



Making **2021** the most  
impactful year for  
climate action

**Brazil Energy Showcase**

Climate Champions  
15 March 2021

# PARIS AGREEMENT GOALS

## Well Below 2°C

Hold warming well below 2°C and pursue efforts to stay below 1.5°C to significantly reduce the risks and impacts of climate change. For this, we need to reduce 45% of global emissions from 2010 levels by 2030 and reach net zero emissions by 2050

IPCC 2018 1.5 degree report changed everything

## Net Zero Emissions

Reach global peaking of GHG emissions as soon as possible

Undertake rapid reductions thereafter in accordance with the best available science

Reach net zero by 2050

## Climate Resilience

Enhance adaptive capacity, strengthen resilience and reduce vulnerability to climate change



# BENEFITS OF CLIMATE ACTION

## Benefits for business

Large business opportunities - Within this decade, upgrading to a zero carbon future can create USD\$26 trillion more in economic benefits and 35 million more jobs<sup>1</sup>

Enhancing innovation across the business - 63% of company execs say climate targets drive innovation

Market leadership within industry - 55% of company execs have gained competitive advantage thanks to climate targets

Unlocking efficiencies and cost savings

52% of company execs have seen investor confidence boosted by climate targets

Enhanced staff attraction and retention

**Making the adoption of science-based climate targets standard practice, has the potential to catalyze systemic change by:**

Driving GHG emission reductions in the real economy that significantly contribute to bringing down GHG emissions at the global level

Sending a strong demand signal for low-carbon innovation and technologies to developers of such solutions

Catalysing more ambitious climate goals at the country level through a strong signal from business to government in support of ambitious climate policy – starting an ‘ambition loop’

Shifting investment flows to support the transition to a net-zero economy



Systems transformations happen **exponentially** – this can already be seen in renewable energy

Businesses can be ahead of the curve, or be left behind

## Modelled 'S-curve' for wind and solar generation

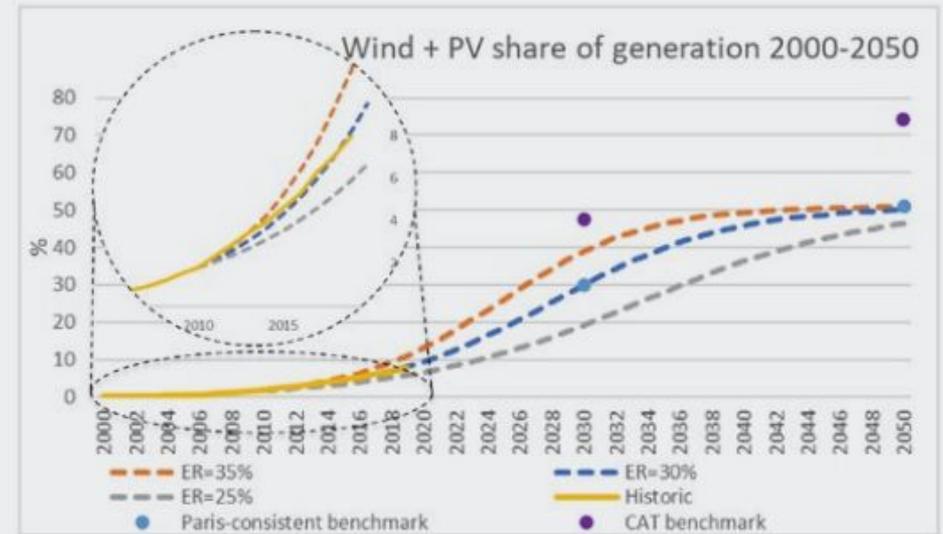


Figure 7: Wind and solar PV's historic share of total electricity generation, compared with S-curve projections toward 2050 Paris-consistent benchmarks. Historic values for 2000-2019 calculated based on IRENA (2020a), EIA (2020), and BP (2020). CAT benchmarks are the midpoint of ranges.

# WHAT ROLE CAN BUSINESSES PLAY?

1

Ambition

2

Action

3

Advocacy



# 1. AMBITION: THE RACE TO ZERO



Aim: to **build momentum** around the shift to a decarbonized economy ahead of COP26, where governments must strengthen their contributions to the Paris Agreement. This will send governments **a resounding signal** that business, cities, regions and investors are **united** in meeting the Paris goals and creating a more **inclusive and resilient economy**.

All members are committed to the same overarching goal: achieving **net zero emissions by 2050** at the very latest.

454

Cities

23

Regions

1,397

Businesses

74

Investors

569

Universities

# MANY ENERGY COMPANIES HAVE ALREADY JOINED THE RACE TO ZERO

## RACE TO ZERO

The image displays a collection of logos for various energy companies. A purple circle highlights the EDP logo, which includes the text "ENERGIAS DO BRASIL". A purple arrow points from the "RACE TO ZERO" header to this circle. At the bottom, a note states: "All joined via Business Ambition for 1.5°C, apart from Bulb (B Corp), Good Energy (SME Climate Hub)".



