

Annie's



# Growing goodness

SUSTAINABILITY REPORT FISCAL YEAR 2012





We Believe In  
**Goodness**

Annie's



working hard to  
make this  
place  
better



We avoided  
all kinds of  
agrochemicals  
being applied to  
the land.

**123**  
million  
pounds  
of  
**organic**  
ingredients

purchased by Annie's

FY2008-FY2012



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# Annie's



Dear Friend,

Our 2012 fiscal year was an exciting time for our company as we made plans to take it public. On March 28, 2012, we were officially listed as a public company on the New York Stock Exchange. To see the BNNY symbol was both an exhilarating and humbling experience, and I'm happy to have this chance to reflect on what has gotten us this far, and acknowledge the importance of always remembering those roots as we plan for the future.

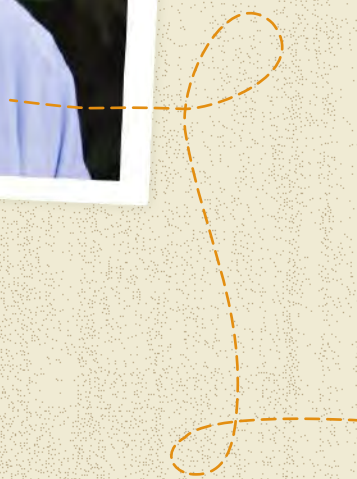
Sustainability is an integral part of Annie's history, and even though we're now a public company, we are more committed than ever to our mission of cultivating a better world through better business practices. This means we strive to make the best and most thoughtful choices about the food we make, the planet we depend on and the people we touch.

In this year's sustainability report, we reflect on our work over the past year: how we continue to commit to organic farming practices, understanding and improving our carbon impacts, and building relationships within our community. These practices—and many others—are core to who we are. And while we recognize that we still have a lot more work ahead of us in being a more sustainable company, we're excited to share with you what we've learned along the way and tell you a bit more about the steps we are taking to contribute to a more sustainable food system.

Our business is evolving and growing as we introduce new product lines and further develop existing ones. With this growth comes additional challenges and opportunities, and we'll continue to account for these changes in our sustainability reporting. We remain committed to being transparent about where we have the greatest impacts and where we have the opportunity to drive the most profound change. As a mission-driven company, we will stay the course on this important goal.

Thank you for joining us on this journey.

Sincerely,  
John Foraker







**We make thousands**  
**of tiny**  
**decisions**

What are ways that we can inspire positive change for a sustainable food system?

How can we make sure kids grow up knowing where real food comes from?

How can we support our employees in their desire to give back to our local community?

Is this manufacturing facility keeping an eye on its energy use?

Are manufacturing employees working under fair labor conditions?

Can we put our office in a location that makes it easier for employees to take public transportation to work?

How can we help improve the livelihoods of sugarcane farmers?

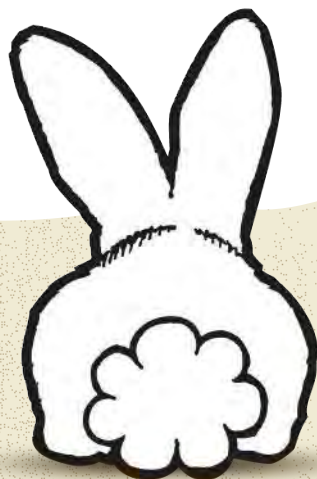
How do our products travel from the farm to our distribution center?

Can we choose packaging that's less likely to end up in a landfill?

How are the cows treated on the farms of our partners?

How does using organic wheat affect our products' carbon footprint?

How can we encourage our employees to ride bikes to work and drive fuel-efficient cars?



**to make a whole lot of good**



# Organic

means  
the world  
to us  
(and to the planet)

**A**nnie's started as a company committed to making a difference and to show by example that a successful business can also be socially responsible. From the start, we provided our consumers clean, simple and real ingredients. In 1998, we began sourcing organic ingredients for our products. Since the beginning, we've never lost sight of the fact that the ingredients we use to make our products come from the land that all life—people, plants and animals—depends upon.

