

## Novozymes

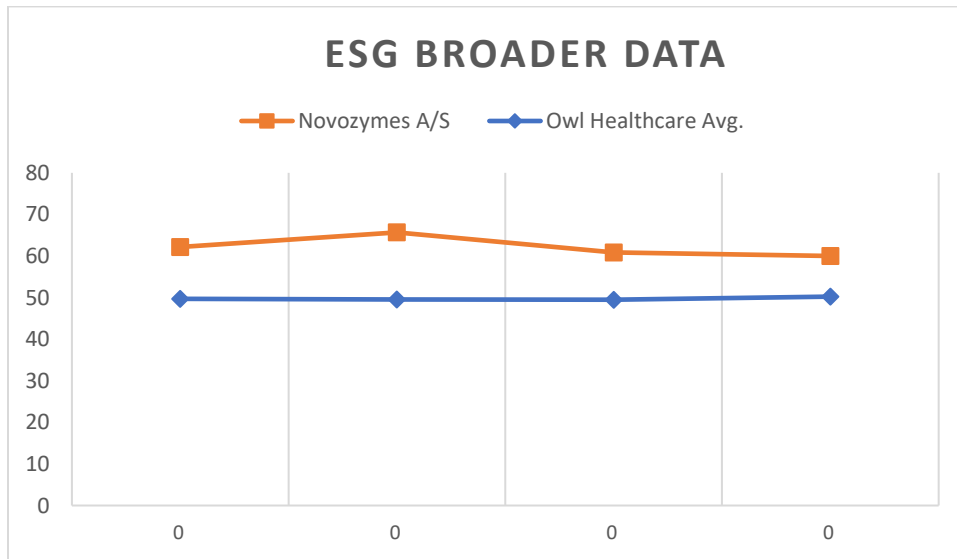
Novozymes is an excellent example of a company that has integrated social responsibility and sustainability in its core activities for the benefit of customers, business, and society.

Novozymes is the world leader in industrial enzyme production. Enzymes are proteins produced by bacteria and other microorganisms. Enzymes act as catalysts, helping to convert one substance into another, for example converting starches in corn into sugar. Typically, enzymes replace chemicals in manufacturing processes. The most popular usage of their enzymes is in the laundry detergent market. Initially they were used to replace phosphates in detergents. The most recent application has been to make detergents effective in cold water.

The company has received numerous awards for its positive environmental impact. It was named the 6th Most Sustainable Company in the World by Global Knights. This was up from #36 in our last review. Novozymes is one of the first companies to have committed to becoming carbon neutral by 2050. They expect emissions to be down by 50% by 2030. The company’s grade from the Carbon Disclosure Project did drop from an A- to a B over the past year.

The company has done an excellent job of setting and meeting impressive environmental goals. In 2019, its products saved its customers from emitting 87 million tons of carbon dioxide. (This represents 26% more savings than 3 years ago.) The company’s goal is to save 100 million tons by 2020. Internally, the company reduced its own carbon emissions by 56% over ten years. Novozymes states that 30% of its electricity consumed come from renewable sources, up 25% from two years ago.

Novozymes’ enzymes are a key part of the ethanol industry as they convert corn into fuel. While detractors will argue that it is wasteful to utilize food as a fuel, advocates of ethanol point to the fact that corn-based ethanol reduces greenhouse gas emissions by 18% to 29% per vehicle mile traveled compared to gasoline. Novozymes’ enzymes are also used to convert agricultural waste, such as corn stalks, into ethanol.



Source: OWL SHARES

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