



CENTER FOR  
Climate Action

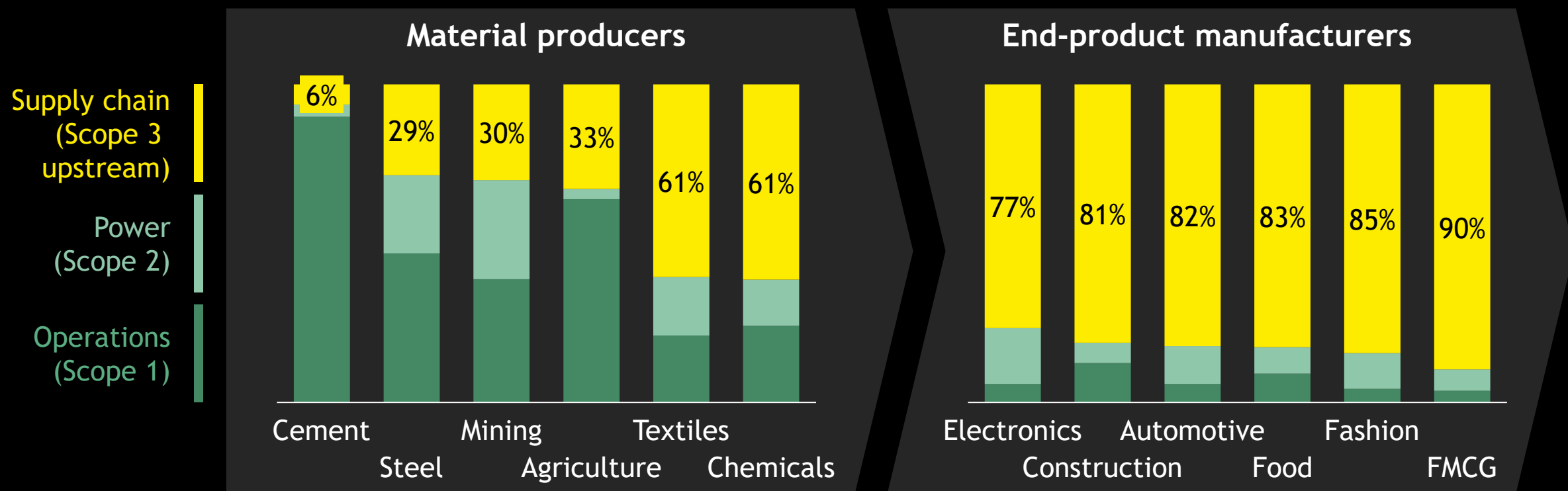


# Net-Zero Challenge: The Supply Chain Opportunity



# End-product manufacturers can have huge impact

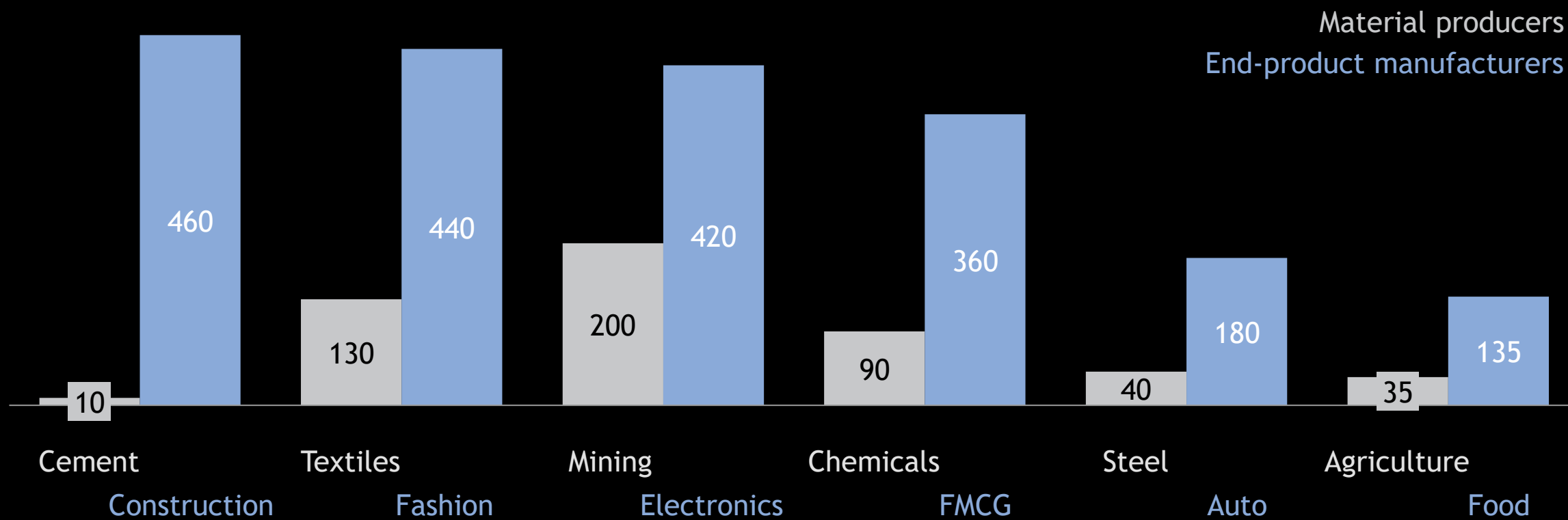
Emissions split (CO<sub>2</sub>e, 2019)



