

Annie's

2011

Sustainability Report



Goodness from the ground up.



Annie's

To Our Friends —

At Annie's, our mission is to cultivate a healthier, happier world by spreading goodness through nourishing foods, honest words and conduct that is considerate and forever kind to the planet.

Often, I reflect on the company that Annie's has become, and I can't help but wonder how it all might have gone differently were we not guided since our founding by a strong mission and a set of core values rooted in authentic deeds and actions. I'm sure we'd have done well in some respects, but instinctually I know we would not have been nearly as successful. Our mission and the core values upon which it rests have long been a road map for us, a check to make sure that we are indeed doing the right things, even and especially when no one is looking. Our commitment to operating with socially and environmentally responsible practices has always been an important part of the map we've been following to build our business.

When Annie Withey co-founded the company more than 20 years ago, she knew that she wanted to do something different than everyone else on the market. She believed — rightly so — that people wanted to eat real food without any artificial flavorings, colors or preservatives. So it began with yummy macaroni and cheese, and we've followed with a whole range of tasty snacks and other products that delight our fans.

However, Annie's has never been just about the product. The company was formed from the beginning to be different, to operate as a socially responsible business, caring about making the world a better place for our kids, doing our best to operate in an environmentally sustainable fashion. These things are important to us, not only because we believe they are the "right" thing to do, but also because they are good business! From the early days, we've used only natural and organic ingredients and prioritized packaging that can be recycled. In 2000, we began offering scholarships to students who dedicated their studies to sustainable agriculture. As our business has grown, so has our ability to incorporate additional sustainability initiatives, as you'll read about in this Sustainability Report.

From our increased usage of organic ingredients, to steps taken to reduce our carbon footprint, we continue to infuse sustainability into everything we do. We are not perfect. No company is. But we continually strive to improve. We know we have more to do in creating an ever more sustainable company. We are confident we're on the right path, learning from others and partnering with the best suppliers and organizations.

The report you are about to read reflects our continued growth as a company. In our earlier days, we measured success against our mission with simple things: how fast did we grow? Were we able to do so profitably? How many love letters did we receive from our loyal consumers? While these things are important, we believe we can do better and more. We are excited to share with you our 2011 Sustainability Report; this is a summary of our current efforts to fulfill our mission. We know reports can sometimes be dry and boring to read, so our goal in writing this document is to invite readers in to learn, engage and be inspired. This report may not be conventional, but then again, neither was our original mac and cheese. Thanks for joining us on our journey to cultivate goodness from the ground up.

Best,



John Foraker



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From our humble beginnings to today's retail presence in all kinds of stores across the country, Annie's has grown significantly in the past 20 years. As we've grown, we've never lost sight of our roots. From the very beginning, Annie's has challenged competitors, farmers and consumers to think differently about food, business and the environment. We believe that, as a business, our decisions impact not only our financial bottom line, but also the people and places along the way as our product travels from farm to fork. Additionally, we believe that we must look for ways to not only reduce our negative impacts, but also look for ways to positively

regenerate along the way. It is because of this philosophy that we focus on the areas that we do in Food, People and Planet when we talk about sustainability.

Sustainability for us isn't just a passing trend. It is core to who we are and why we do what we do. In the following pages, we want to share with you some of what we've accomplished and learned in the past year. We continue to be inspired by our socially conscious consumers, family farmers, suppliers and employees who have remained the guiding forces behind everything that we do.



Food

Annie's purchased 23.5 million pounds of organic ingredients in FY2011 — a 21% increase over last year.

Nourishing Organic



An Investment that Continues to Grow

Annie's has been using organic ingredients since the very beginning. Back in 1998, before organic became commonplace in supermarket aisles, Annie Withey made the first organic mac and cheese product and we've continued to introduce organic products ever since. As of the close of our 2011 fiscal year, we purchased 23.5 million pounds of organic ingredients, a 21% increase over FY2010.

As we introduce new products and optimize current ones, we always have organic top of mind. We continue to invest in organic with 71% of our products now made with organic ingredients.

Organic ingredients are more expensive in terms of dollars per bushel relative to conventionally produced ingredients, but we believe they're worth it for all the benefits that they bring. Ultimately we believe organic ingredients are actually less expensive because they minimize the hidden costs that are externalized by conventional farming, such as toxic chemical exposure, soil erosion and water contamination. For us, organic isn't just about meeting a trendy need. Rather, it's our approach to doing business – accounting for our impacts to people, the planet and our overall food system.



