



From Ambition to Action

What companies can do
now to decarbonize

Executive Summary

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English

Science provides a clear orientation for effective climate action. It does not, however, provide answers to practical business questions. Public policy has set clear reduction goals. It has not, however, provided businesses with an exact roadmap to reaching them. Technological progress facilitates climate action, but it is not the solution on its own.

The path to a climate neutral economy requires action. Describing this path is not enough, it must be acted upon. People working in business are the ones who must take the normative, strategic, and operative decisions. They need a concrete “action space” in order to move their companies to successful decarbonisation, and thus onto the path to climate neutrality.

Together, Stiftung KlimaWirtschaft and Better Earth are providing a structure for this “action space”. It encompasses 19 leverage points that further encompass around 100 measures. For the study, over 50 German businesses were surveyed to provide their assessment on how they are currently making use of them.

Where businesses are now

Climate action is an established topic within businesses. The surveyed companies report that it has become a criterion for measuring the success of CEOs and represents a competitive opportunity. They have developed and articulated a clear position on the question of climate action. They see their current biggest challenge in translating this position into action. They are using the “action space” when making decisions on decarbonisation – but incompletely. Many businesses have published their climate goals but have yet to deliver on them.

The gaps are, on average, smallest on the normative level. For a long time, it was sufficient to be the leader in one’s sector in order to be included in sustainability funds and for employer branding. The increasing orientation toward science is eroding this logic. The surveyed businesses are increasingly orienting themselves towards science-based requirements. Nearly 50 % of them have or are currently developing science-based targets (SBT).

Strategically, the value chain remains the biggest challenge. Complex supply chains and procurement portfolios, differing standards, and incomplete information on purchased goods are a challenge for businesses. Approximate values relating to carbon and ecological footprints are seen by many as insufficient. At the same time, the relevance of supply chains to meeting climate targets is increasing.

Rising climate ambitions mean a growing challenge to deliver operationally. The more comprehensive and ambitious the goals are, the more pressing it becomes to broadly anchor decarbonisation within the company. Nevertheless, on average the businesses see themselves as much further along in the articulation of ambitious climate goals than, for example, in the integration of climate metrics into their controlling.

The largest unutilised potential in the “action space” thus lies on the operational level. There remains much room for improvement in sales, controlling, and human resources. To comprehensively account for decarbonisation in the key performance indicators and skills profiles of employees – and thus in day-to-day decisions – remains a mere aspiration for most businesses.

What businesses can do now

Even the best-positioned businesses are leaving some measures unused. Nearly 10 % of the businesses rate themselves as very advanced in normative, strategic and operational terms, while still reporting on challenges in implementing all relevant decisions – be they in the operative nitty gritty or along their value chains.

Decarbonisation is a shared challenge. The participating businesses emphasise this particularly in relation to cross-sector cooperation. In over 120 cases, they would like to share their experiential knowledge and to learn from others in nearly 190 cases. Mutual learning can accelerate decarbonisation. This potential should be used. Whatever remains unachievable even in a cooperative approach can become a credible political demand.

Businesses can learn from one another

Become a part of this shared path from awareness to action. Locate yourself within the “action space”. Where are you leaving possible leverage points and measures unutilised? Compare your needs with the desires to learn and offers of support among the participating businesses. Where might a dialogue create added value for your organisation? We invite you to take part in our dialogue platform addressing the main challenges and solutions for businesses on the path to climate neutrality.

Full version (German only) available here:

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