials. Decarbonisation levers can vary, but generally include switching to renewable energy, alternative feedstocks, and recycled materials. Burden-shifting must be avoided when selecting alternative materials (i.e., reduced emissions should not lead to increased nature impacts).                                                                                     |
|  <b>Use low-carbon transportation</b>                                                                                                                                                                                                     | Reducing supplier scope 1 and/or 3 emissions and Novo scope 3 emissions                    | Use low-carbon transport modes (e.g. minimise air freight, switch to electric vehicles) and fuels (e.g. sustainable aviation fuel) when transporting goods for Novo. Employee travel on behalf of Novo should adhere to our Supplier Travel Policy.                                                                                                                                                                                                                          |
|  <b>Disclose emissions</b>                                                                                                                                                                                                               | Ensuring supplier awareness about emissions hotspots to identify impact opportunities      | Assess and publicly disclose your full scope 1, 2 and 3 emissions. Ensure alignment with the <a href="#">GHG Protocol</a> to determine your emissions inventory. Disclose your emissions publicly either in annual report or through disclosure platforms such as <a href="#">CDP</a> and <a href="#">EcoVadis</a> .                                                                                                                                                         |
| <div>  General            Climate            Nature         </div> |                                                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |

# Guidance on how to meet our expectations (2/2)

| Expectation                                                                                                                       | Why                                                                                                                      | How                                                                                                                                                                                                                                                                                                                                                                       |
|-----------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|  <b>Share emissions data</b>                     | Collecting primary emissions data to ensure improvements are tracked properly and reflecting supplier and CMO operations | Share carbon footprint data for products and services sold to Novo. Data can be shared through lifecycle assessments (LCA), product carbon footprint reports (PCF) or environmental product declarations (EPD). The LCA/PCF/EPD must be in accordance with established standards and be third-party reviewed.                                                             |
|  <b>Set Science-Based Targets</b>                | Ensuring supplier commitment and action to reducing emissions                                                            | Set Science-Based Targets (SBTs) by committing to the <a href="#">Science Based Targets initiative (SBTi)</a> , developing targets in line with the initiative's criteria, submitting them for validation, and then communicating and disclosing progress.                                                                                                                |
|  <b>Collaborate on supply chain transparency</b> | Ensuring more accurate assessment of environmental risks and impacts from supply chains                                  | Collaborate to identify the quantity and type of raw materials that are used for the goods sold to Novo, and the locations of suppliers along the value chain from raw material extraction, processing through to production. Where available, collaborate with Novo on data sharing through relevant LCA emission factors for land, water and pollution impacts.         |
|  <b>Ensure deforestation free supply chain</b>   | Deforestation is a key driver of nature and climate impacts and businesses face regulatory requirements                  | Screen your supply chains using the <a href="#">EUDR High Impact Commodity list</a> , reporting on your findings and mitigation actions publicly either through your annual report or through disclosure platforms such as <a href="#">CDP</a> and <a href="#">EcoVadis</a> .                                                                                             |
|  <b>Adopt water stewardship practices</b>       | To ensure sustainable management of water resources                                                                      | Adopt water stewardship practices by implementing water management strategies that minimise the impacts of withdrawals / discharges and improve water efficiency, invest in innovative technologies for water conservation, engage in partnerships with local communities to protect water sources, and transparently report on water usage and its environmental impact. |

