

# Strategic Carbon Accounting and Decarbonization: Enhancing Value for Listed Companies in the Middle East

October 2024



In Partnership with MEIRA

# Olive Gaea is Dubai based ESG SaaS company



*Selected for the Women in AI accelerator program*



AI-driven Carbon Management and accounting platform automating Decarbonization and ESG Reporting



*Fast 50 Impact Nomination*



*Recognized in the Future50 Report*



*BCG V60 Award* 2<sup>nd</sup> Among 100 in 2024

**API SERVICES**

B2B2C solution for carbon neutral deliveries and products



*Finalists in the Sustain Tech Campaign*



*Finalists in the EGA Ramp-Up Program by C3*



*Top 12 Climate-tech start up*

**BESPOKE CONSULTING**

Carbon assessment, Net Zero strategy, carbon offsetting, LCA, ESG strategy & reporting

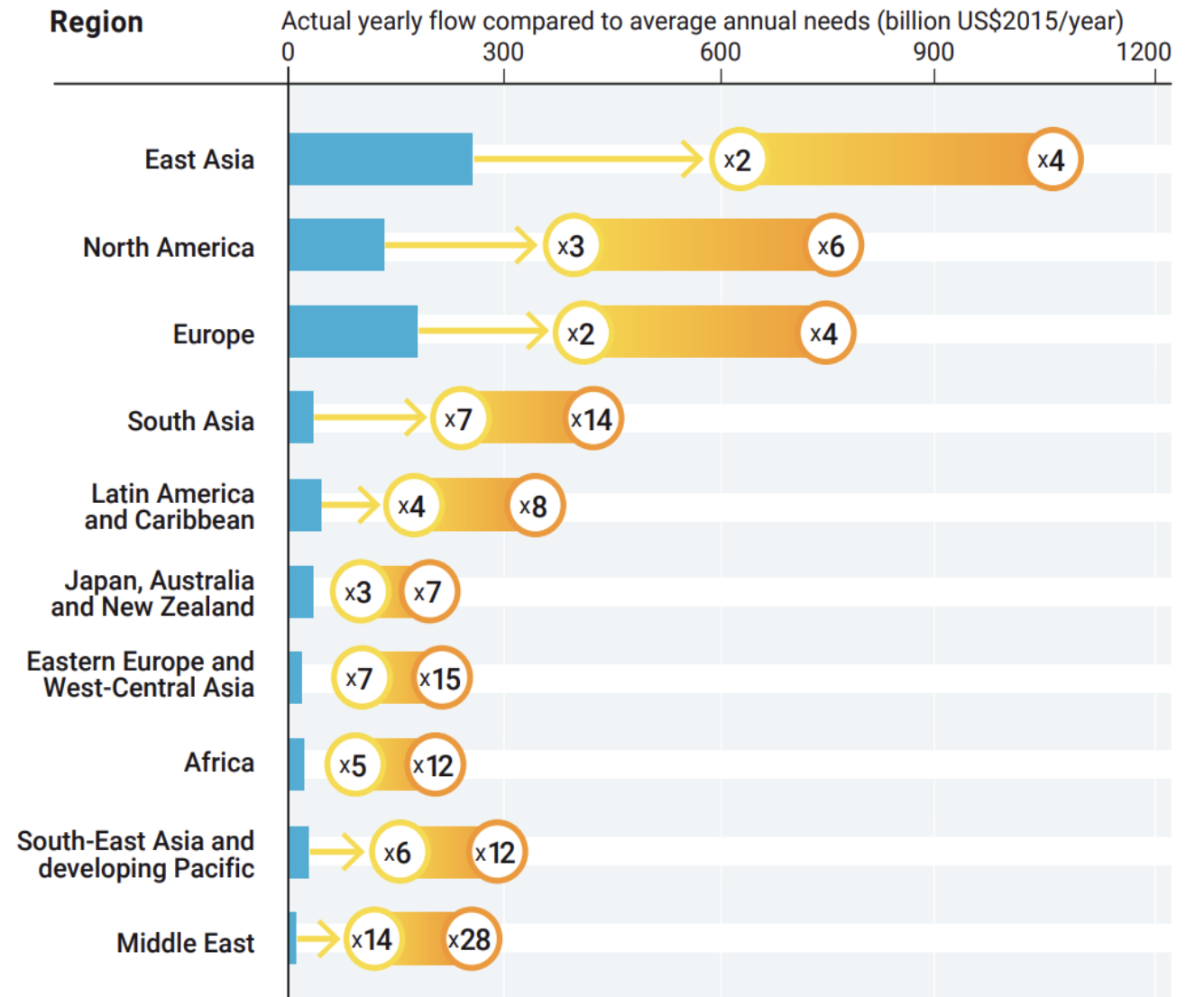
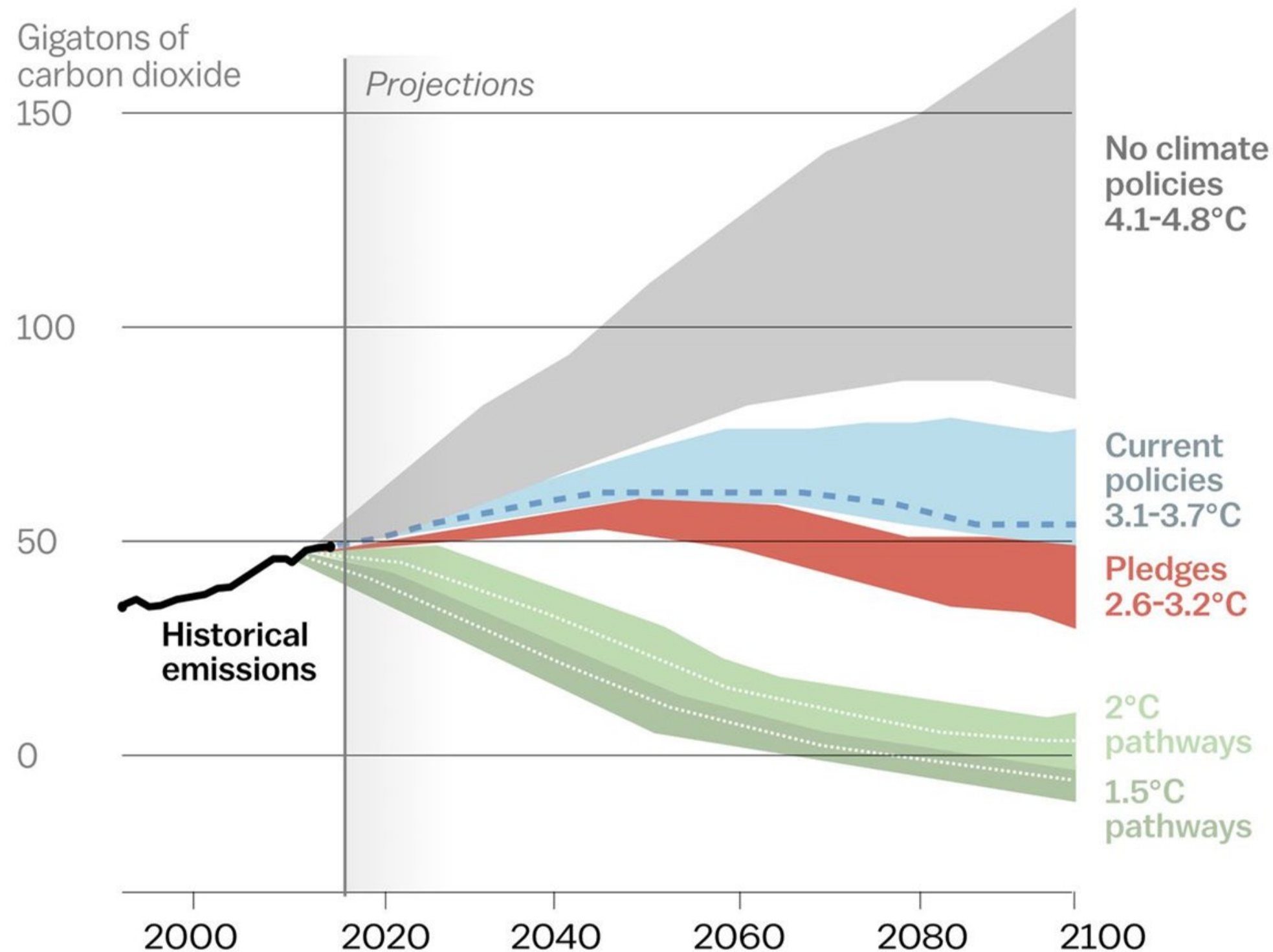


