



Standards in a
post-COP26 world

bsi.

Inspiring trust for a more resilient world.

Introduction

International standards have an immense capacity to support both business and policy makers in the race to net zero.

However, so far, their potential to drive positive climate transitions has been largely untapped. This is something that the international standards community is now vigorously addressing.

To that end, on 24th September 2021 the International Organization for Standardization (ISO) signed the London Declaration. It commits the international standards community's 165 national member bodies to ensure global standards will support climate action and advance international initiatives to achieve global climate goals. Specifically, The London Declaration will:

- **Foster** the active consideration of climate science and associated transitions in the development of all new and revised international standards and publications
- **Facilitate** the involvement of civil society and those most vulnerable to climate change in the development of international standards and publications
- **Develop** and publish an Action Plan and Measurement Framework detailing concrete actions and initiatives and a reporting mechanism to track progress

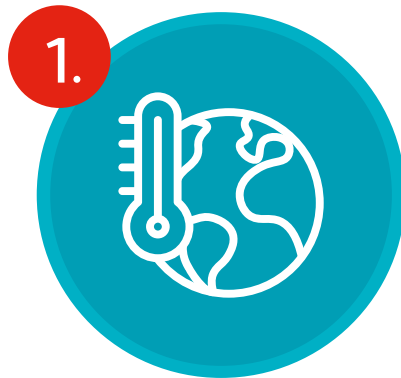
In November 2021, BSI participated in the UN's COP26 Climate Change Conference in Glasgow in order to demonstrate how standards can play a role in supporting the global transition to a net zero future.

This report summarizes the main takeaways from COP26 and outlines BSI's involvement. It explains how, through related initiatives and pledges, we're modifying our work to support COP26's ambition.



The six main takeaways from COP26

For nearly three decades, under the United Nations Framework Convention for Climate Change (UNFCCC) a body called the Conference of the Parties (COP), meets annually to assess progress in dealing with climate change. In November 2021, the UK hosted the 26th Conference of the Parties (hence COP26) at which 6 key commitments were agreed.



Keeping Earth's temperature below 1.5°C

153 countries put forward new 2030 emission targets and agreed to bring forward the five-year timeline to submit or amend their Nationally Determined Contributions (NDCs). They will share their commitments in 2022.



Fossil fuels

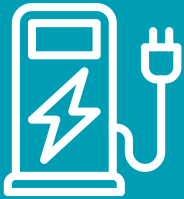
Coal is the single biggest contributor of human created climate change. 65 countries have agreed to phase down the use of unabated coal power. All major coal financing countries committed to end international coal finance by the end of 2021.



Halting and reversing deforestation

137 countries have pledged to halt and reverse forest loss and land degradation by 2030, and alongside other national and philanthropic contributions, 28 countries, including the UK, US and Brazil, have launched roadmaps to protect their forests. More sustainable land management can reduce annual net greenhouse gas emissions by more than 7 giga tonnes by 2030.

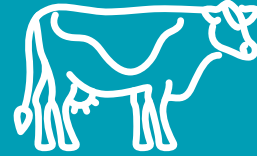
4.



Speeding up the switch to electric vehicles

Road transport accounts for over 10% of global greenhouse gas emissions and half the world's consumption of oil. Several key stakeholders have launched initiatives that demonstrate their commitment to the transition. These include some 36 countries, 6 major carmakers, 43 cities, states and regions, 28 fleet owners and 15 financial institutions have committed to accelerating the transition to 100% zero emission cars and vans. This could lead to a reduction of 2.6 giga of carbon dioxide a year by 2030.

5.



Reducing methane emissions

Over 100 countries signed up to the pledge to reduce global methane emissions by 30% by 2030. This includes six of the world's top 10 methane emitters, equating to a potential 46% of global methane emissions and over 70% of global GDP. It will play a critical role in keeping 1.5°C in reach.

6.



International cooperation including carbon markets

A deal was reached on Article 6 of the Paris Agreement with parties agreeing to the "carryover" of carbon credits generated under the Kyoto Protocol since 2013. This helped finalize the Paris Rulebook that fully operationalizes the Paris Agreement.

Climate action and responsible business conduct

Consensus, stakeholder led standards of best practice have a vital role to play in accelerating the net zero transition, providing guidance and support for organisations, cities and other non-state actors trying to work out how to meet their emissions targets and deliver their sustainability ambitions.

Scott Steedman CBE, Director-General, Standards at BSI and Vice President (policy) of the International Organisation for Standardization (ISO) joined a panel discussion at COP 26 organised by the UNFCCC Secretariat and OECD Centre for Responsible Business Conduct to explain why standards are so important.

