Interview: Peter Brenders – General Manager, Sanofi Genzyme Canada

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Peter Brenders, general manager of Sanofi Genzyme Canada, highlights the strategic significance of the Canadian affiliate, which has seen double-digit growth every quarter for the past five and a half years; the challenges it faces within Canada's market access environment; and the personal motivation driving him after three decades in the healthcare and life sciences space.

Peter, with a new head, Bill Sibold, heading up Sanofi Genzyme as of July 2017, and the larger Sanofi reorganization led by CEO Oliver Brandicourt in 2016, what has this meant for the Canadian affiliate over the past few years?

We are certainly very excited to have Bill – incidentally a Canadian! – leading the organization. Having been with the Genzyme family for a number of years now, he has a solid understanding of Genzyme's history, culture and direction, and I believe his approach carries on Genzyme's tradition: putting patients and science at the center of what we do.

The 2016 reorganization of Sanofi globally into five Global Business Units (GBUs) has allowed us to focus. Sanofi as an entity has grown both organically and through M&A over the past few decades, and our CEO, Oliver Brandicourt, has identified that Sanofi really operates across five businesses: Sanofi Pasteur, Diabetes and Cardiovascular, General Medicines, Consumer Healthcare, and Sanofi Genzyme, which focuses on specialty care. There was a recognition that the specialty care approach Genzyme traditionally has had through its multiple sclerosis (MS) and rare diseases

franchises applies to oncology and immunology as well, which is why the latter two were incorporated into Sanofi Genzyme last year.

Globally, Sanofi Genzyme is one of the growth drivers for the Sanofi group. At both global and Canadian level, our business has seen double-digit growth quarter over quarter for the past few years. Specifically in Canada, our long-established brands remain significant growth drivers, with our two MS drugs – our oral first-line therapy and our infusion second-line therapy – ranking as two of the fastest growing drugs in Canada four years plus into their launch.

The next level of growth will by driven by new products in oncology as well as immunology. For immunology, we had a recent approval for Kevzara® for rheumatoid arthritis, and look forward to a potential approval for our atopic dermatitis product hopefully coming up later this year. At a global level in oncology, we are also rapidly building a strong presence in immuno-oncology with our PD-1 inhibitor (in collaboration with Regeneron) and our anti-CD38 monoclonal antibody isatuximab.

Sanofi Genzyme Canada contributes significantly to the global business. We are certainly a top ten market for Sanofi Genzyme – in fact, removing the US from consideration, we probably rank in the top five, so we feel we make an important contribution.

How does Sanofi Genzyme go ‘beyond the pill’ to support patients and healthcare stakeholders along their entire care pathway?

This is something fundamental to the nature of our work, particularly within the rare diseases space, where we provide support to our patients along their entire healthcare journey, from raising disease awareness to patient diagnosis to treatment and aftercare. Very often, patients with rare diseases have to go through a 15-20 year journey to be diagnosed, and only then can they even be assessed on their appropriateness for available treatments. Thereafter, we provide treatment support and other support programs like infusion support. We also partner with government bodies and public programs. We have long-term registries in place to keep track of patient outcomes data, in order to collect real world evidence on the positive contributions of our therapies.

At Sanofi Genzyme, we do not see our activities as mere transactions, but an investment in working with the healthcare systems and patients within Canada. As you know, the systems vary across each province and territory, so it is even more crucial that we build our programs and initiatives around the needs and capabilities of each area.

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Patient advocacy is very strong within the rare diseases space. As there are so few patients with rare diseases, it is imperative that they work through strong patient associations to ensure that their voice is heard. Healthcare provision is also very structured so it is important for governments to hear from patients that there are unmet medical needs to be addressed in this space. Having that organized voice is very important for patients but also to governments. In other specialty care areas, patient associations do exist and they also play an important role in raising awareness of patient needs and available solutions.

Coming to the Canadian market access environment, we seem to be seeing a period of uncertainty with some proposed regulatory changes. What impact do you expect these to have on the pharma industry?

Frankly speaking, the market access, pricing and reimbursement environment is getting increasingly worse, to the extent that I am worried for the future of patient care in Canada. Canada has some of the lowest pharma prices in the world and as an industry, we have always tried to work collaboratively with the provinces and territories to help manage the expectations in terms of pricing and to focus on value, but rhetoric and expectations seem to be drifting away from what has been traditionally reasonable. All the noise and controversy from the US certainly does not help – even though these incidents would never happen in Canada because we have a system in place against excessive pricing.

Industry associations are doing a good job in terms of raising awareness on these issues and stressing the importance of maintaining an attractive environment for new, innovative and effective therapies. But as an industry, we can only be partners if there is a willingness to work with us; not just government officials but healthcare practitioners, pharmacists, nurses and patients. All stakeholders should be coming together. After all, the public healthcare system is run on taxpayer money so the government should be responsive to public needs.

You have worked on different sides of the table, from consultancy to industry to association and also in the public sector. What underlines this lack of engagement between stakeholders, particularly between industry and government?

Part of the issue stems from an ingrained bias. There are players within the public system that appreciate the complexity of the issues and the needs within the Canada but there are also players that do not fully appreciate the role that industry plays within the healthcare ecosystem. We cannot be reduced to a commodity supplier – while parts of the industry do supply commodities, a large part of it deals with innovations relating to significant unmet needs, which is very different

and requires significant investment.