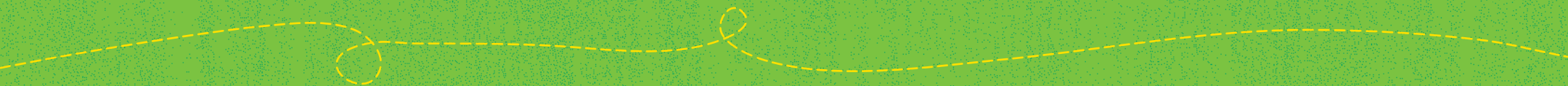
Unfortunately, numerous studies show that our natural resources are in severe decline.

The Millennium Ecosystem Assessment conducted by the United Nations in 2005 found that 15 of the 24 ecosystem services that directly contribute to human well-being—fresh water, air, water purification, and the regulation of regional and local climate, among others—are being systematically degraded through human use. And according to a 2012 report by the World Wildlife Fund, we are currently consuming natural resources at a rate faster than Earth can replenish them: in one year, we consume the resources that will take the Earth 1.5 years to fully regenerate. This, of course, is not sustainable.

At Annie's, we know that something must be done to address this imbalance and bring us toward greater harmony with earth's natural systems. That's why organic is the foundation of all of our sustainability efforts. We know that organic farming is where the company has the ability to make the most impact, and we believe that by making our goal simple—to always prioritize organic—we can help drive meaningful change for a better, cleaner food system.

Organic farming, at its simplest level, is about working with nature and not against it. It is about environmental stewardship through ecological processes that build soil fertility, prevent soil erosion, promote and enhance biodiversity, and minimize risks to human and animal health and natural resources. Rather than relying on toxic chemicals that pollute—and, worse, accumulate in—the soil, water and air, organic farmers build healthy soils through natural management processes such as cover cropping and crop rotations.

Over the past five years, Annie's has nearly doubled the amount of organic ingredients that we purchase. In FY2012 (which covers the time period April 2011 through March 2012), we purchased 34 million pounds of organic ingredients, which is a 15% increase since the last fiscal year. We also increased sales of our organic products; organic products now represent 85% of Annie's total sales, up from 70% five years ago. In addition, we work diligently to source only non-GMO ingredients. We are partnering with



