

Methodological guidance to help companies account for climate change impacts of land use and deforestation now enters pilot phase

Committed companies, non-profits, scientists and diverse sustainability stakeholders teamed up with Quantis to deliver a groundbreaking guidance on accounting for greenhouse gas emissions from land use change, which is expected to shape the future of climate, forestry and agriculture.

Boston, US, September 5, 2017 – The environmental sustainability consulting group Quantis is proud to announce the release of the "Land Use Change Guidance: Accounting for GHG Emissions in the Supply Chain" (Learn more about the LUC Guidance on the Quantis website).

This groundbreaking initiative is the fruit of a pre-competitive consortium, convened by Quantis, which includes over 40 contributors from private companies, NGOs, governments, and scientific institutions. These key players joined together for a common goal: to develop a scientifically accurate reference to support companies to account for the climate change impacts, or greenhouse gas (GHG) emissions, of their efforts on deforestation, sustainable forests and agriculture and other types of land use. The result is the LUC Guidance, which is now entering a pilot phase to implement its recommendations and methodology.

Forests cover 30% of our land¹, providing vital resources to humans and wildlife as well as raw materials for manufacturing. Because they store vast amounts of carbon, forest burning and exploitation is a major contributor to man-made GHG emissions responsible for climate change. The World Bank development indicators² show that, since 1990, the world's lost the equivalent of 1,000 football fields of forest every hour. This loss impacts water cycles, biodiversity, soil erosion, for example, jeopardizing arable land and ultimately our capacity to feed a global population set to reach 9 billion by 2050.

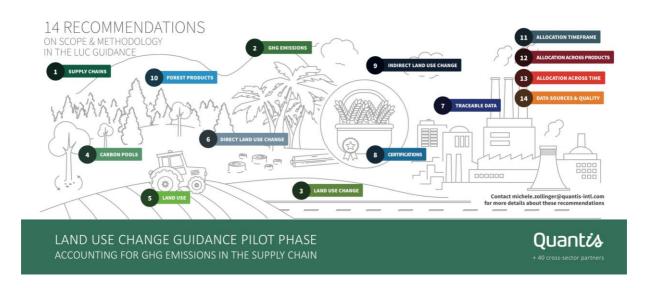
Taking measures to reduce deforestation and other land use impacts could capture as much as a sixth of the carbon necessary to reach global climate targets, according to the UN-endorsed Bonn agreement on deforestation. Corporations that rely heavily on agriculture and forestry strive to tap into this cost-effective lever and positively affect climate. As these companies set objectives to align with science-based goals, a formal methodology is needed to guide them towards embedding land use-generated emissions in their corporate and product footprints.

"Organizations are pressured to take immediate action for the sustainable management of their supply chain," stresses Quantis US Director and project lead Jon Dettling, "yet industry lacked a streamlined approach to accurately account for these emissions, set reduction targets grounded in science, and communicate ongoing efforts. That is what the Guidance set out to change. Together, we're entering a new era of accounting for land use, land use changes and forestry."

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 $^{^{1} \ \}underline{\text{http://www.nationalgeographic.com/environment/global-warming/deforestation/}}^{2} \ \underline{\text{https://blogs.worldbank.org/opendata/five-forest-figures-international-day-forests}}$

Quantis organized this Guidance initiative to develop a methodology that consolidates, aligns and builds upon pre-existing references on the issue to deliver a set of recommendations and detailed technical methodology. Rather than an official standard, the Guidance answers companies' immediate need for reliable methodology to make immediate progress on deforestation and other land-related issues. The Guidance was developed through stakeholder dialogue and collaboration. The resulting 14 key recommendations in the Guidance are a step-by-step approach for companies to measure and track their progress towards reducing or eliminating GHG emissions from land-based supply chains.



In an effort to create the most accurate and applicable Guidance possible, Quantis is launching a call for companies to participate in pilot programs to identify potential gaps, refine the methodology and facilitate alignment. The key learnings gained during this pilot phase will be the cornerstone for the preparation of the Guidance's final public release in 2018.

