

BUSINESS ASSOCIATIONS CLIMATE ACTION GUIDE



How to align business association memberships with positive climate policy engagement













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BACKGROUND AND PURPOSE

Many businesses have made ambitious climate commitments to transition to a net zero, resilient and nature-positive future.¹ As companies move from pledges to plans, supportive government policy and regulation is needed to incentivise cost-effective climate leadership, unlock innovation and accelerate emissions reductions. To drive an enabling policy environment that limits warming to 1.5°C, businesses should support science-aligned climate policy,² including phasing out fossil fuels and scaling up climate solutions.

While many businesses undertake direct climate policy engagement/advocacy, companies also indirectly support policy positions and activities by being members of business associations. Addressing the policy influence of organisations representing the collective business voice is a key opportunity to influence the policies that increase progression towards halving emissions by 2030.

Business associations are highly influential actors in the policymaking landscape, and can play a key role in helping to drive an agenda that protects climate and nature. While many associations, especially those representing renewable energy sectors,

are working to support governments in the development of more ambitious climate policy, InfluenceMap's assessment of over 250 large industry associations globally shows us that others are opposing climate goals.³ One reason for misalignment may be that transformative companies leading the transition have not yet applied their influence successfully within these associations. This is in comparison to the companies with less climate ambition, that may be seeking to protect their current market position.

It is therefore essential that companies do their best to ensure that the business associations they are members of support policy agendas that will help them deliver on their climate transition plans. This is a key step in mitigating climate risk and preventing accusations of greenwashing.⁴ Visible action of the private sector, including through associations, can encourage governments to enact the policy needed to make real progress on climate change, including carrying out the steps required to achieve Nationally Determined Contributions (NDCs) and the Paris Agreement goals.

Expectations on climate policy engagement are reflected across a number of UN-affiliated resources,⁵

¹ Over half of the world's largest companies are committed to net zero (Net Zero Tracker), and 10,000+ businesses are involved in the Race to Zero (Race to Zero, b), led by the UN Climate Change High-Level Champions.

² Key terms are explained on p. 4 and p. 8 of the guide.

³ InfluenceMap (2024).

⁴ InfluenceMap (2023, d).

⁵ United Nations' High-Level Expert Group on the Net Zero Emissions Commitments of Non-State Entities (2022).

leading NGO resources,⁶ investor initiatives⁷ and incoming regulation.⁸ The underlying expectation across these initiatives is clear: **businesses should** take steps to ensure that the business associations they are members of are working in alignment with science-aligned climate policy.

The purpose of this guide is to provide clear guidance to companies on how to align their business association memberships with supportive climate policy engagement. Additionally, this guide offers a basis for business associations to understand their members' expectations on climate policy engagement in order to implement the necessary steps to meet them. While the text focuses on climate mitigation commitments, these principles are applicable to climate adaptation commitments, as well as nature commitments.

This guide has been developed for corporate management, public affairs and sustainability teams. The key steps should be carried forward to C-suite.

Key terms

Science-aligned climate policy describes a policy that is aligned with what the alobal scientific community recommends as necessary for achieving the goals of the Paris Agreement, particularly limiting warming to 1.5°C, adapting to climate impacts and mobilising climate finance. This covers issues such as the phasing out of fossil fuels, carbonremoval technologies, electrification and renewables, as well as the need for robust policy interventions, such as carbon pricing or emission standards. The UN's Intergovernmental Panel on Climate Change provides the most comprehensive analysis, and this guide details specific resources to refer to, see footnote 18.

Climate policy engagement might range from high-level statements on topics such as the Paris Agreement and net zero, to detailed commentary and direct interaction with policymakers on specific regulations directly addressing greenhouse gas (GHG) emissions (eg emissions trading/carbon taxes, GHG emission standards, etc.), as well as covering policies governing the energy transition (support for zero-emission technologies, phase-out plans for fossilfuel infrastructure, etc.). Engagement is defined in a broad sense to include PR and funded research, as well as engagement with policymakers. See the UN protocol Engage Responsibly in Climate Policy for a complete definition (UN Global Compact, a).

