

Destination net zero

Tracking global progress on the targets and actions companies are taking to accelerate their journey to net zero



Progress on decarbonization has certainly been made since the Paris Agreement. Yet, on our current trajectory, the world will still miss its crucial net zero goals. If organizations everywhere dramatically accelerate their net zero transitions and move from simply setting targets to delivering emissions reductions the world can get on track. Across entire industries, business leaders must urgently look at how they can decarbonize not only their own organizations but also the suppliers and customers that they work with. Entire value chains must be reinvented to reach net zero, with technology playing a central role in this transformation. The upside is this will create tremendous growth opportunities along the way through new sustainable products, services, and markets.

Destination Net Zero tracks the progress on both target-setting and the steps that the world's 2,000 largest companies by revenue are taking—or not taking—on their net zero journeys. This report lays out the actions that companies can take, from setting robust targets to adopting 20 practical decarbonization levers.

At Accenture, we are embedding sustainability into everything we do and are committed to helping our clients navigate and deliver the net zero transition. We've recently published three reports that help to show the way. This report, *Destination Net Zero*, focuses on steps individual businesses can take to accelerate their progress toward net zero. *Powered for Change* looks at the ecosystem changes that need to happen to create the right macroeconomic and policy environment for industrial sectors to reach net zero. *The Private Sector SDG Stocktake*, created through our partnership with the United Nations Global Compact, looks at the broader context of the Sustainable Development Goals and the areas businesses should focus on to help accomplish them.

It's vital that we work together at both the enterprise and ecosystem levels, to move from commitment to action. Leading companies are reinventing themselves and using sustainability as both a performance measure and an opportunity to create value. The net zero transition is a tremendous opportunity for growth—one that these leading companies are grasping.



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Business commitment to net zero continues to grow; action continues to lag

To limit global warming to 1.5°C, as the Paris Agreement calls for, global greenhouse gas emissions must peak no later than 2025, decline by 43% by 2030, and reach net zero by 2050.

Business has a critical role to play in achieving these ambitious targets. To gauge progress, over the past three years, Accenture has looked at the 2,000 largest public and private companies by revenue globally (the G2000). We have examined both their net zero commitments and their track records of

reducing their operational (Scopes 1 and 2) greenhouse gas emissions over the past decade.

Our 2023 analysis shows that the share of these companies setting targets continues to grow—37% of them are now committed to achieving net zero emissions. Yet, among those disclosing their emissions data since 2016, half continue to increase their emissions, 33% are cutting emissions but not fast enough, and only 18% are on track to reach net zero by 2050.

37%

of companies are committed to achieving net zero emissions

33%

of companies are cutting emissions but not fast enough

18%

of companies are on track to reach net zero by 2050



Setting targets is still critical

Companies that have set net zero targets are typically cutting emissions faster than those that haven't. And in our research this year, we placed a greater emphasis on how companies are reducing emissions. To do this, we identified 20 decarbonization actions or 'levers' that will be required for full value chain decarbonization. We then looked for evidence of companies adopting these 20 decarbonization levers, which range from renewable energy use to carbon removal to business model change.

20 decarbonization levers

Energy efficiency and decarbonization

1. Switching to renewable energy
2. Improving energy efficiency
3. Decarbonizing fleets
4. Making IT infrastructure greener
5. Decarbonizing buildings
6. Using digital technology (AI or automation) to reduce emissions

Circularity and waste

7. Embracing circular economy principles
8. Facilitating sustainable disposal for customers
9. Reducing waste

Supplier strategy

10. Improving the environmental commitments and performance of suppliers
11. Actively sourcing sustainable materials

Organizational design

12. Adopting internal carbon pricing
13. Incentivizing employees by linking financial rewards to sustainability goals
14. Creating travel policies that aim to avoid or reduce greenhouse gas emissions

Individual behavior

15. Promoting sustainable behavior choices for consumers
16. Promoting sustainable behavior choices for employees

Carbon offsets and removals

17. Using offsets as part of a net zero strategy
18. Removing carbon from the atmosphere with either nature-based or technological solutions

Business model

19. Changing or transforming business model to achieve decarbonization
20. Developing new products or services to generate positive environmental impact

Source: Accenture Net Zero Lever Library



This year,
our three main
findings are:

- 01 | Companies are continuing to adopt targets and levers—
but not uniformly
- 02 | More companies are cutting carbon—but not fast enough
- 03 | Decarbonization levers work—
and companies must adopt more of them



01

Companies are continuing to adopt targets and levers—
but not uniformly



2023 commitments to net zero by G2000 companies*

Overall

37%



Almost two-fifths (37%) of the G2000 are now fully committed to net zero—up three percentage points since 2022. The Scope 1 and 2 emissions of these companies with net zero targets account for almost 13% of global emissions. Within that 37% figure, however, there are significant regional variations.

