

## FairPensions' Climate Change Questionnaire 2009

Name of Firm: **Barclays Global Investors Ltd.**  
 Assets Under Management: USD 1.5 trillion

### 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
- 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	2
b) low current carbon price / difficulties in determining material financial impact	1
c) lack of regulatory requirements for investee companies	
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

**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:

Barclays is a member of the CBI Climate Change Board in the UK, which is working to develop consistent guidelines for calculation and reporting of GHG emissions.

b) No

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?

## **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:

Barclays requests climate change disclosure through our role as a signatory to the Carbon Disclosure Project, an investor led initiative. Barclays is also a responding company to the CDP and was ranked joint 1<sup>st</sup> in the 2008 Carbon Leadership Disclosure Index.

We also request this information for any company where we think the information is necessary to making a good economic based decision on voting or other investment matters.

**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

Please comment on which sectors and why:

Barclays Global Investors (BGI) is one of the world's largest asset managers and a leading global provider of investment management products and services. We believe environmental, social, and governance (ESG) issues may be relevant to the performance and sustainability of companies.

We continue to research these issues and as we find investment opportunities and insights related to these matters, we include them in our investment process. BGI offers clients a variety of products with different investment strategies, including Active, Index, and 'Model Driven' strategies.

### Active funds

In our Active investment strategies, BGI evaluates ESG issues in the same context as any other investment idea or insight. As scientific investors, our insights are based on rigorous research and analysis. New ideas or emerging indicators, such as ESG issues, are assessed from within the firm and from external sources, including academic literature and industry information.

These ideas are ultimately employed if their use is in the best economic interests of fund performance, which is consistent with our overall investment strategy.

### Index funds

Index and Model Driven strategies are generally based on matching or exceeding the performance of indices prepared by third-party data providers that may include certain ESG screens. By definition, index fund providers do not research individual publicly-traded companies and then decide whether to invest in their shares. Instead, they typically select a well known index from a third party provider such as the Standard & Poor's 500 and then invest in this index, which automatically includes the stocks within it.

We have and will continue to offer clients products with Index strategies that may include ESG screens developed by independent third party data providers. In 2008, we launched several new index funds based on environmental or social indices for both institutional and retail investors. For example, the iShares S&P Global Clean Energy ETF is based on an index developed by Standard & Poors to track 30 global companies in clean energy production and clean energy technology and equipment.

### 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:

We use any information disclosed by a company and assess its relevance and impact for voting and/or other investment purposes.

### 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:

## 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:

Barclays engages with companies on social and environmental issues, where appropriate and consistent with our engagement and voting guidelines, through a variety of channels: meeting with senior management or the independent directors of a company to better understand the issue, and in continental Europe, engaging with other market participants, as appropriate. We also work with providers of specialised research and services on environmental and social issues, such as Innovest.

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:

Our approach varies based on the issues at a particular company.

## 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:

We report to clients regularly regarding our voting, our engagement and out investment approach and discuss these issues as relevant.

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

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