



## **Novo Nordisk**

### **Modern Slavery Statement 2022**

This is the sixth public Modern Slavery statement by Novo Nordisk. It has been developed in accordance with the UK Modern Slavery Act 2015 and the Australia Commonwealth Modern Slavery Act 2018 and local filings have been made accordingly in each country. This general statement sets out the steps taken by Novo Nordisk A/S, its subsidiaries Novo Nordisk Ltd (UK) and Novo Nordisk Pharmaceuticals Pty. Ltd. (Australia) in this regard during the financial year ending 31 December 2022.

At Novo Nordisk, we recognise that modern slavery including human trafficking, forced labour, bonded labour, child slavery and hazardous child labour can occur in every industry and sector. We take the steps outlined here to understand what these risks are and to manage them accordingly.

#### **About Novo Nordisk**

With headquarters in Denmark, [Novo Nordisk](#) is a global healthcare company with 100 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 e.g., cardiovascular, liver and kidney diseases. We employ more than 50,000 people in 80 countries.

#### **Novo Nordisk's main operations**

Novo Nordisk's main product areas are diabetes care, obesity care, and rare disease care. Novo Nordisk supplies nearly half the world's insulin, and our diabetes products reach nearly 35 million people worldwide, with more than 5 million receiving them through our access and affordability programmes. We have research and development centres in Denmark, UK, US, mainland China and India. We have production sites in Denmark, France, US, Brazil, mainland China, Russia, Algeria, Iran, and Japan. We market our products in 170 countries.

#### **Novo Nordisk's supply chain**

Through our own organisation and supply chain we source raw materials, components, and services to produce Novo Nordisk products in diabetes care and other serious chronic diseases. Novo Nordisk's products are manufactured and assembled in more than 30 countries, with some 450 first-tier production suppliers. Novo Nordisk's supply chain also includes extensive and global supply chains for other goods, materials and services that support our business activities, with more than 60,000 first-tier suppliers supporting all our other activities.

#### **Governance**

Novo Nordisk's human rights compliance including human rights due diligence and human rights risk management is overseen by the Business Ethics Committee, which comprises the Chief Executive Officer, Chief Compliance Officer, and Chief Legal Officer among other members. Consolidated findings of Ethics & Compliance reviews and risks are reported to our Audit Committee, which comprises members of [the Board of Directors](#). The responsibility to implement respect for human rights in daily operations sits in the Ethics & Compliance Office reporting to the Chief Compliance Officer.

#### **Novo Nordisk Way**

At Novo Nordisk, we are committed to being a sustainable business. To achieve this ambition, we strive to do business in a financially, environmentally, and socially responsible way, as reflected in our Articles of Association and the Novo Nordisk Way which provide general guidance to all employees on how we conduct responsible business.

#### **Human Rights policy commitment**



[Novo Nordisk's commitment to respecting human rights](#) as per [the UN Guiding Principles on Business and Human Rights](#) is anchored in the Novo Nordisk's Business Ethics Code of Conduct. Our commitment refers to all human rights expressed in the International Bill of Human Rights and the ILO Declaration on Fundamental Principles and Rights at Work. We explicitly commit to prohibition, prevention, and mitigation of forced, bonded or debt labour, slavery, servitude, and human trafficking and providing access to remedy. In addition, we also refer to the UN Convention on the Rights of the Child to respect children's rights.

Novo Nordisk's corporate requirements on human rights require all Novo Nordisk employees to act in accordance with respect for human rights in their daily decisions. In short, all Novo Nordisk employees must:

- 1) Avoid causing or contributing to negative human rights impacts in all business activities
- 2) Set human rights expectations to our business partners according to the UN Guiding Principles on Business and Human Rights, with a focus on high-risk activities
- 3) Report human rights concerns to the Novo Nordisk Compliance Hotline
- 4) Prevent and mitigate recurrence of actual negative human rights impacts and provide for remedy where necessary.

