

**BRIEFING FOR BUSINESSES**

# **WHY BUSINESSES SHOULD SUPPORT THE FOSSIL FUEL NON-PROLIFERATION TREATY**

Published in

*May 2023*

Find out more at

*FossilFuelTreaty.org*

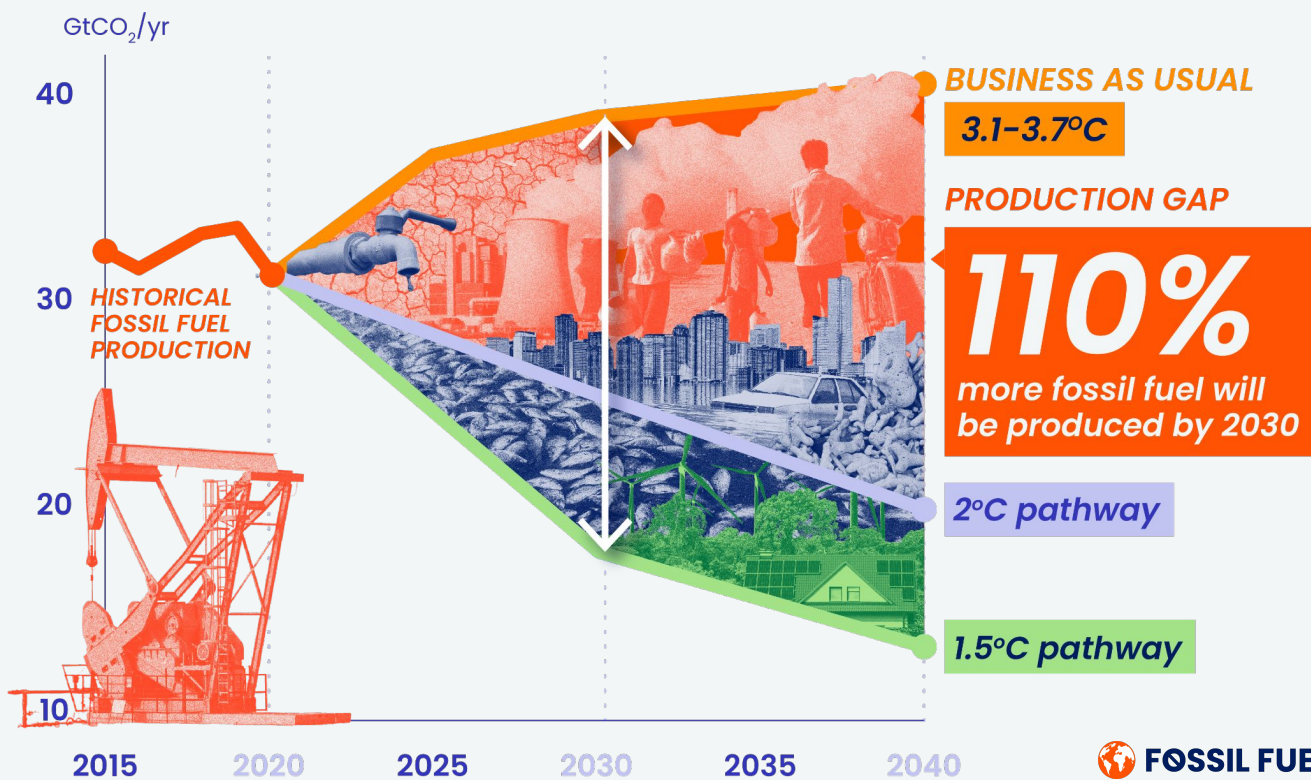


**FOSSIL FUEL  
NON-PROLIFERATION  
TREATY**

*The campaign for a Fossil Fuel Non-Proliferation Treaty is rapidly gaining momentum around the world. More and more people on every continent are joining the call for an international mechanism to complement the Paris Agreement by phasing out coal, oil and gas and managing the global just transition required to meet our 1.5°C targets.*

Fossil fuels are the largest driver of climate change, responsible for 86% of carbon dioxide emissions in the past decade, according to the IPCC. Faced with the climate emergency, the International Energy Agency has made clear that the expansion of fossil fuels is unnecessary and incompatible with a 1.5°C target. In fact, the Global Registry of Fossil Fuels suggests that extracting existing fossil fuels reserves alone would result in **seven times emissions than the world's remaining carbon budget can allow.**

Despite this evidence and the increase in extreme weather events globally, governments around the world **still plan to produce more than double the amount of coal, oil and gas than is consistent with a 1.5°C world**, according to the UNEP's Production Gap Report.



