

**CLIMATE
WEEK
NYC**

By **CLIMATE GROUP**

**#GROW
TO
ZERO**

GrowToZero:
How carbon offsetting
reduces global emissions
and creates value
for business and society

Gold Standard
WWF
LinkedIn
Peak Design

Speakers



┐ **Brad Schallert**, WWF – Director of carbon market governance and aviation



┐ **Peggy Brannigan**, LinkedIn – Senior Program Manager, Global Environmental Sustainability

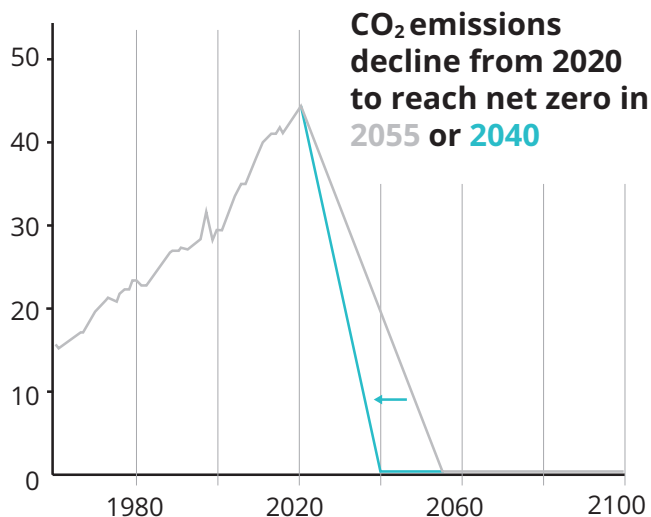


┐ **Peter Dering**, Peak Design – CEO + Climate Neutral.org co-founder



┐ **Sarah Leugers**, Gold Standard – Director of Communications

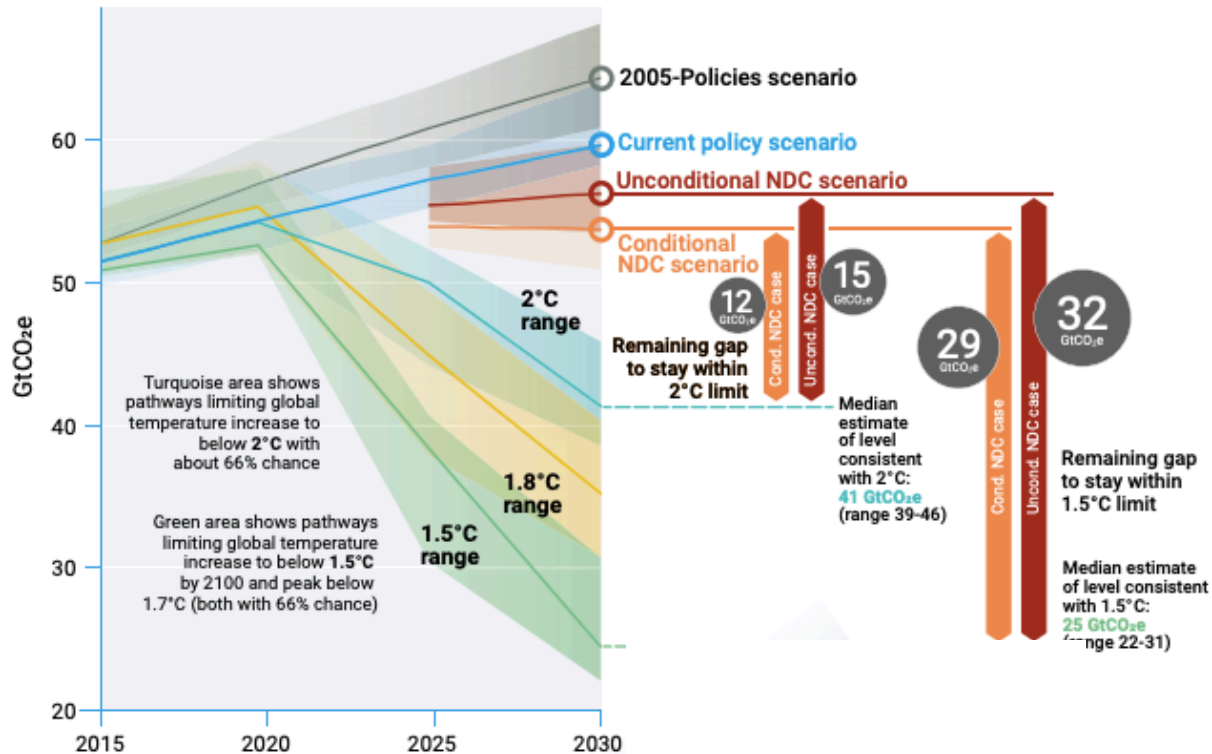
Global targets: Climate security + sustainable development



