

BUSINESS STATEMENT WELCOMING PROGRESS ON THE PARIS ‘RULEBOOK’

This statement was developed by the Center for Climate and Energy Solutions (C2ES) and is supported by the companies listed below.

As companies committed to addressing climate change, we welcome the decisions reached by governments at COP 24 in Katowice, Poland, to implement the Paris Agreement, and we strongly urge governments to finalize the Agreement’s market-related provisions next year at COP 25.

The Paris Agreement is a landmark achievement – it establishes an inclusive, pragmatic and durable framework for progressively strengthening efforts globally to address the causes and consequences of climate change.

The recent Special Report of the Intergovernmental Panel on Climate Change underscores the growing environmental, social, economic, and security risks posed by climate change. As businesses concerned about the well-being of our customers, our communities, our investors, and our planet, we are committed to working on our own and in partnership with governments to mobilize the technology, investment and innovation needed to transition to a sustainable carbon-neutral economy.

We have welcomed the Paris Agreement as an expression of the strong governmental leadership needed to achieve this transition. Once all the implementing guidelines are in place, the Agreement will help to facilitate and strengthen the role of the private sector in this transition by:

- **Providing Long-Term Direction** – The goals of keeping warming well below 2°C, peaking global emissions, and achieving net greenhouse gas neutrality signal markets to shift investment toward the diverse range of technologies needed to achieve them.
- **Promoting Transparency** – By requiring countries to be transparent about their policy intentions and implementation, the agreement provides greater clarity on policy landscapes, enabling companies to better anticipate regulatory developments and economic opportunities.
- **Addressing Competitiveness** – Global participation and the regular, simultaneous renewal of national contributions will promote a greater comparability of effort, helping to ease concerns about potential carbon leakage and competitive imbalances.
- **Facilitating Carbon Pricing** – Allowing, and ensuring the environmental integrity of, international emissions trading will help facilitate the growth and credibility of carbon markets, a critical tool for cost-effective emissions reduction.

In translating the broad provisions of the Agreement into concrete guidelines, the “rulebook” decisions adopted in Katowice provide governments most of the guidance they need, individually and collectively, to implement the Agreement. The major shortcoming was the inability to finalize the guidance needed to implement the market-related provisions of Article 6, which are critical to mobilizing private sector investment. We strongly urge governments to finalize this guidance, as promised, at COP 25.

The Paris Agreement will be most effective with all countries remaining on board. We welcome the decisions in Katowice as a further signal of government leadership toward a carbon-neutral economy and urge all governments to ensure the Agreement is now fully implemented. We look forward to working with countries to achieve and to strengthen their national contributions.

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