



2017
SUSTAINABILITY
REPORT

We are pleased to issue our fourth annual sustainability report with goals and commitments to become even more environmentally and socially responsible.

We'd love to hear your feedback!

**Email us with your comments or questions.
sustainabilitymaven@ecoproducts.com**



Eco PRODUCTS®

COMPOSTABLE

COMMERCIAL FACILITIES
ONLY, WHICH MAY NOT
EXIST IN YOUR AREA

ASTM D6868
COMPLIANT



BPI CERTIFIED
COMPOSTABLE

2017 SUSTAINABILITY REPORT

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LETTER FROM THE PRESIDENT



IAN JACOBSON
President
Eco-Products

Thank you for your interest in Eco-Products' 2017 Sustainability Report! It's hard to believe the evolution that has occurred both within our company and throughout the foodservice packaging industry since we began reporting just three years ago.

The year 2016 proved pivotal for both Eco-Products and the global movement toward Zero Waste. Concern about the environmental and social impacts related to landfill waste – and wasted food in particular – continued to rise, which drove much-needed action. For example:

- » Prominent global foodservice operators and consumer goods companies, such as Sodexo and Unilever, made time-bound commitments to advance Zero Waste practices.
- » The U.S. Environmental Protection Agency and the U.S. Department of Agriculture took steps to work towards specific goals to reduce wasted food.
- » The study from Rethink Food Waste Through Economics and Data (ReFED) demonstrated that commercial composting plays a critical role in keeping food out of landfills, and an article in BioCycle provided compelling data on the role that compostable foodservice packaging will play in making this a reality.
- » The New Plastics Economy issued a set of global studies undersigned by major multinational corporations that defined the extent of plastic packaging waste and pollution. The research reinforced that the use of compostable packaging is critical to reducing the amount of both plastics and food that get sent to our landfills.
- » Select U.S. communities built on the trend of banning the use of foam polystyrene disposables by requiring the use of compostable packaging.

Eco-Products not only stayed on top of these trends, but is actively working with industry peers to push for and accelerate change, which you will read about in this report. We are hopeful that these actions will continue to multiply, both locally and nationally.

For our part, Eco-Products made progress toward our vision of being in the vanguard of our Zero Waste future. We proudly became a certified B Corp® in July of 2016, joining an exclusive club of sustainable business pioneers such as Patagonia®, Seventh Generation™, and Ben & Jerry's®.

Participating in B Lab's certification process was enlightening and helped us refine our sustainability strategy, goals and reporting, which you will learn more about in this report.

We also took steps to:

- » **Expand our line of compostable products** and discontinue items that no longer meet our design standards.
- » **Strengthen our supply chain** by formally auditing most of our manufacturers. We were happy to discover they are performing generally well.
- » **Divert more materials from landfills**, reduce energy and water use, and curtail greenhouse gases generated from air and vehicle travel.
- » **Preserve our culture by staying true to our values**, challenging our employees, and providing a fun place to work. We are grateful to our talented team of “Eco-Patriots” and happily this year will celebrate our first group of employees who've been with us for 10 years.

Additionally, we experienced our third acquisition in four years when Newell Rubbermaid purchased our parent company – Jarden Corp. – to form Newell Brands. Newell Brands is a leading global consumer goods company that has built a portfolio of brands with the potential to flourish and create value as part of its strategy to support consumers wherever they Live, Learn, Work and Play.

In 2017, we plan to continue enhancing our operations, product line, and supply chain. We will also devote increased attention to helping our customers implement successful waste diversion programs, sharing our Zero Waste expertise with disadvantaged communities, and continuing to push for expanded access to commercial composting.

Like many, we are both equally inspired and disheartened by the ongoing conversations and attention paid to the challenges with waste that we face as a society. In times like these, we return to our belief in the ingenuity and commitment from the concerned citizens, employees, and committed customers that are core of our relentless push for changes to the status quo in our use of disposables. I couldn't be more excited about our progress or more optimistic about Eco-Products' continued dedication to our mission. ■

WHO IS ECO-PRODUCTS?

26 Years in business	~50 Employees	\$150 million 2016 revenue	350+ Environmentally preferable products
B Corp. Certified	North America Markets served	Boulder, Colorado Headquarters	Vision Be in the vanguard of a Zero Waste future
Customers <ul style="list-style-type: none"> » Colleges and universities » Sporting, concert and entertainment venues » Health systems and hospitals » Corporate campuses » Restaurants » Independent foodservice operators, concessionaires, distributors and brokers 		Stakeholders <ul style="list-style-type: none"> » Employees and shareholders » Customers and prospects » Suppliers and vendors » Industry groups and partners » Community and business leaders » Commercial compost manufacturers and haulers » Policymakers 	

VISION
.....
ECO-PRODUCTS®
WILL BE IN THE
VANGUARD OF OUR
ZERO WASTE
FUTURE

MISSION
.....
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.

Based in Boulder, Colorado, Eco-Products Inc. is the world's largest foodservice packaging company that is exclusively dedicated to environmentally preferable disposables.

We make plates, cups, containers, bowls, utensils and more using renewable resources and post-consumer recycled content. But we don't stop there.

We also help customers reach their sustainability goals by being a partner on their Zero Waste journey. It is not always easy to implement successful composting programs at sports stadiums, corporate campuses, restaurants, and other foodservice operations that we

have the pleasure of serving. But we know how to make this a reality, and we go to the ends of the earth to help our customers keep their food scraps and compostable foodservice packaging out of the landfill. By providing Zero Waste consulting and custom marketing services, we help brands become a force for good and then share that story to their customers, employees, and fans.

As a mission-driven organization, we use environmentally

preferable foodservice packaging to advance Zero Waste practices. We also raise awareness about 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 don't take this responsibility lightly.

At Eco-Products, making more sustainable alternatives to conventional packaging simply isn't good enough. Ultimately, we aim to get to a point where our products are literally regenerative to the environment. That's why we've developed disposables made from plants and post-consumer recycled content, and why we are working to build a society that can turn them into something valuable after they have been used. ■

OUR SUSTAINABILITY APPROACH

Sustainability at Eco-Products is not a marketing campaign nor a stand-alone initiative. It is core to who we are and why we're in business.

One of our strategic objectives is to advance our position as a leader in sustainability by exemplifying authentic environmental and social responsibility. That's why we both support our customers' Zero Waste efforts as well as walk the talk.

OUR ADVISORY COMMITTEE

PETE DIGNAN

CEO
Renewable Choice Energy

JEFF HOHENSEE

Vice President,
Natural Capitalism Solutions

RAMSAY HUNTLEY

Senior Management Client
Engagement, *Simple Energy*

BRUCE HUTTON

Professor/Dean Emeritus,
University of Denver

JENNIFER LEITSCH

Director of Corporate
Responsibility, *CBRE*

DAVE NEWPORT

Director, *Environmental Center, University of Colorado*

VIRGINIA "G" WINTER

Principal, *Equinox Consultancy LLC*

Since our inception, we have run our company in sustainable ways – a brand like ours will never last if we don't practice what we preach. We strive for progress, not perfection. We know that we can only control some of our impacts and simply influence others. But what we know for sure is that the best way to manage any impact is to take a strategic approach, establish targets, and measure and report the outcomes.

One key way we have advanced sustainability over the years is by following guidance provided by B Corporation. For-profit companies certified by its B Lab meet rigorous standards of social and environmental performance, accountability, and transparency. While we have long been implementing B Corp's practices and using its assessment as a tool for gauging our performance, in 2016 we crossed the 80 point threshold on B Corp assessment and officially became a certified B Corp.

The process of meeting B Lab's rigorous standards was invaluable. It helped us see beyond our environmental impact and examine operational and social opportunities. It also helped us see how our business holds up against high standards established by a third-party to define best practice.

The median score of first-time businesses completing the evaluation was 55, and we scored an 81. We're excited to learn from companies that have figured out things we haven't so that we can create additional value and improve our performance. We'll measure our progress when we take the next assessment in 2018.

Why Do We Report?

