



Asia Pacific Spa & Wellness Coalition Carbon Calculator - Proposal

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Introduction

This document describes how Carbon Foresight can work collaboratively with the Asia Pacific Spa & Wellness Coalition (APSWC) to help their members in the Spa, Health & Wellness Industry to better measure and manage their carbon emissions by leveraging Carbon Foresight's customizable carbon calculator and related expertise.

About Carbon Foresight

Carbon Foresight is a sustainable business consulting firm focused on climate change. We help organizations measure, manage and reduce carbon emissions as well as discover and implement opportunities for sustainable business. Our clients include leading international hotel & spa chains, retailers, and government agencies.

Opportunity

Sustainability is unlike any issue the Health & Wellness industry has encountered. Pressures are culminating in a perfect storm of heightened media attention, increasing consumer and stakeholder awareness, increased regulatory scrutiny, and business concerns over operational and financial risks. In addition, organizations in the Hospitality and Health & Wellness sector need to increasingly differentiate themselves to discriminating eco-conscious consumers.

Organizations in the Health and Wellness sector are pursuing the design and implementation of carbon emissions reductions initiatives that will enable them to reduce the energy and material impact of processes, products, and services to enhance the customer experience while reducing the impact on the planet. Most organizations are in the early stages of this endeavor. They require assistance in measuring and understanding their emissions and developing sustainability goals and programs.

This proposed solution enables industry associations like APSWC to deliver a carbon emission measurement program to their entire membership in an efficient, cost effective manner. Measurement is an important first step toward collectively understanding and reducing the carbon footprint of an industry.

With a worldwide move towards sustainability and pending legislation in the EU and US that could dramatically affect global business, this solution will allow you to pro-actively understand your own business, measure yourself against your peers, as well as prepare and implement a plan.

Further benefits of embracing an Association model are that all members are using a common platform and can therefore not only benchmark themselves against their industry peers, but also share data with suppliers to establish a total product carbon picture.

Companies that undertake a carbon audit using outside services often pay tens of thousands of dollars. This system would be considerably less expensive and streamlined because it leverages an customized industry standard that would apply to members.

About the Calculator

Carbon Foresight leverages CarbonConnect, a carbon emission management system (calculator), to assist clients with measuring company footprints, and identify opportunities for reduction. CarbonConnect is a web based application, currently in use by a number of Fortune 500 companies reporting on over 4,500 different sites.

Simple Web Interface:

The CarbonConnect system is really easy for your members to use! They just follow the user guide and enter in defined utility and purchasing data. It's all web based, there is never any software to install. The system is whitesheetable meaning that the association can provide graphics that make the tool look completely like an industry association product/program. Members can access the system from your site and be returned there when they exit.

Multi-Site Compatible:

Multi site users can automatically upload data. You can also share data with suppliers to obtain a total picture of your GHGs.

Broad Application:

You can measure your retail sites, warehouses, your logistics and you can even measure products and suppliers if you choose. The system has full supply chain capabilities so it can be used as the basis of a green purchasing strategy by members at no additional cost.

Dynamic Reporting:

Reporting is dynamic. You get great reporting tables and pie charts that identify your member organization's significant GHG emission sources, how they are tracking year to year, and how you compare to the average of your peers in the industry.

Multi-lingual:

A further benefit to national and international associations is that the system can easily be configured to accommodate multiple languages for all text and help screens.

Annual Research Report:

If there is enough participation from members, the association gets an annual report which completely describes the footprint of the industry and makes recommendations for next steps. This provides benchmarking to the members a leadership mandate to the association in consulting and influencing potential regulations.

GHG Product Labels:

You may choose to use CarbonCounted emission label to communicate with your stakeholders (employee's and customers) to communicate that you are measuring and managing the GHG emissions in your business. (Note: this only applies to companies that have had their data audited)

Government Reporting Ready:

Using the CarbonCounted system will allow your members to build a data repository in preparation for future required government reporting. The system has a public API that is forward compatible with government registries and exchanges. The system already has a Carbon Disclosure Project (CDP) report template.

