



# 2020

A YEAR LIKE NO OTHER



corporate  
consciousness  
update | 2020



The background is a vibrant green with a heavy, textured appearance, resembling thick paint strokes or a close-up of a leaf's surface. The texture consists of numerous fine, overlapping lines and brushstrokes in varying shades of green, creating a sense of depth and movement.

**WE'RE ON A MISSION  
TO TRANSFORM THE WORLD INTO A  
HEALTHY, SUSTAINABLE & EQUITABLE  
PLACE FOR THE NEXT SEVEN GENERATIONS.**



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adjusting to the COVID-19 pandemic.

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“MY HOPE IS THAT FUTURE GENERATIONS WILL LOOK AT THE PAST YEAR AS A PIVOTAL TURNING POINT IN OUR SOCIAL CONSCIOUSNESS. A SHIFT TOWARD A MORE EQUITABLE FUTURE THAT PLACES DEEP VALUE ON HUMAN AND PLANETARY HEALTH, DRIVEN BY A COMMITMENT TOWARDS MEANINGFUL PROGRESS.”

ALISON WHRITENOUR  
CEO, SEVENTH GENERATION



*dear friends,*

**AS THE INCOMING CHIEF EXECUTIVE OFFICER,** I am proud to welcome you to Seventh Generation's 2020 Corporate Consciousness Update — an accounting of our key 2025 environmental goals. As I embark on this new role, my eyes are focused on the opportunities that we have ahead of us to advance meaningful impacts that benefit people, planet, and society. With 2020 now behind us, my hope is that future generations will look at the past year as a pivotal turning point in our social consciousness — a shift toward a more equitable future that places deep value on human and planetary health, driven by a commitment towards meaningful progress. For the Seventh Generation community, the impacts of the Covid-19 pandemic, the deepening climate crisis, and the racial justice awakening sparked by the murder of George Floyd highlight the interconnectedness of justice, transparency, and health. It deepened our commitment to give back to our most vulnerable communities and to continue our fight for a more sustainable Seventh Generation and a healthier planet.

In this Update, an abbreviated accounting of our key environmental outcomes and social impacts<sup>1</sup>, we take stock of our 2020 goals and progress toward our more aggressive 2025 ambitions.

■ **In some areas we met our goals.** For example,

- In 2020, 97% of product packaging, by volume, was what we considered to be 'Zero Waste' — reusable, recyclable or biodegradable
- Our business growth enabled \$1.2MM donation of cleaning supplies, paper tissue products, and diapers to communities in need

■ **In other areas, we fell short.** For example,

- As our business grew so did our greenhouse gas emissions and our total plastics use
- We don't have a good methodology for measuring the end use of our products (i.e., is our packaging reused, recycled, or biodegraded?)

We have been humbled by what 2020 has taught us, and we emerge with a strengthened commitment to make meaningful progress for future generations. I encourage you to join us in, and hold us accountable for, ensuring that we do our part for more equitable and sustainable climate future.

FOR THE NEXT SEVEN GENERATIONS,

—*Alison*

<sup>1</sup>Seventh Generation publishes a comprehensive Corporate Consciousness Report every two years, and a Corporate Consciousness Update in alternating years. Past reports are available [here](#).





# 2020

## A YEAR LIKE NO OTHER

For us here at Seventh Generation, 2020 was marked by the Covid-19 pandemic. From a business perspective, the pandemic spurred a nearly overnight increase in demand for our products and forced us to quickly re-evaluate our internal processes in order to meet that demand. More profoundly, the stark inequities of the pandemic deepened our resolve for environmental and social equity, and it reinforced our commitment to 'climate justice now'.

**GETTING TO THE FRONTLINES** We know that Indigenous, Black, and other communities of color are disproportionately affected by pollution, toxins, and the climate crisis. The Covid-19 pandemic further amplified this inequity, with these communities experiencing higher rates of Covid-related morbidity and mortality. In response, we worked to get our products to those needing them most, including in Navajo Nation and to essential frontline and healthcare workers in under-resourced urban areas. All told, in 2020 we donated \$1.2 million — over 3 tractor trailer truckloads — of Seventh Generation cleaning supplies, paper tissue products, and diapers to communities in need.

