MOTHERLOVE
HERBAL COMPANY

PUBLIC BENEFIT REPORT

2018

HISTORY OF MOTHERLOVE

Motherlove was founded 30 years ago by an herbalist, Kathryn Higgins, when she became pregnant with her first child. What started as a simple passion for organic herbs turned into an international business with Motherlove products now sold in over 20 countries and in thousands of retailers across North America.

Still family operated and all women-owned, our business has grown significantly over the past 30 years, but our commitment to offering safe, effective, and organic products to mothers and babies has not changed. We continue to source only USDA Certified Organic and wild-crafted herbs, even growing some of our herbs on our organic farm, and we us only the highest quality ingredients.

Pictured above, left to right: Co-owners Jasmin Cox (Supply & Demand Planner), Zenna Eastwood, Kathryn Higgins (Founder), and Silencia Cox (CEO)

MOTHERLOVE'S FIRST PUBLIC BENEFIT REPORT

This report is for the 2018 calendar year, but in a way the story starts on April 9th of 2019 when Motherlove reincorporated as a public benefit corporation formed pursuant to Article 101, Part 5 of the Colorado Business Corporation Act.

The Public Benefit Corporation legal status embeds Motherlove's mission and values into its legal DNA, ensuring that our mission will last over time.

As a Colorado public benefit corporation, we are required to report publicly every year on how we pursued our public benefit purposes and on our overall social and environmental impact.

The report falls into two sections:

Section I: Serving Our Purposes
We look at how we pursued the specific public benefit purposes described in our articles of incorporation. We break this down into the four purposes specified in our charter.

Section II: Overall Impact Performance
We report our impact on key stakeholders' groups, as measured by the B Impact Assessment.

SERVING OUR PURPOSES

There are four ways we seek to dedicate our time and resources as a company to build an economy that values well-being, community integration, socioeconomic growth and equity, and living ecosystems.

Purpose #1 - To produce high quality natural and organic products free of artificial ingredients using sustainable materials.

Ever since Motherlove's founding in the late 1980's, our company has been committed to using local, sustainable, and organic ingredients. We feel that at no time is it more important for women to be using safe, organic products than during pregnancy and breastfeeding. As a result, we source from only the highest quality manufacturers and even grow some of our own herbs at our USDA Certified Organic farm. None of Motherlove's products contain any artificial ingredients or preservatives, which means our consumers can be confident in knowing that they are receiving high-quality, safe, and organic products for their growing families.

100% Natural Ingredients

100% Non-GMO Ingredients

12,000 Pounds of Certified Organic herbs grown at the Motherlove Farm

88% Certified Organic Ingredients in Our Body Care Line

USDA ORGANIC

Click the image to learn how our award-winning, USDA Certified Organic Nipple Cream is made

Purpose #2 - To cultivate a culture that supports the health, happiness, and fulfillment of all in our organization.

We nurture our employees by providing a creative, inclusive, and supportive environment in which to work. Over the years, Motherlove has worked diligently to provide competitive benefits to our employees, including some unique and new offerings.

We provide our employees basic health, dental, and life insurance plans, with premiums paid by the company. We also pay half of the premium for dependents carried on our health plan.

We offer $750 per employee, per year, toward professional development opportunities as we want our employees to continue to grow and be successful.

Motherlove offers a loan program for a no-interest loan of up to $2,500, which must be repaid in one year through payroll deductions.

Primary care giver receives up to 26 weeks of leave time, of which 8 weeks of emergency paid is applied. Secondary care giver receives up to 12 weeks of leave time, of which 4 weeks of emergency paid is applied.

Our bonus program is based on the performance of the company and is paid out as a generous percentage of pay, rather than as a flat rate.

Every Wednesday is Wellness Wednesday at Motherlove. Employees are encouraged to take an hour out of their workday and spend it in a fitness activity with their peers, whether walking along the river behind our offices, doing a yoga class, riding bikes along the trail, or spending a quiet hour in meditation.

