



ESG report
Novo Nordisk Pharmatech

2022

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ESG

"Here at Novo Nordisk Pharmatech, we are committed to being a sustainable business. To us, this means that we add value to society and our future business in an environmentally friendly way. To achieve this ambition, we strive to do business in a financially, environmental, and socially responsible way. Therefore, we look at our performance and set specific targets within the ESG (Environment, Social and Governance) areas".

**Ulla Grove Krogsgaard Thomsen CEO,
Novo Nordisk Pharmatech A/S**



01 Environment



Environment

In 2019 Novo Nordisk Pharmatech committed to our environmental strategy of having zero environmental impact across our entire value chain from Research & Development and Business Development to Manufacturing, Marketing, and Sales by 2030.

To us environmental impact does not only include CO₂e emissions, but also other activities that impact the environment. Our main environmental impacts include:

- Energy and water consumption
- CO₂e emissions from operations and transportation
- CO₂e emissions from supply
- Handling of hazardous and non-hazardous waste

We acknowledge that CO₂e emissions continue to rise and pose one of the biggest environmental issues: the climate crisis. That's why we have committed to having **net zero emissions across our entire value chain by 2045**. To us net zero means gaining carbon neutrality by reducing our emissions as close to zero as possible and ensuring any remaining emissions are reabsorbed from the atmosphere.

Energy and water consumption

Since 2018 all our electricity and gas consumption comes from renewable resources, but we are actively working on reducing our consumption and phasing out gas. This means we in 2022 initiated:

- The process of establishing additional energy and water meters to get more detailed data as a foundation for optimisations.
- Replacement of our last gas furnaces with heat pumps and a heat exchanger.



CO₂e emissions from operations and transportation

Our operation results in CO₂e emissions¹ from materials used in our manufacturing processes, handling of our hazardous waste and distribution of products.

To manage and keep record of our emissions we report according to scope 1, 2 and 3 from the Greenhouse Gas (GHG) protocol.

Scope 1 includes direct GHG emissions owned or controlled by the company. For us this include emissions from combustion of diesel for our emergency generators, emissions from company owned vehicles and emissions from chemicals in our process equipment.

Scope 2 includes indirect emissions from purchased electricity and gas for heat and steam for own production. Since 2018, our heat and steam are generated from renewable electricity, thus we do not have any emissions within this scope.

Scope 3 includes other indirect emissions related to the value chain. These emissions can come from upstream and downstream activities. For us this includes emissions from business flights, handling of hazardous and non-hazardous waste from operation and emissions from direct supply. Emissions from transportation is also included, although it is currently only possible for us to report on emissions from transportation of direct supply.

Table 1 shows our CO₂e emissions within the three scopes. The emissions for 2022 are compared to our baseline year of 2019

Graph 1 shows our total emissions in 2022 were reduced with 134 t CO₂e equalling to a 7% decrease compared to our baseline from 2019

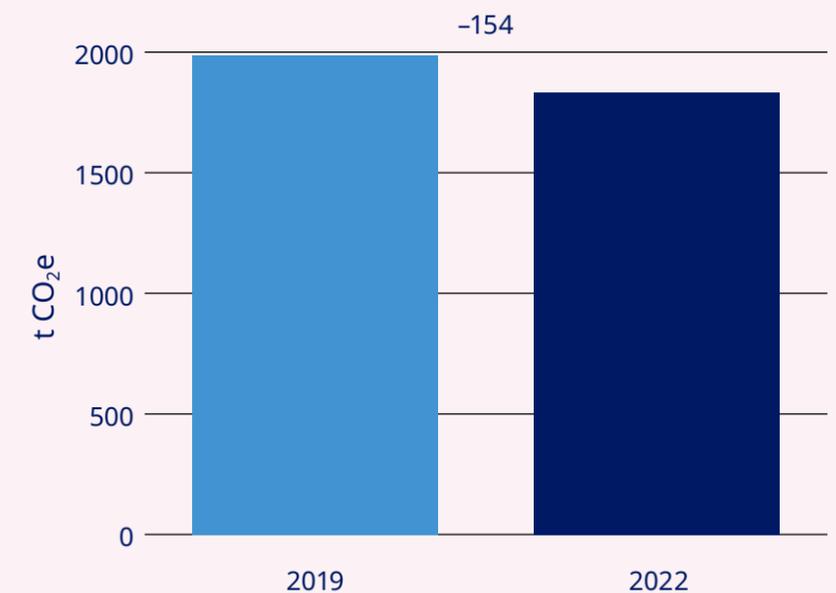
1. According to Annex A in the Kyoto Protocol GHG emissions include; CO₂, CH₄, N₂O, HFCs, PFCs and SF₆

