What does **Net Zero** mean?

Nature & Co of Climate Change

The UN's Intergovernmental Panel on Climate Change (IPCC) 2021 report shows that greenhouse gas (GHG) emissions from human activities are responsible for approx. 1.1°C of global warming since approx. 1850 to 1900.

It estimates that averaged **over the next 20 years**, global temperature is expected to reach or exceed **1.5°C of warming.**

Impacts of *climate change*

What cause **global warming?**

- Burning fossil fuels: power plants transportation, oil drilling
- Deforestation
- Excessive industrial agriculture
- Fertilizers
- Natural Gas drilling
- Tracing methane

The journey to net zero

Net-zero emissions are reached when human-caused emissions are balanced by human-caused removals over a specified period.

- **1992: Earth Summit**
  Rio de Janeiro, Brazil
  Brought together political leaders, scientists, and civil society. Mediators focus for the first time on the impact of the world's socio-economic activities on the environment.
- **1997: Kyoto Protocol**
  Kyoto, Japan
  Its goal is to operationalize the United Nations Framework Convention on Climate Change (UNFCCC).
- **2015: The Paris Agreement.**
  A historic, legally binding international treaty on climate change - was adopted at COP21 in Paris.
- **IPCC Special Report 2018:**
  Global warming should be limited to 1.5°C above pre-industrial levels to "net zero" by 2050 to keep global temperature rise to 1.5°C and pre-industrial levels.
- **The conclusion:**
  By 2050, the global economy must reach net-zero carbon emissions to limit the rise of climate from climate pollutants (e.g. methane).

The world must:

Ensure net-zero carbon emissions by 2050 (Scope 1,2, and 3 and should include all GHGs. By no later than 2050.

What is Scope 1,2, & 3?

SCOPE 1

Direct emissions from owned or controlled sources. (e.g. emissions from combustion in owned or controlled boilers, furnaces, vehicles etc.)

SCOPE 2

Indirect emissions from the generation of purchased electricity, steam, heating and cooling. (e.g. emissions from facilities where the electricity is purchased but not owned.)

SCOPE 3

All other indirect emissions that occur upstream and downstream in a company's value chain - from the goods it purchases to the disposal of products it sell.

Net zero goals commit companies to:

Decarbonise their own footprint
Business transformations that will build a net zero value chain.

What decarbonising looks like:

Decarbonising a company's own GHG footprint (as Scopes 1 & 2 reductions) can be broken **organizationally** into **three core operations functions.** Building net zero will require **power** changes in all three functions. Each function's specific tasks will choose lower carbon suppliers, products, and services.

Finance departments will be responsible for capital investments and the replacement of capital.

*Sustainability departments will coordinate employees, and communications functions will **inform and inspire them to live net zero lives.***

*R&D teams will develop **lower carbon** solutions.*

*and the **company structure** will need to change to fit the structures befitting its efforts.*

What is the difference between Net Zero and Carbon Neutrals?

Carbon neutrality: is achieved when no additional carbon dioxide equivalent is added to the atmosphere by an individual, business, or organization. Carbon neutrality is achieved by offsetting, or balancing, greenhouse gas emissions through offsetting, or a combination of both. It is defined by the internationally recognized PAS 2060 Standard.

Net Zero is considered the benchmark for decarbonization. Net zero targets must be aligned to the Paris Agreement goal of limiting global warming to 1.5°C. Net zero is a long-term goal that encompasses the comparable pre-2050 target, the interim target, and the near-term target, including interim emissions through offsetting, or a combination of both. It is defined by the internationally recognized PAS 2060 Standard.

What are Science Based Targets?

Science-based targets show companies how much and how rapidly they need to reduce their GHG emissions to prevent the worst effects of climate change.

Science Based Targets Initiative (SBTi) is the partner of the Business Ambition for 1.5°C campaign, a global coalition of UN agencies, business, and industry leaders mobilizing companies to set net zero emissions reduction targets in line with 1.5°C.

Nature &Co has been a signatory of Business Ambition for 1.5°C since 2019.

What the **SBTi** does:

- Defines and promotes best practice in **emissions reductions** that will climate science.
- Provides **technical assistance and expert resources** to companies setting ambitious climate change mitigation targets in line with the latest climate science.
- Provides companies with **independent assessment and validation** of targets.

To date nearly **1,000 companies worldwide** - Nature & Co included - are leading the transition to net zero economy by setting **emissions reductions grounded in climate science** through the SBTi.

What **Nature & Co** doing to become **net zero**?

How will we get there?

Work, Society, The Biosphere, Climate and Nature are the five pillars of our sustainability strategy. Our ambitious plan to achieve net zero is underpinned by partnership with the Carbon Trust.

Net zero is a key component of our foundation of **Transitions to Net Zero** together with other sustainability commitments. Our Net Zero Transition Plan is based on the Carbon Trust Guide. It is tied to strategies to enable all businesses to decarbonise their supply chains.

Currently, our GHG emissions are estimated at around 2 million tons of CO2 equivalent.

We are on an initial journey with organizational footprints for scopes 1, & 2 to determine our baseline emissions. We are also working with our supply chain partners to determine our Scope 3 footprint and Carbon Footprint.

We are patrons of **UN Global Compact's Climate Ambition Accelerator.**

We will advocate for a global Agreement on Climate Change that will reduce the impacts of climate change.

To get there we will further embrace nature-based solutions to work towards a nature positive, net zero future:

By 2030 we are committed to:

- Foster collective efforts towards zero deforestation by 2025.
- Full traceability and/or traceability of our supply chains including our Amazon Basin and Cerrado to ensure no. 2025.
- 95% Renewables or greenhouse gas free by 2030. Biologic-gas Biomass.
- 100% of new formulations will be lower environmental footprint.
- We are creating new revenue streams (ingredients) that are more sustainable and attractive to communities than deforestation.

Learn More

See nature-and-co.com/sustainability-vision-2030 for more information about our Sustainability Commitment to Life 2030 sustainability vision.

See our Nature & Co website at www.nature-and-co.com

Level 6 know more about COP26 and what to expect visit ukcop26.org

Visit climatepledge.org to learn more about the role of technologies and what we can all do to help half the decarbonization it causes.

To find out more about Scopes 1,2, and 3 visit https://ghgprotocol.org/corporate-standard

1. https://www.ipcc.ch/sr15/
2. https://www.ipcc.ch/report/ar6/wg1/
3. https://www.ipcc.ch/sr15/chapter-1/
4. https://www.ipcc.ch/sr15/chapter-2/
5. https://www.ipcc.ch/sr15/chapter-3/
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