



United Nations Global Compact



MEETING SUMMARY

CARING FOR CLIMATE

Advancing the role of
business in climate action

Second Meeting of Signatories
7-8 April 2010 - Geneva

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Overview

The United Nations Global Compact convened the second meeting of *Caring for Climate* signatories on 7–8 April 2010 at UN Offices at Geneva. The meeting brought together approximately 100 senior representatives from business, finance, the public sector and United Nations, as well as civil society. The meeting aimed to review and share cutting edge practices in managing risks and opportunities associated with climate change action.

On the opening day of the meeting, Georg Kell, Executive Director of the UN Global Compact Office, reviewed the implications of COP15 for business and encouraged business leaders to remain at the forefront of climate action.

Luis Alfonso de Alba, Climate Change Ambassador for Mexico, delivered a keynote speech emphasizing the importance of streamlining process on the negotiation front and creating robust partnerships with businesses and civil society organizations. He also praised signatories of the *Caring for Climate* initiative for their progressive policies, adding that their voices and perspectives will be critical in helping to advance the agenda of COP16.

On day two, working sessions proceeded addressing the following areas: innovative solutions for a low-carbon economy; drivers of transformative change; business risks and opportunities; and future plans related to *Caring for Climate*.

The first session focused on innovative climate solutions for a low-carbon economy through critical discussions centered on implications of COP15 for business and explored how we can deliver scalable climate solutions through technology and innovation. Key summary points included: the importance of setting a price on carbon, significance of focusing on processes within national/global regulatory frameworks, and harnessing robust partnership relationships through combined technology/industry collaborations.

The second session focused on drivers of moving toward a low-carbon economy through showcasing of cutting-edge practices and discussions centered on financing and the role of investors in accelerating climate solutions, sustainable supply chain management, and adopting sound transparency and disclosure practices. Key summary points included: business as usual is not an option; businesses can deliver solutions e.g. moving towards sustainable consumption; collaboration and partnerships are pivotal to achieving carbon reduction; and design innovation and process improvement can act as competitive advantages.

The third session focused on business risks and opportunities in addressing climate and development and signatories' current state of play to climate change adaptation. Discussions were centered on ways to enhance the role and responsibility of business in climate adaptation and key emerging issue areas in adaptation. Key summary points included: sectoral challenges in addressing/implementing adaptation measures, importance of weaving mitigation and adaptation measures into an overall climate strategy. Participants expressed the importance of water security in climate change adaptation and suggested further collaboration with the CEO Water Mandate.

Participants also emphasized the importance of collaboration with financial institutions and investors to achieve adaptation.

The fourth session focused on *Caring for Climate's* strategic direction and priorities in the lead-up to the UN Global Compact Leaders Summit 2010. Dalberg presented the progress of *Caring for Climate* signatories to date, focusing on an assessment of signatories' GHG emission disclosures as well as their climate policies and practices since the inception of the initiative in 2007. The second segment of the working session focused on reviewing and refreshing the *Caring for Climate* statement in light of climate change developments of the past three years. Participants voiced opinions on current dynamics in the global business arena vis-à-vis business-government relations; climate change and the role of business in climate adaptation, particularly in developing countries; and the interconnectivity between key issues such as climate and development, and economic development.

Concluding remarks were made by Mr. Georg Kell with Global Compact Board members, Ms. Habiba Al Marashi, Chair, Emirates Environmental Group and Mr. Toshio Arima, Board Director & Executive Advisor, Fuji Xerox.

Mr. Kell highlighted the leadership and progress that *Caring for Climate* signatories have demonstrated in the climate change arena across sectors and regions. Mr. Kell emphasized the importance of scaling sustainability and the business role in providing innovative solutions to the global climate change challenge.

Ms. Habiba Al Marashi emphasized the importance of maintaining momentum and focusing not only on mitigation efforts but also on climate change adaptation.

Mr. Toshio Arima reflected on the two recurring questions throughout the course of the meeting: Can business spur and maintain momentum with respect to climate change? Can business provide unique expertise that adds value to negotiations processes in COP16 and beyond? Mr. Arima emphasized that the business sector has the capacity and the capabilities to address both questions.

Objectives of the Meeting

- Lila Karbassi, Chief Coordinator, *Caring for Climate*, Global Compact Office

Ms. Lila Karbassi commenced the second meeting of *Caring for Climate* signatories and outlined the meetings' objectives:

- To provide a platform for *Caring for Climate* signatories to showcase cutting-edge practices and solutions in addressing climate change, to learn from each other and to inspire a larger number of companies to take action.
- To review the implications of COP15 for business and ensure that business leaders remain at the forefront of climate action ahead of this year's UN Climate Change Conference (COP16) in Mexico.
- To collect comprehensive information on efforts by *Caring for Climate* signatories to address climate change and development as well as recommendations on the future of the initiative ahead of the Global Compact Leaders Summit, scheduled to take place on 24–25 June 2010 in New York.

Welcome address — Climate risks and opportunities for business

- Georg Kell, Executive Director, UN Global Compact Office

Mr. Georg Kell provided an overview of general risks and opportunities for business in the climate change forefront and explained the rationale and objectives for the meeting. Mr. Kell urged business to carry forward the momentum now and to think critically about the next steps to demonstrate continuous business leadership in the areas of mitigation and adaptation. Mr. Kell stressed that uncertainty is not a reason for inaction, but an opportunity for business to take early, comprehensive measures to gain competitive advantage. Mr. Kell reiterated *Caring for Climate's* commitment to motivate action and carry the momentum forward on climate change in the lead up to COP16 in collaboration with the Mexican government.

Climate Change Negotiations and the Way Forward to Mexico

- Luis Alfonso de Alba, Climate Change Ambassador, Mexico

Ambassador Luis Alfonso de Alba delivered a keynote speech praising the signatories of the *Caring for Climate* initiative for their progressive policies, adding that their voices and perspectives will be critical in helping to advance the agenda of COP16. Ambassador de Alba discussed the following key issues:

- Proactive action and mobilization of resources are necessary from both developed countries and developing countries to move forward.
- Emission reduction targets have to be moved closer to those recommended by Intergovernmental Panel on Climate Change. In general, commitments made by developing countries are much greater than those of developed nations. More of an effort is needed from developed countries to maintain the balance.

- Decisions on long-term financing and assistance for fast-start aid for developing countries — particularly for least developed countries — are urgently needed.
- Lack of cohesive processes and procedures in COP15 posed challenges to negotiations; Mexico's strategy for COP16 is therefore based on more careful streamlining and addressing of process.
- It is important to focus on finding compromise proposals that address main concerns of all parties involved.
- It is important to fully integrate the development agenda within the climate change issue through consultation processes with both political and technical organizations across global, national and local negotiation levels (e.g. Ministry of Foreign Affairs, Ministry of Energy, Agriculture, Environment, etc.).
- Participation of non-governmental actors (business, civil society, academia, etc.) is crucial to the negotiation process
- It is important to provide a cohesive mechanism for non-governmental actors to engage fully in the negotiation process. For example, for transformation of technology, business participation is important in the decision-making process.
- Ambassador De Alba welcomed discussions and suggestions to find ways to build partnerships with the private sector more effectively into the negotiation processes.
- Mexico's strategy is focused on proactive, continuous consultations and meetings to move forward with the negotiation process. Both business and government should not wait until the day of the meeting to negotiate the total package.

