Words from Bill Weihl

The enactment of the Inflation Reduction Act (IRA) represents the beginning—not the end—of a new era of bold policy to address the climate crisis. Now, we need to accelerate the pace of climate action at the federal, state, and local levels—and the corporate sector has a major role to play. This guide provides information for employees who want their companies to actively drive the policy shift to a clean energy economy.

As this guide illustrates, companies have a strong stake in addressing the climate crisis, and a growing number are speaking up for climate policy. The vocal role of companies like Salesforce and Walmart in passing historic climate legislation in 2022 showed the positive influence the corporate sector has on shaping public policy. They helped put our nation on the path to a clean energy economy and set an example that other businesses should follow in the coming years.

Over the last few years, big trade associations (including the U.S. Chamber of Commerce, the Business Roundtable, and the National Association of Manufacturers) have sided with fossil fuel companies and worked to obstruct progress on climate policy. And until recently, most companies have let these trade associations speak for them. These groups stopped Build Back Better from passing in 2021, but failed to defeat the IRA in 2022. This shows they are no longer invincible. Once employees are educated about the stakes for climate policy they can ask their business leaders to stop letting trade associations speak for them.

A new era of corporate advocacy on climate can help build momentum behind a wide range of policy solutions, from building electrification to grid infrastructure to carbon pricing. It’s exciting to be a part of this huge transformation, and to see the corporate sector begin to exert its leadership in a positive direction. More is needed and this is only the beginning.

Best,

Bill Weihl
Executive Director
ClimateVoice
The imperative to act on climate becomes clearer with each passing day—as communities are devastated by heat waves, wildfires, drought, and other climate-fueled disasters. According to the latest reports from the United Nations and the International Energy Agency, it is “now or never” for countries to act to reduce global warming. Climate change is no longer a distant problem, affecting people far away or in some remote future—it is here now, wreaking havoc and getting worse every day.

Given this urgent reality, the question becomes what should each of us do now?

At ClimateVoice, we know one of the most impactful actions individuals can take is to demand that their employers publicly support climate policy. Companies exert extraordinary influence in both policy and politics, and employees are in a unique position to unlock that power for climate action. In fact, the workforce has been a driving force behind corporate stands on many social issues from racial justice to gender equality to LGBTQ rights. According to research by Kite Insights, 8 out of 10 employees are “ready and willing to take action on climate change in their jobs.” And a majority of respondents (70%) said they were “very” or “quite interested” in training related to climate at work. By pushing companies to increase their climate advocacy, employees can create a tipping point for policy change.

In order to exert that influence, employees need to understand the business case for corporate advocacy and the key pillars of climate policy. This guide explains why policy is a critical lever for change, which investments are most effective, and how corporations can use their influence to address the climate crisis at scale.

One of the most impactful actions individuals can take is to demand that their employers publicly support climate policy.
Climate change is not good for business. In his book *Climatenomics*, Bob Keefe outlines all the ways climate negatively affects the economy and argues that “supply chain disruptions” have become a euphemism for climate change impacts. In 2021, climate-related weather disasters cost the U.S. economy more than $145 billion dollars, a nearly 50% increase from 2020. A report from the reinsurance firm Swiss Re found that climate disasters could cost the U.S. economy 10% of gross domestic product by 2050. A 2018 National Climate Assessment projects that rising temperatures and extreme heat will decrease worker productivity by $221 billion a year by 2090, with climate-related weather disasters projected to cost the U.S. $500 billion a year. Together these findings make a strong case for why the private sector has a direct stake in solving the climate crisis.

The first step many companies take is to establish goals to reduce their own carbon emissions. Over 3,000 companies are part of the Science Based Targets Initiative, which provides organizations with a path to reduce emissions in line with the Paris Agreement goals. The Paris Agreement was the key outcome of the 2015 UN IPCC Conference of the Parties (COP); it established a global framework to limit global warming to well-below 2°C above pre-industrial levels and recommended pursuing efforts to limit warming to 1.5°C.

