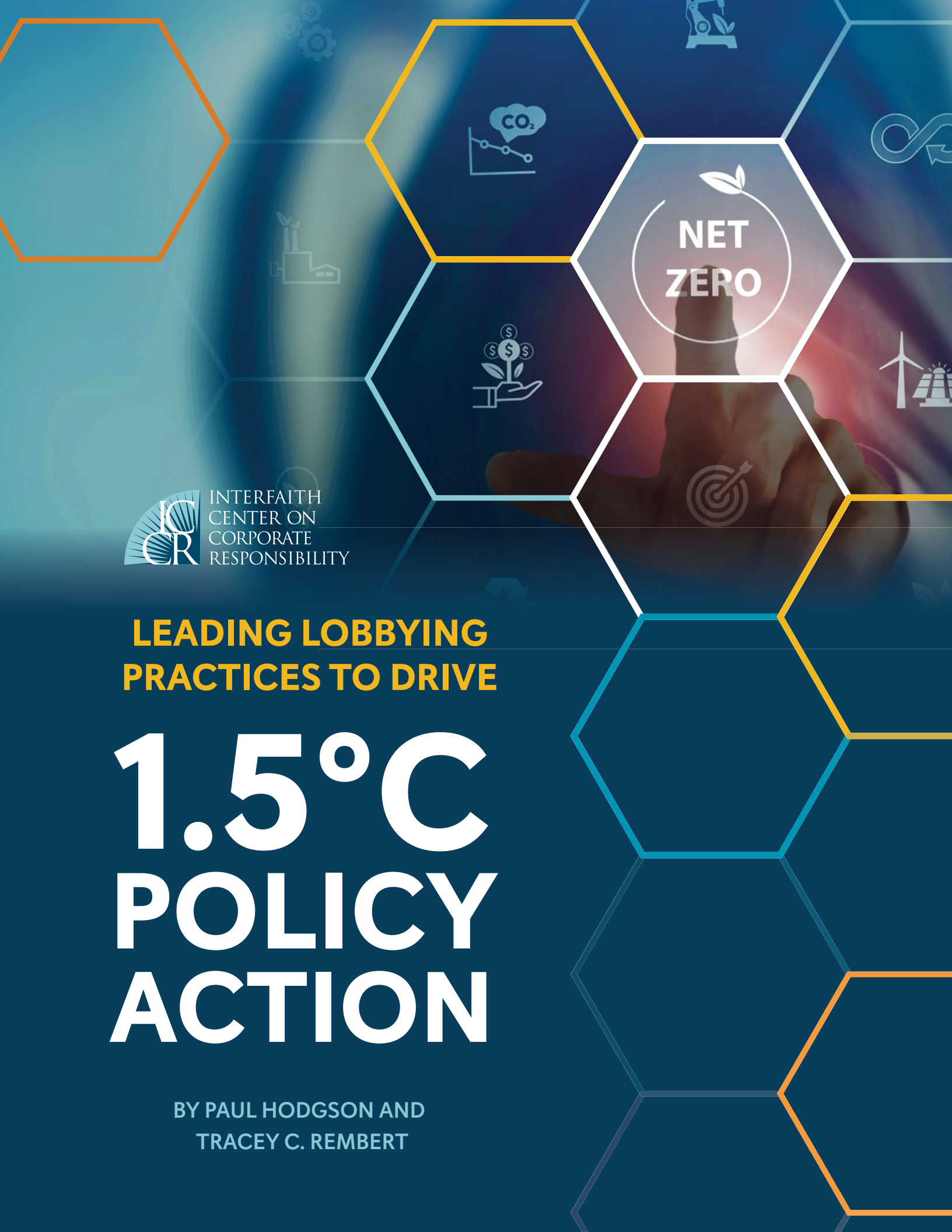

INTERFAITH CENTER ON CORPORATE RESPONSIBILITY

LEADING LOBBYING PRACTICES TO DRIVE

1.5°C POLICY ACTION

BY PAUL HODGSON AND TRACEY C. REMBERT

ACKNOWLEDGEMENTS

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Designed by Molly Conley and Elisa Penello

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FOREWORD: BEYOND A CORPORATE CALL TO ACTION

By Clare Richards, Senior Engagement Manager, Church of England Pensions Board, Tim Smith, Senior ESG Advisor, Boston Trust Walden and Laura Devenney, Senior ESG Analyst, Boston Trust Walden

> **"As investors, we remain committed to engaging companies to ensure their climate policy positions and lobbying activities are aligned with the Paris Agreement's ultimate goals. And this crucial issue demands concerted attention at a global level. We invite other investors and company leaders to rise to the urgency of this moment by advocating for ambitious and effective climate policies today. We hope this guidance for companies supports them in taking stronger climate action."**

The need to reduce global greenhouse gas (GHG) emissions to limit warming and reach net zero by 2050 or sooner has never been more urgent. If these goals are not met, the threat posed by the climate crisis will be existential for both people and the planet. We need only look to the latest reports from the Intergovernmental Panel on Climate Change (IPCC) to see how climate risks are magnifying. The IPCC's data, based on scientific evidence, is sobering. It raises fundamental questions about our ability to live, thrive, and do business in an increasingly volatile and unpredictable world.

We and other investors continue to incorporate climate risk and analysis into portfolio management, while also encouraging portfolio companies to set both near-term, science-based GHG emissions reduction targets, and net zero goals. Investors also understand how imperative public policymaking is and have urged global governments to implement policy actions that will accelerate economy-wide emissions reductions. *The Global Investor Statement on Climate Change* is but one piece of evidence showing the rising support for policy action at scale.

However, these efforts are clearly not enough. For decades, a select group of corporations and trade associations has lobbied heavily to forestall progress on addressing climate change. They lobbied against international treaties like the 1997 Kyoto Protocol and against recent US federal and state-level policies and regulations that would place the economy on a more climate-forward path. Some of these same groups also lobbied the Trump Administration to pull out of the Paris Agreement.

More recently, corporate lobbying — both directly and indirectly through trade associations, grassroots organizations, think tanks, and media campaigns — has been used to obstruct the implementation of policies designed to limit global warming to 1.5 degrees Celsius.

To better understand this reality, investors increasingly urge fuller transparency from companies regarding their climate-related policy engagement. Which companies have implemented the strongest governance practices to oversee the issue? Which companies have published high-grade disclosures, including examples of their lobbying priorities and how they're aligning their activities with the goals of the Paris Agreement? How are companies addressing any identified areas of misalignment with their trade associations? How are they deploying and measuring the impact of their lobbying capacity — including policy advocacy and public messaging — to unlock the enabling policy environment on which their own corporate transition strategy depends?

Responding to the need for clear performance data, InfluenceMap and other NGOs have stepped up to assess and rate companies on their climate policy engagement and reporting — thus far, no company has earned stellar grades. However, a number of companies have demonstrated leadership in at least one or two areas between reporting and action. To further assist companies in aligning their lobbying efforts with strong climate outcomes, this report from ICCR highlights leading practice examples across a range of activities, drawing on the indicators from the recently launched *Global Standard on Responsible Climate Lobbying*.

While investor expectations will evolve over time, the following pages provide examples of crucial steps companies have taken to begin aligning their lobbying with the goals of the Paris Agreement, to date, and highlight opportunities for corporate leadership no matter the industry or emissions profile.

INTRODUCTION: LOBBYING AND THE PATH TO 1.5°C

DURING CLIMATE LOBBYING ENGAGEMENTS, THERE ARE THREE QUESTIONS COMPANIES FREQUENTLY ASK:

1. Why do investors want information about our trade associations and their climate stances? We've provided data publicly on our contributions over $100,000 to trade groups — why isn't that sufficient?
2. How are other companies defining "climate lobbying alignment" and "misalignment"?
3. And the most often-asked question: which company has the best practices and reporting regarding what you have asked us to do?

The guidance and corporate examples that follow present some answers for companies struggling with increased investor expectations concerning their climate-related lobbying activity. The researchers of this report scoured the disclosures of over 70 companies across the globe (representing nine countries and over a dozen industries in total) looking for investor-friendly practices that drive company ambitions towards alignment with the Paris (climate) Agreement and a 1.5°C trajectory. We also looked for companies that fulfilled the 14 key indicators of the newly-launched *Global Standard for Responsible Climate Lobbying*, which became public in March 2022 after a two-year consultation involving investors, companies, and stakeholders from 19 countries in all.

Investors understand that corporate climate policy is a journey, not a destination. However, they also acknowledge that society and the business community are almost completely out of time to turn climate policy in the direction that will ward off routine, high-cost climate catastrophes.

In an *April 2022 global assessment*, the Intergovernmental Panel on Climate Change makes it quite clear that nations and fossil-fuel users *have fallen short* in limiting global warming to just 1.5°C, and that such a goal is now almost entirely out of reach unless sudden and dramatic changes are implemented to limit fossil fuel use, re-envision energy and transport systems, and re-think land use. According to the well-respected scientific journal *Nature*, society now has a mere 6 to 10% chance of meeting this 1.5°C scenario.

What does that mean for investors, businesses, trade groups, and economic systems (not to mention communities and nature at-large)? It means that business activity that was heavily dependent on energy-intensive, fossil-fueled, or GHG-releasing practices face potentially high levels of risk and uncertainty due to the "Inevitable Policy Response" that the Principles for Responsible Investment (PRI), equity analysts, and increasingly, even financial regulators now talk about. That "Response" refers to a sudden and extreme shift in climate policy — after a disruptive wave of disasters and harm — that would pose de-stabilizing risk and unacceptable levels of uncertainty to many businesses.

While corporations are not solely responsible for rising global temperatures, many high-emitting and high GHG-impact companies have spent years, or decades, intervening in regulatory and policy discussions — through direct lobbying, trade association involvement, and support for policy-focused organizations — to delay the regional, local, and global rules that would enable a less disruptive energy transition. Investors — because of some of this history — now believe companies have a critical and urgent role to play in reversing this course.

Of particular concern are trade associations and other policy organizations that speak for businesses but too often present major obstacles to addressing the climate crisis. Some companies rely on such entities to launch public relations campaigns to hamper climate progress, and then disassociate those efforts by noting that 'companies don't always agree with their trade associations on every issue.'

Investors are increasingly expecting companies to go beyond these disingenuous statements, and undertake and complete the internal due diligence — with the Board and executive rigor that is required — to understand if, how and where company lobbying and policy and public messaging activities are working against the goal of achieving the Paris Agreement. And just as importantly, such policy alignment and assessment help get a company's own house in order by understanding where or how its policy strategies (including work with third parties like trade associations) are working against its own commitments, deliverables, and long-term best interests.

Corporate lobbying that is inconsistent with the Paris Agreement *poses escalating material risks to investors*, including growing systemic risks to our financial systems, as delays in curbing greenhouse gases increase the physical risks from extreme weather, threaten regional economic stability, and heighten volatility in investment portfolios. Increasingly, investors view fulfillment of the Paris Agreement's goal as an imperative to discharging their fiduciary duties, as climate scenarios of 3°C or more equal market chaos.

We sincerely hope that companies will begin to understand the incredible influence and leadership opportunity they have to reframe the climate change policy debate. In doing so, companies will be creating the markets and economic systems of the future that will enable society to have a chance — an important chance — at a more stable and fulfilling existence.

NOTES ON THE *GLOBAL STANDARD* AND RISING INVESTOR EXPECTATIONS

While the *Global Standard* launched just months ago, investor concerns around corporate lobbying practices go back decades. ICCR members first engaged companies on their political lobbying and influence practices in the 1970s, starting with pharmaceutical companies. Faith-based investors within ICCR were at the forefront of raising concerns about the (anti-climate policy) Global Climate Coalition in the 1990s — and the companies that funded its work. For the past decade, ICCR members, led by Tim Smith of Boston Trust Walden, drove engagements with U.S. companies on their political spending and disclosures. Increasingly, many of those engagements raised governance and ethical concerns around climate lobbying practices. Then, after the launch of the Paris Agreement, the first examples of investor expectations on company climate lobbying were published by both the Institutional Investors Group on Climate Change (IIGCC) and the U.N.-supported Principles for Responsible Investment. From there, they have continued to spread to the U.S. market (launched by Ceres), and beyond (see Appendix III for such resources). With initial attention urged by the AP7 Swedish pension fund, and then BNP Paribas Asset Management and the Church of England Pensions Board, an initiative was formed to consult institutional investors, companies, and researchers on their views of market expectations around global corporate lobbying on climate change. Chronos Sustainability was hired to lead that consultation.

Based on several foundational documents already in existence and with the emerging investor expectations and surge in research on company-specific lobbying practices, the two-year consultation resulted in *14 company indicators* which investors across regions are now taking up to measure the performance of their corporate holdings, and to guide their corporate engagements on climate change. These expectations are not just for heavy-emitting industries. While the indicators do inform the *climate lobbying benchmark indicator within the Climate Action 100+* (a collaborative investor engagement with the top 160+ highest emitting GHG companies in the world), investors want to know how other industries are also taking leadership on climate policy action — and how they are driving the achievement of their own stated climate ambitions with a concerted climate policy strategy.

Another sign of investors' growing attention to this topic is the surge in shareholder activism efforts, including the filing of resolutions on Paris-aligned lobbying, which doubled globally from 2021 to 2022 and engagements tripling worldwide from 2020 to the present. Additionally, companies seem to understand the increased urgency of this engagement theme, as a majority of companies across sectors engaged in 2022 offered to come to the table and discuss the issue with investors. So far, only two of over 20 resolutions filed in the US and Canada (for 2022 meetings) on Paris-aligned lobbying involved companies that failed to negotiate with investors on progress related to the request. Only four resolutions went to a vote during the 2022 proxy season in the U.S. and Canada, meaning 80% were withdrawn due to a commitment to make progress on the issue.

COMPANIES READING THIS GUIDE SHOULD NOTE SEVERAL THINGS:

START WITH THE INDICATORS

The authors recommend that you start by reading the 14 indicators within the *Global Standard*. The document is brief and organized under four key categories (see page 14) that might help organize corporate thinking about climate policy response.

BEST PRACTICE IS STILL EVOLVING

Company practices and investor expectations on corporate climate lobbying are still developing and evolving; engagement focus on this issue — while it has emerged time and again over the past 25 years in some countries — has consistently gained momentum during the past five years.

ALIGNMENT MEANS TOUGH BALANCING ACT

Much of the work to align trade associations, third-party policy partners, and the company's own direct lobbying and influence activities could highlight some tough decisions for companies regarding climate change. Almost every company spoken with during engagements with investors felt that they were involved with trade associations or other business alliances (even when those groups worked in opposition to the company's own climate goals) because the alliances provided something else of great value to the company's business, its business model, or its financial interests (trade policy intervention, tax policy advocacy, etc).

What investors are not understanding, because companies are not discussing their decision-making process, is: what are the critical things of value with each alliance? What are the trade-offs when these alliances support some company objectives but then work to forestall others? How are the Board and executive management team brought into that strategic discussion of priorities? These governance and strategy considerations are now on the investment radar, especially concerning climate change policy.

DOES CLIMATE POLICY MAKE THE PRIORITY LIST?

