

# **Next Steps in Sustainable Purchasing:**

## **Opportunities to Build on Environmentally Preferred Purchasing Programs**

**Dan Streit**



# About WECC

- Nonprofit founded in 1980
- National leader in the design and implementation of energy efficiency programs
- Main product lines:
  - Sustainability services
  - Financing
  - Residential (homes, retail, income-qualified programs)
  - Technical training



# **WECC's Environmental Sustainability Services**

- Sustainable Purchasing
  - Supply Chain Program and Engagement
  - Sustainability Tracking System (STS) Software
- Sustainability Reporting
- Carbon Footprint Reporting
- Sustainability Planning
- Financing

# Healthcare Industry Purchasing and Waste



**Annual procurement  
spend by US Healthcare  
> \$200 Billion**

**Hospitals generate  
~ 5 Million tons of waste  
per year**

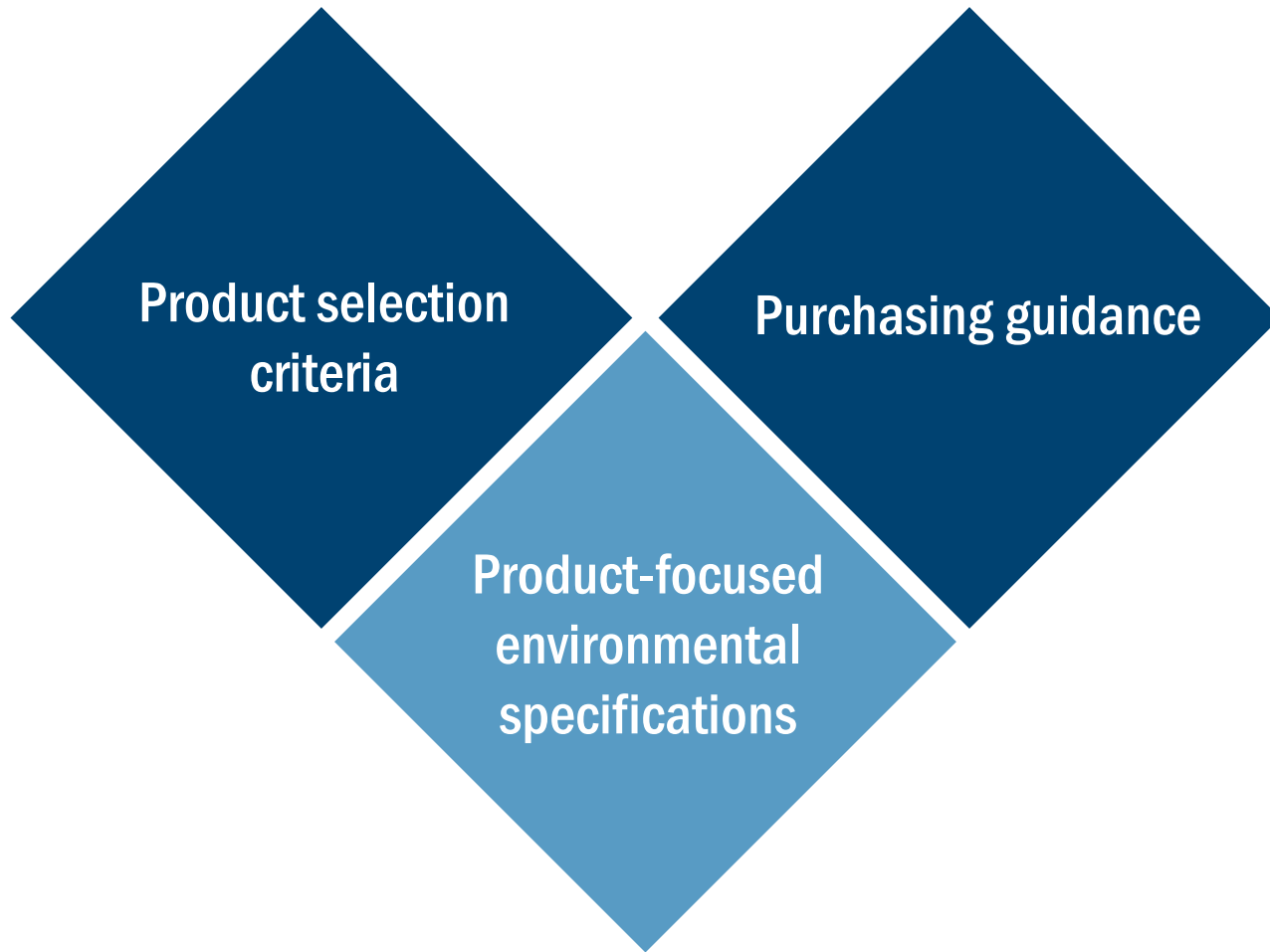
# Environmentally Preferred Purchasing

“Environmentally preferable means "products or services that have a lesser or reduced effect on human health and the environment when compared with competing products or services that serve the same purpose," according to the Implementing Instructions for Executive Order 13693. This comparison applies to raw materials, manufacturing, packaging, distribution, use, reuse, operation, maintenance and disposal.”

[United States Environmental Protection Agency \(EPA\)](#)

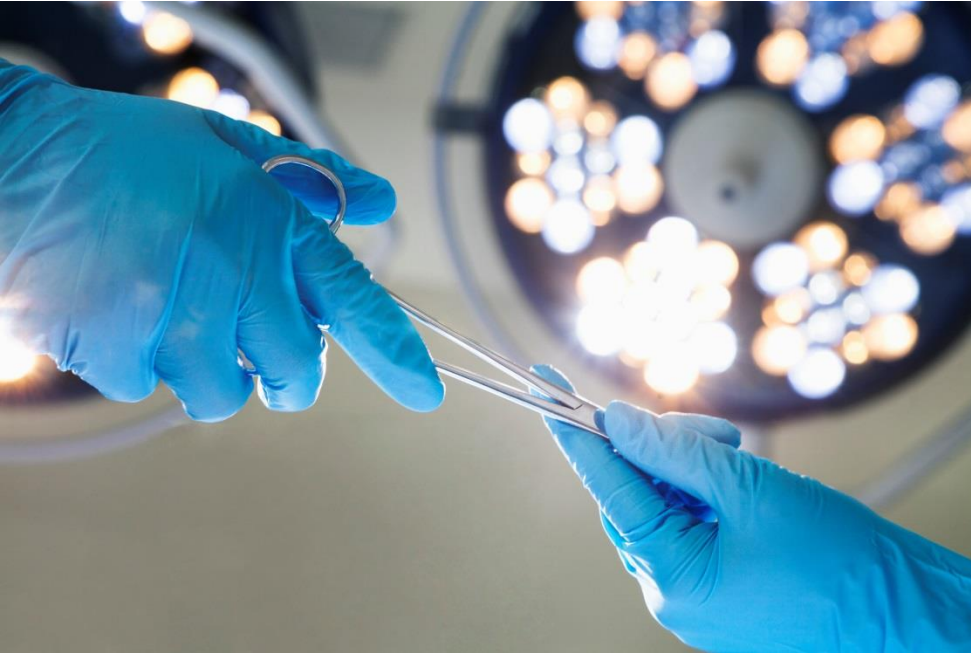


# Environmentally Preferred Purchasing (EPP)





# Benefits of an EPP Program



- Reduced health risks for patients and staff
- Reduced environmental impact of products
- Waste reduction = cost savings
- Mission alignment with health system