Once a month, employees can choose from a massage or a spa experience to help relieve the stress of life, all covered by Motherlove. For those who prefer a more active benefit, they can instead choose to have their annual gym membership paid for by the company.

TEAMS

In order to continually improve, we created what we call 'B Teams'. These teams, or small groups of our staff members, were created in 2017 as we prepared to go through the re-certification program with B Corp. Our 3 teams were created out of our staff's desire to get more involved with B Corp and improve Motherlove as a whole.

Click the image to learn more about Motherlove and our practices.

Purpose #3- To reduce our harmful environmental impacts and seek to create a positive impact on the environment through our product design, manufacturing, and operations.

More than 30 years ago, the company was dreamed up in our founder's mountain home and our first products were hand-poured in her kitchen. Over the years, we slowly moved out of the mountains and into town. Our staff grew from one person to three. More recently, we moved again—this time into a 16,000-square-foot manufacturing facility that houses our nearly 30 staff members. We are proud of our growth but we also work hard to ensure that our growth doesn't negatively affect our environment, which we have always worked diligently to protect. The following categories show how we reduce and improve our environmental impact.

ENERGY PRODUCTION & EFFICIENCY

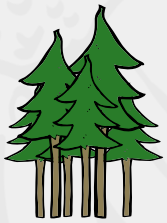
Colorado ranks 12th in the country in installed solar capacity and since we have over 300 sunny days per year, it was an easy decision to install a solar array consisting of 252 panels on the roof of our facility.

Our solar array generates two times the energy that we use and as a result, we sell the excess back to the city. That means we're also in the business of renewable energy production!

Since the installation of our solar array we have generated 324 MWh of energy. To put this amount into another perspective, this is equivalent to the amount of carbon captured by:

3,788 tree seedlings grown for 10 years

-OR-



270 acres of U.S. forests in one year

-OR-

1.9 acres of U.S. forests preserved from conversion to cropland in 1 year

Equivalents obtained from the EPA; Greenhouse Gas Equivalences Calculator

We only use LED lights, with motion sensors, and we have Energy-Star appliances throughout our facilities

WATER CONSERVATION & EFFICIENCY

Motherlove is physically located adjacent to the Poudre River in Fort Collins, Colorado. Our manufacturing processes are very lean when it comes to water usage and for that reason we try to maximize our water efficiency efforts by looking at every little detail in our facilities. Below are some facts about our water conservation efforts:

Save 55,250 gallons of water/year through installation of high-efficiency toilets and other water conservation features at our facilities

Our high-efficiency sprinkler system utilizes a timer and sensors to detect current soil moisture content in order to maximize water efficiency

GREENHOUSE GAS (GHG) EMISSIONS - CLIMATE ACTION PLAN

As we continue to grow, so does our carbon footprint. More than three quarters of the greenhouse gas (GHG) emissions associated with many industry sectors come from their supply chains. As a result, Motherlove has spent the past few years diligently working to both reduce our GHG emissions at our manufacturing facility as well as locally sourcing as many raw ingredients as possible. While it is not feasible for us to source everything locally, we make the extra effort to offset the carbon emissions from our body care line. Ultimately Motherlove's goal is to be carbon neutral by 2025.

CARBON OFFSETS

In 2018, we offset 95 tons of CO2 emissions generated by the manufacturing of our entire body care line. The carbon certificates support a project that works with indigenous families to train them in land and land-use stewardship in an area of the Brazilian rainforest. Their goal is to protect over 368,000 acres of virgin rainforest to reduce over 48.4 billion pounds of greenhouse gas.

CARBON OFFSETS, CONT.

