



Press release

French and Brazilian company chairmans share their energy to combat climate change

Paris - Sao Paulo, 8th December 2009 – Inspired by the joint position taken on climate change by the presidents of Brazil and France on 14th November, the 25 companies in the Franco-Brazilian high level group¹ are working alongside their governments to support their approach and extend it through technological and industrial co-operation between the two countries.

“We can make a decisive contribution to this commitment, especially as the transition to a green economy will create new opportunities for development and employment” declared Gérard Mestrallet (CEO of GDF SUEZ), José Grubisich (Chairman of ETH), Jean-Pierre Clamadieu (CEO of Rhodia and Chairman of the MEDEF’s Sustainable Development Commission) and Roger Agnelli (Chairman of Vale) on behalf of the high level group.

The French and Brazilian companies have made a joint commitment to develop industrial partnerships that will target a reduction in greenhouse gases (GHG), placing the emphasis on:

- Combating deforestation, which is the main source of GHG emissions in Brazil, by converting forestry products and sub-products produced by wood conversion into energy;
- Developing cleaner and more sustainable production processes by using clean technologies, biomass as raw material for industrial chemistry, CO₂ capture and storage technologies and co-generation technologies;
- Developing renewable energy sources, with priority given to biomass and wind energy, which are still under-exploited in our two countries;
- Continuing solid co-operation in the civil nuclear industry, sustainable transport and water power fields.

The high level group states in its declaration that it is in favour of creating new, substantial financial assistance for developing countries and the least well-developed countries. It also encourages the introduction of stable, legal frameworks to guarantee respect for intellectual property rights in green technology transfers. In addition, the group recommends the progressive creation of a regulated, worldwide carbon trading scheme that will include a mechanism to encourage a reduction in emissions caused by deforestation and damage to forestry.

¹ *The Brazil-France high level group, which was created in the context of the strategic partnership between Brazil and France established in December 2008, co-chaired by Mr. Mestrallet (CEO of GDF-Suez) and Mr. Grubisich (Chairman of ETH) features directors of 25 French and Brazilian companies*.*

** M. Christophe Bonduelle (Bonduelle), M. Pierre-André de Chalendar (Saint-Gobain), M. Jean-Pierre Clamadieu (Rhodia), M. Louis Gallois (EADS), M. Patrick Kron (Alstom), M. Didier Lamouche (Bull), Mme Anne Lauvergeon (Areva), M. Gérard Mestrallet (GDF SUEZ), M. Gilles Pelisson (Groupe Accor), M. Jacques Veyrat (Louis-Dreyfus), M. Chris Viehbacher (Sanofi) ; M. Roger Agnelli (Vale), M. José Alquéres (Light), M. Paulo Butori (Sindipeças), M. Federico Curado (Embraer), M. Alberto Fernandes (Itau BBA), M. José Grubisich (ETH), M. Roberto Rodrigues (GV Agro), M. Helio Rotemberg (Positivo), M. Marcio Utsch (Alpargatas).*

BRAZILIAN-FRENCH JOINT DECLARATION REGARDING CLIMATE CHANGE

OUR VISION

Climate change constitutes one of the greatest challenges of our times. The Fourth Assessment Report by Intergovernmental Panel on Climate Change (IPCC) shows that an increase in global temperature levels above 2 degrees Celsius, in comparison to the temperature from the beginning of the industrial Revolution, would bring devastating consequences to our health, food security, habitability and environment. Such consequences could irreversibly compromise the world's sustainable development.

The reduction of the global emissions of greenhouse gases (GHG) is a great challenge. In order to stabilize global temperatures, the IPCC advocates the need to limit the concentration of CO₂ in the atmosphere. Both emerging and developed countries should pursue the best efforts to reduce their emissions.

We are experiencing a unique opportunity to build a new development model based on a low carbon economy, which will mobilize industries, governments, and civil society. We believe that Brazil and France have all the required conditions to lead the agenda of this new economic model. Both countries have committed themselves to reduce GHG emissions, in which will contribute significantly to the achievement of the proposed government's targets. Brazil and France, given their positive experiences with the production of biofuels and hydroelectric energy, demonstrate their capacity to meet this goal.

We believe the Brazilian and French industries can significantly contribute to turn our countries into world leaders in the transition to an economy based on low carbon emissions. We should take advantage of new business opportunities, generate job creation, and increase our competitiveness.

We are expecting an equitable share of the efforts, with participation by all countries in the battle against climate change, in accordance with the principle of common, but differentiated responsibilities. The developed countries must be at the vanguard of the fight against climate change, and the developing countries, according to their present and future responsibilities in climate change, must adopt their own emission reduction policies and measures in accordance with the reality of their growth and their economic and financial capacities.

To encourage such an agreement, we consider essential for developing countries to have the capability to rollout clean technologies on a large scale, and for the least developed countries to receive aid to encourage and boost their adaptation to a low carbon economy, and to the consequences of climate change. To this end, we call for the introduction of a new financial support for these countries. We also support the stepwise introduction of a properly regulated world carbon market, for example through extension and reform of the flexibility mechanisms of the Kyoto Protocol, in order to improve its efficiency and environmental integrity.

We also consider the transfer of technology to be an important factor in aiding developing countries to undertake the rollout of clean technologies. This transfer must include an adequate training of technical personnel and take place within a stable legal framework guaranteeing protection of intellectual property rights.

