



**EQUITABLE
ORIGIN**

Addendum B: Key Performance Indicators for Public Disclosure

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1.0 BACKGROUND

Voluntary standards can play a role in enabling more transparency in the marketplace. Equitable Origin (EO) has consulted with hundreds of stakeholders over the period of 2021/2022 that included interested investors, local distribution companies, governments, NGOs, and LNG off takers that all share common interest of having increased transparency in a currently opaque marketplace. Certain key indicators are a requirement to participate in many responsible procurement programs already and as the market evolves for certified gas further, there will be a requirement of public disclosure. In this addendum we present the key indicators that are of prime interest to stakeholders and EO’s plans for including those within the public summary reports posted to our website for every certification issued.

2.0 2022 AND PRIOR YEARS SUMMARY REPORT DISCLOSURES

The current level of disclosure posted publicly to the EO website for each certification includes basic company information, approximate location, approximate production volume, the assessment body that performed the assessment and overall results. The results posted include a summary of overall performance on each of the 5 principles and also a table with the performance target level 1 scores. Table 1 and Figure 1 show examples of this. For further examples, visit the website at: <https://energystandards.org/certified-sites/>

Table 1: Example of Current Performance Table Disclosed in Public Summary Report

Principle	Performance Target Level 1
1: Corporate Governance, Transparency & Ethics	96%
2: Human Rights, Social Impact & Community Development	96%
3: Indigenous Peoples’ Rights	85%
4: Fair Labor & Working Conditions	96%
5: Climate Change, Biodiversity & Environment	74%

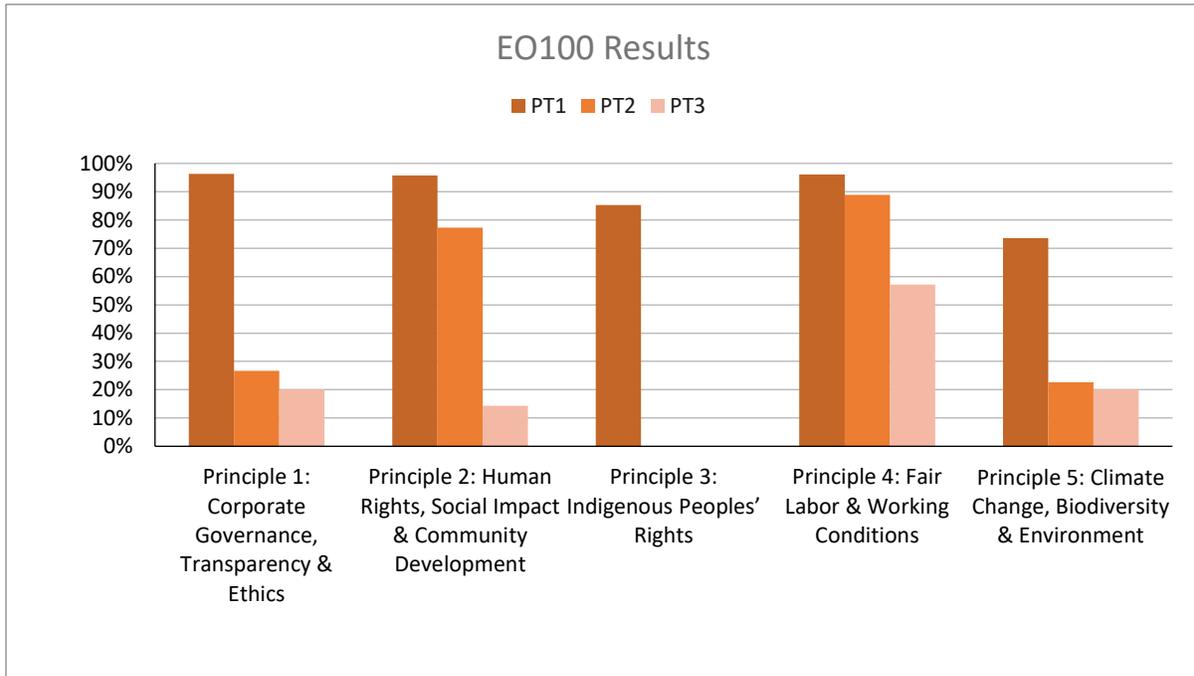


Figure 1: Example of Current Chart Disclosed in Public Summary Report

3.0 LETTER GRADING

A letter grading procedure was developed and published as of January 1, 2022. All certifications will have one letter grade associated with them going forward. The grade is determined by the minimum level of performance under each of the 5 Principles evaluated. To obtain A grades, a certified unit must achieve over 90% on level 1 Performance Targets (PT1) in each of the five Principles and also start to achieve some of the level 2 (PT2) and level 3 (PT3) Performance Targets. Table 2 contains the requirements for each letter grade assignment.

