

Human rights and supply chain management in the Pharmaceutical sector¹

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1. Case Abstract

This case study analyses the way in which Novo Nordisk has integrated human rights (including labour rights) into its supply chain management over the past three years. It should be noted that the programme also includes the environment, but that this case study focuses on the human rights dimensions of the work. It follows the framework of the Global Compact Performance Model and compares the progress made under the Sustainable Supply Chain Management Programme with other human rights activities the company has undertaken. The authors have aimed to make the case study as accessible as possible and to highlight possible areas that might be transferable to the thinking of others.

This case study is particularly relevant to any company that is not yet facing specific legal, media or NGO pressure to comply with specific human rights norms in its management of its supply chain. This can present perceptual challenges within some sectors of the company and amongst some suppliers as to why they have to participate in self-evaluation questionnaires, telephone discussions and possibly auditing. Yet any rigorous movement towards the promotion of human rights within a company's sphere of influence and guarding against any form of complicity in the

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abuse of human rights, requires any sizable company to monitor its supply chain carefully. This case study presents a model for moving towards human rights-based supply chain management that is as much driven by broader strategic concerns about good corporate governance, as it is about any prior knowledge of labour rights abuses in the supply chain, of which there were none. It is a model which relies more on “pull-factors” within the company than “push-factors” from outside, and so from this perspective can be seen as pro-active.

This case study captures work in progress and we hope it will be thought provoking for any company interested in a better understanding of the first two Global Compact principles. It also shows that business approaches to integrating human rights can be based as much on opportunity and vision as on compliance alone.

2. Company Profile

Novo Nordisk is not the world's largest, but is one of the most specialised, of the international pharmaceutical companies. It is a focused health care company with 47% of the global market in insulin (70% of the company's business). It also produces products for haemostasis management, growth hormone treatment and hormone replacement therapy. In 2003, the turnover of the company was DKK 26.5 billion (Euros 3.56 billion).² Split geographically, 44% of the turnover is in Europe, 24% in North America, 16% in Japan and Oceania, and 16% in the rest of the world.

The company is registered in Denmark as a public limited liability company with a Board of Directors and Executive Management. In accordance with Danish law, three Board members (out of a total of nine) are elected by the employees and serve for four years³. Novo Nordisk's share capital is DKK 709,388,320, which is divided into an A share capital of nominally DKK 107,487,200 and a B share capital of nominally DKK 601,901,120. Novo Nordisk's A shares are non-listed shares and held by Novo A/S, a private limited Danish company which is 100% owned by the Novo Nordisk Foundation. Holding 26.7% of the total share capital, Novo A/S controls 70.4% of the total number of votes. The B shares are quoted on the Copenhagen and London Stock Exchanges, and American Depository Receipts (ADRs) on the New York Stock Exchange.⁴ This corporate governance structure helps the values of the company to be reflected throughout the company's ownership, and, in March 2004, the company's articles of association were amended to specify that the company will ‘strive to conduct its activities in a financially, environmentally and socially responsible way’.

Novo Nordisk is represented in 69 countries and its products are sold in 179 countries. 99% of its sales are outside Denmark, but production is concentrated in its home country, with other production sites in the US, France, Japan, China, South Africa and Brazil. Of the total workforce of 18,800, 65% live and work in Denmark.

3. Human Rights at Novo Nordisk

Novo Nordisk's vision of sustainability can be traced back to the early 1990s and earlier, as will be analysed in the section on ‘Vision’ below (6.2). In 1999, Novo Nordisk embarked on a SWOT analysis for the company based on the full content of the Universal Declaration of Human Rights across a sample of four countries: Algeria, Brazil, China and India. In parallel with this, Novo Nordisk carried out an internal review. This enabled Novo Nordisk to be one of the first

² ‘What does being there mean to you?’ Novo Nordisk Annual Financial Report 2003.

³ Novo Nordisk *Annual Financial Report 2002*.

⁴ ‘What does being there mean to you?’ Novo Nordisk Annual Financial Report 2003

companies to clearly define what it thought its 'sphere of influence' was relating to human rights (Global Compact Principle One⁵) even though Novo Nordisk was not a member of the Global Compact at the time. In 1999, Novo Nordisk made a formal public commitment to the Universal Declaration of Human Rights and signed on to the Global Compact in 2001.

It has declared that its priority areas within human rights are likely to be:

- the right to health (i.e. access to health care and medicines)⁶
- the right of non-discrimination (translated into equal opportunities and diversity)⁷
- the right to privacy (including protection of patient information)⁸.

This does not mean that Novo Nordisk takes no interest in other human rights - the Sustainable Supply Chain Management Programme demonstrates that this is not the case - rather it was one of the first companies to clarify its most immediate 'sphere of influence' relating to human rights, although this is not a term Novo has used directly.

The company has undertaken a number of programmes in order to help 'fulfil' and 'promote' these rights across a range of stakeholder groups. Many of these activities go beyond compliance to international norms and seek to harness business opportunity in the promotion of rights.

An important milestone in the development of human rights was the emerging profile of 'the right to health' within the pharmaceutical industry in the context of HIV/AIDS in southern Africa. Although Novo Nordisk is not a producer of anti-retroviral drugs, it was engulfed by the larger public debate about pharmaceutical patents and access to life-saving medicines, of which diabetes care is clearly a part. Rather than closing down the issue, or seeing it purely as an exercise in risk management, Novo Nordisk engaged in the following five programmes in relation to the right to health:

- National Diabetes Programmes – Novo Nordisk works with national governments and other actors to ensure effective national programmes are in place;
- The DAWN Programme⁹ – works on the psychosocial aspects of diabetes;
- World Partner Programme – works to build effective diabetes care in Bangladesh, Costa Rica, El Salvador, Malaysia, Tanzania and Zambia;
- Preferential Pricing Policies – marketing medicines at one fifth (20% of the average price in the US/Japan/Europe as a benchmark) of the standard price in the world's 49 poorest countries according to the UN.
- Contributing to the World Diabetes Foundation for humanitarian assistance in the very poorest of countries.

⁵ Global Compact Principle One – "Businesses should support and respect the protection of internationally proclaimed human rights".

⁶ Article 25 of the Universal Declaration of Human Rights; refined in Article 12 of the International Covenant on Economic, Social and Cultural Rights.

⁷ Articles 7 and 23 of the Universal Declaration of Human Rights; also in Article 7 of the International Covenant on Economic, Social and Cultural Rights and Article 24 of the International Covenant on Civil and Political Rights.

