

novo nordisk

COMMUNICATION ON PROGRESS 2017



This is our Communication on Progress in implementing the principles of the United Nations Global Compact and supporting broader UN goals.

We welcome feedback on its contents.





COMMUNICATION ON PROGRESS 2017

We are committed to the principles of responsible business conduct promoted by the United Nations Global Compact and support broader UN goals, including the Sustainable Development Goals. This Communication on Progress summarises our actions in accordance with the requirements as a participant to the Global Compact. It also serves to comply with UN and OECD guidelines and Danish legislation. In this report we present our approach to, and results within, human rights, labour, environment and anti-corruption for 2017. As such, it is part of our integrated corporate reporting accounting for Novo Nordisk's performance and position from a Triple Bottom Line perspective.



Lars Fruergaard Jørgensen
President and CEO

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HOW WE WORK



Novo Nordisk is a global healthcare company, headquartered in Denmark. We are 42,682 employees in 79 countries united in the pursuit of the company's purpose: driving change to defeat diabetes and other serious chronic diseases. Our key contribution is to discover and develop innovative biological medicines and make them accessible to patients throughout the world. We aim to lead in all disease areas in which we are active.

OUR BUSINESS APPROACH

The Triple Bottom Line principle is anchored in the company's Articles of Association and the Novo Nordisk Way as the way we do business. It is applied to ensure that business decisions balance financial, social and environmental considerations,

always keeping in mind the best interests of the patients we serve.

Novo Nordisk's ambition is to be a sustainable business. By this we mean:

- Creating long-term value for patients, employees, partners and shareholders by developing innovative and competitive solutions to patients' unmet needs
- Doing business in a financially, environmentally and socially responsible way
- Anticipating, adapting to and creating new business opportunities from changes in our business environment

OUR COMMITMENT TO THE SUSTAINABLE DEVELOPMENT GOALS

As an active member of the United Nations Global Compact since 2002, we have embraced the Sustainable Development Goals (SDGs). We have conducted a materiality assessment in order to clarify what it takes to ensure that as a minimum we do not detract from progress towards the goals, and identify areas where we can maximise our positive contributions. The conclusion we reached is that there are two goals where we can make the biggest positive impact: the goal on health for all (3) and the goal on responsible consumption and production (12). In these areas we are working to define relevant goals specific for Novo Nordisk. [Read more](#) about our actions and achievements.

THE RESOURCES WE RELY ON

EXTERNAL

- Capital provided by investors
- Insights from patients and expertise from academic and educational institutions
- Raw materials, water and energy

INTERNAL

- Financial resources to invest in R&D, production capacity and customer outreach
- Biological research and manufacturing facilities
- A skilled and diverse workforce

THE CAPABILITIES WE APPLY



Engineering, formulating, developing and delivering protein-based treatments

Research & development facilities in Denmark, China and the US



Efficient large-scale production of proteins

16 production sites on 5 continents



Global commercial reach and leader in chronic disease care

Products marketed in more than 170 countries



Deep disease understanding

THE VALUE WE CREATE



Improved health and quality of life for people with diabetes and other serious chronic diseases
27.7 MILLION people use Novo Nordisk diabetes care products



Job creation and productivity
60,000 (approx) direct and indirect jobs created in Denmark



Contributions to communities
 Production based on **79%** renewable power



Tax contributions
10.6 DKK BILLION expensed on company income taxes



Capacity and competence building
4,800 (approx) investigator sites active in Novo Nordisk-sponsored clinical trials



Return to shareholders
7.85 total dividend per share in 2017

HUMAN RIGHTS

POLICIES

Our commitment to respecting human rights, as set out in the UN Guiding Principles on Business and Human Rights, is stated in [Novo Nordisk's Human Rights Position](#).

GOVERNANCE

The Corporate Sustainability unit is responsible for implementing our commitment to respect and support human rights. The work is guided by a cross-organisational Human Rights Strategic Forum, supported by our internal value audit (Facilitation).