In addition to product donations, Seventh Generation's Foundation Board directed a \$200K grant to The NDN COVID-19 Response Project, to provide fast relief to underserved communities around the country. The grant was the largest in the foundation's history and enabled quick distribution of financial resources to frontline organizations and tribes.

**UNCOMPROMISING VALUES** As the realities of the Covid-19 pandemic took hold in late March, demand for our effective products, particularly our disinfecting cleaners and tissue products, grew tremendously. To meet customer demand, our staff adapted to the sudden remote environment and worked tirelessly with our R&D, supply, manufacturing, shipping, and retail partners to secure an additional 40% volume in product and packaging materials.

Covid-19 drove a rise in sales and a corresponding increase in our environmental footprint. Despite supply chain constraints, we were able to maintain our rigorous environmental and material health sourcing criteria, with one exception. To meet the intense demand for our disinfecting spray, we temporarily relaxed our specification for post-consumer recycled content (PCR) plastic for our spray bottles. However, overall, we were able to advance our Climate, Zero Waste and Sustainable Sourcing goals.



**WE DONATED \$1.2 MILLION —  
OVER 3 TRACTOR TRAILER  
TRUCKLOADS — OF SEVENTH  
GENERATION CLEANING  
SUPPLIES, PAPER TISSUE  
PRODUCTS, AND DIAPERS TO  
COMMUNITIES IN NEED**





# TAKING *climate* ACTION

## DECREASING OUR CARBON FOOTPRINT: BAD NEWS, GOOD NEWS

**THE BAD NEWS FIRST.** We did not fully meet our 2020 climate goals, and we are not on track to achieve all our Scope 3-related greenhouse gas emissions (GHG) reductions targets for 2025 (an interim step toward our 2030 Science-based climate target).

## 2020

CLIMATE GOALS

- 100% non-fossil fuel sourced energy for Seventh Generation facilities, travel, commuting, Third Party Manufacturers and distribution
- 100% of consumer clothes washing in cold water



PARTIALLY  
ACHIEVED



DID NOT  
ACHIEVE

## 2025

CLIMATE GOAL

- Reduce Scopes 1 through 3, inclusive of consumer use, by 50% compared to 2012



PARTIAL  
PROGRESS

## 2030 GOALS

2030 Goals (2012 baseline)

- 100% absolute Scope 1 and 2 GHG emissions reductions base-year
- 90% absolute Scope 3 GHG emissions reductions from the use of sold products
- 80% absolute scope 3 emissions from remaining categories

### Sources of Emissions

Scope 1: energy use in owned facilities

Scope 2: purchased electricity

Scope 3: consumer use of our products and all ingredients, packaging, and distribution.



## ABSOLUTE SCOPE 3 GHG EMISSIONS\*

[1,000 MT Co<sub>2</sub>E]

\*WITHOUT OFFSETS



As we've grown, our total GHGs continued to grow. Our 2025 target of 260,000 MT CO<sub>2</sub>E is ambitious, and in 2020 we planned more aggressive interventions.

