

Summary Carbon Productivity Basecamp



Headline Conclusions

- Participants showed real commitment to spurring a shift from incremental, 'Change-as-Usual' (1%-10% change per year) to increasingly exponential 'Breakthrough' solutions, offering 10x improvements on current performance
- Carbon Productivity is seen as a key to unlocking effective, efficient and value creating solutions to climate change
- Apparently competitive initiatives are signaling a growing interest in collaborating

Introduction

On June 14, 2017 the **Carbon Productivity Consortium** convened a Basecamp to explore how to catalyze a transition from “business as usual” to breakthrough solutions to reverse global warming. The session involved approximately 80 stakeholders with diverse expertise from business, government, civil society and academia, from the UK, Europe, Japan, China, India and North America.

To set the tone for what is both necessary and possible, participants heard about **Project Drawdown** from author Paul Hawken, and **Climate Take Back** from Interface’s CSO Erin Meezan. Consortium members summarized their work on the prototype **Carbon Productivity Tool** designed to help businesses identify how to measure carbon productivity, improve their performance by generating more value from less fossil fuel carbon, and collaborate with other companies in product value chains. And then it was over to the Basecamp participants to explore how to catalyze an exponential reduction – and eventual reversal – of greenhouse gas emissions.

The Basecamp was a stepping-stone to the UN Global Compact’s Leaders Summit in New York in September, where we will present on carbon productivity to an audience of 400 business leaders as part of the UN General Assembly Week.

“

All this is about re-framing...
rethinking our relationship to
carbon, the atmosphere and
to each other.

Paul Hawken
Project Drawdown



Theme 01

From Engage to Excite

Our prompts for discussion...

Private sector responses to climate change are determined by business logic, particularly access to finance, skills and capabilities and assessment of market potential and returns on investment. They are also determined by the leadership, values and purpose expressed within private sector companies.

On the first point, what can be done to strengthen the business logic for action? On the second point, what is needed to get business leaders and investors not just engaged but truly excited about pursuing rapid and radical carbon productivity gains?



Key points from discussion...

Many comments here revolved around the potential to catalyze action simply by changing the narrative: more Star Trek than Mad Max, as one participant put it. Three 'big messages' in particular emerged, as ways to start drawing business leaders and investors into this new opportunity space:

- **Prepare for the inevitable:**
Carbon pricing and/or other regulation in some form is coming, and there is an opportunity to send this message to companies and investors: the pursuit of carbon productivity gains in business models and portfolios will make them more financially resilient.
- **Attract, retain and channel 'Breakthrough' talent:**
By committing to pursue breakthroughs in carbon productivity, companies (especially those in carbon-intensive industries) stand more chance of exciting the best and brightest, who want to be part of the solution rather than the problem.
- **Don't expect past (or even present) performance to predict future success:**
In an ever-more volatile and uncertain world, we must help investors and business leaders see that striving to be less bad, through incremental change to the status quo, is neither the safest nor the most lucrative course.

“
We need
storytelling that
is less 'Mad Max'
more 'Star Trek.'

Solitaire Townsend
Futerra

Theme 02

From Braking to Breaking through

Our prompts for discussion...

The carbon productivity imperative drives us to generate more value with less fossil carbon, in order to maintain our climate within safe limits. Fossil carbon is central to our economy and energy system today, and radical innovation efforts to apply the brakes on fossil carbon use are required, whilst we maintain and grow healthy and productive economies around the world, to increase human well-being, alleviate poverty and deliver the Global Goals.

A mindset of “braking” could lead us to incremental improvements, whereas the scale of the challenge requires us to think in a completely new way about change – 10x breakthrough innovations, rather than 10% improvements.

So what is needed to unlock breakthrough carbon productivity innovation? Which points in the system have the highest potential for breakthrough innovations and what is holding them back? Should we completely rethink what ‘healthy and productive’ economic growth even means? And if so, how can we measure progress in ways that will guide and recognize real breakthroughs and in ways that resonate with business leaders, investors, economists and critically, politicians?

