



Opportunities to Respond Across the Supply Chain through  
Awareness, Education and Access Technical Sessions 2007

by

Charley Beever  
beever\_charley@bah.com

Peter Parry  
parry\_peter@bah.com

Rebecca Gravestock  
gravestock\_rebecca@bah.com

Zoë Guilford  
guilford\_zoe@ne.bah.com

Sancia Dalley  
sdalley@businessfightsaids.org

Neeraj Mistry  
nmistry@businessfightsaids.org

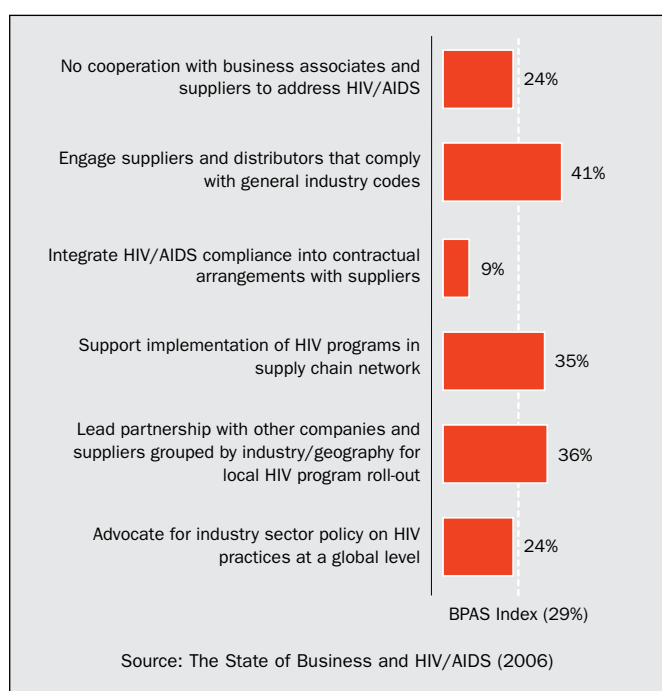
# Opportunities to Respond Across the Supply Chain through Awareness, Education and Access

## Technical GBC Sessions 2007

**The supply chain provides a huge multiplier opportunity for business to extend and accelerate its fight against the HIV/AIDS pandemic. For many local and global businesses, supply chains employ many times more people than the business itself. Through collaboration and partnership customers and suppliers together can make a significant impact.**

The Global Business Coalition on HIV/AIDS, Tuberculosis and Malaria (GBC) convened its second annual global technical sessions event in New York City on 13th June, 2007, in partnership with member companies, Booz Allen Hamilton, and HSBC. Over 50 participants from GBC member companies, partner NGOs, multilateral and bilateral agencies attended.

Output from these sessions confirms that supply chains are seen as the next natural step for business engagement in the fight against HIV/AIDS from both a workplace and community perspective. In *The State of Business and HIV/AIDS (2006)* report,



**Exhibit 1** Companies' Response to Business Associates and Supply Chain Engagement

companies indicated that the supply chain was a challenging area for engagement. Furthermore, though some companies had begun dialogue around this issue there remained much to be done in this regard. Conversations at the 2007 GBC Technical Sessions confirmed this and provided a strong framework on which to establish and strengthen close collaboration with suppliers, build experience and share learnings.

### Background

In June 2006 the GBC partnered with member company Booz Allen Hamilton to launch *The State of Business and HIV/AIDS (2006)* report. The report provided the first platform from which the GBC could evaluate the response businesses have made in the global fight against HIV/AIDS. Using the Best Practice AIDS Standard (BPAS)—a self-assessment tool created by GBC for its members—as a framework for analysis, the report captured information on corporate responses to HIV/AIDS over a range of criteria, regions and industries. In addition to the BPAS, structured interviews were also conducted to capture institutional and personal experiences which further substantiated the findings of the report. More than 90 percent of companies interviewed were supportive of extending policies and programs to suppliers and distributors. Yet, little progress had been made in this area. Only nine percent of companies surveyed had been able to take action in the area of compliance and contractual arrangements with their supply chains (see Exhibit 1).

The Booz Allen Hamilton team's series of extensive interviews with GBC members leading up to the June 13th sessions, raised six key points that served to guide the discussions of the day.

1. **Cooperate** with suppliers, distributors and other external vendors to address HIV/AIDS.
2. Engage suppliers and distributors who **comply** with general industry codes.
3. Integrate HIV/AIDS program compliance into **contractual arrangements** with suppliers wherever possible.
4. **Support implementation** of HIV workplace programs in supply chain network.
5. **Lead partnerships** with other companies and suppliers grouped by industry or geography for local HIV program roll-out.
6. **Advocate** for industry sector policy on HIV practices at a global level.

### Event Overview

By focusing on industries that have been particularly hard hit by HIV/AIDS, TB and malaria—namely, Oil and Gas, Extractives, Clothing and Apparel, and Food and Beverage sectors—the technical sessions were designed to benefit both companies that are already addressing these issues, as well as those interested in tackling the epidemics in their own supply chains. Participants were also asked to establish practical recommendations for internal workplace program expansion and outline potential opportunities for collaboration across industries.

