



The Climate Confidence Barometer

A new measure of climate trust

WBCSD and freuds have partnered to create The Climate Confidence Barometer, a benchmark to measure climate confidence of the global business community.

The Barometer calculates how confident a sample of the global business community is in the world's ability to combat climate change. The results in this report are based on responses from a number of WBCSD members. WBCSD's membership base is made up of world leading businesses who represent

a combined revenue of more than USD \$8.5 trillion and 19 million employees.

In advance of COP26, the Barometer provides a valuable indication of how much progress has been made and the barriers still to be overcome.

METHODOLOGY

Republic surveyed 56 WBCSD members online between 11 August and 20 September 2021. Republic also conducted in depth telephone interviews with 8 WBCSD member organizations between 10 August and 29 September 2021.

BUSINESS IS LEADING THE CLIMATE RECOVERY



Source: Survey of a sample of WBCSD members - a global, CEO-led organization of over 200 leading businesses with a revenue of over USD \$8.5 trillion and 19 million employees.

*A total of 98% of WBCSD members surveyed report confidence their business will meet net zero targets by 2050, 55% are confident that businesses globally will do the same by 2050, but just 25% are confident political leaders are on track to tackle climate change.

Introduction

Business is already demonstrating dynamic leadership in the systemic change that is taking place across the world.

Large numbers of companies are realigning their purpose and strategy towards a net zero goal, with thousands joining the UNFCCC Climate Champions-led campaign, Race To Zero. By setting science-based targets, alongside strong commitments and actions to decarbonize their operations, these companies have reset their business models and value chains and are driving towards a net zero future.

But, as our members explain, these actions by themselves cannot define our response to climate change. Net zero targets will not go far or fast enough.

To give one example: nature-based solutions can provide up to 30% of the climate mitigation that the world needs, but these solutions are only currently estimated to receive 8% of public climate finance. Across the world, we have already seen major gains made in renewable energy. By directing the same level of investment towards nature, we would already be ahead of our global climate goals with substantial progress made towards the Aichi Biodiversity Targets.

We can create a world where 9+ billion people live securely and safely, but the decade ahead will be critical and every day now counts.



Claire O'Neill
Senior Advisor -
Climate & Energy, WBCSD



Global business is ready to step up

Key findings:

- 1 Net zero is no longer enough:** 59% of businesses believe meeting net zero is not sufficient and progress must be made faster to combat climate change.
- 2 Businesses call for clearer structures, incentives, reporting mechanisms** and a greater focus on nature globally.
- 3 Just 25% of businesses report** being confident that political leaders are doing enough to combat climate change.

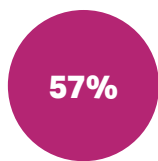
“This Barometer is the missing piece of the puzzle at a time when the world is struggling with the global response to the climate challenge. It’s a sense check of what business leaders think about their commitments and what more needs to be done. It’s also an important reminder that the need for government and business to work in tandem is becoming ever more urgent.”

“By directing the spotlight towards the need for better regulation, incentives and an improved role for nature-based solutions, this report points the way ahead. It also delivers some real positives, highlighting that 73% of firms believe taking action on climate will be a cost benefit in five years’ time, — compared to just 5% five years ago.”

— Arlo Brady
CEO, freuds

The search for net zero heroes

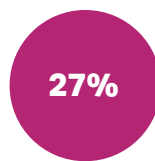
Members surveyed have higher levels of confidence in their own ability to meet net zero targets compared to businesses globally.



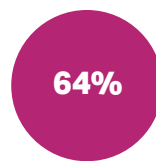
Three out of five report their companies are on schedule to meet their net zero targets



Are confident of meeting net zero targets by 2050.



More than a quarter report being ahead of schedule to meet their net zero targets.



Two-thirds say Covid-19 has accelerated progress on their business meeting net zero targets.

The need for greater ambition

Despite high levels of confidence in their own ability to meet net zero targets, most of the members surveyed are concerned these actions alone will not be enough.

