



**transparent**  
**for the**  
**people and**  
**the planet.**

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2019 sustainability report

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**intro**





Leave  
the Earth  
**better than**  
you found it.

**Dear Reader,  
At Nature's Path, our purpose is to Always  
Leave the Earth Better than we Found it.**

And, over the decades, growing from a tiny seed to where we are today, our impact expanded, allowing us to step up giving back to society and the planet as a way of expressing our gratitude.

This past year, we made strides in sustainability, climate change policy advocacy, and organic regeneration, working to reduce plastics in packaging at every level by partnering with like-minded organizations advocating for a circular economy, including the LOOP initiative and always being mindful of what kind of world we are leaving for our children.

Through this report, we'll now take you on a walk along our sustainability Path with goals and performance. We hope you enjoy the read!

**With love,**

**Ratana and Arran Stephens**

**Nature's Path Co-Founders**

*Ratana & Arran*







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## STORY ON **Regenerative Organic Agriculture**

With the help of The Regenerative Organic Alliance, Nature's Path participated in a regenerative organic farm pilot at Legend Organic Farm. Regenerative organic farming builds on organic practices and focuses on restoring soil to its richest and healthiest state, thus helping pull carbon out of the atmosphere and back into the soil. And at the same time, it protects animals and treats farmers and workers fairly. Annually, this farm alone prevents more than 1.4 million pounds of chemical or synthetic fertilizers and 19,000 pounds of the active ingredients of pesticides from potentially entering the soil.

### **Nature's Path invests in furthering organic research**

and collaborative partnerships. These are some of the organizations we supported in 2019:

**Canada Organic Trade Association** (COTA) NP is member and supporter. (Dag Falck, Organic Program Manager, was President on board for 9 years) [www.canada-organic.ca/en](http://www.canada-organic.ca/en)

**Non GMO Project.** They provide Non GMO verification, most of Nature's Path's products are verified. [www.nongmoproject.org](http://www.nongmoproject.org)

**Prairie Organic Development Fund** (PODF) and Prairie Organic Grain Initiative (POGI) Nature's Path is member, on the board of PODF and a supporter.

**Organic Science Cluster 3 Project** (OSC3),- Organic Oat Breeding / Oat cultivars specifically developed for organic production systems in Canada. [www.organicfederation.ca/organic-science-cluster-0](http://www.organicfederation.ca/organic-science-cluster-0)

**Organic Federation of Canada** (OFC) Nature's Path is supporter.  
[www.organicfederation.ca/](http://www.organicfederation.ca/) (OFC administers OSC3)

**National Organic Coalition** (NOC). Nature's Path is a Network Affiliate of NOC. (This is an organic advocacy organization working in the USA). [www.nationalorganiccoalition.org](http://www.nationalorganiccoalition.org)

**Organic Alberta** (OA) Nature's Path is a member. <https://organicalberta.org>

**Sask Organic**, Nature's Path is a member. <http://saskorganics.org>

**Organic Agriculture Centre of Canada** (OACC) Nature's Path is a supporter. Dag Falck, Organic Program Manager, was on the board for 9 years, outgoing as President.  
[www.dal.ca/faculty/agriculture/oacc/en-home.html](http://www.dal.ca/faculty/agriculture/oacc/en-home.html)

**Certified Organic Associations of BC** (COABC), Nature's Path is supporter. Dag Falck has presented at many past conferences. [www.certifiedorganic.bc.ca](http://www.certifiedorganic.bc.ca)

**Canadian Organic Growers** (COG) Nature's Path is member and supporter. [www.certifiedorganic.bc.ca/](http://www.certifiedorganic.bc.ca/)  
» **IFOAM North America**, Nature's Path is member and supporter. Dag Falck, past board member for 3 years. [www.ifoam.bio/about-us/our-network/regional-bodies/ifoam-north-america](http://www.ifoam.bio/about-us/our-network/regional-bodies/ifoam-north-america)

**Canadian Biotech Action Network** (CBAN) Nature's Path is supporter. <https://cban.ca>

**CGSB Organic Technical Committee** (Body that revises organic standards in Canada),  
Dag Falck is a voting member. [www.publications.gc.ca/site/eng/9.854643/publication.html](http://www.publications.gc.ca/site/eng/9.854643/publication.html)





# Ongoing Commitments

**100%** Of all

Nature's Path, Que Pasa, Envirokidz  
& Love Crunch products are certified USDA  
Organic, Canadian Organic and Non-GMO  
project verified.