GBC's Managing Director, Ms. Joelle Tanguy, welcomed participants and offered an overview of the organization's expansion during the past 12 months. Ms. Tanguy highlighted the trends in private sector expansion of programs around the three epidemics, particularly with regards to HIV/AIDS, and the importance of developing innovative strategies around supply chain engagement. Reinforcing the GBC's commitment to working with its members and partners on these and other issues, Ms. Tanguy thanked participants for their continued support of these technical sessions.

Sir Mark Moody-Stuart, Chairman of the GBC Board, reflected on the progress the private sector has made in the global fight of these epidemics. Sir Mark reiterated the importance of forums such as the technical sessions in facilitating frank discussions across sectors, while urging participants to establish concrete next steps. David Dew, COO, HSBC USA

Inc., welcomed participants, and reinforced his company's commitment to the fight against HIV/AIDS through its continued collaboration with the GBC.

Presentations from companies active in the field of supply chain engagement also helped provide real experiences and examples that the working groups could leverage during their breakout sessions. Dotti Hatcher, Gap's Senior Director, Social Responsibility; Rob Donnelly, Vice President of Health at Shell; and Professor Joep Lange, Chairman of PharmAccess Foundation, all spoke throughout the day.

The GBC and Booz Allen Hamilton teams facilitated smaller discussion groups during the day that allowed for participants to share lessons learned from the field, highlight strategic priorities, and anticipate future trends in the corporate response to workplace programs.

The technical sessions were designed around existing interventions and idea sharing on the aforementioned six key issues: Cooperation, Compliance, Contractual Arrangements, Supporting Implementation, Leading Partnerships, and Advocacy. Participants were divided into three break-out groups, discussing the first three topics during the morning session, and the remaining three in the afternoon. Each group was charged with reporting highlights from their respective conversations at the end of each session, helping to inform final reflections on the day, and key findings and themes summarized in this report.



## Session Speakers

Through its social and community investment initiatives, Gap Inc. seeks to find meaningful and innovative ways in which to address societal issues in communities in developing countries where we do business.



**Dotti Hatcher** Senior Director Social Responsibility, Gap Inc. presented on the company's social and community investment strategies, their engagement with the GBC and how that engagement led to the company's seed funding for the roll-out of the ALAFA project in the tiny mountain kingdom of Lesotho.

### Background:

- Gap Inc. conducts business in more than 52 countries around the world, ranging from the sourcing of raw materials, the manufacturing of garments in contracted facilities to the transportation of products to their final retail locations.
- The passage of the African Growth and Opportunity Act (AGOA) caused many brands, including Gap, to increase their production in Sub-Saharan Africa.
- In Lesotho, a country whose economy is sustained by the apparel industry, Gap's production accounted for approximately 30 percent of the country's manufacturing exports in 2006.
- Lesotho, a country of less than three million people, has one of the highest HIV prevalence rates in the world with approximately 24 percent of the population infected.
- A 2005 study of workers in the garment industry placed the infection rate at an astounding 34 percent.

### Gap Inc. Investment:

- As part of its Social and Community Investment strategies, Gap Inc. seeks to invest in programs that have a direct benefit to garment workers and their communities in the countries where Gap Inc. sources products.
- Gap Inc. has historically invested in HIV/AIDS-related programs in sourcing countries including Lesotho.
- In 2006, as Gap Inc. prepared to launch its (RED) campaign—a new business model based on sustainable business practices—they sought to further their investments in Sub-Saharan Africa by identifying projects that would benefit workers, specifically those in Lesotho where the Gap (RED) t-shirt was being manufactured.
- In partnership, and with guidance from the GBC, Gap Inc. focused on identifying sustainable ways in which to address the AIDS pandemic and its impact on garment workers and their families.
- Gap Inc. partnered with GBC to assess the newly developed ALAFA (Apparel Lesotho Alliance to Fight AIDS) project model and to determine its sustainability.
- GBC worked with Gap Inc. and the ALAFA team to structure a pilot program at the Precious Garment Factory that would be funded by Gap Inc., and in turn allow for the successful implementation of the program to the broader garment manufacturing community of workers.

### Key Learnings:

- Only through collaboration between like-minded private sector corporations, NGOs, humanitarian organizations, the health industry and government can societal issues, such as HIV/AIDS, be addressed in a sustainable and impactful manner.
- No one—individual, organization or government—can or should have to “go it alone.”

## Session Speakers

Shell wants to bring an expectation of impact to their supply chain, use their experience and expertise, and be a catalyst for engagement.



**Dr. Rob Donnelly** Vice President Health, Shell.

Shell, the Oil and Gas giant, has a vast supply chain that involves exploration fields, construction sites, production, manufacturing, supply and distribution, industrial customers, retail and lubricants, and consumers.

