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NEW GLOBAL STANDARD ON RESPONSIBLE CLIMATE LOBBYING: CALLS ON COMPANIES TO ALIGN WITH PARIS 1.5°C GOAL

- Leading international investor groups unveil new Global Standard on Responsible Climate Lobbying which provides a framework to ensure companies' lobbying and political engagement activities are in line with the goal of restricting global temperature rise to 1.5°C above pre-industrial levels.
- The 14-point Standard calls on companies to make formal commitments to responsible climate lobbying, to disclose the funding and other support they provide to all trade associations involved in climate change-related lobbying and to take action if lobbying activity undertaken by them, or their trade associations, runs counter to the goals of the Paris Agreement.
- Investors supporting the Standard commit to championing responsible lobbying activity, while engaging – potentially including the filing of shareholder resolutions – with those companies whose lobbying practices do not align with the Standard.

(New York, London, Singapore, Sydney, 14 March 22): The Global Standard on Responsible Climate Lobbying (RCLS) www.climate-lobbying.com has been launched today by founding investor networks that collectively work with more than 3,800 members and signatories representing in excess of \$130 trillion AUM. The ground-breaking Standard provides a rigorous framework to assess whether a company's lobbying is governed and delivered in line with attainment of the Paris Agreement's goals.

The Standard was developed by AP7, BNP Paribas Asset Management (BNPP AM) and the Church of England Pensions Board, in a process supported by Chronos Sustainability, InfluenceMap and the London School of Economics. It was advised by the Principles for Responsible Investment (PRI), the Institutional Investors Group on Climate Change (Europe) (IIGCC), Ceres, the Asia Investor Group on Climate Change (AIGCC) and the Investor Group on Climate Change (Australia/New Zealand) (IGCC). The Standard is the product of two public consultations that attracted more than 220 responses from institutional investors, corporations and others based in 19 countries.

According to a recent Global Policy Survey on Climate conducted by ISS Governance, 65% of investor respondents now consider Paris-aligned climate lobbying to be a minimum expectation for



companies that strongly contribute to climate change.¹ A shareholder proposal developed by BNPP AM has now received six majority votes since it was first introduced during the 2020 proxy season. In just a few years, investor engagement on several continents has produced a range of corporate reports – the majority from European companies² – on the alignment of corporate lobbying and the goals of the Paris Agreement. Now for the first time, a Global Standard that has achieved broad consensus is available to benchmark governance of climate lobbying and to define what “good” practice looks like. Companies will be assessed on the basis of these indicators for the first time this April in a pilot benchmark by InfluenceMap, with the pilot focused on the Automotive sector.

In a statement of intent published alongside the Global Standard today (www.climate-lobbying.com/standard) the supporting investors and networks state that “*lobbying that seeks to delay, dilute, or block climate action runs counter to our interests*”. In supporting the statement, these investor networks commit to supporting efforts to escalate the issue with those companies that do not demonstrate the Standard in their climate lobbying practice, which could include filing shareholder resolutions. Investors are encouraged to commit to and apply the Standard. The Standard also calls on companies to create or support coalitions that have the specific purpose of lobbying in support of the goals of the Paris Agreement.

Charlotta Dawidowski Sydstrand, Sustainability Strategist, AP7 pension fund, said:

“Time must be called on negative climate lobbying. Investors will no longer tolerate a glaring gap between a company’s words and their actions on climate. As active owners we are committed to engaging collectively and individually with companies globally to highlight and improve their climate lobbying accountability and performance and to escalate this stewardship where required. We will convey this expectation to the companies in which we invest and signal this commitment through our own actions and reporting.”

Adam Kanzer, Head of Stewardship, Americas for BNP Paribas Asset Management said:

“The private sector needs government support to fulfil the high ambitions of the Paris Agreement. Therefore, public policy must be a key pillar of any major company’s climate strategy, and be well governed and appropriately disclosed. Most importantly, it should be aligned with the IPCC’s recommendations for avoiding catastrophe. The Global Standard on Responsible Climate Lobbying contains 14 key elements for use in constructing and assessing these programs. Some of these standards will represent relatively new ideas for companies, such as the use of an external standard – the 1.5°C goal of the Paris Agreement – to guide corporate lobbying. We’re also asking companies to work to address misaligned policy positions taken by their trade associations, which otherwise puts companies in the awkward position of financing both sides of the issue. We must ensure that

¹ [Microsoft Word - 2021 Climate Survey Summary final \(issgovernance.com\)](https://issgovernance.com)

² For list of companies that have published so far, see <https://lobbymap.org/filter/List-of-Companies-and-Influencers#9>



we are all rowing in the same direction. Corporate lobbying that is misaligned with the 1.5°C goal of the Paris Agreement is not simply a waste of corporate assets, it is a common threat to our future.”

Clare Richards, Senior Engagement Manager, Church of England Pensions Board, said:

“Corporate lobbying can significantly influence public climate policy. We want the standard to set a high bar for companies, and to encourage a move away from ‘negative lobbying’ towards actively engaging in ‘responsible lobbying’ through supporting policies aligned with the goals of the Paris Agreement. The expectation for companies to advocate responsibly on climate policy is not new. The time to demonstrate full application of the responsible climate lobbying standard as a matter of urgency is now.”

