



REPORT DEMONSTRATES SUPPLIERS TO UK GOVERNMENT HAVE MAJOR ROLE TO PLAY IN CUTTING CARBON

London, UK. December 2nd 2009 - Climate change is a business issue and the UK government expects that its suppliers should be taking it seriously. That is the message of a new report published today by the Carbon Disclosure Project (CDP) which reveals the need for better integration of carbon reduction strategies within suppliers' organisational policies.

The report, *CDP 2009 Public Procurement Report for the UK Government*, written by leading climate change consultancy AEA, is the result of an unprecedented collaboration on climate change undertaken by 14 departments and executive agencies, including the Cabinet Office, Department of Business Innovation and Skills, Ministry of Defence, Office of Government Commerce, to encourage their suppliers to disclose their greenhouse gas (GHG) emissions and climate change related risk.

Speaking on the launch of the report, Business Secretary Lord Mandelson said: "Involvement in the CDP Public Procurement Programme provides government and its suppliers with the opportunity to work together to bring about real reductions in carbon emissions through joint working and sharing of best practice. I would like to thank participants in this initiative and would commend future involvement to all those concerned with effecting change in this important area."

Just over 80% of the 164 supplier companies taking part in the report were able to disclose their emissions, with around 77% disclosing their scope 1* and 2 emissions - direct GHG emissions, from onsite energy usage, production and other industrial activities. However, the report identified the need to understand all aspects of Scope 3 emissions (indirect), such as supply chain and product emissions for organisations to fully understand and appraise their potential weaknesses.

In addition, whilst two-thirds (66%) of organisations have put in place carbon reduction targets demonstrating an intent to reduce emissions, the majority of these are short-term and not in line with the aspirational targets that the UK has set itself.

The report highlighted that progress has been made by Government departments during the past year in communicating with suppliers that climate change is a business issue and that accountability at the highest level is vital. 68% of organisations responded by saying that the board or executive committee had overall responsibility for carbon reductions, yet only 32% of those questioned were able to say how responsibility for carbon reductions had been assigned.

Economic Secretary to the Treasury, Ian Pearson MP, said: "The Government recognises the importance of creating a low carbon, resource efficient economy and is always seeking ways to improve the way government spends its budget on goods and services. Third party suppliers have a big part to play in delivering real change. This is crucial both in the way government procures but also in ensuring the UK maintains its strong leadership in dealing with climate change."

Gwen Ventris, Chief Operating Officer, AEA Europe said: "The report demonstrates that the issue of carbon reporting and management is becoming more complex and that organisations need to work closely with their partners to fully understand their emissions footprint. AEA has worked with a number of organisations during the past 18 months to help them fully understand their carbon commitments. This will become increasingly important as we move towards the launch of the CRC in April next year."

Paul Dickinson, Chief Executive Officer at CDP commented: "A significant proportion of those emissions, which the negotiations in Copenhagen will seek to cap, are being generated as a result of what the developed world purchases. Supply Chain emissions often make up the majority of an organisation's footprint. This report shows that Government is seeking to exert its influence through the supply chain which will complement more traditional fiscal measures pursued through the United Nations Framework Convention on Climate Change."

To download a copy of the report please visit <http://www.cdproject.net>.
<http://aeat.co.uk>

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Note to Editors

Participating government departments and executive agencies include: Department for Business, Innovation and Skills (BIS), Department of Energy and Climate Change (DECC), Cabinet Office, Department of Environment, Food & Rural Affairs (Defra), Environment Agency, Department for Transport, Foreign and Commonwealth Office, Ministry of Defence, NHS Purchasing and Supply Agency (PASA), Office of Government Commerce, HM Treasury, Buying Solutions, The Home Office, HM Revenue and Customs.

* **Scope 1:** GHG emissions generated through the direct burning of fossil fuels

Scope 2: GHG emissions generated from purchased electricity

Scope 3: all other indirect emissions that include sources stemming from the company's activities not owned or controlled, such as supply chain emissions and business travel

About CDP

The Carbon Disclosure Project (CDP) is an independent not-for-profit organisation collecting key climate change data from some 2,500 companies around the globe and has assembled the largest database of corporate greenhouse gas emissions and climate change information in the world. Founded in 2000, CDP facilitates the collection of climate change data within investment portfolios -- representing some 475 global institutional investors with more than US \$55 trillion in assets under management -- as well as through corporate and public sector supply chains. To find out more visit www.cdproject.net.

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