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10 TOP STATE, LOCAL, UNION INVESTORS URGE SEC, CORPORATE, WALL STREET ACTION ON GLOBAL WARMING RISKS TO PENSIONS

Treasurers, Comptrollers from CT, CA, NY, NYC, ME, NM, OR, VT, and Labor Pension Funds Issue "Action" Steps, Create New Network At UN Summit

(United Nations) -- Eight state and city treasurers and comptrollers and two major labor pension fund leaders today issued a 10-point "call for action" demanding tough new steps by the U.S. Securities and Exchange Commission (SEC), corporate boards and Wall Street firms to increase corporate disclosure of the risks posed by climate change to pension fund investors.

In an unprecedented institutional investor summit held at the United Nations (UN), the officials said that they will immediately petition the SEC for enforcement of environmental risk disclosure requirements, seek climate risk disclosure at companies in the oil & gas, electric power, automobile and other sectors, and form an "Investor Network on Climate Risk" to follow through on their plans. They also urged other institutional investors such as pension and mutual funds to vote in support of shareholder resolutions seeking disclosure of climate risks for investors. (For details on the 10-point action plan and the network, go to http://www.incr.com on the Web.)

The initial members of the Network and signers of the 10-point call for action include Connecticut Treasurer Denise Nappier, Maine Treasurer Dale McCormick, New Mexico Treasurer Robert Virgil, New York City Comptroller William Thompson, New York State Comptroller Alan Hevesi, Oregon Treasurer Randall Edwards, California Treasurer Phil Angelides, Vermont Treasurer Jeb Spaulding, SEIU National Industry Pension Fund Director Steve Abrecht and CWA/ITA Negotiated Pension Plan Chairman William Boarman.

Connecticut Treasurer Denise Nappier said: "Companies that fail to adequately disclose potential liabilities related to climate risk and financial analysts who ignore the potential financial risks of investments in these companies run the risk of fueling the next governance crisis. As investors, we can not afford any more casualties of corporate irresponsibility or regulatory loopholes."

The major new announcements were made at the Institutional Investor Summit on Climate Risk held at the United Nations Friday, an historic meeting marking the first time major pension funds and other institutional investors met to consider the risks to portfolios posed by climate change. Also in attendance were senior executives of Bank of America, Bank of New York, Goldman Sachs, Lazard Asset Management, Lehman Brothers, Marsh and McLennan, Morgan Stanley, Moody's and Standard and Poor's.

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UN Foundation President Timothy Wirth said: “While critics have often accused Wall Street of taking the short-term view, the pension fund leaders who supported this meeting have realized that to protect their retirees they must take the long view of climate change. In doing so, they are discovering important common ground with the UN, which is also dedicated to expanding global prosperity.”

The summit was organized by CERES, a U.S.-based coalition of investment funds and public interest groups, and co-chaired by Connecticut State Treasurer Denise Nappier and United Nations Foundation President Timothy Wirth. The United Nations Fund for International Partnerships, the UN Environment Programme, and other UN agencies supported the meeting.

Also in attendance at the summit were trustees of Los Angeles and New York City pension funds, the heads of the California Public Employees Retirement System (CalPERS) and the California State Teachers' Retirement System (CalSTRS), as well as representatives of the New York State Teachers' Retirement System and the Michigan Municipal Employee Retirement System. Other attendees included former U.S. Vice President Al Gore, currently vice chairman of Metropolitan West Financial, and John Coomber, CEO of Swiss Re.

New York State Comptroller Alan Hevesi said: “Today, we are taking aim at the SEC for not enforcing key rules on disclosure of environmental issues. We are focusing on corporate boards that come up short on corporate governance by failing to analyze and disclose environmental risks. And we urge Wall Street fund management firms to develop an analysis of climate change risk for portfolio companies and industries.”

California State Treasurer Phil Angelides said: “In global warming, we are facing an enormous risk to the U.S. economy and to retirement funds that Wall Street has so far chosen to ignore. The corporate scandals over the last couple of years have made it clear that investors need to pay more attention to corporate practices that affect long-term value. As fiduciaries, we must take it upon ourselves to identify the emerging environmental challenges facing the companies in which we are shareholders, to demand more information, and to spur needed actions to respond to those challenges.”

CERES Executive Director Mindy Lubber said: “This event demonstrates that major institutional investors are aware that climate change is likely to harm not only our planet but also our pocketbooks and our pension checks. The treasurers and other fiduciaries at the UN have a lot of questions for their fund managers, and we hope they get the answers quickly.”

10-POINT ACTION PLAN

The 10-point action plan reads as follows:

1. The Securities and Exchange Commission (SEC) to enforce corporate disclosure requirements under regulation S-K on material risks such as climate change and to strengthen current disclosure requirements – as requested by investors and others in recent petition to the SEC (File # 4-163). Current SEC disclosure regulations require registrants to disclose trends and uncertainties that are likely to have a reasonable impact on a company's operations. Studies show that many companies are failing to adequately disclose climate change-related risks to their shareholders in accordance with these rules. Furthermore, strengthening the current accounting rules governing the estimation and disclosure of environmental liabilities would lead to better transparency.

2. The Securities and Exchange Commission to re-interpret or change its proxy rules under Section 14(a)-8 relating to “ordinary business” to recognize that shareholders should have the

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right to vote on resolutions asking their companies to report on financial risks that may be faced due to climate change.

3. Boards of directors of companies under the principle of "duty of care" to ask corporate management to provide them with information and analysis on the potential financial risk to the company from climate change, and plans to mitigate any risk, and to report this information to shareholders.

4. Companies in sectors that are the major source of greenhouse gas emissions – including automobile manufacturing, electricity generation, and oil and gas production and refining – to prepare a report for shareholders with financial analysis (at reasonable cost and omitting proprietary information) on how the company may be affected by regulatory, competitive, legal, and physical impacts of climate change.

5. Companies that are not sources of greenhouse gases, but whose operations may be affected by climate change, to analyze the potential impact of climate change on the company and report the results of that analysis to shareholders.

6. Investment managers, who manage funds for us and other institutional investors and who make recommendations for the buying or selling of stock, to include in their examination of corporations, sectors, and managed funds an analysis of the potential financial impact of climate change.

7. Institutional investors –including mutual funds, pension funds, foundations, endowments – to adopt proxy voting guidelines which support the disclosure of the potential financial risk of companies in which they invest due to climate change and to vote for shareholder resolutions requesting disclosure of this information.

8. The U.S. Congress and the Executive Branch, when developing policies to address greenhouse gas emissions, to assess the future financial impact of climate change on the value of our long-term investments.

9. We encourage state governments, (and their regional organizations), to assess the potential financial impact of climate change on their states, and businesses that operate in them.

10. Finally, to follow through on the Institutional Investor Summit on Climate Risk and this Call for Action, and to further promote investor and corporate engagement and understanding of the range of risks posed by climate change, we will support the creation of an Investor Network on Climate Risk (INCR)."

GLOBAL WARMING BACKGROUND

Industry sectors that contribute to global warming through major emissions of carbon dioxide, and are therefore vulnerable to new regulation and possible future legal action, include: electric power, transportation (including auto), oil and gas, and some manufacturing. Recent studies have also suggested that because U.S. companies are not currently subject to carbon dioxide regulation in the U.S., they are falling behind their foreign counterparts in developing new, carbon-free technologies, and will hold costly "carbon burdens" in global emissions trading markets. Industries identified as vulnerable to the effects of global warming itself include: agriculture, fisheries, forestry (pulp and paper), insurance, real estate, tourism, and water.

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