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Financial Strategies for Addressing Climate Change Impacts, Decarbonization, and the Cost of Inaction Webinar
Unperfected Transcript

1
00:00:13.340 --> 00:00:15.769
Marc Scher: Alright. We're just waiting for people to file in.

2
00:00:25.180 --> 00:00:32.170
Marc Scher: Alright. Let's go ahead and get started. Good morning or afternoon to everyone depending on where you are in the country, and thanks for joining us today.

3
00:00:32.450 --> 00:00:46.279
Marc Scher: My name is Mark Scher, and I'm the chair of the Healthcare Financial Management Association, and prior to that, spent 40 years at Kpmg, where I served as the partner in charge of Kpmg's global and Us. Healthcare audit practice. And I'm going to serve as our moderator. Today.

4
00:00:47.210 --> 00:00:55.410
Marc Scher: our webinar today is focused on the financial strategies for addressing climate change impacts decarbonization and the cost of inaction in this space.

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00:00:55.710 --> 00:00:58.380
Marc Scher: we have with us today 3 speakers.

6
00:00:59.020 --> 00:01:15.019
Marc Scher: You'll see them here in a minute. Niam, Brandon, and Rob, all of which serve as healthcare. Serve with healthcare organizations that are actively working on projects that are not only addressing climate change, but also focused on reducing the volatility and inflation of energy costs.

7
00:01:15.560 --> 00:01:20.489
Marc Scher: I'm going to turn over to the speakers right now to introduce themselves. Niam, can we start with you.

8
00:01:21.890 --> 00:01:41.159
Niyum Gandhi: Great thanks, so much, mark great to be with you all. Thank you for taking the time today to spend with us on this important topic. Neam Gandhi. I'm the Cfo. At mass, general Brigham, a large academic health system based in Boston and I also chair our climate sustainability leadership Council here.

NATIONAL ACADEMY OF MEDICINE

Financial Strategies for Addressing Climate Change Impacts, Decarbonization, and the Cost of Inaction Webinar
Unperfected Transcript

9
00:01:42.490 --> 00:01:44.150
Marc Scher: Thanks. Brandon.

10
00:01:44.870 --> 00:01:53.365
Brandon Seibold: Everybody Brandon Siebold, Adventist health the senior finance officer and treasurer here at the organization.

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00:01:54.590 --> 00:02:04.979
Brandon Seibold: Admins health covers. Really the West Coast. So 8 billion revenue hospitals in California, Oregon, and Hawaii.

12
00:02:06.620 --> 00:02:08.370
Marc Scher: Alright thanks, and rob.

13
00:02:08.710 --> 00:02:14.119
Rob Roy: Hello, everyone! My name is Rob Roy. I'm the senior Vice President, chief investment officer for Advent health

14
00:02:14.716 --> 00:02:20.429
Rob Roy: I also lead our retirement programs. And I'm the Co head of environmental sustainability for our organization.

15
00:02:20.540 --> 00:02:32.409
Rob Roy: We are 55 hospitals in 9 States sister organization to Brandon's on the West Coast, but covering more of the sort of central part of the United States. It's great to be with you all today.

16
00:02:34.080 --> 00:02:46.540
Marc Scher: So today, we're going to share with you the journey. Each of these organizations have been on to achieve their goals in this area, and as part of the roundtable, we're going to walk you through what motivated each of the organizations to take on this initiative

17
00:02:46.650 --> 00:02:59.530
Marc Scher: the research and findings they did as a basis for determining how best to address the issue. The approach used to restructure their overall energy strategy and what the expected results of these projects are going to be.

18

NATIONAL ACADEMY OF MEDICINE

Financial Strategies for Addressing Climate Change Impacts, Decarbonization, and the Cost of Inaction Webinar
Unperfected Transcript

00:02:59.960 --> 00:03:07.699
Marc Scher: Our overall goal is to provide you with some thoughts and a framework to assist you. If you're interested in establishing an energy strategy for yourself.

19
00:03:07.940 --> 00:03:16.649
Marc Scher: We're gonna have about 20 min for our roundtable discussion. Then we're gonna open it up for questions which you can enter into the Q. And a feature at the bottom of the screen.

20
00:03:17.980 --> 00:03:34.560
Marc Scher: So let's go ahead and get started. I think we're going to start with motivation. What motivated your organizations to take on this initiative. And was there any specific moment, challenge or opportunity that served as the catalyst for that initiative? And let's go ahead and start with Neam.

21
00:03:35.170 --> 00:03:56.239
Niyum Gandhi: Thanks, Mark. Maybe just starting at a at a macro level. I mean, I think our overall motivation here, which is probably consistent for a lot of organizations who are engaged in this work. All parts of our mission, our clinical care, community health, research and education missions are all focused on improving human health

22
00:03:56.480 --> 00:04:23.730
Niyum Gandhi: and climate sustainability is a public health crisis. So for us, the motivation, the broad based motivation across the organization is addressing our impact on a public health crisis and ensuring that we're doing the best that we can to be responsible stewards of the climate and the environment to help promote human health more broadly. Then, if I think more tactically about it.

23
00:04:23.870 --> 00:04:43.079
Niyum Gandhi: what that led to for our organization was a lot of really great work happening, I'd say, kind of grassroots and bottom up across the organization. We have a lot of leaders, especially physician leaders in our organization who are thought leaders in the space and have done great research on the impact of climate, on health.

24
00:04:43.080 --> 00:05:01.109
Niyum Gandhi: climate, sustainability, initiatives, environmental harm reduction strategies. And really, as our organization a few years ago

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Financial Strategies for Addressing Climate Change Impacts, Decarbonization, and the Cost of Inaction Webinar
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started shifting from a holding company model to an operating company model. Across all aspects of our strategy.

25
00:05:01.110 --> 00:05:13.959
Niyum Gandhi: We pulled together those efforts in climate as well to have an overarching strategy and and approach to to addressing our impact on on climate more broadly across the organization. You know. Kind of

26
00:05:14.040 --> 00:05:29.430
Niyum Gandhi: everything, from measurement to, you know, to kind of action and and beyond. But but that that motivation, the underlying motivation of of addressing a great human health challenge, is is probably the thing that's been persistent throughout the various phases of our work.

27
00:05:31.000 --> 00:05:32.170
Marc Scher: Brandon.

28
00:05:32.860 --> 00:05:47.540
Brandon Seibold: Yeah, no, that's super helpful to kind of hear how you guys thought about it. You know, I think that is similar thinking at a macro level to how advents health thought about it just in terms of kind of our mission is living God's love by inspiring health, wellness, and hope.

29
00:05:47.590 --> 00:06:02.290
Brandon Seibold: And this is, you know, prolonging that and and improving that over kind of 2 2 facets. I think the the one thing that I'd add, slightly different in terms of how we thought about it is, we were

30
00:06:02.290 --> 00:06:23.710
Brandon Seibold: driven somewhat by the economics around the value of investing in improved kind of energy efficiency. So that's kind of where a lot of our kind of original thesis and conversation started. And in particular, in California, you have very high utility rates, some of the highest in the nation. And we saw, you know.

31
00:06:23.710 --> 00:06:38.909
Brandon Seibold: actually, 2 years ago, we saw a, you know, a 12% increase in our utilities from a single utility provider, so that I think, drove kind of our thinking around the economics. And so then we were able to kind of piece through.

NATIONAL ACADEMY OF MEDICINE

Financial Strategies for Addressing Climate Change Impacts, Decarbonization, and the
Cost of Inaction Webinar
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32
00:06:38.910 --> 00:07:02.829
Brandon Seibold: you know. Where do we get the highest and best return,
as we think about investing in energy infrastructure. And so we piece
through investing in solar strategies with investment tax credits,
investing in batteries, battery strategies investing in improvements in
our building automation systems across the organization improvements in
our central utility plants kind of all

33
00:07:02.830 --> 00:07:13.120
Brandon Seibold: of the spectrum in terms of where we chose to make make
those those investments. I think the secondary thing that when we went
into it. We didn't appreciate the the value of

34
00:07:13.678 --> 00:07:30.263
Brandon Seibold: was investing in those assets also improves the
reliability of them, so that we have, you know, good patient experiences
in terms of our highly functional kind of

35
00:07:31.810 --> 00:07:55.679
Brandon Seibold: you know, utilities. It sounds basic. But if you think
about it in in California. We have rolling blackouts on occasion. In
particular, with windstorms and those type of things. Well, we were able
to invest in generators and those clinics so that we could continue to
provide patient care. In those spaces. So kind of those were the 2
benefits. We thought about it in terms of economics, and then
secondarily.

