



# hain healthier way

2018 Sustainability Report





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# A Message From Our CEO, Mark Schiller



Since Hain Celestial's founding 25 years ago, we have always thought and acted a bit differently. We set out with the belief that our business could be a force for good—that our purpose was to create and inspire *A Healthier Way of Life*™.

Healthier living is not a fad, and Hain Celestial is well-positioned in this growing segment. Our products have helped to transform shopping choices for the better, and we are helping to make health and wellness a mainstream priority for retailers around the world. We can be proud of the significant progress we've made. But we can go further. We want our products, our brands, and our teams to help make *A Healthier Way of Life*™ accessible for everyone, for good.

We are currently transforming our business to simplify our portfolio, strengthen our core capabilities, reinvigorate profitable top-line growth, and expand margins and cash flow. I believe that the Healthier Way is a core element of this transformation, and we are committed to meeting the growing expectations of sustainable growth by our customers, consumers, employees, and global communities where we sell our products.

The *Hain Healthier Way*™ is about making our purpose a living, breathing part of everything we do every day. It is an honor to lead Hain Celestial as we continue our journey to become one of the world's healthiest companies.





# About This Report

Hain Celestial's 2018 Sustainability Report provides an overview of the *Hain Healthier Way*™ process, approach, and highlights of our brand and corporate sustainability initiatives since publishing our 2015 Sustainability Report. Our 2015 Sustainability Report can be referenced for additional detail.

Hain Celestial's Sustainability Department is responsible for the preparation and integrity of the information in this report. The report has been reviewed and approved by senior leadership and cross-functional subject experts who contributed across the business.

## About Us

The Hain Celestial Group (NASDAQ: HAIN), a Delaware corporation, was founded in 1993 and is headquartered in Lake Success, New York. The company's mission has continued to evolve since its founding, with health and wellness being the core tenet—to create and inspire *A Healthier Way of Life*™ and be the leading marketer, manufacturer, and seller of “better-for-you” products by anticipating and exceeding consumer expectations in providing quality, innovation, value, and convenience.

We are committed to growing sustainably while continuing to implement environmentally sound business practices and manufacturing processes. Hain Celestial manufactures, markets, distributes, and sells “better-for-you” products, providing consumers with the opportunity to lead *A Healthier Way of Life*™.

Our products are sold through specialty and natural food distributors, supermarkets, natural foods stores, mass-market and e-commerce retailers, food service channels, and club, drug and convenience stores in more than 80 countries worldwide. Hain Celestial participates in most better-for-you categories with well-known brands listed on the next page.





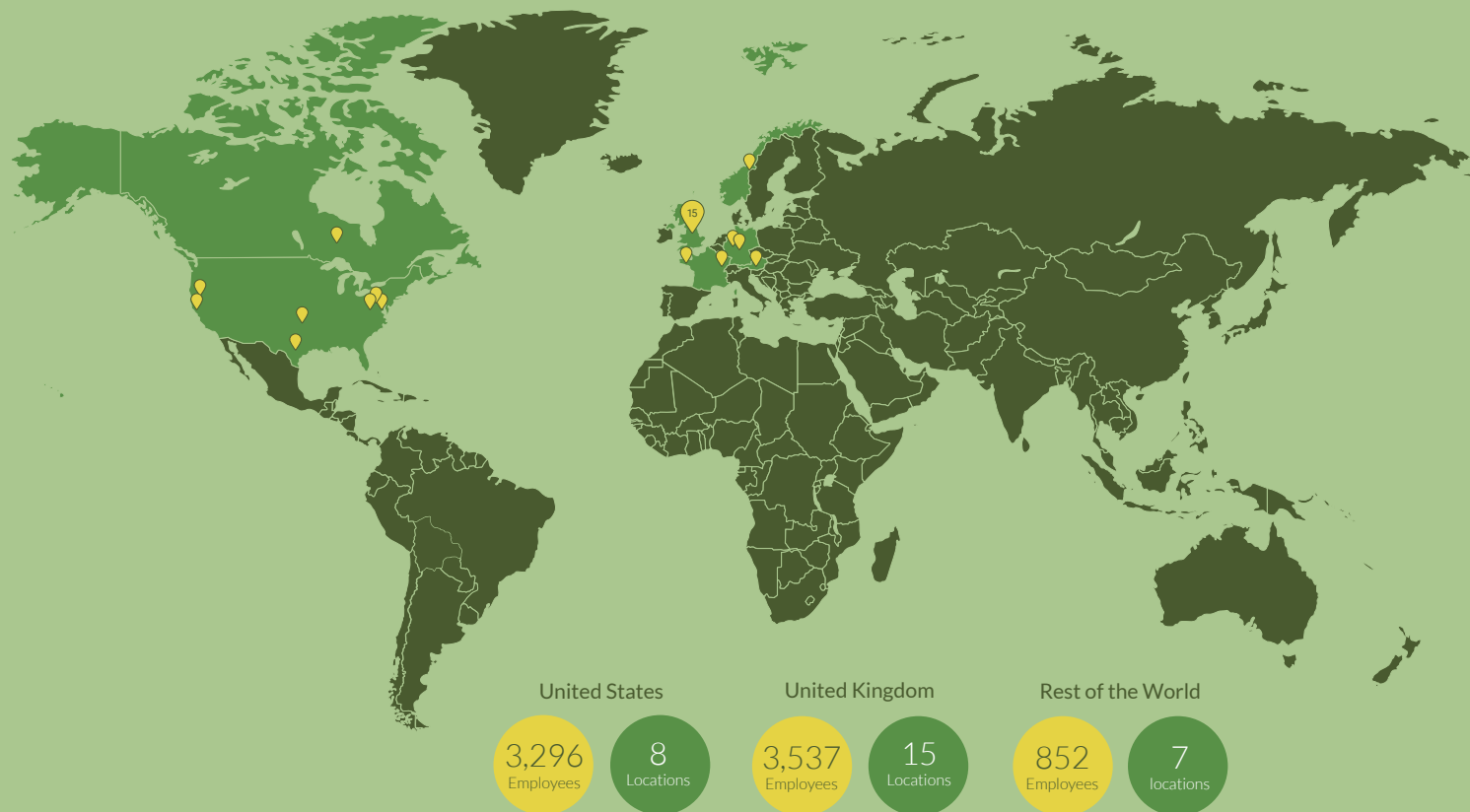
Alba Botanica®  
 Arrowhead Mills®  
 Avalon Organics®  
 Bearitos®  
 Better Bean®  
 BluePrint®  
 Casbah®  
 Celestial Seasonings®  
 Clarks™  
 Cully & Sully®  
 Danival®  
 DeBoles®  
 Dream®  
 Earth's Best®  
 Ella's Kitchen®  
 Europe's Best®

Farmhouse Fare™  
 Frank Cooper's®  
 Gale's®  
 Garden of Eatin'®  
 GG Unique Fiber®  
 Hain Pure Foods®  
 Hartley's®  
 Health Valley®  
 Imagine®  
 JĀSÖN®  
 Johnsons® Juice Co.  
 Joya®  
 Lima®  
 Linda McCartney™  
 Live Clean®  
 MaraNatha®

Mary Berry®  
 Natumi®  
 New Covent Garden Soup Co.®  
 Robertsons®  
 Rudi's Organic Bakery®  
 Sensible Portions®  
 Spectrum®  
 Sun-Pat®  
 SunSpire®  
 Terra®  
 The Greek Gods®  
 Tilda®  
 Westbrae Natural®  
 William's  
 Yorkshire Provender®  
 Yves Veggie Cuisine®



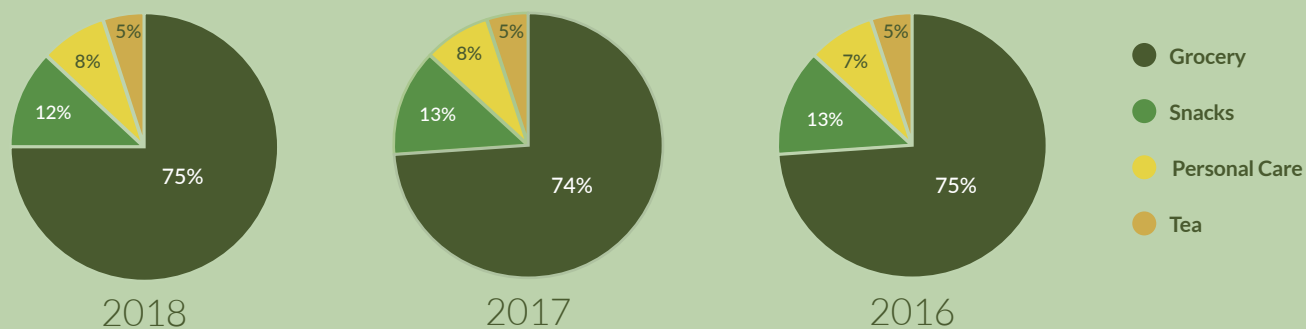
## Employees and Locations



## Sales Total and by Region

	2018	2017	2016
United States	\$1,084,071	\$1,107,806	\$1,164,817
United Kingdom	\$938,029	\$851,757	\$859,183
Rest of the World	\$434,869	\$383,942	\$368,864

