



Driving Behavior Change: All of the Above

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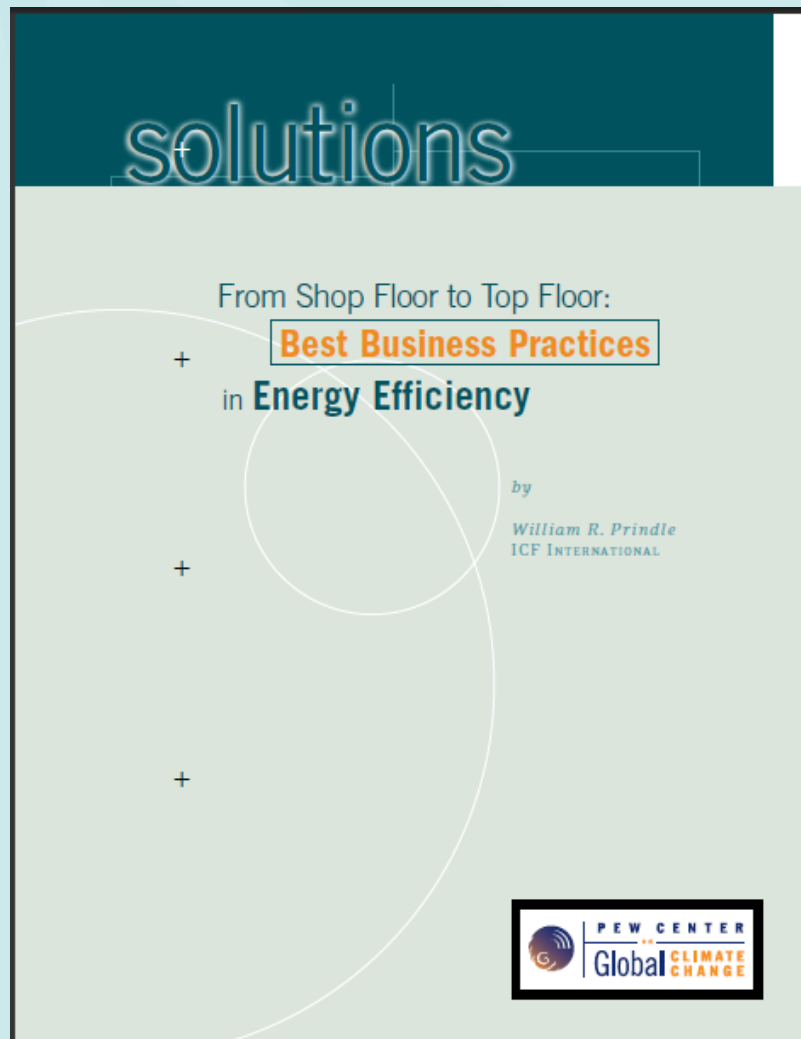


Driving Behavior Change

- Key factors driving behavior change in business and consumer sectors:
 - Regulations
 - Incentives
 - Information
 - Market forces
- All factors interrelate to drive broad-scale behavior change