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Sourcing organic means

**over  
70,725 acres**

of farmland were kept free from chemical  
pesticides and synthetic fertilizers in 2019.

Prevented

**538,000 tons**

of active ingredient toxic pesticides  
from being sprayed.

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Prevented

**37,822,721 lbs**

of chemical fertilizers from being used in 2019.

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**100%**

of our Palm oil  
is Sustainably sourced and RSPO certified.

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**100%**

of Cacao Purchased  
was Fairtrade Certified.



**zero  
waste**



e

## STORY ON **Ellen MacArthur, New Plastics Economy Pledge.**



Nature's Path has pledged to make all its packaging either reusable, recyclable, or compostable by 2025.

We joined the New Plastics Movement along 850 other businesses spearheaded by the Ellen MacArthur Foundation with the aim of supporting a circular economy. The goal of a circular economy is to move away from a “take, make, waste” model to a reuse and upcycle model. Unnecessary plastic is eliminated entirely, and the plastics created are reusable, recyclable, or compostable.

### **Nature's Path has endorse the Global Commitment's common visions**

#### **We have committed to:**

Take action to eliminate problematic or unnecessary plastic packaging by 2025.

Take action to move from single use towards reuse models where relevant by 2025.



# 100% ↑

of plastic packaging to be reusable, recyclable, or compostable by 2025.

Commit to using at least

# 10%

 of post-consumer plastic by 2025.

Commit to collaborate towards increasing reuse/recycling/composting rates for plastic.

## Our Packaging Goals:

Set an ambitious 2025 target to increase the use of recycled plastic, or (only for producers of compostable plastic) Set a 2025 target to increase the share of renewable content to at least 75% all of it from responsibly managed sources.

Report annually and publicly on progress towards meeting these commitments.



## Loop

On May 21, we joined Loop as their first organic brand partner, launching their first granola in a reusable container. Loop is a coalition of global brands rethinking and reworking its manufacturing and packaging to offer goods in reusable containers throughout 10 states in the Mid-Atlantic U.S. Loop is recently expanding across the US (and

is expanding to Canada Feb 1, 2020). Through a circular, zero-waste model, empty containers are collected from the consumer and refilled by the manufacturer. These containers are refilled at least 100 times and then recycled into something new at the end of their life.

## Turtle Splash, our 1st product to use post consumer plastic

We're proud to say that Turtle Splash™ will be the first of our cereals with the inside plastic bag to be made with minimum 35% post-consumer recycled (PCR) plastic. By using more PCR materials, we will increase the demand for recycled plastics. This will also help decrease the reliance on virgin plastic, support recycling programs, and help divert plastic waste from landfills and from ending up in our oceans. Our cereal boxes are made with 100% recycled paperboard, a minimum of 35% post-consumer recycled content and FSC Certified material, meaning it is only sourced from responsible forestry sources.



## Ongoing commitments

At Nature's Path, waste is generated in packaging and the production of our products. By conducting bi-annual 3rd party and internal waste audits, we can see how effectively we are managing our waste. Our number one priority is to reduce our waste at the forefront and divert at least 90 percent of what remains across the entire company. This would mean at least 90 percent of our waste is diverted from landfill, either to compost, reuse, donation or recycling. In 2016, two Nature's Path plants – Delta, BC and Blaine, WA – became certified by the US Zero Waste Business Council.

### **Nature's Path is the only company with multi-national sites that are Zero Waste Certified.**



Our Delta plant achieved an average diversion rate of 97% in 2019. At the head office, we implemented the Zero Waste Box Program for flexible packaging and the industrial recycling program at the plants. Both programs tackle flexible packaging recycling.

Our Sussex Plant achieved an average diversion rate of 83% and our Blaine Plant achieved an average diversion rate of 87%, which unfortunately fell vs. the prior year due to the challenges associated with shipping recyclable materials to China and South-East Asia. The diversion rates at the Sussex and Blaine Plants were less than 90% for several months in 2019. However, as we move forward, the diversion rate is starting to improve. For example, the Blaine plant has recently installed compactors for cardboard and garbage, the compactors will decrease the number of trips and since, our diversion rate is over 90%.

