

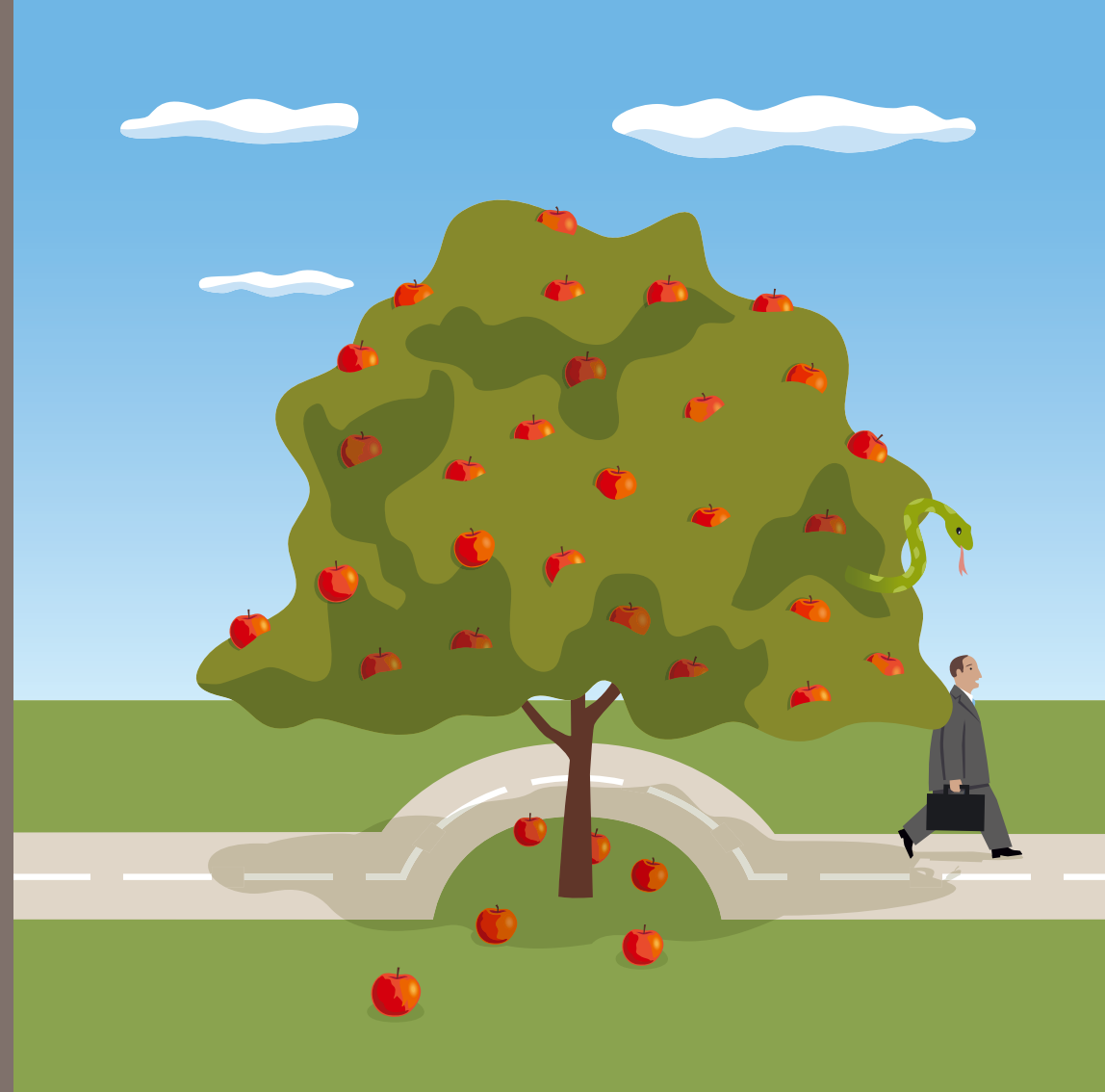
## Business and ethics

If you find yourself thinking something like...  
"It's legal and it will win the tender – it's not quite right,  
but they can't have everything"  
...it is not the way things are done at Novo Nordisk.

