

The Business Manifesto for Climate Recovery



Summary

Since 1995, WBCSD has worked with our members to deliver pragmatic solutions for sustainable action and to advocate for policy levers to support their implementation.

Our Business Manifesto for Climate Recovery continues this work with a focus on the most urgent actions needed now from both global business leaders and policy makers to halt temperature rises and begin the process of climate recovery.



Introduction



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As the recent IPCC report makes clear, we have reached overwhelming scientific consensus on the damaging impact of two centuries of uncontrolled emissions of greenhouse gases from human activities. We are seeing unprecedented changes in temperatures, climate and weather patterns and unless we act to change the emissions trajectory and keep temperature rises to no more than +1.5°C above pre-industrial levels the result will be widespread damage to human health, prosperity and wellbeing.

The 26th annual United Nations Climate Change Conference (COP) will be a pivotal moment for global leaders to recognize the urgency of the climate crisis and bring forward plans to demonstrate their commitment to the Paris Agreement goal to limit global warming to well below 2°C, preferably to 1.5°C, compared to pre-industrial levels. We have clear science-led pathways towards that outcome requiring a cut in emissions of 45% from 2010 levels by 2030, and reaching net-zero emissions by 2050.

So far, progress is off-track with estimated aggregate emissions in current government plans rising by 16% by 2030 and while COPs have steadily become more inclusive,

they exclude – by design – many stakeholders who are fundamental to the transformation that is needed. These include businesses that account for the majority of greenhouse gas (GHG) emissions and the private finance sector that leverages public policy and public funding with scaled-up investment flows.

COP26 has seen the creation of new campaigns such as the “Race to Zero” and the “Glasgow Financial Alliance for Net Zero” that have unleashed welcome private sector support for government aims, but there is, as yet, no mechanism for taking forward these hard-won commitments to future COPs.

Recognizing the power of private-public collaboration is at the heart of the World Business Council for Sustainable Development (WBCSD). For over a quarter of a century, WBCSD has worked with our members to deliver pragmatic solutions for sustainable action and to advocate for policy levers to support their implementation.

Our Business Manifesto for Climate Recovery continues this work with a focus on the most urgent actions needed now from both global business leaders and policy makers to halt temperature rises and begin the process of climate recovery.

Our 12 priority actions include proposals that:

- **Reduce** emissions in the largest emission pools – power and heat generation, industry, agriculture and land use, transport and buildings;
- **Remove** emissions especially from the heavy-emitting industries as part of science-informed pathways; and
- **Report** progress of emission reductions across supply chains to financial markets and stakeholders.

WBCSD’s priority actions are underpinned by five core guidelines.

First, we work to integrate adaptation and resilience building into all climate action. The science shows that the physical world in which we live will change and that the worst impacts will be felt by those who are least able to bear the cost and disruption. The Paris Agreement committed its signatories to strengthening the global response to climate change by increasing the ability of all governments to adapt and build resilience. WBCSD sees an active role for the private sector to support the international adaptation effort especially in identifying risks and increasing funding to help businesses and communities prepare and respond to the physical changes.

Second, we need boundaries for climate action based on the present economic and political reality rather than losing time creating perfect theoretical solutions. WBCSD also believes that we should explore how to move beyond net zero (while acknowledging how challenging it has been to build consensus around this landing zone) and consider how to reach a state of negative emissions to deliver climate recovery.

Third, we realize that, as well as climate breakdown, the world is facing a crisis of nature that threatens the lives and livelihoods of millions of people, and growing inequality driven by these natural causes that is adding to the existing inequality of opportunity and prosperity seen across major global economies today. WBCSD believes we should focus on regenerative business models that combine climate action with benefits for nature and reduced inequality, that enhance human health and improve livelihoods, and our work across the climate, nature and inequality imperatives is closely aligned.

Fourth, the scale of the low-carbon transition is often expressed only in technical and financial terms, ignoring the fact that there are potentially large negative impacts (as well as opportunities) for people everywhere as the world pivots to a global low-carbon economy. WBCSD believes that we must therefore ensure a “just

transition” for those affected, and work to embrace the protection of human rights, create stable jobs and social safety nets, invest in resilient infrastructure and focus on the empowerment of women and girls.

Finally, WBCSD recognizes the role of a more circular economy to address multiple challenges. A more circular economy helps to reduce emissions and biodiversity loss and gives us the ability to live well within our planetary boundaries. WBCSD’s leading members are integrating circularity into their core business strategies and when developing climate action. We need to further embed the principles of circularity, particularly for materials and the built environment.

The WBCSD Manifesto represents our collective view of the most important actions that business leaders and policy makers should prioritize now to halt damaging global heating and begin the process of climate recovery. It should not be seen as a check-list for the global WBCSD membership for whom some actions will be more important than others and who face varying challenges in different global jurisdictions and business sectors.

