

NATIONAL PRESS CLUB LUNCHEON WITH JORMA OLLILA

SUBJECT: THE NEED TO ACT ON CLIMATE CHANGE

MODERATOR: DONNA LEINWAND, PRESIDENT, NATIONAL PRESS CLUB

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DONNA LEINWAND: (Sounds gavel.) Good afternoon. Welcome to the National Press Club for our speaker's luncheon. My name is Donna Leinwand. I'm a reporter with *USA Today*, and I am President of the National Press Club. We're the world's leading professional organization for journalists, and we are committed to the future of journalism by providing informative programming and journalism education, and fostering a free press worldwide. For more information about the National Press Club, please visit our website at www.press.org.

On behalf of our 3,500 members worldwide, I'd like to welcome our speaker and our guests in the audience today. I'd also like to welcome those of you who are watching us on C-SPAN. We're looking forward to today's speech, and afterwards I'll ask as many questions from the audience as time permits. Please hold your applause during the speech so that we have time for as many questions as possible. For our broadcast audience, I'd like to explain that if you hear applause, it may be from the guests and members of the general public who attend our luncheons, and not necessarily from the working press.

I'd now like to introduce our head table guests and ask them to stand briefly when their names are called. From your right, Rodrigo Valderrama, an independent op-ed writer on trade and climate change; Frank Maisano, senior principal at Bracewell & Giuliani; Lisa Friedman, Deputy Editor for ClimateWire; Jeff Tollefson, Washington correspondent covering energy and climate for *Nature* magazine; Dennis Welch, Executive Vice President, Environment Safety and Health and Facilities, AEP, a guest of the speaker; Jeff Plungis, reporter for Bloomberg; Ambassador Pekka Lintu, Finnish ambassador to the United States.

Skipping over the podium, Andrew C. Schneider, Associate Editor, Kiplinger Washington editor and Speakers Committee member who organized today's event. Thank you very much, Andrew; skipping over our speaker for just a moment, Dipka Bhambhani, energy reporter for Clean Skies Television, and a member of the NPC Board of Governors; Bjorn Stigson, President of the World Business Council for Sustainable Development and a guest of our speaker; Kari Mokko, Press Secretary and Spokesman for the Embassy of Finland, and a member of the National Press Club; Jim Ostroff, Associate Editor, Kiplinger Washington Editors; and finally, Thomas Doggett, energy correspondent for Reuters. (Applause)

As world leaders prepare to meet in Copenhagen this December to address climate change and create a successor agreement to the Kyoto Protocol, deep divisions remain about how to fairly allocate the costs of cutting pollution. Splits in the business community are more pronounced in recent months. Major energy utilities, including PG&E and Exelon, have quit the U.S. Chamber of Commerce in disagreements over the group's climate change policy. Duke Energy has left the National Association of Manufacturers for the same reason.

Kyoto's exemption from emissions reductions given to large emerging markets, such as India and China, hurts the treaty's chances in the U.S. Congress. U.S. businesses fear those countries will gain a competitive advantage over the U.S. firms that must meet emissions caps. Meanwhile, China, India and other emerging markets argue that economies in the U.S., Europe, and Japan have benefited for more than a century of unfettered use of fossil fuels. These divisions not only complicate the passage of meaningful energy and climate change legislation here in the United States, they also threaten to deadlock global efforts to combat the problem.

Finland's Jorma Ollila is a leading proponent in the business world for taking aggressive measures to combat climate change. Beginning his career at Citibank, Mr. Ollila joined Nokia in 1985, rising to become its chairman in 1999. In 2006 while retaining his chairmanship of Nokia, he was named Chair of Royal Dutch Shell, the first non-Dutch or non-British person to hold the office. On top of these responsibilities, he is now beginning his term as Chairman of the World Business Council for Sustainable Development.

Asked about his commitment to addressing climate change at this year's International Press Institute's World Congress in Helsinki he said, "I may be the Chairman of an oil company, but I'm also a citizen and a human being." Please join me in extending a warm National Press Club welcome to Jorma Ollila. (Applause)

MR. OLLILA: Thank you, Donna, for your kind words of introduction. Good afternoon, ladies and gentlemen. It really is a pleasure to be here today, and I'm most grateful to the National Press Club for making this opportunity to happen.

