

January 2006



U.S. Environmental Protection Agency

EPA's Climate Leaders Partnership

Program Overview



What is Climate Leaders?

- ◆ Encourages companies to develop comprehensive climate change strategies
- ◆ Assists companies to understand and manage their GHG risk
- ◆ Provides inventory protocol to track corporate GHG emissions and reductions
- ◆ Key Component of The Administration's Climate Plan

EPA's Climate Change Umbrella Program



What Climate Leaders Means For Your Business

- ◆ Public recognition
- ◆ Technical inventorying assistance
- ◆ Better manage GHG emissions and associated risks
- ◆ Become a well-informed player in policy discussions
- ◆ Integration with State, Regional, and international GHG accounting schemes
- ◆ Peer exchange



High-Level Public Recognition

Climate Leaders Partners receive high-level recognition through:

- ◆ press events
- ◆ partner meetings
- ◆ articles in local, national, and trade press
- ◆ PSAs



Eric Kuhn of Cinergy receives recognition certificate announcing their Climate Leaders GHG Target

High-Level Public Recognition



3M
Advanced Micro Devices, Inc.
American Electric Power
Ball Corporation
Bank of America Corporation
Baxter International
Calpine
Caterpillar Inc.
The Collins Companies
Cinergy Corp.
Eastman Kodak Company
Exelon Corporation
First Environment, Inc.
FPL Group, Inc.
Frito Lay, Inc.
Gap Inc.
General Electric Company
General Motors Corporation
Green Mountain Energy Company
Hasbro, Inc.
Holcim (US) Inc.
IBM Corporation
Interface, Inc.
International Paper
Johnson & Johnson
Maniott International, Inc.
Melaver, Inc.
Miller Brewing Company
National Renewable Energy Laboratory
Norm Thompson Outfitters, Inc.
Pfizer, Inc.
PSEG
Roche Group US Affiliates
SC Johnson
Staples, Inc.
St. Lawrence Cement
Sun Microsystems, Inc.
United Technologies Corporation
Xerox Corporation

**WE'VE LOST 15 BILLION LBS.
ASK US
HOW**

CLIMATE LEADERS
U.S. Environmental Protection Agency

EPA congratulates these corporate leaders for setting goals to reduce billions of pounds of greenhouse gas emissions. It's the equivalent of eliminating the annual emissions of 5 million cars. Now, that's a healthy deal which can benefit us all. To learn how your company can become a Climate Leader, go to www.epa.gov/climateleaders.

- ◆ Climate Leaders public service announcement (PSA) highlights Partners that have set targets
- ◆ The current PSA has been placed in US News & World Report, Forbes, Entrepreneur, & Inc.

- ◆ Total Circulation: **4,612,193**

- ◆ Total Ad Value: **\$565,512**



Free Technical Assistance

Climate Leaders provides expert technical assistance to

- Understand the Climate Leaders GHG Protocol
- Create a high-quality GHG inventory
- Develop an inventory management plan

“The Climate Leaders program offers us an excellent opportunity to identify, track, and reduce GHG emissions with assistance from EPA and its technical consultants. This important partnership reflects our ongoing corporate commitment to a healthy environment.”

- Mike Bell, Vice President, Building Services, Target Corporation

Becoming a Climate Leaders Partner Is Simple

Partners agree to:

- ◆ Complete an annual GHG inventory
- ◆ Develop and document for EPA an inventory management plan
- ◆ Set a 5 - 10 year emissions reduction goal that's aggressive for your sector

The image shows a screenshot of the Climate Leaders Partnership Agreement form. The form is titled "CLIMATE LEADERS Partnership Agreement" and is part of the U.S. Environmental Protection Agency's Climate Leaders program. It includes sections for "Introduction", "Partnership Agreement", "Goals and Objectives", and "Signatures". The form is designed to be filled out by a company and signed by both the company and the EPA. The form is currently blank, with only the introductory text and signature lines visible.