Business associations include trade associations/groups, industry bodies, business memberships, sector associations, alliances, coalitions or thinktanks which can be global, regional or local.

⁶ We Mean Business Coalition (2023), Race to Zero (2023), AAA Network (2023), Falk (2022), Exponential Roadmap Initiative 1.5°C Business Playbook (2023), and UN Global Compact Network UK (2024).

⁷ The Global Standard on Responsible Corporate Lobbying, Climate Action 100+ (2023, a), and Ceres (2022, b).

⁸ The Corporate Responsibility Sustainability Directive (EU) requires large companies to disclose on climate lobbying.

⁹ More detailed guidance is anticipated over the next year through WBCSD's positive policy engagement workstream. This guide is primarily for large businesses, in comparison to small- and medium-sized enterprises (SMEs), which are more resource limited.

¹⁰ Further work and guidance on adaptation and nature is needed but some guidance is emerging. For example, InfluenceMap has assessed industry influence on biodiversity policy (InfluenceMap, 2022).

KEY STEPS

This section sets out the key steps to assess, align and accelerate business association memberships with positive climate policy engagement. For ease of reference, we clarify where steps are aligned with the expectations set out in the Investors Global Standard on Responsible Corporate Climate Lobbying.

ASSESS ALIGNMENT



Investor Standard 1, 2, 3

Commit to science-aligned climate policy engagement

Your policy engagement should reflect science-aligned climate policy, including both your direct engagement and your indirect engagement through membership in business associations. This is a crucial step in devising a credible transition plan and initially ensuring that your business has its own matters in order so that it can subsequently engage more effectively and credibly with its associations. This fundamental first step includes integrating a Paris-aligned, public-facing climate commitment for the policy engagement activities of your business, and following the key actions outlined in the <u>UN Climate Change High-Level Champions' climate policy engagement call to action</u> (commit, advocate, align, allocate spending and disclose). Businesses should aim for a ranking of B or above on <u>InfluenceMap</u> (if assessed) and should follow best practice guidance, such as <u>We Mean Business Coalition's RPE Framework</u>, as well as the resources cited in this guide.¹¹



Investor Standard 4, 5, 6, 7

Assign accountability for climate policy engagement

This should include association alignment with the climate goals of the Paris Agreement, as well as board/C-level and senior management responsibility. Within large companies, these activities might fall under the remit of public affairs, government relations or public policy teams (or similar). Employees across your business may be interested in supporting climate advocacy, as demonstrated by ClimateVoice's <u>LEAD statement</u>, which is backed by 800+ signatories and showcases sustainability professionals' interest in climate policy.

¹¹ Refer to footnotes 6, 7 and 8, and to the resources in this guide.



Investor Standard 8

Map memberships

Create a complete inventory of business association memberships. Ideally this would be carried out on an annual basis. Select associations that play a critical role in the climate policy landscape for in-depth review. ¹² Indicators to take into account include:

- a. the size of the market/region that the association influences;
- b. how influential the association is in that market/region;
- c. the greenhouse gas (GHG) emissions of that market/region;
- d. how material the sector/part of the economy being represented is for the delivery of the company's climate transition plan and national climate plan(s) or national adaptation plan(s) (NDCs and NAPs);
- e. the scope for influence, ie whether the company holds a board (or equivalent) position and its annual spend on membership fees:¹³
- f. how engaged the association is on climate policy, ie its engagement intensity. If not assessed by InfluenceMap, consider reviewing the association's policy positions, communications outputs and involvement in meetings with policymakers that appear to address climate-related issues.

Priority should be given to business associations that operate within large markets/regions and those that have strong positions of influence in a market/region (eg associations with cross-sectoral membership), allowing them to influence a high percentage of GHG emissions in that market/region. Priority should also be given to associations representing material sectors, which have a high scope for influence and are actively engaged in climate policy (high engagement intensity).





Assess association alignment with science-aligned climate policy

a. For selected associations, first check whether the association has already been <u>analysed by InfluenceMap</u>, which maintains the world's leading database of corporate and industry association lobbying of climate policy around the globe. If an association is not in InfluenceMap's public database, you

¹² Companies find that creating an overview of the characteristics of their associations is also useful in order to assess the relevance of membership and potentially cut costs.

