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Making climate contribution claims

An impactful way to invest in quantifiable reduction outcomes and climate innovation that is in line with the Science-Based Targets

Table of Contents

Introduction	03
The risk of greenwashing accusations	04
Aligning with the Science-Based Targets initiative (SBTi)	05
How CarbonClear aligns with the SBTi's BVCM guidelines	07
The 6 BVCM principles	08
Doing BVCM with CarbonClear	10
Contact Information	11

Introduction

Guiding businesses and our economy to a net-zero and 'nature positive' future is a monumental challenge. To meet the Paris Agreement goals, we need a massive \$75 trillion investment, ingenuity, and a readiness for change. The collective effort must involve ongoing actions: companies lowering operational emissions, decarbonizing their value chain, driving innovation for challenging emissions, and actively pursuing nature positivity, including biodiversity and societal values. In order to take responsibility for this transition, forward-thinking companies have already started investing in climate strategies that go beyond their usual value chains.



The risk of greenwashing accusations

Well-intentioned companies face challenges in setting and communicating climate goals due to the evolving nature of voluntary initiatives. In this fast-changing field, translating scientific consensus and government commitments into meaningful corporate actions is a struggle. Inconsistent claims about climate action add to confusion, raising doubts about companies' credibility. The ever-present risk of 'greenwashing' and uncertainty about whether actions genuinely advance climate or nature goals further complicate the landscape.



Aligning with the SBTi

THE SCIENCE-BASED TARGETS INITIATIVE

The best way to avoid greenwashing accusations is to align the company's climate strategy with best practice, as generally prescribed by the Science-Based Targets initiative (SBTi).

The Net-Zero Standard of the Science Based Targets initiative (SBTi) is the foremost global framework for establishing corporate net-zero targets in alignment with climate science. It outlines explicit requirements for abatement, specifically value chain emission reduction, emphasizing that most companies should align their short-term emissions reductions with the 1.5°C goal. Moreover, it stipulates that companies must achieve reductions of at least 90% through long-term science-based targets to attain net-zero status before 2050.

Additionally, the Standard strongly advocates for companies to take immediate action beyond their science-based targets. This involves contributing to the global net-zero goal through beyond value chain mitigation (BVCM). BVCM encompasses actions or investments outside a company's value chain, including activities that prevent or reduce greenhouse gas emissions and those that capture and store greenhouse gases from the atmosphere.



Aligning with the SBTi

THE SCIENCE-BASED TARGETS INITIATIVE

Examples of BVCM include, but are not limited to:

- Forestry, e.g., Jurisdictional REDD+
- Conservation projects, e.g., peatland or mangrove
- Energy efficiency, e.g., cookstove projects
- Methane destruction, e.g., landfill gas projects
- Renewable energy, e.g., solar/wind/biogas

BVCM is expected to be the second step companies take after abatement of value chain emissions. This is because BVCM efforts should begin immediately, whereas neutralization (carbon removal) is expected to ramp up as the company gets closer to reaching its net-zero targets. Under the Net-Zero Standard, the SBTi expects all companies engaging in BVCM to annually report on the nature and scale of their BVCM involvement, including how much was spent and what the funds were used for. The SBTi is not prescribing how BVCM should be done, but acknowledges that it can take several forms. Example models include:

Model	Description	Example
Tonne for tonne	Purchase and retire high-quality carbon credits to match some portion of unabated and / or historical emissions.	Company X is on track to achieve its approved SBT and purchased carbon credits to match 100% of unabated emissions each year.
Dollar for tonne	Companies implement an internal carbon tax to generate funds that are used to support effective climate projects, not limited to carbon credits.	Company X is on track to achieve its approved SBT and applies a \$50 price to remaining carbon emissions and uses that to finance BVCM.
Dollar for dollar	Companies set aside a share of revenue or profit and use that to support effective climate projects, not limited to carbon credits.	Company X is on track to achieve its approved SBT and invests 1.5% of profit into BVCM.

How CarbonClear aligns with the SBTi's BVCM guidelines

An investment in quantified reduction outcomes through CarbonClear is also an investment in strong social co-benefits, as well as in the underlying digital technology that is needed to build the next-generation infrastructure for the Carbon Market.

