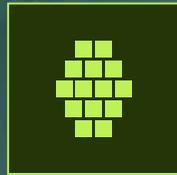


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Climate,
Sustainability,
and ESG

COP 30:

What businesses need to
know from the COP of Truth



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Introduction

In November 2025, nearly 60,000 delegates arrived in Belém, Brazil for the 30th Conference of the Parties to the UN Framework Convention on Climate Change (“COP30”). Brazil, holding the presidency, promised a “COP of Truth” that would set countries firmly on the path to implementation of the Paris Agreement. The ambition of the talks was marred by geopolitics. The absence of the United States, the world’s largest economy and historical top emitter, emboldened countries with fossil fuel interests. Despite ambitious rhetoric, the summit was ultimately underscored by deep disagreements and a lack of consensus on key issues.

In this briefing, we reflect on the main themes and takeaways for businesses from COP30: including the failure to reach agreement on a fossil fuel roadmap and some key outcomes in relation to nature and indigenous peoples, climate finance and global trade issues.





COP30 in Belém will be the COP of truth. It will be the moment for world leaders to prove the seriousness of their commitment to the planet.”

Luiz Inácio Lula da Silva, President of Brazil

With a dazzling array of climate, sustainability and ESG regulation becoming applicable to businesses all over the world, a clear sense of direction and certainty in relation to climate change and climate action is needed. Given the absence of the United States at COP30 and the prevalence of fossil fuel industry influence, COP30 did not ultimately advance global climate outcomes in a meaningful sense. However, agreements were made on adaptation and nature, in particular, which will provide opportunities for business to put more emphasis on those subjects which are now central rather than sidelined topics.



Not one single nation among you can afford this, as climate disasters rip double digits off GDP.”

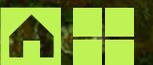
Simon Stiell, Executive Secretary of the UNFCCC



Fossil fuel roadmap becomes voluntary

Brazil consolidated the final decision for COP30 into one comprehensive political agreement, the Mutirão. Originally it contained language referring to phase out of fossil fuels (the fossil fuel roadmap), echoing the language seen at COP28. But in the end no mention of transitioning away from or phasing out fossil fuels was included in the text, despite support from over 90 nations and backing from civil society and business leaders. A group of oil-rich nations, led by Saudi Arabia, with backing from other major producers such as Russia and India, categorically opposed any reference to a transition away from fossil fuels in the final text.

At the end of COP30, the Nationally Determined Contributions (NDCs) submitted by States still fell far short of the numbers needed to meet the temperature goals of the Paris Agreement. In this context, failure to mention fossil fuel transition in the text raises issues of credibility when the science is clear that burning fossil fuels is a huge contributor to climate change. This continues to create uncertainty for businesses in terms of their own energy sourcing and transition planning and the compromise final text left many delegates calling COP30 a “missed opportunity” and a “moral failure”.



Focus on adaptation

Although mitigation remains an important priority, there is now a clear shift in focus towards adaptation finance. The agreement to triple adaptation finance by 2035 was a key inclusion in the Mutirão text, although it was disappointing for some nations who had pushed for a 2030 timeframe instead. Progress on the Global Goal on Adaptation was also made, setting out indicators (albeit there were fewer than originally envisaged) to measure progress on adaptation efforts. This work has made some strides towards mutual recognition of the issues faced, increasing transparency and accountability in this area, with the focus now on responsibility for action and financing.

”

Whilst we welcome that the need to help communities adapt to their changing reality brought about through climate change has finally been recognised, this hard-won recognition has not been backed by the level of finance, detail or commitment needed.”

Zoe Quiroz Cullen, Fauna & Flora

Involvement of indigenous peoples

Belém's location at the heart of the Amazon led this year's COP to be branded the "Nature COP". Indigenous peoples were more visible than ever before, shaping the summit's tone and agenda. From the outset, dozens of Indigenous activists staged protests outside the venue, culminating in the "Great People's March".



