

Client brief

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Climate Spotlight 2022

The latest global climate trends,
policies, events and implications
for corporate leaders.





Climate models show that 2022 is on track to likely be the fifth warmest year on record in most datasets. June recorded the warmest temperatures on record over the world's land areas, according to the U.S. National Oceanic and Atmospheric Administration (NOAA). Heatwaves have swept across the northern hemisphere, impacting Europe and the UK, India, Pakistan, China and parts of the U.S.

This briefing provides an overview of recent trends and policy actions and looks ahead to global climate diplomacy through the end of this year.

Climate communications considerations

As the geopolitical and communications landscape around climate continues to grow increasingly loud, complex and nuanced, there are several considerations to keep in mind when planning upcoming commitments, communications and campaigns:

Focus on actions. Many audiences are savvier than ever and will sift through content to quickly recognize companies and brands that are taking climate change seriously. As many corporations and governments rushed to set net-zero transition goals or other emissions targets over the past few years, a sense of “commitment fatigue” and skepticism has set in. Stakeholders want to understand and see examples of what brands are doing to address climate change today, instead of what they’re going to do in the future. To break through, ground your communications around concrete actions – and communicate openly about the progress your company is making alongside the challenges you face.

Go deeper:

- [How to acknowledge Earth Day in a climate emergency](#)
- [Tackling commitment fatigue in ESG communications](#)

Balance simplicity and complexity. When crafting environmental communications campaigns or content, take steps to tailor your messaging to all of your audiences. While general public audiences are increasingly attuned to environmental issues, consumers need a simple message that doesn't overwhelm with technical language or dense information. At the same time, other environmental, corporate and policy stakeholders are looking for robust data disclosures and complex explanations to understand how companies are making progress on environmental commitments. Instead of taking a "one-size fits all" approach, ensure your climate communications strategy is built around clear audience segments so your content is easily understood and resonates.

Go deeper:

- [Four considerations for businesses in an ever-changing, climate-focused world](#)
- [Communicating clearly and transparently on climate solutions](#)

Embrace collective action and share your learnings. Addressing the impacts of climate change will require global collaboration and collective action – and each organization has a role to play. People expect companies and leaders in 2022 to have moved well beyond identifying these problems and formulating commitments, goals and roadmaps. Look for opportunities to inspire hope and action by engaging openly and transparently in global conversations about your progress and learnings to help mobilize and scale climate solutions.

Go deeper:

- [Three pivots for purpose communications in 2022](#)





Climate policy developments

While a few governments have increased their plans for renewable energy sources, most have largely failed to make decarbonization a priority in their post-pandemic economic recovery. Here are some recent developments to watch:

The war in Ukraine has generated price shocks that have reverberated through global energy markets. This is forcing new decision-making by governments and industry, with consequences for short and long-term impacts on carbon emissions. Australia, Britain, Canada and the U.S. have imposed outright bans on Russian oil purchases, while the EU is phasing down imports. But despite Western sanctions, Russian oil production and revenues remain strong with exports rerouted from European to Asian markets such as India and China.

In the U.S., after months of debate and stalemate, Congress passed a \$433 billion measure focused on climate and health spending. The climate spending is split into four categories: [1] subsidies and tax credits for individuals and households for electric vehicles and home energy improvements, [2] loans and guarantees to attract private investment in green technologies, [3] grants and tax credits for domestic manufacturing of green technologies such as solar panels, wind turbines, batteries and strategic minerals, and [4] environmental justice projects targeted to disadvantaged communities and those harmed by legacy pollution. The Biden Administration's attention will now turn to writing rules to implement the law. While the impact on reducing emissions will take years to materialize, environmental advocates are celebrating the largest federal commitment toward climate to date.

Go deeper:

- [Summary of the climate provisions in the Inflation Reduction Act of 2022](#)

The EU has done more to reduce its carbon emissions over the past three decades than any other region. Europe will continue its shift toward clean energy, but Russia's invasion of Ukraine has led Germany, Italy and other countries to urgently look for energy sources other than Russian gas ahead of this winter. The EU and its Member States will continue to strive towards a greater uptake of renewables (solar, wind and renewable hydrogen) and electrification, trying to decouple the economy from imported fossil energy. In the short term however, replacements for Russian imported gas will largely be fossil fuels imported from neighboring regions such as Norway or Northern Africa.

A UK court has ordered the UK government to outline how its net zero policies will achieve emissions targets, the result a legal challenge by environmental groups. The government now has eight months to update its climate strategy to include a more quantified account of how policies will achieve climate targets and present it to Parliament for scrutiny. The UK's new prime minister, Liz Truss, says the government is committed to its climate targets.

India will finally submit official plans to cut emissions to the United Nations, as one of the world's largest polluters backs away from a threat to withhold climate commitments until rich nations provide more funds for poorer countries. India will now try to bring down its carbon emissions by 45% by 2030 and work to source 50% of its installed power capacity from renewable energy resources by the end of the decade.

The Australian Parliament passed landmark climate laws that commit Australia to more ambitious targets to reduce greenhouse gas emissions. This legislation will enshrine in law Australia's commitment to reduce emissions by 43% by 2030 and reach net zero by 2050. It provides a framework to accelerate investments in renewable energy, transmission and storage. The law marked a first step on climate action since the Labor Party won power in May, defeating a conservative government that was seen as a global laggard on climate change.

