

**Testimony of Mindy Lubber,
Chief Executive Officer and President, Ceres, Inc.**

**Hearing before the Subcommittee on Antitrust, Commercial, and
Administrative Law of the Judiciary Committee
U.S. House of Representatives**

June 12, 2024

Good morning. I am Mindy Lubber, the Chief Executive Officer and President of Ceres.

Ceres is a 501(c)(3) nonprofit organization. We work with investors and companies to make the business case for action as they address some of the greatest global financial challenges facing our world today -- climate change, water scarcity and pollution, and nature loss.

These global threats pose material financial risks to investment portfolios, business operations, and supply chains, thus to the long-term stability of our markets and the economy. That is why our tagline has long been *Sustainability is the Bottom Line*.

And our message has been heard. Today, the private sector has widely embraced the financial imperative to improve sustainability practices throughout business operations and supply chains and to report on their efforts to shareholders, customers, and employees.

- In 2022, companies representing more than 86% of total global market capitalization disclosed sustainability-related information to investors.ⁱ
- And more than 10,000 companies have set climate action goals or targets, including half of the largest 2,000 global companies.ⁱⁱ

Climate change is an issue that presents both serious financial risks and opportunities for investments and job creation in the rapidly emerging clean energy economy.

Investors and companies are acting on climate because the business case is compelling.

Just look at the massive costs of extreme weather to the U.S. economy, which was nearly \$93 billion last year.ⁱⁱⁱ Think about how severe drought impacts farms across the West and negatively affects the supply chains of the many companies that depend on the U.S. agriculture system.

Or think about the utilities, which face risks in multiple dimensions. Their infrastructure, of course, is at risk from extreme weather and wildfires. But they also face other business risks if they fail to adopt cheaper, cleaner technologies like solar and wind power.

Large U.S.-based oil and gas companies have set emissions reduction targets, indicating that businesses are taking these risks seriously across all sectors.

That's where Climate Action 100+ comes in -- a global investor-led initiative where shareholders engage some of their largest portfolio companies on climate risk management. This is a key part of monitoring effective corporate governance for high-emitting companies.

Ceres supports these engagements by serving as an educational resource for investors and companies. We share research and analysis, case studies, and industry best practices. For instance, we provide tools for benchmarking progress on companies' previously announced goals and targets.

It is important to note that Climate Action 100+ investors are independent in every way. While Ceres may offer insight that they consider valuable, each investor acts separately and in the best interests of their shareholders, beneficiaries, and clients. Addressing climate-related risks is 100% in line with investors' fiduciary responsibility.

And the companies that investors engage with are also independent – they can (and do) say “no” to investors' suggestions at any time. That's capitalism at work, as companies and their shareholders discuss how to create and maintain long-term value.

The letter inviting me to this hearing referred to our work as “collusion” and noted it could violate U.S. antitrust law. We firmly disagree with this

assertion, but we have fully cooperated with the Committee’s investigation and have produced more than 90,000 pages of documents. We are proud of our work and have nothing to hide.

As far as antitrust, I am not an expert on this topic, but I can tell you that what we support is a voluntary, private-sector-led process in which investors and businesses work to adapt to a changing world. This is how companies and the American economy remain profitable and competitive.

Thank you for the opportunity to present Ceres’ perspective. I look forward to answering your questions.

ⁱ “Global Corporate Sustainability Report 2024.” *OECD*, OECD, 14 Mar. 2024, www.oecd.org/corporate/global-corporate-sustainability-report-2024-8416b635-en.htm ⁱⁱ

Solomon, Matt. “Corporate Climate Action: Analyzing the Recent Surge of Climate Commitments.” *RMI*, RMI, 29 Nov. 2023, rmi.org/corporate-climate-action-analyzing-the-recent-surge-of-climate-commitments/.

ⁱⁱⁱ Smith, Adam B. “2023: A Historic Year of U.S. Billion-Dollar Weather and Climate Disasters.” *NOAA Climate.Gov*, 8 Jan. 2024, www.climate.gov/news-features/blogs/beyond-data/2023-historic-year-us-billion-dollar-weather-and-climate-disasters.