

CARING FOR CLIMATE PROGRESS REPORT 2012



Caring for Climate



Deloitte.

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Executive Summary

Since its inception in 2007, Caring for Climate has provided a platform for the private sector to advance the role of business in addressing climate change. Beyond recognizing the importance, risks, and opportunities of climate change, signatories of this initiative commit to set goals, develop and expand strategies and practices, and publicly disclose emissions. These companies also commit to engage as active business champions for rapid and extensive climate action with governments, civil society, inter-governmental organizations, and various other stakeholders.

Caring for Climate signatories represent some of the most dedicated companies to addressing climate change and yet their recent environmental performance highlights the challenge the world faces in decoupling carbon emissions from business growth.

While signatories in a sample of the total Caring for Climate membership increased their revenues by 5.2% between 2009 and 2010, their carbon footprint also grew by 3.8% over the same time period. Even though the top 25 performers of those signatories meeting all five of the Caring for Climate commitments reduced more than 16 million tonnes of carbon dioxide equivalent, this was offset by the more than tenfold rise in total emissions for the entire initiative during the reporting period. However, when analyzing a sub-sample of signatories that have reported high quality data for each year going back to the previous Caring for Climate progress report, *A Greener Tomorrow*, data indicates an absolute decrease in emissions of approximately 6% below 2007 levels.

Signs of progress can be seen when normalizing the data using financial metrics. **While total emissions intensity by revenue for all Caring for Climate signatories increased by 1.4% from 2009 to 2010, by comparison, the EU-15 group of large economies observed a slightly higher rise of 1.5% over the same time period.** At the organizational level, more than two-thirds of all Caring for Climate signatories reduced their emissions intensity by revenue.

The Five Commitments of the Caring for Climate Statement

All Caring for Climate signatories must endorse the Caring for Climate Statement, which includes five commitments to action. The basic elements of the Caring for Climate commitments are as follows:

1. Reduce emissions, set targets, and report annual performance
2. Devise a business strategy to approach climate risks and opportunities
3. Engage with policymakers to encourage scaled up climate action
4. Work collaboratively with other enterprises to tackle climate change
5. Become a climate-friendly business champion with stakeholders

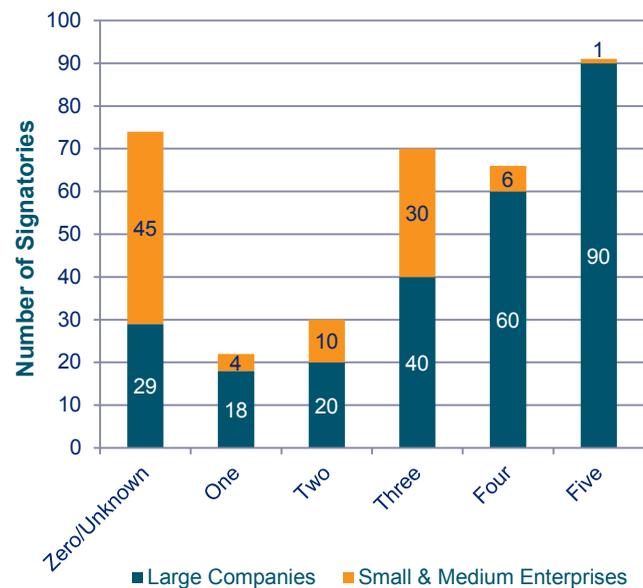


Figure 1: Number of Commitments Met by Caring for Climate Signatories

Sources: UN Global Compact website, CDP data, and other publicly available information

Beyond their emissions performance, many Caring for Climate signatories are establishing themselves as climate champions within their organization and in broader spheres of influence. After reviewing publicly available information reported by companies to the Carbon Disclosure Project and Communications on Progress for Climate for the 353 current signatories as of 2011, it was found that more than a quarter of them have met all five of the agreed upon commitments in the Caring for Climate Statement ("Statement" hence forth). As seen in Figure 1, **almost two thirds of total signatories, most of which are Large Companies, have met three or more of the commitments agreed upon when joining the initiative.**

While many of the Caring for Climate signatories have shown significant progress in meeting the commitments contained within the Statement, for others the journey is just beginning. **Nearly 21% of the entire Caring for Climate membership and 47% of Small and Medium Enterprises have not yet met any commitments.** Even though the data shows many signatories have made a concerted effort to address the climate challenge, there is clearly an opportunity for further progress by the entire group of Caring for Climate signatories.

In the sections that follow, we take a closer look at the companies that make up Caring for Climate, the emissions performance of these companies, and how these signatories have progressed against the five commitments of the Statement. By providing this analysis, Caring for Climate seeks to encourage signatories to take more significant action on climate change in the years to come and to encourage greater participation in the initiative.

