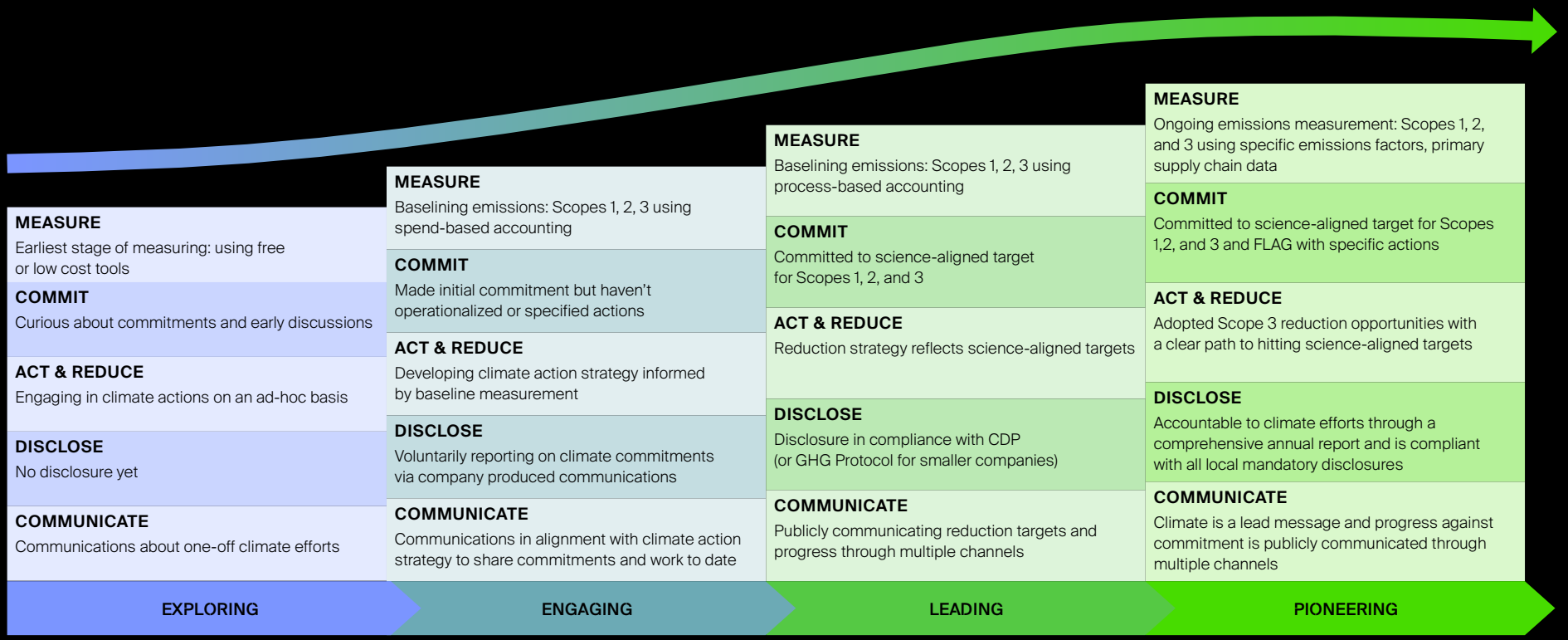


THE CLIMATE ACTION & INNOVATION MATRIX

A GUIDEBOOK TO LEVEL UP YOUR CLIMATE STRATEGY

VERSION 1.0 • 09.18.23

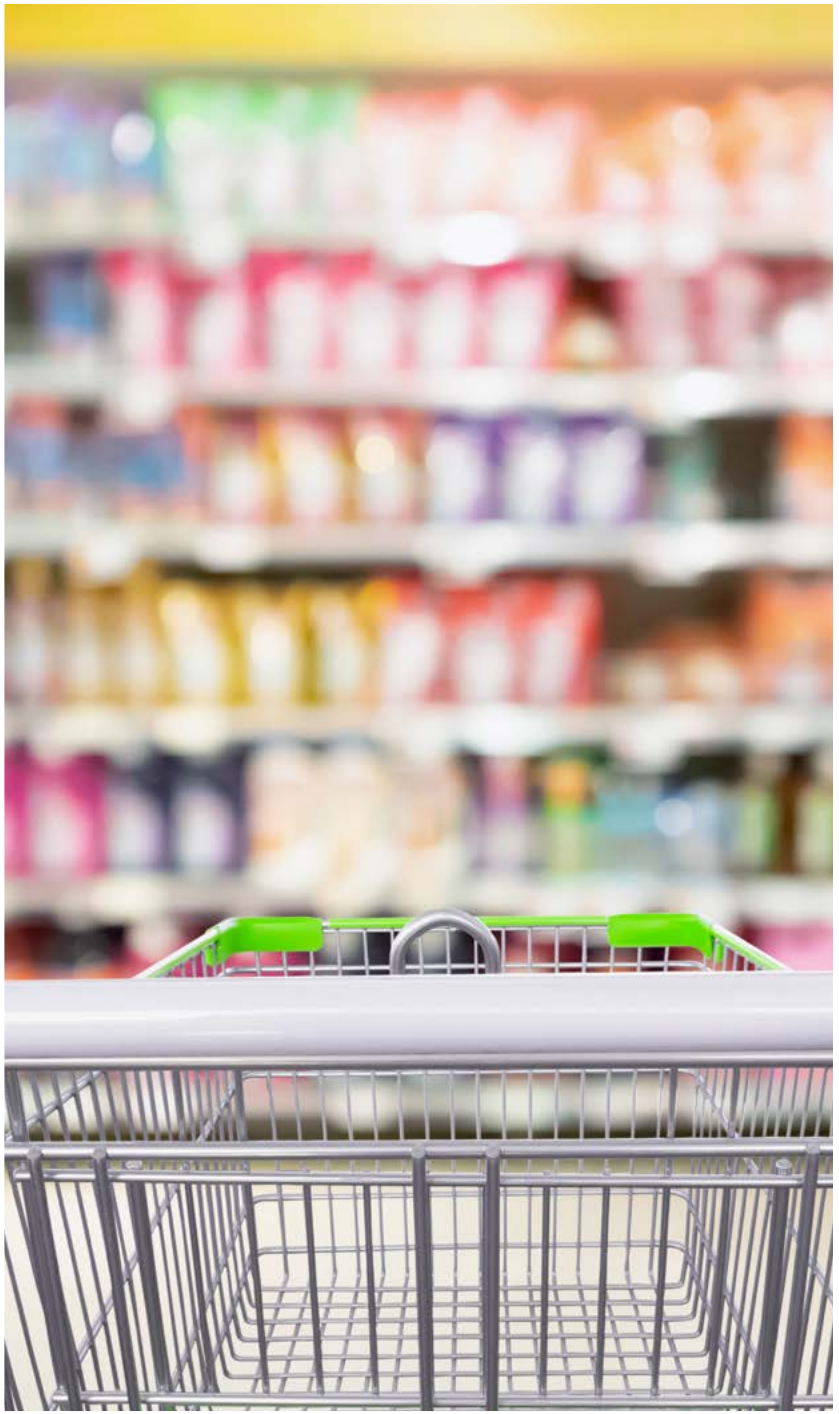
PLANET→FWD™

CLIMATE COLLABORATIVE™
Commit. Act. Impact.

CONTENTS

INTRODUCTION

A critical set of questions faces all consumer companies: When, where, and how to level up climate strategies? No matter where your company currently exists on its path to reducing supply chain emissions, implementing insights-led and data-driven decarbonizing programs, and achieving carbon neutrality, you can level up your climate strategy with *The Climate Action & Innovation Matrix from Planet FWD and Climate Collaborative*. This is the roadmap to advance to the next level in your climate action journey.



This work is hard, but not impossible. If you're wondering where to start, you are not alone. Whether you're exploring, engaging, leading, or pioneering, this work is critical at all stages of business size, scale, and growth.

Planet FWD and Climate Collaborative are combining forces to answer climate action questions facing consumer companies and educate the industries we work in.