If you find yourself thinking something like...  
"Maybe it's not quite right but everyone else is doing it"  
...it is not the way things are done at Novo Nordisk.

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## Novo Nordisk Business Ethics Policy

**In Novo Nordisk we will conduct our business according to a high ethical standard, living our values and protecting Novo Nordisk's reputation.**

This means that we will:

- adhere to the principles of the UN Convention against Corruption
- conduct business with integrity, honesty and professionalism
- work against bribery in any form.

### ***Business ethics standard operating procedures***

*More details of Novo Nordisk procedures can be found in our quality system:*

*107878 – Business Ethics*

*107880 – Business Ethics: Promotion of Pharmaceutical Products*

*107521 – Novo Nordisk Contracts with Marketing Consultants, Agents etc.*



## Why ethics is so important to Novo Nordisk

Doing business globally brings many challenges, not least the difficulties of working in diverse cultures where appropriate business conduct can vary widely. The Novo Nordisk Way of Management provides a set of basic principles for everyone in the company to help us behave consistently and appropriately wherever we are and in any situation.

We will be judged by what we say and what we do. The procedures explained in this booklet reflect the high standards of behaviour that people can expect from us. The booklet is designed to help you recognise and deal with the ethical dilemmas you may encounter as you go about your business, while remaining respectful of local customs and cultures.

In complex situations it may not be immediately clear what the right thing to do may be. We strive to balance concerns for all those who are affected by our actions and we must always consider the consequences before taking action.

There are procedures which underpin this guidance to clarify exactly what behaviours are expected in these circumstances. We understand the complexities and pressures you face, but we do expect you to find the right way to deal with these situations, in line with our values, and we hope this booklet may serve as a guide.

### **Lars Rebien Sørensen**

*President and chief executive officer*

If you find yourself thinking something like...  
“Well, I’ll meet my targets again – sometimes you have to  
compromise to get what you want”  
...it is not the way things are done at Novo Nordisk.

## There is no right way to do a wrong thing

The increasingly competitive business environment makes choices about how to behave in the marketplace more complex. But it is vital that everyone working with Novo Nordisk understands the importance of behaving ethically.

Today, global standards on business ethics have to be followed and will overrule local customs that might have served as guidelines in the past.

### **Getting help with an ethical dilemma**

1. Talk to someone – your manager, your team, someone you think may have come across your dilemma before
2. Call for advice on +45 4444 8888 and ask for Corporate Legal.

If you find yourself thinking something like...  
"I'll get this contract and worry about the ethical aspects later"  
...it is not the way things are done at Novo Nordisk.

## Making the right decision

We want to remain professional at all times without compromising neither our integrity nor our business relationships.

Most ethical dilemmas have solutions which will allow you to conduct your business with integrity without causing offence and remain respectful of local customs. Seek those out; find the right way.

### The ethical tests

But if you are still unsure, here are three ethical tests to help you make the right decision – perhaps whether to accept a gift, put a good word in for a family member going for a job or make a payment to speed up an important process.

1. **Transparency** Do I mind others knowing what I have decided?
2. **Effect** Does my decision inappropriately affect a process or a person?
3. **Fairness** Would my decision be considered fair by a reasonable person?

*Adapted from Institute of Business Ethics – Making Business Ethics Work [www.ibe.org.uk](http://www.ibe.org.uk)*

If you find yourself thinking something like...  
"I'm not sure about this, but no one will know"  
...it is not the way things are done at Novo Nordisk.

**Bribery** – is when someone seeks to influence a decision by secretly giving them money or doing a favour. It's illegal. If it is done through a third party it's still a bribe.

**How we do things** No one should, under any circumstances, give or accept anything which can be considered a bribe. Bribery undermines our business integrity. Bribery also has a negative impact on developing countries; even small-scale corruption slows progress and impedes the growth and development of economies and democracies.

What makes a bribe different from a gift is its value and the intention behind the giving. For example, it would be wrong for a Novo Nordisk employee to give cash to a doctor in exchange for him prescribing our products, or to accept tickets for the World Cup from a supplier and then award them a contract.

