

## **First Climate Markets AG**

### **United Nations Global Compact - 2016 Communication on Progress**

"I am pleased to confirm First Climate Market AG's ongoing support of the Ten Principles of the United Nations Global Compact in the areas of Human Rights, Labour, Environment and Anti-Corruption. In our first annual Communication on Progress, we describe our actions in integrating the Global Compact and its principles into our business strategy, culture and daily operations. We commit ourselves to sharing this information with our employees and stakeholders, and to strive for continuous progress in our efforts."

Sincerely yours



Dr. Sascha Lafeld, CEO

## About First Climate Markets AG

Our mission is to bring innovation, experience and actionable solutions to environmental management. At First Climate, our goal is to enable our clients' engagement with environmental problem-solving. We offer a range of services for both private and public sector clients, including carbon footprinting, renewable energy certificates, carbon offsetting, and water benefit certificates. Our projects are located across the globe, and are rigorously reviewed by the leading standards organizations.

## Management of Global Compact Commitments

First Climate Markets AG became a signatory to the Global Compact in 2014. Participation in the Global Compact is a natural step for our company, since the four guiding principles are already embedded in our company policies and business culture. Signing the COP demonstrates a public commitment to these principles, and transparency in our ongoing efforts to assess our progress.

In addition to our continuously evolving Employee Handbook, we have developed relevant policy documents in the following areas:

- Global Procurement
  - Applicable principles: Human Rights, Environmental, Labor and Anti-Corruption
- Corruption, Fraud and Collusion
  - Applicable principles: Anti-Corruption
- Environmental and Social Responsibility
  - Applicable principles: Human Rights, Environmental, Labor

Any mention of existing policies in this COP means that the policy has been copied from one of the relevant policy documents.

## 1. Environmental Principles

### Assessment

As a company whose core business is in supplying environmental management services, First Climate has developed strong environmental policies for our own operations, including energy usage policies, water and waste policies, carbon footprinting, and carbon offsetting for unavoidable carbon emissions.

### Policies

In carrying out its core business activities, First Climate will seek to:

- Minimize its carbon footprint from travel and energy consumption in corporate offices by:
  - Efficient use of energy and seeking to rely mainly on energy from regenerative sources where the option is available
  - Minimize business travel and eliminating unnecessary business travel through the use of videoconferencing
  - Working with our suppliers to minimize the impact of their operations on the environment
- Measure its carbon footprint, and
- Offset with the highest quality Verified Emission Reductions, for carbon emissions that cannot otherwise be eliminated
- Minimize the amount of water used unnecessarily in corporate offices
- Reduce consumption of materials in all business activities and, where practicable, re-use rather than dispose of materials, and promote recycling
- Minimize waste generation
- Ensure that the disposal of waste and effluents is conducted in a responsible manner

### Goals

- Dedicate a single person or team within the company for the assessment of company commitment to the Environmental Principles
- Circulate a bi-annual communication (e-mail) regarding First Climate's commitment to the Global Compact, and request feedback and input regarding the policy or inconsistencies with the policy in day-to-day business.

### Measurement of Outcomes

- First Climate continues to excel in environmental performance, implementing a range of waste and energy consumption reduction measures
- In addition to First Climate's core business in the voluntary carbon market, First Climate is leading the development of the Water Benefits Standard, which will extend the reach of First Climate's positive impact on water quality well beyond the company
- Unavoidable carbon emissions have been accounted for through carbon offsetting
- Periodic management-level review of environmental performance

## 2. Anti-Corruption Principles

### Assessment

As a company that sources projects and certificates globally, First Climate does have some exposure to corrupt business practices due to our position in the complex, trans-national marketplace for offset certificates. With that in mind, this is not a new topic for our company: First Climate has had actionable anti-corruption, anti-coercion and anti-fraud policies in place for a number of years, and is prepared to manage and repress violations of these principles.

