

GLOBAL COMPACT COMMUNICATION ON PROGRESS (COP)

SUSTAINABILITY REPORT 2019

CEO statement

NNE is an international company specialized in pharma engineering. We build our company on the belief that to be a sustainable business we must balance three bottom lines – financial, social and environmental, i.e. the Triple Bottom Line (TBL) business principle. These dimensions are in line with our continued commitment to the 10 principles of the UN

Global Compact regarding human rights, labor standards, environment and anti-corruption, and our continued support to the fulfilment of the Sustainable Development Goals (SDGs). We work actively with the SDG's both internal in the company and external with our clients, as our designs provide a huge impact for our customers' sustainability.

In 2019 we continued our work on lowering our environmental footprint, development of our employees, eliminating work injuries and incidents, prevention of corruption as well as gender equality in NNE.



Jesper Kløve
Chief Executive Officer and President
June 2020

nne[®]

Focused pharma engineering

PEOPLE DEVELOPMENT

NNE at a glance

NNE is an international company specialized in pharma engineering. We help pharmaceutical companies bring products to market by providing flexible, compliant and future-proof solutions. In 2019 we had close to 1,000 professionals delivering global knowledge and best practices, all dedicated to supporting our customers globally and on local sites.

At NNE, we focus solely on the GMP-regulated pharma industry. Our mission is to help pharmaceutical companies bring products to market by delivering agile and flexible operations, seamless GMP compliance and future-proof solutions, while ensuring reliable project execution.

Our expertise is tailored specifically towards the highly GMP-regulated industry. We call this focused pharma engineering.

In 2019 the business realized a satisfactory result with a turnover of DKK 983 million, an operating profit of DKK 67 million and an operating profit margin of 6,9%.

The strategic focus towards 2021 is to maintain the position as the leading pharma engineering company in Denmark by delivering solutions that are innovative, sustainable and competitive on cost.

Our values are the cultural foundation for NNE. They reflect who we are, how we do things and provide a means to reach our goals.

Trust and respect for each other are at our core, and we believe that we perform at our best when we embrace our diversity and play on our different strengths.

NNE takes responsibility for the impact our business has on people, communities and the environment and we strive to make a positive contribution to society and human well-being.

For more information on NNE please refer to: nne.com

At NNE, our greatest assets are our people and their minds. Therefore, we continue to strengthen our core competencies and develop our people.

To strengthen our core competencies and build best-in-class pharma engineers, our global competency development programme Pharma Engineering Advanced Know-how (PEAK) has high priority. PEAK's focus areas are defined based on a thorough analysis of customer needs, market demands and industry trends. In 2019, continued our focus on core technology competencies, offering courses within e.g. biotechnology, GMP compliance, consultative engineering and automation and IT. The PEAK program provided over forty different course offerings in 2019

Gender diversity

In 2019, the Board consisted of six members, of which two were females, one of them being employee-elected.

The gender diversity at Board level according to Section §99B of the Danish financial statements act is achieved. NNE has obtained equal representation on its Board of Directors in accordance with the guidance from the Danish Business Authority.

Across all NNE management teams, we aim for a distribution equivalent to NNE's overall gender distribution, while taking local cultures and circumstances into account.

The gender split for management positions was 31% female and 69% male in 2019, which is line with the overall gender split across all employees. NNE's ambition is to have a balanced gender split and the Company strives to include female candidates in the recruitment process for all positions and as successors for management positions wherever possible.



OPERATIONALIZING THE GOALS

Managing sustainability

NNE has been a member of the UN Global Compact since 2008, and therefore committed to adhere to the 10 principles regarding human rights, labor standards, environment and anti-corruption, as well as supporting the fulfilment of the 17 sustainable development goals (SDGs)¹.

Our TBL approach is aligned with the 10 principles and SDGs. In 2019 NNE continued the work with concrete goals within diversity, working environment, education, profit, environment and (see figure 2).

We integrate sustainability into our business on strategic, tactical and operational levels.

Through our global policies, systems and goals, we ensure that our company develops sustainably. The solutions we provide for our customers must support the realisation of their social and environmental commitments, goals, challenges and basic compliance aspects, such as the SDGs, circular economy, employee safety and well-being and responsible sourcing.

Our policies, systems and the way we work with competences, sharing of best practices through Communities of Interests (COI) as well as people and process development are essentially to meet the challenges.

Operationalizing the goals

The SDGs and the UN guiding principles on business and human rights set out goals and guidelines for how businesses can tackle global sustainability challenges. At NNE, we strive to balance these challenges by advising our customers with sustainable design solutions that improve productivity, fulfil GMP requirements, and respect human rights.

