

Shaklee Corporation and Carbon Neutral

In 1956, Shaklee Corporation was founded on the philosophy of *Living in Harmony with Nature*. In 2000, Shaklee became the first company in the world to be Climate Neutral™ certified to totally offset its greenhouse gas emissions, resulting in a net zero impact on the environment. Shaklee continues to be “carbon neutral” and offset 100% of its greenhouse gas emissions by investing in Green-e certified renewable energy projects, and also explores ways to reduce its carbon footprint. Totally offsetting its greenhouse gas emissions is a fitting way for Shaklee to put its core values into action.

Shaklee’s Carbon Neutral Milestones

- 1998** Shaklee becomes a **Charter Partner of the U.S. EPA’s Climate Wise Program**, which set aggressive corporate-wide greenhouse gas reduction goals.
- 1999** Shaklee builds a state-of-the-art, green world headquarters to reflect its commitment of *Living in Harmony with Nature*. To further expand this commitment, Shaklee partnered with the **Climate Neutral Network** to determine how we could neutralize our impact on the environment. Working with an independent certification program and third party environmental experts, Shaklee completed a full audit of greenhouse gas emissions¹.
- 2000** Shaklee becomes the first company in the world to be **Climate Neutral™ certified** to totally offset its greenhouse gas emissions, resulting in a net zero impact on the environment.
- 2006** Shaklee is selected as a **U.S. EPA Climate Leader**, pledging to maintain a net zero impact on climate change and offset 100% of its greenhouse gas emissions through 2009.
- 2007** Shaklee is the first consumer products company to offset 100% of its greenhouse gas emissions through the **EPA Climate Leaders** program and use **certified Green-e renewable energy**.
- 2007** Shaklee partners with **Millennium Promise** to facilitate direct emissions reductions by providing sustainable solar energy to electrify villages in Malawi, a democratic country in southeastern Africa. Millennium Promise is an organization established by Dr. Jeffrey D. Sachs, which prototypes ways to implement the United Nations’ Millennium Development Goals.

Shaklee’s Greenhouse Gas Reduction Projects

- Boiler replacement in Portland schools
- Rural electrification with photovoltaic installations
- Coal bed methane utilization
- Electricity generation through landfill methane
- Construction of the Rosebud Sioux Tribe Wind Turbine Project, the first large-scale Native American owned and operated wind turbine
- Conversion of San Bernardino County School buses from petroleum-based diesel fuel to biodiesel fuel from recycled cooking oil
- Providing sustainable solar energy to electrify Millennium Development Villages in Africa through a partnership with Millennium Promise

Note: Shaklee does NOT count the trees planted through its “A Million Trees. A Million Dreams” campaign as part of its carbon offsets. *A Million Trees. A Million Dreams* is a program started in 2006 that empowers and mobilizes Shaklee’s distributors to plant trees across the United States and Canada. As of January 2008, Shaklee distributors have planted more than 500,000 trees.

¹ Trexler and Associates assisted Shaklee’s application for Climate Neutral™ enterprise certification in 2000.

Shaklee's Awards and Credentials

2001 Governor's Environmental and Economic Leadership Awards—Certificate of Recognition—from the California Environmental Protection Agency.

2001 Savings by Design Energy Efficiency Integration Award, co-sponsored by the American Institute of Architects and California Council.

2002 U.S. Environmental Protection Agency Climate Protection Award.



2002 Environmental Stewardship Award from Social Accountability International.

2003 National Environmental Excellence Award from National Association of Environmental Professionals.

2006 Climate Leader as designated by the U.S. Environmental Protection Agency.



2007 Green Power Partner as designated by the U.S. Environmental Protection Agency.



2007 Global Green USA's Organizational Design Award for outstanding leadership in effecting positive environmental change.

DEFINITIONS

Carbon Dioxide (CO₂)

Burning fossil fuels releases carbon that has been stored underground for millions of years into the atmosphere. During the combustion process, the carbon in these fossil fuels is transformed into carbon dioxide, the predominant gas contributing to the greenhouse effect. While carbon dioxide is absorbed and released at nearly equal rates by natural processes on the Earth, this equilibrium may be disrupted when large amounts of carbon dioxide are released to the atmosphere by human activities, such as the burning of fossil fuels.

