

 **Carbon Aware Travel Choice**



Business opportunities from carbon management

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Introduction: Business opportunities from carbon management



1. Present some of the business effects and costs of carbon and climate change
2. What opportunities are there for CATCH to be financially sustainable?
3. What are the potential business and commercial opportunities to arise from CATCH?
4. What are the methods and opportunities to manage carbon?



Part 1: The business effects and costs of carbon and climate change



- ‘Greenhouse gases are, in economic terms, an *externality*: those who produce greenhouse gas do not face the full consequences of the costs of their actions themselves’ (The Stern Review- The Economics of Climate Change)
- Internalising the cost of carbon will create an expense, and a potential business risk.
- However, there are also opportunities to arise out of a business environment that considers the cost of carbon.



The business effects and costs of carbon and climate change



- From a business perspective carbon can be considered as being:
 - **Compliance** issue (regulation, laws, etc)
 - **Reputation** issue (brand, perception)
 - **Competitive** issue (cost cutting, efficiency)
 - Business **risk** (cost of carbon reliant products and energy costs rising)
 - Carbon as an **opportunity**
 - Dr Craig Mackenzie, University of Edinburgh

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The business effects and costs of carbon and climate change



Carbon- Two sides of the same coin



Carbon as a Business Opportunity

- New products
- Positive image
- Market leader
- Alternative technologies
- Innovation

Carbon as a Business Risk

- Product redundancy
- Negative image
- Legal constraints
- Carbon as an expense
- Cost of change

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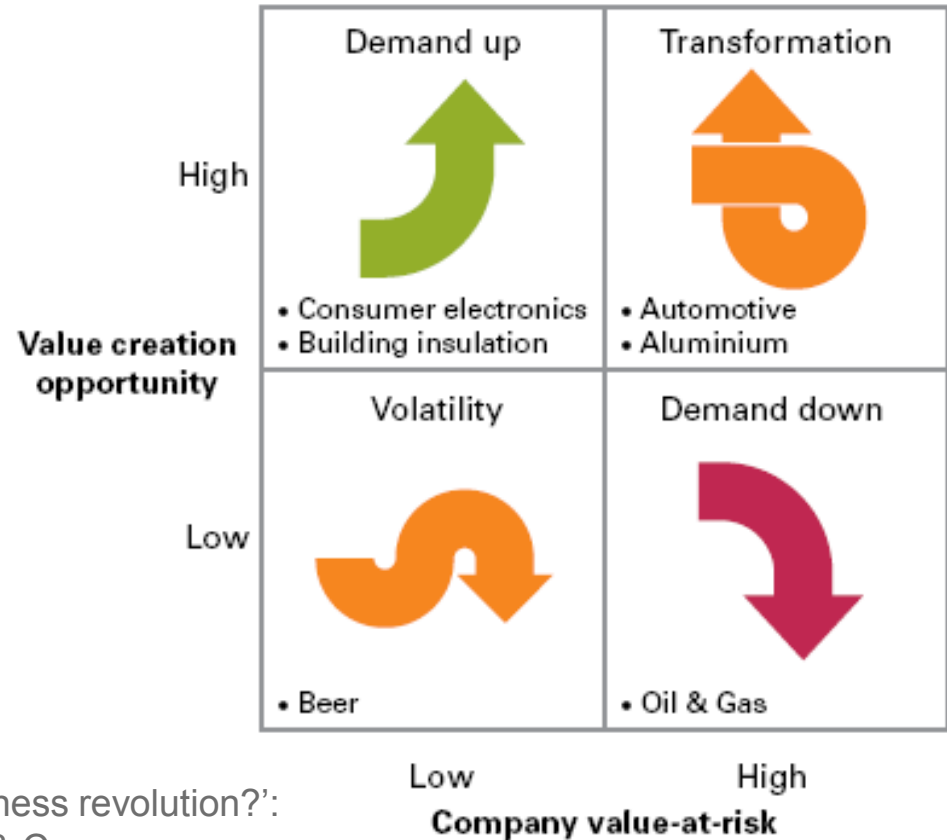


The business effects and costs of carbon and climate change



- Tackling climate change could create opportunities for a company to increase its value by up to 80% if it is well positioned and proactive.
- Conversely, it could threaten up to 65% of value if the company is poorly positioned or a laggard.

