Multinationals and global warming
How institutional setting influences political strategies

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Executive summary

This research aimed to explain how and why political strategies chosen by multinationals vary between pluralist versus corporatist institutional settings. In a pluralist country, various perspectives on political issues are represented by individuals, political parties and interest groups who compete for influence over policy domains. This contrasts with the corporatist countries in which interest group activity is mainly focused on one dominant interest group, mostly being the business interest. The institutional setting was expected to have an influence on the political strategy chosen by multinationals. The expected chosen political strategies by multinationals were those of Hillman and Hitt’s (1999): the information strategy, the financial incentive strategy and the constituency building strategy. When firms choose to pursue an information strategy as their main political strategy, they provide policy makers with specific information about their view on public policy by using lobbying and think tanks to supply policy makers with research reports and statements. The financial incentive strategy is used when firms apply financial stimulation to persuade public policy makers of their corporate views and interests. The constituency building strategy is used when firms aim at influencing the public policy arena indirectly by targeting individual voters. Comparing a sample of five Dutch (pluralist) and five American (corporatist) companies was used to see whether the institutional setting made a difference on the political strategy chosen by multinationals. The context chosen for this was their corporate climate strategy. The results showed that institutional setting did not have an influence on the political strategy chosen. All multinationals examined in this research used the information strategy and the constituency building strategy. None of them used the financial incentive strategy. The alternative explanation given for the lack of difference between political strategies used by multinationals in corporatist versus pluralist countries, is that most multinationals applied one global strategy: the self-regulation strategy. However, the underlying motivations of the multinationals to engage in climate action did vary. The Dutch multinationals have been mainly motivated by intrinsic motivations when engaging in climate action. The American multinationals however have been more driven by extrinsic motivations when deciding on climate action.
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1. Introduction

In *Turn down the heat* The World Bank (2013) states that in the upcoming years unusual and unpredicted heat extremes will happen, water availability will be scarcer, nutritional sources will be pressured more and several species will go extinct due to global warming. In order to reduce the impact of global warming, The World Bank states that immediate steps are needed to help countries that face these direct consequences. Besides the many scientific, political and individual views that have been taken on global warming, there is one other important actor that has a major impact on global warming. These are the corporations that influence the climate. Businesses largely contribute to global warming on a daily basis as their use of fossil fuels increases the carbon dioxide in the atmosphere (Heede, 2014). Research has even shown that the climate crisis of the 21st century has largely been caused by just 90 companies, which between them produced almost two-thirds of the greenhouse gas emissions generated since the start of the industrial age (Heede, 2014).

When deciding on whether to take climate action, companies take into account their nonmarket environment. The nonmarket environment is defined as the social, political and legal arrangements that structure interactions outside of, although in collaboration with, markets and private agreements (Boddewyn, 2003). Corporations take into account the nonmarket environment when deciding on climate action because they want to obtain organizational legitimacy. Organizational legitimacy is seen as the acceptance of the organization by its environment. It is considered critical for organizational survival and success (Kostova & Zaheer, 1999). In order to obtain this organizational legitimacy, firms apply several nonmarket strategies and more specifically, corporate political strategies. In doing so, corporations have several political strategies they can use to shape public policy making that addresses global warming. As suggested by Hillman and Hitt (1999) firms can follow three types of political strategies: the information strategy, the financial incentive strategy and the constituency building strategy. When firms pursue a information or financial incentive they aim at influencing public policy makers directly through the use of information or financial incentives. When firms pursue a constituency building strategy they try to influence public policy makers indirectly by shaping the public view on contradicting issues.

It is expected in this research that the political strategy chosen when deciding on climate action varies between countries with a pluralist versus a corporatist institutional setting. In a pluralist country, several perspectives on political issues are represented by individuals, political parties and interest groups who compete for influence over policy areas.
This contrasts with the corporatist countries in which interest group activity is mainly focused on one dominant interest group, mostly being the business interest (Thomas, 1993). It is expected that due to differences in political and regulatory uncertainty between the corporatist and the pluralist institutional setting, that the political strategy chosen by the multinationals based in these countries will vary. On the one hand, it is expected that multinationals based in a corporatist institutional setting are more likely to choose an information strategy and/or a financial incentive strategy as their political strategy, when trying to influence public policy processes. On the other hand, it is expected that multinationals based in a pluralist institutional setting are more likely to choose a constituency building strategy when trying to influence the public policy process.

Furthermore, adding to the framework of Hillman and Hitt (1999), this research also looks into the multinationals’ motivations underlying climate action. When deciding whether or not to take climate action, multinationals can be influenced by two types of motivations: the first one being intrinsic motivations, such as altruistic and moral duty considerations and the second one being extrinsic motivations, such as financial considerations. This study thus also examines to which extent these motivations vary between multinationals based in pluralist versus corporatist institutional settings.

1.1 Research question

This research aims to explain how and why political strategies chosen by multinationals vary between pluralist and corporatist institutional settings. Comparing a sample of Dutch (pluralist) and American (corporatist) companies is used to achieve this goal. In order to research to which extent the political strategy chosen by the multinationals in corporatist versus pluralist countries varies and how this variance is caused, the following research question is addressed: How and why do political strategies differ between multinationals based in pluralist versus corporatist countries?

Two sub questions are used to answer the main research question:

1) What drives multinationals to engage in climate action?
2) How do these drivers vary between multinationals based in pluralist versus corporatist institutional settings?
1.2 Scientific relevance

This research first of all adds to the existing literature on the nonmarket environment and nonmarket strategies by exploring how political strategies can be used by multinationals to obtain organizational legitimacy. Nonmarket strategies have been widely discussed in the academic literature. For example, in her organizational response strategy Oliver (1991) states that firms can acquiesce, compromise, avoid, defy or manipulate the nonmarket environment as strategic response. Other authors have mentioned the use of a corporate social responsibility strategy as a response to the nonmarket environment and as a means to obtain organizational legitimacy (e.g. Carroll, 1991). This research adds to the existing nonmarket literature by exploring which political strategies various Dutch and American multinationals use. Second of all, this study adds to the existing literature on institutional setting by building onto the framework of Hillman and Hitt (1999). Criticism on Hillman and Hitt's conceptualization that has been given, is their use of a managerialist orientation towards political strategies, instead of a critical one. According to these critiques, the framework lacks a critical perspective as it remains neutral on the political strategies used by firms (Levy, Alvesson & Willmott, 2011). This study addresses this critique by examining how corporation’s motivations vary between institutional settings. This study adds to the existing work on multinationals’ motivations for corporate social responsibility by examining multinationals’ motivations underlying climate action. This study differentiates between intrinsic and extrinsic motivations that underlie multinationals’ motivation to engage in corporate social responsibility and consequentially climate action.

1.3 Societal relevance

Science so far has had a major impact on the speed of public policy making on global warming. Demeritt (2010) states that the speed at which scientific knowledge of climate change and global warming has been translated into an international diplomatic consensus, is remarkable. By shedding light on multinationals' motivational reasons to address climate action and looking into how multinationals try to influence public policy processes, this study could serve as a base for climate advocates to expand the knowledge on how to engage more corporations into taking climate action. For advocates of climate action, knowing how fellow multinationals argue when deciding on climate action can help them to convince other multinationals to take a stance in climate action as well.
1.4 Research structure

In chapter two, the theoretical framework that forms the base for this research is explained. Chapter three describes the methodology used in this research. A sample of five Dutch and five American multinationals has been used to study the impact of institutional setting on the political strategies chosen. The main data collection tool used to study this impact is the interview. The additional data collection tool is desk research. Chapter four discusses the findings that have been acquired from the data through the interviews and desk research. Following that, chapter five states the discussion resulting from the analysis in chapter four. Chapter six ends with the conclusion, theoretical and managerial implications, limitations and recommendations for future research. Finally, chapter seven gives a short reflection on the research process. At the end of this research, literature references and all required appendices can be found.
2. Corporate political strategies

In this chapter the theoretical background of this study is explained. The chapter starts by explaining why corporations take into account the nonmarket environment and thus political strategies. It furthermore addresses how institutional setting has an influence on firm’s political strategy chosen. Finally, it describes how motivations underlying climate action can vary between multinationals.

2.1 The nonmarket environment and political strategies

A part of the reason why corporations choose to use political strategies when influencing public policy is because they are faced with the nonmarket environment on a daily basis. The political strategy the firm decides to use is part of their nonmarket strategy. The nonmarket environment can be defined as the social, political and legal arrangements that structure interactions outside of, although in collaboration with, markets and private agreements. The nonmarket environment together with the market environment shapes the strategic choices made by firms. They provide order to market mechanisms and repair market failures through internal and external factors (Boddewyn, 2003). The nonmarket environment varies from the market environment in various ways. First of all, the market environment exists of suppliers, customers and competitors. The nonmarket environment however exists out of the social, political, legal and cultural frames that shape businesses. Second of all, firms compete for resources, revenues and profits in the market environment, whereas in the nonmarket environment they consider larger categories such as ethical and responsible behavior. In the nonmarket environment, firms are competing with their private interest within their industry, but at the same time collaborating and competing with political and social actors (Doh, Lawton & Rajwani, 2012).

Multinationals take into account the nonmarket environment in order to achieve organizational legitimacy. Organizational legitimacy can be seen as the acceptance of the organization by its environment. It is seen as critical for organizational survival and success (Kostova & Zaheer, 1999). Multinationals use different nonmarket strategies to obtain this organizational legitimacy. Nonmarket strategies are extensively discussed in academic literature. In her organizational response strategy, Oliver (1991) states that firms can acquiesce, compromise, avoid, defy or manipulate the nonmarket environment as strategic response. Other authors have mentioned the use of a corporate social responsibility strategy as response to the nonmarket environment (e.g. Carroll, 1991).
In this research, the corporate political strategy of Hillman and Hitt (1999) is used as the main nonmarket strategy. Government policies are essential sources of uncertainty for firms and have control over essential resources that shape firms’ competitive environments. Corporate political activity (CPA) is used to manage political institutions and influence political actors so that this favors the firm (Mellahi, Frynas, Sun & Siegel, 2016). In analyzing which corporate political strategy multinationals in this research apply in order to obtain organizational legitimacy, the political strategies of Hillman and Hitt's have been used. These strategies state that corporations can use several political strategies to obtain their corporate goals in the nonmarket environment. These political strategies are: the information strategy, the financial incentive strategy and the constituency building strategy (Hillman & Hitt, 1999). Although the three different political strategies suggested by Hillman and Hitt have been constructed at the end of the 20th century, the theory still stands today. Since its publication in 1999, the article of Hillman and Hitt has been cited over a thousand times and has been recently used in many researches as supporting theory (e.g. Bitektine & Haack, 2015; Geels, 2014). Kolk & Pinkse (2007) have used Hillman and Hitt’s framework to explore the international side of multinationals’ corporate political activities and with that focusing on climate change. They found that although the theory needed an extra international dimension, it was very applicable to the topic of climate change. Hillman (2003) herself used the theory again a few years later to focus on the determinants of political strategies used by US multinationals in Europe. She again found empirical support for their appliance of political decisions. Criticism on Hillman and Hitt's conceptualization concerns their use of a managerialist orientation towards political strategies, instead of a critical one. According to these critiques, the framework lacks a critical perspective as it remains neutral on the political strategies used by firms (Levy, Alvesson & Willmott, 2011).

This study addresses this critique by examining how corporation’s motivations vary between institutional settings and potentially also (indirectly) influences the choice of political strategy. This follows the materialist perspective by Gramsci, who states that the use of organizational and economic resources in keeping firm supremacy indicates that firms' corporate strategies are influenced by power and political perspectives and that firms consequentially use their market power, try to influence government policies and try to resist pressures from social groups (Levy et al, 2011). By studying how corporations’ motivations to engage in climate action vary between institutional settings, this study moves away from the managerialist orientation as this view only focuses on the managerial priorities and finding more and effective ways for creating these priorities. Rather, this study takes on a critical
perspective by also taking into account the extrinsic and intrinsic motivations under which these priorities are decided upon. Before the types of political strategies by Hillmand and Hitt that multinationals can use, are discussed, the next paragraph addresses the differences in institutional setting.

2.2 Institutional setting

Expected is that the institutional setting will influence the chosen political strategy by multinationals. Each of the institutional settings has distinctive characteristics that influence multinationals' behavior and strategic choices. Both are discussed in the upcoming paragraphs.

*Pluralism*

One of the earliest definitions of pluralism is the one phrased by Schmitter (1974, p. 96) who defined it as “a system of interest representation in which the constituent units are organized into an unspecified number of multiple, voluntary, competitive, non-hierarchically ordered and self-determined categories which are not specially licensed, recognized, subsidized, created or otherwise controlled in leadership selection or interest articulation by the state and which do not exercise a monopoly of representational activity within their respective categories”. In a pluralist country, individuals, political parties and interests groups who strive to gain influence over policy areas represent various perspectives on political matters (Thomas, 1993). Furthermore, pluralists state that sector-based separations in national government prevent businesses from acting in a unified way, so that the state can remain neutral and independent when discussing conflicts (Levy & Egan, 1998). Pluralism views competition between several interest groups as a way to democracy. The definition of pluralism that will be maintained in this research is the one of Hague and Harrop in which pluralism refers to “*a political system in which numerous competing interest groups exert strong influence over a responsive government*” (Hague & Harrop, 2010, p.231). The definition by Hague and Harrop is used as it summarizes all previously mentioned elements of pluralism.
A key example of a pluralist country is the Netherlands. In the Netherlands, several interest groups are involved in the public policy process. The Netherlands is also known for its consensus-seeking public policy making. Often referred to as the ‘Polder Model’, the Netherlands’ institutional setting is characterized by its consensus-seeking view when formulating and implementing public policy (De Vries, 2014). The Dutch government thus tends to include several stakeholders, such as corporations, NGOs, citizens, scientists etc., when creating and implementing policy.

Corporatism

Contrary to the pluralist institutional setting is the corporatist institutional setting. Again, one of the earliest definitions is phrased by Schmitter (1974, p. 93-94) who defined it as “a system of interest representation in which the constituent units are organized into a limited number of singular, compulsory, noncompetitive, hierarchically ordered and functionally differentiated categories, recognized or licensed (if not created) by the state and granted a deliberate representational monopoly within their respective categories in exchange for observing certain controls on their selection of leaders and articulation of demands and support”. In corporatist countries interest group activity is mainly focused on one dominant interest group, often being the business interest (Thomas, 1993). Business and labor peak associations become strongly involved in negotiating and implementing public policy. Under this setting, capital and labor become complete social partners, working together with the government and playing an important role in discussing agreements. The definition of corporatism that will be maintained in this research is the one of Hague and Harrop in which corporatism refers to “a relationship between the state and interest groups in which major decisions on domestic matters emerge from discussion between the government and peak associations representing the major social partners: capital and labor” (Hague & Harrop, 2010, p.230). The definition by Hague and Harrop is used as it summarizes all previously mentioned elements of corporatism.
Levy & Egan (1998) argue that there are two possible explanations why corporate interests might dominate the public policy arena. First of all, the power-elite perspective states that the ability of businesses to act in a collective manner in the political arena causes the public domain to be heavily affected by the corporate interest. This influence is achieved through private contributions to politicians and political parties and supporting think tanks. Second of all, structural dependence theories argue that the state enjoys a sense of freedom from business power but recognizes that eventually it remains dependent on the profitability of the private sector.

A key example of a corporatist country is the United States of America. In the United States of America, public policy making is dominated by corporate interest. In recent years, large corporations have achieved a dominant position that is unknown in American political history. Of the 100 organizations that spent the most on lobbying, 95 of them represent corporations (Drutman, 2015). Corporate lobbying has become "extremely pervasive, proactive and particularistic". Lobbyist build large coalitions, provide policy expertise, criticize opponents, provide funding for think tanks, host fundraising events, donate to charities, hire former congressional staffers and many more in order to shape the public policy debate and implementation (Drutman, 2015). As a consequence of this dominant lobbying, the American government has favored corporate interest when deciding on public policy creation and implementation throughout the years (Gilens & Page, 2013).

Overview institutional settings
The most fundamental distinction between the institutional settings is thus that in a pluralism society, several stakeholders dominate public policy making, whereas in a corporatist society, only one (often business) stakeholder dominates the public policy making process. One critical note that has to be made is that neither the Netherlands nor the United States of America fully represents the ideological institutional settings. There are many differences within pluralist countries (and likewise for the corporatist countries) (Kolk & Pinkse, 2007). The Netherlands is also influenced by corporate interest and does not necessarily have an equal distribution of interest groups’ influence on policy making. Similarly, the public policy making of the United States of America it is not fully determined by corporate interest, as it has other interest groups influencing their process as well. Both countries are not positioned at the ends of the spectrum: rather they represent the classical characteristics that can be attributed to the different institutional settings. The defining characteristics of both institutional setting are summarized in Table 1.
Table 1: Institutional setting characteristics

<table>
<thead>
<tr>
<th></th>
<th>Pluralism</th>
<th>Corporatism</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Major influence on</strong></td>
<td>Numerous interest groups (e.g. NGOs; consumer groups)</td>
<td>Dominantly corporations</td>
</tr>
<tr>
<td><strong>public policy</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Dominant players</strong></td>
<td>No single elite dominates all sectors</td>
<td>Peak organizations: labor &amp; capital (e.g. trade unions; work unions)</td>
</tr>
<tr>
<td><strong>Form of government</strong></td>
<td>Responsive</td>
<td>Indifferent</td>
</tr>
<tr>
<td><strong>Country example</strong></td>
<td>The Netherlands</td>
<td>The United States of America</td>
</tr>
</tbody>
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*Own compilation adapted from Schmitter (1974); Thomas (1993) and Hague and Harrop (2010)*

2.3 Political strategies

Now that the differences between institutional settings have been addressed, its link to political strategy is discussed. Corporate political strategies are seen as ways businesses can influence the public policy environment in a favorable manner (Baysinger, 1984). As mentioned before, the political strategies of Hillman and Hitt's have been used to analyze which political strategy multinationals employ to obtain organizational legitimacy in corporatist versus pluralist countries. These political strategies are: the information strategy, the financial incentive strategy and the constituency building strategy (Hillman & Hitt, 1999).

Each of them is discussed in this paragraph. At the end of the paragraph the link between institutional setting and political strategy is explained.

**Information strategy**

When firms choose to pursue an information strategy as their main political strategy, they provide policy makers with specific information about their view on public policy. In order to deliver this information, firms use lobbying and think tanks to supply policy makers with research reports and statements, so that they can convince the policy makers of their corporate interest and view (Hillman & Hitt, 1999). In this research it is expected that multinationals based in the United States of America are more likely to use the information strategy than multinationals based in the Netherlands, due to the corporatist institutional setting. This is in accordance with the previously mentioned fact that of the 100 organizations that spend the most on lobbying in the United States, 95 of them represent corporations (Drutman, 2015).
**Financial incentive strategy**

When firms maintain a financial incentive strategy as their main political strategy, they use financial stimulation to convince public policy makers of their corporate views and interests (Hillman & Hitt, 1999). Similar to the information strategy, the financial incentive strategy is also directly aimed at policy makers. The difference between the two is that the firm tries to convince the policy makers by financial rewards instead of using information. Examples of the financial incentive strategy are financial contributions to political parties, policy makers and events (Kolk & Pinkse, 2007). In this research it is expected that multinationals based in the United States of America are more likely to use the financial incentive strategy than multinationals based in the Netherlands. This is based on the yearly financial contributions that are given by corporations to political parties, politicians and events. For the Presidential Elections of 2016 alone, the United States Democrats and Republicans raised over a billion dollars from corporations. The industries that contributed the most were the Investment, Retirement and Real Estate industries (Opensecrets.org, n.d).

