Interview with Krisja Vermeylen, Vice President Novo Nordisk France & BeLux, Novo Nordisk France

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You recently just celebrated 5 years in France; what have been some of the more recent events that have marked the affiliate's time here?

If you look from the perspective of the affiliate which includes both our office here in Paris and production center in Chartres then we have doubled our employees in the last five years. Of course, this is very different than what is going on with many other pharmaceutical companies and this year we plan on continuing growth at a pace of approximately 10%.

We have also put a lot of focus on the working environment in France because when you experience rapid growth you need to especially mind the culture of the company as it is expressed in everything you do. It's important to stress communication so that the strategy is clear and everyone is oriented in the same direction. One of the particularities of Novo Nordisk is our commitment to a triple bottom line principle in every action we take.

Of course, sales and figures are important but we also have a social responsibility – particularly in diabetes – as well as an environmental commitment to meet.

Over the last year this became very concrete not only at headquarters but also on the affiliate level.

In regard to our production site in Chartres, we have invested heavily over the last five years to the tune of €150 million which has included a new extension to the factory. This investment has been recognized by the authorities and we had the pleasure of Minister Christine Lagarde not only attending but also speaking at the opening ceremony.

On the environmental side our improvements mean we now require much less water for manufacturing; a couple of years ago one cartridge of insulin required 2.5 liters of water while today it's less than one. In order to link this initiative to our social responsibility we took the opportunity to open water fountains for needy villages in Burkina Faso. Our employees can see that what we save here in France we can use in better ways elsewhere in the world. The impact has been tremendous for our employees and some have even visited to see our fountains with their own eyes – it really can change everything.

We need initiatives like this to make sure we maintain our culture and do not lose our focus on the triple bottom line.

As production is at the heart of top line creation, let's start there. What is the importance of the Chartres production site for the group's activities?

Today, the most important production site is still in Denmark but outside Chartres is one of the top three for the group alongside Brazil and China. Moreover, our site operates a high level of productivity and the quality is highly recognized which is why we were able to attract extra investment in France.

Many of the multinationals we have spoken to have underlined the productivity and quality of French manufacturing. When we spoke with the LEEM, Mr. Lamoureux noted that amongst companies that are not present here there is the assumption that France is not an attractive place for production while those that are here truly recognize the value! How do you convince headquarters that France is still a viable place for production?

We can do some convincing but they will not wait for us. Headquarters goes around on its own initiative examines our facilities and investigates the outcome of their audits which gives them a very good overview of the environment in each location. For instance, they look at factors like productivity, working counsel and contact with the local community which lends itself well to healthy competition between affiliates to secure investment.

France may have the 35-hour law but it does not hamper the quality of work here and our results prove it.

In 2008 Novo Nordisk grew by 8% in France and it seems like 2009 was a good year. What is fueling this growth and what will continue your push in 2010?

Worldwide, the group grew 12% in 2009 which varies from one region to another with high growth in the US and emerging markets while Europe experienced an average of 4%. Nevertheless within Europe France was one of the driving markets with 8% growth which was especially driven by our modern insulin offering. These insulin analog products offer diabetic patients a better control due to less hypoglycemic events. In particular, our long-acting and rapid-acting offerings have had double-

digit growth while NovoSeven® faired well as well. This growth was in conjunction with not only an overall increase in the market but our ability to claim 5% more market share due to our launch of a single dose indication as well as a room-temperature stable formulation.

Novo Nordisk is a foundation organization so we have the capability to push our innovation and development in addition to our triple bottom line concept. Today, this means we have an extremely rich pipeline – one of the best in the industry – which will help us continue to launch innovative products in the future.

In France for 2010 we are looking forward to bring the first human GLP1 analogue to the market with Victoza® which I feel will truly change the way Type-2 diabetic patients are treated. Based on the clinical program we carried out on the product I can say that we underestimated the real impact it would have. The product is already on the market today in several countries such as the UK, Ireland, Germany and Denmark where the feedback from patients has truly been amazing. Additionally, the response from physicians has been tremendous because they see the impact on their patients.

This is the first time that a product regulates blood sugar but moreover decreases weight: in the first weeks the average is three kilograms. It decreases also systolic blood pressure and improves beta-cell function which could mean a delay in the progression of the disease. We are more and more convinced that Victoza® could revolutionize the way patients with Type -2 diabetes are treated, just after metformine failure treatment.

Many laboratories that look to bring products to the French market find they are often delayed entry to market due to complications in appropriately valorizing the innovation of their products. Does this not put your affiliate at a disadvantage to your counterpart's in the UK or Germany?

It's obvious that due to the phases of approval in France you will experience a later access to market. While this may be a disadvantage I have the belief that it's very well done in France and in a way that experts have the opportunity to take a serious look at each medication. When there is a real innovation and the benefit is clear then there is willingness from the authorities to give a proper price and include it in the array of available treatments. Of course, companies always want more but I do not feel that in my last eight years in France there has been unfairness or attempts to delay access. I feel there is a good balance between the availability of generics and the opportunity for innovative products that make clear progress for patients.

It can be frustrating not to have a product in your portfolio when your colleagues do but it also provides us the opportunity to learn from their experiences elsewhere.

When we have met your colleagues, such as Martin Soeters in Germany, raising awareness for diabetes has been a critical issue. It's a bit of a surprise that even in a developed country only 60% of the people who may have such an established disease may be aware of it. What are you doing as a company to create more awareness in France?

