

LEAF COALITION COMMITMENTS TOP \$1.5 BILLION

- **Total LEAF financial commitments exceed \$1.5 billion – a 100% increase in corporate support**
- **Volkswagen Group and H&M Group become the latest global corporations to sign up**
 - **Ecuador the first country to sign a memorandum of agreement**
- **Republic of Korea becomes first Asian Government to provide financial support to the LEAF Coalition**

7 November, Sharm El Sheikh: Developments announced today at COP27, signal considerable progress by the LEAF Coalition, the public-private initiative, which aims to end tropical deforestation.

LEAF announced that it has increased the total amount of financial commitments for the purchase of high-integrity emissions reductions credits to over USD \$1.5 billion. This represents a 100% increase in commitments from the private sector since COP26.

Auto manufacturer Volkswagen Group and fashion retailer H&M Group have become the latest global companies to join the LEAF Coalition, with financial commitments to purchase high integrity emissions reductions credits from national or large-scale REDD+ programs. Volkswagen Group is the first auto manufacturer to join LEAF, while H&M Group is the first Swedish company.

Volkswagen Group and H&M Group join over twenty-five global corporations including Amazon, Salesforce, Bayer, PwC, Unilever, Blackrock, E.ON, McKinsey and Company and GSK in supporting LEAF.

Ecuador has become the first country to sign a memorandum of agreement (MOA) with Emergent, the coordinator of The LEAF Coalition. This agreement outlines the next steps and puts in place a clear roadmap and timetable for the signing of a binding Emissions Reduction Purchase Agreement (ERPA) by the end of April 2023.

The Republic of Korea was also unveiled at COP27 as the first Asian government to provide financial support to the LEAF Coalition. Korea joins the governments of the UK, US and Norway in backing LEAF.

‘The need is urgent – for the climate, for biodiversity and the people that depend on forests,’ said Eron Bloomgarden, CEO of Emergent, the administrative coordinator of LEAF. ‘That’s why this first agreements with Ecuador is so significant. It shows the considerable progress we have made together since COP26, providing a clear roadmap and demonstrating the commitment of all parties to sign ERPAs in the coming months.

‘We are also delighted that Volkswagen and H&M have joined LEAF and our mission to end tropical deforestation. Finance is needed at scale from the private sector if we are to fulfil our goal. We are pleased with the growth of commitments to USD \$1.5bn and the one hundred percent increase in corporate commitments since COP26. The recruitment of the Korean government as LEAF’s first sovereign supporter in Asia represents a significant

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milestone too. But we know much more is needed and we are committed to accelerating our efforts to grow LEAF and increase its impact.'

On signing the first LEAF memorandum of agreement, Gustavo Manrique, Minister of the Environment, Water and Ecological Transition of Ecuador, said:

'Working to reduce deforestation in Ecuador is a key part of Ecuador's long-term sustainable development plan. We are proud to become the first country to sign such an agreement to work with the LEAF Coalition. We are fully committed to signing a binding agreement in the near future and are already engaging with stakeholders and IPLC groups to create a roadmap towards a benefit sharing plan that will reward the people who protect our precious forests, and support sustainable economic development.'

On joining the LEAF Coalition, Ralf Pfitzner, Global Head of Sustainability, Volkswagen Group, said:

'Decarbonization is Volkswagen's key priority in terms of sustainability. Avoiding emissions at source, from supply chain to production and by electrification of our portfolio is our first priority. Secondly, we strongly focus on scaling the use of renewable energies. Third, the protection of forests and other natural sinks is of great importance to us. Since 2019, we have handed over all of our battery electric vehicles in Europe to our customers as net carbon neutral, with unavoidable emissions offset by investment in credible climate protection projects. Thus, we are delighted to announce today that Volkswagen will join The LEAF Coalition and jointly engage in the protection of forests at scale and with the highest integrity. We believe that schemes, such as those supported by LEAF, are a great opportunity to reduce emissions from deforestation, protect biodiversity and support the livelihoods of communities that rely on forests.'

On joining the LEAF Coalition, Leyla Ertur, Head of Sustainability at H&M Group said:

'At H&M Group we are fully committed to do our part in fighting climate change and protecting nature. Our priority is to address the emissions in our value chain with a target of 56% absolute reductions by 2030. In addition, we also need to ensure that raw materials we source, such as viscose, are sourced in a way that protect nature and biodiversity. But we know that successfully meeting the global climate goal require us to in parallel invest in climate and nature beyond our value chain. Protecting tropical forests offers one of the biggest opportunities for reducing emissions in the coming decade, but has to be done right. We chose to join the LEAF Coalition specifically because of its commitment to high integrity and ambition to drive change at scale.'

