



## **CARBON DISCLOSURE PROJECT**

# **Roadmap for Reducing Carbon Emissions**

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**Account Manager, Supply Chain Americas**

Speaking to iNEMI Sustainability Session

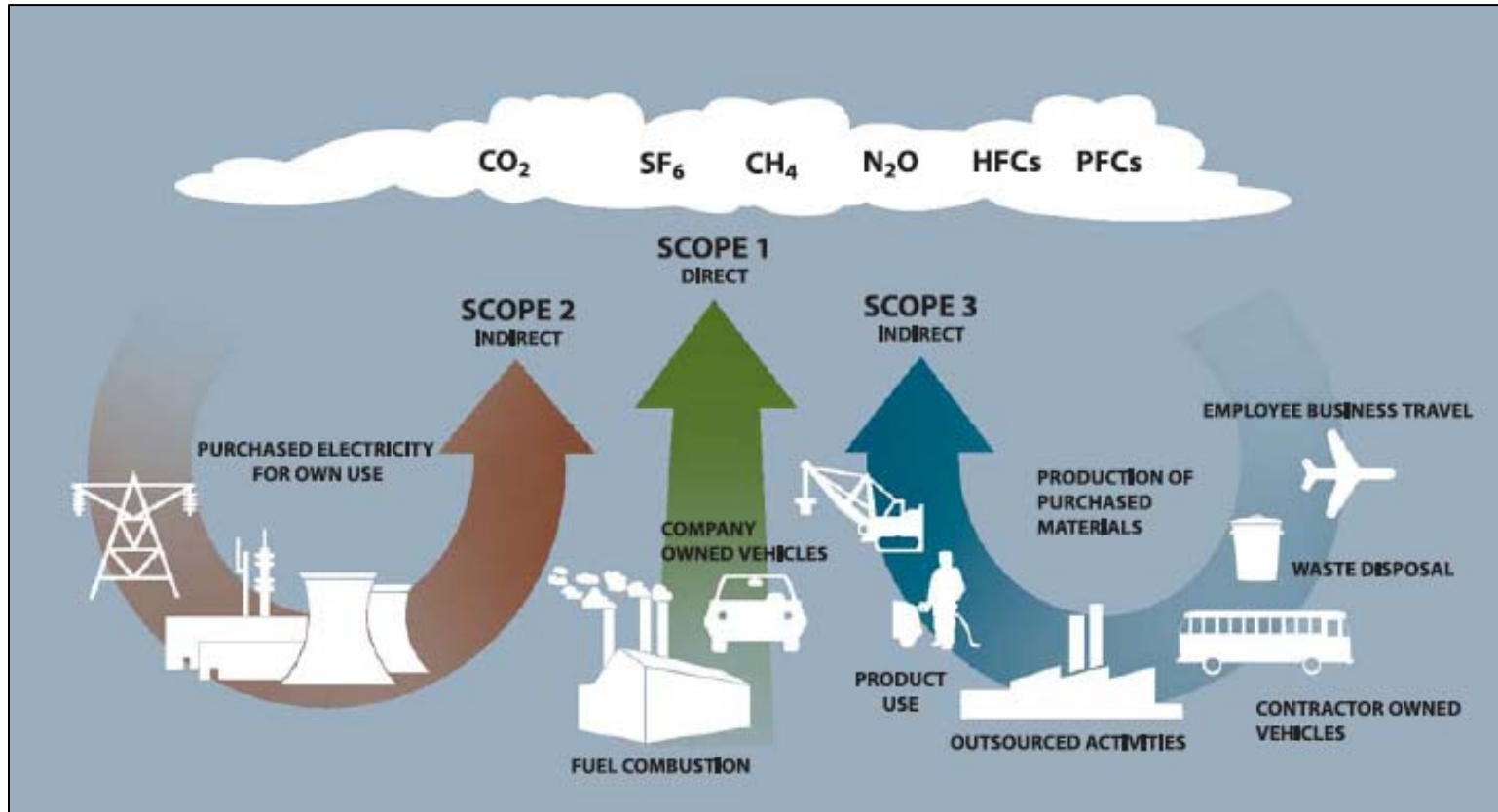
# Outline

- Operational vs. Product and Out-Sourced Function emissions
- ICT footprint
- Project Drivers
- Value Proposition
- How answers are analyzed
- Pilot Study Results
- Summary: the methodology

