2022 in Review
Harnessing the power of collective action
www.climatecatalyst.org
About Climate Catalyst

Climate Catalyst works to compel our political leaders to take action at speed and scale. We do this by galvanising the collective power of businesses, investors and civil society to influence and accelerate policy change. Working behind the scenes we bring together new and diverse stakeholders to identify opportunities with the greatest potential for collaboration, share ideas and learnings and deliver creative campaigns that build power and secure decisive action by governments that reduce greenhouse gas emissions. Our vision is for a just, prosperous world in which global temperature rise is limited to 1.5°C.

Find out more at www.climatecatalyst.org, on Twitter @climacatalyst or email info@climatecatalyst.org.

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Introduction

I’m absolutely delighted to introduce the first Climate Catalyst annual report. It’s been an incredible year of growth, learning and impact. We began the year with a small staff team and one campaign up and running with partners. We’ve moved at tremendous pace throughout the year, shaping and adapting our first two campaigns to a tumultuous external context whilst building our staff team and model. This report captures the difference we have made, most notably in working with partners in India to accelerate steel decarbonisation and in Europe to engage and mobilise businesses in peatland protection, restoration and policy.

Learning is one of our four core values at Climate Catalyst, alongside courage, collaboration and diversity. This report shares our activity, our impact and, importantly, the learning we will take into 2023. Over the past year, we tested different campaign models, tactics and partnerships in our two inaugural campaigns: steel decarbonisation in Asia and peatlands restoration and protection in Europe. These two campaigns required different approaches, and have therefore produced different lessons, as outlined below.

The report ends with some wider lessons we have learned in 2022, and our objectives for 2023. We look forward to working with current and new partners in the year ahead, as we strive for impact in our current campaigns and identify two new topics for our work in 2024 through dialogue with organisations across the climate community.

I am deeply grateful to our partners, board and Strategic Council for their support, advice and leadership this year and to our founding funders the Bezos Earth Fund and the Yellow Chair Foundation. I am also very proud of the team we have built and even more excited by the wisdom of our partners and what the future may hold as we strive to harness the incredible diversity and power of the climate community and to engage new actors in our endeavours.

Stephen Hale, Chief Executive, Climate Catalyst
1. Our mission in action: The steel campaign

Steel campaign objective: Accelerate steel decarbonisation in Asia by driving policy change via commitments by steel buyers and suppliers, and building the national and regional power of civil society to advocate for the transition.

Better enabling environments for policy commitments by governments in Japan, Republic of Korea, and India to accelerate steel decarbonisation.

Asian steel companies adopt the Responsible Steel standard and buyers commit to procuring low carbon steel.

Civil society, private sector, and other key stakeholders increase their knowledge, skills, and capacity to advocate for low carbon steel.

Mobilise diplomatic leadership to secure stronger national targets and standards for low carbon steel by centering steel policy during international moments.

Why focus on steel decarbonisation?

Steel builds the world around us but steel production is also driving climate change. To keep warming below 1.5°C, emissions from steel and other heavy industries need to fall 93 per cent by 2050. Meanwhile, demand for steel products is growing fast.

The Asian steel sector is key to efforts to transition to zero emission steel. 90 per cent of steel is manufactured in just ten countries – with many of the world’s biggest steel producers sitting in Asia. Demand for steel is expected to grow 30 per cent by 2050, with much of this driven by India, Southeast Asia, Africa and the Middle East. Climate Catalyst works to accelerate action on steel decarbonisation in three key geographies:

India
The steel industry in India is the second largest globally. Steel accounts for 7 per cent of the country’s emissions, with steel production expected to triple by 2050.

South Korea
The Republic of Korea is the sixth largest steel producer globally. Korea’s policy environment has not created adequate incentive for the steel industry to transition to cleaner technologies.

Japan
Japan was the third largest steel producer in 2021, and second largest steel exporter in the world. The Japanese steel industry have a decarbonisaton target of 2050.
Activities and achievements in 2022

**June 2022**
Launch of India Green Steel Network to harness collective action in India on steel. IGSN is enabling shared understanding, civil society and private sector engagement and influence on national policies.

