





our purpose

TO reconnect people

TO THE WISDOM, POWER AND BEAUTY OF

nature

nature IS A REMEDY

This was a year of astonishing challenges. In the midst of the Covid-19 pandemic, the world felt a shared vulnerability. Amidst pleas for racial justice, our shared humanity carried us forward. Through it all, we reckoned with just how much change the future must hold.

Many of us rediscovered the healing benefits of nature by spending more time outside and by bringing more of the outdoors into our homes. We've been reminded that people are a part of the natural world, not apart from it. Our hope is that this reconnection, which is at the heart of our brand purpose, will serve to strengthen our connection to each other and to our conservation ethic. We are eager to change for the better.

At the very core of Burt's Bees' beliefs is this simple truth: Because we take from nature, we must work to preserve and protect it. We choose the best and most powerful ingredients from nature to formulate our products, so it's incumbent upon us to find ways to give back and preserve nature's incredible diversity, vitality and beauty.

We have not only the opportunity but the responsibility to share an unwavering message of conservation with the world. We can reinforce the fact that nature is a remedy through every phase of our work, from the supply chain to product formulation to packaging choices to community partnerships. The more we focus on reconnecting people with nature through our products, the more we can strengthen the ethic of conservation within our global community.

That focus has allowed us to achieve many of the goals we set for ourselves over the last few years we've made all of our packaging recyclable, hit nearly 100% natural origin average across our product portfolio, helped to uplift more than 14,000 women in Shea-producing communities, and so much more.

As we reflect on our past achievements in this report, we feel a sense of pride knowing that we've turned what were once lofty goals into everyday practices. As we look forward to our 2025 goals, we're turning that pride into action to build the resilient communities and full-circle future we imagine.

Matt Gregory General Manager, Burt's Bees



conscious skin care FROM START TO FINISH

We center our work around the wellbeing of people and the natural world—because when we're more connected, we thrive. Many of our 2020 sustainability goals have become part of our everyday practices—this is how we live our purpose and make products that work well and do well.



FROM NATURE

We strive for 100% natural origin formulas, and all of our products are over 95% natural origin. We formulate without phthalates, parabens, petrolatum and sodium lauryl sulfate (SLS).



We do not test our products on animals or ask anyone else to do so on our behalf.



SOURCING

We invest globally in communities that support our supply chain, helping to safeguard access to clean water, support the empowerment of women and children, and promote health, safety and biodiversity.



PACKAGING

Our packaging is recyclable curbside or through TerraCycle®. We avoid over-packaging, use high levels of post-consumer recycled materials, and choose plastics that are more easily recycled.



We've kept all of our operational waste out of landfills since 2010, diverting everything to compost bins, recycling centers or waste-to-energy facilities.



CARBONNEUTRAL® CERTIFIED

Since 2015, we've invested in projects that reduce carbon pollution in the atmosphere to offset the carbon emissions from our facilities, transportation of our raw materials and finished products, and employee travel.

2020 impact

Our proudest accomplishments from 2012 to 2020, by the numbers.

22 MILLION HOUSEHOLDS

use Burt's Bees conscious skin care products

50% RECYCLED MATERIALS

on average used across our packaging

99.6%
NATURAL ORIGIN
AVERAGE

across our product portfolio

\$4.1 MILLION IN GRANTS

issued by the Burt's Bees Foundation to protect biodiversity and reconnect people to nature 100% OF PACKAGING RECYCLABLE

curbside or through TerraCycle®



\$1.5 MILLION+
IN GRANTS
AND PRODUCT DONATIONS

to frontline workers and vulnerable populations at the onset of Covid-19

9,506 EMPLOYEE VOLUNTEER HOURS

spent in service to our community during the workday as part of our Live the Greater Good program

5,000+
GLOBAL BEE SPECIES

researched as part of the Half Earth Project in partnership with E.O. Wilson Biodiversity Foundation

145,000 ACRES
OF POLLINATOR FORAGE

supported through our efforts to increase pollinator forage near farmland

15 BILLION
WILDFLOWER SEEDS
planted to support
pollinator forage and
American farmers

#1 BRAND
IN US TAKING ACTION FOR
PEOPLE AND BIODIVERSITY

In Union for Ethical BioTrade's Biodiversity Barometer Report in 2018 and 2020

115 SITES VISITED IN 25 COUNTRIES

since we began our Responsible Sourcing program in 2010

20,000+ LIVELIHOODS IMPACTED

through our Responsible Sourcing Assessments, thirdparty audits and Global Supply Chain Investment Program 45% OF OILS, WAXES AND BUTTERS

we purchase directly traced to origin and verified with on-site visits

GLOBAL SHEA ALLIANCE

and Responsible Mica Initiative

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thriving together WITH THE NATURAL WORLD

