



MANATO OHARA
Japan
Manato has type 1 diabetes

Large scale lay offs at Novo Nordisk

Mette Kondrup Jensen, Vice President





Agenda

- 1 Introducing Novo Nordisk
- 2 Before the lay-offs
- 3 Preparing the lay-offs
- 4 Planning the lay-offs
- 5 The role of the HR lawyer
- 6 The lay-offs
- 7 Reflections
- 8 The importance of outplacement

Novo Nordisk at a glance

Novo Nordisk is a global healthcare company with more than 90 years of innovation and leadership in diabetes care.

This heritage has given us experience and capabilities that also enable us to help people defeat other serious chronic conditions: haemophilia, growth disorders and obesity.



PRODUCTS MARKETED IN
165 COUNTRIES



AFFILIATES IN COUNTRIES 77



R&D CENTRES
IN CHINA, DENMARK,
UK AND US



EMPLOYS APPROXIMATELY
42,000 PEOPLE



DKK 111.8
BILLION
IN TOTAL REVENUE

STRATEGIC
PRODUCTION SITES
IN BRAZIL, CHINA, DENMARK,
FRANCE AND US



APPROXIMATELY
210,000
SHAREHOLDERS



SUPPLIER OF NEARLY
HALF OF THE
WORLD'S INSULIN

28,000,000
PEOPLE USE OUR PRODUCTS

The miracle of insulin

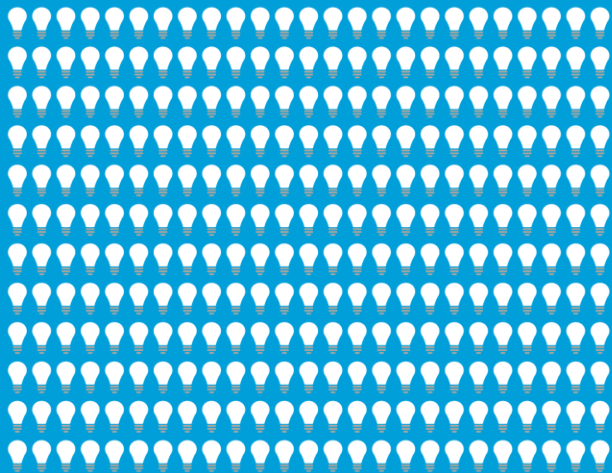


Patient JL
15. december 1922



Patient JL
15. februar 1923

10,000
IDEAS



From idea to patient

Industry estimates that out of 10,000 ideas that begin in the lab, just 10 will ever reach the stage where they are tested on people. Out of that, one may reach the market.

The process normally takes 10 to 15 years from initial work in the lab until a product is launched on the market.

10

WILL BE TESTED
ON PEOPLE



ONE

MAY REACH
THE MARKET





NOVO NORDISK

WAY

The Novo Nordisk Way

The Novo Nordisk Way describes who we are, where we want to go and the values that characterise our company

The Novo Nordisk Way

...We treat everyone with respect...

