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8am BST, Sept. 19, 2023



New campaign calls on business to lead action on fossil fuel phase-out

We Mean Business Coalition to inspire business action and demand greater commitment from government on clean energy acceleration

- Leading coalition of business organisations lays out urgency of fossil fuel phase-out at Climate Week NYC, with launch of new campaign and guiding principles for business and governments.
- Accompanying paper points to combustion of fossil fuels as primary cause of rising global emissions, demanding immediate action from business and government.
- New data shows nearly half of business leaders expect to phase out fossil fuels from their company by 2040 and 70% by 2050, but need faster action from government.
- Campaign urges business to send clear signal to governments to phase out fossil fuels and take immediate action to accelerate clean energy.
- Campaign supported by set of principles that provide clear guidance and timelines for phase-out for fossil fuel suppliers, business, finance, and government.

September 19, 2023, New York - A new global campaign - Fossil to Clean - launched today by the calls on businesses and governments to move decisively to phase out fossil fuels and ramp up clean energy solutions. While recognizing the great strides taken to scale-up climate solutions over recent years, the campaign points to the continued burning of fossil fuels as the primary driver of climate change and demands immediate action from business and government. Central to the campaign are a set of guiding principles - the Fossil to Clean principles for fossil fuel phase-out - launched to empower businesses to lead the way in the fight to end the global reliance on fossil fuels.

Today, fossil fuels still account for close to 80% of global energy supply, a share that has hardly moved since the first COP in Berlin in 1995. Global emissions must peak by 2025 and halve by 2030 to keep 1.5°C in reach - requiring a rapid phase-out of fossil fuels, alongside scaling up clean energy.

"At a global level we've made great strides in scaling-up clean energy solutions. Yet we're not reversing the trend on rising global emissions - a battle we will keep losing until we address the underlying cause: the combustion of fossil fuels," said Maria Mendiluce, CEO of the We Mean Business Coalition. "More than 80 countries rallied behind a call to phase-out all fossil fuels at COP27, but action is not happening fast enough. The climate and economic warnings are clear. We need immediate, decisive action on a just and equitable transition from fossil fuels to a clean energy system."

A recent poll conducted by the We Mean Business Coalition found that nearly half of business leaders (47%) expect to phase out fossil fuels from their company by 2040, and 70% by 2050. However, across all sectors, business leaders are still facing substantial barriers in commercial viability and infrastructure. 82% of those polled see government regulation as the most

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important, or second most important, accelerator for the energy transition. Differing regulation across regions is also being noticed by business leaders, with 51% considering geographies with more stringent energy laws and regulations more attractive places to do business. However, policy signals are not coming fast enough, and a call from business to accelerate the clean energy transition would give governments the confidence to act faster.

“We are calling on businesses to be the catalyst for change,” continued Mendiluce. “We encourage them to use the Fossil to Clean principles and send a clear signal to governments, investors and suppliers of fossil fuels that the transition is underway, and fossil fuel demand will decline. This will create an ambition loop and trigger the rapid scaling and development of the clean solutions that are so needed to ensure sustainable economic growth.”

The Fossil to Clean campaign also calls on governments to enshrine fossil fuel phase-out in the outcome text of the forthcoming COP28 climate conference in Dubai, which would give businesses and investors further confidence to act on scaling clean energy.

More than 13,000 businesses have committed to reduce their emissions in line with climate science. Those that rapidly scale renewables, electrification and energy efficiency will achieve their climate targets and demonstrate their competitive advantage and resilience – minimizing business risks and ensuring long-term shareholder value. Now is the time for businesses to show that they are serious about meeting their targets.

The Fossil to Clean principles establish a North Star for fossil fuel phase-out and are designed to inform the transition plans and strategies of oil and gas producers, corporate energy consumers and finance – and the policy choices made by governments. They are built off the recommendations of the UN High-Level Expert Group on Net Zero and were developed using the latest available modelled pathways that limit global heating to 1.5°C and reaching net zero by 2050.

More information on the Fossil to Clean campaign and principles for fossil fuel phase-out, published today, can be found on the website [here](#).

Case study: *Bridging the transmission gap in the United States*

Central to halving emissions by 2030 and reaching net-zero by 2050 is getting fossil fuels out of the power sector. A clean power sector is also a critical lever for reducing emissions across end-uses like transport, buildings and industry, which will increasingly electrify. This will increase demand for clean power and the infrastructure and systems required to deliver it.