The company's work in the supply chain has included:

- Kenya and Uganda road transport project which began with a truck campaign using mobile billboards with a “choose life” slogan. The program includes ongoing quarterly ‘Tool Box’ meetings organized by Shell for drivers which focus on safety and health issues. The company's distribution teams also conduct a quarterly audit to assess road transport contractor business processes which includes the management of HIV/AIDS.

*Shell's sponsored audit/review of HIV programs with clear expectation of minimum requirements has proved to be an appropriate motivation for self-sufficient programs delivered by contracted transport companies.*

- Sakhalin 2 project in Russia that tackles prevention, education and awareness among workers. Multilingual STI awareness and prevention materials are available on site,

plus ‘Tool Box Talk’ sessions and referral information to local service providers including counseling and testing sites. There are also company-developed interventions in place that target workers living on pipeline construction camps, including safe sex negotiation skills development.

*Early and ongoing engagement with contractors and clear guidance on responsible actions and facilitated access to company-sponsored interventions has resulted in willing cooperation and active participation in HIV/AIDS prevention programs by major contractors.*

- The SPDC Nigeria Gbaran-Ubie Pipeline project engages with a number of critical HIV/AIDS interventions. Materials on HIV/AIDS transmission and prevention as well as voluntary counseling and testing are available at contractor camp retainer clinics. The company makes freely available at its locations condom dispensing machines, through partnerships with local NGOs. Shell also facilitates, with partnering NGOs, the delivery of behavior change communication strategies to its contractors and local communities.

*Clearly stipulated contractual expectations for contractor HIV/AIDS actions and facilitation of partnerships with local service providers has provided early first steps in a setting with almost no HIV/AIDS health services infrastructure prior to project activities.*

The way forward will involve early and ongoing operating company-level engagement with contractors. Shell will also provide all its contractors with access to company HIV/AIDS prevention and management guidance and tools—including, risk assessment tool, program planning and budgeting templates, AIDS service provider database, awareness materials and reporting templates for monitoring.

Shell will also continue to use the existing structures that are in place, articulating health and safety expectations in some contractual obligations. At a minimum, lead contractors will be required to demonstrate assessment of HIV risk for their contractor workforce, which can include providing induction training and demonstrating a willingness to participate in company sponsored interventions that are consultatively planned. Shell will utilize company-sponsored compliance or an audit process to ensure contractor HIV program efforts are underway, and will concentrate on industry-level engagement via industry forums and various contractor associations.

**The findings of the technical sessions are grouped into two areas. Firstly, they focus in preparing supply chains for action through cooperation, compliance and contractual arrangements. Secondly, recommendations focus on real action in supporting implementation, leading partnerships and advocacy.**

### Part 1: Cooperation, Compliance and Contractual Arrangements

Taking steps to deal with the threat of the HIV/AIDS epidemic, as well as associated diseases including tuberculosis and malaria across a company's supply chain is a well-recognized concern. Private sector health and wellness programs are typically focused on their employees and dependents. Despite most GBC members' desire to extend programs to their supply chain workers, a number of barriers prevent this from being an easy add-on. A company's supply chain generally consists of groups categorized in downstream (that is contractor workforces) and upstream, the contracted vendors. Supply chains are therefore considered complex and quite cumbersome to coordinate and manage in addition to the costs associated with outreach.

In terms of the three diseases, it became clear during the event's discussions and in the associated company interviews, that HIV/AIDS is normally a dedicated focus for a company, due to its significant impact on operations. Tuberculosis and malaria however are often dealt with on a case-by-case basis, although their strong association with HIV/AIDS means that the three are increasingly considered together. Many companies treat the diseases within an overall health and 'wellness' approach in the supply chain, often as part of its occupational health program or in the context of sustainability, rather than separate issues.



**Joelle Tanguy** Managing Director, GBC

### 1. Cooperation

Addressing HIV/AIDS, TB and malaria at the supply chain level involves companies collaborating—or, cooperating—with their suppliers and distributors rather than establishing a “command-and-control” relationship. During the session, companies discussed the basic cooperation arrangements they held with their supply chain and how they maintained good relations. Generally, companies preferred dealing with supply chain partners who were, at the minimum, willing and able to provide a certain level of care to their employees. Included in this were those who had some Health, Safety and Environment (HSE) programs in place, which served as a foundation for potential collaboration.

In addition, some companies expressed their good fortune in being able to work with very progressive-thinking suppliers and vendors who had been or were attempting to address the diseases. Examples were given of suppliers and/or vendors who had started to offer voluntary counseling and testing services and providing access to treatment to their contractor workforce. However, the level of supplier involvement varied significantly across companies and industries.

#### *Opportunities for Cooperation*

A general consensus among session participants was that cooperation with suppliers and vendors can occur, at the minimum, with respect to education, prevention and awareness strategies. Companies considered these elements to form the basis for minimizing the spread of the diseases within the supply chain, and in effect the larger population. Companies are already using their strong presence in the regions where they operate to promote healthy behavior by raising awareness within their own employee workforce. Extending activities like peer-to-peer training, condom distribution to their supply chain via company-led programs, or providing materials and guidance for suppliers to implement themselves, is one small step that can be taken.

