



Carbon-Neutral Plan

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1 Key Definitions

ISO 14068 defines the following terms:

Carbon-neutral/net-zero (global scale): Equivalent terms that refer to the condition in which anthropogenic GHG emissions are balanced by anthropogenic GHG removals over a specified period.

Carbon-neutral (organizational scale): A condition in which, during a specified period of time, the carbon footprint has been reduced as a result of GHG emission reductions or GHG removal enhancements and, if greater than zero, is then counterbalanced by offsetting.

Net-zero (organizational scale): Commonly considered as the condition in which emissions have been reduced such that only residual emissions remain, and offsetting is restricted to removal credits only.

Carbon footprint: The sum of GHG emissions and GHG removals of the subject expressed as carbon dioxide equivalents.

GHG emission reduction: A decrease in GHG emissions quantified between two points in time or relative to a baseline.

GHG removal enhancement: A quantified increase in GHG removals between two points in time or relative to a baseline.



2 About Brightspot

At Brightspot Climate, we believe in protecting our world through real climate solutions so that future generations can thrive. Our approach connects the dots between communities, businesses, and governments, ensuring technical accountability and empowering our partners to achieve shared decarbonization goals.

We work diligently to create and uphold equal opportunity, individual belonging, and work-life balance through our diversity, equity, and inclusion strategy. Brightspot is extremely proud to have a diverse workforce made up of with 55% of our staff identifying as women or gender minorities, 6% as Indigenous Peoples, and 45% as visible minorities (accurate as of August 1, 2024; based on a 94% response rate). We believe that each member on our diverse team plays an important role in developing innovative future strategies and driving performance.

As of April 1, 2025, Brightspot Climate has officially become an Employee Ownership Trust. This is a significant milestone and aligns with our team's determination to challenge status quo in workplace cultures and practices. By shifting to employee ownership, we're breaking free of an old business model and choosing a workplace where the people who make this company thrive also share in its financial success.

Since 2016, Brightspot Climate has offset its emissions as part of our carbon-neutral plan, which covers our Canadian operations. But our goal goes further, and we strive to lead in supporting and accelerating climate action in Canada and beyond.

To learn more about us, please visit our website: www.brightspot.co



3 Brightspot's GHG Inventory

3.1 GHG Inventory Scope

The ISO 14064-1 sets out the principles and standards for GHG quantification and reporting for organizations. The following five principles are fundamental to ensuring any GHG inventory is accurate and fairly represents the organization:¹

- **Relevance** - Selecting GHG sources, data, and methodologies appropriate for the inventory and its intended users.
- **Completeness** - Including all relevant GHG emission sources, sinks, and removals.
- **Consistency** - Enabling meaningful comparisons in GHG-related information and prior inventories.
- **Accuracy** - Reducing bias and uncertainties as far as is practical.
- **Transparency** - Disclosing sufficient and appropriate GHG-related information to allow intended users to make decisions with reasonable confidence.

In addition to ISO 14064-1, Brightspot relied on the *Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard* (the "GHG Protocol"), which sets out requirements and guidance for organizations to develop a comprehensive GHG inventory. This document stipulates which GHGs and global warming potentials (GWPs) should be included in any organizational inventory. Within GHG reporting, the following three scopes of emissions should be considered:

- **Scope 1:** All direct emissions from sources that are owned or are within operational control of the reporting entity.
- **Scope 2:** Indirect emissions from the generation of purchased electricity, heat, or steam for an owned or controlled entity.
- **Scope 3:** Indirect emissions from sources that are not owned or within operational control. These emissions are linked to the reporting entity's operations.

The GHG Protocol requires that organizations must report all Scope 1 and 2 emissions, while reporting of Scope 3 emissions is voluntary. Brightspot has chosen to report all Scope 1, 2, and 3 emission sources.

¹ International Standard, ISO 14064-1, Greenhouse Gases Part 1: Specification with guidance at the organizational level for quantification and reporting of greenhouse gas emissions and removals.



