

INVESTOR STATEMENT ON CLIMATE CHANGE REPORT 2007

IIGCC

Institutional Investors Group on Climate Change

About IIGCC

The Institutional Investors Group on Climate Change (IIGCC) was established in 2001 as a forum for collaboration between pension funds and asset managers to address investment risks and opportunities associated with climate change. The group seeks to promote better understanding of the implications of climate change for financial performance and to encourage the integration of climate risks and opportunities into investment decision-making and dialogue with companies and policymakers. The IIGCC has over 45 members representing around €4trillion of assets. Further information can be found at www.iigcc.org.

Acknowledgements

This report was prepared by Stephanie Pfeifer, IIGCC Programme Director. The IIGCC would like to acknowledge the help of its Steering Committee, in particular David Russell (USS) and Rory Sullivan (Insight Investment), for their support in designing the surveys and reviewing a draft of this report.

Table of Contents

Foreword	4
Executive Summary	5
1 Introduction	7
2 Market Demand	9
3 Corporate Engagement	11
4 Taking Account of Climate Change in Investment Analysis	13
5 Investor Collaboration on Climate Change	15
6 Public Policy Engagement	17
7 Conclusions and Looking Forwards	18
Appendix 1 IIGCC Investor Statement on Climate Change	19
Appendix 2 List of Signatories	22

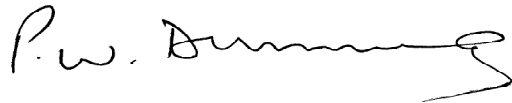
Foreword

Investment decisions taken now will have a major impact on the world's climate, making it imperative that investors step up their response to the climate challenge. The Investor Statement on Climate Change, launched by the Institutional Investors Group on Climate Change (IIGCC) in 2006, presents a significant call by UK and European investors for action on the threat posed by greenhouse gas emissions. In signing the Statement, investors are sending a signal of their concern about climate change to the rest of the investment community, companies, policymakers and other stakeholders.

The Statement has now been signed by 21 major European asset owners and asset managers. In signing the Statement, investors are showing their willingness to strengthen their focus on climate change in their investment processes and to actively engage with companies and governments to develop appropriate policy solutions to climate change. Signatories committed to reporting annually on the goals set out in the Statement – a reflection of how this issue is increasingly seen to have material implications for asset values.

This report analyses the responses to the surveys sent out by the IIGCC asking signatories about how they have implemented the actions set out in the Statement. The evidence is that the investment community has come a long way in understanding and analysing the investment implications from climate change. Investors are increasingly engaging with companies and – often in collaboration – with policymakers on climate change. The next steps are for other investors to follow suit and for greater understanding and willingness to act on climate change to feed through into investment mandates and to become fully integrated into investment decision-making.

The IIGCC will play a key role in taking forward the investor agenda on climate change. In particular, the group is providing a forum for collaboration for investors to make their voice heard on public policy and for sharing knowledge. We hope that the Statement and this report will encourage even greater action on this issue and that next year's report will show further progress.



Peter Dunscombe
IIGCC Chairman

Executive Summary

The Institutional Investors Group on Climate Change (IIGCC) launched the Investor Statement on Climate Change in October 2006. Asset owners and asset managers who signed the Statement committed to increasing their focus on climate change in their own processes and in their engagement with companies and governments. At the time of writing, the Statement had been signed by 21 institutional investors with assets over €1.4 trillion.

A key provision of the Statement is that signatories report annually on the actions taken on climate change. The IIGCC asked all signatories to fill in a survey detailing the actions they had taken by the end of 2007 and received a response from all 21 signatories. This is the first annual report analysing how far signatories have come in taking account of climate change in their activities.

Key Findings

The surveys show a range of positive steps being taken by investors to address the issue of climate change. In particular:

- Asset owners' awareness of climate change as an investment issue is high, supported by membership of collaborative initiatives and staff or trustee training. Asset owners are encouraging their investment managers to exercise shareholder voting rights in relation to climate change, to invest in low carbon/clean energy funds and to engage with companies on the issue.
- Both internal and external asset managers are involved in proxy-voting and engaging directly with companies on climate change, in particular on improved reporting and disclosure of greenhouse gas emissions and on integrating climate change considerations into business strategies. The property investment company surveyed - PRUPIM - is looking to improve the environmental performance of its tenants, suppliers and physical property assets.
- A large proportion of investment managers are building their capacity to analyse the financial implications of climate change. Sell-side research has been critical, but a wide range of other information sources is also being used. Several investment managers (internal and external) are employing environmental rankings or analysing climate impacts for their portfolio as a whole.
- Climate change issues are affecting investment decision-making where investors are exploiting opportunities as a result of government incentives, e.g. renewable energy or low carbon technology, or where government policy has created a price for carbon, as in the EU emissions trading scheme. In addition, it is affecting investment decision-making in some sectors where there is the potential for emission trading schemes to be implemented, e.g. US electric utilities.
- Investors are increasingly willing to engage in the public policy debate on climate change. The dialogue with government is progressive, with investors emphasising the importance of clarity regarding the long-term direction of climate change policy and demanding appropriate policies which provide incentives to reduce greenhouse gas emissions. Collaboration, particularly through the IIGCC, is seen as an effective way to undertake public policy engagement.

There are some areas that present challenges for investors and where further progress is possible. In particular:

- Only a limited number of asset owners are formally integrating climate change into their processes for appointing or evaluating fund managers, or request advice on the issue from their investment consultants.
- There are some issues that investors are not regularly covering in their engagement with companies, e.g. adaptation to unavoidable climate change and climate-friendly product design.
- Climate change risks and opportunities are not being factored into investment decision-making where the financial implications are not evident, e.g. where there are significant uncertainties about the future direction of climate change policy or where the physical impacts from a changing climate are difficult to quantify.

