



IMPACT REPORT

2023

The following is a summary of the key environmental impact metrics measured by Elephants Delicatessen. All information provided has been reviewed and is reported here as a comprehensive summary of impacts and practices.

WATER USE

Total Use = 3,663.0 CCF (cubic feet of water), or 2,740,114.5 gallons

Corporate water use increased by 444.0 CCF/332,135.4 gallons versus previous year.

Corporate water use was 768.0 CCF/574,503.9 gallons below baseline.

- NW 22nd – 1,495.0 CCF, an increase of 221.0 CCF/165,319.6 gallons
- Central Kitchen – 1,779.0 CCF, an increase of 52.0 CCF/38,898.9 gallons
- Headquarters – 262.0 CCF, an increase of 128.0 CCF/95,750.7 gallons
- LeftBank Annex – 127.0 CCF, an increase of 43.0 CCF/32,166.2 gallons

Water use for non-metered locations is not actively tracked at this time. Tracking will be implemented with inclusion of Scope 3 emissions reporting, at a date to be determined (previously stated as beginning in 2025).

Baseline for water use, 4,431.0 CCF/3,314,618.4 gallons, is the 2018-19 fiscal year (July 1 through June 30).

The perceived driver of increased water use is a combination of production and cleaning and sanitation needs. One clear exception to this is water at NW 22nd. August and September saw dramatic increases in water use, eventually attributed to theft through an accessible bib in the water vault. Through the assistance of the Ombudsman's Office, Elephants was able to receive credits for excess water beyond historic trend. However, Portland Water Bureau has not provided a similar credit regarding the water loss itself; as such, Elephants will own the increased water use from an impact perspective.

Recommended actions include routine inspection of water systems as part of the prescribed facility assessment; management at metered locations to be trained on reading and monitoring billing and water use; development of a comprehensive water management plan for all facilities.

ELECTRICITY

Total Use = 2,254,214 kilowatt Hours (kWh)

Corporate electricity use increased by 475,848 kWh from the previous year.

Corporate electricity use exceeded baseline by 53,990 kWh, thus establishing a new baseline for electricity use.

- NW 22nd – 441,000 kWh, a decrease of 15,500 kWh from previous year
- Central Kitchen – 597,917 kWh, a decrease of 46,800 kWh from previous year
- South Waterfront – 126,184 kWh, an increase of 7,075 kWh from previous year
- Fox Tower – 79,672 kWh, a decrease of 574 kWh from previous year
- Corbett – 206,520 kWh, an increase of 6,520 kWh from previous year
- Headquarters – 140,180 kWh, a decrease of 7,900 kWh from previous year
- LeftBank Annex – 114,024 kWh, an increase of 31,456 kWh from previous year
- Lake Oswego - 175,259 kWh – no full year use available for comparison
- Cedar Hills Crossing – 134,480 kWh – partial year data – no full year use available for comparison
- Milwaukie Kitchen – 238,978 kWh - partial year data – no full year use available for comparison

Electricity use for non-metered locations is not actively tracked at this time. Tracking will be implemented with inclusion of Scope 3 emissions reporting at a date to be determined (previously stated as beginning in 2025).

The previous baseline for electricity use, 2,200,224.0 kWh, was the 2016-17 fiscal year (July 1 though June 30). The new baseline is 2,254,214 kilowatt hours, established in 2023.

Though some metered locations saw decreased consumption from the previous year, Elephants established a new baseline for annual electricity consumption. This was the direct result of a full 12 months of operation at Lake Oswego, and the introductions of Milwaukie Kitchen and Cedar Hills Crossing. Based on trend, Elephants

can expect to establish another new baseline in 2024, and possibly 2025. And that's even if Elephants can meet the declared 15% energy reduction goals for 2024.

See the next section for recommended actions for future energy management.

FUEL COMBUSTION (NATURAL GAS)

Total Use = 98,823.0 therms (thm)

Corporate natural gas use increased by 5,118.9 therms versus the previous year.

Corporate natural gas use was 18,770 therms below baseline.

