



Ceres

Sustainability is the bottom line.

Investor Policy Working Group

Monthly Call | September 21, 2021 | 1:00 - 2:00 pm ET

Contacts: Billy Gridley wgridley@ceres.org and Marcella Rizzuti mrizzuti@ceres.org



Meeting (Recorded)

Join Zoom Meeting:

<https://us02web.zoom.us/j/88040988378>

Meeting ID: 880 4098 8378

One tap mobile +13462487799,,88040988378# US

You are the investor Voice. We are happy to see your shining faces via video and we love participation.

Please mute yourself if you are not speaking.

Please use the chat box & feel free to share links.

Preferably use “hand raise” to speak and possibly introduce yourself at the start of any comments.

Ceres Investor Policy Working Group

PWG works with global investors and partners to engage a variety of global, federal & state policy makers on key climate, energy and sustainability issues.

With you, we leverage the Ceres Policy team and [BICEP Network \(Business for Innovative Climate and Energy Policy\)](#), the [Ceres Accelerator for Sustainable Capital Markets](#), the [Paris Aligned Investment Initiative](#) and [The Investor Agenda](#) (AIGCC, CDP, Ceres, PRI, IGCC, IIGCC and UNEP-FI investor networks)

We work with the [Ceres Company Network](#), internal program teams such as Climate & Energy, Water and Land Use & Climate, Investor Network Working Groups such as [Climate Action 100+ North America](#) and Carbon Asset Risk, and diverse actors including partner NGOs, industry and standard-setting organizations.

Our group meets regularly on the *3rd Tuesday of every month*



2021:
Top 8
Ceres
Investor
Policy
Targets

- 1) **Climate Risk Disclosure**. Mandatory climate & material risks (TCFD, SASB)
- 2) **Systemic Risk Supervision**. Implementation of systemic risk and prudential bank supervision (scenario analysis, stress-testing)
- 3) **Net Zero Transition**. Renewable Energy, Clean Energy Standard, Sustainable Infrastructure & Policies for Robust Transition Pathways
- 4) **Carbon Regulation**. Standards or Pricing. Comprehensive & robust economy-wide regulation via mix of market or rule-based mechanisms
- 5) **Super Pollutant Regulation**. Eg methane, HFCs
- 6) **Responsible Policy Engagement**. Climate Lobbying, Trade Association Alignment & Disclosure
- 7) **Environmental Justice & The Just Transition**. Human health and good jobs
- 8) **ESG Disclosure**. Mandatory, using new common standards for companies, investment product descriptions and more

Meeting Agenda

Welcome, Global Update, Global Methane Pledge & Federal (EPA) First Methane Rulemaking, 1:00 - 1:10

- Billy Gridley, 10 min

U.S. Federal Reconciliation Bill: 1:10 - 1:30

- Zach Friedman, 20 min

U.S Financial Regulators, 1:30 - 1:45

The Ceres Banking Report: Let's Get Physical
SEC: Preparing for Human Capital Management
FED: Prudential Risk Supervision

- Isabel Munilla, 15 min

US Federal Policy: CAFE, 1:45 - 1:50

Carol Lee Rawn, 5 min

State Policy: ACT: Clean Trucks, 1:50 - 1:55

- Jennifer Helfrich, 5 min

Global: Hurtling Towards COP26

IPCC **Code Red** August 2021.

Climate change widespread, rapid, and intensifying

August. Working Group I report '*Climate Change 2021: the Physical Science Basis*' was approved by 195 member nations

Climate Action Tracker and NDC Synthesis [UNFCCC](#). Sep2021. Despite "Code Red" on climate, target update momentum at a standstill. Not a single G20 country is in line with the Paris Agreement on climate. Several countries, including Britain and the European Union, are close. The United States is not.

CRITICALLY INSUFFICIENT	HIGHLY INSUFFICIENT	INSUFFICIENT	ALMOST SUFFICIENT	1.5°C PARIS AGREEMENT COMPATIBLE
IRAN	ARGENTINA	CHILE	COSTA RICA	THE GAMBIA
RUSSIA	AUSTRALIA	EU	ETHIOPIA	
SAUDI ARABIA	BRAZIL	GERMANY	KENYA	
SINGAPORE	CANADA	JAPAN	MOROCCO	
THAILAND	CHINA	NORWAY	NEPAL	
	COLOMBIA	PERU	NIGERIA	
	INDIA	SOUTH AFRICA	UK	
	INDONESIA	SWITZERLAND		
	KAZAKHSTAN	USA		
	MEXICO			
	NEW ZEALAND			
	SOUTH KOREA			
	UAE			
	UKRAINE			
	VIET NAM			



Global:
The 2021
Global
Investor
Statement
(GIS)

2nd close: 589 Investors with \$46 trillion.THANK YOU!

