



2020 Sustainability Goals

Philanthropic Giving

Increase investment in The Burt's Bees Greater Good Foundation to \$1 million annually, with at least 10% of funding going to projects in Global Supplier communities.

Community Outreach

Register 10,000 honeybee forage sites and impact 10,000 acres through partnerships of The Burt's Bees Greater Good Foundation.

Packaging

Increase recycled content of primary container packaging by 40%, increase recyclability by 20%, and reduce total packaging materials by 10%.

Product Formulation

Maintain at least an average of 99% natural formulations across our product portfolio.

Contract Manufacturing

Integrate contract manufacturing into sourcing and operational footprint goals and metrics.

Global Supply Chain Investment

Identify and begin investing in at least 10 global supplier communities.

Responsible Sourcing

Trace, evaluate, and monitor priority raw materials (per Burt's Bees Responsible Sourcing Road Map).

Waste

Limit waste-to-energy (WTE) to less than 10% of total byproduct.

Water

Reduce water usage by 10% over 2011.

Climate & Energy

100% carbon neutral by 2020.
Reduce energy use by 10% over 2011.

COVER IMAGE: *The Good of the Hive* initiative, founded by artist Matthew Willey, intends to hand-paint 50,000 honeybees—the number necessary for a healthy, thriving hive—in murals around the world in order to raise awareness about the importance of honeybees and other pollinators, while celebrating the beauty and power of human connection. A mural depicting the healthy expansion of a hive on the side of Burt's Bees HQ was painted in collaboration with employees as part of Burt's Bees annual Culture Day. To see where Matthew's work has taken him since painting our mural, go to TheGoodoftheHive.com.

Finding Our True Power

Burt's Bees was founded on a simple idea that what we put on or in our bodies should be made up of ingredients born from nature.

Ingredients, however, are just one part of the story. Our goal in nurturing the life and beauty of the skin is to emulate the balance, resourcefulness and strength that is inherent in nature. This also means recognizing that while Earth's bounty is plentiful, it is not unlimited. Having built a global business by harnessing the power of nature, we are driven to give back by supporting and protecting the ecosystems and communities from which our ingredients are sourced. Just as ecosystems in the natural world are constantly cycling and exchanging resources, we see our role as a productive and responsible member of a much larger network.

In this 2020 Sustainability Goals Update, we'll provide details of how we are doing. Whether it's our ongoing carbon neutral status, sustainable packaging advances, investments in global supplier communities or mentorship of up-and-coming entrepreneurs, our teams and partners have achieved a lot in a few short years since these goals were established in 2012. Yet while we're proud of these successes, we also want to be transparent about our challenges. In the same way that natural systems are constantly shifting, we find true power in the ability to evolve and grow as we push ourselves and our partners to do more and to be better.

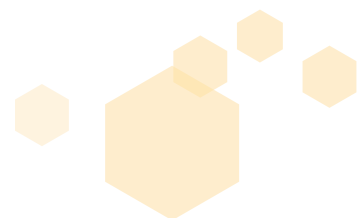


Our aim is not just to communicate progress—but also to share what we have learned along the way.

Nature depends on it.

MATT GREGORY

Matt Gregory
General Manager, Burt's Bees



2020 SUSTAINABILITY GOALS

2018 Status Overview

4,400 acres of wildflowers and more than **15 billion** seeds planted, impacting as much as **145,000** acres of farmland.



41.37% Increase in PCR content of primary container packaging- exceeding 2020 goal. Consumers can now **recycle all packaging** through Recycle on Us program with TerraCycle®.

5 Global Supply Chain Investment projects underway, benefitting **6,065** people.



\$440,000 distributed by The Burt's Bees Greater Good Foundation in FY18, the highest annual amount to date.

38% increase in water usage over 2011 baseline.

Community Outreach

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Product Formulation

pg. 07



Average of **99.7%** natural across all products launched in FY17-18. Portfolio average to be calculated in FY19.

Contract Manufacturing

pg. 07

Greater than **99%** of active contract manufacturing suppliers have completed a third party responsible sourcing self-assessment to date.

Packaging

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Responsible Sourcing

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69 site visits to priority raw material sites to date.

Climate & Energy

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Maintained **CarbonNeutral®** certification.

