

FairPensions' Climate Change Questionnaire 2009

Name of Firm: **Martin Currie Investment Management Ltd.**
 Assets Under Management: £9.2 billion as at 31 March 2009

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	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	
1 - Uncertainty over future regulatory requirements, incentives and market mechanisms (e.g. carbon trading) affecting investee companies	

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

Analysis of the impact of climate change on a company is time and resource intensive and may not produce firm conclusions.

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:

- 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?

Consistent disclosure across all major stock markets would be useful, individual market initiatives less so.

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:

We do not systematically request data on emissions produced by each company. However we do request information relevant to issues outlined in B2.

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:

Power utilities, basic materials/insurance, parts of technology and consumer products/services/industrial processing and manufacturing generating high emissions, energy, alternative energy, transportation. - Direct cost of regulation/carbon trading schemes - Opportunity to generate carbon credits -

Opportunities/threats to demand for products/services, e.g. competing energy sources - Opportunities in emission reduction technologies.

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:

See issues outlined in B2.

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:

We build portfolios based on individual stock selection decisions rather than sector allocation. It has been very difficult to translate purely emission related risks and opportunities into financial forecasts but we are finding more examples where this is possible. Energy efficiency however, is relevant to many investment decisions.

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:

Engagement is largely through face to face meetings or conference calls. Questions focus on energy efficiency and implications of current or future regulation.

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:

This is an integral part of due diligence necessary to assess the risks and opportunities of a potential investment.

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 intend to incorporate such reporting systematically into our stock research notes.

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

**The Research Team
FairPensions
Trowbray House
108 Weston Street
London SE1 3QB**