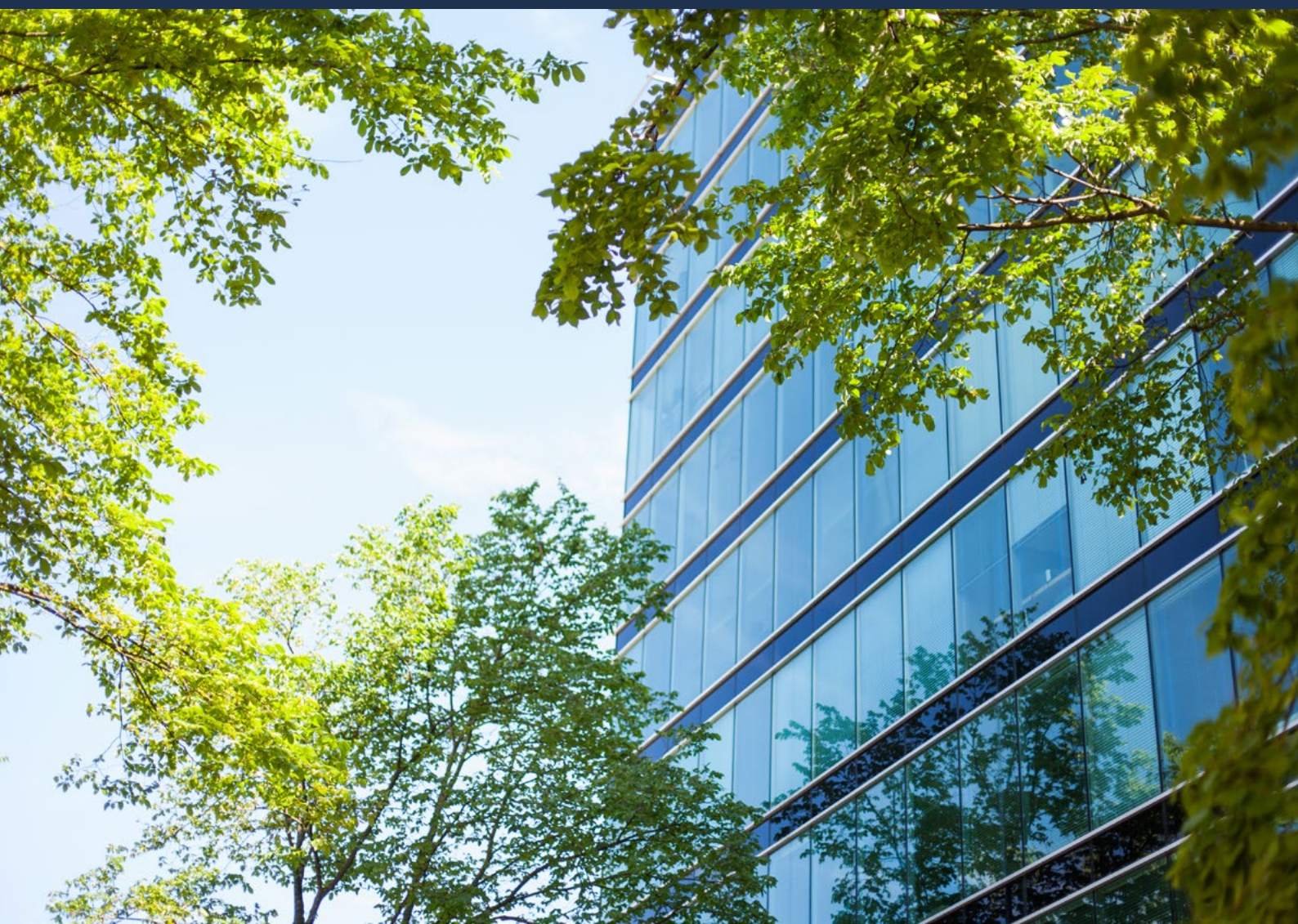


BRIEFING

RACE TO ZERO: MOBILISING LEADERSHIP FOR A NET ZERO ECONOMY



Network UK



ABOUT THE UNITED NATIONS GLOBAL COMPACT

As a special initiative of the UN Secretary-General, the United Nations Global Compact is a call to companies to align their operations and strategies with ten universal principles in the areas of human rights, labour, environment and anti-corruption.

Launched in 2000, the mandate of the UN Global Compact is to guide and support the global business community in advancing UN goals and values through responsible corporate practices.

With more than 12,000 companies and 3,000 non-business signatories based in over 160 countries, and more than 60 Local Networks, it is the largest corporate sustainability initiative in the world.

ABOUT THE UN GLOBAL COMPACT NETWORK UK

Through an extensive programme of activity, the UN Global Compact Network UK connects UK-based organisations in a global movement dedicated to driving sustainable business.

We promote practical sustainability leadership, through inspiring business ambition, enabling action that delivers sustainable growth, and actively shaping the responsible business environment to create a world we want to live and do business in.

