



PRESS RELEASE

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NEW CARBON STANDARD GUARANTEES ENVIRONMENTAL INTEGRITY AND TRANSPARENCY FOR GLOBAL OFFSET MARKET

- Global market confidence boosted by new Voluntary Carbon Standard (VCS) -

19 November 2007 (00.01hrs GMT), LONDON – A new global carbon offset standard launches today at the London Stock Exchange boosting business, consumer and government confidence in the voluntary carbon market. The Voluntary Carbon Standard (VCS) provides a new and much needed quality assurance for certification of credible voluntary offsets.

The rigour and transparency of the new VCS will boost market confidence for many companies and individuals keen to take a lead on tackling climate change by going carbon-neutral. The robust international standard will drive greater investment into credible offset projects certain to result in real and additional emissions reductions around the world.

Market analysts estimate that annual transactions in the voluntary carbon market could reach US\$4billion in the next five years and that the VCS – already popular with buyers – will be instrumental to this future growth.

The new VCS marks the end of a two year consultation with the industry, NGOs and market specialists, led by The Climate Group, the International Emissions Trading Association (IETA) and the World Business Council for Sustainable Development (WBCSD).

Andrei Marcu, President of The International Emissions Trading Association (IETA) and co-chair of the VCS Steering Committee, says: *“While the main action must be in regulatory approaches, voluntary actions and offsets have an important role to play, and the VCS will provide them with necessary credibility.”*

Mark Kenber, Policy Director of The Climate Group and co-chair of the VCS Steering Committee, says: *“The Voluntary Carbon Standard means business and consumer buyers can now trust the offsets they buy. Its robust quality assurance will trigger a new global confidence in the voluntary market from corporate buyers, consumers, and policy-makers. The VCS is vital for the environment and for growth of an important global market.”*

Adam Kirkman, Program Manager, World Business Council for Sustainable Development, says: *“Many WBCSD member companies already participate in emerging carbon markets or implement emission reduction projects on a voluntary basis. The Voluntary Carbon Standard provides additional incentive*

to business to invest internationally in low carbon technologies, allowing companies to monetize the gains from their early voluntary actions via a robust standard supported by third-party verification that delivers environmental integrity, consumer confidence, and market credibility.”

About The Voluntary Offset Market

Although direct cuts in emissions should be the first step for any individual or business looking at minimizing its impact on climate change, the voluntary carbon market has an important role to play. Government regulation and appeals for people to change their behaviour will not be sufficient alone to achieve the carbon reductions needed at the speed required. Carbon offsetting is a valuable transition solution because it allows *additional* investment in carbon reductions over and above that which Government regulations have achieved, and makes those reductions wherever they can be made fastest and at the lowest cost.

Explaining the valuable role of the voluntary carbon market, Mark Kenber says: *“Urgent and drastic action is required to stabilise climate change. The voluntary carbon market has an important role to play in bringing down emissions quickly and priming the pump of clean green innovation while the politics catches up.”*

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NOTES TO EDITORS

For further information and interviews: please contact Tom Howard-Vyse on + 44 (0)7800 933 831 or email thoward-vyse@theclimategroup.org or call

Mark Kenber, Policy Director, The Climate Group, on +44 (0)7966 170 302

Andrei Marcu, President of The International Emissions Trading Association (IETA) on + 41 79 436 0366

Adam Kirkman, Program Manager, World Business Council for Sustainable Development (WBCSD) on + 41 22 839 3156

About the Voluntary Carbon Standard (VCS)

- The VCS is a global benchmark standard for project-based voluntary greenhouse gas emission reductions and removals. It offers confidence to buyers, sellers and other stakeholders in the growing voluntary carbon market.
- The VCS has been developed by The Climate Group, the International Emissions Trading Association (IETA), the World Business Council for Sustainable Development (WBCSD) and a range of business, government and non-government organisations.
- Rules for certification under the VCS will be as robust as those of the Kyoto Protocol's Clean Development Mechanism (CDM), while attempting reduce the costs for participants.
- Based on early consultations, the VCS is already the most popular single standard for voluntary offset projects according to businesses working in the voluntary carbon market. The VCS was also deemed to be the most appropriate for the future needs of businesses in the market. (Source: “State of the Voluntary Carbon Markets 2007”, Ecosystem Marketplace and New Carbon Finance)

- Full technical details of the standard will be published and available at www.v-c-s.org on 19 November 2007.

