

Center for Corporate Climate Leadership

EPA's Corporate GHG Inventorying and Target Setting Self-Assessment A Benchmarking Resource

August 5, 2020

Presented by:

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Simon Fischweicher, Associate Director, Corporate Engagement, CDP

Deb Harris, Director, Climate Change and Sustainability, ICF

Emily Wasley, Senior Project Director and Future Ready Advisor, WSP



Today's Agenda

Introduction and webinar logistics

Presenters

- Melissa Klein, Communications Lead, U.S. EPA Center for Corporate Climate Leadership (Moderator)
- Simon Fischweicher, Associate Director, Corporate Engagement, CDP
- Deb Harris, Director, Climate Change and Sustainability, ICF
- Emily Wasley, Senior Project Director and Future Ready Advisor, Sustainability, Energy and Climate Change, WSP

Topics

- Center for Corporate Climate Leadership Overview
- Tool Development: Purpose; research behind the tool & benchmarking corporate leadership GHG measurement & management; methodology incl. framework, approach, underlying data, and insights; how to use the tool.

Q&A

Post-webinar survey

Webinar Logistics

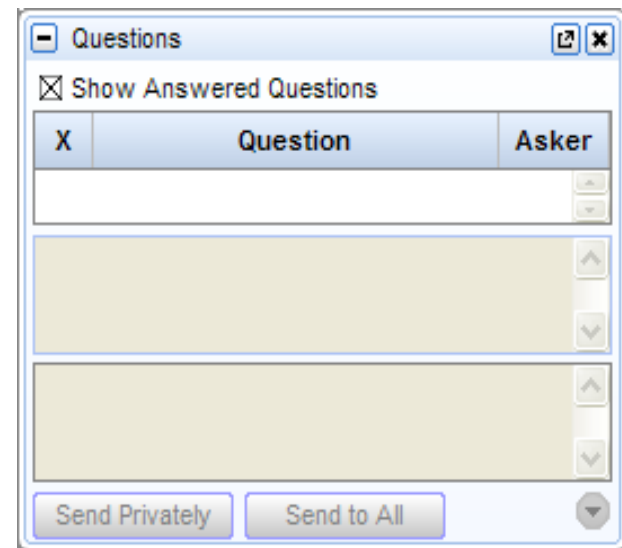
- Attendees are muted to minimize background noise.

- Submit questions in writing via the Questions box on your GoTo control panel. →→ →

- To minimize or maximize the control panel, click on the button at the top left of the tool bar.

- Today's presentation will be available at:

<https://www.epa.gov/climateleadership/center-corporate-climate-leadership-webinars-and-events>





About the Center

- The Center for Corporate Climate Leadership serves as a comprehensive resource to help organizations of all sizes measure and manage greenhouse gas (GHG) emissions, providing technical tools, ground-tested guidance, educational resources, and opportunities for information sharing and peer exchange.
- Examples of Center Resources:
 - Self-assessment to help companies benchmark GHG inventorying and goal setting and new supply chain emission factors
 - Emission factors hub
 - Guidance on developing inventories
 - Supplier engagement tools (e.g., F-GHG LCD supplier profiles)



Background – About the Tool

Purpose:

- Companies are often in a stronger position to improve their greenhouse gas (GHG) management efforts once they understand their relative performance compared to their peers.
- This Beta Version 1.0 Self-Assessment is designed to help companies evaluate, at a high level, how their GHG inventorying and target-setting approaches compare to large peer companies representing different industry sectors.



Background – About the Tool

- In Spring 2020, the Center released the *Corporate GHG Inventorying and Target Setting Self-Assessment* designed to help companies evaluate their approaches to GHG inventorying and target-setting.
- Responsive to companies' interests in benchmarking their GHG management approaches.
- Provides organizations with a simple way to benchmark their GHG management activities against other businesses within and across sectors. For instance,
 - **No benchmarks.** *Organizations lack a straightforward way to benchmark and compete with peers.*
 - **Data accessibility.** *No simple-to-use, free, publicly-available resource exists to inform U.S.-based companies on peer company actions. Gathering data is laborious and expensive.*
 - **Staff resources.** *Companies spend significant time assessing how their climate actions compare to those of their peers, instead of implementing GHG reductions.*



Background – About the Tool

- For use by both leading companies and companies beginning to address their GHG emissions as an internal communication and management resource and a high-level benchmarking assessment.

April 3, 2020 release of EPA's Corporate GHG Inventory and Target Setting Self-Assessment

Tool Link:

<https://www.epa.gov/climateleadership/corporate-ghg-inventorying-and-target-setting-self-assessment>



Dear Stakeholders,

The Center for Corporate Climate Leadership has released a [Corporate GHG Inventorying and Target Setting Self-Assessment](#). This technical resource is designed to help companies evaluate their approaches to GHG inventorying and target-setting. It can be used as an internal communication and management resource and a high-level benchmarking assessment.

- **Entry-level:** For companies beginning to address their GHG emissions, this resource aims to help them identify which inventorying and target-setting actions reflect common business practices today and provides them with a roadmap for developing their own inventories and targets.
- **Intermediate:** For companies further along, this self-assessment can validate more advanced inventorying and target-setting behaviors that position them for more cost-effective GHG emission reductions.
- **Advanced:** For leading companies, this resource can also validate their efforts and encourage them to explore implementing more innovative GHG management efforts.

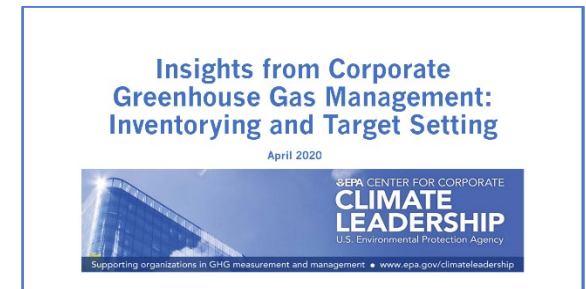
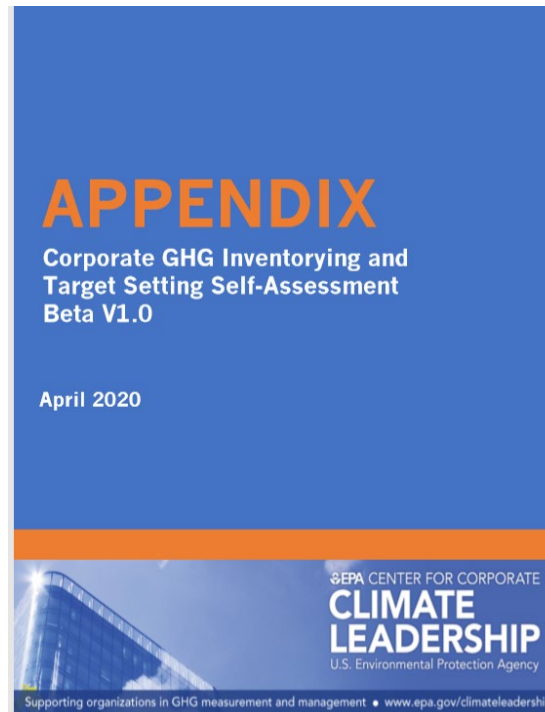
An [appendix](#) detailing the data and methodology used for developing the overall insights and the self-assessment is also available on the Center's website. This self-assessment is responsive to companies' interests in benchmarking their GHG management approaches. Feedback is welcome and can be submitted to cccl@epa.gov.