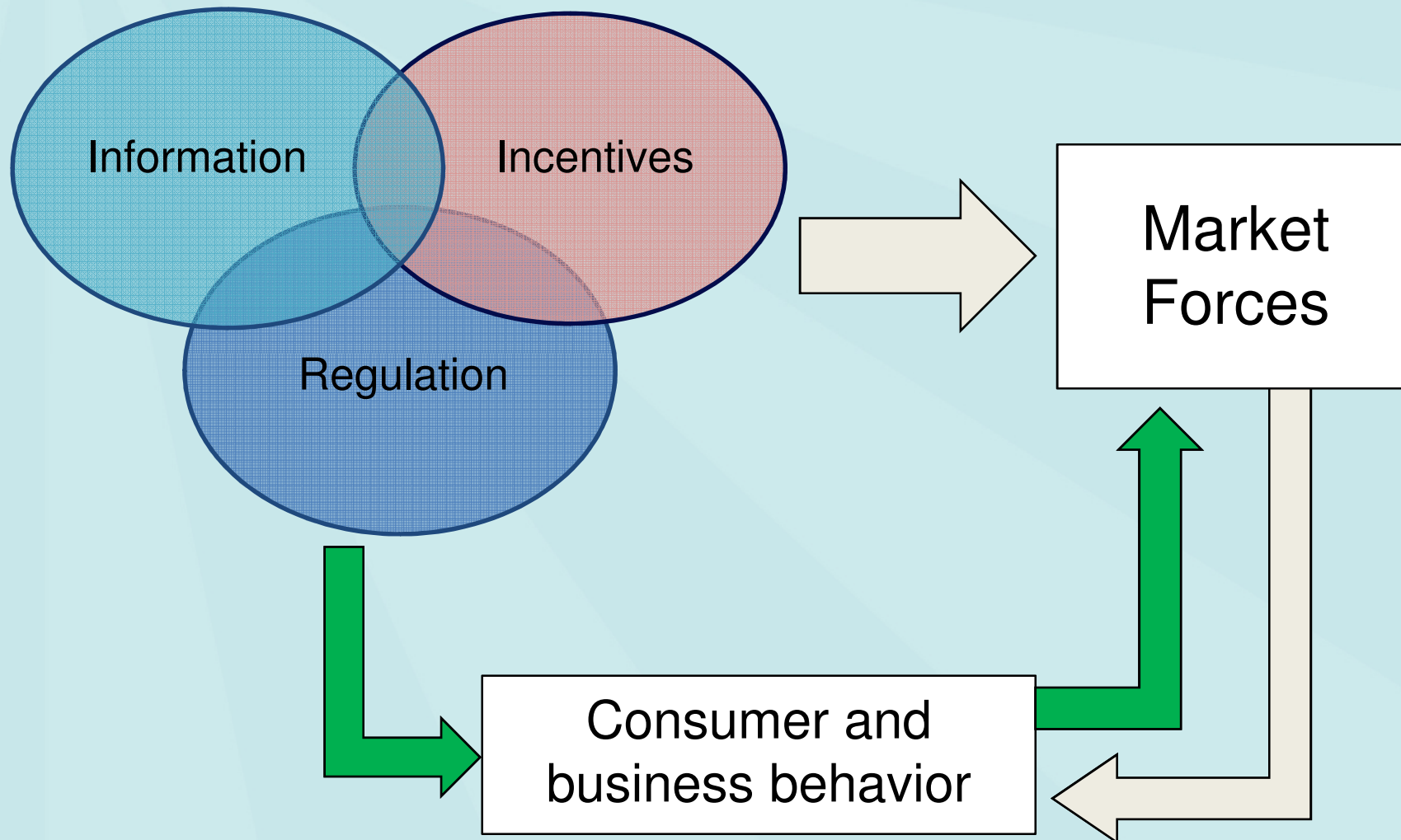
Pew Center Business Efficiency Report



- Report released April 6-7, 2010
- Draws lessons directly from leading businesses
- Result of almost two years of research

