



## **Accelerating Decarbonization at Scale**

To BCG's network around the world,

Each of us has the responsibility to decarbonize our own operations. But if that's all we do, then the world almost certainly won't make fast enough progress. So the question is, what can we do to help others go faster on this journey, too?

I'd like to share two examples of organizations that have taken on this challenge of looking at the parts of larger systems that need the most attention—and finding ways to successfully conquer that complexity and spur action.

### **Clearing Up a Cloudy Value Chain**

Leaders at Klöckner, one of the world's largest independent distributors of steel and metal products and a leading steel service company, understood the potential for itself and its customers in building more sustainable value chains in the steel industry. But without clarity and alignment on how to measure output and define sustainability, it was a difficult goal.

Until very recently, for example, people threw around terms like “green steel” and “green aluminum,” but customers, who increasingly cared about such promises, could have little confidence in what those terms really meant.

Klöckner set about defining “green” products, developing CO<sub>2</sub> categorizations for steel, aluminum, and stainless-steel items and launching sales of CO<sub>2</sub>-reduced products. As part of our broader support, BCG worked with the company to build a product carbon footprint engine (including algorithms) that allows customers to know the complete footprint of almost every one of the 200,000 products in the company's portfolio—from raw material extraction at the mine to delivery at the

customer's factory door.

The advantages are clear, allowing customers to make purchasing decisions based on transparent, scientific data; comply with regulations; make progress on their net-zero journeys; and share footprint data with customers pursuing their own decarbonization goals.

## **Uniting a Fragmented Value Chain**

Another exciting story involves an effort to reduce emissions in the shipping sector, which today accounts for 3% of global greenhouse gas emissions—comparable to that of Germany, the world's sixth-biggest emitter.

But shipping is a very fragmented sector, with a long tail of industry participants, and addressing its overall emissions is a difficult task. Increasing sustainability will take the orchestrated collaboration of its many stakeholders, including cargo owners, banks, insurance companies, ports, governments, clean energy producers, and more.

In 2020, the A.P. Møller Foundation founded the independent Mærsk Mc-Kinney Møller Center for Zero Carbon Shipping to accelerate this process, and BCG became one of its knowledge partners soon after. We recently dove into a project with the organization to figure out how to decarbonize the sector, fully addressing sustainability across the value chain.

The result is an [ESG Playbook for Shipping](#), tailored to eight different shipping segments. The playbook highlights that decarbonization of the fleet has to be addressed holistically, with a focus on social and governance issues as well as environmental concerns. This requires fuel producers, port operators, and engine designers to work together, while ship operators and others aim for a just transition by addressing the well-being of the crew affected by change.

The goal of the playbook is to help unlock and support the many players across the value chain that are unsure how to get started on their sustainability journeys. So far, it has been put into action by midsize shipping firm Navigator Gas with great results. As CEO Mads Peter Zacho said, “We were able to reach a major milestone in our ESG journey. This approach has been key in developing a clear roadmap across initiatives and targets. From this joint effort, our organization is equipped to reach our decarbonization and sustainability commitments.”

Both of these examples represent a trend that I hope will continue to take off: companies and organizations addressing sustainability beyond their own

boundaries. It's a necessary shift. We have to tackle decarbonization in a broader sense if we're going to come close to achieving the targets we've set.

Until next time,



Rich Lesser  
Global Chair

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## Further Reading



### How Decarbonization Drives Long-Term Resilience

Companies may be tempted to deprioritize net-zero efforts as they focus on reinforcing the resilience of their business. That would be a mistake.

[READ MORE →](#)



### Tackling Decarbonization with the Mærsk Mc-Kinney Møller Center for Zero Carbon Shipping

CEO Bo Cerup-Simonsen outlines the critical role that the newly formed organization will play in generating sustainable shipping by helping to innovate, implement, and scale the solutions that are best for society.

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## Climate Vision 2050: Sustainability at 36,000 Feet

It's 2050, and we're exploring how the world radically reduced carbon emissions and saved itself from climate catastrophe. Decarbonizing aviation took new aircraft design, alternative fuels, and infrastructure improvements.

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