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BUSINESSES CONSIDER GLOBAL WARMING A SERIOUS THREAT TO REGION BUT ARE ADJUSTING, BAY AREA COUNCIL STUDY SHOWS

Companies are Actively Changing Their Policies and Many Are Finding New Market Opportunities

SAN FRANCISCO, June 21, 2007 — Seventy-seven percent of Bay Area CEOs think that global warming is a very or somewhat serious threat to the region's future economy and quality of life, according to results of a Bay Area Council survey released today. Only six percent of the 510 CEOs and top executives in the nine Bay Area counties surveyed April 11-27, 2007 say the threat is "not at all serious." Also, by a strong margin, Bay Area businesses support the California Global Warming Solutions Act (AB32), requiring California to reduce its greenhouse gas emissions by 25 percent by the year 2020. A super majority of 84 percent of top business executives support the Act, and 56 percent say they "strongly" support it.

Market forces and California's famous spirit of innovation appear to be catching up with the media attention on climate change. An astounding one third of Bay Area companies (32 percent) report they have discovered market opportunities for their business related to global warming or greenhouse gas reduction. Fifty-two percent of respondents say that they have made changes in their operations or policies in the past two years regarding global warming.

"Our clients now want buildings that are environmentally responsible, profitable and healthy places to live and work," said Andy Ball, the President and CEO of Webcor Builders. "Whether it's recycling materials, reducing waste, lowering energy consumption or improving operating efficiencies, construction is just one Bay Area industry innovating to reduce the carbon imprint of our products."

"With one third of our companies actively finding ways to profit from reducing greenhouse gases, the Bay Area is undeniably now the center of the clean and green business market," said Jim Wunderman, President and CEO of the Bay Area Council.

Larger companies seem to have more quickly adjusted to the changing environmental landscape. For example, 60 percent of companies with more than 10,000 Bay Area employees have found ways to profit from greenhouse gas reduction, but only 29 percent of those with 49 or less employees have found market opportunities for themselves. More than 70 percent of very large employers with more than 1,000 local employees have changed internal policies in the past two years to respond to global warming, whereas only about half of companies with 99 or less employees have changed policies.

Geographically, the city and county of San Francisco appears to be the regional epicenter of the clean and green business market. Twenty-two percent of the companies surveyed in San Mateo and 26 percent of the 131 companies surveyed in Santa Clara county (a proportional amount) said

they had discovered greenhouse gas reduction market opportunities, but 54 percent of the San Francisco companies have found market opportunities.

One other measure, shows companies are dedicating one of their most important resources to greenhouse gas reduction: their top executives' time. Forty-one percent of Bay Area companies have their top executives taking part in conferences on responding to global warming.

“Companies are figuring out that global warming is a strategic business issue, not merely an ‘environmental’ issue,” said Gil Friend, CEO of Natural Logic, a strategy consultancy helping companies design and implement global warming strategies that build business value. “Market opportunities, plus impact on cost structure, plus vulnerability to energy prices and supply, plus emerging carbon markets, plus capital demands, plus downside risk add up to ‘lots of zeros,’ which make it strategic – and worth the time of senior executives.”

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About the Survey

The confidential survey of Bay Area business executives was conducted by Evans/McDonough Company Incorporated for the Bay Area Council. All members in the database were invited to participate through e-mail and the Internet. The *Survey* results are weighted to reflect the approximate percentage of employees in each Bay Area county.

About the Bay Area Council

Founded in 1945, the Bay Area Council (www.bayareacouncil.org) develops and drives regional public policy initiatives and researches critical infrastructure issues. Led by CEOs, the Bay Area Council presents a strong, united voice for hundreds of major employers throughout the Bay Area region whom employ more than 501,000 workers, or 1 of every six private sector employees in the Bay Area.