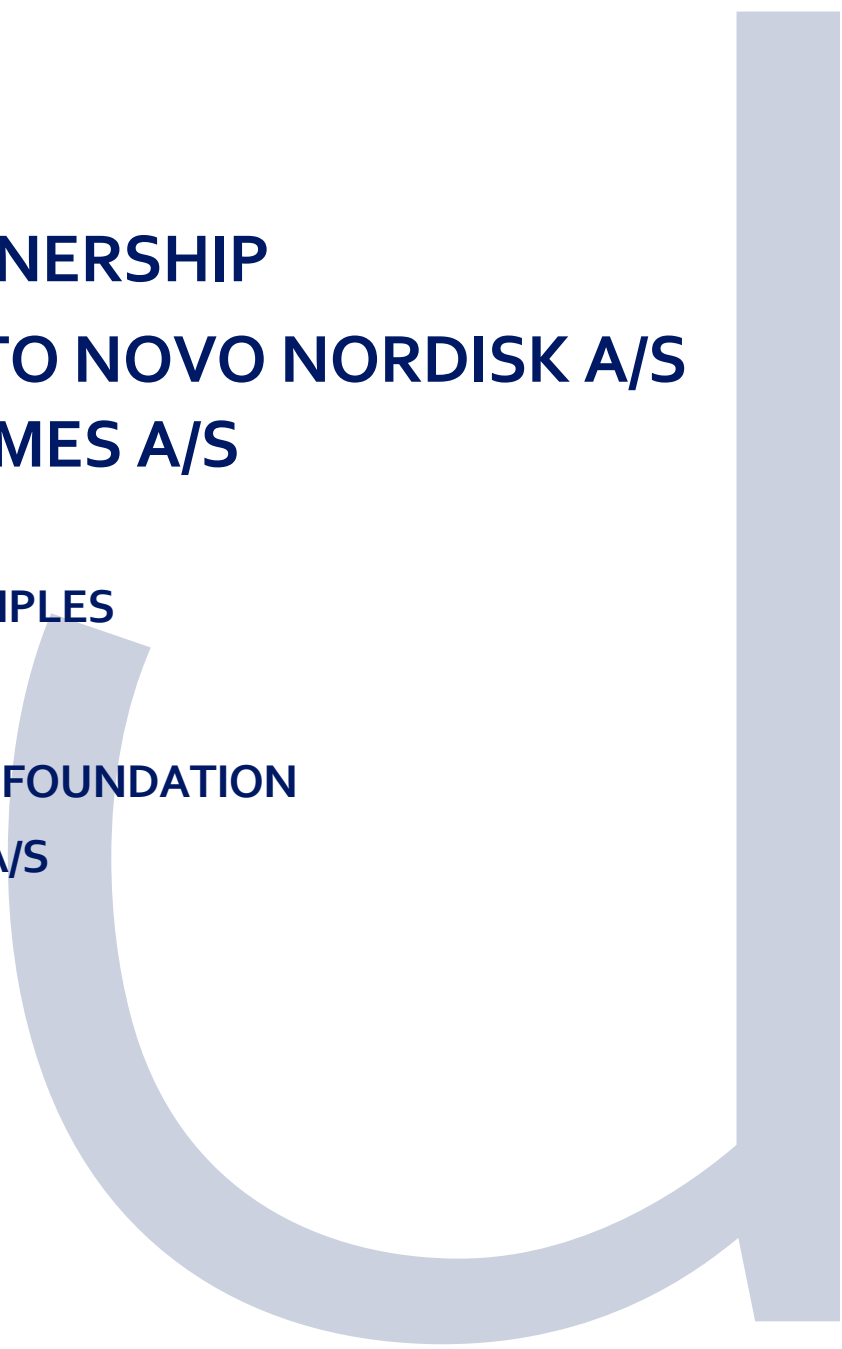


**ENGAGED OWNERSHIP
IN RELATION TO NOVO NORDISK A/S
AND NOVOZYMES A/S**

OBJECTIVES & PRINCIPLES

**THE NOVO NORDISK FOUNDATION
& NOVO HOLDINGS A/S
SEPTEMBER 2019**



ENGAGED OWNERSHIP

1 INTRODUCTION

The Novo Nordisk Foundation (NNF) is a foundation with commercial interests, and its bylaws have two objectives; a commercial objective and a grant awarding objective. The commercial objective pertains to the Foundation's commercial activities, primarily the constitutional ownership in Novo Nordisk A/S and Novozymes A/S, and implies an ownership obligation for NNF in relation to Novo Nordisk A/S and Novozymes A/S.