3.1.1 Included Greenhouse Gases

Brightspot's 2024 GHG inventory will report the following GHGs:

- Carbon dioxide (CO₂)
- Methane (CH₄)
- Nitrous oxide (N₂O)

For each GHG, a GWP can be applied to convert it into an equivalent mass of carbon dioxide (carbon dioxide equivalent [CO₂e]). For the 2024 reporting period, 100-year GWPs from the 2013 Intergovernmental Panel on Climate Change (IPCC) Assessment Report (Fifth Assessment Report) have been used to be consistent with the ECCC National GHG Inventory. The GHGs and associated 100-year GWP are included in Table 1.

Table 1: Global Warming Potentials

Gas Type	Chemical Formula	100-Year Global Warming Potential
Carbon dioxide	CO ₂	1
Methane	CH ₄	28
Nitrous oxide	N ₂ O	265

3.1.2 Reporting Period

To complete a GHG inventory, a reporting period must be selected. The reporting period for an organization's inventory is generally defined in terms of a calendar or fiscal year and is representative of a year with "normal operations" so a relevant and complete inventory can be captured. That year is then used as a baseline year against which future GHG-emissions performance is measured.

Brightspot has determined that 2024 is the most appropriate baseline year, as it is the first full year in which Scope 3 employee commuting data is included.

3.1.3 Organizational Boundaries

Establishing an organizational boundary is required to understand where to draw the boundary around the inventory, and which emission sources should be included or excluded. The GHG Protocol recommends selecting one of two approaches:

- 1) Operational control: Including emissions from any operations that are within control of the reporting entity, whether leased or owned, or
- 2) Equity share approach: Emissions are measured from facilities for which the reporting entity has some degree of ownership.



Brightspot is a consulting firm and does not own any company cars or office space; however, the office space leased by Brightspot is within operational control.

Brightspot has drawn a boundary around operations-related emission sources; consequently, the organizational boundary for the company is defined by the operational-control method.

3.1.4 Operational Emission Sources

All emission sources included in the inventory can be classified into one of the three scopes discussed in Section 3.1. The emission sources listed below were selected to be included in the quantification based on their relevance and significance.



Scope 1: Direct emissions from sources that are within the operational control of the reporting entity:

- Natural gas combustion in leased office spaces
- Gasoline combustion in Brightspot-owned vehicle



Scope 2: Indirect emissions from purchased energy for an owned or controlled entity:

- Emissions associated with electricity consumption in leased office spaces



Scope 3: Indirect emissions linked to the reporting entity's operations:

- Business air, rail, and car travel
- Employee commuting



3.2 2024 GHG Inventory

Brightspot’s GHG inventory for reporting year 2024 is listed in Table 2 and further detailed in Figures 1 and 2.

Table 2: Brightspot’s 2024 GHG Inventory

Scope	Emission Source	Emissions (tonnes CO ₂ e)
1	Natural gas combustion in leased offices	14.17
2	Electricity consumption in leased offices	19.07
3	Employee Commuting	12.23
3	Vehicle travel	16.40
3	Domestic flights (< 500 km)	0.37
3	Short-haul flights (500–3,700 km)	20.31
3	Long-haul flights (>3,700 km)	12.10
Total emissions		94.67

