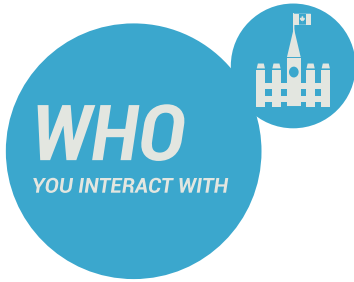


The Transformational Company Guide

Quality #19 - Public Policy Advocacy



For more information on the new business leadership standard visit
www.cbsr.ca/transformationalcompany



Transformational Company Quality

19: PUBLIC POLICY ADVOCACY



Transformational companies advocate for public policy that advances sustainability.

WHAT IS IT?

To achieve a future in which business and society can thrive, government leadership in developing progressive economic, social and environmental policy is essential. Governments are more prepared to lead on sustainable public policy measures when there is private sector support. In the absence of such support, legislative, regulatory and programmatic changes that favour sustainability are slow and incremental.

To accelerate their sustainability ambitions and make the necessary business model investments, progressive business need governments and policy-makers to provide an enabling environment – this is integral to advancing sustainability progress.

Leading companies understand this and actively engage with governments and regulators to create the context to help them to achieve their sustainability goals and build a strong foundation for societal well-being and long-term business health. Recognizing the private sector, governments and civil society can achieve more if they work in partnerships, transformational businesses lead or join coalitions or multi-stakeholder collaborations to foster system change and catalyse progressive public policy. These companies give their government relations professionals mandates to collaborate with stakeholders to bring about public policy changes on issues most relevant to their business and sustainability goals and where they can make the biggest difference.

Their public policy advocacy includes encouraging peers, competitors and trade associations to engage with governments at local, national and international levels, taking part in multi-stakeholder debates, becoming a public voice on top sustainability issues, and providing constructive input into public consultations. It avoids direct or indirect support for policies or positions that further increase the risks and impacts of sustainability trends. Rather than seeing social or environmental regulatory measures as an unnecessary burden that will harm business, they see their potential to incentivize innovation and adapt to global risks.

Business and government are interdependent. Governments need the insights and support of businesses to advance effective sustainability policy. Businesses need clarity and certainty from governments to invest and act on risks and opportunities in current and future markets. There is a need for mutual action and collaboration. Transformational companies engage their relationships – including with suppliers, customers and industry – to lobby for good to inform and accelerate the policies needed to support a stable local and global economy and viable society.



WHY IS IT IMPORTANT?

Business and society will both benefit if companies play an active role in lobbying for and shaping public policy that enhances positive social and environmental outcomes. Clear frameworks and strong signals from government are necessary to stimulate business investment and help business and society avoid higher costs in the future. Such policies are essential to create the market signals and incentives to mobilize and accelerate private sector leadership on social and environmental issues. This can only be achieved if companies actively engage in the public policy debate in support of sustainability measures.

Other payoffs from corporate public policy engagement include:

- Level the playing field and capitalize on early sustainability investments as slow movers catch up
- Earn a seat at the table to shape policy design
- Build reputation, stakeholder trust and social license to operate
- Gain market share and attract customers by being seen as a proactive business working in the public interest
- Increase employee attraction, retention and motivation
- Generate earned media

HOW TO DO IT?

Many businesses already have public policy and government relations skills, capabilities and agendas, albeit often focused on narrow short-term issues. Here are some steps that you can pursue to direct these efforts towards government action on sustainability issues to achieve your business and industry goals for the longer term:

- **Adopt policy:** Adopt an advocacy policy that outlines your philosophy, rationale and approach. The policy could include criteria for evaluating emergent opportunities as they arise: when should we act on an issue, and if so, why and how?
- **Prioritize:** Review your strategic sustainability goals and priorities to identify which of them could be enabled through public policy interventions locally, provincially, federally or beyond. Rather than seek out new issues, consider which government policy changes are necessary to realize your sustainability strategy and long-term business viability. For example, if you are a beverage company, you may prioritize recycling infrastructure, and if you are an insurance company, you may prioritize mandatory fire sprinklers to enhance home safety.
- **Plan:** Prepare an advocacy and communications plan, with the following possible components:
 - Conduct stakeholder research to understand stakeholder views on your priorities. Get up to speed on the government legislative agenda and identify if opportunities exist or need to be developed. Include investors, customers, suppliers, industry associations, peers and competitors, thought leaders, scientists and civil society representatives in the consultation.
 - Conduct or fund research to further understand the issues and opportunities and develop the case for change.



- Engage the board, senior leaders, government affairs, risk management, marketing and sustainability teams to validate the priorities. Secure top-level and organizational buy-in for your priority initiatives and approach.
- Set goals and targets to measure and monitor success.
- **Implement:** Assign responsibility to oversee, manage and execute your plans.
- **Disclose:** Prepare and publish position statements and report on influences and outcomes.
- **Be consistent:** Ensure consistency across the organization on your policy position and that indirect lobbying, i.e. through your industry association, is in alignment. Consider withdrawing from industry associations that lobby against your sustainability positions.

Marks and Spencer conducts research into the role of government to accelerate sustainability

Aim: By 2016, we aim to publish a report outlining the policy steps that we believe would accelerate the journey towards creating a sustainable economy. We plan to work with Forum for the Future to identify ways in which policymakers can encourage the transition towards a sustainable circular economy.

