

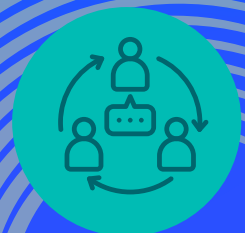
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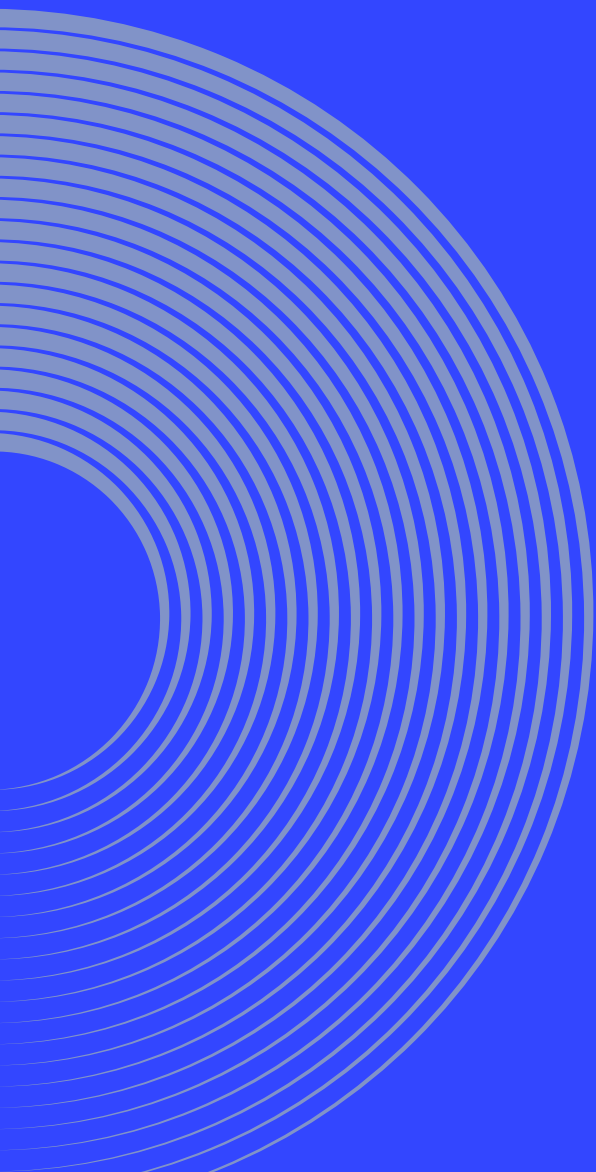
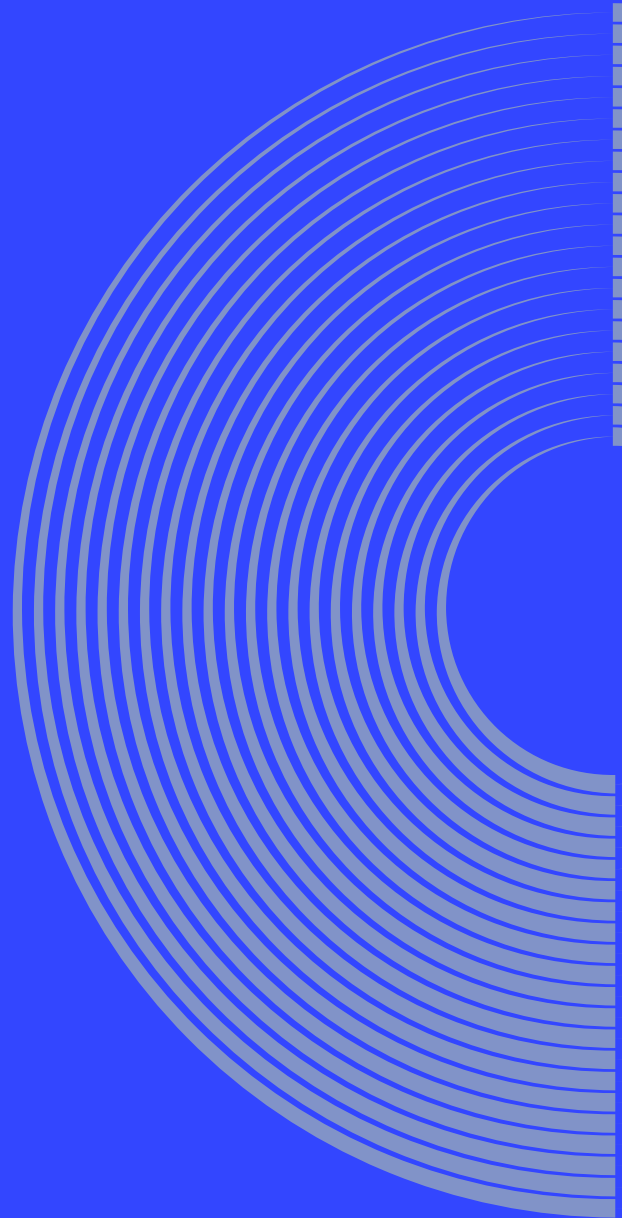


HEALTHCARE BUYERS
COMMUNITY

The Alliance for Procurement Impact: A Collective Journey Toward Sustainable and Resilient Healthcare Procurement

API Booklet





The Alliance for Procurement Impact: A Collective Journey Toward Sustainable and Resilient Healthcare Procurement

Uniting stakeholders across Europe to transform medicine and vaccine procurement, fostering long-term value, environmental responsibility, and supply chain resilience.

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A message from the Founding Partners

Foreword

Across Europe, patients and healthcare systems depend on secure, sustainable access to medicines and vaccines. Yet for too long, procurement has been treated as a transaction driven by price alone undermining resilience, quality, and long-term value.

The Alliance for Procurement Impact (API) was created to change this. Built on a Memorandum of Understanding between Sanofi, the European Health Public Procurement Alliance (EHPPA), and Health Proc Europe Association (HPE), the API unites industry, public procurement alliances, and hospital networks in a shared mission: to make procurement a strategic force for better healthcare. By fostering collaboration and sharing best practices across its networks, the API drives greater efficiency, transparency, and sustainability in the procurement of medicines and vaccines across Europe... This framework is designed to strengthen supply resilience and security, enhance access to innovative medicines, and align procurement practices with broader strategic goals such as sustainability, environmental responsibility, and European open strategic autonomy.

Public procurement of medicines in Europe has too often relied on price alone, at the expense of long-term value and security. Together, we believe there is a unique opportunity to promote innovative and strategic procurement approaches that reward quality, sustainability, and security of supply. By fostering open dialogue and collaboration through the Open Platform and the API, we aim to accelerate the professional development of procurement managers, share knowledge, and co-create standards that deliver measurable impact for healthcare systems and patients.

This partnership embodies our joint ambition: to ensure that procurement practices in Europe evolve to meet the needs of patients, healthcare systems, and society at large. We invite stakeholders across the healthcare procurement community to join us in this journey—because achieving better access to medicines and building a sustainable, resilient system is a responsibility we all share.

We call on all stakeholders: healthcare providers, policymakers, and industry leaders, to join us. Together, we can transform procurement into a driver of innovation, access, and sustainability for healthcare systems and the people they serve.

Proud to present this report, which reflects a shared commitment to shaping the future of healthcare procurement in Europe.

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Alliance for Procurement Impact (API)

Context

The Alliance for Procurement Impact (API) was launched in June 2024 through a Memorandum of Understanding signed by Sanofi, the European Health Public Procurement Alliance (EHPPA), and Health Proc Europe Association (HPE). This initiative further expands the successful partnership established at the first Healthcare Public Procurement Summit in Brussels in 2022, building on one of its key outcomes — advancing sustainability in healthcare procurement. It unites public procurement alliances, hospital procurement networks, and industry partners around a shared mission: to transform the way medicines and vaccines are procured across Europe.

API was born from a pressing challenge. Today, around 60% of medicine procurement in Europe is still awarded solely on lowest price. This approach undermines economic and supply resilience, weakens sustainability, and overlooks Europe's ambition to build greater strategic autonomy in healthcare. By contrast, API's Open Platform provides a collaborative space where buyers and suppliers can move beyond price-only criteria and advance procurement practices that deliver long-term value for patients, health systems, and society.

The Alliance pursues four core objectives:

- Promote procurement practices that ensure sustainable and reliable supply.
- Improve forecasting and resource efficiency.
- Encourage standardized and measurable tender criteria that reward environmentally responsible practices.
- Define procurement's role in advancing European policy ambitions, including Open Strategic Autonomy.

The Alliance for Procurement Impact (API) is a three-year program designed to strengthen the security and sustainability of supply in healthcare through effective procurement practices:

- **Year 1 – Creating the Foundation:** Develop a common vision shared by all stakeholders.
- **Year 2 – Drive Engagement:** Implement conclusions and recommendations to ensure long-term change.
- **Year 3 – Implement Change:** Create sustainable transformations in purchasing practices, with a particular focus on hospital purchasing management.

Executive Summary:

Year 1 Program Progress



Year 1 – Building the Foundations

In its first year, API focused on laying the groundwork for collective impact. A governance structure was created, with a Steering Committee co-led by Health Proc Europe and Medicines for Europe, bringing together public healthcare buyers and industry representatives to guide the Alliance strategically. Dedicated project teams were launched with clear objectives, KPIs, and reporting mechanisms, ensuring accountability and progress tracking.

To support this foundation, API initiated a wide range of activities: interviews with stakeholders, a European survey, in-depth studies on sustainable procurement, as well as webinars and workshops. These efforts not only raised awareness of the sector's challenges but also strengthened relationships, fostered dialogue between buyers and suppliers, and identified priority gaps that must be filled for sustainable procurement of medicines and vaccines to become reality.

Insights from Year 1 Deliverables: Common Conclusions

Across all Year 1 activities, a consistent message emerged: procurement in healthcare is evolving from a transactional, price-driven exercise into a strategic instrument for achieving sustainability, resilience, and innovation. Stakeholders widely acknowledge that procurement has the power to reduce environmental impact, improve social responsibility, and safeguard supply chains — but the transition is Persistent barriers — including an overreliance on price, lack of standardized criteria, limited supply chain transparency, fragmented regulations, and knowledge gaps — continue to hinder progress Yet the momentum for change is undeniable. From innovative practices piloted by frontrunners to a growing commitment across Member States, the foundations for a new procurement paradigm are taking shape.

Most importantly, Year 1 confirmed that sustainable procurement cannot be advanced by individual actors in isolation. Progress depends on collaboration — across healthcare buyers, policymakers, suppliers, and experts — to build a shared vision, develop practical solutions, and embed sustainability and resilience into procurement systems at scale.

Year 2–3: Scaling Impact

With strong foundations now in place, API is entering its next phase of growth. In Years 2 and 3, the Alliance will broaden participation and expand the membership of its Open Platform, ensuring that more healthcare buyers and industry partners can contribute to shaping the future of procurement. As a Thought Leader in the first phase of Year 2, Sandoz is helping to drive operational progress and provide expertise. Together, we will develop and test practical tools, procurement standards, and sustainability criteria. Furthermore, API will keep increasing knowledge sharing and skill development across Europe through workshops and events.

Above all, API will focus on embedding sustainability, resilience, and innovation into procurement processes at scale — making them integral to everyday practice rather than

aspirational add-ons. This work will be fully aligned with European policy ambitions and designed to strengthen both the resilience of supply chains and the sustainability of healthcare systems.

Conclusion & Call to Action



The Alliance for Procurement Impact has achieved a great deal in its first year: it has created a collaborative platform, united diverse stakeholders, and generated the insights needed to chart a clear path forward. Yet this is only the beginning.

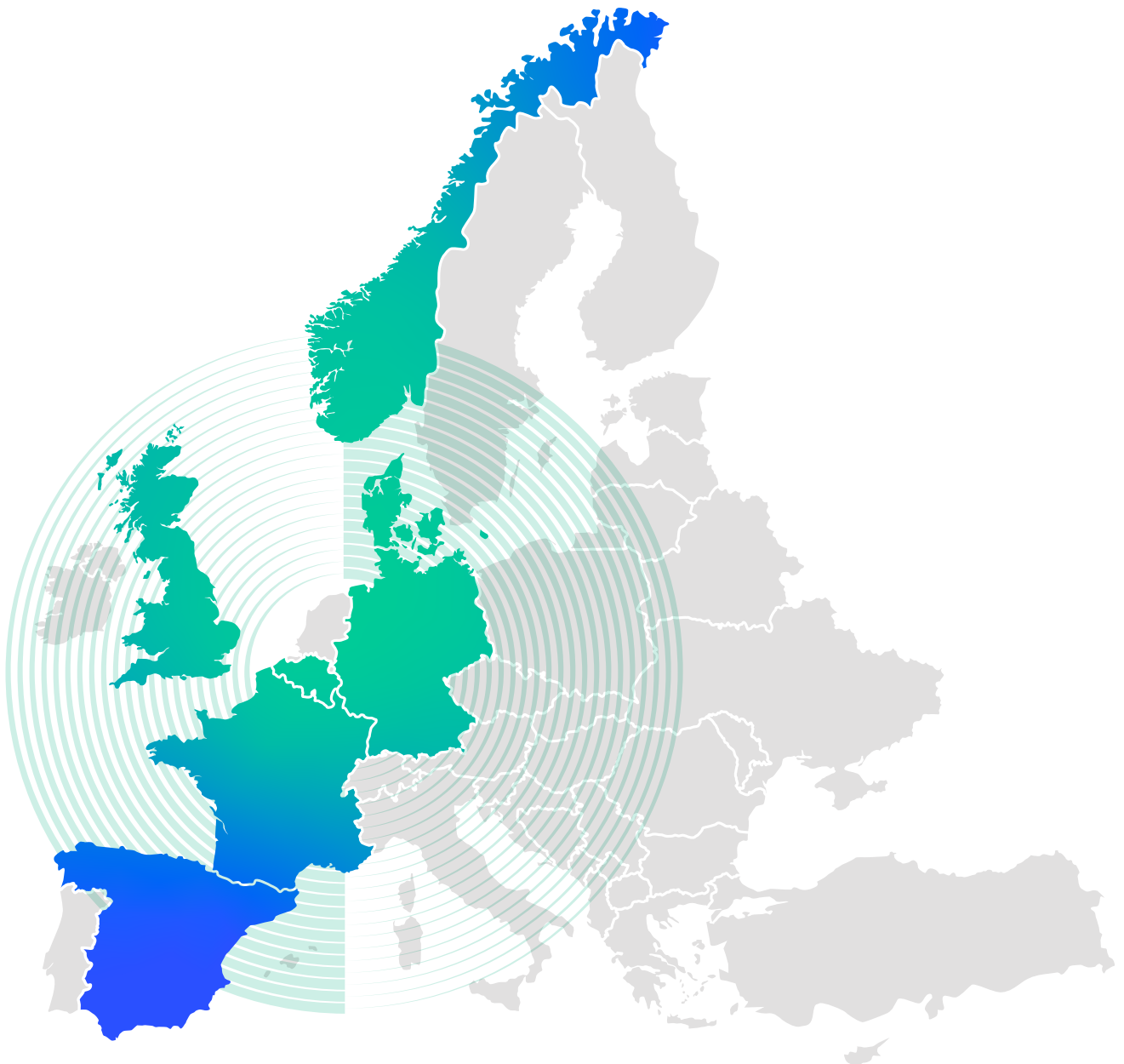
As API enters Years 2 and 3, the focus will shift from analysis to action — piloting tools, scaling best practices, and embedding sustainability and resilience into procurement processes across Europe. This journey is not just about changing procedures; it is about reshaping the role of procurement to serve patients, protect the environment, and strengthen Europe's strategic autonomy.

The Alliance invites all stakeholders — public buyers, industry partners, policymakers, and experts — to join this collective effort. Together, we can move beyond price-driven procurement and create a new model that delivers sustainable, resilient, and value-based healthcare for future generations.

Steering Committee of the Alliance for Procurement Impact



The Steering Committee of the Alliance for Procurement Impact (API) brings together leading organizations from both the public and private sectors to provide strategic direction and ensure alignment with API's mission. Each member organization contributes its unique expertise, perspective, and network to advance sustainable, resilient, and value-based procurement across Europe.





Health Proc Europe

Health Proc Europe is a digital-first, cross-sector community designed to transform healthcare procurement into a strategic, innovation-driving function. By bridging healthcare institutions and industry stakeholders, with a special focus on medical devices and pharmaceuticals, we facilitate collaboration, knowledge exchange, and access to EU projects and industry-driven initiatives. Our platform empowers members to drive real change through digital engagement, strategic networking, and active participation in healthcare procurement transformation.



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Medicines for Europe

Medicines for Europe represents the pharmaceutical companies supplying the largest share of medicines across Europe and is the voice of the generic, biosimilar and value-added industries. As a leading partner for better healthcare, we aim to increase the health and wellbeing of all Europeans through better access to high quality medicines. Medicines for Europe members' portfolio cover 80% of therapy areas, and in so doing, safeguards the sustainability of Europe's healthcare systems for future generations.



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Sanofi, a global healthcare pharmaceutical company, is dedicated to improving lives through discovering, developing and delivering medicines and vaccines. Sanofi's team, spread across approximately 100 countries, is dedicated to transforming the practice of medicine by working to turn the impossible into the possible.

Sanofi provides potentially life-changing treatment options and life-saving vaccine protection to millions of people globally, while prioritizing sustainability and Social aspects responsibility in their ambitions.



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EHPPA

The European Health Public Procurement Alliance is a consortium of non-profit Group Procurement Organizations which aims to pool expertise, leverage performance and provide its members with a strategic position in the European health procurement market. Founded in 2012 EHPPA is a registered association under French law and has its headquarters in Paris.



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Sandoz

Sandoz is the global leader in generic and biosimilar medicines, with a growth strategy driven by its Purpose: pioneering access for patients. More than 20,000 people of 100 nationalities work together to ensure 800 million patient treatments are provided by Sandoz, generating substantial global healthcare savings and an even larger social impact. Its leading portfolio of approximately 1,500 products addresses diseases from the common cold to cancer. Headquartered in Basel, Switzerland, Sandoz traces its heritage back to 1886. Its history of breakthroughs includes Calcium Sandoz in 1929, the world's first oral penicillin in 1951, and the world's first biosimilar in 2006



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EUREGHA

Established in Brussels in 2012 as a non-profit organisation, EUREGHA is the European reference network of regional and local health authorities.

EUREGHA's mission is to bring regional and local health authorities together to promote collaboration, expertise and practice exchange between them and with external stakeholders. To date, the EUREGHA network is composed of 26 members, 21 regional and local health authorities and five associate members organisations active on regional matters. EUREGHA has strong experience in EU projects, with particular focus on regional engagement, policy and advocacy recommendations, communication and events.

EUREGHA plays a key role in the ENKORE project by leading dissemination, communication, evidence gathering, and stakeholder engagement to shape the requirements framework. ENKORE, a multidisciplinary EU project, aims to develop an ecoDesign framework for medical device packaging that minimizes environmental impact and supports circularity from conception to end-of-life.



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Sustainable Public Procurement Practices for Medicinal Supplies

An analysis of the sustainable public procurement of medicines

EVELYN DONOHOE AND ALESSANDRO CORSELLO, WISE ANGLE

API Mapping Report





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Abbreviations

AMR	Antimicrobial resistance	MEAT	Most Economically Advantageous Tender
BPQR	Best Price-Quality Ratio	NHPT	Norwegian Hospital Procurement Trust
CJEU	Court of Justice of the European Union	NPF	Nordic Pharmaceutical Forum
CO₂	Carbon Dioxide	OECD	Organisation for Economic Co-operation and Development
EC	European Commission	PPL	Public Procurement Law
EFPIA	European Federation of Pharmaceutical Industries and Associations	PPM	Public Procurement of Medicines
ESG	Environmental, Social, Governance	SDG	Sustainable Development Goals
EU	European Union	SP	Sustainable Procurement
GDP	Gross Domestic Product	SPP	Sustainable Public Procurement
GPP	Green Public Procurement	TFEU	Treaty on the Functioning of the European Union
HTA	Health Technology Assessment	UK	United Kingdom
LCA	Life Cycle Assessment	UN	United Nations
LCC	Life cycle costing	WHA	World Health Assembly
LCT	Life cycle thinking	WHO	World Health Organisation

Executive Summary

00 Executive Summary

Most of the €2 trillion spent by public authorities on goods and services is associated with healthcare, of which pharmaceutical spending is a major budget item. Seventy-five percent of health expenditure and two-thirds of pharmaceutical expenditure are covered by public payers. Medicines are key necessary goods procured via public procurement – universally recognised as a strategic policy instrument to achieve broader societal goals related to economic, environmental, and social sustainability in the 2030 Agenda for Sustainable Development.

Following almost two decades of cost-containment policies in public healthcare systems, financial sustainability is a crucial issue for healthcare institutions operating with limited resources. As such, when it comes to medicines, procurement is generally used as a tool to achieve cost savings rather than contributing to longer-term sustainability. Despite this almost single-minded focus, Public Procurement Directive 2014/24/EU makes clear that environmental and social considerations should be incorporated into public procurement procedures, as **sustainable public procurement is strategically important for smart, sustainable, inclusive growth**. However, entrenched public procurement practices hinder the sustainable public procurement of medicines and, in some cases, actively weaken it.

Sustainable public procurement (SPP) incorporates economic, environmental, and social sustainability factors. But ambiguity in the legal validity of sustainable procurement in EU norms appears to have created non-standardised approaches to medicines procurement within and between Member States. What's more, evidence suggests that sustainable medicines procurement has hardly developed. This is due in part to the interchangeable use of the concept of

SPP with that of Green Public Procurement (GPP) across the EU. While the number of countries implementing GPP into public procurement award criteria is growing, a disconnect remains between common procurement practices in European health systems and other areas of public activity. Additionally, as this report shows, except for a few outliers, application of GPP criteria in pharmaceutical procurement is lagging throughout the Union.

Early implementers and global leaders of sustainable medicines procurement incorporate environmental award criteria in public tenders where the Most Economically Advantageous Tender (MEAT) is used. While it could be argued that tackling environmental sustainability by default protects against social issues, such practices fail to give equal emphasis to all three dimensions of the sustainable procurement paradigm. Even in these good practice cases, price criteria continue to have the highest award weighting. Indeed, 62% of EU countries award contracts based on price only.

Traditionally, discussions about the public procurement of medicines focused solely on price control, as governments restricted budgets in the aftermath of the 2008 financial crisis. This norm changed suddenly following the declaration of the COVID-19 pandemic. As medicine shortages increased, the focus shifted to procurement practices, the security of supply and the availability of medicines. Simultaneously, as awareness grew about the environmental impact of health systems—and pharmaceuticals in particular—European law and policy began evolving to strategically tackle systemic sustainability issues.

With an evaluation of the Public Procurement Directives underway and a new Procurement Regulation anticipated, the

00 Executive Summary

analysis below shows that a higher level of emphasis needs to be placed on the sustainable procurement of pharmaceuticals.

The following report examines the application of sustainable practices in the public procurement of medicines through the lens of the three sustainability factors. Examples of real-world implementation, tools and guidelines are documented throughout. The examples provided show that there is no single, publicly available, case of a sustainable procurement practice applied in the public procurement of medicines. Economic selection criteria continue to dominate. If sustainability is applied, it falls into the trap of applying two of the three sustainability factors.

Politically, the European Union is at a crossroads. Austerity practices have become the norm in healthcare services as dissatisfaction with democratic systems grows. Trust in policymakers and public institutions is falling. Light-touch sustainability practices should be tackled as a measure

to enhance public trust and organisational reputation. At the very least, accountability and transparency show the public that decisions are made ethically and sustainably.

Selective application of the sustainability paradigm risks ignoring the approximately 1.8 million workers—including pharmaceutical production workers—exposed to hazardous medicinal products. Medicine waste that causes ecotoxicological risks to biodiversity and the environment is an existential risk for all Europeans.

59% of healthcare's emissions are associated with supply and services procurement. Thus, as a strategic tool, sustainable public procurement (SPP) has the potential to transform the healthcare sector by shaping production and consumption patterns and promoting environmental, social, and economic criteria in procurement processes.



Sustainable Public Procurement of European Medicines

01

1.1. Introduction

About €2 trillion is spent by public authorities procuring goods and services across the EU [1]. Most spending is by public healthcare authorities and services, who on average spend 8% of GDP on public procurement [1], [2]. 75% of health expenditure and two-thirds of pharmaceutical expenditure are covered by public payers [3]. Medicines are key, necessary goods procured by health service providers and generally purchased following rules defined by the EU's Public Procurement Directives¹.

Until the COVID-19 pandemic, with a few exceptions, public procurement in healthcare was not a widely discussed topic. This changed dramatically as problems in procuring goods to meet critical patient needs arose. As the initial crisis phase subsided, the discussion tipped from the problems procurers encountered to the widespread misunderstanding and misapplication of public procurement rules [4].

According to the Directives, all public procurers should apply MEAT (Most Economically Advantageous Tender) criteria when selecting a winning bid. However, **a standardised approach to medicines procurement is lacking within and between member states**—application of the criteria varies significantly [1]. Heterogeneous applications of the Public Procurement Directives have important implications for the economic, environmental, and social sustainability of medicines—factors falling within the OECD's three pillars of Sustainable Public Procurement [5]. The value of these domains is gradually increasing in public policy agendas. While some backsliding is evident in certain areas, public procurement continues to be widely seen as strategically important for smart, sustainable, and inclusive growth [1].

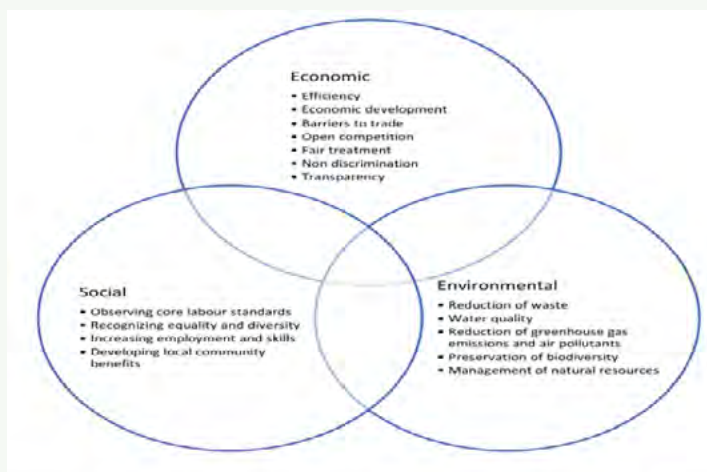
Public institutions and private players widely recognise and call for the proper application of MEAT criteria when it comes to medicines procurement. Calls largely concern shifting from price-only considerations and linking medicines procurement to sustainability objectives (see EFPIA; EC, 2022; Critical Medicines Alliance, 2025 for example). Aside from this, there is an urgent need for public procurers and public procurement bodies to weigh up the longer-term impacts of their tendering decisions on public health outcomes. These outcomes are not limited to patients actively receiving care but apply to future patients who will eventually enter the health system. Considering this, it is likely that forthcoming European legislation will put a new onus on procurers to update their procurement practices.

The focus of this research centred on the use of MEAT criteria in medicines tendering and procurement for sustainability purposes. As such, this report presents the results from a rapid scoping review of grey and scientific literature providing an overview of the research and grey literature concerning the application of MEAT criteria for the sustainable procurement of medicines. Search strings combined keywords linked to the subject were run in online academic and scientific databases. This was completed by a hand search of grey literature and the use of an AI tool to identify further studies. Good and inspiring practices for the sustainable public procurement of medicines (SPPM) were identified by combing the collected literature for resources. Examples of good practices and resources are interspersed throughout. Real-world evidence of the implementation of sustainable medicines procurement in Europe is lacking. Overall, our research suggests that the sustainable procurement of medicines in Europe is in the early stages.

¹ Public contracts priced above €143,000 must follow defined rules laid out in Directives 2014/24/EU and 2014/23/EU

Considering this, public procurers of medicines are in a unique position; they have the power to implement meaningful, lasting, positive change for entire countries and populations.

Source: The Three Pillars of Sustainable Development, (pg. 183). United Nations (2020) UN Procurement Practitioners Handbook



1.2. What is Sustainability?

The main starting point for sustainability, according to Portney (2015), is that the Earth does not have infinite resources, and excessive, unrestrained consumption poses a significant threat to life on Earth [6]. Hence, sustainability consists of three e's: environment, economy, and equity. Sustainable procurement practices differ slightly, focusing on environmental, social, and economic sustainability [7].

A clear definition of **environmentally sustainable** pharmaceutical treatments is lacking in the literature [8], although a recent paper by IQVIA states that ESG factors in this area include carbon emissions, climate change, suppliers' energy and resource use, waste generation, and the consequences this has for living beings [9].

In general, factors relating to the **economic sustainability of medicines** include pricing, market access, quality of supply chains, R&D, and the development of drugs to treat rare diseases. For instance, in the biosimilar market common concepts of sustainability relate to an appropriate and reliable access to therapies that balance incentives for all key stakeholders/multi-stakeholder; benefits uphold market attractiveness and competition that is sustainable for healthcare budgets [10].

On the other hand, **social sustainability** incorporates suppliers' relationships and reputations where they do business. In supply chains it includes 'human rights, labour standards, diversity, inclusion, and more routine issues such as adherence to workplace health and safety' (Gawronski et al. 2024, p.14). As such, social criteria in tendering procedures go beyond patient considerations.

Finally, **governance aspects** should not be overlooked. These features are linked to regulations, external initiatives, commitments to guidelines, compliance in quality, transparency, combatting corruption, and adaptation to digital, patient-orientated business models [11]. Furthermore, it includes the 'internal system of practices, controls, and procedures adopted by suppliers to govern themselves, make effective decisions, comply with the law, and meet the needs of external stakeholders' (Gawaronski et al., 2024, p.14)

1.3. Sustainability of Medicines

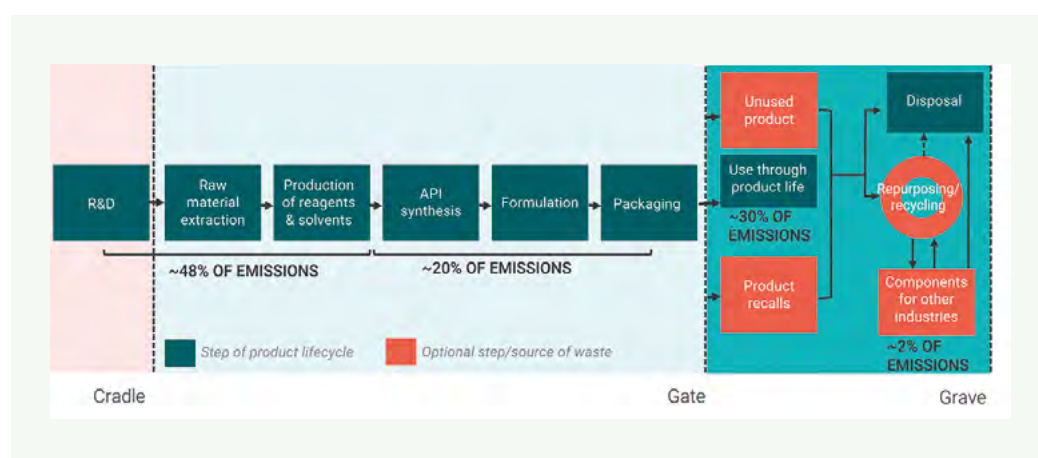
No specific SDGs or indicators concern medicines, but several are pharmaceutical sensitive. As awareness grows about controversial operations throughout supply chains, sustainability in pharmaceutical supply chains, moving beyond cost, is gaining increased attention [11]. Indeed, a paradox can be seen in the regulation and approval of medicines and their production and use. For instance, before a medicine is sold, its safety and

effectiveness must be confirmed by an independent regulator. In contrast, no specific standards exist on safe concentrations of antibiotic effluent discharged into the natural environment in any part of the world [12].

The use of Harmful Medicinal Products (HMPs) grew by 14% in the past five years and is expected to increase by a further 12% by 2028 [8]. Demographic and epidemiological changes will cause medicine use to increase dramatically in the coming decades. For instance, Germany's ageing populations and the rising incidence of comorbidities will increase pharmaceutical usage by at least 67% in 2045 [13]. Medicines are a vital element of healthcare and access to medicines is a fundamental right, but these products also have the potential to harm human, animal, and environmental health [2], [14].

Approximately 1.8 million workers, including those involved in pharmaceutical production, are exposed to hazardous medicinal products (EU-OSHA, 2023). 59% of healthcare's emissions are associated with supply and services procurement (WHO, 2015, cited in Wangen and Pettersen, 2022). A large contribution to the sector's environmental footprint is caused by pharmaceuticals [8], [15]. Medicine use in the sector causes excessive waste generation, totalling 18 million tonnes annually—25 to 125 times the weight of the drugs produced [16].

