

NorthPeak
Advisory 

Sustainability Report

Period September 2020 – September 2023

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Contents

Introduction and Overview 2

Letter from Leadership 3

Sustainability Strategy and Goals..... 3

Defining Our Sustainability Priorities 4

Aligning with the UN supported PRI 5

The Human Factor..... 6

Our Environmental Footprint 8

Governance and Ethics 9

Asset Manager Case Study..... 10

Corporate Case Study 11

Important Notice

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Introduction and Overview

In September 2023 NorthPeak Advisory marked its third anniversary. This felt like a natural point to reflect on the progress that we as a firm have made since our launch in 2020, and to provide transparency into our activity.

At NorthPeak Advisory, we believe that sustainable investment is more than just a label – it's an ethos that drives positive change within and beyond financial markets. Our mission is to educate and empower financial market participants to be forward-thinking, long-term practitioners of sustainable investing. We want to support a focused underwriting of all the relevant risks, maximisation of opportunities and driving change through ESG information that transcend mere compliance.

While our origins remain in the alternative asset management industry, our approach to drive positive change also supports corporates to be able to assess and manage their approaches to sustainability.

We believe that every person and every company can play their part in driving positive change – our aim at NorthPeak Advisory is to provide the tools to enable organisations to make that change.

We provide our clients with bespoke solutions to address their internal and external needs in the creation, implementation and enhancement of their ESG processes. We endeavour to be your long term ESG partners.

Our Philosophy

Our purpose is to enable financial market participants to be positively transformative through the power of capital.

Our mission is to educate and empower financial market participants to be forward-thinking and long-term holistic contributors to the ESG evolution.

Our values

- We promote transparency and do not contribute to greenwashing
- We are authentic and genuine
- We strive to empower our clients
- We believe collaboration and teamwork brings the best results
- We seek to drive lasting improvement throughout the whole investment chain

In this report, we invite you to explore our efforts and the tangible impact they have had at the milestone of our third anniversary. We hope that you enjoy reading about our journey so far.

Sustainability Report 2023

Letter from Leadership

We are proud to publish our 2023 Sustainability Report at the milestone of our third anniversary.

Sustainable investing, responsible investing and ESG (whatever you want to call it) has evolved at lightning speed, making it not a choice, but an imperative. We've seen corporations and asset managers embrace ESG wholeheartedly, integrating it into their core operations. Our role as catalysts for this transformative journey is a privilege and great responsibility.



ESG has faced political turbulence and sparked intense debate on the role of governments and international bodies in shaping sustainable practices. Amidst the regulations and frameworks, we have learned that sustainability is and must remain dynamic—it demands constant innovation and adaptation.

As we move forward together, we are excited about the opportunities ahead and our long-term goals set the tone and roadmap for our future and focus on driving lasting improvement.

We are excited about our future ahead where we endeavour to deepen our footprint in the corporate world and provide dynamic new solutions to meet the needs that arise from the increased requirements and urgent necessity to factor in biodiversity and its true intrinsic value in our business activities.

Client Impact

To continue empowering our clients to not only meet ESG requirements but become pioneers of sustainable finance, positively influencing their investments and supporting their own clients.

Global Influence

To amplify our influence on the global stage, advocating appropriate regulation, fostering collaboration, and contributing to the development of responsible financial markets worldwide.

Transparency Advocate

To set the standard for transparency and authenticity within the sustainable investment advisory industry, inspiring trust and confidence among all our relationships.

Educational Leadership

To be recognized as leaders in ESG education, equipping financial market participants with the knowledge and skills to navigate the evolving investment landscape.

Sustainability Strategy and Goals

At NorthPeak Advisory we hope that our actions and advice ripple through the financial ecosystem, influencing the allocation of capital and shape the world's future.

Our sustainability strategy harmoniously aligns with our mission and values:

- **Mission** to **educate and empower** financial market participants to be forward-thinking and long-term contributors to an investment evolution. We look to provide tools, knowledge, and guidance needed for our clients to fulfil their role as responsible stewards of capital.
- **Values transparency, authenticity, collaboration, and lasting improvement**—permeate our sustainability strategy. We promote transparency and authenticity in investment practices, empower our clients to take ownership of their sustainability journey, collaborate closely with them to achieve mutual goals, and drive lasting improvement across industries.

