

## Press Release

FAQs – Status February 19, 2008

### What is *Carbon Challenge*?

**“To win the race against global warming”**: That is the vision of Carbon Challenge, a campaign that aims to expand the vocabulary of the global carbon emission reduction debate by adding words like “performance”, “competition” and “education”. It plans to demonstrate its resolve through the parallel operation of an elite sailing team and management academy in a zero-net-energy building.

*Carbon Challenge* offers both a business-to-business and consumer marketing platform for international companies which are actively engaged in CO<sub>2</sub> reduction activities. It aims to inspire business leaders and companies to develop carbon management concepts and provide practical support with concept development, implementation and communication.

Their sphere of activity is broad and includes: *Carbon Challenge Academy*, offering customized seminars for senior management; a mobile zero-net-energy *Boathouse*, showcasing energy efficiency in buildings in a modern architectural setting; *Carbon Challenge Syndicate* performance sailing team; and, the *Carbon Challenger Foundation* – a charitable trust.

### Why is *Carbon Challenge* targeting international companies?

For many corporations “being green” has become much more than a marketing label and, in fact, describes an obligation towards employees, partners and consumers. Being engaged in climate protection - in particular, efficient resource use and CO<sub>2</sub> management, now can have a direct impact on the way a corporation and its brands are valued.

For that reason, *Carbon Challenge* is geared precisely to the needs of global corporations and their senior management teams. Consumers’ expectations of product integrity are rising and, increasingly, markets are demanding concrete programmes from corporations to tackle climate change issues.

#### **Carbon Challenge Holding AG Media Office**

Schröder+Schömb's PR Berlin, <http://media.carbonchallenge.net>  
media@carbonchallenge.net, +49 30-349 96 4-0

The *Carbon Challenge Academy*, to be located in a zero-net-energy *Boathouse*, trains senior management in how to accumulate expertise in resource management and CO<sub>2</sub> reduction as well as methods in motivating management teams to generate and implement ideas. The *Boathouse* itself is a modern architectural showcase for energy efficiency in buildings and is home base for *Carbon Challenge's* elite sailing team.

In this setting, experts from around the world, together with business leaders and leading lights from the sailing world can not only pool their knowledge but also approach CO<sub>2</sub> reduction in a competitive sports context – a spirit relevant to winning the Race against Global Warming.

### **What is the organisational structure of *Carbon Challenge*?**

*Carbon Challenge Holding AG* (Baar/Zug, Switzerland) is the legal platform which has been established to launch the *Carbon Challenge* project. It holds all rights to and equity in *Carbon Challenge* in addition to operating the *Carbon Challenge Academy* and *Carbon Challenge Syndicate*. A holding company has been selected as the company form which is best equipped to enable *Carbon Challenge* to easily spin off project units such as the academy and/or sailing team and operate such units in partnership with strategic and/or financial partners without affecting the ownership or management of indirectly related parts of the group.

The Holding will contribute fifty per cent of its annual net profits to the Carbon Challenger Foundation in 2008, annual contributions thereafter declining five percentage points annually before reaching a base level of twenty-five per cent. In every year, the minimum contribution by the Holding shall be CHF 250,000. The Foundation is a Swiss-based charitable trust whose mandate is to organise, promote and finance worldwide climate protection educational projects for children and young people. Its supervisory board is made up of managers from the Group, as well as sponsors and prominent honorary members.

The cooperation agreement between the holding company and trust ensures that a modern management team is charged with organising the campaign in an efficient and profitable way, using a relevant part of its profits to finance a charitable trust.

### **Carbon Challenge corporate governance**

Olivier Lefebvre, member of the Management Committee of NYSE Euronext Inc. up until October 2007 is Chairman of the Supervisory Board of *Carbon Challenge Holding AG*. He has developed the corporate governance statutes of the *Carbon Challenge Group* and is, together with the other supervisory board members, guarantor of their adherence.

### **What is the purpose of the Carbon Challenger Foundation?**

The trust's statutes set forward that it shall finance and/or promote the provision of educational projects concerning global warming, in particular to prepare children and young people for the challenges of CO<sub>2</sub> reduction. Plans include a *Carbon Challenger Kids' Academy*, a combination of a sailing camp and classes on climate change for children from around the world, as well as a mobile adventure playground to be located in the stopover ports of the Volvo Ocean Race. The playground will, through play activities, introduce children to renewable energy technologies and the science behind them. The trust is financed by contributions of the trustee – a portion of the *Carbon Challenge Holding AG* annual profits - as well as private and corporate donors.

