EPA CENTER FOR CORPORATE
CLIMATE
LEADERSHIP
U.S. Environmental Protection Agency

Center for Corporate Climate Leadership

Setting and Achieving Greenhouse Gas Emission Reduction Targets

October 20, 2021

Presented by:

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Today's Agenda

Introduction and Webinar Logistics

Speaker Introductions

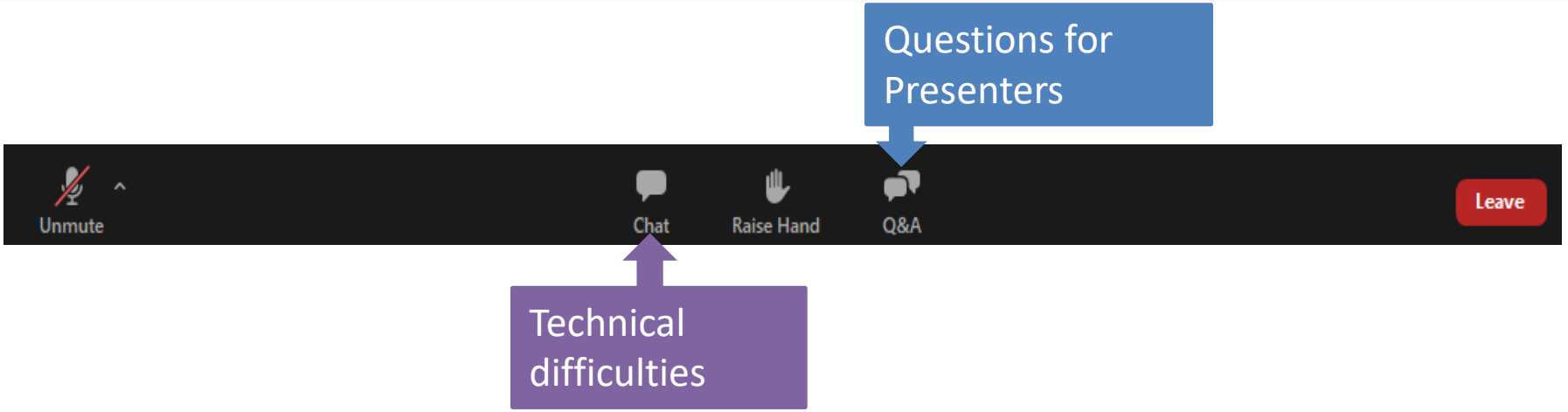
Topics

- Quick Poll
- About the Center
- Overview from SBTi
- Bank of America's Perspective
- Pitney Bowes' Perspective

Q&A

Post-webinar Survey

Webinar Logistics



- **All attendees are muted** to minimize background noise.
- **Type your questions** in the Q&A box. We will take questions at the end of the webinar.
- If you are having **technical difficulties**, please send a message through the Chat to Michaela Magnuson (Zoom Support) or email michaela.magnuson@erg.com.
- Today's presentation will be available at: https://www.epa.gov/climateleadership/center-corporate-climate-leadership-webinars-and-events

First, a Few Questions

We'll start with a brief poll…

1. What is the status of your organization's GHG emission reduction target?
   Have not established a target; Established a target and determining what to do next; Developed systems and processes to achieve our target; Achieved or well on our way to meeting our initial target and looking to be more aggressive; I don't know.

2. If your organization has set a target, is it science based?
   Yes; No; I don't know.

3. If your organization has set a target, what emission scopes are covered?
   Scope 1 only; Scope 2 only; Scopes 1 and 2; Scopes 1, 2, and 3.

About the Center

The U.S. EPA Center for Corporate Climate Leadership serves as a comprehensive resource to help organizations of all sizes measure and manage greenhouse gas (GHG) emissions.

- Provides technical tools, ground-tested guidance, educational resources, and opportunities for information sharing and peer exchange. Promote practices that reduce GHG emissions.
- Co-sponsors the Climate Leadership Conference & Awards with TCR & C2ES. 10th Annual event, with events throughout 2021 (virtual).

https://www.epa.gov/climateleadership

Setting Reduction Targets

Target Setting refers to organizations setting public GHG reduction targets, which can:

- Galvanize reduction efforts at an organization and often leads to the identification of additional reduction opportunities.
- Help garner senior management attention and increase funding for internal GHG reduction projects.
- Encourage innovation, improve employee morale, and help in the recruiting and retention of qualified employees.

"Science-based targets provide a clearly-defined pathway for companies to reduce GHG emissions, helping prevent the worst impacts of climate change and future-proof business growth" -SBTi

Target Setting

Best Practices:

- Targets should be publicly declared/reported
- Targets should include a base year and the target year
- The year in which the target will be met should be 5 to 10 years from the base year
- Targets should be aggressive
- Targets should be for an absolute reduction in GHG emissions
- Targets should cover global operations in their geographic boundaries
- Targets should address all three emission scopes

Publicly declared targets should include all the above information. *Example: "ACME commits to a 35% absolute reduction of scope 1, 2, and 3 global emissions by 2030 from 2020 levels."*

https://www.epa.gov/climateleadership/target-setting

SCIENCE BASED TARGETS INITIATIVE

Version 1.0

INTRODUCTION TO SBTs

WHAT IS THE SCIENCE BASED TARGETS INITIATIVE ?

The Science Based Targets initiative drives ambitious climate action in the private sector by enabling companies to set science-based emissions reduction targets to meet the goals of the Paris Climate Agreement.

