

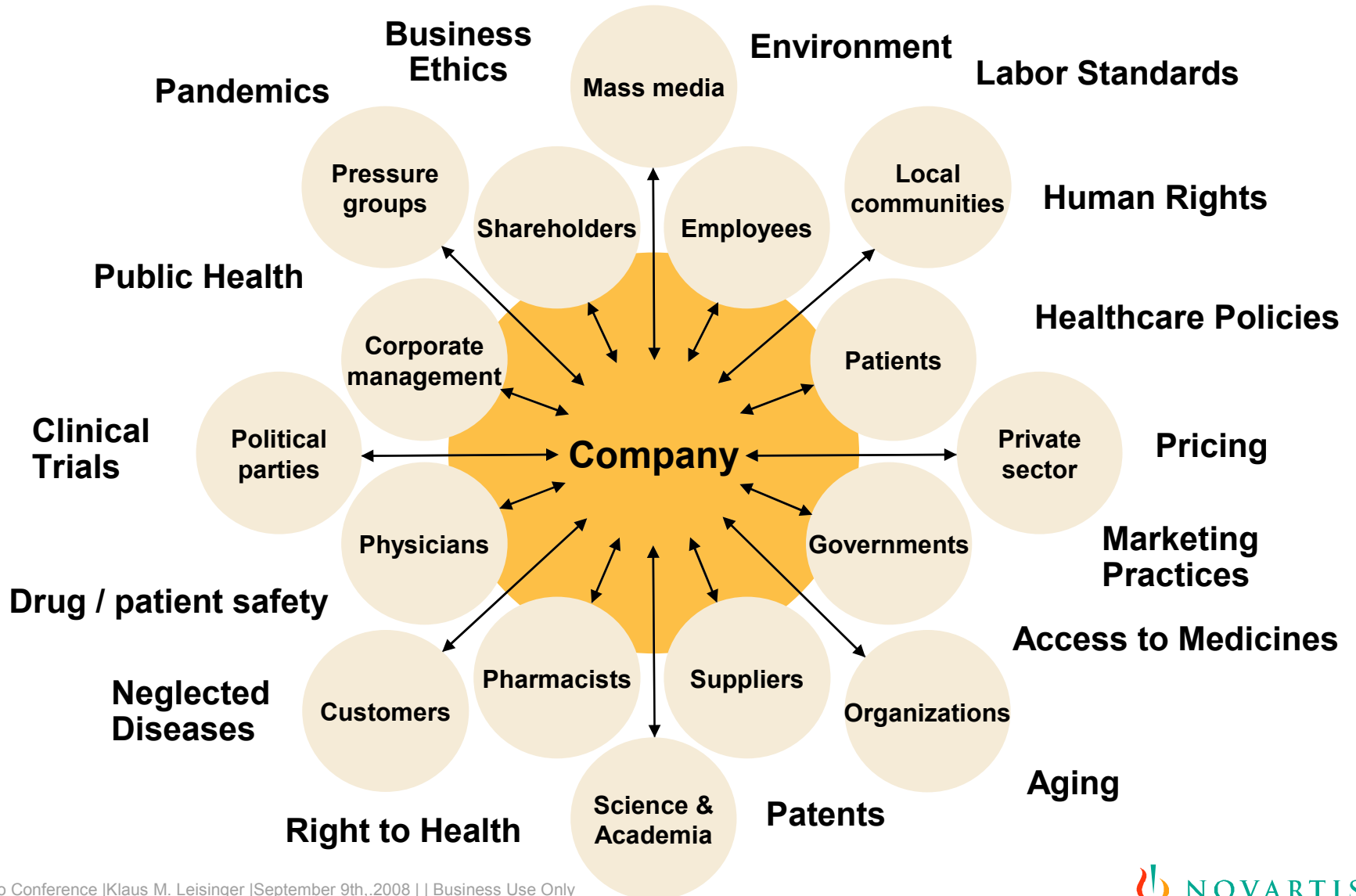
Corporate Responsibilities for the Right to Health

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Who defines Corporate Responsibilities today?



The Request of the UN Global Compact

Human Rights

The Secretary-General asked the world business community to

Principle 1:

support and respect the protection of the international human rights within their sphere of influence;

Principle 2:

make sure their own corporations are not complicit in human rights abuses;

The Preamble of the Universal Declaration of Human Rights



THIS UNIVERSAL DECLARATION OF HUMAN RIGHTS (has been proclaimed) as a

“common standard of achievement for all peoples and all nations, to the end that every individual and every organ of society, keeping this Declaration constantly in mind, shall strive by teaching and education to promote respect for these rights and freedoms and by progressive measures, national and international, to secure their universal and effective recognition and observance, both among the peoples of Member States themselves and among the peoples of territories under their jurisdiction.” (excerpt from Preamble)

The Right to Health



Universal Declaration of Human Rights

Article 25.

