tred

CARBON IMPACT REPORT 2022



Certified B Corporation PENDING

1% FOR THE PLANET — MEMBER —

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Our Environmental Commitments

At Tred, we think it's really important that every company commits to be carbon neutral as soon as they can. We have distilled down our carbon vision to 7 aims:

1. Tred will always be a carbon neutral business by first reducing its footprint and offsetting any emissions it can't reduce across multiple projects.
2. Tred will never invest in fossil fuels, defence organisations or any organisation which creates excessive air or other pollution.
3. Tred will minimise its carbon footprint by choosing ethical suppliers (where possible) who themselves minimise their footprint.
4. Tred will minimise its users' carbon footprints by partnering with firms who can offer services with a lower carbon footprint than the commonly used market alternative.
5. Tred will encourage its staff to use public, electrically or person-powered transport.
6. Tred will minimise its carbon footprint by buying refurbished and second-hand tech (where possible) and use serverless technology.
7. Tred will publish a breakdown of its carbon footprint every year in a report.

These commitments are owned by our co-founder Will Smith who personally ensures that our carbon emissions are annually measured, the eco-credentials of our suppliers are challenged and that any and all of Tred's carbon emissions are offset.



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How do we measure our footprint?

At Tred we aim to report on our carbon footprint as transparently and simply as possible so that our commitments and sustainability goals can be understood by everyone. Using a combination of our non-payroll expenses, data from Small World Consulting founded by carbon footprint expert Mike Berners-Lee, and ONS inflation factors correct as of December 2022 we have been able to calculate our carbon footprint. How we calculate our carbon footprint has changed slightly since our report for 2021 where we used data from DEFRA (the method and calculations are from authors at the University of Leeds).

Our carbon footprint comes from two main sources; employee commuting, and spending from the business -

- Employee commuting still makes up about 10% of Tred's carbon footprint. However, at the end of 2022 everyone in the company walks, bikes or uses public transport for all or the majority of their commuting journey on the 3 days a week Tred operate from their office. As a result, we expect this to drop further in 2023.
- Like us, most other companies also issue sustainability reports detailing their scope emissions. Where possible, we gathered data from these reports to collect primary data and directly calculate the carbon footprints of our chosen suppliers and hence our own emissions from using their services.
- Outside of bespoke company footprints and employee commuting we have used the same consumer-grade footprints as we use within our app to track users' footprints.

Key Stats

104 T CO_2e
Tred's carbon footprint for 2022

+12.7 T CO_2e
Increase between 2021 and 2022

-73%
Decrease in Tred's IT footprint between 2021 to 2022

Business Travel
Biggest category increase, majority due to six flights



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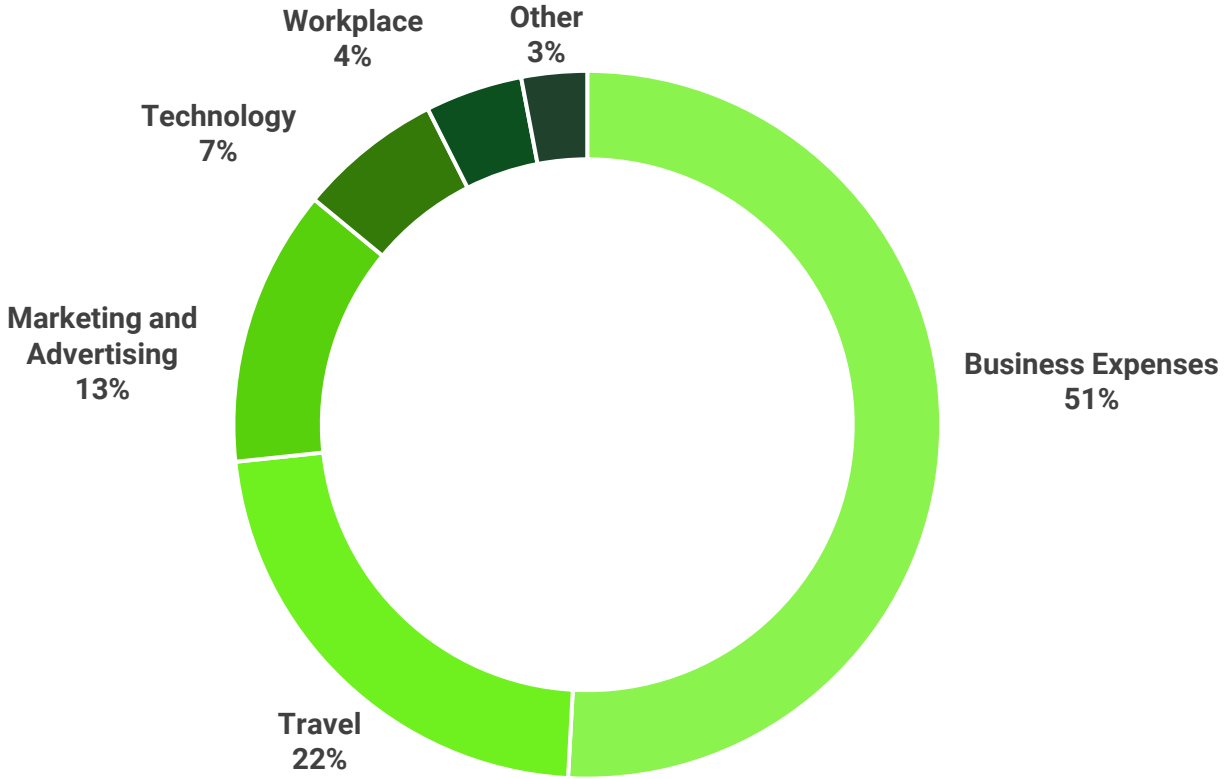
Our 2022 Emissions

