Greenpeace
Cool IT Leaderboard, Version 4

New scoring criteria and examples of leadership

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This document provides a selection of initiatives, broken down by criteria, which are indicative of leadership efforts that have earned IT companies top marks in previous Cool IT Leaderboard rankings.

The criteria for Version 4 (Autumn 2010) of the Leaderboard have been updated to offer a more precise methodology for the differentiation of company type and attention to current political realities. For all new criteria, where no previous example of leadership can be clearly referenced, an explanation of changes or additions and a company's potential to earn maximum points in the respective category is provided instead.

The examples in this document represent the best sampling of industry leadership identified to date, as performed by companies that ranked at the top of Version 3 of the Cool IT Leaderboard. However, these should not be interpreted as defining the highest bar for each criterion. Areas for improvement are noted as appropriate in addition to the example.

IT Climate Solutions - 40 Points

Current Savings Calculation (20 Points)

Company makes public calculations of current net greenhouse gas (GHG) emissions savings provided by IT solution(s) in any of five key areas of the economy - buildings, transport, manufacturing, power and 'dematerialisation' of services - via case study data. In the case of software solutions, company projects reductions from associated behavioural change.

Cisco received the highest score for its solutions calculations in Version 3 as a result of its thoroughness in documenting the impact of its solutions offerings. The company provided a list of seven solutions, each paired with calculations, descriptions, white papers, supporting links and documentation.

To achieve full points under the *Current Savings Calculation* criterion, companies should provide evidence of efforts to contribute to global GHG reductions of 15% by 2020 with product solution offerings. Each solution should be accompanied by a net emissions reduction figure, arrived at by calculating total emissions saved and subtracting the lifecycle GHG emissions of the solution. (Total emissions saved — lifecycle emissions of solution = net emissions reductions).

See the Methodology Document for more detail.

Public Metrics (10 Points)

Company makes public explanation of metrics and assumptions used to calculate the net GHG emissions savings of IT solutions.

Ericsson scored highest under this criterion in Version 3 of the Leaderboard, for providing detail on the basis of its total cost of ownership LCA methodology, which clearly outlines a methodological approach appropriate for calculating energy savings associated with increased use of telecommunications network/IT technologies.

Investment (5 Points)

Company makes significant financial investment in clean technology solutions, including specific investments in existing offerings and R&D for IT climate solutions and/or makes direct investments in external third-party clean energy opportunities.

This is a new criterion in Version 4 of the Leaderboard. Companies will be scored on their relative investments in clean technology R&D and existing solutions offerings. Meaningful investment will be measured relative to other business units and solutions opportunities accessible to the company.

Full leadership points will be awarded for separate and specific data demonstrating investments in existing offerings as well as climate solution R&D, or meaningful investment in clean energy deployment by others. Though it was not counted in the previous Leaderboard, an example of investment in third-party clean energy deployment that would be applicable for this new criterion is Google's recent investment in large wind farms in North Dakota.

Future Savings Goal (5 Points)

Company sets ambitious short to mid-term target for future net GHG savings based on current savings calculations, investment and growth.

Fujitsu was the only company to demonstrate leadership by having a public target for carbon savings.
Its reduction goal - 12 million metric tons from 2009 to 2012 - needs further clarification as to how it will be achieved in order to score full points.

IT Energy Impact - 25 Points

IT Energy Impact now accounts for 25 out of 100 total points in Version 4 of the Cool IT Leaderboard (up from 15 in previous versions). Ten points have been shifted from the *IT Climate Solutions* category to the *IT Energy Impact* category to reflect the concern that untempered growth of IT's own carbon footprint could eclipse the emissions savings benefits of its technologies.

Absolute Emissions Reduction Target (5 Points)

Company makes commitment to reduce absolute GHG emissions of its own operations on a defined timeline. Maximum points awarded to companies with absolute reduction goals of at least 20% by 2012 using a 2008 or earlier baseline.

IBM has demonstrated significant leadership in reducing emissions from its own operations. According to the company, between 1990 and 2005, IBM reduced or avoided CO_2 emissions by an amount equivalent to 40% of its 1990 emissions. IBM then set a second generation reduction goal: to reduce the CO_2 emissions associated with its energy use 12% by 2012 against a 2005 baseline. Similarly, Dell scores full points for its ambitious GHG emission reduction target of 40% by 2015 from a 2007 baseline.

Mitigation Strategies (10 points)

Company demonstrates one or more specific GHG mitigation strategies in the following order of importance: energy efficiency and avoided emissions; direct installation of renewable energy; offsets directly secured in electricity load centre servicing data centre or major company infrastructure; renewable energy credits and/or offsets clearly proven to be additional.

