

PURSUING A LOW CARBON FUTURE

Sustainability Report 2021



CONTENTS

01

Executive Summary

02

SCB Environmental Markets

03

Sustainability Governance

04

Sustainability Objectives

05

Sustainability Performance

06

Journey to net zero

07

Sustainability Initiatives

08

Memberships & Awards

EXECUTIVE SUMMARY

In 2021, SCB Group, the world-leading low carbon commodity company, relentlessly pursued a low carbon future through Brokerage, Matched Principal, Advisory and Market Data services in sustainable commodities and renewable energy.

In a year where the challenge of COVID-19 continued to be of societal concern, SCB maintained a business-as-usual approach to enable clients to both use and sell environmental products and commodities to reduce their overall carbon footprints and participate in global sustainable markets.

Carbon neutrality

SCB became a carbon neutral business in 2021. As leading promoters of a low carbon future, SCB leadership has also committed to the company becoming net zero by 2030.

By the end of 2021, SCB had abated more than 518 million metric tons of CO₂ through transactions across Europe, Asia, Africa and the Americas. The goal is to reach 1 billion by 2030.

Along with its carbon neutral and net zero goals, SCB supports the Taskforce on Climate-related Financial Disclosures (TCFD) recommendations enabling it to measure and evaluate more effectively its risks and those of its suppliers and competitors.

Sustainability Commitments

In 2021, all five SCB entities were ISO 14001 Certified setting up the requirements for an environmental management system. SCB has implemented an environmental management system which includes all key business activities: brokerage, matched principal, advisory and market data services of renewable energy and sustainable commodities.

Also in 2021, SCB became a Certified B Corporation® across their global offices, meeting the highest verified standards of environmental, social and governance performance, transparency, and accountability. The B Impact Assessment looks at five impact areas: governance, workers, community, environment, and customers, and implements the triple bottom line approach (people, planet and profit) to address social and environmental challenges.

ClimatePositive

In 2021, SCB launched its environmental label, ClimatePositive to provide affordable options to corporations and individuals to reduce the overall environmental impact of their day-to-day activities.

Through the ClimatePositive environmental label, individuals and corporations are able to offset their CO₂ vehicle emissions, plus an additional 25 percent buffer so more CO₂ is removed than the vehicle emits. This is achieved by investing in verified carbon offset projects worldwide, supporting the UN Sustainable Development Goals.



“ In 2021, at SCB, we walked the talk in demonstrating our commitment to sustainable development. In addition to becoming carbon neutral, SCB attained the highest sustainability standards of ISO 14001 and B Corp. ”

Kevin McGeeney, CEO of SCB

SCB ENVIRONMENTAL MARKETS

SCB is a leading environmental advisory and commodities company founded in 2007 with a mission to promote the adoption of a low carbon future by reducing the frictional costs of low carbon practices. For over 16 years, our offices in Switzerland, London, Singapore, Chicago, and Puerto Rico have provided products to our clients and partners to deal with the many facets of climate change.

Our services

SCB provides a variety of environmental services including ESG finance, GHG management, renewable energy consulting and environmental reporting.

SCB is a major player in voluntary carbon markets, working with corporate clients to calculate emissions and find tailored environmental projects and products that best serve their sustainability strategies.

SCB acts as a market partner for producers, assisting climate action project developers around the world with carbon capital at the development stage and finding a route to market for the credits generated. On the other end, we bring a deep understanding of the market acting as a wholesaler for our corporate clients.

Advisory Services

SCB helps partners in the areas of Environmental, Social and Governance (ESG) Finance, GHG management, renewable energy consulting and environmental reporting.

SCB Advisory offers its partners advice and assistance on how to measure and mitigate the risks within the increasingly carbon focussed political environment, through:

- » Assessing the impact of GHG emissions
- » Setting reduction goals
- » Offering tailored solutions using tools:
- » Carbon offset & EAC procurement
- » Power purchase agreements
- » Personalised carbon modelling



Natalia Beales, Head of Carbon On-site in Rwanda, Africa

Carbon Offsets and RECs

In the regulated and voluntary emissions reduction markets, SCB provides execution, portfolio management and advisory services. In a space with many categories and technologies, SCB offers a roadmap for partners to achieve their sustainability and financial goals.

Companies are under pressure to prove commitment to sustainability and implement emission-reducing measures. This has led to incentives for producers of energy to invest capital into renewable energy projects. We provide advisory services to help companies reduce their carbon footprint by measuring, reporting, and abating their emissions.

We help companies, organizations, and groups of all kinds to reduce their carbon footprint. We provide various types of Energy Attribute Certificates, such as GOs, REGOs, RECs and I-RECs. We also work closely with owners of renewable assets helping them to find the best route to the market for their renewable energy certificates.

