



## **Asia Business Council Statement on Climate Action and Sustainable Growth**

### **Our Mission**

We, the undersigned, as members of the Asia Business Council and Chairpersons and CEOs of leading companies headquartered or with significant operations in Asia, recognize that climate change and nature loss pose an existential threat to current and future generations and put the region's continued economic growth and competitiveness at risk. We therefore seek to be a collective voice in support of the private sector's role in building a more sustainable future for Asia. We recognize that the strategic and financing decisions we make have repercussions beyond the bounds of our organizations, and far into the future.

As the COP26 climate conference in Glasgow has brought the role of the private sector to the fore, our shared vision is to align our business decisions with global climate and sustainability goals while striving to also generate economic growth and provide good jobs and livelihoods for people in our communities.

### **Our Context**

Asia faces particular challenges in climate adaptation and mitigation as well as nature loss, and some Asian economies lack the resources to adequately respond to these challenges. If greenhouse gas emissions (GHG) continue unmitigated, hundreds of millions of people in Asia will be vulnerable to the health, economic, and social effects of climate change. Environmental damage and ecosystem erosion further exacerbate these effects. Asia accounts for over half of annual GHG emissions, making it key to the global effort to address climate change.

This will not be easy because many in Asia are still trying to achieve a better standard of living. Asia Business Council members represent a range of industries and economies. We are all at different stages of our journey toward sustainability and decarbonization. We recognize that we must balance climate considerations with the need for continued growth and development in Asia, ensuring progress toward the United Nations Sustainable Development Goals, and meeting the shifting needs and expectations of stakeholders. As transition plans are defined at the economy and industry levels, we must work to ensure that the benefits of the transition are shared widely. The private sector can also enable innovation, in areas such as renewable energy and distributed energy systems, clean technologies, circular economy models, and other emerging solutions. This would help Asia leapfrog to a new model of economic growth that is more sustainable and inclusive.

### **Our Commitment**

We, the undersigned, support the Intergovernmental Panel on Climate Change's (IPCC) scientific guidance, as well as the target of holding the increase in the global average temperature well below 2°C above pre-industrial levels and pursuing efforts to limit warming to 1.5°C above pre-industrial levels, as set out in the Paris agreement.<sup>1</sup> Furthermore, we support the Convention on Biological Diversity's goal of stabilizing the trends that have exacerbated biodiversity loss by 2030, thus allowing for the recovery of natural ecosystems with net improvements by 2050. We support related initiatives, such as the Glasgow Declaration on Forest and Land Use. We pledge to make GHG emission reductions consistent

with our home economies’ nationally determined contributions, and to set more ambitious targets where possible. We also pledge to work toward business models that safeguard nature and manage natural resources sustainably, through actions such as those detailed in “Our Multi-pronged Approach,” below.<sup>3</sup> We recognize that investment in decarbonization is essential for sustainable development and growth and that developing countries’ ambitions depend on support—including financial resources, technology transfer, and capacity building—from developed countries. Global financial commitments for the transition are growing, as demonstrated by initiatives such as the Glasgow Financial Alliance for Net Zero, whose members are positioning their portfolios to support low-carbon growth.

Governments, businesses, and civil society all play important roles. By working together, such as through public-private partnerships, governments and businesses can more effectively address investment hurdles and increase public awareness of the need to transition to lower-carbon growth models. Achieving these goals will require transforming our economic systems—particularly our energy and production systems—and aligning our businesses with our economies’ decarbonization roadmaps. We pledge to take a human-centered approach, understanding that healthy environments and climate-resilient economies ultimately mean better lives for those in our communities. This transition will lead to new opportunities in the low-carbon and circular economy for businesses across Asia. We commit to model best practices in sustainable growth, and advocate for Asia to have a greater voice in global discussions on climate and sustainability.

### **Our Multi-pronged Approach**

We commit to a multi-pronged approach to climate action and sustainable growth for Asia. This includes:

- (1) Drawing up concrete pathways to net zero, in line with the latest scientific evidence and related targets/recommendations and consistent with our organizational commitments, as well as safeguarding nature through our business decisions;
- (2) Working toward effective climate and sustainability governance on our boards, including ensuring transparency and accountability through enhanced climate- and nature-related financial disclosures in line with relevant global standards;
- (3) Leveraging private capital, consistent with our business focus, to accelerate sustainable finance to deliver mitigation and adaptation outcomes as well as climate and natural capital solutions;
- (4) Contributing to innovation to address the technological challenges posed by climate change adaptation and mitigation, as well as nature loss.

### **Call for Government Action**

Finally, we call on governments around Asia to put economies on a trajectory to meet Paris agreement goals by working towards net-zero targets in their nationally determined contributions. To meet these targets, we urge governments to provide clear and predictable regulatory regimes and decarbonization roadmaps.<sup>4</sup> Policies that incorporate market-based solutions can drive innovation and provide incentives for decarbonization and the protection of ecosystems. Where possible, developed countries should provide technology transfer and financing support to developing countries to make needed

investments in climate adaptation and mitigation, and in conservation and sustainable infrastructure. Greater cross-border coordination is needed in Asia.

Governments should focus on climate resilience policies to prepare economies for the adverse impacts of climate change and nature loss. To ensure a just transition, support should be extended to individuals, local communities, and industries that are affected.

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<sup>1</sup> <https://www.ipcc.ch/sr15/>

<sup>2</sup> [https://unfccc.int/sites/default/files/english\\_paris\\_agreement.pdf](https://unfccc.int/sites/default/files/english_paris_agreement.pdf)

<sup>3</sup> <https://www.un.org/sustainabledevelopment/blog/2016/04/parisagreementsingatures/>

<sup>4</sup> <https://ddpinitiative.org/about/#section1>