## Sustainable Packaging

Our commitment to sustainability in packaging means that Nature's Path strives to reduce the packaging we use, utilize materials with the highest level of recyclable content as possible, and prioritize the use of materials that can be recycled or composted by our consumers. This is why 97% of our packing is recyclable by weight. All the cardboard and paperboard we purchase is FSC certified, printed on vegetable-based inks, and is 100 percent recyclable.

Additionally, all of our plastic packaging is BPA free. Our use of plastic film has increased in recent years, as we produce more products in stand-up pouches. The result is that our plastic packaging use efficiency has stayed flat with minor improvements. However, we have seen increased packaging efficiency with cartons and corrugated board.

Finally, our increased efficiency and decreased waste at our plants continues to drive a reduction in overall packaging use.

**How2Recycle:** In February 2017, Nature's Path joined How2Recycle, a standardized labeling system designed to clearly communicate product- and package-specific recycling instructions to consumers.

**Bulk packaging:** We offer many of our products in bulk packaging. Many stores carry our granola in bulk, thereby eliminating all individual packages. Our EcoPacs offer our customers the same products, but with up to 66 percent less packaging. The EcoPac offers bulk volume of cereal and granola in a larger bag and without the box. This greatly reduces packaging and the bag is made with a recyclable package (#4 recyclable plastic film). Using on-package messaging, we provide the option to consumers so they can choose to reduce waste, reduce energy use, and adopt greener products through their purchasing choices.

**ECO-PAC®**











**climate  
strategy**

**4**





# Climate Strategy

## Ongoing commitments

In April 2019, Nature's Path became one of Walmart's Giga-Gurus - suppliers that have pledged to lower tier emissions by making public commitments, setting goals, and reporting emissions reductions from: renewable energy support, sustainable forestry practices, and sustainable packaging materials.

### Our Climate Impact

Nature's Path is committed to reducing practices that create greenhouse gas (GHG) emissions. We have worked with partners such as CDP and Climate Smart to better measure our footprint. Nature's Path purchases energy from our utilities providers and buys Renewable Energy Credits (RECs) that support green energy projects. Our plan for working on our climate is four-fold:

- ✓ Understanding our carbon footprint through tracking and metrics.
- ✓ Reducing our use and our costs as much as possible without impacting production capacity.
- ✓ Investing in energy efficient infrastructure and renewable energy credits.
- ✓ Offset or partner down our supply chain to address what remains.

## Climate Smart Business certified

We calculate our emissions using the Green House Gas calculator through Climate Smart Business. Climate Smart Business is a social enterprise based in Vancouver, BC, which helps small and medium-sized enterprises address climate change and lead the transition to a prosperous, low-carbon future.

## Renewable Energy Commitments

Since 2009 we have purchased 133,363 REC's to support green energy projects in North America for all energy we use at our locations. In 2019, we supported projects in partnership with Bullfrog and ACT Commodities.

## Energy Efficiency

We are focused on reducing our energy and gas use per pound of product produced by increasing the efficiency of our operations.

Our organization does currently report and count its GHG emissions. From 2018 to 2019, in scope 1, we reduced the amount of heat generated from 9,329.82 metric tons to 6,945.86 metric tons. These emissions were lowered due to changes made at the manufacturing level. This was achieved through projects at the plant and manufacturing level. At the Que Pasa plant, we have undertaken the following projects to reduce our use of traditional energy: automating the makeup air system, optimizing nitrogen consumption on the oil tank blanket, inserting occupancy sensors in the common areas, replacing battery chargers for the forklifts, and installing a baler for poly liners. Additionally, the Que Pasa Tortilla Chips pallet optimization project helped increase the number of cases we pack onto each pallet from 30 cases to 35 cases. This project increased the pallet efficiency by 17%, reducing the number of truck loads, reducing our carbon emissions by 20 metric tons (equivalent to 2,194 gallons of gasoline consumed). For our scope 2 emissions, we increased our emissions from 7,864.31 in 2018 to 8,124.54 metric tons (about 230 tons). The increase occurred due to the purchase of a new air conditioning unit; however, for all scope two emission, we purchase renewable energy credits.

## Distribution

Nature's Path products are sold in more than 50 countries around the world, so how our products make it from our plants to the store shelf is very important to us. We work with multiple logistics partners in an effort to reduce carbon emissions and improve our supply chain sustainability. We continue to focus on increasing our use of intermodal shipping where it is feasible. This is preferable because intermodal shipping reduces the amount



of carbon dioxide we produce. Additionally, we strive to source all of our ingredients locally which reduces the distance, the ingredients, travel and therefore keeps our carbon footprint low.

