



COP26 Intelligence & Focus on Decarbonization & Supply Chains

For: Deloitte/Polecat

1 November 2021

About this report



Polecat delivers sustainability intelligence to global companies across key ESG drivers and associated topics that represent key opportunity areas, material issues and risks detected across stakeholder conversation. ESG drivers include topics and keywords associated with: **Climate, Environment, Human Rights, Supply Chain, Social Impact, Innovation, Governance and Sustainable Finance.**

- The intelligence in this report draws from dashboards and interactive insights that are accessible from our Polecat portal for COP26. The intelligence is based on review of millions of online sources and tens of millions of social media posts globally in the English language and French Language. The platform is near real-time and stores 365 days of data across sources (Media, IGOs, NGO's, Governments, Regulators, Think Tanks etc).
- Certain results are calibrated for impact, which is an algorithm that assesses content for the significance of the publication or post, its reach and also relevance to a stakeholder or company.
- Further charts are available on the platform to further understand geographies, specific Sustainability concerns, NGO and investor attachment to issues, amongst other capabilities.
- The lens we use to return intelligence collects public data from stakeholders at source (governments, regulators, IGO's alongside media and social media conversations. The ESG taxonomy includes over 500 topics and thousands of keywords and machine learning capabilities.

Charts included within this report

Slide 4: Executive Summary

Observations made ahead of COP26

Slide 6: Impact of COP26 discussion across September and October 2021

This insight reviews peaks of impact across global conversation relating to COP26

Slide 7: Shift across ESG Drivers

A view of the shift in key ESG themes from September and October to see how the conversation heightens or detracts across the COP26 discussion

Slide 8: Topic and Stakeholder Overview

Outside of climate and emission themes, this analysis digs deeper into the underlying topics and themes emerging from key ESG drivers and analyses sentiment

Slide 9: Decarbonisation & Supply Chains

This section of the report analyses the discussion in relation to supply chain and discussion around decarbonisation

Slide 10: Overview of Key Themes

Overview of emerging topics across the discussion around decarbonisation and supply chain

Slide 11: Volume of Conversation Key Supply Topics and Stakeholders

The volume of conversation across the past 6 months is highlighted and key topics, themes and stakeholders reviewed in relation to supply chains

Executive Summary

HOW IS THE SITUATION AHEAD OF COP26 DRIVING THE CONVERSATION AROUND CLIMATE

Climate/Social Impact/Supply Chain: [Europe's energy crisis](#), [the EU/US Global Methane pledge](#) and the European Central Bank's [President Christine Lagarde commenting on higher taxes on carbon](#) hitting people's pockets are making things difficult for the **European Central Bank** to reach its inflation target, particularly if governments don't use the extra revenue well.

Key Takeaways for company's and their supply chains (Short to Medium Term):

- Pressure for governments to compensate people and businesses hit by rising energy costs.
- Greater incentives needed for investment into green energy and divestment from fossil fuels.
- Enabling technology through partnerships and funding to advance the energy transition emerge from the climate conversation as key actions to be taken in the short to medium term.

Environment/Nature/Biodiversity: With impact increasing by 80% between September and October discussion centred on **nature and conservation** as the **International Union for the Conservation of Nature (IUCN)** published their extensive and comprehensive inventory of the risk of extinction for species globally. During the **World Conservation Congress**, held in Marseilles, the IUCN presented an updated version of the [Red List](#): of 138,374 species, 38,543 are endangered.

The First High-Level meeting of the Global Alliance on [Circular Economy and Resource Efficiency](#) (GACERE) concluded is the true potential for circularity to be a powerful lever to address the **biodiversity crisis**.

Human Rights/Societal Impact/Extreme Weather: At a meeting of the United Nations' (UN) Human Rights Council, the [UN High Commissioner for Human Rights](#) demanded migration paths for '**climate refugees**'. "The interlinked crises of **pollution, climate change and biodiversity** act as threat multipliers," Michelle Bachelet wrote in an online statement published on September 13. "They amplify conflicts, tensions and structural inequalities" as well as "force people into increasingly vulnerable situations. "Without immediate action to combat **climate change, rising sea levels, water scarcity** and **declining crop productivity** could force 216 million people to migrate within their own countries by 2050. In Europe and the United States, increased industrial action, particularly in relation to global supply, food security and agriculture coincided with increased cost of living expenses as workers struggle with increased energy costs.

