

SUSTAINABILITY REPORT

2022





HISTORY OF MOTHERLOVE

Motherlove was founded over 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 organic products to mothers and babies has not changed. We continue to source only Certified Organic herbs, and we us only the highest quality ingredients.

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

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2022-SUSTAINABILITY REPORT

This report is for the 2022 calendar year, but in a way the story starts on April 20th of 2018 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. 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, organic products for their growing families.

100% Natural Ingredients

100% Non-GMO Ingredients

80% Organic Ingredients in Our Body Care Line



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 insurance with 100% of premiums paid by the company and offer a selection of voluntary ancillary benefits such as dental, vision, disability and life insurance. We also pay half of the premium for dependents carried on our health plan.



We offer funding for 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.



Our parental leave options are generous; the primary caregiver receives up to 26 weeks of leave time, and the secondary caregiver receives up to 12 weeks of leave time. During their time off, parents have access to salary continuation through state-run paid leave programs, generous PTO accrual as well as unpaid options.



Motherlove's profit-sharing program is based on the performance of the company and is paid out in shares earned through responsibilities and years of service.



Work from home. For employees whose job allows for them to work remotely, they have the flexibility and equipment to execute their job from home.



At Motherlove, we are very aware of the importance of being able to work hard and play hard. As a result, we moved to a four-day work week in 2020 and have seen great benefits across the company. Additionally, every full-time employee earns three weeks of paid time off and accruals increase with time on the job. Additionally, employees are paid for 8 holidays per year.



We also encourage our employees to give back to their local community and provide ½ hour of PTO for every hour of volunteer service they provide.



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. In 2014, we moved 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 619 MWh of energy. To put this amount into another perspective, this is equivalent to the amount of carbon captured by:



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 2022, we offset 492 tons of CO2e emissions generated by the manufacturing of the majority of our body care line. The carbon certificates support a household biogas project in Sichuan, China that replaces coal with free, clean-burning, constantly renewable biogas made from animal waste. These changes provide substantial improvements to indoor air quality, savings on health, energy costs, and affords local woman employment opportunities and young children the capacity to go to school.

CARBON OFFSETS, CONTINUED



Since our Miles Diversion Program stared in 2015, we have diverted thousands of miles through our carpooling and biking to work programs. Our change to 4-day work week with more remote positions in 2020 resulted in even more diverted miles. Since 2020, we've eliminated over 32,800 miles from our daily commutes, which is the equivalent of 9.6 Tons of CO2e.



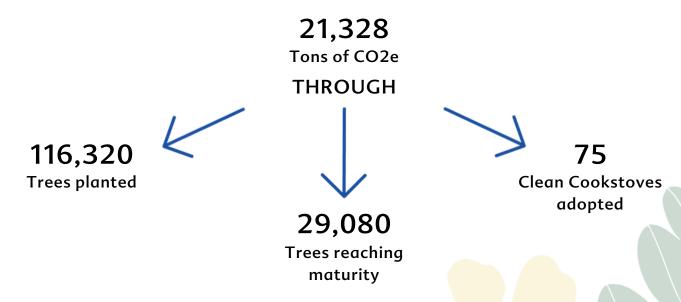
We offset our air travel miles from our staff member's corporate travel. In 2022, we offset 4 tons of CO2e. Additionally, we greatly reduced our air travel due to the pandemic and estimate that we avoided over 66,500 travel miles, which is the equivalent of 26 Tons of CO2e.

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 8 years we have being able to offset:

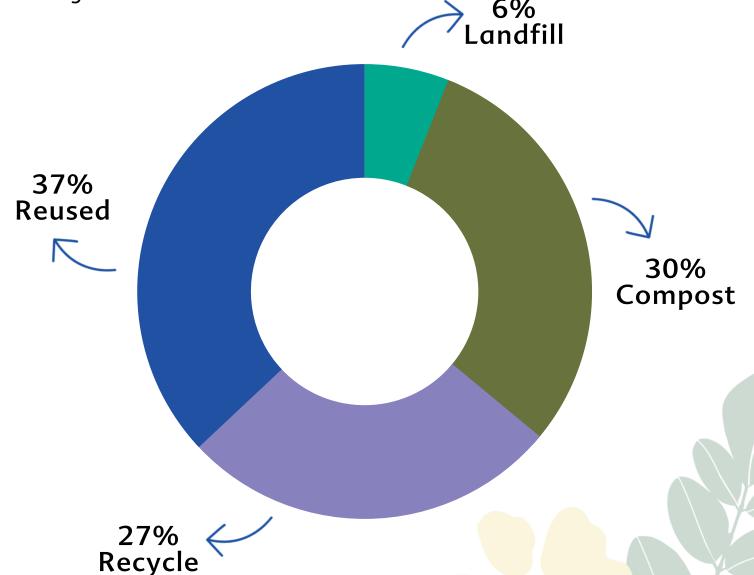


Our goal by 2028 is to offset 29,080 tons of CO2e

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 recent 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 2022 audit are shown below, and as you can see, only 5.7% 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, CONTINUED

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. In addition, our paperboard cartons are SFI-certified 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. 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 company picks up our food waste, as well as the spent herbs we infuse in our salves, and uses that for making compost. 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 above 90% which is what's consider a zero waste diversion rate.

PERCENTAGE OF WASTE DIVERTED FROM THE LANDFILL





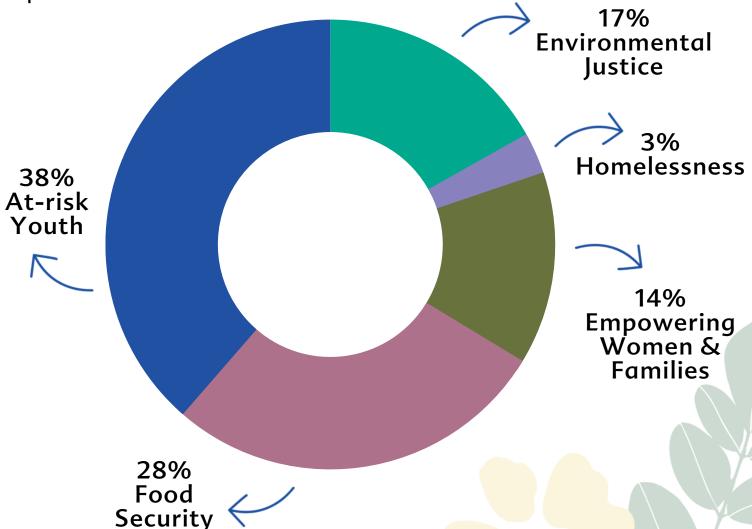




Purpose #4 - To create a positive environmental and social impact through philanthropic support of non-profit organizations.

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 2021 & 2022 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 IMPACT PERFORMANCE

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.