Avoided Emissions in Industrial Sectors

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Outline

- Meaning and Value of Net Positive
- Challenges and Methodological Topics
- How to Avoid Double Counting
- The Net Positive Project and Collaboration Opportunities

What Does Net Positive Mean?

- "Putting back more to society and the environment than is taken out"
  - By a given actor: individual, organization, group of individuals or organization
    → Same as with footprints
  - During a specified time period
    → Same as with footprints
- "Giving more than we take"
- "Doing more good than harm"
- Net Positive is to be assessed one-impact-category-at-a-time
  - Positive impacts on one impact category (e.g., water) do not compensate for negative impacts (footprints) on other impact categories (e.g. climate change)
- Net Positive should ultimately address all "Material" impact categories for the actor

How Can Net Positive Bring Value to Society?

- Setting a challenging goal of Net Positive can stimulate innovation
- Increasing scope of action: actors can/should address others' footprints too
- Adding collaboration: Co-cause progress, and ask how we can help
- Adding a positive self-concept: We can be good, on balance, after all
- Adding hope, via scaling: By harnessing ripple effects, we can scale beneficial actions so that a line connects our actions to a global solution
- Maintaining responsibility: *add* attention to handprints while retaining attention on the actor's footprints
  - Not just "changing the subject"
  - Credibility: Net Positive puts any reporting about positive impacts into context beside footprints, in the same units, to help avoid green-washing

NET POSITIVE PROJECT

But Challenges to Net Positive are Surfacing

- For GHGs and for fossil/mineral resources, it makes sense to add and subtract handprints and footprints, to "net out."
  - 1 kg CO2 reduced here *does* compensate equally for 1 kg CO2 emitted there.

- But for water, for biodiversity, and for human impacts, "netting" has limitations, including:
  - Context matters, so that 1 liter here ≠ 1 liter there.
  - Distributional effects: taking from *them*, to give to others?

- And more generally, footprints are static while handprints are change.
  On what basis can/should we subtract one from the other?

NET POSITIVE PROJECT

Can we “Keep our Cake and Eat It”?

- Can we retain the positive benefits of Net Positive,
  while avoiding its negatives (its potential problems or pitfalls)?

NET POSITIVE PROJECT

Yes!

- First: Report Footprints and Handprints Side by Side, rather than subtracting one from the other
- Second: Define and claim credit for the ***continuous pursuit***, rather than "arrival" at any specific destination or target
- There's no "I've arrived" until we've *all* arrived, together. The quest isn't complete until ***humanity*** is Net Positive on Climate, Water, etc.
- With these modifications, we can keep the positives of Net Positive, while avoiding the pitfalls of applying "Net" where we shouldn't.

Key Terms and Concepts

- Footprints, Handprints, and Contributions
  - Footprint: Use Accepted International Standards to Assess
  - Handprint: Change Relative to Business-As-Usual (BAU)
    - BAU: Responding to this year's demand with last year's products and processes
  - Contribution: Positive impacts as part of BAU, relative to one of 2 baselines:
    - Vanishing, or
    - Replacement

    → Explain and document choice of baseline
- Identification of contributions helps to identify business-positive ways to create handprints

