

## EIRIS 2009 Climate Change Tracker: North America

### Key findings:

#### North American companies that are very high or high impact for climate change:

- **are performing near the level of global peers in their overall response to climate change:** 19% have a *good* response compared to 23% at the global level; 91% have a corporate-wide climate change policy compared to 93% at the global level; 57% commit to short-term targets compared to 62% at the global level.
- **lag behind substantively in certain areas of response:** 16% commit to linking remuneration to GHG emissions reductions compared to 28% at the global level; 43% have policies committing to address climate change impact of their products compared to 71% at the global level; 9% have set targets to reduce climate change impact of their products compared to 19% at the global level.
- **overall provide poorer quality disclosure on climate change compared with global peers, although provide comparable disclosure in some areas:** 37% have *advanced* or *good* disclosure compared to around 50% at the global level; 35% meet external verification of data compared to 51% at the global level; 80% report absolute emissions compared to 84% at the global level; 72% disclose scope of data compared to 81% at the global level

### Introduction

As the US makes headway in passing national climate change legislation and there is an indication Canada may follow, how companies in these countries are addressing climate change will become even more relevant for asset owners and managers.

Historically, emissions for the US and Canada have been rising. The US had the tenth and Canada the third largest emissions increase of total greenhouse gas (GHG) emissions from 1990 to 2006 among signatories to the United Nations Framework Convention on Climate Change (UNFCCC).<sup>1</sup>

Canada reported 751,974 gigagram (Gg) of CO<sub>2</sub> equivalent emissions in 2006, a 54.8% increase from base year 1990. Based on a 2009 national inventory report, filed by Environment Canada with the United Nations, after a slight dip during 2004-06, Canada's total emissions increased. This is due mainly to Alberta's oil sands, an increase in the number of vehicles on the road, and greater reliance on coal-fired electricity. Canada's emissions are 33.8% above its Kyoto commitment and have climbed more than any G8 nation since 1990.<sup>2</sup>

The US reported 6,087,487 Gg of CO<sub>2</sub> equivalent emissions in 2007, a 15.8% increase from base year 1990.<sup>3</sup> Additionally, the US Energy Department reported that GHG emissions increased by 1.4% in 2007 after a decline in 2006. This was attributed by the report to a colder winter and warmer summer.<sup>4</sup> Further to this, according to a 2009 Carbon Disclosure Project report, the US accounted for 31% of total disclosed (direct and indirect) GHG emissions from the Global 500 companies.<sup>5</sup>

While the US is the greater emitter, Canada is showing substantial increases in emissions. Both countries have a key role to play in addressing climate change at the international level.

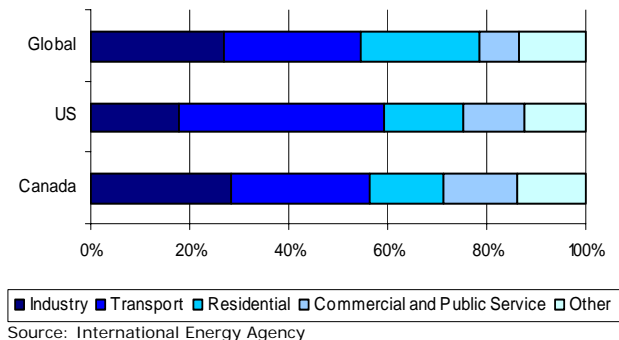
In August 2009, EIRIS completed a study on the corporate response to climate change of the 300 largest cap global companies in the FTSE All World Developed Index. Earlier in May it produced a regional update focusing on Asian companies listed in the index. This paper analyses the current corporate response to climate change of North American companies (Canada and US) in the FTSE All World Developed Index.

**Context**

**Energy use composition** - Energy use in North American countries accounted for about 22% of global energy use in 2006 with the US comprising approximately 19% of global energy use.<sup>6</sup> Comparatively China comprised 16% of global energy use in 2006.<sup>7</sup> The extent of US energy use indicates that it will remain an important country in addressing climate change at the international level.

The majority of the energy use for both US and Canada stems from the industry and transport sectors. While Canada's use is fairly evenly distributed between these sectors, a substantial amount (41%) of US energy use comes from the transport sector.