8% increase in energy over 2011 baseline.



Philanthropic Giving

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Waste

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100% waste diverted from landfill for eighth straight year. WTE limited to **18.5%**.

Water

pg. 11



PHILANTHROPIC GIVING

\$440,000 distributed by The Burt's Bees Greater Good Foundation in FY18, the highest annual amount to date.

2020 Goal: Increase investment in The Burt's Bees Greater Good Foundation to \$1 million annually, with at least 10% of funding going to projects in global supplier communities.

The Burt's Bees Greater Good Foundation distributed \$440,000 to causes supporting human and honeybee health in fiscal year 2018. Primary funding of the Foundation is generated as a percentage of burtsbees.com sales and an additional lump sum contributed by the business based on growth. For the past few years, cause marketing programs also generated funding for Foundation initiatives, including \$225,000 raised through our 'Bring Back the Bees' campaign in fiscal year 2017. Through this campaign, we planted 5,000

wildflower seeds on pollinator forage sites for every lip balm purchased. In the coming years, our cause marketing contributions will go directly to external NGOs.

When we set our goal in 2012, our target of over \$1 million in annual giving was a bold one, but we are on track to reach \$500,000 annually—with the intent of increasing giving each year. Giving to projects in global supplier communities will no longer be tracked as 10% of foundation funding because it has shifted to become a strategic investment funded by the Burt's Bees business and is now considered part of the Global Supply Chain Investment goal. (See page 8.)



COMMUNITY OUTREACH

4,400 acres of wildflowers and more than **15 billion seeds** planted, impacting as much as **145,000 acres** of farmland.

2020 Goal: Register 10,000 honeybee forage sites and impact 10,000 acres through partnerships of The Burt's Bees Greater Good Foundation.

As detailed in our 2016 Goals Update, we evolved our approach to the Community Outreach goal in order to have a more immediate impact on honeybee health. While we originally intended to focus on registering pollinator-friendly landscapes in order to raise awareness, we determined we could have a greater impact by pursuing programs intended to directly make 10,000 acres of agriculture

more pollinator-friendly. We achieved this goal at the end of fiscal year 2016, but we have continued to push beyond our target. Through our partnerships with organizations like RAFI (Rural Advancement Foundation International), we've provided wildflower seeds and technical support to 40 working farms—helping to promote honeybee health and support sustainable farming. We have distributed over 15 billion seeds and planted more than 4,400 acres of wildflowers in total, which impacts as much as 145,000 acres of farmland.



PACKAGING

41.7% increase in post-consumer recycled (PCR) content of primary container packaging.



Consumers can now recycle all packaging through Recycle on Us program with TerraCycle®.

2020 Goal: Increase recycled content of primary container packaging by 40%, increase recyclability by 20%, and reduce total packaging materials by 10%.

We have made meaningful progress on our packaging goals over the past two years. In fact, we are currently tracking ahead of our goal with a 41.7% increase in PCR content of primary packaging over our 2011 baseline. Our current average PCR content across the portfolio is 37.1%.

Progress was particularly pronounced in closures such as tube and bottle caps, where PCR content increased from 10.7% in fiscal year 2016 to 13.8% in fiscal year 2018. While this is a challenging area that typically receives less attention in our industry, our packaging and process engineers have worked hard to increase average PCR content of closures by 12.4% since 2012. Moreover, they've been able to do so while maintaining consistent brand colors and robust, functional design.

We would like to continue to push our average PCR content even higher, but we do face some challenges. For example, some of our products require packaging for which recycled content is not yet available. We also use some materials, like glass and aluminum, where PCR cannot be claimed. We continue to pursue innovation, however. Our shift from a rigid plastic closure to a plastic film closure on our facial towelettes packaging, for example, resulted in the elimination of 108,000 pounds of waste from landfills each year—the equivalent weight of about 9.8 million yogurt cups!



Putting a Cap on Waste

We encourage people to take advantage of curbside recycling programs where available. Many smaller products like lip balms may be too small to be captured by conventional recycling equipment, so we launched the Recycle on Us program (in the United States only) in partnership with TerraCycle® to help address this common problem. This program ensures that all Burt's Bees packaging—even those items not accepted by or too small for mainstream recycling streams—can be collected by mail for end-of-life recycling at no cost to the consumer while also raising money for his or her favorite charitable organization ([sign up here](#)).