STAKEHOLDER FOCUS

World Health Organization (Health Equity & Climate): Whilst still negotiating the global pandemic, WHO called for lower and tougher limits on **air pollution** to save millions of lives. The [newly announced guidelines](#) call for much lower daily and annual levels of exposure to six pollutants (PM, ozone, nitrogen dioxide, sulfur dioxide and carbon monoxide) in the first major overhaul of the recommendations in 16 years. Examples were given where industry can improve air pollution such as; **clean technologies** that reduce industrial smokestack emissions; **improved management of urban and agricultural waste**, including capture of **methane gas** emitted from waste sites as an alternative to incineration (for use as biogas). For the chemical and manufacturing industry and their supply chain expect further regulation announcements regarding these materials.

United Nations: UN Climate Change (UNFCCC) published a synthesis of climate action plans as communicated in countries' Nationally Determined Contributions (NDCs). The [NDC Synthesis report](#) indicates that while there is a clear trend that greenhouse gas emissions are being reduced over time, **nations must urgently redouble their climate efforts** if they are to prevent global temperature increases beyond the Paris Agreement's goal of well below 2C.

Organization for Economic Co-operation and Development (OECD): (Fossil Fuels/Emissions/China) US, EU, Australia and Canada agreed to [end export credit support for unabated coal-fired power plants](#) adding further pressure to oil and gas producers who operate globally.

GEO FOCUS: CHINA

With China the World's biggest carbon emitter (IEA), global leaders and organisations were focused as China [published its long-awaited national plan](#) on greenhouse gas emissions, just days ahead of the opening of the Cop26 UN climate summit. The plan for some commentators represents little progress on the previously announced ambitions, disappointing commentators such as Belinda Schäpe, from the **E3G thinktank**, who said "China could still bring large contributions to the table at G20 and Cop26 by [supporting a political commitment to keep 1.5C within reach](#) and clarifying the role of coal in its power system."

Summary Timeline, Topics & Stakeholders

(COP26)

The Impact on climate-related themes grew 450% ahead of the Conference

The below chart highlights the growing impact of COP26 in relation to ESG topics and international stakeholders across public data (media, social media and stakeholders at source) throughout September and October. Sentiment of articles and posts is identified as; Neutral (yellow), Negative (red) and Positive (green). Polecat’s impact metric adds weighting to; the authority and reach of the source, topic relevance and focus of companies and stakeholders within the content.



- 07/09:** The European Commission adopted an independently evaluated [Green Bond framework](#), “taking a step forward towards the issuance of up to €250 billion green bonds, or 30% of NextGeneration EU's total issuance”. The framework provides investors in these bonds with confidence that the funds mobilised will be **allocated to green projects and that the Commission will report on its environmental impact.**
- 13-14/09:** The **World Bank** updated its [Groundswell report](#) estimating that climate change could force **216 million people** across six world regions to move within their countries by 2050. “Hotspots” of internal climate migration could emerge as early as 2030 and continue to spread and intensify by 2050. The report also finds that immediate and concerted action to reduce global emissions, and support green, inclusive, and resilient development, could reduce the scale of migration by up to 80%.
- 17/09:** President Biden called on nations to join an agreement between the United States and the EU to [reduce global methane emissions](#) by at least 30 percent below 2020 levels by 2030. "This will not only rapidly reduce the rate of global warming, but ... it will also produce a very valuable side benefit like improving public health and agricultural output," Biden told the leaders. "We believe the collective goal is both ambitious but realistic, and urge you announce this pledge at COP26,"
- 24/09:** International Monetary Fund (IMF) chief Kristalina Georgieva criticized as "false and spurious" the findings of an independent [probe into allegations that as World Bank](#) head she pressured staff to manipulate data to make China's business climate and **supply transparency** appear more favorable

