Sustainable Procurement of Vaccines

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Sustainable procurement

Sustainability and sustainable procurement is embedded in the different levels of procurement operations in the UN; from the UN Sustainability Management Strategy, the UNICEF Corporate strategy till the UNICEF supply related strategies.

**UN wide/ Inter-agency**

**UN Sustainability Management Strategy**
- Systematically integrate sustainability considerations in procurement practices (in both polices and tenders) and publicly report on them.
- Strengthen monitoring/compliance of UN supplier Code of Conduct (supplier’s respect of UN’s environmental, social and economic principles).

**UNICEF Corporate**

**Livable Planet + Climate Action Plan**
- Drive sustainability within UNICEF and our global network of partners, governments, and suppliers.

**UNICEF Supply**

**SD Strategy OMP 2022-2025**
- Expand sustainable procurement
- Decrease our carbon footprint
First steps have been made towards sustainable vaccine procurement over the years. Now, UNICEF is developing a comprehensive sustainable* procurement strategy for the years to come.

UNICEF Sustainable Procurement Procedure
The Procedure sets a path toward sustainable procurement embedded, as and when applicable, in different stages of its global supply operations.

UN Supplier Code of Conduct
Companies doing business within the United Nations are required to accept and comply with the UN Supplier Code of Conduct.

Supplier Baseline Assessment
The 2018-2019 baseline survey leveraged six output indicators.

Minimum standards for UNICEF suppliers
- Organizational Governance
- Ethical Conduct
- Environment
- Human Rights
- Labour Practices
- Safeguarding
- Economy

* ESE – focus: Environmental Social Economic sustainability

Note: Including many other directives; the UN Convention on the Rights of the Child, the Framework for Advancing Environmental and Social Sustainability in the UN system, the UNICEF Executive Directive on addressing the impact of climate change on children.
Vaccines - biggest commodity group UNICEF procures

$4.121 billion
Vaccines/biologicals
- 2.3 billion doses of paediatric vaccines for 108 countries.
- COVAX delivered 947.7 million doses of COVID-19 vaccine to 144 countries.
- UNICEF managed the delivery of more than 884.2 million COVID-19 vaccines to 110 countries.

$397.5 million
Medical supplies and equipment
- includes $352.2 million in COVID-19 non-immunization supplies.

$204.9 million
Cold chain equipment
- $73.2 million in solar-powered systems procured for 62 countries.

$175.6 million
Nutrition
- 67 per cent were sourced from programme countries.
- 44,554 metric tons of RUTF delivered to 59 countries.

$155.3 million
Education
- 42,968 procured for 105 countries.

$145.4 million
Water and sanitation
- 468.8 million purification tablets and sachets to treat 10.6 billion litres of water.

$99.1 million
Pharmaceuticals
- 350.8 million amoxicillin pneumonia treatments for children under 5 years old in 54 countries.
- 52.5 million cotrimoxazole tablets to 16 countries.
- 20.6 million ACT malaria treatments to 29 countries.

$81.5 million
Bed nets/insecticides
- 18.6 million LLINs were delivered to 21 countries.

* by procurement value, 2021
UNICEF sustainable procurement vision and strategy

To become a leading practitioner and contributor to the UN sustainable procurement, UNICEF will implement a strategy that acknowledges the need for collaboration and performance measurement as key elements of procurement sustainability.

It is our vision to become a **leading practitioner and contributor to the UN sustainable procurement**. Therefore, we value the partnerships that we have with our suppliers, and we see engagement around sustainability topics as fundamental to achieve our mission, to continuously increase vaccine access across the globe and to **contribute to the Sustainable Development Goals**.

As part of our Sustainable Procurement Strategy, we will therefore focus on the following elements:

<table>
<thead>
<tr>
<th>Engage with Suppliers</th>
<th>Apply ESE focus</th>
<th>Re-align processes</th>
<th>Measure performance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Steer towards more sustainable business practices via increased supplier engagement and reporting on ESE topics, extended sourcing criteria and contract management</td>
<td>Apply focus on the topics which are most material to UNICEF considering impacts across the full value chain of vaccines. This based on risk, opportunity and impact.</td>
<td>Organize effectively to integrate sustainability in our sourcing-, procurement-, contract- and supplier relationship management</td>
<td>Develop and continue to improve clear metrics and KPI's to steer on the targets set, and enhance the availability of data and our understanding of the key topics</td>
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Vaccine security as starting point

Access to vaccines remains the fundamental principle of UNICEF vaccine procurement. Sustainability will be a key strategic area going forward.

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**Achieving vaccine security to immunize every child**

The sustained, uninterrupted supply of affordable vaccines of assured quality through:

- Available funding
- Accurate forecasting
- Appropriate contracting

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### UNICEF implements a Vaccine Security approach

1. To achieve value for money and ensure quality of vaccines
2. To secure healthy markets
3. To achieve access to vaccines for children in need
4. To achieve environmental, social and economic sustainability
A supplier survey provided support to the desk research conclusions, where most suppliers indicated to have targets, policies and metrics for GHG emissions, energy consumption, hazardous waste and health & safety.

### Supplier Survey Outcomes

**Dimension** | **Topic** | **Value chain materiality** | **Acknowledge importance** |
--- | --- | --- | --- |
**Environment** | GHG emissions | 91% | 70% <br> 80% <br> 90% |
| Energy consumption | 100% | 55% <br> 73% <br> 91% |
| Water consumption | 73% | 63% <br> 75% <br> 91% |
| Wastewater | 100% | 55% <br> 75% <br> 82% |
| Hazardous waste | 100% | 64% <br> 82% <br> 100% |
| Biodiversity | 36% | 25% <br> 50% |

**Social** | Equal opportunities | 82% | 44% <br> 78% |
| Health & Safety | 91% | 70% <br> 80% |

*Packaging (environmental), Access to vaccines (social) and Employment opportunities (economic) were not considered in survey.*
Supplier interviews

Through supplier interviews, findings were validated, while additional emphasis was put on topics of Packaging and Access, the unavailability of vaccine specific data and the amount of regulatory and voluntary reporting requirements.