## Sales by Category







# Our Sustainability Strategy

## The *Hain Healthier Way*™

*Health, wellness, and mindfulness are not just about new products or services. They're the new normal—a new way of seeing food, a new way of experiencing community, and a new way of making a positive impact through purchases.*

*We have seen the world through this lens since our founding in 1993 and have made great strides in changing the way people think about food and personal care products. We will continue to bring this vision of a better lifestyle to millions of homes around the world.*

*We call this approach... the Healthier Way™*

Since Hain Celestial's founding, we have stated that the idea of a healthier lifestyle is not a fad, not a trend. A *Healthier Way of Life*™ is a mindset, and it is becoming the new normal. The *Hain Healthier Way*™ approach is our continued commitment to sustainability and our approach to bringing our vision of a better lifestyle to millions of homes around the world.

The approach and its implementing commitments will help accelerate the positive impact we create for all our stakeholders—our consumers, our employees, our customers, our suppliers, our investors, and our planet—and help us deliver our corporate purpose to create and inspire A *Healthier Way of Life*™.

We developed the *Hain Healthier Way*™ through an informed staged process.

1. We conducted a materiality assessment to identify our most significant sustainability risks and opportunities. This is a thoughtful internal and external stakeholder engagement process to identify, assess, and prioritize the social, environmental, and economic issues of greatest importance to Hain Celestial.



2. We undertook a thorough review to provide an accurate baseline of our current levels of impact and to identify the environmental “hot spots” of our entire value chain by category.
3. We utilized the insights from the first two phases, along with executive immersion interviews and internal workshops, to develop our vision for how Hain Celestial can continue to use its capabilities to create an even greater positive impact.

The commitments we are developing will allow Hain Celestial to continue to meet expectations of how purpose-driven brands should source and produce products responsibly and how mission-led businesses can address and integrate social and environmental challenges within their business strategy.

While we are continuing to develop our implementation plans, our mission is clear: to become one of the world’s healthiest businesses. This mission will be delivered through bold commitments within three core pillars:

#### Healthier Products

- Continuing to make our *Healthier Way of Life™* product portfolio healthier
- Measuring and improving the social, environmental, and health impacts of our products
- Cultivating purpose-driven brands

#### Healthier People

- Investing in the development and well-being of our team
- Supporting our employees and enabling them to make a difference
- Giving back and supporting our neighbors in the communities where we make our home

#### Healthier Planet

- Protecting the health of our planet by stewarding our water resources, addressing climate change, wasting nothing, and growing crops the way nature intended
- Supporting responsible sourcing
- Supporting organic farming and GMO-labeling







# Our Approach and Progress: Healthier Products

## What We Stand For

We believe that access to healthier food and consumer products should be available to everyone, not a privilege for the few. We are committed to innovating to provide healthier products, such as organic, non-GMO, and cruelty-free, and doing so in a way as to enable accessibility to all.

This means sourcing ingredients in a manner that is protective of both the environment and the workers bringing them to market.

## Why It's Important

Health is a goal—healthier products, healthier people, and a healthier planet. They go hand in hand. We cannot have human health without healthier foods and consumer products, and we cannot generate healthier products and food from an impaired planet. By providing healthier products, we are meeting two objectives: we are helping to support a healthier planet, which in turn helps to ensure healthier food and products. It's simple, you can't have one without the other.

## Our Management Approach: Better-For-You Products

Our stated purpose has always been to inspire our consumers to create *A Healthier Way of Life™*, and our products have helped to transform shopping choices for the better. Food and beverage choices should support well-balanced diets, and along with personal care products, should support a healthy and sustainable lifestyle.

We believe that access to healthy food and consumer products should be available to everyone, not a privilege for the few.





Our Live Clean® brand products are sold in recyclable packaging, contain a minimum of 96% plant-based ingredients, are pure vegan/vegetarian products, cruelty-free (Leaping Bunny certified), enriched with certified organic botanical extracts, contain biodegradable ingredients, and contain no petrolatum, sodium lauryl sulfate, diethanolamine, parabens, phthalates, or phosphates.

## Our Products

Our nutritional product offerings include vegetarian, vegan, plant-based, gluten-free, no sugar, low sodium, organic, non-genetically modified (non-GMO). May of our products are made with ingredients that are minimally processed and contain no artificial preservatives, colors, or flavors, or trans-fat from hydrogenated oils.

We offer people personal care products that include safe, gentle, effective, and more sustainable ingredients. Our personal care products are also never tested on animals. Hain Celestial's personal care products follow strict ingredient specifications and requirements, and the following materials or classes of materials should not be included in the raw material composition:

- Parabens
- Phthalates
- GMO Ingredients
- Petroleum Derived ingredients
- Synthetic Dyes
- Formaldehyde donors
- MEA, DEA, TEA
- PEG Derivatives
- Glycols
- Copolymers
- Sodium Laureth Sulfate or Sodium Myreth Sulfate
- Talc
- Nanoparticles
- Irradiated processes
- Animal testing after 1996
- Substances listed in Annex II of EU Regulation (EC) No 1223/2009
- CMR Ingredients\*
- Artificial Colors
- Synthetic Plastic Micro Beads

\*No CMR except for unavoidable trace levels found in naturally sourced materials.

Many products and brands are certified to third-party certification standards, such as USDA certified organic or NSF/ ANSI 305 Standard for Personal Care Products Containing Organic Ingredients. For instance, all Avalon Organic® products are either USDA certified organic or certified to the NSF/ANSI 305 Standard for Personal Care Products Containing Organic Ingredients.



## Better-For-You Highlights

- **Avalon Organics®** products are non-GMO, never tested on animals, and are biodegradable. Avalon Organics® is one of the largest brands that meets a high organic certification criteria of NSF/ANSI.





- Our **Celestial Seasonings®** brand has developed robust quality standards verified through testing protocols for the tea leaves, herbs, and botanicals, elevating the standards for what ingredients we will use in our products. Our selective screening process tests the tea leaves, herbs, and botanicals, and any ingredients not meeting our standard are rejected.
- **Cully and Sully®** brand uses only fresh, never frozen ingredients, sourced primarily from Ireland in the growing season. In addition to just making a better soup, we believe that locally sourced, fresh ingredients are better for the environment and the communities that we call home.
- **Ella's Kitchen®** worked with the British Nutrition Foundation to identify evidence-based ways to help children develop healthy eating habits. Research shows that introducing lots of veg during weaning can have a long-term impact on children's taste preferences. They then launched Veg for Victory, a campaign which calls on Public Health England to enhance the NHS Choices guidelines on weaning, to promote the importance of vegetables in weaning for children.

## Our Progress and Performance: Food and Product Quality and Safety

We have implemented a comprehensive food safety and quality management system from farm to fork, which employs stringent manufacturing programs, expert technical knowledge based on food safety science, robust employee training plans, ongoing process innovation, supplier approval processes, and both internal and independent auditing.

In the United States, each of our own food manufacturing facilities and co-manufacturing business partners has a Food Safety Plan ("FSP") or Hazard Analysis Critical Control Point ("HACCP") Plan, which focuses on minimizing, preventing, or eliminating food safety risks and is compliant with the requirements set forth under the Food Safety and Modernization Act ("FSMA") Preventive Controls for Human Foods. As part of our FSMA compliance activities, we have further upgraded our Supplier Approval process to incorporate a digital platform, FoodLogiQ, to collect and manage supplier data.