PRODUCT FORMULATION

Average of **99.7%** natural across all products launched in FY17-18. Portfolio average to be calculated in FY19.

2020 Goal: Maintain at least an average of 99% natural formulations across our product portfolio.

We have maintained an average above 99% natural on all products launched since our last Goals Update. In some of our water-containing products, however, we use a synthetic preservative, such as phenoxyethanol, to ensure the safety, efficacy, and aesthetic of the formula at 1% or below. We continue to aspire to achieve 100% natural formulations in everything we do, so our chemists are actively engaged in researching natural alternatives that will work as well as or better than synthetic preservatives. We do not currently track the average percent natural across the entire product portfolio on an annual basis, but we plan to update the portfolio average in fiscal year 2019 and will continue to disclose the natural content of each of our products.



CONTRACT MANUFACTURING

Greater than **99%** of active contract manufacturing suppliers have completed a third party responsible sourcing self-assessment to date.

2020 Goal: Integrate contract manufacturing into sourcing and operational footprint goals and metrics.

Responsible sourcing organization Sedex helps us manage ethical and social performance and build trust with suppliers in our ongoing efforts to protect people, the environment, and business. We ask contract manufacturers to complete the Sedex Self-Assessment Questionnaire (SAQ), which covers questions on the following topic areas:

- **Labor standards:** wages, working hours, children and young employees, freedom of association, non-discrimination, forced labor and human rights
- **Health & safety:** management, training, emergency and fire safety and worker health
- **Business ethics:** bribery and corruption
- **Environment:** environmental management, waste, raw materials, water, energy and pollution

We use this data to profile risk and jointly develop plans to elevate responsible sourcing practices beyond our own manufacturing operations. We also learn from suppliers how to improve our practices and drive initiatives with our customers. Moreover, the SAQ is a means to harmonize responsible sourcing efforts across the cosmetic industry because it can be shared and accepted in place of a customized evaluation. This enables suppliers, brands and retailers to focus on driving improvements.



GLOBAL SUPPLY CHAIN INVESTMENTS (Formerly Global Supplier Community Investment)

5 Global Supply Chain Investment projects underway, benefitting **6,065** people.

2020 Goal: Identify and begin investing in at least 10 Global Supplier communities.

Beginning in fiscal year 2017, Global Supplier Community Investments became “Global Supply Chain Investments” in order to include a broader scope of activities where we also partner with others in the cosmetics industry to drive collaborative action in ingredient supply chains.

We began projects targeting 10 key ingredient sourcing regions in order to reinforce mutually beneficial partnerships with local communities. Projects are informed by site visits (see page 10) and strive to achieve greater capability building throughout select cosmetic and fragrance ingredient supply chains in areas such as access to clean water, women’s and children’s empowerment, health and safety, and biodiversity. In order to make a greater impact, suppliers are encouraged to contribute financially or in-kind.

For example, we began two projects with communities that supply our beeswax. Collaborating with our ingredient suppliers, we provided protective equipment and beekeeping tools to 465 beekeepers in Tanzania and Vietnam where availability of these items is limited.

In fiscal year 2018, we also began investments in three additional projects for implementation in 2019:

- 1** Expansion of our beeswax project in Tanzania to make beekeeping suits within local villages
- 2** The addition of Ghanaian cooperatives in our shea project for trainings on improved cook stoves, kernel processing and economic empowerment (see next page)
- 3** A new project focused on agroforestry and environmental education with cupuaçu communities in Brazil



Our partner beekeeper tends hives in Vietnam.

“Global Supply Chain Investment projects bring an entirely new dimension to reading an ingredient label on a product—it’s no longer just about the benefits of each natural ingredient but also about the group of individuals who make them possible. We see a person and where he or she lives when we think about an ingredient.”

—Shannon Hess, Associate Director, Responsible Sourcing



A Burkinabe shea kernel collector holds her proof of sale.



Cookstove training in Burkina Faso.



Mashaka and Juju wear their new bee suits in Tanzania.

