























ACKNOWLEDGEMENTS

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FOREWORD

Dear Colleagues,

The enormous uptake of corporate climate action commitments is one of the great successes since the Paris Climate Agreement. The growth in companies setting targets through the Science Based Targets initiative (SBTi) has been incredible, passing 5,000 companies in early 2023. This corporate climate ambition must be accompanied by the other '4 A's of Climate Leadership', the framework for credible climate action developed by the We Mean Business Coalition: action, accountability and – of course – advocacy.

TO DELIVER THE CHANGE REQUIRED THIS DECADE TO KEEP THE GOALS OF THE PARIS AGREEMENT WITHIN REACH, WE MUST HARNESS THE POSITIVE DYNAMIC BETWEEN PUBLIC CLIMATE POLICY AND CORPORATE CLIMATE ACTION.

Ultimately, corporations do not operate in isolation. They will not meet their climate targets without strong climate policy. Creating an environment conducive to investment in net zero solutions benefits business by creating faster returns on investment, rewarding those taking action and bringing up the floor in the market. As companies go faster, they spur on governments to set more ambitious policies. We call this the 'ambition loop', but it only works when companies advocate for better policy - and that means advocating responsibly.

All sectors are not equal in this responsibility. For example, oil and gas companies have a historic responsibility given the very significant emissions produced by their products and the evidence that, in some cases, companies have systematically lobbied to question climate science and delay policy. However, it isn't just the highest emitting companies that are the problem.

Other companies are working to cut emissions but may be undermining their own efforts by not advocating for pro-climate policies, or standing by as their trade groups lobby against climate policies.

With limited time to keep the 1.5°C temperature target alive, companies in sectors from transport to power to industry that want to play a constructive part in the creation of the global net zero energy system need to leave the old playbooks behind and commit to engaging responsibly.

We release this framework in another important year in international climate policy. At COP28 in the UAE, the outcomes of the Global Stocktake will be announced, renewing calls for the raising of climate policy ambition and focus will turn to signalling the end of the fossil fuel era. Crucial domestic climate policy will be delivered this year. The U.S. will implement the historic Inflation Reduction Act; and the E.U. will develop its 2040 climate target. For all of these policy developments, we need to see corporate climate advocacy at the fore supporting ambitious climate policy outcomes.

The stakes are high and expectations of companies are rising. Those who derail climate policies can expect to be called out, but even staying quiet will no longer cut it. The corporate voice carries great weight. We call on every company to use theirs, wisely and loudly.

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INTRODUCTION

Imagine if corporate advocacy matched the ambition of companies' climate commitments. If the public affairs, legal and marketing resource that companies directed towards creating a pro-climate policy environment was proportional to the transformative change required by their science-based climate targets. Think of the platform of corporate support that this would provide policymakers in the setting of policies to halve emissions by 2030 and reach net zero by mid-century.

Business will be central to the delivery of national climate targets for emissions reductions. Effective collaboration and transparent information-sharing between companies and policymakers will help create the policies, regulations and finance mechanisms necessary to decarbonize energy, transport, heavy industry and other sectors.

And, as the ambition loop between business and policymakers accelerates action, these well-designed policies will enable companies to deliver on their own climate targets as they develop the technologies and services needed for the net zero economies of the future.



This vision underpinned a year-long, collaborative process led by the We Mean Business Coalition and our partners to create a Responsible Policy Engagement (RPE) Framework to help companies match their climate advocacy to their climate ambition. This will raise standards, improve alignment and ultimately increase the number of companies advocating responsibly to policymakers.

Ceres created and mainstreamed the concept of RPE by companies through its work in the U.S.. This framework builds on their important work, taking it to the next operational level and to a global audience of companies.





In November 2022 the We Mean Business Coalition launched a vision paper at COP27 in Sharm el-Sheikh, Egypt. It laid out the intention to pull together the best available tools, guides, standards and case studies to support the practice of RPE and situate them within the Coalition's existing framework for credible corporate climate action, The 4 A's of Climate Leadership.



The Coalition established a taskforce comprising the seven founding partners of the Coalition, along with SBTi, Race to Zero and InfluenceMap, to provide guidance in the design and content of the framework.

The taskforce also solicited feedback from over 50 companies across the globe across two rounds of input and several working group meetings. Corporate reviewers provided input on the usability of the framework's design and contextual framing, identified additional resources, and outlined the drivers of their work on RPE.

