

# Reporting on the GRI

## **Reporting on the GRI**

Approach to the GRI

## **GRI 102: General Disclosures 2016**

Organizational Profile

Strategy

Ethics and Integrity

Governance

Stakeholder Engagement

Reporting Practice

## **Topic-Specific Disclosures 2016**

200: Economic

300: Environmental

400: Social

# Reporting on the GRI

## Approach to the GRI

GRI reporting has been an integrated part of Novozymes' reporting platform since 2002. Novozymes has followed the developments in the GRI Standards (previously known as GRI Guidelines) over the years and has used them as a yardstick to measure its sustainability performance and guide its integrated reporting. GRI released a new set of standards in 2016 called the GRI Standards for sustainability reporting. Novozymes refers to GRI Standard 101 Foundation 2016 to inspire its materiality assessment process. The material issues identified through the materiality assessment process have been mapped with relevant GRI Categories and Disclosures.

### Reporting specifications

Novozyymes refers to GRI 102: General Standard Disclosures 2016 to provide information on organizational profile, strategy, ethics and integrity, governance, stakeholder engagement and reporting practices. This information is reported throughout The Novozymes Report 2016 under relevant report sections.

The GRI 103: Management Approach 2016 has been referred to in order to guide reporting on the management approach to material issues. This information is reported in the Notes section of The Novozymes Report 2016. The disclosure on management approach includes information on four aspects:

1. Explanation of material topic and its boundary.
2. Significance of material topic to Novozymes, which includes a description of the importance of the issue(s) to Novozymes.
3. Management approach, which describes how we manage the issue(s). This may include our strategy, policies, positions, commitments and targets, as well as any specific programs and initiatives in the area.
4. Monitoring and performance, which describes how we evaluate our management approach and our performance in the area.

Furthermore, we have reported topic-specific disclosures for each of the material issues identified under Economic, Environmental and Social categories by referring to the GRI 200 Economic Standard, GRI 300 Environmental Standard and GRI 400 Social Standard respectively.

### Legend for reporting symbols

- ✓ Full disclosure
- (✓) Partial disclosure
- Novozymes does not report on this indicator
- NA This indicator is not applicable to Novozymes

The GRI Index provided here gives detailed information on the general and topic-specific information reported throughout The Novozymes Report 2016.

# Reporting on the GRI

## Approach to the GRI (continued)

### Mapping material issues with GRI Categories and Disclosures

In the table below, the material issues have been mapped against their relevant GRI Categories and Disclosures. This has been done in order to link the issues identified as material to Novozymes to the nomenclature used by the GRI.

| Material Issues                        | Importance       | GRI Category(ies) | Disclosures  |
|--|------------------|-------------------|--|
| Sales                                  | High materiality | Economic          | GRI 201: Economic Performance  |
| Earnings                               | High materiality | Economic          | GRI 201: Economic Performance  |
| Innovation                             | High materiality | Economic          | GRI 201: Economic Performance; GRI 203: Significant Indirect Economic Impact   |
| Customer relationship management (CRM) | High materiality | Economic          | GRI 201: Economic Performance; GRI 416: Customer Health and Safety   |
| Climate change & energy                | High materiality | Environmental     | GRI 305: Emissions; GRI 302: Energy  |
| Bioethics & gene technology            | High materiality | Environmental     | -  |
| Product safety & stewardship           | High materiality | Environmental     | GRI 416: Customer Health and Safety; GRI 417: Marketing and Labeling   |
| Water                                  | High materiality | Environmental     | GRI 303: Water   |
| Waste                                  | High materiality | Environmental     | GRI 306: Effluents and waste   |
| Occupational health & safety           | High materiality | Social            | GRI 403: Occupational Health and Safety  |
| Labor practices & human rights         | High materiality | Social            | GRI 401: Employment; GRI 404: Training and Education; GRI 405: Diversity and Equal Opportunity; GRI 407: Freedom of Association and Collective Bargaining; GRI 408: Child Labor; GRI 409: Forced or Compulsory Labor; Supplier Human Rights Assessment; GRI 412: Human Rights Assessment |

# Reporting on the GRI

## Approach to the GRI (continued)

| Material Issues                 | Importance         | GRI Category(ies) | Disclosures  |
|---------------------------------|--------------------|-------------------|--|
| Corporate governance and ethics | High materiality   | Economic          | GRI 205: Anti-Corruption; GRI 206: Anti-Competitive Behavior; GRI 405: Diversity and Equal Opportunity |
| Compliance                      | High materiality   | All               | GRI 307: Environmental Compliance; GRI 419: Socioeconomic Compliance                                   |
| Responsible sourcing            | High materiality   | All               | GRI 308: Supplier Environmental Assessment; GRI 414: Supplier Social Assessment                        |
| Partnerships                    | High materiality   | All               | GRI 201: Economic Performance  |
| Local community engagement      | Medium materiality | Social            | GRI 413: Local Communities   |
| IP frameworks and governance    | Medium materiality | Economic          | -  |
| Deforestation and land use      | Medium materiality | Environmental     | -  |
| Corporate value distribution    | Medium materiality | Economic          | GRI 201: Economic Performance  |
| CSR expectations                | Medium materiality | Economic          | GRI 203: Significant Indirect Economic Impact  |
| Tax strategy                    | Medium materiality | Economic          | GRI 201: Economic Performance  |

