



Weekly Brief

January 29, 2024

Why We Need Catalytic Climate Action—and a New Resource to Get Us There

Last week, Christoph and I wrote to you with an overview of our [takeaways from Davos](#), focusing on some of the larger themes. Now I want to double-click on climate and sustainability, which was my biggest focus at the annual meeting, and share two important updates with you.

The first is our [latest report](#) with the WEF Alliance of CEO Climate Leaders, where I serve as chief advisor. The second is a [practical resource](#) that can help companies turn a central insight of the report—the power of supplier decarbonization—into action.

Bold Measures to Close the Climate Action Gap

This year's report takes as its starting point our current reality: while many companies and governments have taken steps to act responsibly on climate change, the sum of all our actions and global progress is far from sufficient. The key to catching up will be for the many committed companies and governments to become catalysts to accelerate broader systemic change.

We presented this work at Davos, highlighting five ways companies can broaden their climate action efforts well beyond their direct spheres of control:

- **Accelerate supplier decarbonization.** For many companies, suppliers' emissions are three to eight times greater than their own Scope 1 and 2 emissions. And it's possible to reduce the end-to-end emissions of many products with a final price increase that's less than 1%.

- **Make it easier for customers to make greener choices.** Product redesign, including value-creating circular models, can lower the emissions footprint of many products.
- **Drive change with peers in your sector.** The potential is especially great in supply chain “pinch points,” where ten players or fewer control more than 40% of many key markets. Standardizing product labeling is another great area of opportunity.
- **Engage in cross-industry partnerships.** Large-scale buying groups, in particular, can have a dramatic impact, mobilizing capital and accelerating the development and scaling of advanced technologies.
- **Advocate for bolder policies.** Start by making sure the government engagements of your company and lobbying partners are not harming climate progress. Then look for opportunities to go further, partnering with governments to encourage bold and pragmatic changes in incentives, policies, and reporting.

Net-Zero Value Chain Support Hub

For several years at BCG, we've been digging into [the power of supplier decarbonization](#), led by deep insights from my colleagues Chrissy O'Brien, Patrick Herhold, and others. Some companies are making strides in this area. Members of the [First Movers Coalition](#) are signing offtake agreements with suppliers and investing in them to meet their goals.

To speed up change across supply chains even more, we've developed the [Scope 3 Support Hub](#) in partnership with the World Economic Forum. It's an online resource that offers knowledge and tools to guide procurement teams, suppliers, and companies throughout the maturity stages of supply chain decarbonization.

It's an offering that comes out of a multiyear focus of the WEF's Alliance of CEO Climate Leaders on upstream Scope 3, including great work from my colleague Trine de Nully. Its success has also depended on the close collaboration of ecosystem partners, such as SBTi, WBCSD, WMB, along with powerful case studies from Alliance members, including [GEA, Scania, H&M, and Unilever](#). The Support Hub can help you in your own journey to accelerate the decarbonization of your supply chain.

I hope you'll take a little time to [read our report](#) and investigate the Support Hub—and think about how you can be a catalyst for

broader change.

Until next time,



Rich Lesser
Global Chair

Further Reading



[BCG-WEF Project: CEO Climate Leaders](#)

The race to net zero emissions will forever change the way many companies do business.

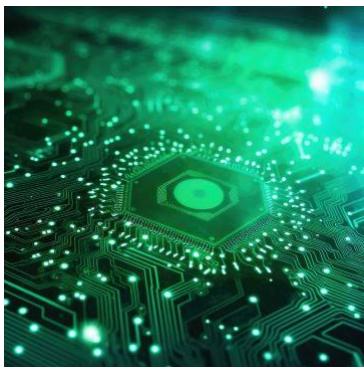
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[Why Some Companies Are Ahead in the Race to Net Zero](#)

Our third CO₂ AI + BCG Carbon Emissions Survey reveals that collaboration, product-level measurement, and digital technology are the keys to progress in emissions reduction.

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Ecosystems and the Future of Green Tech

In the global transition to green technologies at scale, the need for speed is urgent—and ecosystems will play a critical role.

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