



Press release

2nd April 2009

Investors urge President Obama to focus on international climate negotiations

As UN negotiators meet in Bonn, global investors have sent a letter to President Obama urging him to play a leading role in helping the world to conclude a timely, binding, fair and effective global agreement on climate change.

The investors argue that it is critical that the new US administration is closely involved in drafting the text that will form the basis of the negotiations in the run-up to the UN climate conference in Copenhagen in December. Without this, it is unlikely that a timely deal on climate change can be concluded.

Three leading investor groups on climate change, the European Institutional Investors Group on Climate Change (IIGCC), the US-based Investor Network on Climate Risk (INCR), and the Investor Group on Climate Change (IGCC) in Australia and New Zealand, co-ordinated the letter. These groups comprise 124 institutional investors, collectively managing approximately \$6.5 trillion in assets.

The investors have asked President Obama to ensure that the agreement contains the elements set out in their "Investor Statement on a Global Agreement on Climate Change", which was signed by 150 investors in December. These elements include:

- Emission reduction targets based on the latest available scientific evidence for avoiding dangerous climate change;
- Long and medium-term emission reduction targets for developed countries which will be backed up by effective national action plans;
- Contributions from developing countries, initially in the form of national action plans focused on energy efficiency commitments, but with the ultimate aim of absolute emission reductions;
- Continuity in the legally binding framework underpinning the carbon markets and provisions for an expanded and more liquid global carbon market;
- A review, reform, and expansion of the Clean Development Mechanism;
- Clear measures to reverse deforestation and value forests as carbon sinks;
- A commitment to adaptation in order to prepare for, and respond to the physical impacts of climate change.

David Russell, Co-Head of Responsible Investment at USS said "The new US administration has already shown its commitment to tackling climate change on the domestic front, but now is the time to extend this leadership to the international arena. Investors need to see strong policy commitments on climate change, if they are to invest in a low carbon future".

Marcel Jeucken, Head of Responsible Investment at PGGM Investments, added "Without US involvement in the policy negotiations, it will be difficult to get emerging economies to take on greater

commitments on climate change and therefore to conclude a strong and effective global agreement. We need such a global agreement in order to have the confidence to scale up our investments in renewable energy, low carbon infrastructure or energy efficiency. As responsible investors, we stand ready to work with governments to develop the policy mechanisms that will support greater private sector investment in a low carbon economy.”

END

NOTES TO EDITORS

The **Institutional Investors Group on Climate Change** (IIGCC) is the leading group for collaboration between pension funds and other institutional investors in Europe and focuses on addressing investment risks and opportunities associated with climate change. The group currently has 52 members, including major pension funds and asset management companies, with combined assets under management of around €4trillion.

About INCR

The Investor Network on Climate Risk (INCR) is a \$7 trillion network of institutional investors and financial institutions that promotes better understanding of the financial risks and investment opportunities posed by climate change. INCR is coordinated by Ceres, a coalition of investors and environmental groups working to advance sustainable prosperity.

About IGCC

The Investor Group on Climate Change Australia/New Zealand (IGCC, Australia/New Zealand) represents institutional investors with total funds under management of over A\$545 billion, and others in the investment community interested in the impact of climate change on investments. The aim of the IGCC is to ensure that the risks and opportunities associated with climate change are incorporated into investment decisions for the ultimate benefit of individual investors.

The letter to President Obama can be found at www.iigcc.org from 2nd April 2009.

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