

Freshpet Enhances its Commitment to the Planet with Decarbonization Initiatives



Freshpet was founded with a mission to revolutionize the way all pets are fed by making fresh, natural food. Since day one, the company has been committed to changing the industry

through positive innovation that is good for pets, pet parents, and the planet. So in 2019 when Freshpet reached out to 3Degrees to help address its global greenhouse gas (GHG) emissions footprint, we were eager to support the company in its quest to be the most sustainable pet food that consumers can buy.

Challenges

When Freshpet approached 3Degrees, the company was in the earlier stages of its climate action journey and was looking for a renewable energy and decarbonization solutions partner to help take its sustainability commitments to the next level. It had a lot of ambition and wanted to ensure it was making the most meaningful impact. While the Freshpet team members knew they were interested in making a renewable energy purchase, they were looking for a partner with deep expertise who could help educate them on their options and guide them beyond that initial investment.

How we helped

After the Freshpet team executed its first purchase of renewable energy certificates (RECs), it continued to gain stakeholder support to further build out its sustainability program. The company came back to 3Degrees with the desire to accelerate its climate commitments, and we crafted a multi-step approach to help the company build a more comprehensive climate action plan.

This phased approach included:

- ✓ *Full Scope 1 & 2 greenhouse gas (GHG) inventory.* As a first-time inventory, there were three important components to this analysis: to help Freshpet gather the needed data in the most efficient way possible, to educate relevant stakeholders on recordkeeping and data management processes which can streamline future inventory efforts, and to assemble the data, calculate the emissions, and present the full GHG inventory to Freshpet.
- ✓ *Scope 3 emissions screen.* 3Degrees examined Freshpet's indirect value chain greenhouse gas emissions – those related to but not directly controlled by the company (Scope 3). Because the universe of Scope 3 emissions is so large, we first screened Freshpet's Scope 3 emissions using an industry-standard open-source tool that uses purchasing data to estimate emissions from 15 categories.



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“Since its founding, Freshpet’s mission to nourish Pets, People, and Planet has included a significant focus on the environment. We were one of the first pet food companies to operate a landfill-free manufacturing facility and have been purchasing wind power since 2014. As we increased our efforts to help fight climate change, 3Degrees has been an instrumental partner in Freshpet’s sustainability journey. Their multi-disciplined climate science knowledge has allowed us to measure our carbon footprint and take meaningful actions that meet demands of our consumers, investors, and team members.”

- JUSTIN JOYNER
Sustainability Lead, Freshpet

✓ *Stakeholder education sessions and competitive benchmarking.* During this workshop that 3Degrees hosted for the Freshpet executive team, we shared the following information:



The landscape of stakeholders influencing the standards by which Freshpet's goals and actions may be judged (e.g. Environmental Working Group, CDP, CERES, etc.);



Key initiatives launched or used to encourage corporate action (e.g. RE100, Net-Zero, CDP, Science-Based Targets, UN Sustainable Development Goals);



A benchmark review of the goals and programs underway across a select group of companies in relevant sectors and industries.

✓ *Materiality workshop.* 3Degrees facilitated a materiality workshop with Freshpet's executive team members during which they evaluated near-term areas of focus for climate action according to criteria such as level of emissions, impact on the fulfillment of the company's mission, and stakeholder expectations. As a group, we discussed Freshpet's particular position as a leader in a new market category and the unique opportunities it presents to influence change.

✓ *Deeper GHG footprinting analysis.* In addition to updating Freshpet's Scope 1 & 2 inventory for 2020, 3Degrees also added more granularity to the Scope 3 assessment by digging deeper into the details of the company's largest categories of emissions.

✓ *Goal setting & implementation plan.* 3Degrees helped Freshpet set an ambitious, well-planned climate goal by using the company's inventory data and growth projections to model reductions necessary to meet 3-4 goal scenarios. We then translated those reductions into categories of actions that Freshpet could take to achieve the goals and provided directional costs for those actions.

✓ *Introduction to the Task Force on Climate-related Financial Disclosures (TCFD).* TCFD is a risk assessment and mitigation planning tool that helps companies uncover the transitional, physical, and financial risks associated with climate change and develop appropriate governance strategies to manage these risks. Through an honest and transparent discussion with Freshpet's executive leadership, 3Degrees helped them understand the "why" and the "what" of the TCFD required disclosures to kick start the process for eventually reporting to the standards.

Results

From the beginning, Freshpet demonstrated a dedication to digging deep and taking a strategic approach as it marched towards additional sustainability commitments. The team was curious and eager to take action once it had the appropriate information. As a result of this phase of work, Freshpet has a better understanding of the sources of its emissions, which allows the team to focus resources on high-impact reductions. Freshpet arrived at a carbon neutral goal for its Scope 1 and 2 footprint, while it works towards setting additional long-term decarbonization plans.

3Degrees, a certified B Corporation, makes it possible for businesses and their customers to take urgent action on climate change. We help organizations around the world achieve renewable energy and decarbonization goals through our work with global Fortune 500 companies, utilities, and other organizations that want to join the fight against climate change.

