

Seattle Chocolate Company Carbon Neutral White Paper

December 2023





Experts estimate that we have 94 months to stop climate change before it is irreversible. I believe businesses have a responsibility to do their part and provide consumers with environmentally friendly products. The time is now. ”

Jean Thompson
Owner & CEO

Introduction

Greenhouse gas emissions have already increased the Earth's temperature by about 2°F, causing global warming. Global warming poses a threat to the environmental conditions of the Earth and is contributing to global climate change, threatened ecosystems, and a variety of issues for people worldwide.

Reducing atmospheric carbon dioxide (CO₂) levels is critically important to reverse the climate change that is already happening at an alarming rate. We need to not only reduce emissions but also remove emissions from the atmosphere. Seattle Chocolate Company (SCC) is fully committed to doing its part in protecting the planet. This white paper provides information on SCC's efforts in protecting the planet including our sustainability pledge, initiatives, and current and future programs.

Core Purpose & Core Values

Seattle Chocolate's mission is to brighten the world through chocolate while upholding core values that prioritize defending the planet and empowering the underserved.

To live out these ideals and address climate change, SCC has made the following sustainability pledges.

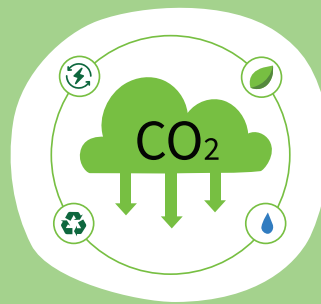
We commit to...

- Maintain our Carbon Neutral Status
- Achieve Science Based Targets* to limit global warming to 2.7F above pre-industrial levels by
 - Reducing energy (gas and electricity) based emissions by 42% by 2030
 - Net Zero emissions by 2050
- Get Zero waste certified by 2030

**Science Based Target Initiative (SBTI) provides companies with a clearly defined path to reduce emissions in line with the Paris Agreement goals.*

Sustainability Action Plan

SCC has outlined specific action steps to fulfill its sustainability commitments.



1. Measure Our Carbon Footprint

2. Become Carbon Neutral

3. Reduce Our Carbon Emissions

4. Additional Sustainability Initiatives

A Carbon Footprint is the total amount of CO₂ and other greenhouse gasses generated by a person or a company. It is expressed in tons of CO₂. Seattle Chocolate Company worked with prominent sustainability software company GreenFeet to track, measure, and reduce its carbon footprint to become carbon neutral. GreenFeet provides a platform that is easy to configure with accurate visibility into CO₂ emissions to assess options and ultimately reduce emissions.

1. Measure Our Carbon Footprint

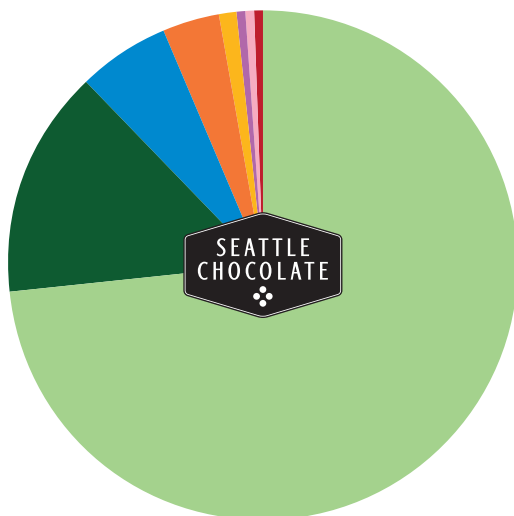


SCC's carbon benchmarking was done in the first quarter of 2022 using data from the year 2021 as a baseline. The carbon footprint calculation was conducted in accordance with the revised GHG (Greenhouse Gas) Protocol Corporate Standard and the Corporate Value Chain Accounting and Reporting Standard. Carbon footprint monitoring will be continued in the subsequent years to compare progress year over year. Data from the following areas were used in determining the carbon footprint:

- Product manufacturing
- Ingredient sourcing, purchase and receiving, and usage
- Product shipping/transport, wholesale as well as online
- Employee commute and travel
- Energy usage: electricity, refrigerants, natural gas used in heating and cooling the building, running machines and operations, lighting, running all other appliances including in the office areas.
- Events such as trade shows, company events
- Packaging usage
- Waste generated; compostable, recyclable and landfills

2022 Carbon Footprint

Here is the breakdown of SCC's carbon footprint from various sources for 2022:



2. Become Carbon Neutral



How Carbon Offsets Work

There are only two ways to manage the greenhouse gas effect: reduce the amount of new emissions into the atmosphere (mitigation), and remove the past emissions (carbon removal). Reversing climate change requires both decreasing current emission rates, as well as removing the 1.5 trillion tons of excess CO₂ that's already up in the atmosphere. SCC has various programs to reduce carbon emissions. It is virtually impossible to reduce the carbon emissions to zero for a manufacturing company and mitigation alone cannot reverse climate change. In response, SCC pledges to be carbon neutral by purchasing carbon offsets through projects that reduce carbon emissions and remove carbon from the atmosphere.