¹³ Judge how high or low the fee is according to the location.

can log an enquiry by contacting <u>engagements@influencemap</u>. org. You may also check whether the association is a member of <u>Climate Action for Associations</u> (CAFA), which is a network dedicated to sustainability in the membership sector.¹⁴

- b. If you are conducting your own analysis or appointing an external consultancy to undertake an analysis, ¹⁵ you should outline (over the past two years for initial reviews, and one year for subsequent reviews):
 - the top-line positions of the association. These can be obtained by conducting desk research reviewing materials on the association's website, press releases, statements made on social media/in public forums, etc.
 - detailed advocacy positions and engagement. This includes whether/how the association has responded to relevant government consultations and/or provided public commentary during the policymaking process).¹⁶
 - an alignment assessment detailing whether the association's
 policy engagement is aligned with the company's own
 climate positions, and whether it is aligned with a policy
 agenda that reflects what the global scientific community
 recommends as necessary for achieving the goals of the Paris
 Agreement (science-aligned climate policy) particularly
 limiting warming to 1.5°C, adapting to climate impacts and
 mobilising climate finance.

This covers issues such as the phasing out of fossil fuels, carbon-removal technologies, electrification and renewables, as well as the need for robust policy interventions, such as carbon pricing or emission standards. It may also cover issues that go beyond a direct focus on mitigating GHG emissions but are deemed by the scientific community as playing a key, enabling role in reaching net zero (eg the principles of a just transition, circular economy, nature, etc.). ¹⁷ The climate

¹⁴ CAFA provides a certified net zero programme of support for associations, servicing a growing membership of 69 trade associations and professional bodies, and their members, who represent thousands of businesses and around 1 million professionals worldwide.

¹⁵ Ensure that the consulting firm is aligned with Race to Zero's principles for net zero professional service providers; see Race to Zero (a).

¹⁶ Information on this may be available in InfluenceMap's database. See, for example, InfluenceMap's analysis of BusinessEurope's climate policy engagement (Lobbymap, b).

¹⁷ SSE, for instance, assesses association alignment against five key principles for reaching net zero, one of which includes whether the association seeks a just transition to net zero (SSE, 2022-23). Similarly, Ingka Group have also assessed associations based on their public support for developing a circular economy, circular business models and circular principles (Ingka Group, 2023).

policy engagement of your company and its industry groups should align with the scientific consensus in these areas. For guidance on what constitutes science-based climate policy, refer to the policy recommendations outlined in reputable climate reports, eg the Intergovernmental Panel on Climate Change (IPCC) and the International Energy Agency (IEA).¹⁸

• the engagement intensity of the organisation.

Companies should clearly explain their methodology for assessing alignment, as well as the assessment outcomes. For each climate policy engagement activity (top-line positions and advocacy activities), a potential classification system for assessing misalignment that would meet investor standards is:

- a. Supportive (the association has a purpose to accelerate climate ambition).
- b. Constructive (the association is actively engaged in this topic and its climate policy engagement is science-aligned).
- c. Misaligned (the association is actively engaged in this topic but its climate policy engagement is not science-aligned).
- d. Mixed (the association is actively engaged in this topic; some but not all of its climate policy engagement is science-aligned).
- e. Inactive (the association is not actively engaged in this topic).
- f. Unclear (the association is actively engaged in this topic, but insufficient information was available to assess whether its position is aligned or not).

Key terms

Engagement intensity is a measure of the intensity of climate policy engagement by the entity (on a scale of 0-100), according to InfluenceMap. For further guidance, see Lobbymap (a).

Alignment assessment details whether the association's policy engagement is aligned with the company's own climate advocacy

positions, and whether it is aligned with a policy agenda that reflects what the global scientific community recommends as necessary for achieving the goals of the Paris Agreement (science-aligned climate policy) – particularly limiting warming to 1.5C, adapting to climate impacts and mobilising climate finance.

