tradera

Climate Impact Report 2019

THE NEW DIVISION

Agents of Sustainability

1. Introduction

In order to reach their goal of becoming carbon neutral in 2020, it is essential for Tradera to assess its climate impact. Not only will this report provide a more thorough understanding of the different facets of Tradera's climate footprint – it will also serve as a tool for managing the company's footprint, and for driving the transition to sustainable shopping.

This report will help Tradera identify opportunities to further reduce its climate impact and set targets. A continuing assessment of the company's climate impact will make it easier to track progress over time. By including all company activities that have an impact on the greenhouse gas emissions, this report also points to the importance and responsibility of each and every one in the organization to contribute to reducing the climate impact.

2. About the Greenhouse Gas Protocol

The Greenhouse Gas (GHG) Protocol is a framework for identifying and measuring emissions of greenhouse gases[1]. These are calculated in three different scopes. *Scope 1* encompasses direct emissions from sources that the company can control, e.g. from company owned vehicles or machines. *Scope 2* includes indirect emissions from purchased energy. *Scope 3* is composed of indirect emissions from activities in the value chain. In other words, scope 3 emissions for one company are the scope 1 and 2 emissions of another organization. Scope 3 is divided into so-called *upstream* and *downstream emissions*. Upstream emissions occur in the life cycle of a material or product up until the point of sale by the producer. In the case of Tradera, it encompasses for example the purchase of goods and services and business travels. Downstream emissions, on the other hand, occur in the lifecycle of a material or a product after the sale by the producer. For Tradera, this includes the transportation and distribution of sold products.

Scopes and relevance

While it is mandatory to include scope 1 and 2 in a GHG report, scope 3 is not required. However, since scope 3 emissions often represent the largest part of a company's total greenhouse gas emissions, and consequently also offer reduction opportunities, they are often included as well. More and more, organizations are looking into their value chains to understand the full GHG effect of their operations. As one of those companies, Tradera wants to take responsibility for all of the emissions that its business generates even when the emissions are beyond the company's boundaries. Tradera may be able to influence the activities that give rise to these emissions, and the company could try to influence its suppliers or other partners to reduce emissions. Thus, this climate impact report has a particularly strong focus on scope 3 (especially since Tradera has no activities that fall into scope 1 and scope 2 encompasses only purchased energy). An unfortunate consequence of this is that Tradera's climate impact at first glance can appear surprisingly high. Yet, this is because we have included as many activities and factors that impact their footprint as the available data allows.

Considerations and approach

In order to make this climate impact report as useful as possible we want to provide some insight into our method. While detailed calculations and sources regarding each scope are available in the appendix, we want to mention a few overriding considerations that have guided our work. First of all, comparisons with other companies are only relevant if you know what is included in their calculations and how these calculations were conducted. Thus, transparency is key. At times, the available data is limited or has apparent shortcomings, and we have had to resort to assumptions. Secondly, when we have made assumptions, they are tilted to overestimate rather than underestimate. By being transparent, the limits of the emission data will be more evident and Tradera is given the chance to improve the data over time. Thirdly, the very first year of GHG reporting should not serve as a base year for comparisons over time. Lack of routines and regular sources for data may affect the reliability.

This climate impact report concerns 2019. Tradera has provided the data needed. Relevant CO2 equivalents or emissions data have been found through a number of different sources or directly from suppliers. Sometimes we have had to rely on certain assumptions. Please see the appendix under *Data availability and assumptions* for more details.

3. Overview of Tradera's Climate Impact

The largest part of Tradera's emissions stems from the transportation of products sold and bought by the site's users, amounting to 87% of Tradera's overall climate footprint. The company's second and third largest areas of emissions are business travels (4.4%) and purchases of goods and services (4%). Only a small part (0.42%) of Tradera's climate footprint comes from their purchased energy, which constitutes scope 2.

Key figures 2019:

Total emissions - 412 tons CO2e

CO2e/employee - 9.8 tons CO2e

CO2e/MSEK - 1.3 tons CO2e

4. Emissions per Scope

Scope 2

Tradera's office is almost entirely run on renewable energy, which lowers their operations' climate impact considerably. As a result, purchased energy only makes up a very small portion (0.42%) of Tradera's climate footprint.

