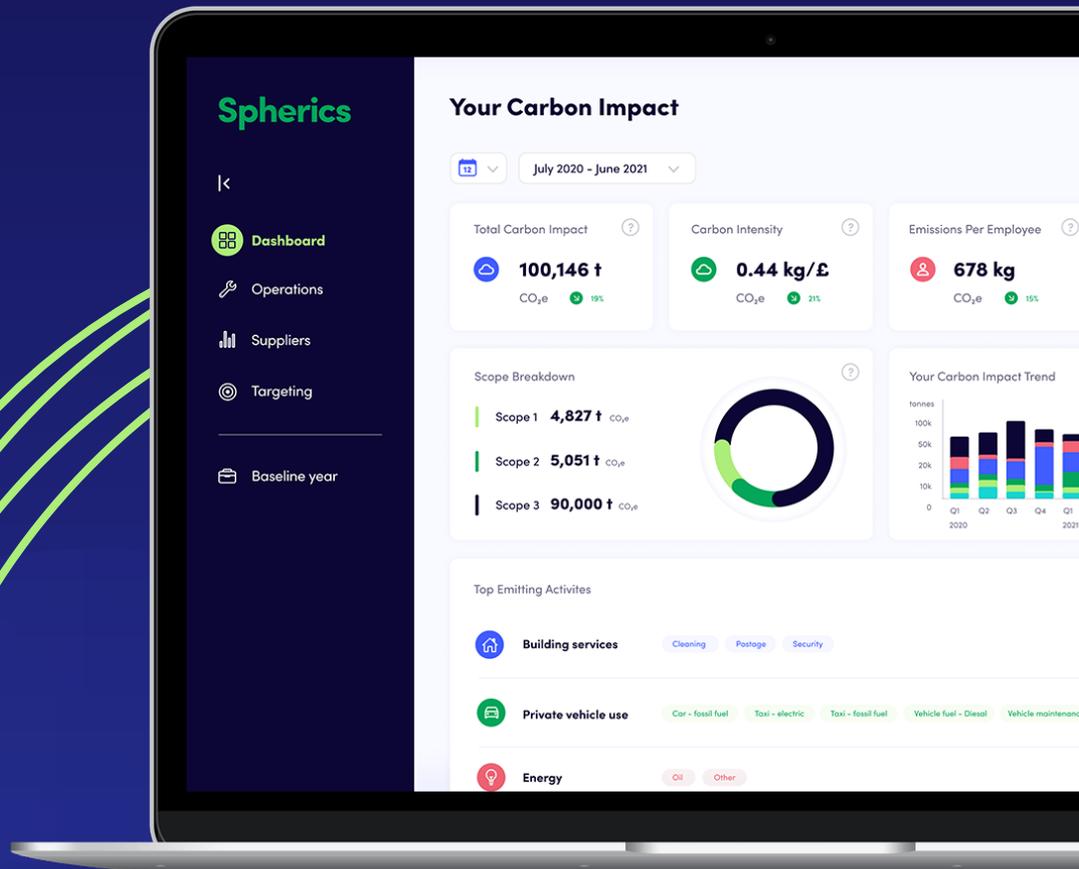


NET ZERO 2025

# Carbon Footprint FY 2021 - 2022

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12TH AUGUST 2022

# A word from our CEO

## Practice what you preach

The climate crisis is already impacting our lives, no matter where you are in the world. Sadly, the impact isn't evenly distributed.

To keep our planet liveable, the UN's Paris Agreement has challenged every country to reach net zero by 2050. But in many respects, it's the businesses and organisations below central government that have the power to make this happen.

Spherics helps businesses start doing this today. Our carbon footprinting engine provides full transparency on carbon impact, so that businesses can understand hotspots and take action to reduce them. Our tool reports all three scopes of the GHG emissions protocol, with a focus on scope 3 (value chain) emissions.

## Focus on the value chain

We might be the facilitator, but we still make an impact and we still need to practice what we preach. That means we use our own tools, and we measure everything we do.

Like most software start ups, 100% of our emissions are scope 3. And even outside of software, it's common to see companies that have 90% of emissions from scope 3.

The latest IPCC report states that to reach global net zero, companies must coordinate action all the way through to their supply chains. This is why we place our focus here.

Measuring a business's scope 1 and 2 is achievable. Scope 3 is far more complex. We're proud to be working on this challenge - every day it becomes more possible.



A handwritten signature in black ink, appearing to read 'G Sandilands'.

George Sandilands  
CEO & Founder

# Timeline & process of evaluation review

Reaching net zero doesn't happen overnight. There are no quick wins or silver bullets. For some sectors, it's going to be near impossible to reach the net zero by 2050, for others, far easier.