### **Who are Carbon Challenge's initial supporters?**

From the field of sustainability, Carbon Challenge has been supported by the following institutions: *Energy Efficiency in Buildings* (EEB), the initiative belonging to the non-profit organisation, the *World Business Council for Sustainable Development* (WBCSD); the *EarthLab Foundation*, managers of one of the leading climate change online communities ([www.earthlab.com](http://www.earthlab.com)), and; myclimate, a Swiss non-profit organisation and one of the leading providers of carbon offsets.

#### **Carbon Challenge Holding AG Media Office**

Schröder+Schömb's PR Berlin, <http://media.carbonchallenge.net>  
[media@carbonchallenge.net](mailto:media@carbonchallenge.net), +49 30-349 96 4-0

The following companies have provided vital strategic and content input to *Carbon Challenge* throughout its establishment phase: *The Boston Consulting Group, PricewaterhouseCoopers, Norton Rose Law Offices, Niederer, Kraft & Frey, ARUP, David Chipperfield Architects, Community of European Management Schools and International Companies (CEMS)*.

### What is the *Code of Coolness*?

The *Code of Coolness* is the code of conduct adhered to by all Carbon Challenge employees and as many of its partners as possible. It describes specific targets, such as a reduction of sailing team CO<sub>2</sub> emissions by 50 per cent by 2015 in addition to maintaining a carbon neutral balance from the first day of the project.

Mobility, energy use, boat management, infrastructure, management and supply chain are the primary areas for which CO<sub>2</sub> reduction measures need to be implemented to ensure emission reduction targets can be reached as quickly as possible. *Carbon Challenge* makes use of the most up-to-date assessment systems and works with experts from PricewaterhouseCoopers on their on-going development. *Carbon Challenge's* emission values are continually independently surveyed and annual carbon balance will be posted on the group's website. *Carbon Challenge* offers its assistance to partners wanting to develop their own *Code of Coolness* tool.

### Why is Carbon Challenge CO<sub>2</sub>-neutral?

All of the *Carbon Challenge* business units cause carbon dioxide emissions. To balance these and therefore to have a neutral impact on climate change, *Carbon Challenge* shares in a greenhouse gas offset project with the Swiss initiative, *myclimate*, which has selected a wind energy project in Yuntdag, Turkey and bestowed it with *Gold Standard* offset certification.

Counted in the group's carbon balance are all CO<sub>2</sub> emissions created by the sailing team, *Carbon Challenge Academy*, the *Boathouse* as well as flights and accommodation/hospitality activities of all corporate training or corporate entertainment related to the operation of *Carbon Challenge*.

#### **Carbon Challenge Holding AG Media Office**

Schröder+Schömb's PR Berlin, <http://media.carbonchallenge.net>  
[media@carbonchallenge.net](mailto:media@carbonchallenge.net), +49 30-349 96 4-0

However offsetting is not a solution in itself. The carbon footprint of the group shall be as low as reasonably possible with continual reduction of its emissions to be an on-going priority. To this end the group is served by initiatives such as the use of a pre-campaigned boat for the Volvo Ocean Race and the use of a zero-net-energy Boathouse as a campaign base. Mobility, energy use, boat management, infrastructure, management and supply chain are the major headings under which *Carbon Challenge* can achieve CO<sub>2</sub> reduction.

### What are goals of the sailing team, sporting and otherwise?

*Carbon Challenge Syndicate* is to be led by Tom Weaver. Weaver brings with him two decades of experience in high performance sailing, most recently as Team Manager with America's Cup syndicate *Mascalzone Latino*. He has at his disposal a trusted team of designers and technical staff as well being able to call on an excellent global network of leading sailors. The goal is to assemble a campaign by October 2008 that can both keep up with the pace of a race around the world as well as use the theme of CO<sub>2</sub> reduction to inspire not only the corporate and public world looking on, but also other sailing teams.

Tom Weaver: "With the combination of a used, but optimized Volvo Open 70 boat from the last race, and a crew of top sailors with Volvo experience who are all excited about the idea of a Race against Global Warming, we have an outsider's chance. The race around the world is long and hard. We will have to look for our chances and take them as they come." Hence, victories in individual legs of the race as well as in-port races are as much a part of the team's planning as its goals to continually be aware of and reduce carbon emissions. "Since we are taking part in two races simultaneously, we are convinced we can go into this campaign with a confident, winning mentality. At *Carbon Challenge* we say 'we can only win'."