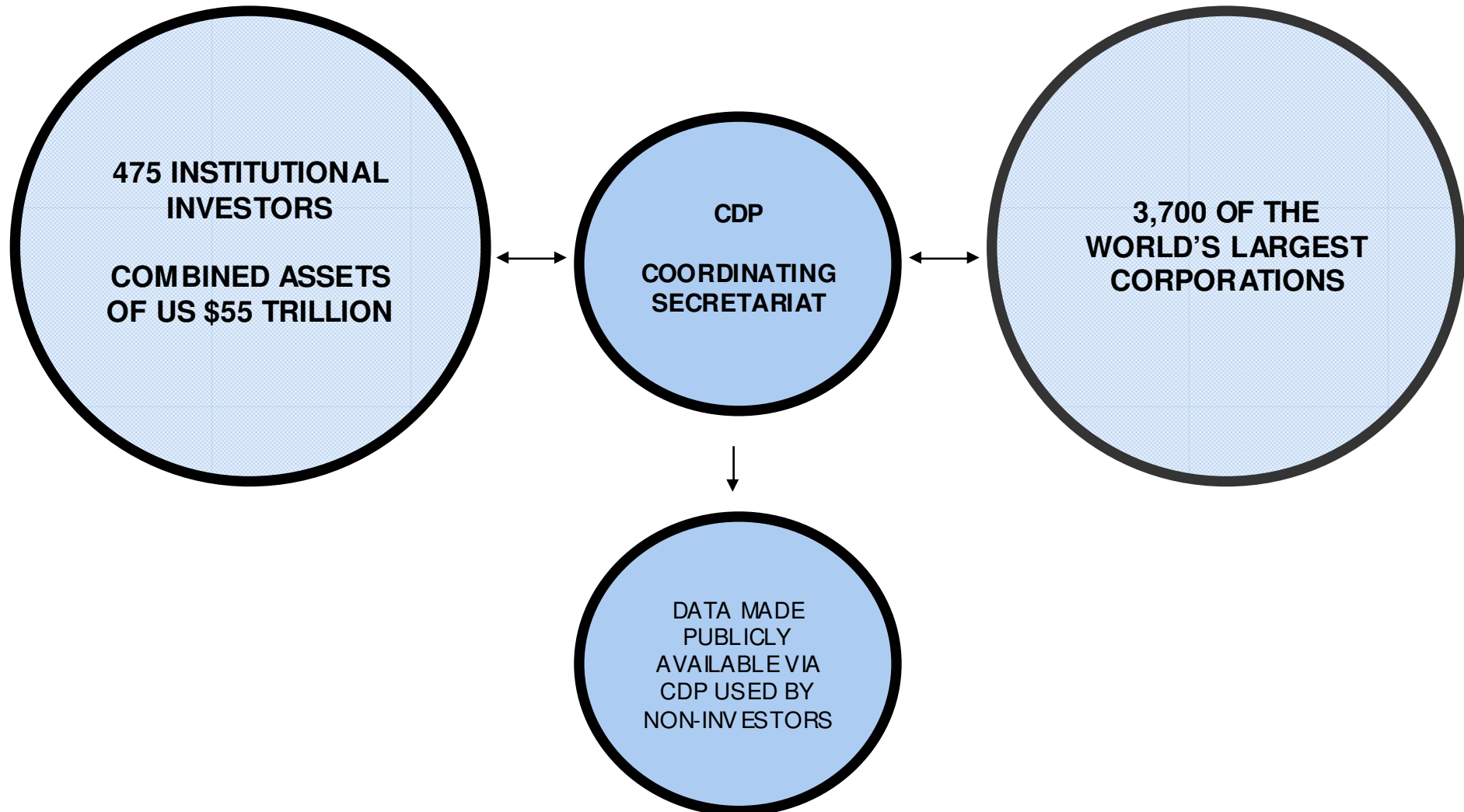


CDP – The Business Response to Climate Change

Daniel Turner
30 April, 2009



- **CDP provides a global intersection between government, investors and companies**



The Growth of Institutional Support:

CDP1, 35 signatory investors, \$4.5 trillion

CDP2, 95 signatory investors, \$10.3 trillion

CDP3, 155 signatory investors, \$21 trillion

CDP4, 255 signatory investors, \$31 trillion

CDP5, 315 signatory investors, \$41 trillion

CDP6, 385 signatory investors, \$57 trillion

CDP7, 475 signatory investors, \$55 trillion



“There will be a large creation and re-distribution of shareholder value in the transition to a low carbon economy – there will be winners and losers at sector level and within sectors at company level.

