2016 SUSTAINABILITY REPORT
We are pleased to issue our third annual sustainability report with goals and commitments to becoming even more environmentally and socially responsible.
<table>
<thead>
<tr>
<th>Topic</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Letter from the President</td>
<td>2</td>
</tr>
<tr>
<td>Who is Eco-Products?</td>
<td>3</td>
</tr>
<tr>
<td>Our Approach</td>
<td>4</td>
</tr>
<tr>
<td>Our Goals</td>
<td>5</td>
</tr>
<tr>
<td>How Did we Measure Up?</td>
<td>6</td>
</tr>
<tr>
<td>Our Impacts</td>
<td>8</td>
</tr>
<tr>
<td>Product Design</td>
<td>10</td>
</tr>
<tr>
<td>Product End-of-Life</td>
<td>14</td>
</tr>
<tr>
<td>Supply Chain</td>
<td>17</td>
</tr>
<tr>
<td>Operations</td>
<td>18</td>
</tr>
<tr>
<td>Employees</td>
<td>23</td>
</tr>
<tr>
<td>Community</td>
<td>26</td>
</tr>
</tbody>
</table>
Hello and welcome to the third edition of the Eco-Products Sustainability Report. When we came out with our first report in 2014, it was primarily an exercise in goal setting. While we had been measuring our carbon footprint for years leading up to that report, we hadn’t set any objectives for trying to manage those or any of our other impacts. Once we published that first set of goals, everything changed. Cross-functional groups began meeting regularly to discuss progress on goals, solve problems, and make decisions. Some of those decisions were easy, but not all of them were. The meetings and conversations that took place when the decisions were more difficult proved to be some of the most valuable in the history of this company. That’s because those decisions tend to be “gut check” type decisions that force a company to look in the mirror and accept what is in the reflection. None of that happens without a report like this in place to hold you accountable.

One of the things that stands out from this past year is that our Sustainability Maven was elected to the United States Composting Council’s Board of Directors. Keeping organics out of landfills is key to reducing greenhouse gas emissions, and we hope her contributions to this group will help that happen more often. Another highlight was the implementation of a supplier code of conduct for our manufacturing partners that triggered a new round of factory audits, only to be bolstered by a major corporate ownership development I will get to shortly. Lastly, some of you may recall that air travel contributes significantly to our operational (non-product) carbon footprint. We’re proud to report that our sales team and other travelers were able to dramatically reduce miles flown as a percentage of sales. Simply put, we sold more while flying less.

There has also been activity on the corporate ownership front, as I alluded to earlier. When our last report was published, Eco-Products was one of four divisions that collectively comprised The Waddington Group (TWG), and we still are. Last summer, TWG was acquired by Jarden Corporation, a world-class consumer products company with over 120 brands spread across a diverse mix of markets and industries. Jarden has a strong sustainability record, as evidenced by their comprehensive supplier code of conduct that we now benefit from and have begun to implement. We continue to be impressed with Jarden’s attention to sustainability, and are honored to be a part of this exciting family of brands.

At the end of the day, everything comes back to waste diversion for us. It’s our reason for being and it is reflected in our new mission statement...
WHO IS ECO-PRODUCTS?

Our Mission:

At Eco-Products, we understand the connection between the health of the planet and the impacts of disposable packaging. Every day we work to advance zero waste systems, and help our customers be better stewards of the environment.

Eco-Products is the leading brand of single-use foodservice packaging made with renewable resources and post-consumer recycled content. We are a mission-driven organization, using environmentally preferable foodservice packaging as a means to advance zero waste practices and to raise awareness of the connections between the products we use, the materials they are made with, and what happens to them at the end of their lives.

We recognize that disposable products are not ideal, even if they do have environmental benefits. However, we live in a society where they are not going away anytime soon. From concerts to sporting events to take-out restaurants, single-use foodservice packaging is ingrained in our convenience-driven culture. We don’t think it makes sense to use our most valuable, non-renewable resource (oil) to make a product that is designed to be used for ten minutes, then get tossed aside; there has to be a better way.

Ultimately, we aim to get to a point where the use of our products is regenerative to the environment. For us, this means all of our product inputs are outputs from something old, and at the end of their useful lives, they become inputs for something new. At Eco-Products, making more sustainable alternatives to conventional packaging simply isn’t good enough.
Our approach to sustainability and sustainability reporting

It shouldn’t be particularly surprising that we try hard to run our company in sustainable ways. Marketing 101 tells you that a brand like ours would never work in the long run if we didn’t find ways to practice what we preach. For us, sustainability is not a marketing campaign. It is not a stand-alone initiative. It is core to who we are and what we do. Yes, we have a dedicated Sustainability Maven on staff to ensure this remains true, but she is not the only one who is charged with implementing sustainability at Eco-Products. Every employee is.

Of course, we are not and will never be perfect. Some of our impacts are within our direct control to affect, and some we influence minimally. What we know for sure is that the best way to manage any of our impacts is through a strategic approach, measurement, and public goal setting. Our shareholders would never let us operate without measurable financial targets, and we think the rest of our stakeholders should have meaningful metrics to measure us by as well.

This report aims to paint a picture of our 2015 sustainability performance. It chronicles activities taking place within our walls, in the field with our customers, and anywhere food service and zero waste overlap. Using our brand as a force for good is an opportunity, a responsibility, and we don’t take it lightly.

Our sustainability report addresses the environmental and social issues most relevant to our business and our stakeholders. These topics and goals were identified though stakeholder input, including our Sustainability Advisory Committee annual meeting and ongoing communication, collaboration on customer sustainability efforts, participation in industry organizations and initiatives, input from employees, and engagement with community members such as city councils and nonprofits.

Why do we report?

This report serves multiple purposes. First and foremost, it allows us to be transparent about our sustainability approach, successes, and challenges. Our stakeholders deserve this. Second, it keeps us focused. Setting public goals and committing to an annual report sharpens our focus on continual improvement. Finally, it enables us to treat sustainability just like any other important metric. We set goals and track progress for sustainability like we do in every other business function.

