



Policy Engagement Toolkit

Introduction

In reviewing this toolkit, please bear in mind the following points:

- All companies have an important role to play in the public discussion on how to mitigate and manage the impacts of climate change. In the long run, we will all be affected by climate change.
- The action items are an illustrative list intended to catalyze thinking on multiple ways companies can participate in the public discussion on climate and energy. We recognize that companies have different approaches and comfort levels engaging directly on public policy issues. Hence, we have laid out a variety of ways that companies can communicate publicly where they stand on the issue. This is not a check list.
- We strongly support company collaboration. Doing so makes sense for many reasons. It amplifies everyone's voice, is an efficient use of resources, and allows companies to benefit from the expertise of others. Individual action also can have an important impact.
- We provide as many examples as possible to show in practical terms how companies can and are taking action.
- Inevitably, we've missed some great action items and resources. Please let us know if you think there are other items that should be added.

Action items

1. ***Develop and/or strengthen internal climate policy or position statements.***

Many companies have developed policy or position statements on climate change. Such a statement can become a useful tool in communicating with external stakeholders the company's view on the subject. We believe, among other elements, a strong statement should address the following issues:

- *Specifically reference the strength of climate science:* Climate change is real and driven in large part by man-made emissions. We need collective action from business, society, government in order to address this challenge.

The Risky Business Report's take on public policy

"We do strongly urge the American business community to play an active role in the public discussion around climate mitigation and preparedness, which we believe is the single most effective way for businesses to decrease the risks we have identified in this project." -

The Risky Business Project

The Risky Business Project released a report entitled "*Risky Business: The Economic Risks of Climate in the United States*," and is co-chaired by Michael Bloomberg, Henry Paulson, Jr., and Thomas Steyer. The project is supported by committee members including Henry Cisneros, Gregory Page, Robert Rubin, George Shultz, Donna Shalala, Olympia Snow and Dr. Alfred Sommer. Pg 47.

- *The urgency of the issue:* The statement should clearly articulate that climate change is a serious global challenge that presents risks and opportunities to the company.
- *The world's response:* Note the global commitment made in the Copenhagen Accord that society will strive to limit GHG emissions to keep temperature increase to no more than 2 degrees C.
- *The company's response:* Emphasize the company is doing its part to mitigate and adapt to climate change, positioning itself to succeed in a low-carbon future.
- *Legislation:* state the company's position on climate-related legislation and regulation.

Strong examples of policy or position statements include: [Intel](#), [EMC](#), [Nike](#), [Pfizer](#) and [U.S. Bancorp](#).

2. Support climate and energy policy in the states where you operate.

While nationwide legislation addressing climate change has been widely debated in the U.S. since the 2009-2010 legislative session, climate-related action has proceeded at the state level. For example numerous states have passed renewable portfolio standards, requiring increased production of energy from renewable energy sources. These standards have been and continue to be under attack. Business leaders such as Dave Stangis, Campbell's vice president for public affairs and corporate responsibility, in [an open letter to Ohio lawmakers](#) posted on the company's website have spoken out in support of the standards.

3. Express support for the EPA in its work to regulate carbon pollution.

While expressing explicit support for the Environmental Protection Agency may be new territory for many companies, Unilever, VF Corp., and Mars Incorporated joined more than 120 other companies in writing a [letter of support](#) for the principles behind EPA's proposed carbon pollution standards.

Letitia Webster, director of global sustainability at VF Corporation, a North Carolina-based apparel company whose brands include The North Face, Timberland and Reef **explained** VF Corp's support for the standard as follows: "As a company that makes innovative apparel and footwear for people who love the outdoors, we know how important addressing climate change is to our consumers, and therefore, our business." She went on to say that the rules provide "the long-term certainty that VF needs to continue to invest in clean energy solutions so that we can do our part to reduce the impacts of climate change."

In addition to the carbon pollution standards for power plants, the EPA is working on regulating numerous aspects of carbon pollution, including methane emissions from oil and gas production, and carbon pollution from automobiles. Companies should also consider where there are opportunities to support these efforts, which are critical to addressing some of the major and most potent sources of greenhouse gas emissions in the U.S.

