

Climate Change Policies & MNE Strategies

Prof. Hinrich Voss

Leeds University Business School, University of Leeds



Content

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State of Global Climate

- Carbon dioxide exceeds 400.0 part per million
- Global warming 1.1 Celsius higher than pre-industrial period
- Global sea-ice extent dropped more than 4 million km² below average
- Global sea levels rose strongly during the 2015/2016

Climate Change Policies

- European level
 - Kyoto, 1998
 - Paris, 2015
 - 20:20:20
 - Reduce greenhouse gas emissions by at least 40% by 2030 compared to 1990

Source: *EU Commission (2016)*



Climate Change Policies

- National level, example UK
 - Reduce greenhouse gas emissions by at least 80% by 2050 compared to 1990
 - Carbon budget with legal restrictions to emissions
 - National adaptation programme

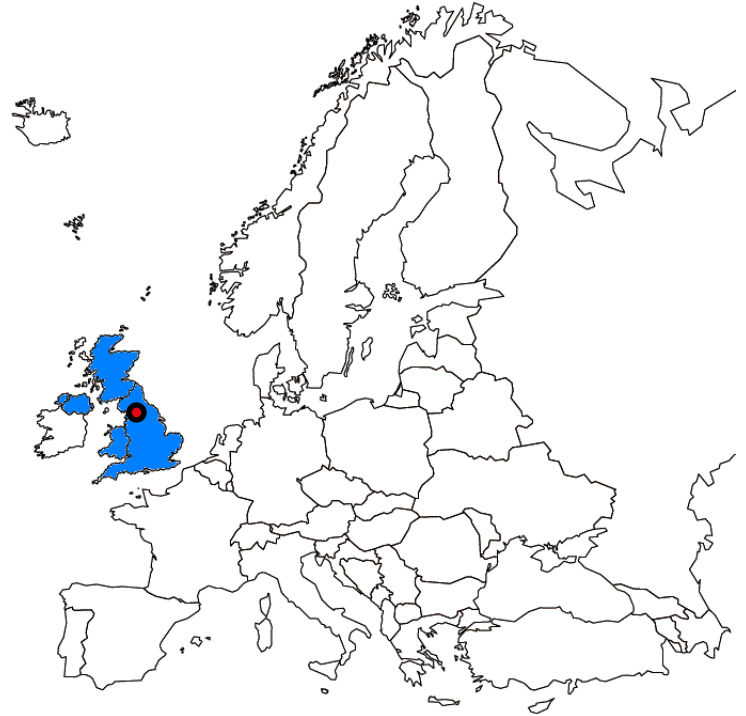
Source: CCC (n.d.)



Climate Change Policies

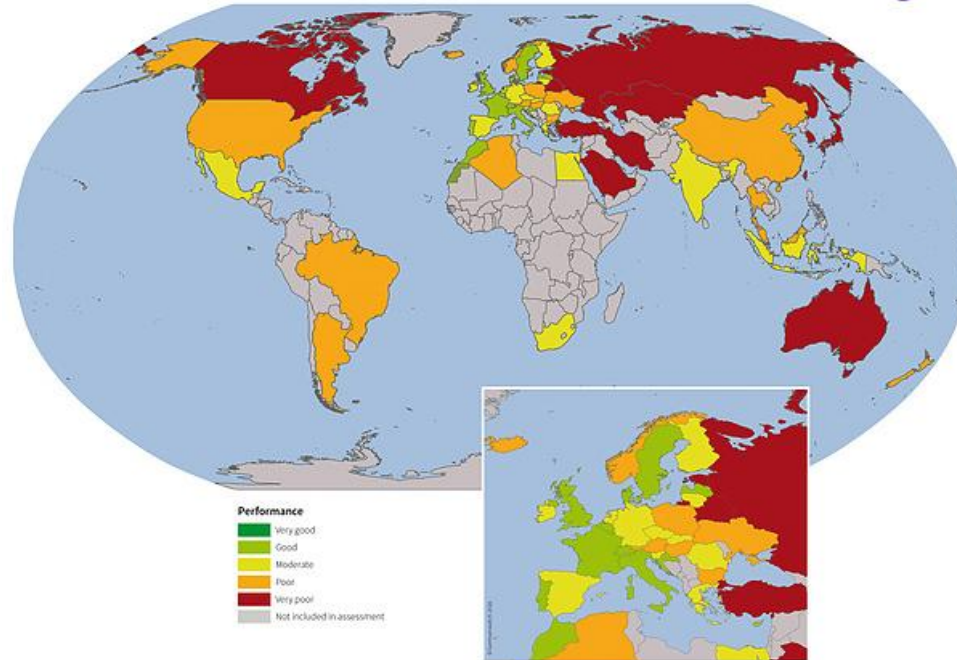
- City level, example Leeds
 - Reducing CO2 emissions by 80% by 2050
 - 33% of emissions from commercial and industrial sector
 - Low carbon advice and services
 - Financing transition
 - Climate Innovation District in Leeds

