

# CSR Report 2022

April 2023



# CSR REPORT 2022

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# About this report

TrusTrace is proud to present its first Corporate Social Responsibility (CSR) Report covering the period January 1, 2022 – December 31, 2022.

During the year, we grew significantly and ramped up the Stockholm office, as well as the sales and marketing activities in the European and US markets.

We are a growing Software as a Service (SaaS) company, meaning we have no physical product or production, yet we are responsible for reducing our emissions where we can.

Most of all, we strive to provide a welcoming and respectful workplace, and engage with our communities and industry.

Our mission is to accelerate sustainable business transformations for supply chains, to reduce climate impact.

Being a SaaS company, our scope 1 and 2 emissions are inherently low, but we still have emissions from business travels and office commuting.

We found opportunities to improve work practices to better employee wellbeing and health, reduce emissions with the hybrid work policy and contribute to philanthropic initiatives to restore natural resources in India.

A CSR report is not mandatory for companies of our size, but we've chosen to publish one as Sustainability and CSR is really the foundation of TrusTrace.

This report helps us pinpoint where we can improve and engage the whole TrusTrace team in corporate social responsibility.

# Letter from CEO

By Shameek Ghosh

At TrusTrace we have a vision to fundamentally change the way fashion is produced and consumed.

Coming from India, the co-founders and many of our colleagues have seen how trying to meet the demands on the global garment industry at an enormous scale has taken its toll on our own communities. The chemicals used to dye fabrics have polluted our water bodies, global warming is drying up our local resources for farming.

All of this drove us to start TrusTrace.

We started with building solutions together with sustainability-focused brands in Scandinavia back in 2016, and in 2022 we grew to 45 brands as customers. We entered the US market with 6 new customers, and now have 4 of the top global footwear brands as customers.

Increasing legislation is coming in to regulate how brands manufacture and sell apparel and footwear in order to help limit the global temperature increase to a maximum of 1.5°C. In 2022, we counted 17 new regulations concerning textile supply chains in North America, Europe and Asia.

US policymakers took steps to fight forced labor in supply chains with the Uyghur Forced Labor Prevention Act, while the SEC have cracked down on material compliance claims. France is also getting ahead of the curve with legislation with publishing the Decree n° 2022-748 under the Anti-Waste for a Circular Economy Law which will require brands to communicate the material properties of goods including garments and traceability in an open and accessible format to consumers.

Considering all these regulatory changes, the TrusTrace team has been able to keep abreast of it all and take these insights back into our product development.

I am proud of all that the team has achieved in just 6 years, as we are now providing fashion brands with a digital platform for product traceability and supply chain transparency to help each one achieve responsible sourcing and material compliance. And we are accomplishing this at scale.

As a SaaS company we have relatively low carbon emissions because we do not produce physical goods, however we acknowledge that our operations impact our employees, communities, and planet.

Corporate Social Responsibility has been an integral part of TrusTrace and its purpose, and we choose to lead the way by being transparent about the impact we have on our planet starting with this report. We will use this to continually monitor our impact and constantly strive to improve our operations.



# About TrusTrace

We're on a mission to accelerate sustainable transformation in global brands by digitally tracking the movement of materials in the value chain and empowering brands with the product data needed to reach their science-backed targets and company sustainability goals.

TrusTrace offers supply chain transparency and material traceability for global fashion and apparel brands. With our technology and automation, we empower brands and suppliers around the world to collaborate on product and material traceability digitally with our SaaS product. The technology uses artificial intelligence to streamline data collection, and it is also available to plug into existing supply chain solutions (PLM and ERP) via open APIs. With this connectivity, brands can consolidate and process high volumes of data to assess traceability and transparency and stay compliance-ready. Furthermore TrusTrace attracts global talent to continually develop and scale this industry leading solution for a better future.

TrusTrace is available on the global market and today we have memberships in influential industry advisory groups such as Sustainable Apparel Coalition, Forest Stewardship Council and the Swedish Institute of Standards. Currently TrusTrace is trusted by 45+ global brands including adidas, Renfro Brands, Kappahl, NA-KD, Filippa K and Fjällräven. No matter how complex your products are, TrusTrace will team up with you to trace beyond Tier 1.