Table 2: Grading Assignment

Grade	PT1	PT2	PT3
A+	100%	75%	50%
A	98%	50%	25%
A-	95%	25%	10%
B+	90%		
B	85%		
B-	80%		
C+	75%		
C	70%		

4.0 NEW KEY PERFORMANCE INDICATORS FOR DISCLOSURE

4.1 Summary

Table 3 contains the Key Performance Indicators that are suggested for disclosure. Each indicator should be reported at the certifiable unit level unless otherwise specified. For clarity, intensities should be reported at the certified unit level and not at the corporate level unless all assets held by the corporation are included within the scope of certification. These indicators are typically found in corporate sustainability reports at the corporate level so will need to be disaggregated for the specific certified site for reporting to the EO100™ Standard.

Table 3: Table of Key Performance Indicators for Disclosure

Key Performance Indicator	Disclosure Metric	Methodology
Methane Intensity Per Segment	%	NGSI – Report separately per segment of the natural gas supply chain: Production, G&B, Processing, Transmission & Storage. A description of how the methane emissions were quantified must be included.
GHG Intensity Per Segment	gCO ₂ e/MJ	EO - Report separately per segment of the natural gas supply chain: Production, G&B, Processing, Transmission & Storage. A description of how the CO ₂ e emissions were quantified must be included.

4.2 Methane Intensity

Methane intensity should be reported separately for each segment of the natural gas supply chain: Production, Gathering and Boosting, Processing, Transmission and Storage. This means that Operators with operations that span multiple segments of the supply chain must disaggregate emission sources to report separate intensities per segment.

Methane intensity should be quantified loosely according to the Natural Gas Sustainability Initiative (NGSI 2021) methodology. What this means in general is that all sources of emissions reportable to the NGSI methodology must be included and the formulae for calculating methane intensity specified by the NGSI must be used.

What is allowable as an exception to reporting specifically to the letter of the NGSI methodology is that methane emissions quantification can be done differently than reporting using US EPA subpart W and other NGSI specified factors. Allowable methane emission quantification methods include:

- US EPA Subpart W emission factors (US EPA 2022)
- Western Climate Initiative (WCI) methodology (WCI 2022)
- GHG Protocol (WRI 2021)
- Measurement informed inventory development. Operator uses measurements to develop local inventories that are site specific.
- Other government reporting methodologies will be reviewed as requested for equivalency.

For clarification, emission factors specified within the NCSI methodology do not need to be used and in fact it is encouraged that operators move towards measurement informed emission inventories for methane quantification. Methane quantification methodology used will also be disclosed in the public summary reports.

4.3 GHG Intensity

Greenhouse gas intensity should be reported according to the EO100™ GHG Intensity Methodology. This methodology was published as finalized in January 2023. GHG intensity should be reported separately for each segment of the natural gas supply chain: Production, Gathering and Boosting, Processing, Transmission and Storage. This means that Operators with operations that span multiple segments of the supply chain must disaggregate emission sources to report separate intensities per segment. There is one special provision included within the GHG Intensity Methodology for integrated operators to report the operations as a whole for the Certified Unit. This provision is applicable for integrated operations that process less than 2% of third-party volumes.

The metric is reportable in gCO₂e/MJ to align with life-cycle analysis (LCA) frameworks and to enable quantification of natural gas supply chain intensities in the future.

5.0 YEAR OVER YEAR COMPARISONS

An integral part of the EO100™ Certification program is continuous improvement. Every operator that achieves certification commits to developing a continuous improvement action plan and increasing scores annually. As such, comparisons will be published in the summary reports of the scores, grades and KPIs each year that an Operator is participating in the program. The goal is to highlight areas of performance improvements and show the journey that each operator is taking.

6.0 IN-EFFECT DATES

In keeping with our internal assurance procedures, for every official update to the Standard or major addition to the Standard, there is a grace period of one full calendar year before current program

participants would be required to be assessed or show conformance with any new requirements. This document has an in-effect date of January 1, 2023. As such, any Operators joining the program as new registrants in 2023, will be subject to the new requirements at the outset. Any Operators currently in the program will have one full calendar year to address any new requirements. This means that assessments conducted after January 1, 2024, will be performed according to these new requirements.

7.0 REFERENCES

NGSI 2021. NGS Methane Emissions Intensity Protocol. Version 1.0. Natural Gas Sustainability Initiative. M.J. Bradley and Associates. February 2021.

US EPA 2022. Subpart W – Petroleum and Natural Gas Systems.
<https://www.epa.gov/ghgreporting/subpart-w-petroleum-and-natural-gas-systems>

WRI 2021. The Greenhouse Gas Protocol – A Corporate Accounting and Reporting Standard. Revised Edition. World Resources Institute (WRI) and World Business Council for Sustainable Development.

WCI 2022. Western Climate Initiative (WCI). <https://wci-inc.org/>