Note: Companies selected based on no. of reported Scope 3 upstream categories; FMCG = Fast-moving consumer goods  
Source: CDP, BCG

# End-product manufacturers can pay more for abatement

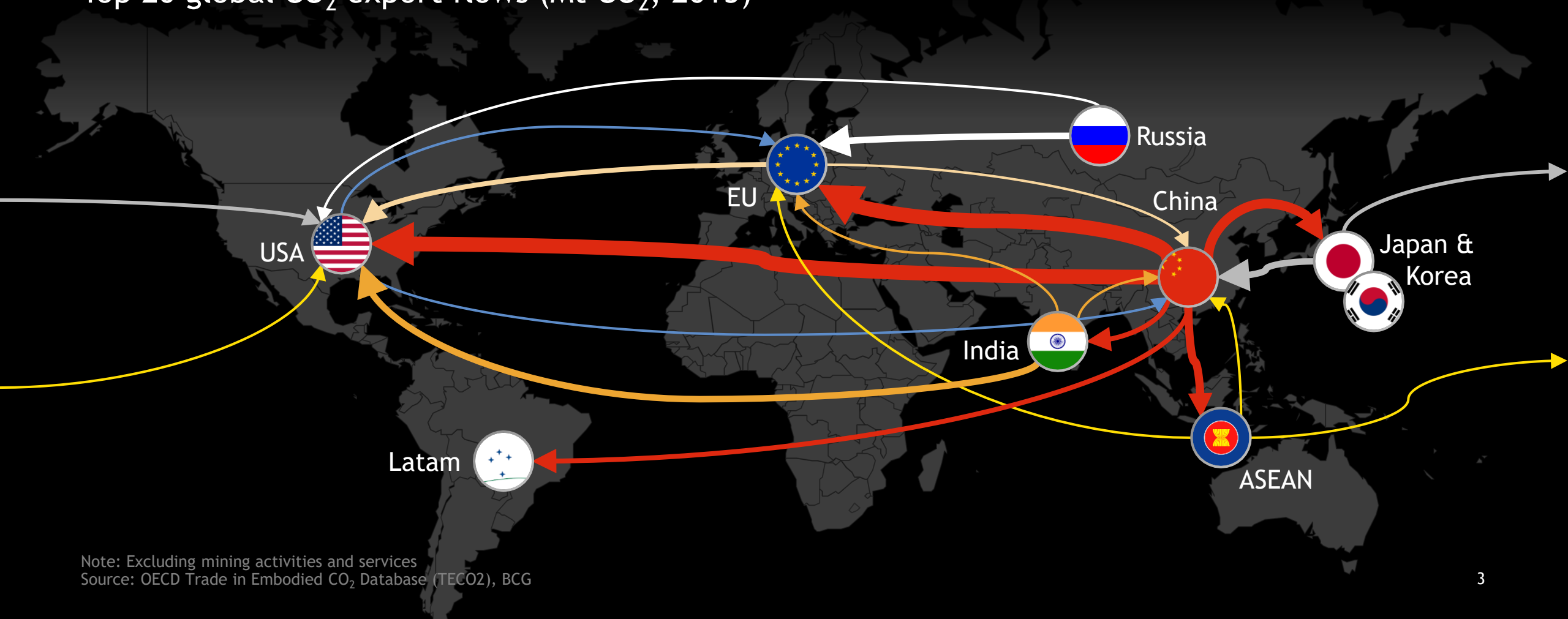
Net income per ton of emissions (€/t CO<sub>2</sub>e Scope 1+2+3 upstream, 2019)



