Climate Positive Framework (Draft)

Private sector responsibility

Our world is rapidly changing due to climate change. The private sector has a critical role to drive and facilitate change to significantly reduce GHG emissions as well as advocate for all companies to take action in line with the Paris Agreement.

This document and subsequent commitments aim to bring together companies who want a credible and global definition of what it means to be a 'climate positive' company.

Climate Positive commitments

Committing to become climate positive under the Climate Positive Framework means to achieve a state of net negative emissions by 2040 at the latest and reducing and physically removing more greenhouse gas emissions from the atmosphere than the whole value chain emits regardless of business growth. It also includes strong advocacy for enabling policies and engaging with others to do more together.

A company committing to become climate positive should:
1. Set climate targets for the entire value chain (scope 1-3) aligned with the recommendations from IPCC and Science Based Targets initiative (SBTi) to stay within the 1.5°C trajectory.
2. To advocate clear and uncompromising support to the recommendations of the Paris Agreement, IPCC, the SBTi and relevant sectoral road maps to further accelerate the movement towards a low carbon society. This includes encouraging sustainable customer purchases and enabling necessary behavioural changes.
3. Not rely on purchases of carbon credits (i.e. "offsets") in a way that would result in a delay any needed reductions of greenhouse gas emissions within the value chain (scope 1-3) required to reach a 1.5°C Science Based Target. In addition, carbon credits used to achieve net negative emissions should be clearly communicated as a short to mid-term measure and should be reported separately from company emissions. Meaningful, robust and lasting carbon removals should be realised as an element of fulfilling the ambition of the Climate Positive Framework.

Next steps

The parties above intend to engage with other corporates and relevant organisations to further develop the definition of a climate positive company and more importantly the roadmap to achieving this ambition. As this is by no means a comprehensive document providing detailed answers related to all aspects of 'climate positive', the intention is to add and connect to broader on-going discussions around topics such as net-zero and voluntary carbon credit purchasing (i.e. offsetting). Where and when necessary this document will be updated to reflect the latest discussions.

The spirit of this process is to encourage and further a positive movement towards a decarbonised society. A potential aim of this project, currently under discussion, is to develop it into a standard or protocol that is additional to the discussion topics mentioned above and in full in support of relevant initiatives such as the SBTi and others.

Document Origen

The contents of this document have been drafted as an outcome of several conversations between H&M Group, Inter IKEA Group and Max Burgers AB with support of WWF Sweden as facilitator and reference body.

Appendix: Climate Positive Definition

Commitments towards climate positive

1. Reduction targets for corporate climate footprint of value chain in line with recommendations set out in the IPCC 1.5°C report and the SBTi
- Targets set for scope 1, 2 and 3 (as defined in the GHG Protocol)
- Scope:
  - Include full value chain footprint (scope 1, 2 and 3) with minimal amount (<5%) of the GHG emissions excluded.
  - Include climate footprint from both gross GHG emissions and from land use and land use change (positive and negative).
  - Includes carbon sequestration practices within the value-chain, e.g. practices for better forest and agriculture management.
- Ambition level of targets: The set climate targets should be in line with one of the following:
  - IPCC 1.5°C report: pathways 1 or 2
  - Science Based Targets Initiative: Requirements for 1.5°C target
  - Carbon law: To halve emissions by 2030
- To yearly report progress externally versus set targets

2. Becoming Net Zero and achieving net negative emissions
- Various strategies exist to achieve net negative emissions. In line with the climate positive ambition, outlined in this document, direct physical carbon removals that are stored in for example in soil, trees and underground reservoirs, are recommended.
- Carbon credit purchases are another option to address emissions beyond the necessary 1.5°C reductions but should be considered as a short- to medium-term solution, while a company transitions towards investing in removals and eventually reaching a net zero state. Carbon credits can also be claimed in a variety of ways including as climate finance where the carbon reductions themselves would not be claimed.
- Specific actions to realise net negative emissions would preferably take place within the value chain of the company.

3. Advocacy and collaborative action

Being climate positive is more than reaching net negative emissions. Within this ambition, being climate positive is also about enabling others, and develop collaborations to inspire and motivate corporates, governments and customers to address their climate impacts and achieve a stable climate within the planetary boundaries. Companies that commit to becoming climate positive are encouraged to:

a) Enable Customers and Suppliers
- Work in a collaborative way with suppliers and business partners to support transformation of business elements, businesses or markets, including sharing of methodologies and competences.
- Enable customers to make choices that will progress and accelerate the climate positive movement.

b) Public Affairs
- Expand policy affairs influence with forward looking policies on climate change and e.g. energy efficiency, renewable energy, food or materials.
- Engagement should be based on strategic relevance of topics, connected to impact on emissions, i.e. a priority list of issues to address for maximum leverage.
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c) Engaging with others
- Take part of co-developing and co-investing in forward looking technology roadmaps to advance and speed up progress for the most challenging sectors and critical materials.
- Engage with other stakeholders on the climate positive journey and be an explorer and supporter of frameworks which focus on reducing emissions in society at scale through high impact innovation and investments.

Basic Principles for Climate Footprint Accounting and Reporting

Part of becoming climate positive is following the best available practices for GHG footprint accounting and reporting. Therefore, as part of this journey the following basic principles are suggested:

- GHG Inventory
  - Follow the GHG Protocol standards.
  - Separate reporting of
    - Gross GHG emissions.
    - Land use change emissions.
    - Carbon capture and storage (technical solutions).
    - Carbon sequestration (through natural processes).
    - Carbon offsets / insetting.
    - Avoided emissions.
- Yearly reporting of performance of climate footprint and set targets (e.g. through sustainability report).
- GHG inventory and yearly reporting externally verified by third party.