Jack&Grace

Carbon Footprint
2023

Jack & Grace

Produced in partnership with

nero

The journey to Net Zero starts today

Introduction

In recent years there has been a seismic shift in attitudes towards climate change.

The Paris Agreement, COP26, teenage activism, and the relentless increase in extreme weather events around the world have catalysed brands, businesses, and governments into declaring ambitious goals to limit greenhouse gas emissions.

The science says such commitments cannot come quickly enough.

To avoid the worst effects of climate change, global greenhouse gas emissions will need to halve by 2030 and reach net-zero by 2050 at the latest.

The first step in this crucial journey to net-zero is to conduct a detailed carbon footprint to assess an organisation's contribution towards climate change.

This report highlights Jack & Grace's greenhouse gas emissions across its operations and supply chain.

With this information, Jack & Grace will have the foundation to start planning its journey to net-zero.

Greg Selfe
Founder, Nero

Nero helps businesses of all sizes plan for a net-zero future by following the science and adopting the highest standards of carbon reporting.

www.nero-carbon.com

Contents

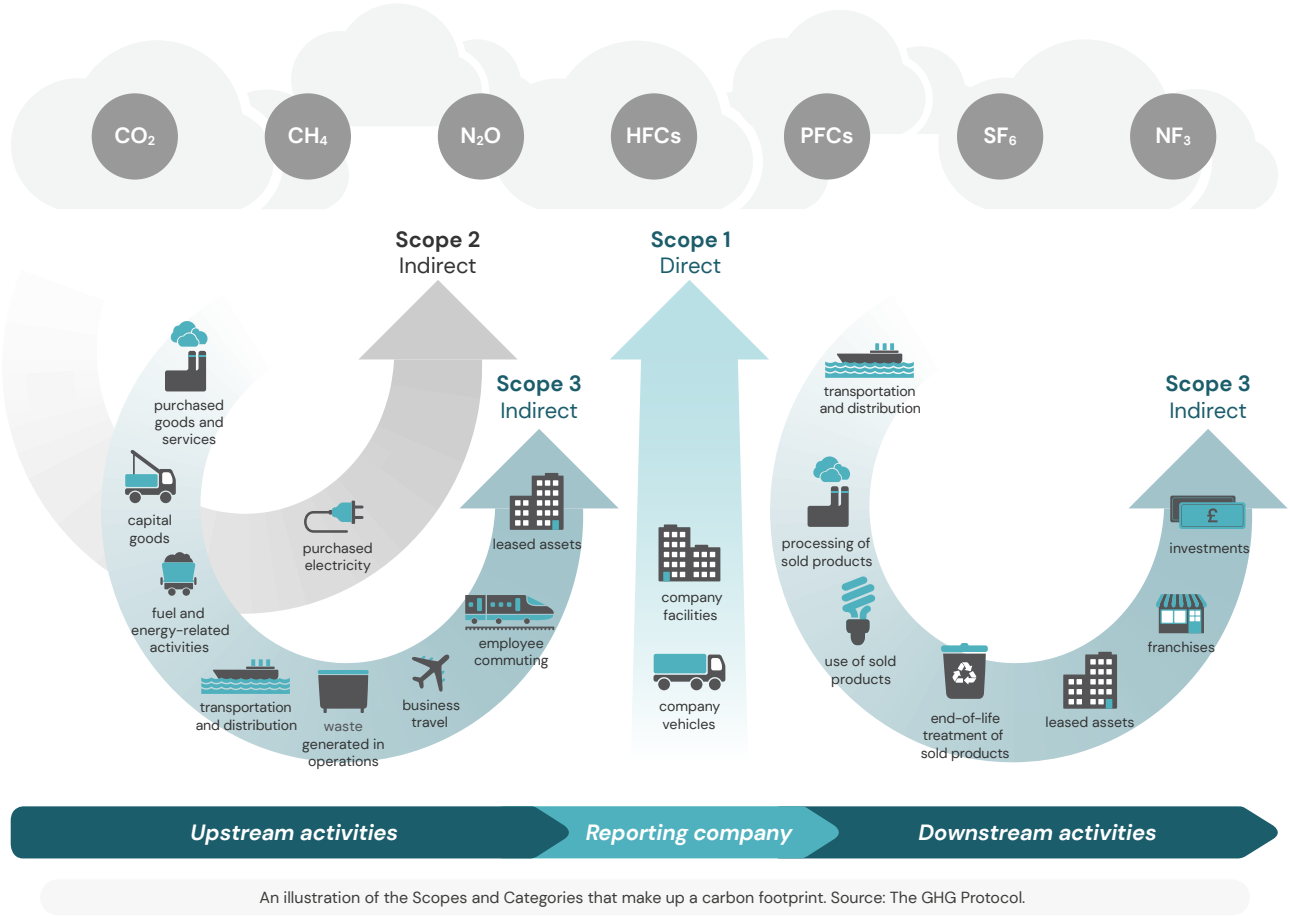
1. Introduction
2. What is a Carbon Footprint?
3. Jack & Grace's Carbon Footprint
4. Emissions Dashboard
5. Emissions Breakdown
6. The Journey to Net Zero
7. Calculating Emissions
9. Glossary

