

UNLOCKING CORPORATE CLIMATE INNOVATION

Strategies for Driving
Responsible Business Growth



Environmental
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BUSINESS

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This guide was produced by Environmental Defense Fund, with cited research. The views within the report are that of Environmental Defense Fund, and do not necessarily reflect the views of report partners or collaborators.

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Climate innovation is corporate innovation.

Innovation is essential for maintaining a competitive edge in business. As conditions evolve and priorities shift, companies must embrace innovation to adapt and future-proof their operations. **Today, few forces drive change more than climate change, making climate innovation inseparable from corporate innovation.** To remain competitive, companies must integrate climate innovation into their core business strategies.

Like corporate innovation, climate innovation extends beyond developing or investing in new technologies. **Most business value is generated through sustained, incremental improvements rather than disruptive, high-profile breakthroughs.** Incremental advancements enable smoother adoption into business-as-usual practices, increasing the likelihood of long-term integration and impact. By embedding climate action into operations, companies can enhance industry leadership, gain competitive advantages, and mitigate future risks.

This guide highlights key levers proven to accelerate climate innovation, offering real-

world examples. The opportunities for corporate climate innovation vary across companies. Some companies should focus on leveraging internal capabilities—integrating sustained, incremental climate action into existing practices, fostering innovation within value chains, and creating structures that empower employees to develop solutions.

However, innovation does not happen in a vacuum. To maximize the value of climate innovation, **companies must actively engage with the broader climate innovation ecosystem.** External tools such as advanced market commitments, incubators, venture capital funds, and public policy advocacy can accelerate the discovery and scaling of new solutions more efficiently than working in isolation.

This guide provides a **simple, practical framework for medium-to-large enterprises** to unlock corporate climate innovation by leveraging internal resources and external collaborations. It is designed for consultants and in-house **professionals working in sustainability, innovation, or strategy.**

What is Corporate Climate Innovation?

Corporate climate innovation refers to the strategic process by which businesses continuously develop and implement new ideas, products, processes, or models to reduce their environmental impact, mitigate climate change, maintain competitiveness, and drive growth.

Similar to corporate innovation, corporate climate innovation can take many forms, including **disruptive breakthroughs** or **incremental advancements**. These innovations typically fall into three key categories: **product innovation, process improvement, or cultural transformation**. For example, a product innovation could be a car manufacturer's development of an all new electric vehicle, a process improvement could be a supply chain optimization process that minimizes transportation distances, and a cultural transformation could be an employee-organized resource group focused on climate action.

Companies that have found the most value through climate innovation prioritize **sustained, incremental innovation that aligns with their existing business context**, rather than relying solely on short-term disruptive solutions. Leading organizations integrate climate objectives into their business-as-usual practices, positioning themselves as innovators by embedding climate considerations into their operations, empowering employees to generate new ideas, and aligning investments and advocacy efforts with long-term climate objectives.

Barriers to Corporate Climate Innovation

Despite the potential, corporate climate innovation often faces challenges. Common barriers include:

- **Lack of internal climate education:** Insufficient training and awareness among staff hinder innovation efforts.
- **Inconsistent communication:** Misalignment in messaging around climate objectives can create confusion and reduce momentum.
- **Limited resources and empowerment opportunities:** Employees may lack the tools, time, or authority to explore innovative solutions.
- **Siloed sustainability initiatives:** Isolated efforts limit cross-functional collaboration and sustained integration of new solutions.
- **Misalignment of goals and timelines:** Investments and advocacy efforts may fail to align with both climate and business priorities.

By addressing these barriers and fostering a culture of climate innovation, businesses can position themselves as leaders in tackling the climate crisis while driving sustained growth and resilience.

What are Climate Innovation Ecosystems?

Companies cannot achieve success in climate innovation alone. Accelerating progress at the necessary speed and scale requires robust ecosystems involving thousands of diverse stakeholders. These ecosystems bring together businesses, investors, governments, universities, research institutions, and others, with each playing a distinct and vital role.

