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NEWS RELEASE

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State Treasurer and VPIC Ask for Risk Assessment from Fossil Fuel Companies

MONTPELIER, Vt.—Both the Vermont State Treasurer and VPIC want large fossil fuel companies to determine the financial risks that climate change poses to their business plans. Treasurer Beth Pearce and the Vermont Pension Investment Committee are part of a group of 70 global investors calling for the world's 40 top oil and gas, coal and electric power companies to consider the risks associated with global pressures to reduce fossil fuel use.

"Through such collective efforts, Vermont can use its position as an investor to encourage companies to analyze the viability of their business practices," explained Pearce. "It seems reasonable to ask the world's top oil and gas, coal and electric power companies to respond to shareholder requests to analyze the impact of continued investment in fossil fuels within a global economy that could be impacted by risks posed by climate change."

The effort is being coordinated by CERES, a nonprofit organization focused on mobilizing business and investor leadership on climate change, water scarcity and other sustainability challenges. The effort also is supported by the Global Investor Coalition on Climate Change.

The Vermont Pension Investment Committee voted in September to support the coalition initiative. VPIC manages more than \$3 billion in assets for the Vermont pension systems serving State employees, teachers, and municipal system members. Pearce serves as one of the seven committee members.

"VPIC supports the use of constructive engagement with the companies in which it is invested to further environmental, social and corporate governance goals where possible. VPIC exerts its influence as a substantial institutional investor through its proxy voting policy and by supporting appropriate initiatives sponsored by organizations such as CERES," said VPIC Chair Stephen Rauh.

Global investor group members calling for the assessment are based in the United States and Europe. Last month, letters were sent to the fossil fuel companies requesting detailed responses before their annual shareholder meetings in early 2014. Joining Vermont were investors from California's two largest public pension funds and the New York State and New York City Comptrollers.

"When Vermont works in collaboration with other states and entities, we are able to engage with businesses to meet common policy goals," said Pearce.

The Treasurer's office is a founding member of the CERES investor network on climate risk, formed in 2003. Earlier this year, VPIC incorporated language into its proxy voting policies that provide for comment on a variety of issues including greater disclosure of environmental practices; environmental risks and liability; reduction of greenhouse gas emissions and pollution;

investments in green and sustainable energy technologies; and alternatives to hydraulic fracturing.

As of October 23, global investor group members had received preliminary responses from 20 companies. Responding companies indicated a willingness to engage with the investor community to determine the legitimate risk issues around carbon reserves and how they can be responsible stewards of capital in the future in regards to risks posed by climate change.