

Moving to net-zero emissions, an undeniable business opportunity in Europe and beyond

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Companies have a vested interest in addressing the climate challenge. This is because business cannot succeed in societies that fail, and a warmer planet and more extreme events will have very damaging consequences for business, and – most importantly – for people living in our planet. In the face of these unprecedented challenges, forward-thinking companies are driving change with unprecedented impetus.

The urgency of building a low-carbon, sustainable world is more acute than ever. While the opportunities offered by decarbonization are outstanding, governments and companies everywhere are now grappling with the uncertainty of today's social, economic and political realities.

2015 was a watershed moment for sustainability. The advent of the Sustainable Development Goals (SDGs) and the success of the Paris Agreement helped show the world that where there's a will, there's a way – and for the first time, we saw a glimmer of hope for tipping the scales in favor of sustainable development.

At that time, a new global framework for constructing a better future was finally clear, and there was optimism around the world for what could be collectively accomplished.

But over the past year, the optimism of 2015 has been eclipsed by a more turbulent environment. 2016 and 2017 have reminded us of the challenges involved in meeting the Paris Agreement, the massive transformation required and of the economic and physical risks of inaction.

The 2017 hurricane season is likely to be the costliest on record, with over US\$ 290 billion in estimated damages for hurricanes Harvey and Irma alone ⁽¹⁾. With the European Union also reeling from tragic wildfires in Spain and Portugal and experiencing a doubling in the total number of forest fires in 2017 ⁽²⁾ – and with deadly wildfires also raging across California in the United States – we all should be motivated to take action with renewed urgency.

These kinds of extreme weather events are expected to occur with more vigor and frequency as the climate warms towards 2°C. Clearly there's serious work to be done – socially and environmentally – to address climate change.

Although the need for decarbonization is clear, there are a host of socioeconomic and political barriers to contend with as we work to move the global economy towards low-carbon

Against the backdrop of changing weather patterns, the world also faces unforeseen political challenges. Social unrest plagues the world over, while trust in the government and the media has hit an all-time low.

According to the 2017 Edelman Trust Barometer ⁽³⁾, 53% of global citizens believe that the system isn't working for them, that it's unfair and that it doesn't give them hope for the future.

But according to Edelman, business is the most trusted entity. "Three out of four... agree that a company can take actions that both increase profits and improve the economic and social conditions in the community where it operates."

At this point, it seems that people are so frustrated with the status quo and with government, that business and civil society organizations have more power to make positive changes than governmental institutions alone.

As such, the global economy needs strong private sector solutions to reduce GHG emissions and build resilience to climate change.

(1) <https://www.accuweather.com/en/weather-news/harvey-irma-damages-predicted-to-cost-290-billion-atlantic-hurricane-season-only-at-midpoint/70002711>

(2) <http://www.euronews.com/2017/10/16/how-europe-s-wildfires-have-more-than-trebled-in-2017>

(3) <https://www.edelman.com/trust2017/>

This is business' moment to step up and lead the way

Companies have a vested interest in solving sustainability – and especially in addressing the climate challenge.

This is because business cannot succeed in societies that fail, and a warmer planet and more extreme events will have very damaging consequences for business, and – most importantly – for people living in our planet. In the face of these unprecedented challenges, forward-thinking companies are driving change with unprecedented impetus.

Business has publicly demonstrated that it's ready and willing to move forward

There is a clear push to the decarbonization of energy, industry, forest and agricultural systems – in Europe, but also around the world.

Since 2015, over 600 companies with combined revenues of more than USD\$15 trillion have made over 1,000 commitments to climate action⁽⁴⁾ through the We Mean Business Coalition. Many are going 100% renewable through RE100⁽⁵⁾, implementing science-based climate targets⁽⁶⁾ and collaborating across sectors.

These commitments represent the collective power of business – and are just a fraction of the contributions that the private sector can make to the global movement towards decarbonization.

At the World Business Council for Sustainable Development (WBCSD), over 200 of the world's biggest companies are working together to accelerate the transition to a more sustainable world. Companies within WBCSD come from all business sectors and all major economies, representing a combined revenue of more than \$8.5 trillion and 19 million employees. This holds massive potential for positive impact.

These companies are uniquely positioned to work along and across value chains to deliver meaningful business solutions to the most challenging sustainability issues – and they have worked hard to prioritize climate action through the Low Carbon Technology Partnerships initiative (LCTPi)⁽⁷⁾.

LCTPi is a unique, action-oriented program that brings together companies and partners to accelerate the development and deployment of low-carbon technology solutions to stay below the 2°C ceiling. Companies in LCTPi are collaborating across eight working groups in renewables (REscale), low-carbon freight, low-carbon transport fuels (below50), forests, climate smart agriculture, cement and chemicals – each with their own agreed upon ambitions for serious and measurable emissions reductions.

The initiative was launched in 2015 at COP21 in Paris where around a hundred CEOs publicly expressed support for LCTPi ambitions and mobilized their companies to implement inspiring sector-specific climate action plans.

Since then, LCTPi companies have been working tirelessly to meet their goals.

Through LCTPi alone, over 185 companies across sectors and geographies have come together to deliver the transition to a low-carbon world.

