

Novo Nordisk Responsible Sourcing Standards

This document outlines the Novo Nordisk minimum standards for suppliers within anti-corruption and ethics, human rights and labour, health and safety and environmental management. Novo Nordisk follows these standards and expects all suppliers to apply these, or equivalent standards, in their own supply chain. 'Suppliers' refers to suppliers of products and services as well as agents, distributors, wholesalers, technology partners, sales entities and contract manufacturers.

Builds on international standards

These standards are based on the requirements in the UN Guiding Principles on Business and Human Rights, OECD Guidelines, Pharmaceutical Supply Chain Initiative (PSCI) principles, the principles in the UN Global Compact and other relevant international standards, for a full list visit novonordisk.com/responsible_sourcing.

Compliance with applicable law

Novo Nordisk expects suppliers to conduct their business in a responsible way and to comply with applicable laws, rules and regulations. If these standards differ from the applicable laws, rules and regulations, the highest standard will be applied.

If implementation is challenging

Novo Nordisk understands that suppliers may face difficulties in conforming with these standards. If so, they shall inform Novo Nordisk and together we will develop an improvement plan with corrective actions that advances supplier performance over time.

Responsible Sourcing contract clause

The Responsible Sourcing Standards may be included in a contract between Novo Nordisk and a supplier.

In that case the supplier is in breach of the contract if the supplier fails to meet these standards and cannot agree on an improvement plan or does not implement the agreed plan. Novo Nordisk may terminate the contract based on such a breach.

The supplier shall permit audits against these standards under the same terms and conditions as other audits under the contract with Novo Nordisk. Such an audit will be scheduled with minimum 30 days' notice and may be carried out on-site. The internal or external auditors appointed by Novo Nordisk may examine relevant documents, resources, facilities and records, and may interview potentially affected individuals such as employees, contractors, or workers. If non-conformities are identified during these audits, the supplier and Novo Nordisk will work together to identify and implement corrective action(s). Corrective action(s) shall be agreed upon within 30 days and the supplier shall initiate and implement such action(s) within the agreed timeframe.

Anti-Corruption and Ethics

Suppliers shall conduct their business in an ethical manner and act with integrity.



Anti-Bribery and Corruption

- All forms of bribery, corruption, extortion and embezzlement are prohibited. Suppliers shall not pay or accept bribes or participate in other illegal inducements to obtain undue or improper advantage.
- Suppliers shall not offer inappropriate financial or material benefits, such as expensive gifts or extravagant entertainment, to Novo Nordisk purchasers or other representatives of Novo Nordisk in an attempt to influence business decisions.
- Suppliers shall declare any conflict of interest that may affect the performance of tasks or provision of services to Novo Nordisk.



Data Privacy & Security

- Suppliers shall safeguard and make only proper use of confidential information to ensure that worker, patient, clinical trial participant, bio-sample donor and company privacy rights are protected.
- Suppliers shall comply with applicable privacy and data protection laws and ensure the protection, security and lawful use of personal data.

Human Rights and Labour

Suppliers shall be committed to uphold human rights, which include labour and other rights, and to treat people with dignity and respect. Some of the most important human rights for Novo Nordisk's supply chain are highlighted below.

Human Rights

Suppliers shall respect all internationally recognised human rights, avoid infringing on the human rights of others and address adverse human rights impacts with which they are involved. Suppliers shall do so following the United Nations Guiding Principles on Business and Human Rights (UNGPR).



Child labour and young workers

- Suppliers shall not use child labour, as defined by the applicable laws in the country of operation. Young workers below the age of 18, and above the legal age for employment, must not carry out hazardous work or work that can hinder their education or health such as handling of chemicals, strenuous physical labour and night shifts.



Freely chosen employment

- When a written employment contract or letter is legally required, workers shall have a copy.
- Workers shall not be required to hand over their identity papers to secure employment unless required to do so by law. If this is the case, employees shall have access to their papers at all times. Workers shall be free to leave their jobs, after reasonable notice, and are paid on time and in full for the work they have done prior to leaving.