On becoming the first Asian country to provide financial support to the LEAF Coalition, Eunsik Park, Director General of International Affairs Bureau, Korea Forest Service, said:

'Ending tropical deforestation is a vital tool in the battle against climate change. The Republic of Korea is proud to be the first country in Asia to support the LEAF Coalition. We look forward to working with LEAF to expand its footprint into new countries and attract finance from Asian corporations.'

On the progress of the LEAF Coalition, Espen Barth Eide, Minister of Climate and Environment of Norway, one of LEAF's sovereign participants said:

‘Tropical forest countries want to protect their forests because they matter to their people and their economy. But they also have a global benefit, and we need to scale up international support. I am excited that LEAF has succeeded in doubling private sector commitments since we met last year in Glasgow. With the ambition now being presented by key tropical forest countries I am confident this is still just the beginning of a groundbreaking marketplace for the benefit of both biodiversity and the climate.’

On the role of market initiatives, such as the LEAF Coalition, Craig Hanson, Managing Director of Programs at the World Resources Institute, said:

‘Scaling finance for forest conservation and restoration is vital if the world is to keep global warming below 1.5°C. Market initiatives like LEAF that conserve forests in a manner that ensure demand-side and supply-side integrity will play a critical role.’

On the progress of the LEAF Coalition, Mark Morage, Vice President of Natural Climate Solutions at Environmental Defense Fund, said:

“The LEAF Coalition’s approach represents a critical tool in the global community’s collective toolkit to stop tropical deforestation at the speed and scale the world needs. We’re encouraged to see LEAF’s continued growth and advances towards conserving tropical forests at scale. Whether as companies, Indigenous Peoples and local communities, governments or civil society – we all have critical roles to play in tackling the deforestation crisis. The LEAF Coalition’s approach is a key avenue to align our collective efforts to achieve the outcomes for tropical forests, people and our climate that we’re all striving towards.”

The LEAF Coalition ensures the highest environmental and social integrity of jurisdictional REDD+ results by only purchasing emissions reductions credits issued by ART as verified to meet requirements of its TREES Standard for jurisdictional REDD+ emission reductions and removals.

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Notes to Editors

The LEAF Coalition

Established at the World Leader’s Summit on Climate at COP26 in Glasgow, the LEAF Coalition aims to build a market for high integrity REDD+ emissions reduction credits from large scale schemes operated by national or sub national governments (known as the jurisdictional approach). LEAF ensures the highest environmental and social integrity of REDD+ results by only purchasing credits issued by ART as verified to meet requirements of its TREES Standard for jurisdictional REDD+ emissions reductions and removals. This builds buyer confidence and trust by ensuring the highest levels of environmental integrity and social safeguards, particularly for Indigenous peoples and local communities.

Emergent

Emergent is a U.S. non-profit that serves as an intermediary engaging between tropical forest countries and the private sector to mobilize finance to support emissions reductions in deforestation. It does this by developing and bringing practical, credible and largescale forest protection solutions to market. Emergent serves as the coordinator of the LEAF Coalition. Launched during President Biden's Leaders' Summit on Climate in April 2021, LEAF is a public-private initiative designed to accelerate climate action by providing results-based finance to countries committed to protecting their tropical forests. Its participants, which include the US, UK and Norwegian governments, together with 25 global companies, have already mobilized more than \$1.5 billion.

ART TREES

ART is a standalone, independent program that develops and administers standardized procedures for crediting emission reductions and removals from national and large sub-national REDD+ programs. ART's standard for the measurement, monitoring, reporting and verification of emission reductions and removals from the forest sector — The REDD+ Environmental Excellence Standard, known as TREES — represents the next step in the evolution of global efforts to protect and restore tropical forests. TREES supports transformational climate action at scale, while upholding rigorous social and environmental integrity.

REDD+

REDD+ is a framework created by the UNFCCC Conference of the Parties (COP) to guide activities in the forest sector that reduces emissions from deforestation and forest degradation, as well as the sustainable management of forests and the conservation and enhancement of forest carbon stocks in developing countries. It aims at the implementation of activities by national governments to reduce human pressure on forests that result in greenhouse gas emissions at the national level, but as an interim measure also recognizes subnational implementation. The implementation of REDD+ activities is voluntary and depends on the national circumstances, capacities and capabilities of each developing country and the level of support received.