**SUSTAINOVA STARTUP CHALLENGE**

2<sup>nd</sup> Among 100 in 2024

# Major changes needed to limit global warming

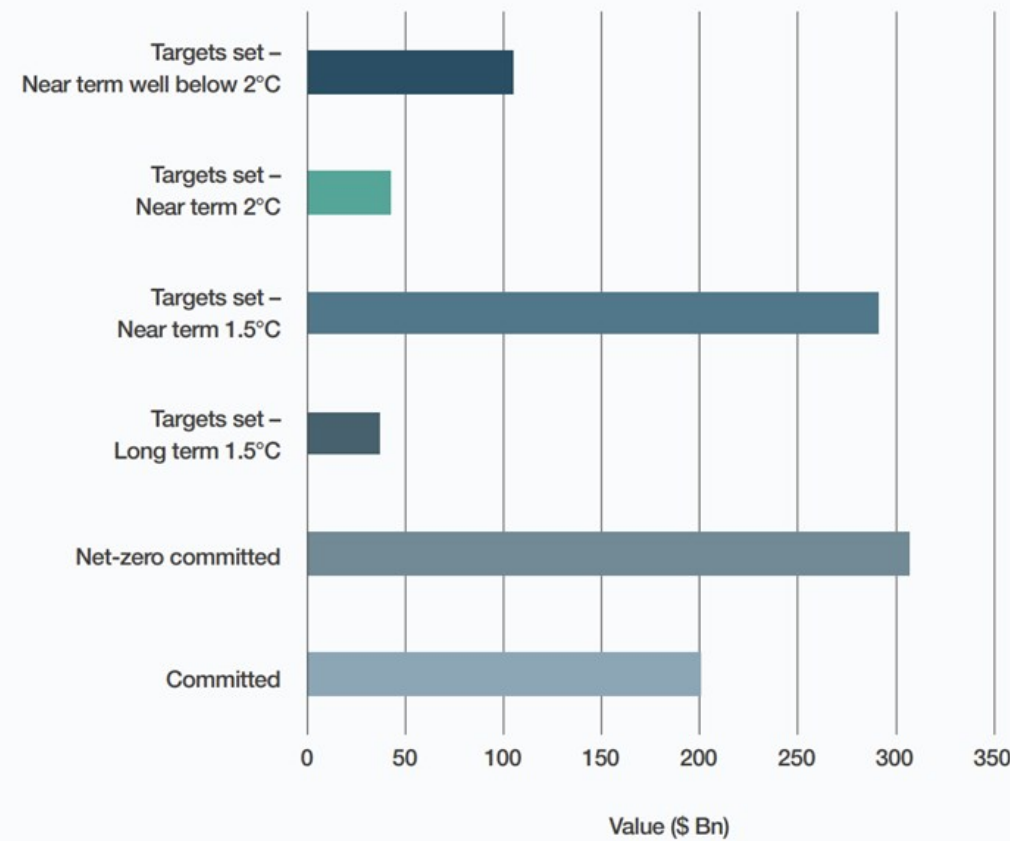
Global greenhouse gas emissions



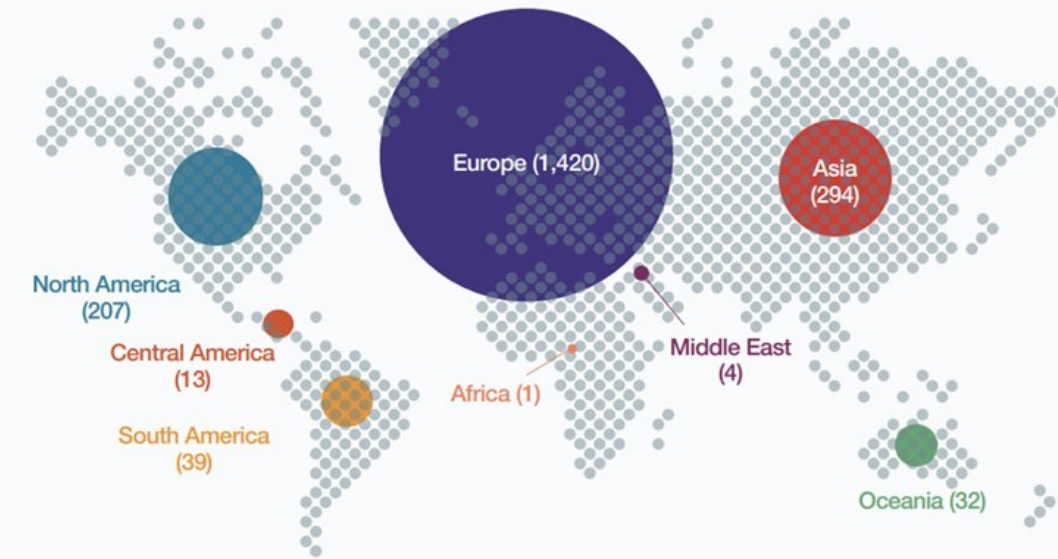
1°C global warming reduces world GDP by 12%

