**INVESTOR IMPACT: CLIMATE CHANGE MITIGATION**

*The Sisters of St. Dominic of Caldwell, NJ*

**DRIVING DOWN EMISSIONS AND DRIVING UP FUEL ECONOMY IN THE AUTOMOTIVE SECTOR**

The Sisters of St. Dominic of Caldwell, along with other ICCR members, began engaging Ford Motor Company and General Motors in the mid-1990s on climate change, then called “planetary global warming”. Ford was the first U.S. company to leave the Global Climate Coalition, a well-funded group dedicated to refuting the science of climate change, and when many more companies ICCR was engaging followed suit, the association ultimately was forced to close its doors. In 2003, a resolution was withdrawn when Ford agreed to a holistic report that included disclosure of its emissions, elements to increase fuel efficient technologies, and public policy. In 2005, Ford released a first-of-its-kind climate risk report in the auto industry analyzing the business implications of climate change on the company’s strategic planning and overall competitiveness, and in 2008, Ford established a Greenhouse Gas Reduction Plan for its entire operation and pledged to reduce GHG emissions for its new vehicle fleet by at least 30% by 2020. It now continues to make commitments under this Climate Stabilization Commitment, reducing emissions in both its facilities and in the end use of its products through increased fuel efficiency – important steps needed to balance environmental and social concerns with the drive for strong returns for its investors that were brought about by shareholder engagement. Investor advocacy also facilitated Ford’s support of robust Corporate Average Fuel Economy (CAFE) Standards to significantly reduce emissions generated by their products.

**INVESTOR IMPACT: CLIMATE CHANGE MITIGATION**

*Boston Common Asset Management*

**CONTROLLING GHG EMISSIONS IN ENERGY PRODUCTION**

Starting in 2003, intensive shareholder meetings with Apache led directly to improved company practices that reduced environmental impacts and lowered costs, including (1) developing new practices of water sourcing, treatment and recycling for hydraulic fracturing in order to not use potable water; (2) deploying dual fuel drilling rigs and pressure pumping units to use natural gas, cutting related emissions and reducing diesel costs by 60%; (3) reducing chemical use by 47% by volume per fracking stage from 2012 to 2014, and also having an 83% reduction to safer U.S. EPA Design for Environment (or equivalent) chemical alternatives.

**INVESTOR IMPACT: CLIMATE CHANGE MITIGATION**

*Green Century Investments and the Sisters of St. Dominic (Racine Dominicans)*

**HALTING DEFORESTATION IN THE PALM OIL INDUSTRY**

Responding to unprecedented pressure from investors and leading brands, suppliers representing over 90% of the global palm oil trade have adopted groundbreaking policies to ensure that the palm oil they produce does not contribute to deforestation or human rights abuses. Wilmar’s – the world’s largest palm oil company – commitment alone should help avoid 1.4 gigatons of CO2 by 2020, equivalent to the emissions of Central and South America combined in 2010.

Investors withdrew a resolution with Sysco after it agreed to source RSPO certified 100% sustainable palm oil (no deforestation or exploitation) and to adopt a sourcing policy aligned with the UN Guiding Principles on Business and Human Rights.
In 2013, as part of an effort to engage with companies in its client portfolios on the topic of climate change, Walden Asset Management sent a letter inquiring about Colgate-Palmolive’s approach to managing the risks and opportunities of climate change. Walden, a long-time shareowner of Colgate-Palmolive, had previously engaged the company on numerous environmental and social issues and found it very receptive to shareholder engagement. This letter catalyzed a more detailed conversation with the company regarding its evolving approach to managing climate risk. In addition, Colgate was engaging with WWF and other environmental NGOs to gain their perspectives. In May 2014, the company announced a new GHG emission target: reduction on an absolute basis of 25% compared to 2002 and; a longer-term goal of a 50% reduction by 2050. These goals are in line with the CDP and World Wildlife Fund (WWF) report – The 3% Solution – and, as stated in the company’s press release, “should also serve as proof positive to our political leaders that robust action on climate change is imperative.”

Mercy Investment Services filed a resolution with Continental Resources asking the company to adopt quantitative goals to reduce or eliminate flaring, a byproduct of burning natural gas that releases approximately six million tons of carbon dioxide per year into the atmosphere. The resolution prompted a dialogue with the company which resulted in its commitment to reduce flaring to as close to zero as possible. Subsequently, a task force representing oil production companies in North Dakota announced its intention to increase the capture of natural gas during drilling, further reducing flaring, and has stated that it believes in six years it will be able to capture up to 90% of its carbon emissions.

Understanding that climate risk extends beyond the energy sector, ICCR members have engaged in constructive dialogue with agricultural giant ADM to assess its climate impact, water risk, and human rights concerns throughout its vast supply chain. ADM has made important commitments to integrate respect for human rights into its business relationships throughout its supply chain, and has begun disclosure to CDP’s supply chain reporting program, and is taking steps to integrate sustainability into its operations. ADM’s responsiveness to investor recommendations demonstrates how investors frame holistic environmental and human rights issues for companies and are able to develop positive relationships that can produce change.