The responses to the surveys highlight the importance of growing asset owner demand for their managers to take account of climate change and the importance of engaging with government on providing clear policy frameworks and price signals. Both of these will encourage investors to take account of climate change in their engagement with companies and investment decision-making and therefore support the move to a low carbon economy.

1 Introduction

The Institutional Investors Group on Climate Change (IIGCC) launched the Investor Statement on Climate Change in October 2006. At the time of writing this report, the Statement had been signed by 21 institutional investors representing assets worth more than €1.4 trillion. The Statement represents a significant call by UK and European investors for action on the threat posed by greenhouse gas emissions. It underlines that institutional investors have a critical role to play in supporting the move to a low carbon economy through using their influence as major shareholders and bondholders in the world's companies and as substantial investors in other assets such as property as well as through using their influence with policymakers.

Box 1 Key elements of the Investor Statement on Climate Change

The Role of Investors

As asset owners and asset managers we will:

- **Use our individual and collective influence to encourage governments to adopt policies that provide incentives to reduce greenhouse gas emissions and to encourage appropriate responses to the physical and societal impacts of climate change.**

As asset owners we will:

- **Encourage our asset managers to integrate consideration of climate change risks and opportunities in their investment research, analysis and decision-making and shareholder ownership activities.**
- **Consider climate change in our processes for the appointment and evaluation of our asset managers.**
- **Instruct our advisors and consultants to consider the impacts and opportunities of climate change and climate policy in the advice that they provide to us, in particular to pro-actively consider the opportunities to invest in clean energy.**

As asset managers we will:

- **Explicitly consider climate change risks and opportunities in our investment analysis and, individually and collectively, develop the tools to assess the short-term and long-term risks and opportunities presented by climate change and climate-related policies.**
- **Engage with the companies in which we invest to ensure that they are minimising the risks and maximising the opportunities presented by climate change and climate policy. We will also encourage these companies to improve their governance and disclosure of climate risks and opportunities.**

Implementation and Monitoring

- **The IIGCC will publish an annual report detailing the actions that have been taken by the signatories towards achieving the goals in this Statement.**

In signing the Statement, investors signal their willingness to strengthen their focus on climate change in their investment processes and to actively engage with companies and governments on the issue. The Statement provides a roadmap for investors on the steps that they can take to integrate climate change into investment decision-making and to engage with companies in order to encourage better corporate assessment and management of climate risks and opportunities. It also sets out the expectations that investors have from governments in providing a policy framework that supports the move to a low carbon economy and facilitates integration of climate risks and opportunities into investment decision-making. As a measure of the importance attached to taking action on climate change, asset owners and asset managers who signed the Statement committed to reporting annually on the steps taken to fulfill the goals set out in the Statement. Signatories were asked to complete a survey based on the activities detailed in the Statement and this report provides an analysis of the actions that signatories had taken on climate change by the end of 2007.

This report summarises how investors are responding to the challenge of climate change and measures the extent to which the actions detailed in the Statement are being implemented. The report highlights best practice and allows signatories to gauge their performance against their peers. Over time, these reports will allow investors to measure their own and the market's progress on taking account of climate change. The report also looks at what further progress is needed for investors to provide an effective response to the climate change challenge.

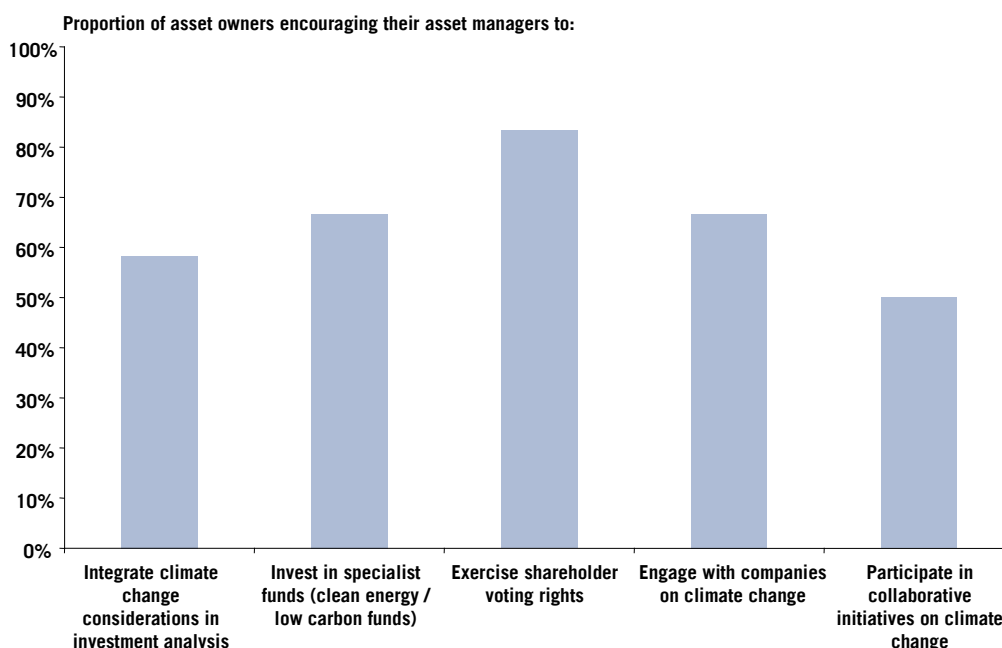
2 Market Demand

Demand from pension funds is critical to encouraging asset managers to integrate consideration of climate change risks and opportunities in their investment research, analysis and decision-making and shareholder ownership activities. The surveys tried to gauge to what extent pension funds are building their internal capacity for understanding climate change and how they are encouraging their internal or external managers to take account of the issue.

