Statement to the Vermont House Natural Resources and Energy Committee Regarding a Vermont State Carbon Pollution Tax

Submitted by Christopher Miller, Ben & Jerry's April 8, 2015

Good morning. My name is Chris Miller, Social Mission manager at Ben & Jerry's. I want to thank the chair and committee for giving me the opportunity to offer Ben & Jerry's point of view and provide testimony in support of a state-wide price on carbon pollution. We're proud to join more than 200 other Vermont businesses that support this idea.

I'd like to touch on three primary reasons Ben & Jerry's supports Vermont taking this approach to reduce the state's greenhouse gas emissions.

First, I'll talk about why we think a carbon pollution tax is an effective policy as part of a larger strategy to combat climate change. Second, I want to talk a little about the risks that climate change poses for our business. Third, why a carbon pollution tax compliments the actions that companies like Ben & Jerry's are taking to reduce the impact of our business while spurring innovation, economic growth, and job creation.

First, since Ben & Jerry started our company more than 35 years ago in a small disused gas station in downtown Burlington, we've been proud to call Vermont our home. And while it's clear that climate change poses a real threat to our quality of life and economy, the flip side of that threat is a powerful opportunity to drive economic growth and job creation while reducing our environmental impact.

We know this because at Ben & Jerry's, we've instituted our own internal price on all of our greenhouse gas emissions, from cow to cone. That internal tax creates a fund that we use to invest in our reducing our footprint. It works very like the proposed Vermont carbon pollution tax.

The biggest single piece of our company's carbon footprint is on farm emission, responsible for more than 42% of the overall lifecycle emissions of our products. So with the funds generated from our internal carbon fee, we're working with our family farmers to improve manure management, reduce enteric emissions from the herd, and move towards better cropping methods that promote soil health and sequester carbon. We're investing it in things like biodigesters and manure separators that reduce the footprint on the farm and provide a secondary source of income for farmers. It's a win win, we reduce the environmental footprint of the farm and therefore a pint of ice cream while helping making the farms more economically sustainable.

We're also investing in a new solar array at our Waterbury plant and installing EV charging locations at our facilities. This internal carbon pollution tax is shift in strategy for us. In the

past, we bought offsets or renewable energy credits. Those were dollars that left the state and we're invested in projects far away from Vermont. Our new approach keeps those dollars in Vermont and invests them in projects across our value chain that directly reduce the footprint of our business. A statewide carbon pollution tax in Vermont can achieve the same kind of results. It can reduce emissions while keep more of our energy dollars right here in Vermont.

The second reason we are supporting a carbon pollution tax is because this issue is personal. As you know, we make ice cream. We're a food company that relies on ingredients from all over the world. Our single best spend on ingredients stays right here in Vermont, our dairy buy from the farmers of the St. Albans Dairy Cooperative. But we also source ingredients from places as far away as Uganda, Madagascar, and Mexico. The one thing all of these places have in common is that they are warming and are increasingly more susceptible to extreme weather events. I don't need to tell you that extreme weather tends to lead to unpredictable and unstable crop yields which threatens the livelihood of our smallholder Fairtrade suppliers in the global south. Climate change is already impacting many of their communities. Droughts in West Africa, where 40 percent of cocoa is produced, have caused the price of cocoa to double since 2000. If current climate trends continue, the land available to produce cocoa could be reduced by half by 2050. This would deal a devastating blow to many of the small scale farmers in our supply chain and have a profound impact on our business. Vermont may be a small state, but if we're to avoid the worst impacts of climate change, it's going to take all of us doing everything. That's why a Vermont carbon pollution tax is an important piece of the strategy to combat climate change.

The third reason we support a state-wide price on carbon pollution is because as much as I wish we could, Ben & Jerry's we can't solve this problem by ourselves. It requires more than voluntary corporate commitments or individuals making better shopping choices. It requires our elected leaders at the city, state, regional, and national level, to create policy guardrails that ensure the price of dirty polluting sources of energy reflect the damage they're doing and that provide help for Vermonters and businesses to make investments in clean energy and efficiency, to help us all reduce our dependence on fossil fuels. Over the years we've made capital intensive investments in our manufacturing facilities in Vermont that have made them more efficient. A carbon pollution tax would generate revenue to help other Vermont homeowners and businesses make similar kinds of investments.

Scientists tell us that we must reduce emissions by 80% by mid-century if we're to avoid overheating our planet. That plea from scientists compelled us to commit to a new and aggressive set of emissions reductions targets for our business. We've committed to an 80% reduction in our absolute emissions by 2050. In order to do that, we must to de-linking the growth of our business with the growth of our GHG emissions because despite our commitment to an 80% reduction target, we plan to grow our business significantly over that time. In the short term, between now and 2020, we've committed to reduce the emissions intensity per unit of production by 15%. But we can't we achieve those kinds of reductions without large scale economy wide shifts. Those shifts can't happen without policies like a state-wide carbon pollution tax. Ben & Jerry's can't design a new fleet of high efficiency trucks to move our

products. However, polices like a carbon pollution tax can unleash the kind of innovation and investments in technology that will deliver a low carbon economy of the future. We can't do this alone. But together, we can create a safer and stable climate for our planet and people, while strengthen our economy and creating new jobs.