Source: *Leeds (2012, 2016)*



Climate Change Policies

CCPI 2017 • World Map



Source: *Germanwatch & Can (2017)*

Visualisation

“The incident inspired me to think about our business model and how it interacts with the environment. The more I thought about it, the more I wanted to know about what's happening to the environment, climate change and everything.”



Jack Ma
Alibaba

Source: *Bedford (2009)*

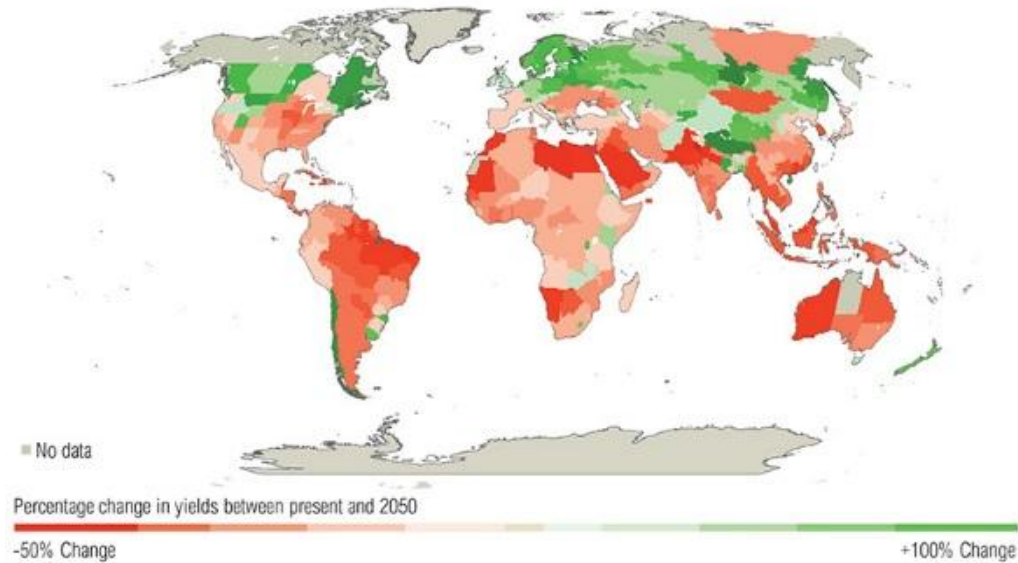
Visualisation



Visualisation

Coffee

Most studies now project adverse impacts on crop yields due to climate change (3°C warmer world)



Source: ECF (2016a, b); World Resource Institute (2013)

