

Sustainability - Focus

People working in sustainability are currently focused on a dynamic mix of **decarbonisation, circular economy, climate resilience, and social equity**. The specifics vary by industry, but here are the **main themes across sectors**:

1. Decarbonisation & Net-Zero Transition

- **Science-based targets** (e.g. SBTi compliance)

SBTi stands for the **Science Based Targets initiative** — one of the most important frameworks in corporate climate action today.

It is rapidly becoming the gold standard for credible corporate climate commitments.

- **What it is:**

SBTi helps companies set greenhouse gas (GHG) reduction targets that are **aligned with the latest climate science**, particularly the goal of limiting global warming to **1.5°C** above pre-industrial levels (as set out in the Paris Agreement).

- **How it works:**

- **Companies submit a target** to reduce their emissions (Scope 1, 2, and sometimes Scope 3).
- **SBTi reviews and validates** whether the target is consistent with what science says is needed.
- Once approved, the company is **publicly listed as “SBTi-aligned.”**

- **Types of Emissions Covered:**

- **Scope 1:** Direct emissions from owned or controlled sources (e.g. fuel burned on-site).
- **Scope 2:** Indirect emissions from purchased electricity or heat.
- **Scope 3:** All other indirect emissions in the value chain (e.g. supply chain, customer use).

- **Why it's important:**

- **Credibility:** SBTi approval shows a company is not just "greenwashing."
- **Investor confidence:** Many ESG investors now look for SBTi alignment.

- **Peer pressure:** Major brands (e.g. Unilever, Qantas, Microsoft) are setting SBTi targets, raising expectations across sectors.
- **Scope 1, 2, and 3 emissions** tracking and reduction
- **Sustainable energy sourcing** (renewables, green hydrogen, etc.)
- Investment in **Sustainable Aviation Fuel (SAF)**, green shipping, and EV fleets
- Use of **carbon offsets** and **removal technologies**

2. Sustainable Supply Chains

- **Transparency and traceability** of materials
- Ethical sourcing (e.g. **deforestation-free** or **child-labour-free** products)
- **Supplier engagement** and Scope 3 emissions reductions
- **Localisation** to reduce transport footprint

3. Circular Economy Initiatives

- Product **design for reuse, repair, and recyclability**
- **Material innovation** (biodegradable, upcycled, or regenerative)
- **Waste minimisation** and **reverse logistics**
- Shift from ownership to **product-as-a-service** models

4. Climate Risk & Resilience

- **Scenario analysis** under TCFD or ISSB frameworks
- **Physical risk mitigation** (e.g. flood-proofing assets)
- Adaptive strategies for **climate shocks** (heat, drought, supply chain disruption)
- **Water stewardship** and biodiversity protection

5. ESG Reporting & Regulation

- Compliance with **mandatory disclosures** (e.g. CSRD in Europe, SEC rules in the US)
- Integrated ESG reporting (including **double materiality**)
- External assurance and **greenwashing prevention**
- Use of **AI and digital tools** for sustainability data management

6. Behavioural Change & Culture

- Internal engagement: **employee training, green teams**
- External engagement: **consumer nudges, eco-labelling, loyalty incentives**
- Leadership in **climate storytelling** and **brand alignment**

7. Finance & Investment

- Green bonds, climate funds, and **transition finance**
- Internal carbon pricing
- **ESG ratings and impact investing**
- Divestment from **fossil fuels and high-impact sectors**