**Constituency building strategy**

In contrast to the information and financial incentive strategy (which directly target the public policy makers), the constituency building strategy tries to influence the public policy decisions and debate through influencing voters’ minds and views. This is achieved by influencing clients and society through press conferences and newspaper advertisements. Firms that use this strategy try to influence the public view on a contradicting topic (Hillman & Hitt, 1999). In this research it is expected that multinationals based in the Netherlands are more likely to the constituency building strategy than multinationals based in the United States of America. This is based on the previously mentioned fact that the Netherlands is characterized by the Polder Model’. The Netherlands’ institutional setting is characterized by its consensus-seeking view when creating and implementing public policy (De Vries, 2014). The Dutch government thus tends to include several stakeholders, such as corporations, NGOs, citizens, scientists etc., when creating and implementing policy. Research by the European Commission has shown that almost 75% of the Dutch citizens view the influence of business on society as very positive (European Commission, 2013). If firms want to achieve their corporate interests they know they stand a better chance if they influence the Dutch public view and so indirectly influence public policy processes by trying to shape these views.
Influence of institutional setting on political strategies

According to Doh et al. (2012), political and regulatory uncertainty shape firm's nonmarket strategic choices. Institutions affect firm's ability to maintain a competitive advantage. This is because of institutional frameworks having various impacts, such as increased costs and uncertainty, on firms setting up new operations in home countries. As a consequence, the strategies used by management teams are a function of the degree of institutional impact on the firm and the firm's strategic behavior towards to the nonmarket environment. Lenway and Martha state as well that the degree of conformity pressures in the context of corporate political strategies is dependent on the degree of pluralism or corporatism in a country (Lenway and Murtha, 1994). As an example, Doh et al. use the difference in institutional setting between Singapore and Venezuela. Singapore is one of the most open economies and best place to do business due to its openness and predictability of its political and regulatory system. Venezuela on the other hand, has high political and regulatory uncertainty, resulting in high transaction cost for firms based there (Doh et al., 2012).

In this research it is expected that the pluralist institutional setting will bring along more political and regulatory uncertainty than the corporatist institutional setting, resulting in more strategic uncertainty for the multinationals based in the Netherlands. As in the Netherlands several interest groups are involved in the public policy process and as the Netherlands is known for its consensus-seeking public policy making, it is expected that this will result into more political and regulatory uncertainty due to the ambiguity and several stakeholder interests surrounding the public policy process. It is also expected that the corporatist institutional setting will bring along less political and regulatory uncertainty as firms based in the United States know the public policy process is largely dominated by corporate interest, resulting in less ambiguity.

Due to the expected differences in political and regulatory uncertainty between the corporatist and the pluralist institutional setting, it is expected that the political strategy chosen by the multinationals will vary. On the one hand, it is expected that that multinationals based in a corporatist institutional setting are more likely to choose an *information strategy* and/or a *financial incentive strategy* as their political strategy, when trying to influence public policy processes. Due to the dominance of corporate interest in American public policy making, multinationals are more able to directly influence the public policy process through the use of the direct political strategies, namely the information strategy and the financial incentive strategy. This expectation is supported by Schuler, Rehbein & Cramer (2002) who
found that US firms are most likely to combine the information and financial-incentive strategy.

On the other hand, it is expected that multinationals based in the pluralist institutional setting are more likely to choose a *constituency building strategy* when trying to influence the public policy process. Due to the consensus-seeking public policy approach that dominates the pluralist institutional setting, it is expected that the Dutch multinationals cannot directly influence policy makers and thus need to engage in constituency building in order to influence the public policy process.

2.4 Underlying motivations for climate action

It has been argued before that corporations take into account their nonmarket environment and use political strategies to obtain organizational legitimacy. As mentioned before, organizational legitimacy is seen as the acceptance of the organization by its environment. It is considered as critical for organizational survival and success (Kostova & Zaheer, 1999). Expected in this study is that all multinationals aim to obtain organizational legitimacy when pursuing climate action. Engaging in climate action is part of a corporation’s corporate social responsibility strategy. Reasons however for multinationals to engage in corporate social responsible behavior might vary and can be distinguished into two categories. Each of these categories is addressed in the next section.

*Types of motivation*

Climate action is part of the concept of corporate social responsibility (CSR). Corporate social responsibility is the collection of activities undertaken by businesses to interact in social activity beyond the immediate interest of the corporation and what is requested by regulation and law (McWilliams & Siegel, 2001). It is seen as the idea that firms should employ their business in a way that shows consideration for bigger societal good, in order to provide for the needs of society (Graafland, Mazereeuw & Van der Duijn - Schouten, 2012). Corporate social responsibility is a multidimensional construct that can be divided into three categories: people, planet and profit, the so-called “Triple Bottom Line” (Nikolaou, I.E., Evangelinos, K.I. & Allan, S., 2013). Climate action and corporate strategy on global warming falls into the second category, thereby making it part of a firm’s corporate social responsibility.
The reasons why corporations decide to engage in corporate social responsibility and consequentially climate action differ and can be explained by various motivations. First of all, firms can be driven by intrinsic motivations when deciding on corporate social responsibility. According to Doh and Guay (2006) firms that have this type of motivation engage in corporate social responsibility because they agree with the concept of corporate social responsibility. Corporations believe that they have a big responsibility in today's society. Two types of intrinsic motivations that corporations have when deciding on corporate social responsibility can be differentiated: the first one being a sense of moral duty and the second one being altruism. If managers view corporate social responsibility as a moral duty, they take part in corporate social responsible behavior because they feel it is the right thing to do, but not enjoyable to do so. If the managers have altruism as underlying motivation, they want to contribute to society from a real concern of the well-being of others (Graafland et al., 2012). Dhanesh (2015) calls the intrinsic motivations of multinationals the moral perspective. The moral perspective states that businesses undertake corporate social responsibility because it is the right thing to do and that corporations should be motivated by intrinsic motivations such as ethical values and moral leadership.

Second of all, besides being driven by intrinsic motivations, firms can also be driven by extrinsic motivations when deciding on corporate social responsibility action. According to Doh and Guay (2006), businesses that have this underlying motivation engage in corporate social responsibility because they want to avoid negative publicity that may cause customers to buy from competitors. According to them, this view is more concerned with keeping shareholder value. Executives driven by the extrinsic motive engage in corporate social responsibility because they thus believe that corporate social responsibility contributes to the financial performance of the firm. Engaging in corporate social responsibility has proven to improve the financial position of firms by improving the firm’s reputation and differentiating the firm from its competitors. Furthermore, corporate social responsibility can lead to more employee trust and an opportunity for the firm to avoid regulation (Graafland et al., 2012). Dhanesh (2015) makes similar statements by arguing that corporate social responsibility can be driven by the firm’s strategic perspective. The strategic perspective states that corporations use corporate social responsibility because of extrinsic motivations such as market and institutional pressures and because it creates advantages such as increased employee commitment and customer loyalty.

Graafland et al. (2012) found that deciding on environment quality activities, in general, is more driven by the intrinsic motives (altruistic and ethical considerations) than by...
external motives. This research will assess whether the motivations underlying multinationals to engage in climate action differ between corporations based in pluralist versus corporatist institutional setting.

2.5 Theoretical framework

The conceptual framework that underlies this research is depicted in Figure 1. The framework is based on several assumptions. First of all, the framework assumes that firms are either embedded in a pluralist or corporatist institutional setting. The multinationals studied in this research are all embedded in one of the two. Second of all, it is assumed that the institutional setting has an impact on the political strategy chosen by the multinationals. Third of all, it assumes that extrinsic and intrinsic motivations have an impact on the willingness of the multinational to undertake climate action.

**Figure 1: Influence on political strategy chosen**

*(Own compilation derived from preceding literature)*
3. Methods

This chapter explains the methodology underlying this study. Ten multinationals have been examined by using the interview as the main data collection tool. In this chapter the procedures that have been applied in order to derive valid and reliable results from this study are addressed.

3.1 Case selection

To answer the main question 'How and why do political strategies differ between multinationals based in pluralist versus corporatist countries?' ten different multinationals have been examined. These multinationals are both from the United States of America and the Netherlands, to investigate to which extent the institutional setting made a difference on the choice of political strategies used. A general description of each company can be found in Table 2. For anonymity reasons, the names of the companies (especially in the interviews) are left out upon request of some of the multinationals.

Company A up to and including E represent multinationals based in the Netherlands and company F up to and including J represent multinationals based in the United States of America. The sampling in this study has largely been depended on convenience sampling. As all respondents in this research are high-level executives, it has been difficult to obtain and plan interviews with them. Even though the sampling has mostly been based on convenience, there are several similarities on which the companies were selected as well. First of all, the extraneous condition of firm size has been tried to control for by selecting corporations that all have at least a minimum of 10,000 employees. The only company that did not match this requirement is company E, which is slightly below the minimum. Second of all, in order to select companies that have an equal business impact, the businesses have been selected based upon their sales. The selection has focused on multinationals that have at least a yearly sales figure of ten billion. The only company that did not match this criterion is company C. For company B and E this figure is unknown.
<table>
<thead>
<tr>
<th>Firm</th>
<th>Country of origin</th>
<th>Firm age (year of foundation)</th>
<th>Firm size (number of employees)</th>
<th>Sales (measured in billions)</th>
<th>Industry</th>
</tr>
</thead>
<tbody>
<tr>
<td>Company A</td>
<td>The Netherlands</td>
<td>1891</td>
<td>104,380</td>
<td>27,12</td>
<td>High-tech industry</td>
</tr>
<tr>
<td>Company B</td>
<td>The Netherlands</td>
<td>1991</td>
<td>22,048</td>
<td>Unknown</td>
<td>High-tech industry</td>
</tr>
<tr>
<td>Company C</td>
<td>The Netherlands</td>
<td>1989</td>
<td>13,530</td>
<td>7,52</td>
<td>High-tech industry</td>
</tr>
<tr>
<td>Company D</td>
<td>The Netherlands</td>
<td>1991</td>
<td>51,943</td>
<td>53,58</td>
<td>High-tech industry</td>
</tr>
<tr>
<td>Company E</td>
<td>The Netherlands</td>
<td>1971</td>
<td>9,500</td>
<td>Unknown</td>
<td>Low-tech industry</td>
</tr>
<tr>
<td>Company F</td>
<td>United States of America</td>
<td>1802</td>
<td>46,000</td>
<td>24,61</td>
<td>High-tech industry</td>
</tr>
<tr>
<td>Company G</td>
<td>United States of America</td>
<td>1968</td>
<td>243,355</td>
<td>102,49</td>
<td>High-tech industry</td>
</tr>
<tr>
<td>Company H</td>
<td>United States of America</td>
<td>1892</td>
<td>100,300</td>
<td>41,48</td>
<td>Low-tech industry</td>
</tr>
<tr>
<td>Company I</td>
<td>United States of America</td>
<td>1965</td>
<td>264,000</td>
<td>62,8</td>
<td>Low-tech industry</td>
</tr>
<tr>
<td>Company J</td>
<td>United States of America</td>
<td>1906</td>
<td>37,369</td>
<td>13,01</td>
<td>Low-tech industry</td>
</tr>
</tbody>
</table>

Table 2: sample Dutch and American multinationals  
(Derived from Forbes.com, 2017 and Company B, 2016: Company B is not included in the Forbes’ Biggest Public Companies Ranking)

Although this research tried to match the sample of companies as much as possible on extraneous conditions, not all conditions can be controlled for. First of all, the multinationals are based in various industries. The distinction that therefore has been made between firms is low-tech and high-tech industries firms. A roughly equal distribution of low and high-tech industries firm has been attempted in the sample. The Dutch sample is however slightly overrepresented by high-tech industry firms. Second of all, the other extraneous condition that cannot fully be controlled for is the firm age. The oldest company (company F) has been established in 1802, whereas the youngest ones (company B and D) have been in 1991.
3.2 Data collection

The main data collection tool that has been used in this research is the interview. More specifically, the semi-structured interview has been used to provide some structure in the interviews, without limiting the respondents in answering the questions (Boeije, 2014). The complete interview is shown in Appendix A. The interviews have been used to answer the question 'How and why do political strategies differ between multinationals based in pluralist versus corporatist countries?' as they showed non-verbal responses as well. These non-verbal responses cannot be seen when only doing desk research. The main benefit of seeing non-verbal responses is that additional questions can be asked in reply to the non-verbal responses.

To back up the interviews desk research and secondary data are used as well to interpret the multinationals’ statements on political strategies and global warming. Desk research shows the multinationals' official positions on global warming, whereas interviews are used to dig deeper and see whether their official positions match with the interviewees’ views. Desk research has been conducted through studying corporate statement documents, press releases, academic articles and statements of third-parties (e.g. NGOs). These varying documents allowed for a broad perspective on the multinational’s perspective on political strategies and global warming. A summary of the data collection is shown in Table 3.

<table>
<thead>
<tr>
<th>Type of data</th>
<th>Amount of data</th>
<th>Use in analysis</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Interview:</strong> Individual interviews with senior management in the multinationals</td>
<td>Dutch multinationals: 5 interviews in the Netherlands with 5 respondents American multinationals: 2 interviews in the United States of America with 2 respondents</td>
<td>Transcribed interviews coded to clarify political strategy chosen by multinationals. Furthermore, it has been used to explore the motivations underlying climate action. The Gioia method has been used as a tool for this.</td>
</tr>
<tr>
<td><strong>Archival:</strong> External documents from the multinationals (e.g. press releases and climate statements)</td>
<td>Climate statements, press releases, newspaper articles, reports of third parties (e.g. opensecrets.org), and academic articles Total amount of pages: 300</td>
<td>Added contextual depth in understanding the relationship between institutional setting and political strategy chosen.</td>
</tr>
<tr>
<td><strong>All</strong></td>
<td>7 interviews with 7 respondents, about 300 pages of documents</td>
<td>Iterative analyses and reading of literature on corporate climate strategy led to the development of theoretical account of institutional setting on MNCs' political strategy.</td>
</tr>
</tbody>
</table>

*Table 3: Data collection summary*
3.3 Data analysis

The Gioia method has been used to analyze the data as it is a systematic way to derive valuable information from the interviews with the various companies. The Gioia methodology is a systematic approach that is designed to bring “qualitative rigor” to the processing of inductive research and is thus well applicable to this study. The basic assumptions of the method are that the organizational world is socially constructed and that the people constructing their organizational realities are “knowledgeable agents”: people in organizations that know what they are trying to do and can explain their thoughts, intentions and actions (Gioia, Corley & Hamilton, 2012). These assumptions are in line with the assumptions in this research that the high-level executives from the multinationals know what they are doing and thus give insight into the multinationals' motivation for choosing a certain political strategy.

The Gioia method of coding is a staged process which allows the researcher to develop new concepts and create theory development. The first stage of the method is to run the first-order analysis, which tries to stick to respondents vocabulary. In this stage various codes are given according to the respondents own words. Examples of these respondents terms in this study are ‘Provide policy makers with information’ and ‘VNO-NCW’. After that the aim is to seek for similarities and differences among the codes and categories. The second phase is to give those categories labels and think at the more abstract, second-order theoretical level of themes. The second-order themes combine the first-order codes and concepts into broader dimensions. An example of a second-order theme in this study is 'Information strategy example'. This second-order theme is made up out of the previously mentioned 'Provide policy makers with information’ and ‘VNO-NCW’ first-order codes. The third phase emerges when a workable set of themes and concepts are created and these second-order themes are further reduced to second-order “aggregate dimensions”. The aggregate dimensions combine the second-order themes into larger theoretical constructs. An example of an aggregate dimension in this study is 'Political strategies', which is combined out of 'Information strategy example' and the other being 'Constituency building strategy example’. The set of first-order terms and second-order themes and aggregate dimensions, form the basis for the data structure which allows this research to use data gathered from the multinationals into a visual tool (Gioia et al., 2012).
3.4 Research ethics: validity and reliability

In order to make sure this study is in line with all academic ethical considerations, several steps have been taken to increase this research's validity and reliability. First of all, the realism paradigm by Healy and Perry (2000) has been used. Healy and Perry argue that to make a research reliable and valid, the researcher has to rely on several views about a single reality. They argue that the involvement of various data sources and their interpretations is needed to provide for multiple views. To provide for these multiple views and thus consequentially for validity and reliability, the interviews, desk research and secondary data have been used. By studying corporate statement documents, press releases, academic articles and statements of third parties together allowed for a broad perspective on the multinational’s perspective on global warming.

Second of all, the verification strategies described by Morse, Barrett, Mayan, Olson and Spiers (2002) have been applied to provide for reliable and valid results. These ensure reliability and validity through: ensuring methodological coherence, make sure the sample is big enough, developing data collection and analysis, theoretical thinking by the researcher and creating theory development. Each of these five steps has been applied to provide for valid and reliable results.

Third of all, the five principles of research ethics have been taken into account when conducting the interviews and analyzing the results. According to Smith (2003) the five rules that researchers have to consider when writing their study are:

1. Discuss intellectual property honestly;
2. Be conscious of multiple roles as a researcher;
3. Assure the respondents participating in the research are aware of the risks and benefits;
4. Respect confidentiality and privacy;
5. Tap into ethics resources.

These five principles of ethics have been taken into account when interviewing the respondents, so that they felt taken seriously and could trust the research process.
3.5 Methodological limitations

After selecting the sampled firms two methodological limitations persisted. First of all, although ten companies have been studied, only seven were willing to participate in the interview. The other three corporations (company H up to and including J, all American companies) have shown no response and thus did not participate in the interview. They have been studied through desk research only. Second of all, since only two American multinationals were interviewed their maximum score on some first-order concepts has been two. As the two interviewed American multinationals could have a score on the first-order concepts such as 'Discussing with the American President' and 'Discussions with the American administration', the maximum score of those first-order concepts has been two. For an overview of the first-order concepts, second-order themes and aggregate dimensions applied in this study, please see Appendix B.
4. Findings
This chapter discusses the results of this study. It starts by explaining to which extent political strategies used by Dutch and American multinationals vary. Furthermore, it addresses the differences in the use of political strategies by the Dutch and American companies. The chapter ends by explaining which motivations underlie multinationals’ considerations to engage in climate action.

