

The CEO Guide to Engaging in Climate Change solutions



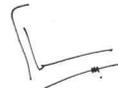
Dear Council Members,

Please find herein the first WBCSD CEO Guide. As a member service to you, we intend to regularly publish brief, topical CEO guides around major events or themes. These guides are written to serve you as CEO of a large company, to give you quick access to the topic and help you understand how you and your company may engage.

This first CEO Guide focuses on climate change. Discussions in the political and business world will turn up the volume on climate change in preparation for the COP-21 climate agreement negotiations in Paris (December 2015).

This CEO Guide provides a summary of the latest scientific understanding and outlines ways in which you, as a CEO and as a business, can engage and help create scalable action. We will publish the CEO Guide in different formats. On your iPad, as an interactive PDF or as a PDF attachment to an email. Please let me have any comments, feedback or suggestions so that we can make the guides as useful and user-friendly as possible.

WBCSD is a CEO-led coalition of forward-thinking businesses. I hope this guide will inspire you to bring your company to the fore in addressing some of the biggest challenges our society faces in climate change.

A simple, stylized handwritten signature in black ink, consisting of a few connected strokes that form the name 'Peter Bakker'.

With warm regards

Email: bakker@wbcsd.org

Peter Bakker
President & CEO WBCSD

What is Climate Change?

Climate change will impact everyone and everything on the planet. The recent IPCC reports of 2013 and 2014 confirm that climate change is happening, and if our emissions of greenhouse gases continue, the consequences will be disastrous.

The IPCC reports tell us that warming of the climate system is unequivocal, and since the 1950s, many of the observed changes are unprecedented. The human influence on our climate is clear from the increased concentration of greenhouse gases in our atmosphere, in particular carbon dioxide. CO₂ levels have increased by 40% since pre-industrial times, primarily from burning fossil fuels and net land use change. Since pre-industrialisation, we have emitted over 582 billion tonnes of carbon into our atmosphere. To stay below 2°C warming, we must limit cumulative emissions to 1 trillion tonnes of carbon (3.67 trillion tonnes of CO₂). Since 2010 we have surpassed 50 billion tonnes of CO₂ of total greenhouse gas emissions per annum driven by a rising trend from energy demand. At this fixed rate we will have burned through the remaining carbon budget in less than 30 years.

To avert more than 2°C global warming and the associated risks of such scenarios we must stem the rise in greenhouse gas emissions and achieve a net zero emission society by the end of this century. This is a great challenge for us as it implies the transformation of energy, industry, agriculture and forestry systems. We expect WBCSD members to lead and prosper in this transformation towards a more sustainable society.



THE ACTION2020 SOCIETAL MUST-HAVE ON CLIMATE CHANGE

WBCSD's Action2020 project had 48 WBCSD member- companies come together to examine scientific facts and societal trends. The work has affirmed that human-induced climate change is the most pressing challenge we face today. For this reason Action2020 has agreed a societal Must-Have:

With the goal of limiting the rise in average global temperature to 2°C above pre-industrial levels, by 2020, the world MUST have energy, industry, agriculture and forestry systems that simultaneously:

- Meet societal development needs
- Undergo the necessary structural transformation to ensure that cumulative net emissions do not exceed one trillion tonnes of carbon. [Peaking global emissions by 2020 keeps this goal in a feasible range].
- Become resilient to expected changes in climate.

Future Forward

Media coverage will be escalating over the next months as the final phases of the intergovernmental negotiations (UNFCCC) take shape. Negotiations are expected to culminate in a global agreement at the December 2015 COP-21 meeting in Paris, that will enter into force in 2020.

Against this backdrop, the scrutiny of business will go up and at the same time opportunities to present business as the leading solution provider will increase. Preparing a vision and plan on how your company is dealing with climate change will be important. Media, NGOs, Governments and the UN Bodies will all be looking for new reduction contributions and ways to highlight good and bad responses from major companies.