- 28/09:** In Europe the European Central Bank’s [President Christine Lagarde commented higher taxes on carbon](#) will hit people's pockets and make it harder for the **European Central Bank** to reach its inflation target if governments don't use the extra revenue well (compensation for people hit by rising energy costs/investment in green energy). The European Union unveiled plans to cap CO2 emissions but, with **natural gas prices** and **energy bills** soaring across Europe, concerns are growing regarding the cost and financing of the green transition.
- 12/10:** At the meeting of the [Coalition of Finance Ministers for Climate Action](#) Antonio Guterres focused on financing, removing red tap and speeding up action. Countries must “swiftly close the emissions gap”, he said. They also must update climate commitments to get the world back on track to keeping global temperature rise to 1.5 degrees Celsius above pre-industrial levels. Richer countries must also close “the finance gap” by providing, and exceeding, the \$100 billion annually promised to support climate action in developing nations.
- 22/10:** At the Organization for Economic Co-operation and Development (OECD) meeting, US, EU, Australia and Canada agreed to [end export credit support for unabated coal-fired power plants](#).
- 28/10:** China [published its long-awaited national plan](#) Belinda Schäpe, from the E3G thinktank, said “China could still bring large contributions to the table at G20 and Cop26 by [supporting a political commitment to keep 1.5C within reach](#) and clarifying the role of coal in its power system.”
- 31/10:** Climate dominated the final day of [the G20 summit](#) with leaders committed to the key Paris Agreement goal of 1.5 degrees. They also pledged to reach a target of net zero carbon emissions “by or around mid-century”, instead of setting a clear 2050 date, disappointing campaigners. The use of [carbon pricing mechanisms and incentives](#) as a possible tool against climate change was acknowledged.

Whilst climate continues to dominate conversation, social impact, conservation, sustainable finance and supply chain heighten in impact across the period

The below chart represents the heightening impact in key drivers across September to October in relation to COP26 in English language. Polecat's Impact metric adds weighting to the volume of conversation by incorporating: the authority and reach of the source, relevance of sustainability themes cited and measures the prominence of stakeholders and companies cited within articles and posts Data: Media, International Stakeholders & Social Media.



NOTABLE SHIFTS BETWEEN SEPTEMBER AND OCTOBER 2021 (IN ORDER OF % CHANGE):

