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Infographic: Race to Net-Zero Greenhouse Gas Emissions

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Infographic: Race to Net-Zero Greenhouse Gas Emissions

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Reaching enterprise net-zero greenhouse gas emissions requires investment in the right solutions at the right time. Executive leaders should get started by using this infographic as a guide to understanding common principles that apply across industries and regions.

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Race to Net-Zero Greenhouse Gas Emissions

Net zero means balancing emissions of carbon dioxide equivalent with its removal.



Pressure is increasing to set emissions reduction goals and demonstrate progress.

Three stakeholder groups are creating executive pressure to invest in sustainability.

Customers

Customers expect organizations to act on climate issues.¹

Investors

Investors want to understand climate change risks.¹

Governments

Governments are committing to more stringent regulations to reduce emissions.

Organizations are setting net-zero emission reduction goals, with interim short- and medium-term targets, to align with the Paris Agreement.

Future Carbon Costs

66% of respondents said that their organization's planning process included **mechanisms for future GHG emissions taxation/pricing**.²

51% of respondents whose organization's planning process includes GHG emissions taxation/pricing expect this **GHG emission taxation will come into force in the next 5 years**.³

Carbon Cost Timeline

Act now to reach net-zero GHG emissions.

1. Plan for Success

Measure baseline GHG emissions and set a net-zero target.

Obtain funding for reduction projects.

Assess portfolio risks, such as stranded assets.

Apply technologies that reveal emissions or help reduce them.

Build employee engagement.

Produce an annual sustainability budget for projects required to meet objectives.

Integrate net-zero goals into policy such as M&A and CAPEX.

2. Reduce Emissions

Implement operational energy savings projects and make energy a criterion when buying equipment.

Identify projects to reduce hidden losses (e.g., heat recovery).

Maximize green energy procurement (e.g., power purchase agreements/renewable energy certificates).

Purchase carbon credits or offsets.

Reformulate products/services to reduce emissions in the use phase.

Invest in on-site renewable or low-emissions energy generation.

Engage with the supply chain to set incentives for scope 3 emissions reduction.

3. Help Customers Reduce Their Emissions

Spot opportunities for new products or services and partnerships to help customers meet emission goals.

Provide information on products'/services' GHG emissions (product-based carbon accounting).

Become a net-zero champion.



Engage Stakeholders

Communicate to stakeholders progress toward net zero through the annual sustainability report and investors days. If needed, ask for investor support by getting them to vote on and agree to the net-zero plan.



Accelerate Learning

Engage with industry peers and communities to accelerate the collective journey to net zero, while also sharing best practice. Remember that the race to net zero is a race against climate change, not other companies.



Train Net-Zero Ambassadors

Train net-zero champions within the organization to encourage stakeholders to follow the net-zero path.



Identify Partnership Opportunities

Identify opportunities for new products and partnerships that will help customers meet their emissions reduction goals.

Source: 2020 Gartner Sustainability Survey

¹ Q. 6: What are the top 3 stakeholder groups creating pressure for your organization to act on/invest in sustainability initiatives?

² Q. 9: Does your organization's financial planning include the possibility of the future costs associated with carbon emissions by the way of some form of carbon taxation/ pricing scheme?

³ Q. 10: Other than through voluntary offsets and investments, how many years from now do you anticipate being forced to pay for carbon?

⁴ Source: <https://www.ipcc.ch/2018/10/08/summary-for-policymakers-of-ipcc-special-report-on-global-warming-of-1-5c-approved-by-governments/>

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Overview

Reaching net-zero greenhouse gas emissions isn't a pipe dream. Rather, it's an imperative to meet increasing stakeholder expectations, while supporting the decarbonization of the economy. If done well, it can lead to innovation, job creation and growth. But the scale of the net-zero challenge is significant, especially when target setting encompasses value chains. Use this research to start planning a path to meet net-zero goals, and to identify the resources and investment you need.

About This Research

Gartner conducted its 2020 Sustainability Survey to understand how pressure is growing from stakeholders (customers, employees, investors, regulators and partners) for more aggressive action on economic, social and environmental sustainability. We also wanted to identify best practices from early adopters to provide sustainability advice for our clients.

The study explores the different sustainability goals/targets that organizations have set and how investment in sustainability programs has changed. It also focuses on the value and benefits derived from sustainability programs.

We conducted the research online in November and December 2020. The 183 respondents were from North America, Europe and Asia/Pacific. They came from all industries except energy and utilities. The respondents' organizations all had annual revenue of \$250 million or more.

The respondents were all at director level or above and were involved in their organizations' sustainability initiatives. We did not survey anyone in organizations that did not engage in sustainability activities or that worked only to achieve compliance.

Gartner analysts developed the study with our Research Data and Analytics team.

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