-Ends-

Notes to editors

- For more information or interviews with investors please contact:
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- **The Investor networks supporting the statement at launch are:** AIGCC, Ceres, IGCC, IIGCC, ICCR, PRI, & SHARE.
- **Background to the Global Standard on Responsible Climate Lobbying:**
 - The Global Standard on Responsible Climate Lobbying was developed by AP7, BNP Paribas Asset Management, the Church of England Pensions Board and Chronos Sustainability.
 - The project was overseen by an Advisory Committee comprising these organisations as well as the Principles for Responsible Investment (PRI), the Asia Investor Group on Climate Change (AIGCC), the Institutional Investors Group on Climate Change (Europe) (IIGCC), Ceres, the Investor Group on Climate Change (Australia/New Zealand) (IGCC), InfluenceMap and the London School of Economics. For more information see: www.climate-lobbying.com/context
 - The 14 indicators are the product of academic and practitioner research, and a two-stage public consultation that attracted more than 220 responses (from companies, investors, civil society, policymakers).
 - The Standard builds on the work of other frameworks including ‘Indicator 7’ of the Climate Action 100+ [Net Zero Benchmark](#), and is the most ambitious common framework on climate lobbying to date.
 - In 2018, AP7, BNPP AM and the Church of England Pensions Board, supported by IIGCC, launched a set of European investor expectations on corporate climate lobbying, which was then launched in the United States with the support of 200 institutional investors managing more than \$6.5 trillion.³
 - The Global Standard on Responsible Climate Lobbying is now open for expressions of support from all investors, with the list of committed investors to be updated on a rolling basis on the website.

³ [200 Investors Call on US Companies to Align Climate Lobbying with Paris Agreement | Ceres](#)



- **Additional quotes from launch allies:**
- **Valerie Kwan, Director, Engagements, Asian Investor Group on Climate Change**, said: *“Corporate lobbying for climate action can quietly but effectively influence real change across Asia. Climate lobbying by corporates in our region operates under very specific and nuanced local market structures, and in some parts of Asia it is just starting to grow. So, this responsible lobbying framework will be crucial as more investors seek to understand their exposure to climate risk, and how the companies in their portfolios are positioned on climate issues.”*
- **Morgan LaManna, Director, Investor Engagements, Ceres**, said: *“With so many investors urgently seeking to decrease their exposure to climate risk they need to know if a company is using its influence behind closed doors, through trade associations or climate skeptic think tanks, to oppose policy measures that would support the delivery of a net-zero economy. Investors want to see responsible corporate lobbying which has the potential to unlock public policy frameworks which can direct the flow of capital for a stable energy transition. We support this Standard because it provides a common framework by which the market can judge, compare, and encourage responsible corporate lobbying.”*
- **Ed Collins, Director, Corporate Lobbying, InfluenceMap**, said: *“The Global Standard is extremely timely. Corporate political engagement continues to represent one of the key barriers to delivering the Paris Agreement's goals. At the same time, we are seeing accelerating shareholder willingness to take action against companies holding back the regulatory response deemed essential by the international scientific community. InfluenceMap is excited to continue working with investors and companies, providing real-world analysis on how the corporate sector is performing against the Global Standard via our LobbyMap platform.”*
- **Laura Hillis, Director of Corporate Engagement, Investor Group on Climate Change**, said: *“Corporate lobbying on climate policy is a significant issue in Australia, which is highly exposed to transition and physical risks from climate change, and expected to impact investment returns. Fossil fuel lobbying in particular, continues to hold back climate policy that would build a stronger, more resilient Australia and help protect the retirement savings of millions of Australians. This framework will help investors hold accountable the companies they invest in, who are fundamentally responsible for ensuring their industry associations and internal lobbying aligns with preventing dangerous global warming.”*
- **Stephanie Pfeifer, CEO, IIGCC**, said: *“For too long corporate lobbying activities have either been shrouded in opacity or run simply and overtly in contrary to the goals of the Paris Agreement. While the ambition is for all companies to adhere to the new standard, it is particularly pertinent for companies that claim to support a net zero pathway while*



simultaneously pursuing lobbying activity that runs counter to this. The new Global Standard will be a vital tool for investors to use in calling out and mitigating irresponsible climate lobbying through corporate engagement and good stewardship.”