Together, we can: follow the data, apply the science, and take action on climate to achieve sustainability goals and net zero. Let science guide your climate journey.

THE GUIDEBOOK

The educational material and informational resources in this guidebook are intended for sustainability leaders and practitioners from consumer companies working in food and beverage, supplement/nutraceuticals, health, wellness, and beauty. With respect to the food and beverage business, this content also applies to the natural products industry as well as food service, ingredient suppliers, and fast casual restaurants.

This material will benefit all consumer brands, as a business resource and framework for sustainability leaders and practitioners looking for answers to questions, solutions to problems, and actionable advice. This guidebook will walk through where to start and how to level up your climate strategy, and accelerate progress against your climate commitments. **Let's get started.**

THE 5 PILLARS OF CLIMATE ACTION

01 MEASURE

Whether you are just starting your climate journey or are a seasoned expert, the foundational principles of climate impact measurement are the same. The best place to begin your climate action is by baselining your carbon emissions. Baselining is critical in climate work because it establishes a clear starting point from which progress can be measured and assessed. Without an accurate baseline, companies lack the context to set realistic reduction targets or understand the effectiveness of their interventions. Furthermore, a well-defined baseline provides transparency and credibility to stakeholders, showcasing an organization's genuine commitment to understanding and addressing its environmental impact. It is also important to clarify the specific outcomes you are looking to achieve. This will help you understand what scopes you need to measure and how specific your data needs to be. Whether you are Exploring or Pioneering in your climate work, we always recommend you work with reliable tools and are transparent about where your data comes from.

02 COMMIT

Whether you are just exploring a climate commitment or want to be on the leading edge of this work, you need to consider several key factors. First, we recommend that your commitment be grounded in scientific data and aligned with global climate goals. It's also critical to ensure that your commitment is both ambitious and feasible and the target is measurable and time-bound to facilitate tracking and accountability. It is important to be transparent about your commitment, and, more importantly, your plans to achieve it. Lofty targets without a plan are a risk to the climate and your company. Last, plan for financial and operational implications of your commitment to ensure the resources and strategies are in place to achieve your climate action goals.

03 ACT & REDUCE

While it's essential for you to take action on climate, experience has shown that the most impactful climate efforts are informed by a clear strategy. This strategy will serve as your guiding roadmap, allowing you to focus your efforts effectively on achieving specific environmental goals. This strategic focus enables you to allocate both financial and human resources optimally, maximizing return on investment in terms of environmental impact and potential cost savings. Moreover, a well-articulated strategy can enhance your reputation among stakeholders, including shareholders, consumers, and employees, who are increasingly prioritizing sustainability.

THE 5 PILLARS OF CLIMATE ACTION

04

DISCLOSE

When you're working on climate disclosure, it's paramount for you to prioritize transparency, accuracy, and comprehensiveness in your reporting. For smaller companies, basic reporting might be enough, but as the majority of larger companies focus on their Scope 3 emissions, there's growing pressure on all companies, including yours, to start tracking and disclosing emissions. It's critical for you to ensure data is rigorously collected, verified, and based on recognized standards like the TCFD or the Greenhouse Gas Protocol. Aiming for disclosures that encompass the entirety of your environmental impact, from direct operations to the broader value chain, underscores your genuine commitment.

05

COMMUNICATE

Effective communication with stakeholders about your climate commitments is essential for building trust, gaining support, and demonstrating genuine corporate responsibility. You should articulate your climate goals clearly, highlighting the steps taken, outcomes achieved, and any challenges faced. Using multiple communication channels can help you reach a wide range of stakeholders. Being transparent, responsive, and proactive in your communications reinforces your dedication to accountability, especially when greenwashing is a concern. This approach also affirms your sustained commitment to taking meaningful action on climate.