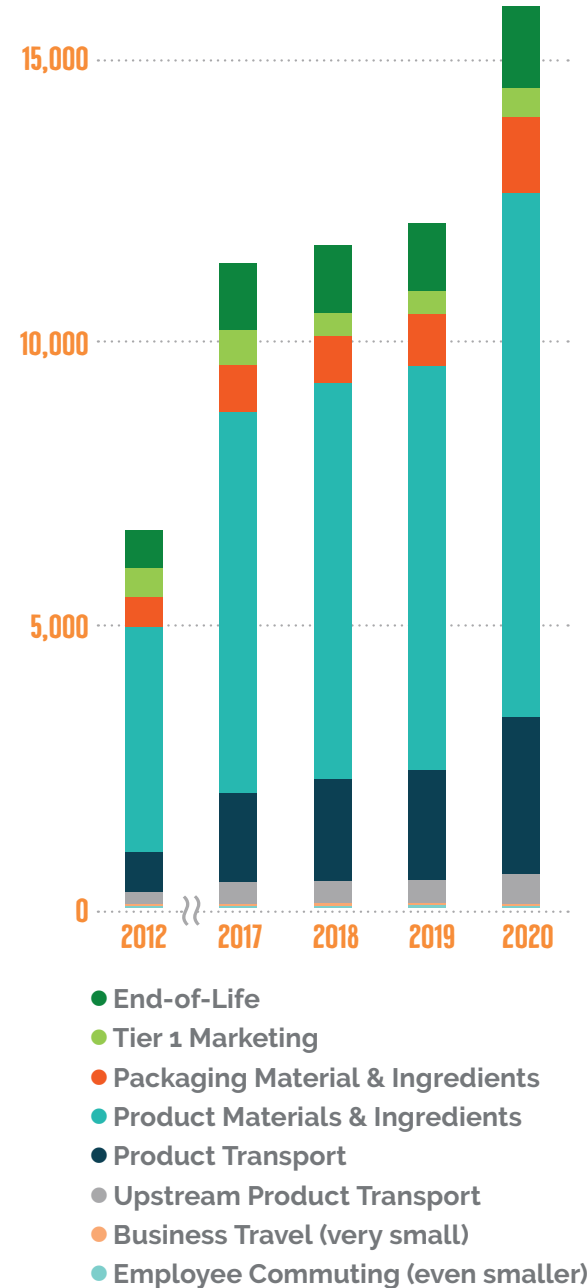
To date, we have been unable to fully decouple our product sales growth from our total GHG emissions, which means that as we sell more products, our GHG footprint goes up, instead of down as our Science-based climate target demands. With higher product sales, our 2020 absolute, or total, emissions increased 140% compared to our 2012 baseline.

All of our carbon footprint is attributable to purchase of materials and ingredients and the making, distribution, and use of our products (Scope 3 emissions). These emissions increased in 2020, as they have annually since 2012.

**THE GOOD NEWS** is that we are making slow, but strategic progress. In 2020, we successfully reduced our Scope 2 GHG emissions — or purchased power — by 100% by working with our utilities to source only energy from renewable sources. Although these emissions have always been a very small portion of our total footprint — less than 1% — our commitment sends a signal that companies can, and should, secure non-fossil fuel alternatives for their energy needs.

