

the good fight

CEO ROUNDTABLE

HIV/AIDS, tuberculosis and malaria are ravaging emerging global economies. A group of CEOs shares lifesaving solutions that are restoring hope around the world.

THE STATISTICS ARE STAGGERING: According to the Global Business Coalition on HIV/AIDS, Tuberculosis and Malaria (GBC), 33 million people worldwide are infected with the HIV virus. Despite near eradication in the developed world, malaria still kills more than 1 million individuals in emerging countries every year. And no fewer than 14.4 million adults and children currently live with tuberculosis, which kills more women than all causes of maternal mortality combined.

Rather than dispirited acceptance, corporate leaders are increasingly taking up the battle against the global health crisis. Although most corporations give money, many provide expertise or products and donate employee time. Executives say the results of these efforts are worthwhile: Not only are they making significant headway against the global pandemics, but their own companies are more robust.

Recently, *nyse magazine*, in partnership with the GBC, hosted a discussion among executives who have declared war on the global health crisis. In the following pages, the CEOs explain what their companies are doing and how their efforts are motivating employees, boards, shareholders and communities. The CEO Forum, page 34, also provides insights into how companies are attacking international health problems and helping to find solutions.

PHOTOGRAPHS
BY ANDREW FRENCH

JOHN TEDSTROM
Moderator, Executive Director
Global Business Coalition on HIV/AIDS,
Tuberculosis and Malaria

Founded in 2001, the 220-member organization is committed to defeating the pandemics. GBC represents the private-sector delegation to the Global Fund to Fight AIDS, Tuberculosis and Malaria.

These diseases are bigger than all of us combined. What has been your connection to the global health crisis?

EDWARD LUDWIG Becton Dickinson's purpose is to help people live healthy lives through our technology. We are blessed with more than 100 years of that tradition. We were involved in the Salk polio vaccination program in the 1950s, for example. Many of the products we routinely donate are distributed only in the developing world. In the U.S., you don't need syringes that self-destruct — people in health-care settings know not to reuse them. Our heritage goes beyond the products we sell. We also bring skills and learning by donating the talent and time of our people.

JOERG REINHARDT Novartis has been involved in not-for-profit programs to support global health for at least 10 years, mainly from a treatment perspective. Since we acquired Novartis Vaccines and Diagnostics three years ago, we have also been active in disease prevention.

Novartis has created two not-for-profit institutes: one to focus on malaria, dengue and TB and the other to develop vaccines for diseases that pharmaceutical companies would



JOHN TEDSTROM GBC

not otherwise consider. Third-world diseases, especially diarrhea-related illnesses, kill millions each year. But no one will create vaccines for those diseases because there is no developed-country market. We believe development can happen only if you know from the beginning that it will be not for profit.

MICHAEL DAN Brink's is a service business that provides security. We have more than 50,000 employees all over the world, many of whom take on risky jobs. Our company credo is that every employee comes home safe to their family at night. If you think about global health, it's a safety issue. When I saw the statistics on

AIDS and HIV infection rates, it was shocking. I decided our involvement was a way to help globalize the company and bring everybody together. The Brink's initiative involves educating all of our employees about the global HIV/AIDS, TB and malaria issues. Additionally, we have made sure our employees have access to appropriate testing and health-care facilities.

We started our initiative as a global effort but had trouble getting traction. We went to a regional model, appointing regional monitors and then country monitors, and really engaged the organization in gathering information about the availability of health care for our employees and their families as it relates to HIV/AIDS, tuberculosis and malaria. It took two years to launch the program, to understand the laws of the countries, privacy issues and other concerns, then to take the local charitable actions of Brink's divisions and turn them toward HIV.

DUNCAN NIEDERAUER The NYSE Foundation isn't huge, but we have an amazing community of businesses under our umbrella that we can help mobilize. A lot of corporate leaders are less exposed to these health issues than the three of you, so we use our name, our umbrella, to bring the message to the NYSE Euronext community of companies. For example, last spring we and the GBC co-hosted World Malaria Day with a goal of eliminating malaria mortality by 2010. United Nations Foundation Chairman Ted Turner and Nothing But Nets founder Rick Reilly rang the Closing Bell™ to raise awareness that malaria kills a million people a year. It may seem like theater, but more people around the world watch the Opening Bell™ and Closing Bell than any other single event on a daily basis.

What is the biggest win for your company as you've taken on these diseases?

