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Investors ask corporate supporters of the U.S. Chamber of Commerce to oppose the organization's efforts to thwart the Environmental Protection Agency's Clean Power Plan

August 28, 2015 — In the wake of the Obama Administration's August 3, 2015 announcement on its Clean Power Plan to combat climate change, over 60 investors and organizations sent a letter to approximately 50 companies that are on the Board or are prominent members of the U.S. Chamber of Commerce (the "Chamber"), a vigorous opponent of the plan that is orchestrating a broad-based strategy to block new regulations¹.

The letter urged companies to address any misalignment between their own positions and actions on climate change and their funding of the Chamber's actions against the Clean Power Plan, regulations widely seen as critical to reduce U.S. greenhouse gas emissions. Signed by investors representing more than \$320 billion in assets, the letter was sent to companies such as Abbott, Anthem, AT&T, Chevron, Deloitte, Dow Chemical, Emerson Electric, Exxon Mobil, Ford Motor Company, Google, IBM, Intel, JPMorgan Chase, Pfizer, Procter & Gamble, Pricewaterhouse Coopers, United Parcel Service, and Verizon.

"In the interest of protecting long-term shareholder value, it's high time for companies to stop acquiescing and step up in support of plausible approaches that will move the United States toward a carbon constrained society. To do otherwise, amounts to a penny wise and pound foolish stance as if the business implications of climate change start and end at a company's doorstep. Effective risk management requires a holistic approach to addressing climate change solutions," said Connecticut State Treasurer Denise L. Nappier, principal fiduciary of the \$30 billion Connecticut Retirement Plans and Trust Funds and a signatory to the letter.

The letter does not request that companies drop their membership in the Chamber. Instead, the companies are asked to use their leverage and voice as Board participants and prominent members of the Chamber to encourage the organization to step back from its campaign against the Environmental Protection Agency's (EPA) Clean Power Plan and publicly distance their companies from the Chamber's current actions.

Investors are increasingly zeroing in on companies' lobbying and public policy advocacy on climate change. The Principles for Responsible Investment (PRI), a global investor network whose members represent US\$59 trillion in assets under management, recently launched an investor statement on corporate climate lobbying. The CDP, working with investors with US\$95 trillion in assets, asks the thousands of companies that report on climate change mitigation and adaptation using the CDP questionnaire to answer specific questions about their lobbying on climate change both directly and through third parties.

¹ http://mobile.nytimes.com/2015/08/04/us/obama-unveils-plan-to-sharply-limit-greenhouse-gas-emissions.html?emc=edit_tnt_20150804&nliid=37530612&tntemail0=y&r=1&referrer=

Tim Smith, Director of Environmental, Social & Governance Shareowner Engagement at Walden Asset Management and one of the leaders in this investor initiative, stated, “In advance of global climate talks in Paris this December, we anticipate strong forward looking policies and greenhouse gas reduction targets by nation states. Simultaneously, we believe we have a unique role and responsibility to encourage corporate leaders to support aggressive action on climate change and to carefully scrutinize the role of companies that block progress through their lobbying and public policy advocacy, whether intentional or inadvertent.”

Even while opponents of the Clean Power Plan are pursuing strategies such as lawsuits against the EPA and calling on States to refuse to draft plans as called for in the regulations, many companies have publicly supported strong global and domestic action on climate change. A July 27, 2015 launch of the American Business Act on Climate pledge included thirteen of the largest U.S. companies such as Alcoa, Apple, General Motors, PepsiCo, and Walmart. There are clearly different viewpoints among businesses on climate change, yet the Chamber portrays its actions as reflective of the business community writ large.

“We are confident that the Chamber does not represent the position of many of its major members on climate. This letter urges companies to be their own spokesperson and not let the Chamber pretend that the business community is solidly opposed to the Clean Power Plan. This is the time for companies to ensure that their lobbying and climate positions are consistent”, said Stu Dalheim, Vice President at Calvert Investments.

Among the letter signatories are pension funds including State of New York and State of Connecticut; religious investors such as the Church of England, Dignity Health, Mercy Investment Services, and United Methodist General Board of Pension & Health Benefits; foundations including the Merck Family Fund, Tides Foundation, and Wallace Global Fund; non-governmental organizations such as Oxfam, the Sierra Club, and the Union of Concerned Scientists; and investment firms such as Calvert Investments, Domini Social Investments, and Walden Asset Management.

Sample letters, recipients, and signatories are available at: <http://www.waldenassetmgmt.com/News/walden-in-the-news>

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