Caring for Climate | UNEP

Summary of Steering Committee Call
3 May 2016

Present: Darrel Stickler (Cisco); Diane Holdorf (Kellogg); Fernando Martines Salcedo (Abengoa); John Bang (A.P. Moller Maersk); Marcia Balisciano (RELX Group); Sebastian Pellion (Suez); Raji Hatter (Aramex); Assaad Razzouk (Sindicatum); Ming Qiang, Alpine Wu (Sinopec); Masao Seki (Sompo Japan Insurance); Daniele Violetti (UNFCCC); Merlyn Van Voore (UNEP); Lila Karbassi, Heidi Huusko, Bernhard Frey (UN Global Compact)

Regrets: Patrick Ngowi (Helvetic Solar); Rolita Patil (Hindustan Construction Company); Piedad Monsalve (Groupo Argos); Wagner de Siqueira Pinto (Banco do Brasil)

Welcome and Overview

The UN Global Compact, UNEP and UNFCCC secretariat welcomed all participants including new members who joined the steering committee in 2016. The new members are: Kellogg, Abengoa, A.P. Moller Maersk, Suez, Sindicatum, Helvetic Solar, Groupo Argos.

Caring for Climate Overview of Key Events and Workstreams

Key outcomes from the Paris Agreement Signature Ceremony:

- On 22 April, 175 world leaders signed the Paris Agreement at the UN – a record number of signatures on an international agreement.
- The Agreement will fully enter into force 30 days after at least 55 countries, accounting for 55% of global GHG emissions, deposit their instruments of ratification.
- During this occasion, the UN Global Compact announced a call for business to adopt a $100 minimum price on carbon over time.

UN Global Compact shared progress on Caring for Climate workstreams and related events:

- As noted in the background note, C4C will continue with 4 existing workstreams on carbon pricing, science-based targets, policy engagement and adaptation. It will add a fifth work area on board engagement.

    a. **Carbon pricing**: Focus on developing further guidance on the Business Leadership Criteria and case studies on setting a price. Currently nearly 70 companies have aligned with the business leadership criteria.
    b. **Adaptation**: Design a commitment area that encourages and accelerates responsible corporate adaptation and explore ways on how companies can support national adaptation planning processes, including through Global Compact Local Networks.
    c. **Policy engagement**: Continue to increase the number of commitments and diffuse the key recommendations from the Guide. Currently nearly 120 companies have committed to follow the Guide on responsible policy engagement.
    d. **Science based targets**: Continue to increase number of companies setting SBTs and develop further guidance. Currently over 155 companies have committed to set a GHG emission reduction target aligned with science.
    e. **Board Engagement**: Building on the UN Global Compact LEAD Board Programme, C4C intends to engage companies and support their Boards of Directors to assess climate risks and opportunities and adequately integrate the results of these assessments into core business strategies.

Upcoming event: Global Compact Leaders Summit – 22-23 June, New York

- The UN Global Compact will host a Leaders Summit on 22-23 June in New York focused on making global sustainable development goals (SDGs) local business. The two day event will include number of plenary and opportunities sessions including a gala dinner. A specific session on climate will be organised on 23 June from 11:30 am to 12:30 pm focused on accelerating climate action. All SC members are encouraged to attend. For more information, please visit https://www.unglobalcompact.org/take-action/events/leaders-summit/leaders-summit-programme

FEEDBACK FROM STEERING COMMITTEE MEMBERS:

- SC members took note and supported the Global Compact announcement of $100 minimum price on carbon over time as well as the new workstream on Board engagement. SC members continued to validate and show support to the existing workstreams.
- A SC member asked for clarification on what kind of shadow carbon pricing companies are generally using. The publication *Executive Guide to Carbon Pricing Leadership: A Caring for Climate Report* gives guidance and the new guidance will lay out further guidance and experiences on how companies from various sectors are proceeding with

setting an internal price on carbon.

- A SC member requested clarification about the 1.5 °C pathway. The Paris Agreement achieved at COP21 aims to strengthen the global response to the threat of climate change namely by "holding the increase in the global average temperature to well below 2°C above pre-industrial levels and to pursue efforts to limit the temperature increase to 1.5 °C above pre-industrial levels, recognizing that this would significantly reduce the risks and impacts of climate change." Caring for Climate continues to recommend that companies go beyond the minimum required 2°C pathways to stay well below a 2°C increase and pursue a 1.5°C increase. This entails setting targets more ambitious than those derived using the IPCC RCP 2.6 and IEA 2 degree scenarios that methods to date rely on. Exceeding the requirements of a 2°C scenario will provide essential first steps to "pursue efforts to limit the temperature increase to 1.5°C."
- A SC member requested focus and discussion on the business model and signs of transformation shifts within the companies. This theme is suggested to be covered at the Caring for Climate Business Forum at COP22.

COP22 Preparations and the Caring for Climate Business Forum

UNFCCC secretariat provided an overview of the COP22 process:

- As of 22 April 2016, 175 parties (174 countries and the European Union) have signed the Paris Agreement and there is a strong commitment from parties to ratify the agreement. The Paris Agreement gives the private sector an unprecedented opportunity to create the clean energy, climate-resilient economies of tomorrow. It provides a durable yet flexible framework and it answers the private sector's longstanding call for clear policy signals.
- An Ad Hoc Working Group on the Paris Agreement (APA), made up of all the Parties that adopted the Agreement last year, will be writing the new rules and guidelines for the Paris Agreement entry into force. Governments will formally deposit with the United Nations Secretary-General, who is the depositary of the Paris Agreement, their instrument of ratification, approval, acceptance or accession, by which they consent to be bound by the Agreement. The Agreement states that it shall enter into force on the thirtieth day after the date on which at least 55 Parties to the UNFCCC accounting in total for at least an estimated 55 percent of the total global greenhouse gas emissions have deposited their instruments of ratification, acceptance, approval or accession.
- The 22nd session of the Conference of the Parties (COP 22) to the UNFCCC is expected to take place in Marrakesh, Morocco, 7-18 November 2016.
- The second biennial high-level ministerial dialogue on climate finance will be convened at COP 22. This meeting will convene ministers, CEOs, multilateral banks and will discuss the need of support to developing countries and their adaptation and mitigation efforts.
- A high-level event on Financing Climate Action will be organised in collaboration with the Moroccan Presidency. A wide range of stakeholders are expected. The dialogue on emission is also expected, this will cover topics such as capacity building, ambition of mitigation and technology. General focus of the COP 22 will be on: action, partnerships and collaboration.

UNEP provided an overview of the fourth annual Caring for Climate Business Forum at COP 22.

The Business Forum will be held over 2 days and format will be similar to previous years:

- The Business Forum will be held during the week of 14 November over two days – first day on various themes covering Caring for Climate priority areas and second day a high-level meeting.
- As before, we will be inviting strategic partners of Caring for Climate to take part in shaping the various sessions of the first day.

Status Report:

- In the lead-up to COP21, around 2,500 business and investors have pledged, under the Action Agenda, to collective initiatives or by setting individual targets aiming at mitigating climate change and/or increasing climate resilience.
- C4C plans to embark on producing a Status report of the Action Agenda to be presented at COP22. The report will provide a global overview of the initiatives set out by the Action Agenda. It will assess progress of corporate commitments made and identify priority areas of corporate engagement.