



# Going Carbon Neutral with US Sales Vehicle Fleet

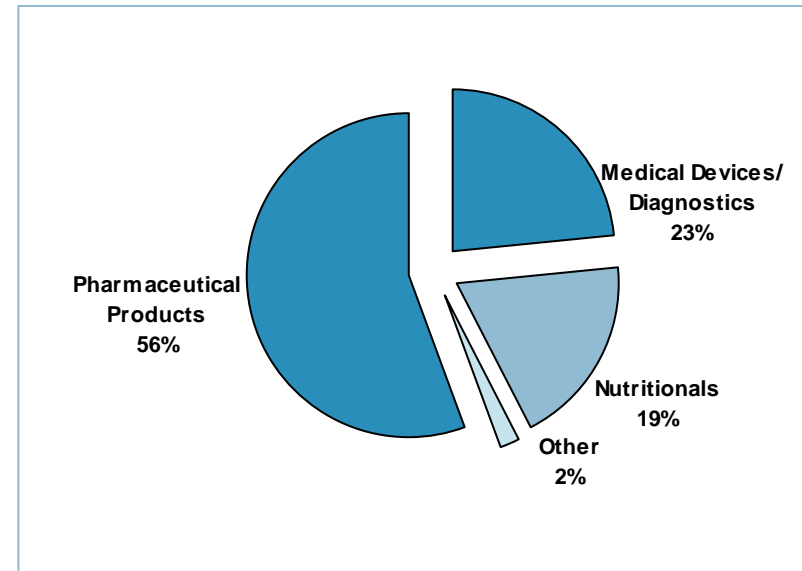
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Lindell Sneed  
Manager, Global Environmental Programs

# Abbott: A leading, broad-based health care company

- 65,000 employees worldwide
- Presence in 130 countries
- 2006 sales: \$22.5 billion
- Fortune 100 corporation

