Statement of Continued Support

28 March 2024

Dear Stakeholders,

I am pleased to confirm that the Carbon Trust reaffirms its support to the United Nations Global Compact and its Ten Principles in the areas of Human Rights, Labour, Environment and Anti-Corruption. This is our Communication on Engagement with the United Nations Global Compact. We welcome feedback on its contents.

In this Communication of Engagement, we describe the actions that our organisation has taken to support the UN Global Compact and its Principles as suggested for an organisation like ours. We also commit to sharing this information with our stakeholders using our primary channels of communication.

Yours sincerely,

Tom Delay,
Chief Executive Officer

Communication of Engagement

At the Carbon Trust, everything we do is aligned with our mission – to accelerate the move to a decarbonised future. We therefore directly support the UN Global Compact's Environmental Principles through our work, acting as a catalyst, making the case for change to businesses, governments, and civil society worldwide. Our annual reports (The Carbon Trust Annual Report for the year ended 31 March 2023 and the report for the year ended March 2022, along with our impact report contain more details of our work and its impact since our last communication.

Highlighted below are some specific examples under each of the environmental principles:

Principle 7 – Businesses should support a precautionary approach to environmental challenge

We continue to work with businesses to help them understand the environmental impacts and risks across their operations, supply chain and full value chain, setting science-based targets (SBTs) which are in line with the levels of action with the ambition of the Paris Agreement to maintain global warming well below 1.5 degrees Celsius. We have helped set 400+ science-based targets and guided 3,000+ organisations and cities across five continents on their route to Net Zero.

An example of this support is our work with the Carlsberg Group, one of the world's largest brewery companies, employing over 30,000 people and with products available in over 150 global markets. The work involved ensuring the company was accurately measuring the end-to-end carbon footprint of its full value chain, incorporating both supply chain emissions and downstream customer use and disposal of products. The delivery team also defined achievable targets for emissions reduction that are in line with what climate science says will be required to limit global warming to no more than 2 degrees Celsius. Finally, a roadmap was developed that set out how these targets could be achieved.

We have also been working with leading technology companies since 2022 to tackle device use-phase emissions. Bringing together key industry players, led by Amazon, Meta, Microsoft, Samsung and Sky, we are working to develop the first specification for measuring, accounting for and decarbonising the use-phase of connected devices while being used by customers. This joint commitment demonstrates the industry's desire to better understand and account for these emissions in a standardised way, relying on the Carbon Trust's independence and carbon accounting expertise to do so.

Principle 8 – Businesses should undertake initiatives to promote greater environmental responsibility.

We have also supported VF Corp in developing its SBTs across its own operations and its value chain. The work involved helping VF Corp set an absolute Scope 1 and 2 GHG emissions reduction target of 55% by 2030 from a 2017 base year and Scope 3 GHG emissions reduction target from purchased goods and services and upstream transportation 30% by 2030 from a 2017 base year. The delivery team collected primary data from VF's 1,400 owned facilities, distribution centres and global logistics as well as more than 100 Tier 1 and Tier 2 suppliers, strengthening its ability to identify and implement reduction strategies. Bottom-up targets for Scope 1& 2 and Scope 3 emissions were also developed as part of this work. These focused on developing an ambitious materials strategy which will have positive impacts cascading through the industry.

We continue helping businesses and the public sector across the world to make the business case for increased action on energy efficiency and environmental responsibility, and to implement actions through a range of support.

The Department for Energy, Security and Net Zero (DESNZ) Industrial Energy Efficiency Accelerator (IEEA), managed by the Carbon Trust, with the support from Jacob's and Innovate UK KTN, is a good example. The programme funds industrial scale demonstrations of novel technologies with the potential to reduce energy consumption, maximise resource efficiency and cut carbon emissions. It is designed to support partnerships between developers of efficient technologies and industrial companies willing to trial innovations on-site.

Phases Three and Four of the IEEA support 14 energy and/or resource efficiency projects. Current estimates predict that the Phase 3 and 4 projects could save around 11,912tCO2e per year. These carbon savings do not include cumulative emissions saved from an industry-wide roll out.

In collaboration with the Carbon Trust, RMI, the Colorado School of Mines, and the Columbia Centre on Sustainable Investment, IFC set out to create a clear vision of how the industry can achieve Net Zero and develop an action-focused decarbonisation plan for copper and nickel mining. For this, it was essential to look at low carbon technology solutions and beyond. The final roadmap launched early 2023, tackles the crucial issue of greenhouse gas emissions from extraction and processing operations head-on. Its implementation will provide the foundations for a just energy transition, particularly in the Global South, and propel the mining industry towards a sustainable, Net Zero value chain. Through this work, the World Bank Group's Climate Smart Mining initiative and IFC were able to provide miners with a toolkit to adopt responsible mining practices.

