

## Novo Nordisk Modern Slavery Statement 2017

This is the second public Modern Slavery statement by Novo Nordisk. It has been developed in accordance with the Modern Slavery Act 2015 and sets out the steps taken by Novo Nordisk A/S and its subsidiary Novo Nordisk Ltd (UK) in this regard during the financial year ending 31 December 2017 and sets out priorities for the future.

We recognise that modern forms of slavery including human trafficking, forced labour, bonded labour and child slavery exist. Although the pharmaceutical industry is highly regulated, we do recognise that there is still a risk of modern slavery within our industry. Our supply chains often extend into sectors with high risk business activities in high risk operating contexts further down in the supply chain, where visibility is typically lower. At Novo Nordisk we take the steps outlined here to understand what these risks are and to manage them accordingly.

### About Novo Nordisk

#### NOVO NORDISK AT A GLANCE

WORKING WITHIN **DIABETES, OBESITY, HAEMOPHILIA AND GROWTH DISORDERS**



AFFILIATES IN  
79 COUNTRIES<sup>1</sup>



PRODUCTS MARKETING  
IN 170 COUNTRIES



27.7 MILLION PATIENTS  
USE OUR DIABETES  
CARE PRODUCTS<sup>1</sup>



R&D CENTRES  
IN CHINA, DENMARK,  
INDIA AND THE US<sup>2</sup>

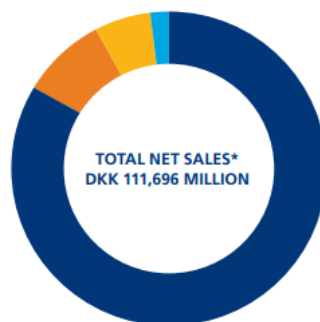


EMPLOYS MORE THAN  
42,000 PEOPLE<sup>1</sup>



STRATEGIC  
PRODUCTION SITES IN  
BRAZIL, CHINA, DENMARK,  
FRANCE AND THE US<sup>2</sup>

#### STRATEGIC FOCUS AREAS



SHARE OF SALES (GROWTH)

**DIABETES CARE 81% (+3%)**

**HAEMOPHILIA 9% (0%)**

**GROWTH DISORDERS 6% (-24%)**

**OBESITY 2% (+60%)**

**OTHER SERIOUS CHRONIC DISEASES 0%**

With headquarters in Denmark, Novo Nordisk is a global healthcare company with more than 95 years of innovation and leadership in diabetes care. This heritage has given us the experience and capabilities that also enable us to help people defeat other serious chronic diseases: obesity, haemophilia and growth disorders as well as expanding our research and development efforts into other areas such as cardiovascular, liver and kidney diseases related to diabetes and obesity.

\*Including other biopharmaceuticals (2%).

### Novo Nordisk's supply chains

Through our own organisation and supply chains we source raw materials, components and services for the production of Novo Nordisk products in diabetes care and other serious chronic diseases, with manufacturing countries in more than 30 countries, including countries in which the operating contexts may pose risks, or where modern forms of slavery are publicly known to be prevalent. Novo Nordisk also sources other goods, materials and services that support business activities globally.

### Novo Nordisk Way and policies

At Novo Nordisk, we believe that a healthy environment, society and economy are fundamental to long-term value creation. For this reason we manage our business in accordance with the [Novo Nordisk Way](#) and the [Triple Bottom Line principle](#), which provide general guidance on how we conduct responsible business at Novo Nordisk.

As stated in our [Human Rights position](#), Novo Nordisk is committed to meeting its responsibility to respect human rights as defined by the UN Guiding Principles on Business and Human Rights. This includes our commitment to address modern forms of slavery. Our commitment to preventing corruption in all its forms is set out in our [Business Ethics Code of Conduct](#). Our Procurement Policy states that at Novo Nordisk we will source goods and services at best terms, balancing price with delivery and quality, as well as social, environmental and ethical responsibility. Our [Global Labour Guidelines](#) prohibit forced labour and child labour among Novo Nordisk employees globally.

### **Responsible Sourcing programme**

The Responsible Sourcing programme was initiated in 2002, and as of 2009 it covers both direct and indirect spend. It is now an established programme that is integrated in procurement processes. Corporate Procurement is responsible for coordinating and driving the Responsible Sourcing programme which is governed by a cross-organisational Responsible Sourcing Strategic Forum, supported by our assurance systems such as Responsible Sourcing audits.

Based on our supply chain risk assessment, audit findings, experience from directly engaging with suppliers and input from experts and peers, we have defined the following as the main risk areas in our supply chains: 1. Forced labour, wages and working hours, 2. Safe and healthy working conditions and 3. Environmental pollution. These main risk areas are reflected in our Responsible Sourcing risk model, which identifies high risk suppliers, based on country of production, annual spend, supplier criticality and the types of activities which are known to present responsible business risks.

For high risk and other relevant suppliers, responsible business performance is assessed either via information detailing how that supplier works in a responsible way (obtained from self-assessment questionnaires or otherwise), or via audit activities. High risk suppliers are prioritised for Responsible Sourcing audits, which are followed up with action plans and timely closure of major findings. In 2017 we identified around 200 high risk suppliers and conducted 28 Responsible Sourcing audits against Novo Nordisk [Responsible Sourcing standards for business partners](#). There were no critical findings in 2017.

### **Training**

We offer e-learning on Responsible Sourcing. Local production projects were identified as one of Novo Nordisk's salient human rights issues in 2017, with potential severe human rights impacts, including modern slavery. We developed and conducted a pilot human rights training for employees involved in local production projects. Training topics included how to identify modern slavery risk factors and indicators and how to act on them.

### **Collaborations**

We engaged with peers and experts to seek continuous improvements in our approach, including:

- The Global Business Initiative on Human Rights (GBI)
- The Pharmaceutical Supply Chain Initiative (PSCI)
- The Danish Ethical Trading Initiative (DIEH)

### **Remediation**

Novo Nordisk employees and external stakeholders including affected people have the possibility of reporting concerns and suspected misconduct securely and confidentially via the [Compliance Hotline](#).