

Corporate Net Zero Commitments in Asia – Where Are We and What Is the Way Forward?

Special Webcast
Tuesday, March 22nd, 2022

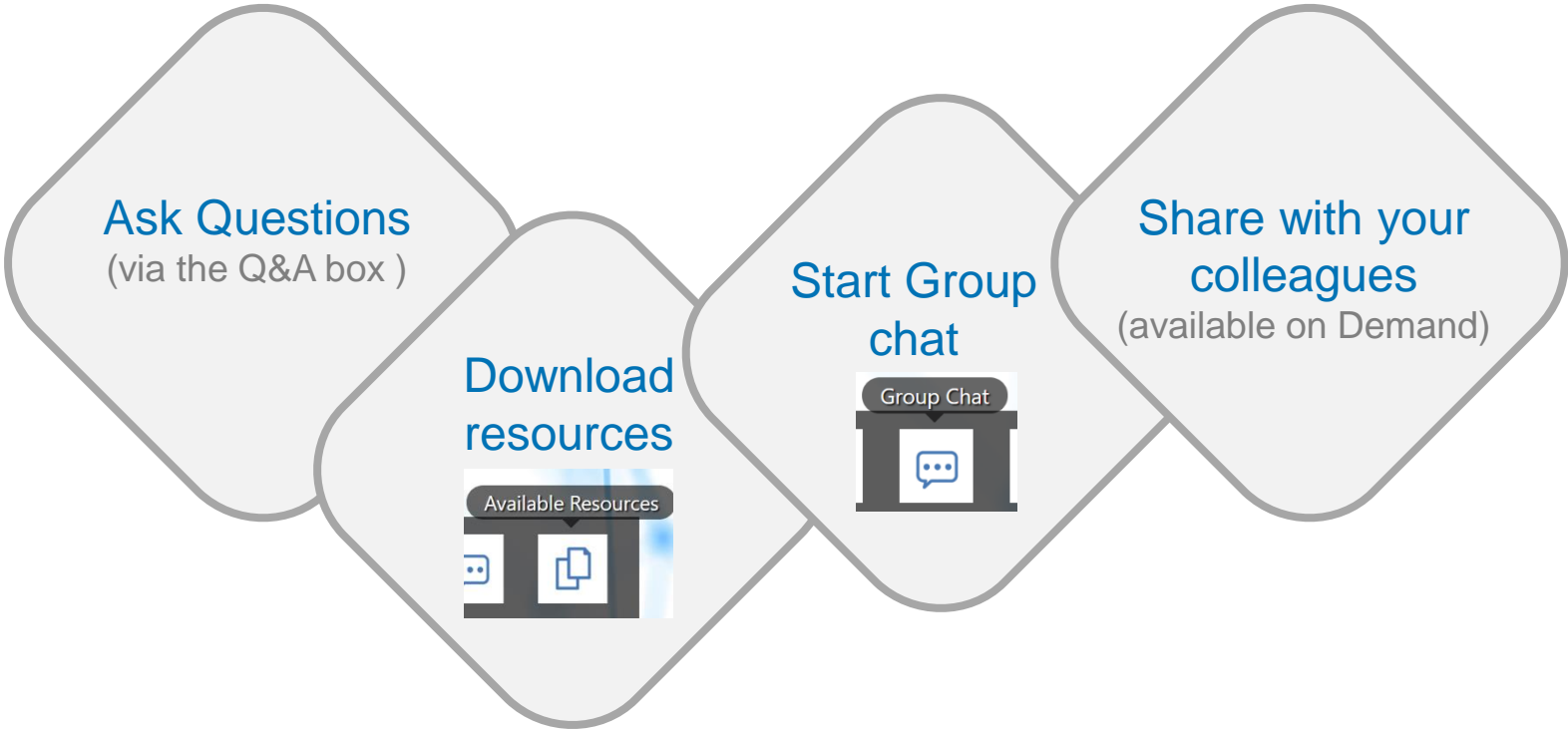


Questions we will be exploring today

- What's the status of corporate carbon commitments across the Asia region?
- What are the building blocks of a successful corporate carbon target?
- What role can offsets play in a company's climate strategy?
- What are key challenges to move from carbon neutral to net zero in Asia?
- What are success factors for making decarbonization a part of business strategy?