We publish this report because we don't feel right about calling ourselves "a green company that happens to operate in disposables" unless we make our sustainability approach, goals, successes and challenges public. Our shareholders would never let us operate without measurable financial targets, so why shouldn't our stakeholders have meaningful metrics by which to measure our social, environmental, and operational performance?

The process of developing a sustainability report has been game-changing for us. It forced us to bring together cross-functional groups to discuss issues, solve problems, and make "gut check"-type decisions. Reporting holds us accountable for continuous improvement and enables us to treat sustainability just like any other important business priority.

About This Report

This sustainability report paints a picture of Eco-Products' key achievements and challenges in calendar year 2016. It chronicles activities that occurred within our walls, in the field with our customers and anywhere food service and Zero Waste initiatives overlap.

We identified report topics and goals by:

- » **Meeting with our Sustainability Advisory Committee**, an independent group of civic, business and academic thought leaders.
- » **Engaging and collaborating** with customers, employees and community leaders.
- » **Leading and participating** in various industry associations and initiatives.
- » **Reviewing guidance provided by B Corp.** and the Global Reporting Initiative (GRI). GRI is an international organization that helps businesses, governments and other organizations determine sustainability issues most important to their industries and how to report on them.

This report sheds light on our direct operations; employee, supplier, manufacturing, and community relationships; and our products' lifecycle. ■





2017 GOALS





Eco-Products refined its sustainability goals and reporting based on feedback we received from our Sustainability Advisory Committee.

They pointed out that our strategy and report could be more effectively organized around how we differentiate ourselves as a leader in the Zero Waste movement, how we deploy our resources, and where our biggest opportunities lie. The new elements of our sustainability strategy are Zero Waste Infrastructure and Zero Waste Foodservice Operators, built upon a solid foundation of our commitment to our Products and People. Our commitments will fall under these headings. ■

Differentiation		Foundation			
Zero Waste Infrastructure	Zero Waste Foodservice Operators	Products	People		
<ul style="list-style-type: none"> » In 2017, conduct waste characterization studies to quantify incremental food scrap diversion through the use of compostable packaging for at least three different operator types » By 2018, support establishing a baseline of the US population with access to composting compostable foodservice packaging » By 2020, play an active role in the successful expansion of access to commercial composting of foodservice packaging in at least three communities 	<ul style="list-style-type: none"> » In 2017, develop a baseline of our waste diverting customers and establish a mechanism for identifying and tracking them going forward » In 2017, help at least nine foodservice operators implement a front-of-house Zero Waste program (i.e., one per sales rep) » By 2018, implement a Zero Waste program with a strategic partner, such as a foodservice management company or distributor 	<ul style="list-style-type: none"> » In 2017, develop a scorecard that includes sustainability criteria for supplier evaluations » In 2018, work with suppliers to prioritize sustainability commitments and track progress » By 2018, collaborate to develop scalable model for foodservice film recycling » By 2020, discontinue legacy products that do not meet our current material standards for renewable resources and post-consumer recycled content 	B Corp Inclusion Challenge <ul style="list-style-type: none"> » In 2017, develop a program for promoting Zero Waste in underserved communities » In 2017, provide employees training on diversity and inclusion » In 2017, develop relationships with associations for underrepresented groups and provide job openings to them when available 	Benefits & Development <ul style="list-style-type: none"> » In 2017, offer three employee-led Lunch & Learns to provide opportunities to develop presentation skills and strengthen cross-functional employee connections » Every year, at least 55 percent of our employees will take advantage of their paid time off to volunteer » Every year, at least 90 percent of our employees will include a sustainability goal in their performance review 	Operations <ul style="list-style-type: none"> » Achieve net zero electricity HQ » By 2017, reduce HQ water consumption by 10 percent » By 2017, increase HQ waste diversion to 90 percent » In 2017, decrease carbon dioxide (CO2) emissions from air travel by reducing the total miles flown per \$1,000 of sales by 5 percent, relative to 2016 travel » In 2017, maintain reimbursed vehicle mileage at the 2016 level, while still growing our business

2016 PROGRESS REPORT

WHAT WE SAID WE'D DO...		WHAT WE DID...	STATUS
Climate Change	In 2016, increase our advocacy for expanding access to commercial composting	<ul style="list-style-type: none"> » Met with dozens of industry leaders to discuss accelerating the growth of the commercial composting infrastructure at the U.S. Composting Council (USCC) Conference. » Our vice president of product strategy and development was elected president of the Biodegradable Products Institute (BPI), the U.S. standardization body for composting. » Our director of marketing serves on the board of the USCC and helped establish its Food Scrap Composting Task Force. 	
	In 2016, decrease our normalized carbon dioxide (CO2) emissions from air travel by reducing the total miles flown per \$1,000 of sales by 5 percent relative to 2015 travel	<ul style="list-style-type: none"> » Decreased our total miles flown by 2.5% per \$1000 sales » Continued to promote our “No Fly Zone”, especially with our sales team, which encourages employees to use low carbon forms of communication instead of hopping on a plane. 	Not Achieved
	In 2016, decrease the total vehicle miles reimbursed by 5 percent relative to 2015 travel	<ul style="list-style-type: none"> » Achieved a total reduction in vehicle miles reimbursed of over 14%. 	
	Achieve net zero electricity use at our headquarters (HQ). Until we get there, invest in high-quality offsets to balance our emissions	<ul style="list-style-type: none"> » Worked with a local energy-efficiency company to map a path to net zero electricity. » Discussed energy-efficiency investments and financing options with our landlord. » Purchased carbon offsets to balance 100 percent of our CO2 emissions 	Made Progress
Natural Resources	In 2016, complete the transition to compostable wrappers for our compostable cutlery kits	<ul style="list-style-type: none"> » Sourced and tested a BPI-certified compostable film to wrap our Plantware® cutlery kit and transitioned our kits to this material. 	
	In 2016, expand film recycling pilot and determine scalability	<ul style="list-style-type: none"> » Spoke with operators in other regions, but was unable to execute a remote pilot. » Began conversations with leaders of the Wrap Recycling Action Program to see how we can collaborate on collecting and recycling films in foodservice operations. 	Not Achieved
	In 2016, continue to partner with Lifecycle Plastics (LP) to build viable end markets for post-consumer plastic within Colorado	<ul style="list-style-type: none"> » Committed to purchasing post-consumer recycled plastics, which allowed LP to secure a grant for funding its recycling facility. » Provided guidance for securing Food and Drug Administration clearance for using LP's plastics in food-contact packaging. » Unfortunately due to funding challenges, LP has stopped pursuing this effort. 	

WHAT WE SAID WE'D DO...		WHAT WE DID...	STATUS
Natural Resources	By 2017, increase HQ waste diversion to 90 percent	» Improved diversion rate from 75 percent to 80 percent.	Made Progress
	By 2017, reduce HQ water consumption by 10 percent; restore the balance every year through high-quality water restoration certificates	» Installed a high-efficiency dishwasher in our kitchenette. » Reduced water use by 19 percent compared to the baseline year of 2010, and by 9 percent compared to the previous year. » Balanced 100% (153,000 gallons) of our HQ water use by purchasing WRCs from Bonneville Environmental Foundation.	Made Progress
	By 2020, discontinue legacy products that do not meet our current material standards for renewable resources and post-consumer recycled content	» Closed the price gap between our virgin polypropylene lids, recycled content lids, and renewable lids to encourage customers to shift to more sustainable options. » Continued removing polypropylene lids from national accounts, contract by contract. » Identified date to discontinue all sales and distribution of polypropylene lids. » Identified additional ways to communicate the fact that plant starch material cutlery is not compostable.	Made Progress
Social Value	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	» Met monthly to brainstorm and collaborate. » Implemented fun projects to engage employees in sustainability.	
	In 2016, fifty-five percent of our employees will take advantage of their paid day off to volunteer	» Promoted volunteerism in staff meetings and other communications. » Met our goal with just over 55 percent of employees using this benefit.	
	In 2016, seventy percent of our employees will include a sustainability goal in their performance review	» 90 percent of employees included a sustainability goal in their performance review	
	In 2016, ensure all manufacturing suppliers have undergone their first audit	» Audited 100 percent of foreign manufacturing suppliers	

ZERO WASTE INFRASTRUCTURE

Zero Waste is about keeping discarded materials out of landfills or incinerators so that they can be made into new useful resources people can use. It is about reimagining used items as inputs to something else, as items of value and not “trash.” Recycling and composting play key roles in this process, which is why widespread infrastructure is needed to make it possible.

