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## Unilever CEO calls for decisive action to tackle climate change

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London/Rotterdam - Unilever CEO, Paul Polman, delivered yesterday the Annual Lecture at London's Imperial College Grantham Institute for Climate Change, and called for decisive action to tackle climate change in order to secure the future of businesses and people around the world in the years to come.

**“Businesses are realising that the cost of inaction is greater than the cost of action”**

“Our current collective response to climate change is inadequate, and this now threatens businesses, jobs and the economy, both in the UK and around the world. Climate change is putting in jeopardy everything we have achieved since the 1960s in respect of poverty, food security, and social stability. The cost of inaction is now greater than the cost of action: in the last decade, the world spent \$2.7 trillion more on natural disasters than usual; the same disasters are costing Unilever around €300 million a year.

“Left unchecked, climate change has the potential to become a significant barrier to our growth strategy,

and that of just about every other company. As scarcity and volatility continue to increase prices of raw materials, businesses will see increased pressure on profit margins, reducing growth and the ability to invest. Climate change risks not only tipping the poorest into deeper poverty, but pulling the emerging middle classes back into poverty as well. Not only is tackling climate change compatible with economic growth, it is only by tackling climate change in a systemic way that we can deliver growth for the global economy in the 21st century,” he emphasised.

Polman acknowledged that many businesses have reached this same conclusion, with 75% of the world’s largest companies now having multiple environmental and social goals in place. Many have integrated an ‘internal’ carbon price into their business strategies, in the expectation of an ‘external’ carbon price in the near future.

Unilever’s own response is the Unilever Sustainable Living Plan. The company has set clear goals to halve the environmental footprint of its products, to help more than 1 billion people take action to improve their health and well-being, and to source 100% of its agricultural raw materials sustainably and to enhance the livelihoods of people across its value chain.

“A particular priority for us all is ending deforestation, up to 15% of global emissions, according to the IPCC’s latest research. It’s a complex area but also an urgent one: to date, about 30% of global forest cover has been cleared by humans, and a further 20% degraded. Rising global demand for key commodities such as palm oil, soy, paper and beef make tackling this a priority,” Paul added.

“The next two years represent an unprecedented opportunity to work together to scale up business action and political commitment. The solution is in policy and in investment - two different sides of the same coin,” he said. “Policy certainty creates confidence, drives investment, creates jobs, de-risks R&D, supports new supply chains and lowers costs. It delivers savings that can be ploughed back into the decarbonisation agenda, creating a virtuous circle of growth.

“If this is the future we want, then investors have to believe that the shift to a low-carbon economy is not just possible, but inevitable. They have to believe that governments will realise the significant economic benefits from this shift, and that those who pioneer it will reap the biggest rewards. They have to believe that if they continue to invest in high carbon, their investments will not be fully protected when assets are stranded by policy and regulatory change.”

“Governments need to come off the sidelines: they need to commit to a 2 degree pathway and what this means in practice, and they need to do this well ahead of the COP 21 Paris summit. We need to lead by example in our own organisations. Civil society, student movements, youth networks and faith groups must mobilise people within, and beyond, their natural constituencies.

“We must recognise the beginning of the end of the high carbon era and the birth of a new kind of economy; an economy in which the new businesses of the future, and the forward-thinking ones from the past, will come together to create a new industrial landscape, a new prosperity, and a better future for us all,” concluded Polman.

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