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Remarks for the Luncheon of the High-Level Signature Ceremony of the Paris Agreement

Friday, April 22, 2016

Good afternoon.

It's a privilege to be part of this historic event. I represent CalPERS, the largest U.S. public pension fund with almost 300 billion dollars in assets. CalPERS has worked for over a decade to address the investment risks and opportunities posed by climate change. I also serve as chair of Ceres, a network of investors, companies, and public interest groups committed to accelerating sustainable business practices. CalPERS has joined forces with Ceres, the UN-supported Principles for Responsible Investment, and the Global Investor Coalition on Climate Change. Together, we mobilized over 400 investors with 24 trillion dollars in assets to support the Paris Agreement.

The Agreement has unleashed an unprecedented opportunity for institutional investors worldwide—a powerful global green light to shape tomorrow's low-carbon economy. The Agreement sent an unmistakable signal to capital markets that climate change is serious business—and as investors we intend to fully capitalize on the new opportunities ahead. For example, just last month CalPERS acquired a substantial ownership stake in two of the world's largest solar farms in California, a project designed to generate strong, stable returns. To achieve the goals of the Agreement, we know the world must invest at least one trillion dollars a year in clean energy for several decades. Profound policy changes must take place to unlock the capital needed to fuel the new technologies that will enable us to achieve the Agreement's ambitious goals. I urge you to implement the national policies that will serve as the backbone of our future, chief among them carbon pricing and the elimination of fossil fuel subsidies.

At the same time, investors must continue to manage the risks posed by climate change. We call on regulators around the world, including the SEC, to implement and enforce mandatory climate risk disclosure requirements for public companies. Of the 10,000 companies that CalPERS invests in, just 80 are responsible for 50 percent of our portfolio's greenhouse gas emissions. We are pushing these companies to adopt long-term strategies—to meet head-on the swirling changes brought on by rising temperatures. These new strategies contain the seeds of our future investments, and will help ensure the success of the remarkable agreement signed here today. The Paris Agreement gives us the power to change. Together, let's harness that energy, transform our markets, and be responsible stewards for the future of our world.

Thank you for your leadership.