4.1 Chosen political strategy
This paragraph addresses which political strategies the multinationals use to achieve that climate action. As previously described, all companies are either part of a pluralist institutional setting (the Dutch multinationals) or a corporatist institutional setting (the American multinationals). Due to these institutional differences it is expected that Dutch companies are more likely to use the constituency building strategy, whereas American companies are expected to use the information strategy and/or the financial incentive strategy.

Multinationals in a pluralist institutional setting
Constituency building strategy
When firms use a constituency building strategy as their main political strategy, they aim at influencing the public policy arena indirectly by targeting individual voters. The constituency building strategy is achieved through influencing clients and society by press conferences and newspaper advertisements. Firms that use this strategy try to influence the public view on a contradicting matter. The Dutch government tends to include several stakeholders, such as corporations, NGOs, citizens, scientists etc., when creating and implementing policy. Dutch multinationals thus tend to involve multiple stakeholders when deciding on which strategy to pursue.

The constituency building strategy is used by all Dutch multinationals as their political strategy. Shown by the first-order concept 'Helping their clients become more sustainable', Company A up to E all expressed such intentions. This is done through stimulating the use of sustainable energy (company A); giving advice to management teams (company B); helping clients to use more ICT, but less energy (company C); integrating sustainable practices (company D) and by organizing the Kids Climate Conference which allows children to think about climate change (company E). By trying to influence their clients to become more sustainable, they indirectly influence the public policy arena as their clients can express their views when voting. Company B also expresses in the first-order concept 'Influencing the
public view' that is tries to shape the public view on climate action by trying to make the society more sustainable. Together the first-order concepts of 'Helping their clients become more sustainable' and 'Influencing the public view' result into the second-order theme 'Constituency building strategy examples'.

Financial incentive strategy
Most Dutch companies abstain from mentioning financial lobbying. An extensive study of newspaper articles published between 2012 and 2017 has been done to see whether Dutch multinationals financially contributed to public issues concerning climate action. Despite this research, no evidence has been found for the use of the financial incentive strategy when trying to influence the Dutch governments on matters regarding global warming. Company D shows their view on financial lobbying by the following quote: "Even if it is for environmental issues, you can make sure you move away from financial lobbying, for any sorts of reasons, because it is abuse of your large financial part".

Information strategy
The other strategy that has been used by all Dutch companies is the information strategy. In the information strategy firms provide policy makers with specific information about their view on public policy. In order to provide for this information, firms use lobbying and think tanks to supply policy makers with research reports and statements, so that they can convince the policy makers of their corporate view. Although all Dutch multinationals abstain from mentioning financial lobbying (and no evidence is found for it either by doing desk research), four of the five multinationals (company A up to D) are member of the VNO-NCW. The VNO-NCW is a Dutch lobby-organization that defends the interest of Dutch enterprises. The VNO-NCW lobbies on behalf of the four multinationals in the Dutch government (vno-ncw.com, n.d).

Other than being member of the VNO-NCW, all Dutch companies also state that they try to work together with other companies to influence public policy makers. In the first-order concept of 'Working together with other companies' the multinationals state that they work together through initiatives proposed by the World Business Council for Sustainable Development (company A); being part of work groups together with the Dutch Central Bank (company B); by working together with other ICT-companies to shape the climate debate (company C); speed up climate action by signing the Climate Statement of the Dutch Banking Association (company D) and by collaborating with suppliers and partners (company E).
Besides trying to influence policy makers by working together with industry members, the information strategy is also shown in the first-order concept of 'Providing policy makers with information'. Company A up to C mention they try to influence policy makers directly by providing them with practical examples on global warming (company A); by being part of discussion groups with members of the Dutch government (company B) and by creating reports on how to work more sustainable (company C). Together, the first-order concepts of 'VNO-NCW'; 'Working together with other companies' and 'Providing policy makers with information' result into the second-order theme 'Information strategy examples'.

**Multinationals in a corporatist institutional setting**

**Constituency building strategy**

The constituency building strategy is used by all American companies as their political strategy. Shown by the first-order concept 'Helping their clients become more sustainable', company F and G expressed that they want to help their clients become more sustainable. This is done through providing more sustainable products (company F) and giving advice and assistance (Company G). Company F also expresses in the first-order concept 'Influencing the public view' that is tries to shape the public view on climate action by writing letters on climate action that become public. Together the first-order concepts of 'Helping their clients become more sustainable' and 'Influencing the public view' result into the second-order theme 'Constituency building strategy examples'.

Company H states that it tries to encourage others to cut down emissions. "Significant and positive impact will require civil society to move towards a healthier planet" (Coca-colacompany.com, 2016). Company H and I are also collaborating with their constituency building strategy. In 2014, they announced that they formed a coalition to create a digital platform for young people to take action against climate change. The platform has been used to target people between the age of 18 and 30 (The Guardian, 2014). Finally, company J explains that it is trying to achieve climate action by using public engagement, consumer activation and event attendance as means (Kelloggcompany.com, 2015). By trying to influence their clients and consumers to become more sustainable, Americans companies try to indirectly influence the public policy arena as their consumers can express their views when voting.
Financial incentive strategy

Both company F and G abstain from mentioning financial lobbying when engaging with public policy makers. Despite extensive desk research, no evidence is found for the use of the financial incentive strategy by company F and G on topics concerning global warming. No documentation is found either for company H, I and J. Although company H and I are both part of the American Beverage Association, the lobby organization does not lobby financially for climate action.

Desk research showed that all American multinationals do in some way contribute financially to American politics and public policy making. However, the data did not clearly show that money has been used to influence global warming topics discussed by politicians and public policy makers. Documents mentioned the number of financial contributions, the total amount and the political party and/or politician it is given to, but do not mention for which cause specifically. It can therefore not be concluded that American multinationals use the financial incentive strategy for topics concerning global warming. For an elaborate explanation of the analysis procedure, please see paragraph 7.2.

Information strategy

The other strategy that has been used by all American companies is the information strategy. Although all American multinationals abstain from mentioning financial lobbying (and no evidence is found for it either by doing desk research), company F and G do state they try to work together with other companies to influence public policy makers. In the first-order concept of 'Working together with other companies' the multinationals state that they work together by being part of environmental groups and signing letters addressed to the American president (company F) and sharing perspectives with other banks (company G). Besides trying to influence policy makers by working together with industry members, the information strategy is also shown in the first-order concept of 'Providing policy makers with information'. Both companies F and G engage with public policy makers and try to provide them with information on climate action. Company F states that: "Sometimes they are reaching out to us, for different reasons. Or they want more information, to hear a different context". Both multinationals argue that they try to provide this information by having 'Discussions with the American president'; having 'Discussion with the American administration' and writing 'Signed letters to stay in the Paris agreement'. Both multinationals engage in discussions with the administration, the president and signed letters to stay in the Paris agreement because they believe that this is needed to make America the leading country on climate action. Company F
states that "this is the way the US is going to be the most successful country". Together the first-order concepts of ‘Working together with other companies’; ‘Provide policy makers with information’; ‘Discussions with the American president’; ‘Discussions with the American administration’ and ‘Signed letters to stay in the Paris agreement’ result into the second-order theme of ‘Information strategy example’.

Company H, I and J also engage in conversations with the American president and the American administration. For example, in 2015 the multinationals took a White House pledge "to demonstrate their support for action on climate change and conclusions of a climate change agreement in Paris that takes a strong step forward to a low-carbon, sustainable future". President Obama held a roundtable with the CEOs of the multinationals to discuss ways in which they could help fight climate change in the United States and around the world. This resulted in the ‘American Business Act on Climate' which has been signed by all three multinationals (CNSnews.com, 2015). Also similar to the Dutch multinationals being member of the VNO-NCW, company G, H and I are member of the board of the US Chamber of Commerce. The US Chamber of Commerce however strongly opposes against climate action. Being member of the US Chamber of Commerce thus goes against company H, I and J’s stated position on sustainability and climate (Forbes.com, 2016).

Together, the second-order themes of ‘Constituency building strategy example’ and ‘Information strategy example’ result into the aggregate dimension of ‘Political strategy’. Both Dutch and American multinationals use the constituency building strategy and information strategy as their political strategies, regardless of their institutional setting. For all multinationals, regardless of their institutional setting, no evidence has been found for the use of the financial incentive strategy regarding public issues on global warming.

**Differences in the use of political strategy**

Although both Dutch and American multinationals use the same types of political strategies (the information and the constituency building strategy) there are some slight differences in the use of those strategies. Where the Dutch multinationals in general use the constituency building strategy by providing advice to management teams and clients, the American multinationals in general also provide ways for their clients to work more sustainable and through that the multinationals influence the public view. For example, company H and I both created a digital platform for young people to action against climate change and global warming. Also, company F produces sustainable products that their clients can use. So where
the Dutch multinationals mostly give advice to their clients on how to work more sustainable, most American multinationals also provide ways for their clients to work more sustainable and thus so influence the public view.

Both Dutch and American multinationals, as part of their information strategy, are members of a lobby organization. In the Netherlands, four of the five multinationals are member of the VNO-NCW. Three of the five American multinationals are member of a similar organization the United States: company G, H and I are member of the US Chamber of Commerce that represents the interest of American businesses. However, the big difference between the organizations is that the VNO-NCW is a strong advocate of climate action, whereas the US Chamber of Commerce strongly opposes climate action. So for the Dutch multinationals, being member of the VNO-NCW is in line with their state position on climate action. However, for the American multinationals, being member the US Chamber of Commerce goes against their stated positions on climate action.

Another difference in the use of information strategy is that, where Dutch multinationals stick to influencing public policy makers, American multinationals also directly target the American president. They write letters to him and participate in roundtables. A possible explanation for why Dutch multinationals do not address the Prime Minister directly in the Netherlands, is because the Dutch Prime Minister has fewer influence on the Dutch policy on global warming. The American president however has a big influence on America’s view on global warming and climate change. An example of that is President Trump’s recent decision to step out of the Paris Agreement, despite opposing views from members of his government (Independent.co.uk, 2017).

So although both Dutch and American companies use the constituency building strategy and the information strategy in order to influence public policy makers on matters concerning global warming, there are some slight differences in the use of those strategies. Neither the Dutch nor the American multinationals applied the financial incentive strategy. This shows that although the type of political strategy used is the same, variances might occur in how the corporations use those strategies.

4.2 Motivation for climate action

Now it is clear that the institutional setting does not make a difference on the political strategy chosen, this paragraph addresses whether the motivations underlying climate action vary between multinationals in pluralist settings and multinationals in corporatist settings.
Types of motivations

As mentioned before, there are two types of motivations that underlie multinationals’ choice to engage in climate action. First of all, firms can be driven by intrinsic motivations when deciding on climate action: the two types are a sense of moral duty and the second one being altruism. If managers view corporate social responsibility as a moral duty, they engage in corporate social responsibility because they feel it is the right thing to do, not because it is enjoyable to do so. If the managers have altruism as an underlying motivation, they want to contribute to the common good from a genuine concern of the well-being of others. Second of all, firms can be driven by extrinsic motivations when deciding on climate action. Executives driven by the extrinsic motive engage in climate action because they believe that climate action contributes to the financial performance of the firm. They do so because they believe climate action will increase a firm’s reputation; that it will differentiate them from competitors; lead to more employee trust and will avoid additional regulation. The next paragraphs address whether the underlying motivations between multinationals in pluralist versus corporatist institutional settings vary.

Multinationals in a pluralist institutional setting

Most of the Dutch companies mention that they feel they have to do their part when it comes down to climate action. Shown by the first-order concept ‘Do our part’ the pluralist multinationals show that they find it important to contribute to climate action. This is done through creating a serious climate strategy (company A); making the branch more sustainable (company B); helping clients in the ICT sector (company C); getting the whole company behind sustainability (company D) and setting an example (company E). Also shown by the first-order concept ‘Do the right thing’, most Dutch multinationals show that they find engaging in climate action the right thing to do. They try to achieve doing “the right thing” by setting targets (company A); taking responsibility for who they lend money to (company B); taking care of the planet by working smarter with energy (company C) and by making sustainability part of its DNA (company E). In addition, all Dutch multinationals show their intrinsic motivations through the first-order concept of ‘Ambitious’. All five of them show their willingness to be ambitious when engaging in climate action, through trying to increase the speed of climate action (company A and C); increasing employee commitment to sustainability (company B) and by having higher ambitions than regulation requires (company D and E). Together the first-order concepts of ‘Do our part’; ‘Do the right thing’ and ‘Ambitious’ result into the second-order theme ‘Intrinsic motivations’. This study has shown
that multinationals based in the pluralist setting are more driven by intrinsic motivations when deciding on climate action than extrinsic motivations. Engaging in climate action for the Dutch multinationals is mostly driven by intrinsic motivations because they feel they have to do “their part” and do the “right thing”. They try to be ambitious and bypass current regulation set by the Dutch government.

The multinationals therefore have altruism as the underlying intrinsic motivation. Altruism being the main intrinsic motivation behind the multinationals corporate climate strategy is shown in quotes such as “We provide credit to firms, through lending money. So we have a certain responsibility and influence on what they do with the money. So we have an influence and also responsibility. So that is really important” (company B) and “In the Netherlands we are a big company, so we have to help ourselves and the Netherlands to become more sustainable. We think that is our responsibility” (company C). Climate action followed by the Dutch multinationals is thus driven by genuine concern of well-being of others, in this case concern over the impact of global warming on (Dutch) society.

**Multinationals in a corporatist institutional setting**

All American multinationals as well state that they want to have a positive impact on climate action. Motivations for this differ however from the Dutch multinationals. Whereas the Dutch multinationals are driven by intrinsic motivations to engage in climate action, the American multinationals are driven more by extrinsic motivations. First of all, as shown in the first-order concept of ‘Investors influence’ company F and G show that the influence of shareholders determines the corporate climate strategy on climate action to a large extent. Company F states the start of their climate action emerged because their shareholders said, “you need to be thinking about energy and greenhouse gas emission”. Company G argues that as it engages in ongoing discussions with its shareholders, it gets continuous feedback on their climate strategy from their shareholders. Second of all, as shown in the first-order concept of ‘Opportunities’ company F and G are also both driven by business opportunities that they can derive from engaging in climate action. Company F argues those are a very important part of the climate story they create as a company. Company G states that ultimately, as any commercial institution, it needs to make a return on investment and pay the bills. “You need to balance doing the right business in the right way and making sure at the same time that you are making a return”. Third of all, as shown in the first-order concept of ‘How to spend resources’, company F and G both let their resources determine to which extent they engage in climate action. Company F clearly shows that in the statement that “Ultimately that is our
main decision: how we are going to spend our resources”. Company G makes similar statements by claiming that climate action is only achieved by having the right people and right resources supporting their climate strategy. Together the first-order concepts ‘Investors influence’; ‘Opportunities’ and ‘How to spend our resources’ result into the second-order theme of 'Extrinsic motivations'.

The influence of extrinsic motivations to engage in climate action is also shown for company H, I and J. One major reason for company H to engage in climate action is that it acknowledges that climate change and global warming will affect their own business. It recognizes that the effects of global warming will be bad for profits (Thinkprogress.org, 2014). Similar statements are made by company I, which has aimed to reduce water usage intensity by 20% between 2006 and 2015 across all manufacturing operations. They did so because water impacts input costs, competitiveness and the ability to maintain production as well as influencing community relations and brand perception (Deloitte, 2012). Company J acknowledges the risk of climate change and global warming as well. “Climate change and global warming both impact food productivity and food security. This puts more pressure on the need to feed more people with fewer natural resources. We are working on multiple fronts to address the risk climate change poses – to us and the world’s food supply” (Investor.Kelloggs.com, 2015). In conclusion, for company H up to and including J the extrinsic motivations are mainly expressed in the avoidance of risks caused by climate change and global warming. All three multinationals acknowledge that climate change and global warming will pose a threat on their financial situation and therefore decided to engage in climate action.

Together, the second-order themes of ‘Intrinsic motivations’ and ‘Extrinsic motivations’ result into the aggregate dimension of ‘Motivations underlying climate action’. The Dutch multinationals are more driven by intrinsic motivations when deciding on climate action, driven by the underlying motivation of altruism. The American multinationals however are more driven by extrinsic motivations than by intrinsic motivations when deciding on climate action. Extrinsic motivations that are mentioned are that climate action is influenced by investors; creates financial opportunities; is dependent on its resources and that it is decided upon because the multinationals fear the risks for their business that are caused by global warming.
Critical reflection

Although Dutch multinationals are dominantly driven by intrinsic motivations and American multinationals by extrinsic motivations when deciding on climate action, both do mention the other motivations as well. For example, company B states that shareholders help it to become more sustainable, thus showing the influence of shareholders on the climate strategy of company B. Likewise, company D argues that its climate strategy is also driven by making it future proof for upcoming regulation; reducing costs and creating new sustainability products that can add potential business value. So although the Dutch multinationals mostly mentioned intrinsic motivations as underlying their climate action, they do mention extrinsic motivations as well.

The same applies to the American multinationals. Despite the overall dominance of extrinsic motivations when deciding on their climate action, company F and G do mention intrinsic motivations as well in the interviews. Company F states that their climate action is driven by a societal standpoint and concern and company G claims that it wants to be a responsible organization by being part of the solution to global warming, rather than the problem. So although the American multinationals mostly mentioned extrinsic motivations as underlying their climate action, some of them do mention intrinsic motivations as well.

This shows that neither Dutch nor American multinationals are only driven by one of the two; however, both are dominantly shaped by either intrinsic or extrinsic motivations when deciding on climate action.

4.3 Linking multinationals’ motivations and political strategy

Although the motivations underlying climate action do vary between Dutch and American multinationals, no link between the underlying motivations and choice of political strategy has been found. In this study the choice of political strategy by the multinationals has been a tool for them to achieve their chosen climate strategy. Multinationals in this study use the information strategy and/or constituency building strategy to convince public policy makers of their views on global warming and climate action. The political strategies are thus used as a means to an end, rather than an end in itself. Therefore the underlying motivations that drive climate action do not influence the political strategy choice, as the choice of political strategy is used as a tool rather than an end in itself and thus not influenced by the underlying motivations.
5. Discussion

In this chapter the results derived from the analysis are discussed and linked to the theoretical framework supporting this study. The chapter ends by offering an alternative explanation for why political strategies in this study did not vary.

5.1 General discussion

Institutional setting and political strategies

In this research it was expected that multinationals based in a corporatist institutional setting would be more likely to choose an information strategy as their political strategy, when trying to influence public policy processes. The multinationals based in a corporatist institutional setting did use an information strategy, however the multinationals based in the pluralist institutional setting did use the information strategy as well. The multinationals based in the corporatist institutional setting thus were not more likely to use the information strategy than the multinationals based in the pluralist institutional setting. Furthermore, it was expected that multinationals based in a corporatist institutional setting would be more likely to choose a financial incentive strategy as their political strategy, when trying to influence the public policy process. No evidence has been found for this expectation. These findings contradict with earlier research of Schuler, Rehbein & Cramer (2002) who found that US firms are most likely to combine the information and financial-incentive strategy.