Using standards in a strategic way

Delivering a global transition to net zero requires change across the 'real economy', in every sector and every country. The only universal platform that governments, business and consumers can use to scale change globally is the market, which is shaped by a rules-based framework of regulations, codes and guidance. "It's all about standards," said Scott. "Standards should be seen as a strategic tool, not only to specify reporting requirements through 'regulatory standards' but to stimulate market pull through incentivising the use of voluntary standards to facilitate culture change through global supply chains. International standards are the one common framework that can create a level playing field for business, investors and consumers to build integrity, resilience and pace into the net zero transition."

Over recent decades ISO has become a highly respected global standards organisation founded on the principles of national delegation and voluntary stakeholder consensus. The members of ISO are national standards bodies, such as BSI, linked to their governments, industries and consumer communities. "ISO was founded at a UN conference in London in 1946 to provide a platform for the world to come together to agree what good looks like," said Scott. "The momentum for change that industry showed at COP 26 is a major opportunity and indeed milestone in the history of ISO, whose members are eager to help governments and non-state actors use the power of stakeholder consensus to translate net zero targets into practice."

He highlighted two key developments in 2021 that demonstrated the willingness of the international standards community to take more of a leadership role, one aimed at improving the standards themselves, and the second aimed at raising global awareness and take up. Two months before COP 26, BSI hosted the annual General Assembly of ISO in London, where the members committed to ensuring that ISO's standards development work on new and revised standards will take the latest climate science into account and that the

voices of those peoples most affected by climate change are amplified in that process. The 'London Declaration' captured media attention and is now being implemented by ISO, its members and partner organisations, including the International Electrotechnical Commission (IEC) and the European regional standards organisations, CEN and CENELEC.

"The real value of standards lies in their use and most important of all is seeing standards taken up by organisations everywhere to accelerate their net-zero transition." This was why, he said, working with the UNFCCC, BSI and ISO had announced at COP 26 a new initiative called 'Our2050 World' to support the UN-backed Race To Zero initiative. The programme is aimed at raising awareness amongst non-state actors of what standards are already available, identifying gaps that needed to be urgently filled with new standards and using standards to accelerate technology innovation.

"We can do this," he concluded, "because standards are the one global business tool that everyone, everywhere can agree upon if they want to make the net zero transition a reality for all."

Jeremy Darot

“We can do this, because standards are the one global business tool that everyone, everywhere can agree upon if they want to make the transition a reality”.

Photo: Scott Steedman, CBE, Director-General, Standards and Executive Director, BSI

'Our 2050 World' to accelerate the Race to Zero

Towards “keeping 1.5°C alive”, BSI launched a new initiative called 'Our 2050 World' at COP26. This was done in collaboration with ISO and the UN-backed Race to Zero campaign, with support from partner standards bodies in Trinidad and Tobago, Kenya and Canada.

This initiative is a response to the UN Intergovernmental Panel on Climate Change (IPCC) report published in August 2021 which concluded that the pace of global warming was “code red for humanity”.

Daniel Barlow, BSI's Head of Innovation Policy, explained that Our 2050 World is an international collaboration to support non-state actors – including businesses, cities and investors – to accelerate their Race to Zero strategies, using standards to meet the ambitious target of halving emissions by 2030 and achieving net zero by 2050 at the latest.

The initiative has three key aims:

- Provide clarity and consistency on net zero targets, measurement, and reporting
- Make climate action easier with accessible and pragmatic guidance
- Accelerate innovation with standards

Dan added, “standards underpin the real economy and can play a critical role in harnessing the groundswell of voluntary commitments from non-state actors. Optimizing the use of standards will support the transition to net zero of global, regional and national market frameworks.”



Photo: Daniel Barlow, Head of Innovation Policy, BSI



The our2050world approach will lead to three types of intervention to achieve the vision:

1. Most companies don't have large, full-time sustainability teams, ready to analyse a problem. Clear guidance on best practice is needed – and this is what voluntary, consensus-based standards offer. It could be said that such standards represent the cheapest form of consultancy for businesses of all sizes, and Our 2050 World will signpost the steps that companies should take now, based on what reliable knowledge is available, to start making progress.
2. our2050world will also be analysing the gaps that exist in the catalogue, so that we can identify and define the work programmes needed to ensure progress is made at pace.
3. As the work progresses, we will be able to cascade this to the wider global economy.

An initial 90 day 'sprint' has established focus areas to accelerate action, align effort and drive an ambition loop between industry and governments. "This is our starting point," said Daniel, "and we encourage people to go to www.our2050.world and get involved".

Photo: Scott Steedman, CBE, Director-General, Standards and Executive Director, BSI

Enabling more sustainable finance

To mark Finance Day at COP26, the Scottish Government invited BSI to host a panel discussion on how standards for sustainable finance can help integrate net zero considerations into investment decisions.

