

Greening in Health Care

Implementing a Strategic Response

May 13, 2009

Agenda

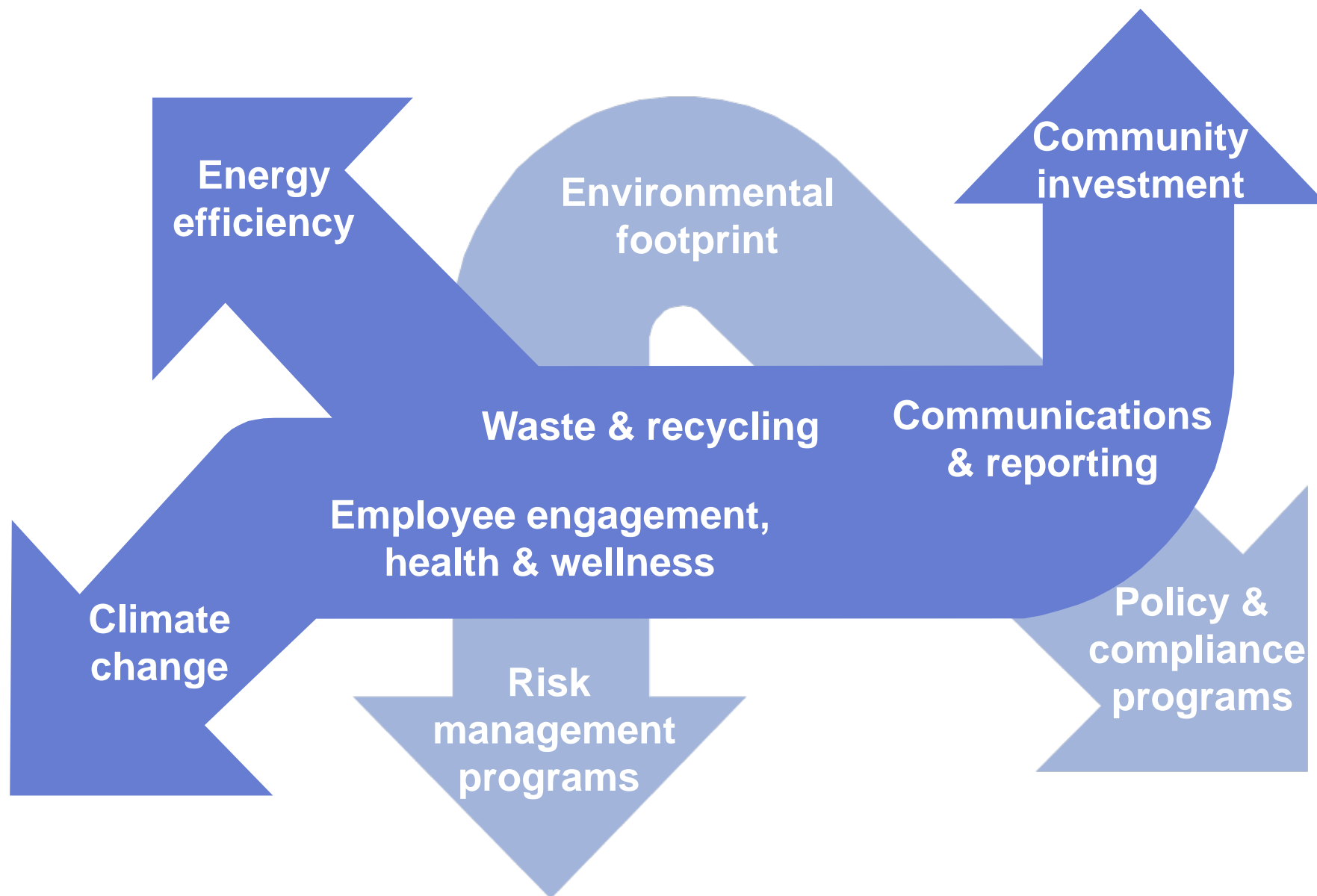
Greening in Health Care: A Framework for Discussion

Carbon Disclosure and Emerging Markets

Questions and Discussion

**Greening in Health Care:
A Framework for Discussion**

Many Organizations Have Several Initiatives Underway, but Have Disconnected Approaches to Managing Environmental Sustainability



A Framework for Greening in Health Care that Can Drive Success

In our own research on Greening in Health Care, we reviewed several case studies across industries and within leading U.S. and Canadian health and life science organizations.

