Climate Neutral Group @ Part of Anthesis Impact report 2021

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Update 2021 by René Toet Accelerating from A to Zero CO₂

After the bizarre year of 2020, we at CNG thought that the situation would soon return to 'normal'. However, nothing could have been further from the truth. We were still a long way from being rid of the coronavirus, which has caused a lot of discomfort and suffering. At the same time, despite all the restrictions, the economy has continued to flourish. Furthermore, more companies have become aware of climate change and feel the urgency to act on it.



At Climate Neutral Group we noticed the increasing demand and willingness of clients to take bold steps towards net-zero goals. Our team has grown, making it possible for us to help even more organisations (to) bring their emissions down to zero. Our new certification programme went live on 1 January last year, with great success. Companies can now be recognised for their efforts in reducing their footprints, mandatory reductions and offsetting in a credible way because these efforts are verified independently by certified bodies. Moreover, as programme owner, we have been admitted as community member of 'the top certifiers group' ISEAL. Being part of this collaborative group brings us even more expertise and impact, and we are proud of this new step.

In addition to the growing demand from clients for consultancy services, there has also been a major increase in offsetting. An increasing number of companies want to offset the emissions they cannot yet reduce themselves. The prices for offsetting projects on the voluntary market for CO₂ credits skyrocketed last year, especially surrounding COP26, the climate summit held in Glasgow in November 2021. These projects not only contribute to reducing climate impact,

but they also bring many social benefits that create better living conditions for local people. As a result of this growth in offsetting, Climate Neutral Group needs to develop our own new projects. Towards that end, our carbon project development team in South Africa has set up an AgriCarbon programme that pays farmers for the carbon credits they generate by sustainably managing their land. In addition, we now have our own international project development team. In the past year, these experts have laid the foundation for project development around mangroves, water and sanitation, and methane.

The outlook for 2022 is promising. Early this year, after an intensive preparation trajectory, Climate Neutral Group merged with Anthesis Group, 'the sustainability activator'. Together with these dedicated sustainability professionals, both worldwide and with our own relations, we will make even more impact in the years to come. I look forward to this collaboration!

René Toet, Managing Director Climate Neutral Group

Impact 2021

From A to Zero CO₂



Climate Neutral Group works from 4 pillars: Footprinting, Reduction, Offsetting and Certification. A concrete climate approach to help your company to Net Zero CO₂.



Footprinting

In 2021, the number of customers for whom CNG calculated their annual footprint has grown with 47%.

The majority involved gaining insight into the emissions of an entire organisation, followed by working out the footprint of a product or service.

Consultancy

25% of our consultancy assignments relates to footprinting. A few examples from 2021:

- Launch of a carbon footprint tool for packaging suppliers and for the tea sector.
- Setting up CO₂ management for a number of international organisations with many branches, to be able to report globally and nationally, and steer for reduction.
- Critical reviews according to the GHG protocol of footprints and carbon LCAs made by companies themselves or another organisation.
- Mapping of complex supply chains and materiality matrices.



Reduction

Almost 30% of the assignments our consultants worked on was about reduction in the broadest sense, often as a follow-up to footprints and LCAs. We also help companies that get stuck on reduction.

About 40% of the assignments we do are in the agri-food and retail sector and their supply chains (packaging and distribution). In addition, sectors as service delivery, finance, IT, construction, marine and manufacturing are important.

Consultancy

- Reduction strategy, often as a Climate Policy document.
- Strategy and policy for business travel and commuting, sustainable procurement sourcing, manufacturing, packaging and distribution.
- Concrete reduction plans with targets and monitoring systems.
- Helping companies on their way with the energy transition.
- · Secondment on long-term projects, for example at the KNVB.
- Support in accelerating reduction, such as for customers of the Triodos Bank.



Offsetting

Over the course of 2021, we offset 2.142.910 tonnes of carbon emissions.

That represents a growth of 42% compared with 2020.

This figure is equivalent to



107 million trees growing over the course of a year.



1.2 million return flights to New York, or



195,155 trips around the globe in a car that does 10 km to the litre.

Out of our offsetting projects, 49% were Gold Standard-certified. 30% were VCS-certified and 21% were otherwise certified.

All our projects meets the highest quality criteria.

Consultancy

- Compensation strategies: how does compensation fit in your sustainability policy where reduction is central, with which projects.
- 'From offsetting to insetting': reduction in the agri-food chain on the farm or plantation.



Certification

In 2021, 20 different types of products were allowed to carry the Climate Neutral Certified label.



ranging from coffee, dairy and bananas to cat litter and solar panels.

Thanks to the many supermarkets carrying these products, the blue Climate Neutral Certified label has now become a household name.

Around 30 million of these certified products are sold across fourteen countries.

Consultancy

- · Quick scans: where do organisations, products and services stand before certification. Insight into necessary actions with a global roadmap to Net Zero.
- Companies that are well on their way are assessed in detail against all criteria with a pre-assessment.



Brief client cases From A to Zero CO₂



Travel

In January 2021, our revamped Flight Carbon Calculator went live. All of our partners can now access this tool, enabling them to advise their clients using a wealth of specific and accurate data. On top of that, we were able to welcome two new travel agencies: Munckhof Travel and Uniglobe. Testing involving new travel agencies is scheduled for 2022. Airtrade will also become our new partner for the leisure market.

In 2021, we have supported **Henry Bath** (HB) with its carbon footprint, reduction plan and their journey to certification.



For an international logistical company specialised in base metals, agricultural products and mineral concentrates, improving sustainability is not easy. But HB is truly motivated as an early adopter. This can be a first step in asking suppliers for more sustainability. HB will be using its own experience to move the supply chain to change.

MR MARVIS

CNG produced a complete footprint for Mr Marvis, an online clothing brand that specialises in shorts and trousers for men.

This didn't just involve Mr Marvis' own emissions (Scope 1 and 2), but those of its suppliers as well (Scope 3). The analysis showed that primary processing - the production of an item of clothing - accounts for the majority of the company's emissions. Mapping out this process was not an easy task, as the clothing supply chain is hugely complex and involves a range of items such as linen, cotton, zips and buttons. We're currently exploring the next steps for this project.



Winclove Probiotics aims **Drobiolics** to be CO₂ neutral by 2030

Together with CNG, this family business analysed the emissions of all its operations in 2021. The results of this challenging but important task provided the basis for a reduction strategy. Winclove wants to involve customers and suppliers in its climate policy. This also applies to the supply chain of products.

Triodos & Bank

Triodos aims to reduce its scope 3 impact.

To encourage its business clients to become more sustainable. CNG organised a knowledge and workshop session. We informed business owners about the climate issue, how to quantify their emissions, and we offered a framework to start reducing CO₂. The attendees also got the chance to inspire one another and share knowledge.

