Investor statement of intent: Global Standard on Responsible Climate Lobbying

We recognise the urgency of reducing global greenhouse gas emissions in order to reach the temperature goals of the Paris Agreement by 2050 or sooner. A failure to do so is not just a threat to the value of our investments but a fundamental threat to the health and well-being of our beneficiaries, our clients and society at large.

The investment community has responded to this shared global crisis by embedding climate risks and opportunities into portfolio analysis and decisions, setting net zero goals, engaging companies to cut their emissions and calling on policymakers to deliver robust climate action. Investors are urgently seeking to decrease their exposure to climate risk as a core fiduciary duty and benefit from the opportunities associated with the transition to a net-zero emissions economy.

As investors and investor groups, we recognise the centrality of ambitious climate policy and responsible corporate climate lobbying to limiting global warming to 1.5^{o}C. We are seeking to align our investments with ambitious climate policy from governments, the ambition of which is in turn shaped and influenced by the views and interests of companies and other stakeholders. We recognise that corporate lobbying – directly and through organisations such as trade associations, industry alliances and industry coalitions – has frequently opposed policy measures that would support the goal of delivering net-zero emissions by 2050. Equally, we recognise that responsible corporate lobbying has the potential to unlock action on climate transition initiatives.

As investors and investor groups, we recognise that lobbying that seeks to delay, dilute, or block climate action runs counter to our interests. We therefore expect all economic actors to use their influence positively to support the efficient design and prompt delivery of public policies in the interests of a just transition. Specifically, on a comply or explain basis we expect each company to ensure their lobbying is governed and delivered in line with the Global Standard on Responsible Corporate Climate Lobbying (see appendix) and other aligned standards on which this builds and which share its ambition[1].

As investors and groups, we:

- Call on companies to take steps to ensure that all of their advocacy is supportive of early and consistent deployment of ambitious climate policies in the markets that they operate in, which can deliver a managed and cost-effective transition in line with the goal of achieving net-zero emissions by 2050, as well as appropriately ambitious interim targets. As active owners we are

[1] The Climate Action 100+ Net Zero Benchmark indicator 7, Ceres' Responsible Policy

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.

- Accept our own role in demonstrating and encouraging best practice on climate policy lobbying that is in line with the Paris Agreement goals and the best available science. We will strongly and consistently support policy measures directed at achieving net-zero greenhouse gas emissions by 2050 or sooner and be transparent in our own policy positions and engagements. We will convey this expectation to the companies in which we invest and signal this commitment through our own actions.

The expectation for companies to advocate responsibly on climate policy is not new. The time to demonstrate full application of the responsible corporate climate lobbying standard as a matter of urgency is now.

As of March 2022, the ambition of this statement is endorsed in by the institutions listed overleaf.

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Investor Networks

AIGCC
ASIA INVESTOR GROUP ON CLIMATE CHANGE

Ceres

INTERFAITH CENTER ON CORPORATE RESPONSIBILITY

Investor Group on Climate Change

IIGCC

PRI Principles for Responsible Investment

SHARE
SHAREHOLDER ASSOCIATION *for* RESEARCH & EDUCATION

Asset Owners & Asset Managers

AP7

BNP PARIBAS
ASSET MANAGEMENT

THE CHURCH OF ENGLAND
PENSIONS BOARD