

## **Abu Dhabi Ascent Keynote**

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Council for Sustainable Development**

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**Secretary General, Your Excellencies, ladies and gentlemen.**

**I'm happy to be here with you at this important meeting.**

**Happy that all of us whether from government, business or civil society can come together, not just to talk, but to put together our plans for scaling up action on climate change.**

**And while it's great to be here as a representative of business , it worries me that sometimes you might get the wrong impression about where business is on climate change.**

**You see the newspaper headlines on climate denial.**

**Worries about the costs of transition, or the impact on jobs.**

**Lobbying by vested interests to slow progress of change.**

**But it is dangerous to assume that this noise represents the majority view of business.**

**In fact, the idea that there is one single voice of business is nonsense. With 75% of the world economy made up of business that would be difficult to do.**

**We know there is a loud minority, those with vested interests who know they will lose out in the transition to the low carbon economy of the future.**

**The clearer the science and the economics of climate change become, the louder these opposing voices get.**

**We should expect that, and indeed we see it already.**

**But make no mistake; the undercurrent of business sentiment is overwhelmingly positive.**

**When even a major oil companies start to demand a price on carbon, you know the world is shifting in the right direction.**

**And when it comes to action on climate, or on sustainable development more broadly, the groundswell of support is overwhelming.**

**As a member of the Secretary General's High Level Panel on the Post 2015 Development Agenda, I had the opportunity to connect with CEOs in every sector and in every region of the world.**

**Thousands of businesses representing over 10% of global GDP.**

**They all said the same thing:**

**They all want to be a part of the solution.**

**None of them can prosper in a world of runaway climate change, inequality and poverty.**

**And they all understand the need for political leadership and business action to work together to address system level challenges, like climate change, which are beyond the power of any one actor to fix alone.**

**I believe we are at a tipping point.**

**Businesses are starting to recognise, for the first time, that the cost of inaction is now greater than the cost of action.**

**The evidence is there for those who choose to see.**

**In the last decade alone, the world spent \$2.7 trillion more on natural disasters than usual.**

**KPMG estimates that the total profit of the food industry is at risk by 2030.**

**The OECD predicts that, by 2050, over \$45 trillion of assets could be at risk.**

**I could go on.**

**The good news is that more and more businesses have started working this out.**

**Private capital is starting to flow to low carbon.**

**Global investment in clean technologies is now up to \$300 billion a year. The global low carbon economy is now a \$4 trillion reality, growing at nearly 4% .**

**And it's proving to be more resilient growth: low-carbon and environment sectors grew robustly through the financial crisis right across the European Union.**

**More and more businesses see this makes sense and want to be a part of it. Just look at what's happening:**

**Over 50 of the top 200 companies have set carbon intensity reduction goals in line with a 6% per year reduction target – necessary to stay within two degrees of warming.**

**Many have integrated an ‘internal’ carbon price into their business strategies, in the expectation that you, the governments, will set an external carbon price in the near future.**

**And the Banking Environment Initiative – some of the world’s largest banks from across the world – mobilising the finance industry to direct capital towards environmentally and socially sustainable economic development.**

**I know you’ve heard statistics like that before. And you might say, “Yes but isn’t that just the minority, a small slice of the economy?”.**

**20 years ago you might have been right.**

**10 even.**

**But not today.**

**Today business has a new set of challenges, a new cadre of leaders and a deep desire to contribute meaningful solutions.**

**75% of the world’s largest companies now have multiple environmental and social goals in place.**

**And new coalitions are rapidly forming.**

**The Corporate Leaders Group on Climate Change, now has over 1000 companies participating in over 60 countries.**

**The United Nations Global Compact, now 9,000 members, all committed to taking action.**

**The Carbon Disclosure project is now supported by 722 institutional investors with over \$ 7 trillion of assets under management.**

**And the World Business Council for Sustainable Development, with a global network of over 35,000 national businesses doing the same.**

**This is no longer about isolated examples or case studies, pilots or pet projects.**

**It's about a new wave of investment that we could realise if we want to.**

**It's not about philanthropy,**

**It's about future-proofing growth.**

**We now need to scale all these initiatives.**

**That's why the newest coalition that brings many of these groups together is simply called**

## **“We Mean Business”**

**Nothing could showcase this better than the World Business Council for Sustainable Development’s Action 2020 platform.**

**A whole suite of ready-to-go business solutions;**

**Companies and industries prepared to collaborate at levels never before seen in recognition of both the challenges we face, and the growth opportunities that will be unleashed by a clear change in direction to a low carbon world.**

**Business solutions addressing:**

- renewable energy**
- carbon capture and storage (CCS),**
- deforestation and reforestation**

**As well as cross cutting climate solutions for cities and climate resilience.**

**And yet the power to bring them to scale lies in the enabling hands of governments.**

**Take an example close to my heart, the Tropical Forest Alliance.**

**You heard a little about it from Helen Clark just this morning:**

**Consumer goods businesses, together with leadership from governments of Indonesia, Liberia, the UK, the United States and Norway working together with leading NGO's such as WRI , WWF or Greenpeace, to address a common challenge: eliminating illegal deforestation - up to 15 % of global emissions according to the IPCC.**