Europe

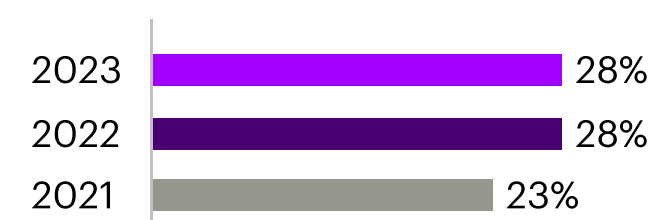
61%



Compared with 2022, the share of European companies in the G2000 with net zero targets is up 10 percentage points. This seems to refute the idea that ongoing macroeconomic and geopolitical challenges in the region would dampen climate ambition.

North America

28%



By contrast, progress among North American companies has stalled. There may be many reasons for this, including both political and regulatory developments in the region. But regardless of the underlying causes, the diverging trends are clear; the share of European companies in the G2000 with net zero targets is now more than double that of their North American counterparts.

Rest of the world

30%



The rest of the world, meanwhile, has crossed the 30% mark (up from 28% in 2022), indicating that net zero is increasingly on the agenda for companies headquartered across the globe.

*We consider a company to have a net zero target if it has publicly committed to reducing greenhouse-gas emissions to net zero across Scopes 1, 2 and 3. Where in later pages we focus on net zero relating to operational emissions only, we refer to Scopes 1 and 2 accordingly. The G2000 list changes every year by up to 10%, so the samples between the years comprise a slightly different set of companies.



Many companies are adopting a range of the decarbonization levers we examined

In general, we found that a few decarbonization approaches were popular throughout. Large majorities of G2000 companies are switching to renewables (79%), implementing energy efficiency (82%), reducing waste (80%), and adopting circular principles (68%). Given the apparent maturity of these levers, they are likely to represent the “starting point” for companies embarking on their decarbonization journeys.

However, some levers remain relatively uncommon. We find that a few are concentrated in certain sectors, reflecting their specific needs and priorities. Efforts to decarbonize one’s information technology infrastructure (“Green IT”) are, for example, likely to be more impactful in industries where data and technology contribute a greater share of emissions. Indeed, we found that while 64% of net zero-committed Communications & Media firms displayed evidence of Green IT implementation, none of their counterparts in Chemicals or Natural Resources did so. On the flipside, 57% of these net zero-committed Chemicals firms use incentives like internal carbon pricing, while just 29% of their Communications & Media counterparts do.

Decarbonization approaches popular among G2000 companies:

82%
are implementing energy efficiency

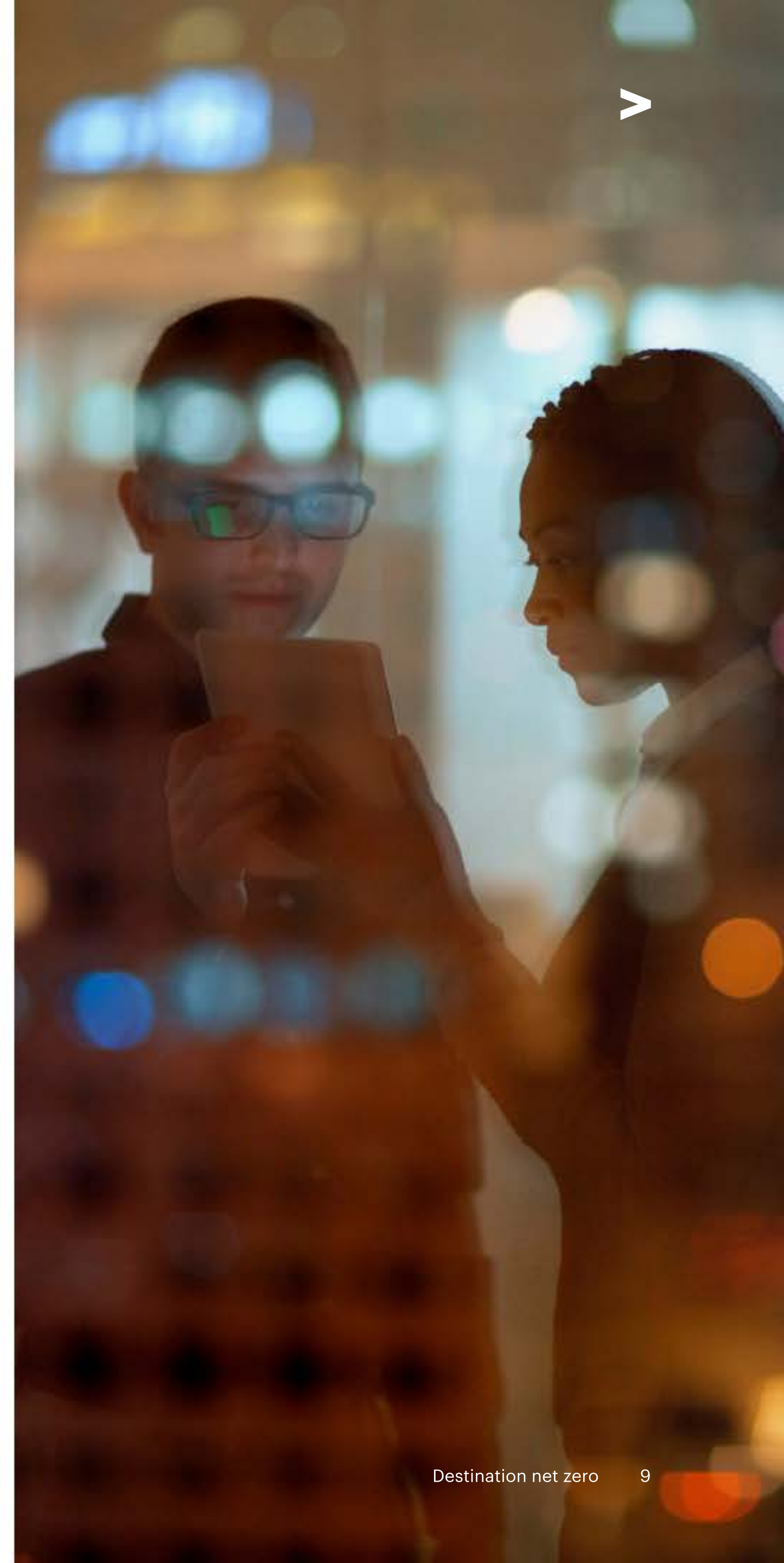
80%
are reducing waste

79%
are switching to renewables



02

More companies are cutting carbon—
but not fast enough



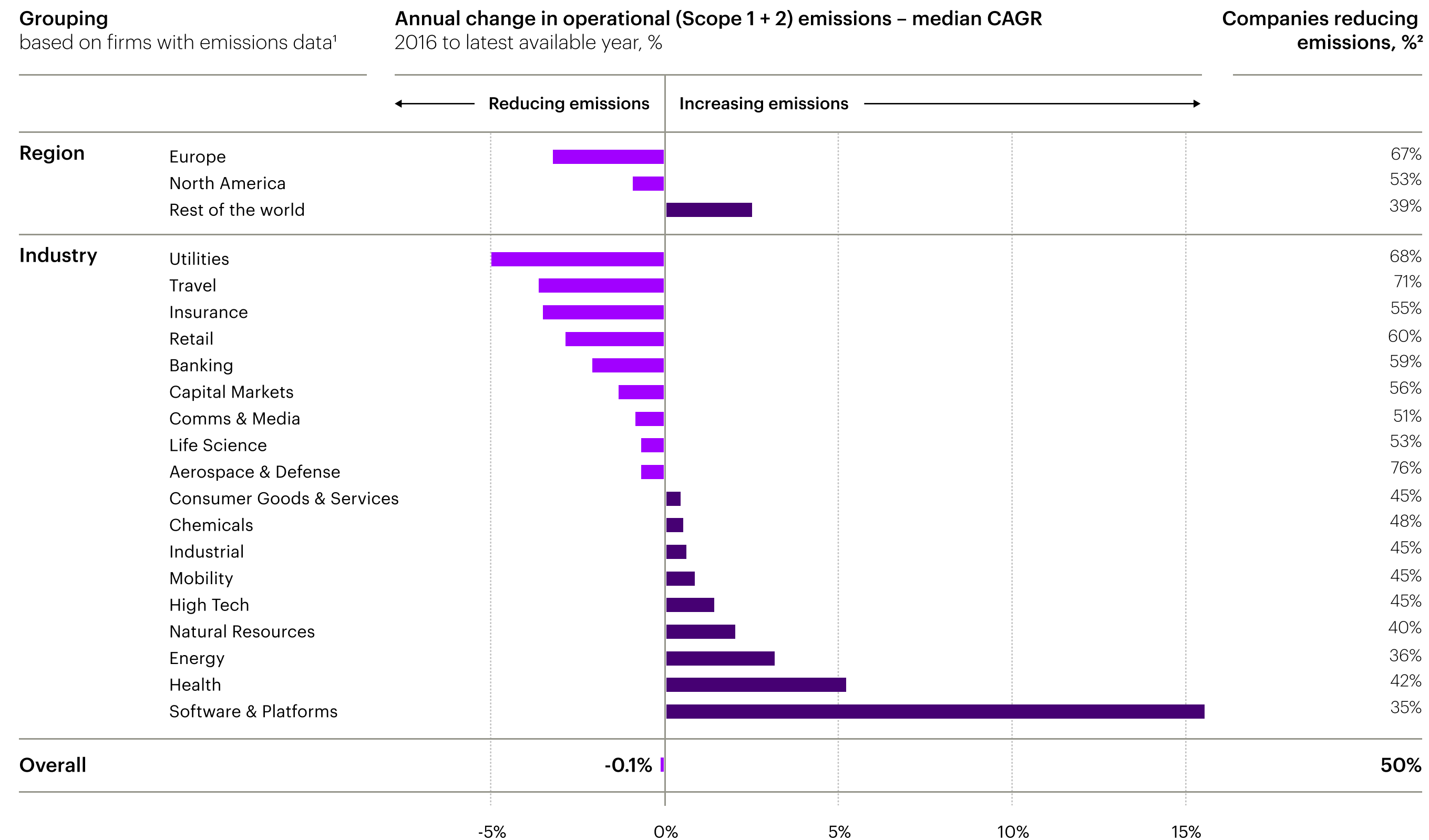


77%

of companies have reduced operational emissions intensity

Since the ratification of the Paris Agreement in 2016, 1396 (70%) of the G2000 companies have reported sufficient emissions data for us to analyze. Out of these, half of them have cut operational (Scope 1 and 2) emissions since 2016—a rise of five percentage points compared with the five-year period prior to 2016. While the increase of companies taking action to decarbonize may seem modest, a more promising trend can be seen when looking at operational emissions intensity (which considers emissions in relation to revenue and controls for business performance). For instance, during the five years leading up to 2016, 40% of companies managed to decrease their operational emissions intensity. This proportion has nearly doubled to 77% in the years following the Paris Agreement, signaling a clear acceleration in progress.

Although the general trend points to progress, there is much diversity across industries. On average, companies in many industries, including various carbon-intensive ones such as Utilities, have been cutting emissions since 2016. But in others, the typical firm is still going in the wrong direction. The past decade saw immense advances in digital technology and with that the rapid growth of technology firms; a by-product is that the median Software and Platforms firm has seen its operational emissions grow by 15% annually since 2016. At this rate, a company’s carbon footprint doubles every five years.



¹ Total sample of G2000 with emissions data in the selected period is 1396.

² Proportion of G2000 companies that have emissions data.



Differences exist within industries, too

Some companies emit much more carbon than their peers. The top 20% of emitters in each industry account for 70% of the total operational emissions of G2000 companies that report sufficient emissions data.

All companies need to achieve net zero, but those with a disproportionate impact have a greater responsibility to do so. Yet while they tend to be leading on net zero target-setting compared with their industry averages, the reverse is true when it comes to reducing emissions.