Visualisation

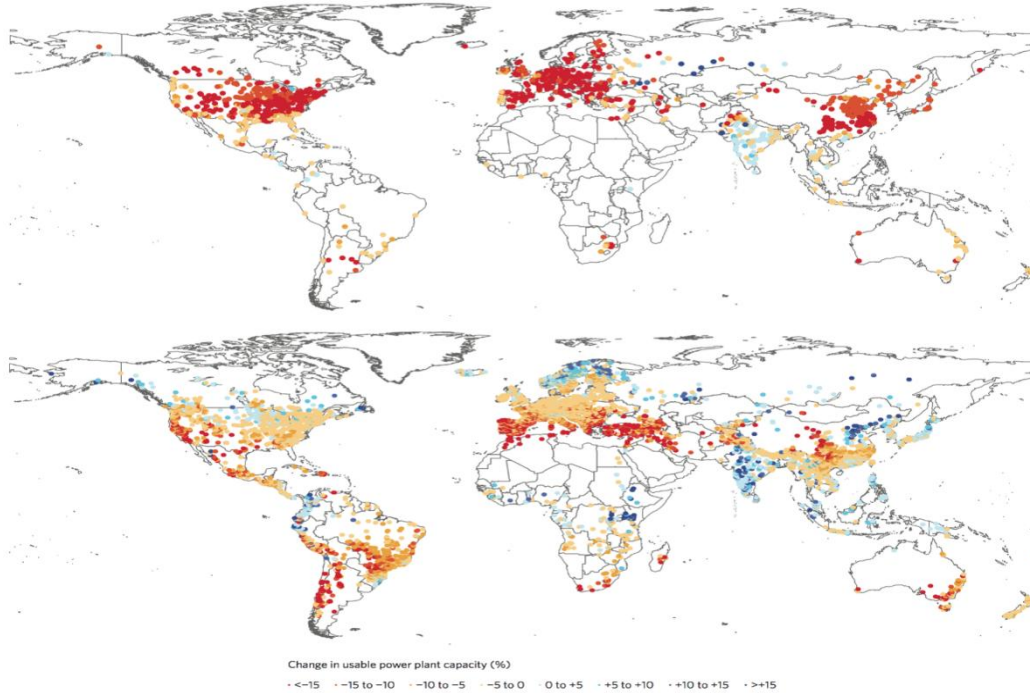
Wine

Lerkekåsa Vineyard,
Gvarv, Norway



Visualisation

Electricity Production



Source: *van Vliet et al. (2016)*

Visualisation

“I’ve had conversations with CEOs of major corporates in Europe and they just say, ‘It’s not real, it’s not something I should be bothered about’.”



Katherine Garrett-Cox
Alliance Trust

Source: *Howard (2016)*

Internalisation

“You can campaign and create awareness but phones aren’t going to go away. If people don’t have an alternative then campaigning doesn’t really make sense.”



Tessa Wernink
Fairphone

Source: *Ethical Consumer* (2013)

Internalisation

- Capabilities
- Competencies
- Cognition
- Headquarter – subsidiary relationship

Internalisation

“[...] It led to us cleaning up our supply chain as much we possibly could. Every time we learned we were doing something wrong, we changed it.”



Yvon Chouinard
Patagonia

Source: *climate one* (2016)

Vision

“When I came here, this company had done everything you can think of. But we were only 10 per cent sustainable. Now we’re 65 per cent sustainable.”



Paul Polman
Unilever

Source: Skapinker & Daneshkhu (2016)

Vision

- Industrial leaders

- Role model

Vision

Based on the strong belief that project development and construction can make a major contribution to a more sustainable world, Skanska is committed to proactive environmental management at all levels from local to global. [...] Since line management is responsible for our environmental performance, it is integrated into core business processes and plans



