

30 Nov 2021 | Opinion

Consumer Health Industry Ideally Placed To Lead And Benefit From Climate Fight

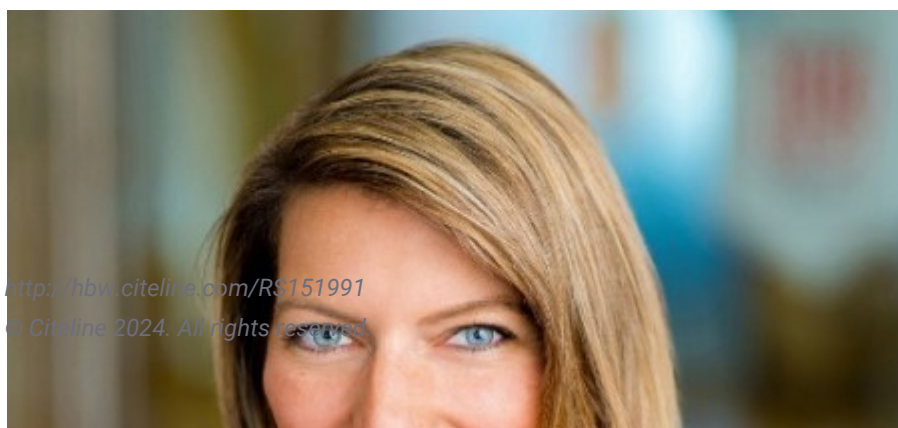
by [David Ridley](#)

Consumer healthcare firms are perfectly placed to lead the charge in fighting climate change while benefitting from the transition to a greener, healthier world. However, taking advantage of the green opportunity means putting environmental, social and governance (ESG) at the center of how OTC companies measure and reward success and treating the health of people and planet as a single, related issue, argues Bayer Consumer Health's sustainability guru Daniella Foster.

Given its role in promoting health through supplying non-prescription medicines, food supplements and self-care medical devices, the consumer health industry has a huge role to play in making the world a better place.

OTC firms' proximity to consumers, who are increasingly concerned about the health of not just people but also the planet, also puts the onus on industry to step up to the plate when it comes to fighting climate change, for example in decarbonising their manufacturing operations and supply chains and making products recyclable and non-harmful to human and natural ecologies.

But if consumer healthcare companies are to rise to this challenge, they need to stop treating health and the environment as separate issues and make 'building back better' a part of the fabric of how they measure and reward success, argued Bayer's Daniella Foster at a recent online event.



DANIELLA FOSTER
BAYER
HEAD OF PUBLIC AFFAIRS, SCIENCE AND
SUSTAINABILITY (SOURCE: BAYER)

“We really need to start talking about the environment as a health issue and linking that to actions we can collectively take to create a healthier world,” insisted Foster, who is global vice president and head of public affairs, science and sustainability at Bayer Consumer Health.

“We need to stop thinking about climate change in isolation,” Foster continued. “Instead, we need to be thinking about it as one of the biggest threats to human health in our time.”

“We've need to reframe the conversation around protecting the environment into a conversation around protecting human life,” she said. “And that's where I think healthcare companies also have a clear opportunity to play here in terms of linking what is good for society to what is good for business growth.”

Investor Activism

Foster was speaking on a panel organised by the Financial Times on Environmental, Social, and Governance – a set of investment and reporting criteria that Foster said are “really gaining steam across all sectors.”

“I think across the board, we're seeing investors care more about the ESG space,” she said, pointing to recent examples such as Black Rock CEO Larry Fink’s 2021 letter to shareholders.

In the letter, which is the latest in a yearly tradition of interventions watched closely by the business world, Fink argued that the responsibility of preventing climate change represented not just a risk for companies but also a “historic investment opportunity.”

Rather than being diminished by the unexpected appearance of the coronavirus, this opportunity has actually expanded – from January through November 2020, Fink reported that mutual and exchange traded funds “invested \$288bn globally in sustainable assets, a 96% increase over the whole of 2019.”

“I believe that this is the beginning of a long but rapidly accelerating transition – one that will unfold over many years and reshape asset prices of every type,” he wrote. “And I think the rise in investor interest has really created an imperative to embed sustainability into business strategies.”

Baking Green In

For companies, this transition means “moving away from sustainability being a nice to have a program or something you do to check the box” and towards making it a central part of business strategy.

This message was echoed by Foster, who said that ESG “really needs to be embedded into the business.”

“It needs to be a part of the business strategy, part of how the business thinks about future growth and almost a part of how they future proof themselves as a business,” she added.

Foster pointed to Bayer’s own ESG strategy, which, in an interview with HBW Insight earlier this year, she described as “baked into” how the company thinks about its own future.

In terms of making its ESG strategy accountable, Bayer uses the United Nations’ Sustainable Development Goals framework, targeting specific goals such as “Ensure healthy lives and promote wellbeing for all at all ages” (SDG 3).

For Bayer, this means “enabling access to everyday health for 100m underserved people by 2030,” Foster explained.

And it is already well on the way to achieving this goal thanks to its Consumer Health business, which is working with non-governmental organization Vitamin Angels to provide 50m women and children in underserved communities in Indonesia, Mexico, the United States and Vietnam with the vitamins and minerals needed to thrive and grow.

This is what it means to “take ESG seriously,” Foster argued. “I think it's really important to set clear targets and to have the infrastructure in place to monitor ESG and sustainability, performance, and also to have it set with a certain amount of rigor, like the same rigor you would see in financial targets.”

These targets are also reflected in how Bayer rewards success, with 20% of management remuneration weighted in terms of the success of its sustainability strategy,

Avoiding Greenwashing

Measuring and rewarding sustainability – what Foster called “materiality” – is one aspect of making ESG strategy meaningful, Foster argued. The other, she said, is transparency.

“I think it's incredibly important,” she said. “It's important to be honest about where you are in the process of developing or executing sustainability commitments.”

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

By [David Ridley](#)

10 Mar 2021

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.

[Read the full article here](#)

Foster said it is “okay to be just starting out – better now than ever.” But it's important for companies to be honest about where they are on their sustainability journey and “set clear, measurable goals where you can track progress along the way,” she said.

With most companies now announcing “net zero” commitments, especially around the 2021 United Nations Climate Change Conference (or COP26), people are starting to suffer from “pledge and announcement fatigue,” she said.

This makes it even more important to start taking action and “really dig into what are the challenges and barriers,” she continued.

“These issues are not easy,” Foster reflected. “If they were they would have been solved.”

Companies need to be careful not to engage in “greenwashing,” Foster warned. “People see through half-hearted efforts, I think.”

However, avoiding greenwashing is easy if a company’s ESG commitments are about “creating value for society beyond just financial value,” she pointed out.

“Whether it's increasing environmental protection, boosting equality, or increasing access to basic health and nutrition, these are areas that society cares deeply about, and which also help improve people's lives,” she said.

“So when you align your values to things like that, you're inherently aligning your values to society which helps build an environment of trust, which is fundamental,” she said.

Sustainability In Consumer Health: How The Major European Players Are Tackling The Climate Crisis

By [Tom Gallen](#) and [David Ridley](#)

09 Nov 2021

INFOGRAPHIC: What are the leading European consumer health firms doing to tackle climate change? This infographic explores the sustainability strategies of four leading players – GSK, Reckitt, Sanofi and Bayer – highlighting the internal targets they have set and reviewing the progress made so far.

[Read the full article here](#)