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3C - Combat Climate Change - A Business Leaders' Initiative

The 3C Initiative aims at forming a global opinion group consisting of companies showing leadership by demanding an integration of climate issues into the world of markets and trade facilitated by means of a global framework coming into force in 2013.

Many of the companies signing the 3C Initiative also take part in other activities on climate change such as the World Economic Forum's G8 Climate Change Roundtable and various Trade Associations' initiatives. By the 3C initiative we want to underline the need for urgent action by the Global Community.

Urgent request to the Global Community and all its representatives

There are clear indications of an ongoing global climate change. The root cause seems to be the emission of greenhouse gases due to human activity. A change in the climate could potentially alter the conditions that govern human life and lead to major costs. Therefore, we believe that the global community should aim at reducing the emissions of carbon dioxide and other greenhouse gases to acceptable levels as rapidly as possible, as well as providing secure and affordable energy for a stable, global development.

We have drawn the following conclusions regarding how to combat climate change:

1. A switch-over to a low emitting economy is a necessity

The provision of secure, reliable and affordable energy supplies for customers and society is and will remain a key priority for each of our companies. However, we are well aware that all forms of energy provision have environmental consequences and that the long-term impact has to be compatible with a sustainable society, consequently a long-term switch-over to substantially lower emissions of greenhouse gases is a necessity.

2. A global solution is needed

Curbing climate change is first and foremost a question of minimising the influence of man-made carbon dioxide in the natural environment. However, other greenhouse gases cannot be neglected. The greenhouse effect is global, a global solution is needed – in the end all human activity in all countries has to be addressed. We urgently need to develop a worldwide policy framework to replace the Kyoto Protocol from 2013 and onwards. While respecting different contexts, harmonisation among national rules is needed in order to avoid market distortions and protectionism.



3. A common, global goal limiting climate changes is needed

The emissions scenarios of the Intergovernmental Panel on Climate Change show that the global average surface temperature will increase by 1.4 to 5.8 degrees centigrade between 1990 and 2100. The priority should be to focus on a common, global goal of limiting global warming. Limiting emissions over time can and has to be done following an appropriate path towards 2100. According to present knowledge, the goal should be to stabilise the carbon dioxide equivalent concentration at a level below 550 parts per million (volume) in order to stabilise the temperature increase at an acceptable level. There are signals indicating that the acceptable concentration level may have to be even lower in the future. The long-term goal must be based on sound scientific and economic analyses. An assessment process should be designed to monitor the progress.

4. Greenhouse gas emissions must have a global price

In order to minimise the cost of staying below the cap it is necessary to establish a global price for the emission of greenhouse gases. To limit negative effects on global wealth, a global system facilitating emissions trading should be established. We recognise that gaining control of the carbon cycle will demand resources and will certainly influence transport and energy prices. Consequently, it is important to ensure that impacts on competitiveness and comparative advantages and disadvantages are minimised. Emission reductions should be achieved at the lowest possible cost. The predictability and stability of price trends are important factors.

5. A well laid-out combination of short- and long-term actions is needed

Any solution to the problem must work in both the short and long-term. This means that the world shall neither in the short nor long-term, in fact never, experience any unacceptable consequences from the global warming problem. Many of the actions required are by nature long term. For example, an investment in a new power plant has a time horizon of 40 –50 years. To commercialize new technology, 20 – 30 years or more is usually required. The simple conclusion is that a focus only on short-term objectives and programs is totally inadequate. On the other hand, we cannot neglect the short-term, it should always be possible to apply the best available technologies. We have to act today and apply a 100-year perspective, that is, take responsibility for our actions from now until 2100.

6. No options should be excluded

The efficient use of resources and strong incentives for research and development are crucial. Diversification is essential to guarantee security of supply. Choice cannot be limited to the alternatives available today. Governments, producers and customers must be open to new solutions and technological developments.



7. A global emissions market is needed

A stable framework must be established for the investments that will be essential to reach the long-term goal. The regime shall be robust, but at the same time adaptive. As new knowledge is accumulated, parameters may change, but not the basic principles. Curbing greenhouse gas emissions is particularly well suited to emissions trading. From an environmental point of view, the location of the emissions is unimportant. There are strong reasons for believing that the costs for reducing greenhouse gas emissions vary widely among sources and countries and the cost savings will thus be larger the wider the trading scheme.

