

# Strategy

**At Novozymes, we are committed, together with our partners, to building a more sustainable future – and making an impact on our customers, consumers and the world. To reinforce this commitment, we have defined a purpose and a strategy that guide us in a clear direction as the market leader in biological solutions.**

## **Taking on global challenges**

As the world grows, so do the needs of the people living in it. But how can we improve the living standards of a growing population with limited resources? At Novozymes, our business is about turning science into sustainable biological answers in a world with growing needs.

Our purpose – “Together we find biological answers for better lives in a growing world – Let’s rethink tomorrow” – is engrained in how we work and innovate, and it serves as the foundation for our collaboration with customers, governments, academia and other institutions.

## **All in it together**

We call our strategy “Partnering for Impact.” Partnerships are key to our success. Only by engaging in deep-rooted collaborations with others can we make a profound impact on the world.

As far as Novozymes is concerned, mutual benefits and obligations are essential for successful partnerships. One such partnership

is the one we have with our customers. Our solutions are often an integral element of their production processes. Enzymes and microorganisms enable more sustainable and efficient production, and are often the ingredients that allow our customers to stand out from the competition.

By working with the environmental and economic realities facing us and our partners, we can help create tangible and sustained impacts, including optimized processes, breakthrough products, improved profitability and reduced environmental footprint.

With partnerships at its center, our strategy sets out the four focus areas that enable us to fulfill our purpose.

**“Together we find biological answers for better lives in a growing world – Let’s rethink tomorrow.”**

## **Novozymes’ four strategic focus areas**



### **Rally for change**

We will form partnerships and networks with customers, consumers, governments, suppliers, academia and others around us to make a sustainable difference.



### **Lead innovation**

We will inspire and excite our customers by delivering more significant innovation, tailored to their local markets.



### **Focus on opportunities**

We will prioritize the customers, markets and activities that hold the biggest opportunities for creating impact.



### **Grow people**

We want to be better at enabling our employees to develop their professional and leadership skills.



### Rally for change

In 2018, Novozymes continued to work with like-minded organizations to promote sustainable growth. Novozymes was invited to participate in the UN General Assembly for the fifth time. Novozymes' CEO, Peder Holk Nielsen, took this opportunity to engage in dialogue with key influencers and reinforce our commitment to achieving the UN Sustainable Development Goals (SDGs).

As part of his leadership role in supporting the SDGs, Peder Holk Nielsen was the lead business delegate at the P4G – Partnering for Green Growth and the Global Goals 2030 meetings in October 2018.

The Kalundborg Symbiosis received the WIN WIN Gothenburg Sustainability Award 2018 for sustainable production. The Symbiosis is a partnership between Novozymes and seven other public and private companies involved in manufacturing in Kalundborg, Denmark. The companies share their production waste so that others in the partnership can use them as resources in their own manufacturing processes.

HelloScience, Novozymes' open innovation initiative, took another step forward in terms of collaboration. In October 2018, HelloScience announced that Novozymes, Grundfos and NX Filtration BV would be joining forces to develop a new solution to remove pesticides from drinking water using enzymes, water technology and membranes.



### Lead innovation

2018 saw Novozymes flex its innovation muscle with diverse and remarkable solutions tailored to our customers' needs.

In Bioenergy, we launched two products from our new yeast platform: Innova® Drive and Innova® Lift. For decades, the yeast strains used in the starch-based ethanol industry have remained broadly unchanged. The majority of ethanol plants face operational problems related to yeast, which is negatively impacted by high temperatures, infections and organic acids. With the Innova® platform, Novozymes has introduced a brand new yeast strain never seen before in the ethanol industry. The yeast has the characteristics plant operators have been calling for, such as robustness, without the need for major process changes.

In Agriculture, we launched Balancius™ together with our partner DSM. Balancius™ is a natural biological feed additive that will help chicken farmers raise flocks that absorb nutrients better and grow more efficiently. Balancius™ belongs to the enzyme class called muramidases and is the world's first enzyme to improve gut functionality in broiler chickens. The product is being launched in the US and Latin America to begin with, and a global rollout is expected in 2019-2020.

We also launched BioSec® for sludge dewatering in wastewater treatment. BioSec® is the first product from our "solutions for water" innovation platform.



### Focus on opportunities

Novozymes' strategy has helped us to strengthen our presence in key markets and focus on regional innovation. In 2018, we opened the Innovation and Technology Center in Istanbul, Turkey, ensuring that we stay close to our customers in the region and develop solutions based on a deep understanding of their needs.

The 700 m<sup>2</sup> center focuses on baking technologies and features state-of-the-art, locally relevant facilities, including an industrial-scale flatbread line. The center gives customers and partners in the Middle East and Africa easier access to our regional R&D and marketing expertise, allowing us to build on these partnerships even more and improve our commercial execution power in growth markets.

We also opened our Textile Application Center in Bangalore, India, to support the growing textile industry in the region. We pride ourselves on our technical service offering to local customers, and the center will enhance our technical service capabilities and near-to-market innovation.



### Grow people

In 2018, we continued to build on successful initiatives from 2017. Teach for Tomorrow, a program encouraging Novozymes' employees to teach biology lessons in local elementary schools, entered its second year. This time round, our employees shared their knowledge of good bacteria to ignite a passion for science in young children.

Innovation is the fuel that drives us, and we want to ensure that our employees adopt healthy practices that leave space for them to grow and for ideas to flourish. Our new initiative, Brain Space, provides employees with inspiration and tools to care for their brain health and thrive in a fast-paced digital work environment. Among other things, employees are encouraged to rethink the meeting culture and their smartphone habits.

Our Lead the Way leadership program has inspired other companies, and in May we were delighted to welcome 70 guests from leading Danish companies, all wanting to learn how we use the program to support our leaders to live our values and drive engagement and performance at work.