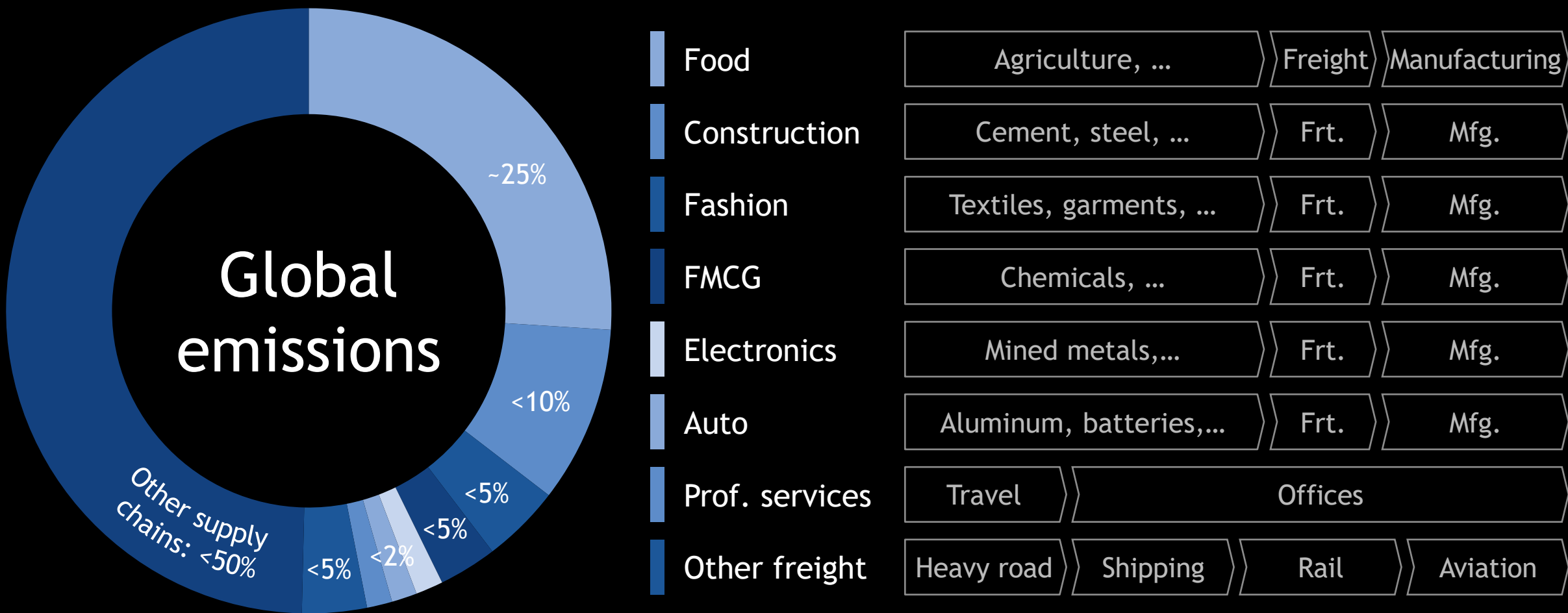
Note: Analysis based on companies selected on number of reported Scope 3 upstream categories and industry fit; FMCG = fast-moving consumer goods  
Source: CDP, BCG

