

## Corporate Climate Leadership within the US Chamber of Commerce

Dear Climate Solutions Working Group (CSWG) Members,

Now that Congress is back in session, the business and investment communities have a narrowing window of opportunity to achieve the historic and deeply needed climate investments for both natural systems and the US economy to continue to thrive. These investments would also speed and scale our transition to a clean energy economy. We don't believe we have the luxury of waiting for yet another year, nor another administration to act.

We face at present a severe lack of global and regional policies that can both realistically drive the rapid cuts in greenhouse gases that are needed to stabilize our physical environment, while also assisting companies, citizens, and cities to undertake the actions necessary for transformative change.<sup>1</sup> Companies and consumers cannot achieve the transition to a net-zero or even a low-emissions economy alone. Public policy is the enabling force needed to trigger the fundamental shifts in how we all use and produce energy, goods, and natural resources. It is clear after decades of warnings about the impacts of climate change that regulations and policies are essential to help drive investment where it is most needed. They additionally help companies achieve their own climate commitments and goals, can reduce industry and societal risk when done well, and can assist in igniting innovation and new business models that help companies and societies thrive during a period of potentially massive and disruptive change.

National policy moves continue to be unambitious compared to the emissions goals being put forward by many countries, and corporate lobbying plays an important role in that tepid response. "While G20 governments made unprecedented promises in 2021, none has implemented sufficient policies to plausibly achieve deep decarbonization,"<sup>2</sup> notes BloombergNEF in a recent report. It further notes that G20 nations account for about 80% of global GHGs, but that emissions haven't even begun the steep decline needed to keep the Paris Agreement's temperature goals within reach.

You are also likely aware of the most recent science published around the urgency of the situation:

- In its April 2022 global mitigation assessment, the Intergovernmental Panel on Climate Change<sup>3</sup> made it quite clear that nations and fossil-fuel users have fallen far short<sup>4</sup> to limit 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 and food production. Society now has a quickly narrowing 6 to 10% chance of meeting this scenario, an additional study in the well-respected scientific journal *Nature* noted.<sup>5</sup>

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<sup>1</sup> <https://www.nature.com/articles/s41467-020-15414-6>; <https://www.unep.org/resources/emissions-gap-report-2021>

<sup>2</sup> [https://assets.bbhub.io/professional/sites/24/BNEF-G20-Zero-Carbon-Policy-Scoreboard-Executive-Summary.pdf#\\_ga=2.144901174.346599147.1652812405-58744774.1646428169](https://assets.bbhub.io/professional/sites/24/BNEF-G20-Zero-Carbon-Policy-Scoreboard-Executive-Summary.pdf#_ga=2.144901174.346599147.1652812405-58744774.1646428169)

<sup>3</sup> [https://report.ipcc.ch/ar6wg3/pdf/IPCC\\_AR6\\_WGIII\\_SummaryForPolicymakers.pdf](https://report.ipcc.ch/ar6wg3/pdf/IPCC_AR6_WGIII_SummaryForPolicymakers.pdf)

<sup>4</sup> <https://www.gov.uk/government/news/window-for-climate-action-closing-fast>;

<sup>5</sup> <https://www.nature.com/articles/s41586-022-04553-z>

- The International Energy Agency (IEA) noted in its May 2021 Net Zero by 2050 Energy Roadmap<sup>6</sup> that investments and financing for new coal, oil and gas needed to end last year to put us on a trajectory to achieve a 1.5°C path. Yet progress and leadership are sorely lacking to achieve this.
- *Scientific American* reported on April 29, 2022 that “if greenhouse gas emissions are not curbed, temperature spikes could bring the first such mass extinction in 250 million years... [where] marine life worldwide could suffer a mass die-off, the likes of which hasn’t been seen...,”<sup>7</sup> noting a new [study](#) published that same week in the journal *Science*.<sup>8</sup>

As societies feel the pull, both economically and socially, to get “back to normal” after two years of a global pandemic during which emissions began showing some modest signs of slowing, the US and other major economies are back on track to seeing rising emissions once again. Many members of the CSWG know the concern investors have—both about corporate exposure to climate change risk and the economy-wide impacts. Experts agree that it will be difficult, if not impossible, for companies to achieve the emissions reductions needed to limit warming to 1.5°C without passage of supportive climate policies. And investor attention and focus will only grow as we continue to move towards 2030 without adequate climate and energy policies in place, both globally and regionally. As a member of the CSWG, we believe you can play a critical role in engaging the US Chamber during this new chapter of the climate debate.

