



KOZMINSKI UNIVERSITY

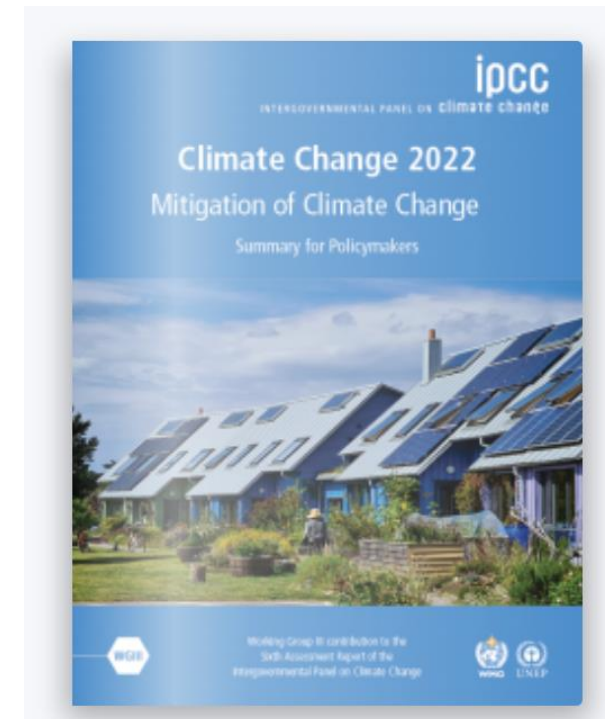
Corporate Climate Leadership *Myth or Threat?*

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What can business get out of the recent IPCC reports?

- It is a manifesto for ending the fossil fuel age
- A call to action: the climate crisis is driven by **how the world's wealthy currently live**, consume and invest
- The pursuit of climate neutrality remains a priority
- Adaptation and mitigation must go hand in hand
- A silo approach limits the benefits and may even increase the risks of adaptation efforts
- We have a significant increase in **climate crisis awareness**
- Education needs radical revision - to foster a sustainability mindset by helping develop the knowledge, skills and attitudes for climate neutrality



Main drivers for change in business

- 1. *Access to finance.*** The financial system has a key role to play in the development of climate innovation and economic transformation.
- 2. *New regulations.*** Fortunately, regulations are coming (or already here): TCFD, SFDR, CSRD, Fit for 55. And there is a growing awareness that adapting to them is a necessity.
- 3. *Market pressure.*** Large brands encourage/force their business partners to change, adapt to climate policies, and manage sustainably.
- 4. *Corporate pressure.*** Shareholders, owners, corporate headquarters encourage/force their companies on local markets to equalize standards, implement solutions.
- 5. *Social pressure.*** Consumers/citizens in the global market are increasingly beginning to expect/demand the right attitude from business.

Is that enough? We see the state of our ecosystems, including the extent, the effects of climate change already occurring and therefore the decreasing chances for further development.

Corporate leadership – a missing ingredient or main driver?

- “We, entrepreneurs, can decide about the future of the world, because we have the talents, experience and **sometimes** wisdom needed for this. And we have the resources to put our ideas into practice.
- We can use our skills for the good of the world, or we can harm the world: irresponsibly exploit the planet's resources, or harm people by selling them inadequate and unnecessary products that they do not need.
- The future of **the world depends on entrepreneurs** taking total responsibility.”

A. Nowak-Goclawski, CEO, ANG Group



What should business really do in the face of climate catastrophe?

- There has been an **explosion of corporate climate leadership** during the past decade. This has been one of the most encouraging developments in the efforts to build a just and sustainable world.
- „In almost 25 years working on climate change, I can honestly say that the emergence of corporate climate leadership is **one of the more optimistic trends** I have encountered. Ten years ago, most companies were either hostile to or agnostic about emissions reductions. Today, more than 6.000 companies from over 120 countries, representing \$36 trillion or half the global economy, have made one or more climate commitments.” (Edward Cameron)
- Are they doing enough? Are they **more trustworthy**, more involved than governments, academics, activists? Can they replace other actors in solving all our challenges?



Different motivations

A tremendous shift is taking place across business as climate moves from a peripheral issue to mainstream concern, in boardrooms around the world.

This presents immense opportunity to use industry as an engine for accelerated action.

Many business leaders recognise the need to do more; we need them actively leading from the front.

Paul Polman, former CEO, Unilever, influencer



We focus on sustainability not because we're environmentalists, but **because we are capitalists** and fiduciaries to our clients.

(...) Capitalism has the power to shape society and act as a powerful catalyst for change.

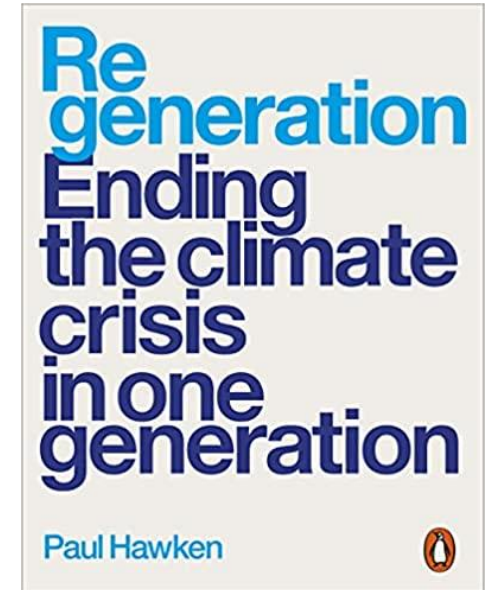
We know that **climate risk is investment risk**. But we also believe the climate transition presents a historic investment opportunity.

