



FLOCK Freight

Annual Impact Report

2023

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Letter from the CEO

If there's one thing to take away from this report, it's this:

In 2023, we doubled the shipment pooling rate of FlockDirect®.

Here's what that means and why it matters.

It means that we saw twice as many shippers adopt our Shared Truckload solution as the year before.

It means that more and more carriers are willing to think outside the box—or in this case, the trailer—when it comes to how they move freight.

Ultimately, it matters because instead of driving half-empty trucks across the country, or full trucks on circuitous, inefficient routes, long-haul truckers moved 500 million pounds of freight some 69 million miles—in fully-packed trailers, along optimized routes, avoiding over 46,000 metric tons of CO₂ from being released into the atmosphere.

And not only that: when other companies want to reduce their carbon footprint, they're turning to Flock as their solution. So this report doesn't just reflect our impact. It reflects our customers' impact as well.

Now the task before us is clear: keep scaling. Achieve more widespread adoption. Because while there are many ways to make trucking more efficient in the long haul, pooling more freight remains one of the fastest and most impactful ways we can transform freight & logistics right now.

Of course, we have a lot more to say, or this report wouldn't be two dozen pages long. Beyond the what and the why, there's the how: how we maximize the amount of emissions avoided, how we incentivize our customers to pool more cargo, how we ensure our partners are being held to the highest sustainability standards, and how we hold *ourselves* accountable.

But as you read, remember what it's all for. Remember the simple idea that keeps us committed to our work: the more freight we pool, the brighter our future will be.



Oren Zaslansky, CEO & Founder



Mission

Our mission is to optimize the world’s freight transportation resources. We are transforming the freight industry by delivering Shared Truckload at scale, which unlocks value for shippers, carriers, and our planet.

The value Shared Truckload unlocks:

- **For shippers:** Lower cost with a high level of service
- **For carriers:** Higher earnings
- **For our planet:** Reduced emissions from freight

Values

Grit

Flockers have grit. We combine persistent effort with unrelenting and focused motivation to achieve goals and overcome obstacles. Flockers are mentally tough: we have perseverance, resilience, self-regulation, courage, passion, and conscientiousness. We exhibit determination, direction, and a commitment to doing hard things.

One Flock

Support of Flock's mission and goals, before those of individuals or teams. Flockers work together to achieve our goals with a unified strategy. We prefer in-person and in-office collaboration. We work cross-functionally, reject siloing, have constructive conflict, seek to understand, help each other overcome challenges, and win together.

Mission Driven

Flock is changing the industry and the world with Shared Truckload. We are disrupting the status quo; we embrace being different, and we invent and innovate where necessary to advance Shared Truckload. Flockers take calculated risks, test hypotheses, validate learnings, fail fast, and iterate quickly. We are comfortable with imperfection. We want to be part of something bigger than ourselves.

Build Trust

Flockers take ownership and hold each other accountable. We hold ourselves to high standards of reliability. Flock's success is dependent on our ability to build trust with customers, carriers, partners and employees. We build trust with clear expectation setting and follow-through. This is necessary to drive behavioral change. We support personal growth, integrity, and diversity to build a stronger team.

Operational Excellence

Flock is frugal, not fancy. We operate in a thin margin industry. Flockers don't fly blind: we require data, visibility, and measurement. We manage our business rigorously and systematically. We value standardization with clear written and verbal communication. We drive efficiency by automating, simplifying, and adopting technology.

These values are evident through our work at Flock, and our Annual Impact Report is one way that we share that evidence with all of our stakeholders.



Shipping Shared Truckloads with FlockDirect®

In 2023 we moved 500 million pounds of freight in Shared Truckloads, and covered over 69 million miles. That represents 69 million miles of over-the-road transportation where trucks were optimized for space, routing, and minimized fuel waste.