WHAT IS RESPONSIBLE POLICY ENGAGEMENT (RPE)?

The term Responsible Policy Engagement (RPE) builds on the important work Ceres started with their 2020 <u>Blueprint for Responsible Policy Engagement on Climate Change</u>. Used here, RPE is defined as: external corporate policy engagement that recognizes the threat of climate inaction and supports policy interventions and investments that aim to reduce greenhouse gas emissions at a pace in line with net zero by 2050. This external engagement is enabled by internal processes that align corporate functions with climate targets.

Achieving this alignment is critical to enable action at the pace and scale that the climate crisis demands, but the private sector has a long way to go in closing the gap between corporate climate ambition and advocacy.



IDENTIFYING THE ADVOCACY GAP

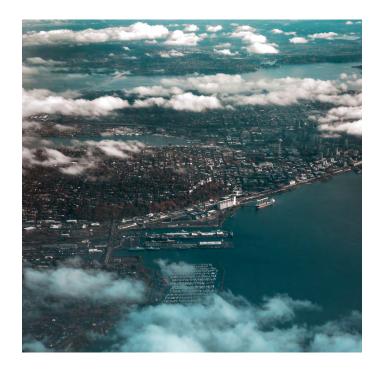
There is a gap between the scale of corporate climate ambition and the number of companies practicing RPE. In November 2022 Ceres <u>published</u> an analysis of climate-related lobbying showing that although half of S&P 100 companies in the U.S. have science-based targets, only 19% publicly supported the Inflation Reduction Act, the largest climate investment in U.S. history. This gap is replicated in many other countries.

It can be explained by two issues:

- Many companies have not successfully mainstreamed an understanding of their climate commitments across the whole business. Therefore, public affairs and legal teams are not fully aligned with the company's sustainability goals and priorities. This becomes even more pronounced when trade groups are lobbying on behalf of companies.
- Despite the tools and guidelines already available on corporate climate advocacy, there is no global, commonly accepted framework on RPE. There are strong climate advocacy standards, most notably the <u>Global Standard</u> created by leading investors in Climate Action 100+ (CA100+). Yet business leaders looking for the tools and best practice to meet these standards will find them disaggregated or non-existent.

This gap needs to close so that more companies are advocating for ambitious climate policy. The UN Intergovernmental Panel on Climate Change (IPCC) has said that to keep within the 1.5°C temperature limit we must reduce global emissions in half by 2030. This will require rapid decarbonization of the global energy system and the wider economy. To achieve this, companies taking action and governments setting ambitious policies must create an 'ambition loop', in which each enables the other to go faster.

More vocal advocacy from companies is needed to accelerate this transition.





DRIVERS OF RPE

Given the critical role corporate advocacy plays in driving climate policy, the lack of alignment between companies' climate goals and their political activity has come under increasing scrutiny over the past few years. Multiple stakeholders are holding companies to account, demanding more responsible practices, and monitoring and rating corporate performance on climate advocacy. Taken together, these external pressures create powerful incentives for companies to adopt RPE practices.

Investor Pressure

Investors recognize the risks to business posed by unchecked climate events, conflicting resource deployment and reputational blowback. In both public and private communications, they are leading the charge in demanding increased accountability from companies on their political activity.

This is exemplified by the <u>Global Standard on Responsible Climate Lobbying</u> created by leading investors in the Climate Action 100+ coalition which "helps companies and investors to assess and ensure that all lobbying efforts are directed towards the attainment of the Paris Goals." Additionally, there has been a sharp increase in the number of shareholder resolutions targeting corporate lobbying activities and climate transition action plans.

Enhanced Scrutiny

Civil society groups have taken note of the misalignment between the climate commitments of certain companies and how they engage policymakers, resulting in campaigns calling out greenwashing. The greater awareness raised by these campaigns has led to increasing scrutiny, from civil society, governments and intra-government bodies.

Lawmakers are already moving on regulation to target misleading environmental claims in product advertising in the UK and the EU, increasing scrutiny and penalties for companies. In 2022, the UN established a <u>High-Level Expert Group (HLEG)</u> on the Net-Zero Emissions Commitments of Non-State Entities, resulting in ten recommendations to increase the credibility and accountability of commitments by companies and other non-state actors. The recommendations include steps to align lobbying and advocacy, and accelerate the road to regulation.

