

# Circular economy application after the LCA and Net-Zero

Life Cycle Assessment (LCA) and its application to the automotive sector  
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- Scientific context
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Carbon neutrality is achieved when the same amount of CO<sub>2</sub> is emitted into the atmosphere as is removed by different routes, leaving a zero balance, also called a **zero carbon footprint**.

On the road to Net-Zero is the only possible way to keep the planet's temperature increase below 1.5 °C.

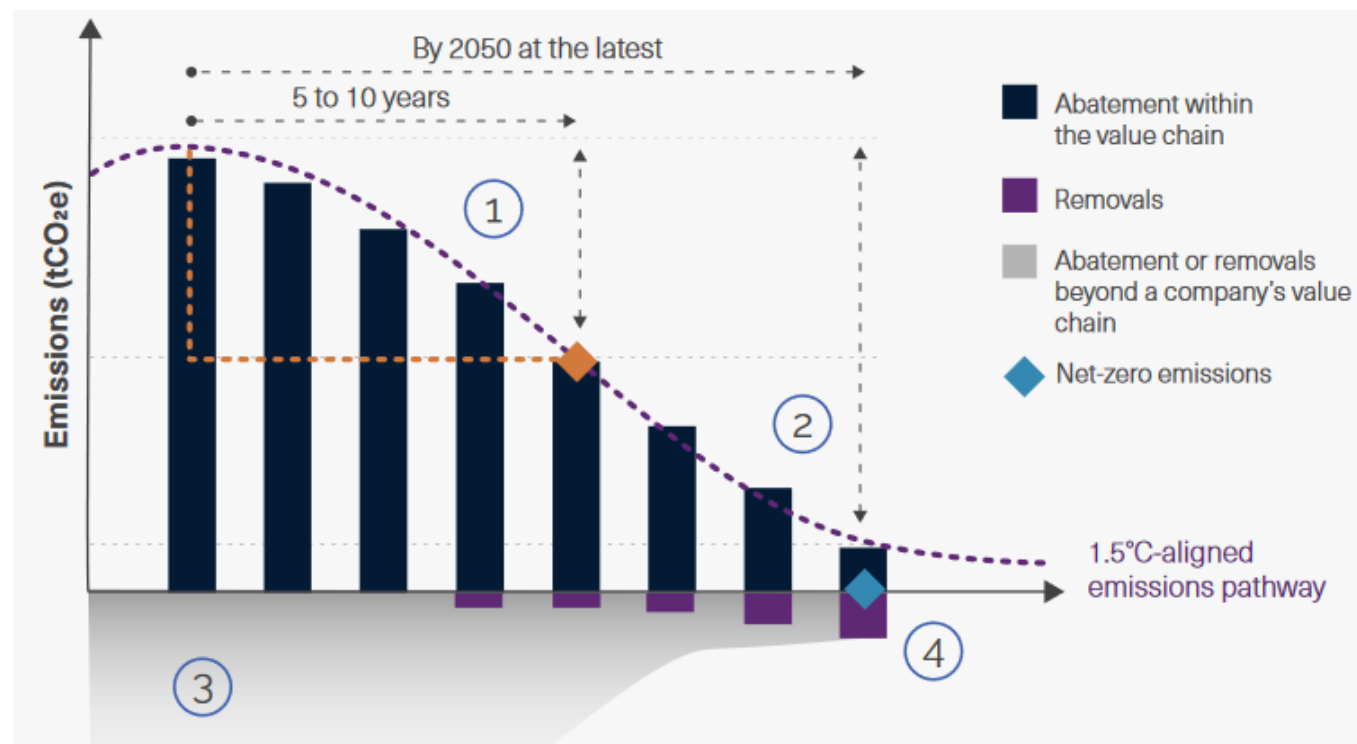


**Objective:** Reducing greenhouse gas emissions to as close to zero as possible.

In the absence of effective global governance, companies are voluntarily adopting climate neutrality strategies aligned with climate science, including the transitional use of Voluntary Carbon Markets.

- Reduce emissions within the value chain through technology in line with the 1.5°C trajectory.
- Achieve net zero emissions by 2050.
- Finance emission reductions and emissions outside the value chain through Voluntary Carbon Markets (beyond value chain mitigation, offsetting).
- Neutralize residual emissions through carbon sinks (removals).

