

Disclosing Company Guidance for Applying the GEC EPEAT Ecolabel to the 2017 CDP Climate Change Questionnaire

“Global standards are essential to tackle global issues; no one entity is powerful enough to bend the curve on global greenhouse gas emissions but every organization has the power to influence the transition to a low-carbon economy. CDP (formerly the Carbon Disclosure Project) pioneered the only global system for companies, cities, states and regions to measure, manage and share vital environmental information. CDP works with over 800 institutional investors with assets of US\$100 trillion to motivate companies to disclose their impacts on the environment and take action to reduce them.

Companies are increasingly looking to their supply chains to realize significant emissions reduction opportunities; the 100 corporate and government members of CDP’s Supply Chain program collectively spend over \$3 trillion USD each year and all of them are focused on collaborating with key suppliers to identify thousands of opportunities to reduce risk, drive down emissions and save money. As organizations increasingly consider the Total Cost of Ownership of the goods and services they purchase, producers must be ready to innovate and reduce the hidden environmental costs in the manufacture, operations, support and disposal of their portfolio of products. Everyone benefits from innovation based on sustainability: companies increase the competitiveness of their product portfolio, their customers save money on energy, effective suppliers gain willing buyers for their new technologies, and environmental impacts are reduced throughout the value chain.

For most companies, IT spend is an annual line item in the budget, but not necessarily the most material category of spend or impact. Luckily, companies and governments can reference consensus-based, international ecolabels like EPEAT to ensure that their IT spend is aligned with their corporate sustainability strategy. CDP responders already look to ecolabels such as EPEAT to simplify the search for the most efficient IT products that can reduce both upstream and downstream emissions; we hope this guidance will be useful to help companies quantify and report those benefits in their annual CDP disclosures.”

- Lance Pierce, President, CDP North America

Introduction

CDP (formerly the Carbon Disclosure Project) is an international not-for-profit organization which aims to increase transparency on how the world's companies and cities are addressing climate change. Since 2003, CDP has conducted an annual information request to collect information on greenhouse gas (GHG) emissions and **climate risk management** by companies. In 2010, CDP expanded its scope and now conducts an annual survey on water management by companies, and, since 2013, another on corporate impact on deforestation. It continues to evolve in its methodology and scoring to promote further engagement and transparency across a range of environmental issues for companies, cities and regions, throughout their supply chains.

An important and growing portion of environmental and social impacts result from the ICT sector and its supply chains. This guidance document explains to companies disclosing through CDP how utilization of the Green Electronics Council's global ecolabel, EPEAT, can be referenced in responses

to questions on the CDP climate change questionnaire, either through the investor-led request or CDP supply chain program.

The environmental benefits from the use of EPEAT-Registered IT products can be quantified in lifecycle terms and include reductions in energy use, GHG emissions, water consumption, material waste, and toxic materials. The Electronics Environmental Benefits Calculator (EEBC) allows users of EPEAT to credibly report on these key outcomes. Organizations often require the procurement of EPEAT-Registered IT products via a sustainable procurement preference, policy or directive. Sustainable procurement is seen by many organizations as a key element of their supplier risk mitigation or climate change business strategies.

This document isolates questions in the 2017 CDP Climate Change Questionnaire where EPEAT can be referenced directly, or used to help gather and justify data that can be submitted in a CDP response. Note that, while this guidance can strengthen a disclosure it does not guarantee full leadership points.

Climate Change Questionnaire and EPEAT Applicability

CC2 - Strategy: Risk Management Approach

CC2. Strategy

Risk Management Approach

CC2. 1 Please select the option that best describes your risk management procedures with regard to climate change risks and opportunities.

If "integrated into multi-disciplinary company-wide risk management processes" or "A specific climate change risk management process" is selected, answer questions CC2.1a-2.1c:

CC2.1a Please provide further details on your risk management procedures with regard to climate change risks and opportunities

Frequency of monitoring	To whom are results reported?	Geographical areas	How far into the future are risks considered?	Comment:

CC2.1b Please describe how your risk and opportunity identification processes are applied at both company and asset level

CC2.1c How do you prioritize the risks and opportunities identified?

Guidance:

Use of EPEAT is often referenced as an organizational risk management strategy for ICT assets, or as part of a multi-disciplinary company-wide risk mitigation strategy. When responding to CC2.1(b) CDP disclosing companies can note the presence of EPEAT-focused purchasing policies or contract language that require a preference for the purchase of

EPEAT-Registered ICT products. CDP stakeholders can also reference broader sustainable purchasing programs, which include reference to EPEAT in purchasing guidance.

Examples of commonly utilized EPEAT policy language and contract language are linkable on the [EPEAT website](#).

