

EY OpsChain Environmental, Social and Governance (ESG)

Solution brief

Net-zero targets are under more public scrutiny than ever before. Organizations who share quantifiable goals, especially beyond Securities and Exchange Commission (SEC) and Climate Resilience and Sustainable Development (CRSD) requirements, can benefit from enhanced trust, confidence and performance.

Business challenges

Many organizations struggle to accurately measure and track their carbon footprint:

- ▶ They must adhere to global transparency standards which are still evolving.
- ▶ Data collection and reporting is often manual and from siloed sources.
- ▶ Public blockchain can enable radical transparency and verifiability – aligning with regulatory changes in near real time across the value chain.
- ▶ Compared to scope one and two emissions, which companies can largely measure with primary data, scope three emissions often depend on estimates and reliance on outside parties to conduct measurements. Likewise, both scope one and two reductions tend to be a higher priority, while companies set more modest targets for scope three reductions.

EY OpsChain ESG

Enhance emission transparency across the entire value chain, and help deliver on environmental commitments.

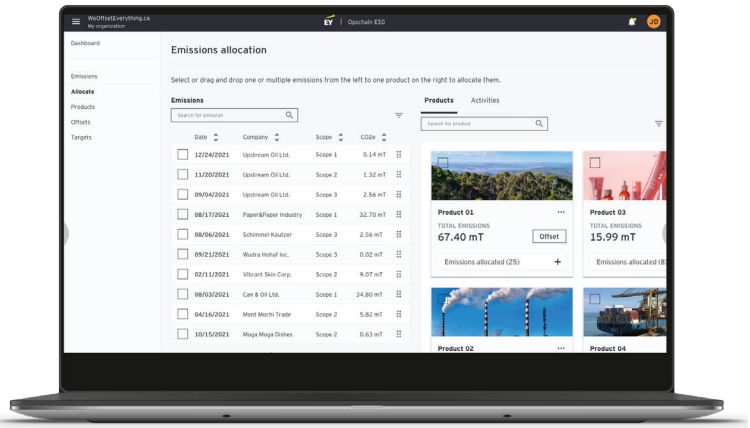
For organizations struggling to measure their carbon footprint accurately, EY OpsChain ESG is the solution. Developed on public decentralized blockchain technology, it provides a single, verifiable view of CO₂ emissions (CO₂e).

EY OpsChain ESG is built to Interwork Alliance for Carbon Emissions Tokens standards (in progress), with external key emission data verifiers. It provides immutable reporting on an organization's current CO₂e position, and helps inform better decisions on their ESG journey.

Individual products are tokenized on the blockchain with their allocated carbon emissions so they can be tracked throughout the value chain. EY OpsChain ESG can also ingest and mint an organization's carbon credits, and allocate tokens to product emissions, allowing an organization to create products with a significantly reduced carbon footprint.

Key features

- ▶ **Tokenizing products' emissions enables** enhanced tracking and traceability throughout.
- ▶ **Tokenizing carbon credits** builds trust in using voluntary carbon credits to offset emissions.
- ▶ **Standardizing data requirements** enhances the understanding of an entire value chain's CO2e position.



Solution benefits

- ▶ **Increased transparency:** Clear understanding of an organization's CO2e position drives better informed decisions on how to best decarbonize value chains.
- ▶ **Independently verifiable, immutable data:** Data is more trustworthy with integration of key emission data verifiers and validators.
- ▶ **Authenticity of offsets:** Demonstrate justification in using verifiable carbon offsets to reduce an organization's environmental impact as they decarbonize.

Continuing the conversation

To find out how EY OpsChain ESG can help deliver for your business, contact one of the team members below:



Paul Brody
EY Global Blockchain Leader
paul.brody@ey.com



Federico De Poli
EY OpsChain Product Manager
federico.de.poli@it.ey.com

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