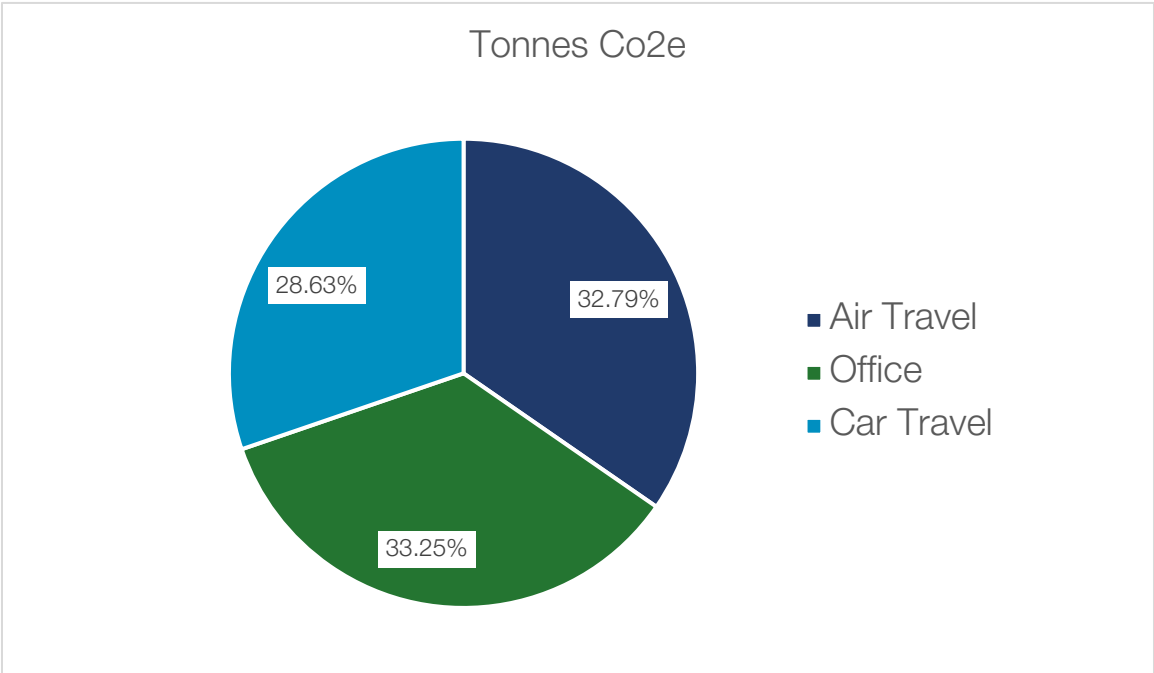


Figure 1: Main Emission Sources

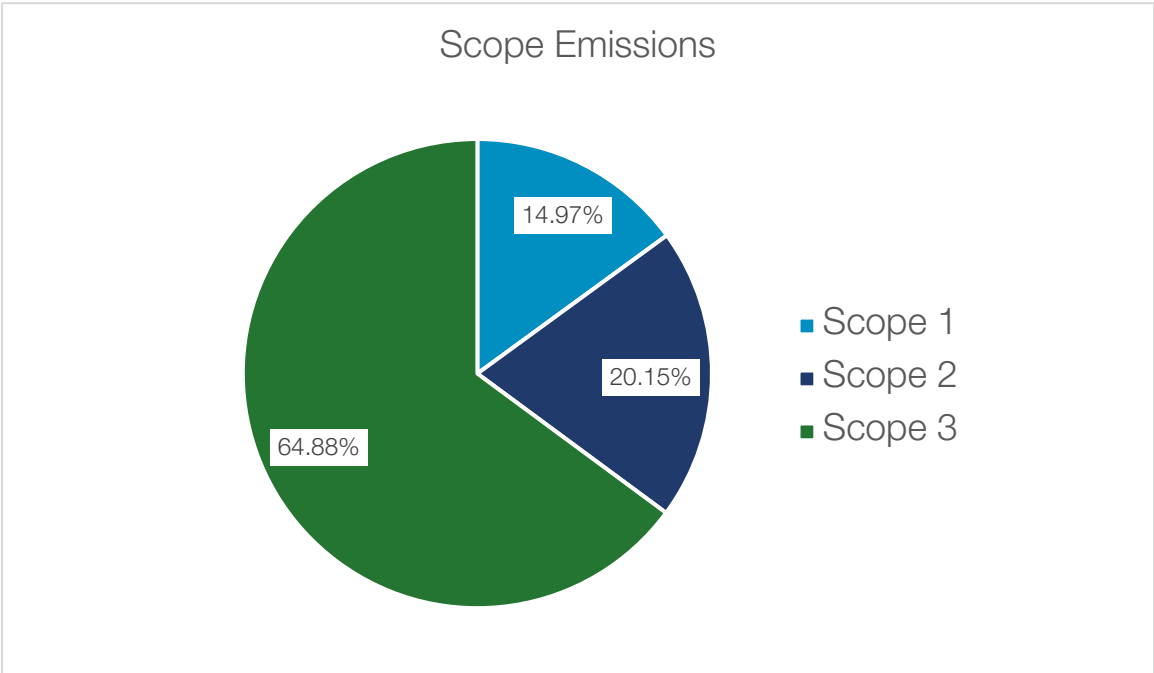


Figure 2: GHG Emissions by Scope



3.3 Key Metrics

Brightspot has been quantifying its corporate emissions since 2016. We believe that there are two key metrics worth understanding: the progress of GHG emissions over time (i.e., absolute emissions), and the progress of GHG intensity over time, measured as relative to company growth.

