



Managing for a Carbon-Concerned Future

*Comments on Conference Board Research
for the Pew Center for Global Climate Change*

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The Conference Board Project

- Member guided research on managing in a carbon-concerned future
- 13 companies participated
- Brief survey – slice in time – of company thinking about and action regarding GHGs.
 - ◆ 92 companies from varied sectors and regions
 - ◆ Interesting – but not surprising - results
- Full research project focused on broader management decision-making regarding doing business in a carbon-concerned future.
 - ◆ What are the opportunities?
 - ◆ How to evaluate them?
 - ◆ Developing an appropriate strategy
- Business opportunities a key emphasis

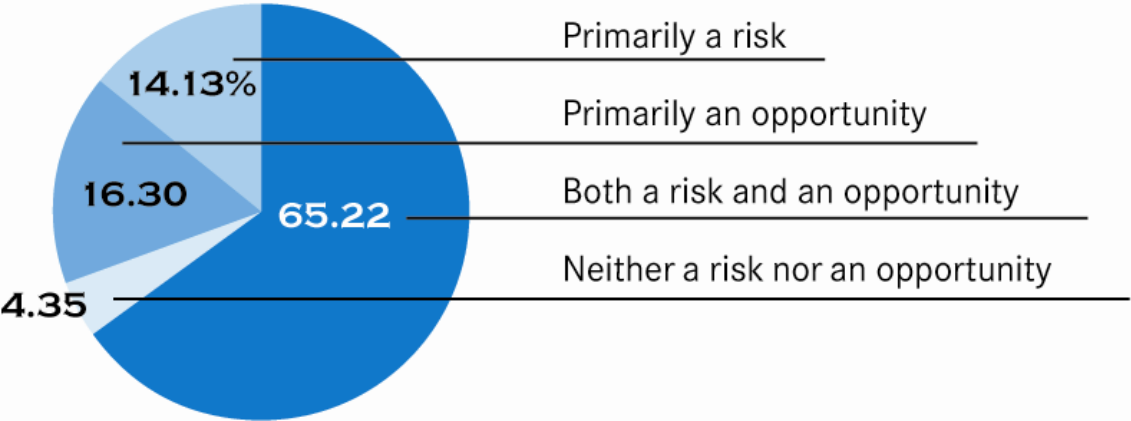


Survey Findings

Chart 1

Does your company see the increasing public concern about greenhouse gases (GHG) as primarily a risk, primarily an opportunity, both a risk and an opportunity, or neither a risk nor an opportunity?

(n = 92)



Risks and Opportunities Identified

- The top potential risks identified by survey respondents included, in order of importance:
 - ◆ New regulations and added compliance costs
 - ◆ Potential financial impacts to business value
 - ◆ Public and/or investor reactions

- The top potential benefits, in order of importance, included:
 - ◆ Cost savings through reduction in energy use
 - ◆ Enhanced corporate reputation
 - ◆ Expanded market potential for products and services