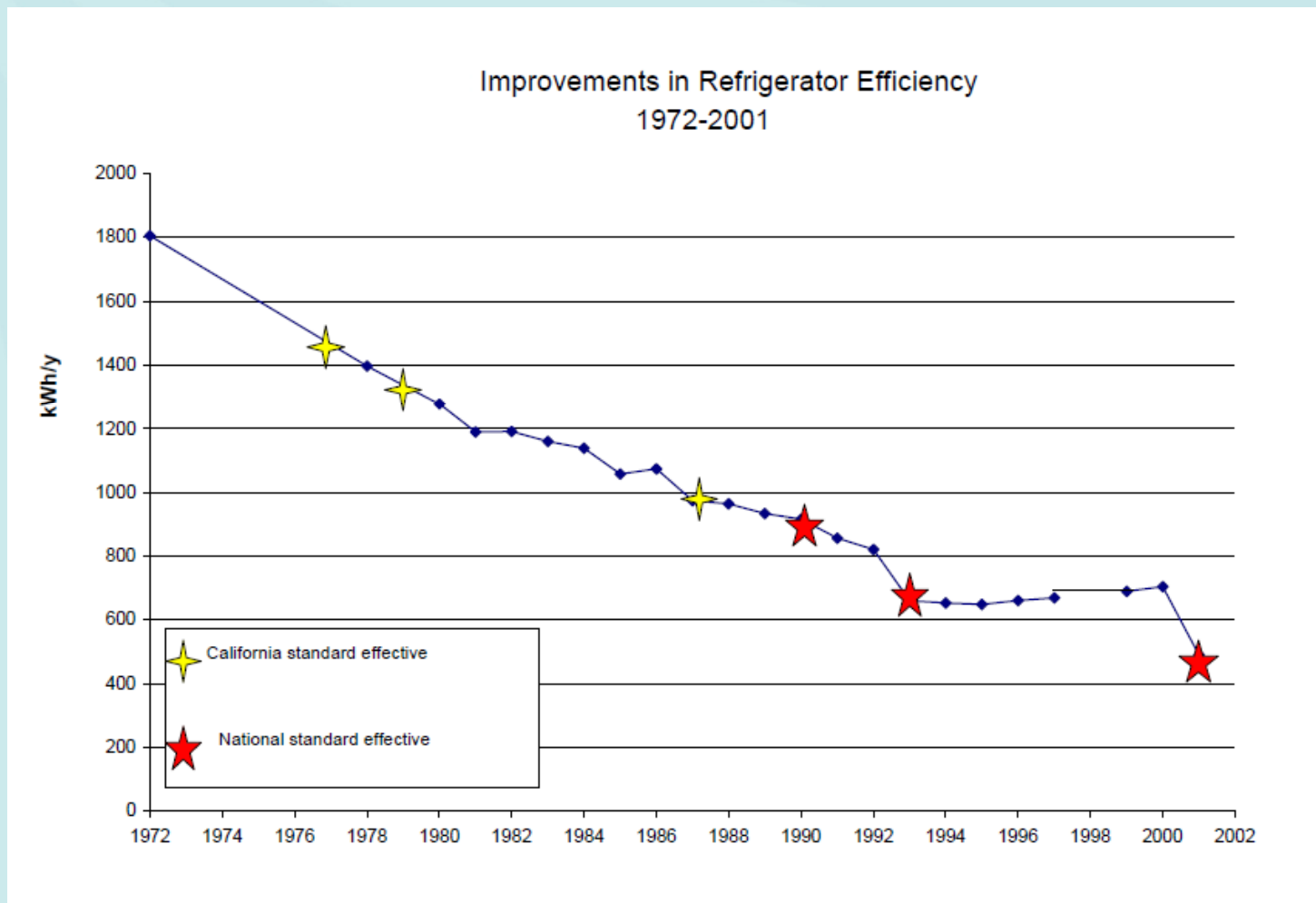


Factors interrelate to Drive Behavior Change





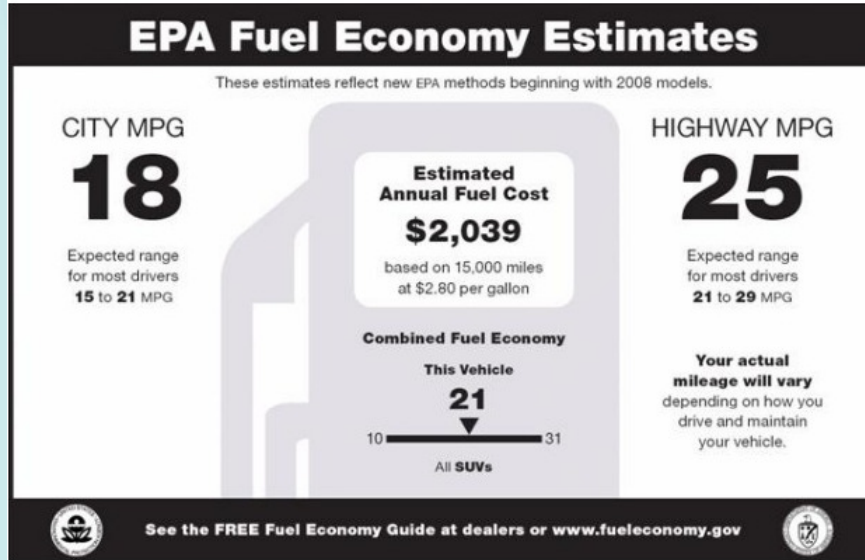
Regulations Set a Floor on Performance



Source: Appliance Standards Awareness Project

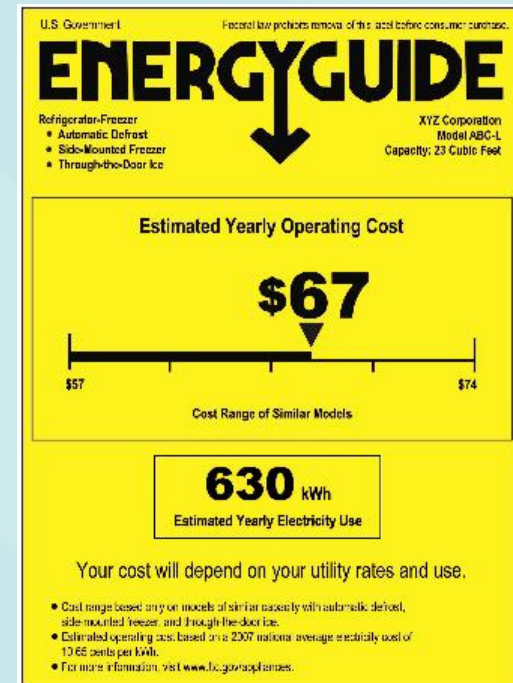


Information Helps Consumers Go Beyond Floor



CAFE label on motor vehicles ...

Energy guide on home appliances ...