Chart 1 How climate change could create and destroy company value



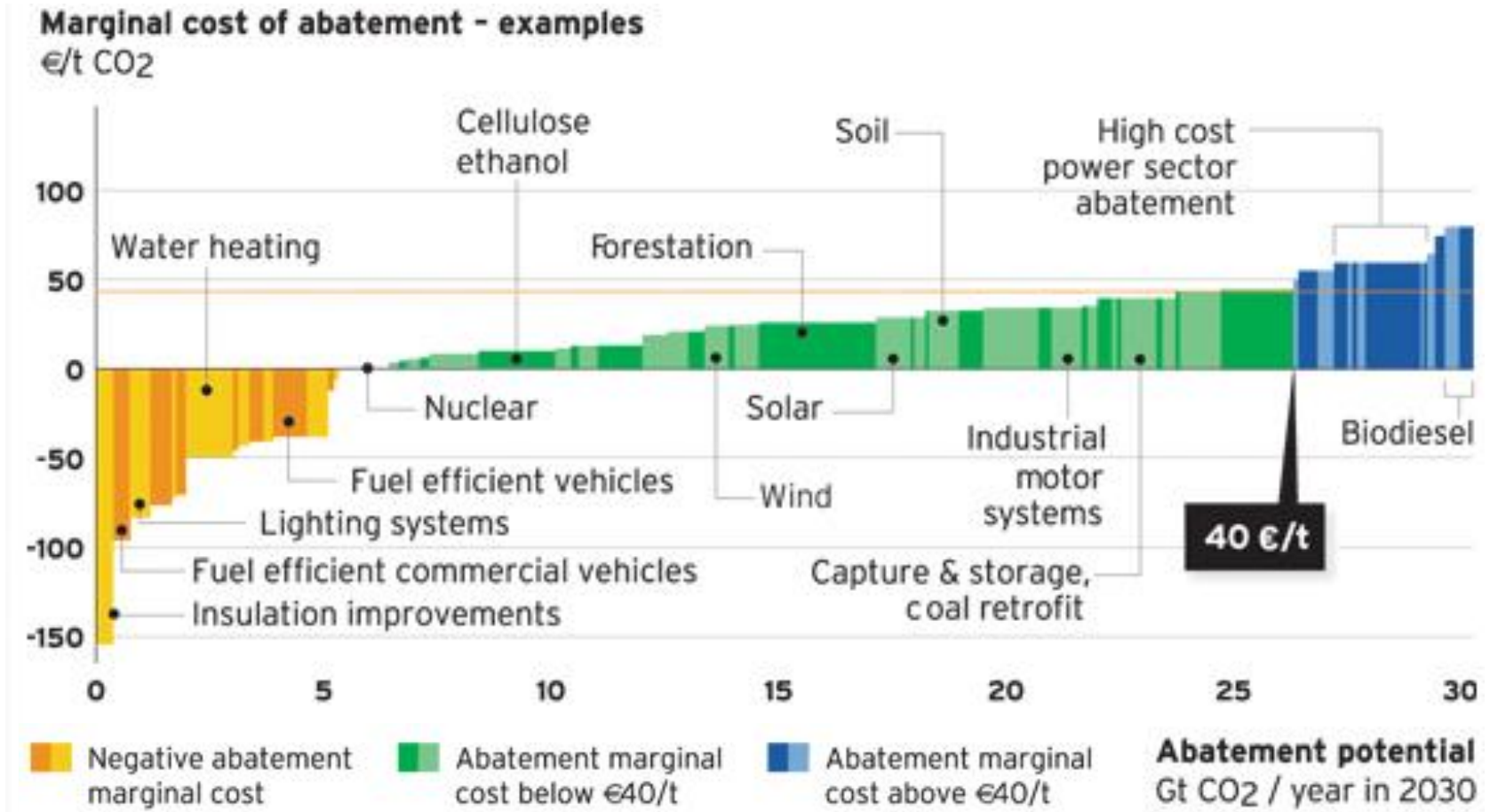
Source: 'Climate change – a business revolution?':
The Carbon Trust and McKinsey & Co.

