



**ALTER ECO®**

**2015 | FULL CIRCLE SUSTAINABILITY**

# **IMPACT REPORT**



# DEAR FRIENDS,

First and foremost, we want to thank you all for your ongoing support this year. We wouldn't be where we are today without your commitment to healthy, sustainable and socially responsible foods and businesses.

This past year was a big one for us and we're excited to share our 2015 Full Circle Sustainability Impact Report. More and more farmers are joining our fair trade and organic cooperative partners around the world, providing high-quality ingredients for Alter Eco products. Our sales grew to over \$20 million this year thanks to the ever-increasing popularity of our dark chocolate bars and royal heirloom quinoa. As our product sales grew, so did our positive environmental impact. True to our commitment as a GHG Protocol Scope 3 Carbon Neutral business, we'll continue to plant trees in the Amazon this year to offset our full carbon footprint.

One of our biggest accomplishments was the launch of our new Gone4Good™ quinoa pouch made of plant-based compostable materials. This pouch took us 5 years to create. As the saying goes, "If at first you don't succeed, try, try again." Our biggest struggle was finding a structure that contained no GMOs, with compostable inks and glues, which would decompose within 6 to 9 months and was strong enough to live on shelf for two years, preserving the integrity of our foods like a plastic pouch would. With the help of many dedicated partners, we found the winning structure and launched our new pouch in January 2016.

But the achievement we're most proud of, this year and every year, is the family we've created. Together with our farmers, employees, investors and customers, we're taking an adventure through food, and creating a vision of the future that's fair, prosperous, healthy and mouth-watering. Thank you!

*Mathieu Senard & Edouard Rollet*

Co-founders and co-CEOs

**"BE THE CHANGE YOU WANT TO SEE IN THE WORLD"**

- Mahatma Gandhi



## FAIR TRADE

Alter Eco sources 100% of its products from small-scale, farmer-owned cooperatives. As proud partners of Fair Trade USA, IMO/Fair For Life and FLO, all of our products are Fair Trade Certified. This means the producers have been paid a fair price that ensures sustainable production and living conditions, along with a premium to support the advancement of the cooperatives and their communities.



## ORGANIC & NON-GMO

We are directly involved with every component of our supply chain, so you know exactly where your food comes from. All of our products are Organic Certified and Non-GMO Project Verified with 100% traceable ingredients. Our products are whole, healthy and minimally processed to preserve the natural nutrition of each ingredient.



**ALTER ECO**

## FULL CIRCLE SUSTAINABILITY



## CARBON NEUTRAL

Our environmental standard is to be a carbon negative business, offsetting more than we emit. By planting trees with our cacao producers in Peru, we naturally sequester 100% of our carbon emissions while regenerating soils, supporting biodiversity and preserving the ecosystems that provide their livelihood.

## PACKAGING

How could we call ourselves a fully sustainable company if we continue packing our products in petroleum-based plastic? To accompany our chocolate truffle wrappers launched in 2013, we're proud to announce the launch of our new, stand-up quinoa pouch, made from compostable materials. These revolutionary pouches are made from sustainably harvested birch, eucalyptus and Non-GMO corn and are printed with non-toxic ink.

**GONE 4 GOOD**



**PROUD MEMBER OF**



### B CORPORATION

We have been a certified B Corp since 2009 and became one of the first Public Benefit Corporations in the state of Delaware in 2013. We're proud to announce that after our most recent assessment, our B Corp score climbed to 150 points. We've also been recognized as a Best for the World company three years in a row, for creating the most positive overall social and environmental impact.

### 1% FOR THE PLANET

We also became a proud partner of 1% for the Planet in 2015, for giving 1% of our sales to non-profits aimed at protecting the environment. In fact, we contributed 2.4% of our 2015 sales to non-profits. We truly believe that business is responsible for positive change and that we can leave this big blue planet better than we found it!



# GOODNESS ALL AROUND

- ✓ SINGLE ORIGIN, HIGHEST QUALITY CACAO BEANS
- ✓ FAIR TRADE CERTIFIED
- ✓ ALWAYS SOY FREE
- ✓ MADE WITH COCONUT OIL
- ✓ WRAPPERS MADE OF COMPOSTABLE MATERIALS
- ✓ NO ARTIFICIAL FLAVORS OR PRESERVATIVES

## WHY COCONUT OIL IN OUR TRUFFLES?

Did you know that an area the size of 300 football fields of rainforest is cleared every hour to create more space for palm oil production\*? Fair Trade and Organic coconut oil has become a sustainable alternative to palm oil. Coconut trees can grow in almost any soil, even in sandy coastal soils, and can bear fruit for more than sixty years, allowing farming families to sustain their crop through 3 generations.

