



## Business English News 43 - Climate Change

Change is a constant, and the earth's **climate** has never been perfectly stable. But in recent years the **pace** of **climate change** has **accelerated** to the **point of crisis**. Scientists around the world are **sounding the alarm**, and more and more people and institutions are realizing that **drastic times require drastic measures**. Business is not **immune**. According to the New York Times:

The Carbon Disclosure Project analyzed **submissions** from 215 of the world's 500 biggest corporations. They found that these companies **faced roughly** \$1 trillion in **potential** costs related to climate change in the **decades** ahead, unless they **took proactive steps** to prepare. By the companies' own estimates, the bulk of those financial risks could **start to materialize** in the next five years or so.

Despite the **skepticism** about climate change in some industries, such as oil and gas, it appears **the writing is on the wall**. Climate change is real, and businesses need to account for it. But it's not just their own sense of environmental responsibility that is **prompting** corporate leaders to change. Investors and consumers are **pushing hard for** it too, as CNN notes:

Top investors are demanding that more companies **draw up** environmental **action plans**. They're also asking CEOs to consider risks to their business caused by **shifting consumer attitudes**. Alison Martin, the chief risk officer at Zurich Insurance Group, has **underlined** a clear **sense of urgency** in **accounting for** climate change: "If you were a plastic straw manufacturer a few years ago thinking about your strategy going forward, maybe you weren't **anticipating** that **consumer sentiment** could so quickly and so **radically** move against you."

Of course, as with any **ethical issue**, there are companies that are **all talk and no action**. "**Virtue signaling**" describes attempts to show off positive values without demonstrating **authentic** commitment. When it comes to climate change, there are businesses that are trying to **appease** consumers and investors without really going **green**. As Forbes explains, this false display of green values has a special name:

For every company that **strives** to **drive positive change** by expanding **renewable energy** capacity or creating green jobs, there are others that take a "**check-the-box**" **approach**. This involves **exaggerating** claims or **obscuring** damaging business practices, a practice commonly known as "**greenwashing**." Greenwashing can lead even the most well-meaning investor to **unintentionally allocate** their savings to companies that - **in practical terms** - do nothing for the environment.

But focusing on the **perception** of consumers and investors misses an important point. What these greenwashing companies may fail to see are the enormous opportunities. **Facing** climate change isn't just about costs. For companies that take a **proactive approach**, there may be huge **payoffs**, as outlined by Deloitte:

Firstly, companies can aim to improve their **energy efficiency**, thereby reducing their costs. Secondly, climate change can **spur innovation**, inspiring new products and services which are less **carbon intensive**. Thirdly, companies can improve the strength of their **supply chains**, for example by reducing how much they depend on **price-volatile fossil fuels** and using more renewable energy instead. Together, these changes can improve **competitiveness** and **unlock new market opportunities**.

Clearly, businesses have a lot to gain by getting serious about going green. It's a good example of how regulations – which individual companies may find **constraining** – can have **transformative economic effects**. According to the Star:

The government policies created in response to the **Paris climate agreement** are changing the economy and world of finance. The **World Bank** projected that the world would see an estimated \$23 trillion U.S. in **investment opportunities** between 2016 and 2030. That included renewable energy, transportation and **waste systems** in **emerging economies** such as China, Russia and India.

## **Vocabulary**

**Climate / Climate change:** the weather patterns in the world overall; "climate change" refers to changes over time in the world's climate; "Increasing concern about climate change is driving consumers to change their buying habits."

**Pace:** the speed at which something happens; "The increasing pace of technological change is difficult for many people to adapt to."

**To accelerate:** to increase in speed; "Growth in the electric car market is beginning to accelerate rapidly."

**Point of crisis:** the beginning of an emergency situation; "The decrease in sales started last year, but it's only recently that it has reached a point of crisis."

**To sound the alarm:** to announce or tell people about something dangerous; "A couple of smart economists sounded the alarm before the banking crisis, but nobody listened to them."

**Drastic times require drastic measures:** when you are in an extreme or emergency situation, you may need extreme actions; "Yes, we're cutting a lot of staff, but drastic times require drastic measures and we won't survive if we don't."

**Immune:** not affected by something; "Sales of hygiene products such as shampoo and toothbrush are immune to recession, since people always need them."

**Submission:** a document you give someone for official consideration.

**To face:** to have to deal with a situation; "Looks like we'll be facing increased competition from a couple of new companies in the marketplace."

