
FAIR
CLIMATE
FUND

Climate inequality

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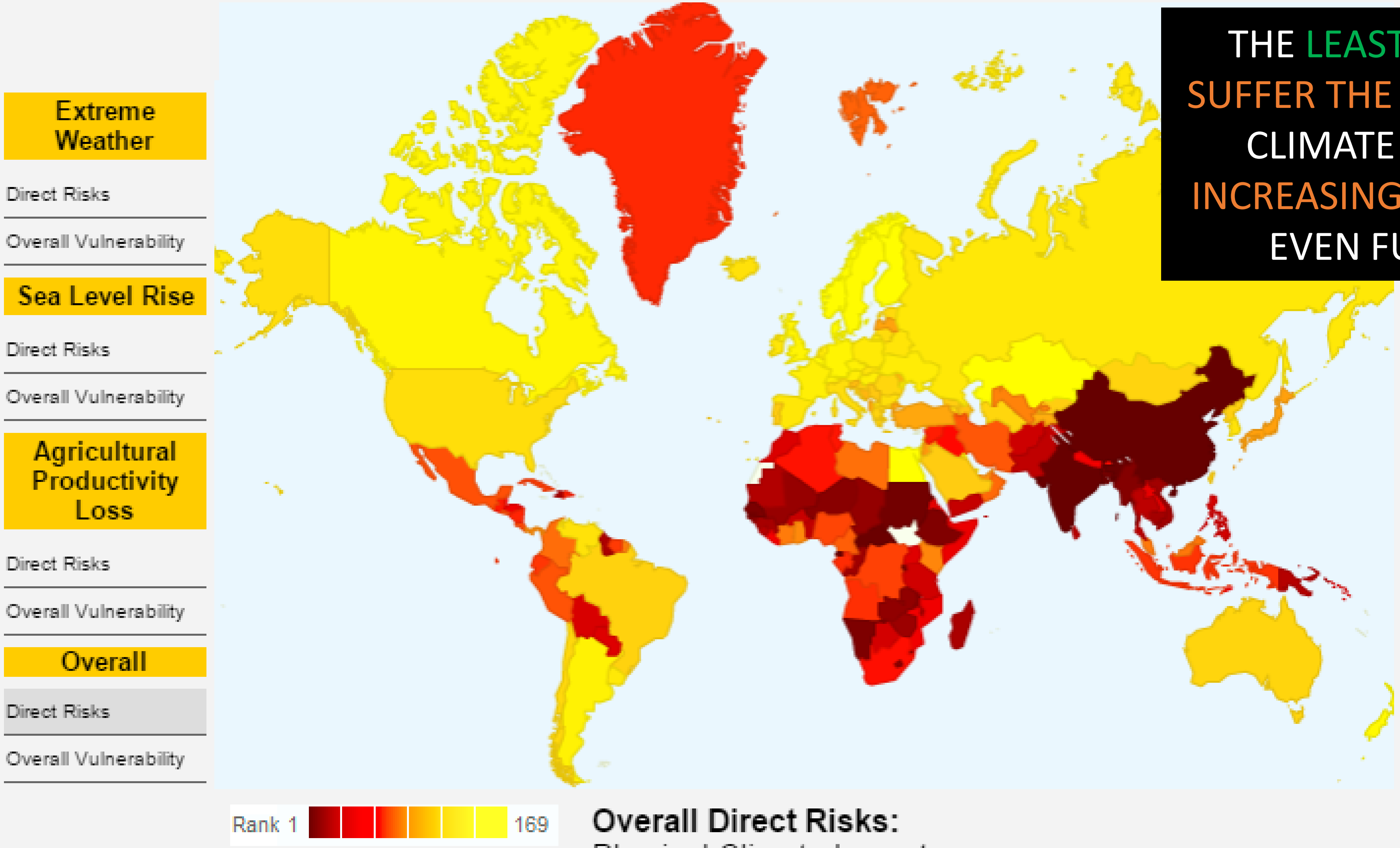
WORLD'S RICHEST 10% PRODUCE HALF OF GLOBAL CARBON EMISSIONS WHILE THE POOREST HALF OF WORLD POPULATION ACCOUNT FOR ONLY 7%.

