



THE 1.5°C BUSINESS PLAYBOOK

PILLAR

3

**Integrate climate in
your business strategy**

PILLAR 3. INTEGRATE CLIMATE IN YOUR BUSINESS STRATEGY

3

To limit global warming to 1.5°C and to ensure the long-term stability of the climate, value propositions and product portfolios which avoid emissions and remove carbon will need to scale exponentially. This includes solutions for renewable energy and energy storage, plant-based sustainable food production, energy-positive buildings, sharing of vehicles, space and things, very low-carbon materials, and circular usage of materials.

Many industries must be fundamentally redesigned to be decarbonised in line with a 1.5°C pathway. Business models will need to change from ownership towards usership, from product-based towards service-based and from linear to circular – enabled by digital technologies.

Your business proposition is the biggest determining factor to your contribution to a 1.5°C planet. For example, you can create new fossil-free materials, renewable energy solutions,

provide electric vehicle services and more to replace carbon-intensive alternatives. You can help shift consumer patterns in a sustainable direction by guiding people to analyse their lifestyles and providing solutions to the most effective and suitable sustainable behaviours/choices, such as product renting, sharing and repairing. If your services and products are influencing consumer and company decisions – such as social and e-commerce platforms, media, advertising and management consultancy – you can both enable and encourage customers to make decisions that are positive for the climate. As a company, you will want to be on the forefront of this change to safeguard your competitive advantage. This may require transforming your business model.

Map out a future of your company, which is positive for the climate, nature and people. Define what it would look like and what needs to be achieved in order

for your company to get there. Find business opportunities by exploring new offerings, business models and addressing front-runner climate-conscious

customer groups. Identify business practices that need to be phased out to reduce adverse climate impacts.

ACTIONS

- Review and update your company's vision and mission statement to reflect your commitment to contribute to the sustainable 1.5°C ambition.
- Assess and analyse if and how your value proposition, solutions portfolio, algorithms and business model are aligned or not with a 1.5°C ambition. Decide to transform them to address societal needs rather than just upgrading existing products. This is also an essential way to mitigate climate-related risks.¹⁶
- Move your portfolio towards solutions and projects that help your business customers avoid or remove emissions and help consumers to achieve 1.5°C lifestyles. Phase out any that increase emissions.
- Start transforming to a model that is service-based and circular, with higher efficiency and minimal emissions. If your value proposition includes materials, move towards a need-based and resource-efficient circular model that reduces, reuses and recycles materials.
- Encourage and enable purchase and investment decisions that are positive for the climate and in line with the 1.5°C ambition, never against. This is specifically important if your services are influencing consumer and company decisions – such as digital platforms, advertising, finance and management consultancy.
- Integrate your climate strategy in your services, products and project roadmaps and require all new solutions to be compatible with the 1.5°C ambition.
- Help build 1.5°C aligned, circular and emission-free value chains by collaborating strategically with suppliers and customers.
- Consider making qualitative and quantitative assessments of the climate impact of your solutions, and set measurable goals. This should be done in a structured and transparent way, following a framework such as the one developed under the Mission Innovation Net-Zero Compatible Innovations Initiative⁹ or in recent research.³¹
- Make climate an integral part of your investment procedures: consider accounting for a price on carbon.

This is an offprint from the 1.5° Business Playbook.

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