Avoiding emissions¹ with FlockDirect®

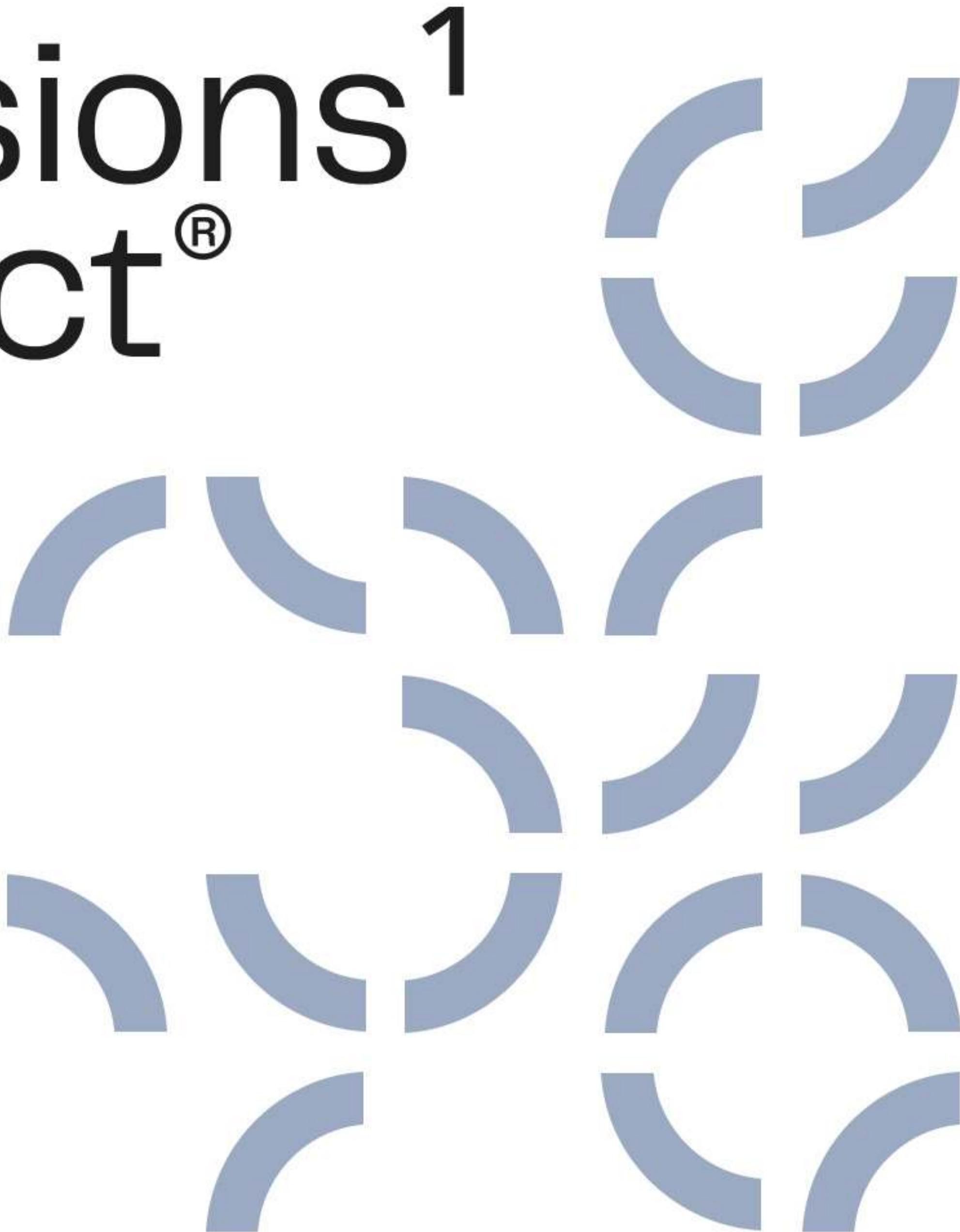
In 2023, Flock doubled its shipment pooling rate which had a positive impact on our sustainability program, thanks to more shippers choosing FlockDirect® as their Shared Truckload solution.

The more freight we pool, the more emissions we avoid by filling the empty space on trucks and avoiding the hub and spoke model. By the end of Q3 2023, Flock had already surpassed its total emissions avoidance for 2022.

In total, our shippers avoided 46,700 MT of CO₂e in 2023 by shipping Shared Truckload.

Avoiding these emissions is equivalent to the CO₂ emissions produced by 61,206 heavy duty trucks each driving a distance of 550 miles in one day.

¹Emissions avoided is Flock’s estimation of the greenhouse gas that pooling freight prevents from being released into the atmosphere.



A wide range of industries have adopted FlockDirect® to efficiently move their freight.

*MT of CO₂e avoided

All types of commodities move via Shared Truckload with FlockDirect®. Here are the emissions avoided across key industries served by Flock Freight's shippers.

On the next page, we'll show you some examples of Flock-enabled Shared Truckloads.



Below, you'll find some real examples of Flock-enabled Shared Truckloads moved in 2023.

Food & Beverage + Tech & Electronics

FlockDirect® Pool: 2 Pick, 2 Drop

Route mileage	1,443
Efficient route	Pickups 33 miles from each other and drops 66 miles from each other
Trailer utilization by palletized linear feet: 75%	<ul style="list-style-type: none">• Company A utilized 12 feet and 4,107 lbs• Company B utilized 28 feet and 3,033 lbs
Commodities	Chips, puffs, stick snacks, and electronics
Emissions avoided (MT of CO ₂ e)	3.21



Consumer Goods + Food & Beverage

FlockDirect® Pool: 3 Pick, 3 Drop

Route mileage	2,894
Trailer utilization by palletized linear feet: 87%	<ul style="list-style-type: none">• Company A utilized 4 feet and 1,803 lbs• Company B utilized 18 feet and 7,359 lbs• Company C utilized 25 feet and 21,000 lbs
Commodities	Clothing, nail tips for manicures, alcohol
Emissions avoided (MT of CO ₂ e)	4.2



Goals

In 2024, our goal is to attain third-party validation for our emissions methodology to ensure alignment with the global reporting standards established by the Greenhouse Gas Protocol.