BDR THERMEA GROUP

BDR Thermea Group is playing a crucial role in the energy transition.

It manufactures boilers and heat pumps by purchasing semi-finished products and turning them into finished boilers. Last year, CNG embarked on a project with BDR, starting with a comprehensive Scope 3 footprint focusing on the carbon emissions of boilers. After all, the lion's share of emissions is produced while these products are being used by consumers. CNG is working with BDR to draw up objectives with SBTi and to help shape reduction measures.

bol.com

In 2021, CNG carried out a pre-assessment for bol.com.

The aim was to prepare them for the audit, in order to become the first Climate Neutral Certified e-commerce company in the Netherlands in 2022. We checked whether their footprint was accurate and the reduction plan feasible. We looked at every element of the supply chain as part of our analysis, including the packaging for example, on which we performed a carbon product LCA. Bol.com also offset its remaining carbon emissions through us.

IMC Financial Markets is one of the three main stock market trading firms in the Netherlands, specialising in options. We've been helping IMC move towards Zero CO₂ for over ten years. We started by gaining insight into the emissions of its branches. IMC has since started offsetting through our climate projects. Since 2021, they are doing their bit to have a positive effect on climate change by offsetting not once, but twice their entire lifetime emissions.

Reduction and consultancy **KNVB**

For a sports association, energy bills are the main expense, accounting for 20% of its budget on average. To change this for the better, The Green Club – an initiative of KNVB (Royal Netherlands Football Association) and Climate Neutral Group – was founded in 2017.

The purpose of this initiative is to help sports clubs make their facilities more sustainable. 'The Green Club believes that sports clubs that care for the environment will also notice the benefits in their finances,' according to Marc Nipius, Partnerships and New Business Manager at KNVB.



'Based on our experience, we can make sports clubs more sustainable in just one year. Around 1,300 clubs have already signed up to the scheme. The average sports club can save at least 7,000 euros on its energy bills every year. As things stand, we've saved nearly 90,000 m³ of gas, as well as 5.2 million kWh of electricity.'

Read more about our cooperation with the Green Club on our website.



Aside from The Green Club, CNG is partnering with KNVB on its GO programme to reduce carbon emissions in football-related travel. The programme seeks to do so through adjusting the fixture calendar and integrating new modes of transport and smart charging points.

The 'Volle Bak!' initiative seeks to encourage football players and their supporters to travel to matches or training sessions together to reduce the number of kilometres travelled.

'As part of GO, KNVB has introduced a more sustainable junior football fixture calendar for the 2020/21 season. The main reason for this is that we can reduce the distances travelled by 17%. Across all junior football, that adds up to 25 million fewer kilometres travelled per season,' Marc explains. 'That helps us save 2,217 tons of CO₂, which is the equivalent of over 3,000 return flights from Amsterdam to Barcelona.'









Climate Neutral Certification PLUS



Supermarket chain PLUS is a pioneer when it comes to improving sustainability. It was the first supermarket to stock climate-neutral coffee and tea, followed by bananas. In the near future, pineapples and aubergines will also be added to that list. 'We are proud of the fact that PLUS carries the largest climate-neutral range in the Netherlands,' corporate communications and CSR manager Marlijn Simons-Somhorst claims.

Climate-neutral bananas

PLUS sources its bananas via Fyffes. In 2019, CNG certified the bananas supplied by Fyffes Benelux, followed by its pineapples in 2021. Fyffes climate-neutral bananas can now also be found at Albert Heijn, and other retailers ranging from Sweden to New Zealand are interested. Here at CNG, we worked on a climate change risk assessment for the Fyffes Global sustainability team. We used this assessment to create an overview of climate risks for Fyffes as a whole, from its locations in Africa to Rotterdam. In 2022, we will be helping this fruit supplier to analyse its carbon and water footprints.

Read more about the climate-neutral bananas on our website.



PLUS's ambition is to achieve a 25% reduction in the carbon footprint of its private label products by 2030. The supermarket chain has drawn up a 'foodprint' plan for the most important edible products. In doing so, it has gained insight into the main elements of the carbon emissions generated by its food range. CNG assisted PLUS by looking at where it could achieve the greatest climate gains. Based on this analysis, PLUS selected a number of sectors to assign the highest priority to, such as fruit, dairy and meat.

Based on this selection, we will be approaching the main suppliers together in 2022. We will check whether they have already drawn up a footprint and are working to reduce it, and where they may need help. 'Our aim is to be aware of the footprint, reduction plans and climate-neutral ambitions of all major suppliers. In doing so, we intend to make our food range climate neutral step by step,' says Marlijn.

Reduction strategy

CNG is also helping PLUS to gain clearer insight into the Scope 1 and 2 of its organisation, and to formulate a reduction strategy to address these. PLUS has already taken several major steps in the right direction, including an electric lorry and energy-neutral distribution centres, for example. 'We feel that it is important for us to contribute to positive change where we can,' says Marlijn.







Climate Neutral Certification

Willy Naessens Construction Company



Sixty years ago, Flemish entrepreneur Willy Naessens started his own construction firm. The company has since grown into a business that employs 2,000 people. It was certified as climate neutral in 2021.

More sustainable production

Willy Naessens has its own Research and Development department. Together with suppliers, it looks where and how things can be improved in terms of sustainability. Capturing CO₂ and injecting it into concrete panels is one option, as is optimising the concrete mix by using less cement. Kris Vanrentergem, CSO at Willy Naessens, comments: 'We're striving towards ever more innovation, as we are well aware we need to reduce.'

Climate-neutral construction firm

In 2021, the construction firm achieved Climate Neutral certification. Kris comments: 'We're noticing that major clients in particular are asking us about sustainability more often. Banks, too, require you to address this topic as a business before providing credit. The international character of this certification is also the perfect fit for us, given our growth in France, the Netherlands and Scandinavia'

Social engagement

Willy Naessens himself has become somewhat of a well-known face in Flanders over the years, and despite his advanced age, he remains actively involved in both business and social matters. This is clearly reflected in the CNG projects the family business has chosen to support. Wells, for example: providing people with access to clean drinking water is essential. Through wind power projects, the company seeks to promote green energy, including distribution.

Awareness

So, how does the construction firm see itself in 2030? Kris continues: ${}^{\circ}$ CO₂ reductions will mainly be achieved in transport and electricity consumption. That said, the main thing is not just reduction in itself, but rather about our employees becoming more aware. From their point of view, we have devised a set of achievable reduction measures that we'll be implementing one by one over the coming years.'

