

Text of a letter sent by ICCR members to select portfolio companies, asking them to align their lobbying priorities and trade association memberships with the Paris Climate Agreement goals.

[October/November] __, 2020

Dear [Name of CEO]:

We write as investors in [Company] and as part of the Interfaith Center on Corporate Responsibility (ICCR), a coalition of faith and values-based long-term institutional investors concerned with the existential risk that climate change poses to society and your company. We seek to initiate a discussion with [Company] regarding how it is aligning its lobbying activities with the goal of limiting average global warming to well below 2 degrees Celsius, consistent with the Paris Agreement.

Investors recognize that climate risk is a material issue for their portfolio companies, portfolio-wide. Accordingly, we are making similar requests to other companies in our portfolios, and we acknowledge and support similar initiatives led by other investor coalitions.

Central to our coalition is the human rights lens through which we view our initiatives. As our nation works to accelerate the transition to a low-carbon economy, it is critical that public policy safeguard the welfare of workers and vulnerable communities and address growing income inequality and racial justice. Just as we have seen how a systemic risk like a pandemic can exploit these inequities in our society, climate change will have a similarly disparate impact on the poor and on racial minorities. As we pursue a rapid and equitable decarbonization of our economy, it is crucial to ensure that the transition costs do not fall on those who are least able to bear them, and that the benefits are available to all.

There is a growing discussion on climate policy at the federal, state, and local levels. In September, the U.S. Commodity Futures Trading Commission issued a new report, [Managing Climate Risk in the U.S. Financial System](#)¹, warning that climate change poses serious emerging risks to the U.S. financial system and calling for regulators to move urgently and decisively to confront them. In April, more than 300 companies working with [Ceres](#) participated in [LEAD on Climate 2020](#)² — virtual Capitol Hill days, during which companies visited U.S. Congressional offices to discuss climate change and the need for urgent government action.

Also, in September, the Business Roundtable (BRT) issued a [Climate Policy Statement](#)³ recognizing that the existing patchwork of federal and state regulations is inefficient and creating regulatory uncertainty. The BRT is calling for corporations to lead by example in support of sound public policies to address climate change, including *“policies that support economic growth, reduce societal impact, and provide assistance for those individuals and communities most negatively affected”*.

In light of these evolving dynamics, we would like to engage appropriate members of your senior management team about a range of issues related to climate lobbying, including your willingness to align your lobbying with the goals of the Paris Agreement and your internal structures and processes (including your board’s oversight role) for monitoring and aligning your direct and indirect climate lobbying activities. The following are sample questions that we expect to raise in our discussion:

¹<https://www.cftc.gov/sites/default/files/2020-09/9-9-20%20Report%20of%20the%20Subcommittee%20on%20Climate-Related%20Market%20Risk%20-%20Managing%20Climate%20Risk%20in%20the%20U.S.%20Financial%20System%20for%20posting.pdf>.

²https://www.ceres.org/events/lead-climate-2020?gclid=EAlaIqobChMI1f-BqdHQ6wIVwB-tBh2aGQtYEAAYASAAEglt_D_BwE.

³<https://s3.amazonaws.com/brt.org/Business-RoundtableAddressingClimateChangeReport.September2020.pdf>.

1. Does your company support the goals of the Paris Agreement and take actions to meet those goals within your operations and supply chains?
2. Does your company consider climate change to be among your top public policy priorities at the federal and state levels? How do you define your public policy objectives relating to climate change, and are these objectives consistent with Articles 2.1(a) and 4.1 of the Paris Agreement? Are you open to establishing the Paris Agreement goals as your company's goals, to help guide your public policy priorities?
3. Does your company have a process to evaluate and ensure that trade associations of which you are a member align their practices with the Paris Agreement goals? Do you publicly report on that process and your trade association memberships?
4. Do you track and disclose the funds contributed to trade associations, non-profit organizations, and other groups that lobby or participate in public advocacy on climate change?
5. What steps, if any, do you take when your company learns that your trade associations' lobbying practices are inconsistent with your company's position on climate change or the Paris Agreement?
6. Are your responses to our questions consistently reflected in all global markets in which you operate, or do you have a differentiated approach for the U.S. market? If differentiated, what are the differences?

We look forward to hearing from you to arrange a mutually convenient time for our discussion. To do so, please contact [name and contact information].

Copied on this letter are the members of ICCR's Climate Lobbying Leadership Group.

Thank you for your time and stewardship of our investment in [Company].

Sincerely,

[Names/signatures/titles of the Investor Lead(s)]

cc: ICCR's Climate Lobbying Leadership Group
AFSCME, John Keenan
Boston Common Asset Management, Lauren Compere
Boston Trust Walden, Tim Smith and Laura Devenney
Friends Fiduciary Corporation, Kate Monahan
Mercy Investment Services, Mary Minette
Presbyterian Church U.S.A., Rob Fohr
Seventh Generation Interfaith Inc., Francis Sherman
Unitarian Universalist Association, Tim Brennan
Wespath, Jake Barnett