



The climate solutions advantage

A playbook for communicating the economic benefits of climate solutions to Australian mid-tier businesses

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About this playbook

This playbook is designed to provide practical messages about the economic benefits that climate solutions can deliver to mid-tier businesses during a time of geopolitical and climate policy uncertainty. It was created and written by The Action Exchange and the Centre for Policy Development (CPD).

The messaging and recommendations in this playbook are based on the findings of an extensive research program. This included a review of existing climate change playbooks and economic research, and a series of in-depth interviews with some of Australia's leading corporate sustainability experts.

This research showed that large business leaders are well informed on the economic imperatives of climate solutions, and are acting to mitigate the financial, physical, legal and reputational risks, and capitalise on the opportunities that climate change presents to their companies. However, there is a gap among mid-tier business leaders, with only 20% of small and medium business owners intending to improve the sustainability of their business, according to a 2023 survey.¹

To address this gap, our research emphasised the immediate opportunity that business leaders from large organisations and Australian industry associations have to educate and grow their engagement with mid-tier business leaders to help them better understand the economic benefits of climate solutions. This playbook and the economic essentials it is built around are designed to help achieve this.

What is a mid-tier business?

For the purposes of this playbook, we define a mid-tier business using the Australian Tax Office definition of an organisation with an annual turnover of between \$10 million and \$250 million.² These companies can vary in industry and the number of employees, and can be private or public.

“
There's a need for clear, actionable information tailored to mid-tier businesses. Many existing resources are either too complex or not sufficiently practical for these firms.
”

Siobhan Toohill, founder, Pure and Applied, corporate director, and former CSO for a major Australian bank



“

Industry associations play a crucial role in, among other things, helping small and mid-tier firms access information and resources related to climate finance. These associations can accelerate the strategic thinking of their members.

”

Tim Reed, former President, Business Council of Australia and Co-Managing Director, Potentia Capital

Introduction

Climate solutions are critical to Australia's future economic prosperity and to enable Australian businesses to address the risks and embrace the opportunities that can emerge from the climate transition.

As a group with a direct impact on the economy, Australia's business leaders urgently need to lean into this strategic opportunity and leverage their influence to grow understanding among the broader business community of the business benefits climate solutions can deliver and to champion climate action within their own businesses and among their corporate stakeholders.

Despite the pressing need for leadership, many of Australia's mid-tier business managers lack effective and sophisticated messaging to explain the benefits that climate solutions and the energy transition can bring to their own organisations and the nation's economy.

This playbook aims to help industry associations and large businesses leverage their membership bases and supply chains to address this gap in information. The end goal is to arm industry

associations and large business leaders with relatable messages they can use to help mid-tier corporate leaders better understand the economic benefits of climate solutions and become vocal advocates for climate solutions themselves.

To this end, the playbook provides key economic information and examples of the way climate solutions can benefit the bottom lines and future success of mid-tier Australian companies. The playbook is structured around six economic benefits:



Each of these benefits has its own section that outlines the specific improvements that businesses are likely to see from using climate solutions and key messages and quotes from industry leaders on how climate solutions have positively impacted their own business.

The playbook also contains tips for how to communicate with mid-tier businesses who may be at different stages of their climate solutions journey, and information on how to locate potential partners that can provide practical, sector specific information and advice on climate solutions.

Ultimately, this playbook is designed to help all businesses. Scope 3 emissions reporting becomes mandatory for large Australian businesses from 2026, and some large overseas markets are introducing fines on high-emission imports.

Many large organisations have made net zero commitments that extend across their Scope 3 value chains. To meet these commitments and the interim targets needed to achieve Scope 3 net zero, these organisations will be looking to work with the customers and suppliers within their value chains to help them reduce their emissions.

Small changes like electrification from renewable energy sources can have a significant impact on the operations of mid-tier businesses by reducing emissions and costs, increasing efficiency and productivity, and securing supply chain access. Businesses that don't change face increased business risks, higher finance costs and the loss of market share to climate-savvy competitors.

The business case for change is clear. It's time for immediate action to secure the ongoing success of mid-tier Australian businesses and ensure that the benefits a net zero economy will deliver are shared among all Australians.

“

The single most important change that mid-tier businesses can make is to embrace electrification derived from renewable energy sources. It has a dramatic impact on emissions reductions and is one of the easiest emissions to monitor.

”

Dr Guy Debelle, corporate director and former Deputy Governor of the Reserve Bank of Australia

What are climate solutions?

From an economic and investment perspective, climate solutions are technologies and practices that enable a reduction in greenhouse gas (GHG) emissions from business activities, including the production and supply of goods and services.³

GHGs include carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), ozone (O₃) and some artificial chemicals.⁴ The emission of these gases into the earth's atmosphere creates extra heat that warms the earth and induces climate change. These emissions must be reduced to reach net zero and limit global warming to 1.5°C.⁵