Introduction

Caring for Climate is the United Nations Global Compact and United Nations Environment Programme initiative aimed at advancing the role of business in addressing climate change. Since its inception in 2007, Caring for Climate has worked with the public and private sector on facilitating the shift towards a low-carbon economy. In an effort to encourage greater climate action, Caring for Climate has convened Large Companies and Small & Medium Enterprises (SMEs)¹ to uphold five key commitments, the essence of which are as follows:

1. Reduce emissions, set targets, and report annual performance
2. Devise a business strategy to approach climate risks and opportunities
3. Engage with policymakers to encourage scaled up climate action
4. Work collaboratively with other enterprises to tackle climate change
5. Become a climate-friendly business champion with stakeholders

To determine whether these commitments defined in the official Statement of Membership have been met, Caring for Climate conducted research and analysis of activity by signatories using publicly available climate change related information reported by signatories through the Carbon Disclosure Project (CDP) and in their Communications on Progress for Climate (COP-Climate).²

Signatory Analysis

The Caring for Climate initiative has seen total participation decline from 370 signatories in 2009 to 353 signatories at the end of 2011, as seen in Figure 2. However, the percentage of total Caring for Climate signatories considered to be 'active' with the UN Global Compact as opposed to 'non-communicating' has increased slightly over this same time period. Fifty signatories have been delisted since the inception of Caring for Climate for not meeting reporting requirements.³

¹ Within the UNGC and the Caring for Climate initiative in particular, SMEs are defined as having 10-249 employees and Large Companies as having more than 250 employees

² http://www.unglobalcompact.org/docs/issues_doc/Environment/climate/CARING_FOR_CLIMATE_STATEMENT_2010.pdf

³ See http://www.unglobalcompact.org/docs/issues_doc/Environment/climate/C4C_Reporting.pdf for more information on the delisting process.

As of calendar year 2011, there were 257 Large Companies and 96 SME signatories within Caring for Climate including those with both active and non-communicating status. While the number of Large Companies has remained relatively constant over the years, participation of these Caring for Climate signatories in CDP has risen by 7% since 2009, also noted in Figure 2. This is a positive sign that climate reporting is increasingly pursued on a voluntary basis in line with the commitments made via Caring for Climate.

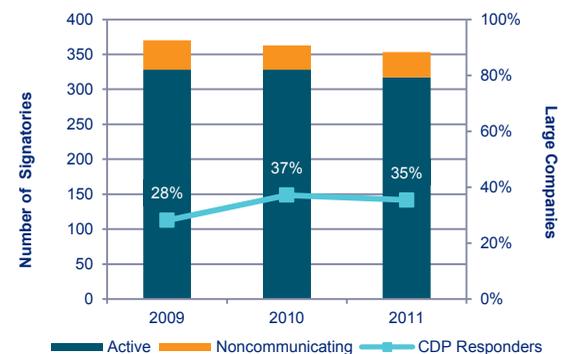


Figure 2: UN Global Compact Membership Status of Caring for Climate Signatories and CDP Participation of Large Companies

Sources: UN Global Compact website and CDP data

Signatories of the Caring for Climate initiative are primarily located in Europe and Asia although there is a notable presence in the Americas as well. As seen in Figure 3, European signatories made up 53% of total membership in 2011; slightly less than what was reported in the *A Greener Tomorrow* progress report written in 2009.⁴

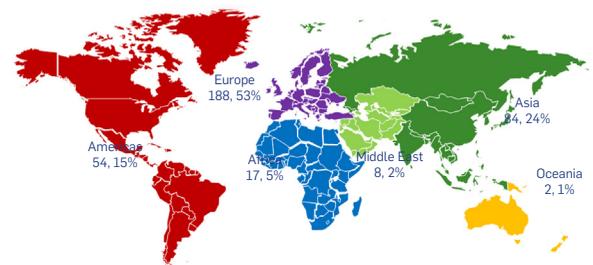


Figure 3: Regional Breakdown by Number and Percentage of Caring for Climate Signatories

Sources: UN Global Compact website

Multiple industries are well represented amongst signatories of the Caring for Climate initiative. However, the technology and industrials sectors are the most numerous with 18% and 20% of total membership, respectively, as indicated in Figure 4.

⁴ http://www.unglobalcompact.org/docs/issues_doc/Environment/climate/C4C_Report_2010.pdf

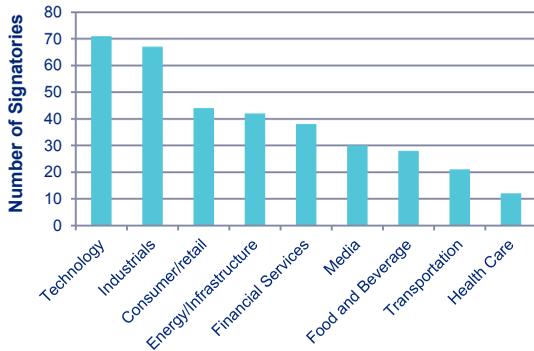


Figure 4: Sector Breakdown of Caring for Climate Signatories

Sources: UN Global Compact website

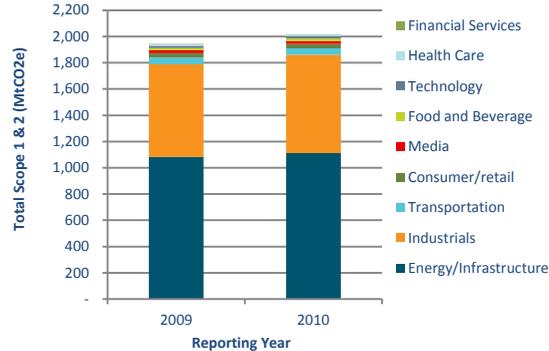


Figure 5: Absolute Emission Trends of the Caring for Climate Signatory Sample

Sources: UN Global Compact website, CDP data, and other publicly available information