Not only does the company continue to grow organic, but so does our founder! Annie Withey grows and sells organic produce to her local community. These are deep roots!

Percentage of Annie's Products That Are Certified Organic or Made with Organic



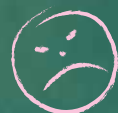
What we're for!

- Thriving families
- Truly nutritious food
- Thriving family farms
- Clean and pure soil, water and food
- Climate friendly farming



What we're against!

- Toxic pesticides and synthetic fertilizers
- Growth hormones and antibiotics
- Sewage sludge
- Irradiation
- Genetic engineering



Why We Support Organic

At Annie's we use organic ingredients because we believe they are the best choice for consumers, farmers and the planet. Numerous studies back us up on this.

Sources: Organic Trade Association, Rodale Institute, The Organic Center



Non-GMO Project

We are working with the Non-GMO Project – a non-profit group dedicated to preserving and building sources of non-genetically engineered products – to help protect the integrity of organic and all food products.



Organic Organizations
with Whom We Partner



Best for Consumers' Health

Organic foods reduce people's exposure to toxic and persistent pesticide residues. According to a May 2010 report by the President's Cancer Panel, there is a strong link between increasing cancer rates and our polluted environments. They advise consumers to choose foods grown without pesticides or chemical fertilizers to decrease exposure to environmental chemicals. Of course, organic foods avoid these chemicals, so choosing organic is the best option! Furthermore, some studies indicate that organic foods provide better nutrition. Healthy soils translate to healthy nutrients – such as vitamin C, antioxidants and polyphenols – in food.

Best for Farmers' Livelihoods and Health

Organic farming protects the health and vitality of farming communities by ensuring better incomes for farmers and by reducing exposure to toxic chemicals. Research demonstrates that organic farmers are able to boost their income due to price premiums and reduced input costs, thus helping them remain economically viable in the farming community. In fact, a recent study from the Rodale Institute found that organic systems were nearly three times more profitable than their conventional counterparts. Price premiums aside, organic systems are still competitive with conventional systems because of lower input costs.

Best for the Planet

Organic farming practices help protect the soil, water and air from toxic chemicals that otherwise pollute the earth and our bodies. Whereas conventional farming systems leave soil essentially unchanged, organic farming methods build and improve soil health. Organic farming also helps conserve biodiversity and wildlife habitat because more birds, animals and beneficial insects live on organic farms. And, organic farming helps fight global warming by reducing energy inputs and sequestering carbon. Research indicates that conventional farming practices emit 40% more greenhouse gases per pound of crop produced relative to organic farming methods, making organic the better choice for reducing one's carbon footprint.

Clean, Simple, Real Ingredients

"My three roles as mom, organic grower, and "Annie" are very much intertwined. At Annie's, we make our products with real ingredients, all found in nature – no artificial anything – and are honored that our loyal friends and customers continue to invite us to share in their family meal time."

– Annie Withey



At Annie's, we've proven that less is more. Simple ingredients create better tasting foods. From our signature comfort foods like macaroni and cheese to our bold-flavored salad dressings, we're all about goodness from the ground up. We say "yes" to ingredients that come straight from nature, and "no" to artificial preservatives, colors and flavors. Annie's products are delicious, organic and natural alternatives to traditional convenience foods, snacks and cereal.

At Annie's, we talk about ingredients that come straight from nature – and we mean it! Although our foods might be sold in a box or a bottle, the ingredients themselves started out as a seed in the ground and were nurtured and harvested by farmers' hands. Food comes from the land. That's why we work hard to create strong partnerships with the people who help bring our food products to the consumer – from our distributors to the manufacturers, and yes, to the farmers as well. While we have a lot of stories we could share about the people who make up the Annie's food network, today we want to share a few of our farmer stories because without our farmers, we wouldn't be here.

Meet Some of Our Farmer Heroes

Wheat

We use organic wheat in our macaroni and cheese, pretzels, crackers and cookies. Durum wheat is a specific variety that we use to make the pasta for our macaroni and cheese. Most of this wheat is grown by farmers in the American northern plains where the climate and conditions are ideal for wheat cultivation. One of the farmers is Mikel Lund, a third generation farmer who has been farming certified organic crops since 1991. Mikel has a great respect for the land and chooses to farm organically because he believes it is best for the land and the right thing to do. We certainly appreciate his hard work and dedication to being an organic farmer!

