SANIT – REPORT

An ethical problem: what is Pharmaceutical Companies’ social responsibility towards educating and caring about patients Worldwide?

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OUTLINE

1. Background, Objective & Scope. ................................................................. 3
   A) Background. ................................................................................................. 3
   B) Our approach .............................................................................................. 4

2. The forces shaping Pharmaceuticals companies’ responsibilities. ............. 4

3. What do Pharmaceuticals say their responsibility is?............................... 5
   A) Key findings ................................................................................................. 5
   B) Providing health to patients worldwide .................................................... 5
   C) Preventing and educating .......................................................................... 5
   D) Contribute to the debate on policy issues .................................................. 6
   E) Going even further! .................................................................................... 6
   F) A comment… ............................................................................................... 6

4. Pharmaceutical companies’ scope of responsibility.................................... 6
   A) Key findings. ................................................................................................. 6
   B) What do ethics have to say? ...................................................................... 7
   C) What does business practise have to say? ................................................. 7
   D) Beyond Pharmaceutical industry own responsibilities: a concerted global strategy needs to take place 8

5. Pharmaceutical companies responsibilities .............................................. 9
   A) BENCHMARKING: what do Pharmaceuticals companies currently do? .................. 9
   B) What are the access strategy alternatives for Pharmaceuticals to consider? ...... 10
   C) Moving forward: a concerted global solution to a global crisis ................... 11

6. Conclusion ..................................................................................................... 12

7. APPENDIX: Johnson & Johnson credo .................................................... 13
1. Background, Objective & Scope.

A) Background.

A global healthcare crisis.

- Lack of access to quality health care in the poorest countries of the world has led to a global healthcare crisis that has become paramount over the last 5 years. In 2002, more than 6 million people – most of them in poor countries – died from HIV/AIDS, tuberculosis, and malaria. These 3 diseases, plus a handful of others, have crippled economic growth and progress in developing countries.

- The loss of human capital has far-reaching consequences for all areas of economic activity, ranging from absenteeism in the workplace to increased insurance costs. The issue even touches state security, for example as some armed forces reckoned to have AIDS prevalence rates as high as 50%.

- The problem hence goes beyond than a health issue as it threatens the potential for development of many poor countries.

Pharmaceuticals on the frontline of accusation.

- The financial and human resources needed to solve these problems are tremendous. Given the magnitude of the problem today, it becomes more and more accepted that no sustainable solution can be found without creative partnerships between governments, NGOs and private corporations.

- This said, pharmaceutical companies are particularly under the spotlight, accused of blocking wider access to essential medicines in order to protect its profits. The industry claims these are required in return for the expense and risk of developing new drugs, and that authorisation to produce generic drugs might trigger a chain reaction that would threaten Intellectual Property Rights (IPR) and consequently compromise future R&D investments.

- Why does this problem become so crucial NOW? This increased pressure for ethics in business and Corporate Social Responsibility is due especially to:
  - Globalisation & antiglobalisation critics
  - Media reach & Information technology
  - Greater spread of democracy
  - Competitiveness of markets
  - Search for meaning in lives/work

One example: 2001 - GSK

- Background: South Africa Court Case authorising to break patents + NGO campaigning post-Seattle + Mobilisation of developing world => Industry lost trust and confidence (public, government), its reputation probably at all-time low.
- GSK CEO stated his commitment to widen access in LDCs, and launched a few initiatives
  - Sustainable not-for-profit pricing in LDCs for currently available, most-needed medicines
  - Continued investment in R&D on 3rd Word diseases
  - Leading role in community activities that promote effective healthcare
  - Partnerships and Responsibilities sharing
  - Global fund, with purpose “to attract, manage and disburse additional resources through a new public-private partnership”. Significant funding target of US$ 7 - 10bn per year. In 2 rounds US$ 1.5bn approved over 2 years. 61% AIDS, 22% malaria.

Poverty and HIV/AIDS are linked in a vicious circle. Poverty [...] provides the conditions in which the disease flourishes, breeding the fatalism and hopelessness that leads people to expose themselves to infection. HIV/AIDS similarly perpetuates the conditions of poverty.