Source: IPCC



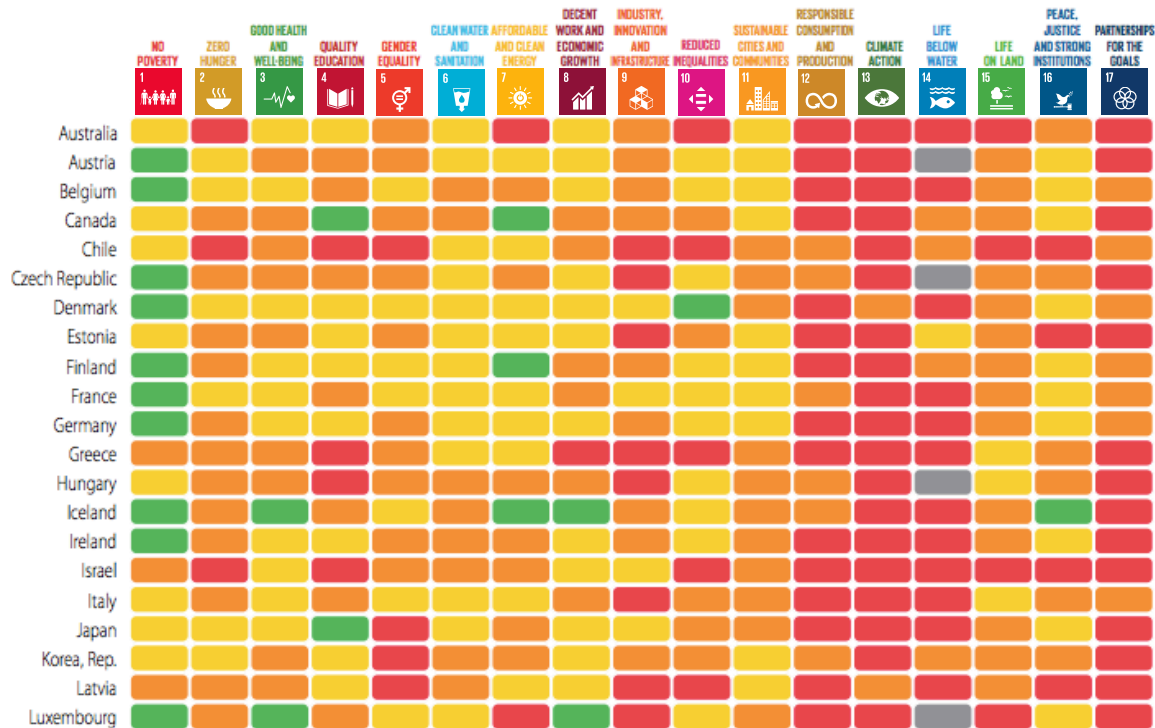
Are we on track?

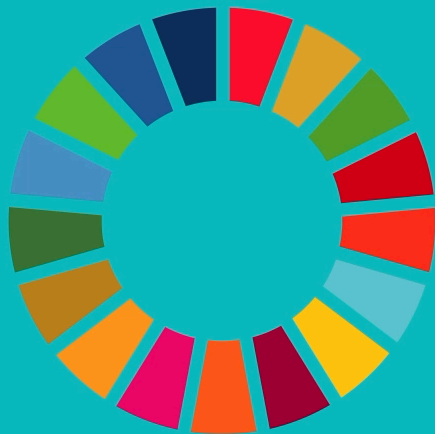


Need for private sector finance

Source: UNEP
Emissions Gap Report 2019

Are we on track?







Gold Standard believes that climate + development go hand in hand.

We work to ensure that every dollar creates the greatest impact in climate security + sustainable development.

- ▮ Founded by WWF and other NGOs in 2003
- ▮ Swiss non-profit headquartered in Geneva
- ▮ Endorsed by broad NGO Supporter Network