Furthermore, it was expected that multinationals based in a pluralist institutional setting would be more likely to choose a constituency building strategy as their political strategy when trying to influence the public policy process. The multinationals based in a pluralist institutional setting did use a constituency building strategy, however the multinationals based in the corporatist institutional setting did use the constituency strategy as well. The multinationals based in the pluralist institutional setting were not more likely to use the constituency building strategy than the multinationals based in the corporatist institutional setting.

Regardless of the institutional setting, multinationals did not use the financial incentive strategy as their political strategy. An explanation for this is given by Kolk and Pinkse (2007) who state that is unlikely that firms use the financial incentive strategy for a single issue. The financial incentive strategy according to them is used more when supporting politicians and political parties that share corporate views on a broader set of issues or that have the same views on society in general. So just supporting a politician or political party based on their view on global warming, according to Kolk and Pinkse, would not be enough
to use the financial incentive strategy for that means. Also, all ten multinationals made use of the information strategy as a means to shape the public policy process surrounding global warming. According to Kolk and Pinkse this can be explained by the fact that multinationals are not necessarily against action on climate change and global warming, but prefer market-based policies and voluntary proposals. By using the information strategy multinationals try to move policymakers in the direction of their most-favored policy types (Kolk & Pinkse, 2007).

This study thus found that both Dutch and American multinationals used the information strategy and the constituency building strategy as their political strategies. None of the multinationals used the financial incentive strategy. There is therefore no difference in the political strategy chosen by multinationals based in the pluralist institutional setting versus by multinationals based in the corporatist institutional setting.

There were some slight differences in the use of political strategies by Dutch and American multinationals. For the constituency building strategy, Dutch multinationals mostly gave advice to their clients on how to work more sustainably, whereas most American multinationals also provided ways for their clients to work more sustainably. Two differences in the use of information strategy have been found as well. First of all, for the Dutch multinationals being member of the VNO-NCW (which favors climate action) is in line with their state position on climate action. However, for the American multinationals, being member the US Chamber of Commerce (which strongly opposes climate action) goes against their stated positions on climate action. Second of all, American multinationals also directly targeted the American president, whereas Dutch multinationals stuck to only influencing public policy makers. A possible explanation for this is that the Dutch Prime minister has less of an influence on the Dutch policy on global warming. This line of reasoning is supported by Fiers (2005), who states that despite the growing role of the Dutch Prime Minister, no significant changes in the Prime Ministers’ rights and formal political activities have happened in the last 50 years. The American president however has a big influence on America’s view on global warming and climate change.

Varying motivations

Although the type of political strategy did not vary between multinationals based in the pluralist versus corporatist institutional setting, their motivation underlying to engage in climate action did. As described before, political strategies have been used by the multinationals as a tool to achieve their view on climate action.
As shown before, the Dutch multinationals have been mainly motivated by intrinsic motivations when engaging in climate action. All of them have altruism as the underlying intrinsic motivation. They want to contribute to the common good from a genuine concern of the well-being of others. The American multinationals however have been more driven by extrinsic motivations than by intrinsic motivations when deciding on climate action. Extrinsic motivations that have been mentioned are that climate action is influenced by investors; creates financial opportunities; is dependent on its resources and that it is decided upon because the multinationals fear the risks that are caused by global warming.

These overall results contrast with the findings by Maignan and Ralston (2002) who found that US firms are driven more by intrinsic motivations, whereas Dutch firms are more driven by extrinsic motivations. Maignan and Ralston attribute this difference on the one hand to the fact that American businesses have played a large role in the development of US cities and communities and thus have been responsible for the moral character of those communities. Dutch firms, on the other hand, have not been confronted with that responsibility and this according to them, value extrinsic motivations more than intrinsic motivations. They conclude that US firms want to show their contribution to society, whereas Dutch organizations are less likely to value such contributions (Maignan & Ralston, 2002). A possible explanation for why the results from Maignan and Ralston differ from this study's results is that the study of Maignan and Ralston focused on motivations underlying all categories of corporate social responsibility (people, planet and profit). However, this research focused on only one category of corporate social responsibility: the planet category. It is thus possible that the results differed between the two studies because the focus of both studies differed. The Maignan and Ralston research described the motivations underlying all categories of corporate social responsibility, whereas this study only focused on the motivations underlying the planet category (more specifically, climate action). However, no current literature provides insight into why motivations differ when studying corporate social responsibility for all categories and climate action specifically. Also, current literature does not provide for explanations why motivations of multinationals to engage in climate action differ between multinationals in pluralist and corporatist institutional settings. Both topics can thus be addressed in future research.
5.2 Alternative explanation

In this research, it has been expected that due to the differences in political and regulatory uncertainty between the corporatist and the pluralist institutional setting, the political strategy chosen by the multinationals would vary. However, no evidence has been found for the institutional setting being of influence on the political strategy chosen by the multinationals. An alternative explanation for why corporate political strategies do not vary between institutional settings, is given in the next paragraph.

Self-regulation

An alternative explanation for absence of a difference between political strategies used by multinationals in corporatist versus pluralist countries is that multinationals use one global strategy when deciding on climate action and in order to influence public policy makers, regardless of their institutional setting. Kolk and Pinkse (2007) found this support for the use of a self-regulation strategy by multinationals regardless of their home country. When a multinational uses a self-regulation strategy it imposes regulation and measures upon itself to achieve climate action. The rules that determine their behavior are adopted voluntarily, either by going beyond what regulation requires or by establishing new standards in policy areas in which the government falls behind. Although the rules are voluntary, they might be enhanced and enforced by formal and informal agreements between corporations (Haufler, 2001). Examples of self-regulation measures are membership of international institutions and voluntary participation in business groups by NGOs, trade associations, government bodies or firms themselves (Kolk & Pinkse, 2007).

In this study, most respondents expressed using a self-regulation strategy as a means to achieve climate action. They applied this strategy worldwide, regardless of institutional setting. The use of self-regulation strategy is expressed in statements such as "We also work together with other various companies. For example through the World Business Council for Sustainable Development, they propose all kind of initiatives that we support" (company A); "We have stakeholder dialogues in which all kinds of stakeholders are included, so also NGOs, charities. Often NGOs have lots expertise that we can use in our policy" (company B) and "So for example, we stand with the Climate Statement of the Dutch Banking Association. So this is recent where all Dutch banks came together to sign an agreement that says we are aiming to monitor and reduce the impact of their landing on climate change" (company D) and "We are looking at ways in which we can minimize any impact and we are looking to become carbon neutral, to the extent that is achievable" (company G).
The use of self-regulation strategy therefore can be seen as an alternative strategy used by multinationals (both based in the corporatist and pluralist institutional setting) to achieve climate action. Although the self-regulation is not directly a political strategy, it is a strategy multinationals can use to avoid heavier regulation themselves. Following that line of reasoning, it could be plausibly be described as a new type of political strategy. The addition of the self-regulation strategy to this study can therefore be seen as an expansion of the framework of Hillman and Hitt.
6. Conclusions

In this chapter the main conclusion and the theoretical and practical implications that can be derived from the preceding results are explained. Furthermore, the limitations that remain after doing this study are discussed and directions for future research are given.

6.1 Conclusion

The findings show that there is no difference in political strategies used by multinationals based in pluralist versus corporatist institutional settings. Both the multinationals based in the pluralist and corporatist institutional settings applied an information and constituency building strategy when trying to influence the public policy process on climate action. The expected difference in political and regulatory uncertainty due to institutional setting has not been observed and therefore has not been of influence on the political strategy chosen.

What did differ were the underlying motivations of the multinationals to engage in climate action. The Dutch multinationals have been mainly motivated by intrinsic motivations when engaging in climate action. All of them had altruism as the underlying intrinsic motivation. The American multinationals however have been more driven by extrinsic motivations than by intrinsic motivations when deciding on climate action. The type of motivation did not influence the type of political strategy chosen, as the political strategy in this research has been used as a tool rather than an end in itself. The motivations of the multinationals thus does not influence the choice of political strategy, as the political strategy is not an end itself. The end goal of the multinationals is climate action and the political strategy therefore is not dependent on the type of motivation, as the multinationals do not think about the political strategy as the end goal but as a way to achieve climate action.

The alternative explanation given for the indifference between political strategies used by multinationals in corporatist versus pluralist countries, is that multinationals use one global strategy when deciding on climate action. Most multinationals applied the self-regulation strategy in which they imposed measures upon themselves to achieve climate action. They applied this strategy worldwide, regardless of institutional setting.
6.2 Theoretical implications

The main framework that has been used to underlie this study is the framework of Hillman and Hitt’s (1999). Although the framework has been created in 1999, this research has proven its contemporary relevance. Two of the three described political strategies of Hillman and Hitt’s have been observed in this study. The lack of use of the financial incentive strategy can be explained by the fact that multinationals do not tend to use this strategy for a single issue such as global warming.

As alternative explanation for why the political strategy chosen by multinationals did not vary, this research has addressed the self-regulation strategy. This finding is in line with the insight of Kolk and Pinkse (2007) that multinationals use the self-regulation strategy regardless of their home country's institutional setting. Although the self-regulation is not directly a political strategy, it is a strategy multinationals can use to avoid heavier regulation themselves. Following that line of reasoning, it could be plausibly be described as a new type of political strategy. The addition of the self-regulation strategy to this study can therefore be seen as an expansion of the framework of Hillman and Hitt.

The research furthermore showed that Dutch multinationals value intrinsic motivations more when deciding on climate action and that American multinationals value extrinsic motivation more when deciding on climate action. This contrasts with the findings of Maignan and Ralston (2002) who found that US firms are driven more by intrinsic motivations, whereas Dutch firms are more driven by extrinsic motivations. These results thus oppose the findings of Maignan and Ralston. Explanations for why motivations of multinationals to engage in climate action differ between multinationals in pluralist and corporatist institutional settings have to be addressed in future research as current literature does not provide an answer to the question why motivations of multinationals vary between institutional settings.

6.3 Practical implications

This study has some practical implications for advocates of climate action. First of all, for policy makers who are concerned about the environment, this study shows that the motivations underlying multinationals' reasons for climate action are dependent on the country the multinational is based in. Dutch multinationals prefer intrinsic motivations to underlie their climate action while American multinationals prefer extrinsic motivations to do so. Knowing this, public policy makers can appeal to the motivation that corresponds with the preferred motivation by multinationals, based on their home country. Second of all, for
multinationals that are advocates of climate action themselves, the same applies. Knowing their fellow industry members are driven by intrinsic or extrinsic motivations can help multinationals’ advocates of climate action to appeal to other industry members for the right reasons. Furthermore, the result that most multinationals in this study apply a self-regulation strategy can help advocates of climate action to convince other multinationals to apply a self-regulation strategy as well. If most of the multinational's industry members are applying a self-regulation strategy, chances are that other multinationals feel the pressure to do so as well.

6.4 Limitations & future research

First of all, several topics that have been discussed in this study (e.g. lobbying and financial contributions to politics) were not mentioned by respondents or have been a taboo subject. Firms in general preferred not to talk directly about lobbying and financial contributions to political parties and governments. Desk research was thus needed to explore whether multinationals engage in financial lobbying and consequentially the financial incentive strategy. Although websites like opensecrets.org provided insights into the financial contributions of lobbyist in the United States of America, it has been impossible to prove that the multinationals in this study directly provide financial aid for public policy topics concerning global warming. The data provided on that subject is limited. Furthermore, the available data is ambiguous on the end goal of the financial lobbying by multinationals. The data state the amount of financial lobbying and the political party and/or politician to whom it is given, but does not clarify for which political topic it is given. The research therefore could not conclude that the financial incentive strategy was used for topics concerning climate action and global warming.

Second of all, a larger sample would have an increase in external validity. The sample has been dependent on the willingness of multinationals to cooperate in this research. Seven multinationals (five Dutch and two American) were willing to cooperate on an interview. The other three however showed no response, limiting data collection methods on their policies to desk research. In order to address this, future research could take a closer look into this link by using quantitative methods. A bigger sample would allow for a greater generalization of results. Also, respondents might be more willing to talk about taboo subjects in an anonymous survey than in interviews in which they are directly confronted with the interviewer. Taboo subjects such as financial lobbying could be addressed by splitting up questions in the survey to individual queries that concern different elements of financial lobbying separately.
Third of all, as the theoretical framework changed significantly after the interviews had been conducted, the questions were not fully up to date. The theoretical framework changed significantly as additional literature was added to the framework of Hillman and Hitt, explaining why reasons for multinationals to engage in corporate social responsibility and consequently climate action varied. Looking back, additional questions could have been asked from the respondents to clarify their motivations to engage in climate action and reasons to choose a certain political strategy.

Finally, the literature on the link between institutional setting (pluralism versus corporatism) and multinationals' motivations to engage in corporate social responsibility (and consequentially climate action) is limited to non-existent. Explaining how institutional setting influences multinationals motivations on climate action therefore has been difficult as literature provided no theoretical background on this link. Further research could look into how the institutional setting (so pluralism versus corporatism) influences multinationals choice to pursue intrinsic or extrinsic motivations.
7. Reflection

In this chapter first of all a general reflection of the research process is given. In this the learning process of this study is explained. This chapter second of all explains what processes have been applied during the study, but did not make it to the end analysis.

7.1 General reflection

Writing this research has been an informative process. Studying the general theories about the nonmarket environment, nonmarket strategies, institutional theory and strategic decision making has added contextual depth to my learning process, which started at the beginning of this master. Furthermore, using the interview as data collection tool has enriched my experience with qualitative research and taught me how to engage with executive managers from both Dutch and American multinationals. Engaging with the various multinationals has shown the cultural differences both between various multinationals and especially between countries. Dutch multinationals in general have been more open about the motivations underlying strategic decisions than their American counterparts. It also taught me how difficult it is to get in touch with the right people in the right organizations. Gathering the interview sample was a timely procedure as multinationals were very hesitant to engage in the interviews. Through the help of Mrs. Saka-Helmhout and Simon Braaksma (Senior Director Sustainability at Philips) I thankfully managed to arrange the seven interviews with the various Dutch and American multinationals. If I were to replicate a qualitative study in the future, I would start even earlier with approaching potential respondents.

Also, this research has taught me how important it is to have a theoretical framework that includes theoretical aspects when studying a phenomenon. During the study, the theoretical framework changed several times after receiving feedback. The interview had already been made and conducted though, making it a bit difficult to match the theoretical framework with the data gathered from the interviews. This has also shown me how different the results derived from the data can be, depending on the theoretical frame(work) you use when looking at the data.

Finally, this research taught me how to use the Gioia method of coding. I was happy Mrs. Saka-Helmhout introduced it to me as it gave the research a systematic way to derive valuable information from the interviews with the various multinationals. Although the Gioia method has been a useful method to derive information from the interviews, additional theories were needed to explain the results.
7.2 Process

To give a clear view of all processes that have been used in this study, an explanation is given about the processes that did not make it into the analysis. First of all, all American multinationals abstained from mentioning financial lobbying and the use of the financial incentive strategy. This is probably due to these topics being taboo for the respondents. An extensive analysis of the data from the website opensecrets.org has been used to see whether American multinationals used the financial incentive strategy as their political strategy. Opensecrets.org is a research group that tracks money in United States politics. For each American multinational, data has been requested from the period 2012 up to now. The data showed that all American multinationals do in some way contribute financially to American politics and public policy making. However, the data did not clearly show that money has been used to influence global warming topics discussed by politicians and public policy making. Documents mention the number of financial contributions, the total amount and the political party and/or politician it is given to, but do not mention for which cause specifically. It could therefore not be concluded that American multinationals used financial lobbying for achieving climate action.

Second of all, no data was found for company F and J being member of the US Chamber of Commerce. The US Chamber of Commerce does not have a list of their members. The organization states that "it is the policy of the US Chamber of Commerce not to distribute or make public information about our members" (US Chamber of Commerce, n.d.). The conclusion that company G, H and I are member is concluded based upon other data sources, such as newspaper articles. As the US Chamber of Commerce does not have a list of their members, it is not possible to conclude whether or not company F and J are in fact member.
Literature


Doh, J.P., Lawton, T.C. & Rajwani, T. (2012). Advancing nonmarket strategy research:


Good morning, my name is Lauren Timp. I am a Master Student Business Administration at Radboud University. For my thesis I am researching the climate strategy of different multinationals. The outcomes of this interview will be fully anonymized. Do you have any other questions before we start?

**Introduction**
1. Could you give a short introduction of who you are?
2. So you work as … (job position) within … (firm), could you tell me what your job entails?
3. Why have you chosen for this … (position) within … (firm)?

**Climate strategy**
4. So I understand that … (company) goal is to … (climate goal, based on desk research), could you in your own words explain why … (company) values this (so much)?
5. What enables you to pursue your chosen strategy?
6. What hinders you from pursuing your chosen strategy?
7. What influence has your strategy had on the global warming debate?
8. How does is this common goal of … (company) shown in your internal corporate culture? To which extent do you feel employees embrace this goal?

**Collaboration with stakeholders**
9. To which extent does … (company) collaborate with other stakeholders to achieve its climate goals?
10. To what extent (company) engage with government officials about global warming?
11. Do you feel the views of other stakeholders (e.g. NGOs, charities) have influenced your company’s view on global warming?
12. To what extent do you feel national governments have an influence on your goals and ambitions?
13. In which ways does … (company) try to collaborate with national governments?
14. To what extent do changes in climate laws and public policy affect … (company) climate ambitions?
Future
15. Looking at the upcoming ten years, what do you think … (company) can do to further reduce the impact of global warming?
16. How do you see … (company) working together with national governments in the upcoming ten years?

These were all my question, thank you! Do you have any further questions?
Appendix B: Coding summary

<table>
<thead>
<tr>
<th>First Order Concepts</th>
<th>Second Order Themes</th>
<th>Aggregate Dimensions</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Provide policy makers with information (4)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Work together with other companies (9)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• VNO-NCW: Lobby group (4)</td>
<td></td>
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<tr>
<td>• Discussions with the American president (2)</td>
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<tr>
<td>• Discussions with the American administration (2)</td>
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<tr>
<td>• Signed letter to stay in the Paris agreement (2)</td>
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<tr>
<td>• Help clients to become more sustainable (9)</td>
<td></td>
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<tr>
<td>• Influencing the public view (4)</td>
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<td>•</td>
<td><em>Information strategy examples</em></td>
<td>Political strategy</td>
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<td>•</td>
<td><em>Constituency building strategy examples</em></td>
<td>Political strategy</td>
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<tr>
<td>• Ambitious (9)</td>
<td></td>
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<tr>
<td>• Do the right thing (7)</td>
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<tr>
<td>• Do our part (7)</td>
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<tr>
<td>• Investors influence (2)</td>
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<tr>
<td>• Opportunities (2)</td>
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<tr>
<td>• How to spend resources (2)</td>
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<td>•</td>
<td><em>Intrinsic motivations</em></td>
<td>Motivations underlying climate action</td>
</tr>
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</table>
Appendix C: Transcript interviews - Dutch companies

Interview A - 10-04-2017

Interviewer: Good morning, as you know my name is Lauren Timp. I am a Master Business Administration student at Radboud University. For my thesis I am doing research on the climate strategy of several multinationals, both in the Netherlands as in the United States. The results of this interview will be kept fully anonymous. If you are okay with it, this conversation will also be recorded. Do you have any questions before we begin?