THE CHALLENGE OF WASTED FOOD

\$218 BILLION

Spent annually in the U.S. to grow and transport food that is never eaten

40%

Food is wasted globally, yet 1 in 9 people lack adequate access to food

PLASTICS FROM VIRGIN SOURCES

\$100 BILLION

Cost to make plastic that is used once and then sent to a landfill

2.12 BILLION TONS

Material sent to landfills worldwide

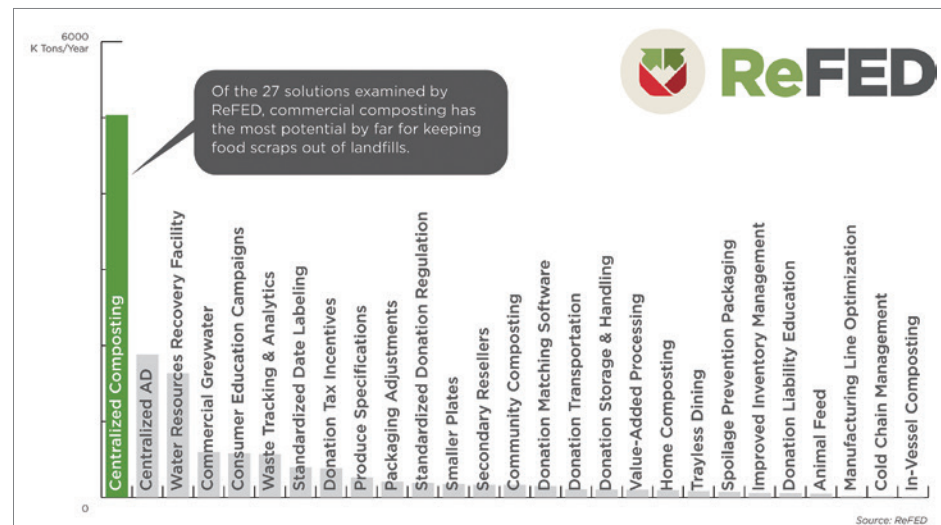
Eco-Products is working with industry leaders to advocate for much-needed infrastructure that supports commercial composting. Why? Because of the half-eaten sandwiches left on our plates, remnants of chili or ice cream in our containers or the nacho cheese left on our trays.

Leftover food on our products is seen as “contamination” by recyclers. It messes up their recycling systems and decreases the value of recycled material they can sell. In contrast, composters want the food. It adds nutrients to their end product – the compost – which makes it all the more valuable.

When you consider most people don’t take the time to read bin signage or sort items appropriately, it makes life much easier for concert-goers or sports fans if they can put both their compostable plate and uneaten fries in one bin. That’s why compostable packaging is increasingly recognized as the most effective way to divert food scraps from the landfill.

But don’t take our word for it. The latest report from the New Plastics Economy outlines a plan to create, use, and reuse plastics more sustainably. They believe a key way to increase plastics recycling from today’s measly global rate of 10 percent to an aspirational 70 percent is by using compostable packaging for foodservice applications and building out commercial composting infrastructure.

Additionally, Rethink Food Waste Through Economics and Data (ReFED) – a collaborative working to reduce wasted food in the U.S. 50 percent by 2030 – reported



that of the 27 solutions it analyzed to reduce wasted food, commercial composting had the greatest potential by far for keeping food scraps out of landfills, with over one-third of the potential volume. The Institute for Local Self-Reliance also found that composting sustains four times more jobs than landfill or incinerator disposal on a per-ton basis, and lowers overall materials management costs.

These findings were music to our ears. It was affirming to receive third-party validation of the “systems solution” to materials diversion that we have been promoting for years.

Understanding the Challenges of Commercial Composting

With evidence showing that composting can prevent millions of tons of food, packaging, and other organic materials from ending up in landfills, why aren’t people composting more often?

The primary reason is that of the nearly 5,000 composting facilities in the U.S., only about 500 accept food scraps, according to BioCycle magazine, and fewer than this

THE COMMERCIAL COMPOSTING CONUNDRUM

“Several elements need to be in place to make wider use of compostable plastics beneficial. These include the development of adequate infrastructure to handle such materials – infrastructure that is emerging, but not yet widely available in many parts of the world.”

-ReFED Report

accepts compostable packaging. About \$3 billion of investment is needed to expand commercial composting infrastructure nationwide.

Commercial composters also need to be convinced that accepting food and other compostable material makes good business sense. There are a few reasons for this:

- » **Composters must have a guaranteed amount of incoming materials**, known as feedstock, to process into compost and make their business model work. Until more cities mandate composting or offer incentives for homeowners and businesses to compost, inconsistent supply makes it challenging for composters to secure financing.
- » **It takes time and money to sort out contamination** – the non-compostable items – from compost bins. Waste-diverting entities, municipalities, and even composters all have a role to play in minimizing contamination.
- » **Lack of demand for compost reduces its market value.** Without steady markets willing to purchase compost at a fair price, low prices challenge the business model.
- » **Supportive policies may not be in place.** Securing permits for new or expanded facilities and coordinating with broader waste management infrastructure programs can be overly burdensome for composters. This can be streamlined with support from states and municipalities.

“Let’s feed people, not landfills. By reducing wasted food in landfills, we cut harmful methane emissions that fuel climate change, conserve our natural resources and protect our planet for future generations.”

– Former EPA Administrator Gina McCarthy

- » **Hauling routes need to be optimized.** Ensuring a high inventory of customers and identifying efficient haul routes are critical to success, given the costs associated with transportation.

Identifying Solutions

In the U.S., recycling and composting are not legislated at the federal level, and access to these services varies greatly by city and state. As a result, Americans recycle an average of 34 percent of all materials and compost just 5 percent of all wasted food.

Despite the lack of federal laws on these topics, our country has acted to improve recycling and composting rates. Late in 2015, the U.S. Department of Agriculture and U.S. Environmental Protection Agency announced that they would create partnerships and put programs in place to reduce wasted food 50 percent by 2030. We were clearly excited to hear this news.

Actions We’re Taking to Drive Zero Waste Infrastructure

Eco-Products is tackling Zero Waste both locally, where we operate, and nationally, where we support our customers and advocate on a broader scale. Here’s a look at what we’re doing:

Increasing Awareness

Understanding the value of Zero Waste starts with education – lots of it. We are doing our part to build awareness of this concept in nearly every conversation we have with our staff, peers, community leaders, and policymakers. We promote Zero Waste through this report, our website, our involvement in industry groups, and other channels.

Perhaps most importantly, providing Zero Waste consulting services to our customers is a core part of our offering. Could we just sell compostable cups and call it a day? Sure. But we don’t stop there. We work with our customers to connect them to local composters and hold their hand as they implement waste diversion programs. See the next section on Zero Waste Operations for more details and inspiring success stories.

Engaging Industry Stakeholders

It takes a village to drive systemic change. That’s why we forge relationships with industry partners that can leverage their resources and

OUR INDUSTRY PARTNERSHIPS

- » Biodegradable Products Institute (BPI®)
- » U.S. Composting Council®
- » Food Scrap Composting Task Force, USCC
- » Composting Collaborative
- » Foodservice Packaging Institute®
- » Californians Against Waste
- » U.S. Zero Waste Business Council™
- » Energy Star

expertise to turn our collective dream of a Zero Waste future into reality.

For example, our marketing director serves on the board of the USCC and recently co-created its Food Scrap Composting Task Force. She and other board members spent the year setting up the roles and responsibilities of this group, which will be led by a commercial composter and become active in 2017.

Our marketing director also serves on the Advisory Committee for the Composting Collaborative. Eco-Products and the USCC helped lay the foundation for the development of this group in partnership with GreenBlue and BioCycle to drive sustainable materials management of organics and all compostables.