▮ **350+**

Project developers

▮ **1800+**

Projects in over
90 countries

▮ **130M+**

Tonnes of
CO₂e issued

▮ **\$20.5
Billion+**

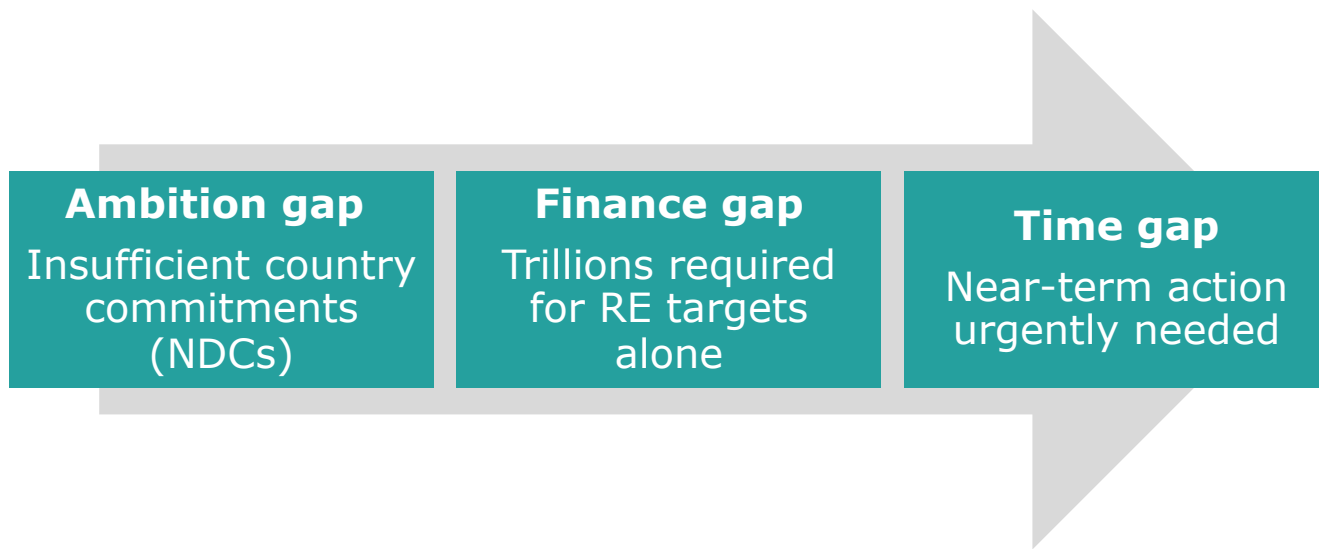
Dollars of shared
value created

Gold Standard®

The need for offsetting



Carbon offsetting: Accelerate transition to Net Zero



Benefits of carbon offsetting

- **Immediate action** – allows business to take action now, especially important for hard to abate sectors and Scope 3 footprint
- **Cost-effective** emission reductions
- **Carbon price** in absence of regulation, aligns responsibility with impact
- **Verified** climate impact
- **Additional benefits** to sustainable development

Immediate
action

Cost effectiveness

Carbon price

Verified impact

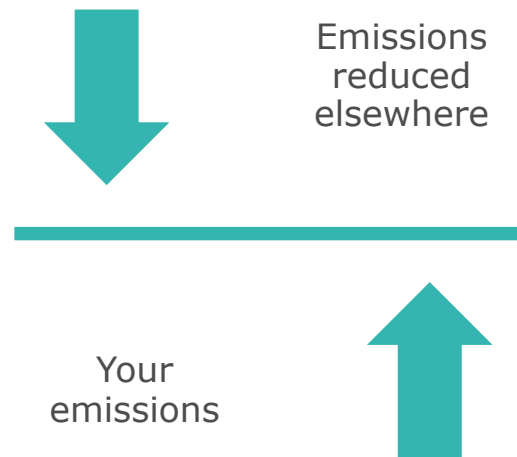
Sustainable
development

Global
Net Zero

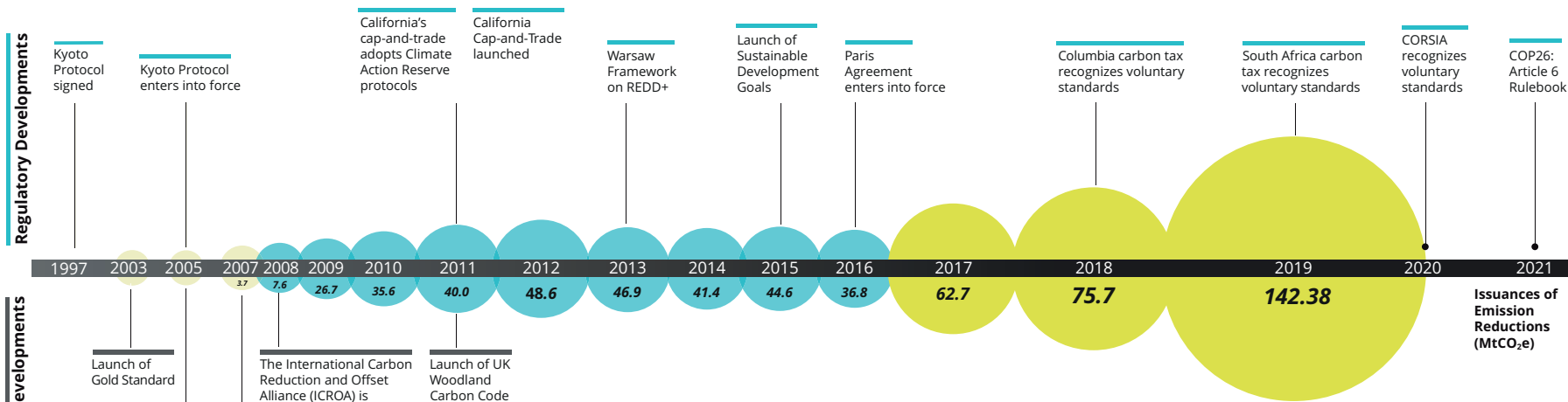
Promise of carbon offsetting

The money you pay enables a verified climate impact that would not have happened otherwise.

