

## ENGAGEMENT FACTSHEET

# Novo Nordisk A/S

### ENGAGEMENT RATIONALE

Novo Nordisk, along with its peers in the pharma sector and in collaboration with key stakeholders, such as suppliers, academia and governments can play a critical role in the post COVID-19 recovery. Patients of insulin and other medicines provided by Novo Nordisk seek a sense of certainty that there will be no interruptions in their supply. We wanted to get an insight into how Novo Nordisk is prepared to play its role. Also, as an important pharma company with global reach, Novo Nordisk's approach to determining sales incentives contributes to setting the tone in global best practice. We also engaged with them on this issue.

### BACKGROUND

Our engagement with Novo Nordisk on the responsible COVID-19 recovery is part of a collaborative effort where we took the lead and coordinated our approach with a group of four other investors and the Access to Medicine Foundation. Prior to the outbreak of the pandemic, we engaged with Novo Nordisk to extend the assessment period of its sales force to 12 months or longer globally.

### THEME FOR ENGAGEMENT

- x Governance – sales incentives & COVID-19 recovery

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### ENGAGEMENT OBJECTIVES

- x Extending the assessment period of sales force incentives
- x Ensuring the company honors its responsibilities in the context of the COVID-19 global pandemic & recovery

### MILESTONE



### ENGAGEMENT DEVELOPMENT



### ENGAGEMENT RESULTS

- x The company's Investor Relations team has been responsive to our initial engagement letter on the sales incentives, although additional clarity on the timeline for extending assessment periods of the sales force would be welcome
- x The company accommodated a call with the Chief Sustainability Officer and the Investor Relations Team on short notice. The call was attended by a group of four investors and our questions regarding safeguarding employee health, honoring supplier contracts and ensuring steady supply of medicines to clients have been answered. Novo Nordisk recently launched their new Defeat Diabetes strategy, which focuses on prevention, accessibility of insulin and partnership (Partnering for Change). They have reduced the price of human insulin from 4 to 3 USD a vial and ensure access for uninsured people globally.
- x The company also works in collaboration with other partners on the development and wide-scale deployment of antibody testing and has donated close to 500 tons of ethanol, an essential ingredient of hand sanitizers, to curb the spread of the COVID-19 virus.
- x We have informed the company that we have also engaged with its significant peers on sales incentives and that some are more advanced in adopting longer term assessment periods

### NEXT STEPS

- x Continue the engagement on collaboration with peers and other stakeholders to advance antibody testing
- x Provide input on how the company can advance the measurement of their contribution to the Sustainable Development Goals
- x Follow up on the sales force incentives and associated assessment periods

### COMPANY

Novo Nordisk A/S

### COUNTRY

Denmark

### SECTOR

Pharmaceuticals

### MARKET CAP

Large cap

### ISSUE

Contribution to the global COVID-19 recovery  
Sales incentives

### MATERIALITY

Novo Nordisk has a strong commitment to responsible business practice, also reflected in the AAA MSCI ESG rating. They provide medicines for diabetes, obesity, hemophilia, growth disorders and hormone replacement. Operating globally, they approach to determining sales incentive structure is relevant for moving the entire sector. While Novo Nordisk doesn't focus on the treatment of viral diseases, they work on antibody testing can supply ethanol, a critical ingredient in hand sanitizers.

### MSCI ESG RESEARCH

ESG Rating: AAA