Where does climate change fit into the list of policy priorities? If a trade or policy group is beneficial to a corporate strategy on other issues, what is a company doing to ensure its partners know where it stands on pivotal issues of climate change? Therefore, the chain of decision-making, clear policies, advocacy priorities, how companies will decipher alignment and misalignment, and how companies make decisions on lobbying priorities will be critical practices to undertake and spell out to investors.

TAKE ACTION TO INCREASE TRADE ASSOCIATION ALIGNMENT

Perhaps more important to investors is: if associations are misaligned on climate policy but still providing critical value, why aren't companies working with these associations to increase alignment? Investors want to know what actions are being taken to address the misalignments, and how companies are responding to trade associations that do not represent their views.

COMPANIES HELD ACCOUNTABLE FOR THIRD-PARTY PARTNERS

Lobbying on climate policy is often undertaken through organizations and alliances that do not have adequate public reporting requirements, **and do not report to investors**. Investors will therefore seek accountability and transparency for such activities directly from the companies themselves.

REACH OUT TO PEERS

ICCR, its investor members, and its partners in this work are available to speak with companies interested in learning more about what is featured on the following pages. ICCR will make an educational webinar available to companies in the coming months, and it encourages companies to reach out to the corporations mentioned in these pages to have discussions about how such policies or practices took shape.

COMPANIES ASKED, INVESTORS ANSWERED

In this section, we give examples of the questions companies often ask investors during engagements on climate lobbying along with our answers. Favorable practices, as well as practices to avoid, are also offered.

COMPANIES ASKED:

How are companies defining climate lobbying alignment (and misalignment) with the Paris Agreement goal of limiting global temperatures to 1.5°C?

INVESTORS ANSWERED:

This is a key question. Many companies reporting on climate lobbying are not defining these terms well, which then leads to further confusion in the assessment and findings for shareholders. The approach some companies take is to use a framework (which the *Global Standard* suggests creating) consisting of several key issues that are essential, in their view, to achieving the goals of the Paris Agreement. This might range from a set price on carbon, to halting GHG emissions leakage, to technology support, incentives and credits, or governments setting renewable energy or lowest-carbon source goals. The better the company defines these issues, the more credible the analysis and resulting takeaways will be.

See Indicators 8 and 9 for corporate examples of frameworks defining Paris-aligned lobbying.

[NOTE: The Global Standard also defines the term "responsible climate change lobbying" as "lobbying that aligns with the goal of limiting global temperature rise to 1.5 degrees Celsius above pre-industrial levels, and the ambition of greenhouse gas emissions peaking and reducing as soon as possible" (with an emphasis on science-based alignment with 1.5°C).]

COMPANIES ASKED:

Just because a trade group opposes certain climate policies does not mean it does not support the goals of the Paris Agreement. The organization could be making a tactical decision based on the merits of the policy/regulation or regarding who bears the cost unfairly of achieving the policy, etc. How does a company determine if a third-party partner is misaligned in principle, versus making an active, tactical decision to oppose specific policies?

INVESTORS ANSWERED:

This issue has come up several times in engagements. This is why companies need to approach this issue with thoroughness, accuracy, and an assessment of the underlying actions taken by the company and its lobbying entities — and not just rhetorical policy commitments or talking points. The U.S. Chamber of Commerce has been a prime example. Companies note that the U.S. Chamber has made supportive statements on the Paris Agreement and, therefore, should be considered aligned. Investors, however, have noted that the Chamber's five-year voting and policy record has consistently opposed major climate policy actions. That consistency of opposition clearly demonstrates broad misalignment versus a tactical disagreement on the merits of any one policy stance.

COMPANIES ASKED:

How do we as a company ensure that we are collecting accurate information from trade associations and other third-party alliances regarding climate policy actions and stances? Do we hire an independent researcher to do this work, do it ourselves, or ask each trade group and alliance to provide it for us?

INVESTORS ANSWERED:

Perhaps this isn't an either/or but a both/and question. ICCR notes as a leading practice those companies that have independently audited and/or assured the information, policy stances, and spending of corporate assets for and against climate policy interventions. Seeking additional disclosures from each trade association, policy nonprofit, and related entities would greatly assist the audit or assurance process, and bring credibility and transparency to the political engagement process within the corporation. Based on feedback from investors, and the analysis provided here of existing corporate practices, both processes are doable and reasonable and help protect the company against claims of greenwashing and lobbying and political spending inaccuracies.

The U.S.-based Center for Political Accountability (CPA) notes that companies making donations to third-party groups (such as trade associations, social welfare or other organizations engaging in political activities) should adopt a corporate policy requiring that such entities agree to report to the company how they spent those funds for political activities, including the identity of the recipients and the amounts. Those reports, the CPA suggests, could then be posted on a company's website, providing transparency and accountability across issues areas (such reporting doesn't have to be focused merely on climate change, but other issue areas important to each company). By tracking how that donated money is spent, CPA believes, a company can better assess the consequences of its political spending and avoid the reputational risk that can arise out of political spending that does not match a company's publicly stated values. The inability of companies to know the consequences of their political spending — and the associations that can result from that spending — presents an increasingly serious risk, including around climate change.

COMPANIES ASKED:

How common is it that a company has its climate lobbying activities, trade association positions, and related analysis audited by an independent third party?

INVESTORS ANSWERED:

This practice is quickly evolving. Roughly a half-dozen of the sixty-plus companies that have published climate lobbying reports have had a third party audit their lobbying analysis or reporting.

COMPANIES ASKED:

What's the difference between direct and indirect lobbying?

INVESTORS ANSWERED:

We mention a couple of examples of the distinctions between direct and indirect lobbying included with Indicators 1 and 3.

The answer can depend on which jurisdiction you are talking about. In Europe, the distinction is often a simple one between a company's own influence vs. that of their trade associations/third-party groups. In other words, if the lobbying comes straight from the company itself (whether it is a social media campaign or meeting with policy makers or communication directly to customers) — even if it is aimed at the public rather than policymakers — it would still be considered direct.

In the U.S., there is a further distinction, which takes into account whether the company directly communicated to policy makers, through social media, etc., or hired a third party to do it for them. So, companies do tweet and post on Facebook, but often also hire advertising companies or trade groups to broadcast large campaigns for them. If the bulk of the outreach is through a third party, it should be considered indirect. Some clear guidance is given on page 15 of the 2013 *Guide for Responsible Corporate Engagement in Climate Policy*, a Caring for Climate report published by the UN Global Compact. Additional guidance on direct versus indirect influence comes from the PRI's (p. 6) Converging on Climate Lobbying.

COMPANIES ASKED:

Does lobbying and climate advocacy include social media, advertising, and public messaging?

INVESTORS ANSWERED:

Investors are increasingly saying yes, and the *Global Standard* makes very clear that these activities are to be included as policy influence. This type of policy influence activity is clearly cited in the *Guide for Responsible Corporate Engagement in Climate Policy* from almost a decade ago *(Figure 5, pg. 17), and includes the following indirect influence activities related to public messaging:*

Forms of Indirect Lobbying:

- *"Information and public relations campaigns targeting customers, suppliers, general public."*
- *"Call to action, convening, and example-setting with customers, suppliers, competitors, public."*

Investor engagements with companies and expectations communications have further built the case since then that lobbying should be defined as policy influence, and a growing portion of corporate influence on climate policy happens online — both directly and indirectly, as noted above, targeting voters, consumers, and other influencers. NGOs tracking climate policy have issued reports looking at such lobbying activity, and employees and creative talent at advertising and public relations firms have begun engaging their own employers on their role in climate policy misinformation via corporate client campaigns.

Note: The Global Standard defines indirect lobbying as: "where the lobbying party seeks to influence public policy indirectly by shaping and mobilizing public opinion. This includes advertising, grassroots lobbying and social media activity." (See pg. 5 of the Global Standard's Indicators document — Definitions.)

COMPANIES ASKED:

Why do Boards of Directors need to specify climate lobbying — and not just "lobbying" or "climate change" — as part of committee oversight and/or individual director duties?

INVESTORS ANSWERED:

Many companies already have general lobbying oversight as a committee or director responsibility, but investors — recognizing the importance of the climate risk challenge — want to see more specific climate lobbying oversight. That doesn't mean it can't be the responsibility of the same committee and/or directors who oversee lobbying more generally, but it should be called out separately.

COMPANIES ASKED:

Where are investors engaging companies on Paris-aligned lobbying?

INVESTORS ANSWERED:

This issue is globally relevant, with investors engaging companies in over a dozen markets, including the U.S., Canada, the U.K., France, Germany, the Netherlands, Spain, Japan, South Korea, Australia, and South Africa.

COMPANIES ASKED:

Where are companies typically reporting their climate lobbying information?

INVESTORS ANSWERED:

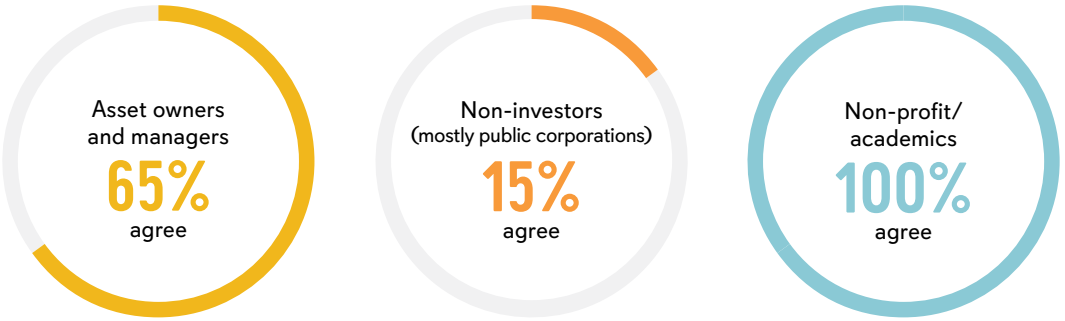
At present, companies are disclosing climate lobbying information across a diaspora of online locations, making it difficult for investors and stakeholders to compare policies and activities. Reporting ranges from ESG/Sustainability reports, to the Corporate Governance page of a company's website, to Lobbying Disclosure (e.g., U.S. Senate Lobbying and Disclosure Act forms) webpages, to CDP Climate surveys, and so on. It is recommended that companies maintain a clear, comprehensive, and single resource for all things lobbying, broken down by subcategories and aligned with global expectations and standards.

COMPANIES ASKED:	INVESTORS ANSWERED:
Our company has a list of climate lobbying priorities that we focus on for our yearly and/or multi-year cycle. Are investors interested in such a list?	Yes. See Walmart Inc. as one example of the priorities being set out, and then a list of resources that follows on how its advocacy, trade associations, and other efforts work to focus on those goals.
COMPANIES ASKED:	**INVESTORS ANSWERED:**
Are companies including the organizations receiving funds from the corporation's foundation in their climate lobbying alignment analysis?	The researchers of this report found little mention of this. If the company foundation's funding recipients were involved in climate policy research or advocacy, at minimum a footnote of explanation should be included in the company's reporting.

MAJORITY OF INVESTORS AGREE COMPANIES SHOULD DISCLOSE HOW THEIR INFLUENCE ACTIVITIES ALIGN WITH PARIS AGREEMENT

Q. What actions do you consider to be the minimum that should be expected of companies?

A. Has reported to show that its corporate and trade association lobbying activities are in alignment (or are not in contradiction) with limiting global warming in line with Paris Agreement goals.



From the 2021 ISS survey on Paris-aligned lobbying

INTERFAITH CENTER ON CORPORATE RESPONSIBILITY

INVESTOR-FRIENDLY DISCLOSURE PRACTICES

- ✔ Disclosure related to climate lobbying should be housed in one location to reduce the need for hyperlinks to other documents and/or pages elsewhere on the company website. Practically speaking, investors have shown a preference for all lobbying and government affairs-related matters being published together, with climate lobbying identified as a separate sub-section.
- ✔ Companies are encouraged to provide a glossary of key terms used to boost clarity in reporting.
- ✔ The use of infographics or diagrams to explain the oversight and reporting structure for climate lobbying to both the board and senior management helps investors better comprehend the accountability and reporting chain.
- ✔ The use of third-party, independent audits of the underlying information assessed, including the company's and trade associations' stances on various climate issues or bills, brings credibility to the data presented and helps defend against charges of greenwashing in lobbying disclosure.
- ✔ To assist a company in assessing its third-party climate lobbying activities, investors increasingly support companies asking such third-party entities to annually report back to the company on how its funds were spent, with a registry of policy positions taken across issue areas by each entity.
- ✔ Any executive summary or introduction should clearly explain what is not included in a climate lobbying assessment report, for example, which trade associations were not assessed and why, were any activities or entities of the company not included and why (i.e., a new acquisition), etc.
- ✔ When a company has set a climate or GHG target of any kind, the company should describe its strategy for how its policy/lobbying/public influence aligns and supports those climate goals and commitments. This includes articulating the policy pathway for any climate transition plans, when relevant.

Courtesy of Upsplash

PRACTICES TO AVOID WHEN COMMUNICATING CLIMATE LOBBYING ACTIVITIES

The following practices and disclosures are examples of the corporate climate lobbying response that frustrated investors the most:

1. SCATTERSHOT

Putting information about the policies, process, governance, and actions on Paris-aligned lobbying in countless places.

Investors may not agree with all aspects of Shell plc's trade association assessment, for example, but they appreciated how easy the company made it to find a number of related documents all in one place.

2. CHERRY-PICKING

Most companies selectively choose which examples or trade associations to highlight globally, both in the CDP survey, the company website, and related documents. Cherry-picking happens in several ways:

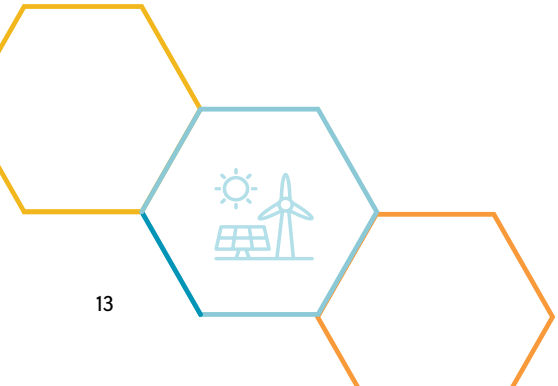
- selecting certain trade associations to report on without telling investors why others were discounted or even that any were discounted;
- highlighting positive lobbying aspects without any counterbalance given to those climate bills or policies that the company opposed (making it seem like the company was only in favor of legislation or bills and never against);
- and cherry-picking the region or subset of operations within a company (many U.S.-based companies that operate internationally only reported on U.S. lobbying or trade association efforts rather than for all the countries in which they operate).

3. BOILERPLATE

The heavy use of boilerplate language — especially overly used phrases such as "we don't always agree with our trade associations on every issue, but…" — undermines the seriousness of the exercise. Investors are aware that companies don't always agree with their trade associations' positions, which is why they are engaging with companies that have not provided clarity on the process, escalation strategies or actions to deal with any misalignment.

