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RESEARCH INSIGHTS

MULTINATIONAL ENTERPRISES AND THEIR ROLE IN MITIGATING CLIMATE CHANGE: COMPARATIVE PERSPECTIVES

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EXECUTIVE SUMMARY

Multinational enterprises (MNEs) sit at the center of global climate mitigation, ranking among the largest contributors to greenhouse gas emissions while possessing the reach and capabilities to advance decarbonization at scale. International business research has examined firms' environmental strategies and national institutions largely in isolation, leaving unexplained why the same MNE may comply merely symbolically in one institutional setting while advancing substantive mitigation in another. This introductory article develops a comparative-institutional account of MNEs and climate change, showing how varieties of capitalism, geoeconomic competition, and deglobalization pressures shape corporate climate action. Drawing on this account and the six articles in the focused issue, we advance a mechanism-based framework in which MNEs simultaneously perform three functions, driving carbon-intensive globalization, mediating climate governance across borders and value chains, and mitigating emissions through innovation and capability building. We specify the institutional, ownership, and capability conditions under which each function becomes most prominent. We conclude with a research agenda that treats climate change not as context for international business but as a force reshaping multinationality itself.



KEYWORDS

- International business
- Multinational enterprises (MNEs)
- Climate change mitigation
- Institutions and climate change
- Global value chains
- MNEs decarbonization strategies

RESEARCH RELEVANCE

- MNEs have three distinct climate roles: they can drive carbon-intensive activity, mediate climate governance across borders and value chains, or reduce emissions through innovation and organisational change.
- Institutional context determines which role dominates. The same climate pressure can produce substantive action in one setting and symbolic compliance, emissions displacement, or burden shifting in another.
- The study identifies three mechanisms: symbolic decoupling, cross-border translation, and innovation and learning. This moves the analysis beyond simply linking national institutions to corporate environmental outcomes.
- Climate responsibility extends beyond the firm. MNEs can push emissions-reduction requirements and costs down global value chains, making decarbonisation as much a problem of coordination and power as of corporate commitment.
- Climate change is reshaping multinational business itself. Geoeconomic competition, industrial policy, technological change and deglobalisation are altering where firms invest, how value chains are organised, and which MNEs gain from the low-carbon transition.

BIBLIOGRAPHIC INFORMATION

Khan, Z., Wood, G., Khan, H., Al-Tabbaa, O., Puthusserry, P., & Wu, J. (2026).
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*“The same MNE can simultaneously drive
emissions, mediate climate governance, and
mitigate its environmental footprint”*

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