Carbon Footprint

A “carbon footprint” is the amount of carbon dioxide (CO₂) released by an activity or entity. A carbon footprint is a measure of the impact human activities have on the environment in terms of the amount of greenhouse gases produced, measured in units of carbon dioxide. The primary footprint is a measure of direct CO₂ emissions from the burning of fossil fuels; including domestic energy consumption and transportation. The secondary footprint is a measure of the indirect CO₂ emissions from the whole lifecycle of products we use; emissions associated with product manufacture and eventual breakdown.

Carbon Offset

A carbon offset, also called a greenhouse gas (GHG) emission reduction product, represents the reduction of a specific quantity of greenhouse gases in the atmosphere that would have been present if not for the offset. By purchasing an offset, the investor has the rights to all associated claims for the environmental benefits it embodies. A carbon offset is a real environmental commodity, not a donation or investment in a future project. The purchase of an offset should increase market demand for emission-reduction projects, leading to more projects that can help mitigate the effects of climate change.

Climate Neutral or Carbon Neutral

According to the Climate Neutral Network, the term “climate neutral” refers to products, services, activities, and enterprises that reduce or offset the climate gases with which they are associated to achieve a net zero impact on the earth’s climate. The terms “climate neutral” and “carbon neutral” are used interchangeably, but climate neutral certification was specific to the Climate Neutral Network in 2000. Source: <http://www.resourcesaver.org/file/toolmanager/CustomO16C45F38985.xls> (Introduction worksheet)

(Not-quite) Climate Neutral or Carbon Neutral

Many businesses and green organizations are using the term climate neutral without referring to a net zero impact on the environment. As examples, some companies’ marketing programs allow a person to become “climate neutral” or “carbon neutral” by purchasing carbon offsets or planting trees to offset air travel or a computer purchase. Clearly, purchases that offset one-time events that produce carbon emissions do not make a customer climate neutral. In another example, some companies promote their business conference as being climate neutral because the greenhouse gas emissions associated with putting on the event are offset by purchasing carbon offset credits or by tree planting. While this carbon offset action is applauded, it doesn’t mean the entire enterprise has a net zero impact on the environment.

Green-e Energy

Green-e Energy is the nation’s leading certification program for renewable energy. The renewable energy certified by Green-e Energy (<http://www.green-e.org/>) is subjected to a thorough verification process to ensure that the renewable energy is:

- from new projects built for the voluntary market
- verified with biannual audits to authenticate the advertised claims
- tracked through the Green-e verification process to confirm the energy has not been double-counted

Greenhouse Gases (GHG)

Gases in the Earth's atmosphere that produce the greenhouse effect. Changes in the concentration of certain greenhouse gases, due to human activity such as fossil fuel burning, increase the risk of global climate change. Greenhouse gases include water vapor, carbon dioxide, methane, nitrous oxide, halogenated fluorocarbons, ozone, perfluorinated carbons, and hydrofluorocarbons.

Greenhouse Gas Emissions

Some greenhouse gases such as carbon dioxide occur naturally and are emitted to the atmosphere through natural processes and human activities. Greenhouse gas emissions are sometimes called CO₂ emissions because carbon dioxide is the most prevalent greenhouse gas after water vapor. The principal greenhouse gases that enter the atmosphere because of human activities are:

- **Carbon Dioxide (CO₂)** enters the atmosphere through the burning of fossil fuels (oil, natural gas, and coal), solid waste, trees and wood products, and also as a result of other chemical reactions (e.g., manufacture of cement). Carbon dioxide is also removed from the atmosphere (or “sequestered”) when it is absorbed by plants as part of the biological carbon cycle.
- **Methane (CH₄)** is emitted during the production and transport of coal, natural gas, and oil. Methane emissions also result from livestock and other agricultural practices and by the decay of organic waste in municipal solid waste landfills.
- **Nitrous Oxide (N₂O)** is emitted during agricultural and industrial activities, as well as during combustion of fossil fuels and solid waste.
- **Fluorinated Gases** such as hydrofluorocarbons, perfluorocarbons, and sulfur hexafluoride are synthetic, powerful greenhouse gases that are emitted from a variety of industrial processes. Fluorinated gases are sometimes used as substitutes for ozone-depleting substances (i.e., CFCs, HCFCs, and halons). These gases are typically emitted in smaller quantities, but because they are potent greenhouse gases, they are sometimes referred to as High Global Warming Potential gases.