Emissions Analysis

In defining a sample population of signatories for an emissions trend analysis, Caring for Climate took into account Large Companies that reported both high-quality carbon and revenue data for the reporting years 2009 and 2010. After reviewing corporate disclosures to CDP and COP-Climate submissions as well as other publicly available sustainability reports and other relevant material, a sample population of 153 Large Companies was selected to assess the emissions performance of the initiative as a whole.

During the reporting year 2010, the sampled signatories released approximately 2,017 million metric tonnes carbon dioxide equivalent (MtCO₂e) of scope 1 and 2 emissions into the atmosphere.⁵

As compared in Figure 5, total scope 1 and 2 emissions of the Large Companies included in the sample rose by 3.8% between 2009 and 2010 likely due in part to the global economic recovery.⁶ While absolute greenhouse gas (GHG) emissions increased across practically every sector, the vast majority of the reported increases were caused by signatories in the energy/infrastructure and industrial sector, which constituted 92% of total emissions in 2010 for the sample analyzed.

Despite the increase in emissions for the entire Caring for Climate sample, approximately 42% of sampled signatories reported absolute reductions over the reporting period as detailed in Figure 6. The top 25 performers from the sample reportedly achieved approximately 16.8 MtCO₂e in GHG reductions during the 2010 reporting year.⁷ It should be noted that five companies within this “best in class” group achieved roughly 93% of the calculated reductions. Within the top 25 signatories, this population achieved between 2% and upwards of 18% declines in emissions year over year due to specific emission reduction initiatives.

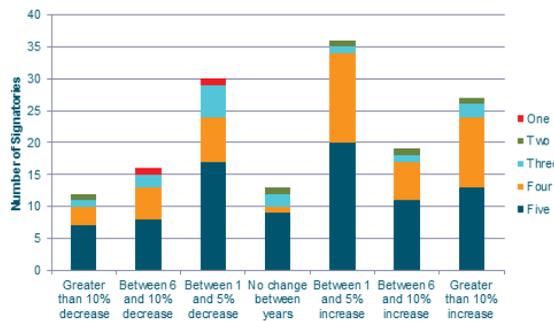


Figure 6: Absolute Emission Changes for Signatory Sample between 2009 and 2010

Sources: UN Global Compact website, CDP data, and other publicly available information

⁵ As per the GHG Protocol, Scope 1 emissions are direct emissions that are owned or controlled by the reporting entity. Scope 2 emissions are indirect emissions from consumption of purchased electricity, heat or steam.

⁶ Structural adjustments were made to CDP data when divestments, acquisitions, mergers, boundary changes, methodology changes, and emission factor changes were reported by signatories in CDP2011 in line with the GHG Protocol. Where possible, revised emissions data going back multiple years reported in CDP 2011, latest sustainability reports or corporate websites were incorporated. For signatories that did not respond to CDP, the most accurate data that could be found was used in the analysis without investigating specific fluctuations year over year.

⁷ Top 25 performers are defined as those Large Companies meeting all five commitments and achieving the greatest absolute emissions reductions in percentage terms over the reporting period.

Back to *A Greener Tomorrow*

When taking into account a sub-sample of 33 Large Companies with high quality data included in this most recent analysis as well as the *A Greener Tomorrow* progress report, data shows that despite emissions increasing slightly between the last two reporting years, there has been a decrease in emissions of around 6% when compared to 2007 levels.

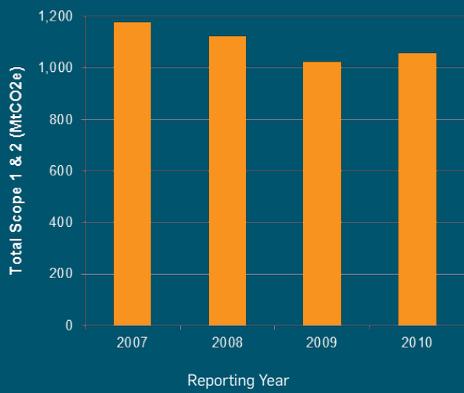


Figure 19: Absolute Emission Trends of the Caring for Climate Signatory Sub-sample

Sources: UN Global Compact website, CDP data, and other publicly available information

In terms of emissions intensity, the carbon footprint of the Caring for Climate signatory sample normalized by revenue increased at a slightly slower pace than that of the EU-15 group of large economies normalized by Gross Domestic Product.⁸ Specifically, emissions intensity of the EU-15 increased by 1.49% between 2009 and 2010, while the Caring for Climate signatory sample saw a rise of 1.36% during the same time period. Examining average emissions intensity by revenue for each industry sector included in the signatory sample, there are clear signs of progress in that all but two segments reported decreases between 2009 and 2010, as presented in Figure 7. Most substantially, those signatories in the energy/infrastructure sector achieved an impressive 24% decrease in average emissions intensity. This was primarily attributable to a \$96 billion increase in revenue for the sector as a whole, representing year over year growth of 10%, as well as marginal rises or even decreases in emissions for signatories included in this sector.

