The Better World Certification

Empowering consumers to transform the global financial sector into an engine for intersectional environmental progress
We Believe

We believe in the power of consumers.

We believe that, together, consumers have the power to mitigate the environmental crisis, which threatens the future of all people, the global economy, and every ecosystem on the planet.

And we believe one of the most impactful, actionable ways consumers can mitigate this cascading crisis is by wielding their collective power to transform the financial sector from a driver of environmental destruction into an engine for intersectional environmental progress.
The Opportunity

We have an unprecedented opportunity to build a better world. That opportunity lies with reforming the financial sector - an industry that is responsible for underwriting and enabling much of the past, present, and planned destruction on the planet.

Despite its long and sordid history, the financial sector represents our best hope to build a better world because we have the power to transition trillions of dollars away from financing destruction and injustice and redirect those funds toward creating a more sustainable, just future.

Actualizing this transformational opportunity is within reach. However, to make it happen, millions of environmentally conscious individuals and organizations around the world must take the critical and impactful step to align their finances with their values.
The Challenge

Much progress has been made elevating the prominence of this issue and building tools for evaluating responsible investment, but we have not yet generated the market forces needed to drive industry-wide change.

With people increasingly demanding that businesses become drivers of social and environmental progress, the conditions are ripe for cultivating these market forces. However, to do so, the sustainable finance movement must first solve the foundational issues hindering our ability to harness the tremendous latent power of conscientious consumers (individuals and non-financial organizations):

- **Low awareness** of the environmental impact of banking/investment decisions
- **Limited social pressure** pushing individuals and entities to bank their values
- **Poor choice architecture** that hinders effective consumer decision-making
- **Lack of good options** for consumers wanting to bank their values
Our Solution: The Better World Certification

Building on the success of programs like LEED and ENERGY STAR, which were instrumental in powering consumer-driven transformations in their sectors, we propose a new certification program to activate consumers as drivers of change in sustainable finance.

The Better World Certification will exist as a simple, public certification that will evaluate and rate the intersectional environmental responsibility of a financial institution’s investment and business practices.

The Better World Certification program will also certify non-financial organizations (businesses, universities, foundations, government entities, etc) based on the intersectional environmental responsibility of their own financial practices and investment portfolios.
Why We Need the Better World Certification

Thanks to years of tireless work, there exists a rich ecosystem of frameworks, methodologies, and tools for evaluating and reporting environmental, social, and governance (ESG) exposure and impacts.

This infrastructure has provided a solid foundation for responsible investing, but two factors are preventing it from fueling the needed market transformation: this robust ecosystem is geared towards professional investors, and it is primarily focused on ESG exposure, not actual impact. As a result, it is difficult for consumers to navigate this complex sea of information and effectively leverage their finances to drive positive impact.

The Better World Certification will address this shortcoming by aggregating the existing complicated web of information, incorporating additional impact-focused data, and then distilling all of this information into a simple and holistic rating designed for consumers. In doing so, the program will create a first-of-its-kind responsible finance certification that is impact focused and designed to empower consumers to use their finances as a force for good.
Overcoming Barriers to Systemic Change

The Better World Certification will deliver cascading benefits by creating historic alignment between financial firms and consumers. By fusing the interests, strategies, and strengths of both sectors into a powerful middle-out solution, this first-of-its-kind certification has the potential to resolve the foundational problems stymieing the movement.

**Heightened Awareness**
- Build an unprecedented public platform for responsible finance by creating a prominent, highly visible certification and encouraging certified entities to promote their endorsement

**Enhanced Pressure**
- Unleash a suite of forces that make responsible investment a social imperative for all financial firms, organizations, and individuals

**Better Choice Architecture**
- Create a powerful heuristic that will empower all consumers to effectively align their finances and values

**More Options**
- Generate the market forces needed to increase the number of responsible financial firms through greater awareness, increased pressure, and improved choice architecture
The Better World Assessment Tool

To effectively evaluate the environmental and social impact of financial firms, the Better World Project will develop a simple, streamlined assessment tool built on existing frameworks. This tool will be available to all financial firms, even those not seeking certification, which will create a windfall of benefits:

- Provide substantial value to financial firms as it will be the best tool for holistically evaluating their portfolio’s environmental and social impact
- Create a ladder of engagement for non-certified firms as it will enable them to better understand the impact of their finances and what needs to change to become certified
- Enable organizational consumers to ask non-certified firms to share their private Better World score, which will help these consumers better comprehend the impact of non-certified firms as well as increase pressure on non-certified firms to become more responsible
Certifying Non-Financial Organizations

Certifying financial firms will empower consumers to effectively bank their values, which will have a substantial impact. However, the key to unlocking the full power of the Better World program is by also certifying non-financial organizations - businesses, universities, foundations, government entities, etc.

