

A Call to Action from the Global Business Community

Joint Statement



European Round Table
for Industry

BCA
Business Council of Australia



Business Council
of Canada

CMN
CONSEJO MEXICANO DE NEGOCIOS

Global businesses support climate action that enhances competitiveness

In the run-up to COP26, we, representing the CEOs and Chairs of leading global companies, have come together to express the business community's strong support for climate action that tackles the threat of climate change while enabling growth, fostering competitiveness and supporting communities. This is our global 'call to action'.

We are committed to supporting our governments in delivering on their commitments under the Paris Agreement on climate change. The world must work together to limit global average temperature rise to well below 2°C above pre-industrial levels. Scientific studies demonstrate many of the worst impacts of climate change may even be realised with a 1.5°C rise in global temperatures.

Companies across the world have made climate action central to their strategies. Many of the companies we represent are setting climate targets and working towards net zero emissions. To get there, they are boosting energy efficiency, scaling up the generation and use of renewable energy, and integrating greenhouse gas (GHG) emissions reduction, resilience and adaptation strategies into the hearts of their business plans.

The urgency and scale of the climate challenge is difficult to overstate. Yet the transformation of the global economy that it demands also presents an enormous and unprecedented opportunity for companies and citizens to achieve more sustainable prosperity. With time now of the essence, we call on our governments to promote the seven actions below and to bring along the rest of the world.

1. Prioritize and accelerate international cooperation

International cooperation is vital to swiftly deliver meaningful GHG reductions. Multilateral coordination, including capacity building in developing countries, and consultation on climate policies with cross-border impacts such as carbon pricing and carbon border adjustment mechanisms are required to create a common spirit of global cooperation and trust.

International cooperative efforts should include businesses alongside governments and other stakeholders. This can spur opportunities in new markets for low carbon technologies, accelerate the deployment and trade of green products and services, and deliver investment, knowledge and technology around the world. A welcome sign of cooperation would come from agreement on implementing Article 6 of the Paris Agreement, which would usher in new cooperative approaches to reducing emissions internationally.

2. Promote effective carbon pricing across regions

Carbon pricing is a central component of a sound strategy to reduce greenhouse gas emissions and mitigate climate change. Effective carbon pricing can guide innovation, drive efficiency and incentivise businesses and society to transition to clean energy.

A well-balanced convergence of carbon pricing across regions and sectors will be crucial to meeting the goals of the Paris Agreement. An effective and fair global carbon pricing signal, aligned with the Paris Agreement and applied at least across G20 nations, would create and safeguard a level playing field, allowing companies to invest in reducing their emissions.

3. Trigger investment in innovation and clean energy technologies

The continued expansion of low-cost renewable energy and interconnected grids, and the rapid deployment at scale of low-emission processes, carbon capture, use, storage and removal technologies, and digital solutions will be critical to achieving significant emissions reductions and maintaining a robust and growing global economy. While existing technologies and clean fuels will continue to drive meaningful GHG emissions reductions, substantive sums of capital will need to be invested in innovation and technologies to fulfill our ambition to meaningfully combat climate change.

The availability of sufficient clean energy at a competitive cost will be a key success factor for the transition to a more sustainable future. Our companies are investing in research and development of new technologies and will continue to do so, but the private sector cannot shoulder the burden alone. Equally, governments should continue playing important roles in supporting the innovation pipeline of new clean technologies and infrastructure and in incentivising private sector investment. In addition, research and development in clean energy technologies must be significantly expanded.

4. Create an enabling environment for low-carbon products

An enabling policy environment is required to create the business conditions and market structure to rapidly deploy sustainable solutions for a low carbon world. This includes faster permitting processes and incentives for investing in energy distribution and storage networks while accounting for the impact on local communities.

The public and private sectors should work closely together to achieve global cost parity with high-emissions competitors from other regions.

5. Better align frameworks for climate risk disclosure

Nearly all our members lead companies that have operations around the world. Many companies are highly transparent when it comes to their approaches and progress toward driving efficiency, advancing clean technologies and reducing GHG emissions.

We support better alignment of climate change disclosure standards, developed with input from industry, investors and standard setters.

6. Invest in climate resilience and adaptation

The effects of climate change are expected to continue increasing in severity even as we work to reduce global GHG emissions. Many companies are working to incorporate the likely effects of a changing climate into the planning, design and construction for new infrastructure while modernising and making existing infrastructure more resilient. Government support for, and prioritisation of, this work is vital to ensuring industries and communities are prepared.

We advocate for collaboration and partnership with government agencies, local communities and other stakeholders such as NGOs and academia to define and implement adaptation measures and build local capabilities to ensure that the economic and social benefits of sustainable energy are extended to all groups in society through a just transition.

7. Safeguard policy predictability and long-term flexibility

We need a regulatory and investment environment that drives the transition to a low-carbon future forward. This environment needs to be predictable, technology neutral and adaptable to rapidly evolving technological and geopolitical conditions. Policies must be flexible so that companies can develop customized solutions and attract the capital necessary to support the transition to a low-carbon world and mitigate climate change and the risks inherent to transforming our economies.

Business Roundtable

Business Roundtable CEOs lead America's largest companies, employing 20 million workers. Their companies' total value, over \$20 trillion, accounts for half of the value of all publicly-traded companies in the United States.

European Round Table (ERT)

The European Round Table for Industry has a long history of promoting competitiveness, sustainable growth and prosperity in Europe. Its members include CEOs and Chairs of around 60 of Europe's largest industrial and technology companies operating worldwide.

Business Council of Australia

The Business Council of Australia represents Australia's largest employers, advocating for good policy on behalf of the business community and the Australians they employ.

Business Council of Canada

Founded in 1976, the Business Council of Canada is a not-for-profit, non-partisan organization representing business leaders in every region and sector of the country.

Business Council of Mexico

The Business Council of Mexico is a civil association founded in 1962 and is made up of 59 Mexican business leaders committed to promoting the social welfare and economic development of Mexico.