3.3.1 Brightspot GHG Inventory Over Time

As a consulting, people-based business, Brightspot’s absolute emissions have increased over time with the company’s growth, primarily driven by business travel for business development, operations, and client engagement.

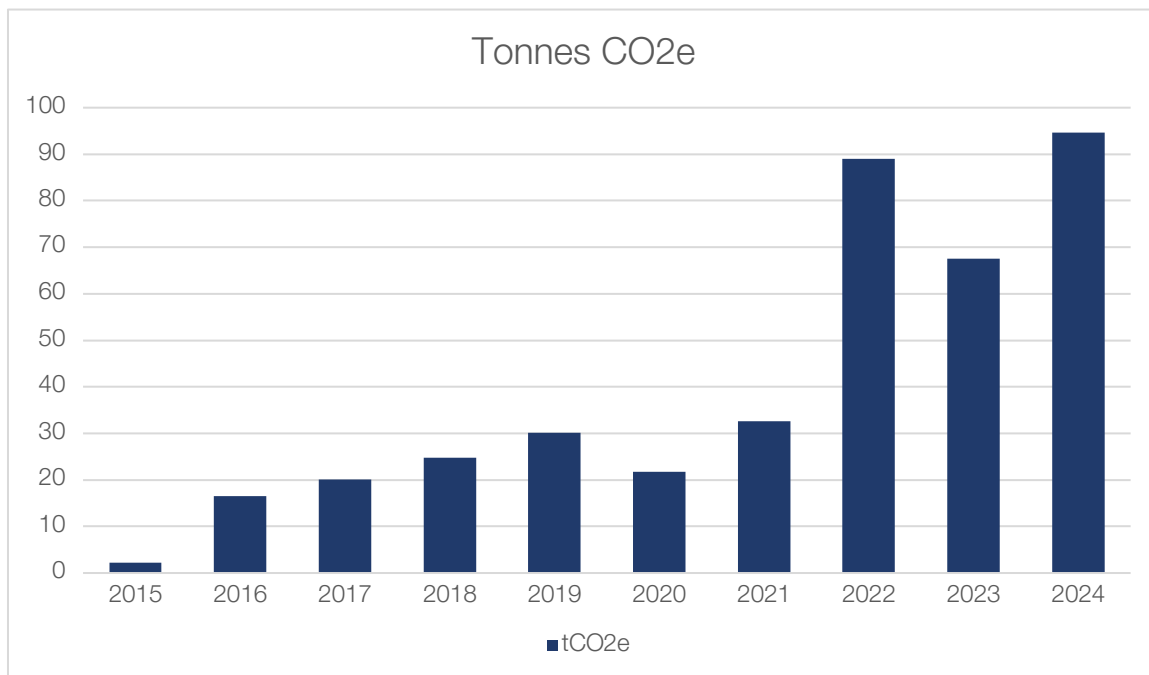


Figure 3: Annual GHG emissions



3.3.2 Brightspot GHG Emissions Intensity Over Time

Brightspot has chosen GHG emissions per employee as a reasonable metric for emissions intensity. As previously mentioned, our GHG emissions growth trajectory is largely attributed to our growth as a company, which is reflected in the number of employees.

We saw a tangible decrease in emissions in 2020 due to the impact of the COVID-19 pandemic on travel, including travel for client site visits. As concerns around the pandemic have subsided, our emissions intensity has increased, but not to pre-pandemic levels due to implementing efficiencies around work-related travel. Additionally, our emissions intensity increased in 2022 and 2024 because all our employees traveled within Canada for our bi-annual corporate retreat.

