

# **Novo Nordisk UK**

## **Anti-Tax Evasion Policy**

***Applicable to all employees in the UK business unit***  
**Effective Date: May 2019**

### Summary

This Policy summarises the procedures of Novo Nordisk to ensure all Novo Nordisk "associated persons", including employees and those acting on our behalf, do not facilitate Tax Evasion.

### Statement

Novo Nordisk is committed to conducting business honestly, professionally and with integrity. As such Novo Nordisk takes a zero-tolerance approach to Tax Evasion or the facilitation of Tax Evasion, whether under UK law or under the law of any foreign country. Novo Nordisk will uphold all laws relevant to countering tax evasion, including the UK Criminal Finances Act.

### Purpose & Scope

The purpose of this Policy is to set out the expectations with regards to our employees and third parties acting for or on Novo Nordisk's behalf, and to provide guidance on how to recognise and avoid helping others evade tax. Breach of laws relevant to countering tax evasion can lead to criminal liability, including the prosecution of individuals, imprisonment, unlimited fines and reputational damage.

This policy is only intended to familiarise you with Novo Nordisk's expectations and some of the legal issues relevant to compliance with laws relevant to countering tax evasion, including the UK Criminal Finances Act. Questions concerning specific transactions, scenarios or payments should be directed to the Finance & Operations Director.

This Policy applies alongside the Novo Nordisk Business Ethics Code of Conduct.

### What are the roles and responsibilities?

This Policy applies to all directors, officers, employees, secondees and agency staff (whether temporary, contract or permanent) (the "employees") of any Novo Nordisk company, entity, business unit, or branch).

It is Novo Nordisk's expectation that anyone doing business or performing services for or on behalf of Novo Nordisk in any capacity (including, but not limited to, agents, consultants, contractors, sub-contractors, representatives, advisors, suppliers, distributors) wherever located (collectively referred to as "Third Parties"), will conduct themselves in accordance with laws relevant to countering tax evasion and the principles of this Policy. Behaviour which breaches or runs counter to the principles in this Policy may lead to prosecution, severe penalties and termination of contracts and relationship with Novo Nordisk.

Each employee is held accountable for full compliance with this Policy. Non-compliance will result in termination, disciplinary or other actions against employees as appropriate in accordance with relevant laws and/or Novo Nordisk's internal policies and regulations.

When necessary, specialised training will be provided to Employees with significant compliance responsibilities or in high risk functions. Notwithstanding such training, it is the responsibility of each Employee to review and ensure they understand the principles of this Policy.

### What is Tax Evasion

Tax evasion means deliberately or dishonestly cheating the public revenue or fraudulently evading UK or overseas tax.

### What is the Facilitation of Tax Evasion?

Tax evasion facilitation means being knowingly concerned in, or taking steps with a view to, the fraudulent evasion of tax (whether UK tax in a foreign country) by another person, or aiding, abetting, counselling or procuring the commission of that evasion. Tax Evasion facilitation is a criminal offence.

Novo Nordisk will be liable under the new offence of failing to prevent the individual or entity, who was acting for or on behalf of Novo Nordisk at the time, from committing the facilitating of Tax Evasion, unless it can demonstrate that it had reasonable prevention procedures in place.

Novo Nordisk does not have to have deliberately or dishonestly facilitated the Tax Evasion itself, the fact that an 'associated person' has done so creates the liability for Novo Nordisk.

### Our Commitment

Novo Nordisk is committed to the following principles:

- We will never buy any product or service from any supplier where it is known or suspected that any aspect of the transaction is being misused, abused or otherwise corrupted for the purposes of Tax Evasion.
- To immediately terminate any agreement or business relationship as soon as the company learns of or suspects Tax Evasion may be taking place.
- To not progress any business opportunity where there is any suspicion that any aspect of it may involve Tax Evasion.
- To avoid doing business with others who do not also commit to holding these same standards in respect of preventing Tax Evasion.

### Responsibilities of all Employees and other Associated Persons of Novo Nordisk

No Employee or Third Party when acting for or on behalf of Novo Nordisk may either evade tax, facilitate tax evasion by another person (including another NN entity, or provide assistance to anyone who they know or suspect is engaged in tax evasion. The principle applies regardless of what the tax is, extending to all direct and indirect taxes. It also applies irrespective of the location of the Employee or Third Party or the other person and notwithstanding that the person may not actually succeed in evading tax.

This Policy and Novo Nordisk's zero-tolerance approach to tax evasion must be communicated to all third parties at the outset of the business relationship and as appropriate after that.

## Prevention Through Vigilance

There is not an exhaustive list of Tax Evasion opportunities. At a more general level, the best defence against Tax Evasion and facilitation of Tax Evasion remains the vigilance of our employees and associated persons and the adoption of a common-sense approach supported by our clear whistleblowing procedure.