What seems to be missing is an answer to the question: ‘why does industry charge the prices they charge’? This seems to be something some government or public agency stakeholders do not yet fully appreciate – and they certainly do not understand the reasonableness of Canadian industry prices. A company needs to set prices that will generate sufficient revenues that demonstrate value and allow it to invest in new products. Today’s sales pay for tomorrow’s cures. There needs to be an appreciation of that – and of the fact that much of healthcare spending on therapies will ultimately be reinvested in research, and research that we would like to conduct in Canada, on top of that.

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For instance, globally, Sanofi as a group invests 15 percent in R&D – and in Canada, it is actually between 15 to 20 percent, depending on the year. In general, we at Sanofi as well as the industry at large would love to conduct more R&D in Canada but we need to see the appreciation from the other side that the resulting innovations will be adopted in the Canadian market as well.

The Federal government has made innovation the core of its agenda and we have seen new investments in early-stage R&D and science, but innovation is more than just funding early or even applied research. It is walking the talk and adopting innovations when they are developed. On this aspect, I cannot say I have seen much positive change recently. On the contrary, there seems to be even more processes introduced to restrict the adoption of innovations. Having worked in government, I do understand the need for process, but process need to be reasonable and also time-limited. Open-ended processes with no set time frames are not helpful.

Despite the challenges, as you just mentioned, Sanofi Genzyme has invested more than the company average in R&D in Canada. What has contributed to this?

Much of it is legacy – a reflection of Sanofi’s origins in Canada through Sanofi Pasteur – but it also stems from Canada’s strength in research and science.

It is important to note that the industry has evolved in its means for R&D. We do much less in-house R&D and more external partnerships. We often hear of references to the Patented Medicines Price Review Board (PMPRB) statements on the industry’s failure to keep its 10 percent R&D commitment but the fact is that old metrics are being used to measure our R&D investment. We fund external research, and invest in, partner with, or even buy innovative companies instead of investing in our own in-house R&D teams, and yet this does not yet get captured or credited in

these government reports.

For instance, we built a partnership with the province of Alberta 1.5 years ago where we did a dollar-to-dollar match for an over CAD 1 million R&D fund for neurology and MS. We recognized that there was a tight research community doing very interesting work in neuroprotection and repair, so we invested in the ecosystem there. This investment does not get captured in the R&D figures reported by the PMPRB.

There continue to be other examples like that where we seek out potential partnerships with government entities and/or research centers. There is solid research being conducted in this country by world-class researchers in topnotch academic centers, and as general manager, I also champion Canada at the global level. For instance, whenever we hear of good research or ideas, we connect them to our global R&D and business development teams in order to feed them through our global processes. This brings fresh ideas and promising innovations on the radar of Sanofi globally. I also highlight this in our budget discussions and frequently advocate for more investment to be made in various research centers or academic institutions here. It is about more than just cutting a check; it is about connecting individuals and institutions to our global organization.

On that note, with your expertise, what role do you think Canada be playing within the global life sciences landscape?

I think Canada needs to spin out more companies and create more exciting technologies. We tend to worry excessively about local companies being bought out by international companies. I do understand the concern but I think it is a little misplaced. Canada should not be trying to build a global MNC life sciences company like a Sanofi or a Pfizer; in today’s interconnected world, that is not necessary. We do have some great Canadian companies and great Canadian technology, and it benefits the entire Canadian life sciences ecosystem if they are acquired by international players. For instance, Sanofi Genzyme bought a Vancouver-based company called AnorMed a few years ago in a USD 580 million plus deal and we eventually commercialized one product, Mozobil®, from that. The amount of investment Genzyme made into it was still significant, and furthermore, most of the AnorMed executives did not join Genzyme but rather stayed in Vancouver and started other companies! A sale like this is a very positive outcome because it generates capital and talent that can be deployed elsewhere, and overall, this builds a vibrant ecosystem and the reputation of Canadian technology globally.

Success breeds success. Canada should be fostering more and more such biotech companies to feed into the global life sciences engine, much like a giant incubator.

On a final note, having been in this industry for nearly three decades now, what continues to motivate you in your current role?

Throughout my career, I have worked in hospitals, the public sector managing a number of different portfolios including long-term care, policy, hospital management and even Ontario's drug plan, as well as industry for different companies, and the Canadian biotech association, BIOTECanada. There are so many good places to work in this ecosystem and I have been lucky to experience a number of perspectives across payers, regulators, industry and association. Ultimately, we all have the common objective of making people better.

In my current role, I have a clear purpose. On the walls of Sanofi Genzyme's office here, we have pictures of Canadian patients with various diseases to whom we make a difference every day. We have, for instance, Anisa, who is the first commercial patient treated for Mucopolysaccharidosis I (MPS 1) in Canada. Today, we have another 35 that benefit from his story and experience, as well as our R&D and activities here. It becomes personal to us. We get to know our patients, we have been invited to weddings, and we have attended funerals. Another picture is of Julia, who is a Fabry patient but she is not on our therapy. Her father was, however, and we continue to work with her in terms of raising awareness and supporting other Fabry patients. At the end of the day, that could be my daughter, my wife, or my sister.

All pharma companies talk about being patient-centric. At Sanofi Genzyme, we also know how we can make a difference to patients – and we do it, every day.

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