



ECONOMIC DRIVERS

Action Statement: Caring for Climate Business Leadership Criteria on Carbon Pricing

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Action Statement

Caring for Climate Business Leadership Criteria on Carbon Pricing

Context: Business Leadership on Carbon Pricing

Global momentum is building for putting a price on carbon emissions as a necessary and effective measure to tackle the climate change challenge. Approximately 40 countries and more than 20 cities, states and provinces use carbon pricing mechanisms or are preparing to implement them. A growing number of business leaders are standing up in support of a price on carbon as an effective way to incentivize low-carbon growth and lower greenhouse gas emissions that are driving climate change. Nearly 400 companies from 60 countries already call for a stable price on carbon through [Caring for Climate: UN's Business Leadership Platform on Climate Action](#). Through the Principles for Responsible Investment, a group of investors – representing USD 45 trillion in assets under management – are increasingly demanding that companies strengthen responses to the risks posed by climate change. A strong, consistent economic signal can have significant impact in shifting investment toward clean energy and low-carbon growth. Yet greater leadership is needed if we are to limit global warming to 2 degrees Celsius.

Action Plan

The [UN Global Compact](#) together with [UNEP](#) and [UNFCCC secretariat](#) and [Caring for Climate](#) strategic partners – [CDP](#), [The Climate Group](#), [UN Foundation](#) and [Principles for Responsible Investment](#) – are calling on companies to demonstrate leadership in pricing the cost of carbon emissions as a necessary and effective measure to tackle climate change. A set of [Business Leadership Criteria on Carbon Pricing](#) have been developed to inspire and challenge companies to reach the next level of climate performance and to become responsible advocates for an effective, well-functioning carbon market.

The Leadership Criteria comprise three distinct but overlapping dimensions: integrating carbon pricing into long-term strategies and investment decisions, responsible policy advocacy, and communication on progress. All three dimensions of the criteria are aligned with limiting the increase in global mean temperature to 2° C above pre-industrial levels. Consistent with the 2° C global target, companies are invited to indicate alignment with the following criteria:

1. Set an internal carbon price high enough to materially affect investment decisions to drive down greenhouse gas emissions;
2. Publicly advocate the importance of carbon pricing through policy mechanisms that take into account country specific economies and policy contexts; and
3. Communicate on progress over time on the two criteria above in public corporate reports



On the occasion of the United Nations Secretary-General's Climate Summit, nearly 30 companies have committed to become Carbon Pricing Champions by aligning with the leadership criteria.

In the lead-up to the [Caring for Climate Business Forum](#) at the 21st session of the Conference of the Parties to the UNFCCC in December 2015 in Paris, there will be numerous opportunities for early supporters of a price on carbon to demonstrate their leadership, inspire other businesses and influence policy-making.

All companies are encouraged to join the group of Carbon Pricing Champions. To align or to learn more on the Business Leadership Criteria on Carbon Pricing, visit the Caring for Climate website at <http://caringforclimate.org/workstreams/carbon-pricing/>.

On the occasion of the United Nations Secretary-General's Climate Summit, the following companies have committed to become Carbon Pricing Champions and are aligning with the Caring for Climate Business Leadership Criteria on Carbon Pricing:

- Abengoa
- Acciona
- Atmoterra
- Braskem
- BT Group
- Cálidda
- Danfoss
- Ecotierra
- EDF
- Enel
- Eskom
- Fortum
- GDF SUEZ
- Hindustan Construction Company
- IdeaCarbon
- Koninklijke Philips Electronics
- Lafarge
- NEAS Energy
- Nestlé
- Nouveau Energy Management
- Novozymes
- Sindicatum
- Sinopec
- SkyPower
- State Grid Corporation of China
- Statkraft
- Statoil
- SUEZ ENVIRONNEMENT
- Unilever
- Visão Sustentável
- Zenith Bank

*As of 19 September 2014