Top emitters lag on action but lead on ambition

Of companies that have provided sufficient data:

70%

of the total operational emissions come from the top 20% of emitters in each industry

31%

of the top emitting companies have cut emissions since 2016—much lower than the 50% across the full set of companies

42%

of the top emitting companies have a net zero target—compared with 37% across the whole G2000



Only 18% of companies are on track to achieve net zero by 2050

Differences across and within industries aside, the overall trend is that companies are not acting fast enough or boldly enough to limit the most severe impacts of the climate crisis. Half of the reporting companies still need to start cutting emissions—a basic prerequisite for getting on track. And of the other half, which are decarbonizing, 33% are not cutting fast enough. Based on rates of reduction since 2016, only 18% are on track to achieve net zero by 2050.

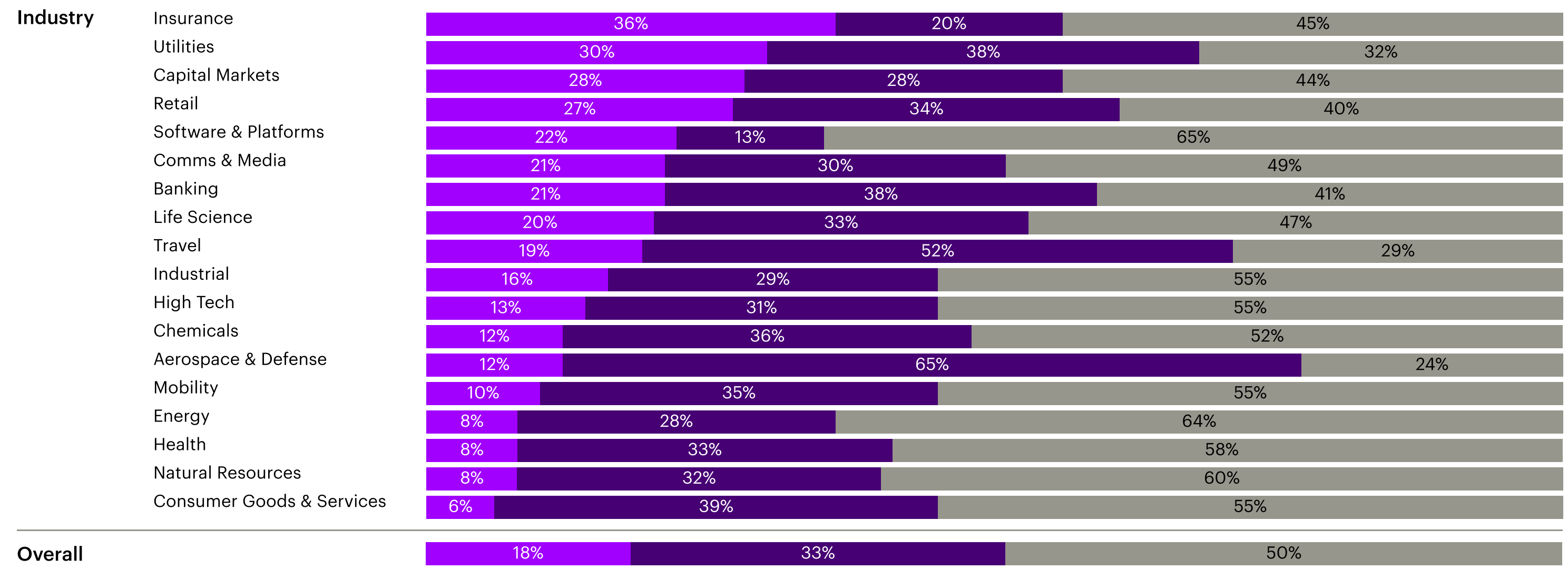
Grouping

Based on firms with emissions data¹

Region	On track	Off track, but decreasing emissions	Off track, and still growing emissions
Europe	24%	43%	33%
North America	20%	33%	47%
Rest of the world	13%	27%	61%

Distribution of companies by “on track by 2050” status

Based on 2016 to latest available year CAGR; share of sample with emissions data, %²



■ On track
 ■ Off track, but decreasing emissions
 ■ Off track, and still growing emissions

¹ Total sample of G2000 with emissions data in the selected period is 1396. While we cannot calculate trajectories for over 600 G2000 companies, it is likely that these companies that do not report emissions data are increasing emissions.