We recognize the importance of measuring emissions in a way that enables benchmarking across the global supply chain, particularly in the reports we deliver to our shippers committed to minimizing their scope 3 emissions.

Neutralizing remaining emissions through carbon offsets²

The Frequent Flocker program

In April 2023, we launched the Frequent Flocker program to reward our high volume shippers with an even greater sustainability impact.

²Carbon offsets are a way to neutralize the emissions that result from our daily activities, such as driving or using electricity. When we purchase carbon offsets, we are funding projects that reduce greenhouse gas emissions, such as renewable energy or improved forestry management initiatives.

Customers who sign up and reach a threshold of 60 total shipments (based on pickup date) for one calendar month unlock carbon neutrality for all FlockDirect® shipments the following month at no extra cost. To qualify, shippers must have enrolled in the Frequent Flocker program before the conclusion of the calendar month in which they reach the 60-shipment threshold.

The shipment count is determined by the total number of shipments picked up (across any mode) within a calendar month.

Carbon offsets earned will exclusively apply to FlockDirect® shipments picked up in the subsequent calendar month.

For additional info, check out our [FAQs](#).

Over the course of last year's Frequent Flocker program, our members received 587.3 MT of carbon offsets to neutralize their qualifying FlockDirect® shipments.



We kept a close eye on emerging climate legislation.

Senate Bill 253

Companies doing business in California with annual revenues of \$1 billion or more will be required to disclose emissions on a government-sponsored online platform. Reporting for scope 1 and 2 emissions begins in 2026, covering fiscal year 2025, and scope 3 reporting begins in 2027.

Knowing the significant impact this law will have on many of our shippers, we proactively delivered an informational email summarizing its main takeaways and potential business implications. Flock will continue closely monitoring the law as it nears implementation and refining our emissions reporting to fulfill regulatory requirements. Our goal is to simplify emissions reporting and reduction efforts, making them as straightforward and accessible as possible for our shippers.

Flock also published a [blog](#) about SB253 on our website, offering similar details provided to our shippers for the benefit of our other stakeholders.

Assembly Bill 1305

AB1305 mandates that companies making carbon reduction or carbon neutral claims, or involved in the selling or marketing of carbon offsets, publicly disclose details around those practices.

Our [AB1305](#) disclosure is linked in the [FAQs section](#) of our Frequent Flocker sign up page. Here, you'll find a detailed record of all purchased carbon offsets that substantiate our carbon neutral claims.





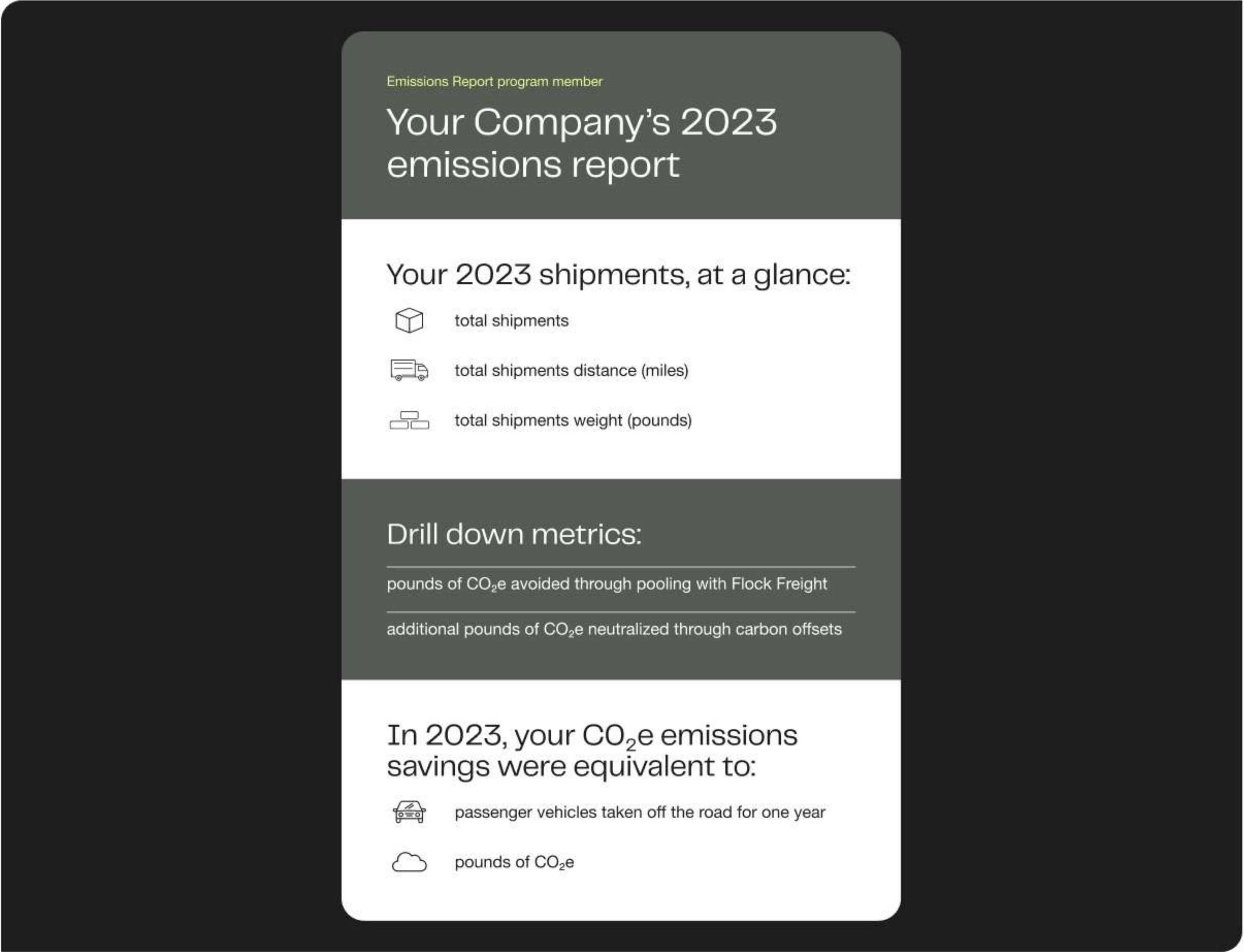
What being a sustainable supply chain partner means to us

