

Statement on behalf of We Mean Business Coalition ahead of COP27:

Amidst the escalating impacts and threats of climate change, heads of state, negotiators, climate scientists, activists and business leaders prepare to meet for COP27, taking place in Sharm El-Sheikh, Egypt. The consequences of inaction are already being felt globally, with the world's vulnerable most severely impacted.

Every fraction of a degree of global heating matters. The Glasgow Climate Pact, agreed at COP26, stressed 'the urgency of **enhancing ambition and action** in relation to mitigation, adaptation and finance in this critical decade'. It committed governments to raising their 2030 climate targets in 2022 to keep the 1.5°C goal within reach. Yet the latest report from United Nations Climate Change shows that the combined climate pledges from governments put us on track for 2.5°C of heating.

The world can no longer wait. Failure to deliver risks breaching dangerous tipping points that will lead to irreversible climate breakdown with devastating impacts for people and planet. Addressing climate change and global sustainability is essential to respond to the multiple crises we face, exacerbated by ongoing conflicts, rising energy prices, food shortages, and economic disruption. We need to urgently double down on the action needed to avoid ever-growing human suffering, overwhelming economic costs, and accelerating biodiversity loss.

It is essential to raise ambition in commitments made through Nationally Determined Contributions (NDCs) and to translate them into action. But governments can't do this alone. Business stands ready to work with governments to deliver more ambitious NDCs in both developing and developed countries. This will **create positively reinforcing ambition loops that can drive the scale required**: the right government policies and incentives allow companies to decisively invest in net-zero solutions, which in turn gives governments confidence to step up ambition.

The **We Mean Business Coalition** brings together more than 9,000 companies worldwide to raise climate ambition and action. As the voice of leading businesses, we call for a holistic approach to climate, nature, society and economy. Recently, we have mobilized leading companies in support of the US Inflation Reduction Act, REPowerEU and the Just Energy Transition Partnership in South Africa.

Ahead of COP27, the Coalition and our partners have identified priorities within the three COP27 themes – mitigation, adaptation and finance – to increase ambition and accelerate collaboration between business and government in pursuit of our shared climate goals. Business supports urgent action in this decisive decade, including through participating in the Global Stocktake to track progress and raise global climate ambition and action.

1. Mitigation: Business and governments must go all in to cut emissions.

The action we need to avoid the most devastating impacts of climate change is clear: halving global emissions by 2030 and transitioning to a just and inclusive net-zero economy by 2050 at the latest. Governments can tap the expertise of business to inform policies that are grounded in their practical experience.

In practice, it means collaboration to accelerate the transition away from coal, oil and gas, embracing renewables, energy efficiency and electrification, and enabling transformation of energy-intensive industries for the future. Just some of the measures needed by 2030 include producing at least 61% of global electricity from renewable sources, and transforming road transport with at least 300 million electric cars and 6 million zero emission trucks. It also means protecting, managing and restoring nature, coupled with major investments from businesses to reverse nature loss, beyond their value chains. Deforestation must be removed from supply chains by 2025. Similar metrics are available across all sectors.

Business calls on governments at COP27 to:

- Agree a Mitigation Work Programme, designed with a sectoral focus, that will create the conditions to “urgently scale up mitigation ambition and implementation in this critical decade”. The companies we work with are ready to share their real-world expertise, learnings and best practices. Business must be an active participant in the Work Programme;
- Deliver on and strengthen commitments to keep the 1.5°C target within reach.

2. Adaptation and Resilience: Business and governments must go all in to nurture resilient communities.

In a global economy no-one will be unaffected when climate-related disasters hit. Responsible businesses recognize that, as part of the communities they operate in, they are dependent on stable conditions - economic, nature, social and climatic – to survive and thrive. A dangerously changing climate will harm their employees, customers and suppliers. It will impact supply chains, product availability, food production and economic growth.

The public and private sectors must each play their part in building resilience and collaborating with communities for adaptation, to the realities of our changing climate, wherever they are in the world. In practice it means progress on national adaptation plans (NAPs) and in delivering finance to support action in vulnerable countries and regions. For companies, it means contributing to NAPs, investing in their value chain and working with their suppliers, including SMEs to ensure they play their part in the transition to net zero, and rolling out climate transition plans. It means ensuring a just transition for workers and communities currently reliant on the fossil fuel economy, and the creation of a green and inclusive economy.

Business calls on governments at COP27 to:

- Recognize the urgency of adaptation measures, scale up finance, and make progress towards agreeing a global goal on adaptation;
- Deliver a plan to address the losses and damages being faced by vulnerable nations on the frontlines of climate disasters, including appropriate mechanisms to deliver the finance needed.

3. Finance: Business and governments must go all in to finance the global transition to net zero

Global financial markets are already moving and driving the global transition to net zero. 62% percent of total renewable power generation added in 2020 had lower costs than the cheapest new fossil fuel option. Yet, the urgency of the situation demands even faster action.


In practice it means redirecting investments to the solutions and technologies of the net zero future, and supporting companies to accelerate the transition. It means delivering public finance and incentives now to unleash private sector investments globally that immediately help reduce emissions and build resilience to the effects of the climate crisis, such as in climate-resilient green infrastructure and nature-based solutions. It means developing sustainable finance taxonomies and implementing disclosure standards in support of a 1.5°C-aligned financial system, using International Sustainability Standards Board (ISSB) as a global baseline and considering effects on people and planet. This year has seen record breaking corporate disclosure with 18,700 companies, representing half of global market capitalization, disclosing environmental data to CDP – a 38% increase on 2021.

Business calls on governments at COP27 to:

- Deliver on the US\$100bn per year climate finance commitment, including a 50-50 share for mitigation and adaptation, and make progress on the post-2025 climate finance plans;
- Deliver on financial flows to channel private investment, such as through new Just Energy Transition Partnerships that are fit for purpose, prioritize emissions reductions and equity, and have clear funding mechanisms that do not worsen national debt.

The We Mean Business Coalition and the partners and businesses we work with stand ready to collaborate with policy makers, political leaders and the COP27 negotiators to cut emissions and invest in nature, nurture resilient communities and finance the net zero transition.

Together we can create a better future.



Sir Ian Cheshire
Chair




Aron Cramer
President & CEO



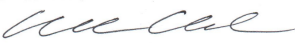

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