Larry Fink, CEO, Black Rock



Regenerative economy

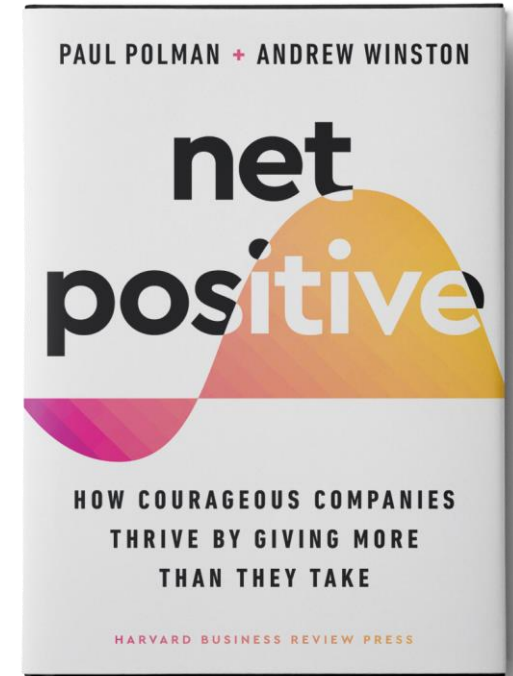
- The Regenerative Economy is a **fundamental shift** in the way we live our lives and engage in industry.
- It will transform the way we obtain, produce, ship, deliver, consume, monitor and/or control such things as water, food, energy, materials, housing and waste, as well as radically improving the efficiencies, regenerability, resilience, circularity, sustainability and ecosystemic impacts of human activities.
- Such profound shifts in our society create **massive economic opportunities** to serve the health and thriving of people and planet.



„The commitments we’re making today not only aim to decarbonize **Walmart’s** global operations, they also put us on the path to becoming a **regenerative company** – one that works to restore, renew and replenish in addition to preserving our planet, and encourages others to do the same.”

Net positive economy

- To thrive today and tomorrow, companies must become “net positive” — **giving more to the world than they take.**
- Corporations that are merely focused on being “less bad” or “do no harm” aren’t doing enough — businesses need to become “net positive.” We need companies that actively leave the world better than they find it. Companies that ultimately profit by fixing the world’s problems, not creating them.
- This is the goal of the Net Positive movement. Ambitious, but never before has there been such **a need and appetite for businesses to take responsibility for all their impacts**, improve the well-being of all their stakeholders and operate for the long-term benefit of business and society.



Interface began its journey to develop **carbon negative products** following the adoption of Climate Take Back™, which aims to **reverse global warming**. This led Interface to consider how it could continue to reduce the carbon footprints of its products as it endeavours to become a carbon negative enterprise by 2040.

Ecosystem of change is ready

THE NEW SOCIAL CONTRACT

Climate justice - our climate responsibilities to future generations.

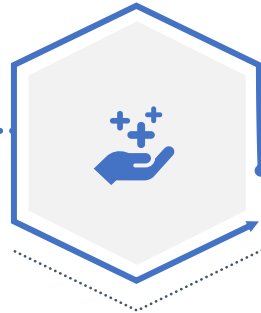
We cannot go beyond the natural limits of our planet.

Climate ethics as a guidance to respect other living species, entire ecosystems, interdependence, and the need to cooperate for the common good.

We have to respect social conditions for the foundations of good life.

Diversity matters!

Corporate social activism



INVESTMENTS

The financial system has a key role to play in developing climate innovation and the economic transition of all sectors towards neutrality.

EU Green Deal, taxonomy, SFDR, CSRD

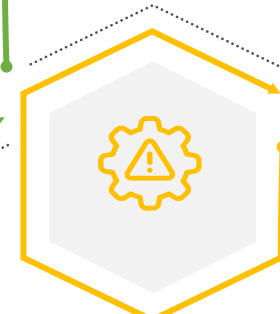


DIGITALIZATION

Artificial intelligence, robotics, the use of databases.

Technology for collaboration.

Sustainability is the new digital.



RESOURCES, RAW MATERIALS, ENERGY

More efficient use of raw materials, closing the loop means opening up business opportunities, product as a service, creating new, sustainable materials, zero-waste, sharing resources. Carbon footprint m&m.

New citizen-based, renewable energy system.

