

STUDY SHOWS INCREASED CORPORATE CLIMATE CHANGE DISCLOSURES NORTH AMERICAN COMPANIES FALLING BEHIND ON VERIFYING EMISSIONS REDUCTIONS

SAN FRANCISCO – February 21, 2008 – Consumers are demanding more accountability and transparency from companies in the areas of social and environmental responsibility, especially regarding climate change. According to new research, many of the world’s top companies are starting to take note, but there is room for improvement, especially in North America. CorporateRegister.com, a global directory of corporate social responsibility resources, conducted an analysis of the 335 companies in the Global FT500 which issued a corporate social responsibility report in 2007¹. The first study of its kind, the research assesses what these companies are communicating about corporate responsibility and climate change. The research shows that North American companies are behind their counterparts in Europe in verifying their statements on climate change.

“While many of the North American companies cited in the research address the issue of climate change, very few sought independent verification of the data provided in their corporate responsibility reports. Just 13% of North American companies had their corporate responsibility reports verified by a third-party, whereas over 60% of European companies did so. North American companies should be concerned about an apparent credibility gap when it comes to communicating about corporate responsibility initiatives and emissions reductions figures in particular,” said Robert Dornau, Director, Climate Change Program, SGS.

Additional research conducted by AccountAbility and Consumers International of American and British consumers further underscores the need for independent verification of corporate climate change disclosures.² The research overwhelmingly shows that consumers want more information from companies about the carbon footprint of the products they buy and would prefer to do business with those companies that are trying to reduce their contribution to climate change. Consumers, however, do not trust companies’ statements on climate change and would prefer to see them verified by a third-party.

“As a product’s impact on climate change becomes an important element in consumer choice, not only consumers but more importantly companies should be interested in third-party assurance of climate change claims. This is especially true considering how it might impact the competitive landscape between various consumer products or services, or how one’s competitors may use such information to their advantage,” said Dornau.

Independent assurance and verification also offer an ongoing management tool to customers who need to measure themselves against non-financial performance indicators, which in the end may be just as significant as typical financial metrics. When considering the issue of climate change, measuring and monitoring one’s carbon emissions can be valuable and important information, beyond simple inclusion in a company’s CSR report.

“Boardroom decisions in many companies already take greenhouse gas (GHG) emissions data into account. This can be irrespective of any mandatory requirements to measure or reduce emissions,” said Dornau. “There are strategic and competitive drivers to voluntarily report and reduce GHG emissions, including: protection of early action to reduce emissions for companies that face mandatory regulation in the future; expected market advantages through the provision of emission neutral product and service offerings; and pressure from governments and customers who want to know the emissions embedded in the products and the supply chain of the products they source. Independent verification of any GHG reduction is necessary to retain credibility when talking to regulators, customers and consumers,” he continued.

SGS offers a wide variety of services in the area of general and specific report assurance that ensure the transparency and credibility of social and environmental reports. In addition, SGS is a leader in offering services designed to protect the environmental and financial integrity of emission trading schemes, including the validation and verification Clean Development Mechanism (CDM) Projects and Joint Implementation (JI) Projects under the Kyoto Protocol; verification of GHG emission inventories in the European Union’s Emission Trading Scheme, the United Kingdom Emission Trading Scheme, the California Climate Action Registry and others.

SGS AT CARBON FORUM AMERICA

<http://www.carbonforumamerica.com> Robert Dornau, Director, Climate Change Program at SGS will be speaking at Carbon Forum America (CFA) in San Francisco on Tuesday, February 26 at 2:45PM. Dornau will speak on the subject of understanding the corporate carbon footprint and will also expand on the results of the Corporate Climate Communications Report 2007. CFA is the benchmark event for America's emerging carbon market. For more information, visit www.carbonforumamerica.com

¹ The 2007 Corporate Climate Communications Study is available online at www.corporateregister.com

² “What Assures Consumers on Climate Change?” Can be found on the Consumers International website at www.consumersinternational.org/Templates/Internal.asp?NodeID=96674

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About SGS

SGS is the world’s leading inspection, verification, testing and certification company. SGS is recognized as the global benchmark for quality and integrity. With more than 50’000 employees, SGS operates a network of over 1’000 offices and laboratories around the world. SGS is the Lead Sponsor for CorporateRegister.com’s Corporate Climate Communications Report 2007, as well as being a category sponsor for their CR Reporting Awards 2007. To learn more, visit www.sgs.com

About CorporateRegister.com

CorporateRegister.com Ltd, authors of the Corporate Climate Communications Report 2007, provides online CSR resources, and hosts the world’s most comprehensive directory of non-financial reports. Its directories are free for use by the global CSR (corporate social responsibility) community – over 20,000 users subscribe to its services.

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