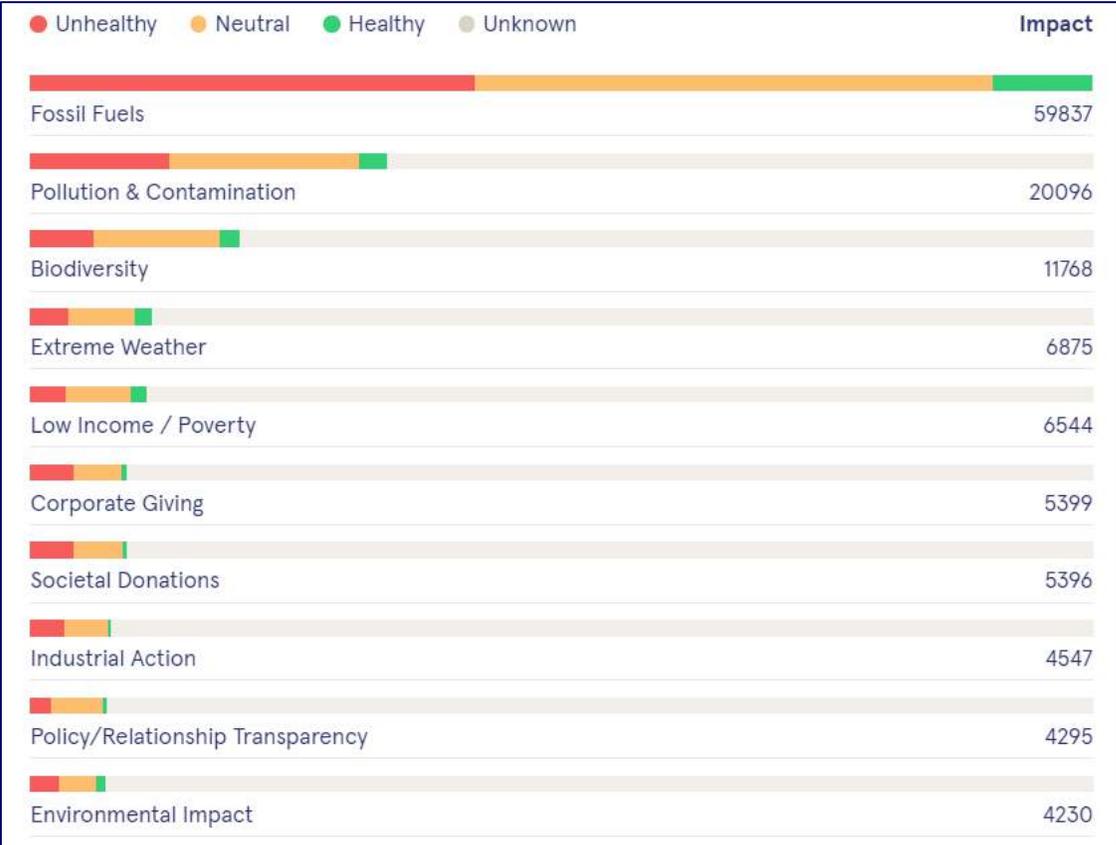
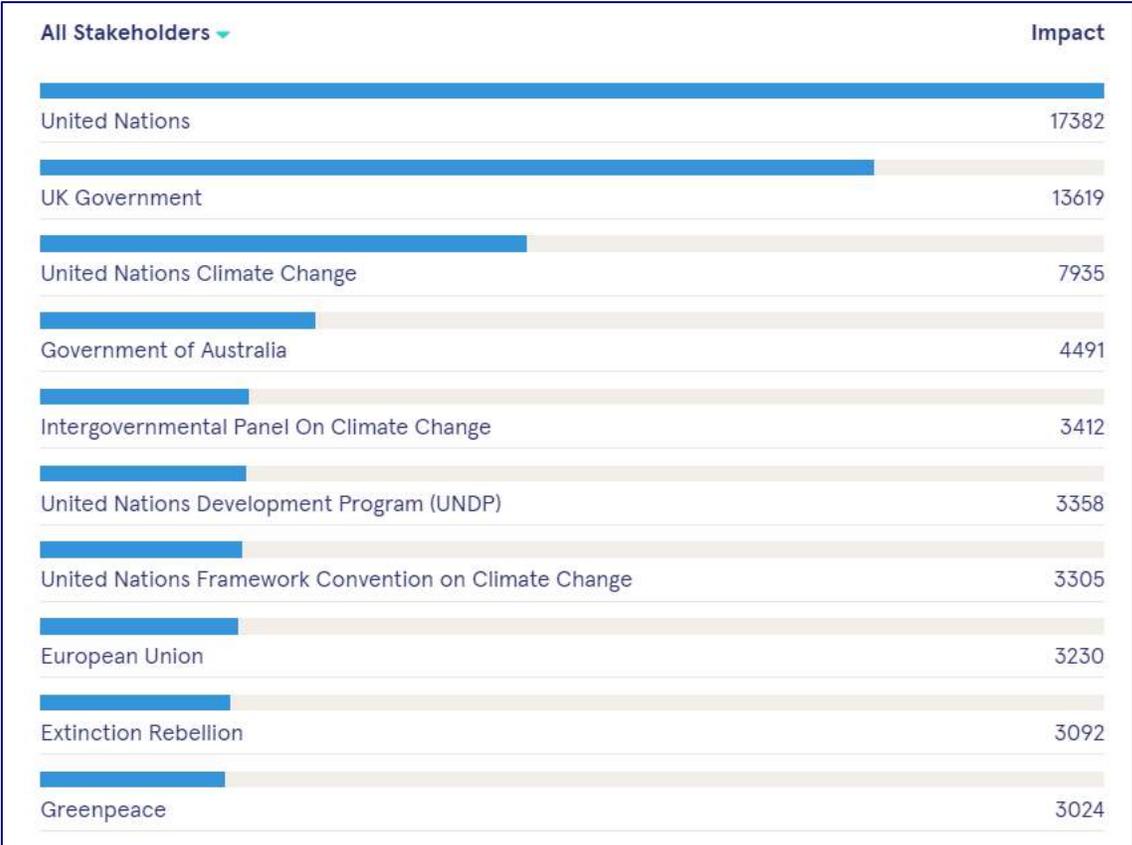
- Social Impact (+83%):** Key underlying topics driving social impact included poverty and climate equity with the U.N. Development Programme citing that less than a fifth of global [investment in clean energy](#) currently went to help the poorest two-thirds of the world's population. Activism continues to heighten ahead of the summit with activists encouraging Scottish workers to join them on 5th November.
- Environmental/Endangered Species (+80%):** The IUCN updated their list of [endangered species](#). The First High-Level meeting of the [Global Alliance on Circular Economy and Resource Efficiency \(GACERE\)](#) concluded is the true potential for **circularity to be a powerful lever to address the biodiversity crisis**.
- Supply Chain (+78%):** Impact increased by 80% due to the [World Bank ceasing its Doing Business Report](#) due to data irregularities, particularly around Azerbaijan, China, Saudi Arabia and the United Arab Emirates. This was seen as a [boost to multilateral initiatives like SCRI \(Supply Chain Resilience Initiative\)](#) launched by India, Japan and Australia to build resilient supply chains as they seek to reduce dependence on China.
- Innovation (+73%):** Greta Thunberg European tour saw her lobbying the world's leaders with headlines quoting 'Fighting climate change takes [innovation, cooperation and willpower](#)'
- Governance (+72%):** Corporate lobbying called into question as [Saudi Arabia, Japan and Australia](#) are uncovered as countries asking the UN to play down the need to move rapidly away from fossil fuels. This "lobbying" raises questions for the COP26 summit and **corporate transparency**. Concerns also voiced in terms of [greenwashing](#) by environmental groups and media commentators.
- Climate (+71%)** discussion maintains the highest share of voice across broader stakeholder conversation but fell in impact by 23% when comparing September against the previous month with less discussion detected around key reports such as the IPCC's recent report. The **energy crisis** also dominated climate discussion with the polarization of views surrounding energy crisis and its impact on both the consumer and manufacturing. G20 leaders acknowledged "the [use of carbon pricing mechanisms and incentives](#)" as a possible tool against climate change, just as the International Monetary Fund (IMF) is calling on the most polluting countries to set a **minimum carbon price**.
- Human Rights (+71%):** A Statement by Michelle Bachelet, UN High Commissioner for Human Rights at [48th session of the Human Rights Council](#) referenced "A safe, clean, healthy and sustainable environment is the foundation of human life. But today, because of human action – and inhuman inaction – the **triple planetary crises of climate change, pollution, and nature loss** is directly and severely impacting a broad range of rights, including the rights to **adequate food, water, education, housing, health, development, and even life itself.**"

