2023 Elevance Health RE100 Leadership Award Entry Essay

Renewable Electricity Leadership in Healthcare Sector

The healthcare sector must lead efforts to address climate change. Climate change impacts critical physical, behavioral, and social drivers, such as mental health conditions and food security.

Climate change is also a health equity issue as it has a more significant impact on certain groups of people, exacerbating pre-existing inequalities.

"The science supports that rising temperatures impact health, As a health partner, we have a responsibility to preserve and improve the health of our members and communities. This includes doing all we can to mitigate the health effects of climate change." Dr. Shantanu Agrawal, Chief Health Officer at Elevance Health.

When it comes to addressing climate change impacts on health, the healthcare industry can start in its own back yard. Healthcare is one of the most carbon-intensive service sectors in the industrialized world. The U.S. healthcare industry is estimated to contribute 8.5% of the nation's greenhouse gas emissions.

We are proud to be an initial signatory to the HHS Health Care Sector Net Zero Pledge and for being the first major company in our sector procuring 100% renewable electricity via PPAs that offer additionality to the grid.

The fifteen-year PPAs are for 100 MW of solar located in the PJM grid zone. As part of our strategy, we retire enough project RECs to cover our PJM electricity usage and then procure Green-e certified RECs for our U.S. footprint outside of PJM. Additionally, we source RECs and other environmental attributes for our international footprint.

"As a major player in a carbon intensive industry, we recognize our role, ability, and responsibility to make a difference with our resources, We are reducing emissions in our operations and our value chain because it is the right thing to do for the health of our communities as well as all our stakeholders." Hakon Mattson, Elevance Health's Chief Sustainability Officer.

Influence in Green Power Marketplace

Elevance Health leverages its Fortune 20 platform and voice to educate stakeholders including customers, suppliers, investors, communities and associates on the connection between climate, health and health equity.

As one example, in 2022 we engaged with suppliers on setting their own GHG reduction targets and currently >70% by spend have science-based targets.

As a second example, Elevance Health was an early signatory to RE100 and since that time several sector peers have committed to 100% renewable electricity.

As a third example we have installed several solar demonstration projects at offices in California and Virginia to engage with associates on renewables. This is in addition to installing EV chargers at all of our major office locations.

Elevance Health's Support of Renewable Electricity

We leverage our Fortune 20 brand platform and voice to help amplify messaging from a number of organizations focused on promoting renewables including EPA Green Power, RE100, HHS healthcare Sector Pledge, DOE Better Buildings, WEF Zero Health Gaps Pledge, and UN Global Compact.

Additionally, we use sustainability reporting to set goals, measure our performance, and manage change to ensure that our operations are economically, environmentally, and socially responsible. Transparency and accuracy of reporting are key and we disclose scope 1, 2, and 3 emissions via our annual reporting and CDP. Additionally, all emissions data points go through an annual third-party assurance process.

Elevance Health on Environmental Equity

Climate change is a health equity issue as it has a more significant impact on certain groups of people, exacerbating pre-existing inequalities. Healthcare concerns can quickly become emergencies during wildfires, flooding, and heat waves, especially for people of color, those with lower socioeconomic status, and people with disabilities. People with lower incomes live in areas with the highest projected increases in premature death due to climate-driven extreme temperatures.

We are using our Fortune 20 platform and voice to educate stakeholders on the connection between climate, health and health equity. We are showing leadership in advancing health equity by being the first major health benefits company sourcing 100% renewable electricity.

Additionally, we support community partners focused on advancing health equity via the Elevance Health Foundation. As a relevant example, in March of this year we provided funding to an affordable housing project that included energy efficient design and rooftop solar.

Elevance Health supports biodiversity in part by purchasing carbon offsets to neutralize direct emissions that cannot be sourced renewably. These offsets, initiated in 2021, support the conservation of managed forestland and outdoor recreation in an economically at-risk region of Tennessee, where Elevance Health operates the state's Medicaid plan. As a result of this investment in combination with buying renewable electricity, Elevance Health is one of the first major U.S. health organizations that is carbon neutral for operations, a major milestone on our path to net zero. We fund the procurement of the offsets with proceeds realized from our solar PPAs.