NNF has established a fully owned subsidiary, Novo Holdings A/S (NH) to manage the NNF's investments and holdings in Novo Nordisk A/S and Novozymes A/S on the Foundation's behalf. NNF, through NH, holds in excess of 25% of the share capital and a majority of the votes of both companies. In this document, NNF and NH are referred to jointly as 'we' or 'our'. The main principle for how we carry out the ownership in relation to Novo Nordisk A/S and Novozymes A/S will be that NNF has delegated to NH to act on NNFs behalf, in accordance with agreed objectives, principles and consultations.

We consider it important to be clear and transparent about the ownership obligation, the objectives of the ownership, as well as how the ownership role is exercised. This is of importance to the other shareholders and broader stakeholders of Novo Nordisk A/S and Novozymes A/S; the patients and customers they serve, their partners as well as their leadership and employees. It is also important to us and our stakeholders, including society at large, to be clear about this; we derive significant value from the ownership of the companies, and the legacy and name are in common.

We will be an "*Engaged Owner*" in relation to Novo Nordisk A/S and Novozymes A/S and will apply the Engaged Ownership objectives and principles described below.

As an Engaged Owner, we are committed to the long-term sustainable development of both companies and will engage with the two companies in support of this. We will engage with Novo Nordisk A/S and Novozymes A/S with a focus on the companies' strategies, financials and governance. Fundamental to this is that the two companies operate as separate listed entities and with Boards of directors that have significant independent and well qualified representation. As an owner we will act fully at an arm's length of the operations of the companies. In applying our Engaged Ownership, we will observe and respect rights, obligations and autonomy of other stakeholders, notably the Boards of Novo Nordisk A/S and Novozymes A/S and the other shareholders. We will respect confidentiality in our interactions with Novo Nordisk A/S and Novozymes A/S.

This document describes the objectives and key principles of our Engaged Ownership.

2 NNF BYLAWS AND VISION, AND THE OBJECTIVES OF ENGAGED OWNERSHIP

The bylaws of the Foundation, as noted, state the Foundation’s commercial and grant awarding objectives (Figure 2.1).

Figure 2.1. Objectives of the Novo Nordisk Foundation

Commercial Objective	<i>I. to provide a stable basis for the commercial and research activities of Novo Nordisk A/S, which is engaged in research in, development, production and sale of pharmaceuticals and related products and services; of Novozymes A/S, which is engaged in carrying out research in, development of, production of and trade in biological solutions; and of any future public or private limited companies in which the Foundation’s subsidiary, Novo Holdings A/S (cf. Article 4 (3) below) may hold a material equity interest or over which Novo Holdings A/S may have material influence, whether through proxy or otherwise;</i>
Grant Awarding objectives	<i>II. to support physiological, endocrinological, metabolic and other medical research; III. to support research hospital activities within diabetes in Denmark; and furthermore IV. to support other scientific as well as humanitarian and social purposes.</i>

Source: NNF Bylaws

The statutory objectives form the basis for how we will be an Engaged Owner.

The Engaged Ownership in relation to Novo Nordisk A/S and Novozymes A/S will be guided by the overall vision of the NNF.

Figure 2.2. Vision of the Novo Nordisk Foundation

“To contribute significantly to research and development that improves the lives of people and the sustainability of society”

Source: NNF 2019-2023 strategy

To fulfill this vision, NNF has three missions, of which the first focuses on the Foundation’s ownership in relation to Novo Nordisk A/S and Novozymes A/S.

Figure 2.3. Missions for the Novo Nordisk Foundation

- 1. “To enable Novo Nordisk A/S and Novozymes A/S to create world-class business results and contribute to growth”*
- 2. “To develop knowledge based environments in which innovative and talented people can carry out research of the highest quality and translate discoveries into new treatments and solutions”*
- 3. “To inspire and enable children and young people to learn”*

Source: NNF 2019-2023 strategy

The objectives of our Engaged Ownership in relation to Novo Nordisk A/S and Novozymes A/S reflect that the companies are both independent entities and global leaders in their respective fields, with distinctive commercial and research capabilities, and a long track-record of bringing innovation to the benefits of patients, customers as well as society at large. The objectives of our Engaged Ownership seek to safeguard, stimulate and perpetuate this.