Interviewee: No, I don't, we can come back to what the next steps will be and what your planning will be and if I get a copy or a transcript from the interview. If you can send that to me. Just to check if there are no unexpected parts there.

Interviewer: Yes of course, I can do that. I can send that. Could you first start by introducing yourself?

Interviewee: Yes of course, my name is Interviewee 1, I already work for 19 years at Company A, from which the last nine years at the group Sustainability. Before that I worked for eight years at a bank. At Company A I am responsible for the internal and external reporting on sustainability. I am responsible for the contacts with investors on sustainability and I am responsible for buying renewable energy and creating our climate strategy.

Interviewer: All right, and why did you choose for this position when you started at Company A?

Interviewee: You mean the position I have now?

Interviewer: Yes, exactly.

Interviewee: I started at Company A in the treasury department, so the department which is responsible for the money. This of course makes sense as I used to work for a bank. Company A was our biggest client when I worked for that bank. So at one point Company A asked me if I wanted to switch between departments, so I did. So I first worked at the treasury department, then I worked at a financial transformation process for Company A. It was a three year trajectory, it was very interesting. After that I worked at the group control, which made the quarter reports and the monthly reports that had to go the Board of Directors. And also the Annual Report. I have been there a while, but at a certain point I felt it was very routine-based. Was not really my cup of tea. Then an internal opening showed up and I was asked to take place in the Sustainability Group, which I did. I have no regrets in doing so.

Interviewer: All right, is that something you always thought was interesting? Sustainability?

Interviewee: Well, I am a little bit older than you, I graduated from my master in 1990. Back then sustainability was not a big thing and I really wanted to work for a bank. Which I did and I had a lot of fun. But when I started working for Company A, I found out about all the things they do for sustainability, because not a lot of people knew that. A sustainability report, that is incredible, why don't we know more about this? And then when I got the job at the Sustainability department, it was very similar to what I did at the Control Department. Which I thought was a lot more interesting in the Sustainability department. A lot of fun things happened and we were still a small department, so we tried to build it up and increase the scope. So the department was very appealing, also, it sounds a little bit strange, but because it
felt more meaningful, in doing business. So that is what drew me into it back then.

**Interviewer:** Hmm okay I understand it. I understood from your website mainly that the goal is to be fully carbon neutral by 2020

**Interviewee:** Carbon neutral in our operations. You always have to pay attention, when talking to the other companies, so what is the scope of the goal, what is the baseline. Not necessarily if you want to be carbon neutral, because then it is zero of course. But when talking about reducing it, reducing it to which extent, compared to what? It is very easy to control the numbers and goals. But yeah, we have decided to be carbon neutral by 2020 and that is in our operations. So what are our operations. So those are our industrial activities, our factories. Non-industrial, those are our offices and development organizations but also the research centers. Our complete logistics and our business travelling. So the flying, travelling and the lease-cars, all have to be carbon neutral. We have a huge amount of lease-cars, because we have a lot of service engineers, who travel throughout the whole country, especially in our health areas. They all have a Company A car to apply maintenance, especially in America there are thousands and thousands. That is the scope of our program.

**Interviewer:** Okay, that gives a clear picture. Could you tell me, in your own words, why this is so important to Company A?

**Interviewee:** Well, there are a few things. When developing our new program, we looked together with a lot of stakeholders, what are the right chess boards, what parts should we play on. Where do we have an impact as Company A and where don't we have an impact. So for Company A we spend like 50 million on energy, part of a 'Bill of Materials' of more than ten billion. So that is peanuts. If you look at our emissions, our carbon footprint, it is roughly equal to a lot of our peers. Still isn't that impressive. So you could say we don't set a target, but I don't think that is right. Furthermore, what we also saw is that the impact of climate on health care is huge. Multiple studies have shown that climate change has an impact on health care demand especially. For example, respiratory equipment. So we feel we have to do our part. You can't be serious about sustainability if you don't have a serious climate strategy. So that is why we choose for this. As CEO of Company A once said: "We see (his and my generation, we are older than you) what the impact of climate is and we are the last generation that is able to do something about it". So also if you want to be serious about responsible business, you have to take action. Otherwise you are just unreliable. If you want to be a leader in sustainability but we don't have a strategy. Does that answer your question?

**Interviewer:** Yes, it definitely does. What do you think it makes it possible to implement this strategy?

**Interviewee:** Do you want makes it possible or how you are going realize it yes.

**Interviewer:** What is going to help you to realize this strategy yes.

**Interviewee:** Maybe you can rephrase that question. But how we are going to do that is as follows, it has multiple layers. First of all, we want to make our operations as energy efficient as possible. Because there is still a lot of improvement possible. So for example it means that you take a closer look at your factory processes, see if energy can be saved there. So for example, you go to our offices and walk around there, see which lights are still on. Sometimes, after working times, which machines are still on, which lights are still on. There is always room for improvement. You can continuously improve. So improve your energy efficiency, it also saves you money. As all machines are shut off, saves money, which is better
for *Company A* and eventually also for the climate. Second of all, we look at if we can create energy at the side itself. Can we place solar panels, do other things, place windmills? That is often very difficult because you don't have the space or the right licenses. Besides, if you do that, you hand in flexibility on the side. Because if you place a wind mill park for a lot of money there on the side, you hand over your flexibility, as you put a lot of money on that side. So the flexibility you have to move is lost. That is the second thing that is possible. Thirdly, we try to buy sustainable energy by getting contracts that last for a few years. In America, we did that a lot. In America, a windmill park supplies the whole energy requirement of our American side. We also announced at the 2016, 2017 that we will have two contracts in the Netherlands. With Windmill Park 1 and Windmill Park 2 they will supply us with sustainable energy in 2018 and 2019 through wind energy. With that the whole of the Netherlands is supplied with sustainable energy and also America as I said before. Then we are good for about 65% of our energy supply. Now we are looking at countries like China, India and other to see what we can do over there. But you really have to push it, otherwise it is not going to work. You could also buy sustainable energy on a yearly basis but that is not really great. That doesn’t really add anything. But one of the wind parks, at Google they call it ‘additionally’, you have extra capacity that is being build. We think that is great. And the last thing we really like to start a ‘carbon offset program’.

**Interviewer:** What is that exactly?

**Interviewee:** A ‘carbon offset program’ is a program in which you buy carbon credits to ‘offset’ the things you can’t avoid. A big part of our emissions resides within our logistics, flying goods back and forth, road transport etc. As long as we produce goods that have to be shipped to our clients and as long there are no planes that fly on wind energy or solar energy. As long as there are no boots that are powered by sails and trucks that don’t drive on sustainable energy, then you have to offset your emissions. And we have to do this because that is in our scope, that is in our definition, our goals.

**Interviewer:** Yes you want a 100%.

**Interviewee:** That is why we choose a supplier and we will create a program the upcoming years to create a carbon offset program. They will help us reach our targets.

**Interviewer:** Awh okay, so that is how the emissions will be compensated. I understand it.

**Interviewee:** Yes, so it is a multiple dimension goal. Not just one layer.

**Interviewer:** Yes, there are multiple phases involved. What do you think in executing this, might hinder you?

**Interviewee:** Well, what could hinder us is certain legislation. Doesn’t matter if that is Dutch, French, German, Indian, Chinese or European legislation. The European Union just announced a ‘Winter Package’ to promote sustainable energy stimulate, which in itself is really good. However, there are a few aspects of that legislation which hinders the multiple year contracts by firms in sustainable energy. For us that is really necessary to realize the energy transition. Because if firms can’t directly buy sustainable energy, we feel the transition will take a lot longer. For us at *Company A*, we are ahead. You see a lot of other companies now also saying, we want to do that as well, it fits in our strategy. It ‘derisks’ rising prices in the future. It is expected that in the future, sustainable energy will be a lot more expensive in the future. The supply will rise, but the demand will rise a lot higher, so that will drive up the price. So these are all factors that you have to take into account. But besides that you are also
very dependent on laws and regulation. For example in China, the legislation and market situation is so different. A lot more regulated. That is the most difficult. What is going to help us, is dropping prices of sustainable energy. If you look at how cheaply nowadays you can buy wind energy in comparison to three years ago. The price dropped from like 120 euro’s per megawatt per hour to like 50 euro’s. That is huge. That more than half. That is unknown. Same goes for solar energy. Which also means it becomes a lot more attractive for companies. They call that ‘Grid parenting’: the price of fossil fuels is almost the same as renewable energy. So eventually, if the price goes below the price of fossil fuels, why would we still use fossil fuels then?

**Interviewer:** Yeah I get that, why would you still use fossil fuels then. I understand that. Let me see, what influence do you think your strategy has had on the debate surrounding global warming?

**Interviewee:** Well, I don’t really know if we have influenced the debate surrounding global warming. What you do is that you choose of a group of people, so people like Company A, who think the same and you write a letter to the ‘formateur’ and tell her what we feel should happen.

**Interviewer:** Also at this moment, with these elections?

**Interviewee:** If you look at VNO-NCW, they send a lot of letters as well. We feel a lot of those letters could be a lot more ambitious. Because very often the speed of the slowest, determines the overall speed. So that isn’t always the best. What also backs up my last point is that customers want us to do this. They ask for it, they want sustainability.

**Interviewer:** You really notice that customers want that?

**Interviewee:** Yes we do, it is no longer a green hobby. We are no longer the Groenlinks from Company A. We are business partners. We help to bring in clients.

**Interviewer:** And do you have an example, where do you notice it?

**Interviewee:** Well for example, in the health care industry in America, there is a big drive to go for green health care. So we as Company A are perfectly suited for that.

**Interviewer:** Yes you can supply both sides. That is perfect. And how do you feel that this strategy of Company A is shown in the internal corporate culture? To which extent do employees support it?

**Interviewee:** Yes, they do support it. Look, if you are in the health care industry you have to care about sustainability. But you can also see it in the people we attract now. The younger generation. Those are all people that want to work for a sustainable company. So if you are leading in sustainability; that is perfect. The only challenge we have is that not a lot of people we are the leader in sustainable business. For a long time we have been the ‘silent hero’, which is a waste of course. So we are working on that now.

**Interviewer:** Ahw okay, to make it clearer. I get that. To which extent does Company A work together with other stakeholders to achieve its climate strategy?

**Interviewee:** Well I can give you an example. Last Friday I had a conversation with CEO of Company A, Greenpeace and myself. Now Greenpeace has not always been the biggest friend of large multinationals, but we are discovering more and more that we have the same ambitions. We of course have different stakeholders than Greenpeace, they have members and are active in ‘campaigning’. Both working together we can see what we have in common. Things we might not agree on is how or what speed it should be done, although we are both
very ambitious. So we can help each other out.

**Interviewer:** So that is through meetings and collaborating, but through which are ways is this done?

**Interviewee:** We also work together with other various companies. For example through the World Business Council for Sustainable Development, they propose all kind of initiatives that we support. We work together with our clients, other companies, e.g. when buying sustainable energy. So it is a lot. Very broad spectrum. This makes it a lot of fun and also difficult. For example, soon we will send out letters to the members of the European Parliament. To tell them they are doing a real good job concerning the climate agenda and the ambitions that are in that agenda. That is a letter that will be signed by 10 or 12 companies, if you see how much time that takes. That is called a multiple stakeholders dialogue. This can take so much time.

**Interviewer:** The content of this letter, is it to say that they are doing well?

**Interviewee:** Yes exactly, this is because there are a lot of lobby organizations that try to slow down the process of action against global warming. For example the oil or fuel industry, they don’t want an energy transition to happen. They would have ‘stranded assets’. For example for Total, you might put your lobbyist to work.

**Interviewer:** So it is to support the members in the Parliament?

**Interviewee:** Yes, it is to say that they are doing well, don’t let yourself be influenced too much.

**Interviewer:** That is interesting you say that, because my next question is to which extent you work together with public policy makers?

**Interviewee:** We don’t support a political party, that is not in line with our general business principles. So we don’t do that. But we definitely try to influence policy in line with our strategy, but every business does that.

**Interviewer:** So an example of that is the earlier mentioned letter, are there other examples?

**Interviewee:** Well for example with the circular economy, which also has to do with climate and global warming, we also contact members of the European Parliament. They can use some practical examples, we try to provide them with the necessary knowledge and information.

**Interviewer:** Okay interesting, to which extent do you feel this also happens at national, Dutch level?

**Interviewee:** Yes, we do it there as well, for example through VNO-NCW, for example through the *Energie Akkoord 2013*. We try to reach the goals of the Paris Agreement. If we all work really, really hard then we might achieve those. But barely. So we have to speed up the process.

**Interviewer:** So it is mostly done through working together with other companies?

**Interviewee:** Yes, and we try to do a lot ourselves of course. It is not like we work a lot together with ministers or something like that.

**Interviewer:** Okay clear, and to which extent do you feel that changes in laws and policy regarding global warming has an influence on your strategy?

**Interviewee:** Well, we try to be ahead of the laws. If you develop a strategy for the upcoming five years, you want to create one that you don’t have continuously adjust to different laws. So we try to stay ahead and try to be ambitious. At least we try and I think also really are. So we try to be in sync with the Dutch laws.
**Interviewer:** Okay I understand that. Looking at the upcoming ten years, what do you think *Company A* can do to further reduce the impacts of global warming?

**Interviewee:** Well a lot of changing laws are coming up. For example in the G20, a proposal will be discussed that forces companies to disclose their climate impact. That is an initiative that Michael Bloomberg, old major of New York has worked on and has sponsored. So like I said before, we are the first generation to spot global warming and the last one that can do something about it. Through these initiatives, companies that don’t do so well in their climate strategy are forced to do better. Or they have to explain why it is not relevant for their company. But the thing is that the impact of global warming is not necessarily directly affecting us. For example, I think all our factories would be save from rising sea levels, at least I am pretty sure that is the case. However, the big question is how we are going to manage the supply chain. Some of the elements they produce are critical to our operations, so this can be cheap products/ingredients or very expensive ones, doesn’t matter, but they are necessary for all operations. So if they are damaged by water or storm damage, which damages us as well. So we are working on that now. So the G20 will probably decide that this has to be done in 2019 or 2020, so companies that ignore that now have to start working on that.

**Interviewer:** Yeah I understand that, so the final question now, how do see the collaboration with national government evolving in the upcoming ten years?

**Interviewee:** Well, I think that will be a good one. We try to detach production of the buying of resources through the use of the circular economy. But the biggest buyer for example is the Dutch government, you don’t see a lot of change there yet. So we try to stimulate the Dutch government to look into this.

**Interviewer:** Okay perfect, I understand that. Those were my questions, thank you.

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**Interview B – 18-04-2017**

**Interviewer:** My name is Lauren Timp, I am a Master Student Business Administration on Radboud University. For my thesis I am doing research on the climate strategy of several multinationals. As I already told you, all results will be kept anonymous. Do you have any questions before we begin?

**Interviewee:** No, I don’t have any questions.

**Interviewer:** Okay, perfect. Uhm, could you shortly tell me, of course I know your name, but who you are?

**Interviewee:** Yes, my name is …, I work at *Company B* at the sustainable banking department. This department works on sustainability advising, reporting, stakeholder management and communication.

**Interviewer:** Okay, perfect. I saw the description of your position at LinkedIn indeed. So you are … at *Company B*, could you tell me shortly what this entails?

**Interviewee:** Uhm, well we have a central department sustainable banking which tries – in the broadest way – to make the bank more sustainable. From our own internal business to external business, so our clients, to help everyone become more sustainable. So that is for the whole bank. We advise co-workers and management teams, how they should do that. We
guard that improvement and report back. Finally, you see the result in the annual report or in benchmarks. So that is what we provide.

**Interviewer:** Okay, so both for internal and external use?

**Interviewee:** Yes, exactly.

**Interviewer:** Okay, perfect I understand it. And why did you choose for this position?

**Interviewee:** Uhm, well for me it is a very interesting position within the bank because you see a lot within the bank. We are involved in a lot of things. We see the whole bank. The interesting part about sustainability within a financial institution is that our impact is pretty big. So our impact of the bank itself is fairly modest, however if you add our clients to that. Then a bank is a very interesting place to try to create sustainability.

**Interviewer:** Yes, I can imagine. I understood from your website that the goal of Company B is to … Could you tell me in your own words why Company B thinks this is so important?

**Interviewee:** Well, this might sound weird, but we do not think that is that important at all. Those percentages you mentioned is purely about our own business. The buildings we have ourselves. Our own impact of the bank is not that big. And of course we have to do something about global warming, which is what we are doing. Those are the percentages you have mentioned. But more importantly, we have a leader role/example role. Our real impact is how we can help our clients. Especially for a bank that is a lot more important.

**Interviewer:** Ahw okay, so the helping your clients directly with sustainability you hope the impact will be bigger?

**Interviewee:** Well, we don’t hope, that is the case. We provide credit to firms, through lending money. So we have a certain responsibility and influence on what they do with the money. So we have an influence and also responsibility. So that is really important.

**Interviewer:** Okay so for your bank the second point is more important?

**Interviewee:** Yes, most definitely. However, you can’t achieve the second point without realizing the first point. If you want to make a change, you have to do it yourself as well. You can negotiate about it and then don’t do it yourself. That would be weird. So you have to set the right example. I think we are doing that as well at the moment. And then after that you can see how you can help your clients.

**Interviewer:** Yes, exactly. I understand. What do you think makes it possible that you can realize this strategy?

**Interviewee:** What do you mean exactly?

**Interviewer:** What means do you need, what partners do you need to realize this strategy?

**Interviewee:** Ahw like that, good question. Well in a random sequence. Knowledge is important. Measuring is important, doing research. Definitely working together. You can’t be sustainable by yourself only. You need partners in the value chain. So I think working together and knowledge are the most important. The key ingredients.

**Interviewer:** Okay perfect. What do you think might hinder you in pursuing this strategy?

**Interviewee:** Well there are things that could speed up the process or slow the process down. Well what could slow it down would be the government, as that always has an influence. The market. But for me, those would more slow process down, not necessarily stop it from happening. The necessity is too big. The whole world needs it. Is more about the pace at which it is going to happen than if it is going to happen.

**Interviewer:** Yes exactly. Could you give an example, in which ways do you feel that
governments slow the process down?  
**Interviewee:** Well, I am not necessarily saying that is the case but in general governments tend to slow down things. That is why it is important. I think the knowledge goes pretty quick. So we quickly figure out how everything works. Collaboration always slows down things of course. For example, if laws are not ready yet then that slows the process down. So if that is slow, or if customers’ awareness is not ready yet, then that slows the process down as well. Sometimes there are things that slow down the process more than we as a bank want.

**Interviewer:** Well that is interesting you said that, because my next question is to which extent you feel your strategy has had an influence on the debate surrounding global warming?