(1) **Everyone has the right to** a standard of living adequate for the health and well-being of himself and of his family, including food, clothing, housing and **medical care** and necessary social services, and the right to security in the event of unemployment, sickness, disability, widowhood, old age or other lack of livelihood in circumstances beyond his control.

(2) Motherhood and childhood are entitled to special care and assistance. All children, whether born in or out of wedlock, shall enjoy the same social protection.

International Covenant on Economic, Social and Cultural Rights

Article 12

1. The States Parties to the present covenant recognize the right of everyone to the enjoyment of the highest attainable standard of physical and mental health.
2. The steps to be taken by the States Parties to the present Covenant to achieve the full realization of this right shall include those necessary for:
 - (a) The provision for the reduction of the stillbirth-rate and of infant mortality and for the healthy development of the child;
 - (b) The improvement of all aspects of environmental and industrial hygiene;
 - (c) The prevention, treatment and control of epidemic, endemic, occupational and other diseases;
 - (d) The creation of conditions which would assure to all medical service and medical attention in the event of sickness.

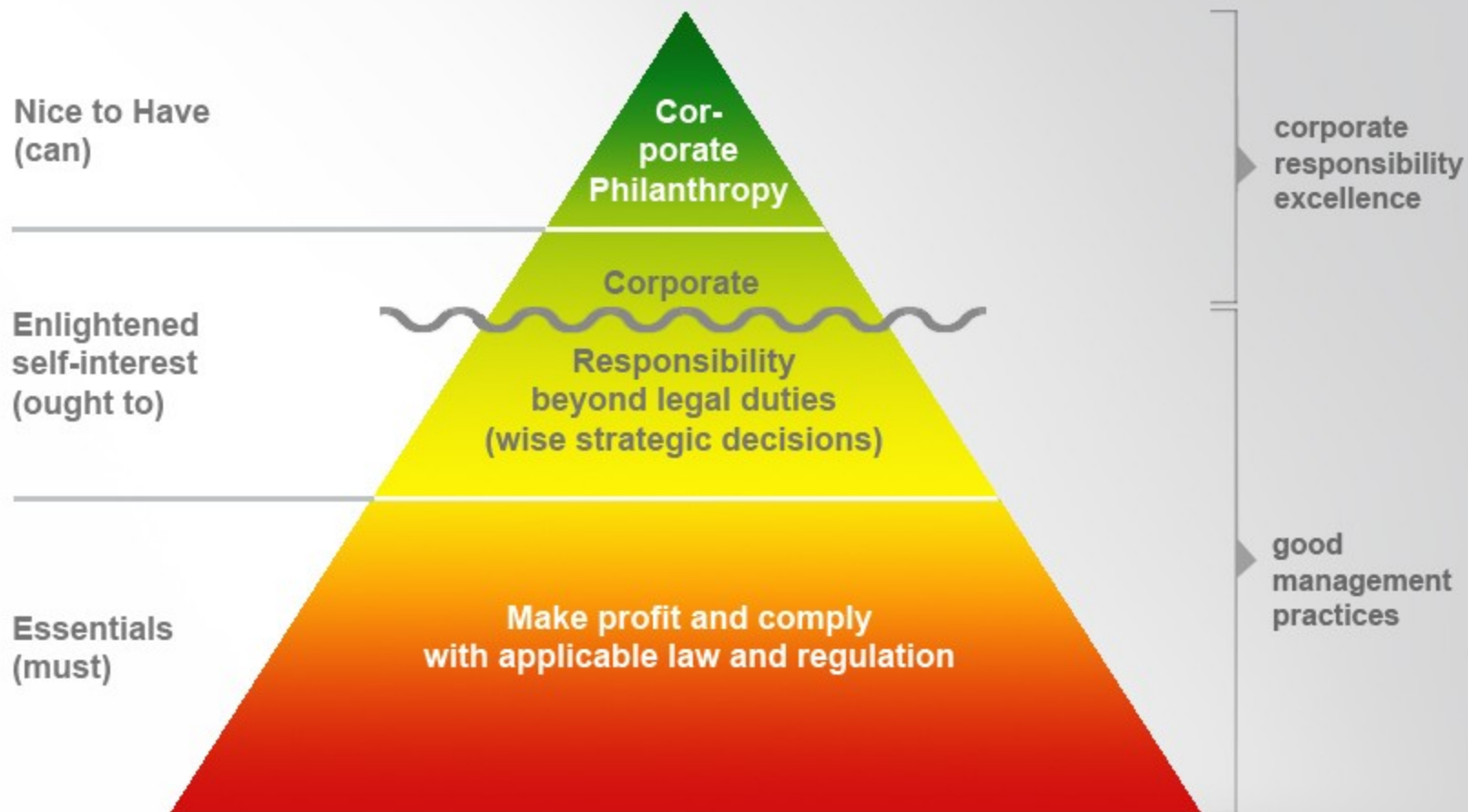
The Requests of the Special Rapporteur, e.g.