4. Use your influence to engage your customers and suppliers.

In part, progress addressing climate change has been blocked because of the misperception that the costs of doing so outweigh the benefits. However, numerous companies know this is not the case. By speaking about climate change with your customers and suppliers you can help remove this misconception and potentially play an indirect role in paving the way for policy solutions. For example, Ericsson CEO [Hans Vestberg](#) wrote to their biggest clients about the importance of action on climate change.

More than 60 companies have asked their suppliers to report on climate change through the [CDP Supply Chain](#) program, including Wal-Mart, Bank of America, Ford Motor Company and PepsiCo. And numerous technology companies through the Electronic Industry Citizenship Coalition, including AMD, EMC, HP, and Microsoft, have asked their suppliers to report on sustainability issues.

5. Review corporate political spending and public policy advocacy.

Inconsistencies between company commitments to address climate change and their public policy advocacy can pose reputational risks, as well as undermine companies' actions to mitigate and adapt to climate change. To manage those risks, over the last several years investors have asked over 100 companies to disclose spending for political and lobbying purposes and ensure they have internal processes established to align any spending with corporate climate commitments. Over the last three years, shareholder resolutions on this topic have been the most frequent filed.

Generally, investors request that companies disclose the specifics of decision-making around political spending as well as the spending itself. More recently, due to the U.S. Chamber of Commerce's extensive lobbying against climate change regulations, investors have probed deeper regarding company support of the Chamber. In addition, specially focused resolutions have been filed highlighting contradictions between a company's own climate policy and their lobbying through third parties like the Chamber. Devon Energy, Occidental Petroleum, and Pfizer have all received these resolutions.

Investor engagement has helped to stimulate shareholder debate and discussions by company boards about their public policy positions on climate, as well as the appropriate use of company funds. A number of companies have expanded their disclosure of lobbying activities and expenditures. For example Accenture, Bristol Myers Squibb and Intel have developed clear disclosures. Others decided to end their relationships with groups like the American Legislative Exchange Council (ALEC). Many clarified that their involvement in trade associations did not imply support for its position on climate change. Finally, as a result of the review, a number of companies have actually spoken out in support of state-level regulations promoting renewable energy.

6. Discuss climate and energy issues within your trade associations and other policy-oriented organizations (e.g. think tanks) you support.

It is important to discuss climate and energy issues with trade associations. This is especially critical within the context of the U.S. Chamber of Commerce (the Chamber), where competing positions exist among members.

Some companies, such as Apple, Exelon and Pacific Gas & Electric have left the Chamber due to differences of opinion on climate change. In some cases this might be the best course of action; in other cases engagement might be used. When there is a direct conflict between corporate positions on climate and that of the trade association, we'd encourage members to consider publicly differentiating themselves on the issue. In 2009, [Nike and Johnson & Johnson](#) did just that, stating the Chamber does not speak for them on climate change. More recently, before ultimately leaving the American Legislative Exchange Council, Microsoft publicly stated its corporate position on climate change differed from that of ALEC. Since Microsoft ended its relationship, [numerous other technology companies followed](#), bringing the total to more than 90 companies that have left the group. Another option is to seek leadership roles on key committees where the company will be better able to add its perspective to the deliberations of the committee and organization.

7. Tell your story again and again and tell it to business and policy audiences.

Be visible and engage. Participate in meetings and policy discussions that are designed to illustrate the business implications of climate change and that help address some of the challenges related to climate change regulation or agreements. For example, nearly 100 CEOs attended the UN Climate Summit in New York in September of 2014 including those from Apple, Kellogg, and NRG.

Along with Secretary General Ban Ki Moon, corporate leaders such as [Indra Nooyi](#), Chairman and CEO of Pepsico, Peter Agnefjall, President and CEO, IKEA Group, and several others recorded clips underscoring the business imperative for action on climate change to their business.