DETERMINATION OF MAIN RISK AREAS

We conduct human rights impact assessments, including labour, across the company's value chain as part of our annual review cycle. The assessments consist of desk research, stakeholder inputs and cross-organisational dialogues led by the Corporate Sustainability unit.

With reference to the International Bill of Human Rights, the UN Guiding Principles on Business and Human Rights and its Reporting Framework, the Human Rights Strategic Forum has identified the company's most salient and important issues for 2017–2018 based on the potential severity of our impact:

1. **PATIENT SAFETY** – patients', including children's, rights to health, access to information, privacy and access to remedy. Read about [our actions](#).

2. **HUMAN BIOSAMPLES** – donors' and their families' rights, for example free and informed consent and privacy, and human biosample supplier employees' occupational health and safety. Read about [our actions](#).
3. **CLINICAL TRIALS** – participants', including children's, rights, for example free and informed consent, access to information, privacy and access to remedy. Read about [our actions](#).
4. **PRIVACY** – includes protection of personal data including health information. Read about [our actions](#).
5. **ANTI-COUNTERFEIT** – counterfeit products pose risks to right to health due to their potential lack of efficacy and/or their toxicity. Read about [our actions](#).
6. **LOCAL PRODUCTION PROJECTS** – communities' and supply chain workers' rights, arising from our activities or through business relationships. Read about [our actions](#).
7. **HUMAN RIGHTS IN SUPPLY CHAINS** (see Responsible Sourcing on page 9 of this document)

As a healthcare company specialising in diseases that also affect children, we recognise our responsibility towards children, and we refer to the children's rights included in the [UN Convention on the Rights of the Child](#) and the [Children's Rights and Business Principles](#). In 2017, we sought the views of 40 patients on the areas where we have a potential impact on their rights. We also consult peers and external experts on a regular basis.

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OLIVIA AKA
Olivia has type 1 diabetes
and lives in Côte d'Ivoire

KEY RESULTS

This is the second year we report on how we manage respect of human rights using the UN Guiding Principles Reporting Framework, and the third year we use this framework as a management tool and annual review cycle. We use indicators from the [UN Guiding Principles Assurance Guidance](#) in internal cross-organisational human rights management reviews. In 2018 we will continue our work to embed responsibility for respecting human rights in the global organisation.

We continued our proactive management of human rights impacts with focus on the identified issues:

1) PATIENT SAFETY

We routinely monitor the safety and quality of all our products so we can take due and appropriate actions to safeguard patient safety. In 2017, Novo Nordisk had six product recalls from the market, which is the same level as in 2016. None of these recalls were critical. Local health authorities were informed in all instances to ensure that distributors, pharmacies, doctors and patients received appropriate information. To make it easier for patients and customers to contact Novo Nordisk should they have a complaint, safety reporting contacts have been published on affiliate websites in the local language. In addition, safety reporting awareness initiatives have been launched in selected countries to increase the safety reporting rate from these countries. [Read more.](#)

2) HUMAN BIOSAMPLES

In 2017 we published a new position statement on human rights related to human biosamples. We also launched an internal procedure and an e-Learning course for Novo

Nordisk's research staff around the globe to ensure responsible sourcing of human biosamples. We evaluate our suppliers of human biosamples against human rights and other standards and they are given the opportunity to improve their performance. During 2017, we conducted another 15 supplier evaluations, bringing the total number of evaluated suppliers to 39. 29 are now listed as 'acceptable suppliers' to Novo Nordisk of human biosamples for use in research. As a result of our engagement, two thirds of our acceptable suppliers have taken actions to improve their performance, such as upgrading their approach to ensuring free and informed consent from donors or improving the working conditions for their staff.