Our aim is to enable our clients to excel through our design, which means that the SDG's most relevant for NNE are to ensure Decent work and economic growth (no. 8), and Responsible consumption and production (no. 12), and indirectly promoting Healthy life and well-being (no. 3) through state-of-the art design of facilities.

In the environmental area, NNE Denmark has installed solar panels on the roof of our headquarters in Virum to support a reduction in our electrical power sourcing. In 2019, the harvest solar energy covered 23 % of our total energy consumption at our headquarters.

NNE supports the local communities in the areas where we are present. Many of NNE's employees have voiced their expectations for the company to partner up with relevant NGOs to contribute to society. In 2019 we partnered up with SOS Children's villages to support children in the area of our Indian site. It makes sense to support basic needs for children and especially education of children in areas where NNE is present as these children are tomorrow's colleague.

NNE has a zero tolerance policy towards corruption. Parts of our anti-corruption measures are our mandatory business ethics e-learning programme which all employees must pass – as well as our whistle-blower system.

Our direct environmental footprint and working environment

NNE's indirect carbon and water footprint associated with our advice to customers are the most important environmental impact.

In 2019, NNE has calculated its direct environmental footprint from power consumption at our offices and transportation in company cars. In 2019 our carbon footprint from transportation decreased by 72% compared to 2018. The total carbon footprint reached 351ton CO₂ which, in comparison, is the same as about 30 average European households. The decreased emission from company cars is mainly due to the divestment in subsidiary companies in Belgium, France, Germany and Switzerland.

In 2019, NNE registered 4 lost time incidents (LTI) and 7 no LTI, which is on level with the number of incidents in 2018, where we had 2 LTI and 9 no LTI, respectively.

NNE's executive management reviews all lost time incidents, and Line of Business continuously monitors and evaluates incidents to learn from and mitigate recurrence.