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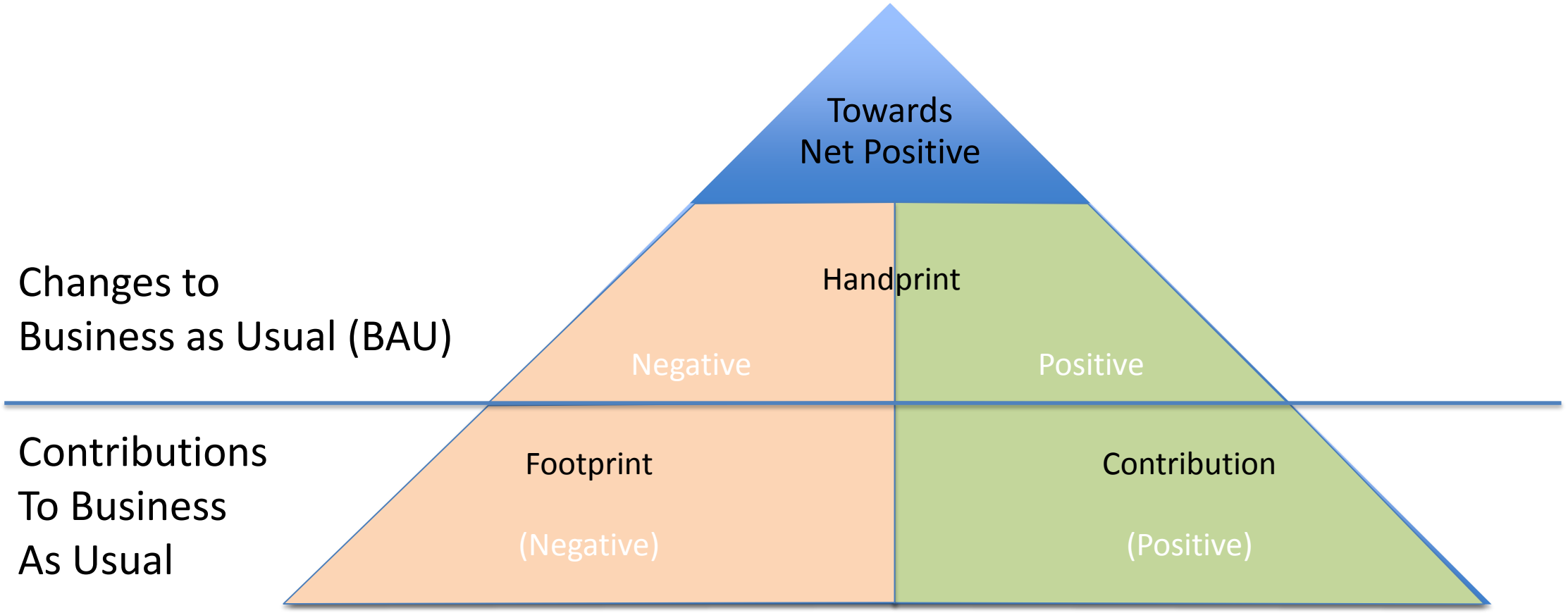
Pursuit of Net Positive Rests, and Builds Upon, Appreciation for Existing Contributions within BAU