All of our Hain-operated food manufacturing sites and a significant number of our co-manufacturers are certified against a standard recognized by the



Global Food Safety Initiative (“GFSI”) including Safe Quality Foods (“SQF”) and British Retail Consortium (“BRC”). These comprehensive food safety and quality standards are industry best practice. Our Hain-operated personal care manufacturing location in the U.S. is certified to ISO 9001 standards, which seek to ensure that the requirements for quality management systems are met. Our goal is to deliver cosmetic and over-the-counter products that meet consumer expectations as well as applicable regulatory requirements. Certification provides an independent and external validation that a product, process, or service complies with applicable regulations and standards. In addition to third-party inspections of our co-manufacturers, we have instituted second-party audits to evaluate compliance with our policies and FSMA regulations, where applicable.

## Our Progress and Performance: Responsible Sourcing

### Organic Ingredients

We support organic farming, as it considers the long-term sustainability of agriculture. Organic farming protects ecosystems, enhances soil formation and structure, conserves water, does not use synthetic fertilizers, reduces the pollution of groundwater, encourages biodiversity, and supports family farms in addition to its benefits to human health.

We are focused on sourcing organic for many of our major ingredients, including corn, wheat, oils, fruits, and vegetables. In the United States, our organic products are certified in accordance with the USDA’s National Organic Program through Quality Assurance International (“QAI”), a third-party certifying agency. For products marketed as organic outside of the United States, we use accredited certifying agencies to ensure compliance with country-specific government regulations for selling organic products or reciprocity, where available. Our products that are certified organic are labeled with the USDA organic, Canadian Organic Regime (COR) organic, EU organic, or NSF certification seal to communicate to consumers, retailers, and regulators that our products comply with the relevant standards. As of June 2018, approximately 40% of our U.S. SKUs and 37% of our total global SKUs are organic.

Our certified organic, raw materials, as well as our packaging materials, are options from various suppliers around the world.







All of **Arrowhead Mills®** organic ingredients are grown on certified organic land. Our farmers use all organic compliant fertilizers, such as composted manure, which is richly beneficial to the earth.

In the United States, we are working with the Organic Trade Association (OTA) to actively pursue legislation supporting the organic food industry, and recently supported the development of an organic check-off program. The organic check-off would be a full supply chain check-off program, advancing research, promoting the organic brand, and reinforcing organic production practices, which would help to address such challenges as domestic supply shortages, viable pest management options, and market confusion. While the USDA recently terminated the rulemaking process to establish an organic check-off program, we joined the OTA in the development of a voluntary, industry-led program at this time.

### Other Certifications

Many of our products are certified kosher under the supervision of accredited agencies including The Union of Orthodox Jewish Congregations, “KOF-K” Kosher Supervision and Star-K Kosher Certification.

We also work with other independent third-party organizations to validate certain types of claims made on packaging. A few examples include the **Gluten Intolerance Group**, **Whole Grains Council**, and the **Non-GMO Project**.

### Non-Genetically Modified Organisms (Non-GMO)

A GMO, or genetically modified organism, is a plant, animal, microorganism, or other organism whose genetic makeup has been modified in a laboratory using genetic engineering or transgenic technology. This creates combinations of plant, animal, bacterial, and virus genes that do not occur in nature or through traditional crossbreeding methods. At Hain Celestial, we have committed to transparency and have supported legislation calling for the labeling of GMOs in food products. According to the Non-GMO Project, more than 60 countries around the world, including Australia, Japan, and countries in the European Union require GMOs to be labeled. Globally, there are also 300 regions with outright bans on growing GMOs. At Hain, approximately 700 of our products are verified non-GMO.

### Suppliers of Ingredients and Packaging

Hain Celestial works with its suppliers to ensure the quality and safety of their ingredients and that the ingredients meet our specifications and comply with



Agricultural commodities and ingredients, including almonds, corn, dairy, fruit and vegetables, oils, rice, soybeans and wheat, are the principal inputs used in our products. Our certified organic and natural raw materials, as well as our packaging materials, are obtained from various suppliers around the world.

applicable regulations. These assurances are supported by our purchasing contracts, supplier expectations, manual and technical assessments, including questionnaires, scientific data, certifications, affidavits, certificates of analysis, and analytical testing, where required. Our purchasers and quality team visit major suppliers around the world to procure competitively priced, quality ingredients that meet our specifications.

Our Hain Celestial Supplier Code of Conduct embodies our minimum guidelines for all Hain Celestial suppliers in the areas of Labor Standards, Environment and Health, and Safety. Hain Celestial also implemented an updated supplier assessment form, which clearly and directly requires suppliers to certify that all materials incorporated into a product comply with applicable slavery and human trafficking laws in addition to our other stringent standards. In the event that Hain Celestial becomes aware of any actions or conditions not in compliance with the Supplier Code of Conduct, Hain Celestial reserves the right to demand corrective measures or to terminate an agreement with such supplier.

A risk assessment and corresponding testing protocol is developed for all incoming raw ingredients. Based on the risk assessment, we test for commonly used pesticides, herbicides, and insecticides, where warranted. We reject ingredients when these substances are detected beyond acceptable limits as defined by industry-recognized and/or government agencies, including the United States Environmental Protection Agency, the United States Food and Drug Administration, European Union Pharmacopeial Convention, Codex Alimentarius and all regulations set forth by the National Organic Program for our organic products.

### Corporate Pesticide Evaluation and Reduction Efforts

Hain Celestial consistently works to reduce and mitigate pesticide levels throughout our portfolio. All ingredients are evaluated to determine if there are any potential consumer safety risks as promulgated by governmental authoritative bodies. Approved Hain Celestial ingredient suppliers are all assessed to ensure that preventive controls are taking place to help mitigate the presence of pesticides. During our evaluations, Hain Celestial engages accredited laboratories to guarantee suppliers are meeting our stringent standards and expectations. Key areas of focus on pesticide management include: baby products, tea products, and imported rice.







Hain seeks to work with suppliers who grow our ingredients responsibly, ethically, and sustainably, and who support the growth of organic farming and the humane treatment of animals.

### **Baby Portfolio**

Ingredients used in our baby portfolio are tested for pesticide residue levels and other toxins prior to use in production. The number of verification tests completed this year has increased by 18% from 2017. As we continue to refine our supply chain partnerships, we have reduced the number of ingredient rejections by 5% from the year prior with none of the rejections being driven by unacceptable pesticide residues. The Hain Celestial Group spends approximately \$250,000 annually on baby food ingredient verification testing.

### **Tea Portfolio**

**Celestial Seasonings®** tests each lot of commodities it purchases for pesticide residue. We have one of the most stringent screening programs in the industry. Year-to-date in 2018, Celestial Seasonings® has seen a 40% reduction in violative commodity samples that were tested versus the prior year (2017) and a 42% reduction in pesticide levels (ppm) detected. This was accomplished through our various initiatives established to reduce the exposure of our products to pesticides. Additionally, we have increased our sourcing of organic commodities for use in conventional products to mitigate pesticide exposure, wherein we typically use 10-12% organic commodities in place of conventional for this purpose, when necessary, to achieve our rigorous pesticide standards. Through our continued efforts





to enhance our programs, we frequently review our pesticide screen to determine best practice. This has led us to enhance our pesticide screen four times in the last five years to include more compounds, as well as ensuring we are screening for banned pesticides. In 2019, our pesticide screen will include more than 500 compounds.

We continue to work closely with many of our long-term vendors to ensure compliance to our rigorous pesticide standards. This includes ensuring GAP (Good Agricultural Practices), including implementation of IMP (Integrated Pest Management) programs that rely on mechanical methods of intervention as an initial method to control pests. We have supported our partners' proactive field management programs and training related to proper pesticide application. We are engaged with various trade organizations that aid our industry in providing the most current regulatory information regarding pesticides. Celestial Seasonings is a founding member of the American Herbal Products Association, which routinely engages with U.S. regulators (EPA, FDA and others) regarding pesticides and advises trade members on compliance to these regulations. Celestial Seasonings is also an active member of the U.S. Tea Association, which not only advises trade members on compliance with pesticide regulations, but is active in facilitating worldwide trade member committees on global tea sustainability.

### **Rice Portfolio**

At Tilda Hain India, we have a long-standing relationship with basmati rice farmers through our agricultural extension service, which provides assistance to farmers throughout the growing season. This service is provided by the company at no cost to the farmers, who are not obliged to sell their rice to us in return for these services, and promotes sustainable farming methods that have proven results.