The objective of carbon offsets is to negate an equal amount of carbon emissions released into the atmosphere by funding renewable energy projects such as wind and solar, activities like planting trees, and regenerative agriculture. This conservation and rehabilitation approach to food and farming systems increases resilience to climate change. One carbon offset credit equals to reduction/ avoidance/removal of one metric ton of CO₂. Companies are considered carbon neutral when the offset credits purchased are equal to their CO₂ footprint. Carbon offsetting allows companies to mitigate the climate impact of emissions while giving back to nature and local communities.



2. Become Carbon Neutral



Meet our Carbon Offset Partner - Nori

Why did we opt for carbon neutrality? As producers and distributors of chocolate nationwide, our operations involve significant resource usage. While we're committed to minimizing our emissions, achieving zero emissions is currently unattainable with current industry technologies. So, we decided to help remove carbon dioxide already in the atmosphere from past emissions.

Globally, we need to remove about 1 billion tons each year to limit climate change - and it's going to take us all participating to get to that number!

We purchase carbon offsets for carbon removal using regenerative agriculture. To date, we have removed 3,047 tons of CO₂ by buying carbon offsets with our partner Nori, a local organization that focuses on Regenerative Agriculture.

Regenerative agriculture enhances soil health, promotes biodiversity, fosters sustainable farming, and sequesters CO₂ from the atmosphere into the soil, where it belongs. Seattle Chocolate has supported six regenerative agriculture projects:

- Muff Farms in Iowa
- Harborview Farms in Maryland
- Petersen Farms / R.A. Pete Farms in Nebraska
- Bayer Carbon Program farmer in Iowa
- Miltrim Farms in Wisconsin
- Willis Farms in Tennessee