PARTNER ORGANIZATIONS

CDP

UN GLOBAL COMPACT

WORLD RESOURCES INSTITUTE

WWF

IN COLLABORATION WITH

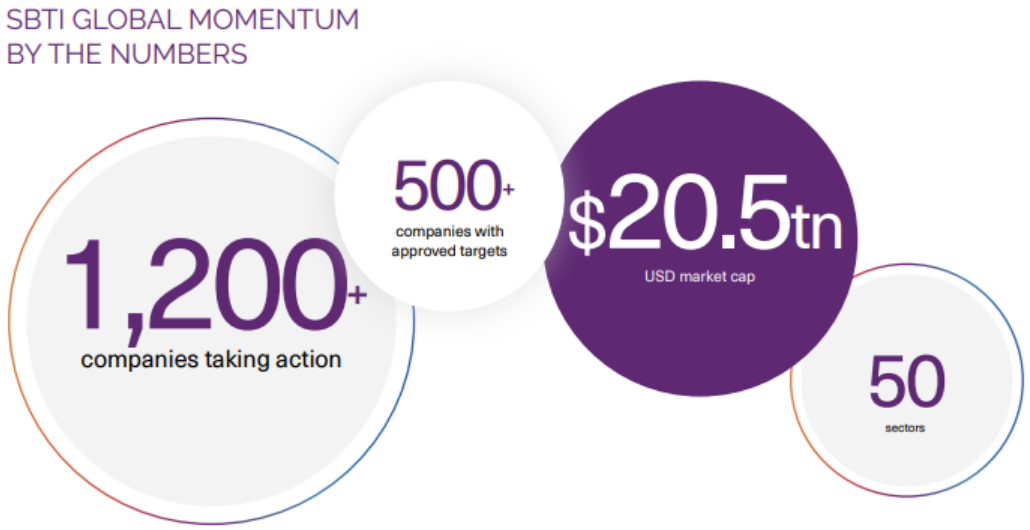
WE MEAN BUSINESS

SCIENCE BASED TARGETS

DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

INTRODUCTION TO THE SBTi

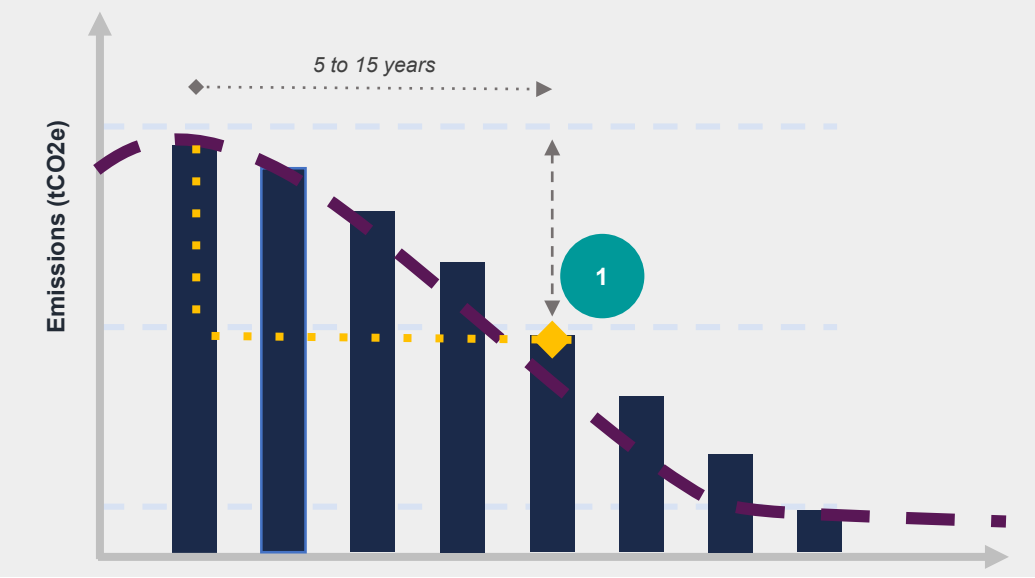
OUR PROGRESS TO DATE



SCIENCE BASED TARGETS
DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

INTRODUCTION TO SBTs

WHAT ARE SCIENCE-BASED TARGETS?



Targets adopted by companies to reduce greenhouse gas (GHG) emissions are considered "science-based" if they are in line with what the latest climate science says is necessary to **meet the goals of the Paris Agreement**: limiting global warming to **well below 2°C (updating to 1.5C as a minimum in July 2022)** above pre-industrial levels and making efforts to limit warming to **1.5°C.**

SBTs help companies determine **how much** and **how fast** they need to reduce its GHG emissions.

TECHNICAL CONCEPTS

ALIGNING AMBITION TO THE PARIS GOALS: TARGET SETTING ELEMENTS

SCIENCE BASED TARGETS
DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

CARBON BUDGET

A finite amount of carbon that can be emitted into the atmosphere before warming will exceed specific temperature thresholds

+

EMISSIONS SCENARIO

Represents a way of distributing the available carbon budget over time

+

ALLOCATION APPROACH

Refers to the way the carbon budget underlying a given emissions scenario is allocated among companies with the same level of disaggregation (e.g. in a region, in a sector, or globally)

ASSESSMENT OF SBTi CRITERIA

OVERVIEW OF LATEST CRITERIA

Boundary: All company-wide Scope 1 and 2 GHG emissions must be covered (at least 95%).

Timeframe: 5-10 years into the future; from date target is submitted to SBTi for official validation (long-term targets recommended).

Progress to date: Forward-looking ambition is measured from the year with the most recent completed GHG inventory.

Reporting: Disclose GHG emissions inventory on an annual basis.

Scope 3: A Scope 3 screening is required and an ambitious, measurable Scope 3 target is required when Scope 3 emissions cover more than 40% of total emissions

ASSESSMENT OF SBTi CRITERIA

OVERVIEW OF LATEST CRITERIA

Level of ambition: At a minimum – consistent with the level of decarbonization required to keep temperature increase to 1.5°C.

Absolute vs. intensity: Intensity targets are only eligible when they lead to absolute emission reductions in line with climate scenarios for keeping warming well below 1.5°C or when they are based on an approved sector pathway or method approved by the SBTi (e.g. the SDA).

Renewable energy targets: Targets to source renewable electricity at a rate that is consistent with 1.5°C scenarios are an acceptable alternative to scope 2 emission reduction targets (80% by 2025; 100% by 2030).

SCIENCE BASED TARGETS
DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

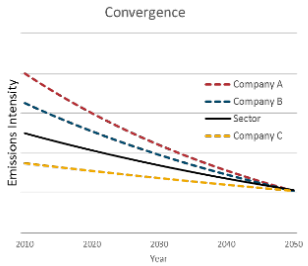
SBTI METHODS

HOW TO CALCULATE EMISSION REDUCTION PATHWAYS

A) Sector based approach

Based on sector-specific carbon budgets determined by mitigation/technology options and activity projections.

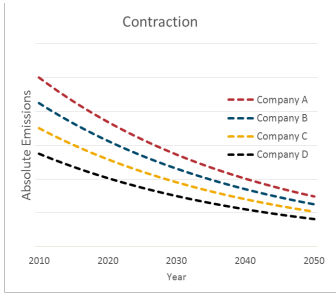
Convergence: The carbon intensity for all companies (within the same level of disaggregation) converges towards the same level at a rate that considers the initial carbon intensity of the company and its relative growth.



B) Absolute based approach

Based on absolute emissions reductions determined in in IPCC 5th AR/1.5 SR

Contraction: Regardless of industry/growth, all companies reduce emissions by the same absolute percentage.



C) Economic intensity reduction

Forecast based on global carbon credits and global economic growth

Contraction: The company reduces its carbon emissions per unit of economic activity based on global carbon credits.