Climate change has clearly risen up pension funds' agenda and awareness of climate change as an investment issue appears to be high. All asset owners who signed the Statement are members of the IIGCC and at least 2/3 are undertaking staff and/or trustee training or disseminating research on climate change within their organisations. However, only the larger or specialist funds have appointed staff specifically to work on this area – probably a reflection of the size of their resources.

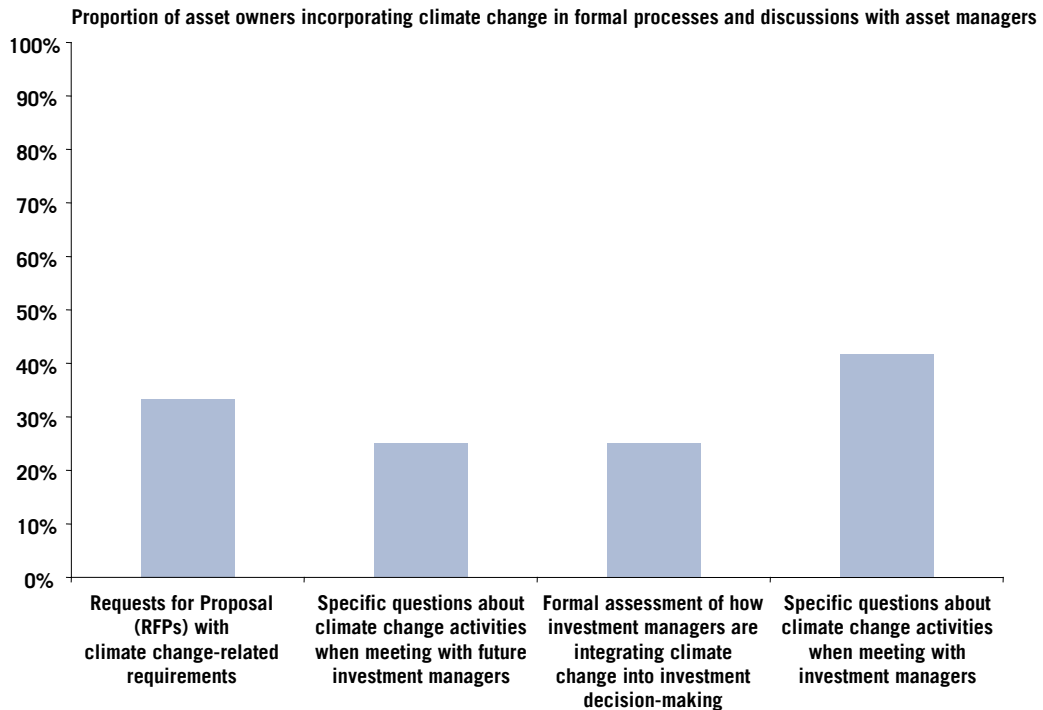
A majority of asset owners responded that they encourage their asset managers to consider the implications of climate change. In particular, 10 out of 12 said that they encourage their internal or external asset managers to exercise their voting rights, while 8 out of 12 ask their managers to invest in low carbon/clean energy funds and to engage with companies on climate change. Only just over half the respondents said that they encourage their managers to integrate climate change considerations in investment analysis and decision-making.

Chart 1 Market demand



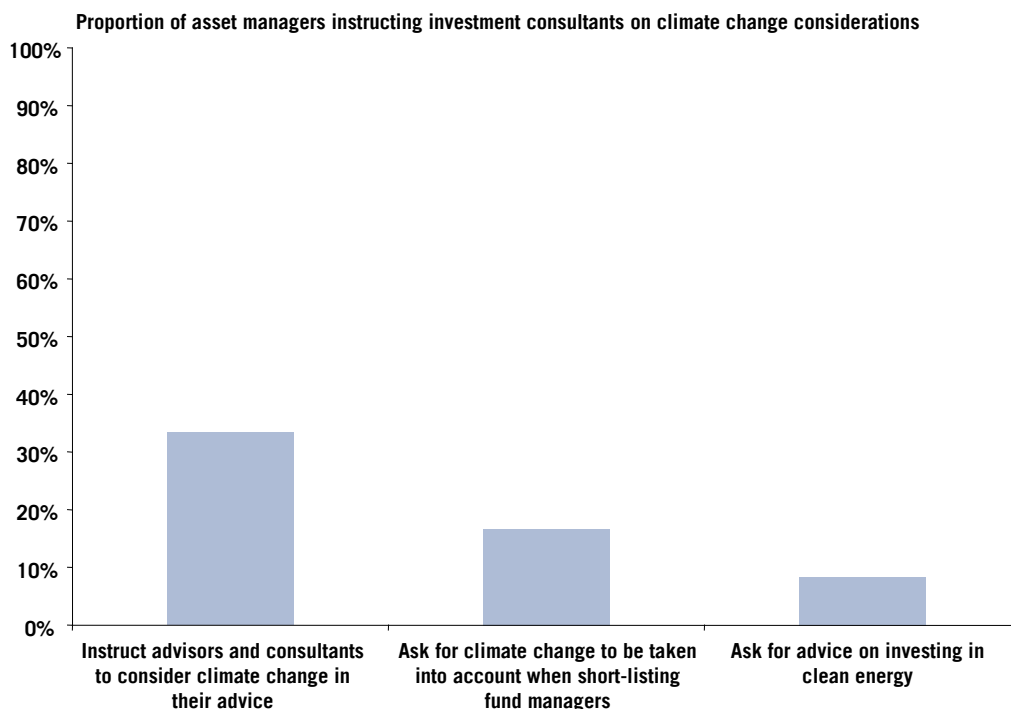
The surveys also showed that only a small minority of asset owners are formally integrating climate change into their processes for appointing and evaluating fund managers. In particular, 4 out of 12 said that they integrate climate change considerations into their Requests for Proposal (RFPs) and 3 out of 12 answered that they formally evaluate how their managers are integrating climate change into investment decision-making. This may be a reflection of the difficulties of changing current contractual arrangements and, in some cases, pension funds suggest that they are taking the issue into account as part of their wider approach on environmental, social and governance issues. Given heightened awareness of climate change as an investment issue, it may be that the number of funds including consideration of climate change in their mandates and fund manager evaluation processes will grow over time.

