

Dumping tons of carbon dioxide

[Literature](#), [Russian Literature](#)



Problem Statement

Dumping tons of carbon dioxide and other greenhouse gases into the atmosphere mainly from burnt fossil fuel, has resulted in a steady increase in global atmospheric temperature at an average of 0.2°C. The net effect of this increment is the rising ocean levels courtesy of melting polar ice, erratic rainfall and prolonged drought and famine (Loop Initiatives, 2013). Shadow carbon pricing, a tool used by companies in decision making and financial analysis in a bid to compensate for ongoing pollution at no cost, is an appropriate mechanism that can be adopted to mitigate global warming. ADNOC, a company of interest in my case study, currently applies shadow carbon price policy to help its managers envision their return to investment on carbon reduction; and to allow for a well regulated awareness campaign in regards to carbon emission mitigation strategies and novel shifts in energy use, contrary to the initial cap and trade/ carbon tax policies.

Policy options, advantages and disadvantages

Based on the ongoing paradigm shift in business models of Going Green, it is paramount for ADNOC's management to embrace the Shadow Carbon Pricing for various reasons: it aids management by reducing risk levels, determining profitable price margins, and facilitating earning of environment friendly energy credits; adequately prepares ADNOC for imminent future legislations; it is a substitute in cases where energy prices rises; and, it is a creative and innovative technique to boost competitiveness and lower carbon growth. As a recommendation, shadow carbon pricing is highly viable on a long term basis for ADNOC to gauge its carbon emissions. Besides, data gathered from the shadow carbon pricing ought to be used in setting annual carbon

reduction targets necessary for measuring the various managers output in a company and its general business performance.

Works Cited

Loop Initiatives. What is Shadow carbon pricing and should I use it for My Business? Accessed 28 October 2013