

DJ Orthopedics Packaging-Partnering with Suppliers to Change Our Supply Chain

Environmental and Human Health Impact: Reduced consumption of over **11.5 tons** of virgin paper pulp for manufacturing packaging annually. 100 percent of product and shipping labels printed with agriculturally-based inks.

Business Impact: Cost neutral to Kaiser Permanente

Challenge

The Procurement & Supply Strategic Supplier Development program (SSD) establishes and grows relationships with key suppliers to generate mutual benefit to Kaiser Permanente and the supplier. DJ Orthopedics (DJO) is one of our primary suppliers of orthopedic soft goods and equipment. DJO ships more than 32,000 orthopedic soft goods and devices to KP annually. In early 2010 when DJO joined the SSD program, we began to brainstorm how they could assist us in reducing waste, increase recycling, and delivering continuous improvement associated within our supply chain and products utilized.

Aim/Goal

To require DJO to introduce product and packaging changes resulting in waste reduction at Kaiser Permanente facilities.

Team

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Actions Taken

- ✓ In a goal-setting session between Kaiser Permanente and DJO in early 2010, DJO agreed to investigate opportunities for packaging products using fewer natural resources.
- ✓ DJO also undertook a review of its highest volume soft good packaging materials and inks used in their packaging components.
- ✓ DJO worked with Kaiser Permanente Orthopedic Clinics to incorporate recycle labeling on walker boot packaging. This will provide an operational platform for DJO's next goal with Kaiser Permanente, which is a walker boot recycle program.



Results

A year later, in early 2011, packaging changes were complete. Although this first stage of DJO's packaging materials do not reduce the volume of waste directly leaving our facilities, the changes do benefit Kaiser Permanente's global supply chain by:

- Reducing consumption of **11.5 tons** of virgin paper products used to manufacture packaging annually;
- Increasing recycled content used for packaging materials – they now contain 90 percent recycled material;
- Displaying the appropriate “recycle” language on the polyethylene bags, and;
- Using environmentally friendly, agriculturally-based inks that do not emit volatile organic compounds.

Lessons Learned

To reduce Kaiser Permanente's contribution to the environmental waste stream, we must partner with our suppliers, set actionable and measurable goals, and ensure supplier performance against those goals.

Next Steps

- ✓ As a result of analyzing DJO packaging, we learned that approximately 31,100 corrugate shipper boxes (or more) are shipped to KP annually. A 2011 program has been initiated to:
 - Study the feasibility of a program to take back and re-use shipper containers.
 - Continue to explore avenues for increased waste reduction and use of environmentally sustainable materials.
- ✓ Continue refining the walker boot recycling program pilot by polling orthopedic and physical therapy staff, and working with various program stakeholders to drive success.