Best regards,

The Center for Corporate Climate Leadership

Background – About the Tool

Three Resources Available



Self-Assessment Beta V1.0 Source: <https://www.epa.gov/climateleadership/corporate-ghg-inventorying-and-target-setting-self-assessment>

EPA's GHG Management Self- Assessment / Benchmarking Resource

August 5, 2020



Overview

- ▼ Introduction to CDP
- ▼ Complimentary resources: CDP disclosure and EPA's tool
- ▼ Data trends in corporate climate change disclosure

Introduction to CDP



ABOUT CDP



CDP is a global environmental impact non-profit working to secure a thriving economy that works for people and planet.



Information is the fundamental basis for action. We help investors, companies and cities to measure, understand and address their environmental impact.



The world's economy looks to CDP as the gold standard of environmental reporting with the most comprehensive dataset on corporate and city action.



We aim to make environmental reporting mainstream and provide detailed insights to drive action for a climate safe, water secure, deforestation free world.

OUR STAKEHOLDERS



545+ investors with US\$106 trillion in assets



147+ supply chain members with over US\$4 trillion in purchasing power



8,400+ companies responded including over 70% of S&P500

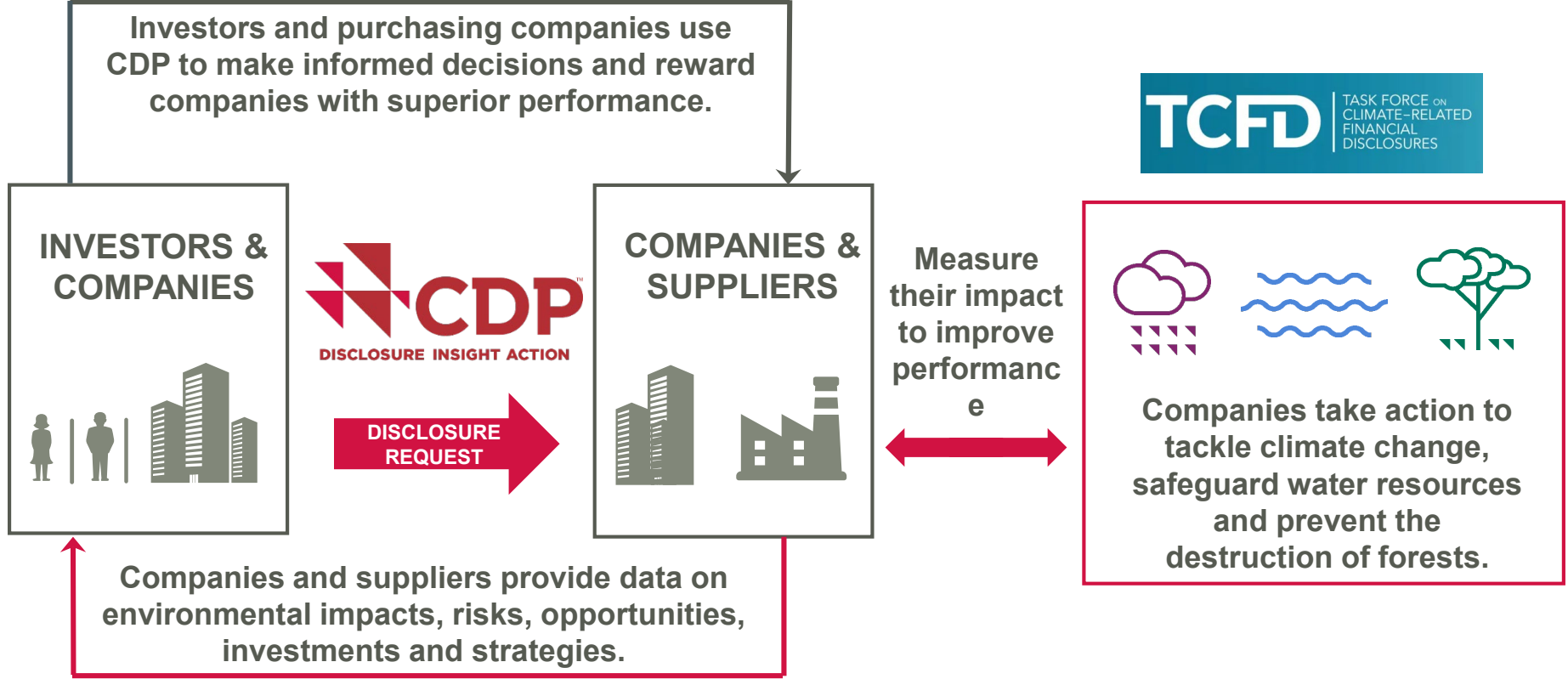


850+ cities disclosed environmental information

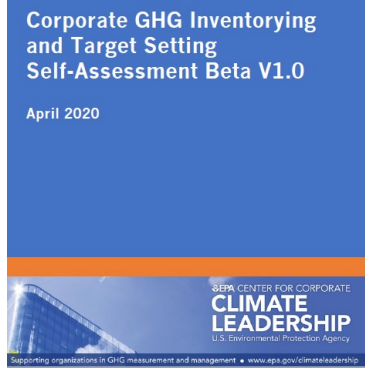


125+ states and regions measured their environmental impacts

HOW WE WORK



Feeding the ESG ecosystem



Complimentary tools



Cycle of reporting – EPA tool and CDP disclosure



B. Inventorying & Reporting Scope 3 Emissions & Supplier Engagement

3. Does your company calculate and publicly disclose at least some scope 3 emissions?*

No activity	Company does not calculate and publicly disclose any scope 3 emissions.	<input type="checkbox"/>
Entry-level	Company calculates and publicly discloses at least some scope 3 emissions.	<input type="checkbox"/>
Intermediate	Company calculates and publicly discloses more than two categories of scope 3 emissions that are considered relevant in their value chain.	<input type="checkbox"/>
Advanced	Company calculates and publicly discloses all relevant categories of scope 3 emissions.	<input type="checkbox"/>

4. Does your company assess the climate impacts of major suppliers and engage them on climate-related issues?

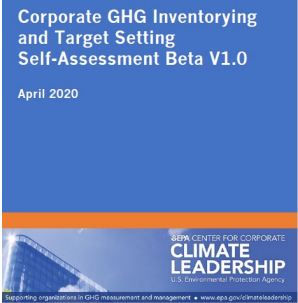
No activity	Company does not assess the climate impacts (both actual and significant potential impacts) of major suppliers or engage them on climate-related issues.	<input type="checkbox"/>
Entry-level	Company assesses the climate impacts (both actual and significant potential impacts) of major suppliers and engages them on climate-related issues.	<input type="checkbox"/>
Intermediate	Company assesses the climate impacts (both actual and significant potential impacts) of their major suppliers and engages them to report and reduce their GHG emissions.	<input type="checkbox"/>
Advanced	Company assesses the climate impacts (both actual and significant potential impacts) of their major suppliers, engages them on climate-related issues, and manages in business.	<input type="checkbox"/>

CDP SCORE REPORT - CLIMATE CHANGE 2019

Region: United States of America
 Questionnaire: GHG
 Activity Sector: Manufacturing, Building & Energy