# Green leaders can access a deep pool of capital

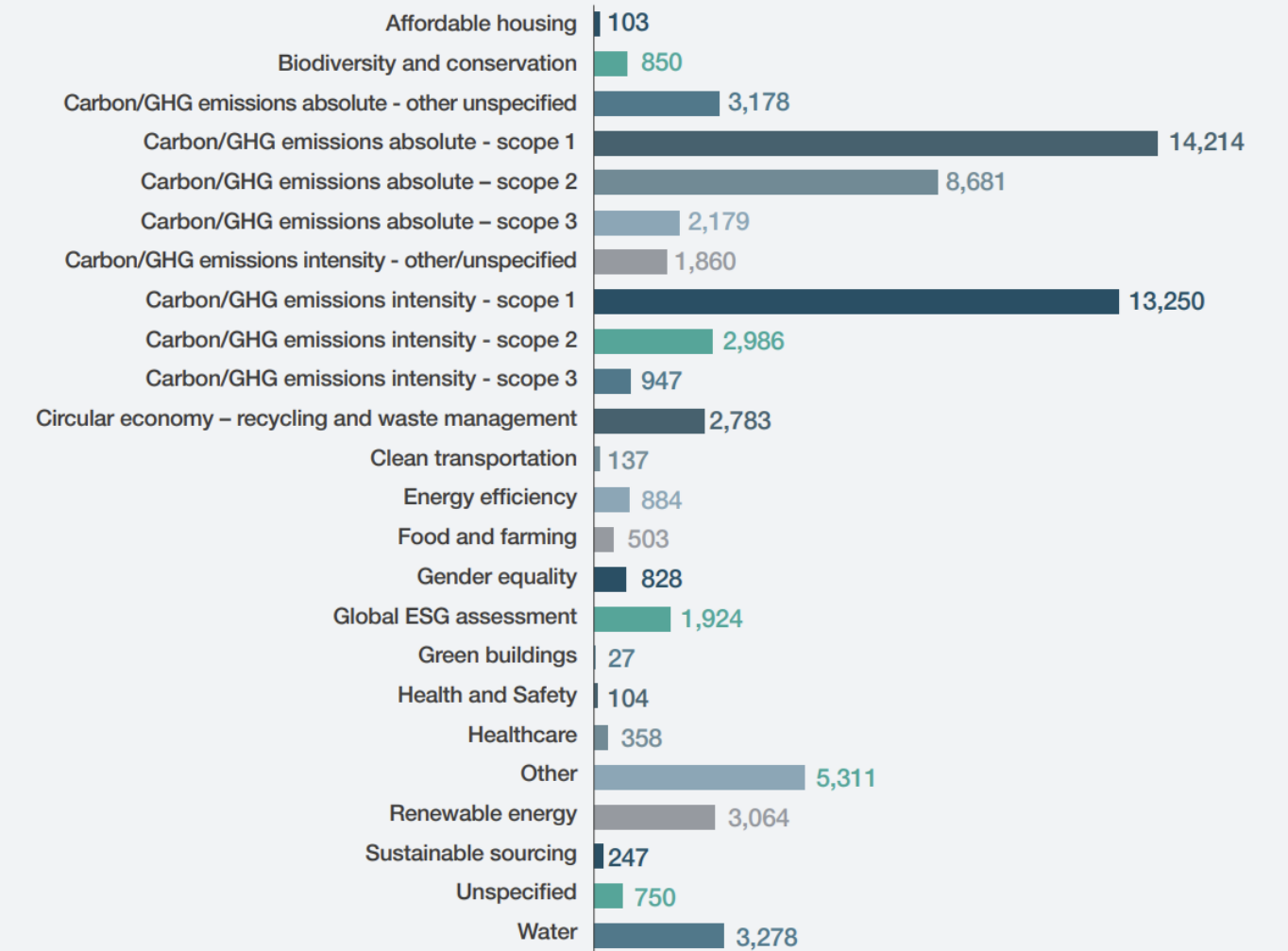
Value of issuances from issuers committed to SBTi



