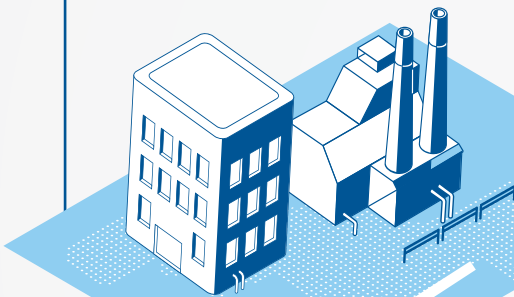


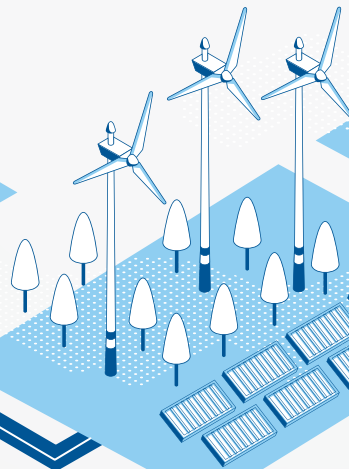
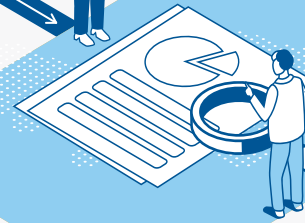
# The 5 Step Journey to Climate Leadership



1. Understand risks and impacts



2. Design sustainability strategies that deliver business value



3. Set targets



5. Announce commitments and disclose progress



4. Take climate action



# Change is here

**Hundreds of thousands of people are following the lead of Greta Thunberg and marching the streets.**

Consumer and employee expectations for corporate climate action are soaring.

Investors are demanding to know how companies are assessing, evaluating, and reducing climate-related risks and seizing opportunities.

Regardless of whether they come from more or less carbon-intensive sectors, companies are responding by raising the bar: making bold emissions reduction targets to contribute to the goals of the Paris Agreement, engaging their customers and suppliers in climate action, and disclosing to initiatives such as CDP.

There is so much happening it can sometimes be difficult for interested companies to know which climate actions to prioritise.

Yet, at the same time, building a pragmatic, data-driven, and ambitious approach to climate action that delivers real value for your business can be summarised as a straight-forward five step approach. Don't believe us? Read on.

We're proud to have supported so many corporations on their sustainability journeys and are ready to share our expertise with you.

Get in touch to see how we can help.

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# 1.

## Understand where your emissions are coming from and the risks your company faces

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**Discover what matters and your impact on the planet.**

Businesses often begin with a materiality assessment to gauge the significance of different sustainability issues to customers, employees and other stakeholders, and performance across the organisation.

Start measuring your emissions, using information about your company's operations, business travel and employee commuting, and supply chain and product use information if available. If gathering this data is not currently feasible, you can focus on the most important locations, and extrapolate from there.



### Next Steps

Undertake a forward-looking climate risk assessment to see how a changing climate, more ambitious environmental policy, and consumer trends expose your business to risks or bring new opportunities. Many companies are also starting to measure their water and plastics footprints to have a wider understanding of their environmental impacts.



## 2. Take stock of existing initiatives and assess the business case for more ambitious action

Once you've gathered the data to understand your footprint, the real work begins.

Defining a climate action vision and strategy requires that you start discussions within your company to increase understanding of the current situation, to learn about any existing plans for improvement, and to see what colleagues feel are the most feasible steps moving forward.

If more ambitious climate action requires additional investment, build a business case. What is the cost? And what are the returns in terms of reduced emissions, cost savings, or additional revenues? Moreover, what is the cost of inaction and how will it affect your brand? Establishing an internal carbon price can be a valuable way to develop a common understanding across the company.



### Next Steps

Even if your footprint mainly lies outside of your company's own operations, you can still broaden your positive impacts by engaging suppliers and business partners to develop common objectives and design interventions to drive change.

Emissions reduction projects in and around your supply chain, obligatory contract clauses, and financial incentives may all form part of this.

### 3. Set targets to drive continuous improvements in performance

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**Gather planned and proposed internal and external initiatives in a long-term roadmap.**

This will allow you to understand which impacts are expected when and to use this knowledge to develop climate and other sustainability targets. These can take different forms. For instance, relative targets based on the carbon intensity of impacts compared to revenues or production volume, or absolute targets, such as greenhouse gas emissions or energy reduction.



## Next Steps

Consider aligning your emission reduction goals with the levels needed to meet the goals of the Paris Agreement. External validation can be sought from Science Based Targets Initiative (SBTi), which recently published new technical resources and an updated set of validation criteria to reflect the latest science and the need to limit global warming to 1.5°C.

While the process of securing SBTi approval for your climate actions may be too resource intensive for your company, you can still apply SBTi methods when developing your own internal targets.

## 4. Take climate action

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### Climate action can take many forms.

These include on-the-ground interventions to become more efficient in your use of resources, renewable energy procurement and onsite solutions, and buying carbon credits to support emission reduction projects.

To maximise the value of your climate action, it should have a strong connection to places, communities and actions relevant to your business and brand. This can also help you adapt to the physical risks climate change poses to your operations and supply chains.



### Next Steps

Climate action provides compelling stories to share with customers, employees and investors. Projects inside or close to your supply chain can enhance resilience and draw in complementary sources of finance. When combined with third-party labels, certifying your climate or renewable energy actions, these stories and projects help to tangibly differentiate products and services.



## 5. Announce commitments and disclose progress

**It's time to let customers, employees and investors know about your climate actions.**

Emphasize your company's commitment to climate targets and objectives through an annual sustainability report, including a public statement from your CEO.

Even better, you can launch actions that involve your audiences in your sustainability journey.

And don't forget, no climate leader is an island: by being open and transparent about your progress, you can inspire action by peers and suppliers, forge new partnerships, source new funds from research and development programmes, and increase the engagement of customers and employees with your company.



### Next Steps

Align your reporting with international initiatives like CDP or the Task Force on Climate-related Financial Disclosures (TCFD) to help investors and others understand how you are assessing climate-related risks and opportunities, and how you compare to your peers.

Our communication team can also support you to bring your activities to a wider audience through a range of communications materials, media, and events, including at our own Climate Leaders series and at panels at international climate summits and climate weeks in major cities.