Did you know?

Humans have cultivated wheat for food since at least 6,000 BC, during the times of ancient Mesopotamia! We didn't have nasty chemicals back then so our ancestors' wheat was 100% organic.



Dairy

All of the organic cheese in our organic macaroni and cheese products is sourced from Organic Valley, a farmer-owned cooperative made up of more than 1,600 farmers across the country. Many of the family farmers are second, third and even fourth generation farmers. But Tyler and Melanie Webb, pictured here, represent a new generation of farmers. They started farming in their 20s and bring a deep passion for sustainable agriculture and grazing practices.



"The foundation of our herd health is low-stress handling and high-forage diet. We never herd our cows anywhere. They know that when we whistle they're going to fresh grass or they're going to the barn, and when they go to the barn, they'll get a little bit of grain and they're in and out in 45 minutes."

— Tyler & Melanie Webb



As part of the Webb's low-stress program, they operate their dairy seasonally, allowing for the cows to rest from January until they calve in March or April.

"The break between end of lactation and the start of the next one is 75 days, as opposed to the industry standard which is 45 days. Our system mimics nature."

— Tyler Webb



Did you know?

On average, an Organic Valley farmer cares for a herd of 76 cows. These are some of the smallest herds in the country. By farming at a smaller scale, farmers are able to give better care to the animals, produce higher quality products and have a better life for themselves.



Tapioca

Our fruit bunnies use organic tapioca syrup that comes from the tapioca plant, also known as cassava or yuca. The tapioca we use is grown by many small-scale, organic farmers in Thailand who work with an actively engaged local Thai company that provides on-going training through an education center, thus facilitating better organic farming practices. For example, farmers learn about compost and fertilizer techniques to improve soil health, which enables more nutritious and productive tapioca crops. This past year, a few folks from Annie's visited Thailand to meet with the farmers. Here, Amnuay demonstrates how the tapioca plant thrives in organic soils.



"When we visited the farms, I was most impressed by our supplier's commitment to use tapioca as a means to get farmers to improve their soil and on the path to greater economic viability. Because tapioca is so easy to grow – from the simple use of a stalk to propagate new plants to its ability to grow in poor soils – farmers can enter into the commercial market with very little difficulty. Over time as they build their soils, they can diversify to other crops that bring them greater value and thus more income. Through organic farming, they're improving their environment and people's lives. This is a truly powerful impact!"

— Bob



Did you know?

Indigenous Amazonians began cultivating cassava more than 10,000 years ago. Cassava is now the third largest source of carbohydrates for humans worldwide.





People

Supported by Annie's Root 4 Kids initiative, the Farm to School program at Camas Ridge Community School brought locally farmed produce to more than 400 students.

Goodness Grows by Giving Back



Planting Seeds for the Next Generation

We nourish people by providing healthy, sustainable food options. We look to the next generation to inspire continued sustainability, which is why we have several giving and cause-related programs, including Grants for Gardens, Root 4 Kids and Sustainable Agriculture Scholarships. On this page we share just a few inspiring stories from some of our grant recipients who are making positive changes to the communities and issues that they care most about.

Gardens are a great place to connect kids to real food, explore earth's textures and to talk about where our food comes from. **Grants for Gardens** offers grants to community and school gardens and other educational programs that connect children directly to gardening. More than 150 gardens received funding this past year, allowing more kids direct access to lessons about real food. Grant funds can be used to buy gardening tools, seeds or other needed supplies. Here is a story from one of our grant recipient winners.



"Annie's grant has allowed our garden to truly come to life like never before. Our 14 plots are thriving and being cared for by about 10 families. Families can access the garden whenever they want and are also invited to attend ESL classes on Wednesday evenings and Sunday mornings in the garden. With the grant we have not only purchased gardening materials such as tools, seeds, and other supplies but we have been able to purchase materials that allow our families to practice their writing and become more active participants in the lessons. Parents and children use chalk to practice conjugating verbs and to write the names of the plants in their garden bed. Families learn English very casually as they garden next to our ESL teacher. They talk about words related to gardening and are becoming more comfortable asking questions about words they encounter outside the garden.

