

*WEC Action Forum: Brief Business discussions among WEC members on a hot topic*  
*Session #2: “COP 27 – What does it mean for business”*  
December 8, 2022 - Summary

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**WHAT:**

COP 27 took place from 6th to 18th November 2022 in Sharm-el-Sheikh, Egypt. Four main topics were officially on the agenda: (a) Adoption of an ambitious work programme to reduce global emissions by half by 2030; (b) A global adaptation goal to the impacts of climate change and support in building up adaptation and resilience; (c) Financial and other support for developing countries in coping with damage and loss caused by climate change; (d) Pushing on the achievement of the 100 billion dollar climate finance target for the period 2020 to 2025 (article 2.1c of the Paris agreement) and also discussing a new climate finance target for the period after 2025.

WEC’s Action Forum served as platform for fourteen WEC-members to share experiences of what the outcomes of COP27 mean for business. Several of the participating companies had been at COP27.

**SPEAKERS & MODERATOR**

- **Nanette Lockwood**, Director Global Policy and Advocacy, Trane Technologies
- **Ralf Pfitzner**, Head of Sustainability, Volkswagen
- **Emilio Tenuta**, Chief Sustainability Officer, Ecolab
- **Moderator: Glenn Prickett**, President & CEO, World Environment Center (WEC)

**KEY INSIGHTS AND MAJOR POINTS OF DISCUSSION:**

1. **COP 27 served companies in having meaningful conversations with large numbers of decision-makers.** This has evolved positively since COP 21 in Paris as the annual conference attracts more executives from the private sector to implement the political decisions agreed upon (although Glasgow was even better attended as some stated). It was noted that company executives were able to use their time efficiently with so many important decision-makers available, and that the event opened-up more opportunities to collaborate than any other place. Companies used their conversations to participate in shaping the political agenda (e.g. guard rails to transform their industries) and to explore innovative business solutions. At the same time, navigating the Blue and Green Zones was challenging because of the sheer size of the event. Good planning ahead was essential.
2. **Business executives, who do not always concentrate on climate change, benefitted especially** as the setting provided the context to understand the scale of climate action needed and that everybody else, including their competitors, are trying to find solutions. For them, it is also an opportunity to sense an “appetite for transformation.” A sense of how much scale for innovation can be expected in various countries.
3. **The political outcome of COP 27 is lacking.** Companies report that it is a positive signal that the political agenda didn’t fall back behind COP 26 in Glasgow given the pressure from some countries. On the other hand, a long-standing demand from the most vulnerable developing countries to establish a “Loss & Damage Fund” was achieved. Negotiations about the volumes of deposits into this fund provided by economically advanced countries are still not clear, however.
4. **From a business perspective, COP 27 was an opportunity** to position their climate change business activities, and scale them through discussions and new collaborative agreements. Such collaboration sends strong messages of business action to governments and global societies. And it confirms to business leaders dedicated to decarbonizing that they are on the right track. It was mentioned that more attention by CEOs would also be beneficial in this global discussion.
5. **In the global emissions trading market** under the Paris Agreement’s [Art.6](#), a reform was due to avoid double counting of countries/companies. Companies that had hoped for clarity, incl. globally recognized definitions and a clear set of rules, were left with uncertainty. Some progress was achieved via the agreement for a new kind of carbon credit, called “[mitigation contribution](#)” which does not allow a company purchasing contribution credits to claim the emission reductions they represent and thus to offset its own pollution. \*
6. **Nature Based Solutions and Water** were discussed more prominently than in any prior COPs. Momentum here.

\*because the underlying mitigation will continue to count towards the climate target of the country where the climate project(s) are based.