



**零碳供应链**  
Zero Carbon Supply Chain

# ZERO CARBON SUPPLY CHAIN INITIATIVE

In order to help accelerate the pace of supply chain decarbonization for meeting global climate targets, we have launched the Zero Carbon Supply Chain Initiative.

Responding to the pressing climate challenge, more than 130 countries and regions have made carbon neutral pledges in line with the Paris Agreement. Nearly 9,000 companies and financial institutions have joined the United Nations Race to Zero campaign by committing to net zero emissions no later than 2050. This, however, is in sharp contrast to the emissions reduction gap outlined in the UN Environment Programme (UNEP) 2022 report. Strategies for fulfilling these pledges through concrete actions is now the new focal point.

Leading industrial companies, particularly consumer-facing brands, find greenhouse gas emissions intrinsic to procured goods and services often accounts for the bulk of their carbon footprint. Consequently decarbonizing the entire supply chains is central to delivering climate neutral commitments.

Best practice in recent years indicates that brands have a unique and critical leveraging opportunity for improving supply chain performance by introducing carbon sensitive sourcing criteria. This will motivate key suppliers to join in the Race to Zero and help bring small and medium-sized suppliers into the global climate governance loop, while also contributing to low-carbon transition in developing and emerging markets, where the majority of the global supply chains reside.

We recognize that decarbonizing the supply chain is challenging. The supplier base is often large and dispersed, while the “hotspots” are often located with suppliers further up the supply chain, making it difficult to reach and obtain reliable data. Moreover, some decarbonization technologies are still being developed or optimized.

Motivating the entire supply chain to decarbonize relies on the collaborative efforts across the industry and multiple value chains, as well as support from financial institutions, governments, research institutions, and public awareness.

To accelerate the pace of supply chain decarbonization, we have committed to work with major stakeholders to jointly launch the Zero Carbon Supply Chain Initiative.

## **AS PART OF CORPORATE AND INDUSTRY COALITIONS, WE ARE PLEDGED TO UNDERTAKE AND SUPPORT THE FOLLOWING ACTIONS FOR EFFECTIVELY BUILDING ZERO CARBON SUPPLY CHAINS THAT PROVIDE ZERO CARBON PRODUCTS AND SERVICES:**

- Recognize the importance of carbon emission reduction in supply chains, and integrate it into corporate governance and supplier management mechanisms;
- Calculate and disclose corporate-level carbon data, and gradually integrate supplier-specific activity data into the calculation of Scope 3 purchased goods and services. Embark on the measurement and disclosure of product-level carbon data;
- Set corporate carbon neutrality targets in line with the Paris Agreement and Nationally Determined Contributions (NDCs), and publicly disclose progress annually;
- Incorporate supplier climate actions into procurement considerations, require suppliers to measure carbon emissions, set science-based emission reduction targets and disclose progress;
- Promote research on industry-specific decarbonization pathways and technologies, so as to empower suppliers to take effective carbon reduction actions;
- Support the exploration of nature-based solutions to reduce supply chain footprint, and promote synergized efforts on biodiversity conservation and climate action.

## **AS FINANCIAL INSTITUTIONS, WE COMMIT TO SUPPORTING BUSINESS AND INDUSTRY EFFORTS TOWARD A ZERO CARBON SUPPLY CHAIN WITH THE FOLLOWING ACTIONS:**

- Set science-based carbon neutrality targets for investments, and measure and disclose progress annually;
- Strengthen the climate information disclosure requirements for investees and guide them in building zero carbon supply chains;
- Support the development and application of key technologies for supply chain carbon neutrality;
- Provide sufficient financing for large-scale projects with long borrowing horizon.

## **AS FOUNDATIONS, RESEARCH INSTITUTES AND ENVIRONMENTAL NGOS, WE COMMIT TO CREATING AN ENABLING ENVIRONMENT FOR ZERO CARBON SUPPLY CHAINS WITH THE FOLLOWING ACTIONS:**

- Promote the construction of climate data infrastructure and quantitative evaluation of supply chain climate actions;
- Motivate incorporation of supply chains in carbon neutrality commitments and effectively curb climate “greenwashing” ;
- Promote the full consideration of supply chain climate performance in ESG evaluation;
- Identify, disseminate and promote zero carbon supply chain best practices;
- Support the development of innovative solutions to empower supply chain decarbonization;
- Track the construction of zero carbon supply chains and promote the development of policies and regulations that facilitate decarbonization.

We call on leading companies, industry coalitions and key institutions that influence supply chain and climate ambition to lead in joining the Initiative. We also look forward to attention and support from all sectors of society to jointly advance the decarbonization of supply chains, accelerate the global Race to Zero, and protect our planet Earth.

### **Sponsor:**

**Institute of Public & Environmental Affairs (IPE)**

### **Co-sponsor (in no particular order):**

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