What is a Carbon Footprint?

A carbon footprint is a measure of the amount of carbon dioxide and other greenhouse gasses that are emitted into the atmosphere as a result of human activities.

Also referred to as a GHG (greenhouse gas) assessment, a carbon footprint is typically measured in units of tonnes of CO_2 equivalent (CO_2e). These emissions are calculated by multiplying consumption data – such as kilowatt hours of electricity or miles driven in a car– by trusted emission factors published by governments, suppliers and third parties.

The GHG Protocol divides a carbon footprint into three distinct 'scopes' and 18 categories. For an organisation to present a full picture of its emissions, all relevant scopes and categories must be calculated and reported.



An illustration of the Scopes and Categories that make up a carbon footprint. Source: The GHG Protocol.

The GHG Protocol

The Greenhouse Gas (GHG) Protocol is a standardised methodology for quantifying and reporting greenhouse gas emissions. It is developed and maintained by the World Resources Institute (WRI) and the World Business Council for Sustainable Development (WBCSD). The GHG Protocol provides a consistent and transparent framework for companies, governments, and other organisations to measure and report their greenhouse gas emissions in a comparable and consistent manner. **Learn more at www.ghgprotocol.org**

Jack & Grace's Carbon Footprint

As a provider of communications services, Jack & Grace's carbon footprint is relatively small. However, recognising that businesses of all sizes must take responsibility for their contributions towards climate change, Jack & Grace's carbon footprint conforms to the same standards as those conducted by the largest, biggest-emitting organisations.

Standards

This carbon footprint conforms to The GHG Protocol Corporate Accounting and Reporting Standard[1] and the Corporate Value Chain (Scope 3) Standard[2].

Reporting Boundaries

Jack & Grace does not operate an office or own company vehicles, therefore Scopes 1 and 2 are not relevant and have not been included. This may change in the future.

All 15 categories of Scope 3 were assessed for relevance. At the time of this report, the four relevant categories were:

- Purchased Goods and Services
- Capital Goods
- Business Travel
- Commuting (home-working only).

The methodology for each category and the reasons for exclusions can be found in the Calculating Emissions section of this report.

Reporting Periods

Following the UK Government's Environmental Reporting Guidelines[3], the reporting period for measuring emissions corresponds with Jack & Grace's financial year: 1st April - 31st March.

On the next page, the reporting periods are:

2021: 01/04/2020 - 31/03/2021
2022: 01/04/2021 - 31/03/2022
2023: 01/04/2022 - 31/03/2023

Comparing Emissions

A requirement of The GHG Protocol is to compare emissions in the reporting period to a defined base year.