36
00:07:56.490 --> 00:08:01.980
Marc Scher: Cover. Hold on shaking. Expected. Sorry about that
earthquake. Notice here in California.

37
00:08:02.345 --> 00:08:03.440
Brandon Seibold: There you go!

38
00:08:03.440 --> 00:08:04.860
Marc Scher: Never comes. Yeah.

39
00:08:05.390 --> 00:08:07.970
Marc Scher: Is power is gonna go out.

NATIONAL ACADEMY OF MEDICINE

Financial Strategies for Addressing Climate Change Impacts, Decarbonization, and the Cost of Inaction Webinar
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40
00:08:09.220 --> 00:08:14.419
Brandon Seibold: Yeah. So those are kind of the 2 ways that that we we thought about it. So.

41
00:08:16.600 --> 00:08:17.440
Marc Scher: Whoa!

42
00:08:19.860 --> 00:08:20.949
Rob Roy: Where are you? Mark?

43
00:08:21.340 --> 00:08:22.950
Marc Scher: I'm in Laguna Beach.

44
00:08:22.950 --> 00:08:23.720
Brandon Seibold: Wow!

45
00:08:24.670 --> 00:08:26.430
Marc Scher: Wow! That was a big earthquake.

46
00:08:28.200 --> 00:08:29.210
Marc Scher: Alright sorry about that.

47
00:08:31.520 --> 00:08:32.200
Brandon Seibold: Boy.

48
00:08:34.470 --> 00:08:38.670
Rob Roy: Okay. I don't think I've done a webinar with the host being in the midst of an earthquake before

49
00:08:39.610 --> 00:08:49.520
Rob Roy: we'll if we lose you. We'll try to pitch it for you. We've got the the questions as the backup. We we care about you 1st and foremost, but we will cover the questions. If we lose you. For some reason, mark.

50
00:08:49.520 --> 00:08:50.770
Marc Scher: I think we're fine. Go.

51

NATIONAL ACADEMY OF MEDICINE

Financial Strategies for Addressing Climate Change Impacts, Decarbonization, and the Cost of Inaction Webinar
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00:08:51.840 --> 00:09:01.099
Rob Roy: Now, I love this opening question because it's really this high level motivation. And I think what it should show to the the people that are watching the webinar is that

52
00:09:01.250 --> 00:09:10.169
Rob Roy: finding your way into this work can come from a number of different places. It's not just one direction, right? We all have these different lived experiences

53
00:09:10.360 --> 00:09:14.480
Rob Roy: for advent health, you know. I think it part of it started from

54
00:09:16.210 --> 00:09:22.330
Rob Roy: what I've been doing. So for most of my career. I've been the chief investment officer. At Advent health.

55
00:09:22.500 --> 00:09:25.333
Rob Roy: and what I'd seen was

56
00:09:26.140 --> 00:09:40.150
Rob Roy: that many of my peers, like investors at endowments and foundations were going through a period where their stakeholders started to create new expectations for how that money was being managed.

57
00:09:40.450 --> 00:09:46.520
Rob Roy: and while I knew that healthcare didn't have the same pressure from patients. Necessarily

58
00:09:46.830 --> 00:09:53.889
Rob Roy: there was this rolling new set of expectations that were coming towards large organizations to say.

59
00:09:54.120 --> 00:10:01.760
Rob Roy: there's plenty of problems in the world. I know you have a core mission, but in what other ways could you be a benefit to society?

60
00:10:02.100 --> 00:10:15.649
Rob Roy: Ha! So expectations would would be changing from our team members who were part of our organization, from the communities in which

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Financial Strategies for Addressing Climate Change Impacts, Decarbonization, and the Cost of Inaction Webinar
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we operate, and ultimately from our patients, and that drove us to to say.

61
00:10:16.000 --> 00:10:26.550
Rob Roy: instead of Hey, let's focus on decarbonizing. What we said was, we really need a structured framework for how we're gonna think about all of these

62
00:10:28.080 --> 00:10:40.649
Rob Roy: all of these issues, whether or not it's environmental sustainability or human sustainability or whatever. And so our Board, in updating their enterprise, risk management framework made this request for a

63
00:10:41.121 --> 00:10:46.249
Rob Roy: framework for how we would think about this one of the top 10 items for the organization.

64
00:10:46.630 --> 00:10:57.050
Rob Roy: So it really started at the board level as almost a blank sheet of paper, just saying, we know the world is changing. Let's not be reactive. Let's be proactive.

65
00:10:57.220 --> 00:11:02.270
Rob Roy: From that grew this work around environmental. But it was one of a

66
00:11:02.620 --> 00:11:10.299
Rob Roy: one of the items that came from that broader sort of blank sheet of paper realization that expectations in the world were changing.

67
00:11:13.630 --> 00:11:36.530
Marc Scher: I think that's amazing. So we have a lot of different motivations, some tied directly to missions, some to sustainability, and some to being proactive. So I think there's a lot of different ways. Organizations may be motivated to head in this space. I think it would be helpful to maybe talk about the research and the findings. So what kind of research or analysis did your organizations conduct

68
00:11:36.530 --> 00:11:45.220

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Financial Strategies for Addressing Climate Change Impacts, Decarbonization, and the Cost of Inaction Webinar
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Marc Scher: to understand the risks and opportunities related to the energy, strategy and climate change, and were there any surprising findings? So let's go ahead and start with Neam again.

69
00:11:47.026 --> 00:11:54.739
Niyum Gandhi: So you know we did. I'd say our our research kind of went along 2 different tracks. One

70
00:11:56.340 --> 00:12:25.259
Niyum Gandhi: one was maybe a narrow piece kind of related to what Brandon was talking about. We we did an assessment on the cost issues right? And and part of this was kind of creating the financial grounding for what's going on from an energy standpoint? Where? Where, if we engage in the right activities to reduce energy utilization, can we drive? Kind of immediate return on investment. And and part of this is is kind of grounded in the approach that we use

71
00:12:25.720 --> 00:12:49.489
Niyum Gandhi: for most for most mission related investments, we we kind of break them into things that have a financial roi and things that don't, not because one is more important than the other, but because anything we can invest in that has a financial roi just creates more funding to invest in back in the mission right in in any part of the mission. So and then on the things that don't have a financial roi it is. You know.

72
00:12:49.700 --> 00:12:53.620
Niyum Gandhi: there's there's a trade off of how much you can invest. If we could invest, you know.

73
00:12:53.880 --> 00:13:18.729
Niyum Gandhi: $12 and get our emissions down to 0, I'd write the check tomorrow if it cost, you know, 12 billion that would bankrupt the organization. And so you know, so it's kind of always done in that sort of calibration mindset. But we. We did an assessment on kind of the energy savings piece and kind of could build a self funding Roi model for some of the some of the things that had financial benefit. The the other big area of

74
00:13:18.820 --> 00:13:47.670
Niyum Gandhi: of investigation over the past couple of years was really just getting a sense of. And we're probably a little bit behind some other organizations on this because of how we used to be run kind of in

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Financial Strategies for Addressing Climate Change Impacts, Decarbonization, and the Cost of Inaction Webinar
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separate little subunits across our organization. But it's getting a comprehensive view on our emissions overall. And so we did. A greenhouse gas inventory audit looked across scope 1, 2, 3, all of our areas of emissions and identified, you know where, where we're in kind of line with the industry, where we're

75
00:13:47.670 --> 00:14:03.850
Niyum Gandhi: ahead, where we're behind and there are a mix of different areas like that, and that that allowed us to then start to develop our strategies, to address the biggest drivers of impact rather than rather than just saying, Oh, you know that there's a lot of good activity around X. But

76
00:14:03.850 --> 00:14:23.710
Niyum Gandhi: but effects isn't really a big problem for us, or isn't, or it's just a very, very small piece of the problem for us. While that may make us feel good. Let's let's go tackle the the bigger drivers of emissions, or at least the places where we're larger outliers, and I think maybe in terms of answering your question about findings there.