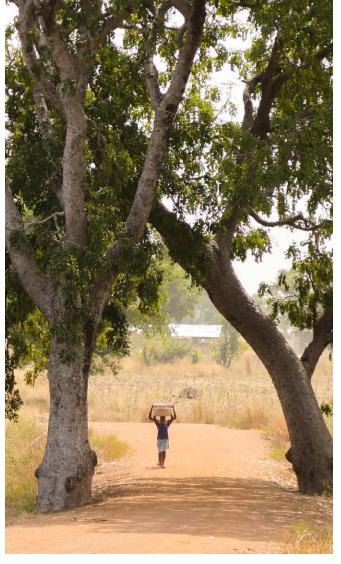
We envision a world where people are doing well by nature and for nature, without compromise.

As we considered the impact we want to have in the next five years, we chose to focus our energy on making fundamental shifts in systems that will enable a more connected and stable relationship between people and nature. When we realize the value of nature in our lives, we are emboldened to shift what we make and how we live as a part of the natural world, not apart from it.









2025 IMPACT VISION

To guide our actions and help us build a better world together.

FULL-CIRCLE FUTURE

Reduce waste and energy, and work toward a circular economy

NET ZERO PLASTIC TO NATURE

- 100% of packaging recyclable, reusable or compostable
- 50% reduction in virgin materials (plastic and fiber) by 2030 and 33% by 2025
- Invest in U.S. recycling infrastructure for an increase in recycling of plastic that's equal to our plastic footprint

A CLIMATE-FOCUSED FUTURE

- 100% renewable electricity through virtual power purchase agreements
- Offset remaining carbon emissions from our facilities, the transportation of our raw materials and finished products, and employee travel

RESILIENT COMMUNITIES

Uplift communities and improve sourcing practices

50,000 LIVELIHOODS SUPPORTED

- 20 Global Supply Chain Investment Program projects help safeguard access to clean water, support women's and children's empowerment, and promote health, safety and biodiversity
- Responsible Sourcing assessments & <u>third-party audits</u> help ensure the wellbeing of workers, upholding human rights, health & safety, labor standards and practices, business ethics and environmental protections

FULL-CIRCLE future

The circular economy operates like a healthy ecosystem—it's a constant exchange of resources and energy where nothing is wasted. We're working toward a cleaner future for our home planet by zeroing in on our packaging and energy impacts.

NET ZERO PLASTIC TO NATURE

To reach our goal of net zero plastic to nature, we're focusing first on changes we can make within our value chain—cutting our use of virgin packaging materials (plastic and fiber) by 33% by 2025 and 50% by 2030. We are also working toward 100% recyclable, reusable or compostable packaging by 2025. These initiatives were developed in alignment with the <u>Ellen MacArthur Foundation's New Plastics Economy Global Commitment</u>, which sets a vision of a circular economy for plastic.



To improve recycling rates outside of our value chain, we're joining forces with <u>The Recycling Partnership</u> to fund infrastructure improvements in U.S. municipal recycling systems.

In addition, we will invest in plastic waste collection and recycling credits that would lead to recovery and recycling of at least as much plastic as our own plastic footprint. Measurement and accounting methodology will align with the <u>Plastic Waste Reduction Standard</u>, which enables robust accounting, verification and reporting on the impact of projects that increase plastic waste collection and/or recycling.





We already use 50% recycled materials across our portfolio, avoid over-packaging, and limit mixed materials. Currently, all of our products are recyclable curbside or through <u>TerraCycle</u>*.









A PLASTICS PROBLEM



8M metric tons of plastic end up in the ocean each year. (That's roughly the weight of one billion elephants.)



We saw some of it firsthand at the <u>first-ever Ocean Plastics</u> <u>Leadership Summit</u>, held at the swirling oceanic trash vortex known as the North Atlantic Gyre. This experience and the relationships we formed helped inform our 2025 Full-Circle Future strategy for packaging.



We came together with <u>The Sustainability Consortium</u> and industry stakeholders to form a group that will study the limitations and opportunities of our recycling system to capture and process small plastic, metal and glass packaging. Currently, anything under 2"x 2" is believed not to be captured by recycling sorters.





CLEANER WAY TO CLEANSE

We're thrilled to introduce our partnership with Loop and launch our new Truly Glowing Gel Cleanser in a reusable glass bottle with waste-free delivery and return via LoopbyUlta.com. Reuse is one of the most effective ways to reduce waste and lower the climate impacts associated with packaging materials.