The winners are more likely to be those businesses that take the time to understand and address this complex area.”

Tom Delay, Chief Executive, The Carbon Trust
Climate Change and Shareholder Value
March, 2006



The Carbon Disclosure Project is vital and we have to get everyone to participate

Former US President **Bill Clinton**

CDP Endorsements



I am fascinated by the results from CDP, which grow all the more significant with each passing year

Former US Vice President **Al Gore**

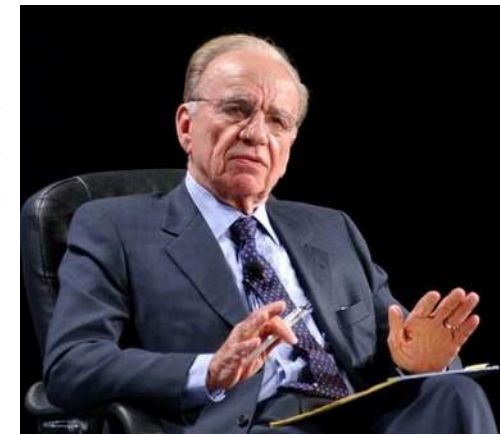


The aim of the Carbon Disclosure Project is to improve information on emissions and climate strategies.... I wish it success for its further efforts

Chancellor **Angela Merkel**

CDP has been visionary in helping us understand the risks and opportunities posed by climate change

Rupert Murdoch



Annual information request on behalf of investors to corporations

- The risks and opportunities presented by climate change
- GHG emissions accounting
- GHG emissions management, reduction and cost implications
- Climate change governance
- Regional analytical reports published each year – over 20 in 2008

“Disclosure can spur innovation ... The CDP has shown that internationally consistent disclosure not only helps to pinpoint risk but also to generate opportunities.”

Financial Times, 2008

CDP has played a crucial role in ensuring that the risks and opportunities of climate change are considered by companies, and that they are reported in a consistent and comparable way.

**Peter Sands, CEO,
Standard Chartered**



CDP Data available on Bloomberg – search CED

<HELP> for explanation, <MENU> for similar functions. Msg:JESS SINGH

RDSA LN Equity
Carbon Emissions Disclosure - CED

ROYAL DUTCH SHELL PLC-A SHS Reporting Year: 2008

Total Global Emissions (Metric Tons)		Intensity (Metric Tons/Million US\$)	
Scope 1 Activity Emissions Globally	92,000,000	Scope 1/Sales	259
Scope 1 Activity Emissions Annex B	59,000,000	Scope 1/EBITDA	N.A.
Scope 2 Activity Emissions Globally	13,000,000	Scope 2/EBITDA	N.A.
Scope 2 Activity Emissions Annex B	12,000,000		
Emissions from Disposal of Services	743,000,000	Emissions by Country (Metric Tons)	
Emissions from Distribution/Logistics	N.A.	<input checked="" type="radio"/> Scope 1 <input type="radio"/> Scope 2	
Emissions from Employee Business Travel	180,000		
Company Supply Chain	N.A.		
Electricity Purchases (Megawatt Hours)		EU Emissions Trading (Metric Tons)	
Global Electricity Use	21,000,000	Year ↓	Allowance
Global Electricity Use Annex B	20,000,000	2005	23,390,965
Electricity from Renewables	N.A.	2006	23,240,924
Electricity from Renewables - Annex B	N.A.	2007	25,782,367
Total Costs of Energy Consumption (US\$)*	9,000	2008	21,542,028
% of Total Operating Costs	N.A.		Emissions
% Energy Costs from Renewables	N.A.		21,539,542
			20,372,618
			22,439,661
			N.A.