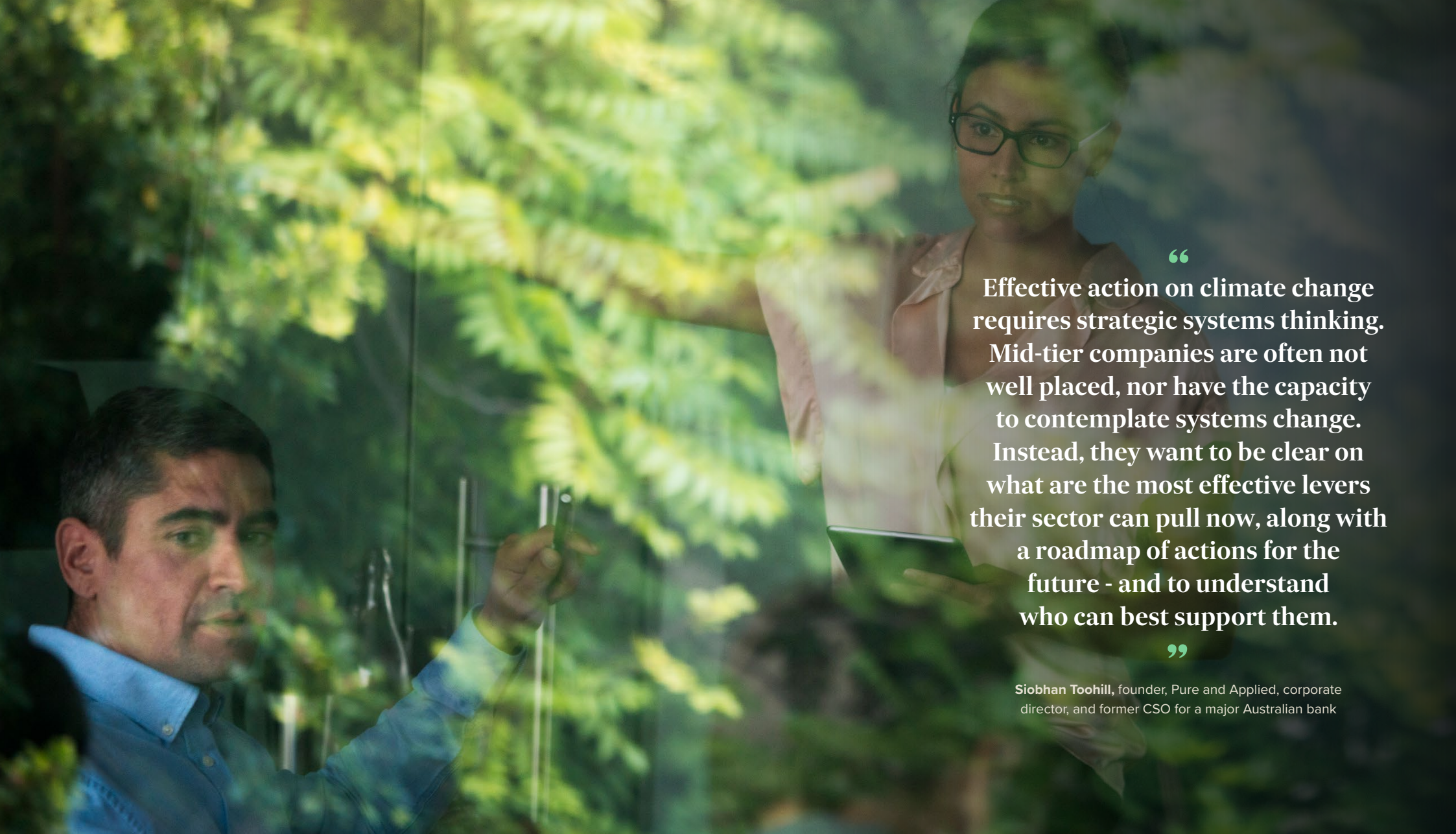
Some examples of climate solutions include green energy like wind, solar and biomass fuels that reduce the use of fossil fuels, technologies that enable businesses and people to reduce their carbon emissions and sustainable finance products like sustainability-linked loans.⁶

What are Scope 3 emissions?

The global Greenhouse Gas Protocol provides the most widely recognised accounting standards for greenhouse gas emissions (GHG). This protocol categorises these GHG emissions into three 'scopes'.

Scope 1 covers emissions from sources that a business owns or controls. Scope 2 covers indirect emissions that come from the purchase and use of electricity, steam, heating and cooling. Scope 3 emissions include all other indirect emissions that occur in the upstream and downstream activities of a business.⁷



A man in a blue shirt is pointing at a screen with a pen. A woman in a pink shirt and glasses is holding a tablet and pointing towards the screen. The background is a blurred green forest.

“
Effective action on climate change requires strategic systems thinking. Mid-tier companies are often not well placed, nor have the capacity to contemplate systems change. Instead, they want to be clear on what are the most effective levers their sector can pull now, along with a roadmap of actions for the future - and to understand who can best support them.
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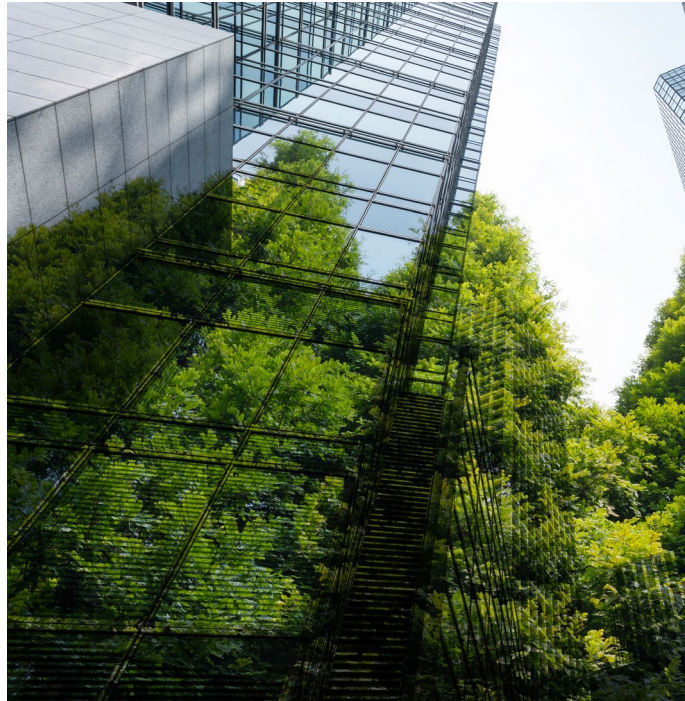
Siobhan Toohill, founder, Pure and Applied, corporate director, and former CSO for a major Australian bank

Economic essentials

The benefits from climate solutions

Climate change is not an abstract concept. Its impacts are immediately present and diverse. Along with increased global temperatures and extreme weather events, climate change is already being reflected in the economy through increased insurance premiums, supply chain disruptions, changing consumer behaviour, investor preferences, added costs from climate reporting and monitoring, and increased physical and transition risks.

