A roadmap to corporate GHG programs

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Is all of the buzz around greenhouse gas emissions leaving you feeling a little lost? Reducing greenhouse gas (GHG) emissions can be one of the most important, and most effective, steps that a company can take to reduce its environmental impact and save money. But deciding where to start has become more complicated than ever. Numerous voluntary programs now exist to help companies measure their GHG emissions, set goals, achieve emissions reductions and advocate for broader change. The sheer number and variety of programs and their sometimes overlapping areas of work can leave companies feeling paralyzed and unsure of where to start. This roadmap can help your company navigate these programs, setting it on the path to credible and lasting GHG reductions.

Steps to reducing GHG emissions

STEP 1

Measure & plan

Measurement & reporting

- World Resources Institute (WRI) & World Business Council for Sustainable Development (WBCSD) Greenhouse Gas (GHG) Protocol
- Carbon Disclosure Project (CDP)

STEP 2

Set a reduction target

Commitments & partnerships

- World Wildlife Fund (WWF) Climate Savers
- Climate Registry
- Pew Business Environmental Leadership Council (BELC)
- The Carbon Trust

STEP 3

Reduce GHGs

Commitments & partnerships

- WWF Climate Savers
- Climate Registry
- Pew Business Environmental Leadership Council (BELC)
- The Carbon Trust

Renewable energy

- Database of State Incentives for Renewables and Efficiency (DSIRE)
- EPA Green Power Partnership

Resources & peer-learning

- EPA SmartWay
- DOE Building Technologies Program
- EDF Climate Corps
- DOE Industrial Technologies Program
- EPA Energy Star for Business

STEP 4

Report & call for action

Reporting

- Global Reporting Initiative (GRI)
- ISO 14064

Business coalitions

- Business for Innovative Climate & Energy Policy (BICEP)

Registries

- Climate Registry
- Carbon Disclosure Project (CDP)
- EIA Voluntary Reporting

Stakeholder Engagement

- Ceres
- Business for Social Responsibility (BSR)

STEP 1

Measure & plan

It is often said that you can't manage what you don't measure. In order to effectively reduce greenhouse gas (GHG) emissions, you need to know what those emissions are and where they come from. Although a company need not wait for this analysis to start saving energy, a comprehensive evaluation of emission sources will help it spot the greatest opportunities.

There are many consultants and third parties available to conduct a carbon audit and produce an inventory for your firm, but it is important to be sure that the methods used adhere to widely recognized accounting standards like the **Greenhouse Gas (GHG) Protocol** developed by the World Resources Institute (WRI) and the World Business Council for Sustainable Development (WBCSD). Following this protocol will help your company understand where its direct and indirect emissions are produced, including purchased electricity and supplier emissions. This measurement will allow your company to prioritize and focus your reduction efforts on those sources with the largest impact, adding credibility to your cause. Reporting your baseline emissions to the **Carbon Disclosure Project (CDP)** will demonstrate transparency in your actions and help you begin planning a reduction strategy.

CAUTION

Avoid Gimmicks. Although it is tempting to skip straight to flashy green solutions with a feel-good story, accurate measurement and planning ensures that your company focuses on initiatives with meaningful carbon reductions.

STEP 2

Set a reduction target

Once measurement is complete and baselines are set, companies should establish aggressive, yet achievable goals for reducing emissions. Aggressive targets help to engage employees in identifying carbon-reduction benefits and show stakeholders that a company views carbon reduction as a priority. Corporate greenhouse gas reduction goals can vary greatly from one company to another, and there is no one-size-fits-all formula. Realistic goals are highly individualized and will depend on the size of a company, its direct and indirect footprints and the core products or services it provides. Some companies use goals based on productivity metrics like percent reduction per dollar of sales or unit of product while others set absolute goals based on emissions in tons or as a percentage of total baseline-year emissions. Many companies are setting both types of goals, using productivity metrics to identify the most cost-effective ways to reach their absolute goals.

There are a growing number of organizations and coalitions that can help your company set and achieve reduction goals, while adding an extra layer of accountability and publicity to your efforts. Four groups with a history of working with companies on goal-setting include **WWF Climate Savers**, the **Climate Registry**, the **Pew Business Environmental Leadership Council (BELC)** and the **Carbon Trust**.