By fostering collaboration and sharing risks, these ecosystems can help overcome technical, economic, and structural challenges inherent in long-term technology development. They also drive momentum by creating

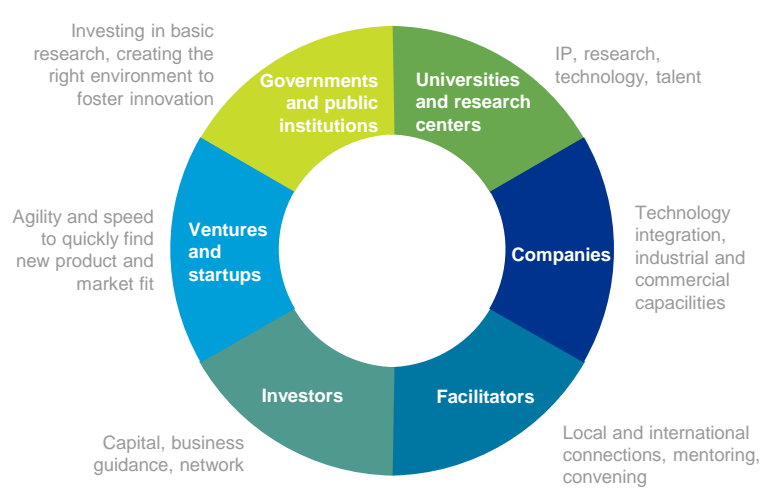
demand signals through collective commitments, encouraging competition and inspiring broader industry action. Additionally, coordinated coalitions can advocate for stronger climate policies, unlocking new funding and resources.

Corporate involvement is crucial to the success of these ecosystems. Companies contribute their commercial expertise to scale solutions, leverage collective purchasing power to influence market demand, and lead by forming alliances and making shared pledges that inspire others to act.

Figure 1. *Ecosystems accelerate the speed and scale of change*

Ecosystems overcome barriers via collaboration and risk-sharing mechanisms

- Ability to **overcome economic, technical, or structural barriers** that come with long-term technology development via pooling resources and investment
- Ecosystem action can **generate a demand signal** through joint pledges, kickstarting a competitive playing field needed for other companies to take action
- Coalitions can coordinate support for more **ambitious climate policies** and **build pressure** for emission reductions



Sources: World Economic Forum, BCG Analysis

How can Companies Unlock Corporate Climate Innovation?

Our research uncovered eight key levers companies utilize to unlock corporate climate innovation – both in-house and within the broader climate innovation ecosystem – illustrated in the framework below (Figure 2). Although not all levers may be available to all companies (i.e. dedicated innovation team, formal corporate venture capital arm, etc.), the primary themes of **aligning and integrating resources** is central to this guidance. Additionally, we found that companies that are leading on climate innovation **utilize a diverse set of corporate tools**, including communication, education, measurement, collaboration, investments and advocacy, and

are **engaging diverse stakeholders** across the organization, from C-Suite to business unit leaders to staff.

Through our research, we discovered that corporate climate innovation is only possible if foundational corporate conditions exist to support broad innovation within the company. These conditions include a **commitment** to innovation from leadership, an established **culture** of risk-taking, and dedicated **resources** for exploration and experimentation. Without these conditions, new ideas often struggle to find momentum or sustained integration in business operations.

Figure 2. Levers to unlocking corporate climate innovation



How and why was this framework developed?

After speaking with companies, startups, venture capitalists and academics, we recognized that there is an incredible opportunity for companies to play a more active role in advancing climate innovation. However, through research, we found that the guidance on *how* companies can do this is often disaggregated or complex for corporate audiences. In response, we set out to synthesize our research and conversations with industry professionals into a simple, actionable framework.

Our intention is for corporate professionals, working primarily in sustainability, innovation, or strategy, at medium-to-large enterprises to utilize this framework and guidance to find

clarity on the available opportunities they can leverage to accelerate corporate climate innovation. The framework is intended to provide a high-level overview of key elements that corporate professionals can make actionable.

For each lever in the framework, we highlight what opportunities are available to companies, how they can unlock climate innovation, and what they look like in a real-world application.

Research Design

In developing the framework presented, Environmental Defense Fund researched publicly-available data for innovation-focused companies and organizations, including **Nike, Sky, Oatly, Aspiration, X, the moonshot factory, Accenture, Speed & Scale, Plug And Play, Stanford University**, and held conversations with corporate and innovation professionals.



Leveraging Internal Resources

Companies have existing resources that can be leveraged and aligned to unlock value through climate innovation. The key lies in finding ways to integrate climate objectives into business-as-usual practices, embedding context-based climate considerations into existing operations, and empowering employees to surface and act on opportunities for new solutions.