To deliver on our mission and values, and develop a robust business we focus on providing the best and most honest advice to our clients as they look to meet the expectations of their clients, the increased regulatory scrutiny, and the ambition to develop their investment practices and/or business strategy and operations. We offer individually tailored ESG transformations that align with our clients' unique objectives and circumstances. Our approach ensures that ESG is not a compliance checklist but a catalyst for value creation and impact.

Defining Our Sustainability Priorities

At NorthPeak Advisory, our commitment to sustainability is guided by a materiality assessment that identifies our most significant sustainability issues and helps us determine where our actions have the most significant impact.

Key Material ESG Issues

In alignment with [SASB](#) our key material topics are data security, employee engagement and business ethics. Over the following pages we delve deeper into these topics.

For NorthPeak Advisory the biggest impact that we believe that we can have is through our Advisory Services. Our core business is supporting our clients to make more sustainable investment decisions or implement corporate strategies to manage their sustainable risks and opportunities; we very much see this as two sides of the same coin. Ensuring the accuracy and effectiveness of our guidance is a top priority. We consider this aspect to be of the utmost materiality.

Implementing our Impact

Clients - Our Partners in Progress

Our clients are not just customers; they are our partners in progress. We engage with them by adopting a client-centric approach to our sustainability efforts. This approach ensures that we align our solutions with our customers' unique goals and values. Through regular dialogue, we identify their concerns and aspirations, fine-tuning our advisory services to meet their evolving needs. This partnership extends beyond transactions, fostering enduring relationships built on trust and shared values. Our unwavering commitment to transparency and authenticity underpins every interaction, ensuring that our customers are equipped with the knowledge and confidence to make informed decisions within the right governance framework and articulate confidently their approaches.

We are hugely thankful to all the clients that we have partnered with across the last three years, below is a snapshot.



Industry – Our Part in a Wider Evolution

Our engagement with industry communities is grounded in a desire to contribute to discussions, knowledge-sharing, and best practices that promote responsible investment approaches across the financial industry. By actively participating in we facilitate the exchange of insights and experiences that help advance industry-wide standards.

We are active members of the PRI (UN Principles for Responsible Investment) and AIMA (Alternative Investment Management Association), and sit on the SBAI (Standards Board for Alternative Investments) Responsible Investment and Culture and Diversity working groups. We recognize their role in driving industry change allowing us to have an active and participatory role in the development of RI and corporate responsibility. We are dedicated to forging lasting partnerships with industry peers, understanding that, together, we can be the catalysts for change in the world of finance.

Aligning with the UN supported PRI

We have been a signatory of the United Nations supported Principles for Responsible Investment (PRI) since day two of our existence. The PRI is a framework that mirrors our dedication to supporting the integration of ESG information into capital allocation decisions.



As a signatory we are committed to providing, promoting and improving the implementation of the following Principles:

<p>Principle 1: Incorporating ESG into Decision-Making</p> <ul style="list-style-type: none"> We offer leadership, bespoke ESG solutions and training to clients. Our bespoke solutions address the internal and external needs in the creation, implementation and advancement of RI processes. We promote the incorporation of ESG issues into client's investment framework and decision-making processes. Material ESG factors are integral to how clients can better analyse investment opportunities, and we believe that a thorough consideration of these issues leads to more informed and better risk adjusted investment choices. 	<p>Principle 2: Active Ownership and ESG Integration</p> <ul style="list-style-type: none"> We understand that our role as an advisor to our clients carries influence, and we use that influence to encourage our clients to use the tools they have to drive positive change within the entities they invest in. We have advised clients on many frameworks and guidelines in existence: UK Stewardship Code, GRI Standards, TCFD, PRI Reporting, UN Global Compact, UN Sustainable Development Goals, etc.
<p>Principle 3: Seeking ESG Disclosure</p> <ul style="list-style-type: none"> Transparency is at the heart of RI investment. We actively seek appropriate disclosure on ESG issues from the entities we advise, both asset managers and corporates. All our client's RI policies have followed a bespoke process, making them tailored specifically to our client's investment strategies, their needs, and their stakeholders. We do not work on the basis of off the shelf policies, as we firmly believe each policy needs to appropriately reflect the actual processes. 	<p>Principle 4: Promoting Acceptance of the Implementation of these Principles</p> <ul style="list-style-type: none"> We actively advocate for responsible investment practices and contribute to the advancement of ESG considerations across the financial sector. We do this by engaging in industry conferences and participating in regulatory consultations. We have an online training platform to promote, on a scalable basis, an understanding around core RI issues, with over 500+ users in the past year. We have delivered several bespoke training sessions, to support our clients in incorporating their policies and procedures – e.g. training investment teams on how to incorporate ESG analysis into their underlying investments. We provide monthly asset class specific newsletters to our clients highlighting key developments in the implementation of RI.
<p>Principle 5: Enhancing Effectiveness</p> <ul style="list-style-type: none"> We believe in the power of collaboration. To enhance the effectiveness of implementing the PRI principles, we work in cooperation with like-minded organizations and industry peers. We are proud to be members of not only the PRI Hedge Fund Advisory Committee, but also active contributors to SBAI and AIMA's Responsible Investment working groups. 	<p>Principle 6: Reporting on Progress</p> <ul style="list-style-type: none"> Transparency and accountability are integral to our support of RI. We are committed to reporting on our activities and encouraging clients to report on their actions and progress around RI activity.

