

Pharma & biotech industry propels ESG implementation with concerns over climate change & global supply disruptions

Nandita Vijayasimha | August 26, 2024

Pharmaceutical and biotechnology companies are now prioritizing Environmental, Social and Governance (ESG) credentials when evaluating potential partners, to transform the traditional vendor-buyer relationships into integrated and strategic business alliances. This evolving focus on ESG underscores a broader commitment to sustainability and ethical practices in the lifesciences sector.

As companies increasingly prioritize ESG, they expect their partners, including CRDMOs (contract research, development, and manufacturing organizations), to align with these values. This expectation drives significant changes in CRDMO operations, with many adopting innovative practices such as continuous manufacturing, green chemistry, and environmentally friendly raw materials to reduce their environmental impact, stated Sibaji Biswas, ED & CFO, Syngene International.

Concerns over climate change, global supply chain disruptions, economic disparities, and social justice movements have accelerated the adoption of ESG principles across various sectors, including pharmaceuticals, he added.

Quoting a recent McKinsey report, Biswas said over 95 per cent of S&P 500 companies (Source: McKinsey) now publish ESG reports, reflecting a broader trend toward sustainable and responsible business practices.

Post-pandemic, the global pharmaceutical industry has emphasized diversifying supply chains, driven in part by the recent Biosecurity Act. This shift has made ESG factors pivotal in partner selection, alongside scientific expertise and technology adoption, said Biswas.

In this evolving landscape, Syngene stands out as a CRDMO that not only meets these expectations but also sets new benchmarks in sustainability. Our approach to ESG is holistic, encompassing environmental stewardship, ethical supply chain management, and community engagement. For instance, the company sources 82% of its power from renewable sources, significantly reducing its carbon footprint and contributing to global sustainability goals. It has made substantial progress in waste management, achieving a 96% recycling rate for both hazardous and non-hazardous waste and maintaining zero waste to landfill across all its facilities. Water conservation is another critical focus area. Here Syngene's implementation of closed-loop water systems and advanced filtration technologies has enabled it to reduce freshwater consumption, ensuring sustainable operations even in water-stressed regions, said Biswas.

As the CRDMO industry increasingly integrates ESG principles into its operational frameworks, companies are not only aligning with evolving regulatory standards but also setting new benchmarks for sustainability and ethical practices. This strategic shift reflects a broader commitment to responsible business practices that extend beyond compliance. By leveraging scientific innovation, which has always been central to the industry, and integrating robust ESG practices, companies can address pressing environmental challenges. This dual focus enhances operations while making a positive impact, ultimately contributing to the faster and more effective delivery of new therapies to patients.

We are leading the way in integrating green chemistry into our drug development processes. By adopting sustainable methods that minimize waste and energy consumption, the company is transforming traditional small molecule API synthesis. This shift addresses environmental concerns while enhancing efficiency and cost-effectiveness, noted Biswas.

To further boost ESG practices, companies including Syngene collaborate across academic institutions, suppliers, and process development teams to build a robust local ecosystem. Dual-sourcing practices have been broadened, and local procurement increased, facilitating faster raw material supply turnaround while supporting sustainability objectives through a reduced carbon footprint, said Biswas.

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