I've also been able to take my own after-school third through fifth grade classes to the garden to have them tell me what each plant looks, feels and smells like. The fascination the kids have while exploring the garden is thrilling to watch. Discovering lady bugs, talking about why bees are flying around, and how long until the squash will be ready is a better lesson than any classroom could provide."



— Stephanie

Alder Elementary, ESL in the Garden

Root 4 Kids is a cause-related initiative that seeks to connect children to real food. We've partnered with the **National Farm to School Network**, a nationally recognized organization that connects more than 10,000 schools across America with local farms to provide healthy food in cafeterias, nutrition education in classrooms and hands-on learning through school gardens.

This year we awarded a prize to the school that generated the most sign-ups to the Root 4 Kids campaign. Upon signing up, individuals committed to helping at least one child in their life dig or plant a new vegetable. Camas Ridge Community School in Eugene, Oregon won the prize and received a Farm to School program. The new program brings locally farmed produce to the school cafeteria and complements the school's current garden activities. Camas Ridge parent Carrie Frazier helped drive Root 4 Kids contest momentum and is deeply rooted in the school's garden efforts.

"... The children loved the food so much that they even took baggies of fruits and veggies to snack on later. The program has been a great success!"

— Carrie

Parent Volunteer, Camas Ridge Community School

Sustainable and organic agriculture is core to our business and everything that we do. This is why each year we award scholarships to students through our **Sustainable Agriculture Scholarship** program. We're proud to support the next generation of farmers by offering grants to students studying sustainable agriculture. Through their important research, they're helping to reduce dangerous toxins in our foods, soils and waterways.



"A more sustainable food system has the potential to foster a new awareness of and appreciation for our dependence on the land. In the era of smart phones, urban sprawl, and fast food, igniting this awareness and passion in others is more important than ever — we need to know where our food and fiber come from! I am now working on the development of non-GMO, insect-resistant cotton varieties for certified organic production. This has obvious potential for improving the amount and quality of cotton available for organic cotton products. However, these varieties also have the potential to reduce the need for GMO varieties and chemical pesticides in conventional cotton, a commodity that is more dependent on both than any other crop in the world. My work (for which the Annie's scholarship funds will support) has the potential to not only aid in providing more high-quality, pesticide-free organic cotton to consumers, but also in reducing the overwhelming environmental impact of the conventional cotton industry as a whole. Needless to say, I am very excited to be a part of all this!"

— Dylan
2011 Scholarship Recipient

Giving Back to Our Community

The people at Annie's recognize the value in giving back to their local communities through volunteering their time and energy. Many folks give back on the weekends and after work. And we also do company-sponsored activities within our business community. In the past year, here are just a few of the organizations where we've volunteered:

Napa Valley Food Bank — The Napa Valley Food Bank provides food to low-income individuals, families and seniors in the Napa Valley region. Six food bank locations serve more than 1,000 households each month. Annie's volunteers sorted donations from various food drives to get them ready for families.

The Food Bank of Solano County — The Food Bank of Solano County is a warehouse in Fairfield that stores and distributes purchased and donated food items to low-income people and non-profit organizations in Solano County. For our volunteer events, Annie's employees sorted and boxed food donations in the warehouse.

Martha Walker Native Habitat Garden — The Martha Walker Native Habitat Garden is a 3 acre garden in Napa's Skyline Wilderness Park. Native plants thrive throughout the garden and provide a wonderful space for birds, butterflies and visitors alike. During Annie's volunteer event, employees helped with weeding and planting to maintain the garden.



Home Grown People Power

Wellness Starts...with Our People!

Moving to our Berkeley space created a lot of excitement amongst our employees, as we're making more connections with our new community, and incorporating sustainability and wellness programs into our daily lives at home and at work. A new grassroots effort, ALOHAS, which stands for Annie's Lifestyles of Health and Sustainability, seeks to combine health, happiness, education and sustainability efforts at Annie's to ensure a thriving workplace where our people can learn and grow.

Here are some examples of how our people make Annie's a fantastic place to work:

- **Biking to work** – Our employees take advantage of our central location in Berkeley which has close proximity to public transportation and bike lanes. Through the bike commuter incentives, which reimburses up to \$500 for a commuter bike or retrofits to an existing bike, Annie's is also supporting employees to decrease their bunny footprint!

