Climate Security + Sustainable Development for All

Ways to Engage
Gold Standard ‘Grow to Zero’
CONTRIBUTE TO A SUSTAINABLE, EQUITABLE WORLD
HOW GOLD STANDARD CAN PROVIDE SOLUTIONS TO CHALLENGES

- **Today:** Existing markets for carbon credits + Water Benefit Certificates
- **Near term:** Results-based finance for SDG outcomes, ecosystem services
- **Future state:** Certification of supply chain improvements and SDG contributions
Gold Standard 3.0

One comprehensive and integrated standard to:

- Guide best-practice design and implementation of climate and development projects
- Quantify progress to report against any given SDG target
- Set the foundation for results-based finance for a broad set of outcomes that contribute to keeping warming under 1.5°C and meet the SDGs
SCIENCE- AND POLICY-BASED TARGETS FOR SDG IMPACTS

1. NO POVERTY
2. NO HUNGER
3. GOOD HEALTH
4. QUALITY EDUCATION
5. GENDER EQUALITY
6. CLEAN WATER AND SANITATION
7. RENEWABLE ENERGY
8. GOOD JOBS AND ECONOMIC GROWTH
9. INNOVATION AND INFRASTRUCTURE
10. REDUCED INEQUALITIES
11. SUSTAINABLE CITIES AND COMMUNITIES
12. RESPONSIBLE CONSUMPTION
13. PROTECT THE PLANET
14. LIFE BELOW WATER
15. LIFE ON LAND
16. PEACE AND JUSTICE
17. PARTNERSHIPS FOR THE GOALS

REDUCE AT HOME. FINANCE ABROAD.
FIRST APPLICATION: CLIMATE ACTION

Pillar 1: Emissions reductions within operations
Pillar 2: Finance target to fund emissions reductions outside
BROAD IMPACT FOR CSR/ESG REPORTING

**Triple bottom line:**
- People
- Planet
- Profit
GOLD STANDARD 3.0

1. Gold Standard Principles + Safeguards
   + Stronger project design that acknowledges trade-offs, mitigates risk, maximises impact, and ensures the results intended from the start

2. Activity Methodologies + Quantification
   + Potential to certify multiple interventions simultaneously for greater scale and ROI
   + Full assessment to all relevant SDGs for simple, comprehensive reporting

3. Certified Outcomes, Products + Claims
   + Transparency of outcomes and management of claims to demonstrate impact in a credible and trusted way

Maximise positive impact; Reduce risk
Quantify for easy reporting
Activate communications

Making Good Better
“We’re interested in climate, but we don’t ‘do’ offsetting”
THIS IS NOT OFFSETTING
AN EMISSION REDUCTION IS direct investment in the transition to a low carbon economy.
## BUSINESS IS BEING CALLED

| **Adopt a science-based emissions reduction target** |
| **Report climate change information in mainstream reports as a fiduciary duty** |
| **Put a price on carbon** |
| **Remove commodity-driven deforestation from all supply chains by 2020** |
| **Procure 100% of electricity from renewable sources** |
| **Reduce short-lived climate pollutant emissions** |
| **Responsible corporate engagement in climate policy** |
IMPACT TOWARD MULTIPLE SUSTAINABLE DEVELOPMENT GOALS

1. No Poverty
2. No Hunger
3. Good Health
4. Quality Education
5. Gender Equality
6. Clean Water and Sanitation
7. Renewable Energy
8. Good Jobs and Economic Growth
9. Innovation and Infrastructure
10. Reduced Inequalities
11. Sustainable Cities and Communities
12. Responsible Consumption
13. Protect the Planet
14. Life Below Water
15. Life on Land
16. Peace and Justice
17. Partnerships for the Goals

Making Good Better

Gold Standard
Climate Security & Sustainable Development
MONETARY VALUE OF PROJECT IMPACTS
PER TON OF REDUCED CO2 EMISSIONS

- **Biogas**: $41
- **Water Filters**: $118
- **Cookstoves**: $151
- **Wind**: $21
- **Afforestation/Reforestation**: $177
- **Value of Carbon Mitigation**: $5-20

Making Good Better
INVEST IN OUTCOMES

- Emissions Reductions
- Water Benefits
- Gender outcomes
- REC
- ADALYs
- Biodiversity outcomes
FUNDING IMPACTS: RESULTS BASED

Activity Implementation

Partial upfront finance

Impact investor

Impacts delivered

Balance of payment upon results

Consumer goods company

Foundation

Impact investor

GS VERs (Carbon Credits)

Health Outcome Statement (ADALYs)

Gender Outcome Statement

13 CLIMATE ACTION

3 GOOD HEALTH

5 GENDER EQUALITY

Making Good Better
“We’re interested in embedding sustainability into operations, rather than contributing outside the fence.”
IN-HOUSE CHANGE PROGRAMME TO CERTIFY SDG CONTRIBUTIONS THROUGH SUPPLY CHAIN