Today's  
speaker



# GHG = Green House Gas Emissions



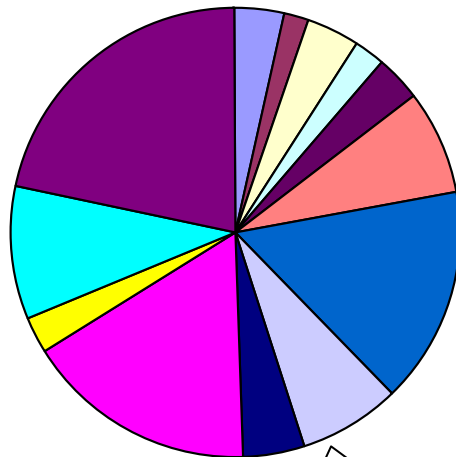
GHG = primarily  $\text{CO}_2$

.... short hand is  $\text{CO}_2$  equivalent ( $\text{CO}_2\text{e}$ ) or “carbon”

# Publicly available ICT footprint



CO2 equivalent GHG emissions

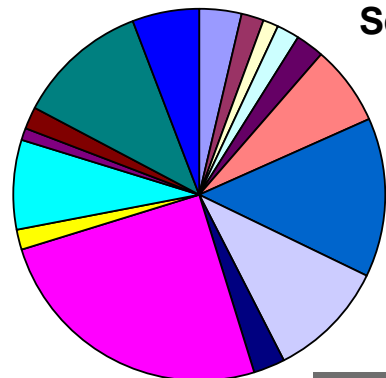


- Cisco Systems, Inc.
- Ericsson
- Motorola Inc.
- Nortel Networks
- Bell Canada
- BT Group
- France Telecom
- KPN
- Microsoft Corporation
- Hewlett-Packard Company
- Sun Microsystems, Inc.
- NTT DoCoMo
- Telefonica

Aggregate emissions scope 1 & 2 primarily 9,550,527 tonnes CO<sub>2</sub>e without AT&T data

Footprinting study done for Global e-Sustainability Initiative as part of Smart2020 prep work

Electricity Scope 2

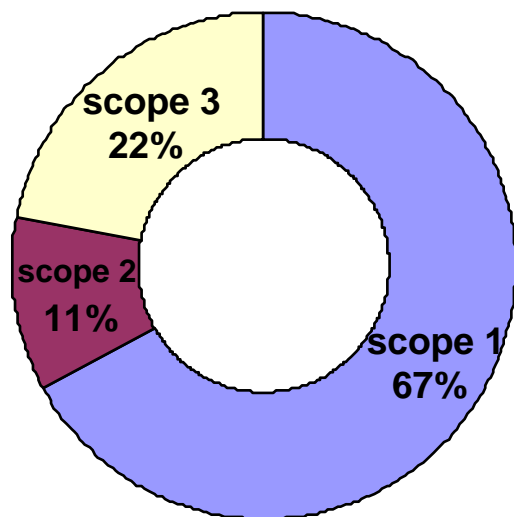


- Alcatel - Lucent
- Cisco Systems, Inc.
- Ericsson
- Motorola Inc.
- Bell Canada
- BT Group
- Deutsche Telekom AG
- France Telecom
- KPN
- Verizon Communications Inc.
- Microsoft Corporation
- Hewlett-Packard Company
- Sun Microsystems, Inc.
- Nokia Group

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# CDP Project Drivers in 2006

First year ever, scope 3 emissions reporting showed a larger value than scope 2 emissions



Investor CDP  
S&P 500 Emissions  
Reporting by Scope

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Walmart came to CDP and asked if we would collect their scope 3 emissions

