

Is My Company Required to Comply with The Paris Agreement?

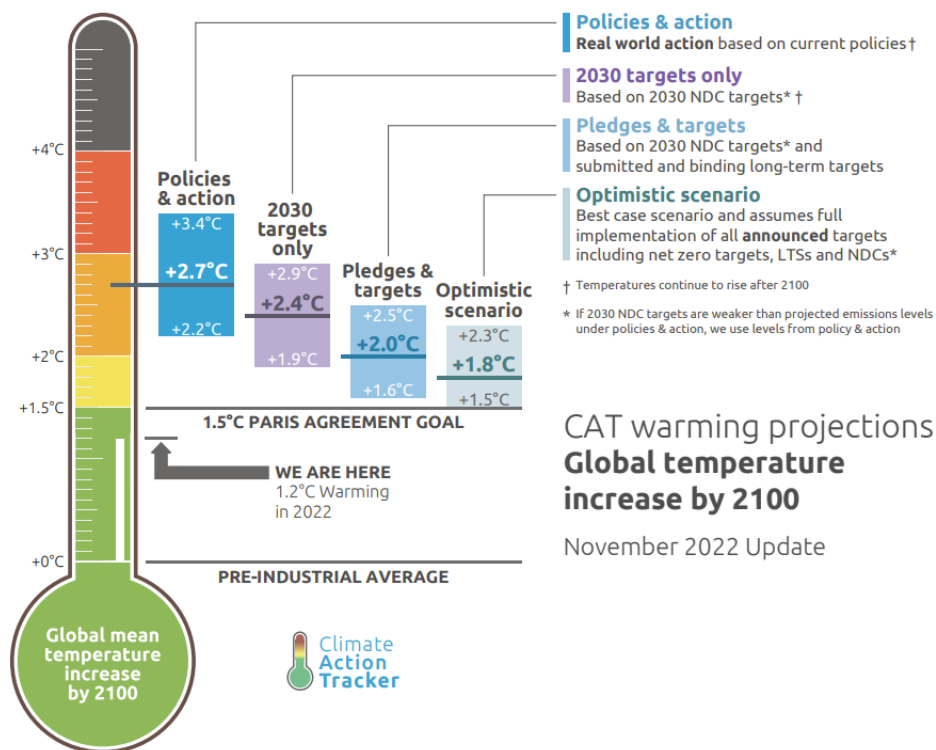
By [Todd Roessler](#)

The short answer is, no.

In December 2015, 196 parties to the United Nations Framework Convention on Climate Change (UNFCCC) reached consensus on the Paris Agreement, which is an international treaty that seeks to keep global temperature rise well below 2°C above pre-industrial levels and pursue efforts to limit warming to 1.5°C. The Paris Agreement is a legally binding agreement that requires all parties, including both developed and developing countries, to take action to reduce greenhouse gas (GHG) emissions and adapt to the impacts of climate change.

The agreement establishes a framework for countries to set their own targets for reducing GHG emissions and to regularly report on their progress. Each country is required to submit a Nationally Determined Contribution (NDC), which outlines its climate goals and the measures it will take to achieve them. These NDCs are submitted every five years and are expected to become more ambitious over time. It's important to note that the NDCs are “declarations of intention” and are not legally enforceable. The Paris Agreement requires that countries report on their emissions and progress towards meeting their NDCs every two years. If a country fails to meet its NDC, it will be reflected in its emissions report and could lead to increased scrutiny and criticism.

While the Paris Agreement does not require private companies to reduce their GHG emissions, it encourages and enables them to do so. In fact, it's important that they do so. The average global temperature has already risen 1.2°C above pre-industrial levels and the world is heading for 2.4°C of warming under current 2030 NDC targets.



In response, many private companies have committed to reducing their emissions in alignment with the Paris Agreement goals. In addition, some countries may impose regulations on private companies to reduce their GHG emissions in order to meet their commitments under the Paris Agreement.

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