What we'll cover in this section:

- Communicate and educate a company-wide commitment to find business value through climate action
- Create structure and incentives for business units to innovate towards climate objectives using context-based metrics
- Ensure dedicated, internal innovation teams incorporate climate risk and opportunity into processes
- Provide opportunity for staff upskilling and empowerment to address climate challenges and pursue new ideas



Communicate and educate a company-wide commitment to find business value through climate action.

Starting at the executive level, leading companies continuously communicate internally that achieving climate objectives is a business priority. Through regular, transparent communications, business units and staff understand that finding climate solutions is a long-term business strategy, not a discrete project.

What can companies do?

- Communicate established climate objectives regularly, including ongoing company reporting, company calls and meetings, internal websites, leadership emails, etc., and in the context of other business priorities
 - Provide ongoing companion education to define and contextualize relevant climate risk and objective terminology and how it relates to company work and operations
-

How can this unlock climate innovation?

- Demonstrates that climate-related objectives and opportunities are not a single-person's job or an isolated project
- Further integrates climate action into the culture of the company and business-as-usual and keeps staff at all levels engaged
- Allows people to understand *what* climate action means to the company and *why* it's important in the context of their own work and the success of the company

STAKEHOLDERS

Executive level
Senior leadership
Marketing
Staff

TOOLS

Communications
Reporting
Education

LEVER

Culture

METHOD IN ACTION

Earth is now our only shareholder.

If we have any hope of a thriving planet— much less a business— it is going to take all of us doing what we can with the resources we have. This is what we can do.

By Yvon Chouinard



Top-level communication and climate education for staff

Patagonia

Patagonia is seen as one of the top leaders in sustainable business practices. Externally, it's easy to see why as they continuously demonstrate their commitment to protection the environment. From voluntary climate commitments to product circularity to naming "earth as its only shareholder" by transferring ownership of the company to a philanthropic trust and nonprofit that donates portions of corporate profits to fighting the climate crisis. These commitments are repeatedly communicated and contextualized in their business operations. But what people don't often see is how they nurture a strong culture and couple these commitments with internal education.

For example, in 2024, Patagonia rolled out climate education workshops across their

Europe, the Middle East and Africa (EMEA) business. The workshops focused on outlining the cause-and-effect of climate change and helping employees understand where their influence lies as individuals and as a company. This type of educational workshop approach allows employees to better understand high-level company climate commitments and understand the importance in the context of their work.

As a result, Patagonia has a long-standing reputation as an industry leader in climate innovation, and in turn, apparel innovation. These commitments and education have trickled down into business units resulting in leading product, marketing, and business model innovation, and ultimately, market share.



Create structure and incentives for business units to innovate towards climate objectives using context-based metrics.

Leading companies have found success in sustained, incremental innovation that is embedded within business units and rolls up into company-wide climate objectives. By making sustainability part of business-as-usual, business units are incentivized to dedicate time and resources to finding new opportunities to improve operations and reach target metrics.

What can companies do?

- Integrate context-based, climate-related metrics into existing business unit key performance indicator (KPI) tracking and reporting
 - Utilize structures and performance incentives that business units are already accustomed to and relatable (e.g. CO2/widget)
 - Provide teams with trainings on sustainability concepts and innovation techniques to empower business units to identify and test value-add opportunities through climate action
-

How can this unlock climate innovation?

- Uses terms that business units understand and already track, allowing for sustained, incremental innovation that is embedded within business units and decentralized – moving it from an extra project to “business-as-usual”
- Allows for scenario analyses and measurable goals - instead of “Lower the carbon footprint of product line” it can be “Reduce carbon footprint from 7.1 kg CO2 to 6.5 kg CO2 by 2027” – and allowing it to easily roll up into company-wide financial and sustainability metrics
- Enables sustainability-related performance incentives at the business unit level for achieving progress

