PPO Group

On the Path to Net Zero with the SBTi

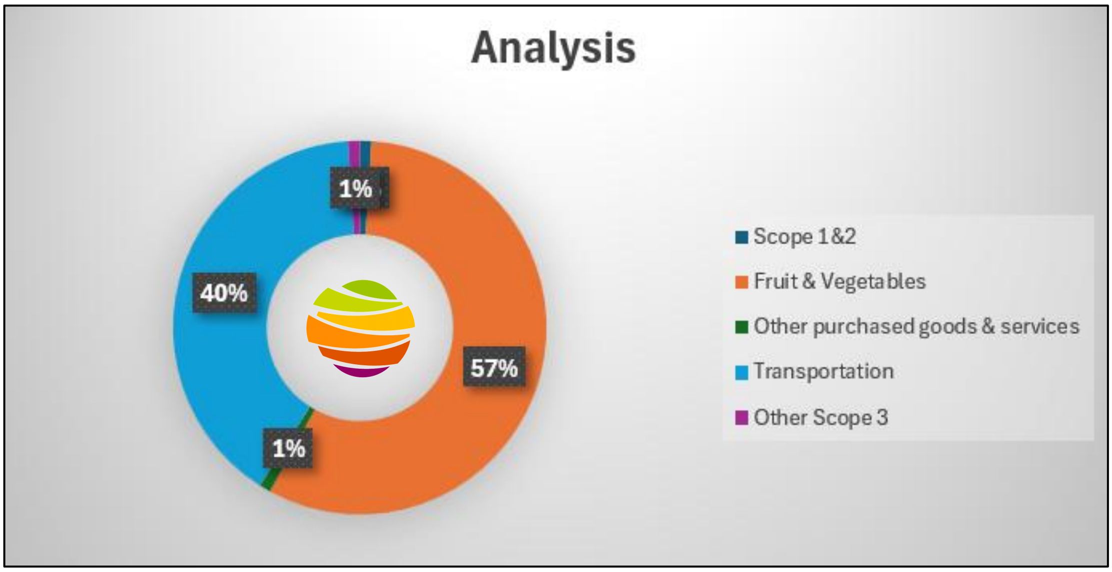
Every day, tons of fruits and vegetables are transported to Switzerland from all over the world so that supermarkets and restaurants can reliably supply us. But what lies behind these supply chains when we take a close look at their impact on the climate?

A Swiss FLAG company is taking responsibility

We prepared a carbon footprint assessment for PPO Group, a leading Swiss fruit and vegetable trading company, in accordance with the GHG Protocol (Scopes 1–3, including FLAG calculations). Building on this, we developed and quantified mitigation measures, defined a reduction pathway, and submitted an application to the Science Based Targets initiative (SBTi) as a large enterprise with FLAG emissions. In addition, we supported PPO Group in implementing initial measures, such as establishing sustainable procurement guidelines and optimizing data systems for the preparation of future carbon footprint assessments.

Where do emissions come from, and why FLAG is crucial

The analysis clearly shows that the majority of emissions fall under Scope 3-that is, in the upstream and downstream value chain, where the company has only indirect influence.



More specifically, the highest emissions occur during the cultivation of the fruits and vegetables we purchase. This brings so-called FLAG emissions (FLAG = Forest, Land, and Agriculture)—that is, emissions up to the farm gate—into focus. In the cultivation of fruits and vegetables, these include the production and use of fertilizers, fuels for machinery and irrigation systems, as well as the release of carbon through the conversion of land into farmland or greenhouses.

In addition to purchased fruits and vegetables, transportation also contributes significantly to the retail company's total emissions.

Scope 1 and 2 emissions, by contrast, account for only a small portion. These include, in particular, fuel consumption by company vehicles, emissions from refrigerants, and emissions from purchased fossil-fuel-based heat. However, this is precisely where a challenge arises: as a tenant, the PPO Group company has little influence over the building infrastructure. Nevertheless, they are actively seeking solutions, such as through their own investment in a photovoltaic system.

From the Status Quo to Net Zero: Steps for the Future

PPO Group is already doing many things right: air freight is practically non-existent, almost all shipments are transported by ship or truck, and their capacity utilization is optimized as much as possible.
Building on this, specific measures have been defined to further improve the carbon footprint:

- Increase transparency and improve data: Systematically request emission factors and sustainability-related information from transportation partners and producers.
- Sustainable procurement: Introduce binding guidelines that incorporate environmental and social criteria.
- Reduction of Scope 1 emissions: Gradual transition of the company fleet to electric vehicles, investment in a photovoltaic system.
- Taking responsibility for the supply chain: Key transport and production partners are encouraged to also commit to net-zero.

All measures have been scheduled in a phased implementation plan, allowing for transparent tracking of progress toward the goals and regular review.

SBTi: Mandatory Climate Targets with FLAG in Mind

By registering with the SBTi, PPO Group has taken a decisive step toward establishing science-based, long-term goals. As a large company with FLAG emissions, it is committed to the following targets:

- **By 2030**, Scope 1 and 2 emissions are to be reduced by 42%. Emissions across the entire value chain (Scope 3) are to be reduced by 25%, and FLAG emissions by 30.3%.
- **By 2050**, Scope 1 and 2 emissions, as well as Scope 3 emissions, are to be reduced by 90%. A 72% reduction is planned for FLAG emissions.

In addition, the company is committed to a zero-deforestation goal:
Starting in 2025, no goods resulting from deforestation or forest degradation may be purchased. This goal will be extended to producers by incorporating it into contracts and embedding it in the sustainable procurement guidelines.

This project demonstrates that even within global supply chains-where challenges are complex and opportunities for influence are limited-companies can take decisive action and make ambitious strides toward net-zero.