

COLLECTIVE CLIMATE ACTION IN DAIRY SUPPLY CHAINS: THE CASE FOR INSETTING

In a nutshell

Insetting is an innovative approach for joint climate action in supply chains. South Pole Group enables large consumer and retail brands to achieve their climate targets by working with their suppliers to implement effective mitigation activities.

Dairy production has a significant environmental impact and industry initiatives, such as the Dairy Sustainability Framework, call for increased sustainability action. In an effort to curb greenhouse gas emissions and strengthen their brand images, leading companies such as Friesland Campina, Arla Foods and Nestlé have set ambitious climate targets.

Possible insetting types related to dairy:



Low Carbon Farming (LCF)



Energy Efficiency/Generation (EF/EG)



Sustainable Forest Management (SFM)



Household Project

What is insetting?

Insetting provides an efficient framework to implement, monitor and finance multistakeholder climate action in the supply chain. By adopting insetting, consumer and retail brands can join forces with their suppliers to compensate for downstream carbon emissions and reach their climate targets. Insetting incentivises suppliers to take action, as funds are awarded to those who have achieved the required emission reduction targets. All emission reductions are monitored according to internationally recognised standards.

How does it work?

South Pole Group can support brands and their suppliers with designing and implementing insetting projects by:

- Identifying and assessing potential interventions/solutions
- Developing (pilot) projects
- Setting up monitoring, accounting and certification approaches to quantify the carbon benefits
- Designing and managing financial mechanisms
- Moderating engagement and pre-competitive collaboration in supply chains
- Engaging third party funders and supporters

Join webinar with supply chain experts!

Register for our webinar *Collective Climate Action in Dairy Supply Chains: The Case for Insetting* on 25 April at 4 pm - 5 pm CET by sending an email to events@thesouthpolegroup.com

Join forces with a pioneer in insetting

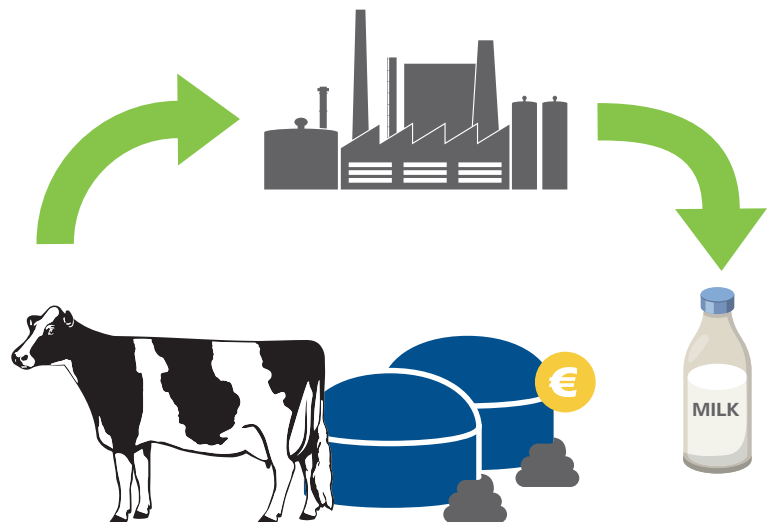
South Pole Group has worked with leading brands, retailers, cooperatives and technology providers to find insetting opportunities. We have extensive knowledge of developing the right tools to assess and pilot solutions, as well successfully managing insetting activities.

Case example: Reducing emissions on a dairy farm through biogas production

A global chocolate brand is seeking to lower emissions in its supply chain. However, the company does not have the knowledge or resources in-house to develop a project. In order to identify possible emission reduction projects, the company teams up with South Pole Group's supply chain experts. South Pole Group's analysis reveals that there is a significant amount of dairy farms in the supply chain with untapped biogas potential. The biogas can be produced by utilising manure from the dairy cows. This would enable the chocolate brand to reduce GHG emissions in its supply chain, achieve its climate targets and position itself as a leading climate-friendly brand. South Pole Group supports the brand and dairy farmers with monitoring the GHG emission reduction, identifying the most optimal financing approach and managing a long-term multistakeholder partnership.

How can consumer brands, retailers and suppliers benefit from insetting?

- **Collective climate action for a sustainable society:** Opportunity to build long-term partnerships to reduce climate impact. This can include, collaborations with public sector actors, research institutes or solution providers. Impactful projects contribute to proven GHG emission reductions and also create additional benefits in soil, water, biodiversity, farmer income, education and animal welfare.
- **A win-win solution:** Consumer brands and retailers reach their targets, secure supplies and strengthen their brand images, whilst suppliers are compensated fairly through, for example, a carbon price or a premium price for climate-friendly milk and have increased opportunities for business transformation.
- **Results with true impact:** Internationally recognized standards are applied to verify results. Monitoring tools can help to efficiently collect data at farm-level and track progress.



Global team

We are a truly global provider of sustainability solutions and services. Our team is made up of over 150 skilled and enthusiastic professionals from over 20 different countries, based in offices spanning 6 continents.



Regional office



Headquarters



Representations



Climate impact/renewable energy projects