 General  Climate  Nature

# Glossary

# Glossary | Responsible Sourcing

|                                                                 |                                                                                                                                                                                                                           |
|-----------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Responsible Sourcing</b>                                     | Novo's supplier requirements for ensuring responsible business conduct across its value chain s on human rights, environmental sustainability, business ethics, and good governance.                                      |
| <b>Corrective Action Plan (CAP)</b>                             | A structured plan that outlines actions, responsibilities, and timelines for addressing identified supplier non-compliances, risks, or adverse impacts.                                                                   |
| <b>Corporate Sustainability Due Diligence Directive (CSDDD)</b> | EU legislation requiring in-scope companies to identify, prevent, mitigate, and address adverse human rights and environmental impacts in their own operations and supply chains.                                         |
| <b>Remediation</b>                                              | Actions taken to provide or enable remedy for people, communities, or the environment affected by adverse human rights or environmental impacts, in line with the UN Guiding Principles on Business and Human Rights.     |
| <b>Risk-based due diligence</b>                                 | An ongoing process to identify, assess, prevent, mitigate, and monitor actual and potential human rights and environmental impacts in a company's value chain, prioritising risks based on their severity and likelihood. |
| <b>Supplier self-assessment questionnaire</b>                   | A questionnaire used to collect information on a supplier's policies, practices, and management of sustainability-related risks and impacts to support risk-based due diligence.                                          |

# Glossary | Climate (1/2)

|                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|---------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Scope 1</b>                              | Direct CO <sub>2</sub> e emissions from sources that are owned or controlled by the reporting company. CO <sub>2</sub> e emissions from production, office buildings and laboratories include consumption of fuel oil, propane, wood and natural gas.                                                                                                                                                                                   |
| <b>Scope 2</b>                              | Indirect CO <sub>2</sub> e emissions from the generation of purchased or acquired electricity, steam, heating, or cooling consumed by the reporting company.                                                                                                                                                                                                                                                                            |
| <b>Scope 3</b>                              | Indirect emissions (not included in scope 2) that occur in the reporting company's value chain, including both upstream and downstream emissions. For example, purchase of goods and services, transport and distribution, or the use and disposal of goods or services after they reach the consumer.                                                                                                                                  |
| <b>CO<sub>2</sub>e</b>                      | The standard unit used to compare and account for emissions from various greenhouse gases based on their global warming potential.                                                                                                                                                                                                                                                                                                      |
| <b>Greenhouse gases (GHG)</b>               | A common term for all gasses that contribute to the greenhouse effect. Common greenhouse gasses are carbon dioxide (CO <sub>2</sub> ), methane (CH <sub>4</sub> ), laughing gas (nitrous oxide, N <sub>2</sub> O) and F-gasses.                                                                                                                                                                                                         |
| <b>Renewable electricity and heat</b>       | Electrical and thermal energy generated from naturally replenishing sources like sunlight, wind, water, and geothermal energy. These sources are virtually inexhaustible and have a significantly lower environmental impact than traditional fossil fuels.                                                                                                                                                                             |
| <b>Power purchase agreement (PPA)</b>       | A long-term contract for sourcing renewable electricity. In this method, a corporate buyer agrees to purchase renewable electricity directly from an energy generator. The agreement provides corporations with a fixed price for electricity over 10-25 years. Under a PPA, the company can claim ownership of the environmental attributes of renewable energy.                                                                       |
| <b>Environmental energy attribute (EAC)</b> | Standardised, tradable instruments issued to a unit of generation (typically, 1 MWh) which are used to aggregate and track energy attributes. Depending on the system issuing them and the market where they are used, buyers may purchase them bundled with or unbundled from the underlying generation to secure the property rights to energy attributes. Often interchangeably referred to as Renewable Energy Certificates (RECs). |
| <b>Net zero emissions</b>                   | Net zero emissions are achieved when human-caused GHG emissions are balanced by removing the same quantity of emissions from the atmosphere over a specified period of time (IPCC, 2018). Net-zero GHG emissions must be achieved at the global level to stabilise temperature increase at 1.5°C.                                                                                                                                       |
| <b>Carbon removals</b>                      | The process of extracting CO <sub>2</sub> from the atmosphere and storing it in a way that it does not contribute to atmospheric greenhouse gas concentrations. Novo does not accept suppliers using carbon offset credits to claim emissions reductions for products or services sourced to Novo.                                                                                                                                      |

