Net zero without retreat: The winning path for companies on climate

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By Elizabeth Sturcken, Vice President of EDF's Net Zero Ambition and Action

Record-breaking heat, supply chain disruptions, and rising insurance, energy, and commodity costs have made climate change a material business risk today, not a distant future concern. Climate driven cost pressures, now referred to as "climate inflation" are hitting consumers, supply chains and corporate earnings.

The science and the economics are clear: Global emissions must be cut roughly in half by 2030 and reach net zero by around midcentury. And the economic benefits for companies seizing gains in the transition to the clean energy economy are estimated in the trillions.

Yet many companies approaching their 2030 climate goals are asking the question: Should we pull back? The answer is clear: Retreat may feel safer today. It creates greater risk tomorrow.

The business case for decarbonization is only strengthening: Eight in ten companies are keeping their climate commitments, and a quarter are doubling down to accelerate timelines, despite policy rollbacks. A 2025 survey found that companies expect more than a third of their revenue will be derived from the climate transition by 2030.

Climate performance is also increasingly becoming a market access requirement. The European Union and California, together representing about 20% of the global economy, will soon require large companies to measure, report, and act on their climate emissions. Companies that show credible emissions performance will win contracts, satisfy investors, and keep market access, and those that do not will lose ground.

A Practical Net Zero Playbook: The FOCUS Framework

Rather than slowing down, the FOCUS Framework provides a winning path for companies to act on climate that emphasizes action, reduces risk and strengthens competitiveness. Its mantra: Progress over perfection.

1. Focus Action on Material Emissions

Missing an interim target is one thing. Using this political moment as cover to walk away is a far costlier choice. Instead, double down on the actions within your control.

Identify the primary "emissions hotspots" that drive the bulk of your footprint — the commodities, categories, or activities that matter most *and* where you can have the most leverage — and demonstrate measurable progress on them.

That means:

- *Acting*: Deploy scalable emissions reductions inside your operations and value chain. This includes the use of high-integrity EACs.
- *Advocating*: Work to remove the policy, market, or infrastructure barriers blocking adoption and proactively advocate for climate policy.
- *Advancing*: Invest in R&D, pilots, or partnerships to unlock what does not yet exist at scale.

High-integrity climate leadership means focusing on where emissions reductions are the greatest. Complexity can't be an excuse to disengage.

2. Own the Destination

The path to 2030 and 2050 was never going to be a straight line. Climate strategies should evolve as technology, markets, and policies change. Net-zero goals should not. Companies can adapt their pathways while remaining committed to the destination. Intensity metrics can be useful along the way, but long-term competitiveness depends on decoupling growth from emissions through absolute reductions across operations and value chains.

3. Communicate Progress

Credibility comes from transparency, not perfection. The most credible corporate climate communicators are not always the ones with the glossiest reports. Instead, they show: "here's what's working, here's what's hard, here's what we got wrong, and *here's specifically what we're doing about it*."

To communicate with integrity:

- Be transparent about progress, setbacks, and course corrections.
- Disclose emissions, climate risks, and transition plans using recognized frameworks.

This approach aligns with SBTi's new best-efforts framework that expects companies to use all available levers to decarbonize, and to be transparent about the implementation barriers that are facing as well as how they will address those.

4. Upgrade Governance

Strong internal governance is what distinguishes the companies that will manage risk, create value, and thrive over the long term from those that will be left behind.

High-integrity governance in this environment includes:

- Adopt board-level oversight of climate.
- Establish a cross-functional internal team driving implementation against clear business-aligned climate KPIs.
- Attach executive incentives to sustainability-aligned business outcomes.
- Ensure that senior leaders have climate accountability, with a seat at the strategy table.

Strong governance is what makes climate work survive political cycles, CEO transitions, and budget pressure. A climate strategy that is embedded into business decisions will ensure both action and investment.

5. Scale Across the Value Chain

The bulk of corporate emissions and climate risks sit outside a company's four walls. That is exactly why value-chain engagement matters.

- Create demand for lower-carbon products and processes.
- Set clear supplier expectations and track progress.
- Co-invest in supplier decarbonization through financial and non-financial incentives.
- Use high integrity carbon credits to support nature and accelerate decarbonization beyond your value chain.

Companies that help suppliers decarbonize strengthen both climate performance and business resilience.