



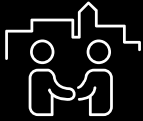
# LAST CALL FOR NET ZERO

CEO Perspectives on Sustainability:  
Navigating the Climate Challenge

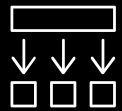
Istanbul, May 15<sup>th</sup>, 2024



# Why we are here today



For an ESG strategy to be truly effective, **all stakeholders need to be aware and prepared to safeguard our planet** while respecting new generations and adapting their business by **implementing a more sustainable supply chain**



However, **in addition to mitigating the "negative externalities", we must capture the "positive" sides** to allow the many industries in which Bain is recognized as world leaders, to **maintain and improve competitiveness**

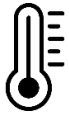


The implementation of such strategies is not easy, and our recent research demonstrates that the consensus of **over 600 executives** from over 200 companies in 46 countries equivalent to 4.5T\$ of market cap, **does not believe that Net-Zero can be achieved by 2050**



# The United Nations 2030 Agenda is based on the assumption of the unsustainability of the current development model

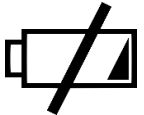
## Some worrying data...



At a global level, the **temperature increase** (Goal 13) has reached **+1.2°C** compared to pre-industrial levels, approaching the limit of 1.5°C established by the Paris Agreement



Every year (period 2015-2020) **ten million hectares of forests have been lost**, an area almost as large as the surface of Iceland (Goal 15)



**On August 2<sup>nd</sup> '23, we have exhausted the "renewable" resources** that our planet is able to regenerate in a year (Overshoot Day)



In 2020, **over 120 million people** ended up in conditions of **extreme poverty** (there had been no increase since '98) and **around 255 million full-time jobs were lost** (Goal 1)



We need to move with **URGENCY, VISION AND BRAVERY**

A **CALL-TO-ACTION** is necessary to give strength to this **SOCIAL, ECONOMIC AND ENVIRONMENTAL TRANSFORMATION**



**Ability to deliver on  
ESG commitments  
is an imperative for  
today's leaders**

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**While..**

**67%**

**have a bold ambition  
with clear targets**

**Only..**

**3%**

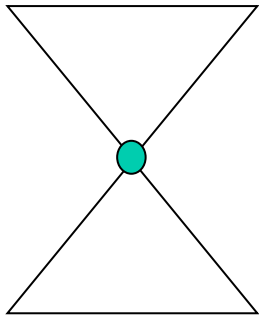
**are on track to  
achieve today**

Note: Percent of respondent who report achieving 100% or more of targets set for completion by today; Source: Bain ESG Op Model Survey 2023 (N=72)



# Key Reason: while corporate leaders feel optimistic, middle management feels taxed & told

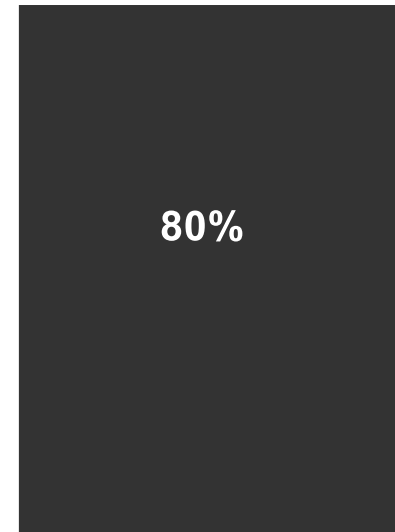
## THE HOURGLASS EFFECT



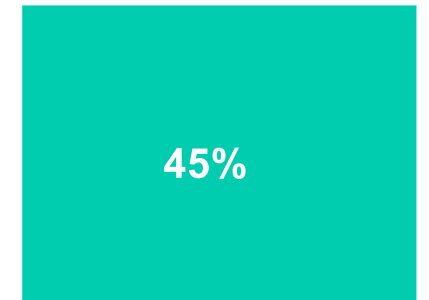
**“Taxed”**... Sustainability plans come at extra cost

