COP26 ASKS FROM BUSINESS
The IPCC’s most recent Report\(^1\) published in August 2021, sent an urgent signal: climate change is already a reality, and the opportunities of staying within 1.5°C to avoid its most catastrophic impacts are narrowing fast.

**While a 1.5°C world is still possible, we must both halve emissions and reverse nature loss by 2030.**

This will require **radical and urgent transformation of our society and economy and all systems that support it**: finance, energy, transport, industry, built environment, and create an equitable, nature-positive land system that is transformed into a carbon sink.

**Now is the time for all countries to commit to the 1.5°C trajectory, translate global goals to policies and deliver climate action.** Ensuring a green recovery from COVID-19 will help to drive sustainable economic growth, build resilience and solidarity, and create new jobs as part of a just transition.

The **We Mean Business Coalition** is a coalition of organizations working with thousands of the world’s most influential businesses to take action on climate change. Together, we catalyze business and policy action to halve global emissions by 2030 in line with a 1.5°C pathway.

Over 1,900 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. Of those, more than 900 companies have aligned their targets with the 1.5°C pathway.

Hundreds more are switching to 100% renewable electricity with Climate Group’s RE100 initiative and accelerating the transition to 100% electric vehicles with EV100. These companies are key players in the global economy and society and represent every sector – from industry to finance, retail to chemicals.

Together, **leading businesses and governments can create positively reinforcing ambition** with government policies that give clarity and confidence to business to invest decisively in net-zero solutions. **These Ambition Loops help accelerate the transition to a net-zero economy.**

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\(^1\) Working Group 1 Report on the Physical Science of Climate Change, Intergovernmental Panel on Climate Change.
COP26 in Glasgow is a crucial milestone in the implementation of the Paris Agreement and in efforts to keep the 1.5°C trajectory within reach. Key outcomes are needed in the lead up to COP26, as well as important decisions in Glasgow, to catalyze action with a view to closing the ambition gap early this decade and halving global emissions by 2030.

This document presents asks from business to governments meeting at COP26 which have been prepared together with the We Mean Business Coalition partners. They highlight what business believes is crucial from COP26 to put us on track towards achieving the Paris Agreement 1.5°C objective and halving global emissions by 2030, focusing on the following key issues:

**Ambition to 1.5°C.**
Ramping up ambition to 1.5°C and a net-zero global economy by 2050, through country and non-state actor commitments in the lead up to the COP, coupled with an accelerated timeline for raising ambition and sectoral transformation.

**Global Stocktake.**
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.

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2 The Global Stocktake is a central component of the Paris Agreement mechanism to raise global climate ambition mechanism. The Global Stocktake takes place every 5 years with the aim of tracking collective progress to the Paris agreement objectives and informing the next round of Nationally Determined Contributions (NDCs) with a view to increasing their level of ambition.

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This COP26 Asks document aims to:

- Support governments meeting at COP26 in Glasgow to reach key decisions that will support raising climate ambition under the Paris Agreement.
- Empower business leaders with clear messages that will enable them to convey their call for ambitious climate action with specific asks from governments meeting at COP26.

The We Mean Business Coalition aims to be a constructive partner in this process, aligning our own understanding of business needs with the decisions governments must take at COP26.

**ENSURING SUCCESS IN GLASGOW TO BRING US ON TRACK TO 1.5°C**

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**Article 6.**
Finalizing robust rules on Article 6 relating to the use of market instruments that uphold environmental integrity and help raise climate ambition. Of particular importance is the crucial role of carbon pricing policies as one of the most effective instruments to drive deep decarbonization pathways across economies.

**Finance.**
Delivering a credible forward process for climate finance and delivery on the $100 bn commitment to support developing country climate action mitigation and adaptation.

**Adaptation and Resilience.**
Signaling continued commitment to ambitious adaptation and resilience efforts, including by establishing a clear process to develop a global goal for adaptation.
STEPPING UP AMBITION TO 1.5°C

The principal objective of the Paris Agreement is to limit global warming to well below 2°C, and undertake efforts to limit warming to 1.5°C, compared to pre-industrial levels. Recent scientific reports by the IPCC have highlighted the urgency of staying within 1.5°C to avoid the most catastrophic climate impacts. Achieving the 1.5°C objective and halving global emissions by 2030 requires accelerated systems transformation at scale.