Making the most of the webcast



Tell us about your experience to help us improve our future program



Today's panelists



Minji Xie
Researcher
The Conference Board



Dr. Wee Kean Fong
Deputy China Country Director
World Resources Institute



Bose Varghese
Head of Green Initiatives
Infosys



Douglas Johnson
Associate Director,
Corporate Sustainability
PwC China



Anke Schrader (Moderator)
Research Director, Asia
The Conference Board



Poll 1

What type of climate goal has your company set, if any?

- a. We have set a net zero or carbon zero goal
- b. We have set a climate neutral or carbon neutral goal
- c. We are currently working on formalizing our climate goals
- d. We currently have no plans to set climate goals
- e. Other/Don't know

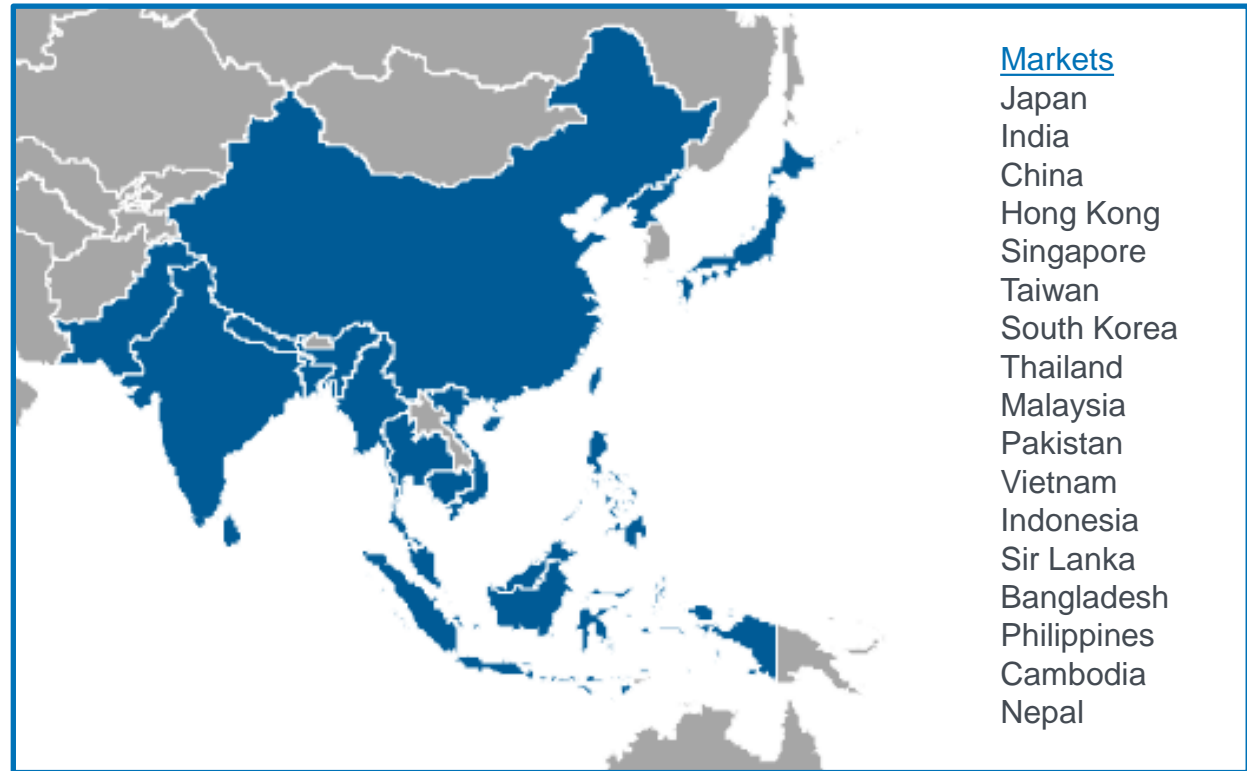


Collection of Corporate Climate Commitments in Asia

Global Initiatives



478 in total, across all sectors



Commitments

- Net zero
- Zero emissions
- Zero carbon
- Climate or carbon positive
- Climate or carbon neutral
- Climate or carbon negative
- GHG neutral
- Science-based target
- 1.5°C target



Methodology of Assessing Climate Commitments Components

Target setting parameters

Specify *what* the company is committed to achieve.

- The [scope and clarity](#) of the target indicators used
- How explicitly [values and measurement](#) of indicators are defined
- How well the [roadmap](#) to achieve targets is laid out