At Flock, sustainability is seamlessly woven into our recurring business reviews with shippers. Sustainability is inherent in shipping Shared Truckload, so it should be inherent in working with Flock.

We have regularly scheduled touchpoints with our shippers and sustainability is prioritized along with service and cost considerations.

Quarterly emissions reports

At the end of each quarter, we send all of our Shared Truckload shippers a comprehensive report summarizing their shipment data for the quarter with Flock, including emissions information. This report contains data points such as shipment count, distance, and weight, offering shippers immediate visibility into their volume levels with Flock, and the option to integrate these metrics into their own emissions accounting frameworks. Additionally, we estimate emissions avoided and detail any emissions neutralized with carbon offsets.



Quarterly business reviews

For our shippers who receive quarterly business reviews with their Account Management team, we include a snapshot on emissions avoided and emissions offset during the quarter as a live touchpoint. This opens the door for discussions on reducing scope 3 emissions and how Flock can be an even more strategic partner to our shippers who are navigating the complexities of emissions tracking and reduction.



Customer highlights

100's club: Shippers who avoided at least 100 MT of CO₂e emissions in 2023 by shipping FlockDirect®



"Trucking is a crucial part of Gimme's success and finding the right partner has been key. Since partnering with Flock not only does our cargo arrive on time, but we also support sustainability efforts by reducing our carbon footprint. A real win-win."

Alice Cuccioli
Director of Logistics & Customer Service at Gimme Health Foods Inc.



"Flock's commitment to sustainability and track record of reducing carbon emissions while ensuring on-time delivery in the most efficient way aligns greatly with Waiākea and our own efforts to mālama i ka 'āina (care for the land) through sustainability and conservation. The company has been a valued partner for multiple years and we look forward to many more to come."

Tyler Wright
Director, Warehousing & Logistics at Waiākea Hawaiian Volcanic Beverages



"We see the sustainability benefits of Flock as a core reason to use the service. Because Nutrabolt already has the mindset to reduce carbon emissions, Flock fits in really well as a partner."

Jon Pruitt
Director, Logistics Operations at Nutrabolt



"Flock Freight delivers our large LTL shipments via Shared Truckload mode enabling us to avoid transit delays and capacity charges. They additionally remove multiple touchpoints relating to LTL further lessening any possible damage. This allows Toshiba to deliver our products damage-free, at a lower cost and carbon footprint than traditional LTL providers."

Al Garcia, GLS
Sr. Manager of Transportation & Fleet Services at Toshiba

Certifications and commitments



B Corp Certification

Certified B Corporations, or B Corps, are companies verified by the non-profit B Lab to meet high standards of social and environmental performance, transparency, and accountability. Flock Freight first certified as a B Corp in 2020, and we underwent our first recertification in 2023. This process was no less rigorous than our first time certifying, requiring extensive documentation and a thorough Q&A with B Lab auditors. Ultimately, Flock’s score improved from an 80.1 to an 80.3. As a Certified B Corp, continuous improvement is integral to our ethos, and we take pride in the progress made and the progress still to come.

- 80.1 2020 score
- 80.3 2023 score
- 50.9 Median score for ordinary businesses

Public Benefit Corporation

One change we’re particularly proud of between our initial B Corp Certification in 2020 and our recertification in 2023 is transitioning our legal status from a C Corporation to a Public Benefit Corporation (PBC).

A PBC closely resembles a C Corporation, but with the legal flexibility to pursue a public benefit purpose alongside maximizing profits. Specifically, our public benefit purpose is focused on reducing greenhouse gas emissions.

