



Council for Inclusive Capitalism: Laudato Si' Reflection (2024)

How Business Can Respond to Pope Francis' Call for Climate Action

In the months following the publication of Pope Francis' 2015 environmental encyclical [Laudato Si'](#), the United Nations Sustainable Development Goals (UN SDGs) and Paris Agreement were adopted. Eight years later and with the world halfway toward the SDGs' 2030 deadline and the Paris Agreement's goal to halve global emissions, Pope Francis has shared a renewed call for climate action in the apostolic exhortation [Laudate Deum](#).

The pope's message is stark: "[W]ith the passage of time, I have realized that our responses have not been adequate, while the world in which we live is collapsing and may be nearing the breaking point" (*Laudate Deum*, 3).

As in *Laudato Si'*, Pope Francis is especially concerned with the climate crisis's impact on the poor, highlighting the ways climate change will touch countless other parts of our lives, from healthcare and employment to housing and migration. The pope confronts climate denialism, the inconsistent record of United Nations Conferences of the Parties (COP), and other forces preventing progress (*LD*, 2–3, 9, 6–7, 44–52). At the same time, he offers hope that "COP28 will allow for a decisive acceleration of energy transition," that the international community can build "more effective world organizations," and that the world will discover that technological solutions alone will not save us from the climate crisis; ultimately, we need cultural changes and broader, systemic shifts in our politics, societies, and economies (*LD*, 54, 35, 37, 57–58).

The Council for Inclusive Capitalism and its [commitments platform](#) were launched in response to [Pope Francis' call](#) for "concrete ideas and decisive action which will benefit all people and ... begin to respond to the pressing issues of our day." At the Vatican's request, the Council developed a workstream that produced the [Just Transition Framework for Company Action](#), a market-relevant guide to help business leaders implement an energy transition that is just for workers, customers, and communities and respond to the pope's urge to "hear both the cry of the earth and the cry of the poor" (*Laudato Si'*, 49).

In both *Laudato Si'* and *Laudate Deum*, Pope Francis affirms the business community's "important role of proactively responding to this sense of urgency from the scientific community and intelligently promoting a rapid transition, really taking care of our common home." As the Vatican's daily newspaper [L'Osservatore Romano notes](#), *Laudato Si'* describes business as "a noble vocation, directed to producing wealth and improving our world. It can be a fruitful source of prosperity for the areas in which it operates, especially if it sees the creation of jobs as an essential part of its service to the common good" (*LS*, 129).



This is the Council for Inclusive Capitalism’s mission: to profitably meet the needs of people and the planet. Council members recognize this as both a market and moral imperative. As [Pope Francis wrote with the Archbishop of Canterbury and the Ecumenical Patriarch of Constantinople](#), “those with more far-reaching responsibilities—heading administrations, running companies, employing people or investing funds” have a special obligation to “choose people-centered profits; make short-term sacrifices to safeguard all our futures; [and] become leaders in the transition to just and sustainable economies” (A Joint Message for the Protection of Creation).

Below are five key takeaways to help business leaders consider how to respond to *Laudate Deum*:

1. Climate change is about justice.

Pope Francis reminds readers that “a low, richer percentage of the planet contaminates more than the poorest 50% of the total world population, and that per capita emissions of the richer countries are much greater than those of the poorer ones.

“If we consider that emissions per individual in the United States are about two times greater than those of individuals living in China,” the pope continues, “and about seven times greater than the average of the poorest countries, we can state that a broad change in the irresponsible lifestyle connected with the Western model would have a significant long-term impact” (*LD*, 9, 72).

Former Council for Inclusive Capitalism Steering Committee member and African Development Bank President Akinwumi Adesina has made a similar point, [telling the 78th United Nations General Assembly](#) that “Africa contributes only 3% of global emissions and suffers disproportionately from climate change, losing \$7–15 billion annually. This figure is expected to rise to \$50 billion by 2030. Yet, Africa faces a climate financing gap of \$213 billion annually through 2030.”

To be effective, climate solutions must consider the outsized impact the crisis is having on those who have done least to contribute to it. President Adesina offers several ideas to address this inequity, such as including contingency clauses in loans to free countries from repayments when they face climate shocks.

