

ASEAN-UK Race to Zero campaign brings together businesses to discuss corporate climate action ahead of COP26

On 24 and 25 May 2021, the UK Government, in partnership with the ASEAN Business Advisory Council and the UK-ASEAN Business Council, brought together UK and ASEAN businesses to mobilise the private sector to commit to net zero emissions by 2050, through joining the UNFCCC's Race to Zero campaign.

More than 500 participants joined the two-day event, with businesses from the UK and ASEAN discussing the need for stronger corporate climate action in ASEAN and visible business leadership via the global Race to Zero campaign. The Race to Zero coalition calls for businesses, cities, regions and universities to commit to net zero emissions by 2050 at the latest. The event is further proof of our strong cooperation with ASEAN under the ASEAN-UK Cooperation Framework on COP26, endorsed by the ASEAN Secretariat and ASEAN Member States last year.

Day 1: Business case for net zero, energy and agriculture sectoral discussions

Nigel Topping (the UK's COP26 High Level Champion on Climate Action) opened the event, emphasising the need for non-government actors to visibly commit to net zero targets, and their critical role in shaping climate policymaking. Dato Dr Amin Liew (Brunei's Second Minister of Finance and Economy) seconded this, noting that a coordinated effort will be key to supporting ASEAN's economic recovery in the wake of the coronavirus pandemic, including through the ASEAN Comprehensive Recovery Framework which incorporates climate action.

The event then moved into sectoral deep dives. First, leaders from ASEAN's energy sector debated the challenges of the clean energy transition and the need to ensure access to renewable energy – increasingly key to international business and investment decision-making. Panellists called for global corporations to show ambition in utilising clean energy throughout supply chains. With improvements in efficiency, and ever-cheaper renewable technologies – the price of solar and wind is now undercutting coal – this is more achievable than ever before.

The second sectoral discussion explored the challenges of decarbonisation across ASEAN's agriculture sector. Panellists addressed the need to scale sustainable agricultural practices across the region, as well as to catalyse effective public and private partnerships, in order to mobilise net-zero commitments from stakeholders throughout the supply chain.

The first day concluded with a High-Level Roundtable on Business Action to Deliver Net Zero, chaired by UK ASEAN Business Council Chair, Baroness Lucy

Neville-Rolfe. Nigel Topping joined the panel, which also included ASEAN Deputy Secretary-General Satvinder Singh, Cherine Fok (Director for Sustainability Services, KPMG), Esther An (Chief Sustainability Officer, City Developments Limited) and Juliette White (Vice President, Global SHE and Operations Sustainability for AstraZeneca). Panellists agreed on the critical importance of public and private partnership to ensure meaningful climate action in ASEAN, and shared their experience in implementing net zero targets across global corporate operations. DSG Singh stressed that historical lessons show that those who are able to adapt now to climate challenges will prove most resilient in the long term.

Day 2: finance, fashion, and transport

ASEAN Secretary General Dato Lim Jock Hoi opened Day 2, conveying his appreciation to the UK Government in providing a platform to engage stakeholders on the issue of climate change, a priority for the region this year and for Brunei Darussalam as ASEAN Chair. Secretary General Dato Lim highlighted the key challenge in mobilising SMEs to participate in the green transition. Richard Graham MP (Prime Minister's Trade Envoy to the ASEAN Economic Community, Indonesia, Malaysia and the Philippines) offered his thoughts, echoing the need for sustainable finance to support SMEs with their clean growth ambitions.

Sectoral discussions followed. First, representatives from leading financial institutions in ASEAN discussed the role of the financial sector in mobilising climate action, and the need for transparent corporate reporting and disclosure, as well as how to ensure effective mobilisation of capital. The panel urged asset owners and banks to demonstrate the compelling business case for a clean transition, and to provide incentives through bonds and loans.

Next, representatives from ASEAN's textiles and garments industry discussed the pressing need for reform, with the sector responsible for 10% of annual global carbon emissions. The panel shared strategies for supporting ASEAN textiles manufacturers with their decarbonisation plans, including through innovative technology and policy, and clear sustainability roadmaps. The panel noted the growing movement of eco-conscious consumers and their expectations of brands.

In the final sectoral discussion, leaders from the transport sector – which represents 23% of all energy-related global emissions – discussed the path to vehicle electrification. The panel agreed on the need for ambitious, but feasible targets, the importance of partnerships across the transport ecosystem, and the need to build confidence among business leadership and late adopters.

A session on the Race to Resilience – a sibling campaign to the Race to Zero that brings businesses together to build resilience to climate impacts – focused on the business case for corporate action on climate adaptation; in particular, how global capital will flow to firms in ASEAN that are resilient to the uncertainties that a changing climate poses.

The Race to Zero Dialogues closed with comments from YB Yanty Rahman (Chair of the ASEAN Business Advisory Council), Sam Myers (Her Majesty's Trade Commissioner to Asia Pacific) Ken O'Flaherty (COP26 Ambassador to Asia-Pacific and South Asia) and Jens Radschinski (Head of UNFCCC Regional Collaboration Centre for Asia Pacific). With their closing words, speakers called for businesses and organisations to make their pledge and join the Race to Zero, and reiterated the importance of policymakers across ASEAN to establish clear policy frameworks in order to enable businesses to commit fully to climate action.

Ahead of the UK's COP26 Presidency, the ASEAN-UK Race to Zero Dialogues demonstrated the growing momentum for ambitious climate action throughout the private sector, and highlighted the potential power of effective public and private partnership. The UK looks forward to continuing to work closely with ASEAN Member States through future activities relating to nature, climate adaptation, resilience, clean energy and green finance, and towards achieving a mutually ambitious outcome at November's COP26 Climate Summit.