There are also entities keeping watch, tracking and reporting on the political activity of companies.

InfluenceMap produces an extensive library of analysis and benchmarking reports of the climate lobbying of the largest 500 companies and their major trade groups. Other ratings and disclosure bodies, such as CDP, are increasingly considering climate lobbying in their evaluation of companies





New Standards

This ecosystem of voluntary commitments is becoming increasingly formalised, and their architecture and rigour has been enhanced by the UN High Level Expert Group and by the proposed framework under the <u>UNFCCC Recognition and Accountability Framework</u>.

The OECD has updated <u>The OECD Guidelines for Multinational Enterprises and their Implementation Procedures</u> which has enhanced expectations of corporate lobbying in relation to sustainability and climate commitments. There are also updates underway to the public policy standards from the Global Sustainability Standards Board.

The Global Standard on Responsible Climate Lobbying, mentioned above, is fast becoming the measuring stick investors use to evaluate risk in corporate policy engagement.

Meanwhile, the updated 'Persuade' criteria for the Race to Zero (RTZ), which applies to SBTi committed companies, requires members to "align external policy and engagement, including membership in associations, to the goal of halving emissions by 2030 and reaching global net zero by 2050".







In addition to the external factors driving companies to match their political influence with ambitious climate policy goals, there is a strong business case for practicing RPE.

1.

Risk reduction

Robust policy is essential for mitigating climaterelated risks to businesses and the economy. Strong policies at a national level raise global ambition, and spur action on other countries.

Cost reduction

Swift action is critical to address the climate crisis at the lowest possible cost. The longer governments delay, the more drastic and expensive the inevitable policy response will be.

3.



Emissions reduction

A company's success in meeting its climate goals may depend on government policies that, for example, increase access to low-carbon energy or reduce emissions economy-wide.

Stakeholder expectations

Investors are increasingly asking companies to align their lobbying with the goals of the Paris Agreement. Climate leadership is becoming a key factor in attracting and retaining employees. And consumers expect businesses to be part of the solution to climate change, not working against it.









5.

Regulatory certainty

Prolonged uncertainty and ever-changing policies on climate are bad for business. By contrast, clear and predictable policies enable long-term planning and investment.



6.

A level playing field

Comprehensive climate policy ensures that all businesses play by the same rules, so companies that lead in reducing emissions aren't undercut by laggards.

7.

A seat at the table

Public policy responses to climate change are playing out across the globe and becoming more ambitious. Companies that engage early will have an opportunity to shape these responses.



8.

Reputation

Supporting pro-climate policy shows a company is serious about environmental stewardship. And more people want to buy from companies that share their values and are making a positive impact.



What do the benefits of RPE look like in practice? Imagine a company that has been engaging with regulators and stakeholders consistently and for years on the most effective pathways to decarbonize their industry. They have been visible and vocal across consultations, events, media and in private discussions.

Now it is time for them to make a final investment decision on an innovative new facility that will take them a significant step towards meeting their net zero goal. That company will reap the rewards of consistent RPE engagement, by attracting media coverage which is seen by their customers, inspiring potential candidates applying to work with them, motivating suppliers to be part of their enterprise and creating a smoother permitting process with regulators and an engaged local community.

Their RPE efforts will not only contribute to the company's bottom line but benefit their customers and the wider economy by accelerating our collective transition to net zero.



RPE RESOURCES

There is a strong case for companies to practice RPE and a growing expectation on them to do so. Yet this is an evolving space, and best practice is advancing as standards are solidifying. To help companies navigate it the We Mean Business Coalition, with the support of the RPE Taskforce, has compiled a library of best-in-class resources.

Each resource is presented as an index card, providing companies with details on what it offers and how this connects back to the key elements of RPE practice. Each card presents a summary, authoring organization and publication year, resource type, geographic audience, recommended use case, and which of the fourteen the Global Standard indicators for investors the resource addresses.

While this is not an exhaustive list of all resources available, it is based on input from a range of companies and other organizations to identify the most relevant resources. This collection represents the first version of the framework, and more resources will be added over time.

It can be viewed online at <u>wemeanbusinesscoalition.org/RPE</u>.