**Fig. 1 Proportion of sectors in energy use of Global and North American countries (2006)**



**National policies in North American countries**

- **United States** has not yet enacted federal regulation setting reduction targets for greenhouse gas (GHG) emissions. However, on 26 June 2009, the US House of Representatives approved the American Clean Energy and Security Act of 2009 (ACES). The bill, if approved by the Senate, would implement caps requiring reduction of aggregate GHG emissions for all covered entities to 3% below 2005 levels by 2012, 17% below 2005 levels by 2020, 42% below 2005 levels by 2030 and 83% below 2005 levels by 2050. The bill also

establishes economy-wide goals for all emitting sources.<sup>8</sup>

At the end of September 2009, the Senate introduced its own climate change bill, The Clean Energy Jobs and American Power Act which is similar to the bill passed by the House. However, one of the major differences between the bills is the Senate bill's stricter interim targets for covered sources: A 20% reduction from 2005 levels in 2020 compared to a 17% reduction in the House bill.<sup>9</sup> If the bill passes in the Senate it will have to be reconciled with the House bill before moving forward.<sup>10</sup>

On 10 March 2009, the Environmental Protection Agency (EPA) proposed a rule that requires mandatory reporting of greenhouse gas (GHG) emissions from large sources in the US. The rule proposes that suppliers of fossil fuels or industrial greenhouse gases, manufacturers of vehicles and engines, and facilities that emit 25,000 metric tons or more per year of GHG emissions submit annual reports to the EPA. The first annual report would be submitted to EPA in 2011 for the calendar year 2010, except for vehicle and engine manufacturers, which would begin reporting for model year 2011.<sup>11</sup>

In addition, the American Recovery and Reinvestment Act of 2009 (Recovery Act) enacted 17 February 2009 allocates about USD 42 billion in energy related investments; USD 21 billion in vehicles/transportation spending (transit assistance, energy efficient fleets, etc.); and about USD 570 million in climate science research spending. It also aims to provide USD 21 billion in energy-related tax incentives such as extending the renewable energy production tax credit and an additional USD 1.6 billion in Clean Renewable Energy Bonds.<sup>12</sup>

- **Canada** passed Bill C-288 on 14 February 2007 which intended to ensure Canada met its obligations under the Kyoto Protocol and accordingly required the government to develop a climate change plan, appropriate regulation and reduction targets.<sup>13</sup> The federal government did not support the bill and

had previously stated that Canada would not meet its Kyoto targets.<sup>14</sup> Canada does currently have proposed federal climate change legislation that would set targets of reducing GHG emissions 20% below 2006 levels by 2020 and 70% below 2006 levels by 2050.<sup>15</sup> However, in terms of implementation, on 28 May 2009, Environment Minister Jim Prentice stated that Canadian rules limiting industrial greenhouse gas emissions will not be developed until the following year and will not take legal effect for up to six years in order to coordinate with a proposed US timetable.<sup>16</sup>

As the US' biggest trading partner and top energy supplier, Canada will be directly affected by the GHG emissions regulation passed in the US. Prentice has stated that his goal is to ensure that the two countries' policies are compatible. However, while the US proposed climate change legislation is based on a cap and trade system, the Canadian government is looking at an emissions intensity reduction system which would not include caps.<sup>17</sup>

If the US cap-and-trade system includes limiting imports from countries with weaker climate-change rules, Canada may be forced to implement more stringent emissions rules. The oil sands in Alberta, the biggest deposit of hydrocarbons outside of Saudi Arabia, are another factor for both countries. The process of extracting petroleum from oil sands emits more greenhouse gas emissions than conventional oil drilling. The US obtains almost a fifth of its crude imports, or 2.5 million barrels a day, from Canada. As oil prices rise, the bulk of this may in the future come from the oil sands which account for about 5% of Canada's overall emissions.<sup>18</sup>

- **Regional** agreements such as the Western Climate Initiative (WCI), the Regional Greenhouse Gas Initiative (RGGI), the Midwest Greenhouse Gas Accord (Midwest Accord) seem to be further along in establishing GHG emissions targets but function within a voluntary framework. The WCI, comprising US states (Arizona, California,

New Mexico, Oregon, Washington, Montana and Utah) and Canadian provinces (British Columbia, Manitoba, Ontario, and Quebec), aims to implement a cap-and-trade program that will reduce greenhouse gas emissions by 15% from 2005 levels by 2020 and when fully implemented in 2015, will cover nearly 90% of the GHG emissions in WCI states and provinces.<sup>19</sup>