# GRI 102: General Disclosures 2016

## Organizational Profile

| GRI DISCLOSURE |  | REFERENCES AND COMMENTS   | REPORTING EXTENT |
|----------------|--|---|------------------|
| 102-1          | Name of the organization                     | <ul style="list-style-type: none"> <li>About the report in The Novozymes Report 2016</li> </ul>   | ✓                |
| 102-2          | Activities, brands, products and/or services | <ul style="list-style-type: none"> <li>Novozymes in a nutshell in The Novozymes Report 2016</li> <li>Trends in The Novozymes Report 2016</li> <li>2016 in brief in The Novozymes Report 2016</li> <li>Business model in The Novozymes Report 2016</li> </ul>  | ✓                |
| 102-3          | Location of organization's headquarters      | <ul style="list-style-type: none"> <li>Contact information at Novozymes.com</li> <li>Locations at Novozymes.com</li> <li>Note 6.8 Group companies in The Novozymes Report 2016</li> </ul>   | ✓                |
| 102-4          | Location of operations                       | <ul style="list-style-type: none"> <li>Locations at Novozymes.com</li> <li>Note 6.8 Group companies in The Novozymes Report 2016</li> <li>Site data in The Novozymes Report 2016</li> </ul>   | ✓                |
| 102-5          | Nature of ownership and legal form           | <ul style="list-style-type: none"> <li>The Novozymes stock in The Novozymes Report 2016</li> <li>Corporate governance at Novozymes.com</li> </ul>   | ✓                |
| 102-6          | Markets served                               | <ul style="list-style-type: none"> <li>Novozymes in a nutshell in The Novozymes Report 2016</li> <li>2016 in brief in The Novozymes Report 2016</li> </ul>  | ✓                |
| 102-7          | Scale of the organization                    | <ul style="list-style-type: none"> <li>Note 2.1 Segments in The Novozymes Report 2016</li> <li>Note 2.2 Revenue in The Novozymes Report 2016</li> <li>Note 2.3 Employees in The Novozymes Report 2016</li> <li>Note 6.8 Group companies in The Novozymes Report 2016</li> <li>Site data in The Novozymes Report 2016</li> </ul> | ✓                |

# GRI 102: General Disclosures 2016

## Organizational Profile (continued)

| GRI DISCLOSURE |  | REFERENCES AND COMMENTS  | REPORTING EXTENT |
|----------------|--|--|------------------|
| 102-8          | Employee information   | <ul style="list-style-type: none"> <li>Novozymes does not disclose proprietary information on total workforce by employment contract</li> <li>Novozymes reports externally on site data, including number of employees, gender distribution, employee turnover, age, seniority and rate of absence</li> <li>Note 2.3 Employees in The Novozymes Report 2016</li> <li>Note 8.1 Labor practices &amp; human rights in The Novozymes Report 2016</li> <li>Site data in The Novozymes Report 2016</li> </ul> | (✓)              |
| 102-9          | Describe the organization's supply chain   | <ul style="list-style-type: none"> <li>Novozymes does not report this indicator publicly as this is proprietary information</li> </ul>   | —                |
| 102-10         | Significant changes during the reporting period regarding size, structure, ownership or supply chain | <ul style="list-style-type: none"> <li>2016 in brief in The Novozymes Report 2016</li> <li>Materiality in Note 1 Basis of reporting in The Novozymes Report 2016</li> </ul>  | ✓                |
| 102-11         | Precautionary principle or approach  | <ul style="list-style-type: none"> <li>CEO statement of continued commitment: Sustainability in the spotlight in Novozymes' UNGC Communication on Progress 2016</li> </ul>   | ✓                |
| 102-12         | External initiatives   | <ul style="list-style-type: none"> <li>Integrating the Ten Principles into business strategy in Novozymes' UNGC Communication on Progress 2016</li> <li>Core business contributions to UN goals and issues in Novozymes' UNGC Communication on Progress 2016</li> </ul>  | ✓                |
| 102-13         | Memberships of associations  | <ul style="list-style-type: none"> <li>Advocacy and public policy engagements in Novozymes' UNGC Communication on Progress 2016</li> <li>Stakeholder engagement at Novozymes.com</li> </ul>  | (✓)              |

# GRI 102: General Disclosures 2016

## Strategy

| GRI DISCLOSURE |                                      | REFERENCES AND COMMENTS  | REPORTING EXTENT |
|----------------|--------------------------------------|--|------------------|
| 102-14         | Statement from senior decision-maker | <ul style="list-style-type: none"><li>Letter from the CEO: Amplifying the impact of biological solutions in tough times in The Novozymes Report 2016</li></ul>                                 | ✓                |
| 102-15         | Key impacts, risks and opportunities | <ul style="list-style-type: none"><li>Risk management in The Novozymes Report 2016</li><li>Trends in The Novozymes Report 2016</li><li>Notes 7.1 to 8.6 in The Novozymes Report 2016</li></ul> | ✓                |

