2019
Corporate Responsibility Update
May 2019

Some of the local women benefitting from the Malawi Efficient Stoves project.
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Our Business

We have 22 years of experience helping more than 300 clients across 33 countries to achieve their climate and renewable energy goals. These companies are taking a lead in managing environmental issues for competitive business advantage and to build social, environmental and economic value in the communities in which they have influence.

Throughout our history we have been creating solutions that deliver immediate, measurable and positive impacts for the environment, for society and for business. Our business approach is based on collaboration with global project partners, our history of innovation, our commitment to understanding our clients’ specific goals, and our unwavering focus on quality. We deliver a broad range of products and services for carbon, energy, water, biodiversity and communities in direct operations, consumer markets and supply chains – the world’s natural capital.

Our products include Renewable Energy Certificates, Guarantees of Origin, I-RECs, REGOs, Green Gas Certificates and Project Catalyst, in addition to high quality carbon credits which provide finance to projects delivering emissions reductions and sustainable impacts to families, communities and biodiversity.

In 2018, Natural Capital Partners’ clients supported 64 climate mitigation projects in 26 countries and 61 renewable energy projects in 30 countries. In addition, we help clients identify and support projects outside their direct operations that make qualified contributions to the UN Sustainable Development Goals or self-defined sustainability objectives.

UN Sustainable Development Goal (SDG) impacts delivered by the emissions reductions projects our clients finance

We assessed 75 of our most popular emissions reductions projects against the 232 indicators that the UN has established to measure progress towards its 17 Sustainable Development Goals. The area of each SDG in the graphic above is proportionate to how many of our 75 emissions reductions projects positively impact on that SDG. All 75 impact #13 Climate Action and the other SDGs are proportional to that.
Our Corporate Responsibility Commitments

In addition to ensuring the long-term sustainability and growth of our business by helping clients manage their environmental impacts, we are committed to the following corporate responsibility activities:

1. Provide leadership in advocacy and solutions to protect and enhance the natural environment
2. Engage and support the communities within which we work
3. Manage our impact on the environment and on people and communities affected by our operations.

Underpinning all of our activities is the integrity of our business, upon which we build trusted partnerships with our clients and our project partners. The professionalism of our team, a dynamic and innovative approach to building solutions, the integrity of our behaviour and our commitment to sustainability, are the core values by which we operate.

Managing Our Corporate Responsibilities

The accountability of our corporate responsibility policies and plans resides with the Chairman and CEO of our Company. The implementation of the plans is delivered by a core group of employees, working with the rest of the Natural Capital Partners team on specific activities, overseen by a Managing Director.

Delivering on Our Corporate Responsibility Commitments

Through our partnerships, our clients and our peers we work to build a deeper understanding of the role of business in delivering impactful solutions to environmental challenges around the world.

Throughout 2018 we continued to play an active role in our industry with Board positions on the International Carbon Reduction and Offset Alliance (ICROA), the International Emissions Trading Association (IETA) and RECS International. We are audited annually by a qualified third-party to ensure we comply with the Code of Conduct of ICROA.

We are active members of organisations including the Project Developer’s Forum, the Renewable Energy Business Alliance (REBA), and the West Michigan Sustainable Business Forum.

Our senior staff are active participants in defining the future generation of sustainability leaders through our work on the external advisory board of the University of Michigan’s Erb Institute for Global Sustainable Enterprise and
on the Board of Directors of the *Presidio Graduate School*, a pioneering U.S. institution that offers a highly regarded MBA programme with a concentration on sustainable management.

In 2018 we continued our support to *The America’s Pledge* (and *We Are Still In*), *The Carbon Pricing Communiqué*, *Caring for Climate*, *The CEO Water Mandate*, *UN Global Compact*, and renewed our pledge of support to the UNFCCC’s *Climate Neutral Now* initiative which promotes voluntary action on climate stabilisation.

We organised *Talanoa Dialogues* in Amsterdam, Dublin, London, New York, San Francisco and Stockholm, enabling 61 companies with a combined revenue of $1.3 trillion to provide their views on how to build a net zero economy to the United Nations Framework Convention on Climate Change (UNFCCC). In addition, we have established and led several “Climate Cocktail Club” events for companies to discuss climate action in an informal setting in Dublin, and will hold further events in London in 2019.