#### *Challenges to Cooperation*

Though the opportunities for cooperating are possible, companies acknowledged the many challenges that hinder this on many fronts. Developing and managing gender-based strategies, accommodating the different needs of each supplier/vendor, existing production costs and the high rates of turnover in contracting workforce ranked high among those challenges.

- Concern for women's health within the supply chain—particularly since they account for the majority of factory workers in one supply chain group—has increased tremendously. Coupled with this is the feminization of the HIV/AIDS epidemic where global statistics indicate that more than half of infected individuals are women. Gender inequality is a primary driver for this spread as most women lack access to education and training, key elements in empowering women. Company-led and/or



supported interventions that target women and focus on these elements have proven to be successful for both workers and business.

- Companies also find evaluating their supply chain companies' needs, particularly in terms of health interventions, to be a significant challenge as requirements vary tremendously. This must be taken into account when establishing successful programs since each will need catering for differently.
- Establishing appropriate financial arrangements was highlighted as another barrier to cooperating as companies have to address the question of who should fund supply chain programmes and initiatives. This also raised questions around where the company responsibility ended and where the suppliers and/or governments began. Companies nonetheless stated the importance of assessing the level of investment they were willing and able to make and negotiating the arrangements with their respective suppliers and partners.
- In some sectors like the oil and gas, contractor companies tend to be larger in workforce size and financially better-resourced than the company to which they contract. As a result, negotiations can prove challenging, particularly due to "contractor saturation" even though these companies are in a powerful position to influence their supply chains and the companies that they work with.
- High rates of turnover in many contractor workforces make developing solid interventions a huge challenge. Similarly, some contractors often originate from different countries further complicating the monitoring process and evaluation of impact.

**Companies are deeply aware of the fact that action costs money**

## 2. Compliance

Compliance, in the context of the sessions, referred to the interaction or engagement companies had with their suppliers and distributors around general industry codes. Discussions around compliance focused primarily on what was a reasonable request of their supply chains. Most, if not all companies, agreed they were already demanding much from their suppliers and found it challenging to request more in light of the complexities of these supply chains. Focus, it was agreed, should be placed on establishing a comfortable balance between the business/transaction relationship and providing guidance/mentorship to these associates.

**To insist that a vendor has particular programs in place before you work with them may force them to shut down their production line**

Compliance should be looked at overall: with management systems in place, these can be the platform to take commitment to the next level. Terms of engagement for doing business with supply chain associates are already established across industries—there are codes of conduct that set specific standards for suppliers in areas including fair employment and freedom of association—and are a solid foundation to start with. Since most of these codes of conduct focus on occupational health and safety risks, integration of HIV/AIDS as a component of a larger "health risk" can be seamless.

### Challenges to Compliance

Four key challenges were raised during discussions around compliance:

- **Disease Prioritization:** A number of companies reiterated that more immediate health risks, including cancer and diabetes, were prioritized among their contractor workforces. As a result adding HIV/AIDS, TB and/or malaria creates additional challenges in implementation and uptake.
- **Financing:** Implementing these changes will incur substantial costs to the company, particularly with respect to varying regions and their differences in governance and contract details.
- **Enforcing:** Few contracts in most industries act as enforceable rules but rather general awareness documents for contractors to follow. Also, though most companies are large global organizations a large number have not managed to implement global contracts. All these points make auditing a major challenge for the company.
- **Geographic Location:** Companies noted that in many cases contracts differ across regions so a successful strategy or program implemented in one region does not justify rolling it out to another.

Given these challenges companies acknowledged that before any steps are taken with regards to compliance, the issues outlined above must be carefully addressed.

**The methodology is the same but the model must be different**

### 3. Contractual Arrangements

It was evident from the findings of *The State of Business and HIV/AIDS (2006)*, that few companies have contractual arrangements with their supply chains. When processes or programs are implemented across the supply chain difficulties arise when coordinating among each stakeholder. In completing the morning's discussions, participants discussed integrating HIV/AIDS program compliance into contractual arrangements with suppliers.

Companies agreed that pockets of action have been taken within the framework of contractual agreements. Typically a non-discrimination policy on HIV/AIDS, TB and/or malaria can be incorporated into existing codes and contracts. Mention can be made of infectious diseases, like HIV/AIDS for example, within the context of health and safety as is outlined in contractual agreements and codes of conduct.

There was consensus however on finding a global approach that provides for minimum standards and norms across all three areas.

### What Has Been Successful?

- Outlining a clear business case for engagement
- Leveraging existing tools and guidelines within the workplace
- Developing broader, mutually beneficial contracts that cover human rights, health and wellness
- Establishing partnerships with governments and donor agencies
- Working with NGOs—both local and international
- Education and awareness initiatives at all levels, including management
- Engaging senior leadership and stakeholder support
- Sharing key learnings and practices particularly across industry sectors
- Measuring impact and evaluation challenges via existing mechanisms (i.e., audits)
- Recognizing that one size does not fit all
- Involving suppliers from the start
- Face-to-face communication on all aspects of program development

### Why Is It So Hard?

- Costs of program implementation, especially when treatment is involved
- Finding sustainable financing models
- Developing general tools to address a wide range of circumstances (i.e., geographic locations, workforce demographic etc.)
- Diversity of suppliers: large versus small
- Denying a problem exists
- Availability of treatment
- Linking macro and micro environments
- No shared vision or goal across the supply chain
- Lack of ongoing support and regulation
- Managing expectations with suppliers: who should implement?

