

Where to Start When Considering a Climate Pledge

So many companies have already announced a climate pledge that this topic has sort of been beaten to death. But some of the issues to consider bear repeating for those who still haven't taken the plunge. Some companies have a kneejerk reaction to say, "of course, we can be net zero by 2050." But you want to be careful and take baby steps if you're not certain about how you are going to get there. Ask yourself, "does the technology exist to make that truly possible for our industry?" In many cases, the answer is "not yet." You also need to do your homework by asking, "What are our emissions today?" In other words, you need to take stock of your current circumstances before you make promises that you can't possibly keep and potentially open your company up to reputational damage or even legal liability. Once you have that baseline assessment of your circumstances, mull over how significant of a pledge can you comfortably make right now. Is it just something about your Scope 1 emissions? Are evaluations of Scope 2 and 3 emissions possible today? Savvy investors, customers, and suppliers are going to be skeptical of your pledge if it's not detailed. A final point here is to know the difference between an aspirational statement and a real pledge. If it's something that truly is merely aspirational, be very clear to couch it in those terms. Be very tentative and very soft. Messaging on that statement needs to be consistently aspirational. This might be hard to do - so it makes these types of statements a little dicey and, maybe, not worth risk or even the ink. Note that your timeline in developing a pledge will vary depending on what industry you're in. Some industries have a tough row to hoe, with many environmental considerations. It could take months - not weeks - and maybe even years to develop a defensible pledge. Your timeline could depend on whether your competitors have already made a pledge. Your company might be under pressure to match (or exceed) a competitor's pledge. And, if your competitors have already made a pledge, maybe they've done the homework of researching available technologies. Trade groups might be able to help give you guidance rather than remaking the wheel.

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