

	Carbon Neutral	Net Zero
Definition	Sum of greenhouse gas emissions produced are balanced or 'offset' – no requirement to reduce absolute emissions	Greenhouse gas emissions are reduced in line with the latest climate science and 1.5°C trajectory, offsetting any hard to abate residual emissions
Emissions covered	Scopes 1 & 2, (Scope 3 encouraged)	Scopes 1, 2 & 3
Applicable offsets	Carbon avoidance/reduction credits, and removal credits	Carbon removal credits only
Application of definition	Company, product, or service-level	Global, national or company-level

Carbon Neutral



01

An activity or company which offsets the same amount of carbon or GHGs as it emits i.e., the emissions produced are equal to the offset.



02

Kyoto Protocol (1997), which serves to commit countries to limit their GHG emissions to individualised targets.



03

PAS 2060
These standards are easy to achieve and can be met by purchasing offsets



04

Scope 1 and 2



05

Can be carbon reduction offsets, like investments in wind farms or solar generation, which lessen future emissions but do not actually remove any GHGs from the atmosphere.



Differences between Carbon Neutral and Net-Zero

- #1 Definition
- #2 Treaty
- #3 Regulatory Standards
- #4 Emission Scopes
- #5 Types of Offsets



Net-Zero



01

The abatement of all carbon and GHG emissions as much as possible through efficiency, electrification, renewables and other means, and offsetting only the essential emissions that remain.



02

Paris Agreement (2015), whose goal is to limit warming to 1.5°C



03

SBTi
These standards are very stringent and require 90 - 95 % decarbonisation.



04

Scope 1, 2, and 3

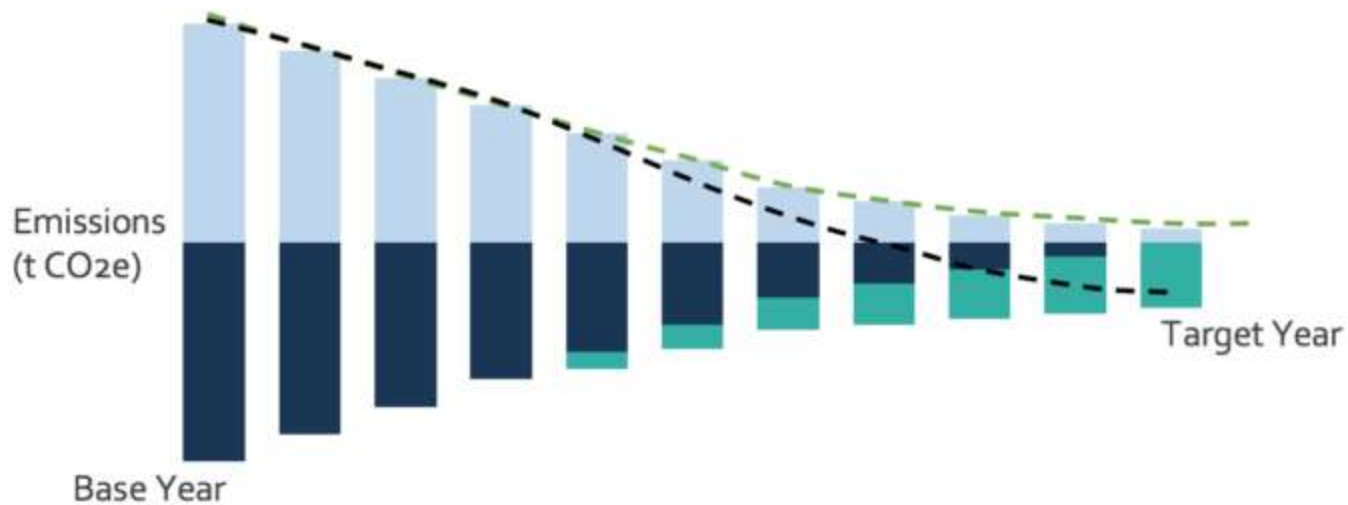


05

Must be carbon removal offsets, such as investing in industrial carbon capture and reforestation.



Corporate 'Net-Zero'