The US and EU are on track to generate enough renewable energy to decarbonize their power sectors in line with 2030 targets. However, transmission capacity – the lines and infrastructure needed to get electricity from where it is generated to where it is needed – presents a bottleneck in both jurisdictions. In the US, planned transmission projects only cover 20% of needed additions to align with net zero.

“People have tended to focus on the generation of renewables as being the biggest barrier. But people are increasingly thinking about infrastructure, grid flexibility and interoperability.”
- Climate VP, environmental services company

Many industrialized countries face constraints around planning for infrastructure projects, inadequate investment in grid-enhancing technologies to better manage power networks, and a lack of investment in other power system flexibility options such as storage or demand-response technologies. Supportive regulation that drives proper investment by business can overcome these barriers, if the political and corporate will is there.

About the We Mean Business Coalition:

The We Mean Business Coalition is a group of nonprofit organizations working with the world's most influential businesses to take action on climate change. The global coalition brings together seven organizations: [BSR](#), [CDP](#), [Ceres](#), [The B Team](#), [The Climate Group](#), [CLG Europe](#) and the [World Business Council for Sustainable Development](#). Together we catalyze business action to drive policy ambition and accelerate the transition to a zero-carbon economy. Find out more at wemeanbusinesscoalition.org.

About the Fossil to Clean campaign:

Fossil to Clean is a multi-year campaign led by the We Mean Business Coalition and supported by partners to mobilize business and policymakers for the decisive action needed to transition from fossil fuels to clean solutions. Central to the campaign are a set of principles providing clear guidance and timelines on phasing down and out fossil fuels for businesses, investors and government. With bold business and political leadership, we can scale clean energy and end our reliance on fossil fuels.

Notes to Editors

The Fossil to Clean Principles for Fossil Fuel Phase-out:

For companies consuming fossil fuels (demand)

1. Commit to phase out across operations the use of unabated thermal coal and unabated oil and gas by 2040 at the latest.
2. Set a credible net-zero commitment and publish a Climate Transition Action Plan (CTAP) showing:
 - a. Phase out plan that includes interim reduction targets for fossil fuel use
 - b. Phase in plan and targets for scaling clean energy that supports the phase out of unabated fossil fuels by 2040.
3. Commit to getting the majority of Tier 1 suppliers to set credible net zero commitments well before 2030.

For companies supplying oil and gas (producers)

1. Commit to no new oil and gas exploration or development of new oil and gas fields.
2. Reach near-zero methane emissions by 2030 at the latest.
3. Publish a Climate Transition Action Plan (CTAP) showing:
 - a. % decline of existing production volume by 2030 and 2040, reaching zero by 2050 (2021 baseline).
 - b. % decline of oil and gas products for energy use by 2030 and 2040 (2021 baseline).
 - c. % decline of unabated operational emissions by 2030 and 2040 (2021 baseline).
 - d. % of CAPEX dedicated to clean solutions every five years.
4. Set a science-based target (once SBTi standard available).

For finance institutions

1. Immediately end new financial flows to coal value chain and all new oil and gas exploration or development of new oil and gas fields.
2. Publish a Climate Transition Action Plan (CTAP)
3. Adopt timebound restrictions for the phase out of all existing financial flows:

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- a. 2030 at the latest for oil companies not aligned with 1.5°C and unabated oil projects.
- b. 2040 at the latest for gas companies not aligned with 1.5°C and unabated gas projects.
- c. 2030 at the latest for coal projects and companies in high and high-middle income countries; and 2040 at the latest for all other countries.
4. Increase the ratio of financial flows in clean energy solutions (vs. fossil) every year at the portfolio level.
5. Set a science-based target (once the SBTi FI Net-Zero standard is available in 2024).

For governments

To keep within the 1.5°C temperature limit, national governments should commit to decarbonize the global energy system by no later than the 2040s, both collectively through international agreements and individually through national policies. The principles to enable this are:

1. Set targets and timelines for the phase out of unabated fossil fuels in line with 1.5°C supported by national plans and policies to ensure a just transition for affected workers and communities. Wealthier countries, as historic emitters, have the responsibility to be first movers.
2. Commit to reach 100% decarbonized power systems by 2035 in advanced economies and by 2040 for other countries, at the latest.
3. Support countries in the Global South in diversifying their economies and developing 1.5°C aligned pathways, including through the provision of finance and capacity-building for just transition planning.
4. Act to reorient public and private financial flows away from fossil fuels, including by setting a meaningful price on carbon and reforming and repurposing fossil fuel subsidies.