People + Planet

Collectively Stepping Up to Decarbonize

By working together, organizations can grow their efforts exponentially.

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Big problems require bigger solutions.

That’s why a growing number of leading companies are dramatically stepping up their ambition to tackle the enormous challenge of climate change. In addition to establishing decarbonization processes and goals within their own companies, they’re joining together to achieve bigger breakthroughs, faster.

Increasingly, companies are realizing that the decarbonization goals they’ve set for their own operations, though enormously significant and demanding, can be much more impactful when they also exert influence on their supply chains. By encouraging, helping and requiring those they do business with to follow suit, the impact of one company’s efforts grows exponentially.

The drive for collective, lockstep action on climate change has taken hold. As a result, “The idea of rapid, large-scale global action now seems more than a mere pipe dream,” states the 2021 annual State of Green Business report, issued by GreenBiz Group and S&P Global.

Just one indicator: More than 1,000 companies worldwide are now leading the zero-carbon effort by setting emissions-reduction targets through the Science Based Targets initiative (SBTi). Among these participants, more than 450, including Steelcase, have stepped up to the highest-level challenge: aligning their emission reductions with the Paris Agreement at the level required to limit global warming to 1.5°C.

Leveraging Massive Scale

Dutch electronics giant Royal Philips is among the leading global organizations that has committed to this worldwide 1.5°C effort. Already a recognized and award-winning sustainability leader, Royal Philips achieved carbon neutrality in 2020 and is now sourcing 100% of its electricity from renewable sources. Moreover, it has committed to source over 75% of its total energy consumption from renewable sources by 2025. Extending its influence throughout its massive value chain is an important part of the company's trailblazing sustainability commitment.

"The ripple effect is key to reach scale fast," says Robert Metzke, Global Head of Sustainability at Royal Philips. "Companies that take leadership roles by committing to science-based targets can inspire others by setting the example, sharing best practices and being a voice of reason towards the broader public, regulators and legislators. In particular, developing robust programs for sustainable purchasing has a significant 'ripple potential' with multinational companies with supply chains spanning all continents and reaching millions of other companies and their employees. As a leading health-technology company, we can make meaningful contributions to big challenges of our time."

"How awesome is that!"

Software powerhouse Salesforce.com, Inc., based in San Francisco, is another early adopter of aggressive decarbonization targets as part of the worldwide 1.5°C effort. At the same time, Salesforce is also incentivizing its supply chain to work toward a decarbonized future.

"We see the environment as a key stakeholder and therefore work to integrate sustainability across all parts of our business," explains Patrick Flynn, Salesforce vice president of sustainability. "We educate and empower our business partners to implement sustainable practices into their work by being a trusted advisor and ensuring Salesforce remains at the forefront of climate change thought leadership."

As both a Steelcase supplier and customer, Salesforce's commitment to decarbonization has inspired two-way actions that have significantly strengthened the two companies' business to-business relationship.

"We must enact bold and swift climate action, and it's most effective when we work together with our customers and suppliers," Flynn says. "That's why we've publicly committed to collaborating with our suppliers representing 60% of our Scope 3 (value chain) greenhouse gas emissions to set their own science-based targets by 2024…. If you think about those suppliers then setting their own Scope 3 targets and so on, you can see how the impact will continue to spread through the supply chain. How awesome is that!"

“We deeply understand the challenges that others may be facing and see an opportunity to have a larger impact by helping our customers, peers and partners through them.”

PATRICK FLYNN | Vice President of Sustainability, Salesforce

Citing the Salesforce/Steelcase relationship as an excellent example of how collective efforts “drive significant impact beyond our own walls together and foster a true ripple effect,” Flynn is certain that thinking big is the urgent mandate for sustainability efforts today. Corporations, he contends, “must go beyond the methodical, one-foot-in-front-of-the-other approach and instead focus on how we work together with our unique talents to address the urgent needs of the planet and create a healthy planet for all.”

As in any robust partnership, a valuable reciprocity emerges when companies align efforts and goals. “Because we’re striving to achieve our own targets, we deeply understand the challenges that others may be facing and see an opportunity to have a larger impact by helping our customers, peers, and partners through them,” says Flynn.

Urging Others to Come Along

Securing the participation of suppliers by 2025 is also an important part of Steelcase’s decarbonization plan, as well as engaging with customers to identify ways to help them achieve their goals –sharing best practices, developing new product offerings, meeting new expectations for companies they want to continue doing business with over time.

“We know that addressing climate change requires collective action,” says Maeve Tropf, Steelcase supervisor of energy, climate and renewables at Steelcase. “That’s why our plan also involves urging others to come along with us on this journey.”

Throughout the world, a growing number of corporate leaders are certain that the future demands nothing less.

To learn more about Steelcase’s own efforts to address climate change and encourage others to join along, go to www.steelcase.com/discover/steelcase/sustainability/.