

## FairPensions' Climate Change Questionnaire 2009

Name of Firm: **J.P. Morgan Asset Management**  
 Assets Under Management: \$1,047 million

### 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	1
b) low current carbon price / difficulties in determining material financial impact	2
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:

There are still no convincing methodologies with a track record. Also, while climate change is of great interest to a small proportion of our clients, for the majority, it is perceived as secondary to the objectives of maximising economic returns.

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:

UNPRI, CDP

- 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?

A listing requirement could be a useful way of encouraging meaningful disclosure without the difficulties associated with a regulatory requirement.

## **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:

Focus tends to be high-impact sectors (utilities, cement, metals)

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:

Risks related to climate change (and companies failure to report such adequately) is a factor in our proprietary ESG analysis, where we benchmark investee companies in our universe in order to assign proprietary rankings and ratings on ESG.

**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:

Climate change data is not explicit to any of our investment processes, although it may be a factor in certain sectors/instances.

**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:

The ESG team attempts to identify outliers within our investment universe, either where companies have above-average exposure to environmental and governance issues, or where they lag their peers in disclosing/reporting those exposures in our view.

**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:

To encourage best practice among investee companies to evaluate their exposure to climate change issues and report it to shareholders.

## **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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