Johan Karlström
Skanska

Climate Change Strategies

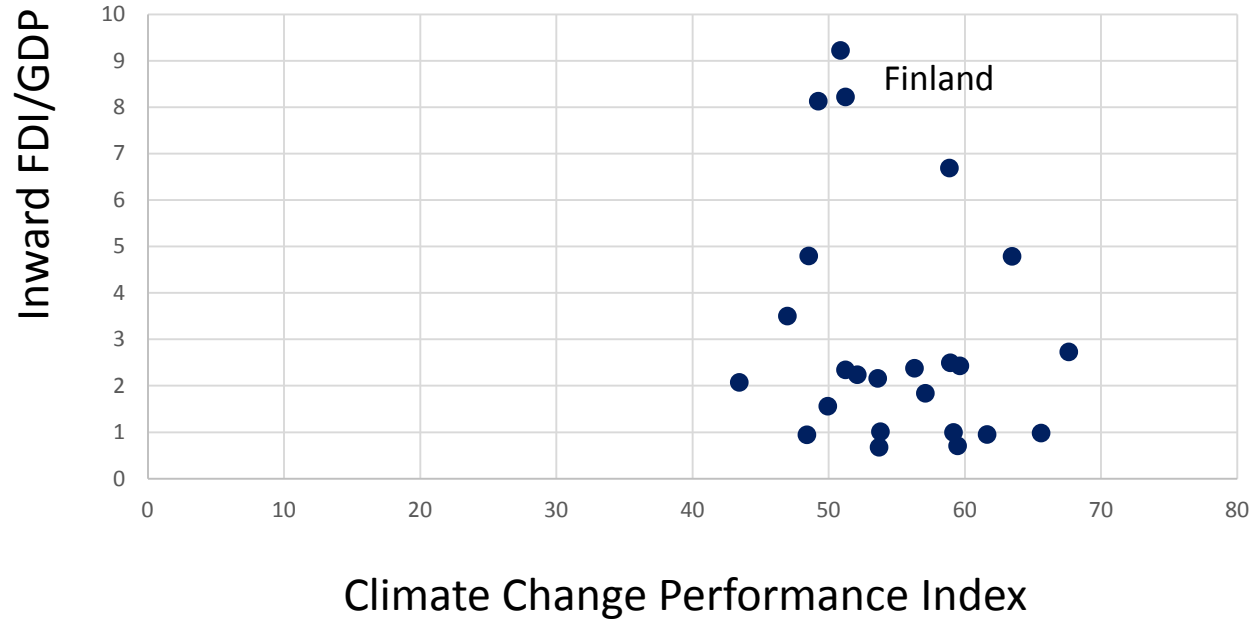
- Evolution
 - Aim: Business as usual
- Transformation
 - Aim: Changing existing core competencies
 - Source: HQ or overseas subsidiary
- Substitution
 - Aim: Replacing existing core competencies
 - Source: HQ or overseas subsidiary

Source: Kolk & Pinkse (2008)

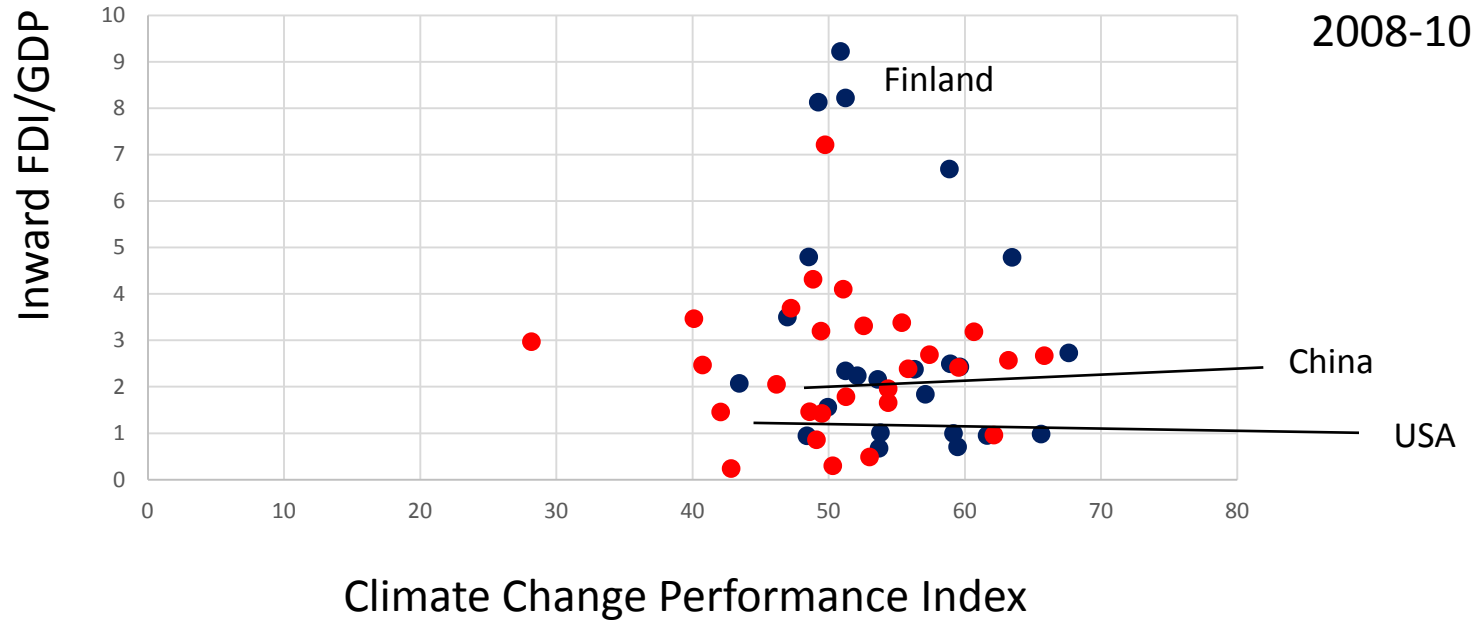
Implications for the EU

- Policies are necessary but not sufficient
- Address cognitive biases on climate change
- Empower overseas subsidiaries to engage with and address climate change
- Identify locally, and globally, scalable solutions

