



truenorth<sup>Q</sup>

# Carbon Neutrality Report

## 2021

*Our Planet, Our Responsibility*

# INTRODUCTION

As a responsible investor, True North is committed to Climate Action and has taken decisive steps to integrate climate action and resilience in own operations and that of its partner companies. Our Climate Policy is aligned with the commitment to Paris Agreement and Task force on Climate Related Financial Disclosures (TCFD) Framework. We have developed our approach to climate action for our four focus sectors. We also carried out carbon risk assessment of our portfolio through a Climate Risk Assessment Tool and currently are in the process of helping our partner companies understand their GHG footprint and take meaningful steps to decarbonize appropriate to their business and operations.

Although our operations have nominal/low carbon footprint, we are committed to taking proactive steps towards climate action. Therefore, we started our climate journey with estimating our historical emissions associated with own operations since inception of our business in 1999 through 2021, and achieved carbon neutrality by investing in high-quality carbon offsets from projects that contribute significantly to multiple UN Sustainable Development Goals (The UN SDGs).

## Highlights

Period under review:

FY 2000 to FY 2021 (21 years)

Total emissions:

10,748 tCO<sub>2</sub>

We worked with a team of external experts to prepare our GHG inventory in accordance with the World Resource Institute (WRI) / World Business Council for Sustainable Development (WBCSD) Greenhouse Gas Protocol (A Corporate Accounting and Reporting Standard).

### Organisational boundary

Our own operations including our offices in Mumbai and Bengaluru

### Operational boundary

**Scope 1:** Direct Emissions from Stationary Combustion - Not considered for calculation, as immaterial

**Scope 2:** Indirect Emissions from Purchased Electricity

**Scope 3:** Category 6: Business travel and Category 7: Employee commute

### Greenhouse gases considered

Carbon dioxide is considered. Methane, Nitrous Oxide and other HFCs related emissions have been considered immaterial as they account for less than 1% of the total emissions



**We pledge to  
keep our  
operations  
carbon neutral  
by reducing  
GHG emissions  
as much as we  
can and  
offsetting any  
that still need to  
be produced**



*Note: The inventory excludes emissions from Scope 3, Category 15: Investments.*

We had a task of estimating our GHG emissions of 21 years. We also needed expertise to understand all the possible sources of emissions, methodology to be followed and guidance on emission factors and usage of estimates (if necessary). Therefore, we engaged with PwC for this work. A five-step approach was followed:



### Identifying sources of GHG emissions

We assessed our operations to identify material sources of direct (Scope 1) and indirect (Scope 2 and Scope 3) GHG emissions to create an inventory. As there were no material sources to be included in scope 1 GHG emissions, only scope 2 & 3 were included for the GHG inventory development.



### Calculating historical emissions

For estimating our GHG emissions, we needed historical data for the period of 1999 to 2021 associated with our operations for employee headcount, employees daily commute to office, business travel by cabs and business travel by air.

A team comprising members from the Admin team, finance team and ESG team along with external experts was set up. An excel base model – Monitoring, Reporting and Verification (MRV) Framework, was developed for emission inventorization. The model is customized to our operations, scope and boundary was equipped with calculation methodologies, emissions factors, conversion factors, etc., in line with the GHG Protocol, the Intergovernmental Panel on Climate Change (IPCC) and Central Electricity Authority of India (CEA) database.



## Purchase of high-quality carbon offsets

Extending our commitment, a step further we invested in carbon offset interventions designed to sequester or avoid carbon emissions whilst positively impacting communities and livelihoods. We purchased high-quality carbon offsets from projects intended to supply rural households with biogas, a cleaner cooking fuel, which would deliver impact across multiple UN SDGs.



## Independent verification and certification

To add credibility to our efforts we engaged with Earthhood Services Private Limited, an accredited Independent Third-Party with experience in auditing carbon offset projects to examine our processes for determination of carbon inventory. Further, they also verified the carbon offsets bought by us. In November 2021, we were successfully certified as a 'Carbon Neutral Organization'.

