



INTERFAITH CENTER ON CORPORATE RESPONSIBILITY

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BUSINESS SUPPORT FOR SCIENCE-BASED CLIMATE POLICY SEEN AS CRITICAL TO REIN IN CLIMATE CHANGE, SAY INVESTORS

Investors launch initiative pressing companies for proactive lobbying and policy advocacy in alignment with Paris goals of net-zero emissions by 2050.

NEW YORK, NY, MONDAY, NOVEMBER 16TH, 2020 – As President-elect Biden makes clear that tackling climate change will be at the forefront of his administration’s agenda, investors and members of the Interfaith Center on Corporate Responsibility (ICCR) are announcing the launch of a new initiative designed to enlist the support of business in this endeavor.

In recognition of the enormous power and influence of the business community on environmental legislation and regulation, investors say they are petitioning portfolio companies to align their lobbying activities with the goal of limiting average global warming to well below 2° Celsius, consistent with the Paris Climate Agreement.

While ICCR members have long called for disclosures of corporate lobbying activities, this initiative goes much further by pressing corporations to proactively lobby in favor of policies protective of Earth’s climate. The initiative is part of a broader effort by both [European](#) and [U.S. investors](#) to make lobbying a central theme in corporate engagements to address climate change.

ICCR members are [requesting engagements beginning with 25 companies](#) representing multiple sectors seen as critical to the fight against climate change – among them, energy utilities & power producers, transportation, food & beverage, financial services, and technology – to discuss a series of questions designed to accelerate company movement on this issue. Investors say some companies are already actively addressing and mitigating the risks – and these are being asked to assume a position of real leadership. Others have not even begun to assess the risks and need to assess and align quickly with a future that offers a stable climate.

ICCR members also argue that business plans and policy advocacy necessary to stay within the 1.5°C limit must be developed within a “Just Transition” framework that links support for necessary climate action with commitments to labor standards, human rights, and inclusive growth—with a focus on the workers and communities who contribute to and are affected by the transition.

“Given the growing momentum towards a transition to a low-carbon economy, we felt it was time to take our corporate lobbying engagements to a new level,” said Jake Barnett of Wespath Benefits and Investments. ***“As more communities struggle with the impacts of climate change, it is important that companies avoid using their power and influence to actively resist viable policy solutions. Supporting policy that aligns with a just transition to a net-zero future is a central way to do this.”***

Each year, companies spend hundreds of millions of dollars lobbying to block or delay federal, state and local legislation and regulation designed to avert the climate crisis. They do this through both direct lobbying and indirectly through trade associations, non-profit organizations, and other groups that lobby or participate in public advocacy on climate change. Many publicly traded corporations are members of the U.S. Chamber of Commerce, which, despite a recent statement acknowledging the reality of man-made climate change, continues to fight progress on climate-related policies. The Chamber’s position stands in stark contrast to a recent statement issued by the Business Roundtable supporting the goals of the Paris Agreement and calling for a price on carbon as a central policy to achieve greenhouse gas (GHG) emission reduction targets aligned with science.

Said Kate Monahan of Friends Fiduciary, ***“Too many trade associations, influenced by a subset of their members embedded in the fossil fuel economy, are taking anti-climate positions. These positions are working to the detriment of other members whose operations and supply chains are threatened by the climate crisis. Because trade associations cannot be compelled to disclose their membership or sources of funding, these contradictions are opaque to their own members, investors and society.”***

Investors say the goal of the new initiative is two-pronged:

- 1. Encourage companies to advance public policies consistent with the goals of the Paris Agreement (net-zero emissions by 2050), by:**
 - increasing the amount and quality of information that companies disclose regarding their public advocacy on climate policy, and
 - persuading companies concerned about the climate crisis to make climate policy a top lobbying priority; and

- 2. Persuade companies to align their trade association memberships with the goals of the Paris Agreement, by:**
 - working within each of their trade associations to ensure the latter’s lobbying is consistent with achieving net-zero emissions by 2050, and
 - aligning each company’s trade association memberships and contributions to other groups that directly or indirectly impact climate policy, with the Paris Agreement goals.

The investors argue that corporate lobbying activities, including how membership dues in trade associations are being deployed, can present material financial and reputational risks for companies and their investors. For this reason, oversight of these activities is a critical responsibility of Boards of Directors.

“We call on Boards of Directors to adopt effective oversight practices to ensure science-based climate policy is a business priority,” said Laura Devenney of Boston Trust Walden. ***“Boards should proactively***

monitor and evaluate their companies' lobbying activities to ensure alignment between their policy priorities and those of their trade associations – and they should be prepared to address any misalignment they uncover. Directors abandoning this oversight role risk a delayed government response to the climate crisis, putting everyone at risk, including themselves via proxy voting, as investors can hold directors accountable for their inaction at the ballot box.”

About the Interfaith Center on Corporate Responsibility (ICCR)

Celebrating its 49th year, ICCR is the pioneer coalition of shareholder advocates who view the management of their investments as a catalyst for social change. Its 300-member organizations comprise faith communities, socially responsible asset managers, unions, pensions, NGOs and other socially responsible investors with combined assets of over \$500 billion. ICCR members engage hundreds of corporations annually in an effort to foster greater corporate accountability. Visit our website www.iccr.org and follow us on [Twitter](#), [LinkedIn](#) and [Facebook](#).

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