Caring for Climate in Practice in China

- Chen Ying, Director, Beijing Rong Zhi Institute of Corporate Social Responsibility, Global Compact Board Member

Ms. Chen Ying discussed the critical role of Global Compact Local Networks in helping *Caring for Climate* companies respond to climate challenges more effectively. Ms. Chen highlighted progress made by the Local Network in China regarding developing environmental protection and integrating environmental principles in member company operations. Ms. Chen illustrated examples of activities which Chinese companies are engaged in with the China Local Network, including carbon footprint assessments with COSCO; collaboration with the Tianjin Climate Exchange to help companies engage in the carbon emission trade; and a comprehensive report on low-carbon economic development in China by the Global Compact Local Network China Office. Ms. Chen also noted the increased level of engagement from both large and small companies on climate mitigation and adaptation, for example, with regards to carbon capture storage technology, carbon neutral products and energy efficiency. Ms. Chen noted that the high cost of low-carbon technologies and financial burdens in energy savings can limit many companies — particularly SMEs — in instituting sustainable environmental management measures. Further research to promote low cost, environmentally friendly technologies is necessary to achieve a low-carbon economy both at the company and regional levels. Ms. Chen made concluding remarks and identified several important activities that the Global Compact should expand upon, including:

- Ranking best practice enterprises.
- Highlighting companies that have environmental protection strategies.
- Helping NGOs, business and Government engage in proactive discussions.
- Helping SMEs improve their environmental management strategies.
- Cross-country, corporate research on environmental issues.
- Uniting different countries and industries on corporate environmental protection models to spread and share knowledge.

Caring for Climate in Practice — An Example from Egypt

- Helmy Abouleish, Managing Director, Sekem Group

Mr. Helmy Abouleish shared ideas related to climate change, agriculture, development and their links and how Sekem has carried forward in addressing these issues simultaneously. Mr. Abouleish reiterated the importance of business leadership in the international negotiation process. Moreover, Mr. Abouleish emphasized that by way of action, new opportunities can be created, including jobs, investment and profits. Thus, action can lead to an opportunity to be winners in the global marketplace.

Presentation Highlights:

- Climate change has to be addressed in a much wider context of sustainable economic systems.
 - Climate change is linked to other critical development issues. For example, Egypt faces an array of challenges including poverty, job-creation, energy security and water shortages.
- Engagement by all sectors is critical, and action is needed from everyone — including developing markets, such as Egypt, China, India, Mexico, etc. — to achieve targets.
- Agricultural mitigation and adaptation need far more attention.
- Agriculture produces GHG emissions but also can serve as a solution and/or opportunity for solving climate change challenges.
 - Agriculture is responsible for around 6 Gt. CO₂ equivalent emissions per year mainly from fertilizers, which are also energy intensive.
 - Agriculture has great potential for cost-effective mitigation through sustainable agricultural practices and carbon soil sequestration technology.
- Sustainable agriculture needs to be a part of the climate treaty.
 - Sekem sequesters 100,000 tonnes of CO₂ annually in compost sites with United Nations Framework Convention on Climate Change (UNFCCC) verification and engages in sustainable water usage practices.
- Sekem engages in proactive advocacy and public policy efforts through the Living Carbon Partnership and the Private Sector Statement.
 - Sekem is engaged in various national and international political spheres fostering responsible competitiveness and social entrepreneurship. Sekem also works collaboratively with industry leaders in the agricultural sector and is the co-founder of Arab Sustainability Leadership Group to address sustainable agricultural practices and food security.

The UN Global Compact “Blueprint for Sustainability Leadership”

- Gavin Power, Deputy Director, UN Global Compact Office

Mr. Gavin Power discussed the elements of the “Blueprint for Sustainability Leadership”, which is being developed for the Global Compact Leaders Summit 2010. The presentation included key drivers and attributes for next-era corporate leadership. Mr. Power also discussed the new performance model, which aims to guide companies through the process of committing to, assessing, defining, implementing, measuring and communicating a corporate sustainability strategy.

The UN Global Compact Environmental Stewardship Working Group

- Deborah Gallagher, Executive Director, Environmental Leadership Program, Duke University
- Keith Saveal, Head Corporate HSE & Business Continuity, Novartis

Ms. Deborah Gallagher presented preliminary results of the work undertaken by the Global Compact’s Environmental Stewardship Working Group with Duke University in developing a new corporate environmental management approach. Ms. Gallagher discussed the details of the research and the strategy for creating a web-based interface that will provide managers and top management executives with guidance and the information required to achieve robust environmental management and performance.

Mr. Keith Saveal provided Novartis’ perspective as a member of the Environmental Stewardship Working Group and its engagement on the public policy front — particularly the *Caring for Climate* initiative. Mr. Saveal emphasized the importance of the “compliance-plus” concept, which urges companies to operate beyond basic standards and requirements toward achieving measurable, actionable solutions.

Discussion Highlights

Moderated by Gavin Power, Deputy Director, UN Global Compact Office, the question and answer session was primarily centered on discussions related to COP16 and how business should move forward in maintaining momentum. Some of the essential points and lessons that can be gleaned from the collective discussion are:

- Continuous action and building on progress to address climate change-related issues — for example, energy efficiency and supply chain management — are crucial to achieving leadership.
- Identifying specific goals and deliverables specific to COP16 and emphasizing process are vital to achieving successful outcomes.
- Public-private partnerships and business leadership and action in the negotiation process are critical for the successful facilitation of the negotiation process.
- Adding to momentum and recommitment to the issues of climate change are essential to increasing visibility of the issue.
- Climate change should be regarded as a development issue; thus it should be addressed comprehensively and collaboratively with all stakeholders (for example, Governments, NGOs, MNCs, SMEs, etc.).

- COP16 is important in how it can be used as an opportunity to rethink what the international community can do collaboratively to advance the climate change agenda.
- The importance COP16 as a substantive content-rich negotiation process and implications for the business community.

Review of the Agenda and Objectives for the Meeting

- Georg Kell, Executive Director, UN Global Compact Office
- Lila Karbassi, Chief Coordinator, *Caring for Climate*, UN Global Compact Office

Mr. Georg Kell made introductory remarks calling for continued engagement in the *Caring for Climate* platform and contextualizing overall goals of the initiative in the lead-up to the Global Compact Leaders Summit. Mr. Kell made several key points with respect to the future direction of *Caring for Climate*:

- Emphasizing that the momentum since COP15 has not fallen away because committed business leaders (e.g. *Caring for Climate* signatories) remain engaged to move forward.
- Calling for further engagement and ambitious goal-setting to fully integrate responsibility and sustainability into market transactions globally.
- Elucidating the importance of “shift in time” — the move away from short-term profit maximization to longer-term value creation.
- Encouraging the integration of non-financial issues fully into company-wide strategies and operations.
- Emphasizing the importance of Ethics — the financial crisis has reminded the world that global markets need to be based on trust and confidence and, more importantly, on the political commitment to sustain openness and global integration.
- Focusing on climate and development as priority items on the agenda in the lead-up to Rio+20 and COP16, reflecting UN-wide focus on sustainability; this is an opportunity for *Caring for Climate* to retake ownership of business action in climate-related issues.

Ms. Lila Karbassi summarized the programme and the overarching objectives of the sessions. The key objectives are:

- To take stock of actions taken by *Caring for Climate* signatories and to showcase cutting-edge practices;
- To review COP15 implications for business and to ensure that business leaders maintain momentum ahead of COP16; and
- To develop recommendations for the future of *Caring for Climate* ahead of the Global Compact Leaders Summit 2010.

