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# Climate change now on corporate radars

By **EAMON JAVERS**

The last place you might expect to hear about climate change is in the staid confines of the Securities and Exchange Commission. But suddenly, climate change has exploded onto the agenda of corporate America — and the evidence is all over the disclosure statements that companies must file with the federal government. In the first quarter of 2006, companies mentioned “climate change” just 536 times in corporate filings with the SEC, the stock market regulator. In 2007, the number of mentions doubled to 1,106. And in the first quarter of this year, climate change has exploded into the corporate consciousness, showing up in federal filings 7,634 times. “In the last couple of years, the whole issue of greenhouse gases and carbon footprint has taken hold in a way it never had before,” said David Berz, managing partner of the Washington office of the law firm Weil, Gotshal & Manges. Companies are coming under increasing pressure from their own lawyers, he said, to disclose climate change liability risks in their federal filings. It’s an astonishing burst of attention for climate change, considering that, until recently, many in business and political circles disputed its very existence.

.... By 2007, Republican presidential candidate John McCain — who had long talked about the danger of global warming — was declaring that “the debate about climate change is over,” and Democrats were falling all over each other to propose green-government remedies, from alternative fuels to pollution caps. None of this has been lost on corporate executives, who are simultaneously embracing money-making opportunities from climate change and wrestling with the damage to their businesses that can result from new legislation, lawsuits and environmental change itself. ....

The WilderHill New Energy Global Innovation Index is a collection of stocks from 89 companies worldwide that focus on the generation and use of cleaner energy,

alternative fuels and advancement of renewable energy. In the first quarter of this year, the formerly high-flying stocks suffered a sharp setback, falling 17.9 percent to 373.72. That outstrips the decline of the Nasdaq during the same time. (To be sure, the green-energy index is up more than 87 percent since 2006.) Outside that niche, though, climate change is hot. "It is a matter of extraordinary concern," said Marc Racicot, the former Montana governor and Republican national chairman who is now president of the American Insurance Association. Although the science of climate change is still in its early stages, Racicot said the insurance companies he represents are focused on finding ways to predict future levels of risk for their clients.

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