Scope 3

The largest share of Tradera's climate footprint can be found within scope 3. When considering Tradera's scope 3 impact, we included six out of the total of 15 categories within scope 3. The included categories are:

Upstream:
Purchased goods and services
Waste generated in operations
Business travel
Employee commuting
Upstream leased assets

Downstream:
Downstream transportation and distribution

Nine categories have not been included since they were not applicable to Tradera's operations or because the category was estimated to have only a negligible impact on Tradera's overall climate footprint.

Total scope 3 emissions:
410 tons CO2e

Purchased goods and services:
4%

This category comprises Tradera's purchasing of food, cleaning and hygiene products, furniture, computers and phones, as well as the impact from their outsourced customer service.

The purchased goods and services category accounts for 4% of the overall CO2e emissions, with the impact from customer service and purchasing of computers being the largest.

Waste generated in operations:
0.5%

Waste generated at the office accounts for 0.45% of Tradera's overall emissions. It is worth noting that Tradera has barely any electronic waste, as the majority of computers and phones are cleared of content and donated to charity or schools.

Business travel:
4.4%

This category includes Tradera's travels by train, flights and taxi rides, as well as hotel accommodation. Business travelling accounts for 4.4% of the company's overall CO2e emissions, with flights being by far the largest source of emissions in this category.

Employee commuting:
1%

Tradera's employees mainly commute to and from work using commuter trains and the subway, or by biking and walking. This means that the impact from employee commuting is relatively small, only answering for 1% of the company's overall CO2e emissions. Commutes by car, although an uncommon mode of transportation, stand for a large share of the emissions in this category.

Upstream leased assets:
2.4%

This category is composed of Tradera's servers located at Bahnhof and Google Cloud. The emissions from the energy consumed by these servers accounts for 2.4% of the total CO2e emissions.

Downstream transportation and distribution:
87%

The transportation of products sold through Tradera's website makes up an overwhelming share of the company's emissions, accounting for 87% of the overall CO2e emissions. This means that 359 of the total 412 tons of CO2e emissions are caused by transportation. This large impact is a reflection of Tradera's business model in which connecting the seller and buyer – and hence, transporting products between the seller and the buyer – plays a key role. As stated in Tradera's sustainability plan, the company aims to introduce shared shipping solutions for users and to compensate for all shipping created through the Tradera website.

5. Looking Ahead

This report has provided the very first measurement of Tradera's climate footprint. It shows how all activities within a company contribute to its overall climate impact. Even factors that can appear small, such as purchases to the office, influence the overall result. By highlighting all the contributing factors and spreading awareness, everyone in the company can become part of the solution.

The share of impact of each category can give important insights into reduction opportunities. The latter could entail cutting down on the number of flights and continuing to explore shared shipping solutions for Tradera's users. It could also imply an increased involvement in purchases of computers or office furniture with an even greater focus on choosing more climate-friendly alternatives. It is important to note that this first calculation of Tradera's greenhouse gas emissions serves as a stepping stone for moving forward – and for supporting the company's visionary focus area of becoming sustainable in every way.

Appendix

Method

Organizational Boundaries

The organizational boundaries determine where you measure and report carbon emissions. There are two approaches that can be used to define the organizational boundaries: the control approach and the equity share approach. This report has used the *control approach* as its method for consolidating emissions. This means that all emissions from operations which Tradera has control over has been accounted for. In terms of determining what counts as control, this report has used the concept of *operational control*, according to which Tradera has control over an operation when the company can implement policies for the activity at hand.

Operational Boundaries

Having determined the organizational boundaries, the next step is to identify the operational boundaries: establishing where emissions occur. The three different scopes support this process. As mentioned previously, Tradera does not have any activities in scope 1. Scope 2 is composed of the energy used at the office. The company has chosen to report the voluntary scope 3, where their operations adhere to six out of the 15 categories. The nine categories that have not been included are either not applicable to Tradera's operations, or have only a negligible impact on the overall climate footprint.