Information + Incentives Drive Greater Change



Cash for Clunkers

Over 670,000 consumers participated

Appliance rebate programs

\$300 million in federal rebate money allocated





Information Drives Business Behavior

IBM's Business Intelligence Energy Management **Reporting System**

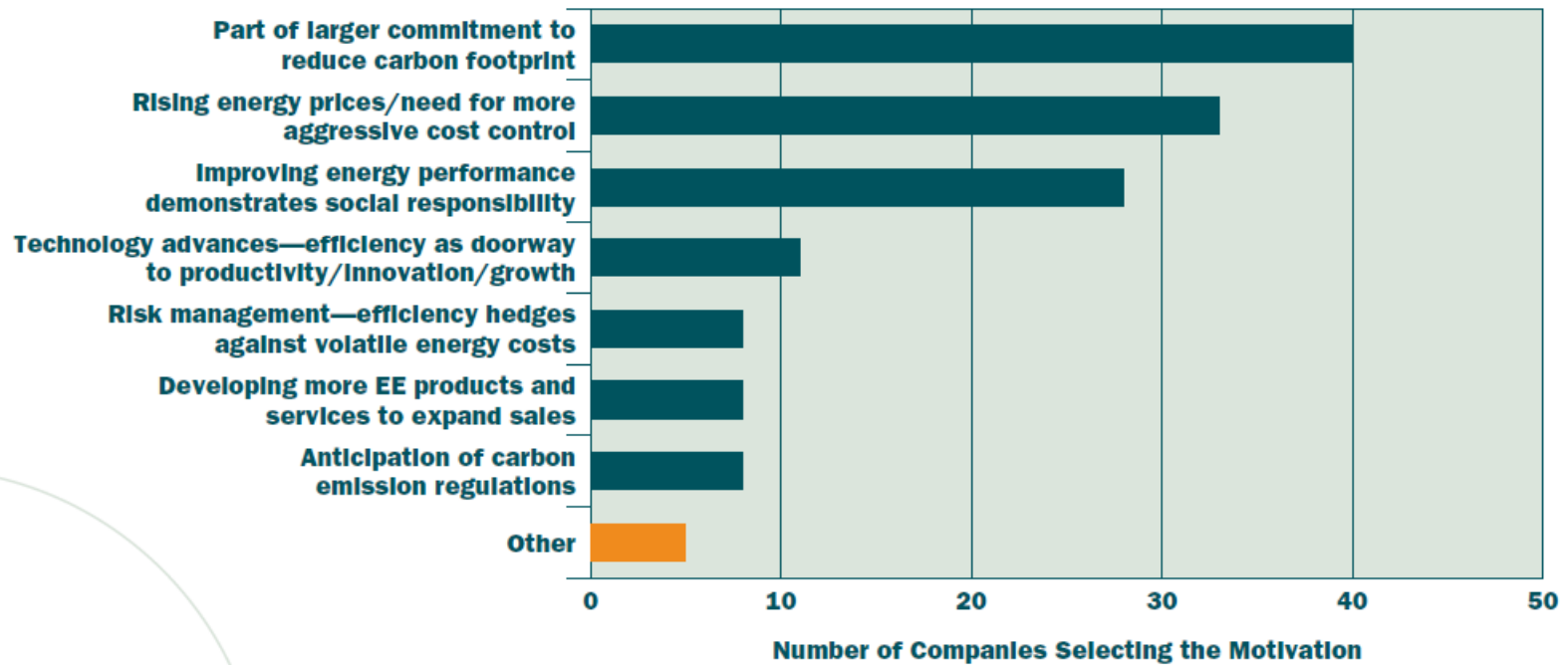
Rank Num	Locations	Geographies / IOTs	Countries	Previous Year YTD Usage (MWh)	Current Year YTD Usage (MWh)	Year to Year PCT Change	Avg CY Rate (\$/MWh)	YTD \$K Impact
1	Location 1	North America IOT	United States	438,512	406,926	-7.2%	\$80.13	-\$2,531
2	Location 2	North America IOT	United States	376,767	343,814	-8.7%	\$85.29	-\$2,811
3	Location 3	North America IOT	United States	212,888	193,991	-8.9%	\$81.24	-\$1,535
4	Location 4	North America IOT	United States	118,050	125,481	6.3%	\$56.71	\$421
5	Location 5	North America IOT	United States	151,824	148,770	-2.0%	\$52.05	-\$159
6	Location 6	North America IOT	United States	90,099	83,173	-7.7%	\$81.45	-\$564
7	Location 7	North America IOT	Canada	113,449	104,042	-8.3%	\$41.28	-\$388
8	Location 8	Southwest Europe IOT	France	47,704	63,622	33.4%	\$71.35	\$1,136
9	Location 9	North America IOT	United States	64,357	64,954	0.9%	\$83.44	\$50
10	Location 10	North America IOT	United States	94,564	87,572	-7.4%	\$73.70	-\$515
11	Location 11	North America IOT	United States	44,031	42,191	-4.2%	\$118.21	-\$218
12	Location 12	North America IOT	United States	50,148	49,553	-1.2%	\$68.50	-\$41
