Bribery: No thanks!
Novozymes’ business integrity principles
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Business Integrity in Novozymes

At Novozymes, we behave responsibly. We take responsibility for the things we do, and we are open and honest about our actions. This is a clear promise to ourselves and to our stakeholders. Based on this promise, we contribute to eliminating corruption and the many negative effects it has on society globally.

According to the World Economic Forum, corruption is the single greatest obstacle to economic and social development around the world. It distorts markets, suppresses economic growth, undermines democracy and erodes the rule of law. Bribery and corruption are therefore illegal and subject to heavy fines and imprisonment.

Novozymes recognizes our corporate responsibility for helping to find effective ways of fighting corruption, wherever in the world it exists. Accordingly, Novozymes joined the United Nations Global Compact in 2001, and we actively support a collective effort in working against corruption in all its forms.

Increasingly, our customers also require that we — like them — can document that we are committed to preventing corruption and that we have implemented appropriate measures to prevent corruption in our business operations. Investors, legislators, and other stakeholders around the world expect this too.

At Novozymes, we already have a good record of doing business with integrity and in compliance with the law.

However, specific dilemmas might sometimes leave all of us with doubts.

Do you know where to find information about the limit for gifts that you are allowed to give or accept? Whether you are allowed to pay a small extra fee to get goods through customs quickly? Or whether you are allowed to make political contributions?

You will find the answers to all these questions in this booklet. It addresses our six business integrity principles.

These principles are important tools in the fight against corruption, helping us to avoid damaging our good reputation.

Novozymes cannot eliminate corruption alone. But we can assist in fighting this global problem by behaving responsibly. And that in itself is a big step towards a better world.

Novozymes, 2020
Bribery
We do not give or accept bribes

“Bribery creates unfair competition and a lack of transparency in the market. Like our customers, we want to compete on fair terms, and that is why we have strict principles in this area: We do not give or accept bribes.”

Andy Fordyce, Executive Vice President, Food & Beverages
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.

“Bribery is everywhere. More than six billion people live in a country with a serious corruption problem. Even though not all countries have serious corruption problems, not one single country, anywhere in the world, is corruption-free.”


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**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.

**Family and friends**

Bribery might also relate to our family and close friends. This is why we need to be particularly careful when doing business with companies owned by ourselves, our family or close friends. You must always notify your manager about a personal connection to a business relation. Then your manager must decide how to handle the situation to avoid a conflict of interest.

**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 risk 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. If you are still in doubt, read the “What to do” section at the end of this booklet.
Facilitation payments

We do not make facilitation payments

“In some 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.”

Thomas Videbæk, COO & Executive Vice President, Research, Innovation & Supply
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.

“Everybody does it” is one of the most dangerous phrases I know. It’s the theme song of cheat everywhere, including some of those involved in high-profile business scandals.”

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.

Notify your immediate manager and your regional head of corporate finance

Novozymes wants to help you deal with requests for facilitation payments. So, if you are confronted with a request for a facilitation payment, you must refuse to make the payment and notify your immediate manager and your regional finance director as soon as possible.

Your regional head of corporate finance will then, together with your immediate manager, provide assistance on how to deal with such a request without paying the facilitation payment.
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’ bank accounts are illegal, we stop the transaction.”

Lars Green, CFO & Executive Vice President, Finance, IT, Legal & Investor Relations
“The estimated amount of money laundered globally in one year is 2-5% of global GDP, or $800 billion — $2 trillion in current U.S. dollars. Though the margin between those figures is huge, even the lower estimate underlines the seriousness of the problem governments have pledged to address.”

United Nations Office on Drugs and Crime, 2016

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.

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

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.

Governments and banks involved in the fight
Many countries have implemented anti-money-laundering measures to prevent the financial system being used for the purpose of money laundering. The regulations aim at making it more difficult for criminals to deposit money obtained by illegal means.

They are based on the principle that the banks must know their customers. In order to make it easier to trace payments, there is also a legal requirement within the European Union that the recipient must specify an international bank account number and bank ID for international payment transfers.
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 & Bioenergy
integrity principles

that is necessary for the triumph of evil is that good men do nothing.