CLIMATE ACTION & INNOVATION MATRIX

	EXPLORING	ENGAGING	LEADING	PIONEERING
MEASURE	→ Utilizing free tools to baseline and measure company footprint on an annual basis → [EPA free tools] → Understanding what product components might be higher emissions—materials, packaging, processing	→ Baselining company level Scopes 1, 2, and 3 using primarily spend-data —— OR —— → Starting to measure cradle-to-grave product climate footprint	→ Baselining company level Scopes 1, 2, and 3 at a process-based accounting level —— AND —— → Starting to measure cradle-to-grave product climate footprint	→ Baselining/ongoing measurement of Scopes 1, 2, and 3, at company level using specific emissions factors, primary supply chain data —— AND —— → Measuring cradle-to-grave* product climate footprint
COMMIT	→ Curious about commitments but haven't yet made a commitment or are discussing and weighing commitment options → Internally or publicly	→ Have made an initial commitment (internal or external), but commitment is not fully operationalized with transparent targets and metrics	→ Have committed to a science-aligned commitment target (e.g. SBTi) for Scopes 1, 2, and 3	→ Have committed to a science-aligned commitment target (e.g. SBTi) for Scopes 1, 2, and 3 and specific actions that help meet the target
ACT & REDUCE	→ Engaging in climate actions on an ad-hoc basis	→ Developing a climate action strategy informed by baseline measurement for Scope 1, 2, and 3 → Identifying and taking action on Scope 1 and 2 reduction opportunities	→ In early stages of planning—strategy reflects science-aligned targets → Identifying and taking action on Scope 1, 2, and 3 reduction opportunities where scoped actions add up to science-aligned targets	→ Adopted Scope 3 reduction opportunities. Influence and deep partnership across the value chain to achieve higher impact Scope 3 reductions → Has a clear path to hitting science-aligned targets
DISCLOSE	→ No disclosure yet	→ Voluntarily reporting on climate commitments via company produced communications	→ Disclosure is in compliance with CDP (or GHG protocol for smaller companies) → Voluntarily reporting on ESG in US → If operating in Europe, compliant with regulations	→ Publicly held company is accountable to climate efforts through a comprehensive annual report → Requesting that supply chain partners disclose through CDP or other reporting mechanism → Product carbon footprints publicly disclosed → US companies - Disclosing Scope 3 emissions for SEC in accordance with GHG protocol → Compliant with all local regulations and prepared for upcoming mandatory disclosures, such as the EU Corporate Sustainability Reporting Directive (CSRD) and the US SEC Disclosure → Voluntarily disclosing on Scope 3 emissions in accordance with the GHG protocol and prepared to address additional metrics, such as transition risk, water, and biodiversity
COMMUNICATE	→ Communications about one-off climate efforts	→ Communications in alignment with climate action strategy to share high-level commitments/goals and work to date	→ Publicly communicating goals and commitments, potentially sharing on website, social media, packaging, and beyond → If it's applicable, meaningful, and measurable, sharing details on Scope 3 reductions (e.g., regenerative/sustainable farming/ingredients, packaging, processing, supply chain length, etc)	→ Climate is a lead message → Communicate progress against commitment → Publicly communicating goals and commitments on website, social media, packaging, and beyond → Sharing details on Scope 3 reductions (e.g., regenerative ag/sustainable farming/ingredients, packaging, processing, supply chain length, etc) → Carbon labeling → Product carbon footprints publicly communicated (on-pack)

