

The intersection of health and sustainability – an Indian pharma perspective

Authors: **Karun Gaur**, Kinjal Dawda, Silke Oeschger-Delautre



Introduction

Climate change is a public health emergency, impacting the world's most vulnerable populations due to global health inequities. The World Health Organization estimates that nearly 14 million people die each year from environmental health risks. The pharmaceutical industry plays a vital role in providing good health for people, yet also impacts the planet's health. According to the World Economic Forum, healthcare is responsible for 4.4% of global emissions, more per dollar of revenue than the automotive sector, and its CO₂ footprint will triple by 2050 if left unchecked. Here we look at a case study of one of the largest Indian pharma companies to make medicines more sustainable from manufacturing to the journey it takes to the patient.

Methodology

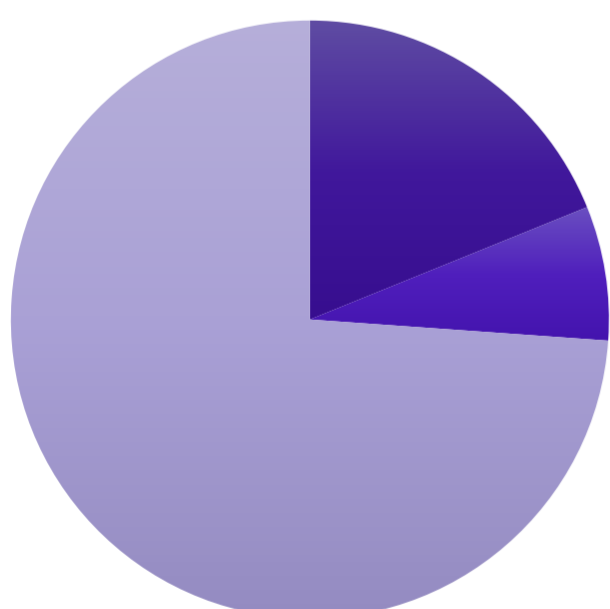
The methodology assesses the environmental, social, and governance risks associated with the company's operations and supply chain, including the impact of the company's products and services for its patients, and its activities on the environment, such as biodiversity, carbon emissions, waste generation, and water usage.

Results and Discussions

Dr. Reddy's Laboratories has always focused on science and sustainable business practices, making significant progress on its ESG agenda - setting goals on reaching 1.5 billion patients by 2030, innovating to improve the standard of treatment with three new solutions each year, and becoming carbon-neutral by 2030. This is reflected in several initiatives to enable equitable access to patients in low- and middle-income countries, strengthen health systems, and ensure digital health inclusion. The company turned water-positive in 2023, using renewable energy, energy-efficient technologies, and sustainable transportation (air-to-sea shipments) to lower its carbon emissions. Dr. Reddy's has also implemented a sustainable API manufacturing and development process focused on reducing waste, conserving water, and minimizing the use of hazardous chemicals. The impact of the direct operations of a company can be significant. However, there are also limitations. For example, sourcing adequately recyclable primary packaging is still challenging, as it directly impacts patient safety. Companies must also address the environmental impact across their entire value chain, build public-private partnerships, and work with partners and peers to strengthen health systems. The pharma industry can't address these factors alone; all health stakeholders must collaborate to find patient-centric solutions supported by sustainable policies and legislation.

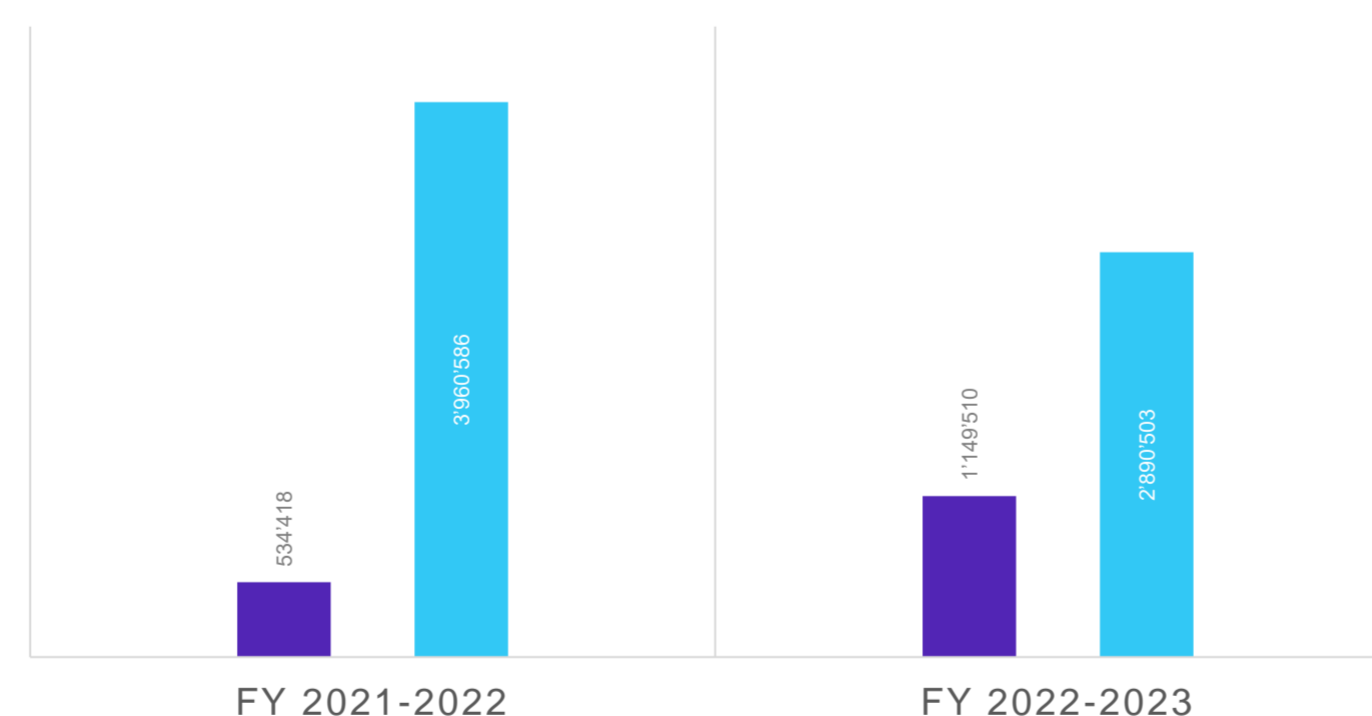
PATIENTS REACHED (IN MILLIONS)

