New guidance unveiled to spur climate-positive action in corporate value chains

New guidance allows companies to report on investments made to green their supply chains; New report outlines best practices to reduce value chain emissions

3 December 2018, Katowice, Poland – On the opening days of COP24, Danone, Gold Standard, Livelihoods Funds, Mars and the Science Based Targets initiative have released a suite of new solutions to remove barriers to addressing corporate value chain emissions, under the banner of “Value Change.”

The recent report from the Intergovernmental Panel on Climate Change (IPCC) clearly states that “limiting global warming to 1.5°C … require[s] rapid and far-reaching transitions in energy, land, urban and infrastructure … and industrial systems.” In the private sector, value chain or “Scope 3” emissions are often the largest source of greenhouse gas emissions, yet to date they have been the lowest area of focus for most companies due to a range of barriers.

With support from EIT Climate-KIC, this consortium of partners has published a set of practical tools to enable companies to scale climate-positive action throughout their value chains:

- **Value Change in the Value Chain: Best practices for Scope 3 Greenhouse Gas Management** developed by the Science Based Targets initiative, Navigant and Gold Standard, outlines the seven most effective emissions reduction levers companies can use to reduce emissions in the value chain. It also features case studies from Danone, HPE, Tennant, IKEA and Provenance.

- **Value Chain Interventions Guidance** has been developed by Danone, Gold Standard, Livelihoods Funds, Mars, the Science Based Targets initiative, and TREES Consulting. It enables reporting on emissions reductions toward performance targets, in line with common accounting standards like GHG Protocol, and will now be tested on high-scale projects driven by partners.

- **Soil Carbon Guidance** from Danone, Gold Standard, Livelihoods Funds, Mars, TREES Consulting and UNIQUE forestry and land use GmbH demonstrates how to quantify carbon sequestered in soil—a severely neglected source of carbon sinks and a lynchpin in farmer productivity—and is now open for public consultation.

Marion Verles, CEO of Gold Standard, states, “To date, companies’ efforts have been limited by the lack of consensus on credible accounting methods to recognise their impacts within and beyond their direct operations.”

“Any company taking climate action seriously needs to address the emissions in its value chain. An increasing number are doing just that by setting science-based targets for their scope 3 emissions,” says Alexander Farsan, Global Lead for Science Based Targets at WWF, one of the Science Based Targets initiative partners. “We hope this new guidance, which covers the fundamentals of best practices from GHG accounting to supplier engagement and product design, will serve as a tool for many more companies looking to reap the benefits of the transition to a zero-carbon economy.”

Ashley Allen, Climate and Land Senior Manager at Mars Incorporated, highlights how the Value Change programme helps scale up the impact of their climate action, “To achieve the scale necessary to tackle climate change we must completely transform agricultural supply chains. Climate-smart agriculture interventions will help farmers build resilience, improve soil health and increase crop yields, as well as
reduce GHG emissions. This guidance enables us to credibly quantify and report the benefits of this work, paving the way for scaling up climate action.”

Flore Augé, Senior Climate Strategy Manager at Danone, adds, “Danone has taken a commitment to be carbon neutral on our full value chain by 2050, and agriculture is central to this since it represents around two-thirds of our carbon footprint. This is why we have been working with farmers and other partners to reduce carbon emissions in our supply chain linked our agriculture. This accounting framework will help us strengthen our actions by allowing us to measure and report on our progress in a transparent and credible way.” Livelihoods Funds “strongly believes that these new guidance resources will help to implement soil and agriculture practices as a very important driver of solutions to fight climate change.”

The consortium will now focus on helping companies around the world understand and adopt these solutions to decarbonise their value chains, through working groups and project piloting in the Food & Beverage sector. In addition to strategic partners Danone, Livelihoods Funds and Mars, Barry Callebaut, Ben & Jerry’s, Cargill, General Mills, L’Oréal, McDonald’s, PepsiCo and Target are testing the Value Chain Interventions Guidance to apply it within their own supply chains, also identifying opportunities for pre-competitive action.

Future efforts under the Value Change programme will explore additional sector-specific guidance, likely to include textiles and IT.

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**About Gold Standard**
Gold Standard was established in 2003 by WWF and other international NGOs as a best practice standard to ensure projects that reduced carbon emissions under the UN’s Clean Development Mechanism (CDM) also contributed to sustainable development. Its next-generation standard launched in 2017, Gold Standard for the Global Goals, allows climate and development initiatives to quantify, certify, and maximise their impacts toward climate security and sustainable development. Certification against the standard provides the confidence that these results are measured and verified, enabling credible tracking of progress toward the Paris Climate Agreement and the Sustainable Development Goals. Gold Standard now has more than 80 NGO supporters and 1400+ certified projects in over 80 countries, creating billions of dollars of shared value from climate and development action worldwide.

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**About the Science Based Targets initiative**
The Science Based Targets initiative mobilizes companies to set science-based targets and boost their competitive advantage in the transition to the low-carbon economy. It is a collaboration between CDP, the United Nations Global Compact, World Resources Institute (WRI) and the World Wide Fund for Nature (WWF) and one of the We Mean Business Coalition commitments. The initiative defines and promotes best practice in science-based target setting, offers resources and guidance to reduce barriers to adoption, and
independently assesses and approves companies’ targets.
www.sciencebasedtargets.org @scienctargets

About EIT Climate KIC
Climate-KIC is the EU’s largest public private partnership addressing climate change through innovation to build a zero-carbon economy. They run programmes for students, start-ups and innovators across Europe via centres in major cities, convening a community of the best people and organisations. Climate-KIC is supported by the European Institute of Innovation and Technology (EIT), a body of the European Union.
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