



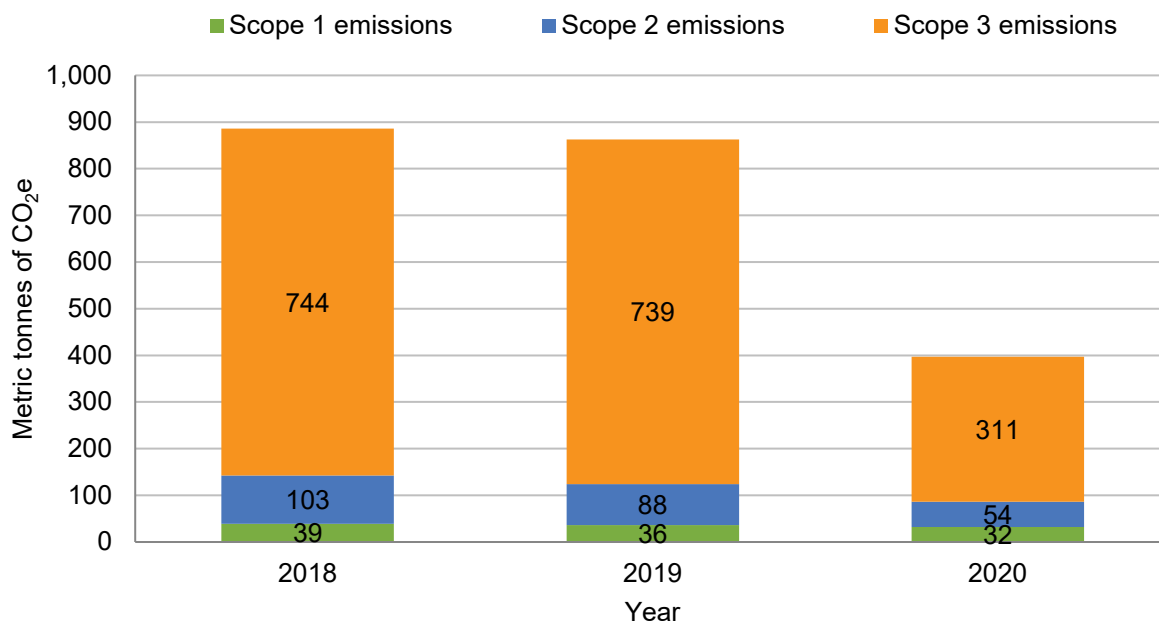
Understanding and addressing our carbon footprint: August 2021

Following the Intergovernmental Panel on Climate Change’s 6th Assessment, it’s more important than ever for us to understand our contribution to climate change and take steps to eliminate it.

As such, we’ve calculated our carbon footprint for 2018, 2019, and 2020 using the widely recognized Greenhouse Gas Protocol (**figure 1**). Our total emissions include the historic emissions of the five acquisitions we made in 2020.

Figure 1: E Source’s enterprise emissions

From 2018 to 2020, we cut our emissions by more than half, due largely to COVID-induced decreases in business travel and employee commuting.



Notes: CO₂e = carbon dioxide equivalent. Emissions calculated using the Greenhouse Gas Protocol.
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We saw an absolute reduction in our emissions of 54% from 2019 to 2020 due to the COVID-19 pandemic. This drop came primarily from reduced business travel and employee commuting.

This magnitude of emissions reduction aligns with the most aggressive corporate emissions-reduction goals today, which aim to cut emissions 50% by 2030 from a pre-2020 target base year. In 2020, we got a glimpse of the level of emissions reduction we can achieve.

What are Scopes 1, 2, and 3 emissions?

