

CLIMATE CHANGE

ČEZ DEMONSTRATES TRUE LEADERSHIP

Utility providers are rarely applauded. At best, they carry out their business in providing electricity, water and the like without attracting much attention. But when there are price increases or, on rare occasions, some interruption to supply, the reputations of these companies are immediately compromised.

Adding to their pressures, environmentalists commonly criticize the big power generators for emitting greenhouse gases (GHGs) that are causing climate change. This nation's largest electricity provider, ČEZ, is one such business that has found itself in the firing line over the past years.

But the image of this massive conglomerate is beginning to change as ČEZ emerges as one of Europe's most vocal advocates for the rapid reduction of CO₂, which climate scientists warn will irreparably damage our planet, if left unfettered.

ČEZ is the largest utility and biggest public company in Central and Eastern Europe and the jewel in the Czech Republic's corporate crown. It is involved in electricity generation, trade, distribution and heat, as well as coal mining and nuclear power, and operates in many countries.

It was with some pride that I witnessed the company's Chairman and Chief Executive, Daniel Beneš, being applauded at a recent gathering of business leaders in Paris where he talked about his company's impressive ambition to dramatically cut its GHG emissions to zero within 35 years.

Only 200 days before the crucial international UN summit on climate change in Paris, some of the world's top business bosses attended the Business & Climate Summit in that same city this past May to send a message to governments that the world needs a new treaty to replace the now-expired Kyoto Protocol, which was also actively involved in the ČEZ Group CEO Daniel Beneš.

Attended by French President François Hollande, who gave the keynote address, Daniel Beneš who was the only speaker representing a company operating

coal-fired power. In front of an audience of some of the most distinguished business leaders, the ČEZ explained that his company has reduced overall emissions of CO₂ since 2005 by 33 percent.

Mr Beneš emphasized that ČEZ's strategy focuses on decentralized production, savings through efficiencies and low-emission electricity production from renewable sources, as well as nuclear power.

"We believe that the future of energy systems based on decentralized power generation and renewable energy sources," he said.

The central challenge of the business summit was to seek such a path for industry towards low-carbon energy, which will ensure economic growth.

Mr Beneš stated: "Coal power plants will still have their place in power generation in the near future." But he then surprised the audience by going on to say that it was clear that in the long term coal usage would have to come to an end.

How times have changed. In 1997, when I attended the mega-meeting of nearly 200 nations in the Japanese city of Kyoto arranged to find an agreement on how to combat global warming protocol, there was limited involvement from business.

Indeed, of those few companies in attendance, most were there to question the whole notion that fossil fuel-driven industrial development was causing climate change. Many had shared a mission to denounce environmentalists as enemies of capitalism and called for "business as usual".

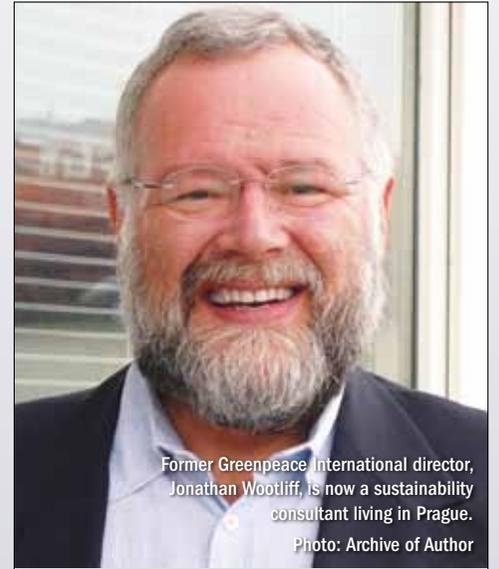
In fact this progressive stance predates the current CEO, with the ČEZ Group first publicly acknowledging its liability for GHG emissions in October 2006. This declaration was in response to the then minister of the environment, Peter Kalaš, who launched a dialogue about environmental protection with industry.

The Group committed in its public declaration to reinvest its profit from sales of saved emission allowances in the EU Emissions Trading Scheme in taking steps towards further GHG reductions, modernization of technologies for electric power production and introducing measures for environmental quality improvement.

Today, the company actively engages with key environmental pressure groups and is spearheading energy efficiency programmes as well as the introduction of renewable technologies.

ČEZ will inevitably be held to account by environmental NGOs and other key stakeholders. And some contest that the company isn't doing enough. Some say that it's a case of too little too late. Other criticise the company for its continued use of nuclear power, and there are those who question the sincerity of the group's promises.

But to my mind, Daniel Beneš and his senior management team, represent a refreshing new generation of leaders who see the world very differently from past



Former Greenpeace International director, Jonathan Wootliff, is now a sustainability consultant living in Prague.

Photo: Archive of Author

industrialists. He surely gives rise to the optimistic view that it is business that can save our planet.

It's now generally accepted science, that when fossil fuel is combusted, heat is released. This process produces carbon dioxide, which is one of a number of greenhouse gases that accumulates in the atmosphere and traps heat that would otherwise escape into space, causing global climate change.

December's UN climate summit, COP21, in Paris is being dubbed as the "Last Chance Saloon" by many climate scientists and environmentalists. They predict that if an international new treaty cannot be agreed to reduce greenhouse gases, average global temperatures will rise above 2 degrees centigrade which would have irreversible consequences for our planet.

President Hollande, has called for a "miracle" to happen later this year at the crunch climate change conference in his capital city, saying this will be needed for a compromise to be reached on the future of limiting greenhouse gases that must involve both developed and developing countries.

I've attended every one of these COPs since Kyoto, and the wrangling between different governments intent on prioritising their short term national interests, makes me good reason to question whether a political solution can actually ever be achieved.

In contrast, May's Business and Climate Summit in Paris was a breath of fresh air, with leaders of some of the companies pledging to take significant steps to reduce climate-threatening emissions, and calling on governments to reach a deal in December.

Commitments such as those made by ČEZ demonstrate that business is prepared to take a longer term view than politicians, and history may well show that it was companies that really made the difference in stabilising the climate. Let's hope for a miracle in Paris.

By Jonathan Wootliff ■

Jonathan Wootliff A former director of Greenpeace International, Jonathan Wootliff lives in Prague and works throughout the world as a sustainability consultant to business. He is a special advisor to the Czech Business Council for Sustainable Development. He has consulted many large corporations including BP, Colgate-Palmolive, McDonald's, Procter & Gamble and Whirlpool, and providing counsel to companies on the development of sustainability strategies that benefit the environment, society and business. Among his many activities, he helps companies to resolve disputes, forge productive relationships with non-governmental organizations, and build long-term sustainability strategies. A qualified journalist with a subsequent background in public relations, Jonathan commonly assists companies with their sustainability communications. He can be contacted at jonathan@wootliff.com