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# The Climate Collaboration Imperative In APAC

Using Joint Action To Propel APAC Companies Ahead In  
Their Climate Action Roadmaps

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FORRESTER OPPORTUNITY SNAPSHOT: A CUSTOM STUDY COMMISSIONED BY AMAZON AND THE CLIMATE PLEDGE  
OCTOBER 2022

## Embracing Collaboration For A Net-Zero Future

APAC companies are committing to climate action plans and engaging in technological collaborations to operationalize them. However, the complexity of the transformation, lack of expertise, awareness, and suitable peer networks continue to hinder their progress. To accelerate toward their climate action roadmaps, companies need to expand collaboration to broader ecosystems that can address these challenges.

Amazon and The Climate Pledge commissioned Forrester Consulting to develop a custom study (see Methodology) to gather insights into the perspective APAC companies have on collaboration and how it drives their climate action roadmaps.<sup>1</sup> To effectively achieve their climate action goals, there is potential for APAC companies to seek broader ecosystem alliances that further accelerates and enables sustainability initiatives.

### Key Findings



Companies prioritize climate action and a net-zero future, but more than 1 in 5 struggled to operationalize these plans due to the complexity of the transformation, and a lack of expertise and awareness.



APAC companies acknowledge the importance of collaboration in achieving their net-zero goals, but more than 3 in 5 struggled to identify suitable collaboration partners.



Companies should identify and engage the right partners within an expanding collaboration ecosystem to advance their climate action roadmaps.

## APAC Companies Prioritize Sustainability Initiatives In A Surging Net-Zero World

The drive for climate action will transform business and is vital for organizations to survive and capitalize on opportunities in today's economy.

Thus, strategies for sustainability transformation (20%), integration of sustainability criteria in decisioning (20%), and providing new green products and services (18%), ranked highly across APAC decision-makers' overarching business priorities.

Regional nuances exist: Sustainability transformation (25%) and offering green options (25%) were top business priorities in Japan, while Australian leaders were more likely to harness technologies to assist with climate adaptation (23% vs. 18% in APAC).

Climate strategies are currently externally driven by compliance (34%) and the need to transition to low emission technology (32%). Forrester's Sustainability Maturity Model also projects an end state where sustainability forms a key competitive advantage for companies.<sup>2</sup>

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## Top Five Drivers Of Climate Change Strategies In APAC Companies

**34%:** Compliance with new and/or existing climate change-related regulations

**32%:** Analysts' ratings and scoring

**32%:** Transitioning to lower emission technology

**31%:** Building sustainable business lines

**29%:** Supply chain management

Base: 750 C-level, director, and senior managers with responsibility for environment and societal sustainability at their organization  
Source: A commissioned study conducted by Forrester Consulting on behalf of Amazon and The Climate Pledge, September 2022

## Complexities In Transformation, Lack Of Access To Expertise And Awareness Hinder Net-Zero Transition

Despite plans to scale sustainability transformation, 2 in 3 organizations remained in the planning or early implementation stages of most net-zero initiatives. Large organizations in APAC were also making inconsistent progress in their sustainability efforts.<sup>3</sup> In fact, companies were not confident in successfully operationalizing initiatives like setting up new net-zero goals (27%) and evaluating the use of offsets (29%). This is due to factors like lack of skills (36%), limited understanding of regulations (33%), and lack of awareness and education (32%).

Top challenges thus arise: a lack of talent with the right expertise (23%), lack of resources to navigate the complexities in net-zero transformation (24%), and a shortage of clear methods to estimate carbon footprints (20%). Developed countries also traditionally depended on fossil fuels for economic growth, making the net-zero transition a pertinent challenge.<sup>4</sup>

“The wider business community could benefit from greater knowledge sharing from experts, given that a lack of understanding is a key challenge for many medium-sized and larger firms in their net-zero transition.”

**Head of sustainability, technology company in Singapore**



## Collaboration Is Key To Actualizing Net-Zero Goals

APAC companies recognized the importance of external collaboration — 70% of leaders stated that collaboration with partner initiatives is crucial for their organizations to progress toward a net-zero future. Hence, companies plan to expand collaboration on net-zero initiatives such as nature-based solutions (49%), transition to renewable energy (48%), and decarbonization of transport and logistics emissions (42%).

By collaborating, companies expect to improve sustainability ratings (83%), influence green policy outcomes (81%), and demonstrate their sustainability commitment (77%).

“We can drive circularity through such collaborations by seeing if there are solutions available and forming joint teams to find solutions.”