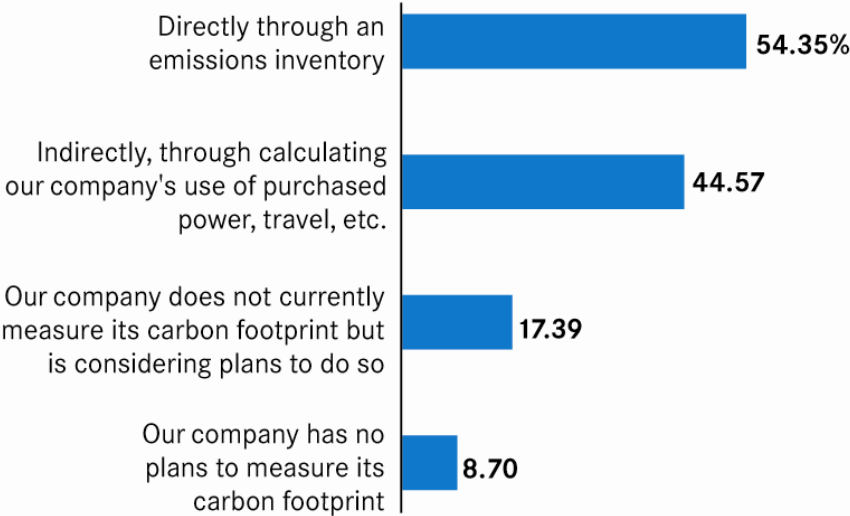


Carbon Footprint Delineation

Chart 2

How does your company define and measure its “carbon footprint”

(i.e., the direct and indirect effects of its GHG emissions on the environment)? (Please select all that apply.) (n = 92)

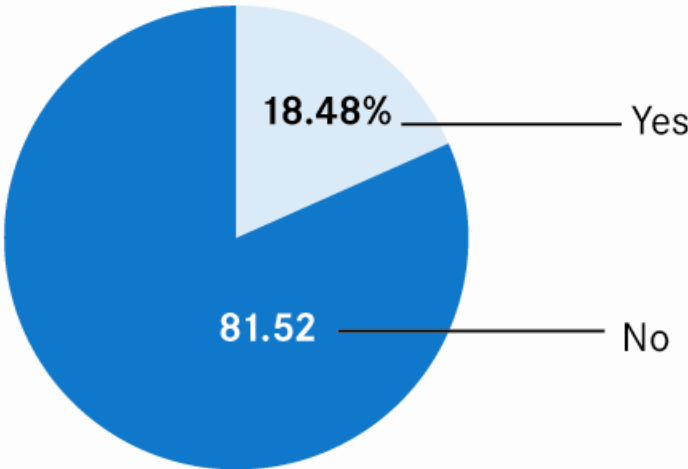


(Percentages added may exceed 100 since a participant may select more than one answer for this question.)



Carbon as a Competitive Issue

Chart 3
Has your company attempted to measure the carbon footprints of its competitors?
(n = 92)

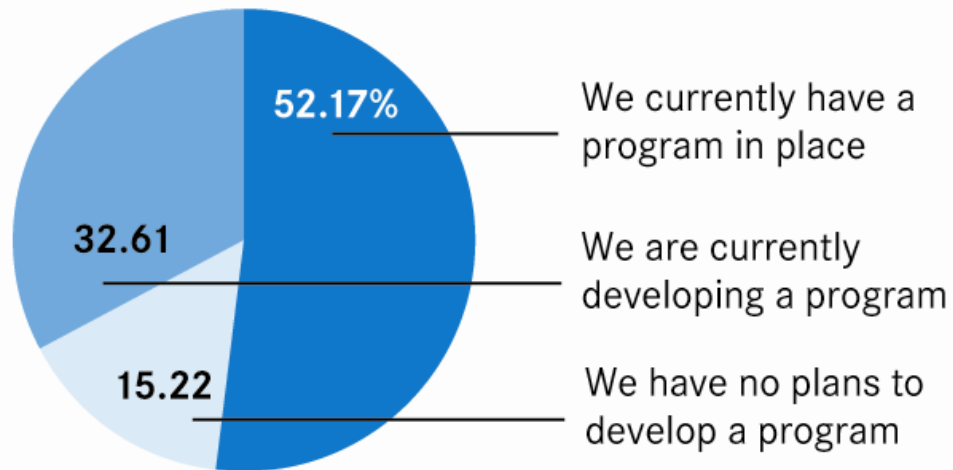


GHG Management

Chart 4

Does your company currently have a program in place to actively reduce or offset GHG emissions?