Mitigation Strategies has replaced leadership points previously awarded for incorporation of renewables in order to capture a higher degree of differentiation between companies and the effectiveness of different GHG reduction strategies. The relative scoring values of qualifying actions under this criterion are ordered from highest to lowest as follows:

- Reductions from energy efficiency or avoided emissions
  (Example: since 2001, Intel has implemented more than 250 energy conservation projects, saving more than 500 million kWh of electricity in its facilities);

- Direct installation/procurement of renewable energy
  (Example: Google recently announced a 20-year contract to buy clean power from a wind farm in Iowa owned by NextEra Energy Resources);

- Offsets directly secured in electricity load centre, servicing data centre, or major company infrastructure; and

- Renewable energy credits and/or offsets clearly proven to be additional.
  (Example: Intel is the largest purchaser of renewable energy in the US, holding 1.3 billion kWh/year of renewable energy certificates)

Infrastructure Siting Policy (5 points)

Cloud service companies have cloud infrastructure siting policy that maximises clean energy sources and avoids growth in demand for fossil fuel or nuclear-powered electricity.

The *Infrastructure Siting Policy* criterion is new to the Leaderboard, and has been added in reaction to a rapid increase in energy use for data storage among cloud-based computing companies. Cloud service companies will be evaluated on the strength of siting policies and decisions to prioritise the use of clean energy sources and direct use of renewable energy at or above the national average to power cloud infrastructure.

Sample elements of a company Infrastructure Siting Policy:

- Requires all new company data centre facilities to be powered directly by (e.g. 25-35%) renewable sources of electricity; and

- Contains an electricity procurement standard requiring power purchase agreements to meet minimum a performance of 1,100 lbs. of CO_2 per Kwh (http://www.energy.ca.gov/emission_standards/index.htmlIT), which would effectively eliminate coal as a source of electricity.
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Product Efficiency & Supply Chain Footprint (5 Points)

IT equipment companies manufacture high-efficiency products and aggressively manage the carbon footprint of their product supply chains.

The *Product Efficiency & Supply Chain Footprint* criterion has been added to the Version 4 of the Leaderboard in order to more accurately assess company leadership in minimising the carbon emissions associated with product offerings. IT equipment companies will be evaluated both on the energy efficiency of their products and on their leadership efforts in taking responsibility for the carbon footprint of their product supply chain.

The Guide to Greener Electronics (May 2010) awarded top marks to Nokia for product energy efficiency as all but one of its mobile phone chargers exceed the Energy Star requirements by between 30 and 90%.
Nokia scored for ensuring that its key suppliers set energy efficiency and CO_2 emission reduction targets.

Political Advocacy - 35 Points

In Version 4 of the Leaderboard, we have added an expiration date to the *Political Advocacy* category so that only advocacy conducted within the past 12 months will be counted in our evaluation. Companies will be scored for their positions on 2 to 3 current regional policy priorities, which correspond to the core policy reform areas defined in Greenpeace's Energy [R]evolution blueprint. These priorities will be reviewed and updated with each new version of the Leaderboard to reflect the most current political realities.

Companies that do not articulate a position on a minimum number of identified priorities for the given Leaderboard cycle will be capped at 50% of possible points for political advocacy.

Political Speech (10 Points)

Public speech, preferably by the CEO, made before a relevant national or international audience, which references the need for science-based, mandatory GHG reduction cuts.

Google's CEO, Eric Schmidt, has publicly articulated a compelling business and environmental case for the transition away from fossil fuels and toward a clean energy economy on multiple occasions, drawing from his company's Clean Energy 2030 Proposal. Schmidt tackled power generation and transportation in a speech at the Corporate EcoForum in September 2008, calling for 100% of energy to come from renewable sources by 2030 and to replace half of the national vehicle fleet with plug-in hybrid electrics. However, Leaderboard credit for political speech will sunset after one year, so Google will need to submit a more recent and equivalent example of Political Speech for the company to retain its high score in Version 4.

Political Policy (15 Points)

Company takes public position in favour of specific and current policy advocacy priorities that support science-based, mandatory GHG reduction cuts at the national or international level.

To earn maximum credit under this new criterion, the company must contribute to pressing political priorities as identified in each new version of the Leaderboard. For example, this criterion would have identified active participation in support of an international climate agreement in Copenhagen in 2009 as a way to score high points for *Political Policy* in our last version of the Leaderboard. Carl-Henric Svanberg, former CEO of Ericsson, addressed the UN Secretary General, heads of state, and business leaders at the UN summit to outline how IT solutions can reduce emissions and contribute to a low-carbon economy.

Repetition Bonus (10 points) *measures the repetition of positive speech and advocacy.*

Negative Lobby Penalty (-5 to -15, depending on severity)

Companies that directly undertake or are members of trade associations/organisations which engage in negative lobbying, defined as a policy position that undermines or negates a scientifically-achieved emissions reduction target and/or clean energy policies.

Companies that are members of trade associations which actively oppose or undermine identified policy priorities may incur a point penalty for negative lobbying unless they have clearly and publicly indicated that the trade association does not represent the company's views on such policies.

In 2009, Intel signed on to a letter calling for US legislators to trade real and meaningful climate legislation for flawed and controversial carbon offsets, aligning itself with some of the country's largest, most regressive and polluting companies. Beginning in Version 4 of the Leaderboard, companies involved in regressive lobbying along these lines, or which are members of trade associations that oppose climate and energy political priorities, such as the US Chamber of Commerce, and which do not articulate a clear differentiation of position, will incur penalty points.