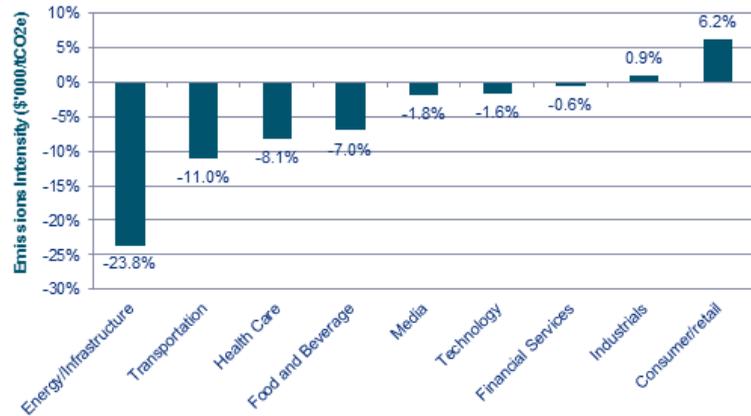


Figure 7: Signatory Sample Average Revenue Intensity Changes by Sector between 2009 and 2010

Sources: UN Global Compact website, CDP data, and other publicly available information

As shown in Figure 8, the data indicates that 67% of sampled signatories meeting three or more commitments achieved some magnitude of GHG emissions intensity reductions between 2009 and 2010. It is a very positive sign that the majority of signatories are becoming more efficient in their operations although not sufficiently enough to overcome absolute increases in emissions due to business growth during the time period.

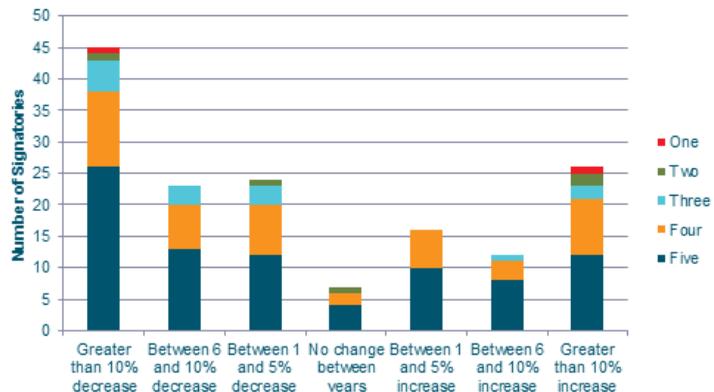


Figure 8: Signatory Sample Revenue Intensity Changes between 2009 and 2010

Sources: UN Global Compact website, CDP data, and other publicly available information

⁸ The EU15 comprised the following 15 countries: Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, Netherlands, Portugal, Spain, Sweden, and United Kingdom. Data on GDP and emissions for the EU-15 obtained from Eurostat and the European Environment Agency respectively. See the following link for detailed emissions data: <http://www.eea.europa.eu/data-and-maps/figures/ets-and-non-ets-emission>

Commitment Analysis

As with the emissions analysis, signatory progress against the five commitments agreed to in the Statement was researched and analyzed using information submitted through CDP, the COP-Climate and other sources. Quantitative criteria were established to determine signatory progress towards meeting the core aspects of each commitment.⁹ In the section that follows, the exact wording for each commitment is provided followed by an explanation of the criteria used to define progress as well as the analysis results.

Commitment 1:

Taking further practical actions to improve continuously the efficiency of energy usage and to reduce the carbon footprint of our products, services and processes, to set voluntary targets for doing so, and to report publicly and annually on the achievement of those targets in our Communication on Progress-Climate.

In order to determine whether signatories are meeting the first commitment, Caring for Climate established three principle requirements for the analysis: (1) whether emission reduction activities have been pursued; (2) whether emission reduction targets have been set, and (3) whether emissions data are made public at least for the reporting year of 2010. In order to receive full credit for meeting the first commitment, both Large Companies and SMEs had



Figure 9: Caring for Climate Commitment Analysis: Has the Signatory Met Commitment 1?

Sources: UN Global Compact website, CDP data, and other publicly available information

⁹ For signatories that report in a language other than English, Spanish or French, analysis of their commitments other than whether they report emissions data was considered to be "unknown."

to report these criteria in their CDP or COP-Climate submissions, including links to relevant material such as sustainability reports with additional information. While very few SMEs met all necessary requirements, Caring for Climate found that a respectable 57% of all signatories met this foundational commitment during the period analyzed shown in Figure 9.

