



# Investing in Sustainability

## Getting Started & Why It Works

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## Additional Q&A

Our March 2 webinar – “Investing in Sustainability: Getting Started and Why It Works” – generated so much thoughtful discussion and questions from our 300+ attendees worldwide that we weren’t able to cover it all in the Q&A period. We are grateful to our panelists and their teams for providing thoughtful responses to those additional questions in writing (see below). Speaker names are hyperlinked to speakers’ LinkedIn profiles for more information.

### Dominion Energy

- [Rodney Blevins, President](#)
- Thomas Effinger, Director of Environmental Services

### Milliken and Company

- [Maurie Lawrence, Sustainability Director, Associate General Counsel](#)

### Sonoco

- [Ed Harrington, Global Environmental Director](#)

### Shi Institute for Sustainable Communities at Furman University

- [Weston Dripps, Executive Director; Professor in Earth, Environmental, and Sustainability Sciences](#)

**I'm implementing our data collection for utility and waste / recycling. My current challenge is converting natural gas from energy units to volumetric, cubic meters. Billing is in kWh, GJ and Therms, I have found some conversion factors which are often different due to different correction factors and so on. Is anyone using a standard conversion factor for these energy units to volumetric across global locations?**

The use of conversion factors are tricky since there is variability in fuel and whether it is 100% combusted. Here’s probably the best place to get that information. (*Tom, Dominion*)

[Greenhouse Gases Equivalencies Calculator - Calculations and References | Energy and the Environment | US EPA](#)

**Any best practices on your success in being named a "most ethical company" from ethisphere. any guidance you can provide?**

Have policies with clear expectations. Top leadership should emphasize that it is critical for strict adherence to those policies. No exceptions. (*Ed, Sonoco*)

The Department of Justice has [guidelines](#) on effective compliance programs. The Business Ethics Leadership Alliance offers many resources and Ethisphere offers benchmarking and assessments. (*Maurie, Milliken*)

**ISO14001 is pushed quite a bit within the Sustainability and Environmental performance and improvement aspects of businesses, especially in the UK. Does ISO14001 provide a big enough impact for a businesses sustainability alone, or does it always need to be backed up by other large scale projects for larger changes quicker, but at a higher cost? My company doesn't yet have sustainability and environmental practices, so we are looking at sustainability aims and goals to achieve going forward.**

ISO 14001 can provide a solid management system for environmental and sustainability systems. However, that alone will not drive the improvements I believe are needed nor is it necessary to be ISO certified to succeed. It is critical to understand what sustainability aspects are important to your various stakeholders. Then you can prioritize stretch goals in those critical areas. Once the goals are set, a management system can help ensure the organization stays on the right path. *(Ed, Sonoco)*

Agree with above; however, note that I would not necessarily frame that sustainability comes at a "higher cost" because once you understand which aspects of sustainability are important to your stakeholders (a materiality review) and begin to understanding risks that sustainability can present to your company at an enterprise-level, then sustainability will be viewed as prudent investments for sustainable value across stakeholders and long-term growth. *(Maurie, Milliken)*

Dominion Energy South Carolina used ISO14001 when it was formally SCANA and had each of its generating facilities third-party certified to that standard, but as of 2020 conformed to Dominion Energy's Environmental Management System (EMS). Our EMS provides the framework for tracking and improving the environmental compliance process across the entire company.

The EMS is built on 12 corporate standards that set company-wide expectations for environmental compliance and stewardship. These standards provide the framework to manage, track, and improve the company's environmental record. The EMS describes roles and responsibilities throughout all levels of the workforce because we recognize that clearly defined duties for our employees and leaders are essential for fostering accountability and sustaining the EMS.

To communicate our commitment to full compliance, all employees receive training on the company's environmental policy, potential environmental issues associated with their work, their contribution to the effectiveness of the EMS, and the implications of not conforming to it. Additionally, we deliver strong and consistent environmental awareness messages as part of new employee orientation and all training programs.

We feel it's important to instill a culture of compliance while also improving environmental risk management. We conduct periodic self-assessments at our sites and facilities to identify and eliminate potential compliance issues. When an environmental incident occurs, we conduct a robust root-cause analysis; promptly mitigate its effects; determine corrective actions on a short-term, long-term, and global basis; and track the effectiveness of corrective and preventive actions. Furthermore, Dominion Energy's Audit Program conducts internal audits and EMS evaluations to assess compliance with applicable environmental laws, regulations, and policies.