Fortunately for Spherics, we start from a low baseline. As a software startup, we have minimal emissions, so we've given ourselves the punchy target of a net zero 2025. Yet, with our forecast growth, we're bound to meet challenges along the way.

This report marks our first full finance year - our baseline year.



## What do we mean by net zero 2025?

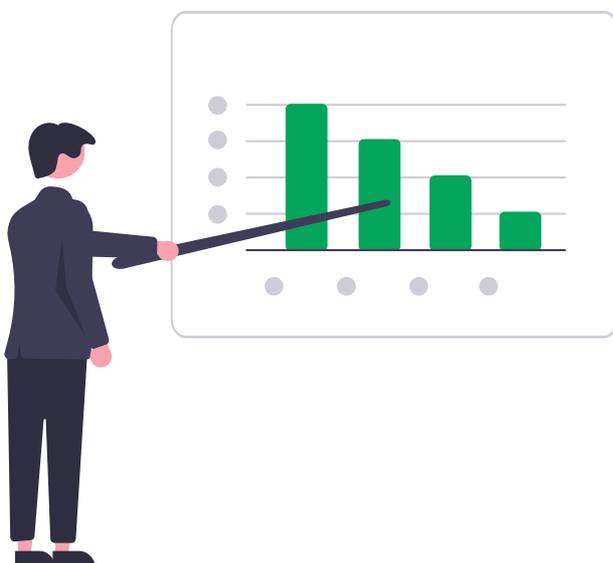
That means we aim to reach net zero emissions by the end of the 2025-26 financial year - only 4 reporting years away. Starting from now, we will not add any further emissions - and any residual emissions will be tackled with high-quality carbon removal.

# Based on the GHG Protocol

The Greenhouse Gas (GHG) Protocol supplies the world's most widely used greenhouse gas accounting principles. 9 out of 10 Fortune 500 companies report their impact to the Carbon Disclosure Project, which uses this methodology.

Not just for large multinationals, these collective standards provide the protection your business needs by giving you full visibility into your highest emitting areas - as well as the risks they expose you to.

We built the Spherics methodology around the GHG emission protocol and it's how we'll report our emissions here in this report.