The WBCSD approach

WBCSD believes that business must take the lead in identifying business solutions to tackle climate change and the enabling conditions required. We envisage a portfolio of many solutions where companies – based on relevance, skills and leadership – can engage and help create action at scale. WBCSD does not believe that CEOs should be asked to commit their companies to emission reduction targets without substance. Instead, companies should contribute by implementing enabled sustainable solutions in their own operations, products and services as well as in their supply chains.

> FIVE WAYS TO ENGAGE YOUR COMPANY

▶ The Physical Science Basis- IPCC video

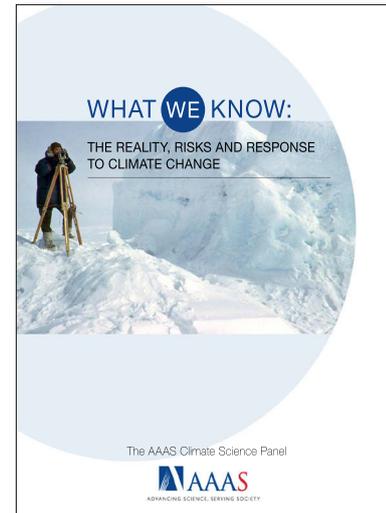
▶ Mitigation of Climate Change- IPCC video

1 UNDERSTANDING THE FACTS

In the run up to the Paris COP-21, many climate change reports, analysis and articles will appear. WBCSD will not be adding to the reams of information, but will be highlighting salient information around key facts.

The recently published, prolific IPCC reports form the core of available information.

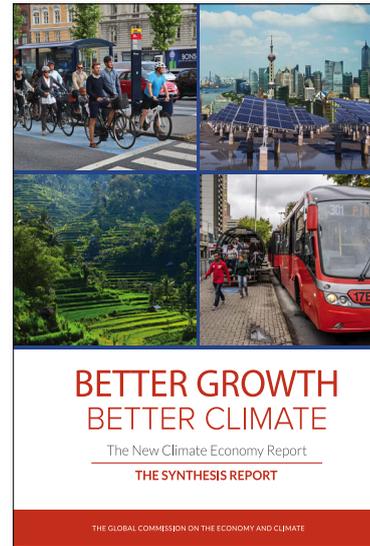
To provide quick access to the key facts the American Association for Science has published a useful summary.



2 UNDERSTANDING NEW CLIMATE ECONOMICS

The Global Commission on the Economy and Climate - under the leadership of President Calderon and Jeremy Oppenheim - has just published its report on the economics of climate change action.

WBCSD has provided significant input into this report that focuses on the economic opportunities that will emerge once we start to address the climate change challenges. We will schedule follow up discussions to understand the implications this report may have for business.



3 FOLLOWING THE INTERGOVERNMENTAL PROCESS

During the UN FCCC COP-17 meeting in Durban, South Africa in 2011, it was agreed that the COP meeting in 2015 will aim to conclude a Global Agreement on Climate Change. This meeting will take place in December 2015 in Paris and is called the COP-21.

The COP-21 will have the French government presiding over the meeting. The French organizing team is currently planning for two tracks of the meeting.

Track 1 is the UN FCCC led inter-governmental process that should lead to the Global Agreement.

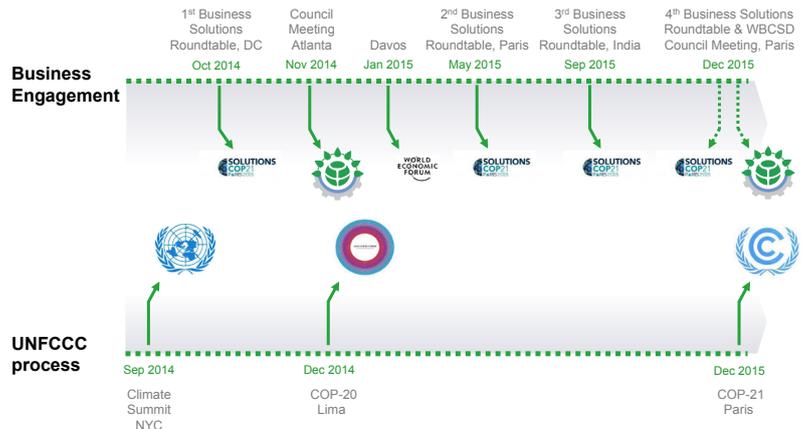
Track 2 is the group of processes that involve the private sector, civil society and other actors.