Our alignment with the PRI principles is a testament of our firm belief that ESG considerations are not a simple add-on but a fundamental part of sound investment practices.

William Bryant, NorthPeak Advisory's Head of Advisory is an active member of the PRI Hedge Fund Advisory Committee, rejoining the committee in June 2023. He previously served on the committee since its formation until his departure from Albourne Partners in 2020.

The Human Factor

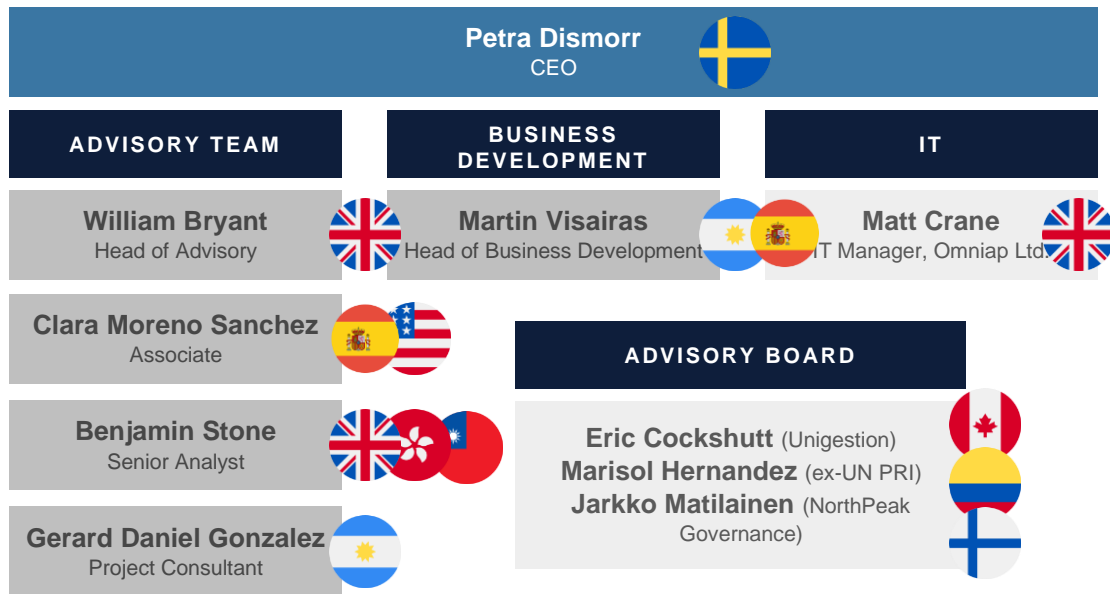
People – The Heart of NorthPeak Advisory

As a human capital business, our people are at the heart of our operations. Their engagement, satisfaction, and well-being are critical to our success and sustainability as a firm. We believe that fostering a thriving, supportive and collaborative work environment not only enhances our quality of life but fuels our ability to provide world-class advisory services.

With a commitment to creating the conditions for a safe working environment, it is vital that we ensure the mental and professional well-being of all employees. We encourage continuous professional development and most of the team have successfully taken the ESG CFA certificate.



We believe that a conducive and productive work environment is anchored through flexible work arrangements, flexible time off and above all, mental health support.



On our third-year anniversary we disbanded our Advisory Board, we gratefully thank Eric, Marisol, and Jarkko for all their support and guidance over the first three years of our life. We would also like to express our huge appreciation to Christina Rehnberg, our Senior Associate from 2020 to 2022, who was instrumental in the development of NorthPeak Advisory.