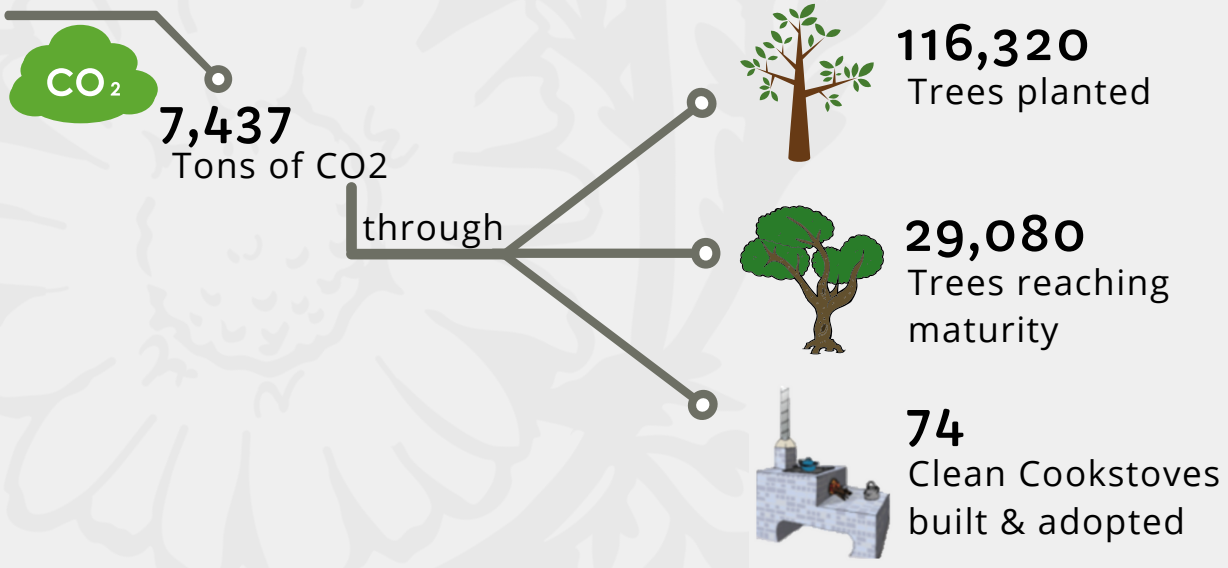
Since our Miles Diversion Program stared in 2015, we have diverted over 16,000 miles. This includes diverted miles from our carpooling and biking to work programs.

We offset our air travel miles from our staff member's corporate and personal travel. In 2018, we offset 71.32 tons of CO2.

STRATEGIC PARTNERSHIP

Our partnership with the nonprofit organization, *Trees, Water, & People* allows us to invest in community based carbon sequestration and emissions reduction projects that tangibly improve life for people and the planet.

Together, we are changing the lives of indigenous communities in Central America and creating additional value for Motherlove's customers by investing in work that nurtures people, communities, and the environment. Over the last 7 years we have being able to offset:

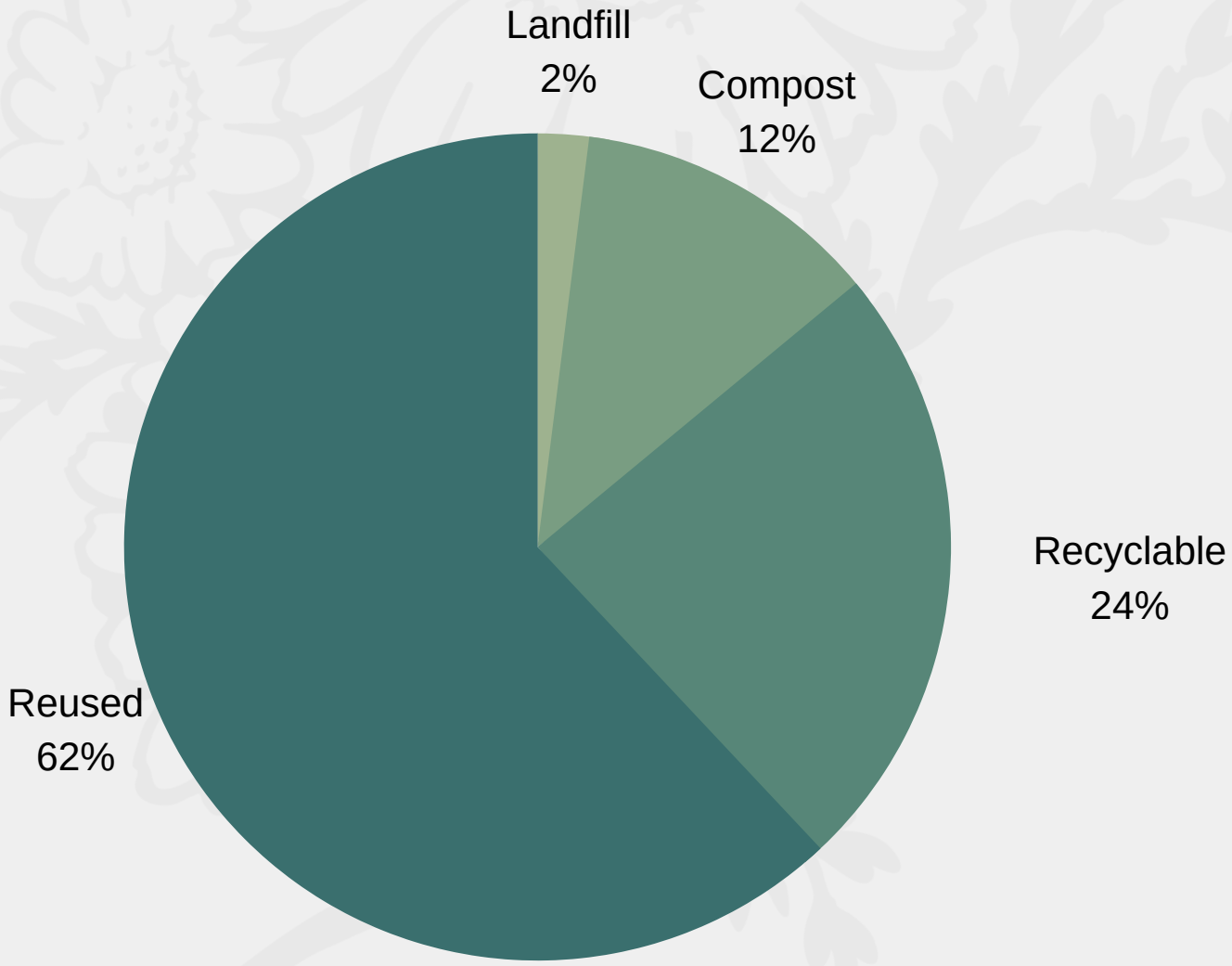


Our goal by 2028 is to offset **29,824** tons of carbon.

WASTE DIVERSION

Reduce, Reuse, Recycle - This well-known adage serves as the backbone for many of our environmental practices, especially waste diversion. As a company grows, it is only natural that its waste will also increase. There are more staff members in the office, more materials being used, and more waste generated. In the past three years, Motherlove's staff has grown over 60 percent. However, the percentage of our waste that goes to the landfill has decreased.

How did we accomplish this? Every year, Motherlove's B Team conducts a two-week audit to track our waste output. The results of our 2018 audit are shown below, and as you can see, only 2% of our waste goes to the landfill. This is well below Colorado's state average of 19% and the national average of 35%.



WASTE DIVERSION, CONT.

Our Logistics Department, which manages all our incoming and outgoing shipments, is key to our success in waste diversion. All of the materials that come into our warehouse, such as our glass jars, are unpacked and sorted by our Logistics Department. These team members break down and reuse the cardboard and set aside the packing materials to reuse in our outgoing shipments. When we do need to purchase additional packaging supplies, we make every effort to source from local companies and we try to make the most sustainable choice. Our cardboard boxes are produced by the Sustainable Forestry Initiative, and our packing peanuts are cornstarch-based and fully biodegradable.