# Sustainable Product Innovation





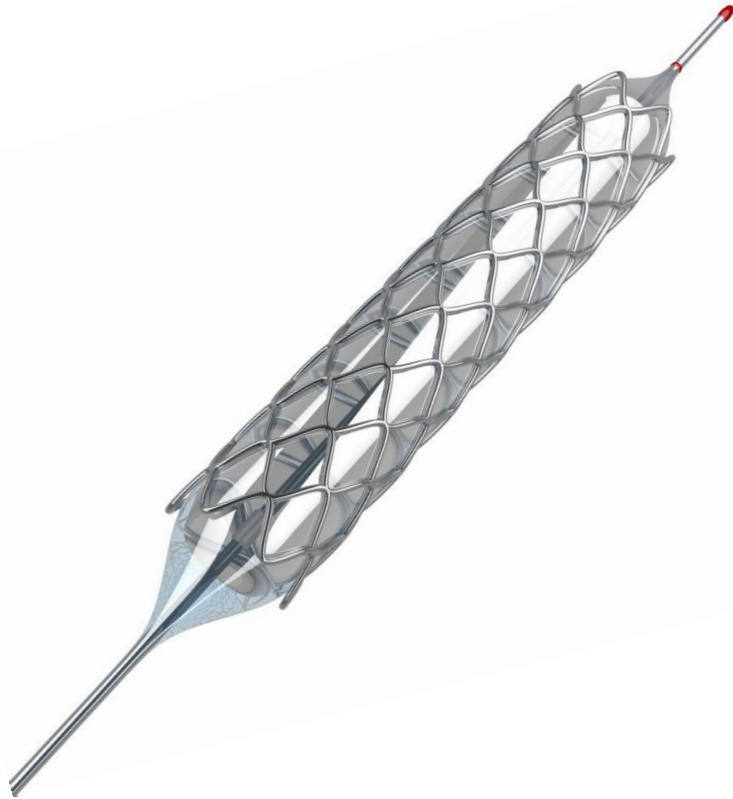
# Sustainable Product Innovation



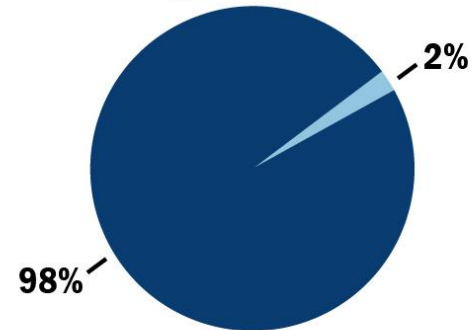
**“Health Systems Can Lower Operational Costs and Reduce Environmental Impact with CareAdvantage from the Johnson & Johnson Medical Devices Companies”**

<https://www.jnj.com/media-center/press-releases/>

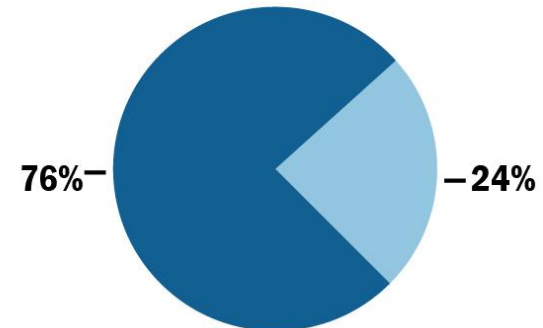
# Lifecycle Impacts of a Stent [selected]