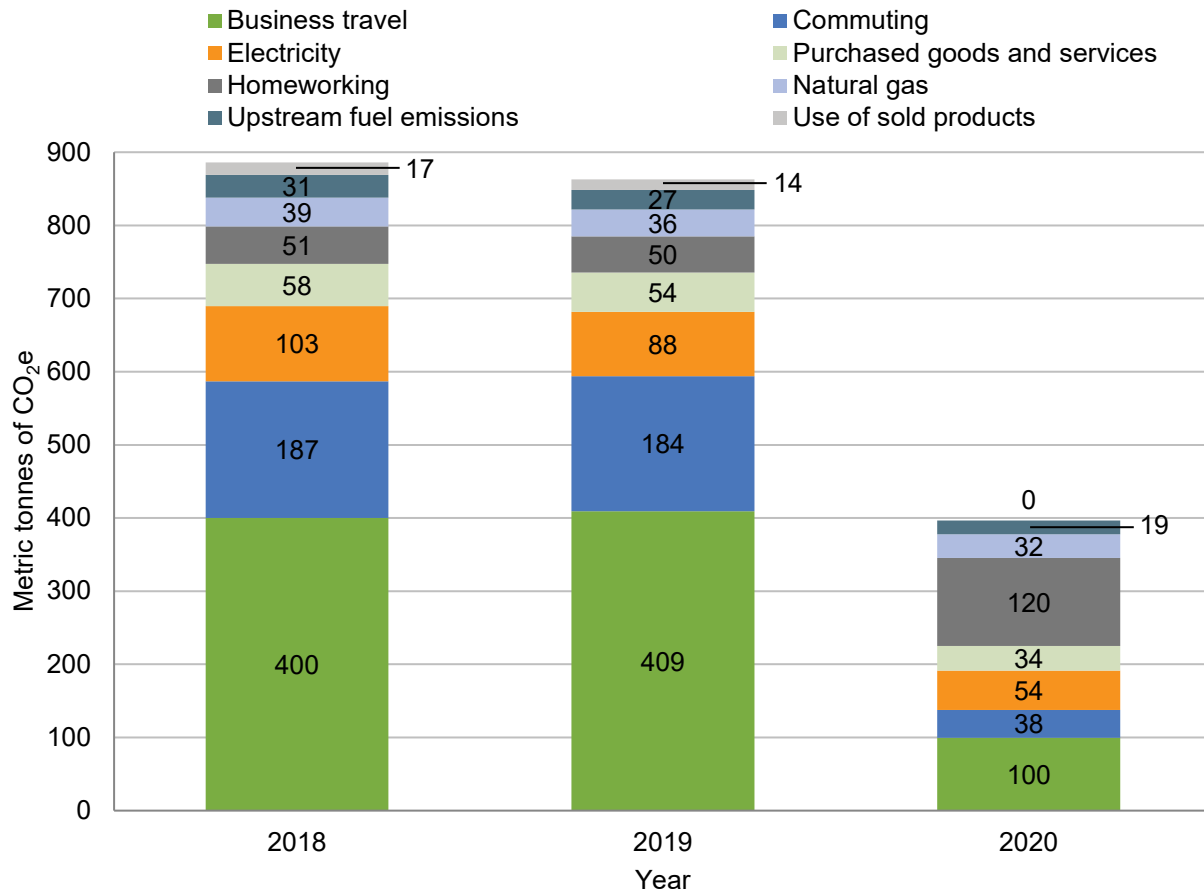
Scope 1 emissions are the emissions that come directly from our operations, like the natural gas we burn to heat our offices. Scope 2 emissions are the emissions that result from our electricity consumption, like the emissions from a coal plant that supplies electricity to one of our offices. Scope 3 emissions are all of the other emissions in our value chain, which means the emissions upstream and downstream of our immediate business activities. An example of this would be the emissions associated with the production of the laptop computers we purchase and use. For more information, check out the Greenhouse Gas Protocol's [Corporate Standard](#) and [Corporate Value Chain \(Scope 3\) Standard](#).

How we emit carbon as a business

E Source emits greenhouse gases in a variety of ways (**figure 2**). Prior to 2020, our top three sources of emissions were business travel, employee commuting, and electricity consumption at our offices. This is consistent with other research, consulting, and data science companies.

Figure 2: The sources of our carbon emissions

In 2018 and 2019, business travel was our biggest source of emissions. In 2020, because of COVID, travel came in second to homeworking as an emissions source.



