



## Afternoon Open Space Interactive Session A – Environment & Climate Change October 20, 2008, 1:45am

### Speakers:

Paul Hunt, Director, Sustainable Development & Stakeholder Relations, Enbridge Inc.  
Nick Jennery, President and CEO, Canadian Council of Grocery Distributors  
Nadine Gudz, Manager, Sustainable Strategy, InterfaceFLOR Canada Inc.  
Jose Etcheverry, Climate Policy Analyst, David Suzuki Foundation

### Session Speaker: Paul Hunt, Enbridge

Presentation: [http://www.cbsr.ca/cbsrftp/Summit\\_Presentations/Summit - Enbridge.pdf](http://www.cbsr.ca/cbsrftp/Summit_Presentations/Summit - Enbridge.pdf)

Paul Hunt discussed the “Wedges Approach and its application to Corporations”.

The key elements of his discussion included:

- Global Greenhouse Gas (GHG) Emissions;
- Stabilization Options;
- Canadian Wedges; and
- Application of ‘Wedges’ to Emitters.

Mr. Hunt noted that the benefit of this approach is that corporations can:

- Identify their emission sources;
  - Evaluate reduction options; and
  - Compare the costs of options and credits.
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- Socolow’s Curve (Princeton University Researcher, R. Socolow <http://www.princeton.edu/mae/people/faculty/socolow/>); a concept of stabilization wedges relating to climate change and the use of new technologies to identify their relative impact in reducing carbon emissions
  - See Paul Hunt’s article on “The Wedges Approach: Application to Corporations” for more information: <http://www.assembly.ab.ca/lao/library/egovdocs/2006/alccc/160476.pdf>
  - Stabilization Triangle is the area under the GHG “business as usual” curve. This is the level of GHGs that need to be reduced.
  - Hunt is optimistic that this reduction can be made because we have inefficient systems, CO<sub>2</sub> has just begun to be priced and the “green” manufacturing plants of the future have not yet been built.
  - By 2,058 we need to make significant reductions below the stabilization level.

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**Stabilization Options:** Solutions to reducing the area of the Stabilization Triangle include: energy efficiency, fuel switching, biofuels, renewable energy, nuclear and use of CO<sub>2</sub> Sinks and Carbon Capture and Storage (CCS).

**Canadian Wedges:** For Canada the wedges of reduction focus on the significant deployment of alternative fuels, CCS, building and community design, energy efficiency, transportation and financial compliance mechanisms.

### **Application of Wedges to GHG Emitters:**

- The 'wedges approach' identifies GHG reduction options
- This approach recognizes that corporations produce GHG emissions from several different activities
- Management and technological measures can be taken to reduce emissions
- Options can be tailored to specific emitters

### **Corporate Wedges include:**

- Design, engineering and construction (energy efficiency, LEED buildings, integration of needs);
- Power supply (fuel switching, co-generation, renewable sources, new technology);
- Operations (energy efficiency, best available technology efficiently achievable) process changes;
- Administration (senior leadership, employee awareness, targets, link greenhouse gas emissions to human safety, set goals, establishment of environmentally responsible purchasing, creation of GHG task force), management support for and awareness is required to unleash creativity;
- Offset purchases: bio-sequestration (trees), geological storage, renewable energy, energy efficiency, investment in offsetting technologies; and
- Financial compliance mechanisms (CO<sub>2</sub> will become a liability on the balance sheet).

### **Wedges strategy allows an organization to:**

- Identify their emission sources;
- Evaluate reduction options; and
- Compare the costs of options and credits.
- The 'Wedge Approach' is an easy way to communicate CO<sub>2</sub> reduction strategies for planning and implementation.

### **Trends:**

- There are Federal regulations on power generation and emissions with a 2012 requirement for carbon capture and storage.
- The messages are a lot more sophisticated than they were 25 years ago as climate change is not going away and is becoming a business concern (e.g. Stern Report).
- The system needs to be turned around so that the price of virgin materials vs. recycled material is correctly reflected in their real costs.

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- Most industries are very risk averse – waiting for regulation to dictate activity – plus some technologies are unlikely to change, waiting for amortization of assets before shifting to cleaner technologies
- Still are some naysayers out there – “flat earth” people
- Due to ability to better track performance we’re moving forward, but concern on the economic woes may impact the prioritization of environmental issues, but not sure to what extent (perhaps less than in the past)
- Work force is focusing on CSR issues as a deciding factor on who they wish to work for, which is good news

### **Carbon trading: what’s going on in Canada?**

- Still in embryonic stage
- Need third party verification to claim credits
- Tough for farmers and SMEs to participate due to costs of verification
- Still a dynamic initiative
- Some regional initiatives are gaining ground in ReGGI and WCI
- Need consistent prices for carbon credits across regions (internationally) for it to be successful (“a ton is a ton is a ton”)
- Canada is trying to ease into this, especially as a resource-based country
- Challenge: Admin side of quantifying emissions, trading and reduction
- Next frontier: Agree on a common set of tools to measure and reduce carbon footprint – both the direct and indirect emissions - need commodity units that are standard (e.g. bushel of wheat, barrel of oil)

### Nick Jennery, Canadian Council of Grocery Distributors

Mr. Jennery discussed the Canadian Council of Grocery Distributors’ (CCGD) initiative to collaboratively measure and manage the industry’s greenhouse gas emissions, as well as attain sustainable business practices. The secret to the success of this industry wide collaborative venture is the endorsement and participation of corporate CEOs and Canadian Federation for Independent Grocers (CFIG).

