

# 2022 Impact Report

FLOCK



# Contents



Contents	1
Report overview.	2
A letter from our founder and CEO.	3
Company overview.	4
The road to carbon elimination.	6
Environmental impact initiatives.	8
Eliminating CO <sub>2</sub> e.	9
Flock’s calculation method.	10
Customer spotlights.	11
At home initiatives.	12
Waste reduction efforts.	13
Social impact efforts.	14
Employee diversity and inclusion.	15
Employee-led initiatives.	18
Community engagement.	20
Flock's goals for a better future.	21
Goals for 2023.	22
Contact	23




01

# Report Overview



In this impact report, we are excited to unveil the significant strides Flock has taken towards building a sustainable future. From driving innovation to fostering eco-friendly practices, we invite you to discover the tangible outcomes that showcase our commitment to creating a lasting positive impact on the environment and the community at large.

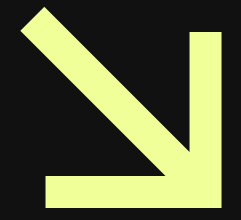
 [Watch the Video](#)





A LETTER FROM OUR FOUNDER AND CEO

# An impact-based solution to a complex challenge.



Over the past year, Flock Freight's incredible growth has come with an equally demanding question:

**How are we changing the world?**

My three-word response — pooling more freight — might sound too simple to be true. But I believe that the world needs simple solutions to complex problems. Every second of every day, freight trucks move the vast majority of goods across the U.S. Every second a truck moves half-empty, we lose precious time in the race against the climate crisis.

That makes every second an opportunity to find and fill a truck — and every time we do, we prove that sustainability and profitability can work together.



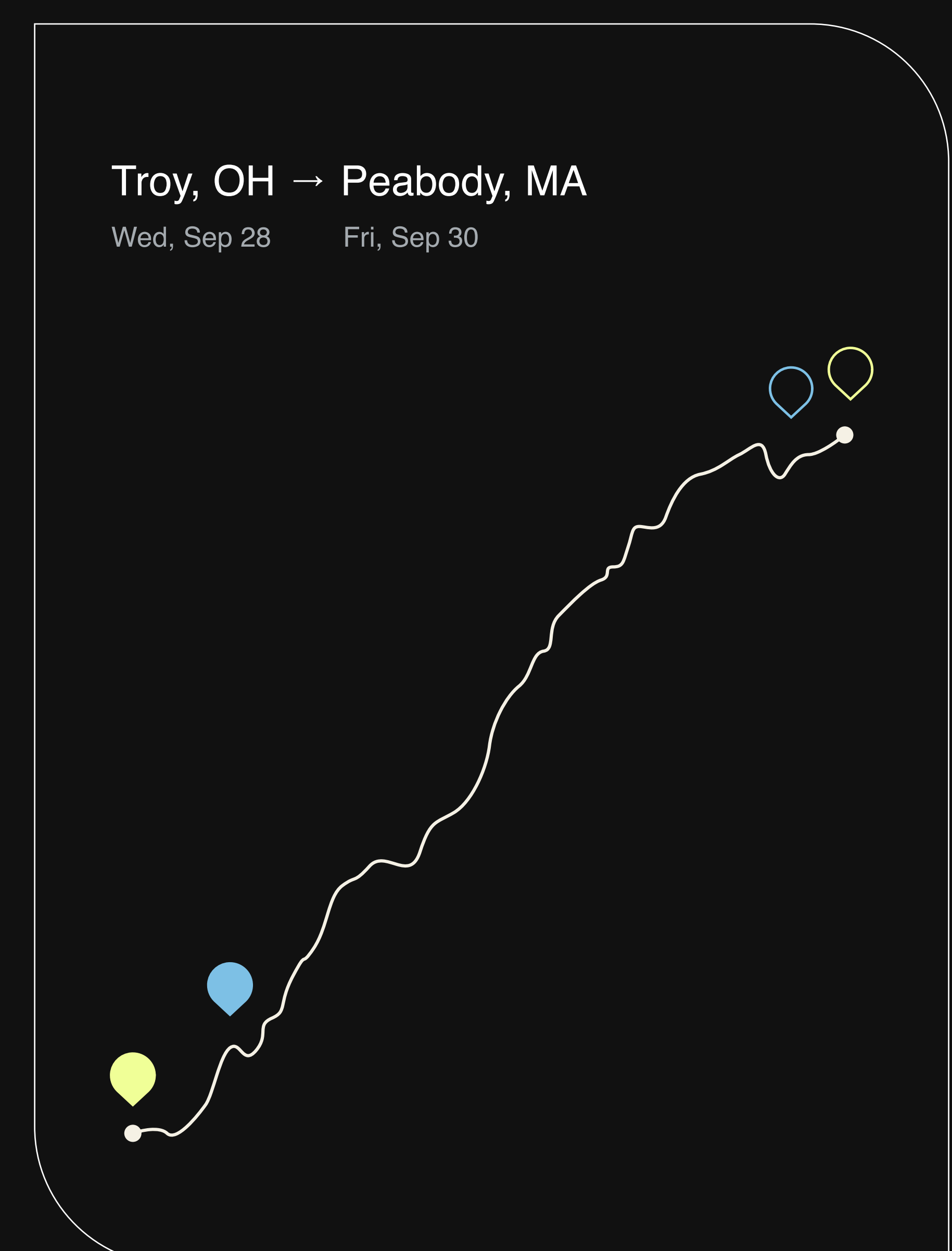
Our latest impact report is a testament to simple solutions. In 2022, we avoided 34,000 metric tons of CO<sub>2</sub>e emissions by pooling 289 million pounds of freight in one year.

