Industry to Reach Net Zero – A Commitment or a Mission?





SCALING UP THE SUSTAINABLE PALM OIL VALUE CHAIN THROUGH COLLECTIVE ACTION

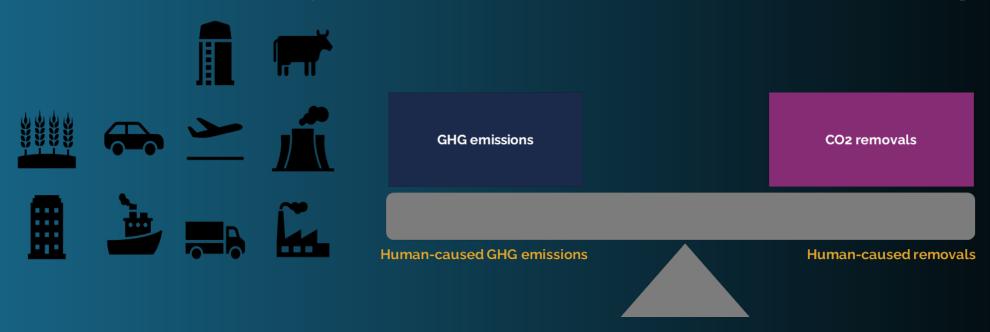






What does it mean by reaching net zero?

The *imbalance* between the amount of greenhouse gases (GHGs) released into the atmosphere by humans and the amount of carbon absorbed by natural sinks, results in a net accumulation of GHGs in the atmosphere.



To halt global warming, we need to reach a balance between anthropogenic emissions sources and removals. A state known as net-zero emissions

SBTi NET ZERO

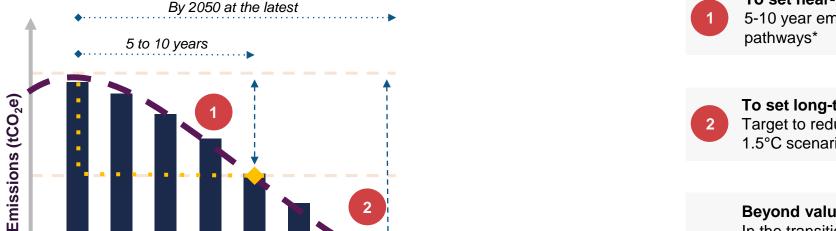
NET ZERO FRAMEWORK

*Note: it is still possible to set a near-

term SBT only, without a long-term

target





- Abatement within the value chain
- Removals
- Abatement or removals beyond a company's value chain

1.5°C-aligned

emissions

pathway

Net-zero emissions

- To set near-term science-based targets:
 5-10 year emission reduction targets in line with 1.5°C pathways*
- To set long-term science-based targets:
 Target to reduce emissions to a residual level in line with
 1.5°C scenarios by no later than 2050

Beyond value chain mitigation:

In the transition to net-zero, companies should take action to mitigate emissions beyond their value chains. For example, purchasing high-quality, jurisdictional REDD+ credits or investing in direct air capture (DAC) and geologic storage

Neutralization of residual emissions:

GHGs released into the atmosphere when the company has achieved their long-term SBT must be counterbalanced through the permanent removal and storage of carbon from the atmosphere





Recommended

SBTi UPDATE: SBTi FLAG (Forest, Land, and Agriculture)



STRUCTURE

FLAG Targets are in addition to Energy/Industry Targets.



Energy/Industry Target

- Uses existing SBTi methods
- Covers all non-land emissions



FLAG Target

- Uses new SBTi FLAG guidance
- Covers all landrelated emissions

OPTIONS

Two pathways have been defined for FLAG.



Commodity Intensity Pathway for Supply-Side Actors

11 Commodities

Beef Soy
Dairy Palm Oil
Pork Maize
Poultry Wheat
Timber Leather

Rice