## OUR GHG EMISSIONS

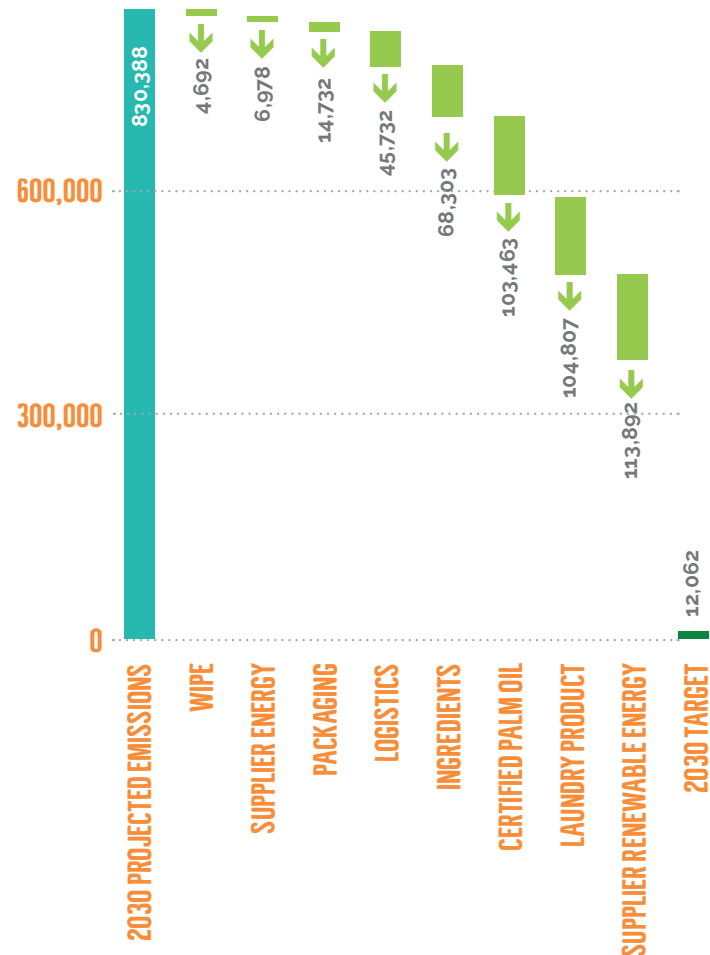
ALL SCOPE 3, EXCLUDING CONSUMER USE





## OUR PLAN TO REDUCE GHG EMISSIONS

### ESTIMATED IMPACT OF KEY INTERVENTIONS



Also good news is that while higher sales volumes drove higher GHG emissions across transport, materials, and ingredients purchases, in 2020 we laid the groundwork to significantly reduce these emissions. After consumer use, our materials and ingredients-related emissions make up the biggest portion of our GHG footprint. About 92% of the emissions from our materials and ingredients are derived from four sources: palm-based surfactants, citric acid/sodium citrate, plastic, and fiber. Our 2020 efforts targeted these emissions sources.

In 2020, we mapped out a strategy to achieve the most impactful and feasible reductions, including from these key materials and ingredients. These include the adoption of renewable energy by suppliers, concentrating laundry products, sourcing certified sustainable palm kernel oil, and other changes. While these interventions will take time to implement, we will also need greater innovations to close a ~280,000 metric ton gap to meet our 2030 target.

We launched our supplier renewable energy program in 2020 with 28% of Tier 1 manufacturing partners becoming 100% renewably powered. We continue to work with our Tier 1 and select Tier 2 suppliers to participate in our green power program.

Our GHG intensity has remained largely unchanged since 2012. Some of this reflects the impact of strategies we've adopted over time, such as ingredient and packaging materials selection and renewable energy use in our supply chain. As we further implement our planned interventions, we anticipate our GHG intensity will fall further.

**WHILE SINCE 2013, OUR TOTAL GHGS HAVE GROWN**

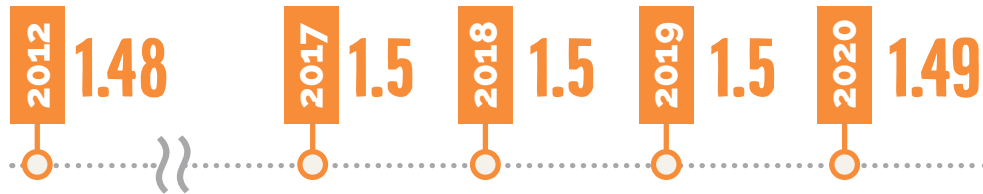
**WITH OUR SALES, OUR PLANNED INTERVENTIONS MOVE US**

**CLOSER TOWARD OUR 2030 LOWER CARBON TARGET.**



## GHG INTENSITY, 2012-2020

(PER UNIT PRODUCT & PACKAGING WEIGHT, EXCLUDING CONSUMER USE)



Our biggest challenge remains consumer use emissions. Since 2012, our GHG footprint has been dominated by emissions associated with the electricity consumers use to heat water and use our products — 88% of total emissions in 2020. We formulated our laundry products to work well in cold water, but we could do more to shift our customers to cold wash cycles only. Through our advocacy and partnership efforts, we support President Biden's vision for a carbon pollution-free power sector by 2035. As the US grid becomes more green with low emissions, renewable sources, the GHG impact of consumers' energy use will fall.

We also recognize the need to support elected officials who champion climate action. In the critical 2020 election year, we used our digital platforms, partnerships, and our Seventh Generation Generation Good™ Community to participate in local, state, and federal elections. Through our Vote the Future campaign, in partnership with the American Civil Liberties Union (ACLU), we shared information on how to vote from home, tools for developing a voting plan, and information on candidates' climate positions. Our work targeted mobilizing our consumers to champion protection of voter rights, access to safe voting options across our nation, and candidates and policies that prioritized an equitable shift to clean energy solutions. We're proud of our work in this space, and we recognize that we need a better way to measure the impacts of our efforts.



**A VOTE FOR CLIMATE IS  
A VOTE FOR THE FUTURE.  
THROUGH OUR ADVOCACY WORK, WE  
URGE VOTERS TO CAST A VOTE FOR  
OUR CLIMATE BECAUSE THE HEALTH OF  
FUTURE GENERATIONS DEPENDS ON IT.**





# zero WASTE

## ZERO WASTE PACKAGING: PROGRESS AND INNOVATION

When we set our 2020 products and packaging goals in 2012, we anticipated that we'd make some substantial early progress in some categories, such as paper-based packaging, and more incremental advancements in plastic packaging. Since 2012, the plastic waste issue has accelerated, as has our own use of virgin and total plastic, and we feel an urgency to take more significant action.