4. FORCING ASSUMPTIONS

Investors would appreciate companies being clear, explicit, and connecting the dots when it comes to Paris Agreement alignment. Incomplete information forces investors to make assumptions that may or may not be true to fill in the gaps. For example, "Company X has committed to being carbon neutral by 2040." Does that mean all scopes of emissions, across all entities, by that date? In another section, the company might mention broad "support for the goals of the Paris Agreement" and say nothing else to define what that means (i.e. less than 2°C, or 1.5°C?). In yet another report or policy statement, that same company might mention that "it considers the science when establishing its GHG reduction target." Does that mean the company has submitted its target and pathway to the Science-Based Targets Initiative (SBTi) for approval for Scopes 1-3? Or something else? Companies should strive for specificity, clear definitions, and rigor when spelling out their commitments, goals, and plans — and when such plans are aligned with an existing investor reporting standard — including on policy engagement.



PARIS-ALIGNED LOBBYING PRACTICES: USING THE *GLOBAL STANDARD* AS GUIDANCE

The following examples of alignment with the *Global Standard for Responsible Climate Lobbying*'s 14 indicators expose companies to several approaches for aligning with the *Global Standard's* expectations. Linked citations in these examples and case studies provide further exploration and consideration when reporting and reviewing internal practices and policies.

SUMMARY OF THE INDICATORS

Policy and Commitment 	Publicly commit to lobby for policies that support the Paris Agreement.
	Apply this commitment to all subsidiaries, business areas, and operational jurisdictions.
	Publicly commit to taking steps to ensure lobbying alignment across all associations, alliances and coalitions of which it is a member.
Governance 	Assign board-level oversight of climate lobbying approach and activities.
	Assign responsibility at senior management level for day-to-day implementation of climate lobbying policies and practices.
	Establish an annual monitoring and review process of both direct and indirect climate lobbying.
	Establish a process for engaging with stakeholders to set and review climate lobbying policies, positions and activities.
	Establish a clear framework for addressing lobbying misalignments between the company and its associations, alliances and coalitions.
Action 	Publish a detailed, annual review assessing and describing actions taken related to the alignment of the goal of the Paris Agreement and: (a) a company's climate lobbying; (b) the climate lobbying of a company's associations, alliances, coalitions, or thinktanks to which it provides support.
	Recognize and report on action to address any climate lobbying misalignments between a company's and its trade associations, coalitions, alliances or funded thinktanks.
	Create or participate in coalitions that have the specific purpose of lobbying in support of the goal of the Paris Agreement.
Specific Disclosures 	Publicly disclose, for all geographies, membership, support for and involvement in all associations, alliances and coalitions engaged in climate-related lobbying.
	Publicly disclose, for each of these organizations: (a) annual dues paid; (b) any board or committee positions, and other activities related to climate within those organizations.
	Publicly disclose an overall assessment of the influence that a company's climate lobbying has had on (a) supporting ambitious public climate policy; (b) the company's ability to deliver its own corporate transition strategy.

This summary courtesy of the World Resources Institute. Please see the Global Standard for exact indicator language.

INDICATOR 1

PUBLICLY COMMIT TO ENSURE ALL CLIMATE LOBBYING IS PARIS-ALIGNED

COMMITMENT SHOULD INCLUDE

- Reference to alignment with the Paris Agreement, and a 1.5°C target;
- Commitment should mention both direct and indirect lobbying;
- Mention of positive climate advocacy, and how climate lobbying helps the company to achieve internal commitments, goals, and targets;
- Importance of science-based targets and policy strategy.

EXAMPLES OF LEADING PRACTICES

Unilever

"Progress on our own climate change targets means nothing in an overheated world. We advocate for national climate policies that advance the Paris Agreement … to limit global temperature increases to well below 2°C, and ideally no more than 1.5°C … This requires strong government policy that creates the right context for further change and accelerated business action…

Unilever advocates for policies that advance the goal of limiting global warming to no more than 1.5 degrees Celsius, as per the Paris Agreement and in line with our Climate Transition Action Plan."

From company website here and here

RWE

"RWE demonstrates its commitment to align our advocacy and lobbying activities with the goals of the Paris Climate Agreement…. In December 2020, the Science Based Targets initiative (SBTi) confirmed our 2030 targets as in line with the Paris Climate Agreement's goal to limit global warming to well below 2°Celsius… and to pursue efforts to limit the increase even further to 1.5°Celsius."

From RWE's Industry Association Review 2020

Walmart

"Walmart was the first retailer to announce a science-based target to align with the Paris Climate Agreement, which we recently upgraded to the highest 1.5°C level of ambition. As such, Walmart will advocate for 1.5°C-aligned, science-based national and international climate policies that are consistent with achieving net-zero emissions by 2050…."

From Walmart's Climate Policy Statement

HONORABLE MENTIONS

Shell plc

Equinor

Fortum

Heidelberg Materials

Bayer

WHY INVESTORS LIKE THESE:

- They all mention the Paris Agreement;
- All specify 1.5°C alignment or ambition;
- All specify their advocacy commitment to align with the Paris Agreement;
- All note positive climate lobbying (in full policy);
- They mention science-based evidence guiding corporate policy and action.

**Informed by: Transparency International: Principle 6 (2015); PRI, IIGCC, Ceres investor expectations (2020); Business Ambition for 1.5°C (2019); AAA Framework: Advocate (2020); Ceres Blueprint: Act (2020); CA100+ Benchmark 7.1a (2021)*

> **Investors are increasingly looking for policy commitments that are clear and very concise on the climate lobbying approach. We want to see a mention of Paris AND a 1.5°C pathway guiding the company in its policy decisions, and investors increasingly expect such policies to cover the many kinds of indirect lobbying using shareholder funds as well.**
>
> *Adam Kanzer, Head of Stewardship, Americas, BNP Paribas Asset Management*

A SPECTRUM OF CORPORATE INFLUENCES ON CLIMATE POLICY

Companies have a decisive influence on climate policy

- Corporates use of a range of political messaging and digital media strategies
- Combined with lobbying via influential industry associations, these tactics are highly influential
- This influence is directed overwhelmingly to support fossil fuels
- Harnessing corporate lobbying in favour of science-based policy is a key step to achieving the Paris Agreement

Courtesy of Children's Investment Fund Foundation (CIFF)

RECENT DIRECT LOBBYING SCANDALS

The Telegraph

HSBC boss attacks climate lobby and asks: 'Who cares if Miami is underwater in 100 years?'

Responsible investing chief warns of 'shrill, partisan' tone of debate

Los Angeles Times

Exxon booted from carbon tax alliance after lobbying scandal

L.A. Times
November 2022

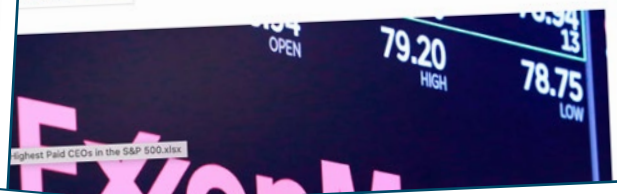
4 News

Revealed: ExxonMobil's lobbying war on climate change legislation

Alex Thomson
Chief Correspondent

npr

Exxon Lobbyist Caught On Video Talking About Undermining Biden's Climate Push



The Boston Globe

Exxon suspended from climate alliance after lobbying scandal

By Kevin Crowley and Ari Natter Bloomberg, Updated August 6, 2021, 3:15 p.m.

Exxon Mobil Corp. was suspended from the Climate Leadership Council, a centrist research and advocacy group that unites conservation groups and some of the world's biggest corporations in forming policies to tackle climate change.

The move comes just weeks after an Exxon lobbyist was secretly recorded by Greenp... some of the company's key climate commitments were disingenuous. The group's fo...

STOP THE MONEY PIPELINE

Climate groups call out banks lobbying for watered down Net Zero Commitments

Stop the Money Pipeline organizations respond to news that on behalf of a group of 12 banks, HSBC lobbied Mark Carney's GFANZ to scrap mandatory science-based targets and delay a deadline

— Yesterday The Bureau of Investigative Journalism reported that HSBC coordinated efforts water down action on climate change. The Bureau details that HSBC lobbied Mark Carney's nking Alliance to:

THE BUREAU OF INVESTIGATIVE JOURNALISM

HSBC LED BIG BANKS' CHARGE AGAINST CLIMATE CHANGE ACTION

Bloomberg

May 20, 2022

HSBC's Head of Responsible Investment Attacks Climate 'Nut Jobs'

Harry Wilson and Loukia Gyftopoulou, Bloomberg News

(Bloomberg) -- HSBC Holdings Plc distanced itself from its asset management unit's head of responsible investment after the executive criticized the finance industry for worrying too much about the environment.

INDICATOR 2

APPLY THIS COMMITMENT GLOBALLY TO ALL PARTS OF THE BUSINESS

COMMITMENT SHOULD INCLUDE

- Reference should be made to all subsidiaries, business areas and operational jurisdictions;
- Commitment should specify global and/or geographic reach;
- Commitment should extend to partnerships and joint ventures;
- How corporate commitment includes suppliers is helpful.

EXAMPLES OF LEADING PRACTICES

We found no company examples that embodied all aspects of leading practice across this indicator. The research for Indicator 2 actually showcased the "Forcing Assumptions" negative practice the authors discussed on page 13. Companies revealed a poor record to date in describing the scope, geographic areas, and business subsidiaries or partnerships that its climate lobbying policies and engagement accountability apply to.

Yet, progress on Indicator 2 is one of the easiest for companies to address. We note that a few companies were specific when a certain division or acquisition did NOT come under its existing climate lobbying policies, and we applaud this (for instance, a new acquisition may need time to reconcile existing practice and relationships with the parent company's practices — like Australia's AGL did in 2021.) However, policies and oversight should spell out the particulars recommended to the right, and should not force investors to assume any parameters for such policies that are not well articulated.

HONORABLE MENTIONS

Bayer

COMPANIES STRIVING TO ALIGN WITH INDICATOR 2 SHOULD CONSIDER THAT:

- No company specifically mentions Paris-aligned climate lobbying across all business areas. Assumptions are often made, but clarity of policy should be spelled out.
- No company was found to apply its policies to all subsidiaries, partnerships, joint ventures, and suppliers.
- Doing so indicates the global reach of the industry association review and company consistency in applying the policy.

**Informed by: Transparency International: Principle 7 (2015): Business Ambition for 1.5°C (2019): CA100+ Benchmark 7.2a (2021)*

THIS IS A NICE, CLEAN POLICY STATEMENT:

"Acme Inc. is committed to public policy advocacy aligned with the Paris Climate Agreement. We have been consistently advocating for the Paris Climate Agreement since 2016. In 2021, we publicized our commitment when the Board issued its Statement on Climate Policy. This statement describes our advocacy around achieving 1.5 degree-aligned, science-based national and international climate policies that are consistent with achieving net-zero emissions by 2050 while at the same time meeting the needs of all stakeholders. We periodically review our trade association memberships to determine whether to maintain membership or financial support. If membership or support does not align with our policy priorities, or are working in opposition to our priorities, we would withdraw."

BUT TO MEET THE NEW *GLOBAL STANDARD*, IT ALSO NEEDS TO DO ALL OF THIS:

- ✔ Spell out the various types of lobbying (both direct and indirect) that the policy covers
- ✔ State that the policy applies to all of Acme's operations, joint ventures and subsidiaries globally, and if it does not, explain what is not covered and why
- ✔ Say how Acme will assess alignment with its stated policy commitments and how often such assessments are done (the *Global Standard* notes annually)
- ✔ Ensure the assessment will not just look at topline statements by Acme or its trade associations and related entities, but will also examine underlying policy actions, positions taken, and spending
- ✔ Define the categories of influence that will and will not be covered in its assessment for the year and explain why

INDICATOR 3

PUBLICLY COMMIT TO ENSURING ALL INDIRECT CLIMATE LOBBYING IS PARIS-ALIGNED

COMMITMENT SHOULD INCLUDE

- Reference should be made to all associations, alliances and coalitions of which the company is a member;
- Associations in all geographic areas;
- All associations regardless of the level of low membership contributions or any other reason;
- Company should note any steps committed to for ensuring alignment.

EXAMPLES OF LEADING PRACTICES

Aligning lobbying activities with 1.5°C

"We've long championed the importance of aligning indirect climate lobbying through trade associations. Since 2019, we've asked the trade associations, of which Unilever is a member, *to confirm that their lobbying activities are in line with the Paris Agreement* too. In some cases, this triggered discussions to clarify existing positions and we'll continue our efforts in this area, publishing an annual list of principal trade associations.

We support the *climate policy asks of the We Mean Business Coalition as set out here*, and we expect all trade associations that we are members of to be aligned on the intent of these policies....the climate crisis has now reached a point where there can be no room for misinterpretation on the scale of the challenge, or indeed on the importance of regulatory measures to support businesses in driving the transition to a net zero emissions economy. Therefore, Unilever believes strongly in working with trade associations that hold similar advocacy positions and alignment with our broader climate objectives.... We consider several factors when joining trade associations, as well as monitoring and reviewing existing memberships.... On major issues, if our views and those of an association cannot be reconciled, then we will be prepared to withdraw our membership."

From Unilever Website

"Volvo Group is also a member of several trade associations around the world. We believe these memberships are important and that they can provide significant benefits for our business and industry. Most of these associations cover a much broader agenda than that of climate change mitigation but we seek to use our memberships to support the higher ambitions of the Paris Agreement's goal to limit the global warming to 1.5 degrees Celsius, compared to pre-industrial levels.

HONORABLE MENTIONS

Shell plc

Equinor

Fortum

Heidelberg Materials

Bayer

WHY INVESTORS LIKE THESE:

- Specific mention of ensuring the alignment of trade associations with Paris Agreement goals;
- Discussions are noted to clarify full alignment;
- Lobbying by trade associations is monitored and reviewed;
- Positive lobbying, not just lack of negative lobbying, is encouraged.

**Informed by: Transparency International: Principles 3 & 4 (2015): PRI, IIGCC, Ceres investor expectations (2020): AAA Framework: Align (2020)*

As part of our commitment to deliver on the Paris Climate Agreement we take an active role in trade associations to assure that they contribute positively towards meeting the goals of the Paris Agreement. We have therefore reviewed and updated our way of working in relation to trade associations. A new governance model has been developed, including regular assessments, escalation structure and communication.

With our Annual Report, we provide a list of *memberships (PDF)* held by Volvo Group's Business Areas or country Management Teams in the Group's main markets of operations."

From: Company website

MISALIGNMENT TOOLKIT: ESTABLISH CONCRETE STEPS FOR ENSURING TRADE ASSOCIATION ALIGNMENT

See this Toolkit for suggestions on getting started.

Source: The B Team

INDICATOR 4

BOARD RESPONSIBILITY FOR CLIMATE LOBBYING OVERSIGHT

OVERSIGHT ROLE SHOULD INCLUDE

- ✔ Specific board committee/board member assigned oversight;
- ✔ At either the committee or individual level, must specify oversight of climate lobbying, not lobbying in general or general climate change activities;
- ✔ Note the level of frequency of oversight, where appropriate.