The Climate Pledge

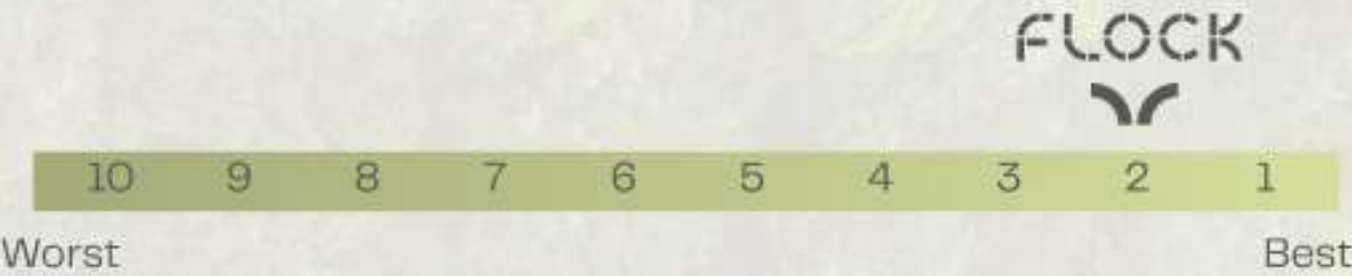
As a signatory of [The Climate Pledge](#), Flock is committed to reach net-zero carbon emissions by 2040.

We’ve pledged to transparently report our carbon emissions, eliminate what we can, and responsibly offset what we can’t. Recognizing that 2040 is closer than it seems, we are diligently addressing our company’s emissions footprint. Through our Shared Truckload solution, FlockDirect®, we actively mitigate emissions from diesel fuel use each day.

We use credible offsets to eliminate remaining emissions from FlockDirect® shipments for our qualifying Frequent Flocker members.

In addition to our external efforts, we’re constantly at work internally to track and reduce our company’s minimal scope 1, 2, and 3 emissions aside from transportation.

SmartWay Certification



Since 2019, Flock has proudly maintained its status as an EPA SmartWay logistics partner. We choose to recertify each year because standardized emissions data measurement and reporting practices allow logistics companies to gauge their environmental impact across a uniform benchmark. EPA SmartWay unlocks a common language for emissions accounting and ranking that carriers, logistics companies, and shippers can all use to communicate with one another.

Our SmartWay score for the 2023 certification year, which analyzed 2022 data, is a “2” for grams of CO₂ per mile. Scores range from 1 to 10, with 1 representing the highest performance.

Sustainability at the office



Renewable energy

89% of our energy usage produced zero emissions in 2023. Wherever feasible, Flock uses 100% renewable energy plans under energy providers that have 0 emissions per kWh³.

Flock not only opts for zero emissions energy options, but also optimizes for energy efficiency through Energy Star appliances, automatic sleep modes and after-hour timers for lighting, natural light in offices, CF bulbs, daylight dimmers, thermostat timers, occupancy sensors and double-paned windows.



Compost, recycling, and landfill

At both of our headquarters, the Flock team minimizes landfill waste through the use of compost and recycling bins. In 2023, Chicago Flockers diverted 4,575 lbs of waste from the landfill with their composting efforts.

Our compost partner in Chicago, [WasteNot](#), is the nation's only zero-emissions compost collection service, running a 100% electric fleet to collect compost around Chicago.

At our Encinitas office, we compost with the County of San Diego. While we don't receive landfill diversion reports, we take pride in being part of a county with a government-sponsored compost program.

By composting, Flock prevents natural waste, such as food and coffee filters, from entering landfills and ensures it's transformed into fertilizer that helps gardens and farms thrive, or biofuels that power the county's compost and waste collection vehicles. This creates a closed-loop system for food waste, benefitting both people and the planet.



Commuting

Flock not only reduces freight transportation emissions through FlockDirect®, but also assists our employees in reducing transportation emissions in their daily routines. We achieve this through an FSA fund and partial reimbursements on low-emissions transportation options. In 2023, Flock employees applied for and received 72 commuter FSA benefits, enabling them to use tax-free dollars to pay for public transportation, such as train fares.

Flock supported 7 partial reimbursements for electric-powered transportation options other than cars, such as electric scooters, bikes, and skateboards. Additionally, we granted 5 partial reimbursements for electric car purchases.

To encourage carpooling at our Encinitas office, groups that carpool are given priority in our monthly raffle for parking passes.

³Emissions per kWh: To be able to compare greenhouse gas emissions from different sources of electricity, we measure the amount of greenhouse gases emitted per unit of electricity generated ([source](#))