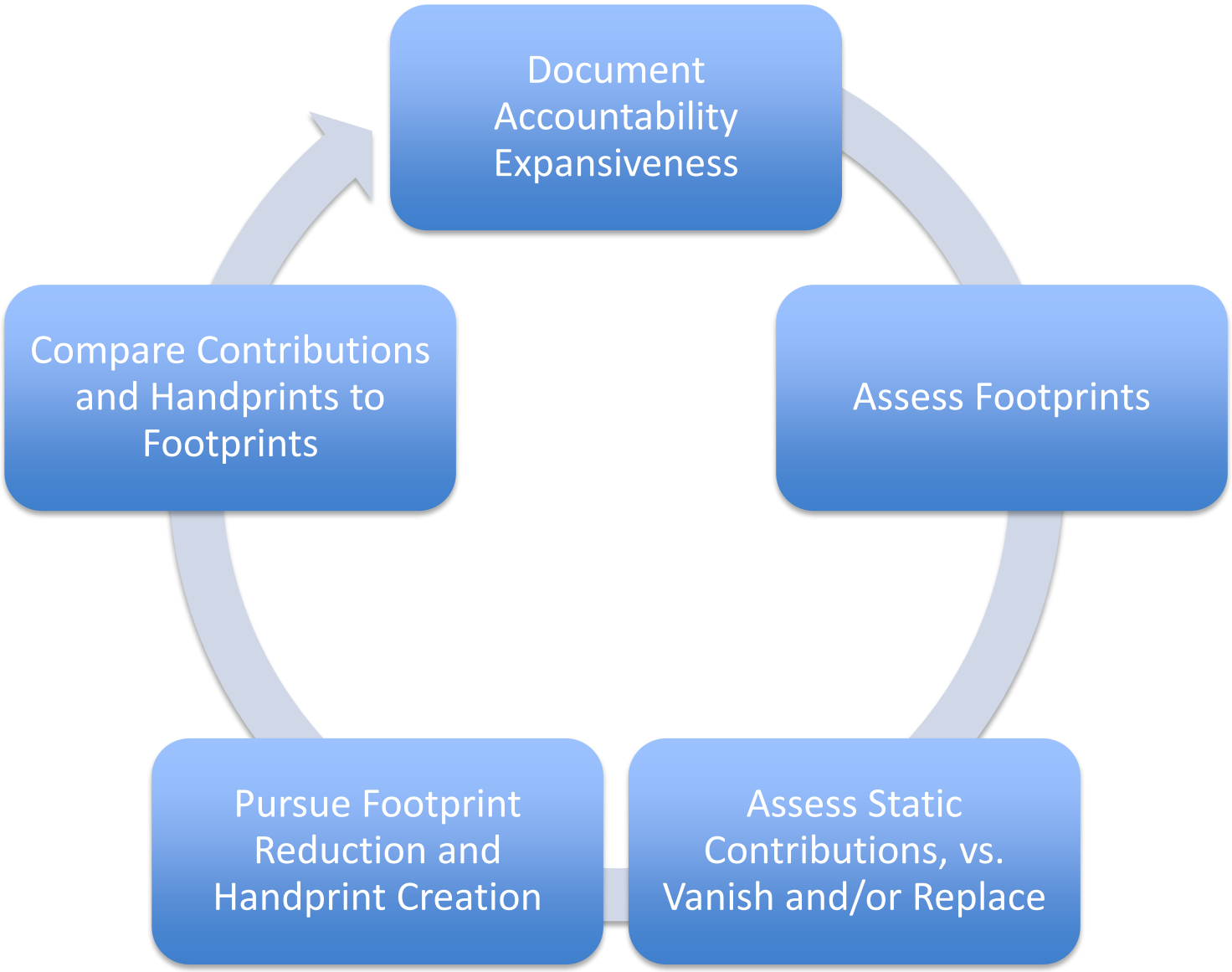


NET POSITIVE PROJECT

The Pursuit of Net Positive

- Compare what you take out vs. what you put back
- Continually Reduce all Material Footprints
- Continually Increase “what you put back”
  - Contributions
    Continually increase Contributions, putting them in context by comparing with chosen Footprint Hurdle
  - Handprints
    Continually create and ideally increase annual Handprints, putting them in context by comparing with chosen Footprint Hurdle

NET POSITIVE PROJECT



NET POSITIVE PROJECT

Internal and External Handprints

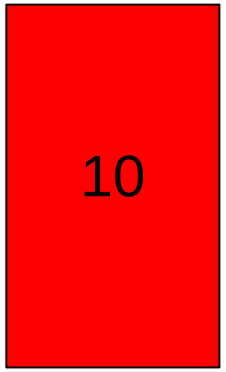
- Internal Handprints: Changes to one's own Footprint
- External Handprints: Changes outside scope of one's own Footprint. Includes:
  - Reductions caused by actor, to other actors' footprints
  - Impacts that are positive, and measured in footprint units (but not footprint reductions per se).
    Planting a tree is an excellent example

Shared Credit, and Treatment of Time

- Shared Responsibility in Footprints ← → Shared Credit in Handprints
  - Avoids complex and arbitrary computations
  - Encourages pro-social behavior by all actors
  - Encourages collaboration (not zero-sum)
  - Encourages acknowledgement of partners
  - Double counting is avoided whenever collective handprints are assessed
- Treatment of Time
  - Product-year or Impact-year reporting are both possible; choose and document
  - Innovations impact sales for duration of Innovation-Relevant Time Horizon

We Need to Avoid Double Counting

- If I reduce my footprint from 10 to 4, my footprint is still 4, so I should not imply achievement of “net positive” by comparing the new 4 to my Handprint of 6.