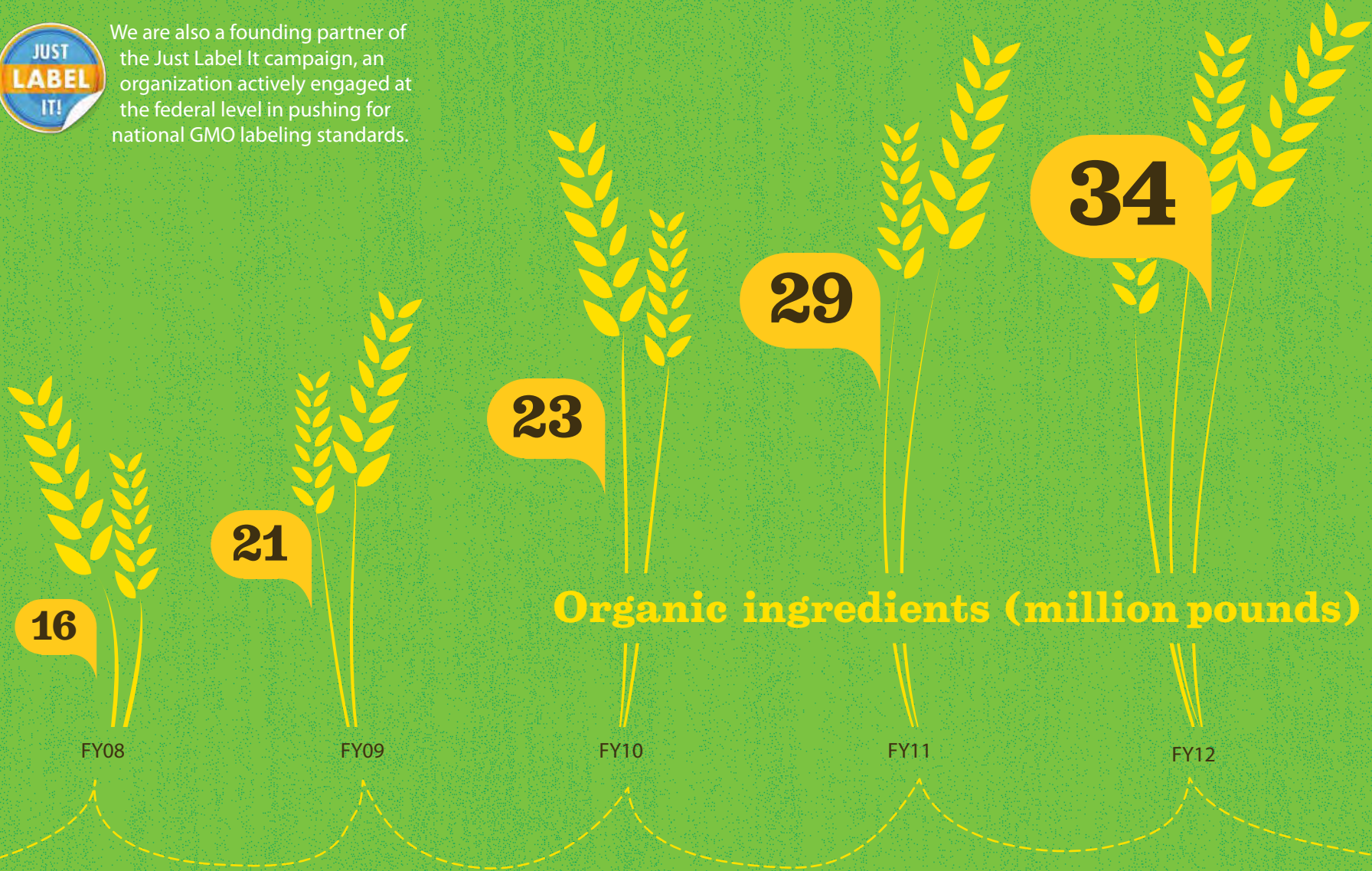


the Non-GMO Project to verify our products don't contain GMOs. To date, we have many products that have been certified under their strict standard, and we continue to work through the remaining products in our portfolio.



We are also a founding partner of the Just Label It campaign, an organization actively engaged at the federal level in pushing for national GMO labeling standards.

*In the past 5 years, Annie's purchased 123 million pounds of organic ingredients.*



