Leap of faith: investing in our planet, investing in our business **22-Apr-2022**

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‘Invest in our planet’ is this year’s Earth Day theme and the message of protecting and preserving our health, families, livelihood and future could not be more urgent. A recent report from the United Nation’s (UN) Intergovernmental Panel on Climate Change (IPCC) makes it clear the window for taking action against the widespread climate risks facing our planet is narrowing[1].

This is not the first call to action businesses around the world have received, but its urgency can no longer be ignored. Today, organisational action is fundamental to safeguarding our planet and the boldest step a business can take is the very first – a leap of faith.

More and more leaders today believe that decisive action is required, and companies need to step up to meet the challenge. The leaders will not wait to have all the answers—rather, they take a well-informed leap of faith—accepting that they will inevitably make mistakes along the way.

The conventional business model of profit first, planet later has transitioned to one where profitability and sustainability can and should co-exist. However, that transition requires a mindset shift to one where an investment in sustainability is also viewed as an investment in the business. Growing global legislation, such as the European Union’s taxonomy on climate activities[2] and Corporate Sustainability Reporting Directive[3], as well as the United States’ proposed SEC standardisation for climate-related disclosures[4], are accelerating this shift.

The same can be said for the rapidly growing mandate for businesses to mitigate emissions in the value chain and decarbonise their supply chains considering that on average, emissions in a company’s supply chain are 11.4 times higher than its operational emissions[5].

Aligning to global standards and setting science-based targets are primary examples of businesses investing in the planet by investing in their business. Nonetheless, setting such targets takes bold action, and at times, a step into the unknown. We know from experience in setting our own science-based targets, as do the more than 1,000 companies committing to science-based targets aimed to limit global warming below 1.5°C[6].

One way to accelerate your impact is through business partnerships. We know through our own journey in sustainability that protecting our planet cannot exist in a vacuum. It requires cross-industry knowledge sharing, collaboration and alliance. It takes all of us and our varying areas of expertise to plant the seeds for a sustainable future.

For example, at Grundfos, we needed a more efficient way to transport products and reduce our carbon footprint across the value chain. We partnered with DHL and Shell to pilot an alternative fuel solution called Bio-LNG (Bio-Liquefied Natural Gas from sustainable biomass) that after five months, helped us save 87 tonnes of CO2. That is the equivalent of driving a diesel-powered lorry 90,000 kilometres.

Finally, joining forces with other entities through partnerships, like the 50L Home Coalition, EV100 and C40, accelerates widespread adoption of sustainable practices. For example, C40 cities brought forward 871 climate actions in 2021, which resulted in improved air quality for more than 32 million more C40 city residents than in 2020[7]. While C40 is a network of mayors of nearly 100 world-leading cities collaborating to confront our climate challenges, corporate engagement is critical in supporting, scaling and implementing these climate actions. At Grundfos, we work with C40 to put our decades of experience in water management into use – helping secure a sustainable and resilient water future for all global citizens.

Investing in our world and planting our seeds alongside others is the path forward in ensuring a liveable future for everyone. As businesses, it is our duty to act and remain accountable for our impact. This requires a new way of doing business and uncertainty has historically kept some from taking the necessary step forward. However, we know what will happen if we stay stagnant. The scientific evidence has shown us, which is why we urge our partners, stakeholders and fellow operators to make the bold move. Find comfort in the uncomfortable and collaborate with others trying to find their way too. It is how we will protect our planet, our people and our future.

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[1] https://www.ipcc.ch/report/ar6/wg2/downloads/press/IPCC\_AR6\_WGII\_PressRelease-English.pdf

[2] EU taxonomy for sustainable activities | European Commission (europa.eu)

[3] Corporate sustainability reporting | European Commission (europa.eu)

[4] SEC.gov | SEC Proposes Rules to Enhance and Standardize Climate-Related Disclosures for Investors

[5] CDP\_SC\_Report\_2021.pdf

[6] More than 1,000 companies commit to science-based emissions reductions in line with 1.5°C climate ambition - Science Based Targets

[7] C40 releases 2021 Annual Report - C40 Cities

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