The Regional Greenhouse Gas Initiative (RGGI) is a cooperative effort by ten Northeast and Mid-Atlantic states to reduce CO<sub>2</sub> emissions from the power sector by 10% by 2018 using market-based cap and trade.<sup>20</sup> The Midwestern Accord covers six US states (Illinois, Iowa, Kansas, Michigan, Minnesota, and Wisconsin) and one Canadian province (Manitoba). Another three US states and one Canadian province are formally observing the process. The Midwestern Accord is currently considering recommendations for a regional cap and trade program, scheduled to launch in January 2012.<sup>21</sup>

Further to this, several US states and Canadian provinces have set individual GHG emissions targets. For example California's Global Warming Solutions Act mandates implementation of an economy-wide cap-and-trade system and other regulations by 2012 in order to meet 2020 GHG emissions reduction targets.

- **International** agreement on addressing climate change post-Kyoto will be sought at the UN Climate Change Conference in December 2009 where the two countries will have an opportunity to show their level of commitment to addressing climate change at the international level. On 10 August 2009, the North American Leaders' Declaration on Climate Change and Clean Energy was issued at a conference of the leaders of US, Canada and Mexico. The declaration acknowledges the scientific evidence on climate change and supports reducing global emissions by at least 50% by 2050 compared to 1990 or a more recent year, with developed countries reducing emissions by at least 80% by 2050 compared to 1990 or a more recent

year.<sup>22</sup> Except for the US, most developed countries have agreed to targets for cutting emissions by 2020.<sup>23</sup>

The US has indicated it will not require developing countries to commit to binding reductions but rather will require their actions towards the reduction goals to be binding.<sup>24</sup> However, these and other points of contention will need to be sorted out decisively in Copenhagen. Other key areas of dispute include demands for tougher targets for rich countries, legally binding reduction commitments from emerging economies and poor countries asking for financial assistance from rich countries if they are required to quantify their emission reduction actions.<sup>25</sup>

**Scope of Analysis**

This analysis uses EIRIS' assessment of the impact and response of companies in the FTSE All World Developed Index. (The term *global* in this report comprises the FTSE All World Developed Index.) Focusing on the North American countries (Canada and US) within the index, the report covers 660 North American companies consisting of 608 US and 52 Canadian companies, representing USD 9.8 trillion and USD 807 billion respectively. The analysis compares responses of very high or high impact North American companies to their global peers. Throughout this report, unless otherwise specified, all percentages represent proportion of market cap.

Key findings are highlighted below.

**1) Climate change profile of North American companies at similar level to global peers**

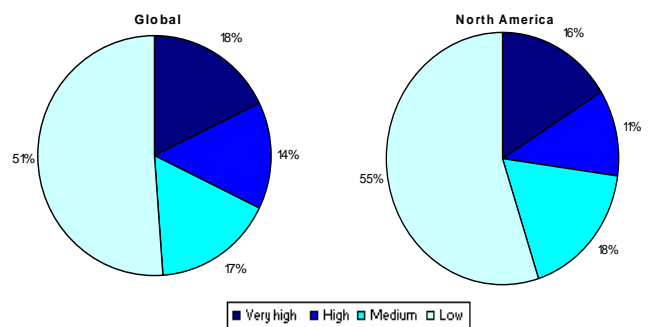
EIRIS classifies companies into over 50 sectors (and sub-sectors) based on business activities. Each sector is defined as having very high, high, medium or low climate change impact based on its direct emissions (i.e. operational) and indirect emissions where companies have control, not just influence (i.e. supply chain).

Examples of very high impact sectors include oil and gas or electricity generation. These

sectors have average carbon intensity (relative to turnover) 125 times that of the low impact sectors. High impact sectors, such as food producers, are on average five times as carbon intensive. Medium impact sectors, such as consumer electronics, are three times as carbon intensive. EIRIS uses company data and independent sources to assess carbon intensity.

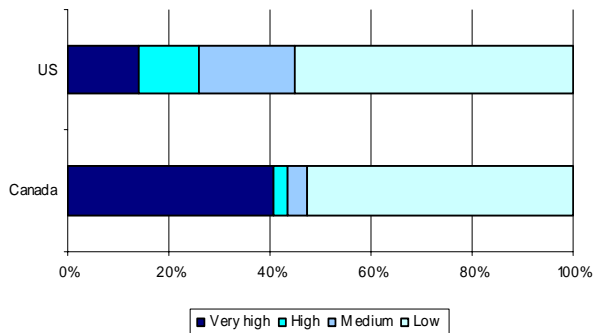
Figure 2 shows that about a third of companies in the FTSE All World Developed Index (32%) as well as in the North American subset (US and Canada) (27%) are classified as very high or high impact for climate change. The percentages represent, USD 6.8 trillion and USD 2.9 trillion market cap respectively, as of August 2009.