HIV/AIDS also raises the risks and costs of doing business in Africa, destroying the twin rationale for globalization: cheap labour and fast-growing markets. The disease erodes the competitive advantage African companies might otherwise have, especially in areas requiring skilled or experienced workers. [...] It also raises employers' costs through lower productivity, absences from work, the need to recruit replacements, and also the burden of providing healthcare.

FT 28/11/03 – Business and Aids

1 McKinsey Quarterly – “How businesses can combat global disease”
B) Our approach

Where should the responsibility of the Pharmaceutical industry start and stop? Should it be one of its business objectives to treat all those with AIDS, tuberculosis or rare disease?

We will first present the several stakeholders and how their responsibilities are intertwined. We will then investigate what Pharmaceutical industry says about its responsibility. We will also look at what we can learn from ethics and business theory.

Finally we will detail what Pharmaceutical industry should do and should NOT do, insisting on the complexity of the situation, showing there is no right or wrong solution – it is a question of choice and smart partnerships, where Pharmaceutical companies, other multinational companies (e.g. consumer goods companies), governments (of both rich and poor countries) and NGOs have a role to play.

2. The forces shaping Pharmaceuticals companies’ responsibilities.

This diagram briefly summarises the different stakeholders. It demonstrates the complexity of the situation and the diversity of the main players.

It shows that Pharmaceutical companies have several traditional lines of responsibilities:
♦ business-oriented responsibilities vis-à-vis their clients, suppliers and shareholders
♦ more ethical-based responsibilities towards society as a whole.

NGOs and Medias are third-parties that tend to influence (and sometimes shape) these responsibilities: NGOs lobbying and media exposure have in recent years put pressure on pharmaceutical industry to strengthen its social responsibilities towards society at the expense of their shareholders.
3. What do Pharmaceuticals say their responsibility is?

First, we would like to better understand what pharmaceutical companies believe their overall roles in society are. To do so, we have looked directly at the information they publicly provide and promote.

A) Key findings

Pharmaceutical companies believe that their sole purpose is not only to discover, develop and distribute medicines worldwide but that their responsibilities are much broader than that. Participating and or elaborating prevention programs and insuring education is also part of what they promote as being their responsibilities. Their also believe they have a role to play in contributing to the debate on policy issues.

See exhibit 1 for more information.

B) Providing health to patients worldwide

Obviously, providing health to patients worldwide is key for all the important pharmaceutical groups:

- As Pfizer’s mentions in its purpose “We dedicate ourselves to humanity’s quest for longer, healthier, happier lives through innovation in pharmaceutical, consumer, and animal health products.”
- “GlaxoSmithKline (GSK) is one of the world's leading pharmaceutical companies. Its global quest is to improve the quality of human life by enabling people to do more, feel better and live longer.”
- “At Merck, our primary task is to discover, develop and deliver breakthrough medicines and vaccines to people around the world. However, our mission also entails something more — not only are we committed to the health, safety and well-being of the people who take our medicines, but also to our employees, neighbors and others in the global communities where we live and work. We cannot succeed as a business unless we live up to this commitment.”

C) Preventing and educating

Pharmaceuticals companies claim they also have a role to play in participating and/or elaborating prevention programs and insuring education.

- “Abbott has continued to set the precedent for corporate philanthropy in communities around the world. Through Abbott Laboratories’ corporate funding and the Abbott Laboratories Fund, the company contributes millions of dollars annually to health and human service organizations, and sponsors programs that enhance science education, promote diversity, support environmental stewardship, and provide access to health care for people in need. The company also supports local communities with generous employee volunteerism and donations.”
- As for AstraZeneca “We also aim to be responsible members of our local communities through charitable donations, sponsorships and other initiatives which help to make a positive difference. We promote health education and building the understanding of science, especially in the young. An example is our UK-wide education liaison policy designed to encourage young people to become scientists of the future.”
- “Merck supports initiatives to improve access to life-saving medicines in developing countries around the world. Our efforts to address healthcare challenges go beyond the research and development of medicines, to seeking out and supporting initiatives that foster disease education, prevention and care, and sustainable access to medicine in the developing world.”
D) **Contribute to the debate on policy issues**

In addition, some pharmaceutical companies believe it is part of their responsibility to contribute to the debate on policy issues in order to be able to provide the most effective health care solution to their customers.

