

Establish your climate change priorities

Introducing Strategic Insights from the Carbon Trust



Climate change is now a priority issue for business and political decision makers. There is no longer any serious scientific doubt that climate change is happening, that human activity is the major factor behind the change, and that we face serious consequences without timely and appropriately scaled responses. Your organisation is under increasing pressure to consider and address the long-term challenges posed by climate change. Carbon Trust Strategic Insights is a pioneering new service designed to help your organisation identify the greatest business impacts, opportunities and threats posed by climate change and act on them.



Working with the experts

Preparing for, and addressing the business risks and opportunities around climate change is one of the greatest challenges your organisation will face. With Strategic Insights, you can understand how, why and where the issue could affect your business.

The Carbon Trust is the UK's leading authority on the business impacts of climate change. Since 2001, we have been advising organisations on the most sustainable, profitable ways to adapt their operations for a reduced carbon footprint, maximum efficiency and strict regulatory compliance.

The Carbon Trust is the UK's most trusted advisor on business and climate change. We are an independent body that provides clear impartial counsel to business and public sector clients.

Businesses are seeking direction on how to establish their climate change priorities, just consider these facts:

- 43% of business leaders in large organisations say that climate change has already impacted their organisations*
- 60% of FTSEs see climate change as an opportunity.*

The dedicated Strategic Insights team combines a strong understanding of climate change related business issues with traditional strategic consultancy skills, making us an ideal partner to help you identify, prioritise and drive forward climate change related initiatives.

Advice to exploit new opportunities

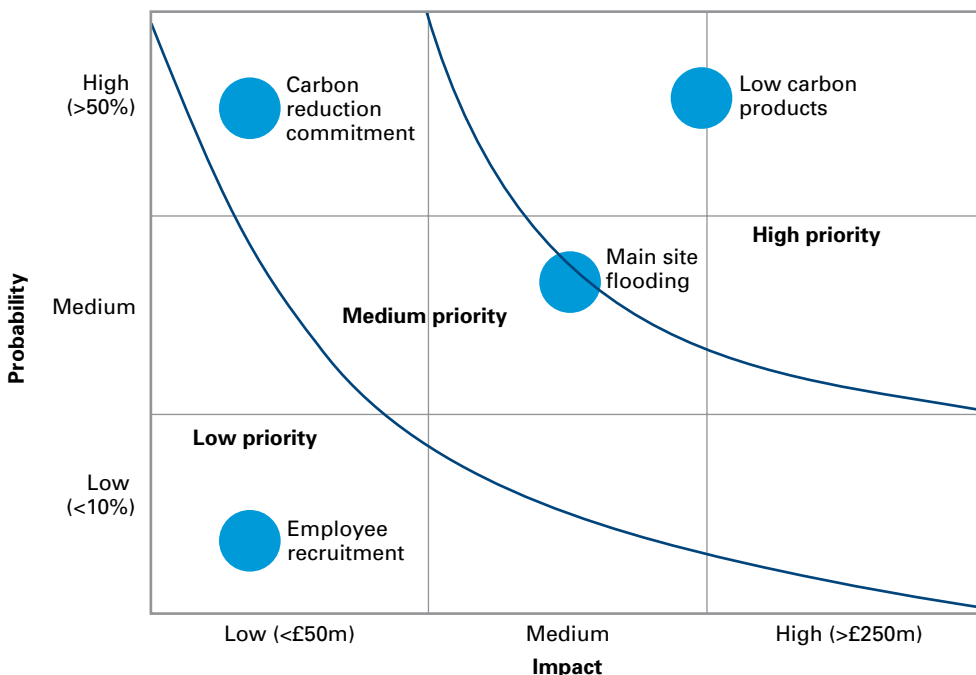
Strategic Insights helps you determine the financial impact of climate change on your organisation and use this to establish a long-term, strategic platform from which to prioritise and implement initiatives in physical, regulatory, reputational and market areas.

Climate change is likely to present significant threats and opportunities to organisations in all sectors. From the vulnerability of physical assets to the difficulties of meeting compliance demands, the threats are well-documented. Less clearly defined are the substantial financial opportunities to be gained.

Strategic Insights complements our existing portfolio of services by providing you with a clear set of climate change priorities. Integrating this thinking into your overall strategies for growth, efficiency and innovation could turn a real-world problem into a sustainable business advantage.

