
CDP Policy Briefing

Corporate Support for a Global Agreement on Climate Change

BUSINESS AND THE PARIS AGREEMENT



Corporate Support for a Global Agreement

In 2015 companies were invited to respond to two new questions in CDP's annual global climate change questionnaire: firstly to say whether their board supports an international agreement between governments at the UNFCCC Climate Change Conference in Paris (COP 21) and secondly to describe their board's position on what an effective agreement would mean for their company and the activities they are taking to deliver this agreement.

Analysis of the responses shows that companies which have formulated an opinion are overwhelmingly in support of an ambitious agreement in Paris. **More than 800 of the largest listed companies around the world** favour a global deal to tackle climate change.

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In particular, companies are demanding a legally binding, international agreement that contains:

- ▼ **A global objective of net zero greenhouse gas emissions well before the end of the century.**

"We are calling for a universal, ambitious and balanced climate agreement with a long term goal to achieve global net-zero emissions within the 21st century, backed by national contributions that create an upward spiral of ambition."

BMW AG, Germany

In order to achieve this long-term goal, companies also require an agreement to include:

- ▼ **A ratchet mechanism that ensures continuous improvement of current targets and spurs national, sub-national and corporate ambition to reduce greenhouse gas emissions further and faster.**

"We believe that such a deal should include a clear and credible long-term goal, together with ambitious national commitments from all countries, clear and transparent accounting mechanisms and a timetable to revisit the goal to ensure that it is in line with climate science."

Coca Cola Enterprises, USA

- ▼ **Principles and mechanisms that enable carbon pricing to be implemented across the globe.**

"Saint-Gobain believes that consistent and robust international mechanisms to fix carbon prices are crucial in order to make energy efficiency and decarbonized technologies competitive and stimulate their deployment on a global scale."

Saint-Gobain, UK

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- ▼ **Clear accounting and reporting rules, which provide detailed information to hold countries accountable for their commitments and track global progress.**

“The agreement should provide a long-term, predictable framework, allowing business to take decisions in a stable international context. A reliable monitoring, reporting and verification system should accompany any national pledges, offering effective control and correction mechanisms to avoid distortions in national efforts.”

BASF, Germany

“We urge a strategic action agenda – supported by clear and consistent policies and robust monitoring, reporting and verification (MRV) – that will complement business efforts to stimulate innovation as well as collaborative actions across value chains, and to develop and scale up alternative and renewable energy sources, promote energy efficiency, end deforestation and accelerate other low carbon options and technologies such as ICT.”

Solvay, Belgium

- ▼ **A clear framework for governments to work with the private sector to provide investment in the low carbon economy and climate resilience at scale.**

“We are also seeking to leverage existing and new public-private partnerships to encourage support for an agreement and to drive progress between governments and business.”

PepsiCo, USA

“Novozymes believes that an effective agreement [...] would drive the world towards a low carbon future, and include [...] incentives for public-private collaborations, especially related to research, development and deployment, and diffusion of low carbon technologies.”

Novozymes, Denmark

- ▼ **Equal treatment of mitigation and adaptation with governments leveraging private sector finance to build adaptive capacity.**

“We believe the negotiators can achieve a legally binding agreement [which] needs to include mitigation, adaptation and resilience.”

EDF, France

These key components of a Paris agreement will provide the necessary signals to the private sector actors who must drive the transformation to a low-carbon economy.

Companies all over the world are overwhelmingly in favour of a global deal. Particularly in countries where no individually determined national contribution has been communicated yet, such as India & South Africa, the majority of companies responding to the two questions have communicated their support for an agreement in Paris. Corporate support also is particularly strong where the INDC has been considered to be lower in ambition, such as in Japan & South Korea.

“The company hopes that the United Nations Climate Change Conference, that will be held in Paris in December 2015, will result in an internationally agreed upon framework that will be adopted by countries around the world to limit global warming to below 2 degrees Celsius. The company believes that a legally binding agreement with respect to limiting emissions would be effective in achieving the target reduction in global temperature rise.”

Ambuja Cements, India

“An effective agreement in line with RCP2.6 would mean that global emissions would be limited so that global mean temperature does not exceed more than 2 degrees Celsius change. Such an agreement would require a significant commitment of emission reductions from governments, which would in turn be translated into ambitious reduction targets from industries.”

Clicks Group Ltd, South Africa

To summarise, business has not only high expectations but also is hugely supportive of an ambitious, legally binding global agreement that keeps global warming to below 2 degrees.



CDP, formerly Carbon Disclosure Project, is an international, not-for-profit organization providing the only global system for companies and cities to measure, disclose, manage and share vital environmental information. CDP works with market forces, including 822 institutional investors with assets of US\$95 trillion, to motivate companies to disclose their impacts on the environment and natural resources and take action to reduce them. CDP now holds the largest collection globally of primary climate change, water and forest risk commodities information and puts these insights at the heart of strategic business, investment and policy decisions.

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