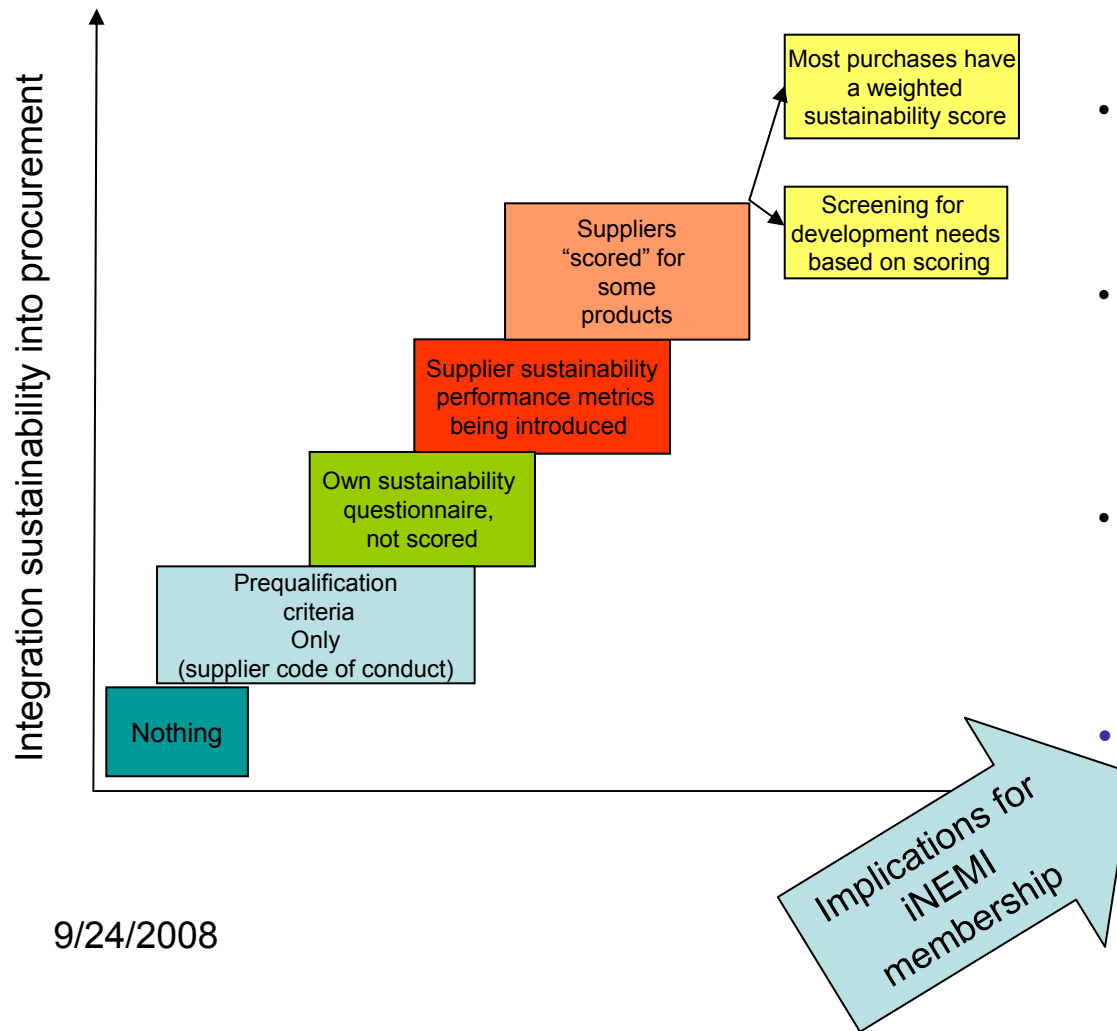
This has given CDP more motivation to work on

- Corporate Supply Chain
- Public Procurement
- Cities Project

# Value Proposition for Requestor

- **Strategic Benefits**
  - **Identify business liabilities**, especially suppliers that will be unable to deal with rising costs and required adaptation
  - **Identify business opportunities** (selling technology, working to improve a suppliers efficiency and sharing the savings)
  - **Develop supplier rating**
  - **Discussions and interest groups** that develop best practices, keep apprised of standards developments, etc
- **Tactical Benefits**
  - **Find sources of waste** that can be trimmed
    - Identification of hot-spots to be studies
  - **Reports provides benchmarking data**; identify metrics
  - **Solicit direct assistance from suppliers** in meeting corporate reduction goals

# Supplier Sustainability Performance Management



- Most SCLC members are still in the early phases of incorporating sustainability into their supplier performance measurement
- Three members have rolled out sustainability scoring into all/ most of their products
  - Three more are rolling out a scoring this year
- Members differed in opinion on how they were planning to use the scoring in the long term:
  - sustainability scoring weighted in purchasing decisions vs.
  - Identifying training needs
- Considerable difference Europe vs. US
  - Europe-based members more advanced. Only two US members said that they were doing this
  - Own questionnaires more common amongst European companies
- **Telecommunications and retail industries very active**

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# Value Proposition for Responder

- **Strategic Benefits**
  - **Facilitate transparency for**
    - Investors (Investor CDP)
    - Customers (Supply Chain and Public Procurement CDP)
  - **Maintain the credibility of sustainability claims**
  - **Prepare for impending regulation**
    - particularly mandatory reporting requirements
  - **Reports provide strategic insight**
  - **Visibility as a lead corporation in the sector**
- **Tactical Benefits**
  - Find sources of waste that can be trimmed
  - Provides benchmarking data

# Examining Answers

## Customer-Members

Who's being proactive operationally?

