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**KEYNOTE SPEECH AT THE CHINA SUMMIT ON CARING FOR CLIMATE
OPENING PLENARY SESSION**

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Excellencies,
Distinguished leaders,
Ladies and Gentlemen,

It is truly exciting to be here in Beijing at the third annual China Summit on Caring for Climate.

I would like to first applaud the efforts of the Global Compact Network China over the past years to accelerate climate action in the region.

I also wish to extend my gratitude and warm thanks to Chairman Wang Zhongyu, Chairman Fu Chengyu and Mr Li Decheng for their leadership and for hosting the China Summit on Caring for Climate.

The UN Global Compact has been privileged to work with many of your organizations and of course with our colleagues at the United Nations advising the UN Secretary-General on his climate agenda, including during last year's successful Climate Summit, and we look forward to continuing our collaboration this year.

Ladies and gentlemen,

As all of us here understand, 2015 is a critical year for global action.

At the United Nations, two milestone events on the horizon will shape the course of decades to come: the UN Summit to adopt a post-2015 global development agenda in September in New York, and COP21 in Paris in December, where we hope a universal climate agreement will be reached.

Clearly, it is both timely and important that the theme of today's conference underscores the "power of action" on climate change.

Climate action is essential for transformative sustainable development.

People and organizations all over the world are demanding leadership and action in 2015 on sustainable development and climate change.

It is encouraging to see so many leaders here today. I encourage all of you to make new commitments and further engage on a range of climate-related issues from carbon pricing, sector-based collaborations, innovation and technology, to cross-cutting imperatives such as water sustainability.

I hope that today's conference will increase our collective ambition on climate action ahead of COP21 and beyond.

The momentum for climate action around the world has never been greater.

Governments, businesses and investors, civil society, faith leaders and citizens are galvanizing globally and locally to take a leadership stance on climate change.

China and the United States have made strong pledges to reduce greenhouse gas emissions and to support climate-resilient growth. Likewise many government leaders in developed and developing economies are making ambitious climate targets ahead of COP21.

Last month, for the first time, G7 leaders joined forces to call for a long-term goal to decarbonize the global economy over the course of this century.

We have also seen the number of national climate laws and policies around the world double since 2009. About three-quarters of the world's emissions are covered by targets set out by these national policies.

Taking action on climate change can create new market opportunities for business that benefit long-term strategy and profitability. Innovation and technological change can enable optimal efficiency and competitive advantage. Putting a price on carbon and investing in clean and renewable energy are just a few examples.

Carbon pricing is now squarely on the global agenda. Nearly 40 national and 20 sub-national jurisdictions are participating or preparing for a price on carbon. By

the end of 2016, China is expected to have the largest carbon market in the world.

Renewable energy costs are continuing to decline. And energy storage and management technologies are being developed rapidly. The new opportunities to build cleaner and more efficient energy systems are unlimited.

Clean energy investment has also grown rapidly. Over US\$270 billion was invested in renewables in 2014.

I am encouraged to see that China is a leader on this front with investments of US\$90 billion last year. That is more than one-quarter of the world's total renewable energy investments.

We have also seen a growing number of investors in all regions of the world advocate for climate action.

Today, over 400 investors valued at US\$25 trillion dollars across 30 countries are participating in climate initiatives through the Principles for Responsible Investment and investor coalitions on climate change.

For example, a coalition of investors representing US\$500 billion of capital pledged to measure and report on the carbon intensity of their investments.

Citizens and consumers, civil society and faith leaders are, too, building a vibrant climate movement.

Nearly half a million citizens rallied for climate action during the occasion of the UN Secretary-General's Climate Summit last September. This is part of a growing movement around the idea of climate justice.

With respect to business, over 400 chief executives around the world have committed to UN Global Compact-led Caring for Climate initiative. It is the world's largest business leadership platform on climate action.

And on the closely connected topic of water, nearly 150 chief executives have endorsed our CEO Water Mandate, which we are launching in China during this conference. These companies are committed to implementing best practices and forging partnerships to address the challenges related to water and sanitation.

But despite considerable progress underway, our world still faces enormous challenges. Much work is needed to reach the 2-degree Celsius pathway and achieve climate neutrality by the second half of the century.

Over a billion people still lack access to safe drinking water, food and electricity. Air and water quality among major cities around the world, including here in China, have been deteriorating over the past decade. A majority of the world's ecosystems are in decline. And numerous extreme weather events and a growing

population around the world are predicted to worsen these problems.

The current pace of action around the world is still too slow and narrow in magnitude to achieve the transformation needed to achieve a low-carbon, high-resilient future.

Quick, decisive action and a long-term vision for a decarbonized economy will be required from both the private and public sectors.

Among the estimated 80,000 multinationals and millions of small enterprises around the world, just over 8,000 companies – and about 300 signatories in China – have embraced the core principles of the UN Global Compact in the areas of human rights, labour, the environment and anti-corruption.

And only a portion of these signatories have committed to Caring for Climate. In China, 12 companies have committed to Caring for Climate. While this is encouraging, we need many more supporters.

Our challenge ahead of COP21 remains clear and urgent: mobilize a critical number of companies around the world to take a stance on climate change and encourage policymakers to agree on ambitious targets towards reducing greenhouse gas emissions and build long-term resilience in our communities.

To adequately combat the climate challenge, collective action at the global and local levels is a prerequisite. International organizations, local and national governments, civil society and business must all pull together.

Ladies and gentlemen,

Since 2007, through Caring for Climate, the UN Global Compact has helped to shape the relationship between businesses, investors and climate change.

Caring for Climate helps to forge stronger alliances between companies and governments to speed up the delivery of low-carbon solutions, scale up climate finance, create jobs and deliver sustainable energy systems on a massive scale.

The over 400 Caring for Climate companies today set greenhouse gas emissions reduction targets, work collaboratively with other companies and governments, and publicly report on performance annually.

I urge all business leaders here today to join Caring for Climate and to embrace climate change as a core leadership imperative within your companies.

Our goal is to significantly increase the number of signatories around the world and for hundreds of companies in China to embrace Caring for Climate.

A group of forward-thinking companies – including many from China – have demonstrated their leadership even further. For example, they have become carbon-pricing champions; increased climate resilience and investments in renewable energy and low-carbon technologies; and engaged in climate policy debates.

In the lead up to COP21, UN Global Compact is calling on companies around the world to make bold commitments to action, in particular around 4 key areas:

First: Become a Carbon Pricing Champion. Align with Caring for Climate's Business Leadership Criteria set, which include setting an internal price, advocating for carbon pricing policies, and reporting on your actions.

Second: Set time-bound corporate targets to reduce emissions. And make sure these goals are in line with climate science to meet the 2-degree pathway.

Third: Integrate adaptation into corporate strategy and operations. A holistic approach that addresses issues at the nexus of climate, water, and food and energy security is important. If the private sector begins to adapt to climate change, societal resilience across the globe will be strengthened.

Fourth: Provide timely, constructive input for governments and intergovernmental organizations to create effective climate policies. Lead with your activities – and work together with the Global Compact China Network to support local climate policies.

I count on all of you here today to champion Caring for Climate and to bring bold commitments to the Caring for Climate Business Forum taking place at COP21 in Paris on 7-8 December.

By advancing climate action and responsible corporate practices, Chinese companies can lay the foundation for a sustainable and prosperous future – here at home and around the world.

I am grateful for your enthusiasm and support for the Global Compact and Caring for Climate. I trust that you will inspire other enterprises around China to take bold climate action. The time is now.

Thank you.

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