



Shared value sustainability report

January 2021–December 2021

southpole.com

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Message from the CEO



After a challenging Covid-filled 18 months, it feels like there's finally a spring in the world's step. At South Pole, we continue to be inspired by businesses around the world as they choose to do the right thing and push towards a net zero future. We're proud to work with many of them as they tackle their emissions, and examine positive and constructive ways they can adapt to a world which puts sustainability at the center of their business strategy.

As a company, we're changing too. We're growing by leaps and bounds, spreading our wings geographically, opening offices and representations in Paris and Frankfurt, Quito and Cape Town. We're acquiring companies, which means more solutions to offer our clients and more resources to invest in greening the planet. Our growth couldn't come at a more critical time: despite our optimism, we're exactly halfway between the Paris Agreement (signed in 2015) and 2030, when there's an expectation that global emissions should be halved. We are at 'halftime', but looking critically at the climate action by companies and governments around the world, I am not convinced we are truly on track to meet the world's net zero emissions goal by 2050.

Urgent action is clear and critical. The latest IPCC report confirmed our fears: that the world is not on track to achieve our target of 1.5 degree pathway. And although we could read this as depressing, instead we see it as a call to action. The news is an opportunity for us to continue looking for tried and true as well as innovative solutions in a world where they're sorely needed.

Not only are we ramping up our efforts around mitigation, but we're also diving deeper into expanding our adaptation practices. In 2021, we broadened our horizons by looking into the plastic and circular economy, in addition to building our offset opportunities. Over the last year we've helped to reduce more than 16 million tonnes of CO₂

from the atmosphere, and facilitated 3 million MWh of renewable energy. We have over 1,000 climate action projects, and through our three business lines, our innovations have skyrocketed too.

A year ago we decided to go beyond the top tech we use every day, and we announced the development of the Next Generation Carbon Removal Purchase Facility together with Mitsubishi Corporation. The facility will jump start a market for certified carbon removals by buying starting already in 2022. Supporting technological carbon removals technologies will go hand in hand with our impactful nature-based solutions to remove CO₂ from the atmosphere.

Not only that, but we've also elevated diversity and inclusion to the top of our agenda. We're passionate about equality, and over the next couple of years we aim to move the needle on more equity and diversity - both inside and outside of our company.

As you can see, we have many reasons to be optimistic. And we think you do too.

As ever and always, we at South Pole remain committed towards acting today for a better tomorrow. We hope you will continue on your climate journey with us.

Sincerely yours,

Renat Heuberger
CEO and co-Founder

I. About South Pole

At South Pole, our purpose is to enable true climate impact for all.

We develop and implement comprehensive emission reduction projects and strategies that turn climate action into long-term business opportunities for companies, governments and organisations around the world.

As of 31 December 2021, South Pole had nearly 800 full-time equivalent employees. Our portfolio of emission reduction projects, advisory services, and ability to leverage climate investments is managed by a team of specialists located across our current [30 locations](#). This means we deliver both global reach and local impact.

Our vision

South Pole's corporate vision is **climate action for all**, from one tip of the planet to the other and for every business, government, community, and individual in between. To realise this vision is a great challenge, but the inherent linkages between the social, economic and environmental aspects of sustainable development, every action towards a sustainable future can have far-reaching impact.

Our mission

Our mission is to **accelerate the transition to a climate-smart society**. South Pole facilitates the shift of financial flows towards a more sustainable economy, which has a direct impact on not only lowering emissions, but also on improving the lives of people across the entire planet, including the Global South..



Our values


Our rapidly growing list of clients and partners recognise our company stands for these values:

- 1. Impact.** We turn impact into evidence for our clients by understanding, analysing, measuring and verifying the sustainability-related results of private and public sector projects and investments.
- 2. Simplicity.** Climate change and sustainability are both complex. We translate them into messages that our stakeholders can understand. We cut out the noise and focus on what is important.
- 3. Innovation.** We anticipate trends and stay abreast of the most recent developments. We generate ideas and are in continuous communication with our stakeholders. Through a decentralised, open culture and flat hierarchy, our global multi-disciplinary team of climate experts is highly resourceful in developing solutions that fit the needs of our clients.
- 4. Integrity.** Our business conduct is guided by the high ethical standards we set for ourselves, our clients, our society, and our planet.
- 5. Respect.** Our attitude is characterised by a high level of empathy. We value our conversations with partners and stakeholders, and we have a long-term approach to business that focuses on building trusted relationships.

2021 shared value performance summary

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CLIMATE ACTION



Climate Action Projects

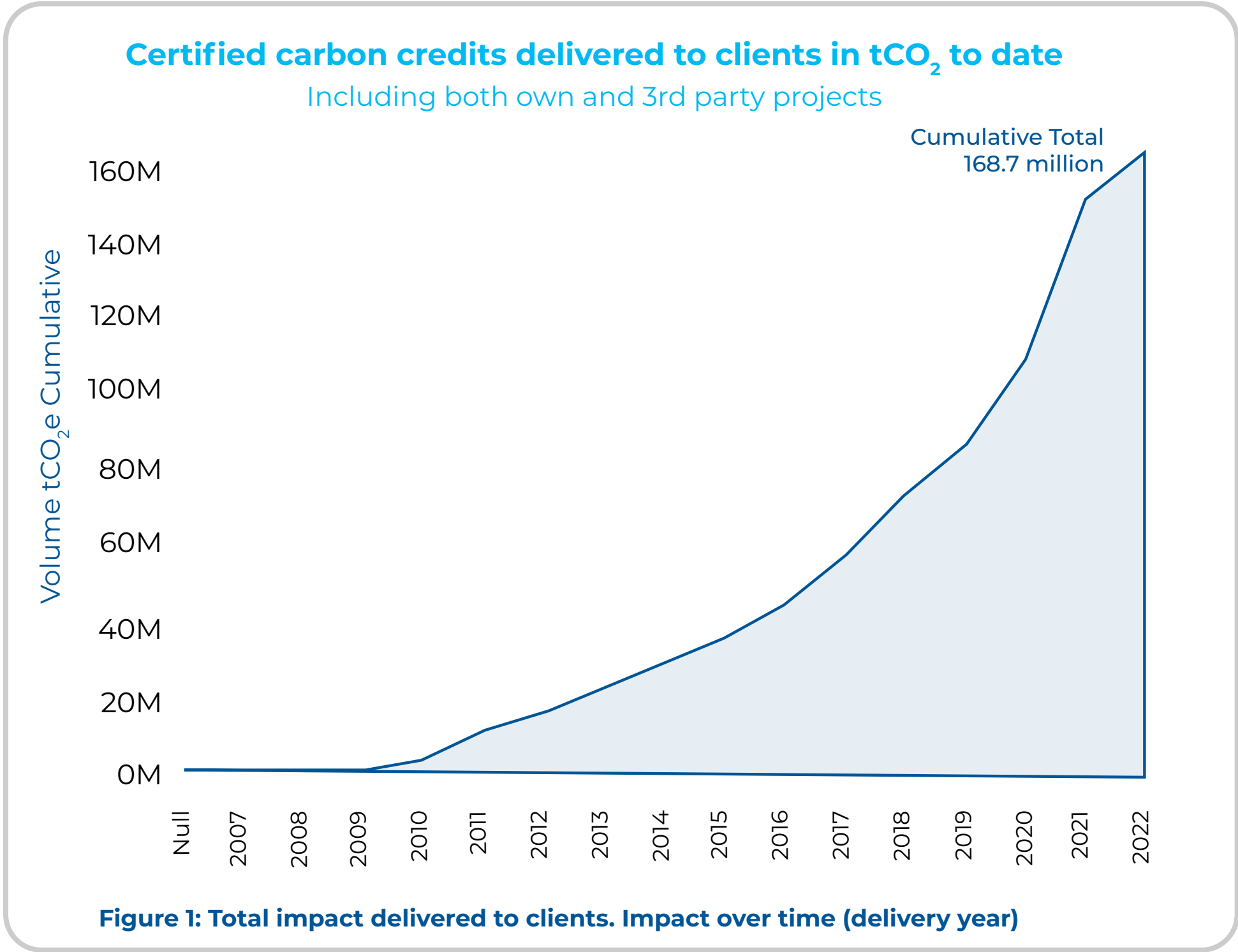
900 +

Includes consulting and emission reduction projects for e.g. renewables, forestry, agriculture or households.

Total Climate Action

170 Million tonnes of CO₂e

More than the annual emissions of the Netherlands.



Impact to date

<div><div>1 NO POVERTY</div><div>8 DECENT WORK AND ECONOMIC GROWTH</div></div> <div>Jobs Created 175,000 + Jobs</div> <div>We contributed to this via emission reduction projects and working with clients. That's more than the whole of Apple Inc. (154,000), or nearly as large as the Swiss city of Basel</div>	<div><div>2 ZERO HUNGER</div><div>3 GOOD HEALTH AND WELL-BEING</div></div> <div>Healthier lives 3 Million + lives</div> <div>Benefitting from 640,000+ cookstoves provided to households, which we contributed to via emission reduction projects</div>	<div><div>6 CLEAN WATER AND SANITATION</div></div> <div>Clean Water 5.5 Million + litres</div> <div>That's over 68,000 bath tubs, or enough to provide a healthy amount of drinking water to the whole of Baltimore, USA, three days in a row.</div>	
<div><div>7 AFFORDABLE AND CLEAN ENERGY</div><div>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</div></div> <div>Renewable Energy Facilitated 24 Million + MWh</div> <div>Nearly eight times the annual energy consumed in Jamaica</div>	<div><div>14 LIFE BELOW WATER</div><div>15 LIFE ON LAND</div></div> <div>Land protected or restored 1.6 Million + Hectares</div> <div>About the size of Wales, or even bigger than the Serengeti National Park in Tanzania (1.5 million Hectares)</div>		
<div><div>17 PARTNERSHIPS FOR THE GOALS</div></div> <div>Public Funding Secured €1 Billion +</div> <div>That's more than Canada's pledge to help phase-out coal in developing countries at COP 26</div>	<div><div>17 PARTNERSHIPS FOR THE GOALS</div></div> <div>Fortune 500 firms 55 Partnerships</div> <div>That's more than 1 in 10 Fortune 500 companies working with South Pole, 37 of which took place since 2020</div>	<div><div>5 GENDER EQUALITY</div></div> <div>Female : Male employee ratio 54% : 46%</div> <div>With 46% of management positions held by those who identify as female</div>	<div><div>8 DECENT WORK AND ECONOMIC GROWTH</div></div> <div>New Employees in 2021 300+</div> <div>Also known as 'penguins', all of whom have access to training and wellbeing programmes</div>

Figure 2: Impacts summary

Our awards

- The Landscape Resilience Fund was selected as a winner of the [UpLink - World Economic Forum Climate Justice Challenge](#).
- [Multiple Environmental Finance awards](#)
- [DSMN8's Award for Employee Influence Platform](#)

Our partnerships

South Pole is proud to work with an array of partners, including industry bodies, international agencies, research and innovation platforms, and other service providers.



South Pole's partnerships



Climate Disclosure Project (CDP)

One of CDP's accredited gold climate change consultancy partners to help companies, cities, states and regions measure and manage their environmental impacts



IETA & ICROA Membership

Member of of the International Carbon Reduction and Offset Alliance (ICROA) Code of Best Practice



We Mean Business Coalition

A coalition of influential global businesses to accelerate the transition to a zero-carbon emission economy



Alliance for Water Stewardship (AWS)

Lead a global network that promotes responsible use of freshwater that is socially and economically beneficial and environmentally sustainable



Gold Standard

The platform gives access to concrete benefits in the form of tools, insights, networking opportunities, and profiling exposure in return for an annual contribution. Engagement centres on providing input, sharing ideas and best practices, and feeding into strategies in support of quantification and certification of climate and development impacts.



Project Developer Forum

A collaborative association and collective voice of companies and practitioners that are developing and financing greenhouse gas (GHG) emission reduction projects in all regions of our globe



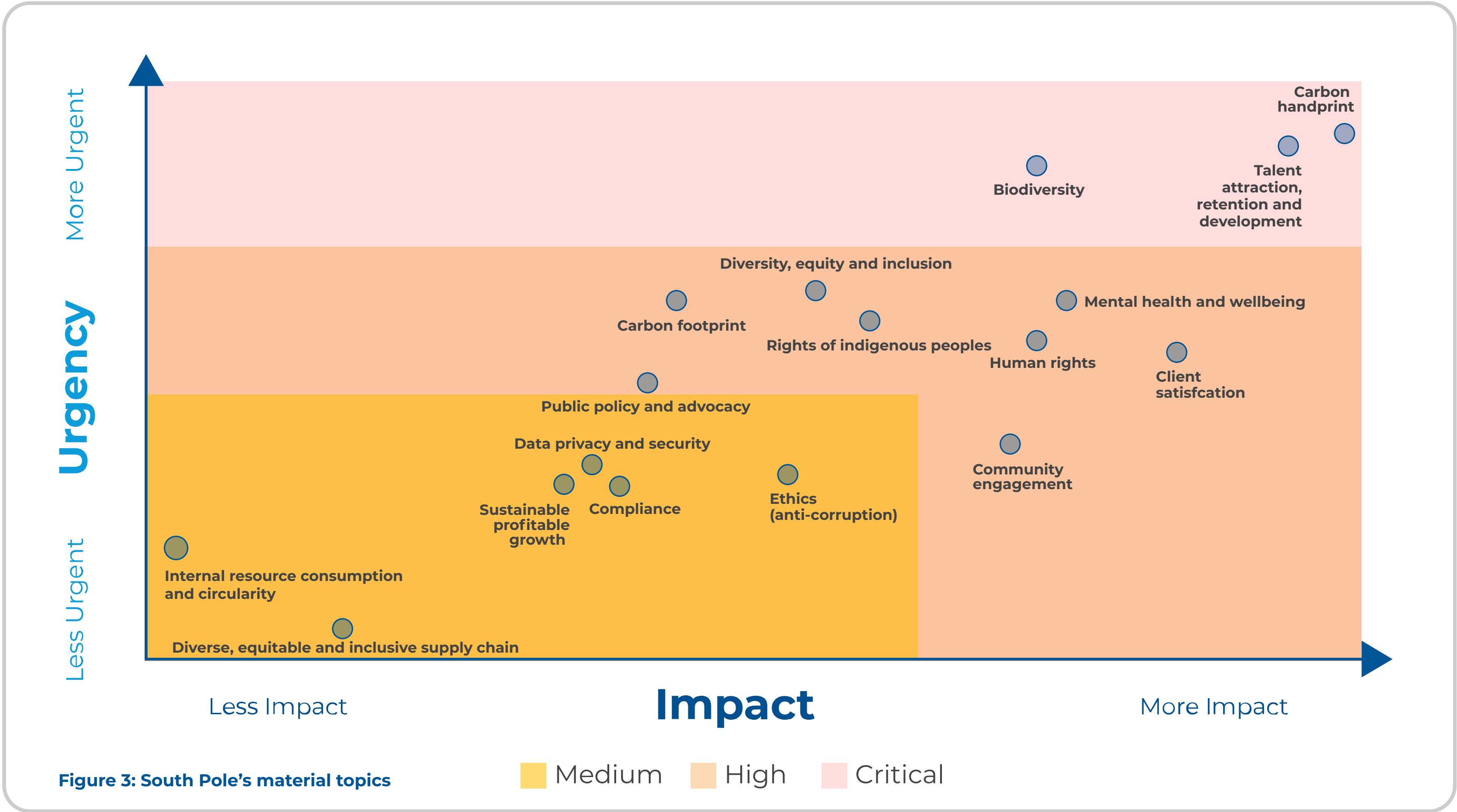
Tropical Forest Alliance 2020 (TFA)

A global public-private partnership in which partners take voluntary actions, individually and in combination, to reduce the tropical deforestation associated with the sourcing of commodities such as palm oil, soy, beef, and paper and pulp.

Our material topics

In order to deliver sustainable development in the limited time we have, each organisation needs to clearly focus on the topics that really make a difference and matter to its stakeholders.

To identify such topics for South Pole, the company conducted a comprehensive materiality assessment in 2021 (see figure 3). Although each is an issue in its own right, in reality they are also interconnected. As such, they are incorporated into South Pole’s strategy in a holistic way. The method we used can be found in [Appendix A](#) of this report.