**Offices:**  
**Stockholm, Sweden (HQ)**  
**Coimbatore, India**

**Founding year:**  
**2016**

**Number of employees:**  
**104**

# Highlights / Timeline 2022

## JAN

- Welcomed our Sustainability and Innovation team

## FEB

- Recorded 1 million material traceability transactions, proving that traceability technology is scalable

## MAR

- Launched the Knowledge Hub Blog to spread knowledge about laws and regulations impacting fashion and apparel supply chains

## APR

- Kicked off cross-office cultural exchanges
- Granted ISO 27001 certification
- Members of American Apparel and Footwear Association

## MAY

- Hosted User Experience (UX) workshops at the Bannari Amman Institute of Technology
- Joined Policy Hub
- Member of the SAC

## JUN

- Published the first-ever Traceability Playbook for Fashion Supply Chains as an open-source guide with industry expert insights and case studies

## JUL

- Released the Certified Material Compliance product, that gathers evidence to prove integrity of certified product claims.

## AUG

- Completion of the lake restoration project with BIOTASOIL in Tamilnadu, India
- Member of the Forestry Stewardship Council

## SEP

- Featured in Times of India, recognized as a driver of change in leveraging tech to benefit a greener society and culture in India

## OCT

- Company-wide "Ideation Week" hackathon.
- Became members of the Leather Working Group

## NOV

- Published the Traceability Glossary to create awareness and standardize industry lingo

## DEC

- 10KVA solar panel system installed at the Coimbatore office, providing 100% of the energy for the Indian office

# Health, Safety and Social Relations within the Company

## Introduced Open Paid Time Off for the Coimbatore Office

TrusTrace office in India has decided to go beyond the industry standard for paid time off with an Open Paid Time Off policy. This means employees can take as many days of time off as they need, as long as they finish their work on time. It is about providing a flexible work environment and treating your employees as responsible adults who can manage their time to ensure they also prioritize personal care, mental health and interests.

## Promoting Employee Health and Fitness

TrusTrace promotes work-life balance with health and wellness benefits. Working with tech means that most work is happening in front of a screen, and sitting down. Employees are encouraged to stay physically active and care for their own wellbeing. The Stockholm has an annual health and wellness allowance of 4000 SEK. The Coimbatore office enjoys regular drop-in badminton with colleagues, and weekly cricket matches every Saturday morning. There was also a group that trained together to complete their first 10km running race at the Coimbatore Marathon.

**TrusTrace has sponsored the total amount of:**

**1100 Hours of cricket  
120 Hours of Football  
320 Hours of Badminton**

**= 1540 Fitness Hours in total**



# People of TrusTrace

At TrusTrace we are actively working to hire a diverse team, and we've taken strategic decisions such as: hiring pan-India to give equal work opportunities to colleagues in more rural areas, practicing the UN Women's Empowerment Principles and offering hybrid work policy. This has brought together a diverse workplace across genders, nationalities, ages, education levels, and more.

## Some things we would like to highlight:

TrusTrace is a workplace where we support Diversity & Inclusion, have a strong policy of gender equality, practicing equal pay for equal work, and our diversity initiatives. Our employment practices help foster an environment where women can play an active role in decision-making processes and achieve personal fulfilment at work.

Women make up 28.8% of the total workforce in the organization. The leadership team has representatives in Sweden and India.

TrusTrace is an international company where the mix of culture is a part of the organization. Amongst our colleagues based in Europe, we count 13 different nationalities\*



TrusTrace employee statistics in 2022				
	Women	Men	% Women	% Tech Industry
India	23	71	24.5%	34% <sup>1</sup>
Sweden	12	7	63.1%	30% <sup>2</sup>
Total*	35	78	30.9%	28.8% <sup>3</sup>

TrusTrace Chief Executives and Leadership in 2022				
Leadership	3	9	25%	29.2% <sup>4</sup>
Board	2	5	28.5%	29.2% <sup>4</sup>

- \*113 employees including 7 interns and 2 consultants
- See Appendix B for footnotes.

