

# FACTSHEET

## COP26: WHAT DOES IT MEAN FOR RESPONSIBLE BUSINESSES?

**Between 1-12 November 2021, Glasgow will host the COP26 UN Climate Change Conference – which is widely regarded as the last chance to radically increase action on climate change.**

### What is COP26?

The COP (or Conference of Parties) is the highest decision-making body of the United Nations Framework Convention on Climate Change (UNFCCC), which was established at the 1992 Earth Summit with the aim to “prevent dangerous anthropogenic interference with the climate system”. It meets every year, and this year will be the 26<sup>th</sup> meeting, hence COP26. [A useful summary of UN Climate Summits can be found here.](#)

### What are the targets?

The main topic of discussion at COP26 will be progress made against the Paris Agreement (which is a legally binding treaty settled at COP21 in Paris). This international treaty, signed by 195 Parties and ratified by 189, commits all parties to:

- reduce the amount of harmful greenhouse gasses produced and increase use of renewable energy such as wind, solar and wave power
- keep global temperature increases "well below" 2C and to try to limit it to 1.5C
- review progress made on the agreement every five years
- spend \$100 billion dollars a year in climate finance to help poorer countries by 2020, with a commitment to further finance in the future<sup>1</sup>.

COP26 will centre on international efforts up until now to reach these targets, as well as what needs to be done differently in order to meet them.

### BUSINESS IN THE COMMUNITY MEMBERS REFERENCED IN THIS FACTSHEET

- **InterContinental Hotels Group**
- **Sky**
- **Unilever**

### What will happen during COP26?

There will be two weeks of official negotiations. During the first week, these will mainly be technical negotiations by government officials. In the second week, the most challenging issues will be discussed at high level meetings between Ministers and Heads of State, where the final negotiated decisions will be made.

Some of the technical issues due to be discussed and finalised during COP26, including some carried forward from COP25 in Madrid in 2019, are:

- carbon market mechanisms i.e. the rules and regulations of countries buying and selling carbon credits from each other, of which many Parties have differing views.

- funding for loss and damage i.e. how to fund responses when vulnerable countries experience loss and damage caused by climate change, something seen as critical by Developing Nations but faces resistance by some wealthy Nations.
- \$100bn finance target, plus discussions around a new 2025 climate finance target are likely to take place during COP26.
- Nature-based solutions i.e. how nature (forests, agriculture, and ecosystems) can help to mitigate the impacts of climate change, and how these can be built into the Paris implementation strategy.

### What are the UK priorities?

As the host nation for COP26, the UK is in a unique position to showcase collective efforts from government, businesses, and the public to make real progress on climate change. As President of COP26, Alok Sharma MP has set out the following areas of priority action for the UK Government:

- 1. Adaptation and resilience.** ‘Helping people, economies and the environment adapt and prepare for the impacts of climate change.’
- 2. Nature.** ‘Safeguarding ecosystems, protecting natural habitats and keeping carbon out of the atmosphere.’
- 3. Energy transition.** ‘Seizing the massive opportunities of cheaper renewables and storage.’
- 4. Transport.** Accelerating the move to zero-carbon road transport. ‘By 2040, over half of new car sales worldwide are projected to be electric.’
- 5. Finance.** ‘We need to unleash the finance which will make all of this possible and power the shift to a zero-carbon economy.’<sup>ii</sup>

Business in the Community (BITC) ran a series of Climate Action events around these themes to discuss what the challenges and opportunities were for responsible businesses. [A summary of insights from these events can be found here.](#)

### What is Race to Zero?

Rapid action from businesses will be required to meet the climate targets set by national governments. To support the private sector in meeting these targets, the [UNFCCC launched the global Race to Zero campaign](#) which aims to rally all non-state actors including businesses and private investors to take the action needed to secure a low-carbon, resilient recovery.<sup>iii</sup>

[Race to Zero](#) acts as an umbrella campaign that combines net zero commitments from a range of networks and initiatives across the climate action community. For businesses this includes joining the following initiatives.

- [Business Ambition for 1.5C](#)
- [The Climate Pledge](#)
- [Pledge to Net Zero](#)
- [SME Climate Pledge](#)

By joining one of these initiatives’ businesses will be directly included in the Race to Zero campaign.

