

Caring for Climate Series

EXECUTIVE BRIEF:

ARE YOU ENGAGING RESPONSIBLY IN CLIMATE POLICY?

How business leaders can provide credible, transparent, and consistent input for effective climate action



Caring for Climate



THE CLIMATE GROUP

“I appeal to each of you to become advocates for climate action... Turn conversations into action on the ground, share your views with Governments and policy makers, and find new ways to collaborate with stakeholders in business and civil society.”

—UN Secretary General Ban Ki-Moon at the UN Global Compact LEAD Dinner, World Economic Forum in January 2014

The **Guide for Responsible Corporate Engagement in Climate Policy** established a set of core principles and actions. Business leaders are in a unique position to inform and advance effective responses to climate change. In meetings with ministers and heads of state, companies have an opportunity to emphasize the market risks, as well as innovation potential, that climate policy must address. Visit www.caringforclimate.org to access the full Guide and demonstrate your commitment to responsible policy engagement as part of the Road to Paris 2015.

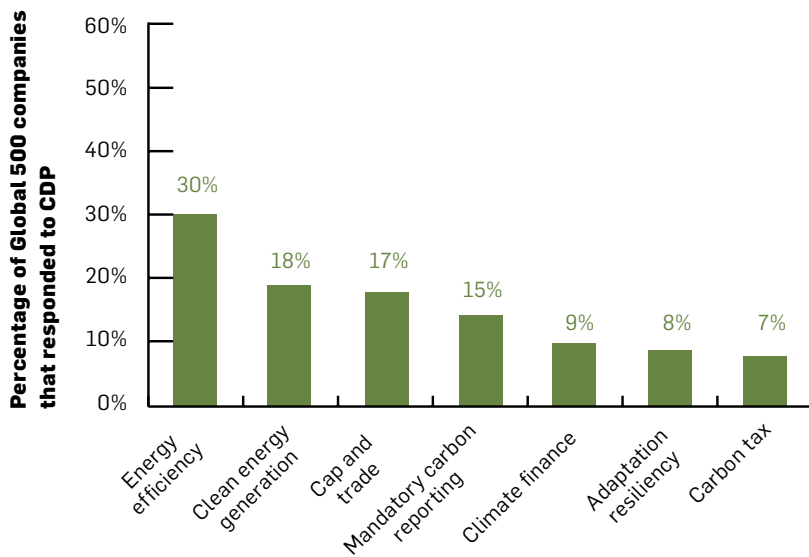
HOT TOPICS: CLIMATE POLICY PRIORITIES WHERE BUSINESS LEADERS CAN INFORM STRONG ACTION

Long-term global, national, regional, and local goals—such as net zero emissions before the end of the century—to provide the necessary policy clarity to business decision makers

- Ambitious, effective policies to accelerate the development and adoption of clean technologies
- Near-term market signals and long-term policy frameworks to transition to strong low-carbon economies
- Ambitious national commitments (due by first quarter of 2015) that contribute to the global efforts to keep global temperature rise below 2° C
- Policies and investments to make companies, communities and markets more resilient to impacts of climate change

THE ENGAGEMENT GAP

There is only one topic—energy efficiency—where more than 20 percent of responding Global 500 companies are engaging policymakers. Where else can your company be more engaged?



Source: Global 500 corporate climate disclosures to CDP in 2014

“Business as usual is history. Businesses face new risks from climate change and have new opportunities in addressing climate change, but our current business model is woefully inadequate to rise to our new realities. We need you to ask Governments for regulatory clarity, for a level playing field that doesn’t subsidize carbon and for policy that provides a stable platform to develop strategy.”

—Christiana Figueres, Executive Secretary, United Nations Framework Convention on Climate Change, at COP-19



HOW TO DEMONSTRATE RESPONSIBLE ENGAGEMENT

The **Guide for Responsible Corporate Engagement in Climate Policy** established five core elements and three priority actions for companies. They are drawn from more than a dozen studies of responsible policy engagement, as well as interviews and consultations with more than 75 representatives of companies, government and civil society, across 20 different countries.