13	Location 13	Northeast Europe IOT	United Kingdom	45,023	42,971	-4.6%	\$119.66	-\$246
14	Location 14	North America IOT	United States	38,308	37,830	-1.2%	\$114.23	-\$55
15	Location 15	Latin America GMT	Brazil	45,062	52,163	15.8%	\$154.74	\$1,099
16	Location 16	North America IOT	United States	44,714	47,107	5.4%	\$123.49	\$295
17	Location 17	Northeast Europe IOT	United Kingdom	42,061	43,418	3.2%	\$113.91	\$155
18	Location 18	Northeast Europe IOT	Ireland	25,544	21,271	-16.7%	\$113.40	-\$485

Recreated from image provided courtesy IBM (2009).



Market Forces Drive Business Behavior: *Overall Strategy*

Pew Center Survey Respondents' **Leading Motivations** for Efficiency Strategies



Source: Pew Center 2009.



Market Forces Drive Business Behavior: *Products & Services*

81% of companies surveyed by Pew said they have modified their products and services to offer new levels of efficiency performance

Motivations for Increasing Efficiency in Products and Services

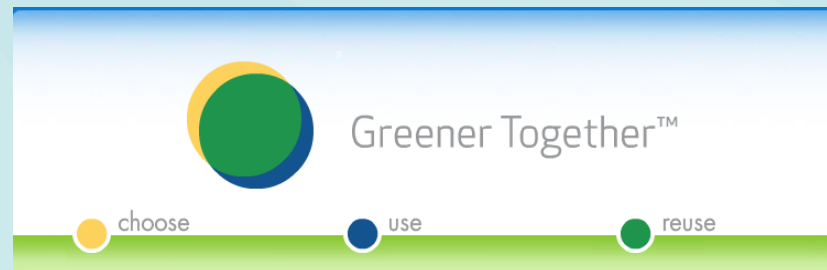
Motivations for Increasing Efficiency in Products and Services	Percent
To take advantage of new market trends brought on by consumer concerns about energy prices	24%
To take advantage of new market trends brought on by consumer concerns about environmental issues	21%
To demonstrate corporate social responsibility	13%
To respond to competitive pressures (our competitors are driving us)	10%
To respond to expected future mandatory federal or state regulations/standards	5%



