

Quote

Comments on Investor Letter to Fortum: “Stop defending a dying technology“

Helsinki, Berlin | March 17th, 2020

While today’s Annual General Meeting of the Finnish energy utility Fortum was cancelled due to the impacts of Corona Virus, a new letter from investors urges the company to use its influence on the German utility **Uniper** for a quick coal-phase out. The letter is signed by **Amundi, Aviva Investors, AXA Investment Managers, Folksam, La Banque Postale Asset Management, Legal & General Investment Management, OFI Asset Management** and **Ostrum Asset Management**.

In the letter, the investors specifically criticize Fortum’s support for Uniper’s plan to bring its German coal-fired power plant **Datteln 4** online soon: *“We believe opening the plant is not compatible with an ambitious decarbonization trajectory and endangers the 2030 deadline for phasing out coal in the OECD“*. The investors also voice their concern of Fortum’s support of Uniper’s threat to file a lawsuit against the Dutch government after its decision to ban coal-fired power generation by 2030.

Sebastian Rötters, Energy Campaigner with the German NGO Urgewald, comments:

“We welcome this initiative from investors as it shows that there is no more room for greenwashing for energy utilities like Fortum and Uniper. Bringing a new coal-fired power plant online while a quick switch to renewable energies is due no longer makes sense for shareholders and investors, neither ecologically nor economically. Moreover, the investor letter shows how Uniper's lobbying efforts against the goals of the Paris Climate Agreement are risking the returns of long-term investors. A European coal phase-out after 2030 creates financial risks that more investors will try to avoid. To remain a long-term profitable investment, Fortum and Uniper should wind up their coal business as soon as possible. They must stop defending a dying technology.”

Lucie Pinson, Senior Campaigner and Founder of Reclaim Finance, says:

"AXA, Amundi and La Banque Postale AM have already committed last year to phase out all financial services and exposure to coal in order to support the Climate Goals of the Paris Agreement. Uniper building a new coal plant in Germany and blocking the efforts of the European governments to exit coal on time is clearly inconsistent with their objective. It is great to see them act according to their commitments. Reclaim Finance warmly welcomes the signatures by investors that haven't taken such bold commitments yet. We hope the initiative of today will be followed by further comprehensive coal exit policies."

Vera Kauppinen, Campaign Coordinator for the Finnish NGO Hiilivapaa Suomi, comments:

"We are glad to see international investors raise their concerns about Fortum's and Uniper's plans, stating that they are incompatible with an ambitious decarbonization commitment. This investor letter makes it even less bearable that both the Finnish government as well as the Finnish pension funds remain silent about this issue. We hereby urge the Finnish government to align their ownership steering policy with the 1.5 degree target of the Paris Climate Agreement. It is also time for Finnish investors to follow their climate commitments and engage publicly with Fortum to stop the company's devastating plans."

The investor letter online:

<https://t1p.de/ipo8>

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