Figure 2.4. Objectives of our Engaged Ownership in Novo Nordisk A/S (NN) and Novozymes A/S (NZ)

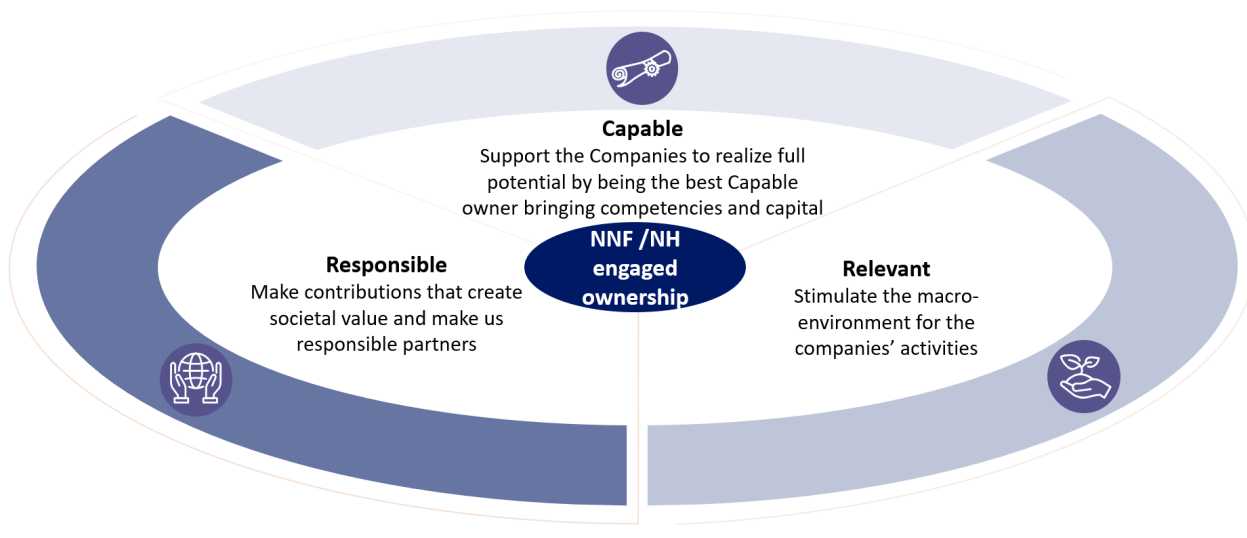
1. Support NN and NZ in realizing a shared vision to contribute positively to the lives of people and the sustainability of society
2. Support NN and NZ to be leading and sustainable world-class companies in their defined markets through the business cycle
3. Encourage NN and NZ to be engaging, inspiring environments for people to work and grow, respecting the Novo Charter
4. Stimulate NN and NZ to generate competitive long-term financial value
5. Stimulate collaboration that perpetuates the Foundation’s statutory objectives

The companies’ success in achieving these objectives will benefit us, other shareholders and the broader stakeholders.

3 PRINCIPLES OF OUR ENGAGED OWNERSHIP

To achieve the Engaged Ownership objectives above, we have articulated the key principles of our Engaged Ownership: We collectively aim to be an Engaged Owner by being *Capable, Relevant and Responsible*.

Figure 3.1. Principles of the Engaged Ownership



Capable

Being *capable* entails supporting the companies to reach their full potential, by acting as a long-term owner, working towards continued strong board representation and composition, and maintaining a stable and solid ownership in the companies. There are three elements to this:

Long-term ownership

The long-term ownership reflects the constitutional and long-term ownership perspective that we have in relation to the companies. This should enable the companies to take a long-term perspective on fulfilling patient and customer needs in a sustainable way, while driving growth and profitability.

Board representation and composition

For Novo Nordisk A/S and Novozymes A/S we are committed to the nomination of board members, who are highly qualified. We support the companies to have an independent chairman as well as majority of independent board members. We will work towards having two NNF/NH appointees on the Boards, where one is nominated as vice chairman, and where an NNF/NH appointee is represented on the Nomination Committee, and on the Remuneration Committee.

Ownership level

Being capable also entails for us to secure financial capacity to support the companies in realizing their full potential strategies, while maintaining our statutory ownership. This is done through us maintaining defined capital reserves and upholding a solid and well consolidated capital base.

Relevant

Being *relevant* in relation to Novo Nordisk A/S and Novozymes A/S entails two key elements:

Grant awarding

The grant awarding activities of NNF are independent from commercial interests and in adherence with our statutory grant-awarding objective seek to improve lives of people through better health, education and the development of a knowledge-based sustainable society. Some of NNF's grant awarding activities, will be relevant for Novo Nordisk A/S and Novozymes A/S, thereby stimulating a good macro-environment for the companies.

Talent attraction

Through its grant awarding activities, the NNF will aim to attract and develop Danish and international talent which may enhance the recruiting base for the companies.

Responsible

Being *responsible* entails engagement in the overall societal and environmental responsibilities. Both Novo Nordisk A/S and Novozymes A/S are renowned for leading sustainability policies, having pioneered a focus on 'the triple bottom-line', integrating sustainability as a key component of business strategies and management processes across the companies. We are committed to encourage the companies to continue making contributions that create environmental and societal value, and to ensure the companies live by the Novo Charter.