The key dates for Track 1 and 2 are mentioned below. Around each of the meetings there will be numerous business meetings and side events, for which we will keep you informed closer to the dates.

The WBCSD has been positioning itself at the heart of the Climate Change discussions and is well placed to provide you – as our member company CEO – with information and insights around the five ways for you to get involved in this crucial global debate.

The Road to Paris

UNFCCC process and Business Engagement



on the next page you will find further details about business engagement

4 TAKING PART IN 4 ROUNDTABLES FOR BUSINESS SOLUTIONS

WBCSD, in partnership with SDSN and IDDRI, is working with the French Presidency on a series of 4 roundtables focused on business solutions that put Action2020 at the heart of the 2nd Track. These roundtables will be held between October 2014 and December 2015 in which 6-8 business solutions will be worked out to the point that company CEOs can contribute to them:

- **Roundtable 1** – 9-10 October 2014 in Washington DC will focus on the technological and market barriers of implementing solutions,
- **Roundtable 2** – 20-21 May 2015 in Paris will focus on how to remove policy barriers to enable scaling up,

- **Roundtable 3** – September 2015 in India will focus on financing requirements and constraints for each solution,

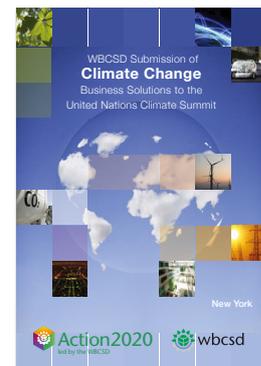
- **Roundtable 4** – December 2015 will allow CEOs to present the business solutions and their company/sector contributions to it during the COP-21 meeting.

At this time the following solutions will be profiled at each of the 4 roundtable sessions:

- CCS
- Renewables
- Advance low carbon fuels
- Nuclear
- Sustainable mobility
- Energy Efficient Buildings
- Cities and infrastructure
- Landscapes

Let us know in which roundtable you wish your company to lead

An immediate and direct request is for you to review which of these solutions your company can help develop and will look to implement once the technological, market, policy and financial hurdles have been solved.

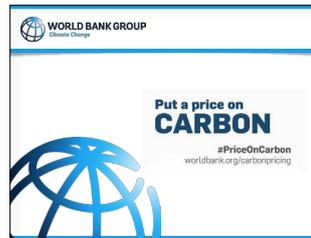
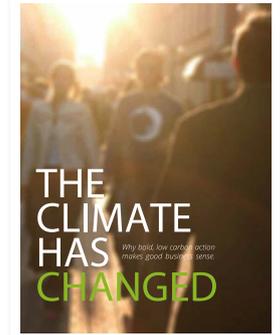


5 COLLABORATE ON POSITIONING AIMED AT POLICY MAKERS

Publishing collective position papers aimed at policy makers is key to organising a progressive business voice. The WBCSD will review all papers and may also endorse them. We will also create collective positioning and may seek voluntary endorsement from you. The Cambridge Institute for Sustainability Leadership, working with the Prince of Wales Corporate Leaders Group, has a *Trillion Tonne Communiqué* undersigned, so far, by 121 companies worldwide.

The World Bank is working on publishing a broadly-supported Carbon Pricing statement, which the WBCSD has reviewed and deems worthy of your voluntary endorsement.

WBCSD is working closely with We Mean Business, comprised of a number of organizations (BSR, The B Team, CDP, Ceres, The Climate Group & CSLP) to devise a common narrative around climate change. This narrative will ensure that consistent, forward-thinking messages are conveyed and presented to eliminate the fragmented dialogue which currently exists.





business solutions for a sustainable world