Who has systems to enable accurate product footprinting? Who's answering?

## Analyst: PriceWaterhouse Coopers

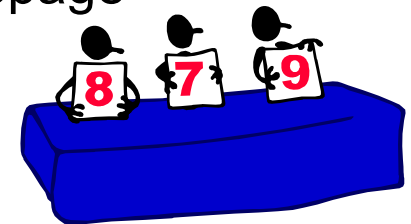
Data will be aggregated

Quality of the answers will be graded

All reports will be available on the CDP website homepage

Investor report available Sept 22, 2008

Supply Chain report available Jan 2009



# Pilot Supply Chain Study

- October 2007 – February 2008
- 13 companies participated
- 328 Suppliers
  - Average response rate 44%
  - Multiple requests yields a response rate of 68%
- Report is available

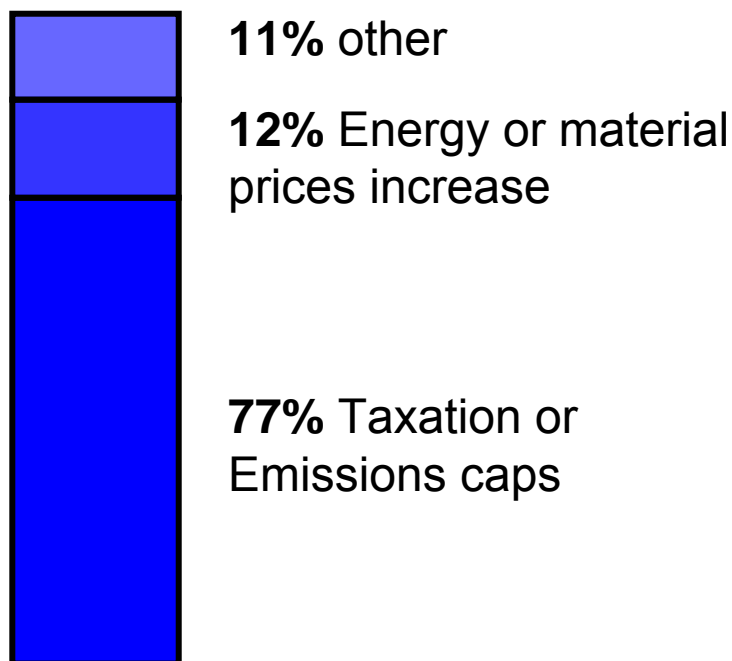
[http://www.cdproject.net/download.asp?file=CDP\\_SCLC\\_Pilot\\_Report.pdf](http://www.cdproject.net/download.asp?file=CDP_SCLC_Pilot_Report.pdf)

The Difference Between Product and Supply Chain Footprinting  
By Ryan Schuchard  
ClimateBiz News: June 26, 2008

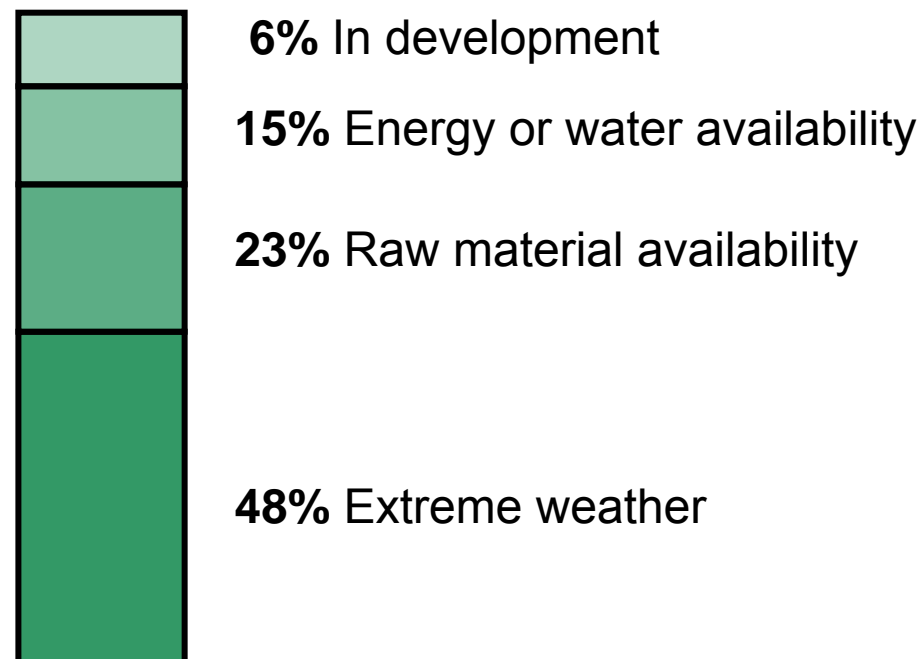
# Supply Chain Leadership – pilot results

