

Corporate Governance Report 2023



© Juan Pablo Villaseñor lives with obesity and cardiovascular disease. Until recently, Juan struggled with stigma and often blamed himself for not being able to lose weight. Today, he exercises regularly and spends quality time with his son.

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Corporate Governance Report for the financial year 2023

1. Introduction

This Corporate Governance Report for the financial year 2023 including appendices (the Report) is prepared pursuant to Section 107 b of the Danish Financial Statements Act¹ and forms part of the management review in the statutory Annual Report 2023. The sections “Novo Nordisk governance structure”, “Board of Directors”, “Board committees” (except for the 2023 Board committee reports), “Executive Management”, “Risk management” and “Internal control” are covered by the independent auditor’s report in the Annual Report 2023, whereas the section “Corporate governance recommendations and practices” and Appendices 1 and 2 are not covered by the independent auditor’s report. This Report has been approved by the Board of Directors together with the Annual Report 2023.

2. Corporate governance recommendations and practices

Novo Nordisk is listed on Nasdaq Copenhagen and New York Stock Exchange (NYSE) and is subject to the Danish Corporate Governance Recommendations designated by Nasdaq Copenhagen,² and – as a foreign private issuer – to the Corporate Governance Standards of NYSE.³

Corporate Governance Recommendations of Nasdaq Copenhagen

In 2023, Novo Nordisk complied with the Danish Corporate Governance Recommendations as we either complied with or explained our approach to the recommendations.

Novo Nordisk explained its approach to the following three recommendations:

- 3.3.2 – Disclosure of certain information about Board members: Information on the number of shares owned by Board members and changes therein during the financial year is disclosed in our Remuneration Report, as opposed to in the Management review of the Annual Report as recommended.
- 3.4.2 – Independence of Board committees: To allow for both main shareholder and employee representation in our Board committees, while maintaining an operational structure of the committees with relatively few members, following the Annual General Meeting 2023, half of the members of the Chair Committee, the Remuneration Committee and the Nomination Committee are considered independent, as opposed to the majority as recommended.
- 3.4.4 – Tasks of the Nomination Committee: Responsibility for succession management and recommending candidates for Executive Management resides with the Chair Committee, as opposed to the Nomination Committee as recommended.

For a review of Novo Nordisk’s compliance with the Danish Corporate Governance Recommendations, please see Appendix 1.

Corporate Governance Standards of the New York Stock Exchange

As a foreign private issuer, Novo Nordisk complies with relevant Corporate Governance Standards of the New York Stock Exchange, where Novo Nordisk’s American Depositary Receipts (ADRs) are listed.

For a review of Novo Nordisk’s compliance with the NYSE Corporate Governance Standards, please see Appendix 2.

1. In Danish “Redegørelse for virksomhedsledelse, jf. årsregnskabslovens § 107 b”. 2. The Danish Corporate Governance Recommendations are available at: <https://corporategovernance.dk/gaeldende-anbefalinger-god-selskabsledelse>. 3. The Corporate Governance Standards as included in the NYSE Listed Company Manual are available at: <https://nyse.wolterskluwer.cloud/listed-company-manual>.

3. Novo Nordisk governance structure

The shareholders of Novo Nordisk A/S exercise their rights at the general meeting, which is the supreme governing body. The general meeting adopts the company's Articles of Association and elects the Board of Directors.

Novo Nordisk has a two-tier management structure consisting of the Board of Directors and Executive Management.

The Board of Directors is responsible for the overall strategic direction and supervision of the performance of the company, strategy implementation and the work of Executive Management.

Executive Management, in turn, is responsible for the day-to-day management of the company, development and implementation of strategies and policies, the company's operations and organisation and timely reporting to the Board of Directors and Novo Nordisk's stakeholders.

The Board of Directors and Executive Management are separate bodies, and nobody serves as a member of both.

4. Board of Directors

As of 31 December 2023, the Board of Directors consisted of 12 members. Eight were elected by the shareholders at the Annual General Meeting, including the chair and vice chair. They serve for a one-year term and may be re-elected. Four have been elected by the Danish-based employees of Novo Nordisk A/S, most recently in 2022 for a statutory four-year term. The employee-elected Board members have the same rights, duties and responsibilities as shareholder-elected members and may be re-elected.

Six of the eight shareholder-elected Board members are considered independent as defined by the Danish Corporate Governance Recommendations, while two are considered non-independent as they are either members of the board of directors or executive management of the main shareholder Novo Holdings A/S. Employee-elected Board members are not considered independent.

To ensure that discussions include perspectives relevant for the complex, global healthcare environment, the Board of Directors aspires to be diverse. The Board of Directors has adopted and annually reviews "The Competency Profile of the Board of Directors of Novo Nordisk A/S" containing guidelines on desired Board member competencies and Board composition including diversity targets for gender and nationality.

As of 31 December 2023, the target of having at least two Nordic and two non-Nordic nationals amongst the shareholder-elected Board members was met, just as the 2024 target of having at least three shareholder-elected Board members who are women and three who are men was also met. The Board of Directors are thus regarded as having equal gender representation and is therefore not required to set a gender target for the Board under the Danish Companies Act section 139c(1)(1). As gender diversity remains important for the Board, the Board has maintained a voluntary 2025 target of having at least three shareholder-elected Board members who are men and three who are women. When including the employee-elected Board members, six members were Nordic and six were non-Nordic while six members were men and six members were women. Diversity in the broadest sense remains a focus area for the Board of Directors, including in Board member searches.

For further information on our Board members, including independence and meeting attendance, please refer to the Annual Report 2023 page 44-46 and Novo Nordisk's website.

The Board of Directors convenes at least 6 times per year. In 2023, the Board held nine meetings and inter alia dealt with the following main topics:

Strategy

- Reviewed and discussed the corporate strategy and followed up on execution and key risks
- Approved the annual investment strategy and Product Supply capacity expansions, as well as received regular updates on the short-term supply status
- Regularly reviewed and discussed the progress of the R&D pipeline
- Approved external innovation sourcing opportunities, including acquisitions and licensing opportunities
- Reviewed and discussed the digitalisation strategy
- Endorsed the roadmap for reducing NN's Scope 3 CO₂ emissions
- Received updates from various markets and functions and had discussions with the heads of same

Organisation

- Approved an update to the Novo Nordisk Way
- Reviewed organisational development and succession plans

Governance

- Reviewed the information security strategy and effectiveness of the information security programme
- Discussed the outcome of the 2023 Board Evaluation and 2024 key focus areas for the Board of Directors
- Approved a revised Remuneration Policy to be approved by the Annual General Meeting
- Received regular updates from the Board Committees

The Board of Directors evaluates its performance annually. The 2023 Board evaluation process was led by an external consultant. The external consultant observed the Board and committee meetings in May 2023 and part of the Board meeting in June 2023, following which the consultant conducted individual interviews with all Board members, the CEO, all members of Executive Management, the Board Secretary, and external advisors to the Board. The interviews covered topics such as Board performance, effectiveness, composition, time commitment, succession, and the collaboration between the Board and Executive Management. The result of the Board evaluation was discussed by both the Nomination Committee and Chair Committee in October 2023 prior to the results being presented and discussed at the November Board meeting. In addition the chair met with each Board member to discuss feedback on their individual performance. Each Board member assessed and discussed with the chair how much time is required to perform the board duties and all Board members confirmed that they have sufficient time to meet their obligations as Board members of Novo Nordisk. An external evaluation was similarly conducted for the Audit Committee, the Nomination Committee, the Remuneration Committee, and the Research & Development Committee.

Overall, the 2023 Board evaluation revealed good performance by the Board, with a constructive and supportive culture and strong collaboration between the Board and Executive Management. All Board committees also demonstrated good performance. Key focus areas for the Board of Directors in 2024 are continued focus on longer-term strategic dilemmas and associated risks, bringing outside-in perspectives to Board discussions, culture and organisational development, and succession planning.

5. Board committees

The Board of Directors has among its members established a Chair Committee, an Audit Committee, a Remuneration Committee, a Nomination Committee and a Research & Development Committee which report to the Board of Directors. Each committee has a charter that sets out the committee's purpose, responsibilities and procedural matters. These charters are available on Novo Nordisk's website. Furthermore, each committee annually conducts an evaluation of its work and reviews its charter.

For information on committee members, individual meeting attendance and independence, please refer to the Annual Report 2023 page 44-46.

