

Novo Nordisk



Dealing with the global challenges - values, dilemmas and good business

AEEE conference, August 2004



Agenda

- Novo Nordisk in brief
- The Novo Nordisk way of doing business
 - Taking responsibility
 - Acting on our commitments
 - Accounting for our performance
- Shaping our future



Novo Nordisk in brief



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Novo Nordisk's Vision

We will be the world's leading diabetes care company.

Our aspiration is to defeat diabetes by finding better methods of diabetes prevention, detection and treatment.

We will work actively to promote collaboration between all parties in the health care system in order to achieve our common goals.

defeat diabetes

prevention, detection

We will offer products and services in areas where we can make a difference.

promote collaboration

Our research will lead to the development of new products and services to defeat diabetes. We will develop and market such products ourselves whenever we can do it as well as or better than others.

We will achieve competitive business results.

Our focus is our strength.

We will stay independent and form alliances whenever they serve our business purpose and the cause we stand for.

A job here is never just a job.

We are committed to being there for our customers whenever they need us.

We will be innovative and effective in everything we do.

We will attract and retain the best people by making our company a challenging place to work.

Our values are expressed in all our actions.

Decency is what counts.

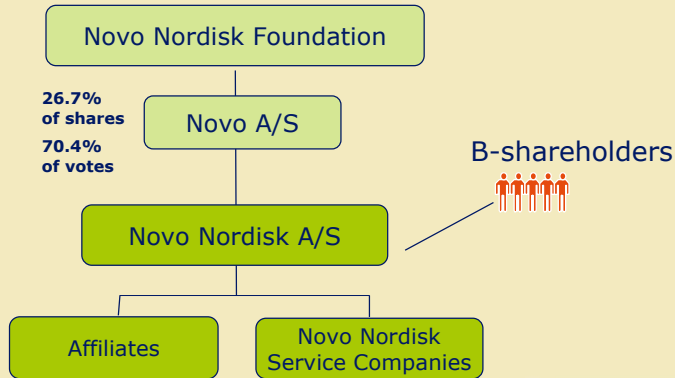
Every day we strive to find the right balance between compassion and competitiveness,

the short and the long term,
self and commitment to colleagues and society, work and family life.

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Novo Group ownership structure



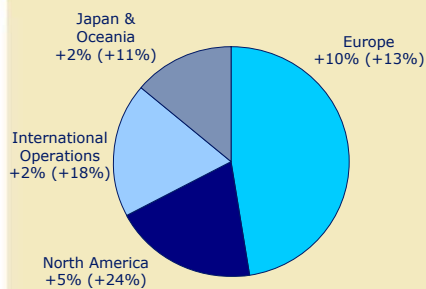
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Sales in 2003

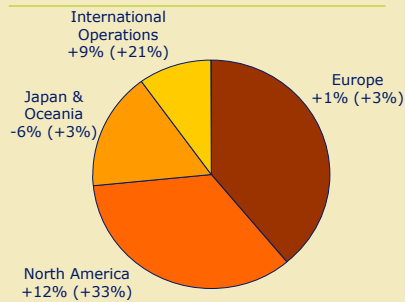
- by segment and region

Diabetes care



Total DKK 18,723 billion
+6% reported and +16% in local currencies

Biopharmaceuticals*



Total DKK 7,818 billion
+4% reported and +14% in local currencies

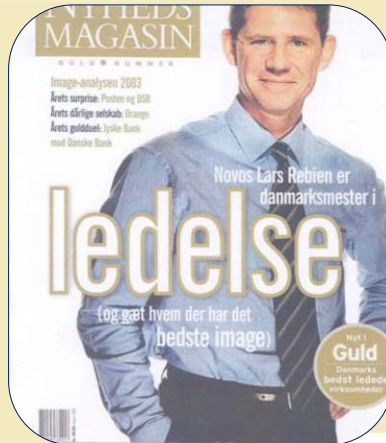
* Biopharmaceuticals sales include sales from hormone replacement therapy of DKK 1,331 million.
Figures in () indicate growth in local currencies

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Leadership by values

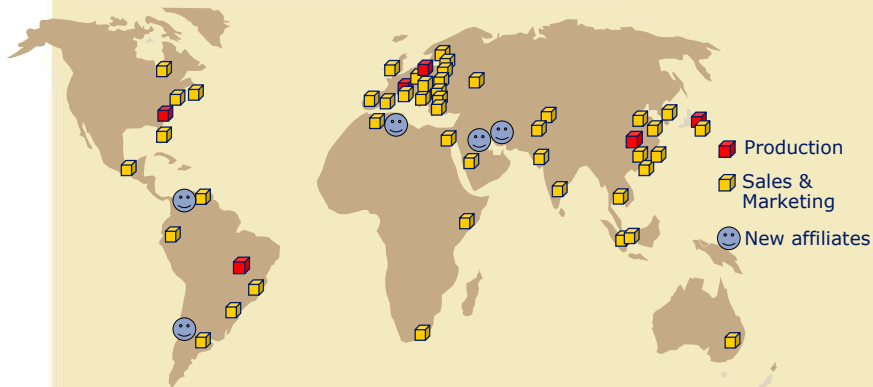
- Leadership
- Credibility
- Employees
- Communication
- Quality
- Innovation
- Financial strength
- Responsibility
- Attractive partner