# GRI 102: General Disclosures 2016

## Ethics and Integrity

| GRI DISCLOSURE |   | REFERENCES AND COMMENTS  | REPORTING EXTENT |
|----------------|---|--|------------------|
| 102-16         | Values, principles, standards and norms of behavior | <ul style="list-style-type: none"> <li>• Purpose, values and strategy at Novozymes.com</li> <li>• Position paper on Business integrity at Novozymes.com</li> <li>• Note 8.3 Business ethics in The Novozymes Report 2016</li> </ul>  | ✓                |
| 102-17         | Mechanisms for advice and concerns about ethics     | <ul style="list-style-type: none"> <li>• Position paper on Business integrity at Novozymes.com</li> <li>• Progress on anti-corruption in Novozymes' UNGC Communication on Progress 2016</li> <li>• Novozymes' Whistleblower Hotline at Novozymes.com</li> <li>• Note 8.3 Business ethics in The Novozymes Report 2016</li> </ul> | ✓                |



# GRI 102: General Disclosures 2016

## Governance

| GRI DISCLOSURE |  | REFERENCES AND COMMENTS  | REPORTING EXTENT |
|----------------|--|--|------------------|
| 102-18         | Governance structure   | <ul style="list-style-type: none"> <li>• Governance in The Novozymes Report 2016</li> <li>• Board of Directors: Composition and responsibilities in The Novozymes Report 2016</li> <li>• Corporate governance at Novozymes.com</li> </ul>  | ✓                |
| 102-19         | Delegating authority   | <ul style="list-style-type: none"> <li>• The target-setting process at Novozymes ensures top-down approach for delegating authority for economic, environmental and social topics</li> <li>• Sustainability governance at Novozymes.com</li> <li>• Rules of procedure for the Board of Directors at Novozymes.com</li> </ul> | ✓                |
| 102-20         | Executive-level responsibility for economic, environmental and social topics | <ul style="list-style-type: none"> <li>• Sustainability governance at Novozymes.com</li> <li>• Corporate governance in The Novozymes Report 2016</li> </ul>  | ✓                |
| 102-21         | Consulting stakeholders on economic, environmental and social topics         | <ul style="list-style-type: none"> <li>• Sustainability governance at Novozymes.com</li> <li>• Materiality in Note 1 Basis of reporting in The Novozymes Report 2016</li> </ul>  | ✓                |
| 102-22         | Composition of the highest governance body and its committees                | <ul style="list-style-type: none"> <li>• Corporate governance in The Novozymes Report 2016</li> <li>• Board of Directors: Composition and responsibilities in The Novozymes Report 2016</li> <li>• Executive Leadership Team in The Novozymes Report 2016</li> </ul>   | ✓                |
| 102-23         | Chair of the highest governing body  | <ul style="list-style-type: none"> <li>• Board of Directors and Executive Leadership Team in The Novozymes Report 2016</li> <li>• Corporate governance at Novozymes.com</li> </ul>   | ✓                |
| 102-24         | Nominating and selecting the highest governance body                         | <ul style="list-style-type: none"> <li>• Rules of procedure for the Board of Directors at Novozymes.com</li> <li>• Executive Leadership Team at Novozymes.com</li> <li>• Board of Directors in The Novozymes Report 2016</li> </ul>  | ✓                |
| 102-25         | Conflicts of interest  | <ul style="list-style-type: none"> <li>• Corporate governance at Novozymes.com</li> <li>• Note 8.3 Business ethics in The Novozymes Report 2016</li> </ul>   | (✓)              |
| 102-26         | Role of highest governance body in setting purpose, values and strategy      | <ul style="list-style-type: none"> <li>• Corporate governance at Novozymes.com</li> </ul>  | ✓                |

# GRI 102: General Disclosures 2016

## Governance (continued)

| GRI DISCLOSURE |   | REFERENCES AND COMMENTS  | REPORTING EXTENT |
|----------------|---|--|------------------|
| 102-27         | Collective knowledge of highest governance body   | <ul style="list-style-type: none"> <li>Sustainability governance at Novozymes.com</li> <li>Charter of the Audit Committee at Novozymes.com</li> </ul>  | ✓                |
| 102-28         | Evaluating the highest governance body's performance  | <ul style="list-style-type: none"> <li>Corporate governance in The Novozymes Report 2016</li> <li>Charter of the Audit Committee at Novozymes.com</li> </ul>   | ✓                |
| 102-29         | Identifying and managing economic, environmental and social topics and their impacts, risks and opportunities | <ul style="list-style-type: none"> <li>Risk management in The Novozymes Report 2016</li> <li>Materiality in Note 1 Basis of reporting in The Novozymes Report 2016</li> </ul>  | ✓                |
| 102-30         | Effectiveness of risk management processes  | <ul style="list-style-type: none"> <li>Risk management in The Novozymes Report 2016</li> <li>Sustainability governance at Novozymes.com</li> </ul>   | ✓                |
| 102-31         | Review of economic, environmental and social topics   | <ul style="list-style-type: none"> <li>It is reviewed quarterly</li> <li>Integrating the Ten Principles into business strategy in Novozymes' UNGC Communication on Progress 2016</li> <li>Materiality in Note 1 Basis of reporting in The Novozymes Report 2016</li> </ul> | ✓                |
| 102-32         | Highest governance body's role in sustainability reporting  | <ul style="list-style-type: none"> <li>The Board of Directors and the Executive Leadership Team review and approve our integrated annual report</li> <li>Charter of the Audit Committee at Novozymes.com</li> </ul>  | ✓                |
| 102-33         | Communicating critical concerns   | <ul style="list-style-type: none"> <li>Risk management in The Novozymes Report 2016</li> <li>Corporate governance in The Novozymes Report 2016</li> <li>Integrating the Ten Principles into business strategy in Novozymes' UNGC Communication on Progress 2016</li> </ul> | ✓                |
| 102-34         | Nature and total number of critical concerns  | <ul style="list-style-type: none"> <li>Note 8.3 Business ethics in The Novozymes Report 2016</li> </ul>  | (✓)              |

