

Five key steps for your company's net zero journey



Key aspects of the Paris Agreement

The Paris agreement on climate change proclaims that there is no alternative solution for companies than to decarbonize their portfolio and become [net zero](#) businesses.

Learn how to start your net zero journey.

Climate change has already had observable damages in every region all over the world: Rising temperatures, prolonged periods of drought and dryness, heat waves, flooding and other extreme weather events are becoming increasingly intense. These negative impacts could soon become even worse unless greenhouse gas emissions are quickly reduced, according to a recent report from the Intergovernmental Panel on Climate Change ([IPCC](#)).

**Climate action
saves costs and
drives growth**



Therefore, we need to limit global temperature increase to 1.5 degrees above pre-industrial levels and achieve net zero greenhouse gas emissions by 2050. That's what the [Paris Agreement](#), a landmark agreement signed by 197 member countries of the United Nations Framework Convention on Climate Change (UNFCCC), dictates as humanity's collective responsibility.



Five crucial steps towards net zero

To reach the net zero target, considerable changes will need to take place well before that date, and ideally before 2030. Businesses from all industries and of all sizes have a crucial role to play in mitigating climate change and making the transition to a [net zero emission economy](#).

However, what will it take to fulfill that ambition?



Taking climate action is also significantly beneficial for businesses. According to the [Tyndall Centre for Climate Change Research](#), the more we reduce global warming, the more economies save costs and drive growth.



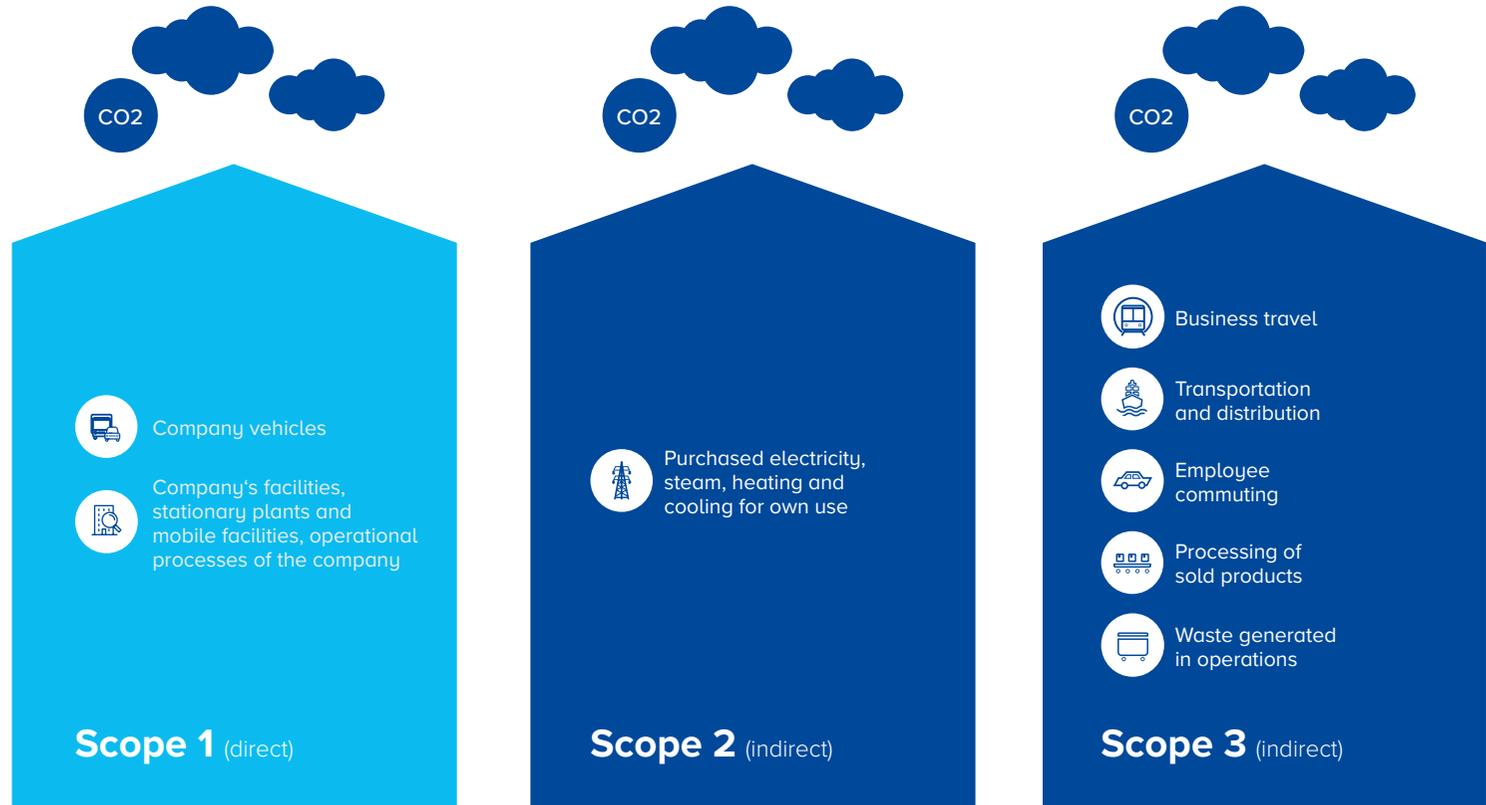
Understand and measure your corporate carbon footprint

The cornerstone of a company's [net zero strategy](#) is to drastically reduce carbon emissions. To achieve this, the first step for any business is to understand their carbon footprint.

