Dear Company CEO

As long-term institutional investors we recognise that climate change will have an impact on our portfolios. We are particularly concerned that gaps, weaknesses and delays in climate change and clean energy policies will increase these risks to our investments\(^1\).

Whilst a growing number of companies are supportive of a global agreement on climate change, we are aware that some companies or their trade associations lobby against climate and energy policy at an EU level in a way that is inconsistent with our interests as long-term investors\(^2\) A group of 53 investors representing more than $US 3.3 trillion in AUM have recently released a statement addressed to companies asking for consistent policy engagement in support of a safe climate which protects long-term investment value.\(^3\)

In the Institutional Investors Group on Climate Change (IIGCC), we have developed a number of consensus positions on global and EU policy that reflect the views of investors on what is required in order to achieve a smooth transition to a low carbon economy. These include:

- A long-term global emission reduction goal in the Paris agreement in line with limiting global average temperature increase to 2°C
- At EU level, greenhouse gas emission reduction targets in line with EU objectives
- A meaningful and stable price on carbon through a reformed EU Emissions Trading Scheme
- Limitations on carbon leakage provisions to those industries actually at risk
- Alignment of relevant EU legislation with the EU’s 2030 climate and energy framework

Further details can be found in the Appendix.

Our expectation is that companies will engage with public policy makers and other stakeholders in support of such cost-effective policy measures or ensure that they do not lobby against these positions. We would therefore like you to disclose:

1. your position on climate and energy policies (such as those listed above) and how this relates to your strategy;
2. your lobbying activities on climate-related issues at national and international level;
3. your (oversight) processes to ensure consistency between your public positions on climate change and those of the trade associations of which you are a member and actions to ensure such consistency where there is a misalignment.

We would appreciate receiving by 31\(^{st}\) October a direct response to these three questions as well as about your intent to disclose publically through your website, CDP or in your next annual report. We realise that these are complex issues and welcome the opportunity to discuss our requests in more detail. Please direct your response to Morgan LaManna, Project Manager at IIGCC (mlamanna@iigcc.org), who is coordinating this engagement on behalf of the participating investors, and will communicate your response to the undersigned.

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\(^3\) Investor Expectations on Corporate Climate Lobbying [http://unpri.org/corporateclimatelobbying](http://unpri.org/corporateclimatelobbying)
We look forward to working further with you to ensure a cost-effective and rapid transition to a low carbon economy.

Yours sincerely,

Pascal Blanqué  
CIO  
Amundi Asset Management

Ulrika Danielson, Head of Communications & Coordinator of Corporate Governance  
AP2

Arne Lööw  
Head of Corporate Governance  
AP4

Richard Gröttheim  
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AP7

Erik Jan Stork  
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Dr Steve Waygood  
Chief Responsible Investment Officer  
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Matt Christensen  
Global Head of Responsible Investment  
AXA Investment Management

David Shaw  
Manager, Pensions Investments  
BBC Pension Trust Ltd

Geoff Reader  
Head of Pensions  
Bedfordshire Pension Fund

Vicki Bakhshi, Head of Governance and Sustainable Investment  
BMO Global Asset Management (EMEA)

Lauren Compere  
Managing Director  
Boston Common Asset Management

Helen Wildsmith  
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Ian Simm  
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Impax Asset Management

Celine Scemama  
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Groupe Caisse des Dépôts

Bill Seddon  
Chief Executive  
Central Finance Board of the Methodist Church

Pierre Jameson  
Chief Investment Officer  
Church of England Pensions Board

Sara Nordbrand, Sustainable Investment - Head of Corporate Engagement  
Church of Sweden

Faith Ward  
Chief Responsible Investment and Risk Officer  
Environment Agency Pension Fund

Philippe Desfossés  
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ERAFP

Bill Seddon  
Chief Executive  
Epworth Investment Management Ltd

Olivier Rousseau  
Executive Director  
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Councillor Kieran Quinn  
Chair  
Greater Manchester Pension Fund