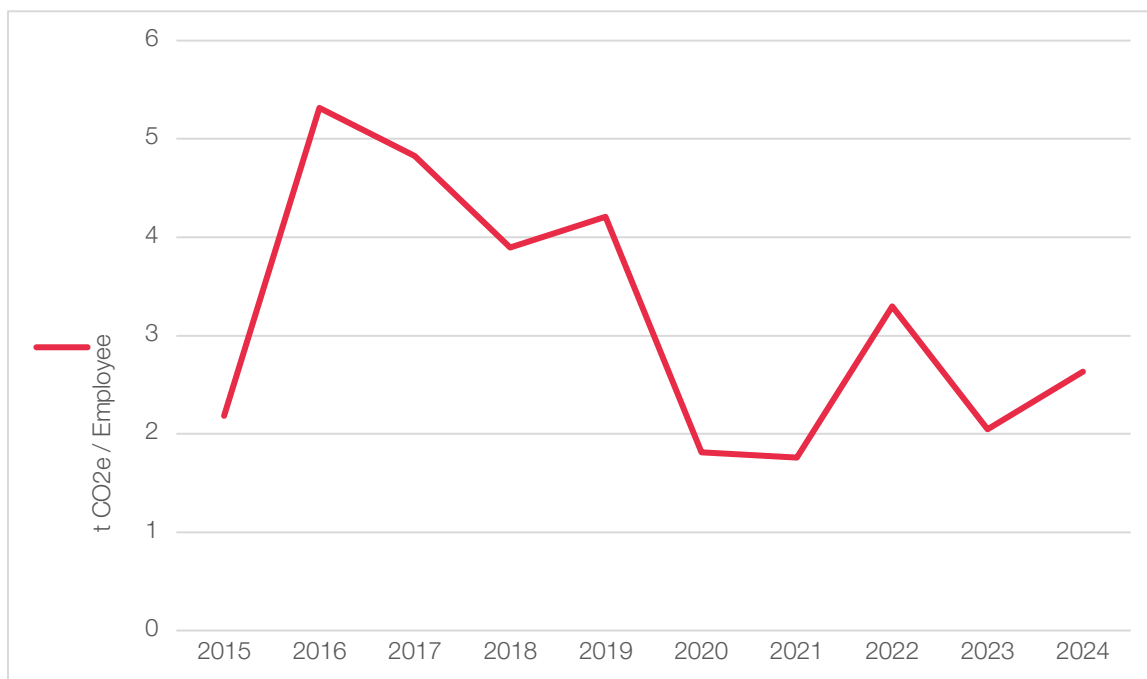


Figure 4: Annual emissions intensity



4 Carbon-Neutral Plan

Brightspot Climate recognizes that climate change is one of the greatest challenges of our time. In response, we have made it a core priority to maintain carbon-neutral operations since 2016. This plan presents measures we will take to ensure we remain carbon-neutral and to further reduce our carbon footprint for our operations within Canada.

But our goal is to be more than carbon-neutral; we want to be a leader in supporting and accelerating climate action in Canada and beyond. To that end, our plan includes initiatives that help drive emission reductions beyond our Scope 1, 2, and 3 emissions.

4.1 Governing Principles

In developing this plan, we examined a range of approaches and frameworks and derived one that we feel is appropriate, meaningful, and leading for a service-oriented organization like Brightspot. Our approach is influenced by the following principles, which are described in ISO 14068:²

- Transparency
- Conservativeness
- Hierarchy approach
- Supporting transition
- Ambition
- Urgency
- Science-based
- Avoiding adverse impacts
- Accountability
- Value chain and life cycle approach

4.2 Targets

Brightspot currently targets moving beyond carbon-neutrality. While we currently are carbon-neutral, per the definitions provided above, we aspire to pursue emission reductions beyond the confines of Scopes 1, 2, and 3 in many ways.

We believe that interim targets are important, especially in terms of pursuing urgent climate action. For example, as described in the next section, our largest source of emissions is business travel. Because we are not a significant player in the air-transportation value chain, one assumes we cannot appreciably change these emissions. However, it is this type of assumption that we want to challenge. Consequently, we will set an interim target to do a deep dive into this emission source, researching ways we could influence GHG

² International Organization for Standardization (ISO) 14068: Climate change management – Transition to net zero – Part 1: Carbon-neutrality



emissions in the airline industry. Once we identify possible activities and goals, we will set additional targets to achieve them.

4.2.1 Baseline

Brightspot has characterized a separate baseline for each of Scope 1, Scope 2, and Scope 3 emissions, where each baseline corresponds to the emissions scope for the 2024 reporting period. That is, the baselines follow in Table 3. The Scope 3 baseline includes Brightspot’s two most significant Scope 3 emissions categories: business travel, which is the most relevant, and employee commuting, the second most relevant.

