




Climate Transition Mismatch

for Corporates and Trade Associations

Questions for investors and lenders to ask management of companies

Recommended Questions	Report Key Takeaways
<p>Q.1 Question: <i>Is your company actively auditing and assessing the alignment of your trade associations' climate policies with your corporate climate goals?</i></p> <p>Background: The misalignment of trade associations with the corporate's stated climate goals, as highlighted in a series of articles we reviewed, is a major concern. Planet Tracker believes that companies should scrutinise their association memberships and take decisive actions to address misalignments. Where there is a misalignment, investors should require an explanation (p.2).</p> <p>Target: Ensure management statements are aligned with membership of trade associations.</p>	<ul style="list-style-type: none"> Climate Transition policy misalignment between corporates and their member associations should require mediation steps such as conducting audits, developing strategies, speaking out, and leaving if necessary. Only a small percentage of S&P100 companies publicly assess and address the misalignment of their trade associations with climate goals. Investors and regulators should call out greenwashing, by scrutinising and pushing corporates to correct conflicting messages for better transparency and alignment with the Paris Agreement. <p>Click to view the report online</p>  <p>Disclaimer: click here</p>
<p>Q.2 Question: <i>When a misalignment is identified, what steps are you taking to correct it, and what criteria or guidelines guide do you follow to disassociate if needed?</i></p> <p>Background: Planet Tracker recognises that corporate executives could argue that they are members of an association in order to change its climate goal policies from within. However, we insist that a timeframe should be given to enact this desired change, otherwise, this rationale would lead to the perpetual membership of a misaligned association (p.3).</p> <p>Target: Have a clear action plan for where misalignment is identified.</p>	
<p>Q.3 Question: <i>How are you proactively leading on climate policy advocacy?</i></p> <p>Background: As an example, Unilever, along with Mars, Nestlé, and Shell, demonstrated leadership by challenging their trade associations to confirm their positions on a 1.5-degree future or leaving associations misaligned with their climate objectives. The formation of the Sustainable Food Policy Alliance by Mars, Nestlé, and Unilever, and Shell's departure from the American Fuel & Petrochemical Manufacturers Association, demonstrate companies attempting to reshape the climate narrative of trade associations (p.5).</p> <p>Target: Leaders on climate transition must try and influence others to do likewise.</p>	