Chart 2 Asset owner processes



Investment consultants are a critical influence on pension funds' and fund managers' decisions as they provide pension funds with advice on the selection and monitoring of investment managers, the selection of benchmarks against which fund managers' performance can be judged, investment time horizons and asset allocation analysis. The responses to the surveys showed, however, that only a minority of pension funds are asking their investment consultants for advice on climate change. Even fewer are asking their consultants to take climate change into account when short-listing investment managers and only one of the asset owners surveyed is asking their consultants for advice on clean energy investments.

Chart 3 Investment consultants



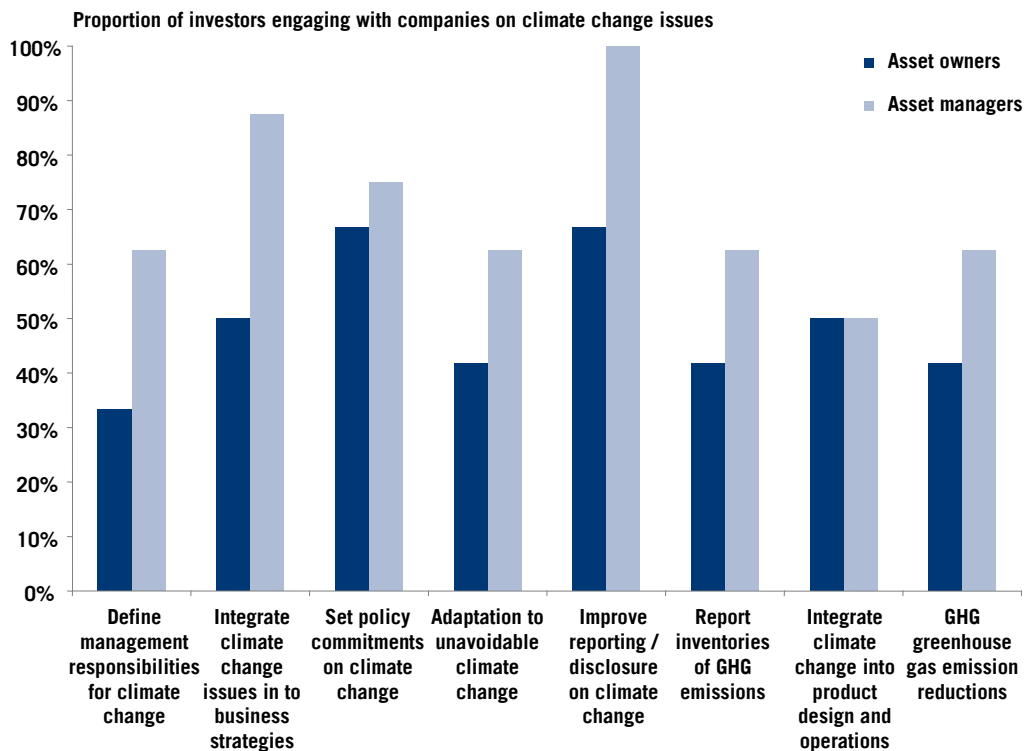
3 Corporate Engagement

The actions of companies will be crucial both to mitigating and averting dangerous climate change and to implementing measures for adapting to changes in the climate that are already unavoidable. The Statement therefore encourages investors to engage with companies on their actions in relation to climate change.

Investors were asked which approaches they use with respect to corporate engagement, including proxy voting, direct engagement and collaborative engagement. The surveys found that proxy voting followed by direct engagement by individual investors were the two most common approaches, and adopted by all asset managers. A small majority of asset owners also undertake proxy voting and engage directly with companies, whilst others do so through their fund managers. Engaging with companies in collaboration with other investors is less popular than the other two approaches.

Investors were also asked about the particular climate change issues they engage on and this is analysed in the chart below. In their responses, all asset managers replied that they engage with companies on improved reporting and disclosure. A large majority also said that they engage with companies on integrating climate change into business strategies. There are still many issues, including adaptation to unavoidable climate change and climate-friendly product design, which only a small majority of investors are looking at in their interactions with companies.

Chart 4 Corporate engagement on climate change



Investors were asked to state whether they have any evidence of the effectiveness of their engagement with companies. There were some particular examples where the effectiveness of engagement can be attributed to investor actions. These include:

- Encouraging companies to produce sustainability reports, climate strategies or codes of conduct
- Improving the response rate to the CDP questionnaire
- The shift in BP's allocation of capital towards renewables

Despite these concrete examples of investor influence on corporate behaviour, several investors noted that it was often difficult to attribute company actions to their engagement.

Box 2 The IIGCC and BP's move into renewables

“The first IIGCC conference three years ago provided BP with both a timely stimulus to review what we were then doing, and a platform to test our formative ideas as we moved our own climate strategy from being about our own internal activities to helping our customers reduce their emissions. The invitation for Lord Browne to speak at the conference helped create the impetus for reviewing and developing BP's policies and strategies on climate change. This, in turn, has led the company to increase its investments in alternative energy generation, including the investment in and development of hydrogen-based electricity generation facilities around the globe”.

Chris Mottershead, Distinguished Adviser, Energy and the Environment, BP.