Chair Committee

The Chair Committee consists of the chair and vice chair of the Board of Directors and assists with the planning of Board meetings to ensure a balance between strategy setting and financial and managerial supervision of the company.

The Chair Committee further assists with the annual Board evaluation in collaboration with the Nomination Committee; with employment and evaluation of Executive Management; and with talent and leadership development, succession planning, and organisational development. The chair represents the Board of Directors externally.

Chair Committee report for 2023

In 2023, the Chair Committee held seven meetings and inter alia dealt with the following matters:

Board matters and governance

- Prepared each Board meeting including review of agenda and key recommendations to the Board regarding inter alia business performance and proposals for budgets/targets, business plans, strategies, policies, investments, financial reporting, shareholder meetings and follow up on actions and decisions made by the Board.
- Followed up on actions from the 2022 Board evaluation.
- Reviewed the scope and approach to the 2023 Board evaluation and later the outcome of the 2023 Board evaluation prior to review by the Board.
- Reviewed documents governing the Board and its committees, as well as the Guidelines for Executive Management.
- Reviewed the company's shareholder activism and takeover response capabilities.
- Reviewed the company's investment portfolio.
- Prepared the Board's annual wheel for 2024.

Annual General Meeting and shareholders

- Conducted meetings with eight of Novo Nordisk's large shareholders.
- Evaluated the 2023 Annual General Meeting.
- Reviewed the proposed agenda for the 2024 Annual General Meeting.

Executive Management and organisation

- Reviewed the annual performance of Executive Management for 2022.
- Reviewed the achievement of short-term incentive programme (STIP) and long-term incentive programme (LTIP) targets and recommended corporate 2023 STIP and LTIP targets.
- Reviewed the organisational structure and plan.

Audit Committee

The Audit Committee has five members and mainly assists the Board of Directors with overseeing the external auditors and the internal audit function; handling complaints reported through the Compliance Hotline, overseeing and reviewing financial and ESG reporting, financial risk management and financial counterpart exposure, internal controls over financial and sustainability reporting, business ethics compliance, information security and insurance coverage

Two members of the Audit Committee, including the chair, have competences in accounting and auditing and collectively the members of the Audit Committee have competences relevant to the healthcare industry, as required by the Danish Act on Approved Auditors and Audit Firms. Two members, including the chair, have been designated as financial experts as defined by the US Securities and Exchange Commission (SEC). Please refer to the Annual Report 2023 page 46 for an overview of independence and financial experts.

Audit Committee report for 2023

According to SEC reporting requirements for listed companies the Audit Committee shall report on its activities.

The Audit Committee works according to an Annual Work Plan with fixed agenda items following key events of the annual financial reporting cycle. In addition, the Audit Committee requests additional topics to be discussed in its meetings from time to time.

In 2023, the Audit Committee held five meetings and discussed the following matters:

Audit Committee matters and governance

- Conducted an assessment of independence, financial expertise and other legal requirements of each member of the Audit Committee.
- Conducted private meetings with selected members of Executive Management and with the external auditor. Solicited written responses from the remaining members of Executive Management, the general counsel and head of Group Internal Audit.

Review of internal and external audit matters

- Evaluated the performance and the independence of the external auditor, including the latest mandatory quality assurance review reports of the external auditor, Deloitte, issued by the Danish Business Authority and the US Public Company Accounting Oversight Board (“PCAOB”).
- Recommended the re-election of the external auditor, Deloitte, to the Board of Directors at the 2024 Annual General Meeting.

- Reviewed the performance, independence, effectiveness and organisation of the internal audit function, including a review of the charter for Group Internal Audit. Assessed the performance of targets and the remuneration for the head of Group Internal Audit.
- The head of Group Internal Audit and the external auditor presented the audit planning and audit resources. In addition, they presented the annual conclusion and results of the audit activities conducted each quarter for review and the conclusion of the audit of internal controls over financial and sustainability reporting, including the underlying IT landscape and the effectiveness of internal controls related hereto.
- Furthermore, the external auditor presented its annual long form report, and the annual Audit Committee Report required by the Public Company Accounting Oversight Board (PCAOB).
- The Audit Committee reviewed and approved the pre-approval policy for audit, non-audit and tax services to external auditors, reviewed the given pre-approvals for the current year and pre-approved the level for the next financial year (including draft engagement letter). In addition the Audit Committee reviewed the procedure for hiring current and former employees from external auditors.

Financial and sustainability reporting

- Discussed with the chief financial officer, head of Finance and Compliance, head of Global Public Affairs and Sustainability, the general counsel, head of Group Internal Audit and the external auditors:
 - material and relevant new accounting pronouncement, implementation of such, review of key accounting policies and the accounting for certain transactions and activities,
 - key accounting matters, including judgements and estimates, such as revenue recognition and provisions for sales rebates, intangible assets/impairment hereof, ongoing tax and legal cases, deferred income tax assets and provision for uncertain tax positions and indirect production costs,
 - transactions with related parties,
 - the scope of internal controls over financial reporting in relation to the requirements in the Sarbanes-Oxley Act and Danish legislation, and
 - sustainability performance and reporting, key reporting categories within the environmental, social and governance section and the Audit Committee received updates on recent legislation, incl. new sustainability reporting requirements and trends and implementation thereof.
- The Audit Committee performed a review of:
 - the global finance organisation,
 - the financial and sustainability/ESG statements in company announcements for interim and full year,
 - the Annual Report including the financial and sustainability/ESG statements and the Form-20 F,
 - the bi-annual operational risk profile with the top 25 risks and associated risk reporting process is continuously evaluated to account for the rapidly changing world and its potential impact,

- the company's financial counterpart exposure in the company's treasury policy, and approved an update hereto,
- accounting matters and estimates related to acquisitions,
- the global tax strategy and
- the insurance coverage regarding property, business interruption, product liability and Directors & Officers liability.
- The Audit Committee reviewed and discussed the financial and ESG fraud risk assessment prepared by management.

Other matters

- Reviewed the Compliance reporting from the chief compliance officer, both the quarterly and annual compliance reports.
- Reviewed key issues reported via the Compliance Hotline, including a summary of the performed investigations, and conclusions and sanctions reached.
- Reviewed the Information Security incident reporting quarterly.

Nomination Committee

The Nomination Committee has four members and assists the Board of Directors with the Competency Profile and composition of the Board of Directors, nomination of members for the Board of Directors and Board committees, the annual Board evaluation, and the corporate governance of the company.

Nomination Committee report for 2023

In 2023, the Nomination Committee held three meetings and inter alia dealt with the following matters:

Board and Committee composition

- Reviewed the Competency Profile of the Board, including the diversity aspiration, and recommended to the Board an adjustment to the Competency Profile, including an extension of the timeline of the diversity aspiration.
- Reviewed the mapping of Board members' competencies based on the updated competencies in the Board Competency Profile.
- Reviewed the composition of the Board, including structure, size and composition, and long-term succession planning.
- Reviewed the composition of the Board committees and recommended to the Board proposals for the election of Board committee members.

Nomination of Board members

- Conducted Board candidate searches, including candidate interviews.
- Recommended to the Board proposals for nomination of chair, vice chair and Board members to be elected at the Annual General Meeting.
- Reviewed feedback from stakeholders on candidates nominated for the 2023 Annual General Meeting.

Board evaluation

- Reviewed the scope of and approach to the 2023 Board evaluation.
- Reviewed the outcome of the 2023 Board evaluation prior to review by the Board.

Remuneration Committee

Following the 2023 Annual General Meeting, the Remuneration Committee has four members and assists the Board of Directors with the Remuneration Policy, remuneration of the Board of Directors, remuneration and employment terms of Executive Management and the Remuneration Report.

Remuneration Committee report for 2023

In 2023, the Remuneration Committee held six meetings and inter alia dealt with the following matters:

Remuneration Policy for the members of the Board of Directors and Executive Management

- Reviewed and recommended to the Board a change to the Remuneration Policy following the Board's approval of a new executive incentive claw back policy.
- Reviewed and recommended to the Board changes to the Remuneration Policy to be approved by the 2024 Annual General Meeting.

Remuneration of the members of the Board of Directors and its committees

- Reviewed the 2023 remuneration benchmark on Board and committee remuneration, including peer groups.
- Recommended to the Board remuneration levels, multiples and allowances for 2024 to be approved by the Annual General Meeting.
- Reviewed the Group Internal Audit's report on Board remuneration.

