

# Communication on Progress

FROM CLIMATE RESOURCES EXCHANGE INTERNATIONAL PTE  
LTD  
FOR THE UN GLOBAL COMPACT



## Letter from the CRX CEO to the UN Global Compact

**May 6<sup>th</sup> 2021**

H.E. António Guterres  
Secretary-General  
United Nations New York, NY 10017  
USA

Dear Mr. Secretary-General,

I am pleased to reconfirm the support of Climate Resources Exchange International Pte Ltd for the Ten Principles of the United Nations Global Compact on human rights, labour, environment and anti-corruption. With this communication, we express our intent to implement those principles. We are committed to making the UN Global Compact and its principles part of the strategy, culture and day-to-day operations of our company, and to engaging in collaborative projects which advance the broader development goals of the United Nations, particularly the Sustainable Development Goals. Climate Resources Exchange International Pte Ltd will make a clear statement of this commitment to our stakeholders and the general public.

We recognize that a key requirement for participation in the UN Global Compact is the annual submission of a Communication on Progress (COP) that describes our company's efforts to implement the Ten Principles. We support public accountability and transparency, and therefore commit to report annually according to the UN Global Compact COP policy, including the expression of our continued support for the UN Global Compact and its principles; descriptions of the practical actions that the company is taking to implement these principles in each of the four issue areas (human rights, labour, environment, anti-corruption); and measurement of the outcomes of our efforts to do so.

Sincerely yours,

*Vinod Kesava*

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Vinod Kesava  
Co-Founder & CEO  
Climate Resources Exchange International Pte Ltd

## CRX Description of Actions for the UN Global Compact

### ABOUT CLIMATE RESOURCES EXCHANGE

Climate Resources Exchange International Pte Ltd (“CRX”) is a carbon asset management and consulting company founded and headquartered in Singapore. CRX provides climate change mitigation and adaptation strategies to reduce compliance, supply-chain and reputational risks for organizations.

The founders of CRX have been active in the carbon markets since 2000. For more than 20 years, CRX has provided thought leadership by designing initiatives and solutions for governments, public and private institutions with respect to climate change mitigation and adaptation strategies that include:

- Carbon Profiling of Scope 1, 2 and 3 emissions for both SMEs and MNCs and providing emission reductions solutions as well as carbon credits to offset emissions, if required by the organization.
- Origination of projects under International Standards like Clean Development Mechanism (CDM), Verified Carbon Standard (VCS), Gold Standard, etc. as well as program of activities (PoAs) under different national and international standards that reduce emissions.
- Management, Trade and Retirement/Redemption of carbon credits and Renewable Energy Certificates (RECs) across all internationally recognized carbon standards for various clients in a wide spectrum of industries.
- Provision of Resource Efficiency Studies with a focus on the common thread of carbon within specific project/organizational boundaries.

### CLIMATE RESOURCES EXCHANGE’S COMMITMENTS TO THE UNGC PRINCIPLES

#### Human Rights

CRX commits to the UNGC Human Rights principles that businesses should support and respect the protection of internationally proclaimed human rights; and make sure that they are not complicit in human rights abuses.

CRX further commits to international human rights standards under the Universal Declaration of Human Rights, the Conventions of the ILO, and the UN Guiding Principles on Business and Human Rights. The company’s CEO takes direct responsibility for oversight of the company’s policy and will report to the Board on its implementation.

CRX strives to partner with businesses that have similarly committed to and publically disclosed their policies on human rights. As of 2021, CRX requires business partners to include a Code of Conduct in any mutual contracts, which includes human rights criteria that require both companies to monitor compliance with the code. In particular, in line with the methodologies that CRX applies based on the UNFCCC’s Clean Development Mechanism (CDM) and other emissions reduction standards, CRX believes in and follows the process of stakeholder engagement and consultation that the company mutually takes with its partners. CRX will note if it has terminated contracts when corrective actions to violations were not taken in due time. Such action may be taken due to:

- A failure to engage in meaningful consultation with local communities
- Mishandling of waste in a mutual project that might affect the environment and the health of local communities, such as water contamination
- The labour rights of staff hired for projects

- Loss of livelihoods or forced displacement from land used in projects
- Other similar concerns

CRX seeks in the future to develop an internal and external-facing grievance mechanism that provides access to remedy and monitoring of partners or projects that goes beyond compliance with emissions credit methodologies and standards to fully cover human rights issues.

## Labour

CRX commits to the UNGC principles that: businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining; the elimination of all forms of forced and compulsory labour; the effective abolition of child labour; and the elimination of discrimination in respect of employment and occupation.

CRX further commits to the core ILO Conventions, prohibiting in all forms of discrimination, child labour, and forced labour; and rejecting any limitations to freedom of association and collective bargaining.