Session I: Innovative climate solutions for a low-carbon economy

The session focused on ways business can stay at the forefront of climate action as negotiations continue on an international treaty to regulate GHG emissions and mechanisms to price carbon emissions. Participants discussed the implications of COP15 for business, and *Caring for Climate* companies — including Nokia, Dow Chemical, Vestas, and Tata Sons — presented on how they are delivering scalable climate solutions through technology and innovation.

Moderator:

- Laurent Corbier, Chair, ICC Commission on Environment and Energy and Vice-President, Sustainable Development and Continuous Improvement, Areva

Speakers:

- Kirsi Sormunen, Vice President, Sustainability Operations, Nokia
- Russel Mills, Global Director, Energy & Climate Change Policy, Dow Chemical
- Jakob Larsen, Vice President, Sustainability, People & Culture, Vestas
- Arunavo Mukerjee, Vice President, Tata Sons Ltd.

Mr. Laurent Corbier prefaced the session by reiterating the importance of spurring and maintaining momentum not only on the international negotiation process but within company operations and supply chains and between peers. Mr. Corbier shared Ambassador Luis Alfonso de Alba's view on the importance of process and fully integrating the business community to accomplish effective COP negotiations. Mr. Corbier also encouraged active sharing of best practices and lessons learned across sectors, across regions, and at the country level. Mr. Corbier also noted unique leverage and value-add that businesses bring to the negotiation process including expertise in technology, verification, reporting and accountability.

The enabling effect of ICT and mobile technology in reducing energy consumption

Ms. Kirsi Sormunen, Vice President, Sustainability Operations, Nokia, discussed the strong potential for information and communication technologies (ICT) and mobile technology in reducing energy consumption and CO2 emissions. Ms. Sormunen shared Nokia's climate strategy that focuses on energy consumption and CO2 emissions of its products and operations.

Presentation Highlights:

- Energy efficiency is the most cost-effective way to mitigate climate change.
- Enabling benefits of ICT through smart logistics, industrial automation, smart buildings and smart grids is crucial for future global energy efficiency.
- ICT's role in monitoring, optimizing and managing domestic and industrial energy usage can save up to EUR 600 billion by 2020.
- Nokia's company-wide climate strategy focuses on energy efficiency of networks, for example, radio network stations (radio stations that assume 80 per cent of energy consumption) and deployment of renewable energy solutions.
- Nokia's key suppliers set energy efficiency and reduction targets in line with Nokia's company targets.
- Educating consumers to reduce energy consumption through sustainable product optimization and eco-applications is essential to reducing CO2 emissions.
- Joining voluntary initiatives and promoting energy efficiency across industry and other industries are vital to addressing climate change.
- The current legislative framework is focused on sector-specific goals, limiting possibilities for innovation and improvement across sectors.
- Encouraging cross-sector cooperation (both at the industry and company levels) to spur more innovative solutions to climate change and to combine benefits to emissions reductions.

Energy Efficiency Solutions

Mr. Russel Mills, Global Director Energy & Climate Change Policy, Dow Chemical, discussed challenges and opportunities associated with energy efficiency from the angle of an energy manufacturer. Mr. Mills shared Dow's perspectives on financing energy efficiency, climate change and its links to resource efficiency, implications for joining the low-carbon race, and links to *Caring for Climate* and achieving energy efficiency measures.

Presentation Highlights:

- In the 1970s and 1980s, energy efficiency was labeled as a low hanging fruit and continued to be seen as a low hanging fruit despite continued discussion to reducing GHG emissions.
- The International Energy Agency estimates that to reach 450 ppm CO₂ equivalent concentrations by 2030 will require a 17.6 billion tonne reduction in GHG emissions. The IEA estimates that the total reduction will come from: 10 per cent additional investment in nuclear energy; 10 per cent from carbon capture and storage; 10 per cent from renewables; and approximately 60 per cent from efficiency measures.
- One of the biggest challenges of energy efficiency is invisibility; continuous and consistent communication to increase visibility still remains challenging.
- Dow has used web tools, case histories, mandates from CEOs, quarterly competitions between sites, and other methods to drive energy efficiency throughout the company.
- *Financing Energy Efficiency:*
 - In 1994, Dow implemented its first 10-year 20 per cent energy efficiency plan with USD 1 billion in investments. *Dow saved USD 4 billion through this plan and met energy efficiency targets.*
 - While increasing energy-saving intensity becomes increasingly more difficult, the cumulative financial savings are also getting larger and larger. *To date, Dow has saved USD 9 billion globally and 1.7 trillion BTUs.*
 - In order to achieve energy efficiency savings among less energy intensive companies, the right financial packages and incentives are necessary.
 - Deployment of existing technologies is necessary in developing countries, many of which still do not benefit from such technologies — for example, combined heat and power.
 - The quickest and cheapest energy efficiency savings come from new investments — GHG-intensive products should start with a green strategy from the onset.
- *Climate Change & Resource Efficiency:*
 - Climate change is the ultimate global resource challenge — we face the challenge of reducing GHG emissions by 50 per cent as compared to doubling energy needs by 2050.
 - From 2002 to 2009, Dow's fossil fuel bill went from USD 8 billion to USD 30 billion — investing in energy efficiency measures remains a priority.
 - Based on international calculations, Dow still sees that efficiency measures will yield more energy, less CO₂ and increased financial savings.
- *Joining the Low-Carbon Race*
 - It takes 20 years for low-carbon technology to be fully implemented before there are substantive energy efficiency gains (invention to impact).

- The low-carbon race is a 20 year marathon — an energy efficiency strategy should be integrated into a long-term strategy with sound investment plans.
- Losers of the race will be the ones who started too late or stopped too early; champions are the ones who continued and gained long-term profits.
- Energy efficiency programmes need to be started immediately at the national level with sustainable financing measures and incentives.
- *Energy Efficiency & Links to Caring for Climate*
 - Money is an effective driver of energy efficiency and GHG reduction.
 - Many companies do not have comprehensive energy efficiency measures, so energy/carbon pricing should be applied globally, nationally and also at the company-level to revitalize energy efficiency measures.
 - *Caring for Climate* is a strong platform where mutual benefits can be shared. The benefits can be shared by utilizing climate change and carbon pricing as mechanisms to create recommitment to resource efficiency globally.

Renewable energy

Mr. Jakob Larsen, Vice President, Sustainability, People & Culture, Vestas, discussed drivers in the energy sector and highlighted challenges and opportunities in renewable energy, looking primarily at wind energy as an example.

Presentation Highlights:

- Energy is an infrastructure and a basic need of society; however, energy needs will be increasingly difficult to meet in both developing and developed countries.
- While energy efficiency can reduce consumption significantly, consistent increases in energy demands must be addressed through increases in the use of advanced technologies and renewable energies. For example, an average wind site repays energy consumption and provides up to 20 years of CO₂ free electricity within 6 to 9 months.
- Educating consumers on the issue of climate change is crucial — consumers expect reliable, ample supplies of energy and often are not fully aware of the challenges posed by climate change.
- The business case certainty is a key driver of investments and is linked to company wide operational performance — Vestas can predict precisely how much power wind can deliver, allowing for investor security in knowing long-term economic return.
- Research and development (R&D) and investments in innovation are crucial for effective and efficient solutions. At Vestas, 7–8 per cent of the total workforce is directly involved in R&D.
- Implementation of low-carbon technology alternatives is a first step to catalyzing global action towards low-carbon economies and societies.
- Major challenges in fully integrating wind power (renewable energies) include: power system design and operations, grid infrastructure, system adequacy, security of supply, and legal and institutional barriers to increased wind power penetration. Specifically:
 - High entry costs.
 - Fluctuations in wind require 100 per cent back-up capacity and/or storage solutions.