Regional breakdown of issuance from SBTi-aligned issuers by number of deals



Breakdown of sustainability-linked bond KPIs by value in 2022



## Pre-IPO ESG Assessment

- An emerging trend among companies that are going public; a process that evaluates a company's ESG practices before it goes public
- Investor relations officers in IPO-bound companies need a ESG position, strategy, and communication plan, including GHG emissions reduction

Methodology: the value of bonds with multiple KPIs was pro rated equally to each KPI (Key Performance Indicator). Values in Million USD.

# MENA market is following global trends while with slower pace

## Investor Relations

99% of investors screen companies' ESG disclosures, & 74% use rigorous approach globally

## Regulatory Compliance & Expectations

One of the most important driver in the middle-east for adopting ESG strategies & policies

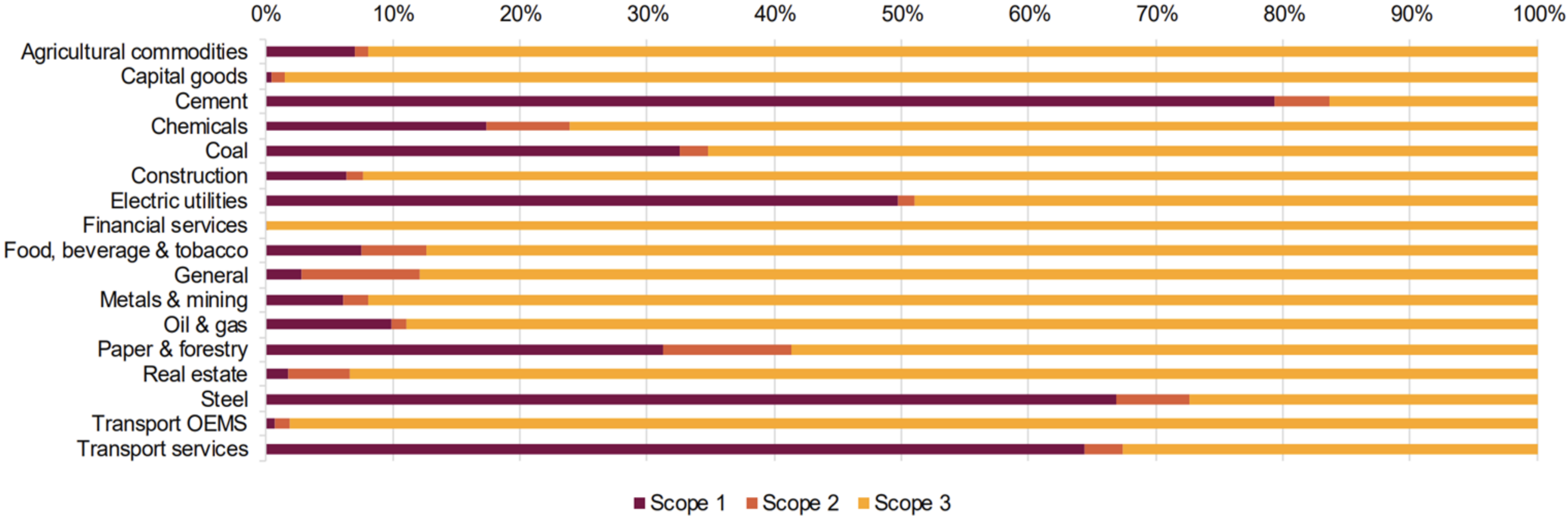
## Market Competitiveness

8 in 10 listed companies have a formal sustainability strategy in the middle-east in 2024

“To Take off, sustainable bond issuance in MENA could require acceleration in implementing net zero policies, despite government initiatives and increasing alignment with sustainability strategies or even regulatory requirement”. S&P Global

