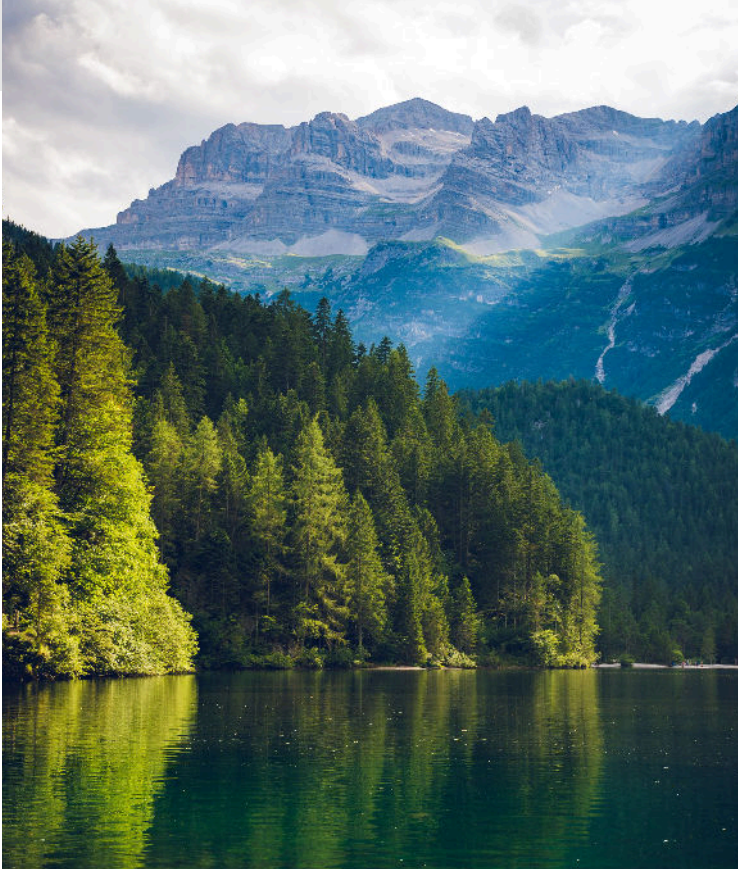




BRIGHTSPOT
CLIMATE

Carbon Neutral Plan

February 2024



INTRODUCTION

Welcome to Brightspot Climate's corporate greenhouse gas (GHG) inventory and carbon neutral plan: an in-depth analysis of our organization's emissions landscape. Our aim is not only to provide a snapshot of our current status, but also to outline the initiatives we are taking to reduce and offset our emissions.

At Brightspot, we believe that success goes beyond financial metrics; it extends to our impact on the environment, our relationships with communities, and the ethical principles that guide our decision-making. This plan is a testament to our dedication to sustainability and responsible corporate citizenship.

DEFINITIONS

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.

Global warming potential: A measure of how much energy the emissions of one tonne of a gas will absorb over a given period, relative to the emissions of one tonne of carbon dioxide.

ABOUT BRIGHTSPOT

At Brightspot Climate, we believe in protecting our world for all species and for future generations. We focus on delivering innovative and practical solutions to environmental challenges. Our team connects the dots between business, government, and ordinary people to achieve shared sustainability goals.

We are an independent climate change and energy consultancy that works collaboratively with industry experts, community stakeholders, and project developers to apply innovative and efficient solutions to mitigating climate change.

Brightspot Climate is a team of diversely identified individuals whose histories and families span the globe. We value our environment and wish to preserve it for the health and enjoyment of generations to come.

Our team is determined to challenge status quo workplace cultures and practices, following a fundamental guiding principle: change. At Brightspot, change means turning away from many of the traditional ideals often found in consulting workplaces and prioritizing meaningful and impactful work over extensive financial gain.

We work diligently to create and uphold equal opportunity, individual belonging, and work-life balance through our diversity, equity, and inclusion strategy—audited for efficacy against the Global Diversity, Equity, and Inclusion Benchmarks.



CORPORATE INVENTORY SCOPE

Principles for GHG Quantification and Reporting

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:

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.

Included GHGs

Brightspot's 2023 inventory will report the following GHGs:

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

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 and 2 emissions and selected scope 3 emissions.

