

August 10, 2016

«Address Block»

«GreetingLine»,

We are writing to you as institutional investors that collectively represent \$3.3 billion. As foundations, we are among the longest term investors, managing our capital to generate philanthropic dollars in perpetuity. As investors, it is in our interest to ensure that capital markets are operating efficiently and are properly identifying and valuing long-term risks. The signatories of this letter agree that climate change is a material risk to our global economy, and we anticipate that companies that produce greenhouse gases efficiently are better positioned for long-term success.

We have observed that investors are increasingly interested in data related to company energy use, emissions mitigation and strategic positioning to capture the tremendous growth opportunities of the climate challenge. For example, one of our signatories, The McKnight Foundation, moved \$100 million of its \$2 billion endowment into Mellon Capital Management's *Carbon Efficiency Strategy* that over and underweights companies based on their climate efficiency as compared to peers. Other asset managers and owners are taking a similar approach to their portfolios. In December, Goldman Sachs Asset management created the *Low Carbon Index*, which was seeded with \$2 billion from a public pension fund, and in late 2014 State Street Global Advisors launched the first low-carbon ETF benchmarked.

All three of these approaches use company-reported greenhouse gas data based on the CDP<sup>1</sup> reporting protocol (formerly Carbon Disclosure Project). We are writing to you today because «Company» is in an energy-intensive sector and is one of the US companies that does not report its greenhouse gas emissions. This means that asset managers either rely on estimates of your emissions, which are imprecise, or underweight or exclude your stock as a matter of policy.

*As a long-term investor we are interested in complete and accurate data on corporate performance that will feed effective investment management products and more efficient markets.* Therefore, we ask that «Company» take steps to report its greenhouse gas emissions using the CDP tool prior to its September 30 deadline. While there are other reporting protocols, CDP is broadly accepted as the standard framework for US companies. In 2015, 2,400 companies reported GHG emissions using the CDP, and over 800 institutional investors representing over US \$100 trillion in assets officially support CDP's greenhouse gas work.

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<sup>1</sup> <https://www.cdp.net/en-US/Pages/HomePage.aspx>

Investor Relations experts often report that investors are not interested in energy and resource performance data, so we wanted to let you know of these concrete examples where such data is informing investment decisions directly. As large institutional investors, we encourage your company to report its greenhouse gas emissions systematically to allow for more effective and efficient markets.

Thank you very much for your attention to this letter.

Sincerely,

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