CRX commits to paying a living wage to its employees, and asks partners, suppliers and other third party providers to commit to the same.

CRX strives to create an environment in which all employees can thrive, grow, and feel both a positive sense of contribution to the joint enterprise as well as personal success, and one which is driven by consensus, within reason, and by treating each other with respect and fairness.

CRX follows abides by Singapore's *Protection from Harassment Act* (Chapter 256A) of 2014, following the Ministry of Manpower's basic guidance that "Workplaces should be safe and free from harassment so that employees can carry out their work productively." CRX does not tolerate in its work any behavior that intentionally causes harassment, alarm or distress by any means, as outlined in the act, including: using any threatening, abusive or insulting abusive language or comments, or behavior such as non-verbal gestures; making any threatening, abusive or insulting communication; purposefully disrupting the work of another employee; publishing any identity information of the target person or a related person of the target person; cyber-bullying; sexual harassment; the unlawfully stalking an employee; creating an environment in which employees feel forced by an unspoken expectation to follow unreasonable work practices; causing fear, provocation or the facilitation of violence with the intent to cause employees to believe that unlawful violence will be used (by any person) against them or any other person, or with the intent to provoke the use of unlawful violence by the victim or another person against any other person; or causing an employee difficulty in pursuing future work for any reason.

To aid in these commitments internally and with external parties, CRX will develop a third party code of conduct outlining our core Labour Rights commitments and will integrate guidance into our mutual contracts with all third parties. Under the incorporation of guidance based on the code in our contracts, CRX will make explicit our commitment to anti-discrimination; workplaces that are free from any kind of harassment; the elimination forced/compulsory labour and modern slavery; the abolition of child labour; and the freedom of association and the recognition of the right to collectively bargain.

As well, CRX will review whether third parties provide access to a grievance mechanism to internal and external stakeholders at project sites, with a stated and reasonable "maximum response time" for grievances, and the provision of immediate responses that confirm receipt of any grievances, and

request that in the case that they currently do not do so, that they will take steps to enact such a mechanism.

#### Environment

CRX commits to the UNGC principles that: businesses should support a precautionary approach to environmental challenges; undertake initiatives to promote greater environmental responsibility; and encourage the development and diffusion of environmentally friendly technologies.

As a service sector company, CRX has a minimal footprint for energy and resource usage, greenhouse gas emissions, and exposure to labor markets. As a specialist in greenhouse gas emissions reductions and the origination of carbon/renewable energy assets, we are highly sensitive to our own carbon footprint, and strive to perform our own core activities in as sustainable a manner as possible when it comes to office behavior and travel.

More pro-actively, CRX's core activities are the origination of carbon credits according to the UNFCCC's Clean Development Mechanism (CDM), the voluntary Gold Standard and VERRA VCU methodology, and International Renewable Energy Certificates (IREC) and other REC standards, and other various compliance and voluntary emission-reduction and renewable energy standards; the management and trading of such environmental assets; energy efficiency strategies; and GHGs emissions policy design. We endeavor to contribute to the international achievement of Paris Agreement goals and targets through these core activities, and will continue to do so in all our work.

## Anti-Corruption

CRX commits to the UNGC principle that businesses should work against corruption in all its forms, including extortion and bribery.

As part of the Code of Conduct that CRX will develop to aid in these commitments internally and with external parties concerning Human Rights and Labour, CRX will include policies for how the company works with third parties to prevent corruption in any form, whether direct or indirect. The code will focus on basic principles for countering bribery and extortion, avoiding collusion in the markets, not wielding undue influence, and preventing the laundering of the proceeds of corruption (money laundering).

As with our positions on Human Rights and Labour, this code of conduct will outline our anti-corruption commitments and integrate guidance into our mutual contracts with all third parties. In our contracts, CRX will make explicit our expectations from our code how any supplier, partners or other collaborators can implement basic anti-bribery and anti-money laundering policies.

## MEASUREMENT OF OUTCOMES

### Human Rights

CRX has an impeccable track record when it comes to the issue of Human Rights in the course of its business activities.

### Labor

CRX has an impeccable track record when it comes to the issue of Labor in the course of its business activities.

### Environment

CRX not only has an impeccable track record when it comes to the issue of the Environment in the course of its business activities, the company has had a positive impact on the environment by cumulatively:

- Managing 5 million tons of carbon assets
- Participating in 15 new carbon emission reduction projects and programs of activities since 2020 to date
- Originating >50 million tons of carbon credits since 2003
- Sourcing 258,129 carbon credits (CO<sub>2</sub> ton eq.) for clients since 2019
- Retiring 126,913 credits for clients since 2019
- Arranging >\$300 million in carbon financing between 2003 and 2020

### Corruption

CRX has an impeccable track record when it comes to the issue of Corruption in the course of its business activities.