



NbS Carbon Integrity Statement

Version 1 – June 2023



We need nature-based carbon solutions – created with high integrity – at a quicker pace than ever before to reach net zero by 2050. Posaidon views the rapidly evolving international carbon markets as a powerful tool to channel urgently needed finance towards climate change mitigation whilst conserving and restoring biodiversity. We work with diverse private, public and not-for-profit partners to design, develop and finance high-quality nature-based solutions (NbS) carbon projects generating carbon credits for sale on the voluntary and compliance markets.

Posaidon takes its environmental and social responsibility seriously. NbS carbon projects are typically developed in sensitive landscapes with challenging socioeconomic, land-use, land tenure and political dynamics, and involve engagement and collaboration with indigenous peoples or local communities (IPLCs). To ensure the highest-quality standards in NbS carbon project financing and development, we commit to only finance and work with partners that develop projects to independent, 3rd party standards that have been [endorsed by ICROA](#), and to act as an organisation in alignment with the [ICROA Code of best practice](#) (version 2, March 2023) ‘*Section 1: Sourcing and Use of Carbon Credits for Offsetting*’. A standard is only accredited by ICROA where it can demonstrate that all issued carbon credits are unique, real, permanent, additional, independently verified, and measurable, and that the standard itself is independent, has effective governance, manages a transparent and publicly accessible registry, avoids double counting, and has provisions and safeguards on environmental and social impact. The standards endorsement criteria for ICROA match closely the [Core Carbon Principles](#) recently published by the [IC-VCM](#) (The Integrity Council for the Voluntary Carbon Market), providing both redundancy and security that projects financed and developed by Posaidon will meet the highest-quality criteria expected by the market and our stakeholders. Ensuring that all projects are of the highest quality has never been of greater importance given the increasing scrutiny that the carbon market has recently been placed under. Functional markets are built on trust, and therefore all market participants have a responsibility to ensure that they strive for the highest quality standards and implement industry best practices.

Posaidon also places significant emphasis on the concept of ‘conservativeness’ in project design and development. This is defined by the [VCS Standard](#) as using “*conservative assumptions, values, and procedures to ensure that net GHG emission reductions or removals are not overestimated*”. Whilst the establishment of counter-factual baselines for crediting is highly complex, by working conservatively we aim to generate projects with credible and accurate emissions reductions/removals crediting potential. The accuracy of carbon crediting methodologies will increase as new technologies and analytical methods become available, providing greater trust and transparency in the market. Posaidon and its partners will implement these new methodologies as they become formally integrated into peer-reviewed and publicly consulted methodologies of independent standards.

Moreover, as a ‘bank for nature’, we place significant emphasis on ensuring that NbS projects financed and coordinated by Posaidon are also verified under additional standards that provide transparency that not only do the projects result in no net environmental or social harm – through the application of appropriate environmental and social safeguards – but that they generate net positive environmental and social benefits. Consequently, our projects will always be developed to additional independent, 3rd party standards focused on verifying and reporting the biodiversity, community and social impact, and/or contribution to the Sustainable Development Goals (SDGs) impacts of a project (where they are not otherwise fully integrated into the main body of an ICROA endorsed standard). For instance, projects designed, developed and financed by Posaidon and its partners will be additionally



verified to, for example (but not limited to), the [Climate, Community and Biodiversity Standards \(CCB\)](#) and [SD VISTa](#) standards. We further recommend that projects are developed in alignment with the [IUCN Standard on NbS](#).

As a mission-driven company focused on raising and deploying capital in innovative financial structures for biodiversity impact, we work with partners globally in numerous jurisdictions where we ourselves have no company footprint. Consequently, we do not necessarily implement NbS carbon projects ourselves but rather strategically coordinate projects, relying on the on-the-ground capacity of our partners for successful implementation and adherence to our standards in project development. Due diligence on our project partner's technical, human, managerial and financial capacity to implement a project successfully thus underpins our decision making in accepting a mandate from a client. Where a partner does currently not meet these capacity requirements, we will engage additional competent partners to ensure our standards are maintained and projects are developed to the highest standards with maximum social and biodiversity impact.

We recognize that the integrity of the voluntary carbon markets stems equally from the manner in which credits are used and subsequent claims that are made about their usage. As such, we recommend to our clients and other organisations purchasing credits that they follow best practices as outlined by the following initiatives and guidance documents (as available June 2023):

- [ICROA Code of best practice](#)
- [Natural Climate Solutions Alliance: NCS for Corporates](#)
- [VCMI: Vision and Principles](#)

As the market develops and expectations about high-integrity NbS carbon projects change, we will adapt our approach to ensuring that we meet what is considered best industry practice.