[Read more.](#)

3) CLINICAL TRIALS

We take careful measures to respect the rights of children participating in our trials, including the right to express their own views freely in all matters affecting them. The child's views are given due weight corresponding to the age and maturity of the child, in line with the [Convention on the Rights of the Child](#). We have a paediatric patient information assent form, which we tested among children of different ages and parents, and have trained trial managers in using these for future paediatric trials. [Read more.](#)

4) PRIVACY

In the past few years we have strengthened measures to respect privacy, including developing a policy, the Novo Nordisk Binding Corporate Rules, a Personal Data Protection strategy, governance and compliance programme. We plan to implement further protection for personal data in compliance with EU regulations, effective as of 2018. [Read more.](#)

5) ANTI-COUNTERFEIT

To ensure patient safety, we have been implementing a comprehensive anti-counterfeit programme. This includes a quality management system that investigates alleged occurrences of counterfeited Novo Nordisk products and regular monitoring, tracking and analysis of trends and risks. In China, where the risk has been highest, criminals counterfeiting our products are arrested as a result of raids, and subsequently given fines or custodial sentences. Thereby we have been able to keep counterfeiting of our products at a low level. Currently, the main products being counterfeited are insulin in Penfill® in China and Norditropin® sold via the internet or in fitness centres. [Read more.](#)

6) LOCAL PRODUCTION PROJECTS

We have production sites in emerging markets with known human rights challenges. For these sites we have begun to integrate human rights due diligence into the existing due diligence processes in the project life cycle. [Read more.](#)

7) HUMAN RIGHTS IN SUPPLY CHAINS

Please refer to the section on Responsible Sourcing on page 9 of in this document.

8) SECURITY

Security can have a potentially severe human rights impact and was a salient issue in 2015 and 2016. In 2017, we integrated [Voluntary Principles on Security and Human Rights](#) and the [UN Children's Rights and Business Principles](#) (Principle 8 concerning children's rights in security) into our new internal Corporate Security guideline.

SUPPORT AND PROMOTION OF HUMAN RIGHTS

We continued to strengthen our strategic contributions to support and promote the right to health.

1) ACCESS TO CARE

In 2017, Novo Nordisk's Base of the Pyramid project was extended to also include Senegal as a public-private partnership with the Ministry of Health. In Nigeria, the project was expanded to include a partnership with [FHI 360](#) to provide diabetes care in the state of Lagos. The Changing Diabetes® in Children programme was extended into five new countries: Cambodia, Ivory Coast, Myanmar, Senegal and Sudan. More than 16,000 children are now enrolled in the programme. [Read more.](#)

2) CITIES CHANGING DIABETES

The Cities Changing Diabetes programme is a commitment to drive action against type 2 diabetes and obesity in cities on a global scale. Representatives from all nine programme cities and leading experts gathered at the second global Cities Changing Diabetes Summit in Houston, US, in October 2017 to share best practices. At the Summit a bold goal was launched: No more than one in 10 adults globally should have diabetes, which will require a reduction in obesity of 25% by 2045. With the launch of this goal and a supporting [Urban Diabetes Toolbox](#) we are calling on all cities to make plans for fighting diabetes in their cities. [Read more.](#)

LABOUR

POLICIES

Our commitment to respect labour and human rights in the workplace is set out in the following policies:

- [Global Labour guidelines](#)
- [Equal Opportunity and Non-discrimination guideline](#)

For supply chain responsibility, see Responsible Sourcing in this document.

GOVERNANCE

The People Relations and Compliance unit is responsible for implementing the above policies, governed by the Global People Board and supported by our assurance systems such as the internal value audit (Facilitation) and Ombudsman.

DETERMINATION OF MAIN RISK AREAS

We conduct assessments to identify our main impacts and risks in the area of labour and human rights in the workplace. The scope of our assessments is guided by the labour rights set out in the ILO Declaration on Fundamental Principles and Rights at Work, as well as all other relevant human rights in the workplace included in the International Bill of Human Rights.