Simple changes around the office have also helped us reduce waste. We eliminated napkins in our breakroom and now use washable cloth napkins. The paper towels in the bathrooms are composted. All the paper in the building, including our product packaging, brochures, and computer paper, are post-consumer recycled. Every work space is equipped with a large recycling bin, and we have smaller bins for waste and compost. A local farmer picks up our food waste, as well as the spent herbs we infuse in our salves, and uses that for pig feed and compost. Even our shredded paper gets reused—in a team member's chicken coop. As we continue to grow, our goal is to keep as much waste as we can away from the landfill and to maintain our current waste diversion rate at 98%.

WASTE DIVERTED FROM THE LANDFILL

MOTHERLOVE FARM

Motherlove is the proud operator of an organic farm on the Front Range in Colorado. The 120-acre farm supplies us with local, sustainable, USDA Certified Organic herbs for Motherlove's products, as well as traditional organic grains and vegetables for our tables and others.

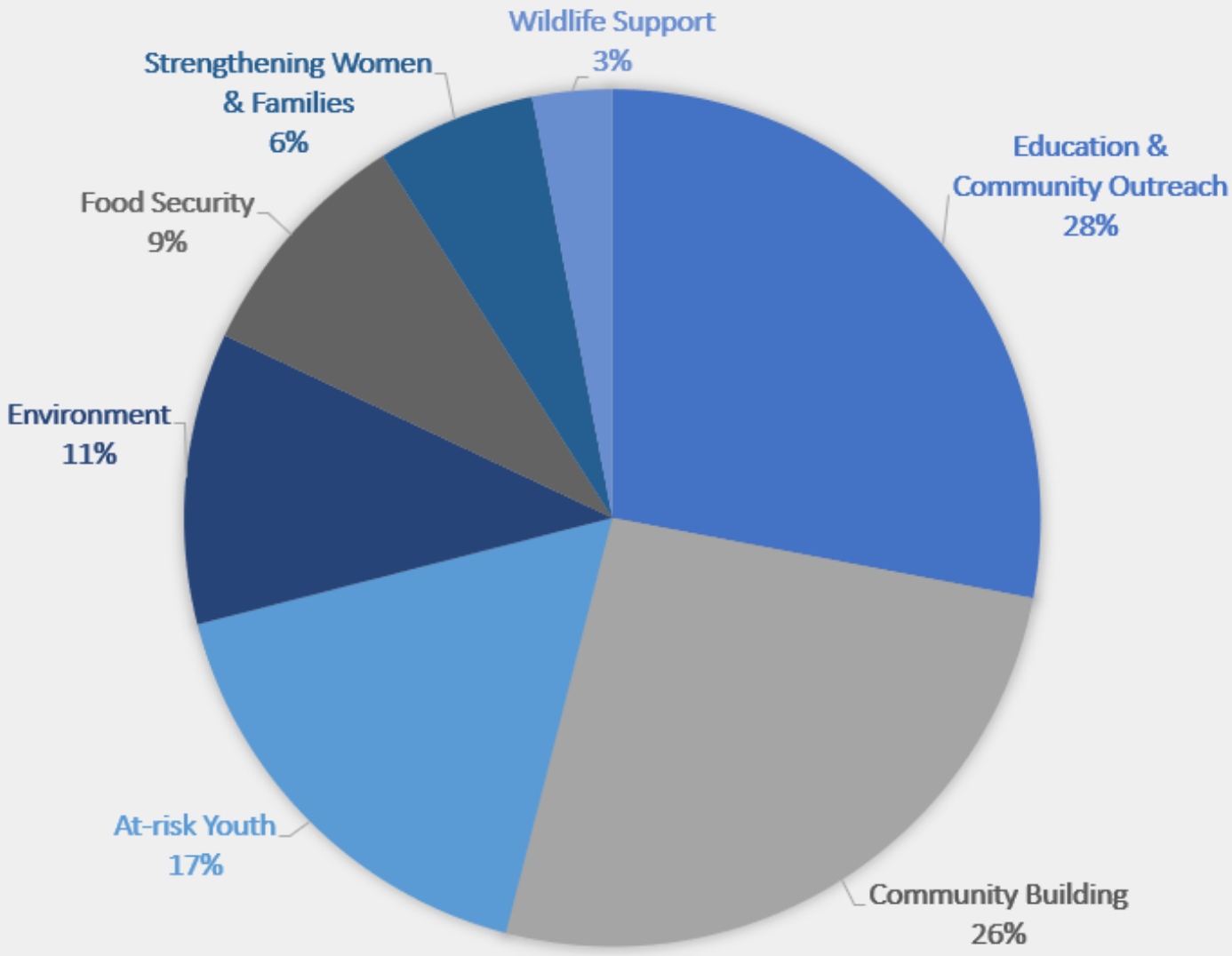
Not only do we locally grow a portion of the herbs we use in our products, thereby reducing our transport needs and carbon footprint, we also donate thousands of pounds of organic produce to our local food bank.