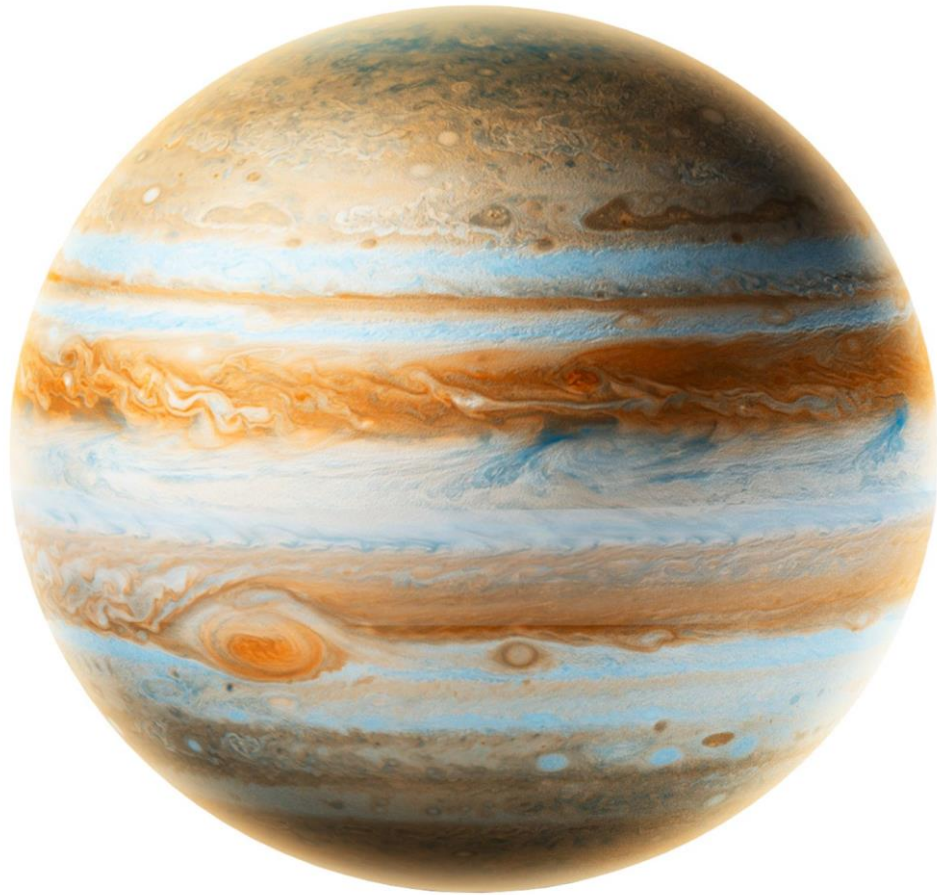
- Our business philosophy and social performance.
- environmental con
- 4. We provide innov

The Triple Bottom Line is about

...Social responsible way...

- 10. We never compromise ethics.

Lars Fruergaard Jørgensen,
President and Chief Executive Officer



Lay-offs in Novo Nordisk "Project Jupiter"

3 Task force: Recommended governance and roles

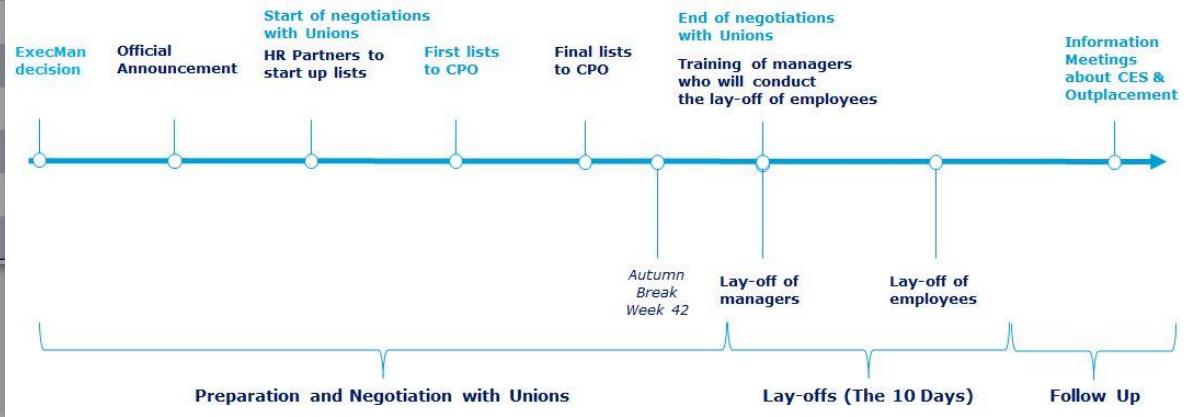
FOR APPROVAL



Benchmark

Seniority	Total by law	Addition <small>3 Leading Pharma Companies</small>	Addition <small>2 Major Banks</small>	Addition <small>2 Major Energy Companies</small>
0 - 5 mths	1	1 & 1 & 2	1 & 1	0 & max 3 mths
5 mths - 3 yrs.				
3 yrs. - 6 yrs.				
6 yrs. - 9 yrs.				
9 yrs. - 10 yrs.				
10 yrs. - 17 yrs.				
17 yrs. - 20 yrs.				
20 yrs. - 25 yrs.				
25 yrs. ->				

Preliminary timeline for negotiations and lay offs



1) Line of Business officers; R&D; SFF



Manager's preparation for layoff meetings

How to conduct a respectful and dignified process

October

Manager training

Agenda

- Welcome/HR
- Purpose of preparation/HR
- Formalities /Legal representative
- Layoff process presentation/HR
 - Preparation – execution – follow up
 - Handling reactions
 - Managers own reactions and self-preservation
 - Managers' do's & don't's
- Practise real cases /HR + all



Manuscript for layoff conversation

The conversation is expected to last **app. 10 minutes**. After that the lay representative will escort the employee out and the manager will bring in the next affected employee.

