

## **Journey to Net Zero**

Dear Supplier Partner,

As you know we are a loyal supportive customer and have worked with most of you for many years. I thank you for your support and help in our journey to deliver great products but also show that business can be for profit and for good.

You are all very aware of our mission, vision, and purpose to be a **net positive business** (caring about planet, people, and profit) delivering exceptional cleaning products that do not damage the environment with what gets washed down the drain or packaged in single-use plastic that damages our oceans.

We are fully committed to be **carbon neutral** by 2030, if not before. We cannot and must not let the global temperature rise go above 1.5degrees. Anything above this will be disastrous for all living things on our planet.

Measuring our Scope 1 and 2 emissions are relatively easy but the **vast majority of our** Green House Gas (Carbon) emission, Scope 3, will be with you in our supply chain. This is where our partnership becomes more critical than ever. Delphis Eco expects every supplier to be on the same journey and with the same timeframe. We have no choice but to lean into this climate emergency with everything we've got, and our collective success is interlinked so we need to work together and set clear measurable milestones, and both review every six months. Collaborating is vital.

Having the largest <u>EU EcoLabel</u> accredited range in the UK confirms that our products are independently certified to be the least harmful to both the environment and the user. And being a <u>B-Corp</u> means that as a business we have a high social and moral compass. We were also founding signatories to the Ellen MacArthur Foundation's (EMF) <u>Plastics Pact</u> and have signed up to <u>The Race to Net Zero</u>, The Prince of Wales's <u>Terra Carta</u> and in the first 100 companies globally to sign up to <u>Global Optimism's</u> <u>The Climate Pledge</u>.

Most of you know we set up the **first scholarship programme at CISL**, the University of Cambridge, to study a Masters in Sustainability Leadership which is all about giving our future business leaders the best chance to change corporate behaviour. And part of our culture is for all staff to give back to local communities and educate them on sustainability issues. Our **Tops Off Campaign** went national with households sending back their used triggers, lotion pumps and caps helping during the COVID crisis, so manufacturers of hand sanitisers across the country could get their products to those that needed them most. We strongly believe in the principle of 'A trigger for Life' to reuse with bottles filled from diluted concentrates.



<u>Collaborate to Zero</u> is our new programme where we interview game-changing leaders on what they are doing and what tips they can share to help others move faster to a zero-carbon future.

Where to start? **Beyond technologies**, the "climate-leading" companies interviewed by **WEF** (World Economic Forum) and **BCG** (Boston Consulting Group) are embracing nine high-level strategies that could be beneficial for others to consider. They include:

- 1. Calculating an emissions baseline and moving to share data with suppliers.
- 2. Setting targets that "cascade" net-zero emissions ambitions down to their suppliers. For an increasing number of companies, that means encouraging them to set science-based reduction commitments or requiring them, as is the case under the new Salesforce plan.
- 3. **Redesigning products**. That could mean creating closed-loop systems that increase the amount of recycled materials or it might mean swapping out one material or component for another entirely.
- 4. **Reconsidering sourcing.** That could mean a move to "nearshoring" the location of key partners, which helps cut down on transportation emissions. It would also mean the rise of more vertically oriented production models.
- 5. Tying emissions requirements to procurement contracts.
- 6. Teaming up with suppliers on emissions reductions.
- 7. Engaging on sector-focused initiatives that could create momentum.
- 8. Bringing other buyers along.
- 9. **Introducing 'low-carbon governance.'** This includes embedding carbon reduction considerations into product development, procurement, finance and so forth, so that management incentives are aligned around them. Increasingly, it includes executive compensation.

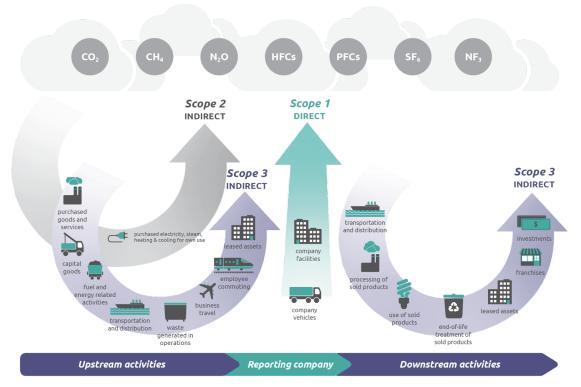
In addition to the above guide, <u>Net Zero Climate</u> is an online tool that connects users with research and resources to help companies set and achieve their net zero climate commitments across sectors and policy landscapes.

However, carbon neutrality means we are using carbon off-sets to reduce our impact. Yes, these will play a part of what needs to happen but at the time of this letter (June 2021) **Carbon Offsets are unregulated, opaque and lack significant efficacy credibility**, therefore should not be relied on as the sole solution and easy immediate way out. Absolutely, we can be carbon neutral today by buying offsets but 1) we don't trust their accuracy and 2) we are not addressing the fundamental issue of reducing our actual carbon outputs. **Carbon offsets are the last part of the process** once we have reduced our Scope 1,2 and 3 to their absolute lowest.



As per <u>SDG Goal 13</u> – Climate Action – this goal is all about resilience and how we can **reimagine our companies** in a Low-Carbon Economy. We need to look at everything to see how we can reduce our CO2 emissions to as close to zero before we rely on offsets.

We are asking every one of our suppliers to report back on their commitment to match our targets, what steps they've already taken and report to us every 6 months on progress so we can **measure and celebrate** our collective Scope 1, 2 & 3 emission reduction. Like everything, we believe in **case studies showing best practice** to help others with tips and tricks so they can move along this path with additional speed so we can reach scale faster.



Source: Greenhouse Gas Protocol [2020]: Corporate Value Chain (Scope 3) Accounting and Reporting Standard

I look forward to continuing our disruptive innovation journey with our **supplier partners** and getting to **Net Zero Carbon by 2030** if not before.

Mark Jankovich Founder & CEO













