

Goal 13

Impact Platform

Executive Summary

Voices from the market:
How businesses are
managing the transition
to a zero-carbon, resilient
and prosperous future





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More information

If you would like further information on the platform, please contact the G13 team at goal13impactplatform@deloitte.co.uk

Access the platform here: www.goal13impact.com

Executive summary

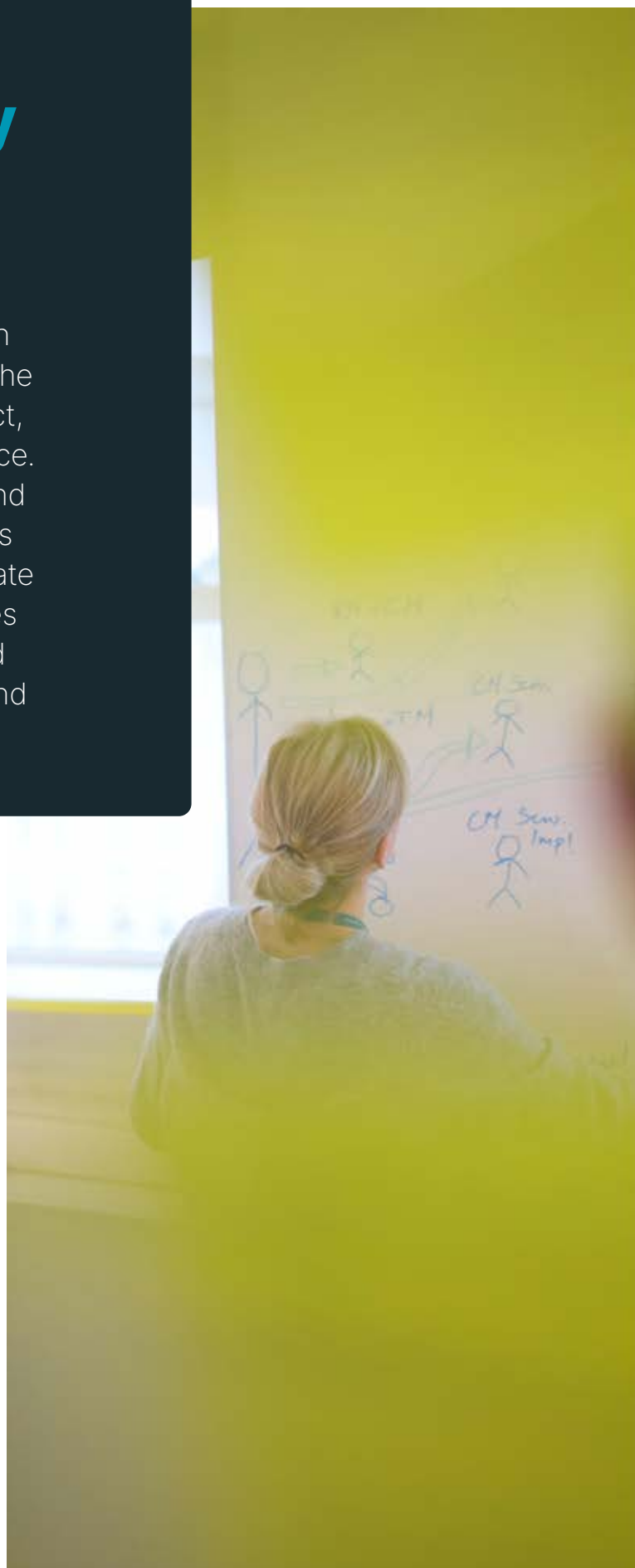
The Goal 13 Impact Platform

The Goal 13 Impact Platform is the result of a partnership between the Confederation of British Industry, Deloitte, Chapter Zero, The Prince's Accounting for Sustainability Project, Dell Technologies, Boomi, and the Met Office. Together, the partnership has built a free and open repository of corporate climate actions from businesses who want to tell their climate story in the run up to COP26. The objectives of the initiative are to stimulate learning and collaboration through use of the platform and through events and reports.

This report: Voices from the market

This report summarises the interviews that have been carried out and illustrate these with attributed references. It represents the narrative of the businesses interviewed rather than the authors', and aims to complement the individual business level insight the platform provides.

Almost 420 interviews have been carried out to date. Whilst all interviews have informed the report, the analysis and attributed references represent a subset of these interviews (c.300), reflecting the lag between when interviews occur and sign-off is received from the participating business to use the information.