Source: Generalised pharmaceutical supply chain diagram with ranges for shares of total carbon footprint. Moving towards a more environmentally sustainable pharmaceutical industry: recommendations for industry and the transition to green HTA 10.1080/14737167.2023.2214730



Activities such as raw material extraction, energy use, antibiotic effluent discharge, and incineration are contributing to environmental degradation and antimicrobial resistance (AMR), impacting drinking water and causing ecotoxicological risk to organisms in the environment [2], [8], [12], [16]. Lastly, from research to development to the storage, transport, use, and disposal of medicines, pharmaceuticals are significant product group that have substantial potential for improving their sustainability impact [2], [16], [17], [18].

Public procurement can reward good practices when purchasing medicinal products transforming pharmaceutical supply chains and supporting healthcare institutions to make sustainable choices [19]. Indeed, this recognition is influencing medicine supply chain practices in the UK, where, for instance, Health Technology Assessments (HTA) now capture environmental information alongside clinical and cost effectiveness in their processes [11].

Social and Policy Context

02

2.1. International Efforts

The potential of public procurement to contribute to sustainable development emerged at the 1992 Rio de Janeiro UN Earth Summit [5]. Following this, the Marrakesh Working Group on Sustainable Procurement promoted the use of sustainable public procurement (SPP) in developed and developing countries [20]. In their eyes sustainable procurement is ‘the process when organisations meet their needs for goods, works and services in a way that assesses the benefits not only to the organisation, but also to society and the economy while minimising environmental damage’ (ICLEI, 2021 cited in Ustymenko et al, 2021).

A decade later, the OECD Council adopted its Recommendation on Improving the Environmental Performance of Public Procurement urging countries to incorporate “environmental criteria into public procurement of products and services” (OECD, 2019, p. 23). Following this, the United Nations established an informal Interagency Task Team on Sustainable Procurement in the Health Sector to promote environmentally responsible procurement of health commodities and the use of environmental criteria in pharmaceutical procurement [12], [21].

Sustainability goals relating to environmental and social impacts have been embraced by the United Nation’s Sustainable Development Agenda. Notably, the 2030 Agenda includes Sustainable Development Goals (SDGs) ensuring sustainable production and consumption patterns. SDG 12.7 specifically calls on all countries to promote and implement sustainable public procurement policies and action plans. Hence, even though public procurement frameworks were originally designed to achieve the best value for money at the lowest price, SPP has started to emerge in recent years [5].

2.2. Sustainability and EU Public Procurement Legislation and Policy

At the EU level sustainable procurement initiatives were influenced by international developments. Initial efforts began in the 1990s, and as the Union matured, European treaties and frameworks placed more emphasis on community, social and environmental protection, and inclusion factors. For instance, key tasks of the European Union within the Treaty on the Functioning of the European Union (TFEU) include harmonious, balanced, and sustainable growth; high social protection; high protection and improvement of the quality of the environment; improvements in the standards and quality of life; economic and social cohesion; and Member State (MS) solidarity [22].

Linked to this, fundamental principles of EU Public Procurement legislation² include equal treatment, non-discrimination, mutual recognition, proportionality, and transparency. It lays out EU rules for public works, services, and supplies contracts [1]. Public procurement is a shared competency under the TFEU, but medicines procurement is an MS competence [23], [24], [25]. What’s more, the Directive applies a light-touch regime where requirements are related to the health sector [1]. Nevertheless, the EU public procurement Directive 2014/24/EU of the European Parliament and of the Council provides public procurers of medicines with a legal framework and valuable tools for their procurement processes and, as the Critical Medicine Alliance says, ‘gives Member

² An evaluation of the Public Procurement Directives (2014/23/EU, 2014/24/EU and 2014/25/EU) is currently underway. The evaluation will examine their performance and impact across the EU, assessing whether they remain fit for purpose, achieve their intended objectives cost-effectively and adequately address current challenges.

States a large margin of manoeuvre in setting up the criteria for their tenders' (2025, p.23). What's more, with an evaluation of the Public Procurement Directives underway, a new Procurement Regulation, due in the third quarter of 2025, may introduce obligatory measures related to the national public procurement of certain pharmaceuticals [26]³.

The rise of SPP in the EU is specifically related to the voluntary Green Public Procurement (GPP) instrument. Introduced in 2008, GPP in Commission Communications, is defined as "a process whereby public authorities seek to procure goods, services, and works with a reduced environmental impact throughout their life cycle when compared to goods, services, and works with the same primary function that would otherwise be procured [27]."

However, as the OECD observes, GPP focuses only on the environmental pillar of sustainability even if it has evolved from simply minimising harm 'to actively using public tenders to achieve targeted environmental goals' [5]. Achieving these objectives can arguably be seen as also meeting social sustainability challenges⁴. This is in line with SDG target 12.4 and SDG 13, which advocate for the proper management of all waste and chemicals through their life cycle to combat climate change and support healthy lives [28]. Currently, public authorities using the EU's Green Public Procurement Guidance can integrate and use green criteria and labels in their procurements [29]. This includes technical specifications, selection criteria, exclusion grounds, contract award criteria, and contract provisions [29]. However, no specific resources for pharmaceuticals are available, and even GPP criteria for Electrical and Electronic Equipment used in the Health Care Sector is outdated⁵.

This may explain why the EU Green Deal explicitly proposes devising minimum mandatory green criteria or targets for public procurements in sectoral initiatives [30]. Such criteria will set a common definition of what a green purchase is and will create the basis for assessing the impact of green public procurements. As the Commission will propose further legislation and guidance on green public purchasing, public institutions may soon be obliged to consider environmental externalities over a medicine's life cycle when purchasing pharmaceutical products.

2.2.1. Sustainable Public Procurement and MEAT criteria

Within academic literature sustainable procurement is understood to be 'the pursuit of sustainable development objectives through the purchasing and supply process that involves balancing economic, environmental, and social factors [31]. Elsewhere, Directive 2014/24/EU on public procurement makes clear that environmental and social considerations should be incorporated into public procurement procedures. It states that "contracting authorities can contribute to the protection of the environment and the promotion of sustainable development while ensuring that they can obtain the best value for money for their contracts" [32]. What's more, the accompanying interpretative documents note that public procurement is key for smart, sustainable, and inclusive growth, which can be achieved by awarding contracts to the Most Economically Advantageous Tender (MEAT) [33].

The MEAT criteria explicitly allow procurers to go beyond price-only considerations in procuring decisions. Commentators remark that a major selling point of the legislation is the incorporation of the sustainability paradigm, which allows national authorities the flexibility to align procurement processes with social and environmental objectives [7], [23]. Despite this, the MEAT approach still accounts for a minority of PPM (Public Procurement of Medicine) procedures, as most contracts are awarded on a price-only basis [34].

This may be because Directives are a form of legislation that leave MS with the freedom to accommodate their own arrangements. As such, implementation of the Procurement Directive 2014/24/EU is heterogeneous across the Union [23]. Depending on arrangements made at the national level, the procurement context may also vary within countries [23]. What's more, following over a decade of cost-containment policies in public healthcare

³ The evaluation of Public Procurement Directives (2014/23/EU, 2014/24/EU and 2014/25/EU) aims to examine their performance and impact across the EU, assessing whether they remain fit for purpose, achieve their intended cost-effective objectives and if they adequately address current challenges.

⁴ The availability of raw materials for medicines production depends on a healthy, functioning, environment.

⁵ A 2022 JRC assessment recommends that this criteria is updated as a lack of up-to-date criteria could negatively affect the uptake of the EU GPP Policy. See: Assessment of the European Union Green Public Procurement criteria for four product groups - Publications Office of the EU available at <https://op.europa.eu/en/publication-detail/-/publication/1d5a8c25-74ec-11ec-9136-01aa75ed71a1/language-en>

systems, financial sustainability remains a crucial issue for organisations operating with limited resources. As such, when it comes to medicines, procurement is generally used as a tool to achieve savings rather than contribute to longer-term sustainability [35]. However, studies show that improving procurement efficiency in health care by 10% provides up to an extra 0.5% of GDP to cover healthcare needs [36], [37]. Pharmaceutical expenditures range from 6.4% of health spending (Denmark) to 26.9% in Greece to 34.4% (Bulgaria) (OECD, 2022 cited in [4], p. 179). When Nemec's finding is applied to pharmaceutical expenditures, additional available funds for medicines could be as high as 0.17% of GDP.

Moreover, Ustylenko advises that at the MS level 'implementation of sustainable public procurement is possible only if there is legal base that must meet the requirements set out in EU legal norms on sustainable procurement' (2021, p. 3). At the same time, EU norms on sustainable procurement are not mandatory, and there is ambiguity in the legal validity of sustainable procurement in EU norms [20]. Additionally, there is a lack of goods that meet established environmental requirements [20]. Despite these challenges, MS such as Norway, Denmark, and Germany are supporting sustainable public procurement at the legislative level through the development of programmes and integrating relevant norms into legal acts that regulate other areas [20].

Consensus is growing within multilateral institutions that green public procurement using environmental criteria can be used as a mitigation option at the stage of pharmaceutical production [12]. Within the EU, the Commission has committed to discussing the possibility of using procurement policy to encourage greener pharmaceuticals. Furthermore, the [2021 opinion on public procurement in the healthcare system](#) by an Expert Panel on effective ways of investing in health recommends that the scientifically underpinned use of contextual, environmental, and social criteria should be enhanced in healthcare procurement [1].

2.2.2. Pharmaceutical Policy and Legislation

Europe's Pharmaceutical Strategy calls for public procurers to design smart and innovative procurement procedures and improve related aspects, including price conditionality, green production, and security of supply [38]. These calls reflect a Commission notice, which underlines that a smart setting of the MEAT criterion encompassing both quality and price could significantly improve innovative procurement practices [39]. Adding to this, the [forthcoming reformed Pharmaceutical legislation](#), currently under review by the European Council, places a high level of emphasis on sustainable supply and greener pharmaceuticals. Here procedures are laid down for environmental risk assessments of antimicrobials. A requirement is included to evaluate the risk of AMR in the environment due to the entire manufacturing supply chain inside and outside the European Union. Considering this, procurement practices need to take 'into account, where relevant, the existing international standards that have established predicted no effect concentration (PNECs) specific for antibiotics' (Bhullar, 2024, p. 297).

The Expert Panel in healthcare opinion on public procurement states that "from a health policy perspective, the primary goal of pharmaceutical procurement is to enable patients to have access to the medicine they need" [1]. However, timely and affordable access to medicines depends on tenderers using reliable procurement criteria [39]. Public policy discourse largely focuses on the economic and environmental sustainability of medicines, but procurement practice tends to generally favour short-term economic considerations [34]. Thence, in 2016 a European Parliament Resolution (2016/2057(INI)) called on the European Commission to define how the MEAT criterion can be best applied to medicine tenders in hospitals to enable a sustainable and responsible supply [40]. What's more, a European Parliament Resolution on the Strategic Approach to Pharmaceuticals in the Environment pointed out the important role of procurement policy to promote greener pharmaceuticals [41]. Here, the Parliament called on the Commission to develop clear guidance on this issue. Following such calls, the Commission held a consultation conference to discuss and collect overarching feedback on the content for EU guidance on public procurement of medicines [42]⁶.

⁶ The outcome of this consultation has yet to be released.

Finally, and more recently, the proposed Critical Medicines Act will address aspects concerning the economic, social, and environmental sustainability of medicines [26]. The Act's core objectives are to improve the availability, supply, and production of critical medicines. To this end, the Act proposes using public procurement to incentivise the resilience of supply chains and improve access to medicines of common interest. In this regard, consistent procurement requirements are to be implemented by contracting authorities, and the application of MEAT criteria and multi-winner approaches will become mandatory. This is consistent with calls by the Critical Medicines Alliance, who recommend the systematic application of specific MEAT criteria in the EU [25]. A key rationale for the Alliance's recommendation is industry's adherence to high environmental standards in production processes is not sufficiently rewarded in how critical medicines are bought. Thus, according to the Alliance purchasing criteria, 'should include the best price-quality ratio, comprising at least three criteria: environmental, security of supply and resilience' (p. 26).



Sustainability & Public Procurement of Medicines

03

Public procurement of medicines (PPM) can be applied strategically to meet overarching policy objectives. In practice, PPM concerns all aspects surrounding the process of purchasing medicines by a contracting authority [1]. It is commonly used in hospital settings and public health programmes (e.g., immunisation programs) and plays a lesser role in the community and primary care sector [34].

Public procurement (PP) rules apply to contracts exceeding thresholds of between €143,000 and €215,000 [43]. PP procedures can take one of three forms: open, restricted, or a competitive procedure with negotiation. PPM frequently applies (mainly open) tender procedures, framework agreements, and negotiations, depending on the type of medicines. Generally, these are used with the aim of containing cost [34], [44], [45].

Pharmaceutical tendering is defined by the WHO (2021) as “any formal and competitive procurement procedure through which offers are requested, received, and evaluated for the procurement of goods, works or services and as a consequence of which an award is made to the tenderer whose tender/offer is the most favourable [46]. Adding to this, tenders are awarded to suppliers who made the most advantageous offer, according to MEAT criteria [46].

Estimates suggest that tendering accounts for 50% of the European market, 40% of European drug purchases, and almost 100% of drug purchases made by hospitals [9]. As financial resources tighten, healthcare institutions are increasingly using tendering to contain costs. Indeed, an increasing number of published tenders have been observed by respondents in IQVIA studies [9].

Tendering is traditionally associated with enhancing competition. It is increasingly being used to encompass other dimensions of value beyond price through the application of MEAT [47]. Factors such as security of supply, the ability to maintain multiple manufacturers in the market, and ESG criteria are increasingly considered in tendering evaluation criteria [9]. Before proceeding, it should be noted that research literature on pharmaceutical tendering is exploratory in nature. Little empirical research has been conducted to date due to data collection difficulties [45].

3.1. Practices and Procedures

Pharmaceutical tendering normally bulk acquires medicines over a fixed period. Tenders are mostly used at the hospital level for generic medicines but are being extended to include the purchase of biosimilars and vaccines [9], [45]. Tender practices in the outpatient setting have also been reported, where off-patent medicines are mostly targeted [3], [48].

Organisational forms of procurement generally fall within one of three categories: facility-based, group procurement, or centralised procurement [34]. Additionally, cross-border joint procurement mechanisms are emerging—for example, the Norwegian Procurement Forum and the Baltic Procurement Initiative. Different institutional frameworks are used, individual and pooled procurements can be conducted, and centralised procurement or voluntary pooling can take place at the regional or national level [3], [34]. In Belgium, for example, medicines are procured by both individual hospitals and hospital groups [49]. There is a trend towards more centralised PPM in the hospital sector; voluntary group procurement is mostly used for hospitals medicines [34]. Most countries use more than one procurement form, depending on the sector and medicine type [34].

Competitive pharmaceutical tendering has become a pivotal strategy to contain healthcare costs and enhance competition. Its main objective is to select the most cost-efficient supplier [45], [50]. Tendering processes are complex, regulated by national and European legislation, and guided by publications from other international organisations (e.g., OECD, UNDP, WHO) [51]. As such, tender design and application vary within and between countries.

Tendering phases include bid submission, evaluation and award, and finally the selection of winners according to specified award criteria [1]. The typical process involves governments asking manufacturers to submit quotes after a baseline price has been fixed [52]. Generally tender calls specify a reserve price and strict criteria [4], [45]. According to a study by the Commission on Best Practices in PPM, hospital procurers follow the pharmaceutical life cycle approach in tendering processes. At the same time, hospital pharmacists' perspective is that pharmaceutical tendering largely aims to contribute to 'quality assurance, security of supply, and cost containment' [34].

As Directive 2014/24/EU states, MS should have the right to prohibit or constrain cost or price for procurement [53]. Considering this, two different methods are taken to award tenders under EU Procurement legislation: the lowest price and the MEAT [53]. MEAT allows procurers to either separate or combine three criteria (i.e., price, cost, and the best price-quality ratio (BPQR))⁷ during the tendering process. Tenders based on MEAT criteria are evaluated according to the weighting of each criterion, and a total score is then calculated to determine the winning bid [9]. If the procurer chooses to apply the best price-quality ratio, the procurer has discretion to determine the criteria by which tenders are assessed [47]. This can include non-price, qualitative criteria to support wider social, labour, and environmental goals. As such, quality, price, technical merit, aesthetic and functional characteristics, environmental characteristics, running costs, cost-effectiveness, after-sales service and technical assistance, delivery date, and delivery period of completion are criteria that can be applied for tender evaluation.

The inclusion of award criteria beyond price (e.g., the availability of value-added services) can encourage increased competition and provide multi-stakeholder benefits. Moreover, sustainable tendering depends on the number of winners, award criteria, and the length of awarded contracts. In theory, the bidder with the most advantageous tender should win the contract; the contracting authority will acquire the product at the lowest price for the desired quality or at the highest value of money if quality differs across bids [1]. In practice, a winner-take-all principle is applied [45], [46]. In fact, single-winner tenders are the norm, and typically the lowest-priced bid is awarded throughout Europe [44], [54], [55].

PPM, states the Commission, reflects the heterogeneity of MS health systems [34]. In their view, PPM is a well-established practice across the EU. In contrast, industry associations criticise PPM for a lack of standardisation and, in some cases, non-compliance with the spirit and letter of the Procurement Directive [34]. Indeed, Németh points out that the design and application of tenders varies across and within countries [44]. Meanwhile, Esplugues (2024) observes that the Spanish Independent Authority for Fiscal Responsibility identified that approximately two-thirds of public procurements (including drugs) in hospitals in 2018 were conducted through small contracts or direct purchasing and did not comply with mandated national and European regulations [50]. This may be, as identified by EFPIA, due to inaccurate volume estimates leading to orders that are unsuitable to hospital needs, which result in the organisation of separate short-term tenders [43].

⁷ Best Price-Quality Ratio (BPQR) is an award criterion in public procurement under EU Directive 2014/24/EU, used to determine the most economically advantageous tender. It evaluates offers based on a combination of price and qualitative factors such as technical merit, sustainability, social value, or delivery terms rather than price alone. Contracting authorities assign weights to each criterion to ensure a transparent and value-driven selection process.

3.2. Application of MEAT Criteria

A study by the European Commission found that MEAT is used only in a minority of PPM procedures. Between 2008 and 2021, only 44% of contracts were awarded according to MEAT criteria [34]. The use of MEAT criteria across product type also varies. For instance, this same study found that MEAT criteria are more likely to be applied to vaccine procurement than other medicine products [34]. Since this publication, industry

reports reveal that MEAT criteria is the main tendering practice in the Nordic region. Meanwhile, the application of MEAT criteria is becoming increasingly important in the founding EU MSs, Spain and the United Kingdom (UK). However, MEAT use is minimal or completely absent in most MSs; price-only tenders continue to be the norm [55].

Reasons for the low uptake of MEAT may be related to transparency requirements, the number of market suppliers, organisational reluctance to implement MEAT in tendering processes, and silo budgeting in healthcare systems [9], [34]⁸. For the latter challenge, research by MedTech Europe and others shows that even if decision-makers are supportive of applying MEAT criteria, ‘hospital procurement officials cannot be asked to spend more...if the [financial] benefits show up on someone else’s balance sheet’ [56].

Aside from these barriers, suboptimal tendering and defective procurement practices undermine the economic sustainability of medicines [50], [57]. As the following discussion will show, an excessive focus on one dimension of economic sustainability, combined with a narrow interpretation and application of procurement criteria, has a knock-on effect on the long-term resilience in pharmaceutical markets.

As previously mentioned, the ability to select specific suppliers based on specific environmental, social, and economic standards is a key action for sustainable public procurement. However, as the following discussion will show, it appears that embedded public procurement practices hinder the application of sustainable procurement to medicines and, in some cases, weaken it.

3.3. Market Sustainability

Pharmaceutical spending is a major budget item and a significant bill for healthcare providers. For instance, in Finland, total medicine sales were €3,518M in 2020; €820M was spent by hospitals [58]. In Spain, the combined worth of 16 adalimumab tenders between 2018 and 2024 was €528M [50]. Considering these figures, it is no surprise that safeguarding economic sustainability focuses on buying medicines at affordable prices to protect pharmaceutical budgets. Studies show that competitive tendering is one of the most cost-effective instruments for this purpose.

Research on specific medicine products shows that competitive analogue tenders result in 44% of savings on hospital pharmaceutical prices, with savings ranging between 0.4% and 93% depending on therapeutic areas and the area of indication [45]. In a separate study, competitive tendering for adalimumab in Spain resulted in a 66% price reduction compared to the initial price [50]. Such astronomical savings may explain why contracting authorities continue to award contracts using price as the sole criterion [34].

3.3.1. Price-Only Awards & Market Competition

Data show that **price is the most important and dominant criterion in tender selection** [9], [56]. A price element is always included in the award criteria for competitive tendering procedures and 62% of countries awarded contracts based on price only [34], [59], [25]. Even where MEAT is employed, price has the highest weighting [9], [55], [60]. Country-level studies observed that price was the only criterion for tender awards in one-third of cases for biosimilar medicines. Meanwhile, limited information was provided about the qualitative criteria used in selection processes [48].

The need for health systems to achieve cost savings is widely appreciated. And while price-only considerations contribute to affordability and drive prices down in the short term, they risk the long-term availability of, and patients access to, medicines [61]. Industry calls, commission studies, and academic research all point out that market sustainability is undermined by low prices. **Low prices weaken market competition**, create poor business environments, and lead to a possible ‘race to the bottom’ in prices [51], [59], [61]. Direct impacts are low tender participation rates, supplier with-

⁸ In Denmark, procurement documents must include the relative weighting the procurer gives to each of the criteria chosen to determine the most economically advantageous tender. The evaluation method must also be described (Wadmann & Kjellberg, 2018, p. 18).

drawals, supplier consolidation, stock-out situations (as price incentivises small stock holdings), medicine shortages, and medicine manufacturing moving outside of the EU [3], [3], [26], [34], [43]. What's more, constant price pressure may impact medicine innovation. Low profits from low prices mean some companies, such as SMEs, will not have the financial resources to invest in research and development. In fact, the low profitability of the Nordic markets for generic medicines is seen to be a particular threat for innovating generic antibiotics [62].

Real-world evidence of the consequences of this practice has been documented throughout Europe. For instance, in Portugal, a public tender for vaccines failed to attract any competitor as the base price was set too low [34]. Similarly in Spain, price-based vaccine tenders resulted in problems attracting bids, leading the government to increase the price to prevent suppliers from leaving the market [63]. This demonstrates that emphasis on prices has negative spillover effects on not just drug availability but also public health outcomes. What's more, from a business case perspective, in the long run low prices contribute to higher costs; reduction of supply inevitably leads to an increase

in demand with knock-on effects on prices [63]. For example, Portugal had to procure vaccines at higher prices outside the public procurement framework [34].

Adding to this, low prices affect manufacturers financial viability. This can lead to monopolistic situations, with spillover effects on market diversity, competitiveness, and employment rates associated with factory closures [24], [47], [64]. Additionally, awarding contracts based on the lowest price may reflect a lower-quality product, meaning short-term savings could generate greater overall long-term patient care costs [1]. Finally,

a price-only approach fails to consider other important product elements, including the effectiveness of the drug, storage, training and disposal costs, post-sale service, and supply volume risks [9].

The European Commission (EC) suggests that the lowest price approach is advantageous due to its simplicity, requiring minimal resources to assess [1], [34]. Additionally, according to MedTech Europe, it has instinctive appeal and is also less likely to be subject to criticism and litigation [56]. Adding to this, it may be the only criterion to differentiate suppliers in markets with limited competition [34]. What's more, weak enforcement of laws requiring consideration of additional criteria can lead authorities to rely primarily on price, as in Italy [10].

3.3.2. Single Winner Contracts & Security of Supply

The economic perspective of public procurement means public resources are spent as efficiently and as fairly as possible, while allowing healthy competition [65]. However, there is an overall trend in market concentration in all industries and sectors [4]. **Single-bid procedures are an endemic issue in pharmaceutical procurement** in several EU countries, which has contributed to significant declines in competition levels in the EU's public procurement market in the past decade [5]. Such issues are further exacerbated by the fact that there is a lack of awareness that competition is a prerequisite for value for money (European Court of Auditors cited in OECD, 2024). As a result, the competitive process public procurement relies on is either absent or losing intensity, without which the true benefits of procurement can't be realised [1], [29].

The prevalence of single-winner contracts is evident from a Spanish study where 13 out of 16 evaluated tenders for a biosimilar were designed to be awarded to a single winner. According to the author, this finding aligns with the documented situation in Europe for

Source: Is price the only criteria in tenders (pg.12). IQVIA (2022) White Paper: From Regulated Prices to Prices Set in Tenders Tendering landscape in Europe iqvia.com/-/media/iqvia/pdfs/library/white-papers/tendering-landscape-in-europe-whitepaper-19-10-orb3270.pdf



biosimilars [50]. Furthermore, awarding single-winner contracts is the default for some medicines, according to a study by the EC [34]. Single-winner award contracts may be particularly problematic for vaccine and biosimilar procurement given the complexity of production, longer manufacturing lead times, and development and market entry processes [63], [66].

Awarding tenders to one supplier creates a high risk of generating drug shortages given the possibility that the winning supplier may fail to deliver [34]. Supply is compromised as competition and supplier diversity are reduced, leading to monopolistic behaviours impacting product availability [50], [64], [67]. Indeed, supply problems have been encountered in Norway when tenders have been awarded to only one pharmaceutical company [68]. Equally, in France a winner-takes-all approach led to product withdrawals from the market [55]. Likewise, in New Zealand, tenders with only one winner led to delivery problems and supply difficulties; supplies had to be procured at a higher price due to lack of fulfilment by the tender winner [69].

Medicine shortages are well documented to have significant effects on healthcare professionals and detrimental effects on patient care. Negative patient outcomes and increased workloads, in addition to the economic consequences associated with a need to procure higher-priced alternatives, are well documented in grey and scientific literature (see [70] for example). Likewise, concerns have risen that there is no guarantee the medicine produced from a single awarded manufacturer is the optimal choice for patients. Thus equitable patient access according to medical need is not assured [44]. As demonstrated earlier, and in line with economic theory, medicine prices increase after a shortage arises, jeopardising any savings made, especially for lower-priced generics produced by a solo manufacturer [50], [64].

Such practices are possibly linked to an assumption that one pharmaceutical company can supply the whole market [44]. On the other hand, single-winner contracts appear to be linked to price, as they typically achieve substantial discounts [71]. However, winner-takes-all awards, along with the application of price-only criteria, are strongly discouraged by grey and scientific literature. From an industry perspective, single-winner contracts cause manufacturers to lose market access for several years, impacting their ability to meet fixed costs and, in some cases, drive them out of the market indefinitely [59]. Single-winner contracts disincentivise investment [50]. Such is the case in the Czech Republic and Slovakia, where tenders receive an average of 1-2 bids [1].

3.3.3. Practices supporting market sustainability

Securing access to and availability of medicines is a key responsibility of European health systems. Considering the right to health, avoiding shortages is paramount for sustainable healthcare delivery and patient care. The power of tenders and public procurers to negatively shape markets has been acknowledged by industry associations, researchers (see [47]), the European Commission (EC), and international organisations such as the GAVI Alliance. Poor tendering practices that award contracts based on price considerations and to single winners can lead to low procurement ability [64].

Considering this, Denmark's National Medicines Procurement body has adopted an innovative approach to shape positive marketing conditions—see [Box 1: Case Study—Strategic procurement across the product life cycle: the Amgro model](#).

Case Study—Strategic procurement across the product life cycle: the Amgros model

Amgros, Denmark's central procurement body for hospital medicines, **has pioneered a structured life-cycle perspective on market conditions for procurement that adapts its purchasing strategy to a medicine's stage in the market.**

How it works

Amgros applies a seven-phase model to guide its procurement strategy across the entire market lifespan of a medicine. It begins with Phase 0: Horizon scanning, where the focus is on identifying early signals such as clinical development, regulatory authorisations, and expected market entry of the medicinal product. **This allows Amgros to prepare in advance** and ensure alignment between clinical assessments and procurement planning.

In Phase 1: Introduction of a new product or a new delivery form, a brand-new patented pharmaceutical is introduced to the market. At this stage, there is no competition, and Amgros typically engages in direct negotiation with the supplier. The goal is to secure an affordable price compared to the list price. This may involve the conclusion of Managed Entry Agreements (MEAs)⁹ to manage uncertainty and ensure early access.

Phase 2: Monopoly or de facto monopoly describes a situation where the product continues to dominate the market, either because of therapeutic superiority or lack of alternatives. Procurement still relies on negotiation, with increasing attention to emerging clinical data and competitor signals.

In Phase 3: Full or partial analogue Competition, other pharmaceuticals with similar therapeutic effects, but based on different active ingredients are approved for the same indication. This opens the door to more competitive procedures, such as open or restricted tenders, allowing Amgros to leverage value-based competition between suppliers.

In Phase 5: Potential Supply Risk, some suppliers begin exiting the market due to shrinking margins, raising concerns about product availability. Here, procurement methods are adjusted by giving greater weight to security of supply in the award criteria.

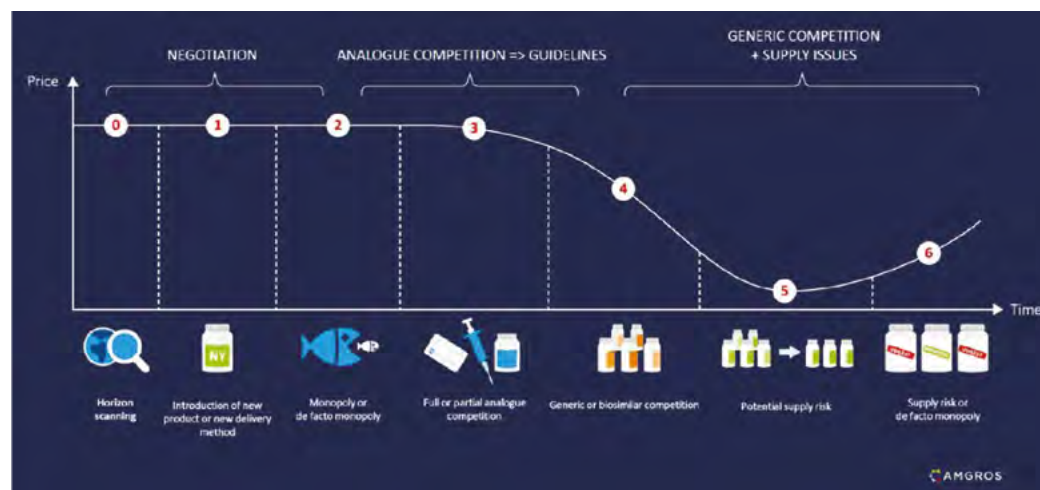
Finally, in Phase 6: Supply risk or de facto monopoly, the product may be supplied by only one or very few manufacturers. At this point, Amgros reverts to negotiation, possibly combining it with mitigation measures such as strategic stockpiling or framework agreements aimed at preserving market participation and avoiding shortages.

What it means for procurers

The life cycle approach offers a pragmatic, flexible framework that reflects the true complexity of medicine markets. It avoids one-size-fits-all methods and instead supports procurement decisions that need to be timely, targeted, and aligned with broader health system goals. Amgros' model shows how procurement can be a powerful policy lever, helping health systems manage cost, improve access, and maintain care quality, even in a rapidly changing market between suppliers.

⁹ Contractual arrangements that allow conditional or early access to high-cost medicines while managing uncertainty, often by linking payment to clinical outcomes, volumes, or performance conditions.

Source: Life-cycle perspective on market conditions and procurement mechanism. Amgros (copyright holder)



PUBLIC PROCURERS OF MEDICINES CAN UPHOLD THE PRINCIPLES OF THE EU PROCUREMENT DIRECTIVE AND CONTRIBUTE TO MARKET SUSTAINABILITY BY AWARDING MULTIPLE WINNERS AND MOVING BEYOND PRICE-ONLY CONSIDERATIONS.

Flexible procurement systems that allow for multiple winners, split tenders,¹⁰ and shorter contract durations can negate medicine shortages and business risk, encouraging suppliers to remain in the market [61], [64]. Moreover, multi-winner contracts can support the consensus of what appear to be conflicting policy objectives between competition and supply security [34]. Examples of such contracts are available in several countries (see box 9: Country Fiche Germany below), Italy, the UK, and Spain—see [43], [59], [63].

¹⁰ Split tenders have been used for influenza tenders in the Netherlands and the Norway region. Here, tenders have been awarded to multiple providers based on a 60/40 split. Other examples of such practices can be found in the UK. See Vaccines Europe, 2020 & EFPIA, 2022 for further information.

Case Studies—Multi-awardee framework contracts

The multi-awardee framework agreements are explicitly supported under Article 33 of [Directive 2014/24/EU](#), which allows contracting authorities to conclude framework agreements with more than one economic operator.

Italy – Multi-award framework contracts for procurement of off-patent biologic medicines

Italy provides a rare example of a legal obligation for multi-awardee procurement in the area of off-patent biological medicines. Since 2017, public buyers are legally required to split awards among multiple suppliers when at least three therapeutically equivalent biologics are available. This rule stems from Budget Law 2017 ([Law no. 232/2016, Art. 1, para. 407](#)), which amended [Decree Law 95/2012](#). The provision mandates the use of multi-supplier framework agreements to ensure equitable market access, predictable volumes, and supply resilience.