The financial sector plays a unique role in mobilizing capital to support global sustainability and climate targets and the event at Glasgow's Lighthouse focused on how standards can accelerate the sector's adoption of the principles of sustainable finance, so helping to underpin market transformation and facilitate the transition to net zero.

David Fatscher, BSI's Head of Sector (Environment, Social and Governance) chaired the event and started by acknowledging Chancellor Rishi Sunak's call for the entire financial system to be "re-wired" for net zero. This, said David, demonstrated the need for consensus-based good practice to enable greater transparency and trust in the efficacy of the re-wiring.

The session opened with an address from Ivan McKee MSP, the Scottish Minister for Business, Trade, Tourism and Enterprise, who told attendees that the financing of net zero required numbers so staggering that the necessary public money would need to be leveraged alongside equally significant amounts of private investment capital.

Understanding green credentials

The Minister also noted that funding was not only essential for "the pieces of the jigsaw that can support decarbonization of heat and transport but also those vehicles where individuals are investing their money. So, having those standards that help corporations but also consumers understand green credentials are hugely important".

The panel of experts that BSI convened included thought leaders from across Scotland's financial sector (from green infrastructure principal investment to pensions management) and the Financial Conduct Authority, the industry's regulator.

Participants discussed the market drivers that have created a demand for more sustainable financial products, and the barriers and opportunities associated with meeting this. It was acknowledged that the work BSI had led in developing fast-track PAS standards aimed at promoting a better understanding of the principles of sustainable finance was now helping to consolidate vast volumes of new terminology into a more digestible format.

BSI's Sustainable Finance PAS programme is also informing new work in ISO, led by BSI, and a new national standard on natural capital accounting (BS 8632) is being submitted for consideration into ISO.

<https://www.youtube.com/watch?v=sOVHSXO9DQ4>



Photo: Ivan McKee, MSP, Scottish Minister for Business

Industrial biotechnology and net zero

BSI hosted a session at COP26 to explore the role of standards and innovation.

Industrial biotechnology is the exploitation of enzymes, micro-organisms and plants to produce energy, industrial chemicals and consumer goods. The expectation is that renewable plant-derived carbohydrates, lipids and other compounds can displace a significant fraction of petroleum and other fossil fuels that are currently the raw material and energy basis of modern industrial societies.

The objective is to develop biotechnology approaches that will yield “green” industrial processes that are cost effective and sustainable. By reducing the use of fossil fuels, biotech can significantly cut CO₂, support circular economy approaches and boost innovation and supply chains. The potential benefits are significant. Industrial biotechnology can support the UK Government’s target of doubling the bioeconomy to £440 billion by 2030 and contribute to the UK’s net zero targets.

Increased awareness

Sara Walton, BSI Sector Lead for Food, explained that the session was to increase awareness of BSI’s work in industrial biotech and initiate discussions that could lead to further government and industry-led development or investment. “We explored the role of standards and innovation in unlocking the benefits,” she said. “We also discussed some of the findings from BSI’s 2021 report Industrial biotechnology – strategic roadmap for standards and regulations.”

Our speakers came from industry associations and innovators as well as government, including Innovate UK, the Industrial Biotechnology Leadership Forum (IBLF) and the Scottish-based Industrial Biotechnology Innovation Centre (IBioIC) and Ingenza. They shared the latest thinking on biotech applications, innovation and government support, the potential for CO₂ reductions and more.

A wide-ranging panel discussion then addressed some of the main opportunities and challenges for industrial biotech, contribution to net zero targets, circular economy approaches and economic growth. This included the role of standards and consensus-based best practice.

Themes such as aviation fuels and food were recognised having great potential and the discussion concluded on a positive note, looking to a future where young talent is coming into the industry to help drive sustainable growth today and tomorrow.



Photo: Sara Walton, Sector Lead, Food, BSI

Mission Innovation roundtable

BSI is part of the Mission Support Group of Mission Innovation, and Sebastiaan Van Dort, BSI's Associate Director of Energy, participated in the Mission Innovation roundtable discussion at COP26.

The only way the world can reach net zero emissions by 2050 is if clean energy is made affordable and accessible for everyone – especially those in middle- and low-income countries.

However, the International Energy Agency's Net Zero by 2050 report shows that almost half the CO₂ reductions required by 2050 will come from technologies that are currently at the demonstration or prototype phase. These technologies urgently need to be brought to a tipping point where they become affordable and accessible, but this will require enormous public and private sector collaboration.

To that end, Mission Innovation was a global initiative launched by President Barack Obama at COP21 in 2015. Its purpose is to accelerate public and private clean energy innovation that tackles climate change, makes clean energy affordable to consumers and creates green jobs and commercial opportunities.