Environmental advocates hope the outcome of Brazil's national election in October will reverse worsening deforestation in the Amazon. Since President Bolsonaro came to power in 2019, Brazil has seen a dramatic increase in deforestation – up more than 50% compared to the previous three-year period – from organized criminal networks in the region. Former President Lula De Silva, who currently leads in polls, says he will seek to end net deforestation by 2025. But he will face the challenge of enforcing deforestation laws and will need help from Brazilian and multinational companies.

Cooperation between the United States and China on climate has been paused. China suspended bilateral climate talks in response to Nancy Pelosi, Speaker of the U.S. House of Representatives, visiting Taiwan. A protracted rift between the two countries could threaten discussions at the next round of global climate talks.

Africa accounts for only 7% of global greenhouse gases, but it is one of the regions most impacted by climate change. More than 400 million people lack access to safe drinking water. Climate change is impacting food production, poverty and biodiversity. Finance is an acute problem to mitigate and adapt to climate impacts. The African Development Bank and International Monetary Fund (IMF) have said African countries need to mobilize \$1.6 trillion within seven years to meet their Paris Climate Agreement pledges. African nations are conducting climate talks to identify their priorities and agree on a common position ahead of the UN climate summit in Egypt in November. Officials are expected to decide whether to ask developing nations for reparations for environmental damage in Africa, known in climate circles as “loss and damage.”

New natural gas production and infrastructure is being planned to replace Russian gas.

This includes new liquefied natural gas (LNG) import facilities in Germany, Italy, Greece and the Netherlands, as well as a renewed push for interconnections to ensure the free flow of imported gas across the EU. Canada and the U.S. are fast tracking new LNG projects to increase exports. Qatar, Algeria and Egypt have signed deals with Germany and Italy.

Environment, Social and Governance (ESG) reporting rules are set to expand with new requirements for public companies to report on their impacts on climate, social issues and governance.

The Council of the European Union and the European Parliament reached a provisional agreement in June on a Corporate Sustainability Reporting Directive (CSRD) to require more companies to provide detailed reporting on “sustainability issues such as environmental rights, social rights, human rights and governance factors.” In the meantime, the EU keeps broadening and deepening the reach of the EU Taxonomy, meant to define the ESG criteria to define investments as ‘sustainable’. In the U.S., the Securities Exchange Commission (SEC) has proposed rules to require climate change disclosure of public companies, including any company (domestic or foreign) whose stock is listed on a U.S. exchange. The SEC recently closed its public comment period and must review and respond to comments before issuing its final rule. Legal challenges to the SEC’s statutory authority to regulate this area could begin if the proposed rules are adopted.

Many of the world’s largest companies and financial institutions have voluntarily announced plans aimed at mitigating global warming.

Over 5,200 businesses have pledged to meet net-zero emissions targets by 2050, and 450 banks, insurers and investors – collectively representing \$130 trillion in assets and 40% of the world’s private capital – are now committed to making their portfolios climate neutral over the same period. Major automakers have pledged to stop selling fossil fuel-powered vehicles by 2035. The challenge is to make these climate commitments a reality, not just for first movers but across entire industries.

This year’s extreme weather events demonstrate that climate change is a global problem with impacts on human health, food production and economic growth.

There is momentum for both governments and companies to act, but progress is slow and uneven. Two-thirds of global emissions are now produced in developing countries, where funding is insufficient to make the transition to clean energy and where climate competes with development priorities. Moreover, around half of global emissions come from industries – from steel and concrete, to chemicals, agriculture and mining – in which innovation and business solutions remain uncertain.



A look ahead: Major climate events to watch

There is a busy calendar of climate events during the final months of the year, including the following:

The United Nations General Assembly started on September 13. The UN recently adopted a resolution recognizing the right to a clean, healthy and sustainable environment as a human right. While the resolution is not legally binding on the UN Member States, advocates hope it will push countries to enshrine the right in national constitutions and regional treaties. Food security will be high on the UN's agenda.

NY Climate Week, scheduled for September 19-21, returns in person for the first time since 2019, bringing together more than 1,000 international decision makers and leaders from business, policy and civil society to drive climate action. More than 500 events are being planned around 10 themes: Built Environment, Energy, Environmental Justice, Transport, Finance, Sustainable Living, Nature, Policy, Industry and Food.

UN Climate Summit (COP-27) is to be held November 6-18 in Sharm el-Sheikh, Egypt.

To date, pre-negotiations among governments have struggled to make progress on the issues that will make or break COP-27, including [1] financial support that developed countries have committed to provide to the most vulnerable ones on both mitigation and adaptation, [2] developing a global carbon market mechanism, and [3] an agreement on a phasedown of coal and other fossil fuels.

G20 Summit. Indonesia will host and chair this year's summit on November 15-16. A sustainable energy transition is one of the themes, with a focus on clean cooking, electrification, an escalation of viable clean technologies and increased financing for the clean energy transition.

The UN Biodiversity Conference (COP-15) will be held on December 5-17 in Montreal.

It will convene governments from around the world to agree to a new set of goals for nature conservation and biodiversity over the next decade, with a focus on protecting critical habitats, improving water quality, controlling invasive species, promoting sustainable forms of biodiversity use and minimizing the harmful impact on biodiversity created by population growth and consumption.



Contact us

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