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**Guardian sustainable business** Leadership

## Business leaders prepare for limited UN climate deal in Paris

Private sector could help close the expected shortfall in emissions reductions necessary to stop 2C of global warming, suggests Unilever CEO Paul Polman at climate and business summit in Paris



Upwards of 1,000 business representatives turned up at a business summit on tackling climate change in Paris this week. Photograph: HOUPLINE RENARD/SIPA/REX/HOUPLINE RENARD/SIPA/REX

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Business leaders are preparing for a limited agreement on reducing carbon emissions at the crunch UN summit in Paris later this year, despite growing support from them for carbon pricing and a commitment to cut emissions by enough to avoid more than 2C of global warming.

More than 1,000 business leaders, including the CEOs of Carrefour, Statoil, Total and Unilever, turned up at a [business summit on tackling climate change in Paris this week](#) in response to calls from the UN for the private sector to take a more active role in tackling climate change.

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They called on policymakers to agree on carbon pricing mechanisms, closer collaboration between business and government on climate policies and a joint public and private sector fund for investing in low-carbon technology, particularly in developing countries.

The meeting comes as UN negotiators are trying to pull together enough emissions reduction commitments to prevent more than 2C of global warming, the level political leaders agreed in 2009 [as likely to prevent the worst effects of climate change](#). The final commitments are needed ahead of [the summit of world leaders in December this year](#).

## **Business claims frustration**

However, business leaders did not expect the necessary emissions reductions or their policy requests to be finalised in December.

“We have to be pragmatic,” French oil group Total CEO Patrick Pouyanné told the Guardian. “If we take the sum of commitments made by countries then I am afraid we will not be on the 2C trajectory. There will be a gap.

“But what is important from the UN talks in December is to have a convergence of companies on the one side and governments on the other. At least some commitments by governments and businesses, and a mechanism in place to improve it,” he said, adding that he is in favour of a carbon pricing principle.

A failure to bring enough emission cut commitments to put the world on track for avoiding global warming of more than 2C is likely to frustrate the majority of businesses, says the Carbon Disclosure Project (CDP), with more than 30 companies including Ford Motor Company, Unilever, Nissan and H&M having [already pledged to set long-term, science-based climate targets](#). The targets will match the scale needed to meet the goal of limiting global temperature increases to 2C.

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“A small minority of companies may be relieved to continue on a business as usual pathway in the short term, but it would lead to a build-up of systemic risk in the economy,” says CDP’s CEO Paul Simpson. “The vast majority of companies want to see a managed transition to a low-carbon future and not costly, last-minute regulation or climate chaos.”

French companies were represented in large numbers at this week’s summit, with Renault saying it would be “totally stupid” not to have the right regulations, framework and price signals in place after the UN talks. “We have made the investments and have the technology ready to implement on a larger scale,” said Claire Martin, director for sustainable development at Renault.

### **Private sector could help meet targets**

While some have doubted the sincerity of energy-intensive businesses in particular in tackling climate change, Unilever CEO Paul Polman suggests the private sector could help close the shortfall in emission commitments made by governments. “It is very likely that all the agreements coming in will not add up to what we need to stay below 2C. [Those commitments] will be around 40% of that in reality. That is why we are mobilising the private sector. If we work together we can close that gap.”

However, Claus Stig Pedersen head of corporate sustainability at Novozymes, said the past five years had shown business could not tackle climate change without a strong political deal.

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“We had this reaction after the UN talks in Copenhagen in 2009 of disappointment with politicians and I was part of a movement that said okay, let’s just do it ourselves. A lot of business jumped into this space and took some big steps forward, but after some years business in general realised that we couldn’t do this alone.

“There is no way we can do this without partnering with politicians and making agreements going forward. So if we should end up with a Paris failure, like we’ve had before, then I do think we’ve learnt we can’t do it alone. We have all the solutions needed, it’s just about applying it. And regulation, a carbon price and ambitious goals from the UN climate talks will drive that faster,” he added.

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