# GRI 102: General Disclosures 2016

## Governance (continued)

| GRI DISCLOSURE |  | REFERENCES AND COMMENTS  | REPORTING EXTENT |
|----------------|--|--|------------------|
| 102-35         | Remuneration policies                                  | <ul style="list-style-type: none"> <li>Guidelines for the compensation of the Board of Directors and Executive Leadership Team at Novozymes.com</li> <li>Remuneration report in The Novozymes Report 2016</li> </ul> | ✓                |
| 102-36         | Process for determining remuneration                   | <ul style="list-style-type: none"> <li>Guidelines for the compensation of the Board of Directors and Executive Leadership Team at Novozymes.com</li> </ul>   | ✓                |
| 102-37         | Stakeholders' involvement in remuneration              | <ul style="list-style-type: none"> <li>Shareholders' meetings at Novozymes.com</li> <li>Guidelines for the compensation of the Board of Directors and Executive Leadership Team at Novozymes.com</li> </ul>          | ✓                |
| 102-38         | Annual total compensation ratio                        | <ul style="list-style-type: none"> <li>Novozymes reports on this indicator on a global level only</li> <li>Remuneration report in The Novozymes Report 2016</li> </ul>   | (✓)              |
| 102-39         | Percentage increase in annual total compensation ratio | <ul style="list-style-type: none"> <li>Novozymes does not report on this indicator</li> </ul>  | —                |

# GRI 102: General Disclosures 2016

## Stakeholder Engagement

| GRI DISCLOSURE |  | REFERENCES AND COMMENTS  | REPORTING EXTENT |
|----------------|--|--|------------------|
| 102-40         | List of stakeholder groups             | <ul style="list-style-type: none"> <li>Materiality in Note 1 Basis of reporting in The Novozymes Report 2016</li> <li>Stakeholder engagement in Novozymes' UNGC Communication on Progress 2016</li> </ul>  | ✓                |
| 102-41         | Collective bargaining agreements       | <ul style="list-style-type: none"> <li>Novozymes does not report publicly on this information</li> <li>Novozymes supports employees' rights to join associations and bargain collectively, but we do not register employees' memberships in unions, since this is illegal in several of the countries in which we operate</li> </ul>   | —                |
| 102-42         | Identifying and selecting stakeholders | <ul style="list-style-type: none"> <li>Stakeholder engagement occurs across various functions and departments at Novozymes. We do not publicly disclose our basis for identifying and selecting stakeholders with whom to engage</li> <li>Communication Policy at Novozymes.com</li> <li>Materiality in Note 1 Basis of reporting in The Novozymes Report 2016</li> </ul>  | (✓)              |
| 102-43         | Approach to stakeholder engagement     | <ul style="list-style-type: none"> <li>Materiality in Note 1 Basis of reporting in The Novozymes Report 2016 for information specific to stakeholder engagement in the materiality assessment process</li> <li>With the exception of stakeholder engagement in the materiality assessment process, we do not report frequency of engagement by type and stakeholder group as this is a continuous process</li> <li>Stakeholder engagement in Novozymes' UNGC Communication on Progress 2016</li> <li>Communication policy at Novozymes.com</li> <li>Advocacy and public policy engagement in Novozymes' UNGC Communication on Progress 2016</li> </ul> | (✓)              |
| 102-44         | Key topics and concerns raised         | <ul style="list-style-type: none"> <li>Materiality in Note 1 Basis of reporting in The Novozymes Report 2016</li> <li>Trends in The Novozymes Report 2016</li> </ul>   | (✓)              |