⁸ Article 12 of the Universal Declaration of Human Rights; also in Article 17 of the International Covenant on Civil and Political Rights.

⁹ Novo Nordisk's "Diabetes Attitudes, Wishes and Needs" (DAWN) programme.

In relation to equal opportunities and diversity, Novo Nordisk has a long term strategy with goals on how to reap the benefits of diversity built upon a foundation of ensuring compliance to non-discrimination. Two aspects have been identified as significant focus areas within the global company until 2006:

- ‘Women in Management’ is a company-wide priority for 2004 and Novo Nordisk is working on a series of initiatives in partnership with the US-based NGO ‘Catalyst’;
- ‘Ethnic minorities’ will be the focus for 2005, not least in Denmark where increasing the ethnic diversity of the workforce is seen as a priority.

In relation to privacy, Novo Nordisk’s has just initiated a project on safeguards for patients and employees reflecting increasing public concern about the way pharmaceutical companies use data, for example the genetic and other data in their research and marketing.

In summary, Novo Nordisk has tried to take a systematic approach to human rights across its general business. This is not without problems and challenges and the company is aware that mistakes will be made in the process. The company is currently developing its ‘Human Rights Management System’ as its commitment to membership of the Business Leaders Initiative on Human Rights¹⁰. This management system is being built on the company’s existing analysis of employee, product and project cycles to ensure a holistic approach. Looking forward, the company acknowledges that the second Global Compact principle (relating to non-complicity in human rights abuses) is one of the priorities for Novo Nordisk.¹¹ Where does a socially-responsible pharmaceutical company set its boundaries to human rights obligations? What level of safeguards can be expected to avoid direct, in-direct (‘beneficial’) and silent complicity across the globe?

4. Method

This case study is based on a series of interviews conducted in March 2004 with key staff and a selection of suppliers to Novo Nordisk. It builds upon earlier work conducted by Malcolm Macintosh for the company and also draws on a series of internal documents, surveys and reports that were made available to the authors. The aim was to provide a case study that was accessible to companies, NGOs, governments and trades unions around the world whilst adding to the collective understanding of how the Global Compact principles might best be implemented. Given the time and space available to the case study, the authors have decided to concentrate mainly on the first two principles of the Compact relating to human rights. However, as labour rights are also human rights (i.e. they are in the Universal Declaration and other human rights Conventions), reference will also be made to Principles Three, Four, Five and Six. It is important to recognise here, that Novo Nordisk are also committed to the remaining three Global Compact principles (Principles Seven, Eight and Nine) relating to the Environment, and these are also reflected in the Sustainable Supply Chain Management Programme. However, for the purposes of this case study, it is the first Principles that shall receive the most attention here.

Acknowledging that Novo Nordisk has done much in this area over recent years, the primary focus of the case study is the Sustainable Supply Chain Management Programme.

5. The Sustainable Supply Chain Management Programme

¹⁰ A three-year (2003-2006) cross sector business initiative chaired by Mary Robinson with the aim of mainstreaming human rights in both the corporate social responsibility and corporate governance agendas. www.blihr.org

¹¹ Global Compact Principle Two – “Businesses should make sure they are not complicit in human rights abuses.”

Novo Nordisk's purchases with external suppliers were valued at DKK 12.3 billion in 2002. This covered transactions with 5,000 suppliers ranging from flower shops to raw materials suppliers. Less than 200 suppliers delivered 80% of the value purchased. Geographically 93% of Novo Nordisk's suppliers are located in the EU or EFTA countries, 5% in North America, Japan, Australia and New Zealand. Only 2% by number and 0.4% by value are located outside these regions.

In 2003, Novo Nordisk undertook their second social and environmental evaluation of 90% of their key suppliers, in the form of a self-evaluation questionnaire. Of this total, 69% (i.e. 322 suppliers) were evaluated in 2003¹²:

- In the first instance, 87.6% showed satisfactory environmental and social performance;
- 1.5% showed unsatisfactory environmental and social performance;
- 10.6% showed unsatisfactory environmental performance;
- 0.3% showed unsatisfactory social performance.
- The majority of answers are of high quality, providing quite detailed responses suggesting that suppliers took the questionnaire seriously.

The self-evaluation questionnaire is an essential part of the Sustainable Supply Chain Management Programme. In 2004-2005, the project will also focus on assurance (audits) and expansion of the evaluation programme to R&D, Sales & Marketing. It is this Programme which is the focus of the analysis of this case study using the Global Compact Performance Model.

6. An analysis of the Sustainable Supply Chain Management Programme using the Global Compact Performance Model

6.1 The 'vanilla' performance model

The Global Compact Performance Model makes a distinction between three different approaches: 'cod-liver oil', 'caviar' and 'vanilla'.¹³ When considering human rights in business, these distinctions are intriguing – with the 'cod-liver oil' being more normative, 'caviar' more process driven and the 'vanilla' model borrowing from both. This concept of a 'never ending cycle of improvement' is elaborated by the four stages in the cycle: 'vision', 'enablers', 'results' and 'reporting'.¹⁴ This then implies an ongoing interplay between indicators of good process (vision and enablers) with tangible impacts on stakeholders (results) that are in some way measurable and communicable (reporting). The learning from this case study will be related to vision (6.2), enablers (6.2-6.7), impacts (6.8-6.10) and reporting (6.11). The last section on 'maintaining stakeholder dialogue' (6.12), although listed separately in the Global Compact Performance Model, might be seen as an issue of ongoing process.

6.2 Vision

“An important company in a small country”¹⁵

¹² *What does being there mean to you?* Novo Nordisk 2003 Sustainability Report.

¹³ Global Compact Performance Model (2002), www.unglobalcompact.org

¹⁴ The four stages are derived from the Malcolm Baldrige Quality Award and the European Foundation for Quality Management.

¹⁵ Comment made by a member of staff during interviews for this Case Study.

The Novo Nordisk vision relating to society and the environment can be traced back to the 1970s campaign against enzymes in laundry detergents by Ralph Nader and its effects on Novo Nordisk's business. If it is true that many socially responsible companies have their seminal point of awareness forged out of crisis (i.e. their 'Brent Spar' or 'Niger Delta'), then for Novo Nordisk it happened very early. The Novo Nordisk vision was augmented in the early 1990s through environmental and animal welfare issues (enzymes, bioethics and animal testing), forming a broader platform of sustainability awareness. By the late 1990s, issues of human rights had started to emerge. At Novo Nordisk, the ethical questions faced by a global pharmaceutical company are not dodged, indeed it remains a stated aim of the company to lose its core business through the eradication of diabetes. Of course there is no prospect of this in the short to medium term with global diabetes increasing rapidly in both the developed and the developing world. The company has also some product diversity outside of diabetes, the *NovoSeven* anti-bleeding agent being a good example where Novo Nordisk aims 'to position NovoSeven as the world's first haemostatic agent for critical bleeds'.¹⁶ The growth of this product would allow Novo Nordisk to survive commercially should global diabetes ever move into retreat and will also raise its own ethical questions.