If anything, this report reveals Flock Freight's potential for exponentially greater impact in the coming years. As our network expands across Fortune 500 companies to small- and medium-sized businesses, our technology can drive down total emissions from diesel trucking by up to 40 percent compared to traditional shipping modes.

**"That's why our work will always be greater than the sum of the individual shipments we pool each and every day."**



**Oren Zaslansky**  
CEO Flock Freight

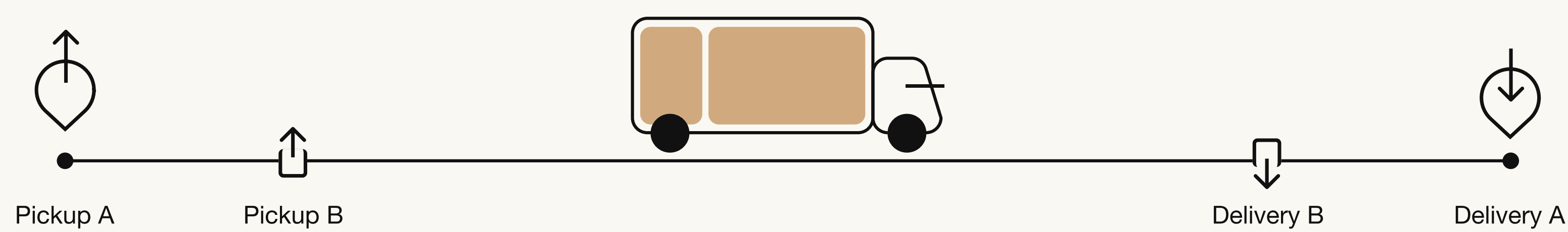




# Company overview.



Making sustainability profitable for all.



Flock Freight is a FreightTech company creating a smarter, more sustainable supply chain by pooling freight on trucks at scale.

The vast majority of everyday goods moving throughout the U.S. are carried by freight trucks. But far too many trucks travel with significant empty space, wasting profits while unnecessarily burning diesel fuel.

By finding and filling trucks' empty spaces, Flock Freight's patented shared truckload (STL) technology cuts shippers' costs by up to 20% compared to truckload shipments, helps carriers earn up to 25% more per haul, and reduces carbon emissions by up to 40%<sup>1</sup> compared to traditional shipping methods.

While the underlying technology is complex, the concept of pooling freight is simple: keep trucks full by combining multiple shippers' freight headed the same direction with carriers driving that way.