# Decarbonization starting point vary between sectors

Scope 1, 2, and 3 Emissions by Sector



Source: [CDP](#)

# DP World is on its way driving decarbonization

## Case Studies of Listed Entities

### DP World

- **Scope 1:** Direct emissions from owned and controlled sources (mainly fossil fuels)
- **Scope 2:** Indirect emissions associated with the purchase of electricity
- **Scope 3:** All other indirect upstream and downstream emissions in the value chain

	Units	Target	2021	2022	2023
<b>Climate Change (1)</b>					
<b>Carbon emissions Scope 1 (2)</b>					
Direct GHG emissions (from fuel combustion)	Tonnes CO <sub>2</sub>	–	2,673,066	2,537,929	<b>2,863,899</b>
Biogenic CO <sub>2</sub> emissions	Tonnes CO <sub>2</sub>	–	29,989	31,361	<b>38,677</b>
RGL CO <sub>2</sub> emissions	Tonnes CO <sub>2</sub>	–	34,011	55,151	<b>35,179</b>
<b>Carbon emissions Scope 2</b>					
Gross location based GHG emissions	Tonnes CO <sub>2</sub>	–	594,731	604,737	<b>630,782</b>
Gross market-based energy indirect GHG emissions	Tonnes CO <sub>2</sub>	–	526,285	532,585	<b>277,596</b>
<b>Carbon emissions Scope 3</b>					
Cat-1-Purchased goods & services	Tonnes CO <sub>2</sub>			499,048	<b>769,509</b>
Cat-2-Capital Goods	Tonnes CO <sub>2</sub>			398,406	<b>512,285</b>
Cat-3-Fuel & Energy related activities	Tonnes CO <sub>2</sub>			668,535	<b>1,240,972</b>
Cat-4 & 9-Upstream/ downstream Transportation & Distribution	Tonnes CO <sub>2</sub>			1,428,464	<b>2,028,036</b>
Cat-5-Waste generated in operations	Tonnes CO <sub>2</sub>			44,417	<b>78,812</b>
Cat-6-Business Travel by air	Tonnes CO <sub>2</sub>		1,528	4,596	<b>7,449</b>
Cat-7-Employee Commuting	Tonnes CO <sub>2</sub>			34,562	<b>66,026</b>
Cat-8-Leased assets upstream	Tonnes CO <sub>2</sub>			14,159	<b>140,758</b>
Cat-13-Leased assets downstream	Tonnes CO <sub>2</sub>			255,203	<b>86,936</b>
Cat-15-Investments	Tonnes CO <sub>2</sub>			7,815	<b>219,040</b>
<b>Carbon offset emissions</b>					
Carbon emissions offset through renewable energy sources and alternative fuels	Tonnes CO <sub>2</sub>	–	103,766	115,024	<b>374,135</b>
(1) Climate Change (GHG emission Inventory) data has been verified by Lloyds Register, in accordance with ISO 14064:2019					
(2) DP World Group carbon dioxide equivalent emissions in tonnes by scope					

# Driving value through decarbonization

## Case Study of A Listed Entity's Strategy

### DP World

#### STRATEGY

Our vision remains constant: we want to lead the industry as a global provider of smart logistics solutions. In 2021, we committed to the Science Based Targets initiative (SBTi) in alignment with short-term "Well below 2-degree scenario" and Net-Zero by 2050. In early 2024, we updated our short-term decarbonisation target following guidance issued by SBTi in 2022 to align with the 1.5-degree scenario.



**2022 Baseline**  
Rolling baseline year, updated annually due to organisational changes



**2030**  
Aligned with the Paris Agreement and SBTi pathway



**2050**  
DP World will be the driving force of the industry to mitigate impacts of climate change






Our current targets are 42% reduction in Scope 1 and Scope 2 by 2030, 28% reduction in Scope 3 by 2030, and Net Zero across all scopes by 2050. The baseline has been updated to 2022 given several structural changes to the business since 2019. The baseline is recalculated on a rolling basis due to acquisitions and is not affected by organic growth in the business.

Our Group strategy and targets consist of an overarching plan across all our divisions – Ports and Terminals, Logistics, and Marine Services. We already have individual carbon intensity KPIs for Ports and Terminals and will be setting similar key indicators for the other divisions.