UNDERSTANDING YOUR SCORE REPORT

ACTIVELY LEADER-LEVEL CRIMINALS



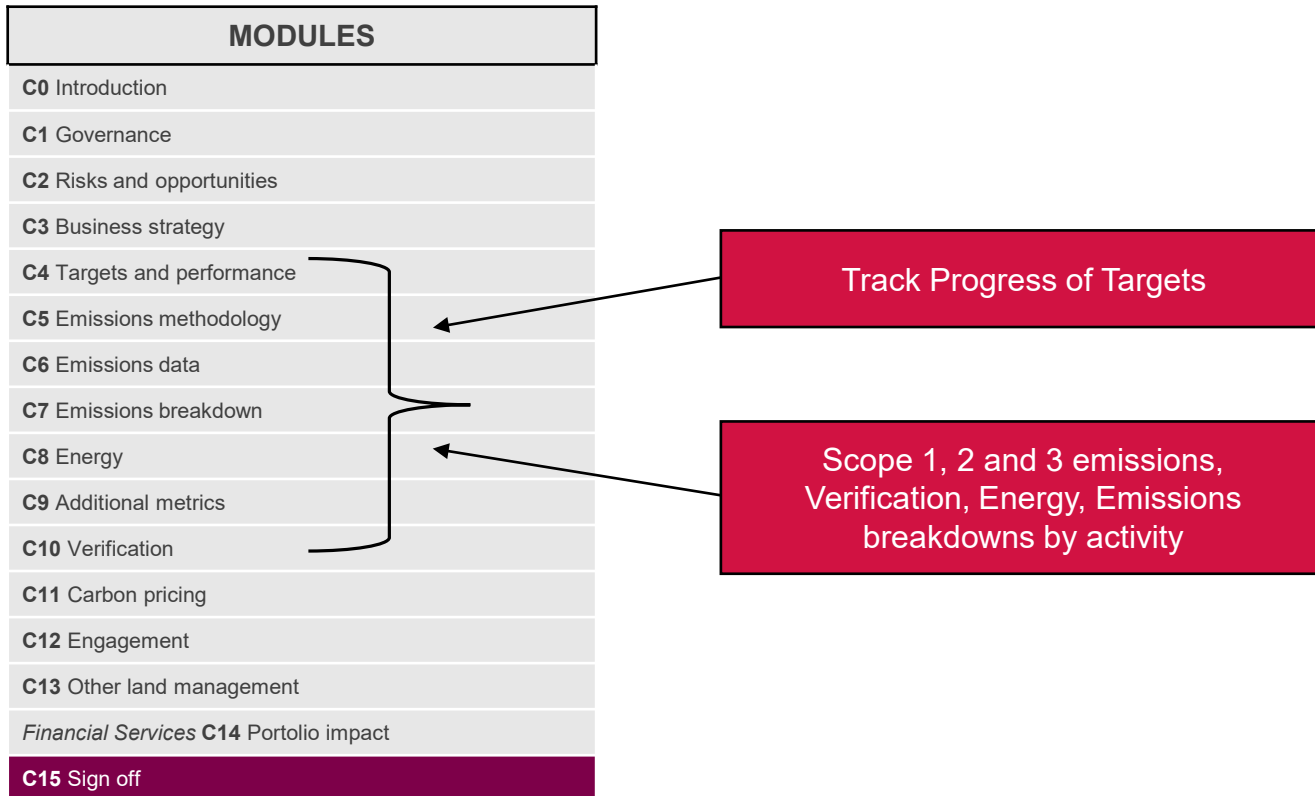
How to Use the Self-Assessment

This self-assessment is designed to be read in under 30 minutes and can be used as an internal communication and management resource, a group benchmarking assessment, and an educational tool. Some GHG management activities described are commonplace for all organizations included in the dataset, while others are more innovative and reflect emerging trends seen in fewer companies and sectors. Companies can use the self-assessment results in their stakeholder engagement efforts by sharing progress on their GHG inventorying and target-setting efforts and highlighting gaps and opportunities for continuous improvement.

The various levels of ambition highlighted in this self-assessment are informed by data from large U.S.-based companies publicly disclosed to CDP via CDP's Climate Change questionnaire, insights from EPA programs, and discussions with key organizations working with companies on GHG inventorying and target setting (i.e., CDP, Science Based Targets Initiative, The Climate Registry). A description of the methodology used to assess the data and a list of all companies included in the dataset are available in the Appendix.

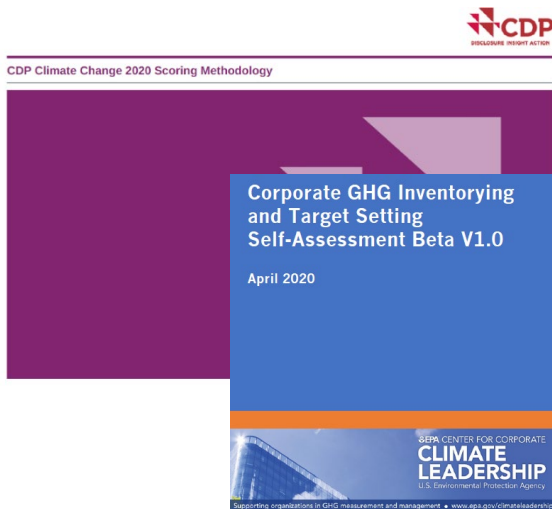


Aligned approach to GHG emissions and target setting CDP questionnaire

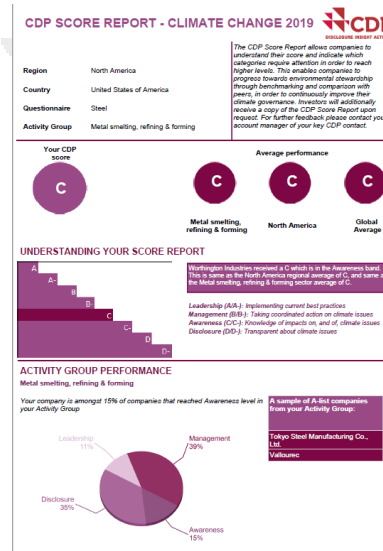


Benchmarking guides disclosure and action

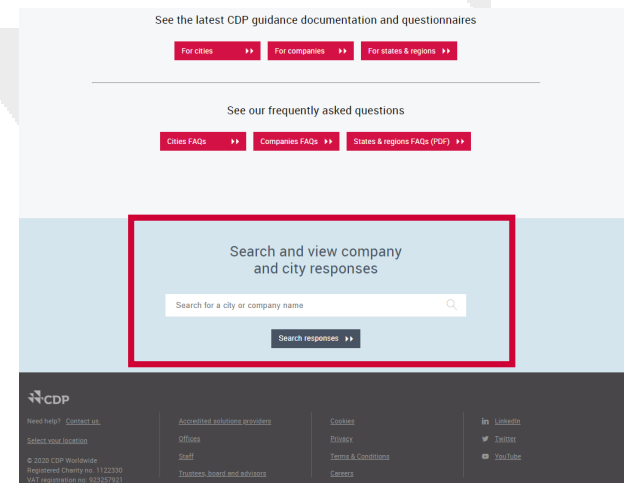
▼ **Improve quality of data by leveraging public guidance documents**