A carbon footprint for a company means the total amount of all the greenhouse gases (GHG) emitted directly or indirectly through its activities. To measure this accurately, the Greenhouse Gas Protocol ([GHGP](#)) has created a global, standardized framework.



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According to the GHGP you have to set targets that cover the following three scopes:

Scope 1: includes all emissions released directly from your company such as your company's vehicles and facilities. This refers to all CO2 emissions from sources that are directly in your possession.

Scope 2: includes indirect emissions that your company produces such as your building's electricity usage. If your company generates the electrical energy itself, then this electricity is accounted for under Scope 1, i.e. direct CO2 emissions.

Scope 3: includes all other emissions generated along your entire value chain, including raw materials, logistics, business travel by the team and how your employees commute to work.

The challenge here is to account for your entire value chain, much of which is outside your control, which make Scope 3 emissions challenging. That's why, using an experienced partner can help you assess and get started in better understanding your carbon footprint.



2



Assess and calculate the carbon footprint of your product

Every good or service has an impact on the environment. Calculating a product carbon footprint means assessing and measuring the quantity of greenhouse gas emissions that are produced or consumed during the entire life cycle of a product, such as raw materials, manufacturing, packaging, and distribution. Additionally, it permits you to make your products more sustainable and in the long-term reduce the costs of production.



Reduce your carbon emissions with both short-term and long-term strategies

Drastically reducing your company's carbon emissions is by far the most important step you can take on your net zero journey. There are many steps that businesses of all sizes can take to get there, for example:



Materials: implement recycling collections and use recycled materials such as purchasing recycled paper and working with sustainable suppliers.

Transport: encourage the use of public transport or car sharing for business trips or switch to hybrid or fully electric company cars and fleet vehicles. Drastically reduce flight intensity and frequency.

Communication: switch to online meetings and online events.

Facilities: improve the efficiency of your existing energy assets to avoid energy waste. Source as much energy from renewable sources as possible.

Investments: invest in efficient, reliable green technologies that reduce carbon emissions and costs.

3



Offset your unabated carbon emissions

As not all companies are able to avoid all carbon emission at once, offsetting unabated carbon emissions also helps to combat climate change. There are a wide range of certified carbon offset projects that help to restore the earth's delicately balanced carbon cycle.



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The carbon cycle, which is vital to life on Earth, consists of sources and sinks.

The sources, for example the burning of fossil fuels, emit carbon into the atmosphere and their increase is the biggest contributor to climate change.

The sinks, such as plants, the ocean, and the soil, absorb carbon from it and serve as natural storage systems.

Carbon offsetting projects, such as afforestation efforts or the expansion of renewable energies or providing clean water solutions to developing countries, contribute to restore the Earth's carbon cycle and at the same time help to achieve the UN Sustainable Development Goals (SDGs) worldwide.



Therefore, make sure that the carbon offsetting projects, that you choose to offset your carbon footprint, meet certain quality standards and criteria such as the Gold Standard, Verified Carbon Standard or the Climate, Community and Biodiversity Standard. However, businesses must be aware that carbon offsetting alone is not an alternative to reducing carbon emissions.



Communicate your climate action strategy to your customers

Once you have successfully put a climate action strategy in place within your company, it is very important that you communicate your actions in sustainability and genuine commitment to reducing the environmental impact of your company and products to your stakeholders and your customers.



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Incorporate verifiable labels on your products such as “carbon neutral,” “recycled” or “organic” illustrating your sustainability efforts to help people make smart choices. Ensure that the label provides full transparency about your climate action efforts to give consumers peace of mind.

[Recent Research](#), conducted by GlobeScan for the Forest Stewardship Council (FSC) with 12,000 participants across 15 countries, shows that sustainability concerns increasingly influence the shopping choices of 80% of the surveyed.

The results of this research are almost in line with a [representative survey](#) conducted by the market research institute Appinio on behalf of ClimatePartner, in Germany, in January 2021. It shows that 60% of the surveyed purchase environmentally friendly products as often as possible. What's more, over 90% of consumers between the ages of 16 and 65 consider climate action to be important.

The survey also showed that when it comes to information on the carbon emissions of products, half of consumers already pay attention to corresponding information and labels. So, let your stakeholders and customers know how sustainable you are.

Meanwhile, your contribution to reduce the impact on the planet and making the transition to a [net zero](#) economy will make the difference for your growth.



[Contact us](#) to kick off your net zero journey.

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