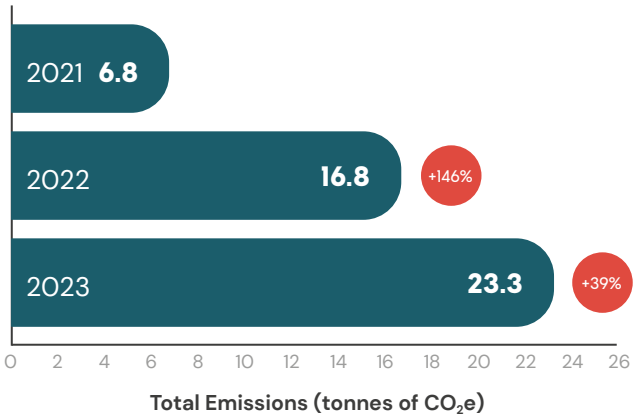
As Jack & Grace was founded in 2020, the emissions in this reporting period ("2021") were comparatively low.

On the next page, emissions from the 2023 reporting period are compared to 2022.

For Jack & Grace's science-based target setting, 2023 has been chosen as the base year as this is the most reflective of a typical year.

[1] https://ghgprotocol.org/corporate-standard; [2] https://ghgprotocol.org/standards/scope-3-standard;
[3] https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/850130/Env-reporting-guidance_inc_SECR_31March.pdf

Total Emissions



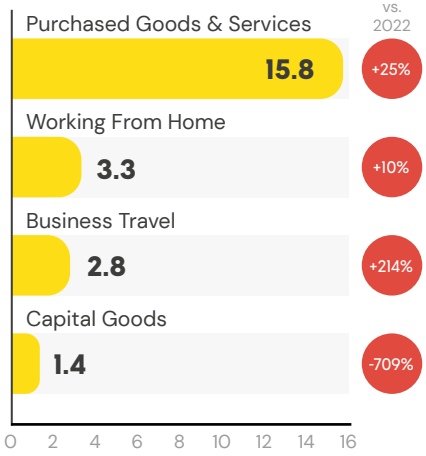
Reasons for changes

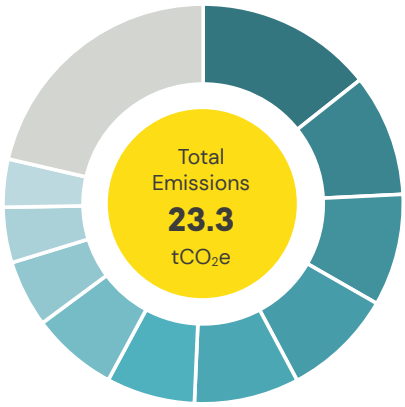
The 2021 reporting period (April 2020 - March 2021) was Jack & Grace's first year of business.

As the business has grown, so have emissions. The increase in purchased services and the impacts of the new employees working from home contributed the most to the emissions increase.

The charts below highlight the sources and changes in emissions. Further details of each source can be found in the Footprint Breakdown on the next page.

2023 Emissions by Category



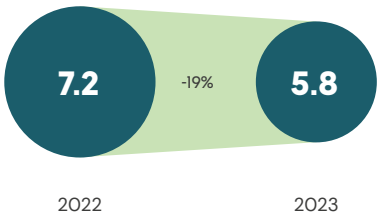


2023 Emissions by Activity

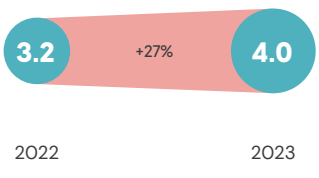
- Home working - 3.3 (14%)
- Gifts & Entertaining - 2.3 (10%)
- Marketing - 2.1 (9%)
- Staff Welfare - 2.1 (9%)
- Away from home working, food & drink - 2 (9%)
- Business Travel by Train - 1.7 (7%)
- Subscriptions - 1.6 (5%)
- Training - 1.3 (5%)
- Subsistence - 1 (5%)
- Accountancy - 0.9 (4%)
- Remaining Activities - 5 (21%)