SUSTAINABILITY GOVERNANCE

Board of Directors

- » Guides Sustainability at SCB
- » Maintains oversight of risk & opportunities for corporate sustainability
- » Works to improve sustainability targets & monitors achievements & challenges
- » Comprises a Non-Executive Chairman of the Board & 5 Board Members (as of end 2021)

SCB Group CEO

- » Director of Sustainability
- » Responsible for the assessment & management of sustainability
- » Reviews targets & commitments

Sustainability Committee

- » Performs internal sustainability audits
- » Advises on sustainability commitments, targets, policies & procedures
- » Conducts annual sustainability reviews & target analysis
- » Comprised of Chair, Non-Executive Director of Sustainability on SCB's Board + 2 members

SUSTAINABILITY OBJECTIVES



SCB commitment to become carbon neutral by the end of 2021



Met Target



SCB to publish a financial and sustainability report by Q3 2021



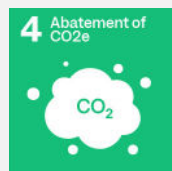
Met Target



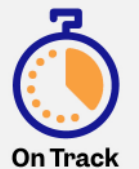
SCB to implement a recycling programme in the Puerto Rico Office



Met Target



SCB to support the abatement of 1 billion MT of CO2 through SCB's transactions by 2030



On Track



SCB will strive to work with vendors and suppliers which have a strong sustainable commitment



On Track



SCB aims to work diligently with BuildOn to expand the solar and adult learning partnership in Malawi and other nations



On Track



SCB will make its environmental training accessible to all employees on its intranet by Q2 of 2021



Met Target



SCB will endeavour to have a minimum of 30% of all its first interviews for junior positions with female candidates, increasing to 50% in 2025



On Track



SCB will create the @SheCanBe women's network to attract, promote and retain female talent by ensuring SCB have supportive, inclusive, and progressive environment



Met Target

SUSTAINABILITY PERFORMANCE

SCB strives to work with vendors and suppliers which have strong sustainable commitments. This encompasses office materials, printing methodology, merchandising, catering and electronic devices.

BuildOn

SCB works diligently with buildOn, a movement powered by passionate people from all walks of life who are committed to ending poverty through service and education.

In 2021, SCB announced a partnership with buildOn to empower community members by expanding solar and adult-learning centers in Malawi.



SCB Operations

SCB made its Environmental Training accessible to all employees on its intranet by Q2 of 2021. The training is recommended to all employees and to new recruits.

SCB endeavours to have a minimum of 30% of all first interviews for junior level positions held with female candidates, increasing to 50% in 2025.

SCB created the @SCBSheCanBe women's network to attract, promote and retain female talent by ensuring SCB has a supportive, inclusive and progressive environment.

Due to SCB's operations, the majority of emissions associated with its business are either directly or indirectly generated by its offices and staff, or, avoided and offset by its clients through the services it offers.

In 2021, three out of five SCB offices are serviced by renewable electricity and have adopted energy efficient strategies. The goal is to have all five offices on renewable energy packages before 2030.



OUR JOURNEY TO NET ZERO

In July 2021, SCB Group announced its commitment to reach net zero greenhouse gas (GHGs) from direct operations as soon as possible and by 2030 at the latest.

SCB committed to reduce its scope 1, 2, and 3 emissions as much as possible and to compensate or neutralize any residual, hard-to-eliminate emissions by the end of 2021 and from then onwards.

SCB became carbon-neutral in 2021 by prioritizing direct emissions reductions and by using offsets for any residual hard-to-eliminate emissions sources.



Beyond our direct net zero journey, through SCB's global transactions, more than 518 million metric tonnes of CO₂ had been abated by 31 December 2021

SCB's Scope 1 & 2 emissions

As a primarily financial services firm, SCB's emissions are predominantly generated through staff travel and activities as well as office energy usage.

Scope 1

In 2021, SCB Group monitored its Scope 1 emissions across its offices. In 2021, the heating (or cooling) was powered by electricity and therefore contributed to scope 2 emissions. Likewise, SCB's business travel is exclusively through public transport (Scope 3) and not through company-owned cars that would result in Scope 1 emissions.

Scope 2

The distribution of Scope 2 emissions across SCB office varies greatly, mainly due to differences in the energy mix and therefore carbon emissions from energy suppliers. During 2021, the majority of energy consumed in Switzerland was sourced by hydropower electricity, resulting in relatively low Scope 2 emissions.

The UK and US offices have low (0.51 tCO₂-e) and extremely low (0.15 tCO₂-e) carbon emissions. The UK office has a sizable number of staff and is very energy efficient at 0.51 tonnes of CO₂ equivalent (tCO₂-e).

