A traditional beehive in Tanzania, used by our community partners who supply some of our beeswax.
“I am less interested in the inside of the things I own than the outside of what they sit on.”

— BURT SHAVITZ, 1935-2015
Navigating a Path to the Greater Good

DOING AS THE BEES DO

To navigate, honeybees use a cognitive map—a mental representation of their physical environment—of landmarks to guide their route. When researchers relocated bees, they found that they can still use their internal maps to find food sources they had previously visited—even when those food sources were not visible from their new location.

In other words, bees can still find their way amid changing circumstances, and they use landmarks and guideposts to do so.

Since we set our 2020 Sustainability Goals in 2012, these goals have served as our own form of cognitive map, allowing us to navigate a changing world. Our supply chain, our facilities and our product line have all evolved. The markets we serve have expanded. And society has changed too, with a greater recognition of our need to protect the natural world.

The goals we set in 2012 have helped us to understand our landscape and plot our course for a continuous march forward.

This update serves as a check-in on our progress across our eleven goal areas. As you view our 2020 goals, you’ll see a dial indicating our progress so far. Because progress is not always linear, we are presenting this status on a spectrum, from red (off track) to green (on track).

We look forward to hearing your feedback. You can write to us at CSR@burtsbees.com.
OUR GOAL: Maintain at least 99% natural formulations across our entire product portfolio.

THE FLIGHT PATH: We have continued to maintain a 99% average of natural ingredients across our entire product portfolio. For each of our products, the safety, efficacy and aesthetics of the formula are paramount. For example, in some of our water-containing formulas that require more rigorous preservation systems, we have not yet found a means to eliminate synthetic preservatives without compromising the safety and integrity of our products. Our research into alternatives continues.

“Natural is important because we want to ensure we are feeding skin the nutrients it needs to thrive. This is why we are so serious about using the highest percent natural possible. We’re committed to maintaining an average of 99% natural across our portfolio as we grow and innovate with an aspiration to achieve 100% natural for all of our products. But with any ambitious journey, the last mile is often the hardest.”

CELESTE LUTRARIO
Director, Research & Development

GLOBAL SUPPLIER COMMUNITY INVESTMENT

OUR GOAL: Identify and begin investing in at least 10 Global Supplier communities.

THE FLIGHT PATH: This goal was established to support the communities from which we source the natural ingredients found in our products, just as we give back to the local community where our business is headquartered (see page 5). We have been busy laying the groundwork for Global Supplier Community Investments. We have identified potential non-governmental organization (NGO) partners to help us work with our supplier communities and identify projects, and we plan to have two communities selected in FY17. We are on track to meet our 2020 goal.

“Driving trust, traceability and transparency is essential to establishing long-term partnerships with suppliers and to ensuring that our products reflect our commitment to responsible sourcing. Our producer partners are an extension of our company, so we created the Global Supplier Community Investment program to connect with community development initiatives in the regions from where we source our ingredients.”

SHANNON HESS,
Associate Director, Responsible Sourcing
PHILANTHROPIC GIVING

OUR GOAL: Increase investment in The Burt’s Bees Greater Good Foundation to $1 million with at least 10 percent funding going to projects in Global Supplier Communities.

THE FLIGHT PATH: Our 2020 philanthropic giving goal was originally based on a percentage of online sales from BurtsBees.com, but as anyone who shops online knows, the online marketplace has changed significantly since 2012. With major online retailers taking a much greater market share, many companies’ online stores are seeing decreased revenue—a fact that is also true of Burt’s Bees. As a result, we will be adjusting our goal so it is no longer solely tied to our BurtsBees.com sales, while also amending our giving goal to $500,000 per year by 2020. In FY16, we gave $250,000 to more than 50 nonprofit organizations.

As detailed in our previous Sustainability Report, we have also revisited how we spend our money, with a greater focus on more targeted, strategic investments in the areas where we can have the most impact, namely the intersection of human and honeybee health. This approach has extended beyond Foundation giving, as we have used our platform as a recognized brand to raise additional funds and awareness about the plight of pollinators.

By bringing together The Burt’s Bees Greater Good Foundation, the power of the Burt’s Bees brand, and our many nonprofit and business partners, we can have an even greater impact.

DISAPPEARING BEES

Our Bring Back the Bees campaign raised additional funds and awareness among our consumers and the broader public about the disappearing bees. We invited consumers to purchase our limited-edition lip balms and spread the word to their friends, and made donations to help support the bees based on these actions.

Thanks to this campaign, we were able to donate $270,000 to Rural Advancement Foundation International to plant more than 1 billion wildflower seeds alongside North Carolina farmland. This additional investment on top of our regular Foundation giving allowed us to support pollinator health and the critical ecosystem services of pollination that crops depend on.