Intensity Ratios

tCO_2e Emissions per £100k of Turnover

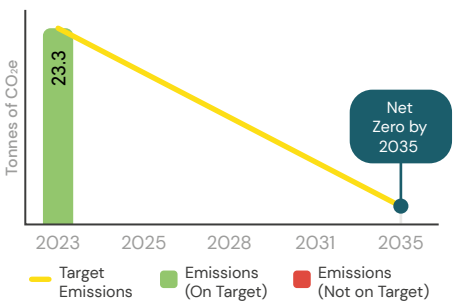


tCO_2e Emissions per Employee



Target Tracking

Science Based Targets



2023 has been chosen as the base year as it is a more accurate reflection of a typical year for Jack & Grace.

Please go to the *Journey to Net Zero* section of this report for more detail.

Comparisons

Emissions in 2023 were equivalent to:

85,000 miles driven in an average car[1]

8 typical households[2]

11 return flights from London to New York[3]

[1] DEFRA 2022: average car, fuel unknown
[2] OFGEM 2022 & DEFRA 2022: emissions from annual electricity and gas consumption of a typical 2-3 bedroom house
[3] DEFRA 2022: emissions of one passenger flying economy class

Emissions Breakdown

The table below details emissions from all categories and activities. Emissions are reported in tonnes of carbon dioxide equivalent (tCO_2e).

Scope	Category	Activity	2023	% of Total
Scope 1	Facilities & Vehicles	None		
Scope 2	Purchased Energy	None		
Scope 3	1. Purchased Goods and Services	Accountancy	0.9	3.9%
		Advertising	0.3	1.5%
		Away from home working (co-working space)	0.2	0.8%
		Away from home working (food and drink)	2.0	8.5%
		Campaign costs	0.8	3.3%
		Computer running costs	0.4	1.8%
		Freelancers	0.3	1.3%
		Gifts & Entertaining	2.3	9.9%
		Insurance	0.0	0.2%
		Marketing	2.1	9.1%
		Membership	0.1	0.4%
		Printing, postage and stationery	0.1	0.5%
		Staff Welfare	2.1	8.9%
		Subscriptions	1.6	7.0%
		Subsistence	1.0	4.5%
		Telephone	0.2	0.8%
		Training	1.3	5.4%
	Capital Goods	Asus Vivobook	0.3	1.1%
		MacBook Pro	0.6	2.4%
		Other IT Equipment	0.5	2.3%
	3. Fuel Related Activities	None		
	4. Upstream Transportation	None		
	5. Waste Generated	None		
	6. Business Travel	Business Travel by Bus	0.01	0.0%
		Business Travel by Car	0.60	2.6%
		Business Travel by Taxi	0.53	2.3%
		Business Travel by Train	1.67	7.2%
	7. Employee Commuting	Commuting (none)		
		Home-working	3.34	14.3%
	8. Upstream Leased Assets	None		
	9. Downstream Transportation	None		
	11. Use of Sold Products	None		
	12. End of Life	None		
	13. Downstream Leased Assets	None		
	14. Franchises	None		
	15. Investments	None		
Total			23.33	100.0%

The Journey to Net Zero

Science-based targets show organisations how much and how quickly they need to reduce their greenhouse gas (GHG) emissions to prevent the worst effects of climate change.

Net Zero Target

Jack & Grace commits to at least a **90% reduction in total emissions by 2035**, compared to the 2023 reporting year. Any remaining emissions will be neutralised.

Target Validation

Jack & Grace's net-zero target was validated by the Science Based Targets initiative in July 2023.