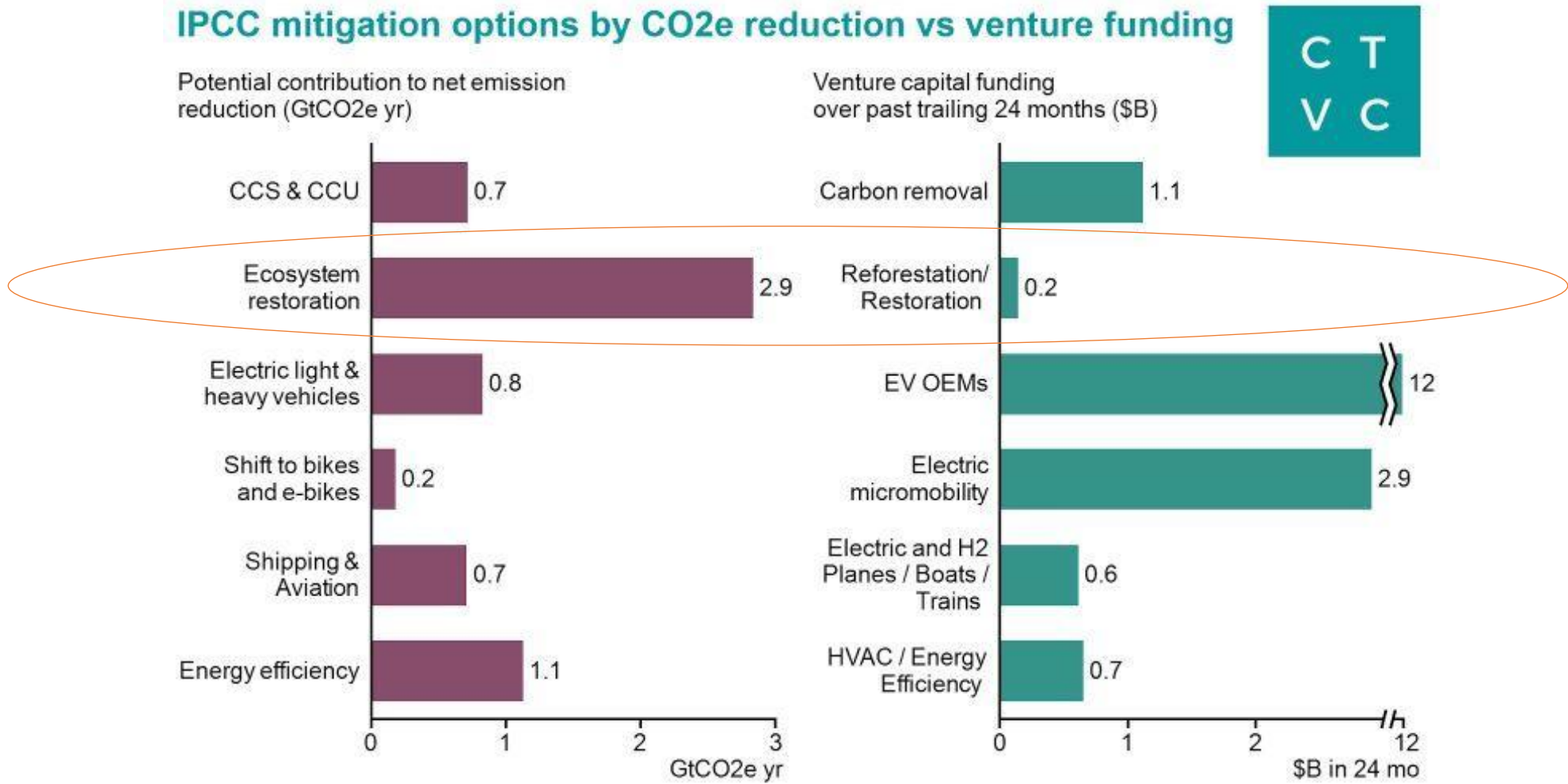


INNOVATION FOR THE CLIMATE

To maintain or increase the sustainable value delivered by a given company.

Innovations for positive impact – product, processes, structure, governance - which contribute, directly or indirectly, to regeneration, ecosystem restoration.

Market reality



Notes: Exhibits select mitigation options from IPCC Figure SPM.7 with a corresponding matching subsector from CTVC climate venture deals tracking. GtCO2e yr are illustrative and non-exact, based off non-exact visual data. Some IPCC options are grouped and GtCO2e yr totals are summed. Fundraising data based off all CTVC tracked venture capital deals for trailing 24 months since April 2020.

True or false: „The EU taxonomy becomes the new standard for... greenwashing”

- **ESG has become a widely used term and trend in itself, especially among investors.**
- **Instead of companies maximizing profit, today there are purpose-oriented, mission-driven firms, net-positive, regenerative companies, climate-resilient businesses.**
- **A Big Bang of companies' declarations / commitments on climate neutrality - reduction, carbon footprint, compensation, zero waste, zero carbon (zero trust?)**

A third of the 2,000 largest companies have net-zero pledges.

- **A new approach to reporting? – standards, regulations vs. market practice**

It is not enough to measure ESG indicators to make significant changes. The measurement often leads to a dead end, though comfortable, does not show the impact.

What society really needs is not just better reporting, but better companies, that are built to be resilient in the 21st century. Companies need to get out ahead of their customers' changing habits and ahead of regulation.

