Three questions to the CEO and the Global Head of CR

In an interview, Novartis CEO Joseph Jimenez and Global Head of Corporate Responsibility Patrice Matchaba share their perspectives on the importance of reaching many more people with our innovative medicines, and how this will be increasingly driven by a sustainable, business-centric approach that is at the very core of the way the company will operate in the future.

Corporate responsibility (CR) means different things to different people. What does it mean to you?

Patrice: I would like to share a personal story. A couple of years ago, my mother had a myocardial infarction and was subsequently diagnosed with heart failure at the age of 83. She stayed in the intensive care unit in Zimbabwe for 30 days. Coincidentally, I was working at Novartis on a drug that benefits people with heart failure. I asked for the drug, and I took it back to the hospital. The next day she walked out of the intensive care unit, and we took her home a few days later. And the question is, is it good enough that it is a chance phenomenon that patients get access to innovative drugs? Does every woman in a village need to have a son who works in the pharmaceutical industry to gain access to life-saving therapy? As a leading healthcare company, we have the moral responsibility to address these issues and not leave them up to chance.

And how we do this is just as important. We need to be open and act with integrity. And we need to work together. No one particular industry, no one particular company has the solution. We need to be open to inputs from patients, from communities at the village level, from governments, from all stakeholders.

Joe: Corporate responsibility is more than donations and philanthropy. It is about creating sustainable shared value with society. Ten years ago, C. K. Prahalad, a management consultant, challenged our Executive Committee to do more to reach the large numbers of people living at the base of the pyramid in developing countries – those earning less than USD 2 per day. This challenge resonated with our management team and led to the development of our Healthy Family programs. Today, these programs have delivered basic health education to more than 40 million people in India, Kenya and Vietnam, while more than 3 million patients have received diagnoses and treatments at health camps.

Let’s take another example. Peninah is a 67-year-old rice farmer in Kenya, who consulted a doctor at the suggestion of her children after experiencing a fast heart rate and headache. She discovered she had hypertension. She was one of the first patients in the country to take Novartis Access medicines, offered to governments of lower-income countries for USD 1 per month, which helped her return to work. Peninah also became more engaged in her own health and in the community, at one point even chairing a local women’s group on healthcare topics, from basic sanitation to chronic diseases. This is true societal impact.

As a global leader in healthcare, we have not just a responsibility but also a great opportunity to help bring positive change to areas of the world that need it.

What is different about how Novartis approaches CR?

Joe: Our approach to corporate responsibility is different because it is deeply rooted in our heritage and linked with our mission of discovering new ways to improve and extend people’s lives. Take the example of leprosy, a disease we have been fighting for more than 30 years. Since the 1980s, when Novartis first made available the multi-drug therapy that can interrupt leprosy transmission, the global burden of the disease has been reduced by 99%. We didn’t stop there. We remain committed to going the last mile in an effort to ultimately eliminate the disease.

Another defining feature of corporate responsibility at Novartis is how we have evolved from the traditional
philanthropic model to a “social business” approach that addresses the realities of global health challenges. There are several elements that make our social business efforts unique: Our programs span critical disease areas, offering medicines for a range of indications; they aim to have scale and become profitable over time so they are sustainable; and they employ local people and organizations as implementation partners to help alleviate the burden of disease.

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**Patrice:** Finding sustainable ways to reach more patients around the world with our innovation is part of our company mission. Our teams assess what it would take for patients across the whole income pyramid to get sustainable access to healthcare. We are convinced that if we find the right partners and are courageous enough to find the right innovative models, we can find sustainable new ways to deliver medicines and improved health services to as many people as possible.

A lot of progress has been made under Joe’s leadership and with Juergen Brokatzy-Geiger as Head of Corporate Responsibility. I would like to thank them both for their efforts in ingraining corporate responsibility in the highest levels of our company.

At Novartis, we believe we can marry our commercial interests with the world’s need for better access to healthcare through sustainable, scalable businesses. Shareholders and even customers and governments recognize that corporate philanthropy and nonprofit efforts are likely not sustainable in the long term.

For more than 10 years, we have been pioneering innovative social business models, and our access strategy – which cuts across income segments – is recognized as a best practice in the industry. At the heart of our approach is the recognition that we can’t do it alone, and we need to pool resources from all partners. We are also willing to try and fail. We aim to apply our learnings to be able to maximize our impact and reach. And we are willing to openly share these learnings across our industry.

We also believe in robust measurement and evaluation for our programs, as well as in valuing the overall impact of our business activities on society.

**What does Novartis do well and where does it need to improve?**

**Patrice:** What we do well is find new medicines. What we need to do better is innovate around the business models that would enable us to provide these medicines to all populations in a sustainable manner.

Our ambition is to make access to medicines an integral part of how we do business at Novartis. To achieve this, we need a fundamental shift in the way we research, develop and deliver all our new products globally; we need to be thinking about access provisions systematically and earlier in the process.

In addition, we need to focus more on putting an ecosystem together beyond the pill. We are capable of this, and we have done it before. For example, with the Novartis Malaria Initiative, we collaborate with the World Health Organization, nongovernmental organizations and governments to bring malaria treatments to endemic countries, and then with local partners to provide bed nets and DDT spraying.

And we need to continue building trust with all our stakeholders and customers, as well as the societies we all live in and call home. We need to continue a lot of the great work already underway: strengthening our culture of integrity, minimizing the environmental impact of our activities, and being open and transparent about how we operate.

**Joe:** Novartis excels in innovation. I am proud that we’ve built an industry-leading pipeline across many therapeutic areas. We’ve launched important therapies that are changing the practice of medicine. And our work touches the lives of nearly a billion patients each year. We have a strong commitment to corporate responsibility throughout all our functions at Novartis – and our efforts are being recognized. Last year we were named to Fortune’s “Change the World” list, and we moved up three ranks to No. 4 in the Dow Jones Sustainability Index World.

However, as innovation accelerates, we can expect that healthcare budgets will be further strained. Novartis has been leading the industry’s shift toward outcomes-based pricing, and we are piloting new commercial models using real-world evidence to help illustrate the value that our products bring to patients and payers. As an industry and as a company, we need to make sure we play our part in helping healthcare systems become more sustainable.

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As many of you know, I have decided to step down as CEO of Novartis after eight years in this position and 10 years with the company. I am confident that Vasant Narasimhan is the right person to lead this company, and I know that he will continue our strong commitment to corporate responsibility. I would like to thank our associates for their passion and dedication to helping deliver our breakthrough therapies to people in every corner of the world. And I want to thank our partners and collaborators as well as those who have actively engaged with us over the years to help maximize our impact on patients and society at large.