EXAMPLES OF LEADING PRACTICES

Chevron

"The Public Policy and Sustainability Committee of the Board (PPSC) is the committee primarily responsible for climate policy, lobbying and reporting. Among other issues, the PPSC reviews Chevron's lobbying activities and budget, including trade association memberships, to assess the value of these activities and alignment with Chevron's positions and interests, including those related to climate change and the company's views related to the Paris Agreement."

From 2020 Climate Lobbying Report

Southern Company

"When the Southern Company's Board evaluates climate-related issues, it routinely reviews lobbying expenses to ensure consistency with climate-related business strategy."

From the CDP Climate Disclosure Report

INVESTOR EXPECTATIONS ON CORPORATE CLIMATE LOBBYING OVERSIGHT

From UN PRI

Governance excerpt **from globally-endorsed investor statement:**

"We believe that companies should be consistent in their policy engagement in all geographic regions and that they should ensure any engagement conducted on their behalf or with their support is aligned with our [investor] interest in a safe climate.... Specifically, we expect those companies that engage with policy makers directly or indirectly on climate change-related issues to:

- Establish robust governance processes to ensure that all direct and indirect public policy engagement is aligned with the company's climate change commitments and supports appropriate policy measures to mitigate climate risks. Within this, we expect companies to:

HONORABLE MENTIONS

Volvo Group

WHY INVESTORS LIKE THESE:

- ✔ Explicitly refers to oversight of climate-related lobbying;
- ✔ Ensures that oversight considers consistency/ alignment with the company's climate strategy.

INSIGHT

According to research by data analytics firm ESGAUGE, of 278 S&P 500 companies that indicated specific committee oversight of environmental issues, only two also oversaw lobbying, and none reported oversight of climate lobbying.

**Informed by: Transparency International: Principles 1 & 5 (2015): Ceres Blueprint: Govern (2020)*

- Assign responsibility for governance at board and senior management level.
- Establish processes for monitoring and reviewing climate policy engagement.
- Establish processes to ensure consistency in the company's public policy positions."

An *additional investor statement* on responsible climate lobbying was launched in September 2019 by investor members of Ceres, representing 200+ investors with $6.5 trillion in assets under management, reiterating such climate lobbying oversight concerns.

INDICATOR 5

ASSIGN RESPONSIBILITY AT SENIOR MANAGEMENT LEVEL FOR CLIMATE LOBBYING OPERATIONS

RESPONSIBILITIES SHOULD INCLUDE

- ✔ Specific management committee and/or team or specific management positions involved in implementation of climate change lobbying policies and practices;
- ✔ Must specify oversight of climate lobbying, not lobbying in general or general climate change activities;
- ✔ Reporting hierarchy (graphics are useful here);
- ✔ Information on how often management reviews climate lobbying practices.

EXAMPLES OF LEADING PRACTICES

"The [climate-related lobbying association review] project is supervised at the most senior levels of the organization and overseen by Bayer's Public Affairs leadership team with final actions approved by the wider Public Affairs, Science and Sustainability leadership. The project sponsor is Werner Baumann, Chairman of the Board of Management and Chief Sustainability Officer."

AND

"The highest level of responsibility for climate-related issues lies with Bayer's CEO who also functions as Bayer's Chief Sustainability Officer (CSO). As CSO he is responsible for the groupwide sustainability program including climate-related targets and measures. This includes ultimate oversight for the industry association climate review and engagement process.... As Bayer contributes to the global policy discussion on how best to address climate change, we expect our industry partners and trade associations to equally engage. The same also applies to maintaining standards of responsible lobbying. We are committed to working together to address any identified gaps between our expectations and the activities of the trade associations of which we are a member."

From Industry Association Climate Review

"The External Affairs unit ensures that the positions taken in the political representation of our interests correspond with the goals and content of the Mercedes-Benz Group's sustainable business strategy as well as with our policies and other public statements."

From Group Climate Policy Report

HONORABLE MENTIONS

AGL

Woodside

Honeywell

BMW

WHY INVESTORS LIKE THESE:

- ✔ They specify oversight of climate-related lobbying/ advocacy;
- ✔ They ensure that management considers consistency/alignment with the company's climate strategy.

Informed by: AAA Framework: Advocate (2020) : Ceres Blueprint: Govern (2020)

Heidelberg Materials

"...HeidelbergCement has created a Global Association function to provide continuous oversight over industry association advocacy, ensure alignment with our positions and help ensure our commitment to responsible and constructive advocacy is shared by the associations of which it is a member."

From Climate Advocacy and Association Review

SNAPSHOT ON MANAGEMENT AND BOARD RESPONSIBILITY OF CLIMATE LOBBYING: AUTO COMPANIES

Company	A1. Direct Lobbying Commitment	A2. Indirect Lobbying Commitment	B1. Board Responsibility	B2. Senior Management Responsibility	B3. Review
Mercedes-Benz	Y	N	Y	Y	Y
BMW	N	Y	Y	Y	N
Volvo Group	Y	Y	N	N	Y
Toyota	Y	Y	N	N	Y
Ford Motor	Y	N	Y	N	Y
General Motor	N	N	N	N	Y
Stellantis	N	N	N	N	N
Volkswagen	N	N	N	N	N
Honda Motor	N	N	N	N	N
Nissan Motor	N	N	N	N	N
PACCAR	N	N	N	N	N
Renault SA	N	N	N	N	N
SAIC Motor	N	N	N	N	N
Suzuki Motor	N	N	N	N	N

Source: Influencemap

INDICATOR 6

ANNUALLY MONITOR AND REVIEW ALL DIRECT AND INDIRECT CLIMATE LOBBYING FOR ALIGNMENT WITH PARIS AGREEMENT GOALS

REVIEW SHOULD INCLUDE

- Direct and indirect lobbying;
- An annual or more frequent monitoring and review;
- All geographies, partnerships and joint ventures;
- Detailed analysis of policy positions on climate change and on climate change lobbying;
- Clarification of how policies in specific areas align with the Paris goals;
- A detailed description of the process and framework for review (see links for details).

EXAMPLES OF LEADING PRACTICES

"Annually review the policy positioning of each industry association to which AGL is a member and continue to disclose material policy differences."

From Industry Association Review

"To support the review of industry associations, a review of Fortum's own climate lobbying and public affairs work was also carried out. We will continue to publish the Climate Lobbying Reviews annually."

From Climate Lobbying Review

"We published a set of principles in our 2019 Industry Associations Climate Review to govern how we manage our relationships with industry associations on climate-related policy issues. These principles build on the Shell General Business Principles and Code of Conduct. They are incorporated in the Shell Control Framework … The principles aim to ensure our memberships of industry associations do not undermine our support for the goal of the Paris Agreement and the development of government policies that could help the world to achieve net-zero emissions by 2050. They set out the actions we take if we find misalignment between the climate-related policy positions we support, and the policy and advocacy positions of the industry associations we belong to. Our 2022 Industry Associations Climate Review Update highlights actions we have taken since our 2021 Industry Associations Climate Review to address differences in climate-related policy with the eight associations where we identified misalignment. The update also provides payment data for the 36 key industry associations we included in our 2021 report and provides a case study about our climate lobbying in the EU and USA."

HONORABLE MENTIONS

Woodside

Heidelberg Materials

Walmart Inc.

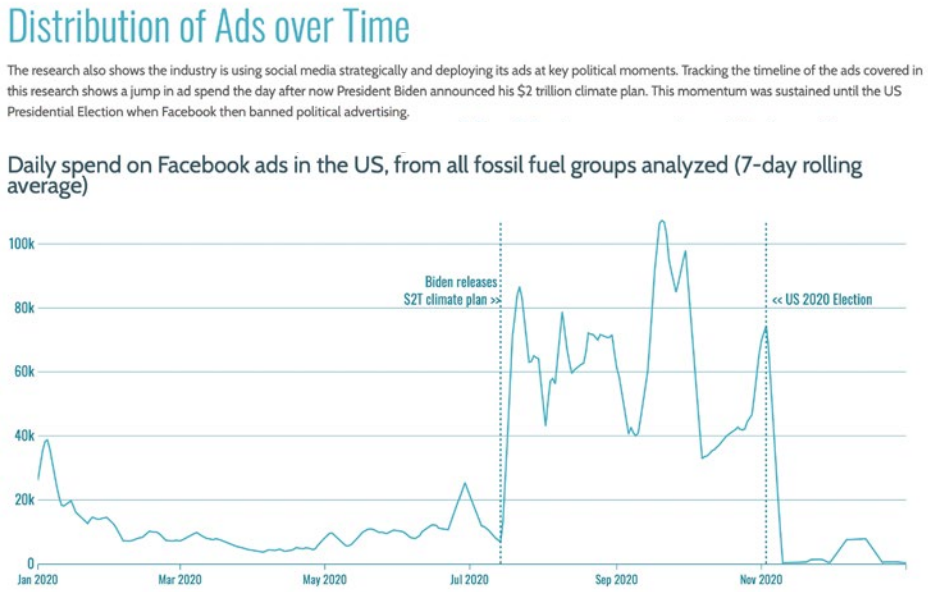
Mercedes-Benz Group

WHY INVESTORS LIKE THESE:

- They specify annual or regular review;
- They ensure that association review considers consistency/alignment with the company's climate strategy as well as with Paris (direct and indirect).

**Informed by: CDP 12.3f: PRI, IIGCC, Ceres investor expectations (2020): AAA Framework: Align (2020): Ceres Blueprint: Govern*

HOW COMPANIES INFLUENCE THE PUBLIC ON CLIMATE POLICY IS CHANGING



A 2021 InfluenceMap report found 25,147 ads from just 25 oil and gas sector organizations on Facebook's US platforms in 2020, which have been seen over 431 million times. This indicates the industry is now using social media to directly reach a vast audience and influence public opinions on climate change and the energy mix.
Courtesy of InfluenceMap

UN GLOBAL COMPACT EXAMPLES OF DIRECT AND INDIRECT POLICY INFLUENCE

EXAMPLES OF DIRECT ENGAGEMENT ACTIVITIES

- Lobbying of government officials
- Contributing to electoral campaigns
- Providing testimony, endorsements or participating in government agency working groups
- Participating in public-private partnerships
- Participating in national or international forums on trade, technologies

EXAMPLES OF INDIRECT ENGAGEMENT ACTIVITIES

- Information, public relations and social media campaigns targeting customers, suppliers, general public
- Contributions to external, non-governmental organizations
- Membership in trade groups and business associations
- Former (or current) employees taking jobs as government officials, or corporate hiring of former government officials
- Engagement in international or national business alliances or initiatives
- Call to action, convening, and example setting with customers, suppliers, competitors, public
- Participation in scientific or economic committees

Source: Caring for Climate 2013 report

INDICATOR 7

ESTABLISH A PROCESS FOR ENGAGING WITH STAKEHOLDERS ABOUT CLIMATE CHANGE LOBBYING POLICIES, POSITIONS AND ACTIVITIES

ENGAGEMENT AND REPORTING SHOULD INCLUDE

- Discussions about the development of a corporate position and program on a specific climate policy issue;
- Discussions on the development or review of a corporate policy on Paris Agreement-aligned climate lobbying;
- The review of a specific lobbying activity or of a lobbying program;
- The forums where stakeholder engagement occur;
- The frequency of engagements;
- An annual or more frequent monitoring and review;
- Whether or how executive officers, board members, or political affairs executives are involved in the stakeholder engagements.

EXAMPLES OF LEADING PRACTICES

Unilever

"To make our [sustainable living] purpose a reality and grow our business, we need to work closely with our stakeholders… (often through trade associations). The *Unilever Compass* explains our multi-stakeholder model and how it is designed to deliver value to all stakeholders.

As a global company with our brands available in around 190 countries, we interact with a huge range of stakeholders every single day. Below we provide a summary of how we engage with our most important stakeholder groups."

The webpage describes engagements with:

Employees	Customers
Consumers	Scientists
Shareholders	NGOs
Governments	Communities
Suppliers	Peer companies

For example, on shareholders: "As part of our engagement activities in 2021, we put our *Climate Transition Action Plan* before our shareholders for them to vote on.

See the Governance Report in our *Annual Report and Accounts* for more on how we engage with shareholders."

HONORABLE MENTIONS

SSE

South32

WHY INVESTORS LIKE THESE:

- They specify policy and regulatory discussions;
- They specify climate lobbying as part of the stakeholder engagement, not just lobbying or climate change in general.

**Informed by: AAA Framework: Advocate (2020)*

- On governments: "We work directly with governments, regulators and legislators, and through trade associations, to help develop laws and regulations that may affect our business. For example, we participate in policy discussions on global issues like climate change…"
- On NGOs: "Our leadership also engages with NGOs and other stakeholders through platforms like the World Economic Forum, UN Global Compact, World Business Council for Sustainable Development and the Consumer Goods Forum. We also engage with NGOs on policy and advocacy issues. See our *Planet & Society Hub* for more on advocacy."
- On peer companies: "We engage with peer companies — individually, in coalitions and through trade associations — to implement change. This includes working together to implement sustainable business strategies and drive policy agendas which contribute to systems change."

From Company Website

Southern Company

"Since 2011, we have held regular environmental stakeholder forums, webinars, calls and meetings covering a range of topics, including regulatory and policy issues.... [We] constructively engage with policymakers, regulators, investors, stakeholders, customers and communities to support outcomes that lead to a net zero future.... [O]versight of the Company's Corporate Responsibility Report and engaging with investors and stakeholders … on carbon and climate policy issues, including transparency on political contributions and lobbying efforts."

From Planning for a Low Carbon Future

"Working with stakeholders on the ground means investors and companies have important real-time information to better mitigate the risks and societal impacts emerging from climate change. Responsible investors can make informed decisions on that intelligence that other investors ignore. Lobbying to stall climate policy is not new, and company efforts to keep stakeholder voices silent continue to this day. It is therefore vital that stakeholder voices are brought into the room when companies are discussing climate policy. As those most impacted, they are the proverbial canaries in the coal mine speaking their truth. Smart companies will listen and get ahead of the game by anticipating what is to come."

Sr. Patricia Daly, Sisters of St. Dominic of Caldwell, NJ

INDICATOR 8

ADDRESS MISALIGNMENTS BETWEEN TRADE ASSOCIATIONS' CLIMATE LOBBYING POSITIONS AND PARIS GOALS

PROCESS FOR ADDRESSING MISALIGNMENT SHOULD INCLUDE

- ✔ Clear definitions and criteria — preferably quantifiable — for determining alignment, partial misalignment and misalignment, and definitions should link back to the Paris Agreement and 1.5°C pathway;
- ✔ Assessment of the underlying actions, contributions and lobbying positions taken by trade associations and other third parties — not relying on top-line statements;
- ✔ Specific plan/process for how companies will engage around partial alignment and how they will address misalignment;
- ✔ Plan/process for actively engaging/encouraging member associations to adopt positive climate lobbying positions;
- ✔ Company reviews obstructive vs. constructive climate lobbying records by trade associations and other entities;
- ✔ Escalation strategies discussed if misalignment and obstructive lobbying is identified or continues;
- ✔ Defined criteria for triggering escalation strategies and leaving a misaligned association;
- ✔ Reporting of any trade associations or organizations the company has left, and reasons why.