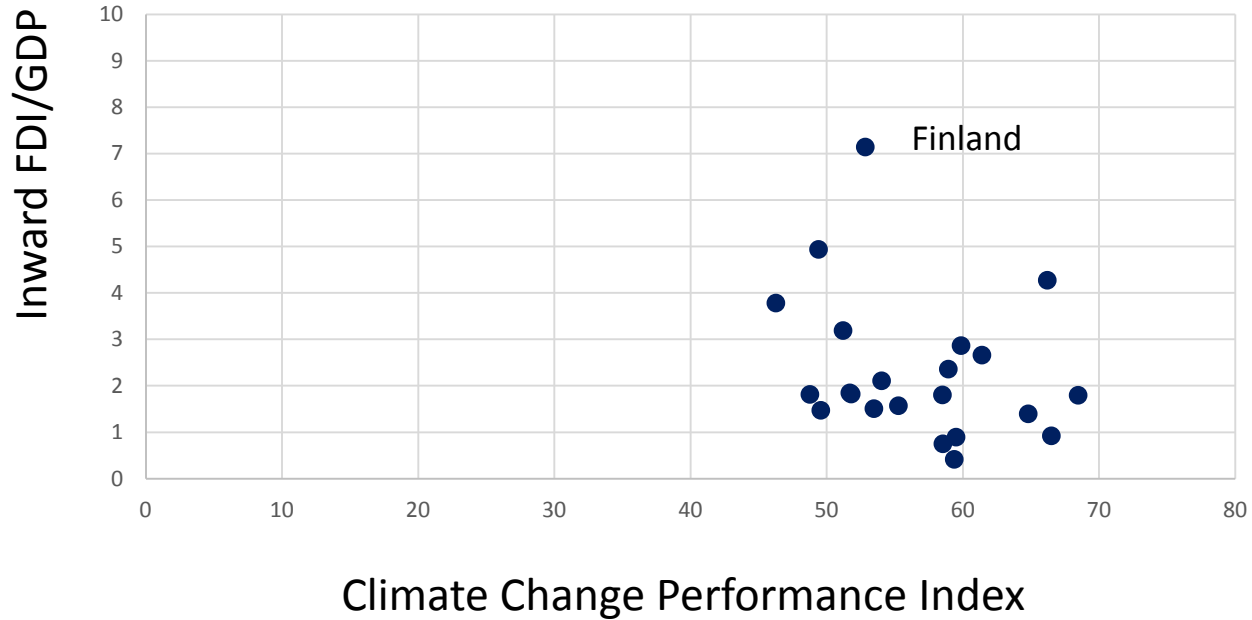
Implications for the EU



Implications for the EU

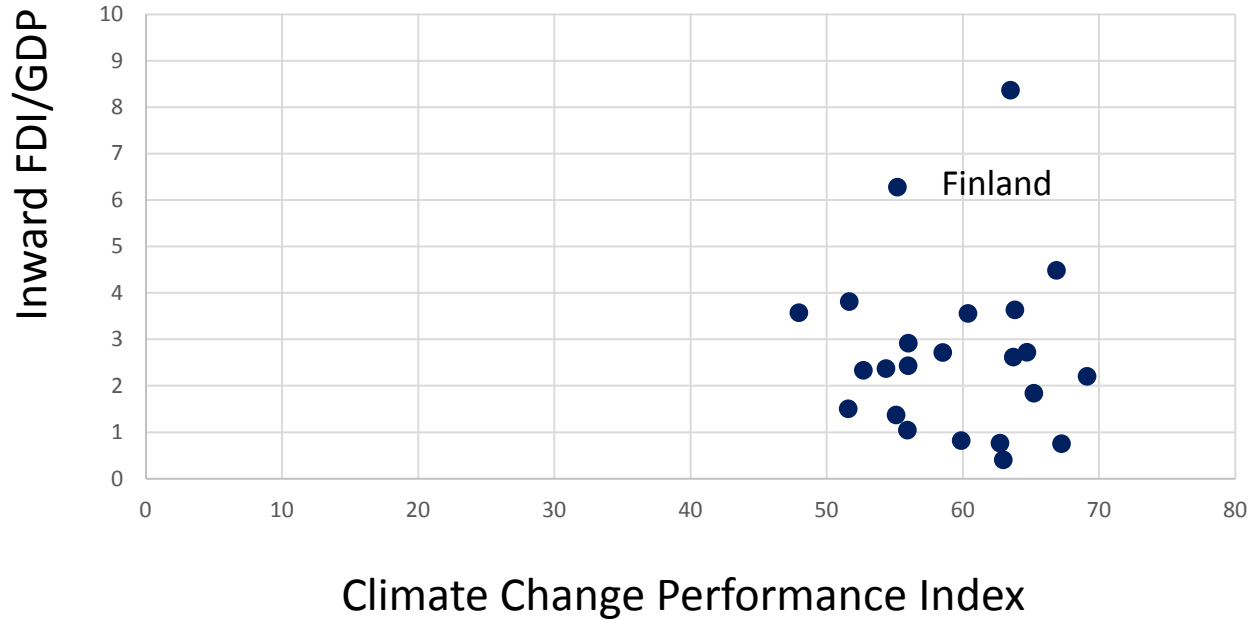