STAKEHOLDERS

Business units
Human Resources

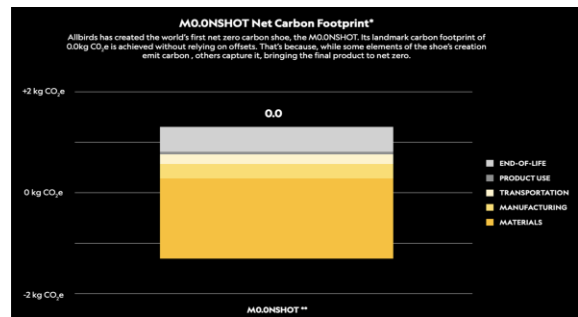
TOOLS

KPIs
Reporting
Incentives

LEVER

Process

METHOD IN ACTION



Context-based metrics and incentives for sustainability progress

Allbirds

For each product produced, **Allbirds** provides a carbon footprint, including life-cycle assessment (LCA) metrics associated with sourcing, manufacturing, use and end of life for that product. These context-based metrics creates a structure for each business unit to understand their contribution and more easily conduct scenario analyses when considering alternatives. With this context-based carbon measurement structure in place, Allbirds released an innovative concept shoe called the M0.0NSHOT, claiming it to be the world's first net zero carbon shoe, without relying on offsets. Although just a concept shoe, it demonstrates to peers and customers that Allbirds is an innovator in shoe design and supply chain management, which ripples throughout its business operations.

Mastercard

With context-based metrics being tracked at the business unit level, companies can more easily attach performance incentives to sustainability progress. For example, **Mastercard** factors progress towards sustainability goals into bonus calculations for executives and employees. Through a compensation model, staff are incentivized to implement existing conservation practices and find new, innovative ways to make progress. This trend continues to gain popularity. According to recent research, more than half of US-based companies in the S&P 500 are using at least one ESG-related metric in executive incentive plans.



Ensure dedicated, internal innovation teams incorporate climate risk and opportunity into processes.

For companies that have dedicated innovation teams or labs, companies can integrate climate risk and opportunity as a priority in their existing innovation process. Similar to goals like market growth or logistics utilization, companies make climate action a recurring priority for their innovation teams and labs to generate, test, and integrate new ideas that will increase business value.

What can companies do?

- Utilize dedicated Innovation Labs to include climate risk and opportunity as a standard input in the sensing and signaling process with corresponding metrics to generate, test, and integrate new ideas for current and future climate-related solutions
 - Equip dedicated innovation teams and coaches with climate education and knowledge to raise questions and bring up potential painpoints when working with business teams, especially those around future risk, supply chain disruption, and shifting market landscapes
-

How can this unlock climate innovation?

- Leverages an existing resource and process to surface and identify potential risks related to climate change and opportunities for business value through new climate-related solutions
- Provides a space and resource to increase the opportunity to experiment and test new climate solutions in a controlled environment before being integrated into business units
- Signals a commitment of resources and dedicated teams to finding new climate solutions for the rest of the company

STAKEHOLDERS

Innovation team

TOOLS

Design thinking
Testing

LEVER

Process

METHOD IN ACTION

Utilizing innovation processes and teams to find value through new climate solutions

Oatly

Oatly's Futures Lab is an internal innovation team and lab that is focused on the future of food and Oatly, including oats and climate-impact. They have made climate-impact a standing priority for the Lab to work towards independently and alongside business teams. One of Oatly's Futures Lab initiatives is F.A.R.M., that works directly with farmers to test ideas for regenerative agriculture that could scale to other suppliers and reduce the emissions associated with oats, as well as mitigate against potential supply chain disruptions caused by climate change. More specifically, the program is focused on carbon sequestration in soil and perennials and improving downstream water quality, along

with farmer empowerment and security. For any successful or promising solutions tested by the Lab, Oatly's innovation team then uses their existing process to integrate these solutions within the business or across their supply chain.



Keurig Dr Pepper

After receiving criticism and concern for their single-use coffee pod system's contribution to excessive emissions and plastics waste, **Keurig Dr Pepper** set out to find a new solution to address their plastic-based, single-use pod system. The company directed a dedicated in-house innovation team to make a plastic-free pod system and was given freedom to experiment and no timeline so they could find the solution without taking shortcuts. The result was a new plastic-free pod enclosed in plant-based coating, that requires a special machine to use. Although this doesn't instantly replace existing systems in use, this shows how existing corporate innovation processes can be leveraged to find new climate-focused solutions. And for the company, this climate-related innovation can unlock other food and beverage innovations across the company's product line.





Provide opportunity for staff upskilling and empowerment to address climate challenges and pursue new ideas.

Leading companies create spaces and opportunities to harness the power of passionate staff and channel their ideas into action. By providing structure and upskilling for staff to bring their ideas, collaborate together, and find resources, innovation can come from those likely seeing issues and opportunities first-hand.