77
00:14:24.435 --> 00:14:49.350
Niyum Gandhi: I wouldn't say anything terribly surprising, I think, for most healthcare organizations, and I imagine all of those you know, kind of on the call here in a similar situation. There's nothing that really jumps out you know, as particularly different from one organization to another. The biggest drivers are are, you know, kind of the same for for all of us. I think highlighting how big of an issue scope 3 emissions are was

78
00:14:49.420 --> 00:15:13.919
Niyum Gandhi: was an important learning for people who are further away from the work. I think people who are close to the work understand that scope. 3 emissions are going to be 70 80% of our total emissions. I think people who are far away from the work don't realize that immediately. And so, being able to shine a little bit of a brighter light on that, I think, helped with a lot of our kind of pulling groups together to address the challenges more broadly.

79
00:15:15.070 --> 00:15:15.760
Marc Scher: Thanks.

80
00:15:16.480 --> 00:15:17.620
Marc Scher: Brandon.

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Financial Strategies for Addressing Climate Change Impacts, Decarbonization, and the
Cost of Inaction Webinar
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81
00:15:17.830 --> 00:15:21.393
Brandon Seibold: Yeah. So you know, just following on to Niam's

82
00:15:22.170 --> 00:15:51.669
Brandon Seibold: point on the the economics and the Roi, the you know. I
think I would say, if I step back over the over the last 5 or 6 years
Adventist health has been doing the right thing in terms of investing, in
energy infrastructure, adding solar to pretty much all of our campuses.
You know, adding battery storage to to a number of our campuses, but we
we had an organized kind of a model that worked across the system for all
of the campuses in a

83
00:15:51.700 --> 00:16:11.579
Brandon Seibold: and a kind of cohesive way that we could demonstrate to
both. Our internal stakeholders as well as our external stakeholders.
What the intentionality is in terms of those those investments, and what
the what the value both from an economic perspective as well as a return
perspective and a kind of

84
00:16:11.650 --> 00:16:35.969
Brandon Seibold: improving or hardening our infrastructure, reducing kind
of deferred maintenance type of thing. So we went through a very detailed
analysis market, you know, hospital by hospital building, by building to
create, where, if we invested in this solar project. What was the return
at this specific campus? If we invested in building automation systems to
improve

85
00:16:37.080 --> 00:16:54.749
Brandon Seibold: or to decrease our airflow in certain unused parts of
the building, what would be the value of that of those investments, and
went kind of a very granular level? And then built up to what the system
kind of model was. And I think maybe the interesting thing that we
learned in that is.

86
00:16:55.030 --> 00:17:22.309
Brandon Seibold: there's some campuses that were, you know, newer and
maybe didn't need as much investment. But there, we could make
investments there. That would generate returns that we could utilize kind
of across the system to invest in other campuses that were maybe a little
bit older and needed more investment to improve kind of their their
energy efficiency. So I think that's kind of some of the research that we
did entering into kind of our

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Financial Strategies for Addressing Climate Change Impacts, Decarbonization, and the Cost of Inaction Webinar
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87
00:17:22.560 --> 00:17:27.439
Brandon Seibold: or kind of layer of energy improvement across the across the system.

88
00:17:27.910 --> 00:17:29.260
Marc Scher: Thanks, Ron.

89
00:17:30.380 --> 00:17:40.220
Rob Roy: Yeah, again, it's so interesting to hear different people's perspectives. Each organization has a unique culture, and those of us that are called to lead this work.

90
00:17:40.729 --> 00:17:47.189
Rob Roy: Part of our effectiveness is that is, that we understand the culture of our organizations, and we know how to operate effectively within them.

91
00:17:47.300 --> 00:17:52.300
Rob Roy: And so for each of you, you know, these aren't prescriptive in terms of like, do what we did.

92
00:17:52.785 --> 00:17:55.470
Rob Roy: But you're hearing different versions of the story.

93
00:17:55.810 --> 00:18:04.759
Rob Roy: and so much like what Neam said. We started from a measurement perspective when Marisa Faribah and I were chosen to lead the environmental sustainability work.

94
00:18:04.930 --> 00:18:12.129
Rob Roy: We were chosen because we're both finance people at heart. She leads supply chain. I lead investments and retirement programs.

95
00:18:12.300 --> 00:18:18.200
Rob Roy: We're both quantitative. She's an engineer by background on math and finance.

96
00:18:19.130 --> 00:18:20.540

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Financial Strategies for Addressing Climate Change Impacts, Decarbonization, and the Cost of Inaction Webinar
Unperfected Transcript

Rob Roy: And so

97
00:18:21.090 --> 00:18:34.349
Rob Roy: what they said was, you guys were picked because we knew that you would think through the framework and not just do a bunch of cool projects that didn't really, you know, add up to a cohesive answer to the issue.

98
00:18:34.720 --> 00:18:39.549
Rob Roy: And so we started by measuring, by measuring. And to Niam's point.

99
00:18:39.950 --> 00:18:52.020
Rob Roy: you know it's the surprising element is how big is scope 3. As a part of that, you know, of total emissions, I'd say close to half is from financed emissions. So coming out of your investment portfolio.

100
00:18:52.230 --> 00:18:55.449
Rob Roy: about a 3rd or so is from supply chain.

101
00:18:55.570 --> 00:19:01.649
Rob Roy: and then the last 15 is is really in scope one and 2, and most of that scope 2.

102
00:19:02.200 --> 00:19:04.850
Rob Roy: So once we knew what the lay of the land was

103
00:19:05.070 --> 00:19:10.400
Rob Roy: then interpreting through our corporate culture. We knew that to start the work

104
00:19:10.510 --> 00:19:35.659
Rob Roy: there were, there was a desire to do the biggest things. First.st It turns out that the biggest things like attacking purchased electricity are also things that you can do at the corporate level, where you don't need buy in from all of your employees or all of your different hospitals that those kinds of power purchase agreements are done at the corporate level. And so we started with things that we could really take a big crack at

105

NATIONAL ACADEMY OF MEDICINE

Financial Strategies for Addressing Climate Change Impacts, Decarbonization, and the
Cost of Inaction Webinar
Unperfected Transcript

00:19:36.144 --> 00:19:38.329
Rob Roy: early in the in the work.

106
00:19:38.590 --> 00:19:41.950
Rob Roy: Also to Niam's point, those things have been

107
00:19:42.400 --> 00:19:49.460
Rob Roy: financially accretive. And so it created momentum around the work, then that we had a good sense of what we were facing.

108
00:19:49.920 --> 00:19:52.370
Rob Roy: We knew the priority of what to do.

109
00:19:52.520 --> 00:20:03.780
Rob Roy: and the things that we were starting to uncover were both environmentally and financially accretive, and that really created momentum to allow us to continue to move that work throughout the organization.

110
00:20:04.320 --> 00:20:10.080
Rob Roy: The work on scope one and 2 now is much better in hand. We believe we're in a good place to

111
00:20:10.558 --> 00:20:23.699
Rob Roy: reach our targets on scope one and 2 emissions, probably by the end of this year or the beginning of next year, and it's really going to be the difficult work of attacking scope 3 around supply chain and investments.

112
00:20:23.980 --> 00:20:27.269
Rob Roy: And that's where we're we're gonna spend a lot more time leaning in.

113
00:20:27.670 --> 00:20:31.950
Rob Roy: The other thing that we realized is part of the work. Mark was that

114
00:20:33.270 --> 00:20:39.100
Rob Roy: if you take a step back, the real goal of the work that we're doing is to try to improve the environment

NATIONAL ACADEMY OF MEDICINE

Financial Strategies for Addressing Climate Change Impacts, Decarbonization, and the Cost of Inaction Webinar
Unperfected Transcript

115
00:20:39.240 --> 00:20:42.000
Rob Roy: and preserve a place for humans to live.

116
00:20:42.870 --> 00:20:55.270
Rob Roy: We can't do that work by ourselves. So any one of our organizations doing all of our work perfectly won't get it done. We really need the network effect, which is why events like today are so important.