REFILLABLE BALM

The PopGrip Lips x Burt's Bees collaboration puts a refillable balm in the palm of your hand.



HYBRID TUBE

Made from plant-based bio resin (from upcycled potatoes!) and post-consumer recycled plastic it holds our new Rescue Balm!



ACTING FOR A climate-focused FUTURE

We believe businesses, governments and other organizations must come together and take action against the unprecedented global challenge of climate change.

Beginning in January 2021, we're powered by renewable electricity, in large part because of a 12-year, 70-megawatt virtual power purchase agreement (VPPA) between our parent company and Enel Green Power, helping to put solar on the grid in Texas.

FORWARD MOMENTUM

We have made climate action commitments and play an active role in industry networks to advance a climate-focused future.

WE ARE STILL IN

Signed the We Are Still In and America Is All In declarations and made specific Climate **Action Commitments**



Joined Ceres Business for Innovative Climate and Energy Policy (BICEP), a network of forward-thinking, missiondriven brands coming together to advocate on climate policy



Joined The Climate Collaborative to act together with other wellness brands to take bold climate action

CHANGE FOR NATURE

Small changes make a big impact. We launched the Change for Nature pledge to encourage people to change one small habit in their routines to help preserve nature's future—and our place in it.

NEARLY 18,000 **PEOPLE ACCEPTED** THE CHALLENGE!

BURT'S BEES DONATED

\$10 PER PLEDGE

to the National Geographic Society to help fund plastic waste reduction initiatives.







RE-WILD YOUR LIFE CARRY REUSABLES





CONSERVE WATER

CUT FOOD WASTE



EAT MORE PLANTS









resilient communities

We believe the natural world holds the solutions for our greatest wellbeing.

We use nearly 1000 ingredients from more than 100 countries around the world. We're investing in traceable, transparent and resilient supply chains to support the livelihoods of the people in the communities where we source our ingredients.

We've impacted over 20,000 livelihoods through a combination of Responsible Sourcing assessments, third-party audits and our Global Supply Chain Investment Program. Responsible Sourcing assessments and third-party audits help ensure the wellbeing of workers by upholding human rights, health and safety, labor standards and practices, business ethics and environmental protections.

Through our Global Supply Chain Investment Program, we work together with our ingredient sourcing communities, our suppliers, industry collaborations, donors and NGOs to develop projects that help safeguard access to clean water, support women's and children's empowerment, and promote health, safety and biodiversity. We've completed 10 projects across nine ingredient sourcing communities: Beeswax in Tanzania and Vietnam, Shea in Ghana and Burkina Faso, Carmine in Peru, Cupuaçu in Brazil, Palm Glycerin in Indonesia, Mica in India and Almond in the United States. We aim to double our projects and grow our impact as we look toward 2025.



We also improve practices in global supply chains on a larger scale beyond our own needs through our leadership in industry consortiums. We believe in the power of collective impact and mutual recognition to achieve more together than we can alone.

We are founding members of the <u>Global Shea Alliance</u> and <u>Responsible Mica Initiative</u>, and we actively participate with <u>Sedex</u> and <u>AIM-Progress</u>, where, as part of the leadership team, we help drive positive impacts through responsible sourcing.



SOURCE OF SHIMMER: Our Mica Vision

As founding members of the Responsible Mica Initiative (RMI), we attended the RMI meeting in India and visited mica sourcing communities in February 2020.

During this visit, we met with local government officials in Ranchi, Jharkhand, that led to the creation of the <u>Sustainable</u> Mica Policy and Framework Vision.

EXTRA CARE: Responsibly Sourced Waxes, Butters & Oils

Our 100% natural origin lip care and lip color products are packed with the most nourishing oils, waxes and butters from around the world.

We've made it a priority to connect with the communities who produce these ingredients and invest in supply chain improvements and community empowerment programs.

We've visited almost all of our wax (96%) and butter (97%) sources—and nearly half of all of our directly purchased wax, butter and oil sources globally.



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ELEVATED STANDARDS

Transparently Sourced CBD from Colorado

We introduced our <u>Full-Spectrum CBD Skin</u>

<u>Care</u> collection with CBD carefully extracted from hemp plants grown and harvested in Colorado by farmers following organic growing and harvesting practices.

Our partners' integrated supply chain ensures visibility and integrity from seed selection to extraction. Each batch of Burt's Bees CBD extract and our own CBD products come with a Certificate of Analysis from a third-party lab to verify their purity, consistency and THC levels, so it meets our strict internal standards.