This playbook has developed six, interlinked economic essentials that distil the economic risks and opportunities that climate change presents into key messages. Derived from economic research and modelling, these messages translate the economics into business implications. This enables industry associations and large businesses to rely on factual information that is immediately relevant to mid-tier business owners to help grow corporate understanding of the importance of climate solutions.



“
For virtually every mode of climate-minded business action, CEOs reporting that their companies have completed the action reported higher profit margins and revenue growth than CEOs who said their companies have no action plans. And moves to retool a company’s offerings for the demands of a net-zero economy have the most pronounced effect on profits and revenues.
”

PwC’s 27th Annual Global CEO Survey⁸

Climate solutions advantages



**Climate solutions reduce
operational costs**



**Climate solutions mitigate
business risk**



**Climate solutions enhance
market access**



**Climate solutions secure
funding and investment**



**Climate solutions grow corporate
competitive advantage**



**Climate solutions enhance
corporate resilience**

Economic benefit 1: Climate solutions reduce operational costs

One of the immediate benefits that climate solutions can deliver to a business is reduced costs. Research shows that applying climate solutions effectively in a business delivers long-term financial benefits and can help combat rising operational expenses and boost operating profits by up to 60%.^{9 10}

Cost reductions from climate solutions can be realised in three key areas:

- **Energy optimisation:** Retrofitting buildings with energy-efficient lighting, heating, ventilation and air conditioning (HVAC) systems, and insulation can reduce energy costs by up to 40%.¹¹
- **Transitioning to renewable energy:** Transitioning to solar or wind, complemented by battery power for storage, offers long-term cost savings through reduced dependence on volatile energy markets.¹²
- **Process optimisation:** Technology designed to streamline manufacturing processes to reduce carbon emissions can reduce down-time, waste and operating expenses and improve productivity.

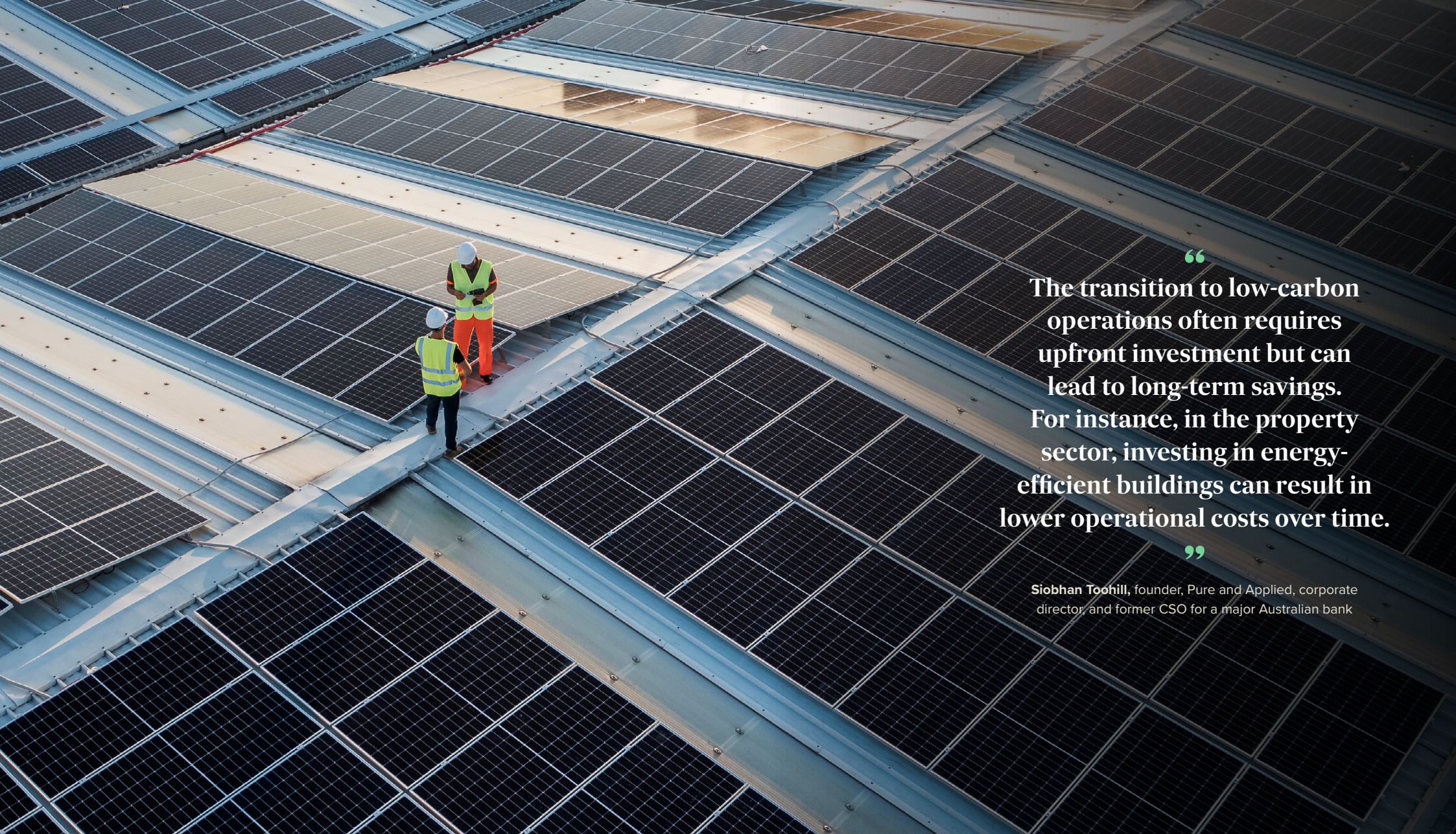
Of all the benefits that climate change can deliver to a business, energy optimisation and transitioning to renewable energy sources are the easiest to realise. Electrifying businesses using renewable energy supplies is relatively cheap and can have an immediate impact on cost savings. It also streamlines reporting as energy emissions are one of the easiest impacts to accurately and transparently monitor.