Talent Attraction

A critical aspect for NorthPeak Advisory is talent attraction and retention. Despite being a smaller firm, we aim to follow good practices. We publicly share open roles on our website and on LinkedIn, looking to reach a diverse audience. Although we currently do not measure employee turnover, we plan to do so in the future, recognizing the importance of retention.

Joining NorthPeak Advisory straight out of university, I have experienced unparalleled professional growth, taking on increasing responsibilities and leading aspects of both our client solutions and business development. I am grateful for the trust and support from NorthPeak Advisory, it has empowered me to develop a robust skill set and leadership qualities. The collaborative culture and entrepreneurial spirit has not only fuelled my personal advancement but also contributed significantly to our company's impact within the industry. It is rewarding to see the impact that my work has, both on NorthPeak Advisory itself and the client's we endeavour to support.

Benjamin Stone, Senior Analyst

Diversity, Equity, and Inclusion

Promoting a diverse, international and complementary skill set establishes a healthy workplace that facilitates the inclusion of different experiences and views, which we believe can help us deliver the best advice to clients as they look to find solutions to their Responsible Investment approaches.

Inclusivity is fundamental to our culture, we believe that diversity is not just a matter of numbers or quotas but a commitment to equal opportunities for all. Discrimination has no place within our organization, and we adhere to the Human Rights Act 2010 and Equality Act 2010 to ensure that all employees and job applicants are treated fairly, regardless of their personal characteristics.

Sustainability Report 2023

We also think it is appropriate to clarify that we do not provide work experience on the basis of friends and family relationships. We believe that this sort of introduction to the financial industry only furthers already existing biases to entrants to the industry and groupthink.

Our Actions to Support Inclusivity

To further our mission of inclusivity, we've taken deliberate steps

- **Parental Leave:** We offer our employees one-year fully maternity leave and six months fully paid shared parental leave. We believe this action supports and encourages a balanced approach to family life and can support a move towards equality.
- **Equal Opportunities:** We proudly maintain our status as an Equal Opportunities Employer, treating all individuals equally and offering equal opportunities from the selections and hiring process, regardless of their age, sex, race, disability, sexual orientation, culture, disability, status, region of origin, migrant, indigenous background, socio economic background, religion affiliation, or any other characteristic that may be discriminated against.
- **Internship Schemes:** While we do not offer regular internship schemes, we are committed to creating opportunities, especially for minorities and women who are underrepresented in the finance industry. We view internships as a vital tool for increasing diversity within finance and aligning our industry's demographics with the societies we serve.

My internship at NorthPeak has been short but sweet, and I have learnt more than I expected before joining NorthPeak. I cannot thank the team enough for their patience, motivation and guidance, and everything they have taught me through this internship!

NorthPeak Advisory Intern, Spring 2022

We were excited to welcome an intern to NorthPeak Advisory in 2022 as part of their university placement.

Actions Beyond Our Firm

Our commitment to sustainability goes beyond our immediate firm. The need to increase diversity, equity and inclusion within the financial services industry is crucial. One important action is mentoring younger generations entering the workforce.



Petra Dismorr, NorthPeak Advisory's CEO, is an active member of [GAIN](#) (Girls Are Investors) - a charity set up by investment professionals to improve gender diversity in investment management by building a talent pipeline of entry-level female and non-binary candidates. During the last three years Petra has mentored three young GAIN students in navigating the challenges they have faced in their internship roles and provided guidance in selecting their future career paths. With GAIN, Petra also taught and guided a class of pre-GSCE students partaking in a nationwide investment competition. Furthermore, Petra is a Development Board Member of the British Exploring Society, an organisation that supports young people in building resilience through wilderness experience, delivering community benefits and fostering positive environmental change. Petra taught a half-day session to a group of 16-24 year olds on entrepreneurship and the importance of "not one size fits all".

William Bryant, NorthPeak Advisory's Head of Advisory, has acted as a mentor to a student currently studying for their A-levels via the [SEO London](#) mentoring programme. SEO London run a range of mentoring programmes, Will has helped his mentee prepare for GCSEs, apply for holiday placements, think about opportunities post A-levels and start preparing for university applications. This has resulted in Will's mentee looking to apply to a number of high profile UK universities to study a course that meets both their current interests and future career aspirations. SEO London, through the Schools programme, supports students from ethnic minorities and lower socioeconomic backgrounds. Will has been thrilled to see a great shift in the confidence and self-belief of his mentee.