Getting people on board

Kris adds: 'What advice I would give to others in this sector? It all starts with the way you think. Don't focus too heavily on emissions – make sure you also check what you can do to reduce them. Sustainability is an issue that needs to be broadly supported by the public. If the 2,000 employees at Willy Naessens can go about their business in more sustainable ways, this will send a message to society at large.'







Featured **Certification and partnerships**

Certified B Corp



Climate Neutral Group has been B Corp-certified since 2015. Organisations that want to be eligible for this certification need to demonstrate that they operate with people, the environment and society at heart, aside from just profits. B Corps use entrepreneurship as a means to bring about a better world. They meet strict social criteria and excel in environmental impact,

transparency and corporate governance. Anthesis is also a B Corp.

Climate Neutral Group partnered up with the B Corp Way programme in 2021. This platform is intended for businesses that want to improve their impact, with certified B Corp consultants available across Europe to offer support tailored to the needs of each individual business, based on the B Corp methodology.

Climate Neutral certification standard

In 2021, we launched the revised version of our climate-neutral certification standard. Having done so, we can proudly claim to be the first and only certification worldwide that:

- · Is recognised by ISEAL.
- · Has a mandatory reduction component.
- Is audited by accredited independent parties.
- · Offers the option of insetting.

We entered into a partnership with Ecocert and Preferred by Nature, two independent parties who carried out their initial audits last year. These certification bodies are our eves and ears in the field.

Our renewed certification has also resulted in us terminating our relationship with some clients, as the programme has become much stricter. On the other hand, the new standard has opened the doors to bigger clients. The approach we have taken has been a deliberate choice, based on the ambition to enhance our impact, both in terms of volumes of CO₂ and in terms of the internationalisation of our certification programme. We are always on the lookout for customers who aspire to be front runners in making an impact, such as bloomon or WeTransfer.





ISEAL

In 2021. Climate Neutral Group has been approved as a Community Member of ISEAL, the global organisation that brings leading sustainability standards together. Our membership of the ISEAL community demonstrates that we are committed to the continuous improvement of systems and effects, and that we are transparent in how we measure and record this.



Featured Partnerships Coffee

Sustainable Coffee Challenge

In 2021, Climate Neutral Group took part in the Sustainable Coffee Challenge, a joint initiative by businesses, public authorities, NGOs, research institutions and others to make the coffee sector completely sustainable. The Challenge partners worked together to improve transparency, develop a joint vision on sustainability, and accelerate progress towards those goals.



We are convinced that we will be able to maximise our positive climate and socio-economic impact in the coffee sector through cooperation with multiple stakeholders in the coffee industry. Climate Neutral Group is committed to supporting businesses in the coffee industry in achieving their sustainable purchasing and climate objectives, reducing the ecological footprint of the entire coffee supply chain – from farmer to consumer – along the way.

We are making efforts to reduce greenhouse gases:

- At farm level, by developing and implementing programmes to reduce and capture emissions. We are doing
 so through regenerative agriculture and forestry practices, and through more traditional measures such as
 bioreactors/interventions in renewable energy. The resulting gains can be used for insetting or to generate
 CO₂ offsetting that supports socio-economic benefits for farmers.
- · At market level, by developing demand for climate neutral-certified coffee.
- At supply chain level, by promoting technical solutions such as renewable fuels, smarter packaging and improved production methods.

Our ambition is to achieve reduction or sequestration of at least 1 million tons CO_2 eq in coffee supply chains by 2025.

Coffee expedition

Last year, we set up a coffee expedition together with our coffee clients. The goal is to explore possible reduction measures wherever a substantial proportion of greenhouse gas emissions takes place in the supply chain. Through a series of interactive sessions, we gained valuable insights from our clients and external experts from the sector, which enabled is to improve our sector benchmark for coffee.

We also noticed increased interest among businesses to invest in their own supply chains. These investments might bring about a reduction in emissions, improved livelihoods or improved biodiversity through insetting, for example.

To ensure our certified clients could benefit from the reduction in greenhouse gas emissions achieved, we included the option for business to report lower footprints in our standard. They can do so if there is a direct link between the investments they have made and the reduction in emissions they have achieved at farm level in their supply chain, or at sector level in the country the business sources its coffee from. CNG has set up a number of pilots together with Solidaridad Colombia and Carble to further develop this proposition.

Project development

Impact for climate, people and nature

To be able to meet the growing demand for offsetting while also making sure our projects have the greatest possible impact, CNG also develops projects in-house to generate CO₂ credits. In 2021, we set up an international Carbon Project Development team in close cooperation with our ever-growing team in South Africa.

Our strategic focus for project development is based on four cornerstones:

- Mangrove restoration, or blue carbon. We have taken the initial steps to set up a project for mangrove restoration and protection in the south of Brazil, together with the Çarakura Institute. This local NGO works together closely with local communities and indigenous peoples and authorities a major condition for any project to succeed. The impact of mangrove projects is felt in several ways: CO₂ sequestration, coastal protection, biodiversity, fisheries and clean water. In 2022, we will be developing this further into a CO₂ programme under VCS.
- Regenerative agriculture: parallel to the successful development of our South African AgriCarbon programme, we are working with two major Western European cooperatives and a startup to support the development of a CO₂ programme. We are doing so through regenerative agriculture under VCS. We will also strictly adhere to the upcoming European standard for the certification of carbon removal. Doing so will lend a further impulse to carbon farming. In 2022, we will be further expanding our partnerships in Latin America, and we will start developing an AgriCarbon programme there, just like in Eastern Europe.
- Water and sanitary provisions: in 2021, our 'Increased and improved access to safe
 drinking water in developing countries' activity programme was registered under the Gold
 Standard. The first carbon credits from this programme are expected in the first half of
 2022 for the project developed by VEI in Arusha, Tanzania.
- Methane from landfill gas: in accordance with the methane commitments made by the
 US and EU at COP26 in Glasgow, CNG has agreed to develop landfill gas projects in which
 methane is captured and used to generate energy. We intent to get the first of these
 projects off the ground in Turkey in 2022, followed by other markets.











AgriCarbon

South Africa's first agricultural carbon credit programme

Rotational grazing, cover cropping, reduced tillage, fertiliser application reduction and other practices improve soil quality and the farmer's bottom line. Now through the South African AgriCarbon Programme, increased soil organic carbon and reduced greenhouse gas emissions from regenerative farming practices generate removal carbon offsets of the highest quality.

This innovative and first of its kind programme is a wide-ranging collaborative initiative between Climate Neutral Group and the South African Agricultural sector, designed to channel carbon revenue to farmers that adopt sustainable land-management practices. The programme is designed to expand over time and covers a range of farming activities to help drive the change from current conventional agricultural practices towards resilient and sustainable agricultural systems.