CO<sub>2</sub> Emissions



Water Discharges



Manufacturing

Warehousing &  
Distribution

Final Disposition

Use

# Product Environmental Impacts

## Input

Energy

Water

Materials



## Output

Waste

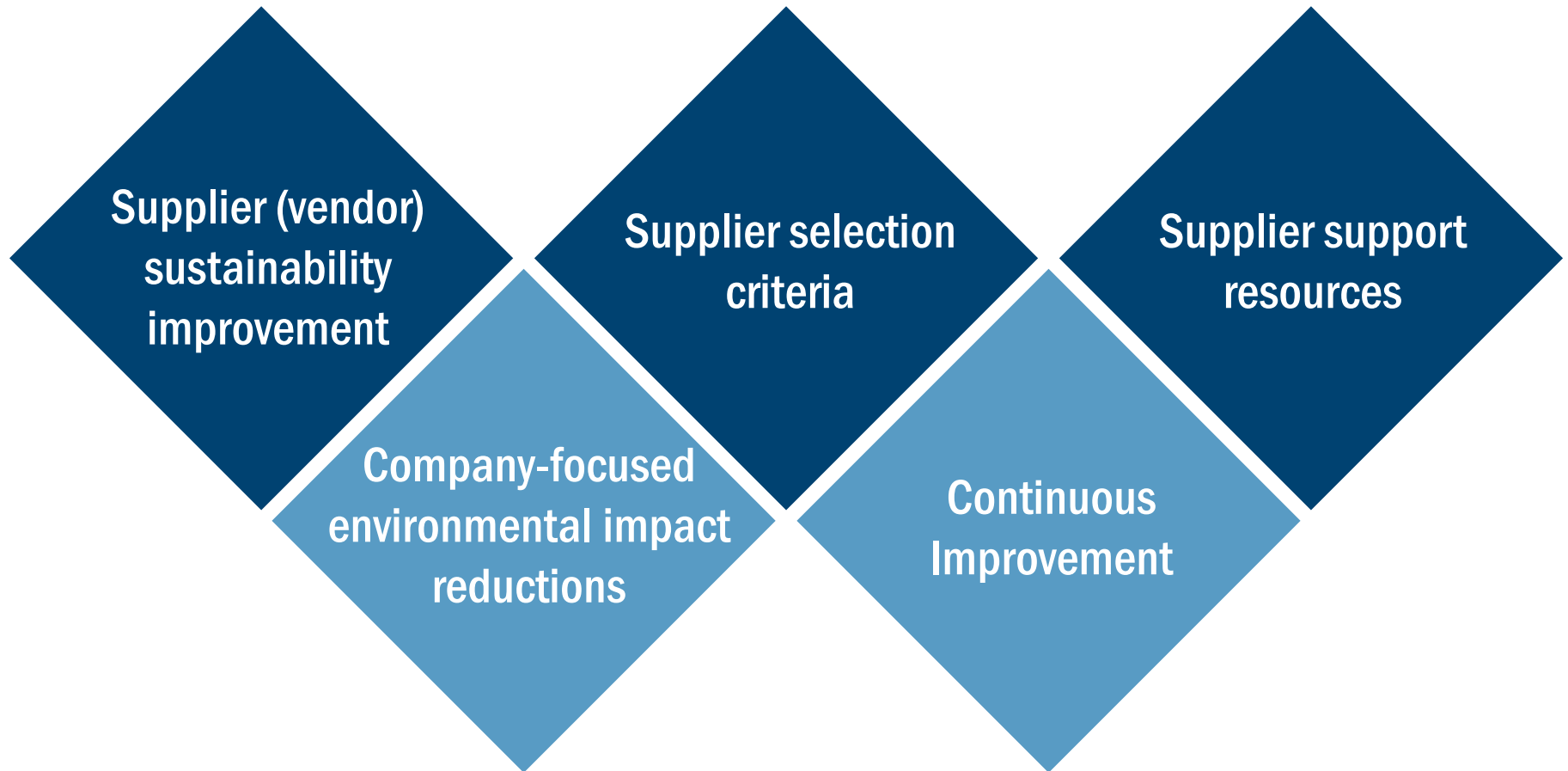
Emissions

**Product**

**EPP-focus**



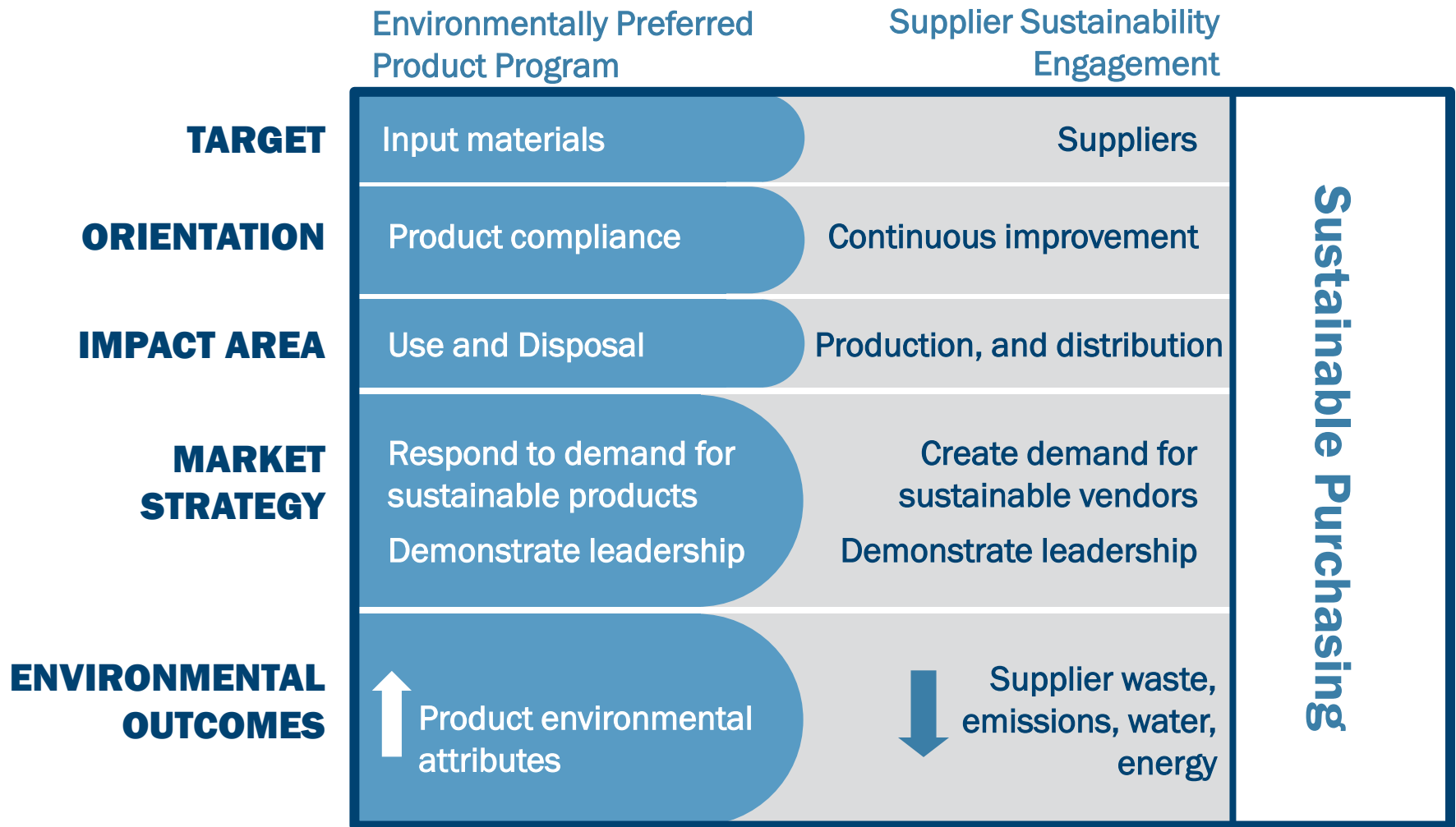
# Supplier Sustainability Program



# Benefits of a Supplier Sustainability Program













- Environmental impact reduction
- Sustainability leadership => market differentiation
- Possible Co-benefits
  - Reduced supplier operating costs => reduced product costs
  - Risk management
  - Strategic alignment => product innovation





# Models for sustainable purchasing

	Environmentally Preferred Purchasing	Sustainable Supplier Engagement
Reduces product-level environmental impacts		
Promotes supplier company-level continuous improvement		
Mitigates supply chain risks		
Cross-sector applications		
Optimizes LCA performance		

# Supplier Sustainability Program Development

**1**

**Organizational  
Assessment**

**2**

**Business Case**

**3**

**Supplier  
Sustainability Policy**

**4**

**Reporting Plan**

**5**

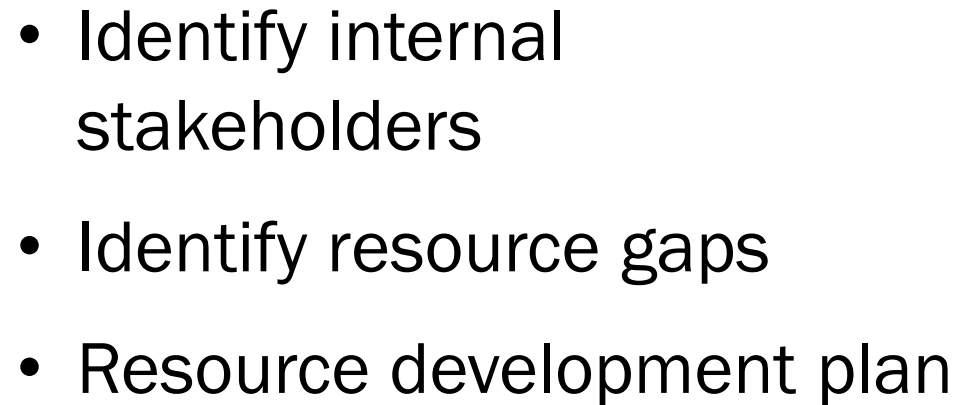
**Supplier  
Selection**

**6**

**Outreach**

**7**

**Implementation**



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## Step 2: Develop Business Case



- Identify organization-specific goals and opportunities
- Define financial and staff time investment needs
- Understand the path to ROI

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## Step 3: Supplier Sustainability Policy



- Define Material sustainability topics
- Supplier reporting requirements
- Sustainability valuation strategy
- Supplier support plan
- Quality assurance plan

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## Step 4: Reporting Process



- Determine reporting goals
- Evaluate and select normalization metric(s)
- Identify KPIs
- Document sources and owners of existing data types
- Plan for collecting and managing new data types
- Confirm report ownership and accountability

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## Step 5: Supplier Selection



- Determine in-scope suppliers
- Alignment with program goals
- Pilot scope vs. full scope

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## Step 6: Supplier Outreach



- Refine supplier value proposition
- Select outreach tactics

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## Step 7: Implementation



- Pilot with limited number of suppliers
- Process improvement measures
- Assign additional resources
- Validate improvements
- Full program roll-out

**We look forward to working with you.**

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