

Climate change position statement

There is increasing scientific consensus that the acceleration of global warming is caused by human activity. The burning of fossil fuels, reduction of forest cover and a range of other industrial and agricultural activities are increasing the concentration of greenhouse gases in the atmosphere and changing the climate.

This emerging change presents significant economic and social risks for current and future generations. There is a material possibility that the impacts of climate change will be damaging to a range of vulnerable populations, geographies and lead to economic disruptions across a wide range of sectors and businesses we invest in.

Colonial First State Global Asset Management acknowledges the science on climate change and supports the case for early action on moving towards a low carbon economy.

As an investor, we recognise the need to approach climate change in a rigorous manner based on a thorough understanding of the risks and opportunities created for the companies we invest in globally. In keeping with our Responsible Investment Policy our approach is not to negatively screen out assets operating in specific sectors, but to integrate environmental, social and governance considerations, including climate change, into our investment processes. In doing this we will:

- Develop approaches for assessing sector perspectives and company-level risks, opportunities and operational preparedness across our investment portfolios
- Assess and identify the potential upside to be derived from climate change
- Identify, encourage and promote where appropriate business strategies to reduce greenhouse emissions intensity of the assets which we invest
- Promote corporate disclosure on greenhouse gas emissions and climate change preparedness through engaging the companies in which we invest

- Include climate change disclosure in our corporate governance, engagement and voting principles and guidelines
- Raise awareness of the potential impacts, both positive and negative, resulting from climate change to the investment industry, the companies we invest in, government and non-governments sectors
- Encourage the investment industry to adopt best practices approaches for the inclusion of the impacts of climate change into investment analysis
- Participate in industry forums and collaborative initiatives by sharing knowledge and our experience of incorporating climate change considerations into investment analysis
- Contribute to emerging public policy on climate change through our participation in industry forums and through our own analysis and representations
- Reduce our own greenhouse gas emissions generated by our global operations through assessing and improving the energy efficiency for our offices in keeping with emerging best practice.

Neil Cochrane

Acting Chief Executive Officer

Dated: 9 January 2008