**August 2022**
Trilateral Industry-Policy dialogue: accelerating steel decarbonisation in Asia with SFOC.

Established new partnership with JCLP in Japan to encourage companies to commit to SteelZero targets.

**September 2022**
Building leadership and accelerating action on steel decarbonisation in Asia roundtable at Global Clean Energy Action Forum in Pittsburgh, with SFOC and TERI, and The Climate Group’s Head of Industry as our moderator.

**November 2022**
Co-organised India Steel Conclave with India Steel Association. At the Conclave, the Indian Ministry of Steel announced that the Ministry is working on a green public procurement (GPP) policy. Six leading steel businesses called for GPP and other strong policies.

**April 2022**
First civil society-led convening to build a shared campaign strategy.

**July 2022**
Indian civil society-led policy convening.

**August 2022**
Indian civil society-led convening on scrap.

Met with Government of India ministers to promote Green Steel Mission of India.

**October 2022**
Completed Investor Advocacy and Engagement Mapping.

**November 2022**
Launched the Green Steel Hub with an active and positive response from the community, many of whom contributed resources.

Hosted a COP27 event on building the Steel Vision for Asia.

**December 2022**
Indian Ministry of Steel includes Green Public Procurement in its net zero policy agenda. Ministry is setting up a committee to action GPP policy for steel.
Our steel campaign partners

- SteelZero
- Responsible Steel
- Solutions For Our Climate
- NEXT Group
- Transition Asia
- Japan Climate Leaders’ Partnership
- ASAR
- Global Efficiency Intelligence
- The Energy and Resources Institute
- India Climate Collaborative
- CDP

Key achievements

- We have seen the greatest progress in India, thanks to our partners and team there. There has been a dramatic shift in commitments by the Ministry of Steel on green public procurement (GPP) which is a key lever in India and our core focus. This is evidenced by multiple public statements by Ministers in late 2022.

- We are also making progress in Japan and the Republic of Korea, building momentum by engaging the private sector, educating investors and by partnering with key actors such as the Japan Climate Leaders Partnership, the Next Group and Solutions For Our Climate.

- Launching the Green Steel Hub at COP27.

Looking back: Learning from our steel campaign in 2022

What we learned we do well: Harnessing in-country staff presence to enable deep relationships that lead to policy impact. Good government insight and strong staff presence accelerated our partnership building and campaign progress in India. The momentum behind the steel campaign in India shows that it is key to understand the policy and policymaker landscape so that our campaigns are designed to harness opportunities for convening, influencing, producing analysis and providing evidence for policy at precisely the right time. The in-country staff presence enabled deeper relationships and gave us direct contact with, and insights from, policymakers.
What we learned about the context: The campaign environment for steel decarbonisation is ripe for impact. There is an appetite for multi-stakeholder conversations on green steel. This was evident in the participation of key stakeholders at both the virtual Trilateral Industry-Policy dialogue on accelerating steel decarbonisation in Asia with Solutions For Our Climate and the Indian policy convening held in Delhi. Since launching the Green Steel Hub in November, we have had significant engagement, with 3,300 unique visitors to date and new resources added as suggested by the community.

In Japan and Korea, investors are a key lever for change and investor engagement in both countries, and in the region, needs mobilising. Private procurement dominates steel consumption in Korea. Engaging private buyers of Korean steel is an important pathway for influencing steel makers, and eventually, unlocking enabling policy. One pathway for this is to promote investor engagement strategies that influence steel buyers through collaborations with investor groups who have access and trust with these partners, but do not have specific knowledge and capacity on steel decarbonisation. Investor engagement with steel companies is also pivotal to decarbonising Japan’s steel producers. A key element for investors alongside demand-side engagement is to seek and support investment opportunities which facilitate the transition to green steel.