Yet the Novo Nordisk vision goes beyond any particular business case and is inspiring because it allows a glimpse of what standard business behaviour might become over the decades ahead. Social and economic values are not just issues of Corporate Social Responsibility but also Corporate Governance. The 2003 Sustainability Report re-affirms the company's commitment to triple bottom line reporting and covers the following strategic areas: 'living our values', 'access to health', 'our employees', 'our use of animals', 'eco-efficiency and compliance' and 'economic contribution'.¹⁷ Perhaps the ultimate statement any publicly listed company can make at a strategic level is to integrate social and environmental values into the articles of association, which the company did in March 2004.

The 2003 Report also reports on the extension of some of these values to the supply chain in the form of results from the self-evaluation questionnaires, describing these responsibilities as follows:

"In seeking to promote social responsibility and good environmental performance throughout our business we work with suppliers and contractors to support human rights standards and sound environmental practices in our supply chain. In 2004, we will include auditing of their performance."¹⁸

6.3 *Leadership*

Leadership is crucial in developing such a strong values culture within a company. There are often a succession of skilful and like-minded people that drive such an agenda over years. Mads Øvlisen, formerly the CEO and now the Chair of the Board, is rightly credited in providing leadership in this area through the 1990s (several of those interviewed in the company cited the 1997 'values in action' programme as an important milestone) but it has continued to rise in prominence under the current CEO Lars Rebién Sørensen. Others often cited in the process are Lise Kingo, the Executive Vice President with direct responsibility for the area, Vernon Jennings and Elin Schmidt (at Vice President level) for directing the operationalisation of these values.

¹⁶ 'What does being there mean to you?' Novo Nordisk Annual Financial Report 2003.

¹⁷ Novo Nordisk (2004) 'What does being there mean to you?', Sustainability Report for 2003. www.novonordisk.com

¹⁸ Ibid.

Leadership on values is established within the management systems in place (This will be discussed in the next section on empowerment). It is no longer dependent on one or two people but is part of the culture and is a clear expectation of many stakeholders. One of the senior managers interviewed for this case study commented that one of the most valuable things the company gave her was the trust and discretion to interpret the values and show leadership on behalf of the company.

Leadership has also been implicit in the extension of these values to the supply chain. Unlike the footwear industry for example, the pharmaceutical industry has faced much less external pressure to integrate human rights into supplier relationships. The fact that Novo Nordisk has rolled out a supplier programme over recent years is a testament to its leadership and reflects a belief that any approach towards addressing human rights has to be holistic and cover all operations. The pharmaceutical sector has always taken a keen interest in the quality of the product that suppliers provide, given the considerable risks involved to human health if a product is faulty. This relationship between the management of quality in the supply chain and that of upholding environmental and social standards represents an interesting opportunity for further leadership in this sector. There is a realisation, however, that the Pharmaceutical sector lags behind that of many branded-retailers in supply chain management generally and that there is much that remains to be learnt from initiatives such as the Ethical Trading Initiative in London and the work of NGOs and Trade Unions around the world.

6.4 *Empowerment*

The Stakeholder Relations team has direct responsibility for facilitating the empowerment of Novo Nordisk staff and suppliers relating to human rights and other values. In this team, Annette Stube is the project manager for the Sustainable Supply Chain Management Programme. This is not the same thing as saying that she has had the responsibility for upholding values in the supply chain; this responsibility has been devolved in great part to the people in the company who manage the commercial supplier relationships: the purchasing managers. During an interview for this case study, one of the strategic purchasers for the company talked eloquently about what it meant to uphold social and environmental standards in his area of the supply chain: the sourcing of laboratory equipment around the world. He had a clear perspective on how the 'supplier risk matrix' (a tool to be analysed below) could be used to identify the appropriate level of engagement and whether an audit was necessary.

Given that purchasing managers are likely to develop the closest relationship with suppliers in their category, they can take the discussion a lot further than the initial self-evaluation questionnaire. This is especially important when it comes to second tier suppliers. For example, a recent visit to a new second tier supplier in Estonia yielded a series of concerns that could be taken up directly with the first tier supplier. In essence, purchasing managers are empowered, through bespoke training in the company, to see social and environmental management as integral to quality management in the supply chain. This is supported by an NOP Healthcare Survey of Novo Nordisk suppliers in 2003, which indicated that 91% of suppliers agreed or completely agreed with the statement that they 'had a good dialogue with the contact person at Novo Nordisk.'¹⁹

The challenges involved in training all purchasers in human rights should not be understated. Few purchasers join any company with the prospect of human rights-based supply chain management in mind and a significant amount of work has been invested by Novo Nordisk in training and

¹⁹ NOP Healthcare (2003) *Social and Environmental Issues in the Supply Chain of Novo Nordisk – Quantitative Research*, NOP World.

updating these workers. The strategic purchaser interviewed for this case study was obvious keen and well-informed, but there is likely to be variance between the ability and commitment of each of these key workers. Any system that places key ethical responsibilities on front-line staff needs internal systems and monitoring to support them and the quality of their work. It was clear from interviews that this is the role of the 'stakeholder relations' team, but there was no data available as to performance of each of the purchasing managers in this area.

Another example of empowerment is the 'Supplier Evaluation Committee' that deals with purchasing decisions that may have a strategic impact on Production. Issues brought to the committee arise from the environmental or social evaluation of a supplier. The Supplier Evaluation Committee can meet in cases of emergency. Issues are brought to the committee in cases of serious non-compliance or unsatisfactory performance by suppliers, media exposure, or sourcing decisions of a strategic nature.

The empowerment of suppliers themselves is also a vital component. This is explored in section 6.8 below.