- Central Kitchen – 35,160.8 therms, a decrease of 6,987.6 therms versus previous year
- Corbett – 11,026.7 therms, a decrease of 1,298.4 therms versus previous year
- Headquarters – 3,366.0 therms, a decrease of 250.5 therms versus previous year
- NW 22nd – 24,731.5 therms, a decrease of 1,346.6 therms versus previous year
- LeftBank Annex – 2,258.4 therms, an increase of 1,132.7 therms versus previous year
- World Trade Center – 1,904.6 therms, a decrease of 75.5 therms versus previous year
- Milwaukie Kitchen – 11,528.7 therms - partial year data – no full year use available for comparison
- Lake Oswego – 6,391.0 therms - no full year use available for comparison
- Cedar Hills Crossing – 2,455.3 therms - partial year data – no full year use available for comparison

Natural gas use for non-metered locations is not actively tracked at this time. Tracking will be implemented with inclusion of Scope 3 emissions reporting at a date to be determined (previously stated as beginning in 2025).

Baseline for natural gas use, 117,593.0 thm, is the 2016-17 fiscal year (July 1 through June 30). The primary driver of increased use overall is the operational needs of the three new facilities. All existing facilities saw decreases in use, save for LeftBank Annex – the increase at the location is due to increased event use. While Lake Oswego now has a full 12 months of use data, the combination of Cedar Hills Crossing and Milwaukie Kitchen will result in an almost certain new baseline for natural gas use in 2024.

Due to facilities added within the past 18 months, and one of those facilities – Milwaukie Kitchen – projected to increase consumption by 2-3x versus 2023, Elephants is projected to establish a new baseline for natural gas use. Recommended actions include an earnest and immediate commitment to reducing consumption of natural gas, and in all phases of the company's operations. This includes but is not limited to conversion of gas-powered equipment to electric analogues, stricter control of facility heating, performance on ongoing building assessments, and a commitment to employee awareness and engagement. Additionally, as with all vital resources, Elephants must commit to including energy assessments in all future facility development and selection. Without these efforts, Elephants will fail to meet any previously established reduction targets, let alone the company's public commitment to net zero emissions.

FLEET VEHICLES (CORPORATE MILEAGE)

Starting with 2023, fleet reporting will reflect gallons of fuel consumed. This replaces the previous system of estimating fuel consumption and emissions from vehicle mileage.

Total Emissions = 58.6 metric tons

Corporate mileage emissions increased by 0.3 metric tons compared to the previous year.

Corporate mileage emissions were 34.6 metric tons below baseline.

- Corporate Fleet – 2,374.4 gallons of fuel consumed, resulting in 21.1 metric tons of emissions
- Employee Mileage – 4,218.4 gallons consumed, resulting in 37.5 metric tons in emissions

Employee mileage is based on all mileage submitted by employee for compensation and may not completely capture all miles driven on behalf of the company.

Corporate fleet does not include mileage from rental vehicles. Tracking of rental vehicle mileage will be implemented with inclusion of Scope 3 emissions reporting at a date to be determined (previously stated as beginning in 2025).

The revised baseline for fleet vehicles is measured in metric tons of emissions. That baseline is 93.2 metric tons of emissions from fuel consumption and remains the 2018-19 fiscal year (July 1 through June 30).

Primary drivers of increased emissions are the expansion of delivery routes to include Milwaukie Kitchen and Cedar Hills Crossing, and increased employee use of their own vehicles for business purposes. Still, the increase was modest, a promising sign of collaborative efforts to optimize delivery services.

Recommended actions include formal adoption of a fleet management plan, reduction of internal delivery services, and renewed consideration of work with a third-party delivery agency with a sustainable or low-impact delivery model.

REFRIGERANT LOSS

Total Loss = 96 Combined Pounds of Refrigerant, or 165 metric tons of greenhouse gases emitted.

Refrigerant loss decreased by 102 metric tons of emissions versus the previous year.

Refrigerant loss decreased by 340.5 metric tons of emissions versus baseline.

