



How do world's top corporations claim to respond to climate change?

There is a large variation in the attention given to the issue of climate change in the non-financial reports of the world's biggest corporations, according to a recent study.

Large corporations are important players in the global economy and can influence public opinion on environmental issues, including climate change. As climate change becomes more pressing, society increasingly expects companies to behave in an environmentally responsible manner.

Non-financial company reports are therefore seen as major policy statements that signal how businesses are responding to climate change. Within these reports, evidence of corporate social responsibility programmes are frequently used to demonstrate support for the environment, which enhances corporate image and helps the company gain public support.

The study investigated company policy regarding climate change using the non-financial reports of 29 of the top 30 corporations (one company did not publish a separate non-financial report) on the Global Fortune 500 list in July 2007. The researchers estimated corporate attention to climate change by counting the frequency of the keywords: "climate/global warming", "Kyoto/IPCC" and "greenhouse gas/carbon/CO₂".

In addition, the presentation of climate topics was analysed and grouped under four categories: the seriousness of climate change; how the company aligned itself with authoritative stances, e.g. the Intergovernmental Panel on Climate Change (IPCC); what action the company was taking regarding climate change and what business opportunities climate change might present.

In general, the study found that climate change is high on the corporate agenda, although the level of attention varied between the companies. All but two of the corporations used the word "climate"; 10 of the companies used "global warming", although this term is perceived to be more alarmist than "climate change". Mentions of the terms "greenhouse gas/carbon/CO₂" varied widely among the companies. More than half the companies did not mention "Kyoto" or the "IPCC".

Most corporations framed climate change as a serious issue. However, most companies gave little space to policy and scientific aspects. Where action was suggested, it usually involved cuts in emissions and energy savings.

Little evidence was found of real changes in business models that addressed the problems of moving towards a low carbon economy. Instead, companies said there must be a balance between economic, social and environmental responsibilities. Generally, corporations see business opportunities in climate change by adopting measures that project a "greener" image than their competitors.

The author cautions that, however many times keywords or statements about climate change appear in company reports, this does not tell the public whether the company actually undertakes the actions necessary to reduce their environmental impact. Also, other company publications and statements that could also reveal corporate positions on climate change were not included in the study.

Although responsible corporations that tackle climate change can be rewarded by society, the author suggests strong civil regulation, (such as choosing to deal with corporations that have greener credentials than those that do not) is still needed to move corporations towards genuine sustainable practices.

Source: Ihlen, O. (2009). Business and Climate Change: The Climate Response of the World's 30 Largest Corporations. *Environmental Communication: A Journal of Nature and Culture*. 3 (2):244-262.

Contact: oyvind.ihlen@media.uio.no

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