**Committing to action, not in theory but in practice.**

**Since the TFA conversations began Wilmar, the Indonesian company which supplies around half the palm oil in the world, has implemented its own sustainability standards which look set to transform the industry.**

**Impossible alone. Possible together. That is the power of partnership.**

**That's why, right now, WBCSD member companies are stepping up to lead on both action and advocacy.**

**They are committing to putting climate risk and opportunity squarely into corporate strategies.**

**And they are starting to build a united voice.**

**A voice that speaks ever louder to you, our political leaders.**

**A voice which says "We are doing this. So can you."**

**And we cannot underestimate the importance of that.**

**Without the right policy frameworks and political signals, even the most determined business action will not reach the necessary scale.**

**Let me give you an example.**

**12 years ago we thought it was impossible to refrigerate our ice creams without the use of HFC refrigerants. We didn't know it then, but they're one of the most damaging greenhouse gases that exist.**

**10 years ago we set up *Refrigerants, Naturally!* with UNEP, Greenpeace and others to set a clear target to change that.**

**6 years ago we applied to the US EPA to allow the use of alternative, natural refrigerant technology to be used in the United States.**

**4 years ago the 400 members of our global trade association, the Consumer Goods Forum committed to beginning an HFC phase out by 2015.**

**And today at Unilever, we've already purchased over 1.5 million ice cream freezers. Over a quarter of a million in the last year. Coca Cola, PepsiCo and Red Bull have bought around the same number of drinks coolers.**

**But this year, you as governments will have the opportunity to commit to an accelerated phase out of HFCs under the Montreal Protocol. It is an unprecedented opportunity and I urge you to seize it.**

**And while there are some quick wins on areas like HFCs, we know that's just the start.**

**Governments and heads of state have already committed to keeping global temperature rises to below 2°C.**

**Let's be very clear what this means.**

**Committing to 2 degrees means taking carbon emissions out of the energy systems of all major economies, within little more than a generation.**

**We know this is feasible: we have the technologies and the capital. We know what policies we need.**

**Yet we are on a very different path.**

**As you all know, current national mitigation strategies only put us on a path to limit emissions rises to between 4°C and 6°C - more in some cases.**

**That's because not enough countries and businesses have internalised the costs.**

- **the costs of inaction for their economies;**
- **the costs of social unrest caused by unchecked climate change;**
- **the costs of economic stagnation as consumers' incomes are eroded by the rising costs of commodities, food and water.**

**And I would ask the government representatives here whether you have estimated these costs;**

**Whether you have internalised that number into your own decision making about what sensible economic, climate and energy policy looks like.**

**Some countries have of course. Our friends in the Small Island States see it more clearly. But this isn't just about them.**

**It's about all of us.**

**And yet this calculation is critical.**

**It is only when countries do this analysis that they see the benefits of committing to a policy regime that will unlock the trillions of dollars of private sector investment.**

**The truth is that when you do the sums right, you see there is no trade off between sustainability and growth.**

**Fortunately it can be done, and after lunch my good friend President Felipe Calderon will take you through the work of the Global Commission on the Economy and Climate. It's impressive work and I believe it will shift our collective perception of the climate change challenge. But I will let him say more about that.**

**If climate action is so good for business, you might well wonder why that point of view isn't often made more loudly or more forcefully by CEOs at your meetings.**

**Well let me tell you unequivocally that it's not because of any lack of appetite for action, or lack of understanding of the seriousness of the issue.**

**It's simply that CEOs prefer to work on specific tangible projects with real accountability, action and results. They are less versed in the broad framework discussions.**

**Business people like to keep it simple.**

**So let me try to do that:**

**Business needs three things from the political community: Clarity, Confidence, and perhaps most of all, Courage.**

**The more of these that the global business community can see, the greater and more transformational will be the business response.**

**Above all, we are looking for evidence of a commitment to integrate international ambition in domestic legislation:**

**Legislation that sets clear targets within a common framework;**

**Targets that deliver not incremental but transformational change;**

**Targets that will unlock billions of investments to stay within the 2 degrees challenge.**

**And this is your opportunity; Your prize, if you will.**

**Business overwhelmingly believes it can do this.**

**Business wants to do this.**

**But many are not yet convinced that all of you, the governments are with them.**

**This is your opportunity to change that.**

**This is your opportunity to lead.**

**This is your opportunity to de-risk low carbon investment;**

**To leverage the power of business to address the challenges we all face and to consider, seriously, the role that a carbon price must play in this transformation.**

**The global business community has begun to chart a new course.**

**As you go into your ministerial dialogue this afternoon, I ask you to reflect upon the opportunities that would be unleashed by a step change in our collective ambition;**

**To recognise the benefits that would flow to the countries prepared to show real leadership;**

**To see the changes for what they are:**

**The beginning of the end for 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,**

**And a better future for us all.**

**Thank You.**