



Novo Nordisk

Statement on Due Diligence Processes Covering Child Labour Risks 2023

For Swiss Code of Obligations and Ordinance on Due Diligence and Transparency in relation to Child Labor

This is the first public statement by Novo Nordisk targeting child labour due diligence. It has been developed in accordance with art. 964j-k of the Swiss Code of Obligations and the Ordinance on Due Diligence and Transparency in relation to Minerals and Metals from Conflict-Affected Areas and Child Labor. This general statement sets out the steps taken by Novo Nordisk A/S and its subsidiaries Novo Nordisk Health Care AG and Novo Nordisk Pharma AG in this regard during the business year ending 31 December 2023.

Our commitment to respecting all internationally recognised human rights

Novo Nordisk is committed to meeting the responsibility to respect human rights throughout our operations and value chains as defined by the [UN Guiding Principles on Business and Human Rights](#). Our Human Rights Commitment is anchored in Novo Nordisk's [OneCode](#). Please refer to our [Human Rights Commitment here](#).

This commitment covers all internationally recognised human rights at a minimum as stated in the International Bill of Human Rights and the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work – hence we are explicitly committed to the effective abolition of child labour across our own operations and in our value chain. This is further stipulated in our [Labour Code of Conduct](#) for own employees and [Responsible Sourcing Standards](#) for suppliers.

As part of our Human Rights Commitment, we also commit to paying particular attention to the rights of vulnerable groups on whom we have an impact, such as children and patients, by referring to relevant United Nations instruments such as the Convention on the Rights of the Child.

Over the past years we have been continuously developing and improving human rights risk management capabilities and due diligence systems to manage human rights risks and impacts throughout our own operations and business relationships. Please see the following sections where we specifically describe the integration of child labour risks into our due diligence processes.

Global risk management process for human rights risks (incl. child labour)

Every six months, all Novo Nordisk regions and headquarter functions are required to report their ethics & compliance risks, including human rights risks, and mitigating actions to the Ethics & Compliance Office. This includes risks in own operations, business relationships and broader value chain across the categories of own employees; external workers; communities & other individuals; and patients.

A global business architecture platform for risk management documents information on each risk in detail (including affected people, severity of impact and likelihood, mitigating actions, effectiveness of the actions, etc.). It also documents review comments from internal human rights resources and

other reviewers and enables tracking of each risk over time. Throughout the process, ethics & compliance and human rights experts in the Ethics & Compliance Office conduct a series of training sessions and hold dialogues to continuously develop human rights risk awareness and capabilities throughout the company.

During our risk reporting processes we ask all business units – including our affiliates – to assess, mitigate and report on the potential risk of child labour being used in own operations or by third parties, including if due to lack of awareness around human rights. Where such risks are identified, as preventive immediate mitigating actions, the local team in the business unit work to increase such awareness by organizing training sessions and communications on the matter.

Internal audits on ethics & compliance matters

Group Internal Audit performs Business Ethics (BE) Reviews in subsidiaries, production sites, vendors and headquarter areas to assess the level of ethics and compliance in Novo Nordisk. The format of the BE Reviews is onsite or virtual. Whereas most BE Reviews are announced as part of the yearly audit plan, there are also a number of unannounced BE Reviews each year. In 2023, 40 BE Reviews were completed compared to 35 BE Reviews in 2022. No indications of child labour (or which would give rise to any suspicions of child labour) were observed during Group Internal Audit's BE Reviews in 2023.

As a separate process, we conduct internal Environmental and Health & Safety (EHS) audits for production sites. The scope of these audits indirectly includes various human rights, for example as part of psycho-social assessments of the workplace. No indications of child labour (or which would give rise to any suspicions of child labour) were observed during the EHS audits conducted in 2023.

All internal Business Ethics and EHS auditors are trained in ethics & compliance and obliged to report any potential breach of requirements – including child labour – to the Compliance Hotline.

Human rights due diligence in business relationships

Responsible Sourcing Programme & Due Diligence

The Responsible Sourcing programme is integrated in our procurement processes, and was initiated in 2002 to cover all global Tier 1 suppliers to Novo Nordisk. Suppliers are expected to comply with Responsible Sourcing standards which are supported by Responsible Sourcing audits of high-risk suppliers based on an annual supply chain risk assessment based on country, annual spend and supplier sector. Dedicated Responsible Sourcing audits in addition to questionnaires form the basis of any additional due diligence efforts targeted at high-risk supply chains. Additionally, Tier 1 suppliers of Novo Nordisk are asked to uphold the same or similar standards for their own suppliers.

To strengthen our supply chain due diligence in light of emerging legal requirements, we are enhancing our Responsible Sourcing standards through further alignment with the UN Guiding Principles on Business & Human Rights and the OECD Guidelines for Multinational Enterprises. In addition, we are assessing supply chain due diligence risk systems to bolster our global supply chain visibility and transparency.

Responsible Sourcing audits

As part of the Responsible Sourcing programme activities, Novo Nordisk carries out pre-qualification and routine Responsible Sourcing audits for selected suppliers. Audits lead to a summarising audit report, and suppliers are required to respond to findings by preparing corrective action plans and submitting documentation for completion of such plans.

Novo Nordisk's Responsible Sourcing standards outline that suppliers (direct and indirect ones) shall not use child labour. Young workers below the age of 18, and above the local legal age for employment, must not carry out hazardous work or work that may hinder their education or health such as handling of chemicals, strenuous physical labour, night shifts or any other activities prohibited by local law. One audit in 2023 indicated that a sub-supplier had potentially, in the past, not had effective child labour management systems in place – whereby Novo Nordisk asked our own supplier for a corrective action plan to strengthen controls with their respective business relationships in accordance with the general procedures of the Responsible Sourcing audits. The effectiveness of the corrective measures taken will be assessed as part of the Responsible Sourcing program in 2024.

Our grievance mechanism

We are committed to providing access to mechanisms for our employees to raise workplace-related grievances. Employees and external stakeholders can report suspected misconduct in a secure and confidential manner through the Novo Nordisk Compliance Hotline. Please see more information regarding the investigation process, anti-retaliation policy and other matters related to the Compliance Hotline [here](#). All employees are required to report human rights concerns – including concerns related to child labour or forced labour – to the Compliance Hotline in accordance with Novo Nordisk's Corporate Human Rights Requirements.

In 2023, no child labour or forced labour concerns were reported to the Compliance Hotline.

Final remarks

During the business year of 2023, we deem the due diligence performed and the actions described above sufficient to mitigate risks of child labour in Novo Nordisk's own operations and supply chain. No indications of child labour were observed in our own operations, whereas the potential risks of child labour in Novo Nordisk's Tier 1 (direct) supply chain are deemed to be low and adequately mitigated.

This global statement was approved by Kim Bundegaard, Chief Compliance Officer of Novo Nordisk.

Date: 31 May 2024

See other relevant statements:

- [Conflict Minerals Disclosure](#)
- [Modern Slavery Act Statement](#)