

## Press Release

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### **Leading global investors call on car manufacturers to provide greater transparency on risks from climate change**

4<sup>th</sup> March 2009, BOSTON/LONDON/MELBOURNE—Institutional investors released new climate disclosure guidelines for the auto industry today and called on car manufacturers to strengthen their reporting on the risks and opportunities presented by climate change.

The appeal to car manufacturers comes as the Obama Administration announces plans to consider developing a single federal policy for regulating emissions from vehicles.

Investors acknowledged the financial constraints facing the global auto industry, but cited mounting regulatory and other pressures as reasons why disclosure standards must improve. Over the medium term, more stringent emissions regulations, shifting demand towards fuel-efficient vehicles, and volatile energy prices will increasingly affect the future performance of car manufacturers.

The transport sector is one of the greatest emitters of harmful greenhouse gas emissions, accounting for around 18% of all carbon emissions worldwide.

The new disclosure standards published by leading investor groups are specifically relevant for car companies and their suppliers, and they include:

- Financial implications of climate change policy
- Targets for reducing vehicle emissions
- Current and projected carbon dioxide emissions data
- Sales of vehicles using clean technologies

**Peter Dunscombe, IIGCC Chairman** said that “New climate regulations and changing customer demand will increasingly have an impact on companies in the auto sector. This disclosure framework will support investment decision-making by helping us to assess how different companies are responding to the financial implications of climate change.”

The new reporting framework was developed by the Institutional Investors Group on Climate Change (IIGCC) in Europe, with 52 investors representing over €4trillion, Ceres in the US, which manages the Investor Network on Climate Risk, comprised of 77 institutional investors who collectively manage over \$7 trillion in assets, and the Investor Group on Climate Change Australia/New Zealand, representing institutional investors with total funds under management of over A\$545 billion, and in collaboration with industry representatives.

This is the second sector-based disclosure framework by these three groups and follows one for the electric utilities industry.

**Mindy Lubber, Ceres President and INCR Director** said that, “It is now clear that we will see more stringent standards for fuel economy and auto CO<sub>2</sub> emissions in the United States. Automakers should be disclosing their CO<sub>2</sub> emissions profiles and their business strategies for responding to climate change, given that these factors will have a direct bearing on their ability to operate profitably.”

**Frank Pegan, Chair IGCC (Australia/New Zealand) and CEO Catholic Super** stated that “The disclosure framework will facilitate access to sector specific, consistent and comparable climate change related data and information from the international auto sector.

This advance in reporting is crucial to assist investors in understanding the implications of the growing market and regulatory response to climate change".

**Eric Borremans, Head of Sustainability Investments, BNP Paribas Asset Management**, said that, "At a moment where car manufacturers are under increased pressure from consumers and regulators to develop cleaner engines, investors need a more detailed understanding of the strategic objectives, R&D efforts, investment plans and commercial objectives set by companies in this area. The auto framework provides the basis for this and sets the standard for improved communication on a topic that will determine the fate of the auto sector in years to come."

**Bennett Freeman, Senior Vice President for Social Research and Policy, Calvert Asset Management Company, Inc.** said that "Given the urgency to stimulate green technologies and spur recovery of the automotive sector, better disclosure and transparency allow companies at the cusp of new clean technologies to demonstrate leadership. As investors, we found that the Global Auto Climate Disclosure Framework provides an effective tool to capture key analytical factors that demonstrate a company's competitiveness in addressing climate change."

**Paul Dickinson, CEO of the Carbon Disclosure Project**, said that "I am delighted to use our position as the world's largest database of corporate GHG emissions to work with the authors of the auto framework in order to encourage disclosure of additional information from this sector. We have worked to incorporate the framework into our 2009 Information Request as well as guidance and the first responses will be available to view on the CDP website in September 2009."

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#### NOTES TO EDITORS

Founded in 1989, **Ceres** is the leading U.S. network of investors, environmental groups and other public interest organizations working with companies to address sustainability challenges. Ceres also directs the Investor Network on Climate Risk (INCR), comprised of 77 institutional investors who collectively manage over \$7 trillion in assets and are working to address the risks and opportunities associated with climate change.

The **Institutional Investors Group on Climate Change (IIGCC)** is the leading group for collaboration between pension funds and other institutional investors in Europe and focuses on addressing investment risks and opportunities associated with climate change. The group currently has 52 members, including major pension funds and asset management companies, with combined assets under management of around €4trillion.

The **Investor Group on Climate Change Australia/New Zealand (IGCC, Australia/New Zealand)** represents institutional investors with total funds under management of over A\$545 billion, and others in the investment community interested in the impact of climate change on investments. The aim of the IGCC is to ensure that the risks and opportunities associated with climate change are incorporated into investment decisions for the ultimate benefit of individual investors.

The Global Climate Disclosure Framework can be found at [www.iigcc.org](http://www.iigcc.org), [www.incr.com](http://www.incr.com) and [www.igcc.org.au](http://www.igcc.org.au) from 4<sup>th</sup> March 2009.

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