For 2010, it was found that 179 out of the total 353 signatories, or 51%, in Caring for Climate reported their carbon footprint publicly, indicated in Figure 10. Out of this total, 90 Large Companies and 1 SME reported emissions data in their responses to CDP, which we consider a rigorous process for reporting GHG emissions and climate change strategies. The remaining figures were obtained from COP-Climate submissions, sustainability reports, and corporate websites, all of which may represent less reliable data as compared to CDP responses due to its high level of detail. Measuring corporate GHG emissions is considered to be a foundational step to addressing climate change. Fewer than half of all Caring for Climate signatories reported emissions publicly, which indicates that significant progress can still be made in encouraging signatories to voluntarily disclose their climate impact.

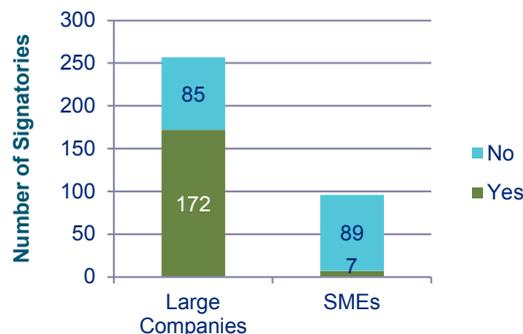


Figure 10: Caring for Climate Signatories Reporting GHG Emissions
Sources: UN Global Compact website, CDP data, and other publicly available information

Using data from the 90 Large Companies that responded to the CDP 2011 survey, Caring for Climate conducted detailed analysis of specific emission reduction initiatives that were pursued over the 2009-2010 reporting period. As seen in Figure 11, energy efficiency projects focused on business processes were by far the most popular initiative for signatories, with the majority of these having a relatively short one to three year payback period. Renewable energy projects (i.e. low carbon energy installations) were another

common approach to reducing emissions; however, the majority of those implemented have a payback longer than three years, which may have contributed to the relative reluctance by companies to undertake these projects as compared to energy efficiency process changes.

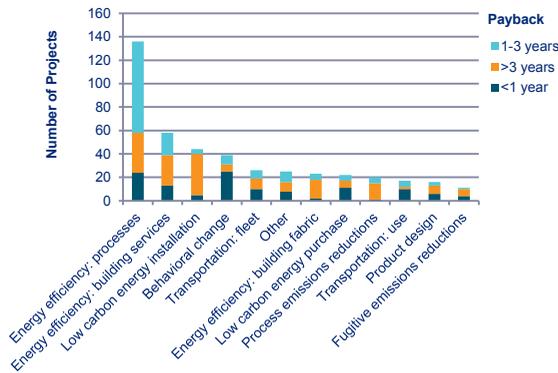


Figure 11: Emission Reduction Initiatives during the 2010 Reporting Year by Large Company data Responding to CDP

Source: CDP data

Green power and carbon credit purchases were another common way that signatories claimed sustainable energy consumption and/or emission reductions during the reporting year per the data submitted to CDP. Shown in Figure 12, green electricity purchases in 2010 offset approximately 7% of the total GHG emissions that would have occurred without these actions. This is equivalent to approximately 14.4 MtCO₂e using emission factors estimated for each CDP respondent.¹⁰ In addition, carbon credits retired in 2010 by the Large Companies responding to CDP amounted to approximately 4.9 MtCO₂e and were sourced from project types such as Nitrous Oxide (N₂O), Hydropower, Hydro fluorocarbons (HFCs), and Wind power, as indicated in Figure 13.

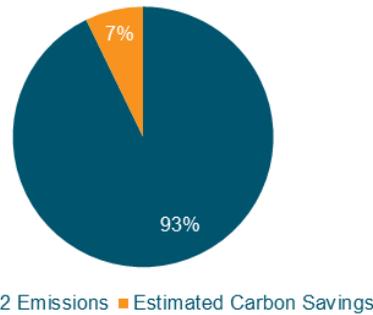


Figure 12: Carbon Savings from Green Power Purchases by Large Company Signatories Responding to CDP during the 2010 corporate reporting year, as Compared to Scope 2 Emissions of Total Caring for Climate Signatory Sample

Source: CDP data

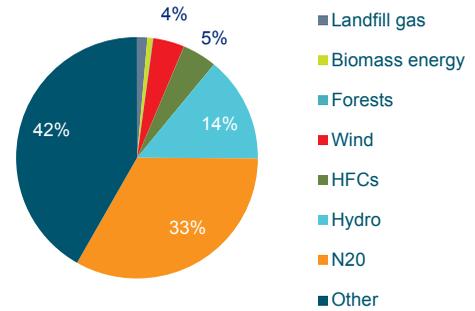


Figure 13: Carbon Credit Purchases during the 2010 Reporting Year by Large Company Signatories Responding to CDP, by Project Type

Source: CDP data

The Large Companies that responded to CDP also provided detailed insight into the types of emission reduction targets they have put in place. Based on their 2011 CDP disclosures, the analysis indicates that an impressive one-third of Large Companies report having both absolute and intensity targets with the majority of other signatories reporting one or the other, shown in Figure 14. For the entire group of Caring for Climate signatories beyond those that disclosed climate change information to CDP, research indicated that approximately 52% had some form of publicly declared reduction target in place.