Pharmaceutical companies should, whenever formulating and implementing its strategies, policies, programmes, projects and activities that bear upon access to medicines:

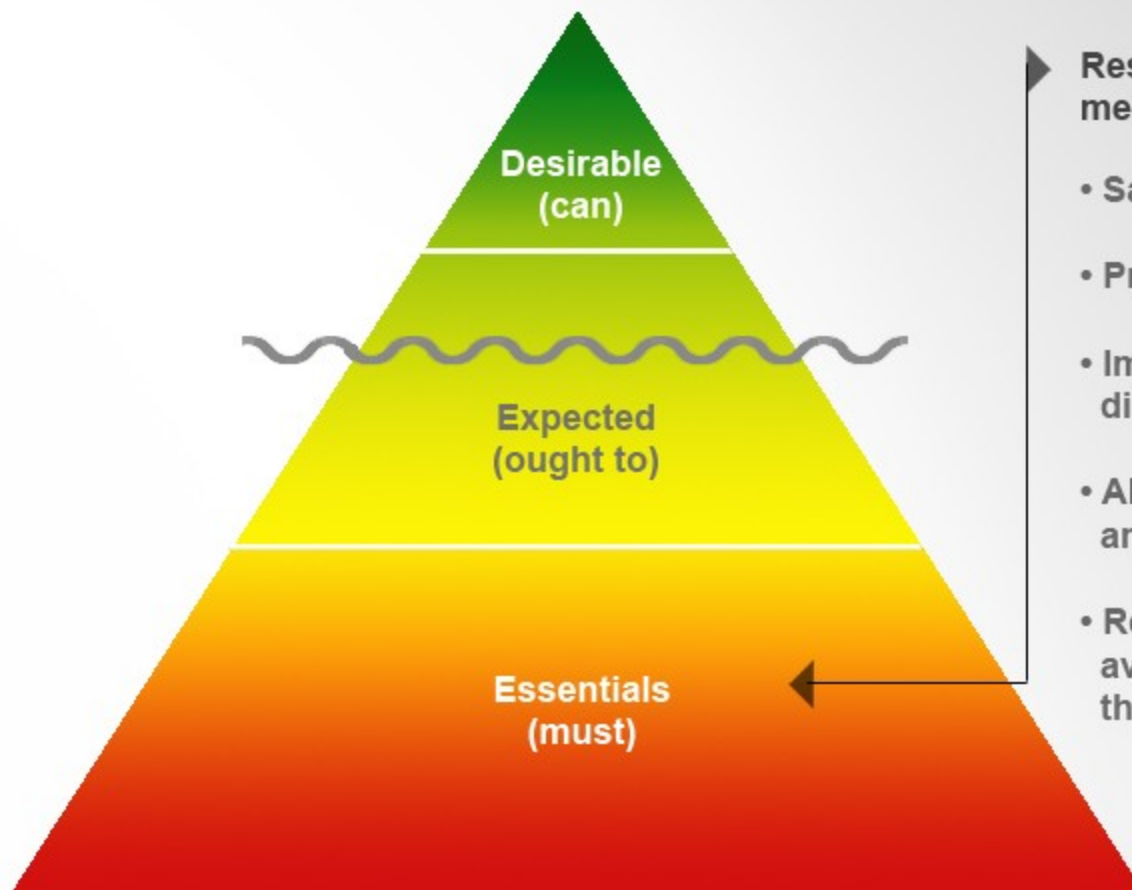
- give particular attention to disadvantaged individuals and communities, such as those living in poverty;
- give particular attention to gender-related issues;
- give particular attention to the needs of children;
- give particular attention to the very poorest in all markets;
- be transparent;
- encourage and facilitate the participation of all stakeholders, including disadvantaged individuals and communities.