IDEAL PROCESS FOR LOBBYING ALIGNMENT INCLUDES:

- ➔ Alignment processes and disclosures are audited by an independent third party.
- ➔ Company publicly shares the general communications made to trade and other associations that spell out the company's views on Paris alignment and the importance of third parties to align with same.
- ➔ Corporate request that all trade and membership organizations provide the company with an annual breakdown of spending and lobbying positions taken under key categories, in order to internally audit findings against company research.

HONORABLE MENTIONS

OMV

Repsol

Holcim

BASF

Equinor

Volvo Group

**Informed by: Transparency International: Principles 3 & 4 (2015): AAA Framework: Align (2020): Ceres Blueprint: Act (2020): InfluenceMap (2020)*

| EXAMPLES OF LEADING PRACTICES

HEIDELBERG CEMENT

The criteria for assessing an association's alignment with our own positions, as described in chapter 2, concern the overall strategic direction of positions taken in the following issue areas:

- **Commitment to the Paris Agreement and net-zero pathway until 2050**
- **Carbon pricing and carbon leakage protection**
- **Energy transition**
- **Carbon capture and utilization (CCU)**
- **Carbon capture and storage (CCS)**
- **Circular economy**
- **Biodiversity**
- **Sustainable construction**
- **Sustainable finance**

The alignment with our own positions concerning industry transition and climate change has been categorized as follows:

Full alignment
- The association's positions match the positions of HeidelbergCement in all assessed issue areas to full extent.

Partial alignment
- The association's positions match at least four positions of HeidelbergCement in all assessed issue areas to full extent and the association does not take opposing positions in any issue area.

Partial misalignment
- The association's positions match three or less positions of HeidelbergCement in all assessed issue areas to full extend or the association takes an opposing position in one issue area.

Full misalignment
- The association's positions match no positions of HeidelbergCement in all assessed issue areas or the association takes more than one opposing position concerning the assessed issue areas.

As associations are consensus-oriented organizations that have to reflect the views of its members, we do not view the absence of an association position concerning the issue areas mentioned above as a misalignment as long as no opposing position on any issue area is being taken by the association in question. If an association is not taking a position on one of the issue areas, it cannot achieve the status of being fully aligned with our positions.

From Climate Advocacy and Association Review

WHY INVESTORS LIKE THESE:

- ✔ Clear definitions of alignment and misalignment;
- ✔ Description of engagement processes;
- ✔ Clear steps to address misalignment;
- ✔ Time periods set for reviews and decision about withdrawal of membership.

woodside

2. Comparing positions

The review assessed how the views of these associations align with the following climate positions that Woodside advocates:

- Support for Paris Agreement goals and commitments and global net zero emissions by 2050.
- Support for appropriate protection to manage the social and economic costs of the transition.
- Support for lower-emissions technologies and other pathways to reducing/offsetting emissions.

We assessed associations as either aligned, some misalignment identified or misaligned based on the following conditions:

- **Aligned:** Associations found to broadly share Woodside's climate positions.
- **Some misalignment identified:** Associations found to not broadly share Woodside's climate positions.
- **Misaligned:** Associations found to have views that contradict Woodside's climate positions.

4. Addressing misalignment

If misalignment was identified, we considered the significance of the issue and the scope Woodside has to influence from within. We then measured these misalignments against the broader value of the membership. A key consideration to Woodside is that divergence on some issues may be outweighed by the overall benefits of membership.

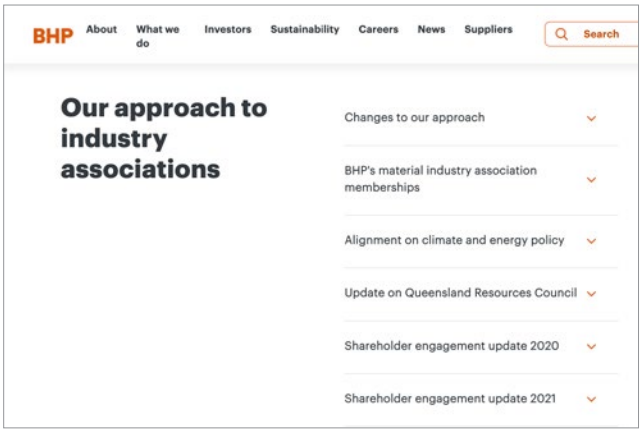
If misalignment cannot be addressed through constructive engagement, Woodside will further assess whether the membership should continue.

From Industry Association Review

BHP

8. BHP will remain a member of the industry association, with additional action, where there is a finding of material difference that is likely to have a significant impact on policy debate, and where BHP has established sufficient benefit derived from the association's broader activities.
9. In relation to an industry association to which Principle 8 applies, the following actions will be undertaken:
   - BHP will communicate the material difference or differences to the board of the association, and maintain a register of material differences;
   - where a material difference has been identified based on an association not having a position on the Paris Agreement, BHP will request that the association foster a consensus within its membership on the Paris Agreement, with the goal of developing a position;
   - for all other material differences, BHP will request that the association refrain from policy activity or advocacy in the area where the material difference exists (unless there is broad industry consensus to the contrary); and
   - BHP will review its membership of the association if the association has not acted upon the identified material differences within a reasonable period (being not more than 12 months).

From Industry Association Review



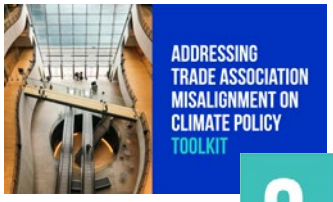
Courtesy of BHP

Framework for addressing misalignment	
To meet investor expectations under this indicator: The company has to disclose a clear and detailed framework for addressing misalignments with its industry associations including escalation steps and clear deadlines for industry associations which do not amend misaligned practices.	
BHP	BHP has disclosed clear and detailed steps for addressing potential misalignment including an escalation strategy and clear timeline attached. The company states it will communicate material differences, request that the industry association develop a position or refrain from advocacy, and review the membership if there has been no action within 12 months.
Best Practice	BHP has disclosed clear and detailed steps for addressing potential misalignment, including an escalation strategy and clear timelines attached. The company states it will communicate material differences, request that the industry association develop a position or refrain from advocacy in certain areas, and review the membership if there has been no action within 12 months.

Courtesy of InfluenceMap

> **"In addition to evaluating actions over words, it is also critical to assess "constructive vs. obstructive" lobbying activity. A measure of sincerity on climate action is how a trade group expresses opposition. If there are legitimate economic or societal reasons why a policy is less than ideal for the business community, then it is reasonable for a trade group to oppose a bill but still rally behind other policy ideas that preserve the intended outcome — for example, emissions reductions. If a trade group consistently denounces climate policy efforts and launches large campaigns against such legislation, then this is not policy engagement in good faith."**
>
> *Amy Meyer, Program Manager, WRI's Responsible Corporate Advocacy Initiative*

B TEAM GUIDANCE: ADDRESSING TRADE ASSOCIATION MISALIGNMENT



3 FOLLOW-UP STEPS:

- **Before deadline:** Companies should follow up with trade associations if no response has been received (see template in toolkit annex).
- **Once the deadline passes** for trade associations to respond: Companies may take a number of different actions, such as:

Individual Action	Collective Action
■ **Quell negative lobbying** by asking trade associations to not lobby on topics that members don't agree on. ■ **Remove company name and logo** from any statement released by trade association(s) that is not aligned with the company's position on climate policy. ■ **Audit trade association** responses against companies' policy positions. ■ **Leave the trade association.**	■ **Public statement** demonstrating that the trade association(s) do not speak for all of their members and state where your company does NOT agree with the trade association. ■ **Audit trade association** as a collective, where multiple companies belong to mutual trade association(s). ■ **Leave the trade association,** issuing a joint statement from multiple companies belonging to mutual trade association(s).

PAY ATTENTION TO BENCHMARKING OF TRADE ASSOCIATIONS

Influencemap Performance Band	Organization	Engagement Intensity	All Sectors	All Regions
E-	World Coal Association (WCA)	24	Metals & Mining	Europe
F	Association of Mining and Exploration Companies	16	Materials	Oceania
F	American Petroleum Institute (API)	50	Energy	North America
F	California Chamber of Commerce (CalChamber)	45	All Sectors	North America
F	American Fuel & Petrochemical Manufacturers (AFF	49	Energy	North America
F	Federation of Korean Industries (FKI)	16	All Sectors	Asia
F	America's Power (ACCCE)	24	Energy	North America
F	National Mining Association (NMA)	35	Materials	North America

Courtesy of InfluenceMap

INDICATOR 9

PUBLISH A DETAILED ANNUAL REVIEW OF THE COMPANY'S OWN CLIMATE LOBBYING AND THAT OF ITS TRADE ASSOCIATIONS

ANNUAL REVIEW SHOULD INCLUDE

- A description of the review and its criteria/how it was conducted, preferably by an independent third party and in conjunction with feedback from shareholders;
- A list of the entities covered/not covered, and the reasons why;
- Descriptions of positions aligned and misaligned;
- Key findings;
- Actions taken and to be taken;
- Oversight and sign-off by the board.

EXAMPLES OF LEADING PRACTICES

Annual Review of Climate Lobbying Actions

Examples of companies that have committed to conducting such reviews annually.

woodside Fortum HEIDELBERG CEMENT ExxonMobil

Description of Review Process

Fortum

"The objective was to assess how aligned the different industry associations are with the Paris Agreement and Fortum's climate advocacy principles (see Appendix 1). The three key areas of focus included:

1. Commitment to climate science and the Paris Agreement;
2. Climate neutrality goal;
3. Promotion of carbon pricing.

Also the associations' stances on policy coherence, technology neutrality, energy transition, and carbon removal and negative emissions were considered when relevant to their work."

From Climate Lobbying Review

HOLCIM

"The core review was led by the corporate public affairs team based on the organizations' public positions, on their website, media releases, publications and social media. A questionnaire was also sent to the organizations … to complement the analysis and give the opportunity

HONORABLE MENTIONS

Heidelberg Materials

Santos

Total

**Informed by: CDP 12.3a and 12.3e: GRI 103: Management approach, materiality & boundaries: Transparency International: Principle 10 (2015): CA100+ Benchmark 7.1b, 7.3a & 7.3b (2021): AAA: Framework: Align (2020): Ceres Blueprint: Assess (2020): InfluenceMap (2020)*

to bring additional positions into the review. When needed, a discussion was organized with the local public affairs team to ensure a good understanding of the policy landscape and alignment in the analysis. The analysis was then reviewed with the Group's sustainability and stakeholder engagement team."

From Industry Association Climate Review

How Review Was Conducted: Third-Party Assessment of Alignment

bp agl BHP Fortum

"An initial pilot assessment of five associations was undertaken to test the research process. The framework for assessment and alignment was refined based on the results of the pilot assessment. Bayer discussed and aligned its approach with investors involved in the Climate Action 100+ initiative.... Multi-source content was gathered and considered in this process, covering material from across: association websites, media articles, social media and public statements from the bodies' principal executives. Research teams undertook desktop research, seeking a comprehensive picture of positions adopted by associations in their relevant territories."

From Industry Association Climate Review

How Review Was Conducted: List of Entities Covered and Why

- ✔ Best practice would be companies including policy assessment of all third-party business entities;
- ✔ Good practice is detailing why companies don't include certain associations in their reviews (they do not lobby on climate, etc.);
- ✔ Poor practice is cherry-picking associations for review with no explanation on why they chose to include/exclude those.

Shell

"Shell companies are members of hundreds of industry associations around the world. We selected the 36 industry associations in this report for the following reasons: ■ we consider them to be influential in climate-related public policy; ■ they operate in regions or countries where we have significant business activities; and ■ either their climate-related policy and advocacy positions have attracted the attention of Shell, investors and non-governmental organisations, or Shell could be considered influential in those industry associations."

From Industry Association Review

WHY INVESTORS LIKE THESE:

- ✔ Clear descriptions of review process and how and what was examined;
- ✔ Third-party, independent assessment for some reviews;
- ✔ Clear criteria for selection of industry associations to be assessed;
- ✔ Inclusion of aligned and misaligned associations;
- ✔ Clearly defined actions as a result of reviews, along with escalation strategies where misalignment has been found.

Actions Taken and To Be Taken

The process of remediation will sequentially go through the following steps:

// **Review:** Undertake a formal review of membership. This would be accompanied by a public statement setting out the basis of misalignment and Bayer's preferred position, together with a clear timeline for the review and a deadline for a decision on actions to be taken.

// **Further measures:** Pursue further measures to exert the influence on a policy change. The key point of assessment will be if the additional steps are successful in achieving policy change. If yes, the process ends here. If not, Bayer will move to ultimatum.

// **Ultimatum:** Before deciding to exit, Bayer will prepare an ultimatum and make it clear to the industry association that it intends to leave by a specified date unless the organization undertakes a policy review or changes its policy position.

// **Exit:** The final action as part of remediation for Bayer, would be to leave the industry association's membership and to agree an annual review for re-joining based on a future policy change.

The process of engagement will sequentially go through the following steps:

// **Examine:** Ensure that we make Bayer's position clear, have correctly interpreted the industry association's position and ask for evidence to support a different interpretation. We will also consider whether the industry association's mandate could or should include climate policies. The examination step will also provide clarity to the industry association on our engagement and remediation process.

// **Understand:** Seek to understand the reasons for the policy positions and the process by which they are set.

// **Engage:** Proactively engage with the industry association leadership and sub-committees responsible for policy-setting to encourage a review of the organization's position.

Oversight and Sign-Off by Board (Aligned with Indicator 4)

"The project is supervised at the most senior levels of the organization and overseen by Bayer's Public Affairs leadership team with final actions approved by the wider Public Affairs, Science and Sustainability leadership. The project sponsor is Werner Baumann, Chairman of the Board of Management and Chief Sustainability Officer."

From Industry Association Climate Review

ADDITIONAL GUIDANCE: INTERNAL CHECKLIST

	Danger zones:		Six-step lobbying health-check:		Responsible lobbying is:
☑	**Policy inconsistency** Are we doing one thing and saying another?	NO	**Alignment:** Are our lobbying positions in line with our strategy and actions, and universal principles and values? **Materiality:** Are we lobbying on the important issues that affect our organization and our stakeholders?	YES	**Consistent with business strategy and universal principles**
☑	**Untransparent processes** Does it look like we're trying to hide something?	NO	**Stakeholder engagement:** Are we open and responsive to stake-holders in developing and debating our lobbying positions? **Reporting:** Are we transparent about our lobbying positions and practices?	YES	**Transparent and responsive to stakeholders**
☑	**Poorly managed lobbying** Does the left hand not know what the right hand is doing?	NO	**People:** Do we know who is lobbying on our behalf and where our spheres of influence are? **Processes:** Are management systems and guidelines in place to ensure that what we do in practice is effective and in-line with strategy and policies?	YES	**Effective in translating policies into practice**

Courtesy of Children's Investment Fund Foundation

INDICATOR 10

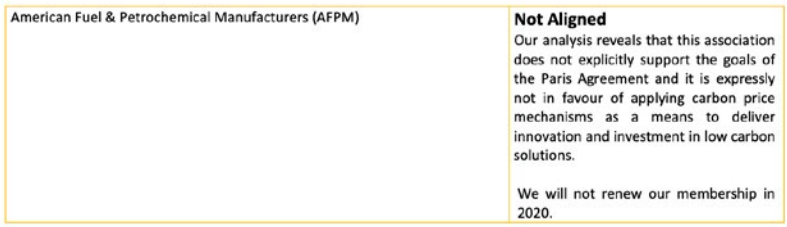
DISCLOSE AND REPORT ON ACTIONS TAKEN TO ADDRESS COMPANY'S AND TRADE ASSOCIATIONS' CLIMATE LOBBYING MISALIGNMENT WITH PARIS GOALS

REPORT SHOULD INCLUDE

- A list of associations that have been left where misalignment was found and subsequent engagement showed no improvement;
- Actions being taken within the trade association or organization if company chooses to stay after determining misalignment;
- Cross-references with assessments of relevant stakeholders.

