

Natural Climate Solutions Alliance IN PROGRESS





What are Natural Climate Solutions?

Natural Climate Solutions (NCS) are Nature-based Solutions addressing climate change.

Nature-based Solutions are defined as actions to protect, conserve, restore, sustainably use and manage natural or modified terrestrial, freshwater, coastal and marine ecosystems, which address social, economic and environmental challenges effectively and adaptively, while simultaneously providing human well-being, ecosystem services and resilience and biodiversity benefits (UN 2022).



What role can Natural Climate Solutions play?

Natural climate solutions, such as maintaining and restoring healthy forests, agricultural land and coastal ecosystems, can provide around 30% of the emissions reductions needed to reach Paris Agreement temperature goals.

In addition, they provide many **socio- economic & environmental benefits**, such as
the preservation and restoration of
biodiversity, provision of ecosystem services
and support sustainable livelihoods.

But despite their vast potential, NCS attract very little public and private investment.



Natural Climate Solutions help mitigate climate change through actions that protect against nature loss, improve nature management and restore degraded native cover.

This infographic is adapted from We need both natural and energy solutions to stabilize our climate: https://onlinelibrary.wiley.com/doi/full/10.1111/gcb.14612

The Role of Business

Businesses can finance natural climate solutions through the voluntary carbon market by purchasing high-quality NCS voluntary carbon credits to counterbalance their annual unabated emissions.

Businesses must **demonstrate leadership** by pursuing ambitious decarbonization targets and compensating year-on-year unabated emissions through high-quality NCS voluntary carbon credits.



The Natural Climate Solutions Alliance



Our vision

Natural Climate Solutions contribute their full potential towards the Paris climate goals as well as help solve some of the world's most pressing and intractable environmental and social challenges, including biodiversity and forest loss, land degradation, sustainable water management and sustainable community livelihoods, starting today.

Our goal

Build an effective and scalable carbon market that enables natural carbon sinks while safeguarding nature.



The Natural Climate Solutions Alliance

- Hosted by WBCSD
- Supported by the World Economic Forum
- Funded by the We Mean Business Coalition (Jan 2021 - Dec 2024)









NCS Alliance Members (August 2024)



Business (31)

- Bain & Company
- Bank of America
- BCG
- Bayer Ag
- Bp
- DBS
- ENEL
- ENI
- Equinor
- ERM
- GSK

- Leaseplan
- Lenzing
- Mars
- McKinsey & Co.
- Mitsubishi Corp.NatureBridge
- Nestlé
- Nutrien
- PwC
- Rabobank
- Rio Tinto

- Shell
- Standard Chartered
- UBS
- Unilever
- IETA/ICROA
- OGCI
- REDD+ Business Initiative
- IBCSD
- We Are Level

NGOs (13)

- Arbor Day
- BirdLifeInternational
- CERES
- EDF
- Forest Trends
- Fauna & Flora International
- Conservation
 International

- The Nature Conservancy
- Mandai Nature
- Michigan State University
- WildlifeConservationSociety
- WOCAN
- World Resources Institute

Solution Providers (39)

- Abatable
- AgriProve
- Agrosmart
- American Carbon Registry (ACR)
- American Forest Foundation
- Anew Climate
- Arcmor
- Architecture for REDD+ Transactions (ART)
- Carbon Tanzania
- Chloris Geospatial
- Climate Action Reserve
- Climate Impact Partners

- Climate Impact X (CIX)
- CQuestCapitalEcoTree
- Emergent
- Everland
- Gold Standard Foundation
- Indigo Ag
- Integrity Global Partners
- Integrity Capital Advisors
- Kita Earth
- Native
- New Forests
- Permian Global
- PT Rimba

- PlanVivo Foundation
- Respira International
- Revalue Nature
- South Pole
- Sylvera
- Thallo
- The Palladium Group
- The Biodiversity Consultancy
- Viresco Solutions
- Vertree
- Verra
- Weyerhaeuser
- Wildlife Works



The Journey to High-Quality NCS Credits 2021 - 2024



UNDERSTAND NCS

- NCS in Action
- The Role of Project
 Developers and
 Communities
- NCS Learning Webinars
- The Case for Beyond-Value-Chain Actions