Unfair impact of climate change



Overall Direct Risks:
Physical Climate Impacts

THE LEAST WEALTHY SUFFER THE MOST FROM CLIMATE CHANGE, INCREASING INEQUALITY EVEN FURTHER.

What should be the focus of a fair climate policy?

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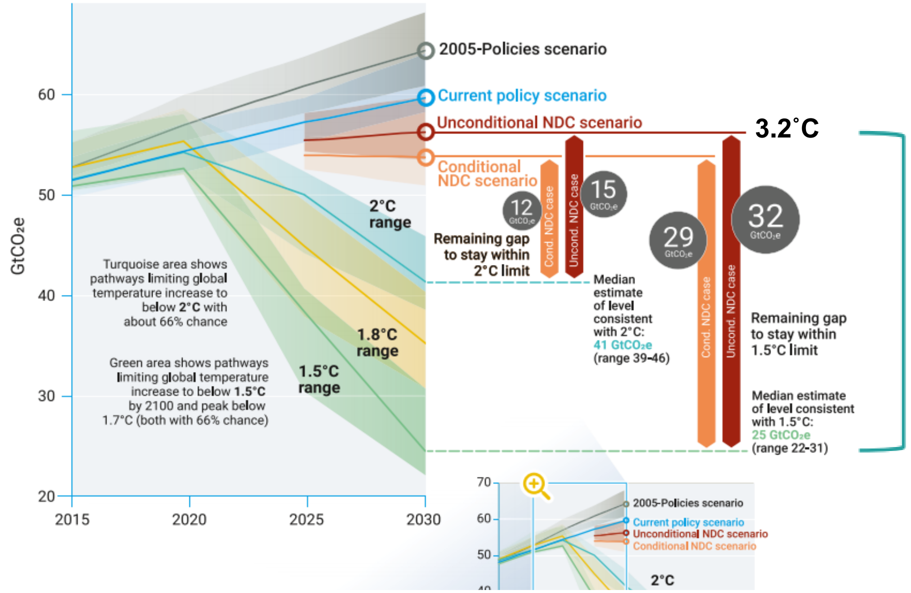
Closing the emissions gap

limit global warming to 1.5˚C



Need for private sector finance

In 2018, the Intergovernmental Panel on Climate Change (IPCC) confirmed that in order to limit global warming to 1.5˚C, the world needs to halve CO2 emissions by around 2030 and reach net-zero CO2 emissions by mid-century. In addition, the IPCC stresses the need for deep reductions in non-CO2 emissions across the economy to achieve this limit.

Closing the climate finance gap

reduce climate inequality

*Developing countries will require new investments of up to **$300 billion annually by 2020**—growing up to $500 billion annually by 2030—to adequately limit their growing greenhouse gas emissions. While developed countries, through international agreements, have committed only to channelling $100 billion by 2020 to developing countries for their climate mitigation and adaptation activities. A **unique opportunity exists for public and private actors** to work together to increase climate change-related private capital flows to developing countries.*

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Corporate sector plays a crucial role in driving the transition to a zero-carbon resilient economy.

