

# Environmental Sustainability 101 For Healthcare Distributors

*Key Definitions, Metrics, And  
Strategies For Getting Started*

# Going Green: A Win For Your Company, Your Employees, And The Planet

Healthcare accounts for **8.5%** of U.S. greenhouse gas emissions.



**70% of employees** say a sustainability program makes a workplace more appealing.



**119.6 million Americans** currently live in a county with unhealthy levels of particle pollution.



Globally, reducing emissions in line with the Paris Agreement could **prevent 4.5 million premature deaths** over the next 50 years.

Distributors are critical to industry efforts around environmental sustainability.

# Environment Sustainability Efforts Often Focus On *Three Key Areas*

## Emissions



## Medical Waste



## Chemicals of Concern





# Most Sustainability Plans Start With Emissions



- *Emissions* refers to the release of pollutants into the atmosphere, particular greenhouse gases including carbon dioxide and methane
- Global emissions increased by 6% in 2021- reaching their highest levels to date!



## Paris Climate Agreement

International treaty on climate change adopted in 2016 by 195 countries.

The goal is to limit the average global temperature increase to 1.5 degrees and achieve net zero emissions by 2050.



# Focus On Scope 1 & 2 Emissions First, And Work Outward to Scope 3



Scope 1, 2, 3 Emissions standards as defined by the Greenhouse Gas Protocol.

# “Net Zero” Is The Ultimate Goal

**Net zero means cutting greenhouse gas emissions to as close to zero as possible**

- Any remaining emissions re-absorbed from the atmosphere; by planting more trees, purchasing carbon offsets or transitioning to green energy sources.





# HHS Health Sector Climate Pledge Is Driving Industry Commitment To Emissions Reductions

- Initiative led by the White House and Department of Health and Human Services, launched late 2022
- Pledge signers commit to:
  - ✓ Reduce organizational emissions by 50% by 2030 and achieve net-zero by 2050.
  - ✓ Designate an executive-level lead for their work on reducing emissions by 2023 & conduct an inventory of Scope 3 (supply chain) emissions by the end of 2024.
  - ✓ Develop and release a climate resilience plan by the end of 2023.
- 102 organizations, representing 837 hospitals and industry organizations, signed on as of April 2023.





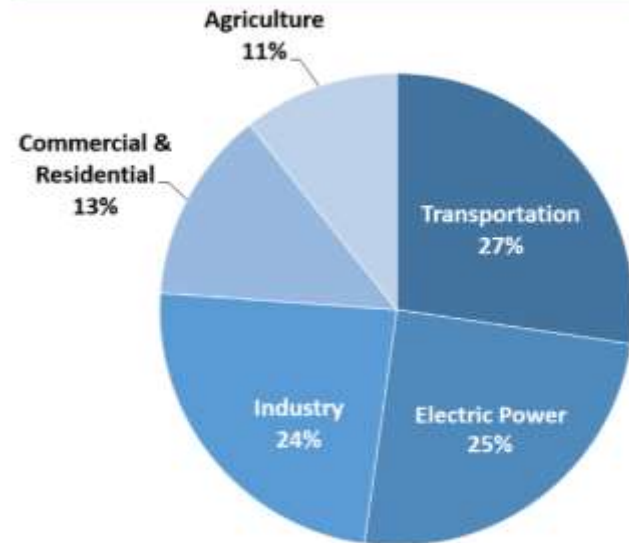
# Distributors Can Reduce Their CO2 Footprint, And Help Their Customers And Suppliers

In healthcare distribution, emissions primarily come from transportation and energy use in facilities.

Strategies for reducing emissions include:

- Switching to alternative transportation options such as electric or hybrid vehicles
- Improving energy efficiency in facilities (such as through green building design, solar power, and energy-efficient lighting and machinery)
- Optimizing delivery routes
- Working with customers and suppliers to consolidate shipments, coordinate deliveries and pick-ups, and reduce empty return trips

Total U.S. Greenhouse Gas Emissions  
by Economic Sector in 2020



Total Emissions in 2020 = 5,981 [Million Metric Tons of CO2 equivalent](#). Percentages may not add up to 100% due to independent rounding.





# WASTE Damages The Environment – And Adds Costs For Everyone In the Supply Chain

Healthcare produces over **6 million tons** of medical waste each year.

- *Waste* refers to any material that is discarded or no longer needed, such as packaging, expired products, or disposable medical supplies
- Waste also includes *unnecessary utilization* of products and resources



# Distributors Can Combat Waste Through Product Choices, Packaging And Disposal



## Environmentally Preferred Sourcing

- Assess whether an individual medical product has a more eco-friendly alternative option.
- Look to biodegradable alternatives for commonly used products, ranging from PPE to janitorial services.
- Understand GPOs and IDNs have environmentally preferred purchasing categories that give a competitive advantage to greener products.

## Packaging and Disposal

- Disposing of non-recyclable medical products in a landfill is a cost the end customer typically absorbs.
- Offering recyclable packaging solutions is a cost savings advantage!
- Working with your customers
  - Review kits/ custom packs to remove any excess items.
  - Update preference cards for environmentally preferred products.



# Product Lifecycle: Considering The Impact From Sourcing to Disposal



A **circular economy** keeps materials, products, and services in circulation for as long possible.

Consider the environmental impact of:

- Sourcing environmentally preferred materials
- Whether and how often a product can be reused
- Waste and disposal of products



# Chemicals Of Concern

Chemicals of concern refer to substances that can harm human health or the environment.

- In healthcare products, concerns around the leeching of these chemicals in products used with patients are especially magnified.

PFAs are a common concern in our market today as they will not break down for thousands of years.



Barrier for medical gowns and PPE



Coatings for catheters/stents



Commonly used in medical devices



# Chemical Concerns And Water Impact

- Water impact assessments evaluate the impact of your organization
- The key considerations focus on:
  - Measuring the water usage and impact of your regular operations.
  - The product composition of our medical products and impact of those chemicals on our drinking water.



# Your Decisions Make a Difference

## Greener Transportation



## Efficient Logistics



## Reduce Packaging Waste



# Standards, Guidelines, And Reporting

- Standards and reporting play an important role in promoting sustainability
- In 2022, SEC revealed plans to standardize climate disclosures for investors. As finalized in 2023, ESG reporting will be a core tenet of financial accounting. Companies providing better disclosures will be attractive to investors.



# Getting Started At Your Organization

- Start with an **internal assessment** to identify where your organization can have the most impact. Review:
  - RFIs from customers
  - what your peers in the industry are doing.
- Engage stakeholders throughout your organization and supply chain to build consensus around your priorities and goals.
- Regularly measure and report on your sustainability performance to track progress and identify areas for improvement. This can include using existing reporting frameworks and *science based* targets.





# Engaging Your Partners on Sustainability

- Communication with your customers is key to understanding what “sustainability” means to them.
- Distributors sit between end customers and manufacturers and have a unique opportunity to help streamline the language of sustainability.
- Get aligned with partners upstream and downstream to share data around emissions, waste generation, and other metrics to share what makes your product the preferred purchase.



For additional resources or questions, please reach out to:

**Manpreet Sandhu**

Senior Manager, Industry Affairs

[sandhu@hida.org](mailto:sandhu@hida.org)