

STONYFIELD FARM, INC.

Comprehensive Plan May Extend Off-site, But Not Out of Mind

PROJECT SNAPSHOT

PROJECTS

Broad-based energy efficiency, carbon offset and consumer education program

TECHNOLOGIES

- 1997: Oregon Forest Resources Trust reforestation project
- 1998-99: Straw-bale home construction in China
- Coal-Methane capture and use

CO₂ EMISSION REDUCTIONS

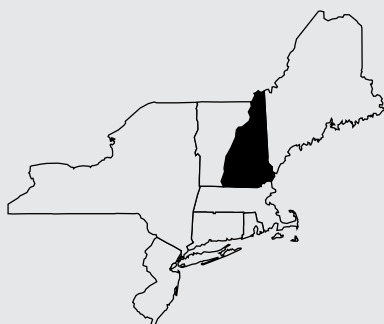
7,066 tons

INVESTMENT

\$22,000

LESSONS LEARNED

Stonyfield Farm has reduced its contribution to global warming, while increasing its profits.



INTRODUCTION

Stonyfield Farm, Inc. is implementing large plans to put a lid on climate change. The company views global warming as one of the direst legacies we can leave to future generations. The objective of Stonyfield Farm's Climate Change Initiative is to give the business community the tools it needs to reduce its contribution to the problem. The company will leverage its relationship with millions of consumers to foster greater awareness of the threat greenhouse gases pose to the environment, while pointing out the many ways individuals can take action to reduce them.

THE PROJECT

Stonyfield Farm's Climate Change Initiative takes a comprehensive approach to reversing the threat posed by human-induced climate change. The initiative focuses on three main activities: energy efficiency, carbon offsets and consumer education.

First, through investment in energy-efficient technologies – including lighting retrofits, hot water recovery and other process changes – the company reduced the amount of energy used at its manufacturing facilities by 27 percent per pound of product from fiscal 1995 to 2000. These energy reductions save tens of thousands of dollars a year.

Second, in 1997 Stonyfield Farm developed a model program to offset 100 percent of the CO₂ emissions the company causes to be generated as a result of its energy use at its facility in Londonderry, NH.¹ For rapidly growing businesses like Stonyfield Farm, achieving a net reduction in carbon emissions is an especially challenging goal. But by investing in CO₂ emission-reduction projects elsewhere in the U.S. or around the world, the company can take advantage of opportunities to neutralize its emissions by offsetting them. Through a partnership with Trexler and Associates, Inc., a consulting firm that specializes in climate change risk management and strategy response, Stonyfield Farm has

offset all of its energy-related CO₂ from 1997 to 1999. To date, the partnership has invested in forestry, methane recovery and energy efficiency projects, both domestically and overseas. The offsets include a reforestation project in Oregon, straw-bale home construction in China, and capture and use of coal mine methane in Ohio.

These offset investments were funded with savings from the energy efficiency improvements described above. In other words, Stonyfield Farm has greatly reduced its contribution to global warming, while increasing its profits. According to CEO Gary Hirshberg, "Doing good in and with your company can be the most empowering and financially successful strategy you could implement. It is the companies who do the most good, both internally and externally, who will be the commercial leaders of the 21st century."

Finally, Stonyfield Farm has launched an extensive global warming/energy awareness campaign with partners like the Union of Concerned Scientists, Earth Communications Office, and the American Public Transit Association. The activities within this campaign include:

- A series of energy and global warming messages on the lids of more than 21 million yogurt containers.
- A campaign to promote the use of public transit, rewarding over 166,000 commuters in six cities with free yogurt, while distributing information on the environmental benefits of transit.
- Sole corporate sponsorship of a climate change public service announcement expected to reach a billion people around the globe.
- Speaking engagements by CEO Gary Hirshberg to address business and student groups on the need for business to take a leadership role in reversing global warming.

In addition, Stonyfield Farm has produced a guide to help businesses offset greenhouse gas emissions. It is available for free at www.stonyfield.com.