Non-discrimination

- Suppliers shall provide a workplace free from discrimination for reasons such as age, caste, colour, disability, ethnicity, gender, marital status, national origin, political affiliation, pregnancy, race, religion, sexual orientation, union membership.
- Workers shall not be subjected to medical tests that can be used in a discriminatory way by e.g. discriminating against persons with chronic diseases.



Wages, Benefits and working hours

- Suppliers shall commit to providing reasonable working hours. Total working hours shall not regularly exceed 60hrs per week. Working hours excluding overtime shall not regularly exceed 48hrs and overtime shall not regularly exceed 12hrs per week.
- Workers shall be paid on time and in full according to applicable wage laws including minimum wages, overtime and mandated benefits.
- Suppliers shall communicate to the worker the basis on which they are being compensated in line with applicable law.
- Overtime shall be infrequent, voluntary and compensated at a higher rate unless otherwise stipulated by applicable law.
- Accurate records of regular and overtime working hours shall be maintained for all workers.
- Wage deductions as a disciplinary measure shall not be permitted. Wage deductions for other reasons may only occur with the express permission of the worker concerned.



Time off and leave

- Suppliers shall ensure that workers have reasonable breaks during their work day. Employees shall be allowed at least 24 consecutive hours of rest in every 7-day period and are entitled to take paid annual leave in accordance with applicable law. Employees are entitled to leave for sickness, family reasons, maternity, public holidays and occupational diseases or injuries in accordance with applicable law. The leave shall be paid in accordance with applicable law. Public holidays shall not be counted as part of the annual leave.



Freedom of association

- Suppliers shall respect and support the rights of workers, as set forth in applicable law, to associate freely, join or not join labour unions, seek representation and join workers' councils. Workers shall be able to communicate openly with management regarding working conditions without threat of reprisal, intimidation or harassment.



Communication of issues

- The supplier shall communicate to Novo Nordisk, through the Novo Nordisk Compliance Hotline novonordisk.com/compliance hotline all information that comes to their knowledge or attention about severe adverse human rights impacts in its operations, products and services linked to Novo Nordisk, whether the supplier has directly contributed to those impacts or if the impacts are directly linked to the supplier's operations, products or services by its business relationship with another entity.
- Severe adverse human rights impacts are those where delayed actions would make the human rights harm difficult to undo and put right. Examples are human rights violations that result in fatalities, child labour, torture, forced labour and slave-like practices, or systematic harms affecting a number of people or targeted at particular population groups.

Environment

Suppliers shall operate in an environmentally responsible and efficient manner to minimise adverse impacts on the environment and conserve natural resources.



Environmental authorisations

- Suppliers shall comply with all applicable environmental laws and regulations. All required environmental permits, licences, information registrations and restrictions shall be obtained, and their operational and reporting requirements followed.



Spills and releases

- Suppliers shall have systems in place to ensure the safe handling, movement, storage, disposal, recycling, reuse or management of raw materials, waste, air emissions and wastewater discharges. Any waste, wastewater or air emissions with the potential to adversely impact human or environmental health shall be appropriately managed and treated, when necessary, prior to release in accordance with applicable laws and regulations.
- Suppliers shall ensure effective protection on the ground to prevent and mitigate accidental spills and releases to the environment and to ensure that air, noise and odour pollution are within limits as defined by applicable laws and regulations.



Resource use

- Suppliers shall take measures to improve efficiency and reduce the consumption of resources.
- Suppliers shall take measures to identify sources of sustainable materials and to incorporate them into products supplied to Novo Nordisk. Where feasible, suppliers shall provide eco-labels or equivalent certifications for these materials.



Energy

- Suppliers shall have a plan to pursue sourcing of renewable energy and are expected to increase their renewable energy share on a yearly basis.



Waste

- Suppliers shall reuse or recycle any waste when it is environmentally favourable and technically feasible to do so.



