



From talk to transformation: Bridging the gap to Net Zero

Partners in Performance global survey summary



Achieving Net Zero by 2050 requires organisational transformation

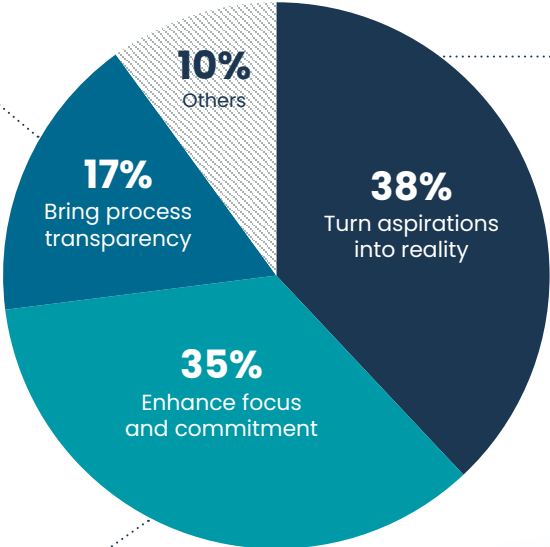
- Organisations are taking steps in the right direction by setting long-term targets, roadmaps and issuing periodical sustainability reports
- But progress is insufficient with many falling short in meeting decarbonisation targets
- We recently surveyed **senior executives from major organisations** across industries and regions on:
 - The challenges their organisations face around decarbonisation in 2024
 - What sets leading organisations apart
 - The weak links every organisation must address

Major challenges organisations face on their journey to Net Zero

17%

said **more transparency is needed**, further reporting that:

- Communications are insufficient and employee awareness of targets or progress is low
- Statements on emissions reduction targets are not backed by data
- Comprehensive review systems are not in place yet (e.g., focus is on aggregate global progress rather than individual division, region or initiative)



38%

said they **face challenges turning emissions reduction aspirations into reality.**

- Many organisations report wanting to decarbonise but lack concrete roadmaps, initiatives and targets
- When these elements are in place, they are not always cascaded down the organisation and as a result do not translate to tangible actions to help meet targets

35%

believe **additional focus and commitment is required** to meet emission reductions targets, highlighting the need for:

- Emphasising the importance of sustainability and further embedding the topic into organisational behaviours and processes
- Hiring skilled workers and dedicated resources to advance emissions reduction programmes

What sets leading organisations apart?

20% of respondents strongly agree they are **on track to meet their emissions reduction targets.**

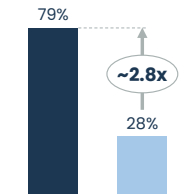
These organisations are what we refer to as ‘leading organisations’ and are further along on their decarbonisation journeys than competitors. **Seven organisational success factors set them apart** and help them address the three challenges outlined above.

Seven success factors

01

Cascaded objectives

Translate targets into tangible cascaded objectives.



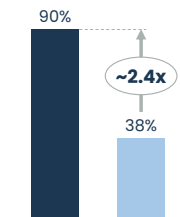
Best practices

Break down overall emissions targets into smaller, shorter-term objectives for different units, product lines, etc.

02

Right talent

Recruit the right talent (knowledge, skills, values).

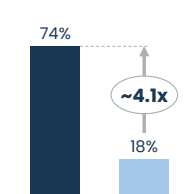


Appoint a Chief Sustainability Officer supported with the right resources throughout the organisation.

03

Right training

Train their employees on emissions management and impact.

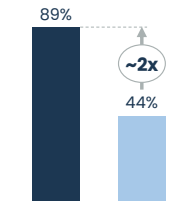


Identify specific skill sets and expertise needed to achieve goals; tailor training content.

04

Involved employees

Encourage their employees to contribute improvement initiatives.

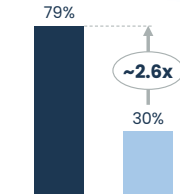


Solicit employee feedback, ideas and make them count. Be transparent, honest and inclusive.

05

Transparent performance

Make performance clear and visible across the organisation.

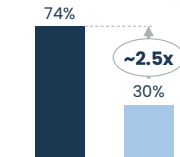


Implement standardised system for tracking and reporting across operations (incl. projects progress).

06

Effective review systems

Put in place productive, recurring review meetings.

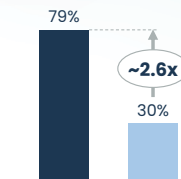


Design and enforce tracking and reporting system to drive data-driven discussions and actions.

07

True priority for leadership

Make Net Zero a true priority (messaging, financing).



Integrate sustainability considerations into all aspects of the business (from cafeteria to long-term investments).

■ Leading organisations ■ All others

Leading organisations are between 2 and 4.1 times more likely to¹...

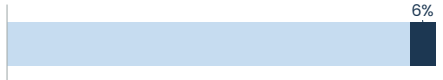
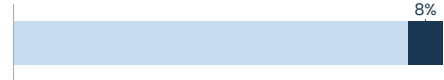
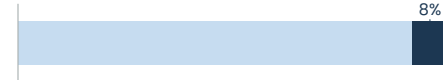
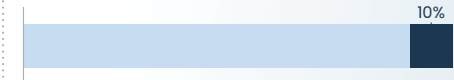
1. Graphs represent % of surveyed organisations who agree or strongly agree with related survey statements;

2. Success factors are derived from the seven statements (out of 15) which had the biggest difference in results between leading organisations and all other organisations.

