

# Novozymes Modern Slavery Statement 2016

## Introduction

Novozymes is committed to conducting business with high ethical standards not just to ensure compliance with legal requirements but also in recognition of our responsibility as a multinational company with a global footprint. Novozymes has been a signatory to UN Global Compact since its establishment in 2001 to reflect our core values of transparency and accountability.

Novozymes is committed to ensuring the prevention of modern slavery and human trafficking in its business and supply chain. This statement highlights steps undertaken by Novozymes to support this commitment and is published in compliance with the UK Modern Slavery Act 2015.

## Our business and supply chain

Novozymes is the global market leader in biological solutions, producing a wide range of industrial enzymes and microorganisms. Enzymes are proteins, and in nature they initiate biochemical reactions in all living organisms. Like enzymes, microorganisms have natural properties that can be put to use in a variety of processes. Our business is spread across various industries such as Household care, Food & Beverages, Bioenergy, Animal health & nutrition and Agriculture in different parts of the world. A snapshot of our operations worldwide is provided below.

## Our biological answers, near you



## Headquarters and affiliates

- Novozymes' headquarters are located in Bagsvaerd just outside of Copenhagen, Denmark
- Production in Argentina, Brazil, Canada, China, Denmark, England, India and the United States
- Affiliates and sales offices in more than 30 countries

## Executive Leadership team

- President & CEO: Peder Holk Nielsen\*
- Corporate Functions: EVP & CFO Benny D. Loft\*

- Research, Innovation & Supply: EVP & COO Thomas Videbæk\*
- Agriculture & Bioenergy division: EVP Tina Sejersgård Fanø
- Food & Beverages division: EVP Andrew Fordyce
- Household Care & Technical division: EVP Anders Lund

\* Members of Executive Management registered with the Danish Business Authority.

More details about our company can be accessed [here](#).

### **Policy in relation to slavery and human trafficking**

Novozymes believes that a fundamental aspect of a company's social responsibility is adherence to basic human rights principles. We support the UN Global Compact principles related to human rights and labor standards and work to integrate them across our organization. The UN principles include commitments such as "we support and respect the protection of internationally proclaimed human rights and " we work to ensure that we are not complicit in human rights abuses " etc. Please read more about our position on Human rights and labor standards [here](#).

The UN principles are integrated in operational policies and procedures. For example, our "People Policy" and "People Standard" that relate to the management of employees and the "Novozymes Standard on Occupational Health and Safety" ensure that the UN principles are upheld in our organization.

Compliance with UN Global Compact is an absolute requirement for all people managers in the Novozymes organization and any Novozymes employee feeling mistreated has the right to have his/her case reviewed by the independent internal Ombudsperson Institution.

We also have a Whistleblower hotline for internal employees and suppliers to report suspicions of violations of law, including violations of human and labor rights. This webpage is hosted on Ethics Point's secure servers and is not part of the Novozymes website or intranet.

We take into consideration sustainability along with commercial and quality aspects while dealing with suppliers. They are screened and evaluated based on our standards for responsible purchasing ("Responsible Purchasing Standards"). Please see [here](#) for more details.

Furthermore, we enforce sustainability measures in our supply chain through our supplier code of conduct ("[supplier guidelines](#)").

### **Due Diligence process**

The highest potential risks to violations of human rights is found in Novozymes' supplier base. Novozymes screens suppliers and classifies their risk based on spend and type of product/service. High-risk suppliers are assessed by the Sourcing team through a Supplier Performance Management system. It consists of an integrated set of assessment criteria covering commercial, quality, employee health and safety, human and labor rights and business integrity. Based on these criteria, the Supplier Performance Management system helps identifying risks and opportunities in our supply chain by pointing out high-risk suppliers as well as identifying suppliers with a strong overall performance.

In addition, we also require all our contracted suppliers to comply with our Responsible Purchasing Standards. The standards cover various social and environment aspects including respect for human rights and prevention of human trafficking. We reserve the right to demand immediate corrective actions or terminate a supply agreement, if the supplier does not comply with our standards/requirements.

In 2016, we revamped our human rights risk-monitoring approach. We carried out a human rights impact assessment to identify risks of human rights violations in our value chain. Stakeholders from relevant functional areas, including Sourcing, Environment & Safety and People & Organization, across regions including China, India, Brazil, North America and EMEA, were involved in the assessment. Their inputs were analyzed, and a plan to address gaps was discussed with the respective teams.

The human rights impact assessment identified the following potential human rights risks in Novozymes' regions: discrimination, income equality, living wages, right to work and right to equal pay for equal work. No human rights

violations were identified during the impact assessment. Novozymes has several practices and procedures in place that have been evaluated as sufficient to address these potential risks.

Furthermore, we are a member of SEDEX and make information about our facilities available to customers through the SEDEX system.

### **Training and capacity building**

At Novozymes, all the category managers receive instructions on how to apply the Responsible Purchasing Standards in the selection and evaluation of Novozymes' suppliers through Novozymes' quality management system, which manages all requirements and expectations applicable to Novozymes and pushes the relevant procedures out to the relevant employee groups. The Responsible Purchasing Standards cover various social and environmental aspects including respect for human rights and prevention of human trafficking.

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This statement is prepared and published pursuant to section 54 of the U.K. Modern Slavery Act 2015 and constitutes the slavery and human trafficking statement for Novozymes A/S for the financial year ending 31<sup>st</sup> December 2016.

The statement is approved by Novozymes' Executive Board registered with the Danish Business Authority.

Signed on behalf of  
Novozymes A/S  
Reg. address:  
Krogshøjvej 36  
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Denmark



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Date: **26<sup>th</sup> JUNE 2017**  
Name: Peder Holk Nielsen  
Title: President and Chief Executive Officer