

Climate Leadership in the Financial Sector

Tuesday, May 19, 2015

Presented by:

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Guest Speakers:

Jay Bruns, Vice President of Public Policy, The Hartford

Lisa Shpritz, Environmental Operations Executive, Bank of America



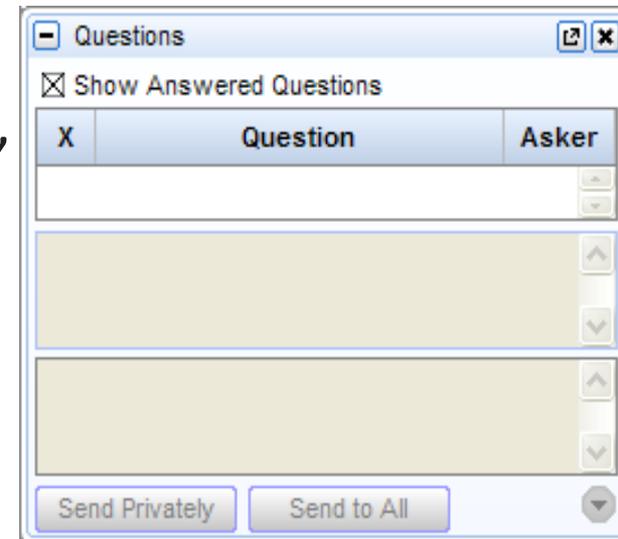
Webinar Agenda

- Introduction and webinar logistics
- Climate Leadership Award Winners In the Financial Sector - Guest Speakers:
 - Jay Bruns, Vice President of Public Policy, The Hartford
 - Lisa Shpritz, Environmental Operations Executive, Bank of America
- Q&A
- Post-webinar survey

Webinar Logistics

- Attendees are muted to reduce background noise.
- Submit questions and comments in writing via the online control panel. →→ →
- To minimize or maximize the control panel, click on the button at the top left of the tool bar.
- Post-webinar survey on this webinar and topics for future webinars.
- Today's presentations will be available at:

<http://www.epa.gov/climateleadership/events/2015-05-19-webinar.html>





About the Center

- A resource center for organizations of all sizes looking to expand their work in the area of greenhouse gas (GHG) measurement and management.
- Provides technical tools & guidance, educational resources, opportunities for information sharing (e.g., Webinars) and peer exchange.
- Promote practices that reduce GHG emissions, drawing upon the successes of Climate Leadership Award recipients and innovations by organizations.
- Support the implementation of E.O. 13693.

Climate Leadership Awards

Climate Leadership Awards

- Launched in 2012. Lead with NGO partners - Center for Climate and Energy Solutions (C2ES) & The Climate Registry.
- Awards recognize exemplary corporate, organizational, and individual leadership in addressing climate change.
 - Six categories
 - Financial Sector spans several categories
- EPA is also the headline sponsor for the Climate Leadership Conference.





Climate Leadership: Financial Sector

- Financial sector has been recognized in EPA's annual Climate Leadership Awards six times!
 - Bank of America: Organizational Leadership Award, 2015; Excellence in Greenhouse Gas Management (Goal Setting Certificate), 2013
 - The Hartford: Excellence in Greenhouse Gas Management (Goal Setting Certificate), 2015; Excellence in Greenhouse Gas Management (Goal Achievement Award), 2014
 - Capital One Financial Corporation: Excellence in Greenhouse Gas Management (Goal Setting Certificate), 2015
 - Wells Fargo & Company: Excellence in Greenhouse Gas Management (Goal Setting Certificate), 2013
 - The commitment and actions of these companies are not only influencing their financial sector peers in regard to environmental issues, but also other corporations, state and local municipalities, and individuals.



Climate Leadership: Financial Sector

- Absolute greenhouse gas reduction goals
 - All financial sector awardees -- Bank of America, Capital One Financial Corporation, The Hartford, and Wells Fargo & Company have set absolute company-wide greenhouse gas emissions reduction goals ranging between 15-35%.
- Many financial institutions are purchasing green power
 - Renewable energy certificates (RECs)
 - Green power contracts through local providers
 - On-site generation



Climate Leadership: Financial Sector

- Financial sector is demonstrating leadership despite large and dispersed square footage
 - Financial institutions generally have many outlets or storefronts rather than large centralized facilities.
 - This dispersed configuration of corporate square footage can make efficiency upgrades challenging due to the number of separate facilities.
 - Despite these challenges, financial sector leaders are implementing many efficiency upgrades including:
 - Retrofits to existing building stock
 - HVAC / lighting and building automation upgrades
 - Insulation and window upgrades
 - Advanced new building construction standard application
 - Paperless and virtual meetings
 - Vehicle fleet efficiency upgrades