Each year since 2014 we identify potentially significant areas in terms of our labour impact, by taking into account information from a wide range of sources: internal value audit (Facilitation) findings, external trends on labour violations, labour unions' input and external expert input. The assessment process is headed by the People Relations and Compliance unit, and the Global People Board approves the focus areas. The following have been identified as the most significant areas of our labour impact:

1. **SAFE AND HEALTHY WORKING CONDITIONS**
Read about [our actions](#)
2. **LABOUR CONDITIONS**
including, but not limited to, living wage, child labour, non-discrimination, equal opportunities, employee representation and freedom of association, working hours, pre-agreed compensated overtime and rest time (breaks). Read about [our actions](#)
3. **DIVERSITY**
(See page 8 of this document)
4. **LABOUR IN SUPPLY CHAINS**
(see Responsible Sourcing on page 9 of this document)



KEY RESULTS

We have translated our commitment to respect and uphold labour rights into actions and are able to demonstrate a strong track record. The following are some of our key achievements.

1) SAFE AND HEALTHY WORKING CONDITIONS

Novo Nordisk has a global Occupational Health and Safety (OHS) Management system (OHS Code of Conduct) in place for reporting, root cause analysis, action planning and follow up. This systematic approach has led to continuous improvements in reducing work-related accidents: our Lost Time Accident rate (LTA) has decreased from 3.0 (2016) to 2.7 (2017). In 2017 we had one occupational fatality of an employee of an external contractor. The incident was promptly investigated to analyse root causes and we are taking actions to prevent recurrence. In 2017, we strengthened our focus on mental well-being and stress prevention measures, and that led to reduction of employees indicating stress symptoms in our employee survey (OurVoice) from 20% (2016) to 17% (2017). [Read more.](#)

2) LABOUR CONDITIONS

Our labour compliance management systems are now well established. These consist of the annual identification of significant areas, self-assessment reporting by the global organisation, evaluation of findings, acting upon findings and assurance. We have made steady progress in implementing our Global Labour guidelines and related standards which address labour and human rights in the workplace including freedom of association, the right to collective bargaining, the prohibition of forced or compulsory labour, child labour and discrimination in respect of employment and occupation.

We track the effectiveness of the guidelines across the global organisation. Each year we

conduct an assessment and tracking of our performance on selected standards within the Global Labour guidelines. So far we have covered living wage, child labour, non-discrimination, equal opportunities, employee representation and freedom of association. Our assessments show that our global organisation meets the expectations set out in the Global Labour guidelines. We will revisit these labour conditions at regular intervals. In 2017, we assessed working hours, pre-agreed compensated overtime and rest time (breaks). We found that our global organisation has a high level of commitment to providing permissible working hours and doesn't make excessive use of pre-agreed overtime, but ensures due compensation when it does occur. Our global organisation strives for continuous improvements. [Read more.](#)

3) DIVERSITY

Target for the under-represented gender on the Board of Directors

Novo Nordisk A/S

In 2016, the Board of Directors of Novo Nordisk A/S adjusted its diversity ambition and set a new target that by 2020 the Board will consist of at least three shareholder-elected members of each gender. As of 31 December 2017, five shareholder-elected Board members were male and two were female, as Mary Szela stepped down from the Board in May 2017 due to a potential future conflict of interest. Thus, Novo Nordisk did not fulfil the ambition of having at least three shareholder-elected board members of each gender on the Board by the end of 2017. The company will strive to fulfil this ambition before 2020. [Read more about diversity on our Board of Directors and our actions.](#)

Novo Nordisk subsidiaries

Section 99b of the Danish Financial Statements Act requires that Danish companies of a certain size report on diversity. Of the various Novo Nordisk subsidiaries, four Danish subsidiaries are required to

report on diversity due to the size of the four companies. The four companies are Novo Nordisk PharmaTech A/S, NNE A/S and two regional holding companies: Novo Nordisk Region Europe A/S and Novo Nordisk Region International Operations A/S. The Board of Directors for NNE A/S and the two regional holding companies meet the Danish diversity requirements.