Best practice corporate climate action

the contextual framework for offsetting emissions

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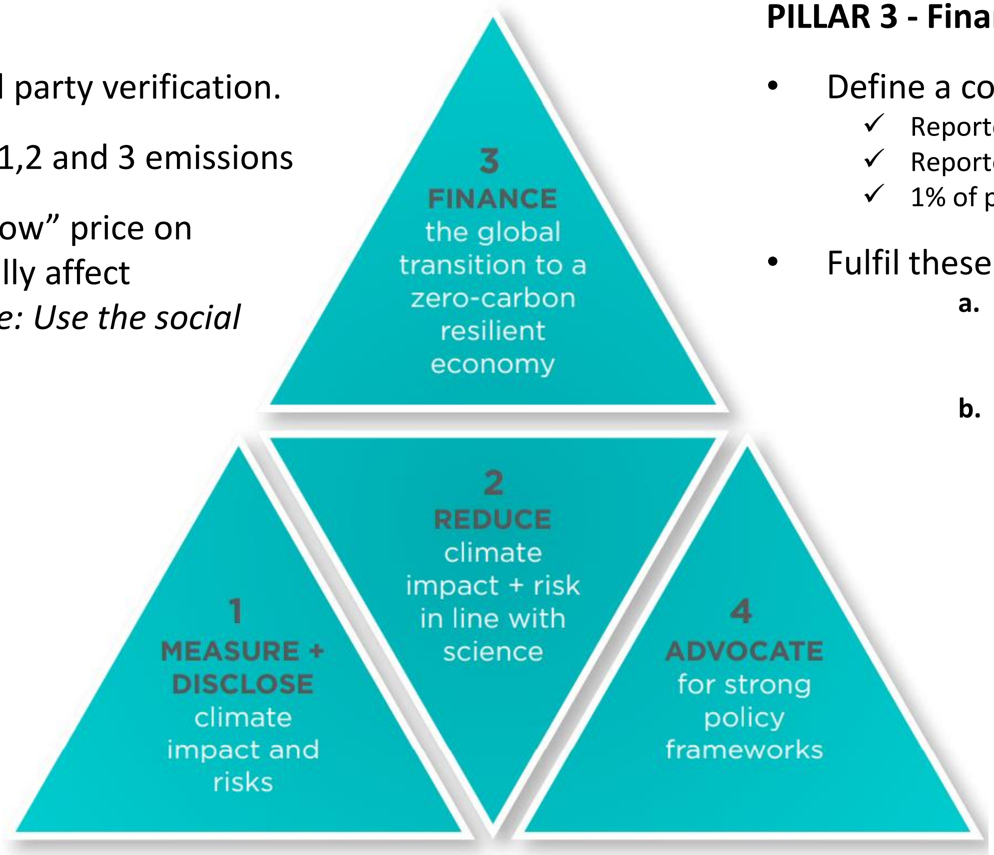
PILLAR 1 - Measure + disclose

- Follow the GHG Protocol + third party verification.
- Transparently report full scope 1,2 and 3 emissions
- Implement an internal or "shadow" price on carbon, high enough to materially affect investment decisions. *(Guidance: Use the social cost of carbon).*

PILLAR 2 - Reduce climate impact and risk in line with science

- Adopt a validated science based NetZero target (SBT NetZero). *Optional: join the SBT initiative*
- Define a transition plan
- Implementation + third party verification



The four pillars of corporate climate stewardship

PILLAR 3 - Finance the transition to a zero-carbon resilient economy

- Define a corporate climate finance commitment
  - ✓ Reported GHG emissions multiplied by cost of a high quality carbon credit
  - ✓ Reported GHG emissions multiplied by social cost of carbon
  - ✓ 1% of profits to close the climate finance gap
- Fulfil these commitments by using one or several options
  - **a. Insetting:** initiate climate projects within value chain both upstream and downstream that quantify and certify emission reductions and/or improve climate resilience.
  - **b. Offsetting:** Purchase verified emissions reductions (VERs) from, or invest in, certified carbon reduction projects (Gold Standard, Fairtrade, VCS, CDM, Plan Vivo) outside value chain.