Some other examples of initiatives to promote sustainable practices include standardizing color charts for basmati rice plants to limit the application of fertilizer that would otherwise contaminate water supplies. We also support a pilot project to promote direct seeding, which could potentially reduce water use by up to 40%. Equally, however, we recognize that the investment required for direct seeding and the mixed results means it is not necessarily viable for all farmers today, but the field trials continue.



Tilda® is a member of the UN Sustainable Rice Platform (SRP), which promotes more sustainable rice farming in partnership with NGOs. Through Tilda® and Hain's partnership projects with farmers, we are learning how to do things more sustainably, and we are sharing that knowledge throughout the rice-growing community.

## Ethical and Local Sourcing

Where possible, we seek to source ingredients locally, reducing the time and energy needed to transport these materials to our manufacturing facilities. We work directly with the farmers who grow our ingredients when possible, and ask that our suppliers conform to our Supplier Code of Conduct, which includes standards for working hours, health and safety, compensation, freedom of association, and prohibitions on child labor and forced labor, as well as requesting that they work to help us meet our long-term sustainability goals applicable to each supplier within the *Hain Healthier Way™* approach.



All of DANIVAL®'s eggplants, zucchinis, bell peppers, butternut squash, and pumpkins are grown by six farmers based near its production plant, sourced following Fair Trade requirements, and certified by **ECOCERT** under the BIOPARTENAIRE label.

- **Arrowhead Mills®** relies largely on local sourcing: 45% of our ingredients come from within 250 miles of our plant in Hereford, Texas, and 80% come from North America. Our protein-rich Hard Red Winter Wheat is grown on farms within 100 miles of our headquarters in Hereford, Texas. Our corn is another local product, and we make every effort to purchase our other ingredients directly from local growers.
- In excess of 35% of **DANIVAL's®** sourcing comes from products grown in France, as part of its commitment to support organic farming in France. All of their eggplants, zucchinis, bell peppers, butternut squash, and pumpkins are grown by six farmers based near the DANIVAL® production plant, sourced following Fair Trade requirements, and certified by **ECOCERT** under the BIOPARTENAIRE label. ECOCERT is an inspection and certification body established in France in 1991 by agronomists aware of the need to develop environmentally friendly agriculture and of the importance of offering some form of recognition to those committed to this method of production. Since its creation, ECOCERT has specialized in the certification of organic agricultural products.





Tilda® is part of the **Sustainable Rice Platform** which is a multi-stakeholder platform, co-convened by the United Nations Environmental Program (UNEP) and the International Rice Research Institute to promote resource efficiency and sustainability in trade flows, production and consumption operations, and supply chains in the global rice sector.

- Tilda® is committed to safeguarding the long-term sustainability of basmati rice farming. Basmati rice is a slow-growing crop with comparatively low yields. It is typically produced on small-scale family farms and is vulnerable to climate, which is why it can only be grown in specific regions of India and Pakistan.

Tilda® established the Hain Research Farm to identify optimal growing techniques to reduce the application of inputs such as water and fertilizer. The benefits of this practical knowledge were shared with farmers via an outreach program. Data gathered on the farming practices has indicated that farmers following the suggested techniques increase their yields by up to 25-30%. Currently, Tilda Hain India is funding a direct seeded rice project, a practice shown to reduce water consumption by up to 30% and reduce greenhouse gas emissions.

On an annual basis, Tilda Hain India supports approximately 1,500-2,000 basmati farmers in India, with each plot ranging approximately 2-5 acres in size. Crops are purchased in an open auction system, ensuring that the farmers get the best price, and helping to increase the living standard of the farmers. And to ensure that crops are produced and marketed in an ethical



manner, Tilda® is a member of SEDEX Global, an independent not-for-profit body that audits the ethical performance and transparency of our supply chain for labor standards, health and safety, environment, and business ethics. In the latest reporting year, Tilda® achieved a score of 100%.

## Fair Trade

Hain Celestial works with **Fair Trade USA**, an independent, nonprofit fair-trade certification organization that certifies and promotes coffee, cocoa, bananas, and other fresh fruits. Based on the simple idea that the products we buy and sell are connected to the livelihoods of others, Fair Trade Certified™ goods help to support responsible companies, empower farmers, workers and fishermen, and protect the environment. In 2017 alone, Hain Celestial purchased more than 1.5 million pounds of Fair Trade Products, generating a premium of just over \$101,000 for farmers growing these products. Currently, 38 products across **SunSpire®**, **Arrowhead Mills®**, **Celestial Seasonings®**, and **Spectrum®** brands are Fair Trade Certified™. Spectrum® brand has worked with their vendors to Fair Trade certify new product types, and Spectrum® Shortening is Round Table on Sustainable Palm Oil (RSPO) Certified, Rainforest Alliance Certified™, and Fair Trade Certified™.

Our U.S. based Fair Trade volumes and associated premiums are shown below.

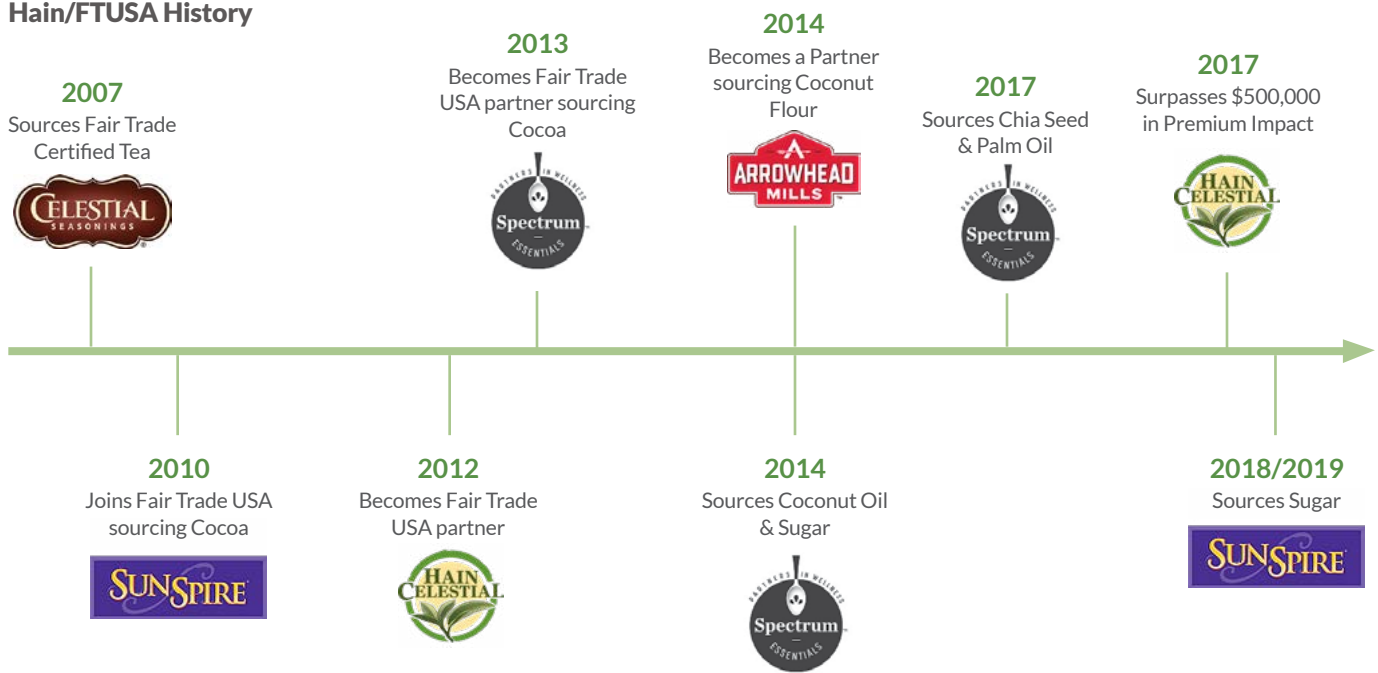
### North America:

- Coconut flour for **Arrowhead Mills®** brand is Fair Trade Certified™. In the period 2014 – 2017, Hain Celestial purchased over 515,000 lbs. of Fair Trade Certified™ coconut flour. This purchase for **Arrowhead Mills®** brand generated just under \$72,000 in community development premiums.
- **Spectrum®** purchases Fair Trade Certified™ chia, sugar, cocoa, coconut, and palm oil for its line of products. In 2017, over 803,000 pounds of Fair Trade Certified™ palm oil was purchased for Spectrum®, generating just over \$18,000 in community development premiums.
- Just over 277,700 pounds of Fair Trade Certified™ cocoa was purchased for **SunSpire®** products in 2017. Over 2.4 million pounds of Fair Trade cocoa has been purchased since 2010, generating a total of approximately \$221,000 in community development premiums.