Importantly, this requirement applies not only when biosimilars are already on the market at the time of the procurement procedure but also if a branded biologic loses patent exclusivity during the term of the contract. In such cases, the contracting authority must be prepared to adapt the framework and include newly available biosimilar suppliers.

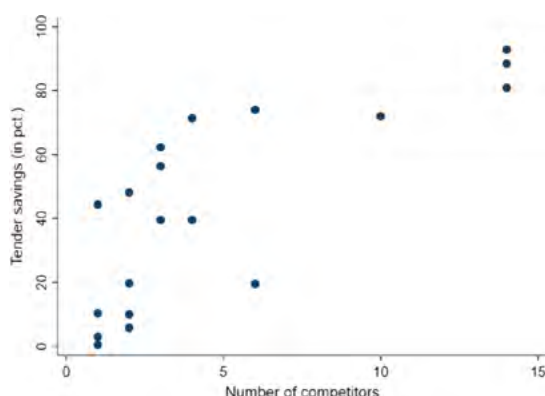
England – NHS Framework with transparent volume allocation

In 2018, NHS England launched a multi-award procurement for adalimumab [following patent expiry of the originator product](#)¹¹. The framework assigned ranked suppliers different volume shares, with the top bidder receiving the largest portion. This tiered model maintained strong price competition while ensuring that multiple suppliers stayed active in the market. Importantly, the volumes were made transparent in advance, improving predictability for bidders and supporting stable supply planning. The approach balanced affordability with long-term market resilience, becoming a benchmark in European biologics procurement.

What it means for procurers

These cases show that multi-award frameworks, whether mandated by law or designed with clear volume-sharing mechanisms, help maintain supplier diversity and ensure predictable access to essential medicines. For public procurers, transparent structures and adaptable contracts reduce supply risks while supporting sustainable market engagement over time.

Source: Tender savings compared to the of competitors. Ehlers, L, Jensen, M., & Schack (2022) 'Competitive tenders on analogue hospital pharmaceuticals in Denmark 2017-2030'. <https://doi.org/10.1186/s40545-022-00464-6>



The MEAT criterion are believed to contribute the most to competition and is the top-ranked criterion for competition and multi-award contracts [34]. In fact, studies show that countries frequently using MEAT attract a higher number of bids and have higher competition levels [34].

¹¹ See NHS England Board Paper - 08-pb-28-11-2018-best-value-adalimumab-product-in-nhs.pdf

Furthermore, there is a positive and statistically significant correlation between tender savings and the number of tender competitors [45]. Older studies reinforce this finding: **increasing the number of tenderers from two to eight obtains higher competition levels and achieves average savings of 12–14%** [72]. These findings back up suppliers' views that single-winner tenders have a negative impact on affordability [34]. Likewise, it bolsters multi-stakeholder views that multiple-winner approaches specifically support medicine sustainability [34].

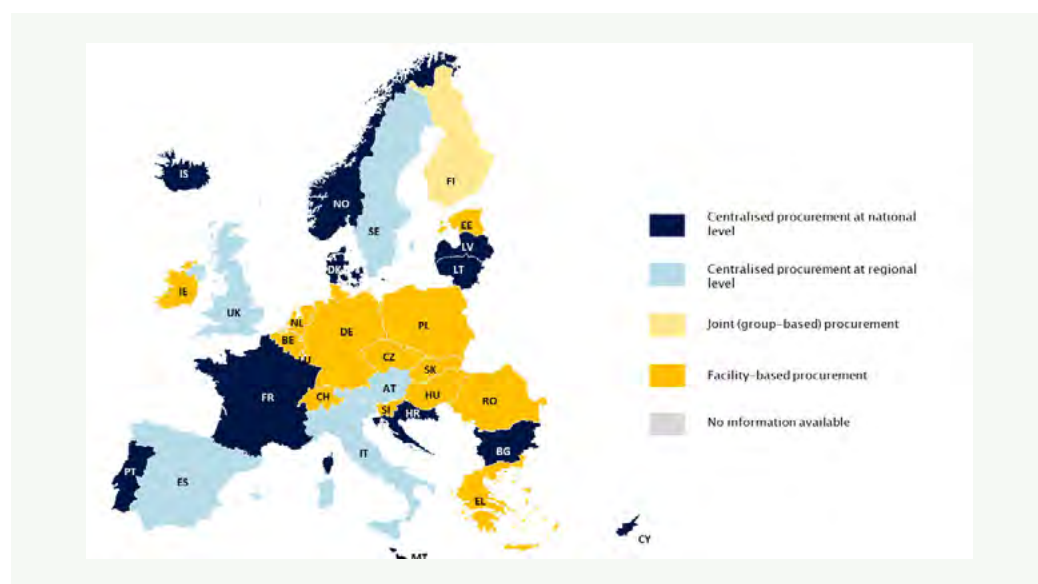
As with price-only considerations, the preference for single-winner contracts is tied to (i) perceptions that they are challenging to plan, (ii) excessive bureaucratisation of procurement processes, and (iii) a limited number of suppliers for specialist medicines [34], [36], [37], [44]. More unsettling reasons for the prevalence of single-winner contracts are linked to cases of collusion and systematic corruption in some countries [36]. OECD figures suggest that up to 25% of public procurement (on pharmaceuticals, devices, equipment, etc.) is lost to fraud, corruption, and poor procurement practices [45]. Indeed, corruption in public procurement practices gained widespread attention both during and following the COVID-19 pandemic [20].

3.3.4. Joint Procurement

Pooled procurement mechanisms date back to the late 1970s when the World Health Assembly (WHA) underlined that collective purchasing could reduce medicine prices [73]. These mechanisms can take place at the sub-national, national, inter-country, and global levels. In the EU, cross-border procurement amongst the Member States is facilitated and encouraged by Public Procurement Directive 2014/24/EU and EU Decision 1082/2013/EU on serious cross-border threats.

While facility-based procurement is dominant, occasional voluntary joint/pooled procurements between hospitals and countries occur [34]. Indeed, consolidating purchases using joint procurement mechanisms may become more widespread considering their benefits and advantages. In fact, evidence suggests an increasing number of countries are introducing national centralised procurement systems and simultaneously considering international collaborations [34], [73], [74].

Source: Main route for procurement of medicines in hospital settings. European Commission (2022) Study on best practices in the public procurement of medicines: final report



Studies show that pooled procurement mechanisms can achieve substantial cost savings (up to 50% in some cases), depending on award practices [34], [74]. At a strategic level, contract value and joint procurement have been evidenced to positively correlate with the likelihood of a contract being green [53]. The qualitative advantages of these mechanisms are numerous, ranging from making markets more attractive, increasing the availability of medicinal products, eliminating monopolies, containing prices, stimulating research and product innovation, sharing technical capacity, information, and human resources, improving procurement efficiency and quality standards, and reducing corruption levels [34], [73]. Considering this, multiple researchers point to the opportunities these mechanisms have for addressing market failures and unmet medical needs, reducing disparities, and promoting equitable access to innovative medicines. As such, the greater use of these mechanisms is encouraged [73], [75].

At the same time, pooled procurement mechanisms are resource intensive, require experienced staff, and some trade-offs may need to be made when policy objectives conflict (price vs. green pharmaceutical design) [34], [73]. What's more, the rewards linked to pooled procurement mechanisms depend on award criteria, and a balance needs to be struck between price pressure and sustainable competition. Joint procurement mechanisms have been criticised for driving down prices, reducing margins, and reducing economic incentives [60]. **Joint procurement may erode the supplier base and pose a long-term risk to medicines availability if they replicate poor tendering practices at national level that fail to protect market sustainability.**

Adding to this, industry representatives have expressed concern that cross-border procurement mechanisms may inadvertently result in inequitable access to medicines. This risk stems from systemic differences between member states 'in pricing, reimbursement and HTA frameworks, budgetary decisions and national policy priorities' (EFPIA, 2025, p. 4). Another challenge is that multi-country coordination often involves divergent timelines, legal frameworks, and procurement capacities, causing increased procedural complexity and slower deliveries [76].

A POTENTIAL SOLUTION TO THIS CHALLENGE MAY INVOLVE CREATING A COMPREHENSIVE FRAMEWORK FOR MEDICINES PROCUREMENT.

A five-year retrospective study on such a framework, at the regional level, observed that optimisation of procurement performance led to reduced costs and enhanced supply chain resilience [77]. Here, the framework standardised pre-tender activities, established a technical office to coordinate operational execution, implemented a contracting process, and established feedback mechanisms while continuously monitoring of results from awarded tenders [77].

Case Study—Nordic Pharmaceutical Forum joint procurement collaboration

The Nordic Pharmaceutical Forum (NPF) is a collaborative procurement initiative among Denmark, Norway, Sweden, and Iceland, with Finland participating as an observer. Initiated in 2015 by procurement experts from Denmark's Amgros agency, it aims to strengthen the procurement of medicines by leveraging cross-border cooperation to address supply security, sustainability, and cost-efficiency, especially for off-patent hospital medicines at risk of shortages.

Key achievements

- NPF conducted its first joint tender in 2019, marking a milestone in Nordic collaboration on pharmaceuticals. This tender **targeted off-patent hospital antibiotics** and, from the outset, adopted the MEAT approach by incorporating non-price criteria (i.e., environmental sustainability and supply chain resilience) into the award evaluation. NPF has been able **to maintain strong supplier competition** even after expanding award criteria to include broader policy objectives. This was made possible through the introduction of a balanced scoring model, first formalised in the 2022 joint anti-biotic tender, that assigned 50% weight to price, 30% to environmental performance, and 20% to supply security.
- **A third achievement was the improvement of overall supply security:** by coordinating pooled procurement, **NPF attracted new and additional suppliers to the Nordic market**, increasing reliability of deliveries and building resilience against global supply disruptions.
- NPF also demonstrated that environmental sustainability can be **implemented through procurement**. Tender documents included enforceable criteria such as API site transparency, compliance with discharge thresholds, and third-party certifications (e.g., AMRIA Antibiotic Manufacturing standard), all of which directly influenced supplier selection and contract awards.
- NPF introduced structured pre-tender supplier engagement as part of its joint procurement process to test the feasibility of proposed requirements, improve transparency, and ensure that award criteria were clearly communicated to the market, helping to preserve competition.
- Finally, a concrete spillover cross-border effect: after being unable to participate in the 2019 tender due to legal constraints, Iceland amended its Medicinal Products Act (No. 100/2020) to enable foreign-led procurement or modular bids. This legislative change allowed Iceland to fully join the 2022 tender.

What it means for procurers

These cases show that multi-award frameworks, whether mandated by law or designed with clear volume-sharing mechanisms, help maintain supplier diversity and ensure predictable access to essential medicines. For public procurers, transparent structures and adaptable contracts reduce supply risks while supporting sustainable market engagement over time.

Case Study—Sustainable Joint Procurement of Medical Supplies, Norway

In 2021, the municipalities of Stavanger, Sandnes, Sola, and Randaberg launched a joint public procurement process for medical consumables to supply a wide range of products and other medical supplies to health and social care institutions, including nursing homes, care homes, emergency rooms, housing associations, and community nursing services.

The main objective was to ensure a secure and cost-effective supply of essential medical consumables while addressing social and environmental risks in global supply chains, particularly for high-risk items like disposable gloves, which are often produced in countries where labour rights abuses are common. To achieve this, **the tender combined clear social and environmental measures with well-defined selection, technical, award, and contractual criteria**, supported by early supplier engagement and transparent evaluation.

Selection Criteria (pass/fail test):

Bidders had to demonstrate strong ethical due diligence and risk management in their supply chains, focusing on labour and human rights conditions. Relevant certifications included ISO 14001, EMAS, or equivalent, such as the Norwegian “Eco-Lighthouse” certification scheme.

Award Criteria:

Price (40%) was evaluated alongside environmental criteria (30%) and social responsibility criteria (30%).

Environmental Criteria

The tender required the mandatory use of environmentally friendly products, with tenderers obliged to provide details of their product range (e.g., products carrying environmental labels). For products with packaging, suppliers were required to document membership in a return scheme¹² (e.g., Grønt Punkt Norge As or an equivalent scheme) or demonstrate their own arrangement for the responsible final processing of packaging, to be maintained throughout the contract period. Tenderers also had to demonstrate their ability to use zero-emission or fossil-free vehicles:

- Using zero-emission or fossil-free vehicles for the main delivery (weighted 90%).
- Zero-emission or fossil-free vehicles for urgent deliveries (weighted 10%).

Social Responsibility Criteria

The award criteria were based on the OECD’s Due Diligence Guidance for Responsible Business Conduct and consisted of two sub-criteria, bearing equal weight:

- **Ethical trade in the supplier’s own company:** suppliers must describe their Code of Conduct, follow-up systems, contract termination measures for non-compliance, and staff training on ethical trade and sustainability.
- **Traceability in the supply chain:** focusing on the traceability of all products covered by the contract. Special emphasis was placed on gloves and bandages, considered high-risk due to raw materials and the risk of human rights violations across their life cycle.

¹² A return scheme is a system for collecting and processing packaging waste (or other used materials) after products have been delivered or consumed to ensure proper recycling or environmental disposal.

Contract & Exclusion Clauses:

Contracts included clauses requiring ongoing monitoring, reporting, and corrective actions. The contract performance clauses were based on the [UN's Guiding Principles on Business and Human Rights](#) which call for the use of supply chain due diligence assessments as a central approach to identify, prevent, mitigate, and account for how suppliers address actual and potential adverse impacts in their own operations. **Suppliers involved in serious labour rights or human rights violations could be excluded or have their contracts terminated.**

Key Achievements

- The tender applied OECD-based social due diligence criteria for high-risk product categories (e.g., gloves, bandages).
- Market transparency and traceability requirements pushed suppliers to map and disclose deeper tiers of their supply chains.
- Environmental obligations (eco-labelled products, packaging return schemes, zero-emission/fossil-free logistics) embedded across specifications, award, and contract clauses.

What it means for procurers

- Risk analysis before tendering is critical to identify and target high-risk product categories.
- Early supplier engagement (e.g., market dialogue) improves supplier preparedness and maintains competition.
- Integrating criteria and contract clauses ensures enforceable commitments to social and environmental goals.
- Collaborative procurement among municipalities increases bargaining power and shares expertise on sustainable procurement.

3.4 Environmental Sustainability

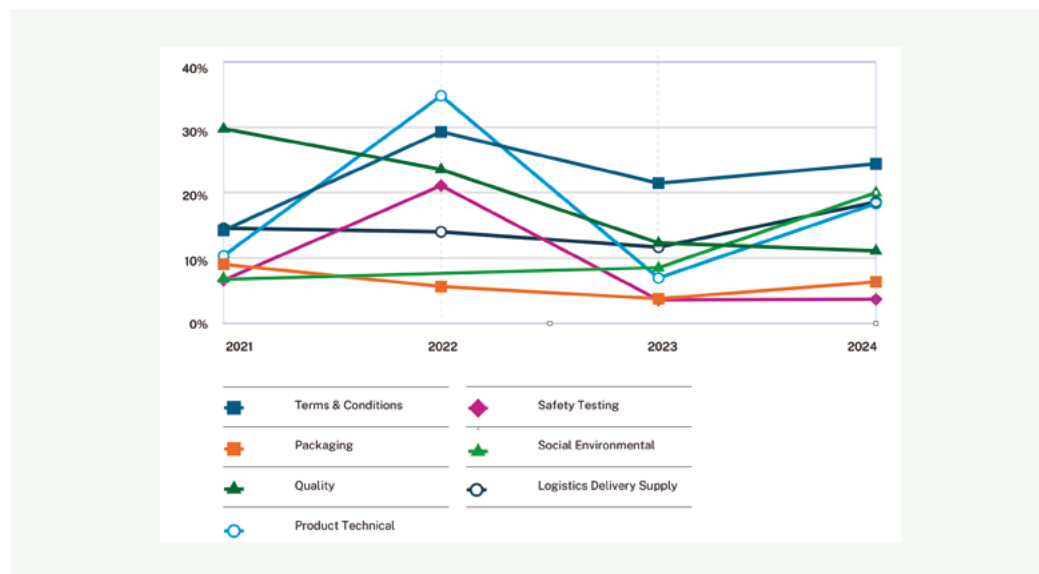
Green public procurement (GPP), a voluntary and auxiliary policy, can enable procurers to align tendering processes with wider public health and competition objectives. From a One Health perspective, environmental damage and impact can be minimised through a good life cycle approach by incentivising companies to invest in environmental sustainability [15], [78]. Indeed, as the Court of Justice of the European Union (CJEU) recognises, purchase price is just one cost element in the PPM process; identifying the most advantageous tender need not be purely monetary [23]. With price reductions of medicines exceeding 85% in some areas, room for further economic savings is limited [50].

According to a 2019 OECD survey, 64% of countries are integrating GPP award criteria into public procurement procedures [15], [55]. Although there appears to be a disconnect between common practices in other sectors — even those indirectly related to healthcare, such as construction — and the application of environmental criteria in pharmaceutical procurement.

Reports for the EC state that environmental criteria are not yet widely used in the health sector nor in PPM tendering processes [1], [34]. Indeed, an EC report shows that while the Austrian government has published a guide for sustainable procurement, uptake of the recommendations for pharmaceutical procurement remains to be seen [34]. Likewise, a [Green Public Procurement Strategy, Action Plan](#) and [Guidance](#) exist in Ireland, which apply to hospitals; however, specific mention and inclusion of medicines procurement are absent from the documents. Similarly, research for this paper discovered that while

European guidelines for greener procurement in hospitals exist, they fail to address the topic of medicines procurement (see [79] & Life RESYSTAL Project). Meanwhile, in Spain, only 13% of 117 reviewed tender files for drugs included environmental criteria [80]. In fact, in the 2018-2021 period, the highest number of tenders with environmental criteria were for medical devices [80]. In contrast, a clear upward trend in the use and application of social and environmental sustainability since 2021 is displayed by industry reports and figures (see figure below) [55].

Source: Year on Year Trend of % average weighting of different criteria used in award batches of top biosimilars' tenders since 2021. Valid Insight (2024) 'The Shift toward sustainability in pharmaceutical procurement and why ESG investment is no longer optional. Sustainability-and-ESG-in-Pharma-Procurement.pdf



3.4.1 Environmental Award Criteria

The inclusion of production-related environmental criteria in government medicine procurement is a cornerstone of green public pharmaceutical procurement [12]. However, the general absence of green pharmaceutical procurement in key policy documents supports the argument that the current public business model fails to incentivise companies to invest in environmental sustainability [15]. Some countries have begun applying or piloting environmental criteria in tenders and the Scandinavian region are emerging as global leaders in green public procurement pharmaceutical practices.

For instance, 30% of the MEAT award criteria is allocated by Norway's Central Purchasing Body for hospitals to environmental factors (see [Box 5: Case Study - the Norwegian Hospital Procurement Trust: A leading example of green procurement of medicines below](#)). Such examples are welcomed by the Critical Medicines Alliance, as medicines produced in the EU—despite their high environmental value—are generally not sufficiently rewarded under current procurement practices [25].

Case Study - the Norwegian Hospital Procurement Trust: A leading example of green procurement of medicines

NHPT is the central actor responsible for the national procurement of medicines. It has been a leader in applying and scoring environmental criteria in procurement procedures, as the Trust established this practice before legal obligations were adopted. Environmental criteria include ISO 14001 certification, PNEC-based emissions control, low-emission transport, sustainable packaging, and manufacturing transparency. Where necessary, certain environmental standards, such as [AMRIA certification](#), are used as mandatory requirements, rather than scored elements.

In 2019, NHPT conducted a procurement pilot for hospital antibiotics in which 30% of the total evaluation score was allocated to environmental and supply chain criteria. This includes requirements for suppliers to demonstrate that both API and finished product manufacturers treated wastewater to prevent harmful antibiotic emissions (PNEC-compliant wastewater routine). Companies also had to disclose the names and locations of their upstream suppliers, enabling the NHPT to identify and reward responsible manufacturing across the supply chain. Three companies secured contracts on these non-price factors. While initial competitiveness in the market appeared to decline at first, the pilot helped NHPT test practical scoring methods and establish a structured dialogue with suppliers, a key feature of its procurement strategy and the pilot itself. **Over the following years, NHPT has consolidated and expanded their sustainable procurement methodology to other medicinal products.** Between 2020 and 2022, NHPT carried out eight pharmaceutical procurements that included environmental award criteria, targeting antibiotics, off-patent oncology medicines, infusion and rinsing fluids, and enteral nutrition products, selected for their significant environmental and logistical impact. During this period, internal evaluation methods were refined, standardised templates were introduced to streamline supplier documentation, supplier participation stabilised, and no delays or disputes were reported because of the environmental criteria.

Regular consultation with stakeholders, including the pharmaceutical industry association, helped ensure that the requirements remained feasible and transparent. **By 2022, this model was fully embedded and no longer experimental. It had become a standard part of NHPT's procurement procedures as environmental criteria were systematically included in all tenders.** This evolution is clearly reported in their [2020-2022](#) and [2022-2023](#) environmental experience reports, which document the environmental evaluation criteria and share lessons learnt from implementing this innovative approach, confirming that supplier alignment with sustainability goals improved across tender rounds. Overall, results show that environmentally responsible suppliers can remain competitive, even without offering the lowest price.

Norway shows how a central procurer can successfully lead environmental procurement by combining early action, policy influence, and practical tools. NHPT's experience offers a valuable model showing that strong expertise, early piloting, and supplier dialogue can make green procurement feasible and effective.

The use of environmental criteria is evolving in public tenders; some tenderers may require manufacturers to be more transparent about their manufacturing and supply chain practices. Evidence of environmentally friendly practices may require demonstrating that operations have a reduced environmental impact and lower chemical emissions. This may be demonstrated by disclosing the location and extraction of raw materials, the location of formulation and carbon emissions, sharing packaging and transport documentation (i.e., what the suppliers have done to prevent pollution and wastewater), waste reduction, recycling, and principles of fair trade or ethical requirements with respect to the environment [11], [34]. Procurers may also utilise certifications such as [ISO 14000](#) for green requirements in tendering awards [60]. What's more, life-cycle costing, eco-labelling criteria, and sanctions for the violation of existing environmental law can be considered as environmental factors by the contracting authority [23]. Regardless of what criteria are used for environmental purposes, they must be objective, universally applicable, strictly relevant to the contract in question, and clearly contribute an economic advantage to the contracting authority [23].

3.4.2 Green Public Procurement Practices

A 2018 OECD survey on GPP showed that practices encouraging the implementation and uptake of GPP include laws, regulations, and policies; cost/benefit assessments; use of environmental standards in technical specifications; use of environmental standards in award criteria and contract performance clauses; and professionalisation and awareness-raising activities [81]. However, as already noted, **the incorporation of environmental sustainability practices in pharmaceutical procurement, compared to other products and services, is lagging** [11], [17].

Like earlier examples, the Nordic countries are pioneering GPP efforts globally; for instance, Denmark, in collaboration with Norway and Iceland, includes environmental criteria in their national tendering procedures¹³. Moreover, in the joint Nordic tendering procedures¹³, environmental award criteria, in conjunction with quality and price, is one of the three most important tender requirements [11] – [Box 6: Country Fiche - Norway below](#).

In Sweden, green sustainability criteria for medical products include information regarding the location of pharmaceutical formulation, packaging, supply chains, and any environmental information on the medicinal products. What's more, the country's National Agency for Public Procurement helps hospital procurers to identify sustainable products by proposing specific award criteria and special contract terms for tenders. Information that can be obtained includes the manufacturer's location and the formulation of APIs [12].

Elsewhere, in Germany, the Supply Chain Due Diligence Act covers environmental and human rights protection and responsible management within and of the supply chain, with examples of practical implementation available ([see Box 9: Country Fiche Germany below](#)). While other countries have made adaptations to legislation and practice, no practical evidence of their implementation has been uncovered.

¹³ Environmental criteria oversee environmental management, packaging, transportation, and social responsibility Capobianco et al., 2022, p. 2)



Norway

Norway's medicine procurement is governed by the Public Procurement Act (Anskaffelsesloven, LOV-2016-06-17-73) and the Public Procurement Regulations (Forskrift om offentlige anskaffelser, FOR-2016-08-12-974), which transpose EU Directive 2014/24/EU into Norwegian law.

A defining feature of Norway's procurement framework is the integration of climate and environmental considerations. Since 1 January 2024, under Section 7-9 of the Procurement Regulations, all public tenders must allocate at least 30% of the total evaluation score to environmental criteria. Alternatively, contracting authorities may impose minimum environmental requirements instead of scoring, but only if justified in writing. For instance, a valid justification might explain that the product group in question has little to no variation in environmental performance across suppliers and that market dialogue confirmed all likely bidders already meet a shared environmental baseline. In such cases, scoring would not provide meaningful differentiation, and minimum environmental requirements can be applied instead. Omitting environmental considerations altogether is permitted only when the procured good or service, from production to distribution, including its broader supply chain impacts, has demonstrably evidenced minimal climate or environmental relevance; this too must be documented. Norway's procurement regulations are structured into three parts based on contract value and procedural scope.

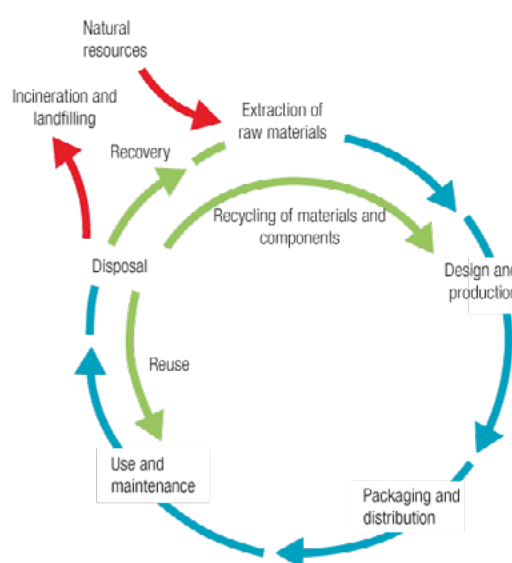
Part I applies to procurements below NOK 100,000 (approximately €8,500), leaving procedural discretion to the contracting authority. **Part II covers contracts between NOK 100,000 and NOK 1.4 million** (approximately €143,000), aligned with the threshold set by the Directive 2014/24/EU for public supply and service contracts awarded by central government authorities. **At this level, environmental considerations must either be among the top three award priorities or included as binding requirements with written justification.** While MEAT is not formally required under Part II, these environmental obligations often lead contracting authorities to adopt **MEAT-like evaluations in practice. MEAT becomes mandatory in Part III, which governs procurements exceeding NOK 1.4 million.** If scoring is used, at least 30% must be allocated to environmental criteria; if criteria are listed by priority, environmental aspects must be included as one of the top three.

Contracts can still be legally awarded based on the lowest price, but current rules push procurement toward a more sustainable approach; buyers are expected to give real consideration to environmental criteria. For high-value contracts, environmentally focused MEAT evaluations have become common practice.

3.4.3 Life Cycle Costing

Life cycle costing (LCC) is a basis for the MEAT approach, whose use is encouraged by the European Procurement Directive (see articles 67 & 68 of the 2014 Public Sector Directive).¹⁴ A life cycle approach to procurement ‘considers the place of a medicine along the pharmaceutical value chain’ [34]. As price does not reflect the financial and non-financial gains, LCC permits procurers to consider all of the costs incurred over a product's lifecycle (e.g., extraction, production/manufacturing, packaging, distribution, use, maintenance, and disposal) to determine what procurement procedure and award criteria to use [7], [34], [82]. According to the Commission, “LCC plays an important role in implementing green public procurement (GPP), as it encourages the choice of resource-efficient goods, services and works by putting a price tag on the cost of aspects, such as fuel, energy and water consumption” (European Commission, p. 1). However, the inclusion of costs imputed to environmental externalities is not mandatory in EU public procurement legislation.

Source: A typical product life cycle diagram, Life Cycle Initiative. www.lifecycleinitiative.org/starting-life-cyclethinking/what-is-life-cycle-thinking



Three life cycle assessment (LCA) types are included in LCC: conventional, societal, and environmental [81]. The latter assessments consider externalities through internalisation of social and environmental costs; evaluation of externalities count costs ascribed to different stakeholders, including future generations (De Giacomo et al., 2018 cited in OECD, 2019). Costs that can be considered in a life cycle analysis include air and water pollution, climate change, biodiversity loss and greenhouse gas emissions, land use, soil erosion, waste/disposal, and recycling [23], [34]. As some of these costs overlap with health and social costs, LCC techniques can enable better decision-making based

on assessments of the long-term implications arising from a specific product [82]¹⁵. Furthermore, as these costs can be monetised, LCC enables cost savings and efficiency gains as alternatives can be effectively compared, potentially leading to a situation where the greener product can turn out to be cheaper in the long run [23], [81]. An Italian example shows how LCA-based criteria was applied in a tender for the removal and collection of medicine and needle waste [83]. Here the supplier was required to present an LCA study according to [ISO 14040/44](#) showing the environmental impacts related to actual waste removal [83].

At international level, the UNEP's Life Cycle Initiative have developed a [Global Life Cycle Impact Assessment \(GLAM\) Framework](#), which addresses impacts on [ecosystem quality](#), [human health](#), and socio-economic assets ([natural resources](#), [ecosystem services](#)) through a standardised method: [See Box 7: Guidance – Environmental sustainability in UN procurement below](#) for further information. Specific EU [guidelines](#) and a framework are available for environmental assessments providing detailed guidance and methodological support for conducting high-quality LCA studies [84]. The EC has also developed specific LCC tools for certain products, but not pharmaceuticals¹⁶. Several MS have developed LCC calculation tools, usually spreadsheet-based and product specific [85]. The main purpose of these tools is to compare LCC between various products which can be used during needs analysis, as an instrument to estimated costs, or during the evaluation phases to select an offer.

Internationally recognised standards – [ISO standard 14040:2006](#)¹⁷ and [ISO 14044:2006](#)¹⁸ – outline the principles, frameworks, and guidelines to conduct an LCA, furnishing procurers and suppliers with a comprehensive methodology and value tools to assess the environmental

¹⁴ Czarnecki, 2019 & Lintukangas (2022) provides a good discussion and overviews how life-cycle costing award criteria is defined in the Public Procurement Directive and can be implemented in practice.

¹⁵ For a full discussion on specific rule that apply to methods assigning costs to environmental externalities see [82]

¹⁶ LCCs tools are available for Computers and Monitors, Imaging Equipment, Indoor and Outdoor Lighting and Vending Machines. See https://green-forum.ec.europa.eu/green-business/green-public-procurement/life-cycle-costing_en

Box 7: Guidance – Environmental sustainability in UN procurement

impacts of a product at all stages of its life cycle. However, these ISO standards have been criticised for their high degree of methodological flexibility leading to inconsistencies in how LCAs are conducted across the pharmaceutical sector [86]. In response to these concerns, in November 2023, an Alliance of Pharmaceutical companies launched the [Pharmaceutical LCA Consortium](#). The Consortium's objective is to improve and streamline pharmaceutical LCA [86]. Consequently, one key output of this consortium is a Publicly Available Specification (PAS) environmental LCA standard for [pharmaceutical products](#). While these initiatives are much needed and welcomed, they risk reinforcing findings from an EC commissioned study that the inclusion of LCA-based instruments in tenders is mostly beneficial for companies who are already pro-actively reducing their environmental impacts [83]. Therefore, public procurers, in conjunction with a diversity of stakeholders, should be proactive in developing their own approaches.

LCC must be based on objectively verifiable and non-discriminatory criteria [82]. Indeed, to implement life cycle costing properly, lifespan, discount rate, data availability, and reliability should be considered [65]. However, uncertainty exists when given changing patterns of disease and clinical indications, among other factors [4]. Furthermore, a lack of national guidance and EU legislation installing a specific LCC methodology disincentivises the use of LCC, meaning that significant burdens may be placed on court systems [23].

Guidance – Environmental sustainability in UN procurement

The United Nations has taken significant steps to embed environmental sustainability into procurement processes. A central reference is the [2022 UN Procurement Practitioner's Handbook](#), which introduces a practical framework for sustainable procurement that supports implementation through clearly defined indicators. With a procurement volume of USD 18.8 billion in 2018, the UN system has a significant impact to on shaping supplier practices and stimulate broader market shifts toward sustainability. Recognising this, the UN adopted in 2019 a shared framework for defining and identifying sustainable tenders across its system. The framework consists of 12 Sustainable Procurement (SP) indicators, grouped into four categories: environmental, social, economic, and general. The general indicators support implementation, for example, by requiring sustainability clauses in contracts or mechanisms to monitor supplier performance, while the other three categories (core pillars) target specific outcomes aligned with the pillars of sustainability. According to the methodology, a tender qualifies as “sustainable” if it includes at least three SP indicators, with at least one indicator from each of the three core pillars of sustainability. Some indicators serve highly practical goals. For example, requiring suppliers to report on energy efficiency or emissions helps reduce environmental impact. A social indicator might address labour rights or workplace safety, while an economic indicator could involve local supplier inclusion or total cost of ownership¹⁹.