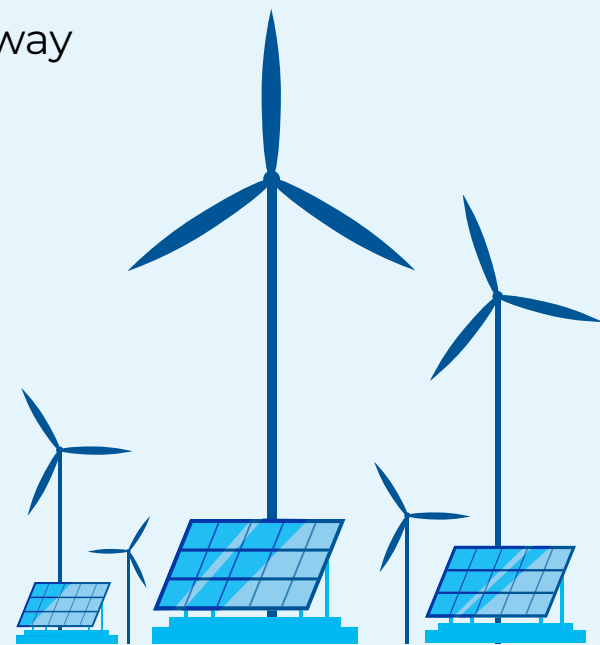
Our commitment to sustainable operations



Table 1: South Pole’s commitments

100% Renewable Energy

- All locations powered by 100% renewable energy since 2019, with an aim to keep it that way



B Corp Certification

- Committed to becoming a certified force for good globally. South Pole USA and Australia are already certified
- Average B Corp score is currently 92, 80% higher than the median score for “ordinary businesses”, now to push that even higher.



Climate Neutral Now & Climate Active

- Kept Climate Neutral Now pledge to minimise GHG and compensated for residual emissions since 2016
- Certified carbon-neutral in Australia by Climate Active



Net Zero

- Committed to UNFCCC Race to Zero and set a long-term science-based target to reach net-zero value chain GHGs emissions by no later than 2050.
- Developing a decarbonisation plan to include interim science-based targets across all GHG scopes in 2022.



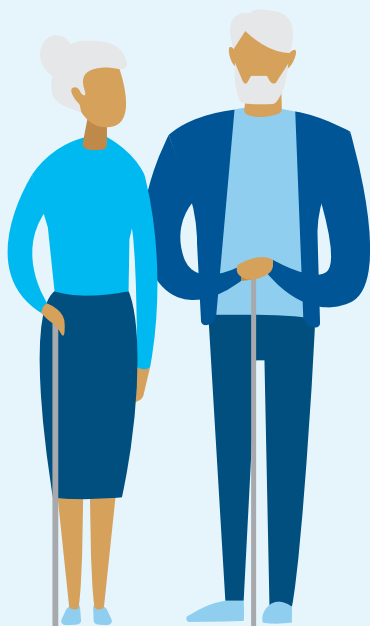
Science Based Target

- An 1.5°C science-based target for direct emissions validated by the Science Based Target initiative (SBTi)
- See Net Zero above for concrete steps towards reaching this target



Sustainable Pensions

- Committed to ensuring default pension providers across our offices are sustainable by the end of 2022



United Nations Global Compact

- Adhere to UNGC 10 Principles and strict code of ethics on anti-bribery and anti-corruption
- Reporting progress publically via United Nations Global Compact (UNGC) member since 2015



Principles for Responsible Investment (PRI)

- Committed to reporting to PRI standards to understand the investment implications of environmental, social and governance (ESG) factors



II. Environment

South Pole's mission is to accelerate the transition to a climate-smart society, so a large part of our sustainability impact is how we catalyse change via our clients and partners. We call this our 'environmental handprint'.

Our efforts have made direct contributions to several of the UN's Sustainable Development Goals (SDGs), including SDG 13 'Climate Action', SDG 7 'Affordable and Clean Energy', SDG 9 'Industry, Innovation and Infrastructure' and SDG 15 'Life on Land'.

SDGs in Focus



Figure 4: Sustainable Development Goals in focus

South Pole delivers its environmental handprint in many ways, with a list of our ever-evolving expertise found on our [website](#). The core ways in which we deliver climate action include:

- **climate projects:** we develop and finance projects around the world that reduce carbon emissions, protect

biodiversity and create real benefits for local communities;

- **climate solutions:** we take companies on a [Climate Journey: from ambition to action](#), from understanding climate risks to amplifying climate action and becoming climate leaders; and
- **climate investments:** we develop, fund and manage climate impact funds and foundations, ensuring that every dollar invested creates maximum leverage to boost the transition to a net zero emissions world.

Furthermore, one of our values is integrity. This means we pursue the same ambitious sustainability goals we prescribe to our clients. As such, this section reports not just on our environmental handprint, but our environmental footprint too. A summary of our commitments can be found in the Our Commitments section of this report above, whilst an update on our progress can be seen in [Appendix C](#).

Given our material topics, this section will focus on:

- 'carbon handprint' – climate action via our climate projects;
- biodiversity; and
- carbon footprint – sustainability and climate action within our own boundaries.

Carbon handprint: delivering authentic climate action

South Pole, recognised by the World Economic Forum as a ‘social enterprise’, has been at the forefront of decarbonisation since 2006. As a leading project developer, we have provided climate finance to over 700 projects in over 50 countries, reducing millions of tonnes of CO₂ emissions and providing social benefits, such as cleaner air and water, to less privileged communities who are particularly vulnerable to climate change.

We would fail to deliver our mission if this climate action were not genuine. That’s why we’re a proud member of the International Carbon Reduction and Offset Alliance (ICROA) Code of Best Practice. This means we’re committed to:



- measuring client carbon footprints according to international standards: GHG Protocols, ISO 14064, World Business Council for Sustainable Development, and World Resources Institute;
- encouraging clients to set ambitious reduction targets that align with a 1.5°C emissions development pathway;
- ensuring carbon projects are certified by high-quality carbon standards that meet ICROA’s Code of Best Practice for carbon certification;
- using third-party registers to transfer and cancel the carbon credits used for emission compensation; and
- encouraging clients to announce their carbon footprint to create new industry norms that encourage climate action. This includes emissions associated with the organisation, its products, services, events, and actions taken to compensate for their emissions.

By adhering to the best practice industry standards, we give our clients confidence that our projects deliver genuine climate action. It also gives the world a fighting chance to decarbonise the economy, and reach net zero by 2050.

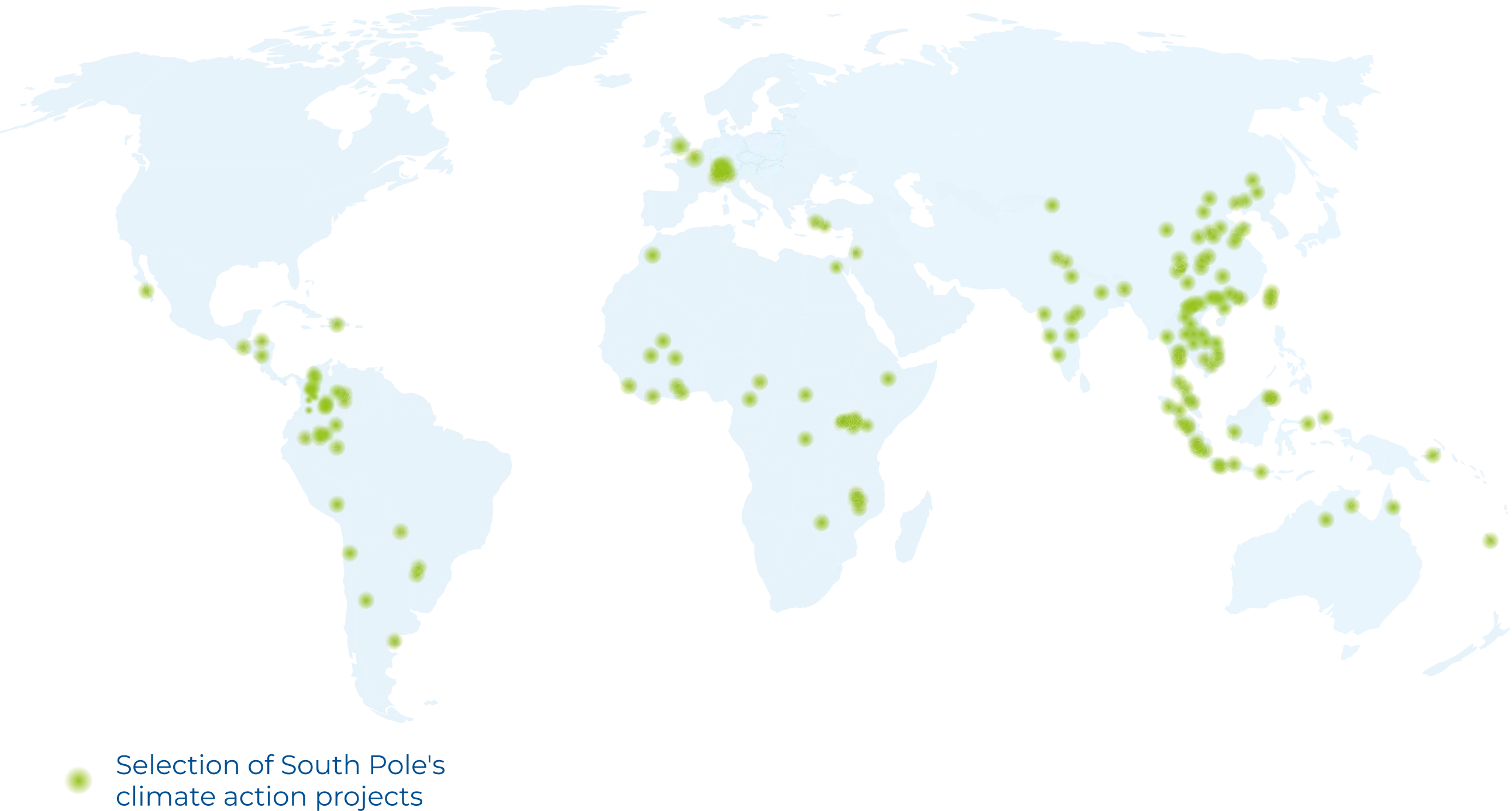
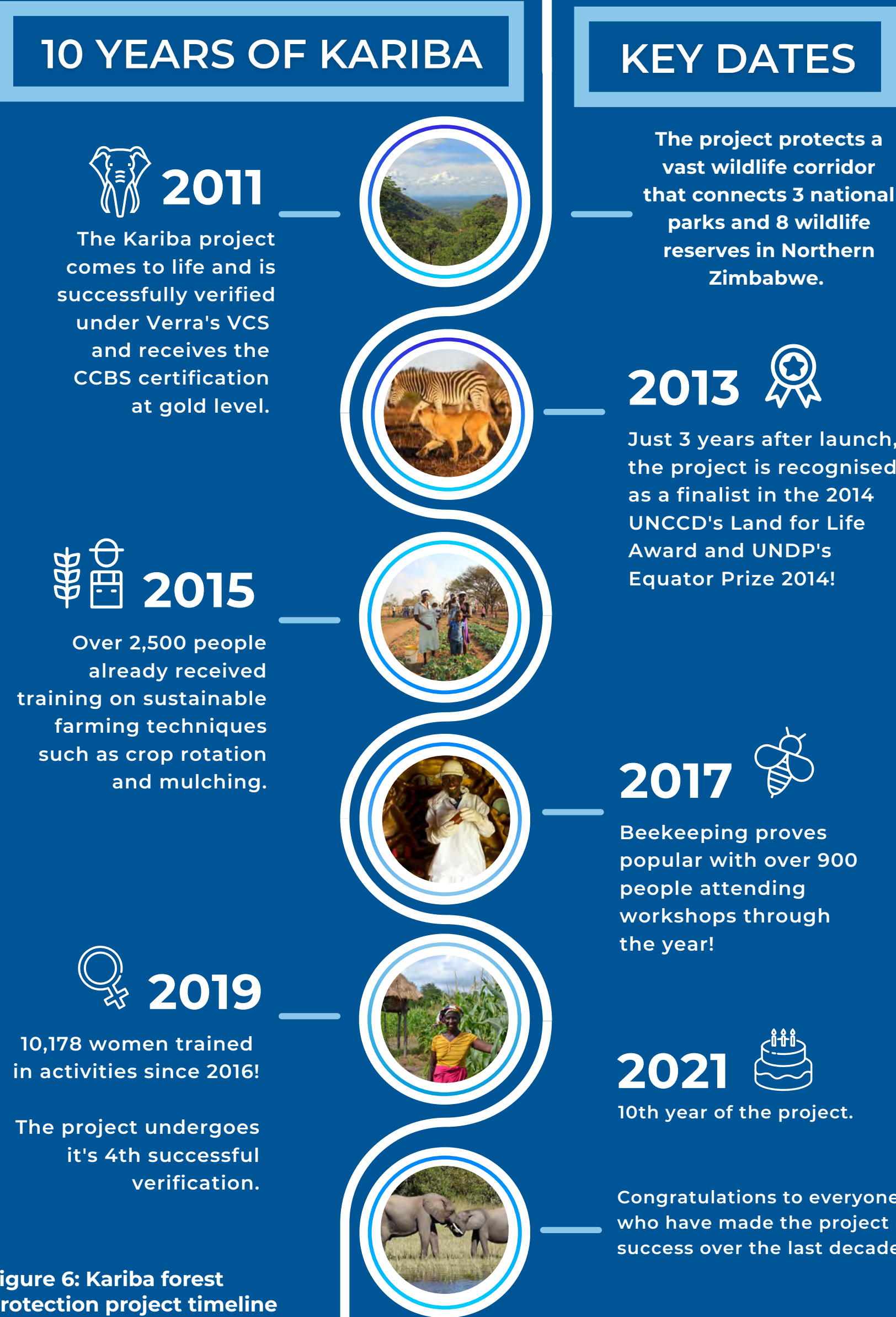


Figure 5: Our climate action projects around the world

Kariba forest protection project

In 2021, COP26 amplified the urgency of ambitious climate action, and science agreed that nature-based solutions will play a core role. This includes reducing emissions from deforestation and forest degradation (REDD+) climate projects. Among their many benefits, healthy forests foster biodiversity, support local communities, regulate the climate and prevent irrecoverable carbon from being released back into the atmosphere.

At South Pole, we were implementing nature-based solutions before they went mainstream. In 2021, the longest-standing REDD+ project in Zimbabwe, the Kariba forest protection project, celebrated its 10-year anniversary – and we’ve been with it every step of the way.



Scaling carbon removals together with Mitsubishi Corporation

South Pole continues to accelerate the transition to a climate-smart society. One of the ways we are doing this is through the development of innovative technological solutions, such as the [Next Generation Carbon Removal Purchase Facility](#), together with Mitsubishi Corporation.

The facility aims to buy at least 1m tonnes of certified carbon removal credits by 2025 at a target price of \$200/tonne. The facility will purchase and retire certified carbon removal credits from carbon removal technology projects that can deliver permanent carbon storage and which show the potential for significant cost reduction over time.

To make this future a reality, we need to build a credible carbon removal industry that does not yet exist. As of today, the cost of technological carbon removals range from USD 50 to over USD 400/tCO₂ removed. In order to drive down costs, accelerate technological development and increase the volume of robust solutions, it is imperative to start investing in carbon removal technologies today. The Next Generation Carbon Removal Purchase Facility addresses this urgent need by supporting technological carbon dioxide removal projects through the purchase of certified carbon removals over a period of 10 years or more, starting in 2022.

“ The NextGen CDR Facility will provide a secure revenue stream for new carbon removal technologies to accelerate their development. Importantly, it will help drive down the price per tonne of CO₂ removed over time. ”



Patrick Buergi,
Head of Innovation, South Pole



Compass Group UK&I

Compass Group PLC is the world’s largest food services caterer. Its 550,000-strong global team operates in over 40 countries and serves 5.5 billion meals a year. Last year, its UK & Ireland business (UK&I), which works in partnership with clients in circa 6000 locations, set an industry-leading commitment to achieve climate net zero by 2030.

South Pole has been consulting the UK&I team to support them in the successful delivery of this commitment. Our Agricultural Value Chain team helped to develop a Net Zero Roadmap, which relied on modelling the reduction potential of interventions designed to mitigate emissions from ‘carbon hotspot’ products. This included beef, dairy and chicken. We also helped set science-based targets (SBTs) to ensure that any reductions are aligned with climate science, as laid out by the Intergovernmental Panel on Climate Change (IPCC).

Two examples of actions taken to drive emissions reduction, include the launch of its policy to reach a 100% electric fleet, and the launch of a milk pilot to facilitate engagement with over 500 farmers. This was designed and supported by South Pole, given dairy represents 10% of Compass UK&I's footprint.