¹⁸ The UN's Intergovernmental Panel on Climate Change (IPCC) provides the most comprehensive analysis and reporting on these topics. The policymaker summary of the IPCC's 2023 AR6 Synthesis report (IPCC, 2023) provides a broad synthesis of recent IPCC reporting, while the summary and sector-by-sector analysis within the IPCC's 2022 Working Group III report on the Mitigation of Climate Change (IPCC, 2022) provides more detail on the developments needed to achieve long-term emission targets. Other resources, like the 2021 IEA's Net Zero Roadmap (IEA, 2021) and 2023 update (IEA, 2023) also provide clear guidance.

Case study on assessing alignment

In March 2024, Unilever published its first <u>Climate Policy Engagement</u>
<u>Review</u>. The review has been recognised by InfluenceMap as setting a new best practice, scoring 100% against criteria based on the Global Standard on Responsible Climate Lobbying. ClimateVoice has also <u>applauded Unilever's review</u> against others.

As part of the review, Unilever commissioned Volans, a thinktank and advisory firm, to conduct an independent assessment of the climate policy engagement of its most important industry associations. The assessment looked in detail at 27 associations and how they had engaged in climate policy issues during 2022–23. The review found that in 26 of 27 cases there was room for improvement, either in terms of the association's alignment with a science-based policy agenda and/or in terms of its engagement intensity on climate policy issues. Individual actions were specified for each association, indicating how Unilever intends to engage to encourage (partially) misaligned or inactive associations to improve their performance.

WORK TOWARDS ALIGNMENT



Investor Standard 10

Determine a strategy to accelerate alignment

For misaligned, mixed, inactive or unclear associations, decide on a strategy and actions to be taken to work towards alignment, including clear timelines indicating when membership will be reassessed and any escalation actions that may be required. Corporate silence on association advocacy is not neutrality; it is acquiescence. When determining your strategy, reflect on the advantages and disadvantages of the following options, and preferably communicate transparently on the actions chosen, as well as the reasons for choosing them. It is important that you get internal buy-in for these steps from key relationship holders by building capacity within your own company and co-creating strategies.

5a. Stay and influence. You can either do this one-to-one or by collaborating with other members of the association. Each option has its own advantages and disadvantages. The advantage of engaging one-to-one is that you may have

more control over the influencing method chosen. The advantage of influencing alongside others is that you can create a louder, collaborative call for change in the association and apply collective pressure for the association to take action more quickly. The disadvantage of collaborating with others is that your own climate ambition may be watered down by the lowest common denominator.

In either case, until sufficient corrective action is taken, remaining in the association leaves your business exposed to the risk that it is indirectly contributing to policies that are misaligned with the Paris Agreement goals. Therefore, it is recommended that you set a timeline before reconsidering membership where this is applicable (eg two years).

Techniques to influence your association include:

Requesting information:

- Asking for a copy of the association's climate strategy, including targets and who in the association is responsible;
- Requesting industry-specific, climate-related resources and guidance.

Taking action together:

- Connecting senior leadership (eg a CEO/board advocate) in your business and senior leadership in the association to discuss climate goals and how they are integrated in the overall mission, goals and plans of the association;
- Establishing climate working groups and/or a dedicated workstream to accelerate integration of climate in the association.

Advocating from within:

- Encouraging the association to join Climate Action for Associations, and/or increase its InfluenceMap score;
- Lobbying your association to embed climate-related items into its code of practice/conduct, training provision and industry resources;
- Pushing for climate-led discussions to be mainstream at events:
- Encouraging climate champions/new appointments within the associations staff;
- Citing investor pressure as a reason to increase climate policy engagement.¹⁹

¹⁹ For example, Climate Action 100+ (a voluntary initiative of 700 investors working to ensure the world's largest corporate GHG emitters take necessary action on climate change) has been engaging with companies on climate policy engagement (2023, a).

Elevating concerns:

- Raising concerns via committees or in letters, eg requesting that the association refrain from engaging in climate policy issues or climate events like COPs if activity is misaligned;
- Making public statements to highlight where your company does not agree with the association;
- · Considering media engagement; and
- Considering reducing your fees.