**Lilly’s position on key issues** “As a world leader in pharmaceutical-based health care, Lilly recognises the importance of understanding and contributing to the debate on a wide array of domestic and global policy issues. We continually explore these issues and ways to identify, analyse, and influence them. The policies that result from this process support our commitment to create and deliver the most effective health care solutions to our customers.”

E) **Going even further!**

Finally, some companies have taken their responsibilities even further as they are involved in programs to promote economic, social and cultural human rights. On Novartis websites we found: “… the company supports specific programs and activities to promote economic, social and cultural human rights. Through the new Novartis Institute for Tropical Diseases in Singapore, the company is pursuing scientific research on new drugs for the treatment of neglected diseases that disproportionately impact the poor, including major killers like tuberculosis and dengue fever. Through the long-standing efforts of the Novartis Foundation for Sustainable Development, the company also supports programs to improve prevention, treatment and other basic healthcare services in least-developed and developing countries. Novartis also donates free medication for leprosy patients worldwide and has made a new anti-malarial drug available to the WHO at cost. Finally, Novartis has created patient support programs through which needy cancer patients or uninsured senior citizens in developed countries have access to suitable medication.”

F) **A comment…**

We found it quite surprising to see the extent to which pharmaceutical companies’ claim their responsibilities towards societies are. We therefore tried to understand the reasons that led them to broaden their responsibilities and looked at, on a business and ethical perspective, what their scope of responsibility should be.

4. Pharmaceutical companies’ scope of responsibility.

A) **Key findings.**

There is a need to balance the responsibilities towards poor countries, towards society as a whole and towards investors. Pharmaceutical companies’ scope of responsibility is threefold:

- **YES, they should act** to help resolve the current health crisis, because it makes both ethical and business sense. Corporate Social Responsibility (CSR) does not erode S/H value, it is good business practise as more and more clients and investors care about it.
- **BUT they should also be careful not to endanger their business model** as their moral duty is (1) to help improve health worldwide and specifically in poor countries, (2) to offer new drugs to the whole society and (3) to respect the moral contract with shareholders. One moral duty should not come at the expense of another one.
- **NO, they can not act alone as it would be ineffective.** Smart partnering is key and should include all multinational companies as well as governments and civil society.
B) What do ethics have to say?
Pharmaceutical industry justifies its business model by adopting a utilitarian point of view: society as a whole is better off by receiving a constant stream of new drugs that enhance and save lives. It also argues that if moral rightness is determined solely on its results, then there is little point in providing drugs unless the right health infrastructure is in place. It however shows responsibility for the effect of its actions on all stakeholders by both providing drugs at lower price in developing countries and maintaining high ROI to keep investors investing.

Pharmaceuticals are also confronted with a strong set of normative constraints. Utilising a Kantian ethic of respect for persons, Pharmaceutical industry has a clear moral duty to save lives that are in danger. Some derive from a deontological analysis that there is an obligation to the public that Pharmaceuticals are not fulfilling and that it is therefore right to break IPR (Intellectual Property Rights) and start producing generic drugs. However, one could argue that many governments neither meet their duty to promote preventative measures, nor provide a healthcare infrastructure nor educate their people.

C) What does business practise have to say?

Corporate purpose
The corporate purpose is twofold: to make profits AND to demonstrate Corporate Social Responsibility (CSR) towards the society.