Community Support

To celebrate our 1,000-day milestone, we embarked on a unique culinary adventure hosted by [Migrateful](#). We had the privilege of participating in an afternoon of cooking with a Sri-Lankan chef from Migrateful. This experience aligned with our passion for cultural exchange, community engagement, and the values that define our approach to social sustainability. *It also tasted really good 😊!*

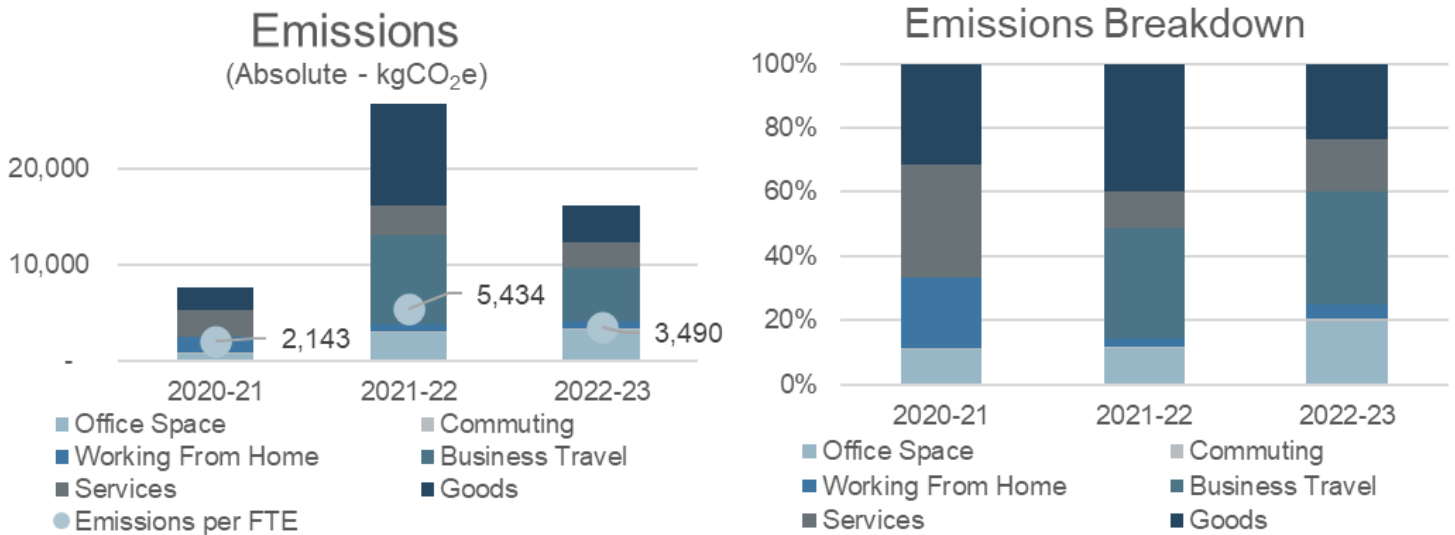
Migrateful, is a UK charity supporting migrants, refugees, and asylum seekers in navigating a path to integration. Their admirable work extends beyond the culinary arts, emphasizing the importance of changing perceptions about migration and advocating for the rights and well-being of migrants.



Our Environmental Footprint

We believe it is important to measure the environmental footprint of our business activities. At this stage in our development we feel it is too early to set targets, but believe that by tracking our emissions we can at least get an understanding of where action can be taken to reduce our footprint. We have calculated our emissions using conversion factors based on information that we have available to us and are aware that this is only an approximation of our emissions.

The below details the breakdown of our estimated GHG emissions over the three years since launch.



NorthPeak Advisory started during the COVID-19 pandemic and as a firm we complied with local regulations meaning that for much of our first year we worked remotely with no travel. Since July 2021 we have rented shared office space in central London and have adapted to more normal operations.

Office Space, Commuting, Working From Home

In our office the majority of emissions originate from electricity consumption from basic office operational needs. We strive to implement energy-efficient practices and maintain a sustainable workplace, reducing our energy usage and maximising recycling.

Our team predominantly relies on public transport for their daily journeys. Also, many of our commutes are carried out on foot or by bicycle.