But companies that are truly committed to averting the climate crisis must take their commitment a step further and engage directly in support of policy. InfluenceMap is a think tank that studies corporate influence on climate. Their *Climate Policy Footprint* report finds that a corporation’s influence and impact over policy and regulations may have a far more profound impact on climate change than the actual physical emissions in its operations, suppliers, and products (Scope 1, 2, & 3 emissions impact).
InfluenceMap terms this influence “Scope 4 impact” to emphasize that policy advocacy by companies needs to be considered alongside operational and value chain emissions when evaluating a company’s impact on climate change.

Scientists, politicians, and other global leaders overwhelmingly agree that to keep warming below 1.5°C we need to achieve net-zero carbon emissions by 2050. To meet that long-term goal, we need to cut greenhouse gas emissions in half by 2030.

This is daunting, but achievable through bold public policy that can accelerate and scale a clean-energy transition. This transition has the potential to improve most people’s lives, but ensuring that requires being intentional with policy design to center justice and equity, rather than simply relying on the market to sort things out. If companies use their influence to advocate for bold climate policy—everywhere they operate—they can achieve enormous positive Scope 4 impact.
Why Employees Should Care About Climate Policy

Public policy accelerates the adoption and deployment of new technologies. It helps set the “rules of the road” for key markets—in energy, transportation, buildings, and industry—to ensure a level playing field for all participants, in a way that drives a rapid and just transition to a zero-carbon economy. Public investment—through tax incentives or direct outlays—is also necessary because we are running out of time.

It’s vital to set our sights on both the net-zero by 2050 target and on the 50% cut in emissions by 2030. For the former, we clearly need support for innovation, including research and development of technologies that are at best at an early nascent stage today. For the latter, we need to drive rapid deployment of the solutions we have available today. While we also need policies addressing resilience and adaptation, this guide is primarily focused on mitigation.
What is Holding Companies Back?

Companies and employees see the need to address climate change—and yet, global emissions are still rising. Why? Largely because we have not been able to find the political will to implement climate solutions at scale. It’s not a technical problem, it’s a political problem.

The roadblock to climate policy progress is easy to identify. Fossil fuel companies and their allies have enormous influence and they take every opportunity to use that influence in their own self-interest to stymie policy progress. At the same time, most other companies, while making major strides to decarbonize their own operations and even their supply chains, are virtually silent in public policy debates. They passively allow their own powerful trade associations to follow the lead of the fossil fuel companies and spend heavily to block climate policies, or to keep the policy debate focused primarily on the longer term (e.g., investment in innovation that will help cut emissions after 2030) while delaying any action in the near term.

Pro-climate companies occasionally speak up in favor of climate policy, but their support is a mere whisper compared to the roar of opposition coming from the fossil fuel industry. As a result, attempts to pass stringent climate policy measures often fail or are watered down—even though thousands of businesses say they are in favor, and opinion polls show most of the U.S. population is also supportive of strong climate policy. According to Yale University, 75% of U.S. adults report being concerned, cautious, or alarmed about the climate crisis. 

Employees should demand that companies match that rhetoric with strategic and sustained policy engagement. It is not enough to show up for high profile events like the COP or release tepid announcements supporting global action. **Companies need to advocate for systemic solutions and stop hiding behind their trade associations as those groups spend millions to obstruct policy progress.**

Fossil fuel companies and their allies have enormous influence and they take every opportunity to use that influence in their own self-interest to stymie policy progress.
A Suite of Pro-Climate Policies

A robust array of policies will be needed to catalyze a just transition to clean energy. In developing this policy guide, ClimateVoice relied heavily on the technical analysis done by Energy Innovation, especially their summary of key policy options.\(^9\) The list below is not intended to be exhaustive; it is an illustrative overview highlighting the kinds of policies companies should support if they are fully committed to fighting climate change. The most effective policies in each state or country will vary based on major sources of emissions, as well as existing local laws and regulations. In addition to supporting these types of policies, companies should take a clear stand against rollbacks of existing policies, as well as against any new policies that impede or reverse progress.