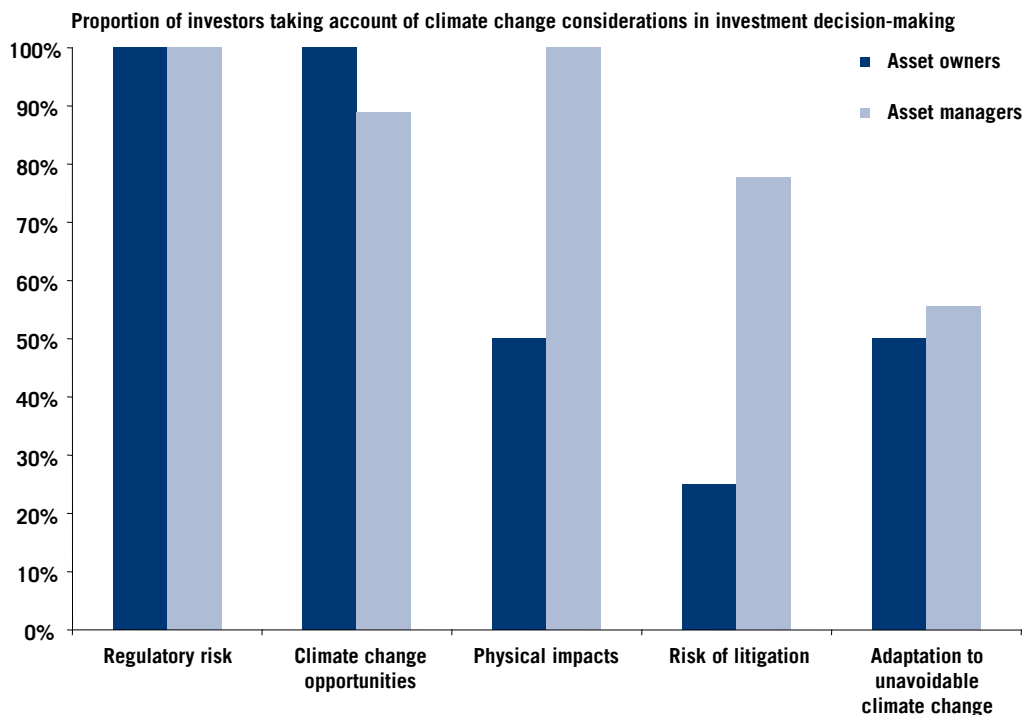
While the above analysis refers mainly to equities (and to a lesser extent fixed income), PRUPIM's response helps to illustrate the actions that may be taken in relation to property investments. PRUPIM is engaging to improve the environmental performance of tenants and suppliers and physical property assets. They consider responsible construction techniques for redevelopments and refurbishments and actively encourage responsible asset and property management for existing stock. The company is raising awareness through the facilities and property managers involved in ISO14001 properties and a number of properties have received certification, including energy consumption reports.

4 Taking Account of Climate Change in Investment Analysis

The surveys show that investment managers are increasingly paying attention to climate change and building their capacity to analyse the financial implications resulting from new regulations. Broker research has been critical in this, although specialist research is also widely used, both by internal and external investment managers. Investors are also making use of a broad range of other sources of information, including specialist advisory boards, research from universities, think tanks and consultants, and research developed by governments and international organisations, e.g. Stern Report on the Economics of Climate Change or the Assessment Reports of the Intergovernmental Panel of Climate Change (IPCC).

Investment managers are also building their capacity on climate change through membership of collaborative initiatives. A small majority of them are developing their own in-house bespoke research and developing tools and models specifically to analyse climate change implications. A majority of asset managers are training their staff on the issue while many are also employing specialist staff.

Chart 5 Research and building internal capacity on climate change



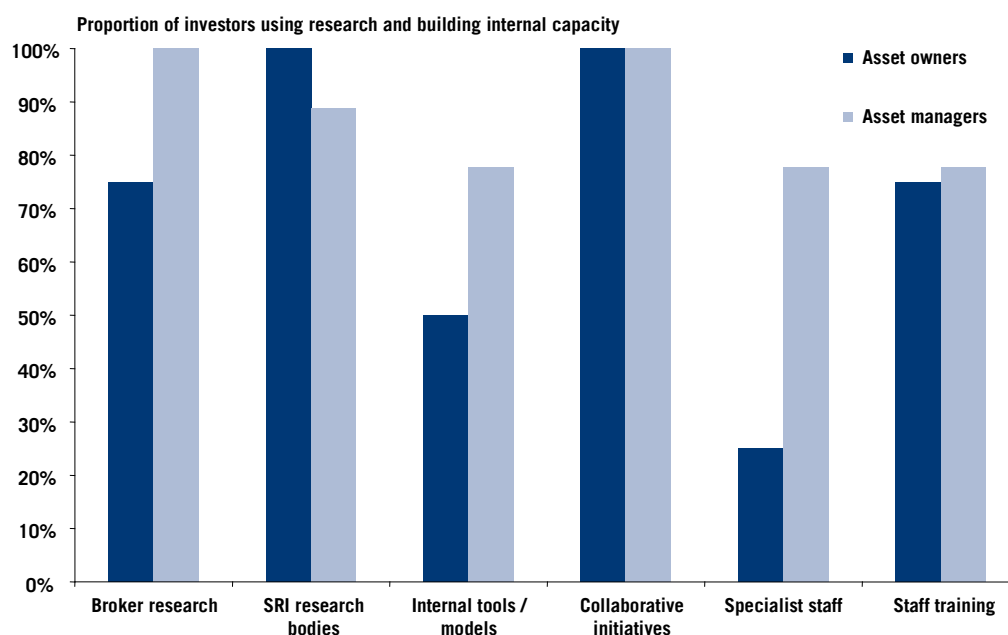
All asset managers and asset owners with internal managers replied that they are considering climate change risks and opportunities in investment analysis. Several investors replied that they encourage all their asset managers to use the available research on climate change, that they provide regular presentations and briefings on the issue or that their SRI (socially responsible investment) analysts attend company meetings jointly with their fund managers. Others use SRI rankings which are integrated into investment analysis and portfolio construction.

