



CARBON DISCLOSURE PROJECT

**Carbon Disclosure Forum
March 2008**

Sue Howells – CDP Head of Global Operations



Climate Change

“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



Climate Change – An Investment Issue

Significant risks and opportunities from:

- Taxation and regulation
 - Changes in weather patterns
 - Technological innovations
 - Shifts in consumer attitude and demand
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- There will be winners and losers in the transition to a low carbon economy
 - Investors need information to determine how companies will be affected.

A banner image featuring a blue sky with white clouds on the left and a modern glass skyscraper on the right. The text "Carbon Disclosure Project - CDP" is overlaid in the center-left.

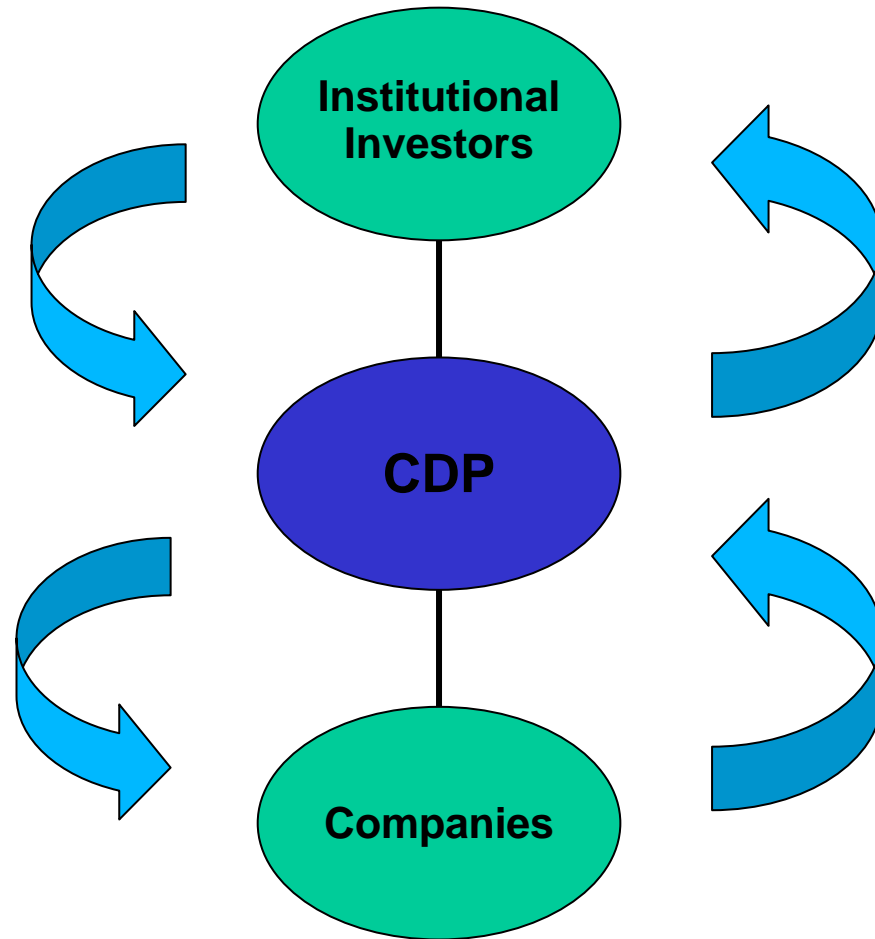
Carbon Disclosure Project – CDP

Launched at No.10 Downing Street in 2000

“To facilitate a dialogue between investors and corporations supported by quality information from which a rational response to climate change will emerge.”

Global standardised mechanism by which companies report their greenhouse gas emissions to investors.

CDP – Collaboration and Co-ordination



The header of the slide features a blue sky with white clouds on the left and a modern glass skyscraper on the right. The text 'CDP - Philosophy' is overlaid on the sky portion in a white, sans-serif font.

CDP - Philosophy

- Aiming to create a lasting relationship between shareholders and corporations regarding the implications for shareholder value and commercial operations presented by climate change.
- CDP helps the investment community secure updated information in a comparable format that adds value for them, via a single-request mechanism that is efficient for the corporations.
- CDP also seeks to leverage its data and process to catalyse activities of policymakers, consultants, accountants, marketers etc

CDP is a UK registered charity that is supported by 6 national governments and endorsed by the UN as the gold standard for reporting



CDP - A growing global system

■ CDP1 2003	35 signatory investors	\$4.5 trillion	(500)
■ CDP2 2004	95 signatory investors	\$10 trillion	(500)
■ CDP3 2005	155 signatory investors	\$21 trillion	(500)
■ CDP4 2006	255 signatory investors	\$31 trillion	(1900)
■ CDP5 2007	315 signatory investors	\$41 trillion	(2400)
■ CDP6 2008	385 signatory investors	\$57 trillion	(3000)



CDP - Global profile in 2008

Asia ex-Japan

Australia

Brazil

Canada

China

France

Germany

Global 500

India

Italy

Electric Utilities

Japan

Korea

Latin America

Netherlands

Nordic Region

South Africa

Spain

Switzerland

UK

USA


Transport



The CDP Annual Process

- ❖ 1st February Information Request
 - Risks and Opportunities
 - Greenhouse Gas Emissions Accounting
 - Performance
 - Governance

- ❖ Responses requested by 31st May
- ❖ Responses analysed and reports written
- ❖ Launch of reports globally throughout the Autumn

The header image features a blue sky with white clouds on the left and a modern glass skyscraper on the right. The text 'CDP Key Findings 2007 (Global 500)' is overlaid in white on the sky portion.

CDP Key Findings 2007 (Global 500)

In 2007 a total of 1,300 companies answered the questions

- Highest response rate ever – 77% answered questionnaire
- Improved carbon accounting; more robust responses - 79% disclosed GHG data
- 80% see risks from climate change
- 82% see opportunities
- 76% implemented emissions reductions programs
- 36% purchasing a % of their energy from renewable sources

Wide variations in risk exposure – between *and* within sectors



Benefits of Disclosing information

- Investors requesting it
- Increasing pressure down supply chain
- Measurement facilitates management = cost reduction
- Demonstrate leadership
- Leaders have greater ability to influence government policy
- Opens doors to significant opportunities – CDM etc
- Sharing of knowledge important



Disclosure Case Studies

- **Wal-Mart** – Before CDP assumed greatest source of emissions from trucks. After CDP discovered that greatest source in fact refrigeration. New project to reduce these emissions.
- **AIG** – Before CDP, had no policy on climate change. Through CDP process developed a strategy to address climate change and a new business unit offering environmental insurance.
- **GE** – 2003 – Jeff Imelt CEO “Working to collect data to seek out opportunities as a result of CDP”. 2005 launched Ecomagination

The title "CDP – going forward" is centered in the upper portion of the slide. It is set against a background image that features a bright blue sky with scattered white clouds on the left, and a modern glass skyscraper on the right. The text is in a clean, black, sans-serif font.

CDP – going forward

- Increase investor support and number of targeted companies
- Expand service offerings for investors - CORE database
- Expand service for companies – Supply Chain Leadership Collaboration
- Collaborating with others - Climate Disclosure Standards Board



Conclusion

- Climate change will generate corporate winners and losers
- Investors have a key role to play and they require better information to incorporate climate change into investment decisions
- CDP is the Global standardised mechanism by which companies report their greenhouse gas emissions to their investors
- CDP hosts the largest registry of corporate GHGs in the world at www.cdproject.net



Thank you

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