These benefits require investment in new technology and the upfront costs to transitioning can be perceived as a barrier. But this investment is usually recouped through cost savings and improved efficiencies over time. Federal and state governments also provide grants and funding to help Australian businesses invest in climate-driven optimisation programs that deliver operational efficiencies and cost savings.¹³

Mid-tier businesses that are focused on reducing their costs need to focus on climate solutions.

“
The perception that sustainability initiatives are expensive is often misguided. Taking action on climate change can actually improve profitability and operational efficiency. For example, major food retailers have found that focusing on carbon reduction led to improved profit margins through more efficient refrigeration units.
”

Tim Reed, former President, Business Council of Australia and Co-Managing Director, Potentia Capital



“
The transition to low-carbon operations often requires upfront investment but can lead to long-term savings. For instance, in the property sector, investing in energy-efficient buildings can result in lower operational costs over time.
”

Siobhan Toohill, founder, Pure and Applied, corporate director, and former CSO for a major Australian bank

Key messages: Climate solutions reduce operational costs

1


Investing in renewables today means your business will have lower utility bills and better emissions reporting tomorrow

2

Climate solutions are smart business. Streamlining operations through climate solutions saves resources, reduces downtime and improves your bottom line

3

Electrification from renewables and optimising your systems through climate solutions can save up to 40% on energy expenses.¹⁴ These savings provide capital that can be reinvested in growth



“
Responsive companies are identifying and implementing “low-hanging fruit” climate solutions that can provide quick wins in terms of emissions reduction and cost savings. This includes implementing energy efficiency measures and using readily available low-emission materials in construction.
”

Hudson Worsley, Chair, Materials
& Embodied Carbon Leaders' Alliance

Economic benefit 2: Climate solutions mitigate business risk

For mid-tier businesses in Australia, climate change is no longer an abstract issue—it is a direct business risk. From supply chain disruptions to regulatory shifts, climate-related risks are growing, not abating. Climate solutions can help mid-tier business leaders develop strategies that will help them mitigate the impacts of the following five key climate-related risks.

1. Supply chain and market risks

Large corporations and government buyers may assess climate-related financial risks as part of procurement processes and are embedding GHG reduction into their procurement criteria. Businesses that cannot demonstrate GHG emissions reduction risk losing contracts to greener competitors.

Likewise, supply chain disruptions from extreme weather events, resource shortages, and transport disruptions pose a serious threat to business continuity. Climate solutions reduce mid-tier businesses' exposure to these risks. Working with suppliers and customers on climate-related opportunities can help build more trusted, cost effective and reliable business partnerships.

2. Financial risks

Banks are tightening lending conditions for all carbon-emitting businesses, and insurers are raising premiums for companies exposed to climate-related risks. Mid-tier businesses that fail to adopt climate solutions may face higher financing costs, difficulty in securing capital and ballooning insurance bills. At the same time, banks can provide support, tools and finance to help address these risks.

3. Reputational risks

Mid-tier companies that are perceived as laggards on climate solutions risk reputational damage, customer attrition and talent shortages. In contrast, companies that embrace climate solutions can enhance brand loyalty, attract and retain skilled workers, and differentiate themselves in the market.

“

For mid-tier businesses, the key to reducing many of the climate risks they face, from supply chain risk to regulatory challenges, is to change their energy supply to renewables.

”

Dr Guy Debelle, corporate director and former Deputy Governor of the Reserve Bank of Australia

4. Operational and energy risks

Extreme weather events—heatwaves, floods and bushfires—are already disrupting Australian businesses. Mid-tier businesses with high energy consumption are especially vulnerable to rising electricity prices and energy supply shocks. Climate solutions like renewables, energy optimisation and climate-resilient infrastructure help businesses reduce these risks, even in volatile conditions. Building adaptation or resilience risk management into broader operational risk management programs and continuity assessments may also help reduce business risks linked to extreme weather events.

5. Regulatory risks

Governments globally, including in Australia, are tightening emissions regulations. Companies that fail to act now risk costly compliance adjustments later. Mid-tier business leaders that adopt climate solutions can stay ahead of regulatory changes, avoid penalties and costly legal action, and benefit from government incentives. There are also first-mover opportunities for mid-tier companies that pilot solutions to help test regulation so that it is implemented in practical and fairer ways.

“

The risk of inaction is so much greater than the risk of action.

”

Hudson Worsley, Chair, Materials
& Embodied Carbon Leaders' Alliance



Key messages: Climate solutions mitigate business risk

1

Climate risk is business risk.
From regulatory changes to supply chain disruptions and rising energy costs, climate-related risks are already affecting mid-tier businesses. Those that fail to embrace climate solutions face financial and operational vulnerabilities

2

Companies that invest in climate solutions protect their reputations and reduce their potential exposure to climate-related legal action, compliance penalties and higher costs. They are seen as effective leaders in a time of change

3

Climate solutions are a pathway to reduced business risk which provides cost savings, stronger customer and investor relationships, and long-term business resilience. Businesses that act now will lead in a low-carbon economy



“
The evolving regulatory landscape,
including any potential changes
to the safeguard mechanism and
other climate-related policies,
presents ongoing legal risks that
businesses need to navigate.

”

Tim Reed, former President, Business Council of
Australia and Co-Managing Director, Potentia Capital

Economic benefit 3: Climate solutions protect market access

As corporate climate regulations become mandatory and policy changes from overseas governments to reduce emissions increase, mid-tier businesses in Australia must take climate solutions seriously to protect their access to domestic and export markets.

In Australia, large entities are now subject to mandatory climate disclosures, and this will include reporting on their Scope 3 emissions from the suppliers in their value chain from 2026.¹⁵

The onus for providing this Scope 3 data will fall on the mid-tier businesses in the supply chains of large companies. Mid-tier businesses with lower emissions will be prioritised in the supply chains of large companies, while those with higher emissions will be pressured to reduce their emissions to stay as a preferred supplier.