**Bribes can be**

- Cash or vouchers
- Travel or entertainment
- Gifts of significant value
- Payments to charity
- Commissions
- Favourable publicity

**The wrong intention can be**

- Obtaining or retaining business through the use of financial incentives
- Getting advantageous terms on products or services in return for donations to a favoured charity
- Speedier completion of a service or transaction in return for lavish entertainment
- Reduction of tax or other duty in return for high-value gifts or payment.

**Charitable donations** – are normally encouraged, but they can also be used as bribes, for example where a donation to a favourite charity is given in return for a contract or preferential terms.

**Political donations** – can be perceived as an attempt to gain an improper commercial advantage and are therefore not allowed in Novo Nordisk.

**How we do things** Community support is part of the responsibility of large companies such as Novo Nordisk; very often our help is vital to the communities in which we work. Usually the most appropriate way we can do this is by supporting charitable organisations, perhaps through in-kind help or knowledge.

In certain circumstances, for example when you visit a clinic desperately requiring certain small but vital pieces of equipment, it may be appropriate to assist through making a donation, though great care must be taken to ensure that this is not considered by the recipient to be in return for favourable treatment that we are not entitled to.

**Conflict of interest** – is at the root of most ethical dilemmas. But it is usually the term applied specifically to situations where an employee's personal interests seem to conflict with the best interests of Novo Nordisk.

**How we do things** If there is any likelihood of your personal relationships providing a conflict of interest with your job, talk it through with your manager and avoid direct involvement with the issue.

This does not mean, for example, that a member of your family cannot get a job with the company or a friend cannot supply the company with services. The act of declaring it upfront to your manager will free you from the conflict of interest and allow appropriate steps to be taken without your involvement.

**Defrauding Novo Nordisk** – many employees have positions of trust within the company which allow them to purchase goods, supervise financial transactions or other roles which can be abused.

**How we do things** Novo Nordisk employees must behave with total integrity at all times. Using your position for personal gain, perhaps through fraudulent purchasing, financial mismanagement or inappropriate use of Novo Nordisk property will be met with disciplinary measures up to and including dismissal, and potentially criminal proceedings.



**Gifts and entertainment** – can be another form of bribery. While small tokens of appreciation or enjoying hospitality are normal business practices, ethical dilemmas arise when they are being used to influence a decision or to create an unfair advantage.

**How we do things** Only gifts of low value, which can be used in a clinic or workplace, can be given; for example pens, mugs, computer memory sticks – not golf clubs, vouchers or tickets for sporting events. Gifts should never be given in return for promised actions or as part of a tender negotiation or contract.

We can invite healthcare professionals out to eat in connection with educational activities or conferences, but never at luxurious restaurants or resorts and never if a Novo Nordisk employee is not present.

Maximum limits for gifts and entertainment are set at a local level for local employees, but also for employees travelling to a given country to provide direction.

**Facilitation payments** – refer to small sums of money given to low-level public officials to speed up processes that were going to happen anyway. This is strongly discouraged.

**How we do things** Although Novo Nordisk strongly oppose facilitation payments, there may be very rare occasions when it is unavoidable – for example, an unofficial payment to an individual for a visa, or the installation of a telephone line. If you have no choice, take the following steps.

- Ensure that facilitation payment is permitted under local law
- Actively resist the payment, but where it is essential, keep payment to an absolute minimum
- Keep a detailed record of the transaction and the rationale
- Inform your manager. All records must be reported to the local finance manager on a quarterly basis and booked on dedicated accounts in SAP.

**Off-label promotion** – is the practice of promoting drugs for a purpose outside the scope of the drug's approved label. This is illegal. If they judge it to be safe and effective physicians are allowed to prescribe approved medicines to treat conditions other than those approved.

**How we do things** Novo Nordisk never promotes a product for use outside the indications that are approved in each country we operate. NovoSeven® is an example of a drug which may create certain ethical dilemmas; NovoSeven® is only approved for use in certain people with haemophilia. At the same time, investigational use has shown that it is also effective in treating other bleeding episodes.