Nature



While the COP30 Mutirão text failed to include a roadmap to meet the 2030 zero-deforestation pledge or grant formal recognition of Indigenous land rights, the launch of the Tropical Forest Forever Facility (“TFFF”), a blended finance vehicle, was a notable success. The agreement aims to:

1. mobilise \$125 billion to make conservation more profitable than deforestation; and
2. reserve 20% of funds for Indigenous and local communities, with impact verified through satellite monitoring and penalties for forest loss.

\$5.5 billion has already pledged by countries including Norway, France, Germany, and China but the pledges are not yet enough. However, the structuring of TFFF signals a shift toward treating nature as infrastructure and embedding indigenous leadership in global climate finance.

In addition, seventeen countries also joined the Blue NDC challenge, pledging to implement ocean-related climate solutions into national plans.



Climate finance

In the final Mutirão text, countries reaffirmed the call for U.S. \$1.3 trillion per year to be mobilised by 2035 for climate finance which was agreed at COP29. It also emphasised ‘the urgent need to remain on a pathway towards the goal’ of mobilising at least U.S. \$300 billion per year by 2035 for climate action for developing countries. The Mutirão text sets out a two-year work programme on climate finance to ensure progress on these commitments are made. It also proposed new ways forward for climate finance, calling for the acceleration of reforms in multilateral development banks, an enhanced role for concessional and grant-based finance, and the continued introduction and expansion of innovative financial instruments to facilitate access to climate finance.



Global trade issues

For the first time, trade featured as a key topic of discussion during the conference and was included in the final COP decision. There was much discussion about the EU's *carbon border adjustment mechanism*, which puts a price on the 'embedded carbon emissions' of certain goods imported into the EU to ensure that the EU's climate objectives are not undermined by outsourcing carbon emissions. However, CBAM is perceived by many countries as an unfair barrier to trade. At COP30 a new dialogue process was **launched** on climate and trade under the subsidiary bodies, which will look at how trade policy and cooperation can achieve effective climate action in a just and equitable way, with a particular focus on ensuring that climate measures do 'not constitute a means of arbitrary or unjustifiable discrimination or a disguised restriction on international trade'.



Just Transition Mechanism

At COP30 there was renewed focus on the effects of climate change on workers and communities. An agreement to develop a Just Transition Mechanism was included in the Belém Package ‘aiming to enhance international cooperation, technical assistance, capacity building, and knowledge sharing, which had been a key ask from civil society groups’. The Just Transition Mechanism aims to put ‘people and equity at the center of the fight against climate change’.



New initiative on carbon markets

It was outside the negotiating halls where interesting developments regarding carbon markets occurred. Brazil, the EU, China and other countries adopted the *Declaration on the Open Coalition on Compliance Carbon Markets*, a voluntary initiative intended to align and eventually link national carbon pricing systems, ensure the integrity of offset mechanisms, and reduce the risk of double-counting credits. Other government-led initiatives were also announced with the intention of expanding and strengthening carbon markets.

Looking forward to COP31

COP30 ended with more questions than answers, reinforcing a growing sense that the UN climate process is struggling to deliver meaningful progress. The summit was marked by deep divisions, pushback on transition away from fossil fuels, and the notable absence of the United States, all of which contributed to the failure to agree on major roadmaps for reducing emissions or ending deforestation.

However, those agreements which were made will filter down into more opportunities for private finance to invest in climate and nature, more perceived credibility and integrity in the carbon markets and more nature finance. And will introduce more structures to support countries to decarbonise and create more innovation around climate change mitigation and adaptation.

Our global ESG practice brings together a multidisciplinary global team that provides clients with best-in-market support. We are following developments relating to climate, sustainability and ESG-related themes, so please get in touch if you would like to discuss.

This note is intended to be a general guide to the latest ESG developments. It does not constitute legal advice.



As COP30 draws to a close, we must acknowledge a sobering reality: the talks, held in the heart of the Amazon, fell short of delivering the ambitious decisions on nature and climate that the world urgently needs.”