Scope 1 emissions are direct greenhouse gases that occur as a result of operations owned by an organization. Scope 2 accounts for indirect emissions from purchased energy, steam, heat, and cooling, often associated with offices and factories. Due to the nature of our business and our work setup at Avenue HQ, we have no direct scope 1 or 2 market-based emissions. Instead, a category breakdown of our Scope 3 emissions, made up of our supply chains and purchased goods, gives greater insight into our carbon footprint.

Accounting for just over half of our total emissions, the business expenses category is made up of a range of things: account subscriptions, taxes, legal fees, PR and consulting advice, data protection, DBS checks, insurance, debit cards and their mailers and payment platforms. The main emissions within this category are third party contractor fees to assist in handing over prior work on the iOS version of the app (19.9 Tonnes) and debit cards and mailers we send out (12.7 Tonnes). We also switched to a sustainable web hosting service (Eco Web Hosting) to further reduce emissions.

For Travel, the main emissions arose from flights taken to conferences (11 Tonnes) with commuting comprising a large portion of the rest of (9.4 Tonnes). This is particularly surprising since a year of commuting for a team of 15 was less than the emissions for six flights!

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Category	Carbon Emissions	vs. 2021	Units
Business Expenses	52,633	-7762	kg CO_2
Travel	23,244	11850	kg CO_2
Marketing and Advertising	13,089	3971	kg CO_2
Technology	6,806	-5513	kg CO_2
Workplace	4,600	2018	kg CO_2
Other	3,100	1942	kg CO_2
Total	103.5	6.5	T CO_2



Marketing and Advertising is derived from online advertisements on social media platforms such as Facebook, Google or Weare8, emailing services, and filming/editing expenses for promotional videos. We spent a lot more in this area in comparison to 2021 owing to the app becoming widely available on the Play and App stores.

All software and electronic purchases fall into the technology category. This could be laptops or computers for the office, phones used for app testing or general computing software used to build the online app. Since 2021 we've made an active effort to buy refurbished rather than new and this has halved our footprint in this area.

Since we share a coworking office space in Leeds our workplace emissions are much lower than that of other companies that use buildings for themselves alone. The workplace category includes our rent, office equipment and furniture, and anything purchased to enhance the office itself. In 2021 we didn't have an office for the entire year and we also moved to a larger office within the same building meaning slightly higher emissions for 2022 vs 2021.

Expenses that fall into the other category mostly account for money spent on our employees, be that external education courses or team activities, peer networking or student-focused events and any extra costs that do not fall into a specific spending category.

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What's next: the future

In 2021 we offset our entire carbon emissions totalling 92 Tonnes of carbon avoided or sequestered – coupled with the emissions to the date the report had been published that meant a total of 358 Tonnes of carbon had been offset on behalf of Tred and our customers.

Since our 2021 carbon report was published in early November our users have offset a further 293 Tonnes of CO_2 for a total of roughly 514 Tonnes of CO2 offset by Tred's users and an additional 92 Tonnes by Tred in 2021. As we offset our total emissions for 2022 (104 Tonnes), this will combine to a total of 710 Tonnes of CO_2 offset by Tred.

As in each of these reports, we will create further goals to reduce our footprint in 2023, which are -

1. We will continue to be a branchless and paperless digital bank.
2. We will investigate alternative and more environmentally friendly debit card materials to replace or supplement our recycled plastic debit cards.
3. Our cards will continue to be shipped directly from the manufacturer to the consumer.
4. We will use recyclable packaging to send out our debit cards.
5. We have signed up to 1% for the Planet and will commit to donating 1% of our annual sales to environmental causes next year.
6. Use more sustainable marketing suppliers such as Mailchimp and Weare8 who are both carbon neutral.
7. Encourage our employees to continue to walk, cycle, or take public transport into the office.
8. We will look to minimise our use of external consultancies and contractors and seek to continue to develop as much in house as possible.

As well as these active alterations to our business strategy we will commit to measuring our carbon every year and look to reduce emissions as best that we can. Where we cannot reduce our footprint, we will offset our emissions.

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