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U.S. COMPANIES FACE RECORD NUMBER OF GLOBAL WARMING SHAREHOLDER RESOLUTIONS ON WIDER RANGE OF BUSINESS SECTORS

Connecticut Pension Fund Among Public, Foundation, Labor and Religious Investors Seeking Corporate Action on Climate Risk Issues

Oil and gas companies, electric power producers, real estate firms, manufacturers, financial institutions and automakers face a record number of global warming resolutions that have been filed by shareholders for the 2005 proxy season.

State and city pension funds and labor, foundation, religious and other institutional shareholders have filed 31 resolutions – including two by the Connecticut Retirement Plans and Trust Funds -- requesting financial risk disclosure and plans to reduce greenhouse gas emissions with nine oil and gas companies, six manufacturers, three electric power providers and two automakers.

The companies are among the largest greenhouse gas emitters in the country, making them especially vulnerable to the risks of likely regulatory- and market-based limits on carbon dioxide emissions worldwide. In addition to the 31 resolutions, shareholders are also involved in negotiations with several dozen other companies aimed at improving those companies' disclosure and action on climate risk.

The 31 filings surpass the 22 global warming shareholder resolutions filed last year, and come as the Kyoto Protocol, which requires dozens of industrialized countries around the world to reduce their greenhouse gas emissions by about 5 percent below 1990 levels by 2012, takes effect. The United States did not ratify the protocol, but many of the U.S. companies subject to shareholder resolutions will need to reduce emissions in Europe, Canada, Japan and other countries.

"The new regulatory environment regarding climate change brings both risks and opportunities for companies in countless industries. The consequences for those companies that do not act responsibly and take steps to assess these risks and opportunities – and share that assessment with investors – can be quite serious," said Connecticut Treasurer Denise L. Nappier, principal fiduciary of the $20 billion state pension fund, which has submitted resolutions at General Motors and Ford Motor Co.

Many of last year's resolutions received the highest voting support ever, particularly in the oil and gas sector where support levels were as high as 37 percent. Seven resolutions were withdrawn by filers last year – including one by Connecticut -- after companies agreed to undertake climate risk assessments and committed to specific greenhouse reduction targets. American Electric Power (AEP), Cinergy, TXU and Southern all agreed to shareholder requests by promising climate risk reports. The first of the companies was AEP, the largest U.S. emitter, which agreed to do so

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following negotiations with the Connecticut pension fund. Those reports have all been completed except for Southern's.

New York City Comptroller William C. Thompson Jr., said: "With increasing, credible, scientific evidence that global warming is occurring, and given the potential environmental and regulatory impacts across companies and industries, the boards of directors of public companies should direct their managements to assess these effects and to disclose the findings to their shareholders."

One or more resolutions have been filed in 2005 with each of the following U.S. companies:

- **Auto sector:** Ford Motor Co.; General Motors Corp.
- **Electric power sector:** Dominion Resources; FirstEnergy; Progress Energy
- **Oil and gas sector:** Anadarko Petroleum Corp; Apache Corp.; ChevronTexaco Corp.; ExxonMobil Corp.; Marathon Oil Corp.; Tesoro Corp.; Unocal Corp.; Vintage Petroleum; XTO Energy Inc.
- **Manufacturers:** Allergan; Avery Dennison; Analog Devices; Corning; Dow Chemical; Newell Rubbermaid
- **Real estate sector:** Centex Corp.; Health Care Property Investors; Lennar Corp.; Liberty Property Trust; Ryland Group Inc.; Simon Property Group
- **Financial services sector:** J.P. Morgan Chase & Co.; Wachovia; Wells Fargo & Co.

ExxonMobil, which generates more than a third of its revenues in Kyoto participating countries, and the manufacturers, have received resolutions that focus specifically on understanding how the companies plan to meet Kyoto greenhouse gas reductions targets.

In the case of Ford and General Motors, they are asked, among other items, to report on how they plan to remain competitive given the growing regulatory push to reduce greenhouse gas emissions from motor vehicles, as exemplified by actions in California, the Northeast states, Canada and overseas.

The shareholder filers, collectively representing over $250 billion in assets, include state and city pension funds, three foundations, socially screened mutual funds and a number of religious funds associated with the Interfaith Center on Corporate Responsibility (ICCR). The filings were also coordinated by Ceres, a coalition of investors and environmental groups dedicated to improving corporate disclosure and practices on climate change and other issues.

"Adoption of the Kyoto Protocol adds even greater urgency to these shareholder resolutions. There's a rising tide of investor concern because carbon limits are taking effect around the world," said Mindy S. Lubber, president of Ceres.

The resolutions come at a time of growing investor demand for information on how energy-intensive sectors are planning for coming constraints on carbon emissions. The electric power sector, which generates 39 percent of the CO_2 emission in the U.S. and 10 percent globally, has received many of the resolutions in the past. Many of the resolutions seek greater disclosure on how the companies are responding to and preparing for rising regulatory and competitive pressures to reduce greenhouse gas emissions.

Leslie Lowe, program director of ICCR, added: "More companies are taking global warming seriously because of shareholder concerns and we're hopeful that will result in some of these resolutions being formally withdrawn as companies agree to more climate risk disclosure and actions to mitigate risks."

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