**Interviewee:** Uhmm, well that debate is held both internally, so to get our employees to think and act in a sustainable way. So to get our employees to also behave in a sustainable way to our clients. So on one side that is an internal debate, with our employees. And on the other side it is a debate with our clients. I think for both sides we made great progress. Not only we, but the whole society. Sustainability is a lot bigger than a few years ago. So that is slowly moving in the right direction. Of course we can also do more. But I think the consciousness about sustainability and global warming has improved largely both for our employees and clients. But I think we can do a lot better still. But it is heading in the right direction.

**Interviewer:** Well, your answer again perfectly fits to my next question. How do you feel that this strategy/goal is supported by your employees, can it be seen in the internal culture?

**Interviewee:** Well, we measure it. We annually measure the theme ‘sustainability’ among our employees. It is part of the yearly employee commitment report. We slowly see the awareness/support increasing. It used be 43%, and nowadays it is 70% that feels involved in the topic sustainability. I thought 43% was horrible, 70% is a lot better, but of course I want it to be a lot higher still.

**Interviewer:** Yeah I understand that. Just so I understand it correctly, is this measurement done through questionnaires/surveys?

**Interviewee:** Yes exactly.

**Interviewer:** To which extent does Company B work together with other stakeholders to achieve its climate goals?

**Interviewee:** Well there is where our biggest impact is. If the other stakeholders, our clients, the society, shareholders all help us to become more sustainable and we help them to become more sustainable.

**Interviewer:** So that goes back again to the first two points mentioned in your strategy?

**Interviewee:** Yeah exactly, or a combination of both. Clients could help us to become more sustainable, but also sometimes we can help them through things we have learned as a company. Things we have learned from other clients or the society. We say this is what we have learned, here is the information, do what you want with it.

**Interviewer:** Okay I understand that, so it can go both ways. And to which extent does Company B work together with public policy makers to achieve its climate goals?

**Interviewee:** As in governments?

**Interviewer:** Yes exactly, as in national governments, politicians, policy makers?

**Interviewee:** Oh yeah exactly. Well we are in all kinds of discussion groups. So for example we are part of all kinds of MVO agreements; we work a lot together with the Rijksdienst voor Ondernemend Nederland; we work a lot together with MVO Nederland; we work together
with the DNB. With the DNB we are part of all kind of work groups. We take part in experiments, best practices. So it is all on a daily basis I would say.

**Interviewer:** Ahw okay, so they make use of it a lot then. To which extent do you feel that the views of other stakeholders (e.g. NGOs, charities) have influenced your views on global warming?

**Interviewee:** Definitely. We have stakeholder dialogues in which all kinds of stakeholders are included, so also NGOs, charities. Often NGOs have lots expertise that we can use in our policy. So it is very good idea to listen to that and take that into consideration when creating policy.

**Interviewer:** Ahw okay. Do you have examples of specific NGOs you work together with a lot?

**Interviewee:** Yeah, we work together a lot with Millieu Defensie; Oxfam Novib; Greenpeace. Those are the first three that come to mind. But there are so many of them that we work together with.

**Interviewer:** Ahw okay. To which extent do you feel national governments have influenced your climate goals and ambitions?

**Interviewee:** Of course they play their part. Their legislation could speed up or slow down the process, it could affect us or our clients. But of course we also collaborate. Are they of influence? Well yeah, we are largely owned by the government. And a bank is of course also a societal institution, so there is always going to be an influence from both sides. I don’t believe that the national government looks at banks first, when looking at global warming and sustainability goals. But of course the national government is the one to set the framework.

**Interviewer:** Yes, true. To which extent do you feel there is a difference between the Dutch government and the European government?

**Interviewee:** Well I think we mostly take into consideration the Dutch government. But what you do see is that we are looking a bit more and more at the European legislation as well, you can see that in our reports. All kinds of benchmarks that we participate in, are all internationally orientated. For example the Dow Jones Sustainability index, that is very international benchmark. That one looks at international legislation. We are of course active in lots of countries, so there are a lot of different aspects we have to take into account. But I wonder though if it eventually really makes a difference. For most countries the goals are all the same. Differences between them might be the degree of transparency or how you rapport things. But I think there are no real big differences between country rules.

**Interviewer:** Ahw okay, so not much different then. Looking at the upcoming ten years, what do you think Company B can do more to reduce its impact on global warming?

**Interviewee:** Well, I think and I hope that we can play an important role towards our client. For us that is mostly for our Dutch clients. So for example, we can play a big role in the real estate market. We lend out money for mortgages. A lot can be achieved there, we can become a lot more sustainable. Ten years is quite some time, but I think you will see the upcoming years that branch has to become a lot more sustainable, so we play a big role there. And internationally speaking, we finance some larger companies and ships etc., so there you will see a quicker improvement in sustainability. So on the one side we lend out money, but it also works the other way around. We have people who invest in our bank and there you can also see it has to become more sustainable. We can improve largely there as well.
Interviewer: Ahw okay, so you expect that investors will ask more about that?
Interviewee: Yes, that is what I expect the upcoming years.

Interviewer: All right, and how do you view the collaboration between national governments and Company B in the upcoming ten years?
Interviewee: Well, I think that will go well. We collaborate well. And you can expect governments to speed up the process if stopping global warming is going too slowly. Then they should create legislation that speeds up the process. I hope that is not necessary, but I fear it will be. The government can play a good role and that we can work together with our sector.

Interviewer: And could exemplify how you would see this happening?
Interviewee: Yes, it could be in legislation and laws, but also through collaborations. The interesting in our sector, sustainability is not really a competing topic. It is a connecting theme; it is something we do together. We are not better than someone else. You have to work together, join forces. If that is together with the government, then we do that. If it requires legislation, then it has to be so. But we have to see the upcoming years how it will all go. I feel the pace is now too slow. It has to be quicker. And if not, governments will probably be the ones to create more legislation to speed it up.

Interviewer: To summarize it, you feel national governments will try to speed up the process, but do you also feel that Company B and others in the banking sector try to speed up the process?
Interviewee: Well, for us yes. That drive; to speed up, to create a bigger impact. But we have to see upcoming years if it is going quick enough. The discussion about global warming is not whether we should do something about it, but opinions vary on how quick it should be. So what the pace should be differs. That will be an important discussion the upcoming years. And companies can play a big role in that and national governments as well.

Interviewer: Well I understand that, perfect. Those were all my questions. Thank you.

Interview C - 20-04-2017

Interviewer: My name is Lauren Timp, I am a Master Student Business Administration on Radboud University. For my thesis I am doing research on the climate strategy of several multinationals. Both in the Netherlands and in the United States. As I already told you, all results will be kept anonymous. If you like I can send the transcript of the interview. Do you have any questions before we begin?

Interviewee: No, I don’t have any questions. I like it.

Interviewer: Okay, perfect. Uhm, could you shortly tell me, of course I know your name, but who you are?

Interviewee: Yes, I am responsible for Energy & Environment within Company C. That is also why you got send to me. I coordinate that as broadly as you can think of. So, what can we do ourselves in the area of energy and environment? And how can we help our clients in the ICT sector? How can we facilitate the use of more ICT and communication within the sector without using more energy ourselves? Without having a bigger impact on our planet. We only have one planet, so let us please take care of that. So we try to be as clear about that as possible and also how we can help our clients. So how can clients through internal use,
through the smarter use of energy, use less energy. That is what I look at.

**Interviewer:** Okay clear, and why did you choose this position within *Company C*?

**Interviewee:** Well, I created this position. It was created from trying to get more efficient energy contracts, we thought can’t we buy better energy contracts. Eventually we concluded that there was too little attention for energy saving. So I went to the Board of Directors, to the CFO and I said if you really want to save, you have to save on usage and not on the costs. The energy prices depend on the market and there is not much you can do about that. Also the taxes rise, so that is not going to help a lot. So the best way you can handle it is by looking how we could save energy, looking at best practices. So I thought it was a good idea, let’s do that. How can energy saving help our sales, help our clients. Last year, we stated that we want to become 100% circular, so my job gets bigger and bigger every time.

**Interviewer:** Well, as you mentioned before now the goal of *Company C* is to … but could you tell me in your own words why *Company C* values this so much?

**Interviewee:** Now, well in the Netherlands we are a big company, so we have to help ourselves and the Netherlands to become more sustainable. We think that is our responsibility. We are a big company in the middle of the Dutch society, how can we help create a vital infrastructure in the Dutch society. If it doesn’t go well with the Netherlands, it can’t go well with us either. This might sound a bit black and white, but we think it is important the Netherlands is doing well. We can’t only look at our own bottom-line but we also have to look at the world around us.

**Interviewer:** Okay, that is understandable. And what do you think will make it possible to realize this strategy the upcoming years?

**Interviewee:** Well, we have some long term goals. In order to achieve those, you have to know where you are now. So that all comes down to measurement and looking where are we now at the moment. Furthermore, you have to point where you want to want to go in the future. In 2008, we already created goals for 2020. So now it is almost 2020, so we made new ones for 2030 and 2050. So that is our point on the horizon. That is the first step, then the second step is to corporate with other departments and see what we can do together in order to achieve those goals. What is our energy reduction. What can that contribute to our clients. If our clients save energy through smarter use with our clients, that is also one of our goals. Pretty difficult to measure all of those. We are working together different consultancy firms to see how we should measure that. An example is the use of smarter cars. So cars that send a signal when they are broken to the mechanic. So then the mechanic only has to go over to fix the car when he knows it is actually broken. This saves a lot of drives and thus also a lot of pollution. A smarter car is better than an energy efficient car, because then you save the drive that the mechanic does not have to make.

**Interviewer:** That is clear, my next question is what you think might hinder *Company C* in realizing this strategy?

**Interviewee:** Well, actually it is going pretty good at the moment. We trying to take small steps each step. If you want too much at one time, it is not going to work. We could say, we want everything to be done tomorrow, but that is not going to work. What might hinder us, is that not everyone understands that working smarter is a lot better. For example, the government states now everyone has to save energy. But you can maybe save a lot more energy in the overall supply chain, so by working together. So for example, we might have to
use a bit more energy, in order to decrease the overall energy use in the supply chain. And if we only get into trouble because our energy use rises, but the overall use in the supply chain declines, then we might get into trouble with government officials. Those are things that might work against us. But besides that we see a bigger drive to work smarter, so that is good.

Interviewer: Okay, just to summarize, you stated that certain targets set by the national government might hinder you in pursuing your strategy

Interviewee: Well, we try to prevent that. By showing the national government that smarter energy use in the supply chain works, by working together with municipalities and others we try to prevent that hinder. And of course, we try to reduce our energy use ourselves as well.

Interviewer: Okay, and do you notice that already now or is it something you expect to happen in the future?

Interviewee: Well, when we tried to talk to them and state that our clients are using less and less energy, government officials said: well, that is great, but you should do something yourself as well. Your energy use is not decreasing, or barely decreasing. There were all kinds of researches, which showed that ICT is growing a lot, but the energy use does not necessarily grow (that much) as the ICT use. For example, I was at a conference the other day. This member of a NGO said, my gut feeling tells me we are using more and more energy at our homes. So I said, well that is why we measure it, to be sure. Then he said, well but my gut feeling still tells me we are using a lot more energy in all of our homes. So that is a tricky one. A gut feeling is not a good measurement. That is why we set our targets and measure everything, so we can back up our statements. We need to measure it in quantities, not qualitatively. In our annual report, we stated in Appendix 7 what our goals are for 2020, 2030 and 2017. We need to show this is the trend and where are we going.

Interviewer: Yes that is understandable, and to which extent do you feel your strategy has had an influence on the debate surrounding global warming?

Interviewee: Well together with other ICT companies we try to shape that debate, which is quite difficult. As a national government it is of course a lot easier, they just create legislation and say what needs to be done. So that comes back to my previous point, a lot of people are only talking about reduction and not about how we can do things in a smarter way. Yeah of course they are talking about smarter cities, but the realization that working smarter can improve things, hasn't set in yet. Smarter cities is about the use of smarter techniques, for example by beforehand reserving a parking spot so you don't have to drive around the whole city and create extra pollution.

Interviewer: Okay, that is clear. How do you think the goal of Company C is supported within the internal culture?

Interviewee: Uhm, with a big company that is pretty difficult. On the places in our company that people can actually contribute to this, makes them really happy. Ten years ago we saw that people looked mostly at new developments, not necessarily energy saving or smarter worker. Now it really is a priority for those people. However, in other parts of other company it is still a challenge to show them what we are doing. We are internally holding a campaign them to show them what we are doing, but it remains difficult. But we don't want to have an external campaign about how green we are, because then a lot of people respond with sure, sure. If you think so. Our business clients ask about it, so we try to explain to them what we are doing in our annual reports. But we still struggle in promoting how green we are towards
our other customers and employees.

**Interviewer:** So if I can summarize it, you are still searching for the best way to handle this?

**Interviewee:** Yes, we are still searching. Of course everything is stated at our Intranet, you might have used Intranet yourself, but so much is stated there. And if you busy working, you might not have the time to check everything new on Intranet. So we are searching for the best way to deal with this.

**Interviewer:** Okay, interesting. And to which extent is Company C working together with other stakeholders to achieve its climate goals?

**Interviewee:** Well, we worked together with the WWF. We are looking in our industry, how can we improve the role of ICT. We are working together with governments in smarter cities. We are convinced we can't do it by ourselves. For example, if we have a very energy efficient cloud, but people store everything on their own spot, then there is no use for it. We can help clients to become more energy efficient, but then they should understand how it works and they want to work with it. Otherwise there is no point. That is part of our sector, working together with others and show what we are doing.

**Interviewer:** Okay, I understand that. And to which extent does Company C then work together with public policy makers, e.g. politicians, policy makers, political parties?

**Interviewee:** Well, we did that by creating the 'Smarter 2030' report, which was a worldwide report. How much can you save through the use of ICT. How can you also do that in other industries. So that is also what VNO-NCW does, how can all these big companies make the Netherlands more sustainable. So that is also how we work together, through all kinds of collaborations in the supply chain.

**Interviewer:** Okay, and do you have an example of which ways you try to work together with public policy makers?

**Interviewee:** For example, through all kind of smart city collaborations. In a lot of municipalities we have collaborations to show the effects of smarter cities.

**Interviewer:** Okay clear, to which extent do you think the views of other stakeholders, e.g. NGOs and charities, has affected your climate strategy throughout the years?

**Interviewee:** Yes, definitely. NGOs also realized that working together is a lot more efficient. Of course they can say, we want all the industries gone in the Netherlands, but that is not going to work. Collaborations and smarter working, a lot more collaborations with NGOS, that works. Besides we are not a very pollutant industry. We are not the coal industry. Our strategy is to show what we can contribute. Then the discussion will no longer be about how can we reduce the data use, but more how can we help our clients to be more sustainable.

**Interviewer:** Okay understandable, and to which extent do you feel that national governments have an impact on your climate goals and ambitions?

**Interviewee:** Well, we see that our industry is quicker than the national government. The government struggles in dealing with the supply plain, it is a lot easier to deal with separate companies. Governments are still heavily taxing energy use and say companies have to decrease energy use. But they struggle with the whole supply chain.

**Interviewer:** And through what ways do you try to collaborate with the Dutch government?

**Interviewee:** Well that is why we are member of the multiple year covenant; we also work together with VNO-NCW. Work smarter, not less.

**Interviewer:** And to which extent do you think changes in laws and legislation are of
influence on your climate goals?

**Interviewee:** We try to be ahead of those changes. But we are a leader in this area. Our goals contribute to the goals of the Paris agreement, so we are ahead of changes the government might implement. Because this makes it also easier in the lobby or in the covenants, to say, look we are already working on it and you should do this and that. Doesn't mean it will work for sure. But setting the right example, with hopefully lead into following the right way.

**Interviewer:** Understandable, and to which extent do you try influence European legislation as well then?

**Interviewee:** Well, mostly through the use of international industry organizations.

**Interviewer:** Okay, so that is the same on national as well as European level?

**Interviewee:** Yes, exactly.

**Interviewer:** Okay, that is clear then, thank you. Looking at the upcoming ten years, what do you think *Company C* can do more to further reduce the impact of global warming?

**Interviewee:** Well we have our own goals of course, those are fixed. Working smarter with less energy. But also creating more awareness. The Internet is going to play a big part as well. So many people are attached to the Internet. So we think we can make a big contribution there.

**Interviewer:** Okay clear, how do you see the collaboration between your company and the Dutch government evolving in the upcoming ten years?

**Interviewee:** Yes basically the same as it is now. We have to work smarter, the whole of the Netherlands. We can't do that by ourselves. We can provide the infrastructure, but we need the others. The development goes so quick, that the legislator will always be behind. They create laws based on what is happening now, not on what will be in the future. So they will always be behind.

**Interviewer:** Okay, that is understandable. Perfect, those were all my questions. Thank you for your time and consideration.

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**Interview D - 20-04-2017**

**Interviewer:** My name is Lauren Timp, I am a Master Student Business Administration on Radboud University. For my thesis I am doing research on the climate strategy of several multinationals. Both in the Netherlands and in the United States. As I already told you, all results will be kept anonymous. If you want I can also send the transcript of the interview afterwards. Do you have any other questions before we start?

**Interviewee:** No, I think you can just get into it, you can just start your questions. And maybe a short introduction about myself.

**Interviewer:** Yes, exactly that was going to be my first question. If you shortly introduce yourself.

**Interviewee:** Ahw okay, then I will suppose we will just get into it. My name is … I work at *Company D*, working as a sustainability consultant. My primary role is overseeing a lot of the environmental program. So the environmental program the focus is to reduce *Company D*'s environmental footprint. We do that through various ways, the primary one is CO2 emissions. So emissions from things like energy, electricity production, heating of our building, but also emissions from air travel, business travel. Also we are doing things that have to do with water,
water footprint, water efficiency and yet again waste. Waste that is generated, type of waste etc. I also work in areas related to climate strategy, climate change. And additionally the integration of some of our sustainability aspects, such as sustainable transitions and circular economy. That is essentially an introduction from myself.

**Interviewer:** That is very clear, thank you. And back then, why did you choose for this position within Company D?

**Interviewee:** Uhm, well, in all honesty I don't know if I would do many other positions within Company D. Primarily, because my background is not in finance or business. So they would have offered me a banking position that had nothing to do with sustainability, I would seriously start to doubt. Because my background is actually in earth science. So earth science and environmental management. Which is how I ended up at Company D. I am more an environmentalist, turned business, which is usually the other way around. In our sustainability team, it is usually the other way around. Usually business professionals learning from sustainability, for me it is the other way around. But I think I add that to our team. The additional environmental knowledge.

**Interviewer:** Okay, perfect, thank you for clarifying that. From Company D's website I understood that the goal is to …, could you tell me in your own words why this is so important to Company D?

