



Statement on Act Relating to Enterprises' Transparency and Work on Fundamental Human Rights and Decent Working Conditions - Transparency Act (Norway)

## **DUE DILIGENCE ACCOUNT**

for Elanco Denmark Aps. and Elanco Norway Branch Office

pursuant to the Transparency Act (*åpenhetsloven*) of 2021 or  
*Lov om virksomheters åpenhet og arbeid med grunnleggende menneskerettigheter og anstendige arbeidsforhold*  
for the financial year ended 31 December 2022

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*As a global U.S. publicly traded animal health company, Elanco works in a complex legal and regulated environment. Elanco employees, together with its suppliers and third parties, have a shared responsibility to act legally, ethically and abide by the Elanco values of **Integrity, Respect and Excellence.***

### **TRANSPARENCY ACT STATEMENT**

This statement is made pursuant to the Transparency Act (Norway), which entered into force on 1 July 2022 ("Act"). The Act shall promote enterprises' respect for fundamental human rights and decent working conditions in connection with the production of goods and the provision of services and ensure the general public access to information regarding how enterprises address adverse impacts on fundamental human rights and decent working conditions.

In compliance with this law, Elanco will publish an annual statement describing the steps taken to ensure safeguarding of fundamental human rights and decent working conditions.

### **REPORTING ENTITY AND STRUCTURE**

This statement is made on behalf of each of the following private limited Danish company with inclusion of its Norwegian branch office, of which the Danish entity is the reporting entity for the financial year ending 31 December 2022:

- **Elanco Denmark Aps**, with Danish company registry number 39640163 and located at Lautrupvang 12, 1.th. 2750 Ballerup, Denmark;
- **Elanco Norway Branch Office**, with Norwegian company registry number 921 270 348 and located at Solheimsgaten 18, 5058 Bergen, Norway.

Elanco Norway Branch Office is a branch office fully owned by Elanco Denmark Aps. Elanco Denmark Aps

together with its Elanco Norway Branch Office is the only Norwegian Elanco group legal entity (together referred to as “Elanco Norway”).

## ELANCO GROUP OPERATIONS

Elanco Norway is part of the Elanco group of companies (“Elanco”), with the ultimate parent company being Elanco Animal Health Incorporated. Elanco is headquartered in Indiana, United States (“US”) and Elanco Animal Health Incorporated is listed on the New York Stock Exchange (NYSE: ELAN).

Elanco is a global leader in animal health dedicated to innovating and delivering products and services to prevent and treat disease in farm animals and pets, creating value for farmers, pet owners, veterinarians, stakeholders, and society as a whole. With nearly 70 years of animal health heritage, Elanco is committed to helping its customers improve the health of animals in their care, while also making a meaningful impact on local and global communities. Elanco distributes its products to veterinarians, retailers, wholesalers and distributors, food animal producers and pet owners in over 90 countries, including Norway.

Upholding and advancing internationally recognized human rights across Elanco’s global operations and supply chain is central to Elanco’s mission of improving the health of animals, benefiting its customers and strengthening its communities.

Elanco’s Healthy Purpose™ – Elanco’s global approach to sustainability and managing its most important environmental, social and governance (ESG) issues – is a framework of commitments and actions built on four interconnected pillars: Healthier Animals, Healthier People, Healthier Planet and Healthier Enterprise. These pillars represent the areas Elanco believes are most important to its customers, employees, investors and other stakeholders. Elanco is driving a Healthier Enterprise by managing its environmental footprint and integrating the management and oversight of ESG issues – including human rights and modern slavery – throughout its operations. More information can be found at [www.elanco.com](http://www.elanco.com).

Elanco’s four main areas of business are:

- **Companion Animal Disease Prevention:** Vaccines and parasiticide products that protect pets (dogs and cats) from various parasites, including worms, fleas and ticks;
- **Companion Animal Therapeutics:** Pain and osteoarthritis products including treatments for otitis (ear infections), as well as cardiovascular and dermatology indications;
- **Food Animal Ruminants & Swine products:** Food animal products (including vaccines, antibiotics and parasiticides) used in ruminant (beef and dairy cattle and sheep) and swine production;
- **Food Animal Future Protein & Health:** Vaccines, parasiticides, functional nutritional health products (enzymes, probiotics, and pre-biotics) and animal-only antibiotics used in poultry and aquaculture production.

Elanco owns and operates manufacturing facilities located in various countries, currently including the US, France, Germany, China, Canada, Taiwan, New Zealand, Vietnam, Korea, Mexico and Brazil. Additionally, Elanco has external contracted manufacturing suppliers in many countries.