(n = 92)

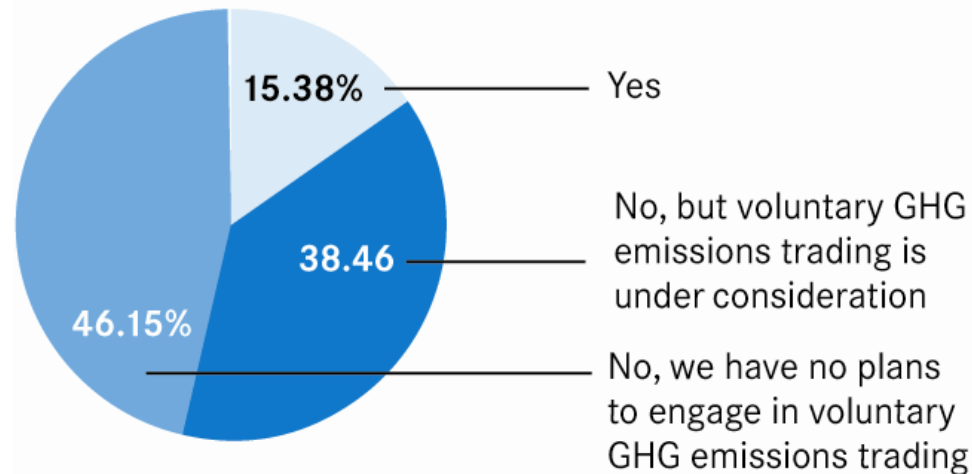


Voluntary Emissions Trading

Chart 7

Is your company currently engaged in voluntary GHG emissions trading?

(n = 91)

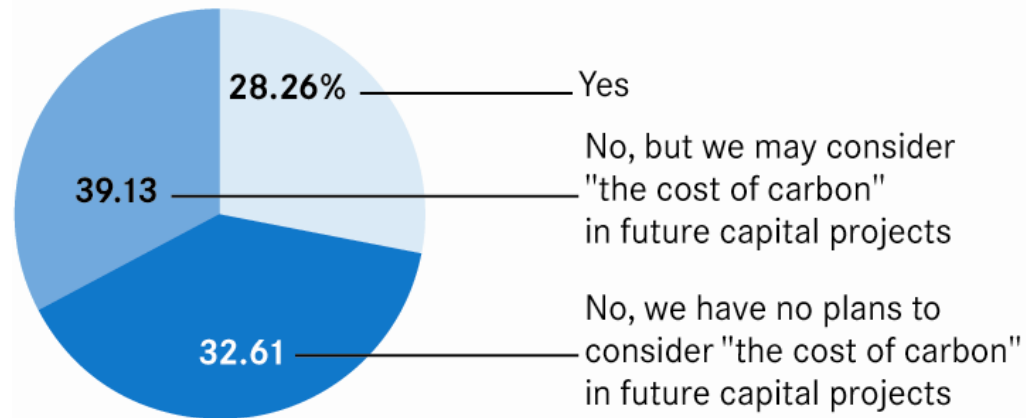


Considering the “Cost of Carbon”

Chart 9

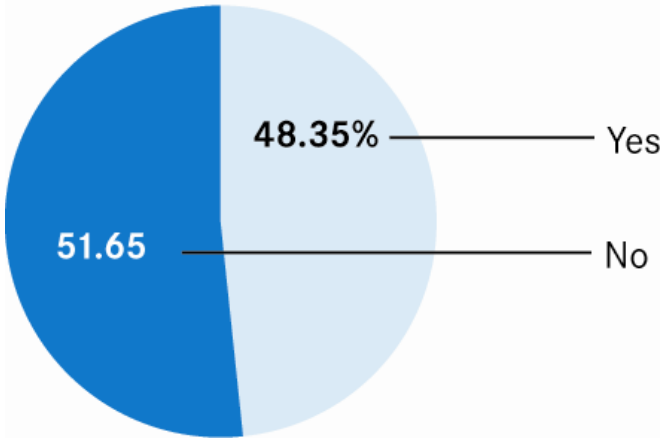
Does your company currently consider the potential future cost of GHG reductions or offsets ("the cost of carbon") in its capital project planning?

