

New consortium created to develop standard framework for company reporting of climate risks

Davos, Switzerland, 26 January 2007 – The World Economic Forum announced today the formation of a new international partnership of seven organizations to establish a generally accepted framework for climate risk-related reporting by corporations. Founding members of the institutional consortium, the Climate Disclosure Standards Board (CDSB), include the California Climate Action Registry, Carbon Disclosure Project, Ceres, The Climate Group, International Emissions Trading Association, World Economic Forum Global Greenhouse Gas Register and World Resources Institute.

CDSB member organizations have agreed to align their core requests for information from companies in order to ensure that they report climate change-related information in a standardized way that facilitates easier comparative analysis by investors, managers and the public. The focus will be on the disclosure of the following key climate issues in company annual reports:

Total emissions

Assessment of the physical risks of climate change

Assessment of the regulatory risks of climate change

Strategic analysis of climate risk and emissions management

Although in recent years there has been much progress in raising awareness of the importance of climate-related disclosure among corporations and their boards and shareholders, reporting of comparable information in annual reports remains the exception rather than the rule.

"Consistent and comprehensive disclosure frameworks are important to the incentives shareholders provide to corporate managers to deploy capital efficiently," said Richard Samans, Managing Director of the World Economic Forum. "We are pleased to be part of this groundbreaking cooperation to establish a generally accepted corporate carbon disclosure framework that will make life easier for companies and investors. It is a good example of leadership by the private sector and civil society on a critical global challenge."

Jorma Ollila, Chairman, Royal Dutch/Shell Group, said, "This is a welcome effort to streamline the growing demands on companies and to improve objectivity for disclosure of climate-related information."

"Climate change and the implications on business process and disclosure are finally becoming the topic of discussion that they deserve to be. Ernst & Young and PricewaterhouseCoopers are enthusiastic and supportive participants in this dialogue," said Paul Ostling, Ernst & Young Global Chief Operating Officer, and Willem Brocker, PricewaterhouseCoopers Global Managing Partner.

"We are delighted to be part of this exciting initiative. We feel it is well timed and can leverage the standardized voluntary carbon disclosure the Carbon Disclosure Project has achieved – most recently on behalf of 225 institutional investors with US\$ 31 trillion of assets who engaged with 2,100 corporations – in a formalized, disclosure process," stated Carbon Disclosure Project Chairman James Cameron.

Jim Rogers, Chairman and CEO, Duke Energy Corporation, said, "It's time to raise the bar on corporate disclosure of carbon emissions reporting. Adopting this standard is key to addressing the climate issue."

An advisory committee is being formed that will include industrial, financial services and accounting firms as well as other key stakeholders. In preparation, CDSB members met in Davos with representatives of Alcan; American International Group; Capital Group; Duke Energy Corporation; Ernst and Young; Royal Dutch/Shell; JP Morgan Chase; PricewaterhouseCoopers; SUN Group; Swiss Re and Tokyo Electric Power as well as United Kingdom Environment Minister Milliband; California Assembly Speaker Fabian Nunez; and United Nations Environment Programme Director General Achim Steiner.

"This initiative is a key step to improving and standardizing company disclosure on the risks and opportunities from climate change, whether from new regulations, physical impacts or growing global demand for clean technology products," said Mindy S. Lubber, President of Ceres, who directs a US\$ 3.7 trillion network of investors focused on the business impacts from climate change. "Ceres looks forward to collaborating with US investors to develop better tools for evaluating and analysing business exposure to climate change."

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