Edmund Burke (1729-1797)

This is a form of organized crime which costs companies worldwide several billion dollars each year. These hackers can often be tracked back to their supposed fingerprints, but the problem is that they are hard to trace. In addition, a computer screen anywhere in the world can be used to generate such information.

Novyzmes does not pay ransoms and instead we restore the files using backup. We must ensure that all employees follow the policies of Novyzmes, which include the confidentiality and integrity of Novyzmes data.

At Novyzmes, we do not pay protection money.

Legal protection prepared to pay obviously recognizes professional employees to protect Novyzmes' property and employees if necessary. We can do this with a clear conscience, because these companies have a legal purpose and because they are not intimidating us by paying protection money.

The reason we do not pay protection money is that employees or families called protection money.

“Any appreciable sum of money paid to intimidate a company into paying in return for promising to ‘protect’ the company’s property, confidential information, or employees or families is called protection money.

Safe employees

The worst threat is to cause harm in the worst case. To cause harm to its employees, unless the company pays for their protection.

Typically, people who pay protection money are the ones demanding protection money. They make more or less than people who pay for protection money.

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“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 occasionally 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, Household Care & Technical Industries
At Novozymes, we do not give or receive big gifts — and never cash. However, it is of course fully acceptable to join a business partner for dinner or a drink provided such events remain 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.

**Independence and fair competition**
This is because we want to help ensure independence and fair competition in the market. If we receive big gifts from our suppliers, they might expect a new order or something else in return.

The same applies if we give big gifts to our customers — they may think that we are expecting something in return.

**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.

**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.

You can find the policy on Zymernet under Business Integrity.

**Ask your manager**
If you want to give or receive a gift that exceeds the local triviality limit, you must obtain the approval of your immediate manager.

You must then notify your local finance manager. Use the template for Reporting Excessive Gifts. You can find it on Zymernet under Business Integrity.

**Olympic gifts**
The exchange of big gifts is perhaps one of the most widespread forms of corruption. Even the Olympic Games experienced this when it was revealed that three members of the International Olympic Committee had received gifts worth USD 600,000. The gifts were given by one of the cities competing to host the forthcoming Olympic Games. In return for the gifts, the three members had promised to support the city in the competition.
“Novozymes sometimes takes part in political debates. However, we do this through sound arguments supporting our point of view — not through economic support to political parties. When we occasionally donate to charities, we do it to support a good cause — not to buy influence or favors.”

Claus Stig Pedersen, Head of Corporate Sustainability Affairs
Political contributions are money given to party-affiliated organizations or to individuals involved in party politics. At Novozymes, we do not make contributions of this type.

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.

“Business must restrain itself from taking away, by its lobbying activities, what it offers through corporate responsibility and philanthropy.”

Kofi A. Annan, former United Nations Secretary-General: The Global Compact Leaders Summit Report

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 allowed
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.

Charity without expectations
When we give money to charity, we do so to support a good cause and to extend people’s knowledge of Novozymes. However, we never make charitable contributions in order to make the recipient buy our products.

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.
As an employee, you must follow Novozymes' business integrity principles. This is a condition of your employment. By following the principles, you can also help prevent corruption — safeguarding your own reputation, that of your colleagues and that of Novozymes as a whole.

You follow the principles by taking the following concrete steps:

1. **Read**: Start by reading about the principles in this booklet, and then continue with the Zymernet page titled Business Integrity.

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

3. **Follow the principles**: 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 monetary triviality limits (excessive), you are only allowed if you obtain the specific approval of your immediate manager and subsequently report it to Corporate Finance (your local finance manager). The same applies, if you consider it appropriate to give or receive hospitality, exceeding what is proportionate in the context of the business occasion. Check out our Policy for Gifts and Hospitality. In the policy, you will find the global monetary triviality limits and more elaborate guidance. You can find the policy and templates for reporting of excessive gifts and hospitality on Zymernet under Business Integrity.

   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 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**: If you consider it appropriate for Novozymes to give a donation to charity, 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.

4. **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 Function. This can be done in total anonymity, if desired.

   You can find the Whistleblower Function on www.novozymes.com under Contact.

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**Thank you for your efforts!**