START

POINT



BUILD A BUSINESS CASE

 C-Suite Executive Guide to NCS Carbon Credits

DIVERSIFY

 How-to Guide for Voluntary Carbon Credit Portfolio Design

PROCURE AND INVEST WITH INTEGRITY

- A Buyer's Guide to NCS Carbon Credits
- NCS Procurement Hub
- An Investor Guide for <u>Companies and Financial</u> <u>Institutions</u>

MAKE THE RIGHT CLAIM

Support the <u>VCMI</u>
 <u>Scope 3 Claim</u>

DESTINATION

- Join the <u>NCS Alliance</u> and the NCS Policy Intelligence Group
- Share your <u>NCS</u> <u>Leader</u> story

What we have achieved so far



Workstream	Purpose
NCS Procurement Hub	An online community platform for carbon credit buyers and investors navigating the complex landscape of NCS carbon credit procurement. It provides trustworthy information, expert guidance, a community of peers, connection to high-quality NCS projects and exclusive events tailored to businesses needs. www.NCSProcurementHub.org
NCS Business Buyers and Investors Policy Group	The NCS Business Buyers and Investors Policy Group brings together the Business Buyers members of the NCS Alliance and the private sector investors members of the Forest Investor Club. The aim is to keep business and investors informed about, and promote collective positions and recommendations in response to, policies (public and voluntary) that affect the integrity of supply, use, and claims of voluntary NCS carbon credits.
Policy Intelligence Network	This is an information-sharing network, providing updates and tracking policies and regulations relevant to the focus of the NCS Business Buyers and Investors Policy group. It brings together NGOs, solution providers and voluntary carbon market platforms.

What we have achieved so far



Workstream	Purpose
An Investor Guide for Companies and Financial Institutions	Provides insights to investors on how to identify and invest in high-integrity NCS projects to increase the flow of financial capital into these solutions. Natural Climate Solutions for the Voluntary Carbon Market: An Investor Guide for Companies and Financial Institutions
Natural Climate Solution Carbon Credits: The role of project developers and communities	The guide walks the reader through the steps taken by project developers and communities once an initial project idea is identified, all the way to the issuance of credits. Natural Climate Solution Carbon Credits: The role of project developers and communities
How-to guide for voluntary carbon credit portfolio design	Demonstrates how a portfolio approach to acquiring voluntary carbon credits allows businesses to balance their carbon credit strategies and business needs. How-to Guide for Voluntary Carbon Credit Portfolio Design
Understanding and Enabling Health Outcomes from Nature- based Solutions	Helps buyers and sellers of credits in systematically incorporating Indigenous Peoples' and Local Communities' health and wellbeing considerations as part of NbS. The Toolkit was developed by GSK and Pollination Group, with contributions from the NCS Alliance. <u>Understanding and Enabling Health Outcomes from Nature-based Solutions</u>
Gender Equality and Women's Empowerment Due Diligence Questions and Criteria for Natural Climate Solution Projects	Support buyers in effectively integrating gender equality and women's empowerment considerations into their due diligence process for the purchase of NCS carbon credits. This Guide was developed by Women Organizing for Change in Agriculture and Natural Resource Management (WOCAN), with contributions from the NCS Alliance. Gender Equality and Women's Empowerment Due Diligence Questions and Criteria for Natural Climate Solution Projects

What we have achieved so far



Workstream	Purpose
Buyer's Guide to NCS Carbon Credits	Supporting businesses in navigating the procurement process for high quality NCS. <u>A Buyer's Guide to Natural Climate Solutions Carbon Credits, Buyer's Guide Summary Video</u>
C-suite Executive Guide	Building company management level buy-in to usage of NCS in credible carbon strategies. A Guide for C-suite Executives, the introductory video, and the Alphabet Soup
NCS in Action	Demonstrating what high-quality NCS projects look like. Championing the co-benefits of credible NCS and verified impact being achieved. Demonstrating how best-practice can be scaled or overcome implementation challenges. Natural Climate Solutions in Action and an introductory video
NCS Leaders Videos	Demonstrating private sector leadership in investing in NCS. Building awareness and educating businesses on the use of NCS. NCS Leaders videos
NCS Learning Webinars	Providing education on NCS as a credible climate mitigation/adaptation solution for national business and industry associations. Promoting high quality supply and demand guidance and amplifying core benefits of NCS.
Alignment with other initiatives	Providing clear and consistent messaging to business and civil society on strategic communications content Collaboration and support to N4C, IC VCM, VCMI