\*Data from One Green Planet, 10 Facts you Need to Know about Palm Oil, 2014

## FAIR TRADE



### COCONUT FARMING COOPERATIVE

#### FAIR TRADE ALLIANCE KERALA:

We source the coconut oil for our truffles from Fair Trade Alliance Kerala (FTAK) in the province of Kerala, India. Established in 2005, FTAK evolved as a response to an agricultural crisis that gripped the region where producers were not even getting paid the cost of production for their crop. This led to a collaborative action with producers, distributors and consumers to create a more just system.

FTAK farmers now grow a host of tropical products such as cashews, coffee, pepper, nutmeg and vanilla on their small plots. This crop diversity helps preserve local biodiversity and safeguards the food security of the farming communities.

#### FTAK MISSION:

- ✓ Ensure that small-scale farming is a sustainable occupation
- ✓ Uphold Fair Trade principles to ensure farmers are given a fair price
- ✓ Promote sustainable farming to protect and nurture the land and workers
- ✓ Preserve traditional farming methods and protection of wildlife

### FAIR TRADE SOURCING FOR TRUFFLES



### ALTER ECO'S 2015 FAIR TRADE IMPACT

- \$ **\$1,200,000** ADDITIONAL REVENUE\*
- FOR **25,323** CONTRACTED PRODUCERS
- IN **10** PARTNER COOPERATIVES

\*Alter Eco's fair trade price compared to 2015\* market price found on [indexmundi.com](http://indexmundi.com)



### FAIR TRADE PREMIUM

\$ **\$126,133**  
2015 FAIR TRADE PREMIUM

A sum of money paid to the cooperative on top of the Fair Trade price, for investment in social, environmental and economic projects, decided upon by producers within the organization. Since 2009, Alter Eco has paid \$1.2 million in Fair Trade Premiums to our cooperative partners around the world.



# I'M HUNGRY FOR RICE

- ✓ ORGANIC
- ✓ 100% FAIR TRADE
- ✓ TRADITIONAL HEIRLOOM VARIETIES
- ✓ HAND-CULTIVATED
- ✓ DIRECT RELATIONSHIPS WITH RICE FARMERS SINCE 2005

## THAI HEIRLOOM RICE

Rice is so central to the diet in Thailand that the literal translation of "I'm hungry" is "I'm hungry for rice." This crop has been cultivated in the country's tropical terrain for centuries, in nearly limitless varieties, like the fragrant Hom Mali Jasmine and the bold beauty of Khao Deng Ruby. But our farmers would agree that we're not only hungry for delicious rice, we're also passionate about healthy, organic and Non-GMO foods for our family.

## ORGANIC & NON-GMO





### PAKPHUM INPAEN

Before Pakphum joined Rice Fund Surin (RFSOAC) 20 years ago, he used chemical pesticides and fertilizers to cultivate his rice. He soon began to feel sick from exposure to these chemicals and worried for his health and the health of those eating his rice. It was then that he decided to transition to organic agriculture and he's never looked back since. He discovered that not only his health improved, but he also became happier and felt freer because he was no longer dependent on chemical and seed companies for his crop every year. He receives more money for his organic rice and lives completely debt free. Pakphum is now a leader at the cooperative. Many farmers look to him to learn organic farming methods including crop rotation and SRI cultivation strategies.

### SRI RICE GROWING METHOD (SYSTEM OF RICE INTENSIFICATION)

Many RFSOAC farmers are transitioning to SRI rice cultivation. This enables them to increase their yields while using 80-90% less seed, 50% less water, and no chemical inputs. Instead of throwing seeds onto the field, farmers plant seeds by hand, one seed every 25 cm\*.