## Hain/FTUSA History



- Just over 149,000 pounds of Fair Trade Certified™ tea was purchased for **Celestial Seasonings®** in 2017. This delivered approximately \$34,000 in Fair Trade premiums. More than 1.1 million pounds of Fair Trade Certified™ tea has been purchased for Celestial Seasonings® since 2013.

### Europe:

- Our European brands Natumi® and DANIVAL® procure Fair Trade International certified and organic cocoa.
- DANIVAL® is a member of the Bio-Partenaire Organic Fair-Trade Association and certified by ECOCERT.

### Palm Oil

The increased demand for palm oil has led to deforestation of tropical rain forests and threats to the endangered species that live there. In 2017, we used 2,287 tons of palm oil and palm oil products. Hain Celestial is a member of the Roundtable on Sustainable Palm Oil (RSPO) and supports their key principles and the RSPO NEXT criteria. According to the Hain Celestial RSPO 2017 Annual Communication of Progress Report, 1,995 tons, or 87% of the palm oil volume used in our global foods portfolio is certified sustainable palm oil through RSPO-certified physical supply chains. The RSPO certification



system is a key tool to slow deforestation, which contributes 15-20% of global greenhouse gas emissions. While the remaining 13% is currently covered by RSPO credits, our goal is to have all palm oil RSPO-certified.

- The organic palm fruit oil in the Spectrum® All Vegetable Shortening is sustainably sourced through RSPO's Identity Preserved supply chain model, and is also Rainforest Alliance Certified™. Identity Preserved sustainable palm oil is from a single identifiable certified source and is kept separate from ordinary palm oil throughout the supply chain.
- The palm oil supplier of the Spectrum® Organic All Vegetable Shortening was the first palm grower in the world to achieve RSPO NEXT certification in 2017.
- Spectrum was the first brand at Hain to offer an RSPO certified palm shortening product, Organic All Vegetable Shortening.

### Animal Welfare

The Leaping Bunny logo is an internationally recognized symbol for cruelty-free cosmetics, personal care, and household products. The Coalition for Consumer Information on Cosmetics (CCIC) created and administers the Leaping Bunny Program, a cruelty-free standard for companies producing cosmetic, personal care, and household products. The Leaping Bunny Program provides the best assurance that no new animal testing is used in any phase of product development by the company, its laboratories, or suppliers. Hain Celestial products certified by Leaping Bunny include Live Clean®, Alba Botanica®, and Avalon Organics®.







# Our Approach and Progress: Healthier Planet

## What We Stand For

We are committed to delivering products manufactured and transported with integrity—responsibly, safely, and efficiently—to reduce our impact on resource scarcity and climate change. Whether the products are manufactured by us, or co-manufacturers working on our behalf, we are committed to continually reducing our environmental footprint, because a healthy planet is essential to human health. Implementing environmentally sound business and manufacturing processes fosters long-term operational success and creates a business model that does not harm, and ultimately enhances, our society.

## Why It's Important

According to the **World Wildlife Fund**, around the world, the way we produce, distribute, and manage food production and waste is threatening wildlife, wild places, and the planet itself. In addition, a 2018 report from the United Nations scientific panel on climate change has described the potential for food shortages and lower crop yields in many parts of the world if greenhouse gas emissions continue at the current rate and if average temperatures rise by 2 degrees Celsius. Today, about 1.3 billion tons of food is wasted each year, four times the amount needed to feed the more than 800+ million people who are malnourished. We need to improve efficiency and productivity while reducing waste. And we need to produce food sustainably so that we have access to healthy food choices while protecting our natural resources.

As a global food and personal care product company committed to organic and better-for-you products, we believe these challenges, while daunting, also present an opportunity to address the urgent need to produce more sustainable products, in a more sustainable manner.



# Our Management Approach

To date, we have taken a decentralized approach to managing our environmental impacts. At the corporate level, Hain Celestial has a [Climate Statement](#) and a [Water Management Statement](#). We have identified our environmental material issues to be climate, water, and packaging. Environmental policies and programs are implemented at the business unit level, and our business units have identified areas for improvement, set goals, and worked on those areas they identified as important to their operations.

Our manufacturing facilities are located in North America and Europe. We diligently monitor and pursue reductions in greenhouse gas emissions, water usage, and waste generation. We currently have two ISO 14001 certified sites in the U.K., and a third is in the implementation process.

To inform our sustainability approach, we undertook a baseline assessment to establish an understanding of priority environmental impacts across the life cycle phases of our product portfolio. We focused on our greenhouse gas and water footprints. Our footprints are calculated at the product category level using ingredients, materials, and manufacturing data to look across all life cycle phases. The assessment included product categories representing 75% of global sales at the time of the assessment in 2015. For more details on the assessment process, see [Our Greenhouse Gas and Water Footprint Assessment](#).

## Greenhouse Gas Footprint by Life Cycle Phase

Ingredients production accounts for 48% of Hain Celestial's total greenhouse gas footprint, followed by consumer use (30%), packaging (10%), processing (6%), distribution (5%), and end of life (1%).

The baseline results and analysis provide increased visibility to Hain Celestial's high-impact areas and the drivers of our greenhouse gas and water footprints across our products and full value chain. The footprint analysis highlighted the categories we must focus on and the importance of addressing impacts throughout our value chain, not only our direct operations.





## Water Footprint by Life Cycle Phase

Ingredient production accounts for 98% of Hain Celestial's total water footprint, followed by consumer use (just under 2%), with manufacturing accounting for less than half of 1%.



Note: The water footprint includes irrigation, processing water, and use by the consumer.

## Our Progress and Performance: Climate

Addressing climate change is a priority for Hain Celestial. Hain Celestial is committed to minimizing our contribution to climate change by developing sustainable products, reducing our absolute greenhouse gas (GHG) emissions from business operations and our supply chain, and by engaging in conversations to accelerate the efforts and policy needed to reduce the risk of climate change.

Many of our company's goods directly enable GHG emissions to be avoided or reduced due to how they are sourced, manufactured, and packaged.

Our portfolio of products includes plant-based beverages and desserts and meat-free alternative products, which offer important alternatives to livestock products and reduce the carbon footprint of our consumers.

We also continue to explore ways to reduce packaging materials, use recyclable materials for our packaging, and increase the recycled content in our packaging to reduce landfill waste and associated GHG emissions. And we market many of our food and beverage products in ambient form to reduce GHG emissions associated due to refrigeration. Shelf-stable packaging has one of the lowest environmental impacts of any food and beverage container, as products can be safely stored without refrigeration before opening.

We have conducted a full value-chain assessment of our GHG emissions to provide an accurate baseline of our impact and identified material 'hot spots' that will drive our climate change strategy and efforts.



Selected site highlights:

- Ella's Kitchen®, a certified B Corp, worked with the Carbon Trust to measure their environmental footprint across their value chain and will use the information to introduce an environmental management strategy.
- Our Histon facility located in Cambridge, England is converting its liquid effluent to electricity, generating enough energy to power 600 homes.
- Hain Daniels is planning to install electric car charging stations at all of their sites by end of 2019.
- Our new personal care manufacturing facility in Bell, California, has achieved LEED Gold Level certification.

## Our Progress and Performance: Water

Water is essential for life and for our company. The availability, accessibility, and affordability of quality freshwater are critical for the long-term success of our company, the communities that we serve, and the environment.

Water is critical throughout our value chain, from the agricultural fields to our manufacturing facilities, to the use of our products. We are committed to utilizing our water resources responsibly to minimize our impact on such a critical resource and to managing the risks that increased demand for water presents, which may adversely disrupt our business.



While water use at our own facilities is important, agricultural uses are the largest global consumer of water. As a food and personal care product manufacturer, most of our raw materials come from agricultural sources.

Our manufacturing facilities, located in North America and Europe, monitor water data to both improve our water usage and to ensure our facilities are adhering to strict wastewater management controls within their municipalities. Since water risk is inherently local, we have undertaken a preliminary risk assessment of our operational supply chain using the World Wildlife Fund's (WWF) Water Risk Filter to identify which facilities and geographies are most at risk from water stresses; these were determined to be our facilities located in Boulder, Colorado, and our personal care facility located in Culver City, California. Many of our businesses and local manufacturing operations have efforts underway to look at water consumption and to explore ways to reduce their unique water footprints. We will also engage with our manufacturing





The AgWater Challenge is an engagement of leading food and beverage companies to provide examples of leadership and encourage strong, more transparent commitments to better steward freshwater resources in agricultural supply chains

suppliers to assess their water risk.

