

Greening Asia's Healthcare Industry

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Globally, Healthcare sectors accounts for more than 4% of the global CO2 emissions, which is more than the aviation or shipping industries combined. Thus, there's an urgent need for the industry to act sooner while millions around the world are adversely affected.

What's promising is that more and more healthcare leaders in Asia are recognizing this and are planning to implement sustainability measures. 49% of healthcare leaders in Asia-Pacific indicated that implementing sustainability practices in their hospitals or healthcare facilities will be a key priority in the future, according to the Future Health Index 2021 report.

I believe that during this decarbonization transition, circularity, which promotes sustainable use of resources and materials, should be a top priority. Implementing circular business models that improve resource efficiency and close the supply chain loop will help to build a more resilient healthcare system in the long run. This is not only necessary for a sustainable world, but it is also a great driver for innovation and a sensible way of doing business.

To transition to a greener healthcare future in Asia, here are some strategies health systems can adopt to reduce their environmental footprint and integrate sustainable ways of working.

Move to circular solutions and unlock their value to the health system

Hospital-based healthcare is a significant producer of greenhouse gases and hazardous waste. Sustainable use of energy and waste reduction are key to decarbonizing healthcare. As a result, there are good reasons for healthcare organizations to adopt a reduce, reuse, and recycle mentality and adopt circular solutions to extend the lifetime value, capabilities, and usability of medical equipment. Collaboration with like-minded partners and suppliers is key to unlocking the value of these solutions in driving health system sustainability while reducing environmental effects.

Instead of buying new equipment, healthcare organizations can maximize the return of their initial investments and expand the capabilities of their existing equipment through software and hardware upgrades to ensure the best performance and clinical

outcomes for as long as possible. To this end, Philips partners with hospitals like Hospital Seberang Jaya and Hospital Sultan Abdul Hali in Malaysia to enable state-of-the-art upgrades of their installed MRI systems, which are guaranteed to last 10 years and longer. This optimizes the use of existing resources and eliminates the need for additional new equipment to be built, developed, and transported. By maximizing the lifetime value of medical equipment, we also reduce carbon emissions.

Our close-the-loop program, where we refurbish, reuse, recover and repurpose used medical equipment responsibly, also enables healthcare providers to access thoroughly refurbished and quality-tested medical technology at lower cost while reducing waste sent to landfills. For example, 80% average weight of pre-owned MRI systems is reused through refurbishment and remanufacturing. If refurbishment is no longer an option, we ensure responsible repurposing by recovering valuable parts to service older systems and maximize lifetime value. At Philips, our ambition is to close the loop for all professional equipment by 2025. In 2021, 25% of our large medical equipment in APAC was returned to Philips for responsible repurposing.

Dematerialization through digital and software can also help deliver maximum value with minimal resource consumption. This can drive a shift away from resource-intensive clinical facilities and towards more efficient networked settings. For example, Singapore General Hospital aims to establish ASEAN's first fully digitized histopathology laboratory by expanding its digital capabilities for primary diagnosis, training, and R&D to improve efficiency and enable time savings in pathology workflows. Digitalization also supports preventive care and telehealth, or virtual care, by enabling remote interaction between patients and healthcare providers, thereby reducing related travel and CO2 emissions. For example, by closing two small primary care clinics and consolidating them into other clinics, a healthcare provider was able to achieve 51% less greenhouse gas emissions per given outpatient visit.

Implement ESG reporting systems and address knowledge gaps

For any organization to drive long-term success in this sustainability journey, a critical component to this will be making sure that the workforce has the right skills, as currently the move to circularity is, in some cases, hampered by technical and knowledge deficiencies. Investing in education, competency, and capability development is therefore important, and I am pleased to see that many Asian health organizations are beginning to include these upskilling opportunities as part of their sustainability strategy.

Healthcare players must also keep themselves accountable. This can be done through credible, efficient ESG reporting that is integrated into the core of the business. What's more, transparency and disclosure of ESG initiatives and metrics will help to establish a baseline against which progress and impact can be measured. The good news is that implementing such reporting systems, which have clear standards, rules, and guidelines, should feel natural due to the mission-driven character of the healthcare industry.

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