Current project status

The project is a grouped carbon project with new farms added in yearly cycles. As of December 2021, 65 farms totalling 43,415 ha have been enrolled in the programme. As the AgriCarbon Programme has its origins in the dairy industry, CNG adopted an approach that focused on this sector first, resulting in 19,896 ha enrolled in the first carbon verification cycle. Carbon yields per hectare range between 1 and 9 tons CO_{2e} per year, depending on the success of each of the farmers in integrating regenerative practices on their farms. In addition to this, adopting sector-specific approaches enables maximised carbon yields attributing to each sector due to additional insights gained through sector-specialist inputs. The use of farm specific baselines allowed CNG and its partners to demonstrate maximum environmental impact by comparing the impact of AgriCarbon farmers regenerative activities relative to regional industry level baselines.

Carbon credit certification

This project is seeking registration with the Verified Carbon Standard (VCS), under the VM00042, Improved Agricultural Land-use Management methodology. Internal and external researchers measure and monitor the project and an independent auditor, SCS Global, assesses it as required by the VCS guidelines. The first dairy specific audit phase began at the end of January 2022 when the auditors visited farms enrolled in the programme and submitted their findings to the CNG team for resolution and clarity. The audit process is expected to conclude mid 2022 with issuance of the first carbon offsets later in the year.

Looking ahead

Having built the programme architecture in the first phase, the second verification process will take place later in 2022. It will include farmers from at least the beef, maize, wheat, sugarcane and citrus sectors, with the potential for additional sector inclusion. In addition, the AgriCarbon team is working with partners to expand the programme into the smallholder farming sector and into other African regions.

Current projections for 2022 are targeting an additional 125,000 hectares for integration into the programme across several sectors.

<u>Reuters published a video and article</u> about how South African farmers create carbon credits through the AgriCarbon programme.





Introduction

Getting to know Anthesis



Anthesis is the Sustainability Activator. For a more productive and resilient world.

We are the largest group of dedicated sustainability experts in the world: a team of 1,000+ people, operating in 40 countries, to serve more than 2,000 clients. We exist to shape a more productive and resilient world by helping organisations transition to new models of sustainable performance. Our team combines broad and deep sustainability expertise with the commercial and operational capabilities it takes to conceive and deliver real change.

Our activator journey

We apply a proven, 3-phase, evidence-based approach to making things happen for our clients.

1. Analytics – Finding things out

The Analytics phase develops insightful diagnostics of business and sustainability issues, builds engagement, and identifies opportunities and risks. Our methods combine primary research and data collection, big data analytics, scenario modelling and multi-stakeholder qualitative research.

2. Solution – Solving problems

Sustainability poses new challenges and presents extraordinary new opportunities for organisations. They require new tools, methods and approaches to address. Rooted in robust evidence and analytics, we work with clients to identify and design high impact strategies and solutions that unlock sustainable performance.

3. Implementation – Making it happen

The future is what actually happens. From energy generation to public engagement campaigns, and from programme management through delivery on the ground: where clients need implementation support, our specialist teams help to make plans into reality and results.

Our service areas

Strategy + Governance

Helping organisations to define holistic sustainability strategies that drive performance and build resilience.

Supply Chain + Operations

Transforming your corporate strategy, mapping multi-stakeholder supply chains and meeting customer demands for more sustainable products and operations.

Sustainable Products + Services

Tackling global regulatory and customer demands while producing products that perform better environmentally. Improving business processes and creating more value from fewer resources.

Brand + Communications

Unlocking value through sustainable and purposeful brands. Amplifying the impact of your sustainability investments across audiences.

Education + Culture

Transforming minds and social awareness through inspiring, engaging & educating campaigns and projects. Blending innovative, creative and bespoke educational resources to support a more sustainable society.

Cities + Environments

Designing and driving impact-led initiatives for cities and environments globally. Helping cities to measure emissions, model scenarios, set targets and take action to become carbon neutral and circular.

Transactions + Finance

Complementing traditional EHS due diligence assessments with tailored ESG advisory services to protect and enhance investments and facilitate access to capital.

See also anthesisgroup.com.

The impact of **Carbon offsetting**

Reducing your own emissions is the most important element of Net Zero business. That said, residual emissions often remain that cannot be reduced any further. In these cases, offsetting is the only way to achieve the zero-carbon target. You can do so by investing in sustainable, carefully selected projects in developing countries to reduce CO2 on location.

Brazil

All our climate projects contribute to the Sustainable Development Goals of the **United Nations:**













How we offset CO₂ for our clients

The projects we use to offset carbon achieve much more than just a reduction of CO₂. They also contribute to the living environment and living standards of the local population, who are often highly vulnerable to the effects of climate change. People in developing countries often don't have access to energy, let alone clean energy. On top of that, their opportunities to access work, education and healthcare are limited. We can only achieve true global climate neutrality if developed countries ensure that developing countries are also able to reduce emissions and develop sustainably.

the Netherlands

Turkey

Nigeria

Ethiopia

Uganda

Eritrea

Cambodia

UN Global Compact Projects with impact

OUR CONTRIBUTION GOES FURTHER THAN JUST SDG 13

CNG is proud to announce that we have joined the <u>UN Global Compact</u> in 2021. This sustainability initiative of the United Nations aims to mobilise a global movement of sustainable companies and stakeholders for achieving a better world.

To make this happen, the UN Global Compact supports companies to:

- Do business responsibly by aligning their strategies and operations with ten principles on human rights, labour, environment and anti-corruption; and
- Take strategic actions to advance broader societal goals, such as the <u>Sustainable</u> Development Goals, with an emphasis on collaboration and innovation.

René Toet, Managing Director: "We fully support the goals of the Global Compact and endorse them wherever we can. With the projects our customers compensate their emissions with, we jointly contribute to several SDGs. Their contribution goes further than just SDG 13 on climate. Improved health for local communities, an increase in biodiversity and employment growth, for example."

Together with our customers, we offset 2,142,910 tonnes of CO₂ in 2021. But that's not all. With the projects that we highlight in this impact report, more than 1.8 million people benefit



This is our Communication on Progress in implementing the Ten Principles of the United Nations Global Compact and supporting broader UN goals.

We welcome feedback on its contents.

every day from cleaner and more efficient cooking through biogas and cookstoves. Nearly 6,000 hectares of forest are better protected and more than 80,000 people have access to better quality drinking water thanks to one of the forest projects. In another forest project, 345 women received training to improve their livelihoods.

These numbers are just examples; you will find more results and explanations for each of the projects.