While there is much more attention being paid to climate change as a financial issue, the surveys confirm that there are two immediate incentives for investors to factor climate change into their investment decision-making. The first is where government support for new climate-change related industries has created investment opportunities in clean energy or low carbon technology. The second is where government regulation has created a cost for carbon, e.g. sectors covered by the EU emissions trading scheme. However, there is also some evidence that investment decision-making is affected in some sectors where there is the potential for emission trading schemes to be implemented, e.g. US electric utilities.

There are still many climate change risks and opportunities that are not being factored into investment decision-making, with some respondents commenting that climate impacts are only being translated into stock-picking decisions where the impacts are material at present. One issue that is not being considered in any detail is adaptation to unavoidable climate change.

In terms of asset classes, investors are focused mainly on equities and to a lesser extent on fixed income investments when analysing climate change impacts. For property investors, consideration of climate risk and opportunity is done more qualitatively than quantitatively, given the difficulties of quantifying climate change risks or the risks inherent in regulatory change as a new dimension of risk premium and depreciation for property investment assets.

Chart 6 Climate change issues in investment decision-making

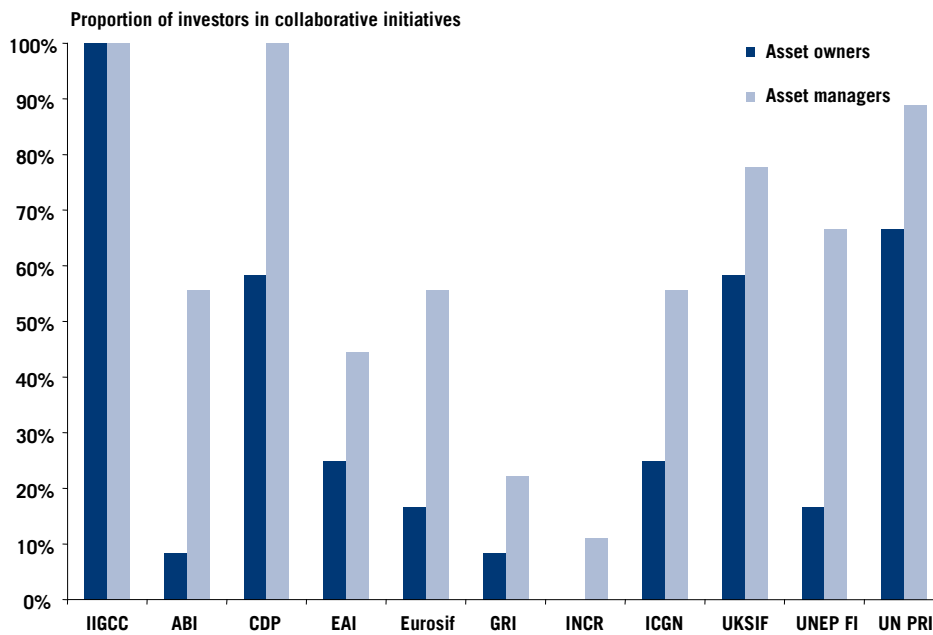


5 Investor Collaboration on Climate Change

Collaborative initiatives are a popular way for investors to build capacity on the issue of climate change and its implications and to undertake public policy engagement.

Generally asset managers were more likely than pension funds to have joined a large number of collaborative initiatives. All signatories to the Statement are members of the IIGCC and a large proportion of both asset owners and asset managers have signed the UN Principles for Responsible Investment (UNPRI), the Carbon Disclosure Project (CDP) and are members of the UK Social Investment Forum (UKSIF).

Chart 7 Collaborative initiatives



* Other collaborative initiatives mentioned by some respondents include: Alliance for Climate Protection, Corporate Leaders Group on Climate Change, Forum Nachhaltige Geldanlagen (German Social Investment Forum)

Box 3 Collaborative Initiatives

IIGCC	Institutional Investors Group on Climate Change
ABI	Association of British Insurers
CDP	Carbon Disclosure Project
EAI	Enhanced Analytics Initiative
Eurosif	European Social Investment Forum
GRI	Global Reporting Initiative
ICGN	International Corporate Governance Network
INCR	Investor Network on Climate Risk
IPCC	Intergovernmental Panel on Climate Change
UKSIF	UK Social Investment Forum
UNEP FI	United Nations Environment Programme Finance Initiative
UNPRI	United Nations Principles for Responsible Investment

Collaborative initiatives are actively involved in providing training for the investment industry, for example through the IIGCC's trustee seminars on climate change. They provide a way for investors to add their weight for requests on corporate disclosure related to climate change, e.g. the CDP and the IIGCC's electric utilities disclosure framework. In addition to participating in collaborative initiatives, some investors also present on climate change at industry conferences, contribute articles on the issue to trade journals or direct or sponsor specific climate change related research programmes.