Diabetes is not a popular, media-friendly disease such as AIDS, cancer or Alzheimer's yet more and more there is the conviction that authorities need to examine the issue and put it on the political agenda. You cannot neglect the cost to healthcare that diabetes brings: 10% of the annual budget is used to cover this disease. Moreover, it's an increasing expenditure as the patient population grows by 6% every year.
In 2009, Novo Nordisk sponsored a forum at the National Assembly to bring together all stakeholders such as the doctors, patients, parliamentarians and ministers in order to look at all the angles of the disease and create a concrete plan on the next steps to take. The conclusion of this meeting was to create a white book on diabetes in France and include it into our local programs thereby dedicating more attention to the disease. We are not only talking about French people today, but the next generation as well so if we do not do something now it will only get worse.

On another occasion we brought several French politicians to Denmark to meet the Minister of Health in order to establish a more open flow of communication and better understanding of actions that can be taken.

Interestingly, the diagnosis rate in France is above average with 85% of the population aware of their disease compared to the European average of 60%. This is likely linked to the obligation of French employees to visit the doctor annually which embeds the habit in the population. However, the quality of treatment and control of patients is no different in France than in surrounding countries so of the approximately 3 million diabetics under treatment, 50% are poorly covered. This leads to the serious consequences seen elsewhere like blindness, kidney disease, and amputations.

What we try to do as a company is focus on education by creating programs with specialists at the center and leverage their knowledge to better inform the general practitioners who are at the frontline of spotting the disease. While Novo Nordisk likes to think about a triple bottom line in business we also have a triad theory when it comes to diabetes: it's more than just treating but also preventing and curing. Our research activities reflect this belief and we currently have some stem-cell research aimed at developing an eventual cure to diabetes. In regard to prevention, education clearly plays a role.

Last year we carried out a public questionnaire to find out how much the population knows about diabetes. What we found in the results is that high percentages are aware, and more than one half of the population knows someone with the disease. Nevertheless, when it comes to prevention and

treatment the public was very misinformed if at all. Moreover, the information was not coming from physicians but instead from word-of-mouth. This confirmed our commitment to educating the population and we will continue our active role.

The ‘Changing Diabetes’ bus made a return to France recently; is it more initiatives like this that are needed on the ground here? Does France need its own bus?

At this stage we have no plans for our own bus. That being said, we put a lot of focus annually on World Diabetes Day in November so it was good to have the bus back in addition to a roller skating that we organized. It’s clear that we will do more activities in the years to come.

To look at the group’s third bottom line – the environment – it’s always interesting to see a pharmaceutical company concerned about its impact. Typically speaking there is no immediate link between pharmaceuticals and environmental protection as there is with heavy industry or energy. Why have you put this as one of your other bottom lines?

This goes back to our history in Denmark when there were issues with genetically modified substances which led the group to realize how important it can be to anchor environmental concerns to the way you do business. The triple bottom line approach has been effective for nearly 15 years and led to us being one of the first companies to sign a contract with the World Wide Fund For Nature (WWF) to make an action plan committing our operations to decreasing emissions despite increasing our production capacities.

In order to achieve this we made a contract with Dong Energy to build a wind park in the North Sea which has allowed us to achieve our goals at an accelerated pace; since we have already decreased our group-wide Co2 output by 38% over the past two years. Al Gore has already visited Denmark twice to see what we are doing there and it’s clear today that we are front runners in this ambition.

How do you get your employees to consider the environment and awareness alongside the obvious financial figures?

Several years ago at the affiliate level we began by doing small things, for example, printing recto verso or in black and white when possible in addition to just recycling. As I mentioned before, we underlined our improved manufacturing and lower water consumption last year. In the year ahead we will look into our company cars and what we can do to reduce our CO2 emissions.

When we spoke with Nycomed, another Danish company, Emmanuelle de Rivoire felt that the Scandinavian nature of the company was reflected in its affiliates. Do you feel the same is true of Novo Nordisk in France? Does the group reflect the Danish culture?

On a regular basis we have Danish members in our local management team in addition to younger employees who come on rotations through the organization. Additionally, you can feel the collaborative rather than hierarchical way of doing business which for a country like France can be a very differentiating factor to other companies.

Ownership structure can say a lot about an organization and for years Novo Nordisk has been a foundation enterprise. Do you feel that this structure reflects on the way people to do business here?

The foundation has a majority of our shareholder votes which consequently means we are not at risk of a hostile takeover. Another element is the long-term focus of the foundation which leads to significant investment – over 15% of turnover – in R&D thus ensuring innovation.

Thirdly, the social responsibility of the group is probably more underlined as a result of our structure than in other pharmaceutical companies. We devote a lot to this dimension and our employees have the opportunity to participate in activities they would otherwise not do, for instance, taking a month in a diabetes camp in Africa.

When you consider the financial markets, Novo Nordisk has a very good share price and is consistently among the top performers in 'big pharma' which may be a consequence of not having the heat on our neck like other public companies. We can really tell people our focus is on patients, social responsibility and the environment that when combined lead to a profitable business.

You have experience in other 'big pharma' companies yet you have been with Novo Nordisk for 13 years now; what keeps you committed to this company?

To me, Novo Nordisk is a different company because of the way we do business. I feel extremely fortunate that we have truly innovative products that follow our vision of offering drugs with a real benefit for patients. The satisfaction that comes from promoting products that change lives is completely different than what you may experience when releasing something less necessary. There is enough work in this field for the coming 30 years ahead due to poor compliance and complications: In France, 11 000 deaths/year directly linked to diabetes is a dramatic figure.

Novo Nordisk provides an environment that permits you to do the best job by providing the right tools and people which is a privilege.

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