

Presentation of the SBF120 *Carbon Disclosure Project* France questionnaire results

The AXA Group has chosen to show its commitment to climate change by co-producing the *Carbon Disclosure Project (CDP)* SBF 120 report. This survey presents how the 120 largest French corporations respond to the challenges, risks and opportunities associated with climate change.

Key results of the CDP France 2008 questionnaire

Identifying new risks and opportunities

In 2008, among the companies surveyed:

- **97% identify at least one type of risk factor related to climate change.**
 - The regulatory risk ranks as one of the highest. In France, awareness is heightened by the *Grenelle de l'Environnement* (French round table), the stricter allocation of European CO₂ emission quotas, and the post-Kyoto 2012 uncertainties.
- **95% identify at least one opportunity.** The opportunities cited are commercial, linked to climate change or GHG emission regulations, to the development of a "green" economy or to the positive impacts of physical consequences induced by climate change.
- **Only 39% of companies provided quantitative data for the GHG emissions related to their supply chain.**
 - The hidden risks of the supply chain, nicknamed by Nigel Topping, "the blind spots of climate change", can be found in suppliers' businesses, in logistics, outsourced services and the impact of employee transportation or goods used by the company, etc (cf. *Scope 3* of the GHG Protocol).
 - CDP's *Supply Chain Project* assists different companies in identifying ways to reduce GHG emissions throughout the value chain, beyond the company's core business.

Key facts from the round tables

Toward the integration of climate change issues into investments & the "financialization" of climate change

- Development of CO₂ emission quota trading systems and other related initiatives.
- **Socially Responsible Investment (SRI)** can drive the creation of innovative financial instruments, which in turn may influence the choices of economic players. However, in order to grow, instead of being bound to the SRI niche market, ESG criteria should be integrated in mainstream asset management.
- **The transition toward a low carbon economy involves major financing challenges.**
 - James Cameron, Chairman of the CDP, highlighted the importance of the new distribution of financing capacities and the associated influential powers linked to Sovereign wealth or government funds.

Guiding consumers toward energy-efficient behaviors

- **Rethink taxation and develop a "price signal",** for companies as well as consumers, to go beyond informing players and supporting pro-active approaches.
- **Key sectors in the fight against climate change.**
 - **The building sector (40% of energy use)**
 - Rethink our cities in terms of urban planning, location, functioning and transportation.
 - Rethink the way we construct buildings and raise awareness on energy efficiency.
 - **The transportation sector (27% of CO₂ emissions in France)**
 - Develop more ecological transportation solutions: promote intermodal transportation and design an attractive and eco-friendly transportation offer, to assist in reducing the ratio of cars.
- **Carbon labeling, a flagship project from the *Grenelle de l'environnement***
 - A unique project: CNCE's (a major French retail, commercial and investment bank) labeling of financial instruments.
 - An innovative labeling, based on three criteria, *security, responsibility* and *climate*, to help retail customers select their investment.
 - An *open source* methodology, meaning other banking sector players are free to use and develop it.

Perspectives

- **A major need for political will:** definition of a new legal framework and new ways to orient investments, implementation of incentive-based financing and price signals.
- However, **companies should think beyond the framework of governmental institutions,** let go of wait-and-see policies and forge their own path, taking advantage of increasing consumer expectations.