[The 2021 Global Investor Statement to Governments on the Climate Crisis](#) from The Investor Agenda (AIGCC, CDP, Ceres, IGCC, IIGCC, PRI, UNEP-FI). **[Press Release](#)**

- Urging a global race-to-the-top on climate policy
- Targeted to global policy-makers in the run-up to COP26 (November 2021)
- Open for signatures up until COP26

[Global Investor Statement Investor Action Pack](#)

Be an advocate for the 2021 GIS.

Webinar: [Launch of the Investor Action Pack](#)

Wed, 29 Sep 2021. 10:00 PM – 11:00 PM EDT

Third Close and Last Call: October 20th. To support the statement, please go to [Sign On](#)



Global: The 2021 Financial Institution Statement On Biodiversity

Financial Institution Statement

78 Investors with \$10 trillion.THANK YOU!

Ceres Press Release 21 September 2021

Statement, coordinated by Ceres and the Finance for Biodiversity Foundation, comes ahead of the October 15th Conference of Parties of the United Nations Convention on Biological Diversity (CBD COP15).

- Calling for the creation of a more ambitious **Global Biodiversity Framework (GBF)**.
- Urging world governments to halt and reverse biodiversity loss, and calling for a realignment to a nature-based economy that could generate \$10 trillion of annual business opportunities and nearly 400 million jobs by 2030.

“Our clients’ future prosperity is heavily dependent upon reversing nature loss and restoring balance to our biosphere,” said **Adam Kanzer, Head of Stewardship, Americas**, at signatory **BNP Paribas Asset Management**. “Investors are therefore calling for an ambitious outcome to the COP15 talks that provides us with clear targets and a roadmap back to life within planetary boundaries. The stakes couldn’t be higher.”



Global: Methane Pledge

The Global Methane Pledge. September 18, 2021

[Joint US-EU Press Release on the Global Methane Pledge](#)

Led by EU and US, countries commit to a collective goal of reducing global methane emissions by at least 30% from 2020 levels by 2030. Delivering on the Pledge would reduce warming by at least 0.2 degrees Celsius by 2040s (analysts say).

Ghana, Iraq, Argentina, Indonesia, Italy, Mexico, the UK, also declared their intention to join ... early supporters include six of the top 15 methane emitters globally and together account for over one-fifth of global methane emissions and nearly half of the global economy.

[Ceres applauds world leaders for bold new pledge to slash potent methane pollution](#)

“We welcome this pledge from the White House to address major sources of methane emissions,” said Brian Rice, Portfolio Manager, California State Teachers’ Retirement System.

“Investors need clear policies to accurately assess and price climate related risks and opportunities to assets in our portfolios.”



Global: And Federal: Methane

EPA Methane First Rule-making expected mid-October. October PWG will feature it.

[Ceres ICCR US Federal Methane Statement May 2021](#) with 147 investors, AUM \$5.4 trillion. See [press](#)

Ceres arranged direct engagement meetings with the EPA
Soon we will engage the OMB who will examine impact on large and small businesses.

Investor Groups, including Climate Action 100+ and TPI set a [tough climate blueprint for Big Oil](#) dubbed the '**Net Zero Standard for Oil and Gas**' and detailed 10 required standards.

Last week Shell and NGOs called for mandatory [EU methane rules to cover the entire gas supply chain, including imports](#)

This week [The Oil and Gas Climate Initiative \(OGCI\) said it supports the goals of the Paris Agreement](#)



Federal: Infrastructure & Budget Reconciliation Update

- **Narrowest of windows** for major federal climate action
- **Bipartisan Infrastructure Package** passed Senate in August
 - **\$550 billion in new investments**, mostly focused on roads & bridges but includes some \$\$ for climate and clean energy
- Congressional leaders are working to pass a **\$3.5 trillion budget reconciliation package by mid-October**
- Includes **~\$700 billion in climate investments (\$70 billion/year for 10 years = 0.3% GDP)**
 - Clean Electricity Payment Program (**CEPP/CES**)
 - Clean Energy and Vehicles **Tax Credits**
 - **Methane Fee**
 - **Investments in EJ Communities**
 - **Ag, Forests, Buildings**
- Accounts for **90% of 50% NDC goal** (45%), ~60% of that from CEPP and tax credits
- **Key moderates** are exerting demands on substance & process
- **Lobbying blitz by trade associations** against corporate tax increases, but would sink the whole thing, including climate