**“Told”**... They are rarely involved in making the commitments

*% who believe sustainability efforts are meeting or exceeding expectations*



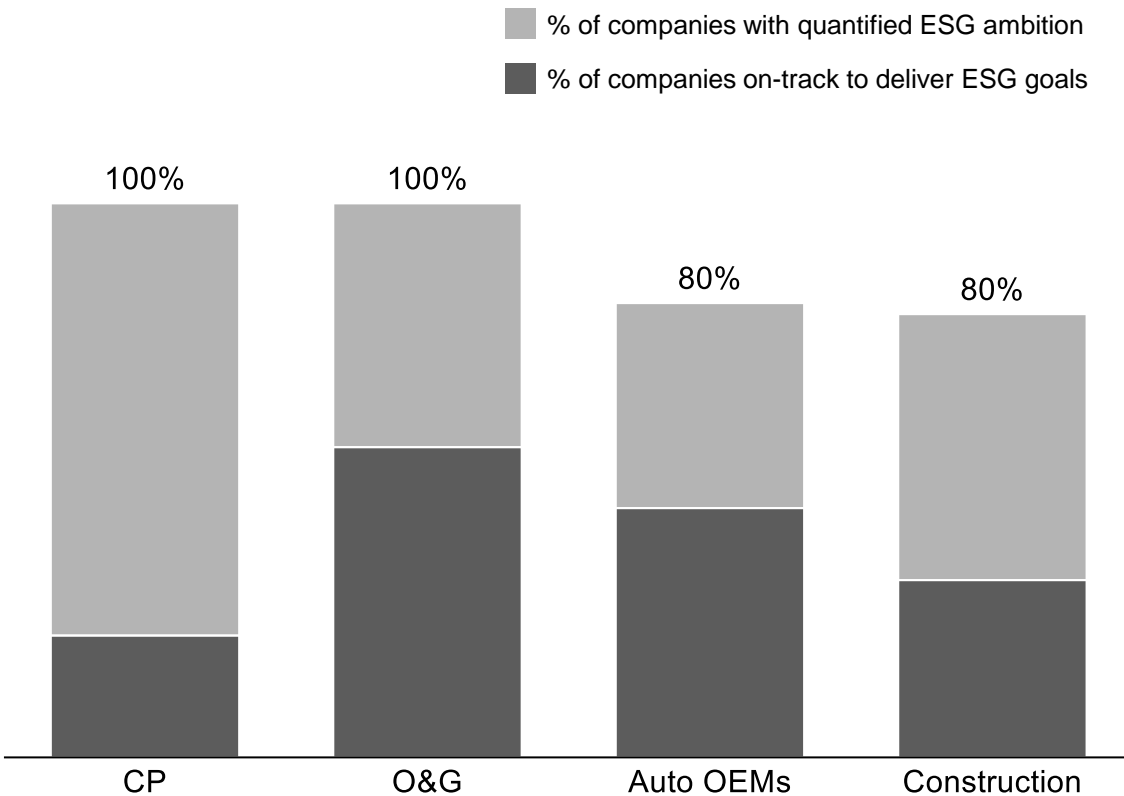
Corporate leaders



Team leaders

# Globally, companies are falling behind on their sustainability goals

Few companies are on track



What CEOs are telling us



We are a **2 out of 10** in terms of ESG maturity and not moving fast enough

CEO, Tech company, US

What's taken us 20 years to do previously **we now need to do in seven years.**

CEO, Energy company, Australia

We will have to **adapt more in the next 8 years** than we have had to over the past 100

CEO, Steel company, Netherlands

# In Türkiye, reaching Net-Zero in 2053 requires strong push from private sector and Government

Türkiye's target of reaching Net-Zero in 2053 requires strong push from both private sector and the Government

**41%**

Emission reduction target by 2030 from business-as-usual scenario indicating increase in absolute terms

