

Ireland's largest businesses make climate action progress

More than two-thirds (68pc) of Ireland's largest businesses are well progressed to setting science-based targets by 2024 to tackle climate change.

Ireland's largest businesses have shown progress towards science-based targets as they chart their decarbonisation journey, according to a report by [PwC](#) on the [Business in the Community Ireland's \(BITCI\) Low Carbon Pledge](#).

Established in 2018, signatories to the BITCI Low Carbon Pledge must now align their climate action with what science says is necessary to limit global warming to 1.5°C - aligned to the Paris Agreement. This new more ambitious Pledge calls on businesses to work towards setting science-based emission reduction targets (i.e. what science says is necessary to limit global warming to 1.5°C) by 2024 at the latest.

Sixty-four companies have signed this year's more ambitious Pledge, up from 58 signatories last year. The signatories span 11 sectors, with professional services firms, agribusiness/food and drink and financial services being the top three largest sectors represented.

The third annual PwC report reveals that 68pc of the Pledge signatories are well progressed to setting science-based targets (SBTs) by 2024, 30pc of which have successfully set SBTs and had them approved by the Science Based Targets initiative (SBTi) and 38pc of which have formally committed to setting SBTs. Signatories within the technology, retail and agribusiness/food & drink sectors are the most advanced on the journey to science-based targets.

"Businesses are experiencing the need to evolve and transform their operations to deliver a green and socially inclusive future," said Tomás Sercovich, CEO, Business in the Community in Ireland.

"This transformation will be complex and challenging beyond what we have experienced. It will be costly and take time to research and innovate, creating partnerships and ways of working. However, with all these challenges comes endless opportunities to build the products and services of tomorrow, supporting a just and responsible transition."

Rising ESG ambitions

Business model resilience (40pc) was the main driver for signing this more ambitious Pledge.

For companies that have set SBTs, 100pc cover scope 1 and 2 emission reduction targets, with 82pc also setting the more difficult scope 3 emission targets. Around three-quarters are set to

achieve their SBTs by 2030 or earlier.

Very significantly, 42pc of the Pledge signatories have set a net-zero ambition. For example, 56pc have set their scope 1 and 2 ambitions net-zero targets to be met by 2030 or earlier. Positively, 41pc of respondents have set scope 3 net-zero targets for 2030 or earlier, which is significantly more ambitious than the national trajectory of net-zero by 2050.

Notably, 90pc of Pledge signatories consider climate and ESG (Environmental, Social, and Governance) in their strategic and operational decision-making process. 93pc have a dedicated sustainability lead within the firm, of which 66pc are at the executive level. Support from the top is critical for any change programme and these findings illustrate how seriously this group is taking sustainability.

One third of signatories did not yet know what percentage of their entire carbon footprint was made up of scope 3 emissions. One quarter of signatories stated that scope 3 emissions make up over 80pc of their carbon footprint. This highlights the importance of focusing on reducing scope 3 emissions which clearly requires that companies are first in a position to accurately measure all material emission sources.

The top challenges facing the Pledge signatories when it comes to measuring/reporting scope 3 emissions and setting science-based targets are (1) data accessibility and (2) complexity of the assessment. The report reveals that signatories within the agribusiness/food & drink sector have shown that it is possible to move ahead even if formal SBTi sectoral guidance is not yet available.

“Achieving the necessary global decarbonisation will require wholesale transformation of every sector of the global economy, unprecedented innovation and committed leadership,” said Kim McClenaghan, partner, PwC Ireland. And Energy, Utilities and Sustainability Practice lead.

“A key focus of this year’s Low Carbon Pledge report is charting a pathway to net-zero and setting science-based targets. More than 1,300 companies worldwide have set science-based targets. These verified emission-reduction targets, grounded in climate science, put companies on a path to reduce greenhouse gas emissions and prevent the worst effects of climate change

Post-pandemic, most signatories expect to see a long term reduction in business travel and continued use of digital platforms for hybrid working. The report reveals that many signatories are creating sustainable travel policies, which call out a more limited requirement for essential travel.

65pc of this year’s signatories receive external verification of their emissions data, up from 53pc in last year’s report. With increased reporting, ensuring that the verification of emissions data is robust and accurate is critical to mitigating against the risks associated with inaccurate and incomplete reporting.

BITCI's Low Carbon Pledge is Ireland's only collective commitment by the private sector on climate action and is recognised in the Government's Climate Action Plan. The Pledge aims to provide leadership, set a collective ambition, and drive practical action on the climate crisis. It is aligned with international best practice aimed at mobilising businesses towards a net-zero emissions future.

The signatory companies listed in the 2021 PwC Low Carbon Pledge Report whose data was analysed for purposes of the report are: A&L Goodbody, Abbvie, ABP Ireland, Accenture, Actavo, AIB Group, Aldi, Allianz, An Post, Arup, Aviva, Bank of Ireland Group, Bidvest Noonan, Boots, Britvic Ireland, BT, Cairn Homes, Cook Medical, Cisco, Dawn Meats Group, Deloitte, Depuy Synthes, DHL Supply Chain, Diageo Ireland, Eirgrid plc, Enterprise rent-a-car, ESB Group, Fujitsu Ireland, Gas Networks Ireland, Grant Thornton, Heineken Ireland, Hovione Ireland, Iarnród Eireann (Irish Rail), Irish Distillers, Irish Water, Janssen Pharmaceutical Sciences plc, Johnson & Johnson Vision Care, KBC Bank Ireland, Keelings, KPMG, Lidl Ireland, Marks & Spencer (Ireland), Momentum Support, Mercury Eng, Musgrave Group, Ornu, Permanent TSB, PM Group, PwC, RTE, SKY Ireland, Sodexo Ireland, SSE Ireland, Tesco Ireland, Three Ireland, Ulster Bank Ireland DAC, Veolia, Verizon, Virgin Media Ireland, Vodafone Ireland and William Fry.

"The Government is taking decisive Climate Action, providing a legislative path to achieving the ambitious target of 51pc reduction in carbon emissions by 2030 and setting us on the path to net-zero by 2050 at the latest," said Minister for Transport, Climate, Environment and Communications Eamon Ryan, TD.

"The Business in the Community Ireland Low Carbon Pledge has taken a major step forward, with signatories committing to science-based targets to cut their emissions. With over 60 businesses signed up to the Pledge, there is strong alignment between this initiative and the roadmap set by the Climate Bill. Business leadership is a crucial lever for change. Making this a competitive challenge, and adopting innovations like the Low Carbon Pledge will help us get to net-zero faster."

Main image at top: Greta Thunberg arrives into New York City in 2019 after crossing the Atlantic in zero carbon sailboat Malizia

By [John Kennedy](mailto:john.kennedy3@boi.com) (john.kennedy3@boi.com)

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