Figure 2 Key elements of the Net-Zero Standard



Europe aims to be  
a carbon neutral  
continent by 2050.

Targets:

55% emissions reduction by 2030

Net-Zero emissions by 2050



Spain aims to achieve  
climate neutrality by 2050,  
and to have an electricity  
system based exclusively on  
renewable generation.

Targets:

23% emissions reduction by 2030

Net-Zero emissions by 2050

**#AmbiciónClimática** es  
la ley de Cambio  
Climático y Transición  
Energética de España



UK requires listed companies to disclose their decarbonization and transition plans to Net-Zero 2023.

Obligation to publish its GHG reduction targets (Scopes 1, 2 and 3), the steps to achieve these targets and the main milestones towards neutrality by 2050. External verification.

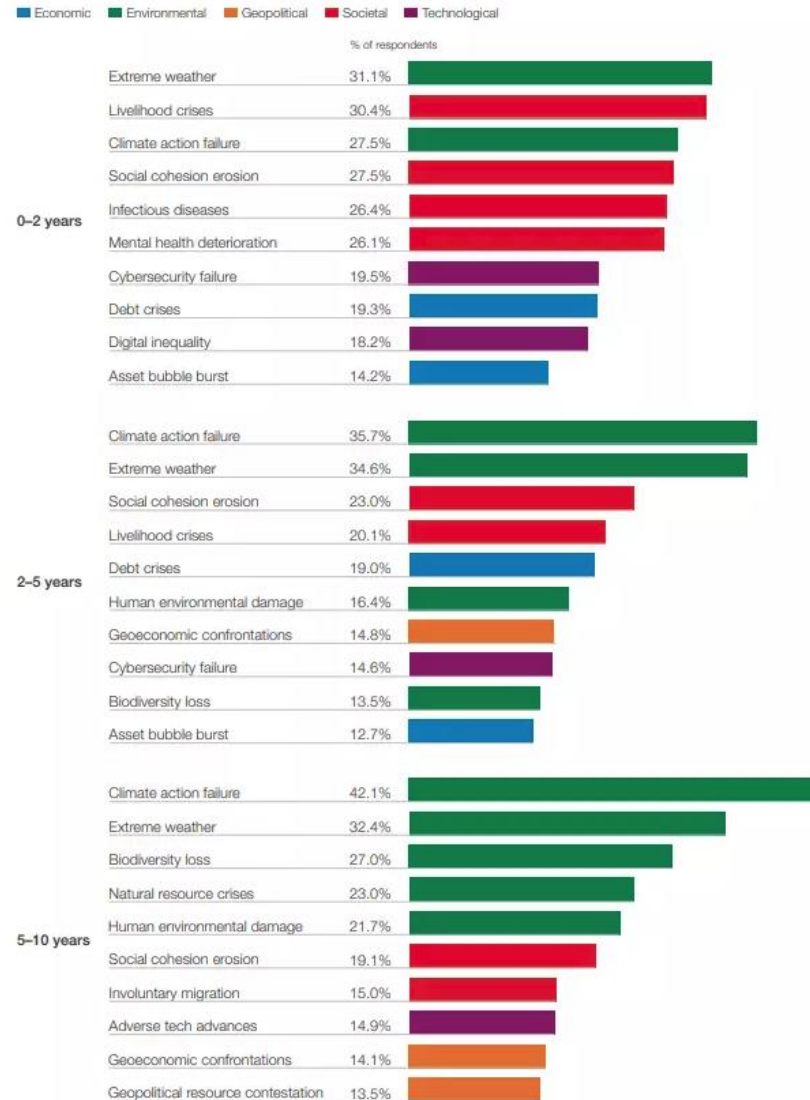
New EU CSR Directive requires in-scope companies\* to publish climate action information aligned to Net-Zero.

Obligation to disclose emission reduction targets aligned with Net Zero, plans for reduction measures and budget allocated to each measure, offsetting and neutralization actions.

Companies (investors, funders, customers, consumers, employees, society) are expected to commit to becoming Net-Zero by 2050.

## Global Risks Horizon

When will risks become a critical threat to the world?



