

**New Climate Risk Disclosure Act Would Ensure Investors and Public Have Information on How Companies Are Planning for Low-Carbon Future**

**Statement by Kathy Mulvey, Union of Concerned Scientists**

WASHINGTON (September 17, 2018)—Sen. Elizabeth Warren (D-Mass.) introduced a bill with seven co-sponsors today that would require financial, insurance and fossil fuel companies to disclose climate-related risks in their annual Securities and Exchange Commission (SEC) reporting. The bill would require companies to identify the risks they face—and how they plan to address them—as the global economy transitions to clean energy. The legislation also would require companies to report the physical risks that climate impacts, such as sea level rise, pose to their supply chains, operations and property. Supported by the Union of Concerned Scientists (UCS) and more than two dozen socially responsible and faith-based investors, and environmental-and public interest- organizations, the legislation is a necessary step to ensure that investors and the public have adequate information about how companies are planning for a low-carbon future, and that science and data guide climate risk disclosure requirements for publicly-held companies.

The bill tasks the SEC with developing the standards that would allow systematic evaluation of these risks, matching mainstream investor expectations as reflected in last year's vote by a strong majority of ExxonMobil shareholders.

Among other provisions, the bill would tighten requirements for fossil fuel companies to disclose how they detect, mitigate and seek to reduce leakage of methane, a potent global warming gas. The bill's introduction comes just days after the Environmental Protection Agency issued a proposal to roll back rules meant to limit the release of methane from oil and gas extraction.

Below is a statement by Kathy Mulvey, accountability campaign director in the Climate and Energy Program at UCS.

"No smart business or investor would make day-to-day or long-term decisions without systematically researching, documenting and mitigating the risks they face. Mainstream investors are now demanding improved disclosures related to climate change, one of the biggest risks affecting the global economy and individual corporations—particularly fossil fuel giants like ExxonMobil and Chevron. Climate change presents real physical risks to companies and will disrupt the way the private sector operates, whether or not companies have admitted this fact. The sad fact is major fossil fuel companies are not even meeting existing disclosure requirements. Improving climate risk disclosure will allow companies and investors to plan for the future with their eyes wide open."

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