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## **The Road to Paris: Global Companies Speak Out for Action on Climate Change**

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Discussions about the importance of the December Conference of the Parties (COP) and the decisions to be made in Paris on climate change have reached a new level of intensity. This global climate conference in Paris aims to forge a new international agreement on climate change.

Investors, governments, environmental organizations, NGOs, and companies all contribute to the global buzz about COP. Recently, the Governor of Bank of England, Mark Carney, asserted that the warming climate presents significant risks to the global economy and global financial stability. He called climate change “the Tragedy of the Horizon” (think Tragedy of the Commons) and urged more disclosure of carbon emissions. Carney called upon participants of the G20 summit “to develop consistent, comparable, reliable and clear disclosure around the carbon intensity of different assets.”

“Companies would disclose not only what they are emitting today, but how they plan their transition to the net-zero world of the future. The G20 – whose member states account for around 85% of global emissions – has a unique ability to make this possible,” said Carney.

Hundreds of U.S. companies are center stage in advocating for effective climate policy including banks, food and beverage companies, and utilities, among others.

Individual companies, companies working together in associations, and newly organized coalitions have issued statements with different messages, but all focused on the urgency of addressing climate change with specific plans.

We believe that these voices from business leaders play a vital role in demonstrating the importance of dramatic action on climate change now.

Nonetheless, some business organizations such as the U.S. Chamber of Commerce are actively campaigning against the EPA’s “Clean Power Plan” which was announced in August and officially posted in the Federal Register in October (See “15. On the flip side of the coin, page 6). The Plan presents new carbon pollution standards for fossil fuel-fired power plants. Electric power generation accounts for roughly one-third of U.S. greenhouse gas emissions. The Chamber makes their “business case” against the Plan while implying they speak for the business community at large. That is why it is critical for businesses big and small across all sectors to acknowledge the reality of climate change and tackle this global crisis with determination and ingenuity.

Examples of such leadership follow, including actions organized by the White House, Ceres, business climate coalitions, and others.

**Compiled by Trudy Pham and Timothy Smith**

*October 2015*

## 1. [American Business Act on climate pledge](#)

On July 27, 2015, in support of the Obama Administration's Climate Action Plan, 13 of the largest companies from across the American economy launched the **American Business Act on Climate Pledge**: Alcoa, Apple, Bank of America, Berkshire Hathaway Energy, Cargill, Coca-Cola, General Motors, Goldman Sachs, Google, Microsoft, PepsiCo, UPS, and Walmart. According to the White House press release, "The President's Climate Action Plan, when fully implemented, will cut nearly 6 billion tons of carbon pollution through 2030, an amount equivalent to taking all the cars in the United States off the road for more than 4 years." The pledge voices support for a strong outcome in the Paris climate negotiations.

**Update on Oct 29<sup>th</sup>, 2015:** Three months after the release of the Climate Pledge, the White House announced that 68 additional companies joined force in the American Business Act on Climate Pledge, bringing the total number to 81. According to the [announcement](#): "these 81 companies have operations in all 50 states, employ over 9 million people, represent more than \$3 trillion in annual revenue, and have a combined market capitalization of over \$5 trillion." Notable from the list of companies with progressive emission reduction targets are Alcoa, International Paper, PG&E, Siemens Corporation, UPS, and Walmart. Detailed pledges from each of the 81 companies are available publicly [here](#).

## 2. [Ceres's President Mindy Lubber on why Corporate America is supporting EPA's Clean Power Plan](#)

On August 3, 2015, President Obama and EPA announced the **Clean Power Plan** – a comprehensive regulatory effort to tackle climate change by curbing carbon emissions from existing power plants across the 50 U.S. states, tribes, and territories. According to Forbes, soon after the final rule was released, 365 businesses, ranging from small local companies to iconic Fortune 500 brands, voiced their support for the rule, sending letters to 29 state governors to advocate for the "wide-ranging benefits of energy

efficiency and renewable energy as the best way to meet the EPA's goal of reducing power plant carbon pollution by 32 percent by 2030." "Our support is firmly grounded in economics reality," wrote the businesses, including industry giants such as General Mills, Mars, Nestlé, Staples, Unilever, and VF Corporation. This event was coordinated by Ceres, a non-profit organization advocating for sustainability leadership by working with companies, investors, and the environmental community.

## [365 companies and investors announce support for EPA's clean power plan](#)

Mindy Lubber, President of Ceres, said in a press release on July 31, 2015: "More than ever, businesses and investors are waking up to the threat of climate change and the urgency for low carbon solutions that make strong economic sense. The Clean Power Plan speaks to these growing business concerns by providing certainty and flexibility in building their own clean energy strategies."

"Implementation of the Clean Power Plan will enable us to further meet our energy goals by providing more predictable energy supply options," said Mark Buckley, Vice President of Environmental Affairs at Staples.