Successful health organizations have demonstrated leadership and business value by:

- Making greening a social and strategic priority
- Making green investments and realizing returns
- Establishing corporate governance, structure and roles
- Encouraging grassroots efforts, education and awareness
- Maintaining compliance to environmental regulations and standards
- Reducing their environmental footprint

From our research and work with health organizations, we see six zones of impact for hospitals to consider, which present a strategic framework for focusing greening initiatives and priorities:



Successful Greening Strategies Exist Across the Six Impact Zones

Governance	Workplace	Workforce	Technology	Products and Services	Supply Chain
<ul style="list-style-type: none"> ▪ Develop a green vision and supporting strategies ▪ Establish leadership and buy-in – at the Board and Executive ▪ Develop green metrics and goals ▪ Assign accountability and measure performance 	<ul style="list-style-type: none"> ▪ Reduce energy and water consumption and increase efficient use of resources ▪ Reduce waste and improve management of biohazards ▪ Reduce toxicity of products used on site across all disciplines ▪ Focus on green construction and renovation 	<ul style="list-style-type: none"> ▪ Communicate green vision, strategies and successes ▪ Engage employees in green efforts, behaviors and incentives ▪ Provide green commuting options for employees ▪ Focus on green strategies for employee health and safety 	<ul style="list-style-type: none"> ▪ Improve technology and data center efficiency and waste reduction ▪ Increase technology end-of-life re-use, recycling and disposal ▪ Increase paperless applications and other e-processes for providers and patients ▪ Use information management and technology to manage, track and disclose greening efforts (e.g. EMS) 	<ul style="list-style-type: none"> ▪ Reduce product consumption ▪ Reduce use of toxins ▪ Reduce product wastage ▪ Green Lean Six Sigma ▪ Improve product end-of-life re-use, recycling and disposal options ▪ Focus on greening the full life-cycle of the product in purchases, and in design for research and care technologies ▪ Improve product energy efficiency 	<ul style="list-style-type: none"> ▪ Increase procurement of green products (e.g. reusable, made from recycled content, less hazardous, less packaging) ▪ Measure supplier green performance ▪ Reduce supply chain transportation and improve fleet efficiency ▪ Collaborate with suppliers to develop “greener” solutions

Successful Green Organizations Use a Structure Approach to Developing Strategy

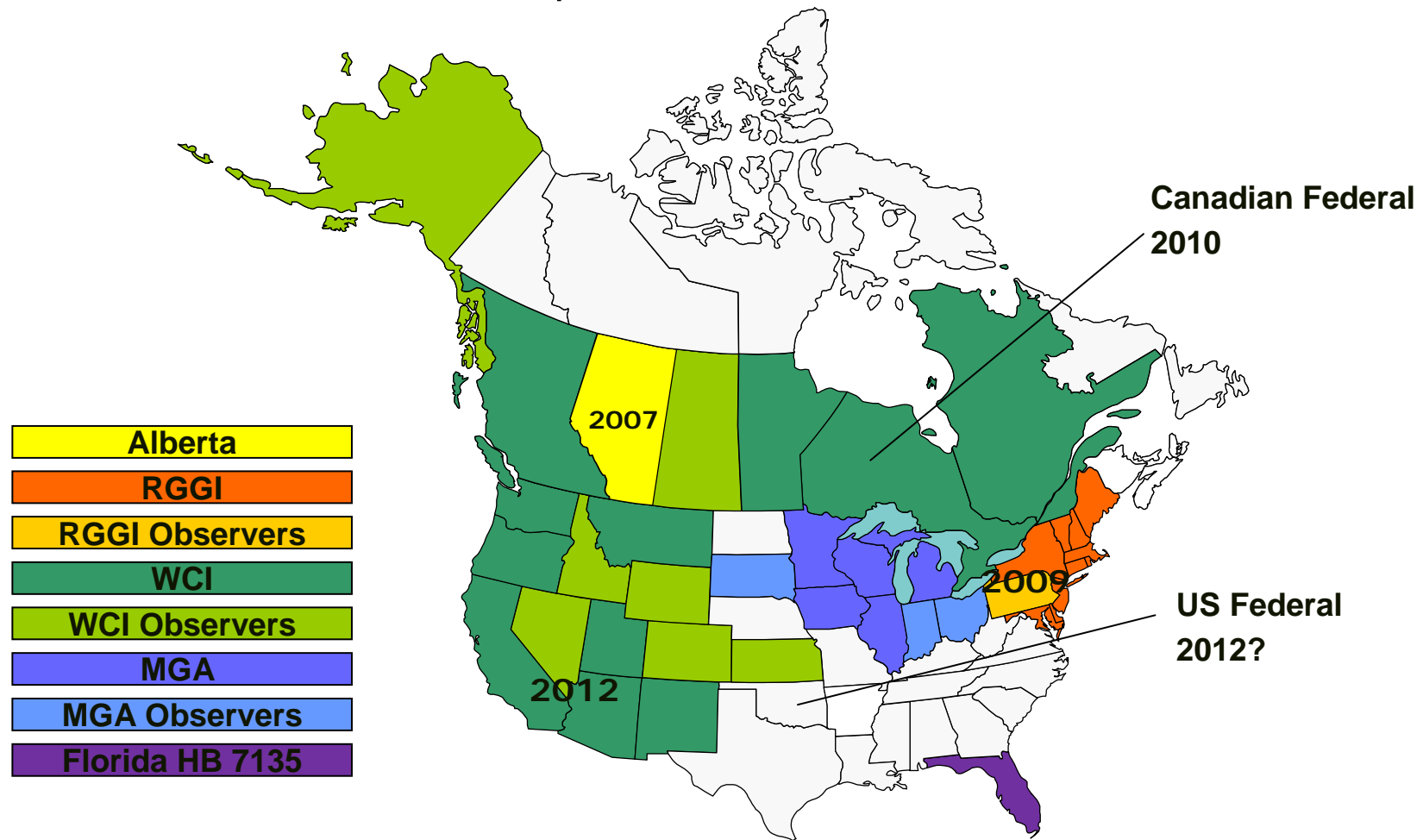
Case for change	Plan	Implement	Review
Step 1 : Understand key drivers	Step 3 : Diagnostic <i>(Where do we stand?)</i>	Step 6: Define leadership & management structure (How to lead and coordinate)	Step 10: Report & communicate
Step 2: Translate into industry and company specific considerations	Step 4: Develop vision and strategy <i>(Where do we want to be?)</i>	Step 7: Launch implementation and validate capability (How to start ?)	Step 11: Review strategy
	Step 5: Develop action plan <i>(How to get there?)</i>	Step 8: Develop KPI & internal reporting process (How to measure progress?)	
		Step 9: Execute projects (Implement initiatives)	