What we learned to do differently: Public and private procurement need to be pursued in tandem. Green public procurement is one key lever to steel decarbonisation in Asia. While partners and others working on steel recognise the potential leverage of governments procuring steel to give a signal to the industry, there are significant challenges for civil society organisations to influence policies on public procurement in India, Japan and South Korea, especially in short and medium term scenarios. To overcome this, we need to work on mobilising businesses, investors and civil society in support of new policy, purchase, and investment commitments that demonstrate public and private demand for low emissions steel in those countries. We can leverage the links between public and private procurement by ensuring there is alignment between standards and definitions of low emissions or near zero emission steel that is used by government and private steel buyers. And, by mobilising the private sector to demand support from government’s to transition towards low carbon or zero emission steel production with the urgency needed.
2. Our mission in action: The peatlands campaign

Peatlands campaign objective: Strengthen government efforts to protect and restore peatland in Europe

The EU delivers an ambitious set of targets under the EU Nature Restoration Law.

Germany raises ambition for peatland restoration and implements strong peatlands policies.

Boost the infrastructure and interest of private finance actors in investing to protect peatlands and restore nature.

Increase the power, leverage and funding of organisations working on peatlands.

Why focus on European peatlands?

Peatlands are vital ecosystems in the fight against climate change and biodiversity loss. A peatland is a wetland area characterised by waterlogged conditions that prevent plant material from fully decomposing. It is this that keeps carbon locked in. Healthy peatlands are overall absorbers of carbon from the atmosphere, however when degraded through draining, their ability to absorb carbon is severely limited, and instead they release emissions. Over 50 per cent of peatland in the EU has been drained. Emissions from degraded peatlands amount to five per cent of Europe’s annual carbon footprint.

Preventing annual peatland loss and damage is critical to achieving global climate goals. Climate Catalyst is campaigning with partners to increase the EU Nature Restoration Law’s (NRL) current level of ambition in line with the urgency needed to tackle the biodiversity and climate crises, as well as put peatlands on the map of corporate climate action by building a credible business and investor case for peatland protection and restoration. The NRL is a key element of the EU Biodiversity Strategy which calls for binding targets to restore degraded ecosystems and sets overarching targets for restoration measures to be put in place on 20 per cent of the EU’s land and sea areas by 2030, and specific targets for the restoration of peatlands under agricultural use by 2030, 2040, and 2050. Climate Catalyst’s peatlands campaign also centres on raising ambition for peatland protection in Germany, a key geography for impact, alongside catalysing private sector action, interest, and infrastructure to invest in restoring peatlands.
Activities and achievements in 2022

January 2022
50+ organisations consulted on possible campaign direction.

February 2022
20+ organisations attend virtual convening to solidify campaign focus.

June 2022
Business organisations send letter to the EU Commission president urging no further delay to the NRL proposal.

June 2022
EU Commission released NRL proposal draft with VP Commissioner Timmermans referencing business support as key.

Food security briefing responds to arguments that the NRL should be delayed due to Ukraine conflict.

July 2022
German organisations convened in Berlin to create shared campaign strategy.

August 2022
Met with the delegates of the Directorate-General for Environment to advocate for higher ambition on peatland targets.

October 2022
Investor Advocacy and Engagement Mapping completed.

60+ businesses, academics and NGOs attend webinar on the role of business in peatland restoration.

December 2022
Campaign coalition developed response to rapporteur César Luena’s draft report on the NRL and advocated for the ambition of the peatland targets to be raised.

November 2022
COP27 events highlight the business case for peatland protection and the role of business in catalysing action.

December 2022
Grantees CLG Europe held meetings between EU Commission and Parliament delegations at COP15 on the NRL.
Key Achievements:

• By partnering with a coalition of NGOs in Brussels and mobilising business, we’ve managed to have significant influence on the ambition of the EU Nature Restoration Law. Our grant to the coalition helped produce deep analysis we could use for targeted advocacy, and allowed the Institute for European Environmental Policy to publish a study on the link between nature restoration and food security in response to strong backlash against the NRL by agriculture lobbies. Before our intervention, no business groups were publicly supporting the NRL proposal, but through our efforts six major business coalitions wrote to Von der Leyen to signal their support. This ‘voice of business’ was cited when the proposal was officially announced in June 2022. With our partner CLG Europe, we’ve continued to arrange meetings between businesses, such as DSM and Unilever, with Parliament and Commission officials.