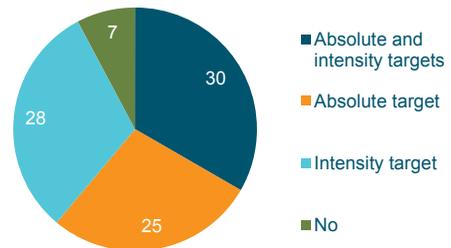


Figure 14: Types of Emission Reduction Targets of Large Company Caring for Climate Signatories Responding to CDP

Source: CDP data

¹⁰ Average emission factors for each CDP respondent calculated using reported scope 2 emissions totals over purchased energy consumed.

Commitment 2:

Building significant capacity within our organizations to understand fully the implications of climate change for our business and to develop a coherent business strategy for minimizing risks and identifying opportunities.

The fundamental requirement of the second Caring for Climate commitment is that signatories have an “easily identifiable” strategy in place to address climate change. The CDP 2011 corporate climate information request asked respondents whether climate change is “integrated into the respondent’s business strategy.” Taking the answers to this question into account and supplementing them with external research starting with COP-Climate submissions, signatories earned credit for meeting this commitment if they showed signs of shifting their approach to business in light of the need to mitigate and adapt to climate change. This approach did not require signatories to report emissions data, although carbon accounting is an essential step to having a truly comprehensive climate strategy. To illustrate this point, only seven SMEs reported their carbon footprint publicly while 45 of them were deemed to have a strategy in place.

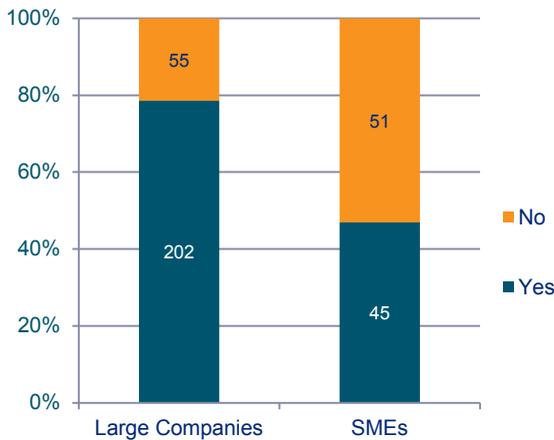


Figure 15: Caring for Climate Commitment Analysis: Has the Signatory Met Commitment 2?

Sources: UN Global Compact website, CDP data and other publicly available data

As shown in Figure 15, Caring for Climate determined that approximately 70% of all signatories met the second commitment based on publicly available information. In comparing these results with those presented in the *A Greener Tomorrow* progress report, the finding that almost 80% of Large Companies have developed a climate strategy still holds true, while approximately 15% more SMEs have an easily identifiable climate strategy in place than in 2010.

When responding to CDP, companies are asked to provide details about the risk management process they have implemented to address climate-related issues. Furthermore, the CDP information request asks that respondents describe the specific risks and opportunities they face in light of a changing climate. Caring for Climate did not directly take this information into account when determining whether signatories have met the second commitment for the purposes of this report. However, interesting insights did emerge from analyzing this information. For example, 89% of those Large Companies that are CDP respondents reported that climate change was “integrated into multi-disciplinary company-wide risk management processes.” Furthermore, the most pressing climate risks that signatories perceive are cap-and-trade schemes from a regulatory perspective and changes in precipitation extremes and droughts from a physical standpoint.

Commitment 3:

Engaging more actively with our own national governments, inter-governmental organizations and civil society to develop policies and measures to provide an enabling framework for business to contribute effectively to building a low-carbon and climate-resilient economy.

To meet the third commitment, signatories must have clear examples of policy engagement on the issue of climate change, beyond simply becoming a member of the UN Global Compact and a signatory of the Caring for Climate initiative. In order to receive credit for this commitment for purposes of this report, signatories needed to pursue direct interaction with policy makers to encourage increased climate action and report on these activities in public documentation. Caring for Climate used the answers to this question in the CDP 2011 corporate climate information request, along with external research to assess compliance with this commitment.



Figure 16: Caring for Climate Commitment Analysis: Has the Signatory Met Commitment 3?

Sources: UN Global Compact website, CDP data and other publicly available data

Of the five Caring for Climate commitments, data indicates that signatories had the most difficulty in demonstrating that they met Commitment 3. Based on review of the most recent publicly available information analyzed for this report, it was determined that fewer than 40% of Large Companies publicly advocated for climate policy (such as through trade associations), while all but one SME were not active in this area, shown in Figure 16. For the most part, active engagement with policy makers on the climate change issue was performed by major carbon emitters. Keeping this in mind, it is important to note that the 91 signatories considered to have met this commitment represent 97% of total GHG emissions within the Caring for Climate sample during the 2010 reporting year, thus indicating that public policy persuasion was undertaken by those most responsible for carbon emissions.