▼ **Determine where to focus efforts with CDP's annual Score Report**



▼ **Compare response to peers with public response search function**

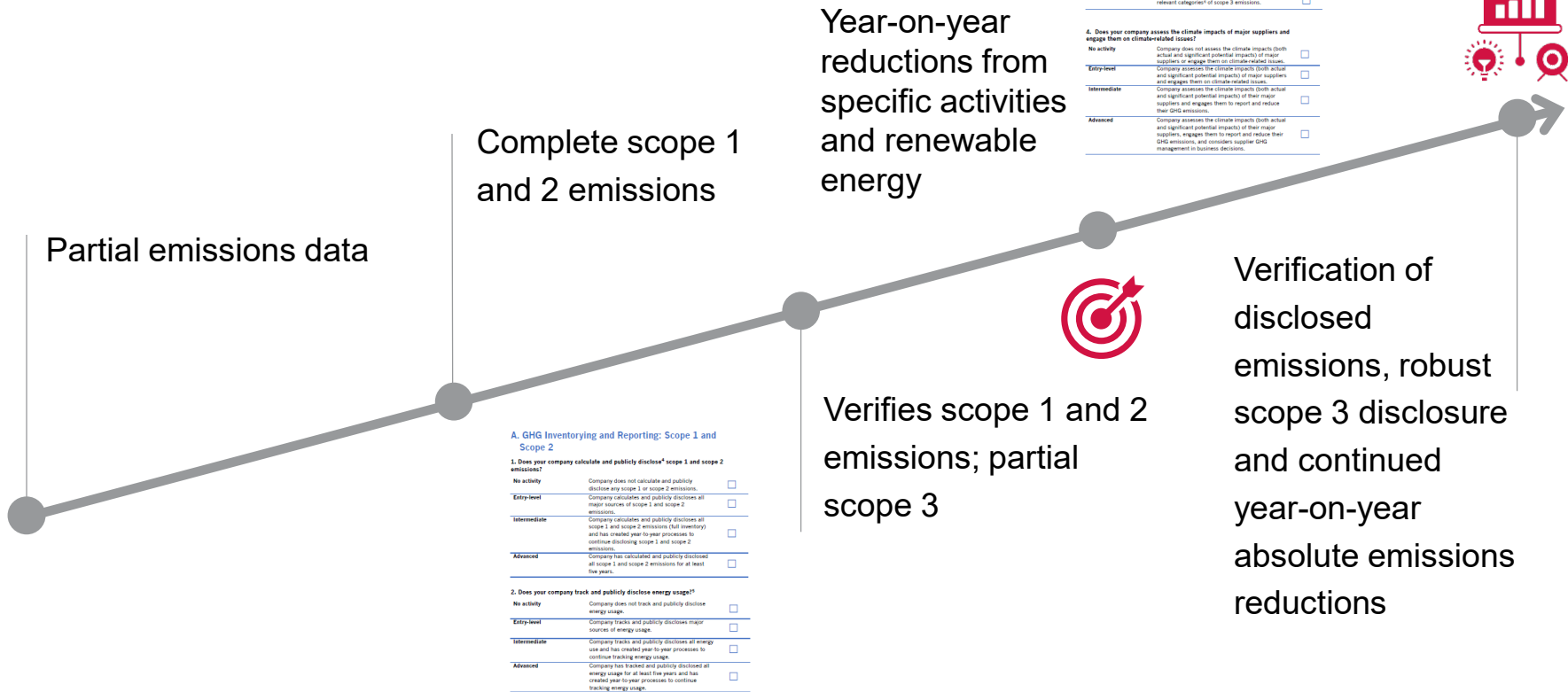


Trends and progress



Metrics

Trajectory to leadership



A. GHG Inventorizing and Reporting: Scope 1 and Scope 2

1. Does your company calculate and publicly disclose* scope 1 and scope 2 emissions?

No activity	Company does not calculate and publicly disclose any scope 1 or scope 2 emissions.	<input type="checkbox"/>
Entry-level	Company calculates and publicly discloses all major sources of scope 1 and scope 2 emissions.	<input type="checkbox"/>
Intermediate	Company calculates and publicly discloses all scope 1 and scope 2 emissions (full inventory) and has created year-to-year processes to continue disclosing scope 1 and scope 2 emissions.	<input type="checkbox"/>
Advanced	Company has calculated and publicly disclosed all scope 1 and scope 2 emissions for at least five years.	<input type="checkbox"/>

2. Does your company track and publicly disclose energy usage?†

No activity	Company does not track and publicly disclose energy usage.	<input type="checkbox"/>
Entry-level	Company tracks and publicly discloses major sources of energy usage.	<input type="checkbox"/>
Intermediate	Company tracks and publicly discloses all energy use and has created year-to-year processes to continue tracking energy usage.	<input type="checkbox"/>
Advanced	Company has tracked and publicly disclosed all energy usage for at least five years and has created year-to-year processes to continue tracking energy usage.	<input type="checkbox"/>

B. Inventorizing & Reporting Scope 3 Emissions & Supplier Engagement

3. Does your company calculate and publicly disclose at least some scope 3 emissions?‡

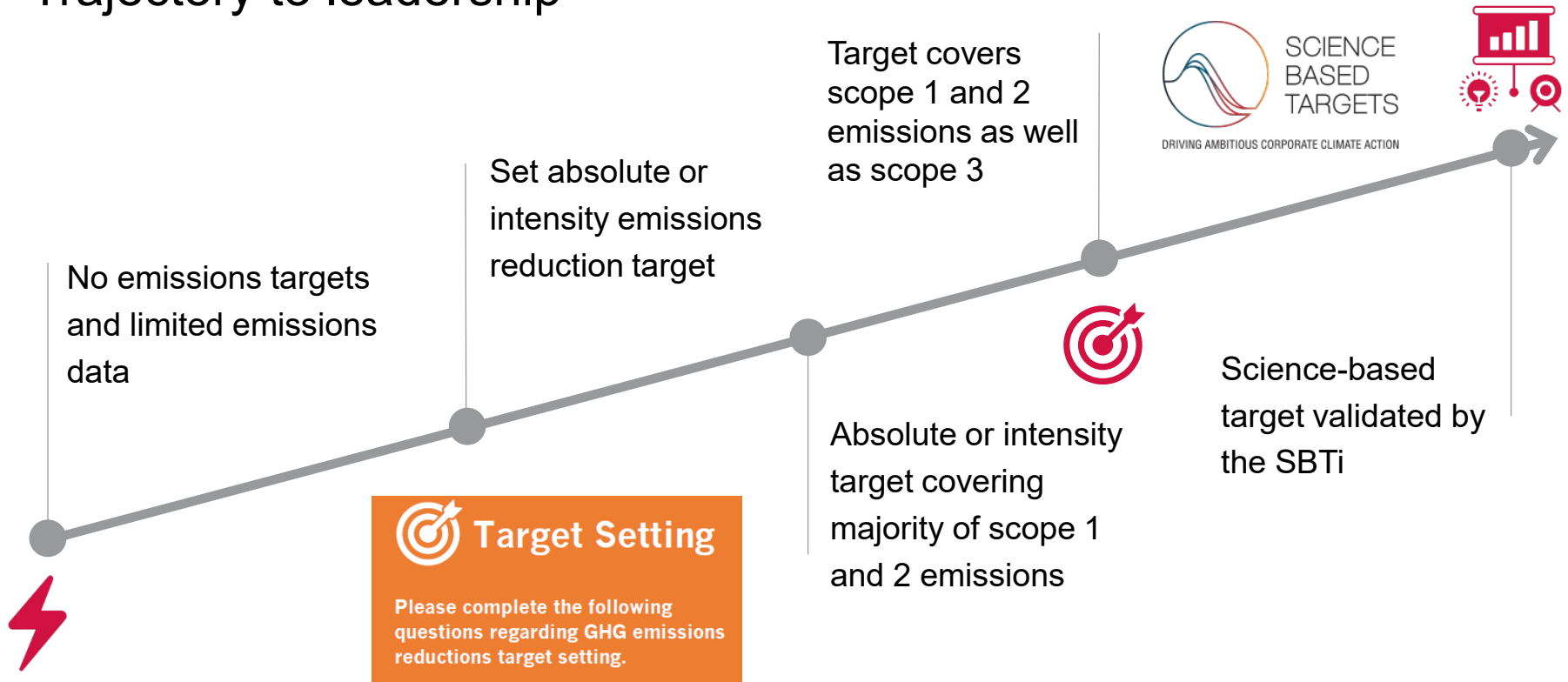
No activity	Company does not calculate and publicly disclose any scope 3 emissions.	<input type="checkbox"/>
Entry-level	Company calculates and publicly discloses at least some scope 3 emissions.	<input type="checkbox"/>
Intermediate	Company calculates and publicly discloses more than ten categories of scope 3 emissions that are considered relevant to their value chain.	<input type="checkbox"/>
Advanced	Company calculates and publicly discloses all relevant categories of scope 3 emissions.	<input type="checkbox"/>