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**REQUIRES 80-90% LESS SEED**
  - ✓ reduces plant density
  - ✓ creates a higher yield
  - ✓ improves soil conditions through enrichment with organic matter
- 
**AND 50% LESS WATER**
  - ✓ reduces & controls water application
  - ✓ reduces carbon emissions from standing water

\*Data from SRI International Network and Resources Center, Cornell University



### ALTER ECO'S COMMITMENT TO ORGANICS & NON-GMO



**1,700,000 LBS**

ORGANIC AND NON-GMO INGREDIENTS SOURCED FROM FARMING PARTNERS IN 2015

Alter Eco has never produced foods with the use of synthetic pesticides or emulsifiers and has always had a zero tolerance GMO policy since the day of inception. Our Organic certifications and Non-GMO verifications are due to the high-quality production and farming techniques used in our cooperatives. We are committed to using only clean, wholesome, traditional and delicious ingredients for all our products.



- 2005 TO TODAY** 100% of our products have Organic Certification
- 2012** Became Non-GMO Project Verified
- 2014** Sponsored the Oregon Right to Know campaign
- 2015** Sponsored the Just Label It Campaign to defeat the Dark Act



# NOT YOUR AVERAGE ORGANIC CHOCOLATE

- ✓ CRAFTED BY SWISS CHOCOLATIER
- ✓ SINGLE-ORIGIN HIGHEST QUALITY CACAO BEANS
- ✓ ALWAYS SOY-FREE
- ✓ MINIMAL INGREDIENTS
- ✓ SUPPORTS 19,000 FARMERS & 6 COOPERATIVES
- ✓ HELPS RESTORE THE RAINFOREST

## DARK DELICACIES OF PERU AND ECUADOR

Our rich and fruity cacao hails from two distinct terroirs; the Manabi region of the Ecuadorian coast and the San Martin region of the Peruvian Amazon. Both are known for cacao with the best aromas and highest quality.

In Peru, this quality can be attributed to the lush forest canopies shading the cacao trees, provided for by native trees planted in partnership with Alter Eco and ACOPAGRO.

## CARBON NEUTRAL



### INSETTING: PLANTING TREES WITHIN OUR OWN SUPPLY CHAIN

- ✓ increases biodiversity
- ✓ enriches and restores soils
- ✓ protects wildlife
- ✓ promotes good climate conditions
- ✓ diversifies farmer income
- ✓ provides beneficial shade to cacao

Every year, to offset our carbon emissions, we work with PUR Projet and our cacao producing partners at ACOPAGRO to reforest the San Martín region of Peru. This area suffered severe deforestation in the 1980s as it became a red zone for coca production. Alter Eco farmers, now cultivating high-quality cacao, strategically plant native and high-value trees within their cacao fields, to naturally sequester carbon and maintain the rainy microclimate so necessary for successful cacao cultivation.

  
**2,592 TONS**  
OF CO2 GENERATED IN 2015

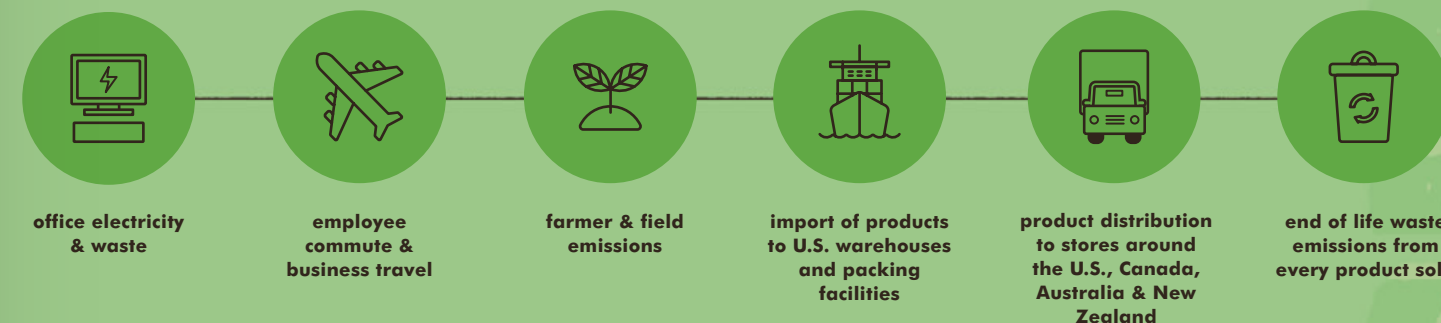
  
**7,776**  
TREES TO BE PLANTED IN 2016

  
**28,639**  
TREES PLANTED SINCE 2008



### OUR CARBON FOOTPRINT: WE CAPTURE IT ALL

Our environmental standard is to be a carbon negative business, insetting more than we emit. Since 2008, we have been compensating our full carbon footprint, which includes GHG Protocol Scopes 1, 2 and 3 from our complete product line:



# TASTE THE DIFFERENCE

- ✓ FLUFFIER, NUTTIER, LESS BITTER
- ✓ FROM THE BOLIVIAN ALTIPLANO
- ✓ FAIR TRADE CERTIFIED
- ✓ HARVESTED BY HAND
- ✓ NO PESTICIDES
- ✓ SMALL-SCALE FARMS

## ROYAL HEIRLOOM QUINOA

There's only one Royal Heirloom quinoa, and it's grown on Bolivia's arid, volcanic Salar De Uyuni salt flat where it has been cultivated for 4,000 years. Revered by ancient Incas as "chisaya mama" or "mother grain," this nutritious seed is a complete protein, containing all 9 essential amino acids. Small-scale farmers never use pesticides or chemical fertilizers, and follow age-old cultivation methods by raising llamas to organically fertilize their quinoa fields.

Our quinoa is sustainably farmed so it deserves the most sustainable packaging possible.



## SUSTAINABLE PACKAGING



"WE BELIEVE THE IMPACT OF OUR PACKAGING IS JUST AS IMPORTANT AS THE PRODUCT ITSELF. HOW COULD WE CALL OURSELVES A RESPONSIBLE, SUSTAINABLE COMPANY WHEN MUCH OF OUR PACKAGING WAS GOING TO LANDFILLS TO LIVE FOR HUNDREDS OF YEARS?"

- Mathieu Senard, Co-founder and co-CEO

### NEW GONE4GOOD™ QUINOA POUCH LAUNCHED IN JANUARY 2016



- made from compostable materials
- GMO free
- birch, eucalyptus, Non-GMO corn
- non-toxic ink

### WHY WE DON'T WANT PLASTIC POUCHES:

1,000,000 BAGS OF ALTER ECO QUINOA TO BE SOLD IN 2016

=

1,000,000 PLASTIC POUCHES WE CAN DIVERT FROM THE LANDFILL

- ✓ Flexible plastic pouches are not recyclable
- ✓ 17B pouches were sold in the U.S. in 2013
- ✓ 32.6M tons of plastic have been taken to landfills in the U.S. since 2012

\*2013 study from PCI Films Consulting reviewing trends and developments in the US market for Stand-up pouches  
 \*Municipal Solid Waste Generation, Recycling and Disposal in the United States: Tables and Figures for 2012

### CREATING SUSTAINABLE PACKAGING:

- DEC 2010**  
Assess the impact of our quinoa, rice & sugar plastic pouches.  
1 Year = 1.8 miles of plastic.
- JAN 2011**  
Begin search for compostable pouch materials.
- FEB 2012**  
Relaunch chocolate bars in FSC certified box and non-toxic ink.
- OCT 2012**  
Test a non-petroleum based pouch structure. Unsuccessful.
- MAR 2013**  
First test with a Non-GMO sealant layer.
- OCT 2013**  
Launch truffles in wrappers made of plant-based, Non-GMO compostable materials.
- FEB-JUNE 2014**  
Multiple test runs of new pouch layers of various thicknesses. Unsuccessful due to weak side seals.
- FALL 2014**  
The final pouch!...so we thought. Begin production for 2015 launch but pull back due to unexpected structural problem.
- FALL 2015**  
Find the winning compostable structure!
- JAN 2016**  
Launch our Gone4Good™ pouch made of compostable materials.
- 2018**  
Plan to transition full rice line to Gone4Good™ pouch.

\*Thanks to our partners Elk Designs, Associated Labels, Innovia, Novamont and BioBag for helping us make this happen.

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**FOOD IS  
FUNDAMENTAL  
TO LIFE AND  
WHOLE  
HEALTHY  
DELICIOUS  
FOOD  
CAN MAKE  
LIFE BETTER FOR  
PEOPLE ALL OVER  
THE WORLD**

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*Feed Your Eco*

AlterEcoFoods.com

**ALTER ECO**



@AlterEcoSF

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Two clusters of bright green, leafy plants, possibly basil, are positioned in the bottom left and bottom right corners of the image, partially overlapping the dark background.