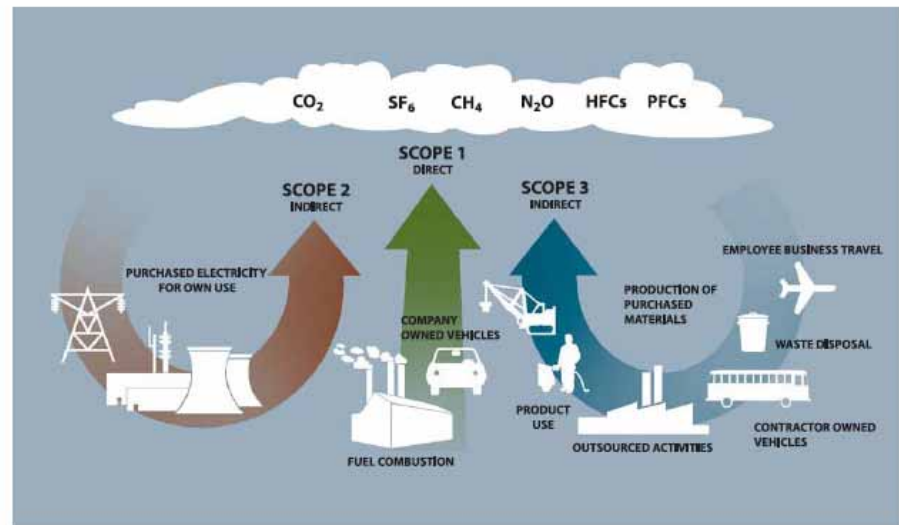
## Abbott 2006 Sales: \$22.5 Billion



11.5% growth vs. 2005

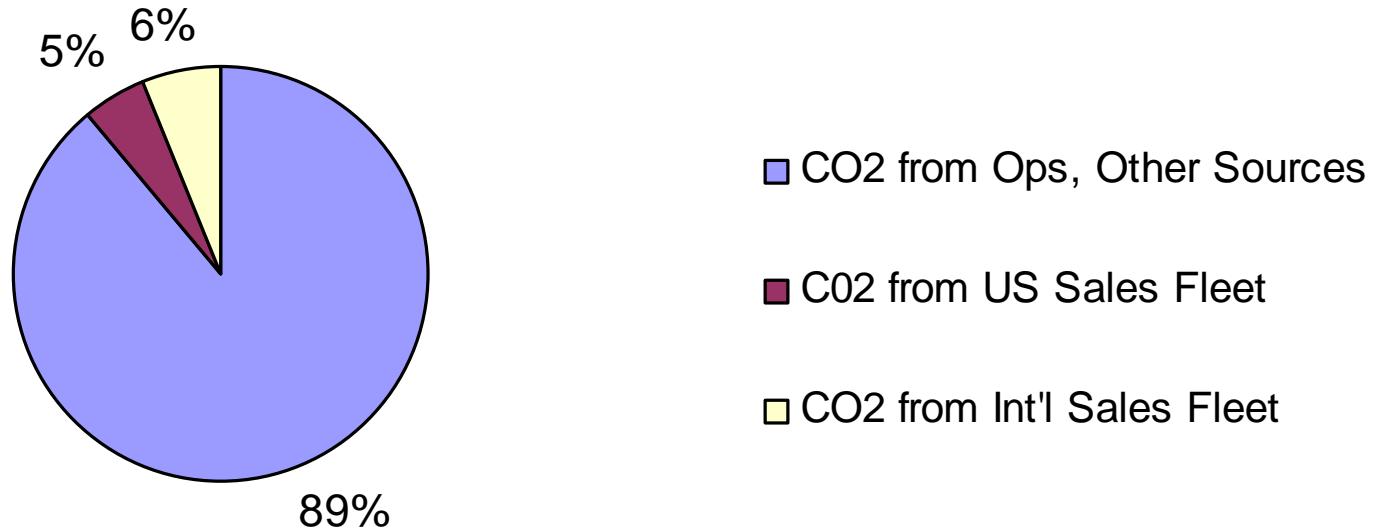
# Reducing Abbott's Carbon Footprint: Broad Strategy

- Abbott is undertaking initiatives to reduce its greenhouse gas footprint in various ways;
- Examples:
  - Initiatives Identified during Energy Assessments
  - Exploring Renewables and Alternative Technologies
  - Sustainable Packaging and Reduction Initiatives