Additionally, our vice president of product strategy and development is currently serving as president of BPI's board of directors. BPI is an association of government, industry and academia representatives who promote the use of compostable products by providing third-party verification of compostability. The majority of our GreenStripe® product line is BPI-certified.

Proving the Business Case

To help more composters see the value in accepting food scraps and compostable packaging, we recognize that more data is needed to make the case. Therefore, Eco-Products sponsors research to validate that composting makes good business sense.

Composters value food scraps because this material can be composted to enrich soils. Back-of-house food scraps come from kitchens and other food prep areas. These are less likely to be “contaminated” with non-compostable material because only staff have access to these bins. Composters may be more hesitant to accept leftover food that comes from “front-of-house” bins that the public uses because most people don’t take the time to properly sort food and other materials.

This gets back to why we’re obsessed with providing a systems solution to waste diversion. If all of the packaging is compostable, both the packaging and the leftover food can go in the compost bin. This greatly reduces the chance of contamination and increases the amount of material diverted from landfills.

Fortunately, there is a growing body of evidence that supports our case.

In 2016, Eco-Products sponsored a study conducted by GreenBlue’s Sustainable Packaging Coalition to determine if using compostable packaging was a viable way to divert more food scraps (and thereby make it worthwhile for composters to accept front-of-house compostables). We measured the contents of front-of-house and back-of-house bins at the 2016 Farm Aid concert – an event that raises awareness and funding to support local farmers and a more sustainable approach to producing food in the U.S.

WASTE DIVERSION AT FARM AID (preliminary findings)

- » Composter received 120% more food scraps
- » Farm Aid could divert 82.1% of the material collected if compostable foodservice packaging was used
- » Only a 5% contamination rate



After 11 hours of digging through many stinky bags, dedicated workers and volunteers determined that a significant amount of food was captured from front-of-house bins. In fact, the composter received 120 percent more food scraps than it would have if it had accepted the back-of-house stream only. Based on these findings, researchers estimated that Farm Aid could divert 82.1 percent of the material collected at its concerts from the landfill if these practices were deployed at its events.

And what’s really cool is that by using compostable foodservice packaging almost exclusively at the concert, the contamination rate was only about 5 percent. While this study and its methodology are still being peer-reviewed, all signs point to making a strong case to composters that if foodservice operators responsibly use compostable packaging (meaning they maximize the use of compostables, provide bin signage, and train staff), composters will get significantly more food scraps and hopefully manageable levels of contamination if they accept front-of-house organics.

Our support for this kind of research is far from over. In 2017, we will sponsor similar studies at other types of venues, such as corporate campuses and stadiums. We also plan to work with the Foodservice Packaging Institute and other stakeholders to determine a feasible way to measure how many U.S. citizens currently have access to composting facilities that accept and compost foodservice packaging. We need that baseline data to determine how much the industry is moving the needle and to measure our progress going forward.

Finally, we’ve set a goal to expand access to composters who will accept and compost packaging in at least three local communities by 2020. This will be a tall order, but we must do what we can to make commercial composting a reality for more Americans. ■

ZERO WASTE OPERATORS

Large foodservice operators are embracing the Zero Waste movement and doing their part to support it. For example, Sodexo – a global facilities management and foodservice operations company – committed to sending zero food scraps to landfills this year.

Sports and entertainment businesses in particular are greening up their operations. A recent survey found that one in three Americans are “more likely to attend a game or concert if they learned that all of the trash left behind was recycled or composted, and 1 in 5 respondents said they would buy more concessions if they knew the food scraps and foodservice products were composted.”

Supporting foodservice operators on their journey toward Zero Waste requires a systems solution. That’s why Eco-Products offers its full product line, sustainability consulting, and marketing expertise to operators with whom we partner. We are keenly aware of the challenges they face and the training, infrastructure and communication support they require to succeed.

To help advance Zero Waste practices among foodservice operators, we set the following goals for 2017:

- » **Develop a database of waste diverting operators and establish a mechanism for tracking them.** We want to better understand which of our customers are deploying front-of-house composting programs and where. That way, we can be sure they have the composting bins, signage and other marketing materials they need to appropriately divert more materials and tell their sustainability story. More importantly, we want to set a baseline so we can increase the proportion of our customers who are composting. The measure of our success in fulfilling our Zero Waste mission will in large part come down to how well we are leveraging our expertise and scaling our impact to help foodservice operators maximize their waste diversion.
- » **Help at least nine foodservice operators implement a front-of-house Zero Waste composting program.** Why nine? We have nine sales reps and are tasking each of them with converting at least one of their customers to a front-of-house composting operation. By incorporating our Zero Waste dedication into our sales reps’ goals, we are continuing the convergence of our sustainability goals and our overall business objectives.
- » **Implement a Zero Waste program with a strategic partner,** such as a foodservice management company or distributor, in 2018. Stay tuned! ■



Four-location restaurant chain based in South Carolina, featuring salads and healthy ingredients. Very dedicated to supporting their local community.

Spotlight: Verde, South Carolina

Verde is a four-location restaurant chain based in South Carolina, featuring salads and organic ingredients. They are “dedicated to being green inside and out” and to making it easy for their customers “to experience the benefits of eating, going, and being green.” Talk about a kindred spirit to Eco-Products!

This customer uses our GreenStripe compostable products, including custom cups and soup containers that help convey their brand using their voice. By using compostable packaging and offering compost bins in the front-of-house of their restaurants, it is easy for Verde customers to participate in waste diversion. Since very few items are not compostable or recyclable, putting the right stuff in the right bin is easy.

An especially cool aspect about our relationship with Verde is the fact that their compost hauler – Food Waste Disposal – is actually their distributor for Eco-Products. With no shortage of greenwashing when it comes to “green” foodservice packaging, FWD saw an opportunity to help its composting customers buy only truly compostable, BPI-certified products. Through a partnership with FWD, we started an innovative way to further our Zero Waste mission and support our customers’ sustainability efforts.

PRODUCTS

Reimagining foodservice packaging is our obsession. Taking dead aim at disposables, we constantly blaze new trails and push the boundaries of what's possible in single-use foodservice products. Through these efforts, we've built the largest portfolio of environmentally preferable packaging options in the world.

Design

Understanding and addressing the potential environmental impacts at each phase of our products' lifecycle starts with how we design our products. We proudly set our design standards high by only bringing products to market that have one or more of these traits:

- » Made with 100 percent renewable resources.
- » Made with post-consumer recycled content.
- » Compostable.
- » Recyclable.

Our GreenStripe product line is made from renewable plant materials that can be grown again and again. The vast majority of this line is commercially compostable, BPI-certified, and meets ASTM International standards for commercial compostability.

PRODUCT UPDATES



Plantware® Kit:
Our compostable cutlery now comes in a compostable wrapper



Plant Starch Cutlery:
It's still a good option for customers who can't compost, and we're taking steps to better communicate that it's not compostable.



Virgin Plastic Soup Cup Lid: We're saying sayonara to this sucker this summer!

The world needs healthy soils treated with compost to reduce chemical use, increase water retention, and improve soil quality and structure. That way, farms and landscapes can thrive. When composted, our GreenStripe products contribute to this.

Our BlueStripe™ products are made from post-consumer recycled content that once was used in other products. They contain fewer virgin resources, create less landfill waste by giving these materials another life, and support the recycling industry by creating demand for recycled content.

Legacy Products

We made progress in 2016 managing legacy products that don't meet our current design standards: cutlery kit wrappers, plant starch cutlery, and soup cup lids.

Compostable Cutlery Kit Wrappers

Our Plantware® cutlery kits contain a compostable fork, knife, spoon and napkin. But it took us a few years to find a manufacturer that could make suitable compostable film to wrap them in. Many films did not meet our quality and cost standards, so we took the time to get it right. We are happy to say that in 2016, we sourced, tested, and began using a BPI-certified compostable film for our Plantware cutlery kit wrappers. Checking this goal off the list felt pretty darn good!

Plant-Starch Cutlery and Polypropylene Soup Cup Lids

We've spent the last few years addressing our plant starch cutlery and polypropylene soup cup lids. They do not meet our current standards for all new products to be made with 100 percent renewable resources or to contain post-consumer recycled content.