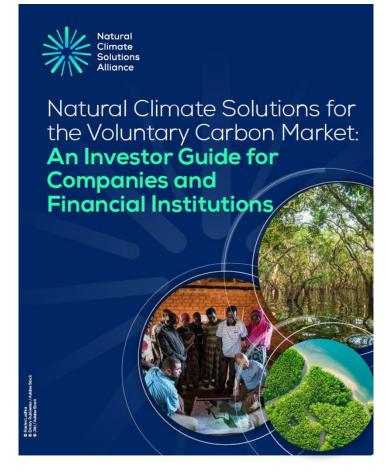
An Investor Guide for Companies and Financial Institutions

Nature conservation is vital for fighting climate change, but there's a significant funding gap, especially from private sources. Natural climate solutions (NCS) offer attractive returns and positive environmental and social impacts.

A guide by A guide by the Natural Climate Solutions Alliance, Forest Investor Club, and ERM helps investors identify and support high-integrity NCS projects, emphasizing the need for more investment to address climate change, biodiversity loss, and social inequalities globally.

Natural Climate Solutions for the Voluntary Carbon Market: An Investor Guide for Companies and Financial Institutions













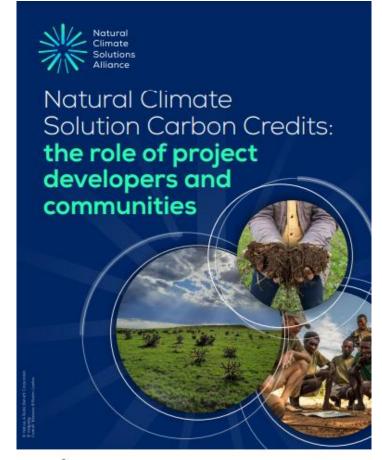
The role of project developers and communities

NCS empower communities to use their carbon rights for development and conservation by reducing emissions and sequestering carbon. Often funded by selling carbon credits on the voluntary market, finding high-integrity credits that also protect biodiversity and benefit local communities can be challenging.

This guide outlines the complex process of developing NCS projects, highlighting the collaboration between project developers, investors, and local communities needed to achieve long-term success and issue high-quality carbon credits.

Natural Climate Solution Carbon Credits: The role of project developers and communities







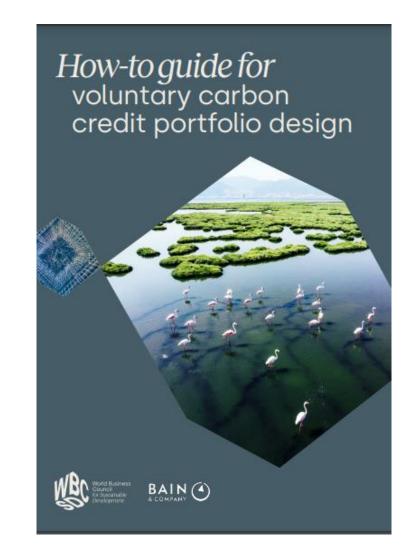


How-to guide for voluntary carbon credit portfolio design

Navigating the voluntary carbon market can be complex, but this guide shows how a portfolio approach to procuring carbon credits helps businesses balance their carbon strategies with business needs.

By combining the immediate benefits of natural climate solutions (NCS) with the long-term necessity of technology-based solutions (TbS) for permanent CO2 removal, companies can work effectively toward netzero targets. The guide offers step-by-step advice for using high-integrity carbon credits to fund emission reduction and removal activities.