  - Moving to greener fuels
  - Green Buildings
  - Green Meetings
  - Green Procurement
  - **Greener Vehicles**



source: New Zealand Business Council for Sustainable Development.

# Profile of Abbott's Carbon Footprint



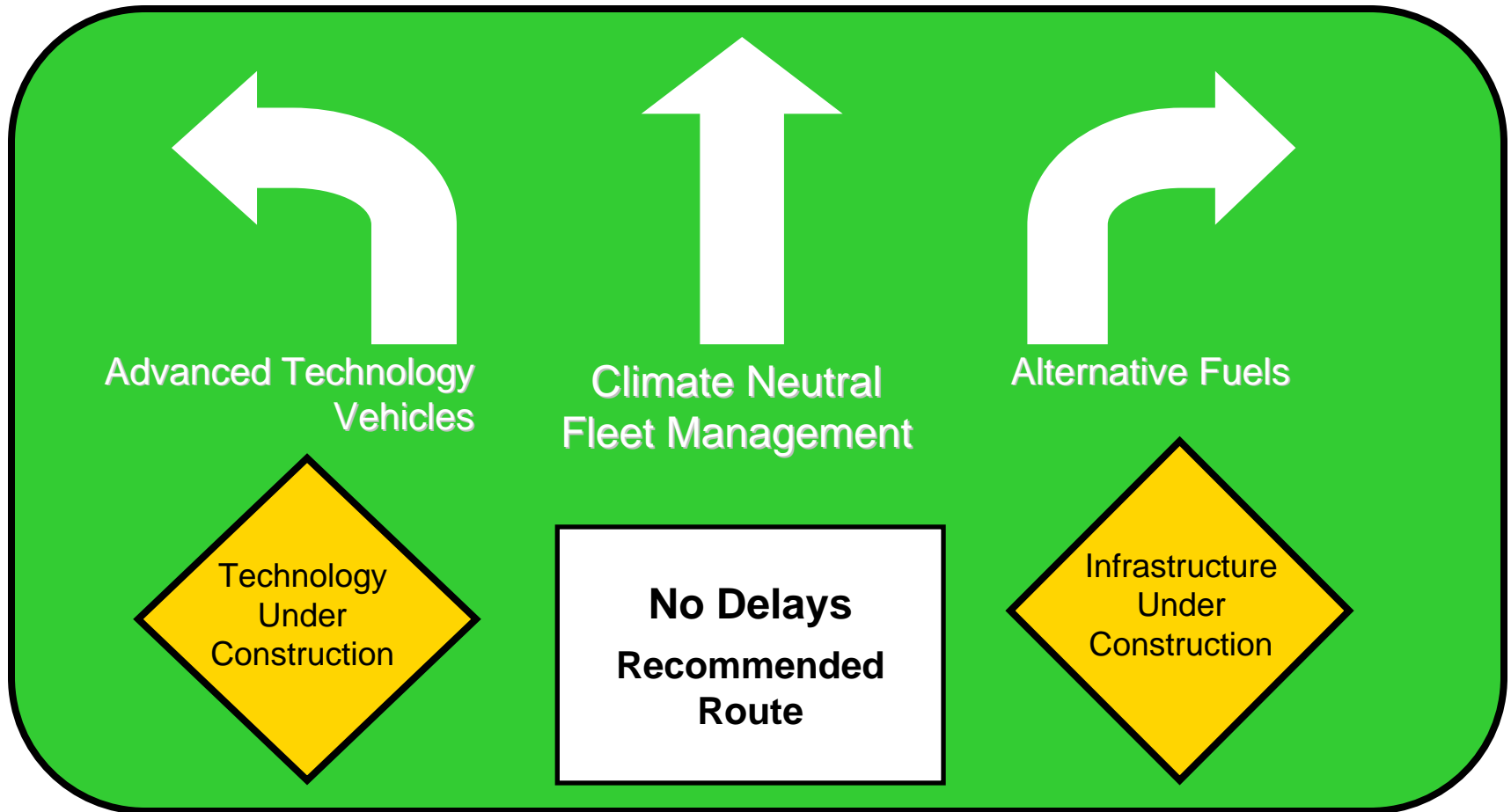
- Abbott's global sales fleet represents 11 percent of the corporation's total greenhouse gas emissions.
- Excellent level of detail about fuel use in US fleet—**Could we go Carbon Neutral?**