What can companies do?

- Dedicated structures for staff to bring their ideas, collaborate together, and access resources to explore and grow ideas, often as employee resource groups or dedicated internal funding
 - Provide climate-focused skills-training for staff to understand climate action and the confidence to identify and act on opportunities
 - Can often work collaboratively with dedicated sustainability teams or targeted business units (facilities, operations, comms, etc.)
-

How can this unlock climate innovation?

- Surfaces painpoints and ideas from those likely to identify climate-related issues and opportunities closest to the operations
- Harnesses the power of passionate staff and channels their ideas into real action - potentially attracting and retaining staff
- Further decentralizes climate action across the company and increases capacity of existing dedicated sustainability teams

METHOD IN ACTION

Microsoft employees organized an internal employee resource group which grew to 10,000 staff, with executive leadership support and accessible resources for the group to organize, grow, and launch ideas. The group organized sustainability trainings, employee-led education and events, and advocated for more ambitious company climate action. Once organized, the employee group began to surface new ideas and created internal proposals for solutions, including phasing-out single use items on campus, integrating sustainability into existing hackathons, and a process for sustainable disposition of IT assets.

STAKEHOLDERS

Staff

TOOLS

Trainings
Employee
resource groups
Funding

LEVER

Culture

Engaging External Ecosystems

Companies can unlock the speed and availability of future climate solutions by actively engaged and nurturing climate innovation ecosystems. The key lies in finding ways to send coordinated demand signals to influence markets, catalyze new and existing climate innovators, and align responsible business investments and advocacy efforts with climate objectives.

What we'll cover in this section:

- Collaborate with industry to send demand signals to de-risk new climate innovation
- Catalyze innovators to find and test new solutions for value chain challenges
- Align venture capital investments to address climate innovation gaps
- Advocate for policies to unlock public funding to drive climate innovation



Collaborate with industry to send demand signals to de-risk new climate innovation

Using aggregation and demand signaling, leading companies can collaborate to de-risk innovation by creating a readied market of purchasers through Advanced Market Commitments (AMCs) and purchasing coalitions to further help solutions get to market at scale.

What can companies do?

- Utilize finance mechanisms such as an Advanced Market Commitments to commit to purchase a technology or solution that doesn't currently exist at market scale (e.g. green steel, sustainable aviation fuel, etc.)
 - Join a climate purchasing coalition or alliance to publicly signal interest in deploying an innovative solution when available
-

STAKEHOLDERS

Coalitions
Industry partners

TOOLS

Finance
Pledges

LEVER

Product

How can this unlock climate innovation?

- De-risks the investment of innovation for startups and companies - a down payment now to make the technology affordable and available in the future
- Creates a readied market for an emerging technology, allowing providers to better estimate future sales
- Typically, best for broad, often industrial solutions or technologies that require a lot of research and development and likely won't be serviced by a single company or done in-house

A CLOSER LOOK

De-risking climate innovation through Advanced Market Commitments

Advanced Market Commitments (AMCs) are a way for companies to send a strong demand signal through industry aggregation and early purchasing.

What are Advanced Market Commitments?

These financing commitments help to de-risk innovation by creating a readied market of purchasers and helping solutions bridge the technology “valley of death” – getting from research and development to deployment and commercialization. Under this model, if/when the technology or solution becomes ready for market, the committed companies purchase and deploy the innovation, which reduces their emissions while also driving down the cost of producing the technology for the rest of the market over time. Often, these commitments specify price, volume, and/or timeframe. For example, member companies of **First Movers Coalition’s** [aluminum commitment](#) have committed to “at least 10% (by volume) of all [their] primary aluminum procured per year [being] low-carbon (as per FMC definition) by 2030.”

What solution areas have active Advanced Market Commitments?

There are currently dozens of purchasing commitment coalitions and alliances, including [First Movers Coalition](#), [Sustainable Aviation Buyers Alliance](#), and [Climate Group](#), which cover a range of different climate solution areas – from the more scaled technologies like electric vehicles and renewable energy to more nascent technologies like green cement,

aluminum, and steel. Solution areas with organized AMCs are primarily industrial and hard to abate areas, likely requiring a lot of initial research and development. And since these areas likely won’t be serviced by a single company in a short timeframe, industry demand signals are critical for providers to invest in development of solutions.

