

Start thinking about Global Warming is now

Is your brand "Carbon Credited"™ yet?

The time to start thinking about Global Warming is now, when you can gain maximum leverage by early mover advantage in your category. Our "Carbon Credited"™ program is an advisory service that covers mapping your organisation's Carbon Footprint, developing options for becoming a 'Carbon Neutral' brand, developing opportunities for engaging your brand's stakeholders and helping them learn to manage Climate Change in their own lives. You and your clients can avoid being lost in the upcoming rush of 'me toos', and be seen as visionary and proactive. Make a name for yourself while making a difference.

You don't have much time. The issue is getting hotter.

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What is a Carbon Credited™ Brand?

Your brand can become a “Carbon Credited™ Brand” by embarking on the journey to become genuinely “Carbon Neutral”. By committing to reducing your “Carbon Footprint” to targeted levels over a period of years, you can use the term “Carbon Credited™” and logo to tell the world you are leading the way into the future. When your customers, staff, shareholders or members of your family ask “What are you doing about Global Warming?” you can say: “We’re Carbon Credited.”

What we offer:

We help companies like yours introduce the concept to senior management.

We help companies determine their Carbon Footprint.

We help them identify their potential emission savings.

We help them choose ‘abatement’ instruments – Clean Development Mechanisms, Renewable Energy Certificates, Carbon Credits.... There have emerged a range of vehicles. Some of them are genuine. Some of them are ‘junk’. Some of them could blow up in their buyers’ faces when the environmental lobby ‘outs’ them. We know which is which.

We help companies plan their stakeholder engagement process.

We help them put together the education platform for each stakeholder group.

We help the company start the journey confident that they are on the front foot.

About Michael Kiely, Carbon Consultant

Michael Kiely is Convenor of the Carbon Coalition Against Global Warming and a regular speaker at the “Managing The Carbon Cycle” Forums around Australia. He has been a delegate at many high level symposia in Australia and the USA. He led a fact-finding delegation to the USA on behalf of Australian abatement providers in 2006.



Global Warming Made Simple

What's all the fuss about?

Global Warming: What it means for your organization

Every company and every individual has a “carbon footprint” or CO₂ load that is shed on their behalf as a result of their energy consumption – whether it be a power company burning coal to provide electricity to run their lights and appliances and equipment... or the car they drive or the bus they ride on... or the factory burning carbon in the form of coal (for electricity) or oil (for combustion engines). Just by living a modern consumer lifestyle we are emitting greenhouse gases (carbon dioxide, methane, nitrous oxide, etc), either directly or by proxy.

This would not be so bad if the carbon cycle remained in balance. Carbon cycles through the air, is sucked into the soil or the ocean by photosynthesis and other processes, released again by plants at night or by farmers ploughing fields or burning stubble, or people burning wood in fireplaces, or green waste rotting, etc. The world was able, until 200 years ago, to keep the CO₂ in balance.

But 200 years ago, mankind's impact on the atmosphere increased after the Industrial Revolution gave us machines with the power to do the work previously done by horses and people. The machines were powered by wood, then coal, then oil. Wood, Coal and Oil are essentially stored carbon. Coal and Oil were once organic matter – plants and animals are mostly made of carbon – that was locked up under the earth's crust, retired from the cycle. Man set this stored carbon free by burning it, but it was released at such a rate that the earth and the ocean was incapable of sucking up (“sequestering”) enough CO₂ to maintain a balanced cycle.

Why it's getting hotter

Naturally, the natural level of carbon dioxide in the atmosphere, for so long held at around 250 ppm (parts per million), rose to 300+ ppm. It is climbing inevitably towards 400ppm. This is a problem for the earth's atmosphere because there is a natural layer of greenhouse gases which regulates how much of the sun's rays bounce around on earth and how much passes back out.



Global Warming: What it means for your organization *(con't)*

When this layer gets thicker, more of the sun's rays are trapped, like in a greenhouse. The result: the temperature rises.

If the mean temperature of the earth's atmosphere rises 1°C we get unusual weather events and ice caps at the poles start to melt. If it rises 2°C, we encounter severe weather events, higher temperatures, lower rainfall in some places, higher/heavier rainfall in other places. Greenland could melt and the sea level rise to inundate low lying islands and coastal regions. If it rises by 3°C, a major ice melt in the North Atlantic could completely stop the 'conveyor belt' in the oceans that distributes warm water around and maintains the water temperature. The last time this stopped, it caused an Ice Age in Europe. Extreme weather events such as typhoons, catastrophic landslips and wind storms are likely... At this level, crops could fail, transport and distribution infrastructure is destroyed, the complex economies that underpin our lifestyles could break down, millions of people are displaced and converge on other countries, causing a refugee crisis of Biblical proportions.

A leaked scenario document from the Pentagon predicted that Australia could be invaded by a flotilla of people from Asia forced to search for living space. Their homes will have disappeared under water. Our military forces are not large enough to withstand the sheer volume of environmental refugees.