Novo Nordisk Pharmatech A/S strived to meet the goal of at least a 25% representation of the under-represented gender in 2017. Unfortunately, this goal was not met. The main reason was that members of the Board of the subsidiaries are chosen because of their employment and position in Novo Nordisk. One of the pillars of our diversity strategy is 'we always select the best', ensuring that professional qualifications come before gender and other aspects of identity such as nationality and age. However, we acknowledge the value and strength of diversity. Novo Nordisk Pharmatech A/S will therefore strive to meet the goal of at least a 25% representation of the under-represented gender by 2020.

Diversity at other management levels

By the end of 2017, gender distribution among managers was 60% men and 40% women. Of the newly promoted managers, 43% were women, which is the same level as in 2016. All management teams, from entry level and upwards, are encouraged to focus on enhanced diversity, with the aim of ensuring a robust pipeline of talent for management positions.

In accordance with the requirements set forth in Section §99b of the Danish Financial Statements Act, this lives up to an equal representation of genders. Thus, no policy, actions or results need to be reported upon.

SUPPORT AND PROMOTION OF LABOUR RIGHTS

We continue to strengthen our strategic contributions to support and promote labour rights.

1) EMPLOYEE VOLUNTEERING

TakeAction, Novo Nordisk's employee volunteering programme, provides opportunities for employees to engage in volunteering activities during working hours. In 2017, 6,512 employees engaged in 223 activities with a total of 27,327 volunteer hours, reached thousands of people and raised more than 163,523 USD for local charities. [Read more.](#)

2) REFUGEE INTERNSHIP AND MENTORSHIP PROGRAMMES

For the second year we have continued our two programmes aimed at supporting refugees to integrate into the Danish labour market, with 40 refugees enrolled in 2017. In the Mentorship programme, 36% of mentees have got a job and 28% are enrolled in education. In the Refugee Internship programme, 83% of interns believe their participation has brought them closer to getting a job. [Read more](#), including participants' stories.

3) PROJECT OPPORTUNITY

In collaboration with the National Autism Institute (DNA) in Denmark, Novo Nordisk has for the third year funded Project Opportunity, which aims to integrate selected people with Autism Spectrum Disorders into the Danish labour market. The project offers an opportunity for people with special needs to join the workforce, allowing the company to utilise their unique competencies for a win-win situation. As a result of the first two cycles of the project, seven of the eight people enrolled have been hired permanently and on standard contracts. [Read more.](#)

RESPONSIBLE SOURCING

POLICIES

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.

[Novo Nordisk Procurement policy](#)

In [Responsible Sourcing Standards for business partners](#), we communicate our expectations to our suppliers on responsible business conduct within human rights, labour, environment and anti-corruption.

GOVERNANCE

The Corporate Procurement unit is responsible for coordinating and driving the Responsible Sourcing programme, which is governed by the cross-organisational Responsible Sourcing Strategic Forum, supported by our assurance systems such as Responsible Sourcing audits.

DETERMINATION OF MAIN RISK AREAS

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. Wages, working hours and forced labour
2. Safe and healthy working conditions
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, such as low skilled labour and handling of chemicals. Identification of high risk suppliers leads to audits and follow up on action plans.

KEY RESULTS

The Responsible Sourcing programme, which covers both direct and indirect spend, was initiated in 2009 and is now an established programme that is ingrained in procurement processes. In 2017 we identified around 200 high risk suppliers and conducted 28 audits against Novo Nordisk Responsible Sourcing standards. Audit findings are managed systematically to ensure timely closure of major findings and to track the effectiveness of our actions and approach. There were no critical findings in 2017.

In 2017, we engaged with peers and experts to seek continuous improvements in our approach and actions. In 2018, we will continue to engage with peers and partners in areas such as supplier capability building. [Read more.](#)



ENVIRONMENT

POLICIES

In Novo Nordisk we will reduce our use of natural resources and the environmental impact from our activities.

[Novo Nordisk Environment policy](#)

Our Environmental strategy 2020 sets direction for our environmental initiatives. In 2017, we started developing our Environmental strategy 2030.