Throughout our global operations, we strive for the sustainable management of our freshwater resources, as evidenced by some of our progress to date:

- We performed a baseline assessment to establish an understanding of priority environmental impacts across the life cycle phases of our product portfolio. According to the outcomes, we have determined that ingredient production accounts for ~98% of our water footprint.
- Good agricultural practices are important to sustain our high-quality ingredients, and we are committed to continuing to source certified sustainable fruits, vegetables, and oils:
  - In fiscal year 2017, approximately 40% of our U.S. products and 37% of our global products were certified organic.
  - In fiscal year 2017, we used over 1.5 million pounds of Fair Trade ingredients.
- Our Tilda Hain India basmati rice business provides farm extension services to establish direct seeded rice (DSR) as a feasible alternative to conventional puddled transplanted rice (TPR), which can reduce water consumption by 20-30%. Direct seeded rice opens up new opportunities for the use of micro-irrigation in paddy cultivation, thereby enabling further reduction in water usage.



- In our Hain Daniels business, fresh fruit suppliers are certified to Global Gap, which includes requirements to conduct water risk assessments. Additionally, suppliers carry out water risk assessments according to HACCP, and we have developed scorecards to assess freshwater impact for our top 10 fruit commodities.

## Our Progress and Performance: Packaging

Packaging is top of mind for us as a consumer products company. We are consciously pioneering and choosing innovative, safe, and sustainable packaging that is recyclable, includes recycled content, and has a lower environmental footprint than alternative choices. Hain Celestial is committed to examining the entire life cycle of product packaging, from design to consumer use to end-of-use, in an effort to reduce the environmental impact of product packaging through various tactics including weight reductions and increased use of recycled, recyclable, renewable, and biodegradable materials. Additionally, we have completed an analysis of packaging-to-product weight ratios, to better understand the factors affecting our packaging carbon footprint.

In developing our packaging, we consider the range of recycling operations and technologies in our respective geographies. As a result, a majority of our packaging structures—plastics, cartons, boxes, glass, cans, and corrugate—are widely recyclable and are labeled to assist in educating consumers as well as to encourage recycling. For non-recyclable or difficult-to-recycle packaging, we work with our packaging suppliers to identify new technologies and innovations.

Several of our brands are taking innovative approaches to collect and recycle their packaging.

**Ella's Kitchen®**, **Earth's Best®**, **Yves Veggie Cuisine®**, **Terra®**, **Sensible Portions®**, and **Tilda®** have formed a partnership with TerraCycle to try to find recycling options for their packaging while other packaging options are explored. Targets have been set to reduce plastic use, and **TerraCycle** collections are increasing.



**Ella's Kitchen®**, **Earth's Best®**, **Yves Veggie Cuisine®**, **Terra®**, **Sensible Portions®**, **Tilda®**, and **Europe's Best®** have formed a partnership with **TerraCycle** to try to find recycling options for their packaging, while other packaging options are explored. Targets have been set to reduce plastic use, and **TerraCycle** collections are increasing.





## Blended with Care from **SEED TO SIP**



- **Ella's Kitchen®** and Hain Daniels (through the Chilled Food Association) are signatories for the UK Plastics Pact, which is an organization dedicated to working with governments, businesses, and communities to deliver practical solutions to improve resource efficiency. This includes commitments to:
  - Eliminate problematic or unnecessary single-use plastic packaging through redesign, innovation, or alternative (re-use) delivery models.
  - Design 100% of plastic packaging to be reusable, recyclable or compostable, target 70% of plastic packaging effectively recycled or composted, and utilize 30% average recycled content across all plastic packaging.
- Since 2015, **DANIVAL®** and **LIMA®** have sponsored a program to collect and recycle plastic packaging that is currently incinerated or landfilled. Consumers are invited to bring their packaging back to collection locations, where the waste packaging is picked up by TerraCycle and recycled. Recently, **DANIVAL®** and **LIMA®** have been joined by 11 other organic brands in France to launch a bigger collection and recycling program, expanding the types of packaging that can be recycled. The expanded program will engage more than 800 organic shops in France. And in 2016, **DANIVAL®** began accepting pouches in addition to the plastic containers, successfully recycling an additional 23 tons of packaging that would have been sent to incineration or landfill.

### Recycled Content

**Paperboard:** Whenever possible, we look to utilize pre- or post-consumer recycled paperboard, FSC-certified paperboard, or even tree-free packaging. Many of our brands already utilize 100% recycled paperboard. Examples include:

- More than 96% of the folding cartons used for our **Celestial Seasonings®** tea boxes are 100% recycled with at least 35% being from post-consumer content.
- **DeBoles®** pasta boxes are made from tree-free packaging made from sugar cane.
- **Alba Botanica®** uses unit cartons made with FSC-certified paperboard to ensure that the paper stock was sustainably sourced.





Post-Consumer Resin (PCR) in Plastics: We seek to maximize recycled content in our products, which helps to close the loop by creating a market for recycled materials. Examples include:

- **Avalon Organics®** hair and body care products are made with 100% post-consumer resin.
- **Alba Botanica®** products are packaged in bottles made from 100% post-consumer resin.

Glass: We look to utilize recycled glass in our glass packaging:

- **Spectrum®** cooking oils are packaged in bottles made with 30-50% recycled glass.
- **Earth's Best®** jars contain 25% recycled glass.

## Sustainable Design Beyond Recyclability and Recycled Content

### Eliminate Bisphenol A (BPA) from our Packaging

- We use non-BPA metal lids and can linings in all of our **Earth's Best®** jarred baby food, our **Westbrae Natural®** canned beans and vegetables, **Health Valley Organic®** soups, our **MaraNatha®** nut butters, and our European **DANIVAL®**, **Lima®**, and **Natumi®** products. All our baby pouches for our two baby brands, **Ella's Kitchen®** and **Earth's Best®**, and our **Imagine®** sauce pouches use non-BPA material.

### Innovative Aseptic Cartons

- We use shelf-stable aseptic cartons across many of our brands, including **Imagine®** soups, and **Dream®**, **Joya®**, **Natumi®** and **Lima®** plant-based beverages. Aseptic cartons are recyclable and more efficient to transport. Products stored in them do not require refrigeration until opened, thus reducing their greenhouse gas impact, require less energy than comparable packages to manufacture, fill, ship, and store, do not require added preservatives, and are resealable. The recyclecartons.com logo appears on most of our packs and is being transitioned to all.





## Alternative Ink on Boxes and Cartons

Water-based and vegetable inks provide an environmentally friendly alternative to traditional petroleum-based inks. The alternative inks reduce volatile organic compound emissions, reduce worker exposure to petroleum oils, and make it easier to recycle. Brand examples include:

- Our **Arrowhead Mills®** brand uses water-based inks that are nontoxic, lead-free and contain no heavy metals.
- Our **Live Clean®** brand uses vegetable-based ink print cartons.

## Reducing the Overall Material Used

We design products to utilize the least amount of packaging and continuously improve our designs by working in partnership with our suppliers. Examples include:

- Our **Celestial Seasonings®** tea bags are designed without a string, tag, staple, and individual wrapper, eliminating approximately 3.5 million pounds of waste annually;
- Our **BluePrint®** bottle was redesigned to use less resin, eliminating approximately 60,000 lbs. of resin annually, based on recent sales levels;
- And several initiatives from our **Orchard House** facility in Corby, England, including:
  - Redesigned the plastic bottle to reduce the bottle weight, resulting in a reduction of over 80 tons of plastic;
  - Implemented a new capping system with an integral tamper band, eliminating approximately 30 million tear-off strips;
  - Switched from a label to pre-printed film, reducing the packaging weight and saving over 8 tons in plastic; and
  - Redesigned the refrigerator bags, reducing the weight of the packaging and saving over 4 tons of plastic.

Our brands continue to explore packaging alternatives and look for ways to reduce the environmental impact of our packaging choices.







