Lake Champlain CHOCOLATES®

Impact Report



July 1, 2025 - June 30, 2026

Dare to do better

This past year, the cocoa industry faced significant challenges, including volatile commodity markets, inflation pressures, and evolving global trade dynamics that complicated purchasing decisions and cost management.

Cocoa farming communities were equally affected by changing weather patterns, crop disease, and regulatory developments. In this environment, collaboration across the value chain remains essential to building a more resilient, transparent, and sustainable industry for future generations.

Despite these challenges, we continue to make meaningful progress in support of three United Nations Sustainability Development Goals (SDG) that guide our impact strategy:



SDG 1: No Poverty – We remain committed to being part of the solution. Since the launch of the Microgrants Program, more than 400 individuals across cocoa growing communities have benefited from programs designed to improve livelihoods and strengthen local resilience.



SDG 8: Decent Work and Economic Growth – Our commitment to employee wellbeing, safety, and wellness was recognized by the State of Vermont, reflecting our ongoing efforts to foster an inclusive, healthy, and supportive workplace culture.



SDG 12: Responsible Consumption and Production – Through continual improvements to our packaging and operational practices, we are advancing circular economy principles by reducing unnecessary materials, increasing recyclability, and promoting more efficient use of resources.

If you are visiting Vermont, we invite you to join us for a chocolate tasting experience to learn more about how chocolate is made and our vision to change the world one piece of chocolate at a time. Thank you for supporting our family business and helping us make a difference together!



Ellen Reed
VP Supply Chain & Sustainability

The Impact Report is our way of measuring ourselves, and we'd love to hear from you. How are we doing?



Dare to do better awards

Employee recognition and peer recognition strengthen our community. Our Dare to Do Better Awards recognize and celebrate outstanding team members who exemplified the behaviors associated with Lake Champlain Chocolates' Five Star Wow pillars throughout the year. Every month, employees are nominated by their peers for exemplifying one of LCC's core values. Over the past year, 146 employees were recognized by their peers with our monthly Five Star Wows.

OUR 2026 AWARDS RECIPIENTS:

- Patty E, Retail Associate
- Rachele V, Quality Control & Continuous Improvement Specialist
- Erik F, Machine Operator Lead *(not pictured)*
- Maddie F, Burlington Stores Manager
- Jodi K, Packaging Team Lead
- Lauren D, Quality and R&D Specialist

OUR VALUES

- Dare to do better
- Raise the bar
- Be extraordinary
- Build community
- Celebrate & have fun

8 DECENT WORK AND ECONOMIC GROWTH

I love working for a business that shares the same values I have as a consumer!

- Krystal F, Direct Marketing Assistant Manager

HEALTH & SAFETY FIRST

Over the past year, LCC has transitioned from a traditional Safety Committee to a cross-functional Environment, Health and Safety team that brings together employees from across the organization. This approach allows us to work collaboratively, identify opportunities for improvement, and strengthen our commitment to the safety, health, and well-being of everyone at Lake Champlain Chocolates.

2025 Worksite Wellness Award Winner
For more information, visit vermontfitness.org

Build Community

Crafting extraordinary chocolate extends beyond the careful craftsmanship and passion that we put into each confection. It's about using the finest ingredients, sustainably sourced from local partners, and the quality relationships we are building within our community.



EDUCATING THE NEXT GENERATION OF CHOCOLATE LOVERS

As a leader in the American chocolate industry, it is our responsibility to teach chocolate lovers everywhere how to be conscious chocolate consumers. Our new Guided Chocolate Tastings, at our Flagship Store in Burlington, Vermont, foster community engagement by offering an interactive educational experience that introduces visitors to chocolate production, responsible sourcing, and sensory evaluation. The program enhances food literacy, supports local tourism, and strengthens appreciation for Vermont's specialty food industry while creating meaningful connections between consumers and Lake Champlain Chocolates employees, products, and company values.

1,593 people educated

★★★★★

The Chocolate Tasting was very informative and the speaker was both very personable and professional. We learned a LOT about chocolate and it gave us a new appreciation for chocolate! Will definitely bring out-of-town guests here for a tasting!