Carbon Disclosure and Emerging Markets

Carbon Markets are Evolving in Canada and Across North America

Starting in 2010, the Federal Government will focus on electricity generation, oil and gas, cement, and other heavy emitters, using 6 GHGs intensity-based targets.

The Western Carbon Initiative (WCI) is targeting the heavy emitting sectors for 6 GHGs, and includes 4 Canadian provinces and 7 U.S. western states.

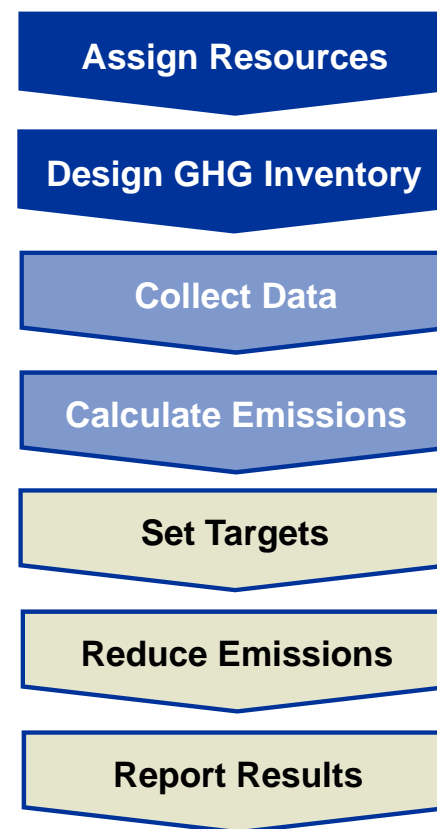


As a Non-Regulated Industry, Health Care has the Potential to Gain Financial Benefits from Carbon Markets while Demonstrating Green Leadership

The introduction of carbon trading markets create potential opportunities for health care organizations that pursue carbon reduction initiatives.

- Health care organizations can start by determining their GHG emissions, set a reduction target and determine a strategy to meet the gap
- Analyze GHG inventory to benchmark performance over time and compare results against competitors and industry
- Forecast emission reductions and determine gap
- Identify available grants/incentives/RD tax credits linked to energy or process efficiency projects
- Investigate offset generation potential (ability to monetize carbon)
- Conduct capital planning analysis to determine future emission reduction options

Stages in Developing a GHG Inventory



Source: World Resource Institute, 2006

Key Considerations on Carbon Markets and Disclosure...

Carbon markets are evolving...but will not go away

Presents both risks...

- Appearance of “greenwashing”
- Paralysis – waiting for regulation
- Reporting and disclosure failures
- Siloed approach

And strategic opportunities

- Addressing patient/client expectations
- Identifying new products and services
- Benefiting from grants and incentives
- Monetizing carbon through carbon offsets / carbon funds

Begin by understanding your “exposure” - knowing where you stand and understanding the implications of climate change across the organization

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