

11 December 2013

RE: Upcoming Council and trilogue discussions regarding the European Commission's proposal on the disclosure of non-financial and diversity information by certain large companies and groups

Dear Madam/Sir -

The signatories of this letter include leading European and global investors that are committed to responsible investment, including asset managers, pension funds and other asset owners representing over €25 trillion in assets under management. We have come together to express our strong support for the Commission's proposal on the disclosure of non-financial and diversity information by large companies, as well as our concerns regarding some of the amendments that are currently under discussion within the European Parliament and the Council of the European Union.

The European Sustainable Investment Forum (Eurosif), the United Nations-supported Principles for Responsible Investment (PRI), and the Corporate Sustainability Reporting Coalition (CSRC), convened by Aviva Investors, believe that the proposed legislation is an opportunity to increase the long-term competitiveness of European companies and, therefore, Europe's long-term sustainable growth prospects.

The proposed legislation will make more timely, material, comparable and forward-looking information on non-financial risks and opportunities available from a larger number of companies. This, in turn, will enable investors to make better-informed mid- to long-term investment decisions and facilitate constructive and long-term dialogues between companies and their investors.

The legislation will also benefit companies, by helping them to better manage their environmental and social risks and improve their financial performance. Greater transparency and accountability will improve people's trust in business and strengthen companies' social license to operate.

Elements of the proposed legislation that are particularly important for investors include its:

- Mandatory and robust comply or explain approach.
- Requirement for disclosure to be in companies' management reports.
- Reference to a range of international normative and reporting frameworks.

We believe that certain amendments being considered by Parliament and the Council (most notably a safe harbour clause and the possible exclusion of non-listed companies from its scope) will weaken the Commission's proposal, and that others (such as the inclusion of country-by-country tax reporting) may delay its passage.



In our view, the proposal could be further strengthened by explicitly including companies' supply/value chains within its scope and by clarifying accountability mechanisms.

At this time, we ask that all Member States take into account the expectations of institutional investors and quickly clarify and publicly communicate their positions on the Commission's proposal. We urge members of Parliament and the Council to progress the proposal without delay and adopt it without weakening its provisions before the end of the 7th European Parliament in May 2014.

Thank you for your attention. We remain at your disposal for any questions or requests.

Sincerely,

A handwritten signature in black ink that reads "François Passant".

François Passant
Executive Director
European Sustainable Investment Forum

A handwritten signature in black ink that reads "Fiona Reynolds".

Fiona Reynolds
Managing Director
Principles for Responsible Investment

A handwritten signature in black ink that reads "Steve Waygood".

Steve Waygood
Chief Responsible Investment Officer
Aviva Investors
on behalf of The Corporate Sustainability Reporting Initiative

Contact: François Passant - francois@eurosif.org - +32 (0)2 274 14 36



About the European Sustainable Investment Forum

Eurosif is the leading pan-European sustainable and responsible investment (SRI) membership organisation whose mission is to promote sustainability through European financial markets. Eurosif works as a non-for-profit partnership of several Europe-based national Sustainable Investment Forums (SIFs) with the direct support and involvement of 65 Member Affiliate organisations drawn from the sustainable investment industry value chain. These Member Affiliates include institutional investors, asset managers, financial services and index providers and ESG research and analysis firms. Eurosif's indirect European network spans across over 500 Europe-based organisations. The main activities of Eurosif are public policy, research and creating platforms for nurturing sustainable investing best practices. www.eurosif.org

About the Principles for Responsible Investment

The United Nations-supported Principles for Responsible Investment Initiative (PRI) is a network of international investors working together to put the six Principles for Responsible Investment into practice. The Principles were devised by the investment community. They reflect the view that environmental, social and corporate governance (ESG) issues can affect the performance of investment portfolios and therefore must be given appropriate consideration by investors if they are to fulfil their fiduciary (or equivalent) duty. The Principles provide a voluntary framework by which all investors can incorporate ESG issues into their decision-making and ownership practices and so better align their objectives with those of society at large. Principle 3 of the PRI commits signatories to seek appropriate disclosure on ESG issues by the entities in which they invest and the PRI believes that in order for investors to properly implement this Principle, policy makers need to take steps to require companies to report publicly on how they have taken account of material ESG factors. www.unpri.org

About the Corporate Sustainability Reporting Coalition

The Corporate Sustainability Reporting Coalition (CSRC) was convened by Aviva Investors in September 2011. Paul Abberley, Chief Executive of Aviva Investors London launched the Coalition's call to action at the United Nations Private Sector Forum on Sustainable Energy for All, which was held in conjunction with the 66th Session of the UN General Assembly. The CSRC represents investors with assets under management of approximately US\$2 trillion, as well as financial institutions, professional bodies, NGOs and other relevant stakeholders. It includes organisations as diverse as the Association of Chartered Certified Accountants, Global Reporting Initiative, and the Carbon Disclosure Project which acts on behalf of 551 institutional investors, holding US\$71 trillion in AUM. www.aviva.com