

Amgros' ambition for more sustainable supply

We live in a time of serious challenges.

The WHO lists climate change as a fundamental threat to global public health¹. In the Regions' joint climate accounts, pharmaceuticals account for 24% of the total carbon footprint. However, climate change is not the only threat facing the health services. More pressure on resources for pharmaceuticals can lead to supply issues. Waste volumes from Danish hospitals are enormous; plastic waste alone amounts to 4,000 tonnes per year² Medicine residues in wastewater contain substances that are harmful to humans and animals. Rising incidences of antimicrobial resistance challenges treatment options.

As a central player in the healthcare system, we aim to use our influence to reduce adverse environmental and climate impacts of medicines and promote responsible corporate behaviour 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.

We will use our position positively

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

The countries of the world have adopted the UN Sustainable Development Goals, and the Paris Agreement commits countries to keeping the global temperature rise below two degrees Celsius. In Denmark, the government has set a goal to be carbon-neutral by 2045.

In January 2024, Danish Regions published a joint regional strategy for green hospitals³. The target is to reduce the healthcare system's carbon footprint by 50% by 2035 compared to 2022, and to be NetZero by 2050.

At Amgros, we have been working for many years to make the supply of hospital medicines more sustainable. We work closely with the Regions – especially hospital pharmacies – who focus on reducing consumption and waste of medicines. We do so because we want to support current health needs without compromising the health of future generations. Therefore, it is important that future tendering procedures balance security of supply and sustainability.

Achieving these goals demands huge efforts from everyone. Therefore, we at Amgros must also help with our contribution to a greener future. 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 work with the people who can help make supplies of hospital medicines and hearing aids more sustainable.

Initiatives by Amgros build on experience gained from the 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

¹ [World Health Organization: Climate change](#)

² [The Regions aim to spread Nordic criteria for more sustainable hospital packaging to the rest of Europe](#)

³ [Joint Regional Strategy for Green Hospitals \(in Danish\)](#)

fora and the authorities. Several of the initiatives have been developed in specialist fora between the hospital pharmacies and Amgros.

Our tenders will promote the green transition

Amgros organises and implements tendering procedures and procurement of hearing aids, medicines and medicines-related solutions.

For this reason, it is natural for us to set green requirements and criteria in our tendering procedures. This means that our green requirements and criteria can influence the individual tenders, and encourage the market to develop in a more sustainable direction.

The ambition for our tendering procedures is to

- set sustainability criteria in 40% of the EU tendering procedures we announce by 2026 - and in 75% of the EU procedures we announce by 2030⁴.
- from 2025, collaborate with the Danish Medicines Council to develop models for sustainability criteria in tendering for medicines based on the Danish Medicines Council's treatment guidelines and discuss the options.
- apply sustainability criteria to joint Nordic tendering procedures.

We will do this through engagement with suppliers and sector associations, by developing requirements and criteria, and by participating in the public debate. Sustainability requirements and criteria in tendering procedures can cover many different areas, such as energy efficiency, antibiotic resistance, transport and packaging⁵.

From 2024, we will include requirements for responsible business conduct in all tendering procedures for medicines and hearing aids⁶.

We work closely with the Region of Southern Denmark under the Joint Regional Strategy for Green Hospitals and with the Nordic Pharmaceuticals Forum to develop and implement environmental requirements and criteria in our tendering procedures.

We have four focus areas

Following dialogue with our stakeholders, we focus our ambitions for more sustainable supplies on four areas: 1) the climate, 2) the circular economy, 3) medicine residues in wastewater and anti-microbial resistance, and 4) responsible business conduct.

The world has committed to slowing temperature rises and global warming in just a few years. Therefore, we have chosen the climate as our highest priority. Procurement and the healthcare sector are highly regulated. Therefore, in collaboration with the Regions, Amgros is identifying tendering criteria and the effect of these criteria on the climate.

⁴This excludes tendering for medicines based on recommendations from the Danish Medicines Council

⁵ Requirements and criteria are based on a specific assessment of the market situation

⁶ See the focus area on responsible business conduct

- *Climate*

We will help reduce the negative climate impact of hearing aids, medicines and medicines-related solutions throughout the supply chain.

Our ambition is to

- through requirements and criteria in our procurement agreements and collaboration with the Regions, reduce carbon emissions by 50% by 2035 compared to 2022 – in line with the Joint Regional Strategy for Green Hospitals.
- through requirements and criteria in our procurement agreements and collaboration with the Regions, be climate-neutral by 2050– in line with the Joint Regional Strategy for Green Hospitals.
- in 2024, in collaboration with the Region of Southern Denmark, establish the Implementation Group for Green Transition through the Interregional Forum for Coordination of Medicines.
- in 2025, develop better emission factors for hospital medicines for the Regions' climate accounts and climate management model in order to improve calculations. We will do this using the same method as the Regions.
- continuously improve data for our climate efforts for the Regions' climate management model and climate accounts.

We will do this because medicines have a significant climate footprint and, as a public-sector procurer, AmgroS wants to contribute to reducing the climate impact of medicines. We will therefore continuously analyse how we can convert our climate efforts so that they can be used in the Regions' climate accounts and climate management model.