The soup cup lid is made with virgin polypropylene and the cutlery is made with a blend of plant starch and virgin polypropylene, meaning it is not compostable. While you can read the backstory on these products in last year's report, it's worth explaining how these products are different from a sustainability perspective.

The polypropylene lids were developed years ago, when we introduced soup cups to our line. At the time, there were no viable compostable soup cup lids on the market. Since few customers would buy soup cups without lids, we felt compelled to offer a virgin plastic lid because that was the only option. Since then, technology has evolved and today we offer both a compostable lid and a recycled content lid.

Product Criteria

Every new product we bring to market must be:

Made with 100% renewable resources

or

Made with post-consumer recycled content

or

Compostable

or

Recyclable

GREENSTRIPE®

Products



Materials



INGEO™
BIOPLASTIC



PLANT STARCH



SUGARCANE



SUGARCANE &
BAMBOO BLEND



WHEAT STRAW

Features



MICROWAVE
FRIENDLY



DO NOT
MICROWAVE



COLD FOOD
FRIENDLY



HOT FOOD
FRIENDLY



CUSTOM
OPPORTUNITY



PRINTED
SLEEVES

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.

BLUESTRIPE™

Products



Materials



POST-CONSUMER
RECYCLED FIBER
(PCF)



POST-CONSUMER
RECYCLED PLASTIC
(RPET)



POST-CONSUMER
RECYCLED
POLYSTYRENE (RPS)



MICROWAVE
FRIENDLY



DO NOT
MICROWAVE



COLD FOOD
FRIENDLY



HOT FOOD
FRIENDLY



CUSTOM
OPPORTUNITY



PRINTED
SLEEVES

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.

We are now working to discontinue sales of virgin plastic lids. We removed them from our catalogs and e-commerce site. Customers can purchase our compostable soup cup lids or 25 percent post-consumer recycled content lids as alternatives. The last step is to remove these lids from our contracts with large customers, and we made great progress on this in 2016. In fact, we have identified a date to discontinue all sales and distribution in the summer of 2017. This puts us well ahead of our original goal deadline of 2020.

Plant starch cutlery is a different story. For customers who don't have access to composting and can't afford our compostable cutlery option, we feel this product is a better choice than conventional disposable cutlery because it is made with 70 percent plant material. We can make a strong case that 70 percent renewable is better than zero percent renewable.

However, this cutlery becomes a challenge when it ends up in the wrong place. As much as we try to communicate the fact that this cutlery is not compostable, we know that it can end up at commercial composting facilities inadvertently. We have more work to do to prevent this from happening. In 2017, we are committing to increasing our communication around this products' attributes and appropriate end-of-life destination – the landfill.



Plastic Sleeve Recycling

While we have found a compostable film for our cutlery kits, we have not identified a quality film for larger sleeves that hold cups, plates and other products. Until we do, we are trying to help 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 most of our films are likely sent to a landfill. Some retail locations accept plastic films for recycling, but this isn't always convenient for our customers.

After piloting a film recycling program in 2015 with Snooze, a Colorado-based restaurant chain and Boulder Community Health, the largest health care provider in Boulder, we had intended to expand our film recycling pilot beyond our backyard and determine scalability in 2016.

We had difficulty finding suitable partners, but began consulting with leaders from Wrap Recycling Action

Program (WRAP). WRAP is a public awareness campaign created by the U.S. Environmental Protection Agency and American Chemistry Council that promotes recycling of plastic film packaging. We are exploring how we can collaborate with WRAP on our shared goal to collect and recycle films used in foodservice operations. This is an example of how we are constantly seeking to work with like-minded organizations to further our Zero Waste vision. We remain committed to implementing a scalable model for recycling foodservice packaging films, and have set a goal to have something in place by 2018.

Other Material Issues Genetically Modified Organisms (GMOs)

We recognize that the materials and technologies that enable us to manufacture foodservice products come with environmental costs. This is true whether we use legacy fossil based plastics, newer renewably sourced plastics, or materials such as sugar cane or wheat straw.

Our Ingeo polylactic acid (PLA) is a type of compostable plastic currently made primarily from the starch by-product of industrially produced corn. Renewable sourcing means that Ingeo provides a low carbon footprint food serviceware product. One concern for us however, is that the # 2 yellow dent field corn grown and planted in the US is typically a mix of conventional and genetically modified (GM) corn. We understand from our primary PLA supplier, NatureWorks, that GM corn is NOT a requirement for them to produce their Ingeo PLA, it is simply what is normally supplied by North American farmers, with the current agricultural practices.

Technically there are no GMOs in our products because the part of the corn kernel used in our products is not genetically modified, and the high heat used in manufacturing removes all traces of genetically modified material that might happen to slip in. Nonetheless, we feel it is disingenuous to market our products at “GMO-free” when this is not true of the feedstock used to make our products.

At the same time however, we have conveyed to NatureWorks our strong preference for the use of non-GMO feedstocks. NatureWorks is investing heavily in scaling non-



GMO, nonfood sources for its Ingeo brand of PLA and other applications. The company also offers several options for customers to support the production of non-GM corn and 3rd party certified sustainable agricultural practices.

Corn in Bioplastics

Some people have concerns regarding using corn, a source of food, to make bioplastics. Today, Ingeo is made with field corn and not sweet corn, which is the kind we eat. The same kernel of field corn can be used to make food products, such as corn oil, salad dressing and animal feed, as well as bioplastics. So this is not an issue of food or bioplastics, but rather food and bioplastics.

To reiterate why we choose to use this material in our GreenStripe line, we feel that renewable resources are a better choice for foodservice packaging than non-renewable resources, like petroleum. Nevertheless, we have conveyed to NatureWorks our support for their research to transition from this feedstock, as more sustainable sources become available.

If using corn as a feedstock is a concern for you, please feel free to contact us to ask questions and share feedback. And be sure to check out our BlueStripe line made with post-consumer recycled content! ■

Disposable products of any kind are not good for the environment, but they aren't going away any time soon. Our society's thirst for convenient and portable containers, cups and other foodservice products is driving demand across the globe.

Yet using virgin petroleum to make these products—an expensive and non-renewable resource—is not the best way. We've discovered a better approach: renewable resources and post-consumer recycled content.



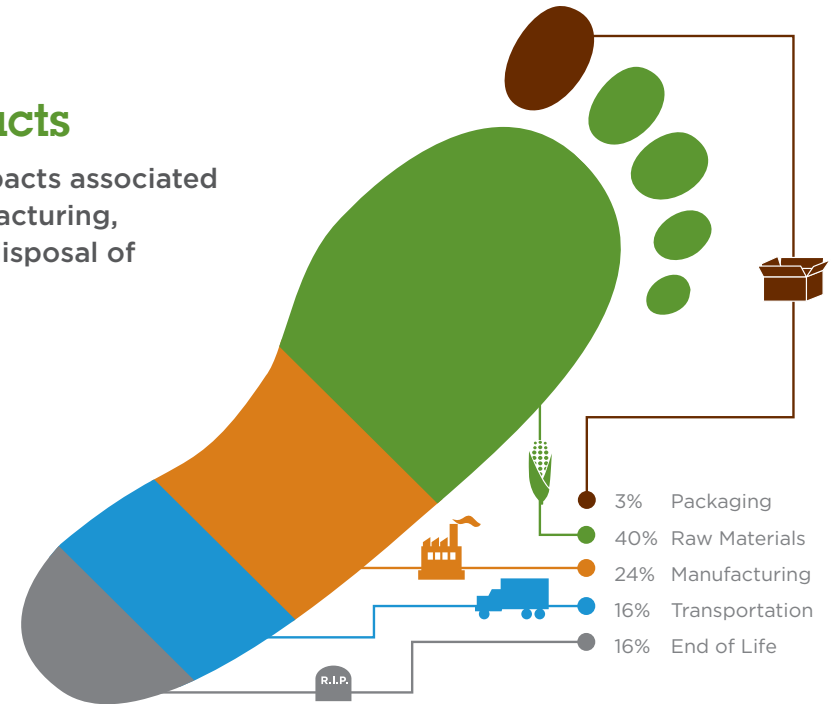
RENEWABLE
RESOURCES



POST-CONSUMER
RECYCLED CONTENT

Our Products

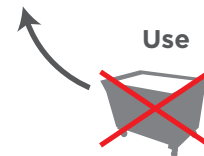
The carbon impacts associated with the manufacturing, transport and disposal of our products.



