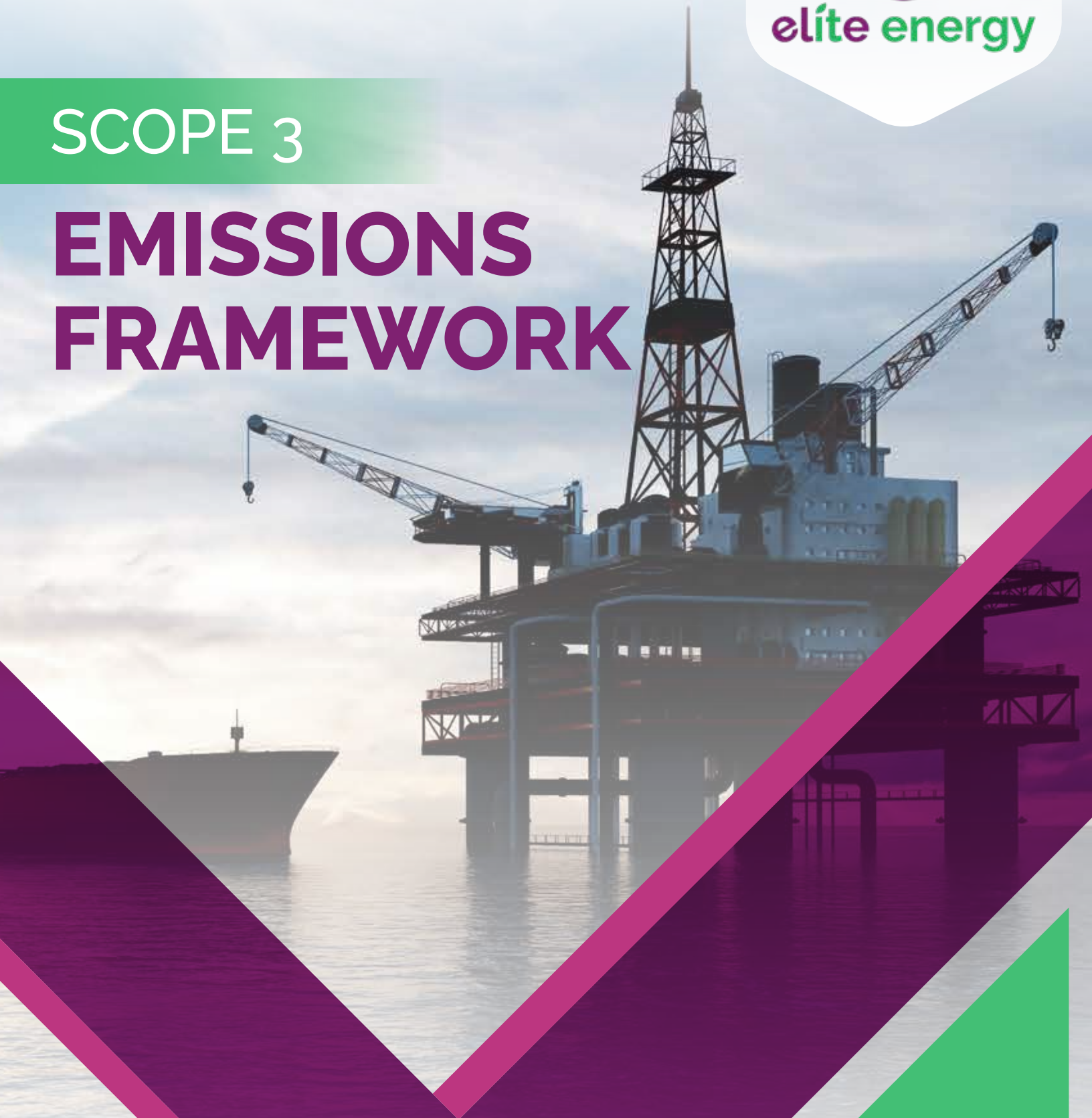
Nexia Edwards Marshall

elite energy

SCOPE 3

EMISSIONS FRAMEWORK



elite-energy.co

About the application

As part of the Elite's Production Management Framework (ePMF), our Scope 3 emissions application is instrumental in providing companies with comprehensive visibility over their greenhouse gas (GHG) emissions, encompassing Scope 1, 2, and also, Scope 3 emissions. With the reporting landscape for Scope 3 emissions rapidly evolving, it is imperative for companies to adopt a robust Scope 3 strategy.

Understanding this need, Elite Energy Consultants in collaboration with our partner, Nexia Edwards Marshall, have developed a pioneering Scope 3 emissions application framework. This tool is designed to assist our clients in efficiently collecting, measuring, managing, and reporting their value chain GHG emissions. Our framework not only ensures compliance with expanding disclosure requirements but also aids in harnessing the strategic benefits of enhanced sustainability practices.

Through our innovative approach, companies can navigate the complexities of Scope 3 emissions reporting with ease, ensuring both regulatory compliance and a path towards sustainable growth.