Only  
**15%**

of Türkiye emissions in 2021 were reported by private companies to CDP

Only  
**45**

Companies reported emission reduction targets to CDP

**26**

companies have SBTi based targets

**22**

companies with 1.5c aligned SBTi targets

To date

**25%**

of areas in Türkiye are considered high risk and an increase to

**40%**

of exposure is expected by 2050



# Five key messages emerged from our interviews

**There is need  
to step up and  
run**

01

Leading is not  
enough,  
active support  
is needed

02

Difficult to  
decarbonize  
without  
transparency

03

Funding need  
must go hand-  
in-hand with a  
clear direction

04

Capital  
allocation  
started being  
wider

05





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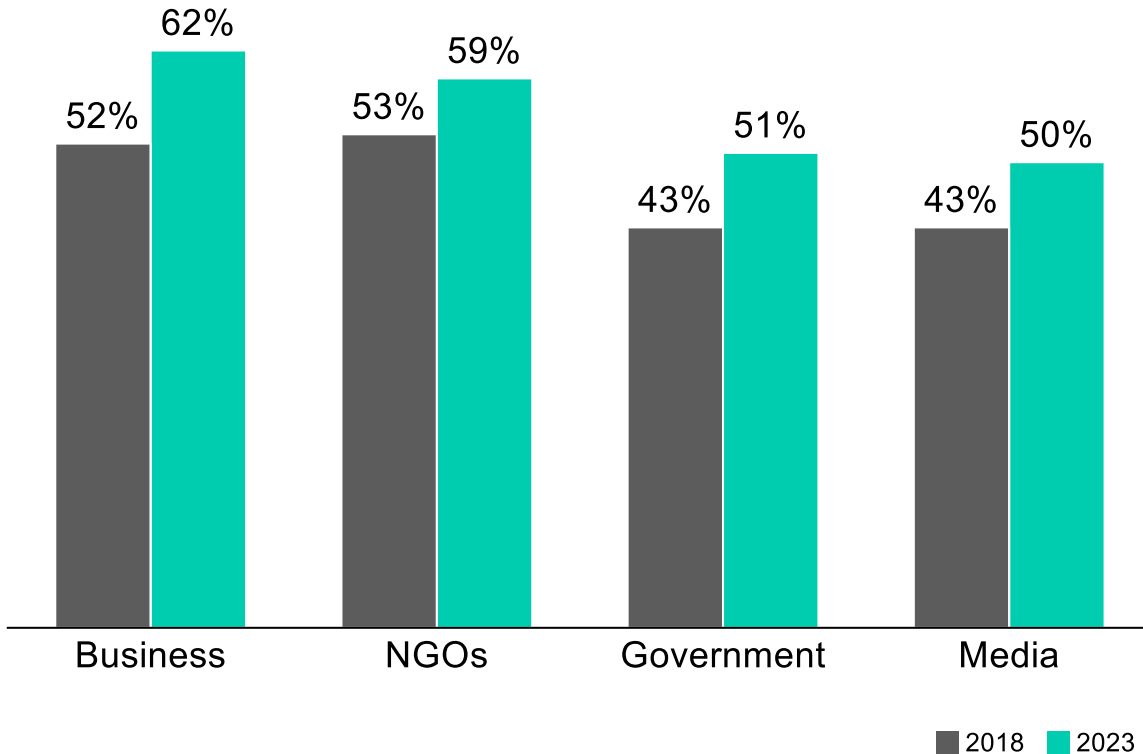
An aerial photograph of a coastline. On the left, a river flows through a lush green forest. The river meets a dark, sandy beach. To the right of the beach, the ocean is a vibrant turquoise color, with white foam from waves crashing against the shore. The overall scene is a beautiful natural landscape.

# HOW CEOs SHOULD DRIVE THE CHANGE

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# CEOs have a key role to play, the public expects them to lead

## GLOBAL TRUST IN INSTITUTIONS



”  
The emerging view is that **business solutions need to connect** and cover the three big global challenges of **climate, nature and inequality** in a **systemic and transformative** way.

Peter Bakker, President & CEO, WBCSD



# Business leaders should start with these actions today



## Ask – and answer – the three critical questions

- What good do we bring to the world, and what is **our purpose** as a company?
- What **cost** will humanity have to pay for us to grow?
- What will get in our way, and what will we **run short of**?