CDP DISCLOSURE INSIGHT ACTION · United Nations Global Compact · WORLD RESOURCES INSTITUTE · WWF

TECHNICAL CONCEPTS

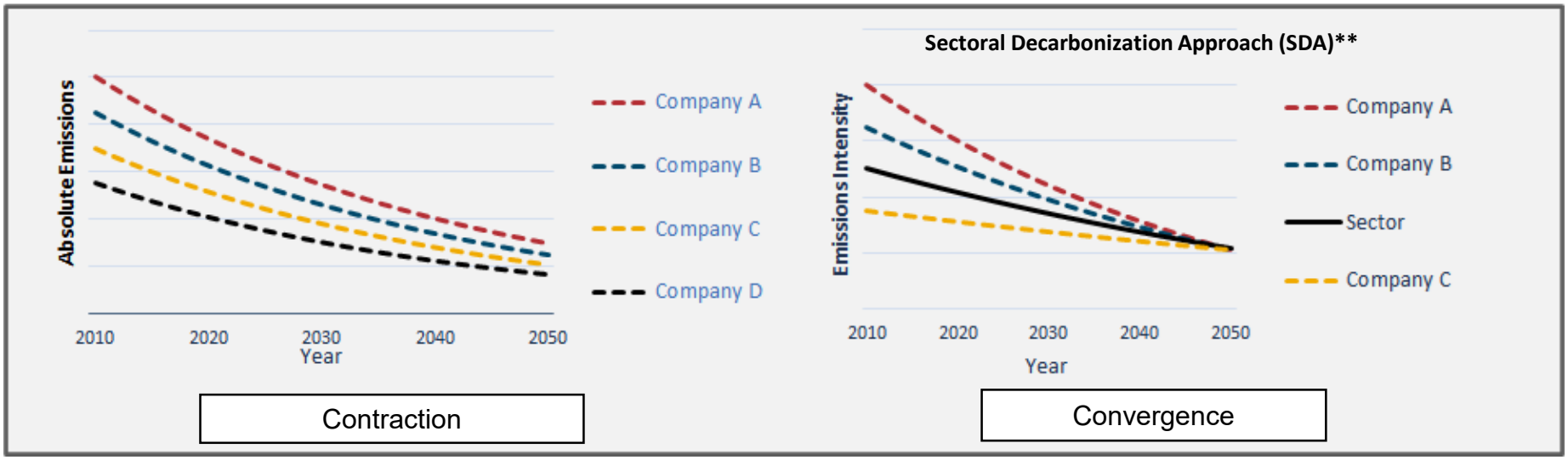
ALLOCATING THE CARBON BUDGET - METHODS FOR SCOPE 1 AND 2

Absolute-based approach

- All sectors
- Equal % reduction based on IPCC carbon budget scenarios

Sector-based approach

- Homogeneous sectors
- Different % of reduction
- Sectoral IEA* carbon budgets



* International Energy Agency
** Developed by the SBTi

TECHNICAL CONCEPTS

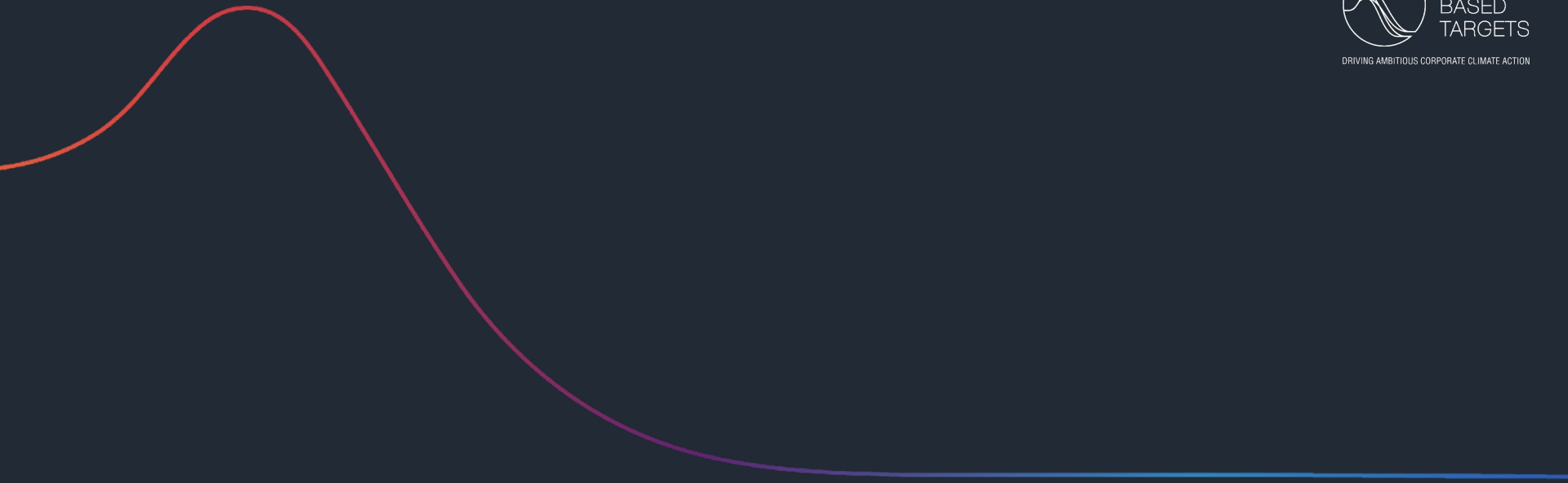
ALLOCATING THE CARBON BUDGET - METHODS FOR SCOPE 1 AND 2

Absolute-based approach

- Sector-agnostic
- Scope 1 & 2 emissions: **contraction of absolute emissions** in line with decarbonisation rate of climate scenarios
- Can be used by companies from all sectors, except Power Generation and Oil & Gas

Sector-based approach

- Sector-specific
- Sectoral Decarbonization Approach (SDA) provides sectoral decarbonisation pathways that enable **emission intensity targets**
- SDA currently covers large parts of **heavy industry**, power, real estate, ICT sector, and some transport sectors, with some of these still in development/refinement
- The SBTi is also developing more bespoke sector approaches for key sectors, specifically **Oil & Gas, Shipping, Aviation, Forestry, Land and Agriculture**



SCIENCE BASED TARGETS

DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

Partner organizations

CDP DISCLOSURE INSIGHT ACTION

United Nations Global Compact

WORLD RESOURCES INSTITUTE

WWF

sciencebasedtargets.org

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Science Based Targets

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info@sciencebasedtargets.org

