



Sphere For Good

FAQ

Frequently Asked Questions

1. What does Carbon Emission mean?

Carbon emission represents the total amount of carbon dioxide (the primary greenhouse gas emitted from human activities).

2. What does CO₂e mean?

CO₂e, or Carbon Dioxide Equivalent, is a metric that quantifies the emission of various greenhouse gases, such as carbon dioxide, methane, and nitrous oxide, (expressed in terms of the equivalent measurement of carbon dioxide). It standardises these gases by converting their effects into an equivalent amount of carbon dioxide for easy comparison. This value is typically expressed in kilograms or tonnes.

3. How is the Carbon Emission value calculated?

Sphere uses a rigorous methodology to quantify the Co₂e of consumer purchase transactions. By aligning industry-sourced emissions data with user payment information, Sphere calculates the estimated CO₂e per transaction. Key steps include:

- Sourcing qualified emission data from validated authorities and academics.
- Cleansing payment data.
- Attributing emissions data at an industry level.
- Ongoing calibration based on market trends, merchant activities, user behaviour, and industry segments.
- Validation and auditing by external auditors.

4. How do customers understand the impact of carbon emissions?

Measuring carbon emissions helps customers understand their environmental impact. By analysing transactions, customers can assess their historical performance and understand their carbon emission trajectory. Contextualizing this data with community benchmarks or everyday activities, e.g. buying a meal, or travelling helps customers comprehend the implications of their lifestyle choices.

5. What modes of payment are eligible for calculation of a customer's carbon emission?

Any debit or credit card or digital wallet (from any of the global or local payment brands) can be used with Sphere Carbon products.

6. Is the Carbon Emission Calculator verified by any scientific or technical body?

Sphere's Carbon Calculator is periodically quality assured, by independent auditors EY. This report can be made available to clients upon request.

7. Will the Carbon Emission Calculator be able to tell customers precisely what their carbon emission is?

The Carbon Emission Calculator provides a close estimate of carbon emissions based on transaction values made using eligible cards. Sphere continues to invest in the evolution and enhanced accuracy of our Co2e calculator and is working closely with Swinburne University of Technology to apply various methodologies (including AI and machine learning) as well as continuously adding new reputable data sources to ensure maximum accuracy of the calculation.

8. What can customers do once they know their carbon emission?

Understanding their carbon emissions and monthly trends allows customers to visualize how their daily habits impact the environment, enabling them to take steps towards reducing their carbon emission. Options are presented to make better informed / less polluting consumption choices that consumers can opt to follow (or ignore) at their discretion. Consumers can also be benchmarked against a peer group, so they have an appreciation of how their Co2e pollution compares to their peers.

Importantly, consumers can choose to off-set any remaining Co2 emissions from their consumption by purchasing Co2 credits that are donated to a Co2 offset project of their choice (varying from afforestation / reforestation, solar, wind, direct air capture, carbon sequestration and others), typically available in their local or regional markets.

9. What is Carbon Offset?

A Carbon Offset is an action taken to compensate for carbon dioxide emissions into the atmosphere. This can involve supporting projects that reduce or remove greenhouse gases.

10. What is a Carbon Credit?

A carbon credit represents a measurable and verifiable reduction or removal of an amount of CO2e from the atmosphere, achieved through registered

environmental projects in the Carbon Marketplace. Once purchased, a carbon credit is retired to ensure it cannot be reused and in doing so contributes to a measurable reduction of carbon dioxide in the atmosphere.

11. What/Who are Carbon Registries?

Carbon registries are organizations responsible for defining certification protocols required of projects to issue carbon credits. They also track and manage the issuance and retirement of carbon credits. Major registries include ACR (American Carbon Registry), VERRA (VCS), and GOLD STANDARD.

12. What is a Carbon Offset Project?

A carbon offset project involves activities aimed at reducing, avoiding, or removing greenhouse gas emissions. These projects include environmental conservation, energy efficiency, or renewable energy initiatives, verified by the involved registries. Sphere partners with these projects to offer card issuing banks, merchants and consumers opportunities to purchase offset credits from a selection of initiatives such as reforestation, blue carbon, renewable energy, biochar, and many others

13. How does offsetting my carbon emission help the environment?

Offsetting carbon emissions involves financially contributing to climate change solutions by supporting selected carbon offset projects who work to reduce and / or remove carbon dioxide from the atmosphere.

14. How does Sphere curate Carbon Offset Projects and other sustainability initiatives?

Sphere, along with our partners, extensively evaluate the accuracy and competency of projects.

We distinguish between Carbon Offset Projects (who issue Carbon Credits that are made available for purchase) and Non-Co2 Offset Projects (projects such as tree-planting initiatives, ocean plastic removal projects and others, who do not issue Co2 Credits but directly contribute to a sustainable outcome). Sphere is unique in that we can present a curated portfolio of Co2 Offset and Non-Co2-Offset projects for clients.

Projects are continuously monitored to ensure performance and adherence to standards, minimising risk.

15. How do I know that my contribution to the carbon offset projects has been successful?

Sphere provides certificates for all carbon offsets and financial donations, confirming that the transaction has taken place.

16. What options are available to get access to the Sphere Carbon Insight and Action solution?

Sphere provides real-time integration through simple and intuitive secure APIs and regular batch processing services provided as a SaaS offering to card issuing banks, financial institutions, and retail merchants. Batch processing typically involves integration with a client's SFTP service.

API document: <https://docs.verrency.com/carbon-offset-api/api.html>

17. Does Sphere support loyalty points redemption when a customer wants to contribute to the carbon offset projects?

In addition to purchasing Co2 credits with fiat currency, Sphere actively supports and encourages the redemption of loyalty / rewards points or miles to Co2 credits.

For all card issuing banks, financial institutions and retail merchants that operate a loyalty or rewards program, this provides an immediate and cost-effective way to support the environment and offer sustainable value to their customers.

Sphere also supports Merchant Cash-Back to Co2 programs. These are programs where issuing banks and / or loyalty providers enable cash-back for retail purchase transactions. Sphere enables the conversion of cash to Co2 credits and - in the process - creates strategic and economic value for merchants and banks.

18. How is data managed, and where is it stored?

Data is securely stored in encrypted databases, with only the minimum required data held. Personal information and cardholder data is **not** stored. Data storage is in a cloud provider's location/region approved by the client.