

AKDN Environment and Climate Commitment Statement

Environment and Climate is a core strategic priority and crosscutting theme for the Aga Khan Development Network (AKDN). Geographies where the AKDN works include some of the world's most vulnerable communities, adversely affected by environmental degradation and climate change. AKDN's environment and climate-related efforts are guided by the following overriding principles:

- Responsible stewardship of the environment, ensuring that the Earth can sustainably support future generations.
- Focusing on improving the quality of life and well-being (broadly defined) of the poorest and most vulnerable, in geographies of strategic importance.
- Demonstrating proactive, socially responsible and values-oriented leadership on the most urgent civilisational – even existential – issues of our time.
- Leading by example, and sharing our experiences with others, to influence policies, raise awareness, increase impact and effect social transformation.

1. Responsible Stewardship of the Environment

To abide by the principle of responsible stewardship of the environment, all AKDN agencies and institutions are committed to:

- Ensuring AKDN's operations help restore and protect the natural environment wherever possible and do not contribute to its degradation. This includes fully complying with or exceeding relevant host country environmental requirements.
- Promoting the sustainable use of water and other natural resources.
- Preserving biodiversity and protecting the oceans.
- Reducing environmental toxins and pollution, including single-use plastics.
- Recycling wherever possible.
- Engaging, educating and raising awareness among local partners and communities to help enable them to be responsible stewards of the environment.
- Working jointly with partners and communities to protect and enhance the natural environment and grow at least 50 million trees by 2030.

2. Focusing on Quality of Life of the Poorest and Most Vulnerable

AKDN's environment and climate work includes climate change mitigation as well as climate adaptation and resilience. To support vulnerable communities and improve their quality of life in a context of environmental degradation and climate change, the AKDN commits to:

- Assessing and addressing the environmental impact and climate-related risks associated with its projects and programmes, and incorporating climate adaptation and resilience actions accordingly.
- Enhancing the climate resilience and adaptive capacity of communities in core AKDN geographies by improving their habitat, infrastructure, preparedness for natural disasters and livelihoods.
- Fostering green economic development by supporting green businesses of different sizes, and promoting the adoption of sustainable technologies, skills and innovation for mainstreaming green practices.

3. Leading by Example: AKDN's Net Zero Goal

AKDN commits that its operations, across all its agencies and institutions, will have net zero carbon emissions by 2030.

Addressing the global challenge of climate change requires urgent action to reduce greenhouse gas (GHG) emissions. To lead by example, AKDN commits to a rapid, substantial reduction in GHG emissions from its operations (Scope 1 and Scope 2), aligned with the latest climate science on limiting global warming to 1.5°C. This is equivalent to a reduction in GHG emissions of at least 4.2% each year until 2030 across all AKDN agencies and institutions.

Over 80% of AKDN's Scope 1 and 2 emissions are linked to AKDN owned or operated buildings. As part of AKDN's Commitment, all its agencies and institutions will adhere to the AKDN Green Building Guidelines for the construction of new buildings and the management of existing buildings.

Energy generation is an important part of AKDN's work and contribution to the well-being of individuals and communities. AKDN commits to working with partners to avoid GHG emissions by investing in energy efficiency and the production of renewable energy. AKDN's current plans would ensure that by 2030 at least 65% of the energy generated by AKDN comes from renewable sources. All of AKDN's new energy generation projects will be 100% renewable.

Consistent with its net-zero commitment, AKDN will leverage technology to engage remotely with stakeholders wherever possible and minimise travel for meetings.

As soon as possible, and before 2030, AKDN will establish accredited "in-setting" (in-house offsetting) schemes to compensate for more than 100% of residual Scope 1 and 2 emissions, leading to net-negative GHG emissions from AKDN operations before 2030. As part of this effort, AKDN will seek to scale up investment in Nature-Based Solutions (NBS) and safeguard 30,000 hectares of nature-based assets from degradation.

AKDN intends to set long-term GHG emissions reduction targets in line with climate science as soon as all AKDN agencies and institutions have a clear and comprehensive baseline of emissions across the value chain.

4. Influencing Wider Change: Engaging with AKDN's Partners and Value Chain

AKDN agencies and institutions have a broad and deep influence in the geographies where they are active, reaching across all areas of development, including health, education, economy and critical infrastructure.

Working with Suppliers

To reduce value chain emissions (Scope 3) rapidly and substantially, AKDN will specify and purchase products and services with the lowest possible lifecycle carbon emissions. Furthermore, AKDN will preferentially purchase from suppliers with credible and significant carbon reduction targets across their own operations and value chain. Concerning procurement, AKDN commits to the following:

- By 2025, at least 90% of AKDN spending will be with companies that are actively measuring and reporting their GHG emissions.
- By 2025, at least 75% of AKDN spending will be with companies with science-based net zero targets for their Scope 1 and 2 emissions, aligned with a “well below 2°C” warming level. By 2030, this will increase to 90% of spending.
- By 2025, at least 50% of AKDN spending will be with companies that have put in place science-based targets to reach net zero throughout their full value chain by or before 2050. By 2030, this will increase to 75% of spending.

Education and Research

Enabling future generations to engage in an informed and meaningful way with the challenges of environmental degradation and climate change is key for the success of AKDN’s initiative in this area. Through its agencies and institutions, covering all levels of education, AKDN commits to:

- Developing a framework for education about the environment and climate for integration into the curriculum across the network of about 200 AKDN schools. Furthermore, AKDN will work to equip teachers and students across more than 500 public schools with skills and knowledge in environmental and climate literacy to enable them to take action on a personal, family, school, community, national or even global level.
- Enhancing its research on environment and climate to increase understanding of the impact of environmental degradation and climate change on the human condition and socio-ecological systems.
- Creating awareness and training content to disseminate knowledge on environment and climate to enable societies to act on climate change adaptation and mitigation at population level, especially among those at greatest risk.

Working with Partners

AKDN will further work to ensure that all its activities identify and leverage gains in environmental stewardship beyond its own programmes and operations, including:

- Sharing with partners and stakeholders the innovations deployed in achieving AKDN’s Commitment, to foster further environment and climate action in the geographies and communities where AKDN works, as well as elsewhere.
- Working with communities and partners to safeguard nature-based assets from degradation.
- Working with governments, international organisations, donors, suppliers and other partners to identify opportunities, address barriers and encourage high levels of ambition for clean, low carbon development.
- Engage with local partners and build capacity to implement practical environmental sustainability strategies and activities that address their needs and priorities.
- Support AKDN’s partners and communities to help them become more resilient.

5. Implementation

The AKDN Environment and Climate Committee (ECC) leads and oversees implementation of the AKDN’s Environment and Climate Commitment. Each AKDN agency and institution

will establish its own specific environment and climate goals, consistent with the overall AKDN Commitment, and will develop action plans and allocate appropriate budget for their implementation. Each will report on their status to the ECC, as required.

To enable the achievement of the goals set out in this document, each AKDN agency and institution will:

- Measure, monitor and report on Scope 1, 2 and 3 GHG emissions, including from its supply chain.
- Establish GHG reduction targets and decarbonisation plans/pathways by mid-2022 for its own activities and supply chain, aligned with the AKDN-wide net zero goal.
- Build and invest in the knowledge and capacity of staff to deliver this Commitment.