8. *Join with other companies in coalitions and support climate-related statements.*

Companies have formed numerous coalitions to increase their ability to effectively advocate for climate and energy policy. These coalitions provide members the ability to gain from each other's expertise and knowledge and provide a platform to collectively state positions on climate-related issues. Two recent examples of public statements include the [Climate Declaration](#) organized by Ceres and now endorsed by more than 1,000 companies, and the World Bank Statement on the [Price on Carbon](#), which was endorsed by over 70 governments and 1,000 companies. In advance of the next major meeting of climate negotiators in Paris in December 2015, many business coalitions are developing ways for members can constructively participate. A short list of coalitions is listed below.

Select Resources

Publications

- [*A Climate of Corporate Control. How Corporations Have Influenced the U.S. Dialogue on Climate Science and Policy.*](#) Union of Concerned Scientists. May 2012.
- [*Guide for Responsible Corporate Engagement in Climate Policy.*](#) UN Global Compact in cooperation with UNEP, UNFCCC, WRI, CDP, WWF, Ceres, and The Climate Group. 2013
- [*The GLOBE Climate Legislation Study: A Review of Climate Change Legislation in 66 Countries. Fourth Edition.*](#) London: GLOBE International and the Grantham Research Institute, London School of Economics. 2014.
- [*Tricks of the Trade. How companies anonymously influence climate policy through their business and trade associations.*](#) Center for Science and Democracy at the Union of Concerned Scientists. January 2014.

Business coalitions

- [*Business for Innovative Climate & Energy Policy*](#) (BICEP) is an advocacy coalition of businesses committed to working with policy makers to pass meaningful energy and climate legislation that will enable a rapid transition to a low-carbon, 21st century economy.
- [*Caring for Climate*](#) (C4C). Launched by the UN Secretary-General Ban Ki-moon in 2007, “Caring for Climate” is the initiative of UN Global Compact, the secretariat of the United Nations Framework Convention on Climate Change (UNFCCC) and the United Nations Environment Programme’s (UNEP), aimed at advancing the role of business in addressing climate change. It provides a framework for business leaders to advance practical solutions and help shape public policy as well as public attitudes. Caring for Climate is endorsed by over 350 companies from 50 countries.
- [*Business Environmental Leadership Council*](#) (BELC). A project of the Center for Climate and Energy Solutions’ (C2ES), BELC was created in 1998 with the belief that business engagement is critical for developing efficient, effective solutions to the climate problem. BELC believes that companies taking early action on climate strategies and policy will gain sustained competitive advantage over their peers. Starting with 13 companies, the BELC is now the largest U.S.-based group of corporations focused on addressing the challenges of climate change and supporting mandatory climate policy.
- [*We Mean Business*](#) is a coalition of organizations that work with thousands of leading companies and investors from across all sectors, including BSR, The B Team, CDP, Ceres, The Climate Group, Prince of Wales’s Corporate Leaders Group and WBCSD. The coalition aims to amplify a unified business voice in the climate debate and highlight the fast-growing opportunities offered by the transition to a low carbon economy.

Sign-on letters and statements

- BICEP companies and several thousand other companies signed the [*Climate Declaration*](#), a statement underscoring the imperative for, and associated economic benefits of, strong action on climate change.
- [*The Trillion Tonne Communiqué*](#) is the latest in a series of international business statements calling for global policies and actions to tackle climate change. They have been developed by The Prince of Wales’s Corporate Leaders Group.

Individual company statements

The following is a compendium of excerpts of statements on climate change. Such statements illustrate the increasing number of companies speaking out on aspects of climate policy.

Bank of America

The United States should significantly reduce its GHG emissions through economy-wide, mandatory approaches, which may vary by economic sector and include a flexible, market-based cap-and-trade program. Complementary policies may also be necessary for sectors such as transportation, buildings, electricity generation, agriculture and forestry that will help drive innovation and ease the transition to a low-carbon economy.