**Recommendation to include Packaging and Access**
Vaccine manufacturers recognize the identified ESE topics, and recommended to include the topics of Packaging and Access (to Vaccines) as well.

**Vaccine-specific data not feasible (yet)**
Vaccine manufacturers confirm to gather company-wide sustainability data, in which many have manufacturing site specific data available. The aspiration for vaccine-specific data exists but is in most cases not feasible to realize in the near term.

**Upstream suppliers require audits and performance reviews**
Vaccine suppliers require their own suppliers to progress in the area of sustainability through supplier audits and performance reviews.

**Reporting is not a regulatory requirement (yet), but is done**
Most vaccine manufacturers report on sustainability, even though this is not (yet) a regulatory requirement. Most vaccine manufacturers operating in Europe are obligated to comply with the Corporate Sustainability Reporting Directive by 2025.
Vaccine procurement practice to leverage

The sustainable vaccine procurement practice includes several elements in which UNICEF can use its influence to become a leading practitioner and contributor to sustainable procurement of vaccines.

Including sustainability as a part of the tender purpose and account management provides UNICEF levers to engage suppliers and steer on (the contribution to) sustainable operations.

Target outcomes can quantify sustainability efforts both within the tender process and during execution. These are identified and analyzed across value chain components as many sustainability impacts take place throughout the entire value chain.

The updated supplier questionnaire will enable UNICEF to gain more insights in sustainability and the key topics identified for the short and longer term at their suppliers and will be first level of suppliers’ reporting.

Key performance indicators can be used to track progress made on the identified key topics which are linked to specific target outcomes. This can be used to provide a clear understanding of the impact on the environment and society and to guide the engagement with suppliers within the contract duration.
Focus on key ESE topics

To deliver on the sustainability ambition of UNICEF, **key ESE topics** are identified to focus on the topics that are most material in connection to the vaccine value chain, based on risk, opportunity and impact.

*Under development*

<table>
<thead>
<tr>
<th>Environmental</th>
<th>GHG Emissions</th>
<th>Hazardous Waste</th>
<th>Land use</th>
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<tr>
<td></td>
<td>Energy Consumption</td>
<td>Biodiversity</td>
<td>Solid waste</td>
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<td>Water Consumption</td>
<td>Packaging</td>
<td>Conflict minerals</td>
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<td></td>
<td>Wastewater</td>
<td>Pollution</td>
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<td>Social</td>
<td>Access to Vaccines</td>
<td>Forced labor</td>
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<td>Health &amp; Safety</td>
<td>Rights of indigenous communities</td>
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<td>Equal opportunities</td>
<td>Child labor</td>
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<td>Economic</td>
<td>Employment opportunities</td>
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<td></td>
<td>Diversification local economy</td>
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<td>Anti-competitive practices</td>
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ESE topic classification
- **Key Topics**
- **Topics**
Towards Sustainable Procurement of Vaccines

A phased, strategic and risk-based approach accounting for sustainability priorities, risks and opportunities to have operational and programmatic impact. Factoring in market readiness and capacity to respond to UNICEF’s needs in a sustainable manner.
As part of this effort, sustainability has become an integrated part of our procurement including the Tender documentation, via expression of the purpose as well as within the account management structure.

UNICEF is one of the largest procurers of supplies and services in the United Nations. These supplies and services have a wide-ranging impact on children, their environment, health, learning, protection and inclusion. Given the scale of UNICEF’s vaccine procurement and the importance of ‘leading by example’, how UNICEF pursues procurement is important in its own right but also in relation to the Sustainable Development Goals (SDGs). UNICEF’s vision is to become a leading practitioner and contributor to the UN sustainable procurement. Sustainable procurement, guided by the principle of environmental, social and economic sustainability, is critical to UNICEF’s supply and logistics operations.

Account management resources (...) and customer service capabilities including:

- Environmental and social sustainability; Collaboration on sustainability; e.g. via consultations, information sharing on environmental and social sustainability topics; and (future) performance monitoring.
## Next steps & what this means for UNICEF vaccine suppliers

### Short term

- Increased engagement with suppliers on ESE
  - annual reporting to measure progress on ESE,
  - bilateral meetings with ESE focal points
- Ensure ESE account management obligations via our tenders.
- Consultations on material topics/interventions, e.g.
  - Estimation and/or reporting of vaccine specific CO2 footprint
  - Other topics

### Mid-long term

- Further expansion of engagement with suppliers on ESE
  - expansion of annual reporting
  - bilateral meetings with ESE focal points
- Define and track KPIs – update tender documents (e.g. mandatory reporting requirements)
- Incorporate sustainable practice of suppliers and defined target outcomes in our award practice - connected to supplier’s/vaccine products’ ESE impact
- Partnership on specific / material topics to collaboratively increase sustainability of vaccines in whole supply chain

### Ask to industry:

- If not already provided, please provide contact details of your ESE focal point to us
- Specific to potential upcoming consultations
  - Interest to discuss estimation of CO2 footprint of vaccines (production, upstream supply chain, downstream supply chain), whether/how this is reported and the potential abatement levers that may have been identified by industry
  - Any other topics you would advise to list for consultations (practice sharing / discussion) ?
- Indicate any material topics, challenges or solutions you would like to raise and/or bring forward via collaborative approach.
THANK YOU