

Novo Nordisk: Ethically profitable

Susanne Stormer, vice-president of the world's largest insulin maker, says her company does business in a responsible way

MD FAZLUR RAHMAN

COMPANIES must respect their social and environmental responsibilities instead of single-mindedly running after profits, said a senior executive of a multinational company.

"You can make a profit for the shareholders in the short-term by neglecting the social and environmental responsibilities. But in the long-term, it will be in the shareholders' interests if the same importance is put on our social, environmental and financial responsibilities," said Susanne Stormer, vice-president of Novo Nordisk's corporate sustainability.

She said her company's triple bottom line business principle always seeks to combine three considerations when taking any decision: is it financially, socially and environmentally responsible?

"This way, we continuously optimise our business performance and enhance our contribution to the societies we operate in."

For the last 93 years, Novo Nordisk, currently the world's largest insulin manufacturer, has been doing business in a responsible and sustainable way, with a focus on improving public health, benefits patients, society and shareholders, she added.

The principle has paid off, as the company has been turning in healthy profits year after year while still respecting its social and environmental responsibilities.

Last year, it earned 88 billion Danish krone or \$12.77 billion, up from 83 billion Danish krone a year ago. In fact, Novo Nordisk is the biggest exporter of Denmark, accounting for around 4 percent of the country's overall exports.

In Bangladesh, where it has operations for more than half a century,

the growth is certainly in double digits, said Stormer.

She said many businesses have made very good profit in Bangladesh in an unsustainable way, capitalising on cheap labour and not ensuring the health and safety of their labour force.

Stormer also spoke of the ills of diabetes, which more often than not gets in the way of living.

"If you have diabetes you can't work and look after your family, and your family needs to take over. It is also a burden for the society because there is a cost."

"So, it is very important for us to put an end to the diabetes pandemic because that is actually putting a brake to economic development. We are working to defeat diabetes. That is what our colleagues here are doing every day."

In 2014, there were 5.9 million cases of diabetes in Bangladesh, with the number expected to double by 2030, according to International Diabetes Federation South-East Asia. The federation's data revealed that there were 111,371 deaths related to diabetes last year.

Only 400,000 people are taking insulin in Bangladesh. "So, there is a huge gap that needs to be addressed here," said Stormer.

In countries lacking a cohesive healthcare delivery system, a high burden of illness such as diabetes can threaten sustainable development, according to Stormer.

In Bangladesh, diabetes is a particularly daunting challenge, as more than 12 percent of the adult population is affected by the disease. Even worse, nearly half of the population with diabetes are oblivious to their condition.

"You can't afford not to deal with it," said Stormer, 55, adding that she is very impressed with the various



Susanne Stormer

initiatives taken by the Diabetic Association of Bangladesh.

Novo Nordisk too is committed to helping Bangladesh better manage the chronic ailment.

In Bangladesh, the company has a 75 percent share of the insulin market.

She said Bangladesh needs healthy population to become a middle-income country, as it has all the potential and opportunities to grow beyond 6 percent average annual economic growth.

In Bangladesh, Novo Nordisk is

working with doctors, policymakers and patient organisation to defeat the silent killer.

There are strong local champions like Prof Dr Azad Khan, president of the Diabetic Association of Bangladesh, who are committed to fighting diabetes. "If we can have the political will and economic resources we will be able to properly defeat diabetes in Bangladesh," said Stormer.

"We have to work to make policymakers aware that if diabetes is not under control it can hamper the economy."

Stormer, who joined Novo Nordisk in 2000, said her company is also very hopeful about the oral insulin it is trying to produce.

"We are now in the second phase of its development. If we are successful, it will be a breakthrough as we know that many people have needle-phobia."

Novo Nordisk, which employs 186 people in Bangladesh, has ranked 66th on the FORTUNE 100 Best Companies to Work For list, making it the seventh consecutive year that the Danish insulin maker has been recognised as a leading workplace.

