

## Climate Principles Review; WEF Davos 29 January 2010

Alain Grisay – CEO F&C Investments

Good morning, Ladies and Gentlemen.

- Investors have a critical role to play in facilitating the transition to a global economy that can prosper without endangering the climate.
- At a time when the global economy has taken a real stumble, it is important to keep this priority in mind because it would be a shame to rebuild it on the old model.
- As an asset management company representing the fiduciary interests of over \$220 billion, we have a long history and strong commitment to ensuring that investors take a positive and proactive stance on matters of sustainability as we are convinced that they drive long-term value for investors.
- The investment community can play a major role in addressing the challenge of climate change because of our ability to shift huge financial resources to the right priorities.
- I am therefore delighted to work with this group on the commitments outlined by the Climate Principles.
- Although climate change is a challenge, it also opens up attractive investment opportunities. F&C, along with others on this panel and in the industry, have started to actively finance businesses that are positioned to benefit from a shift to lower carbon emissions, or help protect society from the damaging effects of the changing climate.
- Climate change has spurred remarkable action by business leaders - in a way that few might have imagined possible a few years ago. By now, numerous initiatives have emerged around the world. While it is heartening, it can also be confusing.
- However, we see these various initiatives as fundamentally positive, complementing one another and sending a strong message about the willingness of business to do what it takes to break the impasse facing us.
- F&C has played an active role in several such initiatives. We focus specifically on setting standards for the investment industry, such as institutional investors like pension funds and insurance providers. We help to define minimum investment standards and criteria.
- We are also setting - together with others - standards that cut across industrial sectors, thus setting a common agenda for all parties involved.

- The Climate Principles help to provide clear guidance, derived from lessons learned at a time when the financial industry is facing deep questioning about its very own structure.
- One critical lesson from the credit crisis is that apparently rational, competitively-driven behaviour can have tragic consequences when there is a systemic failure to recognise and price in unconventional risks.
- The signs of a looming climate crisis are now clearly before us. As major participants in the financial markets, we have the ability to facilitate, through targeted financing, the transformation to a low-carbon economy.
- But, to achieve this, we need to ensure that the policy environment makes it possible for us to do it. As with the credit crisis, we need a systemic approach to avert disaster.
- The Climate Principles represent our response to this crisis-in-the-making and our commitment to do something concrete and powerful to avert it.