Climate Leadership: Financial Sector

- Employee, customer, and community outreach
 - Internal incentives and recognition for environmental performance.
 - Communication with customers about their environmental goals and what customers can do for the environment.
 - Collaboration and information sharing with their community and more broadly with universities, government, corporate peers.
- Innovative financing products
 - Bank of America announced a \$20 billion U.S. commitment to financing energy efficiency, renewable energy, and other low-carbon products.
 - Bank of America also issued the first corporate green bond fund in 2013.

Jay Bruns
May 19, 2015

SUSTAINABILITY AT THE HARTFORD



Overview



- Leading provider of property and casualty insurance, group benefits and mutual funds
 - Widely recognized for service excellence, sustainability practices, trust and integrity
- Based in Hartford, CT
- Almost 18,000 employees
- \$18.6 billion in revenue in 2014; total assets \$245 billion
- Ranked at 113 on 2014 Fortune 500 list
- 205 year history

The Hartford's Public Commitment to Environment



In 2007 The Hartford

- Began to report to the Carbon Disclosure Project
- Issued a climate change statement
- Created an Environment Committee

Ongoing commitments embedded in Climate Change Statement



- The Hartford recognizes “clear consensus in the scientific community that climate change is of real and increasing concern”
- Our approach to climate change is as an insurer, investor, employer, property owner and responsible corporate citizen
- Our commitment:
 - “Continue to take measures to reduce its own energy consumption and encourage others to do likewise”
 - “Seek to develop products and make investment decisions that promote environmentally responsible activity while enhancing The Hartford’s competitive position”
 - “Strongly advocate for better land use planning in both coastal and non-coastal areas, improved building codes with more rigid enforcement, and the elimination of subsidies and other incentives that promote development in areas most exposed to natural disasters”

Key Achievements



- GHG Emissions
 - Set 3 Voluntary GHG targets, met first 2
 - Using 2007 as a base year, reduced GHGs by over 50% through 2014
 - Energy efficient plant, data center consolidation, work from home, vehicle fleet changes
 - Reduced internal paper use by 80% 2009-2014, using managed print

- Products/Investment Decisions
 - 11 insurance products, including premium discount for EV owners
 - Renewable Energy Insurance practice
 - Environmental Investment Policy Statement

- Land Use Planning/Building Codes
 - Support National Flood Insurance Program reforms
 - Participate in White House Round Table on Resilience and Insurance

Employee Engagement



- Hartford Environmental Action (“HEAT”) Team
 - 260 employee volunteers
 - Annual commuter challenge, annual eCycling drive, “greenest” employee competition
 - New: Community garden, lunch ‘n learn
- Arbor Day event
- Annual commuter survey of all employees

Bank of America Climate Initiatives

May 19, 2015

Bank of America 

Bank of America Merrill Lynch U.S. Bank of America
America Lynch Trust Merrill Lynch

Commitment to the environment

Environmental sustainability is one of the key components of our Corporate Social Responsibility (CSR) program that not only guides the values and principles of our company, but also makes a meaningful impact in communities around the world.

Bank of America is engaging every part of our company to address climate change and demands on critical natural resources — our businesses, our operations, our partners and our people.

As one of the world's largest financial institutions, we believe we play a critical role in accelerating the transition to a low-carbon economy.

Recent recognition



MEMBER OF
**Dow Jones
Sustainability Indices**
In Collaboration with RobecoSAM



The Banker 2014
Investment Banking Awards
MOST INNOVATIVE
INVESTMENT BANK FOR
CLIMATE CHANGE AND
SUSTAINABILITY



FTSE4Good

Commitment to the environment

Our business



- Drive innovative new financial solutions across all our lines of business.
- \$70 billion to be committed by 2022 – one of the largest among our peers.
- From supporting renewable energy and low-carbon vehicles, to a robust Environment/Social/Governance (ESG) investment platform for wealth management clients.

How we operate



- Comprehensive set of aggressive goals to shrink our own operational footprint:
 - Reduce greenhouse gas emissions by 30%.
 - Reduce water consumption by 20%.
 - Achieve 20% LEED certification.

