

## Procurement for health managers: Why the environmental impact of healthcare matters to your bottom line

Webinar report

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Time: 14:00 – 14:50

Speaker: Nicole Fletcher, Arianna Gamba

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The third webinar of our procurement series for health managers featured Nicole Fletcher, Sustainable Procurement Lead at NHS England, and Arianna Gamba, Circular Healthcare Programme Manager at Health Care Without Harm Europe.

During the panel discussion, Nicole Fletcher and Arianna Gamba highlighted the environmental impact of the healthcare sector and discussed the role of procurement and more broadly the sector's supply chain in mitigating climate change.

### Using procurement strategically to achieve sustainability in healthcare

#### *The environmental impacts of the healthcare sector*

Healthcare systems are responsible for **4.4% of carbon emissions worldwide**. This means that if the healthcare sector was a country, it would be the 5th largest emitter on the planet. The majority of the emissions (>70%) come from the products and services that are used within the sector. In the UK, 62% of the healthcare's emissions come from the **supply chain**. The healthcare sector is therefore both a contributor to climate change but will also directly suffer from the consequences of climate change.

There are also other types of pollutions emerging from the healthcare sector, including toxic chemicals, pharmaceuticals, use of energy resources, waste, and single use plastic amongst other. **Procurement** can play a crucial role in **minimising the environmental impacts** of the sector.

#### *Including sustainability as a criterion in the procurement process*

There are various steps to include **sustainability as a criterion** in the procurement process. First, there needs to be a **holistic understanding of the sustainability concern** for a given product. This requires looking at the whole lifecycle of the product, including production, labour, transport, and disposal amongst other. Second, it is important to agree on what the product would look like if it was to be more sustainable. Once the sustainability demand is clear, the third step consists in discussing with **suppliers** to investigate if their companies that are able to meet this demand. The last step requires setting up a matrix to **evaluate, assess and compare the offers** gotten from suppliers. Various tools exist to help healthcare purchasers

make more strategic procurement choices. For example, Healthcare Without Harm Europe produced [procurement criteria templates](#) and a [sustainable procurement index for health user guide](#).

In NHS England, sustainability is incorporated into the tendering process. NHS England possesses a policy across the organisation stipulating that a minimum of 10% weighting must be applied to **social value** when procuring. Given that sustainability is particularly high on the NHS England agenda, the policy also specifies that climate change must be systematically considered when talking about social value.

## *Implementing sustainable procurement practices: Bringing end-users on board and encourage suppliers to do things differently*

To successfully implement sustainable procurement practices within their setting, healthcare organisations must introduce overall policies that set a **clear vision for sustainability**, offer training to **upskill** the staff, provide **guidance** on how to implement the policies, share **good practices** that can be rolled out, and **pilot projects** with interested suppliers.

Moreover policies for sustainable procurement must be complemented by **mandatory targets for green public procurement criteria** in order to compel the staff to look beyond solely the price of the product purchased and incorporate sustainability criteria. It is also crucial to have a **cultural change** take place to bring about long-term change. This requires ensuring staff's adherence policies and bringing end-users on board.

To bring **end users** such as doctors and nurses on board, the health argument is often the most compelling one. For example, it is important to underline the link between health and the environment and raise awareness about the health impact that certain operations can have on patients or health professionals (e.g. surgical smoke in operating theatres). **Clinical evidence** demonstrating that sustainable products are safe can therefore be used to convince them to move towards more sustainable practices, as their main concern is patients' and staff's safety. On the other hand, **business cases** can be particularly effective to bring the **budget staff** on board. In fact, they can be used to demonstrate that investing in sustainable products might be more expensive at first but will give return on investment in the medium and/or long term and often turns out to be **cost-beneficial**. Business cases should nevertheless include information that are relevant to all stakeholders across the organisation, such as financial implications, patient safety, and carbon impact for instance.

In general, starting by implementing good practices that are easy to roll out and to replicate can be an effective way to inspire the staff and gain traction.

In terms of supply chain, the procurement team must **engage in conversations with suppliers** by 1) giving signals to the suppliers that there is a market for more sustainable product, 2) making them aware of their expectations in terms of evaluation criteria, 3) underline that they will have a competitive advantage they can provide sustainable solutions, and lastly 4) informing them that they must have carbon reduction plans in place to be able to bid for work of high value. Suppliers also need to know that it is end users who demand greener products and want to see change.

Finally, once more sustainable products have been purchased, it is crucial to **measure the improved outcomes** in terms of carbon footprint, and have a measuring system in place that is consistent across the organisation.

## *Conclusion*

In conclusion, mandatory targets are important to move towards procuring more sustainable products. A whole range of factors (labour, production, transport, etc.) must be taken into account when defining how sustainable a product is. The procurement team must engage with both end-users and suppliers, and clearly communicate the market demand for more sustainable solutions to the suppliers. Providing business cases and good practices can inspire staff along the sustainable procurement journey. Lastly, solely including sustainability criteria in the procurement process is not sufficient, there must be a system in place to measure, assess, and provide evidence of how the impact on the environment was reduced.