# Why Go Carbon Neutral with US Sales Fleet?

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- An Area of Solid Data to Gain Experience with Mechanisms for Achieving Carbon Neutrality
- A Driver for New Technology – Fewer Emissions, Less to Purchase
- Sales is an Important Part of Abbott Business – Need to Stay Abreast of Options and Environmental Impact
- Puts Abbott in a Position of Leadership.

# Fleet: Possible Routes to Carbon Neutrality



# Climate Neutral Fleet Management

## A practical route

### Improve vehicle selection

- Right size vehicles
- Choose best in class
- Evaluate total vehicle life-cycle costs
- Offer employee incentives



### Improve vehicle use

- Improve vehicle maintenance
- Influence driver behavior
- Offer employee incentives
- Deploy telematics

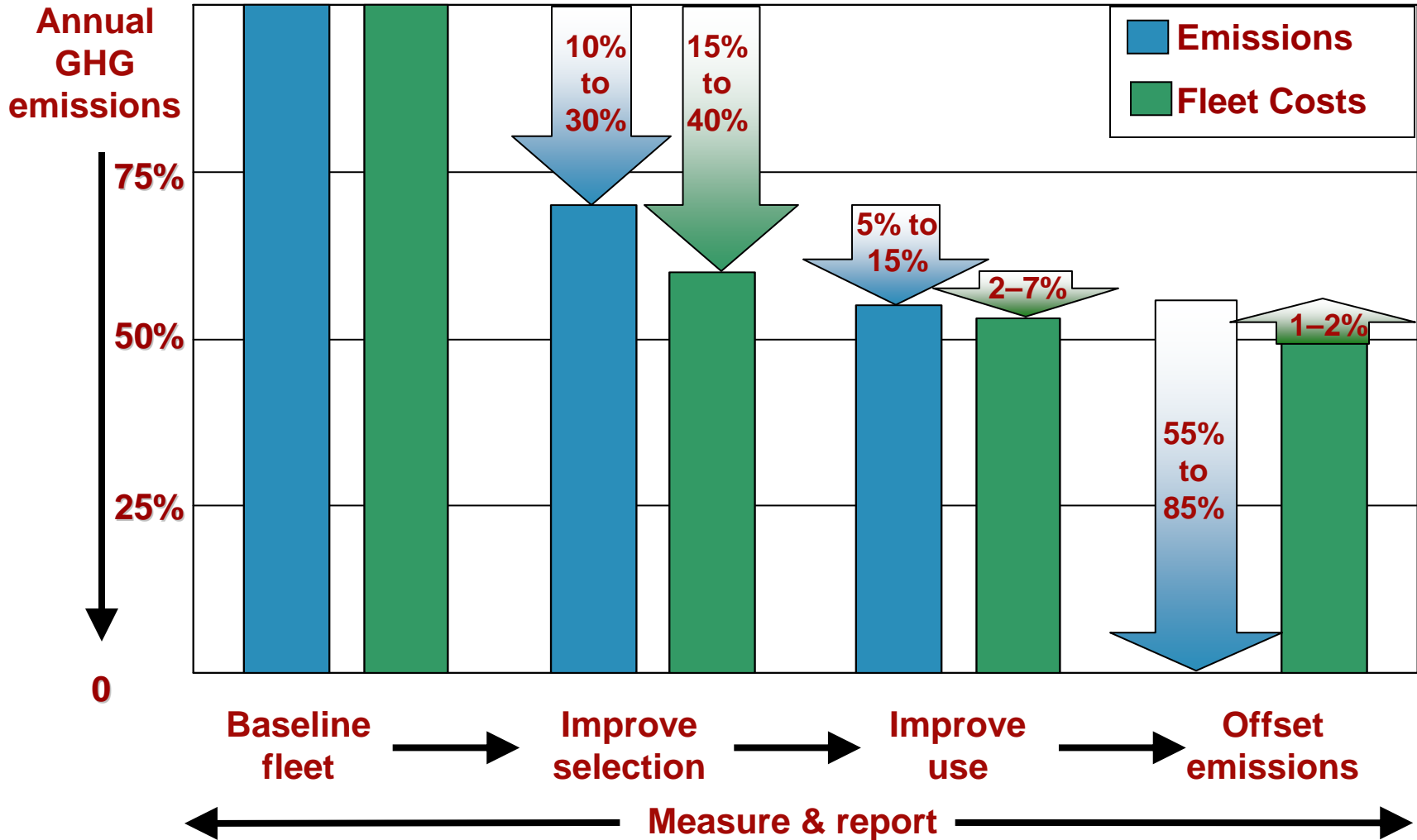


### Offset GHG emissions

- Evaluate cost-effective offset opportunities
- Invest in credible offset projects
- Use third-party verification

Measure &

# Getting to climate neutral





# Identifying the Vehicle

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- Compared CO<sub>2</sub> emissions of all vehicles considered
- Other important vehicle factors:
  - Driver needs
  - Safety features / ratings
  - Acquisition costs
  - Standing & running costs
  - Residual values
  - Manufacturer incentives
- Decided to continue sole-source relationship with DaimlerChrysler
- Added 'greener' vehicle fleet options at all levels, including hybrids
- Limited 4X4's SUVs to reps in snow belt states only

# Climate Neutral Fleet Management thru the Green Fleet Program

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**PHH GreenFleet<sup>SM</sup>**

Green Fleet is a service offered by PHH Arval in partnership with Environmental Defense that helps fleet managers include environmental criteria in their vehicle selection decisions.

## Benefits:

- Free access to a tool to better evaluate CO<sub>2</sub> emissions from fleet vehicles
- Expanded vehicle options to reduce fleet emissions
- Access to experts from Environmental Defense about emissions offsets – a cost effective method of reducing CO<sub>2</sub> emissions

# Driver Education – Corporate Fleet Website

The screenshot shows a Microsoft Internet Explorer browser window displaying the '2007 Vehicle Selector' page. The address bar shows the URL: <http://fleet.web.abbott.com/US/vehicalselector.html>. The page content includes a search bar, a navigation menu on the left, and a main text area with the following sections:

- 2007 Vehicle Selector**: A heading for the page.
- The 2007 model year vehicles displayed below are being offered on the standard selector\* during the Fall 2006 replacement cycle.** This combination of vehicles has been chosen as the result of a detailed analysis of a variety of factors, including but not limited to: vehicle purchase and operational costs, safety ratings, resale values, manufacturer incentives, environmental ratings and driver preferences.
- Think "Green"**: A sub-heading with a green leaf icon.
- This year, Abbott partnered with PHH Arval and the Environmental Defense in a pilot project called GreenFleet** whereby the 2007 model year selector options include greener vehicle choices at each level.
- The amount of green house gas (GHG) that each selector vehicle emits is shown on the 'green index' bar below each vehicle.** The numbers below the index bars represent tons of GHG emitted per vehicle, per year. For example, the bar below indicates a vehicle with 'green score' of nine, which means the vehicle emits approximately nine metric tons of greenhouse gases per year. Vehicles with lower emissions are displayed as 'greener' options, which are better for the environment.
- Drivers are strongly encouraged to select the "greenest" (or lowest emission) vehicle that meets their business needs.**
- The miles per gallon (MPG) shown are based on vehicle actuals from PHH Arval, Abbott's leasing company, to better reflect actual fleet driving patterns.**
- Before Selecting a Vehicle:** A list of five numbered instructions: 1. Review the [Choosing The Right Vehicle](#) section of the Corporate Fleet website. 2. Consider vehicles identified as 'greener' to help protect the environment. 3. Visit your local dealership to test drive the models in which you are interested. 4. Carefully consider vehicle options such as cargo capacity, whether it has front, rear or four-wheel drive, vehicle handling, etc. 5. Drivers with special needs should contact PHH to help determine which vehicle best meets their needs.
- Please be certain to evaluate the vehicle you select carefully to ensure the vehicle suits your long-term needs, as you will remain in the vehicle until it comes due for replacement.**
- Click on the vehicle links for detailed information on each model from the manufacturer's website.**

The browser's taskbar at the bottom shows several open windows, including 'Jerriann Dosemagen - Inb...', '2007 MY GreenFleet Initia...', and 'Corporate Fleet - Mic...'. The system clock shows 4:34 PM.

# Driver Education – Visual Aids

The screenshot shows a Microsoft Internet Explorer browser window displaying a corporate fleet website. The page is titled "Sales Representatives" and lists six vehicle models, each with a photograph, a "Green Index" bar, and its MPG rating. The Green Index bars are visual aids consisting of a row of five boxes, with the number of green boxes indicating the vehicle's environmental score. The vehicles and their details are as follows:

Vehicle Model	MPG	Green Index (out of 5)
Dodge Caliber SXT	25.0	5
Dodge Charger Base	22.8	4
Dodge Magnum Base	21.6	3
Chrysler 300 Base	22.0	5
Dodge Caravan SXT	20.4	3
Jeep Liberty Limited 4x2	18.4	2

Additional features for the Dodge Caliber SXT are listed: "Includes leather, sunroof, Sirius satellite radio, AND a discounted personal use fee of only \$10.50/wk". A note for the Jeep Liberty Limited 4x2 states: "Select a 4X2, which is better for the environment, and drive a Jeep Limited vs. Sport".

Two callout boxes are present:

- A green box on the left states: "Green Index" bars helped illustrate each vehicles' impact on the environment.
- A green box on the left states: Highlighted additional features offered on greener choices.

# 2008 Model Year Selector

## Sales Reps

-  – Toyota Prius Hybrid
-  – Dodge Avenger SXT
-  – Jeep Liberty Sport 4X4
-  – Jeep Liberty Sport 4X2
- Dodge Grand Caravan SE



Toyota Prius Hybrid





Dodge Avenger SXT



Chrysler 300's

## District Managers

-  – Toyota Camry Hybrid
- Chrysler 300 Touring
- Jeep Liberty Limited 4X4
-  – Jeep Liberty Limited 4X2




Toyota Camry Hybrid



Dodge Grand Caravan SE

## Regional Managers

- Chrysler 300 Limited
- Jeep Grand Cherokee Laredo 4X4
-  – Jeep Grand Cherokee Laredo 4X2