The Partnership set out to capture as many voices from business as possible given available resources, regardless of size, sector, or geography. The distribution of the businesses interviewed across size and geography is shaped by the relationships and locations of the founding partners.

All businesses interviewed had some form of climate narrative they were willing to share. As such, it's highly likely that those interviewed are more progressive than the broader market.

The report is structured in the same way that the interviews were carried out, covering 6 areas:

- What are the **drivers** that are stimulating businesses to act on climate?
- What **targets and commitments** has the business made?
- How are businesses **organising** their climate programs?
- What are the most impactful **climate initiatives** being undertaken?
- What **barriers** exist that prevent more being done?
- What **lessons** have been learned?

This executive summary distills the interviews into six factors that all companies should consider, five system-level conditions required to facilitate the level of change needed, and commentary by each area.



3,547 Companies
Contacted



Almost
420 Companies
Interviewed

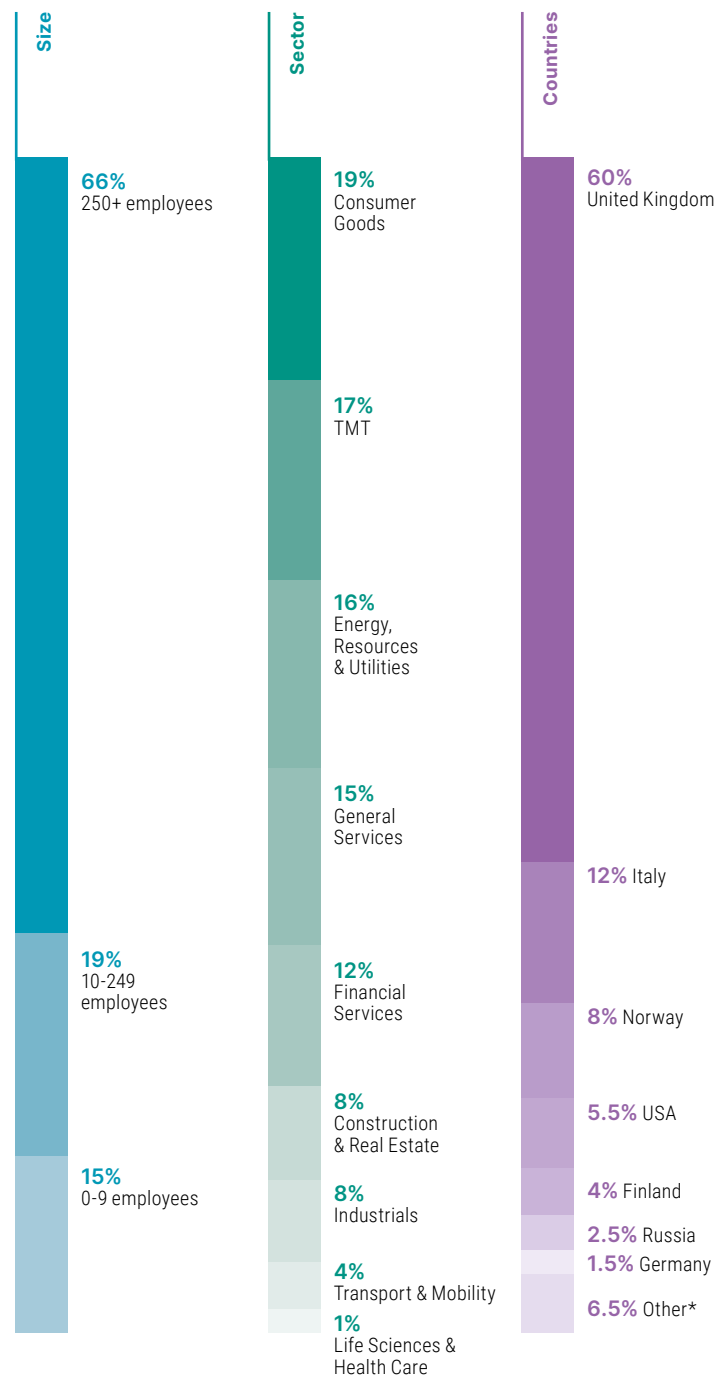


306 Companies
in the Report

Figure 1

Overview and distribution of companies in the G13 Report

Headline figures of companies contacted, interviewed, and used in the report. Charts show the distribution of size, sector and countries of the 306 companies used in the report analysis (i.e., 66% of companies in the report were large companies with more than 250+ employees).



