

# Lyft combats climate change with every ride

*Funding emission reduction projects and catalyzing change in transportation*



Lyft, the global ride-hailing service, cares deeply about the impact on the environment for the communities they serve. In 2017, Lyft announced their 2025 climate impact goals, which include moving to autonomous electric vehicles powered by renewable energy and reducing overall CO<sub>2</sub> emissions in the transportation sector. As part of delivering on their Green Cities Initiative in support of these goals, Lyft partnered with 3Degrees to look for both near-term and longer term opportunities to reduce their environmental impact.

## Key Challenges

Emissions from the transportation sector are a stubborn problem. Petroleum-based fuels like gasoline are deeply embedded in our vehicle and fuel distribution infrastructure, resulting in large quantities of carbon dioxide and other tailpipe emissions. Lyft's vision for addressing this is an all-electric vehicle fleet powered by 100% renewable electricity--an ambitious goal that will take time to accomplish. In the meantime, Lyft sought to take immediate steps to address its environmental impact in a relevant and meaningful way.

Lyft set an aggressive goal - to offset emissions from all Lyft rides worldwide. And, the company wanted to be really intentional about the projects in which they invested, placing a high priority on projects in the transportation sector, near their major markets or in some other way relevant to Lyft's business.

## How We Helped

In collaboration with Lyft's sustainability team, 3Degrees designed a program that would meet the above goals and have the flexibility to evolve and grow with Lyft's business. The program uses carbon offsets as a tool to fund emission reduction projects that result in tangible changes in the way parts of the transportation sector operate. The program is also funding projects that help address other environmental impacts from vehicle use, such as water and non-climate air emissions.



## LYFT'S GOAL:



**Long-term:** power Lyft fleet using renewable energy



**Short-term:** offset emissions from all rides



**Approximate emissions:** over a million metric tons of carbon annually

## OUR APPROACH:

- + Build a portfolio of carbon offset projects tied to Lyft's industry and geographic footprint
- + Provide high quality, proprietary projects in the transportation sector
- + Developing a longer-term plan to fund new projects that align to Lyft's business objectives
- + Provide on-going expertise and advice to support Lyft's green cities initiatives

*The key elements of the Lyft program design by 3Degrees are:*

- ✓ **Environmental integrity** is the most important aspect of the program design and a core element of every carbon offset sold by 3Degrees. Environmental integrity can generally be broken down into two main components: (a) “additionality,” the notion that the emission reductions would not have been achieved without the promise of funding from carbon offset sales, and (b) rigorous and conservative quantification of the actual emission reductions achieved. All 3Degrees projects are registered under internationally-recognized standards maintained by not-for-profit environmental organizations, including the American Carbon Registry (ACR), Climate Action Reserve (CAR), and Verified Carbon Standard (VCS). These standards require that both additionality and quantification are independently verified by accredited third parties.
- ✓ **Reductions in transportation** sector emissions play a major role in the project portfolio. Initially, this includes emission reduction projects in automotive manufacturing and waste oil recycling, and in the medium



“3Degrees’ ability to develop unique emission reduction projects with a high level of environmental integrity made them a natural fit for Lyft. Their depth of experience, analytical rigor, and creativity helped us craft a program that can change over time and as our needs evolve.”

**SAM ARONS**

*Director of Sustainability, Lyft*

## Carbon offsets lead to real change in automotive manufacturing process

The Meridian Magnesium project is the largest component of Lyft’s initial portfolio. Located just outside of one of Lyft’s major markets, Meridian manufactures automotive parts that help lightweight vehicles and improve vehicle fuel efficiency.

Lyft is funding ongoing emission reductions at Meridian’s Michigan manufacturing facility. This project required an upfront capital investment by Meridian as well as a change in Meridian’s manufacturing process that, while reducing greenhouse gas emissions, is more expensive and

less efficient than the previous process. Carbon offset sales are the only source of revenue for this project. Without it, Meridian would have no motivation to operate this project.

Meridian was the first magnesium auto parts manufacturer to undertake this change. The project was just successfully “re-validated” under the Verified Carbon Standard, meaning that its additionality status was recertified.

Now, based on Meridian’s demonstrated ability to implement this change and fund it with proceeds from offset sales, 3Degrees is discussing similar projects with two other magnesium producers that have not yet made the switch.

term could include newer project types like vehicle electrification. Projects like these have a direct connection to the automotive supply chain (and Lyft's Scope 3 emissions). Offset funding acts as an incentive or catalyst for actors in these industry segments to implement practice changes that are cleaner and more sustainable.

- ✓ **Positive impacts on Lyft communities** take the form of social and environmental co-benefits (apart from climate benefits) in and around the markets that Lyft serves. For example, land use projects like forestry offer important air and water quality benefits that are more localized in nature than greenhouse gas benefits. Similarly, renewable power projects like wind energy help displace coal-fired power generation, which in addition to CO2 also emit mercury into the air and ultimately the regional water supply.

Leveraging 3Degrees' experience in transportation and our proprietary project portfolio, the majority of Lyft's initial investment is being used to support one-of-a-kind projects in the transportation sector that have a demonstrated impact and the potential for scalability. This enables Lyft to fund immediate emission reductions, like the Meridian magnesium project, while paving the way for new projects that leverage this experience.

This portfolio is intended to evolve as part of Lyft's overall sustainability journey towards their 2025 climate impact goals, including electrification of their fleet. In the early years of the program, most of the offsets will come from existing projects. Such projects will gradually be supplemented by new projects custom-built for Lyft and the communities it serves. In the long run, new development will be concentrated in the renewable electricity sector to support Lyft's transition to an all-electric fleet.

**RESULTS:**

- + Starting in 2018, Lyft is offsetting the emissions from all rides across the globe
- + Lyft's voluntary offset program is one of the largest in the U.S. and among the top 10 in the world
- + All offset projects are located in the U.S. and have local social and environmental benefits in or near Lyft's U.S. markets
- + More than 75% of Lyft's initial investment is funding emission reductions in the transportation sector from projects that are catalyzing change in the industry through replication as new projects

At 3Degrees, our business is our mission. We make it possible for businesses and their customers to take urgent action on climate change. As a certified B Corporation, we provide renewable energy and emission reduction solutions to Fortune 500 companies, utilities, universities, green building firms and other organizations. Headquartered in San Francisco, 3Degrees serves clients around the world.

 3DegreesInc     @3Degrees\_Inc     3Degrees Group, Inc.

