

SMSBF Aug 18, 2011 Meeting Minutes

Evolution of Corporate Sustainability: “Corporate Sustainability 201”

The meeting started with a welcome to participants.

Presenter: Rick Plewa

Attendees gave introduction and brief description of position and any notable sustainable events at place of employment.

Presentation:

Dan gave introductory presentation, mentioned upcoming Sustainability Awards Program. Current strategy is to review application for awards with businesses who might qualify. We would like to increase visibility for those who might not be aware of SMSBF and also help businesses raise awareness of where they might be able to increase and improve their own sustainability.

Participants who would like to suggest a company for the application or volunteer should email info@smsbf.org. Volunteers with a background in marketing are especially encouraged to assist with marketing strategy.

Anyone not receiving the eBlast via email should contact info@smsbf.org to ensure their email is added to the mailing list.

Presentation:

Rick would like this presentation to have a conversational format as we talk about Comerica’s journey toward sustainability.

Deloitte Consulting assisted with creating Sustainability Value Creation Models. Stewart Hart (Heart) John Illsteing, sustainability value creation research.

- Internal / external stakeholder engagement encouraged
- Sustainability materiality analysis to help set priorities
- Employee engagement programs, “green teams” at major campus locations
- Baseline environmental performance metrics established in most key impact. Diversity, community investment, pre-date sustainability program.
- Focus and priorities for 2008-2010- strategy, establishing program foundations and infrastructure, capacity building, CDP and GRI reporting.
- Focus and priorities for 2011-2012: further integration and embedding

History:

Program prompted by Comerica's non-response to first Carbon Disclosure Project (CDP) survey request of US Companies. Non-response rate among S&P 500 companies was 53%.

Board of Directors issued sustainability report by 2007, including company's definition of sustainability and company-wide review of policies. Shareholders had a large vote message indicating that at 40%, sustainability was very very important. Board formed Sustainability and Climate Change Workgroup.

Deloitte Consulting engaged to help develop enterprise-wide sustainability strategy. Conferred with colleagues and external stakeholders to ensure program would be good fit for Comerica. One important piece of the solution was ensuring that solution would have 'business friendly approach' meaning that there had to be value created for Business Units. Properly implemented sustainability can improve revenues, reduce costs, and respond more effectively to change in changing world.

A Vision and Mission Statement was created, embracing sustainability as a core tenant of the Comerica Charter.

Upper management really needs to be convinced that there will be real business value and cost savings to the necessary changes. Everybody watches what shareholders bring forward in proxy votes. There were more ESG Proxy votes than any other time in history in 2011.

5 Pillars of Sustainable Enterprise:

1. Workplace
2. Workforce
3. Products & Services
4. Functions and Processes
5. Governance

Comerica developed Annual Action Plans with great amounts of detail to expand on initiatives. These projects then get recommended to the Sustainability Council for further review and approval. There is a high level of cooperation and commitment to completing the projects.

Governance and Management

Conductor or Facilitator ensures processes operate smoothly. Various parts of the organization are responsible for their sections – i.e., IT responsible for IT governance within their own sector.

Sustainable Value Creation Model – adapted from Mark Milstein.

Review of Comerica Sustainability Report:

For example, paper consumption down by 27%, due to a re-design of initiatives all over organization. More specific trends in sustainability report.

Comerica has had a high recognition of success by external measurement models. Value Creation Models created yearly to show cost savings due to initiatives.

Vancouver- Van City has community banking solutions that assist community development. (Diane Haworth)

Priorities of Investors and NGOs:

- Transparency and balance in reporting on full range of environmental, social and governance (ESG) issues.
- Evidence of consistency between words and actions of company
- Clear communication about strategy,
- Clear demonstration of business value, targets, metrics. Measuring means that targets are more likely to be hit.
- Integration of ESG
- Manage risk and opportunity
- Employee training and opportunity

Priorities of Employees:

- Increased visibility
- Increased management support
- Recognition of role and contribution in green teams
- Continued alignment between 'walk and talk' when we make suggestions about conservation

Roadmap for the 21st Century Document

20 expectations for companies by 2020

Next steps:

Current strategy is plotting projects and deliverables for 2 years out. Risk and opportunity landscape has changed, what do stakeholders want from Comerica? Needs and capacity of organization, competition for resources must be reconciled with all needs of company.

This is a young program, only 3.5 years old. The infrastructure is in place, sustainability must be embedded. Targets will be added this coming year for water and waste, targets from green loans must be created.

- Better technology needed – carbon and energy management system, GRI reporting.
- Improve measurement and tracking systems
- Increase visibility
- More employee training

- Enhance capabilities for meaningfully engaging with stakeholders who are critical to success.

Hara –Green Technology system in CA.

The meeting adjourned at 10:00 a.m.