6.5 *Policies and strategies*

6.5.1 Strengths of the self-evaluation questionnaire

The self-evaluation questionnaire has been the first step in implementing the Sustainable Supply Chain Management Programme (a specimen is attached as an Appendix). The questionnaire was produced after benchmarking against other initiatives such as SA8000 and the Ethical Trading Initiative. However, since Novo Nordisk was one of the first movers in the pharmaceutical sector with regard to supplier responsibility, the nature of the questionnaire's content was thought through from first principles. The social content of the questionnaire focuses largely on labour standards and the International Labour Organisation core conventions. This is interesting when contrasted with the stated sphere of influence of the company for human rights. Whilst the 'right to privacy' and 'non-discrimination' are included in the questionnaire (in sections 13 and 11 respectively), 'access to health' is represented only in relation to 'health and safety' (section 7). This is an interesting compromise between focussing on the main sphere of influence of a pharmaceutical company (Global Compact Principle One) and on the core labour standards that need to be upheld in supply chains of any business sector (Global Compact Principles Three, Four, Five and Six). Obviously, the supply chain is part of this sphere of influence but not as central to the business proposition as health itself.

Novo Nordisk reports that, for 2003, the target was to evaluate (by questionnaire) suppliers of production materials, services, office equipment and engineering work, as well as the licence manufacturers, covering 31% of the total value of purchasing in the company. The 90% targeted in these groups were those that could be characterised as having a high business impact, being manufacturers of substances or using environmentally hazardous processes, or industries or companies located in countries known for human rights violations. Through the use of the questionnaire, they were, in fact, able to evaluate 69% of these suppliers during 2003, representing a sample of 322 suppliers and licence manufacturers.²⁰ As already stated, 87.6% of these questionnaires yielded satisfactory environmental and social performance, 10.6% unsatisfactory environmental performance, 1.5% unsatisfactory environmental and social performance and 0.3% unsatisfactory social performance alone. This means that only 1.8% of suppliers were not regarded as compliant with the social standards in the questionnaire based on their responses to the questions asked.

²⁰ Novo Nordisk (2004) *What does being there mean to you?* Sustainability Report (2003).

6.5.2 Weaknesses of the self-evaluation questionnaire

On closer inspection, this raises a serious question. Although the vast majority of first tier suppliers are in Europe and North America, are 98.2% of them really upholding the core labour standards and protection of privacy as set out in the self-evaluation questionnaire? Indeed, it is likely that the vast majority are compliant given the quality standards upheld across the industry, but there might be some aspects (such as ‘collective bargaining’ in section 10 of the questionnaire) that would lend themselves to different interpretations by different stakeholders. Global Compact Principle Three infers that alternative representative bodies are acceptable but not if trades unions are excluded from the bargaining process against the wishes of workers.²¹ It is unclear from the questionnaire whether all suppliers would read section 10 in this way, despite the stated intention of Novo Nordisk to include unions in the process. Similarly, the questions of working hours in section 6 of the questionnaire do not normally extend to managers for whom limits on working hours are rarely set (at least not in Denmark, the UK or USA). These shades of grey within the black and white nature of the questions posed in the questionnaire are recognised by the Novo Nordisk staff interviewed and might be explored in the auditing process (6.5.2 below).

The suppliers interviewed for this case study were surprised that they were asked questions about ‘child labour’²² and ‘forced and compulsory labour’²³ in the questionnaire, in sections 8 and 9 respectively. As many of these suppliers were based in north-west Europe, some were shocked to be asked such questions. However, upon explanation from the Novo Nordisk team, most accepted that asking such questions was implicit in the systematic approach the company was taking and the universality of human rights themselves. A key benefit of including these questions is that the first tier suppliers would in turn use the template for asking questions of their own suppliers who might well be geographically more dispersed. This cascading effect of the questionnaire to the second and even third tiers of the supply chain is encouraged by Novo Nordisk and there is some evidence that for some suppliers it is having exactly this effect, with 39% commenting that they believed the evaluation had had a positive impact on how they operated with their own suppliers.²⁴ However, of the 61% of those who believed it did not have such a positive effect, a large percentage felt they were doing it already.

It is likely, given the comments during interviews for this case study, that some others did not see the relevance to their own operations. Given that some suppliers were identified for their environmental and not their social risk, the limitations in having such a generic questionnaire might have compounded this perceptual problem. However, child labour and forced labour are by no means absent from Europe and Novo Nordisk is supporting the indivisibility of human rights, as well as the holistic integrity of the Global Compact, by taking such an approach.

Another limitation, which is self-imposed, is a ‘triviality limit’ that excludes suppliers whose purchasing value to Novo Nordisk is worth less than DKK 250,000 each year (approximately US

²¹ Global Compact Principle Three – “ Business should uphold the freedom of association and the effective recognition of the right to collective bargaining”...” the freedom to associate involved employers, unions and worker representatives freely discussing issues at work in order to reach agreements that are jointly acceptable” (www.unglobalcompact.org)

²² Global Compact Principle Five – “The effective abolition of child labour”.

²³ Global Compact Principle Four – “The elimination of all forms of forced and compulsory labour”.

²⁴ Of this sub-set of 54 suppliers, 41% answered explicitly that the Novo Nordisk evaluation was a template for their own engagement with suppliers. NOP Healthcare (2003) *Social and Environmental Issues in the Supply Chain of Novo Nordisk – Quantitative Research*, NOP World.

\$38,000). It is possible that some serving contracts in Denmark fall into this category, sectors that are traditionally underpaid in Europe and often really on more vulnerable migrant labour. Although these suppliers are likely to be locally based, many in Denmark, some will possibly be elsewhere in the world. This is not a practice that is transferable to other small or medium enterprises, for whom US \$38,000 might represent a significant percentage of their total purchasing.

There are also some more general limitations of a self-evaluation system, the first being that you can never be absolutely sure that suppliers are telling the full truth. Questionnaires also need chasing up in very many cases, most often by telephone, and this is resource intensive for the business concerned. Suppliers can also complain of 'questionnaire fatigue', asked to complete a range of different questionnaires sent by different customers. When asked about this, Novo Nordisk seemed aware of the limitations, but were not satisfied that any alternative system would be practical for monitoring so many suppliers across the company. It is possible that, with time, present or new initiatives might eliminate some of this duplication. Yet, undoubtedly, auditing is a more thorough and satisfactory method of engagement on these issues, resources permitting. Companies with fewer suppliers, or those grouped in closer geographic proximity, might find it a better investment to leap-frog the questionnaire stage and invest in auditing all suppliers.

6.5.3 The auditing of suppliers

In 2002, all purchasers, including purchasers from production sites in France and USA, as well as some auditors, were invited for an information meeting with top management representatives to underline management commitment. A one-day training day followed. 64 people were trained and certified. The training focused on environmental and social issues as well as the practical elements of carrying out the actual evaluation.

