



MEDIA COVERAGE

Low Carbon Technology Partnerships initiative

How Can Business Make a Difference In Paris?

By Paul Polman

The business opportunity of climate action



The COP21 Climate Change Conference in Paris is a meeting of world leaders to agree on a global deal on how to address climate change and limit global average temperature rise to two degrees Celsius above pre-industrial levels. The [World Bank](#) recently estimated that climate change could push

more than 100 million additional people back into poverty by 2030. This is yet another critical reminder that we can't solve climate change without embracing the economic and social-development aspirations of the developing and emerging world.

COP21 is our first test of the world's ability to make the critical progress needed to support the Sustainable Development Goals. The reality is that for the summit to succeed, business leaders must and will stand shoulder to shoulder with world leaders and play a critical supporting role in empowering national governments to agree on a path to prosperity for us all.

What's clear is that more and more businesses are aware of the costs of climate change. In the last decade alone, [some estimates](#) have put the cost to the world economy of natural disasters at US\$2.7 trillion. Yet, solutions are increasingly available and economically viable.

The image shows the acronym 'LCTP' in large, stylized letters. The 'L' is a vertical bar with a blue and purple fiber-optic pattern. The 'C' is a circle with a blue and purple circuit board pattern. The 'T' is a grid of blue and green squares. The 'P' is a blue and white grid pattern. To the right of the letters is a white silhouette of the Eiffel Tower against a blue sky with white clouds. Below the letters, the text 'Low Carbon Technology Partnerships initiative' is written in a blue, sans-serif font.

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There is convincing evidence that the cost of inaction on climate change is actually higher than the cost of action.

Simply put, the low-carbon economy is better for growth. As the [Global Commission on the Economy and Climate](#) has indicated, the global market for low-carbon goods and services is worth more than US\$5.5 trillion and growing. Investment in energy-efficiency measures available today could boost cumulative economic output by US\$18 trillion by 2035, according to the [International Energy Agency](#).

Private sector mobilization underway

Around the world, businesses and investors are increasingly taking action to climate-proof their own organizations. They are encouraging world leaders to de-risk the global economic system with policy measures that will go with, not against, the current tide of business sentiment. The evidence is clear: nearly 2,000 businesses have already lodged their own climate-action plans with the United Nations' climate-action platform "NAZCA." More than a thousand companies have explicitly called on world leaders to bring forward plans for carbon pricing as a mechanism to support the transition to low carbon. 437 businesses now use internal carbon pricing (up from 150 in 2014) with many prices far higher than national carbon prices.

[At Unilever](#), for example, we have achieved a million tonnes of carbon savings across our manufacturing and zero waste to landfill in all of our factories. Our carbon emission per tonne of production is now 65 percent below 1995 levels and much of our energy used in Europe and the U.S. is green. We innovate to reduce water-use and packaging in our products and are committed to eliminating deforestation completely. Reaching two billion consumers every day, we hope this can make a real difference. And we're encouraging others to adopt similar innovations. For example, we have waived the patent on our compressed-deodorant technology to help the whole industry cut its aerosol carbon footprint by 25 percent. There are so many ways in which companies can do their bit.

Investors on the move

The financial sector is catching on, too. Investors are starting to divest of high-carbon-exposure industries to mitigate risk and protect their portfolios. Issuances of green bonds for sustainable infrastructure have tripled in the last year to [US\\$36.6 billion](#). What's more, over 394 investors with more than US\$24 trillion dollars of invested capital have signed the Global Investor Statement on Climate Action and are calling for a price on carbon. They are no doubt emboldened by the latest



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research by [Corporate Knights](#), which found that carbon-intensive investments of 14 major funds cost US\$22bn in reduced returns.

Collaborative business partnerships

The momentum is unstoppable. But as we know, there is a limit to what any one company can do alone. That's why in the lead up to the Paris negotiations we have seen a rapid growth of business collaboration, which will shape the landscape for future opportunities for all of us. A number of business leaders have come together in The B Team to call for net-zero emissions by 2050, and many are now calling for a price on carbon. We're pleased to be part of these efforts. The flagship programme of the World Business Council for Sustainable Development is another prime example. Known as the [Low Carbon Technology Partnership Initiatives \(LCTPI\)](#), a series of CEO-led programmes spanning areas such as renewable energy, low-carbon transport fuels, and climate-smart agriculture, they outline a series of ambitions that if achieved could contribute 65 percent of the emissions reductions we need. But the same actions are predicted to create US\$5-10 trillion of capital expenditure and 20-45 million jobs. It's no surprise then that business associations whose networks represent 6.5 million firms called for strong climate action and a new international climate agreement at the Business and Climate Summit in Paris in May earlier this year.

A two way partnership between government and business

This level of private-sector momentum was reflected in the [recent Globescan survey](#), where twice as many people cited the private sector than national governments as being behind significant steps to tackle climate change. But the reality is that only by working together will we achieve the virtuous spiral of ambition and action capable of empowering leaders on all sides to look differently at old challenges. And they are doing so in ever greater numbers. Governments, reassured by this support, can take the decisions that they need to, safe in the knowledge that we stand ready to turn the ambition of the Paris Agreement into the reality of a different kind of growth and a brighter future for us all.

And now I'd like to nominate Sir Richard Branson to continue this series with his view on the role of entrepreneurship in tackling the climate challenge.

Paul Polman is CEO of Unilever and Chairman of the World Business Council for Sustainable Development. You can follow Paul on Twitter @PaulPolman.



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Unilever has been named as a leader in the 2015 Dow Jones Sustainability Index (DJSI) results.

This post is part of the "Businesses for Climate" series, led by Michael Bloomberg and The Huffington Post, in conjunction with LinkedIn. The series is intended to call attention to the role of businesses in leading the way when it comes to taking action on climate change, in advance of the U.N.'s 21st Conference of the Parties (COP21) in Paris next week. To view the entire series, visit [here](#).

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