

Roadmap to Environmental Sustainability

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Outline

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- ▶ Priority areas
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Key terms

- ▶ ***Carbon footprint.*** The carbon dioxide equivalent (CO₂e) of greenhouse gases emitted through the bank's operations
- ▶ ***Environmental sustainability.*** Ensuring that operations undertaken do not compromise the ability of the environment to replenish itself and sustain human life

Justification

- ▶ A bank has an extended carbon footprint and impact on the environment through its lending network.
- ▶ Environmental compliance is voluntary but is at times a prerequisite if donor funds are involved, in future it will be mandatory
- ▶ The impacts of environmental degradation and climate change have direct consequences to any business model, banks included!

Priority Areas: In-house operations

1. Sourcing:

- a) Responsible sourcing from vendors – e.g. use vendors who have paper with %age recycle content and Energy Star rated appliances
- b) Track environmental costs of sourcing products

2. Usage:

- a) Track paper, toners, water, electricity and set targets to reduce usage
- b) Install occupancy sensors that turn on/off lights in a room plus computer monitors
- c) Introduce reusable items e.g. drinking water bottles, files

3. Waste:

- a) Reduce waste and dispose responsibly e.g. paper, plastics, toners etc. should be disposed to providers that recycle

Priority Areas: In-house operations

4. Awareness:

- a) Raise awareness among staff e.g. mandatory signature line “please consider the environment before printing this”
- b) Employee environmental sustainability champions (Green Teams) of that will sensitize others in their respective departments
- c) Encourage branch networks to engage more in environmental activities in their areas

Priority Areas: Business/Lending

1. Identify, classify/categorize environmentally related projects funded by the bank
2. Set lending targets for environmentally sustainable projects
3. Generate matrices for environmental impact assessment and risk prior to lending
4. Engage with clients on the impact of their operations on the environment

Guiding Principles & Examples

- ▶ Global financial institutions have implemented environmental/sustainability programs and report annually on their impacts
- ▶ ISO 14001:2004: applicable to any organization that wishes to establish, implement, maintain and improve an environmental management system, to assure itself of conformity with its stated environmental policy, and to demonstrate conformity with ISO 14001:2004
http://www.iso.org/iso/catalogue_detail?csnumber=31807
- ▶ International Finance Corporation: Policy on Environmental and Social sustainability:
http://www.ifc.org/wps/wcm/connect/7540778049a792dcb87efaa8c6a8312a/SP_English_2012.pdf?MOD=AJPERES
- ▶ United Nations Environment Programme Finance Initiative (UNEP FI) <http://www.unepfi.org/index.html>

Sustainability Reporting

- ▶ Select about 4 priority areas to include in the annual report e.g. electricity consumption, paper usage, recycled content, environmental projects funded etc.
- ▶ Below are examples of environmental sustainability reporting of PNC, a financial institution

Tracking reduction in energy consumption

SUSTAINABLE IMPACT

2009-2012



9% REDUCTION IN ENERGY CONSUMPTION



PNC REDUCED
ELECTRICAL
CONSUMPTION BY

238,545 MWh
(megawatt hours)

SAVED THE ENERGY REQUIRED TO POWER



25,195
U.S. HOMES
FOR ONE YEAR



= APPROXIMATELY
15000 MEGAWATT HRS.



= APPROXIMATELY
1800 HOUSES

Source: U.S. EPA Greenhouse Gas Equivalencies Calculator

Tracking reduction in paper usage

SUSTAINABLE IMPACT

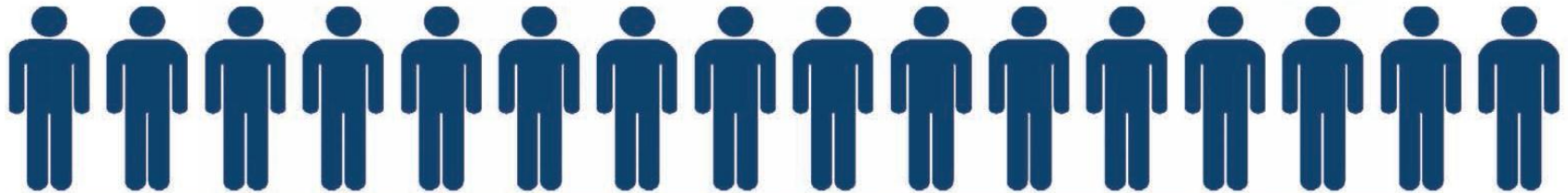
2009-2012



28% REDUCTION IN PAPER CONSUMPTION
= 492 MILLION FEWER SHEETS



PREVENTED THE HARVESTING OF **59,040** TREES



EACH EMPLOYEE SAVED APPROXIMATELY ONE TREE

 = APPROXIMATELY
3000 TREES

 = APPROXIMATELY
3500 EMPLOYEES

Source: Environmental Paper Network

The Pale Blue Dot – Carl Sagan



URL:http://www.youtube.com/watch?feature=player_detailpage&v=p86BPM1GV8M

▶ **THANK YOU**