- More relevant investments need to be made in grid, transportation, etc.
- Further Government support is needed to create comprehensive logistical solutions involved in transferring renewable energy sources.
- Fluctuations in subsidies availability.
- General lack of awareness and education on renewable energy sources and low-carbon economy.
- National and political protectionism — in the renewables industry, the local content requirements often lead to inefficient supply chains and, thus, slower deployment of technologies and higher prices.
- Major opportunities lie in synergies created by the combination of technologies (solar, wind, hydro, etc.), which also addressing storage issues.
 - Vestas shares Nokia's view on the large potential in smart grid and calls for increased investment and strong Government support to achieve this.
 - Vestas focuses on building on the existing principles (e.g. polluter pays principle) specific to energy efficiency and consumption measures.
 - Vestas encourages full Government support in moving toward a price on carbon (especially in the lead-up to COP16) in order for renewable energy to be applied more widely.
- *Caring for Climate* can play a significant role in providing a platform for action in the following areas: increasing business partnerships to bring more concrete facts and examples to the table; facilitating and discussing the “polluter pays principle”; working towards the issue of protectionism; and promoting the combining of technologies across different sectors through joint initiatives.

Technology cooperation for deployment of best available low-carbon technologies in developing markets

Mr. Arunavo Mukerjee, Vice President, Tata Sons, presented Tata's climate change policy and provided examples of low-carbon technology deployment in Tata companies. Mr. Mukerjee also provided an industry view on the impact of climate change regulations.

Presentation Highlights:

- Tata companies strive to set global benchmarks in their particular industries regarding carbon foot-printing of their plants and operations. Thus, they engage actively in climate change advocacy and the shaping of regulations.
- Tata companies recognize the importance of measuring/reporting, so they deliberately report on targets and actively engage with regulators.
- Tata encourages constructive dual, industry-wide dialogues; regulators also learn through this process.
- Tata Steel collaborated with Nippon Steel, with the support of Indian and Japanese Governments, to execute low-carbon technology projects. The projects include: (1) a coke quenching project (capturing of heat), which contributes to CO₂ reduction in Tata Steel operations and (2) a waste heat recovery project that reduces overall energy consumption.
- Companies should find innovative solutions to address the challenges in financing due to the current lack of carbon price. Tata's partnership with Japan (Nippon Steel) allowed for mutual financing benefits with the added benefit of knowledge sharing on low-carbon technologies.
- The overly complex, overly crowded and overlapping nature of regulatory frameworks in the areas of pollution control, energy efficiency standards,

- renewable/low-carbon portfolio standards, building standards, fuel standards, appliance standards, auto-emission standards, and investment incentives create significant challenges for companies like Tata, which operates within seven different sectors.
- The low confidence on implementation effectiveness and the uncertain predictability in terms of timing also remain obstacles.
 - Shortcomings of COP15 came from climate protectionism, including trade barriers and industry- and/or country-specific product standards.
 - Tata encourages strong policy measures on climate change to avoid higher transition costs and risks. The main implications for private investors are a carbon price, energy prices, capital requirements and policy intensity. Clean infrastructure could have lower variable risk than conventional plays.
 - The *Caring for Climate* platform could engage in activities including:
 - Integrating the Carbon Disclosure Project, Global Reporting Initiative and the Global Compact reporting frameworks to build a low-carbon technology repository;
 - Organizing interaction between low-carbon technology providers, users and financiers;
 - Using inputs from above to prepare high-quality white papers on policy intervention issues to influence international policy makers.

Session I — Discussion Highlights:

Following the panel presentations, Mr. Corbier posed key questions for discussion:

- What policy measures would need to be in place to scale up the diffusion of innovative climate solutions; and to accomplish this, what should be the contribution/role of the private sector?
- How can the *Caring for Climate* initiative help promote both the innovation and diffusion of clean technologies? Please also consider how *Caring for Climate* can facilitate the creation of enabling framework conditions.

Key points shared during the discussion included the importance of setting a price on carbon, the significance of focusing on *process* within national/global regulatory frameworks, and harnessing robust partnership relationships through combined technologies and industry collaborations.

Session II: Drivers of the transformative change to a low-carbon economy

The second session focused on drivers that are needed to move toward a low-carbon economy through showcasing of cutting-edge practices in the areas of financing and discussions centered on financing and the role of investors in accelerating climate solutions, sustainable supply chain management, and adopting sound transparency and disclosure practices

Moderator:

- Frances Way, Head of Supply Chain, Carbon Disclosure Project (CDP)

Speakers:

- Andrew Howard, Global Investment Research Division, Goldman Sachs
- Bruce Bergstrom, Vice President, Vendor Compliance, Li & Fung Ltd.
- Marcia Balisciano, Director of Corporate Responsibility, Reed Elsevier
- Toshio Arima, Board Director & Executive Advisor, Fuji Xerox, Global Compact Board Member

Ms. Frances Way, Head of Supply Chain, Carbon Disclosure Project (CDP), introduced the session by asking two questions: How can we accelerate the movement toward a low-carbon economy? And how can we make this happen in time? Ms. Way recapped the Global Compact Communications on Progress and CDP collaboration on reporting. Ms. Way also explained CDP's leverage in investment, purchasing and reduction decisions, and strategies for businesses. She also emphasized CDP's capacity to collaborate with business to share best practices and move toward innovation.

The role of investors in accelerating climate solutions

Mr. Andrew Howard, Global Investment Research Division, Goldman Sachs, discussed GS Sustain's analysis on sustainability of corporate performance and presented key findings on research on climate change. Mr. Howard discussed the increasing interest of institutional investors and companies in addressing climate change and addressed why it is important to address climate change now.

Presentation Highlights:

- GS Sustain research identifies long-term investment opportunities stemming from structural changes in global industries — climate change is a material business and financial issue for investors across industries and throughout the world.
- Even in the longer-term context, the momentum towards addressing climate change is intact, and the financial impacts of not addressing climate change remain significant challenges to many companies and across all industries.
- Social and political responses to climate change represent a material issue for companies across all sectors.
- GHG emissions are rising with population growth, while at the same time, increasing wealth levels are creating increased demands on natural resources.
- Penalties — direct or through lost opportunities — for carbon emissions are likely to rise significantly.
- We are approaching a tipping point in the social and political momentum behind climate change adoption; climate change has become a mainstream social concern. This will lead to an acceleration of the pace of change forced on industries.
 - *Early stage adoption*, characterized by: Limited business awareness; science debated; niche social issue; focus on risks rather than opportunities; financial costs and benefits unclear; regulation very limited, imperfect emerging leaders.
 - *Tipping point*, characterized by: increasing business awareness; shift from niche social issue to mainstream concern; widespread agreement on science of impacts and causes; costs become tangible and begin to become material to profitability; regulatory structure becomes clearer; increased visibility on extent of market opportunities; and companies differentiated by early leadership in adaptation.