About this report

The scope of this report is calendar year 2015, although in some instances we describe qualitative progress in 2016 in order to provide the most useful snapshot of our efforts. The report covers our direct operations and our employee, supplier, and community relationships. It also includes the life-cycle impacts of our products, such as their manufacturing and end-of-life scenarios. Eco-Products acquired Bridge-Gate Alliance Group in late 2014. Because of the date of acquisition, Bridge-Gate operations and impacts were not included in the scope of last year’s sustainability report. They are included in this report, and will be going forward.

One last thing about our approach to reporting is that we look to frameworks such as the Global Reporting Initiative (GRI) and B Corp for guidance on what issues to address and report. Such initiatives provide insight on which topics have been deemed material by others outside our organization, and our sustainability achievements compare favorably with companies that have elected to formally utilize GRI’s reporting framework and/or obtain B Corp certification. We actively monitor these initiatives, and continue to assess whether additional engagement with them is appropriate in light of our business, sustainability, governance, and social responsibility priorities.
Our sustainability goals are organized around three critical priorities:

**Climate Change**
- We acknowledge that the threat of climate change is among the greatest issues we face today.
- In 2016, **increase** our advocacy for expanding access to commercial composting
- In 2016, **decrease** our total miles flown per $1,000 of sales by 5% relative to 2015 travel
- **Achieve net zero electricity HQ**
  Until we get there, invest in high quality offsets to balance our emissions

**Natural Resources**
- Using resources wisely and limiting waste is important to us - in our operations, in our supply chain, and in how our products are designed and disposed of.
- In 2016, **complete the transition to compostable wrappers** for our compostable cutlery kits
- In 2016, **expand film recycling pilot** and determine scalability
- In 2016, **continue to partner with Lifecycle Plastics** to build viable end markets for post-consumer plastic within Colorado
  - By 2017, **increase HQ waste diversion to 90%**
  - By 2017, **reduce HQ water consumption by 10%**
  - By 2020, **discontinue legacy products** that do not meet our current material standards for renewable resources and post-consumer recycled content

**Social Value**
- We value the employees, suppliers, and communities who enable us to deliver innovative sustainable products and services to businesses and consumers all over North America.
- In 2016, **continue to use** our Sustainability Squad as a way to **engage Eco-Patriots in sustainability** and **make Eco-Products a great place to work**
- In 2016, **55% of our employees will take advantage of their paid day off to volunteer**
- In 2016, **70% of our employees will include a sustainability goal in their performance review**
- In 2016, **ensure all manufacturing suppliers have undergone their first audit**
- In 2016, **review audit results for all suppliers** to develop our understanding of common issues and opportunities
- In 2017, **begin tracking supplier efforts** to become more environmentally and socially responsible
# HOW DID WE MEASURE UP?

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<th>WHAT WE SAID WE’D DO . . .</th>
<th>WHAT WE DID . . .</th>
<th>STATUS</th>
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<tr>
<td><strong>Climate Change</strong></td>
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| In 2015, increase our advocacy for expanding access to commercial composting | - Convened multiple industry meetings to advance the topic, including hosting a dinner at the US Composting Council conference  
- Sustainability Maven was elected to the board of the US Composting Council and is working to develop a task force focused on expanding access to commercial composting | Achieved |
| In 2015, decrease our total miles flown per $1,000 of sales by 5% relative to 2014 travel | - Decreased total miles flown by 11% per $1,000 of sales, relative to 2014 travel | Achieved |
| In 2015, each member of the Sales department will participate in at least one meeting virtually, to which they would otherwise travel | - Every sales rep took steps to reduce the impacts of their travel though efforts such as doing more conference calls and web meetings, taking public transportation, or increasingly relying on our broker network to represent Eco-Products at in-person meetings | Achieved |
| Achieve a net zero electricity HQ. Until we get there, invest in high quality offsets to balance our emissions | - Installed motion sensors in conference rooms, restrooms, and other areas  
- Gathered information on capital investments to include in landlord negotiations in 2016 | Made Progress |
| **Natural Resources**     |                  |        |
| In 2015, complete the transition to compostable wrappers for our compostable cutlery kits | - Researched and sourced a compostable film to use for our cutlery kit wrappers  
- Learned our supplier could not provide the film in the quantity we needed, which delayed our progress  
- Found another film source and began assessing cost implications to convert to compostable film in 2016 | Not Achieved |
| In 2015, pilot a take-back program for recycling the plastic sleeves our products are shipped in | - Partnered with Snooze restaurant and Boulder Community Health to pilot a plastic sleeve recycling program  
- Proved the concept can work on a small scale  
- Learned key lessons for scaling sleeve recycling beyond Boulder-area organizations | Achieved |
| In 2015, partner with Recycle Projects to build viable end markets for post-consumer plastic within Colorado | - Committed to purchasing Recycle Projects (now Lifecycle Plastics) post-consumer recycled plastics, helping LP secure a grant for funding their recycling facility  
- Purchased bales of post-consumer plastic for LP to prove their model  
- Provided guidance to LP for securing FDA clearance for using their plastics in food contact packaging | Achieved |
| By 2017, increase HQ waste diversion to 90% | - Conducted a waste audit with Eco-Cycle  
- Held sorting exercises with all employees, to review what materials go in what bin  
- Installed a "What bin does it go in?" box near HQ materials sorting station, to minimize contamination and educate employees  
- Got better at putting the right stuff in the right bins, but still send too much to the landfill  
- 2015 diversion rate: 75% | Made Progress |
## How Did We Measure Up?