SCIENCE BASED TARGETS
DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

THE NET ZERO STANDARD
APPROVED NET-ZERO TARGETS

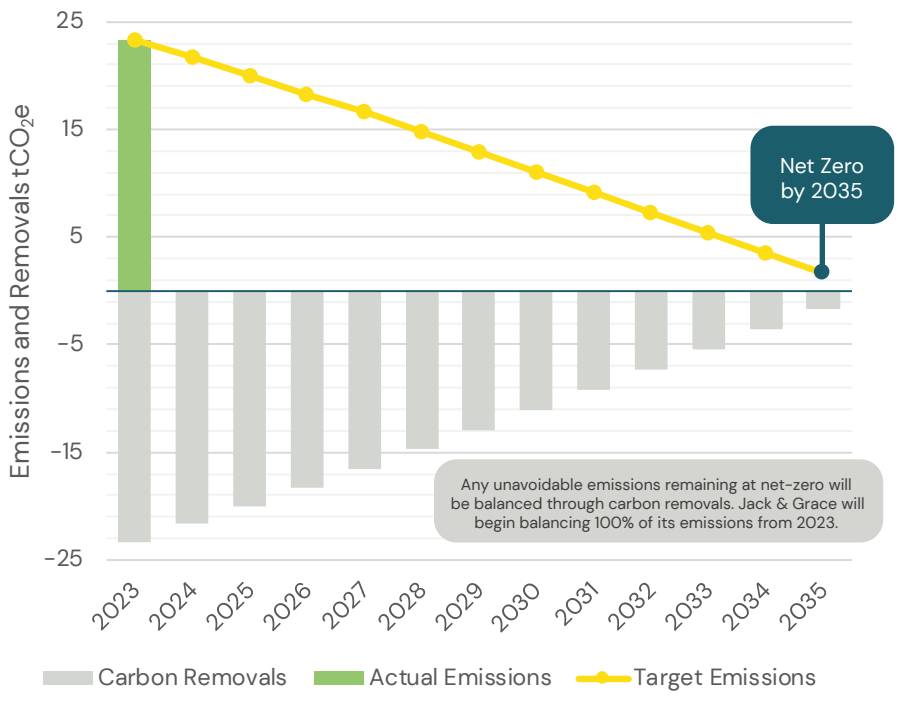
Tracking Progress

The world must reach net-zero by 2050, but Jack & Grace has chosen a more ambitious target year of 2035.

Some companies have chosen even sooner dates, but to reach net-zero there are substantial changes required across supply chains - many of these changes are outside the control of Jack & Grace.

2035 will allow time for key infrastructure to adapt (think zero-carbon trains and data centres), whilst Jack & Grace reduces the emissions it can influence - business expenses, home-working etc.

Jack & Grace's Reduction Pathway



Potential Reductions

Gifts and Entertaining accounted for 2.3 tonnes of CO_2e in 2023. Reviewing gift-buying practices could help reduce these emissions. -10%

Choosing marketing suppliers that are on their own net-zero pathways could eventually save 2.1 tonnes of CO_2e a year. -9%

Food and drink accounts for 2 tonnes of emissions. Encouraging greener choices, such as vegan options, can help minimise these impacts. -8.5%

Providing incentives for employees to switch to renewable electricity at home could save up to 0.3 tonnes of CO_2e a year. -2%

Calculating Emissions

Relevant Category

Irrelevant Category

Technical guidance published by the GHG Protocol was followed to calculate Jack & Grace's emissions. These two pages detail which categories were relevant to Jack & Grace, along with explanations of how emissions were calculated, and reasons for excluding categories.

Scope 1

Company Facilities

Jack & Grace does not own or control facilities, so this category is not relevant. If this changes in the future, then emissions will be calculated and included in future carbon footprint reports.

Company Vehicles

Jack & Grace does not own or control company vehicles, so this category is not relevant. If this changes in the future, then emissions will be calculated and included in future carbon footprint reports.