Federal: Investor Advocacy Opportunities

- We are **mobilizing businesses (companies and investors)** to deliver the **economic case** for **ambitious federal climate investments** to **key moderates**, and to **counter trade associations** whose positions are not aligned with your leadership records
 - **Retail:** Direct meetings between key business leaders and moderate lawmakers
 - **Wholesale:** Company, utility, and investor op-eds in key publications, corporate channels, paid ads, and social media
 - **Trade Associations:** Ramp up Responsible Policy Engagement (RPE) investor work with companies to distribute sign-on letters within trade association working groups and make public statements
- Meet **companies** where they are comfortable with your message, targeted for maximum impact
- Make **investor** statements which support a robust and large bill, and its climate and energy policy elements, encouraging positive company and trade association engagement



Federal: Investor Advocacy Opportunities II

What can you do?

- Join virtual meetings with key Congressional offices
- Send emails and make calls to key Congressional offices
- Byline op-eds in key national and targets local outlets, including joint op-eds with power providers, and your corporate channels
- Post on social media
- Offer quotes for media materials and to use on social media

We will help you craft your message and define your leadership

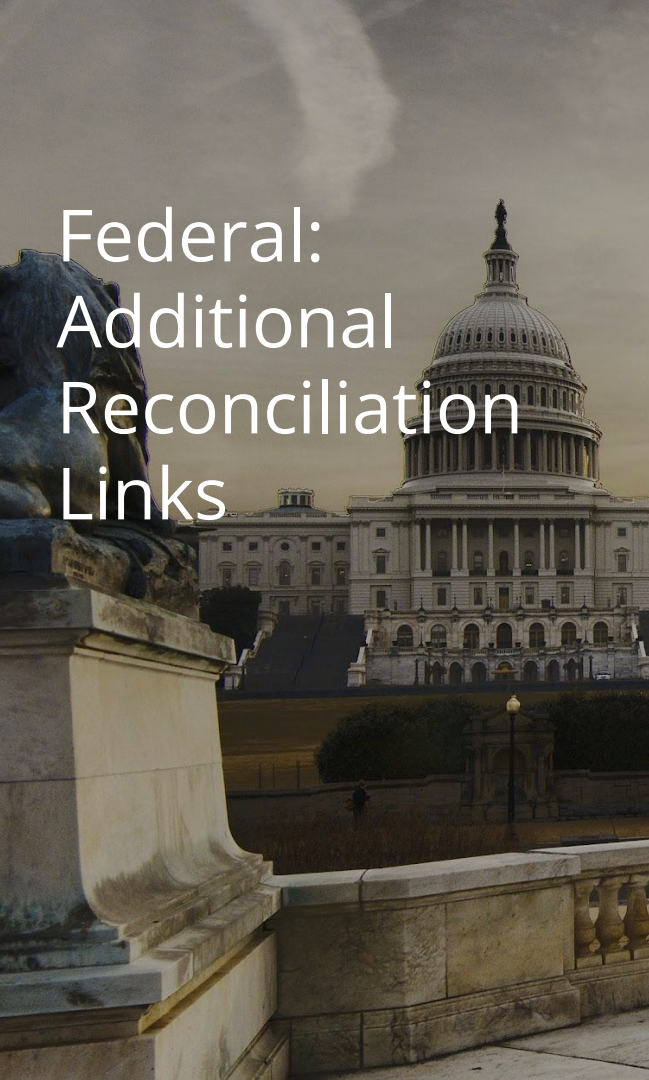
What will we provide for you?