By communicating insight like this, and by harnessing chefs’ creativity to reformulate the menus, Compass continues to encourage the increased use of local, seasonal, and plant-based ingredients in pursuit of achieving a 25% switch from animal to plant-based proteins by 2025 and a 40% switch by 2030 across the UK&I business. Substituting beef for mushroom wellington across a large multi-site contract, serving vegan fish and chips using banana blossom for many a music fan, and reducing beef in patties served to rugby and football fans by 50%, to offer three examples. They also underline an increasingly clear and powerful brief for chefs across the business: reformulate Compass

UK&I’s 87,000+ recipes to successfully reduce the embodied carbon on the plate, before that plate even reaches the customer. At one event, the footprint of which was calculated by South Pole, Compass’ chefs achieved a 66% reduction per portion; from 11.8kg CO₂e to 4.02kg CO₂e.

“As part of the largest global food services caterer in the world, our urgent responsibility to act also carries an enormous opportunity to influence wider societal decarbonisation. Successfully reaching climate net zero by 2030 will be an extraordinary achievement. But it will also be a hollow one if we don’t use the millions of meals we serve across every sector of society to inspire dietary shifts at scale, in partnership with our clients. The benefit of South Pole’s expertise and guidance is increasingly evident in our work and we are so appreciative to Mark and the team for their continued support and dedication,” says Carolyn Ball, Director for Delivery of Net Zero.

“ We helped Compass Group set leading science-based targets to ensure that any reductions are aligned with science laid out by the Intergovernmental Panel on Climate Change (IPCC). ”



Mark Day,
Senior Consultant, South Pole

“ A key challenge Compass Group UK&I needs to embrace is the short time horizon from today through to 2030 in which deep reductions in absolute emissions of 80% need to be achieved. ”



Karine Basso
Practice Lead, South Pole

Climate action innovation

To achieve net zero by 2050 is an ambitious challenge, and many of the solutions required to achieve that goal have yet to be invented. However, great innovation is possible when organisations collaborate, and that’s just what South Pole does every day.

One of many such examples of this collaborative innovation is creating new, credible and robust methodologies under globally accepted standards to measure long-term carbon capture by new technologies. This helps ensure that climate action is delivered by, for example, carbon captured by real and verifiable biochar.

Biochar is a form of stabilised biomass often characterised by charcoal-like products with huge carbon removal potential. However, until recently, this solution was not scalable as it lacked a robust methodology for measuring carbon drawdown. This meant it could not be used by actors in the voluntary carbon market.

In 2021, South Pole was one of the lead authors of the new Verified Carbon Standard (VCS) biochar methodology. This means that our personal target of avoiding or removing one million t of carbon each year by 2026 is no longer just a number, but an achievable and verifiable climate action target. Moreover, it means that other climate projects can do the same. For more, see our biochar factsheet [here](#).

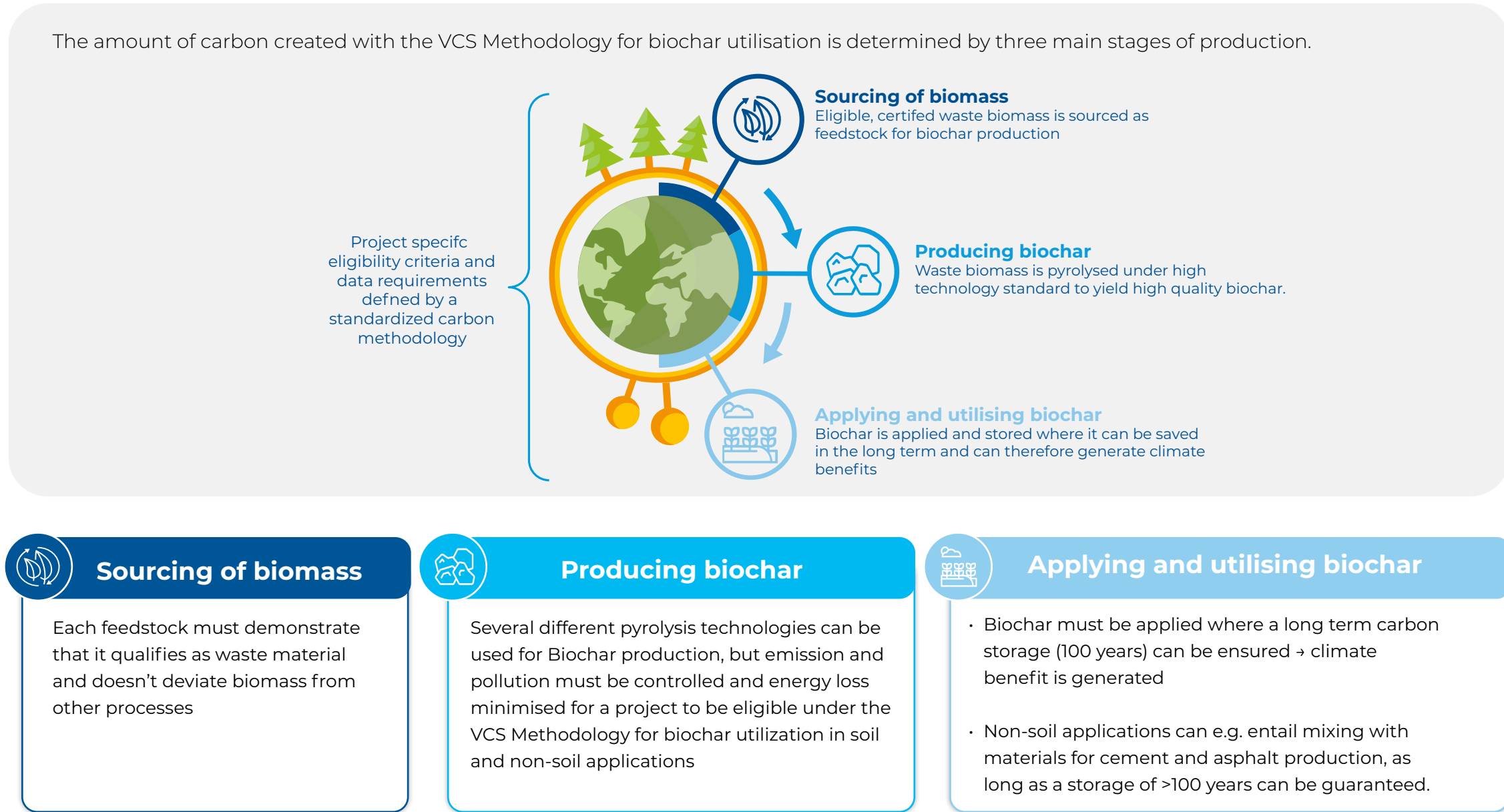


Figure 9: Delivering climate action through biochar

Protecting and restoring biodiversity

Biodiversity is important as it is the mechanism that supports all life on Earth, including humans. Without biodiversity, we would not have healthy ecosystems which supply us with the essential necessities of life, such as food and air. But protecting biodiversity is not a simple problem when we face issues such as population growth and climate change. Here at South Pole, we want to protect and regenerate the diversity of living organisms at the genetic, species and habitat level via our consulting, carbon credits and innovation work. We hope that this work will contribute to making a positive difference.

The Cool Farm Alliance and biodiversity

The rapid loss of species today is estimated to be 1,000–10,000 times higher than the natural extinction rate. If there are around two million species on our planet, that means 200–2,000 extinctions occur each year ([World Wide Fund for Nature, 2022](#)). Unsustainable agriculture contributes to this problem as, whilst the intensity of food production grows in step with the human population, biodiversity often suffers.

The Cool Farm Alliance (CFA) gives millions of farmers around the world the ability to measure and reduce their environmental impact. South Pole has contributed to the CFA’s tool for soil health and economic indicators. We’ve also helped the CFA to launch a European carbon payment programme, ensuring that the carbon credits generated are aligned with ‘ISO 14064’.

As members of the CFA, we continue to contribute to the development of useful tools to support the agricultural sector in monitoring and measuring environmental impact. We recently joined the CFA’s biodiversity working group to develop the biodiversity measuring module of the tool, and are now supporting farmers directly in using these tools. Overall, this has helped drive systemic change not only to improve the lives of farmers, but of the ecosystems we all depend on.

Innovation in biodiversity

Climate and biodiversity action are key to delivering sustainable development, but without resilient and healthy ecosystems, the world as we know it will collapse ever more severely. Unfortunately, according to data tracked by the International Union for Conservation of Nature ‘Red List of Threatened Species’ on more than 134,400 species from across the animal kingdom, more 37,400 species, or a rate of one in four, are currently threatened with extinction ([UN, 2022](#)). In the past 10 years, deforestation rates have skyrocketed, meaning habitat and forest loss continue to drive negative numbers for nature protection around the world.

At South Pole, we strongly believe that the biodiversity credits strategy is an innovative approach to channelling investments for protecting and restoring biodiversity. Each credit quantifies the net positive impacts of an investment of 1 ha (i.e. 2.5 acres) in a transparent and equitable way.

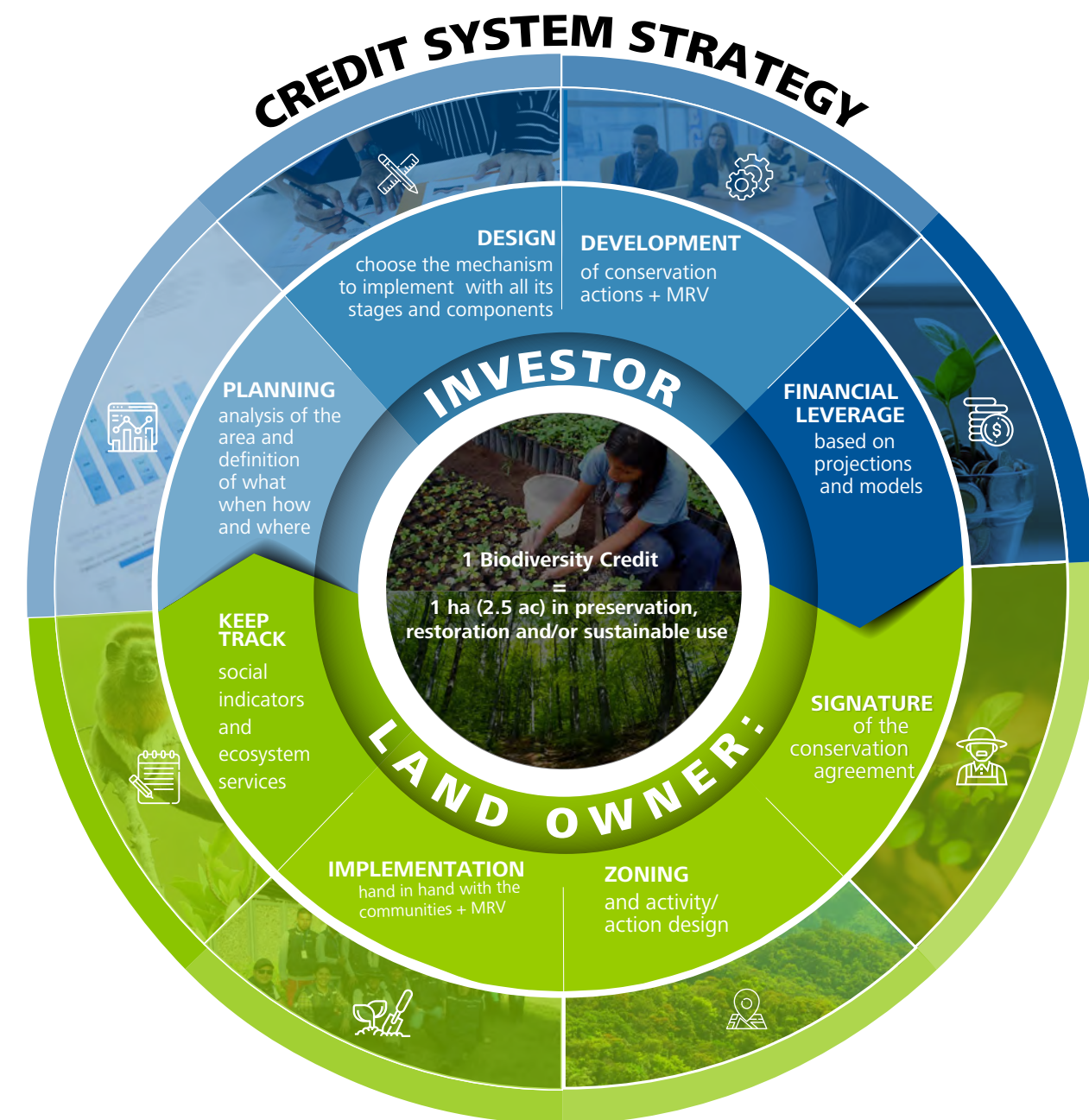


Figure 10: Credit system strategy

America. This is a major achievement, as it validates the viability of our biodiversity credit mechanism, adaptable to multiple countries' regulatory frameworks, whilst enabling the possibility and opportunity for voluntary biodiversity investments that seek long-term positive impacts.

Looking forward, it is exactly this kind of platform and mechanism that the world will need if we are to develop practical solutions to deliver positive natural impacts by 2030, 2050 and beyond.

Our environmental footprint

Reporting to the United Nations Global Compact (UNGC) every year since 2015, we make ambitious sustainability commitments and pursue them through our comprehensive sustainability action plan.

In 2021, we doubled down on our ambition via the UN SDG Ambition Accelerator programme and added a resolution to our plan, given our latest materiality assessment. A summary of our goals and progress to date can be found in [Appendix C](#).

Carbon footprint

Our sustainability action plan cannot be achieved unless all goals are delivered in a holistic way. However, our carbon footprint is a particularly material topic for our stakeholders, which is why we give it special attention here.

Every day, South Pole helps deliver SDG 13 'Climate Action' at scale. However, this couldn't happen without emitting some carbon, given the global economy we live in.

For example, without air travel, we couldn't ensure carbon projects are certified by high-quality carbon standards. We also couldn't scale-up our business to help more clients reach net

zero.

On average, we've helped clients reduce 6,000 times more emissions each year than our own carbon footprint. In 2021, we doubled this ratio to 12,000. Though we expect this number to go down again as the post-pandemic economy rebounds, we're still proud of those numbers, and commit to driving it in a climate-positive direction.

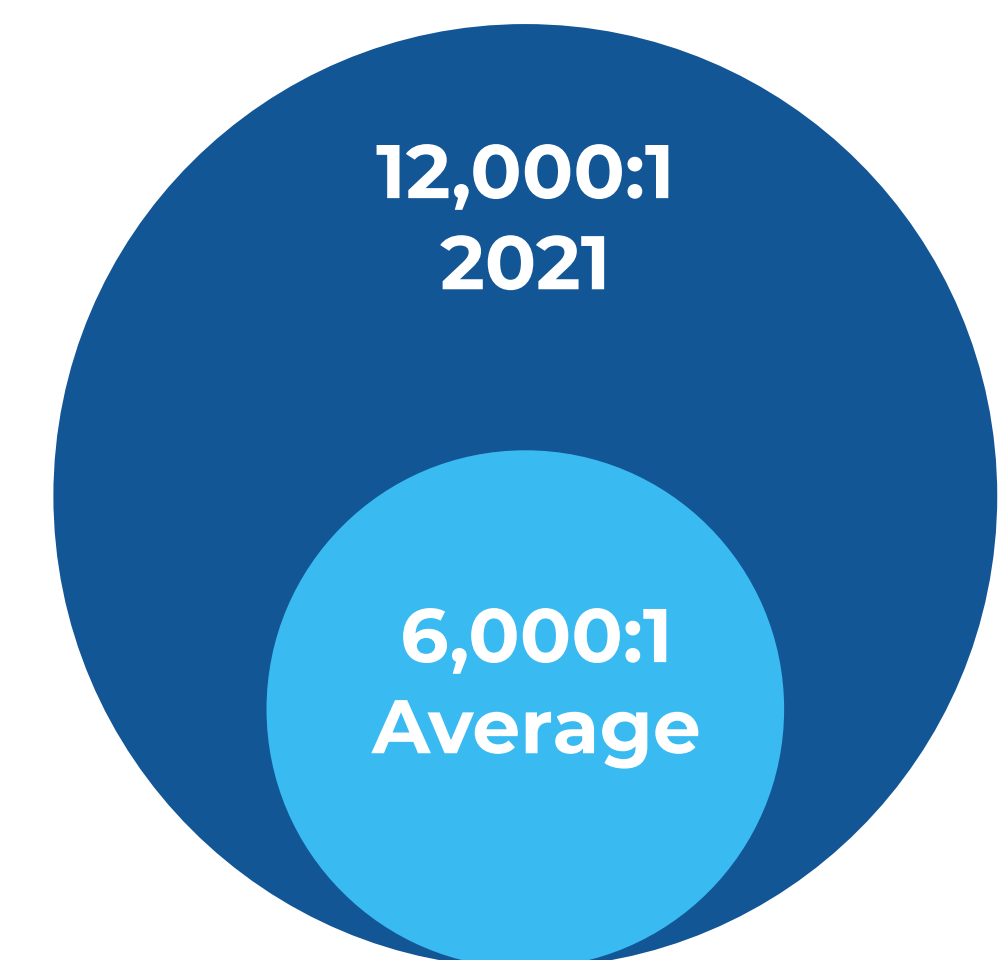


Figure 11: For every tonne of carbon South Pole emitted in 2021, we delivered 12,000 tonnes of climate action to our clients

South Pole practises what it preaches in terms of ambitious target setting. That's why we set an SBT for 2030 last year in line with 1.5°C global warming scenarios and validated by the Science Based Targets initiative (SBTi).