This indicator-based framework aligns closely with the [UNEP Life Cycle Initiative](#), which promotes integrating life cycle thinking (LCT) into procurement and policy. While the SP framework focuses on criteria at the solicitation stage, the Life Cycle Initiative provides a broader perspective, encouraging buyers to consider upstream and downstream impacts across the entire supply chain. Their combined use reinforces both procedural clarity and strategic foresight in sustainable procurement. As part of the effort to strengthen sustainability in procurement and policy, the Life Cycle Initiative has developed the [Global Guidance on Environmental Life Cycle Impact Assessment Indicators and Methods \(GLAM\)](#) to provide the scientific foundation for environmental impact assessment. Through the use of accessible Excel files, GLAM delivers internationally harmonized methods, characterization factors (CFs), and weighting schemes that enable practitioners to quantify and compare environmental impacts such as climate change, water scarcity, and toxicity. These CFs can be used to convert emissions or resource use

¹⁷ Environmental Management – Life Cycle Assessment – Principles and Framework

¹⁸ Environmental Management – Life Cycle Assessment – Requirements and Guidelines

¹⁹ The Total Cost of Ownership (TCO) is an approach that accounts for all costs incurred by an organization over the full life cycle of a good, service, or work. It is commonly applied during both procurement planning and bid evaluation, as it highlights not just the purchase price, but also hidden or indirect costs such as operation, maintenance, and disposal. By calculating the overall cost over time, TCO helps procurement officers and requisitioners identify the most economically efficient and sustainable option.

into measurable environmental impacts using scientifically recognized models such as USEtox (for toxicity) and AWARE (for water scarcity). While primarily serving as reference tools, they can be integrated into life cycle assessment software or custom analysis tools to perform impact assessment calculations. By providing a transparent and science-based approach, GLAM improves the consistency and reliability of sustainability criteria in procurement.

What it means for procurers

For public procurers, the UN's SP indicator framework offers a practical tool to operationalize sustainability in tenders. By providing measurable criteria across environmental, social, economic, and general dimensions, it helps buyers move from broad policy goals to concrete procurement requirements. Meanwhile, the UNEP Life Cycle Initiative promotes a broader mindset: life cycle thinking (LCT). This perspective encourages buyers to assess how goods and services impact people and the planet across their full life span from raw material extraction.

3.4.4 GPP Implementation Challenges

Despite the benefits of green procurement, several barriers affect its uptake and implementation. These include knowledge and awareness levels, willingness, and expertise. A limited number of publications and scientific evidence exist regarding the implementation and impact of green strategies on public procurement [5], [8], [29]. Actions in the field are not actively published or shared. Such information asymmetries are significant constraints, as using green requirements, LCC award criteria, and life-cycle costing makes tendering more complex and resource intensive due to higher technical and documentation requirements and lack of data availability [29], [82]. Further, a lack of publicly available information contributes to opacity and uncertainty on the impact of PPM practices on environmental outcomes. Adding to this, numerous practical hurdles impact the uptake of LCC by public procurers [83]. First, LCC is more suitable for experts than for public procurers. Second, external expertise must be procured when in-house LCA expertise is unavailable, increasing overall costs. Next, LCA-based instruments may not be the best choice in homogeneous markets. Finally, reluctance to use LCC is associated with a higher risk of litigation, time constraints, and negative impact on workloads levels [83].

Furthermore, there is a widespread perception that GPP involves higher public procurement costs amongst OECD countries [5]. This belief is a key obstacle to the widespread uptake of GPP. In fact, information asymmetries may influence procurers to continue with existing practices, where low prices are prioritised over environmental and public health protections, despite these not being mutually exclusive goals [12]. However, concerns that environmental criteria may lead to higher prices are not borne out in reality. For instance, studies conclude that environmentally responsible strategies contribute to excellent financial performance [87]. Additionally, pilot projects applying environmental criteria in Denmark have not led to higher unit prices [34].

Other concerns are related to smaller supplier pools and that complexity in award procedures may encourage litigation, resulting in higher costs and delays [29]. However, experience from Scandinavian countries suggests that the introduction of environmental criteria for tenders did not negatively impact the number of bids submitted. What's more, price differences between bidders were not driven by environmental standards or criteria [34]. Adding to this, Norwegian research further indicates strong supplier agreement that incorporating environmental criteria into procurement can incentivise more sustainable, available, and reliable generic antibiotic supply chains [60]. Further, suppliers saw the possibility to compete on drivers other than price as positive [60]. As a result, when tenders are sufficiently large or valuable, companies are more willing to invest in the environmental technologies or innovations required to make a bid green [53].

Finally, in a recent OECD survey, 92% of surveyed countries indicated they have mandatory GPP requirements and targets in public procurement. However, compliance is not always monitored. Furthermore, while governments tend to monitor the use of GPP within their public procurement activities, impact is rarely evaluated. As the OECD argues, this misses an opportunity to better understand—and promote—the concrete impact of GPP on environmental factors [5].

3.5 Social Sustainability

To recap, social criteria in tendering goes beyond green criteria to incorporate suppliers' relationships and reputations with people, institutions, and communities. From an Environmental, Social and Governance (ESG) perspective, this factor involves human rights, labour standards, workplace health and safety, and diversity and inclusion [9]. Studies on this factor are limited but, as Benchechroun et al (2024) point out, increasing following the development of European recovery and resilience plans following the COVID-19 pandemic.

90% of human life depends on the efficacy of infrastructure, social services and environment to support their lives [28]. SPP can impact 82% of SDG targets [28]. According to UNEP, SPP benefits are multiple and can be classified into one of four categories: Environmental, Economic, Strategic/Political and Social [88]. Adopting SPP practices can enhance public trust and organisational reputation as accountability and transparency show the public that decisions are made ethically and sustainably [7], [89]. As a strategic tool, sustainable public procurement (SPP) has the potential to transform the healthcare sector by shaping production and consumption patterns, while simultaneously promoting environmental, social, and economic criteria in procurement processes.

Despite these advantages, and even though an international standard on sustainable procurement²⁰ exists, there is a significant implementation gap of SPP, and in healthcare specifically. The European Greens/EFA party suggests that the limited progress on SPP at the EU level may be due to a policy shift prioritising GPP over broader sustainability goals [90]. This observation has also been found in an European Parliamentary Research Report [91]. Similarly, a recent OECD report assessing the implementation of the OECD Recommendation on Public Procurement highlights that 'targets and prioritisation methodologies are commonly established for green-related objectives' (OECD, 2025, p. 9) and opportunities remain to improve public procurement's impact on wider sustainability objectives [92]. Encouragingly, Socially Responsible Public Procurement (SRPP) is slowly progressing, although yet to reach its' full potential [91].

Box 8: Guidance - Mölnlycke health care – Consensus on sustainable procurement

Guidance - Mölnlycke health care – Consensus on sustainable procurement

In 2024, **Mölnlycke Health Care's Sustainability Advisory Board** published a consensus paper offering actionable guidance for integrating Environmental, Social, and Governance (ESG) considerations into procurement. The paper is the most recent consensus statement for the entire healthcare section on sustainable healthcare procurement. It responds to the growing policy push for sustainability, aligning with upcoming EU ESG disclosure rules.

The paper is a key tool offering procurement bodies a ready-to-use framework to incorporate ESG criteria in tenders while managing legal, clinical, and financial risks. It provides a practical roadmap for engaging hospital leadership in ESG procurement decisions and offers practical, step-by-step guidance for integrating ESG criteria into

²⁰ ISO 20400:2017 provides guidance to organizations, independent of their activity or size, on integrating sustainability within procurement, as described in ISO 26000. It is intended for stakeholders involved in, or impacted by, procurement decisions and processes.

day-to-day hospital procurement. It advises procurers on what sustainability may be included in the award criteria and underlines the critical value of transparency to support learning, development and market research. Developed through a collaborative process involving healthcare professionals, procurement leaders, and hospital managers, the paper reflects real challenges faced in implementing sustainable procurement. As such, **its insights are directly applicable to public procurement in the health sector**, both for central procurement bodies and hospital-based teams, offering practical tools for integrating ESG criteria across different levels of the health system.

In our analysis, we found one example (see box XXX) and only limited literature addressing this topic from a public procurement of medicines (PPM) perspective. Most EU studies on sustainable public procurement (SPP) focus instead on the food sector²¹. Although SPP plays a critical role in advancing sustainable development, the European Commission's Best Practices in the Public Procurement of Medicines study revealed that social criteria are rarely used. If SPP is applied to medicines procurement, social criteria are generally integrated as part of green public procurement (GPP) initiatives [34]. Reading between the lines, it appears that social criteria are habitually linked with immediate patient treatment and care. That is, it normally concerns issues such as security of supply, therapeutic value, product quality, safety, and outcomes for the target population [9], [34].

Even though the Union is in the midst of approving a Corporate Sustainability Reporting Directive and a Corporate Sustainability Due Diligence Directive, public organisations are not subject to binding reporting rules for ESG issues [93]. This may explain why industry is taking the lead on this subject by issuing guidance for public procurers—see [Box 8: Guidance - Mölnlycke health care – Consensus on sustainable procurement above](#). While, various Dutch ministries are voluntarily reporting on the sustainability of their operations [93], it was beyond the scope of this paper to explore the extent of this practice in other MS.

Our research suggests that wider social sustainability considerations appear to be generally limited in the public sector environment, including medicines procurement. As pharmaceutical production is often outsourced to subcontractors whose sites are based in low-cost countries (e.g., India, China), their manufacturing practices typically fall outside the direct operations of European pharmaceutical companies [12], [15], [60]. However, due to poor environmental and labour protections, producers in low-cost countries can be responsible for polluting local soil and water and engaging in poor labour practices [60], demonstrating the importance of life cycle costing in procurement activities. Historical scientific publications has demonstrated that Indian wastewater treatment plants discharged therapeutic substances at levels over 1 million times the levels released by their Swedish counterparts (Larsson et al., 2007 cited in [60]), creating severe problems for local populations.

Despite the obvious benefits, award criteria rarely consider reshoring production in other European countries (EC, 2022). Exceptions to this finding are found in Germany and Switzerland. Here, both countries have stipulated tender award criteria based on European and local production of medicinal products [10]. This is likely due to a strategic understanding that local production leads to self-sufficiency, empowers national healthcare systems, promotes economic growth, and boosts employment and competitiveness [7], [9].

²¹ We found several EU publications addressing sustainable public procurement for food. See here, here and here for instance. Other studies appear more generic e.g. 'Sustainable public procurement: current status and environmental impacts' JRC, 2024 centre on one strategic area.



Germany

Germany's medicine procurement framework has undergone a significant transformation due to two federal laws that promote greater supply chain responsibility and resilience: the Supply Chain Due Diligence Act (LkSG) and the ALBVVG (Law to Combat Drug Shortages and Improve Supply).

The Supply Chain Due Diligence Act applies to all private companies and public entities with at least 1,000 employees and a business presence in Germany. It aims to strengthen environmental protection and human rights throughout global supply chains. Companies are required to assess risks within their own operations and those of their direct and indirect suppliers.

Companies must conduct supply chain risk analyses, publish a policy statement, and implement preventive or corrective measures where necessary. They are obliged to establish accessible complaints mechanisms and document their due diligence efforts in regular reports. **While the law does not prescribe specific KPIs**, it refers to international standards - such as those set by the ILO, UN, and international treaties like Minamata Convention, Stockholm Convention, and Basel Convention - as a foundation for compliance. These expectations are further clarified through official guidance from BAFA (Federal Office for Economic Affairs and Export Control), which provides practical resources for implementation. While there is flexibility in how due diligence obligations are operationalized, BAFA recommends approaches such as using reporting tools, ESG-oriented supplier evaluations, and sustainability clauses in contracts - especially in high-risk sectors such as pharmaceutical raw materials and chemical processing. **In the context of medicines procurement**, this means that buyers - particularly those subject to the Act - are expected to integrate ethical and environmental risk considerations into supplier selection and contract design. This can include incorporating sustainability criteria into tender documents, assessing suppliers' human rights and environmental performance, and establishing mechanisms to track and document compliance over time.

The Law to Combat Drug Shortages and Improve Supply (ALBVVG) addresses supply resilience for critical outpatient medicines, especially off-patent antibiotics and medicines vulnerable to supply shortages. It applies to Germany's statutory health insurance funds and their associations, which act as contracting authorities in public procurement through rebate tenders. To meet the legal requirements under the ALBVVG, procurement procedures must align with three key principles:

- At least 50% of the tender lots for specific off-patent antibiotics must be set up to prioritize or allow participation by suppliers that use EU or EEA-based API production.
- Procurement must promote supplier diversification, through multi-award tenders that avoid dependency on a single supplier or geographic source.
- Stockholding obligations are mandated for manufacturers, wholesalers, and importers of medicines that are at risk of shortage to help ensure continuous availability.

While procurement bodies are not responsible for maintaining inventories themselves, they must ensure that stockholding requirements are clearly included in contracts with suppliers. This alignment of contractual obligations with regulatory oversight is essential for meeting the ALBVVG's objectives of a more resilient and responsive pharmaceutical supply system.

Case Study: practical application of the procurement framework

In 2023, six major German statutory health insurers, led by Techniker Krankenkasse (TK), launched a joint tender for eight off-patent outpatient antibiotics considered at high risk of shortage (amoxicillin + clavulanic acid, cefpodoxime, ceftriaxone, clarithromycin, clindamycin, dexamethasone + gentamicin, doxycycline, and moxifloxacin). The tender was structured to comply with the key requirements of the ALBVVG, including the prioritization of EU-based API production, supplier diversification, and stockholding obligations. Each antibiotic was divided into three separate tender lots. One of the three lots was reserved for suppliers using EU-manufactured active ingredients, while the remaining two were open to all suppliers. This approach ensured that the overall tender design met ALBVVG's requirement to support EU production in at least half of the lots. This joint procurement illustrates how insurers have started to respond to legal requirements through coordinated, practical solutions - supporting supply resilience, encouraging regional production, and protecting access to essential medicines.

Social responsibility means responsibility should be taken for eliminating human rights abuses and ensuring diversity and inclusion in the whole value chain [94]. In this respect, another, generic, good example comes from Poland where Public Procurement Law (PPL) allows contracting authorities to specify criteria like employing marginalised groups [95]. Additionally, representatives from the Southeast Norway Health Region visit and inspect their suppliers factories to ensure that acceptable working conditions and human rights are adhered to in their supply chains²² [96]. Other examples of good practice were found in the Czech Republic, Spain and the United Kingdom (see [Box 10: Social criteria in European public procurement - Legal frameworks and practical examples below](#)).

However, no evidence was found demonstrating if these solutions and practices are applied to the public procurement of medicines. This evidence gap may be connected to the special position the health sector has in public procurement. Derogations can be applied for excluding suppliers from procurement processes involved in financial crime or labour rights abuses, where overriding reasons are related to the public interest such as protecting public health and the environment (Art 57, Public Procurement Directive) (EC, 2021). These derogations may soon change as a European Parliament Committee Opinion on the reform of the EU Public Procurement framework includes a trade union suggestion to simplify procedures for public entities to promote quality jobs and exclude companies that do not respect workers' rights [97].

Box 10: Social criteria in European public procurement - Legal frameworks and practical examples

Social criteria in European public procurement - Legal frameworks and practical examples

Public procurement across Europe is evolving to make social considerations a key factor in awarding contracts. Several national legal frameworks have moved beyond general compliance to explicitly require that contracting authorities integrate social criteria as part of their tender evaluations. The overarching objective of social criteria is to promote societal benefits such as job creation, social inclusion, and gender equality. National and local authorities embed these criteria in tender evaluation processes across a wide range of sectors.

The [Czech Republic](#), the Public Procurement Act (No. 134/2016 Coll., as amended by No. 543/2020 Coll.) mandates that all contracting authorities consider social and environmental criteria for every public tender. This is implemented through mechanisms such as setting special participation conditions, requiring certifications, and including quality award criteria. Meanwhile, the [Brussels Capital Region](#) requires all regional public entities to include social clauses in works and service contracts above specified

thresholds (for works contract set at €750.000 and for service contracts set at €221.000), mandating employment of registered jobseekers or subcontracting parts of contracts to social enterprises, making social considerations an enforceable element of procurement.

In the **United Kingdom**, central government departments have been required since 2021 to apply a minimum 10% weighting to social value in tender evaluations for applicable contracts under Procurement Policy Note (PPN) 06/20. Although not mandatory for all public entities, this builds on the Public Services (Social Value) Act 2012 requires public authorities in England and Wales to consider how the procurement of public services can improve social, economic, and environmental well-being. In **Spain's Basque Country**, a 2024 regional resolution requires that at least 5% of the evaluation score in public tenders be dedicated to gender-related criteria such as equal opportunities, balanced teams, and work-life balance.

3.6 Implementation challenges

The role of public buyers has become increasingly complex as sustainable procurement practices must integrate environmental, social, and economic criteria. As traditional procurement processes shift from selecting the lowest-priced bid to giving more weight to non-monetary criteria, public procurers must carefully balance financial constraints with environmental and socially responsible sourcing, while addressing existing economic challenges [7],[20].

Implementing sustainable public procurement for pharmaceutical products involves operational challenges. This includes a lack of transparency—hindering the ability to compare procurement practices and outcomes—the complexity of procurement processes, and skills and training shortages in procurement teams.

BUYERS NEED TECHNICAL AND FINANCIAL SKILLS AND EXPERTISE TO PREVENT SUPPLIERS FROM EXITING THE MARKET AND ACHIEVE “GOOD” PROCUREMENT PRACTICES [34], [65].

Compounding these challenges is the absence of guidance and decision-support tools, which are crucial to implement award criteria beyond price [7]. This gap leads to an underestimation of environmental costs and ensures procurement decisions based primarily on economic considerations remain common practice [34]. Adding to this, a lack of meaningful quality criteria and poor market research can result in tenders with unrealistic or outdated specifications [43]. Furthermore, limited knowledge and awareness of the environmental impacts of pharmaceuticals act as a barrier to the adoption of greener procurement [8].

EXPERTISE IN ENVIRONMENTAL SCIENCE AND COST-BENEFIT ANALYSIS IS ESSENTIAL FOR THE UPTAKE OF GPP AND THE INCLUSION OF ENVIRONMENTAL CRITERIA IN TENDER EVALUATIONS [5].

As procurers are called upon to balance complex policy trade-offs and make difficult ethical decisions, those who struggle to operationalise sustainability criteria may rely heavily on team capacity—or, at worst, on individual judgment [4], [34]. This can increase the risk of legal appeals when contracts are awarded based on non-price criteria. Consequently, some buyers may default to conventional practices to avoid litigation [34].

Strategic challenges include inadequate regulations, limited support from top management, and economic uncertainties such as budget constraints [7], [56], [65]. Structural issues also persist, such as the immaturity of supplier markets concerning sustainability criteria, the limited appeal of smaller markets, and the absence of standardised, harmonised approaches to sustainable pharmaceutical procurement [2], [7], [34].

²² See video here:
<https://vimeo.com/112149202>

Discussion and Recommendations

04

- Given the critical role of public procurement in building a socially responsible economy, targets, prioritisation methods, award criteria, and tendering tools must be aligned with all three sustainability objectives
- Standardised EU guidance should be issued for the sustainable procurement of medicines encompassing the three sustainability factors.
- At a minimum, EU Green Public Procurement (GPP) criteria should be developed and applied specifically for pharmaceutical procurement. Additionally, SPP criteria should be developed for the sector.
- Bridging the gap between theory and practice will require that public procurers are adequately trained and supported to fulfil their legal and ethical responsibilities. Echoing the longstanding recommendations of other agencies, we strongly recommending invest in public procurers capacities to ensure they have the skills, authority, and resources needed to build long-term, inclusive, sustainable, and healthy communities.

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Exploring Challenges & Best Practices in Sustainable Pharmaceutical Procurement

Key Insights from Stakeholder
Interviews on Sustainable Health
Procurement

API Interview Report





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Introduction

01

Who we are

Introduction 01

Alliance for Procurement Impact (API) is a transformative initiative dedicated to promoting the security and sustainability of supply through implementation of effective procurement practices for the scope of pharmaceuticals. Through an open platform, the initiative aims to deliver solutions for effective implementation and adoption of best practices in a rapidly changing global environment.

API is backed by key players from across the European healthcare sector – from major procurement organizations and regional healthcare authorities to international pharmaceutical manufacturers. This alliance brings together the perspective of healthcare providers, producers of essential medicines, experts in sustainable procurement, and advocates for a more resilient healthcare system. Together, they are co-creating a foundation for a procurement landscape that is more strategic, sustainable, and future proof.

To make a real impact, API focuses on strengthening supply security, optimizing supply chains, and aligning with broader healthcare policy goals – making procurement a true driver of change.



Context

Introduction 01

The increasing emphasis on sustainability in healthcare procurement underscores its pivotal role in aligning procurement practices with broader **environmental, social, and economic objectives**. By integrating **sustainably supply tender criteria**, healthcare organizations can significantly reduce their environmental impact, fostering the adoption of eco-friendly practices throughout supply chains. Enhanced **supply and demand forecasting** ensures the efficient allocation of resources, minimizing waste and promoting economic sustainability. Simultaneously, advancing **best practices in procurement** enhances supply chain resilience and reliability, ensuring equitable access to essential and innovative medicines and vaccines. This approach directly supports social sustainability by addressing critical public health needs, positioning procurement as a cornerstone in building sustainable healthcare systems that contribute to global sustainability targets.



Source – <https://sdgs.un.org/goals>

The **Alliance for Procurement Impact (API)** is a transformative initiative committed to enhancing the **security and sustainability of supply chains in the pharmaceutical sector** through **innovative procurement practices**. Facilitated by Health Proc Europe, API brings together procurement professionals from hospitals, procurement groups, healthcare associations, and solution providers with a specific focus on pharmaceuticals. API fosters a **unique collaboration that bridges industry and procurement perspec-**

tives to drive **systemic change in pharmaceutical procurement**. To maintain balance, the initiative is steered by additional stakeholders from both the buying and supplier sides.

API serves as a platform for fostering dialogue, sharing knowledge, and upskilling procurement professionals in Europe, particularly within the pharmaceutical and healthcare sectors, with a focus on medicines and vaccines.

Context

Introduction 01

API serves as a platform for fostering dialogue, sharing knowledge, and upskilling procurement professionals in Europe, particularly within the pharmaceutical and healthcare sectors, with a focus on medicines and vaccines.

Key Objectives:

- **Promote Best Practices:** Advance procurement methodologies that support sustainable supply chains.
- **Enhance Forecasting:** Improve supply and demand forecasting to optimize resource allocation and reduce waste.
- **Encourage Sustainability:** Drive the adoption of standardized, measurable tender criteria that incentivize environmentally sustainable practices.

This collaborative effort aims to transform procurement into a powerful tool for innovation, resilience, and sustainability in healthcare systems.



Description of the interview process

Introduction 01

Objective of Stakeholder Interviews and Survey

The objective of conducting stakeholder interviews and surveys is to gain a comprehensive understanding of the current state of Sustainable Public Procurement (SPP) in the healthcare sector, with a focus on its economic, social, and environmental impacts. These interviews aim to gather detailed insights from procurement managers, healthcare providers, patients, and industry representatives on the challenges, opportunities, and best practices in implementing sustainable procurement strategies. The collected data will inform actionable recommendations for policy-makers, procurement officials, and other stakeholders, helping to foster resilient supply chains, improve public health outcomes, and enhance sustainability across the sector.

Methodology for Stakeholder Engagement

The methodology involved a two-step analytical approach: direct interviews followed by a broader survey outreach. During the interview phase, 12–15 in-depth discussions were conducted with carefully selected stakeholders, including procurement professionals, academics, pharmacists, and other experts from different EU Member States. This diverse representation ensured a comprehensive understanding of perspectives across the healthcare procurement ecosystem. An interview guide with tailored questions provided consistency, while recordings (with participant consent) and detailed notes captured nuanced insights and ensured accurate data collection.

Following the interviews, a structured survey was disseminated to a wider pool of stakeholders, aiming to validate and expand on the interview findings. This survey further engaged individuals from varied professional backgrounds, enriching the data with additional viewpoints and strengthening the study's analytical foundation.

The process began with the identification of relevant stakeholders, clear definition of objectives, and development of a focused list of discussion topics. Key areas of exploration included the regulatory landscape, emerging trends, challenges in sustainable procurement, and the broader impact on drug availability and public health outcomes. Emphasizing inclusivity, the methodology incorporated perspectives from multiple sectors to capture a holistic view.

The findings were systematically documented to highlight best practices and case studies. These insights laid the groundwork for actionable recommendations and supported the formation of a collaborative network of sustainable procurement professionals, fostering knowledge exchange and strategic alignment in this critical field.

Organisations interviewed



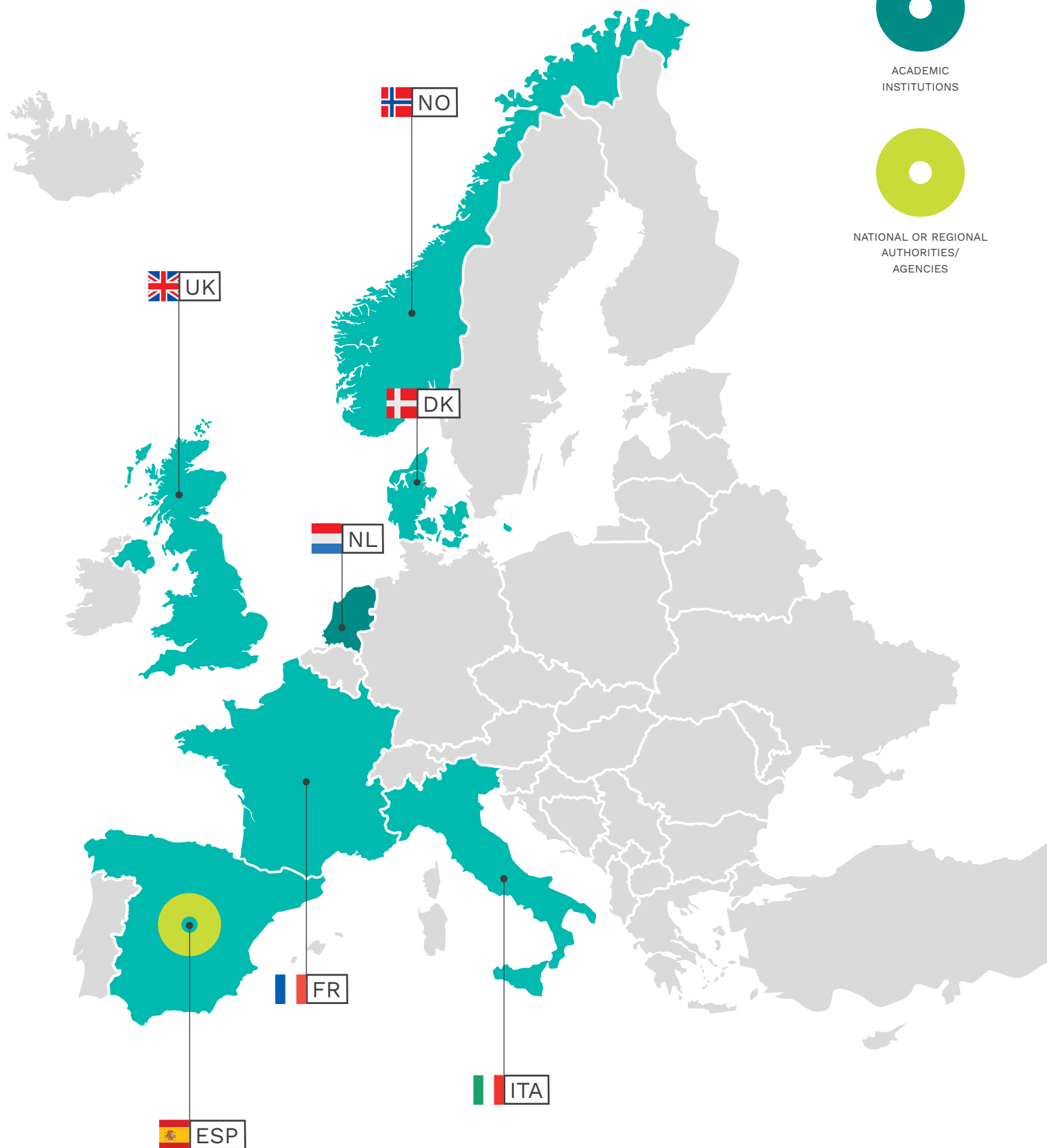
CENTRAL
PURCHASING
BODIES



ACADEMIC
INSTITUTIONS



NATIONAL OR REGIONAL
AUTHORITIES/
AGENCIES



Executive Summary

02

Overview of the purpose and scope of the report

Executive Summary 02

The interviews aim to gather expert insights on sustainable public procurement in the health sector, focusing on emerging trends, technologies, and implementation experiences. By engaging procurement professionals and policymakers, the study seeks to identify key challenges hindering sustainable procurement and explore effective solutions. Additionally, it examines the regulatory and policy landscape to assess existing frameworks, identify gaps, and evaluate long-term trends impacting supply chain resilience. Best practices and successful case studies will be documented to provide replicable models, while the broader impact of sustainable procurement on public health, environmental sustainability, and economic efficiency will also be assessed. The findings will inform actionable recommendations, offering strategic guidance and highlighting areas for further research and development.

The scope of the interviews covers several critical areas, including current procurement practices, regulatory frameworks, challenges, innovations, and stakeholder engagement. A key focus will be assessing how sustainable procurement affects supply chains and healthcare delivery. The study will also determine whether the research should have a global, regional, or country-specific focus, ensuring relevance to different health systems. Targeting procurement officials, policymakers, sustainability experts, and public health professionals, the interviews will be structured to align with upcoming policy changes and procurement cycles. Ultimately, this initiative aims to foster collaboration, enhance strategic procurement practices, and support the integration of sustainability principles in public health procurement.



Key findings and themes emerging from the interviews

Executive Summary 02

All surveyed public buyers have adopted a structured approach to sustainable procurement in the healthcare sector, prioritizing the integration of environmental and social considerations. They unanimously recognize that sustainable procurement not only reduces environmental impact but also strengthens social responsibility by promoting ethical labor practices and improving public health.

Despite the potential of stronger social commitments to enhance supply chain resilience, interviews primarily emphasized environmental factors, with limited discussion on the social dimension. This focus is understandable given the healthcare sector's substantial environmental footprint¹, from the production and disposal of medical supplies to the energy-intensive operations of healthcare facilities. However, this gap presents an opportunity to develop a dedicated workstream addressing social sustainability in procurement.

Public buyers in EU Member States with stricter regulatory frameworks than the

European directive on public procurement have had to accelerate the development of their purchasing strategies to comply with these heightened obligations. However, as previously mentioned, the importance and challenges of adopting more responsible purchasing practices are universally acknowledged by all surveyed buyers. To address this, healthcare organizations have implemented strategies and guidelines that encourage internal procurement teams to integrate sustainability considerations from the outset, ensuring that social and environmental factors are embedded in procurement decisions. This comprehensive approach extends to all healthcare-related purchases, including pharmaceuticals and vaccines.

Despite a strong commitment to advancing sustainable procurement of medicines and vaccines, public buyers face several challenges in implementing these practices effectively.

1

Lack of Standardized Metrics and Tools:

The absence of widely accepted sustainability metrics and standardized tools for assessing environmental and social impacts complicates decision-making. Furthermore, the limited adoption of lifecycle costing (LCC) approaches hinders a comprehensive evaluation of long-term sustainability benefits, leading to a continued emphasis on short-term cost savings rather than broader environmental and social gains.

2

Limited Supply Chain Visibility:

A major obstacle is the difficulty in accessing critical data such as emissions, water consumption, and waste management. One reason cited is that, even when suppliers provide data, its accuracy and quality are often unreliable. This indicates that some suppliers have yet to reach maturity on this issue. These limitations impede sustainability assessment and improvement efforts. Without transparency in the full supply chain, procurement teams struggle to accurately assess the environmental and social impacts of their purchasing decisions.

¹ The healthcare sector is responsible for approximately 4.4% of global greenhouse gas emissions, rising to 10% in high-income countries - https://global.noaharm.org/sites/default/files/documents-files/5961/HealthCaresClimateFootprint_092319.pdf

These first two barriers are particularly significant because they create substantial operational challenges. Without reliable data and evaluation tools, procurement decisions tend to prioritize initial costs over long-term sustainability, reinforcing a price-driven approach at the expense of efficiency and environmental responsibility.

3

Market Fragmentation:

Public buyers must navigate a diverse supplier landscape with varying levels of sustainability maturity. Balancing sustainable procurement objectives with the need for competition and supply security remains a challenge, particularly when considering the risks associated with supply shortages.