Scope of GHG Emissions

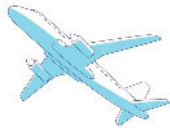
In addition to ISO 14064-1, Brightspot relied on the *Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard* (the "GHG Protocol"), which sets out requirements and guidance for organizations to develop a comprehensive GHG inventory. This document stipulates which GHGs and global warming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



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



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



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

Reporting Period

To complete a GHG inventory and carbon neutral plan, 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 determined that 2023 is the most reasonable year to use as a baseline because it was the first full year of operation for Brightspot's Calgary office.

Global Warming Potentials

For each GHG, a global warming potential (GWP) can be applied to convert it into an equivalent mass of carbon dioxide (CO₂e). For the 2023 reporting period, 100-year GWPs from the 2013 IPCC Assessment Report (Fifth Assessment Report) were used.

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

Organizational Boundary

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) Equity share: The company accounts for the GHG emissions from operations according to its share of equity in the the operations.
- (2) Control: The company accounts for 100 percent of the GHG emissions from operations over which it has control, either financial or operational.

Brightspot is a consulting firm and does not own any company cars or office space; however, the office space we lease is within our operational control. As such, we use the operational control method.



Brightspot has offices in Vancouver and Calgary.

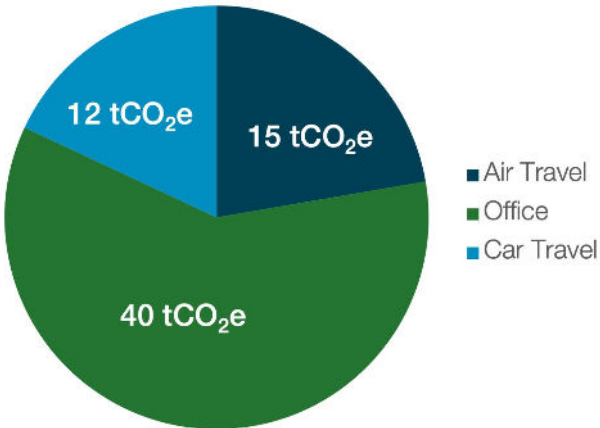
BRIGHTSPOT'S 2023 CORPORATE INVENTORY



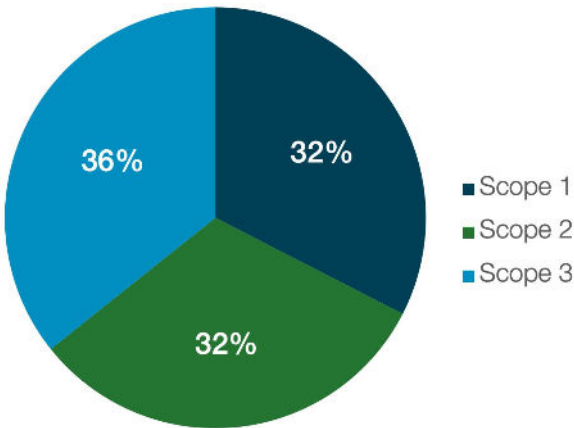
Scope	Emission Source	Emissions (tonnes CO ₂ e)
1	Company vehicle travel	3.1
1	Natural gas combustion in leased offices	18.9
2	Electricity consumption in leased offices	21.4
3	Vehicle travel	9.1
3	Domestic flights (< 500 km)	0.3
3	Short-haul flights (500–3,700 km)	11.7
3	Long-haul flights (>3,700 km)	3.1
Total emissions		67.5