*“The beauty of diversity, not only by the diversity in itself, but that we **learn from each other**, and this will drive us forward.”*

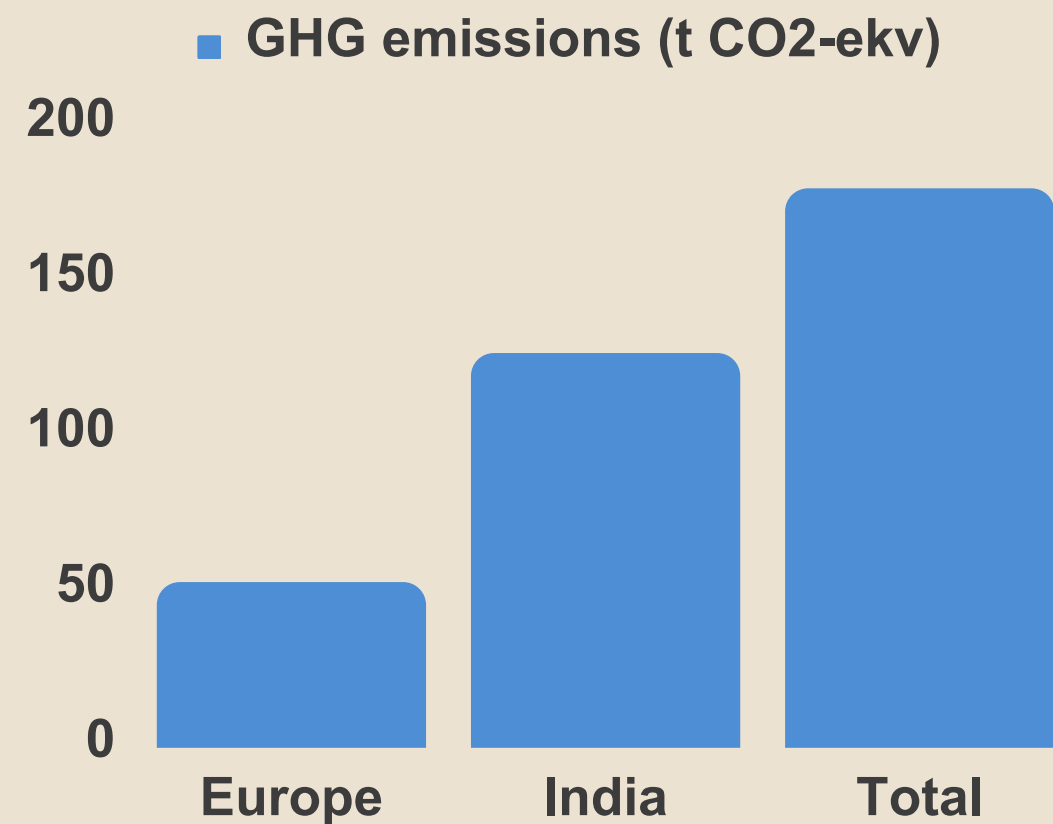
– **Madhava Venkatesh, CTO**



# TrusTrace Carbon Footprint (Scope 1,2,3 Emissions)

In 2022, our total carbon footprint amounted to 180 tons, where India stands for 127 tons (71%) and the EU offices for 53 tons (29%).

As a SaaS company, we do not have any physical production nor physical waste generated from our product delivery, which means we don't not have any Scope 1 carbon emissions to account for, whilst Scope 2 is minimal at a total of 1.99 tons for both offices. Scope 3 emissions is where we see the most GHG emissions by TrusTrace and these come mostly from business travelling and the regular office commute.

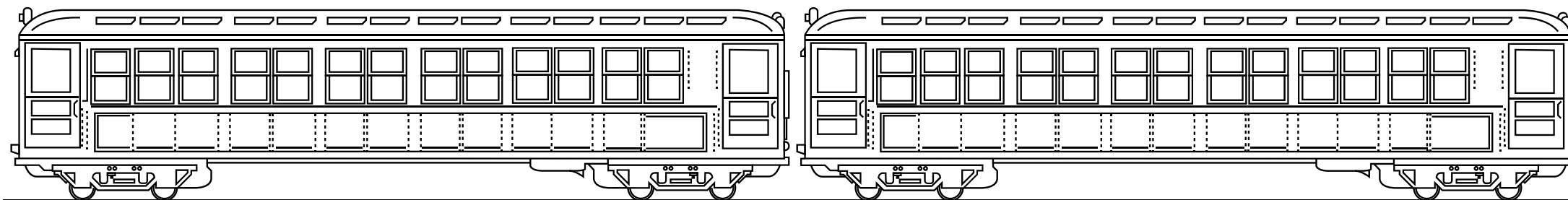


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# Travel is our Challenge when it comes to Carbon Emissions