- *Mainstream adaptation*, characterized by: increasing physical impacts strengthen resolve; expectations on companies established at a high level; high and intensifying regulation; costs are clear and sizeable; large and growing market for climate resilient products; and companies differentiated by failure to adapt.
- Given the current structural re-alignment of the global economy and the rapid shift of growth in emerging markets, GDP will go through 450 ppm threshold as a target in the early 2020s.
- Building CDP's data collection has been well-received by shareholders in trying to position their portfolios.
- The challenge for companies is to think about implications now — the timeframe for strategic change should encompass long-term goals with immediate short-term actions.
- Recent analysis of 800 CDP companies showed that companies in many industries are not translating climate change action into concrete steps and targets.
 - Just over half of the 800 companies had someone in the senior management level responsible for climate change.
 - Only 20 per cent of these companies had concrete steps and targets.
 - There exists a huge division in every sector between companies that have comprehensive policies versus companies who have not thought about climate change.
- Achieving corporate change is generally a slow process, but if companies carry forward to adapting earlier with concrete steps, they will gain a sustainable competitive advantage.
- Adapting early and, therefore, aggressively is important in sustaining competitive advantage and longer-term financial success.
- Thinking forward 10 years allows for increased competitive advantage and ultimately an advanced position in addressing climate change.

Sustainable consumption — reduce demand of carbon-intense products

Mr. Bruce Bergstrom, Vice President, Vendor Compliance, Li & Fung, discussed sustainable consumption as a driver for transformative change into a low-carbon economy. Mr. Bergstrom shared Li & Fung's practices and experiences with sustainable practices in reducing the demand for carbon intensive products.

Presentation Highlights:

- Businesses should be responsible for delivering solutions necessary to transform into a low-carbon economy through partnerships with all stakeholders involved.
- Building sustainability, proactive engagement in the re-invention of business processes, and challenging historical assumptions are critical factors for innovation across the value chain.
- Li & Fung continues to explore new opportunities and to expand its sourcing of eco-friendly related materials, products and packaging through close collaboration with suppliers around the world.
- Li & Fung consolidated internal knowledge and expertise to meet the new market demand and requirements for sustainable consumption, thus driving towards an ecologically healthier and more sustainable environment.

- Li & Fung proactively works with customers, industry peers, academics and non-governmental organizations to address the underlying root causes and issues that impact factories worldwide.
- Li & Fung contributes actively to ongoing development of customer sustainability strategies, including by collaborating with clients such as Continental Clothing (carbon footprint labeling) and Wal-Mart (360-sustainability index) on product lifecycle analysis (LCA) and sustainable strategies.
- Adopting climate change considerations to business strategies and operations is an opportunity for additional benefits. Sustainable consumption allows for efficiency gains and technological advances.
- Li & Fung fosters sustainable consumption through innovation, robust marketing and communication efforts in defining sustainable lifestyles. Consumers want to know the full LCA of products — companies must work to achieve this as part of business operations.
- From a business perspective, sustainable consumption relies on the development of new products, new business models and public awareness as well as the removal of unsustainable products and services.
- Companies should increase awareness and encourage consumer re-education on issues related to sustainable consumption. Customers can drive positive change and can have direct impact in emission reduction.

Engaging supply chains in carbon reduction

Ms. Marcia Balisciano, Director of Corporate Responsibility, Reed Elsevier, discussed company-wide practices on sustainable supply chain management and highlighted Reed Elsevier's products and services that specifically address climate change.

Presentation Highlights:

- Collaboration with sector peers and suppliers is crucial for adopting climate change policies into business operations.
- The greatest environmental impact is in the information produced by the company (e.g. Lexis/Nexis, renewable energy journals, environmental exhibitions, etc.).
- Reed Elsevier implemented a Socially Responsible Supplier Program, which included adoption of a Supplier Code of Conduct, expansion of a database with custom risk rankings; internal/external audits and surveys; and remediation plans.
- In 2008, Reed Elsevier introduced supplier training on calculating and reporting carbon emissions according to GHG Protocol Scope 1 and Scope 2.
- Reed Elsevier conducted a 2009 Supplier Heat Mapping study to look at the breakdown of supplier emissions:
 - 99 per cent of the emissions associated with products and services are produced by suppliers.
 - Heat mapping has helped focus reduction efforts.
 - Paper and printing are responsible for approximately 73 per cent of emissions.
- Reed Elsevier collaborates with 65 per cent of British publishing companies through the Publishers Database for Responsible Environmental Paper Sourcing (PREPS) initiative. PREPS has allowed for industry collaboration for increased impact.

- PREPS helped realize clear interest, particularly from paper mills, on developing a single way for industry to collect CO2 information per paper tonne.
- A collaborative approach to climate change allows for transparency, creates one (recognized) system for reporting, and provides overall improvements in sustainability.
- Reed Elsevier is targeting key suppliers to join the Global Compact.

Disclosure and transparency as drivers of performance

Mr. Toshio Arima, Board Director & Executive Advisor, Fuji Xerox, Global Compact Board Member, discussed roles and responsibilities that companies should take to reduce CO2 emissions and highlighted Fuji Xerox's practices on integrating disclosure and transparency into the overall business strategy.

Presentation Highlights:

- Corporations should pursue economic and societal values in an integrated manner.
- Corporate philosophy and disclosure are two major drivers for pursuing comprehensive CSR and its performance.
- Fuji has reduced CO2 emissions by 25,000 tonnes each year and has reduced material usage significantly (but it remains profitable).
- Fuji Xerox openly discusses and reports environmental performance results — this became a competitive advantage for the company and positively contributed to company reputation.
- Fuji Xerox conducted a lifecycle assessment analysis to understand the factors that contribute to emissions.
- Fuji Xerox pursued CSR procurement in 2006 to meet industry code of conducts, primarily in China.
 - The primary objective of CSR procurement is not in the ranking of suppliers but rather to help them correct their problems collaboratively. This ensures avoiding human-related risks, enhances human skills and work environment, and thus contributes to enhanced product quality and cost-savings (values integration).
- Product innovation is vital for energy efficiency.
 - Through development of material and machine design technology and process control, Fuji Xerox achieved cost reduction and recognition for product innovation.
 - Low energy (through product innovation) is the company's most prominent, competitive feature.
- Educating customers to help change work styles (for example. through tele-working, knowledge process innovation, etc.) is vital to ultimately reducing CO2 emissions.
- The strongest drivers for addressing sustainability and emission reductions are regulations and laws (incentives/penalties).
 - In order for regulations to work, companies should have robust measuring practices and should be able to measure precisely and comprehensively.
- Re-establishing ethics and corporate management philosophy are essential to achieving sustainability.

Session II – Discussion Highlights:

Following the panel presentations, Ms. Way posed questions for discussion:

- Which drivers can most accelerate the adoption of climate change policies and how are these drivers impacting your company's approach to climate change?
- What do you think *Caring for Climate* should do to contribute to accelerate the movement to a low-carbon economy?

Key points shared during the presentation are as follows: business as usual is not an option (GS Sustain); business can deliver innovative solutions (Li & Fung); collaborative initiatives and sustainable supply chain management can create process efficiency and carbon reduction (Reed Elsevier); design innovation and process improvement can be regarded as a competitive advantage (Fuji Xerox).

Session III: Business risks and opportunities in addressing climate and development

The third session focused on understanding the role of business in finding strategic solutions to address climate change and development (for example, in regards to the Millennium Development Goals). *Caring for Climate* companies shared their views on climate change adaptation and on ways to enhance business role and responsibility in key emerging issue areas of development.

Moderator:

- Oliver Rapf, Head Business & Industry Engagement, WWF International

Speakers:

- Lise Kingo, Executive Vice-President, Corporate Relations, Novo Nordisk
- Charlotte Wolff, Corporate Social Responsibility Manager, ArcelorMittal
- Bryan Jacob, Director, Energy Management & Climate Protection, The Coca-Cola Company
- Luigi Sampaolo, Climate Change and Environmental Policy Vice President, ENI

Mr. Oliver Rapf, Head, Business & Industry Engagement, WWF, prefaced the session by discussing the implications for climate change adaptation on business. Mr. Rapf discussed the two sides of the climate change coin. On one side of the coin, companies have the responsibility to enable society to adapt to climate change; to increase resilience in adapting to the increasing stresses of climate change; and to increase adaptive capacity of the society. On the other side of the coin, companies have to adapt their business models including products and services to physical and regulatory risks due to climate change. Mr. Rapf emphasized that post-COP15, fewer companies are strategically addressing climate change.