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The business effects and costs of carbon and climate change



Source: The Climate Threat, Vattenfall, (2008)

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Part 2: What opportunities are there for CATCH to be financially sustainable?



- Two major policy responses to climate change: **Mitigation and Adaptation**
- **Mitigation**- Actions or measures to decrease the intensity of global warming/climate change- targeting the **'cause'**
 - Low carbon technology, carbon market, behavioural change
- **Adaptation**- Actions or measures to minimise the effects of global warming/climate change- targeting the **'effect'**
 - Flood defenses, crop rotation, early warning systems

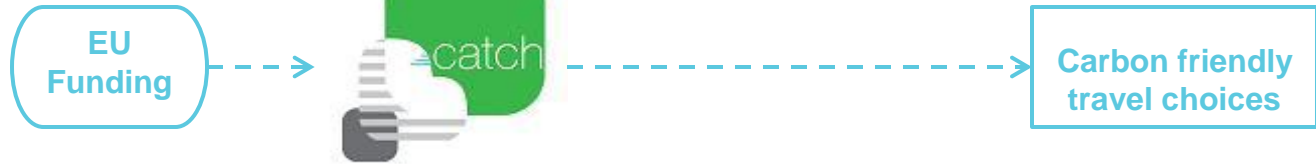
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What opportunities are there for CATCH to be financially sustainable?



Short Term



Medium Term



Long Term





What opportunities are there for CATCH to be financially sustainable?



- Opportunities to help CATCH become financially sustainable in the future:
 - What is the financial/commercial value of CATCH if it achieves its aim 'to become the natural place to look for GHG emission data'?
 - What can CATCH offer businesses?
 - Who might be interested in CATCH from industry and business?
 - How can we ensure that the ideas, information and positive interest that CATCH generates is sustained and carried into the future?



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Part 3: What are the potential business & commercial opportunities to arise from CATCH?



- Sectors where carbon reduced travel may provide commercial opportunities:
 - **Measurement**: Emission data collection, air quality, ICT and ITS (technology)
 - **Direct**: Public transport, alternative transport
 - **Indirect**: Public realm, retail and catering, home delivery, health and fitness
 - **Finance**: Carbon management, trading and benchmarking





What are the potential business & commercial opportunities to arise from CATCH?



CATCH platform

- Behavioural change
- Information resource
- Communication tool



Carbon data opportunities

- Measurement
- Monitoring
- Analysis

Direct opportunities

- Public transport
- Alternative transport
- Electric/ biofuel vehicles
- Vehicle sharing/renting

Indirect opportunities

- Public realm
- Urban planning
- Retail and catering
- Alternative fuels/energy
- Health and well-being

