



Carbon Strategy Service Offering

Preparing business for
a low carbon economy

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RARE

Commercial risks of a low carbon economy

Multiple market drivers, including escalating energy costs, carbon price liability, supply risks, brand equity and customer and market expectations are increasing the strategic importance of climate change and carbon risk management. The cumulative impacts of these risks can erode value for companies that fail to adequately address change as the Australian business landscape transitions towards a low carbon economy.

Carbon price	Energy price	Supply chain	Physical risks	Procurement criteria	Other risks
<ul style="list-style-type: none"> ▪ Direct emissions ▪ Permit liability ▪ Trading/hedging strategies ▪ Cost absorption /pass-through ▪ Valuation impacts 	<ul style="list-style-type: none"> ▪ Fuel supply constraints ▪ Price volatility ▪ Electricity and fuel price increase 	<ul style="list-style-type: none"> ▪ Carbon cost pass-through ▪ Raw materials, logistics ▪ Downstream services (e.g. landfilling, distribution) 	<ul style="list-style-type: none"> ▪ Infrastructure damage ▪ Service delivery and production impacts ▪ Supply chain constraints 	<ul style="list-style-type: none"> ▪ Customer preference for 'low carbon' product/services ▪ Contract clause ▪ Carbon intensity benchmarking 	<ul style="list-style-type: none"> ▪ Competitive advantage ▪ Investor and shareholder pressure ▪ Brand value gains ▪ Cost of capital ▪ Credit rating

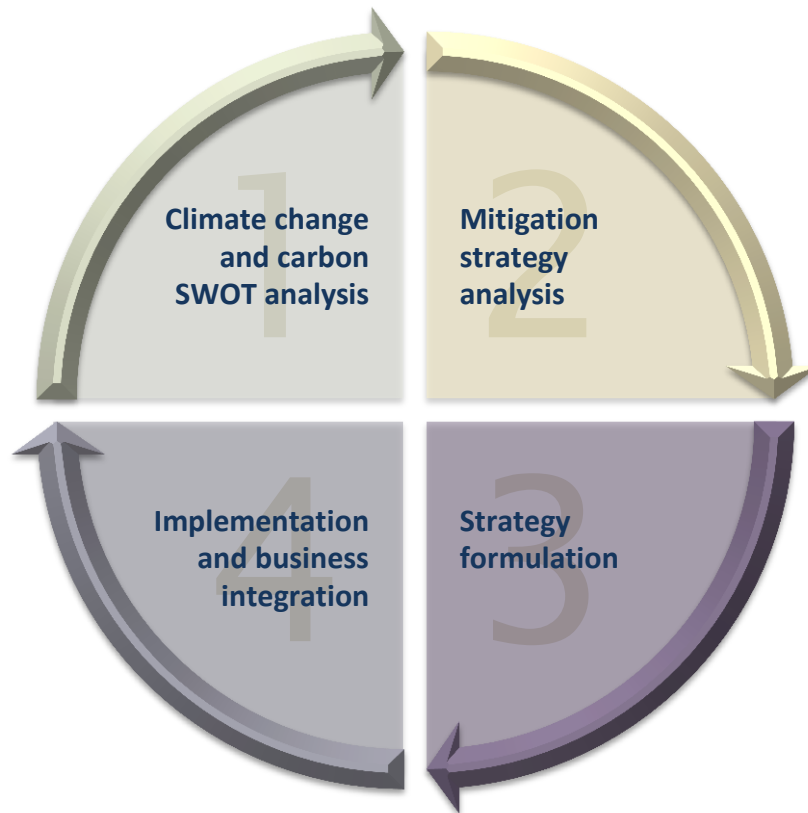
Strategic carbon risk management

Carbon risk management is becoming a real strategic business priority and competitive driver. Rare Consulting works with corporations to assist with managing their response to a multitude of climate change and carbon policy related risks. Rare's approach can help companies in a number of ways:

- climate change risks and opportunities assessment;
- carbon emissions analysis and inventory development;
- NGER-ready checks and compliance;
- value chain sensitivity analysis to carbon pricing;

- economic and environmental assessment of low carbon opportunities;
- development of carbon management strategies.

At Rare we can provide you with a range of services that will assist you to mitigate commercial risks arising from climate change and increase the resilience of your business in light of a carbon price. These services are designed to help businesses differentiate themselves on the basis of emissions and costs and concurrently deliver financial benefits.



1. Climate change carbon SWOT analysis

- Scan of company operations and activities to identify potential risks.
- Understanding the business implications of climate change and carbon risks.
- Assessment of current quantum of energy usage and greenhouse gas emissions.
- NGER readiness checks and reporting.
- Development of relevant performance benchmarks.
- Value chain carbon pricing risks analysis (direct and indirect liability).
- Low carbon opportunities analysis capitalisation on efficiency gains.
- Competitive benchmarking.

2. Mitigation strategy analysis

- Defining sustainability and low carbon objectives.
- Identifying suitable mitigation strategies.
- Economic and environmental assessment of low carbon opportunities.
- Identifying and overcoming implementation barriers.
- Quantifying commercial benefits and delivering business outcomes.
- Aligning carbon strategies with core business strategies.

3. Strategy formulation

- Development of a robust climate change and carbon risk management framework.
- Dealing with measuring emissions, reporting (NGER, EEO), low carbon opportunity assessments and competitive landscape changes.
- Increasing business resilience by planning for future regulatory scenarios.
- Low carbon product and service innovation, and market communication strategy.
- Carbon stress testing of future business decisions (M&A, new projects/investments).
- Achieving low cost and emissions differentiation.
- Driving market direction.

