



Response to the Chronos consultation on climate change lobbying – Reclaim Finance

[Link to the consultation](#)
[Link to the draft framework](#)

Deadline: May 21th 2021

1. Policy and commitments

A. Do you agree these are appropriate indicators for assessing responsible corporate climate change lobbying? If not, please explain why this is the case

Yes.

B. Are there any indicators you would suggest we add in this area? If yes, please specify these indicators.

General question to be put after question 2:

- “Does the commitment explicitly exclude lobbying in favor of carbon offsets?”
- “Does the commitment include no lobbying in favor of large-scale deployment of negative emissions technologies, notably regarding carbon capture?”
- “Does the commitment include a prohibition to use the Investor-State Settlement (ISDS) mechanism, the Energy Charter Treaty or any other similar mechanism to challenge a state’s climate-related decision?”

Specific question for companies involved in the fossil fuel sector:

“Has the company made a specific commitment to reduce fossil fuel production in line with the Paris Agreement, with the stated aim of restricting global temperature rise to 1.5°C?”

Specific question for FIs:

“Has the financial institution publicly committed to ensure that the companies it provides financial services to and their coalitions or interest groups lobby in line with the goals of the Paris Agreement with the stated aim of restricting global temperature rise to 1.5°C?”

C. Are there any changes (including deletions) you would suggest we make to indicators in this area? If yes, please specify these changes.

Yes.

All indicators should explicitly apply to the company and its subsidiaries.

Some of the indicators could be rephrased to underline that companies should first and foremost stop lobbying against climate. Current phrasing focuses on alignment by asking whether they companies “in line” with the goals of the Paris Agreement or not, thus leaving room for interpretation. It could be strengthened by mentioning that they should not “engage in lobbying activities that run counter to” the goals of the Paris Agreement.

2. Governance

A. *Do you agree these are appropriate indicators for assessing responsible corporate climate change lobbying? If not, please explain why this is the case*

Yes.

B. *Are there any indicators you would suggest we add in this area? If yes, please specify these indicators.*

Specific questions for FIs:

- “Has the company established a clear framework for addressing misalignments between the lobbying positions adopted by the companies it provides financial services to and the goals of the Paris Agreement, in particular the stated aim of restricting global temperature rise to 1.5°C?”
- “Has the financial institution assigned responsibility at corporate board level to ensure the companies it provides financial services to do not conduct lobbying activities opposed to its own lobbying approach, and notably the stated aim of restricting global temperatures rise to 1.5°C?”
- “Has the financial institution assigned responsibility at senior management level to ensure the companies it provides financial services to do not conduct lobbying activities opposed to its own lobbying approach, and notably the stated aim of restricting global temperatures rise to 1.5°C?”

C. *Are there any changes (including deletions) you would suggest we make to indicators in this area? If yes, please specify these changes.*

Yes. All indicators should explicitly apply to the company and its subsidiaries and there should be an explicit condition attached to each indicator that the governance process and their results should be transparent and publicly disclosed.

3. Action

A. *Do you agree these are appropriate indicators for assessing responsible corporate climate change lobbying? If not, please explain why this is the case*

Yes.

B. *Are there any indicators you would suggest we add in this area? If yes, please specify these indicators.*

General question:

“Has the company used the Investor-State Settlement (ISDS) mechanism, the Energy Charter Treaty or any other similar mechanism to challenge a state’s climate-related decision?”

Specific questions for FIs:

- “Has the financial institution undertaken a review of the direct and indirect lobbying activities of the companies it provides financial services to?”
- “Has the financial institution consistently taken action in situations where misalignment has been identified between the lobbying activities of the companies it provides services to and the goals of the Paris Agreement, with the stated aim of restricting global temperature rise to 1.5°C?”

- “Has the financial institution made clear and timely public statements challenging companies it provides financial services to in situations where these organisations have made statements or taken positions that differ materially from the company’s commitments to the goals of the Paris Agreement, with the stated aim of restricting global temperature rise to 1.5°C?”
- “Has the financial institution withdrawn its support where there is a lack of alignment between the lobbying positions adopted by companies it provides financial services to and the goals of the Paris Agreement, with the stated aim of restricting global temperature rise to 1.5°C?”

C. Are there any changes (including deletions) you would suggest we make to indicators in this area? If yes, please specify these changes.

Yes. All indicators should explicitly apply to the company and its subsidiaries. Furthermore, the assessment of the alignment of a company’s lobbying should be based on external data and information, not only left to the company itself. The publication of detailed methodologies for such assessments, and of their results, should be required and explicitly attached to each indicator.

4. Reporting

A. Do you agree these are appropriate indicators for assessing responsible corporate climate change lobbying? If not, please explain why this is the case

Yes.

B. Are there any indicators you would suggest we add in this area? If yes, please specify these indicators.

General question:

- “Does the company disclose the total annual amount of money and employees (in full-time equivalent) it dedicates to climate-related lobbying activities and the breakdown of this spending by activities and topics?”
- “Does the company disclose the name of lobbying firms or consultants it hires to work on climate-related issues and the specific areas and topics they are hired to influence?”

Specific questions for FIs:

“Has the financial institution published a review of the climate lobbying activities of the companies it provides financial services to, and has it described the actions it has taken as a result of this assessment?”

C. Are there any changes (including deletions) you would suggest we make to indicators in this area? If yes, please specify these changes.

Yes. All indicators should explicitly apply to the company and its subsidiaries. The indicators should include elements on the quality of the assessment and alignment of lobbying activities.

5. Concluding questions

A. In your opinion, which indicators are the most important for ensuring that corporate climate lobbying is aligned with the attainment of the Paris Goals? (You can select 4 to 6 choices)

Choice 1 – Indicator 4; Policy and Commitment; Is it objectively clear from the company's public communications that it is: (i) actively lobbying for limiting global temperature rise to 1.5°C, and that (ii) support for science-based climate policies is applied consistently in all operational geographies?

Choice 2 – Indicator 11; Action; Has the company undertaken a review of its direct and indirect lobbying activities?

Choice 3 – Indicator 12; Action; Has the company consistently taken action in situations where misalignment has been identified between the lobbying activities of its trade associations and the company's commitment to the goals of the Paris Agreement, with the stated aim of restricting global temperature rise to 1.5°C?

Choice 4 – Indicator 13; Action; Has the company made clear and timely public statements challenging its trade associations and other alliances in situations where these organisations have made statements or taken positions that differ materially from the company's commitments to the goals of the Paris Agreement, with the stated aim of restricting global temperature rise to 1.5°C?

Choice 5 – Indicator 14; Action; Has the company withdrawn its support or membership where there is a lack of alignment between the lobbying positions adopted by the trade association and the company's commitment to the goals of the Paris Agreement, with the stated aim of restricting global temperature rise to 1.5°C?

Choice 6 – Indicator 23; Reporting; Has the company published an overall assessment of the influence that its lobbying and the lobbying of its trade associations has had on public climate change policy

B. Do you have any additional comments about responsible climate change lobbying or a framework to assess it that you haven't yet had the chance to share?

No.