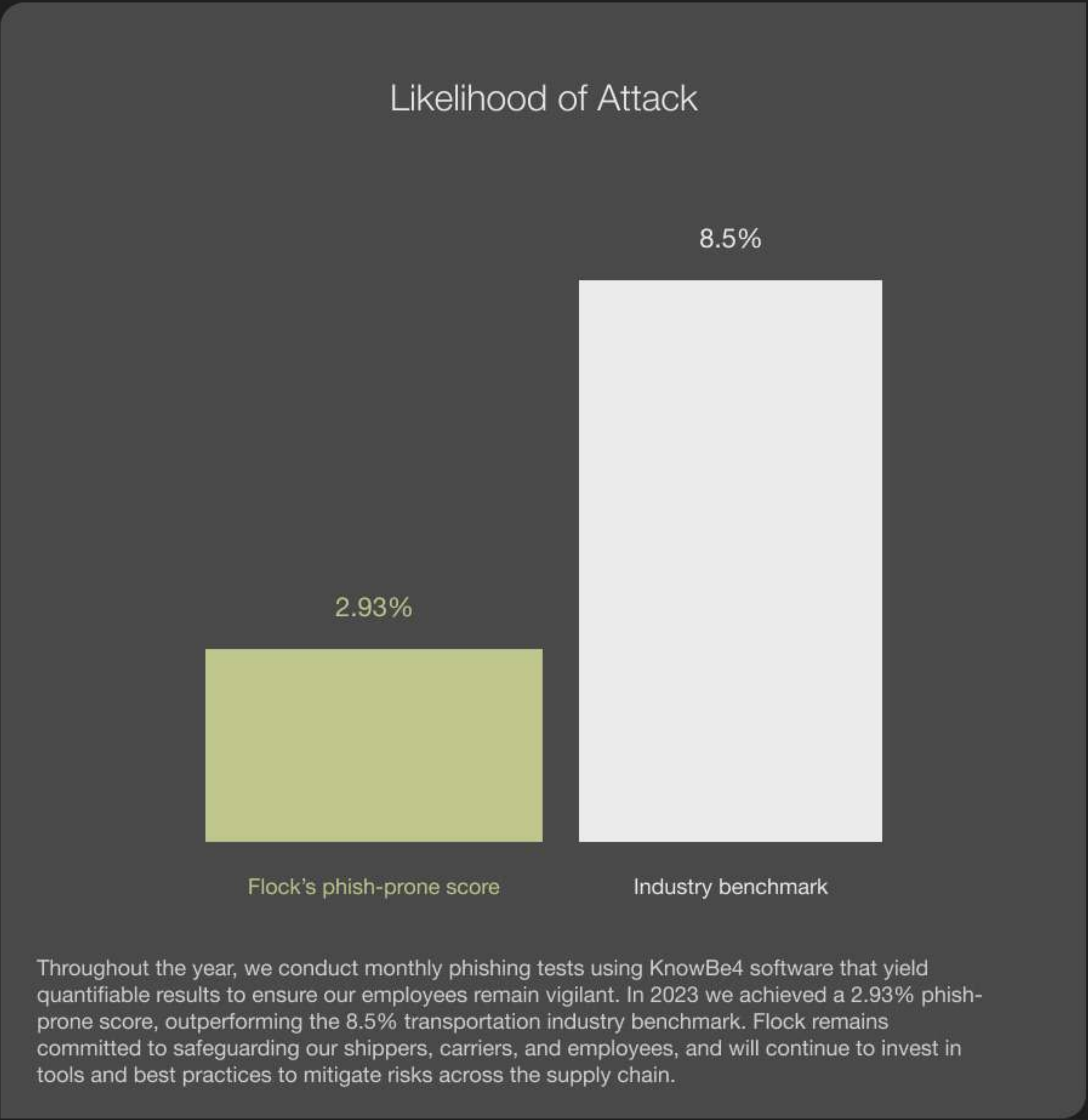
Fraud Prevention & Cybersecurity

With rising fraud concerns across the trucking industry, Flock remains committed to safeguarding our shippers, carriers, and employees. Shippers across the United States are rightfully worried about fraud and theft affecting their goods, and carriers are concerned about protecting their reputations.

To meet this need, we implemented best-in-class Carrier ID verification through our partnership with Highway and were among the first in the industry to require two-factor authentication for carriers and employees to access our platform.

We also leverage Crowdstrike to detect and remediate cyber attacks.

Beyond investing in tech, each year kicks off with Flock Freight Cybersecurity Month in January, a dedicated initiative featuring a range of programs aimed at training, educating and raising awareness about cybersecurity risks and best practices. Flock fosters a culture of cybersecurity through robust and ongoing employee training, and a dedicated IT Security Committee that meets regularly to assess and respond to risks.



Benefits

Flock Freight is deeply committed to our team, providing a comprehensive suite of top-tier benefits including heavily subsidized health benefits, leaves of absence, an employee equity program, 401K employer match, career training, and more.

Annually, Flock Freight invites all employees to participate in a survey focused on benefits, which serves as a vital tool for understanding their views and experiences of our current offerings. Our benefits team, in collaboration with our benefits broker, thoroughly reviews the feedback to identify trends and areas of improvement. In addition, we are committed to staying abreast of industry trends and exploring new benefits that could further enhance our team's well-being and satisfaction. This helps us ensure that our benefits remain top-tier and align with the diverse needs and preferences of our team.

