



SOCIALCARBON®



SOCIALCARBON® Standard



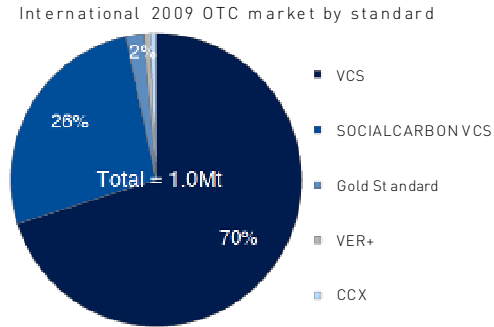
HOW IT WORKS

SOCIALCARBON is a complementary (add-on) standard for co-benefits and does not itself include specific criteria for emission reductions, such as baseline and monitoring methodologies. Therefore, it is always used together with another carbon offset standard (e.g. VCS, CDM, or CAR).

The Standard's criteria for co-benefits are very similar to the concept of emission reductions:

- Project developers establish a baseline using the Standard's indicators that point to degrees of sustainability correlated to six resources: social, human, financial, natural, biodiversity and carbon.
- Developers must then demonstrate that there is an improvement along the lifetime of the project in relation to this baseline through SOCIALCARBON monitoring reports, which are independently verified.

SOCIALCARBON IN THE MARKET



Source: New Energy Finance Note: Incl. VCI data from Jan-Aug, CCX OTC data, Aug - 18 Sept, and ACR transaction data

SOCIALCARBON's international over-the-counter market share rose from 1% to 26% during the last year due to its flexibility and fulfillment of buyers' main demands (credibility and sustainability) when compared to other standards.

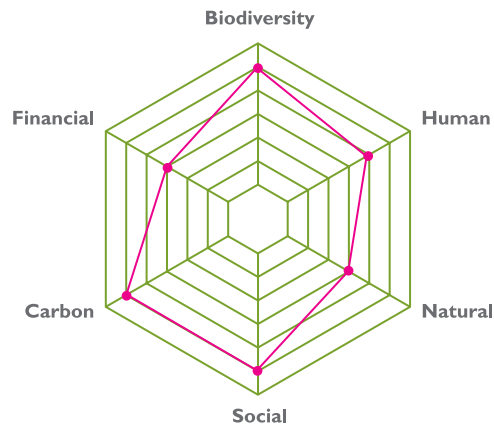


SOCIALCARBON® STANDARD

is a certification adept at bringing demonstrable social, environmental and economic benefits to the stakeholders of carbon offset projects.

Most offset project standards welcome co-benefits but do not require them. To fill this gap, the Ecologica Institute, a Brazilian non-profit organization focused on climate change mitigation, developed the SOCIALCARBON Standard.

SOCIALCARBON may be adapted to suit different types of projects, including hydropower plants, landfills, fuel switching, forestry and others. Its theoretical framework is based on the Sustainable Livelihood Approach (SLA), a world wide methodology used in planning new development activities and assessing the contribution that existing activities have made to sustaining livelihoods.

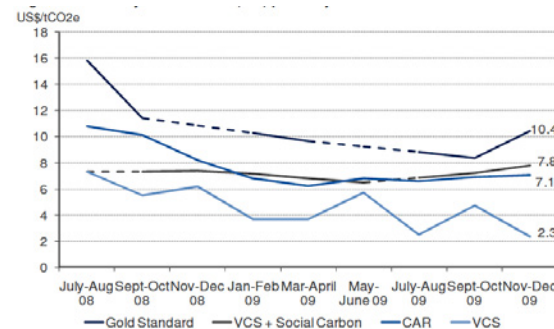


SOCIALCARBON CREDITS

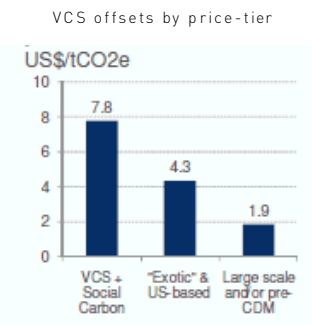
SOCIALCARBON VCUs have maintained their prices throughout the financial crisis. Such prices are also the most stable in the market and command a high premium over VCS.

