



# All-hands-on-deck

## A collaborative journey towards Net Zero

The race to net zero carbon emissions is picking up pace, driven by governments and businesses who see the advantages of getting ahead – and the risks of being left behind. The corona virus pandemic and the ensuing economic crisis have only heightened the need to avert global threats like extreme weather disasters, and to build the resilience needed to mitigate their effects. The only way to avoid the worst possible climate outcomes is to accelerate our efforts now. It will need commitment, resolve and definitive action from each one of us.

In the Paris Agreement, governments agreed to keep global warming 'well below' 2°C, and to make efforts to keep it below 1.5°C. However, the Intergovernmental Panel on Climate Change (IPCC), in its seminal report alarmingly concluded that global emissions need to reach net zero around mid-century to give a reasonable chance of limiting warming to 1.5°C. Currently, we are on a much higher trajectory if we don't act immediately. A difference of even half a degree Celsius could expose hundreds of millions more people worldwide to life-threatening heat waves, water shortages, crop failures and coastal flooding. A world with coral reefs and Arctic summer sea ice, or a world without them, hangs in the balance if we don't limit warming to 1.5°C.

The havoc that climate change is wreaking all over the planet today cannot be denied anymore. Until we stop adding greenhouse gases to the atmosphere, the temperature will keep rising. The longer it takes to do so, the more dangerous and costly the repercussions will be. Achieving a net zero or close to net zero target is key to arrest global warming. For governments and businesses, this would mean that they need to make rapid progress towards a net zero emissions world by 2050 at the latest to keep global warming below 1.5°C.

The International Energy Agency's (IEA) new World Energy Outlook 2021 (WEO) report explains that to achieve the Paris Agreement's 1.5°C goal, investments in clean energy must reach \$4 trillion by 2030, 70 per cent of which will focus on developing countries. In this context, India's climate actions are a balancing act between environmental sustainability and overall development. According to the Government of India, the country is well on its way to achieving emission intensity and energy targets well before the 2030 timeframe India has committed to.

The country's ambitious renewable energy



SANJIV MEHTA

target – installed renewable capacity of 450 GW by 2030, solar installed capacity, far-reaching Electric Vehicle framework, National Hydrogen Mission, and a goal to make Indian Railways a 'net-zero' carbon emitter by 2030 – will significantly further the country's green transition. Despite the progress India has made and its overriding development priorities, the challenge for India like for every other nation is about increasing its ambition.

To do so, the developed world must lead, and the developing world must do its part to take actions to mitigate the impact of climate change. India needs financial support matching the scale of transformation it is aiming for. At the same time, developed countries need to offer more technical and capacity building support and cooperation. Sufficient investment in low-carbon technologies, switching to efficient technologies from current fossil-fuel based ones, and upgrading infrastructure in the short- and medium-term while transitioning to alternative energy sources in the long-term, will contribute immensely to reducing emissions. Along with moving towards future-ready technologies, it is very much our responsibility to also conserve and protect the natural assets and rich biodiversity that India is blessed with.

The forests have huge potential to mitigate climate change but this requires focused efforts towards stopping deforestation and restoring our natural landscape through reforestation and afforestation. According to observations made by the Global Forest Watch, India lost 132 Kha of natural forest equivalent to 67.3 Mt of CO<sub>2</sub> of emissions in 2020. India needs to revisit its governance to halt deforestation, implement afforestation, and integrate its forest management framework. Harnessing the power of India's forests will not only promote carbon absorption, but also create healthier communities and improve the resiliency of ecosystems. What India will gain is an additional lever to help combat climate change while delivering sustainable development and promoting inclusive rural transformation, thereby leading India towards a low-carbon, climate-resilient future.

For businesses, integrating climate goals and actions may appear to be a metamorphosis, but unarguably the climate change conundrum is an opportunity to thrive. In fact, 900 businesses across the world including Unilever, representing more than \$13 trillion in market capitalisation, are setting 1.5°C aligned targets and working

---

The author is  
Chairman and  
Managing Director,  
Hindustan Unilever  
Limited and  
President, Unilever  
South Asia



towards halving emissions globally by 2030 on the way to net zero by mid-century. Companies too should pledge and plan drastic emission reductions and transition to renewable energy to meet their energy requirements. Key benefits include spurred innovation, resource productivity, and greater resilience in energy supply. These are just a few outcomes but ones with significant potential to foster competitiveness and unlock new market opportunities.

A fitting example demonstrating this was the Unilever Sustainable Living Plan (USLP) which set out an ambition of decoupling our growth from our environmental impact, with over 70 time-bound sustainability targets. Ten years on, the evidence has been clear in our business performance. Our purpose-led brands have been growing twice as fast as the rest of our portfolio. Globally, we have saved €1.2 billion of cost as a result of sustainable sourcing and eco-efficiencies in our factories. The USLP made us a better business for the long term.

Today, climate action remains at the heart of our Unilever Compass strategy. Our 1.5°C aligned science-based targets have been set to deliver zero emissions operations by 2030, to halve the lifecycle footprint of our products across the value chain by 2030, and to achieve net zero emissions across our value chain by 2039. And our brands will support climate and nature programmes through a €1 billion Climate & Nature Fund.

At Hindustan Unilever Limited, we have already reduced CO<sub>2</sub> emissions per tonne of our production by 91 per cent compared to our 2008 baseline. All our factories, offices, R&D facilities, data centres, warehouses and distribution centres are now powered by 100 per cent renewable grid electricity. We have completely eliminated CO<sub>2</sub> emissions from thermal energy in our operations by replacing coal with green alternatives such as biomass and biodiesel. We are also transitioning away from fossil fuel-derived chemicals in our cleaning and laundry products, unlocking new ways of reducing our carbon footprint. The key component of this

strategy is the Carbon Rainbow, which replaces black carbon (fossil fuel) with carbon from different sources such as green (plant), purple (atmosphere carbon dioxide capture) and blue (marine).

Albeit delayed, this is an all-hands-on-deck moment for businesses and governments to step up their climate action efforts. We need collaborative leadership from both businesses and governments to pursue the virtuous cycle of action and ambition, the 'Ambition Loop'. This means continued leadership on deforestation, stronger national climate plans, and levers to lower Green Premiums and make zero-carbon solutions accessible.

Governments across the world need to undertake ambitious GHG reduction targets and lay out a clear roadmap for 2050 with milestones along the way. Renewables like solar, wind and hydro-power along with bioenergy must form a far bigger share in the rebound in energy investment after the pandemic (IEA (2021), World Energy Outlook 2021). Green hydrogen too can play a significant role in transitioning to net-zero emissions, especially in industrial and long-haul transport applications.

Similarly, nature-based solutions will prove to be powerful allies to address the interlinked challenges of climate change, biodiversity loss, and degradation of ecosystems in urban areas. There is also an exigency for corporate commitments to action, policy reform to level the playing fields for renewable energy, and financial disclosure and innovation to allow markets to correctly price risk and allow capital to flow to more sustainable investments.

As we inch closer towards 2030, COP26, where countries will renew and elevate their commitments to tackle climate change, is being seen as our last best chance to delivering the Paris Agreement's goals. Addressing the mammoth task that lies at hand requires swift systemic change and industrial transformation never seen outside wartime. It will require the efforts of all stakeholders to ensure that we do not miss this opportunity to take decisive action. The responsibility is ours. We owe this to our future generations. ♦

