

Mobility in Novo Nordisk, A Point of View



EC and EESC, Finland, 2006

Agenda

- Facts about Novo Nordisk
 - Sales
 - Employees
 - People Strategy
- Mobility in Novo Nordisk
 - Global People Mobility
 - Figures
 - Trends
- Issues/challenges in Europe
 - Issues
 - Enablers
 - Challenges

Facts about Novo Nordisk

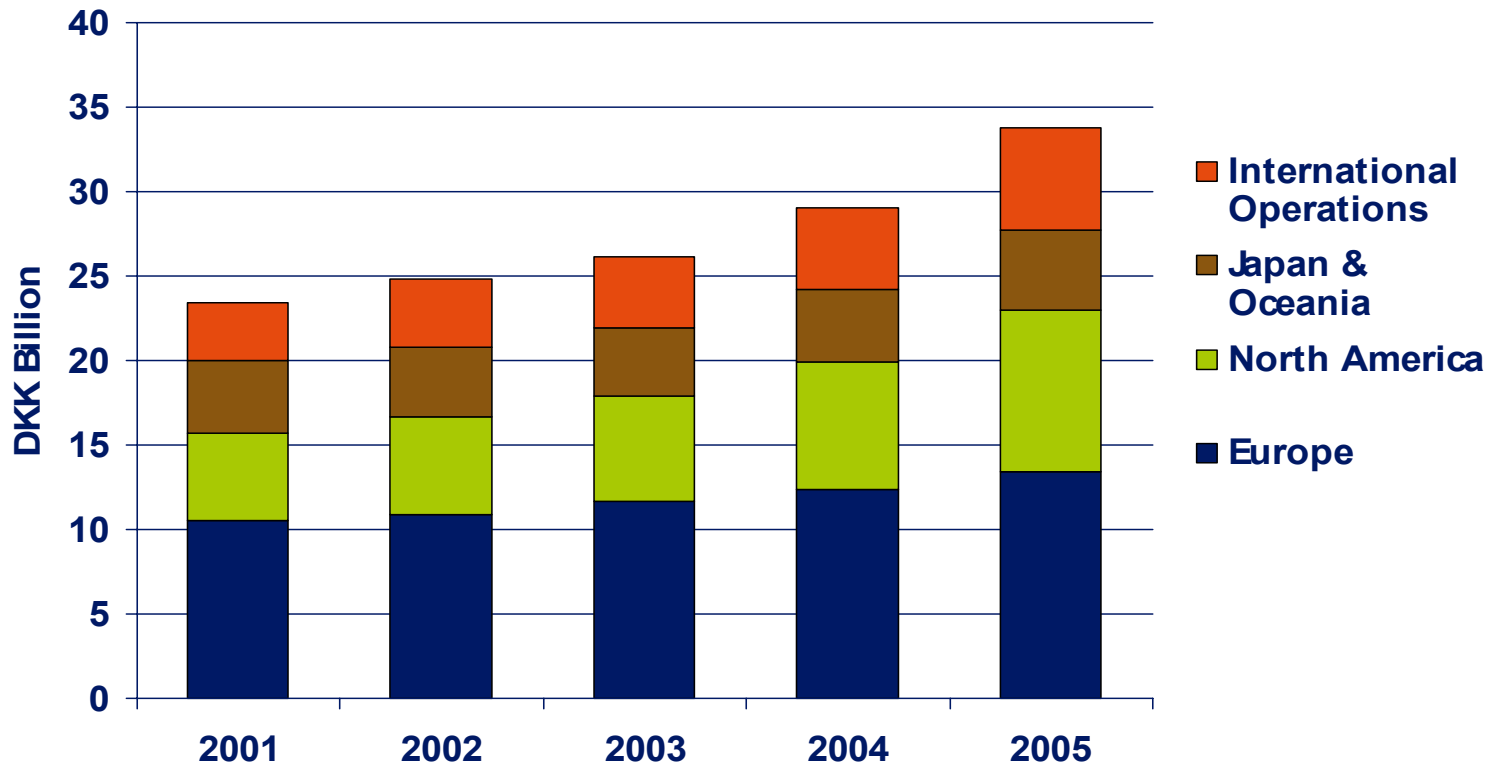
- A world leader in diabetes care since 1923
- Leading position in:
 - Haemostasis management
 - Growth hormone therapy
 - Hormone replacement therapy
- Total net turnover (2005): 33.7 billion DKK (4,5 billion Euro)
- R&D spent (2005): 5 billion DKK
- Committed to environmental and social responsibility