For more information, follow us on LinkedIn and Twitter (@globalcompactUK) or visit our website at unglobalcompact.org.uk.

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Modern glass façade high-rise office building in an environmentally friendly city district with lush green trees.

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View of windmills of Rampion windfarm off the coast of Brighton, Sussex, UK.

Image page 5: © Leszek/Adobe Stock: Electric cars charging.

This briefing is based on a UN Global Compact Network UK event:

Race to Zero: Mobilising leadership for a net zero economy

Speakers:

- Dr Márcia Balisciano, Head of Corporate Responsibility at RELX, and Chair of UN Global Compact Network UK
- Fiona Ball, Director, Bigger Picture, Sky
- Dr Thomas Hale, Associate Professor in Global Public Policy, Blavatnik School of Government, University of Oxford
- Rebecca Marmot, Chief Sustainability Officer, Unilever
- Paul Simpson, CEO, CDP
- Tanya Steele, CEO, WWF-UK



Race to Zero: Mobilising leadership for a net zero economy

With the best-case scenario of limiting global warming to 1.5°C slipping out of reach, urgent climate action needs to be taken. The movement of companies, countries, regions, and cities setting ambitious net zero targets must be accelerated to address the climate emergency.

Net zero for a company means achieving a state in which the activities within its value chain result in no net impact on the climate from greenhouse gas emissions. To be truly meaningful, this must be achieved by reducing actual value chain greenhouse gas emissions in line with 1.5°C science-based pathways.

World Environment Day saw the launch of 'Race to Zero', a global campaign to mobilise leadership and support from businesses and other stakeholders for a healthy, resilient, zero-carbon recovery, which creates

jobs, unlocks inclusive, sustainable growth, and reduces the risk of future shocks.

The campaign, under the stewardship of the UN High Level Climate Champions, will rally 'real economy' leaders to join the largest ever coalition committed to the same overarching goal: achieving net zero emissions by 2050 at the very latest.

In support of the Race to Zero campaign, the UN Global Compact Network UK organised a high-level panel discussion between Dr Márcia Balisciano, Head of Corporate

Responsibility at RELX, and Chair of UN Global Compact Network UK; Fiona Ball, Director, Bigger Picture, Sky; Dr Thomas Hale, Associate Professor in Global Public Policy, Blavatnik School of Government, University of Oxford; Rebecca Marmot, Chief Sustainability Officer, Unilever; Paul Simpson, CEO, CDP and Tanya Steele, CEO, WWF-UK.

The discussions took place during the UN Global Compact Leaders Summit 2020, to explore how businesses can contribute to this urgent agenda and why they must take immediate action.

GROWING MOMENTUM IN THE FIGHT AGAINST CLIMATE CHANGE

“We are seeing the power of an idea whose time has come, play out across the world in a whole range of different contexts. Within the climate change space, an extraordinary transition is taking place,” explained Dr Thomas Hale. “Net zero is taking off as a leading idea and gaining traction more than we ever thought it would.”

In 2019, the UK Government became the first major economy to pass a net zero emissions law, requiring

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the UK to bring all greenhouse gas emissions to net zero by 2050. Back in 2015, there was a push by the small island states, vulnerable countries, and climate experts to have world leaders commit to limiting average global warming to 2°C and pursue 1.5°C. “At the time, this was a fringe idea written into the Paris Agreement,” said Hale. “Today, this ambition is being pursued by a whole range of countries, cities, regions, investors, and businesses,” whose commitments under the Race to Zero currently cover 53 percent of global GDP, 23 percent of carbon emissions, and one-third of the global population.

Businesses and governments around the world have made laudable efforts to reduce emissions, but must now take stronger, more urgent action. Concern with regard to climate change is not limited to these actors. Public interest in the issue has grown significantly in recent years. Since the outbreak of the COVID-19 virus, communities have united to support one another through these challenging times. National lockdowns have seen people drastically change their lifestyles to save the lives of others and individuals across communities have gone to lengths to support those most at risk. It is clear that collective individual actions can have an

enormous impact and that people are willing to adapt their behaviour for the benefit of others.

CLIMATE CHANGE – AN URGENT CRISIS THAT CANNOT BE IGNORED

The launch of the Race to Zero campaign comes at a time when the UK and the rest of the world are in the midst of a global pandemic and facing a health crisis, an economic crisis, a social justice crisis, and an ever-looming climate crisis. Climate action cannot be put on hold at this critical juncture.

Tanya Steele, CEO of international non-governmental organisation WWF-UK, pointed out that we are already behind in the fight against climate change and reaching critical tipping points (e.g., deforestation in the Amazon, melting of the polar ice caps). “Delaying action any longer will only make the inevitable challenge we must confront more difficult,” she said.

“Following the science will be essential,” explained Paul Simpson, CEO of global environmental disclosure platform CDP. Drawing on experiences from the current COVID-19 pandemic and the inextricable links between the two, it is widely recognised that as science has guided us through the pandemic, it must guide us through the climate crisis. “The science is clear

The science is clear that limiting average global warming to 1.5°C is the only way to avoid the most catastrophic impacts of climate change

that limiting average global warming to 1.5°C is the only way to avoid the most catastrophic impacts of climate change,” he said.