# Using shared truckload to ship goods:



- 1 Maximizes trailer usage so shippers aren't paying to ship air and unnecessarily burning CO<sub>2</sub>e
- 2 Reduces fuel waste by finding the most efficient routes and avoiding wasteful idling and damage at terminals
- 3 Prevents product waste by minimizing transloading-related damage and the need for shippers to discard or reship goods

Every time we pool freight and fill a truck, we prove that sustainability doesn't need to be a sacrifice or an added expense. In fact, it's a key driver of growth and profitability.



**Maximizing trailer usage**  
to minimize the number of trucks on the road wastefully hauling empty space – and unnecessarily burning CO<sub>2</sub>e.



**Reducing fuel usage**  
by sending trucks on more efficient routes to reduce the amount of miles driven while skipping terminals and, thus, wasteful idling.

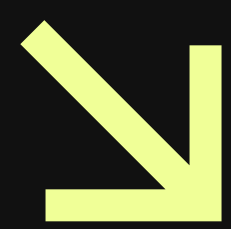


**Preventing product waste**  
by avoiding terminals to drastically reduce the number of goods that end up discarded or reshipped after transloading-related damage.



THE ROAD TO CARBON ELIMINATION

# The Flock approach.



Freight trucks are a leading contributor of the U.S. transportation industry’s greenhouse gas emissions – emitting 428 million metric tons of carbon a year.

Committing to combat this astounding statistic, we joined The Climate Pledge and became a Public Benefit Corporation as well as a Certified B Corporation.



Among for-profit companies, only those that exhibit exceptional social and environmental performance earn the Benefit Corporation (B Corp) Certification. A rare achievement in and of itself, we are also one of the few certified B Corps in the freight industry.



In 2022, Flock converted to a Public Benefit Corporation under Delaware law, legally protecting our purpose of reducing greenhouse gas emissions worldwide.



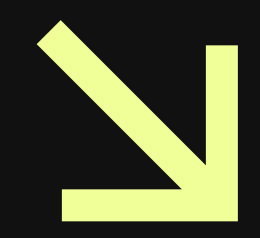
By joining The Climate Pledge as one of 400 signatories, we’ve committed to reaching net-zero carbon emissions by 2040.





## THE ROAD TO CARBON ELIMINATION

# The Flock approach.



Flock meets the highest standards of purpose-driven profitability through:

## ① Social and environmental performance.

To drive down supply chain emissions by improving transparency and accountability, we continuously track our transportation emissions data – sharing not only our corporate sustainability efforts but also educating customers about their own environmental performance metrics, such as:

- How much CO<sub>2</sub>e they avoided by using STL
- The number of cars taken off the road that data equates to

## ② Accountability.

In order to maintain our status as a certified B Corporation, we undergo regular auditing and assessments from B Lab – reporting on factors such as social and environmental decision-making, employee benefits, charitable giving, and corporate governance.

## ③ Transparency.

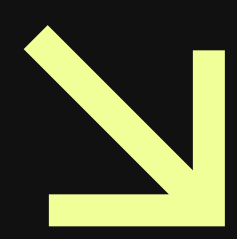
To transparently share our efforts, in this report, we cover our:

- Environmental impact, including 2022 emissions data and sustainability initiatives progress
- Social impact, such as our employee programs and community involvement