Some useful policies involve setting standards or changing financial incentives to guide markets rapidly toward a zero-carbon economy. Some involve government investment to rapidly build out the infrastructure needed as a foundation for the new economy, or to fund innovation. All should be centered on justice and equity, ensuring that everyone, including frontline communities, communities of color, and workers in industries that may be negatively affected by the coming transition, can raise their voices, apply their knowledge, and thrive and prosper.

Most critically, we need policies that will drive rapid deployment of the solutions we have in hand today to avoid blowing our entire ‘carbon budget’ in the next decade.\(^{10}\) Examples include zero-carbon electricity (especially wind and solar), energy storage and transmission, electric vehicles (EVs), and heat pumps which can fully electrify HVAC systems. We also need policies that drive the basic science and invention to build the solutions we’ll need in the following decades—e.g., for zero-carbon cement and steel, zero-carbon aviation and ocean transport, and carbon removal.

The list below provides a summary of some high-impact policies that are most likely to be effective globally. Justice and equity should be central to the details of any policy, and most of these policies will create enormous business opportunities and job creation.
SUITE OF PRO-CLIMATE POLICIES: OVERVIEW

- 100% clean energy standards
- Incentives for existing zero-carbon technologies
- Elimination of subsidies for fossil fuels, and support for green financing authorities
- Electrification standards and incentives
- Energy efficiency programs and incentives
- Support for innovation on climate solutions
- A price on carbon
- Investments in transmission and grid infrastructure
- Support for limits on pollution and elimination of super pollutants
- Support for climate-friendly diets and sustainable farming practices

All policies should be centered on justice and equity, ensuring that everyone can raise their voices, apply their knowledge, and thrive and prosper.
**100% clean energy standards**

We know we need to transition the electric grid to 100% clean energy; a number of states and countries have enacted laws mandating this and are well on their way to decarbonizing the electricity sector.

**Incentives for existing zero-carbon technologies**

Tax credits and other incentives for clean technologies (solar, wind, EVs, storage, geothermal, carbon capture, etc.) are politically popular and can be helpful in accelerating adoption.

**Elimination of subsidies for fossil fuels, and support for green financing authorities**

Today governments provide massive subsidies for fossil fuels. We need to phase these out in order to enable a transition to a zero-carbon economy. In tandem, we need to fund “green banks” that can attract and leverage private finance for climate solutions.

**Electrification standards and incentives**

One critical element of most pathways to decarbonize our modern society involves electrifying (almost) everything. We need to eliminate emissions from our buildings and transportation systems. A combination of standards and incentives can accelerate this transition. Examples include building codes (e.g., to eliminate fossil fuels from buildings), zero-emission vehicle standards, and tax credits for EVs and heat pumps.
Energy efficiency programs and incentives

These are relevant in many sectors, from buildings, to appliances, to transportation. Building codes, appliance standards, fuel economy standards, and incentives to accelerate adoption have been extraordinarily successful at “bending the curve” of energy consumption. Fuel switching to efficient heat pumps\(^{11}\) and induction cooking\(^{12}\) also reduce energy consumption dramatically while improving indoor air quality, making buildings cheaper to operate and healthier to live and work in.

