



PERSPECTIVES



by **Rinaldo S. Brutoco**

Rinaldo S. Brutoco is the Founding President and CEO of the Santa Barbara-based World Business Academy and co-founder of JUST Capital. He's a serial entrepreneur, executive, author, radio host, and futurist who's published on the role of business in relation to pressing moral, environmental, and social concerns for over 35 years.

Business Leadership and the Paris Accords *Economically Motivated Environmentalism*

November fourth was an incredibly important day. Not just because a Biden victory was so uncertain and the tension in the air was thick enough to cut with a knife, but also because it was the day the USA formally ended its participation in the Paris Climate Accords. This marked the end of the mandatory one year waiting period that President Trump triggered last year. President-elect Biden has already declared his commitment to rejoin the Paris Accords on Inauguration Day, so why am I writing about them? Two words: Climate Change.

Make no mistake about it, rejoining the Paris Accords is an incredibly important symbolic and substantive development. No doubt it will help re-align US government policy decisions with every other major political institution in the world. The Accords were meant to be a beginning, not an end. A small step in an attempt to slow, perhaps reverse, humanity's slide beyond the 1.5 to 2.0-degree Celsius temperature rise. The real work lies beyond a consensus view that something must be done. There is absolutely no believable path towards achieving that slowing for the foreseeable future, let alone accomplishing a meaningful reduction in atmospheric heating. That can only occur if a much larger force than nation state politics can be brought to bear. Well, there is only one force more powerful than nation states and that is international business. Fortunately, the international business community is already fully committed to stopping climate change.

Many people are not aware that the Paris Accords were originally promoted by major players in international business. People like Paul Polman, then CEO of Unilever, actively worked the diplomatic corridors with a host of other senior executives from many countries. Why did they do it? Simple: they knew that climate change is incredibly bad for business. You can't sell much of anything in the midst of a raging West Coast forest fire, nor make big business profits when the entire Gulf Coast is constantly cleaning up after another hurricane, and the Midwest is under flood waters. No, human civilization cannot possibly prosper in the face of a rapidly declining environment. Worse than that, as the Pentagon, virtually all major Western nations, and all major corporations realize, the scientists are correct when they say we have only nine years to turn this around. Frankly, I think that estimate is woefully optimistic.

Where do we stand right now? There is good news and bad news. Remember, most thoughtful observers and scientists believe that any CO₂ count over 350 parts per million ("ppm") is not sustainable for human civilization over the long haul. Also remember the more CO₂, the hotter the atmosphere, which in turns heats the oceans, which in turn raises greenhouse gas concentrations beyond a survivable level as massive releases of methane from permafrost and the ocean floors create more heat than CO₂ at present. The World Business Academy has been studying climate change for 15 years and has published extensively on the subject, including a recent white paper entitled "The Methane Accelerator," describing in precise detail how deadly serious the global situation is.

Here's some "good" news; although we've peaked as high as 418 ppm this year and are hovering around the very high number of 415 at present, carbon emissions slowed in 2020. The "bad" news is that the only reason atmospheric CO₂ isn't exploding into higher concentrations, is that the global economy has gone into recession from the Covid-19 pandemic. Once the economy starts to pick up as Covid begins to be contained, we will simultaneously experience a commensurate increase of CO₂.

The business community knows that all of our major global economic systems will collapse as CO₂ concentrations rise. It's not a political issue, it's an economic one. It's the reason business leaders are predominantly in the camp of those who believe we must reverse climate change. Apart from our direct experiences of climate change's devastation here in the USA, the effects of it are even more destabilizing in Africa, Asia and Latin America. Not to mention the incredible ecosystem destruction that is occurring every minute in the Arctic and Antarctic. Taken together, the trajectory we are on now is an accelerating "train" of destruction that is racing pell-mell towards the end of human civilization.

Ask yourself how successful business will be, any business, when the fires burn over 4 million acres per year in one western state alone (that's the California total for 2020 and the season isn't over yet), and when the flood waters encroach on 25 percent of Bangladesh land area (as it did this year), or the African deserts grow by 10-15 percent as they have for several years now. As Thomas L. Freidman rightly pointed out, the Arab Spring and resulting decade of unrest since then really started over water scarcity due to climate change. The millions of refugees who have destabilized Europe are mostly fleeing that encroaching desert and the war lords who are taking advantage of the situation.

Business does not prosper in such conditions. Business, like society, withers in such conditions. Individual companies and industries are rapidly adapting to the changing climate even as they innovate ways to avoid the worst climate effects—for now.

The question is, can international business stimulate enough change amongst its own membership, and enough political pressure on elected officials, to slow and ultimately stop climate change? We just don't know. Business knows what to do and is definitely motivated to lead the charge to solve this global dilemma. Will it be enough or "too little too late"? Only time will tell. In future columns, I'll provide concrete examples of the specific ways individual companies are addressing this crisis. And, in the meantime, for those interested in what business has already done, we urge you to go to the JUST Capital website and see the rankings of the 1,000 largest public corporations in the USA to learn which ones are leading, and how. You'll be glad you did.