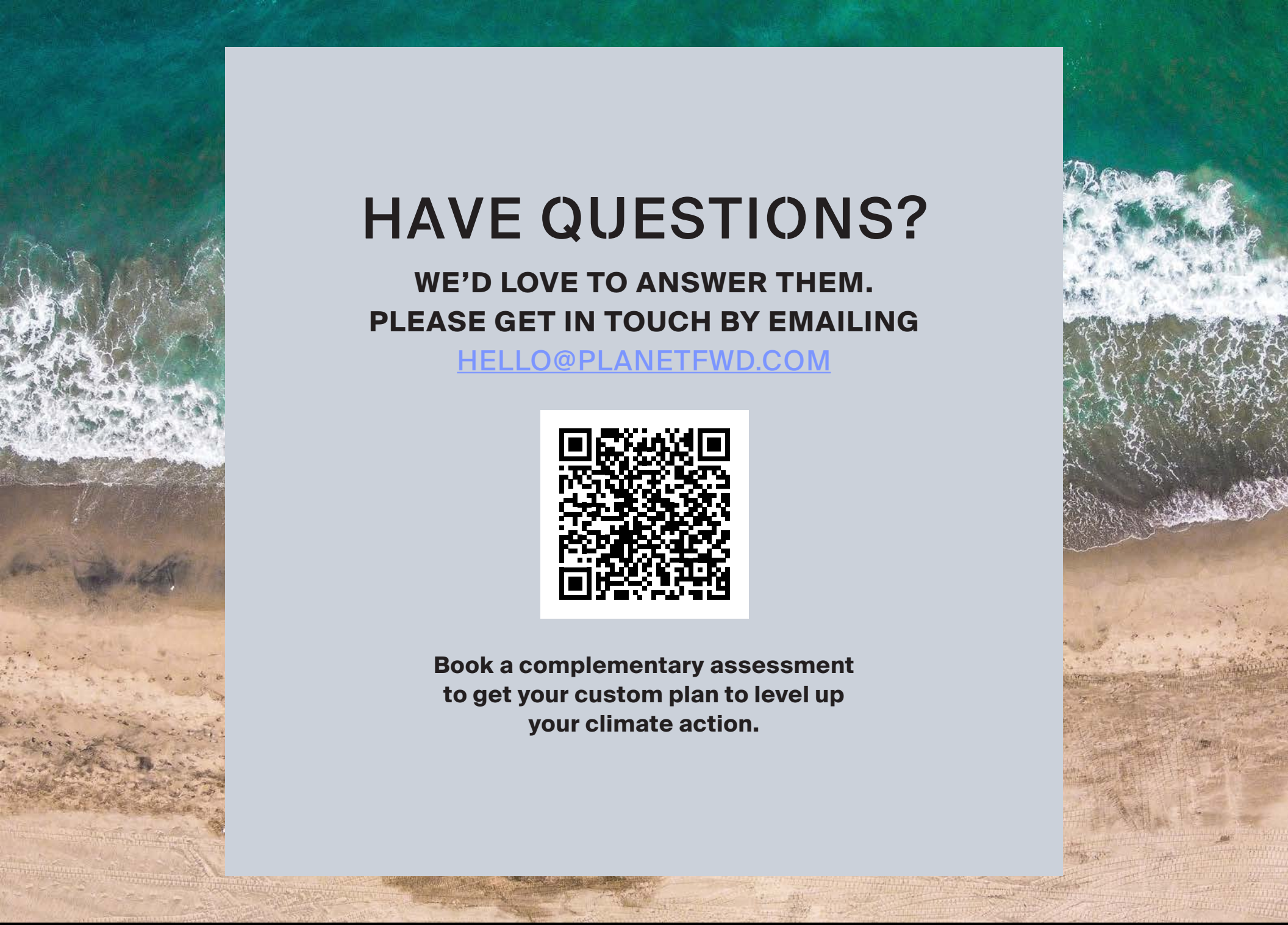
THE FIRST NEXT STEP

Sustainability Leaders at consumer brands are facing mounting pressure internally and externally as they balance competing demands, priorities, and stakeholders.

If you are looking for a community to support your work, Climate Collaborative offers free climate education and events, pre-competitive collaborations, policy opportunities, and a Commitment Program that provides high-impact pathways for climate engagement. Beyond the Commitment program, the Climate Collaborative works with thousands of brands, distributors, retailers, and associations to accelerate meaningful and just climate action and advocacy throughout the food system.

And as you look to increase your climate action and activate your plans, Planet FWD can help you identify the highest priority areas to take action and stay on top of the latest climate science and solutions to meet your goals faster.

BOOK A COMPLEMENTARY CLIMATE ACTION ASSESSMENT



HAVE QUESTIONS?

WE'D LOVE TO ANSWER THEM.
PLEASE GET IN TOUCH BY EMAILING
HELLO@PLANETFWD.COM

Book a complementary assessment to get your custom plan to level up your climate action.