As part of the Joint Regional Strategy for Green Hospitals, in collaboration with the Regions, AmgroS will reduce carbon emissions from medicines by 396,000 tonnes CO₂e by 2035⁷. There is a challenge in this context because demographic developments will lead to an increasing consumption of medicines.

The joint regional strategy includes ten lead areas. A lead Region is responsible for coordinating development, testing and dissemination of solutions to reduce the environmental and climate footprint and to benefit all Regions. AmgroS is the lead for both *Medicines - green criteria* and *Hearing aids*. We have a close collaboration with the Region of Southern Denmark, which is the lead for *Sustainable Medicines*.

Working with the Regions, we continuously develop joint Regional climate requirements and criteria. In 2024, we created joint requirements and criteria for last-mile transport. They will be implemented up to 2030. We will also continue to develop requirements and criteria to contribute to energy efficiency and carbon reductions in the production of hearing aids, medicines and medicines-related solutions. We will do this in collaboration with procurement organisations in other countries whenever possible.

To reduce the climate impact of medicines, it is important to focus on consumption and behavioural changes in the clinic. Together with the Region of Southern Denmark, we will disseminate climate solutions in the medicines field across the Regions by bringing together staff from hospital pharmacies, clinical pharmacology and sustainability teams in the Green Transition Implementation Group.

⁷ Calculated based on the Joint Regional Strategy for Green Hospitals

In 2025, we will continue our close collaboration with hospital pharmacies on more energy-efficient production of SAD medicines, which hospital pharmacies produce and Amgros owns the marketing authorisations for.

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.

- *Circular economy*

We will contribute to promoting the circular economy by increasing recycling of packaging and devices, thereby supporting the UN Global Goals on responsible consumption and production.

Our ambition is to

- regularly include the Nordic criteria for more sustainable packaging in our tendering procedures⁸, as described under the sustainability criteria in tendering procedures.
- impose zero-PVC packaging requirements and criteria in tendering procedures for contracts starting in 2030 and onwards.
- towards 2026, identify opportunities to promote take-back schemes across Amgros' business – with focus on hearing aids and medicines-related solutions.

We will do this, because Danish hospitals and hearing clinics generate large volumes of waste, including packaging waste.

The goals for incorporating the Nordic criteria for more sustainable packaging are to reduce packaging volumes, to secure that all secondary and tertiary packaging is designed to be recyclable, and to increase the proportion of recycled or sustainable materials.

As part of our international strategy, we will work to spread the Nordic criteria for more sustainable packaging to the rest of Europe.

- *Medicine residues in wastewater and antimicrobial resistance*

We will help prevent medicine residues in the aquatic environment and antimicrobial resistance in connection with production of medicines. This will support the UN Global Goals on clean water and responsible production.

Our ambition is to

- from 2024, incorporate specific sustainability criteria in at least one tendering procedure per year.
- continue to use the Antibiotic Manufacturing Standard⁹ or similar standards to combat antibiotic resistance in our tendering procedures for antibiotics.

⁸ This excludes tendering for medicines based on recommendations from the Danish Medicines Council

⁹ [Antibiotic Manufacturing Standard](#)

- in the period 2024 to 2027, engage with other national procurement organisations on the use of the Antibiotic Manufacturing Standard or similar standards to combat antibiotic resistance.

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 resistance¹⁰. And this number is increasing. Furthermore, medicine residues in wastewater contain substances that are harmful to humans and animals.

We participate in the Danish initiatives to combat antimicrobial resistance together with other key players in the health services, where we sit on the AMR Industry Alliance.

We will continue to engage with the BSI and the AMR Industry Alliance on using the Antibiotic Manufacturing Standard to combat antibiotic resistance in the production phase.

We will collect international experience with reducing the use of environmentally harmful medicines, including experience in Sweden. We will continue to work with the BSI and AMR Industry Alliance. In this context, we will cooperate with national and international stakeholders such as the Danish Medical Association, medical companies, hospital pharmacies, pharmaceutical committees, procurement organisations, etc.

- o *Responsible business conduct*

We will respect the environment, human rights and anti-corruption throughout our business, as described in the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights.

Our ambition is to

- by 2024 and beyond, have implemented a due diligence process in Amgro that follows the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights.
- by 2024 and beyond, require that our suppliers of hearing aids and medicines also comply with the OECD and UN guidelines.
- by no later than 2027, require that our suppliers¹¹ comply with the OECD and UN guidelines.
- as part of our due diligence process, follow up on our supplier agreements and contracts through a risk-based approach.

We will do this because the products procured by Amgro 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. Therefore, we incorporate requirements for responsible business conduct in our framework contracts.

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.

¹⁰ [World Health Organization: Antimicrobial resistance , Global burden of bacterial antimicrobial resistance in 2019: a systematic analysis](#)

¹¹ Where it makes business sense

In parallel, we will work internationally to set focus on responsible business conduct in the medicines industry, in particular in collaboration with the Nordic Pharmaceuticals Forum. We will increase our influence through collaboration with Nordic and European procurement organisation.

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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