

2.4 Research and development costs

DKK million	Note	2016	2015
Internal and external research and development costs		573	671
Employee costs	2.3	1,106	1,058
Amortization and impairment losses, intangible assets	3.1	92	79
Depreciation and impairment losses, property, plant and equipment	3.2	94	88
Total research and development costs		1,865	1,896
As a percentage of revenue		13.2%	13.5%

In 2016, Novozymes launched eight new products (2015: six new products). New products comprises products with new or improved characteristics launched during the year.

In 2016, Novozymes had 1,123 active patent families (2015: 1,164). Active patent families comprises the number of inventions for which there are one or more active patent applications or active patents at year-end.

Reference is made to the Innovation pipeline update in the business model for an overview of significant market-expanding opportunities that are currently being pursued in Research & Development.

§ ACCOUNTING POLICIES

Research and development costs primarily comprise employee costs, internal and external costs related to ongoing optimization of production processes for existing products or to development of new products, and amortization, depreciation and impairment losses related to intangible assets and property, plant and equipment used in the research and development activities.

Costs related to the development phase are expensed as incurred where lack of approval by the authorities, acceptance by customers and other uncertainties mean the development costs do not fulfill the criteria for recognition in the balance sheet.

Income received from research and collaboration agreements is recognized as part of Other operating income, net.