Water

- Suppliers shall have a water management plan to reduce water consumption and waste water discharge and enhance recycling if located in a highly water stressed area (defined by World Resource Institute)



Responsible sourcing of minerals

- Suppliers shall carry out due diligence on the source of critical raw materials to promote legal and sustainable sourcing.
- Suppliers shall document and disclose any use of conflict minerals from a country that has directly or indirectly financed or benefited armed groups if relevant for the functionality of the final product manufactured by Novo Nordisk.
- Conflict minerals include columbite-tantalite, cassiterite, wolframite (or their derivatives tantalum, tin and tungsten) or gold, and any other minerals subject to legal requirements to avoid sourcing from conflict-affected areas.

Health and Safety

Suppliers shall provide a safe and healthy working environment, including where applicable, living quarters if provided by the company. Health and safety measures shall extend to contractors and subcontractors on supplier sites.



Worker protection

- Suppliers shall protect workers from exposure to chemical, biological, physical hazards and physically demanding tasks in the workplace and in any company provided living quarters. Suppliers shall ensure appropriate housekeeping and provide workers with access to potable water.



Process Safety

- Suppliers shall have management processes in place to identify the risks from chemical and biological processes and to prevent or respond to catastrophic release of chemical or biological agents.



Emergency preparedness and response

- Suppliers shall identify and assess emergency situations in the workplace, and any company provided living quarters and minimise their impact of any emergency by implementing emergency plans and response procedures.
- Suppliers shall provide sufficient fire exits, escape routes and firefighting equipment.



Hazard Information

- Suppliers shall ensure that safety information relating to hazardous materials including pharmaceutical compounds and pharmaceutical intermediate materials is available to educate, train, and protect workers from hazards.

Management Systems

Suppliers shall use management systems to facilitate continuous improvement and maintain business continuity within the expectations of these Responsible Sourcing Standards.



Commitment and accountability

- Suppliers shall demonstrate commitment to these Responsible Sourcing Standards by allocating appropriate resources, identifying senior responsible personnel and incorporating relevant aspects of these standards into policies, procedures and processes.

**Risk management**

- Suppliers shall have mechanisms to determine and manage risks in all areas addressed by these Responsible Sourcing Standards.

**Documentation**

- Suppliers shall maintain documentation necessary to demonstrate conformance with these Responsible Sourcing Standards and compliance with applicable laws.

**Training and Competency**

- Suppliers shall have a training programme that achieves an appropriate level of knowledge, skills and abilities for both management and workers to address the expectations of these Responsible Sourcing Standards.

**Communication**

- Suppliers shall have effective systems to communicate these Responsible Sourcing Standards to workers, contractors and suppliers.

**Continual improvement**

- Suppliers are expected to continually improve by setting performance objectives, executing implementation plans and undertaking necessary corrective actions for deficiencies identified by internal or external assessments, inspections or management reviews.

**Sub-suppliers**

- Suppliers shall apply these standards, or equivalent business standards, in their own supply chain. The purpose is to ensure that suppliers of products and services to Novo Nordisk also live up to the principles in these standards. On request, suppliers shall inform Novo Nordisk of the production site of any products sold to Novo Nordisk.

**Avoid, prevent, mitigate and remediate**

- Suppliers shall avoid causing or contributing to adverse human rights impacts through their own activities and address such impacts when they occur.
- Suppliers shall seek to prevent or mitigate risks including adverse human rights impacts that are directly linked to their operations, products or services by their business relationships, even if they have not contributed to those impacts.

**Identification of concerns**

- All workers or other people likely to be affected by adverse human rights impacts (e.g. patients, clinical trial participants or communities surrounding manufacturing facilities) shall be encouraged to report concerns, illegal activities or breaches of these standards without threat of or actual reprisal, intimidation or harassment. Suppliers shall investigate and take corrective action if needed.

**Human rights policies and processes**

- Suppliers shall have and maintain a policy commitment to meet their responsibilities to respect human rights; human rights due diligence to identify, prevent, mitigate and account for how they address their adverse human rights impacts; and processes to enable the remediation of any severe adverse human rights impacts they cause or to which they contribute.
- These processes may vary in complexity, in proportion to their circumstances such as size, sector, operational context, ownership and structure, as well as the severity of their adverse human rights impacts.