

9 June 2021

G7 Summit 2021: Time to go all in for 1.5°C

Dear G7 Heads of State and Government,

We welcome the recent G7 commitments in favour of aligning short, medium and long-term policies with science-based 1.5°C pathways, including recognition of the need for deep emission cuts in the 2020s, to halve emissions and reverse nature loss by 2030, to phase-out coal, to disclose climate risk, and to align financial flows with these objectives.

Business expectations

This week, business is looking to G7 Heads of State and Government lay out concrete steps towards implementing the commitments made. The direction of travel has been set – the sooner our economies begin integrating these commitments across all areas of policymaking the more efficient and prosperous our pathway to net-zero by 2050 will be. It is vital for business that decisions across government ministries align to this same direction of travel through predictable, consistent and clear public policies and financial regulation.

Uniting the leading business voice

Companies across the world have recognized that investing in climate action and resilience is good for business. That is why more than 1,800 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 US\$24.8 Trillion, equivalent to almost one-quarter of global GDP. These companies represent every sector of the economy – from industry to finance, retail to chemicals.

Policy recommendations for the G7

Leading companies are looking for ambitious outcomes from G7 Leaders towards reducing emissions and building resilience for our societies, economies and businesses. These companies back the G7 to:

- ▶ Put forward strengthened, **high quality NDCs in line with a 1.5°C trajectory** to halve global emissions and contribute to reversing nature loss by 2030.
- ▶ Commit to **100% sales of zero-emission vehicles (ZEVs) by 2035** for new light-duty vehicles.
- ▶ **End coal** financing immediately, coal exports by 2025, and phase out the use of coal by 2030.
- ▶ Lay out roadmaps by 2022 to **phase out all fossil fuel subsidies and financing by 2025** at the latest.
- ▶ Deliver on the commitment by developed countries of **US\$100 billion per year** in support of climate action by developing countries.
- ▶ Put a **meaningful price on carbon** that reflects the full costs of climate change, as part of a broader mix of policy instruments.
- ▶ Make **climate-related financial disclosure mandatory** for corporations, in line with the Task force on Climate-related Financial Disclosures (TCFD) recommendations.

Consideration of a just, green recovery

A zero-emission aligned recovery will enable companies to invest and innovate at the pace and scale necessary to build back better: creating decent jobs, protecting health, reducing emissions and increasing

WE MEAN BUSINESS

COALITION

resilience. Our analysis shows that green recovery plans boost income, employment and GDP better than return-to-normal stimulus measures. A green recovery needs to begin at home. G7 countries can demonstrate good practice on this by setting minimum green spending floors.

The G7 has a leading role to play in setting the global standard for climate ambition and demonstrating collaboration and coordination towards a just, global economy, aligned with net zero. There is also an opportunity to show solidarity with the rest of the world in addressing both the COVID-19 and climate crises. As such, our policy recommendations fit within the broader context of vaccine equity, debt relief and other issues of particular importance to the least advantaged.

Your decisions will influence the strategic direction of the global economy for years to come. This is a unique chance to build global confidence to increase climate action at the necessary speed and scale, and set the bar high for success at G20 and COP26.

Business is acting to build a zero-emission economy and stands ready to work with government leaders at this critical moment to drive the transformational change we need.

All in for 2030. Accelerating action. Halving emissions.

Sincerely,

María Mendiluce



Aron Cramer



Paul Simpson



Mindy Lubber



Eliot Whittington



Helen Clarkson



Halla Tómasdóttir



Peter Bakker