Commitment 4:

Continuing to work collaboratively with other enterprises both nationally and sectorally, and along our value-chains, to set standards and take joint initiatives aimed at reducing climate risks, assisting with adaptation to climate change and enhancing climate-related opportunities.

In order to determine whether signatories met the fourth commitment, Caring for Climate

researched multiple sources to identify examples of signatories working collaboratively with other enterprises on climate change. Within CDP responses, this information was obtained from the detailed explanation of climate strategy and other climate opportunities. Signatories reporting scope 3 emissions for supplier operations and purchased goods/services were also awarded credit for this commitment since measuring and reporting these impacts requires significant engagement along the value chain. For those Caring for Climate signatories not responding to CDP, their COP-Climate submissions and other sustainability reports were researched for notable instances of supplier engagement or business partnerships.

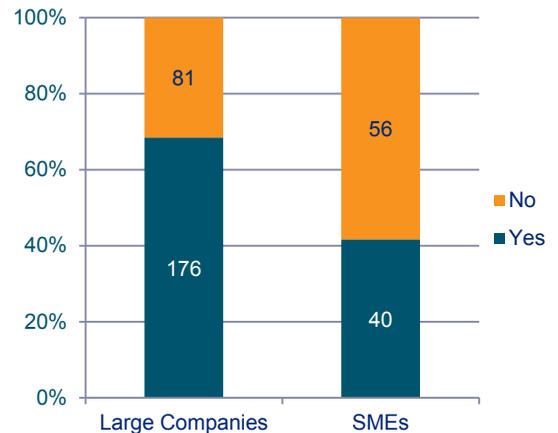


Figure 17: Caring for Climate Commitment Analysis: Has the Signatory Met Commitment 4?

Sources: UN Global Compact website, CDP data and other publicly available data

Considering both Large Companies and SMEs, as displayed in Figure 17, approximately 61% of Caring for Climate signatories were deemed to have met this commitment using the data sources mentioned above. Of those signatories responding to CDP, Caring for Climate determined that 74% of them met this commitment based on the defined criteria. With respect to relevant scope 3 emissions, there were 28 companies reporting emissions from purchased goods/services and 14 companies disclosing the impact of supplier operations to CDP.

Commitment 5:

Becoming an active business champion for rapid and extensive climate action, working with our peers, employees, customers, investors and the broader public.

To meet the fifth commitment, signatories needed to report examples of how they champion the climate issue with broader stakeholders – most notably employees and customers. As with the fourth commitment, the primary sources of information for this analysis included sections of the CDP corporate climate information request such as climate strategy and relevant scope 3 emissions categories – along with external research of COP-Climate submissions or sustainability reports.



Figure 18: Caring for Climate Commitment Analysis: Has the Signatory Met Commitment 5?

Sources: UN Global Compact website, CDP data and other publicly available data

Looking at Figure 18, approximately 71% of all signatories met this commitment based on the criteria established. When comparing these results to the fourth commitment, this result is fairly intuitive since engaging stakeholders such as employees and customers is generally more manageable than doing so further up the value chain. For those Caring for Climate signatories responding to CDP, it was determined that 82% of them met the established criteria by referencing initiatives that indicated business championship on climate with stakeholders. There were 19 companies that reported emissions for employee commuting and 13 companies reporting emissions for the ‘use of sold products’ to CDP that were relevant to the fifth commitment.

Conclusion

The Caring for Climate commitments are meant to drive signatories to undertake actions that contribute to building a low-carbon global economy. By presenting the findings in this analysis, Caring for Climate’s intention has been to make note of the progress made while also highlighting areas where additional action is needed.

While a select group of signatories are making positive progress in effective carbon management, there is still a significant opportunity for improvements to be made in the accurate measurement and reporting of both direct and indirect emissions. Caring for Climate signatories should consider the Statement’s commitments, including public transparency of progress made, as foundational to becoming leaders in the initiative. Recently, Caring for Climate released additional reporting guidance meant to establish an efficient process for signatories to report on progress made and align their COP-Climate submissions with existing reporting guidelines and tools, making this public transparency easier.¹¹

As this report has shown, a majority of signatories are engaging on climate protection with stakeholders, both upstream and downstream of core operations. While this is encouraging, there is a pressing need for all Caring for Climate signatories, beyond the major carbon emitters, to increase engagement with policy makers to encourage scaled-up action.

By their participation in the initiative, signatories of Caring for Climate are undoubtedly conscious of the need to take action on climate. However, a number of signatories are still in the nascent stages of integrating this concept into their core business strategy. As Caring for Climate leaders have shown, there are a vast number of opportunities available for businesses to pursue investments that reduce emissions, contribute to the societal benefit of managing climate risks, and simultaneously generate attractive financial returns.

