

## BUSINESS ACTIONS FOR MITIGATING CLIMATE CHANGE

Prepared by ICC United Kingdom as reference for the COP26 Programme

### About the report

This report analyses different business practices and approaches of UK-based Multinational Corporates (MNCs) and Small and Medium Enterprises (SMEs) on green transition. It aims to provide concrete business solutions aligning to the UN Framework Convention on Climate Change and the United Nations Sustainable Development Goals to support green transition across industries.

In light of UK presiding the 26<sup>th</sup> annual UN Conference of Parties (COP26), this report gathers insights from corporates with high ambition and commitment to better understand the potential of innovative business models in green transition.

### Background

We cannot afford to wait to act against the threat of climate change, biodiversity loss, and rising pollution. There is a pressing need on rapid green transition in the context of major structural transformations, urbanisation and digitalisation. It is vital for businesses to work together to accelerate actions towards the UN Framework Convention on Climate Change and the United Nations Sustainable Development Goals, and to build resilience into our economies.

While transition to a greener economy means a vast business opportunity, it requires not only coherent policy frameworks, but also innovative sectoral approaches. Eco-Innovation, which incorporates green growth and sustainable development into knowledge-based innovation, is at the heart of green transition for businesses across different sectors. Previous research have shown a positive correlation between eco-innovations, and energy efficiency, productivity and business opportunities.

With the aim of coordinating global action to deal with climate emergency, the UK government has outlined five campaigns for the COP26 in alignment with the four key priorities<sup>1</sup> of COP26. The five campaigns include:

- a. **Adaptation and Resilience:** To encourage greater ambition, tools, finance, coordination and commitments to support practical adaptation and resilience action supporting to the Adaptation Action Coalition<sup>2</sup>, and UN High-Level Climate Champions' Race to Resilience Campaign<sup>3</sup>.
- b. **Nature:** To raise ambition on tackling the drivers of climate change and biodiversity loss, mobilise financing to protect and restore critical ecosystems, and kick-start a just

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<sup>1</sup> COP26 President, Rt Hon Alok Sharma MP set out four key priorities of COP26: 1) to secure a step change in emissions reductions which we all want to see, 2) to strengthen adaptation, protecting people and nature, 3) to get both public and private finance flowing to climate action, 4) to enhance international cooperation among policy makers, investor, business and civil society, at the Climate Adaptation Summit (Cabinet Office, 2021).

<sup>2</sup> <https://www.gov.uk/government/news/new-global-coalition-launched-to-address-impacts-of-climate-change>

<sup>3</sup> <https://racetozero.unfccc.int/race-to-resilience/>

rural transition towards sustainable land use to benefit people, climate and nature supporting to the Leaders' Pledge for Nature<sup>4</sup>.

- c. **Energy Transition:** To accelerate the transition to clean power in a just manner.
- d. **Clean and Transport:** To grow the market for zero emission vehicles.
- e. **Finance:** Highlights the action required by all stakeholders to address concerns about the quantity, quality, responsiveness and impact of international climate finance.

**Suggested structure of the business cases**

- Overview: Sectoral challenges on climate change related issues, highlight objectives, constraints
- Approach: Highlights management model/corporate strategies direct to the five-campaign themes
- Impacts: How corporate strategies align with the UN SDGs

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<sup>4</sup> <https://www.leaderspledgefornature.org>