## Push for an ‘and’ agenda: technology *and* behavior *and* policy

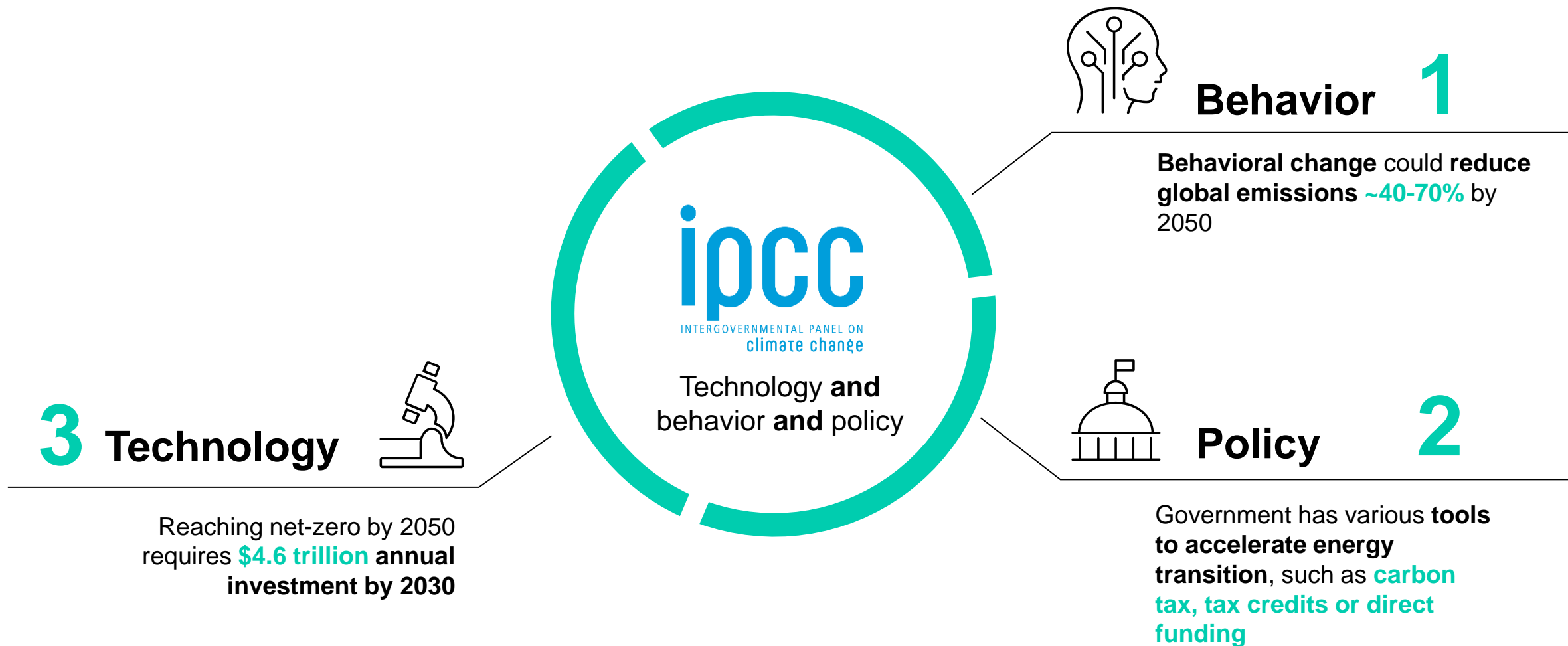
- Rediscover the technology E-curve
- Shape consumption behavior by deaveraging the consumers
- Proactively shape the regulatory environment

## Translate P&L owners’ challenges into team-sized missions

- Discuss the trade-offs that P&L owners face
- Translate broad ESG commitments into team-sized challenges that can become new routines or new innovations



# KEY LEVERS: How to drive the needed change





# Those that do this well...

## Aspire

# 1

### Integrate the ESG ambition into the business

- **Co-create** the ambition with the business – create business buy-in
- **Unpack** into a portfolio of **hypothesis outcomes** (customer or employee behavior change)
- Determine opportunities that create **both** business and ESG value (shared value)
- Define **missions for teams**

## Activate

# 2

### Mobilize teams against their mission

- **Understand the degree of change** required for each mission relative to the business today ('change' vs. 'run')
- **Mobilize solutioning teams** to re-think how or what business is done ('change')
- **Cascade ESG KPIs / targets** to line-leaders to manage as part of their day-to-day where execution is possible in today's set-up ('run')
- Identify any **other capabilities** or **partnerships** needed to be successful