**Interviewee:** Well, the key value for Company D, number one if you start off with Company D's own environmental footprint, if you have a more climate resilient company, you are going to be more future proof, for upcoming regulation. Additionally, there is a lot of business value created. If you are more energy efficient, you can save cost or the innovation you have to take part into, to create new products and services that are more sustainable, that will give you more business value. It allows you to take into account regulation, future risks, allows you to reduce costs and create new products and services that might add new value. So there are lot of reasons, some are more risk motivated others are more opportunity motivated. They translate directly into the needs of our clients. So as a financial institution, as a lender, your business is depend on your clients. So if you can also help your clients become more sustainable and more future proof, to anticipate further legislation, to ensure your clients can survive in this rapidly changing environment, then your future proofing your clients. Which any company which takes care of their clients in the long run, is very often successful, is very important, especially for a bank. You make up the future economy, and in the end benefits us overall.

**Interviewer:** Okay, so if I could summarize it, it is both risk and opportunity motivated and to basically take of your clients in order to take care of yourself as well in the long run?

**Interviewee:** Yes exactly, our goal in the long run is to make their clients do better. A key aspect of that is if you make clients sustainable, your guarantee their future and thus guarantee your own future.

**Interviewer:** Okay, and how is this achieved?

**Interviewee:** Well, I think that the governance that we have employed. There is a lot of support from board members, so you have the CEO who really believes in sustainability. There is a method for it, ensuring we have imparted, better customers. So that is from the CEO to the board members and then we have various other government structures, various steering committees that work in partnership with the sustainability department. So that it can
really integrate these ideas about sustainability into business ideas, so just are not just getting sustainability doing small actions, you are really trying to with partnership, getting the real business units and lines to integrate sustainable practices. Whether that be more sustainable deals or accessing clients. So I think in our company, we truly try to integrate sustainability. There are 50,000 people responsible for sustainability, that is what our CEO says. Every employee has to help. There is no sustainability department basically, we have to integrate it into all departments.

**Interviewer:** Well, okay because that is what was going to be my next question, so you already partially answered that, to which extent do you feel this strategy is incorporated in your internal culture? But you basically answered that question already. So you try to incorporate it for everyone.

**Interviewee:** Yeah exactly. Obviously there are still steps to go, not all parts of the institution are there yet. But you do see, more and more, becoming an important issue. There are more senior positions, people with backgrounds or passion for sustainability. So throughout the corporate culture you see it becoming more important.

**Interviewer:** Okay, clear. And what do you think could hinder you in your chosen strategy?

**Interviewee:** Uhm, hindrance which you have in a lot of companies, who have short focus. Things like quarterly reports, drive a lot of the decision making. Those quarterly financials they take over issues like sustainability. If you want to decarbonize portfolios for example, that does not necessarily easily translate into our quarterly reports. So short term focus, can hinder long term results. Currently, in a lot of companies that is a hindrance, these short term focus.

**Interviewer:** Okay, and then would be an internal hindrance. Do you feel that there are to a certain extent also external hindrances?

**Interviewee:** Yes, so a lot of external hindrances are the customer focus. So if we create new products or services, especially with a sustainability focus, you generally employ activities where you try to understand customer needs. Especially with the innovation focus we have here, with the innovation methodology, if you want to create new products and services, you have to figure out what the customer wants, what they need. There is no point in developing products and services, if no one is going to use them. Taking that into consideration, you will go to your customers and ask, okay what do you think about this? A lot of the times the customers don't really care about sustainability, they care about functionality. Sustainability is not necessarily a market demand. Uhm, that is different for different sectors. It is a hindrance in some way. It forces you to get creative. But then a lot of the market can be helped by regulation. A lack of consumer demand as well as lack of regulation in some specific areas, that prevents you from having a good business case why you should have climate action. Or if you want to have a carbon tax. If there is no regulation there, it is harder to make a case.

**Interviewer:** Okay, and could you maybe give an example of regulation that you still miss at the moment? What would be an example of that?

**Interviewee:** So example, a price on carbon. If there is a price on carbon, on the regulated cost of carbon, that would completely change how risk modeling works. Even your very simple processes that you go through, for example verifying clients, you would have to factor in those costs. Which to extent we do now in terms of pure financial regulation. Also if your clients are facing a carbon tax, then they are going to have to take steps to deal with that. Then
your clients have a real issue or pain you can solve. So yeah if a carbon tax would be introduced, then that would lead to a bigger willingness to be more sustainable.

**Interviewer:** Hmm okay, that is very clear. Thank you. What do you think so far has been Company D's influence on the global warming debate?

**Interviewee:** On the debate of global change?

**Interviewer:** Yes, so what have the overall influence of Company D been on the global warming debate?

**Interviewee:** That is a strange question in my opinion. As a scientist, there is no debate. So yeah, I think, well coming from a position within the Netherlands, you have all big companies including the government behind climate action. Whether that is agreements, ideas or best practices, we are involved in all of conversations. So for example, the Financial Stability Board, the Task Force on Climate Related Financial Disclosure. So we have made statements to support these recommendations, to support them in the future. We are always looking to endorse any climate related action. So I think in terms of the global warming debate, we firmly stand on the side of climate action.

**Interviewer:** Okay, that is very clear, thank you. And to which extent does Company D collaborate with other stakeholders to achieve its climate goals?

**Interviewee:** Well, there is a diverse range of stakeholders. All the way from government, Dutch governments, other governments around the world, NGOs, rating agencies, many of which are related to climate change. So a key stakeholder would be CDP (carbon disclosure project), with them to disclose carbon emissions, or we work with different NGOs to help in carbon impact measurement. So we measure the carbon footprint of our landing activities, something which is at the moment, very difficult. So in a lot of areas, partnerships are key, especially in climate change and again depends on the specific stakeholders group. In each area there are specific partnerships.

**Interviewer:** Yeah, so it is a very broad range?

**Interviewee:** Yes, for sure.

**Interviewer:** And you already mentioned it bit before, but to which extent does Company D engage with government officials about global warming?

**Interviewee:** A great deal, we have dedicated representatives. So for example, we stand with the Climate Statement of the Dutch Banking Association. So this is recent where all Dutch banks came together to sign an agreement that says we are aiming to monitor and reduce the impact of their landing on climate change. That way we work quite closely with the Dutch government, particularly with the DNB, to speed up this climate action. Or decarbonize this project.

**Interviewer:** Okay, that is very clear. Do you feel so far that the views of other stakeholders, e.g. NGOs or charities has influence your view on global warming, the other way around basically?

**Interviewee:** Yes, definitely. There is a lot of dialogue. There are several NGOs that have an influence on our policy, for example with closely with various NGOs on coal policy. There are various NGOs that push towards no fossil fuels at all and maybe signal, okay we are going to have a campaign until you use no fossil fuels at all. And then we say we can talk about this, what is your desire? And obviously, we are in a position that we will still have fossil fuels in our portfolio. So we are just about figuring out what their expectations are. So in a way there
is a lot of pressure, which is also good I guess. So there is definitely pressure. I think NGOs are a little bit different than the rating agencies. They maybe have other focuses. A lot of influences of those. Some have a rigid methodology, for example the CDP. They have a rigid methodology. So if you want to maintain a good rating there, that really does really inspire action within your organization.

**Interviewer:** Okay, so it also depends on their methodology.

**Interviewee:** Yes, exactly. So if you have a NGO that says: just stop using fossil fuels, then there is not much logic behind that. If you have the CDP for instance, if they publish your score and publish your response, if you have a B. Then it is more of a valid dialogue.

**Interviewer:** Yes, that would make sense of course. Thank you. And to which extent do you feel the Dutch government has had an influence on your goals and ambitions?

**Interviewee:** Well in terms of dialogue, there has been an influence. But what you see currently is that the regulation falls behind our climate goals. If we were to do everything that is required just by regulation, then our standards would be a lot lower than they are. I think the role of the government is limited, I think they can do a lot more to push companies to be more sustainable and to be more ambitious. Our ambitions are now are a lot more than what current regulation demands.

**Interviewer:** Okay, how do you feel they could improve their selves or speed it up regulation?

**Interviewee:** There has to be a specific area. So in terms of climate action, if you are referring to financial institutions then the government should have regulation that you need to measure your environmental impact for instance. Even for voluntary agreements, so e.g. the CDP, does not mandate that you have to measure your environmental impact from landing. Of course there a reasons for that, because it is very difficult to measure. It is hard to measure the footprint of a total project. Maybe if regulations could speed it up and develop better methodology potentially or even yeah more regulations that promote for instance more sustainable practices. Or also carbon costs, if you introduce a price on carbon, that would go a long way. Or mandatory, after the Paris agreements, you have countries do various activities, that would help us. You would get better client data, that would help us. The Netherlands at the moment, is more focused on real estate. There is regulation now that all commercial real estate has to have an A, B, C label. Which is very useful. We have actually introduced products that help our clients increase their insight into energy use. So you see a direct translation from incoming regulation into our ability to introduce products and services that help clients. I think those other areas that I mentioned, there could be improved climate action.

**Interviewer:** Okay, thank you for clarifying that. That was a clear example. And you briefly mentioned it already, in which specific ways does your company try to collaborate with the Dutch government?

**Interviewee:** Uhm, let me see. In terms of specific, all I know is the Dutch banking association. That is both on yeah on our commitments and the government's commitment. Besides from that, any, yeah the Dutch banking code. Working partnership with the Dutch government. My knowledge of Dutch government as a stakeholder is more limited. There are perhaps other people in my team, who are better able to answer that question.

**Interviewer:** I understand that. Looking at the upcoming ten years, what could Company D
do to further reduce its impact on global warming?

**Interviewee:** So first of all we are going to move towards being able to measure, so for example our emissions from our landing. And then transition our portfolio away from fossil fuels. So what we can have, is good, gradual data, from what our portfolios are. Then we can really steer that. We can transition our business away. In terms of impact, if look at total customer landing, we are one of the largest financial institutions in the world. So if you can reduce the emissions of your balance sheet, then you are sort of helping to finance transmission to a low carbon economy. Which is vital for global warming. So that will obviously increase the size of the renewable portfolio, decrease the size of your coal portfolio or your oil and gas portfolio. These sorts of activities, or products and services that help small companies, these activities can have a large impact on climate change. Also through climate leadership, if we continue and take further steps and show other corporations and other banks that it is profitable, that it is good business. Then through that climate leadership, you can have a further impact on other financial institutions to take more steps. And here in the Netherlands, we are quite lucky, we have all these banks that are some of the best of the world in sustainability. That is not very often the case. Especially in the United States, it is not on the agenda of financial institutions. It would be nice to see a shift in attitude towards sort of a Dutch based approach.

**Interviewer:** So maybe your bank can set an example for other companies around the world?

**Interviewee:** Yeah basically.

**Interviewer:** Okay, understandable. That basically my final question, how do you see Company D working together with national governments and specifically the Dutch one, in the upcoming ten years?

**Interviewee:** Uhmm, how do I see them working together. In terms of if or when, when different regulation is going to be introduced, then I think the Dutch government will probably will do some consultation, but they will try to move away from advocacy or some sort of lobbying. Even if it is for environmental issues, you can make sure you move away from financial lobbying, for any sorts of reasons, because it is abuse of your large financial part. So just working in large partnerships, consultations. On sustainability related partnerships, for example in the circular economy. There are certain risks involved, so you need partnerships with pension funds, governments, equity funds. You need regulation. So the Dutch government will have to work with us to create new business models.

**Interviewer:** Okay I understand, do you have any further questions for me?

**Interviewee:** Well, what is your particular research question you are researching now.

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**Interview E – 02-05-2017**

**Interviewer:** Good morning, my name is Lauren Timp. I am a Master Student Business Administration at Radboud University. For my thesis I am researching the climate strategy of different multinationals, both based in the Netherlands and the United States. The outcomes of this interview will be kept fully anonymous. Do you have any questions before we start?

**Interviewee:** No, I don’t, thank you.

**Interviewer:** Okay perfect, could start with a short introduction about yourself?

**Interviewee:** Yes of course. My name … and I have been working at Company E for eighteen
years now. It is the market leader of short holiday breaks in Europe with several brands in different continents. At the moment we are building new resorts in China. My function within Company E is ... I have been doing it for quite a while now and I am happy to be at this position.

**Interviewer:** Okay thank you. So you work as .. within Company E, could you tell me what your job entails?

**Interviewee:** So it’s a double function. I am responsible for the catering and retail for the brands of Company E. The other part of my function is ... In this function I support the management teams of the parks in Belgium, the Netherlands and Germany and am I responsible for different strategic projects for the Belgium, Netherlands and Germany.

**Interviewer:** Clear, thank you. And why have you chosen for this position?

**Interviewee:** I started 18 years ago within the operations department of Company E and have full filled different management positions on the parks in Belgium, Germany and the Netherlands and the Head Office. I have been asked for this function within the company to strengthen the Operational organization and report to the Managing Director of Company E. Eighteen years ago after selling my own restaurant in Antwerpen, I decided to go for an international organization where I could have the opportunity to develop myself and make the next steps in my career. So that is how I ended up at Company E.

**Interviewer:** Understandable, thank you. So I understand that … (company) goal is to … could you in your own words explain why Company E values this so much?

**Interviewee:** As I mentioned before, our company is Market Leader in Europe and our different brands are situated in different continents. One of our most important pillars (next to Staff, Leisure, Cottages, Aqua Mundo) is Nature. Our parks are situated in a natural environment (mostly woods or near the seaside). The parks are built in the nature with great respect of the natural surroundings, plants and local animals. In the development of new and existing parks, there is a big role for our Company Biologist. Respect for nature, plants, animals, influence of lightning, energy, the look and feel of the buildings in the different surrounding are just some examples of which we take this points into account if we built or refurbish a new park.

**Interviewer:** So basically it spread throughout all your values. That is understandable. And what enables you to pursue your chosen strategy?

**Interviewee:** Well, I think it is important that everyone is on the same page. So all employees, management, everyone. Everyone has to see the value in it. And of course what also will help us if external stakeholders are on the same page. That way we can collaborate and speed things up.

**Interviewer:** That sounds reasonable and what do you think might hinder you from pursuing your chosen strategy?

**Interviewee:** Uhm, what might hinder us. That is a good question. Well maybe a lack of interest. So of course the business interest might win over the sustainable aspects. If it is very easy to focus on the short term of course, the annual reports, the targets we have to reach. But we have to keep in mind that in the future our strategy is going to pay off, four ourselves but also for nature and our climate. What also might hinder us is the slowness of the government. We are ahead of legislation, we try to do more than necessary. I feel that the government has to speed up things, so other companies can increase their speed as well.
**Interviewer:** Understandable, thank you. And what influence do you think your strategy has had on the global warming debate?

**Interviewee:** You mean the overall debate, all over the world?

**Interviewer:** Yes, as well, but more specifically in Dutch society.

**Interviewee:** Well that is difficult to say. I am not sure if we have had a major impact on that debate. Of course, we try to do our share. We try to set an example. But it is always difficult to know whether you really made a difference in that. So I cannot give you an exact answer on that.

**Interviewer:** No I understand that, thank you. And how does the common goal of Company E show in your corporate culture? Do you feel employees support the goal?

**Interviewee:** Yes I do. First of all, it is shown towards our guests in various ways of communication. As I said it is one of our most important pillars which represent the DNA of our brand. Furthermore, towards our employees we have different kind of programs which are related to socially responsible entrepreneurship. This is also anchored in our international program ‘Our Natural Plan’. Sustainability is the basis for everything we do at Company E. To emphasize the importance of this, we have reorganized this year and the executive committee has been enlarged with a Director of Corporate Social Responsibility.

**Interviewer:** Okay, I understand that. And to which extent does Company E collaborate with other stakeholders to achieve its climate goals?

**Interviewee:** Well, we have good contact on several levels and work together to achieve our climate goals. Targets for the coming years have been set on waste management, energy, and been shared with suppliers and partners to achieve together our set goals. In all countries we work together with local governments and for example organize every year ‘the Kids climate conference, where hundreds of young children are invited for a whole weekend to discuss about the climate and give tips/suggestions to improve the climate of our planet. In the Netherlands for example, princess Laurentien supports this conference and takes part of it. The outcomes of this Kids Climate conference are presented to the Dutch government.

**Interviewer:** That is interesting to hear. And to which extent do you feel the views of other stakeholders (e.g. NGOs, charities) have influenced your company’s view on global warming?

**Interviewee:** Not specifically. As I said it is the strategy and DNA of the company. Our view has not changed. We try to work as much together in several projects and ways of communication to send out our message and try to improve every year on this issue.

**Interviewer:** Okay clear, and to which extent do you feel national governments have an influence on your goals and ambitions as well?

**Interviewee:** Well of course they do. The rules and guidelines are not the same in every country, even within Europe. Good communication and contacts with local governments are very important if we want to realize our projects and that has to be taken into account. Working together helps us to achieve our set goals and strengthen the message we want to send out to our guests, employees, partners and authorities.

**Interviewer:** Okay clear and in which ways does Company E try to collaborate with national governments?

**Interviewee:** Uhm, if we work together with local governments, sometimes it is necessary to also involve/communicate on national level. Of course our good contacts with local
governments help us to find the right way in reaching the right contacts on national level. As I said before we also have national projects as for example ‘the Kids Climate Conference’ where we have direct contact with the Dutch government.

Interviewer: Yes, I can imagine. And to which extent do you feel that changes in climate laws and public policy affect Company E’s climate ambitions?

Interviewee: I think ambitions should always be flexible and of course this is also the case when it concerns our climate ambitions. We create a goal for the coming years. These are on the one hand based on rules/guidelines made by governments but on the other hand our ambition as company is to bypass the targets set by governments. As a market leader we think we should be the trendsetter also on this issue. So of course they do affect us, but we try to stay ahead of changes that the Dutch government introduces.

Interviewer: Clear thank you, and to which extent does Company E engage with public policy makers?

Interviewee: Yes, but not on specific points on the agenda. It is part of the meetings on social responsible entrepreneurship, but there are no official meetings with only this specific subject.

Interviewer: Okay clear and looking at the upcoming ten years, what do you think Company E can do to further reduce the impacts of global warming?

Interviewee: Of course first of all try to achieve the set targets which have been implemented in our business plan. We extend the cooperation with partners and suppliers in our joint goals. Try to improve awareness of our guests and employees, so that each individual can contribute at home, at work or even on vacation in improving the climate circumstances. And last but not least make use of various innovations which can contribute on reducing negative influences of our climate.

Interviewer: Okay thank you, I understand it. My final question is how do you see Company E working together with national governments in the upcoming ten years?

Interviewee: Often, how much results will improve depends on our determinedness. You start small and try to become better every day. The cooperation with governments is no difference. Good contacts, clear and honest communication and clear goals and plans to achieve set goals. It is important to involve the different governments in an early stage and work together with respect for each other. The idea behind all successful business.

Interviewer: I have to agree on that. These were all the questions, thank you for your time and consideration. Do you have any further questions for the moment?

Interviewee: Uhm, no thank you.
Appendix D: Transcript interviews - American companies

Interview Company F – 01-05-17

Interviewer: My name is Lauren Timp, I am a master student in Business Administration at Radboud University. That is in the East of the Netherlands. For my thesis I am doing research on the climate strategy of different multinationals and I said the outcomes of this interview will be fully anonimyzed. Do you have any further questions before we start?

Interviewee: Nope, perfect. I think that sounds fine.