The social auditing of suppliers is still in its initial stages at Novo Nordisk, but is likely to provide a very useful follow-up to the questionnaire process, in particular fleshing out some of the answers to the questionnaire. Given that Novo Nordisk's whole attitude to human rights is to go beyond compliance, some form of auditing is essential to encourage suppliers to be proactive and then to record the change following the audit. A good example of this is the licenced manufacturers who are all audited as a matter of course and enjoy a close relationship with the company. During interviews for this case study, the authors discussed licence arrangements in countries such as India, Cuba, South Korea, Serbia, Mexico, Iran and Hungary. The supplier questionnaire is introduced to new licensees before the final negotiations are completed. This is followed up in the auditing process in which local employees of Novo Nordisk, as well as external stakeholders such as local academics or lawyers, are involved. To date, the only major social issues have related to health and safety in the workplace, but Novo Nordisk has done some internal thinking about what to do should issues such as poor labour conditions be encountered. There is much that comes out of these audits that goes beyond compliance models. Some licensees and other suppliers provide a range of free medical resources such as doctors and dentists to employees. Others supply food coupons, still others make available social and recreational facilities. In some cases, this is to substitute for lower wages (although always above the minimum). These policies help fulfil economic, social and cultural rights, such as the right to health and the right to food, and echo Novo Nordisk's own stated main sphere of influence. That these rights are being fulfilled and promoted in the supply chain, and not just through a compliance framework, demonstrates a rich area of information about supply chain engagement that partnerships and auditing can provide.

6.5.4 Dealing with non-compliance

As already mentioned, levels of stated non-compliance from the questionnaire are low: 10.6% unsatisfactory environmental performance, 1.5% unsatisfactory environmental and social performance and 0.3% unsatisfactory social performance alone. The systematic limitations of a questionnaire-based system were discussed above, but it is important to stress that whenever any answers are vaguely or incompletely stated in response to the questionnaire, it is always followed up by a telephone call from the purchaser. This is often the most resource intensive part of the exercise, but does make the questionnaire evaluation more rigorous and helps drive down the non-compliance figures to those that represent real issues. The next stage is for all non-compliant suppliers to be audited and asked to make assurances to Novo Nordisk about improvements. Should these improvements fail to materialise or if they refuse to do so, in the case of a strategic supplier, then it is referred to the Supplier Evaluation Committee' for a decision.

At this stage, our analysis becomes hypothetical, as Novo Nordisk has not yet had to refer a specific supply chain case to the Committee to discuss possible disengagement. The practical problems with this are likely to vary across different suppliers. The most challenging would be 'strategic suppliers' who produce essential, and sometimes unique, components and raw materials for specific drugs. Some of these suppliers take one to two years to locate and to pass quality controls. Dropping such a supplier on grounds of social or environmental non-compliance would be a very serious commercial decision and would test Novo Nordisk's values should such a circumstance arise. It is possible that as Novo Nordisk extends its programme to all suppliers and a greater number of audits are carried out, the number of non-compliant suppliers identified will increase.

6.5.5 Extension of the programme to other supply chains

There are still parts of Novo Nordisk's purchasing power that need to be included in the Sustainable Supply Chain Management Programme. 'Research & Development' and 'Sales and Marketing' each have their own supply chains that differ from the mainstream suppliers of product and raw materials. 'Research and Development' in particular will utilise smaller amounts of diverse materials from all over the world in the course of developing and trialling new drugs or new applications. Both these areas of the business will be included in the programme during 2004.

6.6 *The allocation of resources*

Given the fact that so much responsibility within the Sustainable Supply Chain Management Programme is delegated to purchasers and auditors within the company, it is difficult to measure the precise allocation of resources here. However, the human resources available to Lise Kingo, Executive Vice President for People, Reputation and Relations, who carries the executive level responsibility for all Novo Nordisk's social and environmental programmes, compares favourably with many other companies. However, social and environmental values are so well integrated into aspects of quality and assurance that it is difficult to separate them out. Members of the Stakeholder Relations team are experts, but are also facilitators within the company to engender wider ownership. They feed into a network of 17 'facilitators/auditors' across the whole company. Other resources are perhaps less tangible, such as the systematic approach to all problems and challenges across the whole company, that lends itself to a strategic approach to human rights and supply chain management.

6.7 *Innovation and processes*

Novo Nordisk has taken Corporate Social Responsibility seriously for at least the past ten years. This has required constant exposure to new ideas as well as the consolidation and operationalisation of ideas within the company. It is often stated that businesses prefer toolkits

and management systems to conceptual ideas, but this has never been the Novo way. Presentations given by managers at the company blend external challenges and visionary thinking with in-house expertise about turning ideas into process. For example, in a presentation to the European Academy for Business in Society in Copenhagen in September 2003, Lise Kingo proposed a vision for 2020: the global growth rate will be at 4%; technology will have advanced in IT, fuel cells, nanotechnology and biotechnologies; a resource consumption tax will have replaced income taxes; even food companies will be selling predominantly healthy products and promoting exercise. All in all, there will have been a “mind change” towards buying from sustainable companies and living a healthier more eco-friendly life.²⁵ Within this context, Novo Nordisk wishes to place itself firmly as a company of innovation and not one that profits from increasing poor health related to less active life-styles. Novo Nordisk’s history of stakeholder engagement informs its thinking here and it encourages others to challenge its approach and therefore to sharpen its processes. Its membership of the Business Leaders Initiative on Human Rights and its active role in the Global Compact must be seen in this light.

6.8 *Impact on the value chain*

“Over half of suppliers believed that the evaluation of suppliers on social and environmental issues has had a positive impact on the way they operate internally, the remaining suppliers generally believed that it had had little impact because their standards were already sufficient or they saw little need to change. Thus, only a small percentage believed the evaluation to be negative. The main change made by suppliers as a result of the evaluation, was to begin to assess their own suppliers the same way.”²⁶

The research carried out for Novo Nordisk by NOP Healthcare in 2003, and already cited in this case study, provides a useful measure for starting to understand the impact that the company is having on its suppliers. This correlates well with the comments made by suppliers during interviews for this case study. It is clear that Novo Nordisk is a prestigious customer for many suppliers and that the values and reputation of the company are a key component here. The questionnaire alone provides the basis for the wider relationship with purchasers at the company and the focus on quality. It is right, therefore, that the NOP survey also asked suppliers about the payment of invoices and quality of overall dialogue with Novo Nordisk, rather than just questions about environmental and social standards. The practical things matter as much as the big issues, and the ethical reputation of a company is quickly negated if it is inefficient or unresponsive to the economic and financial needs of suppliers.