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Global expansion



New offices in Venezuela, Chile, Iran, Iraq and Tunisia in 2004

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The Triple Bottom Line - a business principle



Sustainable development is about preserving the planet while improving the quality of life for its current and future inhabitants.

We have chosen to translate it as the Triple Bottom Line.

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The Novo Nordisk way of doing business



- Taking responsibility
- Acting on our commitments
- Accounting for our performance

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Our sustainability vision

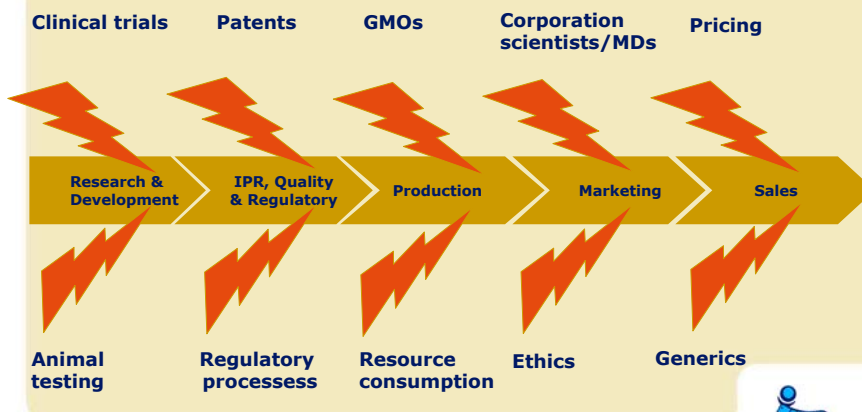
To position Novo Nordisk as the leader in the fight against diabetes and a model for 21st century business:
a truly sustainable company, a preferred business partner and one that is recognised as a pharmaceutical company with a heart.



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Pharma business model under pressure



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The global challenge



"Global unease about poverty, equity and marginalisation are beginning to reach critical mass..."

Kofi Annan, 2004

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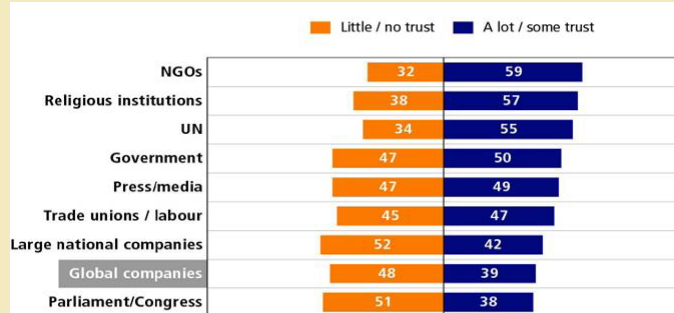


What people think

Voice of the People

2002

Trust in Institutions to Operate in Society's Best Interests



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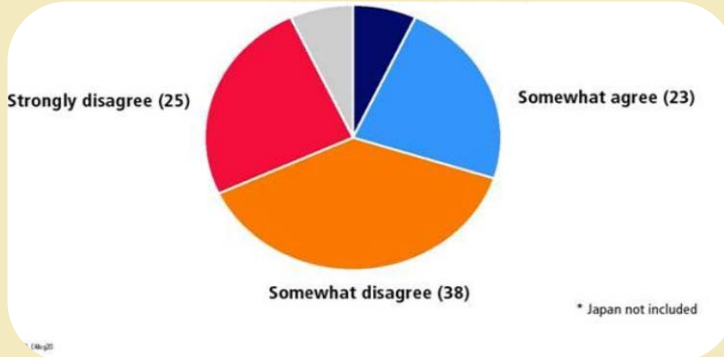
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...food for thought

Do companies Communicate Honestly about their CSR Performance?