Fully Hosted Solution:

The calculator is deployed as a fully hosted solution, where all code, data, and underlying hardware / network infrastructure is hosted remotely (away from client site). This allows our clients to enjoy the benefits of a hosted solution, which include:

- ▶ Minimal up-front investment
- ▶ Rapid implementation
- ▶ High quality service at low cost
- ▶ Zero maintenance
- ▶ Proven, reliable, secure data network
- ▶ Flexibility and scalability
- ▶ In-house IT resources available to focus on core systems
- ▶ Expert technical and consultancy services
- ▶ Security and accessibility of your data

Project Scope

Carbon Foresight has a wealth of expertise and experience in organizational GHG emissions calculations. The Carbon Foresight GHG Inventory methodology is modeled after the World Resources Institute/World Business Council for Sustainable Development (WRI/WBCSD) "Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard". This inventory process is crucial for both establishing an organizational baseline and a quantitative measurement.

Asia Pacific Spa & Wellness Coalition - Carbon Emissions Calculator

Carbon Foresight will deliver a customized carbon calculator to reflect the needs of the Asia Pacific Spa & Wellness Coalition, including a custom organizational structure, local emissions factors, custom emissions sources, and branding. This web-based calculator will be available to all Coalition members to input baseline data as well as regular comparison emissions. This will help the member organizations to capture carbon emissions related data in a streamlined and efficient manner, as well as allow for rapid calculations and modeling scenarios.

Each new APSWC member will be charged a fee, which will include:

- ▶ Site setup
- ▶ Creation of User / Password logins
- ▶ Assignment of emissions sources
- ▶ Training
- ▶ Coordination
- ▶ Carbon Emissions Report and Analysis (one report for the initial carbon emissions inventory only)

Project Personnel & Responsibilities

Carbon Foresight:

Carbon Foresight will be responsible for completing the specific deliverables including custom calculators and associated reporting.

The majority of the project work will occur remotely from Carbon Foresight's offices. Communication will be facilitated via web-based teleconference tools to minimize costs and environmental impact.

Asia Pacific Spa & Wellness Coalition:

APSWC will detail the requirements for an APSWC calculator that will include appropriate emissions sources, branding, etc. APSWC will provide the necessary background and information to Carbon Foresight. APSWC resources and subject matter experts will be made available within reasonable timeframes and ensure that critical decisions and sign-offs are made in a timely manner in order to meet agreed timelines.

Once the base calculator has been built, APSWC members will be recruited by APSWC to use the calculator. These APSWC members will pay a fee to have their organization set up as sites within the calculator. The members will be set up as users and have access to the calculator.

Investment

Estimated costs and scope have been detailed below. These charges will be fully borne by APSWC and are related to the implementation and customization of an association calculator template. These costs are payable to Carbon Foresight.

Service	Description	Fee*	Timeline
1) Asia Pacific Spa & Wellness Coalition - Custom Carbon Calculator	<ul style="list-style-type: none"> ▶ Customized carbon calculator ▶ Web-based calculator available to all APSWC members to input baseline data as well as regular comparison emissions 	7,000 Euros	Approx. 2 months

NOTE: A deposit of 50% to be paid prior to beginning the project. Balance to be paid upon completion of project.

APSWC Revenue Model

Once the base APSWC association calculator has been created, APSWC will recruit members to subscribe to the calculator. The suggested revenue and pricing model is outlined below. The fees will be paid by each of the APSWC members who subscribe to the calculator. All charges will be invoiced by Carbon Foresight to APSWC members with a 25% commission then distributed to APSWC. This commission will be paid at regular intervals.

Service	Description	Fee*	Timeline
1) Asia Pacific Spa & Wellness Coalition - Custom Carbon Calculator	<ul style="list-style-type: none"> ▶ Unlimited access to web-based customized carbon calculator ▶ Ability to input baseline data as well as regular comparison emissions ▶ Carbon Emissions Report (one report for the initial carbon emissions inventory only) ▶ Calculator training 	1,500 Euros (members with <3 sites or some other measure to distinguish small and large operators) 3,500 Euros (members with 3-10 sites)	~1 month
2) Yearly software maintenance fee	<ul style="list-style-type: none"> ▶ Includes software maintenance and upgrades ▶ Includes critical configuration changes and support ▶ Includes a 'desk-based' audit by a certified auditor to verify the data ▶ Payable one (1) year from initial project go-live and every year thereafter. 	400 Euros (members with <3 sites) 750 Euros (members with 3-10 sites)	n/a

Conclusion

We see a significant opportunity to work with APSWC in developing and implementing a successful carbon emissions measurement program and are confident that Carbon Foresight is the optimal partner in this initiative. We have scoped this proposal in line with our discussions; however, we welcome the opportunity to explore this approach in further detail to ensure our offering is tailored to your specific needs.

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