



RACE TO ZERO

Dialogues

Outcome Document "Industry"

Tuesday, 10 November 2020

Organised by the World Economic Forum (WEF) and International Trade Union
Confederation (ITUC)

Key Messages

Please provide one or two social media-style messages that summarize the most important impacts from the day's Dialogues. Emphasise progress on raising ambition in the Race to Zero, and consensus on actions and campaigns that will drive progress on transformational pathways. Please focus on impact in your sector/theme. We also suggest highlighting any outcomes that impact other sectors and broader systems change.

1. The Industry Dialogue **brought together leaders from heavy and consumer industry, government and civil society to mobilize concrete action** on how to accelerate the industry transition, scale up net-zero commitments and impact through The Climate Pledge and UNGC Business Ambition for 1.5°C and other leading initiatives, and keep up the momentum and the drumbeat to maximize progress and tangible outcomes at COP26.
2. The Industry Dialogue was framed by the UNFCCC Race to Zero campaign, rallying leadership and support for a healthy, resilient, zero-carbon recovery that prevents future threats, creates decent jobs, and unlocks inclusive, sustainable growth. The industrial transformation to a net zero economy is well underway, but **we need to scale action**.
3. Transformation is happening now with the first 1.5°C aligned sector leaders out in front. We must use the run-up to COP26 to move forward on specific and measurable commitments in heavy industries and to **accelerate the policy, energy and technology solutions** needed to reach net-zero by 2050, with calls for more public-private partnership, competitive and consistent carbon pricing, and clear and predictable climate policy frameworks.

Supporting the narrative

Please support these headline messages with brief descriptions below.

1. **We need to bring together leaders to mobilise action:**
 - There is an urgent need for all large companies to learn from each other and share best practice to accelerate the transition - not only within their own operations, but across their supply chains. This is particularly critical when we consider that hard-to-abate and heavy industry sectors account for up to 30 percent of global GHG emissions.
 - Sessions from organisers such as Amazon and Global Optimism, the Science-Based Target initiative (SBTi), The World Business Council for Sustainable Development (WBCSD) and the We Mean Business Coalition (WMB) demonstrated concrete action that companies from key sectors are already taking to achieve net zero commitments. We heard from **ArcelorMittal** talking about their efforts to scale and promote green steel production, **Schneider Electric** participating in The Climate Pledge, plus Business Ambition for 1.5°C member **LafargeHolcim** becoming the first global building materials company to sign up with intermediate targets for 2030 validated by SBTi.
2. **We need to scale action through specific and measurable net-zero commitments:**
 - Sessions from organisers like the British Retail Consortium (BRC), the UNFCCC Fashion Charter, the Mission Possible Platform (MPP) of the World Economic Forum (WEF) showcased the most difficult obstacles and most promising opportunities to move forward on sector agreements - from heavy industry, to mobility, to retail and fashion sector decarbonization.
 - Businesses in the fashion sector are encouraged to support UNFCCC Fashion Charter's headline commitment to reduce emissions across all scopes by 30 percent by 2030, and retailers have the opportunity to endorse net zero emissions reduction by 2040 through BRC's UK retail

industry commitment, alongside over 60 leading retailers committing resources to delivering the new roadmap.

3. We need to accelerate the right social, policy, and technology solutions:

- Speakers praised key technology triumphs, such as the poetic celebration of renewable energy solutions sliding down the cost curve: “As technology takes a giant leap/Green energy gets very cheap” (extract from the climate poem speech courtesy of **Nadir Godrej**, CEO of Indian chemicals company Godrej Industries).
- Sessions called for breakthrough solutions like social dialogues to help protect and grow jobs through the industry transition, as evidenced in Sweden’s zero carbon steel facility HYBRIT.
- Session partners also drew on the perspectives from leaders from industry and civil society to explore the finance and policy solutions needed to catalyse impact - with clear calls for competitive and consistent carbon pricing, and a carbon border adjustment mechanism to appropriately value low-carbon commodities and materials.

Race to Zero Ambition

What did the Dialogues highlight today as evidence of growing support for the Race to Zero?

