FOR IMMEDIATE RELEASE

Investors representing £1.8tn AUM call for climate vote at high-emitting companies

Investors including LAPFF, CCLA Investment Management, Sarasin & Partners, and Ethos Foundation write to FTSE companies in high-risk sectors seeking AGM vote on climate transition plans

Investors, including Local Authority Pension Fund Forum (LAPFF), CCLA Investment Management, Sarasin & Partners and Ethos Foundation, have written to the chairs of 35 FTSE 350 companies setting out their expectations for shareholder votes on climate transition plans ahead of next year's AGM season.

Investors have for several years called on companies to provide such votes to enhance transparency and accountability given the substantial climate-related financial risks. While some companies have responded positively, the letter notes: "such resolutions during 2023 were far from standard practice, including among high-emitting companies."

While encouraging companies to provide a climate transition plan vote, the letter, signed by 18 investors representing £1.8 trillion AUM, urges those who haven't to do so by stating: "Having such a vote will enable shareholders in the first instance to express their view on transition plans through a specific resolution rather than immediately voting against the chair or another board member."

The letter focuses on companies within sectors considered to "face heightened climate risks, whose actions are essential to the accelerated action required to meet the Paris goals and where the risks we face as investors are substantial."

The intervention comes against the backdrop of increasing focus from government and regulators around climate transition planning. For example, an emerging recommendation from UK government-backed Transition Plan Taskforce is for companies to produce transition plans every three years. While in France, a proposed new law would require listed companies to put their transition plans to an advisory vote every three years with an annual vote on the implementation of the strategy.

Cllr Doug McMurdo, Chair of LAPFF, said:
"Climate change is one of the biggest risks facing investors. Therefore, it only makes sense that companies provide shareholders with a vote on how they are planning and delivering the transition to a decarbonised economy. For those companies not

providing its own investors with the opportunity to have a say on climate plans, the focus of shareholder attention will inevitably first fall on director elections."

Tessa Younger, Stewardship Lead – Environment at CCLA, said:
"We see a vote on transition plans or transition plan reporting as a mechanism for shareholders to assess company commitments, provide support for associated capital spend and ensure debate on expectations for greater action where needed. Such accountability isn't just about individual companies, it underscores the urgent need for systemic change across industries and economies."

Natasha Landell-Mills, Partner at Sarasin & Partners LLP, said:
"AGMs have always been a key moment for shareholders to hold boards accountable. But they also provide an opportunity for Boards to build shareholder backing for important strategic shifts. For high-carbon companies seeking to pivot their strategies towards net-zero, shareholder support will be vital. It is for this reason that we encourage boards to put their Transition Plans to a vote at forthcoming AGMs. Far better to seek shareholder input and thereby shore up investor support for the transition, rather than provoke potentially destabilising dissent by denying shareholders a say."

Vincent Kaufmann, CEO of the Ethos Foundation, said:
"Votes on transition plans and transition plan reporting put responsibility for the climate strategy firmly with the board and promote shareholder buy-in on climate. Thus, institutionalizing a regular high-quality dialog on climate between companies and their investors. These votes also ensure timely and comprehensive disclosure of relevant information in the run-up to the annual general meeting."

ENDS> **3 October 2023**

For further information:
Hollly Rhodes, PIRC Ltd, (research and engagement partner to LAPFF)
Email: holly.rhodes@pirc.co.uk

About the letter
A copy of the letter is attached to the press release. The letters was sent to 35 FTSE 350 companies. The list of companies is also attached to the release. As the letter notes some companies on the list will have had such a vote in the past.

About the signatories
The letter was signed by the following organisations:

- Local Authority Pension Fund Forum
- CCLA Investment Management
- Ethos Foundation
- Sarasin & Partners
- ARGA Investment Management, LP
- Assicurazioni Generali S.p.a. Group
- Change Finance, PBC
- Charles Stanley
- Downing LLP
- Ethos Engagement Pool International
- Groupama Asset Management
- LBPAM
- Lightman Investment Management Limited
- Nordea Asset Management[1]
- P+, Pension Fund for Academics
- Premier Miton
- Raiffeisen Schweiz
- Superannuation Arrangements of the University of London (SAUL)

About the Local Authority Pension Fund Forum
The Local Authority Pension Fund Forum (LAPFF) is a voluntary association of 87 public sector pension funds and seven pool companies based in the UK with combined assets of over £350 billion. It exists to 'promote the long-term investment interests of local authority pension funds, and to maximise their influence as shareholders to promote corporate responsibility and high standards of corporate governance amongst the companies in which they invest.' PIRC is the Research and Engagement partner to LAPFF. https://lapfforum.org/.

[1] Signed onto the letters to companies for which they are shareholders.