

PRESS RELEASE

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Response to the Energy Efficiency Financial Institutions Group report published today

Hermes Investment Management, the £28.6 billion* asset manager, and BNP Paribas Investment Partners (BNPP IP), the €514 billion asset management business of BNP Paribas Group, have today announced their support of the report *Energy Efficiency – the first fuel for the EU Economy: How to drive new finance for energy efficiency investments* by the Energy Efficiency Financial Institutions Group (EEFIG).

The report identifies a number of success factors, policies, market approaches and financing instruments that encourage investments and address market barriers that stand in the way of an energy efficient Europe in the buildings, industry and SME sectors. The EEFIG recommendations are well timed and supportive of EU plans for the Climate Framework to 2030, the European Fund for Strategic Investments (EFSI) and the Energy Union action plan announced this week. Furthermore, it provides clear recommendations on how to scale up finance to put energy efficiency first, which represent needed additional investment of up to €1.3 trillion in the next 30 years in building alone according to the International Energy Agency.

Saker Nusseibeh, Chief Executive, Hermes Investment Management, said: “We see energy efficiency as a cost effective way of addressing energy security and climate risks, while tapping into significant investment opportunities, therefore protecting and helping us to deliver long term risk-adjusted investment returns for our clients. It is thus our responsibility to work in cooperation with policy makers and market participants towards creating greater energy efficiency in Europe. We are committed to pursuing the implementation of the EEFIG recommendations in line with our responsible investment principles.”

Philippe Marchessaux, Chief Executive, BNP Paribas Investment Partners, said: “We are strongly committed to playing an active role in the transition to a sustainable European Energy Union, which we believe will promote energy security and efficiency across the region, as well as creating significant investment opportunities for our clients. As investors, we need a reliable, predictable and coherent policy framework, as well as adequate market-led incentives, in order to be able to invest the significant amounts of money required and fulfil our fiduciary duties. EEFIG brings together the key participants with the experience required to discuss the actions needed for increased energy efficiency investments across the EU. We believe that it is the right forum within which investors can work towards creating the necessary environment for this to take place.”

Hermes and BNP Paribas Investment Partners were among the 120 participants representing finance, policy makers, the buildings sector, industry, SMEs and energy efficiency market participants forming the EEFIG, a specialist expert working group co-convened by the European Commission and UNEP Finance Initiative (UNEP FI).

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Notes to Editors:

Hermes Investment Management

Hermes is focused on delivering superior, sustainable, risk adjusted returns for our clients – responsibly.

Hermes manages assets on behalf of more than 200 clients* across equities, fixed income, alternatives and real estate, with £28.6 billion* assets under management. In Hermes EOS, we have the industry's leading engagement resource, advising on more than £134.0 billion* of assets.

We believe in **Excellence, Responsibility** and **Innovation**

- **Excellence:** We aspire to excellence in everything we do. This manifests itself most visibly in our investment performance. We will only offer products to our clients where we believe there is a strong investment thesis and where we can deliver sustainable alpha.
- **Responsibility:** We believe it is our responsibility to lead discussion and debate about the fiduciary responsibilities of fund managers to our clients, their stakeholders and, ultimately, society at large. We have always sought positive engagement with the firms in which we invest.
- **Innovation:** We have the entrepreneurial culture to identify forward-looking products that meet those needs, along with the resources and speed-to-market mentality to develop them rapidly.

Our structure gives clients globally the benefit of access to a broad range of specialist, high conviction investment teams operating within an established and robust operating platform.

Hermes' investment solutions include:

- **Equities:** Global, Emerging Markets, Small & Mid Cap, Europe, Asia Ex Japan, Greater China
- **Fixed Income:** Inflation-Linked, Government Bonds, Investment Grade, High Yield
- **Real Estate:** Segregated, Unitised, Debt, UK, US Residential, European, UK PRS
- **Alternatives:** Multi Asset, Infrastructure, Private Equity

*Please note the total AuM figure includes £3.7bn of assets managed or under an advisory agreement by Hermes GPE LLP ("HGPE"), a joint venture between Hermes Fund Managers ("HFM") and GPE Partner Limited. HGPE is an independent entity and not part of the Hermes group. £0.4bn of total group AuM figure represents HFM mandates under advice. Source: Hermes as at 31 December 2014.

BNP Paribas Investment Partners

BNP Paribas Investment Partners is the dedicated, autonomous asset management business of BNP Paribas Group and offers institutional and retail clients around the world a full range of asset management services.

As a leading global asset manager, BNP Paribas Investment Partners is committed to being a responsible investor in all aspects of its business.

Because we believe in responsible practices not only for ourselves, but also for companies in which we invest, and consistent with our duty to act in the best long-term interests of our clients, we are committed to incorporating environmental, social and governance (ESG) factors into our investment decision-making and ownership practices.

Our responsible investment policy is applied to our range of open-ended funds for a total of around €200 billion⁽¹⁾. It is also applied to more and more dedicated mandates we manage, at the client request. This policy is in accordance with BNP Paribas Investment Partners' adherence to the UN Principles for Responsible Investment (PRI) and with BNP Paribas Group's commitment to corporate responsibility and sustainable development.

To meet the needs of clients who are keen to combine return potential and making a positive impact on the environment and society, our offering includes a broad range of SRI strategies covering equities, fixed income, balanced and alternative investments. Our SRI/ESG team manages around €21 billion⁽¹⁾ of client assets in SRI strategies.

BNP Paribas Investment Partners provides global solutions for its clients, leveraging the extensive breadth and depth of its range of investment capabilities worldwide which includes:

- Developed Equities
- Developed Fixed Income
- Emerging markets

- Sustainable Investments
- Multi-Asset solutions
- Protection, Index & Model driven
- Alternative Investments
- Speciality management
- Advisory

BNP Paribas Investment Partners has some 700 investment professionals⁽¹⁾ globally, each specialising in a particular asset class or product type. With total assets under management and advisory is €514 billion⁽¹⁾, BNP Paribas Investment Partners is the 7th largest asset manager in Europe⁽²⁾. It is set up as a multicultural organisation in 36 countries⁽¹⁾, and is committed to adapting to its clients' needs and expectations and to the latest regulatory developments.

⁽¹⁾ Source: BNP Paribas Investment Partners, as at 31 December 2014

⁽²⁾ Source: BNP Paribas Investment Partners, as at 30 September 2014

Energy Efficiency Financial Institutions Group (EEFIG)

EEFIG was established as a specialist expert working group by the European Commission, in late 2013, as a result of the dialogue between Directorate-General for Energy (DG Energy) and United Nations Environment Programme Finance Initiative (UNEP FI), as both institutions were engaging with financial institutions to determine how to overcome the well documented challenges inherent to obtaining long-term financing for energy efficiency. EEFIG's work is the consensus effort of over 120 active participants from around 100 organisations whose current professional experience is representative of one of the following stakeholder groups:

- Public and private financial institutions (banks, investors, insurers etc.)
- Industry representatives and industry associations
- Banking associations and investor groups
- Energy efficiency industry experts
- Energy efficiency services representatives
- SME associations and expert representatives
- Civil society experts representing diverse energy efficiency stakeholder groups
- International Energy Agency (IEA)
- European Commission
- UNEP FI

The development of the EEFIG report was supported by Climate Strategy & Partners, whose CEO, Peter Sweatman, acted as the group's moderator, rapporteur and drafted the report. EEFIG meetings were convened and chaired by DG Energy.

EEFIG's final report and supporting documentation can be downloaded at www.eefig.com

EEFIG's launch will be supported in an online conversation using the hashtag #EEFIG