"I bought my Public commuter bike with the Annie's sustainability benefits. I even have a little kid's seat on the back for my son. My husband and I are contemplating selling our second car and just having bikes. Annie's definitely contributed to that lifestyle change through the commuter benefits program." – April

"Biking provides exercise and I get to spend time outside. It's really like "you" time before work or between work and coming home, which is so cool. Also, depending on my bike route, I can go through Aquatic Park, which is scenic and I really enjoy the ride." – Krystal

- **Carpooling to work** – Many of our employees are carpooling with colleagues or friends in their neighborhood to get to work. Annie's offers a carpooling incentive for those who add extras to their car to get to work. We love the following story from the carpool crew!

"We have a motto in our carpool: "What's talked about in carpool stays in carpool." On our ride back we talk about how our day was, and it makes the time go by really fast. It's also great to talk to these women that you might not otherwise talk to because we all work in different areas of the company." – The 'Bag' Ladies

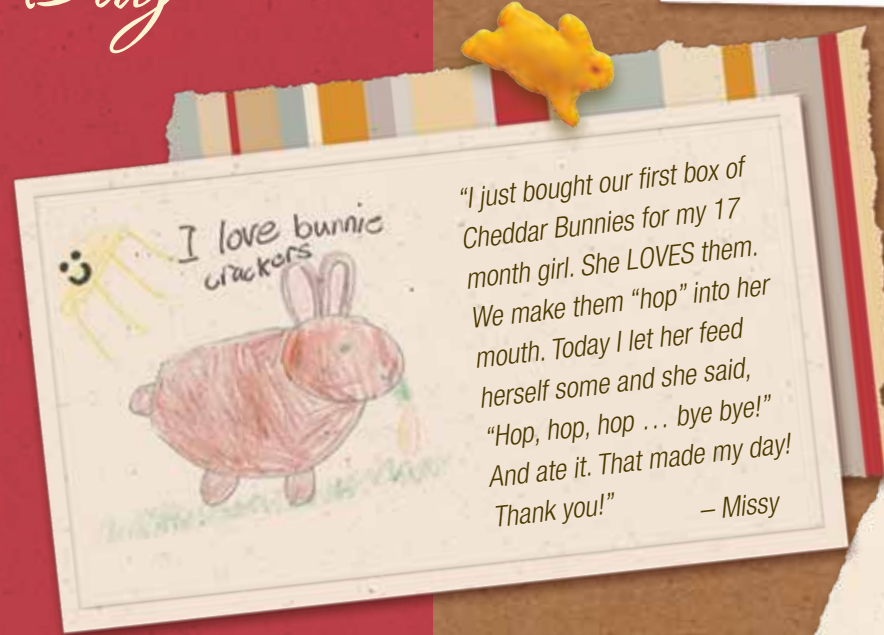
- **Working out** – Our new on-site gym is a great way for our people to work up a sweat and take a break from the desk.
- **Having fun** – Each year we host several events to bring our employees together and celebrate each other. From the end-of-year holiday parties to the summer BBQs and Halloween events, we take the time to get to know each other, eat good food and have fun!



Moments of Joy Each Day

Passionate Praise From Our Consumers

Connecting with our consumers is core to who we are as a company. It all started with Annie when she shared her name, address and phone number on the box to get feedback and today we carry on her legacy with a group of dedicated folks at our office who respond to calls and letters from our consumers. While moms and children are certainly big fans of our products, we find that people of all ages are inspired to write about their love for cheddar bunnies, Goddess dressing and many other products. These individuals inspire us by sharing their experiences with Annie's, sometimes with words and just as often with crayon pictures.



"My 6-year old asked me to find your Facebook page so he could say 'I love the food you make!' I'm happy that your brand exists."

— Anne



"I am writing to say Thank You! I have used your salad dressings for years and I love all the variety."

— Krista



Dear Annie's,
I reuse, I reduce, I recycle. (like using this box)
Patrick Malinowski
I ♥ Annie's

"Hi! I just want to say that I should be the spokesperson for everything Annie's. I LOVE IT ALL and I let everyone know. I'm sitting here as I type happily munching bunnies as a snack! Thanks for making delicious things that don't give me a migraine from all the artificial YUCK!"