The Swiss (4.94 tCO₂-e) and Singapore (5.07 tCO₂-e) offices have comparable emissions but very different employee footprint (with the Swiss office having more employees than in Singapore).

The comparative difference is due to the reliance of our Singapore's landlord on fossil fuels for energy generation. The Office custodian does not purchase energy from renewable sources and Scope 2 emissions are largely determined by local grids.

SCB has taken action to limit emissions in UK, US and Switzerland. Of SCB's five global offices in London, Nyon, Singapore, Chicago and Puerto Rico, most emissions are generated in Puerto Rico. This is because the energy generation in Puerto Rico is heavily reliant on fossil fuels. We expect the Puerto Rican energy mix to increase its proportion of low carbon sources by 2030.

2021

Entity	tCO ₂ e
UK	0.51
US	0.15
SG	5.07
CH	4.94
PR	39.98
TOTAL	50.65

OUR JOURNEY TO NET ZERO

SCB Group has included Scope 3 categories that capture business travel and employee commuting. These categories were selected because they represent the emission hotspots for SCB as a service provider.

SCB's Scope 3 emissions

Scope 3 emissions are highly consumption-based. A majority of the scope 3 impact is due to necessary business travel to promote the business and connect with clients directly. In order to support our net zero strategy, SCB therefore actively encourages green travel when commuting, particularly in Switzerland. Marked increase in emissions were noted due to higher mobility after COVID-19 containment measures.

In 2019 (Baseline), total Scope 3 emissions were 314.43 tCO₂-e; in 2020 they were 103.56 tCO₂-e; in 2021 they were 122.28 tCO₂-e.

Most of these emissions resulted from air travel (73%, down 7% from 80% in 2020), while employee commuting (19%) and hotel stays (7%) also impacted of Scope 3 emissions. Taxi rides (1%) and train travel (0.2%) only had a marginal effect on Scope 3 emissions.

SCB is tracing direct energy consumption and indirect emissions sources with the emissions baseline at 2019 levels, moving all utilities supplies to the lowest possible emissions through green tariffs and renewable electricity sourcing and through purchasing offsets for currently unavoidable residual emissions.

Country	Flights	Taxi	Train	Hotels	Commuting	Total	% +/- to prev. yr
Switzerland	40.65	0.28	0.14	3.29	12.13	56.50	16%
London	21.90	0.26	0.00	1.91	3.43	27.51	245%
Chicago	8.57	0.11	0.00	0.81	1.16	10.66	-34%
Puerto Rico	17.26	0.23	0.00	2.28	7.04	26.81	-27%
Singapore	0.59	0.04	0.00	0.14	0.03	0.81	-95%
Total	88.98	0.92	0.14	8.43	23.80	122.28	-2%
% of tot. e.	73%	1%	0%	7%	19%	100%	N/A
% +/- prev. yr.	-8%	32%	-69%	53%	10%	-2%	N/A

Key:

% of tot. e. = percentage of total CO₂ equivalent emissions

% +/- prev. yr. = percentage increase or decrease compared to 2020

SCB SUSTAINABILITY INITIATIVES

Since the creation of SCB's Sustainability Committee in June 2020, SCB has committed to various sustainable initiatives and achieved sustainable certifications.

B Corp

B Corp certification measures a company's entire social and environmental impact and B Corp Certification is a designation that a business is meeting high standards of verified performance, accountability, and transparency on factors from employee benefits and charitable giving to supply chain practices and input materials.

The B Impact Assessment for a B Corp looks at five impact areas: governance, workers, community, environment, and customers, and implements the triple bottom line approach (people, planet and profit) to address social and environmental challenges.

In 2021, SCB became a Certified B Corporation® across our global offices, meeting the highest verified standards of social and environmental performance, transparency, and accountability. SCB Group is now part of a community of over 3,800 businesses globally, all certified by B Lab.

These leading businesses come from 150+ industries and 75+ countries all pursuing one unifying goal – to redefine success in business.

Becoming a Certified B Corporation we share a mission common to leading international businesses of balancing people, planet, and profit.

During the assessment, we set up goals and created and implemented several procedures, policies, surveys and trainings. For our environmental management system, we developed Environmental Objectives and an Environmental Purchasing Policy.

To allow high employee performance and engagement, we take a holistic approach to physical, social, and mental health and well-being. We have thus implemented policies on diversity, an ergonomic office, breastfeeding and a whistleblower policy.



