

What is Climate Leadership: GHG Reduction Goal Setting Webinar

Wednesday, August 7, 2013

Presented by:

Melissa Klein, U.S. EPA

Peggy Kellen, Director of Policy, The Climate Registry

Guest Speakers:

Maribeth Malloy, Director for Environment, Safety and Health (ESH) Strategy, Policy and Advocacy, Lockheed Martin Corporation

Mary Wenzel, Senior Vice President and Director of Environmental Affairs, Wells Fargo



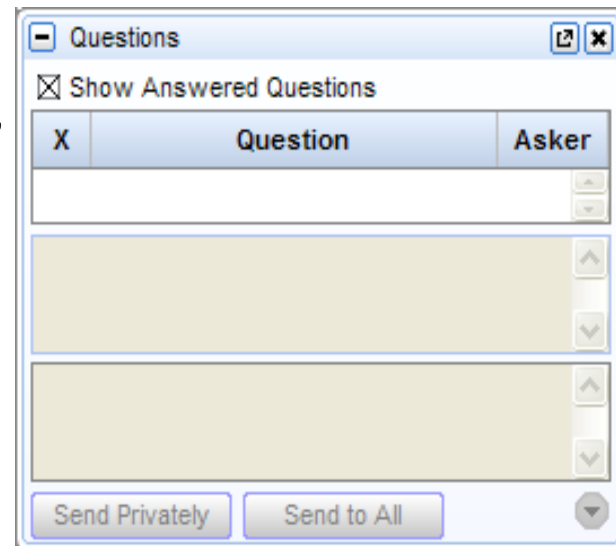
Webinar Agenda

- Introduction and webinar logistics
- Goal Setting Overview
- Goal Setting in Climate Leadership: Climate Leadership Award winner guest speakers
 - Peggy Kellen (moderator), Director of Policy, The Climate Registry
 - Maribeth Malloy, Director for Environment, Safety and Health (ESH) Strategy, Policy and Advocacy, Lockheed Martin Corporation
 - Mary Wenzel, Senior Vice President and Director of Environmental Affairs, Wells Fargo
- Q&A
- Post-webinar survey

Webinar Logistics

- Attendees are muted to reduce background noise.
- Submit questions and comments in writing via the online control panel. →→ →
- To minimize or maximize the control panel, click on the button at the top left of the tool bar.
- Post-webinar survey on this webinar and topics for future webinars.
- Today's presentations will be available at:

http://www.epa.gov/climateleadership/documents/events/20130807_webinar_goalsetting.pdf





About the Center

- A resource launched in 2012 to support organizations of all sizes in measuring and managing GHG emissions.
- Provide technical tools, ground-tested guidance, educational resources, and opportunities for information sharing (e.g., Webinars) and a platform for peer exchange.
- Promote practices and innovative approaches drawing upon the successes of Climate Leadership Award recipients and former Climate Leaders partners.
- Support the implementation of E.O. 13514.



Goal Setting Overview

History

- The EPA Corporate GHG Goal Evaluation Model was developed during EPA's former Climate Leaders program.
- Mandatory requirements at state and federal level focus on facilities.
- Some organization-wide disclosure requirements (Government organizations).



Goal Setting Overview

Setting GHG Reduction Goals is Significant

- It benefits the climate: leads to climate change action/GHG reductions.
- Demonstrates an organization's environmental commitment.
- Demonstrates climate leadership - highlights an organization as a leader in a specific sector; earns positive attention internally and externally.
- Reduces energy costs.
- Improves an organization's supply chain.



Goal Setting Overview

Key Components of a Credible GHG Reduction Strategy

- Corporate-wide GHG inventory (base year)
 - Include scope 3 emissions if relevant to the goal
 - Annual reporting helps track progress
- Inventory management plan
 - Institutionalizes process
 - Ensures high-quality data
- GHG reduction goal
 - Based on a complete verified inventory



Goal Setting Overview

What Makes a Strong Goal?

