

How Buying “Green” Helps the Company’s Bottom Line



So-called “green purchasing” (aka “sustainability purchasing”) is a business model that stresses acquiring goods and services that have minimal impact on the environment throughout their lifecycle. Under such programs, companies look at what goods are made of, where they come from, how they’ll ultimately be disposed of, and who manufactured them. In advocating for such programs, Environmental Health and Safety (EHS) can point to the four benefits that companies achieve in adopting green purchasing.

1. Financial Benefits

One of the most compelling reasons to purchase green products is to cut costs. Resource-efficient products, equipment, building systems, vehicles, and services can significantly reduce a company’s utility bills and fuel costs. **Example:** The University of British Columbia shaved over \$2.2 million from its annual energy expenses by retrofitting old lighting fixtures with energy efficient lighting in campus buildings and installing heat recovery systems in classrooms.

Green products are also cheaper to dispose of because they’re deliberately fabricated with environmentally-friendly materials. They also have extended life cycles, which makes the need for disposal less frequent. **Example:** The Port of Seattle slashed its hazardous waste disposal costs by 90% in

two years by eliminating certain aviation maintenance materials from its procurement program.

Switching to green products and equipment can also reduce a company's operation, maintenance, and replacement costs.

Example: The Fairmont Hotel Vancouver replaced its pool chlorination system with a more sustainable baking soda/rock salt solution yielding a 72% reduction in pool maintenance costs (nearly \$2,000) per year.

Other financial benefits of green purchasing include:

- Reduced insurance costs and legal fees.
- Simplified compliance programs that are cheaper and easier to run.
- Enhanced corporate image, which can give companies a competitive edge and increase revenues.

2. Managerial Benefits

Companies that are seriously committed to green purchasing have to implement proactive supply chain management systems. In addition to greater control of the business supply chain, these systems often improve relations with suppliers, which may result in tangible business advantages, such as getting priority when supplies are short. Green purchasing programs can also help companies attract, retain, and manage their workers more effectively. According to a Conference Board of Canada study, 71% of workers want to work for companies that are committed to social and community concerns. Workers are also more motivated and productive when their personal values align with the company they work for.

3. Environmental Benefits

Green products generally consume less resources due to innovative design and the use of recycled materials and/or

alternative fuels. Reducing these “inputs” results in less waste output. For example, Vancouver-based Mountain Equipment Co-op prints its catalogues on reduced weight and recycled paper. By printing its fall and winter catalogues (672,000 in all) on “green” paper, the company avoided creating 54,727 pounds of solid waste. Green products also generate less pollution during their lifecycle. Example: Vancouver-based Novex Couriers added 17 Honda hybrid vehicles and three natural gas vans to its fleet—reducing its CO₂ emissions by one kg per delivery and over 270 kg per day.

4. Socio-Economic Benefits

Green purchasing programs are also good for society as a whole because they distribute socio-economic benefits all along the supply chain—to producers, suppliers, purchasers, workers, and communities. They encourage healthy communities, good working conditions and strong economies both locally and globally.