“...two schools of corporate philosophy exist. One says that the ultimate goal is profits. The other counters that profits are but a means—albeit an indispensable means—to a broader end, which includes the creation and provision of valuable goods and services and the promotion of respect for human beings through the employment opportunities offered.”
Yotaro Kobayashi, President of Fuji Xerox (1989)

“...to achieve sustainable success tomorrow’s company must take an inclusive approach” ... “balance and trade off the competing claims of customers, suppliers, employees, investors and the communities in which it operates”
RSA, Tomorrow’s Company (1995)

Mission statements of pharmaceutical companies
We have already seen that pharmaceutical companies’ mission statements acknowledge that their sole purpose is not only to discover, develop and distribute medicines worldwide but

Novartis Foundation, Why Commitment?
Whether or not a company in the private sector should actively engage in development aid has been a controversial question for years. Those opposed largely follow economist Milton Friedman’s reasoning that a company has but one moral obligation: to maximize its profitability by every lawful means. To allocate company resources for humanitarian purposes is unwarranted and runs counter to the immediate interests of the company and its shareholders. If people in management feel philanthropically inclined they would be better advised to dig into their own pockets and not those of shareholders who have not been asked. And if the latter wish to see a part of company earnings donated to worthy causes, then it is they who should so decide.

Although this line of argument has a certain logic, it falls short of common sense. The sheer fact that more than 1.3 billion people live in absolute poverty should suffice as a justification, as evidenced by the further fact that a great many national and international companies have committed themselves to philanthropic efforts. They, for example, help support social welfare programs in the regions where their offices or factories are located. When natural disasters or turmoil brought on by military conflicts strike they donate medicines and food or give their products for free or at nominal charge to those in need. This commitment is based on the conviction that those who have more resources at their disposal also have, in the sense of an unwritten social contract, a moral obligation to society as a whole. Over and above payrolis, social welfare contributions and taxes, a company can thus directly return something to the needy part of the society. In addition to its immediate humanitarian effects, philanthropic engagement promotes a positive identification among employees and shareholders together with broader public acceptance and is thus in a company’s own best interest.
that their responsibilities are much broader than that, including prevention and education.

**Corporate Social Responsibility (CSR) is not a constraint, it makes business sense**

Premise: Managers of publicly traded companies cannot (rationally) engage in activities that erode shareholder value. Why engaging in CSR could be good for S/H?

- People care about it
- Consumers care — 40% consumers considered CSR (Environics Poll 1999)
- Investors care — eg. Dow Jones Sustainability Index, FTSE4Good, $2,000 bn. social investments (Social Investment Forum)
- Legislation — eg. France
- New techniques facilitate the measurement of CSR impact — Elaborate measures of “triple bottom line” (e.g. Shell), Balanced scorecards...

In addition, CSR could prove more valuable than many marketing activities, due to extensive media exposure.

**D) Beyond Pharmaceutical industry own responsibilities: a concerted global strategy needs to take place**

Pharmaceuticals produce drugs. Just for this reason, should it be their responsibility to help more in underdeveloped countries, than other big multinational companies? In other words, should the food industry provide food for the starving?

As acknowledged by Pfizer, medicines alone can’t end such a crisis; the problem is far too complex and multifaceted. There is no simple solution, there is no unilateral solution. Mutual suspicion spread amongst the different stakeholders (“greedy pharmaceutical companies”, “bureaucratic and corrupted governments”, “self-centric political NGOs”…).

However, these divisions had at least one positive consequence: they created long-lasting public concern and ensured that no potential stakeholders escape the debate. And it has slowly helped to make obvious that, as the needs proved multiples, so were the potential stakeholders:

<table>
<thead>
<tr>
<th>Needs</th>
<th>Main Stakeholders</th>
</tr>
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<tbody>
<tr>
<td>Money</td>
<td>Global companies (Vivendi, HSBC, Microsoft, Nestle…)</td>
</tr>
<tr>
<td>Drugs</td>
<td>Pharmaceuticals &amp; Medical devices companies</td>
</tr>
<tr>
<td>Infrastructure</td>
<td>Governments, WHO, NGOs, UN…</td>
</tr>
<tr>
<td>Management capabilities</td>
<td>Governments, NGOs, Pharmaceuticals …</td>
</tr>
<tr>
<td>Health Education</td>
<td>Governments, NGOs, Pharmaceuticals …</td>
</tr>
<tr>
<td>Coordination</td>
<td>Governments, NGOs…</td>
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</table>

At the same time, global companies realised that they had “a vested interest in helping to manage the global health crisis” — indeed a moral, strategic, and financial responsibility to do so. The private sector may face significant costs in the future if diseases such as AIDS or tuberculosis are not controlled (growing absenteeism, recruitment costs, insurance costs… to help gradually starts to make good economic sense).

