NEWSLETTER

INDITECH FOR INDIAN PHARMA MANAGERS

PUBLICATION NO. 2025 09 033

GREEN PHARMA: THE COMING PUSH FOR SUSTAINABLE SUPPLY CHAINS

WHY ESG REPORTING AND ECO-FRIENDLY SOURCING WILL SOON RESHAPE INDIAN PHARMA'S LICENSE TO OPERATE

The Shift Is Accelerating

In 2024, the EU Carbon Border Adjustment Mechanism (CBAM) came into force. By 2026, pharma imports into Europe will likely face carbon disclosure requirements. The US Inflation Reduction Act is pushing hospitals and payors to prioritize low-carbon suppliers.

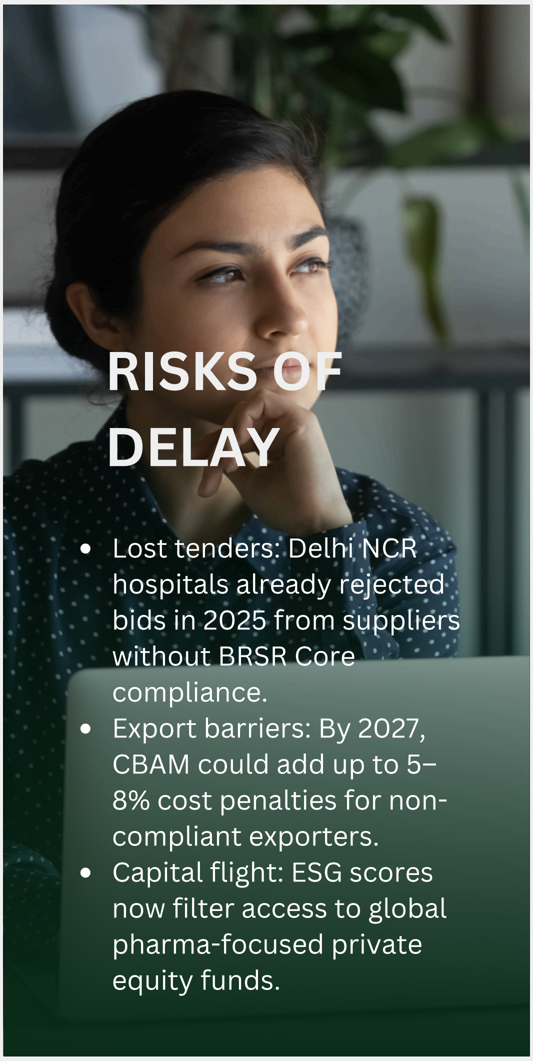
And at home, India's SEBI-mandated BRSR Core framework now requires listed companies — including leading pharma firms — to publish sustainability disclosures.

This means sustainability has moved from CSR to compliance. For Indian pharma managers, it is fast becoming the entry ticket for exports, tenders, and capital.

WHY IT MATTERS FOR INDIAN PHARMA

1. Export Access
    - EU regulators may soon demand Scope 3 emission reporting from drug exporters.
    - US buyers are piloting ESG-weighted supplier scorecards.
    - Without credible sustainability data, your shipments risk slower approvals or outright exclusion.

2. Tender Advantage
    - State governments (e.g., Kerala, Maharashtra) have begun inserting green procurement clauses.
    - AIIMS and large hospital chains are testing ESG compliance checks alongside GMP.
    - In this landscape, eco-compliance beats cost alone.
3. Doctor & Patient Perception
    - A 2025 Deloitte survey found that 62% of urban doctors in India now prefer prescribing from companies seen as “responsible manufacturers.”
    - In an era where brand trust equals prescription volume, sustainability is marketable credibility.



RISKS OF DELAY

- Lost tenders: Delhi NCR hospitals already rejected bids in 2025 from suppliers without BRSR Core compliance.
- Export barriers: By 2027, CBAM could add up to 5–8% cost penalties for non-compliant exporters.
- Capital flight: ESG scores now filter access to global pharma-focused private equity funds.

PRACTICAL ACTIONS FOR MANAGERS

1. Measure Relentlessly (but start simple)
- Track effluent, carbon intensity per batch, and water recycling in plants.
- Even a basic Excel dashboard is better than silence.

2. Green Your Procurement
- Screen API vendors for Zero Liquid Discharge (ZLD) compliance — especially in Hyderabad & Vizag clusters where regulators are tightening.
- Prioritize packaging suppliers compliant with India’s EPR plastic waste norms.

3. Cut Carbon in Logistics
- Shift a portion of cold-chain transport to rail corridors where feasible.
- Use IoT-based route optimization — managers report 5–7% savings in both emissions and cost.

4. Train Your Field Force
- Equip reps with short “sustainability proof points” — e.g., “Our Ankleshwar plant runs on 30% solar.”
- Doctors notice. Patients share. Reputation compounds.

5. Tender Readiness
- Add ESG metrics to tender decks: renewable energy share, water recycling %, waste-to-landfill targets.
- Frame them as evidence of reliability under regulatory scrutiny.

PRACTICAL ACTIONS FOR MANAGERS

Sustainability in pharma is no longer charity — it is commerce and compliance.

The next 12–18 months will decide which Indian pharma firms can prove themselves as green, reliable suppliers in the eyes of regulators, hospitals, and investors.

Ask yourself: If a buyer demanded your plant’s carbon dashboard tomorrow, could you share one with confidence?

The leaders who prepare today will not just survive this shift — they will turn green reliability into India’s next great competitive advantage.

Patients and doctors may never read an ESG report, but they will feel its impact in trust. For Indian pharma leaders, every step toward sustainability compounds into a lasting trust dividend.

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