

December CSR Lunch Summary: “Should companies care about the Paris Climate Agreement?”

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On 10 December 2015, when the UN Climate Change Conference (COP21) was at its height in Paris, Othmar Hug, Deputy CEO at Swiss Climate shared his view on the possible outcomes of the negotiations during the next chapter of the Thursday CSR Lunches.

Expectations were high about COP21, as for the first time in over 20 years of UN negotiations, there was a real demand to achieve a legally binding agreement on greenhouse gas emissions, with the aim of keeping global warming below 2°C.

Prior to COP21 countries had submitted their climate action plans (or INDCs – Intended Nationally Determined Contributions), even China, the world’s largest carbon emitter pledged to take action. Companies have been also actively taking significant voluntary steps towards decreasing their environmental and carbon footprints. 80% of the world’s 500 largest corporations for example publicly report their GHG emission targets (though the majority of them don’t align with the 2°C goal) and more than 4,500 companies share information on their carbon management and climate strategy through CDP.

Investors and customers are demanding more transparency and accountability from companies, which also motivated them to speak up for climate action. Corporations sent signals towards states that they need an environment, where expectations are clear and which encourages investments in climate solutions and fosters progress towards a low-carbon economy.

During his presentation Mr Hug also introduced a number of initiatives, which help companies to measure and manage their carbon outputs. Among others he mentioned the work of the Carbon Pricing Leadership Coalition and RE100.

Today we know, that the negotiations had a positive outcome, which suggests that regulations and also voluntary initiatives will increase in the upcoming years. We might also expect a massive structural change of the energy and transportation systems, which is required to successfully address climate challenges.