The TrusTrace customer base and addressable market consists of the largest consumer apparel and footwear brands spread across Europe, US and Japan. Our business operations requires us to travel to meet our customers in person to have interactive meetings, business reviews and workshops to help our customers be successful in their traceability program. Travel to the US was dominant in this category because our sales strategy was to enter this market and we acquired 6 new US customers in 2022. This was only possible with business visits from both Sweden- and India based colleagues.

We are an international team, which requires travel between India and Sweden several times a year for Board and strategic meetings. Since we expanded the Swedish office in 2022, we felt it was critical for employees to get exposure to both cultures, and prioritized culture exchanges between the offices to embrace our diversity for business sustainability.



## What can we do?

We switched to 100% renewable energy in the India office by installing solar panels. We have a food waste management system in place in India. We acknowledge that the emissions from these activities are still relatively low and have little effect on the total company emissions output.

Business and Employee Travel is the greatest contributor when it comes to company carbon emissions. One action we will take is to introduce company policies for travel beginning with domestic travel (inside Sweden, France/EU and India) in 2023. International flights are more challenging for us to limit but we will work on ways to mitigate emissions. We see a need to revisit guidelines on when travel is a must for business continuity, and when a digital meeting can suffice.

## The TrusTrace Coimbatore Office now runs 100% on Solar Power

We installed a 10KVA solar panel system on top of our Coimbatore office. This enables us to run all our office operations on renewable power.

The system is also powered by a backup battery system that reserves electricity for less sunny days or evening working hours, decreasing our dependency on the grid.



Images: The dead pond condition prior to restoration in 2022 shows little water left and there are no clear marking of the water body boundaries (top). The water level of the pond has risen again to full capacity after the replanting and afforestation efforts of the project (bottom).

# Sponsoring the Restoration of a Dead Pond

Agricultural communities in India rely heavily on the seasonal monsoons, however the rains have become erratic and unpredictable at times, especially since 2018, and temperatures continue to climb due to climate change.

As mentioned in [Nature](#), droughts occur more frequently and these farming communities are losing their local water bodies.

The TrusTrace team in Coimbatore worked together with [Nimal Raghavan](#) and the BIOTASOIL foundation, an environmental activist that has restored 120+ water bodies across India, on a project to restore the nearly dead pond, Selvavinayagar pond in Sethubhavachathiram, Thanjavur, Tamil Nadu. [See Appendix D for the report.](#)

## Some key activities:

- Removal of invasive shrubs and lake sediment
- Reintroducing native plants to form islands
- Adding plant seedlings to define the new lake boundaries
- Starting the restoration with treated water

## Impact was quickly realized:

- The dried-out pond was restored with sustained water levels
- 2500 farmers and animals have directly benefited – large number of locals have taken up farming as a result of the lake restoration
- More migratory birds have returned
- Moral uplift in the local community as they have close access to a pond again

