



SUSTAINABILITY STRATEGIES

HOW CORPORATIONS CAN COMBAT CLIMATE CHANGE

NEWSLETTER CONTRIBUTION BY THE PRINCIPAL EXPEDITION TEAM

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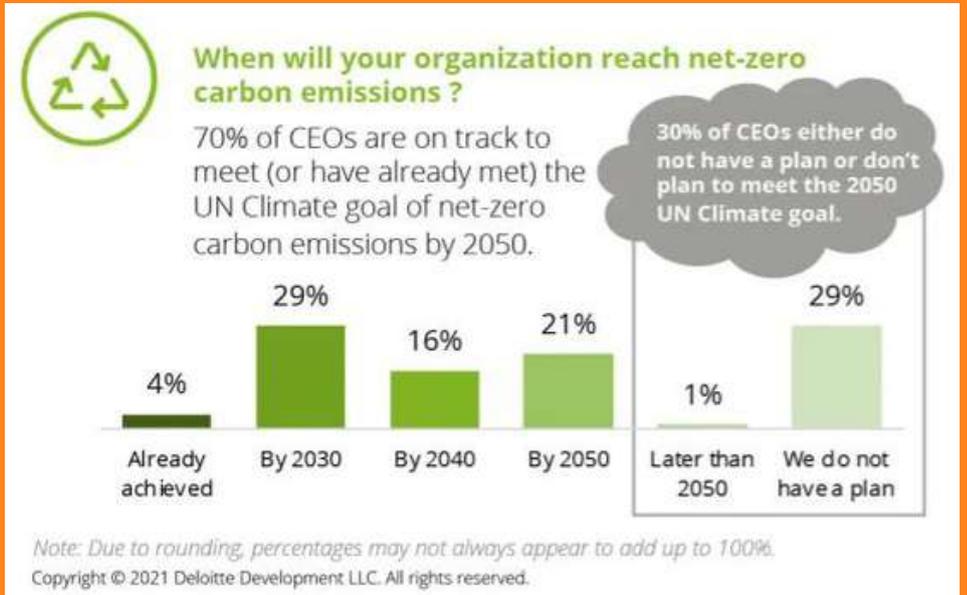
THE ANTARCTIC CLIMATE EXPEDITION 2023 (ACE 2023)

Aims to bring about public and government awareness of the importance and the splendor of the Antarctic, to address the warming climate and loss of ice in the southern polar region as a direct threat to the future of human life on this planet. The purpose of this Expedition is to confront the consequences and develop creative strategies for everyone to radically reduce carbon emissions, with the goal that each one of us will take more active ownership of our carbon footprint, then find ways to reduce and offset their emissions. Hence the primary mission is for the ACE 2023 Team to propose and champion 23 Resolutions to reduce and offset emissions within our lives, communities, and countries to pace up in reaching Net Zero. The principal expedition team for this important climate summit will comprise conservationists, celebrities, and ocean luminaries. 100 people will be selected to be part of ACE 2023. You can be one of them. Find out more [here](#).

#ACE2023, #AntarcticClimateEpic, #AntarcticClimate, #OceanGeographic, #ACETEAM

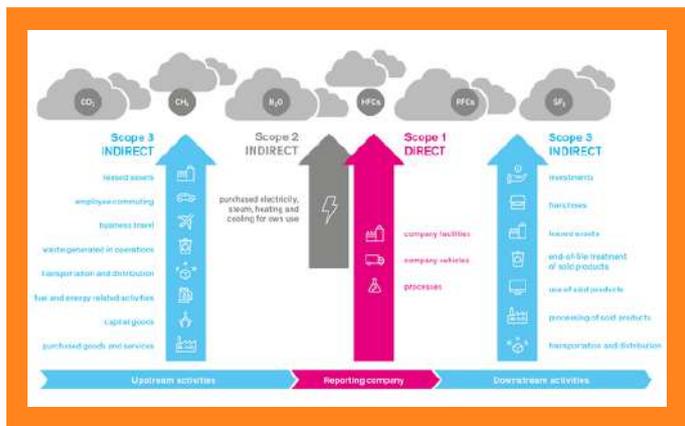
Climate change is top of mind for chief executives of the world’s largest enterprises. In 2021, the annual Fortune/Deloitte CEO Survey revealed that 90% of leaders see climate change as an issue that needs to be urgently addressed, with 86% saying that they believe their organization can play a positive role in reversing current trends.¹ Companies are determined to be on the right side of the fight to save our planet, and many recognize the competitive advantage to be gained by operating in a way that is more environmentally sustainable.

But beyond having good intentions, what would it take for companies to make good on their promises to dramatically reduce their carbon footprint? Although corporations tout goals of achieving “net zero,” “climate neutral,” or “carbon negative” operations in the next few years, many struggle to translate scientific knowledge from this quickly moving field into meaningful corporate initiatives - sometimes leading to accusations of “greenwashing” (e.g., providing misleading information to convince consumers that a company’s products or services are environmentally friendly). The same Fortune/Deloitte report last year found that while 70% of CEOs believed that they were on track to meet their climate action commitments by 2050, 30% either did not have a plan or did not believe they would be able to meet their goals. The complexity of the situation demands more targeted action than simple PR commitments, as well as transparency while companies work to reach their stated goals.