Support for innovation on climate solutions

The world can go a very long way to decarbonizing the economy with existing technologies that are already cost-effective—and those technologies will continue to get better and cheaper. However, we also need R&D to develop solutions in areas where we don’t yet have cost-effective solutions—such as grid-scale energy storage, carbon removal, and zero-carbon cement. Investment is needed across the full chain of innovation, from basic science, to early-stage start-ups, to deployment of first-of-its-kind projects, to scaling up. Beyond support for very early stage R&D, we need policies that can accelerate technologies along their experience curves.\(^{13}\) The right policy depends on the technology, its stage of development, and the competition it faces in the market, in addition to a number of other factors.
SUITE OF PRO-CLIMATE POLICIES: DETAILS

**A price on carbon**

For years, pricing the “externality” has been a favored approach of many economists and policy wonks. It has the potential advantage of being cross-sector, and of using market forces to choose the cheapest places to decarbonize first. In some situations, sector-specific approaches (e.g., the Regional Greenhouse Gas Initiative\(^\text{14}\) for power plants, or the Transportation and Climate Initiative\(^\text{15}\) for transportation) may be easier to enact than broader policies. However, any carbon pricing system must be carefully designed to ensure that the concerns of frontline and fenceline communities are addressed, including the rapid cleanup of the pollution that plagues many such communities, along with the concerns of workers whose jobs might be displaced by the transition. To be effective, a carbon pricing system must either be global, or have “border adjustments” to account for differing policies in different jurisdictions. (Mildenberger and Stokes’ article provides a good summary of the political and policy problems with carbon pricing.\(^\text{16}\))

**Investments in transmission and grid infrastructure**

We have massive wind and solar resources around the U.S. We need policies to speed up the efficient deployment of well-planned, new transmission lines to move energy from where it is plentiful and cheap to where it is needed. We also need policies that modernize the grid to make it more flexible and resilient, including driving deployment of storage and using demand response in real time to adapt to fluctuations in variable resources.
Support for limits on pollution and elimination of super pollutants

We need stronger rules to limit or prevent methane emissions and to phase out chemicals that are particularly potent greenhouse gasses, e.g., hydrofluorocarbons (HFCs). We also need the executive branch to use their federal regulatory authority to set limits on pollution from the power sector, our cars and trucks, and various other sources. These standards complement investments and tax credits to help speed the transition to lower emitting technologies like clean energy and EVs, while delivering the public health benefits of reduced pollution.

Support for climate-friendly diets and sustainable farming practices

Our agricultural sector is uniquely vulnerable to the physical impacts of climate change. We must ensure shifts to less resource-intensive and more plant-forward diets that also reduce food waste. Along the way to a more sustainable food system, helping farmers sequester more carbon in the soil will be vital to mitigating greenhouse gas emissions.
Centering Justice and Equity

Environmental justice is central to successful policy efforts to address climate change, and frontline communities have lived experiences that are vital to the process. Today’s Environmental Justice (EJ) movement started in the 1980s when activists protested the unequal placement of hazardous waste sites in communities of color. As Dr. Robert Bullard, often described as the “father” of Environmental Justice, wrote: “Communities of color in urban ghettos, in rural ‘poverty pockets’ or on economically impoverished Native American reservations face some of the worst environmental devastation in the nation.” While this injustice has been well documented in subsequent decades, it is far from solved.

Today, advocates also use the term “climate justice” to call urgent attention to the fact that the people least responsible for creating the climate crisis, and often with the fewest resources to address it, in the U.S. and around the world, are disproportionately bearing the brunt of its negative consequences. It is also important to note that many communities are not able to invest in climate solutions because they are dealing with urgent problems like food insecurity, unemployment and lack of affordable housing. Companies can help level the playing field by investing ways to overcome barriers to climate action.

A central insight of the EJ movement is that the process for creating policy is equally important to the policy itself. Members of communities who experience the most harm should have a seat at the table when crafting climate solutions. Rather than treating climate solely as a technical problem to be solved, policymakers must explicitly address and include the human impact of their decisions. The Just Transition Alliance, a coalition of EJ organizations and labor unions, outlines six principles for a just transition that focus on workers in the fossil fuel industry who will be displaced by an energy transition, as well...
as communities who directly suffer from pollution. Their first principle is “Workers, community residents, and Indigenous Peoples around the world have a fundamental human right to clean air, water, land and food in their workplaces, homes, and environment.”