LUDWIG One specific thing that we've done happens to be with PEPFAR [the President's Emergency Plan for AIDS Relief]. Our third wave of volunteers is now coming back from Africa, where they have provided on-the-ground training, building and teaching diagnostics skills. They will leave behind a public health



DUNCAN NIEDERAUER NYSE Euronext
and **JOERG REINHARDT** Novartis

infrastructure that's much more robust than what existed 10 years ago. There will be labs. There will be hospitals. There will be trained public health workers.

Two other programs come to mind. Africa has experienced a 91 percent reduction in measles deaths since the launch of our initiative in 2001. BD donated injection devices for the measles program to the American Red Cross, which led to an innovative global health partnership with UNICEF, the United Nations Foundation, the U.S. Centers for Disease Control and Prevention, and the World Health Organization.

We also worked on a 10-year program with UNICEF to eliminate maternal and neonatal tetanus in the developing world. When was the last time you heard of someone dying from tetanus? With the funding and devices donated by BD and the support of other partners, hundreds of thousands of women were vaccinated with the tetanus toxoid vaccine, protecting them and their newborns against tetanus.

REINHARDT We are especially proud of two projects. Since 2000 Novartis has given away leprosy treatment for free, which has helped eliminate the disease in large parts of India and Asia. The second is our Coartem program, in which we have distributed more than 195 million treatments for malaria at cost since 2001 to save an estimated 500,000 lives.

NIEDERAUER That's what's amazing about working with companies such as Novartis and BD that can make such statements. That reality must galvanize employees and our family of listed companies like nothing else. NYSE Euro-next is at a different point in its life cycle. We've been a public company for about two and a half years. We're just starting to get involved with groups like GBC and making contributions elsewhere. Our greatest asset lies in bringing leaders of the biggest companies together and effecting change. Our involvement in the global health crisis is a great reminder to our employees that we're a global company. People want to work with companies that try to make a difference.

DAN I agree. The number of e-mails and phone calls from employees asking to volunteer at their branch, or in their region or country is



EDWARD LUDWIG BD

raised money for malaria nets. The nets are a great idea, and any company can provide an explanation on how to use them.

LUDWIG HIV/AIDS, in particular, requires more than medical technology or pharmaceuticals. It's training, it's instruction, it's coaching, it's communication. Big improvements have occurred, cutting HIV incidence rates in different parts of the world. Indonesia, for example, had a massive campaign to educate the populace about safe sex.

Today, HIV rates in U.S. cities such as Washington, D.C., rival those of African countries. The U.S. government does a great job preventing HIV abroad through PEPFAR. Should we focus on the problem at home?

LUDWIG You need city-government involvement, because most AIDS incidences are in urban areas. The governor of California recently signed a bill requiring health-care plans to pay for screening on an opt-out basis (people have to ask not to be tested when going for routine phys-

amazing. When I visit a location, people ask me how our efforts are going. I'm excited to tell them about this roundtable and the things that my colleagues and I discussed. Our employees will talk about it. They will.

Is employee recruitment and retention a benefit to a company that addresses global health concerns?

LUDWIG We found that the opportunity to tackle global health issues is extraordinarily motivational. Our employees — whether they're nurses, laboratory scientists or just someone who is good with a hammer and can help build a facility — oversubscribe to volunteer programs so they can use their skills.

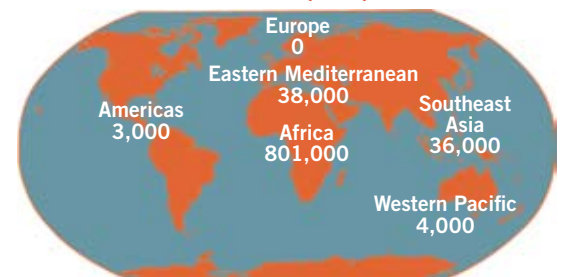
REINHARDT We have the same employee story that Ed mentions. Our people are proud of what we're doing. They ask to be involved and volunteer to participate. I believe that employee motivation is an important aspect for each company around this table.