Interviewer: Okay great. Of course I know your name, but could you first give a short introduction of who you are?

Interviewee: Sure, I am … and I am Director Sustainability for the Company F. I have the responsibility for what our overall global strategy is, for our whole company. As well as our positions on our voluntary commitments. That kind of stuff. We are a very diverse company so each of other businesses, you know, is focused in their specific business area. Looking at the market, what are the opportunities. So we have to pull that all together in one story for Company F.

Interviewer: Back when you started working for Company F could you tell me why you choose for this position?

Interviewee: Well I have been at Company F for a long time before I got to this position. I came right out of college, spend thirteen years in our packaging business. I had been running a specific business within that and we decided to shut it down. So after we went through all the shut down, I uhm, I was looking for something else to do and I send an email to the vice president of safety, health and environment. He had posted for a job to help with the environmental. And I said, I have always been interested in learning about that. So I did that for a couple of years and then went back to one of our others businesses and in 1981 we said we need to figure out what sustainability means to our company. So the vice present said, would you be interested in doing in that. And I said yeah that sounds like a lot of fun. Back in 1981, and I am still doing it. And it has changed a lot since 1981.

Interviewer: That is quite a quite a while. Great, I can imagine yes. So I understand that your goal is to … could you in your words explain why Company F values this much?

Interviewee: Well if you look back you see we set our first goal in 1991 or 1992. So we had our first set of voluntary goals on air missions, air taxes, etc. We had a number of key shareholders who said you also need to be thinking about energy, greenhouse gas emission. And for Company F it was a lot more than our energy at that point. So we looked at it and said, and we had scientists at our side saying climate change and global warming are real, we have to take action. And we were a huge emitter. So we said early if we are going to be a successful company in the future, we really need to deal with it and uhm, yes we have continue to drive down our greenhouse emissions. Our greenhouse gas emissions now are just energy related. Before it was more about that we were concerned about governments and other stakeholders. Now it has been a while and we are more customer driven. We get a lot of questions from our customers now, do you have greenhouse gas emission goals, do you have energy reduction goals?

Interviewer: Okay, so basically the demand where it came from changed in reporting on your emissions?
Interviewee: And yes as well, it just to come from a societal standpoint and concern. I think the great news is that businesses are taking it on more responsibility and now we are having our customers say what are you doing to reduce?

Interviewer: Okay clear, and what do you think enables Company F to pursue your chosen strategy?

Interviewee: Well, I think there is always a responsibility in reducing your own footprint. I think what really has gotten exciting is that we have products that help our customers and final consumers reduce their greenhouse emission. So I think people will do reductions on their own and in their own operations. But people get really excited if they can reduce their greenhouse emissions overall in society. How do you make solar panel more affordable? And so that is what made it a lot more interesting, is the number of products that are going to key areas that we can drive growth in.

Interviewer: Okay, so if I understood it correctly and correct me if I am wrong, the thing that has helped you to enable this strategy is also the willingness from the consumer side?

Interviewee: Uhuh, yeah I think that consumers are more interested in finding products that are energy saving. Especially if you look at our customers, we are primarily B2B, they are looking at more energy efficient products, so they can save costs. The great thing about energy is that it cost money, so if you are able to reduce it, you get a real benefit, because you can save cost.

Interviewer: Yeah of course, okay thank you. And what do you feel hinders you from pursuing this chosen strategy?

Interviewee: I am sorry, what I feel what?

Interviewer: What hinders you from pursuing this chosen strategy in Company F?

Interviewee: Yeah from our reducing our own emissions, a lot of times it the challenge that we got installed capacity, we got facilities that were build 40, 50 years ago. So obviously there wasn’t a focus on this kind of thing. And particularly if you don’t have reinvestment economics for your businesses, it is hard to justify, spending the money to reduce energy or emission. Even though you save money in other places. From a product side, again it some of that installed capacity; challenges our customers have; as well as new products can be more expensive. They take a longer time to go down the innovation curve. Just an example of that, our bio based products are more expensive than our fossil based products. And sometimes our customers don’t want to pay more just because it is bio based. Because essentially it does the same thing as the fossil fuel based on.

Interviewer: Okay clear, thank you. And to what extent do you feel your strategy has been of influence on the global warming debate?

Interviewee: From an US stance point, we have been advocates since it become clear that CFCs were responsible for the ozone hole. So that has quickly driven the industry towards what was called the Montreal protocol. So we have tried to continue that and in 2007 we were part of some environmental groups that came together and ended being called US CAP. Made up of NGOs and companies and the goal was to appeal both the Republicans and the Democrats. Saying : we think it is really important to have a policy around greenhouse gases and climate change. Unfortunately, it got through the House, but not through the Senate. And so now obviously with the Trump administration it is a bit more challenging. We have signed letters in the run up to Paris, stating that we think it is important to be in the Paris agreement,
for the US to sign on. And we have recently signed a letter to Trump, with thirteen other companies, which said we think it is important to stay in Paris. This is the most, the way the US is going to be the most successful country.

**Interviewer:** And you say you try to have an impact by writing letters, to the administration or to the President. What other ways would you try to have an impact on the political views regarding global warming?

**Interviewee:** Well, I am fortunate enough to love in a state where Congressmen and the House and the Senate are supportive of climate action. In our headquarters we work with some leaders and some other states, to try to get that support. So there is a lot of one on one activity that goes on to encourage climate policy as well. And I said, we write letters that become public. So we are publicly supporting climate policy.

**Interviewer:** Okay I get that, and what do you exactly mean with one on one?

**Interviewee:** Yeah, we would talk about a lot of issues to Congressman leaders. On a whole lot of issues. Not just climate change. Sometimes they are reaching out to us, for different reasons. Or they want more information, to hear a different context. They get a good view of what would work and what not. So there is a lot that goes on there as well.

**Interviewer:** Okay, I understand that. To which extent do you feel that Company F’s goal is also embraced in corporate culture? To which extent do you feel employees also embrace this goal?

**Interviewee:** As managing a company of 60,000 I am sure we have a whole spectrum of people on to what they believe, from a personal standpoint. We have four core values in the company, of which one is environmental stewardship and people take that very seriously. So there are think a lot of employees who act like they think the company should be acting. I am always impressed by how many hybrids are in the parking lot. A lot of employees are very interested in what they can do.

**Interviewer:** Okay clear, and to what extent do you feel the views of other stakeholders, like NGOs and charities, have influenced your views on global warming and climate change?

**Interviewee:** Absolutely. The environmental groups have talked to us a lot about how we have a big footprint. When you think about companies that you want to do something with, you definitely want to look at our operations.

**Interviewer:** Okay, thank you. You already talked a bit about, but to what extent do you feel your national government has an influence on Company’s F goals regarding global warming?

**Interviewee:** Uhm, obviously the policies that are set by our national government have an influence where we invest. So for example with bio fuels. There is the renewable fuels standard that requires up to 15% of the gasoline has to have bio fuels in it, then it is worth it investing, because then there is a market for it. Right now, it is a lot more expensive than fossil based fuels or gasoline. So the fact there is a demand for it, helps justify the investment that we need to make and to develop this new technology. So I think those are the kind of things that are very important. If you are going to get certain requirements of whether is the national level of the state level. Then there is more demand and people are more willing to invest in it.

**Interviewer:** Okay, I understand, that is very clear. To what extent do you feel that changes in public policy and laws affect your climate ambitions?

**Interviewee:** I think, we work with all our stakeholders, what they think and expect of is,
influences what we invest in. As I said, we got limited resources, the number of capital, the number of people. So if you get more interest of more regulations that requires you to do this, it helps to see how you make these resource decisions.

**Interviewer:** Yes, that makes a lot of sense of course. And do you that besides the resources, so for example how you spend your money, that there are also other influences that the national government has on your strategy or is it purely based on the resources?

**Interviewee:** Ultimately that is the decision that we are making, how are we going to spend our resources.

**Interviewer:** Okay I understand that. Basically looking at the future, looking at the upcoming ten years, what can *Company F* can do to further reduce its impact on global warming?

**Interviewee:** Well, it is a little hard to say as we are in the process of merging with … So and then we are going to split in three companies. So it still a little hard, once we get through this, how we will look like. I think that there a work going on in how to reduce greenhouse emissions in agriculture as well as get credit for the farmers who are doing things. So I think that side will be driven that way. The other side is a lot about energy efficiency, a lot of solar, bio fuels. So that they will have, there will be opportunities. But it is kind of hard to guess, given the changes in our organization.

**Interviewer:** Now, I understand that. That is hard. Because my next question how do you see *Company F* working together with the national government in the upcoming ten years, but I guess that is also a hard question to answer then?

**Interviewee:** Yes, it is. It is a very confusing time at company F.

**Interviewer:** I get that. Well thank you for your time. Do you have any further questions for me?

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**Interview G - 23-05-2017**

**Interviewer:** My name is Lauren Timp, I am a master student in Business Administration at Radboud University. For my thesis I am doing research on the climate strategy of different multinationals. The outcomes of this interview will be fully anonymized. Do you have any further questions before we start?

**Interviewee:** Nope, or well maybe you can give me a little bit of background as to what you are trying to research?

**Interviewer:** Yeah, so basically I am looking whether to if whether the climate strategy chosen by the multinationals is depended on the institutional setting they are based in. So you are trying to look into that and see if my ideas are going to be the same as the conclusion that can be derived from these interviews.

**Interviewee:** Okay

**Interviewer:** Okay, perfect. Of course I know your name, but could you give me a short introduction of who you are?

**Interviewee:** Uh yeah sure, so I look after environmental and social risk for *Company G*. I actually have a background in banking. I have been involved in environmental and social risk for fifteen years now. I have been part of ABN AMRO’s environmental and social risk team.

**Interviewer:** Okay, that is very clear. I saw that you are … for *Company G*, back then why have you chosen for this position within *Company G*?
Interviewee: Uhm, it is an area of personal and professional interest to me and Company G is a very good company. We can have some very positive influence in our discussions on environmental and social topics. It is a good organization and very rewarding role to be in.

Interviewer: Okay, sounds good. And I understood from your website that Company G’s goal is to …, could you tell me in your own words why Company G values this so much?

Interviewee: Uhm, yeah there are a couple of reasons. And what you are reading is more about our direct footprint in our operations. When it comes to climate and a number of related environmental topics, you want to make sure that in all areas where we can have an impact, we have a best responsible approach to our decision making. So when it comes to whom we do business with or own footprint, in terms of the offices, building and business travel. We are looking at ways in which we can minimize any impact and we are looking to become carbon neutral, to the extent that is achievable. Ultimately it all starts with wanting to be a responsible organization. Part of the problem rather than being part of the problem.

Interviewer: That makes sense of course. And what do you think enables Company G to pursue this chosen strategy?

Interviewee: Uhm, well a couple of things. You need the management support, that is always important. But then you need to internal resources to be able to achieve that. What we have is a really good real estate team on that in particular, who have come up with some innovative structures in order for us to achieve that. So in anything, you need to make sure you got the right people and the right resources behind the decision and we certainly make sure we have that.

Interviewer: Sounds good, thank you. And to what extent do you feel their might be hindrances in pursuing your chosen strategy?

Interviewee: Again I guess it depends on which strategy you are referring to. If it is about the focus on our direct footprint then the only inhibitor would be if there is availability of renewable energy. That we can use for our offices, whether there are cost implications that make it too expensive for us to switch to renewable energy. There are certain ways that you could go around that. But when it comes to the more interesting strategy about whom we do business with. So are we going to lend money to coal companies or gas companies, then that is different. A lot of that depends on the country you ask this question, depending which jurisdiction you are in. Sometimes there are limitations on the type of business that can be realistically done, in certain countries. The question is more can you focus on, if you are going to do business in certain sectors, how do you decide which companies are better than others. How do you differentiate them. And of course ultimately as any commercial institution we need to make a return and pay the bills. You need to ensure that you are able to undertake the right type of business, so you need to balance doing the right business in the right way and making sure at the same time that you are making a return.

Interviewer: Yeah okay, that make sense of course. And so basically, your strategy is made out up of two parts … and … to what extent do feel you that those strategy have had an influence on the global warming debate?

Interviewee: Uhm, it is interesting. Most companies would say that their own immediate footprint is quite small if you look at it in a global context. But I think the reality is that all companies have an impact, a footprint. We are all responsible that we make sure we manage our own direct footprint. So from a psychical perspective we have a small footprint, but if you
look at it from a bigger perspective you can contribute to developing the right market solutions. If we are a user of renewable energy and having a demand for renewable energy then I think that an impact that contributes to the development of that market. And then of course from our clients’ perspective, we are helping them raise money, there is clearly a link between their activities and our activities. So in our decision-making we take into account if the company we are lending money to, is looking to reduce their own emissions. Are they looking at new business, new assets? Do they have a strategy to manage their own carbon footprint?

Interviewer: And if they would not have any plan in doing so, would that be a decisive point to say no in lending them money or is not that a decisive thing?

Interviewee: Yes, it depends on the situation, but if a company does not meet with our own, it is called risk appetite. We set policies in side and we look at companies we want to back up. If we find that a company that is not willing or able to change, then the likelihood is we won’t support them. But again, it depends on the circumstances. We can look at ways to advise them and assist them to get a more sustainable future.

Interviewer: Okay, that is very clear, thank you. And how do feel that the common goal of Company G is shown in your internal corporate culture? To which extent do you feel employees also embrace this goal?

Interviewee: If you stick to our CEO of our investment bank, his belief is that the most important stakeholder is our employees. And certainly, I have seen a lot of employees are excited about the things we do. There certainly is a good degree of employee interest. I guess the most important employees are the bankers who are banking in mine and gas companies. We need to make sure that they understand they are deciding which companies we are supporting and which ones we shouldn’t.

Interviewer: Yeah that make sense because they are of course to a large extent deciding where your resources are going to. Okay thank you. And to which extent does Company G collaborate with other stakeholders to achieve its climate goals?

Interviewee: Again, it depends on how you define stakeholders. I just mentioned employees, they are of course an important stakeholder. The second thing is our clients and certainly both from the perspective who we decide to do business with. Our clients definitely understand our perspective. We choose to do certain business. When it comes to our own direct footprint we are of course we going to get renewable energy from some of our clients. We are going to buy renewable energy from them. And we have to debates or discussion with a number of our clients in the mining and gas section, to better understand their perspective. To educate ourselves and decide on the best practices when it comes to climate change. And then on the stakeholder side when it comes to shareholders, we have ongoing discussions with our shareholders to explain them what our approach is. And we get their feedback. Depending on their feedback we can make changes to our strategy. So yeah it is an ongoing discussion. We are always talking consideration perspectives from our clients and also the perspective from our peers. We share perspectives from some of the other banks. And also with civil society.

Interviewer: Okay that makes sense, it is a pretty broad range. And to what extent does Company G engage with government officials regarding global warming?

Interviewee: It varies. It a topic that is increasingly relevant in discussions. Certainly my counterparts in the US were involved in the G20 Energy Task Force on Climate Related
Disclosures. So we were certainly involved in that broader conversation. That is potentially going to have an impact on the G20 countries, so that is one. In the US we certainly do have conversations with the government on these types of topics. Our chairman is discussing a whole range of topics with Donald Trump and his administration. We recently signed a letter to the government saying that they stay in the Paris Agreement. So it varies. We choose to have conversations in which we think we have a role and conversation to play, where think we have an influence.

Interviewer: Okay, I understand that. And you said that you signed a letter which said the US should stay in the Paris agreement, do you have any other examples of ways through which Company G tries to engage with the American government?

Interviewee: I think that is the primary vehicle, is using discussions, also signing that letter. If we do get invited to be part of somebody’s conversation, we certainly will. There is going to be an announcement soon of one of our senior executives in which we are getting involved in a similar conversation. Because there is enough support among the Republicans to recognizing that climate change is real and something has to be done. So yeah we are certainly aware of certain conversations that are going on and part of some of those conversations. That is much as I can say right now.

Interviewer: Yes, I understand that. And to what extent do you feel that the American government has influenced your strategy, so basically the other way around?

Interviewee: Uhm, I don’t know if there has been a direct influence. I think in the lead up to Paris we came up with a new coal policy. Because we certainly recognize we have our own role to play in helping the overall goal of achieving for cooling down 2 degrees scenario. So certainly coming out of that discussion, we came up with our goals. So we are actively making decisions that are in line with that. But other than that, I don’t think there is necessarily going to be a direct influence on our own appetite. We decide what we think is appropriate given our own business interest. And sometimes that might mean we agree to disagree with governments. Or we decide that government should be doing more. But I don’t aspect that there is going to be a situation in which governments are doing more than we are willing to do. I think it is going to be a dynamic where we expect more from the American government than they are willing to do.

Interviewer: So if I could summarize that, you are saying that you are ahead and doing more than what the American government requires you to do?

Interviewee: Yeah, I mean we have done as much as we can. Getting involved with those letters as well, making the business voice heard and has enough influence so that the US will still in the Paris agreement. But even if they decide not to, it is not going to change our perspective. We will still make decisions that are in line with our policy. The bottom line is that the government doesn’t set our policy, we set it ourselves.

Interviewer: Okay, I get that. Looking at the upcoming ten years, what do you think Company G can do to further reduce its impact on global warming?

Interviewee: There is only so much we can do. Ultimately it comes down to the decision making and who we do business with. But the reason we are involved in the G20 conversation, because we recognize the need of information on climate risk. We can only make more informed decisions if we have the right information. So we are certainly supporting market initiatives like that. We recognize that policy decisions have to be
consistent because that helps us. And then looking at our own internal processes, we know
what we are working for. Who it is we want to do business with. So we will just keep making
decisions that are in line with our own policy. That policy will always be adjusted, depending
on external initiatives, if there is a new technology, a new break through. If there is a new
carbon tax etc. we will obviously respond. We will provide services to our clients to support
those initiatives.

**Interviewer:** Okay that makes sense of course. And how do you see *Company G* working
together with the American government in the upcoming ten years?

**Interviewee:** In the upcoming ten years? That is a difficult question. That depends on where
it is we are doing business. Obviously Brexit is going to influence where we are located. Then
as far as the US is concerned it depends on which party is in power and how progressive that
party is on climate risk. If we think it is relevant to be part of these conversations and to use
our voice, that we will certainly do that.

**Interviewer:** And just to make it clear for my view, when it is relevant? What do you define
as relevant?

**Interviewee:** That is a good question. We have a fairly good idea of what matches for the
market in general. It is just not selfishly what matters only for us, of course that is an element
of it. But if we think there is something fundamentally wrong with how the government is
approaching an initiative, if we believe that we have a role or responsibility in leading that
discussion, then we will certainly do that. But yeah ultimately what we want is transparent,
functioning markets. And if there are going to be disconnects or irregularities in policies that
have a certain impact, that we will certainly make our voice known. And often that will be
through industry groups. It may be with other banks, with other clients.

**Interviewer:** Okay I understand that. These were all my questions. Thank you for your time
and consideration. If you want I can send you the transcript of the interview. Do you have any
questions for now?

**Interviewee:** Uhm, no that should be fine thank you.