- Absolute reductions
- Recent base year - no more than two years in the past
- Significantly beyond mandatory reduction requirements
- Forward looking
 - Set against projected GHG sector performance
 - Achievable within 10 to 12 years
- Public announcement
- It should also be: specific to a company's operations; achievable, as well as requiring effort; significantly beyond business as usual.



Goal Setting Overview

Additional Considerations in Aggressive Goal Setting

- Using science as a basis for an organization's GHG targets
 - Setting aggressive targets, such as the IPCC recommendation of GHG reductions: 20-30% by 2020 and 80% by 2050 (from 1990 levels).
- Ensuring completeness in inventories
- Using high quality data
- Must be aggressive compared to projected emissions in the goal achievement year
 - If a goal has already been achieved, this should be taken into account when setting a new goal



Goal Setting Overview

Recognition for Goal Setting

- Best practices are highlighted through the **Climate Leadership Awards: *Excellence in GHG Management (Goal Setting Certificate)***
 - Recognizes organizations that publicly report and verify corporate GHG inventories and publicly set aggressive corporate GHG emissions reduction goals.
 - <http://www.epa.gov/climateleadership/awards>

Climate Leadership Awards

- Climate Leadership Awards recognize exemplary corporate, organizational, and individual leadership in addressing climate change.
- EPA co-sponsors Awards with the Association of Climate Change Officers, the Center for Climate and Energy Solutions (C2ES), and The Climate Registry.
- Goal Setting is 1 of 5 categories
- Winners honored at Annual Climate Leadership Conference and Awards (San Diego, CA, February 2014)





EPA's Goal Setting Resources

EPA'S Corporate GHG Goal Evaluation Model

<http://epa.gov/climateleadership/goalsetting/index.html>

- EPA's Corporate GHG Goal Evaluation Model: Overview and Q&A – 6/12 webinar - <http://www.epa.gov/climateleadership/events/5june2012webinar.html>



EPA's GHG Reduction Goal Setting Webinar

A Lockheed Martin Perspective

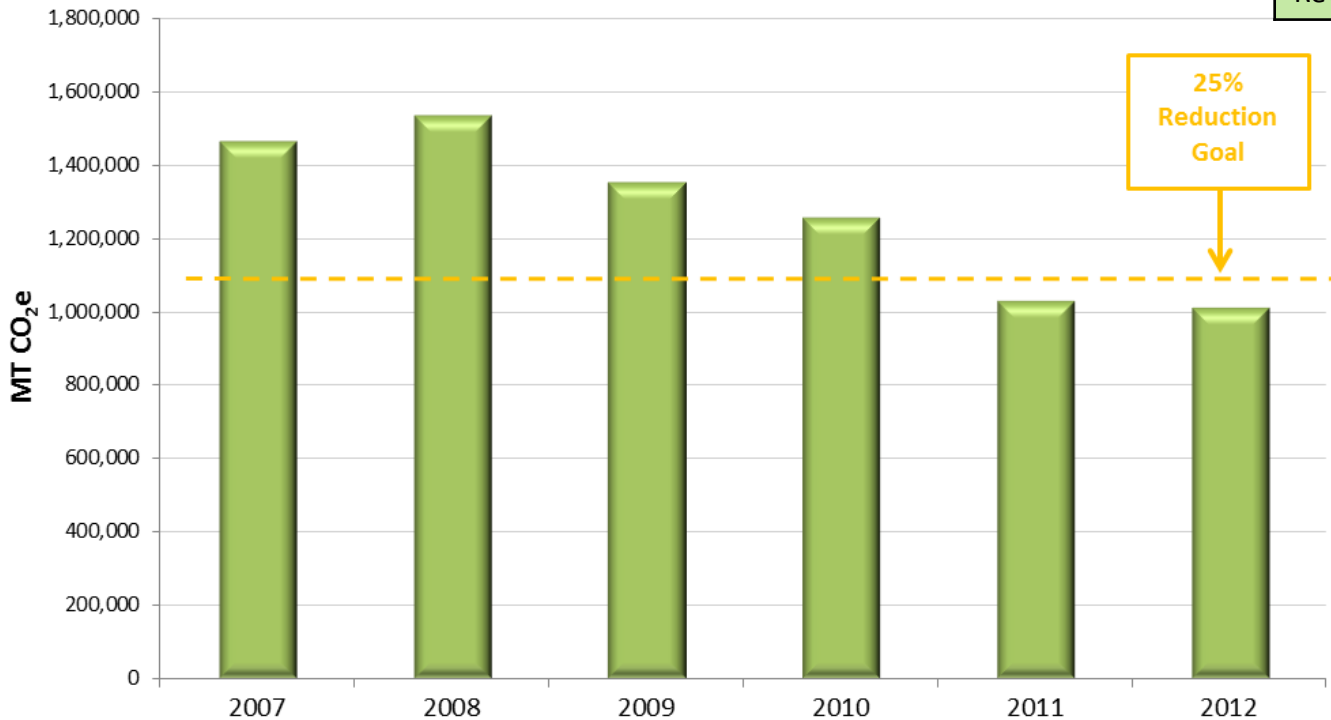
Maribeth B. Malloy
Director Environmental Sustainability and External Engagement