“Philanthropic giving isn’t just about the amount you give, it’s about the impacts you set out to achieve. One of the things we’ve learned along the way is to focus our efforts on the areas where we can see results—and that our stakeholders care the most about. For us, that area is human and honeybee health.”

PAULA ALEXANDER
Director, Sustainable Business & Innovation
HELPING FARMS BE MORE POLLINATOR FRIENDLY

The standard for farming in the United States tends to be large, mono-cropped operations that rely on commercial beekeeping to provide pollination services, and spray pesticides to control insects that might harm the crops. These farms are veritable food deserts for bees due to the lack of other food sources, such as wildflowers, and pesticides can have unintended consequences, particularly if extra care is not taken to avoid harming beneficial insects.

From over-seeding organic dairy pastures with clover to planting annual and perennial flowering “bee buffers,” through our community outreach we hope to create permanent changes in our agricultural landscape that have a ripple effect, promoting a more harmonious relationship with honeybees and other pollinators.

COMMUNITY OUTREACH

OUR GOAL: Register 10,000 honeybee forage sites and 10,000 acres through partnerships of The Burt’s Bees Greater Good Foundation by 2020.

THE FLIGHT PATH: While our original goal of helping to develop a registry of pollinator-friendly landscapes would have created awareness about the habitat necessary for protecting the bees, we have determined that we can have a more immediate impact by directly supporting more sustainable food systems.

Thus, we evolved our goal to focus on making 10,000 acres of agriculture more pollinator-friendly, a goal that we achieved at the end of FY16. Through our Bring Back the Bees campaign alone (see page 5), we supported 20 farms and over 6,000 acres of agricultural land by supplying wildflower seeds and technical assistance to promote bee-friendly land management practices.
SOURCING BEESWAX FROM BEEKEEPERS IN TANZANIA

Launched in 2012, our Community Sourced Beeswax program is one example of our Responsible Sourcing Roadmap at work. Through it, we partner with a community of beekeepers in Tanzania to supply us with beeswax. Mashaka Matembele is one of these beekeepers.

Visit YouTube to watch a video about Mashaka ➔
CARBON NEUTRALITY

OUR GOAL: 100% carbon neutral by 2020.

THE FLIGHT PATH: Burt’s Bees has already achieved carbon neutrality, four years ahead of our 2020 deadline, through a combination of internal efficiencies and the purchase of carbon credits (offsetting). In addition to offsetting emissions from our direct operations (Scope 1) and the energy we consume (Scope 2), we have also offset the indirect emissions across our value chain (Scope 3). In recognition of our efforts, we have been awarded CarbonNeutral® certification, in line with the requirements of The Carbon Neutral Protocol—the global standard for carbon neutral programs.

Sixty percent of our greenhouse gas emissions are offset by funding North Carolina landfill gas projects through NC Green Power, a nonprofit supporting the development of renewable energy across North Carolina. The other 40% are offset by supporting a fuel-efficient cookstoves project in Uganda, a country we source from, through Natural Capital Partners—a provider of solutions for positive environmental impact. Through this project, we are helping to deliver health and well-being improvements, financial security, and female empowerment to households in need.

SUPPORTING SOLAR. FEEDING BEES.

In addition to our carbon offset efforts, Burt’s Bees is also investing in off-site renewable energy generation via Double Time Capital. As a result of our investments, enough solar power will be installed in North Carolina to power 115 homes for more than 25 years.

Because clean energy and conservation are a natural fit, we have partnered with Double Time Capital to encourage wildflower plantings (instead of the standard grass) at solar farms. Some pollinator-friendly flowers can reduce maintenance costs and prevent the additional greenhouse gas emissions associated with mowing.
**ENERGY USE**

**OUR GOAL:** Reduce energy usage by 10% over 2011.

**THE FLIGHT PATH:** In FY16, our energy per mass unit of production was 9.5% above our 2011 baseline, rather than our goal of 10% below. One of the key drivers was the addition of a third shift at our manufacturing plant, as well as operating the plant on additional days in order to keep up with orders. While our energy intensity calculation does account for increases in production volume, it does not account for the fact that our product mix is smaller by mass than in prior years, nor does it offset the additional energy use from heating, air conditioning and lighting that occurs when building operating hours are extended. Our numbers have also been impacted by our decision to include energy consumption at a third-party owned distribution center as part of our in-house numbers.

We continue to seek energy savings where possible, including through lighting and energy audits and retrofits at both our office and manufacturing facilities. We achieved a 3% decrease in our energy consumption in FY16 vs. the prior year, and are targeting the same again in FY17 to put us back on track to achieve our 2020 goal.