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

Main GHG Emission Sources

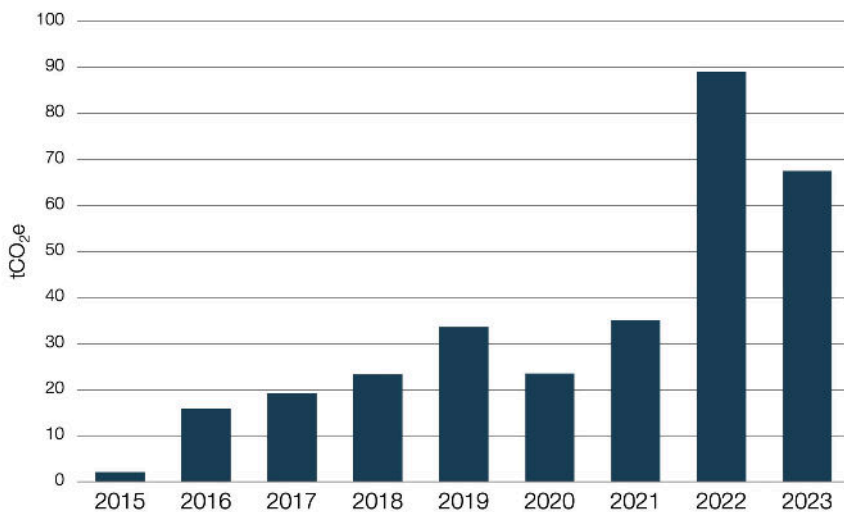


GHG Emissions by Scope

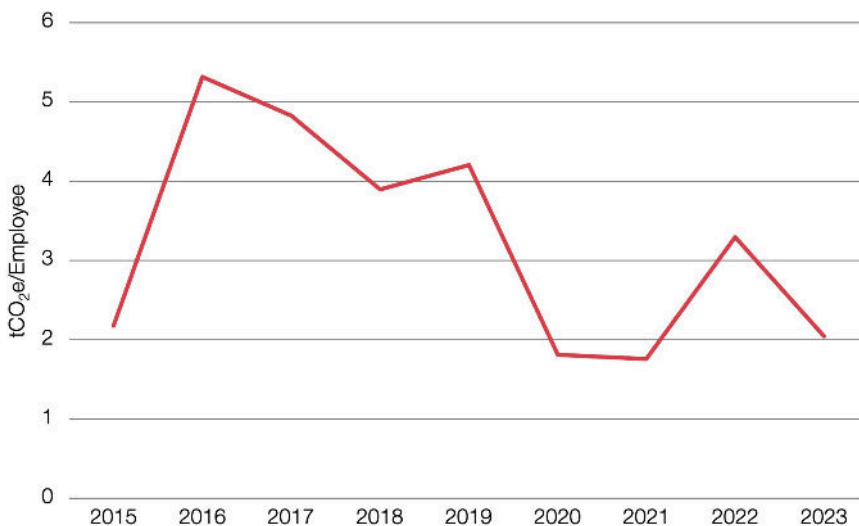


BRIGHTSPOT'S 2023 CORPORATE INVENTORY

GHG Inventory Over Time



Emissions Intensity Over Time



Brightspot's absolute emissions have increased over time as the company has grown.

We chose GHG emissions per employee as a reasonable metric for emissions intensity. 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. Our emissions intensity increased in 2022 because all our employees traveled to Alberta for a corporate team-building retreat. Our emissions decreased in 2023 partially due to a regulatory change such that less site travel is now required.

CARBON NEUTRAL PLAN



Brightspot has been carbon neutral since 2016. This plan presents measures we will take to ensure we remain carbon neutral and to further reduce our carbon footprint. **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. As such, our plan includes actions that pursue emission reductions outside of our scope 1, 2, and 3 emission sources.

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.

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

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

Actions Taken in 2023

Brightspot Net Zero Challenge

In early 2023, we initiated the Brightspot Net Zero Challenge, with the following premise: Imagine that Brightspot has given you \$50,000 with which you can do anything that leads to GHG emission reductions or removals. How would you spend it?

In response, multiple teams developed proposals, which were presented to a panel of judges. The ideas ranged from installing solar panels on office building roofs, to making modifications to the modes of transport used for everyday commuting.

Ideas from the challenge influenced several of the actions identified in this plan.

ECCC's Net Zero Challenge

In April 2023, Brightspot signed on to ECCC's Net Zero Challenge. By signing up for the challenge, Brightspot agreed to:

- (1) Develop a preliminary net-zero plan within 12 months of joining the challenge, and a comprehensive net-zero plan within 24 months of joining the challenge;
- (2) Set at least two interim emissions reduction targets consistent with achieving net-zero by 2050; and
- (3) Report on progress annually and review and update the net-zero plan at least once every five years.