## ELANCO NORWAY'S OPERATIONS AND SUPPLY CHAIN

Elanco Norway was established as part of its previous parent, Eli Lilly and Company group of companies. Elanco Norway markets and distributes animal health products (and related services) in Norway, as follows:

**Marketing and Distribution:** Elanco Norway markets and distributes a wide range of animal health products in Norway primarily for farm animals - sheep, beef cattle, dairy cattle, pigs, and poultry; and companion animals - primarily cats and dogs.

Additionally, Elanco Norway markets and distributes vaccines for aquaculture – salmon production through its authorized wholesalers and distributors in Norway.

**Manufacture and Supply Chain:** Elanco does not itself manufacture products in Norway. Many of the Elanco products sold in Norway are manufactured in other countries, including in the US, Canada, Europe and Asia Pacific, by either Elanco owned sites or external contracted manufacturer sites.

## RELEVANT ACTIONS AND PRACTICES IN ELANCO NORWAY'S OPERATIONS AND SUPPLY CHAINS

Elanco sets out, on its public website, an outline of its approach to sustainability (refer: [www.elanco.com/en-us/sustainability](http://www.elanco.com/en-us/sustainability)) including through the publication of Elanco's annual ESG Report (refer: [2021 ESG Report](#)- published August 2022) and an outline of its Ethics and Compliance program (refer: [Ethics & Compliance \(elanco.com\)](http://ethics.compliance.elanco.com)).

In our commitment to respect fundamental human rights and decent working conditions, Elanco takes modern slavery risks seriously. We set out below the steps Elanco takes (or, where noted, intends to take in the near future) to identify and mitigate risks of modern slavery in its operations and associated supply chains and to assess the effectiveness of same:

### **General**

**Laws and regulations:** As a business with global operations, Elanco is committed to acting legally and ethically, following the laws, regulations, policies, and procedures that govern Elanco's business in all locations in which Elanco operates. Likewise, Elanco's contracts with third parties typically contain provisions by which each party undertakes to comply with (on a continuous basis) all applicable laws and regulations, and Elanco typically ensures that it has customary rights to audit third party supplier's compliance with such obligations.

**Reporting:** Elanco's approach to human rights is outlined in its annual [ESG disclosures](#). In required jurisdictions, including Australia, Norway and the United Kingdom, Elanco also files annual modern slavery statement(s) or report(s) explaining how Elanco addresses modern slavery risks. Material human rights risks are identified in [additional corporate disclosures](#), filed with the United States Securities and Exchange Commission – or as required by other jurisdictions. Additionally, Elanco submits various reports to

regulatory authorities, as required, including, where applicable, in relation to employment practices and conditions, such as reporting on gender pay equity.

### **Suppliers & other Business Partners**

**OECD guiding principles:** Elanco adheres to the OECD guiding principles for human rights and expects all of its business partners to abide by such guidelines and local laws, when applicable, regarding modern slavery, child labour, forced labour and other rights.

**Pharmaceutical Supply Chain Initiative:** Elanco is a member of the Pharmaceutical Supply Chain Initiative (“PSCI”) organization. Through Elanco’s membership, Elanco is committed to furthering responsible supply chain management and sustainable business practices across Elanco’s network of Elanco facilities and its external key suppliers.

The PSCI Principles for Responsible Supply Chain Management articulate what the industry expects from the supply chain. The PSCI Principles address five areas of responsible business practice: ethics, labour, health & safety, environment, and management systems. In each area, the PSCI Principles set out the relevant practices any business operating within the pharmaceutical supply chain is expected to uphold. The human rights and labour principles cover: freely chosen employment; no child labour; legal treatment of young workers; non-discrimination; fair treatment; wages, benefits and working hours; and freedom of association.

Elanco requires that its external contracted manufacturers and active pharmaceutical ingredient suppliers comply with the PSCI Principles for Responsible Supply Chain Management in their facilities. Elanco’s standard supply contracts commonly contain commitments to support the PSCI Principles and this includes the potential for on-site assessment to verify adherence to various PSCI Principles.

**Business Partner Code of Conduct:** Elanco has a globally applicable Business Partner Code of Conduct (“**Business Partner Code**”), which provides both suppliers and third parties working on Elanco’s behalf a set of expectations when conducting Elanco business. The Business Partner Code is publicly available at [www.elanco.com.en-us/suppliers](http://www.elanco.com.en-us/suppliers) - and is published in ten different languages.

The Business Partner Code provides that Elanco’s third-party business partners are responsible for ensuring their employees are aware of and comply with the Business Partner Code. It also provides that Elanco’s third-party business partners hold their own suppliers and other third parties to the same standards.

The Business Partner Code provides that: *“Elanco adheres to the OECD guiding principles for human rights and expects all business partners to abide by these guidelines and local laws, when applicable, regarding modern slavery, child labor, forced labor and other rights.”*

Through contractual provisions, Elanco requires its third-party business partners to abide by its Business Partner Code. Elanco Norway’s suppliers are referred to the Elanco supplier website (which houses the Business Partner Code) on Purchase Orders issued to suppliers.