Taken together, LCTPi ambitions target 65% of emissions reductions necessary for remaining under the 2°C limit, while channeling USD \$5-10 trillion of investment into the low-carbon economy and supporting millions of jobs worldwide.

Last year at COP23, the group released its 2017 Progress Report⁽⁸⁾, designed to demonstrate business' commitment from “action to impact”. In it, we saw that many companies are moving from making commitments, to taking action and measuring impact in order to improve on their work and to give policymakers the confidence they need to ramp up climate action in 2018 and beyond.

Throughout 2017, we saw great progress in removing barriers to scale renewable energy procurement, the recognition of advanced fuels as an important component of the biorevolution and the promising emissions reduction potential of freight through route optimization and multi-modal asset sharing.

We've also seen that since COP21 in 2015, LCTPi working groups have sharpened their focus and expanded their reach. To date, 20 companies have joined, and work has sprung up in new geographies across the globe. For example, 144 companies and NGOs from 25 different countries are removing barriers to scale renewable energy procurement under REscale – driving decarbonization of the energy sector around the world.

At the same time, below50 – designed to scale up the market for the world's most sustainable fuels - has doubled its membership has launched regional hubs across three continents, connecting with local business in North America, South America and Australia. The group has ambitions for expanding into Europe and Asia as well.

LCTPi companies have also received external recognition for their efforts. InnovateUK will fund a GBP £1 million pilot project to demonstrate Low-Carbon Freight's exciting findings on emissions reductions through route optimization and multi-modal asset sharing.

Through all of this, it's clear that LCTPi has become a key platform for shaping industry best practice, aligning with the highest levels of climate ambition and making the case for action. In fact, 85% of companies involved acknowledge that LCTPi has supported their actions on climate change, with 42% saying it has strengthened their corporate climate commitments.

(4) <https://www.wemeanbusinesscoalition.org/>

(5) <http://there100.org/companies>

(6) <http://sciencebasedtargets.org/>

(7) <http://lctpi.wbcsd.org/>

(8) <http://www.wbcsd.org/Clusters/Climate-Energy/Resources/LCTPi-2017-progress-report>

While it's clear that there is no one-size-fits all solution, the collective efforts of LCTPi companies illustrate that business is a key implementation partner in decarbonizing the global economy and keeping under the 2°C limit. This is just one of many business efforts to speed the low-carbon transition

In 2018 and beyond, strong business leadership will continue to accelerate implementation of the Paris Agreement and ensure a just transition to sustainability. But, collaboration with governments and policymakers is a necessary enabler for scaling successful projects across the world. It's clear that business and government must go further, faster – and they must do it together.

Initiatives like LCTPi, Science-Based Targets and RE100 have truly illustrated that business has the solutions that will help scale up emissions reductions and contribute to the success of the Paris Agreement. This should give policymakers confidence to ratchet up their climate commitments in 2018 and beyond.

In the coming year, the United Nations Framework Convention on Climate Change (UNFCCC) will begin the process of taking stock on global progress towards the goals outlined in the Paris Agreement by speaking to a wide range of key stakeholders. Business must have a seat at the table if we're going to decarbonize at the scale and pace that's necessary for ensuring a sustainable future.

As such, it's critical for business to be involved in the UNFCCC climate negotiations process. Companies should be focused on demonstrating their solutions to accelerate the low-carbon transformation, and should push for a structured way of engaging with governments and policy makers to scale up national ambitions for climate action.

At the same time, businesses will also need to focus on climate resilience to prepare for what's inevitable. Governments and businesses should find constructive ways to partner in building resilience across global supply chains

Vision ZEN 2050 : une étude d'EpE, partenaire du WBCSD en France

Les membres d'EpE ont lancé, fin 2017, une étude intitulée Vision ZEN 2050 (pour « zéro émission nette en 2050 »). Cette étude a pour objet d'imaginer ce que serait une société française neutre en carbone dès 2050 (comment fonctionnerait l'économie ? Comment vivraient les Français ?) pour en déduire, sous la forme d'un rétro-planning, les trajectoires d'émissions de GES à respecter et les décisions à prendre au cours des années à venir pour faire en sorte que cette vision se concrétise. S'appuyant sur différentes trajectoires sectorielles de réduction des émissions de GES ébauchées par plusieurs secteurs d'activité, cette étude, née de l'initiative de plusieurs entreprises, doit permettre d'identifier les contradictions en la matière, les conflits d'usage autour des ressources naturelles, et de développer une analyse devant permettre d'asseoir les décisions à prendre au cours des prochaines années pour que la neutralité carbone soit un objectif atteignable en 2050. Les résultats de cette étude sont attendus à l'automne 2018.

and within frontline communities experiencing climate impacts.

Finally, companies are continuing to push for a robust and meaningful carbon price as a way to ensure a strong economic signal for investments, operations and procurement of low-carbon products and services.

This is the moment for business leadership. For governments and policymakers, engaging with business will be critical for strengthening ambition, meeting climate action plans and for creating successful policies at the national level.

Business has the willpower, the resources and the innovative capacity to make an impact on climate. It's only by bringing business on board that successful decarbonization will be achieved.