Over half (59%) do not think that meeting net zero targets by 2050 will be sufficient to tackle climate change.

Business stands ready, but it needs certainty and expertise

This study illustrates a clear dividing line between areas where climate solutions are readily available and those where firms have less influence, and there is uncertainty over the options.

Companies are moving fast to electrify vehicle fleets and commit to using renewable energy, but there is much greater doubt about their ability to persuade their employees or suppliers to take action, over the introduction of carbon reduction technologies, like carbon capture and storage or nature-based solutions.

Our research also found high confidence that businesses can move fast to remove coal from their operations (77%), but that is lower for methane (30%) and gas (23%).

THE FAST LANE	
% who are confident that businesses are moving fast enough on the following key actions for climate change	
Areas which indicate relative or growing confidence	
Electrifying fleets	70%
Using 100% renewable energy sources	68%
Accurately reporting progress on net zero targets	68%
Incorporating net zero aligned investment strategies	50%
THE SLOW LANE	
Areas where confidence is not as strong	
Ensuring their supply chain is sustainable	43%
Implementing carbon pricing	41%
Incentivizing suppliers to make commitments to meeting net zero targets	39%
Incentivizing employees to take commitment to meeting net zero targets	39%
Implementing carbon removals/neutralization strategies that involves nature-based solutions	34%
Using carbon capture technologies	23%

Can science provide the breakthrough?

Scientists and innovators are the most trusted of all those working to tackle climate change, reflecting hopes that new technologies could lead the way in averting the crisis.

There is near universal faith in climate scientists with almost nine out of ten (88%) of those questioned believing they are doing enough to tackle climate change.

The professional index also highlights trust in innovators (73%) following significant advances in renewable energy, photovoltaics, low energy lighting and electric motoring.

Activists, NGOs and business leaders also rated positively, while the belief in consumers, governments, regulators and media filled the lowest three places.

TARGETS, TECHNOLOGY AND INVESTMENT LEAD THE WAY

Asked to rate their confidence in the progress of actions needed for successfully addressing climate change, respondents highlighted targets and goal setting as the area of greatest progress (70%) followed by businesses developing innovative technologies (63%) with investor prioritization third. (52%)

The progress of government and regulation was seen to be slower. Just two fifths (41%) believed there had been enough progress on regulation, with only a third (34%) confident in better cooperation between businesses and governments and a quarter (25%) expressing confidence in political leadership and climate-friendly consumer behaviour.

“Making progress quickly will hinge on everyone doing their bit and crucially, on businesses, government and consumers. We need all three to be coordinated and at the moment I feel business is doing a lot, consumers want to do more and the government should be doing a lot more”

- WBCSD Member

	% CONFIDENT THAT THEY ARE DOING ENOUGH TO TACKLE CLIMATE CHANGE
Scientists	88%
Innovators	73%
Activists (e.g. Greta Thunberg, Leonardo DiCaprio)	66%
NGOs	59%
Business leaders	54%
Shareholders	39%
Media	32%
Governments and regulators	18%
Consumers	11%

Europe leads by example, but global progress is crucial

Businesses from across the world were asked to estimate their levels of confidence in different geographies reaching their net zero targets. The majority were convinced Europe would reach its ambitions, but that high level of confidence was not reflected across other regions.

% OF ALL MEMBERS SURVEYED WHO ARE CONFIDENT TERRITORIES WOULD MEET THEIR NET ZERO TARGETS	IN THE NEXT YEAR	BY 2050
Europe	66%	91%
North America	36%	71%
Australia	27%	61%
Asia	25%	46%
Africa	13%	34%
South America	7%	45%

A positive change

There has been a major turnaround in attitudes to taking climate action.

When asked about five years ago, just 5% of members surveyed believed taking action on climate was beneficial to their bottom line – today it is almost six times that (29%). Even more convincing, 73% believe that climate action will be a cost benefit to their business within the next five years.

