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Balega (a brand of Implus Footcare) GHG Inventory Limited Assurance Verification Summary Report

Implus Footcare LLC

Created by: Shift Advantage

8/14/2024

Carrie George
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8/14/2024

Dear Carrie,

Shift Advantage is pleased to provide an independent and impartial verification of Balega's (a brand of Implus Footcare) 2023 Greenhouse Gas emissions statement (GHG statement) to The Change Climate Project.

This verification report provides information about the sufficiency of Balega's GHG statement for the 2023 emissions (calendar) year. Through application of limited assurance GHG statement verification procedures, the reported findings include records of disclosed calculation methodology and data, interviews with staff, and assumptions and interpretations used in support of this verification.

A description of the findings from execution of the verification are also included along with a statement of verification.

Daniel Tremblay

Daniel Tremblay

About Shift Advantage

Shift Advantage utilizes corporate responsibility, climate, and sustainability expertise to empower organizations to meet new market demands, reduce costs, create competitive advantage, and foster long-term growth.

Our team combines technical expertise with strategic sustainability experience. We support companies ranging from small start-ups to Fortune 100 organizations with a focus on integrating sustainability to drive business value. We have proven success with over 15 years of experience in designing and implementing a wide range of sustainability, climate, and ESG strategies and initiatives for corporations and industry groups. Our services include providing GHG inventories (carbon footprints) and reduction plans, as well as GHG and ESG verification and assurance in a wide variety of sectors.

Disclaimer

This report is designed for the intended use of Implus Footcare and The Change Climate Project and may not be suitable for any other purpose.

Shift Advantage is independent of Implus Footcare. Shift Advantage has no conflicts of interest and is an impartial reviewer of Balega's GHG data and inventory. Implus Footcare has agreed to the content and the procedures used for this assessment. The sufficiency of this report to meet the requirements of The Change Climate Project certification is the sole responsibility of Implus Footcare.

Limited Assurance GHG Statement Verification – Description and Objective

Shift Advantage has conducted this verification in accordance with ISO 14064 part 3 2nd Edition, 2019-04 Annex A, against the requirements set forth in The Greenhouse Gas Protocol Corporate Accounting and Reporting Standard. The objective of this limited assurance GHG statement verification is to provide an independent, impartial, third-party review of Balega's calendar year 2023 (CY23) GHG emissions statement by identifying and assessing any risk of material misstatement relating to occurrence, completeness, accuracy, cut-off, or classification of emissions.¹

Shift Advantage held discussions with Implus Footcare personnel to examine any issues found during the review process. Verification activities use specified procedures to determine if Balega's GHG statement accurately reflects the emissions activities of Balega in CY23. Shift Advantage evaluated information from physical and monetary data, raw and aggregated data, interviews with Implus Footcare, emissions factors, usage factors, input and output spreadsheets, methodology, bills, and general ledger information.

Based on the needs of the intended user(s) of the GHG statement a materiality threshold of 5% has been applied to any uncertainty in findings that may potentially impact the value of the GHG statement.

Scope

Balega reports emissions in three reporting areas; Scope 1 direct emissions, Scope 2 indirect emissions, and a subset of Scope 3 emissions as required by The Change Climate Project. Scope 3 source emissions are not directly controlled by Balega but are sources of upstream and downstream impacts relevant to Balega's operations.

Reporting Period: Calendar year 2023 (CY23): January 1, 2023 through December 31, 2023

Organizational boundary: Operational control approach

Scope of Reporting:

Scope 1: Natural Gas – direct emissions associated with natural gas

Scope 2: Purchased electricity – indirect emissions associated with purchased electricity

Scope 3: Selected categories – The following Scope 3 categories were included in Balega's CY23 GHG inventory: Purchased goods and services (including non-capital purchases, bill-of-materials, and supplier energy use); Capital purchases; Fuel- and energy-related activities; Upstream transportation and distribution; Waste generated in operations; Business travel; Employee Commuting; Downstream transportation and distribution

¹ The ISO 14064-3 standard can be purchased on the ANSI webstore:
<https://webstore.ansi.org/standards/csa/csaiso140642020-2442637>

Geographic Scope: All of Balega’s world-wide operations

GHGs included: CO2, N2O, CH4

Balega’s GHG Statement

Balega’s verified GHG statement reported emissions by scope are as follows (all values in MT CO2e):

- Scope 1: 45.90
- Scope 2: 88.51
- Scope 3: 4583.41
 - Purchased goods and services 3990.54
 - Capital purchases 16.90
 - Fuel- and energy-related activities 12.96
 - Upstream transportation and distribution 387.44
 - Waste generated in operations 14.14
 - Business travel 55.29
 - Employee Commuting 38.95
 - Downstream transportation and distribution 67.17

Final Verification Statement

Based on the limited assurance verification work described above Shift Advantage has found no evidence that Balega’s CY23 reported emissions are not materially correct. Furthermore, Shift Advantage has found no evidence that Balega’s reported emissions have not been prepared in accordance with the GHG Protocol standards or that Balega’s reported emissions are not a fair representation of Balega’s CY23 GHG data and information.

Resolved Findings

The below list of findings uncovered during the verification process have all been resolved prior to final data and inventory submission to The Change Climate Project.

Scope	Description	Risk	Status	Note
ALL	Misc. factors - utilize more significant figures	Medium	Complete	Implemented
S1	Abnormal cycle of usage - error	Medium	Complete	Corrected
S1, S2, S3.4, S3.5, S3.9	Sampling plan - requested backup	Low	Complete	Provided
S3.1 (P.O.s)	Quality Control Cons - Total missing from calculations	Low	Complete	Added
S3.1 - Product	Some items showing no footprint (0 calculated, but have order QTY)	Medium	Complete	Corrected
S3.1 (Energy)	EF for natural gas	Medium	Complete	Updated

Scope	Description	Risk	Status	Note
S3.1 (Energy)	EFs for electricity	Low	Complete	Updated
S3.1 (Energy)	Supplier energy - follow up request for additional data	Medium	Complete	Provided
S3.1 (Energy)	EF for boiler oil	Medium	Complete	Updated
S3.1 (P.O.s)	POs transcription - error	Low	Complete	Corrected
S3.3	WTT and T&D loss - transcription error	Low	Complete	Corrected
S3.4	Misc. clarifications on EFs and CO2e calcs	Low	Complete	Provided
S3.5	Missing data for July to December	Medium	Complete	Updated
S3.7	EF for car travel - error	Low	Complete	Corrected
S3.9	EFs for transport - clarification and info needed	Low	Complete	Provided
S3.9	UPS transport - utilize WTW	Medium	Complete	Updated