In 2023, we launched another initiative, bringing together 12 global offshore wind developers, which collectively represent over a quarter of the global installed capacity, under the Offshore Wind

Sustainability Joint Industry Project (Sustainability JIP). The programme aims to support the development of methodologies and innovations that will help scale-up the industry in a more sustainable way. While offshore wind energy generation has a significantly lower carbon impact than fossil fuels, the sector must also work collaboratively to de-couple its own value chain from carbon and resource-intensive models of production, deployment and operation, addressing key hotspots such as steel, cement and fuels. The first project, which will finish by the end of 2024, is to develop an industry-backed methodology and guidance on how to measure and address offshore wind farms' carbon emissions throughout their lifecycle.

Principle 9 – Businesses should encourage the development and diffusion of environmentally friendly technologies.

The unique and novel model of industry-led innovation has driven our Offshore Wind Accelerator (OWA) programme. The accelerator brings together nine major commercial developers in a collaborative innovation programme to continue reducing the cost of fixed-bottom offshore wind and preparing for scale-up and industrialisation. The OWA has accelerated the development of various technology innovations from concept to commercial and developed new industry standards to reduce the levelised cost of energy (LCOE) and make offshore wind truly competitive. Now in its sixteenth year, the industry's continued investment and commitment to the OWA is testament to the confidence in us to deliver a highly effective collaborative programme that identifies the challenges and pulls through new technologies and standards that will help to address these challenges.

As well as continuing our work on established programmes like the OWA, we also play a prominent role in a number of programmes in the energy access sector. Our work in the energy access sector stems from our commitment to help realise United Nations Sustainable Development Goal 7 – to ensure access to affordable, reliable, sustainable and modern energy for all.

We support the delivery and communications for the UK Government's Ayrton Fund, part of the UK's International Climate Finance commitment and continue to lead the delivery consortium for the Transforming Energy Access platform (TEA). The Carbon Trust also leads the Acceleration support and dissemination activities for the Energy Catalyst programme. A focus on productive use of renewable energy in sub-Saharan Africa, South Asia and Indo-Pacific region we run and deliver the Powering Renewable Energy Opportunities (PREO), in addition to the Zero-Emission Generators (ZE-Gen) initiative which aims to displace fossil-fuel generator with renewable energy-based alternatives.

To-date, TEA has delivered improved access to energy for 9.5 million people, created almost 75,000 sustainable long-term jobs, mobilised £599 million of private and public funding for clean energy technology research and development, and supported the prototyping and development of 349 new clean energy access technologies, avoiding nearly 1 million tonnes of carbon emissions in the process.

Energy Catalyst supports businesses to develop innovative, market-focused clean energy technologies and solutions that accelerate the clean energy transition in emerging economies. To-date it has supported over 300 organisations, including 113 international partners, provided £160m of grant funding for energy access technologies and business models across 46 countries. Energy Catalyst is an Innovate UK programme, established in 2014 and currently funded by the Foreign, Commonwealth and Development Office (FCDO) and the Department for Science, Innovation and Technology (DSIT) under the Ayrton Fund.

PREO's mission is to enable African businesses to harness clean energy to improve incomes, build climate resilience and reduce reliance on fossil fuels. Over the past four years, PREO has awarded 34 catalytic grants to private sector and non-profit enterprises across 12 African countries, demonstrating the business and impact cases of using renewable energy across multiple sectors. Projects funded through PREO have so far resulted in over 17,000 end users purchasing a PURE product or accessing a PURE service to improve their livelihoods. PREO has been responsible for the

creation of over 500 jobs in sub-Saharan Africa, half of which are full-time. Beyond these direct impacts, PREO has also demonstrated pioneering solutions that show the ability to raise incomes, improve livelihoods, and enhance climate resilience. PREO is co-funded by UK aid via the Transforming Energy Access platform and the IKEA Foundation, implemented by the Carbon Trust and Mercy Corps Energy 4 Impact.

ZE-Gen is a collaborative initiative by the Carbon Trust and Innovate UK, with support from the IKEA Foundation and UK aid through the UK Government's Ayrton Fund, via the TEA platform. Launched at COP27 with an initial commitment of over £15 million and an ambition to scale to £100 million, ZE-Gen is designed to tackle barriers, accelerate innovation and fund activities to build a thriving, competitive market for renewable alternatives to fossil-fuelled generators.