**WASTE**

**OUR GOAL:** Limit waste-to-energy (WTE) to less than 10% of total byproduct.

**THE FLIGHT PATH:** Burt’s Bees already sends no waste to landfill (for six years running), but we’re not done yet. We are now working on reducing the amount of waste that goes to WTE processing. WTE is an end-of-life solution that is superior to landfill, but still inferior to reducing material byproducts, in addition to recycling and composting. Although our WTE output ticked up from 18% to 21% in FY16 (of total byproduct, which means we recycled or composted the remaining 79%), we have a plan in place to hit our 2020 goal in FY17.

We have entered into an agreement with Life Experiences, a nonprofit organization that provides adults with varying disabilities employment opportunities. Life Experiences employees are taking our expired and off-spec products and manually separating the lotions and balms from the packaging so that we can compost and recycle the materials.
Burt’s Bees’ purchase of Water Restoration Certificates helps to fund tree planting and other restoration work around the Middle Deschutes Watershed region in Oregon.

**WATER**

**OUR GOAL:** Reduce water usage by 10% over 2011.

**THE FLIGHT PATH:** Our water reduction efforts are well off-schedule. In FY16, we used 30% more water per mass unit of production than our 2011 baseline. This was due to a mix of operational, strategic and permitting factors. An operational shift to more batch production has required more cleaning and sanitation at our facilities. This has been compounded by the fact that our product mix has changed, with some of the new products launched in 2011 requiring more water to clean our kettles. Finally, when we established our water reduction goals, our manufacturing plant had a water reclamation and reuse system. Unfortunately, permitting issues led us to abandon this approach.

Even though we are off track with this goal, we believe in taking responsibility for our environmental footprint. For this reason, while we continue to seek out opportunities to improve our water efficiency, we have committed to purchasing Water Restoration Certificates equivalent to our annual water consumption through the Bonneville Environmental Foundation, generating revenue to restore watersheds in the western United States.

“Sometimes despite having a goal, the support of leadership, and a dedicated team, you can get stuck. Without a clear path to our water reduction goal, we decided to purchase Water Restoration Certificates. While we continue to pursue avenues to meet our water goal in the future, we have decided to take the positive steps available to us in the present.”

**MATT KOPAC**
Manager, Sustainable Business & Innovation
WHY INCLUDE CONTRACT MANUFACTURING?

Although most of our products are made in our plant in Durham, North Carolina, a subset of Burt’s Bees products are manufactured in other U.S.-based facilities by other parties.

At Burt’s Bees, we believe that if our name is on the label—even if it is manufactured by a partner—it should be held to the same high standard of sustainability as everything we make in-house. Although we always direct the formula and the packaging, we are also working with our contract manufacturer partners to ensure that their raw material sourcing and environmental facilities practices reflect our standards.

OUR GOAL: Integrate contract manufacturing into sourcing and operational footprint goals and metrics.

THE FLIGHT PATH: During FY16, we collected operational footprint and expanded raw material data from contract manufacturers, which we will be integrating into our sustainability data management system in FY17. We expect to have contract manufacturing data fully integrated alongside our in-house data by FY18.
PACKAGING

OUR GOAL: Increase recycled content of primary container packaging by 40%, increase recyclability by 20%, and reduce total packaging materials by 10%.

THE FLIGHT PATH: We continue to increase the recycled content of our packaging, achieving an average of 34% by the end of FY16. This marks a 28% increase over our baseline of 2011 and is more than double an industry benchmark*. We continue to strive toward our goal to increase Post-Consumer Recycled (PCR) content by 40%, and we believe we can get there by increasing PCR in new product launches and making improvements to existing packaging.

Currently, the percentage of total weight of our primary packaging that’s made with recyclable materials stands at 89%. The packaging types that are most challenging for us include the mixed-material flexible tubes in some of our face and body lines and film wraps for our towelettes line. However, we are in the process of converting all mixed-material tubes to high-density polyethylene (HDPE), and exploring outlets for our towelettes packaging.

During the past year, we have also been updating our sustainability data management system to include packaging weight data in order to ensure more accurate measurement. This has enabled us to shift from tracking packaging materials based on number of units to tracking based on the weight of each package. We believe this gives a much more accurate picture of actual impact.

* See Walmart 2016 Global Responsibility Report, p.76

DESIGNING FOR RECYCLABILITY

Because mixed material packaging is typically not recyclable, our packaging design team developed an entirely new, premium-feeling, purpose-driven lipstick package with no added weight. Not only did this result in a single material package that can be recycled, the lightweight package also results in a lower greenhouse gas footprint.

“It was a challenge to develop a package that embodies our values in a category—color cosmetics—where recyclability and recycled content are traditionally not valued. We had to challenge industry norms in order to arrive at a package that is made from recyclable material and contains 60% post-consumer recycled content. We had to ask ourselves ‘What if?’ and totally rethink how lipstick packaging is made.”

JENNIE MACALUSO
Senior Scientist, Research & Development