117
00:20:55.350 --> 00:21:16.509
Rob Roy: But doing your own work gives you an authentic platform, then to go out and have these conversations, and I love having 3 of us on the phone or on the call to show how we've all kind of come at it from different angles and different paths and different cultures. But it's encouraging people. Because if we all get involved in this work, that's really where the magic is gonna happen.

118
00:21:18.570 --> 00:21:42.580
Marc Scher: Great comment on culture and how that can drive the types of research you're doing. And ultimately the strategic approach you took. If we could now walk us through the strategy organization used to restructure its energy and sustainability approach. It would be interesting. And how did you make the case internally, either to the Board or your other team members which would tie into culture. So let's circle back again with Neil.

119
00:21:43.690 --> 00:21:56.260
Niyum Gandhi: So I you know I'd say 2 2 things may maybe starting with how the how the case was made. I will. I will give a lot of credit to to my colleagues, especially my my clinical colleagues. Who

120
00:21:56.900 --> 00:22:10.599
Niyum Gandhi: Who? Who kind of embody the principle that that we've now started using in in generating buy in here, which is co-opting people. And so if you make people part of the effort, they feel accountability and ownership

121
00:22:10.976 --> 00:22:26.439
Niyum Gandhi: for the effort, and I would say, they they pulled the 1st example of this when they when they co-opted me and deleting it. And

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they. They knew that I was interested in and passionate about the topic.
I was new to the organization, and I sat in a position where a lot of the

122
00:22:26.440 --> 00:22:53.940
Niyum Gandhi: people who needed to be brought in after me, you know,
reported into me. I have investments. I have supply chain, I have core
finance, energy, real estate facilities. So a set of things where they
knew that kind of leveraging my buy-in would be would be helpful. And so
we, we work to create a governance structure that we use to oversee the
work which has basically all the folks that that oversee the critical
areas that are

123
00:22:54.010 --> 00:23:05.059
Niyum Gandhi: relevant to our work in climate, but also the places where
the tension often lies. So as an example. You know, as we think about
moving away from use of

124
00:23:05.330 --> 00:23:16.060
Niyum Gandhi: of disposables to reusables right to reduce. You know, both
emissions because you're throwing stuff away, but also landfill waste one
of the tension points is infection prevention.

125
00:23:16.160 --> 00:23:26.190
Niyum Gandhi: Right? Are are we as we move to reusables? Are we as
thorough as it relates to to infection standards? And that's that's
always been a sticking point.

126
00:23:26.756 --> 00:23:34.209
Niyum Gandhi: So our head of infection prevention is on our climate
sustainability, leadership council, because we want her thinking with
both things in her head at the same time.

127
00:23:34.622 --> 00:23:58.630
Niyum Gandhi: Our supply chain folks are in the group because we want
them thinking about the trade-offs between cost and emissions as they're
making decisions. And so part of the goal here was to structure it so
that it's everybody's work. Now, the risk there is. If it's everybody's
work. It's nobody's work, right? So we still have. We have a governance
structure by which we report out on initiatives up to the up to the
Executive Committee. And and we make we make decisions. But we've moved.

128
00:23:58.900 --> 00:24:03.530

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Niyum Gandhi: And this is what we've done in a lot of our missionaries.
We've tried to move away from

129
00:24:03.770 --> 00:24:28.149
Niyum Gandhi: advocacy to accountability. Because I think we had a long
history in the organization of having this work be advocacy based, people
advocate for resources. They advocate for initiatives. They're seen as a
them to an Us to some other people. And instead, we said, No, this is all
of our work. We're going to have everybody who pulls the major levers on
this definitionally. By their day jobs. They pull the major levers,
related to a lot of other things in the organization. I think

130
00:24:28.150 --> 00:24:35.900
Niyum Gandhi: you know Rob, similarly to to your point, you know, having
it co-chaired by the person who leads investments, and the person who
leads supply chain makes a lot of sense right? Because

131
00:24:35.900 --> 00:24:53.150
Niyum Gandhi: you you have to serve the many masters of the organization
at the same time. And I think that's actually really critical. To. And
it's something that's helped us make a little bit more progress than we
otherwise would have, which is kind of embedding it into the daily work
of the people who are the natural operational owners of the places where

132
00:24:53.150 --> 00:25:08.349
Niyum Gandhi: where these decisions are made, and then and then
supporting those teams through through kind of a work team steering team
structure to to report out on barriers. So as we identify strategic
initiatives at the At the Leadership Level

133
00:25:08.410 --> 00:25:26.299
Niyum Gandhi: Commissioning work teams around them, having them move,
holding them accountable for making progress and being available to to
break through barriers much like we would with any other sort of you
know. It's the same sort of approach we use for our cost savings
initiatives. It's the same sort of approach we use for our clinical
improvement initiatives and for kind of anything else we we do in the
organization.

134
00:25:26.540 --> 00:25:54.379
Niyum Gandhi: and and I should I should have prefaced all that by saying,
You know, we have way more work ahead of us than we have behind us. On
this we are. We're at like year 2 of just thinking about it this way. And

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we've made this much progress. We have a we have a lot, a lot a lot more
to do. So I don't need to to oversell it. And and we we are also, not at
all, you know, ashamed to kind of shamelessly pilfer ideas from other
organizations that have figured out faster and better ways to do it.

135
00:25:56.220 --> 00:25:58.130
Marc Scher: Thanks. Brandon.

136
00:25:58.710 --> 00:26:09.139
Brandon Seibold: Yeah, I think. I I think I'll take a different approach
and kind of talk through the the work that we did. Since we kind of
started our work at the

137
00:26:09.709 --> 00:26:17.969
Brandon Seibold: management team level and then kind of brought it
forward to the board. As we thought about how to bring that.

138
00:26:17.970 --> 00:26:40.783
Brandon Seibold: Bring that story forward to the board. I think the piece
that we focused on that, I think, was interesting. How much the
organization. Kind of appreciated. It was the the fact that this work
around sustainability could be more than

139
00:26:41.410 --> 00:26:56.039
Brandon Seibold: just the could address more issues than just kind of
reducing emissions and energy savings. We had infrastructure in the
facilities that was.

140
00:26:56.040 --> 00:27:12.349
Brandon Seibold: you know, way past its useful life. And we were able to
kind of incorporate that into the the strategy, so that it both benefited
kind of the benefited from an economic perspective and

141
00:27:13.269 --> 00:27:19.980
Brandon Seibold: sustainability perspective, but then also took care of
kind of tactical needs that some of the

142
00:27:20.347 --> 00:27:42.742
Brandon Seibold: you know, markets needed and and was needed from a from
a energy infrastructure perspective across the system. And so I think
that that made it very real for people in terms of kind of the the real

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immediate value. That they saw in their kind of respective areas. So take
facilities, for example, or take, you know, other other

143
00:27:43.110 --> 00:27:57.890
Brandon Seibold: Other capital needs across the system. And so I think
that that got people really engaged in the way that we approached it. Now
it's a little different than kind of how Niam and Rob have thought about
it. But that's that was something that that we worked through. So.

144
00:27:58.650 --> 00:28:01.080
Marc Scher: It's well I have anything to add.

145
00:28:01.080 --> 00:28:05.749
Rob Roy: Yeah, I mean, I like what? Brandon saying that there are other
effects like.

146
00:28:05.950 --> 00:28:13.560
Rob Roy: I always note that we're on the lookout for every project that
could be financially and environmentally accretive.

147
00:28:13.750 --> 00:28:31.459
Rob Roy: But it turns out that many of those kinds of projects that will
satisfy both of those also have further effects. Right? So to Brandon's
point, it made their infrastructure more robust. It made them be able to
have a higher confidence that they could operate in their communities
without disruption.

148
00:28:32.298 --> 00:28:45.180
Rob Roy: We also find significant uptake from our employees and team
member engagement. Hr. Is telling us that this impacts hiring and
turnover and things like that. People feel proud to work for an
organization

149
00:28:45.410 --> 00:28:50.529
Rob Roy: that is engaged in doing the work that they find to be
important. And

150
00:28:50.670 --> 00:29:03.480
Rob Roy: I'd say many, if not, most people find this work to be critical,
especially for organizations that are dedicated to the health of their

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communities. I mean, that's just such a close tie into what our core mission is.

