

Collaborative sustainability by all, for all

Environmental, social, and corporate governance (ESG) are a continuing point of discussion for the pharmaceutical industry in 2024. This year we published our [CPHI Sustainability Report 2023](#), we explored how the pharmaceutical industry produces 55% more emissions than the automotive industry. This makes it one of the largest global contributors to greenhouse gas emissions [18].

For **Enric Bosch Radó, Global Third-Party Chemicals Manager/Human Pharma Supply Chain at Boehringer Ingelheim**, future sustainability hurdles for the pharmaceutical industry involve “water scarcity and pharmaceuticals in the environment/antimicrobial resistance.” One of the most problematic issues for the pharmaceutical industry, at present, are scope 3 emissions and overall decarbonisation of the supply chain, which occur throughout the supply chain and are difficult to quantify from indirect third-party contributors [18].

This way, collaboration among industry players is the best approach to set up and standardise expectations. “The Pharmaceutical Supply Chain Initiative (PSCI) is the Pharmaceutical and Healthcare industry group leading this collaborative approach,” states Radó.

Yet, such considerations and collaborations across the entire supply chain are exactly what the pharmaceutical industry must face together, Mota states: “Strengthening ties with upstream and downstream players is key. Because scope 3 emissions are not directly controlled by companies despite being responsible for the biggest portion of impact within companies, it is unreasonable to assume a company alone can reach ambitious decarbonisation goals.

Not only can partnerships help to establish more realistic and transparent objectives, but they also balance efforts. This is not a one-year job – it will take time and needs to move forward steadily without time for a pause.”

Mota cites Ferrer Pharma’s presentation at CPHI Barcelona, focused on their Sustainable Packaging Model, created with the support of Anthesis. It is a part of Ferrer’s objective “to lead change towards more sustainable production by adopting criteria and commitments that minimise the environmental footprint of its containers and packaging,” Mota explains. “Of course, this is not done in a month, but it is an iterative and long-term process, which involves the collaboration of different departments as well as key players such as providers.”

Additionally, initiatives like the PSCI or [Together for Sustainability](#) are committed to the dissemination of information amongst its members. Supplier audits and assessments, once completed, are shared with all members, saving time and energy in conducting industrywide audits and creates more transparency.

Coles also sees the impact of licence holders as essential. “Programs such as Energize and Activate are essential – with licence holders, communicating clearly what their requirements are enables suppliers to gear up,” she states. “Suppliers need strong signals from licence holders so that they can direct resources to sustainable alternatives.

The more coherent licence holders can be, the faster this ship will turn. That coherence is coming from carbon SBTi commitments – a strong commitment and signal for the need to reduce emissions. But I do not see that clarity for circularity and without it, we cannot hope to achieve our stated emission targets.”

Aurelio Arias, Director, Thought Leadership at IQVIA, also comments on the impact of scope 3 emissions for the pharmaceutical industry: “Pharmaceutical companies, realising the urgency of environmental stewardship, are reporting commitments to curtail greenhouse gas emissions in their ESG reports. Aggregating the results of companies with extensive audits shows that scope 3 (indirect emissions throughout the supply chain makes up 95% of a company’s average emissions, as shown in Figure 1.

The complexities of scope 3 emissions mean that precise reporting is challenging, but we do know that raw material extraction, manufacturing, and the use of medicines are the largest components in scope 3 emissions,” Arias explains. “In 2022, there were sharp rises across Scope 3 for major companies as shown in Figure 2. This is due to various factors including COVID-19 vaccine distribution, changes in transportation modes from sea to air, and increased business travel as restrictions eased.

Figure 1:
Average Reported Emissions (n = 15, CO2e, 2022)