5b. Reconsider membership in the association where

applicable.²⁰ If insufficient action is taken to correct the misalignment following engagement and dialogue with the association within your agreed timeline, consider suspending your membership (with an opportunity for future review), or terminating membership as a last resort. You may then consider suggesting that other companies leave the association too. The advantage of taking these steps is that you protect your business's climate strategy and reputation. The disadvantage is that you will not be able to make use of any other membership benefits that they offer or use your continued presence to pressure and influence the association to change. If you do decide to suspend or terminate your membership, ensure you clearly communicate your reasons for leaving to the association.



Execute your strategy

Communicate your requirements to the business associations, based on your strategy above. Set up dialogues with key stakeholders in each prioritised business association and other prominent members with climate goals. Deliver your analysis and a succinct list of suggested actions to take to the business association, alongside the business association letter template below.

Investor Standard 10

TEP Disc

Investor Standard 9, 10, 12, 13, 14

Disclose

Disclose your company's review of your business association alignment, and ideally your strategy to engage. Ensure this is on your website and refer to best practice examples.²¹ You may consider disclosing this review when reporting on your own climate policy engagement strategies, which can be carried out before executing

- 20 Membership in some business associations may be mandatory.
- 21 InfluenceMap (2023, a).

your strategy. Ideally, you would also communicate your strategy for engaging associations in sustainability reports or via other public forums as an important step in influencing others to take action. Strong public statements provide a critical way to use your influence for positive change.

Case studies on addressing alignment:

Developing and disclosing a strategy to address misalignments:Iberdrola has published a clear, <u>step-by-step framework</u> outlining how it identifies and engages with associations that are misaligned. In addition to highlighting the initial steps that Iberdrola implements to try and correct misalignments when they are first identified, the framework also lays out an escalation strategy with corresponding deadlines should the association fail to take sufficient corrective action.

Engagement actions:

- General Motors' CEO Mary Barra met with the US Chamber of Commerce president and CEO Suzanne Clark in 2023 to express the company's climate policy position, share its visions for an all-electric vehicle future and request that the US Chamber support complementary policies needed to achieve that vision.
- L'Oréal has released a <u>Responsible Lobbying Policy</u> and expressly notes that it reserves the right to dissent when it does not share positions taken by its associations.
- Through Corporate Knights' Action Declaration on Climate Policy,
 58 companies operating across a range of sectors and regions with
 combined revenues of US\$900bn (including BT Group, Enel, H&M Group
 and Iberdrola) have committed to aligning their direct and indirect (via
 industry associations) policy engagement with the goals of the Paris
 Agreement and publishing an industry association audit on climate policy.
- Unilever, Mars, Danone and Nestlé set up the <u>Sustainable Food Policy</u>
 <u>Alliance</u> to accelerate sustainable change in the food industry.
- BHP and Origin Energy both <u>suspended their memberships</u> to Queensland Resources Council (QRC) in 2020 in response to the industry association's "Vote Green Last" campaign, and South32 also contacted the QRC to clearly express its opposition to the anti-Greens advertising.

Leaving the association:

- Carmaker Volvo decided to <u>announce its departure</u> from the European Automobile Manufacturers Association (ACEA) by the end of 2022. The decision was made as the ACEA's targets are no longer aligned with the company, as the organisation follows the guidelines of the European Union (EU), which is expected to ban fossil-fuel cars from 2035.
- Trane Technologies, a heating, ventilation and air conditioning systems manufacturer, left both the <u>US Chamber of Commerce</u> and <u>Business</u> <u>Roundtable</u> in 2019 due to misalignment with climate policy positions. Apple also left the US Chamber of Commerce in 2009.
- Fortescue <u>withdrew</u> its membership to the New South Wales Minerals
 Council in June 2021 due to the association's continued backing for coal
 and coal exports, and <u>withdrew its membership</u> to DomGas Alliance in
 2021 due to misalignment between Fortescue's position on long-term gas
 development and that of the Alliance.
- Google's chair mentioned at the <u>end of an NPR interview</u> that the company stopped paying to be members of the American Legislative Exchange Council (ALEC) because of their opposition to climate change policies.

