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Bayer Consumer Health Sees Going Green As 'Good For Business'

by David Ridley

Bayer Consumer Health's approach to sustainability is "baked into how we look at the business, how we think about the future of the company," says public affairs and sustainability head Daniella Foster. Companies looking to take a more proactive approach to sustainability should focus on their strengths and make targets measurable and accountable, Foster advises.

Sustainability is without doubt one of the top consumer healthcare market trends emerging from the global coronavirus pandemic.

Although on the agenda for many companies before the pandemic hit Europe and North America last Spring, time spent reflecting on our impact on the world, as well as the opportunity to reconnect with nature, has pushed "building back better" to the top of both consumers' and executives' minds as we emerge from lockdown. (Also see "GSK Consumer Healthcare Wants To Lead The Charge Into A Greener, Healthier Future" - HBW Insight, 16 Feb, 2021.)

While going green may be the "right thing to do" – as Johnson & Johnson Consumer Health's Bill Twomey told HBW Insight in a recent interview – what is the business case for placing environmental, social and corporate governance (ESG) higher up the list of post-COVID strategic priorities? (Also see "<u>It's A Win-Win Situation' – Nicorette At The Vanguard Of J&J's Global Sustainability Efforts</u>" – HBW Insight, 23 Feb, 2021.)

According to Bayer Consumer Health's Daniella Foster, rebuilding "healthy, vibrant, sustainable communities" in the wake of the pandemic and contributing to a "more prosperous" future for everybody is also "good for business."



BAYER CH'S GLOBAL HEAD OF PUBLIC AFFAIRS AND SUSTAINABILITY, DANIELLA FOSTER

Foster – who lead's Bayer Consumer Health's global public affairs and sustainability strategies – pointed out that today even shareholders want companies to prioritize ESG.

"In the past few years, there is an increasing call for companies to do sustainability and to do it well," Foster told HBW Insight in an exclusive interview. "For example, investors are calling for this and there is some really good research out there that shows over the long term, companies that prioritize ESG factors perform better than those that don't."

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Given the strong interest in green and social justice issues among Millennials and "Pandemials" – young adults aged 15-24 – companies must also consider, on the one hand, the provenance and legacy of OTC brands and, on the other, how to attract the best talent to drive future self-care market innovation, she suggested.

"If you look at the latest Edelman Trust Barometer, there is a clear expectation on the part of consumers that company CEOs should be engaging in and having a very clear point of view on key societal issues," Foster noted. "And there's an expectation that the brands they love should be doing the right thing and have a link to what is going on in society."

"On the other side of it, if you want to attract the best talent out there, these are key issues that people care about," she continued.

Taking these investor and consumer concerns together, Foster argued there is a "very clear directional call" for consumer health companies towards sustainability.

"When I look at these things, there's no question in my mind, this is the way firms should be moving," she insisted. "It's just part and parcel of good business from my perspective."

Holistic And Measurable

Backing up her point about attracting the best talent, Bayer's seriousness about sustainability and what Foster called the new "stakeholder capitalism" is what attracted her to the job in the first place, she revealed.

It isn't good enough to just talk about corporate social responsibility anymore, Foster maintained. To do sustainability properly, it must be written into "how you operate, make decisions, invest, think about innovation, even how you remunerate and incentivize your board and your senior leadership."

"So there's not a separate sustainability strategy, it's actually baked into how we look at the business, how we think about the future of the company," she added. "Which is why I'm also excited about the things we're doing at Bayer because we've done that."

Unlike companies like GlaxoSmithKline, which have taken a "science-based targets" approach, Bayer is using the United Nations Sustainable Development Goals to provide a framework for holistic, yet measurable action.

Specifically, Bayer Consumer Health is targeting Sustainable Development Goal 3 – "Ensure healthy lives and promote wellbeing for all at all ages" – and wants to "enable access to everyday health for 100 million underserved people by 2030."

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As part of the company's recently announced Nutrient Gap Initiative, Bayer Consumer Health aims to provide "50 million women and children in underserved communities with the vitamins and minerals needed to thrive and grow," according to the company's press release for the project.

Working with non-governmental organization Vitamin Angels, Bayer is widening access for pregnant women to VMS in Indonesia, Mexico, the United States and Vietnam with an affordable daily multiple micronutrient supplementation (MMS) product.

The roll-out of the Vitamin Angels UNIMMAP-MMS – a specific product formulation in line with UNICEF and WHO requirements that has regulatory approvals to be distributed in more than 70 countries – will be supported by a "nutrition education curriculum" as well as a PR campaign called "Every Beginning," which aims to build global awareness for prenatal nutrition deficiency and help parents and parents-to-be connect through universal experiences and gain access to vital nutrients.

And finally, Bayer will be advocating alongside NGOs and other, non-CH to build a "global movement" around maternal health to "drive collective action" and "scale access" to MMS.

Play To Your Strengths

The decision to focus on SDG 3, and on nutrition in particular, came out of a mapping exercise, Foster said, in which the company examined its existing expertise and category and geographical strengths.

"We took a step back and asked, 'Where are we uniquely positioned to have the biggest impact, what are some of the biggest issues in this space?'" she reflected. "It became pretty clear that what's called the 'silent pandemic' – the lack of access to essential vitamins and minerals across the world – is a core, critical issue that we can help with."

Within this space, Bayer has a number of advantages that make it best placed to take action, she pointed out. "We have some of the best science in this area, and some of the most well researched supplementation products out there. This is the unique expertise we bring to it this problem."

"We also understand manufacturing and distribution," she continued. When dealing with NGOs, Foster said that this is often the "most valuable piece of the puzzle" that a large company like Bayer can bring to the table.

The lesson for consumer health firms looking to take a more proactive approach to sustainability in 2021 and beyond is to play to the company's strengths and make goals tangible, so that progress towards these goals can be measured and achievement rewarded.

However, Foster also stressed that no company, no matter how big, can take on an issue as complex and wide-ranging as climate change or access to affordable health for all on their own, which is why she is an advocate for public-private partnerships within a holistic approach like the SDG framework.

"It's not going to be just the private sector that solves it or just NGOs or just governments," she noted. "We all have to come together and work together and, in some cases, find uncommon collaborations and uncommon solutions to be able to create change."

The lesson, it seems, for consumer health firms looking to take a more proactive approach to sustainability in 2021 and beyond is to play to the company's strengths and make goals tangible, so that progress towards these goals can be measured and achievement rewarded.

"One of the things that I always start with is 'materiality,'" Foster said. "There are 17 SDGs, there are a lot of things you can impact. But materially, where should that core focus be? Where is your expertise? In manufacturing, in skills and capabilities?"

"Because you can't do everything, you have to focus," she concluded. "Really understanding not just the materiality of the issue but where can you have an impact, this is really key."