However, as this target was specially designed for small and medium-sized enterprises (SMEs), South Pole knew its ambition had to grow in step with its size. That's why we've now committed to the UN Framework Convention on Climate

The long-term benefits of this mechanism include:

- incentives for landowners to preserve, restore or dedicate land to sustainable use and development opportunities for communities in conservation areas, whilst helping to protect the health and life of our planet;
- results and rewards for the investor with regard to risk management,
- cleaner/greener operations and reputation; and
- value for nature derived from no net loss/gains in biodiversity and enhancement to ecosystem services.

In 2021, South Pole signed a contract for the delivery of 51 biodiversity credits to offset the impact of a large infrastructure company in South

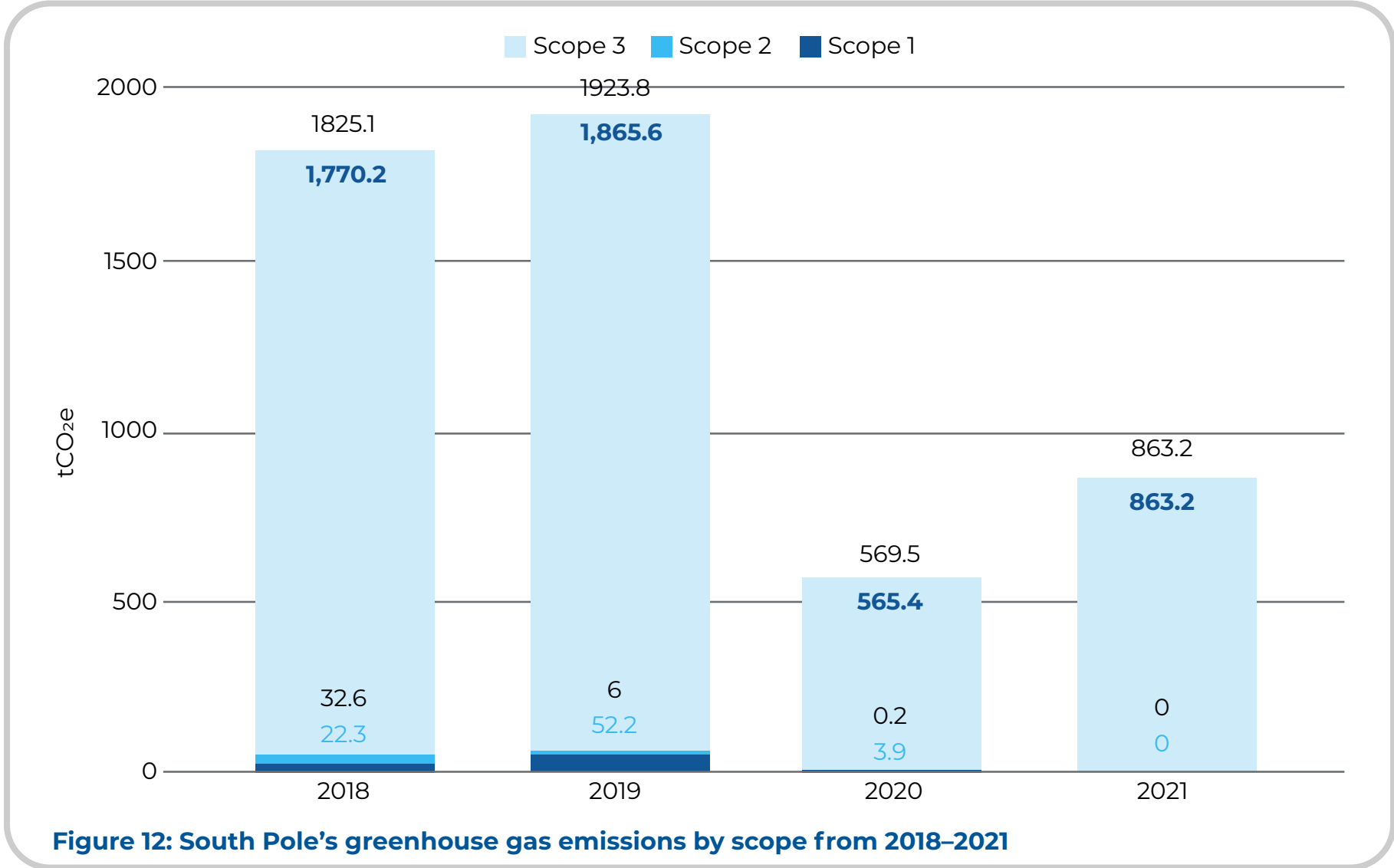
Change’s (UNFCCC) ‘Race to Zero’ and set a long-term SBT to reach net zero value chain GHGs emissions by no later than 2050. We expect a full decarbonisation plan covering all scopes to be completed in 2022, which will then be submitted to the SBTi for validation.

Though every effort will be made to reduce absolute emissions, it would be impossible to reduce this to zero straightaway. So until we reach our target, we will compensate for residual emissions via high-quality carbon removal and reduction methods. In fact, we’ve done this ever since our UN Climate Neutral Now pledge in 2016. In other words, we were climate neutral before it went mainstream.

In 2021, our total GHG emissions were 863.2 tCO₂ e (see figure below). That’s:

- a 51% increase from last year, mostly due to a rebounding, post-pandemic economy; and
- a 52% decrease vs 2018, the baseline year for our 1.5°C-aligned SBT.

Whilst we have technically exceeded our SBT already, we know that this is due to the pandemic’s impact on the business world and is highly likely to change next year. However, as a climate leader, we aim to capture the lessons from the pandemic to drive less carbon-intensive operations in the future.



Best practice carbon compensation

When we compensate for our carbon emissions, we follow the same advice that we give to our clients. This means that we make every possible effort to

reduce our absolute emissions first. Only then do we compensate for them via high-quality emission reductions.

At time of writing, the Ukraine crisis has devastated not only the livelihoods of people involved in the conflict, but food

security around the world ([World Bank, 2022](#); [Reuters, 2022](#)). Consequently, we decided to compensate for our 2021 emissions this year via the two projects described below, which contribute to the critical SDGs 2 ‘No Hunger’ and 6 ‘Clean Water and Sanitation’.

Kariba Forest Protection project

Meet Lilian Baya
Farmer, Hurungwe district

Mrs Baya was named 'champion farmer' of Hurungwe district in 2019. After being trained by the project and employing sustainable techniques successfully for years, she is now educating and empowering groups of female farmers to follow in her self-subsistent footsteps. Many women like Lilian have been at the forefront of agricultural activities, taking training through the project and assuming leadership roles in farming and nutritional gardens.

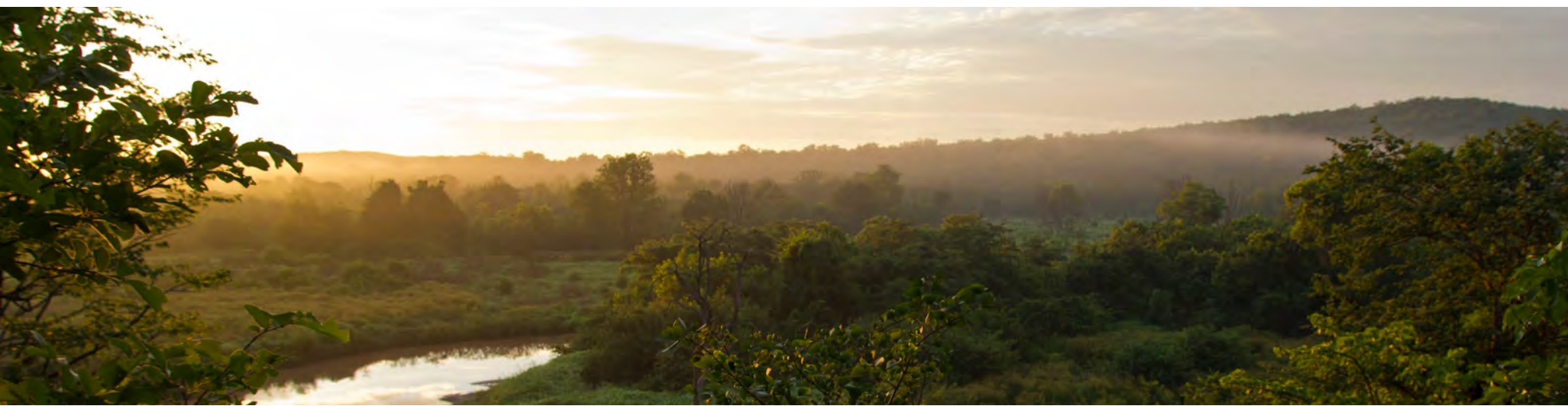
Meet Elina Muleya
Moringa grower, Binga district

Despite the challenges they face, widowed women, such as Elina, have been actively involved in project activities. On hearing the benefits of growing Moringa, Elina began a plantation of 47 trees. Amazed by the profits she made from selling leaves, she put aside savings each month and eventually managed to contract a builder to construct her a one-person house! Elina's success story is a one that has empowered many widowed women to become involved, showing how hard work and sustainable practices can provide substantial long-term returns.

Meet Jeritha Ndlovu
Farmer, Binga district

Since following a 3 day workshop in 2015, Jeritha, a mother of 6 children, has been championing conservation farming techniques, such as mulching and crop rotation. Prior to training Jeritha admitted she was struggling to put food on the table, however said that "there is reward in listening, learning and practising what you learn". She is now able to provide for her family through crop sales, paying school fees, buying clothes as well as furniture for their family home!

Figure 13: Kariba forest protection project: meet the community



Safe Water Cambodia



Prin Da, Along Tamey village

"I produce drinking water together with my wife. Thanks to this work I am able to support my family and earn enough to send my older son to college."



Community member, Cambodia Clean Water Project

"I used to collect water from the pond, and my kids often had stomach aches and became ill."

Our commitment to UN Climate Neutral Now means we compensated for 20% of our emissions from the Safe Water Cambodia project, which is specially certified by the UNFCCC.

According to the World Health Organization, more than two billion people, or one in three people globally, do not have access to safe drinking water. In areas of rural Cambodia, many people have little choice but to drink contaminated water from rivers, ponds and swamps or to use firewood to boil and purify it first.

This project provided microfinancing for small enterprises and entrepreneurs to set up local, environmentally focused water treatment stations. Currently, more than 260 enterprises are providing clean and affordable water to over 800,000 Cambodians.

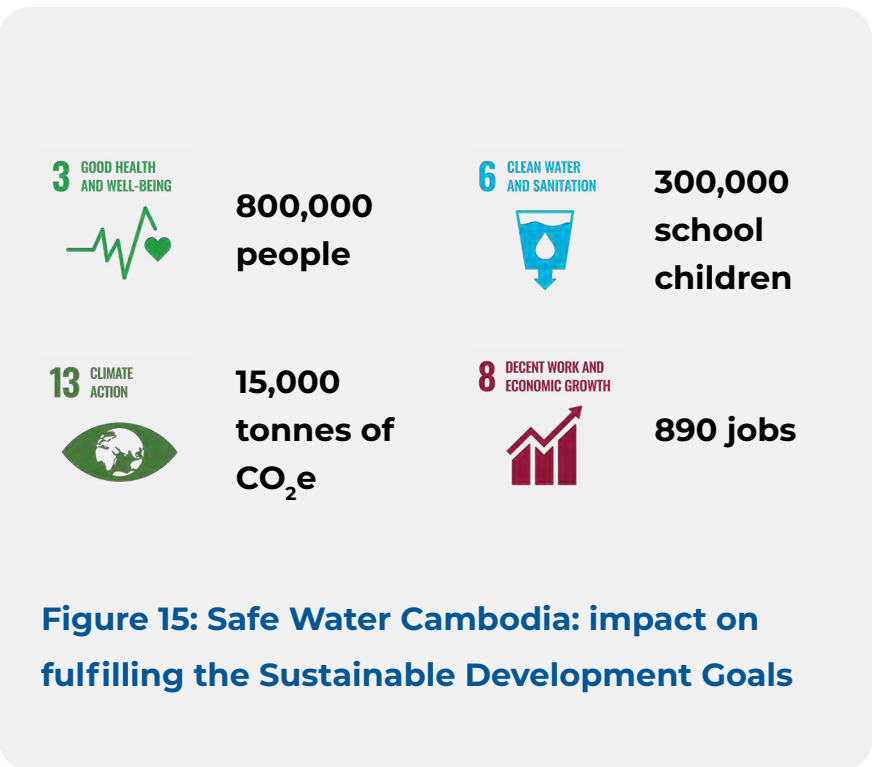
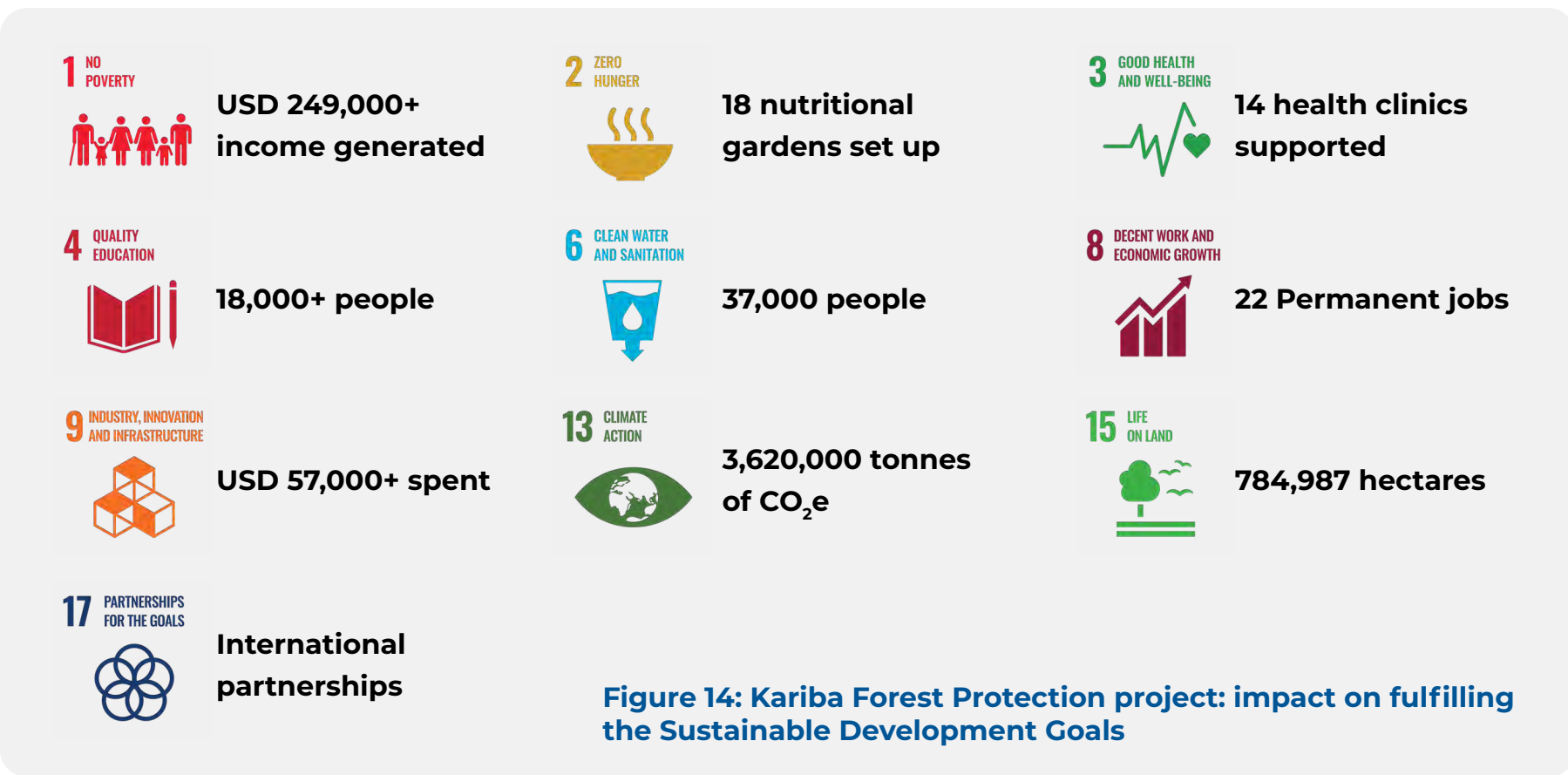
Along with increasing access to clean water, this project also fosters economic opportunities by creating jobs and enabling people to earn a living by purifying and distributing sourced water to neighbouring communities.