151
00:29:03.987 --> 00:29:06.279
Rob Roy: Going back to Naim's Point, you know.

152
00:29:06.500 --> 00:29:12.669
Rob Roy: on strategy, you you do want to have the owners of the work tied in. But

153
00:29:12.920 --> 00:29:23.729
Rob Roy: I'm just gonna have to deny that we're smart enough to pick the CIO and Chief sustainability officer. That was, we had no idea, literally like we were picked because we were like

154
00:29:23.770 --> 00:29:50.690
Rob Roy: finance people that could think in frameworks. It was only after we had measured, we're like, Wow, actually, 85% is up to the 2 of you to sort out. And and we just like, you know, it was like so fortunate. So if you're starting the work. Now, if you can get your Cfo, your CIO for investments in your supply chain officer involved from day one that would be like the biggest win that you could ever imagine.

155
00:29:51.340 --> 00:30:11.550
Rob Roy: But this work, as it started and it's really gained momentum, caught the attention of our executive committee, who said to us last year. We love this. We now want to continue rolling this out across the organization. Let's make it part of our short term incentive plan for all of our hospital executives.

156
00:30:11.890 --> 00:30:17.909
Rob Roy: So we said, Wow, this is fantastic that you know, this has gotten this much

157
00:30:18.040 --> 00:30:38.950
Rob Roy: appreciation from the executive committee. How about you let us have 2025 to plan it out properly, and then we'll start to implement that in 26. And they said, No, no. How about you implement it in 25. And so we we scrambled and scrambled and scrambled. And we, we have our plan together. And so this year.

158

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00:30:39.240 --> 00:30:42.860
Rob Roy: and 3% of all of the hospital executives

159
00:30:43.430 --> 00:30:52.430
Rob Roy: short term incentive pay will be tied to submitting environmental sustainability plans for their facilities. So now, at each facility.

160
00:30:53.047 --> 00:30:58.059
Rob Roy: There is a sustainability council that is, that has been stood up.

161
00:30:58.290 --> 00:31:07.080
Rob Roy: It's an extension of what was previously more engaged around human sustainability. It's expanded to include environmental sustainability now.

162
00:31:07.230 --> 00:31:16.669
Rob Roy: and one of their directives is by November this year. Each one has to submit a plan for environmental sustainability that they will implement in 26.

163
00:31:16.860 --> 00:31:39.809
Rob Roy: Our corporate team is providing them a playbook and a set of resources and some guidance towards projects that you know we could be helpful with but we're not discouraging them from from picking their own projects. And this is one of the things that's helping us drive it from a small team of CIO supply chain. Cfo, you know, kind of doing those big

164
00:31:40.220 --> 00:31:50.520
Rob Roy: ticket corporate like projects to now driving that work down throughout our organization and and through all of the 100,000 employees that we have across the country.

165
00:31:52.300 --> 00:31:53.300
Marc Scher: Well, it's

166
00:31:53.420 --> 00:32:06.894
Marc Scher: interesting to hear whether it's part of everybody's day to day activity or targeted specific projects. It seemed to affect the

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organization overall and help with the mission. So that is, I think, really,

167
00:32:07.420 --> 00:32:09.240
Marc Scher: a bunch of great stories

168
00:32:09.390 --> 00:32:31.099
Marc Scher: want to move on to expected results and outcomes. So you've gone through this process now of coming up with the motivation, doing your research and findings, talking about your strategic approach. What are you expecting the results to be, whether it's financial, environmental or otherwise. And how are you measuring success? And let's go ahead and start with Niam again.

169
00:32:32.920 --> 00:32:54.520
Niyum Gandhi: Clearly, I drew the short straw by being started with each test. So maybe I'll be brief here on, you know, I think, in terms of in terms of goals achieved to date, I would say very little, and I mean we've made some progress if we measure our emissions against our

170
00:32:54.842 --> 00:33:07.969
Niyum Gandhi: you know, we used like a 2,008 or 2,010 baseline for the for the Hhs pledge. Recently, as we looked at, you know, kind of the work over the past decade decade and a half against that. We've made progress, you know, especially on scope one

171
00:33:08.241 --> 00:33:37.850
Niyum Gandhi: and then, you know, a little more modestly on Scope 2. And and you know, maybe started to get our arms around. Scope 3. So we're we're making progress. We'll we'll hit the Hhs pledge dates. I think everybody in this, you know, on this webinar probably will. And and that's, you know, kind of a set of dates that we want to make sure we get to that 50% reduction by 2030 and to to net 0 by 2050. And and we're measuring. We'll do, you know, kind of periodic refreshes to to track our progress against it. I think there's a set of

172
00:33:38.655 --> 00:33:42.670
Niyum Gandhi: maybe I'll use this question as a as an opportunity to

173
00:33:42.940 --> 00:33:45.169
Niyum Gandhi: to to offer something that might be a

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174
00:33:45.380 --> 00:33:52.259
Niyum Gandhi: I don't know a little contrarian so I yes, I think it is
important to measure. You can't manage what you don't measure.

175
00:33:52.940 --> 00:34:01.760
Niyum Gandhi: And this is a space where, especially because the
measurement science is relatively nascent.

176
00:34:03.570 --> 00:34:10.889
Niyum Gandhi: I, where I think you could get caught up in spending a lot
of time and energy and effort

177
00:34:11.080 --> 00:34:13.670
Niyum Gandhi: in measuring instead of improving.

178
00:34:14.090 --> 00:34:18.891
Niyum Gandhi: And and so I think it's and I'll I'll pick on

179
00:34:19.750 --> 00:34:27.590
Niyum Gandhi: you know. Pick on that some of the financed emissions
space, and Rob will probably be much more nuanced on this one than I am.
But

180
00:34:27.889 --> 00:34:39.199
Niyum Gandhi: it, you know the the indust. The financial services.
Industry isn't built to have perfect look through on this, especially in
private assets. Right? You know, the private equity and venture capital
side

181
00:34:39.310 --> 00:34:44.350
Niyum Gandhi: perfect look through to emissions is doesn't exist. Okay
like that. That's fine.

182
00:34:45.199 --> 00:34:56.700
Niyum Gandhi: We still have some guiding principles that we can follow,
to to reduce our finest admissions. Right? Same thing on supplies, you
know. Well, my my dream is that when I go into, you know, viziant, I
should be able to see

183

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00:34:56.800 --> 00:35:02.099
Niyum Gandhi: emissions right next to the price for every single item that doesn't exist right now.

184
00:35:02.380 --> 00:35:21.970
Niyum Gandhi: That doesn't mean, we can't make progress. And and I think this is a space where and you know especially, you know, thinking about our sponsors here the National Academy of Medicine. As we think about the progress we can all make together, that there is a desire sometimes to get measurement to the most scientific level of rigor.

185
00:35:22.420 --> 00:35:34.229
Niyum Gandhi: and, you know, is, I kind of go back to the whole old accuracy versus precision thing is our measurement accurate? Yeah, it's not fundamentally biased to under or over measure.

186
00:35:34.520 --> 00:35:36.850
Niyum Gandhi: Is it precise? No

187
00:35:37.130 --> 00:35:55.129
Niyum Gandhi: right like could our emissions easily be plus or minus 15% from what we think they are sure, probably plus or minus 25. But I don't think that matters right, and I do. Sometimes I would say I'm a little bit frustrated by some of the focus in the industry on

188
00:35:55.649 --> 00:36:00.209
Niyum Gandhi: I I think it's sometimes used as a cop out. People will say, Well, you know I don't even

189
00:36:00.390 --> 00:36:12.969
Niyum Gandhi: I don't even know if I can measure it, so we won't. We won't think about it right now. And and you know again, just because I'm looking at Rob's face here. I'll pick on finance divisions, like, I know, organizations that are just saying, well, we we won't even think about that because we can't measure it.