2003



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Dealing with dilemmas



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Our guiding principles



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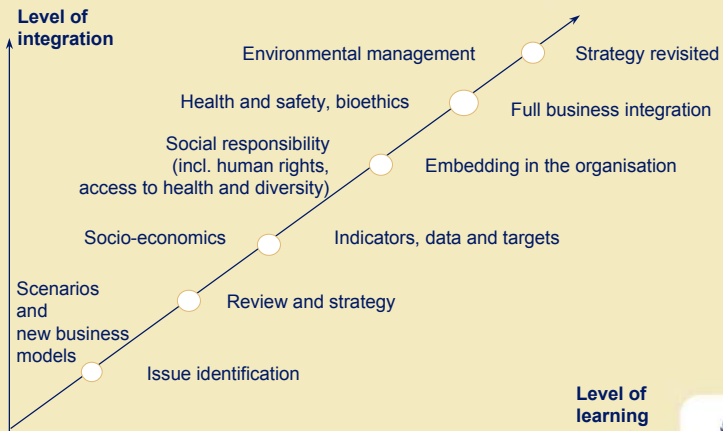
The Novo Nordisk Way of Management



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Building a sustainable business



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Acting on our commitments – 2003 update



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Living our values

- Suppliers are evaluated on social and environmental performance
 - 2003: 31% of total purchasing value
 - 87.6% satisfactory performance
- Novo Nordisk has joined the Business Leaders' Initiative on Human Rights
- Employees engage in TakeAction!

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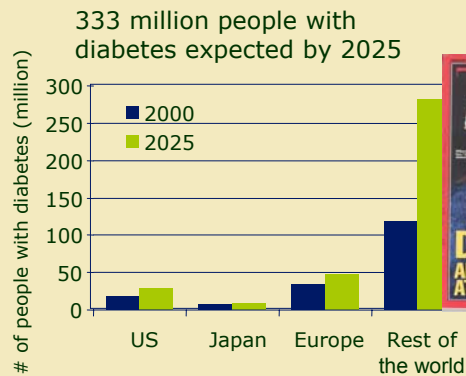
Access to health



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Diabetes – an emerging epidemic



Source: WHO and IDF, December 2003

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Our strategy for global health

WHO priorities:

Development of national healthcare strategies

Building national healthcare capacity

Best possible pricing

Additional funding

Novo Nordisk's response:

National Diabetes Programme and DAWN

Best possible pricing in LDCs

World Diabetes Foundation

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Improved diabetes care in Tanzania

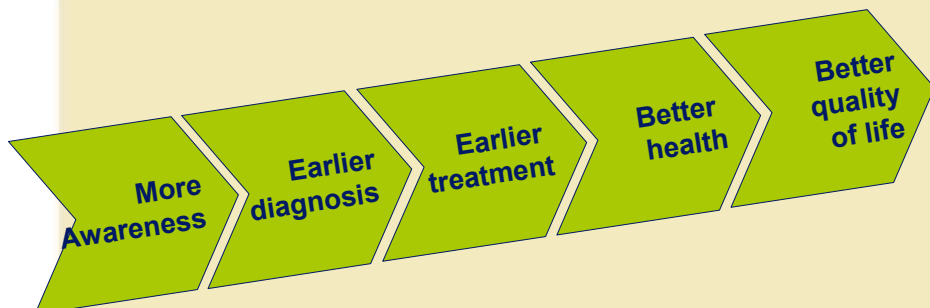


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Benefits people with diabetes and society...

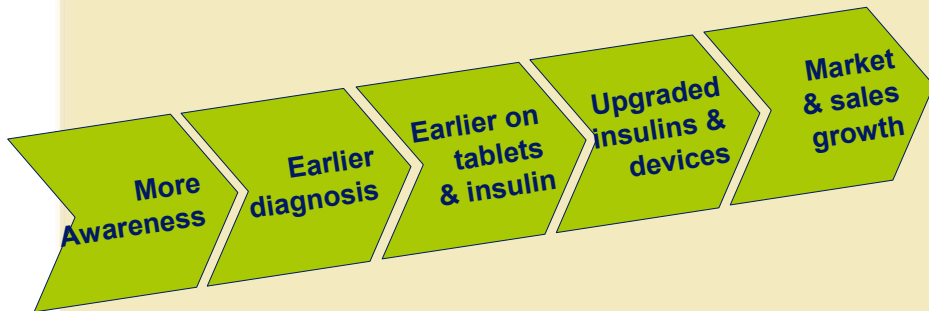
National Diabetes Programme



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.. and builds sustainable competitive business advantage



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Novo Nordisk's economic stakeholder model



Our employees



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Employee initiatives

- Equal Opportunities programme roll-out
 - 2003: 89% of targets in SVP action plans met
 - Women in management, ethnic minorities, compliance
- Preventative health and safety work
 - 2003: frequency of occupational injuries down to 5.4% per million work hours (from 8.9% in 2002)
- TakeAction! campaign
 - Corporate volunteer and fundraising programme
 - Awareness, team building and personal development
 - Making the Triple Bottom Line everybody's business

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Employees TakeAction!

