



ClimateHero

Climate Report

2022



Climate Report – Climate Hero AB, 2022

Introduction

This is the first climate report for Climate Hero AB. The year 2022 has been selected as the base year for the company's climate reporting. The turnover of the company in 2022 was 5.2 MSEK and the company had 3 employees.

The purpose of the reporting is to increase the understanding of what is driving the company's greenhouse gas emissions, set targets to reduce them, and secure transparency and traceability on the journey towards net-zero.

Methodology

The greenhouse gas accounting is based on the Greenhouse Gas Protocol's corporate and value chain standards (ghgprotocol.org).

The GHG Protocol defines emissions in three scopes:

- Scope 1 – The company's direct emissions from vehicles, combustion, processes, or leakages
- Scope 2 – The company's indirect emissions (electricity, heating, cooling) from energy purchased and consumed.
- Scope 3 – Greenhouse gas emissions that occur upstream and downstream in the company's value chain, as a consequence of the company's operations.

Total greenhouse gas emissions are quantified in carbon dioxide equivalents (CO₂e), which take into consideration that different greenhouse gases (Carbon dioxide, Nitrogen oxides, Methane etc.) have different global warming factors.

To set the organisational boundary the “operational control” principle is used, i.e., emissions from vehicles, assets, purchases, and services over which the company has control are taken into account, regardless of whether they are owned, part-owned, leased, rented or freeware.

For calculation of the company's emissions from electricity (scope 2), the “market-based” principle is used, i.e. the emission intensity of grid electricity is separated between green electricity contracts and a residual mix.

For any flights, the Radiative Forcing Index (RFI) of high altitudes is included with a factor of 1.9.

For each emission calculation, relevant emission drivers and emission factors have been used. As priority exact activity data has been used and as a fallback option a spend based approach or conservative estimates have been applied.

The emission factors come from DEFRA and GHG, supplemented with specific emission factors when significant.

The carbon calculations have been carried out with the help of consultants from [ClimateHero](#).

Operational boundaries and reporting accuracy

Calculating a company's total climate impact is an extensive process, especially for emissions within scope 3.

Hence, as a first step, an impact analysis is performed in which the company's emissions in each category are identified and their overall impact estimated. Emissions categories that are concluded to have a high impact are included while categories with none or minor impact are excluded. As a rule of thumb, in scope 3, an emissions source is included if it represents at least 1% of the company's total emissions.

Scope	Sub-scope	Activity	Essential?	Data quality
Scope 1 - Direct emissions	1.1	Combustion	No	No
	1.2	Processes	No	No
	1.3	Emissions from own passenger cars	No	No
	1.4	Emissions from own trucks and machines	No	No
	1.5	Refrigerant leakage	No	No
	1.6	Other direct emissions	No	No
Scope 2 - Energy	2.1	Electricity	Yes	Medium
	2.2	District heating	Yes	Medium
	2.3	District cooling	No	No
	2.4	Steam	No	No
	2.5	Water	No	No
	2.6	Other indirect energy	No	No
Scope 3 - Upstream	3.1	Purchased goods and services	Yes	Low
	3.2	Capital goods	Yes	High
	3.3	Fuel- and energy related activities	No	No
	3.4	Upstream transports	No	No
	3.5	Waste generated in operations	No	No
	3.6	Business travel	Yes	Medium
	3.7	Employee commuting	No	No
	3.8	Leased Assets	No	No
Scope 3 - Downstream	3.9	Downstream transports	No	No
	3.10	Processing of sold products	No	No
	3.11	Use of sold products	No	No
	3.12	End-of-life treatment of sold products	No	No
	3.13	Leased Assets	No	No
	3.14	Franchise	No	No
	3.15	Investments	No	No

Overall, the company's reported emissions can be considered comprehensive, expected to cover at least 95% of the company's value chain emissions.

Since the company is a "digital first company" the carbon footprint from digital services (e.g., web hosting) has been included in scope 2, independent of if the electricity usage is from local servers or servers in the cloud.

Employee commuting only takes place by e-bike and train, 2 days per week. Emissions from commuting are hence neglectable and rounded down to zero.

Scope 3 emissions are based on activity, for example number of computers bought or amount of consulting hours purchased. For categories with low impact, a spend based calculation has been used.

Company emissions 2022

The company's greenhouse gas emissions for the base year 2022 have been calculated to total 8,9 ton CO₂e, which corresponds to 3.0 ton CO₂e per employee and 1,7 ton CO₂e/ million SEK turnover.

Company GHG emissions [ton CO ₂ e]*	2022 Share of total (%)	
Scope 1	0	0%
Scope 2**	1	11%
-Electricity	0,7	8%
-Heating	0,3	3%
Scope 3	7,9	89%
-Purchased goods and services	4,9	55%
-Capital goods	2,8	31%
-Business travel	0,2	2%
TOTAL emisisions (ton CO₂e)	8,9	100%
Employees	3	
Emissions/ employee	3,0 ton Co2e/employee	
Turnover (MSEK)	5,2	
Emissions/ million SEK	1,7 ton CO₂e/ million SEK	

* Besides carbon dioxide equivalents (CO₂e), the GHG Protocol requires disclosure of all GHGs separately (CO₂, CH₄, N₂O, HFCs, PFCs, SF₆), when possible. With the calculation method used, an exact division per greenhouse gas is not possible, but CO₂ stands for the majority.