- Spotlights the **leading initiatives for business actors to join the UNFCCC Race to Zero** - The Climate Pledge and the Business Ambition for 1.5°C - to demonstrate that the “Race to Zero” is gaining traction and to encourage others to join. Members include building materials company LafargeHolcim and Indian industrial conglomerate Mahindra Group.
- Presented **sector-specific efforts across the fashion, retail and heavy industry sectors** on how to support a sectoral approach to industry decarbonization. Highlights included commitment from BRC, who shared their vision and plan for net zero operations and supply chains by 2040 from a selection of over 60 signatories from the UK retail industry, and new membership criteria from WBCSD for members to set an ambition and science-based plan to reach net zero GHG emissions no later than 2050.
- Showcased **actions from leading global companies** in a wide range of sectors and geographies - including Moeller-Maersk, Shell, and more - that demonstrate effort to align strategies and operations with the 1.5°C objective.
- Called for **green steel social dialogues** based on real world experiences in Sweden, Spain, and Nigeria to drive inclusive, equitable, and just transitions from high to low carbon steel production across Europe in the next decade.
- Launched a **call to action** to leaders from industry, government and civil society to mobilize concrete action on how to accelerate the net zero industry transition, set the right topline ambition with clear net-zero carbon emissions reduction targets by 2050 or sooner, and join the UNFCCC Race to Zero campaign!

Climate Action Pathways

How did these Dialogues build support for the relevant Climate Action Pathways? What was new in the Dialogues about the policy, technology or civil society actions within the Climate Action Pathways that are already underway? What new understanding was reached in the Dialogues for Pathway actions to be completed by COP26, and how to approach them?

- The Dialogues **introduced, and raised awareness about, the sectoral refresh of the Marrakech Partnership Climate Action Pathways** (first published in 2019) for both heavy industry and consumer sectors, presented as one of the key mechanisms by which a

multistakeholder approach can result in a broad-based commitment to net-zero among industry actors and corporates.

- The Dialogues strengthened the emphasis on **the need for effective, inclusive social dialogue processes** to help workers, employers, governments and other stakeholders to identify the key actions required and manage change through the planning and implementation of just transition measures in the Race to Zero.
- The Dialogues showcased **tangible examples of innovation and ongoing action from key stakeholders** to reduce emissions and achieve net-zero by 2050 - from green hydrogen investment, use of carbon capture, use and storage (CCUS), and waste material processing - and highlighted the critical levers for accelerating ambitious climate action.
- The Dialogues enabled **radical collaboration** within and across sectors and supply chains, with stakeholders like WBCSD committing to running a monthly dialogue series to COP26.
- They also helped to achieve more **clarity and consensus on the time-bound actions** required to decarbonise specific sectors, to support commitments such as the EU Green Deal emissions reduction target of 55 percent by 2030.

2019 United Nations Climate Action Summit

How did the Dialogues take forward and scale up the transformational outcomes of the UN SG Summit to accelerate transition?

- The UN Global Climate Action Summit, convened in 2019, introduced 40 initiatives under 9 Action Areas to address key climate challenges captured in the Global Climate Action (NAZCA) portal. **The Industry Dialogue prioritised a number of UNSG Action Areas.**
- “Just Transition and Decent Jobs Pledge from the private sector” is a key “**People-Centered Action Now**” Action Area initiative, and the Industry Dialogue actively encouraged social dialogue with workers and their unions, with ITUC as a key Industry Dialogue partner.
- “Business Ambition for 1.5°C” is a key “**Plans for a Carbon Neutral World**” Action Area initiative, and the Industry Dialogue ran a specific session led by Business Ambition for 1.5.
- “Leadership Group for Industry Transition” (LeadIT) is a key “**The Economy Moving from Grey to Green**” Action Area initiative, gathering 13 countries and 15 companies committed to reaching net-zero carbon emissions from industry by 2050 - including the key partners of steel joint venture HYBRIT (SSAB, LKAB and Vattenfall), developing the world’s first fossil-free, ore-based steelmaking process. LeadIT advised on the overall Industry Dialogue agenda and their secretariat SEI led a specific Resilience/Industry session exploring actions to strengthen the resilience of global supply chains to better manage the cross-border effects of climate change and enable opportunities for just approaches to adaptation.
- Industry Dialogue partner **Mission Possible Platform** was part of the deliverables of the Summit, having been launched after India, Sweden and the World Economic Forum led the industry-track in the lead up to the Summit. The MPP’s ambition is to drive concrete and tangible action on the Climate Action Summit outcomes focused on industry decarbonization.