Table 1: t CO₂e emissions in scope 1, 2 and 3 in 2019 and 2022

	Unit	2022	2019 (Baseline)
Scope 1			
Diesel consumption	t CO ₂ e	1	1
Refrigerants and substances with GWP ² impact	t CO ₂ e	1	0
SUM	t CO ₂ e	2	1
Scope 2			
Electricity (100% renewable wind)	t CO ₂ e	0	0
Gas (100% renewable biogas)	t CO ₂ e	0	0
SUM	t CO ₂ e	0	0
Scope 3			
Hazardous waste handling	t CO ₂ e	762	797
Non-hazardous waste handling	t CO ₂ e	20	16
Business travel	t CO ₂ e	57	132
Direct supply (incl. transportation)	t CO ₂ e	989	1,019
SUM	t CO ₂ e	1,828	1,964
Total emissions (scope 1, 2 and 3)	t CO ₂ e	1,830	1,965

2. Global Warming Potential

Graph 1: Total CO₂e emissions



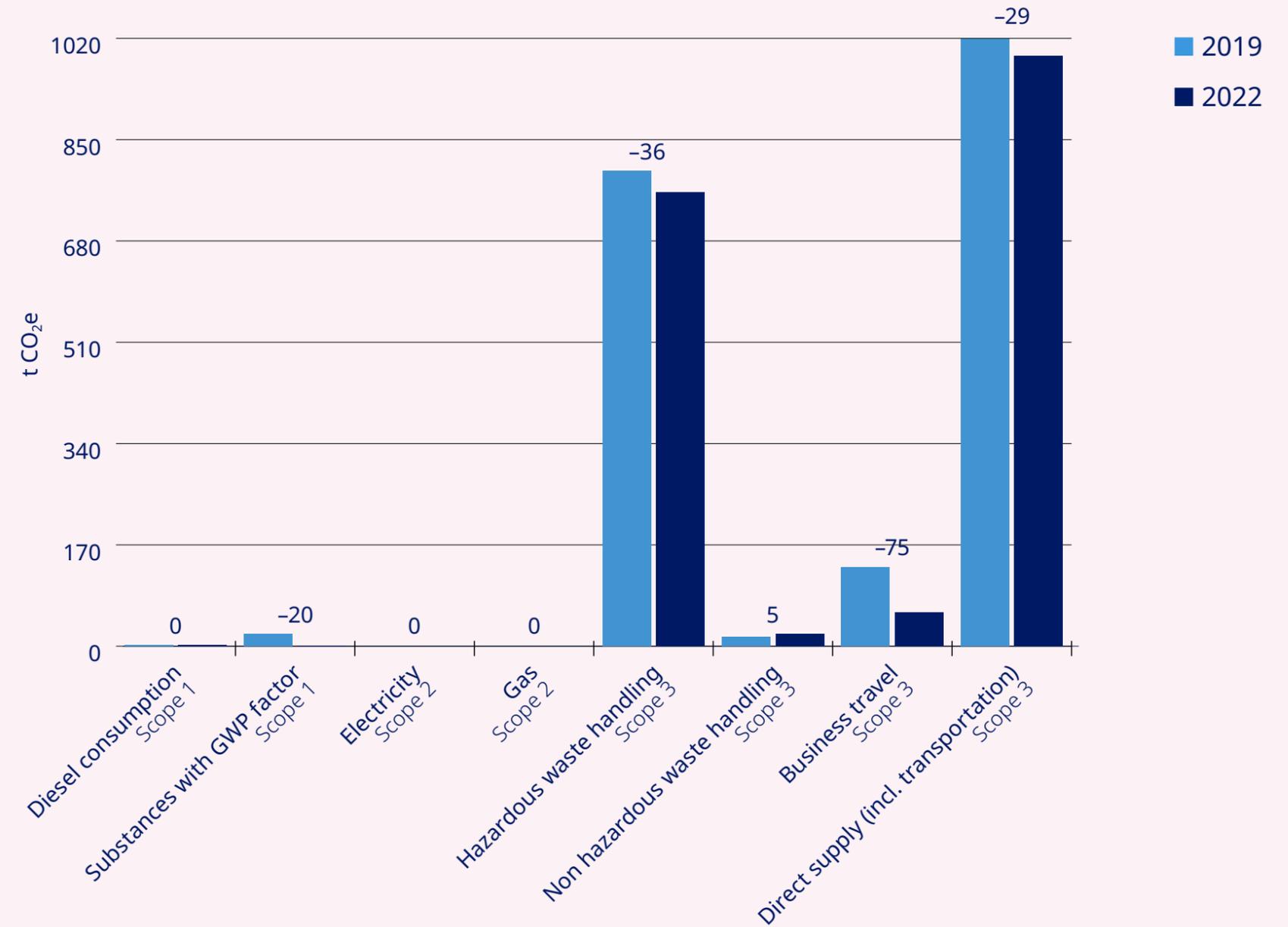
Changes in 2022 total emissions compared with 2019