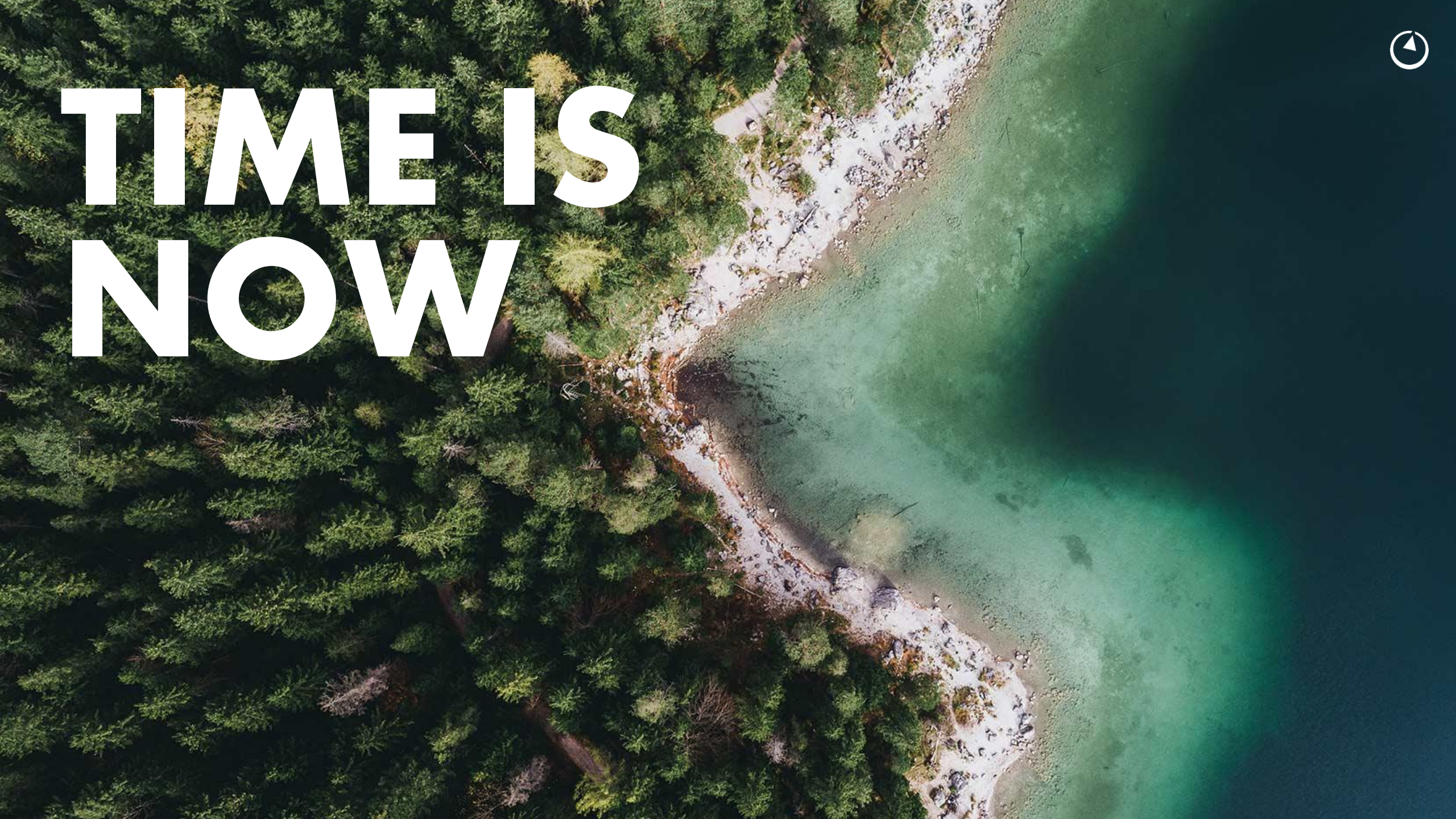
# 3

### Accelerate delivery through a dynamic system

- **Test and scale successful solutions**
- **Make changing the business part of your routine:** roadmap transparency, release cycles, adaptable resources, management reviews, talent incentives and performance management



Learn, adapt and continue to anticipate further opportunity



# TIME IS NOW