Figure 1
Integration of sustainability in our business

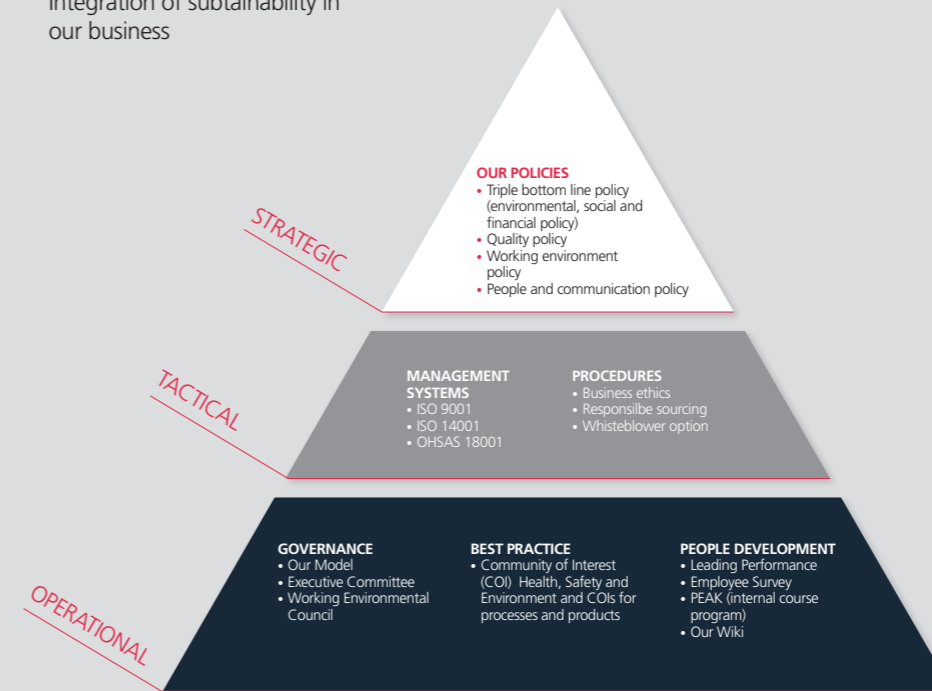
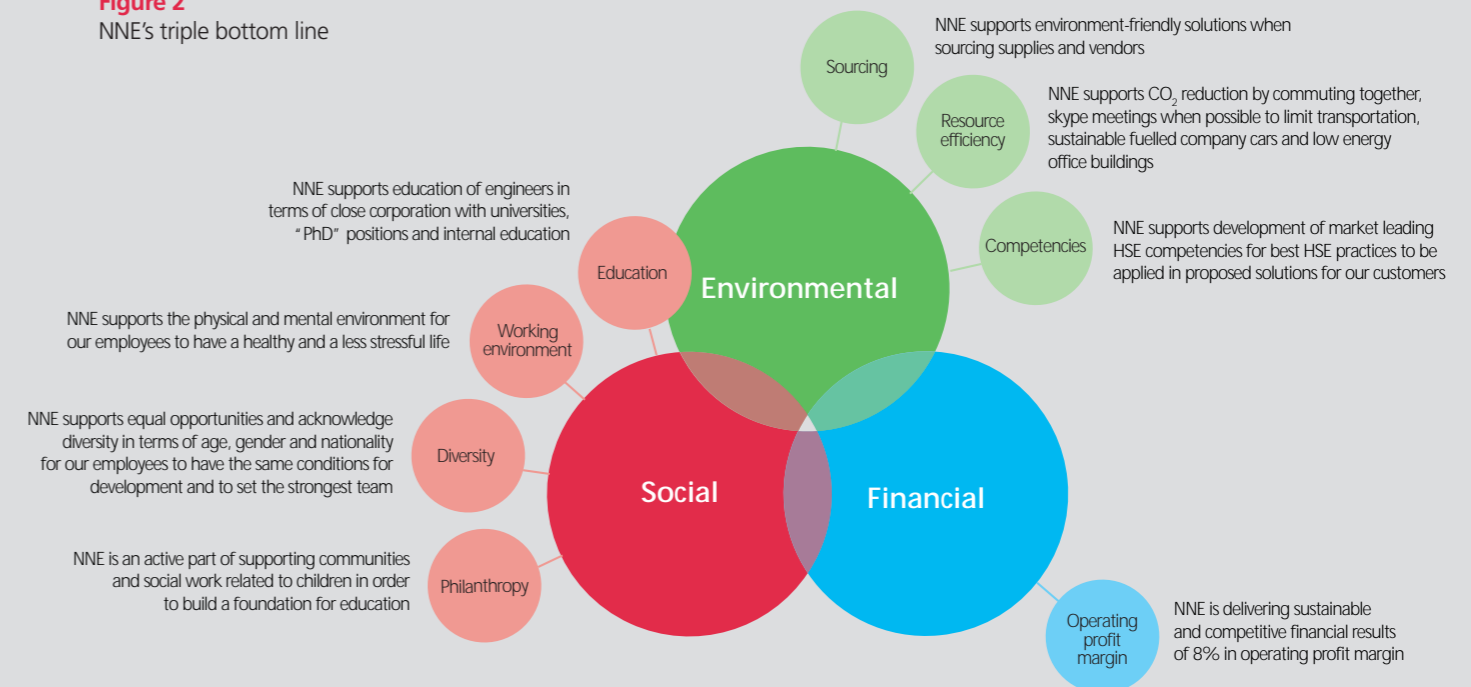


Figure 3
Sustainable Development Goals



Figure 2
NNE's triple bottom line



¹ Link to [Sustainable Development Goals](#)

EXCEED CUSTOMER EXPECTATIONS

Corporate governance and risk management

NNE is managed according to four principles called 'Our Values'. Additional guidance and commitments include our business ethics, quality management system and TBL commitment to continuously improve our financial, environmental and social performance.

NNE complies with the same principles of corporate governance as our parent company, Novo Nordisk A/S. Because NNE A/S is 100 percent owned by Novo Nordisk A/S, we are included in the consolidated financial statements of Novo Nordisk A/S.

NNE's Board of Directors is elected yearly at the annual general meeting. The six members consist of two representatives from the parent company, two external members and two employees elected by NNE employees for a term of four years.

We assess short-term risks monthly, particularly project and business risks. Long-term, we protect the reputation of our company to maintain and grow our business. To reduce the risk of NNE employees violating business ethics, laws and regulations, we have established a compliance program to ensure proper training,

guidance and reporting facilities for our employees and business partners. NNE employees are obliged and committed to comply with the business ethics principles in their day-to-day business, and we also expect sub-consultants, suppliers, sub-suppliers and other business partners and representatives to comply with these principles.

NNE's global compliance program includes an e-learning program and certification known as 'Doing business the right way'. This program is mandatory for all employees and internal consultants to complete once a year.

Other activities to support compliance include audits and general awareness training.

For major projects, a governance structure and risk assessment are established during the proposal process and maintained throughout project delivery. Project steering committees and management representatives ensure continuous focus on project performance and risk mitigation.

We are **passionate** about our pharma engineering expertise

We **innovate** and create efficient solutions

Exceed customer expectations

We take **initiative** and get things done

We **team up** and leverage our global knowledge

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