■ Low-and-middle income countries ■ Rural India ■ Others



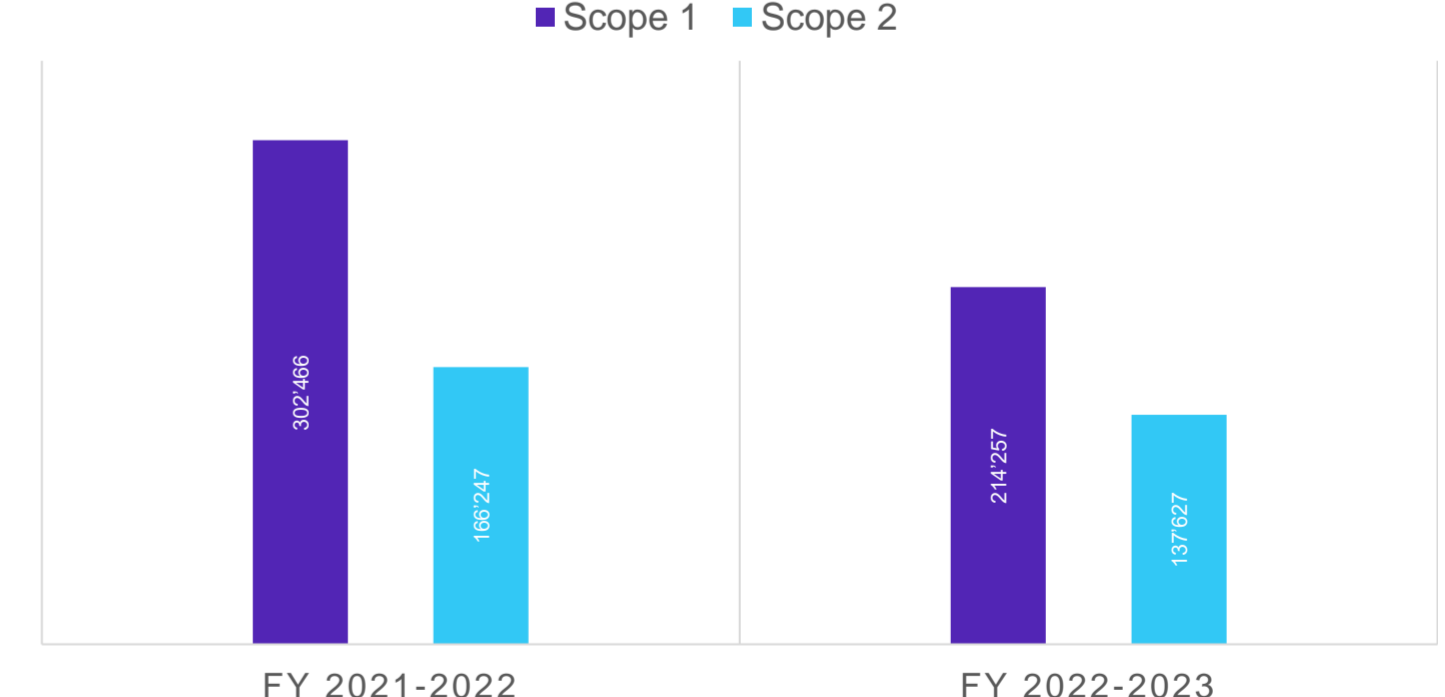
ENERGY CONSUMPTION (IN GIGAJOULES)

■ Renewable sources ■ Non renewable sources



GREENHOUSE GAS EMISSIONS (METRIC TONNES OF CO₂ EQUIVALENT)

■ Scope 1 ■ Scope 2



Conclusion

The example shows that the global pharma industry has made progress in continuously enhancing sustainability in its operations. ESG assessments can help standardize efforts, identify areas of improvement, and align with stakeholder expectations on risk management and long-term sustainability. On the other hand, providing safe and high-quality medicines for patients will always come with the challenge of finding a balance, and the responsible use and disposal of medicines plays a vital role in minimizing their impact. Partnerships across the value chain and the collaboration of health stakeholders can help find patient-centric solutions while making ESG an integral part of business.