- **Additional:** Demonstrate financial need
- **Real:** Set accurate baseline
- **Measurable:** Quantify change w. robust methodology
- **Permanent:** Not subject to reversal or leakage (Land Use)
- **Independently** verified: By a qualified 3rd party auditor
- **Unique:** Not double counted or claimed



Evolution of the voluntary carbon market (VCM)



Phases of the VCM

1997 – 2007

Early Market Formation & Innovation

- Pioneering new concepts
- Initial development of rules
- Establishment of standards & tools (e.g., buffer approach)

2008 – 2016

Consolidation and Strengthening

- Evolution of best practices
- Private sector engaged
- New project types and methodologies proven
- Greater geographic diversity

2017 – ongoing

Mainstreaming

- Market growth
- Corporate awareness
- Validation of VCM standards and innovations by compliance system

Quantified, verified SDG impact

ECOSYSTEM PROTECTION

300 Hectares of forest conserved
10% increase of UN Red List species

[View monitoring report>>](#)

STRENGTHEN CLIMATE RESILIENCE

Successful introduction of new crop rotation strategy for 20% increased yield

[View monitoring report>>](#)

GENDER-SENSITIVE DESIGN

Equal representation of women and men
Appointment of 3 female community ambassadors with paid positions

[View stakeholder consultation report>>](#)

INCREASED ACCESS TO CLEAN WATER

Additional 30MM cubic meters of drinking water available to 4 local villages

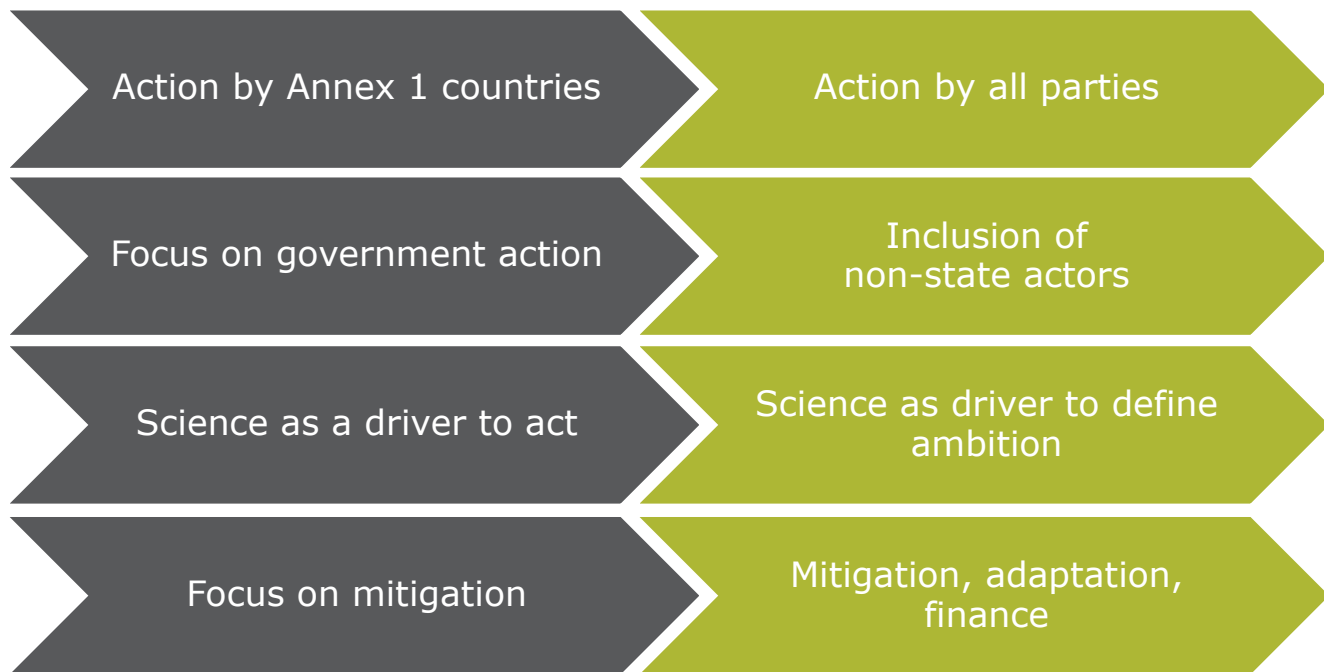
[View monitoring report>>](#)



What's changing?



Kyoto vs Paris



Carbon offsetting 2.0

CRITERIA	GOLD STANDARD FOCUS
Increase ambition	• Science-based reduction target + full responsibility for remaining climate impact • Limit transition to vulnerable projects only • Focus on high development impact
Evolve rules to ensure integrity + align with Paris Agreement	• Additionality + Ongoing Financial Need • Baseline setting + GWP
Expand project activities	• Build pipeline for carbon removals • New opportunities for financing reductions
Differentiate assets + claims	• Distinct role for carbon removals (SBTi eligibility) • Different claims for units with or without corresponding adjustments

▮ Clarity on claims

- ▮ Carbon neutral
- ▮ Climate neutral
- ▮ Net zero
- ▮ Carbon negative
- ▮ Climate positive

Science-based reduction target + full responsibility for emissions should be standard practice.