Companies involved in the Council for Inclusive Capitalism’s just transition work are also finding innovative ways to support the most at-risk communities—Salesforce, for example, has [committed to distributing \\$100 million through its Ecosystem Restoration and Climate Justice](#)



[Fund](#). PayPal is [supporting the development of a fintech innovation ecosystem](#) to help vulnerable populations build resilience in the face of climate change. And [IBM's Sustainability Accelerator supports five nonprofit and governmental organizations](#) globally to serve communities that are particularly vulnerable to environmental threats.

2. Businesses must pursue profits and purpose.

Pope Francis laments that “the climate crisis is not exactly a matter that interests the great economic powers, whose concern is with the greatest profit possible at minimal cost and in the shortest amount of time.” He goes on to call for “a broader perspective ... one that can enable us to esteem the marvels of progress, but also to pay serious attention to other effects that were probably unimaginable a century ago” (*LD*, 13, 18).

As a community of business leaders and investors, the Council for Inclusive Capitalism does not deny the importance of profitability. But profit alone is not enough. As Steering Committee member, Glasgow Financial Alliance For Net Zero Co-Chair, and UN Special Envoy on Climate Action and Finance [Mark Carney writes](#), businesses must also fulfill their core purpose to “improve our lives, expand our horizons, and solve society’s problems, both large and small.”

The Council for Inclusive Capitalism’s [Guiding Principles](#) offer a vision of this more holistic approach to business: a future with increased equality of opportunity and outcomes, promotion of fairness across generations, and care for those who are unable to participate fully in the economy.

3. The energy transition is an opportunity for workers.

In addition to rejecting climate denialism, Pope Francis disputes the claim that “efforts to mitigate climate change by reducing the use of fossil fuels and developing cleaner energy sources will lead to a reduction in the number of jobs.

“What is happening,” the pope adds, “is that millions of people are losing their jobs due to different effects of climate change: rising sea levels, droughts and other phenomena affecting the planet have left many people adrift. Conversely, the transition to renewable forms of energy ... are capable of generating countless jobs in different sectors” (*LD*, 10).

Workforce Evolution is one of the four pillars of the Just Transition Framework for Company Action, with a focus on creating decent jobs through low-emission infrastructure and retaining, retraining, and redeploying workers. A number of Council members have made commitments to this end—SSE plc, for example, will [run a STEM Returner program and launch a pilot program](#) for new talent transitioning from other sectors.



“In total,” reports [the World Economic Forum](#), “the clean energy transition is expected to generate 10.3 million net new jobs around the world by 2030.”

4. The energy transition needs to accelerate.

Though there has been progress, “the necessary transition towards clean energy sources such as wind and solar energy, and the abandonment of fossil fuels, is not progressing at the necessary speed,” Pope Francis writes. “Consequently, whatever is being done risks being seen only as a ploy to distract attention” (*LD*, 55).

To be successful, Pope Francis writes that COP28 must deliver “binding forms of energy transition that meet three conditions: that they be efficient, obligatory and readily monitored. This, in order to achieve the beginning of a new process marked by three requirements: that it be drastic, intense and count on the commitment of all” (*LD*, 59).

5. Everyone has a role to play.

Despite the scale of the challenge, Pope Francis emphasizes that everyone must do their part to tackle the climate crisis—not only politicians and large companies but also civil society organizations and individuals.

“Efforts by households to reduce pollution and waste, and to consume with prudence, are creating a new culture,” the pope writes. “The mere fact that personal, family and community habits are changing is contributing to greater concern about the unfulfilled responsibilities of the political sectors and indignation at the lack of interest shown by the powerful. Let us realize, then, that even though this does not immediately produce a notable effect from the quantitative standpoint, we are helping to bring about large processes of transformation rising from deep within society” (*LD*, 71).

The Council for Inclusive Capitalism welcomes businesses of all sizes to [join us](#) and share their ideas and actions to advance more sustainable and inclusive business practices, from multinational corporations to start-ups with one or two employees.

As the pope writes, “[E]very little bit helps, and avoiding an increase of a tenth of a degree in the global temperature would already suffice to alleviate some suffering for many people. Yet what is important is something less quantitative: the need to realize that there are no lasting changes without cultural changes, without a maturing of lifestyles and convictions within societies, and there are no cultural changes without personal changes” (*LD*, 70).