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## **Pennsylvania Treasurer Announces Investment Decisions to Address Environmental Considerations**

Decision based on new framework for investment analysis

HARRISBURG, Pa., Feb. 12 /PRNewswire-USNewswire/ -- With a ring of a bell, Pennsylvania Treasurer Robin L. Wiessmann helped open the trading day at the Philadelphia Stock Exchange and a new chapter of investing for the Commonwealth's funds. Treasurer Wiessmann announced that she has invested \$15 million in publicly traded funds that hold stocks of companies that provide solutions for environmental problems or operate in a responsible manner with respect to the environment.

In making these strategic investments, Treasurer Wiessmann initiated Treasury's Keystone Green Investment Strategy, which seeks superior returns for Commonwealth assets from clean technologies, such as innovative alternative or renewable energy sources, and clean and green technologies that enable companies to reduce their emissions to the environment.

Treasurer Wiessmann's action is the result of the recently developed Pennsylvania Investment Principles, which address the "next frontier of investing" by weighing the impact of geopolitical, environmental, governance, and other strategic factors on an investment's financial appropriateness. These factors allow Treasury's investment decisions to be accompanied by economic analysis of long-term considerations, including sustainability.

"Today's investments capitalize upon the advantages of the evolving clean, green technology sector to achieve prudent yet competitive returns for the Commonwealth," Wiessmann said. "As we continue to evaluate the impact of all strategic factors, we will be able to minimize risks and maximize nascent opportunities within the market."

A number of specific trends or factors demonstrate the potentially pervasive impact of environmental drivers:

-- Global climate change, which will have profound impacts on many

economic sectors including agriculture, shipping, insurance, and real estate.

-- Volatility in price of carbon-based fuels, creating opportunities and risks to sectors reliant on such fuels.

-- The likelihood of carbon regulation has substantial transformational impacts.

These three economic drivers have transformational and dislocation impacts on the marketplace. Together they may create a "perfect storm," in which segments of the economic marketplace will be displaced disproportionately.

"As Treasurer and a prudent investor, I am obligated to identify investments such as these, which take cognizance of trends and developments that will have significant influence on future performance," Wiessmann said.

"I applaud Treasurer Wiessmann for integrating environmental considerations into her examination of sustainability," said Brian Hill, President and CEO of the Pennsylvania Environmental Council. "Her actions today move the Commonwealth into an advantageous investment space, capitalizing on the opportunities of clean technology to provide competitive returns on taxpayer's dollars as well as potentially boosting economic development."

Treasury will examine especially closely investment opportunities in Pennsylvania firms that position themselves to benefit from valuable advantages of doing business in the Commonwealth, including the state's renewable energy portfolio requirements and the public funding support available for alternative energy efforts.

"Keystone Green will also offer the potential to create economic growth and jobs in the Commonwealth and promote energy efficiency and environmental protection in Pennsylvania and elsewhere."

The Keystone Green Investment Strategy includes several additional elements beyond today's announcement:

-- A private investment program, which will provide [currently "up to"] \$40 million of financing for privately held firms or projects representing clean technology opportunities. Wiessmann and her staff expect to divide this into approximately \$15 million for attractive investments with that will directly benefit the Pennsylvania economy and \$25 million not subject to geographic considerations.

-- A public equity investment screen, which will be a variety of considerations designed to help all of Treasury's public equity managers to better evaluate whether their investment disciplines are taking fully into account the potential effects on their holdings of the factors noted above.

Treasury is working to implement these other components in the near future.

In addition, guided by the Investment Principles Treasury will exercise its influence as an institutional investor to encourage appropriate changes in corporate disclosure and governance practices with regard to environmental issues, including the release of information about management decisions that can expose the company to, or help it avoid, material threats from environmental factors.

Treasurer Wiessmann was joined at the bell ringing by Meyer S. Frucher, Chairman and CEO of the PHLX; Brian Hill, President and CEO, Pennsylvania Environment Council; Bernard David, member, Board of Trustees, The H. John Heinz III Center for Science, Economics and the Environment; and Janet Milkman, President, The Future of Life, Inc.

Treasurer Wiessmann is directly responsible for investing money belonging to nearly all state agencies. Her broad authority to place these funds in a wide range of investments, including equity securities and mutual funds, is subject to well-established standards that prudent persons would follow in the management of their own funds. As chief executive of the Pennsylvania Treasury Department, Wiessmann exercises exclusive or shared investment authority over more than \$120 billion in public funds.

The Pennsylvania Treasury Department, under the leadership of Treasurer Robin L. Wiessmann, acts as the Commonwealth's bank, serving as custodian, investor, and disbursing officer of the Commonwealth's funds. Treasury also offers a wide range of programs and services to Pennsylvania families, such as

helping to make college possible with the nowU Pennsylvania College Savings Program; returning abandoned and unclaimed property to its rightful owner or heir; offering Pennsylvanians an alternative to payday lending through Better Choice; and funding energy efficient home improvements through the KeystoneHELP low-interest loan program. For more information about Treasurer Wiessmann and the Pennsylvania Treasury Department, visit <http://www.patreasury.org>.

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