# Supply chain action also addresses 'imported emissions'

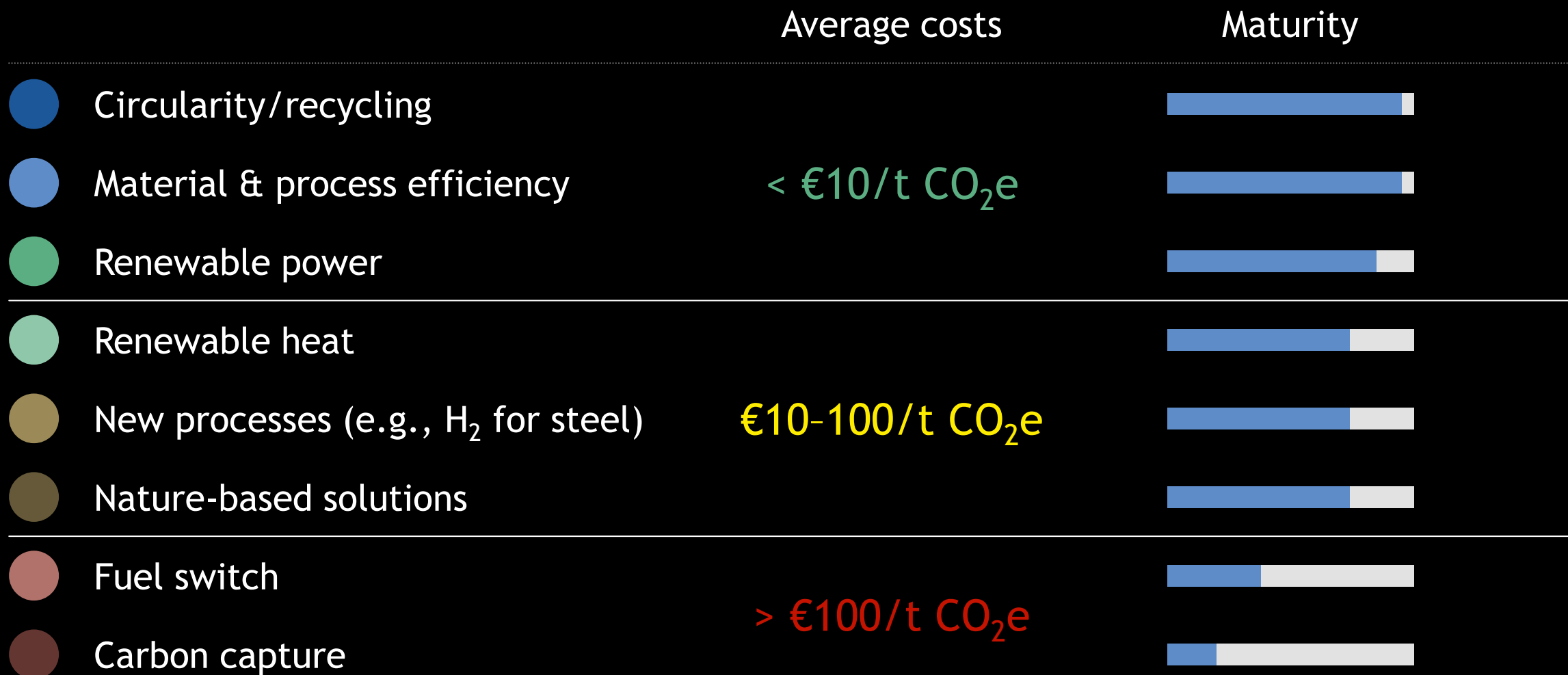
## Top 20 global CO<sub>2</sub> export flows (Mt CO<sub>2</sub>, 2015)