While there are many examples of equitable climate policies passed in the last several years, we need more legislation that is explicitly centered on justice to ensure that all benefit from the coming transition. At the federal level, the Justice40 Initiative is a government effort to ensure that federal agencies work with states and local communities to ensure that at least 40% of the overall benefits from federal investments in climate and clean energy will go to disadvantaged communities.

The ultimate goal is to target the most resources to communities that are the most impacted, ensuring that they get their fair share of the benefits of climate action.

“Just Transition” is a principle, a process and a practice. The principle of just transition is that a healthy economy and a clean environment can and should co-exist. The process for achieving this vision should be a fair one that should not cost workers or community residents their health, environment, jobs, or economic assets. Any losses should be fairly compensated. And the practice of just transition means that the people who are most affected by pollution—the frontline workers and the fenceline communities—should be in the leadership of crafting policy solutions.

- Just Transition Alliance
The Climate Leadership and Community Protection Act, passed by New York State in 2019 after a sustained campaign by NY Renews, a multi-sector climate/jobs/justice coalition, is a good example of a bill that puts EJ concerns at the center—both in the details of the final bill and in the process involved in developing and passing it. Groups representing frontline communities were heavily involved in the development of the bill, ensuring it addresses many of their concerns, both about historical pollution and inequities, and about who will benefit from the economic development arising from the transition to a zero-carbon economy. The ultimate goal is to target the most resources to communities that are the most impacted, ensuring that they get their fair share of the benefits of climate action. When ClimateVoice says companies should advocate for bold, just and science-based climate policies we mean that policy makers have analyzed and taken into account potential adverse impacts. The goal is to be broadly just and equitable, not narrowly technocratic. Perhaps most importantly, companies need to understand that there is no one solution for climate—not in the technical solutions needed, nor in the policies required to drive change at the speed and scale required. We need a comprehensive suite of policies centered around justice—and companies should remember that equity, inclusion, and justice are good for business.  

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Companies Know How to Advocate for Climate

Moving companies into climate policy advocacy does not mean starting at zero. Most companies—especially large ones—already lobby governments regularly. They do this directly, through their own staff and contracts with firms that specialize in lobbying. They also do it indirectly, through their trade association memberships (both sector-specific and cross-sector). Beyond direct contact with policymakers, companies also use their marketing and PR to influence policy agendas, and sometimes reach out to their customers and suppliers to encourage them to speak up in policy debates. And in the U.S., many companies make contributions to political campaigns, which gives them ongoing influence with policymakers who are dependent on that money.

When a company is faced with an issue they feel affects the core of their business (e.g., antitrust laws, regulation of speech on the internet, privacy laws, trade, etc)—or to put it differently, when an issue really matters to them—they deploy every form of influence they can to steer the policy outcome in a direction that benefits them the most and harms them the least. When an issue is more tangential to their core business, companies tend to be silent or speak up infrequently and reactively.

InfluenceMap research demonstrates that the fossil fuel industry and its allies have been vocal and deeply engaged in energy and climate policy for years, while other companies have been mostly silent. To counter the ongoing obstruction by the fossil fuel industry, we need other businesses to speak up—regularly, persistently, and strategically, in every place they operate. Strategic advocacy involves dedicating staff (perhaps through a trade association) to track an issue, be on top of developments in legislatures and regulatory agencies, and to engage regularly to support useful policies (and to stop the passage of bad policies). Crucially, it requires tracking what the opposition is doing to stymie progress, and engaging to counter that opposition.

This might seem like a big “ask,” but remember that companies already do this on a number of issues. We need them to prioritize the climate crisis in their advocacy and treat it like any other existential issue. We need them to “lobby like they mean it.”
Conclusion: A Matter of Will

Many of the solutions society needs to start addressing the climate crisis in the near-term are already at our fingertips, and we have the creativity and entrepreneurial spirit to develop the others over the longer-term.