### What does this mean for businesses?

All organisations are part of the [Race to Zero campaign through the partner initiatives](#) once they meet a set of minimum requirements known as the ‘Starting Line’ which are:

- 1. Pledge:** Pledge at the head-of-organization level to reach net-zero in the 2040s or sooner, or by mid-century at the latest
- 2. Plan:** In advance of COP26, explain what steps will be taken toward achieving net zero, especially in the short- to medium-term.
- 3. Proceed:** Take immediate action toward achieving net zero, consistent with delivering interim targets specified.
- 4. Publish:** Commit to report progress at least annually, including via, to the extent possible, platforms that feed into the UNFCCC Global Climate Action Portal.<sup>iv</sup>

### Get inspiration from what BITC members are doing

**InterContinental Hotel Group:** launched a [2030 responsible business strategy, Journey to Tomorrow](#), which sets out ambitious commitments for the company to help shape the future of responsible travel aligned with the Global Goals. These include implementing a 2030 science-based target that delivers 15% absolute reduction in direct operations and a target of 100% new build hotels to operate at very low/zero carbon emissions.

**Unilever:** their [Sustainable Living Plan](#) sets out their sustainability strategy for 2030 aligned with the Global Goals. Their commitments include halving the greenhouse gas (GHG) impact of their products across the lifecycle by 2030 and eliminating fossil fuels in all cleaning products by 2030.

**Sky:** in February 2020, [Sky announced its commitment to becoming net zero carbon by 2030](#). Following on from this, Sky Sports became the first broadcaster to sign up to UNFCCC's Sports for Action Framework and work has begun to make Sky's Elstree Studio the most sustainable film and TV production site in the world when it opens in 2022.

**UK Water Sector:** in November 2020, the [UK Water industry launched the world's first sector-wide plan to deliver net zero carbon emissions by 2030](#). Through this collaboration, the sector expects to reduce its greenhouse gas emissions by 10 million tonnes.

### What is the opportunity for BITC members?

Many BITC members will partake in events and activities during COP26 to showcase the good work

they are doing, but also to advocate for policy changes to contribute to a more sustainable future.

### Join our events

BITC will be hosting a range of events in the run up to and during COP26. Many are still to be announced, but [you can view them in our events calendar here](#).

### BITC Advisory Services

To support members effectively respond to the climate crisis in their own organisations, we have developed a suite of advisory support products that extend across the various stages of the net zero carbon journey, including:

- Understanding climate-related risks and opportunities
- Understanding your current maturity
- Measuring impact
- Setting a net zero strategy

### Council for Sustainable Business (CSB)

In 2018, the CSB was formed by the UK government to help deliver its 25-year environment plan. In 2020, the CSB hosted an event with over 190 CEOs from UK companies, including many BITC members such as [Environment Leadership Team](#) Members Lloyds Banking Group, National Grid, Sainsbury's and Sky, and HRH Prince of Wales, to launch its plan for a Decade of Difference in the lead up to 2030. In June 2021, the [CSB are planning another event where its community of supporters can proudly showcase their sector leadership](#).

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You might also like:

- [To find out more about BITC's environment work](#)
- [To learn more about BITC's Advisory Services](#)
- [To join us at one of our events](#)



[Talk to one of our expert team today](#) to learn how membership of BITC can help you take your responsible business journey further and drive lasting global change.

## REFERENCES

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<sup>i</sup> NDRC (2021), Paris Climate Agreement: everything you need to know [online] accessed here:

<https://www.nrdc.org/stories/paris-climate-agreement-everything-you-need-know>

<sup>ii</sup> EAUC (2020) 'COP President discusses priorities [online], accessed here:

[https://www.eauc.org.uk/cop26\\_president\\_discusses\\_prioritiespriorities](https://www.eauc.org.uk/cop26_president_discusses_prioritiespriorities)

<sup>iii</sup> UNFCCC (2020), Race to Zero campaign [online], accessed here: <https://unfccc.int/climate-action/race-to-zero-campaign>

<sup>iv</sup> UNFCC (2020), Defining the starting line [online] accessed here: [Minimum-criteria-for-participation-in-RTZ.pdf \(unfccc.int\)](#)