Our commitment to environmental excellence extends to our contractors. In 2019 we initiated a policy to ensure that we are awarding contracts to contractors and suppliers who are committed to ensuring environmental compliance. We're also building environmental compliance considerations into our supply chain management process, such as by adding an environmental qualification questionnaire to the bid process and post-project evaluation. In much the same way as we do with our safety programs, we will use environmental statistics to improve and track the environmental performance of our contractors and suppliers.

We will continue to focus on improving our environmental performance. We know that actions speak louder than words, and we will ensure that our environmental track record reflects this commitment. *(Team, Dominion)*

**I work in the econ dev space in OK. As company leaders what is your advice for state-level econ dev entities to engage companies on discussions about starting, or expanding their sustainability practices?**

Availability of green energy and recycling facilities would be important to us. (*Ed, Sonoco*)

If the question is less about how to attract new companies and more about how to evolve existing companies in your state to begin/expand thoughts on sustainability, then I recommend education and awareness. As econ dev professional you can compellingly raise awareness and educate companies on the economic and competitive value of investing in sustainability—the business case exists---bring leaders to your state, create education materials, expand information and incentives to raise awareness and celebrate those companies that are engaging in sustainability. (*Maurie, Milliken*)

Companies that are considering a move into the State are often looking for an environmental advantage and it's important that we as leaders look for ways to partner with them in this endeavor. For example, as far back as October 2011, DESC (formerly SCE&G) switched on one of the largest solar panel projects at that time in the Southeast at Boeing South Carolina's new 1.2 million square foot North Charleston facility. For the project, DESC assembled 2.6 megawatts of thin film solar panels that cover 10 acres on the roof of the 14-acre Boeing South Carolina 787 Final Assembly building. The 2.6 megawatts of electrical power generated for the site is enough to power approximately 250 homes.

Under the arrangement with Boeing, DESC owns and maintains the solar generation system and supplements the solar-generated energy with power from its renewable energy system resources to meet all of Boeing's energy requirements and enable the facility to operate as a 100 percent renewable energy site. (*Team, Dominion*)

**What are your thoughts on Data analytics startup for climate change?**

Data is critical to sustainability initiatives and goals. There are many data tools and systems available. Understand existing data available in your company and what industry peers are doing (benchmark) is necessary. [Many free interactive data tools](#) to advance education on climate change are also available. (*Maurie, Milliken*)

**How can corporations partner with SC to execute sustainability goals, plans and investments?**

The Shi Institute at Furman is launching a Sustainability Leadership program in partnership with SustainSC this fall. The Sustainability Leadership Initiative will be a statewide innovative leadership development program and business sustainability forum designed for sustainability leaders in South Carolina. The program is intended to create robust cross-boundary relationships in the network of state leaders with the knowledge, skills, and desire to collaborate and support each other in identifying pathways and executing solutions for a sustainable future. If interested in learning more contact [weston.dripps@furman.edu](mailto:weston.dripps@furman.edu) (*Wes, Shi Institute*)

A couple of examples of how Dominion Energy has partnered with our communities are:

In 2019, Dominion Energy launched one of the most ambitious electric school bus initiatives in the country. When participating local school districts replace aging buses in their fleets, Dominion Energy will cover the additional cost of converting from diesel to electric buses and provide charging infrastructure. In addition to reducing greenhouse gas emissions, this initiative will substantially improve the air quality for the buses' passengers; the air quality inside an electric bus is six times better than air quality inside a diesel bus. The initiative will also provide ongoing savings to school districts because electric buses have 60 percent lower operation and maintenance costs.

What's more, because the buses are idle for long stretches at regular intervals, the program will enable Dominion Energy to use the battery systems for grid operations and in support of intermittent renewable energy. The first electric bus charging stations in Dominion Energy South Carolina's system were installed to serve the Charleston Area Regional Transportation Authority's bus depot.

In South Carolina's Lowcountry, Dominion Energy operates a transmission corridor with Marine Corps Air Station Beaufort and the Marine Recruit Depot at Parris Island and the town of Yemassee. Dominion Energy needed to harden its electric grid to provide reliability and resiliency to these important military bases without damaging the precious ecosystem. To do that, the company collaborated with the ACE Basin Task Force and various conservation groups such as Ducks Unlimited. We relocated a 115-kilovolt transmission line to preserve the Edisto Island National Scenic Byway. As we replaced wooden poles with embedded steel that could withstand winds of up to 150 mph, we used construction techniques throughout the marshes and swamps to minimize the imprint from construction activity. We took advantage of the latest in structural composition and hardware to reduce the number of return trips needed for maintenance or restoration. And we went beyond the scope of environmental considerations when we worked with neighboring property owners to remove our infrastructure from the treasured Old Sheldon Church Roadway and Ruins and route the lines through less visible areas. Finally, the company's foundation made a \$50,000 donation to Ducks Unlimited to help that group continue its conservation efforts. *(Team, Dominion)*