Scope 2

Purchased Electricity

Jack & Grace does not own or control facilities and therefore does not directly purchase electricity. Indirect consumption, such as the electricity used by employees working from home, has been accounted for in Scope 3.

Scope 3

Purchased Goods & Services

Jack & Grace's suppliers were grouped into categories, such as advertising services, accounting services, food and drink etc.

The expenditure in each category, exported from the accounts platform, was multiplied by the most relevant emission factor published in DEFRA's Conversion factors by SIC code 2019.

This method was applied to all purchased goods and services.

As this was the first Scope 3 GHG assessment for Jack & Grace, 100% of the emissions data for purchased goods and services came from secondary sources.

Moving forward, Jack & Grace will begin to request primary emissions data from suppliers.

Capital Goods

Jack & Grace's expenditure on capital goods during the reporting year was analysed by category.

For laptop purchases, primary emissions data was sourced from product life cycle assessments published by Apple for three MacBook Pros purchased and Asus for one Vivobook Pro purchased.

The values of the remaining items in each category were multiplied by relevant financial-spend emission factors published in DEFRA's Conversion factors by SIC code 2019.

Fuel & Energy Activities

Jack & Grace did not purchase fuel or energy in the reporting period, so this category is not relevant.

Upstream Transportation & Distribution

Jack & Grace did not purchase any transportation services during the reporting period, so this category is not relevant.

Waste Generated in Operations

The small amount of waste that Jack & Grace's employees generated in the reporting period – such as coffee cups, paper, and food packaging – would have been generated and disposed of in the cafés and coffee shops in which they were purchased. For this reason, these emissions have not been included in Jack & Grace's GHG assessment.

Business Travel

A sample of expense claim submissions from Jack & Grace's employees was analysed to determine a typical breakdown of expenses by category. Expenses were categorised into rail travel, road travel, and food and drink.

These percentages were then applied to the total expenditure on employee expenses. The resulting value spent per category was then multiplied by the relevant emission factor published in DEFRA's Conversion factors by SIC code 2019.

Moving forward, adjustments to the expenses form template will be made to categorise spend, enabling faster analysis for the next footprint assessment.

Additional transactions on rail and taxi services using the company credit card were also multiplied by the relevant emission factor published.

Employee Commuting & home-working

Jack & Grace does not operate its own office, so there were no emissions from commuting.

This category optionally includes emissions from home-working, which Jack & Grace has measured. Home-working emissions were calculated by multiplying the number of full-time equivalent employees by the home-working emission factor published in the Department for Business, Energy & Industrial Strategy's conversion factors 2022.

Upstream Leased Assets

Jack & Grace did not lease assets during the reporting period, so this category is not relevant.

Upstream Transportation & Distribution

Jack & Grace does not produce products that require downstream transportation, so this category is not relevant.

Processing of Sold Products

Jack & Grace does not produce products requiring further processing, so this category is not relevant.

Use of Sold Products

Jack & Grace's services do not directly consume energy (fuels or electricity) during their use, so this category is not relevant.

It is optional to include products that indirectly consume energy. For Jack & Grace, this would be the electricity consumption of the devices used to view its digital content. These emissions have not been estimated in this assessment, but may be included in future reports.

End-of-Life Treatment of Sold Products

Jack & Grace does not produce products that have an end-of-life, so this category is not relevant.

Downstream Leased Assets

Jack & Grace does not lease assets downstream, so this category is not relevant.

Franchises

Jack & Grace has no franchises, so this category is not relevant.

Investments

Jack & Grace has no investments, so this category is not relevant.

Glossary

Carbon Footprint

A carbon footprint, also referred to as a GHG (greenhouse gas) assessment or GHG inventory, is a measure of the total amount of greenhouse gasses emitted into the atmosphere as a result of an individual's, organisation's or product's activities. Carbon footprints are typically measured in units of carbon dioxide equivalent (CO_2e) and are used to assess the impact of human activities on the environment and climate change.

