

The critical role of business in delivering the Glasgow Climate Pact and making progress ahead of COP27

Thank you for your kind introduction.

And thank you to the CBI for organising this important event to discuss how business can lead the transition to net zero.

I have spoken at this Conference before when I was doing this role as COP President-Designate,

But at that point we had a virtual audience.

So, I think it is absolutely wonderful that we are in-person and able to have these conversations face to face.

And I want to give a huge thank you to all the corporates who supported COP26, particularly our principal sponsors and other supporters who are here today as well.

Now friends, it is just over six months since COP26, where, working with partners around the world and under the UK's stewardship, nearly 200 countries agreed the historic Glasgow Climate Pact.

And that Pact forged a path to a clean global future, and it kept alive the possibility of limiting the average rise in global temperatures to 1.5 degrees above pre-industrial levels.

I want to thank all of you who were there, and many of you I know in this room were there, alongside us on the banks of the Clyde,

And of course this was one of the first COPs where we had a huge amount of representation from the business community as well.

And I hope that's something that continues at future COPs.

I want to thank you for all of the commitments you have made as individual businesses and for all of the work you did to push us, as governments, to go further.

Now in recent months, the world has changed.

The clouds have darkened over the international landscape.

With Putin's illegal and brutal invasion of Ukraine, war has returned to Europe.

The tectonic plates within our geopolitics have shifted and continue to

shift.

We also know that inflation is spiking around the world.

We see debt mounting.

We see energy prices are rising.

And globally, people are struggling to feed their families, all as we continue to deal with the effects of the pandemic.

So what I would say to you is that in short, and the framing of this conference recognises this point, we are meeting against the backdrop of global crisis and geopolitical turmoil.

And yet the current crises should increase, not diminish, our determination to deliver on the commitments that we collectively made in Glasgow.

And I would argue that the evidence for action is unequivocal.

Many of you will have seen the recent reports that have come out from the Intergovernmental Panel on Climate Change, the UN's intergovernmental body on climate change, and that has made clear that the window of time we have left to act is closing.

And frankly it is closing fast.

Inaction, or delayed action, will create immense additional risks and costs.

Now I know that everyone here avidly reads reports put out by the OBR, and you will have seen last year a risk report that they put which projected that unchecked climate change could lead to public debt reaching a staggering 289 percent of GDP by the end of the century.

Just think about that.

And as the science has become starker, the risks have become clearer, and the calls to action have grown louder, the opportunities presented by tackling climate change are increasingly evident.

And I think that the fact that you are all here suggests that you agree with this proposition.

Now I would argue that net zero is one of the clearest economic trends there has ever been.

It is frankly vast in scope, encompasses every country and – I think you are representative of this – it encompasses every sector.

And it does represent a big economic opportunity.

I see this in the conversations that I have.

It is being seized by companies, by countries, and financial institutions, of

course in the United Kingdom and indeed around the world.

Each recognising that net zero is about delivering an economic as well as an environmental dividend.

Now some of you will recall our Ten Point Plan for a Green Industrial Revolution, which we put out at the end of 2020. We launched this when I was Business Secretary.

More recently of course we have had our Net Zero Strategy and our recent Energy Security Strategy,

And all of this together is aimed at mobilising tens of billions of pounds of private sector investment by 2030 into our economy, and of course supporting hundreds of thousands of green jobs.

So that is the domestic pitch.

But what you're also seeing around the world, the IEA, the International Energy Agency has estimated that about 30 million new workers are needed by 2030 to meet increased demand in the clean economy.

And the ILO, the International Labour Organisation has projected that some sectors could see four times more jobs created than are lost.

So, I am really pleased that the CBI has brought this group together today to discuss exactly how we can pick up the pace on the road to net zero.

And my core message to you is actually pretty simple.

If we are going to deliver the Glasgow Climate Pact,

if we are to seize the opportunities and avoid the costs I've mentioned, the role of business is going to be absolutely critical.

We need the innovation, the influence, and the energy of the private sector.

We need changes across the breadth of our economy.

We need action from companies, to keep up the pressure and encourage action from governments around the world.

And, frankly, the direction of travel is already clear.

So when the UK took on the mantle of organising COP26 Presidency, less than 30 percent of the global economy was covered by a net zero target.

By the time we got to COP26 it was over 90 percent.

And you will see this in terms of the commitments made by financial institutions to go to net zero.

Here in the UK 60 percent of UK FTSE100 companies are now committed to net zero as well.

And I hope you will agree me, we are transitioning to a clean, green future, with enormous opportunities for those on the front foot, and risks I am afraid for those who are not.

Now you all recognise this here, and many of you will have signed up to the UN Race to Zero campaign.

We had 5,000 international companies committing by COP26 to net zero by 2050 or earlier.

Since COP26 that momentum has continued, we have got another 2,000 companies.

This is about not committing to some vague aspiration at some distant point in the future, but to clear, science-based transition plans.

We can go further, we can push with the push with the purchasing and investment power that you have to can drive change – by switching to clean power, and swapping polluting vehicles for clean vehicles.

And of course you can work with your trade associations and your supply chains, in the UK and overseas, to make sustainability part and parcel of doing business.

What I would say to you is that we will collectively work together, governments and business on the road to COP27 in less than six months.

By the time we get there we are going to have to show that the commitments we made are leading to action.

Because the reality is that just as we hold ourselves to account.

Our populations will do the same.

And future generations will ask whether we indeed collectively rise to the challenge.

And I have to say to you friends.

We have to for the future of our planet.

Thank you.