4. Implementation and business integration

- Implementation of carbon response plan.
- Design and facilitation of emission reduction trials.
- Strategic financial planning and investment decisions.
- Review of progress in accordance with key performance metrics.
- Board/executive level communications.



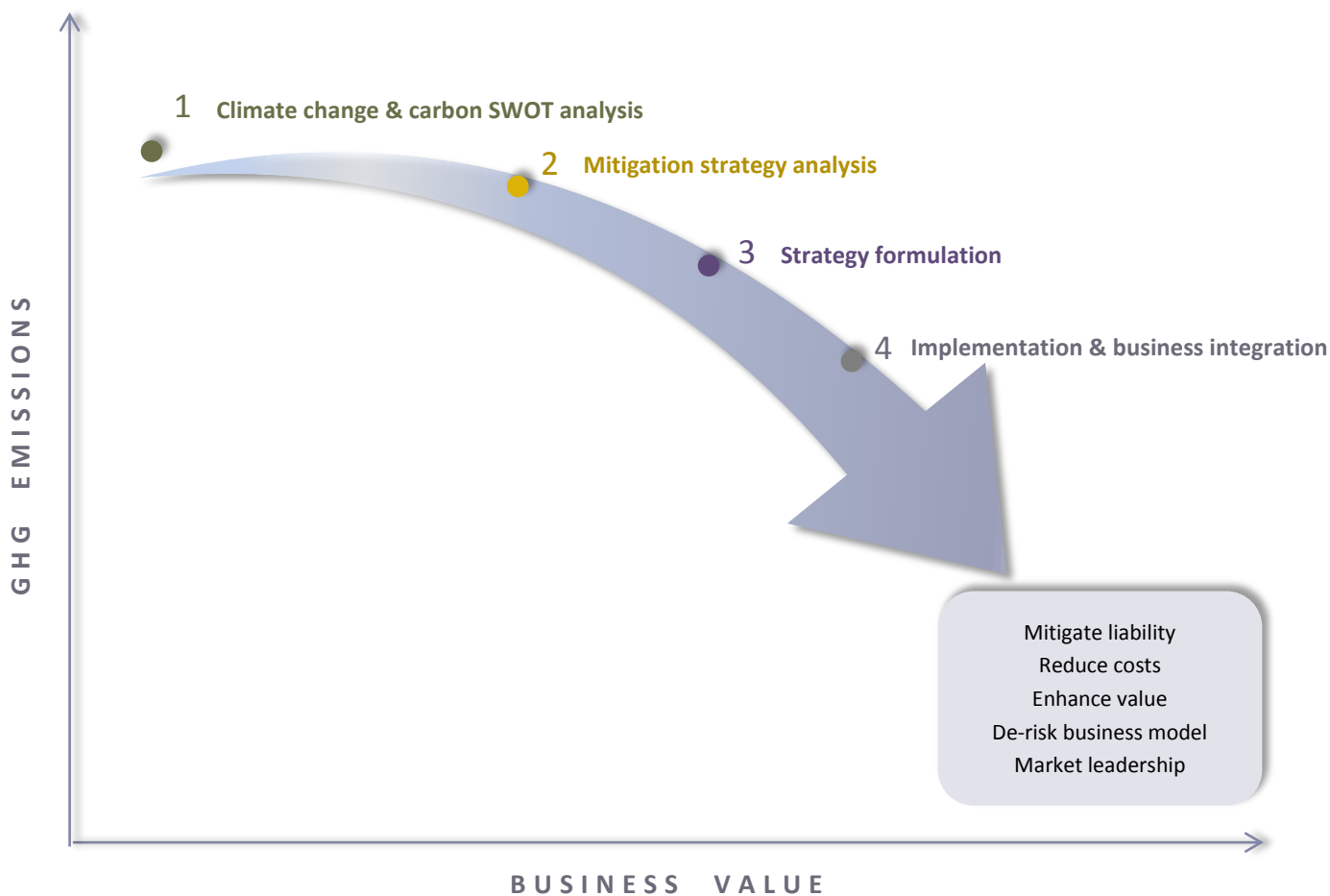
Business value creation

Efficient navigation through a low carbon landscape

Rare's strategic carbon risk management services can help companies create value and achieve commercial benefits by assessing value creation pathways.

- Harvest cost savings.
- Decouple business growth from GHG emissions.
- Keep company growth plans and value intact.
- Realign business to meet shifting customer demand.
- Developing operating flexibility to manage carbon pricing.
- Avoiding wasteful capital expenditure.
- Improved competitive positioning and market leadership.

Strategic business direction: Low carbon / high value pathway





UNCOMMON THINKING

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Rare Consulting is a specialist consultancy providing strategic services in the areas of transport and the environment, with a major focus on alternative fuels and technology, climate change, carbon risk management and energy efficiency.

Our diverse suite of strategic services ranges from evaluating company and industry level carbon risks and opportunities, assisting companies with their compliance reporting (NGER, EEO) and preparation of tailored carbon risk management plans which will protect and enhance company value in emerging low carbon economies.

For transport companies and other fleet operators this extends to assessing energy usage and carbon emissions of fleets at a vehicle level and formulating low carbon strategies by assessing the economic and environmental merits of alternative fuels, energy efficiency and low and new vehicle technologies.

Our team comprises highly qualified, experienced professionals who not only have a deep understanding of the issues associated with our core service areas, but have the practical capability to develop and implement innovative solutions.