Calculation approach

Tradera's emissions have been measured in three main ways. Firstly, in some cases, data on CO2e emissions have been received from suppliers or partners directly, for example regarding downstream transportation and distribution. Secondly, documented emission factors have been found through reliable sources or directly from suppliers, such as for purchased energy. Lastly, commonly applied calculation tools have been used for the categories business travel and employee commuting. The sources for emission factors as well as for the calculation tools can be found under References. In the face of lack of data from some suppliers, some assumptions had to be made. These will be discussed in further detail below.

Data availability & assumptions

Tradera has provided us with the best possible data available for each category, from their horizon. Still, sometimes we have had to contact suppliers and even subsuppliers, to convert the data in order to calculate the CO2e emissions. At times we have also had to resort to assumptions based on other studies with similar categories, or other kinds of assumptions. Again, when we have made assumptions, we have tended to overestimate the CO2e impact rather than underestimate it. Below, we expand on each category and describe the types and sources of data, and our respective assumptions, which also include allocation methods. This allows us to draw some conclusions regarding the quality of the activity data used in the calculation, and by extension, the quality of the data all in all.

Purchased energy:

The activity data on purchased energy was received from the property owner of Tradera's office. This data included heating, cooling and electricity. The emission factor was supplied by the company responsible for the choice of energy supplier for Tradera's office building. This emission factor is based on an average estimate for Tradera's office building.

Purchased goods and services:

This category comprises Tradera's purchasing of *food, cleaning and hygiene products, furniture, computers* and *phones*, as well as the impact from their *outsourced customer service*. Many non-producing companies in Sweden refrain from reporting anything but the purchase of printing paper, coffee and fruit and, thus, it is worth noting that Tradera is trailblazing this category by providing more detailed data. Of course this means that Tradera ends up with relatively higher emissions in this category than some of its peers.

The emission factors for food have been gathered from RISE's (Research Institutes of Sweden) database for the climate footprint of foodstuff[2]. These emission factors are based on lifecycle analysis, meaning that they include the impact from manufacturing the products. However, the emissions from packaging and transportation from store/industry to the company is not included. Some purchases of food were not included in the analysis due to their marginal size.

Regarding *cleaning and hygiene products*, CO2e emissions from a report[3] were applied to the products purchased by Tradera. The products analysed in that report are not the exact same brand as the ones bought by Tradera, but due to their similarity, assumptions regarding approximate CO2e emissions could be made. As with foodstuff, some products were excluded due to their small impact.

Regarding the *office furniture* purchased during 2019, we had limited data available from Tradera – only price and a description of the piece of furniture in question. Since we did not find any general guidelines for CO2e emissions of furniture, we used the CO2e emissions of the products of a Finnish office furniture company[4]. For the reason of simplicity, we used the CO2e figure of a standard office desk for all of Tradera's pieces of furniture, although Tradera's furniture ranged from cabinets and office desks to stools. There is a chance that the actual CO2e emissions from Tradera's furniture purchases deviates from this number, but this provides us with a plausible impact estimate.

For *computers*, this report used the data of CO2e emissions available from suppliers[5] [6]. In some instances, data was not accessible for the exact model purchased, and for these cases the report applied data from the most similar computer at hand. Tradera bought 20 phones during the reporting period. As the exact models were unknown to us, this calculation assumed that the phones had a climate footprint comparable to an iphone 8[7]. This model was chosen because it can be considered a "middle ground" product, as it is not the latest iphone yet it is still available to buy in store.

Lastly, the climate impact from Tradera's *outsourced customer service* was received directly from the supplying company. The figures were given in CO2 and after a screening of the emissions from other gases, the figure could be altered to CO2e.

Waste generated in operations:

Tradera did not have activity data on the waste generated in their office. The calculation is therefore based on a GHG reporting company with a similar number of employees and location. This was deduced into how much waste one employee generates in a year and thereafter multiplied with the number of employees at Tradera. The emission factor was acquired from a study by Göteborgs Stad[8].