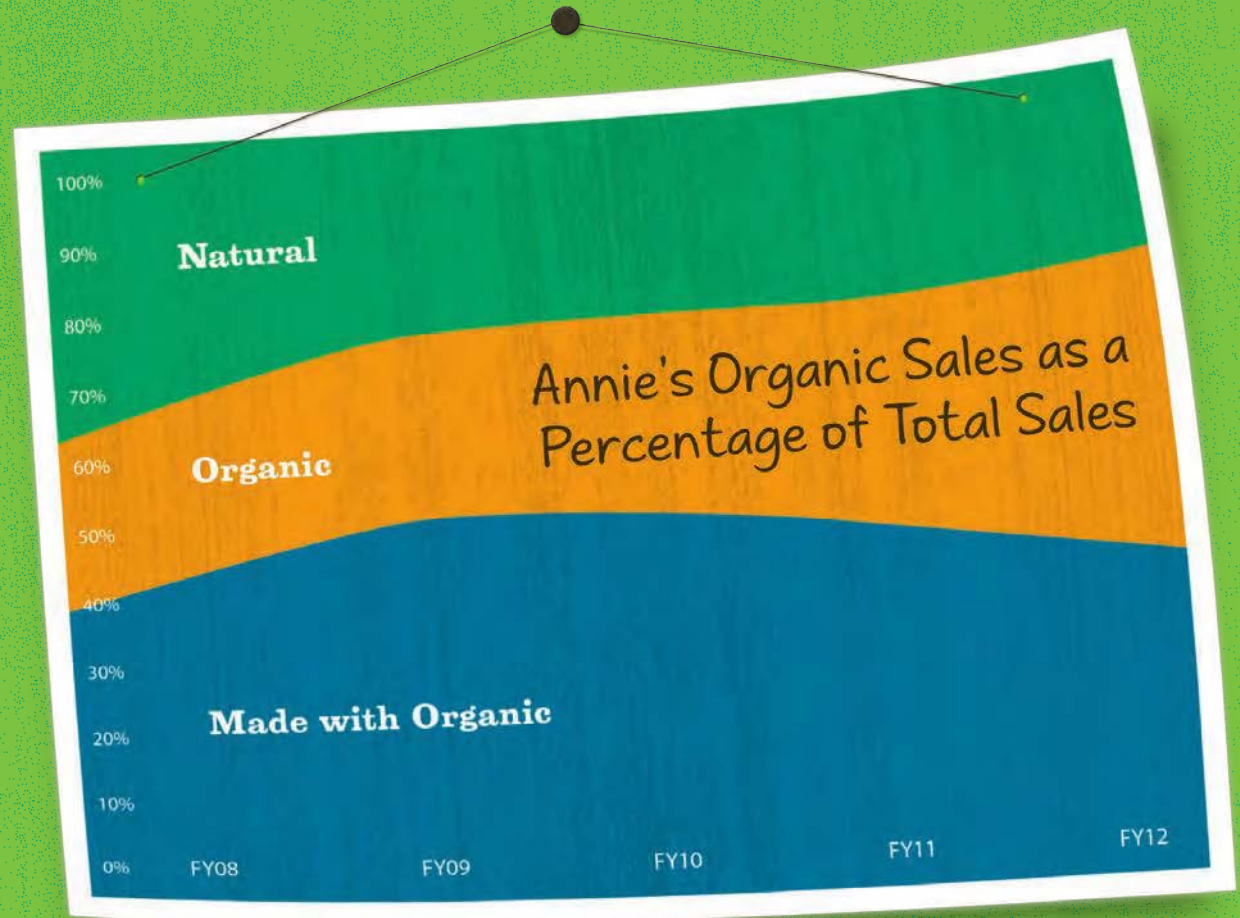


## AN ORGANIC IMPERATIVE

The importance of avoiding toxic, persistent chemicals cannot be overstated, as it's not only about ensuring that we're not polluting people's bodies and our environment, but it's also about a philosophical difference in how farmers work within an ecological environment. Farming, by its nature, works directly with the earth, including the soil, water and biodiversity. While judicious use of chemicals certainly has a role to play in our modern society, the tendency to apply chemicals as the first response to weed and pest problems leads to many of the ecological problems that we face globally. According to the Environmental Protection Agency (EPA), approximately 5 billion pounds of pesticides are applied annually to farms, forests, lawns and golf courses in the United States.

It feels more important than ever to look back to the publication of Rachel Carson's ground breaking book *Silent Spring*, which when published fifty years ago, helped launch the modern environmental movement. In it, Carson informed the world about the dangers of chemical overuse and its effect on everything from pesticide resistance to birth defects, infertility, and cancer.

These concerns have not gone away, and if anything, have only become more pronounced as our landscapes continue to receive excessive doses of chemicals. At Annie's, we believe healthy alternatives do exist, and organic farming is one that we're proud to champion.



**INVESTING IN ORGANIC** We continue to help grow the organic market. We've increased sales of our organic products. Organic products now represent 85% of Annie's total sales, up from 70% five years ago.





# It's better when you work together

**A**s we continue to invest in organic and non-GMO ingredients, we're also working closely with partners such as The Organic Center, the Organic Trade Association, the Sustainable Food Trade Association, and the Organic Farming Research Foundation to strengthen the integrity of organic throughout the industry.

**Above:** Sarah Bird, Senior Vice-President of Marketing at Annie's, serves as Vice-President on the Board of Directors of the Organic Trade Association. Here, she is presenting at the annual OTA Policy Conference and Hill Visits held in Washington, DC.





**B**uilding sustainable relationships with farmers is vital to our mission. These relationships allow us to create greater transparency and traceability from farm to fork.

**We believe you deserve to know where your food comes from**

**ORGANIC WHEAT**

Annie's uses a lot of organic wheat in our macaroni and cheese, crackers, cookies, and pretzels.

In 2012, our team made several trips to the prairies and the plains of our nation's heartland. One of those trips was to the Organic Farming Field Day in North Dakota. In addition to learning about field plots being tested with different crop rotations and low-till practices, we had the opportunity to speak with a group of farmers about the importance of organic wheat to Annie's and to explain why we want to partner with them.

It was a wonderful way to "connect the dots" between us, the farmers who grow our food, and the consumers who eat our food.