“SCB shows leadership and commitment in taking responsibility for its activities by making a positive impact. As a pioneer Certified B Corp in their industry, SCB joins 100 national and more than 6,000 international companies committed to constant improvement and to fostering an inclusive, equitable and regenerative economy.”

Jonathan Normand, Founder & CEO of B Lab Switzerland

As we reached B Corp status, SCB scored a total of 97.3 points out of 200, passing the minimum requirement by 17.3 points. A B Corp audit is scheduled for 2024.

As part of our support for the Paris agreement, we have committed to become net zero by 2030 and carbon neutral from 2021, we are also supporting the TCFD Recommendations, the Taskforce for Voluntary Carbon Markets and Chapter Zero.

SCB SUSTAINABILITY INITIATIVES

TCFD Recommendations

We are supporting the FSB Taskforce for Climate-related Financial Disclosures (TCFD) Recommendations, which aim to develop and expand reporting of Climate-related financial material. Through these recommendations, companies can integrate climate-related risks and opportunities into their management and processes.

At SCB, we value these recommendations as it provides us with a framework to measure and evaluate more effectively our own climate-related risks and those of our suppliers and competitors.

“We are proud to support the TCFD Recommendations on our relentless pursuit of a low carbon future. By increasing price transparency and lowering trading costs across commodities, we are helping our clients identify, quantify and disclose the positive impact of their activities to reach net zero emissions”

Kevin McGeeney, CEO of SCB

Integrity Council for Voluntary Carbon Markets

SCB has supported the Taskforce on Scaling Voluntary Carbon initiative, whose goal is “to scale a transparent, verifiable and robust voluntary carbon market to help meet the goals of the Paris Agreement”. SCB supports the ICVCM and its purpose to ensure the voluntary carbon market accelerates a just transition to 1.5°C. Both initiatives aim to bring all sections of the value chain together to collaborate extensively and make recommendations for the most troublesome areas in voluntary carbon markets.

These initiatives align well within SCB’s business model especially in the carbon offset sector and our mission of a low carbon future.

Chapter Zero

Chapter Zero, the Director’s Climate Forum, is building a community of non-executive directors and equipping them to lead crucial UK boardroom discussions on the impacts of climate change. Its 1,400+ members are helping ensure their companies are fit for the future and that global net zero ambitions are transformed into robust plans and measurable action.

Established by a group of non-executives in 2019, Chapter Zero offers its members tailored events, toolkits, relevant information and a peer network to draw on for experience, inspiration and ideas. Visit <http://www.chapterzero.org.uk> for more information.

SCB Sustainability Director and Non-Executive Director to the Board, Carlota Garcia-Manas, represents SCB among Chapter Zero’s 1,000 members.



“Chapter Zero is the network that NEDs and Boards can rely on to initiate or enhance their journey towards climate awareness and resilience”

Non-Executive Director to the Board,
Carlota-Garcia Manas

SCB SUSTAINABILITY INITIATIVES

ISO 14001

As an ISO 14001 certified company, SCB has demonstrated the implementation of an environmental management system, improving its environmental performance. This standard is designed for organizations to manage environmental responsibilities in a systematic way within the company's management and governance.

The scope of this certification includes all SCB's business activities: brokerage, matched principal, advisory and market data services of renewable energy and sustainable commodities.

QMS International, an independent business management consultancy issued SCB with the ISO 14001:2015 Certificate (#340812020) for our global offices and is also our annual auditor.



“Relentlessly pursuing a low carbon future, SCB’s commitment to the environment is accelerating. By achieving the ISO 14001:2015 Certification, SCB demonstrates its continuous engagement to achieve the environmental standards that its clients, employees and all stakeholders’ requests”

Kevin McGeeney, CEO of SCB

ISO 14001 Performance & Progress

This standard sees the company build its environmental management system from the ground up using a third-party company for necessary templates. Once certified, companies are granted one year to implement the entire management system within their business's governance and management.

Certified in April 2020 by QMS International, we first identified the necessary steps and procedures to implement throughout the company. Then assigned each procedure throughout our global functions and finally executed them for all five offices. Major policies engulfed SCB as a group, but others needed to be adapted for each office jurisdiction. The processes and documentation created are as follows:

- » Environmental policy
- » Environmental objectives
- » Needs & expectations of interested parties
- » Environmental communication log
- » Environmental aspects & risk assessments
- » Environmental compliance obligations
- » Health & Safety procedures
- » Recycling procedures
- » Environmental training
- » Emergency preparedness training
- » SCB Internal Audit



**ISO
14001 : 2015
REGISTERED**

MEMBERSHIP & AWARDS

Energy Risk Awards 2021



SCB Sustainability Initiatives 2021



Memberships & Alliances 2021



WE NEVER STOP

Sustainability Report 2021