# 8 supply chains are responsible for >50% of global emissions



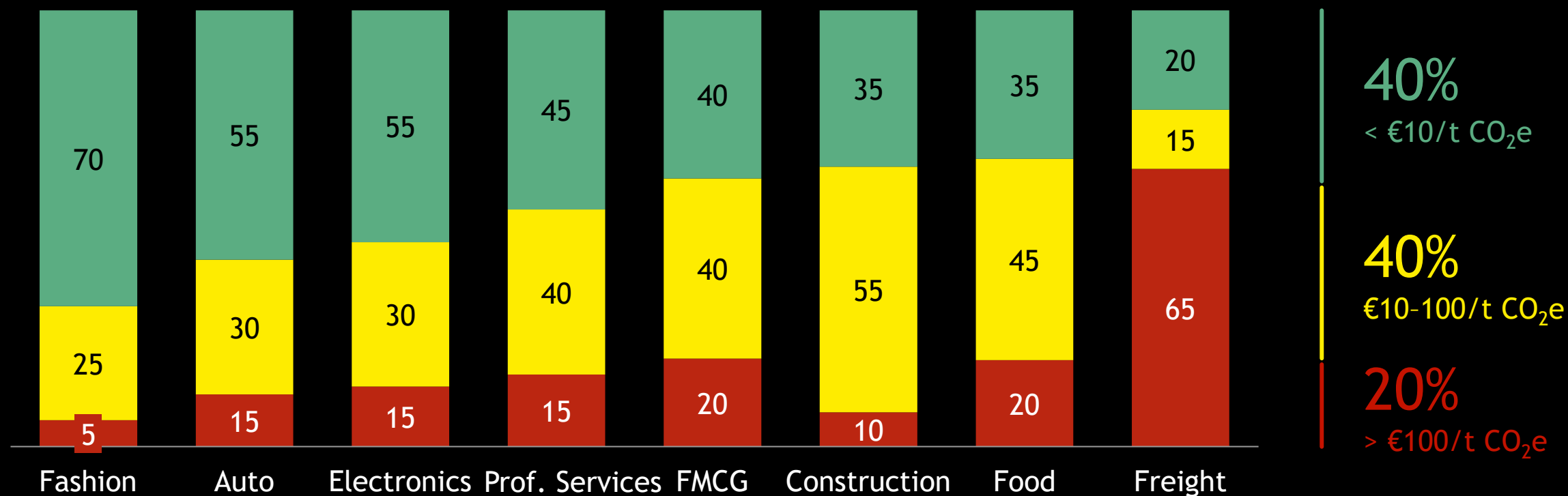
# Eight levers to implement across supply chains



Note: Costs are indicative and refer to average values in 2030

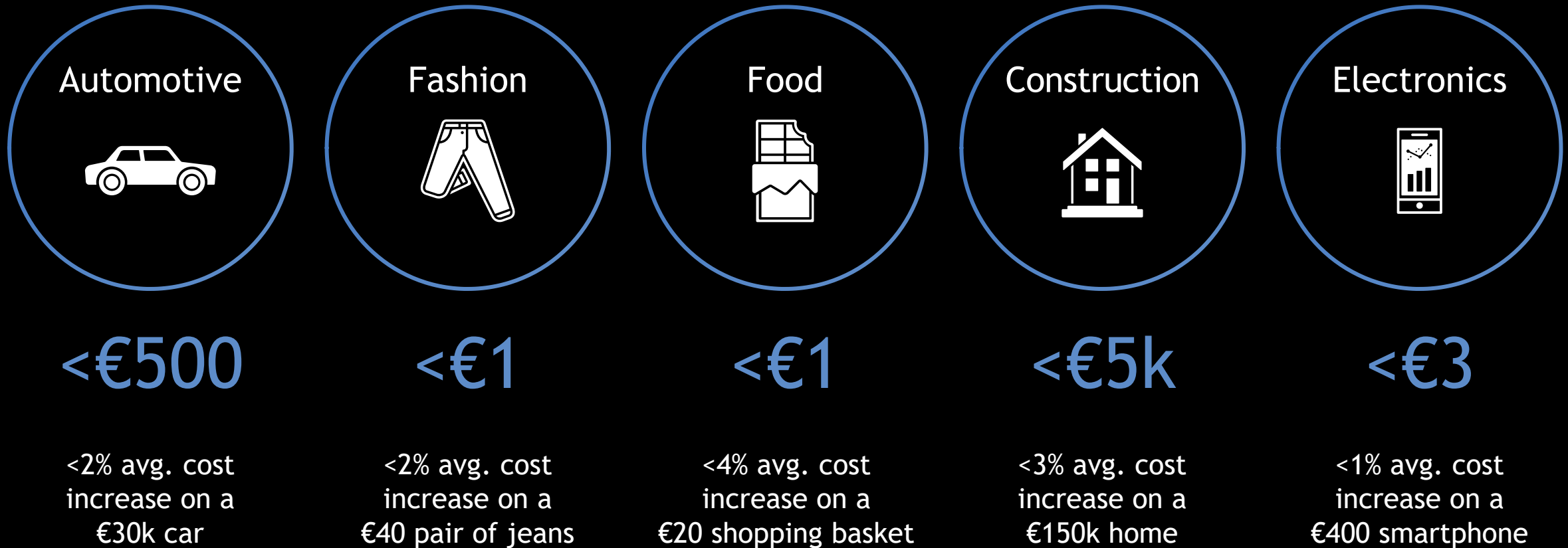
# We can abate ~40% emissions at **very low cost**