THE RESULTS

Stonyfield Farm calculated that in fiscal 1997 it emitted about 2,000 tons of CO₂ as a result of emissions from use of electricity and propane at its main facility. The cost of tree planting to absorb this much carbon dioxide was calculated at \$3 a ton. Thus, the total 1997 offset cost was about \$6,000. Stonyfield Farm's combined CO₂ emissions for the fiscal years 1998 and 1999 totaled 5,066 tons. The offset cost of the China Straw-Bale Home Construction Pilot Project was \$6 a ton, and the cost of the Methane Capture and Utilization Project was \$1.50 a ton. Stonyfield Farm's total carbon offset cost in 1998-99 was \$16,000.

The bottom line: Stonyfield Farm offset a total of 7,066 tons of CO₂ from 1997 through 1999. This is equivalent to the emissions associated with 35 barrels of oil per day or taking 944 typical vehicles off the road each year.

Stonyfield Farm's offset strategies target restoration projects like reforestation. By promoting greening, air emission reductions and reduced health risks, among other things, these projects reduce greenhouse gases and improve the quality of life for communities. The company's Oregon reforestation offset investment provides local economic benefits by transforming economically unproductive land into healthy, working forests. Besides its CO₂-reduction benefits, the project will promote salmon recovery, increase wildlife habitat, and improve water quality and soil stability.

The straw-bale home construction project provides local economic support by creating farming and construction jobs, and reducing the need to spend household income on heating fuel.

Less tangible financial returns for Stonyfield Farm include employee pride, customer loyalty, and investor interest – all of which contribute to a healthy bottom-line.

LESSONS LEARNED

Although Stonyfield Farm says it is proud to have achieved a 27 percent emission reduction per pound of product, the company emits more CO₂ now than before the efficiency improvements were put in place – the result of growth in output. However, the CO₂ offset offers a tool for growing companies like Stonyfield Farm to achieve an overall decrease in greenhouse gas emissions by supplementing on-site reductions. Many offsets provide additional benefits as well. By investing in projects that support communities and environmental quality in other ways, these investments become all the more valuable.

FUTURE COMMITMENTS

Stonyfield Farm plans to continue to offset all of the CO₂ emissions associated with the energy that its facility uses. It also is considering the use of renewable energy sources, and examining other greenhouse gas-reduction opportunities at other points in the supply chain. One of Stonyfield Farm's goals is to help spread its vision for a healthier environment to its consumers, suppliers and even to competitors. By sharing the results of its efforts to reduce global warming, Stonyfield Farm hopes to inspire more businesses and individuals to take similar actions.

COMPANY PROFILE

With the most rapid growth in revenue of any yogurt manufacturer nationwide, Stonyfield Farm posted year 2000 sales of \$70 million. Founded in 1983 as an organic farming school, today Stonyfield Farm's all-natural and certified organic refrigerated yogurts, soft-serve frozen yogurt and certified organic ice cream and frozen yogurt are sold throughout the U.S. Based in Londonderry, New Hampshire, Stonyfield Farm employs 165.

CONTACTS

Nancy Hirshberg
Director of Natural Resources
Stonyfield Farm Yogurt, Inc.
10 Burton Drive
Londonderry, NH 03053
Tel. 603-437-4040
Fax 603-437-7594

Trexler and Associates, Inc.
1131 S.E. River Forest Road
Portland, OR 97267
Tel. 503-786-0559
Fax 503-786-9859
www.climateservices.com

To download the Stonyfield Farm Environmental Cookbook, Recipe I: Reversing Global Warming: Offsetting Carbon Dioxide Emissions, see: www.stonyfield.com

¹ Carbon offsets are activities that either remove carbon from the atmosphere or prevent additional carbon from being released. These offsets accrue from off-site activities not directly related to a corporation's own emissions.

CLEAN AIR-COOL PLANET CASE STUDY RATING

This case study reduces CO₂ emissions equivalent to the following:

Avoiding the consumption of 35 barrels of oil per day. (1 barrel = 7 barrels of oil)



OR Taking 944 vehicles off the road per year. (1 car = 200 vehicles)



Assumptions: 1,093 lbs of CO₂ per barrel of oil. Vehicles are average passenger cars (approximately 20 lbs CO₂ per gallon of gasoline - 22.5 miles per gallon, averaging 16,000 miles per year)