It is important for us as a small team to collaborate in the office together, but we have had a hybrid working arrangement since launch and support working from home.

Business Travel

We are fortunate that having launched during COVID-19 travel expectations are reduced in our industry, however it is important to meet clients and prospects. Members of the advisory team have travelled internationally, resulting in roughly one third of our total emissions. Other members of the team have had meetings internationally, however these have been appended to personal trips and so NorthPeak Advisory has not included these in the above calculations.

Goods and Services

A significant portion of NorthPeak Advisory's emissions result from the purchase of goods and services including legal, insurance, accounting and IT services and client entertainment.

Methodology

Our approach to emission measurement is rooted in providing transparency and raising awareness. To calculate NorthPeak Advisory's emissions we have used relevant conversion factors from [UK DEFRA](#). We have also used [US EPA](#) supply chain factors as we could not find suitable publicly available UK data.

Governance and Ethics

Guiding Principles for a Sustainable Future

At NorthPeak Advisory, our journey towards sustainability is not just about the impact we make—it's also about how we manage and govern our organisation.

Governance Structure: Nurturing Sustainability from Within

As a small firm our governance structure is simple. We have a number of external investors who we provide transparency to on the performance of the business. Our approach is built on the pillars of accountability, transparency, responsibility, and effective decision-making. Key components of our governance structure include:

- **Executive Leadership:** Our CEO plays an active role in championing sustainability, responsible for integrating sustainable practices into the daily operations of the firm, promoting an ethical culture, and ensuring transparency in all activities.
- **Employee Engagement:** Our employees are not just stakeholders; they are integral to our sustainability practices. All team members are encouraged to actively contribute to our sustainability efforts. Their ideas and contributions help shape our strategies and initiatives.

Conflicts of Interest

In all our activities we look to reduce any actual or perceived conflicts. As part of this we have a policy of not have commercial relationships with specific ESG data providers or other firms that provide services to our clients. We want to be able to assess our clients' needs and provide them with the best advice possible, including the selection of other service providers. We maintain non-exclusive relationships with various service providers. This enables us to uphold our independence in providing advisory services.

We have a policy of not paying to attend or speak at conferences, but have been hugely fortunate to speak at a number of events hosted by groups such as AIMA, With Intelligence, and AltsUK.

Our Policies

We recognize that ethical conduct and transparent operations are not only regulatory requirements but the foundation of trust, credibility and the smooth running of our business. To support this, we have a number of policies in place:

- **Business Continuity Plan** – steps to take in case of an unforeseen event that may impact normal operations.
- **Careers and Roles** – details on expectations of different roles and responsibilities.
- **Compliance Reporting** – requirements for compliance reporting.
- **Data Retention and Destruction** - we prioritize the confidentiality of our clients' data, recognizing the significant risks that breaches pose. To safeguard this, we have a full time IT support, employ high-quality IT systems, and sensitive information is stored on protected data-sharing solutions.
- **Employee Onboarding** – supporting new joiners on expectations as they start at NorthPeak Advisory.
- **Identity Theft Protection** - we take all necessary provisions to protect our firm, our team and our key stakeholders from phishing scams and identity theft that could lead to material loss of confidential information. The team have all completed the [Mavinbrook](#) cybersecurity training.
- **Internal Security Controls** – safeguarding NorthPeak Advisory's intellectual property
- **Modern Slavery** – compliance with Section 54, Part 6 of the Modern Slavery Act 2015.
- **Sarbanes-Oxley** – compliance with Sarbanes-Oxley.
- **Staff Handbook** – an overview of relevant employee policies, including – anti-corruption, anti-harassment, whistleblowing, sickness, maternity/paternity/adoption/parental leave, etc.
- **Workflow and Standards** – expectations of how our team should work with clients.

We adhere to all relevant standards and regulations in our industry, including those related to equality and human rights, ensuring that our practices align with the Human Rights Act 2010 and Equality Act 2010.

Asset Manager Case Study

Client Profile

\$4bn private investment firm focused on European asset-backed special opportunities.

Background

The client had been working on an ESG policy but given increasing investor questions, was looking for a more structured approach to improving internal firm and fund ESG practices.

Solution

NorthPeak Advisory conducted a firm level assessment of the responsible investment process and having reviewed the investment framework we created an upgraded ESG integration process to sit within this. The process focused on how ESG factors are assessed in the pre-investment phase, and how that information is monitored and reported on post investment. We created a practical and repeatable process to support the investment team identify the key systemic and financially material ESG issues and engage with the underlying portfolio companies to collect the relevant data to assess the management of these issues.