*The Treaty proposal has been called for by the nation states of Vanuatu and Tuvalu, the World Health Organisation and the European Parliament. This support comes after the pillars of the proposed Treaty were endorsed by 101 Nobel Laureates, 600+ MPs in 82 countries, 2,150 civil society organisations from 117 countries, 3,000+ scientists and academics and 80+ cities and subnational governments including LA, Kolkata, London, Lima, Paris, Vancouver and Sydney.*



Businesses have a critical role to play in limiting global temperature rise to 1.5°C, and in supporting the ambitious policies that will be necessary to achieve this. If we are to avoid overshooting 1.5°C, and approach the climate crisis with the ambition, courage, and rapid action that it demands, fossil fuel phase-out must now underpin each business climate strategy.

There is now growing pressure for businesses to illustrate climate leadership from diverse sources including:

- Growth in mandatory and investor-led **climate disclosure** regimes
- Increased **scrutiny** of net zero pledges
- Increased business **climate litigation** cases
- Growing **citizens and worker movements**
- Ability to attract and retain **employees**
- Mainstreaming of climate criteria for **accessing finance**
- Increased **civil action**
- **Growing ambition** in international and national climate plans

Through supporting the Treaty, businesses can demonstrate climate leadership, play a key role in securing a liveable future, and deliver a range of positive outcomes including:

### *Reducing risk*

On our current trajectory, global heating will reach well above 1.5°C, creating risks for all businesses and industries, their employees and wider stakeholders. The Fossil Fuel Non-Proliferation Treaty will help ensure a safer climate transition that is delivered by design, not disaster, therefore reducing the risks of physical impacts such as extreme weather events, and transitional risks such as the creation of stranded assets or damaging political lock-in.

### *Net zero clarity*

While net zero commitments are growing in number, their integrity is increasingly being challenged due to the limited impact in reducing absolute emissions to date and an over dependence on technologies that are not proven at scale and don't address the root cause of emissions. A Fossil Fuel Non-Proliferation Treaty is needed to provide clarity that ensures net zero commitments are underpinned by a global mechanism to permanently move away from fossil fuels and business as usual.

### *Fostering investment and economic diversification*

The lack of clarity regarding fossil fuel phase out is limiting and delaying investment in renewable energy and wider economic diversification. A Fossil Fuel Non-Proliferation Treaty will unlock new opportunities, helping to create a policy landscape that fosters new business and finance models that will support the transformation of industries in line with achieving a safe and equitable world.

### *Reputation*

Employees and wider stakeholders are increasingly concerned about the climate crisis, and eager to work with businesses that align with their values and that show leadership through tangible and authentic climate action. By supporting the Fossil Fuel Non-Proliferation Treaty, businesses are sending a clear signal to their stakeholders that they are committed to moving away from fossil fuels, willing to advocate for ambitious climate action, and are playing an active role in preparing adequately for the transition ahead.

A Fossil Fuel Non-Proliferation Treaty will play an important role in solidifying the direction of travel for businesses, removing the barriers to business model transformation. creating a more level playing field, and helping to secure a stable operating environment.

Business support played a key role with the adoption of the Paris Agreement. A similar show of support for a Fossil Fuel Non-Proliferation Treaty will be vital to ensuring a fast and fair transition.

**Every industry depends on our climate remaining stable.** A Fossil Fuel Non-Proliferation Treaty will play an important role in solidifying the direction of travel for businesses, removing the barriers to business model transformation, creating a more level playing field, and helping to secure a stable operating environment.

Business support played a key role with the adoption of the Paris Agreement. A similar show of support for a Fossil Fuel Non-Proliferation Treaty is vital to ensuring a fast and fair transition.

**We are now calling on businesses to add their name to the chorus of voices supporting the Fossil Fuel Non-Proliferation Treaty initiative including governments, parliamentarians, academics, scientists, civil society organizations and wider groups, and adding credibility and momentum to this bold proposal.**

Find out more at

*FossilFuelTreaty.org/business*