GLOSSARY OF TERMS

HERE'S A LIST OF KEYWORD TERMS AND DEFINITIONS TO HELP YOU BETTER UNDERSTAND THIS GUIDEBOOK.

CO_2e:
Carbon dioxide equivalents, a measurement used to compare emissions from various greenhouse gases based on their global warming potential. In order to measure and compare the impact of these emissions, general scientific practice uses CO_2 equivalent (CO_2e), converting other greenhouse gases to CO_2e based on their global warming potential over a 100-year time horizon. The carbon footprint of products is most commonly expressed in kilograms of CO_2e, or kg CO_2e. The carbon footprint of companies is most commonly expressed in metric tons of CO_2e, or mt CO_2e.

CARBON FOOTPRINT:
A carbon footprint is the total amount of greenhouse gases produced by something or someone. Companies and countries have carbon footprints, and so do you. A carbon footprint includes many different kinds of emissions, including things you probably wouldn't think of, like raw material extraction and freight shipping.

CARBON LABEL:
A label expressed as kg CO_2e on product packaging, menu boards and more. For Planet FWD, a verified carbon label is compliant with accounting methodologies as laid out in GHG Protocol and ISO 14040/4. Each product featuring a Planet FWD Carbon Label lists the total estimated greenhouse gas emissions associated with the production of the ingredients in that product.

- → Also referred to as a "nutrition label for the Earth," carbon labels leverage calculations of many types of greenhouse gases (GHG), not just carbon dioxide. Carbon labels can be used to compare the carbon footprint of items within a given product collection or restaurant menu. Important note: Because calculation methods may vary, it's difficult to compare carbon labels for products from different companies. Planet FWD traces the cradle-to-grave emissions of every ingredient within a given product, packaging, and end of life when a product is disposed of. These calculations also look at factors specific to a brand's business operations.
- → For Planet FWD, a carbon label includes the climate footprint of a specific product, provides information and transparency to consumers and shoppers, and should be accompanied by the statement "calculated by Planet FWD" to indicate that calculations were conducted by a third-party and can be attributable to verified standards.

CLIMATE FOOTPRINT:
A calculation that encompasses where a company and/or its product offering emissions come from, what the impact is, and vocalizes the potential to reduce emissions.

CRADLE TO GATE:
Cradle to gate is a boundary condition associated with embodied carbon, carbon footprint and LCA studies. A study of these boundaries considers all activities starting with the extraction of materials from the earth (the cradle), their transportation, refining, processing and fabrication activities until the material or product is ready to leave the factory gate.

- → ALT VERSION (C2CPII): With respect to greenhouse gas emissions, "Cradle to Gate" describes the greenhouse gas emissions associated with a consumer product from raw ingredient or material up to the final manufacturing stage. Concerning a consumer product, Cradle to Gate is one of several potential methodology choices–the others being Use, End-of-Life, and Cradle to Grave–when identifying the boundary of inventory.
- → The following should be included in a sustainability strategy to optimize the embodied energy of a product from Cradle to Gate:
  - » Identify the highest-impact emissions sources in the supply chain and develop an outreach strategy to identify renewable electricity and carbon management strategies already in place and opportunities for optimization.

GLOSSARY OF TERMS

- » Methods that are and/or will be employed to use renewable electricity and manage GHG emissions among high-impact supply chain actors, including a description of whether the focus is on installation of renewables, absolute reductions (i.e., improved energy efficiency measures), and/or intensity initiatives (e.g., efficiency improvements defined as reductions in emissions normalized by total production), or carbon sequestration projects.
- » A timeline including dates that outreach activities or initiatives went or will go into effect.
- » Progress made to date and what change in absolute emissions can be attributed to integration of renewables or efficiency improvements. If no progress has been made, explain why.
- » Budget allocated to execution of the plan.

CRADLE TO GRAVE (END-OF-LIFE):

The cradle-to-grave approach involves all steps between extracting materials and fuels from the environment until the point where all materials are returned to the environment.