Mid-tier entities with consolidated revenue of \$200 million will also be subject to mandatory reporting from July 2026, while mandatory reporting will be expanded to entities with consolidated revenue of \$50 million or more from July 2027.¹⁶

Global regulatory standards—like those developed by the International Sustainability Standards Board¹⁷ and the associated Taskforce on Climate-related Financial Disclosures—along with the increased adoption of national sustainability reporting standards¹⁸ make climate solutions vital for Australian mid-tier businesses who rely on exports.

The need for mid-tier businesses to reduce GHG emissions is also becoming increasingly important for access to countries that price carbon, as many of these countries are starting to introduce GHG-emissions-based trade policies. These include the European Union's Carbon Border Adjustment Mechanism (CBAM) and Singapore's planned carbon tax that penalise high-carbon context exports.¹⁹

Proactively adopting climate strategies now will position mid-tier businesses to meet regulatory changes, enhance supply chain resilience, and secure a competitive advantage in a global low-carbon economy.

Expansion of regulation into areas like nature and biodiversity is also expected to be introduced in the future. The EU Deforestation Regulation, for example, will commence in December 2025 and requires companies to conduct due diligence on their supply chains to verify that commodities like wood, cattle and soy are not linked to land that has been subject to deforestation or forest degradation since December 2020.²⁰

Leaders who seek to understand these emerging requirements, or get involved in helping regulators develop and test potential changes, can catalyse market-based solutions like carbon trading, and sustainable finance solutions like sustainability-linked loans, and maintain access to international markets.

“
Scope 3 emissions are becoming an increasingly important focus for large businesses, who are now looking at their suppliers' climate performance as part of their procurement processes. This is creating a ripple effect down the supply chain, putting pressure on mid-tier suppliers to address their own emissions.
 ”

Kristy Graham, CEO, Australian Sustainable Finance Institute

Key messages: Climate solutions protect market access

1

Implementing climate solutions across your value chain ensures compliance, makes your business more attractive to customers, and increases your chances of winning government and corporate contracts

2

Support for climate solutions is no longer optional; it is a strategic move that will safeguard your market position and secure long-term access to large customers in Australia and overseas

3

Reporting and regulatory compliance will quickly become a market requirement. Failure to act could jeopardise access to key markets



“

Supply chain considerations are increasingly important. As larger companies focus on reducing their Scope 3 emissions, mid-tier suppliers may need to adapt their operations to remain competitive. This could involve initial costs but may be necessary for long-term business viability.

”

Andrew Petersen, CEO, Business Council
for Sustainable Development Australia

Economic benefit 4: Climate solutions secure funding and investment

Billions of dollars in global capital is targeting investment in green, transition-aligned businesses. Investors are also changing their lending criteria to require businesses to have realistic, measurable transition plans. This means that companies with innovative approaches to climate solutions and genuine emissions plans have improved access to finance and capital over those without a demonstrated commitment to climate solutions.²¹

The reason for this shift in capital is because climate solutions are increasingly linked to the financial performance of companies, with investors and regulators viewing climate risk as financial risk. The opportunity for increased returns that investments in climate solutions, and in companies that support climate solutions, is also driving this change.

A majority of investors (61%) globally, including superannuation and pension funds, insurance companies and banks, now have climate solutions as a central or significant component of their investment policies.^{22, 23} Over two-thirds of investors globally also said that they would increase their level of investment in, or recommendation of, companies that successfully manage sustainability issues that are relevant to the business's performance and prospects, according to a recent survey.²⁴

Building climate solutions into a business can also provide access to federal and state government grants and funding.

In Australia, the 'Big Four' banks and other financial institutions are following suit and are members of the Net Zero Banking Alliance. This means they are committed to transitioning their lending and investment portfolios to align with net zero emissions by 2050.²⁵ These institutions actively work with their customers to help them build climate solutions into their businesses and climate plans, and progress against climate targets is becoming a key factor in their business lending decisions.

While some institutions have withdrawn from this alliance, largely due to pressures in some international jurisdictions like the US, Australia's business lenders remain committed to net zero and continue to expect clients with material climate risks to be progressing their transition plans.

Companies that are willing to work with their investors to implement effective climate solutions can access cheaper finance through sustainability-linked financial products, which provide lower financing rates for companies that meet key sustainability goals. Companies that don't comply may soon see their ability to access business loans become restricted.

“

Access to finance is becoming an increasingly important factor for mid-tier businesses in their climate transition. While not an immediate concern for many, it will likely become more pressing as, amongst other changes, mandatory reporting requirements expand.

”

Tim Reed, former President, Business Council of Australia and Co-Managing Director, Potentia Capital

Key messages: Climate solutions secure funding and investment

1

Companies that support climate solutions and have established emissions reductions plans can reduce their cost of financing and save money

2

Mid-tier businesses that want to reduce their borrowing costs and grow new sources of investment need to invest in climate solutions

3

Climate solutions are smart business. Companies without genuine emissions plans will see their access to finance start to become restricted



“

Climate solutions provide a whole competitive advantage to finance and investment, because you get others in the industry coming to you and seeking out those opportunities because it is a business that they really want to partner with. You can access grant funding, Australian Renewable Energy Agency (ARENA) funding, it's almost self-perpetuating.

”

Penny Barker, General Manager, Sustainability, Stockland

Economic benefit 5: Climate solutions grow corporate competitive advantage

Climate solutions are proven to provide companies with numerous advantages over their competitors. Studies have shown that climate solutions may increase shareholder returns, underpin greater investor confidence and have positive effects on reputation, innovation, risk management and market performance.^{26 27}

The net zero transition is driving a wave of business innovations that connect to digital and AI-related transformations. It is critical for businesses to keep abreast of these interconnected waves of change that will deliver significant productivity gains over time.

