
February 2023

PaSTI Interview

Promoting private sector engagement

The Partnership to Strengthen Transparency for co-Innovation (PaSTI) invited specialists from various sectors and organizations to discuss MRV and GHG transparency at corporate level.

In order to scale up efforts through sharing international experiences regarding activities to strengthen transparency in the ASEAN region, The Ministry of the Environment, Japan jointly with its partners, held a side-event at Japan Pavilion in UNFCCC COP26. International experts in the field of climate change shared their views and experiences on the engagement of the private sector and potential ways to increase incentives to strengthen future efforts. To build upon the useful discussion, interview sessions with specialists were held to obtain their inputs for private sector engagement.

Mr. Dan Pathomvanich shared his perspectives, responding to key questions.



Mr. Dan Pathomvanich
CEO
NR Instant Produce Public
Company Limited, and
Member of UN Global
Compact Network
Thailand

We are focusing fully on integration of carbon negative agriculture, supply chain, carbon neutral manufacturing and low carbon food products

- *Question: Your company has been working on climate actions. What kind of projects have you implemented so far?*

Our mission is to focus on food and agriculture, and literally, we work on decarbonizing the food system. We started with plant-based food as low carbon products. Now we just announced a major transformation of our company to a global clean food tech company. In the downstream and midstream, we produce low carbon products in carbon neutral production facilities. In the upstream component, we want to develop a carbon negative supply chain. This enables us to access to a lot of green financing options, and I expect our company will grow very big in the next three years.

We have been making investments into negative emissions technologies, which can help our products transform. It is very exciting because our belief is that, if we can become a carbon negative company, everybody will want to work with us, whether it's a supermarket or the big national brands. We are focusing on fully integration of carbon negative agriculture, supply chain, carbon neutral manufacturing and low carbon food products.

I believe that a common framework will facilitate our ability to do business in different countries

- *Question: How do you ensure the transparency of your climate action? Do you have any challenges with reporting your climate action in different countries?*

We implement the full lifecycle analysis and then have the third-party audit. Now we launched a project for accessing the carbon credits for carbon removal in the United States. We need to do another independent audit for that project.

As we also access the carbon credit for carbon emissions offset through Thailand Voluntary Emission Reduction Program (T-VER) for its GHG emissions reporting, we use a local auditor for the carbon footprint of our facilities, following the ISO 14064 standard.

While we follow the Thai standard on the emissions offset for food processing facilities, we comply with European Emissions Trading System (EU-ETS) for the carbon removal project. There are challenges to comply with different guidelines in each project. But the carbon price in Europe is higher than the T-VER's price, so the carbon removal project is another business opportunity for us.

I believe that a common framework will facilitate our ability to do business in different countries. For example, in the current situation, if we want to work in different countries, we need to build and send a team to understand local compliance in every country, which is very burdensome and highly costly. More cost usually slows down businesses. So, if PaSTI can work on a common framework, and simplify the processes, I believe the guidelines can facilitate the development of trans-ASEAN businesses.

When people find out that our products are carbon neutral, they will love to buy our products

- *Question: What kinds of incentives and benefits does your company get from climate action and climate information disclosure?*

The most important thing is the commercial benefits. Our carbon removal project is expected to be very profitable, and for our climate actions to be sustainable. The second benefit is the increasing opportunities to get a better access to ESG finance. The perspective from the customers and stakeholders is also very important in our business. Our food is sold in 30 different countries. When people find out that our products are carbon neutral, and soon to become carbon negative, they will love to buy our products, and more business opportunities will rise for us.

As for the awareness raising on climate transparency for small and medium-sized enterprises, I think the governments have to play a role to educate them and to build their capacities. The governments have to find some kind of ways to get them involved. And for that, I believe the governments need to show some kind of incentives to the SMEs.

As I walked through COP26, I did not find a booth on the climate impact of food and agriculture sectors. Now everybody knows about and are working on energy. But how about food? I believe raising awareness is very important in facilitating climate actions, so that is why, I am considering to be a potential sponsor of a booth on food and agriculture. Probably it would not be at COP27, but hopefully in COP28 to facilitate the carbon negative transformation of the food system.

(Interviewed in March 2022)