COMMIT TO SPEAK UP

PUBLICLY PROMOTE YOUR COMMITMENT TO ADVANCING HIGH-IMPACT CLIMATE POLICY



Summary: This brief presents advice from two companies and one NGO on how they practice and/or observe RPE, including advice, challenges, and how RPE connects to climate justice outcomes.

Year & Org: 2022, Transform to Net Zero

Use to: Understand applied examples of RPE in action, draw inspiration and consider lessons learned from first movers. See p. 12 for key takeaways.

Global Standard Cross-Reference: 1, 2, 3, 5, 7, 10, 11, 14



Summary: This briefing recaps Salesforce's journey and approach to RPE on climate change. It explores what the company has done, why, and their strategy for what comes next.

Year & Org: 2021, Salesforce

Use to: Understand an applied example of RPE in action from a corporate perspective. See p. 7 for a list of steps for companies to get started on their climate policy journey.

Global Standard Cross-Reference: 1, 3, 11, 12, 14



Summary: This report is an early offering of guidelines for why and how companies can constructively influence public policy on climate change.

Year & Org: 2013, multiple

Use to: Understand the background of the RPE movement. See a proposed 5-element framework for RPE on p. 20, and global examples of corporate policy engagement on p. 17.

Global Standard Cross-Reference: N/A

ESTABLISH GOVERNANCE, DECISION-MAKING AND REVIEW PROCESSES ON CLIMATE LOBBYING



Summary: This report offers concrete recommendations on how companies can establish systems that address climate change as a systemic risk and integrate this understanding into their direct and indirect lobbying on climate policy.

Year & Org: 2020, Ceres

Use to: Consider adoption of the "Assess, Govern, Act" framework. Use the "questions to consider" callout boxes to guide development of your company's RPE procedures.

Global Standard Cross-Reference: 3, 4, 5, 10, 12



Summary: This is a set of principles for Corporate Political Responsibility, developed in nonpartisan collaboration with business leaders and diverse stakeholders. Not exclusive to climate issues

Year & Org: 2023, The Erb Institute (University of Michigan)

Use to: Consider adoption/endorsement of the principles. Join the associated taskforce for hands-on support from peers and experts to act on the principles and use as foundation for development of RPE procedures.

Global Standard Cross-Reference: 4, 5, 6, 7, 8



COMMIT TO SPEAK UP

GET MANAGEMENT, DIRECTORS AND EMPLOYEES ON BOARD, AND INFORM SUPPLIERS AND CUSTOMERS



Summary: This report offers guidance on engagement between investors and companies regarding political lobbying and donations. Not exclusive to climate issues.

Year & Org: 2017, International Corporate Governance Network

Use to: Establish a framework and procedures, board oversight, transparency and disclosure, and get shareholder approval regarding political activity. See p. 14.

Global Standard Cross-Reference: 2, 4, 5, 6, 7



Summary: This report discusses the most common challenges companies face in practicing RPE on climate change and recommends solutions for overcoming these barriers.

Year & Org: 2021, World Resources Institute

Use to: Understand barriers and better predict likely pain points in the adoption of RPE practices and procedures. See pps. 16-18 for recommended strategies.

Global Standard Cross-Reference: 4, 5, 6, 7, 8, 9, 10, 11



Summary: This report presents ten principles and guidance for companies on practicing RPE. Not exclusive to climate issues.

Year & Org: <u>2015, Transparency</u> <u>International UK</u>

Use to: Follow checklists starting on p. 47 for granular guidance on practicing RPE, including workplace integration and designing organizational structure.

Global Standard Cross-Reference: All



DIRECTLY ENGAGE WITH POLICYMAKERS ACROSS GEOGRAPHIES, BACKED WITH EVIDENCE



Summary: This is a living document with policy analysis, evidence, best practice, opportunities and messaging to support companies that want to engage in EU advocacy.

Year & Org: 2022, CLG Europe

Use to: Review examples of prior corporate RPE activities to inform and inspire your company's future engagement.

Global Standard Cross-Reference: 11



Summary: This framework was developed by a coalition of NGOs with three elements of corporate climate policy leadership: **Advocate**, **Align**, and **Allocate**

Year & Org: 2019, Multiple

Use to: Review leadership standards as defined by U.S. NGOs, use the site's periodic policy opportunity recommendations for guidance on advocacy efforts needing corporate support.