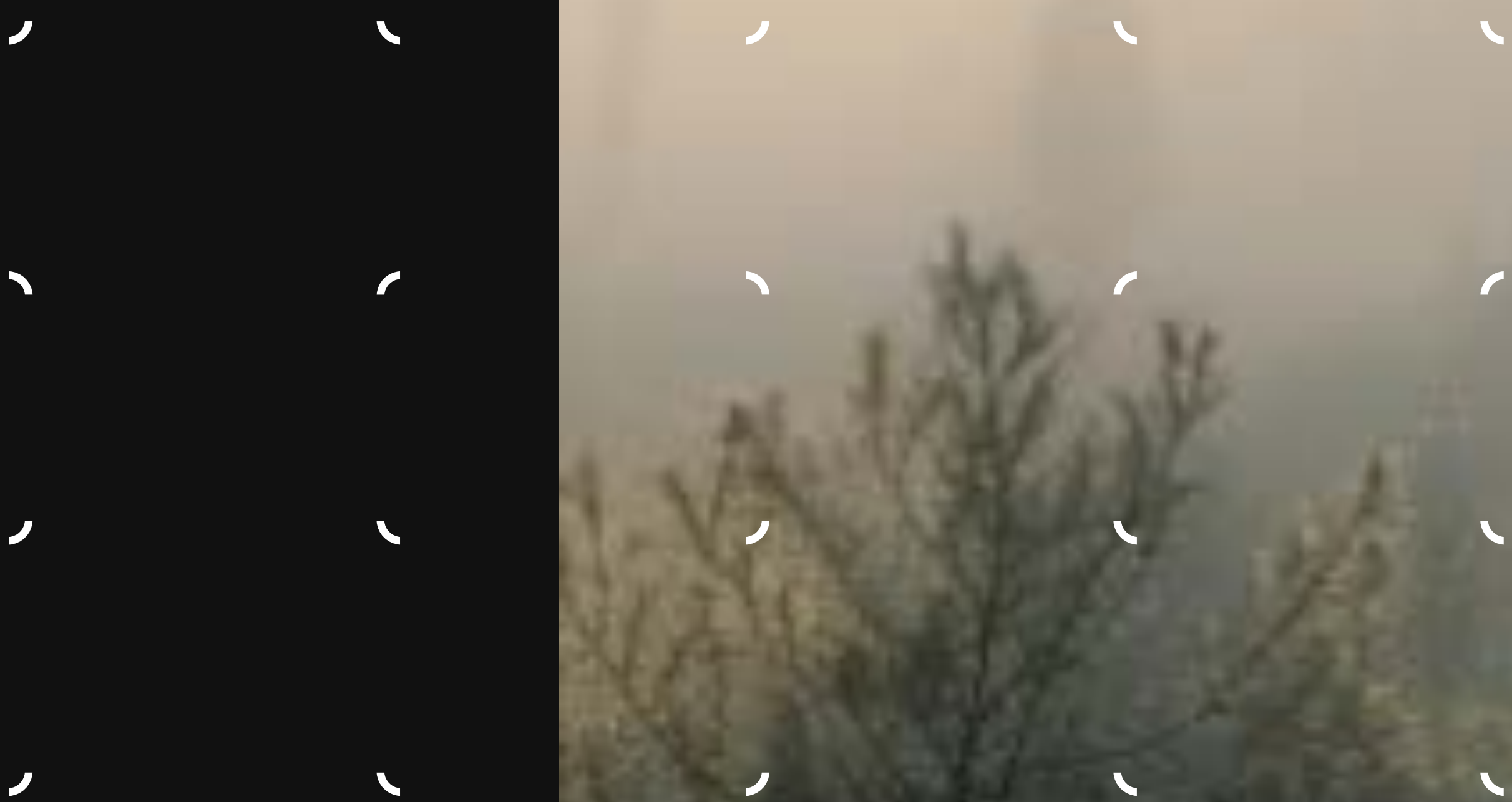


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# Environmental impact initiatives



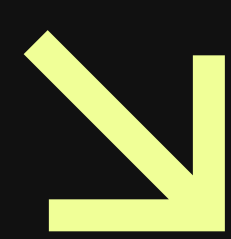
Caring for the earth isn't about choosing sustainability over profitability or tomorrow's technologies over today's. It's about creating incremental solutions to build the world that we dream of.





CARBON EMISSIONS

# Eliminating CO<sub>2</sub>e.



We believe that sustainability should be both profitable and frictionless. That’s why our unique technology makes it easy for companies to make a smart choice — for their business and the planet.

By aligning incentives for shippers and carriers, we are bringing more people into the race against the climate crisis.

## Pooling freight at scale.

Because our core offering is directly tied to lowering carbon emissions, every time a customer pools freight with STL, they easily reduce their CO<sub>2</sub>e (carbon dioxide equivalent) emissions by up to 40%.

**34K** metric tons  
CO<sub>2</sub>e emissions avoided  
by pooling with STL

equivalent to 87,160,660 miles driven by an average gasoline-powered passenger vehicle.<sup>2</sup>

**289M**  
pounds of freight pooled.

**47M**  
miles of freight pooled.

## Neutralizing carbon with offsets ↘

To counterbalance the remaining CO<sub>2</sub>e emissions of FlockDirect® shipments, we purchased carbon offsets.