COVID-19 has highlighted the fragility of our economic system and just how interconnected we have become. The pandemic has had devastating impacts on human health and the economy that we must learn from to implement a more coordinated, pragmatic, science-led

approach to tackling the climate crisis. Unprecedented amounts of money are being made available to fund recovery packages in response to the pandemic. This moment provides an opportunity to invest in the technologies and systems required to create long lasting systemic change that leads us to a greener, healthier, more equitable world.

Taking a multi-stakeholder approach can not only allow companies to effectively reduce emissions but can foster innovation that leads to positive impacts for the environment and the restoration of nature

Reducing emissions and transitioning to a net zero economy is an extraordinary challenge alone, but it must also simultaneously address existing structural inequalities such as economic, racial, and health inequalities. The United Nation’s Sustainable Development Goals offer a framework that enables business and government to create programmes and policies that are coherent with the needs of the economy, society, and environment both domestically and internationally.

THE ROLE OF BUSINESS

Commenting on the vital role businesses have in the transition to a net zero economy, Simpson said, “Ambitious commitments from business to reduce emissions in line with 1.5°C are sending clear signals to government in support of strong climate policy and can increase ambition on their part,” a dynamic described in the climate action space as an ‘Ambition Loop’. Letters signed by hundreds of companies across multiple sectors have been used as a lobbying tool to call on governments to use their recovery packages as a method for boosting the transition to a low-carbon economy.

Multi-stakeholder cooperation to reduce global emissions by 50% by 2030 and then reach net zero by 2050

is crucial if we are to limit global warming to 1.5°C. “Pre-competitive collaboration is intrinsic to the Race to Zero campaign,” said Steele, “and allows businesses and other stakeholders to learn from each other and work towards a shared goal”.

Fiona Ball, Director of Sky’s Bigger Picture, described how consumers across the world are also calling for change. “They are increasingly critical of business behaviour and are demanding of businesses to address not only climate change but issues of human rights, racial injustice, and other long-standing social and environmental issues”, she said. “Younger generations in particular are wanting to work for companies whose values align closely with their own. If companies are to attract and retain the best talent, they must be able to demonstrate positive values at the core of their business”.

Businesses are already beginning to fundamentally change the way in which they operate through more circular approaches to production and consumption, as well as improving the management of risks and opportunities presented by climate change through more robust reporting and increased transparency.

Rebecca Marmot, Chief Sustainability Officer at Unilever, explained that engagement with stakeholders up and down company value chains to support suppliers, consumers, and other actors to reduce the emissions associated with their products is becoming increasingly common. “For example, investment in low-carbon product alternatives and providing more information on the environmental impact linked to products is empowering consumers to make more informed choices and reduce their own carbon footprint”. Taking a multi-stakeholder approach can not only allow companies to effectively reduce emissions but can foster innovation that leads to positive impacts for the environment and the restoration of nature.

Recently there has been significant uptake in the use of renewable energy, building retrofits to improve energy and water efficiency, and the transition to electric fleets. These actions contribute to the net zero transition while building resilience to climate-related risks including future climate regulations, as well as providing benefits of reduced operational costs, improved access to capital and enhanced brand reputation.

“Making public commitments to ambitious emissions reduction targets can drive the innovation necessary to decouple business growth from increasing emissions and support the transformation of our economy,” said Marmot. Without a healthy planet, healthy people, and a resilient economy, there will be little to compete for.

KEY TAKEAWAYS

The importance of local collective action and collaboration between all stakeholders to reach a net zero economy has been accentuated by the global pandemic. No company, industry, government, or technology can solve the climate crisis alone. However, businesses are well-placed to support the transition to a low-carbon economy on various levels.

Setting science-based targets can drive innovation and sends clear signals to government for strong climate policy. Through engagement with suppliers across global value chains, companies can support emissions reductions and improvements in environmental practices at a more localised level. They are also uniquely positioned to work with consumers on reducing emissions and to provide low-carbon product alternatives.

How we build back from the COVID-19 pandemic is a key moment in the fight against climate change and we must take the opportunity to recover better, recover stronger, and recover together.



Steps businesses can take to reach net zero:

- Map out your company’s activities against the SDG’s and use them as a framework to address a broader range of environmental and social issues.
- Commit to ambitious climate action such as by setting 1.5°C aligned science-based targets.
www.sciencebasedtargets.org/business-ambition-for-1-5c
- Identify emissions hotspots throughout the value chain and focus on collaborating with all relevant stakeholders to reduce emissions.
- Measure and report greenhouse gas emissions as well as the risk/opportunities posed to your business by climate change through reporting frameworks such as the TCFD.
- Integrate circular approaches to production and consumption.
- Be transparent about your ambitions and action – demonstrate to consumers and investors that you are on a journey to make positive change.
- Advocate for strong climate policy.



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