Scope 3 Emissions Workshop

Brightspot held an internal workshop in late 2023 to determine whether we should include scope 3 categories other than business travel. We determined that Brightspot should include employee commuting as an emission source on an ongoing basis; as such, starting in 2024, **Brightspot will track activity data related to employee commuting.**

Pursue Value-Chain Emission Reductions

In 2023, Brightspot donated funds to support **Food Stash**, a foundation in Vancouver that collects surplus food from grocery stores and delivers it to non-profits and charities across the city. Food Stash was relying on an aging, diesel-powered fridge that was leaking refrigerant. **Brightspot's funds** went toward upgrading Food Stash's fridge to an electric unit, which **saved 12.7 tonnes of CO₂e in 2023.**

Ongoing Activities

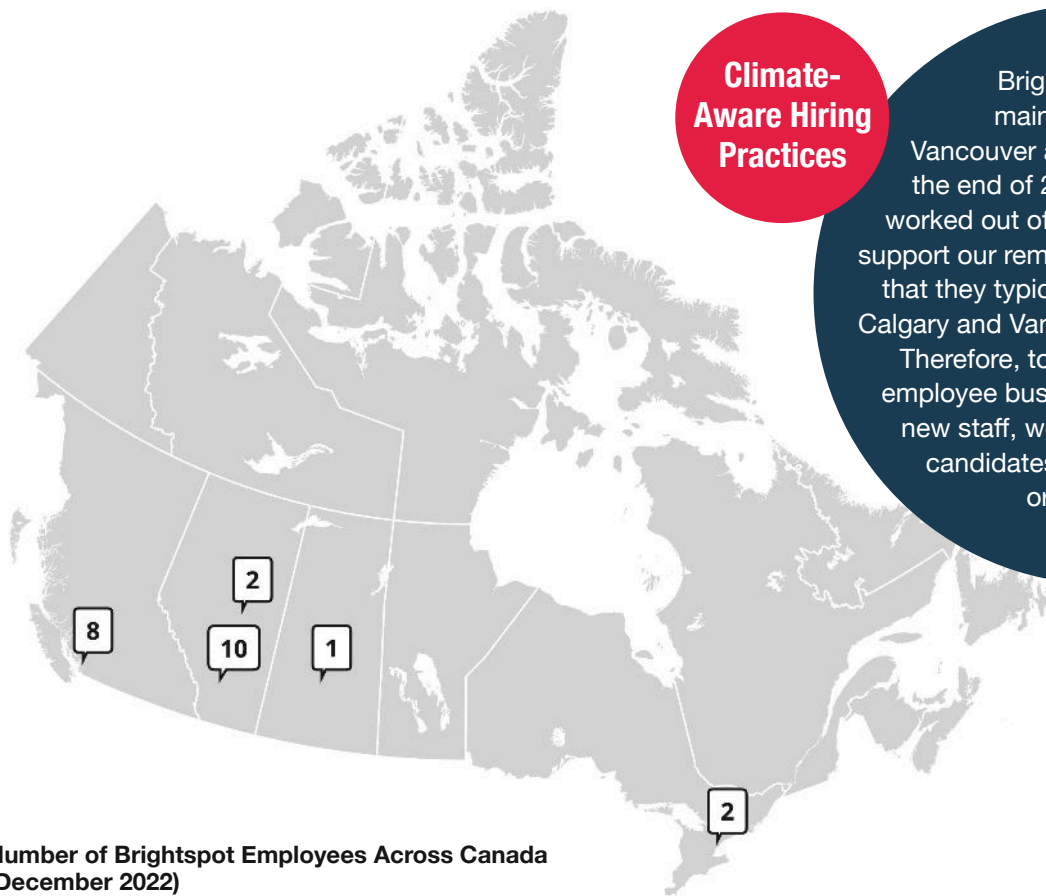


Annual GHG Reporting and Offsetting Residual Emissions

Since 2016, Brightspot has annually quantified its GHG emissions and made the information publicly available via its website. In the first half of 2024, we will purchase offsets to cover our residual emissions since 2016.

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.