**Fig. 2 Climate change impact by % market cap**



Based on market cap, 43% of Canadian companies compared to 26% of US companies have a very high or high climate change impact. In absolute numbers the percentages represent market cap of USD 351 billion for Canada and USD 2.5 trillion for the US. In terms of the number of companies, the US has 143 very high or high impact companies compared with Canada's 22 companies. Hence, while there is a lesser market cap proportion of very high or high impact US companies compared to Canada, the actual number and market cap of US companies in this category is greater than Canadian companies. Additionally, US companies are more evenly distributed among very high, high and medium impacts with 19% of US companies medium impact compared to 4% of Canadian companies.

**Fig. 3 Climate change impact of North American companies by % market cap**



This analysis evaluates the responses of companies assessed as having very high or high climate change impact based on EIRIS research. It compares all such companies in the FTSE All World Developed Index to North American companies in the index.

**2) Overall, the climate change response of North American companies is comparable to global peers**

With input from investor groups, NGOs and companies (including World Wide Fund for Nature, Climate Group, Carbon Trust and Institutional Investors Group on Climate Change), EIRIS has developed indicators to assess how companies should best address their climate change impacts and risks. EIRIS indicators cover aspects such as:

- **Governance** – e.g. does the company have a corporate-wide climate change policy, or is board remuneration linked to climate change performance?
- **Strategy** – e.g. has the company set targets?
- **Disclosure** – e.g. does the company report GHG emissions, quantified disclosure risks or opportunities?
- **Performance** – e.g. does the company demonstrate a year on year reduction in GHG emissions, or transformational initiatives such as large scale investment in carbon capture and storage?

These indicators are aggregated into five assessment grades, from *no evidence* to *advanced*, where *good* (the second highest grade) is considered the level at which

companies are adequately responding to the issue of climate change.

North American companies are performing almost at the level of their global peers in their overall response to climate change. About one fifth of North American companies (19%) have a *good* response (global: 23%); 50% have an *intermediate* response (global: 54%); and 9% have a response of *no evidence* (global: 7%).

**Fig. 4 Climate change response of Global and North American companies by % market cap (very high & high impact)**

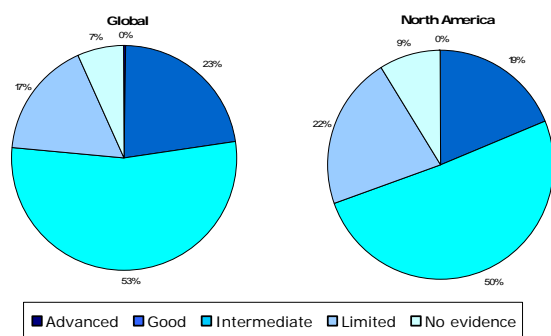
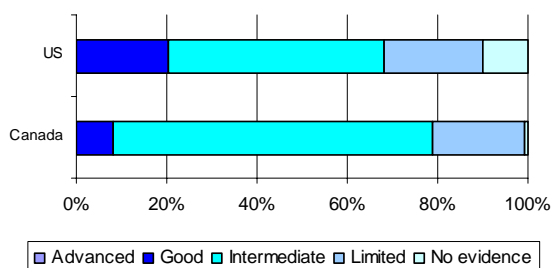


Figure 5 shows individual performances with US companies (21%) leading Canadian companies (8%) in achieving a *good* response but less than 1% of Canadian companies having a response of *no evidence* compared to 10% of US companies.

The comparable performance of North American companies to that of global peers could be due to various factors including pending or existing mandatory emissions targets, pressure from the investor community and extent of companies' global operations.

**Fig. 5 Climate change response of North American companies by % market cap (very high & high impact)**



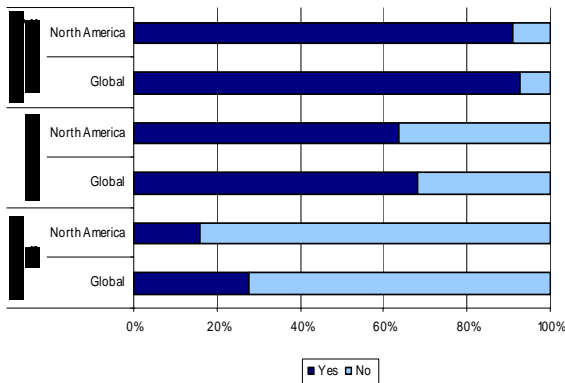
### 3) North American companies lag behind substantively in certain areas of response

An examination of the specific elements that comprise the climate change response shows that North American companies are generally performing close to but not at the level of global peers with a greater gap in some areas than in others.

