



THE PRINCE OF WALES'S

EU CORPORATE LEADERS GROUP ON CLIMATE CHANGE
UNIVERSITY OF CAMBRIDGE PROGRAMME FOR SUSTAINABILITY LEADERSHIP



Institutional Investors Group on Climate Change



THE PRINCE OF WALES'S

P8 GROUP

PRESS RELEASE

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BUSINESS LEADERS AND INVESTORS PUSH EU PRESIDENTS TO DEVELOP LOW CARBON AGENDA

*** INTERVIEWS AVAILABLE ON REQUEST ***

9 Feb 2011/Brussels: A group of leading companies and investors will meet with the three Presidents of the European Institutions today to argue that low-carbon growth is the most effective driver of economic recovery and the best foundation for future prosperity in Europe.

The Prince of Wales's EU Corporate Leaders Group on Climate Change (EUCLG) will meet the President of the European Commission, Jose Manuel Barroso, to make their case over a breakfast meeting. The breakfast will also benefit from key insights of the Institutional Investors Group on Climate Change (IIGCC). Discussions will focus on the policy measures needed to enable the EU to exit the recession and retain its leading role in the development of a low carbon economy.

The meeting will be held in advance of a Low Carbon Prosperity Summit, hosted by President of the European Parliament, Jerzy Buzek, in collaboration with the EUCLG. The Summit will be attended by over 300 MEPs, economists Lord Nicholas Stern and Dr. Ottmar Edenhofer, the EUCLG, P8 and IIGCC members. The Prince of Wales has been invited by the President of the European Parliament to address the Summit alongside the President of the European Commission, José Manuel Barroso, and President of the European Council, Herman van Rompuy.

The purpose of the meetings is to strengthen the dialogue between EU policy makers, business leaders and investors on how best to support the development of a low carbon economy and take advantage of the tremendous economic and social opportunities offered by green growth.

The EU CLG and IIGCC leaders will call for:

- Clear policy frameworks and timetables which are needed to give business leaders and investors confidence in the future direction of climate regulation. With estimates suggesting that the vast majority of capital must come from the private sector, these policies must provide long term investment certainty. Recent examples of retroactive policy changes have seriously undermined the confidence of investors and weakened their appetite for policy backed low carbon investments.
- The adoption of more ambitious short-term and medium term targets to help drive up the carbon price and incentivize low carbon investments to reach the EU's 2050 GHG emissions reduction targets of 80-95%. Weak carbon prices have seriously undermined



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domestic investments in many low carbon technologies, as well as the development of emissions trading across the EU and internationally.

- A revision of the EU budget for 2014-2020 to take into consideration the increased low-carbon economy funding needs, funding for low-carbon energy technology research, development and deployment and new 'smart green' low-carbon solutions from other sectors such as the buildings and ICT sectors.
- Consumer initiatives, including low carbon education programmes and labelling schemes, which will help to inform consumer choice, as well as stimulate product innovation and create new markets.

The business leaders and investors welcome the opportunity to work with the EU presidents and their institutions to build a prosperous low carbon economy across the European Union, and believe these meetings are a step in the right direction.

Editor's Notes

[1] The EU Corporate Leaders Group on Climate Change (EU CLG) was established in 2007. The group brings together business leaders from a cross-section of EU and international businesses who believe there is an urgent need to develop new and longer-term policies for tackling climate change. Its members include: Acciona, Alstom, Barilla, Cemex, Deutsche Telekom, Enel, Kingfisher, Johnson & Johnson, Nestle, Philips, Renault-Nissan Alliance, Tesco, Shell, Skai, Skanska, Unilever, UTC and Vodafone. The group has been formed under the auspices of HRH The Prince of Wales and is managed by The University of Cambridge Programme for Sustainability Leadership (CPSL). More information is available at:

http://www.cpsl.cam.ac.uk/leaders_groups/clgcc.aspx

Quotes from CLG Members below:

Dr. Graeme Sweeney, Executive Vice President, CO₂, Shell International Petroleum Company Ltd said: *"The European Union has been a global political leader in climate change policy for many years. The combination of a resilient and effective carbon market along with practical support for vital emerging technologies such as Carbon Capture and Storage (CCS) provides a useful framework for the coming decades. However, ongoing and timely action is essential to ensure this framework remains robust. The EU needs to clearly define its 2030 goal, set out its objectives for the 2020s and reshape the EU's Emission Trading System (ETS) in support of these. In addition, the EU needs to move quickly to deliver ongoing political and essential financial support to progress the first round of CCS projects by 2015."*

Steve Ridgway, Chief Executive, Virgin Atlantic said *"Airlines will be included in EU ETS from 1 January 2012 but, for many of us, building the cost of carbon into our major business decisions is nothing new. To really deliver on climate change targets future policy frameworks for carbon must be both environmentally effective and economically efficient, and for aviation this means working at the global level. But it will also need businesses and global policymakers to work together creatively, to bring consumers along with us"*.

Philippe Delpech, President of the Europe, Middle East and Africa (EMEA) region of Carrier Corp. (a business unit of United Technologies Corp.), said, *"A low carbon economy in Europe has to literally start on our doorsteps – our buildings waste an enormous amount of energy – but they don't have to. Technology solutions exist today; the challenge is getting them out there in our public buildings, homes, offices and factories. Politicians can jump start this by setting ambitious goals for 'low carbon' buildings."*

[3] The Institutional Investors Group on Climate Change (IIGCC) is the European institutional investors' network for collaboration on climate change. IIGCC currently has 70 members, including many of the largest pension funds and asset managers in Europe, representing around €6trillion. IIGCC is a platform for engagement in dialogues with policymakers and other stakeholders on the shift to a low carbon economy and for developing investor practices and awareness in this field. IIGCC launched a position paper on EU policy in September 2010.

Quotes from IIGCC members below:

Ole Beier Sørensen, *Chairman of the IIGCC and Chief of Research and Strategy with the Danish pension fund ATP* said: *"Investors will only invest in less carbon intensive assets if they offer sufficiently attractive risk adjusted returns. Policy consistently needs to shift the balance from carbon intensive to lower carbon investments. New policies and policy amendments must therefore include support for renewable energy as well as firm targets on energy efficiency. Most importantly, the EU must adopt more ambitious and resolute carbon reduction targets in order to drive up the carbon price and further incentivise low-carbon investments. Policy needs to align the right and the rational."*

David Russell Co-head of Responsible Investment with the UK pension fund USS said: *"Public policy is critical to encouraging investments in a low carbon economy as it supports the adoption and development of new technologies and creates a level playing field for renewable energy investments. Policy makers must realise that nothing is as effective in discouraging investors as policies which keep changing. Targets and policies, therefore, need to be clear, effective, and long term."*

[3] The Prince of Wales's P8 Group was launched in 2007 by His Royal Highness The Prince of Wales and The University of Cambridge Programme for Sustainability Leadership (CPSL). The Group brings together senior officials from leading public pension funds to develop actions relating to global issues and particularly climate change. It collectively stewards over \$3 trillion dollars. The funds share a long-term investment horizon, and by virtue of their scale and mandates are permanently exposed to the economic and human health consequences inevitably imposed by climate change. On November 5-6, 2007, July 15-16, 2008, March 25-27, 2009, October 26-27 2009, and February 8-9 2011, with the generous support of The Nand & Jeet Khemka Foundation, Zennstrom Philanthropies and the Shell Foundation, the P8 annual meetings and P8 Summits ("Pensions 8"), were held. The World Bank Group hosted the March 2009 Summit while HRH Prince of Wales has hosted the other meetings.

[4] The University of Cambridge Programme for Sustainability Leadership (CPSL) works with business, government and civil society to build leaders' capacity to meet the needs of society and address critical global challenges. CPSL's seminars and leadership groups and its partnerships with those who make or influence decisions are designed to transform public and private sector policies and practices and build greater understand of our interdependence with one another and the natural world.

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