

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 [this site](#).

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. Suppliers are encouraged to consult to the PSCI [Maturity Models](#) and Learning Plans for assessing and improving their compliance with the standards.

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 representatives of Novo Nordisk.
- 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.



Product Protection and Quality

- Suppliers shall ensure that management and security systems protect products, components and ingredients from the risks of adulteration, counterfeiting or theft for the purpose of illegal resale.

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 (UNGPs).



Child labour and young workers

- Suppliers shall not use child labour. 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.
- Suppliers shall ensure that no worker is required to pay any fees or incur any costs during the recruitment process to secure employment.
- Suppliers shall not use forced, bonded or indentured labour or involuntary prison labour. Suppliers shall take steps to ensure that slavery or human trafficking is not taking place in its own business or in its supply chain.



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.
- 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.
- 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.
- 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.
- Employees with the same experience, qualifications and performance shall receive equal pay for equal work.



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.

**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.

**Fair treatment**

- Suppliers shall provide a workplace free from harassment, harsh and inhumane treatment, including any sexual harassment or abuse, physical abuse, corporal punishment, unlawful detentions, mental or physical coercion, verbal abuse of workers, or threats of any such treatment.

**Recruitment and career development**

- Suppliers shall have policies, measures and tools in place to ensure that the recruitment processes are free from discrimination.
- Suppliers must provide equal opportunities for relevant training, learning and development opportunities to all workers.

Environment

Suppliers shall operate in an environmentally responsible and efficient manner to minimise adverse impacts on the environment and conserve natural resources. Suppliers shall take responsibility to minimise environmental impact from both their own operations and their supply chain.

**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.

**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)

**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.

**Climate change**

- Suppliers shall have a plan to pursue sourcing of renewable energy and are expected to increase their renewable energy share on a yearly basis.
- Suppliers shall monitor and reduce their GHG emissions and support their suppliers to do the same



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.



Nature and biodiversity

- Suppliers shall understand their impacts on biodiversity, reducing and mitigating their impacts and dependencies wherever possible.



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.



Resource use and waste

- Suppliers shall strive for circularity, designing out waste, taking measures to improve efficiency and reduce the consumption of resources. They shall also take measures to reuse and recycle. Suppliers shall take measures to identify sources of materials that are non-toxic, renewable and recycled and to incorporate them into products supplied to Novo Nordisk. Where feasible, suppliers shall provide eco-labels or equivalent certifications for these materials.

Health and Safety

Suppliers shall provide a safe and healthy working environment, protect workers from exposure to chemical, biological, physical hazards and physically demanding tasks in the workplace, including where applicable in any company provided living quarters.



Safety inspections & risk assessment

- Suppliers shall perform physical safety inspections/audits and conduct workplace risk assessment for all physical and psychosocial aspects related to its activities and develop mitigating actions to address such risks.



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. Warning signs should be displayed for each specific hazard.



Worker protection & conditions

Suppliers shall ensure suitable conditions in the workplace and any company provided living quarters, including but not limited to:

- Access to potable water, sanitary hygienic facilities, eating and food preparation areas.
- Appropriate housekeeping and cleaning practices.
- Access to ergonomically appropriate working stations.
- Conduct regular noise mapping in accordance with local standards and take appropriate measures to prevent excessive noise exposure.
- Safe working conditions for work involving electrical equipment, machines, pressurized devices etc. and providing instructions for how to safely operate and maintain such equipment.
- Personal protective equipment (PPE) where required and training on proper use of PPE including ensuring adequate storage, cleaning and maintenance according to manufacturer's specifications.

! Incident response

- Suppliers shall have effective emergency plans and response procedures, including the recording and reporting of incidents.



Emergency preparedness and response

- Suppliers shall identify and assess emergency situations in the workplace, and any company provided living quarters and minimise their impact by implementing emergency plans and response procedures.
- Emergency plans must be documented and regularly updated and communicated to employees, visitors and contractors/sub-suppliers working on the site.
- Suppliers shall provide sufficient fire exits, escape routes and firefighting equipment.



Health & safety policy and changes

- Suppliers shall have and maintain a health and safety policy including, but not limited to, commitment to safe and healthy working conditions for the prevention of work-related injury and illness, and to eliminate hazards and reduce risks. Suppliers shall have an overview of their significant risks connected to the work performed in their unit, including risks from physical and psychosocial aspects. Suppliers shall have a process for assessing temporary and permanent changes that impact health & safety performance and take action to mitigate any adverse effects.

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 relevant stakeholders including 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 (Novo Nordisk sub-suppliers) 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.



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.



Grievance mechanisms

- Suppliers shall establish grievance mechanisms accessible to internal and external stakeholders who shall be encouraged to use them to report concerns, illegal activities or breaches of these Standards without threat of or actual reprisal, intimidation or harassment. Suppliers shall investigate, take corrective action if needed, and provide full remediation.