- See link to [Reconciliation Toolkit](#) which has background documents, talking points, and FAQ's on the CEPP and budget reconciliation writ large for use in company engagement by investors
- Media opportunities that meet your needs and comfort level
- Draft op-eds, blog posts, and co-authoring if you would like to join with corporate, investor, or utility partners in your messaging
- Opportunities to join key moderates Hill meetings (no media)
- Regular legislative updates on the prospects and progress of the CEPP and the overall package



Federal:
Infrastructure
& Budget
Reconciliation
Target
States
& Moderates

Key States	Target Moderate Sens./Reps.
AZ	Sens. Kelly, Sinema; Rep. O'Halleran
WV	Sen. Manchin
MT	Sen. Tester
VA	Sen. Warner; Reps. Spanberger, Luria
GA	Sens. Warnock, Ossoff; Rep. Bordeaux
NV	Sens. Cortez Masto, Rosen; Reps. Lee, Horsford
OH	Sen. Brown
CO	Sens. Hickenlooper, Bennet
NH	Sens. Shaheen, Hassan
NJ	Reps. Gottheimer, Malinowski
TX	Reps. Gonzalez, Cuellar, Vela, Fletcher, Veasey
FL	Reps. Soto, Murphy
CA	Reps. Costa, Peters, Correa, Panetta, Harder, Carbajal

A photograph of the U.S. Capitol building in Washington, D.C., viewed from a distance. The building's iconic dome is prominent in the center. In the foreground, there is a stone balustrade and a large, dark-colored statue of a lion, which is part of the Lincoln Memorial grounds. The sky is overcast and grey.

Federal:
Additional
Reconciliation
Links

[Ceres Federal Policy Webinar: A Briefing on the Budget Reconciliation Package and its Implications for Combating Climate Change](#) (recording). 15 Sep 2021.

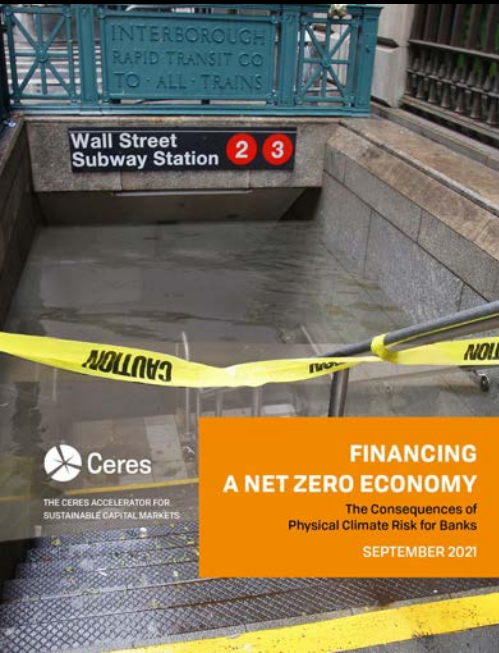
Letter from Individual Company Chamber Members Supporting [Build Back Better Act Positioning](#)

U.S. Chamber [Vows to Defeat Reconciliation, Hails Voting Deadline for Bipartisan Infrastructure Deal](#) 24 August 2021

[Salesforce Supports Climate Investments Outlined in U.S. Budget Reconciliation Package](#) September 2021

American Sustainable Business Council Letter [OUR BUSINESSES ARE SERIOUS ABOUT CLIMATE CHANGE & A STRONG ECONOMY, THAT'S WHY WE SUPPORT PAYING FOR THE NECESSARY INVESTMENTS IN BUILD BACK BETTER.](#) September 2021

Financial Regulators: New Accelerator report



REPORT: [Financing a Net Zero Economy: The Consequences of Physical Climate Risks for Banks](#)

Reviewed syndicated loan portfolios of 28 largest US banks

- Physical risk = **\$250 billion ann** or **10%** of portfolio value
- Largest risk source = coastal flooding
- **Adaptation & resilience financing** = new business opportunity

Recommendations:

- Roadmap to measure & mitigate physical risk exposure
- Integrate physical climate impacts into core risk management & strategic functions, rather than relegate to sustainability divisions.