Global Standard Cross-Reference: N/A



Summary: This report outlines the climate policies needed in the U.S. after the passage of the Inflation Reduction Act (IRA) to close the gap with the U.S. commitment under the Paris Agreement.

Year & Org: 2022, ClimateVoice

Use to: Better understand what policy solutions are effective to address the climate crisis.

Global Standard Cross-Reference: N/A

MOBILIZE YOUR NETWORKS AND COLLABORATE WITH PEERS AND SUPPLIERS; COMMUNICATE; GUIDE INDUSTRY GROUPS



Summary: The Business for Innovative Climate and Energy Policy (BICEP) group supports and guides companies in voicing their support for U.S. climate policies needed to unlock economic opportunity.

Year & Org: Active, Ceres

Use to: Access education, support, and opportunities to advocate for climate policies at the state and federal levels.

Global Standard Cross-Reference: 1, 11



Summary: The Corporate Leaders Groups in the UK & Europe are constituted by member companies who seek to share experiences with policymakers and business to promote ambitious and practical policy outcomes.

Year & Org: Active, University of Cambridge Institute for Sustainability Leadership (CISL)

Use to: Access education, support, and opportunities to advocate for climate policies in support of a climate neutral economy.

Global Standard Cross-Reference: 1, 11



Summary: The Climate Leaders'
Partnership is a platform and convening
body for business on topics of climate and
sustainability, including engagement with
the Japanese government.

Year & Org: <u>Active, Japan's Climate</u> <u>Leaders' Partnership</u>

Use to: Access education, sign-on to campaigns, engage in policy advocacy, and amplify messages.

Global Standard Cross-Reference: 11



MAKE YOUR VOICE HEARD

USE CORPORATE ACTIVITIES AND INVESTMENTS TO LEVERAGE AND INFLUENCE



Summary: RE100 is a global corporate renewable energy initiative bringing together hundreds of businesses committed to 100% renewable electricity. They partner with select organisations in key geographies to drive market change.

Year & Org: Active, Climate Group & CDP

Use to: Gain access to peer-learning, policy support and local market insight to reach your company's renewable energy activities.

Global Standard Cross-Reference: 11



Summary: This article provides guidance on best practice for how to compose, publish, and promote a public statement that advocates for climate policy.

Year & Org: 2022, World Resources Institute

Use to: Review leadership standards as defined by U.S. NGOs, use the site's periodic policy opportunity recommendations for guidance on advocacy efforts needing corporate support.

Global Standard Cross-Reference: N/A



MAP YOUR COMPANY'S LINKS TO TRADE ASSOCIATIONS AND ASSESS ALIGNMENT WITH THE 1.5°C PATHWAY



Summary: This is a scorecard and analysis offering an assessment of trade association reviews by companies, based on clarity, accuracy, and scope of disclosures. It is separate from core InfluenceMap performance assessments.

Year & Org: Active, InfluenceMap

Use to: Review guidance on best practice for conducting an industry association review and use the rankings to gain insight on the strengths and weaknesses of those already published by peers.

Global Standard Cross-Reference: 1, 3, 6, 8, 9, 10, 12



Summary: This is a robust database scoring 250 industry associations across the globe, based on their Paris-aligned climate policy engagement. Scores range between A+ to F.

Year & Org: Active, InfluenceMap

Use to: Review the database to see how individual industry associations are influencing climate policy, particularly those of which you are a member. This is a key input for conducting reviews on alignment with a 1.5-degree pathway.

Global Standard Cross-Reference: 3, 6, 8, 9, 10

PUBLICLY ACKNOWLEDGE MISALIGNMENT AND TAKE ACTION TO RESOLVE IT



Summary: These industry association reviews present the rationale, methodology, and outcome from two companies evaluating the alignment of their associations with strong ambition on climate policy.

Year & Org: 2023, Nestle; 2023, Enel

Use to: See two reports for examples of how companies are approaching climate policy with their trade groups and for use in conducting your own reviews.

Global Standard Cross-Reference: 1, 2, 3, 6, 8, 9, 10, 11, 12, 13, 14



Summary: This report goes through each of the 14 indicators of the Global Standard, providing guidance and examples of best practice from corporations.

Year & Org: 2022, Interfaith Center on Corporate Responsibility

Use to: Review the report to gain a better understanding of expectations from investors, as well as accessing specific examples of best practice for the Global Standard indicators.

