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.

commitment milestone

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



committed to net zero.

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.



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

to an organization's decarbonization maturity.

Observers

For this survey, we mapped 32 actions that speak

# Assigning oversight to board committee.

They included:

Setting intermediate targets. Making climate experience a factor in

**Pacesetters** 

- board or management selection.
- Pacesetters: An average of 18 actions out of 32 completed.

We've compiled our respondents into 3 groups:

- Explorers: An average of nine actions out of 32 completed. ▶ Observers: An average of one action out of 32 completed.
- Carbon 44% 38% reduction target Reduced 27% 32% emissions to date 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

the better the results.

value than expected from their actions. In short, there is a compound effect to decarbonization: the more you do,

# Five ways to accelerate

Element 4

#### your decarbonization pathway To accelerate your response to 1. Set goals that sound impossible. Setting targets and deadlines might not climate change and drive financial

impact, you need a fresh perspective on the problems blocking progress. 2. Use compliance to accelerate action.



simplify the challenge for your people and clarify what's needed from them.

3. Prioritize climate in your decision tools.

Introduce decarbonization opportunities

into the tools and processes you use to

make decarbonization any easier, but it'll



throughout your entire organization.

Start seeing regulation as a benefit,

not a burden. It can be the catalyst

you need to drive the right action



make investment decisions, and use them to drive long-term value.

5. Report what matters - and stop there.

The good intention to keep stakeholders

overwhelming pool of data. Take the data

in the loop all too often leads to an



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



you need, simplify it, and tell a story.

the way everyone behaves.

thinks has to be matched by a change in

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

EY | Building a better working world EY exists to build a better working world, helping create long-term value for clients, people and society and build trust in the capital markets.

Enabled by data and technology, diverse EY teams in over 150 countries provide trust through assurance and help clients grow, transform and operate. Working across assurance, consulting, law, strategy, tax and transactions, EY teams ask better

questions to find new answers for the complex issues facing our world today. EY refers to the global organization, and may refer to one or more, of the member firms of Ernst & Young Global Limited, each of which is a separate legal entity. Ernst & Young Global Limited, a UK company limited by guarantee,

does not provide services to clients. Information about how EY collects and uses personal data and a description of the rights individuals have under data protection legislation are available via ey.com/privacy. EY member firms do not practice law where prohibited by local laws. For more information about our organization, please visit ey.com.

© 2023 EYGM Limited. All Rights Reserved.

EYG 001348-23Gbl. ED None.

This material has been prepared for general informational purposes only and is not intended to be relied upon as accounting, tax, legal or other professional advice. Please refer to your advisors for specific advice.

ey.com