4. Does your company assess the climate impacts of major suppliers and engage them on climate-related issues?§

No activity	Company does not assess the climate impacts (both actual and significant potential impacts) of major suppliers or engage them on climate-related issues.	<input type="checkbox"/>
Entry-level	Company assesses the climate impacts (both actual and significant potential impacts) of major suppliers and engages them on climate-related issues.	<input type="checkbox"/>
Intermediate	Company assesses the climate impacts (both actual and significant potential impacts) of their major suppliers and engages them to report and reduce their GHG emissions.	<input type="checkbox"/>
Advanced	Company assesses the climate impacts (both actual and significant potential impacts) of their major suppliers, engages them to report and reduce their GHG emissions, and considers supplier GHG management in business decisions.	<input type="checkbox"/>

Targets

Trajectory to leadership



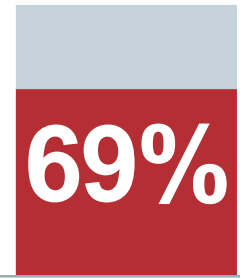
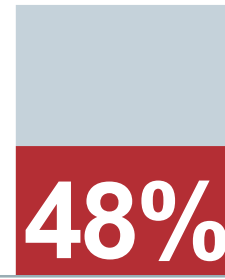
It all begins with disclosure

First-time disclosers

Second-time disclosers

Third-time disclosers

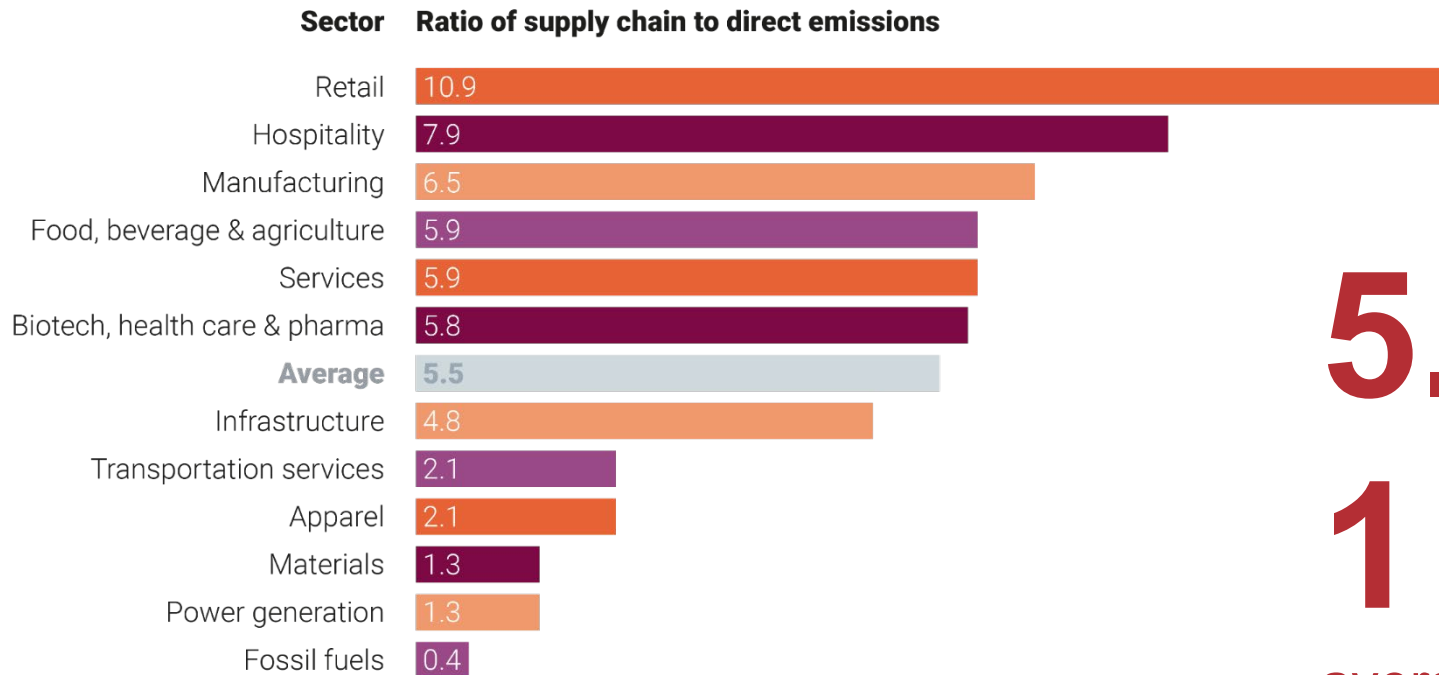
Percent of disclosers who have **emissions reduction initiatives**



Percent of disclosers who have set **company-wide targets and goals**



Impact of business is in their supply chains



5.5:
1

average ration
of supply chain
to direct carbon
emissions

#CDPSupplyChain | @CDP

Supplier Engagement For Target Achievement

▼ Establish an ambitious public goal

- ▼ Set internal and external expectations
- ▼ Train and support suppliers



▼ Baseline and benchmark

- ▼ Scope 3 footprint with primary data
- ▼ Understand ambition and hotspots



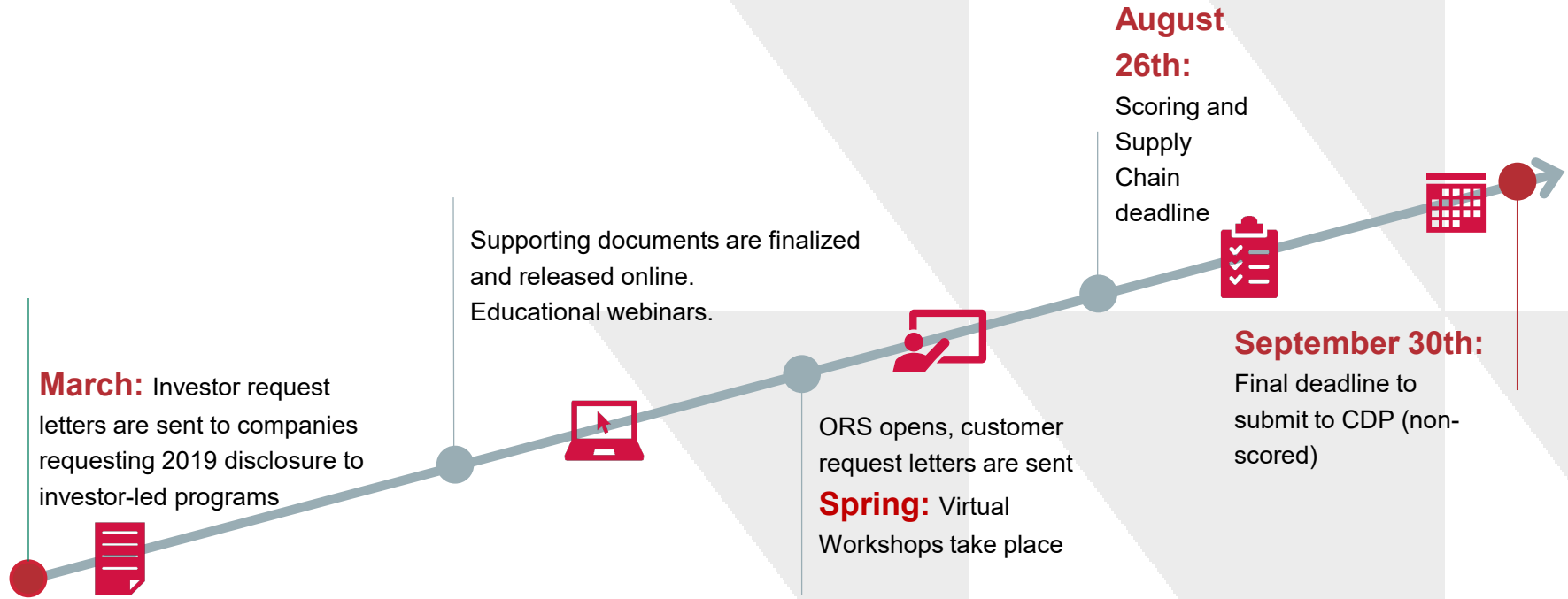
▼ Increase operational efficiency by sharing experiences

- ▼ Track aggregate progress
- ▼ Feedback on performance



Timeline for 2020 disclosure

From downloading the questionnaires to clicking “submit”





Thank you!