However, there is one collective action that unites all of our members. We want to see business action recognized in the global climate action agenda. Despite widespread use of the Greenhouse Gas Protocol (GHG

Protocol) for reporting emissions and the existence of voluntary emissions data pooling, there is no common mechanism to assess business progress and delivery against their targets, ambitions and aims that would align with the process of setting and delivering national plans or Nationally Determined Contributions (NDCs) and business emissions are not included in NDCs calculations. This means that we currently lose the potential for ambitious corporate plans to drive further progress with other stakeholders and business progress is not recognized by regulators, policy makers and consumers; leaving businesses open to unjust accusations of greenwashing.

We therefore end our manifesto with a call for the development of a new global framework of Corporate Determined Contributions (CDCs) based on corporate ambition, targets and progress in emissions reduction. We propose that this framework is reviewed annually at the UN Climate Change Conference (COP) so that business action is transparent, open to challenge and recognized in the global fight for climate recovery.



The Manifesto Action Summary

The WBCSD Business Manifesto for Climate Recovery is built around 12 priority actions that we collectively believe represent the highest priority for global business leaders and policy makers if we are to halt damaging temperature rises and begin the process of climate recovery.

The actions are structured around a framework to reduce emissions from the largest carbon pools (power and heat generation, industry, agriculture and land use, transport and buildings), remove emissions especially from the heavy-emitting industries as part of science-informed pathways; and report emissions especially in supply chains and to investors and stakeholders. We also believe that priority action 12 is a key enabling item that will allow business action to be highlighted and turbocharged.

Priority Actions	Reduce	Remove	Report
#1 Mainstream Methane Reduction	✓	✓	✓
#2 Make Coal History	✓		✓
#3 Power-up Green Global Grids	✓		
#4 Deploy Decarbonized Hydrogen	✓		
#5 Catalyze Coordination for Net-Zero Transport	✓		
#6 Cut Emissions in the Built Environment	✓		
#7 Capture and Remove the Carbon	✓	✓	✓
#8 Fast-track Natural Climate Solutions	✓	✓	✓
#9 Invest in Nature-Positive Land Use	✓	✓	
#10 Curb Supply-Chain Emissions	✓		✓
#11 Focus on True Value Creation			✓
#12 Account for Business Action			✓

Overview of Manifesto Priority Actions

The 12 priority actions of the WBCSD manifesto represent our collective view of the most important actions that business leaders and policy makers should prioritize now to halt damaging global heating and begin the process of climate recovery.



Page 12

Set shared global government and corporate methane emission reduction targets of 40% by 2030 and 75% by 2050. Include methane baselines, progress and targets in corporate and NDC reporting, strengthen policy and regulatory structures and increase funding for methane monitoring, reduction and removal.



Page 14

Phase out coal-powered electricity generation no later than 2030 for OECD countries (2040 for non-OECD). Commit to no new coal plants, end coal export financing, activate coal-free corporate supply chains and develop clear public/private plans to ensure a just transition supported with global financial mobilization.



Page 16

Invest in green energy grids able to support the decarbonization of energy needed to reach net zero while meeting growing demand for reliable and affordable power, and the widespread and rapid electrification of energy.



Page 18

Accelerate the decarbonization of existing hydrogen and rapidly deploy new hydrogen sources with the lowest possible verified carbon intensity to target 20% of final energy demand by 2050 especially in heavy-emitting industry sectors. Collaborate to reduce cost and infrastructure barriers and create market signals.



Page 20

Drive coordinated action between businesses in the electric vehicle (EV) value chain, policymakers and investors to accelerate the deployment of technology and infrastructure supporting increased EV sales that could deliver a cut in road transport emissions of 30% by 2030.



Page 22

Target a 50% reduction in CO₂ emissions from the built environment system, by 2030 and net-zero emissions by 2050, by implementing bold national and local roadmaps and policies. Create radical collaboration across all stakeholders to focus on the whole life-cycle impact of building and infrastructure activities.



Page 24

Increase the use of engineered carbon removal technologies, combined with permanent storage, focusing on residual emissions from heavy emitting sectors. Implement clear taxonomy and reporting frameworks, develop coherent policy guidance, target investment and develop robust market trading mechanisms.



Page 26

Fast-track high-quality Natural Climate Solutions (NCS) with clear nature-positive goals, coherent policy frameworks, strong demand signals, scaled-up investment and robust market trading mechanisms.



Page 28

Transform to nature-positive land use by 2030 and carbon negative by 2050. Help bridge the annual USD \$700 billion nature financing gap, with investments that enable net-zero, nature-positive, equitable outcomes.



Page 30

Accelerate action towards net-zero supply chains through business collaboration to accurately measure, manage and decarbonize Scope 3 emissions and to create verifiable product-level emissions data.



Page 32

Accelerate the adoption of high-quality reporting frameworks for corporate climate risks. Integrate climate and financial data in reporting, valuation frameworks and stakeholder analysis to help drive a shift in capital allocation towards true value creation.



Page 34

Consolidate data from existing corporate GHG reporting into aggregated Corporate Determined Contributions (CDCs) and use the annual UN Climate Change Conference (COP) to assess business progress against targets.

Summary for Policy Makers

We have summarized below policy requirements that will accelerate progress for our priority actions. These can be applied at global and national levels and may also be relevant for local policy makers.