**35,000**

metric tons of CO<sub>2</sub>e emissions  
offset by carbon credit purchase.

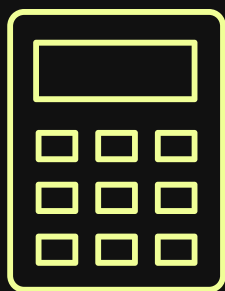


# Flock’s calculation method.



Our method for measuring our environmental impact aligns with the formulas and factors agreed upon by leaders in greenhouse gas accounting, including the United States Environmental Protection Agency (EPA), SmartWay, and the Greenhouse Gas Protocol.

$$E_{Load} = [(W_{Load} / W_{Total}) \times (DLH + DPD)] \times (1/MPG) \times FFuel + W_{Load} \times (DLH + DPD) \times F_{Terminals}$$



Dive Deeper into our calculation method in

[Our Emissions Calculations White Paper](#)

## Calculation Key

$E_{Load}$	Emissions in pounds (lbs) of carbon dioxide (CO <sub>2</sub> e)
$W_{Load}$	Weight of constituent load
$W_{Total}$	Weight of total payload
$D_{LH}$	Linehaul distance in miles, described as a function of the great circle distance (GCD). GCD is the shortest direct distance between two points on the surface of a sphere. D takes into account road networks, can be described as a function of GCD and is mode-dependent.
$D_{PO}$	Pickup and delivery segment miles. Specific to LTL and varies by region.
$MPG$	Fuel efficiency in miles per gallon; function of W Total
$F_{Fuel}$	Emissions factor in CO <sub>2</sub> equivalents per gallon
$F_{Terminals}$	Emissions factor in CO <sub>2</sub> equivalents per pound mile; accounts for the hub-and-spoke network infrastructure that includes emissions from operations like power consumption and waste generated.



# Customer spotlights



Helping other businesses reduce their carbon footprint.



701 metric tons

of CO<sub>2</sub>e emissions saved<sup>3</sup> in 2022  
by shipping with Flock Freight.



381 metric tons

of CO<sub>2</sub>e emissions saved in 2022  
by shipping with Flock Freight.



472 metric tons

of CO<sub>2</sub>e emissions saved in 2022  
by shipping with Flock Freight.



<sup>3</sup>CO<sub>2</sub>e saved is a summary metric that represents CO<sub>2</sub>e avoided + CO<sub>2</sub>e offset.



# At home initiatives.

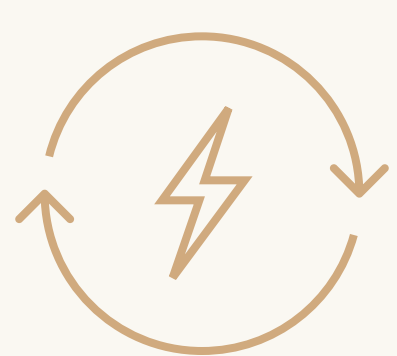


CLEAN ENERGY

## Renewable sourcing.

Transitioning to renewable electricity sources creates big environmental benefits. In fact, a U.S. Energy Information Administration study found that in 2020, coal, natural gas, and petroleum power plants accounted for 62% of the U.S.’s total electricity generation and 99% of the country’s electricity-related emissions.

That’s why Flock’s headquarters in Encinitas, California and Chicago, Illinois transitioned to 100% renewable energy – with our Encinitas office making the change in 2021 to run on clean energy provided by San Diego Community Power and our Chicago office transitioning in 2022 to Clean Choice Energy.



100%

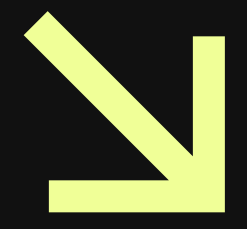
renewable energy





## WASTE

# Waste reduction efforts.



### Diversion streams.

To help create a zero-waste future, we divert as much waste as possible from landfills. We use three waste diversion streams at our corporate headquarters:

- curbside recycling
- soft plastic recycling
- compost

We conducted a waste audit at our Encinitas headquarters for which we sorted through our office waste bins and collected statistics on what we found. With the goal of producing less waste each year and keeping as much as possible out of landfills, we plan to do this exercise annually and offer employees actionable tips on recycling and composting.