The Global Compact principles focus on four thematic areas: human rights, labour, environment and anti-corruption. The projects our customers offset their emissions with fall under three of the four themes; anti-corruption is woven into the reliable and transparent way in which the projects we contract are set up. You can read more about this in the quality criteria.

















By investing in this project, you contribute to wind turbines in rural India continue to generate energy. The project gives people in rural communities access to clean energy without producing any greenhouse gas emissions.

The Indian population is growing fast. Urbanisation has resulted in a growing energy demand. This offset project invests in wind farms in remote and rural regions in India, aiming to improve local people's access to clean energy. The wind farms feed green energy back into the local grid, replacing the need for fossil fuels. Besides reducing carbon emissions, the project is improving people's energy security, boosting local infrastructure, and creating jobs.

Climate Neutral Group invests in these small scale projects through the purchase of carbon credits. This allows the initiative to provide clean energy to Indian rural households. We support various wind farms in India, aiming to stimulate the local production of clean energy and giving the economy a positive impulse.





ASIA

India





Investments are being made in various small-scale wind farms, per park about **10 windmills** on average.



windmill has a capacity of 1.5 MWh and generates an average 2,239 MWh per year.



233,400 tonnes of CO₂ reduction is achieved through CNG clients.



165,714 MWh of electricity is generated by CNG clients.



Per windmill, approximately **420** households can be supplied with stable energy.



The project contributes to the improvement of the infrastructure in the area.



This climate project invests in bio-digesters in Africa for local households with small-scale farms.

In rural Africa, many farmers have some livestock in addition to farming. The manure from these can be converted into biogas, a clean form of energy for cooking and lighting, using a bio-digester. What remains after fermentation is 'slurry', an organic fertiliser that can replace artificial fertiliser. This saves households time and money on fuel and fertiliser. It is also possible to connect the toilet to the fermenter.

Hivos and SNV Netherlands have introduced bio-digesters in Africa with the 'Africa Biogas Partnership Programme'. This stimulates the transition from cooking on an open fire to



using biogas in Africa. A big step, not only in terms of investment, but also in terms of cooking culture. In Africa, cooking on an open fire is embedded in the culture and family life. Through local information campaigns about the advantages of biogas, the climate project is gaining ground. A small investment (micro-credit) for farmers makes it accessible. Expertise from Asia has been used to initiate the transition to clean energy in Africa as well.



AFRICA

Uganda





8,222 biogas installations are in use in total.



l biogas installation in Africa saves an average of **7.8 tonnes** CO₂.



21,418 tonnes of CO₂ reduction is achieved through the contribution of CNG clients.



Chemical fertilisers have been replaced by organic manure (bio-slurry), a by-product of biogas production. This bio-slurry contributes directly to cost savings, averaging **\$ 50** per household per year.



22,207 people benefit daily from cooking on biogas, cost reduction and improved air quality due to the contribution of CNG clients.



102 bricklayers have been trained locally to be able to build biogas installations. Regular construction orders give them an important basis and continuity in revenue.



This climate project will protect almost 90,000 hectares of the Amazon rainforest. As a result, commercial logging will be banned in order to preserve the rich biodiversity of the Amazon.

The project promotes alternative sources of income for local communities and supports the sustainable development of the region. Brazil has more than 470 million hectares of forest, covering 60.14% of its entire territory and putting the country in second place among the countries with the largest forest area in the world. However, Brazil was also previously the country with the highest forest loss.

More than 100 families live in the project area and their livelihoods depend heavily



on natural resources. To contribute to their sustainable development, the project offers courses on how to make a living without extracting indigenous timber. Commercial logging, a major cause of deforestation in the region, was banned as a result of the project. In addition to preserving the rich biodiversity of the Amazon, the project aims to promote alternative sources of income for local communities and thus contribute to the sustainable development of the region.



SOUTH AMERICA









Total CO₂ reduction of this project is **311,410** tonnes of CO₂ per year. CNG's relations have offset **23,908** ton CO₂ via this project.



6 endangered species benefit from reduced threats (according to the IUCN Red List).



496,988 hectare forest is better managed by the project for biodiversity conservation.



400 people benefit from improved livelihood and revenues thanks to this project.



136 people have access to education and training related to sustainable forest management.



This climate project invests in the production, distribution and sale of efficient cookstoves to local households in Ethiopia.

More than one third of the world's population cooks on an open fire every day, usually indoors. The smoke that is released is extremely bad for your health. Every year, more than four million people worldwide die from lung diseases (such as COPD) caused by cooking on an open fire; that is more than AIDS, malaria and tuberculosis combined. In addition, this way of cooking has an enormous impact on the climate. But also on the social development of women and children in particular, who spend hours every day cooking and gathering wood.

This project ensures the reduction and compensation of CO_2 emissions and a better climate and living conditions for the local population. To counteract the serious consequences for the climate and health, the climate project invests in the local production and sale of the efficient cookstoves. The clever design of the cookstove means that

50 per cent less wood is needed for cooking and less smoke is released. In addition to an enormous improvement in health, the cookstoves also contribute to combatting deforestation and ensure an enormous reduction in CO₂. This contributes to limiting climate change and sustainable development in Ethiopia.



AFRICA



Gold Standard



4,765 cookstoves



cookstove saves an average **3.46** tonnes CO₂ per year.



47,823 tonnes of CO₂ reduction is achieved through the contribution of CNG clients.



2,66 hours saved per year per efficient cookstove.



34 mio kg of wood saved per year, thanks to the contribution of CNG clients.



22,872 people benefit daily from improved air quality.



86 people have a job within the climate project.



39 distribution partners, the majority of whom are women.

Afforestation project in China SUSTAINABLE DEVELOPMENT OF GOLD B SCHNOKAN 13 SUNT OF GOLD B SCHNOKAN 14 SUNT OF GOLD B SCHNOKAN 15 SUNT OF GOLD B SCHNOKAN

The Anhuang afforestation project is designed to increase CO₂ storage in forests in China, improve biodiversity and create alternative sources of income. Different tree species are planted to transform barren hills and bare landscapes into interconnected forests rich in biodiversity.

The Anhuang Afforestation Project is located in Guizhou Province, China. The project area is part of the Yunnan-Guizhou plateau which has been unsustainably managed for many years.

The limestone rock environment (Karst rocks) of the project area is perfectly suitable for afforestation. Planting indigenous trees will create new forests and improve the environment. The villagers own the land and village committees are responsible for sustainable forest management. Commercial logging is prohibited and human interference in the area is minimised. As a result, the forests contribute to improving biodiversity, there is less soil erosion and water retention is improved. This results in a large green cover of the area by biomass.