### Opportunities

- Transparency, particularly within industries, of activities and policies implemented
- Guidelines and additional documents as resources for suppliers
- Sharing of tools and successful techniques, especially within industries
- Creating incentives for suppliers to develop and implement programs
- Co-investment and other public-private partnership models
- Consistency across industry groups in approach to suppliers
- Trained company/NGO representatives who can act as mentors or trainers for suppliers on behalf of the company
- Tool kits and other resources to assist company representatives in their interactions with supply chains and to empower those within the respective supply chains to implement programs and activities
- Stronger support networks both for companies and supply chains including industry coalitions and business organizations

## Session Speakers

Our mission is to create and expand access to effective HIV/AIDS therapy for patients in an affordable, qualitative and sustainable manner.



**Professor Joep M.A. Lange** Chairman, PharmAccess Foundation, presented on innovative financing mechanisms to support extending access to health insurance to an expanding supply chain.

PharmAccess is a Dutch not-for-profit organization supporting basic healthcare including HIV/AIDS treatment and care in Africa. It makes optimal use of local potential and establishes public-private partnerships, in which private sector facilities complement public sector health care in a common response to HIV/AIDS.

The foundation has collaborated with global companies in supporting the implementation of their HIV/AIDS workplace programs for regional operations by providing counseling and treatment, developing corporate HIV/AIDS policy and protocols, and evaluating prevention activities.

As it is urgently needed to reach out to larger groups of people through companies' supply chains, PharmAccess is now expanding its activities towards embedding HIV/AIDS treatment in general healthcare services and the development of health insurance schemes.

Professor Lange stated that:

- There have been positive developments in PharmAccess's aim to bring highly active antiretroviral therapy (HAART) to resource-poor settings, including price reduction of antiretrovirals, the establishment of innovative funding

mechanisms, and strong commitment from governments and AIDS organizations. Consequently, numbers of people on antiretroviral therapy in low- and middle-income countries have been growing since 2002, especially in Sub-Saharan Africa.

- Despite increase in scale-up efforts, large numbers are still untreated. Some key challenges in the antiretroviral scale-up are weak healthcare infrastructures, very few health care workers, and unreliable supply lines.
- Even though Africa carries approximately 40 percent of the global disease burden for communicable diseases (and has the highest worldwide percentage of HIV/AIDS), it spends less than one percent of the total global health expenditure due to poor funding management or simply lack of funds.
- The current momentum for the antiretroviral scale-up provides a unique opportunity to build sustainable healthcare systems in sub-Saharan Africa and in other resource-limited regions. The disease requires on-going, life-long treatment so an emergency response will not suffice.
- Introducing health insurances to communities is the first critical step. The typical development of healthcare systems include both national and donor policies. Group-based, private risk-pooling schemes are crucial for the development of health systems and access to quality healthcare.
- In 2006, competing insurers established the Risk Equalization Fund for AIDS, supported by PharmAccess. A health insurance scheme will drive up healthcare quality and delivery. The desired situation is that healthcare revenues are guaranteed, meaning investments can be made in healthcare quality including supply chains. Higher quality of service further fuels willingness to pay, leading to increased demand.

### Equity is a laudable goal, but a rotten tool!

Where limitations exist regarding both financing and delivery capacity, choices need to be made to break the 'vicious circle':

- Target groups, including families, need to be clearly defined
- Increase co-payments over time
- Offer primary care-based benefit packages, that include HIV/AIDS, tuberculosis and malaria
- Use existing capacity within the private health sector through contracting of services
- Collaborate with the public sector to support for development of quality systems and regulatory frameworks for example.

## Part 2: Supporting Implementation, Leading Partnerships and Advocacy

### 4. Supporting Implementation

Companies can support the implementation of HIV workplace programs in their supply chain network. In the sessions, most participants agreed that each program implemented by a supply chain business needs support in order for it to be successful, but each program should be tailored for specific needs. Rather than pushing its own programs, companies can encourage their supply chain to develop their own strategies. It was suggested that companies could share experiences with external suppliers, mentoring them through the process and serving as a resource for additional support.

#### Encouraging works better than telling

Companies agreed that identifying where to target their efforts when supporting implementation was critical, taking into account where the highest prevalence rates are and the relevance their assistance will have to the particular section of society they will be impacting.

An additional theme highlighted is the importance of building trust within company supply chains. Establishing trust allows companies to advocate for and/or provide technical assistance to the working relationship, and can play the role of a catalyst or convenor between working partners.

#### Good business is based on trust

Participants focused discussions on testing within this framework. Companies accepting responsibility for their contractor workforce prioritized testing as one of the first elements advocated within their supply chain. Few are able to offer treatment, but those who did, have had strong support from government funding mechanisms.