In addition, global companies (especially those with strong international brands) realised they may hurt their reputation if they don’t help.

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2 *McKinsey Quarterly* — “How businesses can combat global disease”
The number of stakeholders and the extent of the issues at stake lead to another critical breakthrough: cooperation between stakeholders is not a “nice-to-have” but a clinical necessity. To a global health crisis needs to respond global coordinated actions.

**Conclusion** - Pharmaceutical companies should not be considered responsible for sorting the current health crisis in the 3rd world, even though they are definitely one of the major stakeholders that should help resolve this crisis. Neither they should take the burden of coordinating all actions in the countries as this is not their core competency (NGOs have more expertise). The point is not to help, but to implement help in a sustainable and appropriable manner. Let’s make sure that each stakeholder’s core competency is coordinated and used at its best.

5. Pharmaceutical companies responsibilities

**A) BENCHMARKING: what do Pharmaceuticals companies currently do?**

All the main pharmaceutical companies believe that there responsibilities are far beyond developing, producing and distributing medicines. Therefore, companies will allocate a substantial portion of their revenues to programs showing their commitment to world health let it be education, research or prevention. Most companies will do this through their foundations. These foundations are established by pharmaceutical companies to cultivate a long-term commitment, working out, through programs and projects, innovative strategies for sustainable development.

We present below some of the projects that Bristol-Myers Squibb has implemented and is involved in. These projects are perfect examples of action through the foundation and collaborative work with other stakeholders and are in the line off the ones undertaken by other pharmaceuticals. Some of these projects are more focused on education other on prevention and treatment. Each company, through their foundations seems to balance through projects undertaken all around the world between prevention, education, donation...

Bristol-Myers Squibb has just announced Allocation of $30 Million in New Grants to Help Fight HIV/AIDS in Africa.

On the eve of World AIDS Day, Bristol-Myers Squibb has announced the next phase of **SECURE THE FUTURE**, with the allocation of six new program grants totaling $30 million. **SECURE THE FUTURE** is the first significant and largest corporate commitment to fight HIV/AIDS in Africa, is an ongoing $115 million initiative developed by Bristol-Myers Squibb and the Bristol-Myers Squibb Foundation. The program focuses on sub-Saharan Africa, where nearly 70 percent of people infected with HIV/AIDS worldwide -- and 80 percent of the children -- live.

**Progress Through Partnerships**

**SECURE THE FUTURE** programs are guided by unique partnerships among Bristol-Myers Squibb, national ministries of health, non-governmental organizations (NGOs), community-based medical and educational organizations, and faith-based organizations (FBOs). Through these

When Aids drugs started to become widely available in the late 1990s, a US official observed that poor Africans would not be able to take the treatments properly because they could not tell the time…. “There are part of South Africa where the vacancy rate for doctors and nurses is about 50% […] And that is before they start to put in place an Aids programme, […] “Treating Aids is possible,” says Dr Lange, “but if we are going to get millions of people on drugs, we need to move beyond the traditional doctor-based approach and develop a model that involves the community.”

Financial Times, 28/11/2003 – Business and Aids
partnerships. **SECURE THE FUTURE** focuses on supporting rural communities challenged with limited resources and with needs that have not been addressed by other programs.

**GlaxoSmithKline Lymphatic Filariasis Program**
GlaxoSmithKline (GSK) supports the alliance by donating its antiparasitic drug albendazole and through help with coalition-building, planning, training and communications initiatives.

**Positive Action Program**
GlaxoSmithKline (GSK) has a proud history of contributing to the fight against HIV/AIDS through the research and development of medicines that treat the disease, but recognizes that additional initiatives are needed to intensify and accelerate the response to HIV/AIDS. Through Positive Action, GSK works with partners to provide more effective HIV education, prevention, enhanced care, support and treatment for people living with, or affected by HIV/AIDS.