(http://about.bankofamerica.com/assets/pdf/PEW_CLIMATE_POLICY_PRINCIPLES.pdf)

Environmental Governance and Policies (<http://about.bankofamerica.com/en-us/global-impact/governance-and-policies.html#fbid=aRGw5VDABry>)

Citigroup

Citi, through its business and operational units and the corporate center, engages with policy makers on climate change issues at all levels of government and does so both independently and through various associations. Citi believes it is most effective in such engagements when serving as a technical resource to policy makers, helping them to understand both the financial needs and implications of specific policy objectives. Citi is engaged with NGOs and local and national policymakers on Property Assessed Clean Energy (PACE) and Utility On-Bill Repayment (OBR) Initiatives; efforts designed to overcome common barriers to the scaling and aggregation of distributed generation and energy efficiency projects.

Citi's Environmental and Social Risk Management (ESRM) unit engages with multilaterals (e.g. World Bank and IFC) on the issue of climate change via revisions to the IFC Performance Standards, and has also served as a resource for national governments considering new, related policies and standards (e.g. China, Nigeria and Columbia). (Source: CDP 2013)

Caterpillar

Greenhouse gas (GHG) accumulation in the atmosphere is a major concern for many in both the public and private sectors because of the potential for these gases to affect climate patterns. As a result, many governmental and intergovernmental organizations are implementing mechanisms in an attempt to reduce GHG emissions. We support intelligent, responsible public policies addressing climate and energy issues.

There is no one single solution to providing abundant, reliable, secure, clean and reasonably priced energy on a global basis. Political and industry leadership is required to forge consensus and a commitment to providing energy and related infrastructure that address economic development, stability, and environmental impacts.

Market-based, cost-efficient energy solutions are the best way to help meet the world's growing energy demands

Access to affordable and dependable energy resources is critical for energy security, economic prosperity and growing economies. Caterpillar supports balanced and comprehensive energy policies for the responsible development and utilization of all energy resources, including traditional sources of energy and expanded use of alternative energy technologies.

(<http://s7d2.scene7.com/is/content/Caterpillar/C10133619>)

Colgate

We believe businesses have a vital role to play in mitigating climate change, and we are committed to continuously improving our greenhouse gas governance and performance around this challenge...By 2020 we will reduce carbon emissions on an absolute basis by 25% compared to 2002, with a longer term goal of a 50% absolute reduction by 2050 compared to 2002. These goals are in line with the CDP and World Wildlife Fund report – The 3% Solution – and will allow us to play our part in limiting global warming to 2°C, as recommended by the Intergovernmental Panel on Climate Change.

(http://www.colgate.com/Colgate/US/Corp_v2/LivingOurValues/Sustainability_v2/9_Colgate_Sustainability_Report_Planet_2014.pdf)

Dow

Our promise is that we will measure and report our progress against this for the next twenty years.

Dow will advocate for an international framework that establishes clear pathways to slow, stop, and reverse emissions by all major carbon dioxide-emitting countries.

Dow will advocate for and participate in the monetization of carbon in fair marketplaces, a critical objective in establishing country market mechanisms for cost-effective carbon management. Each country should be allowed to establish their own systems with targets set fairly for each industry sector.

Wherever we operate, we are enabled by the energy and feedstocks available to that country through its own governmental policies. We will advocate for governmental policies that generate the most energy efficient and least GHG intensive processes and products possible. Further, Dow pledges to be the most the effective and efficient producer using available energy and feedstocks, wherever we operate. (<http://www.dow.com/sustainability/goals/climate.htm>)

GE

Given this, GE supports policies that promote lower carbon emissions and also promote sustainable economic growth. We believe that the most efficient emissions policy, whether implemented on a global or national basis, would be implementing a market-based price on carbon. In our view, such a policy could only stimulate the deployment of cleaner, more efficient technologies in both the power and transportation sectors, but we also believe that the implementation schedule must be realistic and achievable, taking into account economic impacts. (<http://www.gesustainability.com/building-things-that-matter/energy-and-climate/climate-policy/>)

General Mills

The imperative is clear: Business, together with governments, NGOs and individuals, needs to act to reduce the human impact on climate change. Government policies that provide proportionate and clear guidance on mitigation and adaptation are essential for large scale progress. Business investment in

innovations that help reduce natural resource use and create energy alternatives is essential to reach scalable practices and technologies. And, helping individual consumers make more sustainable choices is essential to reducing the collective human impact on the environment.