**What are each of your companies doing to ensure your on-paper sustainability goals translate to on-the-ground practices?**

We have a Sustainability Council made of business from various departments. We review our progress and adjust strategy as needed. We publish a Corporate Responsibility Report once per year which includes a review of our progress. This provides transparency and helps keep us accountable to our stakeholders. *(Ed, Sonoco)*

Similar to above, senior leaders are ultimately responsible for the governance of sustainability. Sustainability is an enabler of our business strategy and updates are reported to the Board of Directors. Sustainability is included as an important metric in performance standards. We also publish a report once per year which discloses our progress transparently and holds us accountable to all stakeholders. *(Maurie, Milliken)*

Sustainability is embedded throughout Dominion Energy, at all management levels and across all business areas. From robust sustainability governance practices at the Board and executive management levels to innovation "sprint teams" made up of key subject matter experts, the Company is focused on translating its sustainability goals into action.

In total Dominion Energy has made over 30 sustainability commitments to our customers, communities, the environment, and our employees. Performance on these commitments are outlined in our 2019 Sustainability and Corporate Responsibility Report, which is available on the Dominion Energy ESG website ([www.dominionenergy.com/esg](http://www.dominionenergy.com/esg)).

Ultimate responsibility for the oversight of company performance and strategic direction rests with the Board of Directors, including on sustainability and Environmental, Social, and Governance (ESG) matters. In 2018, the Board formed the Sustainability and Corporate Responsibility Committee, which assists the Board by:

- Overseeing strategies, activities, and policies regarding environmental sustainability, human talent management, corporate social responsibility, and public issues of significance and related innovation matters that may affect the company's stakeholders;
- Reviewing sustainability and corporate responsibility reports and similar communications and reporting to stakeholders on environmental and social responsibility initiatives and activities;
- Reviewing sustainability targets and receiving progress reports on achieving those commitments; and
- Overseeing the company's initiatives to support innovation, technology, and sustainability. *(Team, Dominion)*

**Can the panelists speak to the balancing act that Rodney alluded to? What type of customers pursue green aspects and what do you do to promote sustainability among customers that are not as interested?**

Our largest customers are very active in the sustainability area. We are just beginning our move towards actively working to reduce our Scope 3 GHG emissions. This will require us to engage more deeply with both our customers and suppliers in this area. *(Ed, Sonoco)*

Sustainability requires collaboration and engagement with your value chain, and there are different levels of awareness and market demands. Assuming baseline communication tools for suppliers such as sustainability commitments in your Supplier Code of Conduct, then companies can engage in educational awareness, understand the business case for sustainability from customers' perspective, share measurable impacts, incentivize sustainable outcomes and keep dialogue and engagement ongoing. *(Maurie, Milliken)*

### **What is the breakdown of Dominion's electric generation sources today and expectation for 5 years from now?**

Dominion Energy's portfolio metrics can be found [here](#).

To achieve its net zero commitment, Dominion Energy is pursuing a diverse mix of cleaner, more efficient and lower-emitting methods of generating and delivering energy, while advancing aggressive voluntary measures to continue dramatically reducing emissions from traditional generation and delivery.

Over the past two decades, Dominion Energy has changed the fuel mix it uses to generate electricity, as well as improved the systems that make up its natural gas operations, to achieve a cleaner future. In addition to reducing GHG emissions, Dominion Energy's environmental strategy has also resulted in measurable reductions of other air pollutants such as NOX, SO2 and mercury and reduced the amount of coal ash generated and the amount of water withdrawn. Dominion Energy achieved GHG and other air pollutant reductions by implementing an integrated environmental strategy that addresses electric energy production and delivery and energy management. As part of this strategy, Dominion Energy has retired, or committed to retire, several of its fossil fuel electric generating facilities, including those powered by coal, oil and gas with the replacement of this capacity coming from the development of renewable energy facilities.