Climate and the MDGs: Climate and health — Next generation climate action

Ms. Lise Kingo, Executive Vice-President, Corporate Relations, Novo Nordisk, presented Novo Nordisk's activities on climate change mitigation and adaptation and discussed the link between climate and health in the context of the Millennium Development Goals (MDGs).

Presentation Highlights:

- Novo Nordisk focuses on the triple bottom line principle: (i) financial responsibility for competitive financial performance; (ii) social responsibility for health and well-being of people; and (iii) environmental responsibility for eco-balance and animal welfare.
- The triple bottom line principle reaffirms the company's holistic business model and value creation for shareholders.
- Partnerships drive innovation:
 - Novo Nordisk works collaboratively with WWF Climate Savers and DONG Energy.
 - Radical innovation and new energy sources are key drivers for changes in management (energy saving measures, etc.)
 - Novo Nordisk helped finance a wind park with DONG Energy making this a new business model in Denmark.
- Climate and health are interlinked:
 - The western lifestyle — urbanization; high-calorie diets and processed foods; and physical inactivity — is a root cause of climate change as well as lifestyle disease.
- Climate change hits the most vulnerable group the hardest and exacerbates global health challenges, leading to water stress, food insecurity, malnutrition, migration and urbanization and infectious diseases.
- Working towards an integrated approach is essential.
- Novo Nordisk addresses mitigation through continued focus on energy efficiency across the organization and value chain with ambitious long-term targets.
- Novo Nordisk addresses adaptation through the promotion of healthy lifestyles by leveraging the link between diabetes prevention and low-carbon practices, maternal health programmes, etc.

Mr. Rapf posed a follow-up question to the presentation: what is the relation between the fight against diabetes and the fight against climate change?

- Novo Nordisk organized a number of meetings to change the course of debate on the issue of diabetes, and many people at these meetings referred to the climate change debate and the role of climate change in the development agenda.
- Both climate change and diabetes are systemic challenges — learning from a variety of tools and further creating attention to the issue are ways to actively address them.

Energy security and conservation

Mr. Luigi Sampaolo, Climate Change and Environmental Policy Vice President, ENI, discussed addressing development and climate change in the oil and gas industry by sharing the company's strategy on energy efficiency and climate change protection.

Presentation Highlights:

- ENI's strategy to combat climate change are through short-term and longer-term initiatives:
 - Short to mid-term initiatives: the progressive elimination of associated gas flaring and the increase of energy efficiency in its operations;
 - Long-term initiatives: Renewables R&D programmes and carbon capture and storage activities;
 - ENI is engaged in emissions trading, gas flaring reduction, energy efficiency improvements, CO₂ injections, CDM projects, etc.
- ENI advocates longer-term R&D programmes in the areas of solar energy, biofuels, biomass, etc.
 - ENI invested EUR 120 million for the period of 2008 to 2011 to develop innovative technologies related to solar energy (CSP, nanotechnologies and polymeric photovoltaics) and biofuels/biomass energy.
- In some countries, associated gas is burnt without recovering heat or electricity due to lack of market opportunities or infrastructure.
- 140 billion cubic meters of natural gas flared in 2008.
- In order to reduce emissions related to gas flaring and to valorize associated gas, ENI implemented plans to reduce flaring emissions in 2012 by 70 per cent as compared to 2007 in Nigeria, the Congo, Libya and Algeria.
 - These projects aim help the host countries increase their national power generation capacity and will provide international markets with more natural gas and liquefied natural gas.
- *Nigeria:*
 - In 2005, ENI, Nigerian National Petroleum Company and Conoco-Phillips inaugurated a 480 MW combine cycle power plant in Okpai.
 - The associated gas that was previously flared is now used to supply the power plant and was registered as a Kyoto Protocol CDM activity in 2006.
- *Congo:*
 - In 2007, ENI acquired the on-shore oil field of M'Boundi in accordance with the national government.
 - The project involves repowering of an existing 25MW single turbine plant to a brand new 450 MW plant with 55 km pipelines.

Mr. Rapf asked a follow-up question to the presentation: Will adaptation become a future issue in your company even though most of the focus for oil/gas sector is on mitigation?

- Companies can collaborate with other initiatives or international organizations who are already addressing the issue of adaptation.

Business Risks and Opportunities in Addressing Climate and Development

Ms. Charlotte Wolff, Corporate Social Responsibility Manager, ArcelorMittal, shared risks and opportunities in addressing climate and development from a heavy industrials perspective.

Presentation Highlights:

- Climate change is a major challenge for steel companies and heavy industry companies in general.
- Climate change is a key material issue for business, especially with developments and changes in regulations.
- Although the steel industry is a large emitter, it has a strong record in reducing its environmental footprint. For example, in Europe, CO₂ emissions have been reduced by 20 per cent since 1990.
- ArcelorMittal addresses climate change by reducing the CO₂ process emissions; increasing energy efficiency; developing new innovative materials and steel solutions; and optimizing recycling.
 - ArcelorMittal recycled up to 25 million tonnes of steel in 2008, which saved around 36 million tonnes of CO₂
 - Committed to reducing its emissions by 170kg/t steel by 2020, equivalent to an 8 per cent reduction in absolute emissions
- ArcelorMittal is the leading company in the Ultra Low CO₂ Steelmaking (ULCOS) project, an initiative covering nearly 50 steel companies across Europe, aimed at reducing CO₂ emissions by 50 per cent by 2050.
- *Climate Change Negotiations — Risks:*
 - “Different targets with different responsibilities in different regions” cannot be applied to globally traded goods like steel.
 - Carbon leakage risk: Tradable goods must be subject to the same discipline; otherwise trade flows will adjust according to the least cost opportunities and no CO₂ reduction will in fact be achieved.
 - An international agreement for steel can only work if major steel producing countries are involved, there is equal treatment, and there are common quantitative targets and equal financial obligations.
- *ArcelorMittal’s response to the Millennium Development Goals*
 - Given our footprint in emerging markets, the MDGs are a strong incentive to support a CSR strategy in those markets and to show how steel can contribute to the achievement of these goals
 - Major projects underway in India, in partnership with the government, to reach 200,000 schools on climate change education and to help develop 20 million children as “green leaders”.

Mr. Rapf asked a follow-up question to the presentation: Steel industry is a rather old industry, especially with regard to production facilities. Are there real threats from climate change despite your claim that steel will always be around? What are ways to convert the industry to a “younger” industry?

- Call for revitalizing and strengthening the steel industry with further support of public authorities and consumers.
- Need to refurbish some of the facilities and need support to help realize this.

Water security

Mr. Bryan Jacob, Director, Energy Management & Climate Protection, The Coca-Cola Company, discussed climate change adaptation focused on water security.

