

**WE MEAN BUSINESS COALITION SUBMISSION TO
THE GLOBAL STOCKTAKE
(Updated Submission August 2022)**

This submission replaces the earlier submission made in 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 non-profit 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. Future Technical Dialogues must include strong representation from the private sector, including business associations, non-governmental organizations with private sector membership or affiliation, and individual corporations themselves.
 - c. **Evidence-based approach**, with high-quality data front and center 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.

Non-party stakeholders (NPS) are key to implementing the goals of the Paris Agreement, and their actions must be captured in the Global Stocktake through a clear process, to provide an accurate stocktake of global ambition. This process must be communicated effectively with non-state actors, providing capacity support where needed.

In CDP's briefing [The Paris Agreement's Global Stocktake: Integrating Non-Party Stakeholders into an Inclusive Stocktake](#), the following recommendations are put forward for the stocktaking process, to better include NPS¹:

- **Non-Party Stakeholder action should be integrated into the GST through Biennial Transparency Reports, alongside direct submissions to the GST.**
- **The GST must be a collective endeavour, undertaken by a diverse range of non-Party Stakeholders.**
- **The GST must also feed into local processes for more ambitious climate action.**

First Technical Dialogue

The We Mean Business Coalition participated in the First Technical Dialogues session held in Bonn in June 2022, as a representative of business. In terms of the format of the discussions, the World Café was a great success as it enabled government representatives and other stakeholders to interact and learn about major initiatives and actions being taken to drive systems transformation. This allowed them to engage in a more informal way, compared to the more formal nature of the roundtables which consisted of too many pre-prepared political statements.

We believe that for future Technical Dialogues of this First Global Stocktake, more emphasis should be placed on encouraging collaborative engagement between Parties and Non-State Actors on key issues that will ultimately define the success of the Global Stocktake. For example, ensuring that Parties and Non-State Actors have access to high-quality data and that decision making is supported by thorough, verified quantitative evidence.

Business engagement in the Global Stocktake

The We Mean Business Coalition and the [World Business Council for Sustainable Development \(WBCSD\)](#) would **welcome the opportunity to discuss the design of an enhanced business engagement and mobilization effort towards the Global Stocktake at COP28.** Inviting partnership from across the private sector community, the We Mean Business Coalition and its partners, including WBCSD, would engage with business, finance, and technology leaders, as well as entrepreneurs and innovators, from around the world to assess their collective scale of mobilization, and to identify their

¹ For further information, see also CDP's submission to the First Global Stocktake (August 2022).

market assessment of progress, opportunities, and roadblocks to address mitigation, adaptation, and finance flows.

This effort could culminate in a gathering of Business Leaders at the start of COP28, which would gather the world's most influential CEOs 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. This would include a strong and diverse representation from business communities that might traditionally not be represented as strongly, including SMEs and start-ups

This Business Leaders meeting could provide a formal opportunity at COP28 for Ministers and Heads of State to directly engage with CEOs to hold a stocktaking moment to assess the current progress and gaps in meeting the objectives of the Paris Agreement. The meeting could be framed as a milestone to support the outcomes of the Global Stocktake and signal an ambition upgrade from the global business community, reinforcing its commitment and demonstrating the action it is taking towards interim targets aligned with the 1.5°C goal.

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 supporting 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 WBCSD's [Business Manifesto for Climate Recovery](#) and [Stockholm Action Agenda](#), that were launched at COP26 and Stockholm +50 respectively. Both publications propose the development of a global framework for corporate accountability that would streamline existing initiatives in the market to fully account for business action against climate, nature, pollution and circularity targets.

Ultimately, the framework could enable non-experts 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 of a global corporate accountability framework could be a crucial tool that all stakeholders could use at future Global Stocktakes to track the progress of the private sector against meeting net-zero commitments.

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 decarbonization 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, predictability 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**. In upcoming meetings and submissions, we will demonstrate through stories of business implementation, examples of how the Ambition Loop is being manifested in various economies, helping to drive ambition across business and governments.

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.

Disclosure

The Global Stocktake should be driven by the need to accelerate global ambition. The next few years are critical to accelerate 1.5°C-aligned action, and the We Mean Business Coalition recognizes the urgency of increasing ambition to close this gap.

As the first Technical Dialogues highlighted, despite the progress made, there remain significant mitigation and implementation gaps, and urgent policy action is required.

Disclosure of comparable and consistent environmental information is the foundation for transformative action. It can help accurately account for both risks and impacts of economic activities and in so doing, support the green transition. Such information helps stakeholders including investors, large buyers, policy actors, civil society and consumers make smarter decisions and increase their expectations of companies with respect to their environmental performance. This in turn compels non-state actors to act, fortifying the ambition loop dynamic.

The first Technical Dialogues highlighted the need for concrete actions that are relevant to policymakers, and recognized that all actors are needed, including the private sector and subnational governments.

See here CDP's [policy recommendations for environmental-related mandatory disclosure](#).²

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

Accountability Framework

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.** We want to see climate-related financial disclosure made mandatory for corporations, in line with the TCFD and ISSB recommendations.

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.

There are a wide range of individual business commitments and multi-company and public-private initiatives now underway to tackle climate change. However, there is no common oversight of the progress against these various business climate commitments, and no overarching framework currently in development to measure the overall business contribution to meeting the global climate target.

² For further information, see also CDP's submission to the First Global Stocktake (August 2022).

A harmonized global standard on disclosure of sustainability information by companies can address many of these challenges and help accelerate climate action. This would enable businesses to report against one single framework, enabling capital providers to easily compare companies and their sustainability plans, while governments can more easily track collective progress of business within their borders towards delivery on national emission reduction goals. SMEs and companies in emerging economies that might not yet have the capacity to fully implement the reporting around the framework would have one official and recognized way to receive support and capacity-building to ensure they can meet reporting expectations.

In 2022, WBCSD (with support from the We Mean Business Coalition) is convening a multistakeholder process to develop recommendations for the implementation of a common, harmonized framework for corporate climate accountability. So far, during this process, WBCSD has obtained input from multiple stakeholders, including businesses, academia, civil society and multilateral organizations (including the UN High-Level Climate Champions). These have stressed the vital need for a streamlined technological approach with consistent, comparable data, and clear regulations and action for business to be held accountable for its contributions to global emissions.

A single framework would be built on existing voluntary initiatives in the market, the reporting conducted according to consistent standards, with the data compared to corporate net zero targets and submitted to regulatory bodies.

There is a strong desire for business voices to be brought to the forefront and to be heard, and a will to engage with national governments and multilateral organizations on the topic of corporate accountability, especially at COP27.

Therefore, WBCSD and the We Mean Business Coalition would welcome the opportunity to present these recommendations to the UNFCCC at COP27 **to inform the development of a common global framework for corporate sustainability information disclosure to be implemented ahead of the Global Stocktake in 2023.**