Bribery: No thanks!
Novozymes’ business integrity principles

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Dear Zymers,

Business integrity and ethical behavior is embedded in how we do business and in our culture. We are the world leader in biological solutions and are committed to conducting business in a responsible, ethical, and transparent manner. We meet our stakeholders’ expectations of high business integrity standards across all our operations.

In this increasingly volatile and unpredictable world we face numerous challenges every day. According to the World Economic Forum, corruption is at the center of many of the world’s economic and political challenges, as it impedes economic growth, contributes to social inequality and obstructs innovation.

In Novozymes, we have a strong record of doing business with integrity and in compliance with the law. We also actively support a collective effort in working against corruption in all its forms. Novozymes has been a member of the United Nations Global Compact since 2001.

In this document you will find our seven business integrity principles which are inspired by and adhere to the UN Convention against corruption.

The document translates our values into practice and serves as a constant reminder of our commitment to the fight against all forms of corruption.

By following the business integrity principles in everything we do, we protect each other, and we protect Novozymes.

If you notice something inappropriate, I urge you to reach out to your manager, a Novozymes Business Integrity contact, your VP, me or another member of the Executive Leadership Team. You can also report your concern through the Novozymes Whistleblower system. The important thing is that you speak up.

I am confident that all of us in Novozymes will continue to do business in line with our strong principles and with integrity.

Ester Baiget Arnau, CEO
Bribery

We do not give or accept bribes

“Bribery creates unfair competition and a lack of transparency in the market. We have strict principles in this area aligned with our overall values and in accordance with the expectations of our stakeholders: We do not give or accept bribes.”

Ester Baiget Arnau, CEO
Bribery is illegal. Typically, it is about making use of shady methods to get ahead of competitors — often by passing money under the table.

Novozymes does not give or accept bribes.

**Fair competition**
Customers should buy our products because they are the best value on the market — not because we pay them to do so.

**Best at the price**
The same principle applies to purchasing. We choose the suppliers who can supply the best products at the most competitive price — not those who try to bribe us using shady methods such as offering money under the table.

**Gifts & Hospitality**
Excessive gifts and hospitality can be bribery in disguise. That is why we have a business integrity principle regarding this.

**Novozymes and our business partners**
Novozymes has a zero-tolerance towards bribery and corruption and we will only engage with business partners who share the same view.

No third party acting on Novozymes’ behalf shall be allowed to conduct business in breach of Novozymes’ business integrity principles.

**Where to draw the line**
If you have any doubt as to whether you are at risk of being bribed or of bribing others — or whether you may be giving others that impression — ask yourself whether you could openly tell a journalist or your colleagues what you have given or accepted. If the answer is no, then the act might be bribery, and you should not do it. If you are still in doubt, read the “What to do” section.
Facilitation payments
We do not make facilitation payments

“In parts of the world, facilitation payments are illegal and regarded as bribery, whereas in other parts of the world facilitation payments are widely used. In Novozymes, we prohibit facilitation payments in all parts of the world. Facilitation payments interfere with fair competition and undermine the trust in authorities.”

Graziela Chaluppe dos Santos Malucelli, COO & Executive Vice President, Operations, Supply & Quality
In some countries you may be confronted with requests to pay small additional fees to individual public officials to expedite public services such as the issuing of visas, business licenses and customs clearance — even if Novozymes legally has the right to such services without paying extra. These small additional fees are called facilitation payments.

At Novozymes, we do not pay facilitation payments

Say no to facilitation payments
Novozymes prohibits making such facilitation payments anywhere in the world, even in countries where it might not be prohibited by national law. In addition to not paying facilitation payments, you must never retain a third party to make a facilitation payment to a public official or enter into any transaction where you suspect a third party is making such payments.

Speed money can slow things down
Many people think that facilitation payments can help you obtain public services more quickly. This is why they are also called speed money. However, the opposite is often the case. When you make a payment, you turn yourself/the company into a target for more and greater demands and you keep an unfair system alive.

You may find that in the end the public service is not provided quicker and becomes more expensive. Furthermore, facilitation payments are prohibited by national law in a number of countries. This is why Novozymes prohibits facilitation payments.

Personal safety
Facilitation payments made to ensure the personal safety or freedom of an individual would not be considered a violation of these business integrity rules.

Notify your immediate manager and your regional head of corporate finance
Novozymes will help you deal with requests for facilitation payments. So, if you are requested for a facilitation payment, you must refuse to make the payment and notify your immediate manager and your regional head of finance as soon as possible. They will help you deal with the request - in a compliant way without paying the facilitation payment.
Money laundering

We do not assist in laundering money

“All money transfers to and from Novozymes must be transparent and traceable. If we suspect that our business partners use transactions with Novozymes to disguise the origin of their funds or to otherwise facilitate criminal or unethical activity, we stop the transaction.”

Lars Green, CFO & Executive Vice President, Finance, IT, Legal & Investor Relations
Money laundering is illegal. It makes money originating from criminal activities appear legitimate, for example, by using it to buy legal products such as ours.

