

# FROM POLICY TO PRIVATE SECTOR ACTION ON CLIMATE

With the U.S. setting a new national target to reduce carbon emissions, this is an especially timely moment for companies to demonstrate how they are leading on solutions to the climate crisis. There is growing public pressure on companies to take urgent, meaningful action on sustainability. We have developed this resource to help equip companies and organizations with strategies, best practices and guidelines to meet the moment on climate.

President Biden opened the Leaders Summit on Climate on Earth Day by announcing a new U.S. commitment to the Paris Climate Agreement. In the run-up to the Summit, many corporations and climate advocates had urged the administration to set the ambitious national target. More than 400 companies and asset managers, representing \$4 trillion in annual revenues and \$1 trillion in assets, signed an [open letter](#) on the eve of the Summit in support of the new 2030 target.

## SUMMIT HIGHLIGHTS

- + The U.S. will target a 50 to 52 percent reduction in carbon emissions by 2030, from 2005 levels, and put the country on a path to net-zero emissions by mid-century. The U.S. also plans to double public financing for climate and triple funding for climate adaptation in developing countries by 2024.
- + The White House did not provide a detailed road map laying out how the U.S. can achieve the emissions reductions but it did publish a [fact sheet](#) outlining some of the policy areas being considered.
- + Meeting the U.S. target will require transformative changes and major investments across every major sector of the economy, including in energy, transportation, manufacturing, buildings and agriculture. The future roadmap is expected to mandate significant changes in how the U.S. generates electricity, runs its factories, and powers cars and trucks. Transportation generates 29 percent of U.S. emissions, followed by electricity generation at 25 percent and industry at 23 percent, according to the [Environmental Protection Agency \(EPA\)](#).
- + An important theme of the Summit was the need for corporations and institutions to step up and provide the trillions in new capital, investments and research that will be required for both the U.S. and the world to meet its climate targets. Political leaders can set national climate goals, but entrepreneurs, investors, scientists and business leaders will innovate and commercialize the breakthroughs needed to meet them.
- + Launched a global alliance to bring together existing and new net-zero finance initiatives into a sector-wide strategic forum to be called the Glasgow Financial Alliance for Net Zero (GFANZ). GFANZ will work to mobilize trillions of dollars toward a zero emissions global economy and deliver on the goals of the Paris Agreement. GFANZ will be a forum for strategic coordination by finance institutions to accelerate the transition to a net-zero economy. Other coalitions to address deforestation and sustainable agriculture were also announced.



## GLOBAL ACTIONS

The administration had urged the other forty Summit participants to increase their own emissions reduction commitments. A few countries – notably Japan, the U.K. and Canada – used the Summit to announce these, but others – including India, China and Russia – did not. On the eve of the event, the EU reached a landmark law that mandates tougher emissions targets at the heart of all EU policymaking and to guide the bloc's regulations in the coming decades. Legislation will be tabled in June. The EU target would reduce net emissions at least 55 percent by the end of the decade, from 1990 levels, towards net-zero emissions by 2050.

## WHAT HAPPENS NEXT

- + **PRESIDENT BIDEN'S PROPOSED \$2.3 TRILLION INFRASTRUCTURE PACKAGE WILL BE INTEGRAL TO ACHIEVING THE 2030 U.S. EMISSIONS TARGET.** It will also be the first opportunity for the U.S. Congress to weigh in and shape the policies and revenue streams that would be required to meet the target. But climate politics remain highly polarizing in Congress, and passage of the package, and future legislation, remains uncertain.
- + **THE ADMINISTRATION NEEDS TO BUILD PUBLIC SUPPORT** for the broader initiative as well as for specific areas (such as adoption of electric vehicles) that will require business and consumer acceptance. The president did not disclose how much the U.S. would have to spend and invest to meet the 2030 target or its plans to pay for it. Some initiatives could be challenged in the courts.
- + **COMPANIES AND INDUSTRY GROUPS WILL AWAIT THE SPECIFICS OF THE ADMINISTRATION'S 2030 TARGET ROADMAP** and begin to assess its impact on their sectors and business operations. Many companies have announced their own net-zero emission targets, but few have provided detailed plans for realizing them. There will now be more pressure from Washington, as well as from investors, employees and citizens, for companies to step up and demonstrate how they will help the U.S. meet its carbon target.
- + **THE GLOBAL CLIMATE SUMMIT WAS THE FIRST IN SERIES OF MEETINGS OF WORLD LEADERS** – including the G7 and G20 summits – ahead of the annual UN COP-26 climate talks in November in Glasgow. That meeting will be the deadline for nearly 200 countries to update their climate pledges under the Paris Climate Agreement.

