

HowGood Methodology for Climate Friendly November 2023

Who is HowGood?

HowGood is an independent research company with the world's largest database on food product sustainability. With data and analysis for more than 33,000 ingredients, chemicals, and materials, HowGood helps leading food brands, retailers and investors improve their environmental and social impact. Through in-depth, ingredient-level insights on factors ranging from greenhouse gas emissions to animal welfare to labor risk, HowGood data powers strategic decision-making for the sourcing, manufacturing, merchandising, and marketing of sustainable products. Brands identify opportunities to improve sustainability, drive greater transparency, and empower their consumers to make higher impact purchases. Visit howgood.com for more information.

What is HowGood's approach to research?

HowGood has more than 15 years of research on global food supply chains. The team consolidates and analyzes findings from over 600 accredited data sources and certifications. These include a range of resources such as international frameworks, NGO guidance and standards reports, peer reviewed life cycle assessment studies, journal articles, academic conference proceedings and texts, aggregated commercial databases, targeted industry studies, NGO research, government publications, and news reports from reputable outlets. HowGood employs the most industry-recognized methodologies and incorporates the latest scientific research. Metrics and impact assessments are updated on an ongoing, iterative basis, making HowGood's platform the leading-edge tool for product sustainability. In turn, HowGood is able to provide impact assessments that are accurate, comprehensive, and the most up-to-date. Through HowGood's sustainability intelligence platform, Latis, we are able to scale this approach across products, brands, and the entire food industry.

What does the Climate Friendly attribute measure?

HowGood's Climate Friendly attribute recognizes food products with low greenhouse gas emissions. HowGood assesses carbon footprint for products across the food system. Products that receive the Climate Friendly attribute have GHG emissions that are lower than 70% of products assessed by HowGood. The threshold for a product to achieve the attribute is 1.46 kilograms of carbon dioxide equivalent, per kilogram of product (kg CO2e / kg). This threshold will be updated on an annual basis in line with the latest research on GHG emissions in the food system.

The assessment for the Climate Friendly attribute takes into account GHG emissions from Cradle-to-Gate. This includes all inputs required for agricultural production, land use change, farm to processing transportation, ingredient processing, processing to manufacturing transportation, and manufacturing. Packaging is

excluded at this time. For more information on these stages of the Carbon Life Cycle, read our <u>Product Carbon</u> <u>Footprint methodology</u>.

How long does a product qualify for the Climate Friendly attribute?

Products that qualify for Climate Friendly receive access to the attribute for public-facing communications for one year. At the end of the annual contract, products must be reassessed based on the current industry benchmark to re-qualify.

What data inputs are required for a product to qualify for the Climate Friendly attribute?

The following data fields are required in order for a product to be assessed for the Climate Friendly attribute:

- Ingredient name
- Manufacturing type (choose the closest category)
- Manufacturing location

The following data fields are preferred in order for HowGood to provide a more accurate assessment of a product's qualification for the attribute:

- Ingredient weight / inclusion percentage
- Ingredient processing location
- Crop sourcing location
- Certifications and standards, where applicable

What does the Climate Friendly attribute mean for consumers?

The Climate Friendly attribute provides consumers with a clear indicator of how sustainable a product is with respect to carbon emissions. It's easy-to-digest and guides consumers toward more sustainable purchases. The Climate Friendly attribute empowers shoppers to make decisions that are in line with their values and preferences. By purchasing Climate Friendly products, consumers can take a step toward reducing their carbon footprint.

What is HowGood's research methodology for calculating product carbon footprint?

HowGood's methodology for calculating GHG emissions is developed in accordance with the GHG Protocol.

- Data Collection: HowGood draws on a diverse collection of data sources, including peer
 reviewed journal articles to calculate the CO₂e values for ingredients. For each data source,
 HowGood performs a data certainty assessment based on the age and comprehensiveness of
 the findings. This process is completed for every ingredient on which there is accurate and
 verifiable data.
- 2. Ingredient Mapping: Once the data is collected and analyzed, HowGood conducts a proprietary process of mapping each ingredient to its source crop, animal or material. Using global import/export data and HowGood industry partnerships, HowGood then maps each source crop to its corresponding geographic location to account for the specific on-the-ground practices, impacts, and risks in each locale.

3. **Data Aggregation**: HowGood, to date, has mapped nearly every ingredient, chemical and material (33,000+ in total) in the CPG industry, including where and how it is produced. This mapping is used to aggregate data across geographic regions or ingredient categories and develop industry-average impact profiles for CO₂e across every ingredient.

Based on the ingredient mapping process, HowGood assigns a default location and corresponding industry-average profile for every ingredient in a product. If deeper levels of data granularity are available (from a specific supplier, industry partner, or publication), these specifics are applied.