*James Lloyd, Advocacy Lead,
Nature4Climate*



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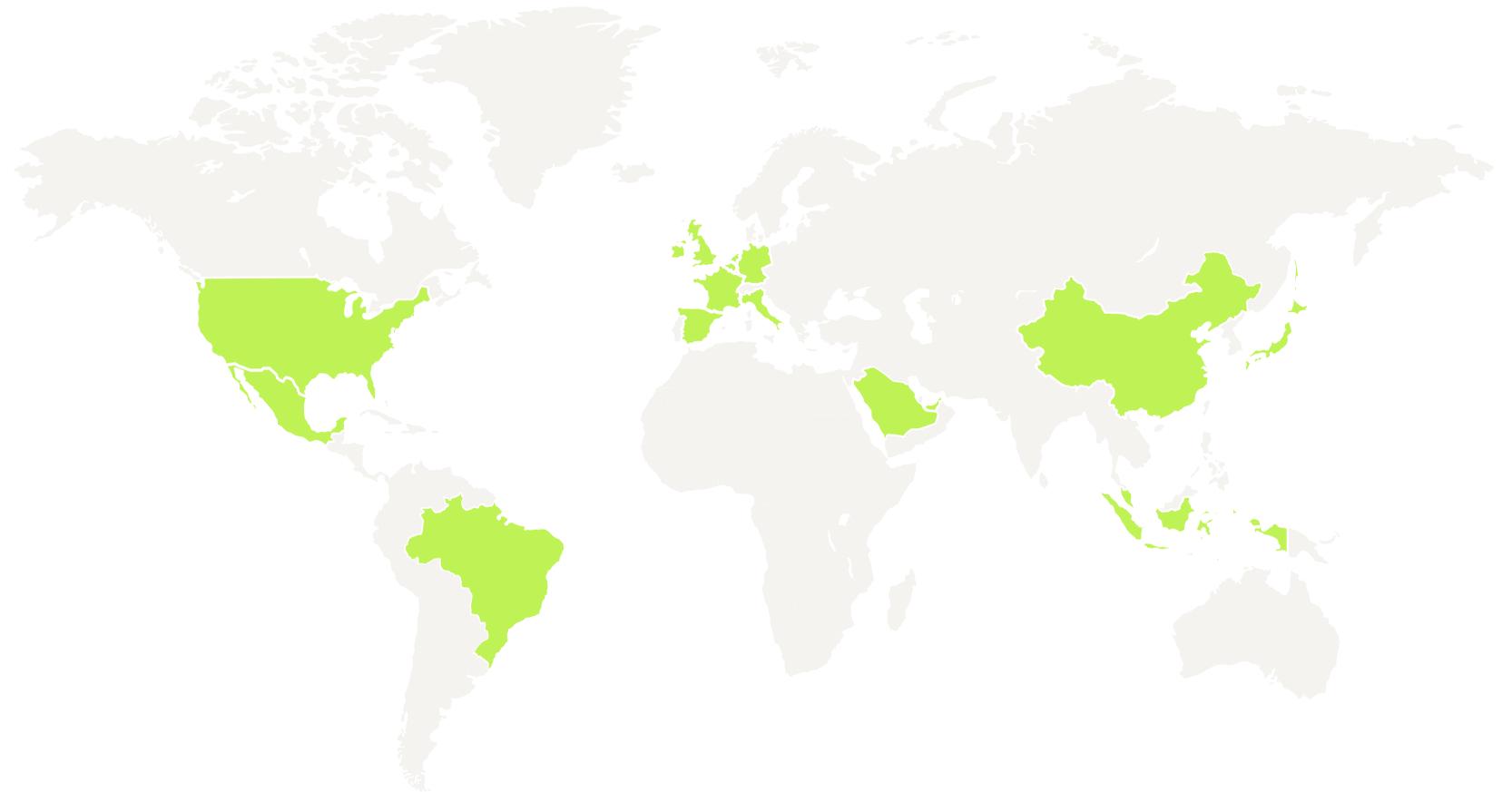
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