Some of the benefits we offer our employees include:

⊕

Health

Company paid short-term and long-term disability

Health insurance

HMO, PPO 250, PPO 750
Dental base, dental buy-up (orthodontia)
Vision
FSA dependent/health care

Principle

Employee Assistance Program (EAP)
Travel assistance
Will & legal document center

⌘

Financial

Stock options

Reimbursements

Tech reimbursement
Electric car reimbursement
Electric-powered transportation (not car)
Commuter (public transit FSA)
Parking subsidies (FSA)

401k

Employer match of 100% up to 4% of your compensation

Employer contributions are 50% vested after your first year of employment and 100% after your second year

↗

Leave of absence

We provide the following leave of absence (LOA) benefits beyond what's required in each state we operate:

Paid parental leave

100% up to 8 weeks (non-birthing)
100% up to 8 weeks (birthing) in addition to paid pregnancy disability benefits through our short term disability program

Other

Equitable abortion access
Paid pregnancy disability
Leave for family planning loss
Bereavement leave
Pet bereavement
Volunteer time off: ensuring that our employees have time to volunteer for causes important to them.



Training and continued education



LEAD500

A guided course covering skills that underlie an inclusive management style, to help managers tailor their approach with each of their direct reports.

Early career

A training program tailored for entry-level college grads. Previously our approach involved hiring experienced freight talent and relocating them, but now we have the opportunity to foster local talent by developing their freight skills in San Diego and Chicago.

Flock Up

We offer a continued education program for all employees, allowing them to level-up their personal and professional skills. Some examples of Flock Up topics include cultivating a growth mindset, defining your core values, and understanding your benefits.

Healthy workplace training

Live sessions to train every employee on building a healthy workplace, including topics such as anti-harassment. In 2023, our People Team led 20 sessions to ensure each group felt comfortable sharing, and each employee felt valued and heard during the training events.

Compensation

The importance of compensation is no secret. To properly support our employees, we practice the following when it comes to compensation beyond benefits:

- Flock’s people team conducts an annual pay equity audit
- Market data is used to determine fair salary ranges
- New hire offers are based on internal and external benchmarks
- Employee Referral Program with financial rewards for hired and retained employees
- Stock options

Access to leadership

Through our hyper growth and expansion, Flock’s leadership team remains visible and accessible to all employees at every stage in their career. Leadership team members are available through Slack, email, and in-person at the office, while Flock also makes an effort to provide consistent, planned touchpoints between employees and upper management.

Lunch and learns

These monthly sessions provide employees with one hour of Q&A time with a member of our leadership team. This forum is widely popular and the sessions are capped at around 20 employees to encourage smaller group discussion and openness from all attendees. We make sure to host two sessions for each Lunch & Learn: one at the office location where the executive is, and one for the other office location plus our remote team.

- Here are some examples of Flock’s leaders who have hosted a Lunch & Learn:**
- Oren Zaslansky, CEO
 - Pat Dillon, CFO
 - Chris Pickett, COO
 - Kelly Kline, Corporate Controller
 - Gregory Brunet, VP of Engineering

- Biweekly All Hands Meetings**
- Transparent all-employee meetings with open communication of company health and performance by Flock’s executive leadership team.



Community engagement

In 2023, Flock dedicated 120 volunteer hours and raised over \$2,000 for Feeding San Diego. Over these 120 hours, employees packed over 8,000 lbs of produce, providing meals for thousands of local families.

“Flock comes regularly to volunteer their time and talent toward our mission to connect hungry people with good nutritious food most of which is rescued. Thank you, Flock, for being a great example of corporate citizens helping the community they live and work in.”

Bob Kamensky
Chief Executive Officer at Feeding San Diego

Flock also repeated our tradition of participating in “Adopt a Family,” collecting gifts to fulfill the Christmas wish list of a local family of six.



Closing statement

Flock remains committed to continuing our journey of integrating impact into our business model. Our dedication to our mission of pooling freight at scale ensures that our pursuits not only drive our business forward but also align with crucial social and environmental objectives. Our accomplishments of 2023 are a testament to our dedication, and we eagerly anticipate sharing our progress in 2024. We remain vigilant in considering the evolving macro environment, and leveraging it to further enhance our impact initiatives.

To all of our customers – knowing that your impact is our impact – thank you for being part of our journey. We could not be more grateful to having you as our partners.

Data table

Metric type	Number	Unit
Weight of freight pooled	494,102,891	pounds
Distance of freight pooled	69,117,175	miles
Emissions avoided	46,700	MT of CO ₂ e
Emissions avoided is equivalent to	61,206	heavy duty trucks driven for one day
Automotive	745	MT of CO ₂ e
Business & Consumer Services	1,555	MT of CO ₂ e
Consumer Goods	2,663	MT of CO ₂ e
Food & Beverage	6,266	MT of CO ₂ e
Industrial, Manufacturing, & Engineering	5,009	MT of CO ₂ e
Moving & Storage (HHG)	4,029	MT of CO ₂ e
Paper, Plastic, & Packaging	3,091	MT of CO ₂ e
Retail & Wholesale Trade	11,417	MT of CO ₂ e
Tech & Electronics	3,129	MT of CO ₂ e
Frequent Flocker carbon offsets allocated	587	MT of CO ₂ e

