

# How can slowing climate change accelerate your financial performance?

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The better the question. The better the answer.  
The better the world works.



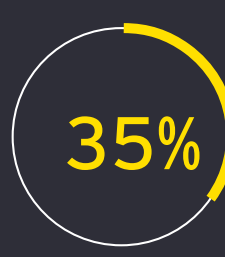
A recent EY survey of over 500 global corporate sustainability leaders unearthed a raft of interesting insights. The key takeaway, however, is that what's good for the planet is good for business. But to see real returns from your climate action, there are some things you need to consider.

## Element 1

### Acting fast

The world needs a 45% reduction in emissions by 2030 to achieve net zero by 2050 and keep 1.5°C on track. On the current trajectory, those goals won't be met.

The good news is nine out of 10 respondents have public climate change commitments. However, faster and deeper progress is required to meet these global targets.



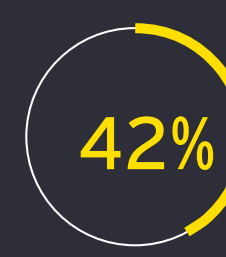
**35%** commitment milestone

Only 35% of companies have a commitment milestone on or before 2030.



**11%** to net zero

Only 11% of companies have committed to net zero.



**42%** to reduce emissions

Only 42% of companies plan to reduce emissions 45% or more.

## Element 2

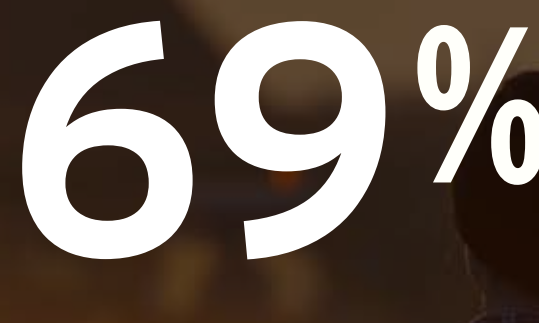
### It's an investment, not a cost

Companies still view decarbonization as costly.

But in reality, it's driving positive financial impacts.



of companies believe climate change initiatives will negatively impact financial performance.



of companies have achieved higher than expected financial value from their climate action.



of companies believe climate change initiatives will reduce their ability to compete in the market in the near term.

Embracing value-led sustainability can help companies unlock more value from their climate actions and accelerate sustainable business transformation.

## Element 3

### You need more action for better returns

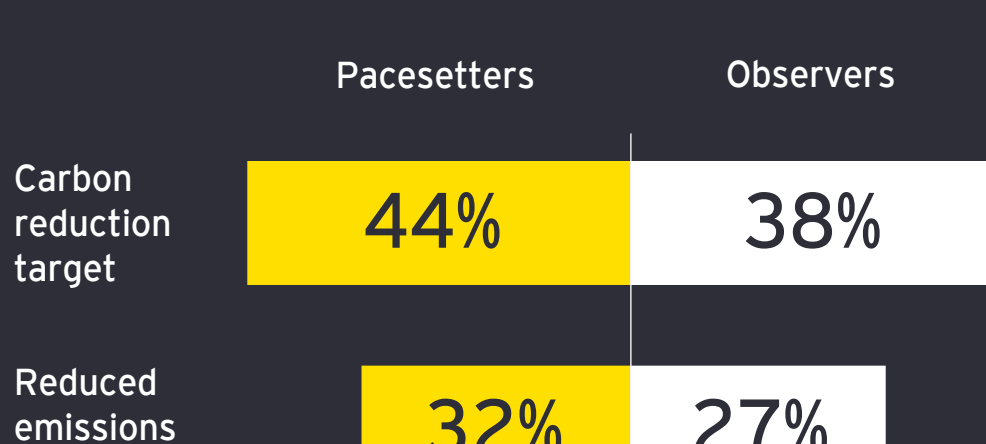
For this survey, we mapped **32 actions** that speak to an organization's decarbonization maturity.

#### They included:

- ▶ Assigning oversight to board committee.
- ▶ Setting intermediate targets.
- ▶ Making climate experience a factor in board or management selection.

#### We've compiled our respondents into **3 groups**:

- ▶ **Pacesetters**: An average of 18 actions out of 32 completed.
- ▶ **Explorers**: An average of nine actions out of 32 completed.
- ▶ **Observers**: An average of one action out of 32 completed.



Compared to observers, Pacesetters have a higher carbon reduction target (44% vs 38%) and have reduced more emissions (32% vs 27%).

But the key finding was, Pacesetters were

**2.4x**

more likely than observers to have achieved significantly higher financial value than expected from their actions.

In short, there is a compound effect to decarbonization: the more you do, the better the results.

## Element 4

### Five ways to accelerate your decarbonization pathway

To accelerate your response to climate change and drive financial impact, you need a fresh perspective on the problems blocking progress.



- 1. Set goals that sound impossible.** Setting targets and deadlines might not make decarbonization any easier, but it'll simplify the challenge for your people and clarify what's needed from them.



- 2. Use compliance to accelerate action.** Start seeing regulation as a benefit, not a burden. It can be the catalyst you need to drive the right action throughout your entire organization.



- 3. Prioritize climate in your decision tools.** Introduce decarbonization opportunities into the tools and processes you use to make investment decisions, and use them to drive long-term value.



- 4. Think like an owner.** Within your organization, hearts and minds need to be aligned. Everyone needs to feel a sense of ownership to inspire action. A change in the way your business thinks has to be matched by a change in the way everyone behaves.



- 5. Report what matters - and stop there.** The good intention to keep stakeholders in the loop all too often leads to an overwhelming pool of data. Take the data you need, simplify it, and tell a story.

Discover how the EY Sustainability team can help you accelerate decarbonization and create value for your business, society, and the planet.