



Be Green Packaging Sustainability Report 2011



Sustainability

This annual progress report relates to the goals and targets set forth in Be Green Packaging's original Sustainability Scorecard. The scorecard was the direct result of a single meeting that occurred between myself and the executives of one of the world's largest retailers in early 2009. After a lengthy discussion on the burgeoning 'green movement', I was asked how I would design and implement a sustainability scorecard. At that time, scorecards in the packaging industry (let alone those with a triple bottom line framework) were virtually non-existent—only a handful of companies in the multi-billion dollar industry had one. Never one to back down from a good challenge, I embarked on a journey to create Be Green Packaging's first sustainability scorecard with the help of our wonderful staff and a graduate student from UCSB's Bren School of Environmental Science and Management.

What you now hold in your hands is the product of years of research and effort that began with the first publishing of this document in 2009. After finalizing the 5 year goals in writing and setting annual targets, the Be Green team and I began the arduous task of ongoing data collection

In response to our findings, we began making many internal changes that have enhanced the company, improved our adherence to the triple bottom line philosophy (people, planet, and profits on equal footing), and strategically placed us as innovators in the green packaging industry.

This 'living' document is a direct reflection of the progress we have made over the course of the 2009-2010 fiscal year. I am happy to say that through diligent follow-up and hard work, we have improved our status in every single category across the board and, in many instances, exceeded our initial goals.

Our ultimate motivation for creating and releasing this scorecard is to provide a window of transparency into our operations. It is our sincere hope that this scorecard will serve as proof that it is indeed possible for a company to grow and thrive while continually innovating and developing within a truly sustainable framework.

Megan Havrda
Chairwoman, Eco-Advisory Board



ENVIRONMENTAL TARGETS

- 1 - Conduct solid waste audit at facility
- 2 - Reduce production based carbon emissions from 2008 baseline
- 3 - Remove PFOA (perfluorooctanoic acid) from products
- 4 - ID and test new shipping strategy via pilot program with selected customer to reduce amount of pulped paper cardboard shipping cartons by 10%
- 5 - Add one member to Eco Board with extensive environmental management systems experience
- 6 - Reduce water usage at facility by 10% from our 2008 baseline

SOCIAL TARGETS

- 1 - Hire fair labor consultant to audit facility
- 2 - Clearly communicate sustainability goals to staff and employees
- 3 - Implement at least two composting programs with our largest customers and two school districts
- 4 - Actively participate in initiatives driven by Organic Center and Whole Planet Foundation
- 5 - Create compost toolkit and complete internal & end-user training
- 6 - Join at least 3 social media networks and contribute weekly content

PROGRESS AS OF SEPTEMBER 2010

All scrap fibers currently being recycled; no waste audit needed at this time

30% of 2010 Emissions offset via Carbon Offsetting through Green Mountain Energy

Researched 3 potential solutions. Chosen solution being implemented in 2011

All cartons now made from 100% post-consumer recycled materials

Started list of candidates; Identified new member; Interviews scheduled for 2011

This target will be calculated for 2010 vs. 2011

PROGRESS AS OF SEPTEMBER 2010

List of 3rd party companies identified; Intertek chosen; Audit scheduled for 2011

All US staff trained through presentations, conference calls, and ongoing communications

Trained and supported Whole Foods Market in their Green Mission composting initiatives; Trained and supported a composting program with Bristol Farms in Santa Barbara

Attended Expo West VIP dinner for Organic Center (donated \$2500) committed \$10k to Whole Planet Foundation and became founding members of the Change for Change Fund (Whole Foods Market)

Internal staff and end-user training successfully completed

Joined four (facebook, twitter, 3BL, YouTube) Not contributing weekly

ECONOMIC TARGETS

- 1 - Track growth in sales during compost program rollout
- 2 - Calculate savings from water conservation, decrease in waste, and new shipping strategy (this target is being revised as of October 2011 to focus on achieving savings from water conservation and recycling)
- 3 - Increase sales through improved national recognition
- 4 - Save 50% on grease and moisture barrier by finding alternative
- 5 - Design business model so that company overhead (not including long-term debt) is less than 20% of gross profits

5 YEAR SCORECARD GOALS

Environmental - Achieve zero net carbon emissions in the production of our product

Social - To be the leader in CSR and fair labor in the sustainable and compostable packaging niche

Economic - Increase sales 30% annually

SEPTEMBER 2010

Sales more than doubled

Hired fulltime operations manager in Shanghai; Created systems for tracking operational costs and savings; To be integrated into factory accounting in 2012; Reporting on this goal to happen in 2012-2013

Doubled sales via multi-year contracts with Whole Foods Market, P&G and growing sales within current customer base

Identified solutions; no changes made to date

Due to rapid growth, goal has not been met

SEPTEMBER 2010

30% Offset of Carbon Footprint (this goal is being revised as of October 2011 to focus on total environmental impacts not just carbon emissions and will be published in the next report)

Triple bottom line mission and values; Supplier Code of Conduct, social responsibility standardst; Eco-social commitments; Scorecard development and launch; Eco-advisory board; CSR training; Compost toolkit; Social media partner for news distribution; Cradle to Cradle certification, ASTM 6868; Non-GMO certified; Certified gluten-free; Sustainable Packaging Coalition; Members of US Composting Council; Carbon off-setting through Green Mtn; Partners with Whole Planet Foundation; Contributors to local events and charities; GSAT/QAKE (stage1)

Sales doubled to date