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Controller Chiang, Treasurer Lockyer Announce Initiatives at UN Investor Summit on Climate Risk

NEW YORK – California Controller John Chiang and California Treasurer Bill Lockyer today joined more than 450 other leading institutional investors and financial leaders to unveil an action plan to address the growing risks and opportunities from climate change. Announced at the Investor Summit on Climate Risk at the United Nations, the plan calls for increased investments in clean energy technologies and providing investors with more information about a company's long-term environmental and financial risks. Signatories to the plan include more than 40 institutional investors which manage more than \$1.75 trillion in combined assets.

“We can review a company's income reports, cash flows and estimates, but we're often in the dark regarding its environmental impact,” Chiang said. “As institutional investors, we need solid information about a company's environmental risks and opportunities so that we can grow our bottom line while shrinking our carbon footprint.”

“This action plan is a message sent by \$1.75 trillion of financial muscle that fighting climate change is not only good for the environment, but good for business and good for investors,” said Lockyer. “In California, our public employees' and teachers' retirement funds have helped lead the way on green investment. This initiative will build on those efforts and hopefully encourage publicly-traded companies to maximize opportunities and minimize risks associated with climate change.”

At the all-day conference, the international investors and financial leaders discussed scientific findings and technological solutions regarding climate change, investment potentials in clean energy, and opportunities for economic growth and job creation. They also shared information on how individual investment funds were managing climate risks in their portfolios.

In moderating a panel discussion on “Factoring Climate Change into Institutional Investment Strategies,” Chiang announced he has taken the first step in moving forward the [Investor Summit's action plan](#) by asking the nation's two largest public pension plans, the [California Public Employees' Retirement System](#) and the [California State Teachers' Retirement System](#), to amend their corporate governance policies. He asked CalPERS and CalSTRS to survey investment managers in their portfolios on their ability to evaluate climate risks and

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opportunities and consider adopting a [checklist](#) used by the Investor Network on Climate Risk to evaluate best practices on how to vote on proxy resolutions regarding climate risks and disclosures. Chiang and Lockyer both sit on the governing boards of the two systems, which have combined assets of more than \$400 billion.

Lockyer presented the summit's action plan during a panel discussion on "Investor Action Plan to Manage Climate Risk and Capture Opportunities." The plan includes investing \$10 billion in clean technology over the next two years with a goal of reducing energy use in core real estate holdings by 20 percent over the next three years. The plan also calls for incorporating green building standards – such as LEED (Leadership in Energy Efficiency and Design) and Energy Star – into their investment decisions; strengthening the ability of asset managers, investment consultants and financial advisors to assess climate risks and opportunities; expanding climate risk scrutiny; and encouraging companies and investors to support government action on climate policy.

The plan also calls for continuing to engage the Securities and Exchange Commission (SEC) to require companies to disclose material climate risks as part of their regular securities filings with the SEC. In addition, the plan continues efforts to have the SEC recognize shareholders' rights to vote on resolutions related to climate change and develop expertise on climate change risks and other environmental and social issues that pose financial risks to corporations and investors.

The summit was hosted by Ceres, a leading coalition of investors, environmental groups and other public interest organizations working with companies to address climate change; the Investor Network on Climate Risk (INCR), a network of 60 institutional investors with collective assets totaling more than \$4 trillion; and the United Nations Foundation, created in 1998 to support UN causes and activities and to build public-private partnerships to address the world's most pressing problems.

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