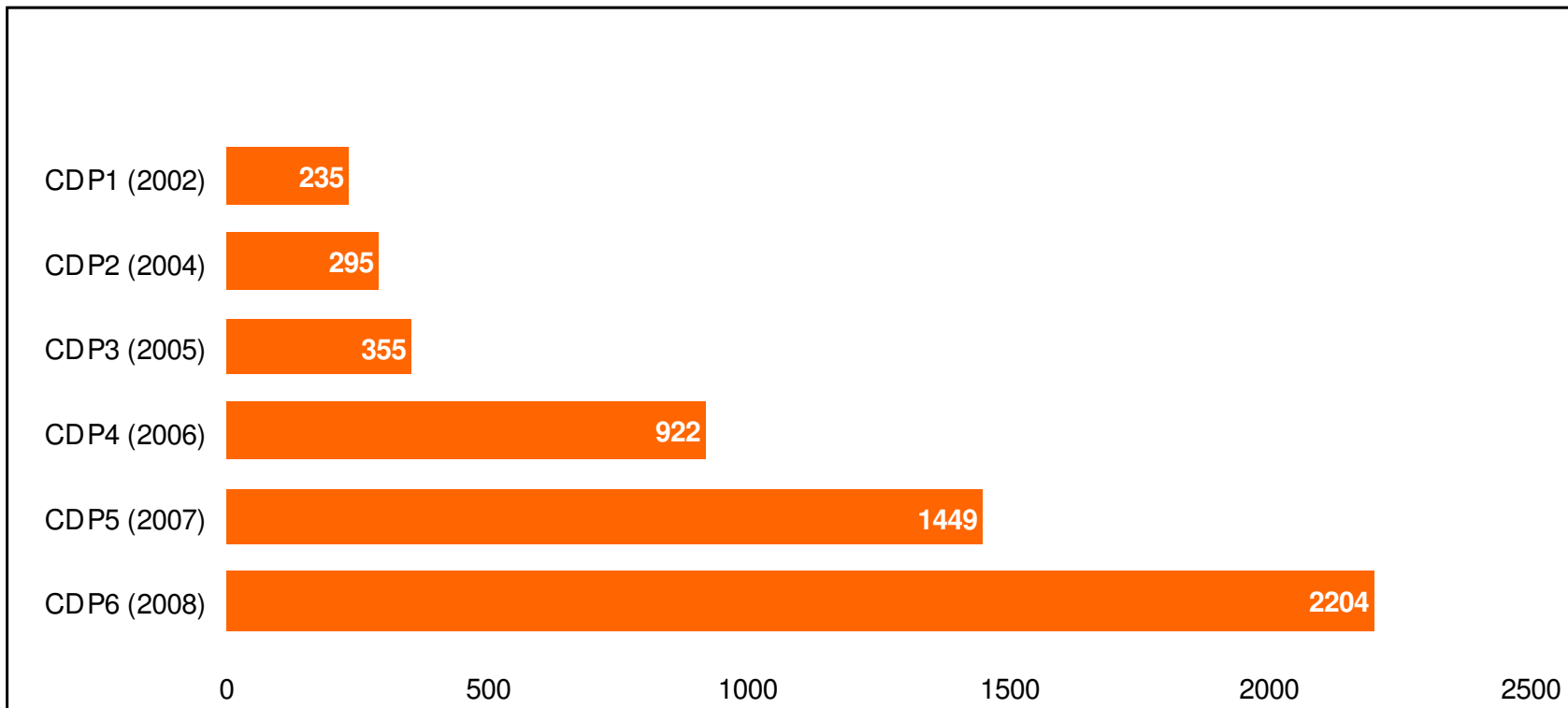
Metric Ton is in CO2 Equivalent * In Millions

Australia 61 2 9777 8600 Brazil 5511 3048 4500 Europe 44 20 7330 7500 Germany 49 69 9204 1210 Hong Kong 852 2977 6000
 Japan 81 3 3201 8900 Singapore 65 6212 1000 U.S. 1 212 318 2000 Copyright 2008 Bloomberg Finance L.P.
 6548-1001-1 22-Sep-2008 15:15:45