JetBlue Moves to Become First Carbon-Neutral U.S. Airline

Unilever, Danone join net-zero emissions push

Google says its carbon footprint is now zero

Microsoft will be carbon negative by 2030

IKEA to invest \$220 million into becoming 'climate positive'

▮ New opportunities to finance emission reductions

- ▮ “Supply shed” Scope 3 interventions from ValueChange program
- ▮ Low-carbon commodities
- ▮ Collective funds for development-focused / community-based activities
- ▮ Large-scale forest conservation finance (outside carbon credits)



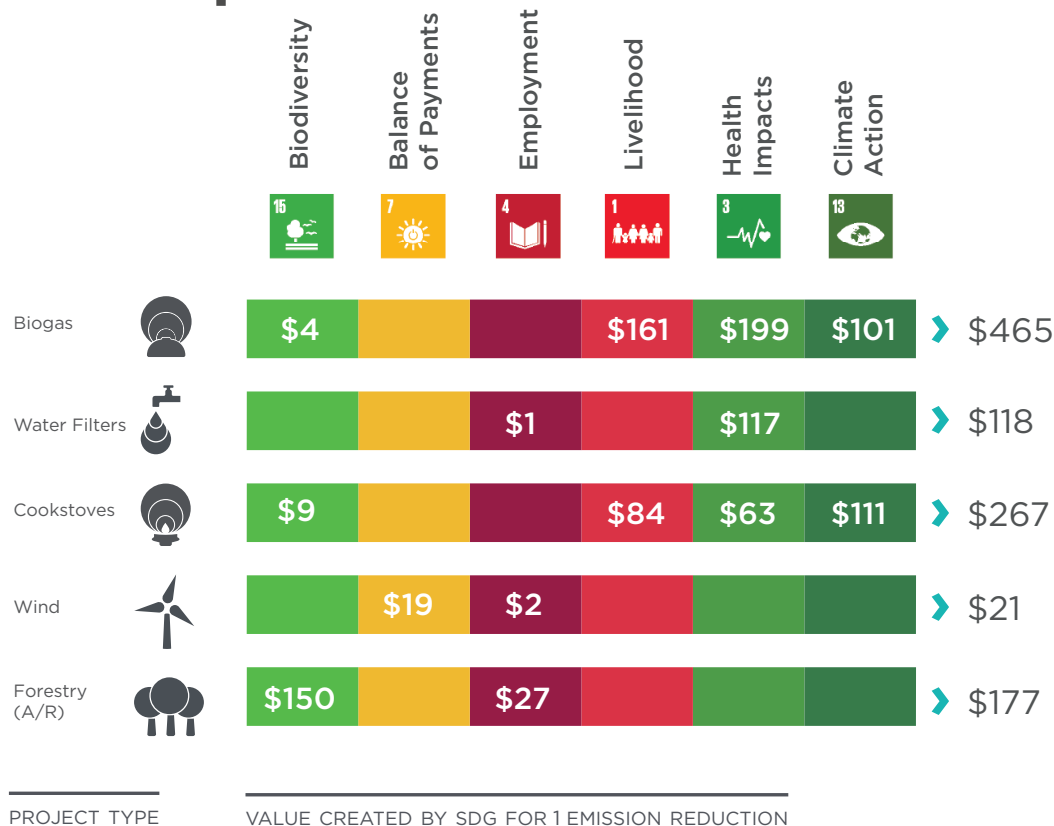
BOE's Carney Launches Global Taskforce to Boost Voluntary Carbon



Value created from SDG impact

Value created to date by Gold Standard projects

**\$20.5
BILLION**



Source: Vivid Economics + Net Balance

How companies can complement internal emissions reductions with carbon credits

A comparison of two climate leadership frameworks

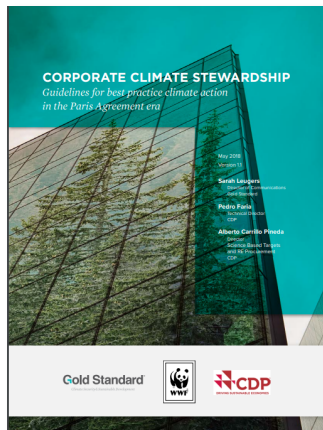
Brad Schallert

Director, Carbon Market Governance and Aviation

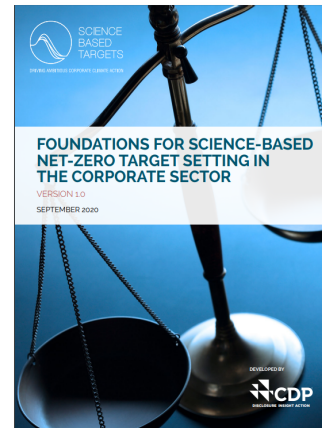
WWF-US



Comparing two climate frameworks...