Background on the Development of the Self-Assessment

The research behind the tool and benchmarking corporate climate leadership

Purpose and Approach

Benchmark GHG activities across businesses

Problem

No simple way to benchmark GHG management activities across businesses and sectors

Time spent comparing actions instead of implementing GHG reductions

Solution

Publish an easy-to-use resource for businesses to benchmark GHG management activities against other businesses within and across sectors

Approach

Phase I: Initial Research



- Interview organizations for feedback on design
- Benchmark indicators on corporate GHG management by sector

Phase II: Feedback



- Solicit stakeholder feedback
- Expand research
- Refine indicators

Phase III: Final Analysis



- Solicit stakeholder feedback
- Expand research to include full sample
- Complete data analysis
- Publish resources



Phase I: Initial Research

30 companies included

INTERVIEWED

6

Organizations for
feedback on design
and approach

INCLUDED

30

F500 sustainability
leaders representing

66% of US GDP

IDENTIFIED

66 activities

and grouped into

9 categories

based on public data

Defined levels of leadership

Entry

Intermediate

Advanced



Phase II: Feedback

60 companies included

SOLICIT

Incorporated stakeholder feedback on Phase I to refine list of activities

EXPAND

60

companies to cover new sectors

REFINE

76 activities

and grouped into

9 categories

based on public data

Refined list of benchmark activities deepening the definition for each level of leadership

Phase III: Final Analysis



SOLICIT

Incorporated stakeholder feedback on Phase II to refine list of activities

EXPAND & UPDATE

565

Companies from F500 and S&P500 included and updated analysis to use GPP and RE100 data

PUBLISH

3 resources

1. Self-Assessment
2. Methodology
3. Insights

Easy-to-use public resource for businesses to benchmark GHG management activities against other businesses within and across sectors