My goal here today is to leave you with three messages: first, the time for business as usual is over. We need big changes in industrial systems, business models, economic assumptions, market rules, and governance frameworks to tackle the huge challenges facing us all at once. Business as usual just won't work anymore.

Second, business is part of the solution. I emphasize part of the solution. We have technologies and the ability to innovate, we have capital and significant management know-how and hustle. But we lack a critical ingredient, a constructive collaboration with governments and civil society. No man or business is an island in today's connected world.

And third, building a sustainability strategy into the rhythm of business will determine the difference between the winners and losers going forward. I believe that only the companies that develop products and services that address global challenges such as energy supply and access, climate change, pressure on ecosystems or water, will be around for a long haul. I'll come back to these three messages.

I'd like to elaborate on them and share with you a few proof points and examples from the companies with which I'm most familiar with, as well as from the work being done at the World Business Council for Sustainable Development. I'm pretty comfortable in front of you today wearing a few hats, drawing from my experience leading Nokia for twenty-some years, my role as Chairman of Royal Dutch Shell, and my most recently acquired hat, the hat of the Chairman of the World Business Council.

I come from Finland so you might say that, "Gee, you need a number of hats and socks and gloves, scarves and big boots." But I'm doing this simply because I'm enjoying it and this is the right kind of commitment that I think I need to take at this time.

Most of you are probably familiar with Shell and Nokia, whereas the World Business Council for Sustainable Development is probably less familiar, and the initials WBCSD hardly roll off the tongue with a lot of ease. So briefly, let me introduce to you, what's this all about.

We're a business organization of about 200 companies. We have been around for quite a while, about 15 years. We have companies from 35 different countries representing opinions of 25 different industry sectors. We are establishing a stronger presence in the future in the U.S. And we historically have always had a very strong membership from the U.S. It's not only the G. E.s, the IBMs, the major resource companies, but also ICT industries, consumer companies, a very broad representation. And we have a global network of almost 60 partner organizations located throughout the developing world.

So what do we do? As a group of leading companies, we are committed to sustainable development through economic progress, ecological balance, and social progress. Our mission is to provide business leadership as a catalyst for change towards

sustainable development and support the business license to operate, to innovate and grow in a world increasingly shaped by sustainable development issues.

It sounds a bit vague. Allow me to share some examples and bring these concepts to life. Let me start with some facts. We face an expanding world, both in terms of population and our appetite for energy. The drain on national resources is huge and the effect on business profound. These assumptions underpin the business strategy of most leading companies and they provide the foundation of my three key messages I already mentioned.

The first fact is all about underlying a growth story. By 2050, the world is expected to have 50 percent more people, from six billion-plus today to nine billion-plus. The forecasts are from 9.1 to 9.7 billion in 2050. That's the range, roughly, by different authorities and institutions. Only 40 years ago from now, we will have 50 percent more people. And looking around, many of you hopefully will still be there. In this world, 85 percent of the population will live in what we today call developing countries. So let me repeat; 85 percent of people on Earth will live in developing countries in 2050. As a third of the world's population lives on less than two U.S. dollars a day, and many suffer from malnutrition, have no access to health services, sanitation, electricity, safe drinking water, shelter or transportation, the primary focus for these developing countries will be poverty alleviation and improving the quality of life for their populations. But this is the first fact that we are all facing.

The second fact is the growth story in the marketplace. These emerging economies represent the growth markets for the future. Already accounting for more than half the world's gross domestic product, the economic weight will increase substantially over the coming years. By 2050, a whopping 65, 75 percent of global GDP will have shifted to developing countries. Last month, we saw an acknowledgement of this political and market shift moving from a G8 world of the old industrial countries, to the G20 world of tomorrow's leading economies.

Right now, the European Union is the leading exporter of green technologies with a global market share of 45 percent. The U.S. stimulus package has an important green component. However, China is investing heavily in its domestic capacity to build economies of scale. This will be the platform for the next phase of their export growth.

The third fact is the city growth story. Currently, about 50 percent of the world's population lives in cities. But there's a massive move afoot. People are becoming more urbanized. And again, within 40 years, over 70 percent of us will live in cities. These mega cities will be mostly in the developing world. I heard a statistic yesterday from a Goldman Sachs report that in India, every minute 30 Indian citizens migrate from the countryside to the mega cities of the country. This trend is expected to continue.