² “On track by 2050” refers to whether a company is projected to reach net zero in Scope 1 and 2 (defined here as reducing emissions to 5% of 2021 emissions by 2050). Proportions may not appear to equal 100% due to rounding



03

Decarbonization levers
work—and companies
must adopt more of them





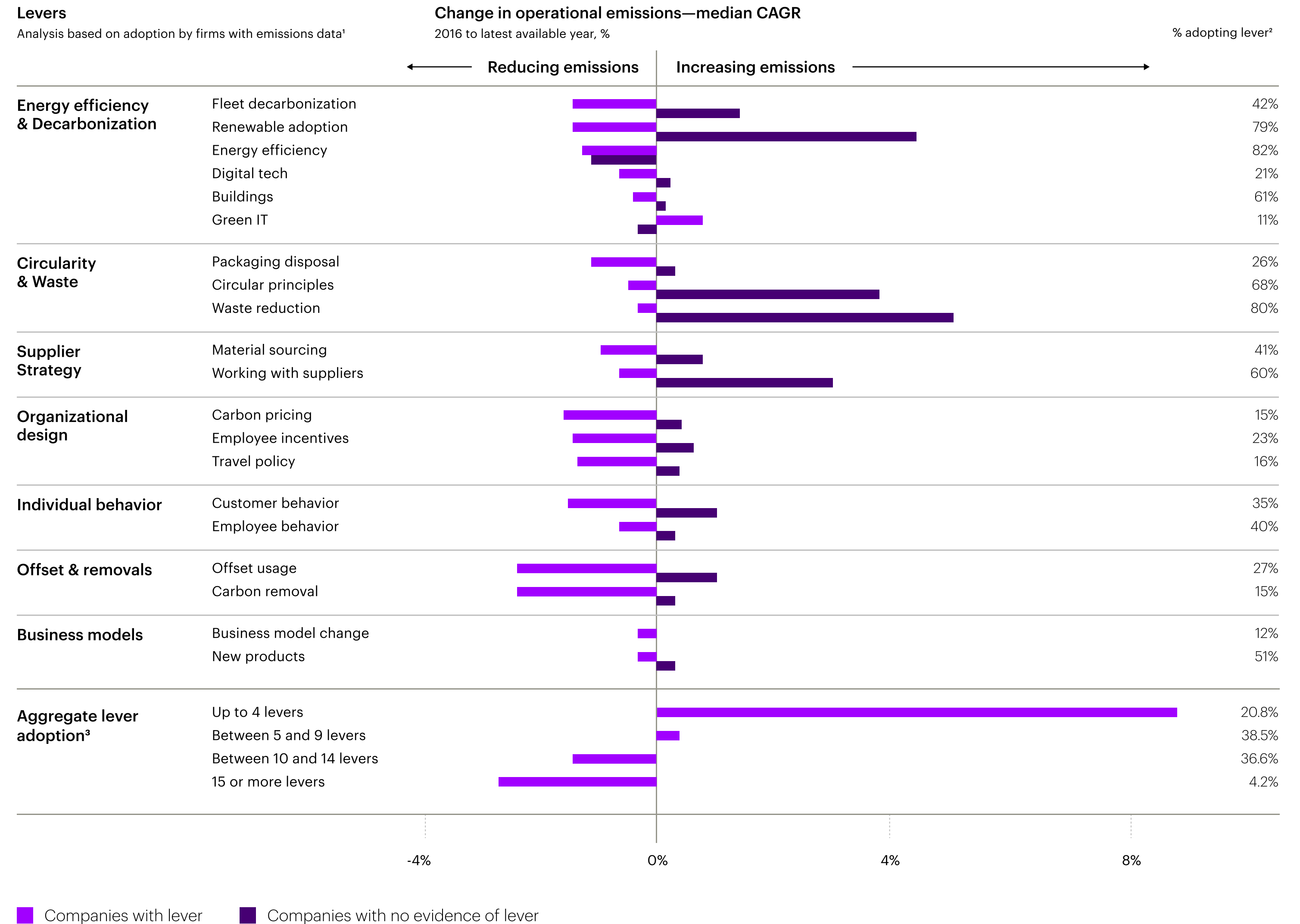
Companies that adopt ten or more levers are much more likely to be decarbonizing

Publicly disclosed targets are true signals of intent, and companies that set targets typically cut emissions faster than those that don't.

Adopting decarbonization levers has clear benefits. On almost every individual lever we looked at, the typical company that adopted the lever tended to cut emissions, whereas the typical non-adopter still increased them.

