



CARBON NEUTRAL PRODUCTS & COMPANY FAQs

In 2019, all of our tea and coffee products became certified CarbonNeutral® and in 2020 we became a certified CarbonNeutral® company. This document explains what it means and how we've gone about it.

1. What is carbon neutrality?

Carbon neutral, also called carbon neutrality, is a term used to describe taking action to remove as much carbon dioxide from the atmosphere as we put into it. So, balancing what we put in with what we take out. The overall goal of carbon neutrality is to achieve a zero carbon footprint.

2. Why is carbon neutrality important?

Climate change is impacting our planet. We are seeing changes in rainfall patterns, increased temperatures and drought, and an increase in extreme weather events.

One of the big drivers of the speed of climate change is the amount of greenhouse gases that are emitted into the atmosphere. These greenhouse gases act as an atmospheric blanket and more of the heat that the Earth absorbs from the sun during the day is then trapped and not radiated back out into space, increasing the Earth's temperatures.

To minimise global warming, it's widely recognised that the world needs to move towards lower carbon or zero-carbon economies. Carbon neutrality is a step that as a business we can take to help with this.

3. Why did we decide to become a carbon neutral company and make our tea and coffee range carbon neutral?

We've a long history of working to reduce our environmental impact and supporting environmental protection. Our commitment to carbon neutrality builds on this, ensuring that we're playing our part in climate change mitigation by robustly measuring the environmental impact of our business and products, reducing it as much as possible, and then balancing the emissions we can't avoid by funding initiatives that absorb carbon or reduce carbon emissions around the world. This 'offsetting' is delivered by purchasing verified 'carbon credits'.

CarbonNeutral® certification is underpinned by a robust methodology and independently verified. We are certified by Natural Capital Partners in accordance with The CarbonNeutral Protocol. The Protocol is revised and updated annually to reflect developments in climate science, international policy, standards and business practice.

It provides the assurance – both for ourselves and our customers – that our business is genuinely playing its part in the transition to a low-carbon economy. It's also important to note that we've worked to ensure our carbon neutral commitment has a direct and positive impact on our tea and coffee supply chain. This is a different approach to most companies.

4. How do we measure our total carbon emissions?

We calculate two carbon footprints: one footprint for our business operations (to help us achieve carbon neutral business status) and one footprint for our tea and coffee products (to help us achieve carbon neutral product status for our tea and coffee range). For both, we work with Quantis, an environmental consultancy and experts in lifecycle analysis, who apply environmental science to businesses. Because all the data is recorded in different metrics – whether it be transport miles, gas and electricity used, or waste disposed of – it's converted into equivalent emissions of Carbon Dioxide. We report these in tonnes of CO2 equivalent (tCO2 -eq).

Our Business Carbon Footprint includes all emissions from our own business operations. It includes purchased electricity and gas, transportation and distribution in our own vehicles or third-parties on our behalf, business travel and waste. This is calculated and reported annually.

Our tea and coffee range Product Carbon Footprint includes all emission from bush to supermarket shelf. It includes the cultivation and processing of tea leaves and coffee beans at origin; the manufacture of packaging; transportation of commodities and packaging to Harrogate; manufacturing and storage of product; distribution to retailers and all wastes along the way. For product carbon neutrality we calculate emissions every three years.

5. What is our Business Carbon Footprint?

Our total business carbon footprint (for Bettys & Taylors based on data from our 2019 financial year) was 3145 tCO2 -eq. The main driver for this was transportation by truck from the port to the point of sale.

6. What's our tea and coffee range Product Carbon Footprint?

Our overall tea and coffee range Product Carbon Footprint (based on data from our 2019 financial year) was 71,000 tCO2 -eq. Nearly 80% our product emissions result from the cultivation and processing of our tea and coffee at origin, with coffee having the biggest impact. This is largely due to higher volumes of waste created during coffee processing, along with emissions from fertilizer use.

7. What's involved in becoming carbon neutral?

There are many steps to becoming carbon neutral and we've followed the best practice 'carbon hierarchy' model, as set out by the Institute of Environmental Management and Assessment (IEMA). The best approach is to avoid emissions entirely. Next, the focus is on emission reduction and substituting with lower emission alternatives. It's unlikely a business, product or activity could completely avoid emissions, so the final step is to compensate for remaining emissions by offsetting through the purchase of carbon credits from carbon reduction initiatives. Our footprint, internal reductions and carbon reduction projects are all validated, verified and monitored by independent third parties in accordance with the CarbonNeutral® Protocol.

8. What have we done to minimise our carbon footprint and emissions in our operations?

We continually work to reduce our emissions across all areas of our operations – whether it be through small local actions, different ways of working, or investment in building and infrastructure. For example, in the development extensions to our buildings we avoided potential emissions by designing in natural light and improving insulation. Meanwhile, with transport responsible for the largest part of our business carbon footprint (after taking into account our renewable energy contracts), we've reduced emissions through efficient use of fuel in our own vehicles. Finally, we've substituted the energy we use with greener alternatives. This includes solar panels on Taylors warehouse roof, a biomass boiler

for heating, and switching our electricity and gas to renewable tariffs. The treatment of our waste materials also has a positive impact on our carbon footprint. Since 2017 all our waste has been diverted from landfill and either recycled or recovered for energy.

9. What have we done to reduce emissions within our supply chain?

As our tea and coffee Product Carbon Footprint shows, the cultivation and processing of tea and coffee at origin has a significant impact in terms of emissions. Given this isn't in our direct control, it's harder for us to drive change. However, we're committed to work in partnership with our suppliers and the wider industry to reduce emissions. For example, we've worked with the Kenyan Tea Development Agency to measure the carbon footprint of their operations, assess the energy efficiency of their tea factories and introduce management controls and operational efficiencies to drive reductions in emissions.

10. What's involved in 'offsetting' and how have we gone about it?

To balance or 'offset' our remaining emissions, we have both set up projects that directly benefit communities and people in our supply chain and supported other projects that benefit communities in tea and coffee growing countries.

With top quality Kenyan teas being essential for our blends, we've worked with The International Small Group Tree Planting Program (TIST) to establish a significant tree planting project with tea smallholders around Mount Kenya.

TIST encourages smallholder farmers to improve their local environment and farms by planting and maintaining trees on degraded and unused land. As the trees grow the carbon capture is quantified and verified. This is then sold on the global carbon market in the form of certified carbon credits. The TIST farmers receive annual carbon pre-payments for each tree established and 70% of the net profit when the credits are sold. They also benefit from the additional income and nutrition that the trees provide, as well as the environmental benefits associated with fuel, shade, improved soil structure and stabilization. In all, our investment with TIST has enabled nearly 2 million trees to be planted with over 7000 farmers.

We've also established fuel-efficient cook-stove projects with tea growing communities in Malawi, which produce carbon credits by reducing emissions associated with burning fuelwood, while protecting forests and supporting families' health and wellbeing. Other projects that we are supporting benefit communities within tea and coffee growing countries such as a hydro-electric power project in Sri Lanka, solar panels at an orphanage in Rwanda and a water-filtration project in Guatemala.