100 YEARS OF
ACCELERATING
TOMORROW

Our History and Performance

Historical Performance since 2007		
Carbon emissions	↓	31%
Water use	↓	32%
Waste to Landfill	↓	48%
Revenue	↑	12%

**Lockheed Martin Carbon Emissions
2007 - 2012**



*Carbon emissions include offsets for the purchase of renewable energy credits and green power

Success Stories

Energy Improvement Activities



SEEsuite Energy Management Systems



SEEsuite
SMART GRID C2

Efficient Technologies



Green Building Policy



Go Green Phase 2



Metric	LM Corporate-Wide 2020 Goal (FY 2010 Baseline)
Energy	35% GHG Reduction
	20% Energy Reduction
Water	10% Water Reduction
Waste	35% Waste to Landfill Reduction

Lockheed Martin's Alignment with U.S. Department of Defense Sustainability Goals		February 2013
Department of Defense Sustainability Goals	Status	Lockheed Martin's Sustainability Goals & Performance
<p>Reduce Use of Fossil Fuels: Reduce Energy Intensity of Facilities by 37.5% by 2020, Relative to FY03</p>		<ul style="list-style-type: none"> Ranked #7 in the National Top 50 of the U.S. EPA Green Power Partnership as of January 2013 for our purchase of solar and wind renewable energy resources, comprising 30% of our total energy usage Energy Goal Established: <ul style="list-style-type: none"> Reduce absolute energy consumption by 20% by 2020 (2010 baseline)
<p>Improve Water Resources Management: Reduce Potable Water Intensity Of Facilities by 26% by 2020, Relative to FY07</p>		<ul style="list-style-type: none"> GOAL: Reduce absolute water consumption by 25% by 2012 (2007 baseline) Exceeded 2012 Goal: Reduced absolute water consumption by 32% from 2007 through 2012 New Goal Established: <ul style="list-style-type: none"> Reduce absolute water consumption by 10% by 2020 (2010 baseline)
<p>Reduce Scope 1 & 2 Greenhouse Gas (GHG) Emissions 34% by 2020, Relative to FY08</p>		<ul style="list-style-type: none"> GOAL: Reduce absolute GHG emissions by 25% by 2012 (2007 baseline) Exceeded 2012 Goal: Reduced GHG emissions by 31% from 2007 through 2012 (11% operational energy reduction plus 20% through the purchase of renewable energy credits) New Goal Established: <ul style="list-style-type: none"> Reduce absolute GHG emissions by 35% by 2020 (2010 baseline)
<p>Reduce Scope 3 GHGs by 13.5% by 2020, Relative to FY08</p>		<ul style="list-style-type: none"> Reduced business travel (rental car and airline) Scope 3 carbon emissions by 10% from 2010 through 2012
<p>Minimize and Optimally Manage Solid Waste: Divert 50% of Non-Hazardous Waste from Waste Stream by 2015</p>		<ul style="list-style-type: none"> GOAL: Reduce waste to landfill by 25% by 2012 (2007 baseline) Exceeded 2012 Goal: Reduced waste to landfill by 48% from 2007 through 2012 New Goal Established: <ul style="list-style-type: none"> Reduce waste to landfill by 35% by 2020 (2010 baseline)