# HOW YOU CAN JOIN THE RACE TO ZERO: LARGE BUSINESS



**Business Ambition for 1.5°C** run by the **Science Based Targets Initiative** is the main Race to Zero partner for businesses

To join the initiative, businesses need to **(i) set 1.5°C aligned Science Based Targets** or **(ii) set a net zero by 2050 commitment and interim Science Based Targets**

Further information [here](#) ('How to Join Race to Zero') and [here](#)

# HOW YOU CAN JOIN THE RACE TO ZERO: SMES



**SME Climate Hub** run by the ICC, WMB and Exponential Roadmap is the main Race to Zero partner for small and medium businesses

To join the initiative, businesses need to commit to **(i) half GHG emissions by 2030 and (ii) reach net zero before 2050 and (iii) disclose progress on a yearly basis**

Further information [here](#) ('How to Join Race to Zero') and [here](#)

## 2. ACTION



**RE**

**100**



# RACE TO ZERO

SECTOR	BREAKTHROUGH Ambition	BREAKTHROUGH Outcome	SECTOR Goal
Aluminium	20% of major aluminium producing companies by annual production volume	20% zero carbon aluminium production as a percent of total global production	100% by 2050
Apparel	20% of major apparel companies by revenue	30% reduction in GHG emissions by 2030 for all Fashion Charter signatories	Net Zero emissions by 2050 for all Fashion Charter signatories
Aviation	20% of major airlines by revenue	10% SAF globally by 2030	100% by 2050
Built environment	20% of major real estate and infrastructure companies/ investment managers by value	100% of projects due to be completed in 2030 or after are net zero carbon in operation with at least 40% less embodied carbon compared to current practice	By 2050, 100% of projects (new and existing) are net zero carbon across the whole life cycle
Cement/Concrete	20% of major cement/ concrete producers by annual production volume	25% of carbon neutral concrete as percentage of total global production	100% by 2050
Chemicals	20% of major chemical companies by total revenue	60% of global chemicals sector electricity use from renewable sources by 2030	100% by 2050
Clean Power	20% of major utilities by total revenue	30% share of global electricity generation from solar and wind power by 2030, and 60% from all renewables	Fully decarbonized global electricity system in 2040s

FMCG	20% of major FMCG companies by revenue	Breakthrough outcome to be defined in the coming months	Net zero by 2050
Hydrogen	Public and private stakeholders collaborate to deploy 25GW of green hydrogen capacity by 2026	25GW green hydrogen capacity deployed by 2026	500 – 800 MMT installed capacity by 2050
ICT	20% of the ICT industry by total revenue	80% of industry electricity use coming from renewables by 2030	100% by 2050
Metals & Mining	20% of major companies by total revenue	60% of global mining sector electricity use from renewable sources by 2030 (in line with RE100)	100% by 2050 (in line with RE100)
Mobile	20% of the Mobile industry by total revenue	70% of industry electricity use coming from renewables by 2030	100% by 2050
Nbs: Land Use	20% of major food suppliers by annual production	50 GT CO2eq are mitigated by food & agriculture by 2030 by changing agriculture practices and reducing inputs and waste	Entire food & agriculture industry carbon negative by 2050
Oceans	20% of major fishing and aquaculture companies	Secure a fund that delivers resources to local communities and subnational/ local governments to address 30x30, protection of the ocean, and mitigation	By 2050 at least 50% of our lands and oceans are protected and restored, and ensure our planet is completely sustainably managed.
Oil & Gas	20% of major O&G companies (excl. national oil companies) by total revenue	40% of oil & gas production has been reduced by 2030, on a 2019 baseline	Global O&G net zero by 2050