Graph 2 shows the reduction mainly comes from a decrease in emissions from business flights, where COVID 19 taught us new ways of working online, which we continue to incorporate into our daily working practices.

Furthermore, we have seen a decrease in emissions from hazardous waste handling.

We had a small increase in the number of leaks of substances and refrigerants with a GWP potential in 2022 and we aim to phase out all refrigerants with a high GWP potential. Resulting in a project to establish an energy centre including a natural cooling ring, which was started up in 2022.

Graph 2: Changes in 2022 total emissions compared with 2019



CO₂e emissions from supply

Today, our inbound supply accounts for the biggest portion of our total CO₂e emissions. To achieve our goal of having net zero emissions across our value chain by 2045, high focus on and collaboration with our suppliers is crucial. Our target is that all direct suppliers use 100% renewable energy by 2030. Therefore, in 2022 we have collaborated with some of our biggest suppliers to ensure a conversion to using 100% renewable energy.

Handling of hazardous and non-hazardous waste

Handling of hazardous waste from operation accounts for the second highest portion of our total emissions. In 2022 we initiated a project for the regeneration of one of our biggest hazardous waste fractions. The aim is to establish our own regeneration, which we estimate can reduce our total emissions by up to 60%.

Other initiatives

In addition to our work with Circular for Zero, Novo Nordisk Pharmatech has purchased 1 hectare of land from Klimaskovfonden, which will be established as a forest in the beginning of 2023. An initiative that will absorb 400 t CO₂e over a 100-year period and will help improve biodiversity.

A kestrel nesting box was also established in 2022. The kestrel has been a regular visitor at our site and the nesting box was designed together with DOF Bird-Life and is placed on an 8-meter-high pole, which are recycled timber from Rødby Harbour.

In 2022 we also launched the “Ta’Med” campaign which encourages our employees to participate in carpooling. The campaign included rewards to the employee with most rides of the month and allocated parking spaces, all to support our employees choose more sustainable transportation.



Social



Social

Employees

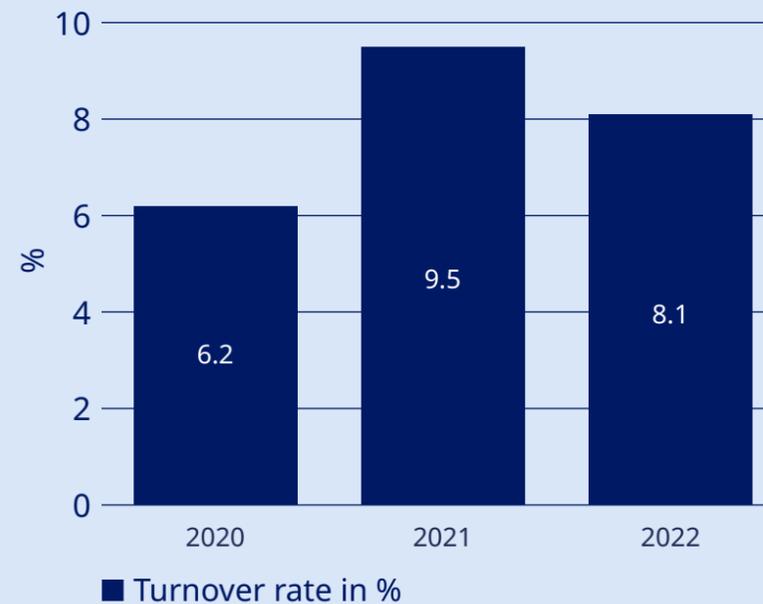
We provide a safe workplace that promotes both mental and physical health, and overall well-being. Our company culture also plays a strong role in ensuring a diverse, fair and inclusive working environment. Together, this is what determines our ability to attract and develop some of the best talent from all over the world.