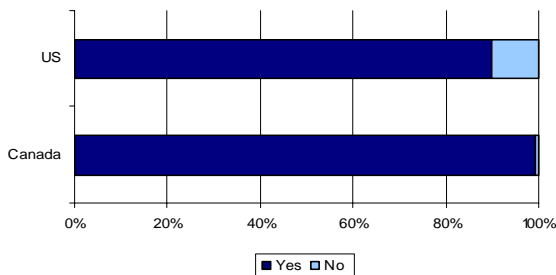
North American companies lag behind in linking board or senior management remuneration to GHG emissions reductions, with 16% of companies having a commitment to this compared with 28% of companies at the global level.

Closer to global levels, 91% of North American companies have a corporate-wide climate change policy (global: 93%) and 64% reference the wider policy context by referring to international targets, regulations or scientific imperative (global: 68%). Both Canadian and US companies show a strong commitment to climate change policy with 90% of US companies and nearly 100% of Canadian companies meeting this indicator.

**Fig. 6 Governance performance by % market cap (very high & high impact)**

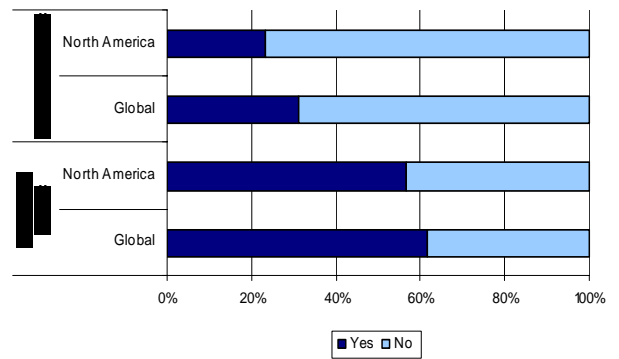


**Fig. 7 Policy commitment of North American companies by % market cap (very high & high impact)**



North American companies fall behind global peers only slightly in climate change strategy as determined by commitment to short-term (less than five years) and long-term (at least five years) GHG emissions reduction targets. Of North American companies 57% commit to short-term targets (global: 62%) while 23% of North American companies commit to long-term targets (global: 31%). The lack of long-term targets may be due to absence of a clear policy framework. Leading the Canadian companies, 58% and 24% of US companies have set short-term targets and long-term targets respectively, compared to 44% and 16% of Canadian companies.

**Fig. 8 Strategy performance by % market cap (very high & high impact)**



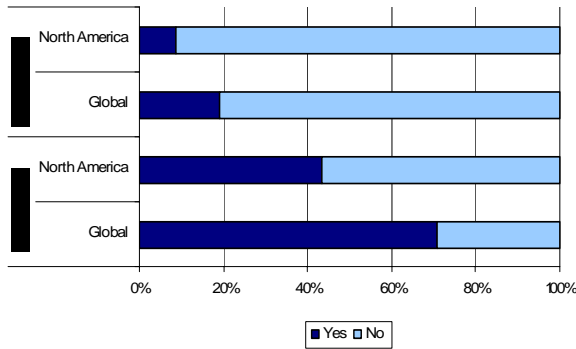
EIRIS defines certain sectors as having substantial impact on climate change through their products. 45% of global very high or high impact companies and 46% of North American very high or high impact companies are in sectors classified as having a high product impact in relation to climate change. These companies are evaluated for product-related climate change policy and targets.

An assessment of very high or high impact companies classified by EIRIS as having product impact shows that North American companies lag behind global companies in having a product-related climate change policy as well as committing to targets, with a bigger gap to cover in the former area.

A little over two fifths of North American product impact companies (43%) have policies that commit to address the climate change impact of their products (global: 71%). Only 9% of North American product impact companies have set targets to reduce the climate change impact of products

(global: 19%). Notably, this figure includes no Canadian companies.