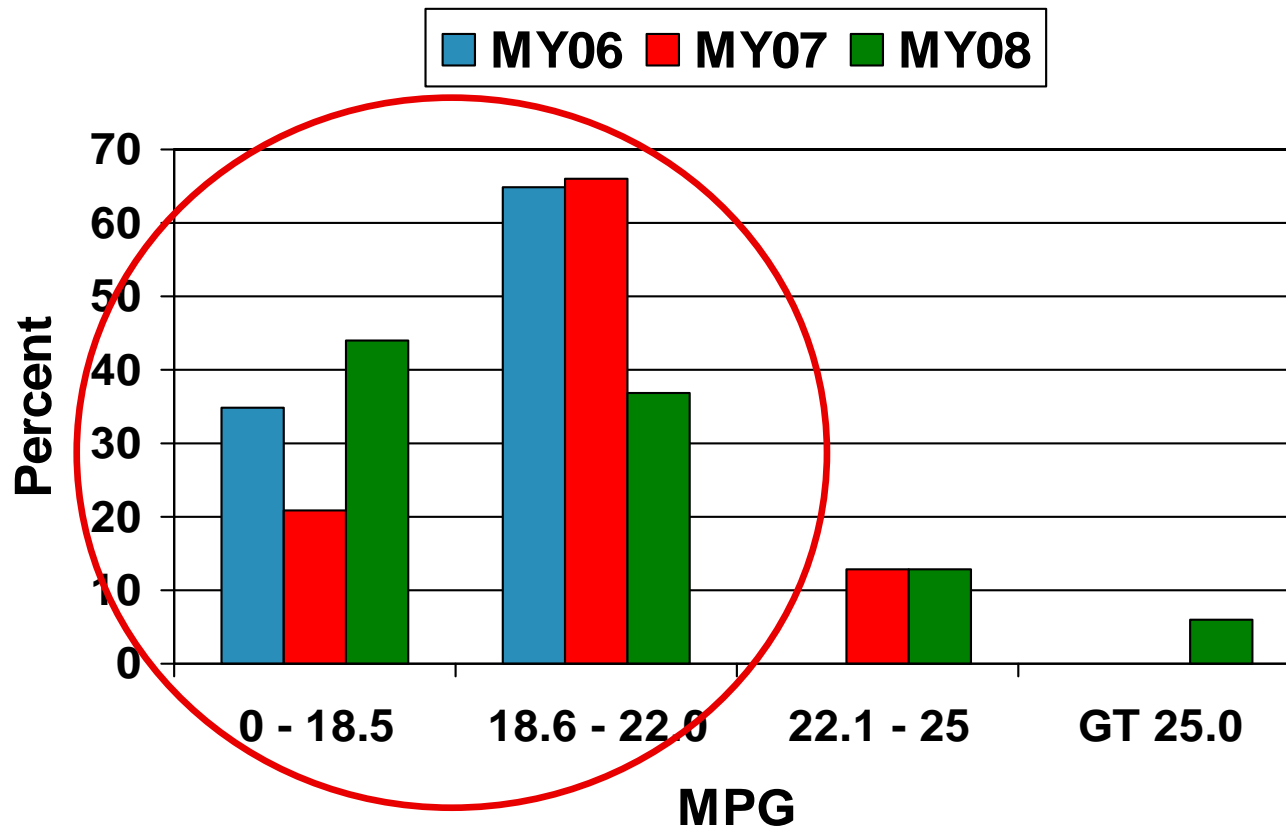


Jeep Liberty Sport & Ltd  
4X4 & 4X2



Jeep Grand  
Cherokee Laredo  
4X4 & 4X2

# Success Story: MY2006-2008 Results



- Dodge Caravan (20.4 mpg) discontinued
- Grand Caravan (19.5 mpg)
- Significantly higher % of SUVs ordered (44% SUV orders)

# Success Story: MY2006-2008 Results

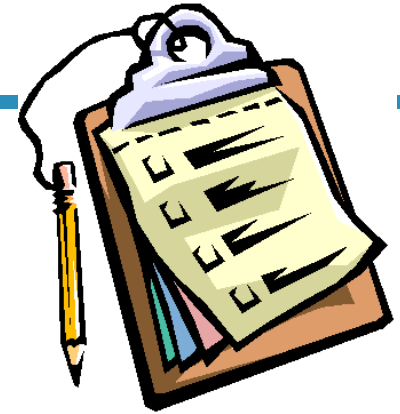
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## With Voluntary Approach, We Achieved:

- 33% selection of “greener” vehicles
- 4.7% reduction in GHG emissions
- Positive driver and manager feedback
- **Knowledge to build more effective selectors in the future**

# Understanding Selections: Post Selector Driver Survey

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## Methodology & Objectives

### Objectives

- Determine driver motivations in selecting vehicles
- Identify opportunities for making green vehicles more attractive
- Understand driver communication needs

### Methodology

- Surveyed Abbott drivers that ordered a vehicle in the Fall 2006
- Sample size: 983
- Response rate: 619 (63%)