Indeed, research shows that companies that recognise the risks of climate change, and seek solutions to mitigate these risks, adopt innovations that drive efficiencies, encourage the development of new products and create new opportunities for mid-tier businesses in regional industries.²⁸

Climate solutions also enable businesses to adapt products and strategies to match changing consumer and customer preferences. Almost all Australian consumers (97%) are likely or very likely to engage in a sustainable retail practice according to a 2024 national survey, and climate solutions allow mid-tier businesses to use that sentiment to drive product development and growth.²⁹

Hiring and regulatory advantages are also linked to climate solutions. Mid-tier business leaders that understand and support climate solutions will likely gain a competitive advantage over their competitors that enables them to attract and retain top talent, especially among younger generations.³⁰ These businesses are also likely to have a legal and compliance advantage, as climate solutions enable companies to stay ahead of regulatory changes.

“

If you can innovate and use climate solutions to make a first mover advantage, and develop or get into a new market before it matures, you'll secure longer term contracts with your big customers because then they need and want the product.

”

Petie Walker, Executive General Manager
of Sustainability and Delivery, Stockland

Key messages: Climate solutions secure funding and investment

1

Climate solutions grow a company's competitive advantage as they drive innovation, encourage the development of new products, and create more flexible companies that are responsive to changing consumer sentiment

2

Mid-tier business leaders that demonstrate an understanding and commitment to climate solutions are more likely to attract and retain top talent

3

Climate solutions matter to the bulk of Australia's consumers and your company needs to respond to market demands



“
Not thinking about climate
solutions strategically is a
missed opportunity—and one
that could quickly turn into a
competitive disadvantage.

”
Andrew Petersen, CEO, Business Council
for Sustainable Development Australia

Economic benefit 6: Climate solutions build corporate resilience

Successful businesses use strategic change to grow their longevity and the ultimate outcome of the economic benefits that climate solutions can deliver is to create more resilient companies. This is evident from the 68% of Australian businesses that see a positive correlation between sustainability, competitiveness and profitability.³¹

Part of this correlation comes from the fact that climate solutions can reduce utility costs and improve operational efficiency, which creates lower overheads. The mitigation of climate-related risks also means business leaders spend less time worried about physical, regulatory and legal risks and more time focussed on new markets and customer satisfaction.

Sustainability, especially climate resilience, can also contribute a corporate reliability factor to business plans and financial forecasts.³² Moreover, investing in physical climate resilience—or designing climate reliance into new facilities—is much lower cost than managing the impacts of recovery from a climate-related natural disaster.³³

The increased resilience that climate solutions can deliver is also evident in other parts of a company's operations. Mid-tier businesses that demonstrate their commitment to climate solutions have stronger supply chains and are more agile, which ensures they can respond more effectively to market changes and climate shocks. Companies with a strong commitment to climate solutions also enhance their corporate relationships with customers, employees and investors.³⁴

Mid-tier business leaders that clearly understand and harness the economic benefits that climate solutions can deliver are more likely to be in business in the future.

“
Companies that effectively
manage and report on
their climate-related data
are better positioned to be
competitive and resilient.

”

Andrew Petersen, CEO, Business Council
for Sustainable Development Australia

Key messages: Climate solutions build corporate resilience

1

The economic benefits from climate solutions can help you create a more resilient, innovative company that will continue to grow across generations

2

Companies that demonstrate a commitment to climate solutions have better relationships with their customers, employees and investors

3

Business leaders that understand the economic benefits of climate solutions spend less time worrying about costs and market swings and more time focused on growth and innovation



“

Stockland increasingly views sustainability as value-creation. We have executed on initiatives like our solar partnerships and EV charging networks that demonstrate real commercial benefits as well as delivered on our sustainability targets. The shift to a value-creation mindset makes us more resilient.

”

Petie Walker, Executive General Manager
of Sustainability and Delivery, Stockland

Communicating climate solutions

The economic benefits that climate solutions can deliver to businesses are clear, but the key messages that communicate this need to be used regularly to be effective. The following communication strategies, based on the science of behavioural change, can help businesses and industry associations engage in constructive and effective conversations with their stakeholders and membership bases to grow their understanding of the economic benefits that climate solutions can deliver.³⁷

1. Draw attention to the silent majority

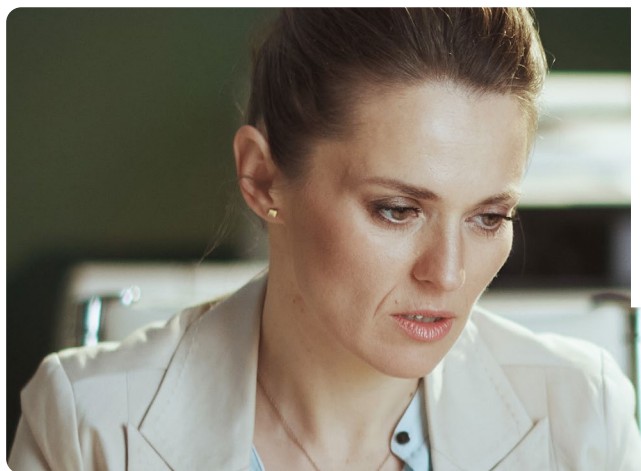
For mid-tier businesses that have a high understanding of the benefits of climate solutions, draw attention to the silent majority they belong to. This enables members to feel more confident to communicate the economic importance of climate solutions and to share their experience and knowledge.

For example, Farmers for Climate Action conducted a survey that found that despite a number of vocal groups who oppose the construction of renewable energy infrastructure in regional areas, 70% of regional Australians in renewable energy zones support the development of renewable energy projects on local farmland.³⁶ This enabled Farmers for Climate Action to highlight the silent majority in regional Australia and helped the group galvanise support among a broader base of supporters to advocate for climate change infrastructure.

2. Showcase early adopters

Among mid-tier businesses with a lower understanding of climate solutions, showcase early adopters and the business benefits they experience. Businesses often look to leading companies to guide their own strategies and the success stories of leading companies can be a valuable and reliable source of information.

This approach has been particularly important to drive change in the finance sector. Here, organisations like the International Investor Group for Climate Change (IIGCC) and the Australian Sustainable Finance Institute (ASFI) continue to use success stories from their membership bases in case studies, roundtable discussions and events to educate slower-moving finance sector organisations on how to adopt climate solutions to reduce risk and deliver better financial outcomes.³⁷



3. Provide face-to-face information

Lack of awareness can be a key barrier to support, so aim to provide face-to face or targeted information to mid-tier businesses whose knowledge and understanding is low. Factual information from trusted experts can also help business leaders make informed decisions.