The evidence suggests that Novo Nordisk continues to have a significant impact on the values of its suppliers and that the expansion of the depth and breadth of the Sustainable Supply Chain Management Programme will extend this impact to the second tier of the supply chain and possibly beyond. However, this will be very difficult to measure precisely and most suppliers are open to a variety of influences that might nudge them in this direction.

6.9 *Impact on people*

²⁵ Kingo, Lise (2003) *A Business Model for the 21st Century* Slide show presented at the European Academy of Business In Society annual conference, Copenhagen 19-20 September 2003. With acknowledgements to Malcolm McIntosh

²⁶ NOP Healthcare (2003) *Social and Environmental Issues in the Supply Chain of Novo Nordisk – Quantitative Research*, NOP World.

The fact that 56% of suppliers record that the evaluation of their internal operations by Novo Nordisk has had a positive impact is encouraging.²⁷ As many questions in the supplier questionnaire relate to labour standards, one would expect that it would be a focus on labour rights that would be transferred down the value chain. What is less tangible, but fascinating nonetheless, is the way that Novo Nordisk inspires suppliers to move beyond compliance through the promotion of these and other human rights. Health, food and leisure benefits provided by some licensee manufacturers and suppliers are sometimes volunteered under section 5d of the questionnaire but are more likely to be discovered through more specific questions, site visits or auditing.

More generally, there can be little doubt that the values of the company are well-known to most staff at Novo Nordisk, whether they actively engage with them or not. A pocket size statement on 'Our Vision' is available at receptions and in coffee spaces, together with generous numbers of the Sustainability Reports. The 2003 Sustainability Report records a 7.1% turnover of staff.

The report also records an immigrant workforce (i.e. those of non-EU origin) at Novo Nordisk in Denmark of 5.9%, below the 7.9% representation in the Danish population. Likewise, for the other equal opportunities priority for the company, women in management, there are 164 men in senior management compared to 43 women. The figure for middle management is only slightly less stark, with 608 men and 258 women. With Novo Nordisk openly committed to non-discrimination and elements of positive action in both these areas, it should be possible to track the impact on the staff profile over time. Another aspect is the 'Take Action!' employee programme to help engage staff in sustainable development activities, which includes a three-week programme in Tanzania for some employees. The question here is: will any of these developments transfer to those working in the Novo Nordisk supply chain?

6.10 *Impact on society*

Perhaps the most difficult to measure is how the Sustainable Supply Chain Management Programme impacts upon wider society. It would be useful to track ways in which benefits made available by suppliers to their staff were made available to the wider community. Novo has already undertaken some interesting work in this area and more might come with time with further auditing and the continuing evolution of the Programme.²⁸

However, if the Supplier Programme is looked at as one facet of Novo Nordisk's overall commitment to human rights and other aspects of sustainability, then its leadership role is already having an impact on wider society. That the company has such a vision and reputation notwithstanding the serious ethical challenges that face pharmaceutical companies, shows other businesses what is possible. One very recent example is Novo Nordisk's position on the 'Norms on the Responsibilities of Trans-national Companies and Other Business Enterprises with Regard to Human Rights', endorsed by the United Nations Human Rights Sub-Commission in August 2003 and presented to the 53 Governments of the Commission in March 2004. Whilst many industrial groups, including the Danish Confederation of Industries, have criticised these Norms, Novo Nordisk has been one of only seven companies globally to publicly state its commitment to test the worth of such a framework through practical application.²⁹ For Novo Nordisk, it is an

²⁷ Ibid.

²⁸ For example: http://www.novonordisk.com/sustainability/responsibility/economic_footprint.asp and <http://www.novonordisk.com/esr2000/esr00/introduction.asp?ID=298&secID=1>

²⁹ Business Leaders Initiative on Human Rights (2003) *Report No.1: Building Understanding, Respect* Europe: Stockholm. www.blihr.org

integral part of its systematic approach to testing ways of applying human rights in its work. Such a leadership position can only open the minds of suppliers, other businesses and governments to what is possible.

6.11 *Reporting*

When it comes to reporting, again Novo Nordisk is a leader with its commitment to triple bottom line reporting. However, the indicators that cover the social and environmental responsibilities of suppliers are still mainly derived from the self-evaluation questionnaire and therefore are not measurable absolutely. Whilst some of the core labour standards do lend themselves to yes/no answers, this is not the case for concepts such as 'sphere of influence' or 'layers of complicity in human rights abuses'. The 2003 Sustainability Report is one of the best available and the fact that great efforts have been taken to include suppliers in this through both the questionnaires and NOP Healthcare opinion survey is highly commendable. In the meantime, the problems of reporting 98.2% compliance to social standards in the supply chain have already been made in 6.5 above.

6.12 *Managing stakeholder dialogue*

NGOs and external experts have never been far from Novo Nordisk's thinking process and it maintains a close relationship to Sustainability, Accountability, the New Economics Foundation and others. Clearly stakeholder dialogue, involving NGOs, trades unions and communities, is the way Novo Nordisk likes to do things. However, with regard to the Sustainable Supply Chain Management Programme a greater breadth of stakeholder dialogue might reap some results at this point. Obviously suppliers are already involved in the process, but trades unions and NGOs might offer some interesting perspectives on issues such as collective bargaining, living wage or the right to health that will make the process more complex but more robust. The auditing stage might well be the most appropriate stage to do this but it would also be worthwhile getting perspectives from a wider range of stakeholders as to what should be included in future questionnaires and how the feedback should be interpreted. This should open up some of the 'shades of grey' in what can seem to be a set of clear-cut questions and therefore result in very high levels of apparent compliance.

7. Final remarks

There is much that is transferable from what Novo Nordisk has undertaken so far that should be of interest to some other Global Compact signatories. Novo Nordisk does not profess to be the global leader in responsible supply chain management - other sectors such as clothing retailers have had several years head-start here. Novo Nordisk is however more progressive when it comes to the wider integration of sustainability and human rights across a whole company. It is because of this systematic approach that Novo Nordisk is one of first pharmaceutical companies to engage seriously with issues of human rights in the supply chain, when most of the ethical pressure in this sector relates more to issues of marketing and product development. This gives an interesting insight into how supply chain management can develop to incorporate not just the labour rights implicit in Global Compact Principles Three to Six, but also the more over-arching human rights in Principles One and Two. It is encouraging that Novo Nordisk sees this as much more than an issue of compliance, but also as a question of opportunity and identity. This is perhaps the greatest message for other businesses.