And in most developing countries, migration to urban centers is connected with changing aspiration and consumption patterns, which is reflected in additional demand

for food, water, houses and jobs. These people will also need access to energy to better their lives.

So these three growth trends present an amazing challenge and huge opportunity at the same time for companies. It means an enormous growth in demand for infrastructure to provide energy, water, food, transport, and other services that an urbanized and growing population will require. However, and most significantly, more people living in bigger cities with an improved quality of life cannot be allowed to mean more greenhouse gas emissions. Developing countries which have least contributed to the environmental degradation are suffering most from the consequences of climate change and water scarcity, and will continue to do so. There's no longer, and there possibly never was, a choice between economic growth and environmental wellbeing. This move to a high growth economy must be matched by a transition to a lower carbon economy.

But how are we going to make this transition? How will we tackle the challenges I have just identified? This conveniently brings me back to my first message, the time for business as usual is over. We need big changes in systems, mindsets and governance. I'll give you a few examples of where moving away from business as usual positions us better for addressing these challenges. We need effective carbon markets and a price on carbon. I believe this to be one of the most cost effective approaches in the policy toolkit for tackling climate change. Carbon markets will enable incentives and funding to flow toward the development of low carbon projects and the most promising solutions. Although carbon markets have started taking shape in many countries, today we are on the brink of a much broader reshaping of our energy markets as a number of new cap in trade systems come closer to implementation around the world.

Unfortunately, challenges do remain. While the U.S. House passed a landmark climate bill earlier this year, prospects for legislation in the U.S. Senate are far from clear. As the world prepares for climate negotiations in Copenhagen, we must see American leadership backed by its own domestic actions on climate legislation.

Secondly, energy efficiency. What are we really waiting for? The actions and investments that make the biggest and most immediate impact begin with energy efficiency. Most of the technologies we need to dramatically reduce our energy use already do exist. One recent report found that investment in technology enabling smart grids, smart logistics, smart industry automation, and smart buildings could reduce global greenhouse gas emissions by up to 15 percent by 2020.

One of the biggest bangs for the buck is the energy efficiency of buildings. Buildings consume 50 percent of the world's energy. Yet, even with existing technology as the WBCSD energy efficiency in buildings project concluded, it is wholly feasible to reduce energy use in buildings by 50 percent by 2050.

Ecological footprint is the third area. All businesses impact on and are dependent on ecosystems and the services they provide, like fresh water, food fiber, and natural hazard protection. A recent U.S. study concluded, remarkably, that more than 60 percent

of the world's ecosystems are degraded. This trend will continue with population growth and industrial development. Within the WBCSD, we are working in partnership with some of the world's leading NGOs and think tanks like the D.C. based World Resources Institute. Our aim is putting in place decision tools that help companies do a better job managing their impacts. And secondly, providing regulatory frameworks that leverage market forces for solutions.

At Shell, our business culture is firmly grounded in thinking about the future in ways that depart from business as usual. We use scenarios to help us think through plausible futures that are business as usual. Shell's current scenarios are underscored by the three hard truths, similar in some ways to the three facts we just discussed. The Shell hard truths are, first of all, energy demand is increasing. Secondly, current energy supplies will struggle to meet with demand. The age of easy oil is over, and in a carbon constrained world, we need to find alternatives. Historically, it has taken, however, about 25 years for a new energy technology to gain one percent market penetration. So the time lags are huge.

Thirdly, stress on the environment will continue to rise. Climate change and energy security are in the news today, but we can't ignore the immense challenges of water and deforestation. One-fifth of the worldwide emissions is from the deforestation and the biodiversity loss as huge potential issues. These challenges require new thinking, new tools, new approaches. Business as usual is not an option.

The next point I'd like to come back to is business being part of the solution. I said earlier that the emphasis was on part of the solution. I believe that when business offers solutions to problems rather than excuses, people do listen. Business is an innovation engine, developing breakthrough technologies. We invest in getting these solutions deployed and diffused. Importantly, and with no apologies, we make money for our shareholders, provide jobs for our employees, buy and sell along our value chain supporting other businesses in the communities in which we operate. But, and this is a big but, business cannot do this alone. We need to work in constructive collaboration with governments and the civil society we operate in.

