



**“The most important contribution towards the respect and support of human rights that any corporation can make is in the context of its normal business activities.”**

# Human rights in focus

## Novartis publishes landmark new corporate guidelines

**N**ovartis announced new corporate human rights guidelines at the annual international symposium of the Novartis Foundation for Sustainable Development on November 27, 2003.

“While it is clear that states have the leading role in the protection of human rights, business can and must play a complementary and constructive role in society to preserve basic human dignity,” said Daniel Vasella. “Our new guidelines will help ensure that Novartis respects human rights and will not knowingly benefit from violations committed by third parties.”

The result of more than 2 years of internal discussion and external dialogue with leading human rights organizations, the new guidelines define human rights as an integral part of Novartis’ policy on corporate citizenship. The new guideline defines specific principles related to equal opportunity and nondiscriminatory behavior, rights of personal security, and employee rights. It also sets forth positions regarding respect for national sovereignty, respect for local communities and indigenous peoples, and the protection of intellectual property and technology transfer.

Klaus Leisinger, Executive Director of the Novartis Foundation for Sustainable Development, talked to pathways about the company’s commitment to human rights and the new guideline.

**Why was it considered necessary to produce corporate guidelines on human rights?**

**Klaus Leisinger (KL):** When we signed the UN Global Compact, we made a commitment to the two human rights principles: to support and respect the protection of the international human

rights within our own sphere of influence; and to make sure our own corporation is not complicit in human rights abuses. These, however, are more or less undefined. So we began to outline our commitment in more specific terms and map out what could reasonably be expected of a global corporation like Novartis, which eventually led to the company’s new human rights guidelines.

**In which respects do the new human rights guidelines increase Novartis’ commitment beyond the pledges already made by the company’s signature of the Global Compact?**

**KL:** It does not increase the corporate commitment but helps to define and operationalize what the Novartis pledge to “respect and support” human rights means in daily life. An equally important benefit Novartis gained from the internal and external discussion of the human rights guidelines was that it forced many people to think about sensitive political issues that they would not normally consider in a business context. The new guidelines aim to explain the internal processes and responsibilities to ensure the company lives up to its commitments.

**The international Business Leaders Initiative on Human Rights (BLIHR) was announced December 9, 2003. What are the aims of this initiative, who will it include and how will it work?**

**KL:** The BLIHR is chaired by Mary Robinson and is run by its seven participating companies: ABB, Barclays, MTV Europe, National Grid Transco, Novartis, Novo Nordisk, and The Body Shop International. By participating in the BLIHR, we can broaden the learning curve about how corporations can act in regard to human rights. We also hope that through BLIHR, there is a broader

impact as several companies from different sectors act as a group, supporting each other's work. We will also be looking at ways of field-testing the newly conceived UN Norms on the Human Rights Responsibilities of Business Enterprises. The knowledge base of the Foundation and the experience with political processes has helped us to drive the process from a leadership position.

**Dan Vasella has remarked that the most significant contribution that Novartis can make towards protection of human rights is discovering and developing effective medicines. Do you agree? What other concrete projects has Novartis embarked upon?**

**KL:** I definitely agree. The most important contribution towards the respect and support of Human Rights that any corporation can make is in the context of its normal business activities. For Novartis this is discovering and developing effective medicines, producing them at high quality and making them available through markets. Life-saving medicines like Gleevec make a great contribution. We provide our employees with safe workplaces and competitive pay, obey all laws and regulations and – in addition to paying taxes – contribute to insurances, pension schemes and other social institutions.

These are the “essentials” of the Novartis contribution towards society. Beyond such essentials, we apply our corporate citizenship philosophy to go even further: in countries where local law would allow us to apply less rigorous standards (for example, in the social and ecological quality of work) we stick to a self-imposed set of norms, our corporate citizenship guidelines. Beyond that, we carry out philanthropic work, such as the many development programs of the Novartis Foundation for Sustainable Development and other Novartis foundations, the donation of free medication for leprosy patients until the elimination of this disease, the donation of TB treatment to Tanzania and Sri Lanka, supplying the WHO with a new anti-malarial drug at cost, as well as patient support programs for needy cancer patients or uninsured senior citizens in developed countries.