There is also the need to be realistic about the limitations of any supply chain management system. By the time you have looked at your second or third tier suppliers (possibly where most of the issues of non-compliance might rest) you are on the edge of your 'sphere of influence' as a company. There is little that is compliance-driven that you can do directly in the deeper reaches of

your supply chain, other than to inspire and support your immediate suppliers to develop their own systems accordingly and to report publicly on their own supply chains.

Novo Nordisk's supply chain programme, its tools and thinking, will be available at www.suppliertools.novonordisk.com in September 2004.

8. Appendix: The social information requested in the Novo Nordisk supplier questionnaire



Environmental and social evaluation of suppliers and contractors

Dear Sir/Madam,

As you may be aware The Novo Group has made a public commitment to the Universal Declaration of Human Rights and the ICC Business Charter for Sustainable Development. We are actively seeking to promote social responsibility, and good environmental performance throughout our business. This includes working with our suppliers and contractors to support human rights standards and to promote improvements of the environmental practices in our supply chain.

We believe that there is a strong link between good social and environmental performance and an efficient and successful business. By working together on these standards we will be able to meet current and future expectations of our customers and investors, and this will also be an important factor in managing risk in our supply chain.

Our expectations

We expect all of our suppliers and contractors to ensure that their employees are adequately protected according to the UN Universal Declaration of Human Rights, which is considered universally binding by the UN. We also expect that our suppliers and contractors will participate in developing appropriate environmental improvements of their practices to make them consistent with the intentions of the ICC Charter. We consider these a baseline and we will expect suppliers and contractors to demonstrate continuous improvement in the future.

Our aim is to improve performance, not to terminate business. We want to create a climate of trust where suppliers feel free to approach us with a problem. Where possible, we will work with suppliers to find a solution.

The questionnaire

Enclosed with this letter you will find a copy of our environmental and social evaluation questionnaire. The part covering social information is based on the UN Universal Declaration of Human Rights. The questionnaire refers to relevant ILO (International Labour Organization) conventions governing labour standards where available. The ILO conventions help clarifying the understanding of the human rights principles. The questionnaire has been developed through a two-year project in consultation with suppliers around the world.

Your answers to the questionnaire will form part of our overall evaluation of you as our supplier or contractor. Data will be compared and evaluated on an annual basis. We are currently building environmental and social considerations into our supplier audits.

Please complete the questionnaire and return it to me by xx-xx-2002. The answers must cover the location where the products we buy, are produced and not e.g. sales agent.

We consider this information confidential and we will not pass it on to any third party. If you have any questions, do not hesitate to contact me.

Yours sincerely

Feedback is welcome

We are still learning how to evaluate our suppliers on environmental and social issues.. If you have any feedback on the questionnaire design, please send it to me along with the questionnaire.

Environmental and social evaluation of suppliers and contractors

Questionnaire

Please observe the following before completing the questionnaire

- If your company is part of a major group, you should answer on behalf of your own operations, not the entire group.
- If the product/s, we buy, are not produced in your country, please answer for the country, where the product/s or the majority of the product/s are produced.
- Please answer each question as fully as possible. This gives you the opportunity to tell us about your initiatives and thereby a higher score. A blank space will be rated “non-satisfactory”.
- The questions are not intended to include apprentices/trainees.
- No documentation is required, but it is recommended that the data are thoroughly commented to increase understanding on our part. The data must be verifiable through an audit.

For more information

The UN Declaration of
Human Rights (UDHR)
The ILO conventions

www.unhchr.ch/html/intlinst.htm

Novo Nordisk

<http://www.iccwbo.org/sdcharter/charter/principles/principles.asp>
www.novonordisk.com

General information

Name of company	
Address	
Please state the product/s or services we buy, and in which country, the product/s is/are produced	<i>Please note that the questionnaire must be filled-in on behalf of this location (i.e. not an intermediary trading agent)</i>
Name of parent company (if any)	
Contact person and title	
Contact person telephone and e-mail	

Environmental information

1. Environmental impact	<i>We expect our suppliers and contractors to identify and monitor the environmental impacts of their company's activities. In this context environmental impact covers changes to the environment, wholly or partially resulting from the company's activities, products or services. We consider it a fact that any activity causes an environmental impact.</i>
a. What are the environmental impacts of your company's activities?	
a. How have these environmental impacts been identified or assessed?	
a. Has your company established a continuous monitoring of these impacts? If yes, please indicate how.	

2. Environmental management	<i>Active management of the environmental impacts related to the company's activities means, at a minimum, ensuring compliance with local environmental legislation and having an environmental policy or statement. More progressive companies may have an environmental management system (EMS), which may be externally certified under ISO 14001 or EMAS.</i>
a. Do you ensure compliance with local environmental regulation? How is this performed?	
a. Does your company have a documented Environmental Policy? If yes, when was it introduced?	
a. Does your company have an environmental management system or programme? If yes, which main environmental targets has your company worked towards during the last year?	
a. Is your company planning to achieve an ISO14001 certification or EMAS registration?	
3. Environmental actions	<i>We expect our suppliers and contractors to take action to improve their environmental performance. Actions can include e.g. environmental improvements of production or products, initiatives to increase the employees environmental awareness, improvements of the environmental organisation, sharing of better practices</i>
a. Which environmental actions has your company introduced or supported within the last year, if any?	
4. Environmental dialogue	<i>We expect our suppliers and contractors to provide appropriate environmental information to interested parties including authorities, employees, shareholders, neighbours and other stakeholders. This can be voluntary initiative or part of a legal requirement</i>
a. Does your company publish an environmental account or statement?	
a. What environmental training has your company given your employees?	