“We place great importance on knowing where our ingredients come from and we believe our consumers want to know who is behind the food they eat. As such, we are really excited to expand our work in connecting our consumers to our ingredient suppliers.” ”

– **Mark Haas**, Director of Procurement  
Annie's / Berkeley, CA





One of our key dairy ingredient partners, Organic Valley, helps us to  
**keep millions of pounds of agrochemicals**  
 from being applied to the land

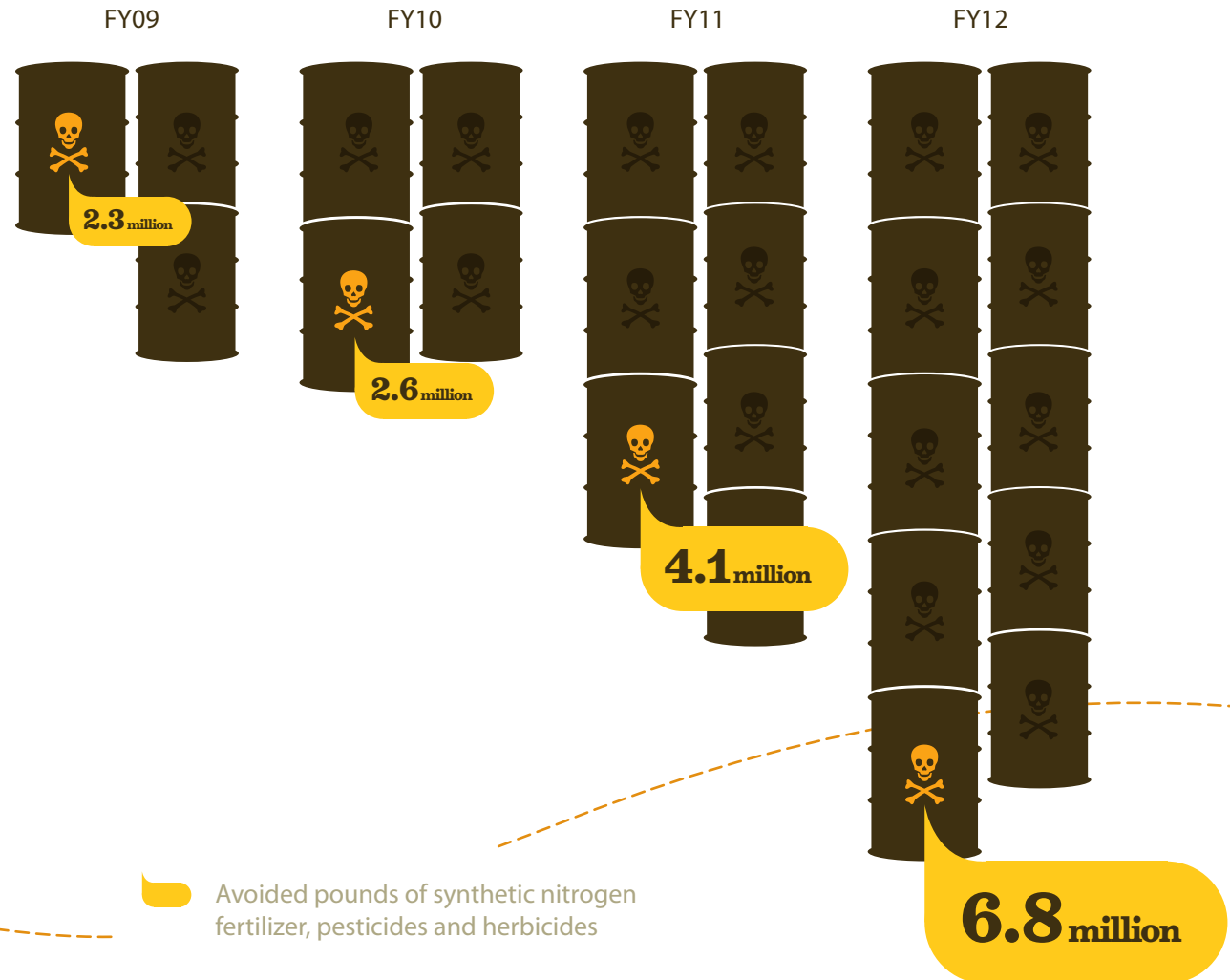
**ORGANIC DAIRY**

Since 2008, we've worked closely with Organic Valley, a cooperative comprised of more than 1,700 farms, to provide the organic cheese in all our organic macaroni and cheese products. Through our partnership with them, we have prevented more than 15 million pounds of synthetic nitrogen fertilizer, pesticides and herbicides from polluting the air, land and water.



