

## CARBON EXPOSURE AUDIT

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Companies in the energy sector, or those that have significant energy demand, are faced with ever-growing limits on their greenhouse gas emissions, and frequently stand to gain by limiting their emissions. In Europe, the EU Emissions Trading Scheme is placing caps on carbon dioxide emissions at over 12,000 facilities. Throughout most of the world, the Kyoto Protocol is spurring national legislation that either limits emissions, and/or gives opportunities for companies that reduce their emissions. Everywhere, the need for energy companies to understand their carbon exposure is becoming more critical as the inter-connectedness of the global economy means that carbon emissions are relevant to business.

Companies will face different impacts based on their industry and position in the market. Potential impacts will include:

- A shortage of emissions allowances,
- Risks to their credit ratings,
- Changes in how they decide on investments,
- Decisions on if companies should purchase or produce different inputs (such as energy),
- Opportunities to gain competitive advantage in a carbon constrained environment.

To understand the impacts of carbon constraints on your company, Energy Edge offers a comprehensive carbon exposure audit. Energy Edge will work with you to:

- Inventory direct and indirect emissions,
- Quantify in financial terms the current and likely future carbon assets and liabilities,
- Estimate the indirect exposure to climate change regulations (from purchases and sales),
- Consider the exposure to climate change itself (weather, sea-levels, etc.),
- Gauge customer and shareholder sentiment and its impact on corporate financial health.

Once your company knows its carbon exposure, then Energy Edge can work with you to come up with strategies to gain competitive advantage. Elements to consider include:

- Investments
- Divestments
- Purchases
- Sales Strategy
- Public Relations

For more information on carbon exposure and the energy sector, go to <http://www.energy-edge.net/resources.htm>

Contact us to discuss how Energy Edge can work with you to understand your company's carbon exposure.