Because the project area is collectively owned by the local communities, the villagers share the income generated by the project. This carbon credit is essential for the sustainable transformation of the area. The project creates employment for the communities, the majority of which are women. Training is provided on the impact and avoidance of CO₂ emissions and carbon sequestration. Plant cultivation, sustainable forest management and forest ecosystems are also on the training programme. Crop yields increase due to improved soil conditions. Not only nature benefits from the project, but also the local population.

ASIA







Total reduction of this project is 136,649 tonnes of CO_2 per year. CNG's relations have offset 34,169 tonnes of CO_2 via this project.



78,000 football pitches (39,000 ha). CNG's relations together protect an area of **19,500** football pitches (9,750 ha).



28,580 farmers received trainings, were employed and benefit from improved livelihood and revenues (income).



60 % of the farmers, trained and employed are women.



The solar lighting Kenya project aims to replace fuel based indoor lighting by a clean, safe and cheap alternative. The system enables hundreds of thousands of people to save money, better connect with the world through microfinance and reduce CO₂ and black carbon emissions dramatically.

Due to poor quality grid connection approximately 69% of the people in Kenya use kerosine or other fuel-based lighting. And although kerosine is easy, the use can cause severe health effects, can cost up 10-25% of a households monthly expenditures and can lead to a large number of emissions of CO₂ and black carbon in Kenya.

This project aims to distribute solar lighting systems to households that are not connected to the electricity grid. This will enable households to switch from dangerous kerosene to low cost, safe, off-grid renewable solar power. The utilisation of the systems will reduce the amount of fossil fuel-based domestic energy needs, which will contribute to a reduction of greenhouse gas emissions. The solar lighting system comes with three LED solar lights and a solar panel with a

smart-charge-control lithium-ion battery system. In addition, households are also provided with a solar rechargeable radio and a mobile phone charging cable, which aid in microfinance and connectivity through mobile payments technology and increase in connectivity. Transitioning from kerosene lamps to modern lighting alternatives not only offers a climate change mitigation measure but also provides significant and well-documented health and socio-economic benefits for the people in Kenya.



AFRICA



Gold Standard



183,692 solar lighting systems are in use.



1 system saves an average **0.13** tonnes of CO₂ per year.



29,625 tonnes of CO₂ reduction is achieved through the contribution of CNG clients.



387,151 kg black carbon, emitted by old kerosene lamps, is prevented every year. Black carbon causes serious health problems.



1,7 million euro is the estimated total savings from all solar power systems through the contribution of CNG. Savings on kerosin is **6.3 euro** per household.



182,700 people who live in townships spread across the region have been reached with the solar power system for lighting.



589 people have a full time job within the climate project.



2,390 indirect jobs are created, such as commissioned sales agents.

Forest conservation in Cambodia SUSTAINABLE DEVELOPMENT COLOR ALS 1 Pour 1 DEVELOPMENT COLOR

This forest conservation project is designed to reduce the impact of climate change, preserve biodiversity and create alternative livelihoods. The protection of 445,000 ha of rainforest prevents more than 3.5 million tonnes of CO₂ emissions from local deforestation every year. This way, this vulnerable area is preserved.

The Cardamom area is located in the southwest of Cambodia and is one of the last rainforests in Asia. This biodiversity hotspot consists of dense evergreen pine forest, coastal mangrove forests and flooded grasslands. However, the area has been subject to uncontrolled logging for agricultural land. The growing demand for forest products by Cambodians and the influence of Chinese expansion meant that large amounts of CO₂ sequestered in the forests were at stake.

In the Southern Cardamom project, the protection of the area is central, through 'Improved Forestry Management' and intensive monitoring. Projects are set up for the local community that provide alternative income and thus successfully reduce deforestation. There are also no

longer any poaching activities. As a result, the preservation of several endangered species is guaranteed and there is even a prospect of the return of the tiger to the area. The project improves the living conditions of some 2,500 families. People realise that sparing use of nature goes hand in hand with prosperity.



ASIA

Cambodia







51,677 tonnes of CO₂ reduction is achieved through the contribution of CNG clients.



5,747 hectare is better managed for conservation, thanks to CNG's relationships. That equals **11,494 football pitches**.



16 endangered species are better protected thanks to the project.



82,548 people have access to drinking water of better quality.



151 people have found a job at the project, such as ranger, wildlife manager or technical employee.



15,272 people benefit from improved livelihood and revenues (income).

Biogas in the Netherlands SUSTAINABLE DEVELOPMENT OF SUSTAINABLE OF SUSTAINABLE

Outside of the Randstad, the area containing the Netherlands' largest cities, agricultural cooperatives and livestock farms have shaped the landscape and way of life in the Dutch countryside for several hundred years. Initiatives such as this biogas project are now being undertaken to make the sector more sustainable and future proof.

The biogas project works with a digester which uses a mixture of manure from livestock farms, arable crops and residual products from the food industry. This makes the project a closed circle encompassing dairy and pig farms, crop farming, residual flows from the (food) industry and biogas.

By using biogas installations, farms no longer have to dispose all their manure on local fields in order to meet their area's governmentally mandated nitrogen absorption limits. The project will reduce methane emissions into the atmosphere and replace fossil fuels used to heat local buildings. In addition, the fermentation produces electricity that is fed into the national power network. The residual product after fermentation from the biogas plant is processed and sold as plant food to replace artificial fertilisers.

Partnership

As no subsidy is available for preventing methane emissions, Climate Neutral Group is collaborating on the project. We provide the knowledge and technology needed to make manure fermentation financially possible, using carbon credits which are released by the National Carbon Market. The Expert Committee which advises the Green Deal National Carbon Market has already indicated that methane reduction through manure fermentation in the Netherlands is in addition to current policy, which only focuses on the greenhouse gas CO₂. This means that the credits may be used for voluntary compensation by (non-EU ETS) companies.

EUROPE







the Netherlands





139,357 tonnes of CO₂ reduction is achieved through CNG clients.



28,819 MWh of electricity via biogas is generated by the contribution of CNG clients.



This cookstove project is designed to mitigate the effects of climate change on the population in Nigeria. By donating cookstoves to households and institutions, they can create alternative sources of income.

Biomass, mainly firewood and charcoal, is of great importance in low- and middle-income countries. A significant part of energy consumption for cooking comes from biomass. At the same time, inefficient cooking and heating are a root cause of poverty, poor health, gender inequality and environmental degradation. Women and children are disproportionately affected by this enormous global challenge. They suffer from the smoke, the lack of time and the consequences of their deteriorating environment.

Over 70% of the Nigerian population, mostly poor people, cook with solid fuel on inefficient traditional cookers and open fires. As a result, Nigeria records the highest number of deaths from indoor air pollution: an average of 64,000 per year, mostly women and children in poor families.