**Roughly:** approximately; "We've got roughly 150 people at our Ohio factory, and about 200 at our Kentucky plant."

**Potential:** possible in the future; "We could see potential savings of \$10,000 per year by changing to a cheaper paper supplier."

**Decade:** a ten-year period.

**To take proactive steps:** to take actions before they need to be made, rather than waiting for problems to happen; "Instead of waiting for the new safety regulations, let's take proactive steps to improve our practices now."

**To start to materialize:** to begin to happen or become real; "The rise in real estate values that people have been predicting are finally starting to materialize."

**Skepticism:** doubts about the truth of something that other people believe; "Tesla's oddly shaped Cybertruck has been met by a lot of skepticism by critical consumers."

**The writing is on the wall:** something will go wrong or disappear soon; "Dave, the writing is on the wall for coal... you'd be a fool to invest."

**To prompt:** to cause something to happen; "Several bad accidents have prompted the company to completely change its safety policies."

**To push hard for something:** to encourage someone strongly to do something; "The union is pushing hard for wage increases, but management is unwilling to give in."

**To draw up:** to prepare and write; "All right, it sounds like we agree on everything, so I'll have Debbie draw up a contract and I'll email it to you tomorrow."

**Action plan:** a written plan of steps to achieve a goal; "All right, this is a great idea, now let's come up with a clear action plan so we can actually make it happen."

**Shifting consumer attitudes:** changes in the ideas or behavior of people who purchase a certain type of good or service; "Banks have had to respond to shifting consumer attitudes by offering more personalized services."

**To underline:** to emphasize or highlight; "So, if there's one thing I'd really like to underline, it's the importance of having a clear agenda for every meeting."

**Sense of urgency:** a feeling that something must be dealt with or solved quickly; "I know this is important, but your sudden sense of urgency is really stressing me out."

**To account for:** to be the reason why something is true or happens; "The downturn in the auto industry helps account for the decline of cities such as Detroit."

**To anticipate:** to believe that something will probably happen; "I don't think anybody in finance really anticipated how much sales would grow this year."

**Consumer sentiment:** a measure of how positive people feel about the economy; "Economists are hopeful that improving consumer sentiment means we're going to see an upturn in investment."

**Radically:** extremely; "Work expectations of accountability and transparency have changed radically in the past 30 years."

**Ethical issue:** a problem related to what is right or wrong in a situation; "Sexual harassment is one of the most important ethical issues in business today."

**All talk and no action:** used to describe someone who says something is important or necessary but doesn't do anything about it; "Come on Frank, you complain about the job, but you'll never quit. You're all talk and no action."

**Virtue signaling** saying or writing something to show you have good or correct opinions, but not necessarily acting on those opinions.

**Authentic:** real or sincere; "Employees are looking for truly authentic leaders who care about the company and staff deeply."

**To appease:** to make someone less upset by giving them what they want; "Instead of making excuses, you should appease your customers by giving them full refunds on defective products."

**Green:** environmentally responsible or related to sustainable activities and business; "Our latest green initiative involves removing all disposable plastics from the company cafeteria."

**To strive:** to try hard; "After 10 years of striving to find a safer painkiller, our R&D department has finally come up with something."

**To drive positive change:** to lead helpful changes in a group or organization; "Looks like the new young CEO is driving a lot of positive change that has employees really excited."

**Renewable energy:** energy sources that replace themselves naturally, such as wind, sun, and water power; "Renewable energy has become a lot cheaper since governments have provided incentives for environmental initiatives."

**"Check-the-box" approach:** doing the basic minimum to meet a standard or requirement; "We're not going to take a check-the-box approach here Dan."

**To exaggerate:** to make something seem bigger, greater, better, worse, etc. than it really is; "Sorry guys, I guess I was exaggerating a bit when I said we were a million dollars in debt."

**To obscure:** to cover something so it can't be seen; "Bonnie's charming personality obscures the fact that she doesn't really have the skills to do the job."

**Greenwashing:** giving false or misleading information about how environmentally responsible something is; "Regulators are saying that Finco is simply greenwashing and not really demonstrating a commitment to reducing their carbon footprint."

**Unintentionally:** without planning or trying to do something; "I wouldn't be concerned; I'm sure that was unintentional."

**To allocate:** to officially give something to a person, group, or initiative; "The finance committee has decided to allocate twice as much money this year to professional development and engagement."