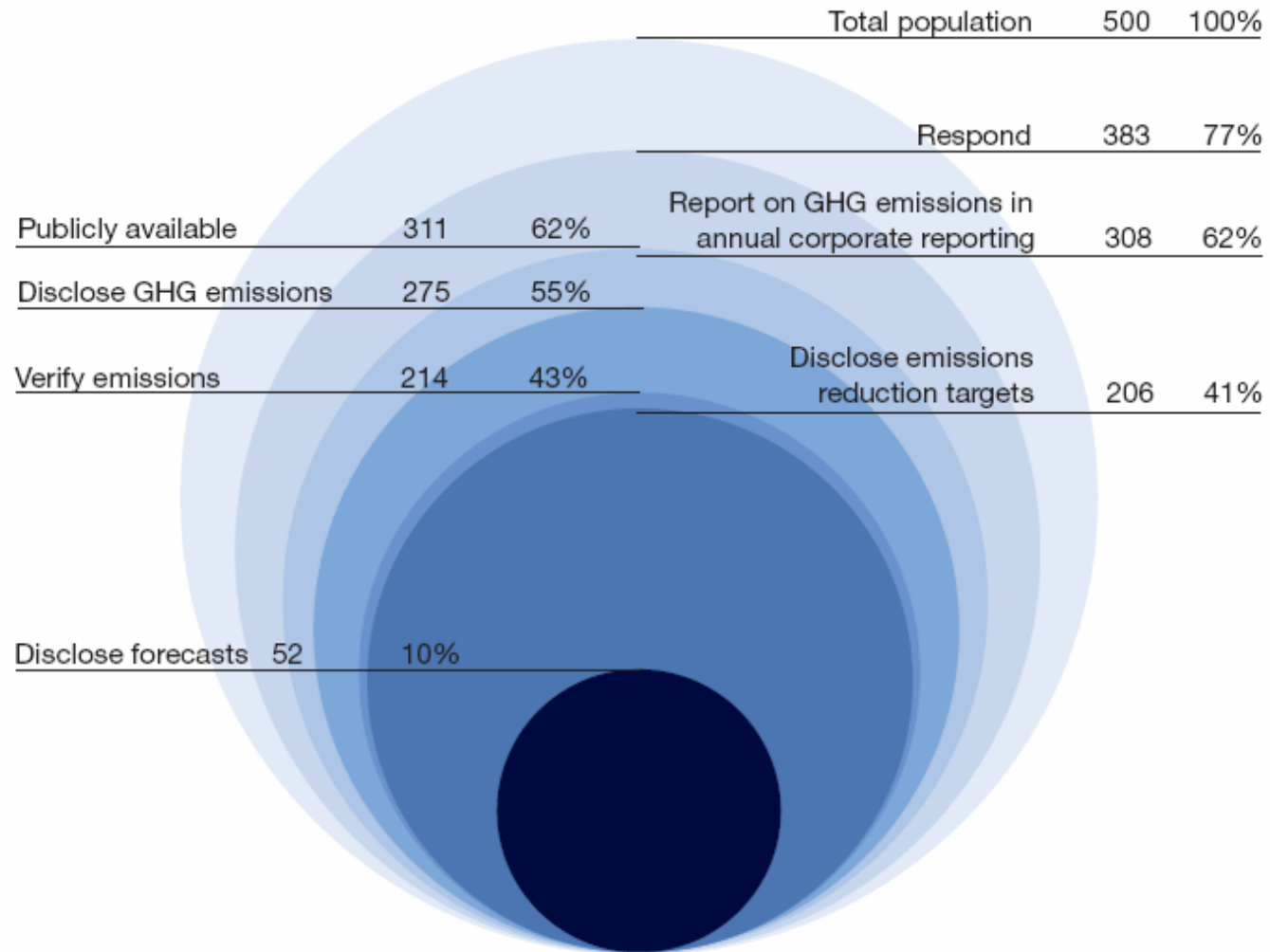


The total number of corporate responses to CDP since 2002

All the publicly available responses can be found at: www.cdproject.net



The Disclosure 'Onion' for the Global 500 in 2008



Carbon Disclosure Leadership Index (CDLI)

Company responses are analysed and scored - top 10% are the CDLI

Utilities and financial services sectors lead on disclosure quality but CDLI is not a static group with 50% new entrants in 2008.

Carbon Intensive Sectors	Non Carbon Intensive Sectors
BASF – Chemicals and Pharma	Barclays – Financial Services
Iberdrola – Utilities	Merrill Lynch & Co – Financial Services
Bayer – Chemicals and Pharma	Munich Re – Financial Services
Exelon – Utilities	National Australia Bank – Financial Services
Nissan Motor – Manufacturing	EMC – Technology, Media and Telecoms
Scottish & Southern – Utilities	

Robust disclosure is good but not enough to stop the effects of climate change

New direction for 2009 CDLI – Performance Scores Pilot

Transport & Logistics Sector

Good news:

AP Moller-Maersk have promised a response in 2009 after many years of declining.

