

"What's New in Sustainability?"

April 2009 Newsletter

Several new and significant developments through the month of March that increase attention on [Environmental Governance](#):

- [Access to Capital](#) - Insurers required to assess climate risks of companies
- [Reporting Trends](#) - Companies recognized for reporting leadership
- [Investor Coalitions](#) - Shareholder and Companies join forces on cap and trade
- [Ratings, Rankings & Indices](#) - Standard & Poor's identifies most carbon efficient companies
- [Sustainability Regulations](#) – EPA proposes national carbon reporting system

Upcoming Webinar:

[Environmental Governance – How and why the markets are measuring corporate social responsibility?](#) – April 29, 2009

25% discount when you mention Wallace Partners

Recent Publication:

[Modern Due Diligence: Opportunities and Challenges in the Green Economy](#) – American Bar Association (ABA) Environmental Disclosure Newsletter, March 2009

Preparing for the CDP:

May 31 is the [deadline](#) for companies to respond to this year's Carbon Disclosure Project's Information Request, which was sent to over 3000 companies worldwide.

Access to Capital

"Reaching Investors: Communicating value through ESG disclosure"

The report, which was written following extensive consultation with the finance industry, was launched by the Global Reporting Initiative (GRI) at an [event hosted by Bloomberg](#) in New York City on March 25, 2009.

Sean Gilbert, Sustainability Reporting Framework Director at GRI said:

"As we can see from the number of investors now actively seeking ESG information in order to help them base investment decisions, the dichotomy between sustainability and long-term business value is false."

The report entitled, [Reaching Investors: Communicating Value through ESG Disclosure](#), examines how companies can frame their ESG disclosure to engage conventional investors.

Insurers Required to Disclose Climate Change Risk Exposure

On March 18, 2009, the [National Association for Insurance Commissioners](#) (NAIC) announced the first global mandatory climate risk disclosure requirement. To meet the new NAIC requirement, insurers must assess the climate risk of the companies they insure. They must also report on how they are altering their risk management in light of the challenges posed by climate change, and on the steps they are taking to engage and educate policymakers and customers on the risks of climate change. (Insurers manage \$16 trillion in assets globally.)

The NAIC acted after concluding that climate change threatens insurers in two ways:

- Increases the risk of extreme weather events such as floods and wildfires, which would boost claims
- Increased likelihood that governments will cap industrial carbon emissions that contribute to global warming -- a move threatens the profits of companies such as coal-fired utilities in which insurers commonly invest.

CERES, who is backed by large institutional investors such as CalPERS, declared the NAIC to be a huge victory, the "culmination of over two years of intensive advocacy".

"From Risk to Opportunity 2008: Insurer Responses to Climate Change"

In March, CERES also released a [report](#) which chronicles ways in which insurers are embracing a more sophisticated approach to the issue of climate risk -- increasingly recognizing it as one of enterprise risk management, cutting across the domains of underwriting, asset management, and corporate governance.

The Report, based on a direct survey of insurance companies, identified 643 specific activities on the part of 244 insurance entities from 29 countries (as well as 34 non-insurer collaborators). This represents a 50% year-over-year increase in the level of activity compared to that observed through 2007.

Reporting Trends

CorporateRegister.com's 2008 Global Reporting Awards

CorporateRegister.com announced the recipients of its 2008 Global Reporting Awards at a gala in London on March 27, 2009. The [recipients](#), who were recognized by users of CorporateRegister.com, included Bayer, Dell, Lego, Coca Cola and many others.

Comprehensive list of GRI Reporters

The Global Reporting Initiative (GRI) has made its reports from 1999-2009 publicly available, increasing the ease in which stakeholders can conduct due diligence on ESG issues. [The GRI List](#) can be sorted by organization, country, region, adherence level and sector. In addition, the GRI released its [list of new reporters for 2008 and 2009](#).

Investor Coalitions

Corporations Join Emerging Climate Change Coalition

The four-month-old company-led coalition [Business for Innovative Climate and Energy Policy](#) (BICEP) has added the following new members: Gap Inc., eBay and Symantec. BICEP's founding members include Levi Strauss & Co., Nike, Sun Microsystems, Starbucks and The Timberland Co. The [New York Times](#) is reporting that BICEP is lobbying for Congress to pass by year's end a mandatory, economy-wide cap-and-trade program to slash U.S. greenhouse gas emissions to 25 percent below 1990 levels by 2020.