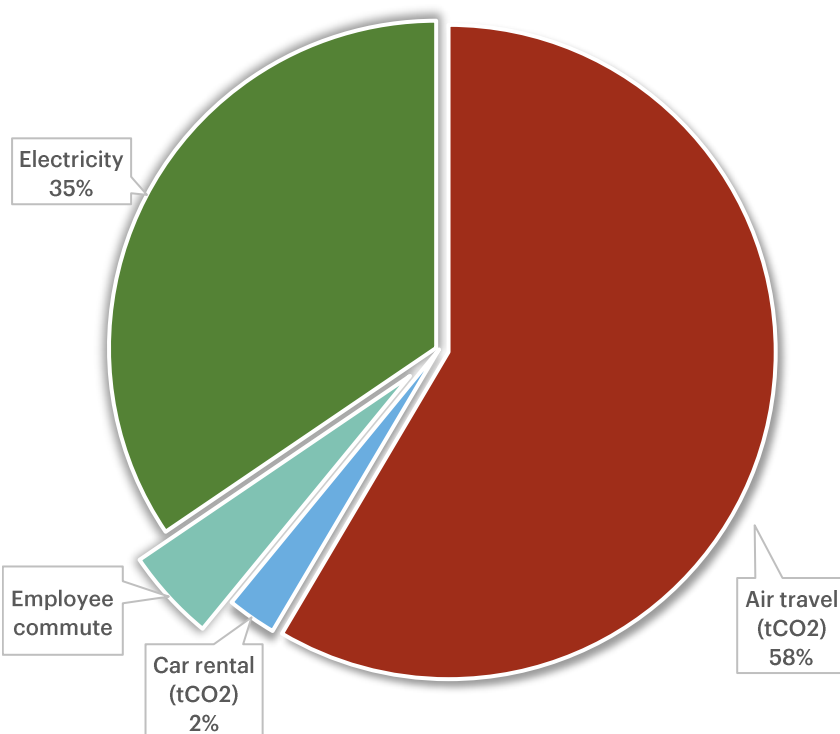


## Commitment to stay carbon neutral

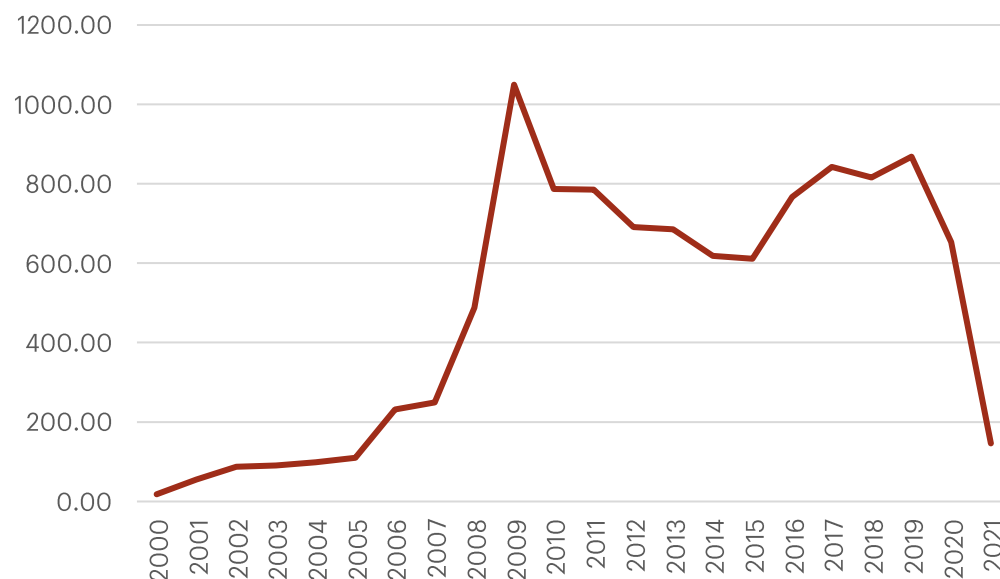
We have undertaken to continue to remain carbon neutral in our current operations as well.