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<td>By 2017, reduce HQ water consumption by 10%; restore the balance every year through high quality water restoration certificates</td>
<td>Requested quotes from multiple plumbing organizations for upgrades of water-consuming fixtures</td>
<td>Made Progress</td>
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<tr>
<td>By 2020, discontinue legacy products that do not meet our current material standards for renewable resources and post-consumer recycled content</td>
<td>Removed our virgin polypropylene soup cup lid from our catalog, website, and e-commerce platform</td>
<td>Made Progress</td>
</tr>
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<td>In 2015, continue to use our Sustainability Squad as a way to engage employees in sustainability and make Eco-Products a great place to work</td>
<td>Held monthly Squad meetings to brainstorm and collaborate</td>
<td>Achieved</td>
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<td>In 2015, at least 50% of our employees will take advantage of their paid day off to volunteer</td>
<td>51% of employees took advantage of their paid day off to volunteer</td>
<td>Achieved</td>
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<td>In 2015, pilot a program to enhance employees' professional development</td>
<td>Used our plastic sleeve recycling pilot (see above) as an opportunity for non-sustainability staff to get involved in a project in another division of the company</td>
<td>Achieved</td>
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<td>In 2015, finalize code, have manufacturers sign it or develop plan for getting there</td>
<td>Made progress on last year’s commitment by drafting a supplier code of conduct</td>
<td>Achieved*</td>
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<td>In 2016, incorporate environmental and social criteria into factory audits</td>
<td>Acquired by Jarden Corporation; our suppliers then became subject to Jarden’s supplier code of conduct</td>
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<td></td>
<td>Commenced audits under the Jarden program for more than half of our suppliers</td>
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*Suppliers undergoing audits against Jarden’s code.
OUR IMPACTS

You know the saying, “You can’t manage what you don’t measure”? That’s why we invest significant resources in measuring the impacts not only of our operations, but of our products as well, across their entire lifecycle. While we might have a sense of where our impacts lie, we don’t want to make any assumptions.

If you take a look at the graph to the right you’ll probably notice that the impacts of our operations are significantly smaller than the impacts of our products. That is what happens when a company of about 50 people is managing the leading US brand of environmentally preferable foodservice packaging!

Of course, it is easier to manage the environmental and social responsibility issues of your own company than those of your manufacturers or the entities that handle your products at end-of-life. It is also crucial to our brand that we walk the talk and create a corporate culture that is mindful of these issues. However, if our sustainability efforts were confined to our four walls, we would not be assuming responsibility for the largest component of our impacts – our products.

That is why in this report we discuss how we are trying to have a positive impact not only directly, but also indirectly throughout our value chain. The issues outside of our direct control are more challenging to address, but we are committed to making a meaningful effort to advance sustainability in every aspect of our business.
Our Operations

The carbon impacts associated with our HQ building and all company travel and commuting.

Our Products

The carbon impacts associated with the manufacturing, transport and disposal of our products.

Note that our product emissions data includes lifecycle emissions from products received in our warehouses in a given calendar year. For 2015, we did not include other companies’ branded products we sell through our channels and a handful of products whose materials are not included in our model, such as recycled polypropylene. Approximately 99% of all cases received in our warehouses in 2015 were included in our 2015 calculation.
In order to demonstrate our true commitment to environmental responsibility, we believe we need to understand and address the impacts at each phase of our products’ life-cycles. This all begins with how we design the products in the first place.

With our commitments to our GreenStripe and BlueStripe platforms, we feel pretty good about our offerings of environmentally preferable foodservice packaging. Actually, we feel great about it. But there are a couple of areas where we have obvious room for improvement: our packaging and a few legacy products that don’t meet our current design standards.

Compostable cutlery kit wrappers:
Our Plantware® cutlery kits offer a compostable fork, knife, spoon, and napkin, all wrapped up in a non-compostable wrapper. We know, we know... this doesn’t make sense. When we launched the kits in 2011, we were not satisfied with the quality of the compostable wrapper that was available. Thankfully, technology has evolved and today compostable films that meet our performance expectations are available. In 2015, we did extensive research to find compostable films we could use in these cutlery kits. Having learned from experience, we don’t simply take our suppliers’ word when it comes to the compostability of their products; we conduct independent tests to verify such claims. While this requires time and money, we believe it is better to be safe than sorry where compostability is concerned. Watch our video about this journey at http://bit.ly/1qmzNgv

Luckily, we found a supplier and had a third-party lab confirm the film’s compostability. Unfortunately, our source dried up and we had to begin the process of finding an appropriate supplier all over again. We are happy to say that we have once again found a source of compostable films. As of early 2016, we are in the process of having the film independently tested for compostability. While we didn’t meet our 2015 deadline, we are recommitting to this goal for 2016. In next year’s report, we look forward to telling you that we have transitioned all of our compostable cutlery kits to compostable wrappers.

Legacy products:
As we explained in last year’s report, our Plant Starch cutlery and polypropylene soup cup lids do not meet our current standards for all new products to be made with 100% renewable resources or contain post-consumer recycled content. As a quick recap, back in our early days, the technology to produce heat tolerant compostable materials for foodservice packaging was not available. That led to offering a virgin polypropylene soup cup lid (because who would sell to-go soup cups without lids?) and cutlery with a blend of plant starch and virgin polypropylene (because for customers who can’t compost, 70% renewable is better than 0%). Today, we would never design products like these. To remain true to our design principles, we have set a goal to discontinue these products by 2020.

Most of our focus in 2015 for this goal was on the polypropylene lids. The first and easiest solution would be to find a source of post-consumer polypropylene to bring the lids into our BlueStripe design standards. In the United States, we think we are on the cusp of this happening. However, we also know we need to do more. We have set a goal to have these lids independently tested for compostability by 2016. As of early 2016, we are in the process of testing a number of potential alternative materials. Once we have determined that we can achieve our goals, we will complete the transition to compostable wrappers for our compostable cutlery kits.

2015 GOALS:
- In 2015, complete the transition to compostable wrappers for our compostable cutlery kits
- By 2020, discontinue legacy products that do not meet our current material standards for renewable resources and post-consumer recycled content

2016 GOALS:
- In 2016, complete the transition to compostable wrappers for our compostable cutlery kits
- By 2020, discontinue legacy products that do not meet our current material standards for renewable resources and post-consumer recycled content
States we send a lot of polypropylene (PP) containers to recyclers, so buying post-consumer recycled (PCR) PP should be easy, right? After having spent more than 18 months in search of PCR PP, in contact with many of the largest recycled resin brokers and recyclers who provide our rPS and rPET, we are still unable find this material either in North America or in Asia. This hard truth is that much of the PP that is sent to recycling facilities is sold in mixed bales combining various types of plastics that historically have been sold to overseas markets. Where they go today remains a mystery, but we can assure you, if there was a source for PCR PP available today, we would be writing a very different update. As a result, we have turned to the more difficult road of discontinuing what remains a popular item. The PP lids today have been removed from our online and paper catalogs, as well as our e-commerce site. Once inventory is depleted, they will no longer be available through external online channels, such as Amazon. Customers will still have access to our compostable or 25% post-consumer recycled content lids as alternatives.