The cookstove project in Nigeria reduces greenhouse gas emissions through the use of efficient charcoal cookers. Fuel consumption is reduced by up to 50% thanks to a ceramic lining that burns more efficiently and retains heat. At the same time, these cookers bring many benefits to users and their families, through lower fuel costs, reduced exposure to airborne pollutants, faster cooking (resulting in time savings) and greater convenience. Finally, they reduce deforestation by decreasing the demand for charcoal.



AFRICA

Nigeria

Gold Standard



331,432 cookstoves



cookstove saves an average **3.5** tonnes CO₂ per year.



1.17 million tonnes of CO₂ reduction is achieved through the contribution of CNG clients.



€ 3.1 million euro saved per year.



376 hours per year per household have been saved thanks to the transition to an efficient cookstove.



Approximately **1.7 million** people have been reached with efficient cooking, benefitting daily from savings in costs and improved air quality.

Landfill gas in Turkey SUSTAINABLE DEVELOPMENT CONCALS 13 ROWELSCHE PARTY OF THE CONCANDED TO STAIN ACTION 15 WILLIAM TO STAIN A

In Turkey, urbanisation has led to uncontrolled landfill. One of the major problems is the lack of proper waste disposal. This climate project ensures that the greenhouse gases that are released in this process are converted into green electricity. Efficient use of all residual streams!

In the area of waste management, Turkey aims to bring landfills up to EU standards. The capacity for controlled dumping and recycling of waste is growing. This climate project ensures that the landfills are equipped to incinerate non-recyclable waste in special installations and to generate energy. The energy is converted into electricity that is fed into the grid. By converting the waste into energy, less fossil fuels such as oil, gas and coal are needed.

The landfills are located in Istanbul and about 100 km east in Kocaeli province. The household waste from the region is collected and burned at the landfill. The gas that is released in the process is converted into electricity. This gives the local population access to green electricity. The project also destroys hydrogen sulphide, which can be formed during the decay of organic material.

By removing this gas, the air quality around the landfill improves and the odour is reduced.

CO₂ emissions are reduced in two ways:

- Methane gas does not enter the atmosphere but is used to generate electricity. Methane is a greenhouse gas that is 28 times stronger than CO₂.
- The amount of electricity generated replaces that of fossil fuel power plants.



EUROPE - ASIA

Turkey





232,258 tonnes of CO₂ reduction is achieved by CNG clients.



201,550 MWh of electricity is generated, of which **43,177** MWh is made possible by CNG clients.



528,692 m³ of hydrogen sulphide is destroyed per year, of which the relations of CNG have contributed 113,041 m³.



72,662 people annually in the surroundings of the projects gain access to energy. Thanks to the relations of CNG, **15,587** people now have access to clean and stable electricity.



77 people are on the payroll of the project. **18 people** participated in fire safety and health training courses.



The project contributes to the improvement of the infrastructure in the area.



This reforestation project in Tanzania is set up to combat climate change by replanting degraded forest land. It also contributes to an alternative livelihood for the people in the project area.

The project covers two areas: Uchindele and Mapanda forests, in the poverty-stricken districts of Kilombero, Morogoro and Mufindi in south-west Tanzania. Unsustainable farming, timber production and forest fires have left large parts of the forest area barren and grassy.

By planting new trees in the affected areas, more than 10,000 hectares will be transformed into forests that once again absorb and retain CO₂. To improve the local environment, the project also focuses on soil conservation, protection of water resources and improvement of biodiversity. Through reforestation and sustainable forest management, existing indigenous flora and fauna are enriched and protected from extinction.

To achieve all this, the project works together with local communities. Over six hundred employees receive a monthly salary that equals 10% of the income generated by the climate project through carbon financing. Building infrastructure such as roads, water pipes and communication systems enables sustainable forest management and increases the wellbeing of the inhabitants of Uchindele and Mapanda. School buildings, community centres and offices are being built. The local communities receive seedlings of fruits. Entrepreneurship is stimulated through training, especially for women. The project is a perfect combination of combating climate change, contributing to social development and improving biodiversity.

AFRICA









72,424 tonnes of CO₂ reduction is achieved through the contribution of CNG clients.



This project in Tanzania covers an area the size of **20,000 football pitches**. Thanks to the contribution of CNG clients, more than **12,000** have been reforested.



 $60,\!000$ seeds have been distributed in the local communities.



15,000 people have found a job since the start of the project in 2002.



345 women received a training to benefit from an improved livelihood.



The Nanyang Solar Project improves the living conditions of rural households in one of the poorest regions in China. Charcoal cookstoves are being replaced by clean solar-powered stoves. CO₂ emissions are reduced and the quality of life improves.

This solar cookstoves project is located in the southwest of Henan Province, near the Nanyang Danjiang River. This region, in terms of location and weather, is an ideal area for solar energy. By equipping poor rural households with solar cookstoves, they can efficiently replace the fossil fuel used for cooking with solar energy. In this way, the CO₂ emissions from charcoal are avoided and the project prevents deforestation in this area.

These cookstoves are also 50 per cent more efficient than traditional coal-fired cookstoves. A major advantage is that a daylight area of 1.7 m² is sufficient for high efficiency.



By switching to solar energy, health problems related to soot ('black carbon') and the harmful flue gases have been reduced.

Through this project, the solar cookstoves are given free of charge to poor families in this region, including distribution and maintenance. Because the households no longer need to buy charcoal, the money saved can be used to improve their standard of living, for example with study materials for their children.



ASIA



Gold Standard



98,000 cookstoves





364,869 tonnes of CO_2 reduction is achieved through the contribution of CNG clients.



93,971 households across the region have been reached with efficient cooking.



50 people have a job within the climate project.



The Maísa forest conservation project is designed to reduce deforestation, conserve biodiversity and create alternative livelihoods for local people.

The Maísa project is located in the municipality of Mojú in the state of Pará in northern Brazil, the so-called 'Arc of Deforestation' in the Amazon. This region has suffered from illegal logging of indigenous forests for lumber and charcoal, intensive cattle ranching and to gain ownership of land. The project's mission is to stop local deforestation and protect the rich, biodiverse land.

Since the 1970s, the region has been plagued by conflicts between farmers, illegal loggers and land grabbers. Government policies were lacking and enforcement of laws against deforestation and land regulation was weak. Easy highway access did the rest. With the onset of real estate speculation, deforestation in the Maísa region reached its nadir.