Expectations for associations

Most business associations operate as not-for-profit entities. Governed by a duty of care, they should act in the best interests of their members and wider society. There are many business associations that understand that they have an obligation to align with the Paris Agreement and the UN Sustainable Development Goals, and that their associated internal and member-facing policies are crucial for long-term industry integrity and societal health.

Actions that associations should be implementing to align with climate action are reflected in the Climate Action for Associations (CAFA) <u>Best Practice Framework</u>, which covers eight key steps and includes "advocating for policies that support the industry to transition to net zero". CAFA has produced <u>Climate Policy Guidelines</u> for further information on this part of their framework.

Template letter

Businesses can use these points in a letter to their associations, following on from the guidance above:

Generic points and questions for engagement

- Please share a copy of your climate strategy with us, including any targets and who in the association is responsible for the delivery of your climate strategy.
- Do you have any industry-specific, climate-related resources or guidance?
- If not, how can this be developed or embedded into the association's work?
- Would you be available for a meeting to discuss the association's climate strategy?
- Is there a climate working group or dedicated workstream that my company can join?
- Is the association aware of its <u>InfluenceMap score</u>? Has the association considered joining <u>CAFA</u>?
- Do you have any upcoming climate-related events?
- Who in the association is responsible for climate-related work?
- I have noted increased investor attention on climate policy engagement. Is this something the association is considering?

Where necessary, you can consider elevating concerns through committees, letters, public statements or fee reductions, for example.

Specific requests for assessment

- Please advise us on the association's climate policy engagement,²² as well as any advocacy/engagement activities undertaken to support these positions. Please send us any URLs of public positions and any non-public documents issued in the association's name.
- Please explain how your organisation's positions on climate-related policy are developed (eg in which committee(s), whether these positions are subject to any voting/surveying, etc), including any measures taken to ensure they support science-aligned climate policy.²³
- Please provide us with a breakdown of the climate policy engagement positions/activities outlined, explaining whether these are consistent with science-aligned climate policy.

²² See key terms.

²³ See key terms.

ACCELERATE CLIMATE GOALS



Investor Standard 11

Acknowledge/reward well-aligned associations

You could do this by renewing your memberships and communicating an association's alignment with science-aligned climate policy as a key reason for membership renewal. You could also do this by being an active member of the group, participating in the association's climate workstreams, sharing your experience at events, openly promoting the association's work, contributing to content, guidance and research, or contributing financially or in kind to any initiative or scheme that the association is running to accelerate industry transition (eg schemes to help sectoral SMEs align with climate ambition).



Investor Standard

Engage in climate-aligned initiatives and/or associations

An advantage of this approach is that it could increase pressure on the misaligned business associations that fear new initiatives/ associations will replace them. This in turn provides an incentive for these associations to take corrective actions in order to maintain market competitiveness and stay relevant. However, it is worth noting that engaging in climate-aligned initiatives does not absolve the work needed to align other business associations that require membership encouragement to meet ambitious climate goals.

Case studies on accelerating climate goals:

Climate initiatives

• The Fossil to Clean campaign, with over 200 committed businesses, is a global movement of businesses moving from fossil fuels to clean solutions. Leading businesses and business groups came to COP28 with a call for the phasing out of fossil fuels, the tripling of renewable capacity and the doubling of energy efficiency. Their voices were heard loud and clear. Decisive action by businesses can help embolden policymakers to enact policies for bringing in clean solutions and phasing out fossil fuels on a science-based timeline. To find out more about the campaign and how you can support it, please see our website or email FFPO@wmbcoalition.org.

Institute for Sustainability Leadership – CLG UK and CLG Europe – bring together business leaders committed to supporting the transformation to competitive, sustainable, inclusive economies. Through exchange of evidence-based ideas and influential discussions with policymakers and peers, the CLGs advocate sustainable business and policy solutions. For example, CLG UK spoke first and loudest in support of the UK's Climate Change Act, and now sits at the heart of a growing community of progressive business voices around the world. Over the past few years, CLG Europe has mobilised businesses to support the European Green Deal, including writing letters supporting the EU's 2030 and 2040 targets, and developed thinking around how to drive competitive sustainability and an industrial policy driven by climate and environment at its core. The CLGs also supported the Fossil to Clean campaign.