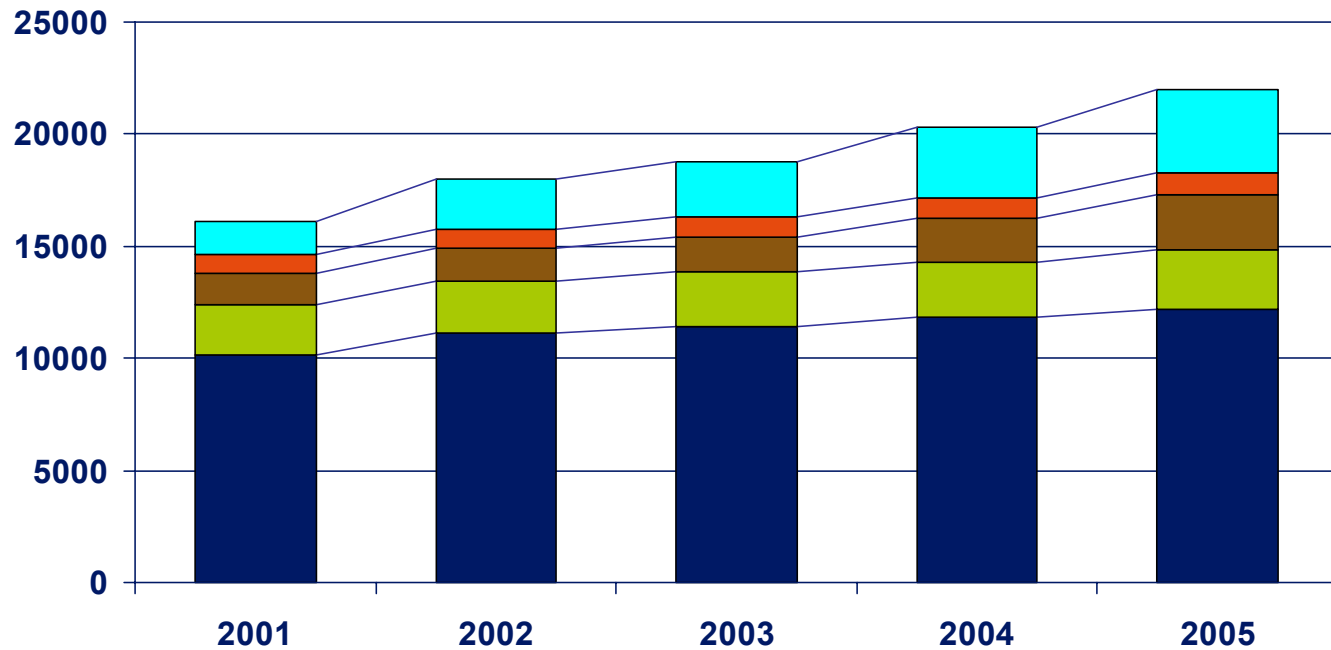
Facts about Novo Nordisk

- More than 22,000 employees in 79 countries
- Approximately 55% of employees are located in Denmark, 45% in the rest of the world
- 16,5% within R & D
- 38,8% in production and production administration
- 27,7% in international sales and marketing
- 17% in administration