Business travel:

For air travel, we used the data provided to us by Tradera – departure city, destination city and number of travellers. Using the NTM Calculator Basic 4.0 tool[9] we re-calculated the emission data from CO2 to CO2e. We have used the Well to Wheel (WTW) numbers, which in the context of air travel means that the emission figure not only includes the CO2e emissions of running the plane but also the CO2e required to generate the power used for the plane.

With train travels, the input data were distances travelled as well as the departure and arrival cities.We used the NTM Calculator to estimate the CO2e emissions.

Estimates for the CO2e emissions from taxi travels were computed by using the total amount spent on taxi rides and estimations from a taxi company in Stocholm, which suggests that on average you can ride 10 km for 350 SEK (conversely, 100 SEK equals 2.857 km). These estimations, drawn from the NTM Calculator, are WTW figures.

For hotel stays, we had to make a number of assumptions. We only had the total amount spent on hotel nights. Neither number of nights per city, nor price of hotels was available. Thus, we assumed that on average, hotel nights cost 2500 SEK. Furthermore, based on the travel destinations and number of passengers listed for air and train travels, we assumed that the nights were distributed as follows:

Berlin	20
Belgrad	6
San Francisco	6
New York	2
London	6
Sverige	6
Zurich	2
Aten	2
San José	4

The CO2e emissions were then calculated by using the klimatkompensera.se website for hotels[10].

Employee commuting:

The activity data on employee commuting was gathered by Tradera. Each employee filled in the distance that they had commuted during the reporting period and the modes of transportation that they had used. The alternatives given were bus, car and train, subway and local commuter train. The CO2e emissions were calculated using the calculation tool NTMCalc.

Upstream leased assets

The leased assets include Tradera's servers. For some of the servers, activity data was given in total kWh hours during the reporting period. Having received confirmation from the supplying company that they only used renewable energy, an emission factor for hydropower was applied (this is the most common form of renewable energy in Sweden)[11]. Thereafter, the emissions from the remaning servers were calculated by multiplying the share of emissions from the first set of servers into the size of the remaining ones. This approach was chosen due to the generally low transparency of cloud services' climate impact.

Downstream transportation and distribution:

Data on the climate impact from transportation was received directly from the supplying companies. The figures were given in CO2e and could be applied directly.

Calculation per Category

Tradera Climate Impact 2019

Activity		Tons of CO2e	Percentages
Category	Type	Sum	
Total Climate Impact		**412**	
Scope 2	**Scope 2, total**	**1,74**	
Energy	**Energy**	**1,74**	**0,42%**
Scope 3	**Scope 3, total**	**410**	
Purchased goods and services	**Purchased goods and services, total**	**16,69**	**4,05%**
Purchased goods and services	Foodstuff	3,47	
Purchased goods and services	Hygiene and cleaning supplies	0,22	
Purchased goods and services	Computers	5,68	
Purchased goods and services	Phones	1,14	
Purchased goods and services	Furniture	0,45	
Purchased goods and services	Costumer support	5,73	
Waste generated in operations	**Waste generated in operations, total**	**1,84**	**0,45%**
Business travel	**Business travel, total**	**18,17**	**4,41%**
Business travel	Train, domestic	0,00	
Business travel	Flights, intercontinental	6,81	
Business travel	Flights, continental	9,49	
Business travel	Taxi	0,30	
Business travel	Hotel accommodation	1,57	
Employee commuting	**Employee commuting, total**	**4,24**	**1,03%**
Employee commuting	Bus	0,89	
Employee commuting	Car	3,27	
Employee commuting	Train, subway & commuter train	0,09	
Upstream leased assets	**Upstream leased assets, total**	**10**	**2,42%**
Upstream leased assets	Servers, company A	0,33	
Upstream leased assets	Servers, company B	9,63	
Downstream transportation and distribution	**Downstream transportation and distribution, total**	**359**	**87,21%**
Downstream transportation and distribution	Freight, company A	267,63	
Downstream transportation and distribution	Freight, company B	91,40	

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