



Global Finance Community Joins UN to Tackle Climate Change

Institutional investors managing USD 3.22 trillion back new call for action at 2005 Investor Summit on Climate Risk

New York, 10 May 2005 – An unprecedented grouping of pension funds, foundations, European investors and US state treasurers have joined today with the United Nations to back a new call for urgent action by the global investment community to tackle the threat of climate change.

Faced with growing evidence of the negative economic consequences of climate change this powerful alliance of institutional investors managing USD 3.22 trillion (see below) are pressing for capital market regulators to demand more rigorous corporate disclosure of climate risks.

Amongst other commitments, they are also seeking to unlock USD 1 billion in capital in the next year for investment in clean technology. The 2005 Call for Action was made at a summit at the United Nations headquarters in New York.

Klaus Toepfer, Executive Director of the United Nations Environment Programme (UNEP), told participants at the summit, "The local and global challenges created by climate change - environmental, economic and social - are manifold and will both multiply and accelerate in our lifetimes. For the world's financiers, investors and capital markets the time to act is now."

Toepfer continued, "If our money markets are to manage climate risk more effectively then we must have greater corporate disclosure of how companies are dealing with the economic threats posed by global warming."

The United Nations' environmental head welcomed the 2005 Summit "Call for Action" - signed by 20 major investors – and said, "Investors backing these practical and pragmatic steps send a strong signal to the markets that climate risk is real and needs to be managed aggressively."

The 2005 "Call for Action" came as more than 400 financiers, government and civil society experts met at UN headquarters in New York for a summit to explore risks to the investment world resulting from global warming. The summit, which follows on from the first such gathering in November 2003, is co-hosted by UNEP, the United Nations Foundation, the United Nations Fund for International Partnerships and the Boston-based US non government organization CERES.

The four co-hosts are backing three post summit initiatives to support the call for action by the investors. The initiatives are:

A New Climate Risk Disclosure Initiative (CRDI). This will be aimed at enhancing corporations' climate risk disclosure. The effort will focus on disclosure of corporate emissions, climate

actions, scenario analysis, strategic analysis, and plans to address climate risks and opportunities.

UNEP and the UN Global Compact, working with leaders in the institutional investment community, are developing Principles for Responsible Investment (PRI).

A New Forum for International Investor Cooperation in Addressing Climate Risk. This forum will promote collaboration and information sharing among investors internationally about actions to address the financial risks and investment opportunities posed by climate change.

The New York summit comes shortly after the world's biggest reinsurance companies confirmed that 2004 saw the largest ever insured losses from natural catastrophes.

According to Munich Re, economic losses totalled US\$145bn in 2004. This included insured losses of US\$ 44bn from natural catastrophes, the highest ever recorded. While Swiss Reinsurance has published statistics that show 2004 was a record year in terms of claims, mainly due to hurricanes, cyclones and typhoons.

“On the one hand, the negative economic consequences of climate change are clear,” said Toepfer. “Yet for the financial and business communities our efforts to adapt to and mitigate climate change and its impacts present emerging opportunities for those with the vision, entrepreneurial flair and commitment to embrace new business challenges,” he said.

As well as seeking to understand the economic and financial risks associated with climate change the business world is also awakening to a range of emerging opportunities associated with efforts to tackle global warming.

It is estimated that greenhouse gas emissions trading markets could be worth \$2 trillion by 2012 and it is further estimated that the market for clean technologies could be worth \$1.9 trillion by 2020.

Note to Editors

There are 20 institutional investors signing and 3 international investors supporting the 2005 Summit Action Plan, representing a total of over \$3.22 trillion. The list includes:

State Treasurers:

Phil Angelides, Treasurer, State of California, Randall Edwards, Treasurer, State of Oregon, Nancy Kopp, Treasurer, State of Maryland, David Lemoine, Treasurer, State of Maine, Denise Nappier, Treasurer, State of Connecticut, Jeb Spaulding, Treasurer, State of Vermont, Robert Vigil, Treasurer, State of New Mexico

State and City Controllers:

Alan G. Hevesi, New York State Comptroller, William Thompson, Comptroller, New York City, Steve Westly, Controller, State of California

Public Pension Funds:

Jack Ehnes, CEO, California State Teachers' Retirement System (CalSTRS), Edward Smith, Chairman, Illinois State Board of Investment

Labor Pension Funds:

Steve Abrecht, Executive Director, National Industry Pension Fund, Service Employees International Union (SEIU), William J. Boarman, Chairman of the Board of Trustees, CWA/ITU Negotiated Pension Plan, R. Thomas Buffenbarger, President, International Association of Machinists, M. Benny Hernandez, Administrator, Sheetmetal Workers Pension Fund, C. Thomas Keegel, General Secretary Treasurer, International Brotherhood of Teamsters; Trustee, Teamsters Affiliates Pension Plan, Bruce Raynor, Secretary, UNITE HERE National Retirement Fund (Union of Needletrades, Textiles and Industrial Employees and Hotel Employees and Restaurant Employees International Union)

Foundations:

Lance E. Lindblom, President and CEO, The Nathan Cummings Foundation

Religious Funds:

William Somplatsky-Jarman, Presbyterian Church (USA)

European Investor Supporters of the Call for Action:

Sir Graeme Davies, Chairman, Universities Superannuation Scheme, Peter Scales, Chair, Institutional Investor Group on Climate Change, Neil Newton, Chair, London Pensions Fund Authority

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UNEP News Release 2005