Climate Change

## BlackRock expects 75% of company and govt assets to be net zero-aligned by 2030

By Simon Jessop



## SSGA Targets Decarbonization Across Portfolios

**STATE STREET**



Efforts to combat climate change have focused primarily on addressing 55% of global GHG emissions through:

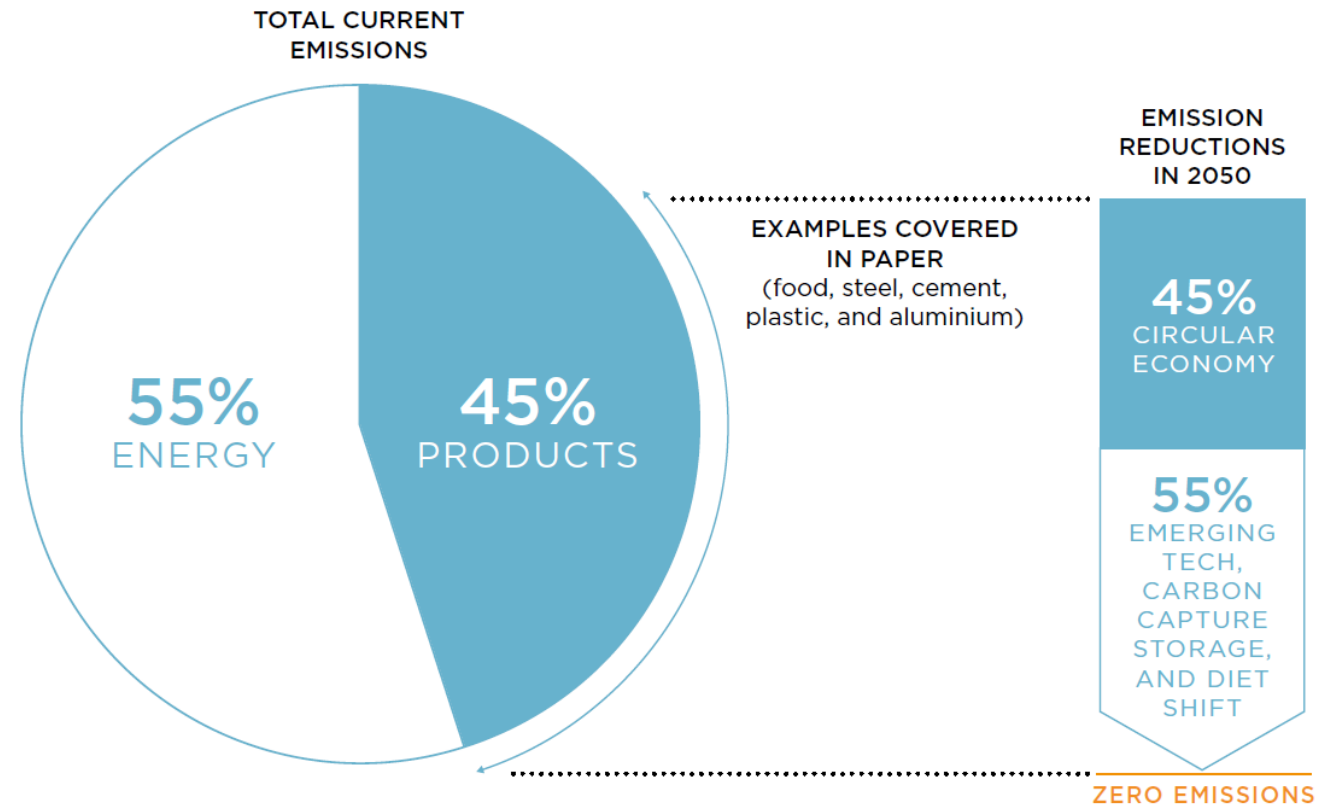
- Transitioning to renewable energy
- Energy efficiency measures

Measures 45% remaining



Important to meet Net-Zero emissions by 2050 .

## COMPLETING THE PICTURE: TACKLING THE OVERLOOKED EMISSIONS



*Ellen MacArthur Foundation + Material Economics: Completing the Picture: How the Circular Economy Tackles Climate Change (2019)*





# THANK YOU!