The size, scale and urgency of the challenges we face require new types of collaboration and partnerships. Business cannot succeed on its own, nor can governments be successful without input from the private sector. Concerted action is needed.

There are two areas where I think constructive collaboration can go a long way to solving challenges we have laid out. First example is around investment in technology. For the most part, this simply cannot be done as a solo player. Delivery of new, low carbon technologies by 2020 is often beyond the financial and technical capacity of the individual countries or businesses and requires large scale cooperation in the demonstration and commercialization of key technologies. To harness the full capacity of information technology in reducing energy consumption and CO2 emissions, we need to encourage more cooperation and cooperation across different industries. Carbon capture and storage is an example of where a collaborative approach is crucial.

New forms of public/private partnerships need to be defined where governments, R&D institutions, suppliers and potential technology users work together to organize, fund, screen, develop and demonstrate selected technologies in a shorter time frame.

The second area ripe for new collaboration is the international negotiations on climate change. We often hear governments say we need to talk to the private sector. But there are limited formal channels for discussions. The WBCSD has worked to change this. We have followed international negotiations for more than ten years and have contributed concrete options for governments to consider as they develop a new climate agreement.

The WBCSD submitted formal comments and input to the negotiating text that is being prepared for Copenhagen, providing a business voice. Alongside the member companies, we hold regular discussions with government negotiators, particularly on issues relating to technology transfer, financing, and reducing emissions from deforestation in developing countries. The negotiators have asked us to do more and become a formal source of input on technologies use.

This brings me to my third and final message. As I said when I started, only the companies that develop products and services that address global challenges around energy, climate change, development, ecosystems, water, mobility, buildings, urbanization and demographic shifts, will be around for the long haul. Those that don't, I believe, simply will not be around to talk about it. Let me give a few examples drawn from the WBCSD member companies that show how these companies embed sustainability in product design, manufacturing operations, employee engagement and stakeholder partnerships.

Would anyone blame me for starting with examples from Shell and Nokia? At Shell, we are focused on what a new energy future means. Shell is involved in a number of carbon capture and storage demonstration projects that are an essential step towards the broader application of this important and promising technology. We are a leader in establishing sustainability standards for the production of today's bio fuels. And, we are at the forefront of research and development on advanced bio fuels made from non-food sources.

Nokia was the market leader in product stewardship long before these environmental practices became mainstream. Now in addition to making mobile devices, it is increasingly providing mobile solutions. By offering everything from music to money in digital form, Nokia helps reduce the resources necessary to produce and transport the old physical versions.

Toyota, really one of the leaders in sustainable technologies, is working on a wide range of vehicle and fuel technologies and the infrastructures to create an integrated approach to mobility and the environment. Unilever, best known for Lipton Tea and Dove soap, has invested in technology and worked with local farmers to develop

sustainable practices in the cultivation of palm oil, soy and other agricultural commodities. The result? Better relations with the local community, as well as higher crop yields.

Holcim, a Swiss cement company, has joined U.S. EPA climate leaders partnership, a voluntary program that challenges companies to set an aggressive corporate-wide greenhouse gas reduction goal to carry out an annual inventory of greenhouse gas emissions.

DuPont, a pioneer on sustainable development, designs products that pass rigorous criteria for reducing the use of energy, water and materials, and encourages the development of products based on the use of renewable resources.

Duke Energy, because the cleanest power plant is the one that is never built, Duke Energy believes energy efficiency should play a key role in reducing greenhouse gases. Its Save a Watt model is designed to help customers save energy and money and still earn a return for the company's investors. And the story goes on and on.

I firmly do agree with last month's *Harvard Business Review* article which had a fitting conclusion. "There is no alternative to sustainable development. In the future, only companies that make sustainability a goal will achieve competitive advantage." Business as usual simply won't work. We need new ways of dealing with the persistent challenges of old, poverty, infectious disease, and famine. But now added to these are the long list of more complex problems coming in the future such as climate change, consumption, growing and aging populations, entrenched values and ecosystem degradation and collapse. Solutions lie in the recognition from governments that they cannot create a sustainable future without the close cooperation with business. And, the reverse holds true as well.