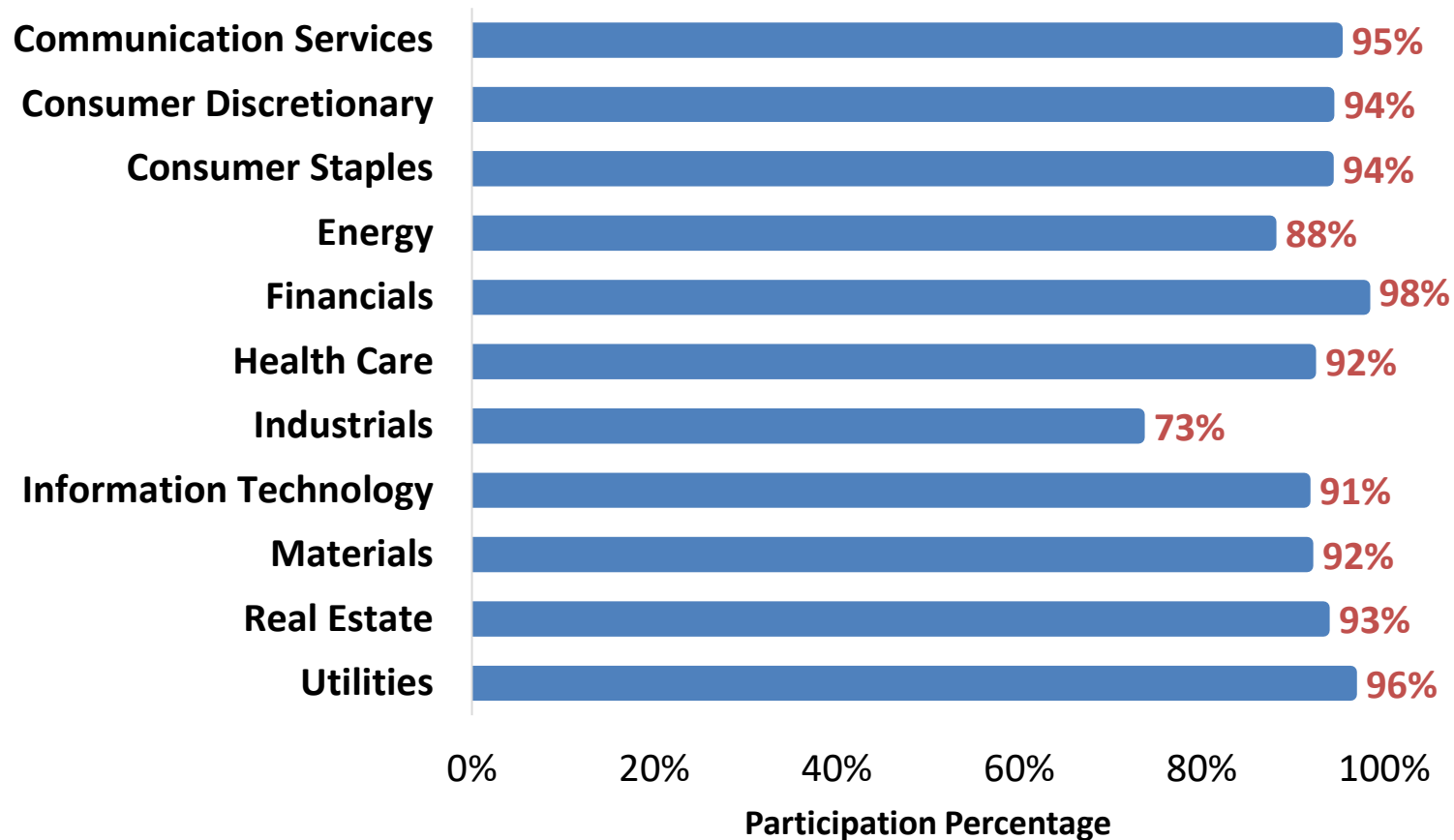


Insights from the Data Analyzed for the Development of the Self-Assessment

The Data Story Supporting the Self-Assessment

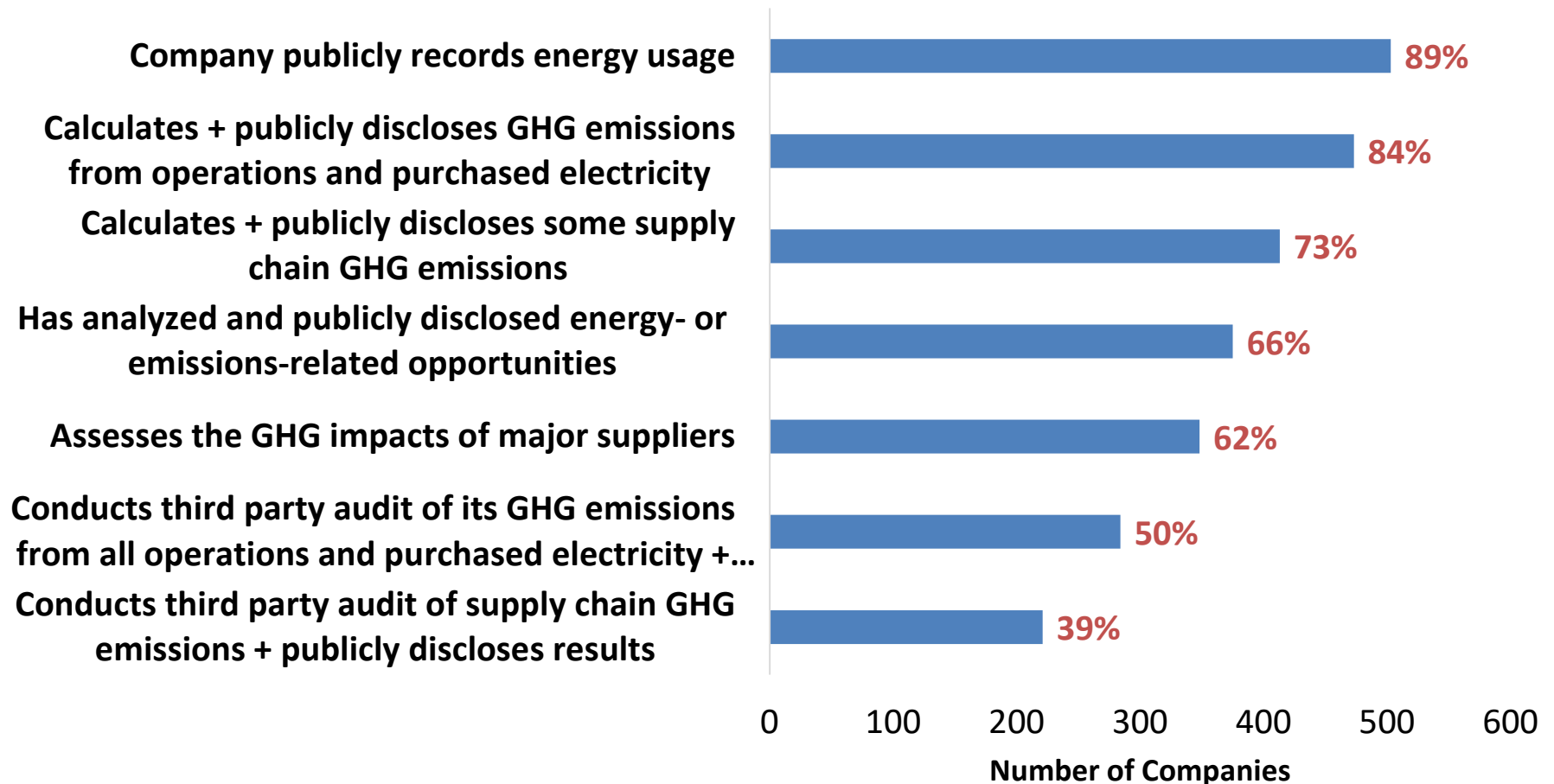
Insights on Corporate GHG Management

89% of companies are reporting their **energy use** (electricity and natural gas consumption)



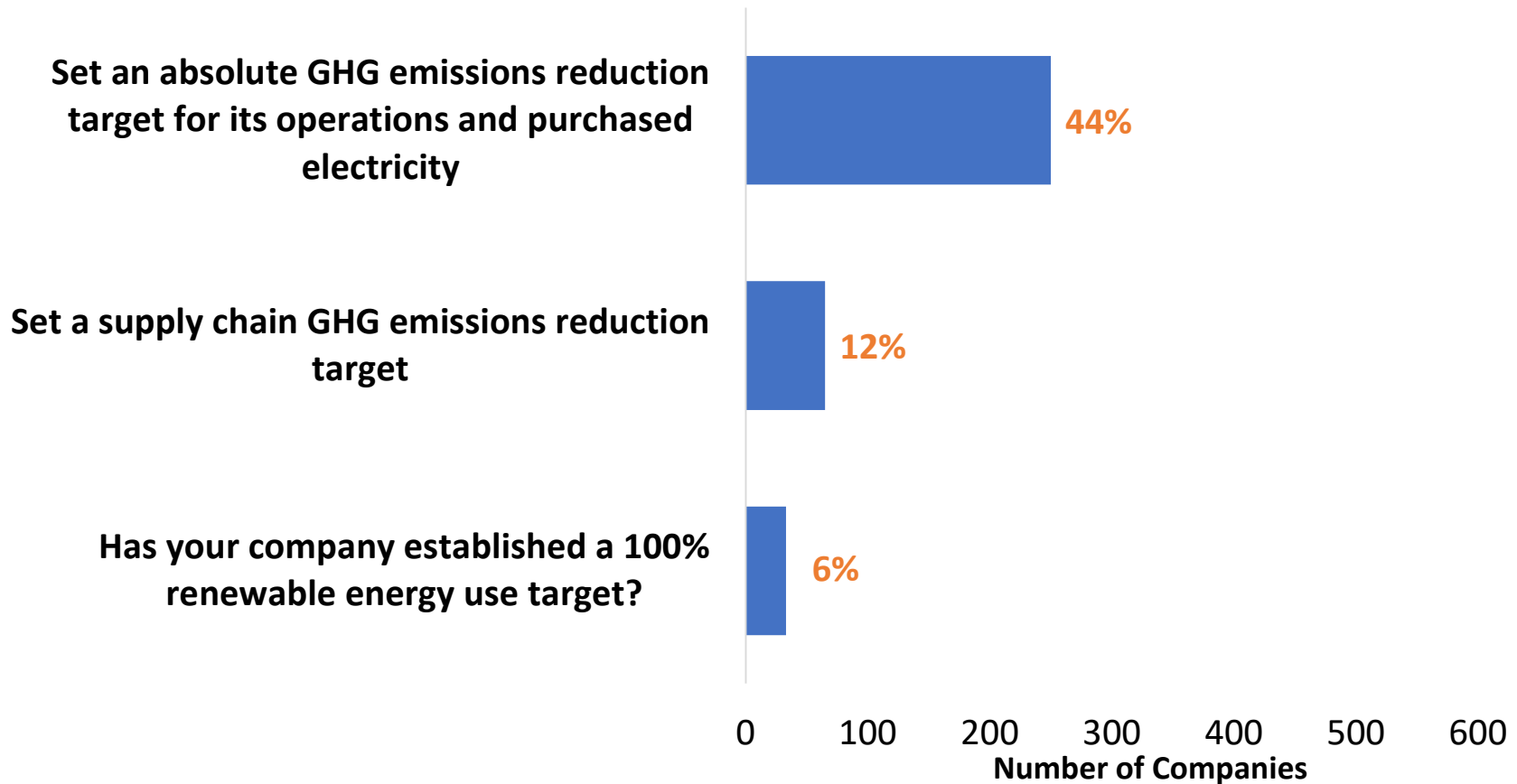
Inventorizing

Companies are increasingly measuring and verifying emissions, a first step in reducing emissions.



Target-Setting

Companies are beginning to set absolute reduction targets, supply chain targets and renewable energy targets.