190
00:36:13.100 --> 00:36:38.290
Niyum Gandhi: It's like, Oh, my God, that is a huge chunk. You can't just ignore it because you can't measure it. You got to be working on it, and and it is working on measurement at the same time as management and recognizing it's messy. It is not a perfect academic science, and there is work that we need to. So that's not my, you know. Cop out in saying we

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aren't measuring. But but it's also saying, like, if I'm going to spend an extra dollar

191
00:36:38.530 --> 00:36:40.740
Niyum Gandhi: to work on climate sustainability.

192
00:36:41.190 --> 00:36:46.709
Niyum Gandhi: That extra dollar is not going to be spent on measurement today. That extra dollar is going to be spent on a dollar more of work.

193
00:36:47.070 --> 00:37:09.419
Niyum Gandhi: and we may get to a point where the incremental dollar spent on measurement generates enough insight that the existing dollar spent on management can then have a bigger impact. But you really do need to think about incremental dollar spent or incremental hour of effort spent. And if we spend another 100 h on measurement. I don't think it's gonna have. I don't think we're levered enough

194
00:37:09.560 --> 00:37:21.829
Niyum Gandhi: up on the measurement to management, you know. Kind of spectrum such that an incremental investment in measurement automatically yields better outcome. I think just working more on it will yield a better outcome right now.

195
00:37:22.520 --> 00:37:25.010
Rob Roy: Mark, can I just add to what he's saying before we.

196
00:37:25.460 --> 00:37:26.620
Marc Scher: Yeah, absolutely.

197
00:37:27.074 --> 00:37:35.915
Rob Roy: No, that was great. And I mean, you're right like this stuff isn't super precise, it's accurate, but it's not super precise, and that shouldn't get in the way.

198
00:37:36.880 --> 00:37:41.710
Rob Roy: I think you know, the way we've thought about it is that is an evolving

199
00:37:43.770 --> 00:37:49.700

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Rob Roy: area of the work. And so we've partnered with in our case. We
selected watershed

200
00:37:50.240 --> 00:38:04.200
Rob Roy: to help lead that. So they're always gonna be sort of out there
on the forefront, making sure that those methodologies are getting
better, and whatever reporting we're doing are improving at the pace of
what sort of the smartest people in the in the

201
00:38:04.350 --> 00:38:14.050
Rob Roy: and the work are already doing right. So you, partner, with
someone to help you handle that. And you still realize it's not perfect,
but it's their responsibility to make it better each and every day.

202
00:38:14.610 --> 00:38:27.130
Rob Roy: I also loved what you said about you know. Where are you going
to spend an extra dollar because you've got measurement. You've got
action. But we also have all these competing requests to get various
levels of certification.

203
00:38:27.250 --> 00:38:43.219
Rob Roy: Whether or not it's a lead certification or some sort of better
buildings thing, or if it's like the Joint commission, or there's all
these sort of like good housekeeping seal of approval, things that you
can go out and do. And I'm always challenging my team like, okay, that's

204
00:38:43.360 --> 00:38:45.040
Rob Roy: that's great.

205
00:38:45.190 --> 00:38:54.230
Rob Roy: But like we have actual work to decarbonize and actual work to
go out and talk about it. So where do you want to spend your time? And I
agree with you like.

206
00:38:55.440 --> 00:39:08.170
Rob Roy: just prioritize that doing your own work is probably number one
helping others engage in that work is probably number 2, and then, you
know, improving. The specificity of your reporting is below that
certifications. And

207
00:39:08.820 --> 00:39:14.449

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Rob Roy: you know those kinds of things are even below that. So just staying focused because there's always going to be more demand.

208
00:39:15.368 --> 00:39:19.310
Rob Roy: Then you have resources to supply. So sorry. I just wanted to add on to what you're saying.

209
00:39:19.980 --> 00:39:21.190
Marc Scher: It's helpful.

210
00:39:21.560 --> 00:39:27.100
Brandon Seibold: Yeah, I think, Rob, that's that's where I totally agree that you know, we probably spend

211
00:39:27.370 --> 00:39:50.409
Brandon Seibold: well, well in California, we're required to measure right? So that's actually state legislation that they're working on enacting. So that that's something that's just a requirement. I think we're we're focused on is what can we impact kind of day to day? And and really drive true changes in kind of

212
00:39:50.410 --> 00:40:06.229
Brandon Seibold: real terms? For our respective communities? And even if even if that's, you know, more focused on scope 2 and less on scope 3, then it's very real to the to the communities. And and we can demonstrate it so.

213
00:40:07.880 --> 00:40:08.580
Marc Scher: Right.

214
00:40:08.690 --> 00:40:33.259
Marc Scher: And so we've had a lot of questions come in, and maybe we can pick up a couple of those. There are a couple of questions asking about the institution getting around short term, annual timeframes and silos of budgeting to make larger investments across silos that will have an roi over many years, and what kind of Roi models are being used? Can any of you kind of address that.

215
00:40:33.440 --> 00:40:39.960
Rob Roy: Well that the only small answer I would give that is, get the highest level person like a 9 that you can get.

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216
00:40:40.300 --> 00:40:42.740
Rob Roy: because he cuts across the silos

217
00:40:43.020 --> 00:40:45.829
Rob Roy: right? And my boss is the Cfo.

218
00:40:45.990 --> 00:40:49.519
Rob Roy: And I think that's been one of the most helpful things that we
could

219
00:40:49.900 --> 00:40:57.810
Rob Roy: we could have is having your Cfo be a champion of this work
because Silos go away. They all report up to to your Cfo.

220
00:40:59.080 --> 00:41:14.920
Niyum Gandhi: Yeah, I agree, I think, on the energy. One is a great
example. You know, we just we. We have a set of initiatives that we
invest in every year that we believe to be positive roi over a short
medium or long term, you know, specific to energy utilization.

221
00:41:15.180 --> 00:41:42.460
Niyum Gandhi: We just fund those out of a central cost center and go, and
we know that the dollars will land in terms of benefit over a year or 2
or 3 at individual parts of the organization, and and then it's not
subject to. Oh, you need to generate the Roi this year to pay for next
year's investment, or whatever it's just like. All right, you know, I
meet with the the energy team. They're they're showing me great projects.
They're showing me things that will have an impact over 3, 5 years. Okay,
great. Authorize it. Go.

222
00:41:42.860 --> 00:41:55.919
Niyum Gandhi: you know. Now, again, we have. We have affordability that
we have to use to govern the entire portfolio of everything we do. But
that's the same as you know, a clinical program, right? If we were
launching a new clinical program that had a 3 or 5 year. Roi.

223
00:41:56.180 --> 00:42:01.629
Niyum Gandhi: We just say great. We go as an I go and eyes wide open and
say, we're going to invest this, and eventually it'll be a benefit.

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224
00:42:03.770 --> 00:42:04.135
Marc Scher: So.

225
00:42:04.650 --> 00:42:08.250
Marc Scher: Well, Brandon, there's actually a couple of specific questions here for you.

226
00:42:08.390 --> 00:42:13.140
Marc Scher: Who did you go through for the solar and battery? And can you discuss?

227
00:42:13.652 --> 00:42:20.619
Marc Scher: Hang on a second? Just jumped here? Can you discuss the process, and what roadblocks you experience and what we can prepare for.

228
00:42:22.020 --> 00:42:39.850
Brandon Seibold: Yeah. So you know, this actually complements well, to what Neam just said, you know, if you think about the way health systems allocate capital. Everybody has a little bit of a different kind of methodology for how they allocate capital. But at some point there's a finite amount of capital that can be allocated to improve energy infrastructure.

229
00:42:40.423 --> 00:43:01.529
Brandon Seibold: And in in our organization I'd say we'd have like a relatively constrained kind of kind of capital capacity. And so what we did in terms of thinking about how we invest in kind of those those energy initiatives. And our energy infrastructure is we took. And we basically said, the source of

230
00:43:02.280 --> 00:43:22.449
Brandon Seibold: funding for these energy projects will be the savings that we generate from them. And so we built a model that had a projected savings over a kind of a 30 year term, and that savings then matched the kind of funding methodology in terms of how we

231
00:43:22.870 --> 00:43:40.150
Brandon Seibold: allocated capital. So the higher the returns for some, for some some projects, or the shorter, the Irrs allowed us to then invest in projects that had maybe longer 15 year like. So like a real example, like with the investment tax credits for

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232
00:43:40.470 --> 00:44:03.759
Brandon Seibold: the solar that made those investments very attractive from a return perspective and then we would take some of that savings and invest in, say, a replacement of a boiler that would have a 20 year type, you know, return, but is a good investment of capital. So that's kind of how

233
00:44:03.760 --> 00:44:12.107
Brandon Seibold: how we thought about it. And we leveraged it. I'd say you know more on kind of a project basis. So we leveraged,

234
00:44:12.470 --> 00:44:18.290
Brandon Seibold: a partner, Bernhard, to support us in terms of the implementation of

235
00:44:18.300 --> 00:44:22.969
Brandon Seibold: of that work across across the system. And so that's that's kind of how we thought about it.