Refrigerant Loss by Type:

- R22/HCFC22 – 2 pounds, or 1.6 metric tons of emissions
- R-134A – 4 pounds, or 2.4 metric tons of emissions
- R404A – 90 pounds, or 161 metric tons of emissions
- R290 (propane) - .25 pounds, or .001 metric tons of emissions

Refrigerant Loss by Location:

- Central Kitchen – 22 pounds of R404A. 35.8 metric tons of emissions.
- Milwaukie Kitchen - No leaks reported. No emissions to report.
- Headquarters - No leaks reported. No emissions to report.
- NW 22nd – 2 pounds of R22, 1 pound of R134A, and 35 pounds of R404A. 1.6, 0.59, and 62.6 metric tons of emissions, respectively.
- Fox Tower – 1 pound of R134A. 0.59 metric tons of emissions.
- Corbett – 1 pound of R134A and 9 pounds of R404A. 0.59 and 16.1 metric tons of emissions, respectively.
- South Waterfront – No leaks reported. No emissions to report.
- PDX – No leaks reported. No emissions to report.
- World Trade Center – 0.25 pounds of R290. 0.001 metric tons of emissions.
- LeftBank Annex – No leaks reported. No emissions to report.
- Cedar Hills Crossing – 1 pound of R134a and 12 pounds of R404A. 0.59 and 21.5 metric tons of emissions, respectively.

Significant Release Events (More than 3 pounds of refrigerant):

- Lake Oswego – 1/19/23 - 4 pounds of R404A
- Corbett – 1/31/23 - 7 pounds of R404A
- NW 22nd – 2/16/23 - 5 pounds of R404A
- Central Kitchen – 3/31/23 - 22 pounds of R404A
- Lake Oswego – 5/18/23 - 5 pounds of R404A
- NW 22nd – 7/18/23 - 3 pounds of R404A

- Cedar Hills Crossing – 7/28/23 - 12 pounds of R404A (plus 1 pound of R134A)
- Lake Oswego – 10/27/23 - 3 pounds of R404A
- NW 22nd – 11/7/23 - 17 pounds of R404A
- NW 22nd – 12/26/23 - 10 pounds of R404A

Tracking of refrigerant loss involves all equipment within the company’s control. Tracking of systems that fall outside of direct company control will be implemented with Scope 3 emissions reporting, at a date to be determined (previously stated as no later than 2025).

Baseline for refrigerant loss, 505.5 metric tons of emissions, is the 2017-18 fiscal year (July 1 through June 30).

Recommended actions include replacing aging systems increasingly prone to failure, replacement of R22, R134, and R404A with alternative refrigerants, and investment in new equipment that utilizes alternative refrigerants (CO2, propane, and ammonia in particular).

GHG, SCOPES 1 AND 2

Total = 1,298.5 metric tons (MT) of greenhouse gas emissions versus the previous year.
Total Scopes 1 and 2 emissions were 798.9 metric tons below baseline.

SCOPE 1

- Fleet Vehicles – 58.6 metric tons of emissions
- Refrigerant Leaks – 165.0 metric tons of emissions
- Fuel Combustion – 523.0 metric tons of emissions

SCOPE 2

- Electricity – 551.9 metric tons of emissions

Note: Scope 2 electricity emission calculation accounts for regional power sourcing, specifically hydroelectric power generation. Unrevised electricity emissions were 975.0 MT.

Carbon Intensity, a comparative measurement of emissions to revenue and an element of the B Assessment, was 56, a slight increase from 2022 (53). The base calculation is revenue in millions, divided by total scopes 1 and 2 emissions.

Baseline for Scopes 1 and 2 emissions, 2097.4 MT, is the 2017-18 fiscal year (July 1 through June 30).

Most recommended actions to decrease and/or slow the growth of emissions will be found in the previous sections of this report. However, this is the best place to recommend a full overhaul of the Environmental Management Plan and all accompanying environmental policies, with science-based targets that help guide the company towards mitigating and reducing emission as quickly as possible, and in a way that is most impactful against the effects of climate change.

GHG, SCOPE 3

Tracking of Scope 3 emissions will begin at a date to be determined (previously stated as no later than 2025).

WASTE GENERATION

This section is broken down into 4 categories:

- Contracted Services – Encompassing all services provided by Republic Services for Central Kitchen/ Clay, NW 22nd, Corbett, and LeftBank Annex; by Waste Management for Milwaukie Kitchen; and other contractual waste disposal services provided at those locations where waste is not included in the lease agreement.
- Non-Standard Waste – Encompassing all voluntary and routinely-tracked waste diversion practices, as well as hazardous material disposal.
- Retail Food Waste and Donation – Encompassing food waste and diversion practices for all retail locations.
- Production Food Waste – Encompassing all food waste recorded at production facilities.