Investing in Communities

In fiscal year 2017, with USAID Sustainable Shea Initiative, Global Shea Alliance, an NGO partner, and our ingredient supplier, we impacted a total of 5,000 women through shea kernel collection and processing trainings in Burkina Faso as a means to improve women's economic empowerment:

- 3,000 women trained to build fuel-efficient cook stoves that help improve safety conditions for them and their families, improve quality of roasted shea kernels, and increase efficiency of daily cooking
- 2,000 women trained on quality kernel processing
- 600 women leaders received cooperative development training
- 200 cooperatives registered

[Read more about Global Shea Alliance and USAID Sustainable Shea Initiative here.](#)



RESPONSIBLE SOURCING

69 site visits to priority raw material sites to date.

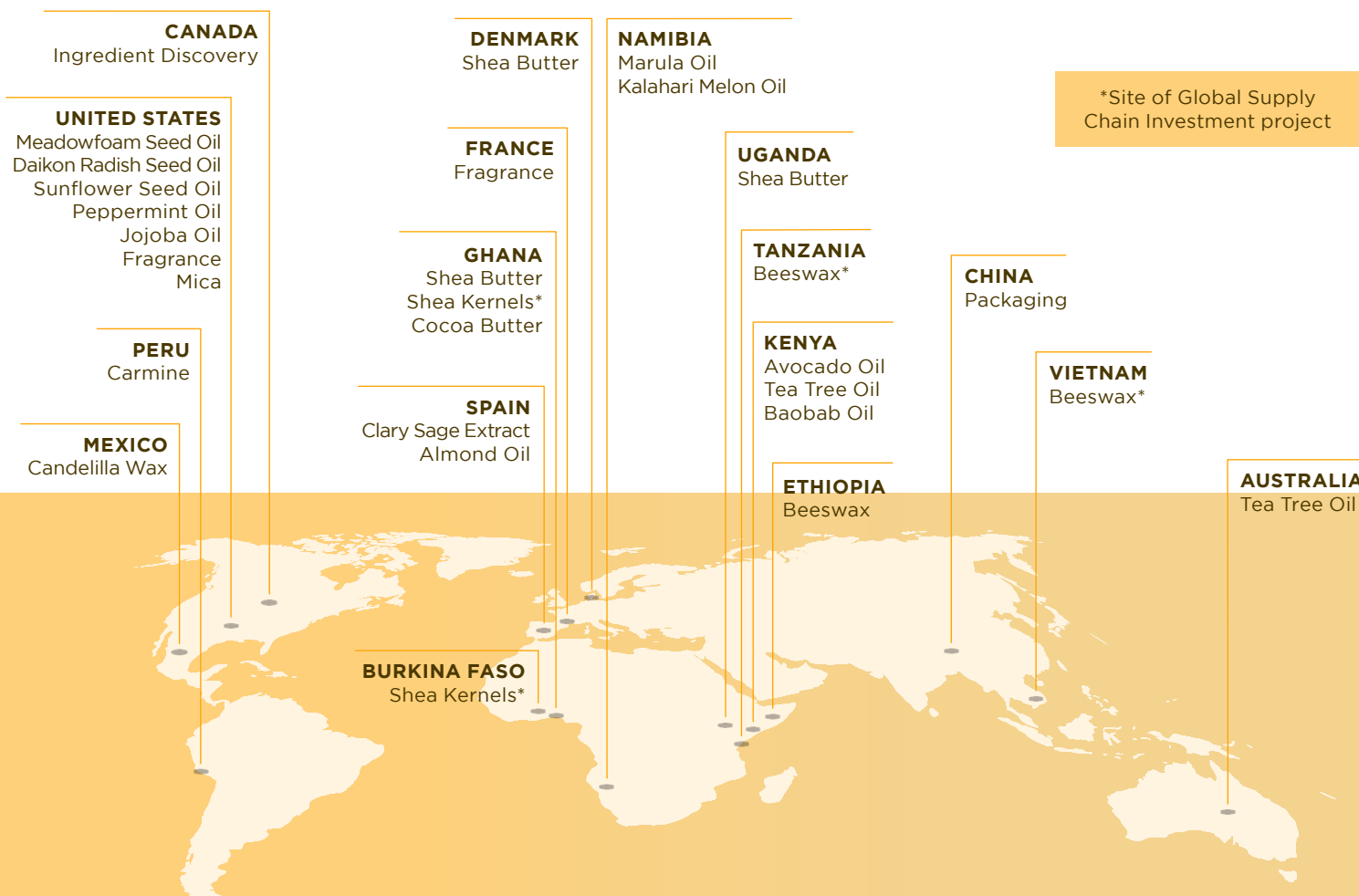
2020 Goal: Trace, evaluate, and monitor priority raw materials (per Burt's Bees Responsible Sourcing Road Map).