Working with others



- Engage with partners to increase our impact.
- Partners like the UN's Sustainable Energy for All (SE4All) initiative and Stanford University's Global Climate and Energy Project.
- Committed more than \$15 million in environmental philanthropy in 2014.

Our people



- Help our employees act as good environmental stewards at home, at work and in their communities.
- Nearly 16,000 employees actively participate across the globe from Boston to Hong Kong.
- Provide incentives to encourage new technology adoption at home.

Our business: Transformational finance



We lead with the power of our business practices.

Bank of America's \$70 Billion Multi-Year Environmental Business Commitment

- In 2007, Bank of America announced an initial \$20 billion multi-year environmental business commitment.
- This \$20 billion commitment was reached four years ahead of schedule.
- Bank of America then announced a 10-year, \$50 billion environmental business goal in 2012 to advance low-carbon economic solutions through lending, investing and facilitating capital, providing advice and developing solutions for clients around the world.

**\$70 Billion
by 2022**

**\$50
Billion**

**\$20
Billion**



Our business: Transformational finance



| LOB | Environmental Engagement | 2013-2014 Activity |
|--|--|--------------------|
| Global Investment Banking | Raises equity and debt capital and provides advisory services to support our clients' low-carbon business | \$7.4 billion |
| Leasing | Provides equipment and tax equity financing for energy efficiency projects and renewable energy projects | \$3.3 billion |
| Public Finance | Delivers debt for municipal low-carbon projects | \$2.6 billion |
| Commercial Real Estate & Community Development Banking | Finances projects with LEED, ENERGY STAR and other environmental certifications, as well as brownfield redevelopment | \$2.5 billion |
| Global Commercial Banking | Extends lending and credit to lower-carbon companies | \$600 million |
| Consumer Vehicle Lending | Provides loans for hybrid/electric vehicle purchases | \$459 million |
| Global Wealth and Investment Management | ESG investment solutions for GWIM clients | \$230 million |
| Philanthropy & CDFI Lending | Supports environmental nonprofits and CDFIs | \$55.6 million |



How we operate



Creating a more sustainable world extends to how we manage our own operations.

2010–2015 Operational Goals

| | Goal | 2011 | 2012 | 2013 | Status/notes |
|--|------|------|------|------|--------------------------------------|
| Greenhouse gases – Reduce net scope 1 & 2 emissions | 15% | 6% | 14% | 19% | On track |
| Paper – Reduce consumption | 20% | 0% | 15% | 25% | On track |
| Paper – Increase average recycled content | 20% | 9% | 9% | 9% | Slower than expected progress |
| Paper – Source from certified forests | 100% | 93% | 95% | 97% | On track |
| LEED – Certified workplace | 20% | 15% | 16% | 18% | On track |
| Water – Reduce consumption | 20% | 1% | 9% | 19% | On track |
| Waste – Increase diversion of waste from landfill | 70% | 46% | 47% | 53% | Slower than expected progress |
| E-waste – Disposal using certified, responsible vendors | 100% | 84% | 87% | 89% | On track |



Xeriscaping in Southern California

Transitioned financial centers to drought-tolerant landscaping, saving 5M gallons of water annually.



100 LEED-certified financial centers

Bank of America integrated LEED into its retail construction processes in 2007, and now has more than 100 LEED-certified financial centers.

Our people: My Environment

Engaging employees to drive positive environmental change.

Launched in August 2010, the My Environment program provides employees opportunities to participate in educational and volunteer events, helping employees act as better environmental stewards at work, at home and in the community.

- 1,314 ambassadors
- 15,883 friends participating in 33 different countries
- 7% of BAC employees engaged
- And growing...

2014 Highlights

- Employees logged more than 34,000 environmental volunteer hours
- 2,100 employees participated in the Waste Less Lunch initiative
- 120 employees installed solar panels

Benefits

- Low-carbon vehicle program
- Solar discount program
- Zipcar® discount program
- Ride matching system

Education

- Global webinars
- Ambassador-led education programs
- SharePoint site
- Educational resources, materials and presentations
- Quarterly newsletter
- Online discussion course

Action

- Paper reduction challenges
- Recycling initiative
- Waste Less lunch
- Energy pledge and workplace checklist
- Water conservation initiative
- Monthly tips and actions

Volunteerism

- My Environment Ambassador efforts
- Earth Day/World Environment Day
- American Forests tree plantings
- NFWF water restoration projects
- International Coastal Cleanup

Bank of America



Bank of America Merrill Lynch U.S. Bank of America
America Lynch Trust Merrill Lynch



Q&A



Contact Us

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

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