¹Market Growth, Talent and Climate Change: What's Top of Mind for CEOs. Deloitte company website. (2021, October 28). Retrieved April 24, 2022, from <https://www2.deloitte.com/us/en/pages/about-deloitte/articles/press-releases/market-growth-talent-and-climate-change-whats-top-of-mind-for-ceos.html>

The Science Based Targets initiative (SBTi), a collaboration between CDP, the United Nations Global Compact, World Resources Initiative (WRI), and World Wide Fund for Nature (WWF), was established in 2015 to help companies work towards their carbon reduction goals. To do so, SBTi works directly with its partner companies to set ambitious but achievable science-based emission targets based on the Paris Agreement goal of slowing global warming to 1.5°C. To date, over 1,000 companies have joined SBTi, and the initiative has developed sector-specific guidance for industries including aviation, apparel and footwear, financial institutions, information and communication technology, and power and utilities. As of December 2021, guidance was in development for several other sectors.²



"What are Science Based Targets (SBTi)?" MyClimate, 2021. Retrieved April 24, 2022.

While the adoption of SBTi represents an important step towards the Paris Agreement goals, the methodology fundamentally relies on a backwards-looking approach: "What was my company's responsibility for GHG emissions in the last year?" As the call for climate action becomes more pressing, companies are increasingly being asked not only about their current state of operations, but also about their long-term plans. What these plans may entail will vary by company based on industry and growth stage - but just as companies do not report financial performance based solely on profitability, many companies are looking to invest in climate strategies that go beyond emissions reductions within their current value chain.

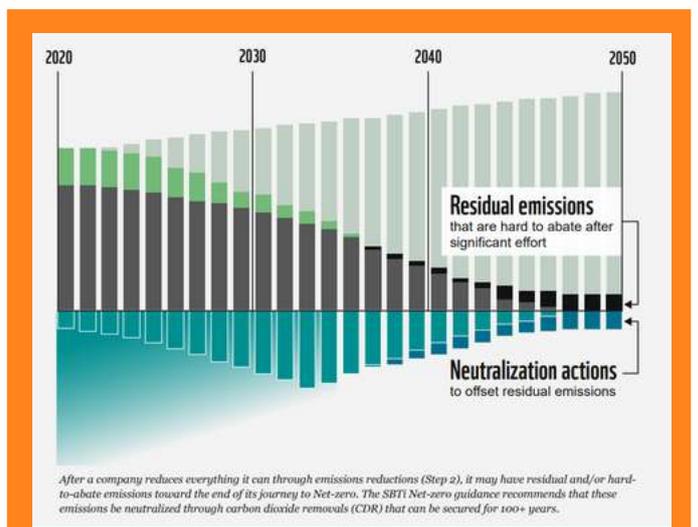
In 2020, the Boston Consulting Group (BCG) partnered with the World Wide Fund for Nature (WWF) to create the Corporate Climate Mitigation Blueprint: A hierarchical set of proposed actions to help companies decarbonize and reduce their footprint both within and outside their value chain. The approach incorporates existing tools such as SBTi, but makes additional recommendations to fully enable science-based system transformation.



"The Corporate Climate Mitigation Blueprint and additional critical elements of corporate climate strategy." Boston Consulting Group and World Wide Fund for Nature, 2020. Retrieved 24 April 2022

Whereas the first 2 steps of the blueprint align with current SBTi recommendations, steps 3 and 4 encourage companies to go beyond basic transparency and goal-setting to make long-term investments for the future. Since even the most conscientious enterprises will continue to emit GHGs even after reducing their emissions to meet Paris Agreement goals, the blueprint urges companies to address these remaining GHGs by making additional financial commitments to climate action. Companies could determine the magnitude of this commitment in several ways, such by setting an internal carbon price, committing a share of revenue, or defining a set amount of investment over a fixed time period.

Once funding has been committed, there are a variety of avenues companies can use to advance climate action. Some companies might choose to invest in renewable technologies to further reduce emissions across their value chain, therefore reducing the financial commitment needed in future years. However, external options for investment are also available, such as commitments to nature-based solutions (e.g., planting trees to offset company emissions), climate innovation (e.g., equity investments in climate technologies), or carbon credits / mitigation outcomes (e.g., financing of emissions reductions and removals using standardized methodologies). In addition to helping companies fulfill their climate change commitments, these investments have the potential to help companies build a long-term competitive advantage as the world transitions to a low-carbon economy.



"Aligning with SBTi Net Zero: Neutralize Residual Emissions." Boston Consulting Group and World Wide Fund for Nature, 2020. Retrieved 24 April 2022.

² Science Based Targets initiative. Science Based Targets initiative website. (2021, December). Retrieved April 2022, from <https://sciencebasedtargets.org/>



Former U.S. Vice President Al Gore speaks at a news conference during the UN Climate Change Conference (COP26), in Glasgow, Scotland, Britain. Reuters, 5 November 2021. Retrieved 24 April 2022.

In the next issue, we cover how The Arts have a role to play in Climate Strategies.

Ultimately, addressing climate change will require effort from all members of society, including corporations, governments, and private individuals. Thus, the blueprint encourages companies to take further strategic steps to secure our planet's future - such as influencing climate policy, collaborating with peer organizations, and building socio-ecological resilience into its strategy and decision-making.

Righting the course of our current climate crisis is undoubtedly a huge undertaking that will require innovation across multiple sectors and disruption of traditional business models. However, ensuring that we do so will be critical to the future of not only our environment and planet, but also to our ability to thrive as a species. As former U.S. Vice President Al Gore reflected at COP26: "We have the tools that we need to solve this crisis. We have heard pledges that will move us in a long direction toward these solutions, [and] we must ensure that these pledges are kept. We must not declare victory here. We know that we have made progress, but we are far from the goals that we need to reach."³

³ Honour your climate promises or face the consequences - Al Gore. Reuters. (2021, November 5). Retrieved April 24, 2022, from <https://www.reuters.com/business/cop/hyper-inequality-is-threat-democracy-market-economics-al-gore-2021-11-05/>



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