# GRI 102: General Disclosures 2016

## Reporting practice

| GRI DISCLOSURE |  | REFERENCES AND COMMENTS   | REPORTING EXTENT |
|----------------|--|---|------------------|
| 102-45         | Entities included in the consolidated financial statements | <ul style="list-style-type: none"> <li>Note 1 Basis of reporting in The Novozymes Report 2016</li> <li>Note 6.8 Group companies in The Novozymes Report 2016</li> </ul>   | ✓                |
| 102-46         | Defining report content and topic Boundaries               | <ul style="list-style-type: none"> <li>Note 1 Basis of reporting in The Novozymes Report 2016</li> </ul>  | ✓                |
| 102-47         | List of material topics                                    | <ul style="list-style-type: none"> <li>Materiality in Note 1 Basis of reporting in The Novozymes Report 2016</li> <li>Mapping material issues with GRI Categories and Disclosures in Novozymes' Reporting on the GRI</li> </ul> | ✓                |
| 102-48         | Restatements of information                                | <ul style="list-style-type: none"> <li>Note 1 Basis of reporting in The Novozymes Report 2016</li> <li>Materiality and value chain assessment in Novozymes' UNGC Communication on Progress 2016</li> </ul>                      | ✓                |
| 102-49         | Changes in reporting                                       | <ul style="list-style-type: none"> <li>Note 1 Basis of reporting in The Novozymes Report 2016</li> <li>Materiality and value chain assessment in Novozymes' UNGC Communication on Progress 2016</li> </ul>                      | ✓                |
| 102-50         | Reporting period   | <ul style="list-style-type: none"> <li>Note 1 Basis of reporting in The Novozymes Report 2016</li> <li>About the report in The Novozymes Report 2016</li> </ul>   | ✓                |
| 102-51         | Date of most recent report                                 | <ul style="list-style-type: none"> <li>January 19, 2016</li> </ul>  | ✓                |
| 102-52         | Reporting cycle  | <ul style="list-style-type: none"> <li>Novozyymes' reporting cycle is annual</li> <li>Note 1 Basis of reporting in The Novozymes Report 2016</li> </ul>   | ✓                |
| 102-53         | Contact point for questions regarding the report           | <ul style="list-style-type: none"> <li>About the report in The Novozymes Report 2016</li> </ul>   | ✓                |

# GRI 102: General Disclosures 2016

## Reporting practice (continued)

| GRI DISCLOSURE |  | REFERENCES AND COMMENTS   | REPORTING EXTENT |
|----------------|--|---|------------------|
| 102-54         | Claims of reporting in accordance with the GRI standards | <ul style="list-style-type: none"> <li>Approach to the GRI in Novozymes' Reporting on the GRI</li> </ul>  | ✓                |
| 102-55         | GRI content index  | <ul style="list-style-type: none"> <li>Novozymes' Reporting on the GRI</li> </ul>   | ✓                |
| 102-56         | External assurance                                       | <ul style="list-style-type: none"> <li>Independent assurance statement on Novozymes' 2016 sustainability reporting and adherence to the AA1000 Accountability principles in The Novozymes Report 2016</li> <li>Independent auditor's report in The Novozymes Report 2016</li> </ul> | ✓                |

# Topic-Specific Disclosures 2016

## Economic

| GRI STANDARD/DISCLOSURE                        |  | REFERENCES AND COMMENTS  | REPORTING EXTENT |
|--|--|--|------------------|
| <b>GRI 201: Economic Performance 2016</b>      |  |  |                  |
| 103  | Management approach disclosures  | <ul style="list-style-type: none"> <li>• Strategy in The Novozymes Report 2016</li> <li>• Letter from the Board of Directors: Pushing through a challenging year in The Novozymes Report 2016</li> <li>• Letter from the CEO: Amplifying the impact of biological solutions in tough markets in The Novozymes Report 2016</li> </ul>   | ✓                |
| 201-1  | Direct economic value generated and distributed                                | <ul style="list-style-type: none"> <li>• Novozymes does not disclose proprietary information on donations and community investments</li> <li>• Sales and earnings in The Novozymes Report 2016</li> <li>• Note 2.3 Employees in The Novozymes Report 2016</li> <li>• Note 3.1 Intangible assets and impairment test of goodwill in The Novozymes Report 2016</li> <li>• The big picture in The Novozymes Report 2016</li> <li>• Business model in The Novozymes Report 2016</li> </ul> | (✓)              |
| 201-2  | Financial implications and other risks and opportunities due to climate change | <ul style="list-style-type: none"> <li>• Novozymes' disclosure on risks and opportunities related to climate change can be found in our response to the CDP Investor questionnaire at <a href="http://www.cdp.net">www.cdp.net</a></li> </ul>  | ✓                |
| <b>GRI 203: Indirect Economic Impacts 2016</b> |  |  |                  |
| 203-2  | Significant indirect economic impacts  | <ul style="list-style-type: none"> <li>• Targets in The Novozymes Report 2016</li> <li>• The big picture in The Novozymes Report 2016</li> <li>• Business model in The Novozymes Report 2016</li> <li>• Strategic social investments in Novozymes' UNGC Communication on Progress 2016</li> </ul>  | ✓                |

# Topic-Specific Disclosures 2016

## Economic (continued)

| GRI STANDARD/DISCLOSURE                        |  | REFERENCES AND COMMENTS  | REPORTING EXTENT |
|--|--|--|------------------|
| <b>GRI 205: Anti-corruption 2016</b>           |  |  |                  |
| 103  | Management approach disclosures  | <ul style="list-style-type: none"> <li>Note 8.3 Business ethics in The Novozymes Report 2016</li> </ul>  | ✓                |
| 205-1  | Operations assessed for risks related to corruption                            | <ul style="list-style-type: none"> <li>Note 8.3 Business ethics in The Novozymes Report 2016</li> <li>Position paper on Business integrity at Novozymes.com</li> <li>Business integrity and anticorruption at Novozymes.com</li> </ul> | (✓)              |
| 201-2  | Communication and training about anti-corruption policies and procedures       | <ul style="list-style-type: none"> <li>Note 8.3 Business ethics in The Novozymes Report 2016</li> <li>Business integrity and anticorruption at Novozymes.com</li> </ul>  | (✓)              |
| <b>GRI 206: Anti-competitive Behavior 2016</b> |  |  |                  |
| 103  | Management approach disclosures  | <ul style="list-style-type: none"> <li>Note 8.3 Business ethics in The Novozymes Report 2016</li> </ul>  | ✓                |
| 206-1  | Legal actions for anti-competitive behavior, anti-trust and monopoly practices | <ul style="list-style-type: none"> <li>Note 8.3 Business ethics in The Novozymes Report 2016</li> </ul>  | ✓                |