Remuneration and employment terms of the members of Executive Management

- Reviewed the 2023 remuneration benchmark on executive remuneration, including peer groups.
- Discussed trends in executive remuneration.
- Recommended to the Board remuneration and employment terms for new members of Executive Management.

- Recommended to the Board changes in remuneration and employment terms in 2023 for existing executives as well as the general remuneration level for 2024.
- Reviewed and recommended to the Board the 2024 short-term incentive programme (STIP) structure for Executive Management.
- Reviewed and recommended to the Board the 2024 long-term incentive programme (LTIP) structure for Executive Management.
- Reviewed the shareholding requirements for executives as well as the executives' adherence to the shareholding requirements.
- Reviewed Group Internal Audit's reports on executive and other senior management remuneration.

Remuneration Report

- Evaluated the 2022 Remuneration Report, including review of stakeholder feedback.
- Reviewed and recommended to the Board the 2023 Remuneration Report.

Research & Development Committee

The Research & Development Committee has five members and assists the Board of Directors with the oversight of the Research and Development strategy, pipeline and the R&D organisation.

Research & Development Committee report for 2023

In 2023, the Research & Development Committee held four meetings and inter alia dealt with the following matters:

R&D portfolio update

- Regularly reviewed the progress of the development project portfolio, including initiation and results of clinical trials, submission of application for marketing authorisations and receipt of marketing authorisations for key development projects.
- Reviewed the progress of the research project portfolio, including key challenges and initiatives within early innovation and new therapeutic areas.

Progress within external innovation sourcing

- Discussed the business development strategy and reviewed the progress.
- Regularly reviewed the potential, as well as completed external innovation sourcing opportunities, including potential acquisitions, and licensing opportunities.

R&D Strategy

- Discussed the R&D data and digitalisation strategy and reviewed the progress.
- Discussed the R&D strategy within specific therapy areas, devices, and delivery solutions and reviewed the progress.

The R&D organisation

- Reviewed organisational development activities.

6. Executive Management

Executive Management is responsible for the day-to-day management of the company as further described above. Executive Management meets at least once a month. To ensure the organisational implementation of our strategy, Executive Management has established a Management Board consisting of the chief executive officer, executive vice presidents and senior vice presidents.

As of 31 December 2023, Executive Management consisted of 11 members. As Executive Management has become a global team, it has been decided to align registration practice across the team and as of 31 December 2023 only the CEO and CFO are registered with the Danish Business Authority.

7. Risk management

Novo Nordisk's risk management process is governed by Executive Management and is designed to ensure that key business risks are effectively identified, assessed and mitigated so that they do not affect the company's ability to achieve its business objectives. The risk management program covers Novo Nordisk in terms of geography, activities and functional areas.

All business activity is associated with inherent risks. Our approach to risk management is to manage risk proactively to ensure continued growth of our business and to protect our people, assets and reputation.

This means that we:

- utilise an effective and integrated risk management program, while maintaining business flexibility,
- identify and assess material risks associated with our business, and
- monitor, manage and mitigate risks.

Our risk willingness depends upon the specific category of risk. Examples of such categories are:

- Research and Clinical Pipeline risks
- Product Supply, Quality and Safety risks
- Commercialisation risks
- IT Security risks
- Financial risks
- Legal, Patents and Compliance risks

Please refer to the Annual Report 2023 page 41-42 for a more detailed description of the above categories and Novo Nordisk's key risks.

The enterprise risk management program

Novo Nordisk applies a dual-lensed approach to risk management. This means identifying and mitigating both operational risks that pose a threat to our short to medium-term plans, as well as strategic risks that could reduce our ability to achieve our corporate strategy over the long-term.

In Novo Nordisk, the management teams in all organisational areas are responsible for continuous identification, assessment and mitigation of operational risks. All areas have procedures and infrastructure to ensure successful management and reporting of risks, with dedicated local risk coordinators facilitating the process and providing advice and training. This setup allows us to respond to risks in a timely manner.

Management teams are required their most significant operational risks, along with assessments, an overview of implemented mitigations, and next milestones to the Group Reporting & Insights department. All risk assessments consider the likelihood of an event and its potential impact on the business. Impact is quantified and assessed in terms of potential financial loss or reputational damage. Risks are assessed both as gross risk and net risk.

Group Reporting & Insights then challenges local management on the reported risk information (including assessments, implemented mitigations and next milestones), and consolidates reported risks into a corporate profile containing the company's key operational risks on a quarterly basis. The final risk profile is reviewed by Executive Management, the Audit Committee, and the Board of Directors.

8. Internal control

Overall control environment

The Board of Directors and Executive Management set out general requirements for business processes and internal controls. A number of key policies are defined by Executive Management and approved by the Board of Directors.

A description of Novo Nordisk's overall policies, positions and values can be found in 'Purpose and Sustainability (ESG)' on page 11-22 of the Annual Report 2023.

Responsibility for maintaining sufficient and effective internal controls and a risk management system in relation to the financial reporting is anchored with Executive Management. Executive Management ensures design and implementation of controls considered necessary to mitigate risks identified in relation to the financial reporting process.

On an ongoing basis, the Audit Committee appointed by the Board of Directors monitors the assessment of risk and the design and operating effectiveness of the implemented internal controls in connection with the financial reporting process.

The internal audit function, Group Internal Audit, reports to the Audit Committee and provides independent and objective assurance primarily within internal control and governance.

Risk assessment

Executive Management and the Audit Committee perform assessments of the risk exposure of Novo Nordisk, including the impact on the financial reporting and the financial reporting process. The Audit Committee has quarterly discussions with the chief financial officer, head of Finance and Compliance, head of Group Internal Audit, external auditor and the general counsel regarding:

- material and relevant new accounting pronouncements, implementation of such, review of key accounting policies and the accounting for certain transactions and activities, and
- accounting for material legal and tax issues - significant accounting estimates, and the scope and effectiveness of internal controls over financial reporting including Sarbanes-Oxley requirements.

The identified key risks in relation to the financial reporting are described in 'Risk Management' on page 41-42 of the Annual Report 2023 and in note 1.1 'Principal accounting policies and key accounting estimates' of the Consolidated Financial Statements 2023.

Control activities

The internal control system, which has been based on the COSO framework (Committee of Sponsoring Organizations), includes clearly defined organisational roles and responsibilities, reporting requirements and authorities. Novo Nordisk is in compliance with the Sarbanes–Oxley Act section 404, which requires detailed documentation of the design and operation of financial reporting processes. Novo Nordisk must ensure that there are no material weaknesses in the internal controls that could lead to a material misstatement in its financial reporting.

The company's conclusion and the auditor's evaluation of these processes are included in the company's Form 20-F filing to the US Securities and Exchange Commission (SEC).

IT systems

Novo Nordisk operates with a common global IT system that ensures uniformity and transparency in data used for the financial reporting and controlling. Information and communication systems to ensure accounting and internal control compliance are established, including accounting manual, internal control requirements, budgeting manual and other relevant guidelines. This information is available for all employees on the Intranet.

Monitoring

Each month the group's companies report financial data and comments on financial and commercial developments to the central accounting and controlling function. This information is used to prepare consolidated financial statements and reports for the group's Executive Management. Financial reporting, including reporting from subsidiaries, are controlled on an ongoing basis. In connection with the preparation of the Annual Report, additional analysis and control activities are performed to ensure proper presentation in the Annual Report.

Test of internal controls over financial reporting by Group Internal Audit and external auditors and management's self-assessment of the controls are conducted as a part of the compliance with the Sarbanes–Oxley Act section 404. The result thereof is reported to the Audit Committee on a quarterly basis.

Appendix 1 – Novo Nordisk’s reporting on the Danish Corporate Governance Recommendations

As a company incorporated in Denmark, and with a primary listing on Nasdaq Copenhagen A/S, Novo Nordisk A/S shall either comply with or explain its approach to the Danish Corporate Governance Recommendations. Novo Nordisk complied with the Danish Corporate Governance Recommendations as we either complied with or explained our approach to the recommendations. Novo Nordisk explained its approach to recommendations nos. 3.3.2, 3.4.2 and 3.4.4 as further described above and below.