In recent decades, Zimbabwe has suffered from political and economic turbulence, which has had a knock-on effect on the land. For example, more than a third of Zimbabwe's majestic forests have been lost, which has put a strain on the ecosystems that many people rely on for their livelihoods.

The Kariba project is the longest-standing REDD+ project in Zimbabwe (see the 'delivering authentic climate action' section for more information). It delivers on SDG 2 'No Hunger' via:

- training 22,000 people in conservation farming techniques, delivering improved crop yields; and
- training 6,000 people in beekeeping, with 520 kg of honey being produced in September 2021, translating to 1,000 jars of honey sold locally in Nyaminyami - one of the four districts within the project.

By purchasing certified carbon credits from the Kariba project, we're helping to sustain these positive impacts for the future to come.



III. Society



Just like our environmental handprint, our social handprint is a huge part of how we contribute to sustainable development around the world. By supporting climate action projects and collaborating with clients and project partners, we contribute to social wellbeing on a global scale.

For example, we have screened over USD 2 trillion in investments and assets and have helped to create over 175,000 jobs since our inception in 2006.

Moreover, we're always looking for ways to deliver positive social impacts beyond our business model. In 2021, the global pandemic took a new shape; whilst many rich countries were well vaccinated by the middle of the year, the Global South lagged behind. This issue is known as vaccine inequality, and South Pole built on its previous COVID-19 support to address this.

But whilst we're proud of our social handprint, we also make strong commitments to our people (or, rather, our Penguins). This means we commit to ensuring that our employees are happy, healthy, safe and fairly treated at work

and that our sustainability action plan has goals to reflect this (see [Appendix C](#)).

The combination of these have helped us contribute to SDG 3 'Good Health and Wellbeing', SDG 4 'Quality Education', SDG 5 'Gender Equality' and SDG 8 'Decent Work and Economic Growth' in particular.

SDGs in Focus



Figure 16: Sustainable Development Goals in focus

Given our material topics, this section will focus on:

- talent Attraction, retention and development;
- community engagement;
- mental health and wellbeing; and
- diversity, equity and inclusion.

Community engagement

The UN SDGs envision a world where there is prosperity and wellbeing for all. But without active collaboration between individuals, companies and governments, this will not be possible. That's why South Pole wants to support communities within our sphere of influence. That not only includes communities in the Global South who benefit from our climate action business model, but engagement initiatives at a local scale through our offices.

There are still a lot of opportunities for us to help in the future, but below are two examples from 2021 we think generated a truly positive impact on their local communities.

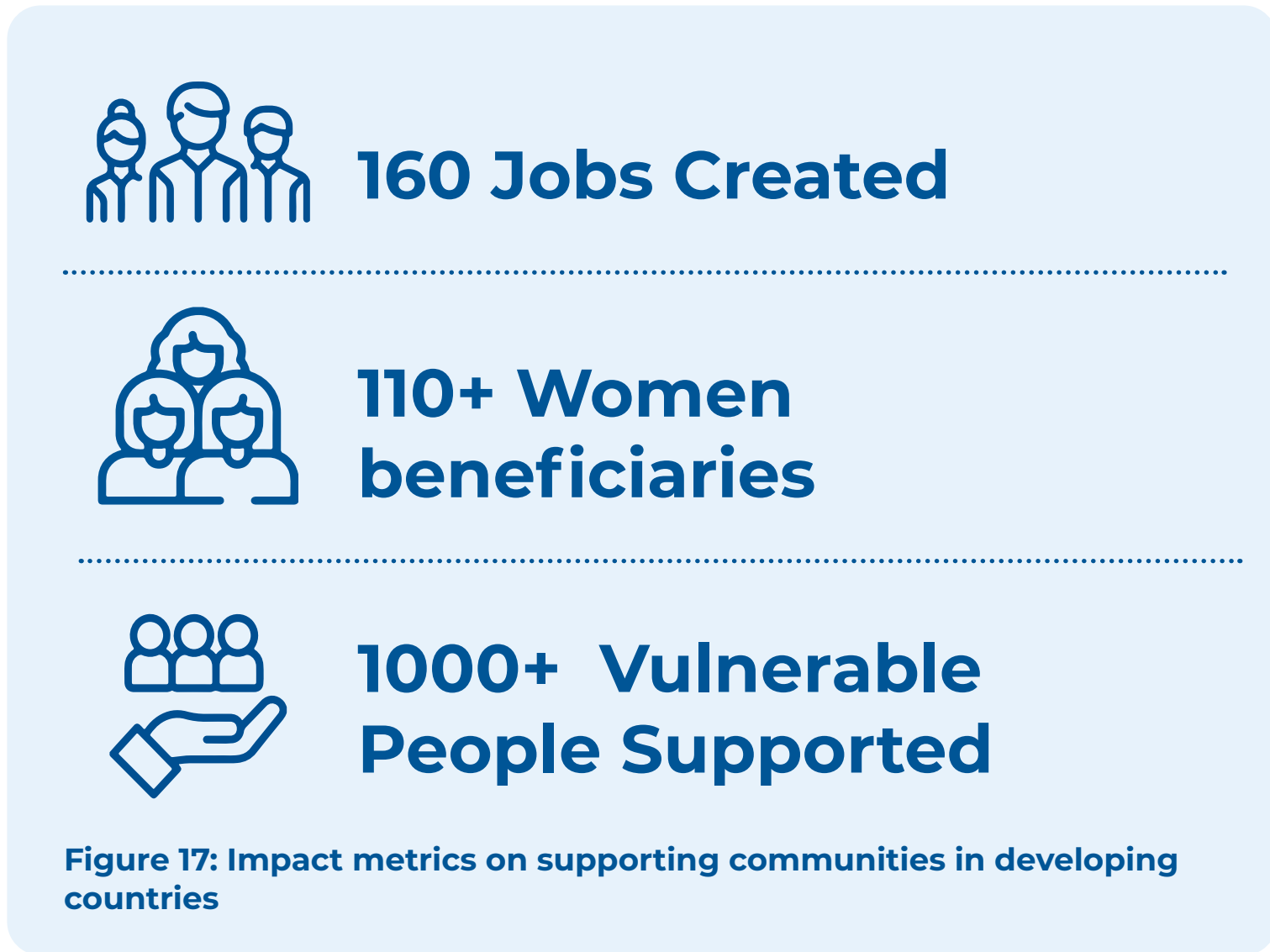
Investing in society

In 2021, restrictions imposed by the global pandemic held back much of our on-the-ground work. Nonetheless, our Impact Funds and Action platform measurably improved the lives of over 1,250 people in developing countries.

This included the creation of over 160 jobs via investment and support offered to 86 SMEs. In addition, over 110 women reported a socio-economic uplift through job stability and receiving higher wages. South Pole recorded benefits via the following:

1. Number of female SME founders
2. The women considered here are the SME employees that will benefit from the future loan that will be given to them. Additionally, given that this SME works with cocoa farmers, women from these farms are being taken into account.
3. South Pole supported the nomination of 3 women on the CPIC Steering Committee (out of 4 new SC members) and ensured as much diversity as possible in panellists at CPIC events.
4. Continuous effort to ensure a gender balance across all stakeholder engagement activities. Particularly relevant to pursue women empowerment in the male-dominated sector of engineers.

Additionally, over 1,000 vulnerable people were supported by our projects. This included indigenous communities, low-income households and smallholder farmers. As pandemic-related restrictions lift, we look forward to delivering even more impact in 2022.

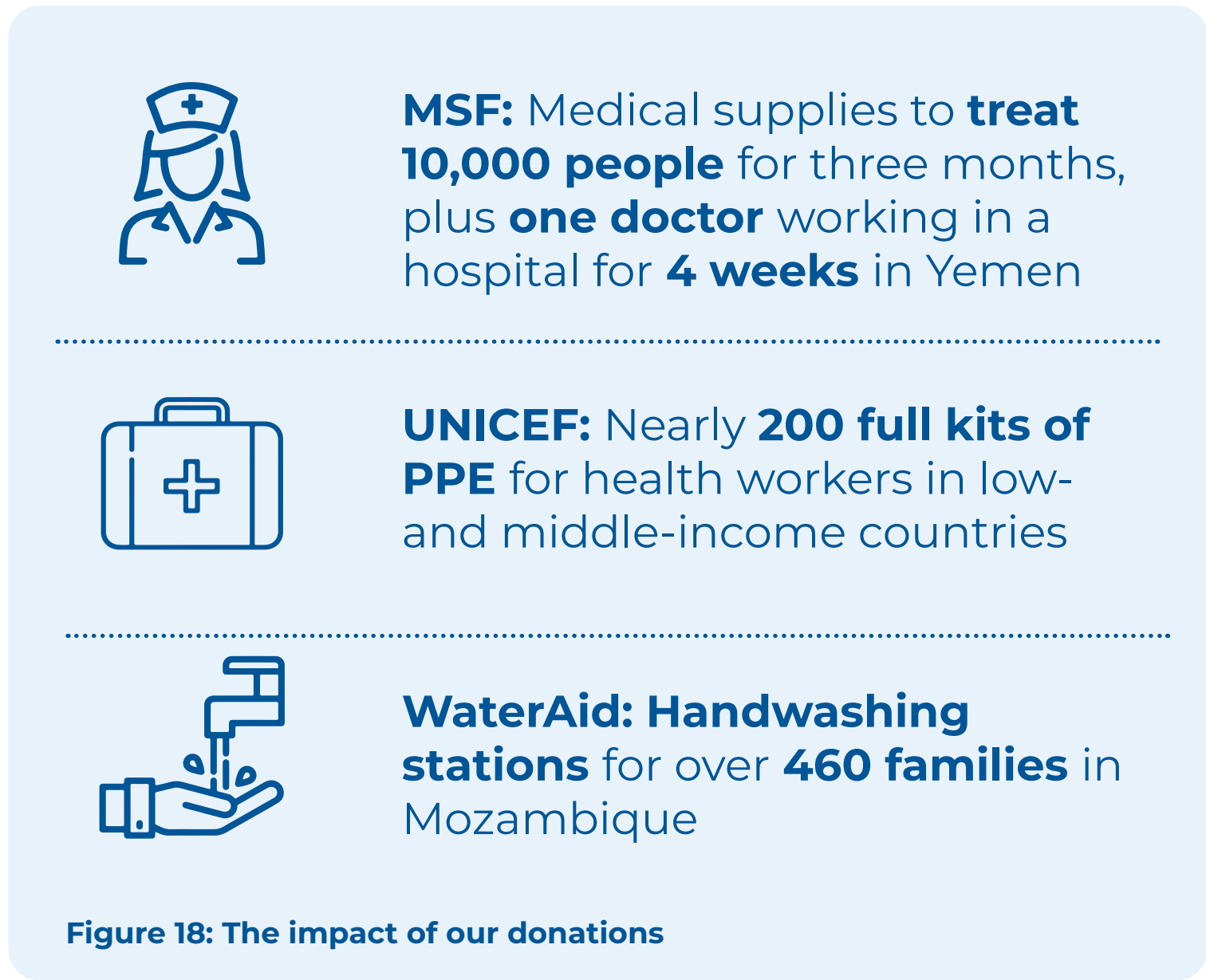


Vaccine inequality

In 2021, vaccines played a key role in protecting communities from the COVID-19 pandemic. But many communities in the Global South were unable to access their first vaccine by the end of the year. In fact, 75% of vaccine doses delivered across the world have gone to just 10 countries ([The Guardian](#), August 2021). This made vaccine inequality an important issue for South Pole, which has always put the Global South at the heart of its climate action mission.

What did South Pole do to help? We asked staff to vote on how to allocate EUR 25,000 from South Pole's annual Humanitarian Relief

Fund. We're proud to share the impacts this could make below:



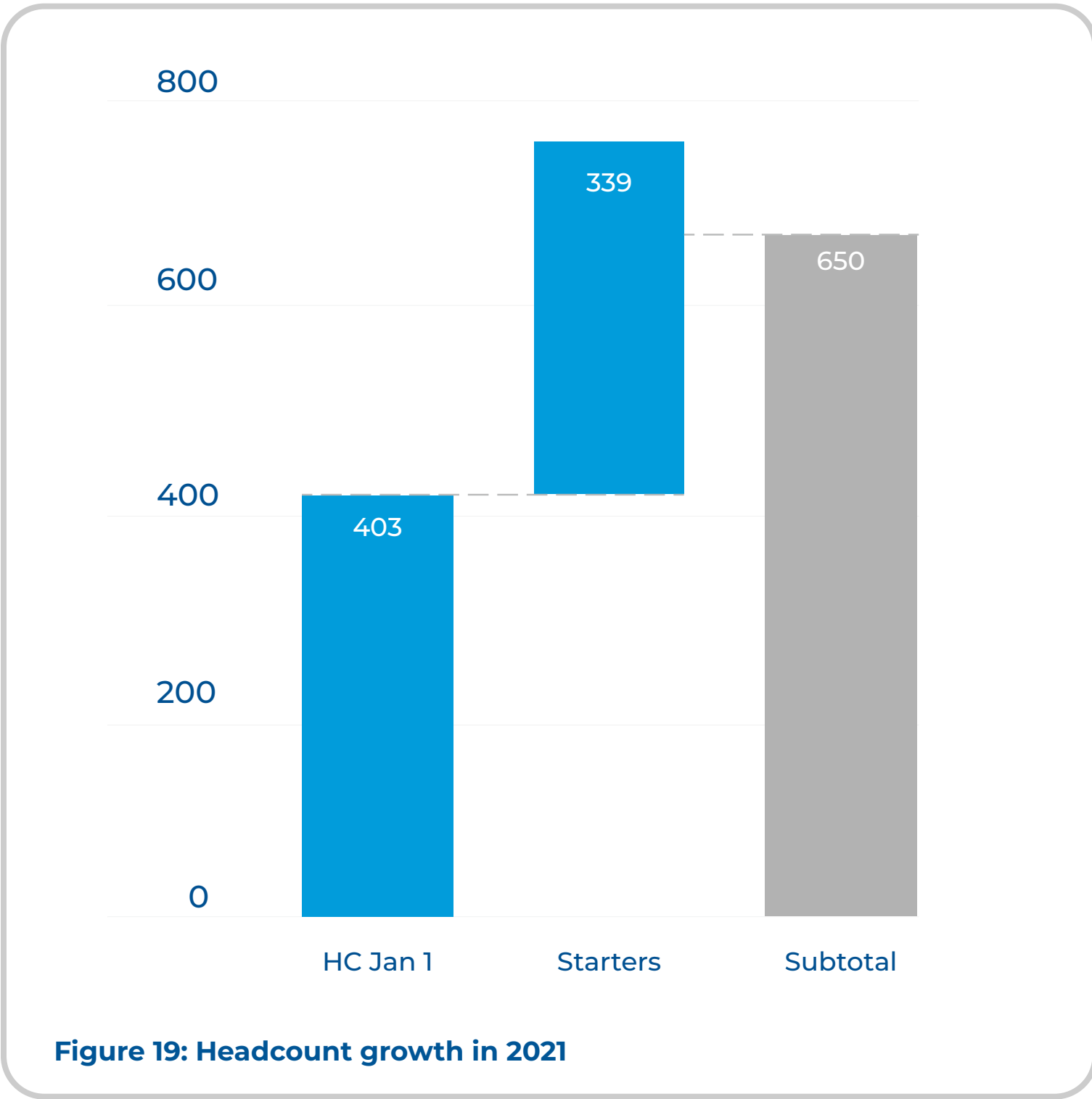
We know this is only a small contribution and that vaccine inequality must still be addressed through urgent action at scale. But for a company of our size, we consider that to be EUR 25,000 well spent! To learn more about the initiatives we helped, see their websites below:

- [UNICEF's COVID-19 Vaccine appeal](#);
- [Médecins Sans Frontières COVID-19 appeal](#);
- [GO Campaign's COVID-19 relief appeal](#);
- [Indian Red Cross's Battling COVID-19 appeal](#); and
- [WaterAid's India & South East Asia Emergency COVID-19 appeal](#).