Colin Melvin  
CEO  
Hermes Equity Ownership Services

Saker Nusseibeh  
CEO  
Hermes Investment Management

Roderick Munsters  
Chief Executive Officer  
Robeco
Dr. Matthew Kiernan  
Chief Executive  
Inflection Point Capital Management

Marieke de Leede  
Director Responsible Investment  
Kempen Capital Management

Sean Hawkshaw  
Chief Executive Officer  
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LGIM

Peter Wallach  
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Mark Fawcett  
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Sasja Beslik  
Head of Responsible Investment  
Nordea Asset Management

Fredric Nyström  
Head of Responsible Investment  
Öhman

Marcel Jeucken  
Managing Director Responsible Investment  
PGGM

Peter Damgaard Jensen  
CEO  
PKA

Helmut Paulus  
Chief Executive and Chief Investment Officer  
Quoniam Asset Management GmbH

John David  
Head of Rathbone Greenbank Investments  
Rathbone Greenbank Investments

Niall O’Shea  
Head of Responsible Investing  
Royal London Asset Management

Deborah Gilshan  
Head of Sustainable Ownership  
RPMI Railpen Investments

Natasha Landell-Mills  
Head of ESG Research  
Sarasin & Partners LLP

Fr Christopher O’Brien OSM  
Trustee and the Provincial Treasurer  
Servite Friars

John Hattersley  
Fund Manager  
South Yorkshire Pensions Authority

Filippa Bergin  
Group Head Sustainability  
Storebrand

Kelly Clark  
Director  
Tellus Mater Foundation

Nick Perks  
Trust Secretary  
The Joseph Rowntree Charitable Trust

Ingo Speich, CFA, Head of Sustainability and Engagement Senior Portfolio Manager  
Union Investment

Richard Nunn, Chairman of United Reformed Church Ministers’ Pension Trust Limited  
United Reformed Church

Elizabeth Fernando  
Head of Equities  
USS Investment Management

Timothy Smith, Senior Vice President and Director of ESG Shareholder Engagement  
Walden Asset Management
Appendix: IIGCC key EU policy positions

1. **Greenhouse gas emission reduction targets in line with EU objectives**
   In order to manage the significant risks of climate change, we require a clear, long-term political framework that maps out the direction of travel for European decarbonisation efforts. IIGCC supports the 80-95% long-term emission reduction objective agreed by EU Heads of State and Government for 2050. Companies and investors require intermediate steps towards that long-term objective to understand the speed and scale of decarbonisation efforts. Therefore, we also fully support an emission reduction target of at least 40% by 2030, compared to 1990 levels.

2. **A meaningful and stable price on carbon as a crucial decarbonisation driver**
   We welcome the emphasis Heads of State and Government have put on the EU-ETS as the major decarbonisation instrument of the EU. A meaningful and stable price on carbon requires an early introduction of the market stability reserve to tackle the surplus and further measures to make the ETS more stable and bring prices to a meaningful level. European climate leadership is working in bringing other countries, such as the US and China, on board and calls for a global price on carbon should not detract from the urgency of reforming the ETS.

3. **Carbon leakage provisions should be limited to those industries actually at risk**
   Investment decisions in the power sector and in industry can last for decades. It is therefore important that we achieve a meaningful carbon price that is stable as soon as possible. The power sector is making progress in developing, commercialising and deploying the low-carbon technologies that are necessary for emission reductions. Industry needs better incentives for doing likewise, and we therefore support limiting carbon leakage provisions to companies actually at risk. The resulting increase in government revenues can be used for innovation support either in the industries affected or the wider economy.

4. **All relevant EU legislation should be aligned with the 2030 climate-energy framework**
   The Investment Plan for Europe and the Energy Union are crucial initiatives that we welcome. However, they should be fully aligned with the need to implement Europe’s 2030 climate-energy target.