Share of abatement lever cost by value chain (%)



Note: Indicative shares for each value chain; FMCG = fast-moving consumer goods; Freight includes aviation, shipping and heavy road transport

# Full decarbonization has low impact on end price



Note: Prices are indicative for each product/ basket



# 9 steps to decarbonize supply chains



# 9 steps to decarbonize supply chains

## CREATE TRANSPARENCY

- 1 Build emissions baseline, share data with suppliers
- 2 Set targets on Scopes 1-3 and report progress

## OPTIMIZE FOR CO<sub>2</sub>

- 3 Re-design products for sustainability
- 4 Design sourcing strategy for sustainability

## ENGAGE SUPPLIERS

- 5 Impose standards and track performance
- 6 Work with suppliers to address their emissions

## PUSH THE ECOSYSTEM

- 7 Join 'buying groups' to scale green demand
- 8 Engage with peers, gov't, investors & customers

## ENABLE YOUR ORGANIZATION

- 9 Introduce a low-carbon governance to align internal incentives and empower your organization

1



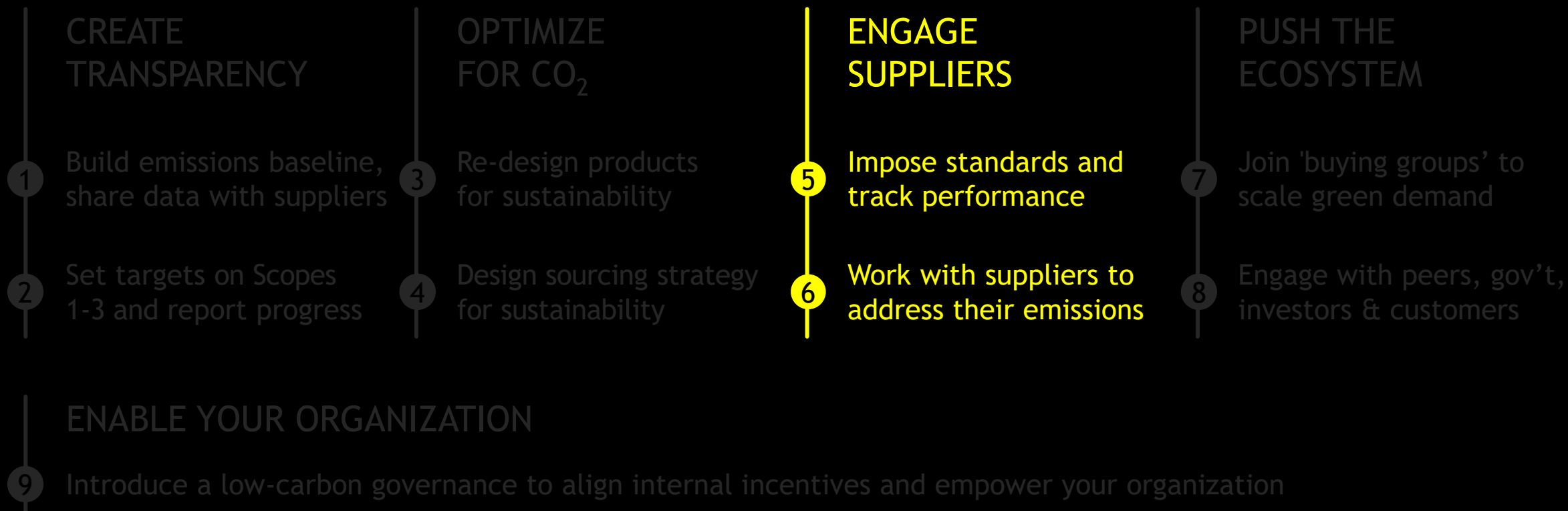
Carlsberg uses supplier-specific data for an accurate view on emissions

