



## Ist die Quadratur des Kreises doch möglich?

Vereinigung Christlicher Unternehmer der Schweiz

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# Doing the right thing for the benefit of our patients

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- From an industry conglomerate to a **leading healthcare** company
- No longer good enough to just **point** to whatever the **leaders** are doing
- Need to define **what we stand for** and **what behaviors** are and are no longer **appropriate**
- Responsibility to serve as a **role model** and **do the right thing**, not only what is required by law

Integrity enables us to help provide the **best possible care**  
for our **patients** so that people  
can **live longer** and with **better quality of life**

## Continuing to lead the industry with integrity

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Concrete steps taken to increase **transparency** and to continue our **cultural transformation** from rule-based compliance to judgement-based integrity

- focused our company **Values & Behaviors** (V&B) and revised **compensation** and **bonus payment** process of sales associates
- launched new initiatives to further strengthen our **culture** of performance with integrity and to promote **transparency**

# We simplified and focused our V&Bs

With strong **involvement** of our **associates**, we reduced our values from 23 to **6** to have a simpler, more memorable and **inspiring** framework for V&Bs.



**Innovation**

*Poorvi Pawar*



**Quality**

*Vida Zhou*



**Performance**

*Stephen Oliver*



**Collaboration**

*Paul Herrington*



**Courage**

*Lukasz Tomanek*



**Integrity**

*Michael Braun*

*Pictures taken by Novartis associates.*

## 3+ year journey to anchor the V&Bs

Q3/4 2014

“I am aware of the V&Bs and why they need to change



2015

“I understand them and can apply them in my role



2016+

“V&B influence my decision-making every day



### INTERNALLY, AT ASSOCIATE LEVEL

#### Create Awareness

Awareness of:

- What V&Bs look like
- Why they are important for Novartis

#### Enable Application

Adaptation of:

- How V&Bs apply to my role
- How I will behave & operate differently

#### Reinforce behavior

Values-based action:

- Values are ingrained in how I operate
- I encourage others to live the Values

# New initiatives launched to strengthen our culture

## Align and standardize product promotional practices globally

- develop new and novel approaches to the established practice of engaging healthcare professionals to help educate their peers about the appropriate use of our medicines

## Continue to focus on integrity as part of our culture

- invest significant time and resources aspiring to lead industry practices
- continue to implement the necessary training and controls to uphold the high ethical standards across our business

## Continue to reward and drive the right behavior

- Started to adjust incentives for our sales teams (increase weight of fixed pay in overall compensation and reduce the variable component)
- Evaluate whether people's behavior aligns with Novartis V&Bs as one element used to set variable pay

**Enhance and align ethical practices** across a range of business activities that **focus on patients, healthcare professionals and customers**

## Wrap-up

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AS A **GLOBAL LEADER IN HEALTHCARE**,  
WE HAVE THE **RESPONSIBILITY**  
TO SERVE AS A **ROLE MODEL**  
AND **DO THE RIGHT THING.**

**INTEGRITY** ENABLES US TO HELP PROVIDE THE  
**BEST POSSIBLE CARE** FOR OUR **PATIENTS**  
SO THAT PEOPLE CAN  
**LIVE LONGER** AND WITH **BETTER QUALITY OF LIFE.**

# Questions & Answers

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