COP26: Stakeholders & Key Topics

The below charts analyse stakeholder cited (below left) and key topics (below right) across social media and media sources in October 2021 relating to COP26. Both charts cover discussion across global conversation in English language. Polecat’s impact metric adds weighting to; the authority and reach of the source, topic relevance and focus of companies and stakeholders within the content.

United Nations: The UN remains the strongest and most impactful stakeholder related to the conference, followed by host government the United Kingdom.
EU/US: Climate Week in New York also acted as a platform for government announcements ahead of the summit with a joint statement made by the EU and US regarding the sign up to a global methane pledge which was fairly neutral in sentiment when analysed.

Topics/Themes:
Fossil Fuels: Further Divestment from [key pension funds](#), pressure on countries to cease further investment into [oil and gas projects](#) and pressure to reach emission targets drives impact.
Poverty: Living wage pressures discussed, Usha Rao-Monari, associate administrator of the U.N. Development Programme, expresses concern that less than a fifth of global investment in clean energy currently went to help the poorest two-thirds of the world's population.
Pollution: Increased pressure from the UN and also World Health Organization releases a report in relation to health equity, air pollution and vulnerable countries.
Biodiversity: Emmanuel Macron places Biodiversity centre-stage as he addresses the opening ceremony of the International Union for Conservation of Nature in Marseilles.



Decarbonisation & Supply Chain

A view of the global conversation prior to COP26
within sustainability data

Decarbonisation of Supply Chains: Emerging Topics & Stakeholders

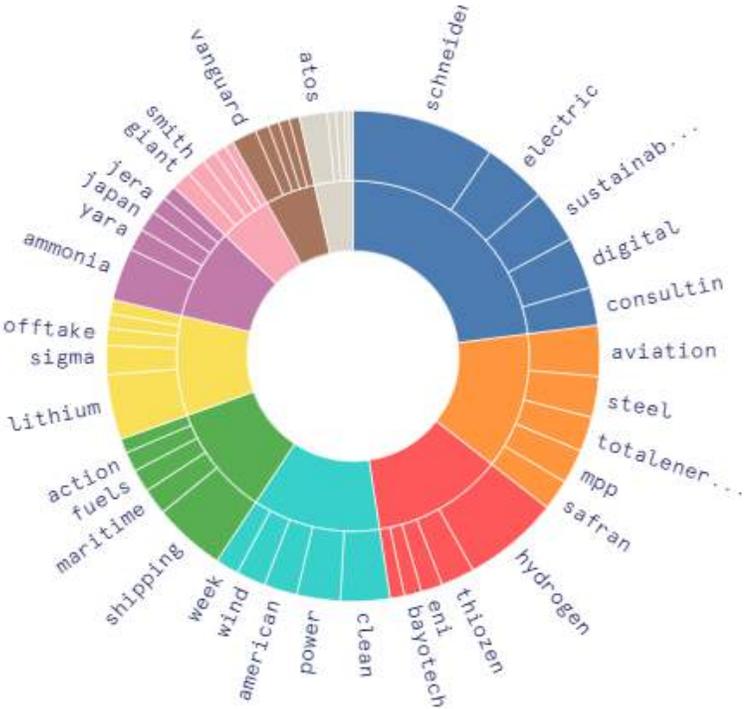
With the world still recovering economically and socially from the pandemic and with climate change, and social inequality, and the risks of a global supply chain crisis mounting, business is feeling the pressure to progress and evolve commitments for operating in ways that **promote environmental sustainability, respect human rights, increase social impact and increase corporate governance and transparency, but actions and challenges are varied across global markets.**