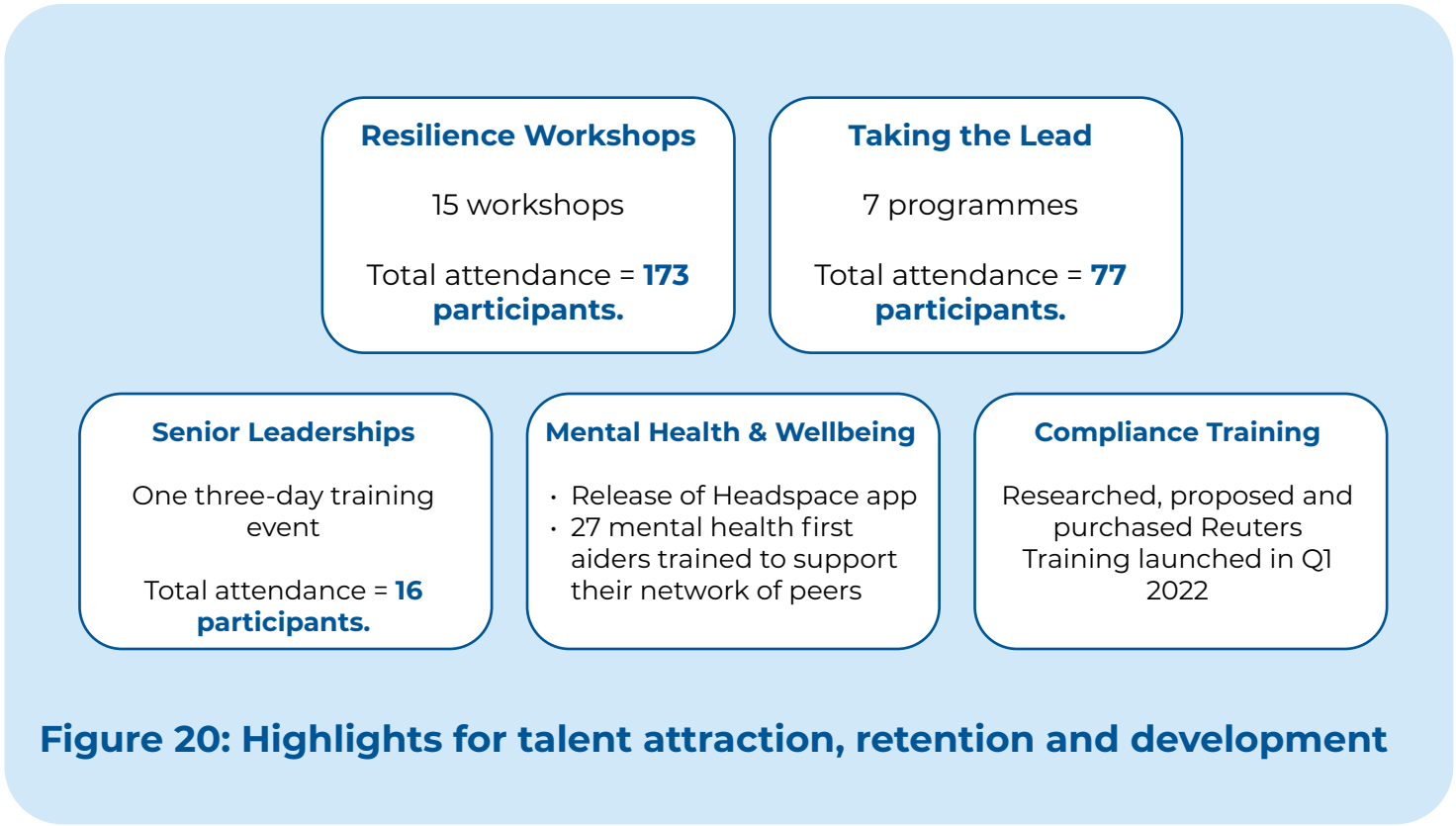
Talent attraction, retention and development

At South Pole, we provide innovative sustainability solutions tailored to the needs of specific organisations and entire sectors. But we understand that our business is only as good as the talent we attract and retain and are proud to think we’re helping to contribute to SDG 9 ‘Decent Work and Economic Growth’ at the same time.

In 2021, South Pole hired a total of 339 new employees (see figure below), which we are proud to say will help scale-up sustainable development and climate action.



However, a job can only be satisfying if it provides a source of self-development, and that's where our designated learning and development team comes in. In 2021, the team delivered a great range of learning sessions, including those shown in the figure below:



Mental health and wellbeing

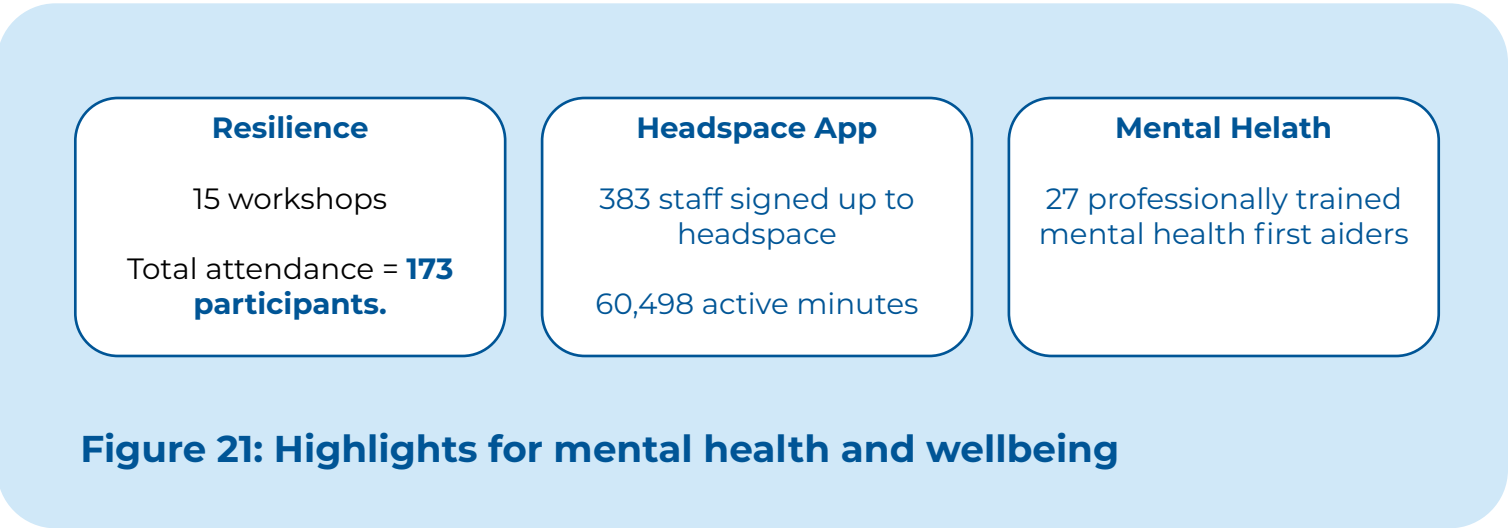
At South Pole, we know we can only deliver climate action if our staff are happy and healthy. As such, promoting and supporting wellbeing, both mental and physical, is at the heart of our mission to enhance sustainable development. It’s also key to fostering a positive working environment.

In 2021, we ran 15 workshops focused on building resilience and wellbeing. These sessions were an opportunity to create awareness and develop strategies for building resilience and wellbeing, especially important during a COVID-19 lockdown, and had an uptake of 173 participants

On top of that, we had 383 Penguins sign up to the company-provided wellbeing app, accruing a total of 60,498 active minutes. The app

offers our team access to meditation guidance and exercises for stress, focus and sleep.

Finally, 20 employees became professionally trained mental health first-aiders as part of an effort to provide a network of peers that supports a healthy and happy company culture.



Diversity, equity, inclusion and belonging

Growing inequality and unequal access to opportunities around the world emphasises the need for inclusive businesses. But we cannot do this without enhancing diversity, equity, inclusion and belonging (DEIB).

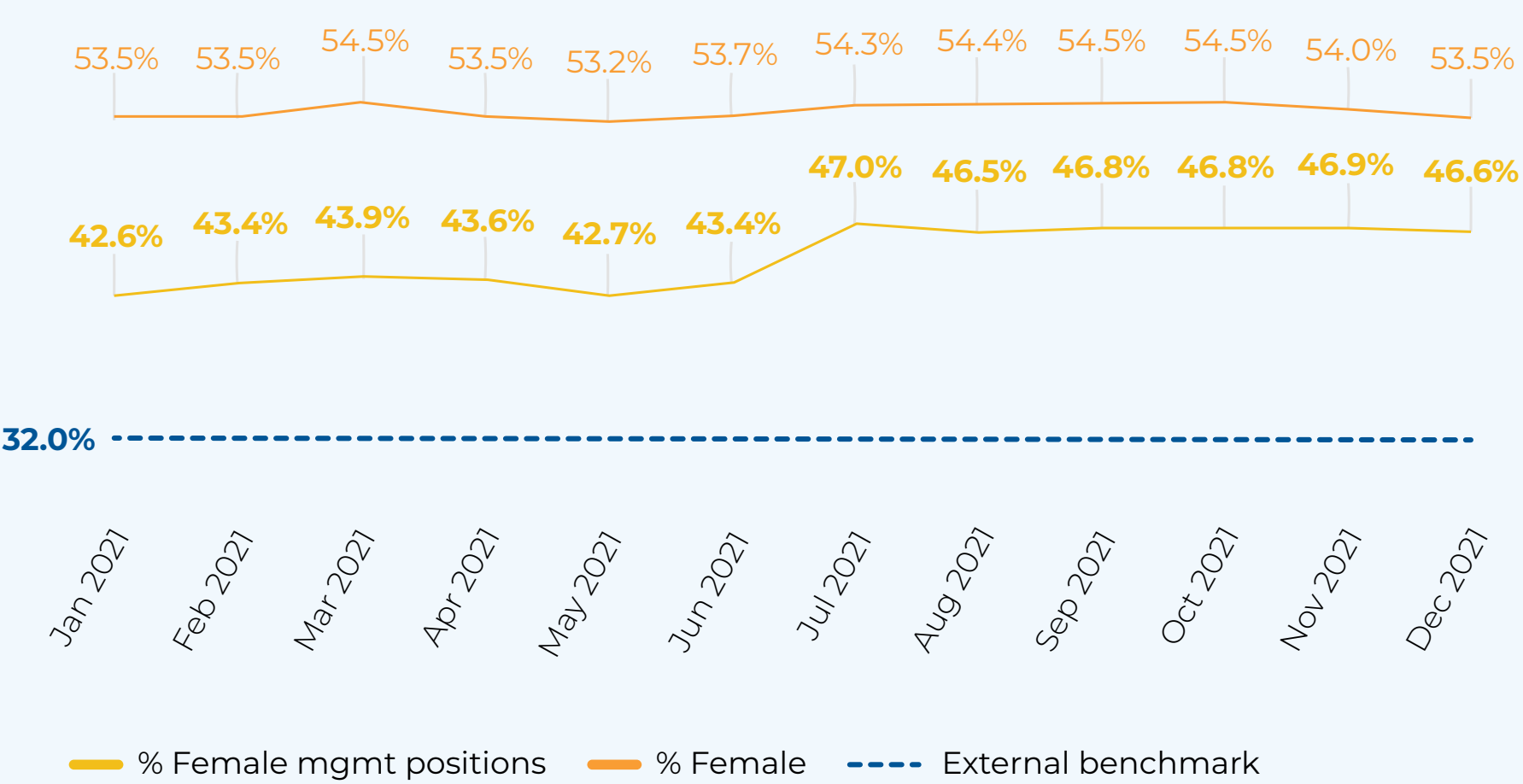
At South Pole, one of our values is respect, so advancing our culture of inclusion continues to be a priority. We are committed to building a better business that is diverse, inclusive and equal for all.

We know that there is a great deal of work to do, including in areas beyond sex and gender equality, but are nonetheless proud to report we are moving in the right direction.

In 2021, women in management positions grew from 42.6% to 46.6%, an increase of 4.0%. This is well above the external benchmarks set by Eurostat and the Organisation for Economic Co-operation and Development (OECD), and we have every intention of continuing to move in this direction.