"We strive to make an unmatched commitment to our employees, our families and our communities because driving change and improving treatment outcomes for people with diabetes starts with our people."

Novo Nordisk founded the World Diabetes Foundation to save the lives of those affected by diabetes in developing countries and supported a UN resolution to fight the disease alongside HIV/AIDS.

Stormer said Novo Nordisk is actively working to make sure that non-communicable diseases, including diabetes, are explicitly included in the Sustainable Development Goals, as it has already been

included in the draft.

"If it is specifically mentioned in the goals, it will be a responsibility for national governments to be active in the fight against diabetes."

Now nearly 400 million people over the world are living with diabetes.

In Bangladesh, 1,800 children with diabetes are receiving free treatment and insulin from Novo Nordisk under a programme called Changing Diabetes in Children, launched in 2009 and will run for another three years. Globally, the company is helping about 10,000 children.

"If these children don't take medicines they will die. So, we have a responsibility to stand by them so they can have a life like you and me," Stormer said.

She is very happy with the facilities of Eskayef Bangladesh, the local partner of Novo Nordisk.

"One of my colleagues recently visited the facilities to check whether everything is fine. We have a programme called Responsible Sourcing. We do regular audits so our suppliers maintain the standards we set for them. We also work with our partners to ensure that they can raise their standards."

Owned by Transcom Group, Eskayef has been producing insulin for Novo Nordisk in Bangladesh since 2012.

Eskayef, which is among the fastest growing pharmaceutical companies in the country, is likely to get ISO 14001 and OHS 18001 certifications in the next six months or so. "That is a signal that the company has a high standard," she said.

Novo Nordisk employs about 40,700 employees in 75 countries, and markets its products in more than 180 countries.

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India's Modi appeals to farmers on controversial land reforms



Narendra Modi

APP, New Delhi

INDIAN Prime Minister Narendra Modi appealed to farmers Sunday to support his planned changes to rules on land purchases, amid rising opposition to a key reform of his right-wing government.

Modi, who swept to power in general elections last May, has made changing the rules a major part of his plans to kickstart industrial projects and accelerate growth to create much-needed jobs.

But opposition parties joined forces last week to march on parliament against the proposed legislative changes in a rare show of unity, saying India's millions of poor farmers will be hard hit in favour of big business.

On his monthly radio show on Sunday, Modi urged farmers not to be "misled by the lies and rumours" spread by his political opponents, saying "I will not break your trust".

"Rumours were spreading that Modi is bringing in a law that is unfair to farmers. My farmer brothers and sisters, I cannot even think of committing such a sin," he said.

During the 30-minute address, Modi also said the government's door was open

to more changes to the bill, which aims to make it easier for businesses to acquire land for important infrastructure projects.

He repeatedly assured farmers that the law did not favour industries and that acquiring their land would "only be the last resort". "This (bill) isn't for industries, not for corporates but it is for farmers' rights, for your benefit, your children's benefit and the betterment of your villages."

The government issued a temporary order in December making it easier to buy land for projects. But the order lapses in April, and the government has so far failed to get a bill passed in both houses of parliament to make the changes permanent.

The bill would exempt projects related to defence, rural housing and power along with industrial corridors from the current provision -- that 80 percent of the affected landowners must agree to a sale.

They will also be exempt from conducting a social impact study on a proposed purchase, which critics say can hold up the land-buying process for years.

The bill overhauls legislation passed by the previous left-leaning Congress government in 2013, which was a key initiative of its decade in power.

In sceptical Berlin, Merkel to hear Greek PM's reform plans in person

REUTERS, Berlin/Athens

GERMANY'S Angela Merkel does not expect talks on Monday with Greek Prime Minister Alexis Tsipras to resolve his differences with the euro zone over Greece's bailout but she does want to hear from him in person about his reform plans, an aide said.