	TODAY	FIVE YEARS AGO	IN FIVE YEARS TIME
Cost benefit	29%	5%	73%
Neither a benefit or a drag	39%	13%	18%
Cost drag	32%	82%	9%

- Results found confidence in multinationals reaching net zero in the next year was almost double that of smaller organizations. (55% to 18%)
- Meanwhile just 36% of members surveyed agree that businesses have the necessary internal expertise to meet net zero targets. Just 27% believe business is allocating sufficient resources to becoming net zero.
- Just 9% of members surveyed believe that climate action is the top priority for businesses across the globe.

WBCSD is launching the Business Manifesto for Climate Recovery at COP26. The Manifesto builds on our work and Vision 2050 and has a real focus on the most urgent actions needed now from both global business leaders and policy makers to halt temperature rises and begin climate recovery.

In the Manifesto, we include twelve climate actions which include proposals that reduce, remove and report emissions:

- 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 emissions especially in supply chains and to investors and stakeholders. They are also underpinned by five core guidelines that inform our work at WBCSD.

The Manifesto represents our collective ambition for business leaders and policy makers in the most important action areas.

A greater focus on nature and people: Results show achieving climate results on behalf of nature and people are areas where businesses spend less time & demonstrate lower levels of confidence. Just half of members surveyed (50%) report having robust and specific targets for addressing nature loss.

“Climate change, nature degradation and inequality are all interlinked. If we don’t solve these, we don’t have a chance, all the other challenges are second order.”

- WBCSD Member

Developing a standardized reporting mechanism:

Respondents say a defined mechanism for contribution that holds businesses to account would increase businesses’ ability to meet net zero targets (70%).

“How do we keep companies accountable?, we need a net zero standard that is consistently used by everyone.”

- WBCSD Member

A greater emphasis on sustainability goals within business: One way to achieve this through tying financial performance more closely to ECG goals with 98% of members surveyed saying this would have a positive impact

“We need a governance structure which makes lowering your contribution to climate change a business driver with frequent monitoring and scenarios modelling to adjust portfolio investment decisions.”

- WBCSD Member



“The understanding of how to reduce greenhouse gases in businesses is still very immature - business will always look at cost efficiencies, but this is too simplistic. You need to think holistically - office space, digitization, supply chain, there needs to be decarbonization at every step. It’s both investment and expertise that you need.”

- WBCSD Member

“We need to recognize that it is genuinely difficult, it is a massive change required and therefore it is going to be expensive and I think clarity on the fact that it is expensive and therefore who is going to pay for it is important.”

- WBCSD Member

“You need to make sure that it isn’t just a cost, that’s the whole trick of this. You have to look at greening what is brown and developing more green products and services.”

- WBCSD Member

ABOUT FREUDS

freuds is one of the world-leading public relations agencies. In 2020, it became the world’s largest agency to become B Corp certified. In 2021, the agency was awarded the Queen’s Award for Enterprise for its commitment to sustainable development.

ABOUT WBCSD

WBCSD is the premier global, CEO-led community of over 200 of the world’s leading sustainable businesses working collectively to accelerate the system transformations needed for a net zero, nature positive, and more equitable future.

We do this by engaging executives and sustainability leaders from business and elsewhere to share practical insights on the obstacles and opportunities we currently face in tackling the integrated climate, nature and inequality sustainability challenge; by co-developing “how-to” CEO-guides from these insights; by providing science-based target guidance including standards and protocols; and by developing tools and platforms to help leading businesses in sustainability drive integrated actions to tackle climate, nature and inequality challenges across sectors and geographical regions.

Our member companies come from all business sectors and all major economies, representing a combined revenue of more than USD \$8.5 trillion and 19 million employees. Our global network of almost 70 national business councils gives our members unparalleled reach across the globe. Since 1995, WBCSD has been uniquely positioned to work with member companies along and across value chains to deliver impactful business solutions to the most challenging sustainability issues.

Together, we are the leading voice of business for sustainability, united by our vision of creating a world in which 9+ billion people are living well, within planetary boundaries, by mid-century.

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