



BSR Conference 2008 | Sustainability: Leadership Required Regulating Climate Change

Breakout Session Summary

Thursday, November 6, 2008 | 2-5 p.m.

Speakers

- **Joseph Aldy**, Fellow, Resources for the Future, and Co-Director, Harvard Project on International Climate Agreements
- **Bob Corcoran**, Vice President, Corporate Citizenship, General Electric Company
- **Leslie Black Cordes**, Director of Partnership Development for Energy and Climate, United Nations Foundation
- **Chris Tuppen**, Chief Sustainability Officer, BT Group
- **Raymond Wynn**, Manager, Corporate Environmental Affairs, Hitachi America, Ltd.
- **Eric Olson**, Vice President, Advisory Services, Business for Social Responsibility (moderator)

Highlights

- There is a clear need and opportunity for business to take a leadership role in influencing domestic and international climate change regulations.
- Domestic regulation is inevitable. Emissions need to be reduced to 2 tons of carbon per person by 2050—down from 19 tons per person in the United States.

Memorable Quotes

- “More companies have to recognize the reality—the science is absolutely irrefutable...it’s going to take collective action from government, business, and civil society.” —Bob Corcoran, General Electric Company
- “How do we turn this corner without having a Pearl Harbor of climate change?” —Chris Tuppen, BT Group
- “Climate change policy is not environmental policy; it’s fiscal policy.” —Joseph Aldy, Resources for the Future
- “If you don’t have a carbon footprint, how do you know how regulation is going to impact your company?” —Leslie Black Cordes, United Nations Foundation

Overview

The panel gave context to the session by referencing recent realizations that global warming is occurring faster than even the worst scenario projections. Tuppen introduced the 2009





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UN negotiations in Copenhagen as a critical opportunity for business to influence international regulation. Tuppen emphasized that business needs to pressure politicians to support and fund progressive international reduction targets. Cordes urged companies to support the UN development process, form coalitions with like-minded companies, and work with government to implement appropriate incentives. She added that regulating carbon in the United States will enable increased participation in global discussions.

Aldy then described the following key trends in U.S. regulation:

- States and regions are taking a leadership role by introducing auctions and binding caps, which should stimulate the design of a federal cap-and-trade platform.
- In designing a holistic federal system, key decisions will have to include reduction targets, extent of coverage, auction or allocation of free allowances, quality offsets, cost containment, and maintaining international competitiveness.

Given the current economics, Aldy predicted less ambitious goals and increasing debate on a “green stimulus package,” spurring domestic investments in climate-related infrastructure.

Wynn and Corcoran concluded the overview by highlighting their companies’ key components for an integrated climate strategy, including: developing short-term and long-term reduction plans, adopting absolute reduction targets, measuring performance, reporting, engaging employees, partnering with external groups, and working with legislators. Corcoran also emphasized the need to secure internal support for research and development investments, and to identify metrics for driving supply chain change.

Through group discussion, the following opportunities for corporate action were identified:

- Engage national and international trade associations.
- Educate national policymakers, particularly the negotiators for international policy.
- Attend UN events and learn the process.
- Learn from the strengths and weaknesses of European programs.
- Assess government programs, such as clean energy incentives and voluntary schemes.
- Measure your footprint to identify opportunities, particularly energy savings.
- Identify and prioritize opportunities to engage policymakers.
- Invest in internal education on climate change concepts, including developing a common language so individuals can take a position.
- Educate customers and suppliers on your company position and commitment.

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This summary is also available on www.bsr.org/bsrconferences/2008/session-summaries.cfm.