In order to address the current gap in ambition to achieve the 1.5°C goal, COP26 in Glasgow must send a strong signal by government leaders of their universal commitment to this objective. As engines for growth, jobs, innovation and investment, companies are making investments and aligning their strategies with a net-zero economy. Business is calling on governments to step up climate ambition and implement the right policies to help us get on track.

Forward-looking businesses call on governments meeting at COP26 in Glasgow to:

1. Welcome and endorse the findings of recent IPCC reports, in particular the 2021 (Sixth Assessment Report) Working Group 1 Report on the physical impacts of climate change, and reiterate universal commitment to take all necessary action to stay within the 1.5°C Paris Agreement objective.

2. Commit to achieving economy-wide net-zero emissions by 2050 at the latest and reversing nature loss by 2030.

3. Commit to implementing strengthened, high quality Nationally Determined Contributions (NDCs) and long-Term Strategies in line with a 1.5°C trajectory to halve global emissions by 2030, supported by policies, sectoral objectives, implementation plans and laws across the economy to reach their NDC and net-zero targets and are nature positive.
GLOBAL STOCKTAKE

The Global Stocktake is 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. The Global Stocktake will assess collective progress towards the long-term goals of the Paris Agreement every five years on mitigation, adaptation and finance. Its output will consist of key political messages and recommendations, best practices, new opportunities, and lessons learned.

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.

Parties at COP26 are tasked to finalize the design of the first Global Stocktake which is scheduled to take place from 2022-2023 and will inform the next round of NDCs in 2025 and enhance collaboration. To accurately take stock of global progress, the right mechanisms to ensure that non-government stakeholder action is included in the Global Stocktake will be crucial. As part of the Enhanced Transparency Framework (ETF) under the Paris Agreement, Parties may submit a first biannual transparency report (BTR) already in 2022 to inform the first Global Stocktake.

Forward-looking businesses call on governments meeting at COP26 in Glasgow to:

1. Adopt a design for the Global Stocktake which reflects:
   • **A strong purpose** that is driven by the need to accelerate global ambition.
   • **Inclusivity** by ensuring, through appropriate process and mechanisms, the participation and engagement from all Parties, as well as non-Party stakeholders, in particular the private sector.
   • **Evidence-based approach**, with high-quality data front and centre 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.
ARTICLE 6

As a voluntary set of tools to allow for higher ambition in Nationally Determined Contributions (NDCs), Article 6 can play an essential role for the world to meet the objectives of the Paris Agreement, and to deliver the levels of ambition needed to achieve the 1.5°C goal.

With countries raising their climate ambition in their NDCs to align with a 1.5°C trajectory and halving global emissions by 2030, many of these commitments incorporate within them carbon pricing and market-based elements crucial to raising ambition. A growing number of companies have committed to net-zero targets, while incorporating carbon pricing mechanisms to support these efforts.

Carbon pricing policies are among the most effective and cost-efficient means of driving deep decarbonization pathways across economies. They are critical to support the urgent efforts required to drive the transition towards a net-zero future and achieving the 1.5°C goal.

The development of robust carbon markets underpinned by environmental integrity and aligned with the achievement of Sustainable Development Goals (SDGs), is a huge opportunity to accelerate climate action at the global level.

Governments should put a price on carbon and implement robust and Paris-aligned policies and mechanisms as part of their revised NDCs that support the accelerated transition towards a decarbonized future and support the achievement of the SDGs.

WHY DOES ARTICLE 6 MATTER FOR BUSINESS?

Article 6 is the key part of the Paris Agreement that directly engages the business and private investment sector in directly implementable activities and projects in which they can invest. The trading instruments, implementation of non-market approaches can also contribute to wider sustainable development goals.