Ambitious associations

- Top-line positions: in a policy recommendation document published in June 2022, <u>Eurelectric supported</u> GHG emissions reductions in line with the 1.5C target, and in July 2022, the association <u>endorsed</u> the EU's Green Deal and Fit for 55 package.
- Detailed advocacy: in a July 2022 report titled It All Hinges on Renewables, National Business Initiative strongly advocated the transition to a renewables-dominated energy mix in South Africa. The organisation called for a change to the status quo in the energy sector, and supported an improved policy environment to allow for the large-scale deployment of renewables, including wind and solar, in South Africa.

The <u>Association of Electrical and Mechanical Trades</u> (AEMT) are putting a specific code of conduct in place that their members must meet as a part of their membership obligations. AEMT are also providing their members with the resources and support they need to reduce emissions, as well as measuring and reporting on their own emissions to set expectations with their members and lead by example.

The Chartered Institute of Internal Auditors (Chartered IIA) recently consulted its members and stakeholders on a draft revised Internal Audit Code of Practice which for the first-time ever explicitly references the need for internal audit functions to include environmental sustainability and climate risk in their audit plans.

A wider movement: <u>CAFA</u> is the only network dedicated to sustainability
in the membership sector. CAFA provides a certified net zero programme
of support for associations, servicing a growing membership of 69 trade
associations and professional bodies, and their members who represent
thousands of businesses and around 1 million professionals worldwide.

GAPS AND FUTURE RESOURCES

Companies need easy and reasonably priced access to independent assessments of business associations, for example via organisations such as InfluenceMap, in order to be able to take the steps outlined above. Philanthropy could play a role in supporting further independent assessments being undertaken.

World Business Council for Sustainable Development (WBCSD) have recently launched a positive policy engagement workstream to support its member companies in aligning lobbying and advocacy efforts with corporate climate goals. Volans and WBCSD will be producing more detailed guidance on how best to assess, align and activate industry associations. They will be publishing a playbook for companies seeking to optimise the climate policy engagement of their industry associations in 2025. You can find out more by contacting Elisa Leimer on leimer@wbcsd.org.

The We Mean Business Coalition will update the <u>Responsible Policy</u> <u>Engagement Framework</u> with new resources for companies, including on corporate climate advocacy reporting and on corporate climate advocacy spend in the autumn of 2024.

Where associations are not aligning with science-aligned climate policy but have the potential and appetite to transition, they could be placed in contact with <u>CAFA</u> to access support to increase their alignment, boost levels of action and improve their score.

The process of putting together this guide underpins the need for clear standards on climate policy engagement, including the incorporation of expectations into prevalent climate-related disclosure frameworks and standards, and more transparency on the policy positions of associations. Again, funders could play a role in facilitating greater transparency.

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"Business engagement on climate action is critical. Supporting ambitious climate policy is one way businesses can demonstrate leadership. It is critical that business associations work collaboratively with their business members to support policy incentives that unlock innovation and progress us faster on the #RacetoZero."

Nigar Arpadarai,

UN Climate Change High-Level Climate Champion for COP29

"Companies' own climate commitments ring hollow if they are not also looking at the wider ecosystem in which they operate. Business associations hold huge sway in the climate policy landscape and can have a vast impact on the speed of the transition. It's essential that companies are transparent about who is representing them and unrelenting in the climate commitment they expect from them. Promisingly, we are now seeing positive trends in this space and this Guide for Trade Associations may accelerate this."

Catherine McKenna,

Chair of UN Secretary-General's High-Level Expert Group on Net-Zero Commitments, former Canadian Minister of Environment and Climate Change

"Business associations have the power to help drive climate policy action. The Business Associations Climate Action Guide clarifies what steps businesses should take to assess, align and accelerate their business associations in achieving climate policy ambition. Unilever is pleased that our recent review of associations is featured as a case study in the guide. We hope a combination of constructive partnerships and increased scrutiny will not only support Unilever in achieving its climate goals but will also create a ripple effect for other companies working in this area."

Fiona Duggan,

Global Sustainability Senior Manager - Climate Advocacy, Unilever



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