End-of-Life



Advocating for composting infrastructure expansion & recycling



Zero Waste Consulting

We're looking for opportunities to lessen our impacts throughout the complete lifecycle of our products.

Transportation



Began domestic manufacturing in 2014, and plan to increase.

Raw Materials

Diversifying our feedstocks and including more reclaimed renewable resources like wheat straw



Manufacturing

Supplier Code of Conduct



SUPPLY CHAIN MANAGEMENT

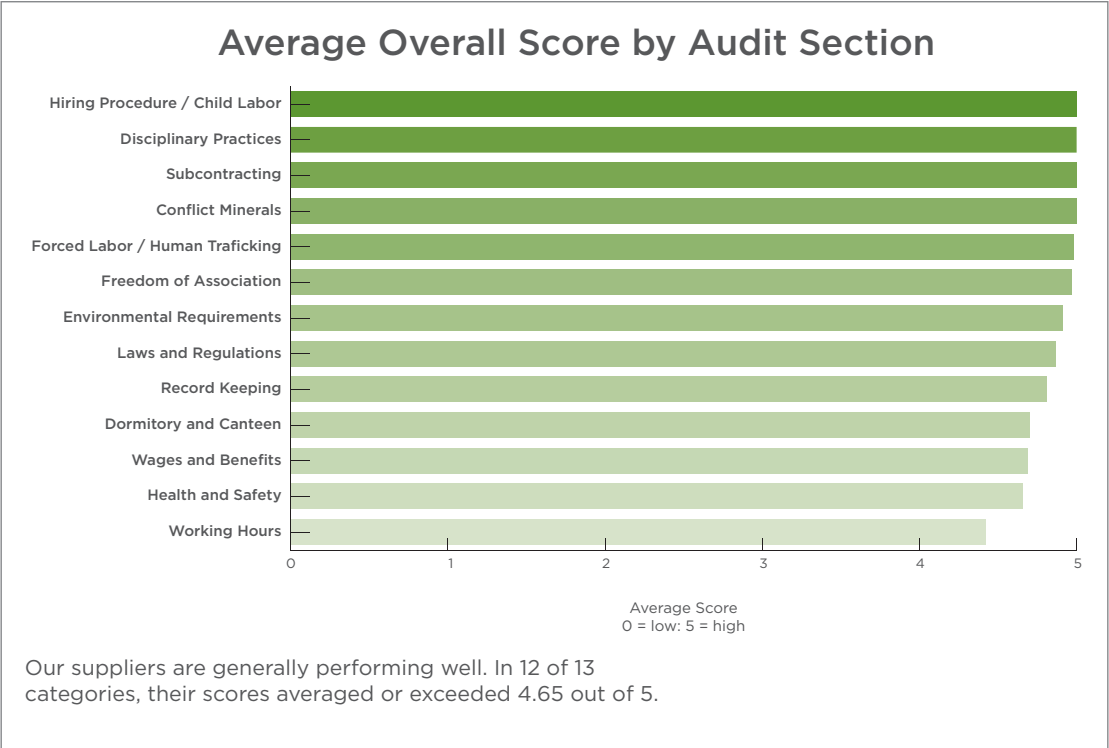
We recognize that our products’ carbon footprint and potential social impact exceed that of our operations. Because of this, we are taking steps to better manage our upstream and downstream suppliers. Our first step was to create a mandatory Code of Conduct for our suppliers, which we completed in 2015.

Since then, our company has been acquired twice: by Jarden later that year and by Newell Brands in 2016. Fortunately, both companies had robust supply chain management standards and programs from which we can draw upon moving forward.

Our goal for 2016 was to audit our manufacturers to assess compliance with local environmental laws, fair labor practices, and safe working conditions. We successfully completed these audits for all foreign manufacturers and assessed most of our domestic manufacturers as well. We then had the University of Colorado Leeds Social Impact Consultants review the findings and propose recommendations.

We learned that our suppliers are generally performing well. In 12 of 13 categories, their scores averaged or exceeded 4.65 out of 5. (Since 5 is high, this means they scored well.) In areas needing improvement, they are developing corrective action plans. Our parent company has staff based overseas to provide oversight and support to our suppliers on these issues, and we are grateful for these internal resources.

Our next step is to create a scorecard that will rank suppliers on quality, reliability, cost and sustainability criteria. We also plan to convey to suppliers our expectation that they go beyond local environmental law, and take additional steps to reduce their impacts. We hope to engage external stakeholders to gather feedback on what else we should be measuring and discussing with our suppliers. This will allow us to prioritize commitments and track progress being made across the supply chain. ■



PEOPLE

Working for a pioneering brand that is transforming an industry is not for the faint of heart. It requires exceptional talent, extreme passion and perseverance. The character of our people and the culture of our workplace is what makes our brand the force for change that it is.

To realize our vision to be in the vanguard of a Zero Waste future, we must create and preserve an inclusive culture that stays true to our values, inspires innovation and provides meaning to our work. This requires ongoing collaboration, development, recognition for a job well done – and a healthy dose of fun.

Learning and Development

We invest in learning to stimulate employees' minds and improve our company's health. Continuing education also helps us attract and retain the best talent, and facilitates internal alignment on best practices to execute our business strategy. We offer trainings and workshops and reimburse employees when they attend conferences and seminars.

Participating in the B Corp. assessment helped us realize that we could be doing more to educate our staff on the value of having an inclusive and diverse workplace, so we intend to integrate those topics into our training program in 2017. We also plan to offer three employee-led "lunch and learns" to help them develop presentation skills and strengthen cross-functional connection.

Diversity and Inclusion

Eco-Products is located in a community that is 90 percent Caucasian, which results in a limited pool of ethnically diverse candidates to employ. Knowing that hiring people of different backgrounds and experiences can only benefit our company, we are being more purposeful about recruiting employees from underrepresented communities.

We plan to participate in the B Corp. Inclusion Challenge, an initiative for B Lab-certified companies to improve their collective impact and move toward an inclusive economy. The challenge calls for us to reach three goals in 2017. The inclusion goals we've set for ourselves are to:

- » Develop a program for promoting Zero Waste in underserved communities.
- » Deliver diversity and inclusion training.
- » Develop relationships with associations for underrepresented groups and share job openings with them when available.



Engagement

Highly engaged and satisfied employees are better able to collaborate, are more loyal and productive, and are more likely to innovate – all of which are critical to our long-term growth.

We use various communication channels to engage our team on their roles, responsibilities, and expectations. We also seek to better understand our employees' perspective about the company and areas where they think we need to improve. One way we do this is by conducting an annual anonymous survey to gauge whether our values are meaningful to our staff or if they are simply words on a page.

Our results in 2016 were not bad, but we have room for improvement. For one thing, we admit we need to do more to promote our values to our employees. We have taken steps to better communicate our priorities to staff, such as installing banners with our values and displaying our mission and vision in our main hallway. We have asked each manager to meet with their teams to get additional feedback on how we can build a more engaged and inspired workforce.



Engaging Our Employees

To harness our employees' passions for environmental and social issues and deepen their connection with Eco-Products, we formed a Sustainability Squad. Led by our sustainability maven, the group gathers monthly to plan fun projects related to sustainability. They also take turns blogging about sustainability topics of their choice to build awareness of what people can do to reduce their impact.

In 2016, we extended the typical Earth Week activities for our employees into a month-long celebration that included:

- » Watching a screening of "Wall-E," a Disney movie about a trash-cleaning robot.
- » Hosting group walks, bike rides and yoga during lunch.
- » Volunteering to remove invasive weeds in nearby wildlands and to move compost and plants at a local community farm.
- » Holding a Hard-to-Recycle Drive for employees to bring in old electronics/ cords/cables, batteries, scrap metal, fluorescent bulbs, ink and toner cartridges, and old denim.
- » Giving away seedlings to help make our employees' gardens and yards a little greener.
- » Closing the office early to participate in an eco-themed scavenger hunt and happy hour.
- » Picking up neighborhood trash and enjoying breakfast on us for lending a hand.



