south pole

YOUR JOURNEY TO NET ZERO STARTS HERE

Let’s take your next step towards Climate Leadership, together

Net Zero: from urgency to necessity

Having no net emissions in the atmosphere by 2050 is scientifically heralded as essential to put us on track for a sustainable world with thriving ecosystems, healthy people, and prosperous economies.

Since the publication of the special report by the Intergovernmental Panel on Climate Change (IPCC), limiting global warming to 1.5 degrees celsius and achieving "Net Zero" has become synonymous with real and ambitious action on climate change – the ultimate goal for a greener future. We need substantial transformation within the next decade to prevent irreversible damage from climate change.

There is a great deal at stake for everyone: negative impacts on our planet and people will continue well before we hit 1.5 degrees. Today, physical climate risks can be quantified - they are not in some far-off future - and they are tangible enough to drive business decisions. Meanwhile, if we succeed in this collective climate endeavor, we can reach the goals of the Paris Climate Agreement and share the benefits of a global low-carbon transition.

The risks and the opportunities linked to Net Zero explain why the term has become so popular among those taking action on climate change, from countries to companies.

Getting to Zero: what's in it for you?

The business benefits of pursuing a Net Zero strategy are many:

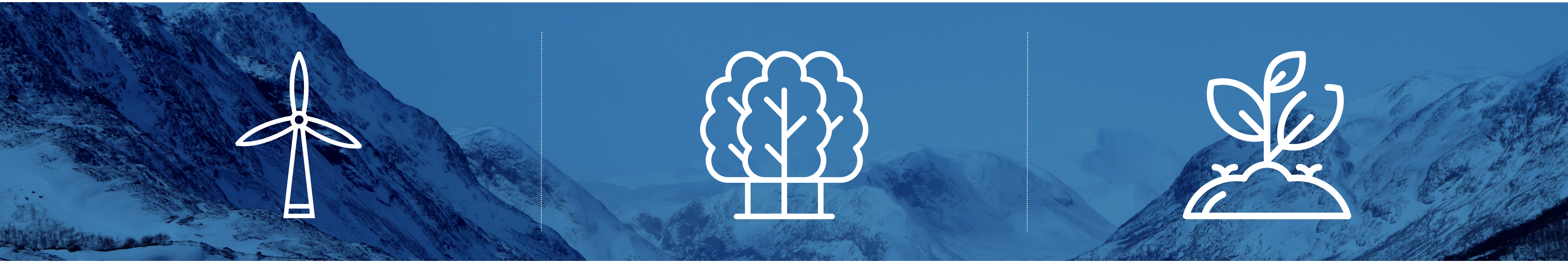
- Guided by science, companies can align with the global climate policy agenda.
- Companies can use Net Zero as a pathway to safeguard their reputation, accelerate innovation and competitive advantage.
- Lastly, forward-looking companies know that delaying action on emission reductions will be costly, as the cost of tackling climate change increases with every year of delay.

The first movers to pursue corporate Net Zero targets will be the leaders and advocates for changing the way we do better business. This will also hedge against the risk of ever-tightening government policies and investor scrutiny, and create business opportunities in zero emission solutions.

True leadership is also acknowledging that the challenge we share is global – and we do not want to leave anyone behind. We must support climate action across and beyond direct value chains, with a particular focus on developing and emerging economies where the problem of rapidly growing emissions is exacerbated by limited or no access to climate finance.

Net Zero in a nutshell: reducing, avoiding and removing emissions

To achieve Net Zero on a global level, we have to attack the problem from two ends: dramatically decrease emissions while ramping up carbon sinks. Companies can support this goal in three ways: by reducing, avoiding and removing emissions.



Reduce

Drastically reduce your own emissions

Corporate emission reduction goals should be ambitious, long-term and ideally aligned with the principles defined by the Science-Based Targets Initiative. Reductions can be achieved by improving energy and resource efficiency, switching to renewable energy, designing targeted supply chain interventions, and by developing new innovations in product or service delivery models.