— Susan



We love you Annie's!
My bee-u-tiful MOM IS

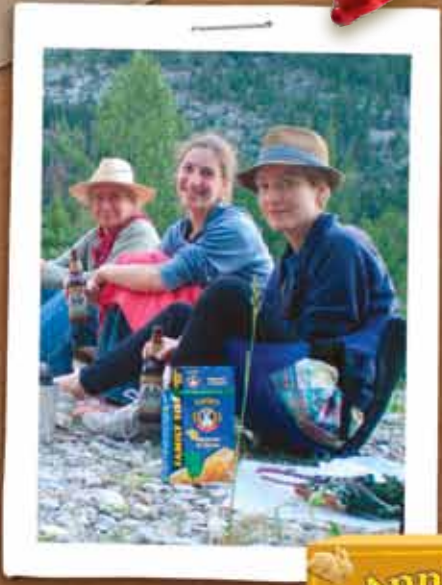


an important note. So do taste! Sk/me & your cooker + pastas + little Bunny messes on the boxes. Thank you! Keep up all the do-s-wells!



"Thank you for making a wonderful, cheesy macaroni. I have been eating Annie's since I was little. Now at 23, it is all I take with me when I go hiking!"

— Brodie



"We just tried the bunny grahams and love them. Keep making fantastic products. Being a mom I'm always reading labels and make a concerted effort to fill my kids (even myself and my husband) with good food. You've accomplished that. We are already huge fans of your organic whole wheat pasta and white cheddar. My babysitter tried it, loved it and switched her brand to yours."

— Stephanie



"Thank you so much for your commitment to health and sustainable agriculture!! My kids love your snacks! So do my husband and I!"

— Wendy



Addressing Climate Change and Global Health for

At Annie's, we want to provide people with nourishing food and we know that this starts with good, clean soil, water and air – a healthy planet is where it all begins. Truly, it is goodness from the ground up! We think about our impact for not only the current generation, but for the next generation and for many more to come. Ensuring a good and clean planet means that our ingredients come from farmers and manufacturers who minimize their environmental footprints and consider how their actions will affect the next generation. One important area that we've worked on for a number of years – and plan to continue to develop – is addressing climate change. While climate change may sometimes seem like a big topic to tackle, we look at it simply: the more greenhouse gas emissions that are added to the atmosphere, the greater the concentration becomes for people and our planet to handle. We (both people and planet) can absorb only so much before it starts to jeopardize our health – this is why it's so important to respond swiftly and decisively. We believe this is a better way of doing business, one that helps to mitigate these negative impacts, which is why we're taking action by:

- **Supporting organic farming practices**
- **Working with our suppliers**
- **Engaging our employees, and**
- **Raising awareness of this important issue with our consumers**



the Next Generation

*In partnership with Climate Counts we:
Review. Reduce. Support Policy Action. Report.*

Planet





How Organic Makes a Difference

Buying organic isn't just better for your health, it's better for our planet's health. Specifically, as we face increasing global climate change, organic farming is uniquely positioned to both reduce greenhouse gas emissions and adapt to new climate conditions. Many of the practices employed by organic farming, such as reduced reliance on synthetic fertilizers and pesticides, using legumes and perennial crops in rotations and using cover crops, are already recommended by the Intergovernmental Panel on Climate Change (IPCC) to mitigate climate change. These practices help increase soil carbon storage, thus helping to capture carbon from the atmosphere. Furthermore, organic farming practices offer greater resiliency to the increased intensity of droughts, floods and heat waves, because organic farming improves soil structure, water-holding capacity and nutrient cycling. At Annie's, we support organic farming practices and consider it a significant part of our climate action efforts.

We advocate for organic farming not only through creating organic products, but also by engaging on policy issues. Our Senior Vice President of Marketing, Sarah Bird, serves on the Organic Trade Association's Board of Directors as its Vice Chairman. In this role and on behalf of Annie's, she has presented testimony to Congress on the importance of organic farming and how the government should continue to support it in order to improve the environmental and public health of the nation.



How We Engage Suppliers and Employees

In previous years, we've measured the carbon dioxide (CO₂) emissions generated by energy use at our office and from our primary manufacturing facilities, and then offset these emissions through our partnership with NativeEnergy.

This year, we continue to track our emissions, but now include all relevant, material Kyoto gases. We measure our emissions using the World Resources Institute GHG Protocol tools. We also have expanded our focus to include business travel and employee commutes, as we believe engaging our employees on this issue is critical. Finally, we are aligning our efforts with Climate Counts to ensure that we continue to stay the course and innovate on creative solutions.