# Topic-Specific Disclosures 2016

## Environmental

| GRI STANDARD/DISCLOSURE    |  | REFERENCES AND COMMENTS   | REPORTING EXTENT |
|----------------------------|--|---|------------------|
| <b>GRI 30: Energy 2016</b> |  |   |                  |
| 103                        | Management approach disclosures            | <ul style="list-style-type: none"> <li>Note 7.2 Energy in The Novozymes Report 2016</li> </ul>  | ✓                |
| 302-1                      | Energy consumption within the organization | <ul style="list-style-type: none"> <li>Note 7.2 Energy in The Novozymes Report 2016</li> </ul>  | ✓                |
| 302-3                      | Energy intensity                           | <ul style="list-style-type: none"> <li>Our organization-specific metric for energy intensity is called energy efficiency. We report on relative annual improvement in energy efficiency, compared with the base year (2014). Energy efficiency is measured as a ratio of net energy consumption and gross profit</li> <li>Note 7.2 Energy in The Novozymes Report 2016</li> </ul> | ✓                |
| 302-4                      | Reduction in energy consumption            | <ul style="list-style-type: none"> <li>We report reduction in energy consumption in terms of the percentage of improvement in energy efficiency achieved (compared with 2014 baseline) as this is more relevant to us</li> <li>Environmental data in The Novozymes Report 2016</li> <li>Note 7.2 Energy in The Novozymes Report 2016</li> </ul>                                   | (✓)              |
| <b>GRI 303: Water 2016</b> |  |   |                  |
| 103                        | Management approach disclosures            | <ul style="list-style-type: none"> <li>Note 7.3 Water in The Novozymes Report 2016</li> </ul>   | ✓                |
| 303-1                      | Water withdrawal by source                 | <ul style="list-style-type: none"> <li>Novozymes reports water withdrawal by type (such as drinking water, industrial water and steam), but does not disclose withdrawal by source</li> <li>Note 7.3 Water in The Novozymes Report 2016</li> </ul>  | (✓)              |
| 303-3                      | Water recycled and reused                  | <ul style="list-style-type: none"> <li>Note 7.3 Water in The Novozymes Report 2016</li> </ul>   | (✓)              |

# Topic-Specific Disclosures 2016

## Environmental (continued)

| GRI STANDARD/DISCLOSURE             |  | REFERENCES AND COMMENTS  | REPORTING EXTENT |
|-------------------------------------|--|--|------------------|
| <b>GRI 305: Emissions 2016</b>      |  |  |                  |
| 103                                 | Management approach disclosures                  | <ul style="list-style-type: none"> <li>Note 7.1 Climate change in The Novozymes Report 2016</li> </ul>   | ✓                |
| 305-1                               | Direct (Scope 1) GHG emissions                   | <ul style="list-style-type: none"> <li>Note 7.1 Climate change in The Novozymes Report 2016</li> <li>Novozymes does not report biogenic CO<sub>2</sub> emissions because this is not material to our organization</li> </ul>   | ✓                |
| 305-2                               | Energy indirect (Scope 2) GHG emissions          | <ul style="list-style-type: none"> <li>Note 7.1 Climate change in The Novozymes Report 2016</li> <li>Novozymes does not report biogenic CO<sub>2</sub> emissions because this is not material to our organization</li> <li>Our disclosure on emissions adheres to Novozymes' accounting policies and follows an operational control approach</li> </ul>                                  | ✓                |
| 305-3                               | Other indirect (Scope 3) GHG emissions           | <ul style="list-style-type: none"> <li>Note 7.1 Climate change in The Novozymes Report 2016</li> </ul>   | (✓)              |
| 305-4                               | GHG emissions intensity                          | <ul style="list-style-type: none"> <li>Our organization-specific metric for GHG emission intensity is called CO<sub>2</sub> intensity. We report on relative annual improvement in CO<sub>2</sub> intensity, compared with the base year (2014)</li> <li>Environmental performance in The Novozymes Report 2016</li> <li>Note 7.1 Climate change in The Novozymes Report 2016</li> </ul> | ✓                |
| 305-5                               | Reduction in GHG emissions                       | <ul style="list-style-type: none"> <li>Note 7.1 Climate change in The Novozymes Report 2016</li> <li>Environmental performance in The Novozymes Report 2016</li> </ul>   | ✓                |
| <b>GRI 306: Effluents and Waste</b> |  |  |                  |
| 103                                 | Management approach disclosures                  | <ul style="list-style-type: none"> <li>Note 7.3 Water in The Novozymes Report 2016</li> <li>Note 7.4 Waste in The Novozymes Report 2016</li> </ul>   | ✓                |
| 306-1                               | Total water discharge by quality and destination | <ul style="list-style-type: none"> <li>Novozymes does not report on the quality of the water or the treatment methods, because different sites apply different treatment methods and measures based on local requirements</li> <li>Note 7.3 Water in The Novozymes Report 2016</li> </ul>  | (✓)              |