Many participants agreed that there needed to be capacity on the ground supporting these efforts. Being practical and strategic in mobilizing partners was integral for companies in getting to the implementation stage of their supply chain response.

#### The biggest opportunity is for foot soldiers to roll up their sleeves and get stuck in

### 5. Leading Partnerships

Companies can lead partnerships with other companies and suppliers grouped by industry and/or geography for HIV/AIDS program roll-out. Companies are increasingly realizing that when it comes to HIV/AIDS programs, competition among traditional rivals diminished in the face of cooperation and sharing of best practices to effect change and demonstrate

impact. Yet, a huge challenge was identifying the appropriate partner to develop and implement the program.

#### Through working together, you can take the best of theirs and ours

With the changing landscape of needs on the ground, companies are rising to the challenge by brainstorming new partnership ideas and identifying partners with which to collaborate. Participants strongly suggested that these partnerships showed their support and commitment to suppliers and vendors due to their tremendous investments. Furthermore, having a good sense for activities and projects being conducted by other private sector partners was important in gaining a perspective on their own programs—especially within similar industries.

Based on discussions most companies take an inter-industry view when considering issues to tackle or positions to establish like establishing partnerships with governments. With regards to developing an inter-industry set of policies concerning the supply chain, most companies thought this too opportunistic given the variations in how supply chain issues are addressed across industries.

However, participants were all in agreement that should one company “get it right” in addressing this issues, the potential for support and further collaboration among industry partners would be available. Since most companies tend to utilize the same supply chain businesses—the same top 50 manufacturers are suppliers to the majority of the top apparel brands for example—being strategic in making the same ask to that supplier would ensure better results than going it alone.

#### It is much easier to embed standards if you group with companies in the same industry as many will share a supply chain

Collaboration between sectors tends to be more challenging as companies do not immediately understand each other's business structure. Complicating the issue further is the geographic location of the company's business. However, companies agreed that sharing regional practices associated with supply chains, even across industries, is of great benefit as some areas can be adaptable particularly in resources available. It was also suggested collaboration was mutually beneficial in benchmarking standards and practices.

#### It's about the global marketplace: all companies have the same needs

Large forums exist in certain industries, as is the case with the energy sector, that have demonstrated the success of



collaborating even in the face of political challenges and have impact.

### It is a difficult landscape to navigate

Companies understood the need to work with NGOs particularly in supply chain programming as these organizations have the capacity, mandate and expertise to assist in program development and implementation. The challenges expressed here by companies were the difficulties in working with NGO (styles of management etc.) and knowing which NGOs were most appropriate (from a content perspective) in developing comprehensive strategies. As a result, a need for a global-wide NGO database was expressed to assist with mapping resources and meeting needs.

### All companies' supply chains should be mapped as there is benefit to being able to see where everyone operates. This will also help build capacity in existing services.

Public-private partnerships were also discussed in detail with respect to supply chain interventions. Several companies spoke of significant activity across industries, with innovative relationships emerging between large organizations and—most commonly—governments both at a national and local level. Participants from the automotive industry expressed their success in establishing partnerships within their supply chains by utilizing social network mapping to profile the communities where they all operate. One company shared that they were able to bring together local NGOs and government departments to assist with setting up social services at their car dealerships, some with on-site clinics.

Though progress in these projects is encouraging, replication or scale-up can only be possible if the partnership is evaluated and additional assessment of impact is conducted.

### It's generally hard to get everyone together

#### 6. Advocacy

Advocating for industry sector policy on HIV practices at a global level rounded up the discussion for the day. Companies were very vocal when discussing advocacy both among industry colleagues and across industry partners. What emerged as critical was internal advocacy. That is, having support from management and internal leaders particularly when dealing with complex issues such as funding with supply chain program implementation.

For guaranteed success, there has to be buy-in from the top. The footwear and apparel industry was highlighted for its best practice in engaging executive-level management who often use their influence to get the brands behind a particular cause or program.

### We have to show our senior management that it will cost to make what we stipulate possible

According to company interviewees, no official network was in place with respect to industry advocacy on HIV/AIDS at a policy level. Now, industry leaders are able to advocate for and promote action through various networks including industry organizations, international labor groups, etc.

### Let's concentrate our core competency in the deployment arm

Companies must examine what their role is as a global brand advocator, and how they can build their core competencies through innovative product marketing. Some companies are in fact building marketing strategies in order to push programs through their suppliers and are finding anecdotal success stories. Engagement around these issues was a more feasible option for most companies given a clear understanding of the landscape, players involved, and issues.