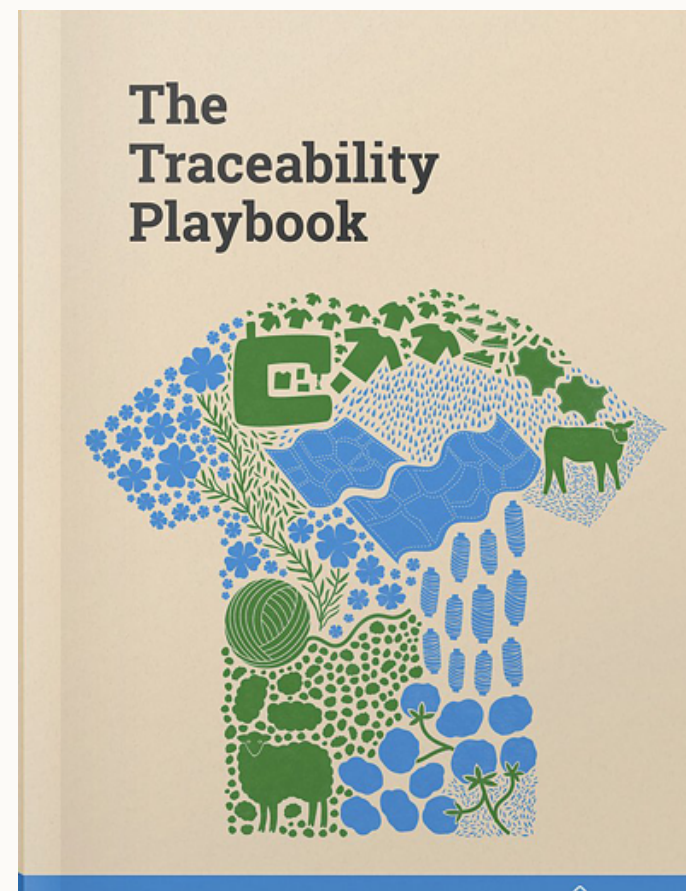
# Knowledge Sharing with Traceability Resources

While there are many that understand why traceability is important and how this can give more visibility into supply chains, many are unsure of where to even begin with their research in the space. The Sustainability and Marketing team at TrusTrace teamed up to create some educational resources for brands, suppliers, consultants, researchers, and policymakers to learn more about the role which traceability plays in the fashion supply chain ecosystem.

The concept of traceability is relatively new for the fashion industry, and to create more awareness on the topic and clarity of its scope, we put together an open-source guide called The Traceability Playbook together with Fashion For Good and Fashion Revolution.



In 2022, there were at least 17 new laws proposed to regulate textile supply chains. The Sustainability team created write ups to highlight the most important information from the proposals or laws on the TrusTrace Knowledge Hub. In addition to this, there are industry insights and traceability blog posts contributed by our editor and fashion sustainability journalist, Megan Doyle.





Impact on economy and jobs

## Hybrid Work Model to Reduce Carbon Emissions

In both TrusTrace offices, we offer a hybrid working model where employees can choose when they wish to work from the office vs remote.

In India, we have a distributed workforce pan-India to reduce the amount of carbon emissions spent on travel by the team. Being hybrid and remote, we can also hire colleagues in more rural towns and give them the same opportunity to work without the need to relocate to a congested metropolis city.

In Stockholm, the team also benefits from a central office location and a flexible hybrid-work policy for work-life balance. The employees are distributed across Sweden and France.

# Information Security



On **April 21<sup>st</sup>, 2022**, TrusTrace was granted ISO 27001 certification, which marks our operational excellence when handling sensitive user data and company information.

The team at TrusTrace continually works to harden our information security system and policies to maintain international standards.

As a technology company processing millions of data transactions each month including Personal Identifiable Information of our customers and users, we do not take information security lightly. Achieving the certification means we have the system in place to implement, maintain, review and continuously improve processes for robust information management and security.

# Closing

Completing TrusTrace's first Corporate Social Responsibility (CSR) report for the full year of 2022 provides us with our baseline data on our CSR efforts. We plan to use to this as a guiding star for continuous initiatives and actions for sustainable growth.

We have gained a good understanding of the challenges and opportunities for CSR impact, and what we can focus on improving for the coming years. The data gives us added perspective on how TrusTrace positively impacts people, the textile industry, the environment and the communities which we are part of. This report also serves as an effective tool for internal alignment and communication on the future path of the TrusTrace CSR strategy.

We believe in transparency and knowing your own impact, which is only possible with verified facts and data. Only then can we set specific, measurable, achievable and timely targets to continually contribute to a better future for people and the planet.

Going forward, we will use this data to focus our CSR efforts and take accountability to improve our impact year on year.