True North's total emissions from their own operations are 10,748 tCO<sub>2</sub> for the period FY2000-2021

### Breakdown of total GHG emissions



### Total emissions – 2000-21



The peak in emissions during 2008-10 is observed because of increased electricity consumption at entities TN Corporate and TN ventures.

SCOPE	MEASUREMENTS (tCO <sub>2</sub> )
Scope 1	Considered immaterial
Scope 2	3,708
Scope 3	7,039



## Certificate of Carbon Neutrality



Certificate Number: ESPL/CIN/2021/017/TNEPL

This Certificate Is Awarded To

**True North Enterprise Private Limited**

In Confirmation Of

- The GHG Emissions measured by the organization and its affiliates for the **FY 2000 – 2021** for offices in **Mumbai (IN)** and **Bangalore (IN)**, respectively are duly verified to be **10,748 tons** of CO<sub>2</sub> equivalents.
- The organization has offset the verified GHG emissions associated with the above-mentioned establishments through retiring **10,748 tons** of CO<sub>2</sub> equivalents from the carbon registry of **Gold Standard (GS)** as generated from registered projects, GS7576 entitled **"Household biogas plants in rural parts of Northeast India"**, GS7510 entitled **"Household biogas plants installed in rural parts of Madhya Pradesh, India"**, GS10782 entitled **"Household biogas plants in rural parts of Central India"** located in the different states of India.
- ESPL, therefore certifies that the above-mentioned organization is **"Carbon Neutral"**.

Authorised Signatory

Date of Issue: November 16<sup>th</sup>, 2021



**Earthood Services Private Limited**

ESPL is accredited by The CDM Executive Board, UNFCCC as a Designated Operational Entity (UN DOE# CDM-E-0066), also accredited by NABET, Quality Council of India and by Bureau of Energy Efficiency, Government of India. ESPL conducts verification audits for various GHG emission reduction programs globally. This certificate is issued after due assessment of emissions by on-site inspection & data verification and proof of offsets purchase, in adherence to guidelines as laid down in ISO 14064.

## SOME SUCCESSFUL OUTCOMES OF THE PROJECTS FROM WHERE WE PURCHASED CARBON OFFSETS



Displacement of approximately 300 kg of firewood every month for each household.



34% of households, built toilets since project inception and have linked outlets to the biogas plant. Six people, on average employed in a cluster of around 10 villages.



Women recorded daily savings of around 75 minutes on average due to an increase in the efficiency of cooking and from eliminating firewood collection

We have incorporated climate aspects in our investment screening and due diligence process. This helps us identify potential climate risks to which a potential investment may be exposed to. Once onboarded, we actively engage with these companies to develop systems to track and monitor their performance and develop mitigation and resilience measures against climate risks.

We are committed to make efforts to further reduce emissions in our day-to-day operations by:

Encouraging use of recycled paper, reduction of paper waste, elimination of single-use plastics, proper disposal of electronic waste, and use of green energy whenever possible.

In order to significantly reduce our Scope 2 emissions, we are also considering switching to renewable energy at our Mumbai office. Additionally, we will promote the use of EVs for both personal and work-related travel by our employees. As much as possible, we will try to avoid air travel.

In order to make our portfolio resilient to the impacts of climate change, we carried out climate risk assessment of all our partner companies to identify the risks posed by Climate Change. We are now collaborating with our partner companies to help them take the next steps. These include helping them understand their GHG emissions and then develop a strategy for emissions reduction.

We are also in the process of developing our TCFD report highlighting our commitment to the Paris agreement and the recommendations of TCFD.

Our various efforts at reducing our carbon footprint have yielded positive results inasmuch as our carbon footprint has significantly reduced





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