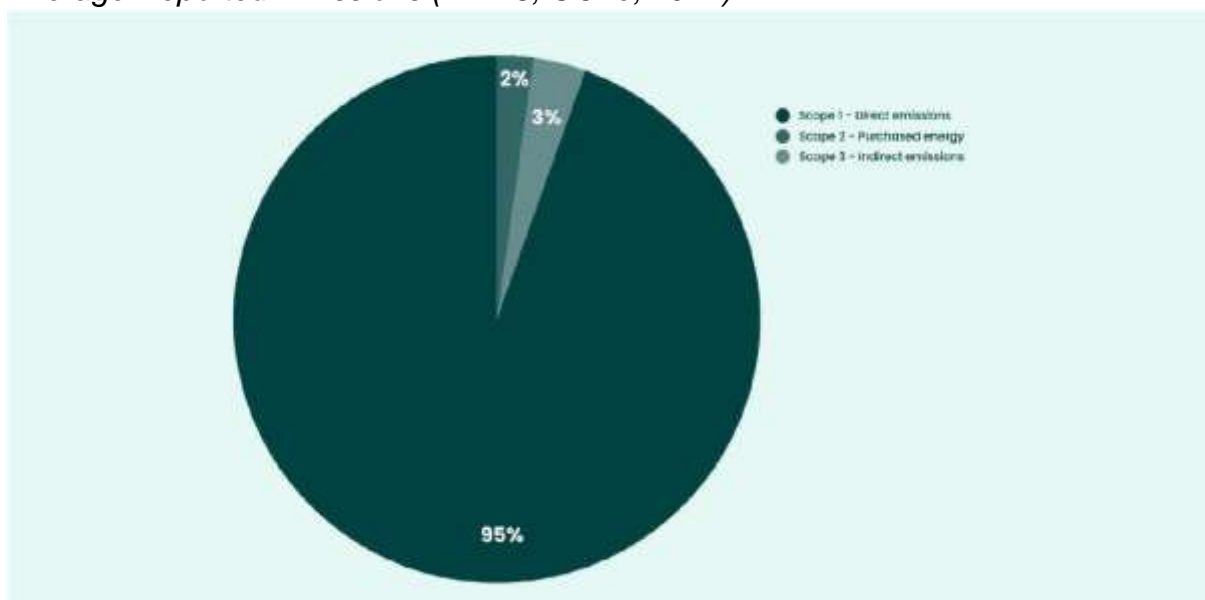
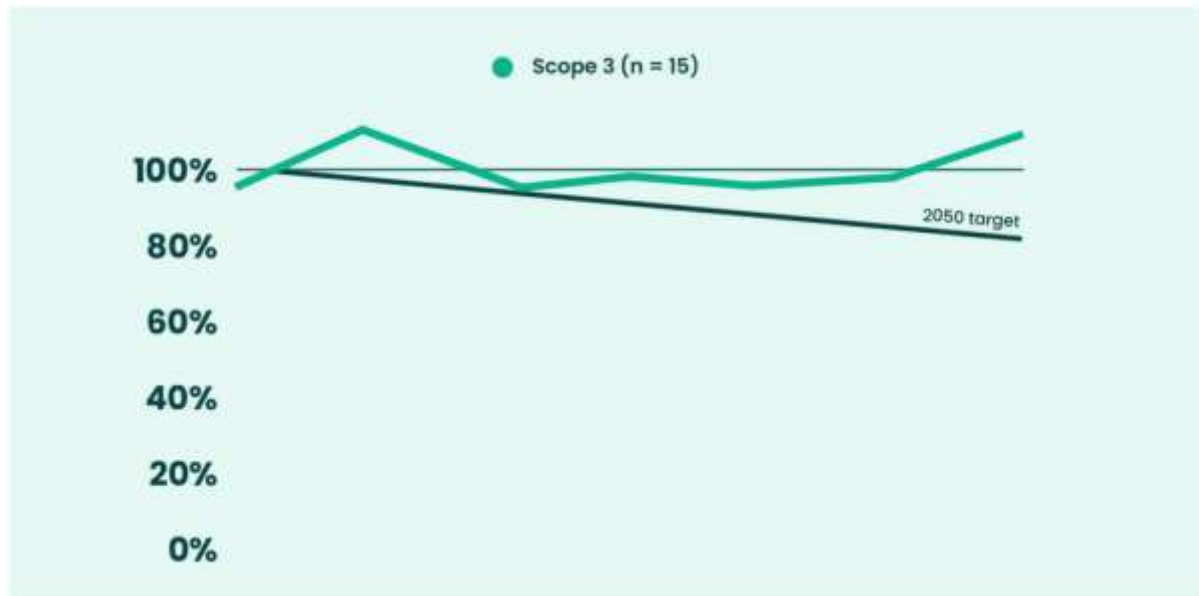


Figure 2:

Average Pharma emissions reduction (Percent of company-reported baseline, CO₂e)



For Arias, collaboration will also be a key component of coordinating ESG efforts in 2024. He states: “Tackling these indirect emissions requires coordination and buyer pressure from healthcare systems, and 2024 will be the year when commitments are set. As part of an international initiative attempting to achieve this stewardship, the WHO launched their Operational Framework for Sustainable Healthcare Systems [19] on the run up to COP28. The key objectives of the framework are to guide and support them in strengthening their climate-related initiatives. So far, 74 countries (since COP28) have committed to sustainable low-carbon healthcare systems [20], with 28 having gone a step further and pledged to achieve net zero. Every year, more and more countries pledge their commitments and with a model to follow, this will give further clarity in 2024 and beyond.” Radó also states that while sustainability may be an achievable goal, it will be “beyond 2024, as it will not be achieved in the short term but rather as a long-term goal.”

Coles is less optimistic about the future of sustainability, but still emphasises the importance of collaboration. “The majority of the industry has not yet developed clear plans to reduce carbon emissions, which I see as base camp in terms of the transition to a more sustainable industry. To be blunt – even as an industry full of scientists we have yet to fully experience our Enlightenment period. If we did, we might also consider sustainable pharma in the context of sustainable society – truly tackling health inequalities. We have a key role in shifting the agenda from cure to prevention, which would make us sustainable. We have a key role in demonstrating how to manufacture sustainably – not just in terms of carbon, but land use, water use, material sourcing. Sadly, I think there is a lifetime of work before we can consider sustainability achievable. But there are great minds working on this in every corner of the industry – the trick is to connect them through collaboration such as BioPhorum – to connect, collaborate, and accelerate.”

For scope 3 emissions in particular, organisations such as Energize conduct Scope 3 Peer Groups. These cross-industry groups approach suppliers from the pharmaceutical and chemical industries to report on scope 3 emissions. Meeting on a monthly basis, these groups provide transparency throughout the industry supply chains.

[18] *CPHI Sustainability Trend Report 2023: Towards a Greener Future* [Accessed November 16, 2023] <https://www.cphi-online.com/cphi-sustainability-trend-report-2023-towards-a-news121332.html>

[19] WHO unveils framework for climate resilient and low carbon health systems [Accessed November 24, 2023] <https://www.who.int/news/item/09-11-2023-whounveils-framework-for-climate-resilient-and-low-carbon-health-systems>

[20] Alliance for Transformative Action on Climate and Health [Accessed November 24, 2023] <https://www.who.int/initiatives/alliance-for-transformative-action-onclimate-and-health/country-commitments>

Accessed on 12/01/2024