

# WE MEAN BUSINESS

economic opportunity  
through bold climate action

To the G20 Heads of State and Governments

November 2018

Businesses are implementing the Paris Agreement. By aligning with the Paris Agreement, companies are growing their bottom line, reducing and stabilizing costs, driving innovation, uncovering new markets, and future-proofing their business strategies.

However, the first round of NDCs, even if fully implemented, will not deliver the goals of the Paris Agreement.

Business is looking to G20 countries to step up their ambition, clearly charting a long-term strategy for their transition to a zero-carbon future and strengthening policy targets and measures in their 2020 NDC communications. Bold targets and clear timelines from governments give businesses the clarity and confidence they need to put forward even more ambitious commitments of their own, which in turn will help governments to further strengthen and enhance national climate policies.

The IPCC Special Report 'Global Warming of 1.5°C' makes it clear that net-zero GHG emissions by 2050 is both possible and necessary to achieve the Paris Agreement's 1.5°C goal, and a host of recent studies and real economy trends demonstrate that a just transition to a resilient, zero-carbon future will have many benefits for our economies and societies. Recalling the G20 Hamburg Climate and Energy Action Plan for Growth, we call on G20 leaders to **close the gap with the Paris Agreement's goals** through the following actions:

- ▶ Reaffirm their strong commitment to the Paris Agreement, and complete a strong set of guidelines at COP24 to ensure its swift and effective implementation that will provide clarity on national actions taken and trigger increasing ambition over time.
- ▶ Welcome the IPCC's Special Report on 1.5°C, and, recognizing that global efforts are not on track to achieve the Paris Agreement's goals, commit to strengthening national climate and energy policies to be included in the 2020 NDCs.
- ▶ Commit to communicating, before 2020, long-term strategies aiming for net-zero emissions as early as possible, with leading economies aiming to achieve this by 2050 at the latest, to guide future NDCs and national climate policy.
- ▶ Build resilience to climate impacts, in particular among the most vulnerable communities and support a just transition to a net-zero emissions global economy

And we call on G20 leaders to **further accelerate business ambition** through the following actions:

To ensure a sustainable financial system that maximises the opportunities from zero-carbon markets and adequately addresses climate risk in investment decisions:

- ▶ Publicly support the implementation of the Financial Stability Board's Task Force on Climate-related Financial Disclosures (TCFD) recommendations through regulation, and the extension of the Task Force's term.
- ▶ Honor commitments to climate finance which will open up private sector markets.

- ▶ Set strong carbon pricing signals consistent with the Carbon Pricing Leadership Coalition's High Level Commission on Carbon Prices, and the 2018 Carbon Pricing Corridors analysis.
- ▶ Phase out fossil fuel subsidies as soon as possible.

To harness the business opportunities from the necessary transition to a resilient, just zero-carbon future:

- ▶ Accelerate the transition to zero-carbon transport through end dates for the sale of internal combustion engine passenger vehicles; increasingly stringent emissions standards; low-emission zones in cities; fiscal measures reducing the total cost of ownership; and support for charging infrastructure development.
- ▶ Accelerate the transition to zero carbon energy systems, specifically to boost corporate renewable energy sourcing by setting ambitious, long-term and credible national renewable energy targets and development plans; enabling direct participation in electricity markets for corporate buyers; and establishing sound and transparent tracking systems for renewable energy.
- ▶ Phase out existing traditional coal power, and put a moratorium on any new traditional coal power stations without operational carbon capture and storage.
- ▶ Ratify the Kigali Amendment to the Montreal Protocol, and implement policies phasing out HFCs and addressing other short-lived climate pollutants.

We stand ready to work with governments in implementing these actions and are open to further discussions for greater detail on what business needs from governments.

We Mean Business (WMB) is a coalition of nonprofit organizations working with the world's most influential businesses to take action on climate change. Together we catalyze business leadership to drive policy ambition and accelerate the transition to a low-carbon economy.

- ▶ Over 830 leading companies, representing \$16.9 trillion in market capitalization, equivalent to 20% of global GDP, have made more than 1,350 bold climate commitments, through the We Mean Business coalition's Take Action campaign.
- ▶ More than 480 companies, across developing and developed economies, have committed to or set science-based emission reduction targets (SBT), aligned with the Paris Agreement goals. This includes nearly one-fifth (17%) of Fortune Global 500 companies.

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#### COALITION PARTNERS

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