

Climate Action Isn't Just for Giants: How Any Company Can Lead the Shift

Just 57 companies are linked to 80% of the greenhouse gas (GHG) emissions emitted globally since 2016. That stat often leads to a fair and familiar question: If the whales are making the mess, why are the minnows being asked to clean it up? It's a valid challenge. But here's our twist: while emissions are concentrated; impact and influence are distributed. Because even if your company isn't driving the crisis, you're still shaping the solution.

Why it matters

While the emissions of a single company outside the fossil fuel or cement sectors may seem like a rounding error in the global carbon budget, the collective footprint of corporate supply chains and capital flows is anything but. Whether you're in cybersecurity, hospitality, telecommunications, or advanced manufacturing - your decisions shape markets and your action (or inaction) sends powerful signals through your value chain.

What we know

- **Emissions are concentrated, but not isolated.** Large emitters don't act in isolation. Their supply chains, operations, and investments involve thousands of actors. Small- and medium-sized enterprises (SMEs) alone represent ~99% of global businesses, 40% of business-sector emissions. Mid-sized firms, logistics providers, infrastructure players, and capital allocators all play a critical role to driving progress toward decarbonization and mindset change across value chains.
- **Climate pressure is cascading down the value chain.** As net zero commitments transition from boardroom ambition to on-the-ground execution, expectations are rising across value chains. According to the PwC Annual State of Decarbonization Report, the median annual revenue for companies setting targets decreased from \$3.8 billion in 2020 to \$1.3 billion in 2024, emphasizing the increasing participation of companies beyond the Fortune 500.

- **Business benefits go beyond compliance.** According to the SME Climate Hub, SMEs taking climate action can help them attract new customers, mitigate emerging risks, and gain a competitive edge in the market. The PwC Annual State of Decarbonization Report found that products featuring sustainability attributes can achieve a revenue increase of 6-25% or more compared to those without such emphasis. Reframing decarbonization from a business expense to an opportunity can drive innovation, efficiency and sustainable business growth.
- **Mindset shifts at scale can catalyze systemic change.** SMEs collectively employ the vast majority of the workforce. SMEs represent 53% of jobs within the U.S. and 70% of jobs in emerging markets. As these businesses embed climate action into their culture and operations, they have the potential to shape employee mindsets, shift industry norms, and accelerate momentum toward a critical mass of responsible business behavior. This cultural transformation may be just as, if not more important than emissions reductions in driving long-term systems change.

What we observe

- **Companies need help to move from climate intent to implementation.** According to the SME Climate Hub survey, 79% of SMEs are motivated to take climate action, yet many face persistent barriers including limited technical capacity, constrained access to financing and a lack of clear regulatory support. Addressing these challenges is critical to enabling meaningful progress.
- **Companies of all sizes are seeking scalable solutions.** Corporates are looking for ways to mobilize their suppliers but need help translating emissions reductions into accessible and actionable solutions. They are recognizing that progress will require working across traditional competitive boundaries, collaborating with peers who share the same suppliers, and exploring joint decarbonization and inseting strategies to accelerate impact at scale.
- **The climate literacy gap is real.** Framework fatigue, complex terminology, and lack of internal expertise are slowing progress, especially for mid-sized and fast-growing companies who lack in-house sustainability teams.

- **Culture change and mindset shifts are the real unlock.** When corporates shift from viewing climate action as a mere reporting task to a strategic priority, the real impact begins. Not just in understanding and addressing their environmental footprint, but in driving innovation, enhancing business resilience and differentiating from competitors. Developing a robust employee engagement strategy can help companies transform intentions into meaningful actions.

Bottom line

Whether you're a global brand, a regional logistics operator, a mid-sized manufacturer, or a VC-backed tech firm, climate action is your business. The challenge isn't just about the tons of carbon emissions reduced - it's about changing how business is done.

1. **Develop the business case:** Link climate action to your value drivers including revenue growth, customer retention, risk management and employee engagement
2. **Drive change management:** Train teams, gather leadership buy-in and build internal capability
3. **Measure your emissions footprint:** Understand climate hotspots across your value chain
4. **Develop a decarbonization action plan:** Anchor the plan on business value for your company, customers and value chain partners
5. **Engage your ecosystem:** Support suppliers, partners, and customers to move with you....not just report to you

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We'd love to hear your perspective. Leave a comment on our LinkedIn or reach out at info@impactpathways.com.