# Topic-Specific Disclosures 2016

## Environmental (continued)

| GRI STANDARD/DISCLOSURE                                |  | REFERENCES AND COMMENTS   | REPORTING EXTENT |
|--|--|---|------------------|
| 306-2  | Waste by type and disposal method                                    | <ul style="list-style-type: none"> <li>Environmental performance in The Novozymes Report 2016</li> <li>Note 7.4 Waste in The Novozymes Report 2016</li> <li>The waste disposal method is site specific and determined in line with local requirements</li> </ul>  | ✓                |
| 306-3  | Significant spills   | <ul style="list-style-type: none"> <li>There were no significant spills in 2016</li> </ul>  | ✓                |
| <b>GRI 307: Environmental Compliance 2016</b>          |  |   |                  |
| 307-1  | Non-compliance with environmental laws and regulations               | <ul style="list-style-type: none"> <li>Novozymes did not receive any significant fines or nonmonetary sanctions related to noncompliance with environmental laws and regulations in 2016</li> <li>Environmental performance in The Novozymes Report 2016</li> <li>Note 7.5 Environmental compliance, etc. in The Novozymes Report 2016</li> </ul> | ✓                |
| <b>GRI 308: Supplier Environmental Assessment 2016</b> |  |   |                  |
| 103  | Management approach disclosures                                      | <ul style="list-style-type: none"> <li>Note 8.6 Responsible sourcing in The Novozymes Report 2016</li> </ul>  | ✓                |
| 308-1  | New suppliers that were screened using environmental criteria        | <ul style="list-style-type: none"> <li>Note 8.6 Responsible sourcing in The Novozymes Report 2016</li> </ul>  | (✓)              |
| 308-2  | Negative environmental impacts in the supply chain and actions taken | <ul style="list-style-type: none"> <li>Note 7.1 to 7.4 in The Novozymes Report 2016</li> </ul>  | (✓)              |

# Topic-Specific Disclosures 2016

## Social

| GRI STANDARD/DISCLOSURE                             |   | REFERENCES AND COMMENTS  | REPORTING EXTENT |
|---|---|--|------------------|
| <b>GRI 401: Employment 2016</b>                     |   |  |                  |
| 103   | Management approach disclosures   | <ul style="list-style-type: none"> <li>Note 8.1 Labor practices &amp; human rights in The Novozymes Report 2016</li> </ul>   | ✓                |
| 401-1   | New employee hires and employee turnover  | <ul style="list-style-type: none"> <li>Note 8.1 Labor practices &amp; human rights and Note 2.3 Employees in The Novozymes Report 2016</li> <li>Site data in The Novozymes Report 2016</li> </ul>  | (✓)              |
| 401-2   | Benefits provided to full-time employees that are not provided to temporary or part-time employees                        | <ul style="list-style-type: none"> <li>Job benefits at Novozymes.com</li> <li>Employee benefits, including life insurance, healthcare, disability/invalidity coverage, maternity/paternity leave, retirement provision and others are provided to full-time employees of Novozymes as a minimum as required by law. Temporary and part-time employees (including interns) are entitled to a number of employee benefits, as per the national regulations and industry standards of the regions where we operate</li> </ul> | ✓                |
| <b>GRI 403: Occupational Health and Safety 2016</b> |   |  |                  |
| 103   | Management approach disclosures   | <ul style="list-style-type: none"> <li>Note 8.2 Occupational health &amp; safety in The Novozymes Report 2016</li> </ul>   | ✓                |
| 403-2   | Type and rates of injuries, occupational diseases, lost days and absenteeism, and total number of work-related fatalities | <ul style="list-style-type: none"> <li>Note 8.2 Occupational health &amp; safety in The Novozymes Report 2016</li> <li>Site data in The Novozymes Report 2016</li> </ul>   | (✓)              |
| <b>GRI 404: Training and Education 2016</b>         |   |  |                  |
| 103   | Management approach disclosures   | <ul style="list-style-type: none"> <li>Note 8.2 Occupational health &amp; safety in The Novozymes Report 2016</li> </ul>   | ✓                |
| 404-2   | Programs for upgrading employee skills and transition assistance programs   | <ul style="list-style-type: none"> <li>Development and opportunities at Novozymes.com</li> <li>ENABLE target in The Novozymes Report 2016</li> </ul>   | (✓)              |
| 404-3   | Percentage of employees receiving regular performance and career development reviews                                      | <ul style="list-style-type: none"> <li>Development and opportunities at Novozymes.com</li> </ul>   | (✓)              |