(guidelines 6(i)-(vi))

The Hierarchy of Corporate Responsibilities



The Hierarchy of Corporate Responsibilities

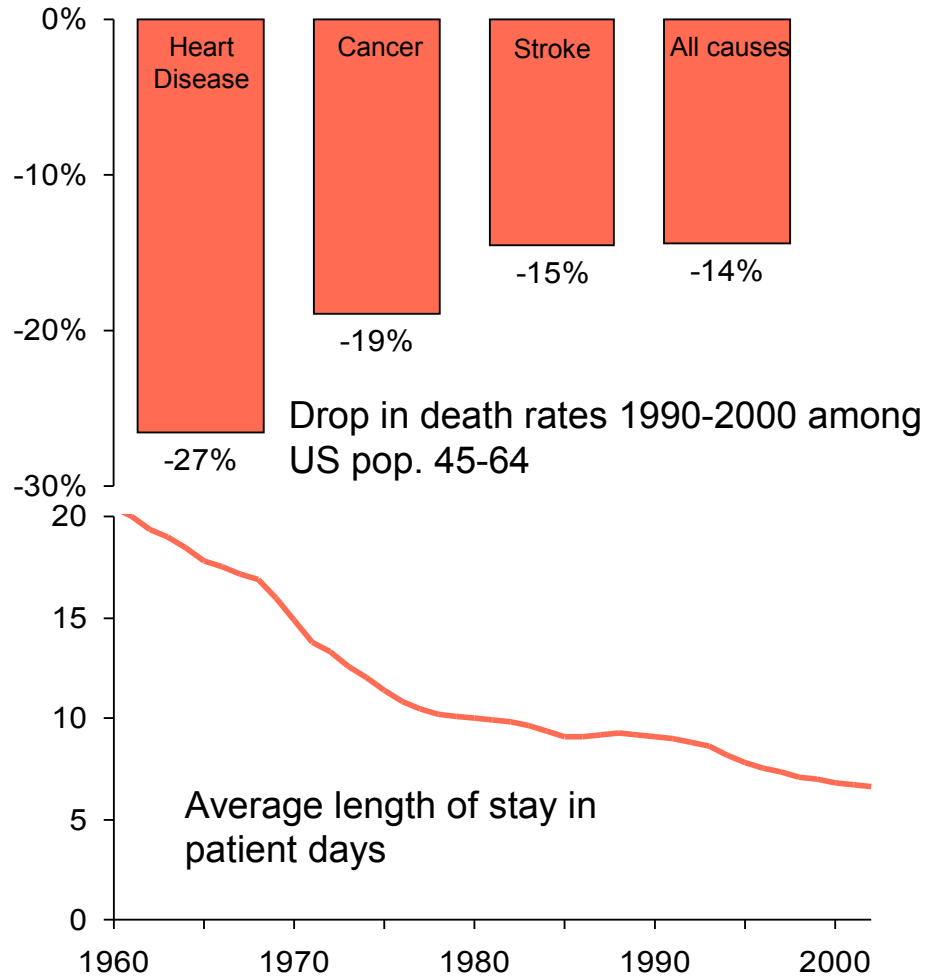
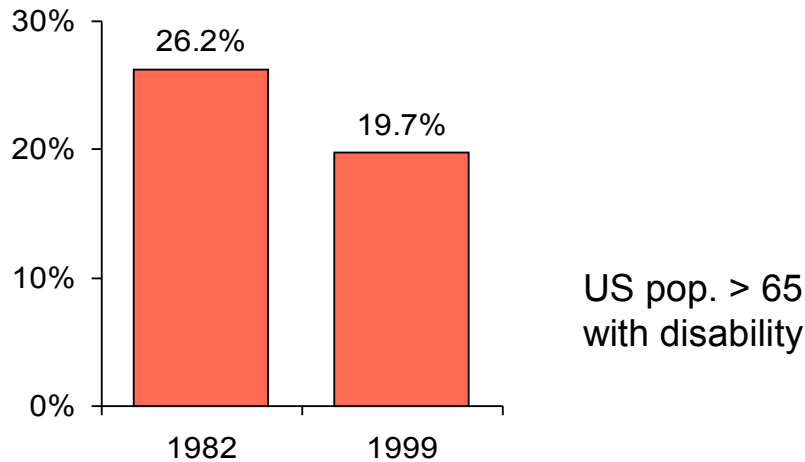
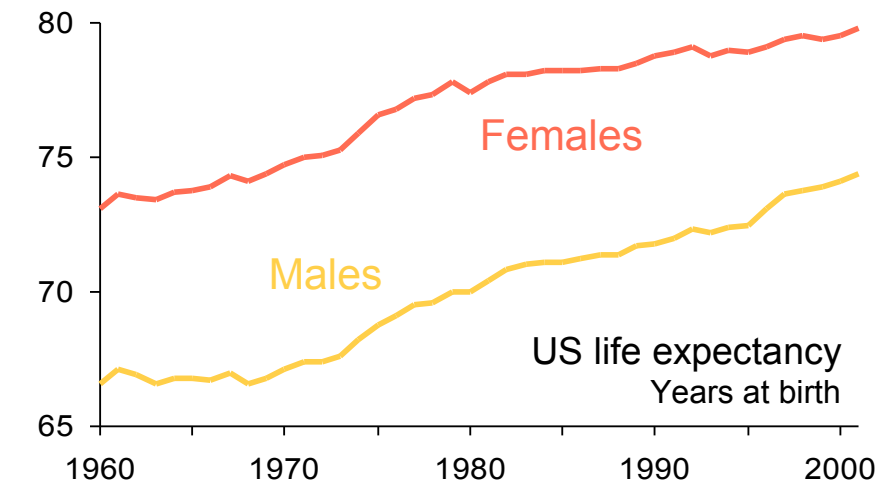