- **Paul Chandler, Director of Stewardship, Principles for Responsible Investment,** said: *“Robust climate policies are vital, desperately urgent, and the most effective way to transition our economies to a zero-carbon future, protecting investors’ returns in the process. Yet progress in establishing and enforcing effective climate policy is often eroded by organisations and groups which, through their lobbying and other forms of political engagement, seek to delay, weaken, or politicise climate policy. We welcome the release of the Global Standard today, which builds on existing and prior investor initiatives, including Climate Action 100+. The Standard provides a key resource to investors to assess whether companies in their portfolio, and they themselves as investors, are acting in support of climate goals in all areas of their political influence.”*
- **Sarah Couturier-Tanoh, Manager Corporate Sector & Shareholder Engagement, SHARE,** said: *“We expect all economic actors to use their influence to support the efficient design and prompt delivery of an orderly and just transition to a net zero economy by 2050. That includes public policy in Canada and elsewhere, and ambitious interim targets from issuers.”*
- **About AP7**
AP7 (the Seventh Swedish National Pension Fund) is the default alternative within the Swedish Premium Pension system with five million savers and more than 800 billion SEK AUM in global equities and fixed income. With a diversified equity portfolio of more than 3,000 companies, AP7 has an ESG-strategy that focuses on active universal ownership complemented with impact investments.
- **About BNP Paribas Asset Management** BNP Paribas Asset Management (‘BNPP AM’) is the investment arm of BNP Paribas, a leading banking group in Europe with international reach. BNPP AM aims to generate long-term sustainable investment returns for its clients, based on a unique sustainability-driven philosophy. BNPP AM’s investment capabilities are focused around five key strategies: High Conviction Strategies, Private Debt & Real Assets, Multi-Asset, Quantitative & Solutions (MAQS), Emerging markets and Liquidity Solutions, with investment processes incorporating quantitative and fundamental analysis. Sustainability is embedded within BNPP AM’s strategy and investment decision-making. Among the leaders in thematic investment in Europe, BNPP AM contributes to the energy transition, environmental sustainability and the promotion of equality and inclusive growth. BNPP AM currently manages EUR 537 billion of assets (EUR 669 billion of assets under management and advisory) and benefits from the expertise of around 500 investment professionals and over 400 client servicing specialists, serving individual, corporate and institutional clients in 69 countries (As of 31 Dec 2021).
- **About the Church of England Pensions Board**
The Church of England Pensions Board manages more than £3.5 billion on behalf of 41,000 beneficiaries (clergy and church workers) across around 700 Church organisations. The Pensions Board co-founded and chairs the Transition Pathway Initiative and since 2018 has spearheaded a climate lobbying workstream alongside AP7 & BNP Paribas Asset Management.
- **About Chronos Sustainability**
Chronos Sustainability was established in 2017 with the objective of delivering transformative, systemic change in the social and environmental performance of key industry sectors through expert analysis of complex systems and effective multi-stakeholder partnerships. Chronos works extensively with global investors and global investor networks to build their understanding of the investment implications of sustainability related issues, developing tools and strategies to enable them to build sustainability into their investment research and engagement. For more information visit www.chronossustainability.com and @ChronoSustain



<i>Global Responsible Climate Lobbying Standard: Policy and practice indicators</i>	
POLICY & COMMITMENT	
1.	Make a public commitment to align all of its climate change lobbying with the goal of restricting global temperature rise to 1.5°C above pre-industrial levels
2.	Apply the scope of this commitment to all of its subsidiaries and business areas, and all operational jurisdictions
3.	Publicly commit to taking steps to ensure that the associations, alliances and coalitions of which it is a member conduct their climate change lobbying in line with the goal of restricting global temperature rise to 1.5°C above pre-industrial levels
GOVERNANCE	
4.	Assign responsibility at board level for oversight of its climate change lobbying approach and activities
5.	Assign responsibility at senior management level for day-to-day implementation of its climate change lobbying policies and practices
6.	Establish an annual monitoring and review process to ensure that all of its direct and indirect climate change lobbying activities across <i>all</i> geographies are consistent with the goal of restricting global temperature rise to 1.5°C above pre-industrial levels
7.	Establish a process for engaging with stakeholders related to setting and reviewing its climate change lobbying policies, positions and activities
8.	Establish a clear framework for addressing misalignments between the climate change lobbying positions adopted by the associations, alliances and coalitions of which it is a member and the goal of restricting global temperature rise to 1.5°C above pre-industrial levels
ACTION	
9.	Publish a detailed annual review covering the company's assessment and actions related to the 1.5°C-alignment of: (a) its own climate change lobbying activities; (b) the climate change lobbying activities of the associations, alliances, coalitions or thinktanks of which it is a member or to which it provides support
10.	Recognise the existence of and report on action to address any misalignments between its climate change lobbying and/or the climate change lobbying activities of its trade associations, coalitions, alliances or funded thinktanks and the goal of limiting global temperature rise to 1.5 °C above pre-industrial levels
11.	Create or participate in coalitions that have the specific purpose of lobbying in support of the goal of restricting global temperature rise to 1.5°C above pre-industrial levels
SPECIFIC DISCLOSURES	
12.	Publicly disclose, for all geographies, its membership of, support for and involvement in all associations, alliances and coalitions engaged in climate change-related lobbying
13.	Publicly disclose, for each of these organisations: (a) how much it pays to them on an annual basis; (b) those organisations where it sits on the board or plays an active role in committees or other activities related to climate change
14.	Publicly disclose its overall assessment of the influence that its climate lobbying has had on (a) supporting ambitious public climate change policy; (b) the company's ability to deliver its own corporate transition strategy