(http://www.generalmills.com/ChannelG/Issues/climate_policy.aspx/)

Intel

US Engagement in the International Policy Process: The US government should be actively engaged in the development of international climate change policies, through the UN negotiating process and other multi- and bi-lateral venues, to ensure any resulting international agreements are realistic and pragmatic.

US Domestic Action: The US government should continue to advance its own domestic climate policy initiatives, whether by legislation or by administrative action. In general, Intel supports implementation of the Obama Administration's Climate Change Action Plan, assuming that plan is implemented in a way that maximizes flexibility and cost-effectiveness. The plan has many elements but one of the most important actions EPA is expected to take under the plan is a 2014 regulation setting a first-ever CO2 emissions limit on existing coal-fired power plants. They are expected to effect this regulation via Section 111(d) of the Clean Air Act. Given its potential impact on the economy, it is especially important that this regulation be implemented in a manner that maximizes flexibility and cost-effectiveness. This can be done by allowing the States and impacted power plants meet their obligations in part by harvesting end-use energy efficiency gains together with their customers. ICT applications can contribute significantly by promoting "intelligent efficiency" gains and should be a central part of Federal and state efforts to address emissions from existing coal-fired plants as cost-effectively as possible.

Governments should employ market-based policy approaches wherever possible. Reliance on market approaches is the only way governments can achieve the deep level of emissions reductions required to meet current UN goals (85 percent reduction by 2050) at an acceptable cost. Different specific measures will be appropriate in different countries and various governments have implemented a variety of market-based approaches already. Cap-and-trade systems, other forms of emissions trading, and direct or indirect carbon taxes are all means of pricing carbon and providing emissions reducing incentives at lower cost than many traditional command-and- control approaches.

Source: <http://www.intel.com/content/www/us/en/corporate-responsibility/environment-climate-change-policy-harper.html>

JP Morgan

Our business regularly shares its experience and views with relevant NGO, federal, state and local agencies (often at their request), and with the intent of participating in open dialogue on the direction of market transformation currently impacting the clean energy industry. For example, we believe that Master Limited Partnership (MLP) treatment for renewable energy could mobilize significant capital for clean energy.

Our business regularly engages with state official on energy efficiency finance programs. Our Global Real Estate group serves as an owner, operator, tenant, subtenant and builder of commercial real estate. As a result, we consistently monitor the evolution and adoption of regulations, incentives and rebates encouraging energy efficiency in the building sector. Similarly we share our experience and views with

relevant NGO, federal, state and local agencies and participate in open dialogue on the direction of market developments.

Microsoft

We see an important role for governments to provide the frameworks that spur the transition to a low-carbon economy, including:

- Direct funding for accelerating research into renewable and sustainable low-carbon energy sources;
- Market-based mechanisms that are stable and predictable over the long-term which incent the private sector to invest in the transition to sustainable low-carbon and carbon-free energy sources and technologies;
- Regulatory systems that support innovation and eliminate barriers to the adoption of sustainable low-carbon and carbon-free technologies;
- Policies that promote the accurate measurement and transparent reporting of energy use and carbon footprints; and
- Ensuring that smart grids and other energy and environmental IT applications promote security, privacy, and interoperability without mandating the use of specific technologies.

http://download.microsoft.com/download/D/2/7/D27CC9E6-C733-42BE-AFF5-B3E0A332AFFC/Climate_Change_Policy.pdf

Nike

By collaborating with governments and other stakeholders, we promote public policies that reward innovation as well as sustainable business models. We seek to create a legislative and regulatory playing field that accelerates NIKE's ability to decouple growth from constrained resources.

NIKE is actively engaged in national and regional sustainability-related policy initiatives around the globe. The key policy areas we focus on pertain to sustainable materials, products and supply chains; climate change; resource efficiency; and post-consumer waste.

As with many societal and environmental issues, no one organization can solve these challenges alone – solutions require input and collaboration between government, business, consumers and civil society. To that end, we work with other businesses through trade associations and coalitions to help drive and shape forward-looking sustainability policies.