Community Involvement

We believe that companies should feel honored to help their communities. We certainly do. We donate our products and our time, and organize donation drives to positively contribute to society beyond our environmentally friendly products.

Product Donations

We are proud to support nonprofits and civic organizations that are addressing environmental or social causes. By donating foodservice products for their fundraising dinners and events, these organizations can maximize the funding that directly supports their work. Given our Zero Waste mission and our desire to support our local community, we prioritize supporting organizations that are hosting Zero Waste events and are located in the Boulder area.

Donation Drives

Our employees enjoy helping people in need in various ways. We often collect donations of school supplies, shoes, toys, and food to help the underprivileged in our community. To add a little fun to the mix, we often have departments or teams compete against one another to see who can have the biggest positive impact on our community. Given the bragging rights that accrue to the winners, we are proving competition can be a healthy thing!

Giving Our Time

Building stronger and sustainable communities is our passion, which is why we encourage our employees to contribute their time and expertise to assist those who could use a helping hand. We offer employees one day (eight hours) of paid time off to support a cause of their choice each year.

To encourage employees to use this benefit, we set a goal to have 55 percent of our staff take a day to volunteer in 2016 – which we achieved. We are proud to see that our volunteerism significantly exceeded the average corporate rate of 31 percent. ■





OPERATIONS

Incorporating sustainability into our operations strengthens our culture and allows us to walk our talk. While our operational impacts are less than those of our products, any impact matters. So we're working to reduce them.



Our physical environment encompasses approximately 17,600 square feet of office space in a building that we currently lease. We do not own any manufacturing assets at this time. One of the drawbacks of leasing is that we are limited in how we can optimize our space to make it more efficient, but we are doing what we can.

Here's what we're doing to embed sustainability into our culture:

Diverting Materials from Landfills

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. Our goal is to divert 90 percent of office materials (paper, glass, plastic, aluminum cans) in 2017 to earn certification from the U.S. Zero Waste Business Council.

To achieve this, we installed landfill, compost and recycling bins and trained staff on how to sort the materials they dispose. This is important, because if a recyclable can or a compostable apple core ends up in the landfill bin, guess what? It ends up in a landfill.

Each year, we audit the percentage of materials that we send to landfills, recycle and compost with Eco-Cycle, a local nonprofit recycler. We involve employees in the auditing process so that we can hammer home the importance of minimizing waste.

As our company has grown, achieving our diversion goal has proven difficult because we are disposing of more materials overall. In 2016, we diverted 80 percent of our materials, which was 5 percent more than the year before. Of this amount, we composted 51 percent and recycled 29 percent.

Good? Yes. Good enough? No. Had we put everything in the right bin, we could have diverted 88 percent (recycled 35 percent and composted 53 percent) of our material. We will continue to educate employees and promote the importance of diversion – just like we do with our customers – until we reach our 90 percent diversion goal.

Reducing Water Consumption

We use the water we consume – about 153,000 gallons in 2016 – for drinking and landscaping, and in bathrooms and our kitchenette. To reduce water consumption, we installed a high-efficiency dishwasher and reminded employees to conserve using signs

MATERIALS VS. WASTE

Just a quick note about our word choice. “Waste” implies “worthless,” which is inaccurate when talking about recyclable or compostable materials.

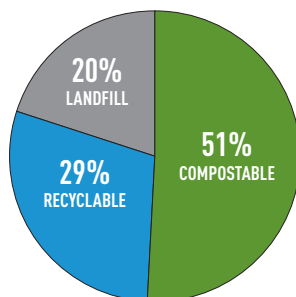
Those materials have a lot of worth and if everyone keeps calling it “waste,” we will keep treating it like waste. Waste is what goes to landfills. So we use the word “materials.” Will you join us?

2016 WASTE AUDIT RESULTS

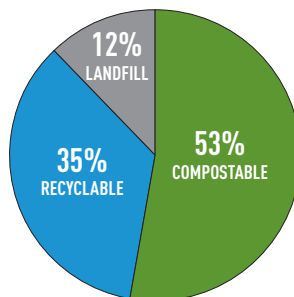
80% Diversion

(up 5% over last year)

We will continue to educate employees and promote the importance of diversion – just like we do with our customers – until we reach our 90% diversion goal.



Actual



Potential

and posters. We set a goal in 2014 to reduce water use 10 percent by 2017; to date, we have reduced consumption by 19 percent. We have one more year to measure to ensure that we are maintaining our reduction in water consumption, but so far, so good!

To offset consumption, we purchase gallon-for-gallon Water Restoration Certificates, which support the Bonneville Environmental Foundation's (BEF) water restoration projects. BEF has amazing and impactful projects around the country, and we are proud to be continual supporters of the great work that they do. Some of the projects include restoring sections of the Conejos, Fraser, Cimarron, and Roaring Fork rivers here in Colorado.



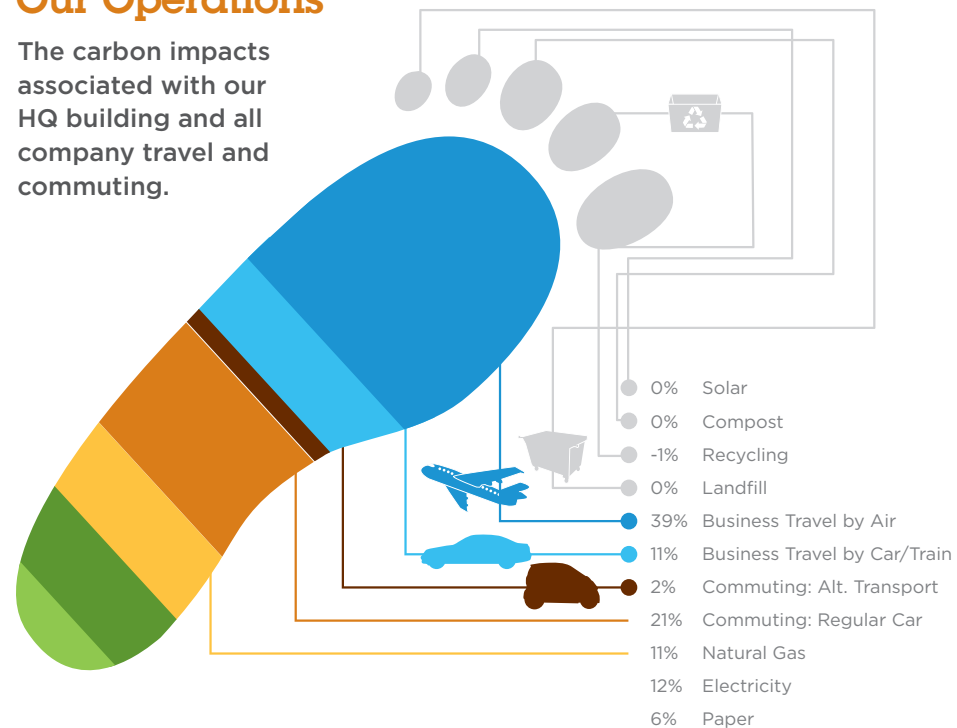
Curtailing Energy Use

Getting an office to consume net zero electricity is no small task, but that's what we're striving to achieve. We want to reduce both the cost of and greenhouse gas emissions associated with powering, heating and cooling our workspace.

We've spent several years enhancing efficiency where we can, such as installing efficient lighting and motion sensors. We've estimated costs for our landlord to install efficient heating, ventilation and air-conditioning equipment as well as low-flow toilets, and what it would take to improve our building envelope. We even chased down a solar company that was willing to put a few more panels on our already solar-powered roof.