Key points from discussion...

The consensus here was that breakthrough innovation of any kind is often perceived to be a high-risk pursuit – and therefore one that many companies (and indeed employees) will shy away from. To neutralize these concerns, a number of suggestions were proposed which fall broadly into four areas:

- **Forget Trump’s assault on science:**
Well researched, peer-reviewed data and analysis are key: Project Drawdown was acknowledged as offering a compelling opportunity space for radical innovation, not least because of its rigorous modeling of the financial benefits (as well as the greenhouse gas benefits) that its 80 solutions and 20 coming attractions afford.
- **Spread risk through partnerships:**
Public-private partnerships (particularly when it comes to large-scale infrastructural innovation) offer opportunities to de-risk projects. Participants with corporate R&D experience also noted that cross-company collaboration can also help to diversify risk.
- **Pitch investors on the opportunity:**
It was noted that – although the financial world as a whole is acting as if society’s fossil fuel trajectory will not change any time soon – many investors are now receptive to a good carbon ‘story’, if the link to future resilience can be made explicit. The concept of carbon productivity, echoing as it does other forms of productivity, could help to tell such a story.
- **Carve out a space for experimentation and failure:**
Every big company should empower its internal entrepreneurs to experiment with new ideas, enabling them to tap into the wider resources of the organization, unencumbered by traditional processes and without fear of the corporate ‘immune system’.

“
If you are going
down the
wrong road,
slowing down is
the wrong goal.

Paul Hawken
Project Drawdown

Theme 03

From Fossil Carbon Use to Full Carbon Cycle

Our prompts for discussion...

To date the consortium's metrics development work has looked primarily at the way physical goods are created and used across industrial value chains. It helps companies identify which levers they and their partners can pull to achieve the biggest improvements in fossil carbon use. The focus here is primarily on generating more value from less fossil carbon. However, creating, protecting and enhancing natural and engineered sinks for carbon also plays a critical role. Furthermore, reducing net emissions of carbon across many key sectors, including agriculture, forestry infrastructure, manufacturing, pharmaceuticals for example, is necessary for a 10x improvement in carbon productivity .

Investment in carbon sinks is often seen as a cost, rather than a value creator. How can we reverse this, to drive breakthrough action across multiple value chains? What policies, technologies, collaborations, financial mechanisms or other enablers must be created and scaled up?

“

We need to design economic systems so that natural carbon sinks are the most obvious and easiest choices.

Rosedel Davies-Adewebi
UN Global Compact

Key points from discussion...

Participants noted that natural carbon sinks (soils, trees, etc.) are critical to how our economy creates value, yet they are largely absent from business discourse. This has to be addressed: natural carbon sinks must be seen as a value creator if they themselves are to be seen as worthy of investment. In fact we need to find ways to ensure that natural carbon sinks are the most obvious solution to invest in.

- **Foster and support next generation policies and metrics:**
Demand for natural resources – food to eat, fibers to wear, and so on – has never been greater, and their production is intimately tied to natural carbon cycles. We need new ways to recognize and reward ‘good’ stewardship of natural carbon and related practices and benefits (e.g. circular material use, improved soil fertility).
- **Promote the role of natural carbon sinks in business resilience:**
Climate change will subject every kind of natural resource supply chain to greater risk from extreme weather and flooding – but effective stewardship of natural carbon sinks will help to reduce global warming and protect supply chain communities from those same risks. So investment in sinks is in the best interest of business.
- **Underscore the social benefits of natural carbon stewardship:**
The climate challenge goes far beyond the technical challenges of energy generation and related emissions. It affects all of society through its knock-on impact on jobs, community health and social equity – touching on every one of the SDGs. Make this clear to companies which are increasingly aware of the SDG imperative.