**Given measures such as the selective lifting of patent protection or compulsory licensing, it is becoming clear that cost is**



**“Novartis has an important role in helping those in need gain access to treatment, and we are working on alleviating these problems.”**

**often not the main problem behind access to medicines, but rather the inadequate nature of the existing healthcare infrastructures in many countries.**

**Does Novartis have a role, or even a responsibility, beyond simply developing and producing medicines to help alleviate problems that prevent treatment from reaching those who need it?**

**KL:** It is politically easy to attribute the deficits of poor patients' access to medicines to price and patents, but the facts tell a different story. 30,000 children die every day from hunger-related diseases or diarrhea. Most of them could be saved by oral rehydration salts at a price of only 2 cents. People living in poverty in rural areas of the developing world have no access to proper diagnosis, to basic health services. They must often walk for hours to see a health post – and queue there even longer. Many of them cannot on their own distinguish between symptoms of a life-threatening disease and ongoing health problems, such as worms or other parasites. If they get access to the appropriate medicines, compliance is a problem, particularly with prescription medicines that need to be taken for a specific period or at regular intervals in order to work effectively.

Clearly, Novartis has an important role in helping those in need to gain access to treatment and we are working on alleviating these problems. To give you an example: at the moment we are working on the problem of how one can best bring daily observed TB treatment (TB dots) to poor rural areas where



health services are too thinly spread or not available, a factor that makes proper observation unlikely. We will be testing innovative observation systems that use village midwives or household members. The ‘chain’ of access to medicines is as strong as the weakest ‘link’ – hence sustainable improvements require multi-stakeholder approaches and cooperation in good faith amongst partners.

**Who are Novartis' partners and how does the Novartis Foundation choose its partners to address the access problem?**

**KL:** Partners are those who have the same definition of the problem, a compatible concept on the solutions and the willingness to cooperate in good faith. Considering the sheer dimension of today's poverty problems, there is no place for ideological prejudice. In the framework of the Global Alliance for the Elimination of Leprosy (GAEL), we work closely with the WHO, local governments, and selected leprosy organizations. In a pilot project to fight tuberculosis in Tanzania, we work with social scientists, doctors, and health workers. In our AIDS orphans programs in Southern Africa, we have another set of specialized partners. The same is true for our community development and preventive health programs. Besides the essential elements of partner profile – quality, reliability, and willingness to work hard – we choose our partners according to the specific competencies needed in the respective programs.

**Human rights abuses/issues are most common in developing countries.**

**How does Novartis reconcile its primary raison d'être – obligation to make profits – with its aim to protect human rights in those countries?**

**KL:** I cannot see a contradiction between making profits and observing human rights. It would be utterly strange if a company would need to make losses in order to support human rights. As I said, a company like Novartis makes a high contribution towards human rights by doing a good job in its core business. Under ‘normal’ circumstances (i.e., in countries that enjoy ‘good governance’), governments and their institutions act as the main custodians of human rights. But unfortunately, ‘circumstances’ in many countries are not ‘normal’. The most difficult human rights problems – and



**“We are looking for other pharmaceutical companies to come on board and join us for a pharmaceutical sector initiative on Business and Human Rights.”**

this is central to any fair discussion on the subject of “Business and Human Rights” – occur in those countries in which the state and its institutions are not meeting their responsibilities. Under such circumstances, a serious corporation must make sure they are not benefiting from the human rights violations of others. It is also in such countries where our corporate citizenship guidelines have the greatest impact because social and ecological standards – if they are available at all – are not enforced by the state authorities.

**There is surely a limit to what an individual company can achieve. What, in your opinion, should Novartis be achieving in regard to human rights?**

**KL:** If you read the annual report of Amnesty International, you realize immediately that the sheer dimension of today's problems necessitates coalitions of the like-minded. We are therefore looking for other pharmaceutical companies to come on board and join us for a pharmaceutical sector initiative on “Business and Human Rights.” This again means that we must act in a way that other companies feel motivated to join. We do a lot to destigmatize the debate, to discuss corporate contributions within the frame of a “fair societal division of labor” and to contribute to a debate that has concrete results rather than polemic rooster fights.

**How does an event such as this symposium act as a catalyst for real progress and concerted action? Is there a follow-up to ensure that discussions in this forum do not end up simply as ‘hot air’? How do you intend to keep up the momentum?**

**KL:** Well, this recent symposium can be considered as a follow-up already. It is a preliminary culmination of the heavy research and analysis work, stakeholder discussions, external and internal debates about human rights that the foundation has been involved in over several past years. Actually, a review of our past projects, programs, and principles shows that human rights have been a cross-cutting issue throughout all of the foundation's activities at all times. So, nothing new about that. And Novartis, as a corporation, went on record with its human rights guideline.

However, where do we want to go from here? The next steps now include trying to involve other pharmaceutical companies. Our next symposium in 2004 will focus on the “Right to Health” debate, where we try to get more insight into the demands from that perspective.