

Summary of Follow-Up Results

Below is a summary of a follow-up on sustainability requirements for a supplier to Sweden's regions. The summary reflects the results of the audit as well as activities carried out as a result. It has been updated continuously as new activities related to the follow-up have been conducted, until all potential non-conformities have been addressed and the follow-up is considered complete. For questions regarding the summary, please contact the Regional Office for Sustainable Procurement.

www.hallbarupphandling.se

Log

Last updated

20250303

General Information

Supplier	Betapharm Arzneimittel GmbH
Regions with Agreement	Region Jönköpings län, Region Östergötland and Region Kalmar län
Risk Area	Läkemedel/Pharmaceuticals
Product	Antibiotics
Type of Follow-Up	Desktop audit
Requirement	Sustainable supply chain, Systematic environmental work,
Audit Date	2024-12-06
For more information	Jenny Forsell Skoog och Anders Lindberg

Audit Results

Summary of the Audit

Betapharm Arzneimittel and Dr Reddy's contributed to a nice and transparent audit where the auditors were allowed access to the documentation needed. Overall, the company seems to have a systematic way of working, but some deviations were identified regarding forwarding of commitment, risk analysis, monitoring and deviation management.

Audit Results

Sustainable Supply Chains

Assessment*

1. Policy Commitment

2. Forwarding of commitment

3. Allocation of Responsibilities

4. Risk Assessment

5. Follow-Up

6. Non-Conformance Management

Environmental Requirements

Assessment *

1. Systematic environmental work

2. Environmental policy

3. Environmental investigation

4. Goals and action plans

Explanations

Non-Conformance

No identified non-conformities

*For a detailed description, see Appendix 1. Non-Conformities

Next Actions

An action plan is developed and a re-audit will be conducted.

Appendix 1 - Non-Conformities

Sustainable Supply Chains	
Non-Conformity	Forwarding of the commitment The supplier Code of conduct is not conveyed upstream in the supply chain beyond first tier, and does not include a writing that states the responsibility for the supplier to convey the policy commitment upstream.
Supplier's Action	We acknowledge the deviation, however, the SCOC already states that "It is the Suppliers responsibility to disseminate, educate and exercise diligence to ensure compliance with this SCOC by its [...] sub-tier suppliers". The SCOC was revised to further sharpen the statement, and a copy will be sent to the auditors. In relation to the contract, the below clause will be incorporated in our supply agreements to ensure that the point on passing the obligations to second tier supplier/ supplier of the Seller/manufacturer is covered. The present reference of Supplier code of conduct will be added once the new global code is rolled out. [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED]
Timeline	End of February 2025
Non-Conformity	Risk analysis The company has not mapped the whole supply chain of the sample product and has not included the whole supply chain in their risk assessment.
Supplier's Action	We acknowledge that the current risk analysis for the product in scope was not well documented and must be enhanced in relation to upstream suppliers beyond tier 1. In the short term, we will map the whole supply chain for the product in scope and review the current risk management process, with a particular focus to identify potential gaps towards the contractual requirements. The upstream suppliers will be evaluated against responsible business framework, if not already covered by other certifications (e.g. Ecovadis), which will be defined in the policy. A supplier ESG re-assessment will be carried out for the product in scope including gap analysis by third party which covers human rights. A Human Rights Due Diligence (HRDD) will be conducted according to the "OECD Due Diligence Guidance for Responsible Business Conduct" and assess the potential impact on human rights (in accordance with ILO

	Conventions and UDHR) and environment for the the product in scope, with a particular focus on risks linked to forced labor and modern slavery. The identified risks will be prioritized based on their severity and likelihood. The assessment will be done through (but not limited to) engagement with the supplier, desk top research, information available from [REDACTED] and through our membership of PSCI. We will have a consultant at hand. In the medium term, the current risk assessment procedure will be revised based on a gap analysis with the help of a consultant company and in cooperation with the parent company (Dr. Reddy's Laboratories) enhancing methodology and process robustness. Internal stakeholders will be brought together to set up a streamlined process with clear responsibilities across departments. Outcome: Revised existing policies and procedures to incorporate best practices in sustainability risk management. Enhanced documentation practice Training of internal stakeholders involved
Timeline	August 2025
Non-Conformity	Monitoring The supplier does not conduct risk assessments of the whole supply chain in accordance with the requirement and has not mapped the whole supply chain of the product in scope.
Supplier's Action	Better understand the due diligence process of our supplier through dialogue with the supplier to assess potential human rights and environmental impacts along the value chain, with a particular emphasis on risks linked to forced labor and modern slavery. Engage suppliers to map the whole supply chain back to raw material source. We expect our suppliers to adhere to the clauses of the third-party code of conduct and they are obligated to ensure compliance for their suppliers. In case of non-compliance, we will proceed as per the guidelines laid out in supplier ESG framework. We will do periodic trainings on our ESG framework for our suppliers. In the medium term, establish regular monitoring and reporting mechanisms to track compliance with risk management requirements. Assess and define tools to support supply chain and procurement team in evaluating whether suppliers have adopted sufficient measures to address these risks of negative impacts (direct or indirect) on human rights and environment. We will seek the help of an external consultant to support us if required.
Timeline	August 2025
Non-Conformity	Deviation management During the audit, the supplier could not show that they conduct systematic deviation management in the supply chain in line with the requirement.
Supplier's Action	The inclusion of deviation management will be part of the revised version of the risk assessment policy.

Timeline

Deviation and follow-up assessments will be defined based on risk results e.g. through stakeholder engagement, desk top audits, supplier audits, selected human rights impact assessments, etc).

August 2025