

## FairPensions' Climate Change Questionnaire 2009

Name of Firm: **AXA Investment Managers**

Assets Under Management: € 477 bln (03/2009)

### Section A: Assessment of climate change as an investment issue

1. In your business, how important is climate change as a factor in investment research, decision making and engagement activities with companies?

- a) Very unimportant
- b) Unimportant
- c) Important  *The importance relates to how material an opportunity/risk issue we consider climate change to be for the particular sector/stock*
- d) Very important

2. With regard to question 1, and compared to 2007, has climate change become:

- a) Less important
- b) Unchanged from 2007
- c) More important

3. As a fund manager, which of these factors do you see as a barrier to incorporation of climate change risks/opportunities into investment analysis and decision making?  
(please mark any that apply in priority order with 1 as the most significant barrier)

a) lack of demand from clients	3
b) low current carbon price / difficulties in determining material financial impact	1
c) lack of regulatory requirements for investee companies	1
d) poor quality data on GHG emissions disclosed by firms	5
e) lack of regulatory requirements for investors	4
f) other - please specify - general lack of awareness/scepticism/confusion re timeframes	6

Please comment on barriers to integrating climate change into investment analysis and decision making:

*Today, the link between climate change actions by companies and their market performance isn't obvious except for the sectors under the European Trading Scheme (ETS) carbon. This feeds the lack of demand from clients. The poor quality of data on GHG emissions disclosed by firms makes the impact of carbon cost on financial results difficult to evaluate. Thus in both aspects, the weakness of the regulatory framework - and especially the absence of confidence of what will happen post 2012 - is the over-riding obstacle. This is further exacerbated by the time-frame of asset owners and their agents and how they - in practice - assess performance. In practice is critical - the statements of concerned asset owners is interesting but much less important than the metrics they use for assessing performance.*

4. As a business, would you welcome regulatory requirements on investee companies to report GHG emissions?

- a) Yes   
b) No

5. As a business, would you welcome regulatory requirements on investee companies to reduce GHG emissions?

- a) Yes   
b) No

6. Do you (directly or through any collaborative initiatives) engage with government regarding regulation for companies and investors concerning GHG emission measurement, reporting and reduction responsibilities?

- a) Yes

Please specify if via membership of any collaborative initiatives:

*Ad-hoc joint initiatives (eg Poznan letter)*

- b) No

Please comment on your firm's stance on the regulatory framework for companies:

*Linked with our membership of Carbon Disclosure Project, we engage (letters, meeting with management) with "at risk" companies which have weak disclosure of GHG emissions*

7. As a business, would you welcome stock exchange listing rules which require companies to disclose on a comparable basis climate change related risks?

- a) Yes   
b) No

Please comment on the relevance of listing requirements to achieving useful disclosure?

*We think that this will improve transparency which enables analysts and investors to compare companies and define the opportunities and risks in their decision making process.*

## **Section B: Use of climate change data**

1. Does your firm request climate change related information (including data on emissions) from investee companies?

- a) In no sectors   
b) In a minority of sectors you invest in   
c) In a majority of sectors you invest in   
d) In all sectors

Please comment on which sectors and why:

*We are concerned by this issue for the high-risk sectors which are under the ETS constraints and beyond this issue the sectors like transports or buildings which are big issuers of GHG. We do not have a pro forma/blanket approach but rather ask companies as we consider relevant.*

**2. As a business, do you factor climate change related risks and opportunities into analysis and investment decisions?**

- a) In no sectors
- b) In a minority of sectors you invest in
- c) In a majority of sectors you invest in
- d) In all sectors  *To the extent we consider it a material opportunity/risk*

Please comment on which sectors and why:

*We are focussed on risk for all sectors that are big issuers of GHG carbon or energy users. Regarding opportunities all sectors are involved since indicators of climate change impact many fields: food, water, health...*

**3. Are you currently making use of climate change related data provided by companies (including data on emissions) in investment decision making?**

- a) In no companies
- b) In a minority of companies where data is available
- c) In a majority of companies where data is available
- d) In all companies where data is available

Please comment on your use of climate change information from investee companies:

*In AXA IM we use external research providers who include CC related data in their scores.*

**4. In the last 2 years, have climate change related factors affected investment allocations at your firm (n.b. excluding specialist SRI / Environmentally focused funds)?**

- a) In no sectors
- b) In a minority of sectors you invest in
- c) In a majority of sectors you invest in
- d) In all sectors

Please comment on why climate change does or does not affect investment allocations:

*When the market is closer to systematically pricing in the Climate change risk/opportunity, SAA( sector Asset Allocation) will become an important new step for integrating the CC impacts*

**Section C: Engagement on climate change issues**

**1. As a business, do you engage (via written or face-to-face communication) with investee companies to ensure that they address climate change related risks and opportunities effectively?**

- a) with no companies
- b) with a minority of companies you invest in
- c) with a majority of companies you invest in
- d) with all companies you invest in

Please comment on why you engage or do not engage with companies to address climate change related risks/opportunities, and if relevant how you undertake engagement:

*Engagement decisions are made on risk/reward basis and climate change is considered alongside other concerns both traditional corporate governance (eg risk, remuneration, audit) and non-traditional (eg*

human capital). We engage via written communication with companies with poor disclosure and then follow up with meetings as needed.

**2. Where engagement occurs, which of the following do you seek to have in place at investee companies?**

i) Named board member / senior executive responsible for addressing climate change risks/opportunities

- a) Yes
- b) No

ii) Company measures its GHG emissions and discloses to shareholders

- a) Yes
- b) No

iii) Company has an action plan with targets to reduce GHG emissions over a specified timetable

- a) Yes
- b) No

iv) Other - Please specify

Please comment on the purpose of climate change related engagement with companies:

*We are reviewing our engagement strategy with regards to climate change.*

**Section D: Reporting**

**1. As a business, do you report on action taken (including engagement with companies) to reduce portfolio risks and enhance opportunities arising from climate change?**

- a) no reporting
- b) to clients who request it
- c) to all clients
- d) publicly on a website

Please comment on your policy for reporting action to reduce climate change risk and enhance opportunity:

**Please return the completed questionnaire by Friday 12<sup>th</sup> June 2009 to:**

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