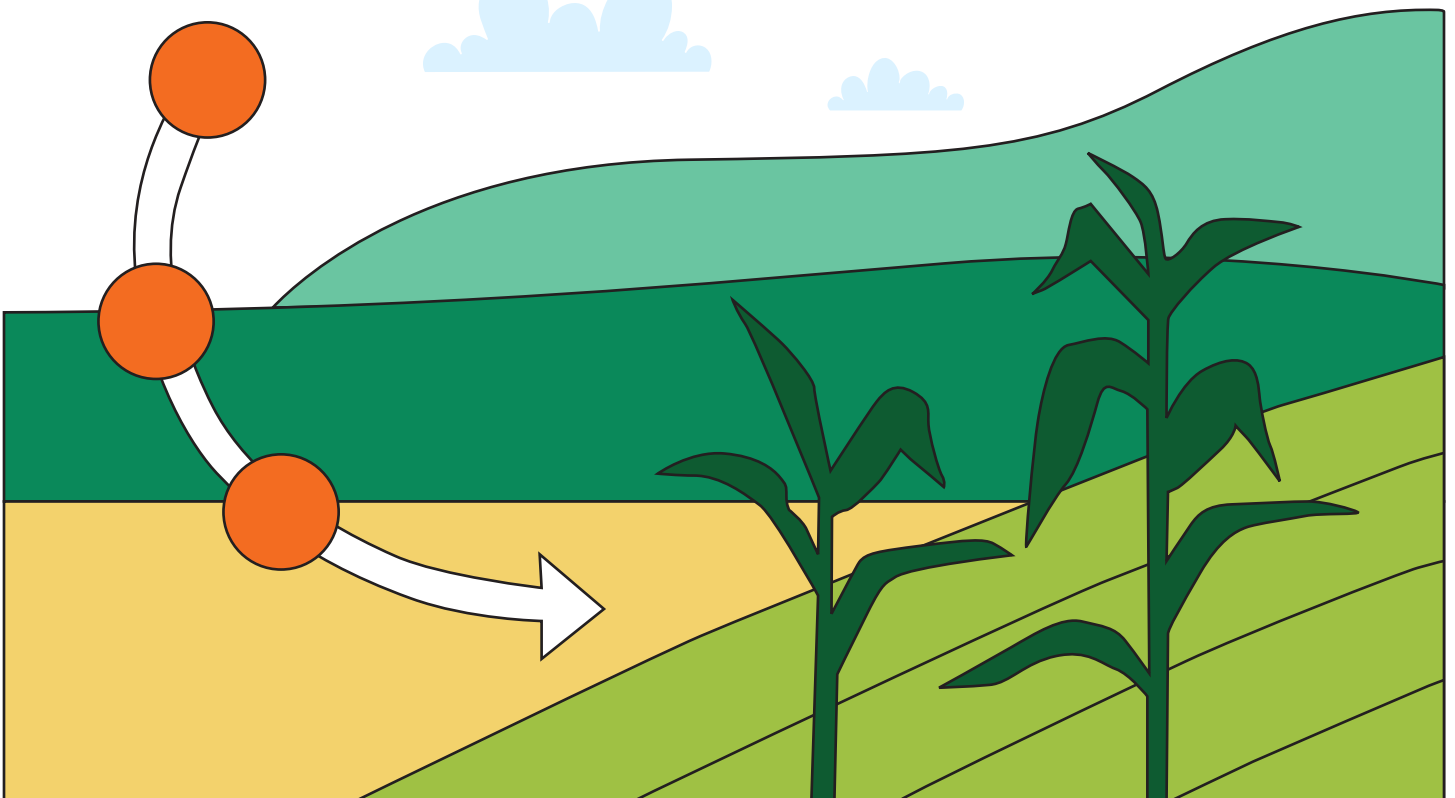
2. Become Carbon Neutral



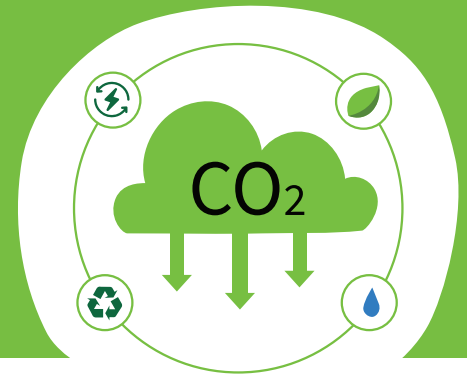
Why regenerative agriculture?

Regenerative agriculture stands out as one of the few currently available carbon sequestration methodologies with the potential to remove multiple gigatons of carbon from the atmosphere each year. Beyond carbon sequestration, it also offers a range of climate-positive co-benefits:

- Enhanced soil health, fertility, and nutrient use efficiency
- Improved soil structure, erosion resistance, and soil water dynamics.
- Improved air and water quality
- Support for soil biodiversity
- Enhanced ecosystem biodiversity and conservation
- Nutrient-dense food production



3. Reducing Our Carbon Footprint in 2022



Carbon Reduction Programs

Following is the list of initiatives SCC integrated in 2022 to reduce our carbon footprint:

Sustainable Packaging:

- 50% of SCC's carbon footprint comes from products and packaging, so sustainable packaging is a big focus for the company. The twist wraps used in SCC's truffles fully compost in about 3 months, in home compost as well as in industrial compost.
- All of the outer wraps for SCC and jcoco bars are fully recyclable, gift boxes are recyclable and use compostable-film windows and post-consumer recycled paperboard is used wherever possible. Only water-based, non-toxic inks, coating and adhesive are used in package printing.



Employee Transportation:

- One mile of driving emits about one pound of CO₂. In order to reduce carbon emission by about 30 metric tons CO₂ per year, SCC's office staff works from home 3 days a week.



Diverting waste away from landfill:

- SCC diverted 22 tons of food waste to composting in 2022.
- 94 tons of cardboard and paper were recycled in 2022.
- In 2023, we started an exciting new program to recycle common plastic items such as shopping bags, food packaging, shipping envelopes, shrink wrap, bubble wrap, and more which cannot go to curbside recycling. Between our facility's uses and inviting our employees to recycle materials at home, we are on track to recycle and additional 37 tons of plastic.
- In 2023, we started a program of composting paper towels from kitchens and bathrooms, diverting about 1,100 lbs paper towels away from the landfill.



Reducing energy usage:

- SCC now uses only LED lights in its building. LED lights are up to 80% more efficient than traditional lighting such as fluorescent and incandescent lights, resulting in less greenhouse gas emissions.