¹¹ See http://unglobalcompact.org/docs/issues_doc/Environment/climate/C4C_Reporting.pdf for guidance

Top 25 Performers

The following Large Companies in alphabetical order are meeting all five Caring for Climate commitments and achieved the greatest absolute emissions reductions percentage over the 2009 to 2010 reporting period:

Signatory	Country	Sector
Alcatel-Lucent	France	Fixed Line Telecommunications
AXA	France	Financial Services
BT Group plc	United Kingdom	Fixed Line Telecommunications
Centrica plc	United Kingdom	Oil & Gas Producers
Coop	Switzerland	Food Producers
Danfoss Group	Denmark	Technology Hardware & Equipment
Endesa, S.A.	Spain	Gas, Water & Multiutilities
Gas Natural SDG, S.A.	Spain	Gas, Water & Multiutilities
GlaxoSmithKline	United Kingdom	Pharmaceuticals & Biotechnology
Infosys Technologies Ltd	India	Software & Computer Services
KB Kookmin Bank	Korea, Republic of	Banks
Kikkoman Corporation	Japan	Food Producers
Koninklijke Philips Electronics N.V.	Netherlands	Technology Hardware & Equipment
Lafarge	France	Construction & Materials
Munich Re Group	Germany	Financial Services
Novo Nordisk AS	Denmark	Pharmaceuticals & Biotechnology
Novozymes	Denmark	Pharmaceuticals & Biotechnology
Reed Elsevier Group plc	United Kingdom	Media
SAS Group	Sweden	Travel & Leisure
Scott Wilson Holdings Ltd.*	United Kingdom	Support Services
Siemens AG	Germany	Technology Hardware & Equipment
Telefonica S.A.	Spain	Fixed Line Telecommunications
The Coca-Cola Company	United States of America	Beverages
Veolia Environnement	France	General Industrials
Woongjin Coway Co., Ltd.	Korea, Republic of	Household Goods & Home Construction

* This company was acquired by URS Global Operations in September of 2010. Since URS is not a UN Global Compact signatory, Scott Wilson has been deemed as non-communicating. However, for the reporting period analyzed, Scott Wilson was in good standing with the UN Global Compact and with Caring for Climate.

A report by Caring for Climate with support from Deloitte

About the United Nations Global Compact

Launched in 2000, the United Nations Global Compact is a both a policy platform and a practical framework for companies that are committed to sustainability and responsible business practices. As a multi-stakeholder leadership initiative, it seeks to align business operations and strategies with ten universally accepted principles in the areas of human rights, labour, environment and anti-corruption, and to catalyze actions in support of broader UN goals. With more than 6,800 corporate signatories in more than 135 countries, it is the world's largest voluntary corporate responsibility initiative. <http://www.unglobalcompact.org>

About the United Nations Environment Programme

The United Nations Environment Programme (UNEP) is the voice for the environment in the United Nations system. It is an advocate, educator, catalyst and facilitator, promoting the wise use of the planet's natural assets for sustainable development. The mission of UNEP is to provide leadership and encourage partnership in caring for the environment by inspiring, informing and enabling nations and peoples to improve their quality of life without compromising that of future generations. The Division of Technology, Economics (DTIE) is the division within UNEP responsible for working with business and industry. With its longstanding activities in the areas of green economy, climate change, resource efficiency, harmful substances and hazardous waste, finance and corporate responsibility, it provides solutions to policy makers and helps change the business environment by offering platforms for dialogue and co-operation, innovative policy options, pilot projects and creative market mechanisms. <http://www.unep.org/>

About Caring for Climate

Launched by the UN Secretary-General Ban Ki-moon in 2007, "Caring for Climate" is the UN Global Compact and UN Environment Programme's initiative aimed at advancing the role of business in addressing climate change. It provides a framework for business leaders to advance practical solutions and help shape public policy as well as public attitudes. Chief executive officers who support the statement are prepared to set goals, develop and expand strategies and practices, and to publicly disclose emissions as part of their existing disclosure commitment within the UN Global Compact framework, that is, the Communication on Progress - Climate. Caring for Climate is endorsed by nearly 400 companies from 65 countries. http://www.unglobalcompact.org/Issues/Environment/Climate_Change/

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The Ten Principles of the United Nations Global Compact

HUMAN RIGHTS

- Principle 1** Businesses should support and respect the protection of internationally proclaimed human rights; and
- Principle 2** make sure that they are not complicit in human rights abuses.

LABOUR

- Principle 3** Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
- Principle 4** the elimination of all forms of forced and compulsory labour;
- Principle 5** the effective abolition of child labour; and
- Principle 6** the elimination of discrimination in respect of employment and occupation.

ENVIRONMENT

- Principle 7** Businesses are asked to support a precautionary approach to environmental challenges;
- Principle 8** undertake initiatives to promote greater environmental responsibility; and
- Principle 9** encourage the development and diffusion of environmentally friendly technologies.

ANTI-CORRUPTION

- Principle 10** Businesses should work against corruption in all its forms, including extortion and bribery.