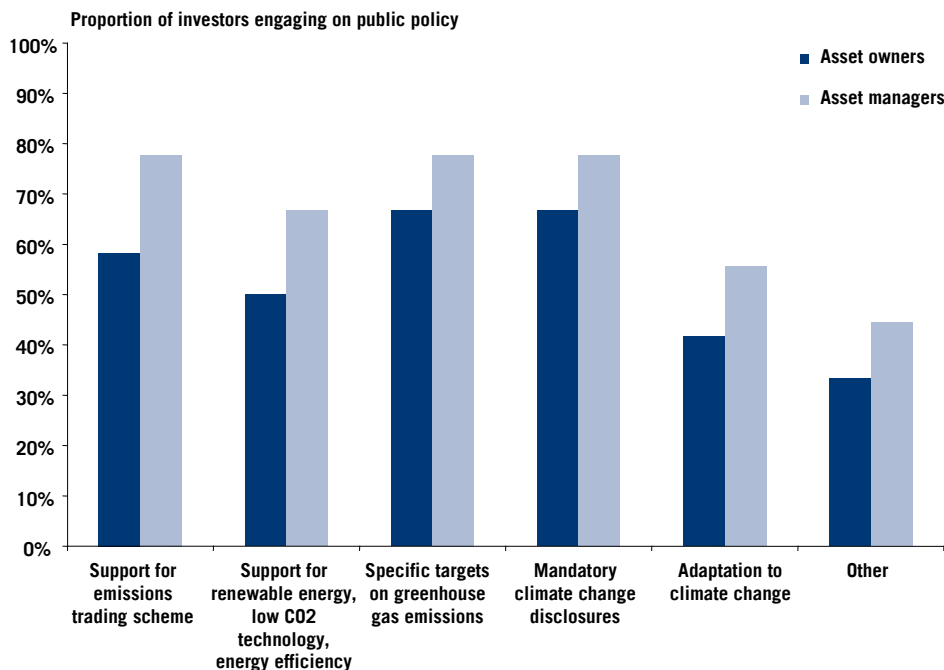
6 Public Policy Engagement

The surveys suggest that investors are starting to look far more closely at the public policy issues around climate change and have an increasing appetite for engaging with government in this area. Government regulation has been the most important reason for investors to factor climate change risks and opportunities into their investment decision-making and uncertainty about the future direction of government policy is a significant barrier for both investors and companies to take account of climate change considerations. The Statement therefore encourages investors to use their influence with policymakers to put in place appropriate policy frameworks, which will ultimately benefit investors' long-term financial interests.

The chart below lists the issues that investors have been engaging governments and regulators on. Investors are increasingly willing to send strong messages about the importance of clarity regarding the long-term direction of climate change policy and to demand appropriate policies which provide incentives to reduce greenhouse gas emissions. The surveys also show that there are some areas which could benefit from more attention, e.g. only a few investors have actively been engaging government on implementing policies to encourage greater adaptation to unavoidable climate impacts.

Nevertheless, on the whole investor engagement with policymakers is progressive. For example, the IIGCC has emphasised the importance of clear and credible public policy, the need for long-term policy targets directed at significant reductions in greenhouse gas emissions and the desirability of extending the use of emissions trading.

Chart 8 Public policy engagement



The IIGCC has provided a focal point for investors' collaborative engagement with policymakers. Some investors also mentioned that they do some engagement with regulators and public policymakers through the Local Authority Pension Fund Forum (LAPFF), the Church Investors Group, UKSIF and UNPRI, and on the property side, through the British Property Federation and the Carbon Trust Strategic Initiative. Some investors also conduct a part of their engagement on an individual basis, for example through dialogue with national ministers or with representatives at the EU Parliament.

7 Conclusions and Looking Forwards

The responses to the surveys clearly showed that climate change has risen up investors' agendas and that both asset owners and asset managers are building their capacity to analyse the financial implications from climate policy. Improved sell-side research and collaborative initiatives have played a major role in this, but increased sources of other information more generally have also contributed.

Asset managers are using their shareholder voting rights to encourage companies to pay greater attention to climate change and they are also engaging directly with them, in particular on issues of improved disclosure and reporting. Climate change issues are also affecting investment decision-making where investors are exploiting opportunities as a result of government incentives – e.g. renewable energy or low carbon technology – or where government policy has created a price for carbon, as in the EU ETS, or in sectors which may in future be covered by an emissions trading scheme, e.g. electric utilities in the US.

Some investors are looking at possible impacts from changes in climate or climate policy more generally on their portfolios, but it is not obvious that this is affecting investment decision-making. In many cases, climate impacts are not taken into account where the financial implications are not evident. For example, asset managers tend to disregard climate change impacts where there are significant uncertainties about the future direction of climate change policy or the physical impacts from a changing climate make it difficult to quantify the financial implications. Adaptation to unavoidable climate change is not yet high on the agenda.

In this respect it is encouraging to note that investors are increasingly willing to engage in the public policy debate and use their influence with government to ask for clearer and stronger policy measures and frameworks. This in turn will make it easier for investors and companies to take account of climate risks and opportunities in their investment decision-making.

Incentives for investment managers to take account of the issue would also be supported by greater client demand for more formal integration of climate change in investment decision-making. There are very few asset owners who have formally integrated climate change considerations into their investment processes, i.e. the appointment and evaluation of their fund managers and the advice sought from investment consultants. There is some hope though that this will change gradually as contractual arrangements are reviewed.

This report shows that there are substantial steps being taken by investors both in paying attention to climate change in their own processes and in their engagement with companies and policymakers. It also highlights the need for more formal demand from pension funds for their investment managers to take account of climate change and the importance of engaging with government on providing appropriate price signals to encourage investors to explicitly include climate change in their investment analysis. Investors have an important role to play in supporting the move to a low carbon economy and further progress in these areas will determine how effective that role is.

Appendix 1

INVESTOR STATEMENT ON CLIMATE CHANGE

Introduction

As institutional investors, cognisant of our roles as major shareholders and bondholders in many of the world's companies and as significant investors in other assets such as real estate, we accept the broad scientific consensus that greenhouse gas emissions from human activities are a critical contributor to changes in the world's climate. Further, we recognise that climate change is likely to result in profound negative consequences for human society, the global economy, and the world's natural systems. As such, climate change presents a series of material business risks and opportunities - for investors and companies - to which investors must respond.