<p>2. Environmental management</p>	<p><i>Active management of the environmental impacts related to the company's activities means, at a minimum, ensuring compliance with local environmental legislation and having an environmental policy or statement. More progressive companies may have an environmental management system (EMS), which may be externally certified under ISO 14001 or EMAS.</i></p>
<p>a. Do you ensure compliance with local environmental regulation?</p> <p>How is this performed?</p>	
<p>a. Does your company have a documented Environmental Policy?</p> <p>If yes, when was it introduced?</p>	
<p>a. Does your company have an environmental management system or programme?</p> <p>If yes, which main environmental targets has your company worked towards during the last year?</p>	
<p>a. Is your company planning to achieve an ISO14001 certification or EMAS registration?</p>	
<p>a. Please give details of any breaches of environmental regulations within the last year</p>	
<p>a. If you have received enquiries during the last year regarding your environmental performance, what practical steps did you take to respond?</p>	

Social information

<p>5. Wages and benefits</p>	<p>Everyone who works has the right to just and favourable remuneration ensuring for himself and his family an existence worthy of human dignity, and supplemented, if necessary, by other means of social protection. (UDHR)</p> <p><i>Wages earned for regular working hours should be sufficient for the worker and his/her dependents to meet their basic needs (UN interpretation)</i></p>
<p>a. Do you ensure that your employees are adequately protected according to the Universal Declaration of Human Rights regarding wages and benefits?</p>	
<p>a. What is the minimum wage as defined by the law in your country or industry average (whichever is higher)?</p>	
<p>a. What is the lowest wage paid by you to an employee on a full time basis?</p>	
<p>a. Which benefits do you offer <u>to all employees</u> beyond the legal minimum?</p>	
<p>6. Working hours</p>	<p>Everyone has the right to rest and leisure, including reasonable limitation of working hours and periodic holidays with pay. (UDHR)</p> <p><i>Workers shall not on a regular basis be required to work more than 48 hours per week and shall be provided with at least 1 day off for every 7 day period on average. Overtime shall be voluntary and only used when justified. It is recommended that it does not exceed 12 hours per week and shall always be compensated at a higher rate (at least 125%). Employees are entitled to at least 3 weeks annual holidays with pay. (ILO convention)</i></p>
<p>a. Do you ensure that your employees are adequately protected according to the ILO convention regarding working hours, overtime, time-off and holidays?</p>	
<p>a. How many hours of normal working time and overtime would a full time production worker or the like work in an average week?</p>	
<p>a. How many days-off would a full time production worker or the like have in an average week?</p>	
<p>7. Health & Safety</p>	<p>Everyone has the right to ... just and favourable conditions of work (UDHR)</p> <p><i>A safe and hygienic working environment shall be provided. Adequate steps must be taken to prevent accidents and injuries to health arising out of work. The causes of hazards in the working environment must be minimised. Workers shall receive regular and recorded health and safety training. (ILO convention)</i></p>

a. Do you ensure that your employees are adequately protected according to the ILO convention regarding health and safety?	
a. What health and safety training do you provide for your employees?	
a. Is responsibility for the working environment clearly defined at all levels in the organisation? Kindly describe	
a. Please give details of any breaches of health and safety regulations during the last year	
8. Child labour	<p>Everyone has the right to education. ...Elementary education shall be compulsory. ...and childhood [children] are entitled to special care and assistance (UDHR)</p> <p><i>The minimum age of an employee in developing countries is 14, and 15 in developed countries. However, in companies with hazardous working conditions the minimum age must be 18 (ILO convention)</i></p>
a. Do you ensure that your employees are adequately protected according to the ILO convention on child labour?	
a. What is the date of birth (year) of your youngest employee?	
a. Do you have special procedures for employees under the age of 18?	
a. If child workers are identified how would you ensure that the negative consequences of laying them off are reduced to a minimum?	
9. Forced labour	<p>No one shall be held in slavery or servitude; slavery and the slave trade shall be prohibited in all their forms. Everyone has the right to work, to free choice of employment...(UDHR)</p> <p><i>There is no forced or bonded labour. This covers all work or service that is extracted from any person under the menace of any penalty for which the person has not offered him/herself voluntarily (ILO convention)</i></p>
a. Do you ensure that your employees are adequately protected according to the ILO convention regarding forced and bonded labour?	
a. Are all your employees working in your company of their own free will?	
a. Does everybody have employment contracts?	

<p>10. Freedom of association and collective bargaining</p>	<p>Everyone has the right to freedom of peaceful assembly and association. No one may be compelled to belong to an association. Everyone has the right to form and to join trade unions for the protection of his interests. (UDHR)</p> <p><i>Employees have the right to join or form trade unions of their own choosing and to bargain collectively (ILO convention)</i></p>
<p>a. Do you ensure that your employees are adequately protected according to the UDHR and ILO convention regarding freedom of association and to collective bargaining?</p>	
<p>a. Is there a union or alternative representative body with the right to bargain collectively on behalf of production workers?</p>	
<p>11. Non-discrimination and Equal opportunities</p>	<p>Everyone is entitled to all the rights and freedoms set forth in this Declaration, without distinction of any kind. (UDHR)</p> <p><i>There is no discrimination in hiring, compensation, access to training, promotion, termination or retirement based on race, caste, national origin, religion, age, disability, gender, marital status, sexual orientation, union membership or political affiliation (ILO convention)</i></p>
<p>a. Do you ensure that your employees are adequately protected according to the ILO convention regarding discrimination?</p>	
<p>a. What policies and procedures do you have on non-discrimination and equal opportunities?</p>	
<p>a. What improvements have been made as a result of the policy?</p>	

12. Disciplinary measures	<p>No one shall be subjected to torture or to cruel, inhuman or degrading treatment or punishment.(UDHR)</p> <p><i>Physical abuse, the threat of physical abuse, sexual or other harassment and verbal abuse or other forms of intimidation shall be prohibited (UN interpretation)</i></p>
a. Do you ensure that your employees are adequately protected according to the UN Universal Declaration of Human Rights regarding disciplinary practices?	
a. What disciplinary and grievance (e.g. anonymous complaint, whistleblower system) procedures do you have?	
a. How many times have the grievance procedures been used during the last year?	
13. Privacy	<p>No one shall be subjected to arbitrary interference with his privacy, family, home or correspondence, (UDHR)</p> <p><i>Everyone has the right to his/her privacy. This covers among others the monitoring of persons and the handling of personal information. Interference with privacy should be guided by rules and should only be used if necessary to achieve a justified aim. (UN Interpretation)</i></p>
a. Do you ensure that your employees are adequately protected according to the UN Universal Declaration of Human Rights regarding the privacy of employees?	
a. Are employees given clear information beforehand when they are being monitored (via computers, telephone, cameras or other)	
a. What procedures do you have for keeping employees' personal information confidential?	

Your suppliers

1. Does your company evaluate your own suppliers on environmental issues?	
1. Does your company evaluate your own suppliers on social issues?	
1. What environmental and/or social risks do you anticipate in your supply chain?	

Thank you for completing the questionnaire

We ask you kindly for the signature of your General Manager.

Date

Name

Title

Signature