Setting and Achieving GHG Emission Reduction Targets at Bank of America

BANK OF AMERICA

Addressing society's biggest challenges

People, Planet, Prosperity

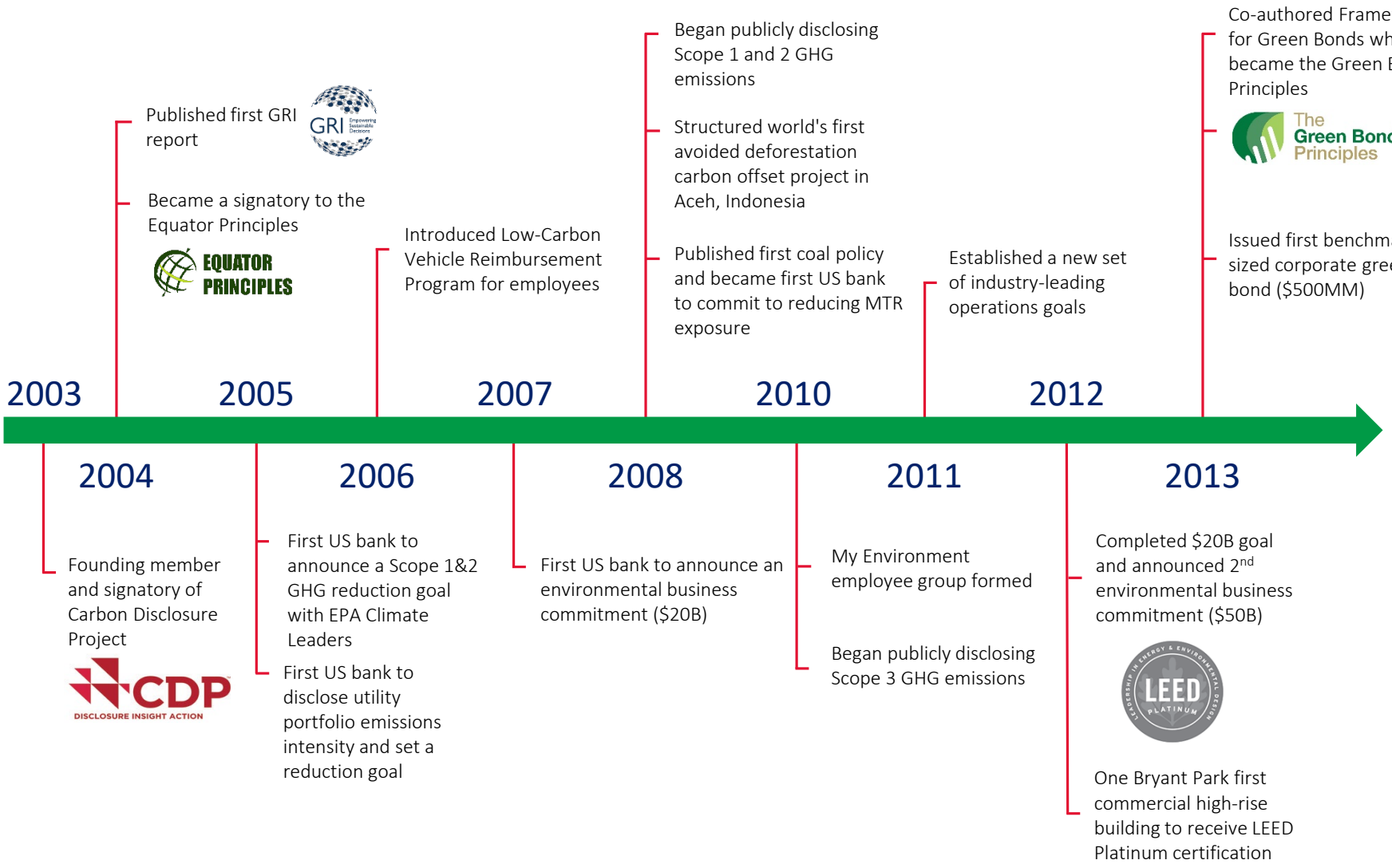
By aligning our capabilities, we create the scale needed to drive capital toward the world's most important priorities as defined in the **UN Sustainable Development Goals (SDGs):**

- Affordable housing
- Equal access to opportunities for prosperity
- Climate action
- Clean water
- Sustainable cities
- Affordable and clean energy

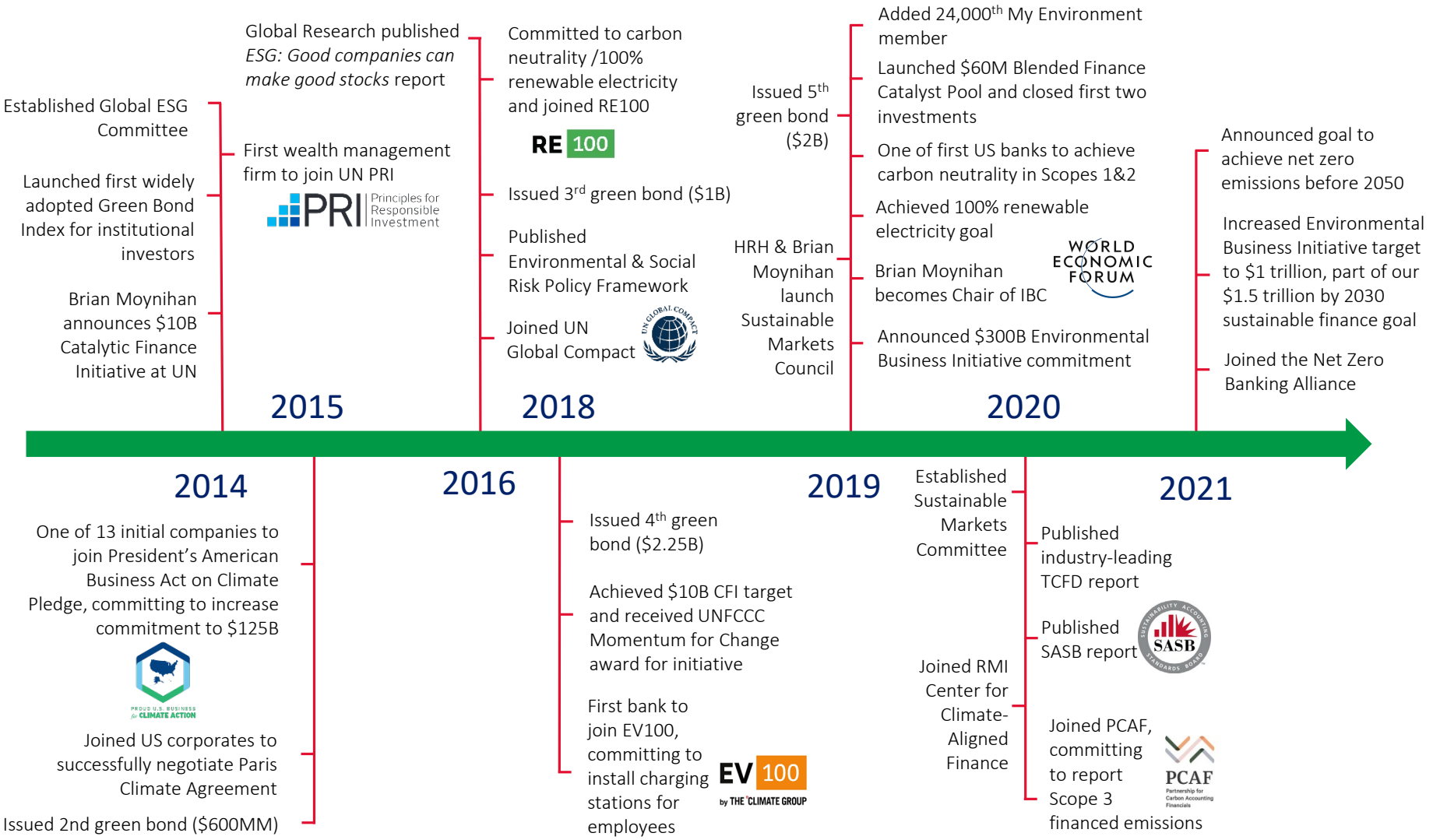
Addressing the SDGs requires about **$6 trillion annually of investment capital**.