The German chancellor and Greek leader have played down expectations that he would use his first official visit to Berlin to present a brand new list of reform proposals which he promised European Union leaders at a summit last week. Tsipras' talk of coming up with a new reform package within days to unlock the cash that Greece needs to avoid crashing out of the euro has met deep-seated scepticism in Germany, the currency zone's largest economy.

Merkel's spokesman Steffen Seibert said the meeting, which was scheduled for 5 p.m. local time (1600 GMT) followed by a joint news conference and then dinner, could not replace Greece's talks with all of its euro zone partners.

"Greece has an agreement with the Eurogroup, not a bilateral one with Germany. So if there is a reform list shortly as Greece has promised, it will be presented to the Eurogroup, not to individual governments," said Seibert.

But although the meeting was no "rival" to Eurogroup talks, "of course it's interesting for the chancellor to hear from the Greek prime minister's mouth what his ideas are", Seibert said.

News that Tsipras wrote to Merkel last week warning that it would be impossible for Greece to make debt payments in the next few weeks without more financial help provided an

unpromising backdrop for talk that already promised to be tense.

"It's not a threat, it's reality," a spokesman for the Greek government, Gabriel Sakellaris, told Mega TV when asked if the March 15 letter was meant to make it clear Athens would choose paying wages over replaying its debt.

"It was a letter which said more or less what



Angela Merkel

we have been saying since last week - that there is a liquidity problem and that what at is needed is political initiatives," he said.

Tsipras blamed European Central Bank limits on Greece's ability to issue short-term debt as well as euro zone bailout authorities' refusal to disburse any cash before Athens adopts new reforms, according to the Financial Times newspaper.

Mistrust and scepticism among Merkel's allies have spawned portrayals of the talks as a Wild West-style showdown, with the German

media casting Tsipras as the outlaw and the chancellor as a sheriff fighting to keep the euro zone together.

Although Merkel acknowledged last week that she and Tsipras would talk "and perhaps also argue", she said it would not be a defining moment in the standoff over the terms of Greece's 240 billion euro (\$260 billion) bailout.



Alexis Tsipras

The mistrust felt by Merkel's conservatives towards Tsipras' leftist government - and especially his Finance Minister Yanis Varoufakis - was unlikely to be improved by Tsipras' plans to meet leaders of Germany's radical Left party on Tuesday.

Berlin also pre-empted any Greek attempt to link the bailout debate to Athens' revival of reparation claims from the Nazi occupation of Greece in World War Two. This issue "is a closed chapter for us", said a German foreign ministry spokesman.

US multinationals set to face much more pain from strong dollar

REUTERS, New York

THE surging value of the US dollar may be posing the biggest threat to US corporate earnings since the 2008 financial crisis, hurting results at most U.S.-based multinationals. Some on Wall Street are even talking about an earnings recession.

The dollar's gain of 22 percent in the past 12 months against a basket of major currencies has landed a double whammy on US companies with big sales abroad.

Revenue and earnings from foreign markets are worth less when translated into greenbacks and their costs become relatively less competitive against rivals producing in countries with declining currencies.

Dollar moves of this magnitude in the past have resulted in what Bank of America/Merrill Lynch strategists term an "earnings recession," which is generally defined as at least two successive quarters of declining earnings from the year-earlier

quarters. The brokerage says that a 25 percent gain in the US dollar in a 12-month period has historically coincided with a 10 percent decline in the market's earnings per share.

That hasn't happened yet - but the downward trend is clear. Wall Street analysts currently estimate earnings growth of 1.3 percent for 2015, down from a forecast of 8.1 percent at the beginning of the year, according to Thomson Reuters data. The S&P 500's earnings per share are expected to drop 3.1

percent in the first quarter and 0.7 percent in the second quarter before recovering modestly in the second-half of the year.

Nearly one-fifth of S&P 500 companies have warned on earnings for the first quarter, with at least 49 companies mentioning the effects of the dollar on results, according to Thomson Reuters.

"This is just the beginning," said Richard Bernstein, veteran Wall Street strategist and now CEO of Richard Bernstein Advisors in New York.