Implications for the EU



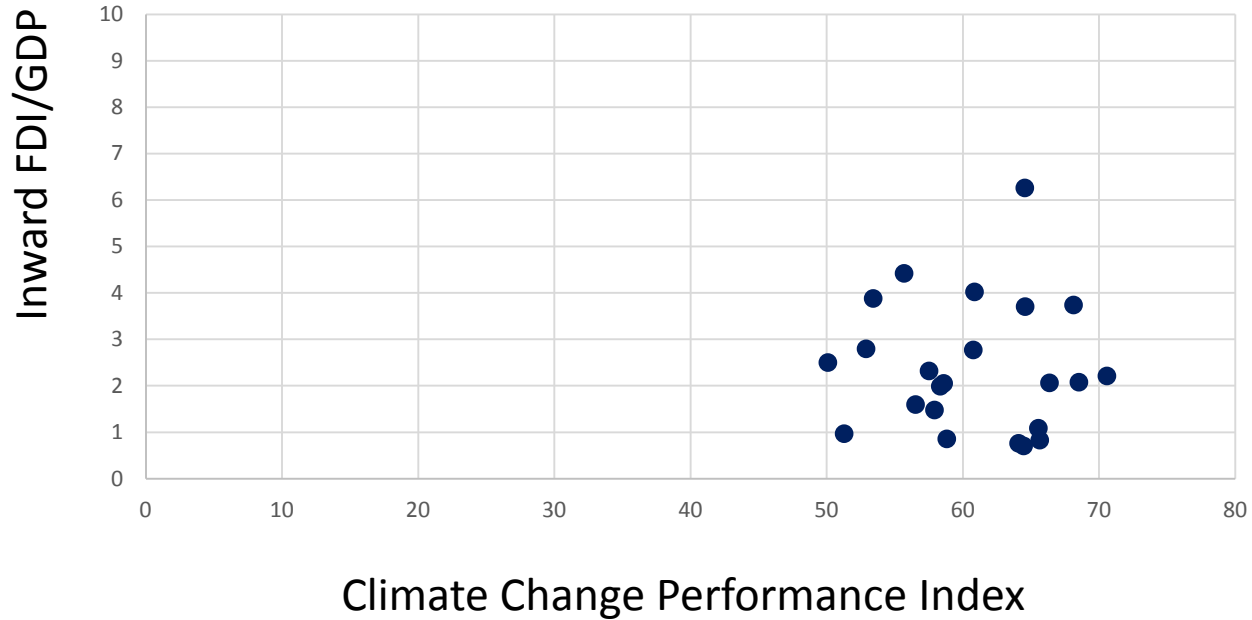
2009-11

Implications for the EU

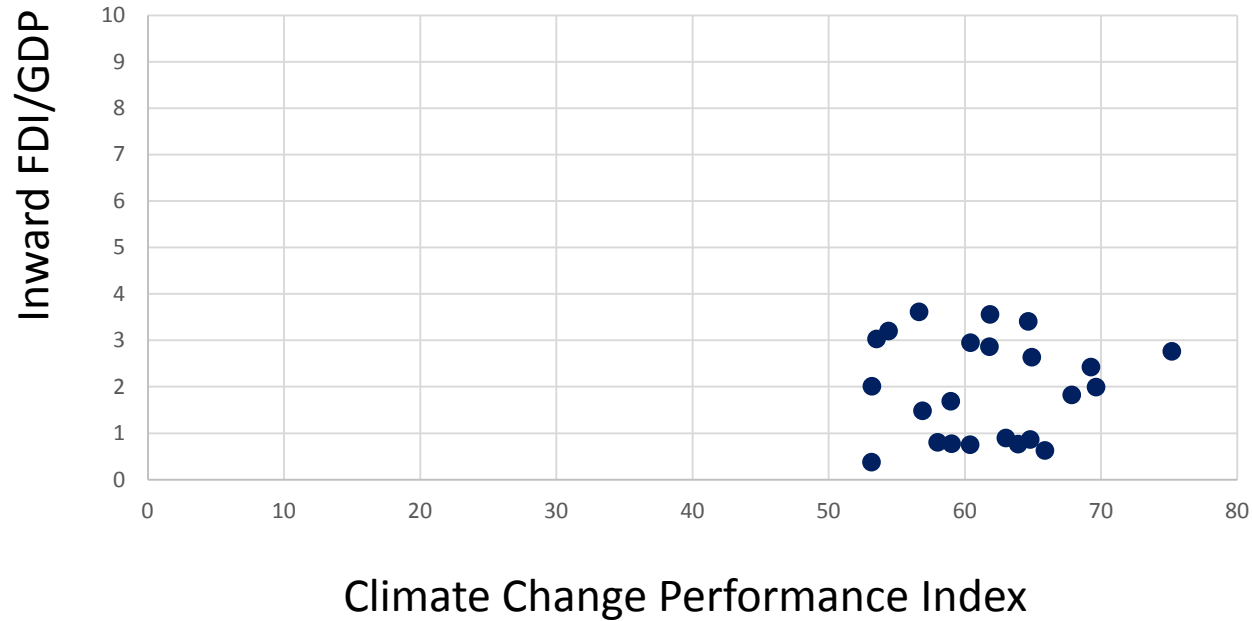