**Fig. 9 Product performance by % market cap of companies (very high & high impact)**



**4) Overall disclosure on climate change by North American companies is of poorer quality than global peers**

In terms of disclosure, companies with *advanced* or *good* disclosure account for 50% of the market cap at the global level and 37% for North American companies. Electricity generation (35%), specialty chemical companies (16%) and food producers (14%) comprise 65% of the North American companies rated as *good*. Oil and gas (27%), food producers (13%) and electricity generation (11%) comprise 51% of the North American companies rated as *no evidence*.

**5) North American companies lag behind notably in certain areas of disclosure**

The quality of disclosure includes consideration of reporting absolute or normalized GHG or CO<sub>2</sub> emissions, the availability of trend data and the disclosure of the scope of data.

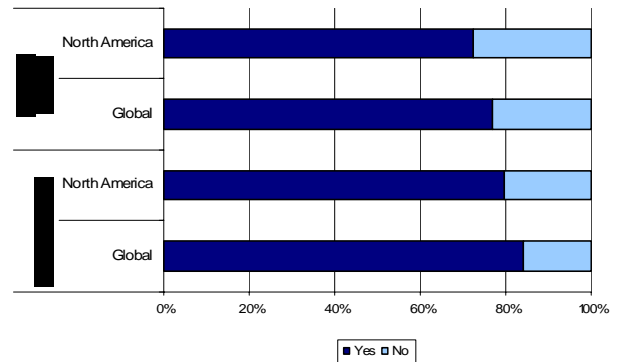
North American companies are further behind than global peers in having data verified externally with 35% meeting this indicator compared to 51% at the global level.

However, North American companies lag only slightly behind global peers in reporting absolute emissions. About four-fifths of North American companies (80%) report

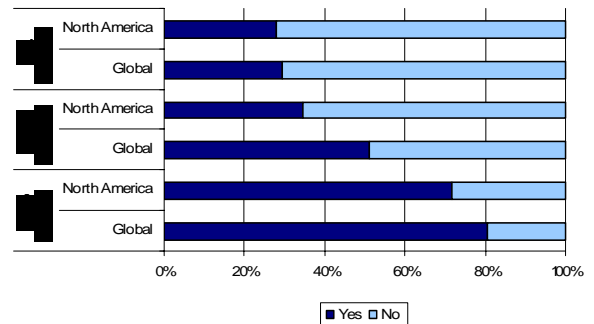
absolute emissions (global: 84%) and 73% report normalized emissions (global: 77%).

Of North American companies, 72% disclose scope of data (global: 81%) and 28% provide a quantitative assessment of risk and/or opportunities from climate change (global: 30%).

**Fig. 10 GHG emissions disclosure companies by % market cap (very high & high impact)**

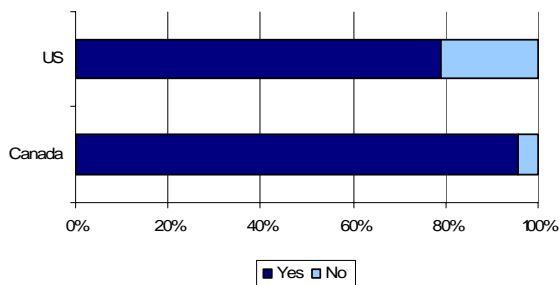


**Fig. 11 Disclosure quality by % market cap of (very high & high impact)**

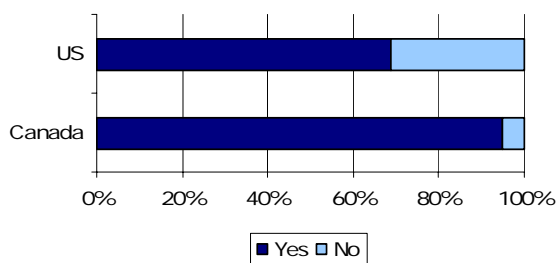


Canadian companies lead in disclosing scope of data with 95% disclosing (US: 69%) and also slightly outperform in reporting absolute or normalized emissions with 96% reporting (US: 79%). The US leads slightly in risk disclosure with about one third of US companies (29%) meeting this indicator (Canada: 21%).