Renewable energy is an important component of a diverse and reliable energy mix. Dominion Energy continues to add utility-scale solar capacity and currently has the third largest utility-owned solar fleet in the U.S. with 2.2 GW in operations across 10 states as of December 31, 2020. Dominion Energy also has approximately 2.5 GW of solar generating capacity under development, including agreements for acquisitions of projects, for facilities expected to commence commercial operations in 2021 through 2025 in Virginia, South Carolina and Ohio, representing approximately \$4.7 billion of investment. Dominion Energy expects to continue to make significant investments in solar generation to achieve its target of 13.4 GW generating capacity in-service by the end of 2035. In addition, Dominion Energy is pursuing offshore wind with the 2.6 GW Coastal Virginia Offshore Wind Commercial project, expected to be placed in service by the end of 2026, along with the Coastal Virginia Offshore Wind Pilot project which achieved commercial operation in January 2021.

Dominion Energy is pursuing renewable natural gas through its investment in Align RNG, which is developing projects to capture and convert methane emissions from swine farms, and Vanguard Renewables in collaboration with the Dairy Farmers of America to develop projects to capture and convert methane emissions from dairy farms across the U.S. Preservation of Dominion Energy's existing carbon-free baseload nuclear generation is also an important component of Dominion Energy's GHG emissions reduction strategy. Accordingly, Virginia Power has commenced the process to extend the operating licenses for its four nuclear units at Surry and North Anna. *(Team, Dominion)*

### **Could we get a few more examples of tradeoffs you have experienced?**

This [article](#) offers some important tradeoffs that many CEOs report facing in sustainability vs. short-term profits and/or cost reductions. *(Maurie, Milliken)*

### **Net zero. Do we really believe that there is some special CO2 knob that man has control of?**

The technology does not exist today, but with research and effort, it will be found. *(Ed, Sonoco)*

We do believe that human action matters and we all need to act urgently, and at many levels, in order to dramatically reduce GHG emissions. *(Maurie, Milliken)*

Under net zero, we do not propose to eliminate all greenhouse-gas emissions. Rather, we will prevent emissions to a technologically and economically feasible point, and net out any remaining emissions through a combination of carbon-beneficial technologies (such as renewable natural gas) and other verifiable methods, including reforestation. Likewise, we do not expect every business segment to attain net zero emissions — but some will go beyond net zero, so that Dominion Energy as a whole will attain net zero enterprise-wide.

In addition to reducing our own emissions, we also seek to help other economic sectors reduce theirs. Our current efforts focus on transportation, agriculture, and industry. We have launched one of the most ambitious electric school bus programs in the country, and the largest renewable natural gas partnership in the United States. We are exploring investments in electric vehicle charging and associated infrastructure. We are making these and other changes while staying focused on our core mission: to safely deliver reliable and affordable energy to our customers. *(Team, Dominion)*

**What might be an effective strategy for starting a conversation/ implementing sustainable practices at a company who does not consider sustainability a priority?**

You need to highlight all the benefits. Considering just the bottom line, customers prefer a more sustainable option. Employees prefer to work for a sustainable company. Saving energy will reduce your GHG footprint and save money. The key is to get started even if with only small steps. The results will prove themselves and build momentum. *(Ed, Sonoco)*

**How much further do we have to go to get consistency on ESG reporting standards, whether that be generalized across all industries, or specific to any one industry? Are your companies involved in helping set the standards? If so, what is the process?**

We are not actively engaged in standardized reporting systems but several of the trade organizations we belong to are. Given the global nature and number of systems, I believe it will be some time before a single system is agreed upon. *(Ed, Sonoco)*

Centralization of ESG reporting standards is already happening and is increasingly recognized as a key priority. [Here are some recent activities in this area.](#) *(Maurie, Milliken)*

Dominion Energy maps its sustainability disclosures to four sets of ESG reporting standards: Global Reporting Initiative (GRI), Sustainability Accounting Standards Board (SASB), United Nations Sustainable Development Goals (UN SDGs) and the Task Force on Climate-related Financial Disclosures (TCFD). The Company reviews these sets of standards frequently, especially when there are changes to them. To the extent public comment opportunities are available in connection with changes to the standards, the Company provides feedback as necessary.

Certain standards, like SASB, include industry-specific features in addition to more general criteria that apply to all industries.

The potential convergence of ESG reporting standards has been a hot topic of late. Articles such as this [Barron's piece](#) outline recent developments on that front. Importantly, some influential asset management firms like BlackRock are advocating for a single ESG global reporting framework. *(Dominion Energy)*

**What is the best sustainability certification for your organization?**

There is no best certification given the variety of businesses we are involved with. *(Ed, Sonoco)*

Similar to above, there is no one certification. Enterprise-wide we are currently committed to the UN SDGs, the Global Reporting Initiative, and the UN Global Compact. *(Maurie, Milliken)*

Dominion Energy has not historically sought a single blanket sustainability “certification.” Rather, the Company has aligned its sustainability practices and disclosures with those recommended by several different types of external ESG bodies, including GRI, SASB, UN SDGs and TCFD (as mentioned above), as well as CDP. Notably, the Company recently became a formal supporter of TCFD.