We have increased our targeted rail intermodal usage for all lanes that offer a rail option from 75% to 95%. We switched to use CN Rail for our Blaine WA to Chicago IL shipments. This lane is one of our highest volume lanes. Going this route allows for the most efficient rail routing.





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**Pesticides are finding their way into our drinking water in increasing amounts which, needless to say, are highly damaging to humans.**

Additionally, fertilizer run-off damages aquatic ecosystems. Not only are these fertilizers directly dangerous to animals if ingested, but they contain high levels of phosphorous and nitrogen which induce the growth of algae in aquatic systems. When algae decompose, they use a lot of oxygen, thus depriving the other animals in the ecosystem from oxygen, resulting in the death of many animals.

Organic farming promotes watershed protection and reduces the water needed for growing crops. Our primary uses for water are in the manufacturing of our products and as an ingredient in our products. As part of our commitment to safe food production, we value clean, safe water.

As an organic company, we only use cleaning agents approved by organic food productions standards. All our wastewater in our Blaine facility is sent to an anaerobic biodigester which creates renewable energy.





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## Joined Catalyst Business Alliance

On June 20, Nature's Path joined the Catalyst Business Alliance. This coalition is composed of strong British Columbian companies and presses for both the government and industries to make changes in order to address climate change. Together, this group advocates for the creation and implementation of effective climate policies in order to bring back positive change to the planet.

### Participation in Climate Strike

On September 27, team members joined the young environmental activists in downtown Vancouver in the Canadian arm of the Global Climate strike. The company also encouraged manufacturing plant and remote team members in the U.S. to participate in local strikes, as well as rallying other businesses to join them in the walk out. In addition, during the Climate Action week we donated sales from our website and from those at SPUD.ca to organizations working on Climate Justice.

### Climate Legislation

In May 2019, Nature's Path joined more than 75 businesses to collectively call on U.S. Congress to pass meaningful climate legislation including a price on carbon. Nature's Path Co-Founder and Co-CEO Arran Stephens, with his daughter Jyoti Stephens took part in the Lawmaker Education & Advocacy Day (LEAD) and met with a bipartisan group of federal lawmakers in Washington, D.C. This was the largest business gathering on the Hill to advocate for climate legislation in over a decade.

