



## MEDIA COVERAGE

Low Carbon Technology Partnerships initiative

New York Roundtable, September 25, 2015

### Climate Week update: Businesses rush to make sustainability pledges

By Barbara Grady



A pigeon looks over New York City, where Climate Week is underway, from the Empire State Building.

Business is the new environmental activist, you could say.

Maybe it takes a hot summer and a popular Pope, but business has stepped up this week like never before in pledging sustainability action.

As hundreds of corporate executives and government diplomats and activists convened in New York for Climate Week, major companies and business

groups keep making new commitments.

Here are new ones as of Friday morning:

#### 1. Science based goals:

Sixty large companies announced Friday that they will reduce GHG emissions in amounts that align with Science Based Targets — or an amount necessary, as figured out by scientific formula, to prevent warming of the globe from exceeding 2 degree Celsius.

The companies include Autodesk, Siemens, General Mills, Coca Cola Enterprises, Colgate Palmolive and NRG Energy — each of which has a representative in New York to talk about its new commitments at a gathering for the Science Based Targets Initiative, as well as 64 others. The Science Based Targets



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were devised using climate data and mathematical algorithms by CDO, the U.N. Global Compact, World Resources Institute and the World Wildlife Fund.

While most large companies now have goals or actions underway to reduce their GHG emissions, most have been fairly timid to date — or far less than what would be needed to collectively prevent the world from exceeding the 2 degree global warming, according to the organizing groups.

To avoid the calamitous fate of frequent and severe climate disasters and the possible melting of the Arctic and Antarctic ice caps, global GHG emissions would need be 15 giga-tons lower than the world is currently on a path to deliver, according to the Science Based Targets Initiative.

## **2. Committing to low carbon options**

Also on Friday, 200 business executives agreed to take steps to transition to low carbon economy. Working through the [World Business Council for Sustainable Development](#), they have formed working groups to study implementations around low carbon freight, renewable energy, carbon capture and storage, low carbon transport fuels, climate smart agriculture and energy efficiency in buildings, as well as in cement and chemical manufacturing.

The WBCSD said the initiative is about “turning ambition into action,” an important topic amid the deluge of commitments, and about making a significant contribution from business to reduce emissions and keep global temperature rise beneath 2 degrees Celsius.

These groups will meet Friday to talk details. It involves 140 companies and 47 organizations. They include Monsanto, DNV GL, Italcementi, Joule Unlimited, Kellogg's, Novozymes, PepsiCo, Schneider Electric and Unilver.

## **3. Carbon pricing toolkit**

To help companies realize the cost and value of the carbon that exists in processes and that is emitted from their operations, the [We Mean Business coalition](#) announced it has put together a carbon pricing toolkit of analyses on how carbon pricing levels gradually could be put in place to reduce CO2 emissions.

Many advocates of carbon pricing also see a price as something that will drive innovation and invention because there would suddenly be monetary value to reducing carbon or capturing carbon. Nigel Topping — CEO of We Mean Business, which is heading the effort — said carbon pricing would spur action.



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“Carbon pricing is one of the key policies which businesses around the world are calling for to help harness the power of markets in tackling climate change,” Topping said in a statement. “We need to see much broader adoption of carbon pricing around the world.

“Crucially, we need to make sure that price levels are sufficiently high to drive investment in our low carbon future.”

#### 4. Mayors commit to carbon reduction

The Compact of Mayors announced that 10 cities around the globe, including New York, Washington, D.C. and San Francisco, met the planning and documentation requirements set by the Compact of Mayors on how they will reduce emissions from their cities and boost resilience.

Starting with Rio de Janeiro, which was the first to do so, these cities outlined ambitious plans as their contribution to the COP 21 climate negotiations. Others are Buenos Aires, Cape Town, Copenhagen, Melbourne, Oslo, Stockholm and Sydney.

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Sept 24 —

Many businesses have been making bold commitments this week to cut carbon emissions, switch to renewable power and support and even finance sustainable development as diplomats and CEOs convene in New York for key United Nations meetings.