Climate Solution Areas with Advanced Market Commitments

As of the writing of this guide, there are nearly a dozen different climate solution areas that have existing AMCs organized, including:

- **Aluminum**
- **Aviation**
- **Carbon dioxide removal**
- **Concrete and cement**
- **Electric vehicles**
- **Renewable energy**
- **Shipping**
- **Steel**
- **Trucking**



Catalyze innovators to find and test new solutions for value chain challenges

Leading companies sponsor or launch startup accelerators to bring in and incubate new solutions that directly address major innovation gaps in company value chains.

What can companies do?

- Incubate external solutions through the use of internal or collaborative incubators or accelerators to test and refine new solutions
 - Provide startups and innovators with in-house support via funding, physical resources, networks, and access to expertise to target specific value chain innovation gaps
 - Host open innovation challenges to surface new ideas from diverse audiences and raise awareness for the need of new solutions
-

STAKEHOLDERS

Startups
Industry partners

TOOLS

Programming
Finance
Mentorship
Pilots

LEVER

Product

How can this unlock climate innovation?

- Allows business units to work closely with existing startups, instead of developing in-house and quickly test market needs and gaps at scale for new solutions
- Attracts industry collaboration and pooling of resources to invest in new solution areas for corporate value chain challenges
- Sends demand signals and raises awareness around a particular corporate climate challenge that may not have existing startups in the market and/or engage a wider community, including students, academics, communities, entrepreneurs, and even incumbent companies

METHOD IN ACTION

Accelerate startup growth aligned with value-chain challenges

ABInBev

ABInBev's 100+ Accelerator is a startup accelerator, in partnership with **Coca-Cola**, **Colgate-Palmolive**, **Danone** and **Unilever**, focused on finding startups that can help solve key climate innovation gaps along value chains. Through the accelerator, startups receive training and curriculum, support from a global team champion, access to mentor networks and up to \$100K toward pilot execution with a partner company. The goal is to have startups complete the program and graduate to a larger commercial contract and strong relationship with one or more of the partner companies. For example, to address water stewardship, ABInBev worked with AquaCare, a solution to turn sludge from wastewater treatment plants into biofertilizers,

later acquiring them in hopes to embed and scale the solution. Beyond the programming itself, startups benefit from working closely with large corporates to better understand commercial solution needs at scale, helping to make future solutions more market ready.

The graphic is a promotional banner for the ABInBev 100+ Accelerator. It has a red header with the 'accelerator 100+' logo. Text on the right says 'Applications are open until April 30'. Below the header, it asks 'Are you a startup focused on solving one of these six challenges?' and lists six categories with corresponding icons: Climate Action (red), Smart Agriculture (green), Inclusive Growth (purple), Biodiversity (orange), Water Stewardship (blue), and Circular Economy (yellow). A red box says 'APPLY BY APRIL 30! Together, we will build our sustainable future.' At the bottom, it lists partners: ABInBev, The Coca-Cola Company, Colgate-Palmolive, and Unilever.

Open innovation to raise awareness and surface creative solutions

CSAA Insurance Group

CSAA Insurance Group, along with other insurance companies, teamed up with the global design firm **IDEO** to host the Climate Resiliency Challenge, an open innovation challenge that awarded a total of \$1 million in prizes to the most novel ideas and solutions that “empower frontline communities to prevent, prepare for and recover from the most urgent climate-related disasters; such as wildfires, floods and extreme weather.” For CSAA, this was a method to raise the need for climate risk solutions and to pilot some new ideas. The result was a wide range of novel ideas, from developed technology to proof of concept business models and covering a range of audiences and issue

areas. The use of the innovation challenge not only surfaced new ideas that CSAA can pilot in partnership, but it also raised awareness of CSAA's interest in this innovation challenge, which led to additional partnerships and requests.

The graphic features a photograph of people in a field. To the right, the text reads 'Climate Resiliency Challenge' in large red letters. Below the title are logos for IDEO, AON, and CSAA Insurance Group. At the bottom, there is a row of smaller logos including Arch Re, Aon, and Network for Good.



Align venture capital investments to address climate innovation gaps

Leading companies utilize independent investment arms, or corporate venture capital (CVC), to invest corporate funds into early-stage climate startups that could address climate innovation gaps in their value chain and generate business value in the future.

What can companies do?