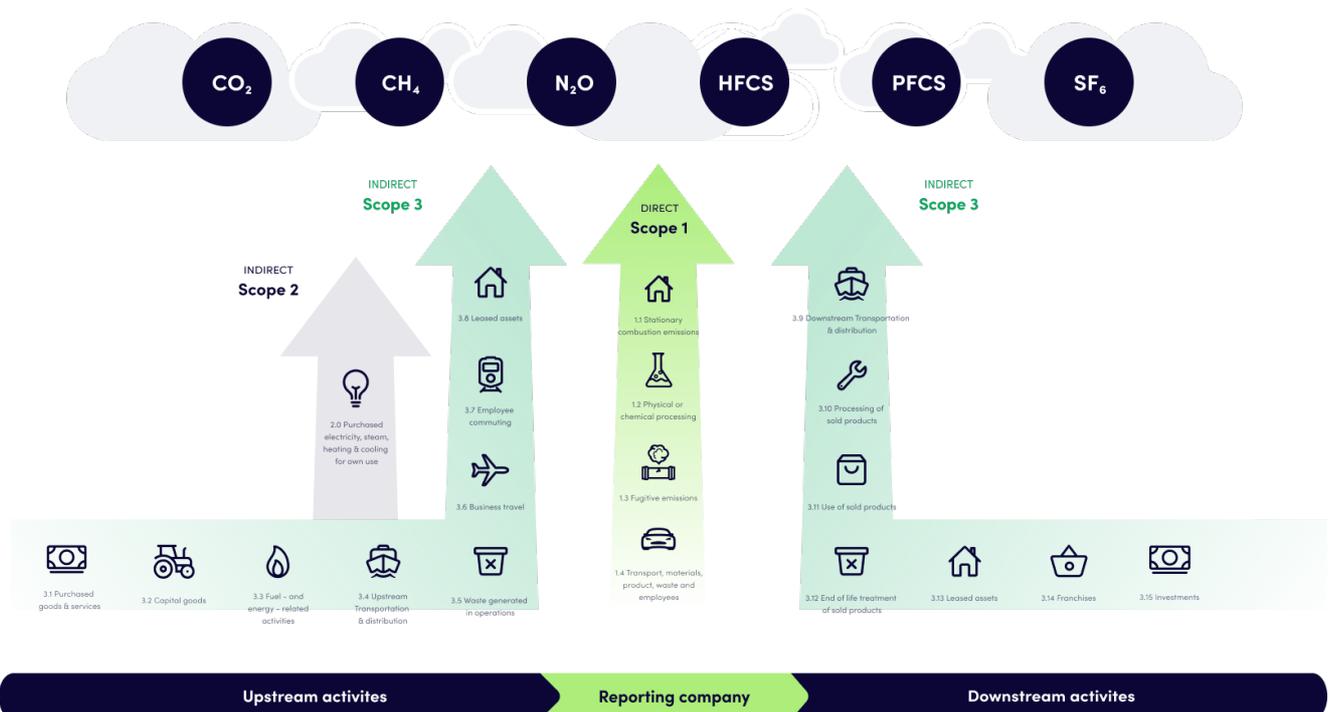


# The scope breakdown

You may have heard of the different ‘scopes’ which the GHG uses to categorise business emissions:

- 1** Scope 1 refers to direct emissions from your owned or controlled resources, e.g. from the fuel burned by your van or the gas used to power your boiler.
- 2** Scope 2 refers to indirect emissions from the powering, heating, cooling bought by your company from third party providers, most commonly electricity consumption.
- 3** Scope 3 includes all other indirect emissions that occur within a company’s value chain. This will, most likely, make up the majority of your emissions.

Beyond the scope, the emissions are broken down further into sub categories as shown in the diagram below. Our whitepaper [here](#) gives more detail on this.



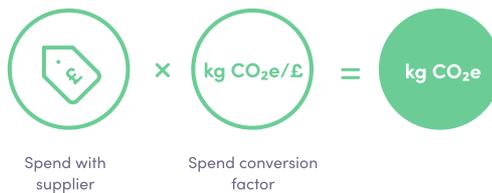
## CALCULATION

# Our methodology

For each category of the GHG protocol, we use different calculation methodologies. In this guide you'll find a summary of our approach and see the different approaches bucketed below. In reality the methodology is more complex, but this is the level of detail we share with customers during initial consultation.

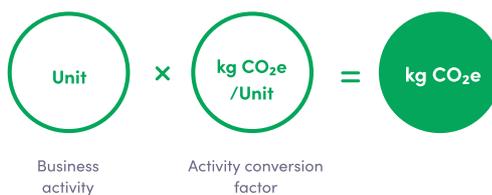
### Spend

Here we use a spend-based methodology for the calculation. Spend data is pulled automatically from your accounting software and multiplied by a conversion factor.



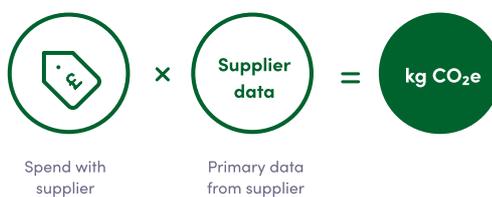
### Activity

For this calculation, we use an activity-based methodology. We ask you for information such as the number of staff or fuel consumed. This "unit" is then multiplied by a conversion factor.



### Network

To increase accuracy of calculations, we gather emissions data directly from your supply chain network. This data gets fed into the aforementioned Spend and Activity calculations replacing conversion factors.



OUR DATA

# April 2021 to March 2022

Turnover 2021 - 2022

**£48,228.03**

Carbon Intensity

**0.24 kg** CO<sub>2</sub>e / £

Scope 1, 2 and 3 breakdown



Scope 1

**0 kg**

CO<sub>2</sub>e



Scope 2

**0 kg**

CO<sub>2</sub>e



Scope 3

**11,365 kg**

CO<sub>2</sub>e

*Note: As a start up, our first year turnover is very low. Already in 2022 our turnover has surpassed that value by a significant amount. Carbon intensity metrics are more useful for established businesses. We expect next year's carbon intensity to be far lower.*