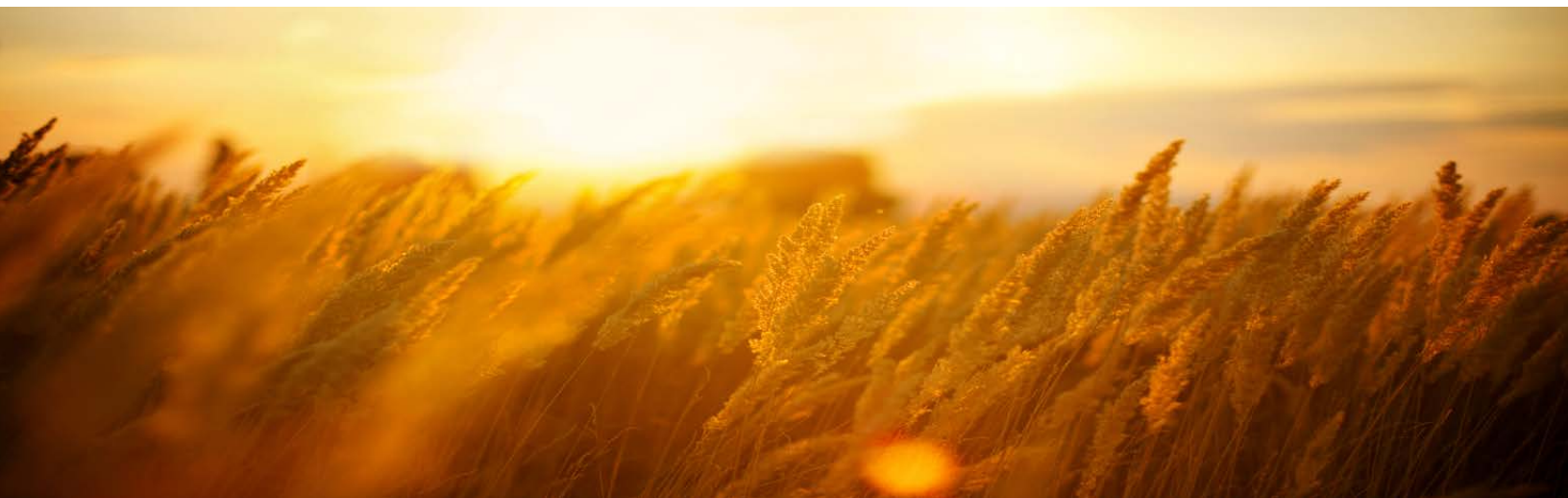


# Education

“Leaving the earth better than we found it” and sustainability is our reason for being and we see sustainability as a journey of continual improvement toward this goal. When new team members join the company, they may be at different points along their own personal path to understanding what sustainability means and how it affects their work. Therefore, we ensure that all of our team members receive access to sustainability training workshops.

To further build a community of sustainability, every year, we host lunch and learns, shoreline cleanups, and workshops. Over the years, we have brought in our EnviroKidz partners, give back partners (such as food banks), and fair trade partners so that they could share their knowledge and experience in the plight for sustainability. Every new team member must go through a sustainability training, in which all our goals for the company are outlined. Rather than have a large sustainability department, we have tried to build a culture for sustainability where all of our team members understand and are engaged in how we can reduce our negative ecological impact and increase our positive social impact. Our core sustainability capabilities for our team are that they:

- ✓ Learn the organization’s goals, strategy, standards, processes, partnerships and cultural norms regarding our triple bottom line approach.
- ✓ Consider issues from a broad point of view, identifying impacts beyond short term business needs.
- ✓ Take into account all relevant issues, risks and impacts around social and environmental sustainability when making decisions.
- ✓ Build solid relationships in the community with a giving back spirit.



# Inspiration

Many of the green initiatives that have been put in place were driven by employees. Each year, team members bring ideas that help to live our mission and also drive improvement in our main sustainability goals, including:

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**Increasing the amount of organic farmland that Nature's Path directly supports.**



**Decreasing the number of pounds of fertilizers and pesticides added to the environment.**



**Reducing carbon dioxide emissions.**



**Helping divert waste from landfills and bringing forward new ideas for recycling.**

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**Giving ideas to direct targeted and in-kind donations. Some team member-led green initiatives and ideas in 2019 included:**  **Live Green Week**

## In 2019,

the week of April 22-26 was dedicated to helping team members achieve their personal sustainability goals, or green pledges. Team members were encouraged all week to collect garbage around their workplace's neighborhood, clean up the organic garden outside of the headquarters in Richmond, and share their creative recycling techniques and tips. Each day of the week all team members would gather and either share an organic, vegetarian company sponsored meal or learn together a bout climate change through documentaries and TED Talks. Additionally, we paired up with SeaSmart to do beach cleanups around the Vancouver Area.

Every year we host the PATHS awards, which annually recognize team members in each location who exemplify the values and core competencies laid out in our PATHS performance management system: Performance Driven, Always Improving, Honorable and Respectful, Team Focused, Sustainably and Socially Conscious.

We are honored to continue to be recognized as one of Canada's Greenest Employers, Canada's Top Small & Medium Employers, and BC's Top Employers.

## Reporting

We report and share best practices with the Sustainable Food Trade Association and other like-minded organizations every year. We also share internal newsletters about our sustainability goals to keep our team members up-to-date. Additionally we report to CDP, project Gigaton, Bcorp, and Climate Smart.

Nature's Path also joined the National Zero waste council. This council brings together organizations to advance waste prevention in Canada and the transition to a circular economy.

## Awards

On April 19, 2019, we were recognized by Whole Foods Market in winning the Organic Commitment Award. The annual awards recognize suppliers that embody Whole Foods Market's mission and values through a proven commitment to quality, environmental stewardship, organic integrity, innovation, and partnership.

In January 2019, we were recognized by London Drugs as their Sustainable Vendor of the Year. As they said: "This recognizes not only their product innovation and popularity with customers, but their commitment to sustainable practices, from the farm to the shelf."

This year, we also won the Climate Collaborative award for Outstanding Company. This award is meant to recognize and celebrate trailblazers in the natural products industry that are demonstrating strong, inspiring climate leadership. Nature's Path, along with four other inspiring leaders in the community won the award for creating a certified zero waste production plant and dramatically reducing their packaging and distribution emissions.

