

FairPensions' Climate Change Questionnaire 2009

Name of Firm: **UBS Global Asset Management Ltd.**
 Assets Under Management: £353bn

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	5
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	4
f) other - please specify	

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

The primary barrier is a lack of company-level information that makes it difficult to make informed judgment about climate change. We seek to incorporate environmental risks in our analysis, in many cases we can make estimates or reach judgments based on industry structure. In other cases we have more detailed information that makes the analysis and associated conclusion more accurate.

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 However, any regulation should balance the costs with the benefits.
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 engage on an ad hoc basis through consultants and lobbyists, one example is with the Oko Institut who are consultants to the German government.

In addition we are one of the original signatories to the Carbon Disclosure Project which seeks to improve the disclosure on GHG emissions by companies globally.

- b) No

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

We would like the framework for companies to be both consistent and easy to understand.

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?

We would welcome improved disclosure provided it is meaningful.

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 request this data where we believe it is relevant to our investment thesis. As a matter of actual practice, company disclosure varies widely.

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:

We continue to increase our analysis of climate change risks and opportunities. It is especially important in some sectors but not very relevant in some others. For example, asset light service businesses tend to have very light climate change footprints, but manufacturing, energy and power generation businesses are highly affected by climate change issues.

It is especially important for the utility sector. Our analysts performed a comprehensive survey of carbon exposure across the sector with a variety of scenarios that incorporate the European Union cap and trade mechanism. This study has been extremely important in helping us identify risks and opportunity in the sector.

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 it but often prefer to develop our own estimates where possible, especially where we can build a model of their power generating assets.

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:

Yes ,increasingly we incorporate these factors in our allocations. In some sectors, such as utilities, it is a direct factor that has clearly influenced 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:

We engage with companies on climate change related issues .If the risks/opportunities are considerable then we will engage as part of our usual meetings with management. Otherwise we may rely on information from other sources such as the companies responses to the Carbon Disclosure Project.

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:

For us to gain a greater understanding of the risks/opportunities relating to climate 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:

We report to our clients on environmental, social and governance (ESG) issues. This will include issues relating to climate change at various times, for example progress with the Carbon Disclosure Project.

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

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