Avoid

Finance emission avoidance activities outside your own operational boundaries to accelerate global decarbonisation

Avoiding emissions can mean financing mitigation activities in places that urgently require financial and technological support, and that contribute to sustainable development. This includes protecting vital rainforests from deforestation and building the necessary infrastructure for low-carbon economies. In addition to financial contributions, companies are increasingly expected to develop products and services that help others to avoid emissions.

Remove

Invest in carbon sinks, be it nature-based or technology-based solutions

Carbon sinks represent our only chance to balance any unavoidable emissions and reach Net Zero by 2050. Various studies show the critical importance, but also the potential limits, of nature-based solutions like planting trees. Hence, a combination of nature-based and technology-based solutions, such as carbon capture and storage, will be required. Technology-based solutions are still limited and costly. Investments today will help to reduce costs and scale up these necessary removal technologies by mid century.

Your Net Zero checklist

Reductions

1. Calculate your footprint across Scopes 1, 2 & 3 and all main greenhouse gas emissions (GHGs)
2. Use established GHG footprint standards
3. Disclose your footprint
4. Set reduction targets, ideally in line with the Science Based Target initiative
5. Complement long-term Net Zero targets with short-term targets
6. Implement reduction measures, and invest in renewable energy and resilient supply chains
7. Follow through on reduction commitments and assess your performance periodically

Relevant tools & platforms

Avoidance

1. Balance your annual carbon footprint with avoided emissions outside your organisational boundaries
2. Use high quality carbon credits to dial up global climate action and sustainable development
3. Assess your carbon handprint (the avoided emissions from your products and services
4. Report avoided emissions separately

Relevant tools & platforms

Removals

1. Build on IPCC models to determine the level of removals required at any point in time
2. Balance your residual emissions with carbon removals wherever feasible
3. Invest into removal technologies to reach your long-term net zero target
4. Use high-quality carbon credits to quantify removals and address permanence risks for example
5. Report carbon removals separately

The main project categories include:

Nature-based removals:

- reforestation/regeneration
- soil carbon sequestration

Technology-based removals:

- Direct Air Capture & Storage (DACS)
- Bioenergy Carbon Capture & Storage (BECCS)
- Carbon Capture Utilisation & Storage (CCUS) with biogenic CO2 sources

Relevant tools & platforms

No one-size fits all: Net Zero is a process

A Net Zero strategy should not be viewed as an additional requirement but rather as a process – one that is unique to each company. Working towards Net Zero should help companies unify ongoing efforts under a single initiative and reevaluate the ambition of existing targets.

What is important in South Pole's view is that Net Zero targets are transparent and ambitious, anchored in science, and support the sustainable development agenda.

The journey does not end at Zero

Ambition will be key, as Net Zero is only an interim target for 2050. The year 2050 represents the average period by which we must reach no net emissions, based on a wide range of scenarios by the IPCC. After getting to Net Zero, we must become 'climate positive' and absorb more emissions than we emit.

But a Net Zero goal by 2050 will only be possible if every single country, city, company, investor and individual aligns with this vision – [which is currently not the case.] Those who are truly concerned about climate change and want to show leadership, climate targets must be even more ambitious than reaching Net Zero by 2050.

Getting started: Framing a corporate Net Zero strategy

1. Choose a credible Net Zero definition
2. Articulate your Net Zero target clearly
3. Choose robust instruments
4. Reduce emissions now!

South Pole's Five Principles for a credible Net Zero strategy

Targets must be

1. science-based
2. transparent & ambitious
3. resource efficient
4. collaborative
5. supportive of SDG agenda

We are your partner along every step of the Climate Journey

Measure Footprint & Risks

Set Roadmap & Targets

Reduce Footprint

Finance Climate Action

Communicate & Lead

We help you along every step of your Climate Journey and provide tailored solutions to reduce, avoid and remove emissions. We empower frontrunners to take results-based climate action, today.

Get in touch with us to take the next step on your Climate Journey, together.

Visit www.southpole.com/contacts to find your local office or call our Headquarters in Zurich on +41 43 501 35 50

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