Researching, developing and offering medicines which

- Save lives (reduce mortality of diseases)
- Protect lives (reduce morbidity)
- Improve quality of life (less pain, less disability, fewer side-effects)
- Allow for a (relatively) normal private and professional life
- Reduce cost of medical care (i.e. by avoiding hospitalization or shortening the time of hospital stays*)

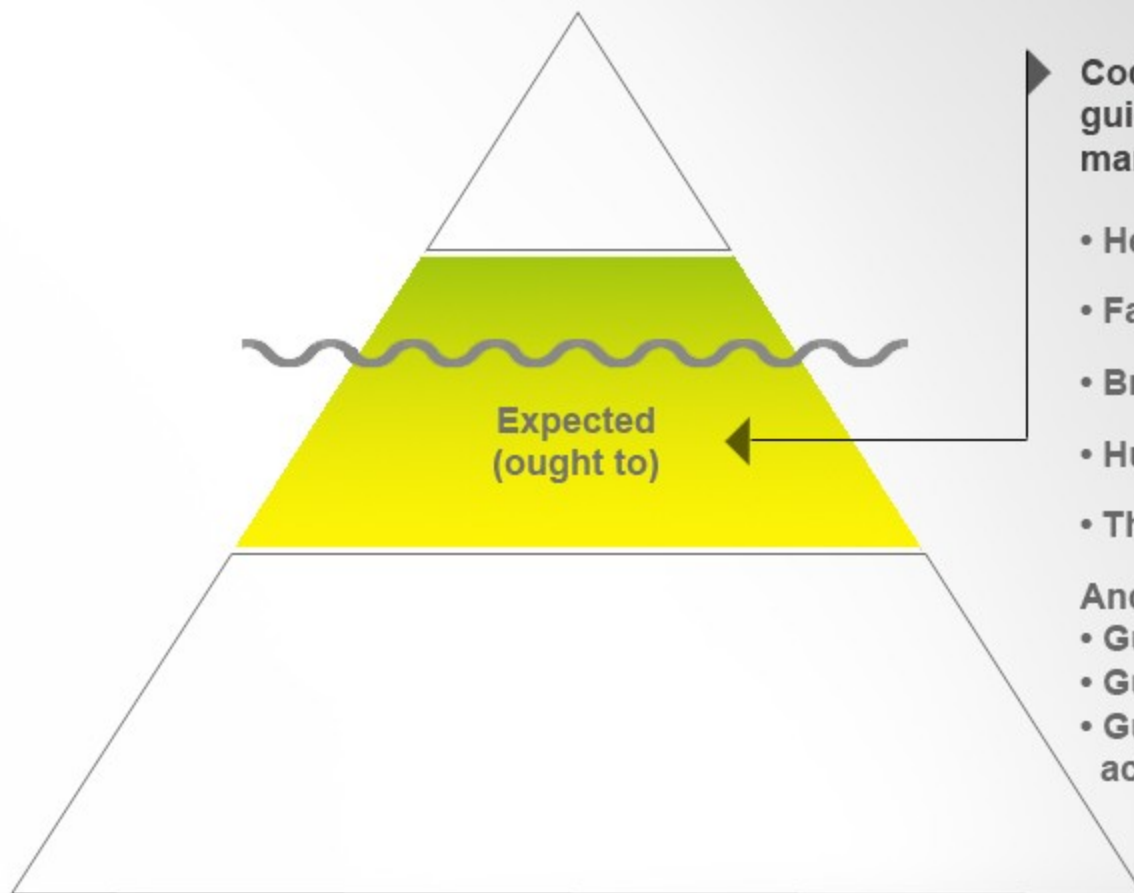
* Source: A US study concludes that USD 1.00 expenditure in innovative drugs is associated with USD 3.65 reduction in healthcare expenditures, see *Lichtenberg F.R. / Brown C.C. The Economic Benefits of New Drugs, Boston 2001*

The societal return on pharmaceutical investment



Sources: OECD Health Data 2004; Health, United States, 2003: Chartbook on Trends in the Health of Americans; Manton KG, Gu X., Proc Natl Acad Sci USA 2001 May 22; 98(11):6354-9.

The Hierarchy of Corporate Responsibilities



Code of Conduct, corporate citizenship guidelines for sensitive areas and management procedures, e.g.