[Webinar recording](#)

[Press release](#)

[Report PDF](#)

Financial Regulators:

SEC

SEC [regulatory agenda](#) (6/11/21) [includes](#) Oct. 2021 notice of proposed rulemaking

Draft rules expected: human capital management, board diversity, and climate change (likely in Nov/Dec. 2021)

Chair Gensler:

- [On human capital rules](#): “This could include . . . metrics, such as workforce turnover, skills and development training, compensation, benefits, workforce demographics including diversity, and health and safety.”
- 9/14/21 Senate [testimony](#) on climate, other ESG issues
- [Video](#): Office Hours with Gary Gensler: The SEC & Climate Risk Disclosure

Ceres’ focus areas for climate disclosure rules:

- Adopt TCFD recommendations
- Scopes 1, 2 and 3 GHG emissions reporting
- Revise oil and gas reserves reporting rules
- Retain existing liability protections

Financial Regulators:

FSOC

OCC

Treasury

FSOC report on climate risk: Due Nov 16

OCC: Major [speech](#) by Acting Chair Hsu (also podcast)

- **Climate risk management guidance under development** for large banks, with other agencies ([Reuters](#))
- Joined NGFS, working w/Basel Committee, working on FSOC climate report
- First Climate Change Risk officer ([Darrin Benhart](#))

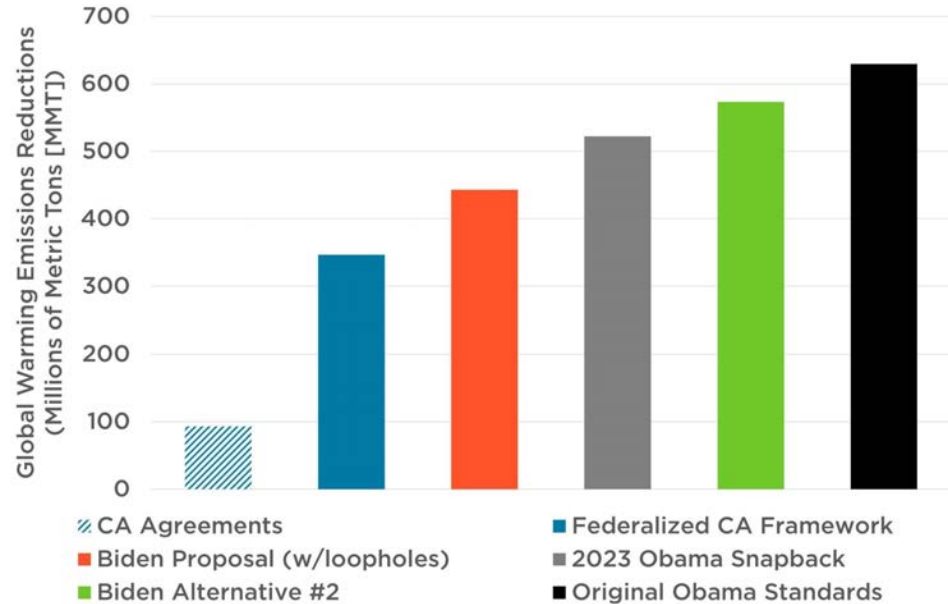
Treasury:

Federal Insurance Office - [Climate RFI](#) - Due Nov 15

Federal: CAFE

Investor Letter re. CAFE/GHG Vehicle Standards

- Biden Administration proposal strengthening Trump GHG/CAFE vehicle emissions standards
- Investor letter: supports more stringent Alternative 2 as critical to driving availability of fuel-efficient and electric vehicles, future competitiveness of U.S. auto industry, and reductions in GHG emissions needed to meet climate goals
- Please [sign on to the letter](#) by September 24. [LINK](#)





State: Advanced Clean Trucks ACT

ACT Policy Overview: Advanced Clean Trucks (ACT) is the nation's first zero-emission truck regulation, essential for rapidly decarbonizing the MHDV sector. It requires a certain % of trucks sold each year to be zero emission vehicles meaning powered by a rechargeable electric battery or hydrogen fuel cells.

Sign-on Letter Opportunity:

- Five states (**NY***, MA, NJ, OR, and WA) have initiated rulemaking processes to adopt ACT this year.
- Consider joining Ceres' [sign-on letter](#) supporting ACT. Over the coming months, the letter will be shared with lawmakers and regulators in each state considering adoption.
- **Nearly 70 businesses, investors, and institutions have signed on** (see logo page and full list of signatories [here](#)).
- Use [this link to sign-on](#) by Sept. 23. Backgrounder [here](#).

***Tentative* National Press Event (9/24):**

- Ceres is planning a press event with state policymakers, coinciding with [Climate Week](#).
- We will be sharing the letter and an associated press statement with reporters. Details forthcoming; stay tuned.

Contact Mel Mackin, mackin@ceres.org, and Jenny Helfrich, helfrich@ceres.org with any questions.