Last year, Bank of America directed **more than $50 billion in capital** toward activities that support achievement of the SDGs.

BofA's History of Climate Leadership: 2003 to 2013



BofA's History of Climate Leadership: 2014 to Present



BofA has been recognized for our ESG leadership by various organizations:

Bloomberg Markets

Enterprise Climate Strategy

Minimize BofA's impact on the climate: net zero before 2050

Achieve net zero GHG emissions in our financing activities, operations and supply chain. Set reduction goals and strategies including $1.5 trillion commitment focused on Environmental Transition and Inclusive Development by 2030

Assess and manage climate-related risks

Establish a rigorous risk management program that advances the use of climate risk factors to enhance preparedness for a low-carbon, climate resilient future

Support clients in their low-carbon transition

Sustainable Finance goals and initiatives
Client engagement
Carbon neutrality advisory

Bank of America's environmental commitments

Bank of America (BofA) has committed to achieving **net zero before 2050 for financing activities, operations and supply chain**. As we develop the strategy to reach net zero we recognize the importance of interim goals and have outlined some below with more to come. The strategy will **incorporate broader environmental and social impacts, risks and opportunities to further embed this effort across the enterprise and into the company's strategic plan**.

Financing Activity goals

- Set interim science based targets across financing activities starting with energy and power in 2022
- $1T environmental business commitment

2030 Operations goals

- Maintain carbon neutrality (Scope 1,2) and 100% zero carbon electricity
- Reduce location-based GHG emissions by 75% by 2030 (Scope 1,2)
- Reduce energy use by 55%
- Reduce potable water use by 55%
- Achieve LEED® certification (or comparable) for 40% of building space
- Responsibly manage waste to reduce amount sent to landfill
  - Divert 75% of construction and demolition waste from the landfill
  - Dispose 100% of electronic waste using certified responsible vendors

2030 Supply Chain goals

- Ensure 70% of global vendors, by spend, set GHG emissions reduction or renewable energy targets
- Assess 90% of global vendors, by spend, for ESG risks as outlined by our Vendor Code of Conduct
- Continue to reduce paper use and purchase 100% of paper from certified sources

Enterprise Climate Strategy

Net Zero Commitment

Aligning our Activities to the Goals of the Paris Agreement

BofA's Strategic Goal

- **Achieve net zero greenhouse gas (GHG) emissions for our financing activities, operations and supply chain before 2050**
  - **Begin** publicly reporting on emissions in our client portfolios (financed emissions) in 2022
  - **Set and announce interim, 2030 goals to reduce emissions and work with stakeholders to address technology and policy challenges**

Enterprise Strategy

Fully Integrated Enterprise Strategy

Sustainable finance goals and initiatives	Rigorous risk policies	Advocacy for necessary, supportive public policy	Strong, coordinated 3rd party partnerships and alliances

Financing Activity

Setting Benchmarks and Tracking Progress

- Develop data system to **account for and report on financed emissions** in order to comply with regulations and voluntary frameworks and provide data to lines of business (LOBs) for client engagement
- Work with Energy & Power (E&P) teams to **set and announce 2030 emission targets for E&P portfolios by mid-2022**
- **Set and announce targets across all high emitting sectors, where data and scenarios exist, in or before 2024**

Strategic Client and Sector Engagement


Power


Energy


Autos


Real Estate


Transportation


Agriculture


Materials

- **Increase knowledge and understanding** across LOBs & Risk teams of climate change risk for business and clients, financing opportunities, sector decarbonization pathways and emerging technologies
- **Continue product and pricing innovation to support low-carbon technology adoption and development**
- **Embed climate risk into client selection and transaction decision-making**
- **Conduct well-orchestrated client engagement** to enhance clients' GHG emissions disclosure, management and alignment with Paris Agreement
- **Lead and participate in high-impact collaborations** designed to get agreement on pathways among industry sectors and value chains

Operations & Supply Chain

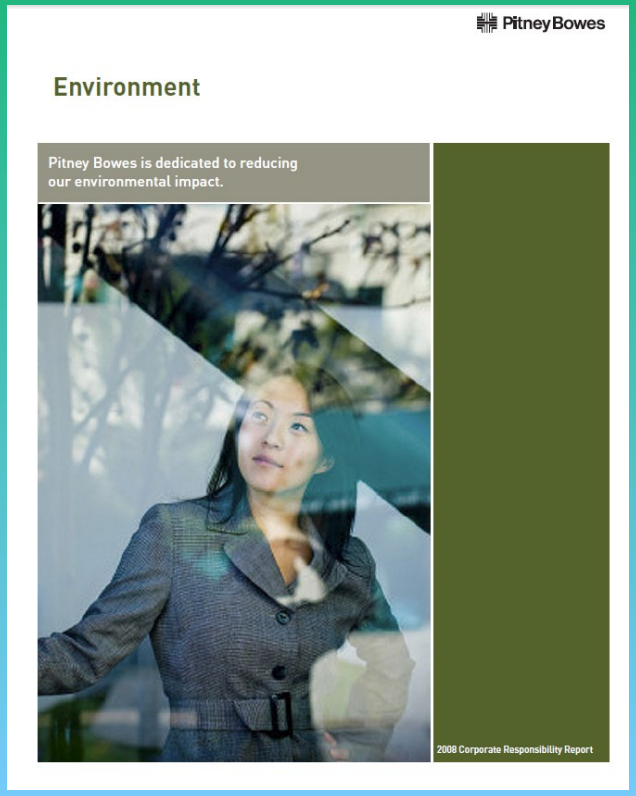
- **Continue to invest** in energy efficiency, onsite renewables and other technologies
- **Engage suppliers to meet targets** on setting science-based goals for GHG reduction and renewable energy purchases
- **Drive adoption** of electric vehicles, sustainable aviation fuel and other zero-carbon technology in transportation-related supply chain areas


BANK OF AMERICA

Setting and Achieving GHG Targets at Pitney Bowes

Allison Bresloff, CSP
Vice President, Global EHS
October 20, 2021

A long Green History



Carbon Footprint

In 2007, we established our baseline carbon footprint using the World Resources Institute standard. We publicly report our carbon footprint through the international **Carbon Disclosure Project** (CDP).