Priority Actions	Policy requirements
 <p>#1 Mainstream Methane Reduction</p>	<ul style="list-style-type: none">• Well-designed regulation of methane emissions.• Explore border adjustment fees for imports of high methane products.• National/regional reporting frameworks for emissions from venting, flaring and leakage and standard definitions.• Government funding to accelerate the launch of the International Methane Emissions Observatory (IMEO) and assist methane monitoring in developing countries.• Explore policies supporting low-methane diets and phasing out subsidies from agricultural practices.
 <p>#2 Make Coal History</p>	<ul style="list-style-type: none">• Global shared goals for coal elimination.• Clear end points to cease coal export finance and support for new generation capacity overseas.• Clear transition plans to ensure a just transition for workers and consumers.• Collaboration with domestic energy-intensive businesses on cost reduction for low-carbon solutions.• Collaboration with development banks and global financial institutions to create funding pools for coal phaseout and grid transition.
 <p>#3 Power-up Green Global Grids</p>	<ul style="list-style-type: none">• Clear transition plans to ensure a just transition for low-carbon energy.• Stable long-term policy frameworks and investment plans to provide investment certainty.• Robust regulatory frameworks and establishment of cross-border regulatory and market trading mechanisms for regional grid development and stability.• Collaboration between national and development banks and supra-national financial institutions for funding to target market reform and grid investment.
 <p>#4 Deploy Decarbonized Hydrogen</p>	<ul style="list-style-type: none">• Hydrogen embedded into country decarbonization strategies.• Carbon pricing applied to decarbonized hydrogen and renewable subsidy schemes to incentivize hydrogen with lowest-possible verified carbon intensity.• Support for emerging domestic hydrogen markets until projects become economically feasible.• Multilateral agreements to implement international hydrogen trading and infrastructure.
 <p>#5 Catalyze Coordination for Net-Zero Transport</p>	<ul style="list-style-type: none">• Vehicle fuel efficiency targets, EV sales targets and incentive schemes for fleet up-scaling.• Coordinated infrastructure planning defining market and technology, investments and public and private infrastructure deployment.• Flexible energy market participation, smart grid technology investments and policies that promote shared and accessible charging infrastructure.

 <p>#6 Cut Emissions in the Built Environment</p>	<ul style="list-style-type: none"> • Whole-life carbon building decarbonization targets, and tangible policies and measures in national decarbonization and resilience roadmaps, linked to NDCs. • Increase renovation rates of existing building stock and implement building energy codes to reduce carbon and enhance building resilience. • Public funding and procurement for buildings and infrastructure aligned to net-zero, resilience and workforce upskilling.
 <p>#7 Capture and Remove the Carbon</p>	<ul style="list-style-type: none"> • Investment in carbon removal clusters to support hard-to-abate industrial activities. • Policy frameworks for oil and gas extraction to include enabling mechanisms for carbon storage. • Integrated engineered technological carbon removals in policy frameworks. • Policies for private sector and civil society to include carbon removal solutions in their net-zero targets.
 <p>#8 Fast-track Natural Climate Solutions</p>	<ul style="list-style-type: none"> • Alignment of net-zero company certification under one commonly accepted international standards body. • Country commitments on nature and Natural Climate Solutions (NCS) into actionable policy plans and binding regulation. • Voluntary and compliance markets to ensure aligned standards, accounting and inventories. • Resolution of Article 6 to build international carbon markets.
 <p>#9 Invest in Nature-Positive Land Use</p>	<ul style="list-style-type: none"> • Embedded nature and climate objectives decision-making and disclosure. • Reformed subsidies and incentives to reward nature-positive and net-zero actions, and finance a “just transition”. • Long-term economic recovery plans with embedded nature recovery principles and climate action. • Climate policy alignment with the Convention on Biological Diversity with ambitious and mutually beneficial targets.
 <p>#10 Curb Supply-Chain Emissions</p>	<ul style="list-style-type: none"> • Methodological standards and incentives for the calculation, exchange and display of environmental data. • Guidelines for the production of environmentally-responsible products. • Investment in research to achieve successful digitalization for a green economy.
 <p>#11 Focus on True Value Creation</p>	<ul style="list-style-type: none"> • Adoption of sustainability reporting requirements such as TCFD that are coherent and compatible across jurisdictions with greater convergence of ESG standards. • Regulatory guidance strengthened to considered climate change in investors and company directors’ mandates, responsibilities and duties. • Regular stress-testing of the corporate and financial sector to climate risks.
 <p>#12 Account for Business Action</p>	<p>Business and policy makers should collaborate to introduce a new Corporate Determined Contributions (CDCs) mechanism that is structured to be:</p> <ul style="list-style-type: none"> • A simple reporting portal for all disclosed corporate GHG data that is then published annually. • Adopted by a current UN structure such as the Marrakesh Partnership for Global Climate Action to avoid needless duplication. • Open-source and highly accessible allowing stakeholders to query and analyze data. • Able to be expanded, as with the guidelines for NDCs, to include reporting against progress for other ambitions targets and aims which help advance the low-carbon transition.

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