PILLAR 4 - Advocate

- Influence market or policy developments
- Engage suppliers in climate strategy
- Educate and inspire your investors, employees, and customers about climate impacts and your climate strategy

Gold Standard CDP United Nations Global Compact WORLD RESOURCES INSTITUTE WWF SCIENCE BASED TARGETS

A climate postive approach

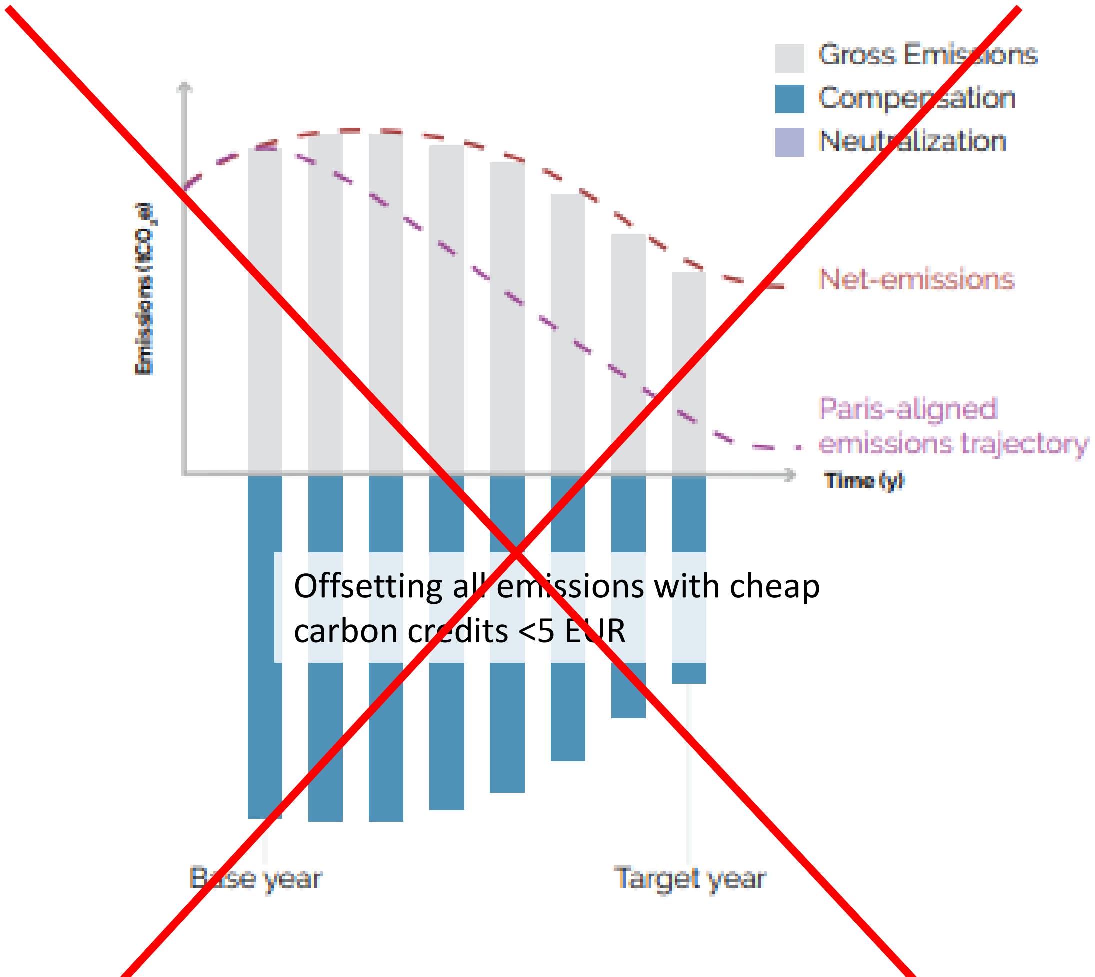


Figure 4. Replacing abatement with carbon credits representing emission reductions