<u>How-to Guide for Voluntary Carbon Credit Portfolio</u> <u>Design</u>



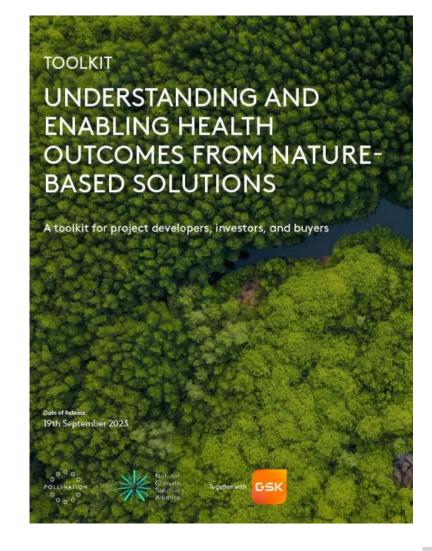
Understanding and enabling health outcomes from nature-based solutions

The Toolkit, developed by GSK and Pollination Group with input from experts and the NCSA, aims to systematically incorporate IPs and LCs health and wellbeing into NCS projects.

It seeks to make health a core benefit of NCS rather than an optional co-benefit. The Toolkit is designed for developers, investors, buyers, and standard setters. By embedding local health considerations in NCS, the Toolkit aims to enhance the integrity and long-term success of carbon projects.

<u>Understanding and Enabling Health Outcomes from</u>
Nature-based Solutions





Gender equality and women's empowerment: due diligence questions and criteria for natural climate solution projects



This Guide, developed by WOCAN with input from the NCS Alliance, helps buyers integrate gender equality and women's empowerment into the due diligence process for purchasing NCS carbon credits.

It aims to make gender considerations a core benefit of NCS projects, ensuring they are accessible to all carbon market participants. By embedding gender equality in NCS projects, the Guide seeks to enhance the integrity of individual projects and the credibility of the Voluntary Carbon Market, fostering sustained community support and improving project effectiveness.

Gender Equality and Women's Empowerment Due Diligence Questions and Criteria for Natural Climate Solution Projects





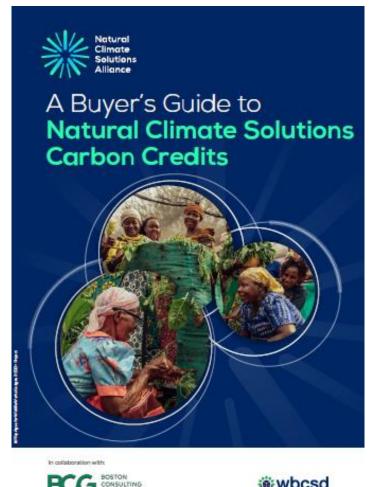
A Buyer's Guide to Natural Climate Solutions Carbon Credits

This guide is intended to help businesses that have decided to include Natural Climate Solutions voluntary carbon credits in their climate strategies.

The guidance supports businesses as they navigate the procurement process for high-quality NCS carbon credits that meet the tripartite goals of climate change mitigation, biodiversity gains and benefits to people.

Specifically, readers are provided with practical information to guide them step by step through the entire purchase process for NCS carbon credits.

A Buyer's Guide to Natural Climate Solutions Carbon Credits







Natural Climate Solutions and the Voluntary Carbon Market: A Guide for C-suite Executives



The Guide offers a comprehensive overview for decision makers of the opportunities associated with Natural Climate Solutions voluntary carbon credits.

It highlights the role that businesses play in financing NCS through the voluntary carbon market by purchasing high-quality NCS voluntary carbon credits.

The C-suite Guide urges businesses to demonstrate leadership by pursuing ambitious decarbonization targets and compensating year on year unabated emissions through high-quality NCS voluntary carbon credits.

C-suite Executive Guide









NCS in Action

To scale up high-quality NCS, it has become mission-critical to build trust among different stakeholders. The NCS in Action testimonials highlight NCS examples that are focused not only on carbon reduction or removal, but also generate positive social and biodiversity benefits.

NCS in Action are powerful testaments to the critical importance of continued investment in natural climate solutions. Through compelling stories that link directly to biodiversity and social benefits, these testimonials show how NCS investments can make a real difference in the world.

Natural Climate Solutions in Action



NCS Leaders

NCS Leaders go beyond their annual decarbonization efforts by investing in high-quality, voluntary NCS carbon credits.

They use Natural Climate Solutions (NCS) carbon credits as a complement to deep decarbonization, increasing their annual contribution to climate mitigation, and positively contributing to nature and people.

