

Corporate Opportunities for Climate Change Engagement



Insights drawn from Roundtable Discussion

ERM Belgium 20th Anniversary

5 June, 2015

Introduction

“Already more than 105 companies committed to one or more initiatives from We Mean Business, launching a campaign to get hundreds of companies and investors to take bold climate action and commit to low-carbon initiatives.”

2015 is set to be an important year for the global community with a number of key events focused on addressing the impacts of climate change. This includes meetings of world leaders at the G7 Summit in Germany, the November G20 Summit in Turkey and at the Paris Climate Conference, also known as the COP21 in December.

As part of its involvement in business solutions for climate change, ERM convened a roundtable to explore corporate opportunities for engagement on this key issue. Maria Mendiluce, Director of Climate and Energy at the World Business Council for Sustainable Development (WBCSD) and ambassador for the We Mean Business initiative was our special guest for the discussion. Business leaders from across Belgium joined regional and global colleagues from the food & beverage, chemical, pharmaceutical, mining, energy and other industry sectors along with those from the non-profit sector and ERM experts to share perspectives on this important topic. This event marked an important milestone for ERM, who share a 20th Anniversary with the WBCSD, of which it was a founding member in 1995.

Why engagement in climate change engagement is important for business

The UN negotiations aim to deliver a universal agreement on climate change, keeping global warming below 2°C. The ambition is challenging, and the stakes are high as countries endure extreme climate and weather conditions disrupting people's livelihoods, supply chains, food security and so on...

For the first time in over 20 years of UN-led negotiations, business has an “action” oriented role in the climate change discussions. We Mean Business is a coalition of business organisations that convene companies to take bold climate action and commit to low-carbon initiatives. The objective of We Mean Business is clear: to bring businesses to the table in the Road to Paris and support efforts to develop a green and low carbon economy. The WBCSD, a coalition member, has developed the Low Carbon Technology Partnerships Initiative (LCTPi), a collaborative platform for private and public stakeholders to develop concrete actions plans to reduce emissions in different sectors and with different technologies to a level aligned with the 2 degree scenarios. The group of companies that form each of the 8 LCTPis will present their action plans and commitments at COP21. In the area of adaptation, ERM has been a co-leader of a soon-to-be-published approach for assessing climate change risks in supply chains, a project developed at the WBCSD.

Observations and Insights

Captured from the Roundtable Discussion

Carbon Pricing

“A global approach to carbon pricing is an effective signal to change worldwide investment”

Those at the roundtable identified carbon leakage in energy-intensive industries as a major concern for many companies worldwide. Unequal implementation of legally-binding carbon markets can result in the reallocation of the energy-intensive industry and accompanying investment to other countries who have weaker approaches to carbon management.

A global approach to carbon pricing was seen by a number of attendees as an important signal to change worldwide investment and to create a more level playing field for companies worldwide.

Multi-stakeholder collaboration

“If you want people to discuss and or contribute to change, you must engage them.”

For a long time, climate change negotiations were government-focused, leaving little room for corporate involvement into UN negotiations. We Mean Business deliberately advocates to create momentum and encourage governments towards greater ambition on the Road to Paris. Multi-stakeholder collaboration between governments, businesses and NGO's is essential to address the complex and large challenges facing the global community.

Business brings solution-focused approaches

Businesses increasingly see themselves as part of the solution to climate change. Many have been investing in large Research and Development programmes utilising innovative technologies. By working towards sector-focused solutions, companies have stepped up collaboration in an effort to move towards a low-carbon future. To finance these investments, businesses have been internally monetizing externalities such as carbon, water and air when making long-term decisions.

We Mean Business

For the first time in the We Mean Business campaign towards the 2015 Paris Climate Conference, a roundtable discussion for business leaders was held with Maria Mendiluce, Director of Climate and Energy from the WBCSD, as ambassador for the We Mean Business initiative.

We Mean Business initiative started as a coalition between businesses to take up bold climate action and commit to low-carbon initiatives.



Maria Mendiluce
Director Climate and Energy,
World Business Council for
Sustainable Development

**WE MEAN
BUSINESS**
economic
opportunity through
bold climate action



Participants of the roundtable emphasised how investments into low-carbon technologies need the accompanying governmental policy and fiscal frameworks to achieve success. The chemical sector provided the example of implementing benchmarks and Best-Available Techniques (BAT) for years. They regard the implementation of a benchmarking approach in every sector and industry as an effective method to move forward towards a low-carbon future.

A number of attendees mentioned how businesses dealing with GHG reductions and mitigation of environmental issues for years, have not always shared their learnings or successes. Their practical experience in dealing with these issues have made businesses focused on finding solutions that deliver bottom line results and top line growth, along with managing risks. Through platforms such as We Mean Business, there is greater opportunity to share this knowledge and experience.

Take Home Message

For many years, the corporate sector ignored, or stood on the side-lines of the climate change process. For the first time since the first COP meeting in 1995, businesses have the opportunity for real engagement, and are committed to encouraging governments to show greater ambition towards climate change, while also publicly committing to action. The We Mean Business initiative seeks to bring leaders together to create a real momentum for change, based on practical and innovative solutions.

Many thanks to the attendees:

Solvay
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ETAP
Forrest Group
Business and Society
Trends magazine
Bond Beter Leefmilieu
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About ERM

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To find out more how ERM can help you go to www.erm.com or your local ERM contact.

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