Waste Management & Recycling

Since 1996 Pitney Bowes has taken part in the EPA's WasteWise Initiative, a voluntary program to minimize the generation of wastes, increase recycling and promote the manufacture and purchase of products with recycled content. We now participate at all of our major sites in the U.S., our two largest sites in Canada and our main office complex in Harlow, U.K. Over the years we have received nine awards from the EPA, including designation as Program Champion and Partner of the Year. In 2008, we were named to the WasteWise Hall of Fame for our leadership in recycling.

From our 2008 Pitney Bowes Corporate Responsibly Report

A long Green History

- **Reducing global Scope 1 and 2 emissions nearly 13% from 2015 to 2020, exceeding goal of 8%.**
- **Reducing electricity consumption through site consolidations, efficiency upgrades, energy audits, and employee trainings. Since 2007, electricity consumption has decreased by approximately 35 million kilowatt hours, saving $5.03 million and reducing 16,810 metric tons of carbon dioxide.**
- **Implementing "Green Energy" in place of fossil fuel based energy at operating facilities when possible. Since 2009, Pitney Bowes has also purchased renewable energy credits to support 193,754,000 kWh of green power projects.**
- **Implementing programs to reduce waste and promote remanufacturing and recycling. The company avoided 3,636 metric tons of carbon dioxide equivalent through their waste reduction campaign in 2019 alone.**
- **Developing and implementing sustainability initiatives in transportation and logistics, including by phasing in fuel-efficient vehicles for the North America Service Fleet, installing EV charging stations at Pitney Bowes's largest office building, and making hardware and software improvements for commercial vehicles to reduce emissions.**

Our remanufacturing process has kept

MORE THAN **3.6** million pounds of product

out of our waste streams in the past 8 years.

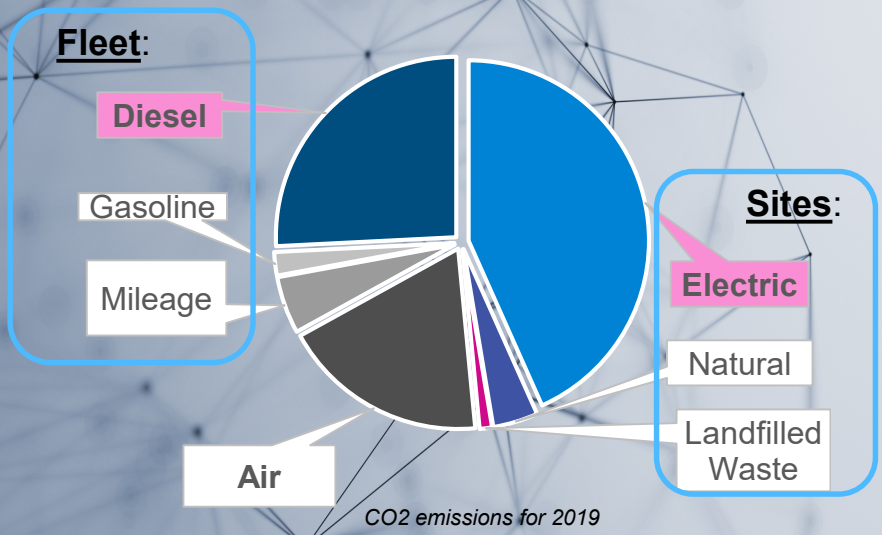
Goal Setting

Understanding our environmental impacts

We worked with all lines of business to outline our processes and identify each step that could impact the environment

We prioritized the issues and finally identified two main groups of impacts:

Use of energy and associated CO2 emissions



Procurement, use and disposal of physical resources

Key Drivers of Sustainability Goals - Client and Investor Perspectives

From our Clients:

- Questions about how we control sustainability issues
- Some have objectives covering their supply chain

- *Examples:*
  - *reduce absolute scope 1 and scope 2 GHG emissions 26% by 2030 from a 2015 base year.*
  - *50% of its suppliers by spend covering purchased goods and services, capital goods, and downstream leased assets will set science-based scope 1 and scope 2 targets by 2024*

- *Company X sets a target to:*
  - *reduce absolute scope 1 and 2 GHG emissions 65% by 2030 from a 2015 base year.*
  - *reduce absolute scope 3 GHG emissions 30% within the same timeframe*

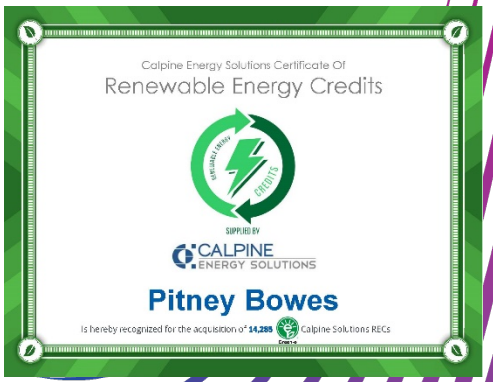
From Investors:

BlackRock.

- *BlackRock:*
  - *2020: We are integrating ESG considerations into our investment processes*
  - *2021: We are asking companies to disclose a plan for how their business model will be compatible with a net zero economy*

Set new Environmental Sustainability objectives in 2021

Achieving carbon neutrality by 2040
Efficient use of energy in our sites and fleet
Increased use of renewable energy
Offset of carbon emissions



Reducing environmental impact of our products
Sustainable life cycle of our SendTech products
Responsible packaging
Minimal impact of waste

pitney bowes

Environmental Sustainability mid-term objectives

In 2019, we achieved our 2020 carbon emissions target a year ahead of schedule. That target was an 8 percent emission reduction from our baseline year of 2015 (excluding Newgistics sites acquired after 2015). Hurray!

We set a new 8 percent Scope 1 and 2 emission reduction goal for the year 2025 (normalized to revenue), against a new baseline year of 2019.