In order to understand why getting the legacy lids out of the market is not an overnight process, it is helpful to understand a little bit about how the foodservice world works as it relates to purchasing. When a big customer like a hospital or university examines their purchasing options, they usually benefit from being affiliated with at least one partner who helps them either manage their foodservice operations, or buy products at lower prices than smaller operators would have access to, or in some instances, both. The products that are available to these customers are commonly referred to as “on contract”, because as long as that hospital or university remains affiliated with those partners, they will have access to products at specific prices through specified distribution partners. While there are certainly exceptions, the overwhelming majority of high volume foodservice operators specify and purchase items on contract.

Now consider the fact that most of our relationships with the contract purchasing entities pre-date the launch of our compostable lids, so the legacy lids we are trying to replace are on contract and in distribution virtually everywhere. This means that the process of making product changes like the ones we’ve been describing here have to be approved by corporate purchasing departments that are rightfully focused on delivering the lowest possible costs to their members. Any cost increases are met with scrutiny and must be justified. The discontinuation of a contracted item and the substitution with another higher priced item is viewed as a cost increase, hence the challenge.

The good news is that these conversations have begun, and it is generally clear to everyone why it doesn’t make sense for Eco-Products to be selling virgin PP lids. That said, some of these conversions will take time to fully execute, though our preference is clearly for them to happen as soon as possible.

**Other Material Issues:**

One thing we know for sure, and have known since Eco-Products’ inception, is that even environmentally preferable alternatives to conventional foodservice packaging have flaws. The materials and technologies that are currently feasible for manufacturing products such as ours all have environmental costs. Some have a lighter impact, such as sugarcane and wheat
PRODUCT DESIGN

straw that are reclaimed as byproduct from food production. However, one of our primary materials, PLA, has significant impacts about which we are cognizant, unhappy, and hoping to change soon.

Specifically, we often receive questions from customers and the public on the issues of GMOs and Food vs. Bioplastics. Therefore, we wanted to address these issues in this report.

**GMOs:** Genetically modified organisms (GMOs) are a concern for many. We are often asked if our products made with plant-based plastic comes from GM crops. Unfortunately, today the answer is yes. The corn used to make the PLA in our GreenStripe products is made with a mixture of GM and non-GM corn. In the United States, the vast majority of commercially produced corn is GM. Certified organic corn is the best way to assure non-GM corn. Sadly, using only organic corn would price our products beyond many customers' budgets. It would also be logistically difficult, as the PLA production plant would need to set up a separate operation for organic corn, or be completely emptied and cleaned of all traces of conventional corn before running a batch of organic corn. There is currently not enough demand for non-GM PLA to justify this effort, not to mention the fact that what we just described would also add significant cost.

Technically, there is no GM material in our products. The part of the corn kernel used to make PLA is not the part that is genetically modified. In addition, during the manufacturing process, the high heat used to create the polymer removes all traces of genetic material that might happen to slip in. Nonetheless, we feel it is disingenuous to market our products as “GMO free” when this is not true of the feedstocks.

**Food vs Bioplastics:** Some people wonder whether using corn for bioplastics increases the price of food - a valid question. The first thing to be aware of is the fact that the type of corn used to make PLA (i.e., field corn) is not the same type of corn we eat (i.e., sweet corn). Apparently it tastes like crap! It’s also important to know that the same kernel of field corn can be used to make food products (such as corn oil and salad dressing), animal feed, AND bioplastics. So it’s not an either/or situation. Some really smart people have figured out how to get a whole lot of value out of a single kernel of corn.

We have conveyed to our PLA supplier, NatureWorks, our strong preference for non-GMO, non-food feedstocks. They are investing heavily in scaling non-GMO, non-food sources for PLA and other applications: [http://bit.ly/1pOxkuQ](http://bit.ly/1pOxkuQ). They also offer several options customers may use to support the production of non-GM corn: [http://bit.ly/1MESMwO](http://bit.ly/1MESMwO).

If GMOs or using corn as a feedstock is a concern for you, please feel free to reach us at sustainabilitymaven@ecoproducts.com to ask questions and share feedback.
What you need to know:

Products are made from renewable plant materials that can be grown again and again.

Products are not made from oil like traditional plastics.

All GreenStripe® products (except Plant Starch Cutlery) are compostable, which means they can be returned to the soil to help plants grow.

Compostable GreenStripe® products are ASTM compliant and BPI certified compostable in commercial facilities only, which may not exist in your area.

Products are not suitable for backyard composting. These products need the high heat of a commercial pile to break down.

What you need to know:

Products are made from post-consumer recycled materials that have been used, recycled, and repurposed, meaning fewer virgin resources are required and less landfill waste is created.

Making new products from recycled materials helps drive recycling markets and infrastructure.

BlueStripe™ products can’t be recycled in most communities, but check with yours to find out what they’ll accept.

BlueStripe™ products incorporate the highest amount of post-consumer recycled material available without compromising performance.
What happens to our products when they are done being used is not only a meaningful part of their overall environmental impacts, it is also incredibly important to our customers who are striving to achieve zero waste and working to keep as much material as possible out of landfills. For this reason, we devote significant resources to understanding and addressing this issue.

Expanding access to commercial composting
At our first Sustainability Advisory Committee meeting in 2014, committee members urged us to be more of an advocate for expanding access to commercial composting, given how closely tied this environmental issue is to our business. We agreed, and as a result of that conversation, we set a goal in 2015 to make this a higher priority.

We recognize the lack of access to commercial composting represents a perfect overlap between our commitment to environmental issues and our business interests: Composting keeps organics out of landfills, addresses climate change, and creates a valuable soil amendment. Our customers want to divert waste from the landfill by composting their food scraps, and compostable packaging is a vehicle for keeping food out of landfills. We have seen our Greenstripe products play a critical role in waste diversion for our customers, such as the Seattle Mariners and Larkburger.