- Novo Nordisk complies with the recommendation
- Novo Nordisk explains its approach to the recommendation

1. Interaction with the company’s shareholders, investors and other stakeholders

No.	Recommendation	Novo Nordisk’s approach
1.1 Communication with the company’s shareholders, investors and other stakeholders		
● 1.1.1	The Committee recommends that the management through ongoing dialogue and interaction ensures that shareholders, investors and other stakeholders gain the relevant insight into the company’s affairs, and that the board of directors obtains the possibility of hearing and including their views in its work.	<p>Novo Nordisk’s Board of Directors and Executive Management ensures that through its investor relations activities, the company has an ongoing dialogue with its shareholders, investors, and other stakeholders to gain relevant insight into Novo Nordisk.</p> <p>To keep investors updated on performance and the progress of clinical development programmes, Executive Management hosts conference calls following the release of financial results and at other key events.</p>

No.	Recommendation	Novo Nordisk's approach
		<p>Executive Management and Investor Relations also ensure that all investors with a major holding of Novo Nordisk shares can meet with the company on a regular basis (either virtually or in person) and other shareholders and potential investors also have access to the company's management and Investor Relations.</p> <p>Furthermore, to ensure the Board of Directors is kept aware of the shareholders' views, interests, and opinions on the company, the chair of the Board of Directors hosts conference calls with around ten of the largest investors prior to the Annual General Meeting and participates in the annual shareholder meeting. The Board of Directors receives written feedback on recent topics discussed with investors prior to Board meetings.</p> <p>Investor Relations materials, presentations and other information relevant to shareholders are available on Novo Nordisk's website, for example, press releases, company announcements, annual reports, Annual General Meeting notice and agenda, etc.</p> <p>Novo Nordisk is well regarded in external rankings and solicits a perception study among key investor and analyst stakeholders to understand their view of the company.</p>
<p>● 1.1.2</p>	<p>The Committee recommends that the company adopts policies on the company's relationships with its shareholders, investors and if relevant other stakeholders in order to ensure that the various interests are included in the company's considerations and that such policies are made available on the company's website.</p>	<p>Novo Nordisk has adopted an Investor Relations Policy, which is available on Novo Nordisk's investor relations webpage.</p> <p>The Board of Directors has further adopted the Novo Nordisk Way, which forms the foundation for how Novo Nordisk conducts its business. It builds on the Triple Bottom Line principle to be financially, socially and environmentally responsible, and includes a specific reference to the importance of building and maintaining good relations with stakeholders.</p> <p>Novo Nordisk conducts materiality assessments in line with evolving regulatory requirements, which now also classify ESG topics according to their financial and impact materiality. Please find more information in the Annual Report.</p> <p>A corporate function, Commercial Strategy & Corporate Affairs, guides and coordinates engagements with stakeholders to ensure that stakeholders' interests are taken into account. Other functions, such as Investor Relations, manage dedicated stakeholder relations. The Board oversees such activities.</p>

No.	Recommendation	Novo Nordisk’s approach
● 1.1.3	The Committee recommends that the company publishes quarterly reports.	Novo Nordisk publishes quarterly financial reports.
1.2 The general meeting		
● 1.2.1	The Committee recommends that the board of directors organises the company’s general meeting in a manner that allows shareholders, who are unable to attend the meeting in person or are represented by proxy at the general meeting, to vote and raise questions to the management prior to or at the general meeting. The Committee recommends that the board of directors ensures that shareholders can observe the general meeting via webcast or other digital transmission.	<p>The Board of Directors organises general meetings that promote active ownership in compliance with the recommendation. All shareholders registered by name receive a notice convening general meetings electronically if they have requested it and if their email address has been provided to Novo Nordisk. A proxy/vote form for voting in advance of the Annual General Meeting is available on Novo Nordisk’s website and in the InvestorPortal. In the notice convening the Annual General Meeting shareholders are informed of the possibility for raising questions before the meeting.</p> <p>In 2023, the Annual General Meeting was held as a hybrid general meeting, allowing shareholders the choice between participating in person or virtually.</p>
● 1.2.2	The Committee recommends that proxies and postal votes to be used at the general meeting enable the shareholders to consider each individual item on the agenda.	Proxies and forms for votes by post provided for the general meeting allow shareholders to consider each individual item on the agenda.
1.3 Takeover bids		
● 1.3.1	The Committee recommends that the company has a procedure in place in the event of takeover bids, containing a “road map” covering matters for the board of directors to consider in the event of a takeover bid, or if the board of directors obtains reasonable grounds to suspect that a takeover bid may be submitted. In addition, it is recommended that it appears from the procedure that the board of directors abstains from countering any takeover bids by taking actions that seek to prevent the shareholders from deciding on the takeover bid, without the approval of the general meeting.	Novo Nordisk has set up contingency procedures in the event of takeover bids.

No.	Recommendation	Novo Nordisk’s approach
1.4 Corporate Social Responsibility		
● 1.4.1	The Committee recommends that the board of directors adopts a policy for the company’s corporate social responsibility, including social responsibility and sustainability, and that the policy is available in the management commentary and/or on the company’s website. The Committee recommends that the board of directors ensures compliance with the policy.	<p>Novo Nordisk is committed to being a sustainable business. This means adding value to society and to Novo Nordisk’s future business. To achieve this ambition, Novo Nordisk does business in a financially, environmentally and socially responsible way, as reflected in the Articles of Association, the Novo Nordisk Way and the Strategic Aspirations for 2025.</p> <p>Novo Nordisk has sustainability strategies, which have been approved by the Board of Directors, in place to implement its Strategic Aspiration on ‘Purpose and sustainability’: (1) “Defeat Diabetes”, and (2) “Sustainable Employer”, as far as Novo Nordisk’s social responsibility is concerned and (3) “Circular for Zero”, regarding Novo Nordisk’s environmental responsibility.</p> <p>Overall, this principled business approach is intended to ensure balanced decision-making with the aim of contributing to sustainable development: to balance short-term gains with long-term profitability and shareholder return with other stakeholder interests. Novo Nordisk accounts for its performance on all three dimensions (i.e. financial, environmental and social) in the Annual Report.</p>
● 1.4.2	The Committee recommends that the board of directors adopts a tax policy to be made available on the company’s website.	Novo Nordisk has a Tax Policy available on its website, as well as a Tax Strategy 2025. Both were last approved by the Board of Directors in 2023.
2.1 Overall tasks and responsibilities		
● 2.1.1	The Committee recommends that the board of directors in support of the company’s statutory objects according to its articles of association and the long-term value creation considers the company’s purpose and ensures and promotes a good culture and sound values in the company. The company should provide an account thereof in the management commentary and/or on the company’s website.	On an ongoing basis, the Board of Directors considers Novo Nordisk’s purpose and promotion of a strong culture and Novo Nordisk’s values, as outlined in the Novo Nordisk Way, in support of the company’s statutory objects and long-term value creation, including through the annual strategy and organisational development processes as well as in other aspects of its work.
● 2.1.2	The Committee recommends that the board of directors at least once a year discusses and on a regular basis follows up on the company’s overall strategic targets in order to ensure the value creation in the company.	Each year in June, the Board of Directors reviews the overall strategy of Novo Nordisk at a Board meeting extending over 2-3 days. In addition, the Board of Directors discusses strategic matters at each ordinary Board meeting. The Board of Directors also reviews performance against Novo Nordisk’s 2025 Strategic Aspirations on an ongoing basis, which is also reported on externally in connection with quarterly financial reports.

2. The duties and responsibilities of the board of directors

No.	Recommendation	Novo Nordisk's approach
● 2.1.3	The Committee recommends that the board of directors on a continuous basis takes steps to examine whether the company's share and capital structure supports the strategy and the long-term value creation in the interest of the company as well as the shareholders. The Committee recommends that the company gives an account thereof in the management commentary.	On an ongoing basis, the Board of Directors examines whether the share and capital structure supports the strategy and long-term value creation in the interest of the shareholders and the company. The management review in the Annual Report contains the company's account.
● 2.1.4	The Committee recommends that the board of directors prepares and on an annual basis reviews guidelines for the executive management, including requirements in respect of the reporting to the board of directors.	The Board of Directors has prepared and annually reviews guidelines for Executive Management, including reporting by Executive Management to the Board of Directors.
2.2 Members of the board of directors		
● 2.2.1	The Committee recommends that the board of directors, in addition to a chairperson, appoints a vice chairperson, who can step in if the chairperson is absent and who can generally act as the chairperson's close sparring partner.	<p>The Board of Directors has a chair and a vice chair who constitute the Chair Committee. The vice chair will assume the responsibilities of the chair in the event of the chair's absence.</p> <p>Tasks, duties and responsibilities are described in the Articles of Association, the Rules of Procedure of the Board and the charter of the Chair Committee, which have been approved by the Board and are available on Novo Nordisk's website.</p>
● 2.2.2	The Committee recommends that the chairperson in cooperation with the individual members of the board of directors ensures that the members up-date and supplement their knowledge of relevant matters, and that the members' special knowledge and qualifications are applied in the best possible manner.	As part of the annual Board evaluation, the chair meets with each Board member to discuss and ensure the update of relevant knowledge among other things. Board members' knowledge and qualifications are taken into account when considering the composition of the Board committees, etc.
● 2.2.3	The Committee recommends that if the board of directors, in exceptional cases, requests a member of the board of directors to take on special duties for the company, for instance, for a short period to take part in the daily management of the company, the board of directors should approve this in order to ensure that the board of directors maintains its independent overall management and control function. It is recommended that the company publishes any decision on allowing a member of the board of directors to take part in the daily management, including the expected duration thereof.	Novo Nordisk agrees with the recommendation in principle and will disclose details on a case-by-case basis, as recommended.