Field to Fork

<http://www.feedingamerica.org/our-work/our-approach/reduce-food-waste.html>

## Our Progress and Performance: Food waste

Food waste is an endemic issue for food manufacturers, and food loss occurs at every stage of the food production and distribution system. In the U.S. alone, according to Feeding America, approximately 72 billion pounds of perfectly good food, from every point in the food production cycle, end up in landfills and incinerators every year. Rescuing this perfectly edible, whole food means feeding families facing hunger and taking a large step in protecting our planet and conserving our resources.

At Hain Celestial, food wastes from our manufacturing processes are used wherever possible. Examples include the organic waste from BluePrint®, which goes to feed pigs. Additionally, we work to manage and move our inventory before the expiry date. When this is not possible, we look to donate the food to local organizations. Six of our sites globally have achieved zero waste to landfill, another six have diversion rates over 90%, and another six are realizing between 50-90% diversion.

- Food waste from our Orchard House site in Corby, United Kingdom, is managed by a system called Field to Fork Back to Field Again. Food waste from the plant is transported to an off-site anaerobic digester (AD) site, which is used to generate power for 600 homes, and the by-product from the AD process is used to fertilize farmland.
- Hain Daniels is implementing a program called 3-2-1-GO. Under the program, food products that do not have enough life for retail sale are offered to Fareshare [3] (to be distributed to hundreds of U.K. charities), local charities [2] and then to colleges [1] through vending machines, before disposal can be considered [GO]. Money made from the sale of these products to colleges is donated to the site charities.
- Our Hain Celestial Canada operations support FoodShare through the provision of resources to FoodShare's Kitchen and Cooking programs, support for Recipe for Change, hosting of a yearly Lunch N' Learn session, and employee engagement activities.





# Our Approach and Progress: Healthier People

## What We Stand For

At Hain Celestial, we believe that happy, healthy people who are making a difference do the best work. Many of our innovations and improvements are realized because of their dedication and commitment to our purpose: to create and inspire *A Healthier Way of Life™*. We are committed to engaging our passionate employees to make a positive difference in their lives and enabling them to make an impact in the communities in which we operate.

We envision a world where hunger is a thing of the past, where everyone has access to healthier food choices, and where a day's work is rewarded with a living wage. We have a commitment to activate our team, creating opportunities for our people to support their local communities to lead *A Healthier Way of Life™*, too.

## Why It's Important

We are a company that believes we should be a power for change. That the choices we make, and the products we offer, can make a difference. Our ability to deliver on our corporate purpose is reflected in how our people innovate, manufacture, market, and sell our products. They are essential to our success, and thus we are vigilant in supporting health and well-being initiatives, workplace sustainability and safety, volunteerism, and in creating an inclusive and equal opportunity culture.

As a global community, we touch communities that vary greatly, from cities to rural areas, in both developed and developing countries. Hunger, sustainable jobs, changing climate, water scarcity, access to education, and biodiversity challenges exist to varying degrees and at different locations everywhere we operate. As a company that believes we should be a power for change, we seek opportunities to address these challenges.



## Our Management Approach

Our Health & Safety management approach has been decentralized, mirroring that of our environmental management approach. However, as we have grown, it has become apparent that corporate management systems could provide consistency in approach across our diverse businesses, and enable better goal setting, as well as comprehensive data collection. We are working to implement these systems. We have identified our most material issues related to employees (Health & Safety, Wellness, and Fair Labor) and have implemented more formalized systems to provide training, as well as formalizing site safety policies and safety committees.

At Hain Celestial, our brands and businesses are committed to making a positive societal impact and collaborating strategically to increase that impact. While the groups supported and areas of focus may vary across our portfolio, we have identified four main areas on which to focus our efforts: Health and Well-being; Hunger; Environmental Conservation; and Women's Empowerment. These efforts will be accomplished through three main approaches: corporate giving, brand partnerships, and local site efforts and engagements.

Safety policies and programs, as well as wellness programs, are implemented at the corporate, business, and site levels. In the United States, safety audits implemented in the last year are identifying safety improvements that can be implemented at both the site and corporate levels, and several corporate policies have been developed or refreshed, including the Corporate Hazard Communication Policy, the Corporate Personal Protective Equipment Policy, Corporate Injury and Claim Management Policy, Routine Self-Inspection Policy, Corporate Safety Committee Policy, and the Corporate Safety Manual.

## Our Progress and Performance: Wellness Programs

We offer wellness programs to all employees to support healthy living. These programs may include onsite healthy eating workshops, biometric screenings, free on-site flu shots, wellness engagement initiatives, and educational materials such as a monthly wellness newsletter.







We are committed to the total well-being of our employees—environmental, emotional, spiritual, physical, and occupational by focusing on nutrition, exercise, weight management, stress, sleep, and tobacco cessation.

The goal of these programs is to create and inspire *A Healthier Way of Life™* to improve the overall well-being of our employees through health education awareness of their current health status and to decrease health risks through lifestyle changes. We are committed to the total well-being of our employees—environmental, emotional, spiritual, physical, and occupational by focusing on nutrition, exercise, weight management, stress, sleep, and tobacco cessation—and work to assist its achievement through the provision of tools and resources. We offer health testing, educational and prevention tools and resources, online nutrition and exercise tools, challenges, special activities, and incentives and rewards to support our employees' journey toward *A Healthier Way of Life™*.

Examples of programs include:

- Biggest Loser Challenge – a weight loss program;
- Spring Into Action – a step challenge;
- Health Habits/Nutrition Challenge - A four-week challenge that educates individuals on the importance of a balanced approach to their health; and
- Maintain Don't Gain – a nutrition/stress awareness program created to help maintain your current weight while practicing healthy habits during the holiday season.

## Our Progress and Performance: Health & Safety Programs

Safety programs have recently been expanded, including the rollout of an online safety training system in the United States, known as Alchemy. Safety performance data is available for our U.S. businesses, and we are working to establish data collection systems that will allow global reporting. Our safety performance has improved year over year, as evidenced by decreases in our lost time incident rate, from 0.97 in 2017 to 0.75 in 2018, and in our Total Recordable Incident Rate, from 3.95 in 2017 to 3.49 in 2018. In the United States, our fiscal year 2018 injury rates were 32% lower than the industry average for food manufacturing.







At Christmas time, **Ella's Kitchen®** launches a limited edition Jingle Belly Christmas Dinner product.

Around the world, including at our Hain Celestial Canada operations, our sites utilize a variety of tools to promote and manage our safety practices, including joint health and safety committees, health and safety meetings with employees, office and plant workplace inspections and posting of findings, implemented procedures for manufacturing safety, and Alchemy training on various health and safety issues for our manufacturing sites.

## Our Progress and Performance: Access to Healthier Food for All

Our commitment is to make *A Healthier Way of Life™* accessible for everyone, for good. This is part of our mission, and over the past several years, we have continued to work toward this objective. Recent successes include:

- Our team at **Earth's Best®** has worked extensively to expand access to organic baby food for U.S. customers by lobbying to get organic product offerings included in the Women and Infant Children (WIC) program at the state level. With this effort, our goal to have organic baby food accessible to all has been advanced, with these programs offered in 12 states.
- At Christmas time, **Ella's Kitchen®** proudly worked with the charity Save the Children, giving all profits from the sale of their limited-edition Jingle Belly Christmas Dinner pouch to support their award-winning Eat, Sleep, Learn, Play! campaign. This helped to support 221 children in poverty by providing their families with essential household items like cookers, high chairs and fridges—giving those children a better start in life.

## Our Progress and Performance: Supporting Education

**Alba Botanica®**, **Avalon Organics®**, and **JĀSÖN®** have partnered with CARE® to help girls get a lifesaving education. CARE® is a leading humanitarian organization fighting global poverty. CARE® places emphasis on working alongside impoverished girls and women because, equipped with the proper resources, they have the power to lift whole families and entire communities out of poverty. CARE®, along with our personal care





Alba Botanica®, Avalon Organics®, and JĀSÖN® have partnered with CARE to help girls get a lifesaving education

brands, believes that educating girls is essential to eradicating global poverty and improving the lives of girls and women:

- 20 million girls are currently out of school in war zones;
- A woman's earnings can be 10% higher for every year of school completed;
- A child born to a literate mother is 50% more likely to survive past the age of 5;
- 28% of girls in least-developed countries work as child laborers.

