

THE MCKNIGHT FOUNDATION

April 23, 2015

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«GreetingLine»

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I am writing on behalf of The McKnight Foundation. This private family foundation was built by William McKnight, the 3M CEO who grew the company from a small sandpaper operation to a global innovator.

Recently, the foundation moved \$100 million of its \$2.1 billion endowment into a new broad-based index fund at Mellon Capital Management. This *Carbon Efficiency Strategy* uses company-reported greenhouse gas data based on the Carbon Disclosure Project's (CDP) reporting protocol. Data on companies' climate efficiency (emissions normalized by sales) and the strategic climate positioning of each company is used to over and underweight holdings. Currently, the fund is slightly ahead of its benchmark, the Russell 3000, and it has reduced the greenhouse gas intensity of our original investment by 50+%.

I am writing to you because «Company_Name» is in an energy-intensive sector and is one of the Russell 3000 companies that does not report its greenhouse gas emissions. This means that our asset manager must either rely on estimates of your emissions, which are imprecise, or underweight your stock as a matter of policy.

As a long-term investor we are interested in complete and accurate data sets on corporate performance that will feed effective investment products. Therefore, we ask that «Company_Name» take steps to report its greenhouse gas emissions using the CDP tool <https://www.cdp.net/en-US/Respond/Pages/carbon.aspx>

Investor Relations often report that investors are not interested in energy and resource performance data, so we wanted to let you know of this concrete example where such data is informing investment decisions directly. It is our understanding that Mellon Capital Management is entertaining substantial interest in this product from the institutional investor community, and we hope you will move to report your greenhouse gas emissions.

Thank you very much for your attention to this letter.

Sincerely,

Richard Scott
Vice President of Finance and Compliance