# Drivers Who Chose Greener Vehicles

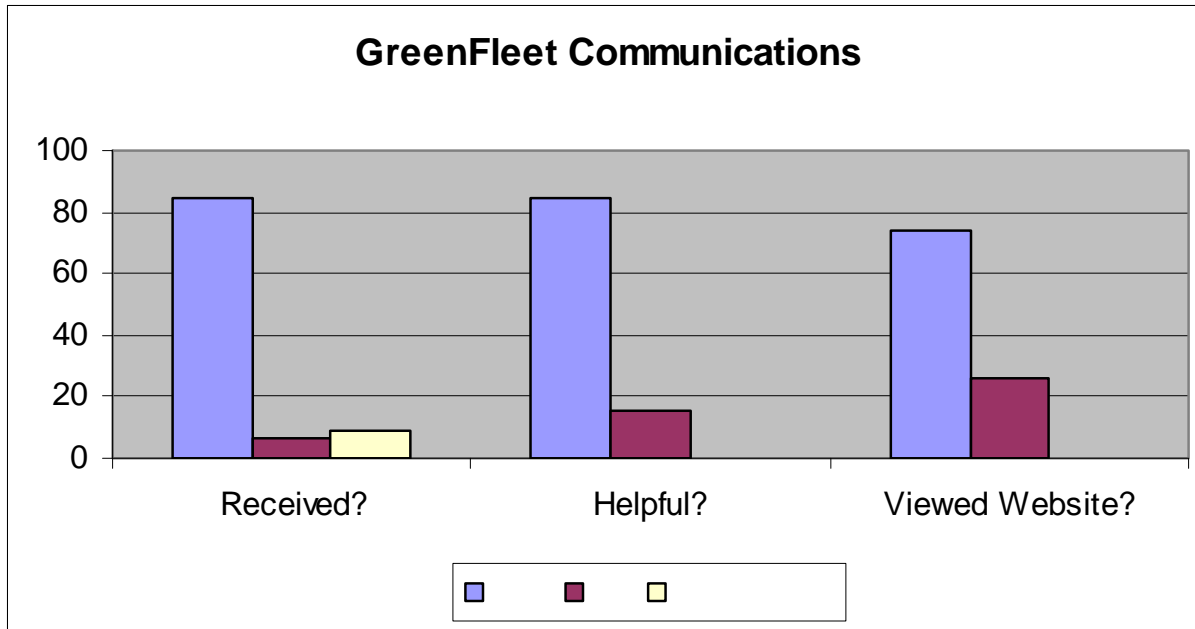
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## Driver comments on why they selected Green vehicles:

- Lower personal use fee
- Free upgrades
- Reduced dependence of foreign oil
- Environmental impact wasn't the primary factor in my decision, but it was good to see that the vehicle I chose was relatively good towards the environment



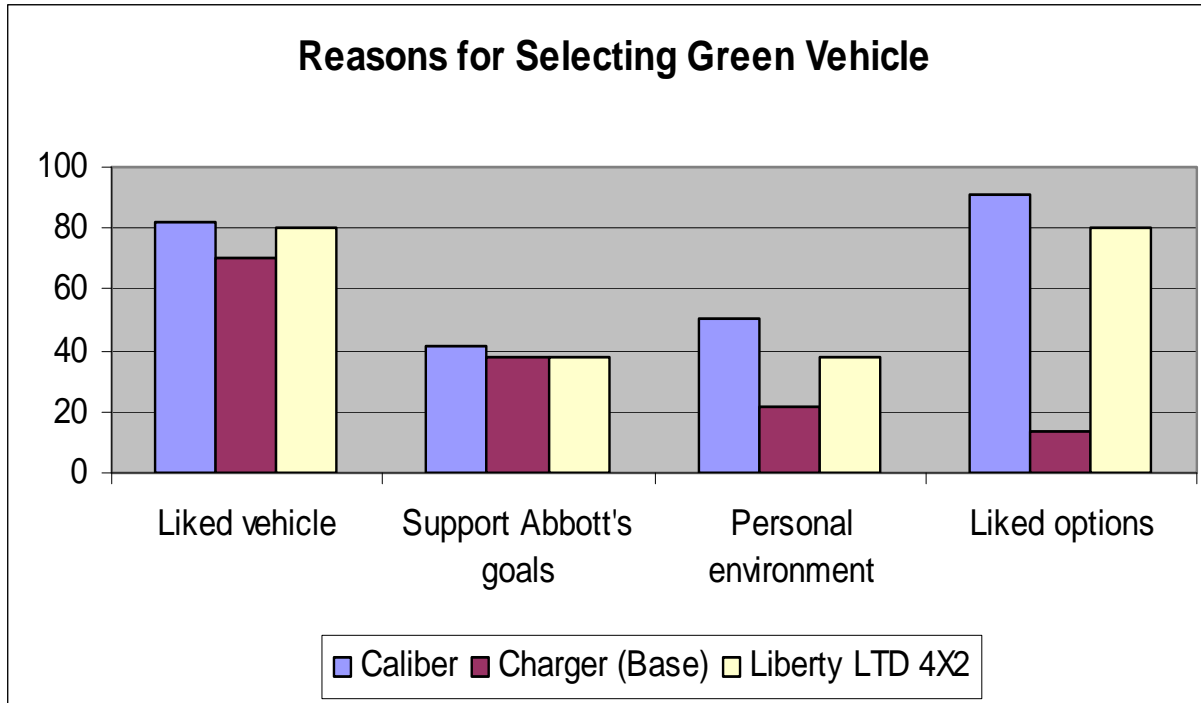
# Post Selector Driver Survey: Communications