| | Count | SMEs | Large Companies | Set numeric indicator(s) | Cover/committed to cover all relevant GHGs | Cover/committed to cover scope 3 | Have interim targets |
|-------------|-------|------|-----------------|--------------------------|--|----------------------------------|----------------------|
| Asia Total | 478 | 43% | 57% | 52% | 62% | 40% | 33% |
| Japan | 167 | 20% | 80% | 92% | 61% | 83% | 58% |
| India | 112 | 66% | 34% | 15% | 73% | 7% | 7% |
| China | 49 | 63% | 37% | 24% | 39% | 16% | 16% |
| Hong Kong | 38 | 50% | 50% | 50% | 79% | | 37% |
| Singapore | 25 | 52% | 48% | 36% | 68% | 20% | 24% |
| Taiwan | 22 | 5% | 95% | 59% | 55% | 36% | 45% |
| South Korea | 13 | 31% | 69% | 54% | 69% | 38% | 38% |
| Thailand | 9 | 56% | 44% | 56% | 78% | 56% | 33% |
| Malaysia | 8 | 63% | 38% | 50% | 63% | 25% | 38% |
| Pakistan | 7 | 43% | 57% | 14% | 14% | 14% | 0% |
| Vietnam | 6 | 100% | 0% | 0% | 67% | 0% | 0% |
| Indonesia | 5 | 80% | 20% | 0% | 20% | 0% | 0% |
| Sri Lanka | 5 | 0% | 100% | 20% | 20% | 0% | 0% |
| Bangladesh | 4 | 25% | 75% | 50% | 100% | 0% | 50% |
| Philippines | 4 | 50% | 50% | 50% | 50% | 50% | 25% |
| Cambodia | 3 | 100% | 0% | 33% | 33% | | 0% |
| Nepal | 1 | 0% | 100% | 0% | 0% | 0% | 0% |

Implementation measures

Outline *how* the company is going to achieve its commitments.

- An accurate [GHG inventory](#)
- Clear [governance mechanisms](#) to guide implementation
- Formulation of an [action plan](#) which clearly describes the [concrete actions taken](#) to reduce emissions

