

# CBSR Corporate Members Net Zero Working Group – Frameworks & Terminology

October 29, 2021

10:30 – 12:00 pm EST



# VIRTUAL HOUSEKEEPING



**Adjust your Zoom display name to show:**  
[Your Name, Company Name]



**Encouraged to switch on video & participate!**



**Chatham House Rules**  
**Take care of your needs**



**Tech questions?** Ask them in the **CHAT**

# Net Zero Working Group Participants



## Overarching Objectives

Advance corporate member adoption and implementation of net-zero ambitions

Many Corporate Members have set targets, the working group will help them advance implementation

Support needs, provide resourcing and peer input to accelerate progress

Contribute to Canada's achievement of net-zero goals

## Approach and Timelines

Present net-zero as a continuum, both for developing and implementing net-zero targets

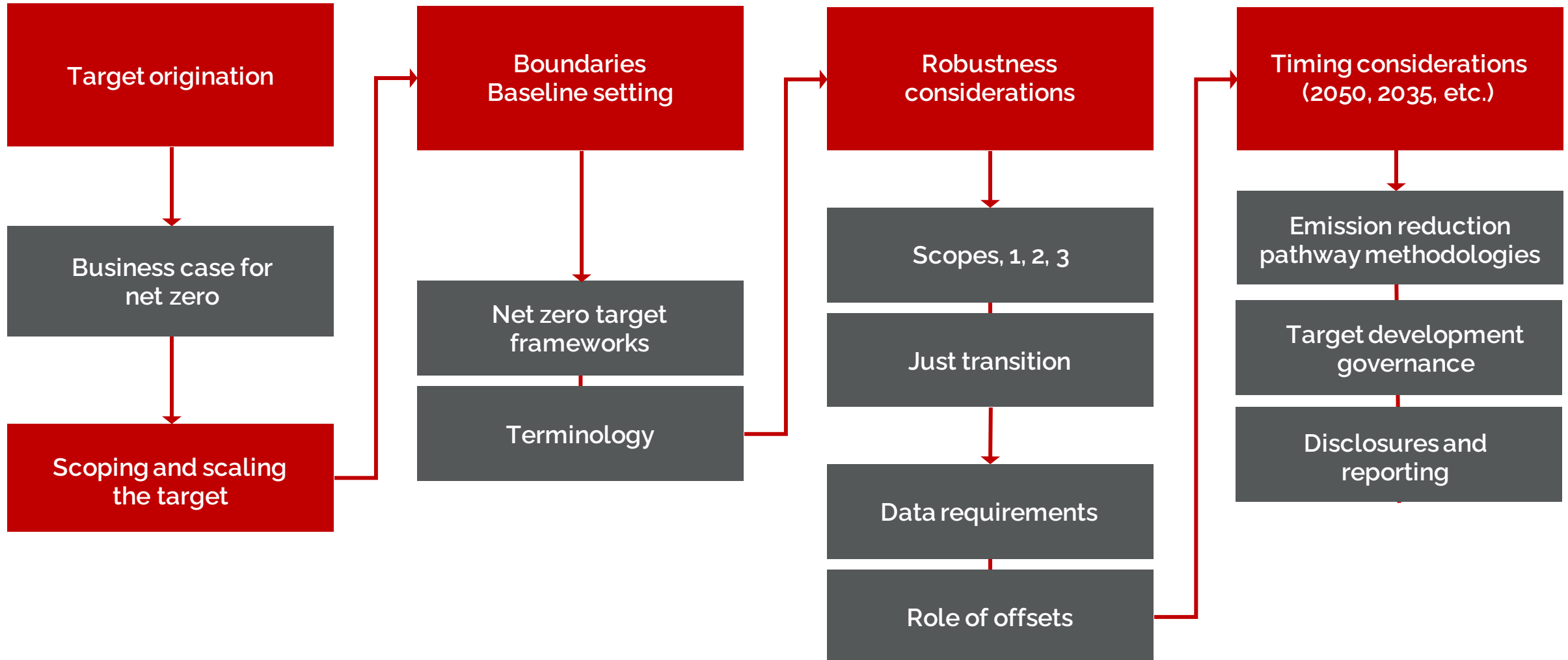
Working groups shall be **minimum 2 years** in timeframe, and the topics shall build on each other to show a growing knowledge base, ambition, and capacity