# Appendix A: TrusTrace CSR Policy

- a. To be a responsible organization
- b. To be a fair and an equal opportunity employer
- c. To have a supportive work environment
- d. To drive green initiatives at work and have positive impact on the environment
- e. To use less resources and optimize those and to make sustainable purchasing choices
- f. To measure our emissions and set targets to reduce them
- g. To create a positive impact on the community where we are present

# Appendix B

- **Women in tech workforce references:**

1. India: the industry average in IT is 34% according to 451 Research:

<https://go.451research.com/women-in-tech-india-employment-trends.html>

2. Percentage of women in tech, Sweden:

3. <https://www.techsverige.se/om-oss/statistik/statistik-kvinnor-och-man/>

4. General Industry average: 28.8% of the tech workforce (AnitaB.org, 2020)

<https://anitab.org/research-and-impact/top-companies/2020-results/>

5. Based on S&P500: Women in Chief Executive roles:

<https://www.catalyst.org/research/women-in-the-united-states-workforce/>

- **\*Nationalities count in the TrusTrace HQ for 2022:**

- Indian, Swedish, Canadian, American, Danish, German, French, Polish, Norwegian, Finnish, Philippines

# Appendix C: Scope 1,2,3 Emissions Data

TYPE OF VEHICLE	Emission Factor	Unit	Source
Air travel long haul >3700 km	0.158	kg CO <sub>2</sub> ekv/passenger-km	EPA, Emission Factors for GHG Inventories
Air Travel medium haul 480 - 3700 km	0.129	kg CO <sub>2</sub> ekv/passenger-km	EPA, Emission Factors for GHG Inventories
Air Travel short haul <480 km	0.214	kg CO <sub>2</sub> ekv/passenger-km	EPA, Emission Factors for GHG Inventories
Bus (other countries)	0.102	kg CO <sub>2</sub> ekv/söitja-km	UK GHG Conversion Factors 2021
Bus, city (India)	0.053	kg CO <sub>2</sub> ekv/passenger-km	EPA, Emission Factors for GHG Inventories
Bus, city (Stockholm)	0.000	kg CO <sub>2</sub> ekv/passenger-km	Miljö- och klimatarbete i kollektivtrafiken, <a href="https://www.regionstockholm.se/verksamhet/kollektivtrafik/Miljo--och-klimatarbete-i-kollektivtrafiken?utm_source=smartcitysweden.com&amp;utm_medium=link&amp;utm_campaign=promotion">https://www.regionstockholm.se/verksamhet/kollektivtrafik/Miljo--och-klimatarbete-i-kollektivtrafiken?utm_source=smartcitysweden.com&amp;utm_medium=link&amp;utm_campaign=promotion</a>
Bus, County line (India)	0.053	kg CO <sub>2</sub> ekv/passenger-km	EPA, Emission Factors for GHG Inventories
Bus, County line (Stockholm)	0.053	kg CO <sub>2</sub> ekv/passenger-km	EPA, Emission Factors for GHG Inventories
Commuter train (India)	0.153	kg CO <sub>2</sub> ekv/passenger-km	EPA, Emission Factors for GHG Inventories
Commuter train (Sweden)	0.000	kg CO <sub>2</sub> ekv/passenger-km	Miljö- och klimatarbete i kollektivtrafiken, <a href="https://www.regionstockholm.se/verksamhet/kollektivtrafik/Miljo--och-klimatarbete-i-kollektivtrafiken?utm_source=smartcitysweden.com&amp;utm_medium=link&amp;utm_campaign=promotion">https://www.regionstockholm.se/verksamhet/kollektivtrafik/Miljo--och-klimatarbete-i-kollektivtrafiken?utm_source=smartcitysweden.com&amp;utm_medium=link&amp;utm_campaign=promotion</a>
Light rail (tram, metro)	0	kg CO <sub>2</sub> ekv/passenger-km	CoM 2017
Light rail (tram, metro) (other countries, electricity source unknown)	0.028	kg CO <sub>2</sub> ekv/söitja-km	UK GHG Conversion Factors 2021
National Rail (India)	0.038	kg CO <sub>2</sub> ekv/passenger-km	UK DEFRA
National Rail (Sweden)	0.003	kg CO <sub>2</sub> ekv/passenger-km	<a href="https://www.sj.se/en/about/about-sj/climate-friendly.html">https://www.sj.se/en/about/about-sj/climate-friendly.html</a>
Taxi	0.128	kg CO <sub>2</sub> ekv/passenger-km	UK GHG Conversion Factors 2021 (keskmine täituvus: 1,4)
Train (other countries, incl international train, electricity source unknown)	0.004	kg CO <sub>2</sub> ekv/söitja-km	UK GHG Conversion Factors 2021
Train (other countries, renewable electricity)	0	kg CO <sub>2</sub> ekv/söitja-km	CoM 2017