What can we do about it?

The world's scientists have agreed among themselves that, no matter what we do, the temperature is going up at least 2°C. What can we do to avoid 4°C? Two things: 1. Stop emitting as much CO₂ as we can as soon as possible. 2. Suck up as much CO₂ out of the atmosphere that we can ("sequester" it) as soon as possible.

The nations of the world spent 10 years negotiating the Kyoto Protocol which would phase in limits on what companies could emit, hoping to reduce emissions to 1990 levels by 2030. 167 nations signed and ratified and two nations refused at the last minute: USA and Australia. All the others agreed to start a 'Cap and Trade' system.



Global Warming: What it means for your organization (con't)

"Cap and Trade" means each nation agrees to reduce its Greenhouse Gas emissions to a target level in each year and the nation in turn gives its industries their caps or reduction targets, and the companies get their caps. And they set about finding out what their emissions are and how they are being produced. They look for ways to cut down emissions, eg. reduce power usage. There are many ways to do it. Most companies can't meet their caps, so they "trade" carbon credits with companies or organisations who have 'sequestered' carbon. This can be done by growing a forest or setting up a wind farm. There are other techniques.

These 'credits' enable the buyer to become 'carbon neutral'. By doing this the company or family or individual have done their bit in the global effort to avoid the worst outcomes predicted for the earth if we allow the temperature to rise much more than 2°C.

Risk management strategies

But other steps will need to be taken by companies to prepare for the expected disruptions to business as usual. Risk management projects could be launched within each organisation to develop responses to potential threats, ie. loss of power, increased temperatures, disruption of transport systems, and the like. Insurance companies will want to know what their plans are.

Directors have a fiduciary duty of care to take action to avoid a foreseeable event that might damage a company's competitive advantage or its ability to trade.

Why act now?

Stakeholders (shareholders, customers, suppliers, regulators, financiers, insurers) will need to be engaged in the 'story' of carbon and how it could affect the company and themselves. Companies that act early based on a vision and a sense of leadership will gain a brand bonus. Those who do it because they are forced to do it will not. Ninety percent of US companies surveyed recently said they expected the US Government to introduce a mandatory system sometime in the next 15 years. Already several States and hundreds of cities in America have introduced their own mandatory systems. The States of Australia are introducing their own regimes.



Global Warming: What it means for your organization *(con't)*

Meanwhile, in both countries, industry (including some power companies) are demanding a market-driven regime to help them plan their liabilities and gain certainty. The majority opinion in the USA is that it is inevitable because, try as they may, Governments cannot control the weather. The elections for the US Congress and Senate delivered control back to the Democrats, who are in favour of cap and trade. Corporate leaders, such as the CEO of the world's largest financial institution, GE Credit, are planning for it. Many companies in both countries have voluntarily entered into arrangements to reduce their emissions.

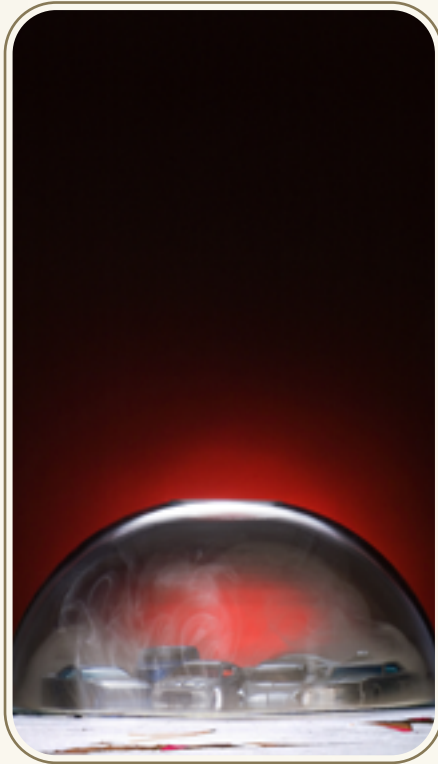
It is better to start now when demand factors mean carbon credits are less expensive than they will be once the tsunami arrives. Start the process of becoming a Carbon Credited™ Brand.

Don't just do it for your company.

Do it for the planet.

Do it for the children.

Do it for the future.

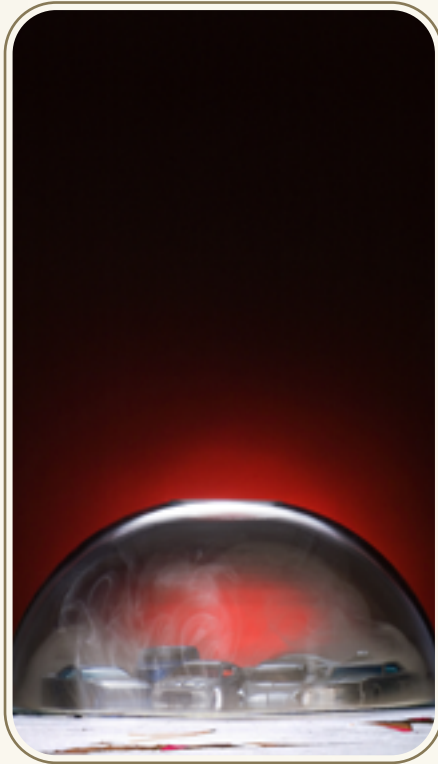


What is the market saying?