# AGENDA

Timing (EST)	Agenda Item
10:30 – 10:40 AM	<b>Introductions and Virtual housekeeping</b>
10:40 – 10:55 AM	<b>Context setting:</b> <ul style="list-style-type: none"><li>• Net Zero Frameworks &amp; Terminologies</li><li>• Developing Guidance</li></ul> <b>Group Discussion:</b> <ul style="list-style-type: none"><li>• What are some of the knowledge gaps faced by your organization in setting a net zero target?</li></ul>
10:55 – 11:10 AM	<b>Corporate Members Spotlight:</b> <ul style="list-style-type: none"><li>• Gibson Energy</li></ul>
11:10 – 11:50 AM	<b>Group Discussion:</b> <ul style="list-style-type: none"><li>• Which framework is your organization using / intends to use in setting a net zero target and why?</li><li>• What are some of the mitigation strategies recommended in these frameworks?</li><li>• If not SBTi, what other frameworks are useful references to setting a net zero target?</li></ul>
11:50 – 12:00 PM	<b>Next Steps</b>

# Continuum – Target Development Journey: CBSR Corporate Members

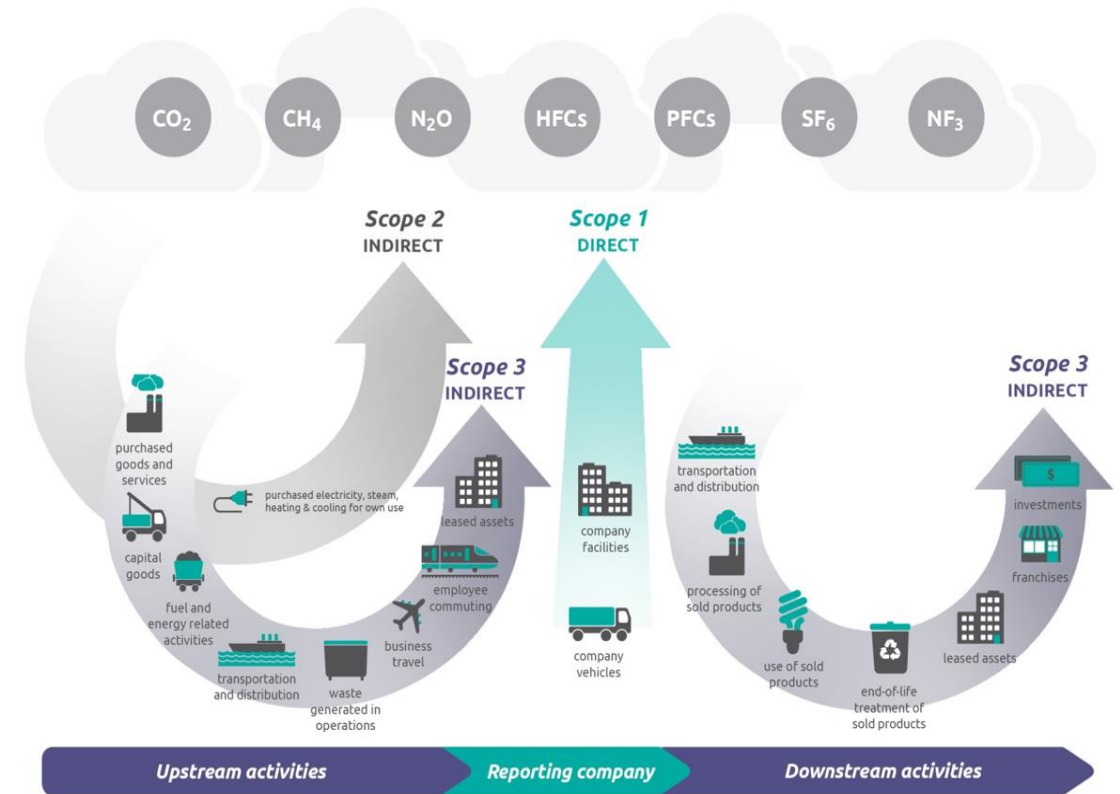




# Background: What Does Net Zero Mean for Companies?

## What is Net Zero?

- 'Net zero' is achieving a balance between emissions produced and emissions taken out of the atmosphere.
- Net-Zero emerged from The Paris Agreement, which states that “**global carbon emissions should reach net zero by mid-century (2050).**”
- A standardized definition, does not yet exist, however, it generally refers to corporate targets that are in line with global efforts to limit warming to 1.5 degrees C.
