

# CONTROLLER JOHN CHIANG

## STATE OF CALIFORNIA

300 Capitol Mall  
Sacramento, CA 95814  
916.445.2636  
[www.controller.ca.gov](http://www.controller.ca.gov)

PR07:046

FOR IMMEDIATE RELEASE:  
SEPTEMBER 18, 2007

CONTACT: HALLYE JORDAN  
916-445-2636

## Chiang Petitions for Companies To Report Climate Change Risks

**SACRAMENTO** – State Controller John Chiang today joined a nationwide coalition of institutional investors and financial leaders in petitioning the Securities and Exchange Commission (SEC) to require publicly-owned companies to disclose information regarding the risks of climate change on their financial and business operations.

“Environmentalists, scientists and government regulators are not alone in their concern about climate change,” Chiang said. “The negative impact of greenhouse gas emissions is a growing concern of the global financial community as members consider investment opportunities and risks.”

In a letter to the SEC, a coalition led by Environmental Defense and Ceres urged the SEC to clarify the obligation of publicly-owned companies to disclose climate risk information that is crucial to millions of investors, who depend on complete and adequate information when making investment decisions. Current SEC disclosure policies require public corporations to disclose all facts about their performance and operations that may impact a shareholder’s decision to invest. The letter to the SEC emphasized that information should also include the possible impact of greenhouse gas emissions regulations on a company’s expenditures, earnings and competitive position.

“Investors are entitled to the latest climate change data so they can identify investment risks and opportunities,” Chiang said. “We are simply asking publicly-traded companies to disclose pertinent climate change information and how it may affect their bottom line.”

“Smart companies know that profits and jobs come from solving problems, not ignoring them. Investors have a right to know who is paying attention,” said Fred Krupp, president of Environmental Defense.

“The SEC needs to do more to protect investors from the risks companies face from climate change, whether from direct physical impacts or new regulations,” said Mindy S. Lubber, president of Ceres and director of the Investor Network on Climate Risk. “Shareholders deserve to know if their portfolio companies are well positioned to manage climate risks or whether they face potential exposure.”

-More-

As State Controller, Chiang is a member of the governing boards of the California Public Employees' Retirement System (CalPERS) and the California State Teachers' Retirement System (CalSTRS), the nation's two largest public pension systems. Both funds, which have a combined portfolio of more than \$400 billion, also signed the SEC petition.

In May, Chiang joined representatives of two-dozen leading institutional investors managing more than \$900 billion in assets in calling for the removal of Exxon Mobil's Public Issues Committee chairman, Michael Boskin. Boskin had refused to meet with shareholders concerned about Exxon's failure to take steps to reduce greenhouse gas emissions and expand renewable energy investments.

"Climate-change risk" can include possible physical damage to facilities, regulatory costs and incentives, and potential shifts in the market for products and services. A study published in January showed more than half of the 500 largest publicly-traded U.S. companies are doing a poor job of disclosing these risks to their investors.

A copy of the [Full Petition](#) and the [Letter to the SEC](#) Division of Finance is available.

###