

## FairPensions' Climate Change Questionnaire 2009

Name of Firm: **The Co-operative Asset Management**  
 Assets Under Management: £18bn

### 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	
b) low current carbon price / difficulties in determining material financial impact	1
c) lack of regulatory requirements for investee companies	2
d) poor quality data on GHG emissions disclosed by firms	3
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:

The main barrier is the lack of certainty about medium to long term regulatory and physical impacts versus shorter investment return horizons.

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:

We took part in DEFRA consultations on forthcoming GHG disclosure guidance and support mandatory reporting. Members of IIGCC.

b) No

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

We support the stance typified in the 2008 Investor Statement on climate change i.e. strong regulation, market incentives, long-term planning/certainty 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?

Listing requirements focus minds!

## **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:

High and medium impact sectors who are negatively/positively affected by or affecting physical and regulatory change. We use our proxy vote in addition to larger engagements to critically assess climate disclosure and withhold support from high impact companies who fall short.

**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:

Our investments in certain utilities, public transport, environmental consultancies are e.g.s of predication on climate change as a driver of value. Presently, only a minority of investment sectors are actually

altered by our climate change analysis but we expect this to grow as the issue bites more widely and in novel ways.

**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:

C.C. data has been used in determination of a company’s carbon liabilities, their ability to supply new markets, avail of subsidies, assess management, commitment etc.

**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:

See answers 2 and 3. Climate change is a distinct investment theme and applies to all funds in theory and in practice, though our SRI fund takes a more focused approach to climate-related investment.

**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:

Too extensive to go into here but please visit [goodwithmoney.co.uk/ethical-insurance-and-investments/](http://goodwithmoney.co.uk/ethical-insurance-and-investments/) and click on Global Climate Change.

**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

Strategic discussion of materiality of climate change to business opportunities and threats, other plans/actions besides reducing GHG to stay on the right side of the agenda.

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

To understand their exposure to risks and opportunities, how well they are adapting to them, and where they fall short of our expectations to influence them to 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:

As of Q2, 2009 we will have quarterly newsletters featuring updates on climate change activity and an Annual Review. For 2 years we've been reporting on this issue through the ABI's climatewise initiative, also disclosed on our website and CFS Annual Report and Accounts.

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

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