## 2020

PACKAGING GOALS

- 100% of products and packaging biodegradable or recyclable
- 100% of products and packaging bio-based or recycled content



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ACHIEVED



PARTIALLY  
ACHIEVED

## 2025

PACKAGING GOAL

- 100% of packaging will be reusable and reused, recyclable and recycled, or biodegradable and degraded



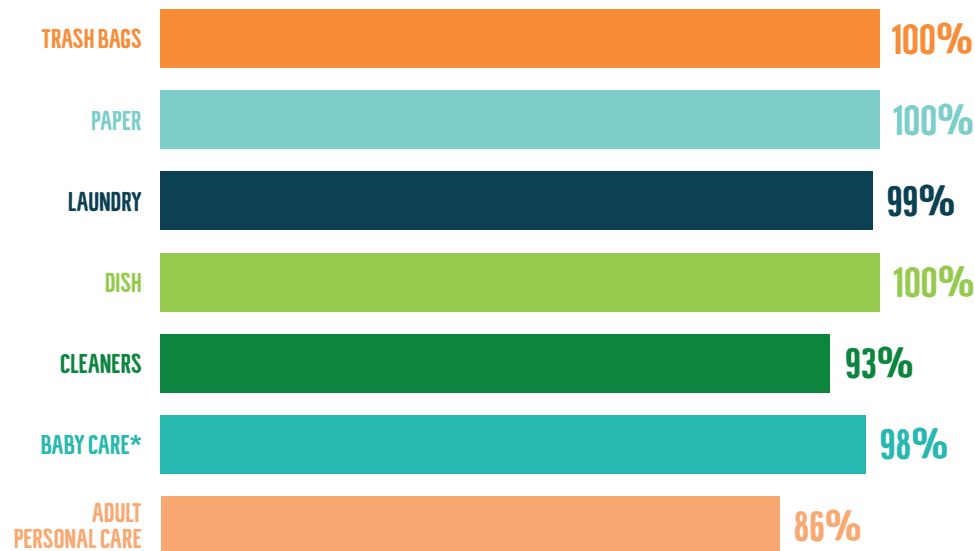
MOVING  
ALONG



In 2020, 97% of product packaging, by volume, was what we considered to be 'Zero Waste' — reusable, recyclable or biodegradable. In categories where it was not, the barrier was often availability of sufficient alternatives, such as pouch mono-materials which are recyclable whereas multi-material pouches are not. However, creating recyclable packaging materials is only one part of the equation. Whether consumers actually recycle packaging after they use our products is even more important. To address the gap in consumer recycling rates, in 2020 our Social Mission Board approved a new goal focused on the end-destination of our packaging (e.g., how much of our packaging is actually recycled?).

## PERCENT ZERO WASTE PRODUCT PACKAGING, 2020

REUSABLE, RECYCLABLE, BIODEGRADABLE, DOES NOT INCLUDE REUSED, RECYCLED, OR BIODEGRADED



### OUR WORK ISN'T DONE...

*until as a society we  
close the loop and  
product packaging is  
reused, recycled, or  
biodegraded*

We do not yet have metrics to evaluate the end-of-life of our products — if they are reused, recycled, or biodegraded. We know that there is a general lack of data on plastic recycling rates, with 2018 US EPA estimated plastic recycling rates between 8% for most plastic materials and up to 28–29% for some materials (e.g., PET and HDPE). Looking forward, we will work to develop reasonable metrics to offer a more complete picture of our Zero Waste goal performance while also continuing to push for industry wide-solutions.

\* This year, as in past years, this figure was calculated based on the recyclability of specific material components. However, we are currently re-evaluating this figure in the context of present-day recycling infrastructure.





# *sustainable* **SOURCING** **TARGETED PRIORITIES**

Our Sustainable Sourcing efforts align with our Zero Waste packaging strategy. Our 2025 goal prioritizes products that are bio-based or use recycled content. In 2020, many of our product categories reached the sustainable sourcing target, but there are some consistent laggards, including diapers, wipes, and period care products, which rely on rayon and polyolefin plastic polymers, materials without viable recycled content or bio-based alternatives.