- Grocery industry is the second largest sector in Canada with \$17 billion in retail sales, and \$3 billion of sales in food service sector
- The industry has tens of thousands of containers on the road, 24,000 stores, and is a big user of energy, fuel and refrigerants
- The industry has been working on Stewardship issues for many years, SEPA Chemicals, and material reduction (plastic bags, clam shells, etc)
- Industry felt it needed an environmental vision:
  - “How do we align CEOs and define common direction and keep people at the table to ensure an objective, when so many competitors are in the room?”

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- Developed a Charter that identified the scope of the initiative and then engaged experts inside and outside the industry to build a tool to capture carbon footprint data.
- The industry is only a year and a half into the project; a Phase II report is expected in February.

### Jose Etchevery, The David Suzuki Foundation

Mr. Etchevery outlined the science behind climate change concerns. The world has surpassed the “safe” level of CO<sub>2</sub> equivalent of 350 parts per million (ppm) and is rising beyond 387 ppm. There is concern that positive feedback loops will further hasten the rise in CO<sub>2</sub> levels. Etchevery noted that the rate of climate change is worse than we thought but that an aggressive renewable energy strategy can be an important solution for Canada.

#### **The Climate Change story is filled with bad news and some good news:**

##### ▪ **The Bad News:**

- We are already beginning to experience the positive feedback loops (Pine Beetle invading Canadian forests, arctic ice melt)
- The problem is more serious than we were aware and we have much less time to solve it

##### ▪ **The Good News:**

- The most successful mitigation strategy is renewable energy. This strategy was used in Germany and stops 100 mega tonnes of CO<sub>2</sub> per year from entering the earth’s atmosphere.
- Developing renewable energy to its full potential is great for Canada. Ontario has lost 230,000 manufacturing jobs and Canada lost 435,000 manufacturing jobs. Currently Germany added 225,000 jobs and Spain 188,000 jobs through renewable energy.
- Canada has 60% of its electricity through hydro, so renewable energy is not new to us. This is something we must do; it is not a question of how much it is going to cost us.

### Nadine Gudz, InterfaceFLOR

Ms. Gudz spoke about the Interface experience of engaging employees in the company’s sustainability process. Interface determined that sustainability needed to be everyone’s responsibility and everyone’s role. Commencing with management commitment, the Mission Zero program is reflected in every Interface program and activity inside and outside the company.

Four out of ten carpet tiles are Interface tiles. Interface operates in six countries with 5,500 employees.

**Mission Zero** is Interfaces’ promise to eliminate any social and environmental impact. The program includes: Zero waste, zero emission, zero virgin raw materials, resource efficiency, transportation, creating community within and around Interface; and redesigning commerce to leverage our influence to focus on the delivery of service and value.

The company started on its sustainability journey in August 1984, when Ray Anderson, Founder/CEO of Interface identified that he wanted to leave a legacy. He read Paul Hawkins’ book *The Ecology of*

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Commerce. It identified a new paradigm of business, different from “take, make and waste”. Studies show that only 6% of inputs end up in the final product.

Ray Anderson engaged some leading thinkers and created an ECO Dream Team; an external expert advisory team.

- Together they set up a path to re-invent Interface
- Initiated QUEST – quality utilizing employees with monetary bonus tied to results
- Initially began with low hanging fruit: waste reduction and input efficiencies, then it evolved into sustainability

Interface reduced CO<sub>2</sub> by 65%, waste by 85%, GHG (includes other greenhouse gases and CO<sub>2</sub>) by 53% since 1996. Company asked: “How can we effectively engage employees in social responsibility?”, “What is key to developing a green team or task force?”

- It was determined that social and environmental responsibility needs to be everyone’s role and responsibility

### **Recommendations to companies:**

- Create a working environment that encourages questioning and learning, as well as risk taking;
- Engage creativity;
- Create opportunities for learning: educate all stakeholders on best practices;
- Communicate learnings and challenges, provide accomplishment and feedback;
- Understand waste streams;
- Acknowledge employee wisdom;
- Top management commitment, vision and leadership;
- Environmental stewardship requires process to be sustainable;
- Maintain the enthusiasm: partner with community education facilities or charities to bring new energy and/ or ideas;
- Measurement is key; and
- Make all aspects of the business reflect stated values.

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