- Global efforts are underway to define net-zero, including work from the **Science Based Targets initiative, UN Convened Net Zero Asset Owners Alliance, Net Zero Asset Managers Initiative.**



Source : Greenhouse Gas Protocol: Emission Scopes Overview



- Launched the **SBTi Net-Zero Criteria** process to develop the first science-based global standard for corporate net-zero targets.
- Released a [paper](#) in 2020 outlining the **conceptual foundations for credible, science-based net zero targets** that includes a set of guiding principles, target setting approaches & mitigation strategies.
- Developed sector-specific and cross-sectoral methods for setting full-value chain net zero targets and a corresponding validation system.



## The Net-Zero Standard

**Defines the net-zero target as rapid action to halve emissions before 2030 and long-term deep emissions cuts of 90-95% before 2050**



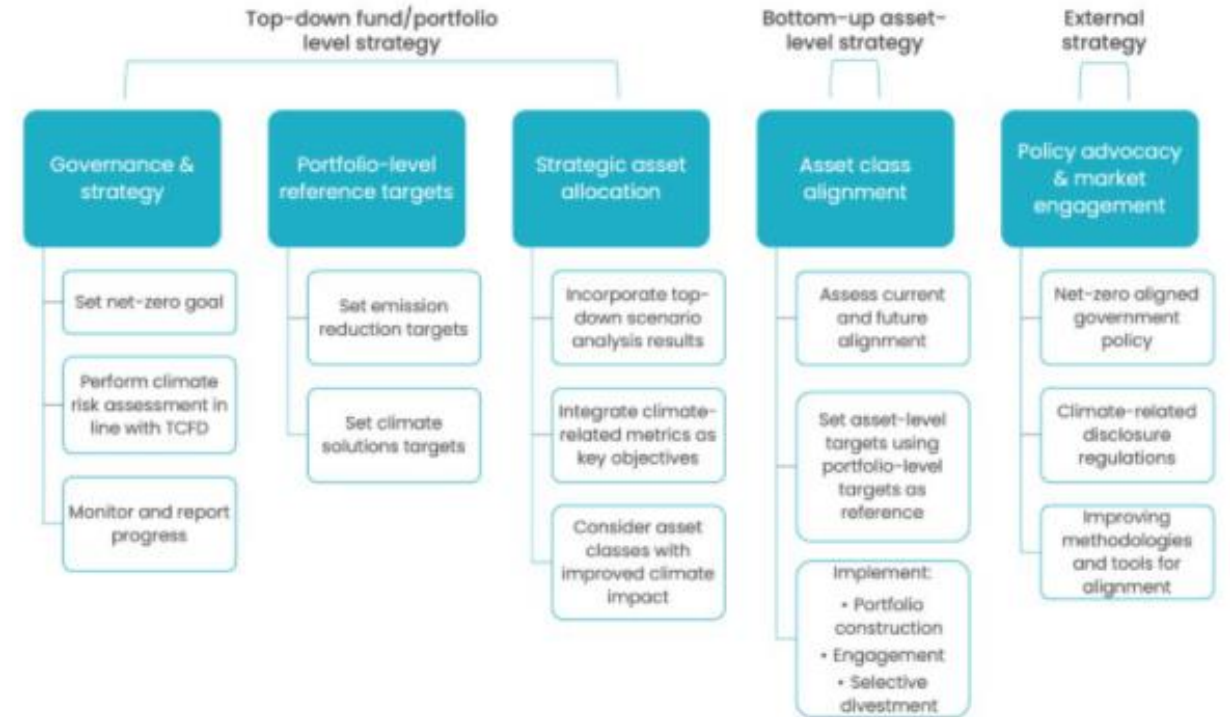


# Net Zero Frameworks



## International Investors Group on Climate Change (IIGCC) -

- Global framework for investors to achieve net zero emissions alignment
- The framework proposes a strategy focused on achieving two aligning objectives –
  - ✓ Decarbonize investment portfolios in a way that is consistent with achieving global net zero greenhouse gas (GHG) emissions by 2050
  - ✓ Increase investment in the range of 'climate solutions' needed to meet that goal.