-- Net corporate GHG emissions

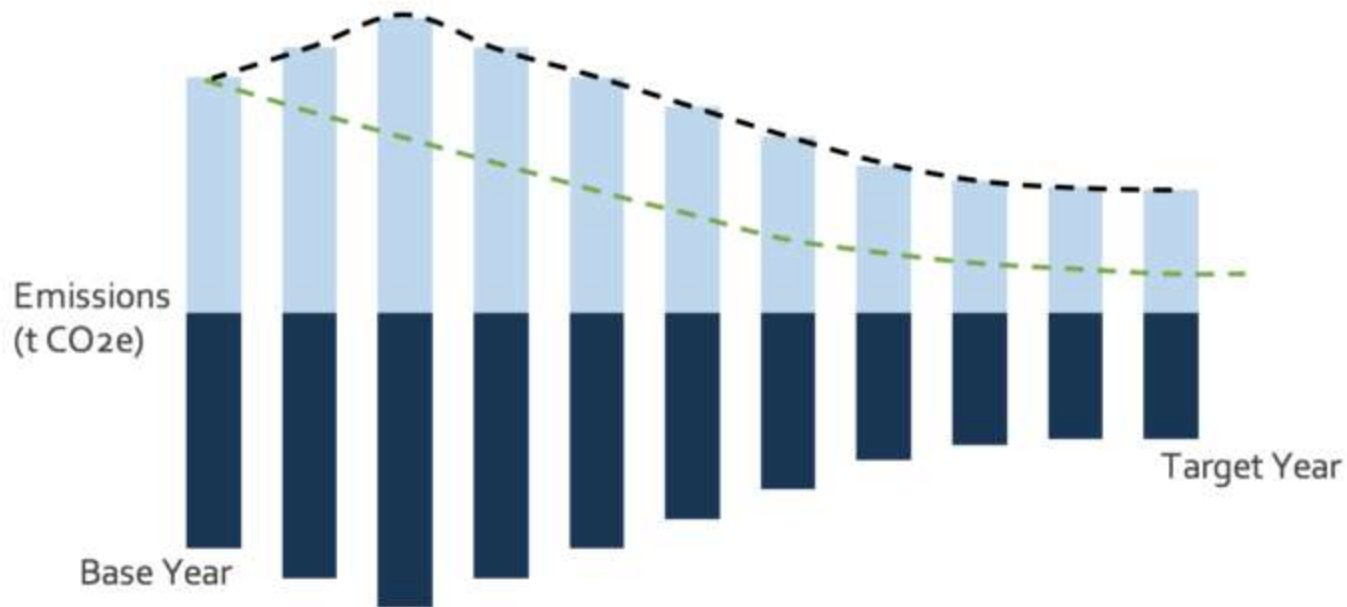
■ Gross Corporate GHG Emissions (all value-chain)

- - Paris-aligned emissions trajectory

■ Compensation (outside value-chain)

■ Neutralization (within value-chain)

Corporate 'Carbon-Neutral'



-- Net corporate GHG emissions

■ Gross Corporate GHG Emissions (all value-chain)

- - Paris-aligned emissions trajectory

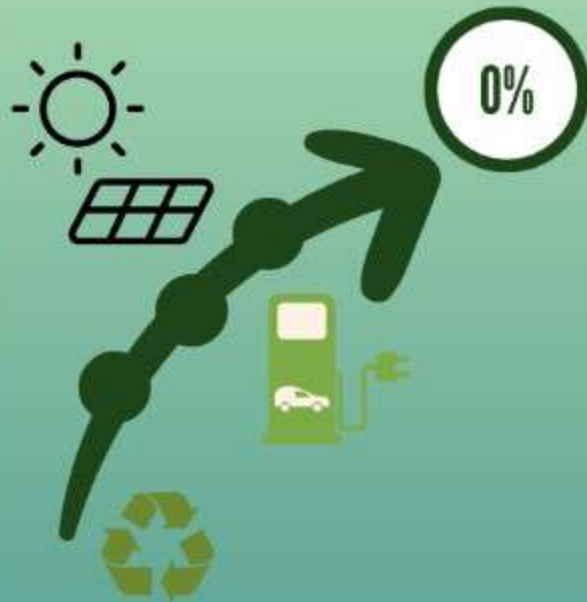
■ Compensation (outside value-chain)

Carbon Neutral



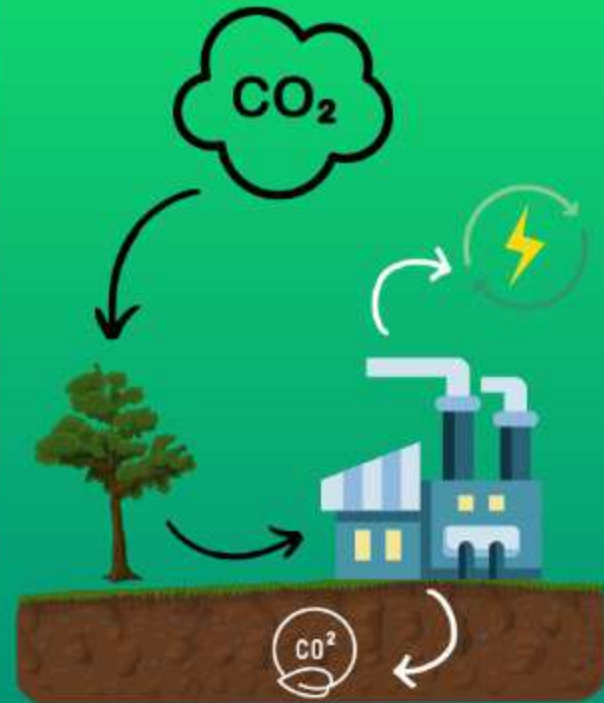
carbon emissions = carbon removal

Net Zero



contributions to net zero emissions

Carbon Negative



removal of carbon from the atmosphere