**Third party due diligence:** As part of Elanco’s anti-corruption and third-party management program, Elanco is committed to compliance with anti-corruption and anti-bribery laws globally. Elanco conducts anti-corruption due diligence (**ACDD**) on third parties with whom Elanco does business that meet certain pre-determined criteria. ACDD helps Elanco ensure the third party is trustworthy and shares a

commitment to doing business the right way. Elanco utilizes a robust third-party management system solution to manage this process. The system is designed to mitigate risk by identifying potential “red flags” that may signal issues related to corruption, before such in-scope suppliers are onboarded and during the course of Elanco’s contracted business relationship. Additionally, Elanco is in the process of onboarding an additional third-party platform to support Elanco in monitoring topics such as human rights and modern slavery.

**Reporting of Concerns:** Elanco has an *IntegrityLine* which is published in its Business Partner Code, Elanco website ([www.elanco.com](http://www.elanco.com)), and Elanco Supplier Portal ([www.elanco.com/en-us/suppliers](http://www.elanco.com/en-us/suppliers)). Elanco’s business partners are encouraged to contact the *Elanco IntegrityLine* if they observe actions which are not aligned with Elanco’s commitments and the commitments required of its business partners or if they have any questions or concerns. Elanco’s *IntegrityLine* is a convenient, confidential and anonymous way for employees, contractors or suppliers to report issues, concerns or behaviors that could harm Elanco or those Elanco serves. The *IntegrityLine* is available 24 hours a day, 7 days a week, and translation services are available in most languages. When a concern is reported, Elanco has an established process to investigate those concerns. Elanco does not tolerate any form of retaliation against individuals who report a concern or those who participate in an investigation.

**Specialist functions and auditing:** Elanco has global specialist functions including Ethics & Compliance, ESG, Legal, Health, Safety & Environment (**HSE**) and Quality who provide specialist advice and guidance to the Elanco business and its employees. Some of these functions conduct both internal audits and external audits and inspections of key suppliers. In addition, due to the highly regulated business in which Elanco operates, Elanco and many of its suppliers are audited and/or inspected by relevant authorities. Elanco also has an internal audit function which audits its own functions and processes.

## ***Employees***

Elanco fosters a culture of integrity and doing the right thing in the right way.

Elanco adheres to applicable local employment and labour laws and requirements in respect of all its employees and commonly offers additional benefits and support to employees, their families, and their communities.

As noted above, many of Elanco products sold in Norway are manufactured by Elanco-owned and operated manufacturing sites. In all these sites, as well as shared service centre sites operated by Elanco, Elanco adheres to applicable local employment and labour laws and requirements.

**Employee Code of Conduct:** Elanco has an employee Code of Conduct which is both publicly available on Elanco’s website [www.elanco.com](http://www.elanco.com) (refer: [Elanco Code English.pdf](#)) and made available to all employees through the Elanco intranet. Elanco’s Code of Conduct guides employee decision making and relationships, establishes Elanco’s behavioral expectations and sets the high standards against which performance is measured. The Code states that “*We are committed to acting legally and ethically, following the laws, regulations, industry codes, policies and procedures that govern our business. We apply good judgment and we seek help when we’re not sure of the right thing to do*”

**Training:** Elanco carries out regular staff training, including through in person, virtual, recorded and online training courses that are required to be completed regularly and continues to review training options. This includes Code of Conduct training which includes a lesson on Respecting People (covering human rights, including forced labour) and Speaking Up. The Code of Conduct training is offered in multiple languages and is mandatorily required to be completed by all Elanco employees on an annual basis.

**Reporting of Concerns:** As noted above, Elanco has *IntegrityLine*, a convenient, confidential, and anonymous reporting line. As well as being available to Elanco's business partners, it is also available to Elanco employees and contractors who are encouraged to report any known or suspected violation of Elanco's Code of Conduct, policies, procedures or laws that regulate Elanco's business - without fear of retaliation. Elanco employees can also report to their manager, Human Resources, Ethics & Compliance or Legal. No Elanco policy or procedure prohibits Elanco employees from reporting potential violations of any federal law or regulation to any government agency.

## **POTENTIAL RISKS OF MODERN SLAVERY PRACTICES IN ELANCO NORWAY'S OPERATIONS AND SUPPLY CHAINS**

As outlined in this Statement, Elanco implements comprehensive actions and practices to respect fundamental human rights, decent working conditions and address potential risks of modern slavery in Elanco's operations and supply chains. As such, Elanco considers the risk of modern slavery occurring in Elanco's own business to be low.