**African Malarian Partnership**
The GlaxoSmithKline African Malaria Partnership (AMP) is GSK’s malaria community partnership program. Its aim is the development of effective malaria control behaviours in African communities. Africa has been chosen as the focus for the programme because the greatest disease burden and the vast majority of malaria deaths occur on the continent. The AMP provides ‘kick-start’ funding which allows innovative and effective concepts to become established and to demonstrate further success. US$1.5 million in grants will be shared between three programmes over three years. The aim is to bridge the gap between successful pilot programmes and wider-scale implementation, rather than to encourage further, new, pilot programmes. This ‘kick-start’ funding is leveraged to maximum advantage by attracting additional, third party funding.

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**B) What are the access strategy alternatives for Pharmaceuticals to consider?**

Smart partnering will be essential if the crisis is to be addressed effectively. Pharmaceuticals should engage in following options:

- **Provide drugs**, either by
  - **Selling them at marginal cost or at very low price** (still making a profit). Pharmaceuticals could be partially subsidised by NGOs and governments to cover part of their lost revenues. Most of the time, partnering with donators is key as even at low price, many drugs remained not affordable to poor countries. Price-discriminate for LDCs (low developed countries) will fail if no efficient control of parallel markets is made – solution has yet to be found re this problem. In addition, WHO, Government and NGO’s could partly subsidise drugs both to reach lower prices and show commitment in the process.
  - **Giving them for free** Additionally, most pharmaceuticals have spare capacity available to produce drugs at marginal costs, so they should use these resources, especially when finding a drug for a very targeted disease (i.e. in Africa). Country governments might not believe buying these drugs is priority for them, therefore, in these special cases, pharmaceuticals could donate these drugs, especially as they are available and easy to produce.

→ We believe it is a better solution to have governments pay for drugs - even low prices - as this increases the likelihood of local stakeholders show responsibility.

- **Keep researching drugs for rare diseases** - the balance between helping the masses impacted by diseases such as AIDS and tuberculosis and caring for rare diseases is difficult to strike. Our point is simply that it is pharmaceuticals responsibility not to forget these rare diseases.
  → We believe that pharmaceuticals, as researchers and drug providers, should investigate for such diseases.
• **Coordinate provision of drugs with set up & maintenance of proper health infrastructures.** This requires organising partnerships with NGOs and government, as it is not Pharmaceuticals duty to cater for such needs and it would be more efficiently done by NGOs that are specialised in these areas. Another solution could be for Pharmaceuticals to create a foundation in charge of funding new health infrastructures.

  → Pharmaceuticals should not provide any drugs unless the proper infrastructure is in place.

• **Help educate populations:** Partner with NGOs/government to tackle attitudes and cultural issues.

  → Pharmaceuticals together with NGOs and government have a role to play in disease prevention which usually can be associated with population education.

• **Educate pharmaceuticals shareholders** regarding CSR stakes, one of the challenges being to transform CSR from an “add-on” to a core part of any business practise. A potential solution could be to promote new distribution policy where a percentage of profits would be distributed to NGOs ... which subsidise/buy Pharmaceuticals drugs at low cost.

  → This circular relationship would ensure better alignment of objectives and constant interaction.

• **Find a better trade-off between profits realised and “good done to the mass”** – the issue being that there is no clear cut line. However, when looking at the money spent on R&D and Marketing today, as well as ROE of Pharmaceutical companies, it seems obvious that social pressure will eventually force these companies to spend more on “helping the world”.

  → As an example we could imagine to transform any direct public funding into special type of shares, entitled to % of profits, votes … but not tradable. This would tie aid with profits hence ensuring better alignment of objectives.

In conclusion, we would like to strengthen that pharmaceuticals need to acknowledge their limits and their responsibilities.