EXAMPLES OF LEADING PRACTICES

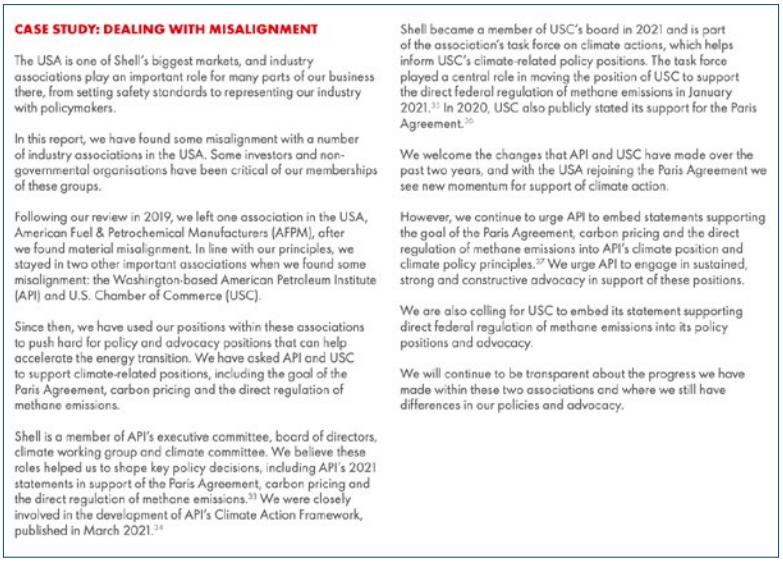
Eni



American Fuel & Petrochemical Manufacturers (AFPM)	**Not Aligned** Our analysis reveals that this association does not explicitly support the goals of the Paris Agreement and it is expressly not in favour of applying carbon price mechanisms as a means to deliver innovation and investment in low carbon solutions. We will not renew our membership in 2020.

Assessment of Industry Associations' Climate Policy Positions

Shell



CASE STUDY: DEALING WITH MISALIGNMENT

The USA is one of Shell's biggest markets, and industry associations play an important role for many parts of our business there, from setting safety standards to representing our industry with policymakers.

In this report, we have found some misalignment with a number of industry associations in the USA. Some investors and non-governmental organisations have been critical of our memberships of these groups.

Following our review in 2019, we left one association in the USA, American Fuel & Petrochemical Manufacturers (AFPM), after we found material misalignment. In line with our principles, we stayed in two other important associations when we found some misalignment: the Washington-based American Petroleum Institute (API) and U.S. Chamber of Commerce (USC).

Since then, we have used our positions within these associations to push hard for policy and advocacy positions that can help accelerate the energy transition. We have asked API and USC to support climate-related positions, including the goal of the Paris Agreement, carbon pricing and the direct regulation of methane emissions.

Shell is a member of API's executive committee, board of directors, climate working group and climate committee. We believe these roles helped us to shape key policy decisions, including API's 2021 statements in support of the Paris Agreement, carbon pricing and the direct regulation of methane emissions.[33] We were closely involved in the development of API's Climate Action Framework, published in March 2021.[34]

Shell became a member of USC's board in 2021 and is part of the association's task force on climate actions, which helps inform USC's climate-related policy positions. The task force played a central role in moving the position of USC to support the direct federal regulation of methane emissions in January 2021.[35] In 2020, USC also publicly stated its support for the Paris Agreement.[36]

We welcome the changes that API and USC have made over the past two years, and with the USA rejoining the Paris Agreement we see new momentum for support of climate action.

However, we continue to urge API to embed statements supporting the goal of the Paris Agreement, carbon pricing and the direct regulation of methane emissions into API's climate position and climate policy principles.[37] We urge API to engage in sustained, strong and constructive advocacy in support of these positions.

We are also calling for USC to embed its statement supporting direct federal regulation of methane emissions into its policy positions and advocacy.

We will continue to be transparent about the progress we have made within these two associations and where we still have differences in our policies and advocacy.

From Industry Associations Report

HONORABLE MENTIONS

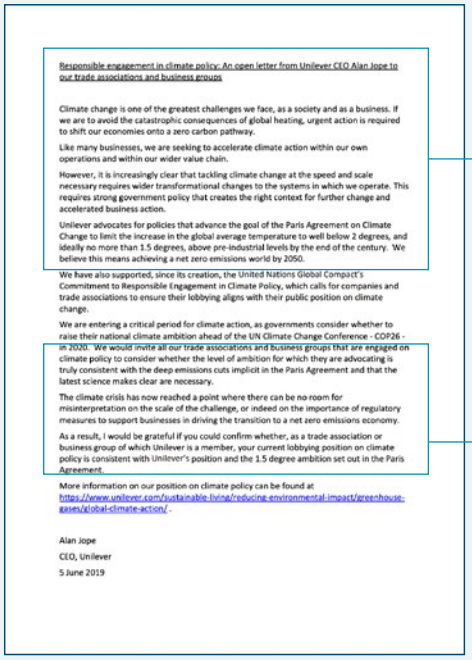
Woodside

WHY INVESTORS LIKE THESE:

- Continued misalignment led to leaving the association;
- Clear description of which elements of misalignment led to leaving;
- Detailed description of engagement with partially misaligned associations;
- Ongoing engagement and next steps.

**Informed by: Transparency International: Principles 4 & 9 (2015): PRI, IIGCC, Ceres investor expectations (2015, 2018, 2020): Transition Pathway Initiative (2019): Ceres Blueprint: Act (2020): InfluenceMap (2020)*

CLEARLY ARTICULATE CLIMATE POLICY EXPECTATIONS TO THIRD PARTIES



From Unilever letter to trade associations

Responsible engagement in climate policy: An open letter from Unilever CEO Alan Jope to our trade associations and business groups

Climate change is one of the greatest challenges we face, as a society and as a business. If we are to avoid the catastrophic consequences of global heating, urgent action is required to shift our economies onto a zero carbon pathway.

Like many businesses, we are seeking to accelerate climate action within our own operations and within our wider value chain.

However, it is increasingly clear that tackling climate change at the speed and scale necessary requires wider transformational changes to the systems in which we operate. This requires strong government policy that creates the right context for further change and accelerated business action.

Unilever advocates for policies that advance the goal of the Paris Agreement on Climate Change to limit the increase in the global average temperature to well below 2 degrees, and ideally no more than 1.5 degrees, above pre-industrial levels by the end of the century. We believe this means achieving a net zero emissions world by 2050.

in 2020. We would invite all our trade associations and business groups that are engaged on climate policy to consider whether the level of ambition for which they are advocating is truly consistent with the deep emissions cuts implicit in the Paris Agreement and that the latest science makes clear are necessary.

The climate crisis has now reached a point where there can be no room for misinterpretation on the scale of the challenge, or indeed on the importance of regulatory measures to support businesses in driving the transition to a net zero emissions economy.

As a result, I would be grateful if you could confirm whether, as a trade association or business group of which Unilever is a member, your current lobbying position on climate policy is consistent with Unilever's position and the 1.5 degree ambition set out in the Paris Agreement.

SNAPSHOT: COMPANIES LEAVING TRADE GROUPS OVER CLIMATE MISALIGNMENT

COMPANIES THAT HAVE LEFT THE U.S. CHAMBER OVER ITS ENVIRONMENTAL AND CLIMATE POSITIONS

- Apple
- Disney
- Gap
- Pepsi
- Costco
- eBay
- Exelon Corp
- Hewlett-Packard
- General Mills
- Kellogg
- Kraft Heinz
- Mars
- Mattel
- Mondelēz
- Nestlé
- Nike
- PG&E Corp
- PNM Resources
- Starbucks
- Unilever
- Walgreens Boots Alliance

COMPANIES LEAVING OTHER TRADE GROUPS OVER CLIMATE

- AGL Energy
- BHP
- BP
- EDF
- Eni
- Equinor
- Glencore
- Holcim
- Norfolk Southern
- Origin Energy
- Santos
- Shell plc
- Total
- Woodside

INDICATOR 11

ENGAGE IN POSITIVE LOBBYING TO ACHIEVE PARIS AGREEMENT GOALS

COMMITMENT SHOULD INCLUDE

- ✔ Individual or collective positive lobbying;
- ✔ Creation of bodies/coalitions to undertake positive lobbying;
- ✔ Encouraging trade associations to engage in positive lobbying;
- ✔ Assessments of relevant stakeholders.

EXAMPLES OF LEADING PRACTICES

Shell

"We are members of the Mission Possible Partnership that was launched in 2021 by the World Economic Forum, Energy Transitions Commission, Rocky Mountain Institute and We Mean Business coalition. The Mission Possible Partnership brings together several sectoral initiatives that Shell is a member of, such as the Getting to Zero Coalition for shipping, the Clean Skies for Tomorrow Coalition for aviation, and the Road Freight Zero coalition for heavy-duty road transport. We are also engaged in the Net-Zero Steel Initiative for the steel sector and the Accelerating Clean Hydrogen Initiative."

From Industry Associations Report

Unilever

"We advocated for countries to strengthen emissions reduction plans to achieve net zero by mid-century and put in place enabling policy measures. When possible, we advocate directly to heads of state, ministers and government organisations on the importance of climate action. We collaborate with our peers and partners through various international alliances to advocate for international climate action. Externally, we have consistently advocated in favour of carbon pricing policies at levels in line with the delivery of the Paris Agreement. We signed the World Bank's carbon pricing statement to encourage others to do the same. We support the Coalition's High-Level Commission on Carbon Prices ($40–80 per tonne by 2020 rising to $50–100 per tonne by 2030, provided a supportive policy environment is in place). We also support the removal of fossil fuel subsidies, as these act as negative carbon prices."

HONORABLE MENTIONS

Safran

Woodside

Amazon.com

WHY INVESTORS LIKE THESE:

- ✔ Clear evidence of creation of new coalitions and partnerships;
- ✔ Detailed listing of partners;
- ✔ Description of Paris-aligned policies supported.

**Informed by: Transition Pathway Initiative (2019): Business Ambition for 1.5°C (2019): AAA Framework: Advocate (2020)*

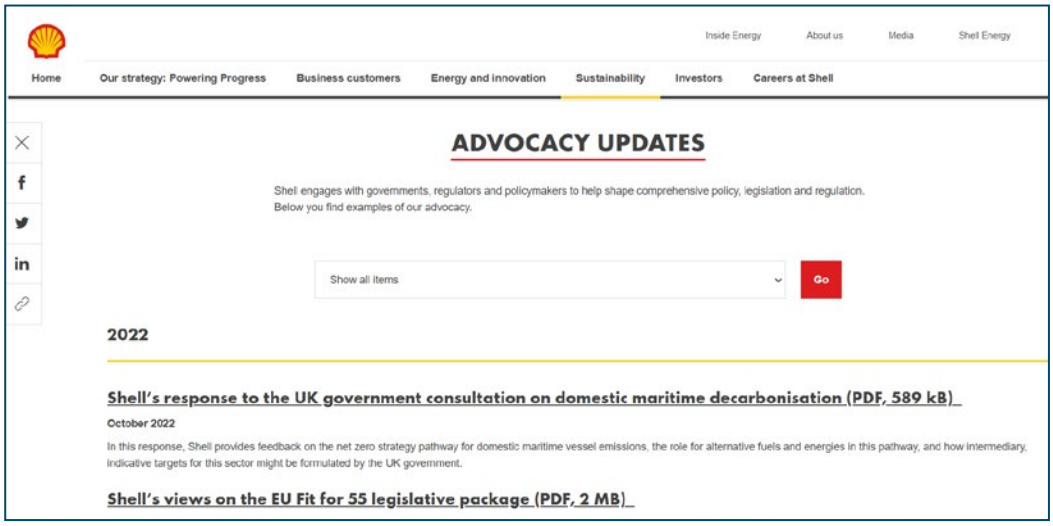
Unilever

Issue-specific climate alliances

Alliance	Our involvement
RE100	We're a member of **RE100**, a campaign to encourage organisations to set goals to be powered by 100% renewable energy and in 2019, we were elected to serve on the campaign's **Advisory Committee**. We support the organisation's campaigns and participate in policy-focused events in the UK and Brussels.
EV100	As part of the **EV100** global business campaign, we're pushing for a faster transition to electric vehicles. Together with EV100 members, we're increasing demand for EVs, influencing policy, and driving mass roll-out – helping to make electric vehicles more rapidly affordable for everyone.
Powering Past Coal Alliance	Led by the governments of Canada and the UK, the **Powering Past Coal Alliance** brings together countries and companies committed to an accelerated phase-out of coal as a fuel source in the energy mix. Unilever was the first company to join the coalition.

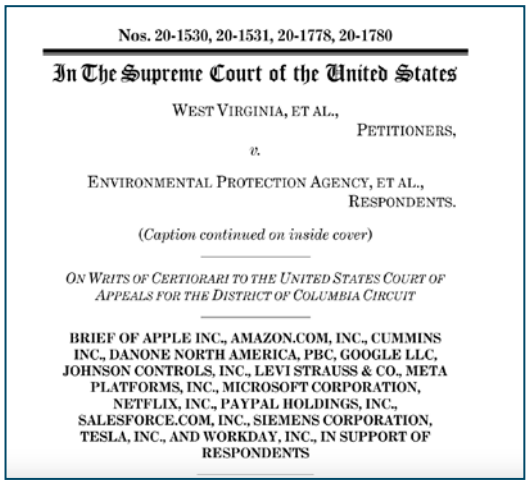
Source: Using Our Voice for a Zero Carbon Future

EXAMPLES OF POSITIVE LOBBYING



The screenshot on the left shows Shell plc not just undertaking a regular review of its climate lobbying activities, but regularly noting climate lobbying and policy updates on its website as well.

