

Climate transformation portfolio

Climate change mitigation beyond offsetting

How is climate \$ best spent?

Milkywires' portfolio for corporate climate contributions reflects the different needs of climate financing and supports projects in:



Permanent carbon removal

Projects such as direct air capture, biochar and mineralization.



Restoring and protecting nature

Stop deforestation and help restore nature to capture more carbon while helping people.



Decarbonization

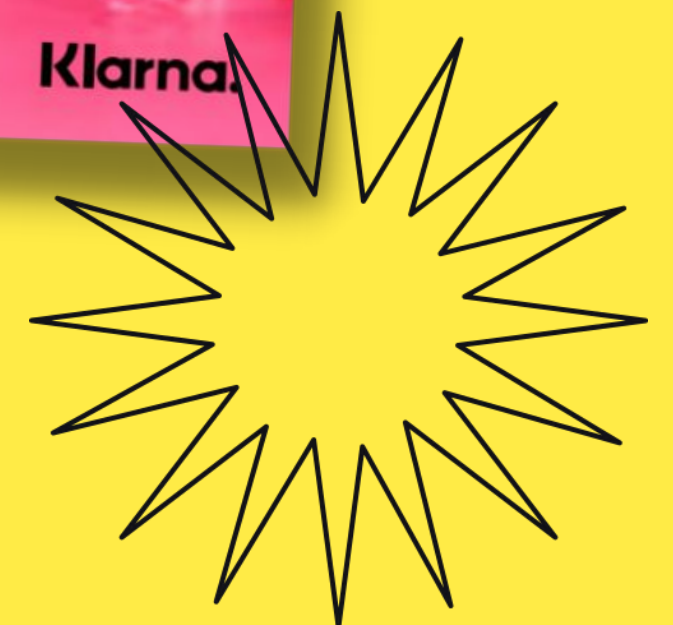
Support high-impact renewable energy and emissions reduction projects and nonprofit organizations that fight for policy change.

Klarna

Klarna has contributed over 1 million USD to projects selected for the portfolio.

Klarna follows the World Wildlife Fund and Boston Consulting Group blueprint for corporate climate action under which companies set emissions targets, disclose their total carbon output emissions, and implement an internal carbon tax that is then invested into climate solutions.

Klarna's internal carbon tax of 100 USD/t for Scope 1, 2 and travel, and 10 USD for the rest of Scope 3.



Impact first

Companies should try to create as much impact as possible with their climate investments rather than focus on claims.

That means not only looking at the number of tonnes avoided or removed today, but focusing on finding solutions with the largest potential long-term effects wherever they are

Advantages

- Can focus on the catalytic effect of contributions. Opens up the possibility to support nascent, expensive solutions to help the scale and bring down costs.
- Can fund effective advocacy projects, pushing decision makers to phase out fossil fuels.
- Can support impactful grassroot organizations, that are not parts of carbon markets, for example for forest protection.
- No greenwashing, honest communication.

Disadvantages

- Harder to produce a number of the effects of the portfolio.
- Takes more explaining. Companies can't make neutrality claims.

Carbon removal

Biochar

Using sustainable biomass to stabilize and store the carbon for centuries.

We have focused on projects in low-income countries with large co-benefits. HUSK creates biochar from rice husks which helps increase yields. MASH uses biomass that otherwise would have been burnt on fields, contributing to air pollution, and creates biochar instead that restores soils.