The Australian Institute of Company Directors (AICD) has a Climate Governance Initiative³⁸ and regularly runs seminars, workshops and large events that help its members grow their understanding of the economic benefits from climate solutions. These regularly include talks from outside experts who provide advice to AICD members on how to effectively implement climate solutions in their own businesses.

4. Support existing values

Confronting people with information that threatens their values and behaviours can cause them to disengage. To counter this, industry associations and business leaders from larger organisations should aim to create a narrative that supports existing values.

This has been a key pillar of the approach that the Climate Council has adopted in its communication strategies to grow broad community support for climate solutions.³⁹ Rather than focus on the costs and harms of inaction, it has found that business leaders are more likely to respond positively to climate messages that emphasise opportunities and the benefits to their business from taking action. To deliver these messages, it has developed a large group of trusted and diverse messengers across Australia who use this values-based approach to influence and persuade key audiences via their Climate Media Centre (CMC) program.

5. Focus on return on investment

Shift the focus of discussions from upfront costs to long-term return on investment. No business wants to lose money, and framing something as an avoided loss, or focusing on the long-term financial benefits rather than up-front costs, may make a message have more impact.

Certified Management Accountants Australia and New Zealand (CMA) have effectively used this strategy to help accountants understand the risks of climate inaction. In research that outlines the potential costs to business processes, infrastructure and agriculture from climate inaction, CMA says that “by calculating the cost of inaction, the positive economic case for climate action becomes evident”.⁴⁰

The time to act is now. We encourage large business leaders and industry associations to harness these strategies to engage, connect, advocate and communicate with mid-tier business leaders and stakeholders about the economic benefits of climate solutions, and improve the resilience of their own corporate sectors.

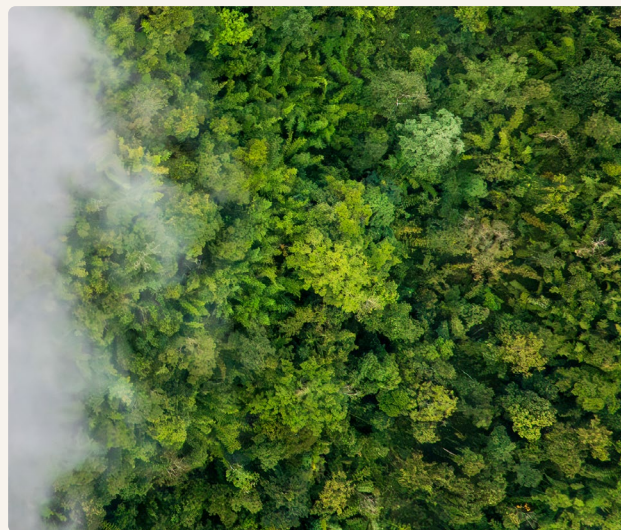
Communication principles



Where can mid-tier businesses get help?

Mid-tier businesses looking for help and advice to adopt climate solutions are not alone. Many sectors of the Australian economy, including government, industry bodies and climate organisations, are working to develop effective tools to support mid-tier business customers to manage their transition.

Depending on their industry and structure, mid-tier businesses have many avenues they can explore to find assistance on climate solutions. These are just a few of the organisations that offer practical support and expert guidance to help mid-tier businesses in Australia implement climate initiatives that deliver measurable business benefits. Companies are encouraged to research sector-specific assistance that best suits their organisation.



Industry agnostic

B Lab is a global, nonprofit network behind the global B Corporation (B Corp) movement, which is a community of businesses that meet high standards of social and environmental performance, transparency, and accountability.

B Lab develops standards, policies, tools, and programs to support companies of all sizes to better manage and measure their impact, and work towards an economy that prioritises people and planet, alongside profit.

Through the support of B Lab Australia and Aotearoa New Zealand, nearly 750 organisations in Australia and New Zealand, including retailers, mid-tier banks, waste managers and a corporate massage company, are Certified B Corps.

Agriculture



Mid-tier **agricultural enterprises** can find support from industry associations and the Department of Agriculture across most areas of production. Meat and Livestock Australia, for example, funds numerous research and development and education programs that supports farmers to adopt climate solutions and reduce their emissions, including the Carbon Neutral by 2030 (CN30) Roadmap initiative.⁴² GrainCorp Next helps growers and supply chain partners across the grains industry to adopt climate solutions and reduce GHG emissions through research, education programs and funding support.⁴³ Dairy Australia has developed the Australian Dairy Carbon Calculator to support famers to improve production efficiencies, reduce GHG emissions and increase profitability.⁴⁴

Infrastructure and the built environment



In the **built environment**, the federal and state governments' Nationwide House Energy Rating Scheme (NATHERS)⁴⁵ and National Australian Built Environment Rating System (NABERS),⁴⁶ and the Green Building Council of Australia's GreenStar rating system have been developed industry and government collaborations to support homes and companies to adopt improved energy efficiency.

In **infrastructure**, the Infrastructure Sustainability Council has developed an IS Rating Scheme for companies involved in owning, managing and developing infrastructure to guide better climate and sustainability decisions and performance.⁴⁷

Construction



Partnerships and solutions are available to help the **construction industry**. The Materials and Embodies Carbon Leaders' Alliance provides free resources and advice to organisations to reduce embodied carbon in the building and construction industry.⁴⁸ New technologies are also emerging to help with product choice including the Global GreenTag rating system for construction products⁴⁹ and the Rebuilt⁵⁰ platform, which helps manufacturers, architects and builders access environmental data so they can make informed material choices.

