

Amgros aims to contribute to more sustainable supply

We live in a time of serious challenges.

Therefore, the world's countries have adopted the UN Sustainable Development Goals (SDGs). Under the Paris Agreement, they are obligated to keep the global temperature rise below two degrees. In Denmark, the government has set a goal to be climate-neutral by 2045.

Achieving these goals demands huge efforts from everyone. Therefore, we at Amgros must also help with our contribution to a greener future.

We supply public hospitals with medicines worth around DKK 10 billion annually. We will exploit this position to help the regions meet their climate targets. Amgros also owns marketing authorisations for the special SAD medicines produced by hospital pharmacies. Therefore, in collaboration with the hospital pharmacies, we will also work towards more sustainable production.

We have a clear ambition for where we want to go. But we still have a lot to learn, and we are far from knowing the solutions to all our challenges. Therefore, we want to work with the people who can help make supplies of hospital medicines and hearing aids more sustainable.

There is much to do. The healthcare sector is responsible for about 6% of Denmark's total climate footprint. Medicine residues in wastewater from production and consumption of medicinal products contain substances which are harmful to humans and animals. In regional climate accounts, medicines account for around 20% of the region's climate footprint. Waste volumes from Danish hospitals are enormous; plastic waste alone amounts to 4,000 tonnes annually.

At Amgros, we have worked for many years to make the supply of hospital medicines more sustainable. We have done so because we want to support current health needs without compromising the health of future generations.

Work on a more sustainable supply of medicines will undoubtedly take us into some of the dilemmas involved in balancing security of supplies of medicines on the one hand, and consideration for our environment and global warming on the other. However, we are determined to find balanced solutions so that security of supply and sustainability do not become two conflicting factors.

We have four focus areas

As a central player in the healthcare system, we aim to use our influence to reduce the negative environmental and climate impacts of medicines and promote responsible business conduct in all links in the supply chain, from raw materials, to manufacture and distribution, to the treatment of patients. We cannot do this alone. We can only succeed if we work with all the relevant healthcare players. Both inside and outside Danish borders.

Following a dialogue with our stakeholders, we have decided to focus on the climate, responsible business conduct, the circular economy as well as medicine residues in wastewater and anti-microbial resistance.

We only have a few years to curb temperature rises and global warming. Therefore, we have chosen the climate as our highest priority. Even though we operate in a heavily regulated area and we are still identifying the tendering requirements we can make, and the climate effects of these requirements. Furthermore, Amgros has constant focus on security of supply.

- *Climate*

We will contribute to reducing the climate impacts of medicinal products through the entire supply chain.

Our ambition is to

- in 2023, analyse how Amgros' business can help reduce the climate footprint of hospital medicines throughout the supply chain
- in 2024, develop goals for how Amgros is to contribute to carbon reductions
- from 2024, support regional climate targets by providing data on the effect of our climate initiatives for the regions' climate management model.

We will do this because medicines have a significant carbon footprint and because our owners in the Danish regions have ambitious climate targets.

We have initiated an analysis of the climate footprint of selected hospital medicines, from raw material to treatment. We will use this analysis to develop new tender criteria.

Furthermore, we will develop better climate calculations for hospital medicines and hearing aids for regional work on climate accounts and their climate management models. We will do this using the same method as the regions.

Amgros will continue to roll-out the joint Nordic criteria for more sustainable packaging of all medicinal products.

In parallel, we will work on other initiatives to help reduce the climate footprint of medicinal products. In this context, we will look at the physical package inserts, since they have a climate footprint from the paper, the higher weight to transport, and waste from discarding medicines when the information in the insert has to be updated.

We will do this by initiating a dialogue with the Danish Medicines Agency in 2023 to replace the physical package inserts with electronic information. In 2023, we will encourage the Nordic Pharmaceuticals Forum to do the same in the other Nordic countries.

In 2023, we will continue our collaboration with hospital pharmacies on more energy-efficient production of the SAD medicines produced by the hospital pharmacies and for which Amgros owns marketing authorisations.