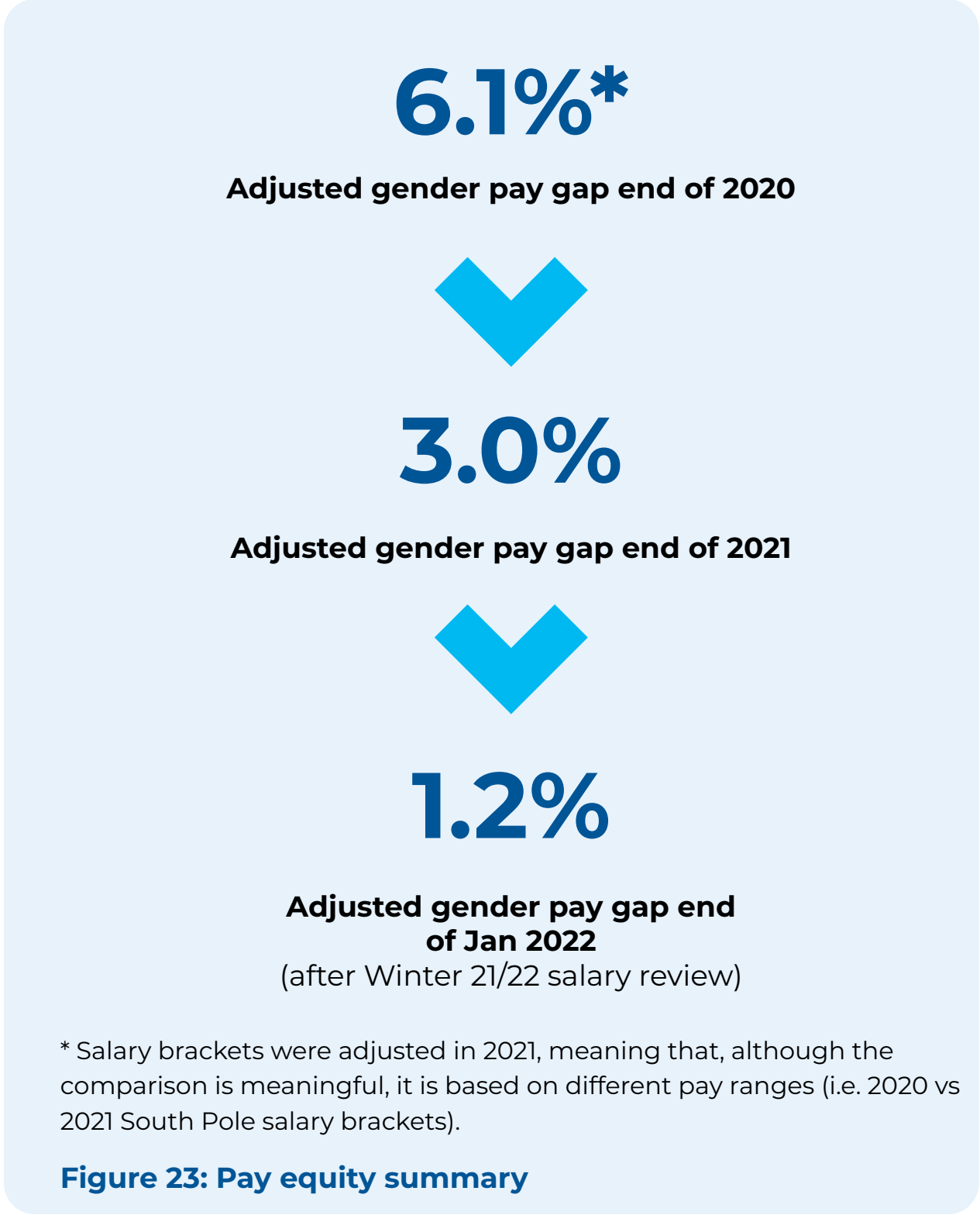


Figure 22: Proportion of management positions held by women



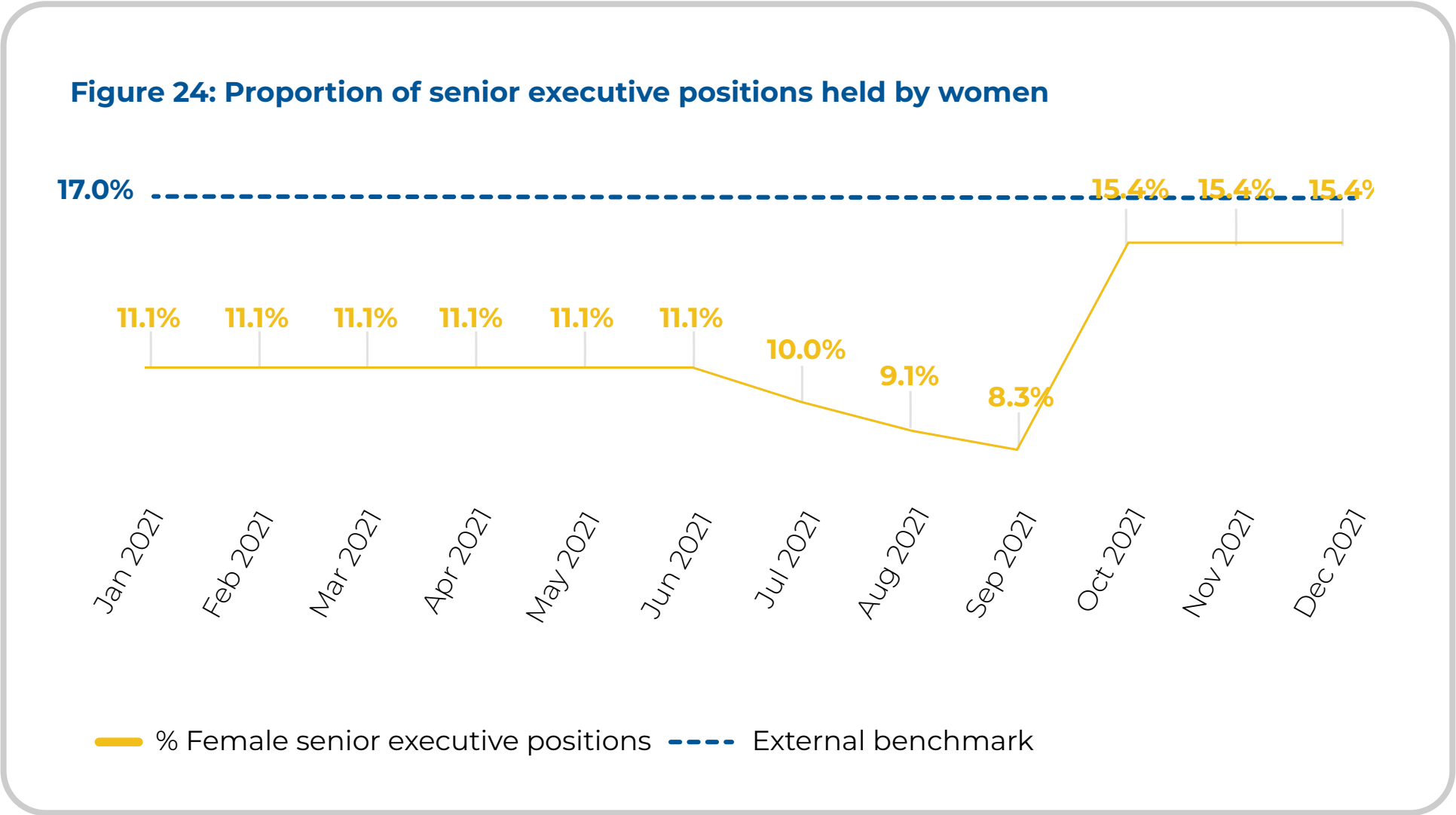
External benchmark based on the representation of Western European women by Eurostat and the OECD, as cited by [McKinsey & Company](#).

Moreover, 55.8% (i.e. 189) of our new joiners were female and 44.2% (i.e. 150) were male, suggesting that our contribution to SDG 5 'Gender Equality' is set to continue in the near future too. That's especially true when considering our 2021 salary review, which closed the gender pay gap to within acceptable levels: the difference in pay between male and females at South Pole reduced from 6.1% to 3.0% in 2021, shrinking even further by the start of 2022.



One area of considerable opportunity in 2021 remained: the proportion of senior executives who identified as female. Despite an increase from 11.1% to 15.4%, this is still below the external benchmark.

However, with help from the newly established DEIB board at South Pole reporting directly to the CEO, this share increased to 23.1% in early 2022. Moreover, by the middle of 2022, two-thirds of South Pole's board identified as female. This demonstrates our commitment to take meaningful action on DEIB, and we hope to report even broader gains in our next report.



IV. Governance



‘Governance’ refers to the processes that help a business make decisions and operate effectively. At South Pole, we strive to achieve good governance across our whole business through the Internal Sustainability Team (IST). The IST aims to embed sustainable principles within our day-to-day operations through the design, implementation and monitoring of key policies and the communication of these to our employees.

Through implementing our third-party code of conduct, our efforts have helped contribute to SDG 16 ‘Justice’ and SDG 17 ‘Partnerships’ within our sphere of influence.

SDGs in Focus



Figure 25: Sustainable Development Goals in focus

Given our material topics, this section will focus on:

- public policy and advocacy;
- client satisfaction; and
- ethics and anti-corruption.

Public policy and advocacy



Image: Strengthening the national GHG inventory system to meet national and international requirements and to support the implementation of market-based carbon pricing approached in Vietnam

Achieving the commitments of the Paris Agreement is no easy feat. We all have a part to play if we are to succeed. However, navigating this changing landscape and using it as a catalyst for action requires expert insight and advice.

Over the past decade, South Pole has supported more than 50 countries, partnered with international institutions and advised multinational organisations in designing, assessing and

implementing climate policy, climate finance strategies and carbon market solutions to scale-up climate action.

With a growing urgency to act, both national and local governments require expert climate policy support. We help design public policies, strategies, roadmaps and regulations to support the public sector with reaching climate goals and evaluating climate mitigation and sustainable development impacts.

Specifically, we advise on how to scale-up mitigation strategies and develop long-term plans and other policies that support the implementation of nationally determined contributions.

A clear example is the work we did for the government of Viet Nam, in conjunction with our subsidiary in Viet Nam Energy and Environment Consultancy, that received support from the World Bank Partnership for Market Readiness programme, which aims to strengthen the capacity of countries in developing market-based instruments for reducing GHG emissions. The main objective was to support the Ministry of Environment and Natural Resources with developing the main building blocks for recommended market-based carbon mechanisms at the national level, with a focus on data collection, measurement, reporting and verification-related components and proposing national principles and criteria for crediting mechanisms, including participation requirements and key design elements.

The project delivered a summary for policymakers based on three technical recommendations on the building blocks for setting up market-based carbon pricing approaches at the national level. The recommendations were particularly significant in providing inputs for the recent revision of the passed Law on Environmental

Protection. The law describes an emissions trading system that allows the use of offsets and stakeholders participating in domestic and international carbon credit mechanisms, in accordance with laws and international treaties to which Viet Nam is a signatory.

Client satisfaction

In order to attain the UN SDGs in the time we have, the world needs businesses to innovate more than ever. But we couldn't do that without understanding what our customers really need.

As a partner in our clients' climate journey, it is important for us to take into account client satisfaction, as reflected in client feedback. Client feedback is a powerful tool for guiding development of our solutions and services. By listening to our clients, we are putting clients at the forefront by responding to their needs and demands.

For this reason, we identified the need for a voice of customer (VOC) mechanism and began piloting it by running a net promoter score (NPS) survey for our Climate Action Credits clients in Q4 of 2021. NPS is one of the most widely used customer research metrics, which is done by asking customers to rate the likelihood that

they would recommend a company or service to others.

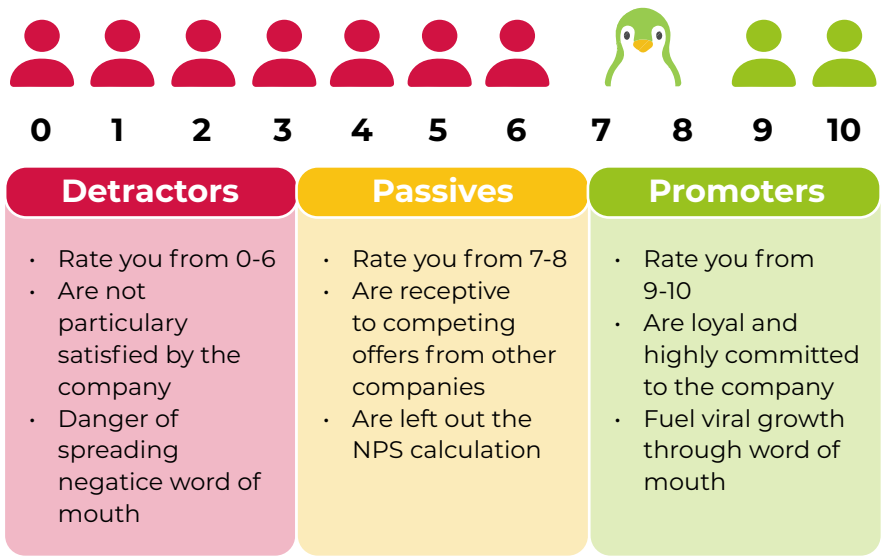


Figure 26: The net promoter score measure of client satisfaction

The final output of this survey is a score ranging from -100 to 100, representing one of the most powerful proxies of client satisfaction within the VOC toolbox. In a business-to-business (B2B) setting, the average NPS is between 25 and 33 ([B2B international](#)). For our pilot directed at this limited audience, we managed to get a NPS of 74, which is an encouraging sign.

In 2022, we are in the process of running the NPS survey with a wider audience, covering all of our Climate Solutions and Digital Climate Solutions clients within the past year. Within the next year, we are also aiming to systemise NPS within all of our client journeys and expand the VOC mechanism to include other important customer insights metrics.

Of course, gathering feedback is not the whole story, as acting upon this feedback is also an equally important part, and so we are also working to ensure customer insights are properly translated into tangible service improvement.

The Internal Sustainability Team

South Pole’s IST was established to drive top-down change and empower bottom-up initiatives across the company’s designated sustainability staff based in every office. The IST meets regularly to implement and monitor our sustainability action plan and was founded on these principles:

- South Pole’s vision is to deliver climate action for all. One of its values is integrity: if we fail to deliver strong internal sustainability, we cannot fully realise South Pole’s vision;
- there can be no sustainable business without the business itself. Therefore, sustainability initiatives should be optimised according to impacts on revenue, costs and/or profitability; and
- any communication of the internal sustainability strategy will first identify, assess and mitigate the risk of greenwashing.

The IST membership is listed below:

- Head of Reporting;
- Head of Global Communications;
- Marketing Director;
- Public Affairs Committee Specialist;
- Key Account Associate; and
- Senior Sustainability Manager.



B Corporation progress

There’s not much time left to deliver the SDGs, which is why working in partnership with like-minded companies is so important as a key accelerator of change. One community that helps achieve this is the B Corporation (B Corp) community, a group of companies who are certified forces for good. As South Pole’s purpose is to enable true climate action for all, it’s no wonder we’ve committed to becoming a B Corp globally too.

Due to demand for B Corp certifications, we only expect to achieve global B Corp status in 2023. However, we’ve already made great progress, as whilst the parent company is not certified as a B Corp, the following subsidiary entities have been certified with an average score of 92, 80% higher than the median score for ordinary businesses who complete the assessment:

- South Pole USA;
- South Pole Australia; and
- CO2logic, a South Pole company.

Furthermore, the following entities have submitted their B Impact Assessments and, provided B Lab keeps up their great work, expect to be B Corps by the end of 2022:

- South Pole UK;
- South Pole Netherlands; and
- South Pole Deutschland.

South Pole Holding, the parent company, has also submitted a B Impact Assessment. Whilst the score must still be validated, it is currently scoring highly with over 120 points, well over double the median score for an ordinary business. All things going well, we expect to finally receive B Corp certification globally by mid 2023, a lengthy process but with an outcome well worth waiting for.



Human rights

South Pole commits to upholding internationally proclaimed human rights and requires our people, leadership and partners to act accordingly across its business operations. A special focus is given to areas that are the most important to our stakeholders, including:

- **a respectful, harassment-free workplace** for employees, contractors, suppliers and customers;
- **a diverse workplace of equal opportunity** that eliminates discrimination. In 2021, we held workshops across all timezones, such as the diversity, equity and inclusion workshop 'Guide to Using Pronouns' and the hiring manager workshops that aimed to reduce the impacts of unconscious bias during hiring decisions;
- **a healthy, safe and secure environment** for our people and those who visit our locations;
- **private, confidential and responsible data practices**, including personal data;
- **ethical policies and processes** that eliminate human rights violations, including forced labour, slavery, trafficking, child labour and exploitation, from both our own business operations and those we work with;
- **compliance with all anti-corruption law with no exceptions** across all business lines and across all cultures; and
- **a procurement policy respecting human rights**, where all third parties working with South Pole are expected to comply with labour, discrimination, freedom of association and occupational health and safety benchmarks derived from the '[Ten Principles](#)' of the UNGC.

We review our human rights efforts and endeavour to apply best practices to ensure we can meet these commitments. Our code of conduct and related training exhibits our commitment to high ethical standards and integrity wherever we operate. It is informed by relevant international bodies, such as the International Labour Organization and the UN.

In 2021, there have been no reported breaches of the human rights standard set out in South Pole's code of conduct and our related policies. There have been no official complaints since the implementation of the ethics policy.



Indigenous human rights

The world must protect its natural habitat and the knowledge of indigenous communities has a key role to play. South Pole has understood this from the beginning, which is why we deliver some of our community REDD+ projects alongside indigenous communities in countries like Colombia, Benin and Honduras.

However, we know we need to do more to achieve climate action, and we can only do this through fostering trust-based relationships that comply with all local laws and norms and guarantee the human rights of everyone we work with.



Image: Indigenous people from the local community of Martín Buineza, in Puerto Alegría, COINPA. Discussing the agents and drivers of deforestation and forest degradation in their community and strategies to mitigate them.

For example, in Colombia, South Pole designed a strategy for participation, communication and social agency of knowledge, through which a thorough risk assessment process is supported.

To implement this strategy in 2021, approximately 99 participation events, such as community assemblies, meetings and training sessions, were held. This included 2,900 people from more than 100 indigenous communities.

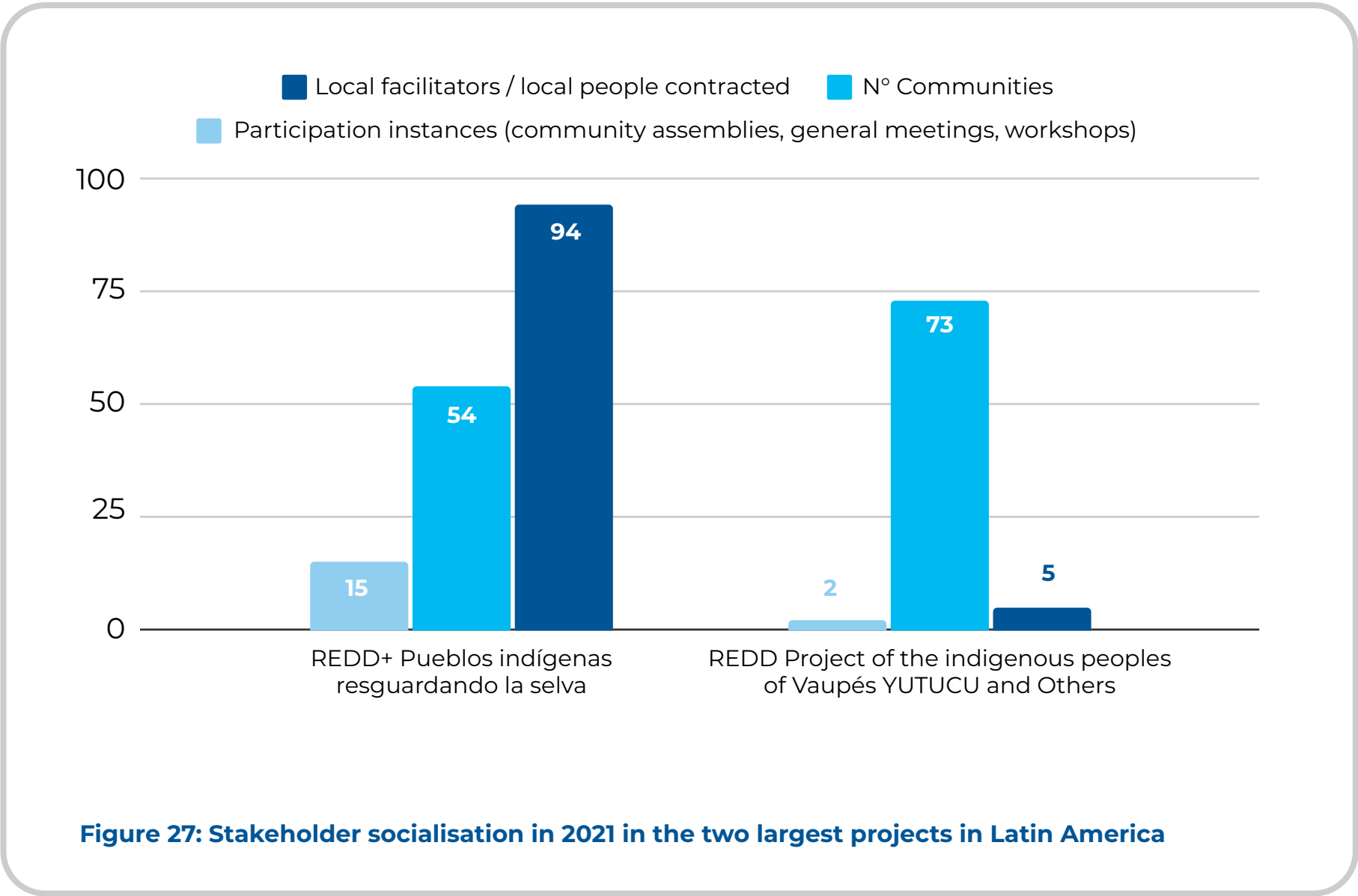


Figure 27: Stakeholder socialisation in 2021 in the two largest projects in Latin America

Similar safeguards are implemented elsewhere. In Africa, for example, the requirements and recommendations of the Human Rights Principles, including free, prior and informed consent, are followed.