“ We farm organically because we want our pasture lands chemical-free, and we want to raise our cows the way nature intended—and the way our grandparents did—on pasture. ”

– **Victor Silveira**, Organic Dairy Farmer  
 Silveira Dairy / Orland, CA





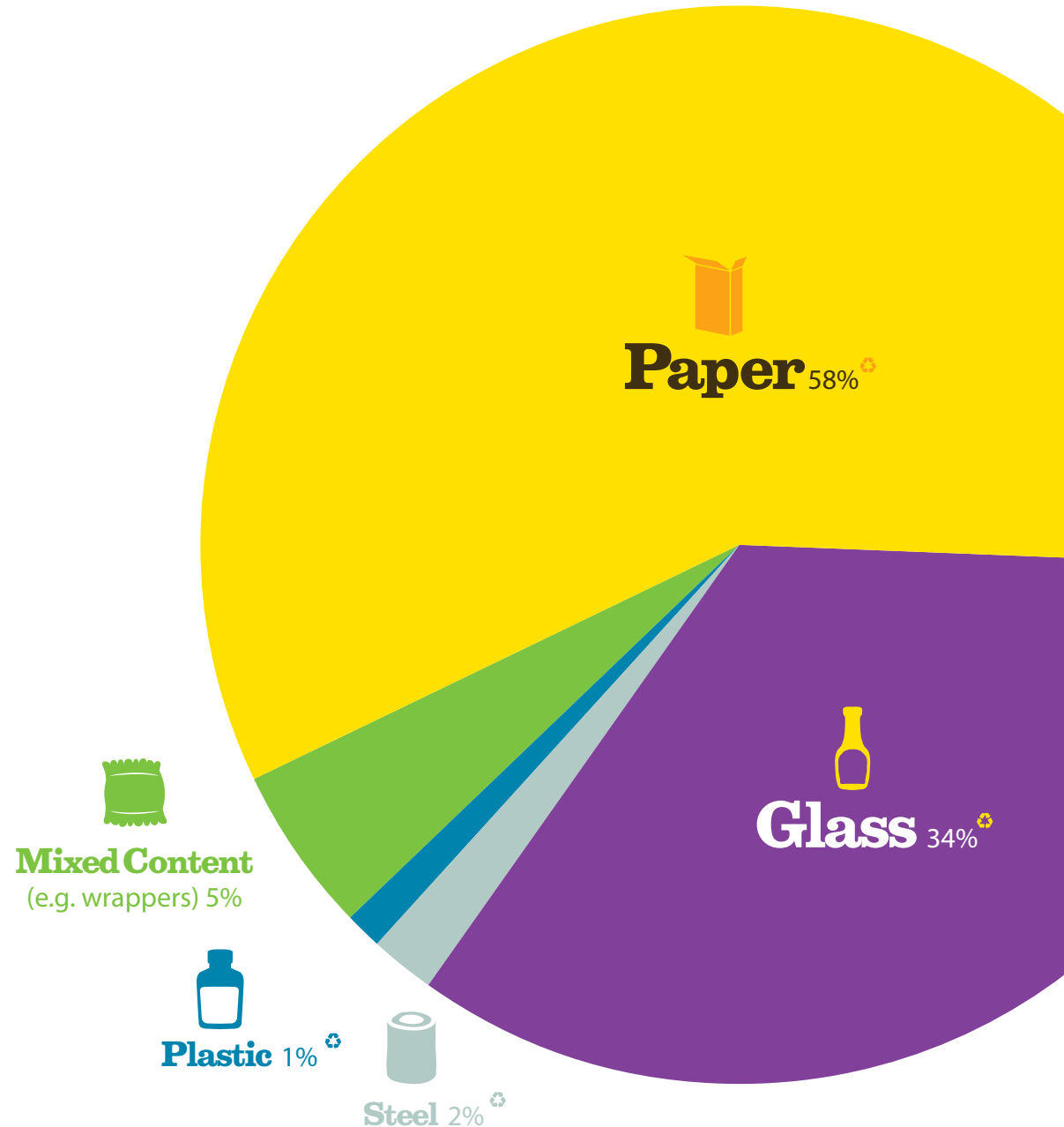


**SUSTAINABLY SWEET**

Sugarcane is an important ingredient for us, but we know that much of the world's sugarcane is currently farmed in ways that degrade the environment and don't provide a sustainable living for farming families.