Green Product

A product that exhibits environmentally positive characteristics and has less negative impact upon the environment than other similar products is considered a “green” product.

Net Zero Impact

When an enterprise takes action to minimize its carbon emissions that contribute to climate change and offset its total greenhouse gas inventory by funding projects that help the environment (e.g., building wind farms, installing solar panels, or planting trees), the result is a “net zero impact” on the environment.

Renewable Energy Certificates (RECs)

When a renewable energy facility operates, it creates electricity that is delivered into a vast network of transmission wires, often referred to as “the grid.” The grid is segmented into regional power networks called pools. To help facilitate the sale of renewable electricity nationally, a system was established that separates renewable electricity generation into two parts: the electricity or electrical energy produced by a renewable generator and the renewable “attributes” of that generation. These attributes include the tons of greenhouse gas that were avoided by generating electricity from renewable resources instead of conventional fuels, such as coal, nuclear, oil, or gas. These renewable (“green”) attributes are sold separately as renewable energy certificates (RECs). One REC is issued for each megawatt-hour (MWh) unit of renewable electricity produced.

U.S. EPA Climate Leaders

Climate Leaders is an industry-government partnership created by the U.S. Environmental Protection Agency that works with companies to develop comprehensive climate change strategies. Partner companies commit to reducing their impact on the global environment by completing a corporate-wide inventory of their greenhouse gas emissions based on a quality management system, setting aggressive reduction goals, and annually reporting their progress to the U.S. EPA. Through program participation, companies create a credible record of their accomplishments and receive U.S. EPA recognition as corporate environmental leaders.

In 2006, Shaklee Corporation became a Charter Partner of the U.S. EPA's Climate Leaders program and pledged to maintain a net zero impact on climate change and offset 100% of its greenhouse gas emissions through 2009.

Climate Leaders supports a "carbon neutral" commitment at the corporate level. Credible carbon neutral goals should include:

- Robust greenhouse gas (GHG) inventory and at least one optional emissions source; such as employee commuting
- Achieve internal GHG reductions through energy efficiency projects
- Purchase green power (RECs) and/or carbon offsets

U.S. Green Power Partners

The Green Power Partnership is a voluntary program under the U.S. Environmental Protection Agency that encourages organizations to buy green power as a way to reduce the environmental impacts associated with purchased electricity use. The Green Power Partnership currently has hundreds of Partner organizations voluntarily purchasing billions of kilowatt-hours of green power annually. Shaklee Corporation is one of the EPA's Green Power Partners in the "Leadership Club." As a result of buying 100% green power, Shaklee is helping support the development of new renewable generation capacity nationwide while also helping to protect the environment.

FREQUENTLY ASKED QUESTIONS

- 1. Is it true that Shaklee is the first company in the world to become carbon neutral?** Yes, Shaklee Corporation was a pioneer in the area of environmental conservation. In 2000, Shaklee became the first corporation in the world to offset 100% of the carbon emissions from its entire enterprise.
- 2. How did Shaklee achieve its Climate Neutral certification in 2000?** Shaklee worked with an independent certification program and third party environmental experts to complete a full audit of its greenhouse gas emissions. Shaklee contacted the Climate Neutral Network to examine how it could minimize the impact of its enterprise on the environment. The Climate Neutral certification program resulted in several new sustainable energy projects to offset greenhouses gas emission generated by the Shaklee enterprise. Shaklee hired a third party environmental firm, Trexler and Associates, to assist its application for climate neutral enterprise certification in 2000. Trexler recorded Shaklee's actions on corporate social responsibility and climate change mitigation. After calculating Shaklee's greenhouse gas footprint, Trexler recommended a carbon offset portfolio that would result in a net zero impact on the environment.
- 3. Why was Shaklee the world's first to achieve Climate Neutral certification?** Shaklee has a 52-year philosophy of *Living in Harmony with Nature*® and has been a leader in environmental stewardship and support of social causes. Shaklee was a pioneer in working with the industry-government partnerships developed by the U.S. Environmental Protection Agency. It was natural for Shaklee to be the first to certify its commitment to totally offset its greenhouse gas emissions.
- 4. Which organization declared Shaklee to be the "first?"** The Climate Neutral Network confirmed Shaklee's first position on its website: "Shaklee, a consumer products marketer, has offset the greenhouse gas emissions for their entire enterprise by becoming the first Climate Neutral certified company." In addition, the U.S. EPA presented Shaklee Corporation with a Climate Protection Award for being the first Climate Neutral corporation.
http://www.climateneutralnetwork.org/press/press_three.php
- 5. How does Shaklee continue to maintain its carbon neutral status?** Shaklee's carbon offsets come from renewable energy certificates (RECs) for wind energy that are certified by the Green-e Energy program and meet the strict environmental and consumer protection standards established by the non-profit Center for Resource Solutions.