### Policies

- First Climate has developed company-wide definitions for corruption, coercive practice, money laundering, and financing of terrorism
- First Climate will not tolerate prohibited practices, money laundering or terrorist financing in its activities or operations
- Any violations should be reported promptly and will be investigated thoroughly and fairly
- All credible allegations of prohibited practices will be investigated
- Terms and conditions of First Climate's contracts must be consistent with anti-corruption principles
- Actions available to First Climate have been identified, applicable to external stakeholders and clients, as well as First Climate employees
- Consistency with the First Climate Employee Handbook

### Goals

- Dedicate a single person or team within the company for the assessment of company commitment to the Anti-Corruption
- Circulate a bi-annual communication (e-mail) regarding First Climate's commitment to the Global Compact, and ask for feedback and input regarding the policy or inconsistencies with the policy in day-to-day business.
- Review strategies for developing an anti-corruption policy with special focus on project partners and their affiliates

### Measurement of Outcomes

- First Climate remains dedicated to a strong anti-corruption policy
- There have been no identified internal violations of First Climate's anti-corruption policy
- First Climate has avoided project partners and projects which have demonstrated inconsistencies with the anti-corruption policy
- Periodic management-level review of anti-corruption performance

### 3. Human Rights Principles

#### Assessment

As a company that sources projects and certificates globally, including projects from developing countries and countries with less stable political structures, human rights abuses are an important topic for us. Our primary challenge is due to geographic distance and complexities of a long supply chain: First Climate occasionally has little or no direct contact with project developers and local communities. Minimizing the risk of complicity with regard to human rights abuses must often be entrusted to third-party auditors, through the certification process in the carbon market.

#### Policies

Procurement by First Climate is guided by:

- Support for suppliers, manufacturers, and business partners that engage in fair employment practices, promote employee welfare, encourage training and employment opportunities

#### Goals

- Dedicate a single person or team within the company for the assessment of company commitment to Human Rights Principles
- Circulate a bi-annual communication (e-mail) regarding First Climate's commitment to the Global Compact and ask for feedback and input regarding the policy or inconsistencies with the policy in day-to-day business

#### Measurement of Outcomes

- There have been no identified internal violations of First Climate's commitment to Human Rights Principles
- First Climate has avoided project partners and projects which have demonstrated inconsistencies with the anti-corruption policy
- Periodic management-level review of consistency with Human Rights Principles

## 4. Labor Principles

### Assessment

First Climate has a rigorous set of labor policies in place for internal business operations, providing a solid foundation for continuous compliance with the Global Compact's principles.

### Policies

In carrying out its core business activities, First Climate will seek to:

- Offer all its employees clear and fair terms of employment and provide resources to enable personal and professional development
- Provide each employee with a safe place to work
- Abide by local health and safety regulations

First Climate will not tolerate sexual harassment, personal harassment, bullying, or mobbing, defined as:

- Sexual harassment is any conduct, comment, gesture or contact of a sexual nature that one would find to be unwanted or unwelcome by any individual.
- Personal harassment means any conduct whether verbal or physical that is discriminatory in nature, based upon another person's race, color, ancestry, place of origin, political beliefs, religion, marital status, physical or mental disability, sex, age or sexual orientation. It is discriminatory behavior, directed at an individual that is unwanted or unwelcome and causes substantial distress in that person and serves no legitimate work-related purpose.
- Bullying/mobbing behaviour is persistent unwelcome behaviour, mostly using unwarranted or invalid criticism, fault finding, exclusion or isolation and may include (without limitation): manipulation, intimidation, belittling remarks, unreasonable persistent criticism, which is not a part of a managing performance process, and/or removing responsibility.
- Mobbing does not include: occasional differences of opinion, non-aggressive conflicts, difficulties in working relations, or managing underperformance in accordance with management procedures.

### Goals

- Dedicate a single person or team within the company for the assessment of company commitment to the Labour Principles
- Circulate a bi-annual communication (e-mail) regarding First Climate's commitment to the Global Compact, and ask for feedback and input regarding the policy or inconsistencies with the policy in day-to-day business.
- Policy requiring business partners and suppliers to adhere to the labor principles
- Assessment of labor-related risks in the carbon market and countries of operations
- Specific goals in the area of Labour Rights for the upcoming year

## Measurement of Outcomes

- There have been no identified internal violations of First Climate's commitment to Labor principles
- First Climate has avoided project partners and projects which have demonstrated inconsistencies with the anti-corruption policy
- Periodic management-level review of consistency with labor principles