

# [***Shareholders approve a climate lobbying proposal at Delta, continuing a winning streak that shows the importance of Paris-aligned climate policy***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:62Y5-06D1-JD3Y-Y4DN-00000-00&context=1516831)

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**Body**

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Today's vote by a majority of Delta Air Lines shareholders to seek information on how Delta's climate lobbying aligns with the goals of the Paris Agreement caps a winning streak of five climate lobbying proposals garnering majority votes this season, underscoring the importance of climate policy alignment.

"Corporations have a significant impact on climate policy, directly and through their trade associations. This string of majority votes is strong recognition by investors that these efforts must be fully aligned with the "well below 2 degrees" goal of the Paris Agreement." said Adam Kanzer, head of stewardship at BNP Paribas Asset Management, which filed the Delta proposal.

Shareholder proposals seeking stronger disclosure of how a company's climate lobbying aligns with the Paris Agreement goals won majority votes at:

\* Phillips66 with a 64.4% vote on a proposal filed by California State Teachers Retirement System;

\* Norfolk Southern Corp with a 76.4% vote on a proposal filed by Friends Fiduciary Corp.;

\* ExxonMobil with a 63.8% vote on a proposal filed by BNP Paribas Asset Management;

\* United Airlines with a 65.4% vote on a proposal filed by Presbyterian Church USA, and;

\* Delta with a majority vote on a proposal filed by BNP Paribas Asset Management. Delta has not yet reported the percentage.

Notably, similar lobbying proposals filed at CSX, Duke Energy, Entergy, First Energy Corp, General Motors and Valero Energy led to companies agreeing to improve disclosure of their climate lobbying and the resolutions were withdrawn by the filers. Kanzer said that investor expectations of Paris aligned corporate lobbying is becoming the norm "after groundbreaking reports from Shell and BP, and majority votes at Chevron in 2020 and, this year, at ExxonMobil, United Airlines, Norfolk Southern, Phillips 66 and now Delta."

"Investors and companies will not be able to sufficiently manage climate risk if we don't see the advancement of more ambitious policy measures soon-from federal infrastructure legislation to state-based electrification policies," stated Laura Devenney, Senior ESG Research Analyst at Boston Trust Walden, which co-filed a lobbying resolution at ExxonMobil with BNP Paribas Asset Management. "Investors need assurance that companies are using their influence to further meaningful action on climate now."

The majority votes -- one as high as 76.4% -- and the string of corporate commitments are an indication of how serious the investment community is about tackling what they view as the ever-increasing systemic risk of climate change. Investors want strong climate policies to protect the economy and their portfolios and so they can make investment choices with greater certainty.

"Policy is a critical piece of addressing the climate crisis, so lobbying has become a link to changes in the real economy," said Kirsten Snow Spalding, senior director of the Ceres Investor Network. "As the imperative to transition to a net zero ***emissions*** economy becomes clearer every day, investors need federal and state climate policies to set the framework that will help them to invest and deal with the systemic risk of climate change. Policymakers, in turn, can support rapid industry transition to a clean energy future or they can delay and send mixed signals to investors."

Spalding also noted that Ceres issued a Blueprint for Responsible Policy Engagement on Climate Change that offers concrete recommendations on how companies can establish systems that address climate change as a systemic risk and integrate this understanding into their direct and indirect lobbying on climate policies.

The strong shareholder votes also coincide with discussions last weekend among G7 heads of state about their collective commitment to rein in global ***emissions*** to achieve the goals of the Paris Agreement.

"Investors recognize that we need science-based climate policy in order to deliver a stable climate that will, in turn, support a healthy economy. As essential as they are, individual commitments by companies to reduce GHG ***emissions*** are not enough," said Christina Herman, program director for climate environmental justice at the Interfaith Center on Corporate Responsibility (ICCR). "The signals sent by effective climate policy to the global economy to reign in ***emissions*** are vital."

Climate Action 100+, an initiative of 575 investors with a combined $ 54 trillion in assets under management, flagged several of these climate lobbying proposals in its process of highlighting resolutions shareholders should consider. Ceres, a founding partner of Climate Action 100+, and ICCR helped coordinate support for the proposals among North American investors. ICCR launched a concerted initiative in 2020 to spur companies to disclose and align their lobbying activities and their trade association memberships with the goals of the Paris Agreement.

The winning climate lobbying resolutions all ask for transparency on lobbying by companies as well as by the trade associations they support financially. For instance, the resolution at Delta filed by BNP Paribas Asset Management asked that its board of directors conduct an evaluation and issue a report describing how Delta's lobbying activities, both direct and indirect through trade associations, align with the Paris Agreement goal of limiting global warming.

In some industries, a few companies have publicly stated support for policies to mitigate global warming and yet those companies continue to support trade associations that lobby against such policies. At Norfolk Southern, a similar proposal asked for a report on both direct and indirect climate lobbying.

Jeff Perkins, executive director of the resolution's filer, Friends Fiduciary Corp., explained, "As investors, we're asking Norfolk Southern to align its strategies, capital allocation plans, and direct and indirect public policy advocacy with the goal of the Paris Climate Agreement to limit average global warming to well below 2 degrees Celsius," Perkins said. "While railroads are a very efficient form of transportation, Norfolk Southern Company's coal cargo business has led it to lobby against climate-forward measures. 'Business as usual' scenarios of 3-4 degrees Celsius warming or more will depress global GDP, present significant risk to our company's operations and impact investors' returns."

Investor engagement with companies they own either through dialogue or shareholder resolutions are among the key strategies outlined by Climate Action 100+ to influence change, including bringing about reductions in corporate greenhouse gas ***emissions*** and improvement in corporate climate governance and corporate climate risk disclosure.

About Ceres

Ceres is a nonprofit organization working with the most influential capital market leaders to solve the world's greatest sustainability challenges. Through our powerful networks and global collaborations of investors, companies and nonprofits, we drive action and inspire equitable market-based and policy solutions throughout the economy to build a just and sustainable future. For more information, visit ceres.org and follow @CeresNews.

About the Interfaith Center on Corporate Responsibility (ICCR)

Celebrating its 50th year, ICCR is the pioneer coalition of shareholder advocates who view the management of their investments as a catalyst for social change. Its 300-member organizations comprise faith communities, socially responsible asset managers, unions, pensions, NGOs and other socially responsible investors with combined assets of over $ 4 trillion. ICCR members engage hundreds of corporations annually in an effort to foster greater corporate accountability. Visit our website [*www.iccr.org*](http://www.iccr.org) and follow us on Twitter, LinkedIn and Facebook

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