Thank you for offering me the opportunity to share with you our approach to run our company in a sustainable way.

We have a values based management system, called the Novo Nordisk Way, and it has been my privilege to lead the way we bring our values and the Triple Bottom Line business principle into day-to-day action.

This is what makes it possible for us to serve the interests of patients, contribute to a more sustainable society and create long-term value for shareholders.

In this short presentation I will give you a few examples of how we do that.
We are based on a fundamental premise. We believe that a healthy economy, environment and society are fundamental to long-term business success. And we know that we have a role to play in society and are keen to make it a positive contribution.

In our view, the purpose of a company is to serve societal needs, and in doing so, and making wise decisions about how to position the company in its business environment, it will be able to make good profits that allow its management to reward employees for a job well done, pay investors their dividend, contribute to the community and invest in developing the company – ensuring it will remain profitable and continue to do good.

This is, as we see it, how to make a company resilient in the face of change and how it earns legitimacy, trust and support from stakeholders. Our purpose is to improve the lives of people with diabetes – to enable them to live their lives to the full with good management of their condition. We are committed to prevent, treat and ultimately cure diabetes. Our greatest contribution to social development is through the innovative products we develop.

The values we steer by today were first expressed by our founders, August Krogh and his wife Marie, when they began to produce insulin in the basement of their home more than 90 years ago. They saw it as their responsibility to provide life-saving treatment for people with diabetes. Little did they know how their work would be needed by generations to come.
So, what is the Triple Bottom Line? The Triple Bottom Line serves as a guide for decision-making to ensure that we keep our focus on the interests of the patients we serve and that we are:
Environmentally responsible – minimising our use of natural resources
Financially responsible – focused on long-term business results and balancing our financial goals with the economic interests of stakeholders
Socially responsible - considering the interests of employees, communities and the people whose medical needs we serve.

The Triple Bottom Line is anchored in the company’s bylaws, the Articles of Association. It represents an integrated perspective in which the social, environmental and economic bottom lines are interdependent and should be considered in every decision. It enhances the ability to assess the company’s performance on the basis of its combined contribution to economic prosperity, environmental quality and social capital – the three pillars of sustainability. Not just by what passes through the books as reported in the P&L statement. That is why we were a first mover to report on sustainability performance in an integrated Annual Report and have done so for more than 10 years now.

When we embraced this principle more than 20 years ago, Novo Nordisk was among the first companies to put our values into action. Today, this way of thinking has been widely adopted, and there is an expectation that companies demonstrate responsible business practices.
The diabetes pandemic presents a global social and economic challenge. We are committed to improving the lives of people with diabetes. This is our promise to people with diabetes, their families and caregivers, and those at risk of developing diabetes. We keep laser-focus to stay the course to prevent, detect, treat and ultimately cure diabetes.

The barriers to living a life in full with diabetes are well known to you, yet less so by policy-makers and in the public. Therefore we all have a vital role to play in promoting solutions and demonstrating how we can drive positive change.

Our patient focus and social responsibility is optimized when we can focus on what we know best – improving lives for people with diabetes. As a leader in diabetes care we have a responsibility and an opportunity for making an impact. Our first priority are people who have diabetes and who are getting treatment, yet not achieving the desired outcomes. Next, we have a responsibility to make our medicines available to people who need them no matter where they live and what their life conditions may be. Third, we drive awareness and advocate for timely diagnosis and professional treatment. And fourth, we invest in initiatives aimed to prevent diabetes in future generations.
We conduct clinical trials to generate data on the efficacy and safety profile, to promote these data to secure the most appropriate use of our products. Since 2009, Novo Nordisk has increased R&D spending by an average of around 10% per year, now amounting to more than 2 billion USD.

We collaborate directly with the clinical sites and use our own organisation when conducting late-phase trials. In 2014, we had approximately 100 trials ongoing. Looking ahead, the number of people we expect to enroll in diabetes clinical trials towards 2016 will account for about 69,000 patient years – compared to 40,000 patient years in the previous three-year span.

Clinical research is a collaborative effort involving many stakeholders. We wanted to better understand the benefit created in this process – to patients, to investigators, to the medical profession and to Novo Nordisk. That’s why we did a study in which we capture the benefits for all parties. Some of the findings are rendered in this slide.

It is well known in the diabetes research community that even small improvements in HbA1c can bring significant health benefits, to the individual patient, and on a global scale when implemented in clinical practice – and with that improved quality of life, and associated reductions in medical expenditures and productivity losses. The point is how to achieve these desired outcomes most effectively. This is where collaboration and shared goals is of the essence. For participating patients in clinical trials and all other stakeholders involved, it is essential to work towards common goals. When stakeholders focus on innovative treatments serving the patients’ medical needs, benefit is created for all, the study documents.
Environmental responsibility begins with being mindful of how you use nature’s resources. From the days of our founders we have kept a focus on optimizing our operations so that precious resources are not wasted, but used, reused or recycled effectively.

This mindset led us to take action when we saw how the growing demand for our products was putting our environmental performance under pressure. We set an ambition to decouple our environmental impact from sales, and voluntarily set an absolute reduction target for our CO₂ emissions: Over a 10-year period, from 2004 to 2014, we would reduce our emissions by 10%. And we have. In fact we outperformed, achieving an absolute reduction of 45%.

It was a tall challenge, and it took several measures to ensure a lean and productive operation. At the core is a partnership with our energy supplier to our Danish operations, including the production site in Kalundborg (the world’s largest insulin plant) that enabled a shift to 100% renewable power supplies from an offshore windfarm.

This was an act of responsibility and proactive risk mitigation. As it turned out, it also made a solid business case. Sound environmental management goes hand in hand with lean and productive operations. And it underlines our commitment to contribute to healthy lives on a healthy planet for future generations.
The Triple Bottom Line in action

The Triple Bottom Line guides actions everywhere in our global operations. Our presence here at ADA is one example. Year on year, we identify opportunities for improving labor conditions in the making of our booth here, as well as more efficient recycling, power and construction solutions and measuring the benefit of these actions.

Some facts to illustrate: 95% of the labor used in this exhibit booth construction is people from the Boston area. We measure all our power use and use LED lighting that requires 40% less amps than comparative fixtures. Our suppliers avoid the use of chemicals known to impact human health and work toward substitution or elimination of them. This innovative flooring is magnetic and does not require the use of solvents. And it has in fact been recycled since 2012. That’s nearly 20,000 sq ft of carpet equivalent not being sent to landfill after we pack up and leave.
Because diabetes is growing, our company is growing globally. We are now more than 40,000 employees, united around a common purpose.

As the global diabetes pandemic gathers speed, the need for radical and immediate action becomes more urgent. Our industry plays a major role in providing healthcare. But we also know that the numbers will not be reversed with treatment alone. As a world leader in diabetes care, we believe that we must be a catalyst for change at every level – through science, humanitarian outreach, education, and in public policy worldwide.

What we would like to see is a collaborative approach that puts the patient at the centre. Most importantly, we need to bring all efforts together:
We need to raise awareness, in the public and among policy-makers
We need to improve prevention – to promote healthier lifestyles and to diagnose diabetes more timely and avoid or delay onset
We need to expand access to diabetes care
We need to work together in partnerships to improve healthcare offerings
We need to build healthcare systems that can address the needs of the individual patient.

On behalf of Novo Nordisk, I look forward to a future where we can make a positive impact for the next generations.

Thank you very much for your attention!