## 2020

SOURCING GOALS

- 100% of agricultural products certified sustainable including palm oil, virgin wood pulp, coconut, soy, citrus, corn



DID NOT  
ACHIEVE

## 2025

SOURCING GOAL

- 100% of materials and ingredients will be sustainable bio-based or recycled

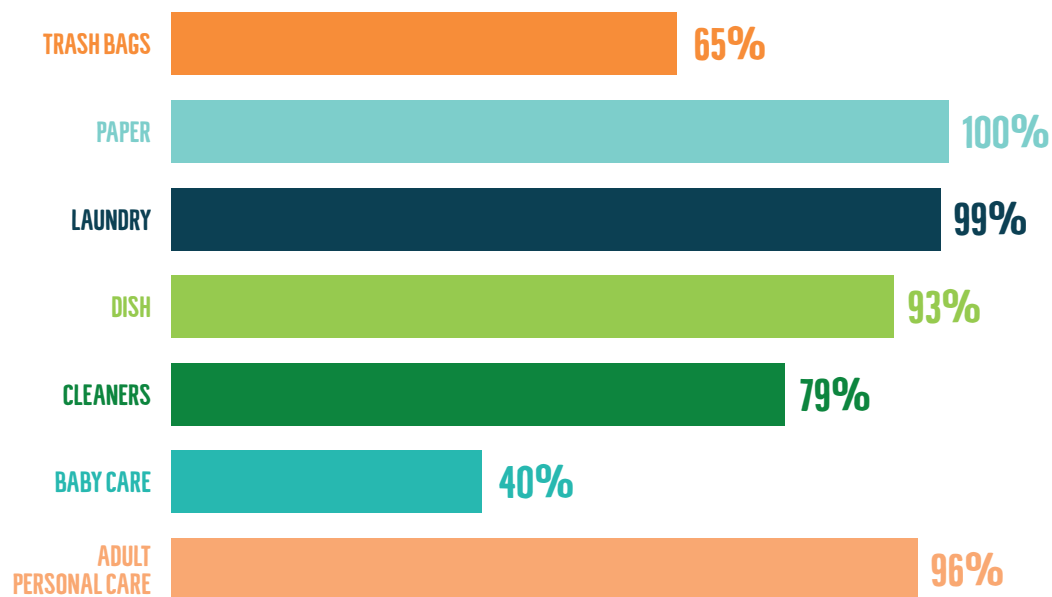


PARTIAL  
PROGRESS



## SUSTAINABLE SOURCING, 2020

% OF PRODUCT MATERIALS SUSTAINABLY SOURCED, BIO-BASED OR RECYCLED



### LOOKING AHEAD...

*Boosting our sustainable sourcing will also support our climate and/or plastic ambitions*

Our sustainable sourcing interventions are tightly aligned with our climate strategy. As discussed earlier, in 2020, we advanced strategies to reduce the climate impacts of four key ingredients and materials, including palm-based surfactants, citric acid and sodium citrate, fiber, and plastic.

For several palm-based surfactants, laureth-6, Sodium Lauryl Sulfate (SLS), and oleic acid, we mapped a process to adopt Roundtable for Sustainable Palm Oil (RSPO) Mass Balance certification. We were able to do so for two of these in 2020 and certified a key manufacturer. The achievements assure that the palm kernel oil that we source does not contribute to deforestation — a key driver of global climate change.

For citric acid and sodium citrate, we identified an option to shift sourcing and reduce GHG emissions associated with manufacturing these raw materials by shifting to more efficient, lower greenhouse gas intensive suppliers. Our paper and pulp fibers are certified through the PEFC system or Forest Stewardship Council (FSC) and we aim to increase recycled content, where possible. Our plastic materials efforts are detailed later in this report.



# TOWARD A PLASTIC *waste-free* WORLD

For better or worse, plastic plays an important role in consumer products packaging. At times, with lower cost and lower life-cycle environmental impacts, plastic packaging protects products from spillage, supports product efficacy, and enables a positive consumer experience. However, with its contributions to climate change and the fact that an estimated 40% of global plastic waste ending up in the environment, often in the world's most vulnerable communities, plastic packaging also comes with a big cost.



Recognizing this cost and our contribution to the problem, in 2020, our Social Mission Board also approved a new total plastics reduction goal.