8. The developed countries must lead the way and the developing countries should follow as soon as they are able

Global trade requires a clear division of roles between the political sphere and the market, as well as mutual understanding. The developed economies must lead the way. In the long run it must be more attractive to be part of the system than to remain outside. Putting a price tag on emissions and creating the correct incentives will create resources that can be used to tackle the problem. Price setting must reflect supply and demand. The expansion of a global trading scheme must be built on mutual trust and avoidance of improper use.

9. Fair and sustainable global burden-sharing must be reached

All countries should commit to participate from the start. No poor country shall be denied its right to economic development. Richer countries shall pull a larger weight, but no country shall be forced to disruptive change. Fair effects on competitiveness shall be achieved.

Our commitment - drawing a roadmap to a low-emitting society

We, the undersigned, are committed to taking our share of the responsibility to combat global climate change and we are prepared to take action now. We need the support of the global community to create incentives for commercial solutions, technological development and market-based investments.

We appeal to the global community and all its representatives; let us join forces around a common vision of a low-emitting, sustainable society and let us together create and promote a common roadmap that will, step by step, lead to the realisation of this vision.

The knowledge and expertise of industry are important resources in the effort to combat climate change. We are prepared to play a proactive role and to make our knowledge and experience available in order to expedite the conclusion and agreement of a global policy framework required to combat climate change.



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ABB Ltd, Mr Fred Kindle, CEO

Alcan Inc Corp, Mr Dan Gagnier, CEO

Alstom Power Turbo Systems/Power Environment, Mr. Philippe Joubert, President & Executive Vice President of the ALSTOM Group

Areva, Ms Anne Lauvergeon, CEO

Bayer AG, Mr Werner Wenning, Chairman of the Board

British Petroleum BP, Mr Lord Brown CEO

British Sky Broadcasting Ltd, Mr James Murdoch CEO

Centrica, Mr Sam Laidlaw, CEO

CEZ Group, Mr Martin Roman, CEO

China National Offshore Oil Corp., Mr Fu Chengyu, President

Citigroup Inc., Mr Charles Prince, CEO

Deutsche Bahn AG, Dr Hartmut Mehdorn, Chairman of the Board of Management

Deutsche Post World Net, Dr. Klaus Zumwinkel, CEO

Dong Energy A/S, Mr Anders Eldrup CEO

Duke Energy Corporation, Mr James E Rogers, CEO & President & Chairman of the Board

E.ON AG, Mr Johannes Teyssen, Member of the Management Board

EnBW AG, Mr Utz Claassen, CEO & Chairman of the Board

Endesa S.A, Mr Rafael Miranda Robredo, CEO

Enel S.P.A, Mr Fulvio Conti, CEO

Eskom, Mr Valli Moosa, President

Fortum, Mr Mikael Lilius, CEO

General Electric Co, Mr Jeffrey R. Immelt, CEO & Chairman of the Board

Hitachi Ltd, Mr Etsuhiko Shoyama, President and CEO

Iberdrola, Mr Ignacio Galan, Chief Executive Officer

Lufthansa, Dr Wolfgang Mayrhuber, President and CEO



Münchener Rück, Munich Re Group, Dr. Torsten Jeworrek, Member of the Board of Management

Norske Skog, Mr Christian Rynning-Tonnensen, President & CEO

NRG Energy Inc., Mr David Crane, President & CEO

Nuon, Mr Ludo van Halderen, Chairman of the Executive Board

Otto Group, Dr. Michael Otto, CEO

PG&E Corp. Mr Peter Darbee, Chairman & CEO & President

PNM Resources, Inc. Mr Jeff Sterba, Chairman, Pres. and CEO

RAO UESR, Mr Oleg Pertsovsky, Advisor to Deputy Chairman

Reuters, Mr Tom Glocer, CEO

SAP AG, Mr Henning Kagermann, CEO

SAS Group, Mr Mats Jansson, President and CEO

Siemens AG, Mr Klaus Kleinfeld, President & CEO

SUEZ, Mr Gérard Mestrallet, CEO & Chairman of the Board

The Tata Power Company Limited, Mr Prasad Menon, Managing Director

Vattenfall AB, Mr Lars G. Josefsson, President & CEO

Veolia, Mr Henri Proglio, CEO & Chairman

Wallenius Lines AB, Mr Lone Fonss Schröder, President

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