Source

Possible roles and tactics include:

- Lobbying and direct influence on policymakers to shape legislation
- Providing expert input and sharing expertise in government consultations and industry position papers
- Public speaking, letters to government and media, and publications on the topic
- Public advertising on issues in print and television
- Funding research and advocacy organizations that are working on the issues
- Engage clients, suppliers and customers in your efforts
- Join business and multi-stakeholder platforms, roundtables and partnerships to pursue issues
- Take a progressive stance in industry associations and leave organizations that don't represent your position

Public Policy Engagement at Unilever

Unilever has a small head office team dedicated to identifying required public policy changes to advance sustainability and to advocate for them. Issues include:

- Influencing climate policy to achieve a policy environment which promotes low carbon development and a reduction in deforestation.
- Promoting the importance of washing hands with soap in countries where this issue is not high on the public health agenda.
- Improving recycling and waste infrastructures to increase national recycling rates.
- Supporting sustainable agricultural practices, for example by enhancing trade policy terms for sustainably sourced agricultural commodities.

They are actively engaged in these areas and working with a wide range of NGOs, experts, practitioners and intergovernmental institutions to address them.

Source



Risks of public policy engagement and how to address them

The following are potential risks of becoming engaged in proactive public policy engagement on sustainability issues and suggestions for how to manage them:

<i>Risk</i>	<i>Mitigation Recommendation</i>
<ul style="list-style-type: none"> • Not being seen as credible 	<ul style="list-style-type: none"> • Conduct research; do your homework • Partner with credible organization for expertise
<ul style="list-style-type: none"> • Use of uninformed science 	<ul style="list-style-type: none"> • Don't position as an expert; rely on solid expertise of others • Partner with a reputable organization • Conduct due diligence
<ul style="list-style-type: none"> • May alienate some customers 	<ul style="list-style-type: none"> • Base decisions on a strong foundation, using research to back up stance • Strong proactive customer communications program; be prepared to explain why you are doing this
<ul style="list-style-type: none"> • Stakeholders may question taking on an advocacy role 	<ul style="list-style-type: none"> • Avoid partisan efforts • Engage thought leaders and influencers who have credibility with your stakeholders • Educate key stakeholders so they can understand and support your advocacy efforts • Develop key messages so responses are available if necessary • Ensure staff understand and support the approach
<ul style="list-style-type: none"> • If own sustainability efforts are modest, could be seen as hypocritical 	<ul style="list-style-type: none"> • Practice what you preach • Be humble in communications; communicate efforts as a journey
<ul style="list-style-type: none"> • It could become time intensive and costly 	<ul style="list-style-type: none"> • Have a clear plan for the effort; draw boundaries around the exercise • Be a strategic funder of non-profits and other organizations who can leverage additional funding on a project

WHO IS DOING IT?

The Co-operators, a Canadian financial services co-operative with over two million customers and \$35B in assets under administration, has a vision to be a catalyst for a sustainable society. To



advance this vision, the business adopted an Advocacy Policy and Strategy in 2009 and have been focusing their advocacy efforts in climate change mitigation and adaptation (including flood resilience), healthy lifestyles and fire safety over the past five years. These priorities were chosen because of their strong resonance with the company's core business as a property, casualty, health and life insurer. Further details on their advocacy story can be found at this [link](#).

The Business Community Anti-Poverty Initiative (BCAPI) was founded in 1997 in Saint John, New Brunswick by civic minded business leaders and professionals who wanted to move beyond charity and substantially reduce poverty in Saint John. In addition to pursuing community initiatives directly, the group advocates for projects that help children, youth and young families to overcome the barriers to achieving their full potential. In part as a result of this concentrated community effort over the past decade the city's poverty level has dropped from 27% to 20.8% and child poverty has been reduced from 35% to 28.3%. Details [here](#).

BICEP (Business for Innovative Climate & Energy Policy) is an American coalition of businesses committed to working with Congress and other policy makers to pass energy and climate legislation. **Nike, Starbucks, Levi Strauss, and Timberland** founded the advocacy coalition in 2008. BICEP is coordinated by the sustainable business leadership organization Ceres, and founded on the belief that "the energy and climate challenges facing the United States present vast opportunities, along with urgent risks, for U.S. businesses". In addition, BICEP believes that a transition to a low-carbon economy will create new jobs and stimulate economic growth while stabilizing the climate. Click [here](#) for more details on their work.

WHERE CAN I GO FOR MORE INFORMATION?

- Guide for Responsible Corporate Engagement in Climate Policy, United Nations (UN) Global Compact, UN Environmental Program, UN Framework Convention on Climate Change
https://www.unglobalcompact.org/docs/issues_doc/Environment/climate/Guide_Responsible_Corporate_Engagement_Climate_Policy.pdf
- Lobbying for Good, Paul Monaghan and Philip Monaghan
<http://www.dosustainability.com/shop/lobbying-for-good-how-business-advocacy-can-accelerate-the-delivery-of-a-sustainable-economy-p-51.html>
- Council for Clean Capitalism, a Canadian group of forward-thinking companies that seek the integration of "clean capitalism" principles into broader economic and social policy
<http://cleancapitalism.com/>
- American Sustainable Business Council (ASBC), a large business advocacy group working for a sustainable economy.
<http://asbcouncil.org/>
- Prince of Wales Corporate Leaders Network
The Prince of Wales's Corporate Leaders Group is a group of European business leaders working together under the leadership of The Prince of Wales and with the support and advice of the University of Cambridge Institute for Sustainability Leadership, to advocate for climate change solutions with policymakers and businesses, within the EU and globally.
<http://www.cisl.cam.ac.uk/publications/publication-pdfs/decade-of-progress-graphic.pdf>