<p>Minimize Chemicals of Environmental Concern: Reduce Releases and Transfers of Toxic Chemicals by 15% by 2020, Relative to CY08</p>		<ul style="list-style-type: none"> Utilizing safer materials and substances, such as chromate-free paints and sealers and cadmium-free electrical connectors, aimed at pollution prevention and life cycle cost avoidance Migrated sites to a single chemical management service provider, making up more than 65% of our total chemical spend, to improve chemical tracking and reduce waste associated with over ordering Announced an Electronics Stewardship commitment to improve internal processes (including the use of e-Stewards-certified recycling vendors); educate employees to make better-informed decisions around e-waste, and educate externally through STEM and other public outreach.
<p>Sustainability Practices Become the Norm: Conform 15% of Existing Buildings to Guiding Principles on High Performance and Sustainable Buildings by 2015</p>		<ul style="list-style-type: none"> Maintain 28 Leadership in Energy and Environmental Design (LEED) certified facilities, making up approximately 4% of our U.S. facility footprint and a corporate-wide policy for implementing green building practices in the design, construction, and operations of all LMC facilities
<p>Build Sustainability into Management Systems: Implement and Maintain All EMS Effectively</p>		<ul style="list-style-type: none"> Operate to International Organization for Standardization (ISO) 14001 standards at all of our United Kingdom facilities and 42 of our United States facilities, nearly 50% of our global facility footprint Maintain a corporate-wide policy of ESH management system requirements and performance standards
<p>Meets or exceeds goal In Progress No current alignment </p>		

Alignment with Department of Defense Sustainability Goals



100 YEARS OF
ACCELERATING
TOMORROW

Environmental Goal Setting at Wells Fargo

Mary Wenzel

Director of Environmental Affairs

Together we'll go far



Environmental Focus and Approach

- Operational focus will yield financial savings and reduce waste
- Innovation and growth in new opportunities
- Stakeholder expectations – license to operate
 - Leadership in bringing business and communities together on critical issues
 - Institutional Investors, NGOs, and increasingly corporate customers are demanding integration of environmental, social, and governance (ESG) considerations
 - Creation of economic value in a way that also creates value for communities and the environment
 - Greater disclosure and transparency



Environmentally Minded in All We do

2020 Cumulative Goals

Change Within Wells Fargo

- Enhance operational performance
 - 35% LEED buildings
 - 40% ↑ in energy efficiency
 - 45% ↑ in h₂O efficiency
 - 65% ↑ in waste diversion
 - 35% ↓ GHG emissions
 - ↓ reliance on paper waste
- Implement supplier code of conduct
- Increase team member engagement

Action in our Communities

- \$1 billion in environmental finance targeted to low- to moderate-income communities (part of \$30 billion goal)
- Strategic philanthropic investments for community solutions*
- Increased team member volunteerism in communities we serve

Investments in the Global Economy and Environment

- \$30 billion in environmental finance
- Support for clean technology and innovation research and initiatives*
- Increased customer-facing environmental messaging
- Leadership and transparency in Environmental and Social Risk Management

*\$100 Million environmental philanthropy goal is split between community and clean tech and innovation programs. Percentage of split is TBD.