Watch what they have to say below:

NCS Leaders Videos



NCS Learning Webinars

The NCS Alliance offers a program for learning about NCS with the aim for businesses to be able to incorporate investing into nature into their net zero ambitions. The NCS Learning Webinars seek to provide climate ambitious businesses with information on why and when to use NCS credits, what high-integrity high-quality NCS look like and finally how to procure and account for them.

The aim is to:

- Promote high quality supply and demand guidance
- Showcase high-quality NCS and co-benefits
- Regain the positive narrative on NCS
- Raise the profile of NCS as a credible climate mitigation/adaptation solution

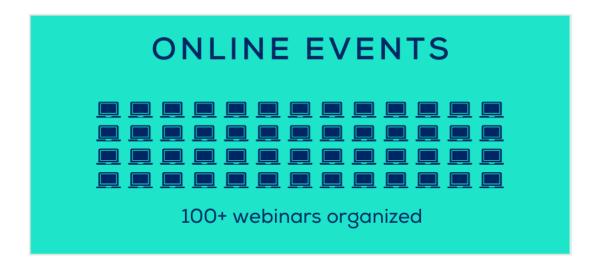




NCS ALLIANCE PERFORMANCE



FROM 01.01.21 - 31.08.24





SOCIAL MEDIA

7,358
Number of LinkedIn followers

COMPANIES

5,000

Number reached in the past 2.5 years



NCS ALLIANCE PERFORMANCE



FROM 01.01.21 - 31.08.24

NCS PROCUREMENT HUB MEMBERS

219

144

Individuals

Companies

BLOGS

40

About NCS and the Voluntary Carbon Market

VIDEOS

15

Focusing on NCS Leaders

POLICY INTELLIGENCE

60

companies tracking and responding to highintegrity NCS credit policies

DOWNLOADS

2,213
Buver's Guide

2,928

C-suite Guide

NCS IN ACTION PROJECTS

19

Created with representation across South America, Africa, South-East Asia, and North America 24HR NCS SUMMIT

21

Webinars took place across 24 hours, with 36 experts.

WEBSITE VISITS

+30,000

Unique page views for NCSA homepage (launched in 2022)

CO-LEARNING WEBINARS

21

~1.5k people attended from 950 companies across 25 sectors

Stakeholder Quotes



"The NCSA has played a critical role in bringing together stakeholders from diverse backgrounds but with a shared mission to drive investments into nature-based climate solutions. They have brought light into complex discussions that we all need to understand more deeply to come to a shared industry voice, in order that we can rapidly scale collaboration and action on the highest integrity solutions."

Anna Lehmann, Global Climate Policy Director, Wildlife Works Carbon

"During a period of rapid acceleration and intense scruting in the voluntary carbon market, the NCSA has achieved something that I consider to be unique - it has convened a cross-sectoral community that is far greater than the sum of its parts, and leveraged this expertise and diversity of thought to bring a voice of clarity and credibility to the sector. It is providing a trusted community of support for those who are committed to protecting and restoring nature and to supporting Indigenous People and Local Communities, whilst accelerating the pathway to net zero. It has an increasingly important role to play in scaling-up high integrity NCS, and it is one that we continue to be glad to support." Zoe Quiroz Cullen, Director of Climate & Nature Linkages, Fauna & Flora

What we have learned so far



- Nature is "not a nice to have" but a must have if we want to stay within the 1.5 degrees limit
- The Beyond Value Chain Mitigation space must be recognized as a legitimate way to contribute to global Net Zero
- Supply-side standards and methodologies must be complemented by demand-side tools to enable buyers and investors identify high-integrity, highquality voluntary carbon credits and, in particular, NCS types
- Demand-side standards for the use of voluntary carbon credits such as SBTi's BVCM Guidance and the VCMI's Claim Code of Practice – will likely trigger a wider use/purchase of voluntary carbon credits
- Continuous education is essential given the fast moving and multiple processes influencing the supply and demand for voluntary carbon credits

Our 2024 amibitions



Go Faster and Bigger

- Speed-up businesses' journey towards the procurement of high-quality NCS credits
- Cast our net wider to include also investors

Everything, Everywhere, All at once

- Promote the use of a diversified, long-term portfolio of voluntary carbon credits
- Collaborate with other key actors in the voluntary carbon market
- Amplify the collective voice of NCSA members, business buyers, NGOs and solution providers



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