# Engage

## Social media campaigns

On March 29, 2019, we petitioned the Environmental Protection Agency to protect people against glyphosate in our food.

On May 15, 2019, 150 of our team members volunteered at the Greater Vancouver Food Bank through our Eat Well Do Good program and provided organic food to 1,000 students, matched \$1 donation with \$5 worth of food.





Throughout the months of September and October, we advocated for climate justice, highlighting the protests taking place across the world and the efforts of Great Thunberg.

Since our founding in 1985, we have donated millions of dollars in our organic products, a share of our profits and part of our team members time to causes around the world. Nature's Path gives one percent of annual sales to food banks, endangered species, community organic gardens in economically depressed areas, school gardens, children's hospitals, and other vetted charities. More than \$30,000,000 worth of food has been donated over the past 11 years. In addition, we support our team members in their volunteer efforts through matching donations and recognition programs.

**Bite4Bite**

Love Crunch donates a minimum of \$1 million worth of food every year to food banks across North America through our Bite4Bite program. Since 2011, of \$30 million we have donated, \$19 million worth of food was donated through our Bite4Bite program.

**1% for the Planet**

Through our partnership with 1% for the Planet, one percent of sales from all EnviroKidz products are donated

to non-profit organizations that support endangered species, habitat restoration, and environmental education for kids worldwide. To-date, we have raised over \$4 million in cash to help our partners with their conservation efforts.

## **Gardens for Good**

Our annual Gardens for Good grant program encourages others to provide accessible, healthy, organic food to their communities, which are often in low-income urban areas or food deserts where people struggle to find affordable, nutritious food. Each year, we award three \$15,000 grants to deserving nonprofits with organic garden projects in Canada and the United States. As of 2019, Nature's Path has donated \$370,817 CAD to 30 organic gardens.

## **Eat Well Do Good**

The Eat Well Do Good program was modified in 2019 to help increase the impact on communities near Nature's Path's headquarters and various plants. In 2019, there were two parts to the fundraiser. The first part was done in collaboration with the Greater Vancouver Food Bank (GVFB). For every \$1 donated by someone, Nature's Path matched their donation by donating \$5 of organic food to GVFB. In total, Nature's Path raised over \$100,000.

The second part of the fundraiser was in-person volunteering at local schools near the head office and other plants. Over 150 team members were involved in the donation process of EWDG. Three schools in the Richmond area received bags with milk, Nature's Path bars, and fresh fruit. At the Blaine plant, we partnered with the Ferndale School District and Open Hands to deliver food bags to students. These bags were packed by the team members at the Blaine plant. At the Sussex Plant, we partnered with Blessings In A Backpack to deliver food to students packed by the Sussex team members.

Since 2008, Eat Well Do Good has raised over \$1.7 million worth of food.

## **EnviroKidz**

Thanks to our conservation partner, See Turtles, we have made it possible for anyone to symbolically adopt a turtle hatchling with every purchase of Turtle Splash cereal. You even get to register your baby turtle's name, print an adoption certificate, and make it official! Your adoption helps turtle hatchlings get to the sea and provides income for rural communities.



## Ongoing commitments

This year, we updated our team member volunteer recognition program. Every year, team members upload the number of hours they volunteered. Whomever volunteers more than 200hrs moves on to the next round and the winner is chosen by a panel of team members at the head office. The winners get an extra week of paid vacation, and \$500 for them and for a charity of their choice. Last year Shannon Chadwick, from our Marketing Team, won the award, giving 207 hours of her time to the Pacific Ski Club and the BC Lung Association. In total, our team members have donated 991.96 hours of their time to organizations.

### Team member matching & Community Initiatives:

Our team members are passionate about support topical events and victims of natural disasters. We have a matching fund for these issues that come up through the year. In 2019 we matched team member donations that went to support victims of the Australian and Amazonian fires. We also support community initiatives across North America ranging from hospitals and front line workers, children and students, animal organizations, and environmental groups. Just a few of the many wonderful organizations we've donated to are: Canadian Cancer Society, Boys & Girls Clubs, Special Olympics Minnesota, the Organic Trade Association, BC Children's Hospital, The Food Bank of Canada, American Heart Association and many many more.

