

August 2016

Natural Capital Partners Communication on Progress for the United Nations Global Compact CEO Water Mandate

About Natural Capital Partners

With 19 years' experience and a global network of project partners, we work with our clients to deliver high quality solutions that ensure immediate, positive impact on the world's natural capital. Over 19 years we have contracted more than 20 million tonnes of carbon credits and have been honoured to be recognised as Best Offset Retailer for six years running. Our evolution to Natural Capital Partners, which was announced in 2015, reflects the next stage in our development – using our experience and expertise to provide our global client list with solutions for positive impact on renewable energy, biodiversity, water, carbon and communities.

CEO Water Mandate

Launched in July 2007, the United Nations Global Compact CEO Water Mandate is a unique public-private initiative designed to assist companies in the development, implementation and disclosure of water sustainability policies and practices. Natural Capital Partners continues to endorse, engage and support its efforts. While Natural Capital Partners does not have a large direct water footprint, through the solutions we offer clients to manage their environmental impact we have the opportunity to help them more sustainably manage their water use. Natural Capital Partners signed up to and endorsed the CEO Water Mandate in September 2013. We remain committed to achieving progress with the Mandate's goals. This letter comprises our Communication on Progress to fulfil the requirements of the UN CEO Water Mandate Transparency Policy and we look forward to maintaining our commitment to these critically important initiatives which reflect and re-inforce Natural Capital Partners business and mission.

Our efforts

- Throughout 2015 we ran a series of employee fund raising events with all proceeds donated to WaterAid the aim of which is to enable a further 25 million people to have access to safe water, improved hygiene and sanitation. The money raised through these efforts was matched by the company.
- We only use paper certified by the Forest Stewardship Council. Certification ensures that the papers we purchase are harvested and manufactured under strict regulations and in a manner that helps to purify water and air while promoting sustainability and responsible management of the world's forests.
- We work with our building management agents to gather specific data on our water usage.
- Our project level due diligence process when sourcing carbon credits, involves consistently evaluating and communicating those that have a water stewardship benefit.
- The project level water stewardship benefits and impacts generally fit into three categories:
 - Water purification providing clean drinking water for humans, through water filtration devices.
 - Water productivity efficient water use through solar hot water, aerated showers or drip irrigation.
 - Watershed protection the enhancement & protection of natural water ecosystems through conservation and active land management.

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A selection of the projects we support that deliver water stewardship benefits

Water Purification

The Uganda and Malawi Water Infrastructure Restoration Project, helps provide clean and healthy drinking water to communities which do not currently have access to such sources. Many existing boreholes, often owned by a community-based organisation or the village health and water committee, have fallen into disrepair because maintenance programmes in the region have been poorly managed or have proven to be too expensive. This project helps repair and restore deteriorated boreholes and uses appropriate technology, such as the African-sourced Afridev hand pump, which can be maintained by local mechanics who are trained by the project developers.

The Guatemala Water Filtration & Cookstoves Project, which is the first Gold Standard water treatment and cookstove project in the country, distributes water filters and stoves that enable access to clean water and improve cooking conditions by increasing fuel efficiency and reducing harmful indoor air pollution. It aims to reduce incidences of respiratory and water-borne disease which are serious problems for the poorer communities in the country, as well as diminish the costs of fuel wood.

Watershed Protection and Water Purification

The Rimba Raya REDD+ Biodiversity Reserve Project based on the island of Borneo in Indonesia has developed a health care and immunisation programme and a floating clinic which delivers medical services up and down the Seruyan River, effectively serving all of the communities in the project zone. Community surveys highlighted access to clean drinking water as a key priority in the area. As a result, the project has partnered with Potters for Peace (a member of the World Health Organisation's International Network) to train local communities in making and selling inexpensive water filtration devices that are effective in eliminating approximately 99.88% of water-borne disease agents. The project has also begun distribution of colloidal silver water filtration systems to provide clean drinking water.

The Makira REDD+ Project in Madagascar plays an essential role in biodiversity protection by limiting deforestation in 360,000 hectares (more than twice the size of greater London) of the Makira forest and working with communities around the forest in a 'protection zone' of 320,000 hectares. Water scarcity has been a problem for communities in the area in terms of both health and agriculture. The project is improving water infrastructure by constructing community dams, irrigation channels, and wells and water points. As of December 2013, 22 water points/wells had been constructed and over 2,000 households were benefiting from one hydro-agricultural dam.

Concluding remarks

Natural Capital Partners is committed to building a business that delivers high quality solutions to our clients' environmental challenges and enables them to deliver positive sustainable impacts to communities and the environment. We aim to serve as a leader by creating innovative solutions to meet our clients' sustainability requirements and building awareness of water challenges throughout the world through our communications and outreach. By following the principles of the UNGC and the CEO Water Mandate, we believe we can continue to help business reduce its negative environmental impacts and create a sustainable future.

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