

28 September 2023

Dear [company chair]

Climate action transition plan vote

As investors¹ with over £1.8trn AUM, we are writing to you regarding your intention to put a climate transition plan resolution for approval on your 2024 AGM agenda.

For the past two years LAPFF, in collaboration with other investors, has written to the chairs of all UK listed companies (excluding investment trusts) asking boards to provide shareholders with the opportunity to vote on their climate strategy. Prior to that in July 2021, a group of 56 investors, including signatories to this letter, set out the case for net zero transition plans with routine votes.² While we have been encouraged by the substantive responses, such resolutions during 2023 were far from standard practice, including among high-emitting companies. As such, this year we are writing to FTSE 350 companies we consider 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.

We welcome the fact that some companies we are writing to have already put such a resolution on their AGM agendas and again encourage others to follow this example. 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.

We expect companies to provide shareholders with such a vote every three years or where there has not been a vote following substantial changes to a climate strategy, including to a company's targets and plan or where exogenous factors will materially impact a company's plan. We consider this approach aligns with emerging recommendations around the frequency of transition plan disclosures, such as that of the Transition Plan Taskforce.

We look forward to hearing from you about your approach to providing shareholders with the opportunity to support your climate action strategy by means of a specific AGM resolution. To make an informed assessment of your position, we would welcome clarification by 27 October as to whether you have plans to submit your transition plan to a shareholder vote and, if so, in which year that is likely to occur.

Yours sincerely

Local Authority Pension Fund Forum

CCLA Investment Management

Ethos Foundation

Sarasin and Partners

¹ The term investors includes both investors and investor representatives.

² <https://139838633.fs1.hubspotusercontent-eu1.net/hubfs/139838633/Past%20resource%20uploads/IIGCC%20Investor%20Position%20Statement%20-%20Voting%20on%20transition%20Sept%202021.pdf>

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 Management³
P+, Pension Fund for Academics
Premier Miton
Raiffeisen Schweiz
Superannuation Arrangements of the University of London (SAUL)

³ Signed onto the letters to companies for which they are shareholders.