The system boundary for Planet FWD LCAs is cradle-to-grave, starting from the extraction of raw materials and ending at the end-of-life for all the inputs required to create a single unit of product. All known emissions sources described in the process map are included within the assessment. Other potential emissions sources are outside the scope of the assessment.

DECARBONIZATION:

Decarbonization is shorthand for finding alternative ways of living, working and producing that reduce emissions and capture and store carbon in our soil and vegetation. There are two aspects to decarbonization. The first entails reducing the greenhouse gas emissions produced by the combustion of fossil fuels. The second requires absorbing carbon from the atmosphere by capturing emissions and enhancing carbon storage in agricultural lands and forests.

GHG:

Greenhouse gases. For Planet FWD, and for the purposes of the GHG Protocol Standard, GHGs are the six gases listed in the Kyoto Protocol: carbon dioxide (CO_2); methane (CH_4); nitrous oxide (N_2O); hydrofluorocarbons (HFCs); perfluorocarbons (PFCs); and sulfur hexafluoride (SF6).

NET ZERO:

Net zero means that all greenhouse gas emissions produced are counterbalanced by an equal amount of emissions that are eliminated; in other words, it means achieving a balance between emitting carbon and absorbing carbon from the atmosphere. Net zero is the internationally agreed upon goal for mitigating global warming.