236
00:44:24.960 --> 00:44:25.640
Marc Scher: Which

237
00:44:26.080 --> 00:44:32.549
Marc Scher: there is a question here asking how each of you measured your emissions? How did you go through that process.

238
00:44:37.030 --> 00:44:45.388
Niyum Gandhi: You know, kind of similar to what folks were talking about in terms of some of the other areas we we work with a partner on that. We we worked with

239
00:44:46.160 --> 00:44:59.780
Niyum Gandhi: guide house, and you know, went through a structured process. Lot of data took took 6 months of time and again. Some of it is, you know, accurate, but not precise. I saw some comments in the Q. And A.

240
00:45:00.237 --> 00:45:04.240
Niyum Gandhi: I think there's somebody here from from Kaiser, one of their former

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241
00:45:04.677 --> 00:45:19.750
Niyum Gandhi: Execs has actually joined the guidehouse team and helps lead that work with with health systems around the country, and you know we had 3 or 4 different organizations we could have picked from we we ended up going with them. So that's not meant as an endorsement necessarily of one organization. But but I I think it's a

242
00:45:19.990 --> 00:45:34.539
Niyum Gandhi: it's it's a relatively small financial lift to bring in a partner to to help walk you through how to measure your emissions, and I think it's it's worthwhile just going with one of the whatever 3 or 5 out there who have probably done this work for 50 to 100 health systems each.

243
00:45:36.390 --> 00:45:40.580
Marc Scher: So we actually had 2 different people ask, Oh, is there another comment.

244
00:45:41.920 --> 00:45:48.790
Rob Roy: No, I was just gonna say we we did something similar. We partnered with Deloitte and the difficult left. The 1st time around is

245
00:45:49.550 --> 00:46:10.040
Rob Roy: emissions. Data is all over your organization. You don't even know where it is or what to ask for the quality of it, and who to get it from what form it's going to be in so year one. The messiness is really your your organization has never done this, so it's never collected it, and it doesn't kind of know where to source it.

246
00:46:10.290 --> 00:46:11.080
Rob Roy: But

247
00:46:11.460 --> 00:46:40.349
Rob Roy: as you get that data your guide, Deloitte Guide, has. There's a number that says you could connect with. They help you figure out, what data do you need? And where might you find that in your organization? But the method you apply to calculating it is not something you have to make up like that that's pretty well structured. There's existing Ghg methodologies, that sort of ingest, this data that you need and create those calculations. Then we went one step further and said.

248

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00:46:40.830 --> 00:46:50.960
Rob Roy: We realize this isn't a 1 time project, and I don't want to go
through what we just went through again. Let's bring in a partner to
start automating these bits of data to come in.

249
00:46:51.514 --> 00:46:52.756
Rob Roy: And that's where

250
00:46:54.010 --> 00:47:08.960
Rob Roy: Our friends at watershed really started to automate the
ingestion of that data, and then also say, we'll be on the forefront. So
as methodologies are improving, we're always going to be, you know,
bringing you along that journey of improving that methodology. So it's

251
00:47:09.870 --> 00:47:14.979
Rob Roy: it's messy. It's a big lift in the 1st year, but it's not
something you have to figure out on your own.

252
00:47:15.490 --> 00:47:16.100
Marc Scher: Right.

253
00:47:16.550 --> 00:47:33.839
Marc Scher: There's 2 questions here that are related to how much of your
actions involved pilot projects demonstrating cost savings and decreases
in greenhouse gas emissions, ties into, I think, what you were just
talking about. Were there a number of pilot programs? Or did you just
launch.

254
00:47:36.460 --> 00:47:42.710
Rob Roy: We? We did some just big things right out of the gate. I mean,
it was. It's kind of our culture to

255
00:47:42.930 --> 00:47:53.819
Rob Roy: figure out the landscape. Figure out where the big rocks are,
and then go take on the big rocks like let's make actual progress as
quickly as possible. And so.

256
00:47:53.950 --> 00:48:00.809
Rob Roy: you know, having a board and a CEO, but most importantly, a Cfo.
That was really passionate about it.

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257
00:48:01.130 --> 00:48:10.280
Rob Roy: made sure that we were putting the rigor into the financial side
of it. But once we had the right partners, and we had the right models to
demonstrate where the value is going to come from.

258
00:48:10.450 --> 00:48:23.890
Rob Roy: You know, it was making me laugh when when I was describing,
like, you know, you just do these things and like, go like, spend the
money. Let's go. Let's get it done right. That's what that's the power of
your Cfo. If you can satisfy them that you've got the right

259
00:48:24.210 --> 00:48:32.410
Rob Roy: level of detail and understanding and models and approach like
you're gonna get greenlit for it. And so we really kind of started with
the big things first.st And we weren't.

260
00:48:32.640 --> 00:48:37.730
Rob Roy: Our culture didn't start by piloting smaller things and moving
up. But that's just us.

261
00:48:40.700 --> 00:48:51.829
Marc Scher: Somebody had mentioned the benefits to morale. There is a
question here if anybody's been able to quantify the benefits to staff,
recruitment, retention, and morale. Given these initiatives.

262
00:48:53.370 --> 00:48:56.440
Rob Roy: I was in a meeting with Deloitte on Friday.

263
00:48:56.580 --> 00:49:00.230
Rob Roy: and they told me that's actually one of the easier things to
measure.

264
00:49:00.560 --> 00:49:01.300
Rob Roy: I

265
00:49:01.490 --> 00:49:23.199
Rob Roy: I'm like a finance guy, and that I was like, Okay, well, I
really want you to show me that because I think that would be a really
important part of the story, but I can't conceptualize how you would do
that. But they're insisting to me that that's something that they have

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really good processes around, and that they're going to help us. Start to
measure. So I'm excited. But I have nothing to

266
00:49:23.430 --> 00:49:25.680
Rob Roy: nothing specific to share with you at the moment.

267
00:49:27.400 --> 00:49:51.680
Niyum Gandhi: Yeah, same same here. Actually, I've I've heard similar
things, Rob, and I've I've started to to poke at it, and so may maybe
Mark and our and our Nam colleagues could be a topic for a future webinar
here. I you know it did highlight when I 1st heard that, though it
highlighted to me one of the gaps that we have, which is, we've
historically done a terrible job communicating the work that we're doing
to our employees on this front.

268
00:49:51.970 --> 00:50:08.979
Niyum Gandhi: And that's something we're. And again it goes back to our
heritage, the Holding company, where we didn't really do communications
in kind of a a structured cascade down manner from the top of the
organization. But it, it's why it's actually of our of our 7 key
initiatives for the remainder of this fiscal year, which is, you know,
another

269
00:50:09.350 --> 00:50:33.179
Niyum Gandhi: 5 and a half months here. Internal communications is one of
our 7 key initiatives for our sustainability work just simply because we
realize how gapped we are on it. And if that's not our coms team's fault
at all, actually, they're they're fantastic. Once they get plugged in,
it's just like we don't have the operating processes by which to tee up.
Hey? This is a new initiative that we started. This was the impact. This
is how it was good for the community.

270
00:50:33.432 --> 00:50:49.850
Niyum Gandhi: And without that, then we have employees reaching out
sometimes very well intentioned, saying, Hey, you know I read this
article about this such and such that some other hospital is doing. Why
aren't we doing stuff like that it's like, wait, what are you talking
about? We're doing a ton of that. We just aren't telling you oops that's
on us. That's our fault.