Because we are a pharmaceutical company, Novartis has an opportunity that not all companies have. We provide expertise and infrastructure in a number of charitable partnerships. For example, making medicine requires sophisticated, FDA-regulated infrastructure that is expensive. We provide the premises to manufacture drugs for quite a few projects. But communication can be done by anyone. It doesn't have to come from a pharmaceutical company. Duncan, you mentioned World Malaria Day, which

malaria

- » Malaria is endemic to 109 countries; 3 billion people are at risk.
- » At least 250 million acute cases of malaria occur worldwide each year.
- » Children under age 5 account for 85% of malaria cases; every 30 seconds a child dies from malaria.
- » Some 90% of malaria deaths occur in sub-Saharan Africa.

WORLDWIDE MALARIA DEATHS (2006)



SOURCE: WORLD HEALTH ORGANIZATION

icals). Given the infectious nature of the disease, a given number of people not knowing their status is just not acceptable. Schools have a role here, as do hospitals and companies. We're global companies, but at the end of the day we've got facilities in cities, so we're all local.

REINHARDT One factor that contributes to rising rates is that HIV is not necessarily a deadly disease in the developed world anymore. You can treat it; you can contain it. People survive. Because it has lost its deadly aura, people have become less careful. The education and communication effort is not happening in the developed world, and it's difficult to understand why.

NIEDERAUER To put this bluntly, part of it is just that everyone's attention span is short. It was more than a decade ago when public figures were providing a very effective messaging campaign. Then it seemed like the world moved on to other issues.

We see the notion of collaboration as essential, whether in the private sector or among local governments and



MICHAEL DAN *Brink's*

contribute money, but we have none of that expertise that you or Ed brings. That's where a group like GBC can play a valuable role by bringing the right skill sets to the table.

Still, companies are in the business of doing business. How do you measure the ROI of taking on far-removed health issues for your executive team and board?

DAN You don't sit down and do a return-on-invested-capital exercise on an issue that affects hundreds of millions of people. You decide what your core values are as a company and you set a course. I've never felt any push back from the Brink's board of directors or shareholders regarding our charitable activities. We have to provide the leadership and explain why we're choosing these targets. I've found my board of directors and all the constituents very proud of those activities.

LUDWIG You don't have to calculate return on investment. You can see it and you can feel it as you do town hall meetings, as you visit employees and shareholders. I will tell you that every place I go — every small office or plant — has some community program going on. You realize the mindset is taking hold when you see it bubbling up from the rank and file. You walk in and employees are collecting for the local school or the Cancer Institute or they're walking for diabetes. People who want to give back represent a sign of a healthy organization.

NIEDERAUER You're right — the cliché that the purpose of business is business is true. But so is doing well by doing good. People want to work at companies that care. We spend exactly zero minutes figuring out what the ROI will be. But we spend a lot of time figuring out how to have the maximum impact for the dollars we distribute.

One reason we got involved with GBC was to send the message that NYSE Euronext is now a global company. All of our foundation's funds were going to U.S. charities. That's not a bad thing, but as a global com-

international donor agencies. What lessons have you learned about partnerships and working together?

LUDWIG We need to understand exactly what's expected of our companies. It's clear that BD is a diagnostics expert. We'll teach you how to run a lab, train the people, get good answers so that the proper therapy can be applied. We're good at drug-delivery systems. We focus on what we're best at and let other folks focus on their competencies.

REINHARDT There's still room for collaboration. For example, probably dozens of groups — some academics, some bigger companies — are developing malaria vaccines. Here's an opportunity to bring all of us together, share expertise, share knowledge, share scientific progress and actually pick the best ideas to develop. That has not happened so far. Individual projects are being funded, but you don't have an opportunity to examine the best approach from a scientific perspective and then do that.

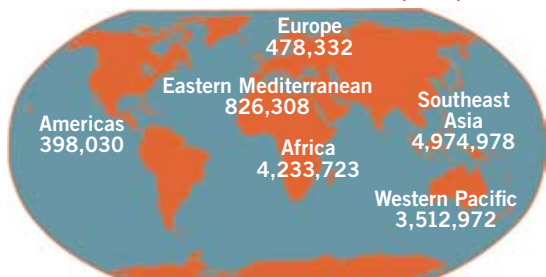
NIEDERAUER Some cooperative attempts are easier than others. Raising money is fairly simple. What was compelling about World Malaria Day was the breakdown into simple numbers. Mosquito bed nets cost \$10, and a certain number of people need one. Multiply those numbers together and that's how much money we need. If everyone does their part, you're going to top that thermometer to get to the goal.