The data also shows that "stacking" levers tends to work better. While it's not the case that deploying one more lever will guarantee a faster rate of emissions reduction, we do see some evidence in the data of a tipping point. Companies that adopt fewer than 10 levers (and certainly fewer than five) typically still grow emissions. But those that adopt 10 or more are much more likely to be decarbonizing.

The evidence therefore seems to confirm that setting near- and long-term targets, and boldly adopting multiple levers, accelerates companies' decarbonization.



¹ Total sample of G2000 with emissions data in the selected period is 1396.

² The proportions shown here show lever adoption amongst the full G2000 sample.

³ Companies with no lever adoption are not displayed for this category as it would not be meaningful to show this.

What companies need to do now

Every company is at a different place along its journey to net zero. But whether they are right at the start, making good progress or well along the way, the roadmap is similar. The route starts with setting targets, moves through implementing more well-established measures, and then progresses by working on the more complex decarbonization levers.



For those right at the start:

Set targets

Almost two-thirds (63%) of companies still do not have net zero targets covering Scopes 1, 2 and 3. In some hard-to-abate sectors, such as Chemicals (73%) and Natural Resources (77%), the picture is even more concerning. These companies need to set targets urgently.

Net zero is unlikely to be achieved if it isn't targeted. Our research suggests companies make more progress when they commit to hitting net zero, across all scopes. The typical company with a net zero target has cut emissions since 2016; the typical company without a target has not.

They should then make sure they set milestones along the way, in the form of publicly announced near term targets that are independently scrutinized by third parties such as the Science-Based Targets initiative (SBTi).

For those developing their plans:

Master the basics

Goals are one thing; action is another. To make progress, companies need to adopt common decarbonization levers. Across the G2000 sample, the median number of levers adopted is just nine (out of 20). While this rises to ten in the Communications & Media and High Tech industries, the typical Insurance company adopts eight, and in Health it is only four.

Most companies need to expand their decarbonization efforts. And in many cases this means just starting with the basics. It is now well-known that switching to renewables is both an obvious and essential way to reduce carbon footprints—yet for 21% of G2000 companies, we found no evidence that they are doing this.

Levers such as this are almost universally adopted by companies committed to net zero. And for good reason: they work. Those still developing their plans should follow this lead.

For those more advanced:

Pull the more complex levers

After the basics comes the more complex work. Some levers are still niche—but key to future success.

Few companies displayed clear evidence that they are shifting their business models for the purpose of decarbonization (12%), or engaging in carbon removal (15%).

Such actions are not yet commonplace because they are hard or costly, not because they are unimportant. Companies that have mastered the basics should turn their focus to enabling and deploying these difficult but necessary actions to achieve net zero.



Powering an actionable climate roadmap

Braskem is Latin America's largest petrochemical company. In 2020, the company announced its commitment to reach carbon neutrality by 2050. The company also set an intermediate goal of reducing greenhouse gas emissions by 15% by 2030, based on average baseline from 2018–2020.

A new Roadmap Prioritization Tool was built to consolidate decarbonization data from across the company's industrial complexes into a central database. Braskem can effectively pull insights about project maturity or capital expenditure forecasts and use a Marginal Abatement Cost Curve (MACC) to visualize the cost of any project per ton of carbon emissions reduced.

At the end of the engagement, the joint team approved more than 160 decarbonization initiatives for Braskem's 2030 GHG emissions' reduction roadmap. Nearly half of those projects are currently being prioritized to meet near-term 2030 goals.

Based on current projections, Braskem estimates that priority decarbonization projects will be able to reduce carbon emissions at the six major complexes and achieve its intermediate 2030 goal.

[Learn more here](#)

160
decarbonization
initiatives approved

15%
reduction in greenhouse
gas emissions by 2030
is the intermediate goal

Accenture

Building on our long-standing commitment to the environment, we set a commitment to achieve 100% renewable electricity by the end of 2023

We are pleased to have hit our goal of 100% renewable electricity across our Accenture offices. Additionally, we reused or recycled nearly 100% of our e-waste in fiscal 2023 and have eliminated single-use plastics in our office locations by purchasing reusable and plastic-free items.