Nine multinationals — from nine industries — pledged Wednesday to transition operations to 100 percent renewable energy while half a dozen other global businesses pledged to reach zero net emissions and 92 companies backed Pope Francis' call for caring for the earth.

Procter & Gamble, Goldman Sachs, Salesforce, Johnson & Johnson, NIKE, Inc., Starbucks, Steelcase, Voya Financial, and Walmart are the nine who pledged to go all renewable, joining 27 others that already pledged to do so as part of the RE 100 group, starting with Mars Inc., the candy maker.

Also Wednesday, Chinese construction company Broad Group, African telecommunications group Econet, Brazil cosmetics manufacturer Natura, consumer goods company Unilever and international investment group Virgin — members of the so-called B Team — committed to make their operations “Net Zero by 2050.”

And 92 companies who are members of the World Business Council for Sustainable Development signed a letter supporting Francis' call to protect the earth. “The planet is warming with severe



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consequences that threaten business growth and a healthy economy,” wrote the companies, who then pledged to do their part to transition to an economy that is “less harmful to the environment.” The signers include Siemens, Unilever, Kellogg, DuPont and P&G, although none said what its signature meant it would do.

You could say the tide is turning this week. For the past three years investor interest in clean energy has been scant, with venture capital investment in this sector off from pre-recession years and companies typically switching only small portions of their operations to renewable energy or zero emissions.

But this week Goldman Sachs, the top tier investment and financial services company, committed to make that switch to 100 percent renewables within five years and to “finance and invest in clean energy around the world.”

Also this week, companies reiterated their commitments to avoid procurement that results in deforestation and pledged support of the Sustainable Development Goals that the United Nations is set to vote on.

“I think you’ll be finding now that all the large multinational companies see the importance of this work,” said P&G’s vice president of global sustainability, Len Sauers, in an interview with GreenBiz. “More importantly, we are recognizing that we are not going to solve these problems (of climate change, air pollution) by ourselves.”

He was talking with GreenBiz last week, when P&G had freshly made a commitment to reduce greenhouse gases by 30 percent by 2020. Now P&G is one of 36 major global companies who pledged to transition to 100 percent renewable energy, under the [RE100](#) pledge.

To make the transition to a new economy less daunting, the United States Council for International Business is today launching a software portal called [Business for 2030](#), that it said holds tools for how companies can support the Sustainable Development Goals.

Nonetheless, all the announcements this week merely have been pledges and plans — which raise a sharp eyebrow when juxtaposed with the other big sustainability business news this week: That [Volkswagen intentionally deceived the world](#) into believing some 11 million diesel cars produced lower emissions than they really did.



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VW is under criminal investigation by the U.S. Justice Department for manufacturing cars with a software patch that temporarily made the car's emissions burn cleaner when the software sensed that an emissions test was underway.

The scandal involving the world's largest car-maker underscores the difference between words and actions in sustainability. As there has yet to be any third-party accountability or standards setting agency that checks companies' pledges against their actual operations, all the words and text that companies expound about their sustainability plans are at the moment just words.

It could be that competition is a factor spurring U.S. businesses to pledge sustainability action. China's National Renewable Energy Center reported that the nation's deployment of grid connected wind power grew 27 percent in a year and its grid-connected solar photovoltaic deployment grew 68 percent.

If it oil and gas prices return to their former price volatility — as most economists expect — Western companies that have failed to buffer themselves by sourcing some electricity from renewable sources will be at a disadvantage to Chinese competitors in their industries.

But on a more hopeful note, maybe the companies making pledges really do fully intend to follow through. Diplomats and the business leaders are in New York because the United Nations is scheduled to vote on the Sustainable Development Goals, or 17 priorities for moving the world towards a more sustainable future, when the planet and all people are cared for.

The goals are lofty — ending poverty is No. 1. However, agreement on them is seen as an important precursor to the United Nations COP 21 Climate Convention in Paris in December, widely hoped to finally produce a global agreement on how nations collectively can work to prevent global temperatures from rising more than 2 degrees Celsius.

**GreenBiz** - <http://www.greenbiz.com/article/businesses-rush-make-big-sustainability-pledges>