# Glossary | Climate (2/2)

|                                                |                                                                                                                                                                                                                                                                                                                                                        |
|------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Lifecycle Assessment (LCA)</b>              | A systematic analysis of the environmental impacts of a product, process, or service throughout its entire life cycle, from raw material extraction (cradle) to disposal or recycling (grave). It looks at various environmental impact categories such as global warming potential, ozone depletion, eutrophication, and resource depletion.          |
| <b>Product Carbon Footprint (PCF)</b>          | Focuses specifically on the greenhouse gas (GHG) emissions associated with a product throughout its life cycle. It is a subset of LCA that is limited to the impact category of climate change, usually measured in terms of CO2 equivalents.                                                                                                          |
| <b>Environmental Product Declaration (EPD)</b> | A standardised document that provides quantified environmental data for a product based on an LCA. Often used in public procurement, building certifications, and by companies to demonstrate environmental performance.                                                                                                                               |
| <b>Greenhouse Gas Protocol</b>                 | A comprehensive global standardised framework for measuring and managing greenhouse gas emissions from private and public sector operations, value chains, and mitigation actions.                                                                                                                                                                     |
| <b>Science-Based Targets Initiative (SBTi)</b> | A globally leading institution that provides companies with a clear framework for setting GHG emissions reduction targets in line with the latest climate science.                                                                                                                                                                                     |
| <b>Science-Based Targets</b>                   | Science-based targets give companies a clearly-defined path to reduce greenhouse gas emissions in line with limiting global warming to 1.5°C. They define how much and how quickly a business must reduce its emissions to be in line with the Paris Agreement goals.                                                                                  |
| <b>CDP</b>                                     | A global non-profit organisation that promotes environmental transparency and helps businesses, cities, and investors understand and act on climate change, environmental sustainability, and transparent reporting of non-financial data. CDP serves as a platform for collecting data on corporate and city environmental performance and reporting. |
| <b>EcoVadis</b>                                | EcoVadis is a platform that evaluates businesses' sustainability performance across four key areas: environment, labour & human rights, ethics, and sustainable procurement. It provides sustainability ratings, tools, and insights to help companies assess and improve their sustainability performance.                                            |

# Glossary | Nature

|                                 |                                                                                                                                                                                                                                                                                    |
|---------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Nature</b>                   | Is everything around us, like plants, animals, and the places they live. It also includes things like air, water, and soil. All these things work together to create an important system that helps all living things on Earth stay alive                                          |
| <b>Biodiversity</b>             | All living things, incl. plants, animals, and microorganisms.                                                                                                                                                                                                                      |
| <b>Nature pressures</b>         | The impact of human activities on the natural environment, incl. habitat destruction, pollution, overexploitation of resources, and climate change, which can negatively affect ecosystems and biodiversity.                                                                       |
| <b>Nature positive</b>          | A state where human activities have a net positive impact on nature, meaning that the activities contribute to the preservation and improvement of the natural environment.                                                                                                        |
| <b>Halt the loss of nature</b>  | Refers to stopping or preventing further decline or degradation of natural ecosystems and the biodiversity they support.                                                                                                                                                           |
| <b>Deforestation</b>            | Loss of natural forest as a result of: (i) conversion to agriculture or other non-forest land use; (ii) conversion to a tree plantation; or (iii) severe and sustained degradation.                                                                                                |
| <b>Conversion</b>               | Loss of a natural ecosystem as a result of its replacement with agriculture or another land use, or due to a profound and sustained change in a natural ecosystem's species composition, structure, or function.                                                                   |
| <b>Restoration</b>              | The process of returning a natural environment or ecosystem to a previous or better condition.                                                                                                                                                                                     |
| <b>Regenerative agriculture</b> | Farming practices that aim to improve the health of the soil, increase biodiversity, and enhance ecosystems, often through methods that mimic natural processes.                                                                                                                   |
| <b>Water stewardship</b>        | The responsible management and sustainable use of water resources, which involves assessing water-related risks and opportunities, engaging stakeholders, and implementing practices that protect water quality and availability for the environment, businesses, and communities. |
| <b>Water catchment</b>          | For business, a water catchment refers to the geographical area from which the company sources its water supply                                                                                                                                                                    |
| <b>Water replenishment</b>      | The process of restoring or refilling water sources, such as ground water, rivers, and lakes, to their natural or sustainable levels.                                                                                                                                              |



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