- Health, Safety and Environment Practices
- Fair working conditions
- Bribery, gifts and entertainment
- Human rights and engagement in society
- Third party management

And also

- Guidelines on differential pricing
- Guidelines on „soft“ licensing
- Guidelines on knowledge sharing and access to information

Measuring misery

About 2.5 billion people live on less than USD 2 a day;

The richest 20% of the world's population receive 85% of the global income, the poorest 20% only 1.4%

Average life expectancy in the poorest countries of Africa is less than 45 years

Every year more than 500 000 women die in pregnancy and childbirth – one every minute

14 million children die every year due to preventable diseases

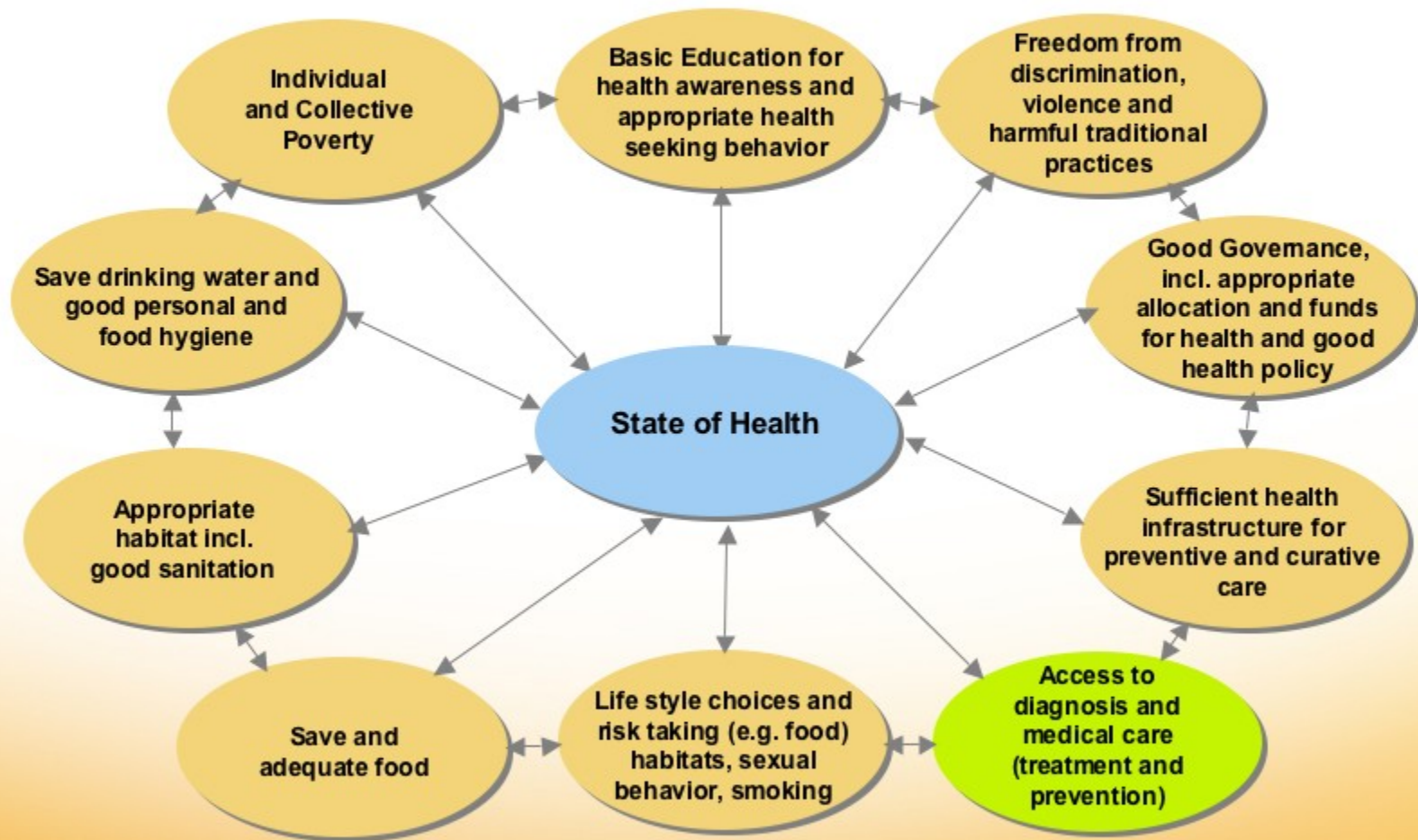


The “difficult” Corporate Responsibility challenges

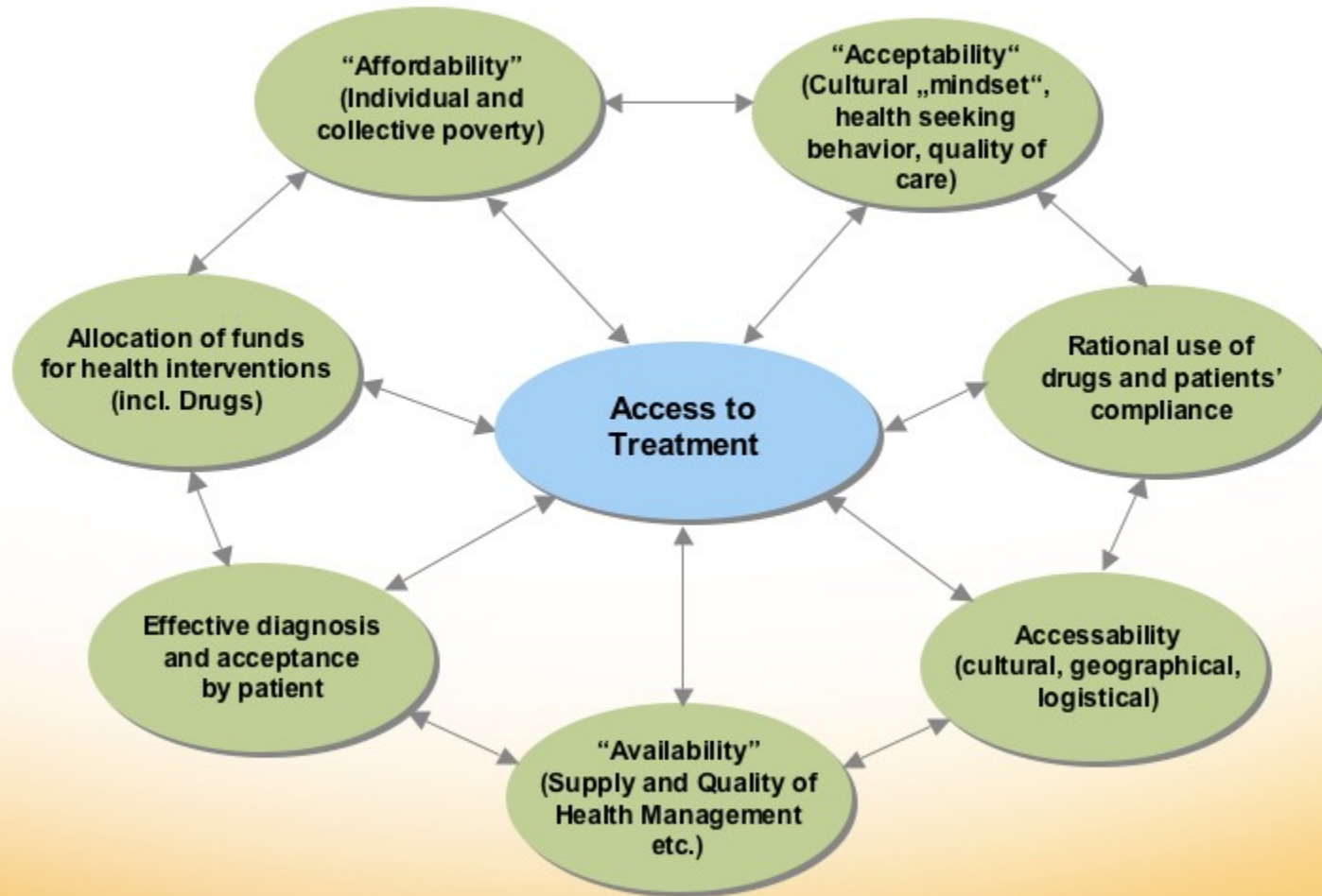
Market failures and failing states

- Who is in charge if markets fail to help cope with poverty diseases or if those that are supposed to be in charge are not delivering – because they are not capable or willing?
- Under which conditions can a business enterprise be expected to do what for whom until when?
- How much is enough? What is “appropriate” in a world with 2.5 billion people living in absolute poverty? Who has the legitimacy to determine the “right amounts”?
- Under which conditions is it legitimate to conduct clinical trials in developing countries?
- etc.