At Novo Nordisk, we have a long history of environmental management. All Novo Nordisk production and pilot sites have been ISO14001 certified since 2002 and ISO50001 since 2005. Our Environmental Management system and our focus on continuously reducing our environmental impact across the value chain ensure compliance with the Novo Nordisk Environment policy.

GOVERNANCE

The Corporate Environmental Strategy unit is responsible for the Environment policy and strategy. In addition, there is a dedicated department, which is responsible for management of environmental issues related to global production. As part of the Novo Nordisk Environmental Management system, each area of the organisation has an environmental coordinator who is responsible for compliance within their area.

DETERMINATION OF MAIN RISK AREAS

Novo Nordisk continuously evaluates and maps our environmental impact. Our most significant environmental impacts and risks are in the following areas:

1. **CO₂ EMISSIONS** from across the Novo Nordisk value chain. CO₂ emissions contribute to global warming
2. **WATER CONSUMPTION** from Novo Nordisk production sites. Use of fresh water, especially at production facilities located in areas with high water stress, ie high seasonal variation in water availability
3. **WASTE GENERATION** from Novo Nordisk production sites. Waste treatment can lead to air emissions and can have negative effects on ecosystems

We continuously review our environmental risks across the company's value chain so that the Environmental strategy includes the most significant areas of impact.

KEY RESULTS

1. CO₂ EMISSIONS

- a. CO₂ emissions decreased by 2% in 2017 as a result of decreased energy consumption in areas that use fossil-based energy
- b. 79% of electricity used in our production was from renewable sources
- c. Adoption of new global guidelines for company cars in line with the Paris Agreement, which is guiding the shift towards electric and hybrid cars. Based on these guidelines, local car policies will be implemented in 2018
- d. As part of our supply chain programme, which aims to reduce emissions from suppliers, we engaged with more than 20 key suppliers, motivating them to set targets for energy efficiency and use of renewable energy

2. WATER CONSUMPTION

- a. Water consumption remained the same as 2016
- b. Water saving projects eg re-use of water at our production site in Brazil

3. WASTE GENERATION

- a. Waste increased by 3% in 2017 primarily due to increased amounts of organic residues from the fermentation process
- b. 96% of Novo Nordisk waste was either recycled, used for biogas production or incinerated at plants where the energy was used for producing heat and electricity

Read more about our environmental management, focus areas and initiatives on [our website](#) and in the [Novo Nordisk Annual Report 2017](#).



ANTI-CORRUPTION

POLICIES

Novo Nordisk's set of guiding principles, the [Novo Nordisk Way](#), states that 'we never compromise on quality and business ethics'. This is supported by our Business Ethics policy and detailed procedures for how we conduct our business. These guidelines are intended to ensure that Novo Nordisk is in compliance with anti-corruption laws and principles.

[Novo Nordisk Business Ethics policy](#)

The [Business Ethics Code of Conduct](#) is Novo Nordisk's commitment to act with integrity in our efforts to deliver competitive results and to be in compliance with all relevant anti-corruption laws. It applies to all employees and business partners who act on our behalf as third party representatives.

GOVERNANCE

The Business Ethics Board as the global governance body and the Business Ethics Compliance Office as the functional owner are responsible for developing and implementing our Global Business Ethics strategy, ensuring the ongoing development of the Global Business Ethics Compliance programme at global and regional levels, and monitoring business ethics in the company.

Novo Nordisk's Executive Management and the Audit Committee oversee the global Business Ethics strategy.

DETERMINATION OF MAIN RISK AREAS

Based on internal monitoring, audit activities, the internal business ethics risk management process and external benchmarks, the most significant anti-corruption risk areas have been identified and are reviewed on a regular basis by Novo Nordisk's Business Ethics Board. Our business ethics requirements and training are focused around the following risk areas:

1. Direct interactions with public officials, healthcare professionals, healthcare organisations, patients and patient organisations
2. Third party representatives who interact on our behalf with public officials, healthcare professionals and healthcare organisations
3. Off-label communication, that is, the promotion of our products not in accordance with the approved product label

Read more about our risk mitigating activities in these areas on [our website](#) and in the [2017 Novo Nordisk Annual Report](#).