Preview Of Next Month

The Ceres Investor Policy Working Group works with global investors and partner organizations to engage a variety of global, federal and state policy makers on key climate, energy and sustainability issues. It convenes monthly on the 3rd Tuesday from 1:00 - 2:00 pm.

Previous Presentations:

[Ceres Investor PWG June 2021](#)

[Ceres Investor PWG July 2021](#)

Next Month:

COP Preview

Infrastructure & Reconciliation update

Methane Comment period

Federal: Deforestation Bill

State Update

To become a member of the Ceres PWG please contact Billy Gridley wgridley@ceres.org or Marcella Rizzuti mrizzuti@ceres.org



Extra Links

[We Mean Business COP26: TIME FOR G20 NATIONS TO GO ALL IN FOR 1.5°C](#) **September 2021**

[Salesforce Supports Climate Investments Outlined in U.S. Budget Reconciliation Package](#) **September 2021**

Axios. [UN climate summit warning signs are adding up](#) **16 September 2021.**

Ceres. [Practices for Just, Sustainable and Equitable Development of Clean Energy. Report.](#) **December 2020.**

Ceres. [Comments on forthcoming U.S. Department of Labor rule proposal.](#) **27 August 2021.**

U.S. Chamber [Key Vote Letter on Reconciliation](#) **15 Sep 2021**

CLIMATE WEEK NYC

CLIMATE GROUP

Highlight



Sustainable Investment Forum
North America 2021

September 21, 23, 28, 30, 2021 | Live Online

Official Event Partner: UN Environment Programme, Finance Initiative
Organiser: Climate Action
As part of: Roadmap to COP26

Kirsten Spalding
Senior Program Director
Ceres

Dawn M. Martin
Executive Vice President & Chief Program Officer
Ceres

Dazzle Bhujwala
Director, Investor Network
Ceres

na.sinvforum.org

Sustainable Investment Forum North America 2021

September 21 & 23, 2021

The Sustainable Investment Forum North America has run for 3 years in official partnership with UNEP FI, with the mission to mobilise sustainable investment towards a 1.5°C world. The Forum is one of two flagship climate finance forums in Climate Action's Roadmap to COP26 series.



CLIMATE
WEEK NYC
CLIMATE GROUP

Highlight
II



September 22, 2021
12pm ET

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Walking the Talk on Climate Lobbying

[Ceres Responsible Policy Engagement: Walking The Talk](#)

Webinar. 22 September 2021. 12:00 - 1:00 PM ET

Anne Kelly, Vice President, Government Relations, Ceres

**Jake Barnett, Director, Sustainable Investment Services,
Wespath Institutional Investments**

**Lio Barrera, Director, Government & Public Affairs,
LafargeHolcim**



**CLIMATE
WEEK NYC**
CLIMATE GROUP

**Highlight
III**



[Ceres Shareholder Engagement Shaping](#)

Webinar. 23 September 2021. 5:00 - 6:00 PM ET

**Jake Barnett, Director, Sustainable Investment Services -
Wespath Institutional Investments**

**Anne Simpson, Managing Investment Director, Board
Governance & Sustainability - CalPERS**

**Rev. Kirsten Snow-Spalding, Senior Program Director,
Investor Network - Ceres**



CLIMATE
WEEK NYC
CLIMATE GROUP

Highlight
IV



[Ceres: Strategies for Supporting Adoption of the Advanced Clean Truck \(ACT\) Rule](#)

Webinar. 24 September 2021. 2:00 - 3:00 PM ET

Alli Gold Roberts, Director, State Policy, Ceres
Chris King, Senior Vice President, Siemens eMobility
**Kathleen A. Theoharides, Secretary, Executive Office of
Energy and Environmental Affairs, Massachusetts**
Meg Villareal, Policy and Public Affairs, Nestlé



Federal: July Investor Agenda Infrastructure Statement

15 July 2021. The Investor Agenda, US Country Policy Group (CDP, Ceres, PRI). [Statement to US Policymakers on Infrastructure](#) and [Press Release](#)

“We urge Congress to move ahead with comprehensive infrastructure plans and packages that include strong climate-focused and environmental justice policies and which go beyond the current bipartisan infrastructure framework”

Key Tenets of Infrastructure Legislation:

- Clean Electricity Standard
- Green Jobs and Innovation
- Clean Transportation
- Environmental Justice
- Sustainable Buildings/Housing/Utilities