

Ten years ago, sustainability in healthcare was barely more than a buzzword.

Today, it commands the attention of healthcare decision-makers worldwide ... for good reasons.

A September 2021 report endorsed by more than 200 medical journals recognizes climate change as the "greatest threat" to global public health.¹

Understanding this, healthcare companies in 2023 are working with more urgency than ever to assess the environmental impact of their assets and create sustainable networks.

Another report from Deloitte offers four key findings for healthcare leaders to consider as they create more resilient operations to meet climate change challenges:²

- Climate change can exacerbate health inequity.
- As climate change ramps up, costs are expected to rise.
- Healthcare organizations have an important role to play in solving the climate crisis.
- Sustainable organizations are taking a proactive stance.

Companies in healthcare logistics are focused, in particular, on making supply chains sustainably efficient, cutting out medical waste, and throttling back on overall carbon burn. Investment for future needs is a top consideration. The supply chain of the future must be optimized and decarbonized ... while remaining quality-led.

Steps, challenges, solutions

Most companies, if they're honest, admit they're still early in the sustainability journey – perhaps just taking action with added urgency while balancing sustainability goals and good service.

The stairway to sustainability for these companies isn't as steep as one would think.

First, decision-makers need a clear idea of where a company is on the sustainability journey. That's all about gathering and understanding data – carbon analysis, metrics/measures, etc.

Second, companies must identify opportunities for improvements they can actually control. This means operations and equipment, of course, but also actions like instilling a sustainability culture, choosing partners with the same sustainability values, and applying the same exacting quality controls to sustainability efforts as all else.

Third, companies need a living sustainability roadmap. Sustainability can then actually become a company's competitive advantage.

Predictably, challenges line any company's sustainability path.

Some discover a gap between their talent and their need for sustainability-conscious professionals. One way to quickly address this issue is to hire logistics sustainability consultants to share best practices. Teams learn as they go.

Another challenge? Visibility across the organization.

The best logistics partners can provide a 'control tower' overview of an entire supply chain. It reveals many ways to improve collaboration and efficiency that lead to smart, fast, sustainable decisions based on real-time data instead of guesswork.

Optimization and continuous improvement

As daily average global high temperatures set records ... as forests burn and as floods and winds strike more suddenly and more violently than we've ever seen ... sustainability can't be ignored.

Sustainability also offers rewards that can't be ignored.

It would be easy for companies to look at sustainability efforts as necessary, but an investment burden. We are finding, though, something different.

As we look at supply chains through a different lens – a sustainability lens – we're seeing substantial and *sustainable* mid- and long-term payback from up-front investments that optimize and put continuous improvement at the heart of planning.

Networks of the future will build in cost sustainability. They'll free themselves from soaring fuel and energy costs by controlling energy consumption into the point of production and through the operation. The healthcare logistics industry increasingly focuses on asset utilization and optimization, finding ways to share assets across a company instead of sourcing from silos and needlessly paying for underused, costly air charters or trucks.

The supply chain of the future will have a core of information technology, data, and artificial intelligence ensuring that every transaction is optimized. Steps like our smart integrated logistics network or renewable energy buildings and vehicles are small glimpses into the exciting journey for our planet and our people.

As UPS CEO Carol Tome says in the introduction to the 2023 UPS Sustainability Report, "We are committed to pursuing planet-friendly solutions while taking care of our employees and serving our customers and communities of today and tomorrow."

Cathy O'Brien is Vice President of International Sales at UPS Healthcare.

Learn more about <u>UPS Healthcare's sustainability journey</u> and <u>ask an expert</u> how we can help you on yours.

¹ Winston Choi-Chagrin, "Medical journals call climate change the "greatest threat' to public health'," New York Times, September 7, 2021

² Deloitte Center for Health Solutions and the Deloitte Center for Integrated Research, "Why Climate Resilience is Key to Building the Health Care Organization of the Future," Deloitte, April 4, 2022