

## FairPensions' Climate Change Questionnaire 2009

Name of Firm: **Baillie Gifford and Co.**  
 Assets Under Management: **£45 Billion**

### 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  when relevant
- 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  the debate and public policy is moving forward

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	
b) low current carbon price / difficulties in determining material financial impact	to a degree
c) lack of regulatory requirements for investee companies	to a degree
d) poor quality data on GHG emissions disclosed by firms	
e) lack of regulatory requirements for investors	
f) other - please specify	

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

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  depends on the company, sector, country of incorporation, etc...

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:

b) No  we are a member of UKSIF which engages with the UK government

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

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?

'Required' disclosure invariably becomes boiler plate or tick box and therefore does not add much value.

## **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  if the sectors in which this is currently materially relevant didn't mention emissions we would request information.
- c) In a majority of sectors you invest in
- d) In all sectors

Please comment on which sectors and why:

When engaging with high emission sectors, steel, utilities, cement, etc.. understanding the company's approach to material issues is relevant to the long term sustainability (financial and environmental) of the company.

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  when materially relevant
- c) In a majority of sectors you invest in
- d) In all sectors

Please comment on which sectors and why:

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:

**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:

Renewable energy sector - climate change and government policy are very relevant

## **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:

We engage on climate change issues with those companies which are most likely to be impacted by a change of regulation or public policy - currently the high emission sectors and those that are part of the mitigation and adaptation story.

**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  BUT this is dependent on company, sector , etc..(for example we would ask a Utility Company)

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

- a) Yes  dependent on company, sector
- b) No

iv) Other - Please specify

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

To ensure the company has considered the issues, is managing the associated risks and taking advantage of the opportunities, and is well positioned to respond to future regulatory changes.

## **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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