"By providing investors with more stable incentives, the President's Clean Power Plan represents a once-in-a-generation opportunity to curtail greenhouse gas emissions and accelerate a just transition away from fossil fuels and toward a clean energy economy," said NYC Comptroller Scott Stringer, trustee for the City's \$160 billion pension system.

## 3. [California's sweeping climate change bills](#)

On a state-level, later in the month of August, Symantec, Levi Strauss & Co., Mars, Dignity Health, and Autodesk joined dozens of companies in supporting **California's Sweeping Climate Change Bills** (SB 32 and SB 350). "Moving ahead with these bills will solidify California's stake as a global leader in addressing climate change," added Anna Walker, Senior Director for Global Policy and Advocacy for Levi Strauss & Co., headquartered in San Francisco.

"SB 32 and SB 350 will not only help our state advance its climate change goals—which are critical to the long-term prosperity of California businesses, residents and the environment—they will also help our state continue to do one of the things it does best – innovate." The amended bill (SB 350) was [signed](#) by Governor Brown in October 2015.

4. [Food industry executives call on Congress for climate change action](#)

On October 1, 2015, Ceres coordinated a bipartisan briefing in Washington, D.C., bringing together members of both Democratic and Republican parties and a half-dozen food industry executives to discuss climate change. Representative Chris Gibson, a New York Republican, when asked about the reality of climate change, said "this is not a Democratic or Republican issue. [...] It is an American issue. It is a human issue. I mean, if conservation isn't conservative, then words have no meaning at all." During the meeting, Gibson also drew attention to a recent letter signed by CEOs of major food and beverages companies, including Ben & Jerry's, Clif Bar, Dannon USA, General Mills, Kellogg Company, Mars, Nestlé USA, New Belgium Brewing, Stonyfield Farm and Unilever. Acknowledging that "climate change is bad for farmers and for agriculture," the [letter](#) announced three commitments these corporate leaders are making to each other, to their government, and to the world:

*We will:*

- *Re-energize our companies' continued efforts to ensure that our supply chain becomes more sustainable, based on our own specific targets;*
- *Talk transparently about our efforts and share our best practices so that other companies and other industries are encouraged to join us in this critically important work;*
- *Use our voices to advocate for governments to set clear, achievable, measurable and enforceable science-based targets for carbon emissions reductions.*

5. [Leading U.S. banks speak out for climate change action](#)

Six major U.S. banks (Bank of America, Citi, Goldman Sachs, JPMorgan Chase, Morgan Stanley, and Wells Fargo) authored a joint [statement](#). The banks called for "leadership and cooperation among governments for [...] a strong global climate agreement," emphasizing that regulating the costs of carbon is an important instrument to "drive innovation in low carbon energy, and create jobs."

6. [CEOs of electricity firms urge clear policies for low-carbon shift](#)

Joining the climate policy discussions, on October 11, 2015, CEOs and Chairmen of 11 companies that generate one-third of the world's electricity signed a [letter](#) to governments embracing a transition to low carbon energy starting with "secure, stable, clear, consistent and long-term policies." The signers, all members of Global Sustainable Electricity Partnership (GSEP), did not specify their ideal policies, but mentioned "carbon pricing or regulation or any other way to incentivize investments, operations and innovations." This aligns with the statements by the seven major US banks earlier in the week. GSEP includes American Electric Power, State Grid Corp. of China, Électricité de France, Eletrobras, ENEL, EuroSibEnergó, Hydro-Québec, Iberdrola, Kansai Electric Power Company, RusHydro and RWE.

7. [Europe's top oil firms jointly call for carbon pricing](#)

Early in the summer, six leading European oil companies – BG Group, BP, Eni, Royal Dutch Shell, Statoil and France's Total – delivered to the climate chief at United Nations a joint [letter](#) calling for carbon emissions pricing. The chief executives of these global oil producers collectively said carbon pricing "would reduce uncertainty and encourage the most cost-effective ways of reducing carbon emissions widely." They called on governments and the UN for a carbon pricing system and an international framework to eventually connect nations on this issue.

[On October 16<sup>th</sup>](#) all 10 members of the Oil and Gas Climate Initiative (OGCI), including the six companies in the aforementioned [letter](#) to the UN, put out a public [declaration](#) to “express our collective support for an effective global climate change agreement.” These companies acknowledged that they have taken significant actions to reduce their own GHG footprint, but will be committed to playing their part by continuing to “collaborate in a number of areas, with the aim of going beyond the sum of our individual efforts.” These areas include efficiency, natural gas, long-term solutions, energy access, and partnerships and multi-stakeholder initiatives.

#### 8. [G20 Energy Efficiency Investor Statement](#)

In the run-up to November’s G20 leaders’ summit and the following UN climate talks in Paris in December, more and more institutional investors are joining forces with corporations in campaigns promoting energy efficiency.