### Community investments open up a world of opportunities through the supply chain

#### What Has Been Successful?

- Leveraging existing bodies and networks
- Top-down motivation and accountability
- Joint commercial benefits for partnering organizations
- Bringing together NGOs at the local and international levels
- Partnering members sharing similar goals and objectives
- Getting buy in from enterprise owners “early in the game”
- Use of brokering partners, including the GBC
- Internal advocacy at all managerial levels
- Civil society pressure
- Keep it simple by concentrating on a few best-practice models

#### Why Is It So Hard?

- Securing funds and managing/distributing money
- Overwhelming size of supply chain—can’t cover all
- Little recognition of need
- Lack of trust between members of a network
- There is little regulation—SMEs don’t always comply with agreements
- Lack of commitment of senior managers
- Not enough awareness of what others are doing in the arena
- Weak coordination across stakeholders
- Mixed government policy messaging

#### Opportunities

- Embrace industry leaders who are taking the lead
- Identify and support innovators and trend-setting companies
- Stronger focal points in the various business and NGO coalitions
- Mapping of NGOs, business coalitions and company operations
- Cross-sector partnerships

#### Who Needs To Be Involved?

- Government, community leaders, civil society, donors
- NGOs, support organizations such as local business coalitions
- Small/medium enterprises (SMEs)/industry bodies
- Supply chain company owners, senior management and employees
- Unions, labor organizations, supplier networks/associations
- Brokers/negotiators/influencers/Country Coordinating Mechanisms (CCMs)
- Service providers, healthcare providers
- Consumers

### The supply chain companies themselves need to be involved in order for any advancement

It was evident during the day’s discussions that the group missing from the conversation were the suppliers themselves. In order to generate concrete ideas and recommendations for addressing HIV/AIDS in the supply chain, these partners need to be involved in the next phase of the discussion. Companies need to examine where they will have the most influence and make significant impact; find those leverage points and ultimately some movement within the industry will occur.

## Concluding Comments

### The Seven Point Plan for Increasing Effort in the Supply Chain

**The technical sessions aimed to profile best practices and highlight opportunities for future success in expanding HIV/AIDS interventions across the supply chain. There is certainly more work for companies to do within their programs, but most spoke of forward-looking strategies and identified their supply chains as a priority area not only in business strategies but also in demonstrating impact in averting the spread of the diseases.**

1. The concept of transparency is key to many businesses building their supply chain strategy as this provides an opportunity for sharing of best practices and collaboration. Companies are beginning to clearly articulate what they are doing in and disclosing information about their supply chains.
2. The three diseases of HIV/AIDS, tuberculosis and malaria should be dealt with broadly, and treated as part of a full holistic health and/or wellness program. This will help minimize the stigma rife within this group and deepening engagements with stakeholders.
3. Trying not to “reinvent the wheel” in all aspects of the supply chain issue: existing tools should instead be adapted, built on and shared with suppliers, distributors and other stakeholders. An added benefit is the reduction of costs associated with implementing strategies that have proven successful elsewhere.
4. In terms of expectations and requirements of the supply chain, it is clear that one size does not fit all. In addition, not all companies can be expected to implement a best practice “gold standard” approach from the start. Instead, companies should work with their suppliers to tailor a program to suit them, providing assistance with implementation as necessary and acting as mentors throughout the process.
5. Companies’ corporate responsibility and compliance departments need to lead supply chain efforts by involving their supply chains in dialogue and developing interventions. Advocating for or convening workshops that tailor more specifically to suppliers and distributors is helpful in engaging them further and informing decisions which will affect their business as well.
6. Companies need to define success and regularly review their progress as they implement programs or activities. It is important that companies are able to gauge or challenge their performance—this has to be an important next step after establishing a business case. Measuring results and impact, as well as benchmarking against other companies—at least within the same industry (since similar risks are shared)—also creates an opportunity for partnership and collaboration.
7. Businesses and the supply chain alike should be made aware that there is help and support available from numerous sources. Since no official forum or database exists that outlines NGOs, their areas of expertise and infrastructure available, recommendation was made to the GBC to expand its resources in this regard.

**Creating a platform where interested partners can come together on this topic should be more of an ‘organic’ process rather than a forced one**

There is a huge multiplier effect created when companies respond to confronting HIV/AIDS, tuberculosis and malaria in their business even in the face of an evolving supply chain. Companies must now consider the chain more broadly to include outsourced service providers, such as IT providers in India. These groups need to be encouraged and involved in future discussions.

It is now time to go beyond the public/private conceptualization. Participants of the sessions pinpointed the importance and need for some companies and leaders like the GBC to put “stakes in the ground”. Establishing these points of reference will be crucial if we are to be successful with the developing strategies around the key trends identified:

- industry-specific collective actions
- regional platforms
- benchmarks
- best practices

Industries are yet to exploit the huge potential of the supply chain, but we have a realistic starting point where we can inspire individual brands who can bring the industry they represent forward. We must leverage the momentum that is being created if we are to truly have an impact in our supply chains and curb the spread of the epidemics.