1. Introduction/by manager

- As you are aware from the announcement decided that a number of positions in Novo Nordisk has been called to this meeting in which have been negotiated with the union

Either:

We have therefore chosen to invite a lay not want a representative present, the re Or:

There will be no representative from Novo Nordisk

- Present at this meeting are:
 - Manager
 - HR lawyer
 - Union rep from LASA/NAF/Union for Lab Technician/Skilled workers union/Operat

- We will now go through:
 - The background and reason for the lay-off
 - Terms in connection with the lay-off

1) Reason for your layoff

Either:

- If the entire area is closed down: The background for your layoff is that you work closed down. The reason for your layoff is then the future operating profit expectations.

Or:

- If a selection has occurred: The reason for the layoff is that Novo Nordisk has made an evaluation of who should be laid off in the future.

2. Terms in connection with the layoff / by HR lawyer

- I will now go through the main terms which are connected to the layoff. These terms Novo Nordisk has negotiated with the different unions at Novo Nordisk.
- You will receive two copies of the layoff paper which you can read at home. Please sign one copy to confirm the receipt and return it in the franked envelope no later than 16. November 2016.
- You are more than welcome to discuss the lay off with your local or labour union or call one of the lawyers in Labour Relations in case you have questions.
- Please also receive this envelope containing:
 - a description of the AS3 outplacement program
 - Information regarding an option to be contacted about internal and external job positions
 - a list of contact persons
 - an invitation to information meetings reg. Centre for Employee Support and AS3 outplacement.

Advice and support

You have today the possibility to visit the AS3 and support from:

- Your local union NGC/LASA/NAF/Union for Technician/Skilled workers union
- Novo Nordisk social counsellors
- AS3
- Psychologist

3. Closing the conversation/by manager**Only if a selection has occurred:**

- We will – when all terminations meetings in the department, which your round is completed. You are welcome to meet with your colleagues, you are welcome to discuss any questions you may have.

The conversation is over and the lay-off is final.

General tips

- Prepare your answers as objectively as possible
- Speak slowly and look at the employee

Preparing the managers



1. Template termination letter UK



2. Lists of contacts



3. Invitation to CES and outplacement meeting



4. Guidance about personal information



5. Letter about contribution to Blue Book



6. outplacement-material



7. outplacement-addendum



A. Slide deck from training session



B. Speaking paper



C. Check list

Material sent to managers 1 week prior to the lay-offs

4) Planning the lay-offs

Master plan – all information regarding all employees involved
 457 employees, 42 lay reps, 10 HR Lawyers, 392 managers, 5 locations, 41 meeting rooms

Overview of the day meeting by meeting – who is suppose to be where with whom

Count of In Row Labels	Column Labels	Tirsdag	Onsdag	Torsdag	Fredag	Mandag - managers	Grand Total
1380-Area 1				78		6	84
1658-Area 2			1				1
1883-Area 3			8				8
430-Area 4						1	6
480-Area 5						12	251
562-Area 6			4			1	5
746-Area 7			13				14
336-Area 8						1	25
361-Area 9					9		9
306.01-Area 10	2					1	3
306.02-Area 11	9				11	2	22
311-Area 12			2				2
357-Area 13	1					1	2
325-Area 14				12			12
4715-Area 15					13		13
Grand Total		148	132	98	53	26	457