There is strong real-world interest shown by the rapidly increasing number of pilot Article 6 projects and the willingness of the private sector to invest. However, without consensus on the negotiations and a clear guidance on the rules governing Article 6, these pilot projects may lead to multi-standard implementation bringing additional complexity. While all issues currently under discussion are important for the operationalization of Article 6, some principals are particularly important to give confidence and enough lead time to the business and investors.

Forward-looking businesses call on Governments at COP26 to:

1. Reach agreement on strong rules to implement Article 6 of the Paris Agreement which support governments to take additional mitigation action and provide incentive to business to invest in cost-effective emission reductions. These rules should:
   - prevent double counting of emissions reductions;
   - protect the environmental integrity of NDCs; and

2. enable the transfer of mitigation outcomes between Parties’ NDCs to maximize cost efficiency and support additional mitigation action.

Support meaningful carbon pricing policies and mechanisms that reflect the full costs of climate change, as part of a broader mix of policy instruments to support clean technology investments and innovation.
Climate finance is essential to accelerate the transition to a net-zero economy. The Paris Agreement stipulates that developed countries provide financial resources to assist developing countries with both mitigation and adaptation efforts. To this end, developed countries have committed to provide $100 billion per year by 2020 and extend that commitment for another five years, through 2025.

Public climate finance is essential to ensure the full implementation of the Paris Agreement, and it enables more resilient public infrastructure while leveraging private sector markets. To enable the accelerated transition to a net-zero economy, markets need full information on climate risks and opportunities, and clear pricing signals and policies to enable global financial flows to urgently shift towards 1.5°C aligned investments.

Forward-looking businesses call on Governments at COP26 to:

1. Agree on COP outcomes that support the alignment of global finance and investment with the 1.5°C objective of the Paris Agreement and achieving net-zero global emissions by 2050.

2. Achieve the commitment by developed countries to deliver $100 bn per year in support of climate action by developing countries, with an equal balance between adaptation and mitigation, and concrete plans for its delivery post-COP26.

3. Recommend that public finance spent on COVID-19 economic recovery is directed towards a green recovery to stimulate net-zero products, services, and business models.

4. Agree a process to deliver a post-2025 goal for climate finance aligned with investment needs to deliver 1.5°C, which supports NDC enhancement and implementation in developing countries.
ADAPTATION AND RESILIENCE

While increasing mitigation ambition is critical to hold global warming to 1.5°C, we must adapt and build resilience to the climate impacts we cannot no longer avoid. The most recent report from the IPCC warned that the major worsening of climate impacts will happen a decade earlier than previously thought. As a key priority for governments meeting in Glasgow, COP26 must signal strengthened action on climate adaptation to support vulnerable communities and build resilience in value chains across the globe.

The scope and scale of climate risks and impacts are regionally diverse and complex. They can be difficult to identify over the long-term. Our response must therefore be global, sustained, involving our full supply chains and stakeholders. In addition, it must differentiate between regional adaptation objectives and requirements.

In recent years, the private sector has made great strides in understanding climate risk and integrating resilience into core business strategies, such as risk management, business continuity, growth and investment plans. Increasingly, they invest to improve resilience across supply chains and frontline communities vulnerable to climate impacts.

Forward-looking businesses call on Governments at COP26 to:

1. Establish a clear process to develop a Global Goal for Adaptation.
2. Signal continued commitment to ambitious adaptation and resilience efforts, and to recognize the adaptation efforts of the private sector.
3. Commit to implementing their National Adaptation Plans (NAPs) and work with businesses to identify adaptation needs and priorities.
4. Recognize the importance of governments to work with the private sector to integrate adaptation and resilience across supply chains by:
   - supporting the recommendations of the TCFD to manage systemic financial risk, and to provide investors and credit rating agencies with better information on enhancing climate and other environmental-related reporting;
   - developing early warning systems and emergency preparedness;
   - strengthening resilience of value chains;
   - promoting blended finance tools;
   - switching to circular business models;
   - developing comprehensive risk assessments;
   - robust data-based decision-making tools; and
   - promoting public-private partnerships across regions.

For more information please visit WeMeanBusinessCoalition.org/policy