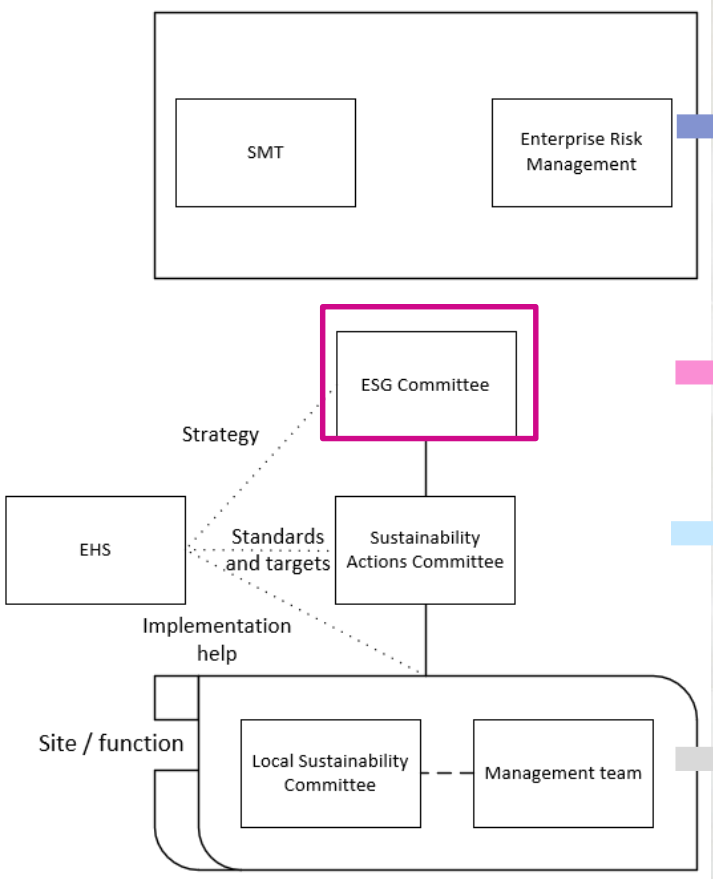
THIS WILL LIKELY BE MORE CHALLENGING TO ACHIEVE

Lessons Learned

Sustainable Life Cycle of our Products

Need all the Key partners: Operations, Supply Chain, Procurement & Engineering

Need for Sustainability Management Structure



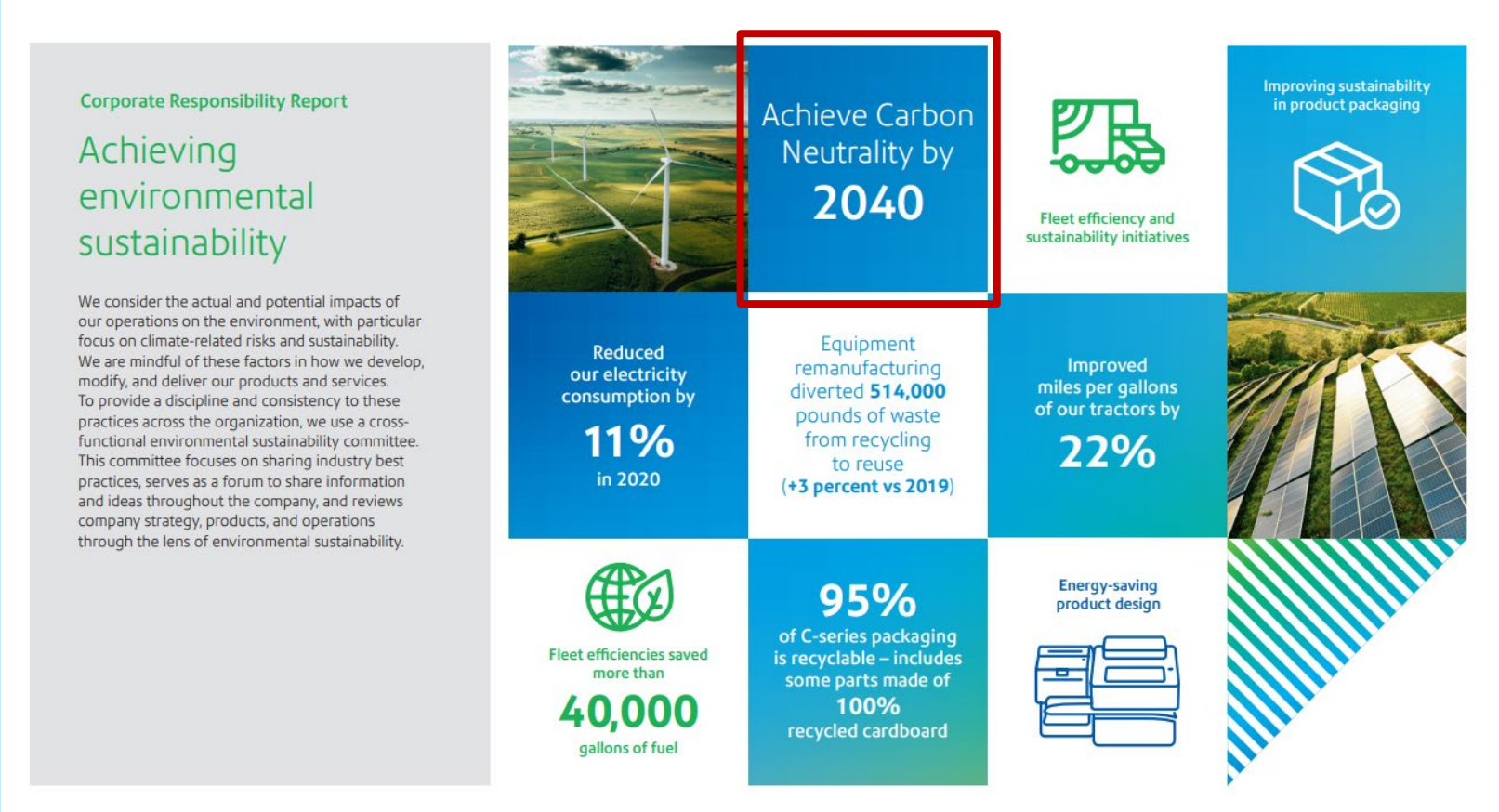
Direction and oversight	Review risk management performance	Disclose sustainability strategy (in line with TCFD)
Propose overall objectives for Leadership to approve	Review KPI and objectives	Disclose KPI's through Corporate Responsibility Report and CDP
Define targets & decisions made	Review project results and generate KPI	
Implement projects	Report data	

Sustainability Committee

- **High-level representation of all LoB and support functions that have material environmental impacts**
- **Members have deep understanding of their function and the ability to discuss the pertinence of sustainability programs**
- **Members have access to their Senior Management Leader to discuss and obtain approval for sustainability programs**
- **Members have ability to support sustainability programs in their function**
- **Members have ability to critically review data about performance of sustainability programs and take action**
- **Ensure you have a Finance Resource $$$**