Today, there are thousands of composting facilities that process landscaping debris, but relatively few that process food scraps. Some states are taking the lead on changing this by banning large generators of organics from sending that material to landfills. They are doing this to not only alleviate pressure on landfills, but also to address climate change since organics rotting in landfills emit methane, a greenhouse gas.

When food scraps are composted, they create a valuable soil amendment. Using compost in soil conserves water, reduces storm water run-off, improves plant health, and minimizes the need for artificial fertilizers (among many other benefits). Using compostable packaging eliminates having to separate food from its container at the bin.

PRODUCT END-OF-LIFE

2015 GOALS:
- In 2015, increase our advocacy for expanding access to commercial composting
- In 2015, pilot a take-back program for recycling the plastic sleeves our products are shipped in
- In 2015, partner with Recycle Projects to build viable end markets for post-consumer plastic within Colorado

2016 GOALS:
- In 2016, increase our advocacy for expanding access to commercial composting
- In 2016, expand film recycling pilot and determine scalability
- In 2016, continue to partner with Lifecycle Plastics to build viable end markets for post-consumer plastic within Colorado
gas over 20 times more potent than carbon dioxide. Banning large organizations from sending food to landfills is a great start, but without enough infrastructure to process the material, we haven’t solved anything.

In 2015, we convened and facilitated multiple conversations and meetings with industry stakeholders, including representatives from the US Composting Council, the Biodegradable Products Institute, BioCycle, the Foodservice Packaging Institute, the Sustainable Packaging Coalition, NatureWorks, and others. We discussed barriers, opportunities, and priorities for growing commercial composting infrastructure for food scraps.

The issue is gaining increased attention, in part due to activity at the state level, as well as high-profile developments such as ReFED and the US Department of Agriculture/Environmental Protection Agency goal to reduce food waste in the U.S. 50% by 2030. Importantly, our Sustainability Maven was elected to the board of the US Composting Council and was instrumental in raising the issue with the board. Can we get a “hell yeah”? As a result of her involvement, the USCC is in the process of determining how to better leverage its influence and resources to expand access to composting. Bumping this issue up the priority list of the leading composting industry organization is major progress, and our Sustainability Maven will be deeply involved in this work.

**Plastic sleeve recycling**
While we have found a compostable film for our cutlery kits, we have not yet found a good option for larger sleeves for cups, plates, and other products. Therefore, we are working to help our customers recycle the polyethylene sleeves our products are shipped in. Most recycling programs do not accept plastic bags and films because they get caught in the machinery, so we have a pretty good hunch many of our bags end up in a landfill. Many retail locations accept plastic films for recycling, but telling our customers to drop off their bags at the grocery store didn’t seem like a great approach.

In 2015, we did a pilot with Snooze, a Colorado-based restaurant chain, and Boulder Community Health, the largest healthcare provider in Boulder. Both of these organizations are committed to sustainability, and even have dedicated
sustainability staff. Piloting a film recycling program required putting multiple pieces in place: finding a buyer for the film who would recycle it into something else, finding a hauler to pick it up, and working with Snooze and BCH to train their staff to separate and collect films. Lessons learned: What sounds simple, isn’t always.

We were able to find a buyer and a hauler relatively easily. The hard part was ensuring the collected films were “clean enough.” The companies buying the films can’t handle bread crumbs and pickle juice ending up in their manufacturing process, just like the broader plastics recycling industry struggles with food contamination. Fair enough. Through repeated training and communication, Snooze was able to consistently keep contamination to a minimum. In 2016, we are expanding the pilot to another Snooze location, and we hope to engage another operator as well. By the end of the year, we hope to be able to determine whether this program is truly scalable, or if the hand-holding needed to minimize contamination is prohibitive.

Lifecycle Plastics
Lifecycle Plastics is one of those amazing stories that kind of makes you feel inadequate. Many people are likely tired of seeing plastic beverage cups go to a landfill, but how many started a nonprofit, secured funding, and opened a plant to recycle post-consumer plastic foodservice packaging? We know of one: Lifecycle Plastics.

You may remember us introducing our work with them with a video on our YouTube channel youtube.com/user/greenisallwedo (back when they were called Recycle Projects).

Crucial to Lifecycle Plastics securing funding for equipment and a location was proving there is a reliable buyer of the plastic that will be processed; that’s where we came in.

We were part of a proposal by Lifecycle Plastics to Colorado’s Recycling Resources Economic Opportunity grant fund, confirming that we would buy the recycled plastic and use it to make new cups and other products.

The grant was secured, and in late 2015, Lifecycle Plastics opened up shop. It’s been awesome to see this idea come to fruition. We are now working with Lifecycle Plastics to obtain FDA approval of the process so it can scale. Stay tuned.

Other Material Issues
We would be remiss if we didn’t discuss an article that generated a ton of debate in the recycling world in 2015. On October 3rd, the New York Times published an opinion piece by John Tierney, entitled “The Reign of Recycling.”

The article was extremely critical of recycling, questioning its environmental and economic benefits. Eco-Products believes this piece was misleading, one-sided, and deeply flawed. While we recognize that recycling is not perfect (what is?) and that sustainability challenges often encompass complexity and trade-offs, we believe the portrayal of recycling by Tierney was egregious in its misrepresentation. You may read our response to this article on our website: http://bit.ly/235Sxz3
We recognize that our products’ carbon footprint greatly exceeds that of our operations. Because of this, we must take steps to better manage the upstream and downstream impacts of our products. A supplier code of conduct and audit program will provide valuable insights into understanding and addressing environmental and social issues in our supply chain.

To make progress on our 2015 commitment to develop a supplier code of conduct, we drafted our code in early 2015. Our parent company, the Waddington Group, was acquired by Jarden in mid-2015. Becoming part of a larger corporation meant our suppliers became subject to Jarden’s supplier code of conduct and audit process.