**NEW PLASTICS 2025 GOAL** (2018 baseline)

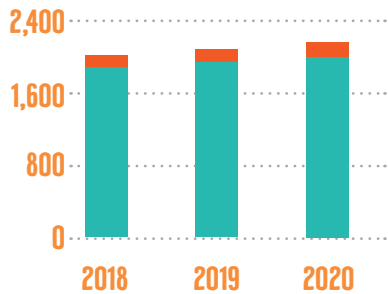
BETTER PLASTIC	LESS PLASTIC	NO PLASTIC
Eliminate 75% of our virgin plastic	Reduce our total plastic use by 50%	One-third of the reduction coming from plastic-free innovations and systems that disrupt single-use solutions

**BETTER PLASTIC** To meet our 75% virgin plastic use reduction goal, we have opportunities to improve in both products and packaging. In 2018, 94% of plastic in products (2,050 metric tons) and 30% of plastic in packaging (1,080 metric tons) used virgin plastic materials.

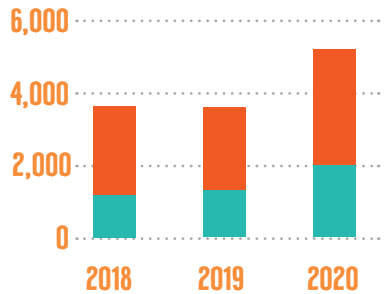
Based on volume of virgin plastic use, we have improvement opportunities in both product and packaging with diapers, wipes, and laundry packaging offering the biggest opportunities.

Currently, we use a mix of plastic polymers (HDPE, PET, PP, LDPE, Rayon, and Polyolefin), recycled content (both post-consumer and post-industrial), and some biobased materials. Where possible, we prioritize recycled-content, primarily HDPE and PET. As we shift to better plastic, we aim to increase recycled content and prioritize more widely recyclable and reusable polymers (e.g., HDPE).

**PRODUCT PLASTIC**  
METRIC TONS



**PACKAGING PLASTIC**  
METRIC TONS



● Virgin Plastic ● Recycled Plastic

**BIGGEST USES OF VIRGIN PLASTIC, BY CATEGORY**

(METRIC TONS IN 2020)

**PRODUCTS**

Diapers	1,004
Baby Wipes	541
Period Care	309
Disinfecting Wipes	181
Trash Bags	91

**PACKAGING**

Disinfecting Wipes	607
Laundry	337
Disinfecting Cleaners	321
Paper	202
Baby Wipes	120
Dish-Hand	45

Reduction opportunities span our key categories and include product and packaging interventions



IN 2020, WE USED OVER  
7,000 METRIC TONS OF  
PLASTIC OR APPROXIMATELY  
1,650 GARBAGE TRUCKS.

**LESS PLASTIC AND NO PLASTIC** In 2018, we used approximately 5,700 metric tons of plastic in our products and packaging. As sale of our products increased, so did the amount of plastic that we used. In 2020, we used over 7,000 metric tons of plastic or the equivalent load of approximately 1,650 garbage trucks.<sup>2</sup> To meet our 2025 intensity plastics reduction goal (grams plastic/use), we will need innovation across multiple product categories so that consumers can get more uses out of their Seventh Generation products with less plastic.

For example, our EasyDose™ Ultra Concentrated Laundry Detergent uses 60% less plastic than our 100 ounce laundry bottle, without an equivalent reduction in uses. If more customers were to shift to our concentrated products, our total plastic/use would drop even further. As we progress to less and no plastic waste, our teams will explore shifts to new materials, new delivery systems, and new consumer engagement strategies.



WE'LL LEAN ON INNOVATION AND CONSUMER  
ENGAGEMENT TO MEET OUR 2025 GOAL.

**EASY DOSE IT.**  
Concentrating our  
products is one  
innovation driving  
our plastics use  
reduction

<sup>2</sup>Assumes 5 tons of plastic waste per garbage truck



# *a look* **AHEAD**

As we look toward 2025 and beyond, our focus will be to continue advancing our work in climate and plastics. Our intention is to accelerate our GHG emissions reductions and to make the shift toward a plastics waste free future. This will require bold strategies and deepening engagement with suppliers, partners, and our consumers. Together we can amplify the power of our collective voices to dismantle the barriers that keep people from thriving

In service to the next seven generations.



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