• Through our activities, we’ve engaged 20+ companies on the need to protect and restore peatlands, how they should integrate this into their transition strategies, and the actions and investments they can take. Through our partnership with the Landscape Finance Lab, we are engaging investors and project developers on how to build effective models for scaling up investment in peatland restoration projects.
We’ve worked with our partners to build greater awareness of the role degraded peatland plays in the biodiversity and climate crises. With Greifswald Mire Centre and Eurosite, a communications campaign has been developed to galvanise public support for peatland protection and restoration in Germany. We’ve presented our partners’ peatlands work to new foundations to encourage them to invest in this space, and held two events at COP27 on peatlands, tying the issue into the UNFCCC mitigation and adaptation agenda.

Looking back: Learning from our Peatlands campaign in 2022

What we learned we do well: Engaging business and providing strategic resource coordination for private sector activation. Momentum is building to address the nature and biodiversity crises amongst the business community, but a recognition of the role of peatlands in those crises is missing. Therefore, there is an opportunity to develop a business and investor case to compel businesses to take action on peatland restoration, and build a champion group of businesses that can trial restoration activities that generate returns, such as paludiculture or carbon credits, or invest in restoration projects. To cement this business case however, businesses need a greater understanding of where degraded peatland emissions are in their operations and supply chains, be compelled to set targets, and integrate these actions into their overall sustainability strategies.

Disclosure frameworks such as the Taskforce on Nature-related Financial Disclosures (TNFD), and target setting frameworks such as the Science Based Targets initiative Forest Land and Agriculture Guidance (SBTi FLAG) will have a strong influence on corporate and investor action on peatlands Climate Catalyst can advocate for such frameworks to include emissions associated with peatland degradation within their requirements and standards.

Engaging business and providing strategic resource coordination for private sector activation adds value to the narrative of nature restoration being good for business. Our work with partners across the peatland campaign has confirmed that private sector engagement is indeed missing from a lot of the advocacy work already underway on peatlands. Getting businesses to advocate directly to policy makers is essential and remains a key element of our efforts.

What we learned about the context: Engaging with social and political trends at a fast pace is critical. The demands from the agriculture and forestry lobbies to scrap or water down the NRL proposal in the name of productivity, whilst speculating on the risks that the Ukraine war has posed to food security, remain a concern. The recent severe climate weather events have, however, highlighted the importance of restoring peatlands to prevent the worst impacts of climate change, and ensuring productive yields. Climate change poses an enormous threat to food security; the risk of inaction on nature restoration is urgent. Restoring peatland needs need to be addressed within the wider food narrative and agricultural context. This is more effective for both advocacy and business engagement purposes than raising the issue of peatlands protection and restoration independently.
**What we learned to do differently:** Refocus our approach in Finland. Despite scoping and consulting in Finland, there was not strong enough capacity from potential partners to accelerate work on peatlands through domestic policy, which had been our initial intention. Organisations we spoke to in Finland were primarily focused on forests when we were scoping. As a result, we refocused our approach and included work on Finland through the lens of improving their positioning on the EU Nature Restoration Law, rather than pursuing a domestic policy approach.

### 3. Looking Ahead: Lessons for 2023 and beyond

We have also identified some common lessons across all our external work which we will apply in 2023 to both our current and future campaigns as we strive to deepen our relationships and increase our impact.

**What we learned we do well**

1. **Convening diverse stakeholder groups.** Our approach is grounded in the need for new collaborations to accelerate change. Both our campaigns have in different ways brought together actors from civil society, the private sector and governments. Climate Catalyst has added significant value by being a connector - building relationships of trust to inform shared strategies to advance climate action.

2. **Building power within ecosystems.** We have done this effectively in both our opening campaigns. Our peatland campaign has focused primarily on educating and engaging businesses on standards, pathways and actions they can take, and in our steel campaign we have developed the Green Steel Hub to enable organisations from a range of sectors to engage and mobilise on steel decarbonisation.

3. **Connecting domestic actors with regional and international processes; our partners have noted this as our strength too.** As a global organisation, with the strength of our team in Asia and Europe, we are well positioned to leverage regional and global moments to drive and support national efforts (and vice versa, where appropriate).