OUR COMMITMENTS

In contribution to the global efforts in reducing the impact of climate change, we are committed to the following:

- A. Annually publishing GHG emissions inventories from our operations, as well as our action plans to reduce emissions and adapt to climate change.
- B. Including options to reduce of GHG emissions as a strategic orientation in our investment decisions process, products, and services.
- C. Investing in carbon capture and sequestration and supporting reduction of emissions caused by deforestation and forest degradation.
- D. Acting consistently with our supply chain, envisioning the reduction of emissions from our suppliers and clients.
- E. Working closely with the Government, civil society, and the different sectors of industry, in the efforts to comprehend the impact of climate change in the regions where we operate and to adapt accordingly.
- F. Developing strategic partnership of the high-level Brazilian-French group in the area of sustainable development. We wish to both reinforce, and develop new partnerships and practical actions in several areas :
 - Energy production from forestry products and wood processing by-products, which would add value to the forestry economy and therefore reduce deforestation and forest degradation.
 - Clean production processes and CO2 capture and storage technologies.
 - Biomass as renewable raw material for the chemical industry and for the development of cogeneration technologies in energy production activities (based on bagasse in particular).
 - Energy efficient building, with the aim of producing model sustainable buildings in partnership.
 - Biofuels, already well-developed in France and in Brazil can be a topic of cooperation in third countries, giving priority to developing countries.
 - Wind energy, which receives substantial public-sector support, but , nevertheless remains underdeveloped in both countries. Such cooperation, which has already been the subject of partnerships between French and Brazilian businesses, could reinforce the positive lever effect for ramping up the French and Brazilian wind energy industries.
 - Civil nuclear technology, sustainable transport, and hydroelectric energy, which are already the subjects of firm cooperation agreements we wish to continue.
 - The transfer of technologies, promoted by creation and development of centres of excellence. These would enable joint development of appropriate mitigation solutions for the countries' specific environmental problems in terms of technology, infrastructure, and regulation. We consider that such centres of excellence, through synergy between the business of our two countries and adaptation to local conditions of the market and society, will contribute satisfactory support for the implementation of infrastructures essential for the development of solutions for adapting to climate change.

SUGGESTIONS TO THE GOVERNMENTS OF BRAZIL AND FRANCE

During the 15th Conference of the Parties (COP-15) under the United Nations Climate Change Convention, countries will discuss new commitments and incentives to the reduction of GHG emissions, the adaptation requirements, and the development, financing and technological cooperation to promote the reduction of global emissions and climate stability.

In order to Brazil and France may advance with a low carbon economy agenda, and to allow so that our companies are prepared to act under this new context, it is essential to develop a foreseeable and stable governance system to address climate change issues. We, therefore present to the Brazilian and French governments the following actions in regards to their participation at COP-15.

At the national level,

- A. Produce and publish annual estimates of GHG emissions, and, every 3 years, the national inventory of GHG emissions.
- B. Establish a national system of emissions control, including mechanisms to allow the society's consultation and participation to develop an independent regulatory institution for this theme.
- C. Prioritize the reduction of GHG emissions in public policies and investments, to consolidate the governmental position towards a low carbon economy.
- D. Promote the simplification of CDM project evaluation process inside the countries' bureaucracies.
- E. Define and implement a supporting policy to promote the Reduction of Emissions from Deforestation and Forest Degradation (REDD) among the forestry industry, rural producers, companies and institutions, that promotes actions on forest conservation and sustainable management.
- F. Define, refine, and implement national strategies for climate change adaptation.

At the international level,

- G. Assume a leadership position in the negotiations of the definition of a clear global GHG emissions reduction targets, and the principle of 'common but differentiated responsibilities'.
- H. Promote the establishment of an international organization devoted to the environment and sustainable development.
- I. Create a new financial support for developing and the least developed countries while promoting technology transfers for these countries within a stable legal framework.
- J. Facilitate the development of a properly regulated world carbon market and seek the improvement of the efficiency of the Clean Development Mechanism (CDM) by accelerating its administrative process through standard eligibility criteria and baseline definition.
- K. Support the creation of incentive mechanisms which promote the Reduction of Emissions from Deforestation and Forest Degradation (REDD), including conservation and sustainable management of forests. Such mechanisms would also provide the experience required to enable a future inclusion of forest-based mitigation actions into global carbon markets as well as must consider voluntary contributions, such as Brazil's Amazon Fund, and other funds based on market instruments


Rhodia is an international chemical company resolutely committed to sustainable development. As a leader in its businesses, the Group aims to improve its customers' performance through the pursuit of operational excellence and its ability to innovate. Structured around six Enterprises, Rhodia is the partner of major players in the automotive, electronics, flavors and fragrances, health, personal and home care markets, consumer goods and industrial markets. The Group employs around 14,500 people worldwide and generated sales of €4.8 billion in 2008. Rhodia is listed on NYSE Euronext.

For further details, please visit our institutional website at www.rhodia.com

Contacts Rhodia


Media Relations

Lamia Narcisse


 +33 (0)1 53 56 59 62

Investor Relations

Maria Alcon Hidalgo

 +33 (0)1 53 56 64 89

Benjamin Bruneau

 +33 (0)1 53 56 64 42