

Environmental Management Plan



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Introduction

Clearwater Credit Union's mission is to be a force for good in banking, in the communities we serve, and in the lives of our members. To deliver on this mission we are guided by four core values:



We practice responsible banking, grounded in cooperative ownership.



We solve problems and create opportunities for a better tomorrow.



We choose to be inclusive, not exclusive.



We are committed to making a difference in the world.

One expression of our mission and values is reducing our environmental impact. This Environmental Management Plan (EMP) describes how Clearwater Credit Union manages environmental impact. Included are a description of our general approach to environmental sustainability, our commitments to ongoing management activities, a description of the environmental issues that we are managing, and our targets for reducing our impact. This document is intended to be reviewed annually and updated regularly, revision history is included in Appendix A.

Our Approach to Environmental Sustainability

In our efforts to track and reduce our environmental impact, we will follow four core principles:

- ✓ **We will focus on the things that matter.** When deciding what environmental issues to manage, we will prioritize those with a high importance to global and local environmental sustainability.
- ✓ **We will focus on the things we impact.** Not all environmental issues are relevant to our business and operations. We will prioritize areas where we have a significant impact.
- ✓ **We will strive for completeness.** Our goal is to measure and manage the bulk of our significant environmental impacts.
- ✓ **We will be responsible managers of our members' financial resources.** Clearwater Credit Union is a member-owned financial cooperative. Sound management of our members' resources is a priority in everything we do.

Our Commitments

Clearwater Credit Union is committed to the following management activities:

- ✓ **Annual Environmental Impact Assessment.** We will conduct an annual environmental impact assessment and make the results publicly available. The assessment will be conducted each spring, will cover the previous calendar year, will include our progress towards our targets, and will be published before our Annual Meeting.
- ✓ **Annual review of the Environmental Management Plan.** We will review the EMP annually and adjust as needed. This includes review of the management approach, environmental issues, and reduction targets. Any changes to the EMP will be documented in Appendix A.
- ✓ **Quantitative targets.** We will set specific, measurable targets for reducing our environmental impact. Progress towards these targets will be reported in the annual environmental impact assessment.
- ✓ **Sound fiscal management.** Our environmental management activities should be congruent with responsible financial management of the credit union. All environmental impact reduction projects will include cost estimates and tracking.

The Environmental Management Plan will be ratified by the Clearwater Credit Union Board of Directors and will be implemented by the Clearwater Green Team.

Environmental Issues

When identifying areas of environmental impact to manage, Clearwater is guided by context, materiality, and completeness¹. Our goal is to measure the things that matter, the things that we have an impact on, and the things that make up the bulk of our environmental impact. With those principles in mind, we have chosen to manage our greenhouse gas emissions, water use, paper use, and solid waste generation.

Greenhouse Gas Emissions

Human-caused emissions of greenhouse gases (GHGs) are altering the energy balance of Earth². The effects of these changes are already apparent³ and continued, unabated emissions of GHGs will lead to significant future warming and will likely cause major adverse effects⁴. To avoid a high risk of substantial adverse effects, dramatic reduction in greenhouse gas emissions are needed⁴. Monitoring and reduction of greenhouse gas emissions is also a proxy for other significant environmental effects including air pollution, traffic congestion, land development, and employee health. A commonly recognized target to avoid severe climate change is 2°C (some argue that this is too high and 1.5° C is more appropriate⁵). Meeting this target requires a decline in global GHG emissions of ~10%/year⁶, with an equitable reduction in US emissions on the order of 70% by 2030 and 90% by 2050⁷.

The Paris Agreement, developed under the United Nations Framework Convention on Climate Change and adopted by consensus in 2015, is intended to limit global temperature increase to “well below” 2°C and requires each country to commit to non-binding GHG reduction goals. Currently, 195 countries have signed the agreement, and 179 have become party to it. The United States withdrew from the agreement in 2017; prior to that the US had committed to a reduction of 26%-28% below 2005 levels by 2025. While the commitments currently in place are insufficient to meet this target and will instead lead to a temperature of increase of 2.6-3.1°C by 2100⁸, the Paris Agreement remains a commonly cited international standard for action.

Following the US withdrawal from the Paris Agreement, local leaders across the United States committed to meeting the US GHG reduction targets in their communities. The Missoula City Council passed a resolution committing to greenhouse gas reductions meeting the Paris Agreement⁹. The Mayors of Missoula, Bozeman, and Whitefish have committed to meeting the Paris Agreement as members of Climate Mayors (a group formed in 2014 to advance climate action). Mayor John Engen of Missoula is a signatory to the Chicago Climate Charter, an explicit commitment to climate action including meeting the Paris Agreement reductions. Mayor Engen is also a member of Mayors for 100% Clean Energy, a Sierra Club initiative that calls for mayors to support the vision of a 100% clean energy future. The Missoula City Council has repeatedly affirmed their commitment to making municipal operations carbon-neutral by 2025¹⁰, and the Missoula Community Climate Action Plan calls for the community to be carbon-neutral by 2050¹¹. Clearwater Credit Union supports these efforts.

Paper Use

As a financial institution, paper is our major material input and output. We will track and reduce our paper use and we will work to ensure that the paper we do use is recycled and/or from a certified sustainable supply.

Solid Waste Generation

Reducing solid waste generation is important both because landfill space is finite and as a proxy for reducing resource extraction, energy use for production and disposal, and use of non-renewable resources.

In 2016, the Missoula City Council passed a resolution creating a zero-waste plan calling on the community to increase the amount of waste diverted from the landfill to 90% by 2050¹². This aligns with the waste stream reduction policy in the City of Missoula Conservation & Climate Action Plan, and with the environmental quality goals of the City's Growth Policy. The resulting ZERO by FIFTY initiative calls for interim landfill diversion goals of >30% by 2025 and >40% by 2030. Clearwater Credit Union supports the ZERO by FIFTY initiative.

