In May 2011, a coalition of prominent Fortune 500 companies, investors and organized labor announced a new initiative to build a safer, more sustainable global economy. Participants of the Investor Business Roundtable for a Sustainable Economy agreed to develop and accelerate adoption of sustainable approaches and solutions within their organizations and across their networks. This group of industry leaders and key market influencers announced a series of coordinated commitments based on the Ceres 21st Century Corporation Roadmap as a part of this effort. Inside, you will find a one-year update on the progress made by each of the participants to achieve their commitments.

"Jones Lang LaSalle views sustainability as a business imperative for our company and our value chain. We recognize the importance of sharing our successes at driving profits and reducing costs across our own operations, as well as for our clients, to make the business case for sustainability economy wide."

—Lauralee Martin, Jones Lang LaSalle Global COO & CFO

"Environmental and social sustainability issues are material financial issues posing both risks and opportunities to the long-term success of corporations. As investor, business and labor leaders, we recognize we must lead the way in ensuring out economic system has sustainability at the center. We see this Roundtable’s efforts as a critical platform for action."

—Jack Ehnes, CalSTRS CEO

For inquiries and interest in participating, please contact:

Andrea Moffat
Vice President, Corporate Programs
Moffat@ceres.org
617-247-0700 ext. 136
**Better Buildings Challenge**

Jones Lang LaSalle and AFL-CIO committed to support energy policy efforts and other initiatives that improve building energy performance. Both Roundtable participants joined the U.S. Dept of Energy’s Better Buildings Challenge, with a goal to make American buildings 20% more energy efficient by 2020.

**2012 Progress:**
- Named Sustainable Capitalism one of the Foundation’s eight focus areas.
- Highlighted Sustainable Capitalism to 900 participants at the 2012 Skoll World Forum, including a featured dialogue on integrating sustainability into investor and business decision-making.

**Foundations:**

**2011 Commitment:**
- Developed a framework and pilot plan for the Improving Worker Well-being Initiative, in collaboration with external stakeholders and industry peers.
- Released a white paper, co-authored with Ceres, describing the work and stakeholder feedback to date, which will be leveraged to broaden stakeholder engagement in the process.

**2012 Progress:**
- Engaged actively in a number of diverse policy efforts aimed at encouraging financing for energy retrofits.

**Levi Strauss & Co**

**2011 Commitment:**
- Identified top 50 products and services in supply chain with highest GHG emissions.
- Launched an effort to further quantify impacts of PG&E’s program to integrate sustainable business practices across its supply chain, including measuring and reducing greenhouse gas emissions.

**2012 Progress:**
- Developed a framework and pilot plan for the Improving Worker Well-being Initiative, in collaboration with external stakeholders and industry peers.
- Released a white paper, co-authored with Ceres, describing the work and stakeholder feedback to date, which will be leveraged to broaden stakeholder engagement in the process.

**PG&E**

**2011 Commitment:**
- Identified top 50 products and services in supply chain with highest GHG emissions.
- Working with a short list of suppliers from this group to implement recommendations to reduce emissions.

**2012 Progress:**
- Engaged several public pension funds to support energy efficiency infrastructure investments, working toward a total goal of $10 billion over 5 years. As a part of this, CalPERS approved $800 million in California infrastructure investments over the next three years; CalSTRs awarded a $500 million infrastructure mandate to Industry Funds Management in 2012; and the Union Labor Life Insurance Company will invest up to $15 million to retrofit Oregon public schools.

**SAP**

**2011 Commitment:**
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**2012 Progress:**
- Announced creation of Chicago Infrastructure Trust to invest $200-$225 million in building retrofits, and to develop over $1 billion in investments.
- AFL-CIO Housing Investment Trust invested $151.6 million in energy efficiency retrofits of four multifamily housing projects since June 2011.

**Generation Investment Management**

**Pioneer new model of sustainable investments.**

**2011 Commitment:**
- Released the Sustainable Capitalism white paper, which makes the business case for mainstreaming sustainable capitalism, arguing that it fosters superior long-term value creation. The Paper investing globally and develop new funds that integrate ESG.

**2012 Progress:**
- Formed environmental, social, governance (ESG) Peer Exchange with global asset owners for benchmarking, research and best practices.
- Developed and sustained Total Fund Framework on ESG; catalogued over 100 Total Fund ESG initiatives.
- Board workshop identified core ESG themes: climate change, human capital, alignment of interest.
- Releasing first Total Fund report (spring 2012) to provide insight into sustainability integration across asset classes.
- Launching “ESG Expectations Document” for internal and external asset managers.

**CalPERS**

**2011 Commitment:**
- Engaged actively in a number of diverse policy efforts aimed at encouraging financing for energy retrofits.

