Measure. Monitor. Verify.

Managing Your Corporate Carbon Footprint – The Benefits Go Beyond the Environmental Impact

The issue of Climate Change and Carbon Management has resonated with most of us for the last couple of years. Whether or not you agree with the science, we all recognize its importance as a business issue. CEOs are starting to see that this is not only a business challenge, but also an opportunity. Understanding the risks and opportunities is very important to organizations, as they need understand how:

- price and availability of energy will affect business strategy
- new laws will affect supplier relationships and ultimately the price of their goods and services
- environmental regulations will affect competitiveness
- public environmental actions will affect brand

Being prepared is important in this era of "green" activity and environmental change as different organizations try to establish their leadership position and influence the market. This is not only an environmental issue, but also a business and market transition issue.

What's the ROI for Being Green?

This question has been asked in many boardrooms, especially in the last year. I like to equate it to this question, "Does it pay to be an innovator and a leader?" There is no guaranteed answer to this question, as it depends entirely on who does it, how it's done and when it's done. The developments and integration of an effective "green" strategy is important in being able to say "Yes" to that question.

So Where Does An Organization Start?

If you are a Real Estate executive, a CEO or a Director of Operations, you need to establish a baseline of your carbon exposure. As such, you need to complete an assessment of your organization's carbon footprint.

> While the term carbon footprint has a number of definitions, generally a carbon footprint can be defined as the estimated emissions of carbon dioxide and other Green House Gases (GHGs) associated with a particular activity (e.g., a plane trip), use of company owned assets, or use of a particular product or service.

More specifically, a carbon footprint can be considered the sum of two parts: direct emissions- encompassing domestic energy consumption and transportation; and indirect emissions - corresponding to GHG emissions from the production of purchased materials.

Step 1 – Develop an Emissions Inventory

You cannot manage what you do not measure.

An emissions inventory is an essential first step in assessing your carbon footprint. This involves deciding what needs to be measured, how to measure it and how to manage the data. Measurement enables an organization to access their risks and opportunities, follow their progress and create a strategy to reduce emissions by quantifiable amounts.

There are two main established standards for measuring, reporting and verifying GHG emissions: **ISO 14064** and the **Greenhouse Gas Protocol.**

Step 2 - Understand Your Risks and Opportunities

Your emissions inventory on its own does not reveal your organization's exposure to a carbon restrained market.

A thorough risk assessment involves a review of many elements of an organization, from its business processes and internal management systems, to its relations with shareholders and the public. As climate change risk analysis becomes more commonplace, there will be an expectation that organizations implement "best practices" for managing climate change risks, even in the absence of a clear regulatory framework. Organizations that are reluctant to actively manage these risks may find themselves in a vulnerable position, potentially putting the organization's finances and reputation on the line.

The same diligence in assessing an organization's risks needs to be applied to understanding the available opportunities. To that end, there are three main areas through which climate change initiatives can add value to one's corporate strategy: brand enhancement, development of new products and services and operational efficiencies.

The most effective climate strategies connect GHG reductions with an organization's core business strategy.

Step 3 – Take Action to Reduce Your Carbon Footprint

Once GHG emissions have been calculated, organizations need to look towards opportunities for emission reductions. Reduction opportunities are typically in either facilities or transportation, such as implementation of energy efficiency programs, integration of LEED (Leadership in Energy and Environmental Design), purchase of green power and fleet optimization (to list a few). Organizations can also choose to purchase carbon offsets.

Having a successful carbon management strategy requires:

- leadership support
- management by a cross functional team
- buy in from the work force
- establishment of clear GHG reduction goals and targets
- integration of all considerations into an overall plan

About e3 Solutions Inc.

There's no question about it—thriving in the 21st century will depend on the ability to track, manage and report on climate, environmental, carbon and GHG-related risks with speed and precision. Designed to support the demanding Corporate Social Responsibility (CSR) programs of Fortune 1000 companies, e3's industry-leading software and services helps top organizations across North America measure, monitor and verify their environmental and carbon footprints.

Through an integrated suite of applications and supportive tools, e3 Solutions offers the most effective enterprise carbon management software system available anywhere in the world. Sophisticated environmental information management and incident management solutions round out our offerings.

Linking the utility room to the boardroom, e3's Enterprise Carbon Management software delivers the comprehensive greenhouse gas monitoring, management and reporting capabilities today's organizations need.

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Additional information about Direct Energy Consulting is available at www.e3solutionsinc.com