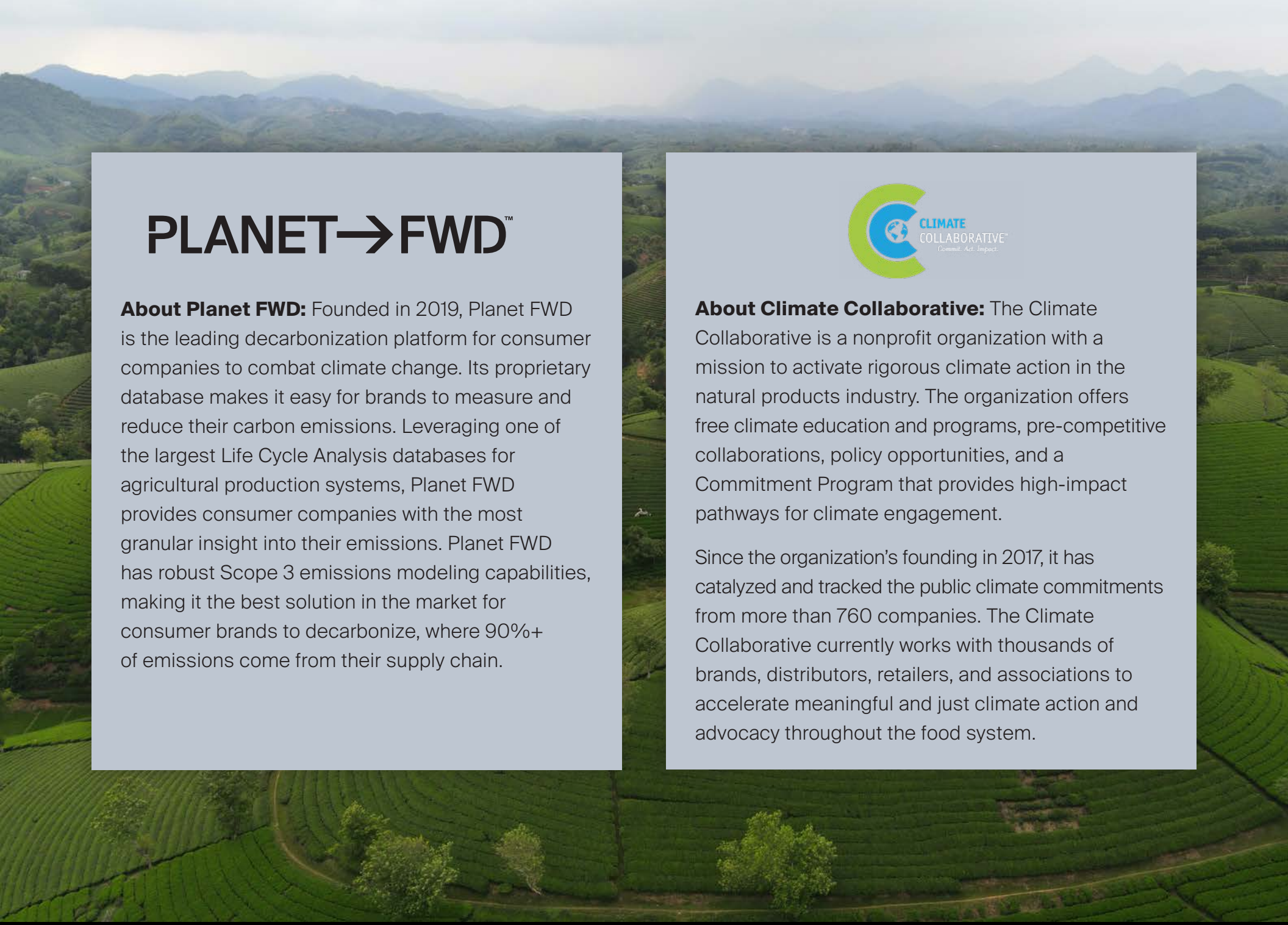
SCOPE 1, 2 AND 3 EMISSIONS

- → **Scope 1 Emissions:** Also known as "direct emissions from greenhouse gases (GHG)." Companies report GHG emissions from sources they own or control as Scope 1. Direct GHG emissions are principally the result of the following types of activities undertaken by the company: generation of electricity, heat, or steam; physical or chemical processing; transportation of materials, products, waste, and employees; fugitive emissions.
- → **Scope 2 Emissions:** Also known as "electricity indirect emissions from greenhouse gases (GHG)," Scope 2 includes company emissions from the generation of purchased electricity that is consumed in its equipment or operations.
- → **Scope 3 Emissions:** Also known as "other indirect emissions from greenhouse gases (GHG)." Scope 3 provides an opportunity for brands to be innovative in GHG management. Activities considered Scope 3 include the following: extraction and production of purchased materials and fuels; transport-related activities; electricity-related activities not included in Scope 2 (e.g., extraction, production, and transportation of fuels consumed in the generation of electricity; purchase of electricity that is sold to an end user, reported by utility company; generation of electricity that is consumed in a T&D system, reported by end-user; leased assets, franchises, and outsourced activities; use of sold products and services; waste disposal activities.

CONTINUED READING

HERE'S A COLLECTION OF RELEVANT RESOURCES FROM PLANET FWD TO HELP YOU ALONG ON YOUR CLIMATE ACTION JOURNEY:

- → US SEC proposed disclosure also see this statement, this article and this article
- → EU Corporate Sustainability Reporting Directive (CSRD) also see this article
- → CDP disclosure, also see this article
- → GHG Protocol Corporate Accounting and Reporting Standard
- → GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard
- → SBTi
- → Science-Aligned Targets
- → SBTi FLAG
- → Planet FWD Standards



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About Planet FWD: Founded in 2019, Planet FWD is the leading decarbonization platform for consumer companies to combat climate change. Its proprietary database makes it easy for brands to measure and reduce their carbon emissions. Leveraging one of the largest Life Cycle Analysis databases for agricultural production systems, Planet FWD provides consumer companies with the most granular insight into their emissions. Planet FWD has robust Scope 3 emissions modeling capabilities, making it the best solution in the market for consumer brands to decarbonize, where 90%+ of emissions come from their supply chain.

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About Climate Collaborative: The Climate Collaborative is a nonprofit organization with a mission to activate rigorous climate action in the natural products industry. The organization offers free climate education and programs, pre-competitive collaborations, policy opportunities, and a Commitment Program that provides high-impact pathways for climate engagement.

Since the organization's founding in 2017, it has catalyzed and tracked the public climate commitments from more than 760 companies. The Climate Collaborative currently works with thousands of brands, distributors, retailers, and associations to accelerate meaningful and just climate action and advocacy throughout the food system.

SOURCES

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