**Engaging Communities**

Our company is active in the communities in which we work by volunteering time and raising funds for selected community or environmental charities. In 2018, our Great Lakes Region employees were active in Artists Creating Together and our London-based staff actively supported the UK charity, Energy Garden. In addition, Natural Capital Partners and Senior Manager, Climate Change and Sustainability Tom Popple supported athlete Nick Butter by offsetting the emissions associated with his “Running the World 196” expedition.

**Natural Capital Partners staff gardening and building a beehive at a London Overground station for Energy Garden.**
Ensuring Our Commitments to the UN Global Compact and Managing Our Impacts

As a signatory of the UN Global Compact (UNGC) since 2010, we continue to work on incorporating our UNGC commitments into our strategy, operations, and management procedures. Our approach to assuring compliance with our commitments is based upon a qualitative Risk Assessment and Response across the 10 UNGC principles. Our latest submission (February 2019) to the UNGC may be found [here](#). Our risks and impacts are broken down into two categories:

- **Direct Risks and Impacts** – those risks and impacts that are a direct result of our daily operations; and
- **Indirect Risks and Impacts** – those risks and impacts from our supply chain and partners that we do business with.

### Our Direct Risks and Impacts

We are certified as a CarbonNeutral® company. We monitor and measure our key operational impacts (primarily waste, water, energy use and travel) and make every effort to minimise and eliminate where possible, and where it is not possible we purchase and retire market-based instruments to compensate for our unavoidable impacts. Annually we assess our greenhouse gas emissions in compliance with The CarbonNeutral Protocol and achieve CarbonNeutral® company certification through a combination of internal reduction efforts and the purchase and retirement of high quality environmental instruments.

In accordance with the CarbonNeutral Protocol (left), we purchased offsets from the Guatemalan project depicted above, which distributes improved efficiency cookstoves and water filters.
For Calendar Year 2018, our carbon footprint was 154 tonnes of CO$_2$e. A combination of Renewable Energy Certificates (RECs) and Renewable Energy Guarantees of Origin, in the United States and Europe respectively, were retired to zero-rate our 10 tonnes of CO$_2$e Scope 2 emissions and support our claim of 100% renewable electricity. The remaining Scope 1 and 3 emissions of 144 tonnes of CO$_2$e were offset by retiring a mixed portfolio of carbon credits generated under the Clean Development Mechanism (17%); Verified Carbon Standard (33%), Gold Standard (33%), and the American Carbon Registry (17%).

We provide our employees with the opportunity to offset their personal footprint through the measurement and offsetting of their non-work emissions, including energy use and travel. For our London-based staff we provide an incentive for zero emission commuting and travel.

Our Indirect Impacts

Our areas of highest risk as they relate to our commitment to the UNGC lie within our supply chain – specifically projects in least developed and developing economies from which we source market-based instruments such as carbon credits and Energy Attribute Certificates. In 2018 we took delivery of carbon credits from 64 projects in 26 countries. We also took delivery of energy attribute credits from 61 projects in 30 countries. These contracts accounted for a majority of our 2018 variable expenses. To address this risk, during the past two years we have:

1. Deepened our engagement with project partners on our supplier sustainability standards
2. Enhanced and further developed our proprietary due diligence procedures and controls.

These two areas remain the focus of our performance improvements.

For project partners, the company has implemented process improvements in the following areas:

- **Guiding Principles and Commitments**: This document explains how our company and activities tie in to the UNGC Principles, how we incorporate them into our systems and processes.
- **Supplier Code of Conduct and Screening process**: Aligned our supplier screening process and formal Code of Conduct with the principle requirements of the UNGC.
- **Project Screening Template**: Updated our standard project screening template with specific UNGC requirements and links to third-party data sets that help evaluate host country performance against key requirements.
Annual Reporting on Non-compliance and Ongoing Improvements

Internal checks and controls have not identified material instances of non-compliance with our policies in 2018.

Our next Corporate Responsibility Update will be published in the first quarter of 2020, updating our progress in managing operational risks, environmental impacts and contributions to the communities within which we work.

About Natural Capital Partners

Natural Capital Partners is a world-leading provider of innovative solutions for positive impact on the world's natural capital. With more than 300 clients in 34 countries, the company delivers high-quality solutions for renewable energy, carbon emissions measurement and reductions, water stewardship, building supply chain resilience and protecting biodiversity.

Contact us if you have any questions

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