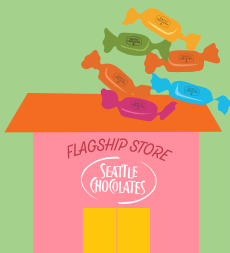
4. Additional Sustainability Initiatives 2023 & Beyond



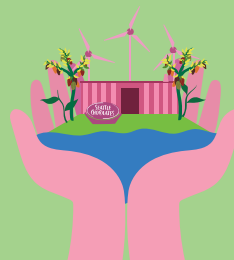
SCC has numerous ongoing initiatives that are aimed at addressing climate change. Here are the results from some of the ongoing SCC programs:

- 9,680 pounds of imperfect factory seconds made their way from our Flagship store to happy homes in 2023. All chocolate scraps from production are also composted. Seconds sales alone reduced CO₂ emission by about 5 tons!
- We switched to 100% renewable natural gas through Puget Sound Energy. By participating in their program, we lower our carbon footprint and support renewable energy projects throughout the Northwest. This switch to renewable natural gas means we are avoiding emissions that are equivalent to 3,000 gallons of gasoline usage or 3.3 million smartphones getting charged.
- To celebrate birthdays, new employees, newborns and more, we planted 618 trees via One Tree Planted in 2023. Trees enhance water quality and support over 80% of global terrestrial biodiversity. The trees we have planted have absorbed more than 16 tons of CO₂.
- PPEs like gloves and hairnets (very important in a food facility) are now being recycled - we expect to recycle 300 lbs in 2024, which is more than 30,000 hairnets and gloves no longer headed for the landfill.
- Nut butters arrive at our factory in large plastic buckets, which previously had to go to the landfill. We worked with our recycler to find a way to recycle them instead, which means about 400 buckets a year are now being given a second life!
- Through August 2023, we increased composting by 52%, including composting food waste in staff kitchens and paper towels in all bathrooms. This meant composting an additional 13 tons of waste!

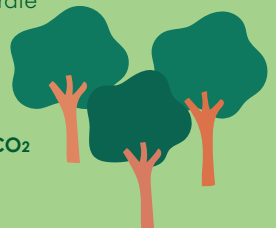
9,680 pounds of imperfect factory seconds made their way from our Flagship store to happy homes in 2023 - **reducing CO₂ emissions by about 5 tons**



We work with Puget Sound Energy to convert our energy usage to renewable sources - **avoiding emissions equal to 3,000 gallons of gasoline usage or 3.3 million smartphones getting charged**



618 trees planted in 2023 to celebrate employees' birthdays, new employees, and newborns - **absorbing more than 16 tons of CO₂**



We expect to recycle **300 lbs** of PPEs like gloves and hairnets this year - more than **30,000** diverted from the landfill



400 nut butter buckets a year are recycled and given a second life



52% increase of composting, including food waste in staff kitchens and paper towels in bathrooms - **resulting in an additional 13 tons of composted waste**

4. Additional Sustainability Initiatives 2023 & Beyond



Future Programs in the Pipeline and Under Consideration:

- Working with Puget Sound Energy, SCC plans to participate in the Green Power program to convert some of the energy usage to a renewable format.
- Eliminating plastic usage and replacing non-recyclable materials with recyclable materials
- Employee training and education in carbon reduction programs, practicing recycling and composting programs.

Long-term Sustainability Programs Under Consideration:

- Green/carbon-free shipping options, shipping programs that are environment friendly.
- Use of ocean harvested plastic
- Use of upcycled ingredients
- Working with suppliers to minimize packaging usage and reducing carbon

Monitoring and Reporting

SCC calculated the company's carbon emissions in 2022 and 2023. Moving forward, our carbon footprint will continued to be calculated every year and progress will be monitored. Progress will be updated and communicated to stakeholders and best practices shared.

Educate and Engage

At SCC, sustainability is a journey of continual improvement toward making the Earth a better place. Every team member in the company contributes to this journey. Team members are educated and trained in carbon footprint reduction in their line of work and on day-to-day activities. They are kept engaged in company's goals, plans and programs with active participation.

Conclusion

Planet Earth is in serious danger because of climate change caused by excessive carbon emissions into the atmosphere. Reversing the negative impact on the environment created over the past decades requires serious effort from all the sectors.

It's imperative that we never rest in doing our part to address climate change, and we're committed to being as transparent as possible on our progress.

Join our sustainability journey on social media:
[@seattlechoc](#) and [@jcoco-chocolate](#).



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