PHARMACEUTICAL PROCUREMENT - WHAT IS THE INDUSTRY DOING?

Dr Amy Booth
Nuffield Department of Primary Care Health Sciences
University of Oxford
Climate change is the biggest global health threat of the 21st century

THE LANCET
HEALTHCARE in world's largest economies 4% of global emissions

SHIPPING 2-3% of global emissions

AVIATION 2.4% of global emissions

https://carbonliteracy.com/toolkits/healthcare/
+70 health organisations from +50 countries

On the road to decarbonisation
Pharmaceutical Company Targets and Strategies to Address Climate Change: Content Analysis of Public Reports from 20 Pharmaceutical Companies

by Amy Booth 1, Alexandra Jager 1, Stuart D Faulkner 1, Christopher C Winchester 2, and Sara E Shaw 1

Sampling:
- Largest 20 pharmaceutical companies by revenue

Data collection:
- Sustainability tabs
- 2020/2021 Company Reports

Content analysis:
- Climate change targets
- Reported GHG emissions
- Emission reduction strategies

1. Roche
2. Novartis
3. AbbVie
4. Johnson and Johnson (J&J)
5. Bristol Myers Squibb (BMS)
6. Merck & Co./MSD
7. Sanofi
8. Pfizer
9. GlaxoSmithKline (GSK)
10. Takeda
11. AstraZeneca
12. Amgen
13. Gilead Sciences
14. Eli Lilly
15. Novo Nordisk (NN)
16. Bayer
17. Boehringer Ingelheim (BI)
18. Astellas Pharma
19. Viatris
20. Teva Pharmaceuticals
GHG Emissions

**SCOPE 1**
Emissions from owned sources

**SCOPE 2**
Indirect energy emissions

**SCOPE 3**
Other indirect emissions
Climate Targets

Carbon Neutral vs. Net Zero
1. Near-term target

\[
\text{Absolute reduction target} = \begin{cases} 
\text{Scope 1, 2} \\
\text{Base year} \leq 2020, & 4.2\% \times (\text{Target year} - \text{Base year}) \\
\text{Base year} > 2020, & 4.2\% \times (\text{Target year} - 2020) 
\end{cases}
\]

\[
\text{Absolute reduction target} = \begin{cases} 
\text{Scope 3} \\
\text{Base year} \leq 2020, & 2.5\% \times (\text{Target year} - \text{Base year}) \\
\text{Base year} > 2020, & 2.5\% \times (\text{Target year} - 2020) 
\end{cases}
\]

2. Long-term target

a) Reduce scope 1, 2, and 3 emissions to zero or a residual level consistent with reaching net zero emissions (90%) with neutralisation of remaining emissions (10%), by 2050 or earlier.
1. Do they have targets?
2. Do their targets cover all scopes (check footnotes!)?
3. Are their targets aligned with a 1.5°C scenario (or at least 2°C)?

*Checked 01/06/2023
Only long-term target included where companies reported both near- and long-term
Company Strategies

- Renewable energy
- Energy optimisation
- Sustainable logistics
- Reduce employee/business travel
- Product eco-design
- Sustainable sourcing
- EOL programmes
- Supplier engagement
- Carbon offsetting*
GSK announces major renewable energy investment and low carbon inhaler programme alongside Life Sciences sector ‘Race to Zero’ breakthrough at NYC Climate Week.

RE100, EV100, EP100

Energize: A Program to Increase Access to Renewable Energy for Pharmaceutical Supply Chains
Considerations for Procurers

1. Does the company report on ALL its GHG emissions?
2. Does the company use globally accepted guidelines to report GHG emissions e.g., GHG Protocol?
3. Has the company been able to demonstrate any reductions in GHG emissions?
   a) Remember to check the baseline year.
   b) Consider the baseline GHG emissions.
   c) Consider the company's operations and the external context.
4. Do they have targets that cover all scopes and are aligned with a 1.5*C scenario (or at least 2*C)?
5. Do they have a detailed plan outlining how they plan to reach their target and reduce their emissions?
WHAT OTHER CRITERIA?

Pharmaceuticals and Environment

Enter substance Sök

Here you can find information about the environmental impact of pharmaceuticals. You can search for a substance name. The environmental risk refers to the use of a pharmaceutical. The knowledge support is based on three sources:
1. environmental information from the European Medicines Agency's (EMA's) European Public Assessment Reports (EPARs)
2. environmental information on Fass.se
3. environmental risk assessments for certain substances based on concentrations measured in the environment in Sweden and effect studies.
CONCLUSIONS

- Climate change solutions require input from all parties, including health systems.

- The pharmaceutical industry is taking up the fight; there is room for further action, novel solutions and collaborations to advance this agenda.

- There is a role for sustainable procurement to motivate upstream action and downstream sustainable prescribing; but more work needs to be done to develop procurement criteria and access data.
THANK YOU

Amy Booth
University of Oxford

amy.booth@gtc.ox.ac.uk