Decarbonizing the Health Care Value Chain: A Call to Health Care Manufacturer, Distributor, and Industry Organizations

Background

Climate change poses serious risks to human health, exacerbating existing health threats and creating new public health challenges. Health impacts are being felt across the United States, from respiratory conditions due to increased wildfires and extreme heat events, leading to a greater number of days with poor air quality (an AQI value greater than 100), to the rise of vector-borne diseases (VBDs) carried by mosquitoes (e.g. West Nile Virus) and ticks (e.g. Lyme Disease), which are spreading with higher cumulative growing degree days, lower cumulative precipitation, and lower saturation deficit.

The health care sector is responsible for approximately 8.5% of the greenhouse gas (GHG) emissions in the United States (source). GHG emissions resulting from the health care value chain, categorized as Scope 3 emissions, account for approximately 87-88% of a health care supplier's carbon footprint. Value chain refers to the full life cycle of a product or process, including material sourcing, production, transport, use, recovery and recycling, and disposal.

Large employers locally, and major manufacturers, distributors, and Group Purchasing Organizations (GPOs) globally, are uniquely positioned to lead in decarbonizing the value chain. By doing this work, health care sector executives can realize benefits on multiple fronts. In addition to the broad human and environmental benefits, decarbonization contributes to a more resilient supply chain, which is critical for uninterrupted health care operations and expanding access to health care in a world with increasing disruptions to the supply chain from climate-related impacts. Decarbonization may also elevate a manufacturer's brand reputation and the way stakeholders view health care product manufacturers and distributors. Moreover, decarbonization can result in financial benefits through operational and production efficiencies and innovations that deliver reduction of related costs (e.g., savings through optimized use of raw materials, re-use of recovered/repurposed products and materials, and reduction of waste).

Coupled with the development of effective strategies for adapting to physical climate change impacts, the health care sector can greatly benefit from the identification and execution of effective, impactful, long-lasting systemic changes to decarbonize its value chain.

Call to Action to Health Care Manufacturers, Distributors, and Group Purchasing Organizations

Health care manufacturers, distributors, and GPOs should consider the following actions to decarbonize:

1. **Prioritize, as a corporation and/or board, the goal of decarbonizing the health care value chain.** Empower sourcing leads to establish purchasing goals and targets that incorporate sustainability into broader business plans.
2. **Establish a goal of reducing organizational GHG emissions by 50% by 2030 and achieving zero emissions by 2050 while designating an executive-level lead for this work.**
3. **Participate in relevant industry coalitions to collaborate, build consensus, and take informed and strategic action on decarbonizing the health care value chain.** There are ongoing initiatives focused on peer-to-peer learning and knowledge sharing, such as various industry-led collaborations and partnerships, which aim to address environmental impacts across operational and supply chain activities.
4. **Leverage NAM resources for strategic guidance.** The NAM Sustainability Journey Map & Resource Repository is a pivotal resource designed explicitly for health care manufacturers, distributors, and GPOs aiming to catalyze their efforts in decarbonizing the health care value chain. This comprehensive and interactive tool offers strategic insights and actionable steps across distinct stages of the sustainability journey.

Conclusion

There is an urgency for health care CEOs to dramatically reduce their businesses' value chain emissions and associated environmental impacts. Collaboration across the industry and sector is imperative to mitigate the human and environmental health threats posed to current and future patient populations by climate change. Alignment around key action items will ensure a transition to a healthier, safer, and cleaner health care sector that upholds its commitment to do no harm.

Learn more at:
nam.edu/ClimateCollaborative

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