In applying common sense, employees must be aware of the following:

- Is there anything unusual about the manner in which an associated person of Novo Nordisk is conducting their relationship with the Company or the third party?
- Is there anything unusual about the customer's or associated persons conduct or behaviour in your dealings with them?
- Are there unusual payment methods?

Employees and Third Parties should be alert to any signs (or "red flags") that third parties are looking to or are actually evading tax in their dealings with Novo Nordisk. If you have cause to suspect this, or encounter any of these red flags, you must report them promptly using the process described in section **How to raise a concern**.

Examples of potential "red flags" that may indicate potential Tax Evasion and the potential facilitation of Tax Evasion are set out in **Appendix 1**. This list is not intended to be exhaustive.

## How to Raise a concern

Any employee who has any concerns or suspicions of any intention that another employee or associated person is attempting to, or you are asked to assist another person, facilitate or commit Tax Evasion (whether UK tax or tax in a foreign country), should raise any question or concern at the earliest possible opportunity with their line manager, the Finance & Operations Director, or via the company's compliance Hotline, where employees may anonymously report their concerns.

To report a concern to the compliance hotline, click on this [link](#), or alternatively call **00800 1777 999** from the UK.

All matters raised will be dealt with in strict confidence and you will not suffer any adverse consequence for refusing to engage in the facilitation of Tax Evasion or for reporting, in good faith, instances in which you suspect that this Policy has been breached, even if this may result in Novo Nordisk losing business.

If you are an associated person of Novo Nordisk but not an employee, you are asked to raise the issue both through your company's reporting procedures and with your most senior contact at Novo Nordisk.

## What Happens if an Employee Prefers, For Commercial Reasons, Not to Report their Suspicions

This should never happen. If there is any suspicion of any intention to evade tax and the transaction is nevertheless finalised, Novo Nordisk can be charged with a criminal offence, bringing in the risks of an unlimited fine and reputational damage.

## Risk Assessment

Novo Nordisk has conducted a review of its risks and associated processes and procedures to ensure that all appropriate steps are taken to prevent the facilitation of Tax Evasion. It maintains a register of possible risks of the facilitation of Tax Evasion by employees and associated persons, as well as listing controls to mitigate those risks, and

any actions required to improve those controls. This register will be regularly reviewed and updated, as and when required.

### Publication of Guidance

The company regularly reviews guidance, legislation and the operation of this Policy to ensure it is suitable, adequate and effective to address the risk of facilitation of Tax Evasion and may make changes to this Policy from time to time in orders to address any risks identified or any concerns reported to it. Within that review it will consider appropriate training for all employees.

### Disclaimer

This Policy and procedures set out above are not contractually binding. Novo Nordisk reserves the right to amend this Policy at any time.

### Change Log

| <b>Effective date</b> | <b>Reason for revision</b> | <b>Responsible</b> |
|-----------------------|----------------------------|--------------------|
| May 2019              | Policy launched            | MKW                |

## **Appendix 1; Potential Risk Scenarios – “Red Flags”**

*The following is a list of red flags, that may arise while working for Novo Nordisk, either as an employee or an 'associated person', which may raise concerns related to Tax Evasion or the facilitation of Tax Evasion.*

*The list is not intended to be exhaustive and is for illustrative purposes only.*

*If you encounter any of these red flags while working for Novo Nordisk, you must report them promptly following the reporting procedures described above:*

1. A supplier request that payment is made to a country or geographic location different from where the third party is understood to reside or conducts business, or to a jurisdiction which does not impose tax or could be regarded as a tax haven, particularly to locations with a low tax jurisdiction;
2. A supplier asks to be paid into an offshore bank account without good reason, indicating that this will mean the payment is not subject to applicable tax.
3. You receive an invoice from a supplier that is addressed to a different entity that did not provide the services directly;
4. You receive an invoice from a supplier that has changed the description of the services rendered on the invoice with no explanation in a way that seems designed to obscure the nature of the services provided;
5. You receive an invoice from a supplier that appears to be non-standard or customised;
6. You notice that we have been invoiced for payment (e.g. a commission or fee payment) that appears too large or too small, given the service stated to have been provided;
7. You become aware, in the course of your work, that a supplier has deliberately failed to account for VAT on an invoice;
8. You collude with a supplier to artificially document services supplied to Novo Nordisk as outside the scope of VAT so that the supplier could evade paying the VAT liability on their services;
9. You become aware, in the course of your work, that a supplier who is to be engaged to work for us as an employee asks to be treated as a self-employed contractor, but without any material changes to their working conditions;
10. A supplier requests or requires the use of an agent, intermediary, consultant or supplier that is not typically used by or known to Novo Nordisk.
11. A supplier requests payment in cash, refuses to sign a formal agreement, or fails to provide an invoice or receipt for the payment made.
12. A supplier insists on the use of side letters, refuses to put terms agreed in writing, or asks for contacts or other documentation to be backdated.