Jarden’s audit program is very robust and focused on continual improvement. Frankly, their program is much stronger and better resourced than any program Eco-Products could have implemented. Jarden’s audit team provides detailed corrective action plans and training to suppliers to assist with compliance. Our suppliers are beginning to undergo the audit process, and we look forward to reviewing the results to gain a deeper understanding of our supply chain. Beginning in 2017, we intend to work with our suppliers to encourage and track their improvements.

Want to learn more about Jarden’s Code of Conduct for suppliers?

Check it out: http://www.jarden.com/suppliers

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**2015 GOALS:**
- In 2015, finalize our Supplier Sustainability Code of Conduct and have manufacturers sign it
- In 2016, incorporate environmental and social criteria into factory audits

**2016 GOALS:**
- In 2016, ensure all manufacturing suppliers have undergone their first audit to develop a baseline assessment
- In 2016, review audit results for all suppliers to develop our understanding of common issues and opportunities
- In 2017, begin tracking supplier efforts to become more environmentally and socially responsible
OPERATIONS

We know the environmental impacts of our products are much larger than those of our operations. However, all of our impacts matter. In addition, we can directly address our operations in a way we can’t impact our upstream and downstream value chain. Incorporating sustainability into how we operate also builds our culture and helps make Eco-Products, Eco-Products.

Materials

Given how much we talk about waste diversion, it makes sense for us to use our headquarters as a model for what a zero waste operation should look like. That is why we set a goal to increase our office waste diversion to 90% by 2017. We chose 90% since that is the minimum rate of diversion required for a company to become certified by the US Zero Waste Business Council.

In 2015, we conducted our second annual materials audit in partnership with Eco-Cycle. It was a good news/bad news kind of situation. The good news is that we generated less material per employee, and our employees are getting...
better at putting the right stuff in the right bin. This is important, because if a recyclable can or a compostable apple core end up in the landfill bin, guess what? They end up at a landfill. We’d like to think our improvement is partially due to the sorting exercise we did with HQ employees. We dumped a bunch of stuff on a table, and had teams guess if each item was destined for the composting facility, the recycling center, or the landfill. It was a fun and eye-opening exercise.

The bad news is that we both generated more materials in total and sent proportionally more materials to the landfill. We went from an 81% diversion rate to a 75% diversion rate, year over year. This is really hard stuff, even for a company like Eco-Products.

So, what are we going to do about this? For one, we are going to do audits more frequently in 2016 and beyond. The audits capture just one week of data. More frequent audits will give us a better handle on where we’re really at. Also, we are going to invite all employees to participate in a materials audit. There’s nothing like sorting through bins to hammer home the importance of minimizing waste!

Just a quick note about our word choice. “Waste” implies no value. This is inaccurate when talking about recyclable or compostable materials. Those materials have a lot of value, and if we keep calling them “waste,” we will keep treating them like waste. We applaud EPA’s recent shift to rename their “Municipal Solid Waste Report” as their “Sustainable Materials Management Report.” So, we’ll still talk about “waste diversion” from landfills and “zero waste” since materials ARE waste when they go to a landfill. However, outside of that context, we aim to use the word “materials.” Will you join us?

### 2015 GOALS:
- In 2015, **decrease our total miles flown per $1,000 of sales** by 5% relative to 2014 travel
- In 2015, each member of the sales department will participate in at least one meeting virtually, to which they would otherwise travel
- By 2017, **increase HQ waste diversion** to 90%
- By 2017, **reduce HQ water consumption** by 10%; restore the balance every year through high quality water restoration certificates
- **Achieve a net zero electricity HQ.** Until we get there, invest in high quality offsets to balance our emissions

### 2016 GOALS:
- In 2016, **decrease total vehicle miles reimbursed** by 5% relative to 2015 travel
- By 2017, **increase HQ waste diversion** to 90%
- By 2017, **reduce HQ water consumption** by 10%; restore the balance every year through high quality water restoration certificates
- **Achieve a net zero electricity HQ.** Until we get there, invest in high quality offsets to balance our emissions
Travel

Air travel is a necessary evil for building relationships and growing the business... while expanding our carbon footprint. Measuring our operational impacts has made us aware that air travel is the largest part of our operational carbon footprint, and we know a significant portion of our air travel is done by our sales team.

In 2015, we asked each sales rep to participate in at least one meeting virtually, to which they would otherwise travel.

Thanks to web meetings, conference calls, and relying on brokers to represent us when appropriate, our sales reps got to spend a little less time with TSA, and our carbon footprint got a little relief. Our “No Fly Zone” board filled up with many happy non-travelers.

In fact, we beat our goal of decreasing total miles flown per $1,000 of sales by 5%, by clocking in an 11% reduction in this metric. We can attribute some of our stellar performance to changes in the business that were expected to grow sales without a commensurate amount of air travel, but still. We were psyched.

We recognize that by setting a goal normalized to sales, we can show improvements in travel efficiency while allowing overall travel to increase. Obviously, Mother Nature only cares about the total amount of carbon she absorbs, not the amount of carbon per $1,000 of Eco-Products sales. However, because of expected growth in the business and other activity that necessitates air travel, we are committing to a normalized goal for 2016: another 5% reduction in air travel per $1,000 of sales. Improving our travel efficiency is still an improvement.

In addition, for the first time we are setting a goal about our reimbursed miles for vehicle travel. We’ve managed an absolute reduction for the past several years, so we are aiming for a 5% reduction in absolute reimbursed miles driven in 2016.

Finally, in Q4 2015 we challenged our employees to use more alternative transportation. Skip to the Employee section of this report for information on our Alternative Transportation Challenge and our reduction in solo vehicle commuting miles.

HQ Energy and Water

One of the joys of leasing your office building is that you can call the landlord to address certain things. Unfortunately, upgrades to HVAC equipment and water fixtures are not included on that list, according to our lease.
Over the past several years, we have invested in energy efficient lighting, lighting motion sensors, and faucet aerators. We have gotten quotes for HVAC equipment, water efficient toilets, and building envelope improvements. We even chased down a solar company willing to put a couple more panels on our roof. (The take-away? Our roof is basically already maximized with solar but if we really wanted to, we could plop down a lot more money to squeeze a few more panels up there.)