Geographical distribution of sales



Employees

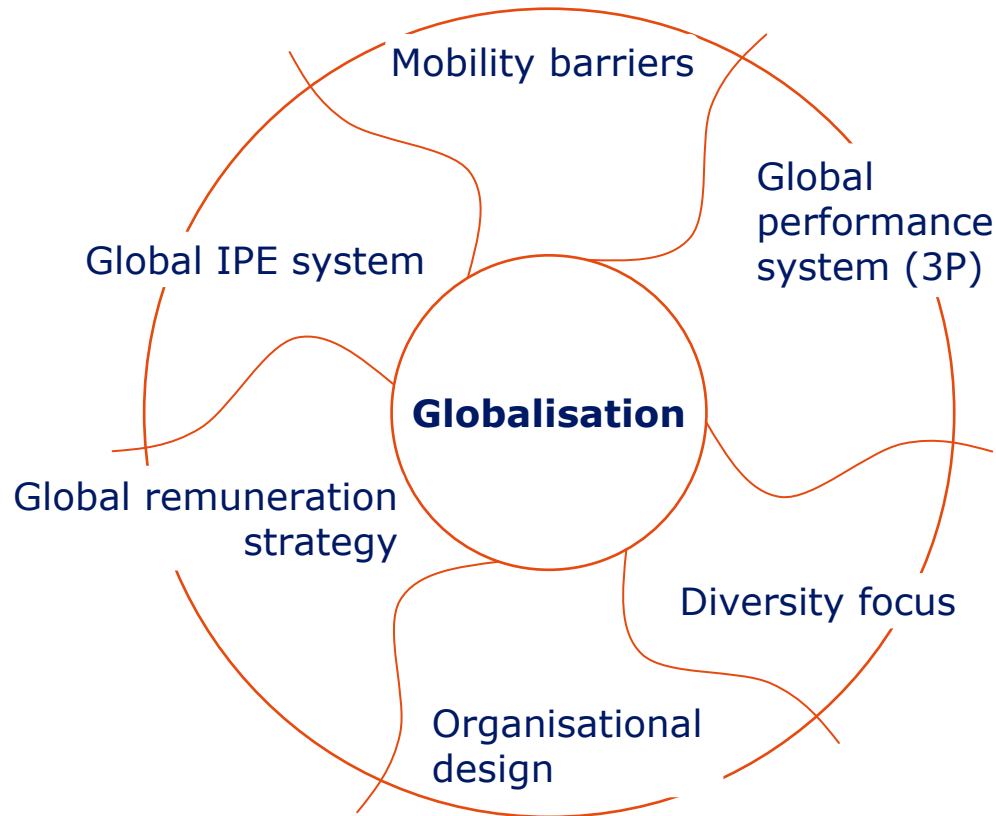


■ Denmark ■ Rest of Europe ■ North America
■ Japan & Oceania ■ International Operations