**What we learned to do differently**

1. **Consult and convene effectively, to build strong analysis and partnerships, and clear objectives.** Our first two campaigns were naturally chosen early in the life of the organisation. This made the initial pace of campaign implementation slower as we filled some gaps in knowledge and relationships. This will not happen again. Our Consult, Convene, Campaign model is built on the understanding that thorough scoping and dialogue with potential partners is critical to building high-impact campaigns. We will continue to deploy this model and refine it as we gather more evidence about when and how it works best.
2. Testing and learning to develop national-level trust and influence. Building trust and influence at the national level is a huge challenge for Climate Catalyst, as it is for every international organisation. We have taken different approaches to this in different national contexts and will continue to do so as we learn what works best in different circumstances.

3. Consistently and clearly articulating our value add. This is especially important when we are operating in a national context where our staff do not have the same level of understanding of the national political context, language, or culture as the organisations we seek to partner with. We may be able to add value in these contexts but must assess with potential partners whether what our partnership offers outweighs any coordination cost for those involved.

4. Priorities for 2023

[See our 2023-2025 strategic plan for our longer term vision]

In 2023, we aim to:

1. Accelerate steel decarbonisation in Asia by driving policy change via commitments by steel buyers and suppliers, and building the national and regional power of civil society to advocate for the transition. We will work to build a better enabling environment for policy commitments by governments in Japan, Republic of Korea and India to accelerate steel decarbonisation. This will mean that steel suppliers and steel buyers operating in Asia signal a greater willingness to adopt Responsible Steel standards and commit to procuring net zero steel. We will work with civil society, the private sector and other key stakeholders to increase the knowledge, skills and capacity to advocate for low carbon steel, primarily through the Green Steel Hub. We will work with investor and private sector partners to make a credible and evidence-based case for decarbonisation, while also building investor capacity, to demand that private steel buyers make low carbon procurement commitments. We will work to secure stronger national targets and standards for low carbon steel by centering steel policy in key international moments.

2. Catalyse enabling conditions for ambitious policy change in the EU to protect and restore peatlands. We hope that the EU will deliver the Nature Restoration Law, including targets on peatlands, in line with the ambition needed to mitigate Europe’s climate and biodiversity crises. We will work on peatland restoration in Germany and supporting greater public and private sector action. We aim to catalyse the power, leverage and funding potential of organisations working on peat in Europe and to support a set of first mover private sector actors to become champions for peatlands restoration and protection. Climate Catalyst will continue to highlight peatlands as a key climate and nature-based solution for business and investors.

3. Develop Campaigns 3 and 4 with insight and contributions from our network. We will identify our next two campaign topics in the first half of 2023, one centred in Asia and one in Europe. We will do so by consulting and convening on campaign
4. Continue to build a fit-for-purpose team culture, and infrastructure to enable impact. We have begun to put in place strategy and practices to guide our growth and help us embody our value of diversity as we continue to build the team and mindsets we know are required for change.

5. Establish strong networks of trust with a diverse range of partners and allies by building more and deeper connections within and beyond the climate community. We are building networks of trust across the climate community, and specifically within our areas of focus. This is central to our model and to our impact.
Appendix

Our board

- Celine Charveriat: Independent environmentalist
- Joojin Kim: Managing Director at Solutions for our Climate
- Thomas Lingard: Global Head of Sustainability (Environment), Unilever
- Amanda Leland: Executive Director at Environmental Defense Fund

Our Strategic Council

- Sharan Burrow: Former Secretary General of International Trade Union Congress
- Anirban Ghosh: Chief Sustainability Officer, Mahindra Group
- Bernice Lee: Hoffmann Distinguished Fellow, Chatham House
- Pok Wei Heng: Climate Justice Design Partner, World Economic Forum
- Fiona Reynolds: Independent director & advisory board member for superannuation ESG & sustainability issues
- Matt Rogers: Investor and philanthropist
- Nigel Topping: Former UN High Level Champion
- Anote Tong: Former President of Kiribati