Water Use

The Missoula and Bitterroot Valley aquifers are excellent, healthy sources of fresh water. Water supply is not currently constrained from either source, but fresh water is an essential part of Montana's environment, and development and climate change are likely to increase demand on these sources in the future. Clearwater Credit Union is committed to preserving the quality and abundance of Montana's water resources.

Reduction Goals

Clearwater Credit Union is committed to meaningful reduction of our environmental impact. To achieve this, we will set quantitative goals that are achievable but challenging, we will monitor and report our progress towards these goals, and we will work to reduce our impact directly before turning to purchased offsets. Our inaugural impact reduction goals are given below. We choose a period of two years to achieve these goals, finishing with the end of calendar year 2020. In the case that we achieve any of them before that time, we will set new goals.

There are several technical issues regarding targets which should be addressed briefly:

- ✓ **Absolute v. intensity targets.** Targets can be either absolute (a quantity of total impact) or intensity (impact divided by some other factor, such as units produced, number of employees, etc.). Our commitment is to reduce our overall impact on the environment, so we will set absolute targets. We will track several intensity measurements for comparison.

- ✓ **Greenhouse gas emissions offsets.** Greenhouse gas offsets are the reduction of GHG emissions elsewhere to compensate for an organization's (or person's) direct GHG emissions. Most often, a person or organization will purchase offsets from a third party, who will then channel the money to vetted projects that reduce GHG emissions. Offsets are commonly used in corporate GHG reduction plans and often make up the bulk of emissions reductions for carbon neutral organizations. However, there are serious challenges to the use of offsets¹³. Clearwater Credit Union is committed to direct reduction of our GHG emissions. We also realize that, while offsets are an imperfect solution, they do have a role to play as a temporary mitigation as we work to reduce our emissions.

Goals

Greenhouse Gases

Goal(s):

- 1 20% reduction in absolute GHG emissions by year-end 2020.
- 2 Carbon neutrality by year-end 2020 (including the use of offsets).

Tracking: GHG/member

GHG/coworker

Rationale: Our goals are to: (1) meet the commitments of the Paris Agreement (26-28% reduction by 2025) through direct reduction of GHG emissions, (2) reduce GHG emissions as much as possible before purchasing carbon offsets; (3) offset our remaining emissions to achieve carbon neutrality; (4) continue to drive down our direct emissions after meeting these targets.

Water

Goal(s):

- 1 Improve tracking of water use.
- 2 Implement best practices for water conservation in domestic and irrigation use.

Tracking: Water use / coworker

Rationale: Water supply in Missoula and the Bitterroot Valley is currently unconstrained and is projected to remain so into the future. This is not an excuse for profligate use. We will work to ensure that we are using best practices for water efficiency in both domestic use and irrigation.

Solid Waste

Goal(s):

- 1 Improve tracking of solid waste.
- 2 Increase the percentage of solid waste diverted from the landfill 20% by year-end 2020.

Tracking: Waste / coworker

Rationale: Our intention is to meet or exceed the commitments of Missoula's ZERO by FIFTY initiative, which calls for a diversion rate of 30% by 2025.

Paper

Goal(s):

- 1 10% reduction in total paper used by year-end 2020.
- 2 40% total recycled content by year-end 2020.
- 3 Maximize % of paper sourced from certified sustainable supplies.

Tracking: paper / member

Rationale: Paper is our major material input and output. As a critical business item, drastic reductions in use may be disruptive and costly, and the motivator for deep reductions is not so clear. A 10% reduction in use, coupled with increased recycled content and sustainable-certified supply is consistent with best practices for paper use and with sound management of members financial resources.

References

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- 2 Cicerone, R., and Paul Nurse. *Climate Change Evidence and Causes*. National Academy of Sciences with The Royal Society, Washington, DC, 2014. <https://doi.org/10.17226/18730>.
- 3 *Climate Science Special Report: Fourth National Climate Assessment*. US Global Change Research Program, 2017. doi: 10.7930/JOJ964J6.
- 4 Pachauri, Rajendra K., et al. *Climate Change 2014: Synthesis Report. Contribution of Working Groups I, II and III to the Fifth Assessment Report of the Intergovernmental Panel on Climate Change*. IPCC, 2014.
- 5 Schleussner, C-F., et al. "Differential climate impacts for policy-relevant limits to global warming: the case of 1.5 C and 2 C." *Earth System Dynamics*, 2016.
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- 6 Raupach MR, et al. "Sharing a quota on cumulative carbon emissions." *Nature Climate Change*, 2014.
- 7 Gignac R, and Matthews HD. "Allocating a 2°C cumulative carbon budget to countries." *Environmental Research Letters*, 2015.
- 8 Rogelj, J, et al. "Paris Agreement climate proposals need a boost to keep warming well below 2 C." *Nature*, 2016.
- 9 Missoula City Council Resolution 8174. 2017.
- 10 City Council resolutions 8174 (2017) and 7753 (2013) affirm commitment to the City's Conservation & Climate Action Plan (2012), which calls for carbon neutrality by 2025, approximately 70% of which reductions will come from purchased offsets.
- 11 *Missoula Community Climate Smart Action Plan v1.0*. Climate Smart Missoula, 2015.
- 12 Missoula City Council Resolution 8044, 2016.
- 13 Kotchen, MJ. "Offsetting Green Guilt." *Stanford Social Innovation Review*, 2009.

Appendix A: Revision History

Revision Number: 1.0

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Revised by:

Clearwater Green Team

Changes:

This is the first version of the Clearwater Environmental Management Plan.