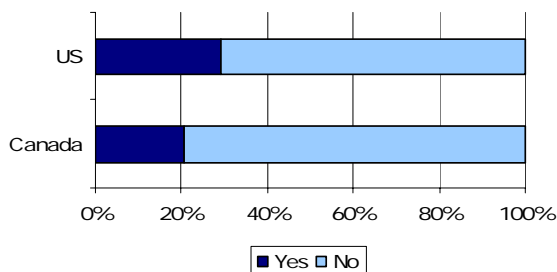
**Fig. 12 Absolute or normalised emissions of North American companies by % market cap (very high & high impact)**



**Fig. 13 Scope disclosure of North American companies - GHG emissions data by % market cap (very high & high impact)**



**Fig. 14 Risk disclosure of North American companies - GHG emissions data by % market cap (very high & high impact)**



**Conclusions**

North American companies are performing almost at the level of their global peers in responding to climate change, in areas such as establishing policies with the appropriate context, reporting quantitative data, scope of data and quantitative risk disclosure. However, while the gaps are generally small, in no area evaluated are North American companies outperforming their global peers.

**1) Next steps for companies**

In certain areas more than others, North American companies will need to make greater strides to meet global levels. This

includes implementing product-related policies and targets (gaps of, 28% and 10% respectively); externally verifying reported data (gap of 16%); reporting against reduction targets (gap of 13%); and linking remuneration to climate change (gap of 12%).

Within the North American region there are some differences in the overall response to climate change. With a gap of 13%, US companies perform better in providing *good* overall responses to addressing climate change. However, 9% more US companies than Canadian companies provide no evidence of an adequate response. In the area of disclosure, US companies have gaps of 26% and 16% to cover in disclosing scope of climate change data and reporting emissions respectively compared to Canadian companies. US companies do outperform Canadian companies in the area of setting climate change product impact targets.

In general, Canadian and US companies face similar challenges to adequately addressing the issue of climate change as their global peers. Various forces can drive the actions of companies in this region. The change in US leadership is resulting in a more proactive and positive policy stance on climate change. This is likely to lead to the US committing to binding GHG emissions reduction targets and the creation of trading and other mechanisms that will have a direct impact on companies. Therefore, investors will need to factor these into their valuation of companies.

**2) Further actions by investors**

Additionally, the investor community has made strides in influencing how companies are addressing climate change. Commenting on investor engagement with US and Canadian companies, CERES<sup>26</sup> reported that 68 climate-related shareholder resolutions were filed in 2009 of which 31 were withdrawn after the companies agreed to positive climate-related commitments; six of the 28 resolutions that went to a vote achieved 30% or greater support.<sup>27</sup>

In June 2009 members of the Investor Network on Climate Risk (INCR) and other leading global investors sent a letter to the

US Securities and Exchange Commission (SEC) requesting that the Commission addresses corporate disclosure of climate change and other material, environmental, social, and governance risks in securities filings.<sup>28</sup>

Further to this, a 2008 survey of a cross-section of 14 Social Investment Forum (SIF) members found that clean energy and technology investment demand was up among clients.<sup>29</sup>

As national, regional and international initiatives to regulate GHG emissions move forward, companies will need to better manage their carbon risks and take firm steps to be part of the transition to a low-carbon economy. Therefore investors need to incorporate analysis of the corporate response to climate change into the mainstream financial assessments of the companies in which they invest.

## Recommendations

### 1. Identify risk in your portfolio and integrate carbon risk factors in your company analysis

Understanding the carbon profile or footprint of your portfolio is an important first step, however for a complete picture of a company's risk profile, investors should also look beyond emissions intensity to how the company is responding to the challenges of climate change. The profile of North American companies in the FTSE All World developed index is comparable to the global average.

### 2. Include best practice companies in your portfolio

Increasing the proportion of best practice companies in very high and high risk sectors is a more practical measure against climate change than divestment in these sectors. This creates an incentive for companies to enhance carbon management and disclosure.

### 3. Engage with laggard companies

Engagement with companies that have less advanced performance is essential. The possibility of climate change legislation in the US poses a valuable opportunity to redirect the climate change policies in such companies and greatly contribute to the

mitigation of climate change risk on a global level.

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1. The Annex 1 countries include the industrialized countries that were members of the OECD (Organisation for Economic Co-operation and Development) in 1992, plus countries with economies in transition (the EIT Parties), including the Russian Federation, the Baltic States, and several Central and Eastern European States.  
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2. 'Laggard' Canada's greenhouse emissions soaring: UNreport, Margaret Munro, 20 April 2009, *Canwest News Service*

3. United Nations Framework Convention on Climate Change Total CO<sub>2</sub> Equivalent Emissions with Land Use, Land-Use Change and Forestry,  
[http://unfccc.int/ghg\\_data/ghg\\_data\\_unfccc/time\\_series\\_annex\\_i/items/3814.php](http://unfccc.int/ghg_data/ghg_data_unfccc/time_series_annex_i/items/3814.php)