Global Standard Cross-Reference: 4, 5, 6, 7, 8



ALIGN YOUR TRADE ASSOCIATIONS

COLLABORATE TO PRESSURE TRADE ASSOCIATIONS FOR POSITIVE CLIMATE ADVOCACY



Summary: This toolkit offers guidance on why trade group misalignment on climate policy must be addressed and offers several templates and steps to get started on addressing this misalignment.

Year & Org: 2020, The B Team

Use to: Kickstart the process of engaging trade groups via the toolkit's template emails, suggested audit design, and policy issue areas.

Global Standard Cross-Reference: 6, 8, 9, 10, 11



Summary: This article provides an overview of how trade associations impact climate policy, the risk this poses for corporate members, and outlines strategies to mitigate policy misalignment.

Year & Org: 2021, World Resources Institute

Use to: Use as background to begin developing a strategy for addressing trade association misalignment on climate policy.

Global Standard Cross-Reference: 8, 9, 10, 11



ALLOCATE ADVOCACY SPENDING

ASSESS ALL SPENDING THAT'S RELEVANT TO CLIMATE POLICY



Summary: This model code provides a set of standards to guide companies on the responsible engagement in democratic processes, and risk management for political spending. Not exclusive to climate issues

Year & Org: 2020, CPA-Zicklin (Wharton School, PENN)

Use to: Use as a starting place to guide development of standards and procedures for tracking and reporting all instances of political spending.

Global Standard Cross-Reference: 4, 6, 12, 13



Summary: This report offers guidance for engagement between investors and companies regarding political lobbying and donations. Not exclusive to climate issues

Year & Org: 2017, International Corporate Governance Network

Use to: Review guidance on establishing a policy framework and procedures, board oversight, transparency and disclosure, and shareholder engagement on political activity; see p. 14.

Global Standard Cross-Reference: 2, 4, 5, 6, 7

CONTRIBUTE TO ORGANIZATIONS THAT ADVANCE CLIMATE POLICY AND STOP TO THIRD PARTIES THAT UNDERMINE



Summary: This is an advocacy collaborative between Danone North America, Mars, Unilever, and Nestle focused on advancing sustainable food and agricultural policies.

Year & Org: Active, SFPA

Use to: Review a case study where companies left larger trade group over issues of sustainability, and developed a new group to direct advocacy spending towards furthering sustainability policies.

Global Standard Cross-Reference: 11



ALLOCATE ADVOCACY SPENDING

ASSESS ALL SPENDING THAT'S RELEVANT TO CLIMATE POLICY



Summary: This report presents ten principles and guidance for responsible corporate political engagement. Not exclusive to climate issues

Year & Org: <u>2015, Transparency</u> <u>International UK</u>

Use to: See checklists starting on page 47 for granular guidance on practicing RPE, including political donations and indirect political expenditure.

Global Standard Cross-Reference: All



Q DISCLOSE YOUR ADVOCACY

PUBLISH AN ANNUAL REVIEW FOR INVESTORS OF THE 1.5°C ALIGNMENT OF YOUR COMPANY'S LOBBYING



Summary: This report presents ten principles and guidance for companies on practicing responsible corporate political engagement. Not exclusive to climate issues

Year & Org: <u>2015, Transparency</u> <u>International UK</u>

Use to: See checklists starting on page 47 for granular guidance on practicing RPE, including transparency and public reporting.

Global Standard Cross-Reference: All

ACKNOWLEDGE AND REPORT ON ACTIONS AND PLANS TO ADDRESS MISALIGNMENTS



Summary: This model code provides a set of standards to guide companies on the responsible engagement in democratic processes, and risk management for political spending. Not exclusive to climate issues

Year & Org: 2023, Race to Zero

Use to: Align external policy and engagement, including membership in associations.

Global Standard Cross-Reference:



Summary: This report goes through each of the 14 indicators of the Global Standard on Responsible Climate Lobbying, providing guidance and examples of best practice from corporations.

Year & Org: 2022, Interfaith Center on Corporate Responsibility

Use to: Review the report to gain a better understanding of expectations from investors, as well as accessing specific examples of best practice for each of the 14 Global Standard indicators.