Four weak links found in every organisation

Our findings revealed that **four weak links exist in every organisation**, even leading ones. Organisations will need to address these four weak links to successfully meet emissions reduction targets. In some cases, this may involve implementing new ways of working or overhauling business processes to align them more towards decarbonisation. Some potential ways forward can be found below.

Weak links³

<p>01</p> <p>Unaligned core processes</p> <p>All our core processes across departments have been reviewed and adjusted to reach our emissions reduction targets.</p> <p>Only 6% strongly agree</p> 	<p>02</p> <p>Lack of data and tools</p> <p>We have the right data and tools to support meeting our objectives (e.g., emissions management software).</p> <p>Only 8% strongly agree</p> 	<p>03</p> <p>Misaligned incentives system</p> <p>There are clear and material consequences to good/bad performance on emissions targets or objectives across the organisation.</p> <p>Only 8% strongly agree</p> 	<p>04</p> <p>Incomplete improvement process</p> <p>There is a clear, visible and complete improvement process in place to manage emissions reduction initiatives.</p> <p>Only 10% strongly agree</p> 
<p>Addressing the weak links</p> <p>Review core processes (capital management, supply chain, etc.) to understand where emissions come into play so they can be embedded into processes.</p>	<p>Implementing recognised emissions management systems and tracking technology to enhance accuracy and credibility.</p>	<p>Baking annual targets into short- and long- term executive compensation and factor emissions reduction goals into bonus calculations for all employees.</p>	<p>Applying continuous improvement processes which consider the biggest areas for opportunity, value/ease prioritisation and stage gate initiatives.</p>

3. These four statements (out of 15) received the lowest scores from all surveyed organisations. Where strongly disagree = 1, disagree = 2, neither agree nor disagree = 3, agree = 4, strongly agree = 5.

Survey approach

This survey was informed by our proven high-performance organisation framework (see below) which has helped clients achieve lasting impact through increased productivity, lowered costs and reduced emissions.



Functions, processes and systems required to deliver the strategy

- Output targets linked to operating targets
- Effective core processes
- Clear decision rights
- Functional end-to-end accountabilities
- Partnering and outsourcing construct
- Automation, digitisation, production systems

Optimal organisation structure, capabilities and accountabilities

- Single-point accountability for process KPIs
- Structure supports functional accountabilities
- Size and allocation reflects operations requirements
- People recruitment strategy
- Incentives system
- Capability and skills development

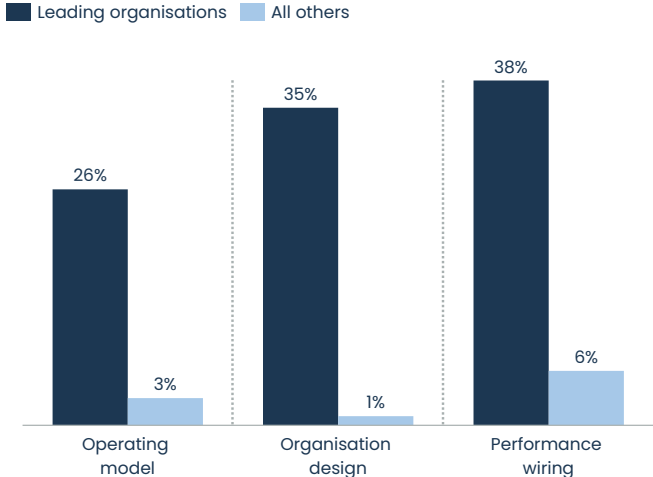
Structures and disciplines to drive and improve performance

- Leading KPIs linked to SOPs and behaviours
- Effective holding-to-account
- Management Operating System
- Continuous improvement mindset linked to operating targets
- Visible leadership
- KPI tracking and management platforms

Survey results and statements shared by respondents confirm leading organisations are far more likely to have adopted key elements of our high-performing organisation framework. This is evidenced by the seven key success factors which tie directly to the three core pillars of our framework.

On average, leading organisations are also ahead in implementing all tested elements of these core pillars.

Average % of organisations who strongly agree tested elements are in place



Moving from talk to transformation – let's speak

Every organisation can start bridging the gap between aspiration and action to reduce emissions.

Even though all organisations share the same weak links, the ability of leading organisations to meet targets demonstrates how critical it is to move forward with decarbonisation programs instead of waiting for perfect solutions.

Speak to our experts about accelerating your journey to Net Zero

If you'd like to learn more, discuss accelerating the journey to Net Zero or have our survey run in your organisation, reach out to our experts.



Dr. Michael Träm

Director and Global Head of Organisation Practice

Michael has more than 30 years of management consulting experience, focused on large scale transformation, organisation development, cultural change and post merger integration.

michael.traem@pip.global



Keith Russell

Director and Global Head of Energy Transformation Practice

Keith has over 30 years of global experience in management consulting. He specialises in operational improvement, transformation and helps clients successfully navigate the challenges of energy transition.

keith.russell@pip.global



Laurie Beausoleil

Global Organisation Practice Manager

Laurie has over 12 years of legal and consulting experience across the UK, US and Canada. She specialises in helping clients build high-performing organisations and achieve successful transformations.

laurie.beausoleil@pip.global

Partners in Performance helps clients unleash their true potential – at a business, commercial and people level. Working as close partners, we enable our clients to achieve game-changing results that drive lasting impact. Contact us to find out more: pip.global | info@pip.global