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<http://www.pewclimate.org/docUploads/Waxman-Markey-short-summary-revised-June26.pdf>

9. Summary of the Clean Energy Jobs and American Power Act - S. 1733,  
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11. Proposed Mandatory Greenhouse Gas Reporting Rule,  
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14. Federal Court Rules Canada Not Obligated To Meet Kyoto Targets, 13 November 2008, *Mondaq Business Briefing*

15. North America Climate Change Action by State and Province,  
<http://www.iie.com/publications/papers/fickling0811.pdf>

16. Greenhouse gas enforcement could take 6 years: Prentice,  
<http://www.cbc.ca/canada/story/2009/05/28/prentice-greenhouse.html>

17. Environment (A Special Report) --- Sand Storm: The U.S. government is changing its environmental policy; Now Canada may have to rethink its policy as well, Hyun Young Lee, 9 March 2009, *The Wall Street Journal*

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19. Western Climate Initiative,  
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20. Regional Greenhouse Gas Initiative,  
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21. World Resource Institute Fact Sheet: Regional Cap and Trade Programs,  
[http://pdf.wri.org/factsheets/factsheet\\_regional\\_cap\\_and\\_trade.pdf](http://pdf.wri.org/factsheets/factsheet_regional_cap_and_trade.pdf)

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[/North-American-Leaders-Declaration-on-Climate-Change-and-Clean-Energy/](#)

23. Concession raises hopes for climate deal,  
<http://www.ft.com/cms/s/0/45450bde-bcd5-11de-a7ec-00144feab49a.html>

24. US eases pressure on China over climate change targets,  
<http://www.guardian.co.uk/environment/2009/jun/12/us-eases-climate-pressure-china>

25. Concession raises hopes for climate deal,  
<http://www.ft.com/cms/s/0/45450bde-bcd5-11de-a7ec-00144feab49a.html>

26. CERES is a network of investors, environmental organizations and other public interest groups working with companies and investors to address sustainability challenges such as global climate change.

27. Investors Achieve Major Company Commitments on Climate Change,  
<http://www.ceres.org/Page.aspx?pid=1121>

28. Investors With \$1.4 Trillion in Assets Call on the SEC to Improve Disclosure of Climate Change and Other Risks,  
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29. SIF is a US membership association for socially and environmentally responsible investment professionals and institutions, Social Investment Forum Survey Finds 100 Percent of Respondents Report Growing Demand; 10 or More New Clean Energy/Green Technology Mutual Funds/Other Investments Expected,  
<http://www.socialinvest.org/news/releases/pressrelease.cfm?id=120>

**How we can help – EIRIS Climate Change Toolkit for Investors**

EIRIS has developed a comprehensive suite of products to help investors assess their portfolios and design investment strategies in response to the challenge of a carbon-constrained economy.

- **EIRIS Carbon Profile** - assesses the climate change performance of a portfolio against major market indices by considering both climate change impact and company responses. It is designed to help investors understand the quantitative climate change impact of their portfolios. It provides a qualitative assessment of company responses to climate change.
- **EIRIS Carbon Engager** – helps investors to target their engagement on climate change and identify key priorities. It provides detailed reports on individual company performance and best practice examples to support a variety of engagement approaches.
- **EIRIS Carbon Risk Factor** - quantifies individual company performance on climate change. It provides a risk-weighted score based on each company's carbon impact and management response to climate change. It is designed to be easily integrated into analysts' models.

For further information contact Lisa Hayles: [lisa.hayles@eiris.org](mailto:lisa.hayles@eiris.org) 020 7840 5727 (direct line)

**About EIRIS ([www.eiris.org](http://www.eiris.org))**

EIRIS is a leading global provider of independent research into the environmental, social, and governance, (ESG), and ethical performance of companies. With over 25 years experience of conducting research and promoting responsible investment strategies, EIRIS now provides services to more than 100 asset owners and asset managers globally. In the last ten years new EIRIS research has focussed on the risks and exposure of companies in key ESG areas, and how companies are responding. EIRIS works with clients to create their own ESG ratings and rankings, to engage with companies and to create specific funds for their clients. EIRIS has a multinational team of over 50 staff in London, together with offices in Boston and Paris. The EIRIS network includes research organisations in Australia, France, Israel, Germany, Spain and South Korea, and now covers around 3,000 companies globally.

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