In order to achieve this goal, we will work with players in our supply chain that can effectively reduce climate impacts throughout the lifecycle of medicines. Both inside and outside Danish borders.

- *Responsible business conduct*

In all of our business, we will respect the environment, human rights and anti-corruption.

Our ambition is to

- in 2024, have implemented a due diligence process in Amgros that follows the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights

- in 2024, require that our suppliers of medicines and hearing aids also comply with the OECD and UN guidelines.

We will do this because the products procured by Amgros are produced in many different countries under very different conditions. As a manager of public funds, we have a special obligation to comply with international guidelines for responsible business conduct.

The purpose of the due-diligence process is to identify, prevent, mitigate, and account for the negative impacts on human rights and the environment in our supply chain. Therefore, we will review our own procedures and agreements, and place demands on our suppliers.

In parallel, we will work internationally to set focus on responsible business conduct within the medicines industry including, in particular, in the Nordic Pharmaceuticals Forum.

- o *Circular economy*

We will contribute to reducing consumption and increasing recycling of packaging and to reducing medicine waste, thereby supporting the UN SDG on responsible consumption and production.

Our ambition is to

- incorporate the Nordic criteria for more sustainable packaging in all our tendering procedures
- from 2025, impose requirements in all our tendering procedures that all secondary and tertiary packaging must be designed for recycling
- from 2030, impose requirements in all our tendering procedures that a minimum of 60% of all secondary and tertiary packaging purchased by Amgros must be made of recycled or sustainable materials
- from 2030, impose requirements in all our tendering procedures for zero PVC in packaging.

We will do this because Danish hospitals generate large volumes of packaging waste, including around 4,000 tonnes of plastic waste per year.

As part of our international strategy, we will work to spread the Nordic criteria for more sustainable packaging to the rest of Europe, with special focus on organisations that procure medicines.

In collaboration with hospital pharmacies, in 2023 we commenced work on mapping medicine waste. On the basis of this, we will issue common proposals to reduce medicine waste at hospitals.

- o *Medicine residues in wastewater and antimicrobial resistance*

We will help prevent medicine residues in the aquatic environment and antimicrobial resistance in connection with both production and prescription of medicines. This will support the UN SDG on clean water and sustainable production.

Our ambition is to

- in 2023, make our own prioritised list on the basis of the OECD list of medicines that are particularly harmful to the environment
- from 2024, incorporate specific environmental requirements in at least one tendering procedure per year. In this context, we will take outset in our own prioritised list, starting with antibiotics
- in 2024, we will enter into dialogue with relevant partners on reducing the use of environmentally harmful medicines.

We will do this because the World Health Organization (WHO) has estimated that, globally, almost five million people die every year, directly or indirectly, because of antimicrobial resistance. And this number is increasing. Furthermore, medicine residues in wastewater contain substances that are harmful to humans and animals.

Once we have developed our own prioritised list of medicines that are particularly harmful to the environment, one of our first initiatives will be to develop joint Nordic criteria for the manufacture of the antibiotics. We will do this with our sister organisations in the Nordic Pharmaceuticals Forum.

We will collect international experience with using prescriptions to reduce the use of environmentally harmful medicines, including experience in Sweden. In this context, we will cooperate with national stakeholders such as the Danish Medical Association, medical societies, hospital pharmacies, pharmaceutical committees, etc.

We work with all relevant players

Initiatives by Amgros build on the experience we have gained from the first national and joint Nordic tendering procedures for medicines in which, in addition to price, we have also focused on the environment. However, they also build on experience from dialogue with our colleagues in the regions and stakeholders from industry, international fora and the authorities. Several of the initiatives have been developed in specialist fora between the hospital pharmacies and Amgros.

Some of the initiatives will primarily be implemented by Amgros. Others will be implemented collaboratively with national and international players such as hospital pharmacies, the regions, medical societies, industry and the Nordic Pharmaceuticals Forum.

We are eager to share of our experience and will regularly report on our successes and challenges. Many of us need more knowledge and have to change our behaviour to contribute to more sustainable development.

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