CC2 - Business Strategy

CC2. Business Strategy

CC2.2 Is climate change integrated into your business strategy?

If yes: CC2.2a Please describe the process of how climate change is integrated into your business strategy and any outcomes of this process (CDP 2016 CC2.2a, amended)

Guidance:

Referencing use of EPEAT either as a stand-alone policy, as part of a wider sustainable purchasing program guidance, or as standard language in ICT solicitation requirements language can strengthen a disclosing organization's response to CDP CC2.2 and CC2.2a. Organizational climate change business strategies can take many forms, some of which include efforts to embed sustainable considerations into procurement processes, procedures, and guidance.

The use of EPEAT in ICT purchases, company directives, jurisdictional law and policy, or procurement regulations effectively reduces the environmental impact of a material portion of required purchases.

Making EPEAT a part of an organization's purchasing guidance, supports general climate change efforts in a material way, and use of the [Electronics Environmental Benefits Calculator](#) allows an organization to translate strategic efforts into tactical and quantifiable proof of climate change leadership. The Calculator outputs the difference between the environmental attributes of ICT products that meet the environmental criteria measured by EPEAT to those that do not meet EPEAT criteria. Included are the lifetime environmental impact reductions for energy usage, primary materials, greenhouse gas emissions, air emissions, water emissions, toxic materials, municipal solid waste, hazardous waste, and overall cost savings.

For examples of how other organizations have utilized EPEAT click [here](#).

CC3.2 - Management: Emissions Reductions Initiatives

Emissions Reduction Initiatives

CC3.2 Do you classify any of your existing goods and/or services as low carbon products or do they enable a third party to avoid GHG emissions?

If yes: CC3.2a Please provide details of your products and/or services that you classify as low carbon products or that enable a third party to avoid GHG emissions

Level of aggregation	Description of product/ Group of products	Are you reporting low carbon products or avoided emissions?	Taxonomy, project or methodology used to classify products as low carbon or to calculate avoided emissions	% revenue from low carbon product/s in the reporting year	% R&D in low carbon product/s in the reporting year	Comment

Guidance:

EPEAT Products are defined, in part, by their lower carbon footprint across the full product life cycle. Reduced energy consumption in the production and use phase of the product life-cycle translate into direct carbon reductions. The Electronics Environmental Benefits Calculator quantifies these environmental benefits on a per unit basis, thus allowing an organization to demonstrate lower carbon emissions. ICT Manufacturers who produce

EPEAT-Registered products enable third parties to avoid or reduce GHG emissions through use those products. Disclosing companies that produce and sell EPEAT-Registered products can note the number of models sold, the % of revenue that results from sale of EPEAT models, and R&D that contributes to the design of EPEAT Registered products to support responses to questions CC3.2a.

CC3.3(a) - Management: Emissions Reductions Initiatives

CC3.3 Did you have emissions reduction initiatives that were active within the reporting year (this can include those in the planning and/or implementation phases)?

If yes: complete questions CC3.3a, CC3.3b and CC3.3c

CC3.3a Please identify the total number of projects at each stage of development, and for those in the implementation stages, the estimated CO₂e savings

Stage of development	Number of projects	Total estimated annual CO ₂ e savings in metric tonnes CO ₂ e (only for rows marked *)
Under investigation		
To be implemented*		
Implementation commenced*		
Implemented*		
Not to be implemented		

CC3.3b For those initiatives implemented in the reporting year, please provide details in the table below

Activity type	Description of activity	Estimated annual CO ₂ e savings (metric tonnes CO ₂ e)	Scope	Voluntary/ Mandatory	Annual monetary savings (unit currency - as specified in CC0.4)	Investment required (unit currency - as specified in CC0.4)	Payback period	Estimated lifetime of the initiative	Comment

Guidance:

Efforts to reduce carbon emissions can be accomplished through the purchase and use of EPEAT-Registered products. EPEAT products have a lesser impact on the environment due to decreased energy use and carbon emissions throughout the product lifecycle. Disclosing companies that maintain policies, directives, laws, contract language, or reference EPEAT in sustainable purchasing guidance can cite use of EPEAT as an example of emissions reduction initiative in response to question CC3.3a. Disclosing organizations should reference existing or planned contracting actions to purchaser ICT

products in EPEAT-Registered product categories when identifying to-be-implemented, or implemented projects in the table referenced under CC3.3a.

Accordingly, emission reductions that result from the purchase of EPEAT-Registered products can be quantified through use of the [Electronics Environmental Benefits Calculator](#) and can be reported against CC3.3b. Outcomes including GHG reduction across the product life cycle, and projected cost savings can be computed if the number of EPEAT-Registered products is available.