Progress to date



Goal by 2020:	2012 Progress
Changes within Wells Fargo:	
Enhanced Operational Performance:	
35% square footage in leased and owned buildings LEED® certified	5%
65% increase in recycling rate	61%
40% increase in energy efficiency	18%
45% increase in water efficiency	26%
35% reduction in absolute GHG emissions	6% (18% since 2008 baseline year)
Supplier code of conduct	Completion in 2013
Enhanced Team Member Engagement	70 Green Teams (+5)
Action in our Communities:	
\$1 Billion in “green” CLI (part of \$30 Billion goal)	\$900 Million
Strategic community investment*	>\$5 Million
Increase in Team Member volunteerism	1.5 Million hours volunteered, includes environmental projects
Investments in the Global Economy and Environment:	
\$30 Billion in Environmental Finance	\$6+ Billion (+\$21 billion since 2005)
Investment in clean tech and innovation grants*	~\$3 Million
Increase Customer-facing environmental messaging	Stronger communications using in-store videos, ATMs, etc...
Environmental and Social Risk Management	Reputation Council launched

*\$100 Million environmental philanthropy goal is split between community and clean tech and innovation programs. Percentage of split is TBD.

Operational Achievements

- **Less Space:** In 2012, we eliminated 4 million sq. ft. in our corporate real estate portfolio. The estimated annual CO₂e savings is 70,800 MTCO₂E (including savings from decreased water use)
- **Energy Efficient Buildings:** We have implemented energy efficiency initiatives in our buildings. Focused efforts on USGBC's LEED® programs – including New Construction, Commercial Interiors and Existing Buildings Operation and Maintenance – along with systematic energy audits and energy conservation measures. The estimated annual CO₂e savings is 8,400 MTCO₂E (including savings from decreased water use)
- **Datacenter Efficiency:** We have improved data center energy efficiency: “data center/non data center/technology refresh program;” “datacenter/other server virtualization;” “datacenter server decommissioning;” and “datacenter facility energy efficiency.” The estimated annual CO₂e savings is 31,900 MTCO₂E
- **Behavioral Change:** We continue to build a corporate culture of environmental stewardship, through Green Teams, quarterly action campaigns, and regular communication to encourage energy saving and other environmental actions. The estimated annual CO₂e savings is 6,900 MTCO₂E.

Wells Fargo Goal Setting Approach

- 1st Environmental Commitment (**2005**)
 - Commitment to conserve resources.
 - Began to track and report GHG emissions, but no specific reduction goal.
- 1st GHG Reduction Goal (**2008**)
 - Good but Flawed
 - Our goals were developed top down and unilaterally deployed. As a result, the strategy was not very effective at predicting results, although progress was made and lessons learned.
- Refreshed Environmental Commitment and New GHG Goal (**2012**)
 - Success
 - Goals were developed in collaboration with key internal partners and business groups.
 - Goals owned throughout the enterprise.

Lessons Learned

1. Develop relationships with key partners

2. Strong data imperative to success

GHG goal (as well as all operational goals) on the second round of goal-setting was much more detailed and transparent. They also were supported by sound projections, rigorous data management of past results.

Greatest failure would be in not setting an aggressive goal vs. not meeting that goal.

3. Communicate

Wells Fargo Environmental Affairs

Questions?

For more information:

Wells Fargo Web site: <http://wellsfargo.com/environment>

Wells Fargo Environmental Forum Blog: <http://blogs.wellsfargo.com/environment/>

Wells Fargo Environmental Finance Report:

https://www.wellsfargo.com/downloads/pdf/about/csr/reports/environmental_finance_report.pdf

Wells Fargo Corporate Social Responsibility Report:

<https://www.wellsfargo.com/downloads/pdf/about/csr/reports/2012-social-responsibility-interim.pdf>

Wells Fargo Environmental Grants:

<https://www.wellsfargo.com/about/csr/ea/environmental-giving>



Q&A



Contact Us

Melissa Klein

Communications Director

Center for Corporate Climate Leadership, U.S. EPA

(202) 343-9207

klein.melissa@epa.gov

For more information, visit www.epa.gov/climateleadership

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