

## PRESS RELEASE – FOR IMMEDIATE RELEASE

### Leading bank calls for action from pharma companies to tackle India's pharma pollution crisis

#### New report highlights:

- **results from the testing of water samples collected adjacent to pharma factories in Hyderabad and some of the city's waterbodies in September 2017, which reveal the presence of a wide range of heavy metals and industrial solvents commonly used in pharmaceutical manufacturing.**
- **devastating ecological and health impacts of India's drug pollution crisis, both on local people and the global population via its role in the rise of antimicrobial resistance (AMR).**

London, 25 January 2018

A new report commissioned by Nordea from the Changing Markets Foundation, highlights the serious environmental and human health impacts caused by uncontrolled manufacturing discharges from pharmaceutical factories in Hyderabad, India. These factories in Hyderabad constitute one of the world's largest generic drug manufacturing hubs.

The centrepiece of the report are results from the testing of water samples collected adjacent to pharma factories and some of the city's waterbodies in September 2017, which reveal the presence of a wide range of heavy metals and industrial solvents commonly used in pharmaceutical manufacturing. In some cases, these toxic chemicals were found to be present at extremely high concentrations, orders of magnitude higher than maximum regulatory limits or safe exposure levels.

The report also documents numerous media reports from the past two years, which have exposed both the irresponsible practices of Hyderabad's bulk drug manufacturers (such as the illegal dumping of hazardous waste at night using disguised vehicles) and the growing environmental crisis in the city – including the recent deaths of hundreds of thousands of fish, which contained traces of a solvent commonly used in pharmaceutical manufacturing.<sup>1</sup>

These findings are a follow-up to an earlier study commissioned by Nordea<sup>2</sup> and come in the wake of a slew of reports throughout 2016 and 2017 highlighting the presence of extremely high levels of Active Pharmaceutical Ingredients (APIs) and drug-resistant bacteria at and around pharmaceutical manufacturing sites and industrial areas in Hyderabad.<sup>3</sup> By revealing the presence of industrial chemicals commonly associated with pharmaceutical

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<sup>1</sup> Samples collected by the Telangana State Pollution Control Board showed traces of chloromethane, a solvent used by the pharmaceutical industry which triggers neurological and reproductive ill-effects in humans, in the water and the dead fish. See: Nyoooz, 08.10.2017, Almost every fish dies in Hyderabad lake, locals accuse pharma companies, <https://www.nyoooz.com/news/hyderabad/933113/almost-every-fish-dies-in-hyderabad-lake-locals-accuse-pharma-companies/>

<sup>2</sup> "Impacts of Pharmaceutical Pollution on Communities and Environment in India", 2016, available at: <https://www.nordea.com/en/responsibility/responsible-investments/responsible-investments-news/2016/New%20report%20on%20pharma%20industry%20in%20India.html>

<sup>3</sup> See for example: *Superbugs in the Supply Chain: How pollution from antibiotics factories in India and China is fuelling the global rise of drug-resistant infections*, 2016 – available here: <https://epha.org/press-release-antibiotic-factories-compounding-superbug-spread/and> ARD Mediathek, 08.05.2017, The invisible enemy – deadly superbugs from pharma factories, <http://www.ardmediathek.de/tv/Reportage-Dokumentation/The-invisible-enemy-deadly-superbugs-/Das-Erste/Video?bcastId=799280&documentId=42690832> (available until 08.05.2018)

manufacturing in local water sources, they complete the picture of a city drowning in pollution.

While pharmaceutical supply chains are notoriously opaque and complex, the global reach of Hyderabad's drug industry is well-documented. Research shows that multinational companies have marketed drugs made in Hyderabad on the global market. A number of large Indian players have a long-established manufacturing presence in Hyderabad and sell pharmaceuticals around the world, including to the UK's National Health Service (NHS), German healthcare providers and US drug distribution giants.

Sasja Beslik, Head of Group Sustainable Finance at Nordea said: *"The pharmaceutical industry has to step up action to tackle pollution at Indian factories supplying medicines to the global market. As a sustainable financial institution we want to continue the engagement with the pharma industry in order to find constructive and concrete solutions for these significant challenges that are impacting millions of people and the environment."*

Natasha Hurley, Campaign Manager at the Changing Markets Foundation said: *"Multinational pharmaceutical companies which outsource API production to India to cut costs and maximise profits have a responsibility to take rapid action to put a stop to pollution in their supply chains. Given the lack of transparency within the industry and the slow progress the global pharma giants have made on this to date, it is of paramount importance that regulators introduce environmental criteria that guard against such bad practices, both at national and international level."*

Anil Dayakar, Founder of Gamana, a Hyderabad-based environmental NGO said: *"Life-saving drugs are being produced at the cost of lives and livelihoods of communities living in Hyderabad - the bulk drug capital of the world. Despite decades of environmental activism and community opposition, the pollution control authorities have failed to make the industry comply with the standards. The last hope to change the situation is pressure from Western governments and companies, which should demand that the Indian industry clean up its act."*

#### Notes to editors:

- Today's report comes at a time when national governments and global institutions are moving to take action on pharmaceutical pollution. In its *Frontiers 2017. Emerging Issues of Environmental Concern* report, UN Environment identifies growing AMR linked to the discharge of drugs and particular chemicals into the environment as one of the most worrying health threats today<sup>4</sup>, noting the role that heavy metals can play in "co-selecting" for drug-resistant bacteria alongside high concentrations of Active Pharmaceutical Ingredients (APIs)<sup>5</sup>.
- Hyderabad was once known as India's 'city of lakes'. However, in June 2017, the Times of India reported that of the 3,000-odd lakes which existed in the 1970s, less than half remain intact today.<sup>6</sup> Numerous factors, including climate change, industrial

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<sup>4</sup> UN Environment, December 2017, Antimicrobial resistance from environmental pollution among biggest emerging health threats, says UN Environment  
<https://www.unenvironment.org/news-and-stories/press-release/antimicrobial-resistance-environmental-pollution-among-biggest>

<sup>5</sup> The Active Pharmaceutical Ingredient is the "biologically active" component of a drug, i.e. the component which makes it have the desired effect

<sup>6</sup> Times of India, 05.06.2017, Hyderabad: most lakes are either dead or dying,  
<http://timesofindia.indiatimes.com/city/hyderabad/hyderabad-most-lakes-are-either-dead-or-dying/articleshow/58987342.cms>

activity and a growing population are placing unbearable pressure on India's water sources.<sup>7</sup> Beyond the evident social impacts of this, the corporate sector, including the pharmaceutical industry itself, also depends on a reliable supply of clean water. The effects of water stress and pollution therefore present a substantial material risk for businesses operating or using suppliers in India.

- Nordea is the largest wealth manager in the Nordics with approximately 300 billion euro in Asset under Management and 11 million customers across Nordic Group. Nordea's sustainable finance approach is about integrating sustainability into all business activities and products. For more information visit <http://sustainablefinance.nordea.com/>
- The Changing Markets Foundation was formed to accelerate and scale up solutions to sustainability challenges by leveraging the power of markets. Working in partnership with NGOs, other foundations and research organisations, we create and support campaigns that shift market share away from unsustainable products and companies and toward s environmentally and socially beneficial solutions. For more information visit [www.changingmarkets.org](http://www.changingmarkets.org)

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<sup>7</sup> Mongabay, 17.03.2017, Climate change key suspect in the case of India's vanishing groundwater  
<https://news.mongabay.com/2017/03/climate-change-key-suspect-in-the-case-of-indias-vanishing-groundwater/>