*Others: France & Netherlands represent 1% of the dataset. Australia, Austria, Bermuda, Canada, Denmark, India, Ireland, Luxembourg, Sweden & Switzerland have contributed 1-2 interviews each.

Six company commands

Through the course of our interviews it became increasingly clear that there are a small number of critical actions that every company needs to take to accelerate their climate action.



Reframe climate action within the organisation.

Reframe climate change from just one of many external considerations to a core driver of long-term value, incorporated into the business model and corporate strategy. This requires deep understanding and foresight of climate change and its implications, the capability to transform, and leadership buy-in.



Integrate climate into all key decisions across the organisation,

from the board level down to functional leaders and section heads. Develop playbooks to explain how to integrate climate into decision making across functions, lines of business, and geographies. Bring climate action into the design phase of every major initiative, fostering alignment with other goals and ensuring it is fully part of the process and not relegated to the final impact-evaluation stage.



Enshrine climate thinking in the ethos and culture of the organisation.

Cultural adoption will help accelerate climate action: breaking down barriers, bridging silos, enhancing innovation, and stimulating grass roots collaboration. Ensure everyone has access to climate training so that all employees are empowered to accelerate climate action in their roles.



Reveal the challenges your organisation is facing on the road to net zero.

Greenwashing and hubris must be avoided; companies are expected to communicate openly about both progress and challenges they face as part of their climate journeys. Understanding and listening are key as we bring together new combinations of experience and expertise.



Combine forces to realise change at greater scale.

Collaboration is needed to tackle many of the system challenges we face. Break down barriers of understanding between the public, private, and non-profit sectors. Be generous with time and resources and be clear on the pre-competitive space where this type of collaboration is necessary either to initiate or accelerate action.



Adapt to a rapidly-changing environment,

where almost all aspects are evolving at pace, from the policy and regulatory environment, to consumer and employee behaviour, to the types of solutions available and the dynamic cost-competitiveness of those solutions. Ensure flexibility and agility is built into climate programmes to manage risks and make the most of the opportunities on offer.

Five system-level conditions

While companies recognise that they must and can change to help address climate change, they also call out a small number of system-level characteristics that need to be in place to unlock broader and deeper climate action. These can be distilled into five conditions that apply across sectors and geographies:



Standardisation of climate information and approaches, to catalyse uptake, enhance impact, and allow for cross-company and cross-sector comparison. This includes definitions of terms (e.g., net zero and carbon neutral), how climate considerations and action are reported, and which scenarios are used in projected future states. This need for standardisation extends to approaches to incorporate climate into strategy and operating models.



Absorption of the urgency of the situation and recognition of the value lost in delay.

This sense of urgency and the cost of delay needs to be commonly understood across the system and a key design principle as parties come together to resolve system-wide issues.



Raising the bar to deliver coherent, consistent, and stretching policy and regulation.

The trajectory of policy and regulation over the coming decade needs to be clear and specific to unlock long-term capital investment and to make the most of the two business cycles we have left until the world needs to halve emissions. Both market-based measures and targeted regulation will be needed to effect structural change at the pace and scale required.



Extension of responsibilities of organisations and systems to the influence they have on climate,

not just their more direct contributions in terms of Scopes 1, 2, and 3. Influence includes the indirect impact of products, services, and voice, which can often be more important than more direct emissions. This principle needs system-wide adoption.



Cooperation and active collaboration on key areas that have system-limiting characteristics.

For example, nascent climate technologies, advocacy and influence, standards and metrics, and responding to the pace of change. Everyone in the system has an active interest in unlocking faster progress to reduce the harmful impacts of climate change on the planet we all live and work on.

Observations on the corporate climate narrative

The body of this report is structured around the six areas of the interview carried out with companies. Each part of the conversation typically covered some positives, as well as some areas of concern and some form of expressed need. These are summarised here and expanded with company-specific references in the body of the report.

Drivers of change

- + Positive:** Stakeholder expectations are rising rapidly across consumers and employees, regulators, investors, and civil society.
- Negative:** Expectations often lack specificity, a clear set of implications if not met, and urgency. Too often it's delivered, and heard, as a broad injunction to 'do something' on climate.
- ↑ Need:** Organisations need better tracking of stakeholder expectations. This could include developing better predictive abilities, signal monitoring, gap analysis, and testing how changing drivers are likely to impact the organisation.