In 2022, our Chicago headquarters diverted ~3,000 pounds of food waste from landfills, and our Encinitas office diverted ~2,400 pounds.

### Sustainable material sourcing.

We opt for sustainable office and kitchen supplies, including products that are:

- compostable
- made mostly (80%+) from recycled materials
- low-plastic

### Employee education.

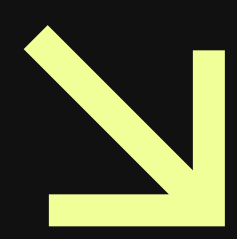
Education is a critical component of effective waste management. In 2022, we enhanced employee awareness of waste disposal best practices by:

- sharing company-wide updates on waste protocols and progress
- adding waste-sorting lessons to new hire training materials
- providing sustainability training that covers waste diversion, emissions, and carbon neutrality
- hosting a lunch-and-learn event with our Chicago compost partner, [WasteNot Inc.](#) to teach employees about compost systems
- posting informative signage prominently around our facilities



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# Social impact efforts.



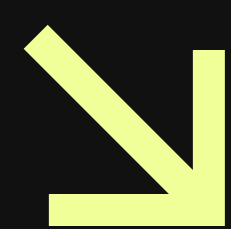
Cultivating a values-driven culture and focusing on the ‘social’ in ESG helps us build a thriving company that is sustainable, diverse, and united.





PROGRAMS, PROCEDURES, AND PLATFORMS

# Employee diversity and inclusion.



We embrace and encourage differences as they relate to race, gender, sexual orientation, ability, and overall life experiences.

Our related initiatives include:

✓ **Education.**

We actively train new hires, managers, and recruiters to combat bias and promote inclusivity.

✓ **Blind candidate ratings.**

To prevent ‘groupthink,’ interviewers can’t see others’ candidate ratings until all evaluations have been submitted.

✓ **Interview panel representation.**

To combat hiring biases, we ensure diversity among interviewers.

✓ **Inclusive parental leave.**

All employees receive up to eight weeks of fully paid parental leave, and birthing parents receive up to an additional eight weeks of fully paid pregnancy disability leave — equating to up to 16 weeks off for birthing parents.

✓ **Abortion care access.**

Swiftly responding to current events in June 2022, we proudly expanded our benefits to cover all travel expenses for any employee or a member of their household (plus one additional companion) seeking abortion who lives in a state that prohibits such care.

✓ **Hybrid work model.**

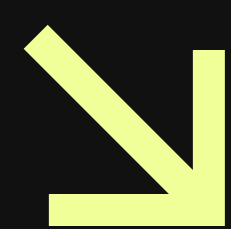
In 2022, we transitioned to an office-first hybrid work model to support employee lifestyle, needs, and autonomy.





PROGRAMS, PROCEDURES, AND PLATFORMS

# Employee diversity and inclusion.



## ✓ Facilities design.

We expanded our physical presence and designed our office spaces to be open concept in order to encourage collaboration and connection.

## ✓ Volunteer time off.

We offer all employees paid time off to volunteer for causes important to them

## ✓ Freight Mate program.

We pair every new hire with a tenured employee who welcomes them, answers their questions, and makes onboarding engaging, supportive, and seamless.

## ✓ Fostering connection.

Employees connect over shared interests and experiences over dozens of channels within our company-wide messaging platform, Slack, including:

- #social-women-in-tech
- #social-flock-ladies
- #impact-diversity-inclusion
- #social-flock-pride
- #social-parents-who-give-a-flock





PROGRAMS, PROCEDURES, AND PLATFORMS

# Employee diversity and inclusion.



## ✓ Heritage Month celebrations.

To celebrate our differences and develop deeper understanding and connection, each Heritage Month we send an informative company-wide note and host celebratory and educational events, such as a cooking class for Asian Pacific Islander Month and reading *Between the World and Me* for Black History Month.

## ✓ Flock Talks.

In TEDx Talk fashion, once per month an employee takes center stage to share a personal passion or anecdote, fostering stronger employee connections.

