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BRINGING DOWN THE TEMPERATURE

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Governments have signed the Paris Agreement to address climate change. Businesses and individuals can play their part to keep the momentum going

The effects of climate change are now being felt more acutely on the skin – the US National Oceanic and Atmospheric Administration reported April 2016 as the hottest month in modern history that broke global heat records for the 12th consecutive month.

Other effects are evident. On May 21, 2016, Cyclone Roanu hit Sri Lanka as rain and floods claimed 92 lives and displaced more than 200,000 people in Colombo. The cyclone went on to batter southern Bangladesh, damaging more than 80,000 homes, Disaster Management Department head Reaz Ahmed told AFP. In 2013, typhoon Haiyan claimed at least 6,000 lives in the Philippines.

What would these effects of climate change amount to? According to a new United Nations Environment report released in May 2016, the cost of adapting to climate change in developing countries could rise to between US\$280 billion and US\$500 billion per year by 2050, a figure that is four to five times greater than previous estimates.

COUNTRIES UNITE

As a commitment to address climate change, 175 world leaders signed the Paris Agreement at United Nations (UN) Headquarters in New York, US on April 22, 2016. UN Secretary-General Ban Ki-moon said it was a “historic day... This is by far the largest number of countries ever to sign an international agreement on a single day.”

Adopted in Paris, France by the 196 Parties to the UN Framework Convention on Climate Change at a conference known as COP21 in December 2015, the Agreement’s objective is to limit global temperature rise to well below 2°C by 2100, and to strive for 1.5°C.

“For the first time we have a universal, legal binding and ambitious agreement that has been signed. And certainly it is going to make a difference. It is a milestone. It is a landmark. And this is going to be a very long journey,” says **Benjamin Dubertret**, Ambassador of France to Singapore.

He was speaking as part of a four-member panel on the topic *Climate Change and the Global Economy* held in May 2016. The panel session was recorded live for Singapore’s national news and current affairs programme Channel NewsAsia Perspectives.

“So what I think is going to change is the way people [and businesses] relate to climate change. At the World Economic Forum in Davos held last January [and] for the first time, climate change was highlighted as the top number one risk for businesses worldwide,” said Dubertret.

Besides business risks, he listed other risks associated with climate change, such as physical (natural disasters like hurricanes and floods), reputation, liabilities and of transition.

“Businesses realise that not making the transition to heal the world actually means more risks, less financial support and ultimately less profit,” he said.

Another panellist, **Ann Florini**, Professor of Public Policy and Academic Director of Master of Tri-Sector Collaboration Programme, Singapore Management University said the Paris Agreement steers people in the same direction for the future.

“What the French government did so brilliantly was to capitalise on the number of business actors, government actors and civil society actors who were independently trying to figure out how to make the transition that we know we need to make, and how we set up financial mechanisms that make sense for businesses to be going on to this direction,” she said.

“And if we put all of these different actors together, we discover that there are thousands upon thousands of initiatives taking place. We are creating platforms for all of these initiatives to come together. That’s what we should be building on. It is just the beginning.”

MAKING THE TRANSITION, CORPORATELY

With more funds going into renewable energy solutions as the fossil fuel industry faces the impending possibility of “being stranded with resources”, Florini said “fossil fuel companies need to stop being fossil fuel companies.”

“There is a Dutch company, called DSM, which originally stood for Dutch State Mining, because it was a coal company. It is now one of the most enlightened life sciences company and one of the strongest actors in sustainability. It did that kind of transition last century. It can be done. Businesses have to realise that they have to make some fundamental transformation.”

One of the ways to embrace sustainability and advocate measures to address climate change is to have such values ingrained in every staff and management, as exemplified in Unilever.

“We do not have a sustainability function in the company because it is embedded in the business – within finance, HR, R&D, marketing and different parts of the business. They have sustainability programmes embedded within parts of the business,” panellist **David Kiu** said in response to a question on whether Unilever has a department that advocates sustainability. He is the company’s Vice President, Global Sustainable Business and Communications.

THE POWER OF ONE

The company sees itself as a contributor to the society and believes businesses can be part of the solution to climate change. “The price of inaction [toward climate change] is much higher than the cost of action. [Businesses] need to move from the mindset of being negative to optimistic, look for growth and innovation through climate change and on ways for greater technologies,” said Kiu.

“Last year, we found that our sustainable living brands such as Ben & Jerry’s are our fastest growing brands. Consumers of these brands know that they are doing the right things and are expecting that. We have never been in a time when the individual has so much power in the palm of his/her hand. You have the power as the voice of a consumer to ask things about the brands that you buy and demand things from the companies you expect,” he told the live audience at SMU Labs, where the recording was done.

Siddarth Das, Executive Director, WWF Earth Hour Global agreed: “From WWF’s perspective, we see that climate change is no longer a distant topic. People can see the effects a lot more so that they are willing to act on it a lot more. The argument of climate change is going to affect your children and their children.”

“People are open to change, especially the younger generation, the 14- to 24-year-olds coming out from this part of the world, Latin America and the Middle East. They actually want to know more about what’s happening.”

Citizens can affect government policies, Florini added.

“You are a consumer with your own personal consumption choice. You are citizens of a government. You need to be engaging your government...and getting that government to act. Engage your friends and family. See yourself as a source of action, not simply as a recipient of information,” she said.

“The reason that we are having the kind of momentum that we are getting is simply because there have been hundreds of thousands of people who have seen themselves as having the personal responsibility to act, and no matter what role that they are in. This is the idea that individuals can make the difference. You can be part of the momentum.”

Benjamin Dubertret, Ann Florini, David Kiu, and Siddarth Das were part of a discussion panel, “Climate Change and the Global Economy” for the SMU-Channel NewsAsia programme Perspectives that was recorded at SMU Labs at Singapore Management University.