## HOW COMPANIES CAN LEAD

- + **CALIBRATE YOUR CLIMATE AMBITIONS.** Having a net-zero emissions plan a few years ago was noteworthy, but today it is considered table stakes. More important this year is to put in place near-term targets to reduce emissions, transition to clean energy, double down on waste and recycling initiatives, and other sustainability actions. The focus is shifting from actions within company's own operations to the global supply chain, as well as the impact of how products and services are used across their lifecycle.
- + **INVEST IN SCIENCE-BASED TARGETS.** Leading companies address sustainability goal setting from the outside-in, analyzing and calculating the amount of change they need to make to meaningfully address climate change. Targets are considered "science-based" if they are in line with the level of decarbonization required to keep global temperature increase below 2°C compared to preindustrial temperatures, as described in the Fifth Assessment Report of the Intergovernmental Panel on Climate Change (IPCC).
- + **ALIGN COMMUNICATIONS TO KEY MOMENTS.** Identify meaningful ways to align with key global milestones (i.e., Earth Day, World Environment Day) and geopolitical moments (i.e., COP26). Consider how your company's communications activities, thought leadership content and executive visibility can help shape the agenda, reinforce collective priorities and inform dialogue with stakeholders.
- + **ANTICIPATE GREATER SCRUTINY.** The unprecedented number of climate commitments and announcements are drawing more attention—and skepticism in some cases—from investors, policymakers and consumers alike. Companies that align their sustainability goals with corporate values and consistent purpose-driven principles are better equipped to speak proactively and reactively about material issues most in focus, such as reconciling net-zero ambitions with current reliance on legacy energy sources like fossil fuels.

## HOW COMPANIES CAN LEAD

- + **SHOW HOW SUSTAINABILITY IS GOOD FOR BUSINESS.** Map your strategic business priorities and commitments against the Paris Climate Agreement and UN Sustainable Development Goal targets. Be prepared to show and tell how your company's sustainability investments will improve your climate performance, unlock innovation and long-term value creation and drive better outcomes and impact for employees, customers, partners, and communities.
- + **PRIORITIZE ENVIRONMENTAL JUSTICE.** The global COVID-19 pandemic has put the intersection of equity and climate issues in the spotlight. There are examples of marginalized communities experiencing outsized impacts of a changing climate all around the world, and even more so given the backslide on global development over the past year. Increasingly, companies will be asked about how they are ensuring that low-income or disadvantaged communities are not bearing a disproportionate burden of their pollution or climate impacts – and conversely, what they are doing to empower stakeholders through their sustainability initiatives.
- + **PROMOTE CLIMATE LITERACY.** One of the themes of Earth Day this year was to promote global climate literacy on the issues and solutions. Companies can help educate their workforces, suppliers and customers on the urgency for collective action as well as call for sound public policies that will drive change. Companies should consider ways to promote civic education of their stakeholders so they can engage in the climate challenge in a more meaningful way.

## FOR MORE INFORMATION, PLEASE CONTACT:

**PAUL MASSEY**

**President, Powell Tate and  
Global Lead, Social Impact,**  
Weber Shandwick  
[pmassey@webershandwick.com](mailto:pmassey@webershandwick.com)

**JIM MESZAROS**

**Executive Vice President,**  
International Public Affairs  
[jmeszaros@webershandwick.com](mailto:jmeszaros@webershandwick.com)

**VICTORIA BAXTER**

**Executive Vice President,**  
Social Impact  
[vbaxter@webershandwick.com](mailto:vbaxter@webershandwick.com)

**MELANIE JANIN**

**Executive Vice President,**  
Social Impact  
[mjanin@webershandwick.com](mailto:mjanin@webershandwick.com)

**LAURA TAPPER**

**Executive Vice President,**  
Sustainability  
[ltapper@webershandwick.com](mailto:ltapper@webershandwick.com)

**ANNACHIARA TORCIANO**

**Senior Vice President,**  
Sustainability  
[annachiara.torciano@primegroup.com](mailto:annachiara.torciano@primegroup.com)