Accounting



Accounting bodies and universities are training **accountants** so that they are better able to support mid-tier businesses. Chartered Accountants of Australia and New Zealand (CAANZ), for example, have a strong sustainability program that provides finance leaders in mid-tier businesses with advice and information designed to assist companies to incorporate climate solutions into an organisation's strategy, operations, reporting and assurance functions.⁵¹

The path to climate solutions can be complex, but it does not need to be navigated alone. Advice and access to the right tools and incentives can make climate solutions a strategic asset that can enhance efficiency, reduce operational costs and strengthen long-term competitiveness. We encourage mid-sized enterprises to engage with trusted experts who understand the unique challenges and opportunities within their sector.

Conclusion

Australian businesses stand at a crossroads: they can seize the opportunities presented by climate solutions or risk obsolescence in industries reshaped by global decarbonisation. Forward-thinking organisations are already leveraging climate solutions to drive efficiency gains, secure preferential financing and win contracts that demand proven sustainability credentials.

This presents a unique opportunity for business leaders to step up and use this messaging playbook to persuasively communicate the economic case for sustainability to mid-tier businesses.

By leveraging hard facts, industry insights and proven messaging strategies, large businesses and industry associations can help their stakeholders see that investing in climate solutions isn't just about ethics—it's a smart financial decision.

Embedding business facts and real-world examples into everyday conversations about climate solutions will shift mindsets and drive action. When mid-tier business leaders recognise the long-term competitive advantages of climate solutions, they won't just survive this transition, they'll emerge stronger. As more businesses make this shift, entire industries will gain resilience, profitability and a competitive edge in the global economy.



**The economics
is clear—climate
solutions build
stronger businesses.
It's time to turn
economic arguments
into real business
outcomes.**

Additional resources

Understanding the benefits of climate solutions is crucial for mid-tier Australian businesses to thrive in a net zero economy. This list of additional resources provides some of the tools, support and funding that may be applicable to mid-tier businesses on their climate journeys. This is the tip of the iceberg of climate solution resources that are available in Australia and globally. Many more can be found through additional research looking at tools and information for climate solutions.

1. Government resources

- **Department of Climate Change, Energy, the Environment and Water (DCCEEW):** Explore Australia's climate change strategies, including the Net Zero 2050 plan, Powering Australia initiatives, emissions reduction incentives, regulatory frameworks and emissions reductions tools. [dcceew.gov.au](https://www.dcceew.gov.au)
- **Energy.gov:** Information on grants, funding and government programs to help businesses improve their energy efficiency. <https://www.energy.gov.au/business/business-support-and-advice>

2. Research and advisory organisations

- **CSIRO – Natural Environments:** Gain insights into the role of the atmosphere in the Earth system and access rigorous science to help your business understand and respond to climate change. [csiro.au](https://www.csiro.au)
- **Climate Council:** Engage with a leading independent organisation providing climate change information, resources, and initiatives to inspire public engagement and enable businesses to enact change. climatecouncil.org.au
- **Australian Climate Service:** Understand the threats posed by a changing climate and natural hazards to better prepare your business for future challenges. [acs.gov.au](https://www.acs.gov.au)
- **Cambridge Institute for Sustainability Leadership:** A Cambridge University lead initiative that provides practical climate solutions tools and guidance for businesses, finance sector organisations and policy makers. <https://www.cisl.cam.ac.uk/foresight/sustainability-tools-and-guidance>

3. Business-focused resources

- **ACCA – How SMEs can create a more sustainable world:**

This Australian playbook, targeted to accountants and finance professionals in small and medium sized enterprises, sets out practical steps for embedding sustainable practices within organisations, provides case studies from across the world and links to a variety of tools and resources.

<https://www.charteredaccountantsanz.com/news-and-analysis/insights/research-and-insights/action-by-smes-is-key-to-a-more-sustainable-world>

- **Better Futures Australia – Resource Hub:** Provides guidance documents, workshops, webinars and online forums to help businesses understand emissions and identify actions to reduce them. betterfutures.org.au

- **Business Council for Sustainable Development:** This CEO-led organisation provides information on recognised business frameworks, along with the leadership and experience of its member-base, to create momentum and collaboration that drives climate transformation. <https://www.bcsda.org.au/about-us>

- **Climate Governance Initiative Australia:** The Australian Institute of Company Director's provides tools and resources for companies to help them understand and apply climate solutions to their organisations: <https://www.aicd.com.au/tools-and-resources/climate-change.html>

- **SME Climate Hub:** This global website has a wealth of information and advice to help small and medium businesses understand why climate solutions are important, and tools and resources that help them apply climate solutions to their companies. <https://smeclimatehub.org/>

- **Carbon Trust:** A global organisation that partners with businesses and financial institutions to accelerate their net zero journeys: <https://www.carbontrust.com/>

- **Climate Action Australia – Organisations Taking Action:** Learn from organisations committed to reducing carbon emissions and find inspiration for your business to implement effective climate solutions. climateactionaustralia.net.au

- **Climate Action Network Australia:** A member-based organisation that helps its members to connect and learn through regular conferences, issue-specific working groups and online communication platforms. <https://www.cana.net.au/>

- **UN Global Compact Network Australia:** This Australian, business-led branch of the world's largest corporate sustainability initiative supports companies to do business responsibly and take strategic action to advance societal goals, including on climate change. <https://unglobalcompact.org.au/>

- **Investor Group on Climate change:** Australian and New Zealand investor groups that advocates for investor awareness and understanding of the importance of sustainable finance and the funding of climate solutions. <https://igcc.org.au/>

- **Beyond Zero Emissions:** Research and initiatives that demonstrate viable pathways for various sectors of the Australian economy to transition to renewable resources. Includes extensive information on public policy guidelines and economic benefits. <https://www.bze.org.au/>

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Organisations

Australian Alliance for Energy Productivity

Australian Climate Leaders' Coalition

B Corp

Beyond Zero Emissions

BIT Australia

Chartered Accountants Australia & New Zealand

Cement Concrete & Aggregates Australia

Cement Industry Federation

Climateworks

CSIRO

Engineers Australia

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Grattan Institute

Infrastructure Sustainability Council

Pollination

Telstra

UN Global Compact Network Australia

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