The SBTi has developed 6 principles to guide and prioritize the design of corporate mitigation activities that go beyond the value chain. These principles give critical priority to activities and investments that contribute to reaching peak emissions as soon as possible. This is in order to keep the total carbon removal efforts needed by mid-century somewhat manageable. Essentially, “front loading” BVCM activities, which in a cost-effective way, avoid further CO₂ emissions, so that we can ensure that the subsequent removal challenge does not become impossible to solve in a decade or two. Furthermore, the principles emphasize avoiding high-carbon lock-in, and focus strongly on social co-benefits such as alignment with SDG, and climate justice.



The 6 BVCM principles.

CARBONCLEAR PROJECTS DELIVER TANGIBLE IMPACT ON ALL 6 PRINCIPLES.

BVCM Principle	Focus	CarbonClear alignment
Scale	Maximizing climate mitigation in the near-term	CarbonClear projects support the accelerated deployment of small-scale solar systems into communities that currently cannot afford renewable energy, and in doing so these projects contribute massively to avoiding reliance on fossil fuels. The projects deliver quantified near-term reduction outcomes representing climate mitigation that is proven to have taken place. Proof of mitigation is given through a certificate of unprecedented granularity that can be traced digitally by geolocation and time stamp.
Urgency	Avoiding tipping points and high carbon lock-in	CarbonClear projects aim at replacing high-carbon technologies with renewable and circular technologies, at large-scale, thus contributing to avoiding high carbon lock-in. Indirectly, CarbonClear projects also contribute to avoiding deforestation and other negative environmental impacts that if left unaddressed will lead to irreversible tipping points.
Transformation	Innovating for net-zero	CarbonClear’s technology backbone is a cutting-edge distributed ledger system, which allows for automated certification of quantified carbon reduction outcomes from the massive deployment of micro- and small-scale solar solutions in developing countries. Scaling such new infrastructural technologies is essential if true integrity in the carbon market is to be achieved.

The 6 BVCM principles.

CARBONCLEAR PROJECTS DELIVER TANGIBLE IMPACT ON ALL 6 PRINCIPLES.

BVCM Principle	Focus	CarbonClear alignment
Financing need	Focusing on underfinanced mitigation	CarbonClear channels climate finance to off-grid renewable energy in rural areas, which is a severely underfinanced domain with a yearly 12.9Bn USD financing gap to attain universal electricity access by 2030.
Co-Benefits	Supporting the SDGs	CarbonClear directly supports SDG 7: Affordable and clean energy, as well as SDG 13: Climate Action, and SDG 9: Industry, Innovation, and Infrastructure. Indirectly, CarbonClear also supports SDGs 1, 3, 4 and 8
Climate Justice	Addressing inequality	CarbonClear projects address the affordability gap that currently prevents members of underserved communities from being able to access renewable energy. The projects can be filtered in order to compose portfolios that address specific target groups that are particularly underserved. This can for example be projects that support female-led households, projects in particularly harsh environments, or projects that emphasize productive use of energy (e.g. solar water pumps).

Doing BVCM with CarbonClear

Since its inception in 2019, CarbonClear has partnered with 15 solar projects with operations in 29 countries across sub-Saharan Africa, Latin America, and Southeast Asia, and issued almost 500.000 tons of carbon credits onto its registry. The unique traceability and granularity of the the credits, coupled with high social co-benefits makes the solution appealing for a growing number of corporations wishing to do BVCM in alignment with the Science-Based Targets.

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By leveraging on the efficiency and transparency of digital tools, the CarbonClear platform provides robust and transparent evidence of the environmental benefits ENGIE Energy Access brings to rural African communities and provides a unique opportunity for corporates to participate by purchasing carbon credits.

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Vincent Verbeke, Excom member at ENGIE GEMS

HELIOS Investment Partners

Copenhagen Fintech

Ninety One

UBER

SHRINE

Hybrid Greentech Energy Storage Consultants

GP. Bullhound


ENGIE

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