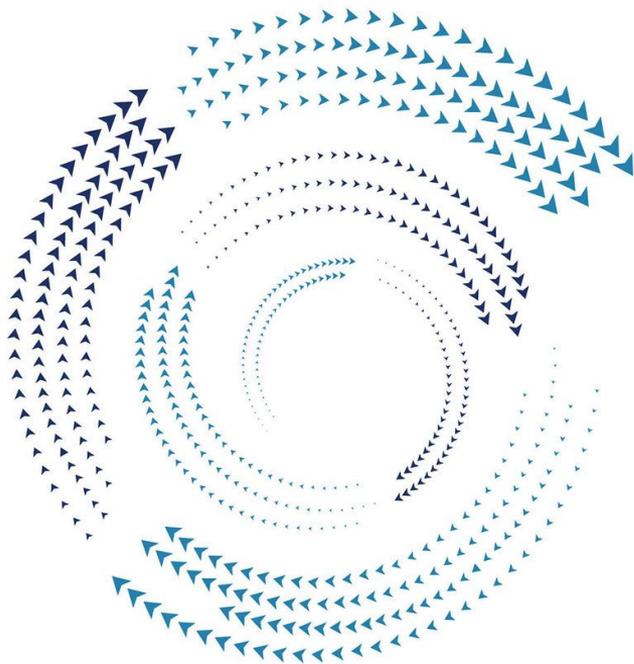


# AMBITION LOOP



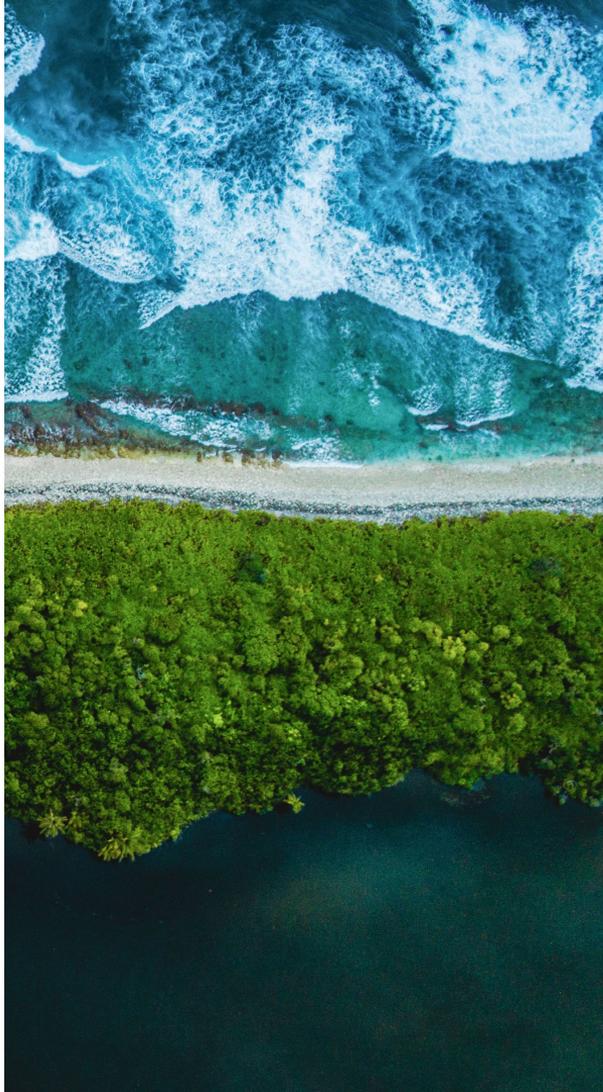
## Government Climate Policy

- ▲ Clear, ambitious targets and policy
- ▲ Predictable regulatory environment
- ▲ Incentives and infrastructure
- ▲ Long-term market signals
- ▲ Support for research, development, and deployment
- ▲ Clear plans and timelines for full transition to a zero-carbon economy



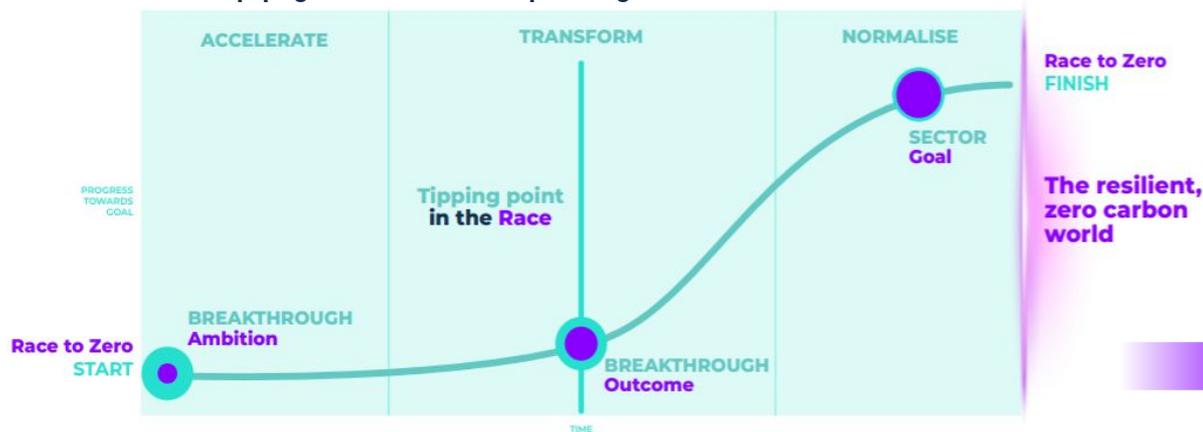
## Business Climate Action

- ▲ Ambitious, science-based targets
- ▲ Public updates on progress
- ▲ Investments and growth strategies aligned with a zero-carbon future
- ▲ Commercial demand for zero-carbon energy, zero-carbon transportation and zero-carbon land use
- ▲ Responsible policy engagement (individually and through trade associations)



# SUMMARY

- Climate action makes financial and business sense, reduces risks and responds to stakeholders
- The energy system is undergoing a low carbon transformation and exponential change is underway. Seize the opportunities
- Companies should:
- Show ambition by joining Race to Zero
- Take action on reducing emissions
- Be advocates to their supply chain and policymakers



**RACE TO ZERO**