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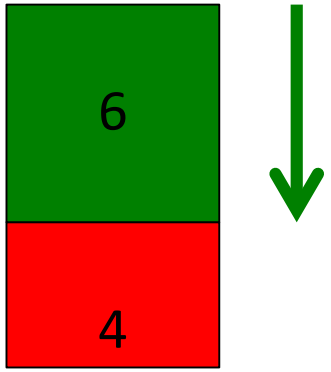
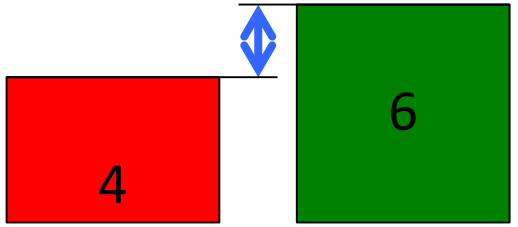


Change

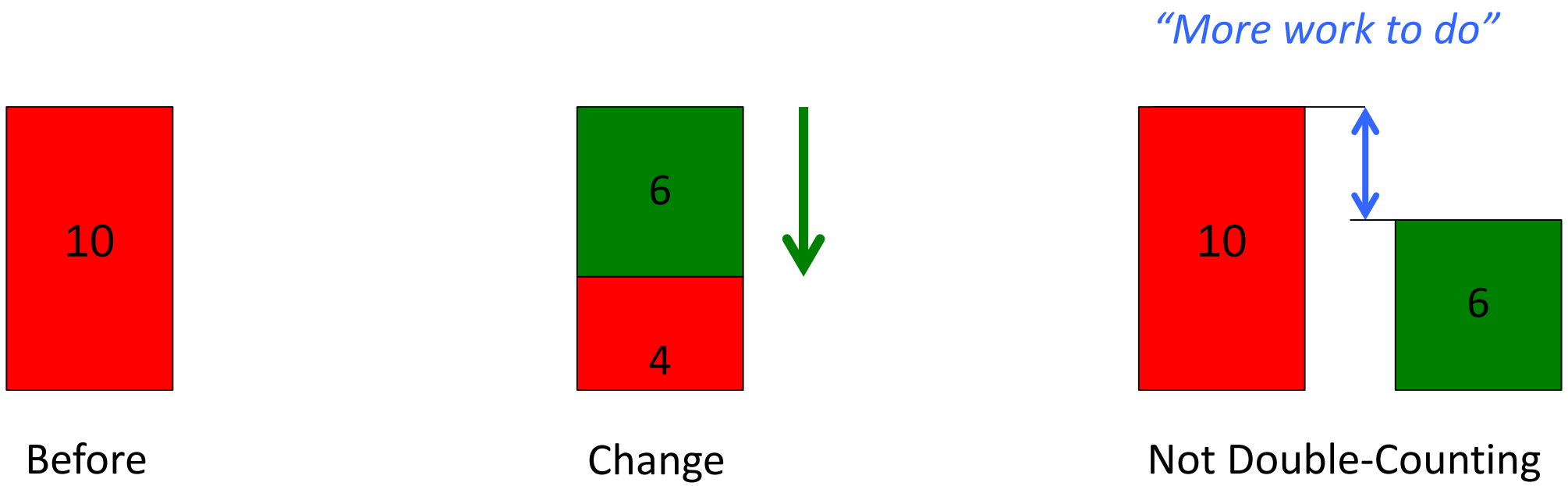
“Net Positive?” NO.



Double-Counting

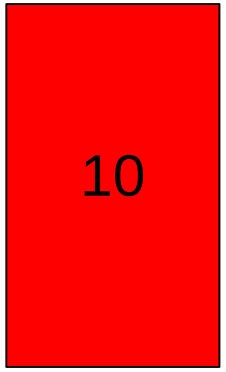
Avoiding Double Counting: First Approach

- Compare your Handprint to your Business-As-Usual Footprint.



Avoiding Double Counting: Second Approach

- Or compare your New Footprint to your External Handprint.
- External Handprint = Handprints outside your Footprint.