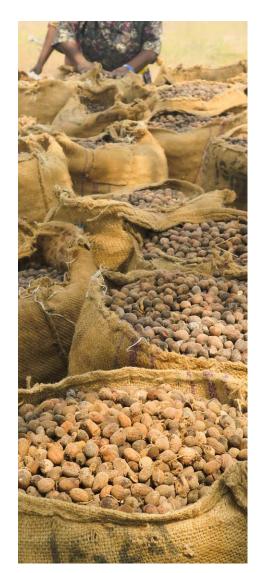


BOUNTY OF BEES

Community-Sourced Beeswax

Our products feature <u>beeswax</u> that's both wild-harvested from tree hives on Tanzanian game preserves and collected by backyard beekeepers in Vietnam.

In partnership with our beeswax supplier and local partners, we provide regionally appropriate personal protective equipment for our beekeepers as part of our Global Supply Chain Investment Program.







WOMEN'S GOLD Uplifting Women in Shea

In partnership with our Shea suppliers, the <u>Global Shea Alliance</u> and <u>USAID</u>, our Global Supply Chain Investment Program has supported several projects in West African Shea communities.

6,700 WOMEN trained to build fuel-efficient cook stoves that help improve safety conditions for their families and increase efficiency of daily cooking

8,850 WOMEN trained on quality Shea kernel processing

4,700 WOMEN

received cooperative development training

200 COOPERATIVES REGISTERED

1 WAREHOUSE CONSTRUCTED for Shea kernel and shea butter aggregation

1 PROCESSING CENTER CONSTRUCTED

for shea kernel roasting and Shea butter production



CARE WITH intention

Self Care, Standards and Transparency

We believe that beginning and ending each day with intentional care nourishes the self and the spirit. That's why we seek to provide accessible and effective natural skin care products as a kinder option for skin and planet—and more than 22 million households* use our products every day. So, we hold ourselves to higher standards and are working to elevate standards across our industry for quality and transparency.

ISO 16128 & Natural Origin

Even with the growth in the natural personal care category, we still lack global regulatory definitions for natural ingredients and products.

We helped advance the development of the first and only international consensus-based guidelines for natural and organic cosmetic products: International Organization for Standardization (ISO) 16128.

We believe ISO 16128 will help provide uniform criteria for the industry and we're applying it across our products to guide our calculation of natural origin percentage, which we have long made a point to include on the front our packaging.

*IRI Panel: 52wks ending 9-6-2020

BEYOND NATURAL ORIGIN

ISO 16128 does *not* require thresholds of natural content or prohibit certain ingredients. Our product standards will continue to exceed the criteria outlined by ISO 16128.

99.6% NATURAL ORIGIN

Non-natural ingredients are only used at low levels, primarily for product safety

We formulate without

PARABENS, PHTHALATES,

PETROLATUM AND SLS

WE USE
NATURAL FRAGRANCES
and offer many fragrance-free options



BETTER BEAUTY STANDARDS: Our No-Retouching Commitment

We believe we should show women as they are, in their most natural state, and choose not to retouch model imagery in any way that would alter their unique features. We embrace every freckle, pore and gap-toothed smile.

We May Touch Up
Minimal Lighting
Minimal Color
Temporary Blemishes
Background
Obstructions

Fly-Away Hair

But Never Change

Pores • Scars • Teeth Freckles • Wrinkles Product Color Payoff Eyelashes/Eyebrows Physical Features Skin Tone Integrity

re-wilding **OUR WORLD**





The mission of the Burt's Bees Foundation is to bring more of the goodness of nature into people's lives. We restore biodiversity, promote local resilience through green infrastructure, and connect people to the natural environments foundation that surround them in our home state of North Carolina.

GREENING NEIGHBORHOODS

For the past five years, we have been **Habitat for Humanity of Durham's** sustainable landscaping partner, ensuring that Habitat homeowners not only have access to safe and affordable homes, but also to abundant yards and tree-lined streets that connect them to nature.

GROWING NATIVE LANDSCAPES

Extra Terrestrial Projects works to connect city dwellers with sustainable futures, wildlands and environmental stewardship. We've given them a grant to help bring native plants to landscapes across Durham to beautify and to promote heat resilience (the ability of a locale to resist heat increase due to climate change).

SAVING OUR TREES

TreesDurham exists to foster a socially just, healthy and sustainable tree canopy. Our support ensures the environment has a seat at the table in planning and development decisions to support our tree canopy, green space, and urban temperatures.

TEACHING BIODIVERSITY

The team at **Keep Durham Beautiful** works to inspire and educate people to take daily action to improve and beautify their community environment. Our partnership helps transform public school landscapes and integrate biodiversity into the school curriculum.