(n = 92)



Group Participaton

Chart 11
Is your company participating in any NGO or government programs that are focused on GHG emissions reduction?
(n = 91)



Governance Perspectives

Chart 12

Has your company assigned a senior executive who is responsible for coordinating your company's actions regarding its GHG emissions?
(n = 89)

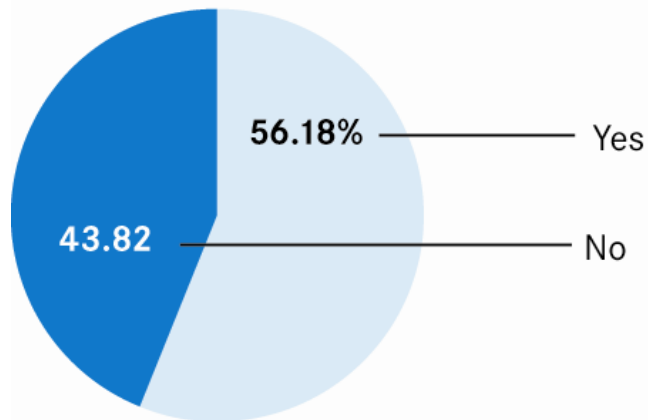
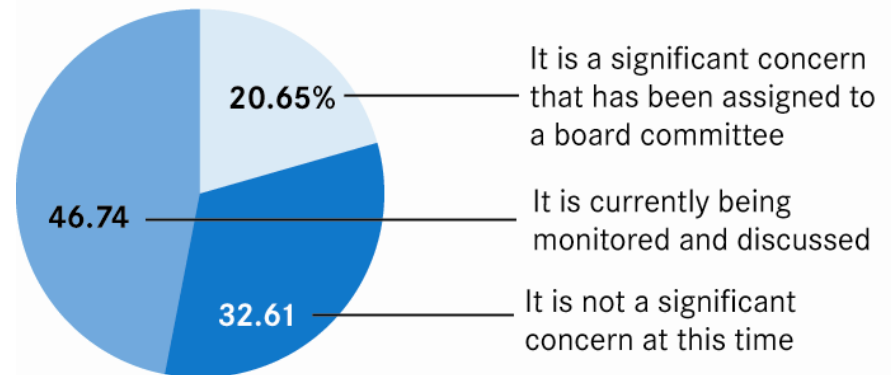


Chart 13

Which of these statements comes closest to describing how your company's board of directors is dealing with the issue of GHG emissions?
(n = 92)