People Strategy

focus on globalisation



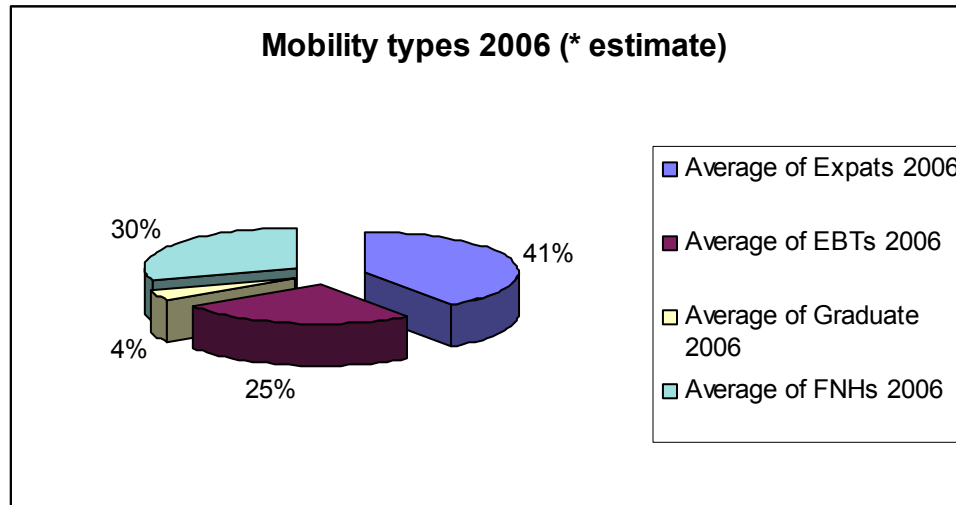
Mobility in Novo Nordisk



Mobility in Novo Nordisk

- Centre of excellence based in HQ (DK) named “Global People Mobility”
- Key Account Manager concept
- Ownership of mobility guidelines & policies
- Cooperation with local HR units and with external providers (tax, cross cultural, shipping etc)

Mobility types in Novo Nordisk



1. Expatriates
2. Short Term Assignments
3. Extended Business Trips
4. Foreign Local Hires
5. Graduate programs

Mobility figures in Novo Nordisk

- Currently 171 “expatriates”. 25 home destinations, 30 host destinations
- Major host destinations are Brazil, US, Denmark and Japan
- 62% of expats are out of Denmark
- 25% female expats, 75% male expats
- 83 % are married, 48% have children (59% of DKK)
- Increase in the expat population of 20% since 2002
- Increasing use of other mobility set-ups such as extended business trips and hiring on local terms



Global Mobility Trends

MERCER

- International assignments increasing
- Increase in number of short term assignments
- Increase in number of female expats
- Costs are a barrier to increased mobility
- Dual career matters are a barrier to increased mobility
- Increased outsourcing of support functions (cultural training, language training, tax assistance)

Issues/Challenges in Europe



Mobility issues in the European Union

- Visa Procedures for non-EU employees - Graduate program (6 months in each location)
- Different Social security Schemes- coordination rules are not sufficient
- Social Pension Schemes - not suitable for expats moving from one country to another.
- Work Permits for Spouses of non-EU countries (in DK permit for spouse is automatic)

Mobility issues in the European Union

- Tax not harmonized
- Danish Tax level competitiveness
- Danish Exception paragraph:
 - § 48 for “researchers” (25% tax for 3 years)
 - Easy approval process
 - Retention issues after 3 years
 - Risk of tax liability if person stays in Denmark too long
 - Researchers : career is knowledge driven

Enablers for mobility:

- Commuter assignments are possible (many in Novo Nordisk)
- Cross functional matrix set up's
- Promotion of corporate language
- Ensure Cross Cultural training
- Education - Internationalization starts in the basic school system

Challenges at company level:

- Corporate language
- Integration of foreign hires (foreign cultures) in the company culture
 - Expectation management
 - Culturally, management styles, social life
 - Employees/dept. openness to foreign cultures/ways of doing
- Support structure for spouses & family

Challenges at company level

- discussions with Unions in Denmark
 - example: non Danish employees on training in Denmark, max. 3 months, if not salary issue
- transfer of data – legal protection rules
- development of International Mindset within the company is what it is all about

Mobility in Nordisk

- Questions & Answers?
- Thank you for listening

Back up slides

The Vision of Novo Nordisk

- We will be the world's leading diabetes care company.
- We will offer products and services in other areas where we can make a difference.
- We will achieve competitive business results
- A job here is never just a job
- Our values are expressed in all our actions
- Our history tells us, it can be done

Mobility Barrier Analysis Project



Mobility Barrier Analysis

Objectives:

1. Identify current & anticipated mobility barriers for Novo Nordisk
2. Provide baseline for improving mobility processes
3. Collect information to make *informed decisions* to reduce mobility barriers
4. Prioritised action points

Mobility Barrier Analysis

Outcome:

Selection & approval

- Implement a standard operating procedure for selecting and approving expatriates

End of Assignment

- Create and implement clear procedure describing the roles and responsibilities of all the stakeholders involved in repatriation process of Novo Nordisk A/S' employees expatriated under the International Assignment Guidelines.

Spouse Support

- Improve support structure in relation to spouse support