Lessons Learned and Emerging Trends

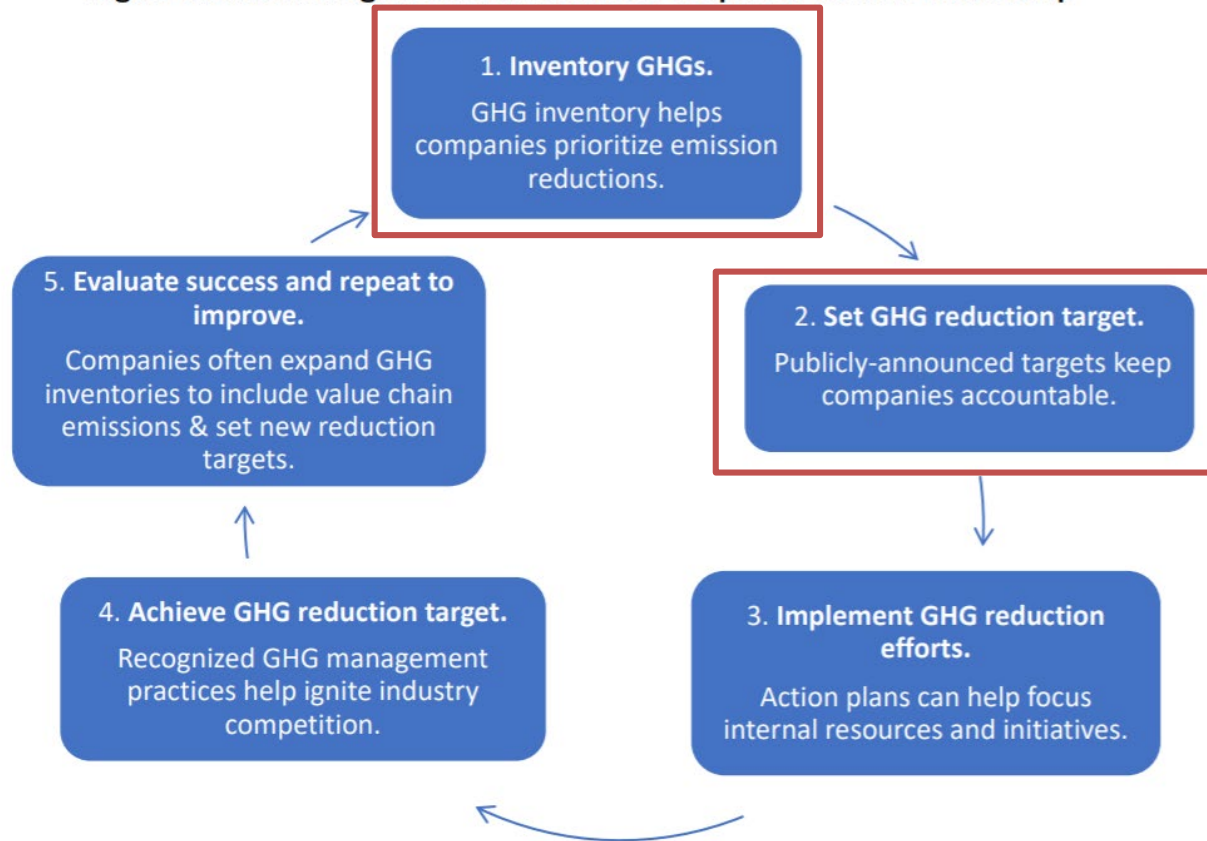
- High climate-risk sectors, such as real estate, participate in GHG inventorying and target-setting at a higher rate than lower-risk sectors like health care.
- Relatively few companies are setting 100% renewable energy use targets, but this is increasing, and companies are procuring large shares of electricity from renewable sources.
 - On average, companies that are part of both the CDP dataset analyzed and the Green Power Partnership, procure **57% of their electricity using green power.**
- The Self-Assessment and accompanying materials can help companies assess how their greenhouse gas management approaches compare to market data and industry trends from leading companies.



How to Use the Self-Assessment

Placing the Self-Assessment in a GHG Management Framework

Figure 1. GHG Management Framework for Corporate Climate Leadership





Levels of Users

Entry-Level

- Companies beginning to address their GHG emissions
- Help identify inventorying and target-setting actions that reflect common business practices today
- Provide a roadmap for developing inventories and setting targets

Intermediate

- Companies further along their sustainability journey
- Validate more advanced inventorying and target-setting behaviors
- Position to deepen GHG emission reductions

Advanced

- Leading companies
- Validate efforts and encourage implementing more cutting-edge GHG management efforts
- Push innovations into the mainstream and sharing practices with others.

Structure of the Self-Assessment: Inventorying and Reporting



Inventorying and Reporting

Four sets of questions and resources:

- A: Scope 1 and 2
- B: Scope 3 & Supplier Engagement
- C: Third-Party Verification
- D: Analysis of Business Impacts

1. Does your company calculate and publicly disclose⁴ scope 1 and scope 2 emissions?

No activity	Company does not calculate and publicly disclose any scope 1 or scope 2 emissions.	<input type="checkbox"/>
Entry-level	Company calculates and publicly discloses all major sources of scope 1 and scope 2 emissions.	<input type="checkbox"/>
Intermediate	Company calculates and publicly discloses all scope 1 and scope 2 emissions (full inventory) and has created year-to-year processes to continue disclosing scope 1 and scope 2 emissions.	<input type="checkbox"/>
Advanced	Company has calculated and publicly disclosed all scope 1 and scope 2 emissions for at least five years.	<input type="checkbox"/>



Resources to Assist Companies with Scope 1 & Scope 2 Inventorying and Reporting

- EPA's Cross-Sector [Guidance](#) on Direct and Indirect Emissions
- EPA's [Emissions Factor Hub](#) to provide emissions factors for GHG emissions estimations
- EPA's Simplified [Tools](#) for Small and Medium-sized Companies
- EPA's [Greenhouse Gas Reporting Program](#) for Sectors Required to Report on Facility Emissions
- Greenhouse Gas Protocol [Corporate Accounting and Reporting Standard](#) and [ISO Standard 14064-1: 2018](#) Greenhouse gases — Part 1: Specification with guidance at the organization level for quantification and reporting of greenhouse gas emissions and removals
- The Climate Registry's [General Reporting Protocol](#)
- For benchmarking energy use: EPA's ENERGY STAR [Portfolio Manager](#)
- Additional [Calculation Tools](#) "Built on the GHG Protocol"
- CDP [Disclosure Guidance](#) for Companies
- CDP [Organizational Guide for Environmental Action](#)

Structure of the Self-Assessment: Target Setting



Target Setting

Three sets of questions and resources:

- A: Scope 1 and 2
- B: Scope 3
- C: Renewable Energy

10. Has your company established a 100% renewable energy (green power) use target?^{12,13,14}

No activity	Company does not have a renewable energy use target.	<input type="checkbox"/>
Entry-level	Company has established a renewable energy use target of less than 50% renewable energy.	<input type="checkbox"/>
Intermediate	Company has established at least a 50% renewable energy use target.	<input type="checkbox"/>
Advanced	Company has set a 100% renewable energy use target.	<input type="checkbox"/>



Resources to Assist Companies with Setting Renewable Energy Use Targets

- [RE100 Reporting Guidance](#): CDP Climate Change 2019
- EPA's Green Power Partnership: [Partnership Requirements](#) and [Eligible Resources](#)

Structure of the Self-Assessment Summary

Congratulations on completing the self-assessment!
You have reached the end of the Corporate GHG
Inventorying and Target Setting Self-Assessment V1.0.

Inventorying:

1. Does your company calculate and publicly disclose scope 1 and scope 2 emissions? _____
2. Does your company track and publicly disclose energy usage? _____
3. Does your company calculate and publicly disclose at least some scope 3 emissions? _____
4. Does your company assess the climate impacts of major suppliers and engage them on climate-related issues? _____
5. Does your company receive third-party verification for its scope 1 and 2 emissions and publicly disclose the results? _____
6. Does your company receive third-party verification for its scope 3 emissions and publicly disclose the results? _____
7. Has your company analyzed climate-related opportunities with the potential to have a substantive financial or strategic impact on your business? _____

Target setting:

8. Has your company set a combined scope 1 and scope 2 emissions reduction target? _____
9. Has your company set a scope 3 reduction target? _____
10. Has your company established a 100% renewable energy (green power) use target? _____



Q&A



Contact Us

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