Volunteer programme
in Tanzania

Sponsor programme

Local activities driven
by employees



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Our use of animals



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'reduce, replace, refine'

- Lobbying for higher standards
- Re-socialisation of animals
- New state-of-the art facility for rodents and a new rabbit facility
- 2003: 73% of animal test types removed from external and internal specifications

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Eco-efficiency and compliance

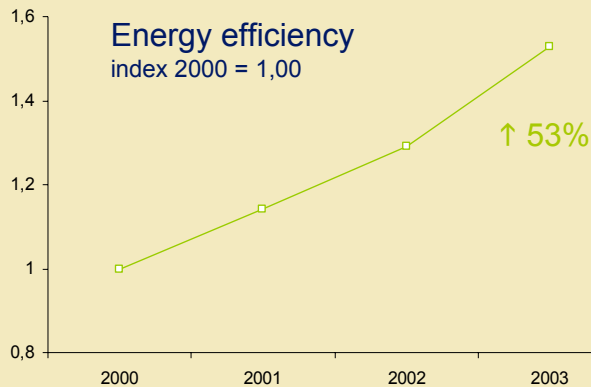


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Trend 2000 – 2003

- Energy use per production unit



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Beyond compliance

- Revised Environmental Strategy; 5-year perspective
 - Eight focus areas
 - Strategy for CO₂ reduction (climate change)
- Eco-productivity for water and energy
 - 2003: Water 110; energy 124
- Compliance
 - 2003: Breaches of regulatory limit values 105 too many
 - 20 accidental releases – no significant impact
- 6 facilities certified according to ISO 14001
- Environmental Management Accounting
 - tool to assess costs and investments

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Accounting for our performance



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Earning stakeholder trust



In a global benchmark (2002) Novo Nordisk ranks no. 2 for its transparent and trustworthy reporting

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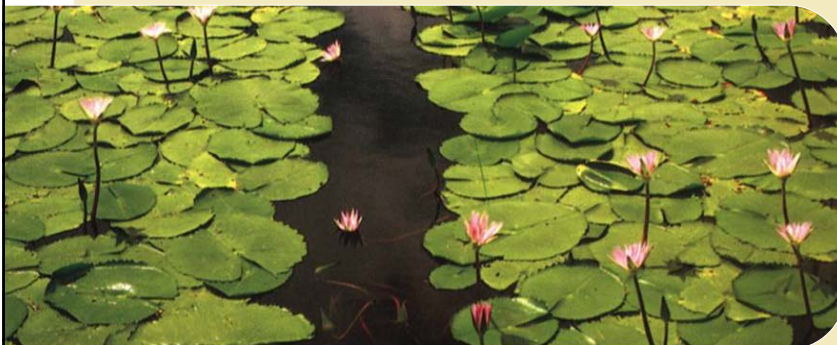
... and investor confidence

- The Dow Jones Sustainability World Indexes (DJSI World)
- The European Dow Jones STOXX Sustainability Indexes (DJSI STOXX)
- FTSE4Good Index
- E. Capital Partners' Ethical Index Global
- Ethibel Investment Register and Ethibel Sustainability Indexes
- Nordic Sustainability Index
- The Folsam Climate Index



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Shaping our future



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Scenario planning forecasts alternative futures

- Encourage creativity and broader thinking
- Explore how the future may affect our business
- Avoid being taken by surprise
- Strengthen our ability to spot, interpret and act on early signals of change
- Make planning processes more holistic
- Be willing to experiment with new concepts
- Support our ability to achieve the Novo Nordisk vision

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Diabetes 2020

Selected forecast topics

Corporate social responsibility

- Reporting and accountability
- Consumer power
- Investor pressure
- Corporations and politics
- Stakeholder partnerships
- The geography of CSR

The economy

- Consumerism
- Globalism
- Science and technology
- From sick care to health care
- Stakeholder roles and relative influence
- Emerging business models/strategic directions

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Being responsible is essential to our business

Trust
License to operate
Stakeholders
Attract
Motivate
History
Values

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Building a sustainable business



Dealing with the key issues is effective risk management...

...making sustainability thinking part of everyday business practice offers new opportunities.

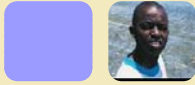
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Thank you!



Thank you for your attention



Questions are welcomed



Visit

www.novonordisk.com/sustainability



beingthere@novonordisk.com

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Back up/alternative slides

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The case for sustainability and business development

- Living the values
- Earning trust
- Gaining leadership
- Growing customer loyalty
- Building strategic partnerships
- Facilitating market access
- Improving operational excellence
- Supporting innovation
- Managing risks
- Attracting and motivating employees
- Ensuring good governance
- Performing beyond compliance
- Maximising shareholder value

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