Today's Dialogues' Session Highlights

Session name & lead partner	Highlights from the session (max 100 words per session)
Global Outlook: The Road to COP26 - Net Zero Action for Industry Transition (MPP + WEF)	The session brought together high-level government speakers, business leaders, and civil society to introduce the Industry Dialogue, highlight existing Race to Zero commitments, and help accelerate tangible and inclusive climate action to COP26. Speakers included Sharan Burrow (General Secretary, ITUC) calling for an inclusive green transition, Isabella Lovin (Deputy Prime Minister and Minister for Environment and Climate, Ministry of the Environment of Sweden) promoting public-private collaboration and clear climate policy frameworks, and Alan Knight (Director, Corporate Responsibility and Sustainability, ArcelorMittal) discussing different decarbonisation pathways for steel, from green hydrogen to CCUS.
Business Action to deliver Net Zero (WBCSD + WMB)	The session focused on the concrete actions that leading global companies from key industry sectors and geographies are taking to align their strategies and operations with the ambitious 1.5°C objective, such as participating in the Climate Ambition Alliance (Race to Zero), SOS1.5, the Business Pledge to 1.5°C, and more. We heard from Helen Clarkson (CEO, The Climate Group) who encouraged take-up of their leading global initiatives like RE100, EV100, and EP100, and teased their upcoming net-zero steel initiative and Nadir Godrej (GM, Godrej Industries and Chairman of Godrej Agrovet) who shared some heartening climate poetry praising the commercial viability of renewable energy like solar for the Indian chemicals industry - in rhyming couplets!
Business Ambition for 1.5C: Inspiring Industry Action (SBTi)	The session showcased the progress of leading companies in key sectors against the 1.5°C goal, doing their part to support the multistakeholder ambition loop required for effective climate action. We heard from Magali Anderson (CSO, LafargeHolcim) describing how an ambitious mindset is key: "there are no obstacles, only solutions and opportunities". And Anirban Ghosh (CSO, Mahindra Group) reassured that "everything you need to do to achieve science-based targets makes business sense". The session encouraged other companies to follow through, and join the SBTi and its Business Ambition for 1.5°C Campaign Call to Action.
Net Zero Fashion (UNFCCC Fashion Charter)	This session launched an industry decarbonisation milestone plan for apparel coordinated across multiple organisations working on the topic, demonstrating clear industry willingness to deliver on the Paris Agreement. In doing so, it created a call to action for the fashion industry, policymakers, funders and other sectors to engage with delivery of the fashion decarbonisation roadmap - and to pursue similar aligned industry roadmaps for other sectors. The session also charted the immediate actions to be taken by the industry to achieve meaningful progress in the next 12 months ahead of COP26, alongside longer-term goals for the industry to achieve 45 percent emissions reduction by 2030. The session featured a global panel, with speakers

	including Kehua Hu (Director of Sustainability Stewardship at China National Textile and Apparel Council), Rubana Huq (President, Bangladesh Garment Manufacturers and Exporters Association), and Morten Lehmann (Chief Sustainability Officer, Global Fashion Agenda).
Call to action for a net zero retail industry (BRC)	This session set out a new net zero commitment for the UK retail industry by 2040, with a keynote speech from the Rt Hon Alok Sharma MP (Secretary of State for Business, Energy, and Industrial Strategy and COP26 President, UK government). It also launched the Climate Action Roadmap, with over 60 leading retailers committing resources to support the delivery of such a target. Panellists Peter Jelkeby (CEO, IKEA UKI) and Steve Murrells (CEO, The Co-operative Group) praised such industry collaboration and called for continued leadership and increased transparency within the sector, such as retailers publishing their own carbon footprints. The BRC calls on all retailers, government, and stakeholders to make this commitment happen, and calls for all retail markets across the globe to develop net zero strategies.
The Climate Pledge (Global Optimism & Amazon)	The session brought together companies that have signed The Climate Pledge, a commitment to achieve net zero carbon by 2040 – ten years ahead of the Paris Agreement. The session featured diverse sectors, each using their size, scale, influence and resources to accelerate the transition. The session featured Christiana Figueres , founding partner of Global Optimism, Gonzalo Muñoz , the UNFCCC High Level Climate Action Champion, Kara Hurst , Head of worldwide sustainability at Amazon, and speakers from signatory companies to The Climate Pledge.
A just transition to drive the industry transition to zero emission (ITUC)	The session called for urgently needed social dialogue processes to help workers, employers, and governments manage and accelerate just transition measures effectively—especially in heavy industry sectors like steel. Panellists like Martin Lindqvist (CEO, SSAB) and Ayuba Wabba (President, Nigeria Labour Congress) communicated that just transition measures and social dialogue with stakeholders will drive the industry transition, delivering and guaranteeing social justice is essential for climate ambition, and that social justice requires massive investments to climate-proof and employment-proof the future.
Realising Mission Possible: Decarbonising Heavy Industry (MPP)	The session explored obstacles and opportunities to make progress toward specific, measurable, net zero sectoral agreements across heavy industries - cement, steel, aluminium, and chemicals - with speakers including Bo Cerup-Simonsen (CEO of Maersk Mc-Kinney Moller Center for Zero Carbon Shipping, Mærsk Mc-Kinney Mølle) and Harry Brekelmans (Director, Projects and Technology, Royal Dutch Shell plc) discussing the relationships between policies, technologies, and finance required to deliver them.