Our Operations

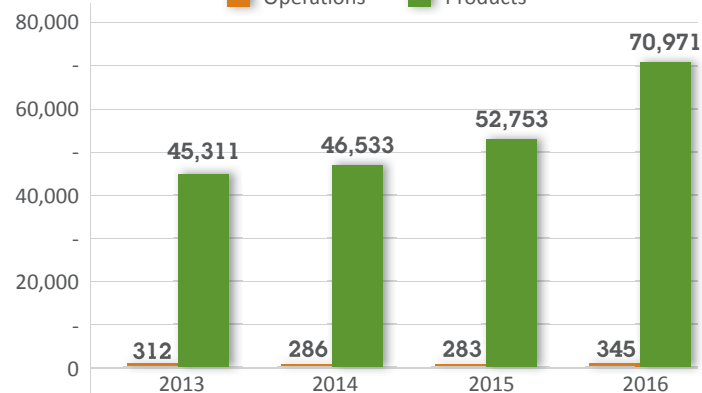
The carbon impacts associated with our HQ building and all company travel and commuting.



Eco-Products Carbon Emissions

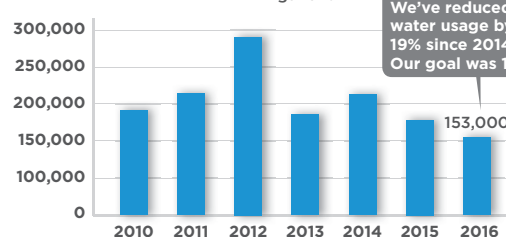
Metric Tons CO₂e

Operations Products



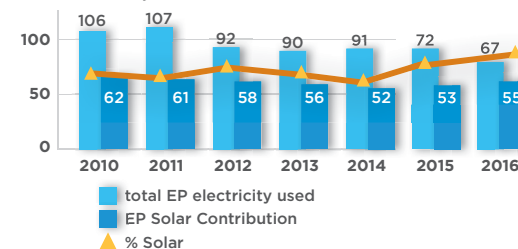
Water Use

gallons



We've reduced water usage by 19% since 2014. Our goal was 10%!

Eco-Products Electricity (1,000 kWh) adjusted for tenants



We're now at the point where we would have to make significant improvements to make a difference – and these come at a high cost. This is tough to justify with little time left on our lease. Rest assured, building efficiency is a high priority and we continue to discuss this issue with our landlord.

Limiting Miles Traveled

Air and vehicle travel are necessary evils for building relationships and growing our customer base, but it also expands our carbon footprint.

By measuring our impact, we learned that air travel was the largest contributor to our operational carbon footprint. To address this, we created a “No Fly Zone” and asked sales reps to attend at least one meeting virtually each year. We also set a goal to reduce total miles flown by 5 percent for every \$1,000 of sales closed. By setting a goal normalized to sales, we can show improvements in travel efficiency despite business growth.

Thanks to web meetings, conference calls and broker representatives when appropriate, our sales reps are spending a little less time with TSA and our carbon footprint is shrinking. We reduced normalized carbon emissions by 11 percent in 2015 and 2.5 percent in 2016 – something we're proud of!

We recognize that our decrease was not as great in 2016 compared to 2015, one of the struggles as we grow in big ways. We have maintained a 5% reduction as a goal for 2017, which we will continue to push to meet.

We set a similar goal to reduce emissions from the vehicles that we drive. We set a goal to reduce reimbursable miles driven in 2016 by 5 percent. We were pleased to exceed this goal during the year, with a total reduction of 14.5 percent. This is a larger decrease than we expected (which is awesome!), although we think changes in personnel could have been a factor. Looking forward, we plan to maintain this progress by keeping our reimbursed vehicle mileage steady amidst anticipated growth.

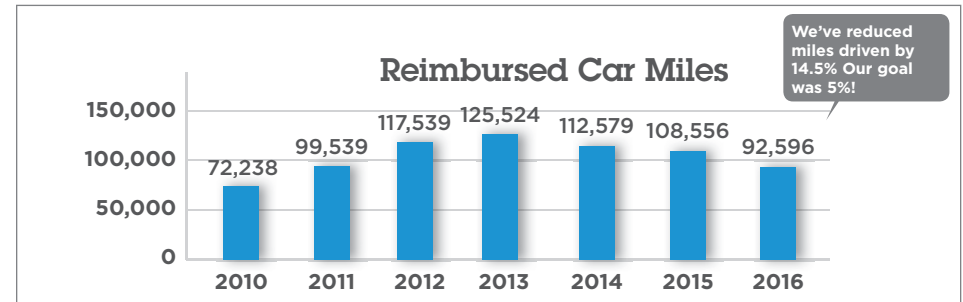
Carbon Offsets

We work with a 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 landfill disposal/recycling/composting.



renewable
choice
ENERGY

Since our first report in 2014, we purchased 1,445 metric tons of offset credits to support Larimer County Landfills' capture of methane gas and electricity generation. This is equivalent to taking nearly 305 passenger vehicles off the roads or powering 153 homes for a year! ■



IN A NUTSHELL

2016 was a big year for Eco-Products, as well as the global push toward Zero Waste. We saw foodservice operators around the world make commitments to advance their Zero Waste practices, US federal agencies take significant steps towards their food waste goals, and various groups issue detailed studies about the role that compostable foodservice packaging and commercial composting can play in our transition to a circular economy. To cap it all off, even more communities around the country built on the trend of requiring the use of compostable packaging.

Why do we have a Sustainability Report?

Sustainability at Eco-Products is not a marketing campaign nor a stand-alone initiative. It is core to who we are and why we are in business.

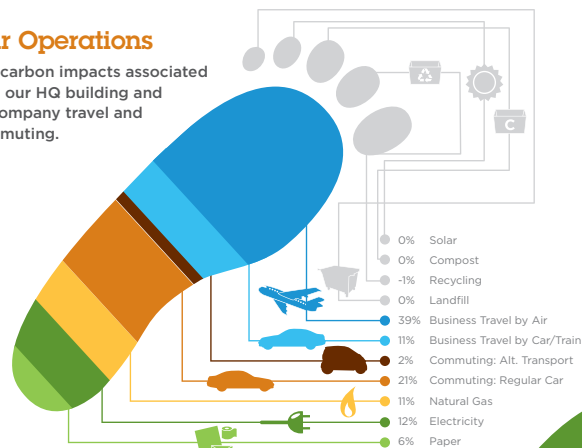
We publish our Sustainability Report because we don't feel right about calling ourselves "a green company that happens to operate in disposables" unless we make our sustainability approach, goals, successes and challenges public. Reporting holds us accountable for continuous improvement and enables us to treat sustainability just like any other important business priority.

Looking Forward

In 2017, we are reframing our sustainability goals around four distinct categories to better reflect our priorities and our work: Zero Waste Infrastructure, Zero Waste Foodservice Operators, Products, and People. We look forward to reporting back on how we did in another year!

Our Operations

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

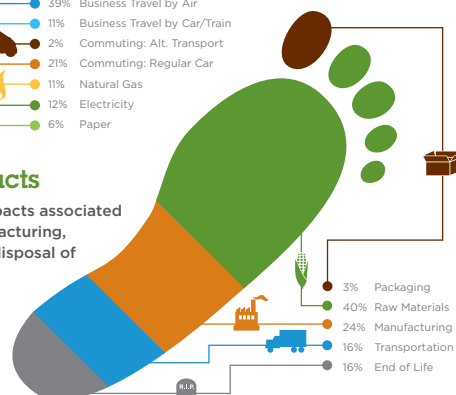


As you can see in the graph below, our operations contribute very little to our overall carbon footprint. We made the footprint graphs to the left equal in size so you can clearly read the data, but really our products are responsible for most of our carbon emissions by far. If the feet were to scale, it would look more these:



Our Products

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



Eco-Products Carbon Emissions

Metric Tons CO₂E

Operations Products



2016 Highlights

Continued to push for increased acceptance of food scraps and compostable packaging at composting facilities through our leadership in industry organizations such as the US Composting Council, Biodegradable Products Institute, and Foodservice Packaging Institute.

Launched our Plantware® Cutlery Kit with compostable wrapper

19%

Reduced water use at our headquarters

80%

Waste diversion at our Headquarters, (up from 75% in 2015)

90%

Employees who included a sustainability goal in their performance review

55%

Employees who took advantage of their paid day to volunteer

Became a certified B Corp



We'd love to hear your feedback!

Email us with your comments or questions.
sustainabilitymaven@ecoproducts.com



www.ecoproducts.com