271
00:50:50.420 --> 00:51:13.370
Rob Roy: I'll make you feel better. We realized about 6 months ago that
our external presence in this work was much bigger than our internal

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presence. And so we've just maybe 3 weeks ago brought on a dedicated communications resource for environmental sustainability to be able to tell that. And the other thing that really got me excited was about a month ago. We had a sort of a visioning lab

272
00:51:13.470 --> 00:51:22.990
Rob Roy: day with Deloitte, where we brought in leaders from across the organization that are helping us with this work, and at the end of the day one of the most senior people in the room said.

273
00:51:23.610 --> 00:51:27.779
Rob Roy: You know, you know, this is gonna be very accretive to our brand.

274
00:51:28.090 --> 00:51:32.529
Rob Roy: I was like, yes, yes, it is.

275
00:51:32.660 --> 00:51:43.769
Rob Roy: Let's start telling our communities about it as well, because your employees here. Your communities here, like it really starts to engage people in a brand new way. So you're not that far off. Now, we're right with you on that one.

276
00:51:45.100 --> 00:51:54.230
Brandon Seibold: Yeah, I mean, even if you think about like the community benefit reporting that we do and weaving in kind of the the value there? I think that that's huge. So.

277
00:51:55.360 --> 00:52:13.990
Marc Scher: When we talked about motivation early on we had human health as a concern. Some was economics and consistency in patient experience benefits to society. One of the questions here is, how do you approach decisions when the lower cost choice has a much higher carbon footprint.

278
00:52:16.970 --> 00:52:22.930
Niyum Gandhi: Yeah, this this is, you know, again, this is where I think the it

279
00:52:23.770 --> 00:52:31.919

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Niyum Gandhi: the goal of making sure that people kind of top to bottom
in the other organization. Understand that this is a priority that needs
to be

280
00:52:32.545 --> 00:52:39.659
Niyum Gandhi: considered is important, right? And so I I've I've often
again, I would. I would

281
00:52:40.220 --> 00:53:03.449
Niyum Gandhi: maybe reframe the question because it's it's not just those
2 things. It's not just cost and carbon footprint. I'll pick on supply
chain as an example. You know, and I said I'd like to have the emissions
right next to the dollar, but we already in supply chain make decisions
that don't always mean choosing the lowest cost thing.

282
00:53:03.560 --> 00:53:06.600
Niyum Gandhi: Sometimes the lowest cost item is not the highest quality.

283
00:53:06.970 --> 00:53:31.849
Niyum Gandhi: sometimes the lowest cost item, the lowest cost way to
procure a lot of things in supply chain is to put all of your buying with
one supplier, but that reduces supply chain resiliency. You're more
subject to a shortage, or something else, or some other sort of
disruption. And so our people, once you get, you know, like Rob's
colleague, who leads supply chain or our supply chain leader here. Once
you get them into the work.

284
00:53:32.000 --> 00:53:46.000
Niyum Gandhi: Then they could say they know how to make a balanced
scorecard sort of decision. They don't blindly just choose the lowest
cost. So what you need to do is allow for permission, the framework to
include emissions

285
00:53:46.130 --> 00:53:57.600
Niyum Gandhi: in addition to the other factors. So our supply chain team
yes, of course, always trades off on quality and cost every day on supply
chain, resiliency cost. They now trade off on emissions and cost

286
00:53:57.770 --> 00:54:07.530
Niyum Gandhi: right? So it's you know, it's and it's all put into the
same framework, same thing with with building, right with building. It's
a little bit easier for us to just go towards

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287
00:54:07.640 --> 00:54:27.630
Niyum Gandhi: pick the thing that has the lower emissions, you know, within reason, because, like, we've got these things forever. And you know again, within reason. As we continue, if we build something that's gonna be bad from an emissions standpoint, and we're using it for 30 years. We're just shooting ourselves in the foot. But but I I suspected that question was a little bit more about some of the near term investments, and I I think that

288
00:54:27.630 --> 00:54:38.180
Niyum Gandhi: it is just permissioning the framework to include the framework already has any decision that's made in the organization has a set of non financial criteria make emissions. One of the non financial criteria.

289
00:54:41.190 --> 00:54:55.840
Marc Scher: All right, we're approaching. We have just a few minutes left, and I thought it might be helpful if each of you could just give 1 min. On what advice would you give to peers at other healthcare organizations just beginning to explore this work just like a 1 min response. If you could.

290
00:54:57.580 --> 00:54:58.310
Niyum Gandhi: Alright.

291
00:54:58.420 --> 00:55:13.620
Niyum Gandhi: I I think. You know, I think we covered a lot of the things here may maybe the just channeling some of what each of us were probably batting around. I I would say, what anybody can do who's on this call is just force the conversation more

292
00:55:13.840 --> 00:55:39.340
Niyum Gandhi: right we, the the more we are talking about this and force it in a way that is cognizant of the business realities that your organization is operating under and it relates again to that advocacy shift to accountability that I mentioned. The more people in the organization feel accountable for your performance on this, the more good ideas will come up, the more you'll be able to make progress. And so that, that would be probably my top recommendation.

293
00:55:40.100 --> 00:55:42.570

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Marc Scher: Brandon anything to add to that.

294
00:55:42.570 --> 00:55:44.860
Brandon Seibold: No, I think that I agree the

295
00:55:45.465 --> 00:55:50.160
Brandon Seibold: you know. I I think we made this kind of point. But getting the

296
00:55:51.230 --> 00:55:56.590
Brandon Seibold: leadership across the organization. You know. Cfo, Cno.

297
00:55:57.677 --> 00:56:18.710
Brandon Seibold: you know, really, cmo, like, really across the organization, I think, creates a different level of visibility and buy in because then, as their kind of constituents have questions or raise opportunities, then that can they can be champions of it. So.

298
00:56:19.450 --> 00:56:21.420
Marc Scher: Great Robin.

299
00:56:21.420 --> 00:56:26.439
Rob Roy: Yeah, we like to say, yeah, we like to say 3 things. One, be biased to action.

300
00:56:26.620 --> 00:56:32.630
Rob Roy: you know. Get started somewhere like, pick your entry point. It almost doesn't matter, but be biased to action.

301
00:56:33.130 --> 00:56:40.829
Rob Roy: to work in a way that's culturally right for your organization. The way we did it is not right for other places necessarily.

302
00:56:40.960 --> 00:56:53.050
Rob Roy: and if you do that, then you'll face the lower resistance to the work. You'll you'll bring more people along. And then the 3rd thing we would say is phone a friend. None of this work is

303
00:56:54.060 --> 00:57:04.849

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Rob Roy: competitive special knowledge that we have. If I call 9 am up. And I, you know, I've never met him before today. He's not gonna shade his answers, you know, to preserve

304
00:57:05.110 --> 00:57:07.799
Rob Roy: their organization's position in the market.

305
00:57:07.960 --> 00:57:25.910
Rob Roy: This work is so collaborative that if you take any time to start to build a network, you'll have an elaborate set of people that you can go to. And even if you build it across industries, it's stronger. So be biased to action. Do what's cultural for your organization and phone a friend.

306
00:57:28.340 --> 00:57:52.510
Marc Scher: Well, Neam, Brandon and Rob, I want to thank you for your passion in this area, and taking the time today to share your thoughts very comprehensive thoughts with the group. I want to thank the group for your active participation. The number of questions and comments that have come in have made this a wonderful presentation. There are going to be other webinars on climate change forthcoming, and you can see those on the Nam webpage

307
00:57:52.916 --> 00:58:01.590
Marc Scher: using this QR. Code. You could see some of that want to appreciate again everybody taking the time today and your active participation. Thank you.

308
00:58:04.280 --> 00:58:07.210
Rob Roy: Thank you, Mark, for your leadership and for surviving that earthquake.

309
00:58:07.580 --> 00:58:11.270
Marc Scher: That was, that was, that was the biggest earthquake I've had since I've been in California.

310
00:58:13.460 --> 00:58:14.529
Rob Roy: Thanks, all.

311
00:58:14.530 --> 00:58:15.200
Brandon Seibold: Thanks.

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312
00:58:15.420 --> 00:58:16.100
Marc Scher: Yes.
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