KEY RESULTS

1. A new Business Ethics Code of Conduct was launched in January 2017
2. A new online format (Business Ethics Compliance Framework) for all global and local business ethics requirements was launched in January 2017. This supports the implementation of the global business ethics principles and ensures consistent and relevant business ethics advice to all employees
3. The Business Ethics Compliance app was launched in August 2017. This app gives sales representatives – who by the nature of the business are potentially exposed to high ethical risks – access to business ethics requirements via all iOS devices, both online and offline
4. In order to track employees' understanding of the business ethics requirements and effectiveness of the associated training programme, employees in scope of the requirements participate in online tests. In 2017, 99% of Novo Nordisk employees who were certified for the Business Ethics Code of Conduct passed the tests



NOVO NORDISK POLICIES

ON RESPONSIBLE BUSINESS PRACTICES

At Novo Nordisk, we have detailed policies in place in order to ensure responsible conduct and processes in our workplace and in external business conduct in which we engage.

BIOETHICS POLICY

At Novo Nordisk we will discover, develop and produce biological medicines with respect for people, animals and the environment.

This means that we will:

- Continuously improve our performance
- Promote bioethical awareness in Novo Nordisk
- Operate according to high ethical global standards in research involving people, animals, human materials and gene technology
- Require adherence to high ethical standards by our external partners, contract research organisations and suppliers, and monitor their performance
- Engage in stakeholder dialogue and partnerships helping us to deal with ethical dilemmas
- Act in accordance with international conventions

BUSINESS ETHICS POLICY

At Novo Nordisk we will act with integrity in our efforts to deliver competitive results.

This means that we will:

- Apply consistently high business ethics standards across the value chain
- Address day-to-day dilemmas guided by the Novo Nordisk Way
- Be transparent about our business decisions and practices
- Hold ourselves accountable for acting with integrity and in compliance with the UN Global Compact

COMMUNICATION POLICY

At Novo Nordisk we will communicate effectively with all our internal and external stakeholders.

This means that we will communicate in a way that is:

- **CLEAR** – understandable and to the point
- **CREDIBLE** – open, honest and balanced, both when the news is good and bad
- **RELEVANT** – timely and customised to meet the information needs of the people we communicate with
- **RESPECTFUL** – to all the people we communicate with and about
- **TWO-WAY** – encouraging dialogue between us and our stakeholders

ENVIRONMENT POLICY

At Novo Nordisk we will reduce our use of resources and the environmental impact of our activities.

This means that we will:

- Continuously improve our performance
- Integrate environmental assessments in all decision-making across the value chain
- Promote more sustainable processes and products
- Engage in stakeholder dialogue and partnerships
- Comply with the UN Global Compact

FINANCE POLICY

At Novo Nordisk we will grow as an independent company and ensure competitive value creation for our shareholders.

This means that we will:

- Pursue challenging short- and long-term financial targets
- Integrate a financial perspective in key business decisions
- Ensure financial flexibility to pursue business opportunities at a competitive cost of capital
- Manage risks
- Pursue a competitive tax level in a responsible way
- Apply efficient best practice processes and a customer mind-set globally

GLOBAL HEALTH POLICY

At Novo Nordisk we will discover, develop and provide high-quality products and services within our areas of expertise to help patients live better lives throughout the world.

This means that we will:

- Contribute to the aspiration of the World Health Organisation's Global NCD¹ Action Plan 2013–2020
- Carry out research to make new and better therapies, products and services available, covering unmet medical needs
- Take initiatives to make our products and services accessible to those who need them
- Contribute to the development of sustainable healthcare systems
- Advocate equal rights and accessibility to healthcare for all

INFORMATION SECURITY POLICY

At Novo Nordisk we will manage the security of business critical information in relation to employees, physical premises and IT.