Food company wants to improve sustainability in supply chain

Agriculture activity: Changes to 500 small holder farms

All outcomes automatically assigned to the company

Emissions reductions

Water impacts

13 CLIMATE ACTION

15 LIFE ON LAND

6 CLEAN WATER AND SANITATION

2 NO HUNGER

Improved crop yields

Reduced deforestation

Protection of biodiversity

Making Good Better
GOLD STANDARD 3.0

SDG Compass

Step 01 Understanding the SDGs

Step 02 Defining priorities

Step 03 Setting goals

Step 04 Integrating

Step 05 Reporting & communicating

Making Good Better
NEW STANDARD TO CERTIFY SDG CONTRIBUTIONS

SCIENCE- AND POLICY-BASED TARGETS:
• Set a standard for ambitions for SDG contributions by sector
• Quantify impacts
• Certify claims
SDG CONTRIBUTIONS

DENMARK
36 of 34

Goal: Health
1.1 Healthy life expectancy
1.2 Life satisfaction

Goal: Education
4.1 Upper secondary attainment
4.2 PSA results

Goal: Gender equality
3.1 Share of women in national parliaments
3.2 Gender pay gap

Goal: Water
5.1 Freshwater withdrawal as percent of total renewable
5.2 Population connected to wastewater treatment

Goal: Energy
7.1 Energy intensity
7.2 Share of renewable energy in TTOC

Goal: Economy and labor
8.1 GDP per capita
8.2 Employment to population ratio

Goal: Infrastructure and innovation
9.1 Gross fixed capital formation
9.2 Research and development expenditure
Nestlé
Switzerland

COOPERATIVE ACTIONS (8)

Business Leadership Criteria on Carbon Pricing
Set an internal carbon price, publicly advocate and communicate on progress

- USE OF CARBON PRICE

Caring For Climate
Improve energy efficiency, reduce carbon footprint and report publicly and annually on progress

- ENERGY ACCESS & EFFICIENCY
- EMISSIONS REDUCTION

Climate Change Reporting and Fiduciary Duty
Report climate change information as a fiduciary duty

- PRIVATE FINANCE

Corporate Engagement in Climate Policy
Responsible corporate engagement in climate policy

- OTHER

RE100
Procure 100% of electricity from renewable sources

- RENEWABLE ENERGY
“Climate and sustainability aren’t our core equity.”

“We’re committed to sustainability, but don’t do a good job communicating.”
Reducing the need for heating fuel

The goal of the Mongolian Insulation and Efficient Stoves project is to help reduce heating fuel requirements and costs by an estimated 60 percent. The project focuses on helping those poorest households living in a “ger” (portable felt-covered dwellings) in Ulan Bator, the world’s coldest capital. The project has set up a supply and distribution network for a five-layer ger insulation “blanket” and four types of fuel-efficient stoves. In addition to reducing heating fuel requirements by up to 60 percent, the project helps reduce indoor smoke by at least 80 percent and has a significant impact on the health and well-being of each family. The project supports local production in the supply, sale, and installation of the projects and has created 240 new jobs. It has already reached 167,000 households and is expected to double its impact in the next three years.
REPORTING: CREATING VALUE

INDONESIA CLEAN COOKSTOVE PROGRAM

Investment: $50,000
Impact: $1,870,000

- SDG 13: Climate Action - $360,000
- SDG 1: No Poverty - $930,000
- SDG 3: Good Health and Well-being - $550,000
- SDG 8: Decent Work and Economic Growth - $30,000

Making Good Better
Brighter colors. Brighter futures.
P&G is improving the environmental impact of Tide Cold Water by requiring less energy—and accounting for the rest by investing in projects that improve access to education for girls in Uganda.
Buy a Lady a Drink
TOUR DU JOUR

A 100% energy-neutral daily live talk show

Solar field nearby studio
Solar roof on studio
Amateur teams generating energy

Energy created total

SCHOM SPJEMEKT TOTAAL

GEWONKEN ENERGIE:
43,314 kWh

VERWACHTE VERbruik:
48,000 kWh

Eneco fan van duurzaam
dus fan van fietsen
An indulgence that is anything but.

By choosing our chocolate, you're contributing to a number of benefits that's longer than our ingredient list: improved livelihoods and better health for our producers, lower climate-damaging emissions, reduced deforestation, and protection of natural ecosystems. Now that's tasty.
TASTE THE FEELING OF STEWARDSHIP

For every Coca-Cola life bought in June 2016, we will supply 10 liters of clean drinking water to Water Health communities in the water-stressed state of Telangana, India.

GrowToZero.org
That’s a skimpy water footprint you’re wearing.

Make the kind of impression that turns heads and saves lives. Because as hemlines go up, water consumption goes down. To amplify this impact, for every Close the Loop mini sold this spring, we will supply 10 liters of clean drinking water to Kave communities in Uganda. Another way that less is much, much more.

CERTIFIED BY
Gold Standard®

ON PACKAGE

H&M CONSCIOUS
READ MORE ON HM.COM/CONSCIOUS

20% RECYCLED COTTON FROM POST CONSUMER TEXTILE WASTE FROM COLLECTED GARMENTS. 28% RECYCLED POLYESTER FROM PRE CONSUMER WASTE.

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Making Good Better
OPPORTUNITIES FOR IMPACT

Today:
• Invest in Gold Standard Emissions Reductions and Water Benefit Certificates that deliver greater development impacts
• More effectively communicate to and engage your stakeholders

Near term:
• Leverage Gold Standard 3.0 results-based finance framework to fund additional SDG impacts
• Report on ‘value creation’ in a more meaningful way with quantification the contributions of investments to the SDGs

Future state:
• Drive improvement throughout your value chain
• Certify your contributions SDG contributions
THANKS
sarah.leugers@goldstandard.org