Our responsibility to respect labour rights applies to our global operations as a global minimum standard of business conduct. We track labour rights performance for all our employees in the workplace and verify whether labour rights risks are being effectively addressed. For more information, download our [Novo Nordisk Labour code of conduct \(PDF\)](#).

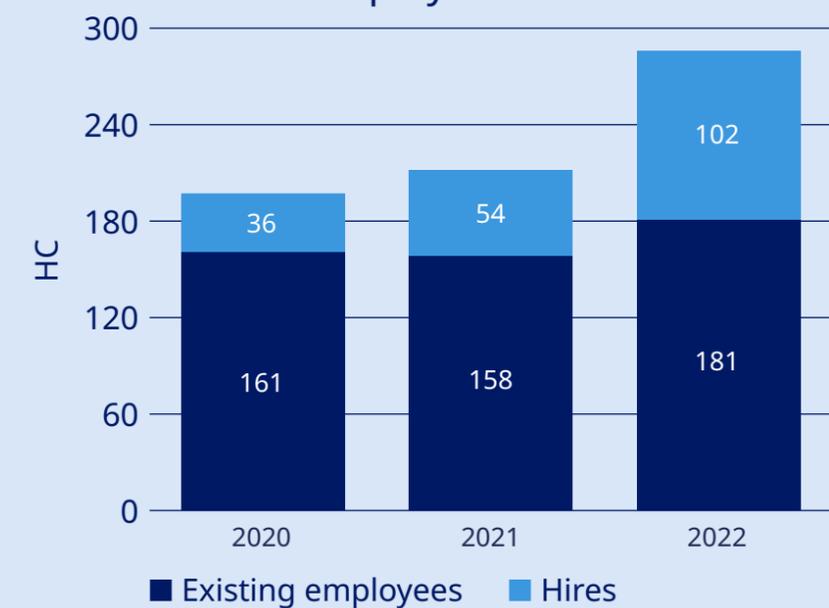
Since 2014, we have together with Novo Nordisk been a part of the living wage programme with an external global non-profit business network and consultancy. The objective is to ensure that all our employees are paid a living wage, i.e., adequate to purchase basic goods and services necessary to achieve a basic standard of living, based on calculations of living wages in the countries we operate in.

In Novo Nordisk Pharmatech, the number of employees has increased in all our departments. In 2022 we have hired 102 employees, which is an 47% increase in hires since 2021. This means that by the end of 2022, Novo Nordisk Pharmatech consist of 283 employees. Our employee turnover rate decreased from 9.5% in 2021 to 8.1% in 2022 moving us closer to our goal for 2023 of a maximum 6% turnover rate.

Graph 3: Turnover rate over time



Graph 4: Development in total number of employees



Health and safety

Supporting safety, physical health and mental well-being is fundamental to personal and professional growth. In our corporate values, the Novo Nordisk Way, Essential no. 8 “We have a healthy and engaging working environment”, it is stated clearly that health and safety is a key priority. In Novo Nordisk Pharmatech, our focus on a safe and healthy working environment is part of our goal to achieve no work-related absence by 2026. We address well-being proactively and continuously measure on employees reporting stress and pain symptoms to improve the mental and physical well-being of our employees.

Our global health and safety policy is based on our focus on prevention and continual improvement. We strive to uphold a safe working environment and promote the health of our people.

This means that we:

- Operate by high health and safety standards throughout the world
- Promote a healthy lifestyle
- Ensure our employees are involved in how we maintain and improve health and safety
- Hold our people accountable for their actions regarding workplace safety
- Ensure that the working environment is not compromised for economic or productivity reasons
- Fulfil applicable legal requirements
- Follow relevant international conventions

In 2022 we experienced 2 accidents with absence (‘Lifting’ and ‘Fall’; ‘unable to work for 1-3 days’) and 8 accidents without absence (including; ‘Falls’, ‘Struck by’, ‘Collide with’ and ‘Cuts’), table 2. Number of accidents on a par with 2021.