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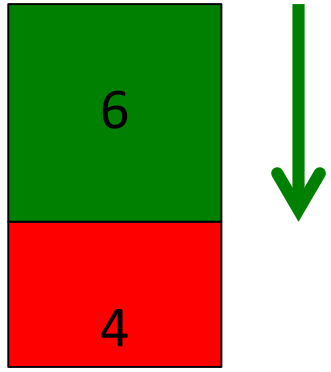

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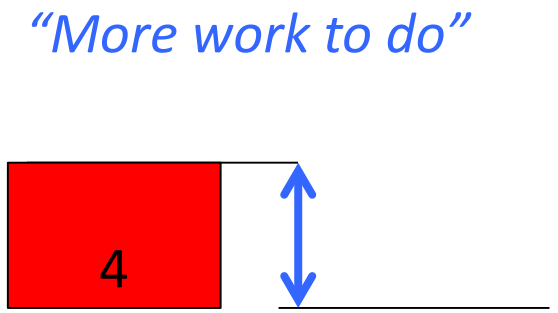
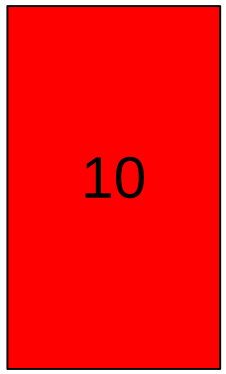


Not Double-Counting

Avoiding Double Counting: Second Approach

- Compare your New FP to your External HP.
- External HP = Handprints outside your Footprint.



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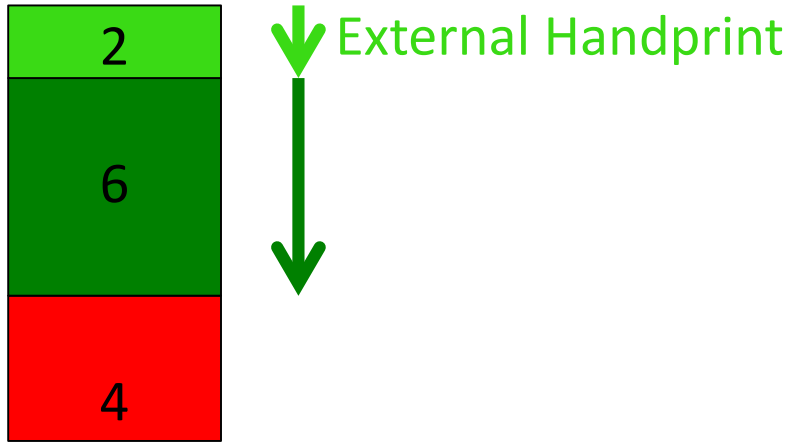

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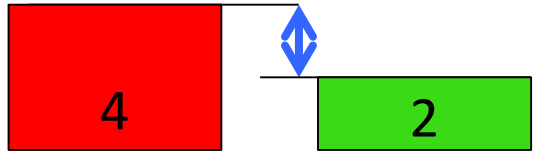
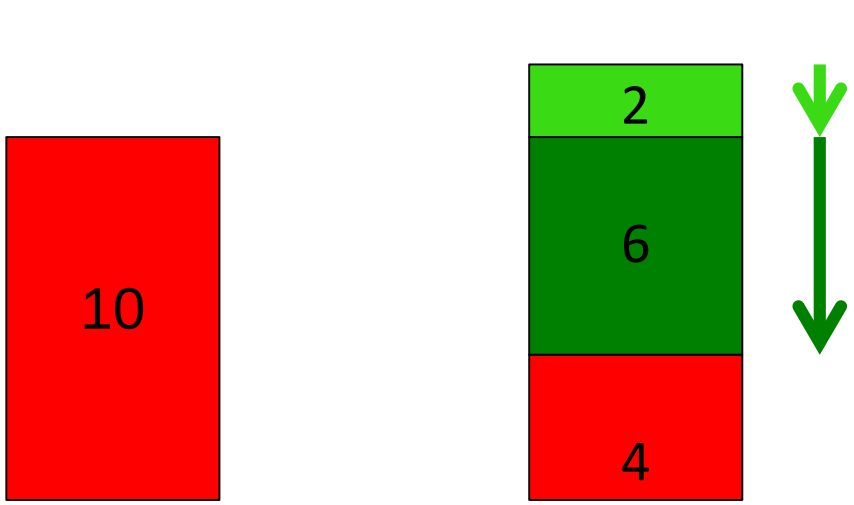
"More work to do"



Not Double-Counting

Avoiding Double Counting: First Approach

- Compare your Handprint to your BAU Footprint.