Climate Action Organizations with Whom We Partner



NativeEnergy is an organization dedicated to supporting the construction of new renewable energy projects that need additional upfront financing to succeed. They help finance the construction of Native American, family farm and community-based renewable energy and carbon reduction projects, thus helping communities build more sustainable economies.



Climate Counts is a non-profit group that seeks to spur companies and consumers to action to address climate change. Through transparency and accountability, Climate Counts raises awareness about companies' efforts to mitigate climate change.

Here's just a brief snapshot of what we've learned through our process thus far:

- Emissions generated by our office are relatively small; for us, the greatest impact and opportunity for change comes from our indirect emissions, which are mostly generated within our supply chain.
- In FY2011, we offset our CO₂ emissions through our partnership with NativeEnergy. We estimated emissions to be 6,688 MT CO₂, but when we completed a comprehensive inventory later in the year, we learned that we overestimated the offsets. We're glad to know that we're doing better than our estimates; we also realize that the funds go to a great cause!
- Our suppliers are eager to engage with us to understand and reduce their greenhouse gas emissions. This past year, we asked them to respond to a Supplier Assessment whereby we asked them about their energy usage. Not only did we receive responses from most of our suppliers, we also learned about some cool ways they're taking action.

One example comes from the folks who repack some of our products. They have a large facility – more than 450,000 square feet – and in order to encourage safe, efficient and fun ways to get around the warehouse, they provide bikes for employees to share. Any employee can hop on a bike to get from one end of the warehouse to the other. Bikes are equipped with horns and baskets for safe travel. Not only does this practice avoid greenhouse gas emissions that would otherwise come from a motorized vehicle, but it also encourages health and wellness in the workplace.



- We'll continue to engage with our suppliers in the coming years, but we also want to do our part to make our office greener and demonstrate our commitment in creating a cleaner environment. This year, we moved offices and built a new space with an express intent to achieve LEED certification and thereby reduce our greenhouse gas emissions (check out the next section on our LEED certification efforts).
- The table below is a brief snapshot of our greenhouse gas emissions tracking:

Annie's FY2011 Greenhouse Gas Footprint	Metric Tons of CO ₂ e
Napa Office	57
Employee Commuting	245
Business Travel	274
Warehouse and Primary Co-Manufacturers	5,335
Total Tons of CO ₂ e	5,912
MT CO ₂ Offset through NativeEnergy	6,688

Data assessed using the World Resources Institute GHG Protocol tool for stationary combustion (Version 4), purchased electricity (Version 4.1) and mobile combustion (Version 2.0).

New Berkeley Office Aims High



*98% of all office furniture is recycled;
35% reduction in annual water use;
42% reduction in lighting power*

In March 2011, we moved our company headquarters from Napa to Berkeley. In making this move, we had the opportunity to create a workspace that said Annie's all over it, including a beautiful outdoor garden space. We also took the opportunity to demonstrate our commitment to environmental stewardship and applied for LEED certification. As part of our efforts, we chose the following:

- Central location – Our new location is centrally located and within walking distance to public transportation, restaurants, shops, and more
- Recycled furniture – 98% of the furniture in our office is recycled, thus preventing the harvest of new materials, avoiding landfill and reducing our environmental footprint
- Bamboo floors – Eco-friendly bamboo is rapidly renewable, growing to maturity in only 3-7 years (versus 50-150 years for many hardwood trees)
- Energy efficient lighting – Occupancy sensors and optimized lighting practices reduce our lighting power by 42%
- Water efficient fixtures – Low-flow, water-conserving fixtures reduce our annual water use by 35%
- Energy efficient equipment – More than 70% of our equipment is Energy Star certified
- Green power – 100% of our electricity usage is offset with renewable energy credits



We are very excited about our new space in Berkeley and know that it has a lot to offer for our current and future employees. So when we made the move, we instituted some sustainability benefits to encourage our employees to take public transportation, carpool or bike to work.