Summary

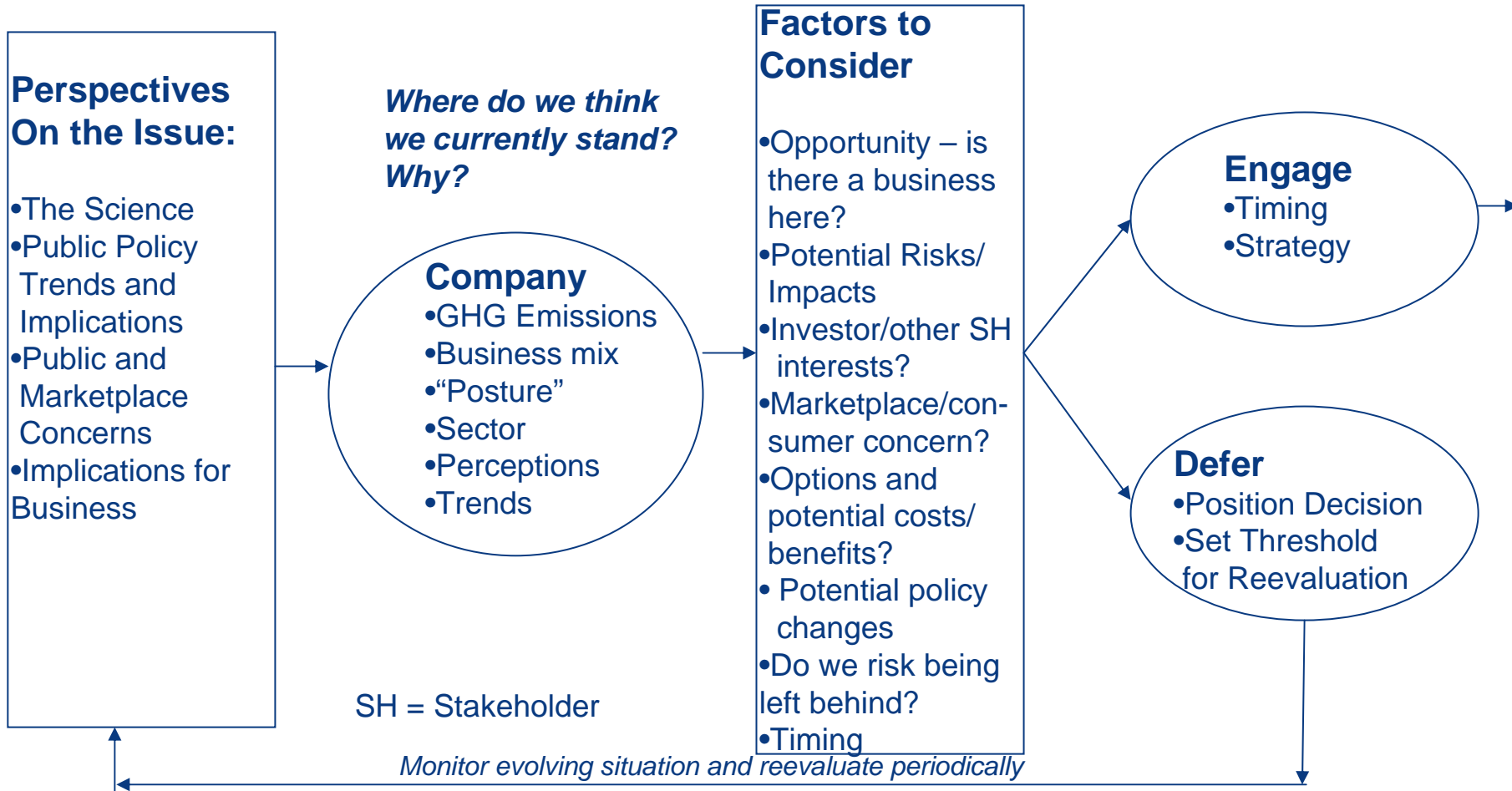
- Survey – and research – indicates a growing focus on GHG's
- That's where the emphasis has been
 - ◆ Concerns
 - ◆ Tools developed
 - ◆ Companies often most comfortable – especially with processes and facilities
- We see a shift under way – from “obligation” to “opportunity” – a changing “mindset.”
 - ◆ Increasing examples and anecdotes
 - ◆ Limited systematic research
- Managing for a “ Carbon-Concerned Future” – a metaphor for sustainability?



Perspectives on Business Opportunity in a Carbon-Concerned Future

Gauging Issue Importance to the Company

Decision Options



Perspectives on Business Opportunity

<p>Future <i>Strategic</i></p>	<p><i>Operations</i></p> <ul style="list-style-type: none"> ■ New processes/ facilities/fleets ■ Breakthrough technologies ■ Capital investment planning 	<p><i>Future Markets</i></p> <ul style="list-style-type: none"> ■ Less carbon-intensive products/ services ■ New businesses ■ New markets
	<p>Today <i>Tactical</i></p>	<p><i>Operations</i></p> <ul style="list-style-type: none"> ■ Reduce energy consumption/costs? ■ Alternative or renewable fuels ■ Etc.