Presentation Highlights:

- Coca-Cola has a comprehensive sustainability plan and strategy focused on creating shared value for the business, partners and communities the company serves.
- Balancing both mitigation and adaptation are key to a successful climate change strategy.
- Coca-Cola identified physical risks related to water scarcity and deterioration of water quality; significant changes in weather patterns; frequency and severity of natural disasters; decreased agricultural productivity; extreme weather conditions; and energy, transportation and raw material costs.
- Coca-Cola improved global water efficiency by over 22 per cent while sales volume increased over 27 per cent between 2002 and 2008. The system is aligned to achieve a further 20 per cent improvement by 2012 (based on 2004 baseline data).
- Coca-Cola is developing strategies and working with WWF, other NGOs and suppliers to address environmental and social challenges around sustainable agriculture and water policies.
- Coca-Cola announced the Replenish Africa Initiative (RAIN) — a six-year, USD 30 million commitment to provide access to safe drinking water to communities throughout Africa. RAIN will provide at least 2 million Africans with clean water and sanitation by 2015.
- *Suggestions for Caring for Climate:*
 - Mr. Jacob urged collaboration and integration between the CEO Water Mandate and *Caring for Climate*.
 - Companies should provide a platform for engaging and educating consumers to forge progress toward low-carbon economy; this requires not only innovations, technologies and progressive government policies, but also behavioral changes of consumers and sustainable consumption.

Session III – Discussion Highlights:

Mr. Rapf posed the following questions for discussion throughout the presentations for all of the speakers:

- How does your company integrate the issue of climate change and development within its operations strategy?
- How do you think the *Caring for Climate* initiative could help scale up promising initiatives undertaken by signatories to address the impacts of climate change on development?

Key points included an emphasis on the sectoral challenges in addressing/implementing adaptation measures and the importance of weaving mitigation and adaptation measures within an overall climate strategy. Participants expressed the importance of water security in climate change adaptation and suggested further collaboration with the

CEO Water Mandate. Participants also emphasized the importance of collaboration with financial institutions and investors to achieve adaptation.

Session IV: The *Caring for Climate* Initiative: recent achievements and future developments

The session focused on discussing *Caring for Climate*'s strategic direction and priorities in the lead-up to the Global Compact Leaders Summit. Moderated by Ms. Lise Kingo and Mr. Laurent Corbier, the session began with an overview of progress made by *Caring for Climate* signatories and recommendations from Ms. Sonila Cook, followed by a discussion on the *Caring for Climate* Statement.

Moderators:

- Lise Kingo, Executive Vice-President, Corporate Relations, Novo Nordisk
- Laurent Corbier, Chair ICC Commission on Environment and Energy and Vice-President, Sustainable Development and Continuous Improvement, Areva

Speaker:

- Sonila Cook, Partner, Dalberg — Global Development Advisors

Progress made by Signatories and recommendations for the path forward

Ms. Sonila Cook presented the progress of *Caring for Climate* signatories to date, focusing on an assessment of signatories' GHG emission disclosures as well as their climate policies and practices since the inception of the initiative in 2007.

Presentation Highlights

- The presentation focused on the following goals:
 - Review of the collective successes of *Caring for Climate* signatories since 2007 by (a) defining a framework for how to think about and measure climate change activities in a common way and (b) highlighting examples of leadership and innovation in both large and small companies across sectors and regions;
 - Share suggestions on how companies can accelerate their activities against climate change;
 - Clarify how the Global Compact can support signatories in their climate change efforts.
- *Caring for Climate* introduced the concept of “spheres of influence” on climate change activities: company-level, industry-level, and external environment-level. True leadership means addressing all three spheres.
- Industry involvement can include influencing policy and regulation that is sector-specific, addressing the general public as a collective industry forum, and generating R&D activity for technologies that may apply to the industry as a whole.
- External environment involvement includes both the regulatory community and civil society. It can involve partnering with the regulatory community to guide legislation and directly advise governments in adaptation activities, promoting

- green activities in local communities in support of UN development goals, and broadly supporting UN initiatives such as the Global Compact and UNEP.
- *Caring for Climate* provides companies with a nuanced framework that reflects a spectrum of corporate climate change activity: assessing, defining goals, achieving, innovating and leading. Examples include:
 - **Assess:** The first step in assessing climate change is to recognize and acknowledge the nascent risks and opportunities. Upon recognizing these risks and opportunities, companies have proactively assessed and reported their environmental footprint
 - **Defining Goals:** Most signatories have established concrete targets or action plans to reduce their carbon emissions
 - **Achieve:** Signatories achieved a net reduction of 3 per cent in greenhouse gas emissions from 2007 to 2008.
 - **Innovate:** Innovation can occur across all three spheres of influence at the company-level (cost reduction, revenue generation, security); industry-level (industry-wide forums, collective action campaigns); and external environment-level (civil society engagement and regulatory engagement).
 - **Lead:** Cisco has led the way in developing green-enabling ICT products, and Sustainable Living Fabrics is a green-driven business model.
 - The *Caring for Climate* initiative has made significant steps in enabling its signatory members to fulfill the Global Compact principles related to the environment.
 - Most signatories recognize and assess risk and opportunities from climate change.
 - Over 90 per cent of signatories set emissions targets or plans.
 - There was an approximately 3 per cent net reduction in GHG emissions from 2007 to 2008.
 - Signatories have demonstrated innovative product redesign, industry-wide collaborations and regulatory partnerships.
 - Leaders have emerged from both large and small companies and across all sectors and regions
 - Ms Cook proposed the following recommendations to accelerate progress:
 - **Assess:** Set-up more consistent and standardized ways of collecting and reporting data and increase understanding of potential climate change impact.
 - **Define Goals:** Define expected reductions targets for each sector and establish best practices for strategy development/implementation.
 - **Achieve:** Define achievement beyond simple emissions reductions and shift into other spheres of influence (e.g. Industry and External Environment).
 - **Innovate:** Shift from downside risk management to upside benefit maximization and shift into other spheres of influence.
 - **Lead:** *Current leaders:* Inspire others to action and progress; *All:* Shift leadership into other spheres of influence. Drive thought leadership in fully assessing climate change impact.
 - Examples of possible new initiatives for *Caring for Climate* in the areas of advocacy, advisory and authority across different spheres:
 - As an *Advocate* for its signatories, the initiative provides an interface for business and governments and engages in global outreach campaigns on behalf of business.

- As an *Advisor*, it provides a platform for business to showcase new solutions and practices and develops thought leadership and best practice recommendations.
- As an *Authority*, it recognizes leading companies and promotes transparency and disclosure of emissions and other environmental data.
- *Caring for Climate* signatories should continue looking forward, identifying ways to advance to continual leadership, and seizing the opportunity to make impactful change.

Participant Feedback:

The following comments were made by meeting participants:

- ***Arunavo Mukerjee, Vice President, Tata Sons Ltd.***
 - Called for a stronger *Caring for Climate* platform and greater engagement by *Caring for Climate* companies to set benchmarks among peer companies/ industries with respect to developing strategies and improvements in climate change issues overall.
- ***Russel Mills, Global Director Energy & Climate Change Policy, Dow Chemical 15'***
 - Highlighted the importance of looking at longer-term environmental performance — it will be difficult jump to conclusions with only 1 to 2 years of environmental performance.
 - Emphasized the significance of a holistic, integrated approach to climate change: How can *Caring for Climate* help provide concrete steps towards achieving this approach?
- ***Lise Kingo, Executive Vice-President, Corporate Relations, Novo Nordisk***
 - Called attention to the role of SMEs in the sustainable development picture and hopes that the report will serve as guidance for smaller companies.
- ***Toshio Arima, Board Director & Executive Advisor, Fuji Xerox, Global Compact Board Member***
 - Advocated for the final report to be distributed to Local Networks to serve as an effective tool for sharing and discussing best practices and lessons learned.
- ***Laurent Corbier, Chair ICC Commission on Environment and Energy and Vice-President, Sustainable Development and Continuous Improvement, Areva***
 - Utilizing *Caring for Climate*'s broad member base and the regional, Local Network capacity is key in advocating for a holistic, synergetic approach to climate change

The Caring for Climate Statement

The session aimed at re-contextualizing the Caring for Climate statement in light of climate change developments in the past three years. Following an introduction by the moderator on the need to refresh the statement, meeting participants provided inputs on points to be modified or reinforced in the statement.