This is not a game when everybody will come out as equals. There will be winners and losers. At Shell and Nokia and the broader membership of the World Business Council for Sustainable Development, we are building sustainable development into our core thinking and business strategies. Countries need to do this as well. Those whose governments put short-term domestic issues ahead of pressing global demands will in the end be just that, short-term. It is time for President Obama and the other world leaders to lead for the planet, as well as their countries, putting the needs of the Earth first is an excellent place to begin. A crunch time looms for our climate. I remind them all that history has a habit of remembering those who take a stand. In the spirit of partnership, long may we be remembered. Thank you for your time and attention. (Applause)

MS. LEINWAND: Okay, here's our first question from the audience. President Obama is committed to success in Copenhagen. How do you define success in Copenhagen?

MR. OLLILA: So you start with the easy one? (Laughter) So, success in Copenhagen, we do not need a definitive signed agreement by everybody which will take

us to the, so to speak, end solution, final solution, whatever you want to call it. But, we need some important statements, some important decisions which are commonly committed into, which will bring us one further step down the road in the road towards a low carbon economy.

This could mean some targets, goals which the states present adhere to in the area of reducing the carbon emissions, increasing the role of renewable energies, increasing other ways in which we can mitigate the global warming. But, it would be, in fact, even better and more important if there was a common will and understanding expressed that we need a mechanism on how we can get a price for carbon, details can be agreed later, but if there's a common understanding on that, then you can sort of work from that umbrella statement as a basic understanding, you can then work the details through the next following years and we can move ahead.

It seems that there are a number of areas where you certainly can expect there will be agreements; i.e., in the area of forest and land use. There clearly seems to be good international progress in the discussions, as well as when you look at the commitments into technology, those commitments are already very much there.

But, the important thing for me in terms of defining success would be that if there was a common acceptance of the concept that we need a price for carbon. Then a lot would follow on that and that would take us a long way on the road to a low carbon economy.

MS. LEINWAND: There's more. Anyone who watched the most recent round of U.N. climate negotiations in Bangkok last week saw countries positioning themselves to blame the United State if talks fail in Copenhagen. Are they right? If talks fail, will the U.S. be to blame?

MR. OLLILA: I don't think that is the case. U.S. is an important player, that is for sure. So are some of the key emerging economies, China, India included. But when I'm looking at the European sentiment, I don't think there is any finger pointing there. When I am looking at the Asian sentiment, I don't see finger pointing there. In fact, if we look at the statements by the Indian and Chinese statesmen in the recent months, we see a lot of very positive signals. And one always has to remember that statements in these conferences, and particularly in the corridors, are very different from what is happening on the ground.

As a businessman during the past 30 years, I've learned to trust more on the actions than the talk. And when I'm looking at what is happening, in fact, in China today, what is starting to happen, clear signals also in India. And when you look at how the sentiment has changed in the U.S. and how the decisions on commitments on the either state level or discussion in the Congress, even if we don't know how we will end up, there's a huge change in the years. And the actions, particularly when you look at the technology commitments as part of the stimulus packages, we have come a long way and

we will come a long way when we start implementing some of those actions which have been decided upon.

So, I do not see a big blame game under way and I did not detect it that way around Bangkok. It was very difficult to get any positive news from Bangkok, that's for sure. I think it was very thin on any news other than disappointment that there was hardly any progress. But, it's still true that nobody was saying that, "This will not work. We are doing something which is not useful." You did not hear that statement and that's also important to make a note of.

MS. LEINWAND: You mentioned the need for large scale cooperation across companies and industries. What is the WBCSD doing internally to foster this among its own members?

MR. OLLILA: The WBCSD is an organization which is about 15 years old and has actually, among its members and in the industries more broadly, become to be known to be at its best in the area that the question refers to; i.e., it's a best practices organization. It's an organization which is working on in terms of identifying, defining, developing, articulating and then communicating the best practices in the area of sustainability. Publications and the work is always transparently available and there, all of the companies can communicate what they are doing and that is a big partner developing exercise or stimulant, as such.

And everybody can then benchmark oneself in the different industries to what the best in particular industries are doing. So we're an organization which believes in the power of know how, knowledge, example and transparently working across industry towards some common goals which have been defined in a way which anybody would applaud today as being the model for a sustainable future. So, it's a tremendous machine of providing the best practice information and has worked well to develop partnerships across industry cooperation.

MS. LEINWAND: How do you suggest that companies manage the risks associated with innovation in order to speed up development of new initiatives?

