

Sector scorecard



Healthcare



In collaboration with:



THE STATE OF CHILDREN'S RIGHTS AND BUSINESS 2021

PART OF THE GLOBAL CHILD FORUM CORPORATE SECTOR AND CHILDREN'S RIGHTS BENCHMARK

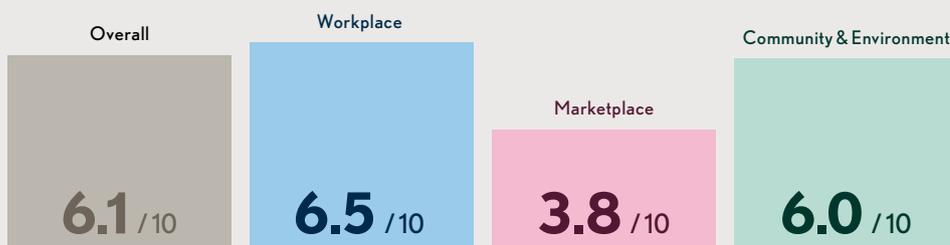
About the scorecard

The set of indicators that companies in this scorecard have been benchmarked against are in accordance with the **Children's Rights and Business Principles**¹, where the indicators are divided into three different impact areas called Workplace, Marketplace, and Community & Environment. These impact areas provide an overview of what companies are doing in each of these spheres of influence and it gives companies an opportunity to identify areas for improvement in relation

to their operations. The corporate response of companies is important when assessing the degree of influence as well as areas of improvement for each impact area. Therefore, the impact areas are structured by three subcategories, namely, Policies & Commitments; Implementation; and Reporting & Actions, where these sub-categories are viewed as corporate responses to children's rights related issues. The boxes below present a short overview of what the different impact areas measure².



Sector average score



Sector description

The Healthcare sector covers companies that are engaged in producing medical equipment and pharmaceuticals. Industries included in the sector are *Medical Equipment & Products* and *Pharmaceuticals & Biotechnology*.

No. of companies in study	28
Medical Equipment & Products	8
Pharmaceuticals & Biotechnology	20
Combined Sector Revenue	978.2 B USD

¹ A comprehensive framework for understanding and addressing the impact of business on the rights and well-being of children developed by UN Global Compact, UNICEF and Save the Children.

² To learn more about Global Child Forum's methodology, access it [here](#).

1.1 Healthcare

The Healthcare sector is clearly an important one with respect to children's health and wellbeing globally. The products manufactured in this sector provide opportunities to combat diseases and medical conditions for children requiring medical attention. However, when a children's rights lens is applied, it becomes evident that there are several different factors that the Healthcare sector must consider to further increase its positive input in relation to the value chain.

Prominent topics in the **workplace** for this sector concern child labour in supply chains (e.g. raw materials and agriculture), decent working

conditions and family-friendly policies for both direct and indirect employees (i.e. supply chains), and safe practice and standards for employees in production plants. Policies and safe practices addressing employee safety allow parents to be more accessible to their children.

Regarding the **marketplace**, the healthcare sector could give greater consideration to product safety through labelling and packaging to prevent children from ingesting medicines by mistake. Furthermore, because many products distributed to the marketplace are crucial to the survival of sick children, the sector could cooperate both within the sector and with governments to ensure

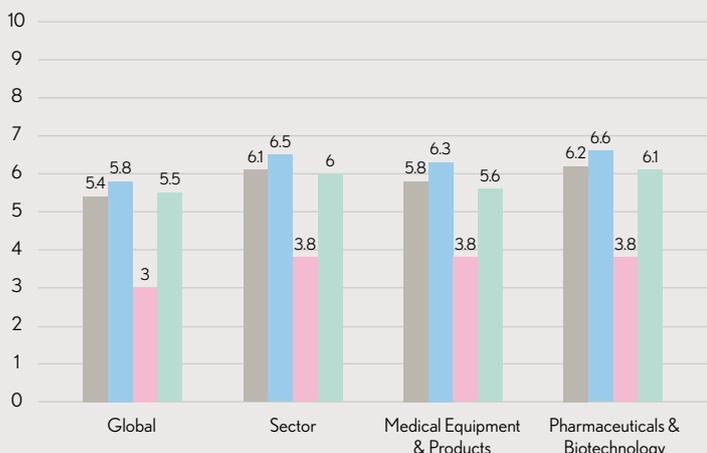
widespread availability of affordable products globally.