Investors representing some \$2.7 trillion in assets expressed in the **[G20 Energy Efficiency Investor Statement](#)** the need to embed energy efficiency into their investment process. This Statement has been signed and endorsed by the UN Environment Programme Finance Initiative (UNEP FI), The Principles for Responsible Investment (PRI), and Ceres, and will commit signatories to embedding energy efficiency into the evaluation of companies. Meanwhile, the European Bank for Reconstruction and Development (EBRD) and UNEP FI co-organized the “Alliance of Energy Efficiency Financing Institutions,” whose 70 bank members noted that they are “willing to work with” institutional and public financiers to deploy climate finance to their clients.

#### 9. [The RE100: Global initiative committing to 100% renewable power](#)

Nine major companies, including Johnson & Johnson, Procter & Gamble, Starbucks, Walmart and Goldman Sachs, are expected to join RE100, committing to 100% renewable power. RE100 is a global initiative led by The Climate Group in partnership with CDP,

and is supported by the We Mean Business coalition. A handful has already reached their 100 percent target; while others are setting aggressive interim goals to convert to renewable energy.

#### 10. [The Trillion Tonne Communiqué on setting a ceiling for global CO2 emissions](#)

Gaining momentum in international space is the Trillion Tonne Communiqué, published by the Prince of Wales’s Corporate Leaders Group, a group of UK, EU and international progressive businesses who believe that there is an urgent need to develop new and longer term policies for tackling climate change. The Trillion Tonne Communiqué draws out three clear goals for a policy framework to keep cumulative emissions below a trillion tonnes. Over 1,000 companies from more than 60 countries have signed up to at least one previous Communiqué, including Nestlé, Cisco, Shell, Diageo, Unilever, PepsiCo, and Mars.

#### 11. [Toyota mapping out decline of conventionally fueled cars, focusing on energy-efficient vehicles](#)

On October 14 2015, the world’s best-selling automaker Toyota Motor Corp. stated to the Wall Street Journal “by 2050, gas-electric hybrids, plug-in hybrids, fuel-cell cars and electric vehicles will account for most of its global vehicle sales.” This is a revolutionary change from Toyota’s current vehicle sales composition, where gasoline- and diesel-engine powered cars account for roughly 85% of the company’s global sales. “By 2020, Toyota aims to cut carbon-dioxide emissions from new vehicles by more than 22% compared with its 2010 global average. It ultimately hopes to take that to a 90% reduction by 2050, the auto maker said.”

#### 12. [International Council on Mining & Metals \(ICMM\)’s Statement on Climate Change](#)

On October 21 2015, ICMM’s CEO Tom Butler issued a letter, endorsed by the CEOs of its 23 member companies, to affirm their support for the development of an international climate change agreement. The [letter](#) voiced support for carbon pricing and “other market mechanisms that drive

reduction of GHG emissions and incentivize innovation,” as well as “an effective binding global agreement on climate change.” While recognizing that climate change is a reality and committing to collaborate in the transition to a lower-emissions economy, the council underscored that the “transition should recognize the importance of coal in the global economy, and particularly in the developing world.”

ICMM brings together 23 of the world’s leading mining and metals companies as well as 35 national and regional mining associations and global commodity associations to address the core sustainable development challenges faced by the industry. Through its 35 members associations, ICMM is connected to another 1,400 companies in the sector (ICMM’s website).

13. **On the flip side of the coin:** [U.S. Chamber Files Lawsuit challenging EPA’s unprecedented Clean Power Plan \(CPP\)](#)

On October 23<sup>rd</sup> 2015, the U.S. Chamber of Commerce, joined by over a dozen business groups and 24 states, filed a lawsuit in the U.S. Court of Appeals for the D.C. Circuit against the EPA’s unprecedented Clean Power Plan aimed at restructuring the nation’s electricity sector. While states suing the EPA argued that the CPP would most likely cause a dramatic increase in electricity prices due to the shutdown of coal plants around the country, an interesting dynamic is playing out behind the scenes. An [article](#) from the New York Times mentioned the two cases of American Electric Power and the State of Georgia. Despite the intent to sue the EPA, the company’s vice president, John McManus, said: “We think it makes sense for states to at least start developing a plan.” Mr. McManus also said that his company could support a cap-and-trade plan. Similarly, Georgia’s governor has “instructed his director of environmental protection, Judson H. Turner, to begin crafting a plan to comply with the rules.” Vicki Arroyo, the executive director of the Georgetown University Climate Center, observed that notwithstanding the increasing number of states filing lawsuits against the EPA, “It’s really rare to find a state that just says, ‘Hell no.’”

14. Additional resources:

Ceres put together a timeline of the Climate Declaration Campaign since its launch in April 2013 (<http://www.ceres.org/declaration/>).

CarbonBrief, a UK-based organization that covers the latest developments in climate science, climate policy and energy policy, provides a link to track country climate pledges at <http://www.carbonbrief.org/paris-2015-tracking-country-climate-pledges/>

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