Current industrial partners of the initiative include, among others, Barry Callebaut, Braskem, Danone, Ferrero, General Mills, L'Oréal, Lenzing, LVMH, Mars, Mondelēz International, NCASI, PepsiCo, Philip Morris International, Pirelli, Tetra Pak and Yara. Non-profits, consultancies, governmental bodies and research institutes such as ADEME, C-AGG, Ceres, Climate-KIC, EcoAct, Ecofys, Gold Standard, moja global, NCASI, Rainforest Alliance, South Pole Group, Textile Exchange, The Sustainability Consortium, and WWF also contributed to this important work.

The World Wildlife Fund US' Forest Strategy and Research Director Martha Stevenson supports the Guidance:

"This work from Quantis and partners is filling a critical gap in GHG accounting for the corporate sector, which is particularly important to advance private sector leadership on addressing climate change. WWF values Quantis' science-based approach to this complex topic to ensure that the robust carbon accounting is guiding decisions and supporting and complementing public targets as we navigate below 2° pathways. This methodology also allows companies who have been making progress on their deforestation-free commitments crosswalk those to their GHG emissions commitments."

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Other LUC Guidance partners shared key takeaways and expectations with the hope that more will join the pilots of the initiative (see full list of testimonies here):

Jerry Lynch, Chief Sustainability Officer at General Mills:

"We made an ambitious commitment to reduce our greenhouse gas emissions across our value chain by 28% by 2025. Having consistent measurement and guidance on this critical area will allow us to better track progress towards our goals."

Kevin Rabinovitch, Global Sustainability Director at Mars, Incorporated:

"Mars is excited to be part of this initiative – we believe better and more consistent quantification of GHG emissions from deforestation will help accelerate global efforts to reduce both deforestation and GHG emissions."

Nicko Debenham, VP Head of Sustainability & MD Biolands Group at Barry Callebaut:

"Barry Callebaut has done extensive work on quantifying the greenhouse gas emissions directly and indirectly associated with our supply chain in order to offer chocolate and cocoa products with a declared carbon footprint. Our work will be both benefitting to and from this ground-breaking effort that will result in a widely recognized and scientifically robust methodology."

Frank Brentrup, Senior Scientist at Yara International:

"Yara International believes [in] greatly reducing GHG emissions caused by land use change, and potentially protecting biodiversity. In order to evaluate and measure the full climate impact of different crop production systems, it is necessary to include emissions from land use change and therefore we support the development of a guidance document in this respect."

Jorge Soto, Chief Sustainability Officer at Braskem:

"Looking for renewable sources of energy and feedstock is a fundamental part of Braskem's business strategy. We know that the sustainability of these renewable sources depends heavily on how the biomass is cultivated. We see this initiative as a very important first step for a consensual and scientifically sound approach for measuring and reporting GHG emissions due to Land Use and Land Use Change."

To learn more, please register for an informational webinar:

WEBINAR: <u>"Piloting the Land Use Change Guidance"</u> on September 21st at 5pm CEST/11am EST to learn more about this initiative and how companies can get involved in the pilots.

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About Quantis

Quantis guides top organizations to define, shape and implement intelligent environmental sustainability solutions. In a nutshell, our creative geeks take the latest science and make it actionable. Our team of talents delivers resilient strategies, robust metrics, useful tools, and credible communications for a more sustainable future.

A sustainability consulting group known for our metrics-based approach to sustainability, Quantis has offices in the US, France, Switzerland, Germany, Italy and Colombia and has a diverse <u>client portfolio</u> that spans the globe, including AccorHotels, BASF, Danone, the European Commission, GE, General Mills, Intel, Kering, the Kraft Heinz Company, L'Oréal, Mondelēz International, Nestlé, Unilever, Veolia and more.

Quantis is proud to lead other pre-competitive collaborations in driving ambitious environmental sustainability agendas. These include the <u>World Apparel and Footwear Lifecycle Database</u> and the <u>World Food Lifecycle Database</u>.

We are Quantis: sustainability's scientists, experts, strategists, innovators and visionaries.

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For media enquiries, contact:

Lori Gustavus

Global Director of Communications and Marketing

lori.gustavus@quantis-intl.com

+33/ 9 63 23 04 67

For more information on the Guidance, contact:

Michèle Zollinger

Project Coordinator

michele.zollinger@quantis-intl.com
+1/ 475 227-7224

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