WHO IS SPEAKING ON YOUR BEHALF?

Reviewing and Shaping the Influences of Your Trade Associations

Trade Associations: Managing Indirect Influences

Many companies struggle with (real and perceived) inconsistencies when trade associations take defensive or obstructive positions on climate policy. Interviews with several companies and other stakeholders raised this as one of the most important—and most challenging—issues for responsible engagement on climate change.

Among the challenges noted:

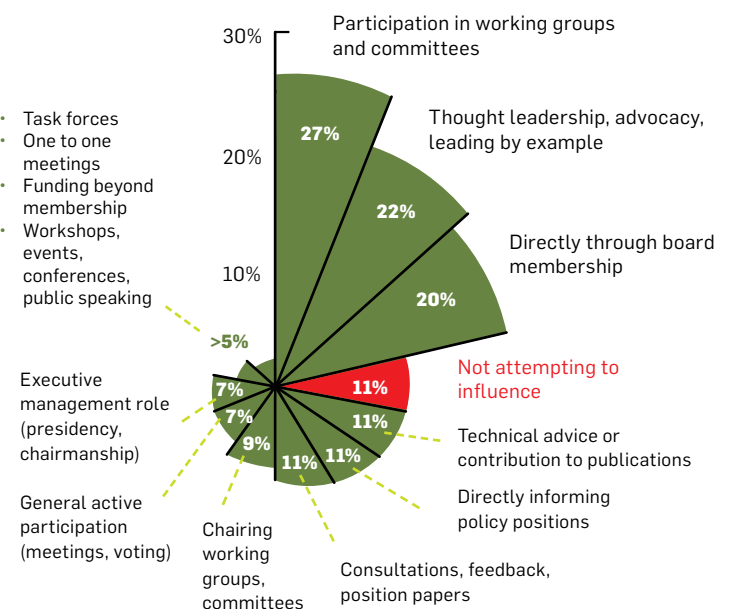
- A trade association may take positions that only represent those fiercely opposed to a climate policy.
- A trade association may be more politically powerful than a single company.
- In some countries, membership in a trade association is mandatory or strategically important to a company for other reasons.
- It can be difficult to track the politics of an issue and the influences of various trade associations, especially when a company is a member of multiple groups.
- Some companies do not want to push policy actions too far beyond the industry position.

In light of these challenges, a few of the options suggested for companies to demonstrate consistency on climate policy include:

- Review the climate policy positions and influences of trade associations.
- Publicly clarify the company's position relative to that taken by a trade association.
- Work within a trade association to make the case for constructive engagement.
- Discontinue membership in trade associations that oppose or obstruct climate change policies.
- Form or join proactive, influential coalitions to advocate climate change policies.

Forty-five companies reported to CDP in 2014 that they are board members of a trade association with climate positions inconsistent with their own. This chart shows the various steps these companies took to influence their trade associations' climate policy positions. Responses suggests:

1. Companies seem to take a few common approaches.
2. Some companies choose to take no action.
3. There is much room for more active engagement.



Source: Global 500 corporate climate disclosures to CDP in 2014

RAPID RESPONSIBILITY DIAGNOSTIC

- Q** Has your company mapped how the impacts of climate change—and the policy responses—will transform its markets in the years ahead?
- Q** Does your company have a public statement on climate policy? Does it align with what the science says?
- Q** Are your lobbyists—and your trade group's lobbyists—advocating for policies that advance your company's public climate goals?
- Q** Are any individuals or groups (inside or outside the company) misrepresenting the company's policy positions?
- Q** Does your company track and disclose (e.g., to CDP) its objectives and influences in climate policy debates?

A NEED FOR POSITIVE ADVOCATES AT A GRANDER SCALE



If this represents UN Global Compact signatories...



"...this is how many are publicly advocating in support of international sustainability goals (59%)..."



"...and this is how many have aligned traditional lobbying with sustainability priorities (29%)."

Source: Global Compact Annual Implementation Survey in Nov/Dec 2012