The transformation from a shareholder-focused model to a stakeholder model requires adaptation, and new partnerships on an unprecedented scale across business operations globally. The World Economic Forum has recently reported that an untapped opportunity to achieve this shift is for corporations to team up with social entrepreneurs, along with think tanks, international organizations, academics and activists.

Over the past two decades, a broad set of stakeholders have demonstrated their capacity to lead with new ideas, new business models, and new ways of operating that can accelerate the transformation required. These groups stepped up as first responders to the pandemic filling critical gaps left by overwhelmed formal services, but their value across decarbonizations efforts has become even more obvious.

Key themes driving discussion around the decarbonization of supply chains:

- **Clean Energy:** Why supply chain disruptions may slow down [clean energy deployments](#)
- **Shortages (Electric Vehicles & Batteries):** Europe is still not investing enough in the [supply chain for electric vehicle](#) batteries and this could leave its planned “gigafactories” short of coveted minerals
- **Shipping & Maritime:** Companies [pledging zero-carbon shipping by 2040](#)
- **Energy Crisis:** doubts about China’s promises to transition to green energy and achieve peak carbon emissions by 2030 as [miners told to expand production](#).
 - Electric Vehicles & Batteries
- [World Economic Forum](#) calls for increased social awareness as the energy transition demands more metals and extraction. Emerging themes include:
 - Human Rights
 - Community opposition,
 - Local community impact
 - Working conditions
 - Demand for mining jobs
 - Land Rights and resettlements



Conversation across online sources: Decarbonisation & Supply Chain

The below chart highlights the volume of conversation in English language relating to the transition of supply chains to decarbonization. Below left highlights key stakeholders cited in conversation and below right highlight the sentiment of key topics. Polecat's Impact metric adds weighting to the volume of conversation by incorporating: the authority and reach of the source, relevance of sustainability themes cited and measures the prominence of stakeholders and companies cited within articles and posts Data: Media, International Stakeholders & Social Media

Conversation across global stakeholders regarding the decarbonization of supply chains increases 200% in the run up to COP26



All Stakeholders	Impact
United Nations	269
UK Government	242
United Nations Climate Change	119
International Energy Agency	95
European Union	62
Government of China	52
Climate Action Network	48
United Nations Framework Convention on Climate Change	38
United Nations Environment Programme (UNEP)	31
Intergovernmental Panel On Climate Change	30

Topic	Sentiment (Unhealthy, Neutral, Healthy, Unknown)	Impact
Shortages	Unhealthy (Red), Neutral (Orange), Healthy (Green)	2431
Restricted Supply	Unhealthy (Red)	95
Supply Chain Transparency	Unhealthy (Red)	58
Sustainable Sourcing	Unhealthy (Red)	21
Counterfeit Goods	Unhealthy (Red)	9.27
Secure Supply	Unhealthy (Red)	8.72
Supply Chain Security	Unhealthy (Red)	8.43
Tampering	Unhealthy (Red)	5.44
Supplier Diversity	Unhealthy (Red)	1.39
Sustainable Ingredients	Unhealthy (Red)	1.16

Emerging themes in October surrounding Decarbonization with shortages dominating the current conversation across global sources with the conversation across supply chain with various themes emerging:

Strikes and Industrial action at a producer level hits agriculture and concerns grow in terms of food supply. Further strikes around pay collide with increasing energy costs placing pressures on both the workers with the rising cost of living and increasing cost of energy to power manufacturing increasing risk of insolvency for smaller and medium-sized businesses.

Shortages in critical minerals add pressure to the production of greener energy such as solar energy.

Increased pressure of decarbonization for companies to reduce emissions across their global supply chains. This adds complications to global companies navigating individual country targets and adds pressure to review interests and consider reputational risk of operating in countries where emissions are high and targets are less aggressive e.g. China and India

For further information about this report:

Visit: <https://hub.polecat.com>