



# Case Study

Procurement

Guy's and St Thomas' NHS  
Foundation Trust

## Healing the medical instrument supply chain

There is growing evidence showing that people working within parts of the medical instrument supply chain are being denied basic employment rights.

Guy's and St Thomas' NHS Foundation Trust has taken the lead within the UK healthcare sector to ensure that these issues are understood and addressed in a sustainable manner. The Trust is a longstanding leader in the field of sustainability and fully committed to doing the right thing whilst improving healthcare and business outcomes.

### What was the issue / problem being addressed?



Some medical instruments, used to treat and heal patients in the UK, have been traced to unsafe and unethical manufacturing environments. Workers in these environments are at risk of injury and labour rights violations, such as sexual harassment, poor working conditions and unfair wages. Whilst the NHS has a policy on Ethical Procurement, abuses often occur further down the supply chain and may therefore be harder to identify. Guy's

and St Thomas' has been using its procurement as a lever to effect change across its supply base.

### What action was taken to overcome the issue?

Guy's and St Thomas' is working with the British Medical Association (BMA) to improve ethical standards across its c£600m supply chain. After learning about the issues in 2014, the Trust embarked on a programme of activities, working with key suppliers to ensure they understand the impact they have and to establish clear operating standards.

Using the Ethical Trade Initiative's Base Code as a foundation, the Trust developed a supplier Code of Conduct, which incorporates ethical as well as environmental standards. This code establishes more accountability between suppliers and the Trust.



A dedicated member of staff has been appointed by the Trust to manage this process and work directly with suppliers to improve working conditions further down the supply chain. Guy's and St Thomas' aims to work with its tier one, two and three suppliers to understand and improve the entire supply chain.

The approach is fully supported by the Trust's Sustainability Governance Committee, chaired by Trust Chairman Sir Hugh Taylor, and comprising the Medical Director and Chief Procurement Officer, as well as other organisational leaders.

### What was the impact / result?

The Trust now has greater visibility of its supply chain and is confident that it has robust mechanisms in place to tackle potential abuses. Through collaborative working with key suppliers, it has engaged with several medical instrument suppliers to improve transparency, safety and human rights within supply chains. In addition, the Code of Conduct has been ratified by the directors of procurement for the Shelford Group of NHS Trusts, which represents the 10 largest teaching hospitals across the UK, and over 10% of the UK healthcare market.

Guy's and St Thomas' will lead an assurance review to ensure that the code is being used and enforced, and will also report on the progress made in working with key suppliers in the medical instrument and supplies market.

### Lessons learnt / success factors

Tackling an issue in the supply chain can be a challenging task. The key lesson is the importance of

collaboration and working with the first tier suppliers to find a productive and non-confrontational way forward. There is a high risk that poor practices will be revealed through a review such as this, and it's important to work with existing networks and suppliers to ensure that the standards are raised, rather than suppliers boycotted, as this can have severe unintended consequences for those the review is trying to help.

Collaboration with other healthcare supply customers is also crucial, as an economy of scale within the sector sends a powerful signal to the market that this is an issue to take seriously.

### Scaling up

The **Code of Conduct is readily available for any interested NHS Trusts to sign up to** (use the contact details below).

Many signatories will send a strong message to suppliers throughout the supply chain.

**For further information on this project please contact:**

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