3. The composition, organisation and evaluation of the board of directors

No.	Recommendation	Novo Nordisk’s approach
3.1 Composition		
● 3.1.1	<p>The Committee recommends that the board of directors on an annual basis reviews and in the management commentary and/or on the company’s website states:</p> <ul style="list-style-type: none"> • which qualifications the board of directors should possess, collectively and individually, in order to perform its duties in the best possible manner, and • the composition of and diversity on the board of directors. 	<p>The Board of Directors has adopted a Board Competency Profile outlining the desired competencies to be possessed by the shareholder-elected Board members, including diversity aspects. The Board Competency Profile is reviewed annually by the Nomination Committee and approved by the Board of Directors. The Board Competency Profile is available on Novo Nordisk’s website.</p> <p>The Annual Report contains a description of the composition of the Board of Directors and the competencies of each Board member. The Board members’ biographies are also available on Novo Nordisk’s website and in the notice convening the Annual General Meeting.</p> <p>Board diversity and targets are described in this Corporate Governance Report under “Board of Directors” above.</p>
● 3.1.2	<p>The Committee recommends that the board of directors on an annual basis discusses the company’s activities in order to ensure relevant diversity at the different management levels of the company and adopts a diversity policy, which is included in the management commentary and/or available on the company’s website.</p>	<p>Diversity and inclusion, and activities to ensure diversity and inclusion at management levels, are discussed by the Board of Directors at regular intervals, and at least once a year, as an integral part of the People and Organisation agenda. The Board of Directors has prepared and adopted a policy on diversity and inclusion, which is available on Novo Nordisk’s website.</p>
● 3.1.3	<p>The Committee recommends that candidates for the board of directors are recruited based on a thorough process approved by the board of directors. The Committee recommends that in assessing candidates for the board of directors – in addition to individual competencies and qualifications – the need for continuity, renewal and diversity is also considered.</p>	<p>The Board of Directors has established a thorough process for recruitment of candidates to the Board of Directors. The Board of Directors takes the need for continuity, renewal and diversity into consideration, in addition to individual competencies and qualifications, when evaluating its composition.</p>
● 3.1.4	<p>The Committee recommends that the notice convening general meetings, where election of members to the board of directors is on the agenda - in addition to the statutory items - also includes a description of the proposed candidates’</p> <ul style="list-style-type: none"> • qualifications, • other managerial duties in commercial undertakings, including board committees, • demanding organisational assignments, and • independence. 	<p>The recommended information is provided in the notice convening the Annual General Meeting.</p>

No.	Recommendation	Novo Nordisk's approach
● 3.1.5	The Committee recommends that members to the board of directors elected by the general meeting stand for election every year at the annual general meeting, and that the members are nominated and elected individually.	Shareholder-elected Board members are nominated and elected individually. They serve for a one-year term and may be re-elected at the Annual General Meeting.
3.2 The board of director's independence		
● 3.2.1	<p>The Committee recommends that at least half of the members of the board of directors elected at the general meeting are independent in order for the board of directors to be able to act independently avoiding conflicts of interests.</p> <p>In order to be independent, the member in question may not:</p> <ul style="list-style-type: none"> • be or within the past five years have been a member of the executive management or an executive employee in the company, a subsidiary or a group company, • within the past five years have received large emoluments from the company/group, a subsidiary or a group company in another capacity than as member of the board of directors, • represent or be associated with a controlling shareholder, • within the past year have had a business relationship (e.g. personally or indirectly as a partner or an employee, shareholder, customer, supplier or member of a governing body in companies with similar relations) with the company, a subsidiary or a group company, which is significant for the company and/or the business relationship, • be or within the past three years have been employed with or a partner in the same company as the company's auditor elected in general meeting, • be a CEO in a company with cross-memberships in the company's management, • have been a member of the board of directors for more than twelve years, or • be closely related to persons, who are not independent, cf. the above-stated criteria. <p>Even if a member of the board of directors does not fall within the above-stated criteria, the board of directors may for other reasons decide that the member in question is not independent.</p>	<p>More than half of the shareholder-elected Board members (six of eight) are deemed independent.</p> <p>Two of the shareholder-elected Board members are related to Novo Nordisk's main shareholder Novo Holdings A/S as members of the board of directors or executive management, and are thus not deemed independent.</p>
● 3.2.2	The Committee recommends that members of the executive management are not members of the board of directors and that members retiring from the executive management does not join the board of directors immediately thereafter.	Novo Nordisk complies with the recommendation.

No.	Recommendation	Novo Nordisk's approach
3.3 Members of the board of directors and the number of other managerial duties		
● 3.3.1	<p>The Committee recommends that the board of directors and each of the members on the board of directors, in connection with the annual evaluation, cf. recommendation 3.5.1., assesses how much time is required to perform the board duties. The aim is for the individual member of the board of directors not to take on more managerial duties than the board member in question is able to perform in a satisfactory manner.</p>	<p>In connection with the annual Board evaluation, the Board of Directors, the Nomination Committee and each member assesses the time required to perform the Board duties.</p>
● 3.3.2	<p>The Committee recommends that the management commentary, in addition to the statutory requirements, contains the following information on the individual members of the board of directors:</p> <ul style="list-style-type: none"> • position, age and gender, • competencies and qualifications relevant to the company, • independence, • year of joining the board of directors, • year of expiry of the current election period, • participation in meetings of the board of directors and committee meetings, • managerial duties in other commercial undertakings, including board committees, and demanding organisational assignments, and • the number of shares, options, warrants, etc. that the member holds in the company and its group companies and any changes in such holdings during the financial year. 	<p>The information listed in bullet points. 1-7 is included in the management review of the Annual Report.</p> <p>Information regarding the number of shares held by Board members in Novo Nordisk and changes therein during the financial year is included in Novo Nordisk's separate Remuneration Report.</p>

No.	Recommendation	Novo Nordisk's approach
3.4 Board committees		
● 3.4.1	<p>The Committee recommends that the management describes in the management commentary:</p> <ul style="list-style-type: none"> • the board committees' most significant activities and number of meetings in the past year, and • the members on the individual board committees, including the chairperson and the independence of the members of the committee in question. <p>In addition, it is recommended that the board committees' terms of reference are published on the company's website.</p>	<p>The Board of Directors has a Chair Committee, an Audit Committee, a Nomination Committee, a Remuneration Committee and a Research & Development Committee. Each committee's most important activities and the number of meetings during the year, as well as the members, their positions and independence are described in the management review. Charters for all committees are available on Novo Nordisk's website.</p>
● 3.4.2	<p>The Committee recommends that board committees solely consist of members of the board of directors and that the majority of the members of the board committees are independent.</p>	<p>Board committees solely consist of members of the Board of Directors. To allow for both main shareholder and employee representation in our Board committees, while maintaining an operational structure of the committees with relatively few members following the Annual General Meeting, half of the members of the Chair Committee, the Remuneration Committee and the Nomination Committee are considered independent as opposed to the majority as recommended. More than half of the members of the Audit Committee and the Research & Development Committee are considered independent.</p>
● 3.4.3	<p>The Committee recommends that the board of directors establishes an audit committee and appoints a chairperson of the audit committee, who is not the chairperson of the board of directors. The Committee recommends that the audit committee, in addition to its statutory duties, assists the board of directors in:</p> <ul style="list-style-type: none"> • supervising the correctness of the published financial information, including accounting practices in significant areas, significant accounting estimates and related party transactions, • reviewing internal control and risk areas in order to ensure management of significant risks, including in relation to the announced financial outlook, • assessing the need for internal audit, • performing the evaluation of the auditor elected by the general meeting, • reviewing the auditor fee for the auditor elected by the general meeting, • supervising the scope of the non-audit services performed by the auditor elected by the general meeting, 	<p>The Board has established an Audit Committee and the chair of the Audit Committee is not the chair of the Board.</p> <p>The Board has approved a charter for the Audit Committee setting out its responsibilities and powers. As stated in the charter, the Audit Committee is, among other things, responsible for oversight of and reporting to the Board on the elements described in the recommendation.</p> <p>The Audit Committee has determined that it is appropriate to have an internal audit function. In accordance with its charter, the Audit Committee carries out the tasks included in the recommendation. The Audit Committee reviews and approves the Charter for Group Internal Audit on an annual basis. The Audit Committee receives quarterly updates on work performed by Group Internal Audit.</p>