Corporate Climate
Stewardship
WWF, Gold Standard, CDP
May 2018

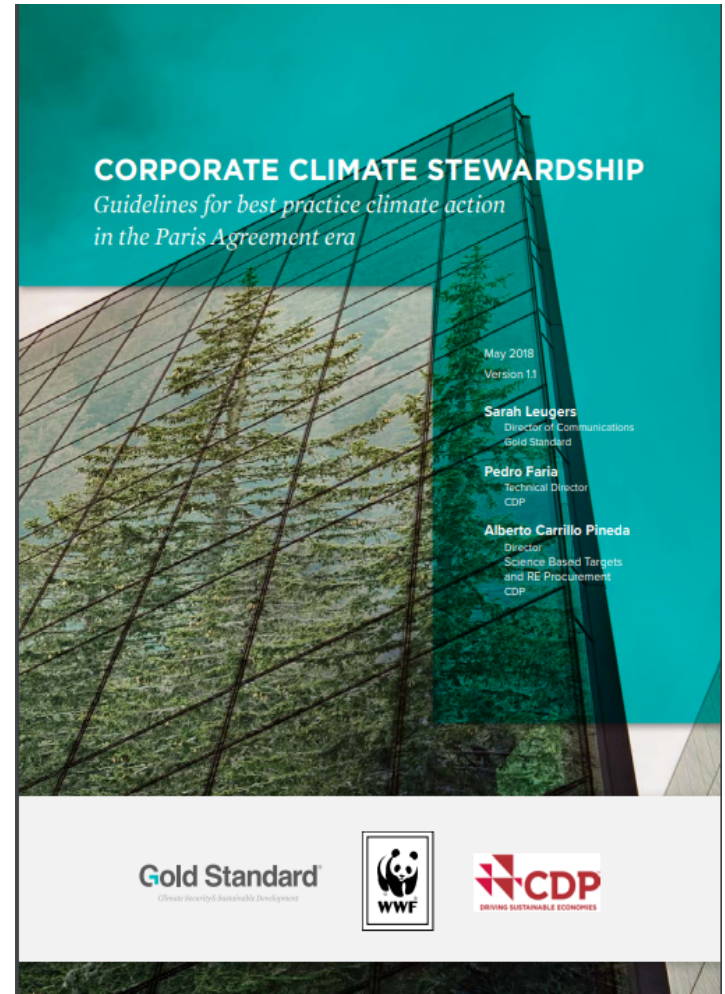


Foundations for science-
based net-zero target
setting in the corporate
sector
Science-based Targets initiative
September 2020



Corporate Climate Stewardship

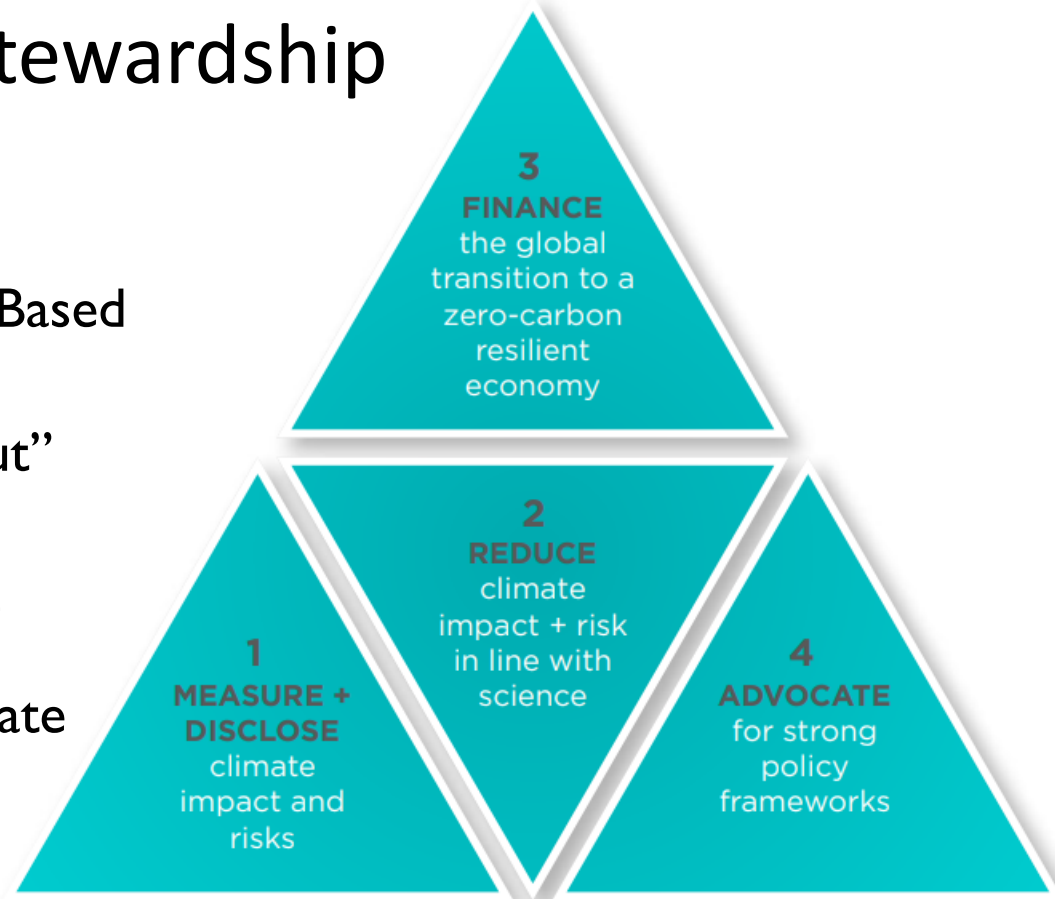
Released May 2018



Corporate Climate Stewardship

Key Takeaways:

- Emphasis on setting a Science-Based Target
- Stepping away from “netting out” remaining emissions
- Recognizes carbon credits as a means to finance the net-zero transition alongside other climate finance



WWF position on the voluntary carbon market

Released Fall 2019

Key questions addressed:

- **When** to buy carbon credits
- **How** to account for them
- **What** to say when you buy them
- **Which** credits to buy



10 October 2019 version

WWF position and guidance on voluntary purchases of carbon credits

EXTERNAL VERSION

Executive Summary

With a strong push from the Paris Agreement and the IPCC special report on the impacts of a 1.5°C global temperature increase, reaching net-zero emissions globally is one of the most important and most active questions for the climate movement. The Climate & Energy Practice has begun a process to explore the uncertainties around how to achieve a global balance between emissions and sinks, i.e., "net-zero." This includes questions such as how companies, subnational jurisdictions, and even individuals should contribute to a net-zero future.

In the meantime, many of our corporate partners are already approaching WWF to ask for advice on their own steps to align with a net-zero future. Clearly, setting a transparent science-based target linked to a company's Scope 1, 2 and 3 emissions is the first step, and companies that want to go further in the near-term require guidance on how to address more, or all, of their emissions (such as through the voluntary purchase of carbon credits).

With this context in mind, the purpose of this document is to describe principles and guidelines that WWF should use to advise corporate partners around the use of voluntarily carbon credits within broader emissions reduction strategies.¹ If businesses purchase carbon credits, they should do so in addition to a broader, transparent, science-based strategy² to reduce Scope 1, 2, and 3 emissions, which should remain the priority. Businesses should adhere to the accounting practices of the GHG Protocol, meaning that businesses should not subtract carbon credit purchases from their Scope 1, 2 and 3 emissions inventories.

The guidance includes important considerations regarding the appropriateness of certain claims. This includes explanations of why the usage of the terms "carbon/climate neutral," "offsetting" and "net zero" can lead to misleading statements and advises that businesses accordingly use caution when considering their use, given that WWF and other experts are reviewing how or whether they are still appropriate claims in the context of the Paris Agreement.

Appendix 1 details specific criteria to help determine whether a carbon credit can be considered "high-quality." The guidance describes the circumstances and extent to which WWF could advise carbon credit purchasers on credit quality and/or amplify carbon credit purchases,

¹ The recommendations in this document could also be used to guide conversations with other non-state actor carbon credit purchasers like cities, universities, and cultural institutions, for example.

² WWF recommends that businesses set science-based targets through the SBTi.

Foundations for Science-Based Net Zero Target Setting in the Corporate Sector

- Conceptual foundation for setting and assessing corporate net-zero targets
- Aims to provide clarity on key concepts—e.g. what counts towards net zero targets
- Emphasizes the “mitigation hierarchy”
- Analyzes 5 illustrative scenarios for meeting corporate net zero