Since our last update, we've progressed beyond responsible sourcing ingredient evaluations to site visits with our priority raw material suppliers. These site visits enable us to learn about the growing, harvesting, extraction and production of the natural ingredients that go into our products. The ultimate goal is for our team and our suppliers to better understand each other's business impacts and to map the supply chain to foster trust, transparency and traceability.

Our priority ingredients include waxes, butters, oils, natural colorants and extracts that are widely used in our portfolio, have important performance attributes in our products and are from supply chains where we believe we can drive meaningful actions in communities on the ground. We have visited 76 sites in 17 countries for priority raw materials, fragrances and packaging. We've visited 56% of priority raw material sites, which represents 94% of waxes, 84% of butters, 48% of vegetable oils, 61% of essential oils, 12% of extracts, and 54% of natural colorants we purchase.

Responsible Sourcing Around the World

Site visits by raw material across the globe.





WASTE

100% waste diverted from landfill for the eighth straight year. Waste-to-energy limited to 18.5%.

2020 Goal: Limit waste-to-energy (WTE) to less than 10% of total byproduct.

Burt's Bees has not sent any waste to landfill since 2011, and we have committed to limit the amount of our waste that is sent for waste-to-energy processing. However, because of changes in international recycling markets, some of our byproducts are no longer readily recycled and our goal of <10% waste-to-energy by 2020 is at risk. We are working aggressively to identify new outlets for recycling our waste streams and we will continue to send zero waste to landfill.



WATER

38% increase in water usage over 2011 baseline.

2020 Goal: Reduce water usage by 10% over 2011.

We have struggled to meet our water reduction targets after increasing water use per mass unit of production by 30% in fiscal year 2016, as detailed in our 2016 Goals Update. Due to operational changes, our water consumption continued to increase by 2.5% in fiscal year 2018, despite decreasing 1.8% in fiscal year 2017. As a result, we do not anticipate that we will meet our goal of 10% reduction by 2020. To offset our annual water consumption, we fund watershed restoration projects through the Bonneville Environmental Foundation aimed at revitalizing and sustaining fresh water resources.



CLIMATE & ENERGY

Maintained **CarbonNeutral**® certification. 8% increase in energy over 2011 baseline.

2020 Goal: 100% carbon neutral by 2020. Reduce energy use by 10% over 2011.

We have maintained our status as a certified CarbonNeutral® company in line with the requirements of The Carbon Neutral Protocol, a goal we achieved four years ahead of our 2020 deadline. In addition to internal efficiencies and purchasing carbon credits, we offset scope 1, 2 and 3 emissions by working with Natural Capital Partners to fund projects such as clean cook stoves in Uganda and landfill methane collection and combustion in North Carolina led by NC GreenPower.



Thanks to an LED lighting retrofit and other operational improvements, we saw an 18% reduction in energy use in fiscal year 2017. However, we saw a 10% increase in fiscal year 2018 due in part to an expansion of our distribution facility. While we're currently off-track, we continue to explore avenues for meeting our goal of 10% reduction by 2020.

Wildflower plantings at a “solar apiary” in Washington state. Working with Minnesota-based non-profit Fresh Energy, we support efforts to increase biodiversity at solar installations through robust, regionally-appropriate planting mixes and careful land management. We are actively working on new initiatives to expand our investments in biodiversity.



Natural Launchpad: Nurturing the Next Generation

Our company was launched when an artist and a beekeeper—two people who shared a love of nature and living simply—ran into each other by chance on a roadside in rural Maine. It's been a long journey from there to where we are today, but we are committed to helping others who are pioneering natural and sustainable businesses. We founded Burt's Bees Natural Launchpad as a grant program, accelerator and mentorship initiative that's designed to nurture and support the most promising natural products start-ups. In 2018, we evolved Natural Launchpad to focus on female entrepreneurs. It's a nod to our co-founder, Roxanne Quimby, the artist and entrepreneurial spirit behind the brand. This shift has inspired new interest in Natural Launchpad.