Elanco purchases raw materials (including pharmaceutical ingredients, excipients, and other components such as packaging materials), finished products and services from an extensive supply chain (including external contracted manufacturers) around the world. In some cases, Elanco Norway may be multiple tiers away from third party suppliers. Although Elanco expects its suppliers to source materials, products and services responsibly, and expects them to conduct due diligence regarding their own sourcing, Elanco acknowledges that any multi-tiered global supply chain presents possible risks of modern slavery due to significant reach and complex structure, including suppliers operating from a range of countries including those with varying employment and labour laws, ranging from developing to mature employment and labour standards and practices. Suppliers who operate in jurisdictions which have developing employment and labour practices may have an increased risk of modern slavery practices if they follow such local employment and labour practices.

As noted above, Elanco is in the process of on-boarding a third party platform (provided by a market leading third party supplier) to support Elanco in conducting a comprehensive and ongoing risk evaluation across a range of ESG topics, including modern slavery, in its operations and supply chains. This will enable Elanco to comprehensively identify potential risks so Elanco can incorporate the results of such risk analyses into Elanco's relevant business processes, in particular in Elanco's supplier management system. Where risks are identified, Elanco intends to implement suitable corrective and/or preventive measures with respective suppliers and third party business partners. Elanco anticipates conducting an initial analysis of industry and country specific risks across a wide range of ESG topics (including modern slavery), which is anticipated to be conducted in late 2023. This will be followed by formal supplier and third party business partner risk analysis in 2023.

## ASSESSING EFFECTIVENESS & FUTURE ACTIONS

Elanco is aware that conducting human rights due diligence across both its own business operations and across its supply chain is an ongoing process. Elanco will continue to review, develop and evolve its efforts in this area, with a goal of continuous improvement. As part of this evolution, Elanco will (amongst other things) consider what further steps should be taken with regards to assessing the effectiveness of its actions regarding prevention of modern slavery in its supply chain. This includes matters such as:

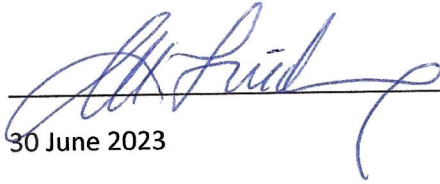
- Elanco is in the process of establishing a formal human rights program, including a global human rights policy, an executive oversight committee and a core program team including representatives from Elanco's ESG, Legal, Ethics & Compliance, HSE, Procurement, Supply Chain functions.
- Elanco is working towards further evolving its supplier due diligence processes, including with regards to human rights. In 2023, Elanco expects to implement an enhanced Supplier Code of Conduct and third-party due diligence platform (refer above). Elanco will use information gained from this platform to further assess risks, monitor expected practice, identify deficiencies and to inform targeted engagement on issues including human rights and modern slavery.
- Elanco will continue to monitor and investigate relevant complaints made to Elanco's *IntegrityLine* compliance hotline and through other grievance mechanisms. Trends resulting from investigations will continue to be reported through to Elanco's global Investigations Oversight Committee. Complaints to regulators are (and will continue to be) reported on internally via a formal notification to senior management (including legal) process.
- Elanco will continue to review, benchmark and evolve its Ethics and Compliance program.
- Elanco is in the process of reviewing its procurement template contracts and, as part of this process, will be updating them to ensure they contain appropriate provisions regarding modern slavery, human rights, and sustainability (including related audit and monitoring rights).
- As human rights standards and laws continue to evolve, including the introduction of new or enhanced modern slavery and/or human rights legislation, Elanco will continue to monitor and keep abreast of legal developments in this area (and in the wider area of anti-corruption) and continue to review its actions to ensure it remains compliant with its legal obligations.
- Elanco will continue to ensure that its personnel in relevant functions are trained in modern slavery legislation and human rights requirements including awareness of risk and appropriate decision making and action.
- As outlined above, Elanco requires its supplier sites to confirm their compliance with Elanco's standards (including those set out in its Business Partner Code of Conduct and the PSCI Principles), which include standards on human rights.
- Elanco publishes an annual ESG Report and a collection of issue briefs addressing Elanco's oversight and managerial approach to Elanco's most important ESG topics – including human rights and a responsible supply chain – refer: <https://www.elanco.com/en-us/sustainability/esg>.

## **PROCESS AND APPROVAL**

This statement is made pursuant to the Transparency Act (Norway) and constitutes the due diligence account for both Elanco Norway Branch Office and Elanco Denmark Aps. for the financial year ending 31 December 2022. This Statement was produced in consultation with key functions and key leaders within Elanco.

Anna Karin Lindberg, Director  
**Elanco Norway Branch Office**

**Elanco Denmark Aps.**



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30 June 2023