## Additional information that would be helpful:

- Connection between vehicles and the environment (25.2%)
- Abbott's environmental goals (24.4%)

# Post Selector Driver Survey: Reason for Selecting Greener Vehicle

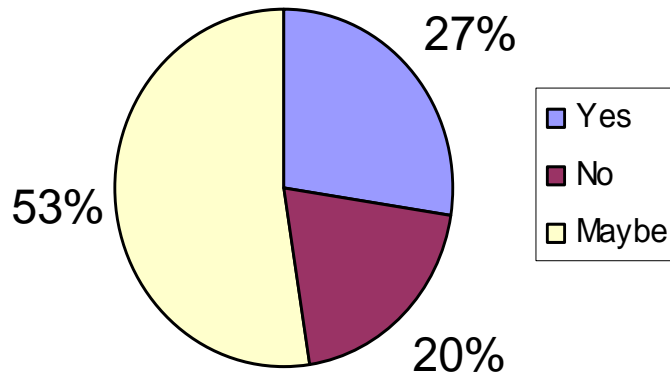


## Driver comments on why they selected Green vehicles:

- Lower personal use fee
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# Interest in Hybrid Vehicles

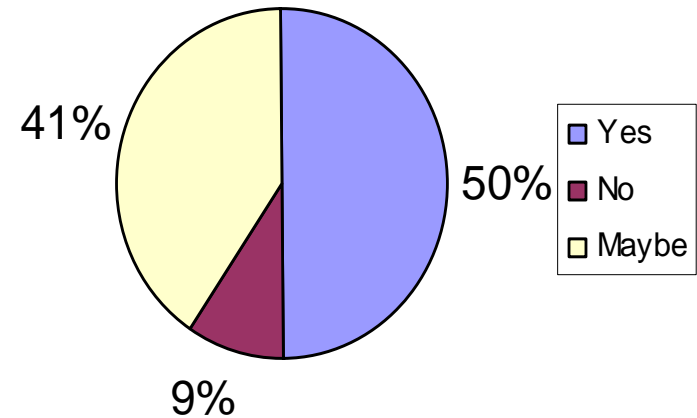
## Would you choose a hybrid sedan?



### Maybe:

- If large enough
- If comfortable

## Would you choose a hybrid SUV?



### Maybe:

- If large enough
- If fit 6-7 passengers

### Overall concerns:

- Safety
- Being asked to keep the vehicle longer

# Climate Neutral Fleet Management

## A practical route

### Improve vehicle selection

- Right size vehicles
- Choose best in class
- Evaluate total vehicle life-cycle costs
- Offer employee incentives

CONTINUOUS  
PROCESS



### Improve vehicle use

- Improve vehicle maintenance
- Influence driver behavior
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- Deploy telematics

Measure & report  
CONTINUOUS  
PROCESS



### Offset GHG emissions

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# Conclusions

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- Voluntary approach is effective
- Communications are critical
- Knowing the audience is important
- Field personnel are open to hybrids, as long as vehicle is large enough to meet business needs
- This is a learning process