No.	Recommendation	Novo Nordisk’s approach
	<ul style="list-style-type: none"> ensuring regular interaction between the auditor elected by the general meeting and the board of directors, for instance, that the board of directors and the audit committee at least once a year meet with the auditor without the executive management being present. <p>If the board of directors, based on a recommendation from the audit committee, decides to set up an internal audit function, the audit committee must:</p> <ul style="list-style-type: none"> prepare terms of reference and recommendations on the nomination, employment and dismissal of the head of the internal audit function and on the budget for the department, ensure that the internal audit function has sufficient resources and competencies to perform its role, and <p>supervise the executive management’s follow-up on the conclusions and recommendations of the internal audit function.</p>	<p>The Board, via the Audit Committee, maintains a regular dialogue and exchange of information with the external auditor. The Board and the Audit Committee meet with the internal audit function and the external auditor at least once per year without Executive Management being present. Also, the internal audit function and the external auditor participate in the Board meeting where the financial reports are approved.</p> <p>The auditor agreement and the auditor’s fee are approved by the Board on the basis of a recommendation from the Audit Committee.</p>
<p>● 3.4.4</p>	<p>The Committee recommends that the board of directors establishes a nomination committee to perform at least the following preparatory tasks:</p> <ul style="list-style-type: none"> describing the required qualifications for a given member of the board of directors and the executive management, the estimated time required for performing the duties of this member of the board of directors and the competencies, knowledge and experience that is or should be represented in the two management bodies, on an annual basis evaluating the board of directors and the executive management’s structure, size, composition and results and preparing recommendations for the board of directors for any changes, in cooperation with the chairperson handling the annual evaluation of the board of directors and assessing the individual management members’ competencies, knowledge, experience and succession as well as reporting on it to the board of directors, handling the recruitment of new members to the board of directors and the executive management and nominating candidates for the board of directors’ approval, ensuring that a succession plan for the executive management is in place, supervising executive managements’ policy for the engagement of executive employees, and supervising the preparation of a diversity policy for the board of directors’ approval. 	<p>The Board of Directors has established a Nomination Committee. The Board of Directors has approved a charter for the Nomination Committee setting out its responsibilities and powers.</p> <p>The primary focus for the Nomination Committee remains defining the qualifications and assessing the composition and skills of the Board of Directors and simultaneously ensuring the continuity and alignment in the succession planning of the Board of Directors, while the Chair Committee is responsible for succession management and recommending candidates for Executive Management.</p>

No.	Recommendation	Novo Nordisk's approach
<p>● 3.4.5</p>	<p>The Committee recommends that the board of directors establishes a remuneration committee to perform at least the following preparatory tasks:</p> <ul style="list-style-type: none"> • preparing a draft remuneration policy for the board of directors' approval prior to the presentation at the general meeting, • providing a proposal to the board of directors on the remuneration of the members of the executive management, • providing a proposal to the board of directors on the remuneration of the board of directors prior to the presentation at the general meeting, • ensuring that the management's actual remuneration complies with the company's remuneration policy and the evaluation of the individual member's performance, and • assisting in the preparation of the annual remuneration report for the board of directors' approval prior to the presentation for the general meeting's advisory vote. 	<p>The Board of Directors has established a Remuneration Committee and has approved a charter for the Remuneration Committee setting out its responsibilities and powers in accordance with the recommendation.</p>
<p>3.5 Evaluation of the board of directors and the executive management</p>		
<p>● 3.5.1</p>	<p>The Committee recommends that the board of directors once a year evaluates the board of directors and at least every three years engages external assistance in the evaluation. The Committee recommends that the evaluation focuses on the recommendations on the board of directors' work, efficiency, composition and organisation, cf. recommendations 3.1.-3.4. above, and that the evaluation as a minimum always includes the following topics:</p> <ul style="list-style-type: none"> • the composition of the board of directors with focus on competencies and diversity • the board of directors and the individual member's contribution and results, • the cooperation on the board of directors and between the board of directors and the executive management, • the chairperson's leadership of the board of directors, • the committee structure and the work in the committees, • the organisation of the work of the board of directors and the quality of the material provided to the board of directors, and • the board members' preparation for and active participation in the meetings of the board of directors. 	<p>The Board of Directors conducts an annual Board evaluation that complies with the recommendation. The chair of the Board of Directors has overall responsibility for the Board evaluation in collaboration with the Nomination Committee and Chair Committee. Every third year, an external consultant is engaged for the Board evaluation, most recently in 2023.</p>

No.	Recommendation	Novo Nordisk's approach
● 3.5.2	The Committee recommends that the entire board of directors discusses the result of the evaluation of the board of directors and that the procedure for the evaluation and the general conclusions of the evaluation are described in the management commentary, on the company's website and at the company's general meeting.	The result of the self-evaluation is discussed by the Board. In addition to the description of the result of the self-evaluation above under section 4 of this report forming part of the management review, the Board evaluation procedure and general conclusions are also described by the chair of the Board of Directors at the Annual General Meeting.
● 3.5.3	The Committee recommends that the board of directors at least once a year evaluates the work and results of the executive management according to preestablished criteria, and that the chairperson reviews the evaluation together with the executive management. In addition, the board of directors should on a continuous basis assess the need for changes in the structure and composition of the executive management, including in respect of diversity, succession planning and risks, in light of the company's strategy.	The Board of Directors regularly evaluates the work and performance of Executive Management, and assesses the need for changes in the structure and composition of Executive Management on a continuous basis, as part of the organisational development review, including in respect of diversity, succession planning and risks, and in light of Novo Nordisk's strategy.

4. Remuneration of management

No.	Recommendation	Novo Nordisk's approach
4.1 Remuneration of the board of directors and the executive management		
● 4.1.1	The Committee recommends that the remuneration for the board of directors and the executive management and the other terms of employment/service is considered competitive and consistent with the company's long-term shareholder interests.	The remuneration and terms of the Board of Directors and Executive Management of Novo Nordisk are reviewed on an ongoing basis for competitiveness and alignment with the company's long-term shareholder interests, including through benchmarking. Reference is made to Novo Nordisk's Remuneration Report.
● 4.1.2	The Committee recommends that share-based incentive schemes are revolving, i.e. that they are periodically granted, and that they primarily consist of long-term schemes with a vesting or maturity period of at least three years.	Every year, the Board of Directors establishes a long-term incentive programme (LTIP). The LTIP established in 2023 is linked to the achievement of predefined targets, has a three-year performance period and a two-year subsequent holding period as further described in the Remuneration Policy.
● 4.1.3	The Committee recommends that the variable part of the remuneration has a cap at the time of grant, and that there is transparency in respect of the potential value at the time of exercise under pessimistic, expected and optimistic scenarios.	The variable remuneration is capped at the time of grant. In accordance with the Remuneration Policy, the maximum short-term incentive is capped at an amount, while the long-term incentive is capped at a number of shares at the time of grant. At the time of grant, the Board of Directors reviews the potential value of the short-term incentive and the long-term incentive at the time of exercise under pessimistic, expected and optimistic scenarios.