- Customer Review from Valli V



Be Extraordinary

We proudly contribute a portion of our profits to organizations that advocate diversity, equal opportunities, and environmental stewardship.

BURLINGTON DISCOVER JAZZ FESTIVAL

The Burlington Discover Jazz Festival marks the unofficial start of summer here in Vermont. For the past 26 years, we've been proud to support this vibrant, community-centered celebration of jazz that brings world-class musicians, emerging artists (including local school ensembles), and free outdoor performances to downtown Burlington, Vermont. This year, our sponsorship helped keep 99% of the programming free to the public, provided 56 hours of music, supported 993 student performances, and brought more than 20,000 people together. By supporting the Burlington Discover Jazz Festival, we're investing in our local musicians, strengthening our community, and bringing new energy and economic vitality to Burlington.



$95,000 donated

in chocolates and cash to nonprofits last year!

Over $1,000,000 donated in the last 14 years

FEATURED ORGANIZATIONS WE PROUDLY SUPPORT:

INTERVALE CENTER

Ronald McDonald House® Vermont

COTS Everyone deserves a home.

NCAL NORTH COUNTRY ANIMAL LEAGUE

GREEN MOUNTAIN CLUB LONG TRAIL 1910 VERMONT

SHELBURNE MUSEUM

FLYNN

USCRI U.S. COMMITTEE FOR REFUGEES AND IMMIGRANTS VERMONT FIELD OFFICE

Raise the Bar

Building stronger socially and environmentally sustainable communities, both locally and globally, helps ensure a better future with chocolate for all!



LET CHOCOLATE CHANGE YOUR WORLD®

We proudly donate 1% of sales from our Signature Bar line to an innovative Fair Trade Microgrants program that supports cocoa, coffee, sugar, and vanilla farming communities. The program provides flexible, rapid, direct-to-farmer funds for projects that strengthen environmental protection, women's empowerment, and water resource management. The paper packaging also helps conserve natural resources (compared to virgin fiber), while organic farming practices promote healthier soil, greater biodiversity, and cleaner waterways. Together, these choices make every Signature Bar an opportunity for our customers to enjoy extraordinary chocolate while creating a positive impact for people and the planet.

FAIR TRADE CERTIFIED

$60,000 in **Fair Trade Premiums** paid to sugar and cacao farmer and communities

$955,000 in Fair Trade Premiums paid to farmers since 2014

100% of our chocolate

is purchased under fair trade terms to fight poverty!

1 NO POVERTY

TURNING WASTE INTO OPPORTUNITY FOR WOMEN

Social and economic inequality is still prevalent across much of the cocoa industry. Women face significant barriers to land ownership and typically earn less than their male counterparts. This year, we're proud to be funding a project to empower the female cocoa farmers of the Allima Cacao Cooperative. With these Fair Trade Microgrants funds, the cooperative will build a centralized, women-run facility to process cocoa mucilage (a waste byproduct of the cocoa harvest) into cacao honey and fertilizer. This new facility reduces and reuses waste, offers a source of quality fertilizer for cocoa farmers, and provides additional income from both wages and the sale of the value-added products for women in the cooperative.



Fair Trade Microgrants

In partnership with Fair Trade USA™, our innovative program strengthens our communities and protects our environment.

FARMER LED AGROFORESTRY AND CLIMATE RESILIANCE

The loss of biodiversity, declining soil fertility, and the scarcity of forest resources, combined with heavy rains and prolonged drought, exacerbate the vulnerability of the coffee and cocoa farmers in Satipo, Peru. This year, our Fair Trade Microgrants program helped the Aprovraem Café y Cacao cooperative to implement agroforestry practices and build a nursery producing cocoa seedlings and native forest species. With forest management training, farmers now grow mahogany and cedar alongside cocoa to protect their soil, support biodiversity, and build long-term climate resilience. This project provides a successful long-term model for environmental sustainability that other farming cooperatives in the area can replicate.