**In practical terms:** in reality; "Sure, we'd like to say we're an innovative company, but in practical terms, we're still using 20<sup>th</sup> century technologies."

**Perception:** a way of understanding or seeing something; "Our new ad campaign is designed to change public perception and attract new customers."

**To face:** to deal with a problem; "We're losing money Isabelle. It's time we faced the problem and cut some big costs."

**Proactive approach:** a way of dealing with a problem before it happens; "It's time we took take a proactive approach to health and safety."

**Payoff:** benefit from doing something; "We took a big risk moving into the European market, but the payoff has been huge in terms of increased profits."

**Energy efficiency:** using less energy to perform the same activity; "In an attempt to improve our energy efficiency, we've installed solar panels."

**To spur innovation:** to encourage new ideas or methods; "Sometimes financial difficulty spurs innovation, as we find new ways to save money and operate efficiently."

**Carbon intensive:** using a lot of energy in relation to its economic importance.

**Supply chain:** a series of processes involved in delivering a product to consumers.

**Price-volatile:** tending to change in price often or widely; "If we can rely less on price-volatile fuels, we'll be able to control costs better."

**Fossil fuels:** fuels such as coal and oil that are created from decayed material of living things from thousands of years ago; "Many investment companies are pulling money out of fossil fuel companies and putting it in new green technologies."

**Competitiveness:** the ability to perform well against other companies in a market; "These new machines are going to help us get more work done faster and improve our competitiveness overall."

**To unlock new opportunities:** to create new economic possibilities; "The new trade agreement has unlocked new opportunities for Canadian companies in Europe."

**Constraining:** limiting someone's freedom, decisions, or possibility; "With so many environmental and safety regulations, it a challenge to keep up."

**Transformative effects:** influences that involve great change; "The new factory will employ 500 people and have transformative effects on the local economy."

**Paris climate agreement:** a 2016 agreement among many countries to reduce greenhouse gas emissions and make economies more environmentally friendly.

**World Bank:** an international financial institution that gives loans and grants to countries.

**Investment opportunities:** opportunities to invest in new businesses.

**Waste systems:** the collection, treatment, and disposal of waste.

**Emerging economies:** national economies that have some features of developed economies but do not meet all developed standards.

## Language Review

### A. Collocations

Match words from each column to make collocations found in the article.

1. Sense of	a. new opportunities	
2. Renewable	b. the alarm	
3. To sound	c. innovation	
4. To unlock	d. positive change	
5. Shifting	e. energy	
6. To drive	f. urgency	
7. To take	g. consumer attitudes	
8. To spur	h. proactive steps	

### B. Vocabulary Quiz

- False claims about a company's environmental commitment are called...
  - Efficiency
  - Greenwashing
  - Competitiveness
  - Skepticism
- Many companies are making changes to their operations in response to shifting \_\_\_\_\_ attitudes.
  - Consumer
  - Waste
  - Renewable
  - Crisis
- People who say they will do something but don't are all \_\_\_\_\_ and no \_\_\_\_\_.
  - Promise / persuasion
  - Black / green
  - Fun / games
  - Talk / action

4. Which of the following describes something that is NOT good for the environment?
- a. Carbon intensive
  - b. Energy efficient
  - c. Green
  - d. Price-volatile
5. Which of the following indicate positive environmental commitments by companies? [choose 2]
- a. Check-the-box approach
  - b. Renewable energy
  - c. Virtue signaling
  - d. Proactive approach
6. Throughout the economy, there is an increasing sense of \_\_\_\_\_ about the environment and the role of business in minimizing the effects of climate change.
- a. potential
  - b. urgency
  - c. exaggeration
  - d. authenticity
7. Companies are striving to reduce their reliance on \_\_\_\_\_ in order to meet their commitments under the \_\_\_\_\_.
- a. Supply chains / World Bank
  - b. Renewable energy / Emerging economies
  - c. Fossil fuels / Paris Climate agreement
  - d. Consumers / Climate change
8. In many sectors, efforts to be more environmentally responsible are spurring companies to become more \_\_\_\_\_.
- a. Innovative
  - b. Skeptical
  - c. Constrained
  - d. Intensive

## ***Answers***

### **A. Collocations**

**1/f, 2/e, 3/b, 4/a, 5/g, 6/d, 7/h, 8/c**

### **B. Vocabulary Quiz**

**1/b, 2/a, 3/d, 4/a, 5/b,d, 6/b, 7/c, 8/a**