No.	Recommendation	Novo Nordisk's approach
● 4.1.4	The Committee recommends that the overall value of the remuneration for the notice period, including severance payment, in connection with a member of the executive management's departure, does not exceed two years' remuneration including all remuneration elements.	The total value of the remuneration relating to the notice period at maximum incentive pay out, and of the severance pay, for Executive Management members registered with the Danish Business Authority does not exceed two years of remuneration, including all components of the remuneration at maximum incentive pay out.
● 4.1.5	The Committee recommends that members of the board of directors are not remunerated with share options and warrants.	As described in the Remuneration Policy the remuneration of the Board of Directors does not consist of share option schemes nor other incentive schemes.
● 4.1.6	The Committee recommends that the company has the option to reclaim, in whole or in part, variable remuneration from the board of directors and the executive management if the remuneration granted, earned or paid was based on information, which subsequently proves to be incorrect, or if the recipient acted in bad faith in respect of other matters, which implied payment of a too large variable remuneration.	Novo Nordisk has the right to reclaim, in full or in part, variable components of remuneration that were paid on the basis of information that proves to be incorrect or if the recipient acted in bad faith in respect of other matters, which implied payment of too much variable remuneration.

5. Risk management

No.	Recommendation	Novo Nordisk's approach
5.1 Identification of risks and openness in respect of additional information		
● 5.1.1	The Committee recommends that the board of directors based on the company's strategy and business model considers, for instance, the most significant strategic, business, accounting and liquidity risks. The company should in the management commentary give an account of these risks and the company's risk management.	The Board of Directors considers and accounts for such risks in the management review in the Annual Report.
● 5.1.2	The Committee recommends that the board of directors establishes a whistleblower scheme, giving the employees and other stakeholders the opportunity to report serious violations or suspicion thereof in an expedient and confidential manner, and that a procedure is in place for handling such whistleblower cases.	The Board of Directors has established a whistleblowing scheme, which is anchored in the Audit Committee with at least quarterly updates on significant matters.

Appendix 2 – Novo Nordisk’s reporting on the Corporate Governance Standards of the New York Stock Exchange

Novo Nordisk’s B-shares are listed on the New York Stock Exchange (NYSE) as American Depository Receipts (ADRs). As a foreign private issuer (FPI), Novo Nordisk is required to comply with US securities law, including the Sarbanes–Oxley Act and the NYSE Corporate Governance Standards,⁵ except that these standards allow Novo Nordisk to continue to apply Danish corporate governance practices with some exceptions. Foreign private issuers following the practice of their home countries are, however, required to describe any significant differences between NYSE’s and the foreign companies’ corporate governance standards in Form 20-F.

Below is a review of Novo Nordisk’s compliance with and commentary to the NYSE Corporate Governance Standards.

- Novo Nordisk complies with the NYSE standard
- Novo Nordisk is in partial compliance with the NYSE standard, is exempt from the NYSE standard, or is permitted to (and does) comply with Danish law and practice in lieu of the NYSE standard

Listed Company

Manual –

Section 303A

Standard

- 01 Listed companies must have a majority of independent directors.

Novo Nordisk’s approach

The NYSE standard does not apply to companies that are “controlled”, which the New York Stock Exchange defines as more than 50% of the voting power for the election of directors being held by an individual, a group or another company. As a controlled company, Novo Nordisk is exempt from this requirement, just as controlled US companies are.

Please see further information on independence in Section 2(a)(i).

5. Available at: <https://nyse.wolterskluwer.cloud/listed-company-manual>

Listed Company

Manual –

Section 303A

Standard

Novo Nordisk’s approach

02 Independence Tests:

<p>● 02(a)(i)</p>	<p>No director qualifies as “independent” unless the board of directors affirmatively determines that the director has no material relationship with the listed company (either directly or as a partner, shareholder or officer of an organization that has a relationship with the company).</p>	<p>As permitted by the NYSE standards applicable to FPIs and in accordance with Danish law and practice, the Board of Directors generally determines whether its members qualify as independent under the Danish Corporate Governance Recommendations. However, six of its eight shareholder-elected Board members (and six out of twelve in total) may be deemed independent under the NYSE standard.</p> <p>Novo Nordisk complies with the Danish Corporate Governance Recommendation, which provides that at least half of the shareholder-elected Board members should be independent.</p> <p>Employees are entitled to be represented by half of the total number of shareholder-elected Board members and are not considered independent.</p>
<p>● 02(a)(ii)</p>	<p>In addition, in affirmatively determining the independence of any director who will serve on the compensation committee of the listed company’s board of directors, the board of directors must consider all factors specifically relevant to determining whether a director has a relationship to the listed company which is material to that director’s ability to be independent from management in connection with the duties of a compensation committee member, including, but not limited to:</p> <p>(A) the source of compensation of such director, including any consulting, advisory or other compensatory fee paid by the listed company to such director; and</p> <p>(B) whether such director is affiliated with the listed company, a subsidiary of the listed company or an affiliate of a subsidiary of the listed company.</p>	<p>As a controlled company, Novo Nordisk is exempt from the requirement to establish a compensation committee.</p> <p>The Board of Directors has, however, established a Remuneration Committee, consisting of two independent members and two non-independent members (in each case as defined by the Danish Corporate Governance Recommendations), including the chair.</p> <p>The Danish Corporate Governance Recommendations recommend that a majority of the members of a board committee should qualify as independent. To allow for both main shareholder and employee representation in our Board committees while maintaining an operational structure of the committees with relatively few members, two out of four members of the Remuneration Committee are considered independent as opposed to the majority as recommended. The composition of the Remuneration Committee does thus not conform to the Danish Corporate Governance Recommendations.</p> <p>In determining the composition of the Remuneration Committee, the Board of Directors considers relevant factors to determine whether any member of the Remuneration Committee has a relationship to Novo Nordisk that would materially affect that member’s ability to exercise judgment independent from management.</p>

Listed Company

Manual –

Section 303A

Standard

Novo Nordisk’s approach

02(b) In addition, a director is not independent if:

- 02(b)(i) The director is, or has been within the last three years, an employee of the listed company, or an immediate family member is, or has been within the last three years, an executive officer of the listed company.

For the purposes of the independence standards, rule 303A.02 defines “listed company” as including before any parent or subsidiary in a consolidated group with the listed company or such other company as is relevant to any determination under the independence standards set forth in this Section 2(b)”.

In accordance with the requirements of the Danish Companies Act, four employees have been elected as Board members by the Danish-based employees of Novo Nordisk.

In addition, one Board member serves as chief executive officer of Novo Nordisk’s main shareholder, Novo Holdings A/S.

No other Board members or their immediate family members have, been an employee or executive of Novo Nordisk or any parent or subsidiary in a consolidated group with Novo Nordisk within the last three years.

- 02(b)(ii) The director has received, or has an immediate family member who has received, during any twelve-month period within the last three years, more than \$120,000 in direct compensation from the listed company, other than director and committee fees and pension or other forms of deferred compensation for prior service (provided such compensation is not contingent in any way on continued service).

The definition of “listed company” is as stated above.

Four employees have been elected as Board members by the Danish-based employees of the company, in accordance with the requirements of the Danish Companies Act. They receive remuneration as employees.

In addition, one Board member receives remuneration for services as chief executive officer of Novo Nordisk’s main shareholder, Novo Holdings A/S.

No other Board members or their immediate family members receive or have received such compensation from Novo Nordisk.

Listed Company

Manual –

Section 303A

Standard

Novo Nordisk’s approach

● 02(b)(iii)	(A) The director is a current partner or employee of a firm that is the listed company’s internal or external auditor; (B) the director has an immediate family member who is a current partner of such a firm; (C) the director has an immediate family member who is a current employee of such a firm and personally works on the listed company’s audit; or (D) the director or an immediate family member was within the last three years a partner or employee of such a firm and personally worked on the listed company’s audit within that time.	No Board members or their immediate family members are, or have been, employed or affiliated with the auditor.
● 02(b)(iv)	The director or an immediate family member is, or has been within the last three years, employed as an executive officer of another company where any of the listed company’s present executive officers at the same time serve or served on that company’s compensation committee.	No Board members or their immediate family members are, or have been within the last three years, employed as an executive officer of another company where any of Novo Nordisk’s present executive officers at the same time serve or served on that company’s compensation committee.
● 02(b)(v)	The director is a current employee, or an immediate family member is a current executive officer, of a company that has made payments to, or received payments from, the listed company for property or services in an amount which, in any of the last three fiscal years, exceeds the greater of \$1 million or 2% of such other company’s consolidated gross revenues.	No Board member is a current employee of or has an immediate family member who is an executive officer in a company that has paid or received the applicable amounts to or from Novo Nordisk.
● 03	The non-management directors of each listed company must meet at regularly scheduled executive sessions without management.	None of the members of Novo Nordisk’s Executive Management serve on the Board of Directors. Except for agenda items reserved for the Board of Directors at each Board meeting, members of Executive Management attend and speak at the Board meetings, without the right to vote.
● 04(a)	Listed companies must have a nominating/corporate governance committee composed entirely of independent directors.	As a controlled company, Novo Nordisk is exempt from the requirement to establish a nominating/corporate governance committee. The Board of Directors has, however, established a Nomination Committee, consisting of two independent members (including the chair) and two non-independent members (in each case as defined by the Danish Corporate Governance Recommendations).