"Offsets stacked to both the VCS and Social Carbon Standard sold for 80% higher than so-called exotic VCUs without a secondary standard (\$7.8 versus \$4.3/t). Inclusion of a secondary standard to ensure project association with positive externalities instills quality and therefore mitigates the risk of bad publicity."

New Energy Finance



Source: Bloomberg New Energy Finance Note: Dotted lines mean interpolated data due to lack of data points.



Source: Bloomberg New Energy Finance



CARBONO FOREST PROJECT

This project will offset 70,000 tons of CO2 through the reforestation of 150 hectares surrounding the Cantão State Natural Reserve. The region's natural biome is the Cerrado, the most extensive savanna in South America. The Cerrado is a biodiversity hotspot threatened by rapid expansion of Brazil's agricultural frontier. The project will benefit small farmers involved by providing capacity building to produce non-wood products and incentives to strengthen local cooperatives and associations.

Benefits

- Improves projects' social and environmental benefits.
- Helps project developers identify areas for project improvement and measure the impact of changes in these areas.
- Provides opportunities to involve local stakeholders, enabling them to share the benefits from carbon offset projects.
- Reduces project risk and improves long-term stability.
- Adds value to VERs (price is up to 80% higher when compared to common VCUs).
- Provides traceability and transparency for buyers: SOCIALCARBON credits and project details are listed at a leading registry, the Markit Environmental Registry.
- Enhances buyers' image and reputation due to projects' high environmental and social benefits.

Fuel Switching in Ceramic Facilities

In these projects, small Brazilian tile and brick manufacturers switch their fuel source from native wood/fossil fuel to renewable biomass. SOCIALCARBON Standard plus VCS has been applied to 60 carbon offset projects in this sector. Social and environmental improvements include benefits and new professional skills for employees, enhanced health and security and environmental management.



MARKIT SOCIALCARBON REGISTRY

<http://www.markitenvironmental.com/social>

SOCIALCARBON credits are listed at a leading registry: The Markit Environmental Registry.



Markit is the world's "meta-registry" for environmental markets. The only Registry which covers the globe (with offices in the USA, UK and APAC), Markit is a secure, on-line registry service providing confidence to the voluntary carbon market. As the global trend in managing environmental assets moves towards price based mechanisms, a robust, global registry is an essential tool to provide transparency and credibility.

The Markit SOCIALCARBON Registry:

- Lists and manages full project details.
- Facilitates SOCIALCARBON Credits issuance.
- Applies a unique serial number to each credit.
- Converts a SOCIALCARBON credit into a saleable conservation unit.
- Enables transfer of credits between seller and buyer.
- Retires SOCIALCARBON credits into a retirement account to ensure that these cannot be re-sold.
- Provides full reporting and enquiry for traceability and transparency.

Markit Environmental Registry Critical Design Factors



CERTIFYING ENTITIES

A Certifying Entity is an independent organization which validates and verifies SOCIALCARBON Reports, which preferably are consolidated with validation procedures with another approved standard (i.e. VCS, CDM or others) into a single process.



ENDORSEMENTS



CERs or VCUs that are "tagged" with SOCIALCARBON satisfy recommendations described in the ICROA Code of Best Practice.



Climate Action a company dedicated to making offsetting simple for everyone – individuals, families, networks, communities and businesses.



World Energy Solutions (NASDAQ: XWES; TSX: XWE) is a leading online exchanges for energy and environmental commodities; including the World Green Exchange®, one of the largest primary carbon market places in the world.

BUYERS

Buyers of SOCIALCARBON credits include The World Bank, First Climate, JP Morgan, World Energy, Eco-act, CantorCO2e, Carbon Neutral, igogreen and others.