By partnering to advance girls' education and leadership work, we help hundreds of girls access quality and equitable education. **Empower Her through Education** is a three-year campaign dedicated to eliminating barriers to education for girls and young women in developing countries, such as violence, hunger, child marriage, conflict, and the belief that girls are not worth teaching. The program will help girls gain self-confidence and self-worth while also learning the basics of reading, writing, and math. Each brand has an area of unique interest in helping CARE change the circumstances of so many:

- **Alba Botanica®** is all about girl power, and is working with CARE® to find ways to unlock confidence and self-assuredness.



- **Avalon Organics®** believes, along with CARE, that girls from all backgrounds should have access to education, so we are working to advocate for changes in local and government-level policy to make this possible.
- **JĀSÖN®** is standing with CARE, helping mothers and communities shape bright futures for girls as they strive to do more.

Together, we are unlocking girls' potential, advocating for their rights, and standing with mothers and communities to help shape brighter futures.



- **Cully and Sully®**, located in Ireland, focus their efforts locally, recently partnering with **Grow It Yourself**, or GIY, a not-for-profit social enterprise dedicated to supporting people growing some of their own food at home, school, work, or in the community. In 2017, **Cully and Sully®** partnered with GIY on a campaign to get kids more connected to food. Over 45% of secondary schools in Ireland participated, with teams of students growing their own food, making their own product, and then developing a business plan to take it to market. The effort was designed to help kids connect to food in a healthy and responsible manner. And **Ella's Kitchen®** runs Ella's Explorers, farm trips for local schools and nurseries. Approximately 1,000 children participate annually.

Educational offerings extend to our suppliers, as well. In India, Tilda works with thousands of small land-owning (2-5 acres) farmers to educate them on sustainable farming practices. In 2017, TILDA initiated Project PASS (Proactive Adaptation of Sustainable Sourcing), an educational program designed to teach farmers methods to achieve sustainable sourcing of basmati rice, re-establish integrated pest management practices, restore the soil health and soil micro-flora, improve the economic well-being of farming community, and explore alternatives for futuristic and nature-friendly farming practices. In 2017-2018, over 450 villages representing just under 3,400 farmers and just over 34,000 acres participated in Project PASS. In the crop year 2017, the project participants realized an approximate 80% reduction in pesticides use, an increase in the use of biological controls, and a significant drop in the use of chemical manures. These changes also led to a 25-30% increase in profit and approximately an 8-10% reduction in the cost of cultivation.





## Our Progress and Performance: Protecting Animals

Hain Celestial is committed to the humane treatment of animals and ensuring that animal-based products are sourced and produced responsibly. We believe that this commitment to animal welfare results in more healthful and ethical products.

- In fiscal year 2016, **Ella's Kitchen®** established a new partnership with the farm animal welfare organization Compassion in World Farming and were awarded the **Good Chicken Award** as recognition of their commitment to sourcing chicken to a high animal welfare standard. Subsequently, they have also received the Good Egg (2017) and the Good Pig (2018) awards.
- 100% of the fish meat in Hain Celestial products is sustainably sourced from facilities that are Marine Stewardship Council certified.
- Our personal care products are never tested on animals. Our commitment to the **Leaping Bunny Program**, as seen by the Leaping Bunny symbol on our personal care product labels, is evidence of this commitment. The Leaping Bunny logo is an internationally recognized symbol for cruelty-free cosmetics, personal care, and household products. The Leaping Bunny Program provides the best assurance that no new animal testing is used in any phase of product development by the company.
- The vast majority of our personal care products are vegan, meaning they are made without any animal-based ingredients. The remainder of our personal care products are 100% vegetarian, meaning they limit the use of animal-based ingredients to those that are deposited by and have no future benefit to the animal, such as beeswax and honey.



## Our Progress and Performance: Volunteering and Partnerships

We are committed to giving back and supporting our neighbors in the communities where we make our home. Our efforts are diverse and dynamic,



although many are focused on healthier food and alleviating hunger, and many are made quietly. However, we recognize that our stakeholders are interested in the activities we undertake and the causes we support, and so below we highlight a few of our recent efforts. More detailed information can be found on many of our brand websites.

Hain Celestial and **Arrowhead Mills®** have been donating food to **Feed the Children** for many years. Since 2014, our donations have provided food equivalent to approximately 1.2 million meals.

Hain Daniels focuses their support on the socially vulnerable through nutrition and education. Efforts are focused on those areas where they feel they can make the biggest difference, by utilizing the expertise and resources that the Hain Daniels businesses are built upon. Each site has its own locally nominated charity, which is supported alongside other legacy, national charity events. More information is available on the Hain Daniels website, at Supporting Our Communities.

Other select examples include:

- Since 2012, **Tilda®** has partnered with the **World Food Programme** to help combat low birth weight and give kids the best start in life. Through the '**Mums Helping Mums**' campaign, Tilda® has so far donated over 4 million nourishing meals to the World Food Programme, helping thousands of mothers to give their unborn and young children the best start in life. For every specially marked pack of Tilda® Pure Basmati Dry and pouch of Tilda® Steamed Basmati sold, Tilda® has donated at least one nutrition-boosting meal to new and expectant moms in Bangladesh.
- **Bearitos®** supports **World Wildlife Fund (WWF)** and their conservation efforts to protect species, like bears, and their habitats. Bearitos has donated \$50,000 to WWF each year since 2013.

#### Feed the Children Donations 2014 – 2018; 1.2 lbs. = 1 meal

FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
9 Donations 79,225 Pounds	11 Donations 260,272 Pounds	12 Donations 258,375 Pounds	15 Donations 262,047 Pounds	10 Donations 146,341 Pounds







Through the 'Mums Helping Mums' campaign, Tilda® has so far donated over 4 million nourishing meals to the World Food Programme, helping thousands of mothers to give their unborn and young children the best start in life.



- **Terra®** has partnered with **Seed Savers Exchange** since 2012, to preserve and distribute heirloom varieties of fruits and vegetables, and save garden and food diversity for future generations.
- **MaraNatha®** has supported the **Xerces Society** for Invertebrate Conservation since 2013. The Xerces Society's pollinator habitat restoration efforts work to address the declining bee populations across the globe that threaten biodiversity and agricultural systems, such as almond crops.
- Hain Daniels partners with **FareShare**, the U.K.'s largest charity fighting hunger and food waste. FareShare redistributes fresh-in-date and good-to-eat surplus from the food industry, which would otherwise go to waste. In fiscal year 2018, more than 32,300 meals were donated.
- Hain Canada works to address hunger and healthy food choices in its communities, by providing resources to **FoodShare's** Kitchen and Cooking programs, supporting the **North York Harvest Food Bank** fall food drive, and through their partnership with Evergreen, through which they have supported youth-focused Healthy Choices workshops, and greenspace events in both Toronto and Vancouver.





Celestial Seasonings® partnered with HeadCount, a not-for-profit organization that encourages younger people to register to vote. Two new specialty teas, one for the Grateful Dead and one for Phish, were developed and handed out at concerts at the HeadCount booth.

- Tilda® supports the **FELIX project**, which collects surplus food from suppliers and delivers it to charities helping the homeless, as well as other disadvantaged adults and children, get access to high-quality food. The Felix Project provides nearly 3 million meals per year, working with around 200 charities, and 200 suppliers.
- **Alba Botanica®** brand's **Do Good Do Beautiful** Grant Program awarded two female-led nonprofits \$15,000 to create, expand, or sustain a project in their organization.
- **Celestial Seasonings®** partnered with **HeadCount**, a not-for-profit organization that encourages younger people to register to vote. Two new specialty teas, one for the Grateful Dead and one for Phish, were developed and handed out at concerts at the HeadCount booth.
- Tilda Hain India extended a helping hand to one of the southern areas in India (Kerala) that was hit by unprecedented rains, dislocating thousands of people from their homes. Hain India supplied rice to a camp where there were approximately 50,000 people who had been forced out of their homes.

Over the last 25 years, Hain Celestial has offered authentic, high-quality, and mission-driven brands that increasingly resonate with today's global consumer. As we look back on our history, we have much of which we can be proud. This report highlights many of those achievements, but there is more we can do. We have a significant opportunity to fulfill our purpose as we further build consumer awareness and access to our better-for-you brands. With our business transformation and new leadership in place, we see significant opportunities ahead and remain committed to making progress and being a sustainability leader. As consumers increasingly choose their purchases based on health and well-being and environmental sustainability, we believe our ability to operate our businesses with a greater sense of purpose will continue to differentiate us and help make *A Healthier Way of Life™* accessible for everyone, for good.





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