Although it may be tempting to promote such a drug when no alternative drug exists, we do not yet have approval for these indications and therefore we cannot promote it.

If a physician asks for information on this alternative usage, or requests the drug, you may be allowed to supply both information and NovoSeven®, but always remember to check your local rules first.



**Free drug samples** – are a useful method of familiarising healthcare professionals with our products. The ethical dilemma arises when they are requested in large quantities with the potential purpose of being resold. In this context a sample is the same as money and can be seen as a bribe.

**How we do things** Samples can only be given in small quantities and over a short period of time. If you become suspicious and think a physician is misusing the samples you are giving, you must report this to your manager.

**Phase 4 trials** – can be used as a disguised form of promotion. By recruiting large numbers of people for trials, simply as a way of getting more people to use their drug, companies may abuse the trust and goodwill of patients for their own commercial gain.

**How we do things** All Novo Nordisk phase 4 trials must be conducted to gain additional clinical experience and have a defined valid and scientifically/medically relevant endpoint. Phase 4 trials follow the same regulations as all other clinical trials, always including approval from ethics committees and, where applicable, the regulatory authorities.

## Business partners – distributors and agents

Our business partners represent Novo Nordisk, and to many people they are the face of the company. For this reason they need to have the same high standards of conduct that apply to any Novo Nordisk employee. We are equally liable if an intermediary acts unethically as if a direct employee does which unfortunately has been seen in a few cases. The law makes no distinction and the damage to our company's reputation would be as great.

### How do we ensure business partners act ethically?

- Get the due diligence right – make sure you know who you are dealing with and their reputation before entering into an agreement. Be rigorous about finding that out. (see due diligence checklist on <http://businessethics>)
- Ensure the partner clearly understands the Novo Nordisk way of working, company procedures and the standard of behaviour which is expected
- Make sure everything is documented – contracts, expectations, deliverables, fees and expenses
- Make payments only in the intermediary's country or to a recognised bank in an international financial centre.

### Look out for warning signs

- The country or agent has a reputation for corruption
- Perhaps the partner is a relative of a foreign official
- Expenses are suspiciously high, or commissions unusually large
- They refuse to sign anti-bribery representations
- They ask for cash or offshore payments
- False invoices are requested
- The agent is recommended by a public official.

## Consequences of unethical behaviour

### For the company

If Novo Nordisk, through the unethical behaviour of a manager or an employee, is found in breach of local or international laws covering business ethics the consequences are serious. Novo Nordisk may be subject to

- significant fines and penalties
- lost tender opportunities and falling sales
- loss of confidence of healthcare professionals and other customers
- difficulties in recruiting people
- difficulties in forming valuable business partnerships
- significant damage to its reputation for integrity and corporate responsibility.

### For the individual

- Anyone giving or receiving a bribe will be dismissed
- Inappropriate behaviour will lead to sanctions in proportion with the offence; up to and including dismissal, that is violating principles described in this booklet
- Anyone found to have defrauded Novo Nordisk will be dismissed
- Many business ethics issues are also legal issues and may be dealt with in criminal courts. Instances of bribery in business, for example, have resulted in imprisonment.

Novo Nordisk has a systematic approach to detecting business ethics violations through the Group Internal Audit function, the Quality audits and Facilitations of the Novo Nordisk Way of Management.

## Reporting suspected violations

Novo Nordisk treats all reporting of suspected violations of the law and procedures very seriously. We have developed detailed procedures to allow employees and partners to report irregularities with confidence and without fear of exposure or retaliation.

### Reporting a suspected violation

1. Speak to your immediate manager as soon as possible
2. If you feel unable to do that, approach your manager's manager with your concern
3. If these steps are not appropriate, or you wish to be anonymous, report via the Whistle-blower function at [novonordisk.com](http://novonordisk.com) under [About us – Contact us](#)

If you would like to see details of how the investigation process works, and the rights of employees and 'whistleblowers' then see <http://businessethics>.

If you find yourself thinking something like...  
"I think in this instance the end justifies the means"  
...it is not the way things are done at Novo Nordisk.