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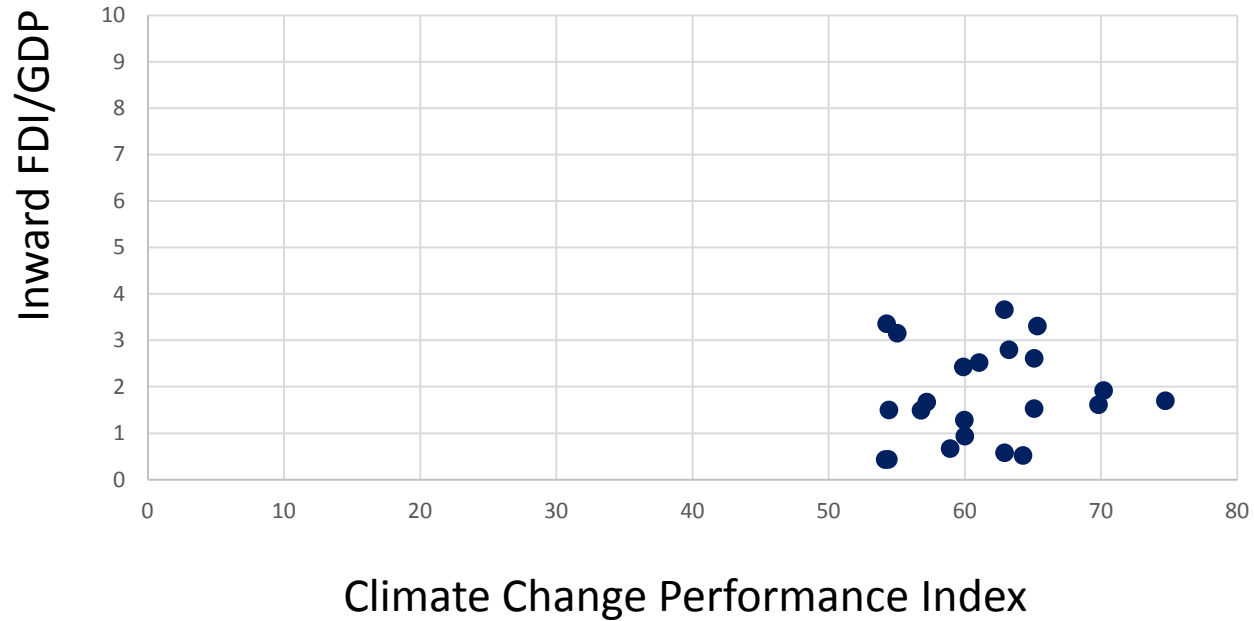
Implications for the EU



