

NCS Investment Accelerator – a campaign to send a demand signal for high-quality Natural Climate Solutions credits

This document aims at answering to the most common questions related to the NCS Investment Accelerator. It complements the Requirements to Join NCS Investment Accelerator. If you have additional questions, you can contact us at ncsalliance@wbcsd.org

What are Natural Climate Solutions?

'Natural climate solutions (NCS) are "conservation, restoration and improved land management actions that increase carbon storage and/or avoid greenhouse gas emissions". NCS therefore play a role in reducing emissions by, for instance, avoiding deforestation, and removing emissions such as through restoring peatlands as part of climate-mitigation pathways. As well as mitigating climate change, NCS can provide other valuable benefits that address critical societal challenges, such as the protection of ecosystems and biodiversity, restoration of degraded lands and the support of sustainable and equitable livelihoods, particularly in remote rural landscapes.

What is the aim of the NCS Investment Accelerator?

The NCS Investment Accelerator aims to scale natural climate solutions (NCS) by bringing together NCS corporate champions and aggregating existing and new commitments to invest in high-quality emission reductions and removals credits (in tCO_2e).

Why is a demand signal important?

A demand signal is a key element in generating a system change that will lead to higher trust in NCS as a credible and effective solution to reduce and remove greenhouse gases emissions. Creating a demand signal could solidify pricing across carbon markets and build confidence in new and improved methodologies. Today, a demand signal would unlock the supply pipelines needed to meet global net-zero announcements and build confidence with policymakers as they roll out new compliance and jurisdictional schemes.

What is the campaign's target?

The target of the NCS Investment Accelerator campaign is to aggregate corporate demand for 1 Gigatonne of CO_2 e emissions from NCS reductions and removals per year by 2025.

What types of credits is the NCS Investment Accelerator campaign promoting?

The NCS Investment Accelerator focuses only on measures to conserve, restore and to sustainably manage nature (see definition of NCS) that have been validated through a credible voluntary or compliance standard or scheme. Although the use of carbon credits from engineered and hybrid technological solutions will also play an important role in helping to meet global climate goals, these are not considered natural climate solutions.

How can a company contribute to the NCS Investment Accelerator campaign?

Companies who meet the campaign eligibility criteria can include their commitments to invest in all types of NCS credits quantified in tCO_2e , on an annual basis, from 2021 to 2025 and beyond. The campaign will aggregate the NCS commitments for all types of NCS reduction and removal credits, including, but not limited, by businesses engaged in complementary initiatives such as the:

- It.org (<u>Trillion Trees</u>)
- Business Alliance to Scale Carbon Solutions (<u>BASCS</u>)
- Lowering Emissions by Accelerating Forest Finance (<u>LEAF Coalition</u>)

What information will be published?

The individual commitments will be aggregated into annual amounts (and eventually broken down by the reporting categories). The companies contributing to the NCS Investment Accelerator will be listed but their individual commitments will not be made available but only as part of the aggregate figure.

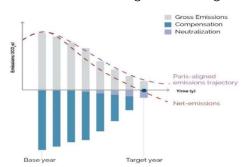
Will small NCS commitments count?

In certain sectors the remaining emissions will be very small, but everything counts. In these cases, name of the company and its commitment to high-integrity offsets is more important than the total number you are purchasing. Finally, as the yearly commitments are aggregated, the system will not show the difference in amounts committed by the various companies.

What's the role of NCS in the journey to net zero?

The use of NCS should raise climate ambitions, being used to go above and beyond internal decarbonization required to meet Paris Agreement goals.

Leading companies should complement a commitment to reach net zero greenhouse gas emissions goals by 2050 latest with interim annual carbon neutrality goals, that can be achieved with NCS reduction and removal credits. Companies are quantifying and annually reducing



(abating) scopes 1, 2 and 3 emissions to the extent possible in accordance with a science-based target, which includes addressing all emissions from natural sources such as agriculture and deforestation within scope 1 (direct emissions) and scope 3 (value chain). The annual unabated emissions should be compensated with high-quality NCS reduction and removal credits, based on a mix of avoided emissions (e.g. preventing tropical deforestation, conservation of intact landscapes) and carbon removal (e.g. responsible reforestation and ecosystem restoration).

What is considered a high-quality NCS?

High-quality credits are generated by NCS projects that deliver positive outcomes for the climate, nature and local communities, and have been developed to standards that have specific provisions in place ensure the integrity of the trade of credits and carbon accounting, transparent governance, and engagement with the public and other stakeholders, amongst other.

What are the NCS Investment Accelerator's corporate benefits?

By joining the campaign and publicly committing to invest in high-quality natural climate solutions through 2025, companies can benefit from:

- Confidence and reduced reputational risk that comes from joining a collective demand signal focused on high-integrity ambition, including:
 - o education for new market entrants, thereby reducing the likelihood that lone companies invest in low-quality NCS due to insufficient access to guidance and expertise
 - o profiles of leadership based on experience and insight and setting a strong example for others, both in the scale of their ambition and in applying best practices an implementing quality principles.

Stimulation of market developments to meet future credit needs towards the
achievement of net zero, encouraging a pipeline of high-quality NCS projects
and programs through 2025 and liquid markets to service future credit needs
in the 2025-2050 timeframe.

What are the eligibility criteria for joining the NCS Investment Accelerator?

Companies joining the campaign and committing to invest in NCS as part of their climate change strategy must demonstrate ambitious action to reduce GHG emissions in line with these global goals to limit climate change. The eligibility criteria to join (NCS Investment Accelerator Eligibility Criteria) reflect the guidance for the credible use of NCS credits by corporates captured in Natural Climate Solutions for Corporates, published by the Natural Climate Solutions Alliance.

Is there a cost for joining the NCS Investment Accelerator?

There is no cost to join the campaign. Furthermore, companies do not have to be WBCSD nor WEF members.

Who is behind the NCS Investment Accelerator?

The campaign is coordinated by the <u>NCS Alliance</u>. The NCS Alliance convenes public and private stakeholders to identify opportunities and barriers to investment into carbon credits in new and existing markets in order to scale up financing for natural climate solutions. The Alliance also serves as a forum for knowledge sharing and technical capacity building to ensure natural climate solutions reach their full potential in abating climate change. Companies who join the NCS Investment Accelerator are also invited to join the <u>NCS Alliance</u> to continue to collaborate with peers and experts on scaling NCS globally.

Interested in joining the NCS Investment Accelerator?

Contact us at ncsalliance@wbcsd.org.