4

Knowledge Gaps and Organisational Barriers:

Many healthcare organisations, particularly clinical staff, lack sufficient awareness and expertise in sustainable procurement. This includes gaining a deeper understanding of public procurement regulations and pharmaceutical legislation, mastering life cycle assessment methodologies, establishing and tracking key performance indicators (KPIs), enhancing expertise in value-based procurement, and incorporating sustainability as a core evaluation criterion beyond cost considerations.

Addressing this issue requires a stronger emphasis on knowledge sharing, professional development, and continuous learning to ensure that sustainability principles are aligned with clinical needs and integrated into procurement processes effectively.

5

Lack of Coordination Among Stakeholders:

The isolation of public buyers in addressing sustainability challenges exacerbates existing gaps in best practices. Greater collaboration between healthcare institutions, policymakers, and suppliers is essential to develop standardized methodologies, enhance the adoption of sustainable procurement strategies, and disseminate best practice across all healthcare organisations in the EU.

During the interviews, interesting examples were identified to initiate reflections on the key points of tension that hinder the development of sustainable procurement and how to overcome these barriers. These examples particularly highlight a central aspect of this reflection: collaboration among all stakeholders in the procurement chain is essential, especially for building a shared vision of the necessary steps to be undertaken collectively.

Finally, the analysis of all interview results shows that the social aspect of responsible procurement is less developed, which does not mean that it is not addressed or considered. However, it appears from the discussions that there is a much stronger focus on environmental issues. The discussions did not offer clear insights into the underlying reasons for this focus, suggesting the need for a more targeted approach to address the social dimension.



Summary of recommendations for advancing sustainable procurement of Medicines and Vaccines

Executive Summary 02

Based on the interviews conducted, several critical needs have been identified. Addressing these gaps will require a structured approach to enhance the following areas identified:



technical expertise



improves data
accessibility



drives internal
transformation



fosters European-level
collaboration

The following recommendations outline strategic actions to achieve these objectives:



Enhancing Technical Knowledge and Understanding

Procurement professionals often lack the necessary technical expertise to fully grasp the complexities of sustainable procurement in the pharmaceutical sector. Strengthening their knowledge base is essential to making informed and impactful procurement decisions.

To effectively integrate sustainability—including the social dimension—into procurement practices, professionals need expertise in several key areas:

01. Environmental and Social Impact Assessment – Proficiency in assessing the life-cycle environmental impacts of pharmaceutical production, distribution, and disposal, as well as the social implications such as fair labour conditions, human rights compliance, and community health effects, is essential. It also presents an opportunity to incorporate new social approaches, particularly regarding the impact on patients, such as accessibility, for example.
02. Regulatory and Policy Frameworks – Expertise in navigating the complex landscape of national, EU, and international regulations related to green procurement, labour standards, and corporate social responsibility within pharmaceutical supply chains. This includes deep technical knowledge of legal compliance, policy interpretation, and how to apply these frameworks effectively to drive sustainability in procurement processes.

03. **Supplier Engagement and Market Knowledge** – Proficiency in assessing supplier sustainability performance through advanced tools like environmental and social impact assessments, supplier audits, and certifications. It also requires the ability to identify responsible manufacturers, build strategic partnerships, and leverage market intelligence to foster collaboration that drives meaningful improvements in environmental and social practices within the pharmaceutical sector.
04. **Criteria Development and Tender Evaluation** – Expertise in developing science-based sustainability criteria, including life-cycle assessments, carbon footprint analysis, and social impact measurement. This involves the technical ability to translate sustainability goals into actionable procurement specifications and apply robust methodologies to evaluate supplier compliance, performance, and the effectiveness of sustainability criteria in tenders.
05. **Risk Management and Due Diligence** – Proficiency in identifying and mitigating potential risks, such as supply chain disruptions due to poor working conditions, regulatory violations, or environmental non-compliance. This requires a strong understanding of risk management techniques, including the use of advanced tools for due diligence and impact assessments to anticipate and address issues before they disrupt procurement processes.
06. **Cost-Benefit Analysis and Value-Based Procurement** – Advanced expertise in moving beyond price-centric decision-making to assess long-term value. This includes conducting sophisticated cost-benefit analyses that consider factors such as reduced environmental impact, improved public health outcomes, and enhanced supply chain resilience. Public buyers must be adept at balancing immediate costs with the long-term benefits of sustainable procurement choices.

What actions should be taken?

- Build expertise in sustainable procurement of medicines and vaccines by providing access to specialized resources, case studies, and best practices to help professionals navigate regulatory, environmental, and social considerations.
- Promote peer-learning initiatives, workshops, and collaboration between procurement professionals, sustainability experts, and regulatory bodies.



Equipping Buyers with Better Tools and Data

The lack of standardized sustainability metrics and limited access to reliable data hinder informed decision-making in procurement. Buyers need robust tools and transparent information to integrate sustainability effectively.

To effectively integrate sustainability—including the social dimension—into procurement practices, professionals need expertise in several key areas:

- Establish standardized measurement frameworks and sustainability indicators to guide procurement decisions.
- Improve access to harmonized and transparent data on the environmental and social impacts of pharmaceutical products.
- Co-design digital tools and platforms that facilitate data-driven decision-making and supplier evaluation.

Supporting Internal Organizational Transformation

Sustainable procurement is not just about policies—it requires a cultural shift within healthcare organizations. Aligning teams with sustainability objectives ensures long-term impact and commitment.

- Supporting buyers in developing framework strategies and internal guidelines that focus on integrating sustainable development issues into the procurement of medicines and vaccines, to account for the unique characteristics of this sector.
- Implement change management initiatives to foster awareness and engagement across all departments.
- Encourage cross-functional collaboration between procurement, clinical staff, sustainability officers, and finance teams to ensure holistic implementation.

Scaling Efforts to the European Level

Sustainability in pharmaceutical procurement is a challenge that extends beyond regional and national borders. European-wide cooperation is essential to drive harmonized procurement practices and industry-wide transformation.

- Strengthen collaboration with policymakers, industry leaders, and healthcare providers to align efforts on sustainable procurement.
- Advocate for harmonized European policies and regulatory frameworks that support sustainability in pharmaceutical purchasing.
- Facilitate multi-stakeholder dialogue and partnerships to share best practices and drive collective action.

These recommendations provide a structured roadmap to enhance sustainable procurement in the healthcare sector while fostering collaboration at both national and European levels.

Interview Results

03

Leading practices in sustainable public procurement

Interview Results 03

Sustainable public procurement of medicines and vaccines is increasingly recognized as a crucial strategy for enhancing healthcare resilience, minimizing environmental impact, and promoting social responsibility. Through interviews with procurement professionals, key practices that drive effective and responsible procurement have been identified. The findings highlight the importance of

- Strengthen collaboration with policymakers, industry leaders, and healthcare providers to align efforts on sustainable procurement.
- Advocate for harmonized European policies and regulatory frameworks that support sustainability in pharmaceutical purchasing.
- Facilitate multi-stakeholder dialogue and partnerships to share best practices and drive collective action.

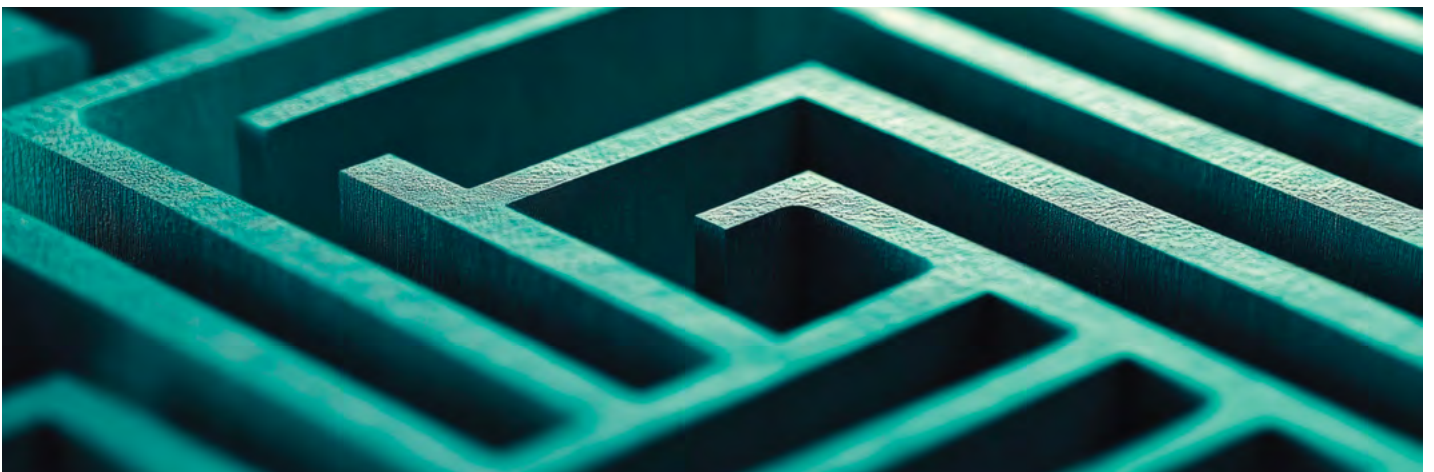
Additionally, the analysis explores the impact of gold-plating regulations on sustainability efforts and emphasizes the role of collaboration among public buyers as a powerful lever for balancing cost efficiency with sustainability goals.

Successful case studies demonstrate how integrating environmental criteria into procurement processes strengthens supply chain resilience, improves access to essential medicines. These insights provide actionable recommendations to advance sustainable procurement practices, aligning procurement strategies with broader public health and sustainability objectives.

Establishing a Strategic Framework for the Sustainable Procurement of Medicines and Vaccines is a prerequisite

Typology of strategies

One of the key findings from the interviews is that all the organizations surveyed, representing regions across Southern, Western, and Northern Europe, have a framework document in place that outlines their guidelines and objectives for sustainability.



Through the interviews, three distinct strategic approaches to sustainable procurement were identified:

1

Broad Organizational Sustainability Plans with Indirect Procurement Impact

In some organizations, sustainability efforts are embedded within a broader environmental strategy rather than a procurement-specific plan. These strategies primarily aim to enhance the organization's overall environmental performance. While procurement is not the central focus, these overarching sustainability objectives inevitably influence purchasing decisions by setting general targets that are later reflected in procurement policies.

2

Comprehensive Procurement Strategies Covering All Purchases, Including Medicines and Vaccines

Other organizations have developed procurement strategies that encompass all purchasing activities, including medicines and vaccines. These strategies tend to be more general in nature. Some organizations establish weighting criteria for environmental and social sustainability considerations, ensuring their systematic inclusion in procurement decisions². Others take a more structured approach by integrating sustainability principles into overarching framework documents³. These documents outline specific actions to be implemented by procurement teams and may even include performance indicators to measure the effectiveness of sustainability initiatives.

3

Targeted Sustainable Procurement Strategies for Medicines and Vaccines

A more specialized approach focuses explicitly on the procurement of medicines and vaccines. These strategies often prioritize specific environmental goals, such as reducing the carbon footprint of pharmaceutical purchases or incorporating dedicated sustainability criteria tailored to the unique challenges of medicine and vaccine procurement.

Scope of the strategies

It is worth noting that the scope of these framework strategies varies across organizations. Some adopt a broad approach by implementing a 'responsible procurement' policy, which integrates three key pillars into the procurement process: economic, environmental, and social.

- Economic pillar (beyond price): This includes support for very small enterprises (VSEs) and small and medium-sized enterprises (SMEs).
- Environmental pillar: Factors such as product sustainability, decarbonization, water usage, toxicity, and overall environmental impact are considered.
- Social pillar: This encompasses aspects like gender equality, working conditions, and inclusion measures, such as integrating people with disabilities or those distant from employment into the workforce.

Other organizations take a more targeted approach, focusing on sustainable procurement, which prioritizes the product's manufacturing process and life cycle. This approach evaluates the environmental impact of products and services throughout their entire life cycle — from raw material extraction, transformation, and manufacturing to distribution, use, and end-of-life management. While these organizations may currently focus on sustainability aspects, they often plan to expand their scope to social and ethics in later phases.

Finally, some organizations structure their approach based on specific sectors, concentrating on market segments, such as waste management, to drive targeted improvements within those industries.

² From April 2022: All NHS procurements include a minimum 10% net zero and social value weighting. <https://www.england.nhs.uk/green/nhs/publication/applying-net-zero-and-social-value-in-the-procurement-of-nhs-goods-and-services/> However, the mechanism through which medicines are procured does not allow for evaluation of tenders using the 10% net zero and social value weighting <https://www.england.nhs.uk/nhs-commercial/sustainability/evergreen/>

³ <https://resah.fr/base-documentaire/politique-achat-et-logistique-responsables-du-resah/>

The foundations for a proper sustainable procurement approach

Findings from the interviews highlight that a strategic framework for sustainable procurement is not just a best practice but a necessary foundation for aligning procurement processes with the broader mission, goals, and sustainability commitments of health-care organizations.

A well-defined strategy ensures that sustainability is systematically integrated into procurement decisions, reinforcing responsible sourcing while improving efficiency and resilience.



The insights from stakeholders emphasize several key reasons why such a framework is essential:

01. Alignment with Healthcare Mission & Sustainability Goals

Interviewees emphasized that sustainable procurement must be embedded within the healthcare organization's core values. Whether linked to environmental responsibility, patient safety, or cost efficiency, procurement decisions should reflect the institution's commitment to sustainability. A strategic framework provides a structured approach to achieving these goals, ensuring that procurement contributes to broader sustainability objectives rather than being treated as an isolated initiative.

02. Facilitating Internal Stakeholder & Supplier Engagement

One of the key takeaways from the discussions was that a strategic framework facilitates collaboration both internally and externally. Internally, it engages procurement teams, clinicians, and decision-makers, helping them understand their role in advancing sustainable procurement. Externally, it strengthens dialogue with suppliers and industry partners, ensuring that sustainable criteria are effectively integrated into supply chain expectations. This alignment is crucial for encouraging innovation and ensuring suppliers can meet sustainability requirements.

03. Embedding Sustainability into the Supply Chain

Interviewees highlighted the importance of a clear framework in making sustainability a visible and actionable priority. Without a structured approach, sustainable procurement efforts can remain fragmented or inconsistently applied. A strategic framework helps ensure that suppliers recognize sustainability as a key purchasing criterion, motivating them to develop greener products and services that align with the healthcare sector's evolving needs.

⁴ In Italy, the effectiveness of the Minimum Environmental Criteria (CAM) has been ensured by the provisions contained in the Contracts Code. In fact, Article 57, paragraph 2 of Legislative Decree 31 March 2023, no. 36, provides for the obligation to apply, for the entire value of the tender amount, the "technical specifications" and "contractual clauses", contained in the minimum environmental criteria (CAM). The same paragraph provides that the CAM must also be taken into account for the definition of the "contract award criteria" referred to in Article 108, paragraphs 4 and 5, of the Code. <https://gpp.mase.gov.it/>

The Impact of Gold-Plating Rules on Sustainable Procurement of Medicines and Vaccines

Gold-plating in sustainable public procurement refers to **the practice where national or regional authorities introduce additional legal requirements that go beyond the minimum obligations set by EU directives⁴**. While these measures aim to strengthen sustainability objectives, they can sometimes create administrative burdens or inconsistencies in procurement practices across EU Member States. However, when effectively implemented, gold-plating can play a crucial role in advancing environmental and social sustainability in public procurement, including the procurement of medicines and vaccines. While these measures aim to strengthen sustainabili-

ty objectives, they can sometimes create administrative burdens or inconsistencies in procurement practices across EU Member States. However, when effectively implemented, gold-plating can play a crucial role in advancing environmental and social sustainability in public procurement, including the procurement of medicines and vaccines.

Insights from interviews highlight that public buyers in countries with strong national sustainability requirements experience an “accelerating effect”, where mandatory obligations drive the integration of sustainability into procurement practices.

This impact is reflected in three key areas:

- 01 First it contributed to raise awareness at national level pushing the public entities to deepen the understanding of sustainable criteria.
- 02 Secondly, sustainability moves from an optional consideration to a core component of procurement strategies.
- 03 Thirdly, National obligations provide a clear legal framework, reducing uncertainty and empowering procurement officers to confidently apply sustainability criteria without fear of procedural pushback.



Norway's Approach to Climate and Environmental Criteria

Norway, the 2017 Law on Public Procurement required public buyers to apply climate and environmental criteria “where relevant” in procurement decisions. However, an evaluation conducted by the Office of the Auditor General found that, five years after the law’s implementation, its contribution to the country’s green transition remained insufficient. Public procurers often interpreted the “where relevant” clause narrowly, leading to inconsistent application of environmental considerations.

In response, the Norwegian government introduced a regulatory amendment requiring all public procurements to allocate a minimum weight of 30% to climate and environmental criteria, effective from January 1, 2024. This policy shift is expected to drive more consistent and ambitious integration of sustainability in procurement processes, encouraging the selection of lower-carbon, environmentally friendly solutions—including in the healthcare sector. For the procurement of medicines and vaccines, this could translate into increased demand for greener pharmaceutical production, supply chain transparency, and reduced reliance on carbon-intensive packaging and logistics.⁵

⁴ <https://www.regjeringen.no/no/aktuelt/historisk-endring-na-skal-klima-og-miljo-vektes-minst-30-i-offentlige-anskaffelser/id2990427/>

Good forecast as a key driver for sustainable procurement

Many public buyers interviewed have highlighted the importance of accurate forecasting in procurement practices. Reliable and up-to-date demand forecasts enable suppliers to plan production efficiently, optimize resource allocation, and reduce waste. This not only improves supply chain resilience but also plays a crucial role in mitigating medicine shortages.

From a sustainability perspective, better forecasting minimizes overproduction and unnecessary stockpiling, reducing pharmaceutical waste and associated environmental impacts. Additionally, it supports a more efficient distribution of medicines, lowering carbon emissions linked to transportation and storage.

In the context of medicine shortages, precise forecasting allows procurement authorities to anticipate supply risks and implement preventive measures, such as diversifying suppliers or adjusting procurement strategies to ensure continuous patient access. By integrating forecasting into sustainable procurement frameworks, public buyers can enhance both the environmental and social sustainability of healthcare systems while securing a stable supply of essential medicines.

A Consistent Approach to Defining Criteria and Specifications

The establishment of **sustainable procurement criteria** is a crucial step in embedding sustainability into public procurement practices. Sustainable procurement of medicines must consider environmental and social dimensions while also addressing the challenge of medicine shortages. The increasing frequency of shortages has underscored the need for a resilient and sustainable supply chain, where procurement criteria can help mitigate risks linked to production disruptions, unethical labor practices, and environmental degradation.

Social Considerations in Sustainable Procurement

Currently, public buyers primarily focus on ensuring compliance with regulatory requirements for social responsibility, often without incorporating additional criteria beyond the legal framework. However, interviews indicate that Corporate Social Responsibility (CSR) considerations—such as fair labor conditions and worker safety—are gaining importance. Several organizations we interviewed highlighted the use of inclusion criteria in their recruitment processes to support individuals with disabilities or those facing barriers to employment. They provided specific examples, such as suppliers who employ individuals with disabilities in the production of medical devices.

That said, during the interviews, the social dimension was rarely discussed, with most attention directed toward environmental aspects. Yet, strengthening social commitments in procurement contracts can enhance supply chain resilience by minimizing disruptions caused by poor working conditions or regulatory non-compliance. There is undoubtedly an opportunity to develop a dedicated workstream focused on this issue.

Key Areas of Environmental Criteria Development

The establishment of sustainable procurement “criteria” represents a critical step in implementing sustainable procurement practices in public organizations. The interviews revealed that when environmental criteria are introduced, they range from 5% to 30%, depending on the maturity of the public buyer. Buyers are increasingly seeking to move beyond a solely criterion-based approach.

Interviews revealed three main areas where public buyers are currently working to develop environmental criteria:

 Sustainable Packaging Buyers are addressing sustainability at the supply chain level by requiring recyclable materials, reducing excessive packaging, and eliminating harmful substances like PVC. (Example of the Danish strategy⁶)	 Green Transport and Logistics Efforts in this area focus on promoting low-carbon transportation by specifying the use of electric or hybrid delivery vehicles and optimizing delivery routes to reduce emissions. However, it is clear from the interviews that buyers focus mainly on the last kilometer and not on the entire transport chain.	 Product Sustainability This is a more complex challenge, as it involves both the conditions under which healthy products are manufactured and their overall composition. It can cover efficient use of energy and water in the production process, as well as waste reduction or even toxicity to the environment (toxic components). Integrating “product durability” into pharmaceutical procurement remains difficult due to data availability issues and regulatory constraints.
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The interviews facilitated the identification of two distinct approaches for incorporating environmental criteria.

- The first approach involves introducing minimal, general considerations with a criterion that carries very little weight. To meet this requirement, suppliers typically only need to provide certifications such as ISO or documents demonstrating, for example, the carbon footprint of the products covered by the tender.
- The second approach is more advanced. The more matures buyers take it a step further by developing criteria that foster genuine competition between suppliers. The tender documents specify exactly what suppliers must provide to demonstrate compliance, as these are competitive criteria rather than mere minimum requirements. These criteria can carry a weight of up to 30% within the sustainability evaluation.

This second approach is commonly used for packaging, as public buyers have substantial influence in this area and can enforce strict sustainability requirements. Interviewees noted that buyers tend to be particularly specific about packaging, often requiring suppliers to demonstrate compliance through formal documentation and audits. Monitoring implementation is also more straightforward in these areas through service quality controls and supplier evaluations.

It is worth noting an interesting case presented by Sykehusinnkjøp, as they have published their Environmental Requirements for Pharmaceutical Procurements 2022-2023, which outlines various environmental criteria developed⁷. One of the objectives of this publication, available in English, is to stimulate cooperation among public buyers at the European level to discuss approaches to defining criteria.

⁶ <https://www.regioner.dk/rfi/services/rfi-nyheder/2023/oktober/nordiske-kriterier-for-mere-baeredygtig-emballage/>

⁷ <https://www.sykehusinnkjop.no/nyheter/nyheter-2024/miljokrav-legemidler---rapport/>



Interview Results 03

Challenges in advancing further, particularly concerning “product sustainability”, stem from various factors that hinder progress in this area.

The key challenge is accessing reliable data on the production chain. Interviewed buyers repeatedly highlighted issues such as data availability, quality, cleanliness, control, and usability. These concerns hinder efforts to evaluate and improve sustainability performance.

Specifically, several interviewees cited difficulties in obtaining critical environmental data, including emissions levels, water consumption, and waste management figures. Inconsistencies in data collection methods across suppliers further complicate efforts to standardize and derive actionable insights.

Another significant barrier is the enforceability of evaluation criteria. Some interviewees raised concerns about justifying the selection of a specific assessment methodology—such as a carbon footprint calculation—if legally challenged. The chosen methodology directly influences bid assessments and contract awards, making legal certainty a critical issue for public buyers. Without clear and enforceable criteria, sustainability-focused and innovation-driven procurement efforts may be significantly hindered.

Initial solutions to these identified barriers can be found in a very interesting example provided by the Nordic Pharmaceutical Forum during the interviews on the topic of Antimicrobial Resistance, in which specific sustainability criteria were included to combat resistance. The requirements are based on the standard developed by the AMR Industry Alliance and the British Standards Institution (BSI). The standard requires that antibiotic manufacturers implement effective environmental management systems and ensure that antibiotic residues in waste streams remain within safe Predicted No-Effect Concentrations (PNECs), which represent the level at which a substance will not have an adverse effect on its environment⁸. Nordic countries have incorporated these environmental criteria into their tender processes for antibiotics, with a scoring system that rewards manufacturers who have implemented measures for managing wastewater to achieve appropriate PNEC values⁹. This integration of environmental standards into procurement policies represents a significant market incentive for antibiotic manufacturers to adopt responsible manufacturing practices.

The creation of a standard is a solution to address missing data, a common challenge in environmental monitoring. Moreover, in this specific case, the implementation of the standard is monitored by a third-party entity, which also ensures the quality of the data and liability.

Another example that may provide initial answers to the data issue is the EverGreen platform. The EverGreen Sustainable Supplier Assessment¹⁰ is a self-assessment and reporting tool for suppliers to share sustainability information with the UK NHS, providing a single route for information and data sharing between suppliers and the NHS. After completing the assessment, suppliers will receive a sustainability maturity score against NHS priorities, which signposts their current position and pathway to progress. It's important to note that the assessment has not been designed to be included as a scored or evaluated requirement in procurement but Using the Evergreen Assessment as the implementation mechanism for Net Zero and Social Value in medicines tenders on an exceptional basis ensures that the policy is proportionate, aligned with the intent of the NHS Net Zero and Social Value approach¹¹.

The platform's launch is scheduled for April. It will be valuable to assess how public buyers leverage the data provided by pharmaceutical suppliers to enhance their criteria and procurement requirements. However, it will also be essential to assess the impact on supplier maturity. A key question remains: Will this effectively drive market improvements?

⁸ <https://www.amrindustryalliance.org/antibiotic-manufacturing-standard/>
<https://www.bsigroup.com/en-GB/insights-and-media/insights/blogs/the-bsti-kite-mark-for-amr-and-supplying-the-nhsall-you-need-to-know/>

⁹ https://www.lif.se/contentassets/189b260920474108ab108dc539e9a7f3/2024.04.10_environmental-criteria-in-nordic-tenders_lif.se_spe.pdf

¹⁰ <https://www.england.nhs.uk/nhs-commercial/sustainability/evergreen/>

¹¹ <https://www.england.nhs.uk/nhs-commercial/sustainability/evergreen/>



Collaboration Among Public Buyers: A Powerful Lever for Success

Interviews indicated that public buyers involved in sustainable pharmaceutical procurement often work in isolation at the national or regional level, with limited cross-border collaboration. This fragmented approach leads to inconsistencies in procurement criteria, creating challenges for suppliers who must navigate varying requirements across different markets. However, feedback from interviewees highlights an **increasing awareness of the need for cooperation**, particularly in developing standardized approaches for defining environmental and social criteria in pharmaceutical procurement.

A more coordinated "how-to-buy-together" approach is essential to fostering the broader adoption of sustainable procurement practices. A key insight from the interviews is that **joint efforts can enhance market predictability**, providing suppliers with clear, harmonized expectations that incentivize investment in greener and more socially responsible production methods. Moreover, collaboration allows public buyers to **pool resources, share best practices, and develop more effective and impactful procurement strategies**. By aligning efforts across borders, buyers can collectively drive systemic change, ensuring that sustainability considerations become an integral and enforceable part of pharmaceutical procurement rather than isolated national initiatives.



A notable example of successful collaboration is the Nordic Pharmaceutical Forum, which consists of Denmark, Norway, and Iceland. This forum was created with the aim of organizing joint procurement, which can lead to more efficient and sustainable procurement practices. Denmark and Norway are similar countries in the way that their procurement system is built and that they have a centralised procurement or-

ganisation, making it easier for them to work together. One of the group's key collaborative efforts has focused on tackling the global challenge of antibiotic resistance. Additionally, they have been able to create a unified approach to environmental criteria for drug procurement, which is crucial for ensuring sustainable practices in the sector¹².

¹² <https://www.amrindustryalliance.org/antibiotic-manufacturing-standard/>
<https://www.bsigroup.com/en-GB/insights-and-media/insights/blogs/the-bis-kite-mark-for-amr-and-supplying-the-nhsall-you-need-to-know/>

Supplier and Stakeholder Engagement Strategies

Interview Results 03

Engagement with suppliers

Mature buyers share a common trait: they have established mechanisms to collaborate with their suppliers on sustainability issues. This collaboration is structured and developed in such a way that it also considers the security of supply.

Levels of Engagement during the market consultation phase

01. Engagement Phase: Occurs just before launching a market process. Some interviewed buyers use this phase to publicize their purchasing plans or annual procurement schedules and gather feedback, without making any further commitments.
02. Testing Sustainable Criteria: Some interviewed buyers use these exchanges to test different sustainability criteria and check with suppliers if they are acceptable. A key element of cooperation is pushing suppliers in the desired direction. During these dialogues, suppliers often ask what the next steps are, what criteria will be included in tenders in the future, and what the buyer is looking for in the coming years. This ongoing dialogue is critical to guide suppliers in the right direction.
03. The development of transparent collaboration with suppliers: The interviews show that certain buyers play an active role in promoting open dialogue, which fosters mutual trust and facilitates alignment of objectives and expectations between both parties. This practice is not just about sharing information; it ensures that sustainability considerations are integrated early in the process, leading to more informed decision-making, shared responsibility, and potentially innovative solutions that benefit both the organization and the environment. This involves understanding what suppliers can propose and how to create an environment where all suppliers can fairly compete.



Best Practice in Antibiotic Procurement

The procurement process began with direct engagement between buyers and industry stakeholders to gather insights on contributions and expectations. This collaboration led to the creation of a tailored questionnaire, which was refined into clear, measurable criteria for easy scoring, ensuring suppliers understood the expectations.

The process was further expanded by involving key stakeholders like the AMR Industry Alliance and the British Standards Institution, which introduced a certification for responsible antibiotic manufacturing. This collaborative work was then aligned at the Nordic Forum level to harmonize efforts across the region.

Additionally, the evaluation process was streamlined by consolidating assessments from 21 individual hospitals into a centralized, national approach, leading to more consistent and effective evaluations. This shift ultimately enhanced the efficiency and impact of antibiotic procurement.¹³

⁶ <https://www.regjeringen.no/contentassets/7ae8eacec9cc4af085b5c113a98a0eb0/national-one-health-strategy-against-antimicrobial-resistance.pdf>

Challenges in Identifying Greenwashing: A major concern for public buyers is the inability to properly identify when there is a risk of greenwashing. Public buyers need to conduct in-depth research to realize that the data presented by companies is insufficient or unverifiable to measure the carbon footprint of a product or to assess the full life cycle of a product. This task is often not completed because buyers lack the resources to do so.

Importance of Collaboration: The public buyers interviewed recognize that building collaboration is key, especially to signal to the demand side that there will be an increasing trend toward purchasing "sustainable" medicines, particularly in design and manufacturing. However, many buyers expressed that this effort should be carried out at the European level to align visions, objectives, and "harmonize" demand. Fighting against fragmentation in demand could be a strong lever to encourage the market to invest in greening the production and supply chains.

Engagement with internal stakeholders

In most of the organizations interviewed, internal initiatives are being developed to ensure that all stakeholders, particularly healthcare professionals, actively participate in strategic decision-making to en-

hance sustainability. Procurement teams often take the lead in aligning perspectives, translating these shared visions into concrete purchasing decisions that integrate environmental criteria.

Notably, buyers are emerging as **key drivers of the environmental transition within healthcare organizations**. However, they face significant challenges, primarily due to varying levels of awareness and engagement with environmental issues among stakeholders. This disparity makes it particularly difficult to establish and implement sustainable procurement criteria. As a result, the role of **procurement professionals** is evolving — they are no longer just facilitators of purchasing but are increasingly becoming **coordinators of environmental and social initiatives**. They also serve as **catalysts for change**, challenging traditional purchasing needs and reshaping procurement strategies.

One compelling example shared in an interview highlights this shift: integrating sustainability considerations into patient care pathways. This approach requires close collaboration between healthcare professionals and procurement teams to identify areas where purchasing decisions can incorporate environmental and social criteria, ultimately fostering a more sustainable healthcare system.



Building Sustainable Supply Chains

Interview Results 03

Interviews highlighted that the primary challenge in the public procurement of pharmaceuticals is maintaining a secure supply chain. From this perspective, sustainability challenges must be carefully weighed against the priority of maintaining stable and reliable supply chains. Procurement teams must therefore strike a balance between ambitious sustainability goals and the practical constraints of market feasibility. This balance requires a **dynamic risk management approach that considers both environmental and social risks, as well as the risks associated with supply disruptions and shortages.**

The interviews revealed that buyers employ various contractual strategies to mit-

igate the risk of shortages. These include multi-awarding contracts to multiple suppliers and defining criteria to assess suppliers' plans for addressing potential shortages. In addition to these contractual measures, collaboration with clinicians is also undertaken to identify alternative solutions.

Public buyers are working to develop procurement strategies that integrate sustainability while ensuring a reliable supply, aiming to minimize potential trade-offs between these objectives.

Key insights from interviews reveal that, in this context, public buyers must address four critical challenges:

1

Fragmented Supplier Market Maturity on Sustainability

The level of sustainability maturity among suppliers varies significantly, creating a fragmented landscape that complicates procurement strategies. Public buyers must assess risks not only in terms of potential supply shortages but also in terms of environmental impact. This variability requires a nuanced approach to evaluating supplier capabilities and readiness for sustainable procurement.

2

Challenges with Non-Adaptive Suppliers

A major difficulty lies in engaging suppliers who are resistant to change or fail to align with sustainability objectives. A key concern for public buyers is determining the best way to support suppliers in transitioning toward more sustainable practices. Some suppliers hesitate due to uncertainty about whether investments in sustainability will translate into increased contracts or market share. Several interviewees highlighted that fragmented procurement practices among buyers contribute to this reluctance. Additionally, when supply chain disruption risks are high, buyers may be less willing to exert pressure on suppliers to adopt sustainability measures.