Disclaimers

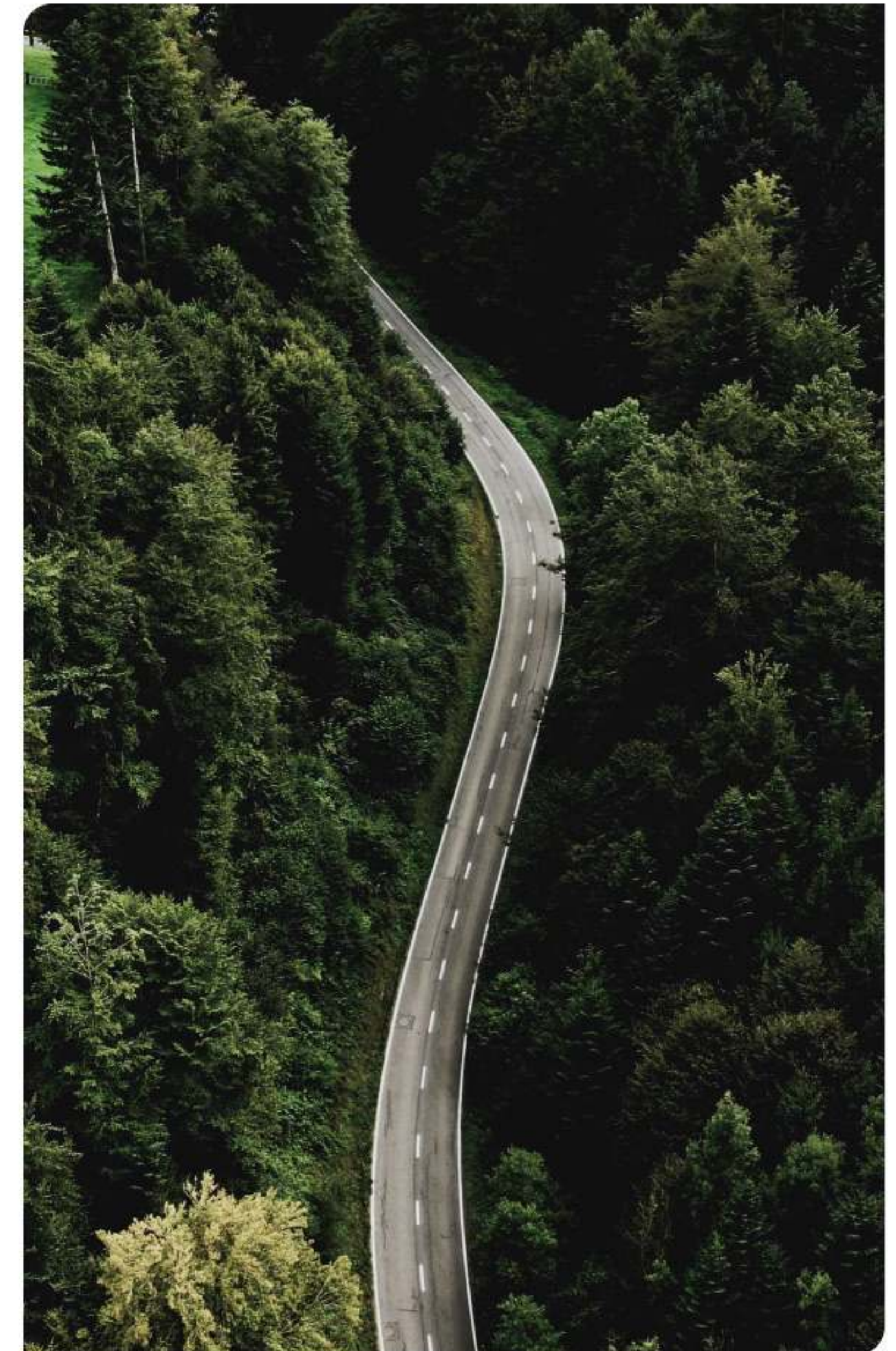
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Emissions metrics

The emissions calculation methodology and associated claims have not been validated by an independent third party. Flock has chosen to make the methodology free and publicly available in [this white paper](#).

Data table continued

Metric type	Number	Unit
Median B Corp score for ordinary businesses	50.9	points
Flock Freight current B Corp score (awarded in 2023)	80.3	points
Flock Freight previous B Corp score (awarded in 2020)	80.1	points
EPA SmartWay score	2	g/m of CO ₂
Zero emissions office electricity	89	percent
Compost diverted from the landfill by the Chicago office	4,575	pounds
Commuter (public transit FSA)	72	people
Electric Car reimbursement	5	reimbursements
Electric-powered transportation (not car)	7	reimbursements
Flock phish-prone score for 2023	2.93	percent
Phish prone benchmark for medium-sized transportation companies with a IT security program with 1 year of maturity	8.5	percent
Volunteer hours at Feeding SD	120	hours
Money raised for Feeding SD and Feeding America	2,300	dollars
Combined July + November Feeding SD sessions	8,658	pounds of produce gleaned and sorted





Thank you