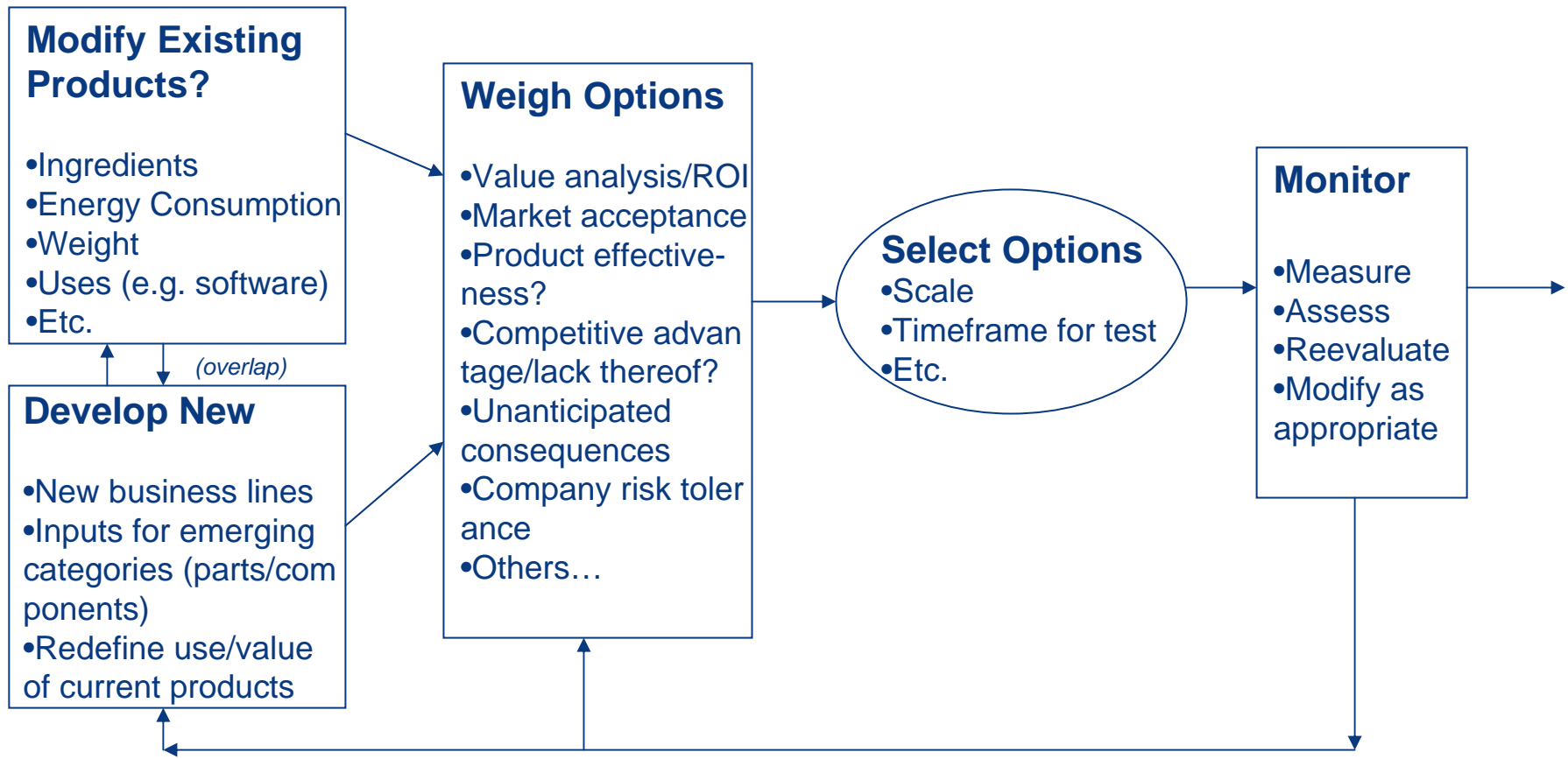
Inside the Company

Externally



New Business Directions

Product (*including services*) Options



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