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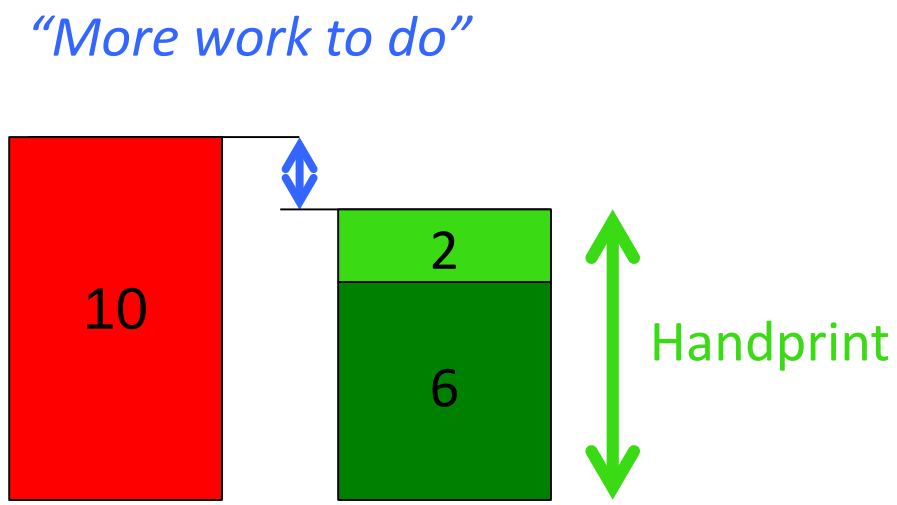


Not Double-Counting

Net Positive Project

Bringing together an ambitious coalition of cross-sector partners to develop a credible and aligned net positive approach, supported by a common set of principles and best practices.

Our Mission

Create a net positive economy where companies drive financial success and create 'Net Positive' impacts by putting more back into society, the environment, and the global economy than they take out.

Outcomes We Pursue

- The Net Positive Project to deliver **guidance and support to companies to reduce negative impacts** and take a restorative, generative path.
- The net positive concept to become a credible, common way for companies to **quantify, assess, communicate, and enhance their positive impacts** on society and the environment.

The NPP NGO Team

forum for the future

shine
Sustainability and Health Initiative for NetPositive Enterprise

BSR®

Sandra Seru

Zoe le Grand

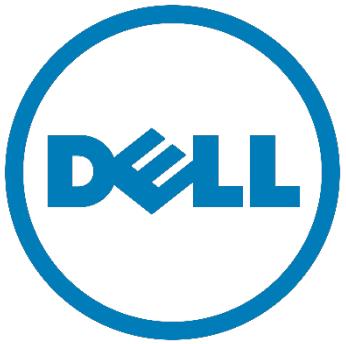
Gregory Norris

David Korngold

Edwina McKechnie

NET POSITIVE PROJECT

2018 Confirmed Company Members



Stakeholder Outreach and Consultation 2018

Objectives

- To invite feedback and test that the Net Positive principles, maturity model and other materials are robust, meaningful and useful
- To ensure alignment / compatibility with other widely used impact measurement frameworks
- To help build trust in the Net Positive Project

Target audience

- NGOs, Academics and other thought leaders working in impact measurement
- Companies and other organizations that are already active in the Net Positive movement

Process:

- February – June: Stakeholders engaged in individual conversations (approx. 8) or small group panels (approx. 2)
- July: Interview results synthesised and presented back to the NGO and member groups
- August: Revisions made to the Principles, Maturity Model, Methodology documents, and User's Guide as necessary.

Outputs:

- A presentation deck summarising the interview feedback
- A finalised set of Net Positive materials

Outcome:

- A robust set of Net Positive materials
- A wider group engaged with the NPP