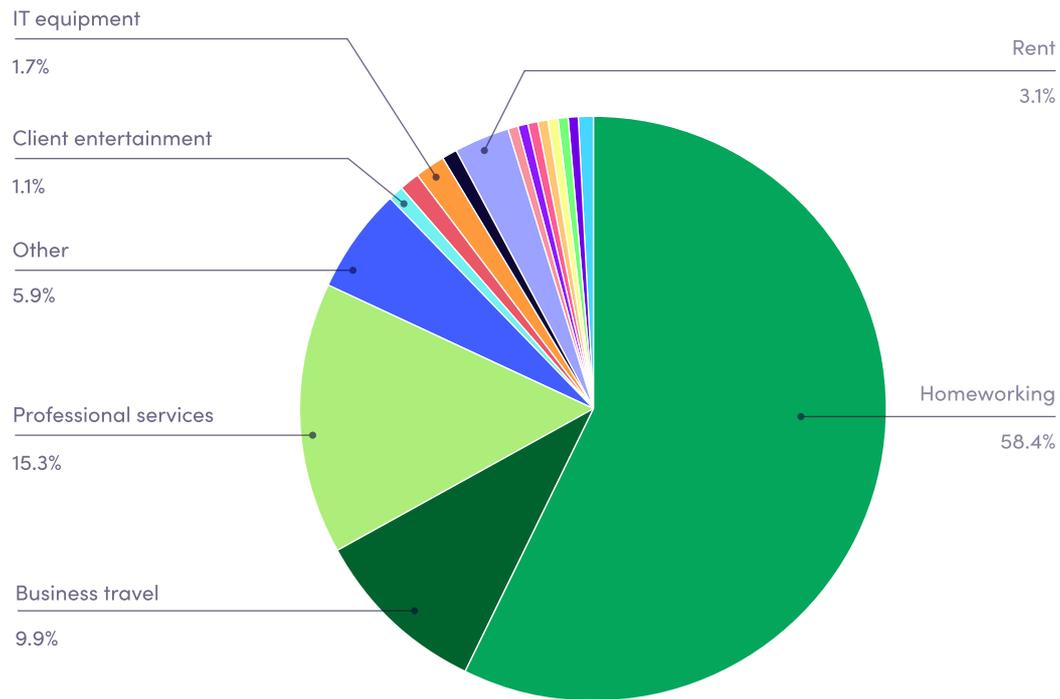
# Scope 3 breakdown

To make sure that carbon footprinting is easily understood by everyone, we break emission impact areas down into recognisable chunks.

This graph shows a breakdown of emissions according to the Spherics categories.

Here you can see that 82% of our emissions fall into three buckets: homeworking, professional services and business travel.

**Sum of kg CO<sub>2</sub>e vs Spherics category level 2**



The above graph shows Spherics scope 3 emissions broken down into understandable buckets. Such graphs are available to capture from the Spherics product.

ACTION

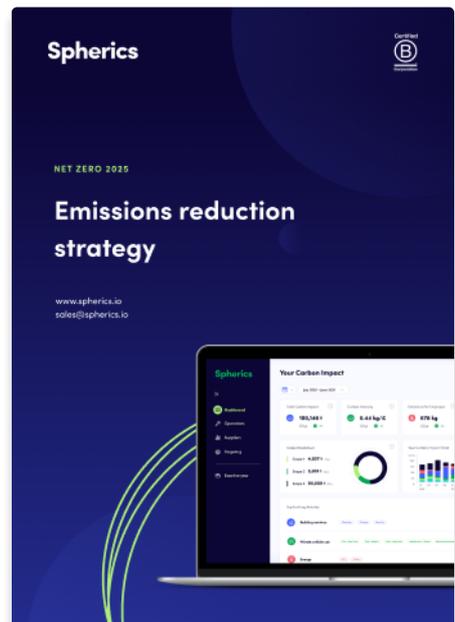
# Our net zero strategy - 2025

With our ambitious target to be net zero by 2025, we have some work to do. This is where the next step comes in - Decarbonisation Strategy.

[DOWNLOAD OUR DECARBONISATION STRATEGY](#)

In line with our identified emission hotspots, we're focusing on these three areas as a short-term strategy:

- ✔ **Homeworking**  
Impact: 58.4%  
Made up of: PAYE staff working from home. Non-PAYE staff included under the "Professional Services" category.
- ✔ **Professional services**  
Impact: 15.3%  
Made up of: Emissions from our extended team. This covers consultants, freelancers, legal support and our accountants.
- ✔ **Business travel**  
Impact: 9.9%  
Made up of: Any business travel, not including regular commuting.



Our strategies for the medium and long-term are currently being drawn up, and will be ready for release in 6 months time (Feb 2023).

## IMMEDIATE NEXT STEPS

# Fortnightly sustainability meetings & quarterly reviews

To stay accountable to our decarbonisation strategy, our sustainability team evaluates actions every fortnight. Then we meet quarterly to provide an internal update to senior management and the board.

Attending these meetings is a cross section of the Spherics team, covering all areas of the business.

Mike Chatziapostolou - co-Founder & COO  
Conrad Langridge - Head of Marketing  
Duncan Oswald - Head of Climate Science  
Claire Cottis - EA & Operations Manager

### A reminder of our timelines:



NET ZERO 2025

# Sustainability Report 2022

If you have any questions about our 2022 Sustainability Report, please don't hesitate in reaching out to us.

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