Poverty and Health: A Vicious Circle



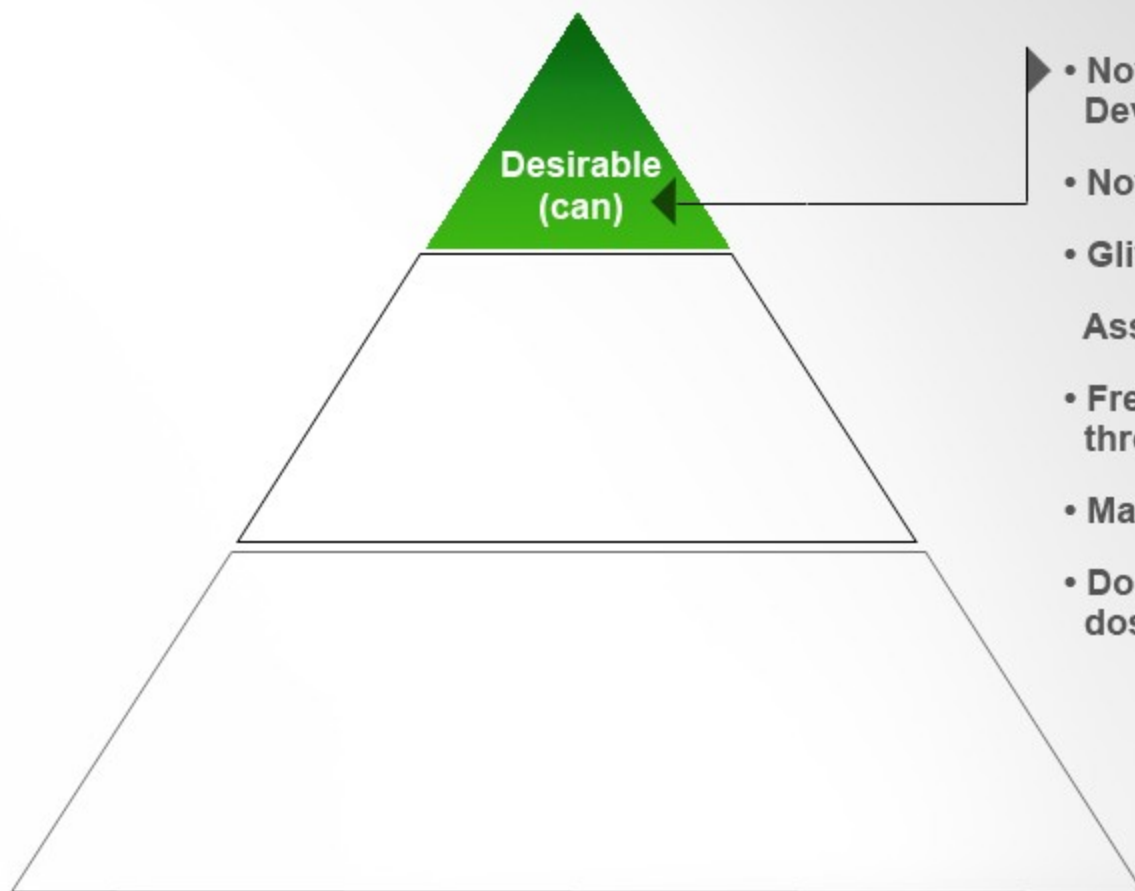
Determinants of Access to Treatment: A Multicausal Affair



Corporate Responsibility Tools for the „Access to Medicine“

- ✓ Differential Pricing;
- ✓ Licensing for market failure;
- ✓ Corporate Philanthropy incl. Donations;
- ✓ Pro Bono Research;
- ✓ Screening of Patent Library;
- ✓ Program Co-operation with Development Institutions
- ✓ Management Support (Human Resources, Logistics, etc.)
- ✓ Other innovative and creative private sector skills and methods.

The Hierarchy of Corporate Responsibilities



- Novartis Foundation for Sustainable Development
- Novartis Institute for Tropical Diseases
- Glivec® International Patient Assistance Program
- Free treatment for all leprosy patients throughout the world until elimination
- Malaria control program with Coartem®
- Donation of 500'000 tuberculosis fixed dose combination (DOTS)

Σ USD 950 000 000 (2007)

Novartis is known as a leader in drug access efforts

Leprosy (free to WHO¹):
Over four million patients treated since 2000

Malaria / Coartem:
66 million treatments delivered in 2007

Tuberculosis (with WHO):
500 000 free treatments provided over five years

Glivec² Patient Assistance Program:
Free therapy to 27 000 people in 80 countries

Novartis Institute for Tropical Diseases:
Singapore-based research initiative

Access programs
worth USD 950
million reached
66 million
patients in 2007

¹ World Health Organization

² Gleevec in US

Why bother with Access to Medicines issues?

Because it is the right thing to do:

You cannot have a first class economic performance and be perceived not to care about preventable mortality and morbidity.

Plausible arguments for a “Business Case”

Applied Corporate Responsibility for Access to Medicines is likely to

- ✓ **Save Lives and prevent morbidity by providing innovative solutions;**
- ✓ **Be “part of the solution” of one of the most difficult social issues;**
- ✓ **Engender employees’ motivation and identification;**
- ✓ **Enhance the attraction of the corporation as a partner for cooperation, ethical investment, excellent people, and critical customers).**