OFFSETTING WHAT WE CAN’T REDUCE

We aim to reduce our environmental impacts as much as possible, but we haven’t yet been able to get to zero... or ideally, regenerative. In the meantime, we are investing in projects that offset the impacts we did not avoid.

CARBON OFFSETS

We are continuing to work with our neighboring company, Renewable Choice Energy, to buy carbon offsets to balance the greenhouse gas emissions from our headquarters’ electricity and natural gas consumption, business travel, employee commuting, paper consumption, and landfilling/recycling/composting. Like last year, we purchased offsets that support the Larimer County Landfills capture of methane gas and generation of electricity. Our purchase of 284 metric tons of offsets was the equivalent to taking nearly 60 passenger vehicles off the roads for a year.

WATER RESTORATION CREDITS

We continue to support the Bonneville Environmental Foundation’s water restoration projects. We purchased 172,000 gallons of water restoration credits to balance our 2015 headquarters’ water consumption. Like last year, we supported a project to restore water to the drought-threatened Yampa River near Winter Park, Colorado. You may learn more about this cool initiative at http://www.b-e-f.org/project-portfolio/yampa-river.
We are at a point where, in order to make significant improvements in our energy and water efficiency, we need to invest in projects with a high initial cost and long payback. This is tough to justify when we have two years left on our lease and don’t know which office we’ll call home after that. Rest assured, building efficiency is a high priority, and we will remain dedicated to achieving our goals.

Technically, we met our goal to reduce HQ water consumption by 10%, compared to our 2010 baseline. However, there was an unexplained spike in consumption in 2014 that we never got to the bottom of. (The 2012 spike was due to landscaping.) Because we want to make sure we met this goal for real, we won’t claim victory until we see another two years of sustained reduced consumption.

See that big decrease in electricity consumption, and corresponding increase in solar contribution, in 2015? We can’t fully explain that. It’s not like we replaced a bunch of equipment, or had a sizzling hot summer or a particularly frigid winter. It’s a head scratcher. We will continue to monitor our building energy consumption to identify underlying drivers of performance and opportunities for improvement.
ENGLISH

You know how a lot of companies say “employees are our greatest asset”? Well, in our case we really mean it. Without our team of dedicated, talented people, our brand would not be the force for change that it is.

**Sustainability Squad**

While we do have a dedicated Sustainability Maven on staff, we believe that if she was the only one thinking about sustainability on a regular basis, we would be far from achieving our goal of being a truly sustainable company. We also want to harness our employees’ passions for environmental and social issues, and deepen their connection with Eco-Products.

That’s why every month, our Sustainability Squad meets to brainstorm and execute ideas to integrate sustainability into our culture. Examples of 2015 projects by this motivated crew include:

**Earth Week extravaganza:** Volunteering with Wildlands Restoration Volunteers, 63rd Street Farm, and neighborhood clean-up (check out this report’s Community section); an eco-scavenger hunt that had us scouring Boulder on bikes for things like solar panels and restaurants that compost; “Let’s Get Physical” lunchtime bike rides, walks, and yoga (because we need to take care of ourselves as well as the earth); and an alternative transportation coffee hour, where the company bought your latte if you got there by a mode other than driving yourself.

**Bike To Work Day:** We challenged ourselves to have at least 30% of our daily commuting miles be done by bike that day, and we met our goal!

**Alternative Transportation Challenge:** For Q4 2015, we split our office into four teams. Employees earned a point each time they came to work or ran an errand using some form of alternative transportation. We racked up quite a few points and contributed to an annual reduction in employee commuting miles by solo car driving by over 5% when compared to 2014.

**2015 GOALS:**

- In 2015, continue to use our Sustainability Squad as a way to engage employees in sustainability and make Eco-Products a great place to work
- In 2015, pilot a program to enhance employees’ professional development
- In 2015, at least 50% of our employees will take advantage of their paid day off to volunteer

**2016 GOALS:**

- In 2016, continue to use our Sustainability Squad as a way to engage employees in sustainability and make Eco-Products a great place to work
- In 2016, 70% of our employees will include a sustainability goal in their performance review
- In 2016, at least 55% of our employees will take advantage of their paid day off to volunteer

**Hard-to-Recycle Drive:** Cleaning out junk in our office and employee’s homes, we worked with Green Girl Recycling to collect and recycle:

- 193 pounds of batteries
- 137 pounds of scrap metal
- 993 pounds of computers and printers
EMPLOYEES

Swap Meet: One person’s trash is another’s treasure

Multiple collection drives for food, school supplies, and shoes: See this report’s Community section (p. 26) for heart-warming details.

Squad Blog: Squad members take turns doing a monthly blog on the sustainability topic of their choosing. Check it out at: http://www.ecoproducts.com/squadblog

Over one-quarter of our office is consistently active in our Sustainability Squad – a statistic we are very proud of.

Professional Development
Part of being a responsible, best-in-class company is providing employees opportunities to enhance their existing skills and develop new ones. While we have long offered and reimbursed trainings and workshops for our employees, we know from measuring ourselves against the B Corp assessment that we can improve in this area.

In 2015, we provided select employees the opportunity to manage our pilot project that worked with customers to recycle plastic films that are not allowed in their single stream recycling programs. (Check out the Product End of Life section of this report (p. 14) for details on our partnership with Snooze and Boulder Community Health.) Two employees from Accounting and Logistics got involved in this sustainability initiative.

This experience allowed these two employees to develop new skills, such as project management and communication. They were also able to work with different departments outside of their official role. Feedback from these employees and their managers was positive, recognizing the project’s benefits in terms of professional development and enhancing employee affinity to the company.

While we will continue to involve employees in this particular project, we don’t necessarily have the bandwidth to scale this program widely throughout the company. However, we remain committed to professional development. In 2016, we are excited to roll out a new online training system to all employees. We are also developing a new Lunch and Learn program to give employees insight into other aspects of our business, as well as a few other ideas to help employees build their skills and knowledge. We look forward to reporting our progress in next year’s report.