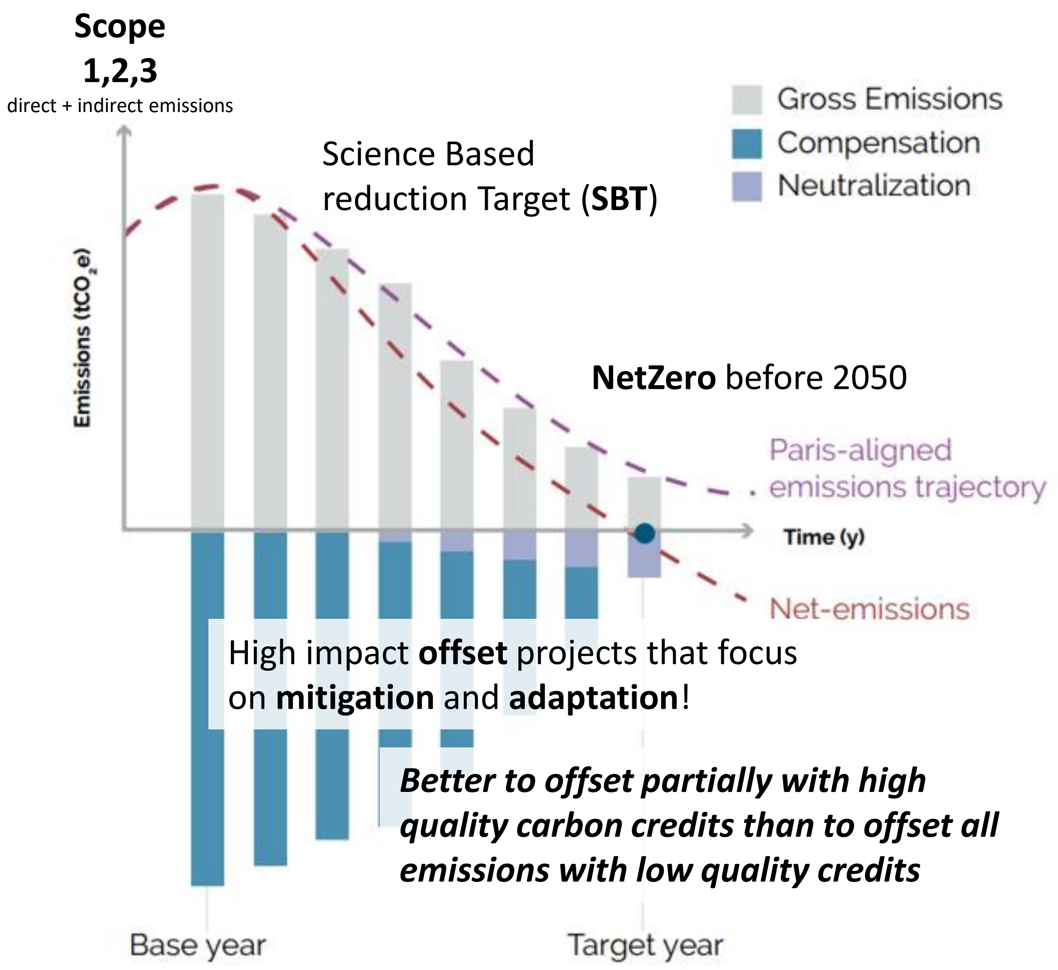


Figure 7. Climate positive approach

Developing a Fair Carbon Value Chain

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Sustainable Household Energy (SHE)
Energy efficiency and renewable energy

Provide end user subsidy on SHE appliances and support value chain actors

FAIRTRADE CARBON CREDITS™

FAIRTRADE | Gold Standard®

Nature Based Solutions (NBS)
Carbon sequestration and climate change adaptation

Provide training and financial incentives to stimulate climate smart agriculture.

+ Sustainable development
Invest in projects that focus on climate change mitigation and adaptation and that contribute to a wider range of SDG's.

+ Additionality
The price of a carbon credit should reflect the true cost of reducing 1 tonne of CO2 within the project. The project should contribute to additional and permanent future emission reductions.

+ Transparency
Carbon developers and retailers should be able to show carbon credit buyers how funds are spent in the project.

+ Fairness
Carbon finance should reach the people that have contributed the least and are most vulnerable to climate change.

+ Customized projects
With significant demand and commitment FCF can develop tailor made projects for corporate clients.