

New Developments in Corporate Climate Disclosure

March 23rd 2007

EPA Climate Leaders 5th Anniversary Meeting

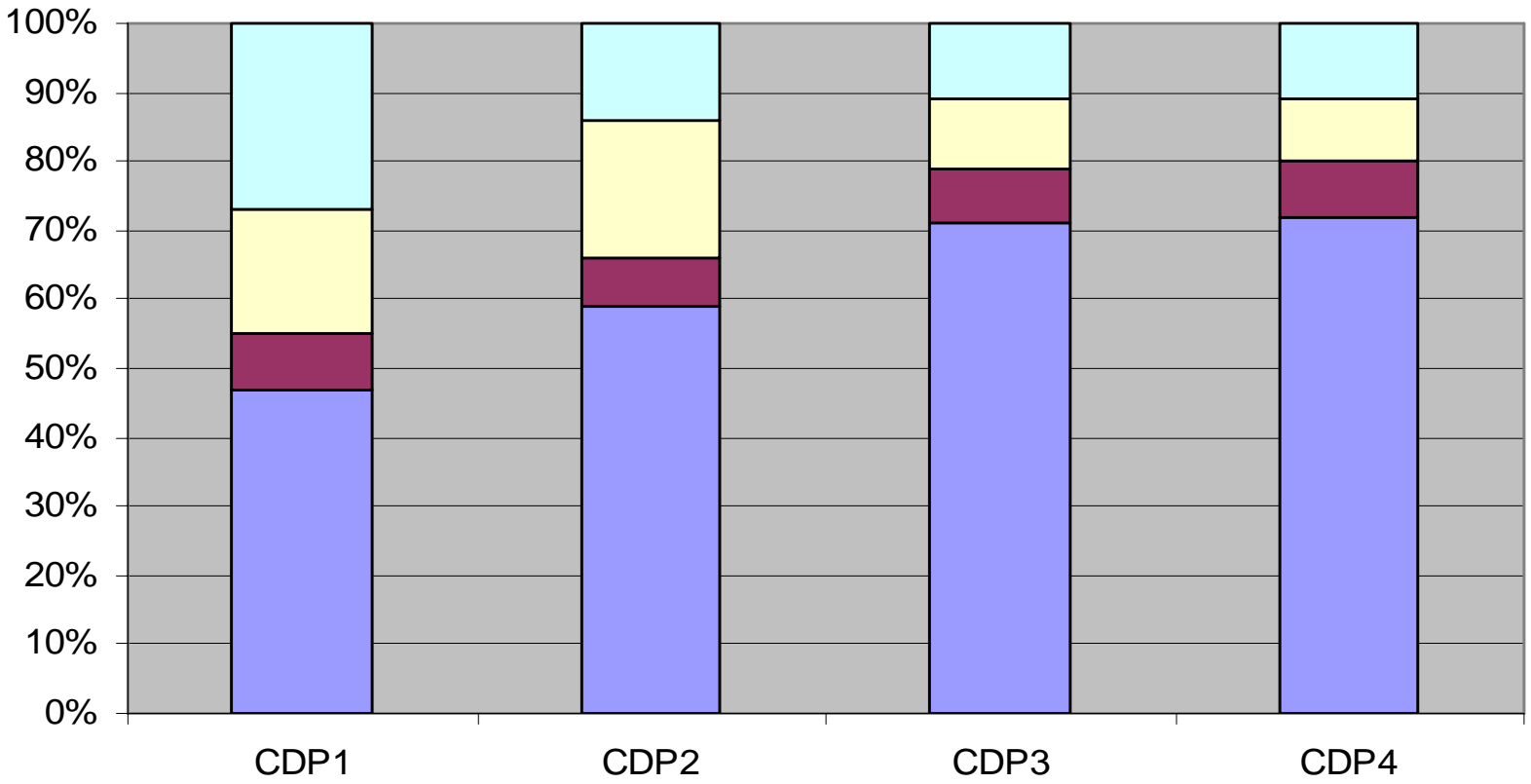


Carbon Disclosure Project 2007 – Key Facts

- **300 investors with assets of \$41 trillion (30% of global total invested assets)**
- **Information requested from 2,400 companies**
- **Over 950 companies answered the questions in 2006**
- **11 reports published, (Innovest FT500; CERES S&P500)**
- **www.cdproject.net largest registry of corporate GHGs in the world**
- **2007 expansions in US, Japan, UK, France, Germany, Canada, Brazil, India, Australia, Asia, South Africa, Scandinavia**
- **2007 expansions to Electric Utilities and Transport Sector**
- **Launch events planned all over the world**

- **CDP is now an established annual process**
- **CDP is where the corporate world reports GHG emissions**

CDP FT500 Response Rates Over Time



■ Answered Questionnaire ■ Provided Information ■ Declined to Participate ■ No Response

Key Findings from CDP4 FT500 Sample

- **Highest-ever response rate: 72% overall; average of 85% in high-impact sectors.**
- **Emission intensity varies significantly, both among and within sectors.**
- **GHG reduction less costly than generally believed.**
- **Emissions levels of some industry competitors trending in opposite directions – potential for new winners and losers**
- **Significant gap (52%) between corporate awareness and *action***
- **Investors more involved**

Key Findings from CDP4 S&P500 Sample

- **Relatively low response rate: 47% overall with large number of patchy responses**
- **Comparison for investors very difficult**
- **80% of responders addressed need to reduce GHG emissions but only 25% of these disclosed emissions reductions targets**
- **Companies with low emissions largely unresponsive to financial risks and opportunities**
- **CDP4 signatories own up to 35% of the common shares of some non-responding companies**

Recent Changes to the Carbon Landscape

- **Al Gore wins an Oscar and testifies before U.S. Congress on Global Warming**
- **TXU announces it will cease building 8 coal fired power stations**
- **Citigroup, Lehman Brothers and UBS release Climate Change reports**
- **California calls for 25% reduction in CO₂ emissions by 2020**
- **Continued growth in the clean tech sector**
- **Stern Review – Benefits of strong, early action outweigh the costs**
- **UK Government introduces draft Climate Change Bill calling for 60% reduction in CO₂ by 2050**

Future of the Carbon Disclosure Project

- **More Investors examining risks and opportunities**
- **More companies measuring and reporting**
- **Global expansion of CDP continues – (2007 Scandinavia, India, South Africa and Italy)**

- **Focus on improving quality of data and comparability**
- **Development of a single response database for easy comparison by investors**

Climate Disclosure Standards Board - CDSB

- Launched at Davos 2007
- Founding Members:
 - California Climate Action Registry**
 - Carbon Disclosure Project**
 - Ceres**
 - The Climate Group**
 - International Emissions Trading Association**
 - World Economic Forum Global Greenhouse Gas Register**
 - World Resources Institute**
- Establishing Generally Accepted Carbon Accounting Principles (GACAP)

“ Embedded in the challenge of climate change are both dangers and possibilities. Immense dangers for firms and investors who make bad choices, or no choices, about how to respond to the risks, and are then held accountable in the marketplace, the boardroom, or the courts; and immense possibilities for firms and investors to turn challenge into opportunity.”

Dr. John Holdren, Professor, Harvard University



Many thanks

Zoe Riddell
Vice President
Carbon Disclosure Project
www.cdproject.net
zoe@cdproject.net
+1-646-270-3675