CAUTION

Moving Targets. Setting an emissions reduction goal as a percentage of absolute emissions from your baseline will ensure that emissions reductions keep up with company growth and safeguard against claims that rapid company growth will offset carbon reductions.

STEP 3

Reduce GHGs

Once a company has measured its emissions and set a reduction goal, it needs to find ways to reduce energy use and process emissions. Energy efficiency is the most cost-effective way to reduce emissions, but a comprehensive approach that combines efficiency, renewable power and carbon offsets can help your firm meet more aggressive targets.

Companies often dedicate internal resources to develop an emissions reduction strategy, hire paid consultants, or take advantage of the many public resources that have been established to assist companies in reducing carbon emissions. Programs such as **EPA SmartWay** (fleet fuel efficiency), **DOE Building Technologies** and **EDF Climate Corps** (building energy efficiency), **DOE Industrial Technologies** (heavy industry efficiency), **EPA Energy Star for Business** (building and plant energy efficiency) and the programs mentioned in Step 2 provide resources and peer-learning opportunities that can help your company reach its emission reduction goals. These programs also promote communication and information-sharing across companies and sectors, facilitating the dissemination of lessons learned among participating companies.

If renewable power is part of your company's strategy to meet its carbon reduction goal, it should consider joining **EPA's Green Power Partnership**. The **Database of State Incentives for Renewables & Efficiency** (dsireusa.org) is a web clearinghouse of state and federal incentives designed to help companies identify opportunities to offset the incremental costs of renewable power systems.

CAUTION

Buyer Beware. Prudence should be exercised when purchasing either renewable energy credits (RECs) or carbon offsets. RECs support renewable energy, but generally make no guarantee of carbon reductions and no federal offset standard exists to ensure that companies get what they pay for in terms of quantity and quality of emissions reductions.

STEP 4

Report & call for action

Whether just starting out or an established environmental leader, it is important that your company report publicly on its efforts, through sustainability reports and other venues. Although tempting to wait until all of your efforts are complete, early and regular communication with stakeholders, customers and suppliers shows your firm's commitment to transparency and creates opportunities to gain valuable feedback. **Ceres** offers a number of programs to help companies properly report their impacts and gather feedback from stakeholders.

Sustainability reporting should adhere to guidelines provided by the **Global Reporting Initiative (GRI)** and audited to **ISO 14064** standards to give additional credibility to your self-collected data. Companies should consider taking emissions reporting a step further by making emissions data public through national registries and reporting bodies. This exercise can give your company a head start on reporting that may eventually be mandated by national climate legislation. Already, the U.S. Securities and Exchange Commission requires companies to disclose potential climate risks to investors. **The Climate Registry**, **Carbon Disclosure Project (CDP)** and **EIA Voluntary Reporting** are all venues for sharing emissions data publicly.

CAUTION

Walking the Talk. Be sure your company's climate actions are consistent across business units. Senior level buy-in can help reduce the risk of conflicting corporate policies or lobbying efforts.

Continued on the next page >

Report & call for action (continued)

As is the case with any roadmap, the geography is constantly changing. EDF has focused here on profiling large, national programs in the United States tailored to helping companies reduce their GHG footprint. Share your company's experience with these programs or others on EDF's Innovation Exchange blog at **blogs.edf.org/innovation**.

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Finally, smart companies realize that even though many of the same measures that reduce emissions also reduce costs, the real economic benefits of carbon reduction and clean energy technologies will be greatest when there is an economy-wide cap on CO_2 emissions that encourages innovation and competition. There are economically sound ways to reduce those emissions, such as a well-designed cap and trade system. By publicly supporting a robust energy and climate policy, your company can ensure that its words and actions are aligned.

Business for Innovative Climate & Energy Policy (BICEP) is one of the most prominent business coalitions calling for national action on climate change. BICEP and other related groups identify their own policy priorities and action plans, but the core message is the same: it's critical that we set firm limits on greenhouse gas emissions.

Putting it all together

This roadmap can help your company prioritize its efforts to reduce greenhouse gas emissions and take advantage of a growing number of initiatives aimed at helping companies reach their climate goals. For more information on specific steps your company can take to reduce greenhouse gas emissions, visit us at **innovation.edf.org**.