CC4: Communications

CC4.1 Have you published information about your organization’s response to climate change and GHG emissions performance for this reporting year in places other than in your CDP response? If so, please attach the publication(s)

Publication	Status	Page/Section reference	Attach the document	Comment

Guidance:

Disclosing organizations that reference EPEAT in voluntary communications via postings on company websites, press releases, or in external publications can support a response to CC4.1. A common way EPEAT users are publicly recognized are through [EPEAT Purchaser Awards](#). Purchaser awards are given to organizations that embed EPEAT in policy, directive or law, regulation, include

requirements for EPEAT-Registered products in ICT contracts, and can report upon units of EPEAT-Registered spend on ICT products purchased. Recipients are frequently featured in brief case studies that are sometimes posted on the GEC website, or in company outreach materials.

CC5.1 & CC6.1: Climate Change Risks and Opportunities

CC5. Climate Change Risks

CC5.1 Have you identified any inherent climate change risks that have the potential to generate a substantive change in your business operations, revenue or expenditure? (Tick all that apply)

Please identify the relevant categories:

- Risks driven by changes in regulation
- Risks driven by changes in physical climate parameters
- Risks driven by changes in other climate-related developments

CC6. Climate Change Opportunities

CC6.1 Have you identified any inherent climate change opportunities that have the potential to generate a substantive change in your business operations, revenue or expenditure? (Tick all that apply)

Please identify the relevant categories:

- Opportunities driven by changes in regulation
- Opportunities driven by changes in physical climate parameters
- Opportunities driven by changes in other climate-related developments

Guidance:

Businesses trying to comply with new or existing regulations designed to decrease energy use or GHG emissions can reference use of EPEAT as a demonstrable way of managing or mitigating regulatory risk. Concurrently, the use of EPEAT is proven to reduce energy usage, which provides an opportunity to fortify organizations against unexpected spikes in energy costs. Lastly, EPEAT's reputation as a credible ecolabel, and the recognition it bestows upon its users via the EPEAT Purchaser Awards, provides an opportunity to reduce

reputational risk, and/or as an opportunity to pro-actively strengthen an environmentally responsible brand.

Therefore, when responding to questions CC5 and CC6, disclosing organizations can note use of EPEAT as an initiative that mitigates climate-related regulatory risk, or as a tool that creates opportunities for energy/cost savings, and as a way to enhance an organization's environmental reputation (as reported through the "Other" category).

Section 14: Supply Chain Engagement

CC14.4 Do you engage with any of the elements of your value chain on GHG emissions and climate change strategies? (Tick all that apply)

- | | |
|---|---|
| <input type="checkbox"/> Yes, our suppliers | <input type="checkbox"/> Yes, our customers |
| <input type="checkbox"/> Yes, other partners in the value chain | <input type="checkbox"/> No, we do not engage |

If "Yes, our customers" or "Yes, other partners in the value chain" is ticked:

CC14.4a Please give details of methods of engagement, your strategy for prioritizing engagements and measures of success

If "Yes, our suppliers" is ticked:

CC14.4b To give a sense of scale of this engagement, please give the number of suppliers with whom you are engaging and the proportion of your total spend that they represent (**CDP 2016 CC14.4b and CC14.4c amended**)

Type of engagement	Number of suppliers	% of total spend (direct and indirect)	Impact or engagement
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If "No, we do not engage" is ticked:

CC14.4c Please explain why you do no engage with any elements of your value chain on GHG emissions and climate change strategies, and any plans you have to develop an engagement strategy in the future (**CDP 2016 CC14.4d**)

Guidance:

When responding to CCQ 14.4 disclosing organizations can reference use of EPEAT or, an effort to promote use of EPEAT across the value chain. Please note the following guidance for the following aspects of CCQ 14:

"Yes, our customers"

Manufacturer disclosing companies can note participation in the EPEAT program in response to question CC14.4a. Manufacturers that sell EPEAT-Registered products encourage and influence customer behavior, which result in emission reductions during the use phase of their products.

"Yes, our suppliers":

Efforts to influence the purchasing behavior of elements of an organization's supply chain can be noted when responding to questions CC14.4b.

Disclosing organizations can create an incentive to pursue emission reductions amongst its suppliers by creating a requirement or preference for those organizations that pursue sustainable purchasing initiatives such as EPEAT. This effort can create a tidal-wave ripple effect that improves avoided environmental impacts by many magnitudes. This focus on indirect spend creates an opportunity for CDP stakeholders to magnify their impact across the supply chain.

Efforts to track and quantify avoided emissions that result from interaction with partners across the supply chain can be aided through use of the Electronics Environmental Benefits Calculator. If the number of EPEAT units sold, or purchased by supply chain partners is known, the EPEAT Benefits calculator can demonstrate avoided GHG emissions, energy savings, water usage, material waste, toxic materials, and cost savings.