3

Managing Supply Shortage Risks

The risk of supply shortages is a central concern, requiring buyers to develop strategies that ensure resilience while integrating sustainability considerations. This challenge is particularly pronounced in sectors where supply chains are already under strain or where sustainable alternatives are not yet widely available.

4

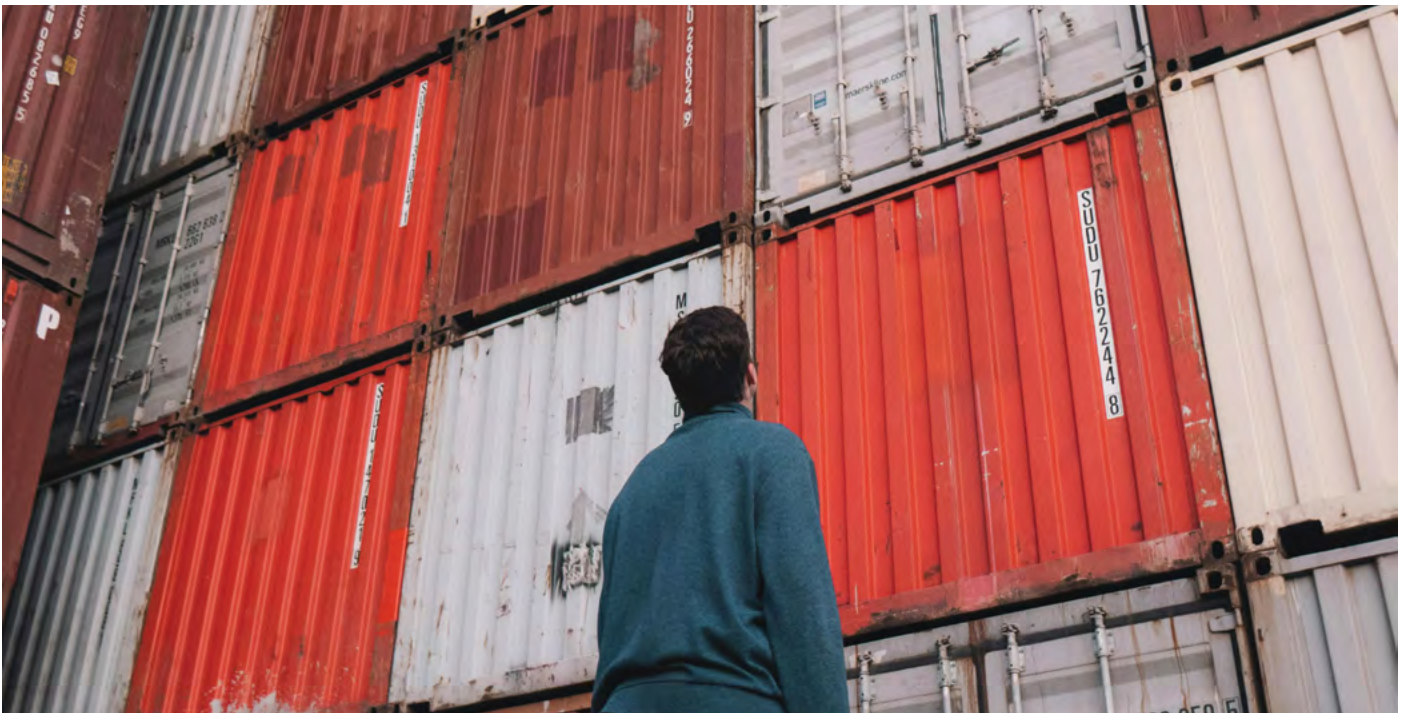
Ensuring Legal Security and Managing Litigation Risks

Public procurement decisions must comply with legal frameworks while mitigating risks of legal disputes. The increasing emphasis on sustainability in procurement may introduce legal uncertainties, particularly when balancing environmental ambitions with regulatory and contractual obligations. Buyers must ensure that sustainability requirements are legally sound and do not expose them to increased litigation risks.

Methods for Assessing the Sustainability Impact of Procurement

Interview Results 03

If public buyers integrate sustainability considerations from the early stages of public procurement preparation, they all still appear to be in the **early stages of impact measurement**. What will the carbon footprint or carbon reduction be when incorporating these criteria into tenders? So far, no one can precisely determine the outcome of these environmental criteria. At present, the ability to measure carbon reduction remains a "black box."



Key Challenges Identified in Interviews

The interviews revealed two main issues:

01. The widespread use of varying carbon footprint calculation methods, hindering the ability to make meaningful comparisons.
02. Inconsistent measurement approaches, which create challenges in ensuring fair comparisons between companies.

Some interviewed organizations explained that for certain procurement processes, they conducted a comprehensive life cycle assessment of the carbon footprint—from production to transportation, packaging, and pharmaceutical administration. They attempted to simulate where the carbon footprint is highest to assess the overall impact. By doing this, they were able to pinpoint where emissions are most significant.

The next step was to transform this analysis into criteria for selecting the most impactful solutions. However, the primary challenge remains that buyers **struggle to compare companies, as each company uses vastly different measurement methodologies**.

Interview Results 03

Lack of KPIs, Metrics, and Tools

Overall, the interviews highlighted a significant gap:

✓ Few or no defined KPIs	✓ Lack of tools for impact measurement
✓ Few or no standardized metrics	✓ Even fewer established methods or processes

Public buyers find it extremely difficult to build the full system required to measure and adjust the mechanisms introduced in procurement specifications. Many buyers rely on their suppliers to perform these assessments. While suppliers are partners in these efforts, they too often lack the necessary resources to manage this data effectively.

Example of a Methodologies to measure carbon footprint

In France, the Ministry of Economy published a guide on February 5, 2025, presenting a simplified public evaluation method for assessing the carbon impact of medicines.

This initiative aims to support efforts to reduce emissions in the pharmaceutical sector. Both public buyers and pharmaceutical manufacturers were involved in this work. However, the methodology remains optional, and third-party independent audits are not mandatory¹⁴.

Some buyers are also experimenting with methods initially developed for other products, such as medical devices.¹⁵



¹⁴ <https://www.entreprises.gouv.fr/la-dge/publications/methodologie-devaluation-de-lempreinte-carbone-des-medicaments>

¹⁵ https://www.snitem.fr/wp-content/uploads/2023/12/CP-ecoscore_07.12.23.pdf

Best Practices and Emerging Trends

Interview Results 03

Value-Based Procurement for Sustainability

Value-Based Procurement (VBP) is emerging as a transformative approach that shifts procurement from a cost-centric model to one focused on outcomes. By integrating sustainability into VBP, public buyers can align financial incentives with long-term environmental and social benefits, ensuring that suppliers deliver measurable impact rather than just products or services.

The interviews suggest that some procurement teams are proactively exploring value-based procurement (VBP) to address sustainability challenges. Rather than merely defining criteria, these teams seek to collaborate with suppliers to achieve shared sustainability outcomes. The idea would be to use VBP approaches to:

- **Prioritize Low-Carbon Solutions:** Suppliers are rewarded for reducing the environmental footprint of their products, including lifecycle emissions from production to disposal.
- **Implement Performance-Based Contracting:** Payments could be partially linked to meeting sustainability targets, such as CO₂ reduction, circular economy principles, or energy efficiency gains.
- **Encourage Cross-Sector Collaboration:** Procurement teams, industry experts, and policymakers work together to define verifiable sustainability criteria and monitoring mechanisms.

This shift can drive:

- **Stronger Supplier Accountability:** Companies must demonstrate real-world impact, such as reduced emissions, ethical sourcing, or improved health outcomes.
- **Risk-Sharing Models:** Suppliers take on responsibility for achieving results, fostering long-term partnerships rather than transactional relationships.
- **Innovation-Driven Competition:** Open-market approaches encourage suppliers to develop and scale new solutions that align with both sustainability and efficiency goals.



Exploring the Potential of Artificial Intelligence to Develop Tools for Public Buyers

During interviews, several participants emphasized AI's potential as a powerful tool for supporting public buyers, particularly in streamlining verification processes. AI could assist in validating product certifications, cross-checking supplier data, and ensuring compliance with regulatory requirements. This capability is especially valuable in highly regulated sectors such as pharmaceuticals, where verifying the authenticity, quality, and sustainability of products is critical. By automating complex verification tasks, AI could significantly enhance both efficiency and accuracy in procurement.

Beyond traditional procurement concerns, there is a growing demand for comprehensive environmental and toxicity data on active pharmaceutical ingredients (APIs). AI-driven tools could play a key role in aggregating and analyzing this data, enabling more effective comparisons of APIs based on factors such as toxicity and carbon footprint. By integrating lifecycle assessments, AI could support buyers and prescribers in making more informed decisions that balance medical efficacy with environmental impact.

For this approach to be truly effective, a fundamental shift is needed at the prescriber level. Providing doctors and decision-makers with access to this data would require a new digital infrastructure that integrates procurement, environmental considerations, and prescribing practices. Such an innovation in pharmaceutical procurement could promote more sustainable and responsible prescribing habits while ensuring that public buyers have access to the most comprehensive information available.

Additionally, AI-driven tools could help procurement professionals analyze vast amounts of market data, identify the most sustainable and cost-effective suppliers, and automate routine administrative tasks. By reducing manual workload, these tools would allow procurement teams to focus on strategic decision-making and long-term value creation. Accelerating the adoption of sustainable procurement practices through AI could enhance transparency, generate cost savings, and improve access to high-quality products in public procurement.



¹⁴ <https://www.entreprises.gouv.fr/la-dge/publications/methodologie-devaluation-de-lempreinte-carbone-des-medicaments>

¹⁵ https://www.snitem.fr/wp-content/uploads/2023/12/CP-ecoscore_07.12.23.pdf

Identified Gaps

Interview Results 03

Based on the insights gathered from the interviews, we have identified several gaps that warrant action:

Addressing the Social Dimension

The first gap identified from the analysis of interview results is that the discussions revealed a stronger emphasis on environmental issues, with social aspects receiving less attention. This suggests a greater focus on environmental concerns, though the underlying reasons for this prioritization remain unclear. It implies that **separating the two dimensions and implementing targeted actions to address the social aspect could help clarify the barriers to its integration.**

Enhancing Focus on the Durability of Medicines and Vaccines

Another clear gap identified in the discussions relates to sustainability in the production of medicines and vaccines. **The focus on the durability of medicines and vaccines should perhaps be more developed.** Public procurement efforts predominantly address downstream aspects of the production chain, such as packaging and distribution. While these are crucial areas, they do not encompass the entire value chain, particularly the environmental compatibility of the medicinal product itself.

A best-practice example that could serve as a model for sustainable procurement acceleration is the approach taken for Antimicrobial Resistance (AMR). Building on this example, we have identified three areas for improvement that are directly linked to gaps uncovered during the interviews and require collaboration among all stakeholders in the sector.

- **Lack of Standardized Metrics and Tools:** Develop standardized Key Performance Indicators (KPIs) and monitoring systems to measure the sustainability of healthcare products.
- **Limited Supply Chain Visibility:** Improve data transparency to ensure consistent and trustworthy information for decision-making.
- **Knowledge Gaps and Organisational Barriers:** Align internal teams around shared sustainability objectives to drive cohesive action.

Strengthening Procurement Strategies with a specific focus on medicines and vaccines

A major challenge highlighted across the interviews is the need for **harmonization, standardization, and enforceability, particularly concerning sustainable supply chain.** Public buyers aim to minimize legal risks, but the diversity of carbon footprint assessment methods and lifecycle analysis approaches makes it difficult to compare offers fairly and enforce sustainability criteria effectively.

Interview Results

03

To balance supply chain security with sustainable purchasing, organizations could focus on:

- **Increasing Transparency & Accountability:** A well-defined sustainable procurement strategy acts as a communication tool, making sustainability efforts visible to external stakeholders, including regulators, policymakers, and the public. Interviewees emphasized the importance of clear sustainability objectives and measurable indicators to track progress and demonstrate impact. This transparency fosters trust and encourages industry-wide adoption of sustainable practices.
- **Ensuring Regulatory Compliance & Future-Proofing Procurement:** As sustainability regulations evolve, healthcare organizations must proactively adapt their procurement strategies. A robust framework allows institutions to stay ahead of regulatory requirements, such as EU Green Public Procurement (GPP) criteria, and respond effectively to sustainability challenges, including carbon reduction targets and circular economy initiatives.

Fostering Collaboration and a Shared Vision

All the organizations interviewed expressed the need to develop more collaboration, both internally within organizations and among all stakeholders. The lack of a European space to foster strong collaboration on these issues was also emphasized several times.

- **Promoting constructive dialogue with pharmaceutical companies:** Fostering constructive dialogue with pharmaceutical companies and pharmacists by sharing best practices can help overcome resistance to change and the lack of a shared vision between suppliers and buyers, transforming challenges into opportunities.
- **Building a Sustainability-Oriented Culture:** To engage all stakeholders effectively, organizations should organize exchange of knowledge sessions to communicate the vision of sustainable procurement, particularly among healthcare providers.

- **Strengthening European Collaboration on Sustainable Procurement in the Pharmaceutical Sector**

Sustainable procurement in the pharmaceutical sector faces significant challenges, particularly when it comes to elevating these issues to a global scale. It is essential to establish stronger connections among national organizations at the EU level to set a unified direction and ensure standardization across the sector. A coordinated EU approach is critical for influencing global supply chains and driving impactful changes in procurement practices.

- **Promoting Collective Action and Collaboration**

Hospitals and other public entities must coordinate their efforts through collective action to accelerate the scaling-up and roll-out of innovative solutions. Collaborative frameworks, especially when supported by:

- **Joint Procurement Initiatives:** Creating shared procurement frameworks across hospitals will not only standardize requirements and criteria but also create the conditions necessary for strategic procurement, facilitating the adoption of innovative and sustainable solutions.

This discussion needs to take place at the EU level to create a strong, unified voice that can shape procurement strategies and drive standardization, enabling impactful action that aligns with broader sustainability and innovation goals across member states. By leveraging EU-level collaboration, we can create scalable solutions and make a significant contribution to reducing the environmental and social impact of procurement practices. In summary, collaborative, value-driven approaches, combined with a disciplined demand-side strategy, will be critical in achieving meaningful, sustainable transformation.

Conclusion

04

Summary of the key insights and their implications for sustainable healthcare procurement.

Conclusion 04

A key takeaway is the importance of **supporting public buyers in developing a strategic framework for the sustainable procurement of medicines and vaccines**. This framework should align procurement processes with the broader sustainability objectives of the organization, promote stronger collaboration with both internal and external stakeholders, and increase the transparency and impact of sustainable purchasing decisions. By formalizing this approach, healthcare organizations can drive meaningful change within their operations while also influencing suppliers and the wider healthcare sector to adopt more sustainable practices.

The **greening of the pharmaceutical supply chain is a complex issue that remains inadequately addressed**, as evidenced by the gaps identified in the analysis. There is a real need to harmonize methodologies for measuring environmental impact, ensuring legal reliability to mitigate disputes, and establishing clear standards to guide procurement practices in this area.

Collaboration is pivotal to advancing sustainable healthcare procurement, both within individual organizations and across European institutions. Stronger coordination at the organizational and European levels will be essential to drive progress and scale effective solutions.

Finally, the **social dimension of sustainable procurement**, particularly in the context of medicines and vaccines, **remains an area yet to be explored**. The interviews failed to reveal any detailed practices in this area. This is a key area that needs to be explored further to ensure that social responsibility is not sidelined in the pursuit of environmental sustainability. It should undoubtedly be the subject of a separate action.

Call to action for stakeholders to collaborate and innovate in this critical area.

Conclusion 04

To drive meaningful progress, it is essential to **establish a shared vision among all stakeholders at the European level** — not only regarding the overarching objectives but, more importantly, the concrete steps needed to fully integrate sustainable development principles into the procurement of medicines. Achieving this alignment is a prerequisite for fostering impactful and lasting change.

A key priority is **enhancing the capacity of buyers to engage in sustainable procurement of medicines and vaccines**. This requires collaboration on two critical fronts: first, the development of the necessary technical knowledge, and second, the creation and implementation of practical tools that enable procurement professionals to make informed, sustainable purchasing decisions. This report has identified several potential pathways to support these efforts. However, it is strongly recommended that the specific needs for tools and methodologies be collectively assessed and co-developed through a collaborative, multi-stakeholder approach.

Lastly, the report highlights the importance of providing ongoing support and guidance to procurement professionals as they implement sustainable purchasing practices. Ensuring that buyers receive the necessary assistance, whether through training, advisory services, or tailored resources, will be crucial in translating strategic commitments into concrete action. **A structured framework for accompaniment and capacity-building should be put in place to help buyers navigate challenges and successfully integrate sustainability considerations into their procurement processes.**

Appendix

Sustainable procurement
maturity scale

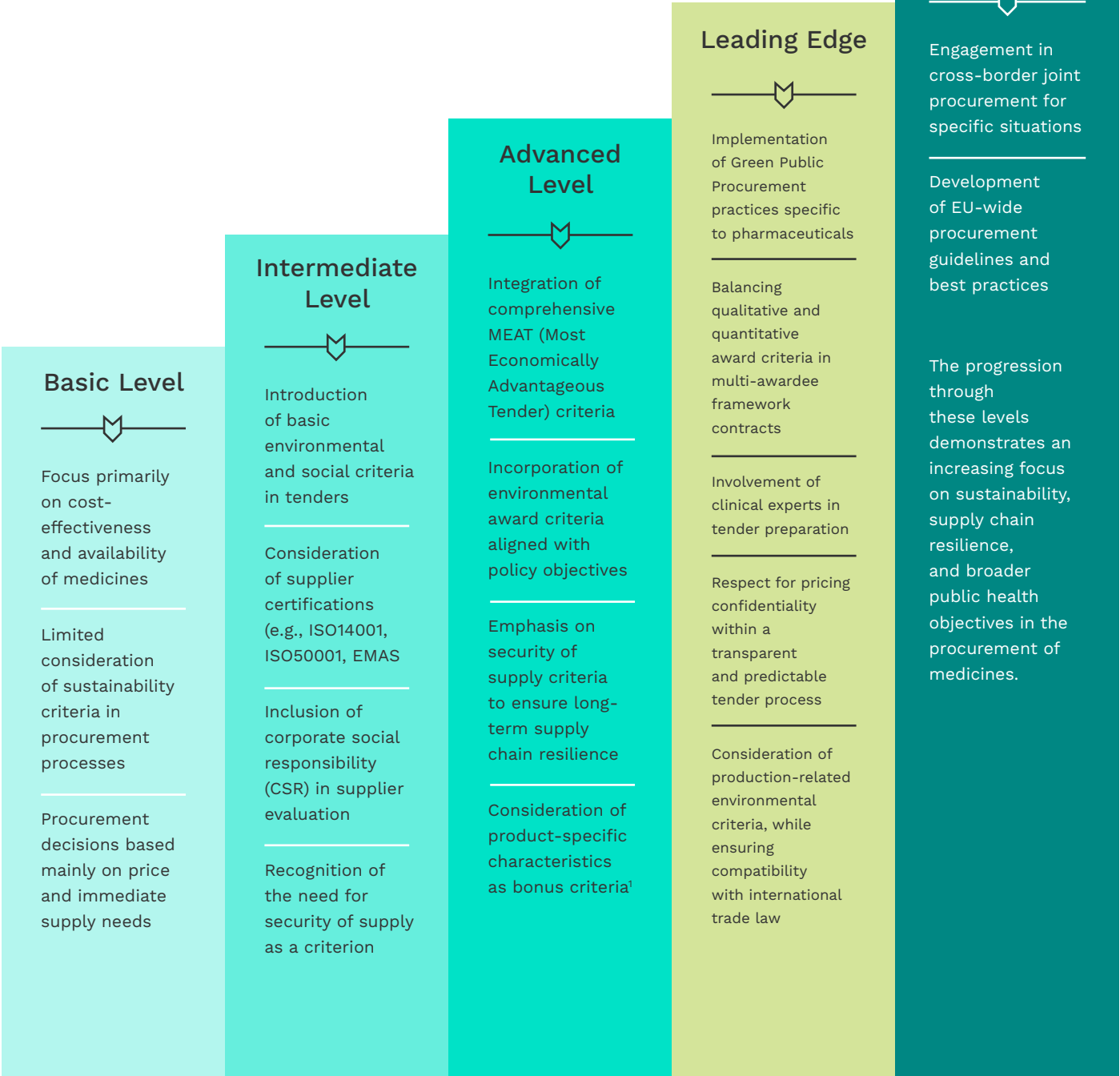
05

Sustainable procurement maturity scale



Appendix 05

The maturity of approach to sustainable public procurement of medicines can be categorized into several levels, reflecting the progression from basic to more advanced practices:



¹⁴ <https://www.medicinesforeurope.com/wp-content/uploads/2024/01/Position-paper-proposal-for-EU-procurement-guidelines-Final.pdf>

Sustainable Procurement in Healthcare

A Survey by the Alliance
for Procurement Impact

API Survey Report





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Executive Summary



The Alliance for Procurement Impact carried out a focused survey to examine how sustainability is currently embedded in healthcare procurement practices across Europe. The findings indicate that sustainable procurement is gaining traction and increasingly regarded as a strategic approach that integrates environmental, social, and economic objectives. Rather than treating sustainability as a compliance exercise, many healthcare organizations are beginning to embed it more systematically into their procurement processes.

Environmental and social considerations are central to this shift. Respondents highlighted carbon footprint reduction, circular economy models, fair labor practices, and the resilience of supply chains as core priorities. These are frequently complemented by a growing interest in energy efficiency, ethical sourcing, and improving health equity. Organizations reported using a combination of communication channels, supplier audits, and co-development initiatives to engage suppliers, with sustainability clauses commonly integrated into tender documents.

Despite this progress, the survey revealed significant gaps in implementation. While 57% of respondents conduct sustainability impact assessments using tools such as ESG scorecards, carbon footprint metrics, and ISO standards, many acknowledged difficulties in translating these assessments into procurement decisions. This suggests that while awareness and ambition are growing, operationalization remains a challenge.

Barriers to progress include limited availability of sustainable suppliers, concerns about higher costs, fragmented or overly complex regulatory environments, and weak internal alignment. In several cases, the lack of internal buy-in and insufficient leadership support were seen as limiting factors. Furthermore, capacity constraints—especially in relation to training, practical tools, and sector-specific guidance—were noted as persistent obstacles to effective implementation.

Nonetheless, the sector is undergoing a notable transformation. Respondents described emerging trends such as the adoption of circular procurement principles, a shift toward environmental and social considerations when doing market consultation, the use of digital technologies to enhance supply chain transparency, and an increasing focus on the social value of procurement—such as promoting supplier diversity and inclusive employment.

Overall, the survey underscores both the progress made and the work that remains. There is growing recognition that procurement can be a powerful driver of environmental and social impact in healthcare. However, realising this potential requires stronger leadership, clearer guidance, consistent assessment practices, and broader capacity-building across the sector.



Introduction

Procurement plays a pivotal role in building healthcare systems that are not only resilient but also environmentally and socially responsible. In a sector where supply chain security is paramount, sustainable procurement has emerged as a critical strategy for aligning healthcare delivery with long-term environmental, social, and economic goals.

To better understand current practices and identify opportunities for improvement, the Alliance for Procurement Impact (API) launched a targeted online survey. The objective was to gather concrete insights into how sustainability is currently embedded in healthcare procurement—particularly in relation to medicines and vaccines, which are essential for ensuring both access and impact.

The survey explored key dimensions of sustainable procurement, including:

- Organizational definitions and goals for sustainability
- Integration of environmental and social criteria into tenders and supplier selection
- Supplier engagement and risk mitigation strategies
- Impact assessment methods and metrics
- Internal and external challenges, regulatory barriers, and enabling conditions
- Emerging best practices and future trends

This report presents the findings of the survey, highlighting the current state of sustainable procurement in the healthcare sector and identifying actionable pathways toward more resilient and sustainable procurement practices. By capturing the voices of procurement managers, policy developers, sustainability officers, and other professionals from across Europe and beyond, this analysis serves as a foundational step toward designing practical solutions that address both supply chain vulnerabilities and sustainability imperatives.

We thank all participants for contributing their time and insights. Your input is helping to shape a roadmap for more sustainable healthcare procurement—grounded in evidence, shaped by experience, and aimed at meaningful impact.





Respondent Profile

Number of responses: 9

The survey captured the perspectives of a broad range of professionals actively shaping procurement decisions across healthcare systems.

Participants included

Sustainability Officers,

CEOs,

Procurement Managers,

Vice Presidents of Strategy

and Partnerships,

Heads of Operations,

and Healthcare Professionals.

This diverse and strategic representation underscores the cross-functional relevance of sustainable procurement and the commitment at all levels to driving systemic change.

Geographical coverage:

Spain, Germany, Norway, Netherlands, UK, and broader Europe



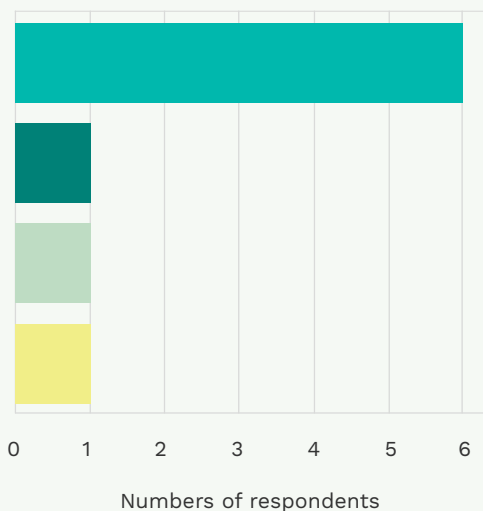
Types of responding organizations:

Central Purchasing Body (CPB)

Hospital

Medtech company (Philips)

National/Regional Authority or Agency





Key Findings

Sustainable Procurement Practices

Section 1

1. How Organizations Define Sustainable Public Procurement in Healthcare

Survey participants offered rich and varied definitions of sustainable public procurement (SPP) in healthcare. Despite some differences in focus, there was a strong overall convergence around the need to integrate environmental, social, and economic criteria throughout the procurement lifecycle.

Several respondents defined sustainable procurement as the acquisition of goods, services, and infrastructure that ensure both quality and cost-effectiveness while minimizing environmental impact. A commonly cited objective was the reduction of the carbon footprint, with some organizations specifically emphasizing the selection of low-carbon, energy-efficient, and waste-reducing solutions. These environmental goals are frequently aligned with international standards such as ISO 14001 and supported by eco-labeling schemes for medical products.

Social considerations were also integral to many definitions. Respondents highlighted the importance of supporting fair labor practices, promoting human rights across the supply chain, and ensuring equal

access to affordable healthcare services. One organization defined sustainable procurement as an effective, transparent, and environmentally friendly process that guarantees equal access to affordable prices.

Economic sustainability was seen as closely intertwined with operational efficiency. Several respondents mentioned the importance of investing in innovative solutions that optimize resources and deliver long-term value. A focus on building resilient and affordable supply chains was also noted as a central feature of a sustainable procurement strategy.

Overall, the definitions provided suggest that sustainable public procurement in healthcare is increasingly seen as a strategic approach that goes beyond compliance. It seeks to actively shape a health system that is not only cost-effective but also environmentally responsible, socially inclusive, and economically resilient.

We thank all participants for contributing their time and insights. Your input is helping to shape a roadmap for more sustainable healthcare procurement—grounded in evidence, shaped by experience, and aimed at meaningful impact.

Notable Quotes

“Procurement that has the best possible impact on the environment, society and economy over the entire life cycle.” (Central Purchasing body representative)

“Sustainable public procurement in healthcare means sourcing products and services in a way that ensures resilient, affordable supply chains while minimizing environmental impact and promoting positive social outcomes, such as ethical labor practices and community well-being.” (Central Purchasing body representative)

2. Why Sustainable Procurement Matters in Healthcare

Respondents highlighted several key reasons why sustainable procurement is critical in the healthcare sector:

- Reducing carbon footprint emerged as the most frequently cited driver, reflecting growing awareness of healthcare’s climate impact.
- Ensuring cost-effectiveness was also emphasized, suggesting that sustainability and financial responsibility are viewed as compatible.
- Other notable reasons included promoting fair labor practices, ensuring supply sustainability, and complying with new sustainability reporting requirements (e.g., CSRD).

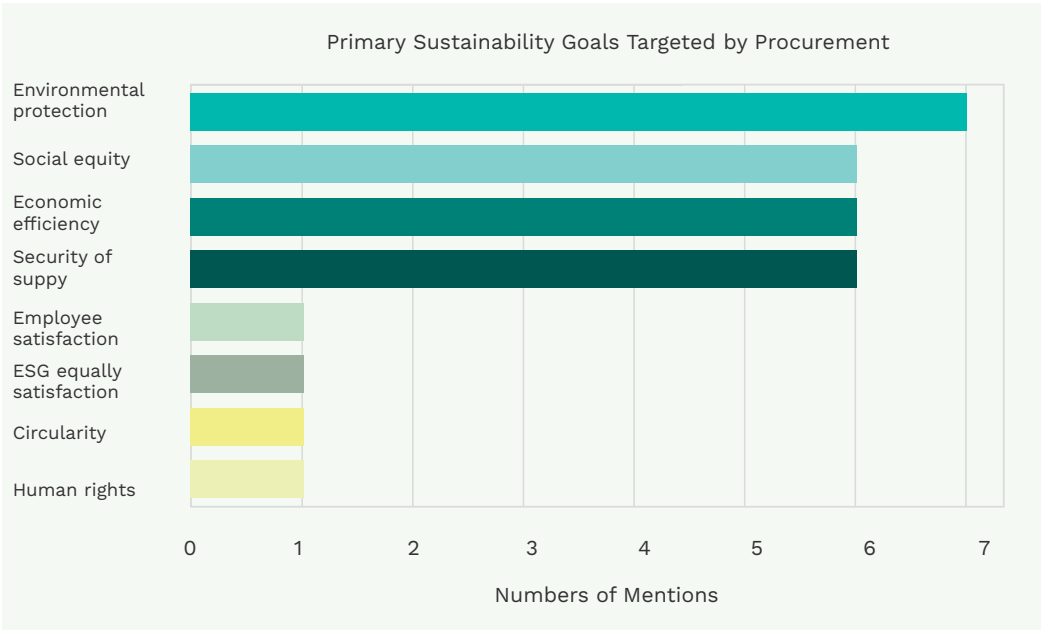
These insights reflect a broad recognition that sustainable procurement contributes not only to environmental goals but also to ethical supply chains and resilient operations.

3. Why Sustainable Procurement Matters in Healthcare

Most organizations rated their current sustainable procurement practices as moderately advanced (scores of 3–4 on a 5-point scale). This suggests a growing maturity, with several already embedding sustainability into procurement strategy, though room for improvement remains.

4. Primary Sustainability Goals Targeted by Procurement

Respondents most frequently highlighted **environmental protection**, **social equity**, **economic efficiency**, and **security of supply** as key reasons for embedding sustainability into procurement strategies.



Additional goals such as employee satisfaction, circularity (e.g., buying refurbished equipment), and human rights protection were also mentioned.

These responses show that many organizations are aligning procurement with a comprehensive set of sustainability objectives. The responses confirm that sustainable procurement is not a single-issue concern but rather a multidimensional strategy that aligns healthcare operations with broader societal goals.

5. Integration of Sustainability Criteria in Tendering and Supplier Selection

Survey responses revealed that most organizations have begun to integrate sustainability criteria into their procurement processes, with respondents typically rating the level of integration between 3 and 5 on a 5-point scale. This suggests a moderate to high degree of adoption, pointing to a clear shift from ad hoc initiatives toward more structured and formalized practices.

The growing presence of environmental and social considerations in tendering and supplier selection reflects an increasing recognition of procurement's role in achieving healthcare sustainability objectives.

6. Specific Sustainability Criteria in Use

Respondents listed a wide range of criteria used in their procurement processes:

- Environmental standards, such as ISO 14001 certification, carbon footprint measurement, and waste reduction initiatives.
- Social responsibility requirements, including fair labor practices, workforce diversity, and ethical sourcing.
- Circular economy principles, like take-back schemes and durable product selection.
- Energy and water efficiency criteria for equipment procurement.
- Governance and supply chain resilience measures, including business continuity plans and anti-corruption policies.
- Cost-effectiveness, especially where sustainability aligns with long-term value.

These practices indicate a shift from ad hoc environmental considerations to structured, multi-dimensional sustainability criteria across procurement cycles.





