

FairPensions' Climate Change Questionnaire 2009

Name of Firm: **Legal & General Investment Management Ltd.**
 Assets Under Management: £264 billion (31 December 2008)

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

N/A as investment decision making is determined by the client investment benchmark rather than by LGIM.

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

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

N/A as investment decision making is determined by the client investment benchmark rather than by LGIM.

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	
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:

N/A as investment decision making is determined by the client investment benchmark rather than by LGIM.

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

- a) Yes
- b) No

We support fair regulation that requires the reporting and reduction of GHG. This should reflect the level of output and needs to take account of suppliers to avoid “out-sourcing” the issue.

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

- a) Yes
b) No

We support fair regulation that requires the reporting and reduction of GHG. This should reflect the level of output and needs to take account of suppliers to avoid “out-sourcing” the issue.

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:

L&G is a member of the ClimateWise initiative - see our website.

- 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?

Significant risks should be disclosed to shareholders.

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:

Our policies apply to all sectors but we concentrate on high risk sectors such as mining, oil and gas.

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:

N/A as investment decision making is determined by the client investment benchmark rather than by LGIM.

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:

N/A as investment decision making is determined by the client investment benchmark rather than by LGIM.

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:

N/A as investment decision making is determined by the client investment benchmark rather than by LGIM.

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:

Engage with a minority of companies but concentrate on high risk sectors and companies with poor disclosure.

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

We would expect to see both directors and management from the relevant area.

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

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 quarterly to all clients and specifically on ESG to those who request it. We also report publicly on an annual basis on ESG.

Please return the completed questionnaire by Friday 12th June 2009 to:

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