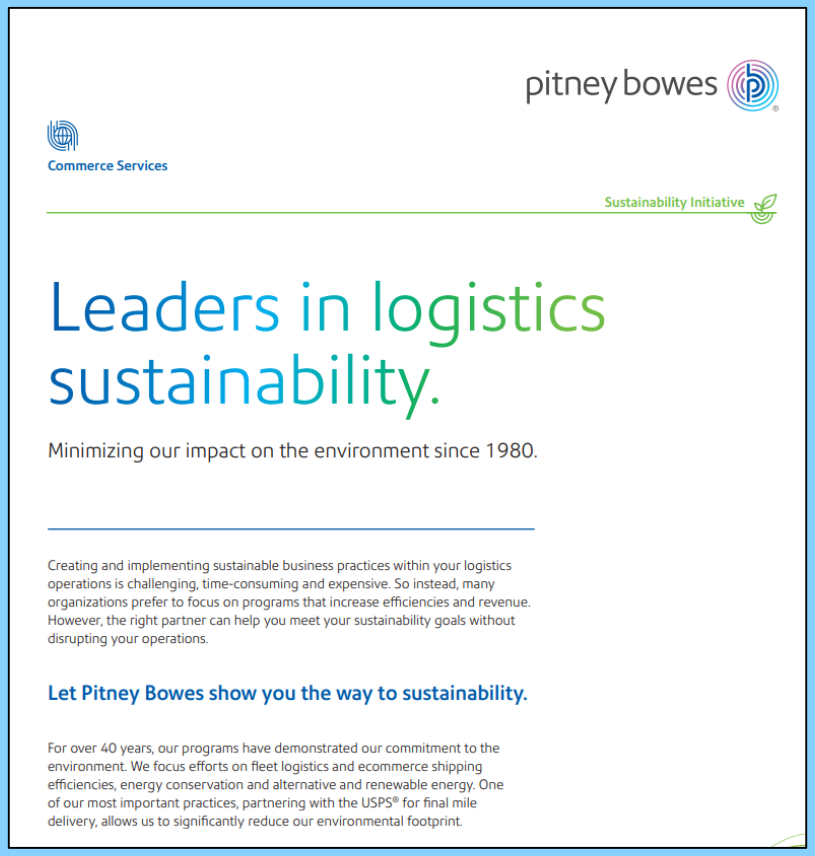
Communicating our results and getting feedback

2020 Corporate Responsibility Report



https://www.pitneybowes.com/us/our-company/corporate-responsibility.html

Targeted Client Messaging within our Ecommerce Logistics webpages



pitney bowes

Commerce Services

Sustainability Initiative

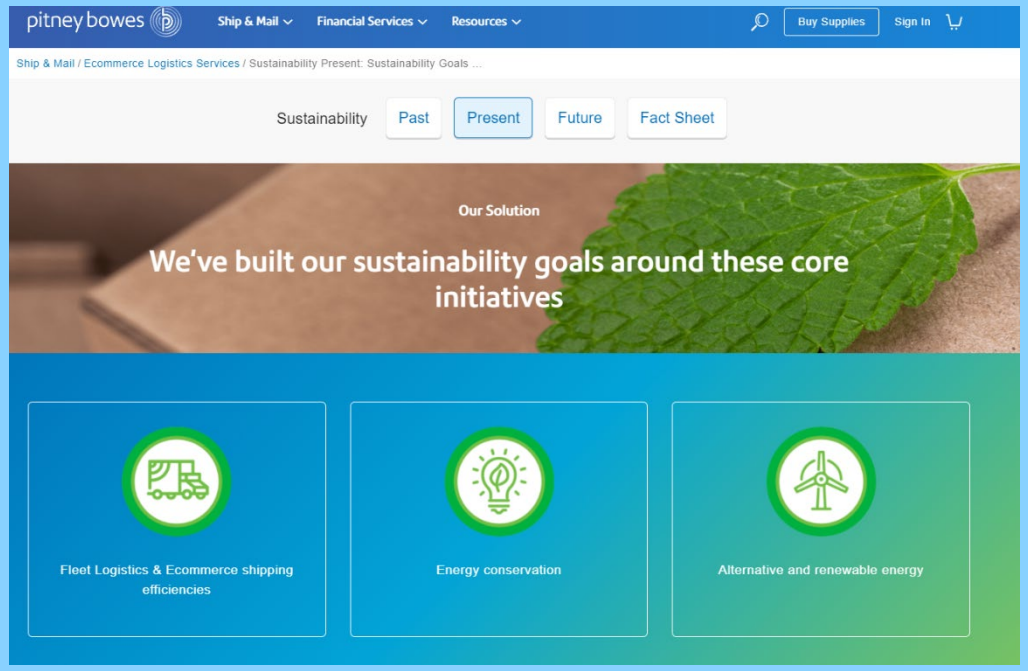
Leaders in logistics sustainability.

Minimizing our impact on the environment since 1980.

Creating and implementing sustainable business practices within your logistics operations is challenging, time-consuming and expensive. So instead, many organizations prefer to focus on programs that increase efficiencies and revenue. However, the right partner can help you meet your sustainability goals without disrupting your operations.

Let Pitney Bowes show you the way to sustainability.

For over 40 years, our programs have demonstrated our commitment to the environment. We focus efforts on fleet logistics and ecommerce shipping efficiencies, energy conservation and alternative and renewable energy. One of our most important practices, partnering with the USPS® for final mile delivery, allows us to significantly reduce our environmental footprint.



Communicating our results and obtaining feedback

General external communication

- ✓ Pitney Bowes Corporate Responsibility Report
- ✓ Reporting of CO2 emissions through CDP (formerly Carbon Disclosure Project)

Specific external communications

- ✓ Answer specific clients' questions RFP's/Bids etc.
- ✓ Surveyed our Supply Chain
  - Evaluating supplier best practices and determining potential for alignment
  - Influencing areas for improvement for suppliers
  - Investigating setting a supplier sustainability goal

Internal communication and employee engagement

- ✓ Increase awareness and communication- generate momentum
- ✓ Organize team events at site level
- ✓ Challenge our teams to identify local opportunities

Solid employee engagement is a must to enable achievement of the goals- YES, the small wins matter!!

Sustainability is an ongoing process… it will continue to evolve and change –*but these remain a constant:*

Leadership Commitment- Set and publish goals

Leadership Engagement – Resource and Deliver

Know your business impacts

Utilize your most passionate employees

Choose great leaders

Train, Educate and Involve at all levels and functions

Thank you

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Questions & Discussion

Contact Us

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

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