# 9 steps to decarbonize supply chains



3  Tesla re-designed cars to save weight and extend battery reach

# 9 steps to decarbonize supply chains



5



DSM pushes for renewable power among suppliers and educates via webinars

# 9 steps to decarbonize supply chains



8



Maersk advocates for ambitious sector-level target at International Maritime Organization (IMO)



# 9 steps to decarbonize supply chains

## CREATE TRANSPARENCY

1

Build emissions baseline,  
share data with suppliers

2

Set targets on Scopes  
1-3 and report progress

## OPTIMIZE FOR CO<sub>2</sub>

3

Re-design products  
for sustainability

4

Design sourcing strategy  
for sustainability

## ENGAGE SUPPLIERS

5

Impose standards and  
track performance

6

Work with suppliers to  
address their emissions

## PUSH THE ECOSYSTEM

7

Join 'buying groups' to  
scale green demand

8

Engage with peers, gov't,  
investors & customers

## ENABLE YOUR ORGANIZATION

9

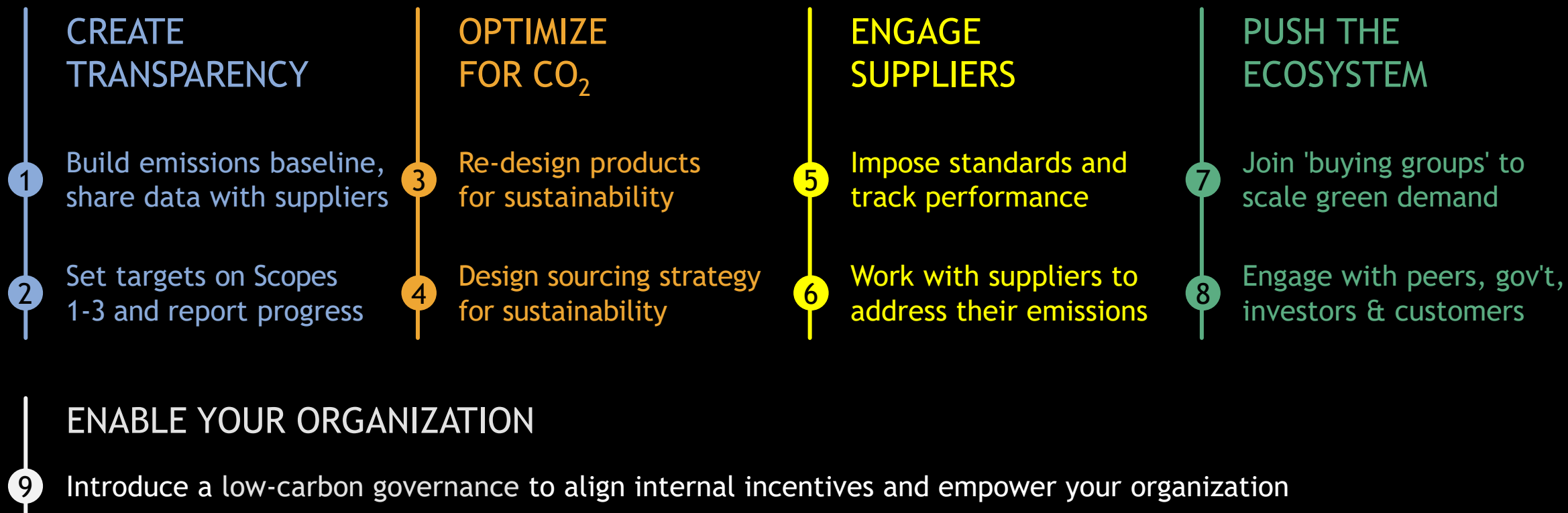
Introduce a low-carbon governance to align internal incentives and empower your organization

9



Dell introduced 'Sustainability Champions' to procurement mgrs. to engage on supplier accountability

# 9 steps to decarbonize supply chains





CENTER FOR  
Climate Action



# Thank you

See here to download  
the full report:



[www.weforum.org/reports/  
net-zero-challenge-  
the-supply-chain-  
opportunity](https://www.weforum.org/reports/net-zero-challenge-the-supply-chain-opportunity)