Best Buy's Products & Services Strategy

Best Buy's "Greener Together" initiative seeks to help consumers:

- Choose Energy Star products for purchase
- Use their products more efficiently
- Recycle their products safely and conveniently





Market Forces Drive Change in Supply Chains, e.g. Wal-Mart

Sustainability Supplier Assessment Questions

Energy and Climate

Reduce energy costs and greenhouse gas emissions



- 1. Have you measured and taken steps to reduce your corporate greenhouse gas emissions (Y/N)
- 2. Have you opted to report your greenhouse gas emissions and climate change strategy to the Carbon Disclosure Project (CDP)? (Y/N)
- 3. What are your total annual greenhouse gas emissions in the most recent year measured? (Enter total metric tons CO₂e, e.g. CDP 2009 Questionnaire, Questions 7-11, Scope 1 and 2 emissions)
- 4. Have you set publicly available greenhouse gas reduction targets? If yes, what are those targets? (Enter total metric tons and target date, e.g. CDP 2009 Questionnaire, Question 23)

Material Efficiency

Reduce waste and enhance quality



- Scores will be automatically calculated based on participation in the Packaging Scorecard in addition to the following:
- 5. If measured, please report total amount of solid waste generated from the facilities that produce your product(s) for Walmart for the most recent year measured. (Enter total lbs)
- 6. Have you set publicly available solid waste reduction targets? If yes, what are those targets? (Enter total lbs and target date)
- 7. If measured, please report total water use from the facilities that produce your product(s) for Walmart for the most recent year measured. (Enter total gallons)
- 8. Have you set publicly available water use reduction targets? If yes, what are those targets? (Enter total gallons and target date)

Nature and Resources

High quality, responsibly sourced raw materials



- 9. Have you established publicly available sustainability purchasing guidelines for your direct suppliers that address issues such as environmental compliance, employment practices, and product/ingredient safety? (Y/N)
- 10. Have you obtained 3rd party certifications for any of the products that you sell to Walmart? If so, from the list of certifications below, please select those for which any of your products are, or utilize materials that are, currently certified.

People and Community

Vibrant, productive workplaces and communities

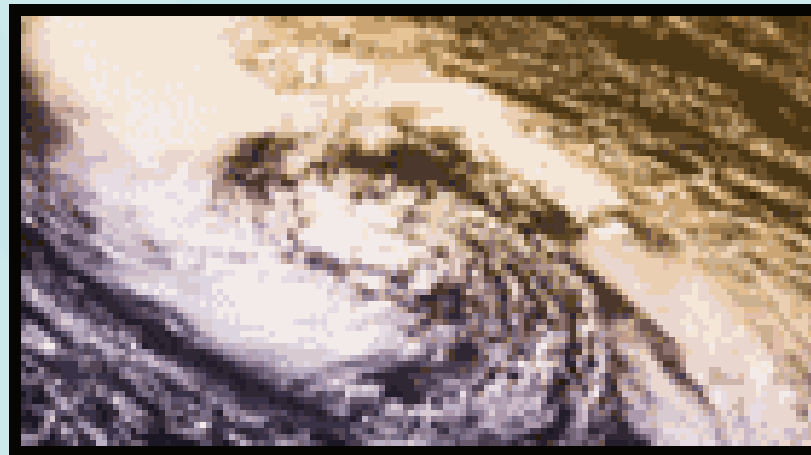


- 11. Do you know the location of 100% of the facilities that produce your product(s)? (Y/N)
- 12. Before beginning a business relationship with a manufacturing facility, do you evaluate their quality of production and capacity for production? (Y/N)
- 13. Do you have a process for managing social compliance at the manufacturing level? (Y/N)
- 14. Do you work with your supply base to resolve issues found during social compliance evaluations and also document specific corrections and improvements? (Y/N)
- 15. Do you invest in community development activities in the markets you source from and/or operate within? (Y/N)



For More Information

www.pewclimate.org/energy-efficiency



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