Key Guarantees under the VCS:

ENVIRONMENTAL QUALITY: Offsets certified under the VCS have guaranteed environmental benefits.

MARKET CREDIBILITY: The VCS is the first carbon standard specifically designed to exacting ISO principles.

TECHNOLOGY INNOVATION: The VCS will stimulate greater innovation and investment in a wider range of low carbon technologies without compromising environmental integrity.

CONSUMER AFFORDABILITY: The VCS drives down transaction costs, and maintains the value-for-money carbon price that makes the voluntary market so attractive to buyers.

POLICY LEADERSHIP: The VCS will guide future policymaking on climate change. It is already shaping the pre-compliance market in the US which contributes around 60 per cent of current market demand.

BUYER TRUST: Independent research suggests the VCS will become the carbon market's single most popular voluntary offset standard.

PUBLIC TRANSPARENCY: The public will be able to access information on every offset project approved under the VCS.

Global Support for the VCS

"The combination of rigour and flexibility of the VCS will prove irresistible to U.S. businesses, consumers, and policy makers."

Terry Tamminen, Former Chief Advisor to Governor Schwarzenegger

"The VCS will promote confidence and show Government that industry is keen to set its own clear and robust standards."

Tim Yeo MP, Chair of UK Parliamentary Environmental Audit Committee

"The VCS provides the first offset standard that specifically incorporates exacting principles from ISO 14064 series and ISO 14065."

Alan Bryden, ISO Secretary-General

"The Voluntary Carbon Standard brings a new level of assurance to the voluntary offset market and gives buyers confidence."

Kerryn Schrank, Program Director targetneutral™, BP

"Our research indicates that the VCS will become the leading standard against which all voluntary offset projects are judged."

Ricardo Bayon, Director of Ecosystem Marketplace

"For the first time, we have a standard outside the CDM that provides an incentive for additional investment in credible projects across Asia."

Agus Sari, Country Director, EcoSecurities Indonesia

"The VCS launch mitigates risks associated with the voluntary carbon market which is vital for market growth and our environment."

Blythe Masters, Global Head of Commodities, JPMorgan

About The Climate Group

The Climate Group (www.theclimategroup.org) is an independent, not-for-profit organisation that works internationally with government and business leaders to advance climate change solutions and accelerate a low carbon economy.

Its coalition of proactive leaders – from government, business and civil society – has demonstrated that emissions reductions, essential to stop climate change, can be achieved while boosting profitability and competitiveness. More companies, states, regions and cities around the world are realising there are significant economic as well as environmental advantages of taking decisive action now. The Climate Group was founded in 2004 and has offices in the UK, USA, China, India and Australia.

About International Emissions Trading Association

Founded in 1999 IETA is a not-for-profit business organization that is dedicated to ensuring that the objectives of the UNFCCC and ultimately climate protection are met through the establishment of effective global systems for trading in greenhouse gas emissions (GHG) by businesses, in an economically efficient manner while maintaining societal equity and environmental integration. IETA is active in the EU, North America, the UNFCCC, and around the world, promoting market mechanisms to environmental problems.

IETA's membership is currently 172 companies out of which 51% represent project developers, intermediaries, financial institutions, brokers, verifiers, legal firms, etc engaged in a new economic activity as a result of the GHG market. The balance of 49% represents industrial organizations.

About World Business Council for Sustainable Development

The World Business Council for Sustainable Development (WBCSD) brings together some 200 international companies in a shared commitment to sustainable development through economic growth, ecological balance and social progress. Our members are drawn from more than 30 countries and 20 major industrial sectors. We also benefit from a global network of about 60 national and regional business councils and partner organizations.

Our **mission** is to provide business leadership as a catalyst for change toward sustainable development, and to support the business license to operate, innovate and grow in a world increasingly shaped by sustainable development issues.

Our **objectives** include:

- *Business Leadership* – to be a leading business advocate on sustainable development;
- *Policy Development* - to help develop policies that create framework conditions for the business contribution to sustainable development;
- *The Business Case* - to develop and promote the business case for sustainable development;
- *Best Practice* - to demonstrate the business contribution to sustainable development and share best practices among members;
- *Global Outreach* – to contribute to a sustainable future for developing nations and nations in transition.