Amicus Brief Supporting EPA's Clean Power Plan



Nos. 20-1530, 20-1531, 20-1778, 20-1780

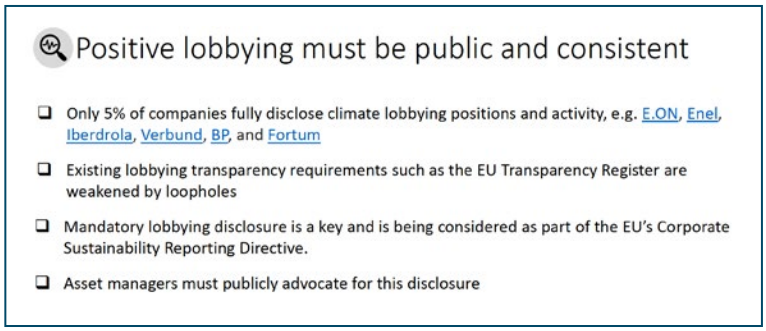
In The Supreme Court of the United States

WEST VIRGINIA, ET AL.,
PETITIONERS,
v.
ENVIRONMENTAL PROTECTION AGENCY, ET AL.,
RESPONDENTS.

(Caption continued on inside cover)

ON WRITS OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE DISTRICT OF COLUMBIA CIRCUIT

BRIEF OF APPLE INC., AMAZON.COM, INC., CUMMINS INC., DANONE NORTH AMERICA, PBC, GOOGLE LLC, JOHNSON CONTROLS, INC., LEVI STRAUSS & CO., META PLATFORMS, INC., MICROSOFT CORPORATION, NETFLIX, INC., PAYPAL HOLDINGS, INC., SALESFORCE.COM, INC., SIEMENS CORPORATION, TESLA, INC., AND WORKDAY, INC., IN SUPPORT OF RESPONDENTS



Courtesy of the Children's Investment Fund Foundation

Supporting Net Zero Action to New U.S. Leader

Dear President Biden,

Thank you for your continued leadership on this important issue. We stand ready to work with you and your staff to seize this opportunity and help position American to lead in the global transition to a net-zero future.

Sincerely,

ABB, Arcelor Mittal, BP America, CMS Energy, Constellation, Cummins Inc, Daikin US Corporation, DSM, DTE Energy, Duke Energy, Edison International, Entergy Corporation, Ford Motor Company, General Electric, HP Inc, Intel Corporation, LafargeHolcim, Proterra, PSEG, Salesforce, Schneider Electic, Shell, Southern Company.

INDICATOR 12

GLOBALLY DISCLOSE ANY ASSOCIATION WITH GROUPS ENGAGED IN CLIMATE LOBBYING

DISCLOSURES SHOULD INCLUDE

- ✔ All trade associations, alliances and coalitions involved in climate lobbying should be listed;
- ✔ Not just those in principal areas of business but all areas of business;
- ✔ Not just those in principal countries of operation but all countries of operation.

EXAMPLES OF LEADING PRACTICES

BAYER

From Industry Association Audit

WHY INVESTORS LIKE THESE:

- ✔ National and international industry associations listed;
- ✔ Global coverage;
- ✔ Clear criteria for listing;
- ✔ New associations listed.

**Informed by: CDP 12.3c and 12.3d: GRI 102-13: List of memberships: Transparency International: Principles 4, 6 & 10 (2015): CA100+ Benchmark 7.2b (2021)*

INTERFAITH CENTER ON CORPORATE RESPONSIBILITY

agl

Global	• International Council on Mining and Metals (ICMM) • International Copper Association • Nickel Institute • World Coal Association (WCA)
Australia	• Australian Resources and Energy Group • Minerals Council of Australia (MCA) • Queensland Resources Council (QRC)
Africa	• Business Unity South Africa (BUSA) • Energy Intensive Users Group (EIUG) of Southern Africa Minerals Council South Africa • Minerals Council of South Africa • National Business Initiative • South African Institute of Mining & Metallurgy (SAIMM)
North America	• Mining Association of Canada (MAC)
South America	• Consejo Mineiro (Chile) • The Brazilian Mining Association (IBRAM) • Sociedad Nacional (Peru)
Europe	• CBI • Eurometaux

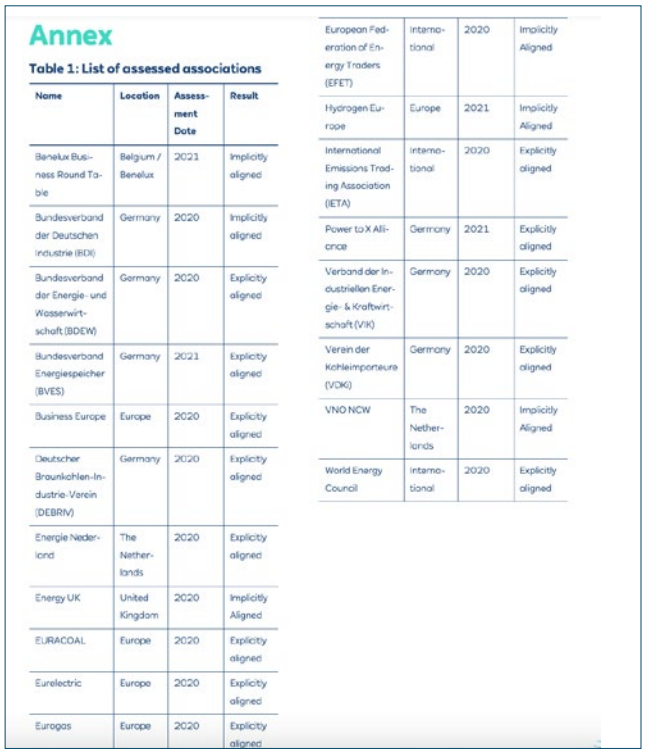
Santos

"Santos' 2021 Statement on our review of industry associations includes the small number of international associations in which Santos currently holds membership." All associations, national and international are listed.

Review of Industry Associations

RWE

"In the past twelve months, RWE signed up to a number of new memberships or has taken over participation in industry associations due to the transaction with E.ON and the integration of the Renewables business."



Annex

Table 1: List of assessed associations

Name	Location	Assessment Date	Result
Benelux Business Round Table	Belgium / Benelux	2021	Implicitly aligned
Bundesverband der Deutschen Industrie (BDI)	Germany	2020	Implicitly aligned
Bundesverband der Energie- und Wasserwirtschaft (BDEW)	Germany	2020	Explicitly aligned
Bundesverband Energiespeicher (BVES)	Germany	2021	Explicitly aligned
Business Europe	Europe	2020	Explicitly aligned
Deutscher Braunkohlen-Industrie-Verein (DEBRIV)	Germany	2020	Explicitly aligned
Energie Nederland	The Netherlands	2020	Explicitly aligned
Energy UK	United Kingdom	2020	Implicitly Aligned
EURACOAL	Europe	2020	Explicitly aligned
Eurelectric	Europe	2020	Explicitly aligned
Eurogas	Europe	2020	Explicitly aligned
European Federation of Energy Traders (EFET)	International	2020	Implicitly Aligned
Hydrogen Europe	Europe	2021	Implicitly Aligned
International Emissions Trading Association (IETA)	International	2020	Explicitly aligned
Power to X Alliance	Germany	2021	Explicitly aligned
Verband der Industriellen Energie- & Kraftwirtschaft (VIK)	Germany	2020	Explicitly aligned
Verein der Kohleimporteure (VDKi)	Germany	2020	Explicitly aligned
VNO NCW	The Netherlands	2020	Implicitly Aligned
World Energy Council	International	2020	Explicitly aligned

RWE Industry Association Review, 2020

Unilever

Trade association memberships

We are registered with the Transparency Register of the European Union. Our entry is available here – this includes a list of trade associations with whom we are affiliated. We comply with lobbying disclosure requirements, including the US Lobbying Disclosure Act (LDA). The LDA website provides a searchable database of lobbying disclosure filings.

- Africa
- Europe
- Global
- Latin America

From Company Website

INDICATOR 13

FOR ALL ASSOCIATIONS: DISCLOSE ALL FEES AND ALL ACTIVE ROLES

DISCLOSURES SHOULD INCLUDE

- Fees should be disclosed for all trade associations, alliances and coalitions involved in climate;
- Not just those above a certain membership fee/contribution;
- All active roles should be disclosed, along with the scope of potential influence over climate lobbying positions.

EXAMPLES OF LEADING PRACTICES

"We typically pay annual membership fees to industry associations. In some cases, we make additional payments, to sponsor research or an event, for example. Membership fees may be calculated as either fixed fees for all members, or as a proportion of the annual turnover or production volumes of members.... In the European Union (EU) and the USA, we report the amount Shell spends on lobbying activities in line with the requirements and guidelines set out in the EU Transparency Register and the US Lobbying Disclosure Act. These submissions are publicly available. There are different rules for which costs should be reported in these two submissions and we are required to comply with the appropriate requirements for each jurisdiction. For the EU Transparency Register, we report direct and indirect lobbying costs, such as staff and office costs, and the estimated percentage of the membership fees of industry associations used for lobbying as set out in the guidelines. For the US Lobbying Disclosure Act submission, we are required to report our direct lobbying costs only, so indirect costs relating to industry associations are not included."

From Industry Association Climate Review Update 2022

WHY INVESTORS LIKE THESE:

- In the case of Exxon Mobil, full disclosure of all fees paid from zero upwards (but solely for the US);
- Disclosures go beyond legal requirements;
- In the case of Shell, board and committee memberships are given (though the list of associations is not complete).

TABLE 1: PAYMENTS AND MEMBERSHIPS OF GOVERNING BODIES

Shell payments in 2020 (USD range)	Industry associations	Member of board or executive committee
10 - <12.5M	American Petroleum Institute (API)	Board, executive committee
7.5 - <10M	-	-
5 - <7.5M	-	-
2.5 - <5 M	-	-
1 - <2.5M	American Chemistry Council (ACC)	Board, executive committee
	International Association of Oil & Gas Producers (IOGP)	Management committee[18]
	U.S. Chamber of Commerce (USC)	Board
	Western States Petroleum Association (WSPA)	Board
500,000 - <1M	Australian Petroleum Production & Exploration Association (APPEA)	Board[19]
	Cefic	Board, executive committee
	European Petroleum Refiners Association (including FuelsEurope and Concawe)	Board[20]

From Industry Associations Report

**Informed by: CDP 12.3c and 12.3d: GRI 102-13: List of memberships: Transparency International: Principles 4, 6 & 10 (2015): CA100+ Benchmark 7.2b (2021)*

ExxonMobil

"Below is a list of all U.S.-based organizations that reported a percentage of the 2020 funding they received from ExxonMobil (Corporation or affiliates) as a lobbying expense. The expenditures listed for each organization below include federal, state, local and grassroots lobbying expenses and exceed the specific disclosure requirements of the Lobbying Disclosure Act. As a result, the amounts reported below will exceed other legal disclosures made by the Company."

2020 Lobbying expenditure (grassroots, local, state and federal) via organizations

ExxonMobil Lobbying Expenditure (USD range)	National / Regional / Local Trade Association Memberships	Primary Issue/s
$10 - $12.5M	American Petroleum Institute	Energy and environment; fiscal policy; trade; workplace safety; regulatory issues
$7.5 - $9.9M	None	-
$5 - $7.49M	None	-
$2.5 - $4.9M	U.S. Chamber of Commerce	Economic development; regulatory issues; fiscal policy
$1 - $2.49M	None	-
$500,000 - $999,999	U.S. Chamber Institute for Legal Reform	Civil justice reform
$0 - $499	Maine State Chamber of Commerce	Energy and environment; fiscal policy; regulations
$0 - $499	Tax Council	Fiscal policy; regulatory issues
$0 - $499	Indiana Chamber of Commerce	Fiscal policy
$0 - $499	Baton Rouge Chamber of Commerce	Economic development; regulatory issues; fiscal policy
$0 - $499	Vermont Chamber of Commerce	Energy and environment; fiscal policy; regulations
$0 - $499	Chlorine Institute	Regulatory issues; workplace safety

From Company Website

The Washington Post

THE CLIMATE 202

Top companies are undermining their climate pledges with political donations, report says

American Politicians Who Vote Against Climate Get More Corporate Cash

INDICATOR 14

DISCLOSE ASSESSMENT OF POSITIVE LOBBYING IMPACT AND PROGRESS ON ENERGY TRANSITION

DISCLOSURES SHOULD INCLUDE

- Describe in detail the public advocacy goals set for the year and progress on these goals;
- Specify positions in response to specific consultations or to policy proposals;
- Explain the alignment between these positions and Paris goals;
- Assess how positive lobbying is working towards Paris goals.

EXAMPLES OF LEADING PRACTICES

Unilever

"Nothing is more powerful than demonstrating to governments that accelerated progress in decarbonising the economy is actually possible. That's why we've set ambitious goals to eliminate emissions from our operations, to achieve net zero emissions across our value chain, and to halve the greenhouse gas emissions from consumer use of our products. We want other companies to follow our lead and set science-based emissions goals, including our suppliers.

We're also working in partnership with others to scale up action around the world through multiple private sector groups and coalitions."

The webpage further describes the following:

- Global climate leadership
- International climate advocacy, listing general and specific alliances
- Aligning lobbying with 1.5°C
- Carbon pricing

From Using Our Voice for a Zero Carbon Future

agl

"7. Climate policy engagement

A clear commitment and set of disclosures clarifying intent to support climate policy and a demonstration of how direct and indirect lobbying is consistent with this position.

7.1 Comprehensive description of the position the company has taken on all relevant climate-related policies, the activities undertaken during policy engagement and a detailed explanation of how this process is governed, including, but not limited to, a series of defined criteria

7.2 Disclosure of indirect climate policy engagement positions, activities and governance processes."

From Climate Change Report

HONORABLE MENTIONS

Bayer

WHY INVESTORS LIKE THESE:

- Comprehensive lobbying and advocacy descriptions;
- Lists actions taken to promote 1.5°C targets.

> **"Progress on our own climate change targets means nothing in an overheated world."**
>
> *Using our Voice for a Zero Carbon Future, Unilever website*

**Informed by: TCDP 12.3c and 12.3d: GRI 102-13: List of memberships: Transparency International: Principles 4, 6 & 10 (2015): CA100+ Benchmark 7.2b (2021)*

Fortum

Review of Fortum's own climate lobbying positions

As part the Climate Lobbying Review, Fortum also wished to review its own climate lobbying positions in relation to the same three key climate advocacy principles and four additional principles set for the association reviews. Similar to the association reviews, also this review has been conducted independently by the same third-party actor, and Fortum has been able to comment only on the accuracy of facts presented.

1. Commitment to climate science and the Paris Agreement

Fortum supports the scientific basis of climate change, and the link between human activity and climate change is evident starting from the company's strategy. Fortum bases its decisions and actions on the reports by the Intergovernmental Panel on Climate Change (IPCC).

Furthermore, Fortum strongly supports the goal of the Paris Agreement to limit the average rise in global temperature to below 2°C above pre-industrial levels and to pursue efforts to limit it to 1.5°C. Fortum updated its strategy in December 2020 to even further align itself with the goals of the Paris Agreement, setting out both its long- and mid-term goals.