Table 3: Baseline

Scope	Emissions (tonnes CO ₂ e)
1	14.2
2	19.1
3	61.4
Total	94.67

4.3 Actions Taken in 2024

In 2024, Brightspot implemented a series of actions to reduce our carbon footprint and strengthen our commitment to driving carbon awareness and neutrality within our communities, client base, and spheres of influence.

4.3.1 Internal Carbon Pricing Research and Implementation

Brightspot established its first office in Toronto, ON in the latter half of 2024 and developed a questionnaire for how to implement carbon pricing in selecting an office space for Toronto employees.

The following is the list that was used during the selection process:

- Is the building LEED or green building certified, or any other sustainability / efficiency certifications or designations?
 - Utility related information – this may not be readily available, but we could request the following information:
- Heat pump, natural gas or district steam relating heating?
- Any contracts in place for purchase of renewable energy or RECs?
- How easy is it to procure utility information?
- Is utility included in rent? If so, is this information accessible by Brightspot for reporting?
- Are we able to receive quantities of electricity and natural gas versus just cost?
- Any recent retrofits? Ex: better window insulation, replacement of HVAC units, energy efficiency mechanisms in place, such as occupancy sensors, etc.?
- Bonus: Does the building have EV charging infrastructure? Any plans to implement this soon?



This questionnaire was also completed for the Vancouver office and will be used to guide the selection of the Calgary office in 2025. The Toronto and Vancouver offices were chosen based on space requirements for the number of employees, their central location within the metro areas, and their accessibility to transit in the downtown core. As a result, a co-working shared space was selected for the Toronto office, while a dedicated office space was chosen for the Vancouver office.

4.3.2 Incorporate Employee Commuting in Scope 3 Emissions

Brightspot initiated the tracking of employees' modes of transportation (e.g., car, carpool, bus, cycling, walking, etc.) for their daily commute between home and local offices. This data is collected daily to monitor the environmental impact of commuting patterns and is reported weekly as part of each employee's timesheet submission. The goal is to better understand transportation choices, identify opportunities for reducing emissions, and encourage sustainable commuting practices across the company.

4.3.3 Directly Reduce Air Travel Emissions

The CEO of Brightspot relocated from Montreal, QC, back to Vancouver, BC, where the Head Office is based. This move has significantly reduced air travel in the final months of 2024, and we expect these reductions to continue in the future. Additionally, a bi-annual corporate retreat, which typically involves air travel for many employees, is not planned for 2025, further contributing to emissions reductions in the upcoming year.

4.3.4 Indirectly Reduce Air Travel Emissions

Brightspot conducted research on sustainable aviation fuel (SAF) technology, focusing on regulatory and market incentives for its production in Canada as part of an internal R&D project. Upon completion of this project, Brightspot consulted with an Ontario-based company that produces SAF from waste. This engagement included estimating carbon intensity and emissions reductions, as well as assisting with grant applications. Brightspot is continuing its involvement in this project, which contributes to reducing emissions from air travel indirectly.

4.4 Ongoing Activities

4.4.1 Annual GHG Reporting and Offsetting Residual Emissions

Since 2016, Brightspot has annually quantified its GHG emissions and made the information publicly available on its website. We have purchased offsets to cover our residual emissions each year since 2016 and will continue to do so for the 2024 reporting period. Brightspot purchases 100% of its offset credits from Canadian renewable energy projects, of which are verified by an accredited 3rd party.



4.4.2 Site Visit Planning

A large amount of GHGs are emitted when our employees travel to client sites. When possible, some site visits are done virtually, but it is typically best to do them in person. To limit the amount of travel, Brightspot tries to group site visits by location, with the purpose of completing as many site visits as possible during each trip.

4.4.3 Climate-Aware Office Locations and Hiring Practices

Brightspot operates three offices: the head office in Vancouver and local offices in Calgary and Toronto. The Toronto office was opened in 2024 to better service and support clients in the surrounding geographical area. In 2024, 88% of our staff worked from these offices. While we support our remote workers, we recognize that they generally travel more frequently than employees based in Vancouver, Calgary, or Toronto. To reduce business travel, we prioritize hiring candidates who are based in Vancouver, Calgary or Toronto.

