

Innovating for a sustainable tomorrow

Novozymes is committed to contributing to the Sustainable Development Goals (SDGs). In 2018, we brought more sustainable innovations to the market and helped our customers avoid an estimated 88 million tons of CO₂ emissions by applying our solutions.



WE SUPPORT

In many ways, 2018 served as a wakeup call on climate change. A special report by the UN Intergovernmental Panel on Climate Change (IPCC) clearly showed that our climate is under pressure and that it is essential for the world to act now to reduce CO₂ emissions. Climate change impacts on the environment and on people's lives are increasingly evident.

At Novozymes, we go to work every day to find biological answers for better lives in a growing world. That is how we can maximize our positive contribution to the world, grow our business and live up to our purpose. Novozymes' solutions help address climate change. In 2018, our customers avoided an estimated 88 million tons of CO₂ emissions by applying our products – equivalent to taking approximately 37 million cars off the road.

We are committed to contributing to the SDGs

The SDGs define the world's most important challenges and the biggest business opportunities for companies with solutions to offer, including Novozymes. Delivering solutions that positively contribute to the SDGs is a great opportunity for Novozymes, and reducing our negative SDG footprint throughout our supply chains and operations is a key responsibility. Novozymes was an early SDG mover. Back in 2014, the then draft SDGs

inspired our purpose and strategy. In 2018, we set up our SDG Governance Boards, made up of members of our senior leadership team, to further build on our understanding of SDG-related opportunities and responsibilities, and to drive actions that really make a difference.

Our ability to deliver on the SDGs is strongly linked to our ability to deliver transformative innovations and expand the reach of our sustainable solutions. In 2018, we took another step toward cleaner wastewater for the world with the launch of BioSec®. We also launched Acceleron® B-360 ST, a new corn inoculant for higher and more sustainable yields. Both innovations hold promising SDG impact potential.

Partnering for Impact

To build the sustainable world we all want, we need partnerships across businesses, industry, the public and private sectors as well as national boundaries. Technology, policy and investments must find each other to generate the necessary impact. In 2018, Novozymes marked the 20th anniversary of our alliance with DSM for feed enzymes. Over the years, we have found solutions together that significantly improve the business and sustainability of animal farming. As testament to this, the alliance brought Balancius™, our newest

transformative innovation, to market. This is a game-changing technology that pushes industry boundaries and enables better lives.

In 2018, Novozymes joined the Partnering for Green Growth and the Global Goals 2030 (P4G) partnership, a global network of leaders and innovators from government, business and civil society seeking transformative solutions for green economic growth. We joined the Sustainable Food Platform, to rethink market-based solutions for food and nutrition security in Ethiopia, Kenya and Uganda. Together with other partners, we will invest in developing nutritious and affordable food products to benefit more than 2 million refugees in those countries that suffer the triple burden of food insecurity, climate change and conflict.

Our sustainability performance

In 2018, we made good progress on our six long-term sustainability targets. We further expanded the reach of our solutions to an estimated 5.6 billion consumers. Most of the new consumers reached were in Africa, India and China. We were unable to meet some of our own operational targets though. This is disappointing. We did not meet our CO₂ emission reduction target due to product mix changes and an inability to source renewable energy for some of our production sites.

Regrettably, we were unable to maintain last year's record-low number of occupational accidents with absence. The wellbeing of Zymers is a top priority, and we will do our utmost to substantially reduce the number of accidents going forward.

Looking ahead

In 2019, we will focus on bringing more sustainable innovations to market that enable our customers to produce more from less, make the world more sustainable and contribute to the SDGs. We remain committed to decoupling our growing operations from their impact on the environment. We will continue with annual targets for CO₂ emissions and energy and water consumption, and work to define long-term targets in these areas in 2019.

In today's challenging political and economic climate, the world increasingly expects innovative companies to spearhead sustainability. At Novozymes, we will continue to push for a more sustainable tomorrow.

Peder Holk Nielsen
President & CEO