Overall overview of areas and days

1 key coordinator





Reception prepared



Meeting room requirements



Back-office to HR Lawyers



HR Lawyers to bring packages & overview

Content of each envelope

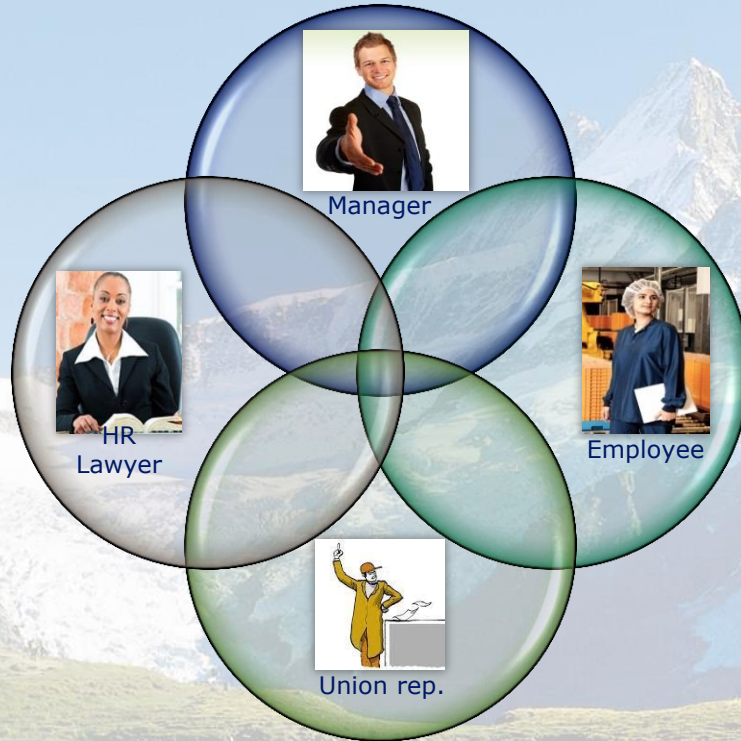
The collage shows six documents from Novo Nordisk:

- Employee Handbook:** A document with the Novo Nordisk logo and the title 'Arbejdsregulering for Novo Nordisk'.
- Blue Book:** A document titled 'Participation in "Blue Book"' with a sub-header 'Remember to bring your personal information when leaving Novo Nordisk'.
- Employee Support Letter:** A letter titled 'Creative for Employee Support' addressed to an employee.
- Other documents:** Three smaller documents, likely related to the Blue Book or employee support, with various headers and content.

- Time
- Location
- Area
- Manager
- Employee name
- Union Rep.
- Room
- Start date in NN
- Seniority in years
- Legal notice in months
- Seniority in months
- NN severance in months



The Lay-off Meeting



After the Lay-off Meeting

HR Business Partners



Crisis Psychologist



Outplacement Consultant



Local/External Unions



Feedback from:

- ✓ HR Business Partners
- ✓ Managers

- ✓ Local Unions
- ✓ HR Lawyers

Collaboration with Unions

Crisis Psychologist present

Training of managers

Back-office for HR Lawyers

1 central planner

HR Lawyer present during lay off meeting

Outplacement present

Invitation shortly before meeting

Daily status to upper management

Central communication

One negotiation track

Communication bottleneck

Roles/ownership of process

More outplacement people

No late change in meeting rooms

Protected employees

No outlook invitations

Non-affected departments

Need of 'go-to-lounge'

Too long time

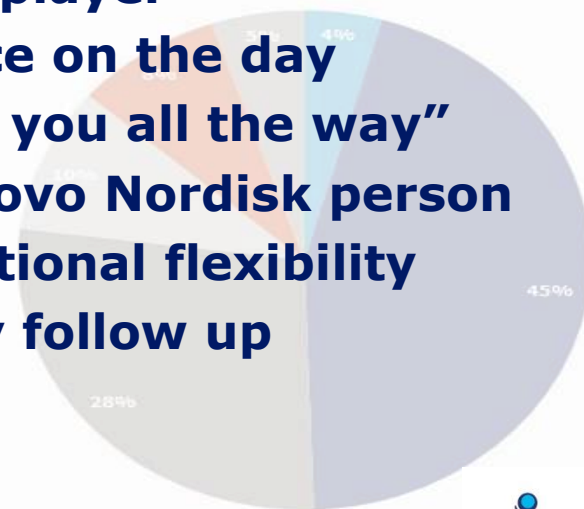
Facilitation Report conducted for CEO

The outplacement company as a partner

- ✓ Individual cases
- ✓ Large scale lay-offs
- ✓ Next step in employee career
- ✓ Ambassador for Novo Nordisk



- ✓ Outplacement company as a co-player
- ✓ Presence on the day
- ✓ "Follow you all the way"
- ✓ Not a Novo Nordisk person
- ✓ International flexibility
- ✓ Monthly follow up



Thank you