Carbon Neutrality

Carbon neutrality refers to achieving a 'neutral' carbon footprint, meaning the amount of carbon dioxide released into the atmosphere is balanced by an equivalent amount removed from the atmosphere through carbon offsetting schemes.

The sources of emissions that have been offset to gain "carbon neutral" status are often varied. Many carbon neutral companies have measured and offset Scope 1 and 2 emissions only.

Please also see the *Net Zero* definition to learn how these two terms differ.

Carbon Offsets

Carbon offsetting refers to the practice of compensating for an individual's or organisation's greenhouse gas emissions by investing in projects that reduce or remove carbon dioxide from the atmosphere. These projects can include clean energy, reforestation, forest protection, or carbon capture and storage.

CO_2 Equivalent (CO_2e)

Carbon dioxide equivalent, or CO_2e, is the standard measure used to compare the emissions from various greenhouse gasses. Each gas is expressed as an equivalent of CO_2 based on its global-warming potential. For example, one tonne of methane has the same global-warming potential as 25 tonnes of carbon dioxide, therefore one tonne of methane equals 25 tonnes of CO_2e.

Location-Based Reporting

The location-based method for reporting electricity emissions uses the average fuel mix (natural gas, renewable, nuclear etc.) used to generate electricity in the UK. This emission factor is published annually by the UK Government.

Market-Based Reporting

This method uses an emission factor that is specific to the electricity supplier of the reporting company. Market–based reporting allows the reporting company to declare zero emissions if it purchased 100% renewable electricity. Market-based emissions may also be higher if the electricity supplier uses more fossil fuels than average.

It is a requirement of The GHG Protocol that both the location-based and market-based results are declared in the GHG assessment

Global Warming Potential (GWP)

A factor describing the degree of harm to the atmosphere of one unit of a given GHG, relative to one unit of carbon dioxide (CO_2). Also see *CO_2 Equivalent (CO_2e).*

Greenhouse Gasses (GHGs)

Greenhouse gasses contribute to climate change by trapping the sun's heat. Compulsory GHGs which must be measured and included in GHG assessments are: carbon dioxide (CO_2), methane (CH_4), nitrous oxide (N_2O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulphur hexafluoride (SF_6), and nitrogen triflouride (NF_3).

These individual GHGs are expressed in units of CO_2e.

Intensity Ratios

Environmental impacts can be normalised by dividing the total impacts (e.g. tonnes of emissions) by an appropriate activity metric (e.g. units produced, full-time-equivalent employees) or financial metric (£ million turnover).

Net Zero

To achieve net-zero, an organisation must reduce its scope 1, 2 and 3 emissions by a minimum of 90% by 2050 at the latest. The remaining unavoidable emissions must be balanced through permanent carbon removal and offsetting programmes.

Scope 1 Emissions

Emissions from operations that are owned or controlled by the reporting company. Scope 1 includes emissions from gasses combusted in boilers, fuels used in company vehicles, and refrigerant gasses used in air conditioning systems.

Scope 2 Emissions

Indirect emissions from the use of purchased electricity, steam, heat or cooling consumed by the reporting company.

Scope 3 Emissions

All indirect emissions (not included in scope 2) that occur in the value chain of the reporting company. The GHG Protocol defines 15 upstream and downstream categories that must be included in a scope 3 assessment. These can be seen on the illustration on page 2 of this report.

The Greenhouse Gas (GHG) Protocol

The GHG Protocol is a standardised methodology for quantifying and reporting greenhouse gas emissions. It is widely used by companies, governments, and other organisations to measure and manage carbon footprints.

Science Based Targets initiative (SBTi)

The SBTi defines and promotes best practice in science-based target setting. SBTi offers resources and guidance to reduce barriers to adoption, and independently assesses and approves companies' targets.

www.nero-carbon.com
enquiries@nero-carbon.com
+44 20 4583 0846

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