In 2022 Novo Nordisk further strengthened its [Labour Code of Conduct](#), which provides a set of minimum labour standards for all employees including the following: All employees work for the company on a voluntary basis under no threat of penalty or sanctions. Child labour is not accepted, and persons below the age of 18 are protected from any hazardous work and night shifts. All employees in Novo Nordisk earn sufficient income of minimum 20% above living wage in a standard working week to meet their basic needs (and those of their families). Also, Novo Nordisk has a global minimum standard of 8 weeks of paid leave for non-birthing parents. In addition, to continue being a sustainable employer, Novo Nordisk is committed to [Diversity and Inclusion](#) to ensure creation of an inclusive work culture and achieve a balanced gender representation across all managerial levels.

Novo Nordisk also has in place [Responsible Sourcing standards](#), which set expectations to suppliers. These are the basis for Responsible Sourcing audits of our suppliers and include our suppliers' responsibility to respect human rights and to apply the same standards in their own supply chain.

## **Responsible Sourcing programme**

The Responsible Sourcing programme, integrated in our procurement processes, was initiated in 2002 and covers all global suppliers to Novo Nordisk. Corporate Procurement is responsible for coordinating and driving the Responsible Sourcing programme and is supported by Responsible Sourcing audits and local Responsible Sourcing experts at our strategic production sites.

Based on our annual supply chain risk assessment, audit findings, engagement with suppliers and input from experts and peers, we have defined the following main risk areas in our supply chain in 2022: 1. Worker safety and emergency preparedness, 2. Safe and responsible handling of waste and environmental resources and 3. Working hours, time off and leave. These main risk areas are reflected in our Responsible Sourcing risk model, which identifies high risk suppliers based on country, annual spend and the types of activities which are known to present responsible business risks.

We use Responsible Sourcing audits and questionnaires to assess high risk and other relevant suppliers. High risk suppliers are prioritised for Responsible Sourcing audits. A pre-audit survey on use of vulnerable workers can lead to an extended audit if human rights risk indicators are found. Guidance material for auditors includes elaboration of modern slavery risk indicators.



In 2022 around 380 high risk suppliers were identified, and 14 audits took place with the majority performed in China and Brazil. From these audits, findings in the main risk areas related to safety regulations and working hours specifically. For all findings action plans are in place and we are following up to ensure implementation and resolution of the issues.

Questionnaires are used to gain additional insight into how our suppliers are working to ensure responsible business practices. In 2022, approximately 70% of our high-risk indirect suppliers answered with a weighted average score of 76%. It is indicated that for those suppliers there is a strong focus on ensuring compliance with our Responsible Sourcing standards and integration of them in their own policies and procedures.

## **Due Diligence in relation to Modern Slavery**

### **Risk identification by sector, country, and material**

Based on desk research and data from the UN, governments and reputable research organisations, internal consultations, mutual learning with peer companies ([Global Initiative on Business and Human Rights](#), [Pharmaceutical Supply Chain Initiative](#)) and expert inputs from an NGO experienced in this field, we assessed modern slavery risks in our value chains.

To identify sectors and categories with high modern slavery risks, we have used the following indicators that are generally known to increase risk likelihood:

- Reliance on low-skill workforce
- Reliance on migrant workforce
- Presence of labour intermediaries
- Presence of children
- Hazardous or undesirable work
- Non-transparent supply chain

Broader operational contexts in each manufacturing country, including factors such as conflict, corruption, weak governance, and enforcement of international human rights standards have also been part of our risk assessments.

These assessments have led us to identify the following as high-risk areas in the global supply chains of Novo Nordisk's products:

- Device components in mainland China, Taiwan, and Thailand
- Medical consumables in Malaysia
- Primary packaging and printed pack materials in mainland China, Brazil, and Mexico
- Construction, warehousing, logistics and other non-core activities for manufacturing sites in Algeria, Bangladesh, mainland China, Egypt, India, Saudi Arabia, and Iran.