# Appendix D: Lake Project

To: Swin Technologies (TrusTrace)



Dear Swin Technologies,,

**Subject: Project completion report, Selvavinayagar pond. Sethubhavachathiram**

## 1. Executive Summary

BIOTASOIL Foundation, a non-profit organisation that works on soil and water conservation projects, has identified several lost water bodies in the rural area. BIOTASOIL foundation has so far restored 129 dead water bodies, benefiting over 50 lakh beneficiaries, in 3,200+ villages the majority of beneficiaries are farmers and fishermen. BIOTASOIL Foundation is also known for its extensive afforestation efforts across India, 15 lakhs+ saplings planted so far & have sown 3 lakh+ palm seeds.

India is experiencing a serious water crisis. This is because the preservation of natural water sources is not given high priority in India due to the complexity involved. Though the water crisis affects everyone in general, its seriousness can be witnessed the most among the poverty people. We would require intervention from a number of sources, including cooperation between like-minded NGOs to raise funds, as well as support from local communities, gramme panchayats, and government officials, to address the problem of the water crisis.

**The proposed project was to restore a dead water body in Sethubhavachathiram in Thanjavur, Tamilnadu.**

Selvavinayagar pond in Sethubhavachathiram, Peravurani taluk, Thanjavur district, is the site of the revitalised body of water. For over 25 years, the restored water body served no purpose due to a lack of maintenance and an improper inlet and outlet connection.

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nimal.raghavan@biotasoil.org



## 2. Project details

The rehabilitated lake covers an area of 6 acres and can hold 10 crore litres of water. The entire process took 50 days. Heavy rains halted operations for five days between September 16, 2022, and November 11, 2022. The estimated cost to rehabilitate this lake was 3 lakhs.

*Steps involved in the Rehabilitation process:*

- Removal & Disposal of Prosopis juliflora
- Cleaning up the lake sediment
- New boundaries were established.
- Both the inlet and the outlet were wired up.
- They created islands and populated them with native plant species.
- Plant seedlings were planted along the perimeter.
- Lake levels began to rise as treated water began to fill it.

**2500 farmers have directly benefited from this initiative, it has also benefited alot of cattle and birds.**

## 3. Project location

10°16'49.9"N 79°15'30.8"E  
<https://goo.gl/maps/Zdm681meAehn69L15>

## 4. Risk Summary

The only challenge that we faced during this rehabilitation effort was the removal of Prosopis juliflora i.e Seemai Karuvelam trees which is an ecological threat and it densely occupied the lake area. We took an enormous effort to remove the wild spread.

## 5. Project outcome

- Water is stored in the water body.
- Water bodies came to life back.
- Large numbers of locals have taken up farming.
- A rise in the level of groundwater was observed.
- In addition to humans, animals and birds in the area have benefited in large numbers.
- Attracted a significant number of migratory birds.
- To put it simply, it was a boon to farmers.

9962200666

nimal.raghavan@biotasoil.org



## 6. Pictures of the restored water body

### Condition of the waterbody until 2022



**Water body filled with water to it's capacity as of now after our restoration efforts.**

9962200666

nimal.raghavan@biotasoil.org

# Lake Project



*During Work*



## Budget Details

No	Item name	Cost Involved (INR)
1	JCB Rental charges	2,30,000
2	JCB Operator charges	15,000
3	Fuel charges	55,000
Total		3,00,000