By protecting 28,750 hectares of tropical rainforest, the project focuses on climate,

community and biodiversity. Unplanned deforestation is reduced by protecting the project area and managing the forest sustainably. The social component reverses the drivers that lead to deforestation by promoting income-generating activities. This is mainly small-scale farming. By actively involving the local community in the decision-making processes surrounding the project, it has been possible to get this off the ground. For biodiversity, the positive effects of sustainable forest management and area protection are being monitored. At least 128 endangered tree species and 29 endangered animal species within the project area are protected from extinction.

SOUTH AMERICA









Total CO₂ reduction¹ of this project is **100,317** tonnes of **CO**₂ per year. CNG's relations have offset **44,307** ton **CO**₂ via this project.



128 different species of **flora**, of which **8** are endangered, are now protected.



350 different species of **fauna**, of which **29** are endangered, are now protected.



This project in Brazil covers an area the size of **57,504** football pitches (28,752 ha). CNG's relations together protect an area of **25,398** football pitches (12,699 ha).



250 local communities benefit from project activities with for instance food, cows and construction material for their houses.



130 people benefit from this project.



This cookstove project was set up to improve the lives of residents in the Anseba region by providing them with an efficient and clean cookstove.

Nearly six million people live in Eritrea. The population is very dependent on biomass as fuel. This has major consequences, such as deforestation, loss of biodiversity, air pollution, CO₂ emissions and health problems due to smoke and hours of searching for firewood. With this cookstove, they use almost 70% less fuel than is needed for cooking on an open fire. This reduces the demand for wood and CO₂ emissions.

The cookstove was developed by the research centre of the Ministry of Energy and Mines and is currently being used successfully by thousands of households in Eritrea. The



project introduces the cookstoves and trains women in the villages. First to make them promoters, then to let them make the cookstoves themselves. The materials are provided locally. The project was set up in the Zoba Anseba District of Eritrea and is supported by the national and local governments. The national government of Eritrea also supports the project because it is seen as 'Trade' and not as 'Aid', thus contributing to the growth of economic prosperity in a sustainable way.



AFRICA

Eritrea

Gold Standard



3,263 cookstoves



cookstove saves an average of **4,97** tonnes CO₂ per year.



20,732 tonnes of CO₂ reduction which is made possible by CNG clients.



7.6 kg of wood saved per cookstove through the contribution of CNG clients.



11.2 mio kg of wood saved per year thanks to the contribution of CNG clients.



15,662 people benefit daily from more efficient cooking, savings in costs and improved air quality. Indoor air pollution has been reduced with **68%**.



5 people have a job within the climate project.



300 people involved in the supply chain, the majority of whom are women.

Quality criteria

Quality is of the utmost importance to Climate Neutral Group. Both the quality of the services we deliver and the quality of the products and services we procure from third parties must meet certain criteria. To ensure this is the case, we have drawn up a range of procedures.

When you opt for offsetting, you offset your (residual) emissions via CO2 credits. We generate these credits through our climate projects, to prevent CO₂ emissions elsewhere in the world. The credits comply with the highest international standards. With a range of projects available in our portfolio, CNG offers you plenty of choice in terms of project type, standard type and price category.

Strict quality criteria

At CNG, we guarantee that the credits you purchase genuinely contribute to a reduction in carbon. Every credit represents a reduction of one ton of CO2 in the atmosphere. This claim is verified by independent, internationally recognised agencies, who check whether our projects meet precisely defined standards.









Verified Carbon Standard (VCS)

VCS is the most widely used standard in CO2 reduction projects involving voluntary offsetting. This standard is supported by the World Economic Forum (WEF) and the World Business Council for Sustainable Development (WBCSD). VCS projects can also have supplementary standards such as CBB, SD Vista and Social Carbon Standard, which certify the extra benefits for local communities, biodiversity, and ecosystems.

Gold Standard (GS)



Gold Standard is the original standard for carbon projects, in which the Sustainable Development Goals (SDGs) play an explicit role. GS has been developed by a group of NGOs under the auspices of the World Wide Fund for Nature (WWF), with the aim of supporting projects that not only comply with the UN's Clean Development Mechanism (CDM) but also offer a quantifiable contribution to sustainable development via various SDGs.

New standards

In addition to VCS and GS, there are other reliable standards such as PlanVivo, Pure Carbon Blue and SNK. The latter applies to compensation projects located in the Netherlands and fall under the National Carbon Market. It is expected that these standards will also be accepted by ICROA in the near future.

ICROA membership

CNG is a member of ICROA, the International Carbon Reduction and Offset Alliance. This worldwide coalition is committed to creating a transparent and high-quality carbon offsetting market. We comply with the ICROA's 'Code of Best Practice', which means that, in summary:

- · We actively offer and perform carbon footprint reduction calculations in accordance with the Greenhouse Gas (GHG) Protocol.
- · We encourage clients to set and realise quantifiable reduction goals.
- · We are experts in the area of carbon-reducing policy instruments, and we support businesses in their implementation.
- · We use carbon credits in line with standards recognised by the ICROA. An annual audit is also carried out to check whether we comply with the ICROA's 'Code of Best Practice'.

Extra criteria for the additionality of projects

In the wake of recent research, CNG has decided to use its own extra criteria for additionality. This term means that a project cannot or will not be realised without carbon credits. This may be because extra finance is required, no proper policies are in place (yet), or because grants are lacking.

Over the past few years, it has become easier to fund large-scale hydropower and biomass projects with or even without extra finance, such as government grants. As such, the additionality of these types of projects cannot always be guaranteed. As this insight is not yet accounted for by the GS and VCS standards and the ICROA's 'Code of Best Practice', we have decided to add this ourselves as an extra requirement in the selection of projects for our portfolio. As a consequence, we only offer small-scale hydropower and biomass projects that do not come at a cost to woodland, agriculture, or protected nature reserves.

For CDM projects, this is assessed on a project-by-project basis. The main criteria are whether the project is still going, and whether the concept of additionality still applies. We expect that most hydropower and biomass projects will fail to meet these criteria anyway.

Climate Neutral Group Do you also want to get further along the road from A to Zero CO₂?

climateneutralgroup.com Contact our advisors at:

+31 30 232 6175 Info@climateneutralgroup.com or +31 30 232 6175

Arthur van Schendelstraat 650 Bezoek onze website: climateneutralgroup.com

3511 MJ Utrecht Subscribe to our newsletter.

The Netherlands Follow us on LinkedIn and Twitter.

Climate Neutral Group Belgium

climateneutralgroup.com Contact our advisors at:

+32 16 84 19 33 Info@climateneutralgroup.com or +32 16 84 19 33

Sluisstraat 79 Visit our website: climateneutralgroup.be

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Climate Neutral Group South Africa

climateneutralgroup.co.za Contact our advisors at:

+27 21 202 6770 Info@climateneutralgroup.co.za or +27 21 202 6770

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