

HUMAN RIGHTS

# right tools for the job

The Novartis Foundation for Sustainable Development is helping to develop management tools that allow companies to assess their human rights impacts and responsibilities – and then to come up with an appropriate plan of action

Part of the Universal Declaration of Human Rights states that people have the right to a standard of living adequate for their health and wellbeing. Yet according to the World Health Organization, every year almost 10 million children die before reaching their fifth birthday – many from diseases or conditions that could have been treated by existing drugs if they were made more widely available or affordable.

The relevant section of the declaration refers to the role that ‘every organ of society’ has to play. The Novartis Foundation for Sustainable Development, which is the charitable wing of the drugs company Novartis, has been meeting this challenge for some years by helping the pharmaceutical sector to define how the sector is responsible, as an ‘organ of society’, for fulfilling a range of human rights. For this purpose it has helped develop human rights tools that provide an early warning system for companies, flagging up areas of concern.

The Danish Institute for Human Rights already has a tool of this nature – the Human Rights Compliance Assessment – which has 350 questions and more than 1500 human rights indicators that help to answer those questions. With some tweaking, says York Lunau, corporate responsibility adviser at the Novartis Foundation, this appears to be readily applicable to the pharmaceutical sector, as opposed to other tools that have been developed with industries such as the extractives sector in mind and on a standalone project basis. ‘We saw the chance to adapt this extensive framework to the specific needs of pharmaceutical companies in order to increase the tool’s effectiveness, and started the first pilot application in 2006’, he says.

The Danish Institute’s self-assessment system is held on a database that can be used online. By identifying areas of non-compliance with human rights principles, such as in a company’s geographical area of operation, risk areas are identified and practical steps for improvement can be suggested.

However, the usefulness of the tool, says Lunau, ‘is heavily dependent on finding a company-specific way to implement it, that is not too time-consuming but still intensive enough to produce results’. Tests were therefore run in Novartis operations in Turkey and

## the organization

The Novartis Foundation for Sustainable Development (Switzerland) is a non-profit private sector organization that forms part of the corporate responsibility portfolio of Novartis, one of the world’s biggest pharmaceutical companies. The Foundation has seven staff members and an annual budget of around SFr10million (US\$9.6m, £4.9m). It:

- is currently engaged with nine major projects in sub-Saharan Africa and on the Indian subcontinent
- has played a major role in leprosy elimination and pioneered the concept of social marketing as a means of combating the disease
- co-ordinates drug donations made by the Novartis company for treatment of leprosy and tuberculosis
- serves as a think-tank helping determine the content and limits of social responsibility, especially of pharmaceutical companies, as

Taiwan, with others now planned for Africa. A representative from the Danish Institute was present to support the process and observe the trials. In Turkey an audit-style interview method was tested; this was then compared with a group discussion-centered self-assessment in Taiwan. The latter appeared more effective at making people understand different human rights perspectives.

The pilots also yielded insights with regard to the content of the questions, which were originally framed in a generic, non sector-specific way. To make the tool correspond more closely with challenges in the pharmaceutical sector, the foundation has recently linked up with industry specialists.

While the adaptation of the Danish model is providing promising results, the Novartis Foundation is also looking at developing a human rights tool applicable to companies in other sectors. As a founding member of the Business Leaders Initiative on Human Rights (BLIHR), an industry body established five years ago, the foundation has developed a prototype for a tool that BLIHR will ‘feed into the business and human rights debate’ by the end of the year. The tool, called the ‘matrix’, aims to find practical ways of linking the Universal Declaration of Human Rights with high-profile issues in a business context.

An early version was based on the draft United Nations Norms on business and human rights, but these draft Norms have been shelved and other avenues are being explored by John Ruggie, the UN’s special rapporteur on business and human rights.

**the aim is to identify potential risk areas and raise practical suggestions for change**



■ the foundation's work on developing human rights tools allows companies to identify risks and then address them through various projects, such as this Novartis programme to educate communities about malaria, which is part of its work with the World Health Organization

'The intention of our tool has always been to build common ideas on the essential corporate response, and so this is something we have to develop with a full range of stakeholders', says Lunau. As a result, the BLIHR matrix now references the Universal Declaration of Human Rights and two international covenants: the Covenant for Political and Civil Rights and the Covenant for Economic, Social and Cultural Rights.

Organizations will be able to match performance against a series of standards, helping to define what companies should be achieving, and where to set priorities beyond this.

'Whether or not there's an immediate business case is irrelevant in some respects', says Lunau. 'Obviously the more these issues enter public debate, the greater the need for a corporate response.'

Developing human rights tools has become something of a trademark of the foundation. Each year it runs the Business and Human Rights Tools Forum in Zurich, in association with the International Finance Corporation, the private sector arm of the World Bank. The forum intends to advance the debate on human rights tools and increase co-operation between companies, governments, civil society.

The foundation also sat on the advisory group for the Human Rights Impact Assessment produced by the International Business Leaders Forum (IBLF), a business-led independent not-for-profit organization founded by The Prince of Wales. The assessment outlines an eight-step process that allows organizations to identify and implement ways to meet their human rights obligations. Lucy Amis, IBLF human rights programme manager, says the foundation 'made a critical contribution, providing financial support and intellectual capital, and has demonstrated its willingness to assist with the road-testing process'.

Although it operates independently, the foundation sees itself as part of the Novartis corporate responsibility portfolio since it is fully funded by the company and shares its values. Lunau points to the beneficial relationship between the two entities.

'We have the opportunity to be close to everyday business challenges, while not being dragged into short-term business needs', he says. 'In return, Novartis can rely on valuable inputs for securing its licence to operate and increasing shareholder confidence. Our main focus at the moment is on showing companies that they really can integrate human rights into their existing decision-making. Very often it's just a case of reviewing current practice.'

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## ibe comment NOVARTIS FOUNDATION

The Novartis Foundation for Sustainable Development has developed ways to examine the positive and negative human rights impacts of the pharmaceutical industry, as well as the role that companies have to play in fulfilling human rights aspirations.

### Features of note include:

- the adaptation of the Human Rights Compliance Assessment to suit the specific needs and challenges of pharmaceutical companies
- establishment of the Business and Human Rights Tools Forum as a means to discuss these issues
- development of other new and relevant tools for business that lead to greater co-operation between the various interested parties
- the emphasis on embedding consideration of human rights issues into business decision-making

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