**2012 Progress:**
- Included ESG factors in dialogues with public equity managers; surveyed them on degree of ESG integration into investment process.
- Broadening number of ESG factors included in external manager and consultant RFPs.
- Engaged several public pension funds to support energy efficiency infrastructure investments, working toward a total goal of $10 billion over 5 years. As a part of this, CalPERS approved $800 million in California infrastructure investments over the next three years; CalSTRs awarded a $500 million infrastructure mandate to Industry Funds Management in 2012; and the Union Labor Life Insurance Company will invest up to $15 million to retrofit Oregon public schools.

**AFL-CIO**

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**CalSTRs**

**2011 Commitment:**
- Broadening number of ESG factors included in external manager and consultant RFPs.

**2012 Progress:**
- Releasing first Total Fund report (spring 2012) to provide insight into sustainability integration across asset classes.
- Launching “ESG Expectations Document” for internal and external asset managers.

**Investors:**

**2011 Commitment:**
- Investors: CalPERS, CalSTRs, and AFL-CIO committed to encourage all Russell 1000 companies to address sustainability issues across their organizations, and consider the Ceres Roadmap for Sustainability as an implementation tool.

**2012 Progress:**
- In May 2011, 31 investor signatories representing more than $1 trillion in assets under management sent a letter to the CEOs of the Russell 1000 companies. The newly released report, “The Road to 2020: Corporate Progress on the Ceres Roadmap for Sustainability”, analyzes how 650 of the largest U.S. companies are performing in the key areas of governance, stakeholder engagement, disclosure and sustainability performance.

**Generation Investment Management**

**2011 Commitment:**
- Generation Investment Management announced the creation of the Ceres Roadmap for company asset classes.

**2012 Progress:**
- Use the Ceres Roadmap for company asset classes.
- Include ESG factors in dialogues with public equity managers; surveyed them on degree of ESG integration into investment process.
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- Use the Ceres Roadmap for company asset classes.

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Engaging Russell 1000 Companies
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Investors: 2011 Commitment: 2012 Progress:
- CalPERS Integrate environmental, social and governance factors in investment decision-making across all asset classes. Use the Ceres Roadmap for company engagement work, including CalPERS Focus List program.
- CalSTRS Accelerate program for outside fund managers investing on CalSTRS behalf to integrate sustainability and ESG factors into fund managers' decision-making.
- Generation Investment Management Pioneer new model of sustainable investing globally and develop new funds that integrate ESG.
- Labor: 2011 Commitment: 2012 Progress:
- AFL-CIO Work with the Clinton Global Initiative, Taft-Hartley, public pension funds and private investors to create new financing mechanisms to boost investment and job creation in infrastructure and commercial building retrofits for energy efficiency and clean energy.
- Better Buildings Challenge
  Jones Lang LaSalle and AFL-CIO committed to support energy policy efforts and other initiatives that improve building energy performance. Both Roundtable participants joined the U.S. Dept of Energy's Better Buildings Challenge, with a goal to make American buildings 20% more energy efficient by 2020.
- JLL committed to reducing energy consumption of managed buildings throughout the US by 20% by 2020.
- AFL-CIO committed to both investing at least $10B in workers’ capital over 5 years in construction and repair of public infrastructure and also investing an additional $10-20 billion of capital in energy efficiency retrofits.

Foundation: 2011 Commitment: 2012 Progress:
- Skoll Foundation Make sustainable capitalism—and its hugely important role in tackling climate change and water scarcity—a key focus at the Skoll World Forum in early 2012.
- Levis Strauss & Co Launch an effort to improve not just factory conditions among Levis Strauss suppliers, but make a material difference to people and communities across the globe's global supply chain. Align supplier engagement initiatives with key United Nations Millennium Development Goals.
- PG&E Launch an effort to further quantify the impacts of PG&E’s program to integrate sustainable business practices across its supply chain, including measuring and reducing greenhouse gas emissions.
- SAP Release new and enhanced energy management solutions for companies around the world.
- Identified top 50 products and services in supply chain with highest GHG emissions.
- Working with a short list of suppliers from this group to implement recommendations to reduce emissions.
- Rolled out new set of environmental performance standards for top tiers of suppliers.
- Saved $550 million in energy costs through energy management solutions for manufacturers that led to 5.7 million tons of carbon reductions, according to 2011 estimates.
- Launched Customer Council in 2011 with 15 customers in the US, to help suppliers engage actively in a number of diverse policy efforts aimed at encouraging financing for energy retrofits.
- Developed a framework and pilot plan for the Improving Worker Well-being Initiative, in collaboration with external stakeholders and industry peers, working towards a total goal of $10 billion over 5 years. As a part of this, CalPERS approved $800 million in California infrastructure investments over the next three years; CalSTRS awarded a $500 million infrastructure mandate to Industry Funds Management in 2012; and the Union Labor Life Insurance Company will invest up to $15 million to retrofit Oregon public schools.
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