4.4.4 Value-Chain Emission Reductions

Brightspot's employees are encouraged to develop R&D and community-focused projects that drive positive impact. To strengthen our commitment to driving carbon awareness and neutrality within our communities, client base, and spheres of influence, staff are allocated a dedicated number of hours for these initiatives. Ongoing project ideas include increasing post-secondary student engagement and knowledge in GHG accounting, as well as mentoring women running climate-related projects, products, or businesses.

4.5 Activities Planned for 2025

4.5.1 Scenario Analysis

Since 2016, Brightspot Climate has offset its emissions as part of our carbon-neutral plan. However, we recognize the importance of scenario analysis in developing a sound and sustainable path to net zero and have considered global scenarios from the IPCC and IEA in the development of our carbon-neutral plan.

As part of our next steps for 2025, we will continue to enhance our scenario analysis to strengthen our long-term carbon-neutral path and ensure alignment with evolving industry best practices.

4.5.2 Corporate Governance

As of April 1, 2025, Brightspot Climate Transitioned to an Employee Ownership Trust with a newly appointed Board of Directors. Governance of our carbon-neutral plan has been transferred from the CEO to the board. While the CEO has ensured proper oversight up to this point, one of our key actions for 2025 is to establish a governance process within the board to ensure effective oversight of the plan. This will support the continued integration of carbon-neutral planning and climate targets into business and investment decisions.



4.5.3 Internal Carbon Pricing for our Calgary Office

In early 2025, Brightspot began searching for new office space for our Calgary location. We will use the developed carbon-neutral questionnaire to assess potential office spaces. The completed questionnaire(s) will help guide the team in selecting the most suitable office based on its associated carbon footprint. Additionally, the Calgary team will choose an office that is appropriately sized, close to transit, and located in the downtown core.

4.5.4 Offset Credit Selection Framework

Brightspot purchases carbon offset credits to as part of our carbon-neutral plan. In 2025, our goal is to develop internal guidelines for evaluating the quality and credibility of carbon offsets, which will help us determine which credits to purchase and ensure we are buying them with aligned outcomes.

4.5.5 Support Renewable Energy Project Development

We aim to prioritize our continued support for the renewable electricity grid in Canada. In 2025, we plan to partner with a consultancy focused on wind and solar business development to drive value creation in the North American renewable energy industry. On a more grassroots level, we will continue collaborating with local renewable energy project developers to help them navigate climate incentives and regulations, enabling them to scale their businesses and contribute to a cleaner electricity grid.

4.5.6 Incorporate Additional Scope 3 Emissions Sources

As part of our commitment to a comprehensive and accurate greenhouse gas (GHG) inventory, we plan to expand our reporting framework to include additional categories from the GHG Protocol: Technical Guidance for Calculating Scope 3 Emissions. These updates support our goal of aligning with best practices and improving the transparency and completeness of our emissions data.

The new categories we plan to include are:

- Purchased Goods and Services (Category 1)
- Capital Goods (Category 2), Fuel and Energy-Related Activities Not Included in Scope 1 or 2 (Category 3),
- Waste Generated in Operations (Category 5)
- Hotel Stays Related to Business Travel (Category 6)
- Business Investments, focusing on our investment in renewable energy projects.

Incorporating these categories enables us to complete a more comprehensive assessment of value chain emissions and supports the development of targeted strategies to reduce our overall carbon footprint.

4.5.7 Moving Towards Low-Carbon Travel

Going forward, Brightspot will be an advocate for low-carbon travel. Our ideas include:

- Encouraging employee use of eclectic and hybrid vehicles in commuting and business travel



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- Communicating with car rental companies and advocating to make more electric vehicles available
 - Researching green tax breaks or commuting incentives
 - Selecting hotels with green certifications or those that commit to sustainable practices
 - Researching whether short-term rentals are a green alternative to hotels
 - Developing creative methods of providing reasonable assurance in our GHG verification work without conducting physical site visits

5 Conclusion

This update marks a step forward in Brightspot Climate’s carbon-neutral plan and advances our mission to lead by example in helping our clients, partners, and communities do the same. For us, achieving real impact means going beyond the basics to find ways to reduce emissions across our value chain, influence others, and support the broader transition to decarbonization.