As investors, we urge the world’s leading companies to use their influence to advocate for ambitious climate policy, both directly with policymakers and via their trade associations. The [Global Standard on Responsible Climate Lobbying](#) on which both companies and investors provided feedback over the past two years provides a framework for corporate climate lobbying leadership and recommends that companies align their own policy positions and lobbying influence with the Paris Agreement and a 1.5°C path. That leadership includes ensuring that corporate trade associations and policy-focused alliances are also supporting that goal.

We were disheartened when the US Chamber of Commerce worked to defeat the Build Back Better legislative package in the US and made statements opposing the US SEC’s proposed climate disclosure rule—including threats to sue the agency to stop the rule. These positions directly contradict the organization’s public statements supporting the goals of the Paris Agreement, which some Chamber members have noted to investors in engagements on climate lobbying and transition goals.

A recent analysis by NGO InfluenceMap found that the “Chamber’s high-level messaging since 2017 [has] been little more than PR tactics to create the impression of reform, placating climate-conscious companies and their investors, while the organization’s detailed policy engagement has remained focused on blocking climate action and promoting fossil fuels.”

One encouraging and positive step was the member-led creation of the Climate Solutions Working Group to support the goals of the Paris Agreement and move the US Chamber towards a more supportive position on climate policies. We understand that the CSWG has been working to put that mission into action--in particular, the eight members who signed an open

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<sup>6</sup> <https://www.iea.org/reports/net-zero-by-2050>

<sup>7</sup> <https://www.scientificamerican.com/article/scientists-warn-of-looming-mass-ocean-extinction/>

<sup>8</sup> <https://www.science.org/doi/10.1126/science.abe9039>

letter to the US Chamber last fall to support climate policy in the context of Build Back Better, which showed an example of constructive engagement.

Unfortunately, not nearly enough Chamber members have supported the CSWG's efforts or stepped up independently to engage the Chamber leadership on this pivotal issue. When companies and their trade associations say one thing on climate but do another, this could be construed as misleading investors, and puts all Chamber members at risk.

Given the lack of unanimity on climate policy among members of the Chamber, we would expect the Chamber to adopt—at minimum—a neutral stance on climate policy, not lobby hard to obstruct it. We therefore urge the members of the Climate Solutions Working Group (and other concerned Chamber members) to continue to use their influence in the Chamber and on Capitol Hill to lobby hard for climate legislation. Investors likewise encourage the CSWG to be more transparent about its activities and goals, since the current lack of sunshine to press the Chamber from within has led to labels of greenwashing by some investors and stakeholders.

We further expect all members of the Chamber to play an equally constructive role in pushing the Chamber in a better direction, and to improve the transparency around climate policy decision-making within the organization. One very timely example of a climate issue facing the Chamber and its members is the proposed SEC Rule on climate disclosure. We urge companies to submit supportive comment letters for the overall direction of the rule by the deadline of June 17<sup>th</sup>, even if your letter includes critical comments asking for specific changes in the Rule. Companies can indicate support for the overall thrust of seeking uniform climate disclosure, like Bank of America has done in its public communications, which is helpful.

Similarly, we ask you to engage the Chamber and urge its neutrality on the proposed Rule, noting that members have a range of opinions, making it problematic for the Chamber to begin a public campaign against the SEC rulemaking. The SEC-proposed Climate Disclosure Rule is an important existing opportunity for companies and the Chamber to demonstrate their support for important climate regulation.

That is why ICCR (the Interfaith Center on Corporate Responsibility), the investors endorsing this statement, and the scores of investors engaging companies globally on their climate lobbying, are urging you to issue a clear public stance -- both on the necessity of national climate policies being strengthened, and in supporting the billions of dollars needed in climate investments to jumpstart the energy transition to be aligned with the Paris Agreement's goals. This support includes publicly urging the US Chamber to cease blocking critical climate and energy policy, starting with the SEC's climate disclosure rule. A failure to act swiftly and decisively now could have significant consequences for businesses, communities, and our planet.

We welcome your response to this appeal.

Sincerely,

Interfaith Center on Corporate Responsibility  
Bailard, Inc.  
Boston Common Asset Management  
Church Investment Group  
Congregation of Sisters of St. Agnes

Dana Investment Advisors  
Dominican Sisters - Grand Rapids  
Dominican Sisters of Sparkill  
Ethos Foundation  
First Affirmative Financial Network  
Friends Fiduciary Corporation  
Green Century Capital Management  
Maryknoll Sisters  
Mercy Investment Services, Inc.  
Miller/Howard Investments, Inc.  
NEI Investments  
Proxy Impact  
Region VI Coalition for Responsible Investment  
Seventh Generation Interfaith Inc.  
Sisters of Bon Secours, USA  
Sisters of Charity of New York  
Sisters of St. Francis of Philadelphia  
Sisters of the Humility of Mary  
Terra Alpha Investments  
Trillium Asset Management  
United Church Funds  
Zevin Asset Management