Internal Carbon Pricing

Company Name: D.M. Wenceslao & Associates, Inc. (DMW)
Date: December 2024

D.M. Wenceslao & Associates, Inc. (DMW) recognizes that climate-related risks and opportunities have material implications for long-term value creation. To embed climate considerations into business planning and decision-making, the company developed **Internal Carbon Pricing (ICP) framework**. By assigning a notional cost to greenhouse gas emissions associated with operations, investments, and supply chains, DMW seeks to strengthen its ability to manage transition risks, capture low-carbon opportunities, and align with global best practices.

The Internal Carbon Pricing initiative is designed to:

- **Conduct cost-benefit analyses** that integrate carbon costs into project feasibility, ensuring accurate evaluation of environmental and financial trade-offs.
- **Drive energy efficiency** by creating a direct financial signal to reduce energy consumption and emissions intensity.
- **Support low-carbon investments** by prioritizing projects that minimize exposure to future carbon costs.
- **Incentivize climate considerations in decision-making** across departments, embedding sustainability into corporate governance and capital allocation.
- **Integrate climate-related issues in risk assessments,** strengthening the Enterprise Risk Management framework.
- **Identify and seize low-carbon opportunities** in development, leasing, and estate management, enhancing competitiveness and tenant value propositions.
- **Influence corporate strategy and financial planning** by incorporating carbon costs into budget setting, investment pipelines, and long-term masterplanning.
- **Navigate evolving regulations** by proactively internalizing potential carbon pricing policies and aligning with anticipated compliance requirements.
- **Address upstream value chain emissions** by extending carbon cost considerations to supplier engagement and procurement standards.
- **Support climate-related policies and targets** by ensuring progress toward DMW's GHG reduction commitments and renewable energy goals.
- **Set a carbon offset budget** that enables the company to responsibly neutralize residual emissions where abatement is not feasible.
- **Stress test investments** against different carbon price scenarios, ensuring resilience under future transition risk pathways.

ELECTRICITY	2021	2022	2023	2024
GHG Emissions Scope 2 (Tons CO2)	**1,884.00**	**2,429.00**	**5,383**	**7,292**
884.2 lbs CO2/MWh × 1 metric ton/2,204.6 lbs × 1/(1-0.073) MWh delivered/MWh generated × 1 MWh/1,000 kWh × = 4.33 × 10-4 metric tons CO2/kWh				
US$Carbon Tax (Assuming US$50 carbon tax per ton)	**94,200**	**121,450**	**269,150**	**364,600**
https://business.inquirer.net/352352/ph-looking-into-carbon-tax-viability				
Peso Equivalent at 1USD=57Php	5,181,000	6,679,750	14,803,250	20,782,200
Revenues	3,446,712,914	4,220,264,810	4,098,961,536	3,695,722,975
Percentage of Revenues	0.2%	0.2%	0.4%	0.6%

FUEL	2021	2022	2023	2024
Total Scope 1 GHG Emissions	843	810.7	1453.7	975.1
US$Carbon Tax (Assuming US$50 carbon tax per ton)	42,155	40,535	72,685	48,755
Peso Equivalent at 1USD=57Php	2,318,525	2,229,425	4,143,045	2,681,525
Revenues	3,446,712,914	4,220,264,810	4,098,961,536	3,695,722,975
Percentage of revenues	0.1%	0.1%	0.1%	0.1%

	2021	2022	2023	2024
Total Carbon Tax	**7,499,525**	**8,909,175**	**18,946,295**	**23,463,725**
Percentage of revenues	0.22%	0.21%	0.46%	0.63%