Understanding Scope 3 Emissions

Scope 3 encompasses a total of 15 diverse categories, divided into upstream and downstream emissions. Upstream emissions are those generated by external entities involved in supplying, manufacturing, and transporting the raw materials and components utilised in your operations. This also covers emissions from business travel, employee commuting, waste produced in your operations, and from leasing assets.

Conversely, downstream emissions include those related to the logistics, usage, and end-of-life disposal of your products. Additionally, emissions arising from investment activities and franchising operations are categorised as downstream.



Upstream Emissions

CATEGORY	DESCRIPTION
1. Purchased goods and services	All cradle-to-gate emissions from the extraction, production, and transport of goods and services not included in categories 2–8.
2. Capital goods	All cradle-to-gate emissions from the extraction, production and transport of capital goods purchased during the accounting year.
3. Fuel and energy	Extraction, production, and transport of purchased fuels and energy, not already accounted for in scope 1 and 2, including extraction, production, and transport emissions of purchased fuels and energy, transmission and distribution losses and generation of purchased energy sold to end users.
4. Upstream transportation and distribution	In this case the term 'upstream' refers to emissions from the transportation and distribution of products (excluding fuel and energy products) purchased or acquired by the reporting company in the accounting year in vehicles and facilities not owned or operated by the accounting company, as well as other transportation and distribution services purchased by the accounting company in the accounting year (including both inbound and outbound logistics).
5. Waste generated in operations	Emissions of waste management suppliers that occur during disposal and treatment of waste generated in the company's operations.
6. Business travel	Emissions of transportation carriers that occur during the transportation of employees for business-related activities.
7. Employee commuting	Transportation of employees between their homes and their worksites.
8. Upstream leased assets	In this case the term 'upstream' refers to operations of assets leased by the company (company is the lessee) not included in scope 1 and scope 2.

Downstream Emissions

9. Downstream transportation and distribution	In this case the term 'downstream' refers to transportation and distribution of products sold by the company between the company's operations and end consumer (if not paid for by the accounting company) including retail and storage.
10. Processing of sold products	Processing by third parties of intermediate products sold by the accounting company.
11. Use of sold products	Direct use-phase emissions of the end use of goods and services sold by the company.
12. End-of-life treatment of sold products	Emission of waste management from the waste treatment and disposal of products sold by the company at the end of their life.
13. Downstream leased assets	In this case the term 'downstream' refers to emissions from the operations of assets owned by the company and leased to other entities, not included in scope 1 and scope 2.
14. Franchises	Emissions from the operations of franchises not included in scope 1 and 2.
15. Investments	Operations of investments in the accounting year not included in scope 1 and 2.

Our approach

At Elite and Nexia Edwards Marshall, we understand that navigating the complexities of Scope 3 emissions can be challenging. That's why we provide extensive support from the initial stages of identifying which emissions sources matter most to your business, to the full implementation of effective tracking and reporting systems.

Our approach begins with a thorough screening process, designed to pinpoint the activities within your value chain that have the most significant impact on your Scope 3 emissions. Understanding the scale of these emissions is crucial for making informed decisions about establishing the level of effort necessary to estimate those emissions.

Screen
- Explore the sustainability strategy and reporting requirements
- Company operations and boundaries

Expedite
- Calculation workflows
- Automation

Transform
- Assessment of data measurements and data quality
- Selection of calculations methodologies
- Integration among other applications

Perform
- Pilot and testing
- User acceptance



Key features

Designed for maximum flexibility and transparency, our application features an intuitive structure with dedicated tables for a variety of data types, including for example emission factors, emission activities, inflation factors (to correct any spend-based emission factor for the reporting year) and transmission & distribution (T&D) losses. This ensures users can tailor the tool to their unique requirements, enhancing both accuracy and usability. The key features are:

Transparent Data Tracking:
Each emission factor is documented (including name, year, and version), ensuring users can trace the source of their data for complete transparency and auditability.

Dynamic Updating:
As new, more accurate information becomes available, emission factors and calculation methods can be seamlessly updated. The start-date and end-date functionalities facilitate the automated calculation of Scope 3 emissions, preserving historical data integrity while streamlining the reporting process.

Our application accommodates a wide range of calculation methods to suit various reporting needs, including:

- **Average-data**
- **Supplier-specific**
- **Distance-based**
- **Spend-based**
- **Fuel-based**
- **Waste-type-specific**

Application flexibility

The application displays data with varying levels of detail across multiple screens, ensuring users can easily find the specific information they require. At the core of its functionality is the ability to drill down to the most detailed records for each emission-related activity.

Additional screens within the application aggregate emissions data across various logical levels, offering a comprehensive overview that can be customized to align with business-specific needs.

System integration

Our application is designed to seamlessly integrate with other applications and tools, ensuring a smooth data exchange. Upon receiving data, it undergoes a validation process. This involves applying predefined rules to validate the data and flagging any suspect values, ensuring accuracy and reliability in your data management efforts.

Visualisation

Process reports offers a great flexibility and can be configured to automatically generate and send reports via email, directly from EnergySys. In addition, the results available in EnergySys can be consumed by reporting tools (e.g. Power BI) via OData to generate dashboards.