We believe that organic farming provides better options for farmers, in part because they don't have to pay for expensive synthetic inputs, but also because they aren't exposed to harmful chemicals.

As we strive to learn more about our impact on the ground level, we are partnering with the Sustainable Food Lab (SFL), a nonprofit organization dedicated to facilitating market-based solutions to key issues in the food system. SFL is helping us better understand how small-scale sugarcane farmers in Paraguay are affected by being part of the organic market. With SFL, we are creating a consistent set of production, economic, social and environmental metrics which can be applied to our own supply chain, thus allowing us to understand changing conditions at the household level of small-scale farmers.



**ANNIE'S FY12 TOTAL ANNUAL PRIMARY AND SECONDARY PACKAGING MATERIALS (% BY WEIGHT)**

Recyclable Materials



# You can judge a product by its cover

**O**ur customers love our packaging—the fun games, Bernie’s “push tail to open” and tuggable ears—and we are working hard to ensure the planet loves our packaging, too, by minimizing our packaging footprint.

This past year, our goal was to complete a comprehensive baseline assessment of our primary and secondary packaging systems. This means we inventoried the majority of the products that we sell and the materials used to package them—including the product that the consumer ultimately takes home as well as the packaging used to move the product from the manufacturer to the retailer.

To do this, we analyzed the weight of our packaging materials, and through this analysis, we estimate that more than 90% of our packaging material weight comes from just two sources: paper and glass. Both of these materials are recyclable. Of the remaining materials, some of them are recyclable (steel cans and plastic bottle caps) and some are not (product wrappers).

As we continue to look for more sustainable options for the smaller percentage of our packaging that is not recyclable, we plan to keep our efforts focused on where we can make the most difference by ensuring we’re using the most sustainable paper and

glass possible. That’s why we target 100% recycled content with a minimum of 35% post-consumer content when sourcing our cardboard cartons. Our glass salad dressing bottles are 100% recyclable and made with a minimum of 35% post-consumer recycled glass. In addition to our attention to the packaging raw materials, many of our carton suppliers use vegetable-based inks for printing.



More than 90%  
of our packaging  
is recyclable



We're  
**working**  
**hard** to  
**shrink**  
our carbon bunnyprint

**S**ince the beginning, Annie's has been committed to making a difference both in the products we make and how we do business. For us, sustainability is about where we can have the most impact, which is why we're focused on where and how our food is grown. Sustainability is not only about lessening our impact on the earth we all share; it's also about helping to make a positive difference where we have the greatest opportunity to do so.

This past year, we were able to conduct a category-level life cycle assessment (LCA) of a representative sampling of our products. LCA is a methodology that assesses environmental impacts through all the stages of a product's life, from "cradle-to-grave". We specifically chose to focus this analysis on carbon. We know that carbon isn't the only important issue, but we needed to narrow our focus to complete a comprehensive analysis with available resources.

Through this work we quantified the carbon "hotspots" across Annie's product lifecycle, from the farm all the way through to the consumer's use and disposal. This helped us identify where our products have the biggest impacts from an energy and greenhouse gas emissions perspective.

### MATERIAL PRODUCTION

At 41%, the majority of our products' impacts take place at the farm where our ingredients are grown - i.e., material production.

### PROCESSING

Our manufacturers and co-packers who make our products contribute 11% of our products' impacts.

### PACKAGING

Our packaging production accounts for 11% of our products' impacts.

### DISTRIBUTION

Our products are distributed primarily via truck to retailer locations; although these "food miles" are important, they represent just 16% of our products' impacts.