Strategic Insights highlights the interplay between physical, regulatory, reputational and market impacts through the identified events.

Example: Prioritisation of potential climate change related events



Tailored recommendations

Combining independent advice with objective analysis, our dedicated team will collaborate with senior management to devise tailored recommendations for your organisation.

Strategic analysis

Phase one of the Strategic Insights diagnostic typically starts with a strategic analysis. The team uses tested frameworks, plus workshops and interviews with experts from both within your organisation and externally, to financially quantify the opportunities and threats posed by climate change and recommend priority actions. All findings will be presented to your senior management team by a Carbon Trust Strategic Insights Director. This will:

- Allow senior managers to understand the effort and resources to place behind climate change related activities
- Highlight and build consensus around new initiatives.

Follow-up support

On completion of phase one, your senior management team will receive on-going support to drive identified initiatives forward within your organisation. The scale and nature of this support will depend on your individual requirements, but will typically involve:

- Advice on integrating climate change into business thinking to create buy-in and to take actions forward
- Participation in key meetings and discussions
- Preparation of more detailed plans and next steps
- Definition of required criteria for further external support.

Strategic Insights will typically follow the process shown below:



Proven results reflect our specialist expertise

Strategic Insights has already helped some of the UK's most prominent organisations, including O2, Barratt Developments and Lloyds TSB to identify and implement long-term business initiatives for increased operational efficiency, to mitigate threats and increase business advantage.

Case study: O2 UK Ltd

O2 UK, a leading network in the UK was one of the first organisations to sign up for the pilot programme. The company had reached a tipping point and was ready to engage in exploring what opportunities and risks climate change posed to its business. The Carbon Trust's independent status and reputation for its high quality strategic understanding of climate change combined with practical advice made it an ideal partner.

The process involved working over 4-6 weeks with the in-house Carbon Trust team to deliver a strategic analysis using a methodology and frameworks developed by the team. The result was a set of quantifiable opportunities, threats and prioritised initiatives.

Director level support up front was crucial to ensure the initiative was a success and that the Carbon Trust team got access to the right level of information.

Previous environmental thinking had focused on being 'more environmentally sound' in the company's offerings and operations. However it was realised that it is also important to explore risk factors presented by climate change, for example increased storm impact on cell sites and station flooding and to explore potentially large opportunities around the development of new 'low-carbon' products.

Richard Poston, Director Corporate Affairs, Telefónica O2 Europe plc said, "Participating in the strategic review process helped O2 address a complex set of relationships where benefits may be long term, indirect or intangible. It also involved looking beyond current market conditions and defining strategic options that do not lend themselves to traditional forms of business evaluation.

He continued, "The initial period of gathering the information and carrying out the analysis was painless as the process was well structured. The tenacity of the team really helped to engage all the relevant stakeholders. The profile of the Carbon Trust also helped to give the work much greater weight within the business than it would have done had it been produced internally."

The project raised many questions which had not been previously considered and helped to crystallise the 'top 10' issues for O2 UK. This has helped move the internal discussion around climate change from an operational compliance issue to a strategic business issue needing high level decisions to be taken to ensure O2 UK's business effectively realises the opportunities and manages the risks presented by climate change.



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Richard Poston, Director Corporate Affairs, Telefónica O2 Europe plc

“By 2016, all new homes will need to be zero carbon: not only will they have to use less energy; they’ll also need to produce their own. With its insight and knowledge, the Carbon Trust has helped us turn this challenge into a commercial opportunity.”

Patrick Law, Director of Corporate Affairs, Barratt Developments plc

“We are in the business of managing risk. But, despite the complexities involved, climate change presents real opportunities for those companies that embed the issue into their core business strategies. Carbon Trust Strategic Insights really furthered our thinking in this key area.”

Paul Turner, Head of Sustainable Development, Lloyds TSB

The Carbon Trust was set up by Government in 2001 as an independent company.

Our mission is to accelerate the move to a low carbon economy by working with organisations to reduce carbon emissions and develop commercial low carbon technologies.

We do this through 5 complementary business areas:

Insights – explains the opportunities surrounding climate change

Solutions – delivers carbon reduction solutions

Innovations – develops low carbon technologies

Enterprises – creates low carbon businesses

Investments – finances clean energy businesses.

www.carbontrust.co.uk

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