

## NRDC ENVIRONMENTAL OFFSET POLICY

Please visit www.nrdc.org/our-sustainability for the latest information.

Environmental offsets are positive mitigation measures implemented to help counterbalance negative environmental impacts. Our negative environmental impact stems from the operations of our offices and our movement around the world to perform and share our work. We purchase offsets for both our generation of greenhouse gas (GHG) emissions and water use:

- **Before purchasing a carbon offset**, we reduce direct and indirect (embodied) energy use, and shift to renewable energy when feasible.
- Before purchasing Water Restoration Certificates® (WRCs), we reduce direct water use and implement water conservation measures.

We aspire to have our offset purchases be well-implemented and effectively managed to ensure it supports a secure water future, reduces GHG emissions, and/or increases sequestration while providing additional benefits besides environmental mitigation. Offsets are not the solution to climate change, but rather one mechanism that can support our transition to a sustainable future.

## **HOW WE CALCULATE OUR IMPACT**

Annually, we calculate our operational GHG emissions and water use impact for the previous fiscal year (July 1 - June 30) using industry best practices. For operational building emissions, the following NRDC offices are included in our calculations: Beijing, China; Bozeman, MT; Chicago, IL; New York, NY; San Francisco, CA; Santa Monica, CA; Washington, D.C.

Our areas of impact and how we calculate them are as follows:

- **Operational building emissions**. Using WRI's <u>GHG Protocol</u>, we calculate the carbon dioxide equivalent in metric tons (MT CO2e) resulting from energy use.
  - **Scope 1**. Emission generation from on-site combustion, primarily natural gas and biofuel for space heating.
  - Scope 2. Emission generation from energy produced off-site (grid electricity, district heat, or steam). We calculate and report both market-based and location-based emissions:
    - Market-based. We purchase renewable energy via renewable energy credits (REC). These RECs are then offset based on location, unless we are able to produce electricity on our local grid through a remote-net metering or community solar arrangement.

- **Location-based.** The cities where our offices are located have different location-based "emission factor" emissions per MWh associated with their electrical grid due to variations in fuel mix and generation efficiency.
- Scope 3. Emissions generated from transmission & distribution losses incurred for delivering electricity.
- Travel emissions (business and commuter). For business travel, we determine the sum of MT CO2e emitted due to all staff's work-related travel, based on the GHG Protocol. A radiative forcing factor is applied to account for the stronger warming effect of GHG emitted at high altitude. For commuter emissions, we survey staff to find their average commuting patterns (their distance on bike, car, motorbike, train, and/or rail as well as MPG and fuel type if applicable) and calculate emissions based on <u>US EPA's</u> Emissions Factors for GHG Inventories.
- Mailing, printing and select events emissions. For direct printing, binding, and mail
  services we estimate weights and our paper emission factor. Additionally, we gather data
  on our hotel and event space (calculating kgCO2e/night), video conferencing, and
  telecom and file hosting service.
- Waste. We record landfill waste, single stream recycling, e-waste, and compost weights
  daily in each office to calculate the total recycling, total waste, and diversion rate of the
  organization. The MT CO2e emitted due to our waste is calculated using <a href="UK DBEIS">UK DBEIS</a>
  conversion factors.
- **Embodied construction emissions.** For office renovation/construction, we take into account the amount of MT CO2e emissions resulting from construction waste and from the mining and transporting of building materials to the construction site. We calculate the building materials' emission by the type and weight of the material.
- Water Use. We gather water use data through meters and utility bills to calculate total gallons used.

## CARBON OFFSET CRITERIA

Information on specific carbon offset projects and past strategies can be found in the NRDC Carbon Offset Implementation document.

- Context. The environmental, social, and political circumstances in which offset projects
  occur is evaluated to ensure true additionality and leakage prevention. This includes
  Free Prior Informed Consent (FPIC), which protects development of indigenous peoples'
  land and natural resources.
- **Additionality.** The emissions reduction activity would not have occurred in the absence of our purchase.
- **Location.** We seek out communities that are significantly and disproportionately impacted by GHG emissions and/or the climate crisis, and give special consideration to community projects located near our office locations.
- **Co-Benefits.** The project has other environmental benefits besides climate mitigation (such as protecting biodiversity or community health).
- **Project verification.** The third-party certification must be present in all purchases.

- Verified Emissions Reduction. Ensures that 1 Verified Emissions Reduction is equivalent to 1 tonne of CO2e.
- Transaction oversight. The Green e-Climate program ensures that GHG reduction projects are verified by a program (such as the Climate Action Reserve, Gold Standard, and/or Verified Carbon Standard) that supports additionality and result in real, verified, enforceable, and permanent reductions. It takes oversight further by monitoring how offsets are transacted and advertised in the retail market in order to avoid double-counting of the same reduction.

## WATER OFFSET CRITERIA

- Water Restoration Certificates®. We purchase WRCs that provide Verified Instream Inflow Benefits through the Bonneville Environmental Foundation in the amount of 1 credit per 1,000 gallons used. These credits directly support the restoration of natural water systems. It promotes biodiversity, healthy plants, biological communities, water storage, and infiltration in wetlands and watersheds.
- Diversity of projects. Bonneville Environmental Foundation's WRC projects supports a
  portfolio of water efforts including water security, management, restoration and
  infrastructure across the United States.
- **Verification.** Third-party verification bodies (i.e., National Fish & Wildlife Foundation, and LimnoTech) review the accredited WRCs restoration project to ensure that the projects occur and provide the most environmental and water benefits.