What is business saying?

All around the world, business is saying the same thing: now is the time for action!

- Australian Business Roundtable on Climate Change, (IAG, Origin Energy, BP, Swiss Re, Westpac, Visy), April 2006: "Climate change is a major business risk and we need to act now"
- McKinsey: "The way a company manages its carbon exposure could create or destroy shareholder value."
- Goldman Sachs: "Climate change is a topic that should be on the agenda of every Board of Directors."
- Carbon Disclosure Project, 2005: "\$20 trillion of investor money (is) behind a request to the 500 largest quoted companies in the world, asking for the disclosure of investment relevant information concerning their greenhouse gas emissions."
- The European Survey on SRI and the Financial Community, 2001: "86% of Institutional Investors across Europe believe that social and environmental risk management will have a significantly positive impact on its long-term market value."
- Institute of Business Ethics, 2003: "Companies with a public commitment to ethics perform better on 3 out of 4 financial measures than those without. These companies also have 18% higher profits on average."
- Global CSR Monitor, 2003: "56% of shareholders believe that responsible companies are more profitable."
- Australian Business Roundtable on Climate Change, (IAG, Origin Energy, BP, Swiss Re, Westpac, Visy), April 2006: "Australia can deliver significant reductions at an affordable cost. Furthermore, the longer we delay acting, the more expensive it becomes for business and for the wider Australian economy."



The early mover opportunity

While many companies are aware of the problem, few have taken action.

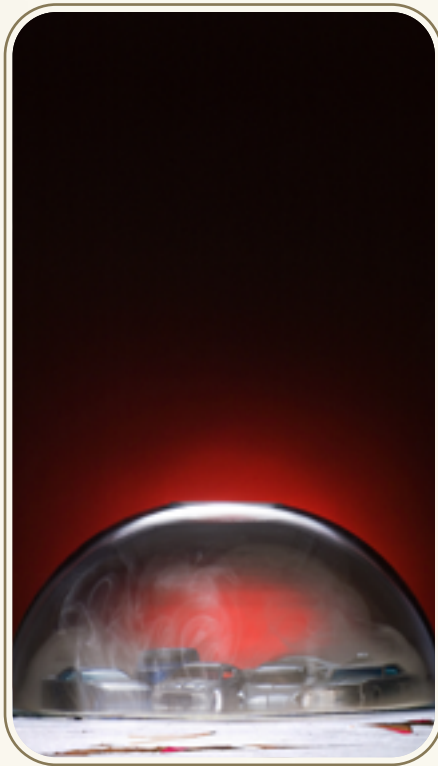
The Age reported (29/10/2006) that 94 per cent of companies recognise the potential for climate-related issues to affect earnings and liabilities, only 3% are actively trading emissions, 19 per cent are engaged in limited trading and 17 per cent are considering a strategy.

The Investor Group on Climate Change, which represents 16 mainstream institutional investors with more than \$195 billion funds under management, surveyed most of Australia's and New Zealand's largest companies.

“The field is still wide open”

Companies that are taking action on climate change*

- Banks: ANZ, NAB, Westpac
- Building materials: Boral
- Energy: Origin Energy, AGL
- Entertainment: Tabcorp Holdings
- Food: Goldman Fielder, Lion Nathan
- Health care: DCA Group, Symbion Health
- Infrastructure: Transurban
- IT: Computershare
- Insurance: IAG
- Mining: BHP Billiton, Rio Tinto
- Property trusts: GPT Group, Investa, Mirvac



Companies that are taking action on climate change* (con't)

- Retail: Warehouse Group
- Telecommunications: Telstra

**Carbon Disclosure Project*

What are consumers saying?

Consumers are concerned and are looking to companies and governments for action.

In fact 85% of the people surveyed believe climate change is a problem caused by humans.

The survey of 1,000 people from around the country was backed up by longer discussions with focus groups, and was undertaken by pollsters Taylor Nelson Sofres, on behalf of the Climate Action Network.

77% of people would like to see coal-fired power stations phased out in 20 years

Recent research* revealed that:

- 95% would like to see more global warming information on products.
- 88% consider global warming to be an environmental threat.
- 72% consider global warming to be serious or very serious.
- 90% find a climate eco-label identifying best in class products very appealing or somewhat appealing.

**Conducted by Zneuii Pty Ltd for Climate Friendly*

