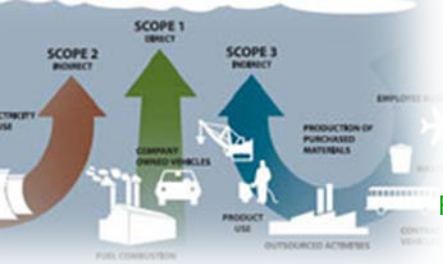


Scope3Shift

EcoShift's Scope 3 Accounting Services

For our complete GHG services please see our ClimateShift Infopack



Greenhouse Gas Inventories and Scopes

Greenhouse Gas (GHG) emissions are categorized into three Scopes based on World Resources Institute standards that have been adopted by the Climate Registry. Scope 1 and 2 emissions are considered "Direct" emissions from onsite fossil fuel use and purchased electricity, and Scope 3 emissions are a broad category that includes all other indirect emissions, both upstream and downstream of your operations. This includes categories such as employee commutes, supply chain emissions, waste, air travel, and life cycle emissions of purchased goods.

Completing Your Scope 3 Inventory

Assessment of Scope 3 emissions can be complex because adequate data sources may not exist, estimation and modeling may be required, and many methodologies exist. This contrasts with Scope 1 and 2 inventories, for which data are usually available within the entity, accepted accounting methods exist, and a variety of tools can assist in the process.

EcoShift closely follows the Scope 3 emissions inventory protocol recently released by the World Resources Institute (WRI) and the World Business Council for Sustainable Development (WBCSD), which promises to set the global standard for Scope 3 inventories. To complete your Scope 3 inventory, we engage in the following activities:

Initial Screening. Scope 3 protocols require that entities inventory all emissions that collectively make up 80% of estimated Scope 3 emissions, as well as emissions associated with the use phase of products. We begin by mapping your value chain and conducting an initial screening of Scope 3 sources to determine which sources should be fully inventoried.

Data Acquisition. We collect primary and secondary data, and create extrapolated or proxy data using accepted methodologies to compile needed information for the inventory. We examine your supply chain, your waste stream, and your employee behavior, and gather data by engaging with the appropriate departments within your company.

Calculate and Report. To complete the inventory, we select and implement methodologies to calculate emissions in each category selected in the initial screening and create a final report of Scope 3 emissions.

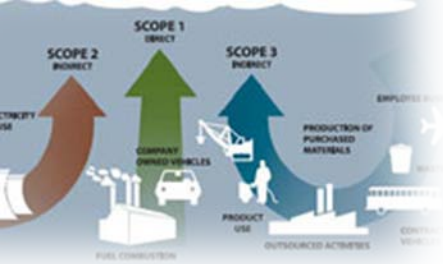
Most Scope 3 emissions fall into the following categories:

- Employee commutes
- Purchased goods
- Air travel
- Waste
- Product use
- Transportation/Distribution
- Disposal at end of life
- Capital equipment
- Leased assets

In some cases, in order to fully understand Scope 3 emissions of an enterprise, a full or partial Life Cycle Analysis may be required. This is especially pertinent for enterprises that involve large amounts of raw material purchases. EcoShift consultants can help you assess the need for Life Cycle metrics, and perform a full or partial Life Cycle Analysis if necessary.

Our clear, holistic, and adaptable process results in a comprehensive inventory you can use to choose the best options for your organization.





Scope3Shift

Services Description



Why Inventory Scope 3 Emissions?

Including Scope 3 GHG emissions in your inventory means that you are fully disclosing your climate impacts, even though such reporting is not required in existing climate change regulations. However, companies are increasingly looking to reduce emissions in their full value chain because they are aware that their climate impacts extend well beyond operations. Scope 3 emissions can be a large percentage, or even a majority, of your total footprint. Understanding your Scope 3 emissions is a crucial step towards corporate stewardship.

Cost Savings & Efficiency

Many of the activities that contribute to your Scope 3 emissions also create extra production and operating costs, such as unnecessary packaging or extensive business air travel. A Scope 3 inventory will help you identify operational inefficiencies, and, in tandem with our ClimateShift strategy, will identify the most cost-effective GHG reduction strategies. In addition, reducing Scope 3 emissions is the most cost-effective way of reducing overall GHG emissions from most enterprises.

Risk Management

A successful business strategy needs to consider regulatory and supply chain risk. Climate legislation, public opinion, future energy prices, and business-to-business or investor requests for supply chain GHG information all increase uncertainty and present potential risks to your business. Acting sooner rather than later will make it easier to adjust to and take advantage of changing market conditions.

Your Brand & Reputation

Consumers increasingly demand information about sustainability characteristics of the companies with whom they do business. Sustainability-minded businesses also find that their efforts can attract and retain high-quality employees, improve morale, and more easily attract investment.

Sixty corporations are testing the new standard for Scope 3 emissions reporting and are gaining significant press coverage as a result of their efforts. Completing an inventory of your Scope 3 emissions can demonstrate stewardship in clear, concise language, avoid claims of greenwashing, and create a better understanding of your environmental performance.

Why work with EcoShift?

Our principals are involved with a nationwide review of WRI's Scope 3 reporting standards. EcoShift consultants are broadly trained in energy policy, engineering, carbon modeling, economics, and lifecycle analysis. Our principals are doctorate-level scientists that teach and conduct research at leading California universities, and our analysts are highly trained specialists within their respective fields.

For more information, contact us:

James Barsimantov, PhD
EcoShift Consulting

jbarsimantov@ecoshift.com

415.935.3681
www.ecoshift.com