CONTRACTED SERVICES

First, a breakdown of co-mingled recycling, organics/compost, glass, and solid waste, by estimated weight and percentage of total waste generated.

- Co-Mingled Recycling – 575,453 pounds – 47.8% of total output
- Organics/Compost - 275,802 pounds - 22.8% of total output
- Glass – 13,007 pounds - 1.1% of total output
- Solid Waste – 342,835 pounds – 28.4% of total output
- Total estimated weight – 1,207,097 pounds

Estimated weight is calculated utilizing the EPA’s Volume to Weight Conversions for Solid Waste, the standard measurement in the United States since 2016.

Baseline for contracted services, 2,117,118 pounds of total waste, is the 2018-19 fiscal year (July 1 through June 30).

The main drivers of increased output were adding another production facility and increased needs for services. The diversion rate is lower than historical trend; however, this is expected to return to normal levels in 2024.

NON-STANDARD MATERIALS AND HAZARDOUS WASTE

- Document Destruction – 2,730 pounds
- E Waste – 500 pounds
- Light Bulbs – 75 pounds
- Batteries – 100 pounds
- Polystyrene – 50 pounds
- Scrap Metal – 900 pounds
- Equipment, Donated and Recycled – 600 pounds
- Non-Standard Plastics – 60 pounds
- Cooking Oil – 42,576 pounds (estimated)
- Other Materials – 40 pounds
- Hazardous Waste - 0 pounds disposed in 2023

Altogether, 47,631 pounds of additional generated waste were successfully diverted from the waste stream.

Baseline for non-standard materials and hazardous waste disposal, 54,222 pounds, is the 2018-19 fiscal year (July 1 through June 30).

Recommended actions include institution of waste tracking at facilities with contracted services, periodic waste audits at all facilities, and employee retraining upon completion of the updated waste disposal guide. Of note: In October 2024, DEQ will complete the rulemaking process for standardized waste disposal across the state of Oregon. It will be essential that management understand what impacts the rules and law can have on operations, on waste disposal costs, and the likelihood for compliance requirements.

RETAIL FOOD WASTE AND DONATIONS

Calculations of retail food waste and donations are obtained through review of point-of-sale records for each location, and then combined. First, we'll look at the known monetary values.

- Recorded Food Waste, at Retail Value - \$493,995.17, an increase of \$132,462.56 from previous year, establishing a new baseline for future measurement and improvement
- Recorded Food Waste, at Cost - \$217,357.87 (at 44% Prime Cost valuation)
- Recorded Food Donations, Retail Locations Only, at Retail Value - \$332,384.17, an increase of \$98,715.28 from previous year, establishing a new baseline for future measurement and improvement
- Recorded Food Donations, Retail Locations Only, at Cost - \$146,249.03 (at 44% Prime Cost valuation)

The calculations for cost are based on the average cost of goods sold (COGS) for the entire fiscal year and does not make distinction between varying food costs.

2023 saw the adoption of a formal procedure for the donation of hot-held food, important to prevent food from waste disposal. However, it's important to identify that not only did both recorded waste and donations increased, but they did so at different rates.

Combined, retail waste and donation came to a whopping \$826,379.34. All numbers are expected to rise significantly throughout the first third of the year; at that point waste levels for PDX and Cedar Hills should cancel out. Still, unless significant changes are made – extending shelf life, allowing items to sell out faster, developing creative merchandising to cover open areas on barker shelves – Elephants will be on track to push up to and potentially cross a combined \$1 million in food waste and losses.

PRODUCTION FOOD WASTE

Food waste is actively tracked by production personnel and reported each accounting period as a facet of the inventory process. This segment of waste generation is limited to financial cost.

- Recorded Food Waste, at Cost - \$51,230.00, an increase of \$2,444.57 above baseline – This establishes a new baseline for future reporting.

The previous baseline for production food waste, \$48,785.43, was the 2022 fiscal year.

Recommended actions include regular waste audits, both in the production areas and in the refuse areas. Identifying what is being thrown away can go a long way towards menu optimization, and more effective turns of inventory.