Novozymes does not contribute to money laundering.

**Terrorism and drug trafficking**
Criminal activities associated with money laundering include terrorism, drug trafficking, smuggling, robbery, counterfeiting, tax evasion, and other illegal activities.

Novozymes is vigilant and proactive in the fight against money launderers.

**All financial transactions must be documented**
To help prevent money from criminal activities being laundered through Novozymes, all financial transactions between Novozymes and our business partners must be documented.

We need to understand the transactions we engage in in order to avoid being misused for money laundering.

**Suspicious accounts**
In order not to contribute to money laundering, we maintain appropriate measures to prevent financial transactions to and from accounts suspected to be involved in money laundering.

All suspicious activity relating to money laundering or illicit finance must be reported.
Protection money
We do not pay criminals for protection

“Novozymes rightfully has a reputation as a responsible company and we will not engage with business partners, who could damage this reputation. We choose our business partners carefully and we only pay for legitimate services received.”

Tina Sejersgård Fanø, Executive Vice President, Agriculture & Industrial Biosolutions
Any appreciable sum of money paid when criminals intimidate a company into paying in return for promising to “protect” the company’s property, confidential information, employees or employees’ families is called protection money.

At Novozymes, we do not pay protection money.

**Threats from the mafia**

Mafia, drug gangs and other criminals are the ones demanding protection money. They make more or less direct threats to damage a company’s products or property or, in the worst case, to cause harm to its employees, unless the company pays for their protection.

**Protection against hackers**

One form of protection money is where a computer hacker, through virus-infecting e-mails or USB sticks, is able to install malicious code in a company’s IT systems. This code, so-called ransomware, encrypts local files and makes them inaccessible. The hacker has thus taken the files “hostage” and demands a ransom to release it.

Novozymes does not pay such ransom. Instead we restore the files using back-up files of central systems. Novozymes has issued a Security Code of Conduct, which all employees must follow to protect the confidentiality and integrity of Novozymes’ data.

**Safe employees**

The reason we do not pay protection money is that we will not contribute to supporting criminal activities under any circumstances.

At the same time, it is of course important that Zymers and their families are not exposed to threats or harm due to working for Novozymes.

**Legal protection**

This is why we are prepared to pay professional companies to protect Novozymes’ property and employees if necessary. We can do this with a clear conscience, because these companies have a legal purpose, and they are not intimidating us into paying.
Gifts
We do not give or receive excessive gifts

“In some cultures, it is tradition to give business partners symbolic gifts to express gratitude or appreciation. In Novozymes, we recognize this, and we do allow giving gifts when appropriate and in accordance with local customs. However, gifts must never be used to influence someone personally in making a specific business decision.”

Anders Lund, Executive Vice President, Consumer Biosolutions
At Novozymes, we do not give or receive excessive gifts — and never cash. This is because we want to ensure independence and fair competition in the market.

However, it is of course fully acceptable to join a business partner for dinner or a drink, provided such events are at a reasonable level.

**No luxury holidays**
If, for example, a supplier offered us or our immediate family a luxury cruise, we would say, “No thanks.” Similarly, we do not invite our customers or their spouses to go on holiday with us at our expense.

If we receive excessive gifts from our suppliers, they might expect a new order or something else in return.

**On those rare occasions**
Sometimes, it may be customary and appropriate to give a gift. In such cases, the Zym must ensure that it is legal; that it cannot be perceived as a bribe or improper payment, and that it cannot reasonably affect any specific business transactions. Novozymes’ Policy for Gifts and Hospitality sets the standard for what is acceptable and what is not. You can find the policy on Zymernet under Business Integrity.

**Different limits**
The limits for gifts that you are allowed to give or receive differ according to where you are. Cultural traditions for giving and receiving gifts and hospitality vary greatly across the countries in which we operate. We take this into account in our Policy for Gifts and Hospitality, which is global, but has a few country-specific modifications.

**Ask your manager**
If you want to give or receive a gift that exceeds the local triviality limit, you must obtain the prior approval of your immediate manager. You must then notify your local finance manager. Use the template for Reporting Gifts. You can find it on Zymernet under Business Integrity.

**Gifts between employees**
When both giver and receiver are Novozymes employees, there is not the same risk of a conflict of interest or expectation of a favor in return. The giving of such gifts is therefore subject to a different set of rules maintained by People & Organization.
Political and charitable contributions

We do not give money to political parties, but we occasionally contribute to charities.

“Novozymes sometimes takes part in political debates. However, we do this with sound arguments supporting our point of view — not through economic support to political parties. When we donate to charities, we do it to support a good cause — not to buy influence or favors.”

Claus Stig Pedersen, Head of Global Sustainability & Public Affairs
Arguments rather than money
For Novozymes it is a matter of principle that we argue with words rather than money when we are trying to get our views across to political parties.

Similarly, we do not ask third parties to make political contributions on our behalf.