Reducing food waste, supporting regenerative agriculture and rethinking packaging forms are just a few of the ways Natural Launchpad alumni are addressing people's natural product needs and tackling global issues. Categories represented in Natural Launchpad range from food and beverage to natural remedies to household products.

In addition to cash grants and two days of coaching at Burt's Bees, Natural Launchpad entrepreneurs also receive access to a collaborative community of peers, as well as social media and marketing support to help carve out their place in the market.



Cacoco Drinking Chocolate

Chocolate bars were only invented in the 1800s, yet people have been drinking chocolate for over 3,500 years. Cacoco's line of traditional drinking chocolates aims to honor that heritage. It is produced from heirloom cacao, spices and coconut sugar and comes in fully compostable packaging. The company supports Ecuadorian cacao farmers who are applying regenerative and fair-trade standards.

According to Cacoco co-founder Tony Portugal, Natural Launchpad offered a unique opportunity to scale the company's mission:



“It was hugely valuable for us to learn more about Burt's Bees' journey to success, and to also have access to specialists in specific departments. Whether they were in packaging or marketing, Burt's Bees team members were incredibly generous with their knowledge, helping us think through how we scale. That, combined with a community of peers who are taking on similar challenges, made this a unique experience that has changed how we think about business.”

[Learn more about our first three years of Natural Launchpad entrepreneurs here.](#)

A Culture of Sustainability

Sustainability is not sustainable unless everyone does their part. That's why—in addition to our 2020 Sustainability Goals—we encourage a broader culture of service and sustainability among our employees. This manifests itself through our annual Culture Day service event as well as annual goals around employee volunteerism and waste management.

Mural painting on Culture Day 2016.
Mural Design © 2016 The Good of the Hive.



IN FY17-18:

100%

of our commercial operations staff volunteered at least eight hours of paid time with local nonprofits through our Live the Greater Good program.

85%

of the recycling and waste-to-energy bins across our commercial offices and manufacturing plant were sorted correctly throughout the course of the year. Our Green Derby team of employee volunteers regularly conducts trash and recycling audits to make sure materials are sorted and disposed of correctly, and reports out monthly performance to the business.

Our FY17 Culture Day assembled 2,000 Honeybee Health Monitoring Kits.

These honeybee health diagnostic kits were distributed to beekeepers nationally by nonprofit group Bee Informed Partnership. The kits help to gather data on pests and diseases and provide insight into how different management practices impact overall honeybee health.

Burt's, Bees and Biodiversity

When we unveiled our 2020 Sustainability Goals, we focused much of our efforts on initiatives that would boost “human and honeybee health.” Indeed, whether it’s offering products with greater than 95 percent natural ingredients and without phthalates, parabens, petrolatum or SLS or planting 4,400 acres of wildflowers to impact as much as 145,000 acres of farmland, we are proud of the progress we have made on these fronts.

As we look beyond 2020, we’ve been reflecting on what comes next. In doing so, we’re driven by an undeniable fact: human and honeybee health are intrinsically linked to the health of the natural world as a whole. Since the Industrial Revolution, the extinction rate of species has been increasing exponentially, leading some scientists to project that one half of all species on Earth could be lost by the end of the century.

Our sustainability efforts moving forward will seek to expand our efforts to address this crisis. We’re proud to have been named the No. 1 Brand in the U.S. on the 2018 Union for Ethical Biotrade Biodiversity Barometer, and we will be working with key partners to support research, conservation and advocacy surrounding the loss of biodiversity and the associated impacts on the livelihoods of people.



Healthy ecosystems have been central to our journey as a company. We look forward to sharing more on this vital next step in our efforts to leave the world around us better than we found it.

PAULA ALEXANDER

Paula Alexander
Director, Sustainable Business and Innovation

Sustainability continues to be the responsibility of every employee at Burt's Bees. However, the Burt's Bees Sustainable Business and Innovation Team plays a lead role in stewarding and reporting on our overall sustainability strategy.

From left: Shannon Hess, Matt Kopac, Paula Alexander, and Lauren Newton.