Net zero emissions

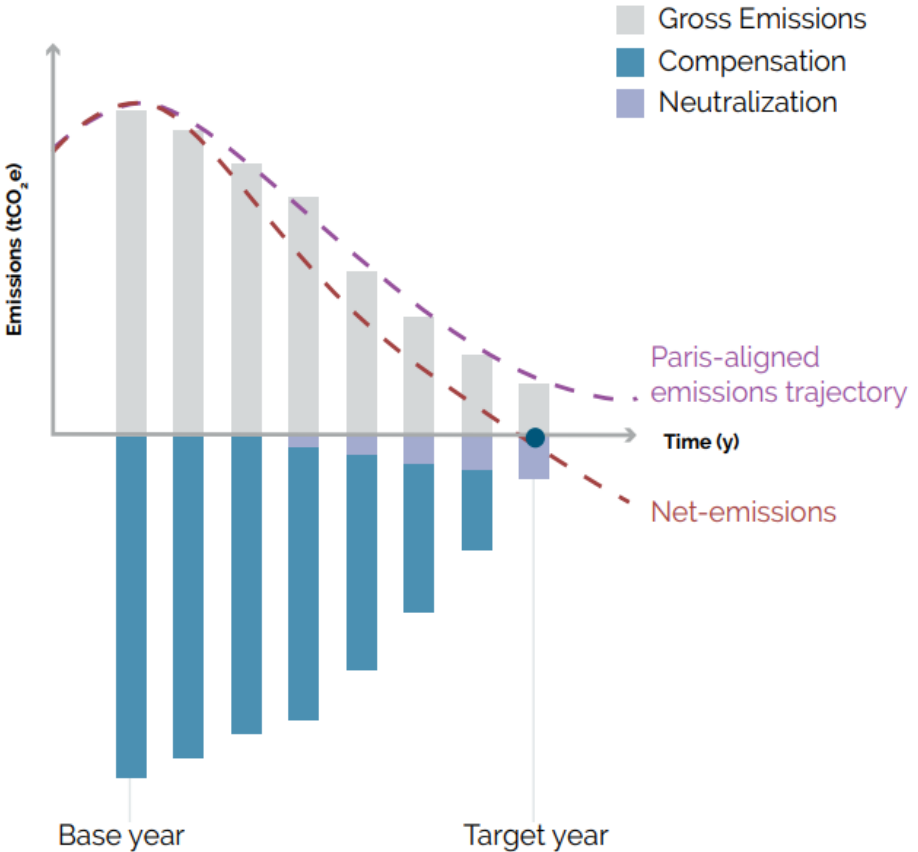


A balance between emissions and removals over a given period

The “climate positive approach”*....

...the preferred way to reach corporate net zero

Carbon credits can be used as compensation for remaining emissions on the road to net zero.



*This definition of climate positive is distinct from the draft Climate Positive Framework developed by WWF, IKEA, H&M and Max Burgers

Increased interest in removals

- Increasing interest in removals driven by many factors. Two key ones:
  - Large corporate commitments
  - This net zero foundations paper.
- Perverse incentive: price of removal credits has increased at the expense of other project types.
- Now until 2030:
  - “A decade of **action for emission reductions**; a decade of **readiness for removals**”



Commonalities among the frameworks

- Science-based targets as the sin qua non of climate action
- Recognition that carbon credits can play a role, especially in the near-term.
- Recognition that climate mitigation investments outside of the value chain don't all need to be carbon credits.
- Principle of applying the “mitigation hierarchy” in corporate climate strategies. E.g. avoid emissions before removing and sequestering.

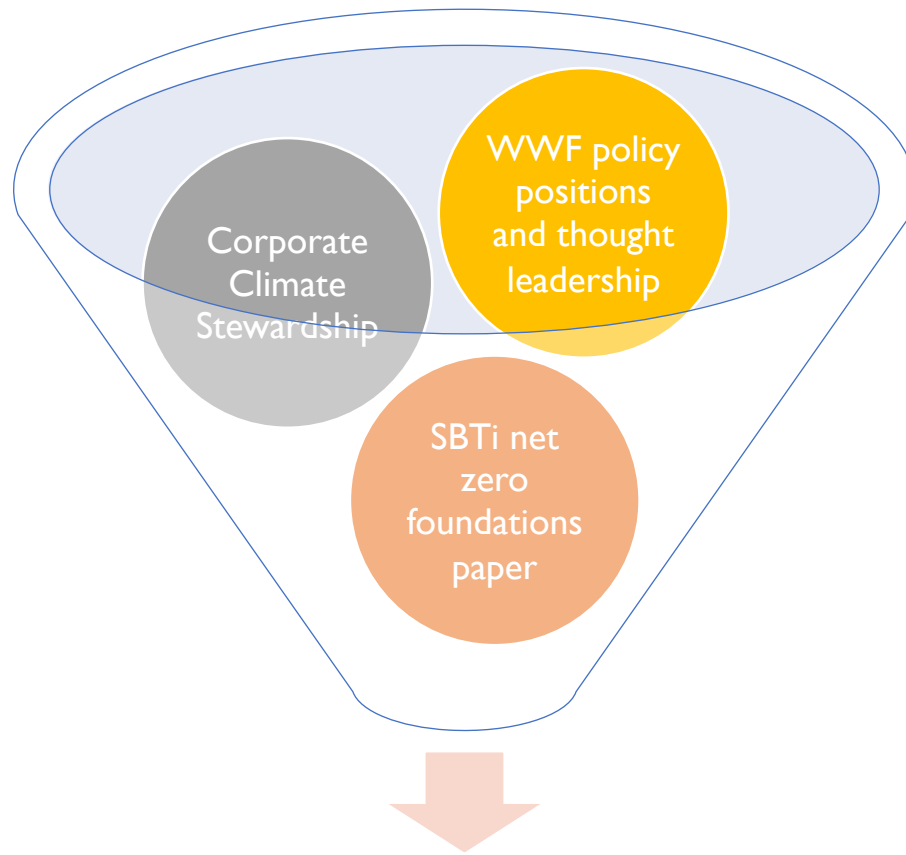


Gaps in existing frameworks

- Better recognition of “system change investments” that may not lend themselves to a carbon finance model.
- More emphasis on what needs to happen *before* companies reach net zero is reached
- How to better approach sizing a financial commitment to remaining emissions



Coming
soon...



**New WWF corporate climate
mitigation leadership framework**

Thank you!

Contact:

Brad.Schallert@wwfus.org

References:

https://www.goldstandard.org/sites/default/files/documents/gs_corporate_climate_stewardship.pdf

<https://www.worldwildlife.org/publications/wwf-position-and-guidance-on-voluntary-purchases-of-carbon-credits>

<https://sciencebasedtargets.org/wp-content/uploads/2020/09/foundations-for-net-zero-full-paper.pdf>



Discussion



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Questions?

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