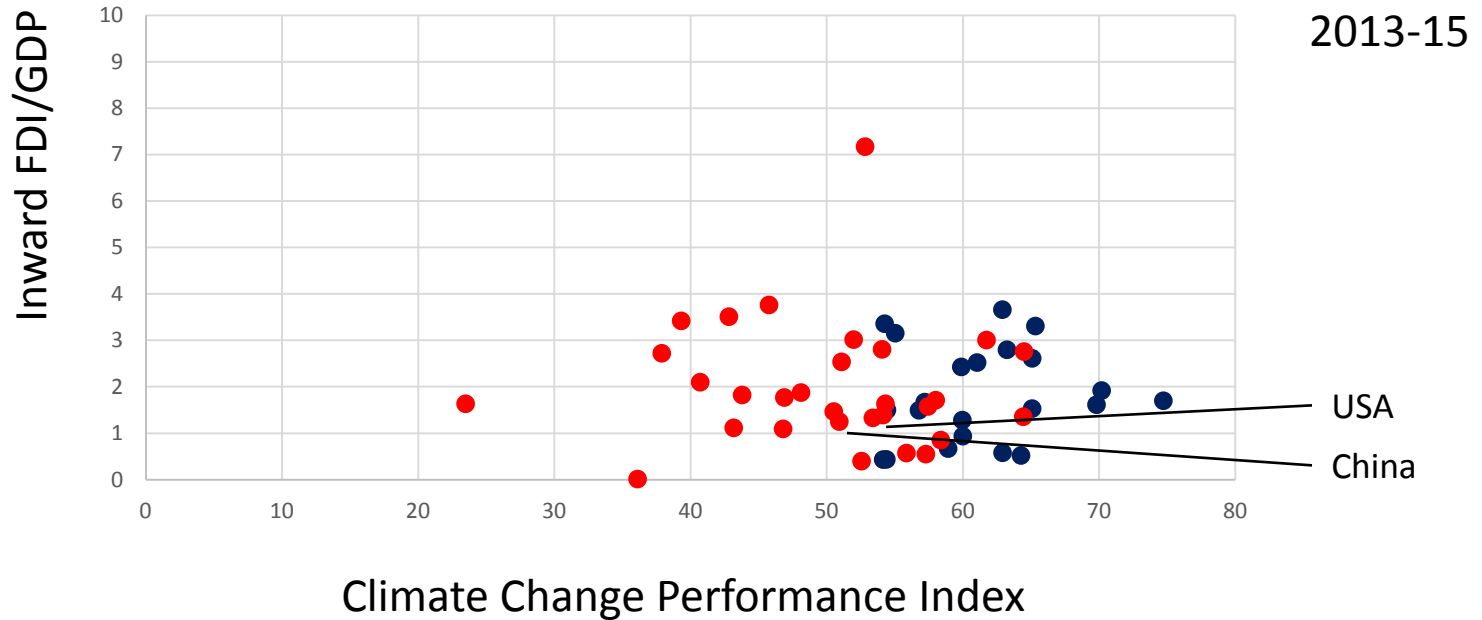
Implications for the EU



Implications for the EU



Implications for the EU



Thank You

