PRINCIPLE 10: BUSINESSES SHOULD WORK AGAINST ALL FORMS OF CORRUPTION, INCLUDING EXTORTION AND BRIBERY

Novozymes' management systems, commitments, and positions	Novozymes' approach in 2010	Reference to GRI G3 performance indicators
Touch the World ● Vision, values, and company idea ● Support for the United Nations Global Compact Financial and legal policy Purchasing policy Social responsibility policy Position on business integrity Position on responsible purchasing	**Scope and approach** The ground rules for Novozymes' business conduct are described in Touch the World, providing the general direction, and in our policies and standards, providing the foundation for conducting our business operations responsibly. Novozymes has a corporate management standard on business integrity, outlining six business integrity principles and a business integrity management system. The former clarifies our business integrity principles covering bribery, facilitation payments, money laundering, protection money, gifts, and political and charitable contributions, while the latter provides employees with the possibility of seeking guidance and anonymously raising concerns about potential breaches of the principles. Read more about **Business ethics and anticorruption** on novozymes.com **Responsibilities** A committee on business integrity consisting of vice presidents from our Finance, Legal, and Sales & Marketing departments follows up on training, handles reporting of business integrity-related matters, and responds to guidance requests from employees. These issues are reported to the Sustainability Development Board, consisting of vice presidents from all business units, on a semiannual basis. Furthermore, material business integrity matters are reported to the Audit Committee quarterly. Read more about the responsibilities of the Committee on Business Integrity. **Activities** ***Mandatory training*** All Novozymes' employee groups receive mandatory training in Novozymes' business integrity principles. Furthermore, all new employees are given the booklet Bribery – No Thanks!. In order to further strengthen knowledge of business integrity, Novozymes has developed a web-based training program which guides the employee through a series of case examples, confronting the employee with business integrity-related dilemmas. Between December 2009 and December 2010, all employee groups have completed this training. Read more about **Bribery - No Thanks!** on novozymes.com ***Guidance and advice given regionally and at corporate HQ*** All employees have access to guidance on business integrity-related matters from either their immediate managers, the HR department (called People & Organization at Novozymes), or the legal department. Events that are perceived to conflict with Touch the World (vision and values) or our policies and standards can be reported to the global ombudsperson – Novozymes' appointee to investigate such complaints. Employees are required to report facilitation payments and excessive gifts given or received. ***External whistleblowing mechanism*** All employees have access to guidance and the opportunity to raise	SO 2 SO 3 SO 4 SO 5 SO 6

concerns anonymously regarding business ethics-related issues, including possible breaches of our integrity principles. Novozymes' Ethics Hotline is hosted by an independent third party in order to ensure a straightforward, confidential, secure, and convenient way of reporting. All incoming reports will be forwarded to Novozymes' General Counsel for review and investigation.

Business integrity principles covering suppliers
Novozymes' business integrity principles are part of our approach to responsible purchasing and accordingly, they are included in the sustainability evaluation of supplier performance. Suppliers are evaluated on the basis of whether they prevent corruption and bribery from taking place in any aspect of their business operations. In cases of noncompliance, suppliers are addressed with an action plan as well as ongoing follow-up. All new suppliers must live up to our standards to establish a partnership.

Read more about our
Supplier program
on novozymes.com

In 2010, 90% of total purchase spend was covered by the approach, and significant suppliers have been screened on business integrity and sustainability issues. The target was to develop action plans for noncompliant suppliers in order to improve performance. This has led to 168 action plans with the majority resulting in dialogue with suppliers to resolve commercial, quality, and sustainability issues.

One potential new supplier was disqualified for approval due to issues related to bribery. Further sustainability assessment training of purchasers and auditors is planned in 2011.

As part of an internal initiative to further increase awareness of responsible purchasing and the need for the organization to use approved suppliers, employees from various parts of the business attended a post-workday event. The event was held by the Sourcing department and featured Mads Øvlisen, a UN Global Compact board member.

Please refer to Principle 2 for scope and general approach regarding Novozymes' supplier performance management system.

Corporate citizenship
Novozymes has developed a code of conduct for corporate citizenship and sponsorships outlining the optimal areas for our sponsorships and contributions globally. The code of conduct aims at guiding our efforts globally, while still granting local sites a high level of flexibility to engage in local activities. Currently, Novozymes does not report externally on spend on corporate citizenship activities and sponsorships.