Climate-Aware Hiring Practices

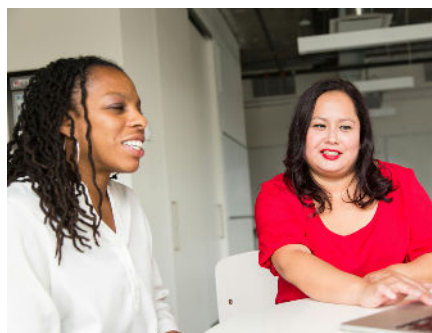
Brightspot has two main offices, one in Vancouver and one in Calgary. At the end of 2022, 74% of our staff worked out of these offices. While we support our remote workers, we recognize that they typically travel more than our Calgary and Vancouver-based employees. Therefore, to reduce the amount of employee business travel, when hiring new staff, we preferentially look for candidates who live in Calgary or Vancouver.

Number of Brightspot Employees Across Canada (December 2022)

Activities Planned for 2024

Complete Research into Implementing Internal Carbon Pricing

Brightspot is considering implementing internal carbon pricing, which is assigning a monetary value to GHG emissions as a means of accounting for the future costs of climate change regulation or a company's climate action ambitions. In 2023, we started researching what internal carbon pricing could look like for a company of our size, which is work we intend to continue in 2024.

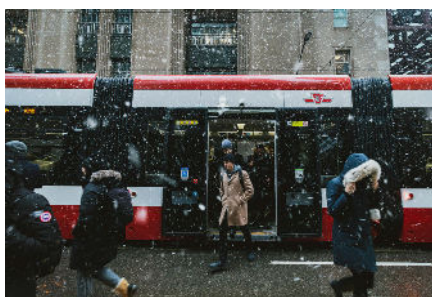
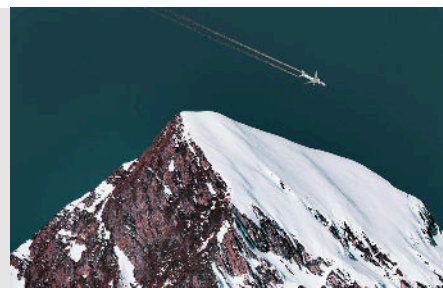


Pursue Value-Chain Emissions Reductions

At the end of 2023, senior management challenged Brightspot's employees to develop projects in our communities that could be delivered in 2024. Project ideas include increasing post-secondary student engagement and knowledge in GHG accounting and mentoring women running climate-related projects, products, or businesses.

Indirectly Reduce Air-Travel Emissions

Our goal is to work with an airline to help it reduce its emissions. This would indirectly reduce air-travel-related emissions, though not necessarily Brightspot's, unless we work with an airline that we regularly use.



Incorporate Additional Scope 3 Emission Sources into Brightspot's GHG Inventory

Brightspot will quantify GHG emissions from employee commuting. The metrics will be tracked in our timesheet application and will include mode of transportation and distance traveled.

Develop Offset Credit Selection Framework

In the past, Brightspot has purchased carbon offset credits. In 2024, 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 for the right reasons.



Possible Future Actions

Actions to Enhance the Electricity Grid in Western Canada

We would like to research how we can support the renewable electricity grid in western Canada. Ideas include working with renewable-energy project developers to help them understand how climate incentives and regulations can scale their businesses, which would contribute to a cleaner electricity grid.

Low or Zero-Carbon Offices

Brightspot can reduce its GHG emissions by moving to low-carbon or net-zero office buildings. When the leases are up for renewal at our Calgary and Vancouver offices, we will ask our landlords to upgrade our office space and/or we will search for other low or zero-carbon office space.

We can also reduce emissions by reducing natural gas consumption in our Calgary, Vancouver, and home offices. We can lobby landlords and property managers to switch from natural gas to electric and/or renewable natural gas heating. To do this, we can build a communications strategy that leverages our team's technical writing skills.

Moving Towards Low-Carbon Travel

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

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

Employee Engagement Program

We are building a “Dragon’s Den” style program whereby Brightspot team members pitch GHG emission reduction or removal ideas to an internal review team. Brightspot will consider partially funding these projects in Brightspot employee’s homes and vehicles, or other locations. While Brightspot will not include any reductions or removals achieved through this program in its own corporate inventory, these contributions will be important in our drive to reduce emissions in our extended community.