

## WE MEAN BUSINESS COALITION SUBMISSION TO THE GLOBAL STOCKTAKE

(March 2022)

The We Mean Business Coalition is a strong supporter of the Global Stocktake process under the UNFCCC, as a means of tracking progress as well as strengthening collaboration between Party and Non-Party stakeholders towards greater climate mitigation and adaptation action.

The We Mean Business Coalition works with the world's most influential businesses to take action on climate change. The Coalition is a group of seven nonprofit organizations (BSR, CDP, Ceres, CLG Europe, Climate Group, The B Team and WBCSD) and 50+ network partners working together to catalyze business and policy action to halve global emissions by 2030 and accelerate an inclusive transition to a net-zero economy.

The World Business Council for Sustainable Development (WBCSD) is one of the founding partners of the We Mean Business Coalition. It develops the standards, tools, and generates knowledge to bring the recommendations into collective business action.

The private sector companies we work with support the implementation of the Paris Agreement, recognizing that this can be achieved at a much faster pace through collaboration among stakeholders and a common vision to accelerate climate action.

We welcome the opportunity to contribute our inputs towards the first Global Stocktake in 2022 and 2023. In this submission, we address a selected number of questions that were most applicable to business.

### **1. General**

**Designing a strong Global Stocktake (GST), which adequately reflects inputs from state and non-state actors, including business, and is established as a key moment to raise ambition up to 2030.**

We see the Global Stocktake as a crucial element of the Paris Agreement's ambition mechanism. Its purpose is to accurately inform the next round of Nationally Determined Contributions (NDCs) with a view to increasing their level of ambition, and must therefore be developed with a strong purpose to raise ambition and incorporate action by all parts of society, including in particular by private sector actors.

Ensuring that the Global Stocktake is designed and implemented in a robust manner will be key to ensure that Parties' level of ambition matches the action needed to achieve the 1.5°C objective. In the lead up to COP26, forward-looking businesses called on Governments to highlight the essential role of the Global Stocktake:

1. **Adopt a design for the Global Stocktake** which reflects:
  - a. **A strong purpose** that is driven by the need to accelerate global ambition.
  - b. **Inclusivity** by ensuring, through appropriate process and mechanisms, the participation and engagement from all Parties, as well as non-Party stakeholders, in particular the private sector.
  - c. **Evidence-based approach**, with high-quality data front and centre of the entire process.

2. Establish the **2023 Global Stocktake as a key moment to raise ambition** in 2030 targets aligned with the 1.5°C goal.

The We Mean Business Coalition and the [World Business Council for Sustainable Development \(WBCSD\)](#) would **welcome the opportunity to discuss the potential to design a Global Business Stocktake to complement and support the official Global Stocktake.** Inviting partnership from across the private sector community, the Global Business Stocktake will engage with business, finance, and technology leaders, as well as entrepreneurs and innovators, from around the world to assess their collective scale of mobilisation, and to identify their market assessment of progress, opportunities, and roadblocks to address mitigation, adaptation, and finance flows. The Global Business Stocktake will also deliver its findings by COP28 in 2023 and is designed to outline progress, key insights, and key learnings from the private sector to catalyze accelerated climate action from businesses through to the next Global Stocktake in 2028.

## **2. We Mean Business Coalition driving action on climate**

The We Mean Business Coalition works with the world's most influential businesses to take action on climate change. The Coalition is a group of seven nonprofit organizations working together to catalyze business and policy action to halve global emissions by 2030 and accelerate an inclusive transition to a net-zero economy.

Since COP21 in Paris, we have worked tirelessly to support the UNFCCC process by amplifying the voices of forward-looking businesses and the climate action they are taking, including disclosing on their environmental impacts, unlocking business-government collaboration on climate policy, and continuously scaling global business ambition on climate change to help countries meet their NDCs and keep 1.5°C within reach.

We see great opportunities to be harnessed through a carefully managed, global transition to net-zero. Over 2,800 businesses within our Coalition network recognize the benefits of and support ambitious climate action. The right policy decisions taken today can drive investments and spur business decisions in favour of climate solutions, greater equality and accelerated business-government collaboration on climate change, which is what we call the [Ambition Loop](#).