STEWARDING THE LAND

The Eno River Association protects the nature, culture and history of the Eno River basin. Our support through community service and grants has helped ERA protect and steward the land, improve water quality and educate the next generation of environmental stewards.

GETTING OUTSIDE

Triangle Land Conservancy protects natural habitats, supports local farms and food, safeguards clean water and connects people with nature. Our grant in 2020 extended trail systems to make more land accessible for hikers and bikers as our region grows.

STRONGER together

2020 has been quite a difficult year, and we've been grateful to see how communities have come together to support each other during unprecedented challenges.

STANDING FOR JUSTICE & EQUALITY

We care deeply for the earth and its people. Yet, we are not whole when some lives aren't valued. In response to the renewed movement for social equality and justice, Burt's Bees stood in support of the Black community. We donated \$100,000 to Black-led organizations working for systemic change nationally and in our community of Durham, NC.

- NAACP Legal Defense Fund
 Communities in Partnership
- Village of Wisdom
- Spirithouse



Our responsibility to drive lasting change exists not only in our communities but within our own organization. We've been deeply engaged in the important work of confronting bias and creating an inclusive and diverse working environment where everyone can bring their best selves to work every day.

OUR WORK TOWARD PROGRESS

- Zero tolerance for racism policy
- Actively seek BIPOC talent and invest in advancement of Black leaders
- Focus recruitment efforts on regional Historically Black Colleges and Universities
- Ramp up education on confronting bias and inclusive leadership through partnerships with organizations like Racial Equity Institute (REI)
- Create forums for continued listening and learning, including through our employee resource groups

- Increase our Burt's Bees Foundation commitment to support BIPOC-led organizations and work with all grantees to bring an equity and justice lens to their work
- Sponsor and participate in the Diversity and Equity in Environmental Programs (DEEP) Collaborative, a fourpart online workshop series meant to help environmental organizations incorporate a focus on racial equity and environmental justice
- Amplify BIPOC voices and share inclusive perspectives through our content with continued focus on diverse representation among talent, content creators, and experts featured in our marketing programs

Our workplace diversity is reported as part of our parent company's Annual Report.

Burt's Bees is a division of The Clorox Company, and our efforts and workplace diversity are also incorporated in their 2020 Integrated Annual Report. As part of our company's continued commitment to transparency and progress in our inclusion and diversity journey, we are now sharing our current U.S. demographic representation data, or EEO-1 information, which is submitted annually to the U.S. Equal Employment Opportunity Commission*.

WORKFORCE DIVERSITY

	TOTAL	LEADERSHIP
Minority	36.2%	24.5%
Women	36.4%	36.2%
Black	14.3%	6.4%
Hispanic	12.4%	8.5%
Asian	7.6%	9.6%
Multiracial	0.4%	0%
Pacific Islander	0.3%	0%
Native American	1.3%	0%

DIVERSITY IN CORPORATE GOVERNANCE

33% 33% **MINORITY BOARD MEMBERS**

(vs. 14% Fortune 500 average)

MEMBERS (vs. 20% Fortune 500 average)

FEMALE BOARD

43% **FEMALE CLOROX EXECUTIVE** COMMITTEE **MEMBERS**

21% **MINORITY CLOROX EXECUTIVE COMMITTEE MEMBERS**

*Our breakdown of job categories and demographic information provided is in line with EEO-1 categories that are defined by the U.S. Equal Employment Opportunity Commission, Leadership data in the chart is equivalent to EEO-1 Executive/Sr Officials & Mars

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caring through covid-19

At the onset of the pandemic, we took action quickly to ensure the safety of our employees and our communities, without interruption of service to our consumers. Our main offices have been closed since early March, with work-from-home support and flexibility extended to all office teams. As we operate to get essential products to our communities, we recognize that our frontline teams making and shipping our products are the lifeblood of our company—see how we have their back.

We've supported frontline and vulnerable populations with more than \$1.5 million in grants and product donations.

We've committed 450,000 in-kind items, from soaps and lotions for area hospitals and food banks to ingredients and bottles for local distilleries making hand sanitizers. We established a partnership of corporate entities in Durham that raised \$1.4M, including our donation of \$100,000 to support rapid response needs in our local community.





We've sent nearly 10,000 units of the most-requested personal care products (hand cream, lip balm, etc.) to hospitals through Donate Beauty.

LISTEN: NATURE BREAK

<u>Research</u> shows that window views, images and sounds of nature can shift the body into a state of relaxation that can, in turn, boost immunity. We created <u>a Spotify playlist</u> to help people stay grounded inside.



NO ONE CAN DO

EVERYONE CAN DO

SOmething



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