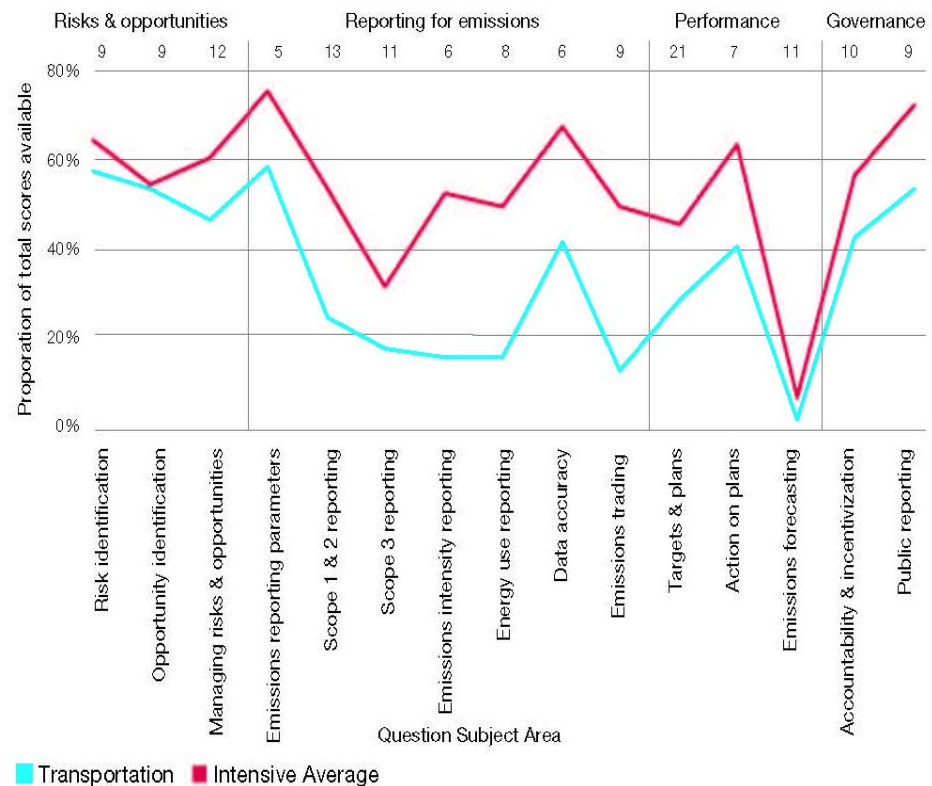
Carnival (Cruise Lines) have a detailed response but are classified as 'Hospitality and Leisure' sector.

China Merchants Holdings International (Port Services) answered in 2008 but non-publicly.

Bad news:

Relatively poor disclosure score levels compared to average

Fig. 43: Sector disclosure – Transport & Logistics



UK and International Legislation:

- UNFCCC continue international climate negotiations in preparation for Copenhagen in December.**
- Climate Change Bill / Carbon Reduction Commitment in the UK**
- California sued the EPA for not introducing GHG regulations as was mandated previously.**
- Taiwan’s GHG Reduction Act is awaiting approval and may be in place in two years**
- June 2008, India published National Action Plan on climate change to 2017**
- July 2008, Australia published guidelines on new Emissions Trading Scheme to being in 2012, with companies to report this year.**
- May 2008, World Business Council for Sustainable Development (WBCSD) launched voluntary disclosure programme and registry in Brazil**

CDP does not take a lobbying position and tries to remain policy neutral but...

Corporations want to see decisive action that clarifies new rules of engagement.

Climate change will bring economic opportunities as well as costs – government can be bold.

It doesn't make sense for important sectors to be excluded from statistics, solutions must be found for aviation and shipping.

Carbon accounting rules must be compatible across different countries, to enable international action and to be integrated into multinational company operations.

Climate Disclosure Standards Board

“CDSB works to develop a globally accepted framework, based on existing standards, for corporate reporting on climate change.”

Seeks to:

Elicit information of value to reporting organisations in devising and implementing their business strategies and to users of climate change-related disclosures made in mainstream reports.

Enhance the efficiency of capital allocation by investors, enabling them to integrate climate change-related costs into their analyses.

Provide corporations with greater certainty on disclosure requirements and encourage the consistency.

Provide conceptual and practical input into deliberations by regulatory agencies.

www.cdsb-global.org

info@cdsb-global.org



Thank You

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