Generating heat

US industry not doing enough about its emissions to mitigate global warming

■ European and Asian companies care more about global warming than their American counterparts do, says a report by Ceres, a coalition of investors and environmental groups

■ The report used a climate change governance checklist that included parameters such as emissions accounting and strategic planning to evaluate companies in 10 industrial sectors that were most likely to emit gases

■ It rated 100 global corporations, 74 of them based in the US. The top-scoring company was BP, a British company, which has said it will invest US $8 billion in solar, wind and other clean-energy technologies over the next decade

■ Many coal companies, especially in the US, have done little to mitigate the financial impact of carbon regulations, despite managing the world's most carbon-intensive fuel source

■ Airline companies are among the world's fastest growing sources of carbon dioxide emissions, but they have the lowest average governance scores among the 10 sectors examined

■ Most American companies (including their subsidiaries outside the US) lag behind their international peers. This is partly because these non-US companies are based in countries that have ratified the Kyoto Protocol and have begun to implement greenhouse gas emission controls

■ The first edition of this report, published in 2003, rated 20 global companies on 14 parameters. Its key finding was that US companies and industries were largely ignoring or discounting climate change in their governance practices and strategic planning. Though there has been some improvement, it is still far short of what is required

POOR PERFORMANCE

Oil and gas — 34.8

Company	Score
BP	90
Royal Dutch	79
Statoil	72
Total	62
Chevron	57
Sunoco	39
ExxonMobil	35
Burlington	13
Devon Energy	11
El Paso	9
Murphy Oil	6
Williams	3

Chemical industry — 51.9

Company	Score
DuPont	85
Bayer	71
ICI	60
BASF	59
Dow Chemical	59
Air Products	49
Praxair	43
Rohm & Haas	40
Monsanto	32
PPG	21

Note: US companies shown in red colour

Auto industry — 47.9

Company	Score
Toyota	65
Honda	62
Ford	58
GM	52
Daimler	43
Volkswagen	37
BMW	35
Nissan	33

Coal industry — 21.4

Company	Score
Rio Tinto	57
Peabody	23
CONSOL	14
Arch	8
Foundation	5

Airline industry — 16.6

Company	Score
UPS	30
British Airways	27
Air France	23
FedEx	18
AMR	9
Southwest	6
UAL	3

AVERAGE INDUSTRY SCORES

Industry	Board	Management	Disclosure	Emissions	Strategies	Total
Maximum score	12	18	14	24	32	100
Chemicals	5.9	9.0	7.7	13.8	15.5	51.9
Electricity	5.5	8.8	8.7	13.7	11.9	48.5
Autos	6.5	9.0	7.9	12.9	11.6	47.9
Equipment	3.0	7.5	5.1	11.2	15.5	42.3
Mining	4.7	8.1	6.2	10.5	12.7	42.2
Forests	4.0	7.8	5.4	9.4	11.0	37.6
Oil & gas	4.1	6.1	4.9	10.3	9.5	34.8
Coal	1.6	3.6	5.4	5.2	5.6	21.4
Food	1.6	3.2	2.5	5.4	4.9	17.6
Airlines	0.9	3.0	3.7	4.6	4.4	16.6
Average	**5.5**	**8.9**	**8.7**	**13.7**	**11.7**	**48.5**

Source: Corporate Governance and Climate Change: Making the Connection, *Ceres, March, 2006*