**C) Moving forward: a concerted global solution to a global crisis**

A concerted global strategy to confront the epidemic starts to emerge. Each stakeholder starts to take his responsibilities, at the same time the immensity of the problem and the media exposure creates favourable condition for cooperation. Some examples…

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<thead>
<tr>
<th>Action</th>
<th>Main actor</th>
<th>In collaboration with</th>
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<tbody>
<tr>
<td>Financial resources</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Donate cash</td>
<td>Global companies, Donators (eg. UN, EU...)</td>
<td></td>
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<tr>
<td>- Create foundations</td>
<td>Global companies NGOs</td>
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<tr>
<td>Medical resources</td>
<td></td>
<td></td>
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<tr>
<td>- Provide drugs</td>
<td>Pharmaceuticals</td>
<td></td>
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<tr>
<td>- Deliver health services to employees, their families and to local community</td>
<td>Global companies Local NGOs and governments</td>
<td></td>
</tr>
<tr>
<td>- Build, manage &amp; maintain infrastructure</td>
<td>Governments &amp; NGOs Private companies</td>
<td></td>
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<tr>
<td>Others</td>
<td></td>
<td></td>
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<tr>
<td>- Educate</td>
<td>Governments &amp; NGOs Private companies</td>
<td></td>
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<tr>
<td>- Project mgmt expertise</td>
<td>NGOs Private companies</td>
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<tr>
<td>- Product launch expertise</td>
<td>Private companies NGOs, governments</td>
<td></td>
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<tr>
<td>- Give assets</td>
<td>Private companies</td>
<td></td>
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<tr>
<td>- Protect IPR</td>
<td>Private companies NGOs, governments</td>
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</table>
6. Conclusion

We believe that pharmaceutical companies have a role to play in worldwide health.

Obviously, this includes discovering, producing and distributing medicines. But maybe, as important is their role in partnership with national governments, non-governmental organization, in the prevention, education and activities related to improving human health.

Most big pharmaceuticals have already taken initiatives to collaborate with all these organisations and they are advertising this heavily. We can question the “sincerity” of this involvement, is it more PR than anything or is it really something all the board members of Pharmaceutical companies believe in. We will let this question aside and we believe that whatever the motivations are, pharmaceutical industries have the resources to impact on worldwide health in collaboration with other stakeholders and other multinational companies. Therefore, rather than question their real motives we think it is better to organise the resources in order to make things happen and make a difference around the world.
7. APPENDIX: Johnson & Johnson credo

At Johnson & Johnson there is no mission statement that hangs on the wall. Instead, for more than 60 years, a simple, one-page document – Our Credo – has guided our actions in fulfilling our responsibilities to our customers, our employees, the community and our stockholders. Our worldwide Family of Companies shares this value system in 36 languages spreading across Africa, Asia/Pacific, Eastern Europe, Europe, Latin America, Middle East and North America. The English version of the Credo is below, or you may choose to view it in another language by selecting a country from the box on the right. You can also learn more about the history of Our Credo and its development.

Our Credo

We believe our first responsibility is to the doctors, nurses and patients, to mothers and fathers and all others who use our products and services. In meeting their needs everything we do must be of high quality.

We must constantly strive to reduce our costs in order to maintain reasonable prices. Customers’ orders must be serviced promptly and accurately. Our suppliers and distributors must have an opportunity to make a fair profit.

We are responsible to our employees, the men and women who work with us throughout the world. Everyone must be considered as an individual. We must respect their dignity and recognize their merit. They must have a sense of security in their jobs. Compensation must be fair and adequate, and working conditions clean, orderly and safe. We must be mindful of ways to help our employees fulfill their family responsibilities.

Employees must feel free to make suggestions and complaints. There must be equal opportunity for employment, development and advancement for those qualified. We must provide competent management, and their actions must be just and ethical.

We are responsible to the communities in which we live and work and to the world community as well. We must be good citizens – support good works and charities and bear our fair share of taxes. We must encourage civic improvements and better health and education. We must maintain in good order the property we are privileged to use, protecting the environment and natural resources.

Our final responsibility is to our stockholders. Business must make a sound profit. We must experiment with new ideas. Research must be carried on, innovative programs developed and mistakes paid for. New equipment must be purchased, new facilities provided and new products launched. Reserves must be created to provide for adverse times. When we operate according to these principles, the stockholders should realize a fair return.