We believe that it is essential to adopt a proactive approach to this issue and to take action now that will result in substantial reductions in global greenhouse gas emissions within a timeframe that minimises the risk of serious impact. In addition, we recognise that there is a need to assess the risks associated with changes already built into the climate system as a result of historic greenhouse gas emissions, and to adapt to these changes if necessary.

It is our view that governments should lead this response by creating a framework that provides incentives and investment certainty to companies and individuals. However, we recognise that investors have a critical role to play in addressing climate change. To be most effective, our response should be coordinated internationally and be collaborative. As investors, we are ready to work with international bodies, national governments, companies, non-governmental organisations and our clients to develop solutions appropriate to the environmental and economic challenges we jointly face.

This Statement sets out our views of the role that can be played by investors in responding to climate change. It is in line with UN's Principles for Responsible Investment. We call on all institutional investors to support this Statement and to work together in its implementation.

1 The role of investors

We recognise that:

- Investment decisions taken now will have a major impact on current and future global greenhouse gas emissions and, hence, on the world's climate.
- The greenhouse gases already emitted into the atmosphere are predicted to cause environmental change and this will impact upon the companies and assets in which we invest.
- Current investment research, analysis and decision-making and shareholder ownership activities do not fully reflect the risks and opportunities presented by global climate change.
- It is not in the long-term interests of the ultimate beneficiaries of the assets we represent that climate change occurs.

- By working together, investors, their clients, their agents, regulatory authorities and companies can create an investment environment that contributes to a more orderly shift to a low carbon economy and so helps to ensure a more stable climate for current and future generations.

Therefore, as asset owners and asset managers, we will:

- Use our individual and collective influence to encourage governments to adopt policies that provide incentives to reduce greenhouse gas emissions and to encourage appropriate responses to the physical and societal impacts of climate change.
- Build our capacity to assess the investment implications of climate change.
- Work together on initiatives that will help reduce the threat and impacts of climate change.
- Promote information-sharing among the growing number of investors and organisations around the world concerned about climate change.
- Incentivise and/or support research on the risks and opportunities of climate change and climate policy that adds value to our investment decision-making processes.
- Seek to minimise the adverse impacts and maximise the positive impacts of investment decisions on the production of greenhouse gases.

As asset owners we will:

- Encourage our asset managers to integrate consideration of climate change risks and opportunities in their investment research, analysis and decision-making and shareholder ownership activities.
- Consider climate change in our processes for the appointment and evaluation of our asset managers.
- Instruct our advisors and consultants to consider the impacts and opportunities of climate change and climate policy in the advice that they provide to us, in particular to pro-actively consider the opportunities to invest in clean energy.

As asset managers we will:

- Explicitly consider climate change risks and opportunities in our investment analysis and, individually and collectively, develop the tools to assess the short-term and long-term risks and opportunities presented by climate change and climate-related policies.
- Engage with the companies in which we invest to ensure that they are minimising the risks and maximising the opportunities presented by climate change and climate policy. We will also encourage these companies to improve their governance and disclosure of climate risks and opportunities.

2 Working with Others

We encourage companies to:

- Clearly define board and senior management responsibilities for climate change.
- Integrate climate change risks and opportunities into business strategy.
- Set high-level policy commitments in support of action on climate change, including commitments to greenhouse gas emissions reductions.
- Provide appropriate disclosures on climate change risks and opportunities that allow investors to assess the financial implications of these risks and opportunities for the company.

- Prepare and report comprehensive inventories of greenhouse gas emissions (both directly from operations and activities and indirectly from, for example, the use of the company's products). These inventories should allow historic performance to be assessed and should include projections of likely changes in future emissions.
- Integrate climate change into product design and operations. This should include setting targets and timelines for reducing greenhouse gas emissions and impacts along the value chain.
- Proactively engage with public policy makers and other stakeholders in support of policy measures to reduce greenhouse gas emissions, and not lobby to obstruct legitimate attempts to reduce greenhouse gas emissions or mitigate the effects of climate change.

We encourage governments to:

- Provide long-term guidance to investors and companies on the direction of public policy – at the national and international levels - on climate change.
- Establish a policy framework that sets clear and challenging yet achievable international targets for greenhouse gas emissions reductions for the short, medium and long-term that will enable atmospheric concentrations of greenhouse gases to be stabilised at a level that averts the most significant risks of climate change, and that provides the necessary mechanisms and institutions for the delivery of these targets.
- Enact national policies that align with international goals for emissions reductions, and that incentivise the development and adoption of low carbon technologies, energy efficiency and other forms of emissions reduction.
- Enact and support regulations that require companies to adequately report on the business risks and opportunities associated with climate change and climate policy.

3 Implementation and Monitoring

- The IIGCC will publish an annual report detailing the actions that have been taken by the signatories towards achieving the goals in this Statement.

The Statement is also available in German and French on the IIGCC's website, www.iigcc.org

Appendix 2

List of Signatories

BBC Pension Trust
BNP Paribas Asset Management
Central Finance Board of the Methodist Church
Co-operative Investments
Environment Agency Pension Fund
Ethos Foundation
F&C Management Ltd
Generation Investment Management
Greater Manchester Pension Fund
Hermes
Insight Investment
Joseph Rowntree Charitable Trust
London Borough of Hounslow Pension Fund
London Pensions Fund Authority
Morley Fund Management
PGGM Investments
PRUPIM
Schroders
USS
West Midlands Pension Fund
West Yorkshire Pension Fund

IIGCC

Institutional Investors Group on Climate Change

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