Hosts GBC, Booz Allen Hamilton and HSBC would like thank the following people for their generous contribution in the 2007 technical sessions:

Staffan Anderson, Thanda	Richard Heron, BP	Dan Olofsson, Thanda
Nina Arvantidis, Shell	Terry Holder, Guyana Telephone & Telegraph Co. Ltd.	Norbert Otten, Daimler Chrysler
Paurvi Bhatt, Levi Strauss & Co.	Dakin Kae, Global Health Council	Sunil Patel, Bristol Myers Squibb
Rick Brounstein, Calypte Biomedical Corporation	Jean Kagubare, MSH	Jonathan Quick, MSH
Stuart Burden, Levi Strauss & Co.	Joep Lange, PharmAccess Foundation	Richard Radnor, British Red Cross
Patrizia Carlevaro, Eli Lilly	Heather Lauver, Pfizer Inc.	Henk Rijckborst, Heineken
Karina Chen, Micato Safaris	Merle Lawrence, Levi Strauss & Co.	Diane Ritson, British American Tobacco SA
Brian Chicksen, AngloGold Ashanti	Gabriel Llaguno, Nike	Karl-Heinz Schlaiss, Daimler Chrysler
Betsy Creedon, General Motors	Natalie Mayet, BMW	Emma Schmitt, Standard Chartered Bank
Derrick Cummings, USAID/GHARP	Emilie Mbom, Ford Foundation	Anunpanakul Siriporn, Standard Chartered Bank
Aajlde de Roos, Dutch Ministry of Affairs	David McMurray, Chevron	Cody Sisco, Business Social Responsibility
Rob Donnelly, Shell	Michelle Mikos, Pricewaterhouse Coopers	Thomas Soerenssen, Vestergaard
Sabine Durier, International Finance Corp.	Ron Mink, Calypte Biomedical Corporation	Eva Solheim, Bionor Immuno
Chris Fernandes, John Fernandes & Co.	Penny Mkalipe, Eskom Holdings	Birger Sorensen, Bionor Immuno
Thomas Gad, Brandflight	Erica Molin, Swedish Workplace HIV/AIDS Program	Michael Stone, Hema Diagnostics
Kwesi Gill, Ford Foundation	Le Fras Mouton, British American Tobacco SA	Jacqueline Vantongeren, PharmAccess Foundation
Jenni Gillies, SAB Miller	Donne Newbury, Bristol Myers Squibb	Ruben Vasquez, Jones Apparel
Ann Grant, Standard Chartered Bank	Thuy Nguyen, Chevron	Bharat Waklu, Tata
David Greeley, Merck Co. Inc.	Kim Nichols, African Services Committee	Meiling Wang, Global Interdependence Centre
Dottie Hatcher, Gap Inc.	Julie O'Brien, MSH	Sharon White, Xstrata
Piet Henderson, Xstrata		Richard Wilkins, Chevron



The Global Business Coalition on HIV/AIDS, Tuberculosis and Malaria (GBC) is an alliance of 220 international companies leading the business fight against HIV/AIDS, TB and malaria. GBC works to leverage the private sector's unique skills and expertise in the global response – including developing comprehensive workplace policies; supporting community programs; utilizing core competencies; facilitating leadership and advocacy by business leaders;

and brokering public-private partnerships. The official focal point of the private sector delegation to the Global Fund to Fight AIDS, Tuberculosis and Malaria, GBC maintains offices in New York, Paris, Johannesburg, Beijing, Geneva, Nairobi, Moscow, and Kyiv.

**[www.businessfightsaids.org](http://www.businessfightsaids.org)**

**[www.businessfightstb.org](http://www.businessfightstb.org)**

**[www.businessfightsmalaria.org](http://www.businessfightsmalaria.org)**

## About Booz Allen Hamilton

---

Booz Allen Hamilton has been at the forefront of management consulting for businesses and governments for more than 90 years. Providing consulting services in strategy, operations, organization and change, and information technology, Booz Allen is the one firm that helps clients solve their toughest problems, working by their side to help them achieve their missions. Booz Allen is committed to delivering results that endure.

With 19,000 employees on six continents, the firm generates annual sales of \$4 billion. Booz Allen has been recognized as

a consultant and an employer of choice. In 2007, for the third consecutive year, *Fortune* magazine named Booz Allen one of “The 100 Best Companies to Work For,” and for the past eight years, *Working Mother* has ranked the firm among its “100 Best Companies for Working Mothers.”

To learn more about the firm, visit the Booz Allen website at [www.boozallen.com](http://www.boozallen.com). To learn more about the best ideas in business, visit [www.strategy-business.com](http://www.strategy-business.com), the website for *strategy+business*, a quarterly journal sponsored by Booz Allen.

### Contact Information:

#### NEW YORK

**Charley Beever**

Vice President  
+1-212-551-6443  
[beever\\_charley@bah.com](mailto:beever_charley@bah.com)

#### LONDON

**Rebecca Gravestock**

Associate  
+44-20-7393-3539  
[gravestock\\_rebecca@bah.com](mailto:gravestock_rebecca@bah.com)

#### LONDON

**Peter Parry**

Vice President  
+44-20-7393-3451  
[parry\\_peter@bah.com](mailto:parry_peter@bah.com)

#### LONDON

**Zoë Guilford**

Associate  
+44-20-7393-3721  
[guilford\\_zoe@ne.bah.com](mailto:guilford_zoe@ne.bah.com)

Booz | Allen | Hamilton