Supplier Engagement & Risk Mitigation

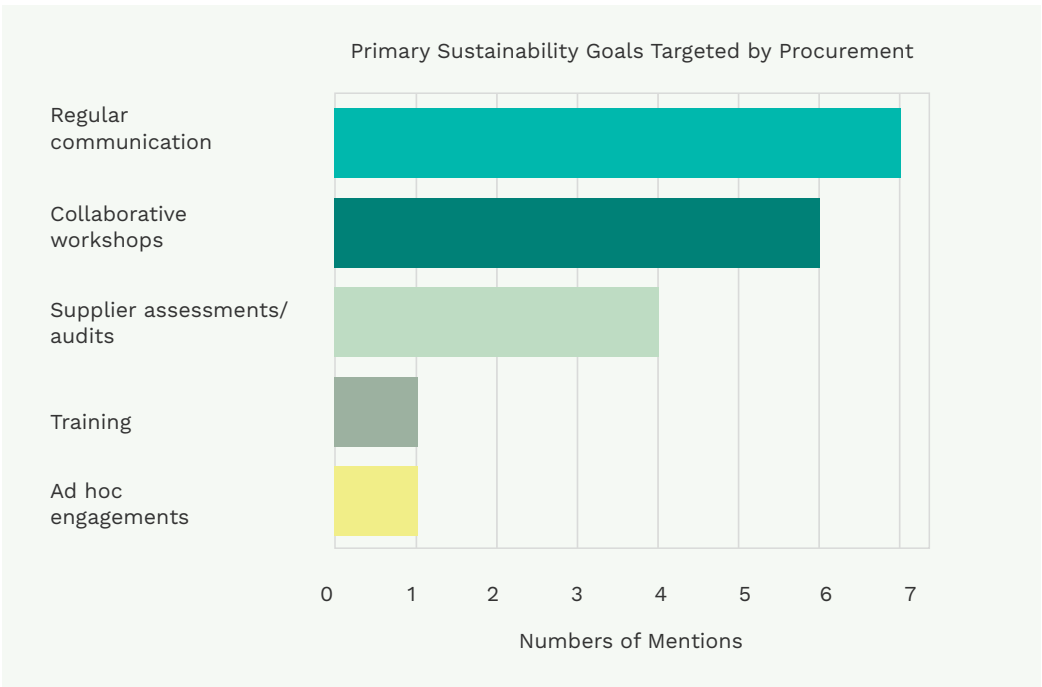
Section 2

1. Supplier Engagement Strategies

Survey respondents identified a mix of proactive and formal strategies to engage suppliers on sustainability issues.

Key methods include:

- Regular Communication: The most cited approach emphasizes the importance of ongoing dialogue with suppliers to reinforce sustainable expectations.
- Collaborative Workshops: Highlighted as a practical way to co-develop understanding and jointly explore innovation opportunities.
- Supplier Assessments and Audits: Used by several organizations to monitor compliance with sustainability standards and identify areas for improvement.
- Training and Ad hoc Engagements were mentioned less frequently, indicating potential areas for broader adoption.



2. Criteria Used to Evaluate Supplier Sustainability

The survey results highlight that sustainability is increasingly embedded across procurement processes at multiple levels.

All participating organizations reported including sustainability clauses in their tender specifications, with many placing particular emphasis on prioritizing suppliers who demonstrate strong ethical and sustainable practices. Key criteria commonly evaluated encompass environmental impact, occupational health and safety, innovation, and energy performance. Notably, in several cases, sustainability directors are directly involved in procurement decisions, reflecting an integrated organizational approach. Three distinct

Section 2

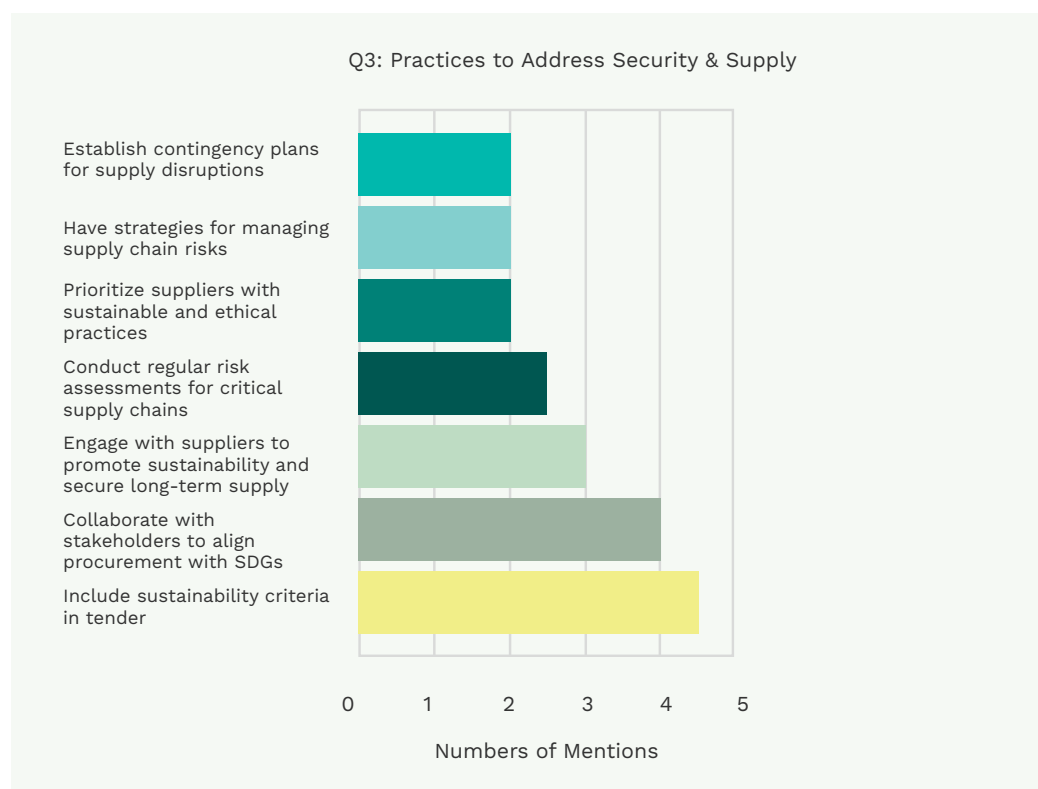
types of evaluation criteria emerged from the responses: first, the use of structured tools such as self-assessments, internal questionnaires, and established frameworks like CSRD, ISO 14001, or EMAS; second, the incorporation of sustainability clauses throughout the entire product and supplier approval procedures, indicating a high level of institutionalization; and third, the adoption of category-specific or context-dependent criteria that vary according to the product group, contract conditions, or the availability of supplier data. This diversity in approaches illustrates the tailored strategies organizations employ to effectively embed sustainability within their procurement frameworks.

3. How Organizations Address Security of Supply & Sustainable Development

Survey responses reflect a growing maturity in integrating sustainability into risk-aware procurement strategies.

Organizations adopt multi-layered approaches to ensure supply security and alignment with sustainable development goals:

- Most conduct regular risk assessments for critical supply chains.
- Many have established policies or strategies for managing supply chain risks.
- Several contingency plans are in place for disruptions.
- Collaboration with external stakeholders is a recurring approach to align with broader SDG frameworks.



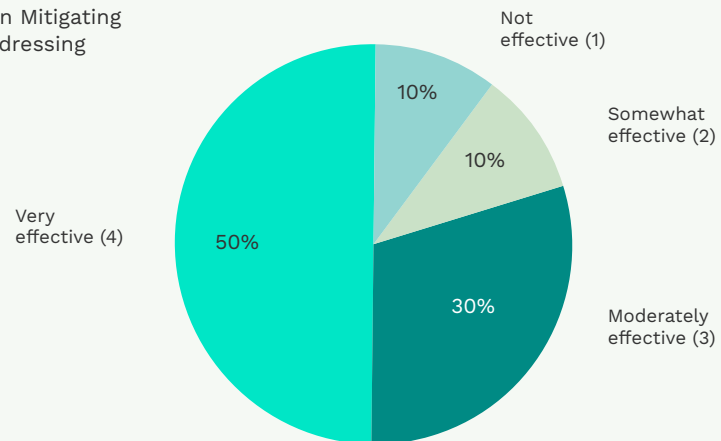
This broad application of sustainable and risk-conscious procurement demonstrates that healthcare buyers are starting to balance supply continuity and ethical sourcing effectively.

Section 2

4. Effectiveness in Mitigating Supply Risk While Addressing Sustainability

Participants were asked to rate how effectively their organization mitigates risks—such as supply shortages—while pursuing sustainability goals, on a scale from 1 (not effective) to 4 (very effective). The majority rated themselves a 3 or 4, suggesting confidence in their current practices, though room for improvement remains.

Effectiveness in Mitigating Risks while Addressing Sustainability



By analyzing the data in conjunction with responses to other questions, several key insights emerge:

- **Integrated teams enhance decision-making:** In organizations where sustainability experts (e.g. the sustainability director) are directly involved in procurement decisions, respondents reported higher effectiveness. This underscores the value of cross-functional collaboration between procurement and sustainability departments.
- **Formal tools and certifications add structure:** Organizations using tools such as supplier self-assessments, ISO standards (e.g. ISO 14001), and carbon footprint reporting feel better equipped to identify risks and address them proactively. These tools provide consistent evaluation frameworks, which help standardize decisions and track progress over time.
- **Stakeholder collaboration is key:** Respondents emphasized that engaging external partners—such as suppliers and peer institutions—through workshops or co-design activities improved their ability to anticipate disruptions and build more resilient, sustainable supply chains.

Challenges remain in less structured settings: Organizations that rated themselves lower (scores 1 or 2) often cited limited internal ownership of sustainability, reliance on ad hoc processes, or the absence of formal criteria for supplier engagement. This highlights a need for capacity building, clearer procedures, and better integration of sustainability goals into procurement governance.

Overall, the responses point to a growing awareness of the importance of combining risk management and sustainability, but also to a maturity gap between organizations with embedded processes and those still working with informal or reactive approaches.



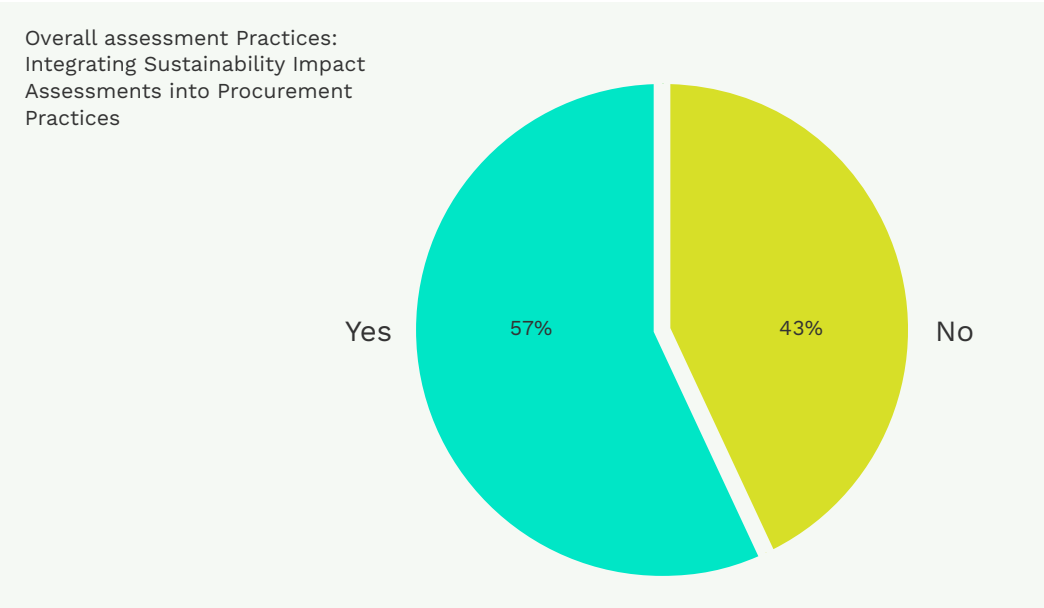
Impact Assessment

Section 3

1. Overall assessment Practices

The survey results reveal that while most organizations (57%) have integrated sustainability impact assessments into their procurement practices, a significant proportion (43%) have yet to do so.

This highlights both progress and persistent gaps in implementation across the sector. Encouragingly, some of the organizations not currently conducting assessments indicated plans to adopt such practices in the near future, suggesting a growing awareness of the need to evaluate the environmental and social consequences of procurement decisions. These findings underscore the importance of continued support for capacity building, knowledge sharing, and access to practical tools to help organizations at varying stages of maturity embed sustainability assessments more systematically. Strengthening these practices is essential to ensure procurement becomes a strategic driver of environmental and social value.



2. Metrics and tools used

The survey findings indicate that organizations conducting sustainability assessments in procurement apply a diverse range of tools and metrics to guide their evaluations. Common approaches include carbon footprint assessments to measure environmental impact, as well as structured feedback mechanisms from customers and suppliers to ensure transparency and continuous improvement. Many respondents rely on supplier sustainability scorecards that track ESG (Environmental, Social, and Governance) performance, helping to align procurement decisions with broader organizational values. Compliance with recognized standards—such as ISO certifications and ILO conventions—also plays a key role in ensuring accountability. In addition, some organizations adopt a segmented approach by tailoring evaluations and follow-up plans to specific procurement categories. Tools cited include customized supplier scorecards and internal ESG monitoring frameworks, reflecting an increasing sophistication in how sustainability is operationalized within procurement practices.



Section 3

3. Use of Assessment Results in Decision-Making

Responses show varying degrees of integration of sustainability assessments into decision-making:

In more mature organizations, sustainability results guide:

- Target-setting for management
- Strategic supplier collaboration
- Procurement category-specific plans where the organization sees it can have an impact

In others, results are:

- Shared with internal stakeholders to inform supplier selection
- Used to adapt the level of collaboration with suppliers based on their sustainability maturity

However, some respondents acknowledged limited use of assessment results or uncertainty about how these are integrated into decision-making processes.



Challenges and Barriers

Section 4

1. Key Challenges Identified

Survey respondents reported several recurring and interlinked barriers that hinder sustainable procurement practices. The most cited challenges include:

1. Limited supplier options: The most frequently mentioned challenge, indicating a need for market development and supplier engagement.
2. Cost constraints: Sustainability is often perceived as more expensive, especially in public procurement where price competition is high.
3. Regulatory hurdles: Fragmented or unclear legal frameworks limit flexibility in applying sustainability criteria.
4. Lack of internal buy-in: Difficulty aligning internal priorities and securing decision-maker support.
5. Lack of external buy-in and focus imbalance: Some buyers noted external pressure focused more on cost and supply assurance than environmental concerns.

2. Strategies and Solutions Applied

Despite these challenges, several strategies have helped organizations make progress:

- Collaborative participation in projects and working groups: Engaging in EU/national initiatives and supplier-inclusive forums supports informed decisions and shared learning.
- Internal communication and alignment: Encouraging cross-department dialogue and aligning sustainable procurement with broader organizational goals (e.g., carbon footprint reduction).
- Peer group formation: Creating clusters of buyers with similar goals helped build collective action and mutual reinforcement.
- Supplier support and co-development: Using toolkits, MEAT criteria (Most Economically Advantageous Tender), and engaging suppliers at different maturity levels supports market readiness.
- Leadership endorsement: Securing leadership backing and using recognized standards or certifications fosters credibility and internal legitimacy.

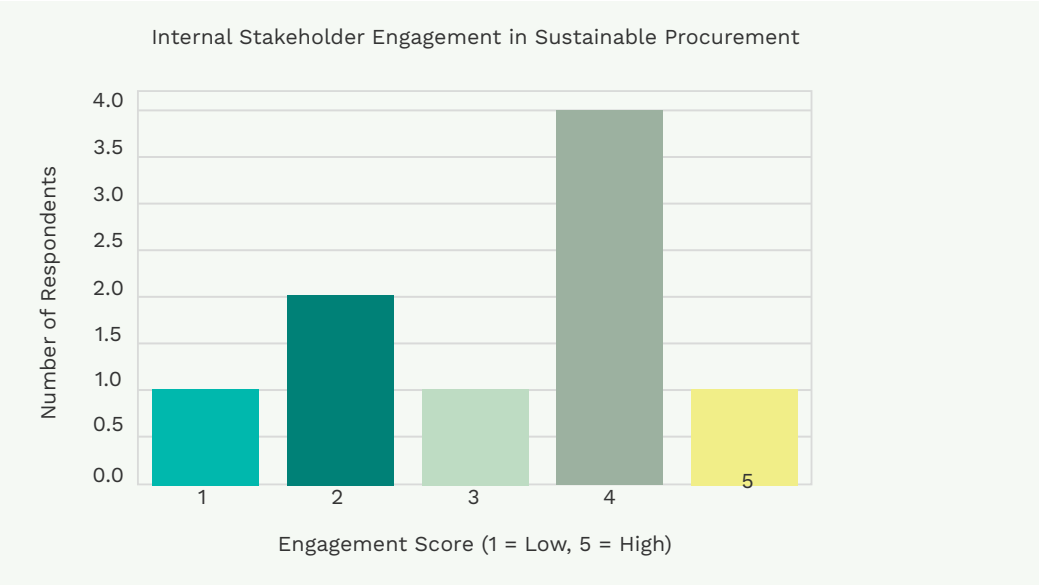


Organisational Buy-In

Section 5

1. Effectiveness of Internal Stakeholder Engagement

Survey participants rated their organizations’ engagement of internal stakeholders in sustainable procurement on a scale of 1 to 5 (5 = very effective). The responses show a wide range of engagement levels:



The results reveal a mixed landscape of stakeholder engagement for sustainable procurement. While many organizations report moderate to strong levels of engagement—reflected in high ratings (4 or 5)—there remains a notable proportion of respondents indicating lower levels of involvement. This disparity points to an engagement gap that could undermine the effectiveness and consistency of sustainability efforts across the sector. Low engagement may stem from a range of factors, including limited internal awareness, lack of leadership buy-in, or insufficient communication strategies. These findings suggest a clear need for targeted actions to strengthen stakeholder mobilization, particularly within organizations that have yet to fully embed sustainability into their procurement culture. This could include enhanced internal training, stronger leadership advocacy, and cross-functional collaboration to foster shared ownership and commitment to sustainability objectives. Addressing this engagement gap is crucial to building momentum and ensuring more systemic and organization-wide integration of sustainable procurement practices.

2. Strategies to Secure Senior Leadership Support

Building on the previously identified gap in stakeholder engagement, the survey results point to several effective strategies for securing senior leadership support—an essential enabler for organization-wide sustainability integration. Respondents emphasized the importance of top-down commitment, with leadership involvement from the outset and written endorsements cited as foundational to driving meaningful action (“no commitment, no action”). Aligning sustainability with broader organizational priorities—such as cost efficiency, innovation, and long-term resilience—was another widely used and effective

Section 5

tactic for gaining executive backing. Additionally, external frameworks like the Green Deal 3.0 or national policy requirements played a key role in legitimizing sustainability as a strategic imperative and creating internal accountability. In some organizations, sustainability is not treated as a standalone objective but rather embedded into the core values and mission, which links sustainability directly to its vision of improving lives. These insights underscore that bridging the stakeholder engagement gap identified earlier requires not only internal communication and capacity building but also strong, visible leadership that frames sustainability as both a strategic asset and a moral imperative.

Securing leadership buy-in often hinges on demonstrating how sustainability aligns with strategic or reputational objectives, reinforced by external policy or industry frameworks.

3. Additional Support Needed to Strengthen Internal Capacity

The results highlight that while awareness of sustainable procurement is increasing, many organizations face internal capacity challenges that limit their ability to implement these practices effectively. Participants identified several key enablers to strengthen internal capabilities. First, sustained government and EU-level support—through policies like the Green Deal and targeted incentives—is seen as critical to maintaining momentum and aligning procurement with environmental objectives. Second, the exchange of best practices emerged as a powerful tool for capacity building. Respondents stressed the need for access to real-world experiences across different sectors and countries, particularly in areas like pharmaceuticals and healthcare, where sector-specific guidance is often lacking compared to more established domains such as buildings and transport. Third, there is a strong call for practical, hands-on training and communication tools to equip procurement staff with the knowledge and skills needed to translate sustainability goals into actionable criteria and processes. Additionally, budgetary support is seen as essential, not only to cover the potential higher costs of sustainable products and services but also to invest in the necessary organizational change. Overall, the findings underscore the importance of coordinated, targeted support—through funding, tailored guidance, and peer learning networks—to help organizations move beyond awareness and toward tangible, scalable implementation of sustainable procurement.

4. Noteworthy Practices

The results highlight several important lessons from noteworthy practices shared by respondents, illustrating how embedding sustainability deeply within organizational culture can drive meaningful change. One key insight is the effectiveness of mandatory sustainability training for all professionals, which ensures that every team member, regardless of role, develops a foundational understanding of sustainability principles and their relevance to procurement. This broad-based education helps create a shared language and commitment across the organization.

Additionally, the appointment of environmental ambassadors across different processes fosters distributed leadership and accountability, allowing sustainability to be championed at multiple levels and touchpoints within operations. This network of advocates reinforces best practices, facilitates communication, and nurtures ongoing engagement.

Together, these elements demonstrate that long-term commitment to sustainability—integrated into both training programs and organizational structures—builds internal capacity and leadership alignment over time. Such a holistic approach not only supports the consistent application of sustainable procurement practices but also cultivates a resilient culture where sustainability is valued as a core organizational priority rather than a peripheral initiative. This lesson underscores the importance of investing in people and leadership development to sustain impactful change beyond policy or technical interventions.



Regulatory and Policy Framework

Section 6

1. Most Influential Regulatory Frameworks and Guidelines

Survey respondents identified a diverse set of frameworks that influence procurement practices. These span from **global and EU-level regulations to country-specific laws and internal policies.**

Scope	Example Frameworks/Guidelines	Frequency
Global	ISO, ESG, REACH, RBA, internal policies, trade agreements	(6)
EU-wide	EU Green Deal, CSRD, CSDDD, EMAS	(3)
Country-specific	Norway MEAT law, German adaptation of EU law, Health Canada policies	(2)
Regional	Norwegian and regional healthcare directives	(1)

The survey results reveal that sustainable procurement in healthcare is shaped by a diverse mix of regulatory frameworks operating at global, EU, national, and institutional levels. Global standards such as ISO, ESG, and REACH, along with EU directives like the Green Deal, CSRD, and CSDDD, emerged as the most influential, indicating a strong trend toward international harmonization of sustainability criteria. At the same time, national laws—such as Norway’s MEAT law and country-specific adaptations of EU legislation—play a critical role in translating broad principles into actionable procurement practices. Internal policies further support this implementation by aligning organizational strategies with legal requirements and sector-specific needs. This multilayered regulatory landscape highlights the need for clearer guidance and better alignment across levels to support procurement professionals in integrating sustainability effectively and consistently.

2. Gaps Identified in the Regulatory Landscape

While the majority acknowledged the presence of influential regulations, over 50% of respondents reported critical gaps that hinder sustainable procurement:

Key Gaps Highlighted:

- Lack of standardized regulations and transparency requirements, especially concerning the environmental impact of products and services.
- Insufficient internal expertise and resources to operationalize sustainability within procurement.
- Overly detailed or complex national adaptations of EU law (notably in Germany), which complicate compliance without adding value.
- Misalignment between policies at various levels (internal, national, EU) leads to fragmentation and uncertainty.



Section 6

3. Focus of Sustainable Procurement According to Respondents

The survey results reveal important insights into where organizations believe the focus of sustainable procurement efforts should be concentrated.

A clear priority among respondents is ensuring compliance with established international standards, such as ISO certifications. This emphasis reflects a recognition that adherence to widely accepted benchmarks provide a credible foundation for driving sustainability and facilitates consistency and comparability across organizations and sectors.

Additionally, carbon footprint calculations emerged as a key focus area, underscoring the growing imperative to quantify and actively reduce the greenhouse gas emissions associated with procurement activities. This focus aligns with broader climate goals and demonstrates an increasing commitment to measurable environmental impact reduction.

Finally, respondents highlighted the importance of publicly disclosing sustainability policies, which foster transparency, accountability, and stakeholder trust. By openly communicating their commitments and progress, organizations can enhance their reputation and encourage suppliers and partners to align with shared sustainability objectives.

Taken together, these lessons suggest that sustainable procurement strategies are most effective when they combine rigorous standards compliance, data-driven environmental measurement, and transparent communication to build credibility and drive continuous improvement.



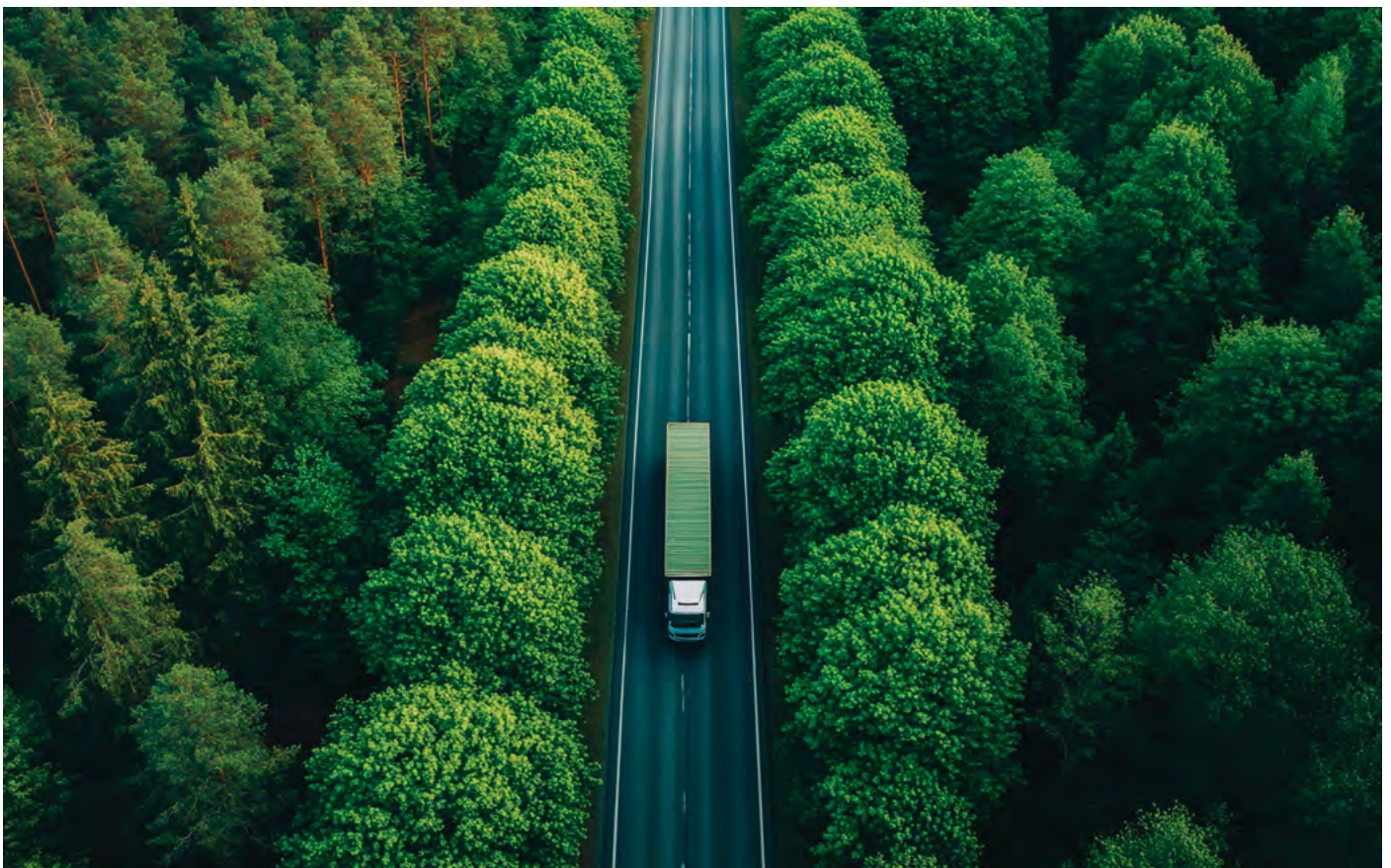
Best Practices and Future Trends

Section 7

1. Examples of Successful Sustainable Procurement Practices

Respondents shared a wide range of practical implementations demonstrating how sustainability is embedded in procurement activities. Notable examples include:

- **Eco-Friendly Products & Services:** Procurement of environmentally friendly disinfectants, packaging-free items, and reusable biological waste containers.
- **Sustainable Food Sourcing:** Inclusion of locally sourced and organic food in institutional catering.
- **Energy & Water Efficiency:** Investments in energy- and water-efficient medical infrastructure (e.g. sterilization and dialysis facilities).
- **Innovative Environmental Technologies:** Use of anesthetic gas capture filters and AMR-based antibiotic procurement models certified by BSI.
- **High-Standard Manufacturing Criteria:** Engagement with suppliers who adhere to stringent environmental manufacturing standards, including water treatment and reduced waste from antibiotic production.
- **Global Best Practices:** Multinational companies like Philips are driving supplier engagement by requiring science-based CO₂ targets, influencing decarbonization far beyond their own operations.



2. Promising Emerging Trends in Sustainable Procurement

Survey respondents highlighted a range of emerging trends that are reshaping sustainable procurement in the healthcare sector. Foremost among these are the integration of circular economy models, which emphasize reuse, refurbishment, recycling, and product-as-a-service approaches to reduce waste and extend product lifecycles. Carbon footprint reduction, especially the management of Scope 3 emissions, is no longer seen as a trend but as an essential responsibility, with organizations moving toward more comprehensive tracking and reduction strategies across their supply chains. Eco-friendly and local sourcing is gaining traction, as healthcare providers increasingly seek sustainable, locally sourced materials that align with both environmental goals and regional resilience. Respondents also pointed to a growing emphasis on supplier sustainability criteria, with stronger requirements around environmental performance, social responsibility, and ethical manufacturing practices—including scrutiny of issues like wastewater discharge from antibiotic production facilities.

The role of digital technologies—such as artificial intelligence, blockchain, and advanced analytics—is expanding rapidly, enabling greater supply chain transparency, real-time sustainability auditing, and data-driven decision-making. Social procurement also emerged as a priority, with public buyers leveraging their purchasing power to generate broader societal benefits, such as promoting supplier diversity, supporting Indigenous businesses, and creating employment opportunities for marginalized communities. Additionally, the healthcare sector is becoming more sophisticated in its sustainability assessments, with buyers increasingly asking product-specific sustainability questions to complement corporate-level disclosures. This reflects a deeper understanding of the full environmental and social impact of procurement decisions and a shift toward more holistic and accountable purchasing practices.

Respondents noted that sustainability is no longer a trend but a necessity, especially in sectors like healthcare and construction.

Conclusion





Conclusion

Conclusion

The survey results confirm that sustainable procurement in healthcare is no longer a peripheral concern but a strategic priority, increasingly embedded in policy, process, and practice. Organizations across Europe are aligning procurement decisions with environmental, social, and economic sustainability goals, even as challenges persist.

Key insights include:

1	Growing Maturity Most organizations are moderately advanced in integrating sustainability into procurement, with structured approaches emerging across supplier engagement, criteria development, and risk mitigation.
2	Multidimensional Focus Environmental objectives—especially carbon footprint reduction—dominate, but social equity, ethical labor, and economic resilience are also key drivers.
3	Supplier Engagement and Assessment Regular communication, collaborative workshops, and formalized evaluations using standards such as ISO 14001, EMAS, and CSRD are increasingly common.
4	Impact Assessment Gaps While 57% of respondents conduct sustainability assessments, integration into decision-making remains inconsistent. There is clear room for expanding standardized tools and stronger feedback loops.
5	Regulatory Landscape The influence of global, EU-wide, and national frameworks is strong, but gaps persist—particularly in standardization, implementation support, and policy coherence.
6	Organizational Engagement Effective stakeholder mobilization and leadership support are essential but unevenly distributed. Internal training and cross-functional collaboration are emerging as key enablers.
7	Emerging Trends Despite encouraging momentum, challenges such as limited supplier availability, cost concerns, regulatory complexity, and uneven internal capacity must be addressed to scale and institutionalize sustainable procurement practices effectively.

Despite encouraging momentum, challenges such as limited supplier availability, cost concerns, regulatory complexity, and uneven internal capacity must be addressed to scale and institutionalize sustainable procurement practices effectively.



Key Recommendations for Advancing Sustainable Procurement in Healthcare

Conclusion

01

Establish a Common EU Framework

Promote the development of harmonized EU-level guidance that integrates sustainability into procurement law and MEAT criteria, providing clarity and consistency across member states.

02

Build Internal Capacity and Competence

Invest in practical training, tools, and resources for procurement professionals, and make sustainability education a standard requirement across relevant departments.

03

Strengthen Leadership and Cross-Functional Collaboration

Secure senior leadership support and foster alignment between procurement, sustainability, and clinical teams to embed sustainability as a strategic and operational priority.

04

Promote Knowledge Sharing and Peer Learning

Facilitate platforms for public buyers to exchange best practices, successful case studies, and evaluation methods, fostering mutual learning and sector-wide progress.

05

Standardize Assessment and Support Market Development

Adopt consistent sustainability assessment tools such as ESG scorecards and product-level evaluations, while supporting supplier readiness through early engagement and transparency.

By aligning strategic intent with operational practice and regulatory coherence, healthcare organizations can turn procurement into a lever for systems change—improving outcomes not only for patients, but also for society and the planet.