- 3% reduction in absolute CO<sub>2</sub> emissions across the Group from 2022FY results against rolling baseline
- 5% reduction in intensity CO<sub>2</sub> emissions in Ports & Terminals from 2022FY results
- 2% increase in green electricity from 2022FY results

## DP WORLD SECURED VALIDATION OF ITS DECARBONIZATION TARGET BY SBTi

## DP WORLD RAISED \$1.5BN GREEN SUKUK TO SUPPORT SUSTAINABILITY AMBITIONS in 2023

	 <b>EQUIPMENT ELECTRIFICATION &amp; EFFICIENCY</b>	 <b>PROCESS EFFICIENCY &amp; DIGITALISATION</b>	 <b>RENEWABLE ENERGY SUPPLY</b>	 <b>LOW-CARBON FUEL SUPPLY</b>	 <b>CARBON COMPENSATION</b>
<b>AMBITION</b>	Reduce diesel and marine fuel consumption	Introduce innovative low-carbon technologies in operations portfolio and maximise efficiency in processes	Procure electricity from renewable energy sources	Procure low- or zero-carbon fuels to replace diesel and marine fuel	Compensate the remaining carbon that cannot be avoided with carbon credits or other carbon offsetting method
<b>WE WILL ACHIEVE THIS BY</b>	Applying measures to increase efficiency of equipment or shifting to electricity	Digitalising port operations through innovation (e.g., BoxBay) and improving logistics processes	Pursuing self-generation renewable energy, Power Purchase Agreements (PPA) and green energy tariffs	Procuring biofuels and/or substituting with alternative fuels (hydrogen)	Purchasing carbon credits and nature-based solutions such as blue carbon initiatives under DP World's Ocean Enhancement Programme



# The roadmap has to be aligned with company's ambitions

Identify your sector and strategize decarbonization



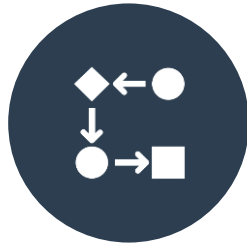
# Manual tasks and inefficiencies can be replaced with transparent ESG data

Key Challenges
Complex and Fragmented Data Collection
Disjointed Systems and Integration Challenges
Lack of Internal Resources to Manage Decarbonization Efforts
Data Quality, Gaps and Incomplete Measurements Affect Compliance
Difficulty in Identifying and Budgeting for Decarbonization Opportunities
Limited Support for Financial Institutions on Financed Emissions
Inefficient Supply Chain Engagement
Audit Complexity and Compliance Challenges

Technological Solution
Automated Data Acquisition with AI Integration
Automated Data Collection and KPI Tracking
Resource Optimization and Guided Workflows
Enhanced Data Quality and Complete Data with Built-In Access to Global Databases
Sector-Specific Decarbonization Levers with Integrated Budgeting Insights
Specialized Financed Emissions Module
Complete Supply Chain Engagement with Guided Workflows
Audit-Ready and Compliance-Focused with audit-ready traceability of data

# Your ESG and decarbonization journey can be managed with Zero

Decarbonization & Sustainability Leadership at your fingertips



## Enhanced Measurement

ESG data across the business including suppliers

## Seamless Engagement

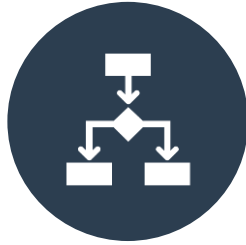
Engagement module for investees & suppliers to manage emissions

## Improved Efficiency & Accuracy

Massive reduction in human-hours (-85%) for ~95% data accuracy with persistent AI driven course correction

## Improved Traceability

Action Tracking for Leadership & Reporting as per GRI, SASB, SBTi, TCFD



## Audit-trail Ready

Transparent, science-based ESG Measurement

## Transparent Disclosures

Confidently disclose data and performance to various stakeholders, avoid greenwashing risk and open new avenues

## Sound Decision Making

Data-backed holistic ESG Analysis, Planning & Reporting

**ESG Leadership**

# Decarbonization drives value for company



Climate Change  
Mitigation



Environmental  
Protection



Risk  
Mitigation



Attractive to  
Investors



Valuation



Enhanced Corporate  
Reputation



Opportunities for  
Innovation & Growth



Regulatory  
Compliance



**OLIVEGAEA**

Sustainability Automated

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