In 2021, the Pendjari National Park and W-Benin National Park REDD+ projects held 20 different meetings to implement this. Grouped into six staff meetings, 12 community meetings and two meetings for organisations and institutions, a total of 316 people attended the events. All meetings were conducted in local languages, including Dindi, Bariba and French, to ensure understanding and transparency.

To replicate this best practice on a global scale, we are building guidelines for engagement with indigenous communities. The final aim is not only to deliver authentic and impactful climate action, but to guarantee the rights of everyone we work with along the way.



Image: Project design workshop with the administrative committees of the REDD project of the indigenous peoples of Vaupés YUTUCU and others. Ceima Cachivera community. 2021.



Ethics (anti-corruption)

South Pole is committed to doing business with integrity, free of bribery, corruption and money laundering and in accordance with local laws. Both our codes of conduct for staff and third parties require that our people, leadership and partners comply with anti-corruption law wherever we work.

South Pole has several different options for the reporting of bribery or corruption concerns. This includes an external whistleblowing hotline through which concerns can be reported anonymously. Our anti-bribery and corruption policy describes examples of what is considered bribery and corruption and provides a clear procedure for reporting any concerns, whilst our anti-money laundering policy describes the process for reporting any concerns regarding actual or suspected activities related to money laundering.

We continually evaluate and improve our anti-corruption policy and practices to improve policy and process effectiveness. It is mandatory for staff to understand these policies, as ensured during onboarding and mandatory code of conduct training. Failure to comply with these policies and the code of conduct is considered a serious offence that can lead to employee dismissal.

In 2021, there were no reports of actual or suspected activities associated with bribery or corruption.

Appendices



Appendix A: Report approach

This report details South Pole’s impact across environmental, social and governance topics. It explores our goals, progress and performance across global operations January–December 2021, unless noted otherwise.

Accountability and transparency are important to South Pole and its stakeholders. Each year, we take steps to improve our reporting approach through ongoing stakeholder engagement and voluntary adherence to global non-financial reporting standards. The current report draws upon the following frameworks:

- the ‘Ten Principles’ of the UNGC ([Appendix B](#));
- the UN SDGs; and
- the ‘ISO 26000’ corporate social responsibility framework.

Stakeholder engagement

We engage with key stakeholder groups regularly. The inputs received are used to update and improve our approach. Examples of engagement by stakeholder group are seen in Table 2.

Materiality assessment

Stakeholder analyses are important not only for assessing South Pole’s key risks and opportunities, but to learn what topics really matter to the people we collaborate with every day. That’s why we conducted a comprehensive materiality analysis of all our stakeholders in 2021.

Historically, the materiality matrix axes were split by business interest and stakeholder interest. However, the Global Reporting Initiative (GRI) recently identified the business interest axis as a potential source of bias, emphasising profit over people and planet. Whilst a risk-opportunity approach is one way forward, in this report we adopted an impact-urgency matrix to not only identify what topics are important to our stakeholders, but to provide a sense of what matters today. The following steps were taken:

1. defined what materiality meant for South Pole;
2. created a shortlist of potential material topics via benchmark analyses of sector peers and a review of relevant frameworks, including, but not limited to, the GRI and the Sustainability Accounting Standards Board;
3. defined each material topic to understand its relevance to the business and stakeholders;
4. surveyed all stakeholders from the section above via questionnaire. The sample size of 60 responses increased the likelihood that the sample was representative of the population; and
5. analysed data to create the graph shown in the ‘[material topics](#)’ section of this report.

Table 2: Examples of engagement by stakeholder group

Stakeholder group	Examples of engagement
South Pole staff, collectively known as ‘Penguins’	Social media, southpole.com, careers blogs, events, news releases, satisfaction surveys, town hall gatherings, training and learning sessions, code of conduct training and CEO icebreaker meetings
Clients	Surveys on net zero targets and milestones, social media, webinars and satisfaction surveys
Commercial partners	Social media, email updates and monthly calls
Membership organisations	Audits, emails and monthly calls
Project partners	Regular risk mitigation calls and dedicated cultural engagement
Indigenous project partners	
Investors	CEO and CFO direct meetings and responses to questions, emails and conversations
Media	Meetings and social media
Influencers	Social media, emails and phone conversations
Non-governmental organisations	Carbon neutral partnerships, social media, emails, phone conversations and zoom calls
Academia	Collaboration on reports, social media and supporting masters and PhD dissertations
Governments	Dedicated staff members responsible for government advocacy and liaison

Appendix B: United Nations Global Compact

South Pole became a signatory to the UNGC in July 2015 and is committed to submitting the ‘Communication on Progress’ annually. Ever since, South Pole has supported the ‘Ten Principles’ of the UNGC in the areas of human rights, labour, environment and anti-corruption.

Table 3: How South Pole supports the Ten Principles

UNGC principles	Page in report
Human rights	
Businesses should support and respect the protection of internationally proclaimed human rights; and	28
make sure that they are not complicit in human rights abuses.	28
Labour	
Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;	28
the elimination of all forms of forced and compulsory labour;	28
the effective abolition of child labour; and	28
the elimination of discrimination in respect of employment and occupation.	28
Environment	
Businesses should support a precautionary approach to environmental challenges;	17-19
undertake initiatives to promote greater environmental responsibility; and	17-19
encourage the development and diffusion of environmentally friendly technologies.	17-19
Anti-corruption	
Businesses should work against corruption in all its forms, including extortion and bribery.	30

Appendix C: South Pole's sustainability action plan

Table 4: South Pole’s sustainability action plan organised around the United Nations Sustainable Development Goals

Objectives	Key performance indicator	Baseline in 2018 (unless stated otherwise)	2021 status	2025 target (unless stated otherwise)	Status
UN SDGs: 7 ‘Affordable and Clean Energy’; 13 ‘Climate Action’					
Goal 1: Deliver climate action and reduce, compensate for and report our own carbon emissions					
1.0 Deliver one gigatonne (Gt) of high-quality climate action to clients by 2026 and 10 Gt by 2030	GtCO ₂ e	N/A	0.165 GtCO ₂ e 165 million tCO ₂ e	1 GtCO ₂ e by 2026	On track
1.1 Science-based emissions reduction target in line with 1.5°C pathway	tCO ₂ e	Scopes 1 and 2: 55 tCO ₂ e Scope 3: 1,866 tCO ₂ e	Scopes 1 and 2: 47.3 tCO ₂ e Scope 3: 863.2 tCO ₂ e	South Pole has an SBT to halve operational emissions by 2030, in line with 1.5°C warming scenarios. This was validated by the SBTi as part of the SME validation process. However, as it is no longer an SME, South Pole has committed to setting a near-term and a long-term SBT to reach net zero value chain GHG emissions across all relevant scopes. This will include scope 3. This target will be communicated after validation by the SBTi.	
1.2 Power operations with renewable electricity	% of purchased electricity globally	18% of electricity purchased is renewable	100% of energy purchased is renewable via EACs	100% of electricity purchased is procured from renewable sources, in offices where we have control	On track
1.3 Reduce South Pole office energy consumption through energy efficiency measures	Megawatt-hours (MWh) reduced	0.42 MWh/employee; 71.9 MWh (total)	0.81 MWh/employee; 500.5 MWh (total)	20% reduction in MWh/employee	Action needed
1.4 Reduce carbon emissions from business travel	kgCO ₂ e/kilometres travelled km/employee	0.168 kgCO ₂ e/km (all transport modes); 0.172 kgCO ₂ e/km (flights); 21,962 km/employee (all transport modes); 19,752 km/employee (flights)	0. 63 kgCO ₂ e/km (train and flights); 0.46 kgCO ₂ e/km (flights); 991 km/employee (train and flights); 969.8 km/employee (flights)	See objective 1.1	
1.5 Report and publish South Pole’s GHG emissions annually and compensate for these via verification by a third-party organisation to maintain carbon neutrality	South Pole’s annual GHG emission and offset report	South Pole has published a GHG emission and offset report	Complete; see Appendix D	Maintain publishing a GHG emission and offset report that is verified every year	On track

Objectives	Key performance indicator	Baseline in 2018 (unless stated otherwise)	2021 status	2025 target (unless stated otherwise)	Status
UN SDG: 6 ‘Clean Water and Sanitation’					
Goal 2: Water consumption					
2.1 Reduce water consumption in South Pole’s operations	Cubic metres (m³)/employee	45.7 m³/employee per year	1.21 m³/employee per year	20% reduction in m³/employee in offices where we have control	On track
UN SDG: 12 ‘Responsible Consumption and Production’					
Goal 3: Waste and recycling					
3.1 Reduce absolute waste generation within South Pole’s offices	kg waste/employee	222.9 kg waste/employee	5.36 kg waste/employee	15% reduction in kg waste/employee	On track
3.2 Zero waste to landfill and incineration, including e-waste	kg	No data for total waste available* 6.3% of waste recycled	No data for total waste available* 8% of recycled waste	0 kg of waste to landfill	Action needed
* Due to a change in method, there is currently no data available. However, there will be in the next report.					
UN SDGs: 12 ‘Responsible Consumption and Production’; 14 ‘Life Below Water’; 15 ‘Life on Land’					
Goal 4: Sustainable sourcing/procurement					
4.1 Purchase sustainable office supplies and equipment, including IT equipment	% of purchased supplies and equipment that are sustainable	N/A	5% of purchased supplies and equipment are sustainable	99% of purchased supplies and equipment are sustainable	Action needed

Objectives	Key performance indicator	Baseline in 2018 (unless stated otherwise)	2021 status	2025 target (unless stated otherwise)	Status
UN SDGs: 12 ‘Responsible Consumption and Production’; 15 ‘Life on Land’					
Goal 5: Zero deforestation					
5.1 Low paper offices	Number of paper sheets/employee	789 paper sheets/employee	103 paper sheets/employee	395 paper sheets/employee; 50% reduction in paper sheets/employee	On track
5.2 Purchase of only recycled and certified paper	% certified recycled paper purchased	43% certified recycled paper purchased	50% certified recycled paper purchased	99% certified recycled paper purchased	Action needed
UN SDGs: 5 ‘Gender Equality’; 10 ‘Reduced Inequality’; 8 ‘Decent Work and Economic Growth’					
Goal 6: Talent, wellbeing and diversity					
6.1 Invest in employee wellbeing (e.g. flexible working arrangements, access to healthy food, fitness programmes and mindfulness training)	Number of employees benefiting from the company wellbeing programme % of South Pole offices having a weekly or bi-weekly sports day % of South Pole offices providing nutritious eating options	N/A	A wellbeing programme for all employees is established	50% of South Pole employees are actively using and benefiting from the wellbeing programme 80% of South Pole offices having a weekly or bi-weekly sports day 80% of South Pole offices providing nutritious eating options	On track
6.2 Equal proportion of women in managerial positions	% of managerial positions held by women	N/A	47%	46–54%	On track
6.3 Equal pay for all genders at every level of management, including paid maternity leave	Pay gap	N/A	3.0%	0, +/- 4%	On track

Objectives	Key performance indicator	Baseline in 2018 (unless stated otherwise)	2021 status	2025 target (unless stated otherwise)	Status
6.4 100% of employees across the organisation earn a living wage	% on living wage	N/A	Reporting process under development	100%	Action needed
6.5 Zero serious injuries or deaths reported	No./year	Zero	Zero	Zero	On track
UN SDGs: 11 'Sustainable Cities and Communities'; 17 'Partnerships for the Goals'					
Goal 7: Community outreach and advocacy					
7.1 Annual local community days for all South Pole teams	Number of community days/year	N/A	Not measured due to COVID-19 pandemic restrictions	Each office adopts a year long sustainability-related community outreach programme with numerous coordinated activities	Action needed
UN SDGs: 8 'Decent Work and Economic Growth'; 13 'Climate Action'					
Goal 8: Employee engagement					
8.1 Promote sustainable commuting practices	% of employee commuting (by distance travelled) via public transport, rideshare, bicycle and walking	73%	75% of South Pole employee commuting occurs via public transport, rideshare, bicycle or walking	90% of South Pole employee commuting occurring via public transport, rideshare, bicycle or walking	On track
8.2 Encourage green office spaces	Number of plants per m ² area	N/A	50% of offices have at least one office plant per 10 m ² of area	Every office has at least one office plant per 10 m ² of area	On track
UN SDG: 16 'Peace, Justice and Strong Institutions'					
Goal 9: Ethical business					
Zero incidents of bribery reported	No. incidents/year	Zero incidents	Zero incidents	Zero incidents	On track
Zero human rights infringements reported	No. incidents/year	Zero incidents	Zero incidents	Zero incidents	On track
Zero indigenous human rights infringements reported	No. incidents/year	Zero incidents	Zero incidents	Zero incidents	On track

Appendix D: South Pole's greenhouse gas inventory in 2021

Appendix D shows key figures with respect to our GHG emissions, expressed in tCO₂e and measured in accordance with the 'GHG Protocol'. Please note that figures may not add up exactly to the total provided due to rounding of numbers to one decimal place.

Table 5: South Pole's greenhouse gas inventory 1 January–31 December 2021

Activity	2019 (tCO ₂ e)	2020 (tCO ₂ e)	2021 (tCO ₂ e)	Relative change 2020–2021 (%)
Scope 1: direct energy use per primary source	52.2	3.9	0.0	-100
Stationary combustion	-	-	-	0
Mobile combustion	10.5	3.9	-	0
Refrigerants	41.7	-	-	0
Scope 2: indirect energy use per primary source	6.0	0.7	0.0	-100
Electricity	-	-	0.0	0
Heating	-	0.7	0.0	-100
Cooling	6.0	-	0.0	0
Scope 3: other indirect emissions	1,865.4	565.4	863.2	53
Base building electricity	15.3	-	-	0
Business travel	1,283.7	463.9	464.8	0
Flights	1,125.2	422.7	276.9	-34
Ground transport	46.5	13.7	110.5	709
Water transport	0.0	6.4	17.1	167
Accommodation	112.0	21.2	60.3	185
Purchased goods and services	214.3	10.8	205.7	1,806
Water	1.1	1.9	0.3	-84
Paper	0.4	0.3	0.1	-80
Food and drink products	170.6	2.7	124.7	4,434
Advertising	-	-	12.6	0
Printing and publishing	4.9	-	0.0	0
Telecommunications	11.6	3.1	1.3	-58
Internet	1.6	-	0.6	0
Office supply	22.7	2.6	11.1	329
Postage	1.4	0.1	0.4	321
Other purchased goods and services	-	-	54.6	0
Capital goods	116.3	6.4	68.0	962
IT equipment	116.3	6.4	63.0	885
Office furniture	-	-	5.0	0
Employee commuting	209.5	78.7	110.9	41
Commute	209.5	15.0	13.5	-10
Teleworking	-	63.6	97.4	53
Freight	9.7	-	-	0
Waste generated in operations	3.1	1.8	0.9	-53
Fuel- and energy-related activities	13.5	3.8	13.0	244
Total GHG emissions	1,923.6	570.0	863.2	51
No. of employees	318	402	612	52
Emissions per employee (tCO ₂ e/employee)	6.0	1.4	1.4	0

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1974EN, 08.2021/V1

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