MR. OLLILA: Manage the risks? Well, well. That's risk, too, on top of all of the others. Clearly, new technologies in the area of clean tech, renewable, energy efficiency, et cetera, it's not that different, the innovation process, from any other innovation process. So same rules of the road apply on how you manage your own internal innovation process, how you actually open source the innovation that you have, i.e., work in open collaboration with your potential partners. Surely, you want to have your own core, but you want to get the benefit of the openness.

And actually, it is this open sourcing and working openly across industries with your potential partners that has lowered, in many cases, the risks that you have. And that does apply for this more than anything else because of the complexity of the

public/private partnerships needed in commercialization and implementation of the technologies that are being developed.

So I think the openness is probably the one thing that I would highlight while saying that we're not that different in terms of the demands for any innovation process that you have.

MS. LEINWAND: Do you foresee an international carbon trading scheme in which certain countries or regions with low 1990 emissions have a competitive advantage?

MR. OLLILA: Yeah, I think the question refers, if I backtrack a bit and then I'll come back to the question, the question seems to refer to the situation which when you design a cap in trade system, you always have a lot of issues of fairness which are viewed very differently depending on which angle the viewer is looking at it all. It's very clear that those who historically have had a low set of emissions, low emissions, they will benefit. And if there is one particular year which is used as a base, that might lead into some arbitrary situations. So, that's an area where you need to look at very carefully so you don't create anomalies because that eats into the credibility of the system.

So 1990 was used for Germany as a base, as well as for everybody else. And Germany looks very favorable because the unification of Germany changed the game fundamentally. And there are some one-off events which can change that. Do I foresee that such things will not be avoided in the future? There's a lot more work going on now into designing potential cap in trade systems so that they would avoid some of these views which we have in the Kyoto Agreement because those distractions or those problems in the Kyoto obviously had eaten up to the credibility of the Kyoto Agreement. We don't want a system which has loss of credibility on day one. We want something which people have a lot of credibility on and understand this is on the best interests of all of us in the long term.

I do believe that in order for us to get a price on carbon, we need a trading scheme. I believe that's a better system in terms of the global design needed than a tax. Tax is more difficult to implement and tax has an added disadvantage that politicians who put up taxes typically are not reelected. So, there's a political problem. But the concern about one base year is obviously valid. Let's hope there's wisdom in avoiding that.

MS. LEINWAND: How do you propose to establish credible verification, low cost mechanisms to justify carbon payments or prices? So what would your scheme be for setting these carbon cap in trades?

MR. OLLILA: Obviously, these are some of those practical details which are not insignificant. The workings of a system mean that you have to have a credible design of many practicalities. But once those have been put in place, I have no doubt that we will come home. What is the mechanism? I don't have a view, to be quite honest. That

will be under discussion when the necessary decisions are there. That's an implementation question. I'm sure there's a solution.

MS. LEINWAND: What role do you see for the development of carbon capture and storage in developing countries, particularly China?

MR. OLLILA: Carbon capture and storage is an interesting, important, even if in certain ways it's still only a promising technology because we have not applied it in commercial scale. It works in 2030 in demonstration projects in small plants, but we don't really have a commercial scale which would give us a view on what the cost would be long-term when we have moved up the learning curve.

This, we need to establish very quickly because the role of CCS in countries like China, which are heavily coal dependent in terms of generating their electricity is crucial. In China last year, 60, six-zero, 60 mega sized coal powered power stations, new power stations, were commissioned. So more than one a week was launched into use. And the pace continues today because energy-- The country is hungry for energy because GDP growth continues to be 9 to 10 percent, even with the recession we have. And much of that electricity has been generated by coal powered power stations.

There is no way on how we can medium-term, in the next three to five years, get meaningful control of the carbon emissions unless we are successful in establishing the CCS technology. It's crucial. Obviously, the financing issue remains a big question and that is very much foremost in the minds of the Chinese when they will arrive one morning in Copenhagen in about seven weeks time, six weeks time because of the cost of this technology today, is quite formidable. So this is a difficult one, but the role is fundamental.

MS. LEINWAND: I may look like I have a lot of questions up here, but seven of you ask the same one, so here we go.