The following priority action items discussed by the Caring for Climate Expert Group were presented by the Moderator to the meeting participants:

- Add a few lines of introduction on the context, i.e. the status of the international negotiations and the affirmation that the slower pace is no reason for inaction by business.
- Add words to convey the idea of continued efforts by business: actions and initiatives have indeed taken place since the launch of the initiative back in 2007, so it is more a renewed engagement and commitment rather than a new start.
- Introduce the recognition that adaptation to climate change will be a key challenge in the years to come, and that key to success is a close collaboration in this area between governments, business and civil society.

Participant Feedback:

The following comments were made by meeting participants:

- ***Mr. Marco Bedoya, Environmental Manager, CEMEX***
 - The statement should drift away from recognizing international negotiation processes as “slower in pace” because this implies that business considers government delays as a being “normal”. Rather, the statement should reinforce the positive role business play in the international negotiation process.
 - Given Caring for Climate’s unique position to reach out to governments and other international regulatory bodies, the statement should stress the importance of streamlined data management and reporting.
- ***Laurent Corbier, Chair ICC Commission on Environment and Energy and Vice-President Sustainable Development and Continuous Improvement, Areva***
 - Not all companies are at the same speed or level in terms of data collecting and management, so adding a line about data management is not practical at this point in time. However, the statement can stress the significance of continuous progress and improvement of quality of data management over time.
- ***Mr. Cees-Jan Adema, PepsiCo***
 - The statement should acknowledge the progress made against commitments and recognize goals achieved/delivered concurrently with future goals and expectations.

- ***Mr. Russel Mills, Policy, Dow Chemical***
 - The statement should emphasize that a different business direction and/or perception is required in realizing mitigation and adaptation efforts. While mitigation is in proactive mode, adaptation is often in reaction to government plans and requires understanding of complex set of policy measures across different countries.
 - Further cooperation (positive, reactive relationship) and understanding of country's adaptation plan are necessary in order for business to carry forth effective adaptation measures.
 - Technology development is a link between mitigation and adaptation (technology will be required for both).

- ***Mr. Juan Ramon Silva Ferrada, Sustainability, Acciona***
 - It is important to increase the visibility of the Caring for Climate brand and recognize long term ambition and goals of the initiative.
 - The statement should reflect the mobilization capacity of Caring for Climate more specifically.

- ***Ms. Katherine Hagen, Chief Executive Officer, Hagen Resources International***
 - The statement should reflect that businesses are sharing, enriching, and learning new perspectives across sectors and development areas e.g. importance of agriculture, water, etc.
 - The statement should also reinforce the positive momentum that commitments made under Caring for Climate are delivering.

- ***Ms. Jette Ingrid Hansen, Environmental Manager, Danisco A/S***
 - The statement should reflect the role of value chain and sustainable supply chain management.

- ***Ms. Zelda Bentham, Senior Environment Manager, Aviva***
 - Given the context of the global recession, the statement should recognize how businesses have moved from short term profit to long term value in addressing climate change.

Conclusions and next steps

- Georg Kell, Executive Director, UN Global Compact Office
- Habiba Al Marashi, Chair, Emirates Environmental Group, Global Compact Board Member
- Toshio Arima, Board Director & Executive Advisor, Fuji Xerox, Global Compact Board Member

Mr. Georg Kell, Executive Director, UN Global Compact Office, provided concluding remarks highlighting the leadership and progress *Caring for Climate* signatories demonstrated in the climate change arena across sectors and regions. Mr. Kell identified priority issues and plans for *Caring for Climate* moving forward in the lead-up to the Global Compact Leaders Summit. Mr. Kell emphasized the importance of scaling sustainability and business role in providing innovative solutions to the global climate change challenge. Priority themes and issues for the *Caring for Climate* are as follows:

- Voluntary initiatives are important in addressing the disconnect between the global and the local; at times, this disconnect can be a source of high transaction costs, but it also represents an opportunity to change.
- Business is part of the climate change solution and should take the lead in scaling sustainability.
- The Global Compact will continue to carry forward its mission to create and contribute toward a sustainable, inclusive global marketplace.
- The Global Compact will create a holistic workplan addressing the link between climate change and relevant development issues.
- Reinforcing the importance of climate change adaptation and providing innovative solution to address the link between climate and development.
 - *Caring for Climate* workstreams will be synchronized with the development-related issues
 - Create and strengthen *Caring for Climate's* workstreams and its linkages with the CEO Water Mandate
 - Create concrete action plans to collaborate with investors (e.g. via the Principles for Responsible Investment) to establish the business case for good environmental performance to be recognized in the marketplace.
 - Explore ways to integrate the Principles for Responsible Management Education (PRME) initiative.
- The Global Compact will fortify better governance on environmental issues through the Environmental Stewardship Expert Group, the CEO Water Mandate, and related Global Compact platforms.
- The Global Compact will focus on regional and Local Networks to foster country-specific activities on the environment front and ultimately make appropriate connections to the global network workstreams.
- The Global Compact will maintain and utilize its role as a public-private initiative more effectively to interface with policy-making in general.
 - Mexico (COP16) will be an opportunity for business to demonstrate leadership on the forefront of global negotiations — this is a chance to reaffirm that business is a part of the climate change solution.
- Continued leadership both on the external environment and corporate levels is crucial in moving forward with the climate change agenda.
- Scalability and benchmarking have to be further elaborated in the programme moving forward, for example via concrete actions through the value chain, country networks, performance comparisons, etc.

- The Global Compact and *Caring for Climate* will continue to act as an action platform and provide space for spurring innovative, winning solutions to addressing climate change.

Ms. Habiba Al Marashi, Chair, Emirates Environmental Group, Global Compact Board Member, emphasized the importance of maintaining momentum and focusing not only on mitigation efforts but also on climate change adaptation. Ms. Al Marashi identified reoccurring themes throughout the working sessions: the business case for climate change and the role of business in providing climate change solutions; importance of energy efficiency; dialogue and collaboration; and innovation and product design improvements. Ms. Al Marashi suggested following areas for improvement in addressing climate change:

- Increase the diversity of representation in the *Caring for Climate* member base from other parts of the world, including Africa and the Middle East, allowing for a level playing ground for all stakeholders involved.
- Address the increasing gap between frontrunners of mitigation and adaptation and those that lag behind (primarily due to lack of resources and capacity).
- Organize and nurture organizations in the developing world on the issue of climate change and help them spur innovation.
- Share best practices and lessons learned from both developing and developed countries.

Toshio Arima, Board Director & Executive Advisor, Fuji Xerox, Global Compact Board Member briefly reflected on the two recurring questions throughout the course of the meeting: Can business spur and maintain momentum with respect to climate change? And can business provide unique expertise that adds value to negotiations processes in COP16 and beyond? Mr. Arima emphasized that the business sector has the capacity and the capabilities to address both questions. Mr. Arima also noted the importance of following up on key themes discussed in the session with the Local Networks. Mr. Arima shared his plans to use the Progress Report for *Caring for Climate* Signatories (Dalberg/UN Global Compact Report) as a basis for network engagement.