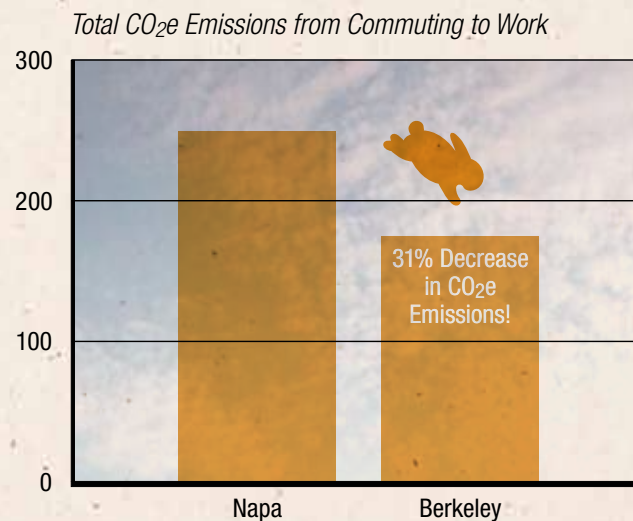
Supporting Our Employees at Home and On-the-Go!

What Is LEED?

LEED certification is an internationally recognized standard for evaluating building and community sustainability. LEED is an acronym for "Leadership in Energy and Environmental Design" and the green building rating system is developed and maintained by the U.S. Green Building Council. In developing the standards, the organization seeks to improve building occupants' quality of life by enabling an environmentally and socially responsible, healthy and thriving space.

Our Employees Are Making a Difference

To measure how our new space is impacting employee commutes, we conducted surveys both before and after the move. Our relocation to a more central location, incentives and employee motivation have brought about some significant changes. In Napa, 6% of employees used alternative modes of transport to get to work, but now in Berkeley, 50% of employees are taking public transportation, carpooling or biking to work, helping us reduce our employee commute greenhouse gas emissions by more than 30%. Thanks to all the Annie's employees who are making a difference!



Our sustainability benefits:

- \$5000 toward an eligible fuel-efficient vehicle
- \$500 toward a commuter bike or retrofits for an existing bike
- Rewards program for participating employees; points accrued can be redeemed for commuter checks or cash.
- \$1000 toward the purchase of energy-saving home improvements

Annie's Core Values

Our corporate culture is anchored by the following core values:

Annie's is real, authentic and trusted by consumers. As a company, we strive to build upon this legacy with every decision we make.



Annie's makes products that taste great and delight our consumers.

Annie's sources from places and people we trust, with an emphasis on quality and environmental sustainability.

Annie's uses simple, natural and organic ingredients.

Annie's and its valued employees treat consumers, customers, suppliers, stockholders and each other with the same high degree of respect, fairness and honesty that we expect of others.

Annie's is socially responsible, and we spread awareness and act as a positive role model for consumers and other businesses.

Annie's



Dear friends, Thank you so much! My best friend Taylor and I have become best friends because of your products. Everytime we go on trips together, we stock up on all the different kinds of Annie's. We love how your products are all organic and healthy. They taste amazing! We love them so much! We buy them all the time! Thank you so much and please get back to us!

-Sharissa



Dear Annie's,
Thank you for making such yummy crackers.
The cheddar Bunnies are my favorite.

Sincerely,
TYLER HAIR
Mrs. del.

THANK YOU!
Keep Annie's Awesome!!



Dear friends, My best friend Sharissa & I are HUGE fans of Annie's, we always buy your products! We're proud to say Annie's brought us together. When we read the story on the "cheddar bunnies" we thought it was so good. I don't know but that's how we're friends so we dedicated this letter to you!

Thank you!
-Taylor

Credits

Design
Keith Design Group

Printing
GreenerPrinter

Paper
New Leaf Paper

Photography
With gratitude for your contributions, we thank: Ryan Taylor, Robin Leenhouts, Sivje Parish, Mikel Lund, Stephanie Barnard, Tyler and Melanie Webb, Prescott Bergh, Dylan Wann, Carrie Frazier, Katy Pelissier, Beverly Uhlenhake, Nichole Poirier, Christina Becherer, Michelle McKeon, Amy Fuller and Ilana Waynik, and all the fantastic people who work at Annie's.



NEW LEAF PAPER AND GREENERPRINTER environmental benefits statement



Using recycled paper made with post-consumer waste and bleached without the use of chlorine or chlorine compounds results in measurable environmental benefits*. We are pleased to report the following cumulative resource savings.

Pounds of Wood	Gallons of Water	Pounds of Solid Waste	Pounds of Greenhouse Gas	Miles in a Car
319.7	313.9	68.7	116.1	101.4


* Environmental benefits are calculated based on research done by Environmental Defense, the other members of the Paper Task Force, and Corrugated, who studied the environmental impacts of the paper industry. Contact ED for a copy of their report and the latest updates on their data.

Annie's

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