The cooperation you were just talking about, Joerg, is much harder because we can

tuberculosis

- » 9.2 million new TB cases and 1.7 million deaths from the disease were reported in 2006.
- » More than 14.4 million people are living with TB.
- » Of new TB cases diagnosed each year, 500,000 are from drug-resistant strains.
- » TB is the leading cause of death among people who are HIV-positive.

WORLDWIDE TUBERCULOSIS PREVALENCE (2006)



SOURCE: GLOBAL BUSINESS COALITION

pany we have global responsibilities. So, for example, on my next trip to China I plan to look for opportunities to get some money to the poorer provinces.

REINHARDT Novartis' not-for-profit institutes follow the same principles that govern our internal projects. They have milestones and performance criteria. Those outcomes have an impact on the performance assessment of the individual who runs a project. The only difference is that we don't calculate any NPV [net present value] for their products and don't have an ROI goal.

From a shareholder and a board perspective, we get only positive feedback. Investors ask questions as to how much we are engaged. How much do we actually do? What's our contribution? How many people do we devote to projects? The interest level is getting more and more spirited.

JOHN TEDSTROM The GBC recently opened the Knowledge, Evaluation and Performance Department, where a team of five people focuses on helping members determine which programs will have the biggest bang for their bucks. We hear all the time that companies want to make sure that the time spent, the money invested and the resources deployed are having the biggest impact.

NIEDERAUER Belonging to an organization such as the Global Business Coalition accomplishes two goals. Novartis is not going to tackle these issues alone and neither is Brink's or BD and neither can we. But together we can make a difference. GBC helps us coordinate. The second benefit is credibility. GBC does the due diligence on a project, so I'm not wondering if 40 percent of the money we gave to what we thought was a good cause is distributed to the people who need it.

LUDWIG Cooperation is crucial. The numbers are almost unbelievable — millions of deaths from some of these diseases, and millions of orphans. The easy or the jaded reaction might be to throw up your hands and say, "What can we possibly do? It's too big." But by working together, breaking actions



JOERG REINHARDT *Novartis*

Does the current financial turmoil put a strain on your vision for corporate social responsibility and investment in global health?

DAN John, if I called my employees and said, "Send \$10 to the Brink's Foundation," I'm not convinced that I'd have a great response. But if you get your people fired up about something, they'll volunteer their day off to go to clinics. What's going on in the economy is just not going to affect their passion. I do think the economy causes some people to set their priorities, though. People are going to ask where we can get the most bang for foundation dollars. But once passion is in the water, it's in the walls.

TEDSTROM And money is there. The U.S. government tripled funds for PEPFAR from \$15 billion over five years to \$48 billion just this past summer. We're looking to take the budget for the Global Fund to Fight AIDS, Tuberculosis and Malaria from \$3 billion to \$4 billion a year to \$6 billion to \$8 billion by 2010. Business will be called on to keep pace in some way. Part of that will be financial resources but also core competencies, infrastructure and employee time. ■

down to a micro level, we can make some progress with one intervention in one country in one area, then move on to the next one. Reducing the health crisis to something that's actionable will bring more people into it. They'll say, "Okay, I can do that."

REINHARDT I would go a step further by consolidating resources. Significant money is spent on malaria, for example, by the private sector, NGOs and governments. Considering professional management of the expenditures and of the work that these organizations do, I believe one coordinated effort could produce better results.

NIEDERAUER On a lot of these issues, people start out well intentioned. My wife and I are very involved in the autism effort in the U.S. That's why I wear this pin every day. We belong to a three-year-old organization called Autism Speaks that spent its first year and a half essentially on M&A activity — getting a bunch of disparate enterprises into one coordinated effort. Everybody was trying hard; everybody's heart was in it. But none of the organizations had national scale. Getting these regional enterprises together gave the movement scale. Now we can get our message out. Now we run more efficiently. Now we get national attention in Washington and international attention from the U.N.

Coordinating the fight against malaria, TB and HIV/AIDS is a big role that the GBC plays, because Ed is right: The numbers on these diseases are staggering. Alone, my vote's not going to help much.

HIV/AIDS

- » Of the population living with HIV, 39% are between the ages of 15 and 24.
- » More than 15 million children have been orphaned as a result of AIDS.
- » Women constitute 62% of young people living with HIV/AIDS.
- » Two-thirds of the 33 million people currently infected with HIV are in sub-Saharan Africa.

HIV ESTIMATES BY REGION (2006)



SOURCE: GLOBAL BUSINESS COALITION