Ratings, Rankings, & Indices

S&P Examines Corporate Carbon Efficiency

Standard & Poor's has launched a low carbon version of the S&P 500. The [S&P US Carbon Efficient Index](#) will track around 350 companies chosen for their carbon efficiency. The index is partially based on carbon scores and partly on rules designed to ensure the new index tracks the S&P 500 as closely as possible.

New Sustainability Index Announced: TSI

The non-profit Center for Sustainable Innovation (CSI) announced today the release of a new model for measuring and reporting corporate sustainability performance. Referred to as the [True Sustainability Index\(TM\)](#) (TSI), CSI's model consists of only 15 indicators that sustainability managers can use to assess the full triple bottom line performance of organizations. The TSI will become another resource for stakeholders, such as investors, customers, employees, and activists, to understand, rate and rank the sustainability performance of organizations.

100 Best Corporate Citizens List

The CRO, in partnership with Forbes, released its tenth annual [100 Best Corporate Citizens List](#) based on companies in the Russell 1000 index. CRO described selected companies as those who are "doing all they can to bring their shareholders more value and make sure they are running places where employees are proud to work". CRO added that "with the nation and world in the depths of recession, companies are trying harder than ever to become more efficient, and have the right current policies for a healthy, prosperous future".

Environment and Energy Awards

The Aspen Institute [announced](#) the winners of the second annual Aspen Institute Energy and Environment Awards, which will be presented at a special ceremony on March 27, 2009, during the Aspen Environment Forum. The Aspen Institute Energy and Environment Awards recognize and reward excellence for those making a real contribution to innovation, implementation, and communication of energy and environmental solutions. Winners range from world's largest retailer, Wal-Mart to a start-up, A123 Systems.

"Companies That Care" Honor Roll

The Companies That Care Honor Roll [released](#) its latest Honor Roll that publicly recognizes and celebrates "all organizations that prize employees and are committed to community service".

Sustainability Regulations

U.S. EPA Proposes National Carbon Reporting System

The [Wall Street Journal](#) reported the U.S. Environmental Protection Agency has proposed a national system for reporting carbon dioxide and other greenhouse gas emissions by major emitters – a national carbon registry. The registry, which was originally proposed in a 2007 energy bill and is funded in U.S. President Barack Obama's 2010 Budget outline, would lay the foundation for regulation of carbon and other greenhouse gases thought to contribute to global warming.

Global Spread of “Green” Stimulus

The [Financial Times](#), in an interactive chart, has summarized the percentage of dollars allocated to “green” initiatives for the leading stimulus packages.

The leading countries, in terms of amounts of dedicated “green” funds in their stimulus packages, are:

- #1 - China (US\$221 billion)
- #2 - The United States (US\$113 billion)
- #3 - Germany (US\$14 billion)

The proposed round of government spending in economies across the world represents a variety of opportunities for companies who approach the stimulus packages strategically.

Company News and Upcoming Events

Wallace Partners is actively speaking on environmental governance and sustainability in the coming months. We invite you to join us at the following upcoming events:

- [Environmental Governance – How and why the markets are measuring corporate social responsibility?](#) – April 29, 2009 – **webinar** - Receive a **25% discount** when you mention Wallace Partners during the registration
- [6th Annual National Environmental Leadership Summit](#) - May 4 – 7 - San Francisco, CA – Mike Wallace will be presenting with major financial institutions ([CalPERS](#) and [ICCR](#)) to discuss how corporate environmental performance is being measured and used by the financial markets.

Wallace Partners contacts are entitled to a \$50 discount on registration **Promotion Code:**
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- [ESG: Sustainable Business, Responsible Investing](#) - May 14 – San Diego, CA – Mike Wallace will be discussing the role Investor Relations plays in the success of an integrated sustainability program.
- [6th Annual CleanMed Conference](#) - May 18 – 20 – Chicago, IL – Mike Wallace will be presenting with the Cleveland Clinic, Dartmouth-Hitchcock and Spectrum Health on the development of the healthcare industry's Eco-Health Footprint