# Topic-Specific Disclosures 2016

## Social (continued)

| GRI STANDARD/DISCLOSURE  |  | REFERENCES AND COMMENTS  | REPORTING EXTENT |
|--|--|--|------------------|
| <b>GRI 405: Diversity and Equal Opportunity 2016</b>             |  |  |                  |
| 103  | Management approach disclosures  | <ul style="list-style-type: none"> <li>Note 8.1 Labor practices &amp; human rights in The Novozymes Report 2016</li> </ul>   | ✓                |
| 405-1  | Diversity of governance bodies and employees   | <ul style="list-style-type: none"> <li>Novozymes reports on percentage of women by job category, but not on minority groups because registration of ethnic origin is illegal in many of the regions in which we operate</li> <li>Competency profile of the Board of Directors at Novozymes.com</li> <li>Note 2.3 Employees in The Novozymes Report 2016</li> <li>ENABLE target in The Novozymes Report 2016</li> <li>Corporate governance in The Novozymes Report 2016</li> </ul>  | (✓)              |
| <b>GRI 407: Freedom of Association and Collective Bargaining</b> |  |  |                  |
| 407-1  | Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk | <ul style="list-style-type: none"> <li>Novozymes recognizes the right to organize and negotiate. This has led to various arrangements in countries where this right is not recognized in local legislation. For example, Novozymes has set up an internal committee in China to negotiate our Chinese colleagues' right to organize and bargain collectively. This provides a forum for employee representatives to discuss various issues with Management. Novozymes supports employees' rights to join associations and bargain collectively, but we do not register employees' memberships of unions, since this is illegal in several of the countries in which we operate</li> <li>Position paper on Human rights and labor standards at Novozymes.com</li> <li>Note 8.1 Labor practices &amp; human rights in The Novozymes Report 2016</li> </ul> | (✓)              |
| <b>GRI 408: Child Labor 2016</b>                                 |  |  |                  |
| 103  | Management approach disclosures  | <ul style="list-style-type: none"> <li>Note 8.1 Labor practices &amp; human rights in The Novozymes Report 2016</li> </ul>   | ✓                |
| 408-1  | Operations and suppliers identified at significant risk for incidents of child labor                           | <ul style="list-style-type: none"> <li>Position paper on Human rights and labor standards at Novozymes.com</li> <li>Note 8.1 Labor practices &amp; human rights in The Novozymes Report 2016</li> </ul>  | (✓)              |
| <b>GRI 409: Forced and Compulsory Labor 2016</b>                 |  |  |                  |
| 103  | Management approach disclosures  | <ul style="list-style-type: none"> <li>Note 8.1 Labor practices &amp; human rights in The Novozymes Report 2016</li> </ul>   | ✓                |
| 409-1  | Operations and suppliers identified at significant risk for incidents of forced or compulsory labor            | <ul style="list-style-type: none"> <li>Position paper on Human rights and labor standards at Novozymes.com</li> <li>Note 8.1 Labor practices &amp; human rights in The Novozymes Report 2016</li> </ul>  | (✓)              |

# Topic-Specific Disclosures 2016

## Social (continued)

| GRI STANDARD/DISCLOSURE                         |   | REFERENCES AND COMMENTS   | REPORTING EXTENT |
|---|---|---|------------------|
| <b>GRI 413: Local Communities 2016</b>          |   |   |                  |
| 413-1   | Operations with local community engagement, impact assessments and development programs | <ul style="list-style-type: none"> <li>Novozymes does not report quantitatively on this indicator. However, we have programs implemented with local communities in regions of significant operations</li> <li>Note 8.4 Corporate citizenship in The Novozymes Report 2016</li> <li>Strategic social investments in Novozymes' UNGC Communication on Progress 2016</li> </ul>                                  | (✓)              |
| <b>GRI 414: Supplier Social Assessment 2016</b> |   |   |                  |
| 103   | Management approach disclosures   | <ul style="list-style-type: none"> <li>Note 8.6 Responsible sourcing in The Novozymes Report 2016</li> </ul>  | ✓                |
| 414-1   | New suppliers that were screened using social criteria                                  | <ul style="list-style-type: none"> <li>Note 8.6 Responsible sourcing in The Novozymes Report 2016</li> <li>Engagement with suppliers under Stakeholder engagement in Novozymes' UNGC Communication on Progress 2016</li> </ul>  | (✓)              |
| 414-2   | Negative social impacts in the supply chain and actions taken                           | <ul style="list-style-type: none"> <li>Note 8.6 Responsible sourcing in The Novozymes Report 2016</li> </ul>  | (✓)              |
| <b>GRI 416: Customer Health and Safety 2016</b> |   |   |                  |
| 103   | Management approach disclosures   | <ul style="list-style-type: none"> <li>Note 7.7 Product safety &amp; stewardship in The Novozymes Report 2016</li> </ul>  | ✓                |
| 416-1   | Assessment of health and safety impacts of products and services                        | <ul style="list-style-type: none"> <li>100% of our significant product and service categories are assessed for health and safety impacts</li> <li>Novozymes' Quality and Product Safety Policy at Novozymes.com</li> <li>Safety data sheets, manuals and handbooks at Novozymes' Customer Center</li> <li>Safety material at Novozymes TV</li> </ul>  | (✓)              |
| <b>GRI 417: Marketing and Labeling 2016</b>     |   |   |                  |
| 103   | Management approach disclosures   | <ul style="list-style-type: none"> <li>Note 7.7 Product safety &amp; stewardship in The Novozymes Report 2016</li> </ul>  | ✓                |
| 417-1   | Requirements for product and service information and labeling                           | <ul style="list-style-type: none"> <li>100% of our significant product and service categories are covered by and assessed for compliance with labeling and regulatory requirements</li> <li>Position paper on Labeling of enzymes at <a href="http://www.novozymes.com">www.novozymes.com</a></li> <li>Labeling compliance at Novozymes.com</li> <li>Novozymes' approach to REACH at Novozymes.com</li> </ul> | ✓                |