Other Employee Engagement
In 2015, our managers and executives went on a two day, off-site retreat to review our corporate strategy and goals for the next three years, and discuss and formalize our corporate values. What was notable about this retreat was that the manager level was included for the first time; previously, only executives participated in this level of planning.

This brought additional perspectives into the fold and gave managers the opportunity to actively help set the direction and tone of the company. Many managers commented that they felt increasingly valued by the company as a result of this, and they appreciated the chance to contribute at a higher level. Going forward, this group will meet three times per year to review our progress and discuss how Eco-Products can strive to be better, both strategically and in practice.

Part of these meetings will also be spent discussing how well Eco-Products is living out our corporate values. Prior to each meeting, we are committing to do an anonymous, company-wide survey of all employees to get a gauge on whether our values are meaningful, or whether they are simply words on a page.

Asking for everyone’s input is an attempt to gather the full spectrum of opinions that is necessary to get a true pulse on how employees feel about life at Eco-Products and how it can be improved.
COMMUNITY

We believe companies should feel honored to help their communities. We certainly do. By giving our products and our time, and organizing donation drives, we are working to have a positive impact on society, beyond our environmentally preferable products.

Giving our products
We are proud to support nonprofits and civic organizations that address environmental or social causes. Many such organizations raise funds by hosting dinners or cocktail receptions, and donating our products for such events helps maximize the donations that can go directly to support their work. In 2015, we donated over $105,000 in product and shipping to over 100 organizations.

Giving our time
Paid time off to volunteer:
In 2015, we were very excited to begin offering our employees one day (or eight hours) of paid time off each year to volunteer with the cause of their choosing. We wanted to set a goal to hold ourselves accountable to encouraging employees to take advantage of this benefit. According to the CEPC (Committee Encouraging Corporate Philanthropy) 2015 Giving in Numbers report, 60% of US-based companies offer employees paid time off to volunteer, and on average, 30% of eligible employees take advantage of this. Our goal was to have 50% of our employees utilize this benefit, and we met our goal with 51% using paid time off to volunteer. Looking ahead, we are raising the bar and aim to have 55% of our employees use paid time off to volunteer in 2016.

Earth Week Volunteering:
We like to go all-out on Earth Day, and part of the way we celebrate all week long is by volunteering. In 2015, a group of employees volunteered with Wildlands Restoration Volunteers around Earth Day to plant native vegetation in Eldorado Canyon, an area that was damaged by destructive flooding in 2013. Another group of employees volunteered to plant and weed at 63rd Street Farm, a Boulder-area farm committed to sustainable agriculture and fostering a sense of community.
of community. In addition, several employees who couldn’t get away for a half-day took it upon themselves to clean up litter in our neighborhood. We are glad that Earth Day provided motivation for our employees to make our community a little brighter.

Giving in other ways
Our community engagement is not limited to product donations, volunteering, and Earth Week. In 2015, our employees coordinated and hosted donation drives for a number of worthy charities:

We CAN Make a Difference: Our annual food drive to benefit Community Food Share collected over 2,000 pounds of food for hungry residents in Boulder and Broomfield Counties. Dividing our employees into teams to see which group could collect the most food was instrumental in nearly doubling the amount of food we collected the previous year. We like that kind of progress!

Crayons to Calculators: We partnered with the nonprofit organization, Crayons to Calculators, to collect six backpacks full of school supplies for kindergarten to high-school aged students in the Boulder Valley and St. Vrain Valley school districts. This was our first year participating as a collection site, and we hope to include our neighboring businesses in the coming year.

One World Running: We have a lot of runners in our office, which means there are a lot of old sneakers in the backs of our closets. Mixing our passions for running and protecting the environment, we collected running shoes, shoes of all types, and athletic apparel for One World Running. In 2015, we gathered approximately 50 pairs of shoes and one box of athletic apparel. OWR will clean these items locally and distribute them to countries like Haiti, Dominican Republic, and Africa.
COMPOSTING SUCCESS STORY: MINNESOTA TWINS AT TARGET FIELD

Target Field is a Major League Baseball stadium in downtown Minneapolis, with 81 home games per year and a capacity of nearly 40,000 seats.

When the Twins switched to all compostable products for the 2015 season, their diversion rate for organics increased from 67% to 78%. This kept 30 additional tons of organic material out of the landfill and caused a net reduction of 26 metric tons of greenhouse gas emissions.

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• Food scraps are collected throughout the concourse and suites, in addition to back-of-house food prep areas.

• Post-game sort minimizes contamination.

• Republic Services hauls organics to the Hennepin County Brooklyn Park Transfer Station. From there, organics are sent to The Mulch Store and Full Circle Organics compost facilities.
Donating our products to nonprofit and civic organizations that are making their communities a better place is one of the most rewarding things we do.

One of the many wonderful organizations we supported last year was the Lyons Community Foundation. Lyons is our neighbor to the north, and was devastated by flooding in 2013. While we always appreciate the opportunity to care for our nearby communities, we were especially honored to help those impacted by this catastrophic weather event.

Created in 2008, the Lyons Community Foundation “exists to improve the quality of life, build a culture of giving, and encourage positive change in the Greater Lyons Area.” On June 17, 2015, they hosted their Hometown Hoedown, a family-friendly event that raised money for the LCF grant fund, which supports community projects such as health fairs, Meals on Wheels, local schools, and more.

Nearly 250 attendees enjoyed a BBQ, games, square dancing, laser tag, panning for gold, hula hoops, a raffle, and other fun activities. The event brought in about $22,000, and thanks to donations such as ours, expenses were kept to a minimum. Over $17,000 in net proceeds went to the foundation to fund its important work.

What makes this story even better is that the compostable GreenStripe products we donated allowed the Hoedown to prevent as much material as possible from going to the landfill. Eco-Cycle, a local non-profit dedicated to creating a zero waste world, hauled the food scraps and compostable packaging to Western Disposal, a local commercial composter. Western processed this organic material into valuable soil amendment that will be used to grow new vegetation. Had it gone to the landfill, these food scraps would have rotted and emitted methane, a potent greenhouse gas. No landfill + reduced emissions + healthy soil. Talk about a win-win-win.
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