Global Standard Cross-Reference: All



Q DISCLOSE YOUR ADVOCACY

PUBLICLY DISCLOSE:

- MEMBERSHIPS, SUPPORT, INVOLVEMENT IN ORGANIZATIONS
- FOR EACH: PAYMENTS AND ACTIVE ROLES ON CLIMATE CHANGE
- ASSESSMENT OF INFLUENCE AND COMPANY'S ABILITY TO MEET ITS OWN CLIMATE TRANSITION GOALS



Summary: This Standard is designed to be used by organizations to report their impacts on the economy, the environment, and society. Not exclusive to climate issues

Year & Org: <u>2016, Global</u> <u>Sustainability Standards Board</u>

Use to: Report on the issues and positions where your company exerts political influence, including monetary and inkind spending, in accordance with GRI Standards.

Global Standard Cross-Reference: 13



ACCOUNTABILITY FOR CLOSING THE ADVOCACY GAP

Expectations on companies to cut emissions and practice responsible advocacy are rising, from the internal drive to deliver on science-based targets or external pressure from investors and other stakeholders. As more companies engage with the tools, best practice and guidance in this framework, we expect to see more companies advocating consistently.

But RPE isn't only about how companies advocate, it is also about accountability for that advocacy – the fourth pillar of The 4 A's of Climate Leadership.

Climate advocacy reporting and trade group assessments are now required of companies under the Global Standard. The <u>CDP Questionnaire</u> has recently been expanded to cover more questions on corporate climate advocacy and the internal processes of companies. All companies who have joined the Race to Zero through SBTi or the SME Climate Hub will need to show how they are meeting the criteria for its 5th P, 'Persuade'.

To better integrate and track the links between corporate climate ambition and advocacy, We Mean Business Coalition has worked with SBTi and InfluenceMap to create a tracker which can be found at wemeanbusinesscoalition.org/advocacytracker. It shows how leading companies are meeting the Race to Zero advocacy criteria as evidenced through their scores in InfluenceMap's analysis.

We would expect that a company's scoring in this analysis would improve as they engage with the framework tools and follows the practices of RPE.

In June 2023, We Mean Business Coalition and Race to Zero are issuing a joint call to action for all non-state actors including corporates and SMEs to join the Race to Zero (if not already in), asking them to align their advocacy, policy and engagement with net zero goals.





CONCLUSION

Business will be central to the delivery of national emission-reduction targets. Effective collaboration and transparent information-sharing between companies and policymakers will help create the policies, regulations and finance mechanisms necessary to decarbonize energy, transport, heavy industry and other sectors. And, as the ambition loop between business and policymakers accelerates action, these well-designed policies will enable companies to deliver on their own climate targets as they develop the technologies and services needed for future net zero economies.

We hope this framework will prove a worthwhile resource for companies, providing them with the tools, examples and best practice they need to operationalize RPE. This will raise standards, improve alignment, and ultimately increase the number of companies advocating responsibly for policies that will enable business and economies to align with the 1.5°C pathway and deliver a net zero economy by mid-century.

This framework sets a global norm but, to have the most impact, it would be developed at the next level of detail, creating RPE frameworks for specific sectors and geographies. Think of the benefit of an RPE framework and associated tools for automotive companies and others to improve advocacy in the EU transport system, or for utilities in the U.S. advocating in the power sector.

We have identified areas of best practice by companies where they already exist. In other areas, we see an opportunity for companies to come forward and establish best practice. The review and reallocation of corporate advocacy spend to align with climate targets is an area where further work would be fruitful.

We are at a critical moment. The latest science warns the world is likely to exceed the 1.5°C limit within five years. Avoiding a longer-term breach of this threshold, and the disastrous tipping points it would trigger, requires immediate, deep and sustained emissions cuts.

IT IS TIME FOR EVERY COMPANY TO ALIGN EFFORTS, SO DEPARTMENTS FROM PUBLIC AFFAIRS TO PROCUREMENT ARE PULLING IN THE SAME DIRECTION.

IT IS TIME FOR GOVERNMENTS AND BUSINESS TO ACT IN CONCERT TO DELIVER CURRENT CLIMATE COMMITMENTS, WORK TOWARDS MORE AMBITIOUS TARGETS – AND SO ACCELERATE THE AMBITION LOOP.

With this framework as their guide, we hope to see more companies commit to speaking up, making their voice heard in key policy discussions, aligning trade associations, allocating spending, and disclosing their advocacy – in support of pro-climate policies that deliver a safe and prosperous future for all.