



CARBON DISCLOSURE PROJECT

How Energy Policy Can Affect Investor
Decisions

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The Carbon Disclosure Project

CDP Philosophy

- CDP goal is to facilitate a dialogue, supported by quality information, from which a rational response to climate change will emerge
- CDP provides a coordinating secretariat for investor and corporate collaboration on global climate change
- CDP helps the investment and corporate 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 is the largest global collaboration working towards a unified business response to climate change

The Carbon Disclosure Project (CDP)

- 315 investors with assets of \$41 trillion (30% of global total invested assets)
- Information requested from 2,400 companies
- 1,300 companies answered the questions in 2006
- www.cdproject.net world's largest registry of corporate GHGs
- 2007 expansions in US, Japan, UK, France, Germany, Canada, Brazil, India, Australia, Asia, South Africa, Scandinavia
- Global launches with high profile speakers
- CDP is now an established annual process
- CDP is where the corporate world reports GHG emissions

Climate Change – An Investment Issue

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

Comments from Other Leaders

Henri de Castries, Chairman of the Management Board and Chief Executive of AXA:

- “Climate change and the impact that it will have on key industries such as agriculture, tourism, energy, transport and insurance, is as important as interest rate risk and exchange risk. As a major global investor, we support the CDP and value the information that it provides to help us make informed decisions on the subject.”

Joachim Faber, Allianz AG board member responsible for asset management:

- “As an investor, we are concerned to know whether the companies we are investing in are adequately taking account of climate-related risks. However, the data is often not available, sometimes not comparable or of poor quality. As a part of the Carbon Disclosure Project, we hope to collect more reliable data, so eventually, a common emissions measurement methodology can be developed.”

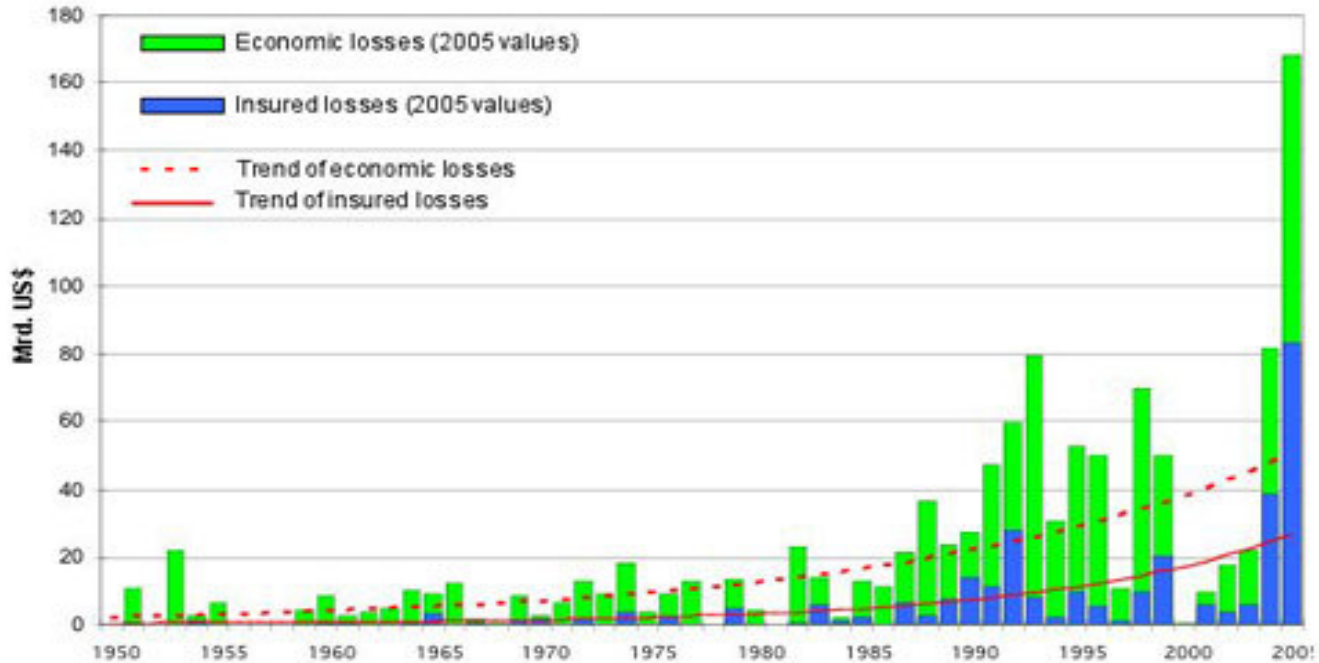
Clark McKinley, Public Information Officer for CalPERS, the California Public:

- CalPERS joined CDP: “To shine light on corporate environmental liabilities by improving transparency and the timely disclosure of environmental risks. With such information, we can better make informed investment decisions and assess costs associated with the impact to the environment which may include operational, market, liabilities, policy, regulatory and reputation risk.”