| | Count | Large Companies | Regularly measure and report GHG inventory | Include targets in company policies | Integrate targets in corporate strategy | Outline concrete actions to achieve targets | Publish an action plan |
|-------------|-------|-----------------|--|-------------------------------------|---|---|------------------------|
| Asia Total | 478 | 57% | 63% | 47% | 5% | 45% | 9% |
| Japan | 167 | 80% | 78% | 81% | 7% | 78% | 18% |
| India | 112 | 34% | 70% | 20% | 0% | 19% | 0% |
| China | 49 | 37% | 14% | 14% | 0% | 14% | 0% |
| Hong Kong | 38 | 50% | 42% | 32% | 0% | 26% | 0% |
| Singapore | 25 | 48% | 76% | 44% | 20% | 36% | 12% |
| Taiwan | 22 | 95% | 86% | 91% | 14% | 86% | 9% |
| South Korea | 13 | 69% | 85% | 62% | 31% | 62% | 23% |
| Thailand | 9 | 44% | 56% | 44% | 11% | 44% | 22% |
| Malaysia | 8 | 38% | 63% | 25% | 13% | 38% | 13% |
| Pakistan | 7 | 57% | 14% | 29% | 0% | 14% | 0% |
| Vietnam | 6 | 0% | 67% | 0% | 0% | 0% | 0% |
| Indonesia | 5 | 20% | 20% | 0% | 0% | 0% | 0% |
| Sri Lanka | 5 | 100% | 0% | 20% | 0% | 0% | 0% |
| Bangladesh | 4 | 75% | 25% | 0% | 0% | 0% | 0% |
| Philippines | 4 | 50% | 50% | 50% | 0% | 50% | 0% |
| Cambodia | 3 | 0% | 0% | 0% | 0% | 0% | 0% |
| Nepal | 1 | 100% | 0% | 0% | 0% | 0% | 0% |



Key Findings and Business Implications

- Overall: Corporate engagement in Asia is lagging compared to relative importance in achieving global climate goals.
- Robustness of targets: Quality is seriously lacking; often not clear what is to be achieved.
- Governance mechanisms: Are generally ill-defined (or not at all).
- Preparedness: Not enough “baseline assessments” (missing GHG inventories).
- Inclusion of Scope 3: Poor measurement and abatement of Scope 3.
- Role of offsets: Is largely unclear.

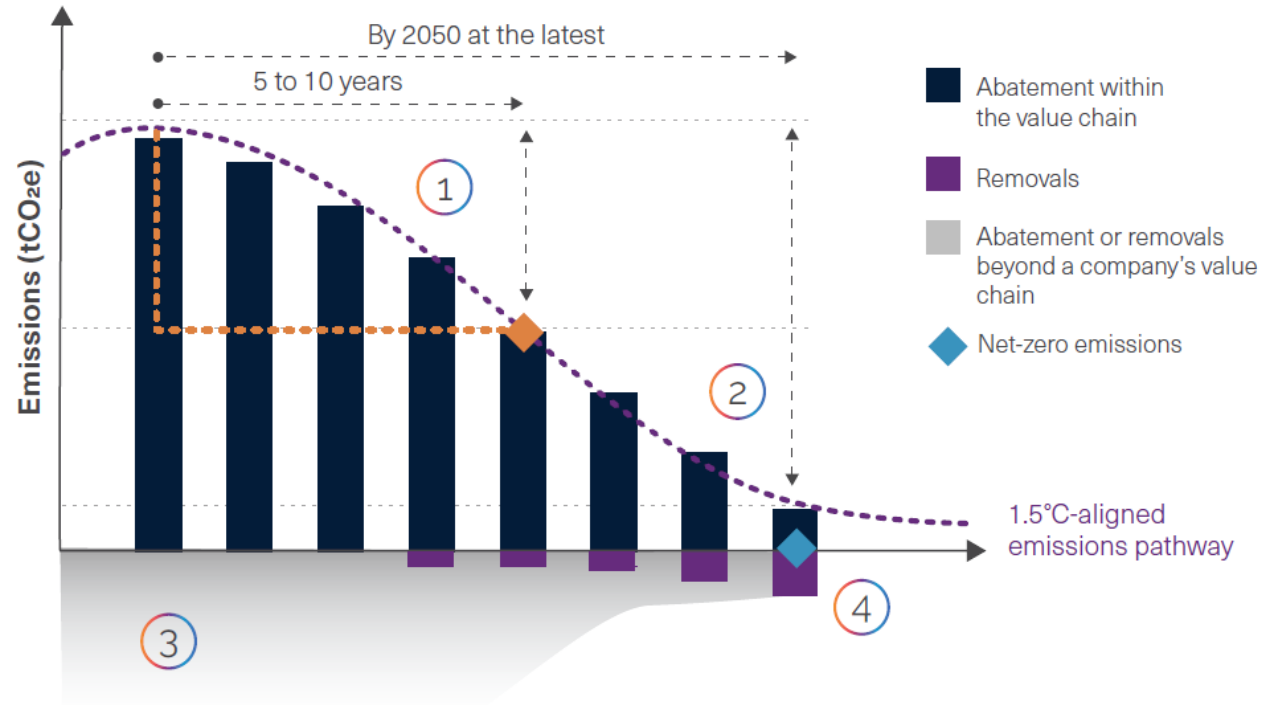
Reflections....Results reflect low level of awareness and readiness in the region (or *lack thereof*). What does that mean for:

- ? Level of support needed for Asia operations
- ? Supply chain implementation challenges
- ? Level of stakeholder communication and outreach needed
- ? Opportunities to lead in Asia



Building Blocks of Corporate Net-Zero Targets

SBTi Corporate Net-Zero Standard, Version 1.0, October 2021



- 1 To set near-term SBTs: 5–10 year emission reduction targets in line with 1.5°C pathways
- 2 To set long-term SBTs: Target to reduce emissions to a residual level in line with 1.5°C scenarios by no later than 2050
- 3 **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
- 4 **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.



Poll 2

Are you including Scope 3 in your emission targets?

- a. Yes
- b. No, but working on it
- c. No, too difficult currently
- d. Don't know





Our net zero commitment



Clients

PwC will work with its clients to support their efforts to make a net zero future a reality for all. Building on existing client work in sustainability and net zero transformation.

Operations

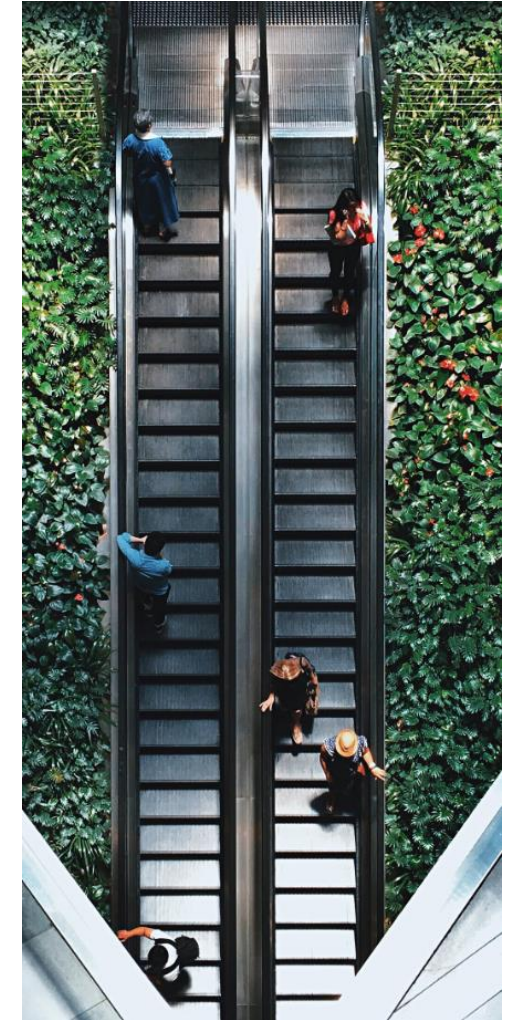
PwC will reduce its emissions in line with a 1.5 degree climate scenario, including a 50% absolute reduction in scope 1 and 2 emissions and a 50% absolute reduction in business travel emissions from a 2019 baseline by 2030. In addition, PwC will accelerate its transition to 100% renewable electricity and to mitigate its impacts today, PwC will continue to offset its emissions through high-quality carbon credits.