A Customized Inventory

◆ Required

- Corporate-wide (all U.S. operations)
- 6 major GHGs
- Direct emissions
- Indirect emissions from electricity, heat, and steam

◆ Optional

- International operations
- Offset projects
- Employee travel and commuting
- Product transport



Partners Must Develop An Inventory Management Plan

- ◆ Partners develop and implement an Inventory Management Plan (IMP) or a similar collection of Standard Operating Procedures and document process for EPA
- ◆ EPA has provided a checklist of components that make up a good IMP for use as a guideline when preparing documentation
- ◆ EPA review of a company's IMP provides assurance that Partners develop a high-quality inventory and institutionalize their inventory process

Climate Leaders Reduction Goals

A corporate GHG reduction pledge to be achieved over next 5-10 years

- ◆ Must be considered aggressive for your sector
- ◆ May be absolute or normalized for production
- ◆ Must set base year using recent data
- ◆ May record reductions back to 1990
- ◆ May reevaluate pledge over time

Partner Commitments

46 Climate Leaders Partners have set reduction goals

- ◆ Gap Inc. pledged to reduce U.S. GHG emissions by 11 percent per square foot from 2003 to 2008
 - ◆ General Motors pledged to reduce total emissions in 2000 by 10% for all of their N.A. facilities by 2005
 - ◆ Holcim pledged to reduce emissions in 2000 by 12% per ton of cement by 2008
 - ◆ Cinergy pledged to reduce total emissions by 5% below 2000 levels by 2010
- ◆ 79 current Partners

Partner Success Story: SC Johnson

Cogeneration Using Landfill Gas

SC Johnson pledged to reduce its GHG intensity by 23% per pound of product from 2000 to 2005.

The company focused their GHG reductions efforts at their largest facility, Waxdale.

Two strategies were combined - using cogeneration to increase efficiency and using landfill methane, a renewable power source.

SC Johnson installed a turbine system which burns landfill gas and will reduce GHG emissions by 30,000 tons per year. The system will also cut the facility's electricity and natural gas consumption roughly in half.

Project will save more than \$2million dollars a year with nearly 20% return on investment.

Partner Success Story: Baxter International

Energy Efficiency

Baxter pledged to reduce U.S. GHG emissions by 16 percent per unit of production value from 2000 to 2005, with production value equated to cost of goods sold, adjusted for changes in inventory, business acquisitions, divestitures, and inflation.

The company was one of the first Partners to meet its goal.

Baxter's GHG reduction strategy has relied largely on improving energy efficiency at several U.S. facilities. For example, the company now uses sterilization procedures that are more energy efficient, has employed new technology in its clean rooms to reduce its HVAC and lighting requirements, and has built new energy efficient plasma collection centers.

Partner Success Story: Cinergy

Funding an Aggressive Goal

Cinergy has pledged to reduce total U.S. GHG emissions by 5 percent from 2000 levels by 2010 through 2012.

To meet its aggressive goal, the company has dedicated a fund of at least \$21 million from 2004 to 2010 and set up a GHG Management Committee to oversee it.

In 2004 and 2005, the Committee received more than 200 responses to its annual Request for Ideas and has funded 30 projects at a total of \$6 million.

Cinergy expects to reduce approximately 600,000 tons of CO₂ annually.

Partner Success Story: IBM

Saving Money

IBM pledged to achieve 1) average annual CO2 emissions reductions equivalent to 4 percent of the emissions associated with the company's worldwide energy use and 2) an absolute 10 percent reduction in perfluorocompound (PFC) emissions from IBM's semiconductor manufacturing processes from 2000 to 2005.

IBM met its energy use goal through renewable energy procurement and energy efficiency, including motion detectors for lighting control and building environment controls to minimize energy usage.

IBM engineers took a leadership role in redesigning PFC-using processes; the company reduced PFC emissions by 57.6% from 2000 to 2004.

The company estimates it has saved \$115 million in reduced energy costs since 1998.

Climate Leaders Impact

- ◆ Partners combined U.S. GHG emissions equal to 8% of total U.S. GHG emissions
- ◆ The targets announced to date will prevent a total of eight million metric tons of carbon equivalent per year
- ◆ These reductions are equal to the annual emissions of five million cars

The Company We Keep