We recognise that certain raw materials and commodities are known for potential modern slavery risks. In our supply chains, we have identified the following as such materials and commodities: metals, mammalian cell growth media, glass, life science chemicals and industrial commodities including sugar and ethanol. We participate in collaborative efforts to understand human rights risks in raw materials in the pharmaceutical sector through [Pharmaceutical Supply Chain Initiative's](#) Human Rights sub-committee.

In addition to above areas, we have identified risks in human biosamples used for biomedicine research. Human biosamples are human biological materials including but not limited to tissues, blood, and primary cells, derived from living or deceased human beings. Human biosamples thus involve high risks of potentially serious exploitation for donors, especially if they are in vulnerable positions. Since 2015 Novo Nordisk's Human Biosample Governance experts have conducted 300+ evaluations of human biosamples suppliers and external collaborations involving human biosamples, including close to 100 onsite evaluations. This experience has given us data and insights on different risks by country. We continuously strengthen our evaluation programme, adhering to the *UN Guiding Principles on*



*Business and Human Rights*, and other international declarations, conventions, and guidelines, to protect donors, patients, and external stakeholders.

### **Actions to address the risks**

As part of the Responsible Sourcing programme activities, in 2020, a Novo Nordisk Responsible Sourcing audit at a supplier in Taiwan identified risks related to modern slavery. A finding was raised within the category 'freely chosen employment' concerning recruitment and service fees paid by foreign migrant workers. Following the audit an action plan has been developed, and the supplier has implemented permanent countermeasures in 2022 to the benefit of foreign migrant workers.

Based on the data and observations the Human Biosample Governance team have obtained from the onsite evaluations in 2019, Novo Nordisk has implemented a risk-based global evaluation programme, without compromising the risks associated with sourcing and use of human biosamples. Our evaluation criteria include that donation of human biosamples are freely given without coercion or inducement, mitigating potential risks of trafficking involvement. Novo Nordisk does not accept use of human biosamples from vulnerable groups such as prisoners or detainees. For all new organisations, we conduct desk-based assessment of donor recruitment methods, including reviews of questionnaires, ethics committee approvals, informed consent templates and information sheets given to donors and patients, prior to their donation. For high-risk organisations, we conduct onsite visits, on top of the desk-based assessment.

As part of the bi-annual global Ethics & Compliance risk management processes, all business units in the global organisations are required to identify, assess, mitigate, prevent, track, and internally report risks of adverse human rights impacts (including modern slavery risks). In 2022 several subsidiaries identified risks of potential labour abuse of external workers in business relationships and took mitigation and prevention measures such as contract reviews and training.

### **Training**

At Novo Nordisk we regularly conduct Ethics & Compliance training to all employees. Throughout 2022 a series of human rights training sessions, workshops and awareness activities including human rights e-learning were delivered for continuous development of human rights awareness. Annual training in Ethics & Compliance, which includes respect for human rights, is mandatory for all employees. In 2022, 99% of employees completed and documented their training, with the remaining 1% missing mainly due to employees being on leave.

An e-learning on Responsible Sourcing is made available to all procurement and other relevant Novo Nordisk employees. Furthermore, an introduction to Responsible Sourcing is also included as part of the global on-boarding programme for new employees to the Global Procurement organisation 4 times a year.

### **Stakeholder engagement and collaborations**

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

- [The Global Business Initiative on Human Rights \(GBI\)](#)
- [The UN Global Compact](#)
- [The Nordic Business Network for Human Rights](#)
- [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 of modern slavery and other negative human rights impacts securely and confidentially via the Compliance Hotline.



This statement was reviewed and approved by the Board of Directors of Novo Nordisk Limited on .....  
and signed by Pinder Sahota, General Manager UK.

June 6, 2023

Date:

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*Pinder Sahota*

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