How Accenture can help

Recognized as a Leader by the IDC in its 'Worldwide ESG/Sustainability Strategy Consulting Services 2023 Vendor Assessment', Accenture helps clients develop their 'carbon intelligence'. This is a set of capabilities that enables organizations to control, improve and create value by embedding carbon—and broader sustainability—data and intelligence into decision-making across the core businesses.

Accenture helps companies become carbon intelligent by focusing on:

- **Information**—to diagnose, assess and set the decarbonization strategy, and then monitor and measure carbon performance.
- **Insight**—to record and report emissions with high frequency and granularity, as well as to set and translate targets and decarbonization programs into actionable metrics, and to performance-manage their delivery.
- **Impact**—to leverage these enhanced decision-making capabilities to identify, prioritize and deploy the levers to reduce, replace, optimize, and offset emissions; to predict and rebalance the portfolio; and to trade and monetize new products and services.

Drawing across our five services—Strategy and Consulting, Technology, Industry X, Song and Operations—we deliver on the promise of technology and human ingenuity to enable our clients to tackle their greatest sustainability challenges. Together with our partners, we help our clients with total enterprise reinvention and build a strong data and AI foundation enabling them to create business value and sustainable impact for all stakeholders.

We continue to place an ever-greater emphasis on creating sustainability value and impact for our clients by expanding our capabilities and investing in expertise across sustainability strategy, supply-chain transformation, and data-driven measurement of decarbonization efforts.



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About the sample

Region

Europe

(N = 473 full sample; 327 emissions sample)

Austria, Belgium, Czech Republic, Denmark, Finland, France, Germany, Greece, Hungary, Ireland, Israel, Italy, Kazakhstan, Luxembourg, Netherlands, Norway, Poland, Portugal, Spain, Sweden, Switzerland, United Kingdom

North America

(N = 638 full sample; 464 emissions sample)

United States, Canada, Bermuda

Rest of world

(N = 889 full sample; 605 emissions sample)

Algeria, Argentina, Australia, Azerbaijan, Brazil, Chile, China, Colombia, Ecuador, India, Indonesia, Japan, Kuwait, Malaysia, Mexico, New Zealand, Oman, Pakistan, Philippines, Qatar, Saudi Arabia, Singapore, South Africa, South Korea, Thailand, United Arab Emirates, Vietnam

Industry

Industry name	Full sample	Emissions sample
Aerospace & Defense (A&D)	21	17
Banking	138	115
Capital Markets	61	39
Consumer Goods and Services (CG&S)	147	99
Chemicals	84	66
Comms & Media	73	61
Energy	118	72
Health	53	12
Hi-Tech	123	105
Industrial (Equipment, Freight & Logistics)	362	252
Insurance	147	101
Life Sciences	69	55
Mobility (Automotive + Public Transport)	73	51
Natural Resources	163	106
Retail	196	124
Software & Platforms (SW&P)	34	23
Travel	27	21
Utilities	110	76
Other (excluded)	1	1

About the research

This analysis takes stock of global corporate net zero targets and decarbonization levers. Our sample was based on the Accenture G2000: an Accenture-developed list of the top 2000 public and private companies in the world by revenue. We worked with The SmartCube to collect data on the G2000 across a given set of criteria relating to decarbonization. This involved manual inspection of company public documentation (e.g. websites, annual reports, sustainability reports). The approach allowed us to construct a proprietary database of the decarbonization targets and levers adopted by companies in the G2000. Emissions data were retrieved from: S&P Global Market Intelligence, Sustainable1.



About Accenture

Accenture is a leading global professional services company that helps the world's leading businesses, governments and other organizations build their digital core, optimize their operations, accelerate revenue growth and enhance citizen services—creating tangible value at speed and scale. We are a talent- and innovation-led company with 732,000 people serving clients in more than 120 countries. Technology is at the core of change today, and we are one of the world's leaders in helping drive that change, with strong ecosystem relationships. We combine our strength in technology with unmatched industry experience, functional expertise and global delivery capability. We are uniquely able to deliver tangible outcomes because of our broad range of services, solutions and assets across Strategy & Consulting, Technology, Operations, Industry X and Accenture Song. These capabilities, together with our culture of shared success and commitment to creating 360° Value, enable us to help our clients succeed and build trusted, lasting relationships. We measure our success by the 360° Value we create for our clients, each other, our shareholders, partners and communities. Visit us at www.accenture.com

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