With climate change, things are not like they used to be. It is hotter, and sometimes there is a lot of rain, which affects our plants. With more trees, we will have better shade, and the soil will be better preserved. We will also be able to renew our cocoa with more secure plants. We are grateful for the support of the nursery project and hope that you will continue to support us so that we can continue to improve our farms and the future of our families.

- Aprovraem Cocoa Farmer

Dare to do better

Innovation doesn't just mean exciting new flavors; it means developing products and their packaging to minimize waste and resource depletion.



NEW LEAF PAPER

Certified B Corporation®, New Leaf Paper, creates high post-consumer recycled fiber products that alleviate pressure on the waste system and safeguard natural resources like water and forests. Last year, we purchased 11,520 pounds of 100% post-consumer recycled fiber from New Leaf Paper for our Signature Bar chocolate wrappers, conserving the following resources (when compared to purchasing virgin fiber):

Trees	*Water*	*Energy*	*Solid Waste*	*Greenhouse Gases*
116 TREES	**26000 GALLONS**	**0.6 HOMES/YEAR**	**510 POUNDS**	**6 CARS/YEAR**

ENVIRONMENTAL IMPACT

At our Vermont chocolate factory, we continually work to reduce, reuse, recycle, and decrease our environmental impact. Plastic pollution presents serious risks to both the environment and human health. Since recycling options are limited, we prioritized reducing plastic use within our product packaging and our factory operations this year.

57% of waste
recycled instead of sent to the landfill

2,000 lbs
of plastic product packaging eliminated

3,500 lbs
of paperboard packaging reused

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

11,700 pounds of waste reduced
in our chocolate factory over the past 5 years due to employee focus and awareness

Uncompromised quality

Doing things the Vermont way means infusing creativity and craftsmanship with the best-in-class sourcing.

GO ORGANIC

Making extraordinary chocolate is what we do. In the early days, this meant pioneering the movement to create chocolates that were free of additives, preservatives, and artificial colors, flavors, and ingredients. While our artisan chocolate making process focuses on craftsmanship and a passion for perfection, our ingredient sourcing continues to evolve, and we strive to source organic ingredients whenever possible.

The impact of climate change on agriculture is profound, and farmers are indeed on the front lines of this crisis. Organic farming practices offer a promising solution to mitigate some of these effects by building more resilient and sustainable agricultural systems. Lake Champlain Chocolates proudly supports organic farming practices.



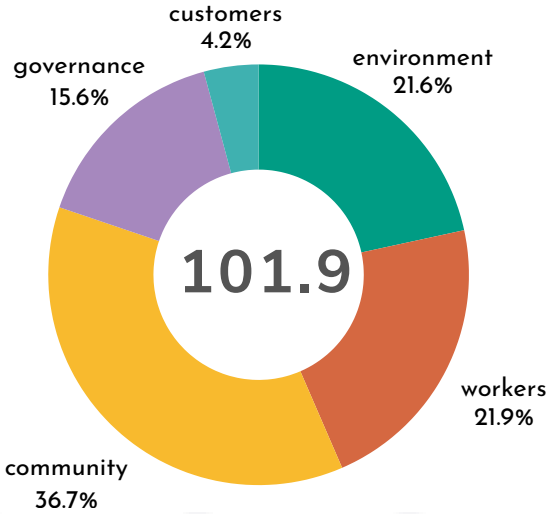
118 certified organic
products sold nationwide

Lake Champlain Chocolates' commitment to sustainable practices and proactive waste management demonstrates leadership within the business community. By continuing to build on these efforts, the company sets a benchmark for environmental responsibility across Chittenden County.

- Gabriella S, Waste Management at CSWD

Certified B Corporation
Learn more at bcorp.com

IMPACT ASSESSMENT SCORE



It is my opinion that during this period covered by the Annual Report, Lake Champlain Chocolates has acted in accordance with its general public benefit purpose to ensure employees and partners around the world are driving for a fairer and more equitable business environment, all while producing some of the world's best chocolate.

- Richard Stoner, Benefit Corporation Director