**Vice president and group head of sustainability,  
apparel company in India**

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## Top Five Benefits Expected To Be Realized From Engaging With Partner Organizations And Initiatives



**83%** Improve sustainability analyst ratings/investor ESG assessment



**81%** Influence greener policy outcomes in key markets



**78%** Increase company's presence among partner organizations and peers



**77%** Demonstrate concrete sustainability commitments to increasingly conscious consumers



**76%** Track and benchmark sustainability progress

Base: 750 C-level, director, and senior managers with responsibility for environment and societal sustainability at their organization  
Source: A commissioned study conducted by Forrester Consulting on behalf of Amazon and The Climate Pledge, September 2022

## Lack of Peer Networks Is A Top Hindrance To Climate Collaboration

Despite the importance of collaboration, access to suitable collaboration partners (63%) stood out as the top challenge for APAC companies to advance net-zero innovation efforts. Cognizant of each company's unique path towards net-zero transformation, decision-makers have been selective in prioritizing peer networks, accounting for nuances across geographies, verticals, and business functions. Companies need to be aware of the opportunities offered in peer networks (i.e., cross-sector knowledge) to realize the value of joint action.

“Greater engagement or information sharing could give a clearer understanding of what [pledges] are available in the same space, the solutions they offer and how they are better than other [pledges].”

**Vice president and group head of sustainability,  
apparel company in India**

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## Top Five Challenges Currently Faced By APAC Companies In Terms Of Collaboration/Innovation

Lack of peer network and cross-sector communities

63%

Lack of awareness (or knowledge) of partner organizations or initiatives

29%

Lack of access to best practices and learning platforms

29%

Lack of guidance on incorporating sustainability messaging in corporate communications

28%

Lack of a dedicated budget to support the development of sustainable and decarbonizing technologies and services

28%

Base: 750 C-level, director, and senior managers with responsibility for environment and societal sustainability at their organization  
Source: A commissioned study conducted by Forrester Consulting on behalf of Amazon and The Climate Pledge, September 2022

## APAC Companies Across All Maturity Levels Will Benefit From Joint Action

Organizations with varied maturity in their climate action roadmaps can actualize value with collaboration. Early adopters of collaboration have reaped benefits around surpassing regulatory demands (i.e., 41% amongst those who have collaborated vs. 30% who have not) and are less likely to face challenges in their net-zero transition as they can tap into a shared resource pool (i.e., 16% amongst those who have collaborated vs. 26% who have yet to).

Ecosystem partnerships can also build internal awareness on the value of climate action initiatives and provide a platform to tap into the expertise of like-minded organizations. Collaborating with technology partners remains vital, and companies will further benefit with the broader ecosystem of alliances available to accelerate their net-zero executions at scale.

“We collaborate and share challenges on textile waste and how we could drive circularity through these collaborations.”

**Vice president and group head of sustainability,  
apparel company in India**



## Conclusion

To accelerate their climate action roadmaps with more confidence, APAC companies should:

- **Integrate climate action execution across the organization.**  
To seize the business value that net-zero offers, climate action needs to be embedded into each business unit.
- **Identify climate collaboration opportunities.** Pinpoint main sources of carbon emissions, catalog initiatives, and recognize how mutual synergies can accelerate progress.
- **Extend joint action beyond operationalization partners.**  
Extending collaboration to broader ecosystems will address gaps in education and expertise, and will guide their net-zero operationalization to new heights.
- **Build awareness of available types of collaboration partners.**  
Engage them to fast-track climate action roadmaps.

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## Methodology

This Opportunity Snapshot was commissioned by Amazon and The Climate Pledge. To create this profile, Forrester Consulting supplemented this research with custom survey questions asked of 750 APAC C-level executives and directors with responsibilities for environment and societal sustainability at their organization. Forrester Consulting also supplemented this with in-depth interviews with five interviewees with the above profile characteristics. The custom survey began and was completed in September 2022.

### ABOUT FORRESTER CONSULTING

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## Demographics

REGION	
Australia	20%
China	20%
India	20%
Japan	20%
Singapore	20%

COMPANY'S ANNUAL REVENUE (USD)	
Less than \$100 million	25%
\$100 million to \$299 million	11%
\$300M to \$499 million	14%
\$500M to \$999 million	18%
\$1 billion to \$5 billion	7%
More than \$5 billion	25%

COMPANY SIZE	
Less than 1,000 employees	32%
1,000 to 4,999 employees	13%
5,000 to 9,999 employees	21%
10,000 to 19,999 employees	21%
20,000 or more employees	12%

ROLE IN COMPANY	
C-level executive	12%
Senior vice president or vice president	26%
Director	31%
Senior manager or manager	31%

**ENDNOTES**

<sup>1</sup> Amazon co-founded The Climate Pledge in 2019 as a commitment for companies to reach net-zero carbon emissions by 2040.

<sup>2</sup> Source: "Guide Your Sustainability Program With The Forrester Sustainability Maturity Model," Forrester Research, Inc., October 27, 2021.

<sup>3</sup> Source: "The State Of Environmental Sustainability Among Large Organizations In Asia Pacific," Forrester Research, Inc., November 9, 2021.

<sup>4</sup> Ibid.

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