It has been a dream come true for us, and we can't think of a better way for Motherlove to reconnect with our roots and honor Kathryn's legacy than farming. Our farm also gives us a chance to give back to the community that has given us so much, allowing us to share Kathryn's knowledge and wisdom with our friends and neighbors.

You can learn more about our farm, and see its beautiful setting, by clicking on the image below to watch a brief video.

Purpose #4 - To create a positive environmental and social impact through philanthropic support of non-profit organizations.

In 2005, Motherlove's founder Kathryn Higgins created our Nurturing Life Giving Program as a way to formally give back to the community that supported her. We do this in a number of different ways including financial support, product donations, and volunteering as a staff. Much of our philanthropy is focused on organizations that work in our local community of Fort Collins, Colorado, but we also support organizations nationwide that focus on issues pertaining to women, children and the environment.
A portion of all of Motherlove's sales go directly to our Nurturing Life Giving Program so every purchase made helps us support worthy organizations.
The breakdown of our 2018 philanthropy is pictured below:



OVERALL IMPACT PERFORMANCE

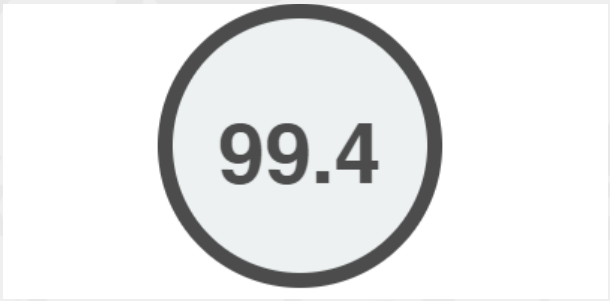
TRANSPARENCY & CREDIBILITY

The public benefit statute requires PBCs to assess and report on the overall social and environmental performance, benchmarked against a third-party standard that meets statutory criteria of transparency and credibility.

The B Impact Assessment (BIA) is the best impact standard available for this purpose. The BIA is developed through a transparent process, that is continuously being improved and audited by B Lab, an independent non-profit. The standard is based on IRIS metrics covering impact on five broad areas – governance, workers, community, environment, and customers. Using the BIA allows us to benchmark against an objective standard used by over 40,000 businesses.

As a Certified B Corporation, we have completed the BIA every two years since 2015. This process gives us an opportunity to reevaluate and readdress our actions as we continue to strive for further improvement.

OVERALL SCORE



Motherlove's overall B Impact Scores is 99.4 and below is the breakdown of each individual area.

IMPACT AREAS

CONCLUSION

Motherlove is proud to be a Public Benefit Corporation. This legal status allows us to ensure that our mission and values are ingrained in our legal DNA and our incorporation will last forever.

We are fortunate to have staff members and executives who are passionate about protecting the environment and empowering our community. We believe that businesses can be a force for good, and that we can make a positive impact in this world by making products that nurture our customers, staff, community and the environment.