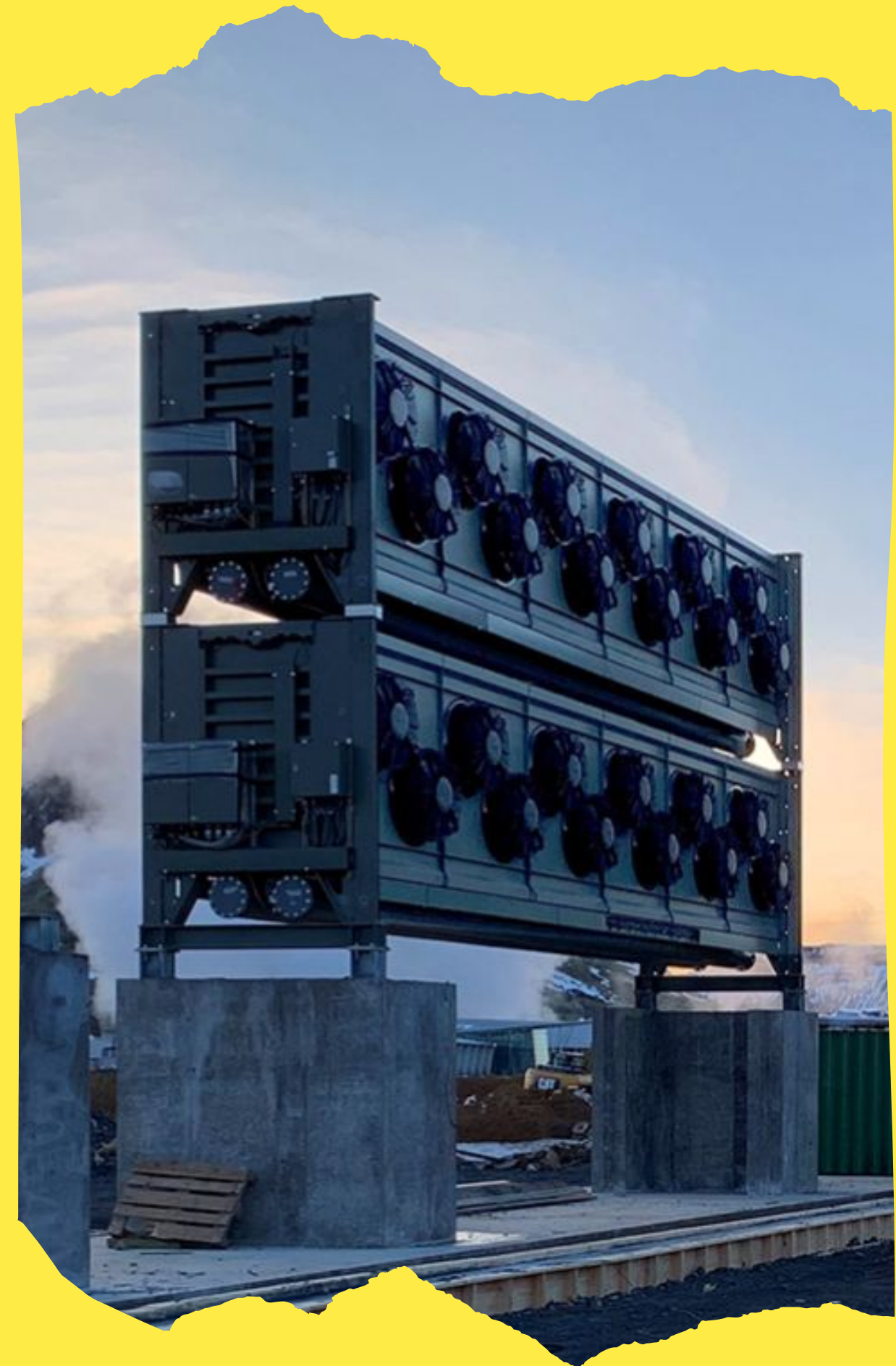


Carbon removal

Direct air capture

Heirloom uses a new DAC method to capture CO₂ with common minerals, their target cost is \$50/ton.

Climeworks captures CO₂ from the air and stores it underground as stone. Our support helps them expand their solutions and build new facilities.



Restoring and protecting nature

Restoration

Justdiggit is helping farmers in Tanzania use simple and natural methods to grow their tree stumps into mature trees.

WithOneSeed is paying small-scale farmers in Timor Leste to grow, and importantly, take care of trees on their land.

Protection

Warsi is a grassroot organisation helping indigenous groups in Indonesia getting legal rights to their land, protect their forests and stop deforestation.



Decarbonization

Renewable energy

Atmosfair and Kisiwa Farming Limited work to replace diesel-generated electricity on Mafia Island, Tanzania, with renewable energy from sustainable biomass.

Advocacy & policy

Human Rights Watch is working to stop coal power through focusing on health damages. They are pressuring decision-makers and mobilizing public support to accelerate the transition away from coal.

Clean air task force is working on an Africa Energy and Climate Innovation Program to lay the foundation for a clean energy future



Learnings

- + Very few permanent removal projects available to support.
 - + Being a CDR buyer is not that much about tons removed today, but future bets on methods and companies to achieve a catalytic effect. Makes the analysis very hard. Who is best in need of your money?
 - + How to best support CDR companies with almost no supply? Buy far into the future, or give R&D grants? How much risk should you take?
 - + System analysis is also needed but sometimes forgotten. For example, where is biomass best needed? What's the counter-factual scenario?
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Thank you!

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Milkywire.com/climate-transformation-portfolio