- Invest corporate funds, through independent investment arms or corporate venture capital, into early-stage climate startups that target key climate-related solution gaps in value chains
 - Purchase equity in an emerging technology that could decarbonize their and other company value chains and generate business value in the future
 - Target specific climate solutions and startups that are market-ready or near and provide a larger financial return opportunity
-

STAKEHOLDERS

Startups
Industry partners

TOOLS

Finance

LEVER

Product

How can this unlock climate innovation?

- Allows a company to “plug and play” emerging solutions to innovation gaps much faster than developing in-house
- Signals market interest to other startups around specific technologies and value chain gaps
- Allows startups to scale quicker through funding and corporate access and scale

METHOD IN ACTION

Investing venture capital to address climate innovation gaps

Amazon

Amazon's Climate Pledge Fund is a venture arm of Amazon focused on investing in sustainable and decarbonizing technologies and services. Amazon utilizes these investments to target key innovation gaps in reaching their Climate Pledge commitments, including mobility, circularity, and built environment. One of their portfolio companies, Beta Technologies, develops electric vertical takeoff and landing (eVTOL) aircraft technology for cargo and logistics. This represents an area of interest for Amazon's own logistics and other logistics companies, representing both an environmental and financial investment.



Coca-Cola

Coca-Cola, along with eight other bottling partners, formed a \$137.7 million venture capital fund that is focused on sustainability-related investments, specifically: packaging, heating and cooling, facility decarbonization, distribution and the supply chain. The fund comes, in part, as a response to the company having challenges meeting its reusable packaging target of 25% by 2030. The company reported in its 2022 sustainability report that 14% of its products were sold in reusable containers, a decline of two percentage points from the previous year. The use of this fund could speed up the market availability of nascent solutions to help Coca-Cola and other bottlers more quickly address innovation gaps.

A 2-liter Coca-Cola bottle is the central focus, with other bottles in the background. The text "INVESTING IN REFILLABLE UNIVERSAL BOTTLES" is overlaid on the image. Below the text, there are statistics: "Replacing 200M regular bottles per year", "50+ countries", and "Representing 25%+ of sales". At the bottom, there is a paragraph of text: "Refillable packaging is a critical part of our sustainable packaging strategy. In Brazil, all 2-liter bottles across Trademark Coca-Cola, Fanta and Sprite brands are sold in refillable 'universal bottles' that are the same shape, size and color, which increases the efficiency of collection, cleaning and filling. Many other markets, including Germany, Chile, Colombia, Peru, Pakistan, Kenya, the Philippines and Tanzania have universal bottle options."



Advocate for policies to unlock public funding to drive climate innovation

Leading companies use their influence and resources to advocate for climate policies at all levels of government and industry that have the potential to unlock public funding and programs to drive climate innovation.

What can companies do?

- Advocate for policies consistent with achieving net-zero emissions by 2050
- Align company and trade associations' climate policy advocacy and allocate spending to advance and not obstruct them

STAKEHOLDERS

Government
Trade associations
Industry partners

TOOLS

Advocacy
Policy

LEVER

Process

How can this unlock climate innovation?

- Unlocks funding and programs that can advance research and early demonstrations for new climate solutions
- Involves foundational systems like infrastructure and regulation that can enable new development

METHOD IN ACTION

One of the pillars of **H&M Group's** climate transition action plan (CTAP) is advocating for systematic change, which includes advocating for policy that aims to limit global temperature rise to 1.5 °C and pushing for legislation that accelerates the decarbonization of their value chain, as well as engaging and collaborating with peers and others to enable and inspire global climate action. They also disclose their policy priorities of renewable energy, energy efficiency, target integration, intermediary solutions, raising awareness and advocacy for climate targets.

Corporate climate innovation is a necessity and an opportunity.

Corporate climate innovation is not just an environmental imperative but a strategic necessity for businesses seeking to remain competitive in a rapidly changing world. As this guide illustrates, integrating sustained, incremental climate action into core business strategies enables companies to drive meaningful impact while enhancing operational resilience and market leadership.

By leveraging internal resources and nurturing external collaborations, businesses can accelerate the discovery, development, and scaling of innovative solutions.

Ultimately, success in climate innovation requires a strong foundation of leadership commitment, a culture of risk-taking, and robust engagement with the broader climate innovation ecosystem. Companies that align their innovation strategies with long-term climate objectives will be well-positioned to thrive in a future requiring adaptability and risk mitigation.



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