



BUSINESS —
CLIMATE
— **FINANCE**

ABOUT THE BUSINESS CLIMATE FINANCE INITIATIVE

The logo for Business Climate Finance is displayed within a light blue rectangular border. It features the word "BUSINESS" in a dark blue, sans-serif font at the top. Below it, the word "CLIMATE" is written in a larger, light blue, sans-serif font. At the bottom, the word "FINANCE" is written in a dark blue, sans-serif font. Horizontal lines are positioned above "CLIMATE" and below "FINANCE".

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Incubated by Impact Experience, the [Business for Climate Finance Initiative](#) (BCF) was launched with two goals in mind:

- 1 Decarbonize bank accounts and employee retirement plans, starting with a group of leading US companies
- 2 Assess and disclose the climate impact of corporate cash deposits and retirement funds

Through research and convenings, the Initiative will help support communities of practice among companies who will be working toward these goals applying a unique Justice, Equity, Diversity and Inclusion lens

RETIREMENT PLAN OPTIONS

- Over \$8.4 trillion in assets are held in 110 million 401(k) employee retirement plans across the United States.
- The vast majority of the Americans who rely on ERISA plans to save for retirement do not even have the option of investing with companies best oriented toward a climate-safe future.
- While the majority of retail investors want to be Paris-aligned, fewer than 3 percent of defined contribution plans offer a climate-friendly investment option.

CASH DEPOSITS

- Roughly, the average carbon intensity by laggard U.S. banks is 126 ktCO₂e/\$billion (so for each \$1 billion deployed, these banks generate emissions comparable to about 30,000 internal combustion engine cars running for a year).
- In February 2022, 13 of the world's largest non-financial companies cumulatively held cash and investments that exceeded \$1 trillion - these corporations' cash and investments generate emissions at a huge scale.
- **The cash holdings of U.S. companies**, including Alphabet/Google, Facebook/Meta, Microsoft, and Salesforce, are their **largest source of emissions; increasing total emissions by 91% - 112%, when compared to most recently reported emissions.**

Source: www.carbonbankroll.com: *The Carbon Bankroll: The Climate Impact and Untapped Power of Corporate Cash*

How Will We Achieve These Goals?

EDUCATING

Educating companies on the climate impacts of finance

CONNECTING

Connecting companies to climate-friendly finance options (toolkits, actors, incentives, opportunities), especially with a "Justice, Equity, Diversity and Inclusion" lens

CONVENING

Convening companies to exchange best practices, challenges, and opportunities in an off-the-record, "Impact Experience"

LEVERAGING

Leveraging non-financial companies' collective voice, cash and retirement savings to drive positive change for climate justice



Retirement Report: *The Carbon Impact of US Company Sponsored 401(K) Plans*

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CFA Institute



Mercer



Socially and Environmentally Responsible Investment Options + Banks





What We Are Asking

Concrete Asks:

- Companies to measure their full scope 3, category 15 emissions and report these emissions
- Companies to evaluate if they already have climate-friendly retirement fund options and if not to integrate these options, and build towards default retirement options being climate-friendly.
- Companies publicly commit to directing at least 75% of corporate cash that is actively being used to achieve climate goals to US banks with lending practices that are environmentally sustainable, socially equitable and support community development.

QUESTIONS?

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