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Business calls for governments globally to take joined-up action on climate change

****Urgent need for international agreement****

As global business leaders meet today at the World Business Summit on Climate Change, a new report calls on governments to take firm and decisive action through both policy incentives and practical steps to reduce carbon emissions.

58 leading companies globally, including Centrica, Ford and Nissan were surveyed by the Carbon Disclosure Project and AEA Technology to understand how current economic conditions will impact the essential business transformation to a low carbon economy. The report finds that 97% of senior management sees government intervention as the key driver in ensuring the stimulation of a low carbon economy.

There is significant demand from companies for government to push for a low carbon economy on an international level and to create markets that can work in the same globally recognised framework.

Robert Bell, Operations Director, AEA comments:

“The creation of a low-carbon economy remains at the heart of the international business agenda, in spite of the worldwide recession. Our research shows that the business community wants governments to put in place an internationally recognized regulatory framework in which we can cut carbon emissions consistently and effectively across the planet.”

Paul Dickinson, CEO of the Carbon Disclosure Project comments:

“Business operations don’t stop at national boundaries and internationally coordinated policy drivers are essential. Business is calling for these policies now, irrespective of the current economic challenges we are facing.”

Amongst the most popular recommendations were tax incentives and grants for the deployment of low carbon technologies and stimulus for early adopters.

Centrica stated in the survey: 'Government is relying on the private sector to deliver much of the investment needed to meet our climate change targets. Centrica is willing to increase our investments in low-carbon and renewable energy sources, as well as energy efficiency measures. Government, however, needs to facilitate these investments by ensuring policy and fiscal stability so that investors are clear of the Government's ambitions in this area, and have confidence that these ambitions will be unswerving.'

Some companies suggest that government subsidies to the fossil fuel industry should be reduced or completely eliminated – some argued that by keeping them, government is seen as sending out mixed messages. Some companies also want much tougher action taken against businesses that fail to take steps themselves to reduce their carbon emissions. This could include applying market disincentives (i.e. taxes) on high-carbon solutions and placing national regions in competition with each other.

Companies indicate that if government is willing to invest in new technologies, either through directly funding research through universities, providing grants, or protecting intellectual property rights they will be able to continue to invest in reducing emissions.

Most of the companies questioned reject the notion that the issue of climate change might be sidelined within their businesses during the current global economic crisis. The majority will not reduce their spend in this area on the grounds that they have no choice but to try to hit their carbon reduction targets.

Businesses also understand that a collective approach will have the greatest impact, and many see changes in consumer behaviour as the key to making a real difference. Many companies therefore see government as playing a major role in promoting changes in consumer behaviour in favour of climate-friendly products and services, with an urgent need for public information and education.

ENDS

Notes to editors:

58 companies were questioned in February 2009 on how the current economic climate might impact their investment in climate change management strategies and on what the major drivers will be for a low carbon economy.

The research was co-produced by CDP and AEA.

To view the full report go to www.cdproject.net and visit www.aeat.co.uk/cdp

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About CDP

The Carbon Disclosure Project (CDP) is an independent not-for-profit organisation holding the largest database of corporate climate change information in the world. CDP gathers data through its annual Information Requests on behalf of institutional investors, purchasing organisations and government bodies. Since its formation in 2000, CDP has become the gold standard for carbon disclosure methodology and process, providing essential climate change data to the global market place.

Investor CDP represents some 475 institutional investors, with combined assets under management in excess of \$55 trillion. CDP also works with private and public

sector organisations to facilitate the collection of climate change data from their supply chains, as well as with local government to drive emissions reduction and sustainable development in key cities around the world. More than 2,000 major corporations around the globe report their greenhouse gas emissions and the risks and opportunities posed by climate change through CDP.

About AEA

AEA is one of the world's leaders in the field of climate change and energy consultancy - operating in the UK, Europe, the US and China. It is the leading provider of advisory services to the UK Government and works extensively with the EU and major private sector organisations. With internationally renowned expertise in air quality and climate change, carbon management, resource efficiency and the environmental impacts of transport, AEA employs many world leading experts and provides a high-level of policy consultancy and a range of technical services to its public and private sector clients.

AEA manages the UK government's Envirowise project, one of the world's largest resource efficiency programmes and provides carbon management expertise to many of the UK's largest private sector organisations.

AEA is voted Number One Consultancy for Climate Change and Renewables by industry consultants (Edie surveys 2006, 2007 and 2008).

For further information please visit www.aeat.co.uk