The key risks identified with the Healthcare sector's impact on local **communities & the environment** concern air, soil and water pollution caused by production plants, reduction of GHG emissions, and water stress as a result of production. The activities carried out by the Healthcare sector's operations risk causing adverse effects on children in local communities in terms of their health and wellbeing. These issues can be addressed through environmental and community commitments and policies. Moreover, these policies and commitments require frequent monitoring and reporting on compliance.

1.2 Material topics

Impact	Where	What	
Child labour	Supply chain	Work collaboratively with others against child labour in informal sector around supplier and/or beyond tier 1 (e.g. metals and crops required for manufacturing of products)	Workplace
Access to parents/child labour	Procurement/Supply chain	Ensure that purchasing practices (lead times and pay) are contributing to decent working conditions with suppliers	Workplace
Safety for parents	Employees/supply chain	Collaborate in sector-wide programmes to prevent hazardous work, forced labour and unethical recruitment	Workplace
Children's health and safety	Products	Ensure that children won't be harmed by exposure to pharmaceuticals (e.g. through packaging and labelling)	Marketplace
Children's health and safety	Products	Collaborate with sector initiatives, governments and civil society to promote and protect children's rights, including health and safety, in the development of medical equipment and pharmaceuticals	Marketplace
Children's health and safety	Products	Collaborate with sector initiatives, governments and civil society, to make available affordable and quality medical equipment and pharmaceuticals to the poorest communities	Marketplace
Future wellbeing of children	Operations/Supply chain	Reduce scope 1, 2, and 3 emissions, switch to renewable energy and recycle raw materials	Community & Environment
Future wellbeing of children	Operations	Improve water efficiency and waste management to prevent pollution of water supply and water stress	Community & Environment
Children's health and safety	Operations/Supply chain	Evaluate and prevent any risks to children in the surrounding community caused by pollution and waste	Community & Environment

1.3 Industry vs Sector & Global



1.4 Top three performing companies

Company name	Industry	Average score	Workpace	Marketplace	Community & Environment	Country of HQ
Merck KGaA	Pharmaceuticals & Biotechnology	8.7	10.0	6.1	7.0	Germany
Merck & Co	Pharmaceuticals & Biotechnology	8.3	9.4	6.3	6.7	United States of America
Abbott Laboratories	Medical Equipment & Products	8.1	8.9	6.3	7.3	United States of America

1.5 Top three performing indicators

Indicator	Indicator number	Percentage of companies scoring 10 / 10	Corporate response
Child labour policy	1.1.1	100%	Policies & Commitment
Community programmes supporting children's health, development and education in local communities	3.3.3	89%	Reporting & Actions
Committed to reduce environmental impact	3.1.1	89%	Policies & Commitment

1.6 Three challenging indicators

Indicator	Indicator number	Percentage of companies scoring 10 / 10	Corporate response
Disclosure of actual cases of, or significant risk of child labour	1.3.1	14%	Reporting & Actions
Committed to reduce negative impact on local communities and its members (including children)	3.1.2	11%	Policies & Commitment
Product safety policy including children	2.1.2	4%	Policies & Commitment

About our Sector Scorecards:

This scorecard is based on data collected by Global Child Forum in partnership with Boston Consulting Group. The results are based on publicly available data. However, we don't evaluate actual compliance with policies or outcomes of policies and/or programmes.

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