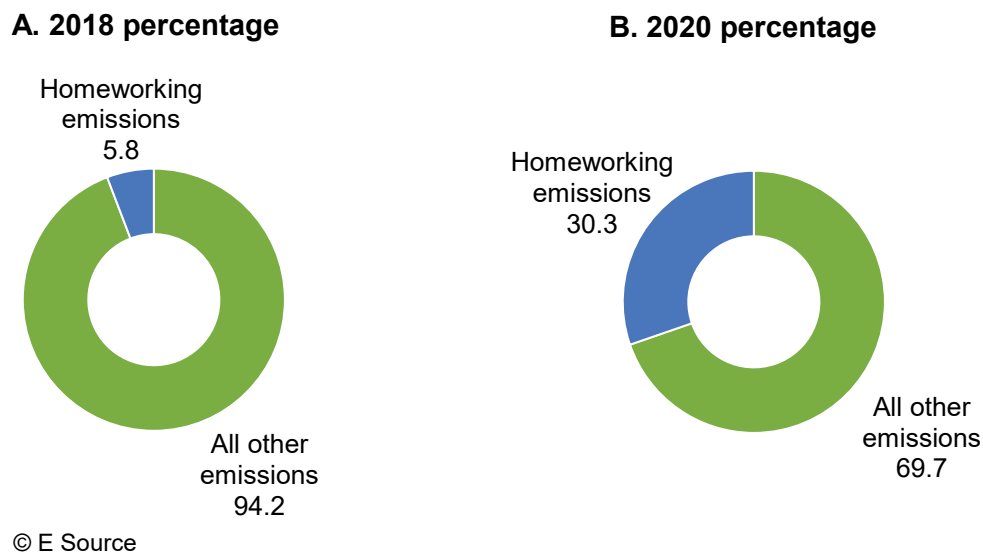
Note: CO₂e = carbon dioxide equivalent. © E Source

Working from home emits less than commuting

Homeworking accounted for about 30% of our total 2020 emissions. In 2018, it accounted for about 6% of our total (**figure 3**). Despite homeworking's proportional increase from 2018 to 2020, our calculations suggest it's about half as emissions intense as commuting. It's a great option for cutting carbon in our business.

Figure 3: Homeworking's share of total emissions, 2018 and 2020

The number of employees working from home jumped in 2020 because of COVID, leading to an increase in the percentage of emissions attributed to homeworking.



Maintaining low-carbon business operations

As we continue to adjust to the pandemic and fight climate change, our need to operate as a low-carbon business will only increase.

Our near-term emissions-reduction efforts will focus on large emissions sources that we can influence, including air travel, commuting, homeworking, and office space efficiency.

Our most powerful levers for cutting carbon emissions in these areas are:

- Flying less by hosting more virtual meetings with customers
- Supporting employees who want to work from home, and encouraging them to explore renewable energy options through their local utility or solar providers
- Enrolling in renewable energy programs through our local utilities, prioritizing those with 5- or 10-year purchase agreements
- Partnering with our lessors to improve the availability of electric vehicle charging at our offices, making it easier for employees to consider purchasing an electric car
- Partnering with our lessors to improve the efficiency of our office spaces
- Purchasing goods and services from suppliers that are working to reduce their emissions, such as Microsoft and Amazon

Removing carbon when we lack alternatives or influence

In some cases, there aren't practical low- or zero-carbon alternatives available for some of our business activities, such as air travel. And it's unrealistic for us to eliminate air travel.

In other cases, we lack influence over some sources of emissions in our value chain, such as the emissions produced during the mining, processing, and transportation of coal burned in the power plants that supply electricity to our offices.

When we lack alternatives to or influence over certain emissions in our value chain, we'll explore options to remove from the atmosphere the equivalent amount of carbon that goes into it. We'll do this by purchasing high-quality carbon removal credits.

In 2020, we purchased 850 tons of carbon removal credits from Nori, a carbon removal credit marketplace focused on regenerative agriculture, to address the emissions we'd calculated in two previous carbon footprint projects. That purchase now almost covers our 2018 emissions. We'll continue to evaluate and pursue carbon removal credits as an option to address our historic emissions.

There's still more to do

Society needs to cut emissions in half by 2030. We're proud of our work supporting utilities and cities with decarbonization and sustainability initiatives, as well as our work to understand our own emissions as a business and how we can reduce them.

Thank you for all you do to help E Source fulfill its mission to build a sustainable future in partnership with utilities and cities.

If you'd like to learn more about how we calculated our emissions, contact Kym Wootton, chief administrative officer, at kym_wootton@esource.com.