Setting targets

- + Positive:** More and more organisations, across sectors and geographies, are committing to ambitious targets and goals. There is an increasing 'quality' of goals in terms of coverage and links to science-based trajectories. The commitments are now more public, more central to market positioning, and as such are harder to back down from.
- Negative:** Despite a wave of activity setting ambition, many of these targets are not backed up by detailed pathways, particularly in the medium-term. Continued issues with comparability across organisations is allowing some to undershoot. Scope 3 inclusion is limited and inconsistent, and the nascent 'Scope 4' of companies' influence on third parties' activities is largely missing.
- ↑ Need:** Targets need to be brought fully into the strategy and planning cycle so that they are embedded in mainstream systems and metrics. Extending planning timelines would also help to align with longer-term and deeper decarbonisation, and to enable better levels of cost-effectiveness and returns on investment. Collaborating on target standards is also important, building on initial initiatives striving for this goal.



Organising for change

- + Positive:** Starting from the top; the good news is that leadership is often leading and looking to set ambition to drive action and to provide a 'guiding star' for their organisations to align with. Alongside strong leadership, there is also broad organisational appetite for engagement, which is helping to underpin ambitious climate programmes.
- Negative:** Involvement can be selective, and often self-selecting. Important roles can be left out of discussions and in turn that means that climate action, and the programmes that underpin it, are not fully integrated across the organisation, missing critical opportunities and making delivery more difficult.
- ↑ Need:** Climate needs to be embedded as part of the broader purpose agenda and integrated into business model design and strategy. Once integrated into purpose and strategy, climate then needs to be properly integrated into operations, business units, and culture to ensure all key decisions reflect climate aims and desired outcomes.

Key climate initiatives

- + Positive:** There are material initiatives for every key area of corporate emissions, many are commercially remunerative, and early traction is helping build momentum and strengthen ambition. These initiatives, together with extensive mention of capability building, including strategy and planning and enhanced dialogue with key business partners, suggest transformational change is coming.
- Negative:** While there are numerous initiatives to point to, too many of them are having too little overall impact and avoid tackling the broader structural questions that need resolving to deliver on company climate targets and meet the expectations of stakeholders.
- ↑ Need:** Ensure that climate action becomes embedded as a long-term driver of value creation. Design initiatives and their impacts to fully capture the opportunities presented by the system wide transition. Ensure that initiatives are bigger, better resourced, and aligned to the scale of impact required by the corporate targets.

Barriers

- + **Positive:** Barriers to greater ambition and impact appear to be well understood within businesses and have some commonality both within and across sectors. Many agree on the most significant barriers being policy and regulation, internal prioritisation, and customer and employee engagement. This shared experience holds out some hope for collective solutions.
- **Negative:** Many of the challenges organisations face are systemic challenges which require sophistication and collaboration to address. These challenges put comprehensive alignment between the external environment and internal strategy and structure of the business out of reach. This in turn means climate programmes don't attract the priority and resources they need.
- ↑ **Need:** Systemic challenges that are at the heart of several of these barriers require meaningful and well-structured collaboration to overcome. Lack of internal and external alignment will require integration of climate into the business model, but designed to be flexible and agile in the face of the changing landscape. Waiting is not an option.





Lessons

Participating organisations discussed the lessons they had learned in the initiation and development of their climate programmes. These constitute a set of core principles and can be grouped as:

- ➔ **Developing foundational capabilities**
e.g. understanding and integrating climate into business model and strategy
- ➔ **Building momentum**
e.g. capitalising on the building desire to engage on the agenda within the company
- ➔ **Collaborating**
e.g. working with your sector to align sectoral policy and structure to accommodate the climate transition
- ➔ **Communicating**
e.g. emphasising the early stage of progress and being transparent

The final word

Business is motivated to act on climate change, but existing efforts are of limited impact and urgency. Climate change needs to be designed into the business model as a driver of long-term value, and integrated into strategy, operations, culture, and communications. Climate needs to influence the most important decisions made in the business. Without this, climate programmes will fail to attract the level of attention and resource they require, and business will fail to meet the rising expectations of society and its stakeholders.

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