Clean energy innovation investments

To date, Mission Innovation governments have already increased clean energy innovation investments by USD\$5.8 billion annually since 2015. These national investments have supported the research, development or demonstration of nearly 1,500 innovations, with the potential to avoid more than 21 gigatons of CO₂ per year by 2030 if fully deployed.

At COP26, 22 governments and the European Commission, collaborating through Mission Innovation, announced four new ground-breaking missions: the Urban Transitions Mission to tackle the three-quarters of global energy consumption accounted for by cities; the Net Zero Industries Mission to help the steel, cement and chemical sectors get onto a net zero emissions pathway; the Carbon Dioxide Removal (CDR) Mission to catalyse a global CDR industry by advancing research and development via pilot-scale tests and deployment; and the Integrated Biorefineries Mission to replace fossil fuel-based fuels, chemicals, and materials with bio-based alternatives.



Photo: Sebastiaan Van Dort, Associate Director, Energy, BSI

The only way the world can reach net zero emissions by 2050 is if clean energy is made affordable and accessible for everyone – especially those in middle- and low-income countries.

Commenting on his attendance at the Mission Innovation roundtable, Sebastiaan observed: “Standards have the capacity to transfer new technical knowledge into commercial environments, and they provide a trustworthy platform on which further innovation can be built. We’re part of Mission Innovation because standards have so much potential to help diffuse and support accelerated innovation.”



Photo: Sahar Danesh, Senior Government Engagement Manager, BSI
Katherine Hay, Engagement Manager, BSI



Voluntary carbon markets

As members of the executive secretariat that supports the work of the Integrity Council for Voluntary Carbon Markets (IC-VCM), BSI took part in the Transforming High-Integrity, Inclusive Voluntary Carbon Markets Which Deliver for 1.5C event at COP26.

Voluntary carbon markets let organizations or individuals support climate action by purchasing carbon credits. The IC-VCM is a private sector-led initiative working to scale effective and efficient voluntary carbon markets to help meet the goals of the COP21 Paris Agreement. It was originally started by Mark Carney, UN Special Envoy for Climate Action and Finance Advisor to UK Prime Minister Boris Johnson for COP26, in an effort to organize the voluntary carbon markets in such a way that they could provide greater liquidity into climate positive solutions.

The IC-VCM has more than 50 members who represent buyers and sellers of carbon credits, standard setters, the financial sector and market infrastructure providers. It's also supported by a highly engaged Consultation Group, composed of subject matter experts from approximately 120 institutions, who contribute additional perspective to the recommendations.

Accelerating the transition

The IC-VCM has ambitions for a dynamic, vibrant market in carbon credits. But irrespective of the eventual scale, it must be underpinned by credible standards so that market participants can have confidence in what is being traded and has BSI has been appointed to the IC-VCM Executive Secretariat to help write the necessary Core Carbon Principles. These will set a threshold for determining high-integrity carbon credits and assess which standards and methodology meet the requirements. They will be drafted using a consensus-based approach – with wide consultation – and be structured in such a way that they can feed rapidly into the international standards making process.

High-integrity voluntary carbon markets have the potential to mobilize billions of dollars a year in additional climate finance that helps remove carbon or cuts emissions.

Conclusion

COP 26 highlighted that, outside of the negotiations between UN member states, the race is on for businesses, NGOs and other public interest stakeholders to seize the initiative in the transition to net zero.

There is now a competitive advantage to becoming more sustainable in regards to climate action and the most credible way to demonstrate this is by implementing common standards on a global scale which can then be accompanied by regulatory frameworks to accelerate progress.

BSI encourages these efforts by supporting the shaping and sharing of common frameworks for standards and assurance and evidence of this can be found in our leading role in the Integrity Council for Voluntary Carbon Markets (IC-VCM) and the launch, with ISO, of Our2050World.

International standards have the potential to align government, non-state actors and civil society to support the mutual ambition in creating a more sustainable world.



For further information

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About BSI

BSI is a global thought leader championing business excellence, innovation and best practice. It has grown into an international research, advisory and regulatory organization of over 3,500 staff in 80 global locations.

Whether by developing agile standards or offering quality management advisory services, BSI remains true to its original mission of 'making excellence a habit' in organizations all over the world.

Standards Policy

The Standards Policy team is the focus for the formation of policy for BSI's NSB functions and is responsible for developing and maintaining effective relationships with other national, regional and international standards bodies (including ISO, IEC, CEN and CENELEC), international organizations and UK Government in order to enhance the UK's profile and influence globally.

Knowledge Sector

The Knowledge Sector team is the focus for the strategic leadership of our Sectors. We use our insight and channel expert knowledge to shape and position standards, products and services that benefit the global standards community and ensure that Standards contribute to the solutions of the key global challenges faced today and into the future. The team is responsible for effective relationships with national and international Government departments on specific issues as well as industry, academia and consumers.