We trained the investment team on the upgraded ESG integration process and created a detailed ESG policy. NPA then worked with the client to support the ongoing collection of data to be able to continually manage the exposure to these ESG risks and report to investors on the ESG footprint of the portfolio. Following a comprehensive review of the client’s portfolio company ESG data, NPA created “Borrower Improvement Handbooks” that were distributed to the portfolio companies, providing guidance on how to better identify, manage and report on their material ESG topics. NPA has supported the client with creating the firm’s inaugural and subsequent sustainability reports, as well as reporting to relevant industry initiatives such as PRI and GRESB. Based on the enhanced ESG integration process, the latest fund discloses as Article 8 SFDR, which NPA supported the relevant disclosures, working alongside the managers external counsel.

Ongoing Work

NPA now has an ongoing relationship with the client, updating the ESG framework based on the investment team’s ongoing feedback and advancements in investor expectations, reviewing new investments completed using the framework, whilst also keeping the entire firm abreast of the latest ESG developments through our monthly ESG updates.

Furthermore the NorthPeak Advisory completed an assessment of the implementation, resulting in a Certificate. This assessed how the investment team were implementing the responsible investment framework in accordance with the stated policies. We also provided further recommendation on areas for improvement.

Universal ESG Assessment		
These ESG factors have been deemed necessary to be assessed for all investments. Assessment should investigate the company's exposure to the ESG factor along with policies and practices for the management of each factor.		
See the sheet 'Corporate ESG Metrics' for example metrics to assess for these ESG factors.		
Date of assessment		
ESG Theme	Materiality	Example Factors to Consider - to see example metrics to assess, see 'Corporate ESG Metrics' sheet
Corporate Governance	Universal Relevance	Accounting Board Business Ethics Governance Ownership & Control Pay Tax Transparency
Climate Change	Universal Relevance	Carbon Emissions Climate Change Vulnerability Financing Environmental Impact Product Carbon Footprint
Human Capital	Universal Relevance	Health & Safety Human Capital Development Labor Management Supply Chain Labour Standards
Financially Material ESG Assessment		
The financial material ESG factors are selected based on the GICS sub-industry of the investment. It is recommended to include an assessment for all factors noted as Significant or High . The materiality map serves as a guide, along with the investment teams own experience. If there is an override to the Materiality please detail within the Financial Exposure Assessment.		
See the sheet 'Corporate ESG Metrics' for example metrics to assess for these ESG factors.		
Date of assessment		
ESG Theme	Materiality	Example Factors to Consider- to see related metrics to assess, see 'Corporate ESG Metrics' sheet
Natural Capital	Significant	Biodiversity & Land Use Raw Material Sourcing Water Stress
Pollution and Waste	High	Electronic Waste Packaging Material & Waste Toxic Emissions & Waste
Environmental Opportunities	Low	Opportunities in Clean Tech Opportunities in Green Building Opportunities in Renewable Energy
Product Liability	Low	Chemical Safety Consumer Financial Protection Insuring Health & Demographic Risk Privacy & Data Security Product Safety & Quality Responsible Investment
Stakeholder Engagement	High	Community Relations Controversial Sourcing
Social Opportunities	Low	Access to Communications Access to Finance Access to Health Care Opportunities in Nutrition & Health



1. RI Certificate of Assessment

Assesses RI / ESG practices and policies as they relate to the manager’s investment strategy and how these are articulated to stakeholders.



2. RI Certificate of Implementation

Assesses the consistent and repeatable execution of the documented RI / ESG policy and practices in the investment strategy on a day-to-day basis.

Please Note: This case study is based on an amalgamation of work NorthPeak Advisory has completed for a range of European asset managers.

Sustainability Report 2023

Corporate Case Study

The following is an example of how NorthPeak Advisory has assisted a corporate client with creating a bespoke sustainability strategy, and communicating it through their first sustainability report.

Client Profile

Publicly listed natural gas exploration and production company operating in a developing country.

Background

The client had previously completed a materiality assessment and collected internal ESG data, but needed support in reviewing the assessment and creating a holistic long-term sustainability strategy with targets and metrics that could be reported on in a meaningful way.