## ✓ Talent diversity.

Previously, we realized that we were unintentionally causing low diversity by only hiring talent with logistics backgrounds. By hiring talent outside of the freight industry, we've intentionally cultivated a team with a much broader range of backgrounds, skill sets, and perspectives.



## IMPACT TEAMS

# Employee-led initiatives



We have five employee-run Impact Teams composed of volunteers who guide the rest of the company in the associated mission.

In 2022, 15% of employees voluntarily participated on one or more Impact Team — a testament to the purpose-driven nature of our staff and culture.

### Diversity and inclusion.

To promote an inclusive workplace by embracing and encouraging our differences, this team developed:

- pronoun training
- a book club
- anti-bias training for recruiters

### Environment.

This team encourages employees to adopt eco-friendly habits in and out of the office by coordinating initiatives like:

- lunch-and-learn events, such as our compost partner educating employees on compost systems
- sustainable holiday gift guides
- item swap events — with over 37% of items at each 2022 event getting a second life from another Flock employee and the rest donated to a local organization dedicated to ending homelessness, [Father Joe's Villages](#)





## IMPACT TEAMS

# Employee-led initiatives



### Community.

This team strengthens relationships between Flock employees and our communities by coordinating activities like:

- fitness classes at local studios
- shopping events that support small, local businesses

### Employee engagement.

To facilitate connection among employees both in and out of work, this team:

- plans activities such as company holiday parties
- encourages engagement and discussion by posting polls, questions, and more in our company-wide messaging platform

### Philanthropy.

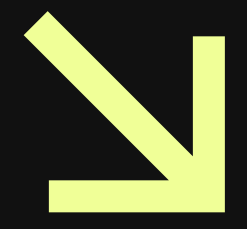
With the mindset that we're all stronger together, this team lends a hand to local organizations that are aligned with our values by:

- volunteering at a local food bank
- adopting families for the holidays





# Community engagement.



## Volunteer efforts and philanthropy.

Committed to living our values beyond just our internal team, we work to do good around the world and in the communities we operate in.

### Food assistance.

In 2022, our employees provided meals for San Diegans who need food assistance through [Feeding San Diego](#), participating in:

- four food-sorting outings, packing ~2800 pounds of food and ~44,300 meals
- A Thanksgiving fundraiser that raised \$12,220 and provided nearly 25,000 meals to families

### Adopt a family.

Helping provide a family in need with household items, clothing, children's Christmas gifts, and more, we 'adopted a family' with [North County Lifeline](#), donating over \$4,000 to a local San Diego county family.

### Habitat restoration.

We helped [Nature Collective](#) restore local grasses and pull up invasive species in the San Elijo Lagoon.

### Beach cleanup.

Flock employees helped [Alliance for the Great Lakes](#) clean up a coastal area of Chicago.

### Farm assistance.

We volunteered at the nonprofit community farm [Coastal Roots Farm](#) in Encinitas, CA through [Naturally San Diego](#).

### River cleanup.

Members of the team helped clean up the San Diego River with [Recycle for Veterans](#).

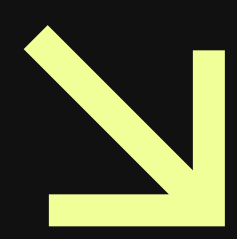
### Clothing and item donation.

We donated the remaining items from two item swap events to a local organization dedicated to ending homelessness, [Father Joe's Villages](#).



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# Flock's goals for a better future.



We're committed to pooling more freight because we wholeheartedly believe that sustainable shipping is a pillar of an environmentally friendly economy.





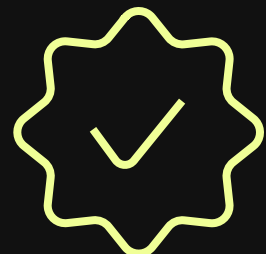
# Goals for 2023



Looking ahead to our goals for 2023 and beyond, we're committed to reducing our environmental impact — and helping other businesses do the same — by:



Pooling more freight at scale.



Promoting accountability within and outside of Flock.



Reducing waste.



Expanding our carbon credit programs.



Amplifying community-building efforts.



# Follow our unwavering pursuit of environmental & social progress.



[Book a demo ↗](#)