** Scope 2 emissions are calculated according to the "market based methodology". With the location based methodology the scope 2 emissions would be 0,7 ton CO₂e.

Commitment and targets

The company's overall goal is to align with a +1,5 degree C trajectory, by following the "carbon law" and to halve emissions before 2030 and reach net-zero emissions well before 2050.

More specifically, ClimateHero pledges to:

1. Reduce the carbon footprint per employee from a 2022 base year with:
 - Scope 1 – N/A
 - Scope 2 – 50% by 2025
 - Scope 3 – 50% by 2025
2. Reach net-zero greenhouse gas emissions across the value chain by 2030.
3. Disclose our progress on a yearly basis.

By 2030 our greenhouse gas emissions per employee shall be reduced by a minimum of 80% (from 3.0 to 0,6 ton CO₂e/employee) and no abatable greenhouse gas emissions shall remain. the remaining carbon footprint shall be balanced by durable (min 100 years) carbon removal (CORC).

Our near-term target is to reduce the carbon footprint/ employee by 50% by 2025. During the full journey to net zero we balance our carbon footprint by 200% via high quality carbon credits.

The next carbon calculation will be made for the year 2023 and will include multi-year comparison with the base year (2022) and next target year (2025).

Actions to reduce emissions.

To achieve our near-term target several actions have been identified:

Scope	Category	Action
1	Own vehicles	Keep using only 100% electric vehicles
2	Purchased electricity	A. Ensure renewable energy contracts when moving to larger office B. Demand improved carbon reporting and climate actions from cloud server providers
3	Purchased goods and services	Demand improved carbon reporting and climate actions from consulting service providers
3	Capital goods	Majority of purchased computers, phones and other IT equipment will be bought 2nd hand/refurbished and used/repared for many years.
3	Business travel	Strict travel policy. No flying. All car usage must be fully electric.
3	Employee commuting	Keep commuting emissions close to zero, by planning office location and demanding employees to travel by train, bus, bike, or EV.

We drive climate action in our supply chain by asking our suppliers to halve emissions before 2030 and join the UN Race to Zero. So far, we have engaged 20% of our supplier base.

We communicate our commitment and actions to our business customers and ask them to join the UN Race to Zero. So far, we have engaged 100% of our customer base and 100% of our business customers are committed.

Climate solutions

Our business proposition is our biggest contribution to a 1.5-degree planet.

We allocate 100% of our research and development budget to climate solutions. This year 100% of our revenue comes from sales of climate solutions.

This is how we describe our climate solutions:

- B2C: ClimateHero helps private people to assess and reduce their carbon footprint. So far, approx. 500 000 people have used ClimateHero and pledged to reduce their carbon footprint with over 1 million tons of CO2 per year.
- B2B: ClimateHero supports small and medium sized enterprises to calculate, reduce and report their carbon footprint. So far, we have supported approx. 50 companies.

The methodology used to assess these as climate solutions is The GHG Protocol. We use Deloitte audit and assurance for third party validation and assessment.

Accelerate climate action in society

We have integrated climate/nature in our mission statement. Our mission is to limit global warming to 1.5 degrees C.

To further contribute to the urgent global transformation, we financially support climate projects outside our value chain. During 2022 we have contributed 500 USD. This contribution corresponds to 200% of our total (scopes 1, 2 & 3) emissions, i.e., 18 ton CO₂e.

Our own emissions (scope 1 & 2) are balanced at 200% in durable (100+ years) removals. Value chain emissions (scope 3) are balanced to 200% via Gold Standard certified emission reduction projects, that besides climate benefits also support additional SDGs for the local communities.

To ensure that the money we pay for pensions is aligned with the 1.5 degree C, we have a guideline that strongly encourages employees to select green and preferable dark green financial assets.

All employees are encouraged to calculate and reflect on the personal carbon footprint of their families and ensure they weigh-in well below the global average of 5 ton CO₂e/capita.

Management and strategy

The responsibility for climate strategy and action is clearly allocated at the executive level of the company. Our full business is built around climate action.

There is no specific board level oversight of climate action. Board level work is limited in the initial stages of scaling up the company.

Results challenges and outlook

2022 has been selected as the base year since it is the first year that ClimateHero has employees. previous years have been in a lean start-up phase that doesn't make sense for future comparisons.

Looking forward, we face some key challenges with reducing emissions and scaling climate solutions. Our aim is to grow over 100% every year. It is hence not tangible to set targets on absolute emission reduction. Instead, we select to focus on our emissions per employee and on the climate benefits we can help our customers with.

To tackle our challenges will require some support. So far, the company has been fully funded by its founders, but to sustain an exponential growth of 100% per year will eventually require external financing.