In addition, Dominion Energy closely monitors its ESG ratings published by several major ESG rating firms, including MSCI, Sustainalytics, ISS and JUST Capital – and regularly engages with these firms to ensure accurate data and reporting.

Finally, the Company periodically conducts a Priority Sustainability Issue Assessment to ensure its sustainability focus aligns with that of its stakeholders, both external and internal. The results of this assessment inform the content featured in the Company's annual Sustainability and Corporate Responsibility Report.

Taken collectively, the Company's view is that these practices amount to a "certification" much greater than a single organization could confer.

It's worth noting that in a narrower sense, the Company does seek third-party validation of certain metrics, such as carbon and methane emissions. (*Team, Dominion*)

**Any strategies or lessons learned for achieving buy-in from leadership across a large organization when creating a sustainability vision and initiatives?**

You need to highlight all the benefits. Considering just the bottom line, customers prefer a more sustainable option. Employees prefer to work for a sustainable company. Saving energy will reduce your GHG footprint and save money. The key is to get started even if with only small steps. The results will prove themselves and build momentum. (*Ed, Sonoco*)

A couple of practices – although there are many more – that have worked for Dominion Energy are:

- 1) Providing ongoing sustainability/ESG education to executive leadership and Board members – especially those on the Board's Sustainability and Corporate Responsibility Committee. Leadership and Board-level meetings frequently feature updates from internal subject matter experts and external thought leaders on the sustainability topic. Our Sustainability organization also regularly distributes ESG-themed white papers/articles to executive leadership and Board members to ensure they are considering the latest best practices.
- 2) Establishing cross-functional councils/committees/working groups focused exclusively on sustainability/ESG. These groups ensure that sustainability practices are disseminated throughout the Company and that sustainability-related workstreams are aligned with overall company business and sustainability strategy. (*Team, Dominion*)

**How often is it necessary for an organization to review its energy and water consumption in terms of environmental sustainability? What is the good practice?**

At least annually. An individual plant can benefit from seeing this data daily or even real-time to improve efficiency. (*Ed, Sonoco*)

By adopting the latest technology and applying our own creativity, we are using less water and continuing to find ways to reuse this resource. As we generate and deliver energy to our customers, we try to avoid impacts to waterways. Where we cannot, we put measures in place to minimize impacts and protect waterways.

In our path toward achieving water security, we are committed to reducing water use by using low-water technologies at our power generation operations. Our most recently constructed natural gas facilities (Warren County Power Station, Brunswick County Power Station, and Greenville County Power Station), one coal facility (the Virginia City Hybrid Energy Center), and one older natural gas unit (Gordonsville) all use air-cooled condensers. Air-cooled condensers use significantly less water than once-through cooling systems and traditional wet cooling towers. The heat dissipates directly into the air instead of heating or evaporating water withdrawn from a natural source.

We set a target to achieve a 50 percent reduction (from 2000 levels) in freshwater withdrawn per megawatt-hour (MWh) to generate electricity by 2030. Since 2000, we reduced the amount of freshwater withdrawn for each MWh generated by 48 percent. Not only is Dominion Energy using less water at our

facilities, we are taking measures to protect water in the design and construction of our projects. (*Team, Dominion*)

**Any best practices for diversity and inclusion disclosures? Any guidance?**

Here's a recent article from [Harvard Business Review](#) Note that public companies increasingly face regulatory requirements to disclose D&I, particularly at leadership levels (states and US Congress also considering additional legislation which could require more disclosures on D&I (and equity)). (*Maurie, Milliken*)

[Link](#) to 2019 SCR Report

Dominion Energy considers diversity important not only from a business perspective, but also from an ethical perspective: Everyone has the right to be treated with dignity, respect, and fairness — and everyone has a duty to treat others that same way.

A diverse workforce also ensures that business decisions will be filtered through a rich variety of perspectives — raising internal awareness of how Dominion Energy's activities could affect communities of color, the elderly, veterans, indigenous peoples, low-income individuals, individuals with disabilities, and many others.

The company promotes diversity at every level within the organization through diversity councils at both the executive and business-unit level. It also sponsors Employee Resource Groups (ERGs) to create a better sense of community and provide professional development opportunities for diverse employees. Our annual incentive plan for all leaders and employees includes diversity awareness and training goals.

Dominion Energy's diversity metrics disclosure can be found [here](#). (*Team, Dominion*)