Testimonials

“Shaklee has done a lot of great sustainability projects over the years. And, in 2002, the EPA honored Shaklee with the Climate Protection Award for some of their great emissions reduction projects. [...] you are letting people know that it's important to act on climate change. And you are taking a leadership role. You're not just telling people—you are walking your talk.”

Deb Berlin, Director of Marketing, U.S. EPA Climate Leaders

“I don't know a company that's doing more to make environmental stewardship part of its core business practice and its commitment to the public than Shaklee. I have to say it's really quite impressive to see a company that committed to go carbon neutral before it became fashionable. You know it's a big deal in 2007 to do it, but here's a company that thought of it seven years ago. That really deserves credit and what a leadership position it provides for Shaklee.”

Dan Esty, Professor at Yale and Director of the Center for Business and Environment at Yale, and co-author, *Green to Gold: How Smart Companies Use Environmental Strategy to Innovate, Create Value and Build Competitive Advantage*.

“Your efforts to make your operations 'carbon neutral' and ensure that Shaklee products leave a light footprint on the Earth are pioneering. Your support means a lot to me and the Green Belt Movement. Of the 4.6 million trees Green Belt groups—mostly poor, rural women—planted in Kenya in 2006, 100,000 were Shaklee-supported. These seedlings are helping restore some of Kenya's critical landscapes where deforestation, soil erosion, and erratic rainfall threaten ecosystems.”

Dr. Wangari Maathai, 2004 Nobel Peace Laureate and Founder of the Green Belt Movement.

“We're delighted to partner with the Shaklee Corporation. Partnerships with private companies are crucial to the overall mission to end poverty in the poorest places of the world. Promoting solar energy in African villages will not only provide much-needed electricity, but also encourage renewable energy sources as a sustainable model.”

Dr. Jeffrey Sachs, President and Co-Founder, Millennium Promise, a nonprofit organization working to support the United Nations' Millennium Development Goals to end extreme poverty in Africa by 2015.

“This is a commitment I love. Roger Barnett, the president of Shaklee Corporation, has made a commitment for his company to become net fully carbon neutral, 100 percent carbon neutral. Shaklee intends to oversee the purchasing and installation of solar energy to provide decentralized electrification to the Millennium Villages that Dr. Jeff Sachs is doing so much to develop. This is a great deal. Thank you very much, Roger and thank you, Shaklee.”

President Bill Clinton, closing address of Clinton Global Initiative, Sept. 22, 2006.

“Shaklee's interest in protecting the environment makes the company a perfect partner. For the past 20 years, we couldn't have been successful without the support of the Shaklee community. The high quality of Shaklee products is essential for us in what we do because failure is not much of an option when it comes to survival.”

Will Steger, National Geographic award-winning polar explorer

“We are proud to partner with Shaklee, a company that we admire for its commitment to protect the environment.”

The 11th Hour Co-Directors and Producers Leila Conners Petersen and Nadia Conners and Associate Producer Stephan McGuire

“My many compliments to Shaklee's historical commitment to health, wellness, and environmental stewardship for over 50 years. They have demonstrated time and time again that creating healthy environments for families, especially children, is a driving focus in their product development and a core principle in operations and business practices.”

Christopher Gavigan, Executive Director and CEO of Healthy Child Healthy World

“Shaklee, a consumer products marketer, has offset the greenhouse gas emissions for their entire enterprise by becoming the first Climate Neutral certified company.”

Sue Hall, Director, Climate Neutral Network