MR. OLLILA: Okay. Do I have to answer that? (Laughter)

MS. LEINWAND: Shell is a member of both U.S. CAP and the U.S. Chamber of Commerce, groups with opposing agendas on climate legislation and on Copenhagen. Does the Chamber of Commerce speak for Shell when they lobby against climate legislation?

MR. OLLILA: How did I guess that it might be this one? This is an interesting one because every now and then, you get a question that you are part of this industry association, which typically Shell has been a member for 50 years, or in some cases close to 100 years. "Why didn't you leave because they are saying something which we know you don't agree? Or, have you changed your mind? Are you playing with two sets of cards, or something?" I think the answer is clear here. Number one, you don't come out and go in from industry associations depending on some of the views, even if they would be on important issues. Industry associations are important, industry bodies, they are an

important forum to get our point of view heard. So typically, it would be an extreme situation only to say that now we're saying goodbye.

But that has to be coupled with a situation where everybody transparently knows that we disagree with the view. And this is exactly happening. So you have seven people at least knowing there is a disagreement between Shell's position and in this case Chamber position. So, this is the way we are looking at it and we have made very clear to U.S. lawmakers and different authorities what our viewpoint is so that even if there were to be a mistake that some industry body would use our name, everybody would then know that this is not the case. So, we'll do our best to operate in this way and we'll-- I think our position on the climate change has become very clear, not only in the U.S., but more broadly and we're very happy with it.

MS. LEINWAND: Shell has been in the news lately because of the Justice Department's investigation into former Interior Secretary Gale Norton. Is Shell cooperating with the investigation and complying with the subpoenas? And does Shell support Gale Norton, and does she continue to play a role in the oil shale program?

MR. OLLILA: Well, this is an issue where Shell management has been communicating quite extensively so it's not for me to give any comment. Our position, I'm sure, is well known. So please get in touch with the Shell communication and they'll be helping you.

MS. LEINWAND: How does Shell's back to basics strategy combined with portfolio choices that will increase CO2 emissions post-2010 reconcile with the company's commitment to sustainable development? You want to keep that?

MR. OLLILA: Yes, please. I don't think, first of all, that the back to basics strategy, which is not a wording we have used, but it's been interpreted that way, and all fine. I like to go back to basics. So, I don't think that the company has in any way with some of the choices that I think somebody asking does refer to during the last 18 months when we have had a recession environment and we have been making some choices in terms of cost cuts, as well as portfolio, that we would have compromised. We have not compromised on our sustainability agenda and our commitment to that.

We are on track in terms of our goals in reducing the carbon emissions from our own operations and we have made a lot of progress in the renewables area in the past. So, we have not made a compromise and we will not make a compromise. The board is very clear on that.

MS. LEINWAND: We are almost out of time. But before I ask the last question, let me remind our members of our future speakers. On October 23rd, Christopher "Ludacris" Bridges, the hip hop icon, actor and founder of the Ludacris Foundation, will make a call for individuals to take an active role in community philanthropy.

On October 26th, Captain Wei Jiafu, President and CEO of Costco, will address U.S./China relations in general and discuss trade issues between the two countries. And on November 13th, Chik-fil-A Founder and Chairman, Truett Cathy and Chik-fil-A President and CEO Dan Cathy, the father and son team, will discuss their company's unprecedented sales growth despite a struggle economy and their recipe for success, hospitality, customer service and possibly chicken.

So again, I would like to present our guest with the traditional and much coveted NPC mug. (Applause)

MR. OLLILA: Thank you very much.

MS. LEINWAND: We've got one more question.

MR. OLLILA: Okay, one more question.

MS. LEINWAND: For your last question, is there a correlation between a company's sustainable practices and its stock market success?

MR. OLLILA: Definitely yes. It might not show in the short-term, but a little bit longer term, definitely yes.

MS. LEINWAND: Okay, thank you very much. (Applause)

MR. OLLILA: Thank you.

MS. LEINWAND: I'd like to thank you all for coming today. I'd also like to thank National Press Club staff members Melinda Cooke, Pat Nelson, and Joann Booz for organizing today's lunch. Also, thanks to the NPC Library for its research. The video of today's luncheon is provided by the National Press Club's Broadcast Operations Center. And our events are available for free download on iTunes, as well as on our website. Nonmembers may purchase transcripts, audio and videotapes by calling 202-662-7598, or emailing us at archives@press.org. For more information about the National Press Club, please visit our website.

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