Redefining Sustainable Pharmaceutical Procurement:

Key Takeaways from
the API Webinar Series

API Webinars Report





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Executive Summary

00 Executive Summary

To translate these recommendations into concrete actions, the API is facilitating a series of targeted workshops. These interactive sessions bring together public buyers, industry representatives, sustainability experts, and policymakers to co-develop operational solutions and define clear implementation roadmaps. The workshops serve as a platform for transforming policy insights into real-world application through the design of pilot **projects**, the development of **shared tools and templates**, and the identification of opportunities for **joint procurement and cross-border collaboration**. The outcomes contribute to a broader action agenda aimed at building a more sustainable, resilient, and innovation-driven pharmaceutical procurement ecosystem in Europe.



Recordings from these workshops will be made available through the [Healthcare Buyers Community](#), providing participants with valuable insights and supporting ongoing collaboration.

Want to be part of the conversation and help shape the future of healthcare procurement?

Join the [Healthcare Buyers Community](#) and get involved in a growing movement for innovation and sustainability.



Introduction

01

Alliance for Procurement Impact Webinar Series

Introduction 01

As part of the activities of the Alliance for Procurement Impact (API), two high-level webinars were held to introduce the initiative's vision and objectives. Spearheaded by Health Proc Europe, API is a bold effort to reshape procurement practices for medicines and vaccines across Europe, fostering collaboration among key stakeholders to drive sustainable and impactful change.

The Alliance brings together healthcare professionals, procurement experts, and industry leaders with a shared mission: to strengthen the security, sustainability, and efficiency of pharmaceutical supply chains through innovative and collaborative procurement strategies.

By serving as an open and inclusive platform, API promotes the exchange of best practices, fosters dialogue, and supports the upskilling of procurement professionals navigating a fast-evolving global landscape. The initiative is built on the belief that transformative change in public procurement starts with knowledge, collaboration, and action.



Alliance for Procurement Impact Webinar Series

Introduction 01

The webinars featured insights from leading practitioners, showcased real-world success stories, and explored how strategic cooperation can deliver long-term impact in the healthcare sector.

Participants were introduced to the API's workshop series and online community platform—practical tools designed to support continuous learning, foster engagement, and drive systemic improvement in procurement.

The following sections present the main insights and takeaways from these events, highlighting key themes, challenges, and opportunities identified by speakers and participants. The webinars featured insights from leading practitioners, showcased real-world success stories, and explored how strategic cooperation can deliver long-term impact in the healthcare sector.



Best Practice Showcases

02

Best Practice Showcases

Best Practice Showcases 02

The two webinars showcased exemplary practices in sustainable public procurement in the healthcare sector, presented by two leading European organizations.



Josep
Director

of

Maria
the

Pharmacy

Guiu
and

Medicines

Segura
Area,

presented the approach of the Consorci de Salut i Social de Catalunya (CSC), a public organization acting as a central purchasing body for more than 50 hospitals, local authorities, and social care institutions in Catalonia. In 2023, CSC managed over €1.5 billion in procurement, mainly covering medicines, medical devices, and essential non-medical products, reaffirming its role as a trusted procurement partner in the healthcare system.



Eirik Sverrisson

Project Leader at Sykehusinnkjøp HF (Norwegian Hospital Procurement Trust),

shared Norway's experience in integrating environmental criteria Tender Experiences into hospital tenders. Owned by the country's four regional health authorities, Sykehusinnkjøp HF oversees approximately €3 billion in annual procurement across 14 categories, serving hospitals throughout Norway despite its vast territory and low population density. His presentation also emphasized the importance of forward-looking procurement planning and Nordic cooperation on key issues such as antimicrobial resistance (AMR).

Best Practice Showcases

Best Practice Showcases 02

These two interventions highlighted critical insights for making healthcare procurement more sustainable, strategic, and harmonized across Europe.

1. Championing Sustainable Innovation in Healthcare Procurement

Procurement as a Driver of Sustainable Innovation:

The discussion highlighted the increasing alignment between industrial innovation and public procurement. Industry is making significant progress in reducing waste, enhancing energy efficiency, and creating sustainable product lifecycles—momentum that public buyers must actively support and build upon.

Embedding Sustainability Beyond Compliance:

The integration of environmental and social criteria into procurement is not just a technical exercise, but a strategic move towards building more resilient and sustainable healthcare systems.

Recognizing the Value of Sustainable Solutions:

The discussions emphasized that sustainable innovation brings clear added value. This value should be fully acknowledged in procurement processes, particularly in how tenders are evaluated, and solutions are selected.

Procurement Alone Is Not Enough:

While procurement is a powerful tool, the transformation towards sustainability requires broader organizational commitment. A shared vision across all departments is essential to ensure coherent action and lasting change.

Organizational Alignment as a Key Enabler:

Embedding sustainability into healthcare delivery and policy demands leadership engagement at every level—from procurement officers to executive boards—ensuring that sustainability becomes a core organizational principle.

Best Practice Showcases

Best Practice Showcases 02

2. Toward More Sustainable Tendering Practices

When it comes to environmental criteria in tenders, the presentations revealed two different levels of maturity among public procurement bodies. However, they also clearly demonstrated that progress is underway — the journey toward harmonized and forward-thinking procurement practices has begun.

Conсорci's Strategic Shift in Tendering Practices

Conсорci has progressively integrated sustainability into its procurement strategy by refining how tenders are designed and evaluated. A central focus has been on **increasing the weight assigned to environmental and social criteria within tender evaluations**, moving from an average of 5% in previous years to a broader range of 1% to 25%, depending on the product type. This approach reflects a growing willingness to pay more for products and services that offer greater environmental and social value, acknowledging that resilience and value in healthcare often require upfront investments that may lead to long-term savings.

Current environmental criteria in our Framework Agreements

- ✓ *Recyclable devices or packaging / reduced impact.*
- ✓ *Use of substances with lower environmental impact.*
- ✓ *Efficient use of energy and water in the production process, as well as waste reduction.*
- ✓ *Commitment to reducing carbon footprint (carbon neutrality).*
- ✓ *Data on carbon footprint and environmental toxicity.*

Recognizing the complexity of assessing sustainability across different product categories, particularly in pharmaceuticals, where supply chains are often opaque and fragmented. Conсорci is prioritizing traceability and considering the entire product lifecycle — from raw materials to final usage — including environmental toxicity and the impact on patients and services. Initiatives also target specific sustainability dimensions such as reducing excessive packaging, promoting low-impact manufacturing processes, and encouraging energy and water efficiency in production.

Conсорci additionally is promoting systemic change by engaging manufacturers to disclose the carbon footprint of their products, recognizing that most suppliers currently lack full visibility of emissions across their supply chains. This effort is intended not only to inform procurement decisions but also to support broader institutional carbon footprint assessments and align with EU and national sustainability goals.

Best Practice Showcases

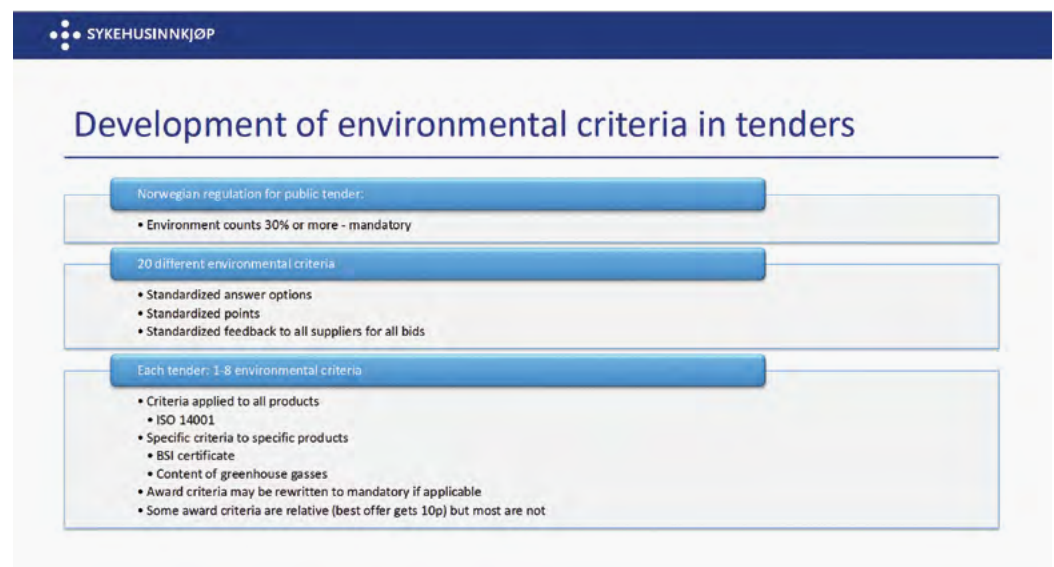
Best Practice Showcases 02

Finally, the organization is shifting from a narrow focus on product specifications to a more holistic view that encompasses corporate sustainability practices, including logistics and service models. This includes challenging traditional procurement practices such as just-in-time delivery, which may conflict with environmental objectives, and promoting collaboration with manufacturers to jointly advance sustainable innovation in healthcare delivery.

Sykehusinnkjøp's Strategic Integration of Sustainability in Pharmaceutical Procurement

Sykehusinnkjøp HF has embedded sustainability as a core principle in its procurement processes, driven by a national regulation mandating **a minimum 30% weighting for environmental criteria in tenders**.

Since 2018–2019, the organization has engaged in collaborative efforts with industry stakeholders from Norway, Sweden, and other Nordic countries to develop relevant criteria, notably starting with antibiotics. This collaborative model included working with the AMR Industry Alliance and integrating certification standards such as those from BSI. These sustainability criteria have now been widely adopted across Nordic countries, with other European nations showing interest.



Sykehusinnkjøp HF has also prioritized clarity and standardization in its tendering procedures, shifting from lengthy supplier responses to concise, predefined answering options and structured feedback formats. This model has been extended across various therapeutic areas, including oncology, infusion and nutrition products, and medical gases, with ongoing work on biosimilars.

The organization applies different models for incorporating sustainability into price evaluation, either through percentage-based weighting or by adding a fixed sustainability value to the price. While concerns about cost remain, Sykehusinnkjøp's experience

Best Practice Showcases

Best Practice Showcases 02

3. Toward More Sustainable Tendering Practices

Both sessions underscored a critical takeaway: the urgent need for **a more standardized and coordinated approach to sustainable procurement** in the healthcare sector

Currently, the absence of harmonized sustainability criteria across countries is leading to supplier fatigue, market fragmentation, and in some cases, supplier withdrawal from public tenders. This **fragmentation creates inefficiencies and undermines progress towards greener healthcare systems**. Cross-border collaboration, such as between the Nordic countries, has emerged as a powerful mechanism for developing common frameworks for sustainable development. These joint efforts, coupled with early engagement of industry stakeholders, are proving essential for market stability and the effective scaling of sustainable procurement practices.

4. Key Challenges and Strategic Levers

Several key challenges must be addressed to make this shift viable:

- **Overcoming Price-Only Logic:** Embracing sustainability means recognizing its upfront costs while focusing on its long-term benefits for health systems.
- **Closing Data and Traceability Gaps:** Complex supply chains hinder visibility, making it difficult to track environmental impacts across product lifecycles.
- **Standardizing Environmental Certifications:** There is a pressing need for reliable and harmonized certification systems to verify green claims.
- **Lifecycle-Based Assessment Tools:** Procurement decisions must be guided by robust tools that assess emissions, toxicity, and overall environmental footprint.
- **Embedding Strategic Procurement Planning:** Procurement must evolve into a driver of system resilience, integrating environmental criteria from the outset.
- **Harmonizing Sustainability Metrics:** Aligning measurement frameworks across regions and institutions is essential for consistent implementation.
- **Fostering Multi-Stakeholder Collaboration:** System-wide change relies on coordination between buyers, suppliers, clinicians, and policymakers.

According to Sykehusinnkjøp HF, strategic planning, continuous dialogue (with over 200 stakeholder meetings annually), and effective support tools are key to guiding implementation. Institutional commitment is also crucial; hospital managers and clinicians must support sustainable procurement, even when it means short-term trade-offs.

Best Practice Showcases

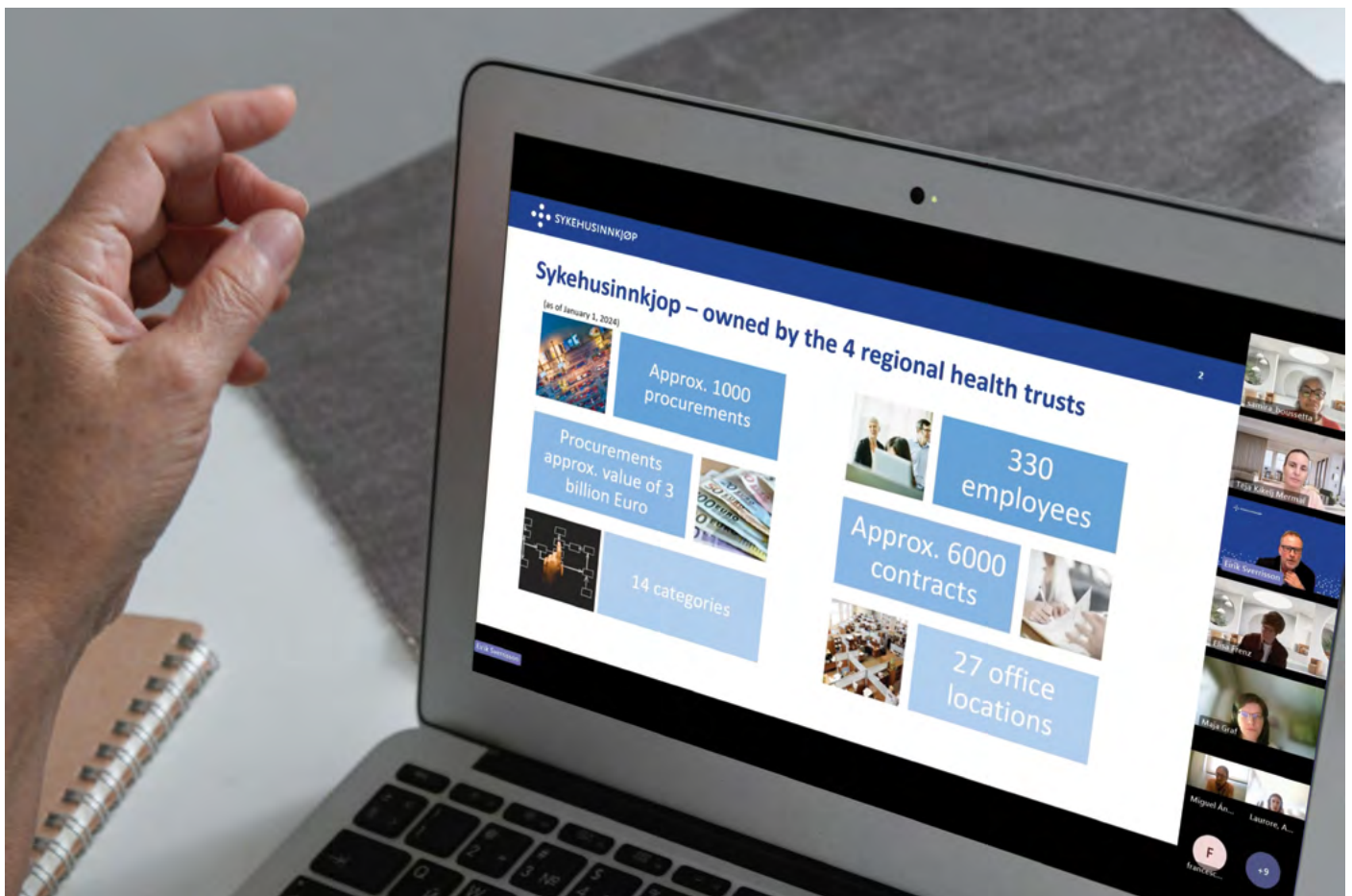
Best Practice Showcases 02

5. Join the Movement: A Call for Collaborative Innovation in Procurement

In today's interconnected world, addressing the pressing challenges of sustainability and Cross-country and multi-stakeholder cooperation—through strategic alliances, knowledge-sharing forums, and harmonized procurement practices—is essential to establish common criteria, enhance data collection, and shift market dynamics in favour of innovation. Public procurement

must go beyond simply selecting greener alternatives; it should actively stimulate the development and adoption of breakthrough solutions that improve both healthcare outcomes and environmental performance.

This is a call to action—an invitation to join forces in his initiative and collectively drive meaningful change through collaborative procurement.



Panel Discussion Highlights: From Practices to Scalable Solutions

03

Panel Discussion Highlights: From Practices to Scalable Solutions

Panel Discussion Highlights 03

To explore how innovative procurement practices can be transformed into scalable and impactful solutions, a diverse panel of experts shared insights from across the healthcare and pharmaceutical sectors. Representing procurement bodies, environmental experts, industry, and hospital networks, the panelists offered concrete examples, reflected on current challenges, and discussed practical pathways to accelerate sustainability and innovation in healthcare procurement. The discussion featured: Josep Maria Guiu Segura, Director of the Pharmacy and Medicines Area ([Consortori de Salut i Social de Catalunya](#)), Pål Rydstrom, Chief Advisor and Eirik Sverrisson, Project Leader ([Sykehusinnkjop HF](#)), Luna Dayekh, Safer Pharma Project Officer (Healthcare Without Harm), Maja Graf, Director Market Policy & Access ([Medicines for Europe](#)), and Miguel Ángel Martínez Sánchez, Director of Environment, Safety and Health Department ([Fundació Sanitària Mollet](#)).



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Director of the Pharmacy and
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**Miguel Ángel Martínez
Sánchez**
Director of Environment

Fundació Sanitària Mollet

Panel Discussion Highlights: From Practices to Scalable Solutions

Panel Discussion Highlights 03

👁 Key Insight 1: Moving Beyond Price—Towards Sustainable and Resilient Pharmaceutical Procurement

A recurring theme throughout the panel discussion was the urgent need to shift away from procurement models that focus solely on the lowest price. As several panelists emphasized, this "race to the bottom" not only undermines sustainability but also puts the safety and resilience of the medicine supply chain at risk. Unsustainable pricing can lead suppliers to exit certain markets, thereby weakening supply security and exposing health systems to critical shortages.

The panelists called for a more holistic procurement approach—one that simultaneously addresses supply chain vulnerabilities and integrates environmental and social considerations. The pharmaceutical industry is a major contributor to greenhouse gas emissions, and the healthcare sector accounts for approximately 5% of global emissions. Therefore, procurement decisions must account for their environmental footprint and broader impact on climate goals.

Moreover, the discussion highlighted the importance of social responsibility in procurement. Many pharmaceutical products are manufactured in regions outside of Europe, particularly in Southeast Asia, such as India. This geographic reality raises important questions about labour conditions, community health, and environmental degradation in these producing countries. Ensuring that procurement policies incorporate social criteria is essential to addressing these concerns and promoting ethical supply chains.

Panelists also pointed to the Critical Medicines Act as a potential driver for change, offering a regulatory and policy framework that could support the adoption of more sustainable and resilient procurement practices across Europe.

Finally, there was consensus on the need to support and empower public buyers. Procurers must be equipped with the tools, guidance, and mandates necessary to navigate complex sustainability criteria and to implement procurement strategies that balance cost, quality, supply security, and environmental and social impact.

👁 Key Insight 2: The Need for Standardization to Strengthen Environmental and Supply Chain Criteria

A second major takeaway from the panel was the lack of standardization in procurement practices across EU Member States, particularly regarding environmental and supply chain resilience criteria. Panelists stressed the importance of integrating more meaningful criteria—both for environmental sustainability and supply chain robustness—into procurement processes. However, they also warned that if public buyers continue to apply divergent approaches, it could lead to market fragmentation and reduce the effectiveness of sustainability efforts.

To avoid this, greater alignment across procurement bodies is needed. Sykehusinnkjøp HF in Norway went through the complex process of developing effective sustainability criteria—from navigating unwieldy 100-page documents to refining and standardizing the right questions. Their experience demonstrates that standardization is not only achievable but also essential, and they expressed readiness to share their journey to help other public buyers avoid starting from scratch.

Standardization brings multiple benefits: it reduces the administrative burden for both procurers and suppliers, facilitates comparability of tenders, and makes it easier to measure sustainability impacts. A harmonized approach also sends a strong,

Panel Discussion Highlights: From Practices to Scalable Solutions

Panel Discussion Highlights 03

coherent signal to the pharmaceutical industry about expectations across the European market.

Looking ahead, panelists advocated for the use of existing tools and certification schemes as reference points for setting environmental and social criteria. Aligning around recognized standards could accelerate progress, reduce duplication of effort, and support a more coordinated shift toward sustainable procurement in the pharmaceutical sector.

👁️ **Key Insight 3: Embracing a Multidisciplinary Approach Within Healthcare Organizations**

A third critical insight from the panel focused on the importance of fostering internal collaboration across disciplines within healthcare organizations to advance sustainable procurement. The examples shared by representatives from Catalonia and Norway underscored how essential it is to bring together diverse expertise to support informed and aligned decision-making.

In some cases, organizations have already established internal committees that include professionals from various departments—procurement, sustainability, clinical operations, and finance—to ensure that purchasing decisions reflect a balance of priorities. This multidisciplinary setup allows for more comprehensive and strategic evaluations, particularly when sustainability is at stake.

Such committees help integrate environmental and social considerations into procurement decisions, highlighting the need for dedicated expertise in these areas. This reflects a broader governance challenge: many healthcare organizations must rethink their internal structures to ensure sustainability is not treated as a peripheral issue but embedded in core decision-making processes.

To succeed, internal change management is essential. This means equipping staff with the necessary knowledge, creating spaces

for cross-functional dialogue, and ensuring sustainability champions are part of the procurement process. Ultimately, reconfiguring internal governance to include all relevant competencies around the table is key to making sustainable procurement a reality.

👁️ **Key Insight 4: Strengthening Collaboration Across Buyers and Stakeholders**

The fourth key insight highlighted the central role of collaboration—both among public buyers and across the broader healthcare ecosystem—in advancing sustainable pharmaceutical procurement. Several initiatives were mentioned during the discussion, including the Nordic Forum, which now sees participation from countries like Ireland and the Netherlands, as well as EU-wide initiatives such as [Procure4Health](#) and [Big Buyers Working Together](#). These platforms are instrumental not only for sharing best practices but also for aligning procurement approaches and sending a unified signal to the market. This collective voice is essential to encourage greater investment in the development and supply of environmentally friendly and socially responsible medicines and vaccines.

Panelists also underlined that meaningful progress cannot be achieved without collaboration beyond the public sector. The API Initiative was highlighted as a vital space for cross-sector dialogue, bringing together public buyers, industry representatives, and independent bodies. These multi-stakeholder platforms help build mutual understanding, foster trust, and ensure that sustainability standards are both ambitious and implementable.

The initiative launched by Sykehusinnkjøp HF and further developed by the Nordic Forum—establishing antimicrobial resistance (AMR) standards in collaboration with industry partners and independent assessors—is a leading example of impactful cross-sector collaboration. This process ensured that the

Panel Discussion Highlights: From Practices to Scalable Solutions

Panel Discussion Highlights 03

resulting standards were both rigorous and credible. Panelists stressed that replicating this kind of collaboration—product by product—and scaling it to include more public buyers across Europe will be key to embedding sustainability in pharmaceutical procurement at a systemic level.

In short, fostering structured, ongoing collaboration—between public buyers and with all relevant stakeholders—is not optional; it is a prerequisite for building resilient and sustainable healthcare supply chains in Europe.

Key Insight 5: Call to Action: Empowering Public Buyers with Practical Tools and Knowledge for Sustainable Procurement

Panelists highlighted a clear and urgent need: public buyers across Europe must be equipped with practical tools, clear guidance, and robust capacity to confidently integrate sustainability into pharmaceutical procurement.

To move from ambition to implementation, we call on EU institutions, national authorities, and public procurement networks to take coordinated action:

Develop a European Catalogue of Validated

Criteria: Develop a centralized, curated repository of environmental and social criteria—to support public buyers in drafting sustainable tenders with greater legal certainty and clarity. This would mark a significant step toward standardizing sustainable procurement practices across Member States, helping to reduce fragmentation and simplify implementation.

Establish a Shared Implementation

Framework: Develop harmonized methodologies for applying sustainability criteria, collecting data, and reporting on impact. A unified set of EU-level environmental and social metrics would

support consistent benchmarking and performance monitoring across Member States. By aligning practical application methods and standardizing data collection and reporting practices, this approach would reduce fragmentation and accelerate the transition toward greener, more socially responsible procurement.

Provide Strategic Procurement Tools:

Broaden the use of innovative procurement tools such as multi-award contracts, advanced demand planning systems, and mechanisms that provide suppliers with sufficient lead time to prepare competitive and sustainable bids.

Invest in Capacity-Building:

Launch targeted training and awareness-raising efforts for procurement officers and healthcare leaders. Equip them with the knowledge and confidence to champion sustainability in their purchasing decisions.

In sum, equipping public buyers with the right tools, frameworks, and knowledge is essential to unlock the full potential of sustainable pharmaceutical procurement across Europe.

Now is the time to act. By strengthening public buyers with the right frameworks and support, we can unlock sustainable procurement as a strategic lever for greener, more socially responsible healthcare systems in Europe.

Next steps

04

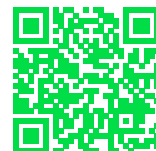
Next Steps



HEALTHCARE BUYERS
COMMUNITY

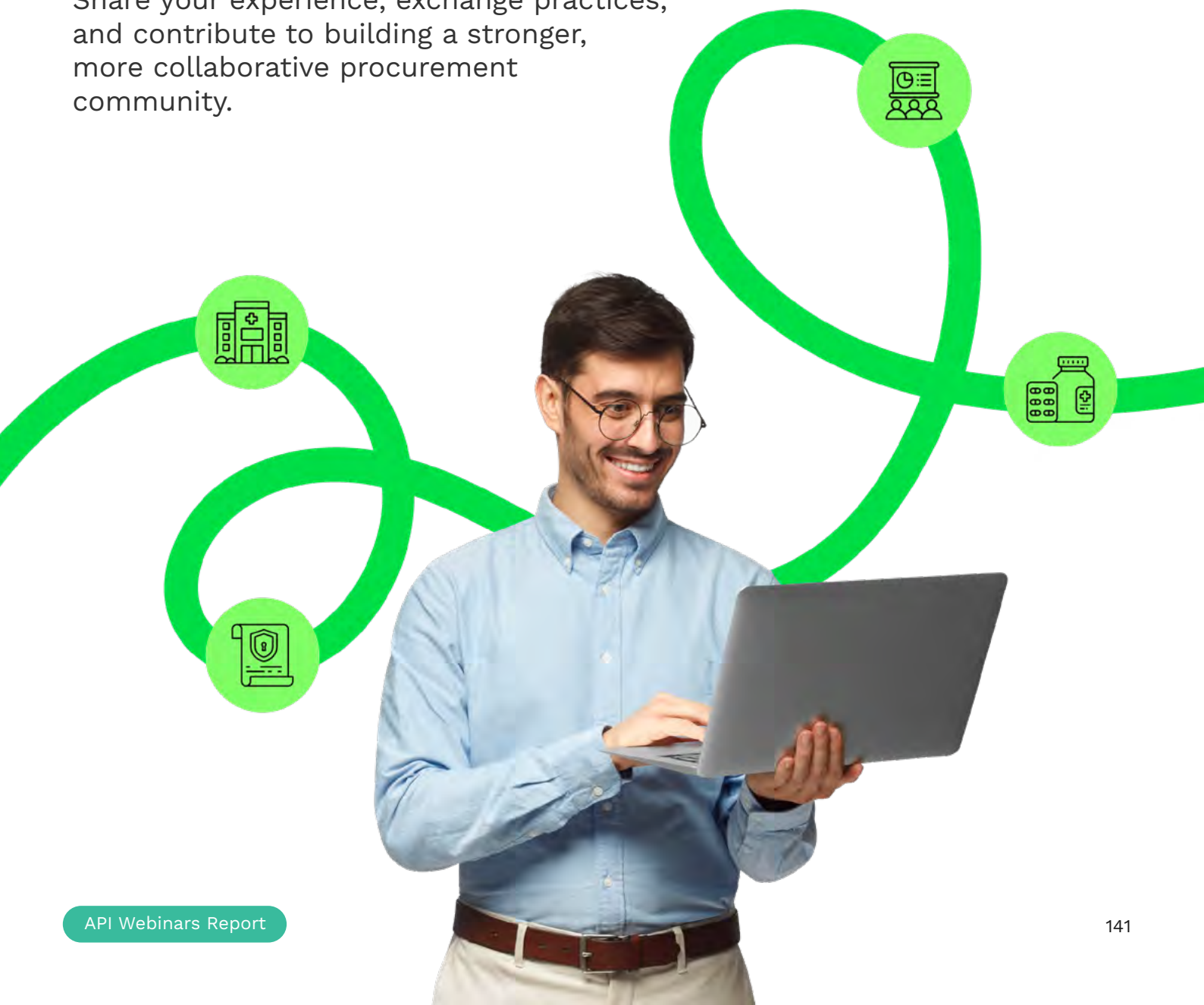
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Your voice matters

Share your experience, exchange practices, and contribute to building a stronger, more collaborative procurement community.



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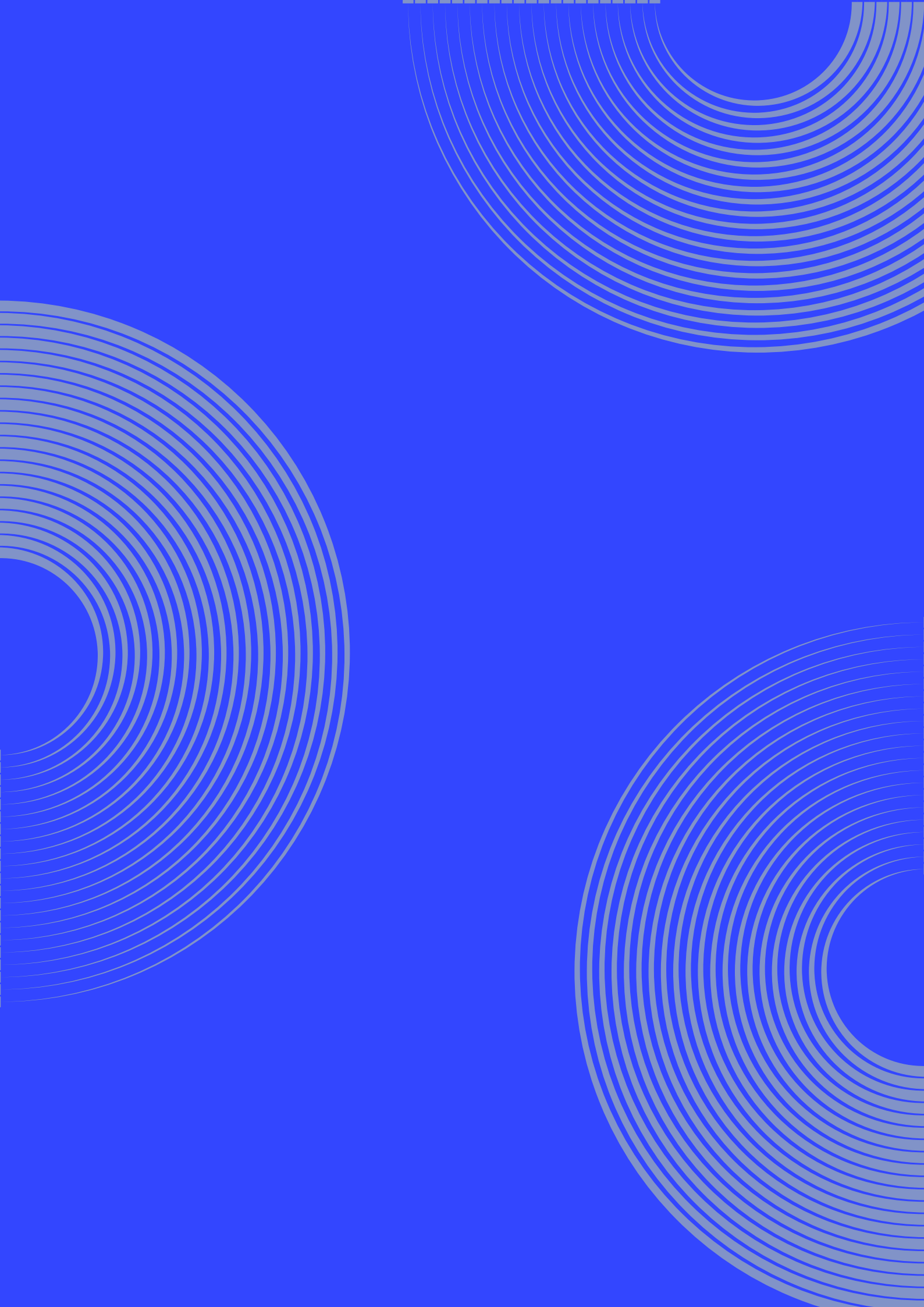
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