Source : IIGCC Net zero framework



# Net Zero Frameworks

## Other Initiatives



**Benchmark** provides guidance about investor expectations of focus companies and evaluates company ambition and action in tackling climate change.



As part of the UN Race to Zero, Business Ambition for 1.5°C is a **global coalition** of UN agencies, business and industry leaders to commit to setting verifiable science-based targets at 1.5°C and achieve net-zero emissions economy by 2050.

## NET ZERO ASSET MANAGERS INITIATIVE

**International group** of asset managers committed to supporting the goal of net zero greenhouse gas emissions by 2050 or sooner, in line with global efforts to limit warming to 1.5 degrees Celsius; and to supporting investing aligned with net zero emissions by 2050 or sooner

**128 signatories**

**\$43 trillion in assets under management**

# LET'S BRAINSTORM

## Discussion Questions #1

What are some of the knowledge gaps faced by your organization in setting a net zero target?

How do net zero frameworks factor in to strategic considerations?



# Net Zero Terminologies

## Net Zero Emissions



Anthropogenic **emissions of greenhouse gases** to the atmosphere are balanced by anthropogenic removals over a specific period

## Net Zero CO<sub>2</sub> Emissions / Carbon Neutral



Anthropogenic **CO<sub>2</sub> emissions** are balanced globally by CO<sub>2</sub> removals over a specified period

## Negative Emissions



**Removal of greenhouse gases** (GHGs) from the atmosphere by deliberate human activities, i.e., in addition to the removal that would occur via natural carbon cycle processes

## Net Negative Emissions



Achieved when as a result of human activities, **more greenhouse gases are removed** from the atmosphere than are emitted into it



# Net Zero Terminologies

## Climate Neutral



Refers to a state where human activities result in **no net effect** on the climate system

## Science-based target (SBT)



Launched in 2015, the SBTi encourages organizations to voluntarily **set a GHG emissions reduction target** that is aligned and consistent with scientific recommendations on climate change

## CO<sub>2</sub> Sequestration



The process of **storing carbon** in a carbon pool

### Carbon Sinks

A reservoir (natural or human, in soil, ocean, and plants) where a greenhouse gas, an aerosol or a precursor of a greenhouse gas is stored

## Nature based solutions



These are **measures specifically focused on ecosystems**, and designed to combat climate change and its consequences through their preservation and restoration



# Net Zero Terminologies

*Other terms ( not defined by IPCC)*

## Climate Positive



Taking or **causing action beyond carbon neutrality by removing GHGs from the atmosphere or reducing emissions** to the atmosphere such that the aggregated reductions and removals exceed the unabated emissions from the subject.

Also referred to as **"Carbon negative"**

## Carbon Positive



Sometimes used by organizations to **describe "Climate Positive"**  
**(E.g. Unilever)**