Industry organizations
Novozymes is a member of a number of industry organizations; this enables us to join forces with other companies in getting our views across. Some of these organizations have chosen to use a small part of their membership fee to make political contributions. We accept this, but we do not contribute if specific collections for political parties or political party candidates are organized.

Reporting
Donation to charity exceeding the triviality limit must be approved by a Vice President and subsequently brought to the attention of the local finance manager — use the template for Reporting Charitable Donations.

You can find more information and the template on Zymernet under Business Integrity.

Political contributions are money given to party-affiliated organizations or to individuals involved in party politics. At Novozymes, we do not make such contributions.

Charitable contributions are money given to a good cause. At Novozymes, we make such contributions from time to time, but never with the expectation of increasing sales of our products to the recipient.
“In Novozymes, we make professional business decisions, which follow our principles and values. That’s why we cannot allow private interests to impact our business decisions. Business partners and stakeholders trust Novozymes to act as a proper and professional business partner and not be guided by individual personal interests - and it must stay that way”.

Claus Crone Fuglsang, CSO, Executive Vice President, Research & Development
A conflict of interest is where an employee carrying out an activity in or making a decision for Novozymes has a private interest in such activity or decision.

This could be because such decision or activity affects a specific personal opportunity or financial benefit for the employee or his/her family or friends.

We must avoid conflicts of interest in Novozymes
When a Zymer is in a conflict of interest, we risk that the decisions made for Novozymes, do not serve Novozymes’ best interests but the private interest of the employee making the decision. Conflicts of interest can lead to bribery and corruption or the appearance of bribery and corruption.

We have a policy for identifying and managing conflicts of interest. You can find it on Zymernet under “Business Integrity”.

Family and friends
Conflicts of interest often relate to family and close friends. This is why we need to be particularly careful when doing business with companies owned by ourselves, family, friends or other personal relations; when recruiting candidates, making donations or whenever personal relations might interfere with our business judgment. Or it could appear that way.

Being transparent
All employees are required to disclose actual, potential or perceived conflicts of interest to their manager.

The manager is responsible for avoiding or mitigating the situation and should consult Legal or Finance if in doubt of what to do. Potential conflicts of interest cannot always be entirely avoided, however by being transparent, we ensure that the conflict can be appropriately resolved or mitigated. Also, the employee who potentially has a conflict of interest shows good faith by being transparent.
What to do

As an employee, you must follow Novozymes’ business integrity principles. This is a condition of your employment. By following the principles, you also support increased transparency and fairness in business — safeguarding your own reputation, that of your colleagues and that of Novozymes as a whole, and preventing bribery, corruption and other illegal activities.

You follow the principles by taking the following concrete steps:

1. **Read:**
   The principles in this document, and the Business Integrity page on Zymernet. Here you will find the references to Novozymes business integrity standard, the Global policy for gifts and hospitality and other rules and procedures, you need to know and follow.

2. **Ask:**
   If you have any doubt as to how the principles are to be understood, you can ask your regional head of Corporate Finance. In addition, you can also ask your manager, any Business Integrity Contact, the Chief Legal Compliance Officer or a colleague from Legal or People & Organization.

3. **Learn:**
   Participate in mandatory business integrity e-learning and other compliance trainings you are requested to complete and seek additional training when needed.

4. **Apply:**
   Once you have familiarized yourself with the principles, follow them in your daily work.

Be particularly aware of the following:

a. **Gifts and Hospitality:**
   If you consider it appropriate to give or receive a gift exceeding our defined limits you must get prior approval of your immediate manager, who shall make the assessment of whether the gift gives rise to business integrity concerns and only approve if it clearly does not. Subsequently, you must report the gift to Corporate Finance. The same applies to giving or receiving hospitality.

   Check our Global policy for gifts and hospitality on Zymernet.

b. **Facilitation payments:**
   If you are confronted with a request for facilitation payments (meaning small additional fees paid to individual public officials to expedite public services), you must refuse. Furthermore, you must notify your regional head of Corporate Finance and your immediate manager. You can use the template for Reporting Requests for Facilitation Payments, which you can find on Zymernet under Business Integrity.

c. **Charitable donations:**
   Check the approval and reporting requirements on Zymernet under Business Integrity.

d. **Business partners:**
   Business partners acting on Novozymes’ behalf must commit to follow similar principles for business integrity.

5. **Raise concerns:**
   If you have business integrity concerns, you must raise them.

   Go to your manager or to any of the Contacts on Zymernet under Business Integrity. You can also raise your concerns using Novozymes’ Whistleblower System. This can be done in total anonymity, if desired. You can find the Whistleblower System on www.novozymes.com under Contact and on Zymernet.

Thank you for your efforts!
About Novozymes

Novozymes is the world leader in biological solutions. Together with customers, partners and the global community, we improve industrial performance while preserving the planet’s resources and helping to build better lives. As the world’s largest provider of enzyme and microbial technologies, our bioinnovation enables higher agricultural yields, low-temperature washing, energy-efficient production, renewable fuel and many other benefits that we rely on today and in the future. We call it Rethink Tomorrow.

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