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		<p>The Danish Corporate Governance Recommendations recommend that a majority of the members of a board committee should qualify as independent. The composition of the Nomination Committee does not conform to the Danish Corporate Governance Recommendations. This is due to the fact that the Board of Directors wishes to allow for both a representative of the main shareholder and an employee representative to be on the Nomination Committee, while maintaining an operational structure with relatively few members.</p> <p>The Nomination Committee is responsible for the oversight of the company’s corporate governance practices.</p>
● 04(b)	The nominating/corporate governance committee must have a written charter that addresses certain specified duties, including an annual performance evaluation.	<p>The Nomination Committee has a written charter, which has been approved by the Board of Directors and is available on Novo Nordisk’s website. The charter addresses those matters specified under the NYSE standard.</p> <p>The Nomination Committee conducts a performance evaluation once a year and reports the results of such evaluation to the Board of Directors.</p>
● 05(a)	Listed companies must have a compensation committee composed entirely of independent directors. Compensation committee members must satisfy the additional independence requirements specific to compensation committee membership set forth in Section 303A.02(a)(ii).	See above under Section 2(a)(ii).
● 05(b)	The compensation committee must have a written charter that addresses certain specified duties, including an annual performance evaluation.	<p>The Remuneration Committee has a written charter, which has been approved by the Board of Directors and is available on Novo Nordisk’s website.</p> <p>The Remuneration Committee conducts a performance valuation once a year and reports the results of such evaluation to the Board of Directors.</p>
● 05(c)	The compensation committee must have certain rights and responsibilities, including the right to obtain the advice of a compensation consultant, independent legal counsel or other adviser, to be paid for by the listed company, provided that the compensation committee considers all relevant factors in determining that such compensation consulting, independent legal counsel or other adviser is appropriately independent from management.	The charter of the Remuneration Committee addresses those matters specified under the NYSE standard, except that the Chair Committee annually evaluates the performance and target setting for the chief executive officer.

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● 06	Listed companies must have an audit committee that satisfies the requirements of Rule 10A-3 under the Exchange Act.	The Board of Directors has established an Audit Committee which satisfies the requirements of Rule 10A-3.
● 07(a)	The audit committee must have a minimum of three members. All audit committee members must satisfy the requirements for independence set out in Section 303A.02 and, in the absence of an applicable exemption, Rule 10A-3(b)(1).	<p>The Audit Committee consists of five members, three of whom are considered independent under Rule 10A-3. One member is a member of the board of directors of the main shareholder Novo Holdings A/S and is exempt from the independence requirements provided for by paragraph (b)(1)(iv)(B) of Rule 10A-3, and one member is an employee-elected Board member and is exempt from the independence requirements provided for by paragraph (b)(1)(iv)(C) of Rule 10A-3.</p> <p>The Board of Directors’ independence determination with respect to each member of the Audit Committee is disclosed in Novo Nordisk’s statutory Annual Report and in its annual report on Form 20-F.</p>
● 07(b)	The audit committee must have a written charter that addresses certain specified duties, including those set out in paragraphs (b) (2), (3), (4) and (5) of Rule 10A-3, and an annual performance evaluation. In addition, the audit committee charter must address the committee’s purpose, which, at minimum, must be to assist board oversight of (1) the integrity of the listed company’s financial statements, (2) the listed company’s compliance with legal and regulatory requirements, (3) the independent auditor’s qualifications and independence, and (4) the performance of the listed company’s internal audit function and independent auditors.	The Audit Committee has a written charter, which is reviewed and approved annually by the Board of Directors and is available on Novo Nordisk’s website. The charter addresses those matters specified under the NYSE standard, including those matters set out in paragraphs (b) (2), (3), (4) and (5) of Rule 10A-3, except that with respect to legal and regulatory requirements the Audit Committee’s oversight responsibility only includes oversight of compliance as such requirements relate to business ethics compliance and financial reporting.
● 07(c)	Each listed company must have an internal audit function.	Novo Nordisk has established an internal audit function.

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● 08	Shareholders must be given the opportunity to vote on all equity-compensation plans and material revisions thereto, with limited exceptions.	The Remuneration Policy is approved by the Annual General Meeting. The Remuneration Policy describes the framework for incentive programs for the Board of Directors and Executive Management. All incentive programs offered to the Board of Directors and/or Executive Management are required to comply with this framework. However, as permitted by the NYSE standards applicable to FPIs and in accordance with Danish law and practice, Novo Nordisk does not seek shareholder approval of specific equity compensation plans and accordingly, each equity compensation plan is subject to shareholder approval only if it is required for the issuance of new shares (and not if the relevant recipients are to receive shares previously issued by Novo Nordisk and held in treasury).
● 09	Listed companies must adopt and disclose corporate governance guidelines that addresses certain specified topics.	Novo Nordisk has an integrated corporate governance framework, consisting of the Articles of Association, Rules of Procedure for the Board of Directors, Competency Profile of the Board of Directors, Remuneration Policy and other policy documents, which together provide a comprehensive set of corporate governance guidelines addressing each of the items specified under the NYSE standard. Each of these documents are available on Novo Nordisk’s website.
● 10	Listed companies must adopt and disclose a code of business conduct and ethics for directors, officers and employees, which shall address certain specified topics, and promptly disclose any waivers of the code for directors or executive officers.	<p>As permitted by the NYSE standards applicable to FPIs and in accordance with Danish law and practice, Novo Nordisk maintains a framework of rules and guidelines, including but not limited to the Novo Nordisk Way and OneCode, which serve as the principles guiding how we act as a company and as individuals, and the supporting Ethics Navigator, which describe corporate values and Novo Nordisk’s expectations for the standard of business conduct and ethics expected of its directors, officers, employees and business partners acting on behalf of Novo Nordisk as Third Party Representatives.</p> <p>Every topic mentioned in the NYSE Listed Company Manual is either specifically addressed in this framework of rules and guidelines, or routinely included in Novo Nordisk’s employment contracts.</p> <p>OneCode is available on Novo Nordisk’s website.</p>
● 11	Listed foreign private issuers must disclose any significant ways in which their corporate governance practices differ from those followed by domestic companies under NYSE listing standards.	Novo Nordisk has made available a comparison of the significant differences between the NYSE’s Corporate Governance Standards and Novo Nordisk’s corporate governance practices in its annual report on Form 20-F.

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● 12(a)	Each listed company CEO must certify to the NYSE each year that he or she is not aware of any violation by the listed company of NYSE corporate governance listing standards, qualifying the certification to the extent necessary.	As permitted by the NYSE standards applicable to FPIs and in accordance with Danish law and practice (which do not contemplate such certifications), Novo Nordisk does not submit such certifications.
● 12(b)	Each listed company CEO must promptly notify the NYSE in writing after any executive officer of the listed company becomes aware of any non-compliance with any applicable provisions of this Section 303A.	Novo Nordisk acknowledges this requirement.
● 12(c)	Each listed company must submit an executed Written Affirmation annually to the NYSE. In addition, each listed company must submit an interim Written Affirmation as and when required by the interim Written Affirmation form specified by the NYSE.	Novo Nordisk acknowledges this requirement.
13	The NYSE may issue a public reprimand letter to any listed company that violates a NYSE listing standard.	N/A
● 14(c)(1)	The issuer must adopt and comply with a written Recovery Policy providing that the issuer will recover reasonably promptly the amount of erroneously awarded incentive-based compensation in the event that the issuer is required to prepare an accounting restatement due to the material noncompliance of the issuer with any financial reporting requirement under the securities laws, including any required accounting restatement to correct an error in previously issued financial statements that is material to the previously issued financial statements, or that would result in a material misstatement if the error were corrected in the current period or left uncorrected in the current period.	Novo Nordisk has adopted a written Recovery Policy as outlined in Section 14(c)(1) and intends to comply with such policy.
● 14(c)(2)	The issuer must file all disclosures with respect to such Recovery Policy in accordance with the requirements of the U.S. Federal securities law, including the disclosure required by the applicable SEC filings.	Novo Nordisk has filed all required disclosures with respect to the Recovery Policy as outlined in Section 14(c)(2).



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