Normative: closing the gap between commitment and climate action in 1,000 companies could reduce global industry emissions by 77%

- *Analysis by Normative, a company providing science-based carbon accounting, highlights the need for businesses to close the gap between commitment and climate action to limit the harmful effects of climate change*
- *Research shows that if 0.3% of large businesses worldwide with existing reduction targets fully committed to net zero, global industry emissions would be reduced by 77%*

Stockholm, November 9, 2022: Normative, developer of the science-based carbon accounting engine, today announced the findings of their latest research, which found that if 1,062 large enterprises – comprising only 0.3% of businesses worldwide – met their net zero targets, global emissions from fossil fuel and industry emissions would be reduced by 77%.

To explore the effects of closing the gap between commitments and climate action, Normative investigated publicly traded companies with existing carbon reduction commitments[1] from around the world.

The research revealed that approximately 1,000 enterprises (0.3% of all large businesses worldwide[2]) account for an estimated 77%[3] of global carbon emissions from fossil fuels and industry.[4]

If these businesses meet their carbon reduction targets and achieve net zero, Normative estimates that the world will achieve a 77% reduction in global industry emissions - bringing us close to reaching net zero industry emissions globally.

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[1] Data source for climate commitments: Oxford's Net Zero Tracker, https://zerotracker.net/.

[2] There are about 350,000 large businesses worldwide in 2021 (Statista here and here).

[3] Own research based on publicly disclosed emissions data via GRI (https://www.globalreporting.org/) and Exiobase industry data (https://www.exiobase.eu/) for companies without publicly available records of their emissions.

[4] 2020 data on fossil fuels and industry emissions, excluding land use, land-use change, and forestry, a total of 34.81 bn metric tons of CO2 (https://ourworldindata.org/co2-emissions).

These findings highlight the enormous potential of reaching the target of net-zero emissions by 2050 at the latest by closing the gap between commitments and action to decarbonise large enterprises.

While the number of approved science-based emissions reductions commitments surpassed 2,200 by the end of 2021[5], Normative's research shows that the commitment gap for net-zero emissions targets is narrowing.

Kristian Rönn, CEO and co-founder of Normative, said:

"*We need businesses to get much better at fully accounting for their emissions. Today, 90% of businesses aren't measuring their full emissions[6]. Value chain emissions in particular are often neglected, which on average account for 90% of a business's carbon footprint[7]. While we have reached a critical mass in carbon reduction commitments, actions taken on the basis of incomplete measurements will have incomplete results*.

"*When companies take informed action, they both unlock business benefits – such as building brand equity and identifying inefficiencies – and mitigate risks, including allegations of greenwashing and regulatory non-compliance. Accurate data enables businesses to steer their sustainable investment to where it has the largest impact, getting the most value for their money.*" Kristian Rönn concludes.

With accurate carbon accounting, Normative enables enterprises to lead the way to a sustainable future by:

- Analyzing company data to understand the emissions impact of activities across Scopes 1, 2, and 3
- Using its hyper-accurate carbon accounting engine to map transactions and calculate an organisation's carbon footprint
- Revealing emissions hotspots across the value chain

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[5] 2021 data from the Science-Based Targets initiative
https://sciencebasedtargets.org/news/companies-committed-to-cut-emissions-in-line-with-climate-science-now-represent-38-trillion-of-global-economy
[6]BCG, 2022:
https://media-publications.bcg.com/BCG-Technology-Is-the-Fast-Track-to-Net-Zero.pdf
[7] CDP, 2021:
https://cdn.cdp.net/cdp-production/cms/reports/documents/000/005/554/original/CDP_SC_Report_2020.pdf?1614160765

- Recommending high-impact reductions to help businesses achieve their emissions targets

Normative is collaborating with the United Nations and its Race to Zero campaign, as well as Google.org. It is also the official software provider of the SME Climate Hub.

About Normative

Normative is the world's first carbon accounting engine, helping businesses calculate their entire climate footprint and reduce their greenhouse gas emissions. Powered by its market-leading emissions database, Normative sets a new standard in scientific accuracy for emissions accounting. The company partners with leading climate change organizations, including the UN, to deliver actionable sustainability intelligence.
Normative.io

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