Theme 04

From Solutions to Scale

Our prompts for discussion...

Many actors – from companies and cities to consumer campaigns – are already attempting to address climate change, in a wide range of ways. But as Drawdown illustrates, there are many opportunities to tackle the problem that are not yet getting much attention.

We need to focus on both solutions and enablers, if we are to drive progress at the speed and scale we need. In terms of solutions, how can we scale up what's already working, and how can we identify and nurture those insurgent ideas and initiatives with the most potential to deliver future gains? And what enablers – incubators, technical support and other networks, platforms, educational programs, campaigns, metrics and so on – must now be mobilized to catalyze those solutions?

Key points from discussion...

Discussions on this theme were wide-ranging, touching on areas as diverse as education, better policy making, consumer-facing advertising and the mobilization of mainstream capital.

- **Reinvent education** at all levels to create a new generation of leaders with an awareness of global challenges, including but not limited to climate change, and equipping them with the skills to think and innovate systemically.
- **Ramp up consumer demand** by deploying the latest marketing and persuasion techniques to get people to “desire what they didn't know they needed” – but with a view to encouraging choices in balance with the natural world, rather than just selling more ‘stuff’.
- **Make scaling up the easy (the default) option** by pushing for a holistic approach to tax incentives and policy initiatives catalyzing game-changing solutions. Early subsidies may help, but we need smooth paths to ‘letting go’ for old, unsustainable industries and activities.
- **Spark investor interest and appetite** by flagging examples of (and finding correlations between) Return on Capital Employed and Return on Carbon Employed, to reframe what it means to be “financially sustainable” by showing how fossil carbon independence relates to business resilience.

“

There is a Nobel Prize waiting for someone who can get to the real cost of things.

James Cameron
SystemIQ



Theme 05

From Echo Chamber to Ecosystem

Our prompts for discussion...

Leaving aside the various pockets of scientific denial, there is widespread agreement across much of civil society and the public and private sector on the urgent need to address climate change.

Many organizations and initiatives are saying much the same things, with the common theme being that we need radical new forms of leadership and collaboration. So how can we join forces to make this happen, and move beyond the 'echo chamber' of events and reports?

How could we mobilize companies, investors and citizens, and equip them to direct their dollars and votes more effectively with a shared narrative and better information?

“

Advertising agencies can sell anything: we need to engage them to sell solutions to climate change.

Craig Simmons
Anthesis Group

Key points from discussion...

Participants all seemed to agree that effective collaboration is not easy – and neither is connecting with people who are not already converted to a cause – but there are a few key things we should focus on.

- **Make global warming personal:**
The climate challenge is not something that feels very close to many people, and to catalyze action we need to show individuals of all stripes what's in it for them. Efforts need to be 1. locally relevant, 2. participatory, and 3. offer tangible benefits, using positive (not moralistic) language: the story must be “this is what the future is like and it is great!”
- **Bridge the generations:**
We must actively foster connections and relationships between experienced business veterans and young entrepreneurs, not just to learn from each other but to share the problem, rather than just handing it on.
- **Be strategically opportunistic:**
Campaigns responding to specific events – such as the “we're still in” campaign in response to Trump exiting the Paris Agreement – can pull individuals, companies and other actors together. How best to engage such people and tap into their skills to shift mindsets and behaviours?
- **Don't make it about you:**
Large initiatives involving business (e.g. Carbon XPrize) work only if a broad collective of companies (ideally from a range of sectors) is involved. Anything that is perceived to be led by one company or a few similar companies – however well meaning – will be susceptible to claims of greenwashing.

For videos and downloads
from the day go to:
www.carbonproductivity.com

For any further
information contact:
info@carbonproductivity.com

The Carbon Productivity Consortium

We are a group of like-minded organisations who want to seed the breakthrough idea of Carbon Productivity across industry and beyond, transforming it from a concept to a lever for change.



InnovationArts



FUTERRA®