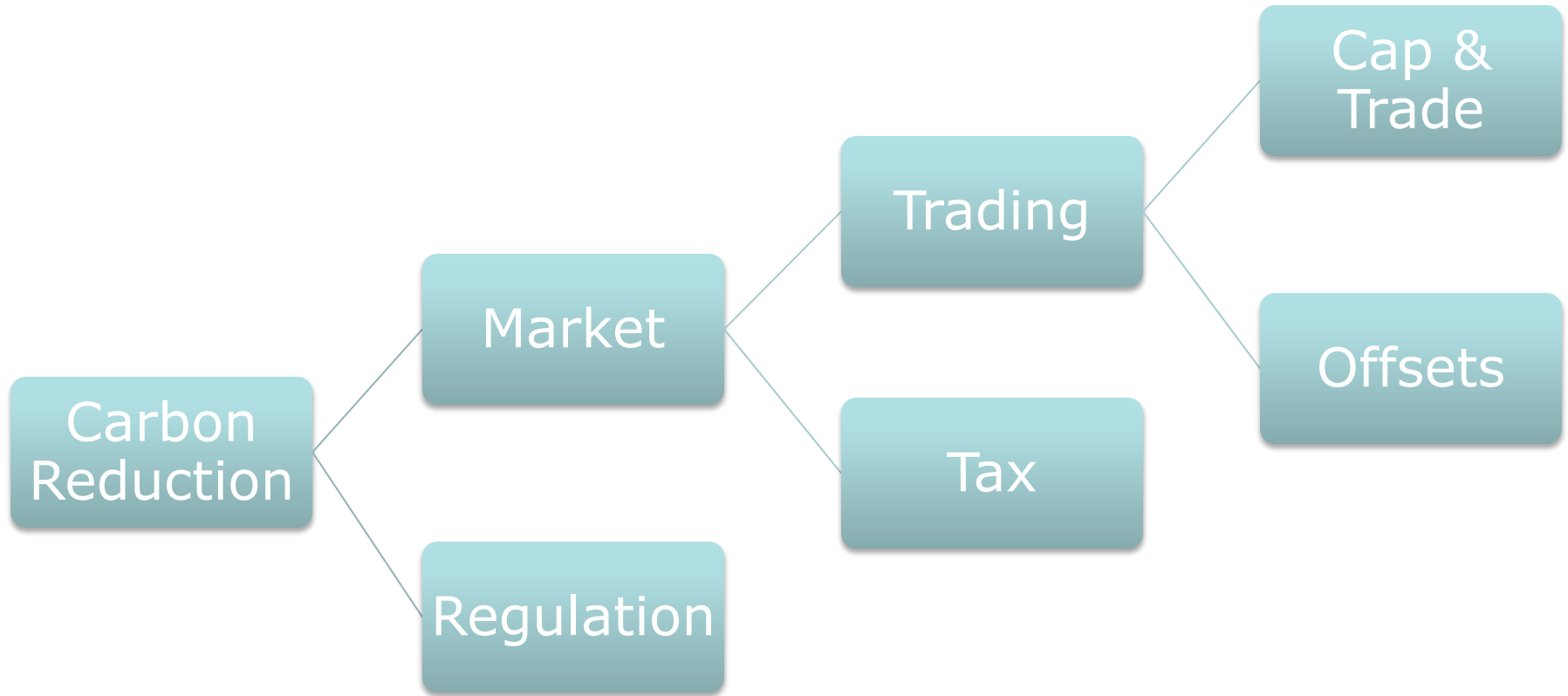
Management opportunities

- Carbon efficiency
- Carbon trading
- Carbon auditing/accounting
- Carbon reporting

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Part 4: What are the methods and opportunities to manage carbon?





What are the methods and opportunities to manage carbon?



- **Cap and Trade**- Government sets limits of pollution. Polluters can trade for permits or credits- essentially paying to pollute. EU ETS scheme.
- **Offsets**- Financial mechanism to mitigate carbon usage via investment in projects which reduce GHG emissions in the short or long term.
- Using carbon trading and offsets in new and innovative ways- city to city trading, carbon league tables, city carbon offset zones etc
- Carbon trading as a incentive and stimulation for cities, businesses, individuals
- Using CATCH as a tool in this new system.



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To recap (and trade)...

- Carbon and business are, and will become increasingly, interconnected
- Carbon offers both risks and opportunities for business
- CATCH must add value in order to be financially sustainable - must embrace and capitalise on the opportunities
- The effects of CATCH can promote and stimulate new business and commercial opportunities
- CATCH can be involved in new and innovative forms of carbon management

 **Thank you!**



For more information:

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Catching the opportunities...



- - What is the financial/commercial value of CATCH if it achieves its aim 'to become the natural place to look for GHG emission data'?
 - What can CATCH offer businesses?
 - Who might be interested in CATCH from industry and business?
 - How can we ensure that the ideas, information and positive interest that CATCH generates is sustained and carried forward?
- Measurement: Emission data collection, air quality, ICT
 - Direct: Public transport, alternative transport
 - Indirect: Public realm, retail and catering
 - Finance: Carbon management, trading and benchmarking
- Using carbon trading and offsets in new and innovative ways- city to city trading, carbon league tables, city carbon offset zones etc