Solution

Current State Assessment

We started the engagement by assessing the client's internal ESG-related materials, past activities, oversight, and ambitions. The assessment resulted in a guidance document including global megatrends, investor expectations, industry best-practice, and regulatory developments specific for the client's activities.

Since the client wanted the sustainability strategy to be founded on their unique geographical context, NorthPeak Advisory conducted a macroanalysis identifying how the client's business model could contribute to the country's environmental, social, and economic agenda, as well actions to support the UN Sustainable Development Goals.

Stakeholder Overview

We assessed the client's key stakeholders, analysing what each stakeholder expected from the firm and how they could meet these expectations.

We conducted a competitor benchmark whereby the client's own ESG ambitions and practices were contrasted against 13 peers. This resulted in a classification system which categorised how each competitor was currently incorporating ESG within their business model, and provided the client with an overview of ESG maturity within their industry.

Materiality Assessment Review

We analysed the client's current materiality assessment, creating a materiality matrix that classified which sustainability topics would likely form a core component of the subsequent sustainability strategy. This was based on the degree to which the sustainability topic could impact both the client's stakeholders and their own business, classifying whether the sustainability topic was a "must-do" or "can-do".



Overall Potential Impact on Stakeholders	High		Human Rights	Biodiversity Climate Risk Employee Health & Safety Anti-Bribery & Corruption GHG Emissions
	Moderate	Community Relations	Diversity, Equity & Inclusion Recycling Processes	Green Technology Water Management Supply Chain Management
	Low	Executive Pay		FX Variation & Economic Outlook
		Low	Moderate	High
Overall Potential Impact on Business				

Sustainability Report 2023

Sustainability Strategy Creation

Following the work NorthPeak Advisory had completed we led a workshop with different stakeholders from the client's core business functions. This aimed to gather the client's internal views and priorities regarding the sustainability strategy. NorthPeak Advisory then synthesised the current state assessment macroanalysis, competitive benchmark, materiality review, and workshop into a detailed sustainability strategy. The strategy focused on each of the identified sustainability topics, breaking them down through utilising the following structure.

Example

ESG Oversight	
Primary Issue Having senior-level oversight of ESG is crucial to ensure that there is accountability and buy-in at all levels of the organisation. This issue captures how we structure ESG responsibilities.	
Relevance	We recognise that board oversight will be vital for driving our sustainability strategy and ensuring that sustainability considerations become an integral component of our business model.
Current Performance	There is neither any formal ESG Committee nor member of the board who has relevant ESG credentials.
Actions	We will conduct an ESG training session for all board members in 2022. We will then set up a formal ESG Committee which will be headed by our Chief Risk Officer, and supported by working with NorthPeak Advisory on an on-going basis.

Sustainability Report Creation

NorthPeak Advisory created a sustainability report that built on the strategy and clearly communicated the client's values, actions to date, ambitions, and progress. When producing this report the client also wanted information regarding different reporting frameworks, specifically SASB, GRI and TCFD. NorthPeak Advisory created a supplementary document which outlined the main differences between the three reporting frameworks, whether the frameworks could be used in tandem, and key considerations for deciding which frameworks to report against so that management and the board could make an informed reporting decision.

Example

Distinction	SASB	GRI	TCFD
Application of Materiality	SASB's reporting standards are focused on the concept of financial materiality. This means companies report on the sustainability factors which are most likely to impact their current and future market valuation. The factors that are considered 'financially material' depend on SASB's Sustainable Industry Classification System ("SICS").	The GRI not only considers financially materiality, but also the firm's economic, environmental, and social impact on its wider stakeholders. This also makes the GRI more aligned with other common frameworks such as the Sustainable Development Goals.	TCFD views climate change as a financially material, and non-diversifiable issue that impacts all businesses.
Audience and Stakeholder interest covered	SASB is primarily used by companies to inform investors or other providers of financial capital.	The GRI Standards are used by companies to inform all stakeholders, such as investors, employees, civil society and governments.	TCFD is primarily used by companies to inform investors or other providers of financial capital. In some countries (e.g., UK), regulators have started asking for these disclosures.

The management and board decided to proceed to report in accordance with GRI. The report was well received by the client's investor base, who appreciated the transparency around the firm's current and future sustainability approach. Since publication, NPA has worked with the client on an ongoing basis to further update and implement their sustainability strategy, providing training to the entire firm on the strategy, whilst also drafting their second sustainability report, which is due to for publication.