However, Fortum has not set a science-based climate target (SBT). An SBT must cover at least 95% of a company's direct and indirect greenhouse gas emissions. In practice, Fortum should include its Russian emissions in the scope of an SBT. Today roughly 60% of Fortum's emissions, Uniper included, originate from Russia, where energy production is still heavily reliant on fossil fuels. As large-scale emissions reductions in using fossil fuels – natural gas, in particular – would not be possible in Russia in the short term, setting an SBT would not be appropriate for Fortum. However, Russia is part of the Group's carbon neutrality target for 2050.

All in all, Fortum shows strong commitment to basing its climate lobbying positions on scientific information and the Paris Agreement.

2. Climate neutrality goal

Fortum's updated strategy acts as a basis for the company's efforts to support policies towards making the world climate neutral by 2050. Fortum is committed to the carbon neutrality target (scope 1, 2, and 3 greenhouse gas emissions) globally and is aligned with the goals of the Paris Agreement to reach carbon neutrality by 2050. Fortum aims to be carbon neutral in its European generation business already by 2035 (scope 1 and 2 emissions). In addition, carbon dioxide emissions (scope 1 and 2) in its European energy production will be decreased by 50% by 2030 from 2009. Currently, Fortum has presented a roadmap for reaching the 2035 target but does not yet have a roadmap for the 2050 target.

Scope 3 greenhouse gas (GHG) emissions play a significant role in Fortum's total GHG emissions. In December 2021, Fortum committed to a reduction target of 35% in Scope 3 emissions by 2035 at the latest, compared to the base year 2021. Fortum's updated strategy has two strategic priorities that contribute to the achievement of the climate targets: transforming Fortum's operations to carbon neutral, and strengthening and growing in CO_2-free power generation. Fortum will be closing almost 40% of its coal capacity faster than originally planned. In addition, Fortum's new investments are going to focus on renewable energy, clean gas, and industrial and infrastructure solutions that will enable Fortum to reduce emissions in other sectors as well.

3. Promotion of carbon pricing

Fortum advocates for a market-based response to climate change, supporting carbon pricing as the EU's main instrument of climate regulation. Fortum considers carbon pricing and emissions trading as technology neutral, flexible, and cost efficient.

Fortum welcomes the European Commission's comprehensive Fit for 55 package, which is an important implementation step towards the EU's goal of climate neutrality and global leadership. Fortum supports continued commitment to carbon pricing and the EU Emissions Trading Scheme (ETS) as a key instrument of EU climate policy, including extending it to cover new sectors.

4. Policy coherence

Fortum has been consistently calling for coherence between the EU Emissions Trading Scheme (ETS) and other energy policies. In the EU, Fortum supports renewable energy and energy efficiency as important tools to reach the climate targets. However, the related targets and policies need to be coherent with the EU ETS so that the effectiveness of the ETS is not diluted. Policies that overlap with the EU ETS have been a significant contributor to its past ineffectiveness.

5. Technology neutrality

Fortum considers technology neutrality as one of the core principles of energy policy. Fortum believes that transforming the European economy into a climate-neutral economy requires an approach that relies on both carbon-free and low-carbon energy technologies that are complementary. These include all renewable energy sources (wind, solar, hydropower, biomass, geothermal, etc.), nuclear energy, energy storage, and clean gases to carbon-negative technologies. Furthermore, Fortum has consistently supported the EU Emissions Trading Scheme and carbon pricing, which are both essential for achieving technology neutrality.

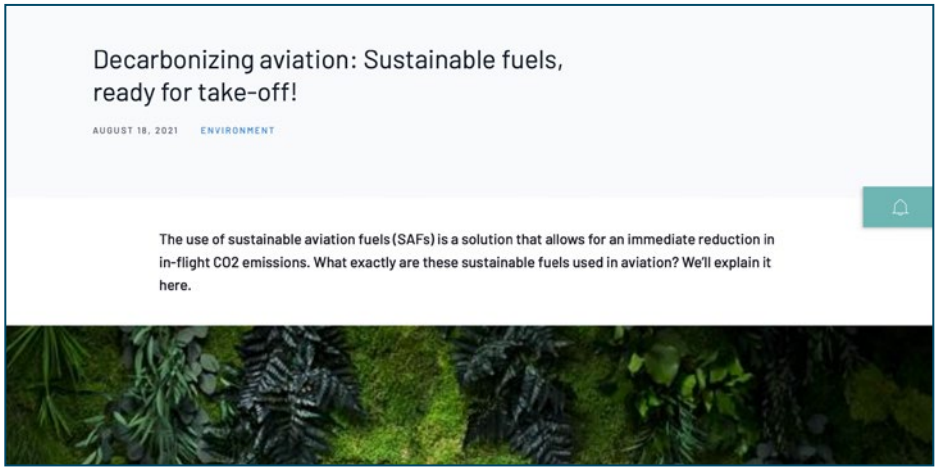
6. Energy transition

Global megatrends like climate change, resource efficiency, and technology development drive the transition to a low-carbon world. As stated in its strategy, Fortum wants to be driving the clean energy transition. According to Fortum, a successful shift towards a zero-emissions energy system requires a balance between sustainability, affordability, and security of supply. For Fortum, the energy transition requires not only renewables and other carbon-free energy sources, like nuclear, but increasingly also clean gas, energy storage, and other flexible solutions.

In Fortum's view, sector coupling is key in the transition: clean electricity and gas enable other sectors to decarbonise. The energy transition will increase demand for electricity and hydrogen. Natural gas will play an important role, especially in Central Europe, in providing

From Climate Lobbying Review

SNAPSHOT: FORMING NEW TRADE GROUPS ON POSITIVE CLIMATE LOBBYING



Children's Investment Fund Foundation (CIFF) Chair, Chris Hohn, worked with Safran, the European engine manufacturer, to establish specific, public positive lobbying on climate change. Safran has publicly pushed for higher green fuel mandates in the EU, and lobbied to form an industry collective to share costs and accelerate R&D and capex on sustainable fuels.

> **"Many decarbonisation investments lower short-term profits, creating first mover disadvantage risk. Companies must advocate for regulation to level the playing field; investors should mandate that companies move early and lobby publicly. Regulation is inevitable — by leading now industry can make it more effective."**
>
> *Sir Christopher Hohn, Chair of Board of Trustees, CIFF*

APPENDIX I: METHODOLOGY

The researchers of this report analyzed a variety of documents to determine leading practices on corporate climate lobbying in alignment with the Paris Agreement. From February through May 2022, researchers compared company positions and reporting against the 14 Indicators of the newly-launched ***Global Standard on Responsible Climate Lobbying***. This comparison included the explanatory notes and definitions accompanying the Indicators. Additional best practices outside of the *Standard* were compiled from direct engagements with companies on this topic, and through the assessment of a variety of corporate reporting approaches to Paris Agreement-alignment. The additional best practices were also informed by a number of the strategies outlined in the reports and guidance documents included in the Resources section of this report (Appendix III).

Corporate disclosures published until April 4th, 2022 were included in this analysis. Any company that had agreed to publish an assessment of its trade associations and climate lobbying alignment was considered, as well as companies that might have climate lobbying-related disclosures because of public corporate statements previously made that were brought to our attention by investors. While a small group of investors and NGOs reviewed this report and its key findings (see Acknowledgements, inside cover), the selection of companies featured in this report as Leading Practice examples was determined by the researchers themselves. The process was guided by previous Investor Expectation documents, the consultation leading up to the final guidance in the *Global Standard*, and decades of experience directly engaging companies on climate change as an asset owner, asset manager, and subject matter expert.

Practical suggestions of leading practice that complement the *Global Standard* are derived from that experience, as well as feedback from investors globally during the past year on what has been helpful, believable, and rigorous in the climate lobbying alignment process.

Researchers did not always compare "apples to apples" in this methodology, as each company approached climate lobbying alignment differently, and with varying levels of complexity. Some companies had multiple documents referring to process, policies and reporting outcomes on climate lobbying alignment (see Walmart Inc., Shell plc, Bayer, Unilever, BP, etc.). Others had just a stand-alone review or a single section in an annual Corporate Responsibility report. Because discussion of corporate process and outcomes was found in so many different locations, the authors of the report apologize if any leading practice examples have been omitted.

We welcome feedback as well as evidence of companies having better practices than those highlighted in this document (since investors are regularly asking which companies are leading in this space). Feedback can be sent to trembert@iccr.org.

To stay updated on climate lobbying alignment reporting by top GHG emitters, visit: https://ca100.influencemap.org/lobbying-disclosures

APPENDIX II: COMPANIES ASSESSED FOR THIS GUIDANCE

AGL ENERGY

AMAZON

AMERICAN INTERNATIONAL GROUP

ANGLO AMERICAN

ARCELORMITTAL

AT&T

BASF

BAYER

BHP

BMW GROUP

BP

CENTRIA

CHEVRON

CONOCOPHILLIPS

CONED

CRH

CSX

DANONE

DELTA

DUKE ENERGY

EDISON INTERNATIONAL

ENGIE

ENI

ENTERGY

E.ON

EQUINOR

ESTEE LAUDER

EXXON MOBIL

FIRSTENERGY

FORD MOTOR COMPANY

FORTUM

GENERAL MOTORS

GLENCORE

HEIDELBERG MATERIALS

HOLCIM

HONEYWELL INTERNATIONAL

HP INC.

INTEL

L'OREAL

MERCEDES-BENZ GROUP

NATIONAL GRID

NATURA

NATURGY

NESTLE

NORFOLK SOUTHERN

NOVARTIS

NOVO NORDISK

OCCIDENTAL

OMV

PATAGONIA
PHILLIPS 66

REPSOL

RIO TINTO

RWE

SALESFORCE

SANTOS

SASOL

SHELL PLC

SOUTH32

SOUTHERN COMPANY

SSAB

SSE

TOTAL

TOYOTA

TRANE TECHNOLOGIES

UNILEVER

VALERO ENERGY

VERIZON

VISA INC.

VOLVO GROUP

WALMART INC.

WOODSIDE (Australia)

APPENDIX III:
RESOURCES TO UNDERSTAND INVESTOR EXPECTATIONS

INVESTOR GUIDANCE ON CLIMATE LOBBYING

CERES:

- 2020 Blueprint for Responsible Policy Engagement on Climate Change
- 2022 Practicing Responsible Policy Engagement: How Large U.S. Companies Lobby on Climate Change
- 2019 Investor Expectations on Climate Lobbying
- 2020 Letter to Companies on Responsible Climate Lobbying

CHRONOS SUSTAINABILITY'S consultation, draft, and final responsible climate lobbying assessment framework sought companies' and investors' views on assessing corporate climate lobbying practices on a more granular level. The final framework, informed by a broad public consultation, was launched in March, 2022. The project is guided by an investor steering committee consisting of asset owners and asset managers:

- Consultation Document
- Final Global Standard on Responsible Climate Lobbying

INSTITUTIONAL INVESTORS GROUP ON CLIMATE CHANGE (IIGCC):

- 2018 Investor Expectations on Company Climate Lobbying
- 2019 Open Letter to Australian Extractives Sector on Paris-Aligned Lobbying

INTERNATIONAL CORPORATE GOVERNANCE NETWORK (ICGN):

Guidance on Political Lobbying and Donations (2017) updates its 2012 guidance and presents principles for investor engagement on the topic.

PRINCIPLES FOR RESPONSIBLE INVESTMENT (PRI):

- Converging on Climate Lobbying
- 2022 Investor Case for Responsible Political Engagement
- 2015 Investor Expectations on Corporate Climate Lobbying

OTHER CLIMATE LOBBYING RESOURCES

AAA FRAMEWORK FOR CLIMATE POLICY LEADERSHIP:

- A Guide for Companies. Developed and supported by BSR, C2ES, CDP, Ceres, CI, EDF, The Climate Group, UCS, WRI, and WWF
- Open Letter to America's CEOs outlines to companies a science-based climate advocacy agenda aligned with the Paris Agreement (2021)

B TEAM:

Addressing Trade Association Misalignment on Climate Policy helps companies identify and address inconsistencies in climate lobbying

CARING FOR CLIMATE:

Guide for Responsible Corporate Engagement in Climate Policy outlines many examples of indirect lobbying. Supported by UNGC, UNEP, UNFCCC and major climate NGOs (2013)

CENTER FOR POLITICAL ACCOUNTABILITY (CPA):

- Collision Course: The Risks Companies Face When Their Political Spending and Core Values Conflict and How to Address Them (2018)
- Hollow Policies (2022)

CLIENTEARTH:

Understanding the legal risk in corporate climate lobbying (PRI). Briefing on legal risks to companies and investors from climate lobbying misalignment

CLIMATE ACTION 100+ (CA 100+):

Net Zero Company Benchmark. Provides company assessments on their Paris-aligned lobbying disclosures

CLIMATE VOICE:

A Climate Lobbying Guide for Business Leaders

ENVIRONMENTAL DEFENSE FUND (EDF):

Background on the AAA Framework for Climate Policy Leadership

GLOBAL INVESTOR COALITION ON CLIMATE CHANGE:

Investor Expectations: Oil and Gas Company Strategy

INFLUENCE MAP:

- A Review of CA100+ Company Disclosures on Industry Association Lobbying (2021)
- CA100+ Company Disclosure on Industry Association Lobbying Best Practice Guidance (2022)
- Scoring and analysis of climate lobbying reports produced by companies included in the CA 100+
- An updated ranking from March 2022
- Methodology for Review of CA100+ Company Disclosures on Industry Association Lobbying

LONDON SCHOOL OF ECONOMICS AND POLITICAL SCIENCE:

- What role should institutional investors be taking in the governance of corporate climate change lobbying?
- Company lobbying and climate change: good governance for Paris-aligned outcomes

NATURE CLIMATE CHANGE:

The Social Cost of Lobbying over Climate Policy, by Kyle C. Meng and Ashwin Rode, 2019; 9 (6): 472 DOI: 10.1038/s41558-019-0489-6, and summary here

ORGANIZATION FOR ECONOMIC CO-OPERATION AND DEVELOPMENT (OECD):

- Resources and database on global regulations on corporate lobbying
- Recommendation of the Council on Principles for Transparency and Integrity in Lobbying for governments

RESOURCES FOR THE FUTURE:

Federal Climate Policy 101: Reducing Emissions Toolkit

RESPONSIBLE LOBBYING FRAMEWORK:

Identifies globally applicable principles and standards of responsible lobbying. Supported by ICCR, ShareAction, Access to Nutrition Initiative, and Feed the Truth. The Framework is based on **guidance from 14 sources**, found here, which may be helpful to companies in the alignment and oversight process.

TRANSPARENCY INTERNATIONAL:

Wise Counsel or Dark Arts? Principles and Guidance for Responsible Corporate Political Engagement guides companies on how to manage activities such as political donations and stakeholder engagement.

UNILEVER:

Open Letter to Trade Associations on Climate Change Policy Priorities

UN GLOBAL COMPACT AND ACCOUNTABILITY:

Towards Responsible Lobbying. Provides six steps to help companies identify if their lobbying practices are being conducted responsibly.

WE MEAN BUSINESS:

Company endorsers to April 2021 letter to Biden Administration on strong U.S. climate goals

WORLD RESOURCES INSTITUTE (WRI):

Seven Barriers to U.S. Leadership on Climate Policy and How to Break Them Down