Supply chain

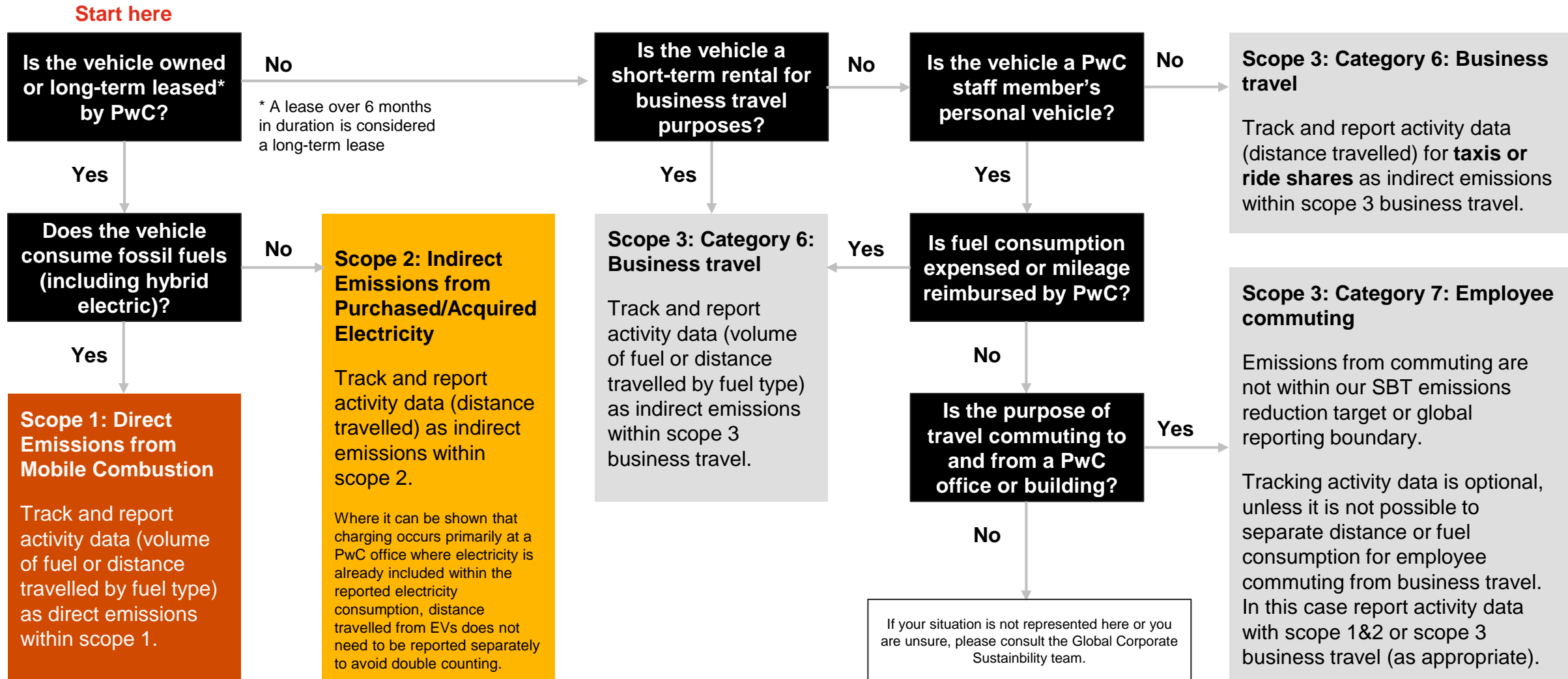
PwC will engage with key suppliers, encouraging and supporting them to achieve net zero. We commit that 50% of our global purchased goods and services suppliers by emissions will have set their own science-based targets to reduce their own climate impact by 2025.

Climate agenda

PwC will continue its long-standing programme of research and collaboration with business, policy makers, and NGOs to accelerate the transition to a net zero economy.



Sample emissions decision-tree – vehicles



Poll 3

Are you using offsets as part of your climate strategy?

- a. Yes
- b. No
- c. Don't know





Q&A