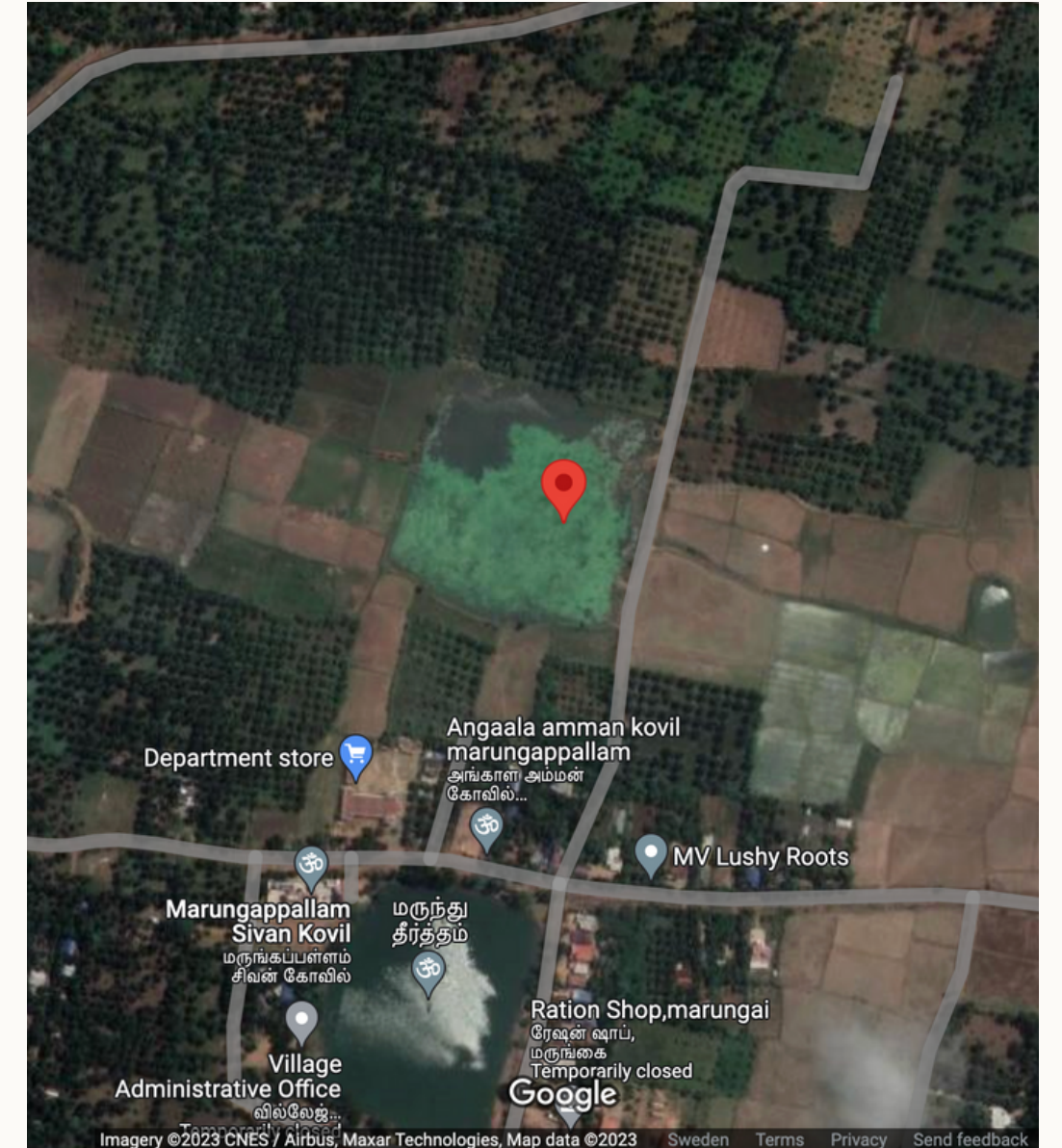
This is one of the best projects we did, None of the locals believed that the water would reach the water body, but when the water started filling the lake it really felt like magic, and local people felt very happy and blessed. This initiative has significantly brought the water levels up. The impact that the project has brought on the people and the ecosystem as a whole are commendable.

*Our sincere gratitude to Swin technologies for supporting us in this journey.*

Thanks & Regards,

Nimal Raghavan

*For any queries kindly feel free to reach us.*



Above: This map image was taken from Google Maps. <https://goo.Gl/maps/zdm681meaehn69lt5>



**Thank you!**

**For questions or suggestions  
please reach out to  
[csr@trusttrace.com](mailto:csr@trusttrace.com)**