As we strive towards our zero accident mindset, we have strong focus on the reporting and follow of up of safety observations, which resulted in 153 “Near miss” and “Dangerous situation” reports by employees (65 and 88 respectively). These were reported via our safety app which is available to all. The safety observations covered a wide range of physical, ergonomic and chemical hazards, which allowed us to address these issues before they could result in a personal injury, resulting in a safety observation/injury ratio of 15.3.

During 2023 we are introducing a new workplace assessment tool that will help us reassess the aspects, hazards and controls that are present at our site and assist in the further improvement of our safety awareness.

Table 2: Overview of accidents and safety observations in 2022

	Accident with absence	Accident without absence	Total
Collide/jammed	–	3	3
Slips, trips and falls	1	3	4
Cuts	–	1	1
Struck by moving object	–	1	1
Ergonomics lifting	1	–	1
Total	2	8	10
	Near miss	Dangerous situation	Total
Safety observations	65	88	153
	Ratio of observation / accidents		15.3

Diversity and inclusion

Being a sustainable employer offering an inclusive and diverse working environment is an integrated part of being a sustainable business.

We are in alignment with Novo Nordisk’s commitment to accelerate progress and ensure leadership accountability. Novo Nordisk has defined the following global aspirational targets:

- Create an inclusive culture where all employees have a sense of belonging and equitable opportunities to realise their potential
- Achieve a minimum of 45% women and a minimum of 45% men in senior leadership positions by the end of 2025
- Achieve a balanced gender representation across all managerial levels

Balanced is defined as the range between 45%–55% to leave up to 10% flexibility for women and men and also allow for non-binary gender recognising that some employees may not wish to be categorised. While gender is one dimension of diversity, we fully recognise that diversity is any dimension that differentiates people and enables a diverse line of thought.

In Novo Nordisk Pharmatech all management teams, from entry level upwards, are encouraged to focus on enhanced diversity, with the aim of ensuring a robust pipeline of talent for management positions. Regarding the Financial Statements Act §99b (the underrepresented gender): In the senior management group which consist of 8 people, the gender diversity in 2022 ended at 38% women and 63% men compared with 40% women and 60% men in 2021. The gender split across all management levels is balanced and ended in 2022 with 49% women and 51% men compared with 44% women and 56% men in 2021. This means that we have increased the share of women in Novo Nordisk Pharmatech across all management levels in 2022.

By the end of 2022, the Board consisted of four male shareholder elected Board members. This does not fulfill the gender requirements and the Board continues to pursue the target. The Board therefore continues to pursue the target of including at least one female Board member elected by the general meeting by the end of 2025.

Graph 5: Gender Diversity in Novo Nordisk Pharmatech





Human rights

We are committed to meeting our responsibility to respect human rights as defined by the [UN Guiding Principles on Business and Human Rights](#). That means we recognise our responsibility to respect all internationally recognised human rights across our own activities and business relationships. Read [Novo Nordisk Human Rights Commitment](#).

We have translated our human rights commitment into actions, developing and continuously improving management systems, including:

- Governance and accountability for human rights risks
- Setting human rights expectations to all employees through the corporate human right requirements
- Development of global systems to identify, assess, mitigate, prevent, track and internally report risks of potential and actual adverse human rights impacts every six months
- Integration of human rights into the global Ethics Compliance Programme, Responsible Sourcing and other corporate processes
- Awareness building and training on respect of human rights
- Awareness building on reporting human rights concerns to the [Compliance Hotline](#) as our corporate grievance mechanism
- Engagement with stakeholders to advance respect for human rights

Donations and other contributions

Novo Nordisk makes annual donations to the World Diabetes Foundation (WDF), an independent trust, supports sustainable partnerships and acts as a catalyst to help others do more, and the Novo Nordisk Haemophilia Foundation (NNHF).

Throughout 2022, Novo Nordisk Pharmatech has collaborated with local institutions with the purpose of improving local health and well-being. We donated to Danish People's Aid, a trust that helps vulnerable families in Køge Municipality and the amount donated was DKK 15,500.