Taking this novel step means that organizations of all stripes and sizes - from Chase Bank, to City of Seattle, to Google - could become certified. As a result, sustainable finance will become a social imperative for all organizations, which will deliver cascading benefits:

- Pressure large organizations with sizable portfolios to bank and invest responsibly, thereby generating powerful market forces that will push all financial firms to be more responsible
- Leverage the platforms of high-profile organizations to drive awareness about responsible finance and grow the Better World brand
# Value for Stakeholders

For the Better World Certification to realize its potential impact, it must be embraced by consumers and all corners of the responsible finance community - from retail banks to environmental advocacy entities. To ensure this widespread adoption occurs, we will undertake a collaborative design process that will enroll key stakeholders in the development process and ensure the program delivers substantial value to all stakeholders.

<table>
<thead>
<tr>
<th>Retail Banks</th>
<th>Rating Platforms</th>
<th>Organizations</th>
<th>Advocacy Groups</th>
<th>Consumers</th>
</tr>
</thead>
<tbody>
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<td>Certifying responsible firms will bolster their business by driving consumers their way; providing all firms the premier tool for evaluating their environmental and social impact will enable them to understand the impact of their investments.</td>
<td>Making rating platforms the foundation of the certification process will validate these platforms and create a strong incentive for financial firms to utilize them.</td>
<td>Rating financial firms will empower organizations to bank responsibly; applying the certification to all entities will enable them to reap significant reputational rewards.</td>
<td>Grounding responsible finance commitments in real, transparent metrics will create a powerful platform for orienting responsible finance campaigns and will help them ensure firms and organizations fulfill their commitments.</td>
<td>Translating the complicated web of responsible finance information into a simple, visible, and holistic rating will empower consumers to easily and effectively align their finances with their values.</td>
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Better World Certification Principles

**Intersectional**
Incorporate environmental intersectionalities with social and governance issues

**Holistic**
Account for both negative and positive impacts on a broad range of issues

**Progressive**
Raise the bar predictably for certification over time, anchored to accepted global goals

**Adaptive**
Dynamic criteria and scoring rubric that will adjust based on a firm’s total assets and geography

**Multi-tiered**
Employ a simple, sliding scale to facilitate consumer choice and incentivize improvement

**Integrated**
Communicate with established, complimentary reporting platforms and frameworks to minimize duplication and maximize efficacy of the certification

**Global**
Apply to financial institutions worldwide, not just those in the Global North

**Routine**
Require participants to renew annually to ensure certification is up-to-date

**Transparent**
Publish rating criteria and methodology in support of transparency

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Better World obtains existing validated disclosure(s) from participating platforms.

Institutions submit public reporting through all existing frameworks.

Better World analyzes available information and creates customized supplemental request.

Institution completes data request and follow-up data validation process.

Better World generates a rating and, if merited, issues a certification based on aggregate performance.

* Final methodology to be developed as part of the collaborative design process.
The Better World Certification is elegant in its conceptual simplicity, but launching this project will be a complex endeavor. To move this effort from concept to completion, we will undertake a collaborative, four-phase process.

**Better World Development Phases**

*We are here now*
The Launch Project

The majority of the Better World Certification development will take place via the Launch Project (Phase 3), a six to eight month collaborative design process that will be executed by a diverse team of hired staff and will produce the three fundamental components of the certification program.

**Objective 1**
Construct a credible certification system

For the Better World Certification to thrive, we will need to build a first-of-its-kind responsible banking certification system that can effectively evaluate applicants, be valuable and low barrier for financial firms, as well as be easily understood and navigated by consumers.

**Objective 2**
Build an iconic and coveted brand

The power of the certification will derive from the brand’s strength, so we will need to craft a powerful brand and marketing strategy to ensure the certification becomes widely recognized by consumers as well as coveted by financial firms and organizations.

**Objective 3**
Develop a business plan

The Better World Certification program will be a complicated and dynamic enterprise, so we will need to develop a framework for an entity that can operate this program, a multi-year business plan, and a go-to-market strategy for launching the certification.
### Target Supporters

<table>
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<tr>
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<th>Bank Networks</th>
<th>Brands</th>
<th>Foundations</th>
<th>Non-Profits</th>
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<td>Primary participants and initial organizations to go through the certification process</td>
<td>Existing conveners of financial institutions that can speak for and influence members</td>
<td>Essential to creating cache and engaging consumers; second wave for certification process</td>
<td>Deep knowledge of responsible finance landscape; source for future project funding</td>
<td>Provide technical expertise on certification design and credibility to overall program</td>
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The Outdoor Policy Outfit (TOPO) is an independent, non-partisan "think and do" tank dedicated to guaranteeing all people's fundamental right to a healthy, accessible outdoors. More than a policy shop, TOPO develops innovative solutions that unlock the political, economic, and social power of the outdoor community and leverages this influence to protect our environment and increase outdoor access for all people.