Most respondents identified risks to their operations from impending climate change

## Regulatory risk (96%)



## Physical risk (87%)

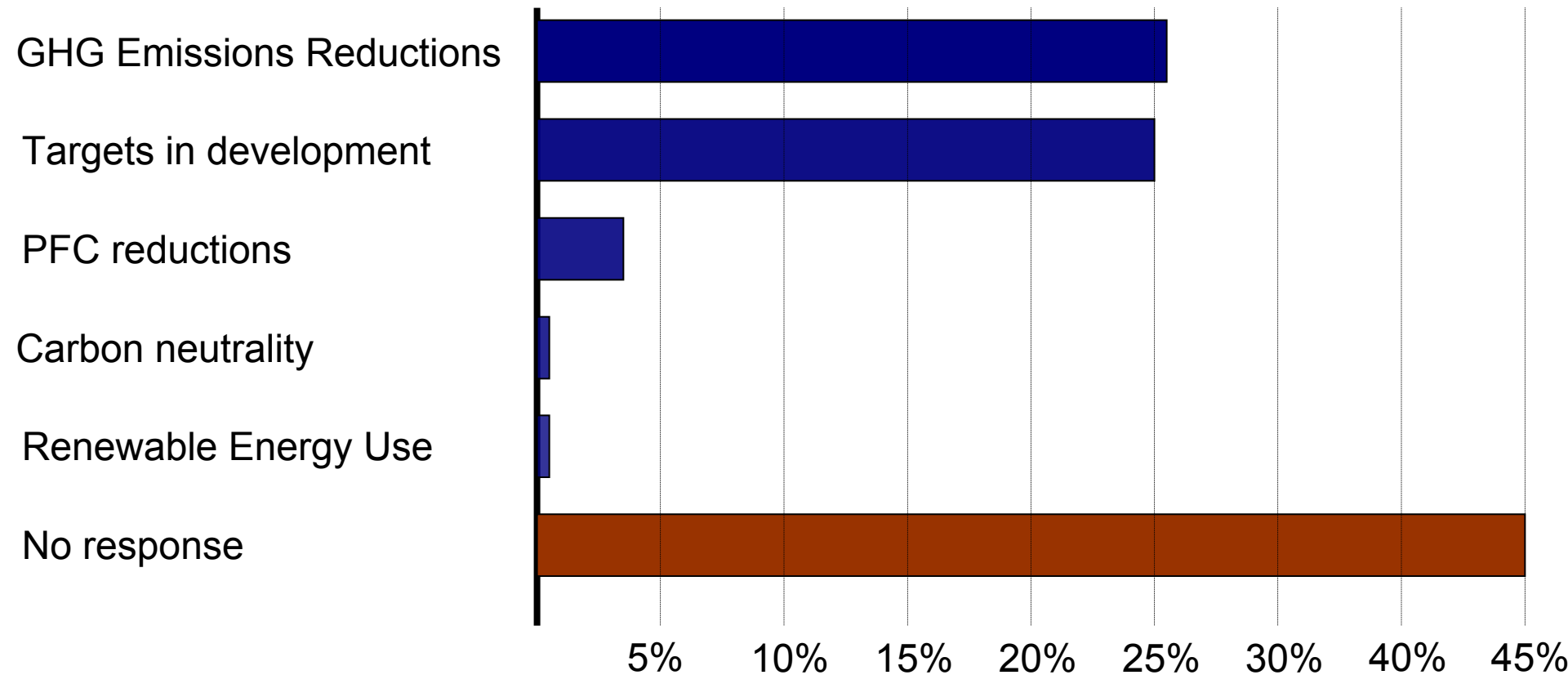


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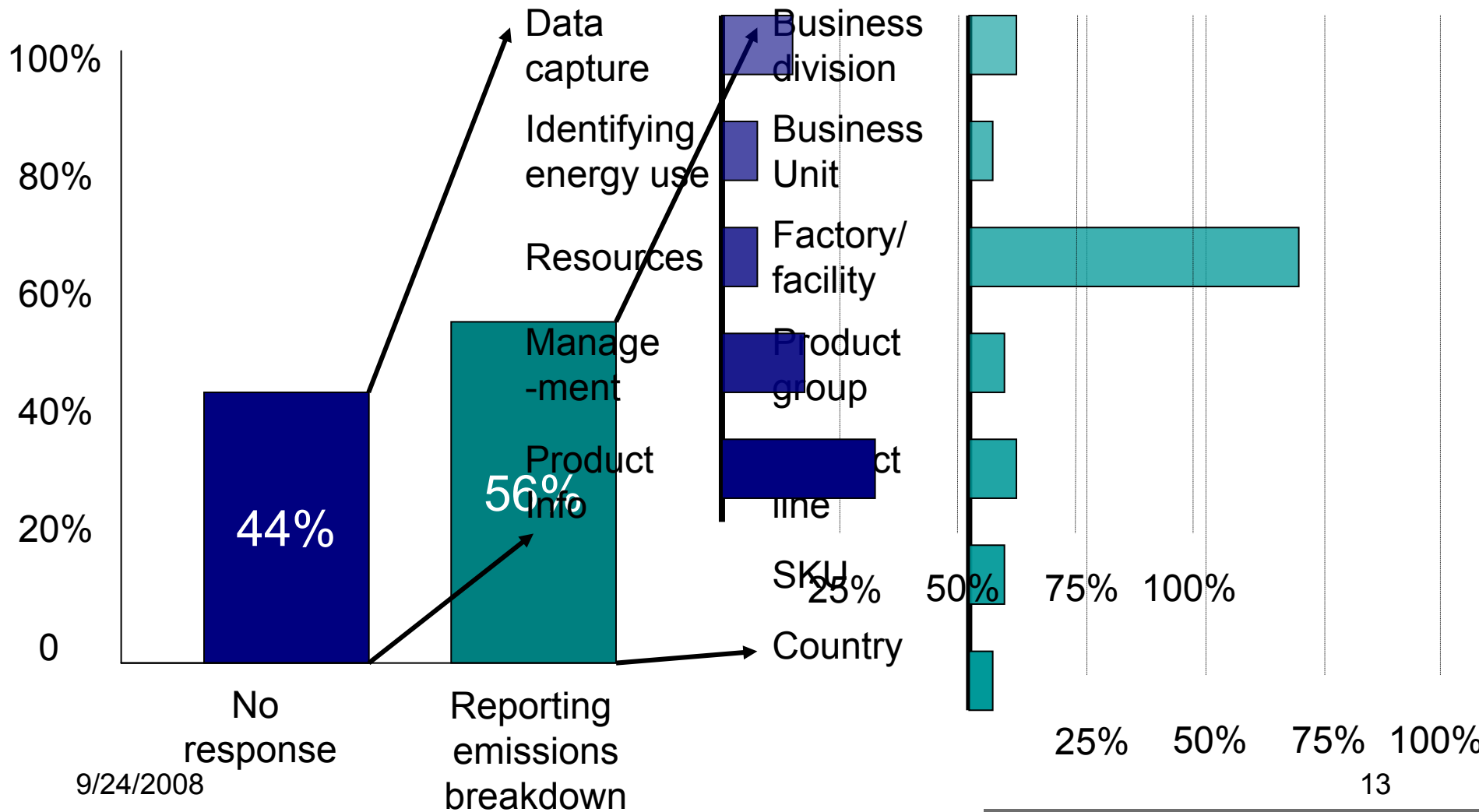
# SCLC Pilot

## Emissions reduction targets



# SCLC Pilot

## Breakdown of Emissions



# Summary: Achieving A Sustainable Supply Chain

## Strategy decisions

- carbon labeling
- baseline scope 3 emissions
- voluntary cap-and-trade prep
- impending regulation prep
- Entity/product footprinting for ICT displacement substantiation using EICC calculator for pan-sector standardization

## Join Supply Chain CDP

## Identify Suppliers

Suppliers report risk, opportunities and numerical data

- joint targets
- joint scorecards
- accessible data
- best practices

Suppliers risk can be re-evaluated  
Product labeling can be devised  
Logistics can be improved

Emissions Reduced  
Money Saved

Climate & humanity suffer less

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## **CARBON DISCLOSURE PROJECT**

Thank you for your time

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[http://www.cdproject.net/sclc\\_home.asp](http://www.cdproject.net/sclc_home.asp)

# SCLC08 members



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Boeing, Newmont Mining, 2 Brazilian utilities