This means that we will:

- Protect handling and use of business critical information in any form
- Promote information security awareness
- Ensure that adequate security measures are applied
- Continuously monitor, review and report on the maturity of information security
- Ensure that weaknesses, incidents and violations are detected and resolved

¹Non-communicable diseases (NCDs) – mainly cardiovascular diseases, cancers, chronic respiratory diseases and diabetes

INFORMATION TECHNOLOGY POLICY

At Novo Nordisk we will apply the best and proven information technology to support our global competitiveness.

This means that we will:

- Ensure business-driven, global IT strategies
- Apply effective IT governance practices to maximise benefits of projects, systems and infrastructure
- Pursue a standardised and consolidated IT operation
- Simplify our IT architecture by minimising the number of applications and implementing standard solutions
- Manage IT costs by making them transparent and competitive
- Mitigate IT risks by applying balanced security controls

LEGAL POLICY

At Novo Nordisk we will conduct our business in legal compliance and secure the company's assets and interests.

This means that we will:

- Comply with the wording and intention of all relevant laws and regulations
- Promote legal awareness and ethical behaviour to secure compliance and sound business decisions
- Manage legal risks and pursue opportunities that add value to the global business
- Respect legal rights of others
- Ensure good corporate governance

OCCUPATIONAL HEALTH AND SAFETY POLICY

At Novo Nordisk prevention and continuous improvement in occupational health and safety is key. We strive to uphold a safe working environment and promote the health of our people.

This means that we will:

- Operate according to high occupational health and safety standards throughout the world
- Hold our people accountable for their actions regarding workplace safety
- Promote a healthy lifestyle
- Ensure that the working environment is not compromised for economic or productivity reasons
- Follow relevant international conventions

PEOPLE POLICY

At Novo Nordisk we provide attractive, engaging and effective workplaces for our people.

This means that we:

- Attract diverse talent globally
- Ensure an inclusive and respectful workplace providing equal opportunities for all
- Are committed to the on-going development of our people
- Develop leaders who will drive talent management, engagement and performance of our people
- Provide market-competitive remuneration and employment conditions
- Follow the UN Global Compact Guiding Principles

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METTE FINDERUP GROVE
Søborg, Denmark

PROCUREMENT POLICY

At Novo Nordisk we will purchase at best terms, balancing price with delivery, quality and risk as well as social, environmental and ethical responsibility.

This means that we will:

- Purchase from suppliers selected in accordance with Novo Nordisk standards
- Create value for Novo Nordisk by using our global purchasing power
- Interact with our suppliers in a competent and proactive way
- Establish close cooperation with suppliers of strategic importance
- Accept no gifts

QUALITY POLICY

At Novo Nordisk we ensure quality to meet the expectations and needs of all stakeholders securing patient safety, product quality and compliance.

This means that we will:

- Develop and deliver high-quality products with the lowest risk to patients
- Maintain and continuously improve the effectiveness of our quality management system
- Optimise business performance without compromising patient safety or compliance
- Encourage legislation that secures patient safety and product quality
- Promote quality awareness throughout the company and the entire supply chain
- Never compromise on quality

RISK MANAGEMENT POLICY

At Novo Nordisk we will proactively manage risk to ensure continued growth of our business and to protect our people, assets and reputation.

This means that we will:

- Utilise an effective and integrated risk management system while maintaining business flexibility
- Identify and assess material risks associated with our business
- Monitor, manage and mitigate risks



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Shirley Adelia Stewart lives in New Orleans, Louisiana, US, and was diagnosed with type 2 diabetes when she was 40 years old. Both of her parents died from complications with diabetes, and all her seven brothers and sisters have also been identified as having type 2 diabetes.

Shirley is 68 years old, is an arts and music teacher of elementary school children, a member of the New Orleans Opera House Chorus and a diligent soloist in her neighbourhood churches.

Photography: Martin Juul, Jesper Westley Jørgensen and Kim Vadskjær