Climate Change – An Investment Issue

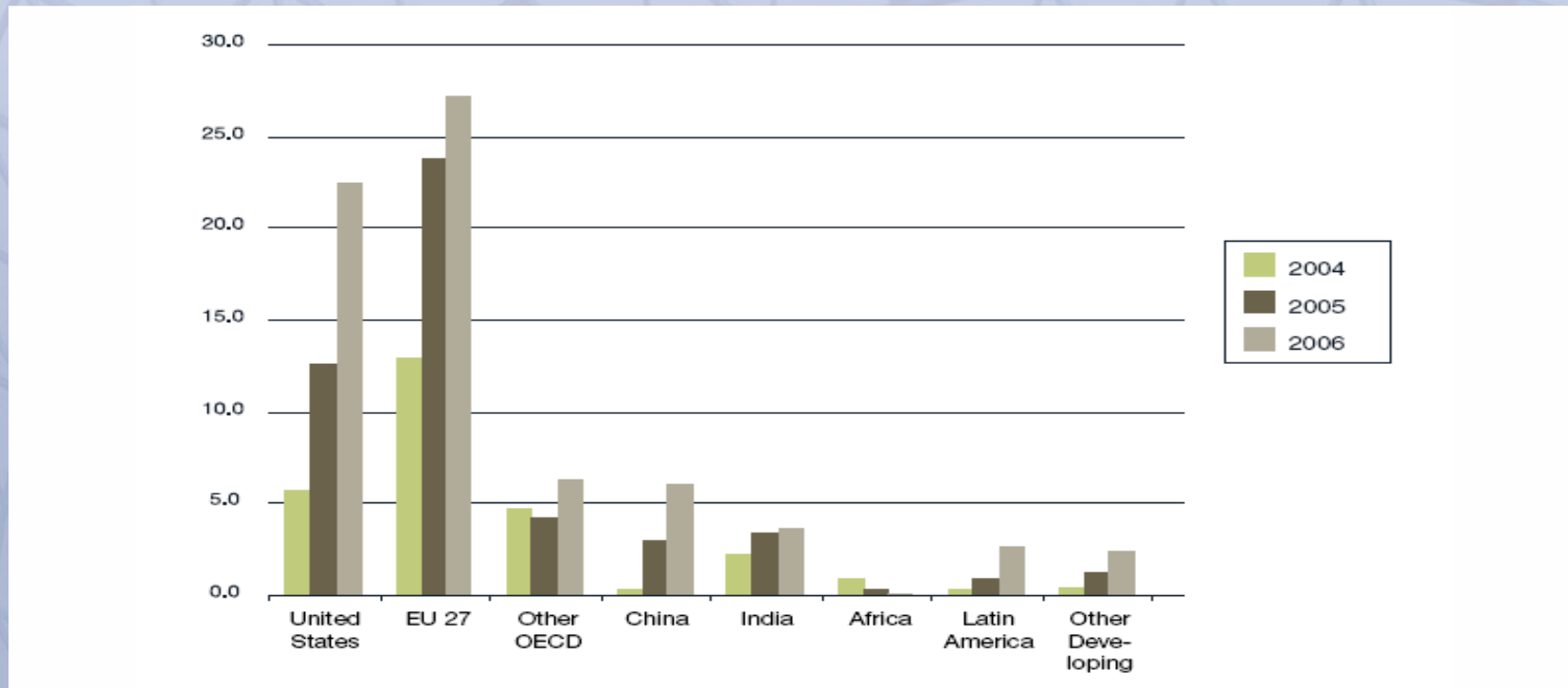
- Significant risks and opportunities from:
 - Taxation and regulation
 - Changes in weather patterns
 - Technological innovations
 - Shifts in consumer attitude and demand
- There will be winners and losers in the transition to a low carbon economy
- Investors need information to determine how companies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

Costs of Climate Change



Investment Opportunities

Worldwide Investment in Clean Energy (US\$ billions)



Energy Policy – An Investment Issue

These are regulation driven markets.

Energy policy is part of climate change policy.

- Taxation and regulation
- Consumer education, Shifts in consumer demand.
- South Korea had highest broadband because of tax incentive.
- Companies push for policy that helps them grow.
- Why is air fuel not taxed?
- Which companies will benefit from carbon taxes / regulation?
- Scientists, the public, governments, investors, media,

A grand alliance promoting urgent action.



Thank You

Carbon Disclosure Project

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