## **3. Private Sector Contribution to the Global Stocktake**

The [We Mean Business Coalition](#) is keen to support the Global Stocktake under the UNFCCC by providing evidence of the world's most influential businesses taking action on climate change. We can contribute through our framework for business climate leadership that covers Ambition, Action, Advocacy and Accountability as explained below.

In addition, there are numerous initiatives and guidelines by Coalition partners, such as the [WBCSD Business Manifesto for Climate Recovery](#) that was launched at COP26, that also called for the development of Corporate Determined Contributions. The CDCs concept is envisaged to mirror the NDCs process; to track and assess the different ways companies are driving deep decarbonization to help the world meet the Paris Agreement goals. WBCSD believes that the development and ultimate

hosting of a CDCs framework should be led on the multilateral level by the UNFCCC and the UN High Level Expert Group on Net Zero.

### **Ambition and Action**

More than 2,000 of the world's most influential companies have [committed to take bold action on climate change](#) through the We Mean Business Coalition partners' initiatives. Their combined market cap is over US\$25 trillion, equivalent to almost one-quarter of global GDP. These companies are key players in the global economy and society and represent every sector – from industry to finance, retail to chemicals.

Over 1200 companies have committed to setting [science-based emission reduction targets](#), that are in line with what the latest climate science says is necessary to meet the goals of the Paris Agreement. More than 1200 companies have committed to the [Business Ambition for 1.5°C](#) campaign to calibrate their decarbonisation plans with the ambition required to limit warming to 1.5°C.

### **Advocacy**

More and more businesses are seeing opportunity in the net zero future, and are taking ambitious commitments and action on climate change. Increasing commercial demand. Bold commitments to zero carbon electric power, zero carbon vehicle fleets, and zero deforestation. Increased business investments in climate solutions. Each sends a strong signal from business to government in support of ambitious climate policy. Governments must use this as a strong vote of confidence and advance ambitious policies that provide companies with the **clarity and confidence** they need to unlock further investments in climate solutions. this in turn will be reinforced by concrete action from companies, to showcase that they are really committed to the ambition that needs to happen? **This is the “ambition loop”—a positive feedback loop in which bold government policies and private sector leadership reinforce each other, and together take climate action to the next level.**

Together therefore, leading **businesses and governments are creating positively reinforcing loops of ambition** with government policies that give clarity and confidence to business to invest decisively in zero-emission solutions. These ambition loops accelerate the transition to a zero-emission world.

As a concrete contribution to the Global Stocktake in 2022 and 2023, the We Mean Business Coalition will aim to provide evidence of **Ambition Loops in action in the key sectors of Energy and Finance.**

### **Accountability**

The outcome of COP26 in Glasgow clearly showed that governments and the global business community want to deliver on the goals of the Paris Agreement. The 1.5°C goal remains within reach, but only just. To realize this shared ambition the public and private sector must work together in a spirit of transparency and mutual trust.

It is crucial that accurate data feeds into the Global Stocktake process, including the true scale of corporate decarbonization efforts.

**Accountability for the promises made in Paris, Glasgow and in boardrooms around the world, will be essential.** A good place to start in building accountability, transparency and trust, is by adopting a single global standard for corporate sustainability information disclosure.

For governments to meet their emissions reduction goals, or Nationally Determined Contributions (NDCs), capital needs to flow away from polluting industries and into companies and solutions that are moving fastest to reach net zero. Capital providers need reliable and comparable information to make informed investments on which businesses offer the greatest impact, both in terms of solid returns and emission reductions.

A harmonized global standard on disclosure of sustainability information by companies can address many of these challenges and help accelerate climate action. Businesses only have to report against one framework; capital providers can easily compare companies and their sustainability plans; and governments can more easily track collective progress of business within their borders towards delivery on national emission reduction goals.

At COP26, WBCSD called for the introduction of Corporate Determined Contributions (CDCs). In 2022, WBCSD and the We Mean Business Coalition intend to bring together a diverse group of stakeholders, including businesses, to develop a series of recommendations to inform the development of a CDCs global framework. We would welcome the opportunity to present these recommendations to the UNFCCC at COP27 **to inform the development of a single global standard for corporate sustainability information disclosure to be implemented ahead of the Global Stocktake in 2023.**