For example, NIKE is a founding member of the Sustainable Apparel Coalition (SAC), an industry-wide group of more than 100 leading apparel and footwear brands, retailers, suppliers, academics and NGOs working to reduce the environmental impacts of apparel and footwear products. We have worked with SAC since 2009 to create an industry approach to the environmental footprinting of footwear and apparel products. We are also working with SAC to pilot test the European Union's Product Environmental Footprint methodology.

In the US, we helped create Business for Innovative Climate and Energy Policy (BICEP), an advocacy coalition of businesses committed to working with policy makers to pass meaningful energy and climate legislation. In 2013, NIKE, together with other leading brands, signed on to BICEP's Climate Declaration, urging policy makers to undertake a coordinated effort to combat climate change.

<http://www.nikeresponsibility.com/report/content/chapter/public-policy#sthash.LiSBPCnG.dpuf>

We believe that we need strong energy and climate policies to protect our supply chains and ensure market certainty, as well as to help create jobs, level the playing field among businesses, enhance economic development and ensure our global competitiveness as we move into the future.

<http://www.nikeresponsibility.com/report/content/chapter/climate-energy/evergreen#sthash.vmvfU3xm.dpuf>

Pfizer

As a science-based health care company, Pfizer has long recognized the risks posed by global climate change, such as more severe weather events and potential adverse impacts on human health, and has, as a precautionary step, taken significant voluntary action to reduce its own greenhouse gas (GHG) emissions.

Pfizer first established an Energy Conservation Guideline in 1996 and established its first generation GHG reduction goal in 2000. This first goal of reducing GHG emissions by 35% per million dollars of revenue from 2000 baseline was achieved in 2007 and a second GHG reduction goal of reducing emissions by 20% on an absolute basis from 2007 to 2012 was established in 2008. Pfizer has undertaken numerous energy efficiency and clean and renewable energy projects that not only reduce GHG emissions, but reduce costs as well.

It is Pfizer's policy to:

- Continue our efforts to voluntarily reduce our GHG emissions.
- Actively partner with our suppliers to assist them in reducing their GHG emissions.
- Work with policymakers to encourage reduction of GHG emissions.
- Engage with stakeholders to explore markets for environmentally preferable products.

https://www.pfizer.com/files/responsibility/protecting_environment/Pfizer_Climate_Change_Position_Statement.pdf

PG & E

While we have worked cooperatively with local, state, and federal partners to achieve significant greenhouse gas reductions and to avoid emissions, we recognize that voluntary initiatives alone will not be enough. PG&E believes effectively combating global climate change will take sustained and coordinated international action, cooperation, and investment over the long term. In the meantime, however, PG&E believes that it is important for the U.S. to begin to address this issue formally and take a leadership role.

http://www.pge.com/includes/docs/pdfs/about/environment/pge_climate_change_policy_framework.pdf

We believe that a well-designed, multisector market-based program, combined with cost-effective renewable resources and energy efficiency, can put the state and the nation on a path to a low-carbon economy. Such an approach can reduce greenhouse gas emissions in a way that is economically

sustainable and environmentally effective, while also spurring innovation and job creation.
(http://www.pgecorp.com/corp_responsibility/reports/2012/en02_climate.jsp#sthash.qGaUEeyZ.dpuf)

Verizon

We are a GeSI member, because GeSI's goal of promoting energy efficiency and carbon reduction is consistent with our own goals. In addition, we anticipate that our customers desire to decrease their carbon footprint and increase their energy efficiency will generate increased demand for our broadband and wireless services and enable us to enter new markets and develop new revenue streams. (VZW CDP 2013)

Walmart

Whether the proceedings are legislative or regulatory, we advocate for recognition of customer involvement by preserving or creating favorable customer energy policy and proactive participation. This encourages market innovation and aggressive reduction of greenhouse gas emissions.

We promoted energy efficiency and other GHG reduction activities through regulatory policy dockets, public speaking, and legislative activity in 2012. Walmart regularly participates in state utility commission-ordered working groups that submit suggestions to regulatory bodies, and we engage in internal legislative and policy research. In the United States, we are involved in regulatory and legislative actions at the state level, including energy efficiency proceedings. (WMT CDP 2013)