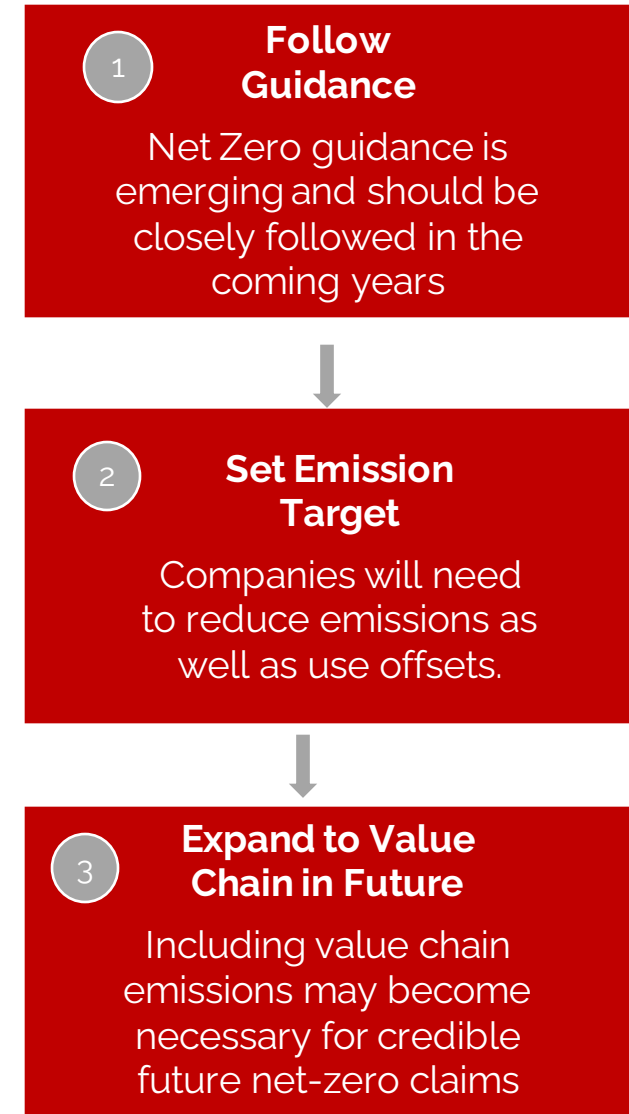
Mainly used as a marketing term



# Developing Guidance

## Legitimate Net Zero Claims should -

- ✓ Be science based
- ✓ Include a plan to reduce company emissions beyond the use of offsets
- ✓ Establish near term and long-term goals
- ✓ Follow global standards for GHG accounting
- ✓ Focus on Scope 1 & Scope 2, include Scope 3 emissions over time





# Corporate Members Spotlight



**Gibson Energy Recognized as Global Leader in Sustainability/ESG with AAA Rating and Solidifies Leadership Commitment to Climate Action with Net Zero by 2050 Target**

OCT 14, 2021





## LET'S BRAINSTORM

### Discussion Questions #2

**Which framework is your organization using / intends to use in setting a net zero target and why?**

**What is the relationship between your mitigation strategies and your net zero framework strategies?**





# LET'S BRAINSTORM

## Discussion Questions #3

**If not SBTi , what other frameworks are useful references to setting a net zero target?**

**What business strategies are informing those framework preferences?**



# Discussion Key Takeaways

## Science-Based Targets Initiative Update

- Net Zero Standard
- Halve emissions before 2030, 90-95% emission reduction by 2050
- Focus on abatement rather than “net”
- Near-term - 5-10 years
- long term - emissions removed along entire supply chain

## Net Zero Planning is Complex

- Requires cross-company collaboration for knowledge sharing & implementation
- Continuous Executive/Board education can help facilitate NZ planning
- Expert, external consultants highly recommended

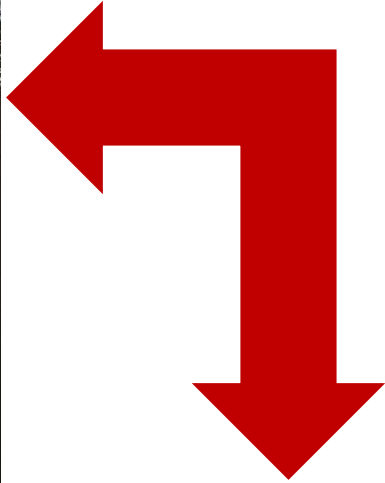
## Scope 3 – Particular Challenge

- Difficult to engage supply chain (e.g., communication hurdles, data assurance, etc.)
- Suggestion: if S3 targets are challenging, focus on engagement targets to begin, then move toward quantifiable targets as cross-supply chain communication increases





# NEXT STEPS



Net Zero Working Group Session 3:

*Robustness considerations:  
Scope 1 - 3, Just Transition*

Please provide any discussion suggestions to  
[jzeeman@delphi.ca](mailto:jzeeman@delphi.ca)



Thank you!

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