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## LARGEST GROUP EVER OF WORLD INVESTORS CALLS FOR STRONG GLOBAL CLIMATE CHANGE TREATY

**Lord Nicholas Stern and NY State Comptroller DiNapoli join Investors at New York Investor Forum**

NEW YORK CITY — The world's largest global investors issued a joint call today for strong action this year from international policy makers in the fight against global warming.

Amid the growing focus on upcoming international climate treaty talks, global investors meeting at a Climate Change Forum in New York issued a major policy statement calling for a strong and binding international treaty that will reduce pollution and catalyze massive global investments in low-carbon technologies. Signed by 181 investors collectively managing more than \$13 trillion in assets, today's investor statement is the largest of its kind on climate change in world history.

Co-ordinated by four leading investor groups on climate change the US-based Investor Network on Climate Risk (INCR), the European Institutional Investors Group on Climate Change (IIGCC), the Investors Group on Climate Change (IGCC) in Australia and New Zealand and the United Nations Environment Programme Finance Initiative (UNEP FI) operating globally, the statement formalises the private sector's requirement for a strong, binding framework to succeed the Kyoto Protocol.

Investors released the statement at an all-day International Investor Forum on Climate Change hosted by New York State Comptroller Thomas P. DiNapoli and keynoted by British economist Lord Nicholas Stern.

"Unmitigated climate change poses a threat to the global economy, said Stern, chair of the Grantham Research Institute on Climate Change at the London School of Economics and Special Adviser to the Group Chairman of HSBC on Economic Development and Climate Change. "But building a low carbon economy creates opportunities for investment in new technologies that promise to transform our society in the same way as the introduction of electricity or railways did in the past."

The statement calls for the following elements to be included in a global climate change treaty.

- A global target for emissions reductions of 50-85% by 2050 (1990 baseline)
- Developed country emissions reduction targets of 80-95% by 2050 with interim targets of 25-40% by 2020 backed up by effective national action plans
- Developing country action plans that deliver measurable and verifiable emission reductions
- Government support for energy efficient and low carbon technology
- Measures that support the move to an effective global carbon market, including ambition caps, fair and efficient allocation of allowances and links between different trading schemes
- Revisions to the Clean Development Mechanism to ensure real, permanent and verifiable emission reductions
- Public financing mechanisms that leverage private sector finance for investment in developing countries
- Measures to reduce deforestation and promote afforestation

- Support for adaptation to unavoidable climate change impacts

"Climate change has quite rightly been framed as the greatest market failure ever. The magnitude of the negative economic impacts and the potential of climate change to bankrupt our global financial system, as well as to threaten the planet's life supporting natural ecosystems, are chilling," said Rob Tacon, Chair of UNEP Finance Initiative. The financial services community in general, and long-term institutional investors in particular, can play a critical leadership role in ensuring that capital at scale is directed to the emerging clean, green, low carbon economy that will underpin the most vibrant industries of the future."

"The stage is set for a series of decisions which will be critical to how climate change investment advances post-2012, said Peter Dunscombe, Chairman of IIGCC. "To-date investment decision-making has been hampered by weak, disparate and uncertain policies, as well as short time horizons. The specific measures we have called for today will provide a much more supportive investment environment, thus enabling long-term private sector investment essential to address climate change. Failure to act is an option which carries with it damaging consequences."

"Investors have a crucial role to play in building a low-carbon, energy efficient global economy," said Mindy S. Lubber, president of Ceres and director of the Investor Network on Climate Risk, which co-convened today's forum. "But without strong policies that encourage clean technologies and discourage high-polluting technologies, their hands are tied."

Today's forum comes in advance of key negotiations in Copenhagen this December to ratify a new international climate change treaty after the Kyoto Protocol expires in 2012. The outcome of those climate talks depends heavily on the course of debates in the U.S. Congress on climate and energy legislation. The House passed a comprehensive bill in June and Senate consideration of a similar climate bill is expected to begin within weeks.

Signatories to the statement include financial institutions, state treasurers, controllers, pension fund leaders, asset managers and foundations worldwide. To see the list of signers, visit <http://www.unepfi.org/investorstatement>

Frank Pegan, Chair IGCC (Australia/New Zealand), added: "The international investment community has united to provide the clearest possible signal as to the requirements it has for a post-2012 framework. It is vital that governments internationally take these factors forward at Copenhagen and lay the foundations the private sector needs to build a low carbon economy and foster the development of adaptation measures."

The Investor Forum was sponsored by the New York State Comptroller, Ceres, the European Institutional Investors Group on Climate Change (IIGCC), the Investors Group on Climate Change (IGCC) Australia/New Zealand, the P8 Group, and United Nations Environment Programme Finance Initiative.

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**Notes to Editors:**

**Ceres** is a leading coalition of investors and environmental groups working with companies to address sustainability challenges such as climate change. Ceres also directs the Investor Network on Climate Risk, an alliance of 80 institutional investors with collective assets totaling more than \$7 trillion.

**The Institutional Investors Group on Climate Change (IIGCC)** is a forum for collaboration on climate change for European investors. The group's objective is to catalyze greater investment in a low carbon economy by bringing investors together to use their collective influence with companies, policymakers and investors. The group currently has 56 members, representing assets of around €4trillion.

**The Investor Group on Climate Change Australia/New Zealand (IGCC, Australia/New Zealand)** represents institutional investors operating in Australia and New Zealand, with assets around A\$500 billion, and others in the investment community interested in the impact of climate change on investments. The IGCC aims to ensure that the risks and opportunities associated with climate change are incorporated into investment decisions for the ultimate benefit of individual investors.

**The United Nations Environment Programme Finance Initiative (UNEP FI)** is a global partnership between UNEP and the financial sector. Over 170 institutions, including banks, insurers, fund managers and investors, work with UNEP to understand the impacts of environmental and social considerations on financial performance.

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