Modern Slavery Statement

Read our latest and previous statements on the UK and Australia Modern Slavery Acts: [2017](#), [2018](#), [2019](#), [2020](#) and [2021](#)



Governance



Governance

Governance structure

Novo Nordisk Pharmatech has a two-tier management structure consisting of the Board of Directors and Executive Management. The Board of Directors is responsible for the overall strategic direction and supervision of the performance of the company, strategy implementation and the work of Executive Management. Executive Management, in turn, is responsible for the day-to-day management of the company, development and implementation of strategies and policies, the company's operations and organisation and timely reporting to the Board of Directors and Novo Nordisk's stakeholders. The Board of Directors and Executive Management are separate bodies, and no one serves as a member of both.

Governing processes

The Governing Processes at Novo Nordisk Pharmatech refers to how we run our business. We are committed to ensuring the accuracy of our ESG reporting and report in accordance with relevant disclosure frameworks.

Every year, we are audited by a certification body in three ISO standards:

- ISO 14001 Environmental management systems
- ISO 45001 Occupational health & Safety management systems
- ISO 9001 Quality management systems

In 2022, we implemented an IT-system "EHS Portal" for managing incidents, both safety observations, accidents with/without absence and non-conformities, that all employees have access to.



EcoVadis





Novo Nordisk Pharmatech achieved the EcoVadis Platinum level

To reinforce our commitment to sustainability and to meet increasing customer requests in this area, Novo Nordisk Pharmatech volunteered for an EcoVadis assessment. The EcoVadis expert panel is impartial, and it is a serious and universally recognized platform.

EcoVadis supplies trusted business sustainability ratings for several industries, including the pharmaceutical industry. With 100.000+ rated companies across 175+ countries and 200+ industries, the platform includes an extensive global network of stakeholders. The EcoVadis assessment is very thorough and encompasses Environment, Labour and Human Rights, Ethics, and Sustainable Procurement. Being certified and part of the platform allows us to easily share the company's performance in these areas with relevant stakeholders.

Considering this was the first time that Novo Nordisk Pharmatech was part of the EcoVadis report, we were very pleased to receive our assessment results. **We were rated among the top 1% of pharmaceutical companies** assessed, which meant being awarded a Platinum Medal in recognition of our position.

This certification is a good fit with our Triple Bottom Line values, measuring and reporting on environmental, financial, and social performance by considering the use of resources, CO₂e emission, and waste to be the most material impacts on the environment across the value chain.

EcoVadis also encourages the implementation of sustainability improvements. In spite of our positive results in the survey, especially within Environment and Labour and Human rights, our goal is to update the EcoVadis survey once a year and follow-on EcoVadis' and the organization's input for improvement.

Already more than 50 customers have requested access to our EcoVadis Sustainability Assessment Report. Stakeholders that wish to read our report, may contact us or request access directly from the EcoVadis platform.

ESG key indicators



ESG key indicators

At Novo Nordisk Pharmatech A/S, we strive to do business in a financial, environmentally, and socially responsible way.

Information regarding our performance can be seen in this overview of key ESG indicators.

Environment	Unit	2022	2021	2020	2019
CO ₂ e, scope 1	Tonnes	2.06	2.06	12.55	0.63
CO ₂ e, scope 2	Tonnes	0	0	0	0
CO ₂ e, scope 3	Tonnes	1,828.19	1,395.19	1,920.62	1,963.47
Energy consumption	GJ	22,074	22,943	22,881	22,017
Renewable energy share	%	100%	100%	100%	100%
Water consumption	m ³	6,006	5,431	4,565	4,859
Hazardous waste	Tonnes	616	369	544	624
Non-hazardous waste	Tonnes	58	57	49	45
Social					
Employees	HC	283	212	197	184
Hires	Number	102	54	36	-
Absence due to illness	%	3,3	-	-	-
Accidents with absence	Number	2	2	2	1
Gender ratio all employees (male/female)	%	51/49	51/49	51/50	50/51
Gender ratio all management group (male/female)	%	51/49	56/44	59/41	50/50
Gender ratio senior management group (male/female)	%	63/38	60/40	83/17	83/17
Turnover rate	%	8.1	9.5	6.2	-
Governance					
Gender ratio Board of Directors (male/female)	Unit	4/0	4/0	4/1	4/1

Novo Nordisk Pharmatech is a leading global supplier of high-quality ingredients for the biopharmaceutical and pharmaceutical industries. The company has attracted an extensive roster of leading pharmaceutical companies through unsurpassed product quality, manufacturing and quality control, regulatory documentation, precision delivery and a comprehensive risk mitigation strategy.

For more information, please visit novonordiskpharmatech.com

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