In the near term, we need to muster the collective will to enact policies that will guide the entire economy toward a clean and equitable zero-carbon future—by rapidly deploying clean energy technologies at enormous scale. Companies have the responsibility, the opportunity, and the ability to use their enormous influence in support of climate policies, across all sectors of the economy, and everywhere they operate. And employees have the power to get their companies off the sidelines in these critical policy debates.

It is unfortunate that climate change has become a polarized and politicized issue, especially in the U.S. That, however, is the reality we have to work with—and companies, especially when they band together, can help reduce the partisan divide. Together, the public and private sectors can create a safe, just, and prosperous future for us all, but only if everyone—and especially their employees—calls on them to do it, and urgently.

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Resources

**AAA Framework for Climate Policy Leadership**
Creating a science-based climate policy agenda that advocates for and aligns trade associations with policies for net-zero emissions by 2050, and allocates money to advance climate policies.

**Advanced Energy Economy**
Transforming public policy to enable rapid growth of advanced energy businesses.

**Ceres**
Driving action and inspiring equitable market-based and policy solutions throughout the economy.

**Change the Chamber**
Bipartisan group of students that supports the implementation of already proven renewable energy and energy efficiency technologies to reduce greenhouse gas emissions, help stabilize our climate and prevent the worst impacts of climate change.

**Drawdown Labs**
A consortium of visionary private sector partners working to go beyond “net zero” to scale climate solutions in the world, within and outside their own operations.

**Energy Innovation**
A non-partisan energy and climate policy think tank providing customized analysis to decision-makers and thought leaders to support policy design that reduces emissions at the speed and scale required for a safe climate future.

**EDF + Business**
Driving EDF’s aggressive goals for oceans, climate, health, and ecosystems by leveraging the power of business to model the way for sustainability and smart policy.

**E2 (Environmental Entrepreneurs)**
Pioneering innovative research analyzing the vast economic benefits environmental and renewable energy policies can provide america.

**Evergreen Action**
Building an ambitious, actionable policy roadmap for an all-out mobilization to defeat climate change and create millions of jobs through a thriving, just and inclusive clean energy future.
Resources

**InfluenceMap**
Providing data and analysis on how business and finance are affecting the climate crisis. Maintains the world’s leading database of corporate and industry association lobbying of climate policy around the globe.

**Interfaith Center on Corporate Responsibility**
ICCR’s Climate Change group is working to identify climate challenges and opportunities facing the private sector and to develop strategies that reduce corporate carbon footprints.

**International Energy Agency**
The Global Energy Review 2021 report assesses the direction energy demand and carbon dioxide emissions are taking in 2021, while illustrating the need to stop expanding fossil fuel production.

**Rewiring America**
Crafting the blueprint for Americans to achieve energy efficiency, tackle nationwide emission goals, improve health, save consumers money, and build the next generation of the American workforce in clean energy.

**Global Standard for Responsible Climate Lobbying**
Intending to achieve a step-change in the commitment of investors and companies to responsible climate lobbying in practice, with its application facilitating good governance and whether corporate lobbying is aligned with Paris goals.

**The Good Lobby**
Supporting nonprofits, activists, progressive businesses, and philanthropies to shift public policies through a combination of strategic advocacy advice, training, and unconventional alliances.
REFERENCES


20. See https://www.weforum.org/agenda/2019/04/business-case-for-diversity-in-the-workplace/ for a number of studies showing the positive impact of equity, inclusion and justice on business.
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ClimateVoice aims to leverage the power of corporate influence from climate-positive companies to help win crucial climate policy battles.

Our unique mission is to mobilize the voice of the workforce to urge companies to go “all in” on climate, both in business practices and in policy advocacy. **We believe employee engagement is the key lever to propel corporate action.** When employees speak up as a group, and urge companies to advocate on climate policy, it catalyzes change at the highest levels.

ClimateVoice is a project of Tides Center, a 501(c)(3) nonprofit organization. For more information, visit [www.climatevoice.org](http://www.climatevoice.org).