### USE

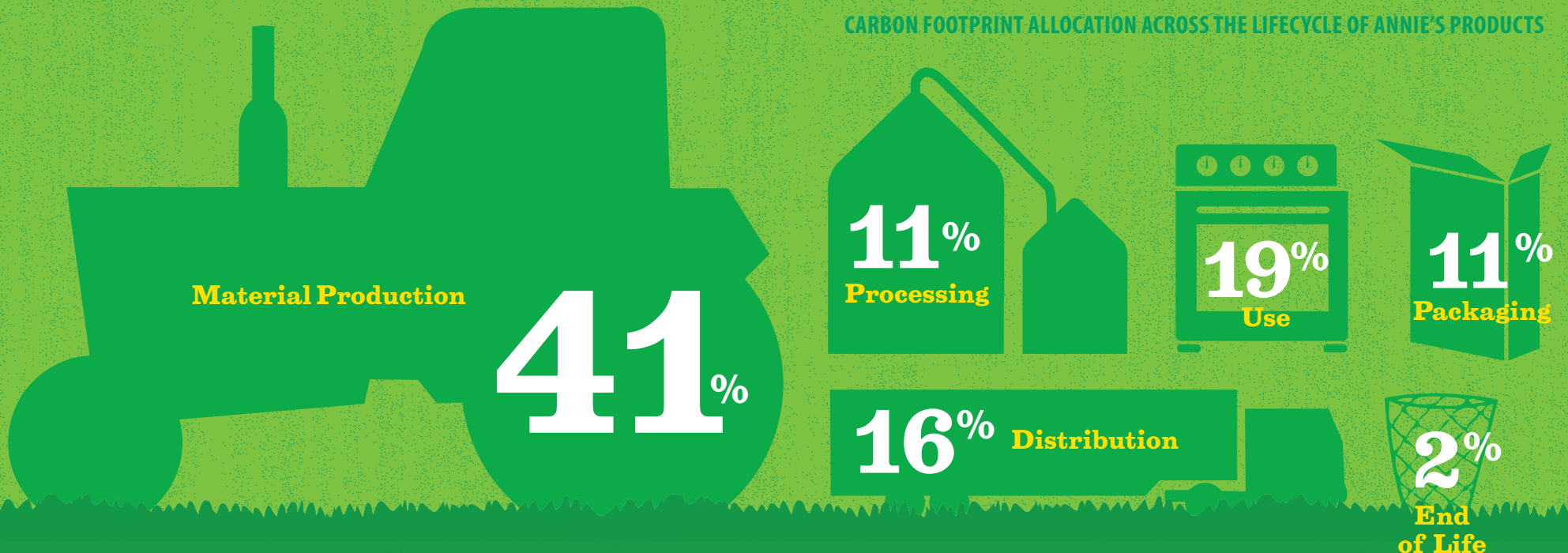
Interestingly, 19% of our products' impacts take place in consumers' homes. Much of this comes from our macaroni-and-cheese because it requires gas or electricity to prepare.

### END OF LIFE

The final stage of product and packaging disposal makes up 2% of our products' impacts.

We're excited about what we've discovered in our first LCA. We've got a lot more to learn, but we're committed to the path of sustainability for the long haul.

### CARBON FOOTPRINT ALLOCATION ACROSS THE LIFECYCLE OF ANNIE'S PRODUCTS





# Digging Deeper

how our organic wheat makes a difference

One of the more interesting points to come out of the LCA research was a deeper dive on the carbon impact of specific organic ingredients. We were disappointed to learn that little third-party research has been conducted in this area.

Of the studies conducted in this area, some showed both positive and negative impacts of organic farming, depending on the ingredients researched. We know more research needs to be done on organic farming practices, and we'll continue to push for these studies.

The research we did find on wheat was very interesting and worth highlighting. Wheat is the most frequently used ingredient in our products—it goes in the pasta, crackers, cookies, etc. Through our LCA work, we

found organic wheat accounted for more than 50% of our product portfolio's weight. Based on our review of credible, peer-reviewed research studies on wheat, we found organic wheat crops consistently demonstrate lower global warming potential. In fact, on average, organic wheat production has a 40% lower global warming potential than conventional production. This is mainly because organic farming doesn't use synthetic fertilizers, which are energy intensive and emit greenhouse gases during their production. Instead, organic systems rely on practices like crop rotation and conservation-based soil-building practices, which decrease the amount of greenhouse gases released into the atmosphere.

## ANNIE'S COMMITMENT TO USING ORGANIC WHEAT IS EQUIVALENT\* TO...



reducing 1,679,333 kg CO<sub>2</sub>e  
from the atmosphere



taking 329 cars off the  
road every year



planting 13,000 trees

\*BASED ON FY11 NUMBERS.

# We want a brighter future for everyone

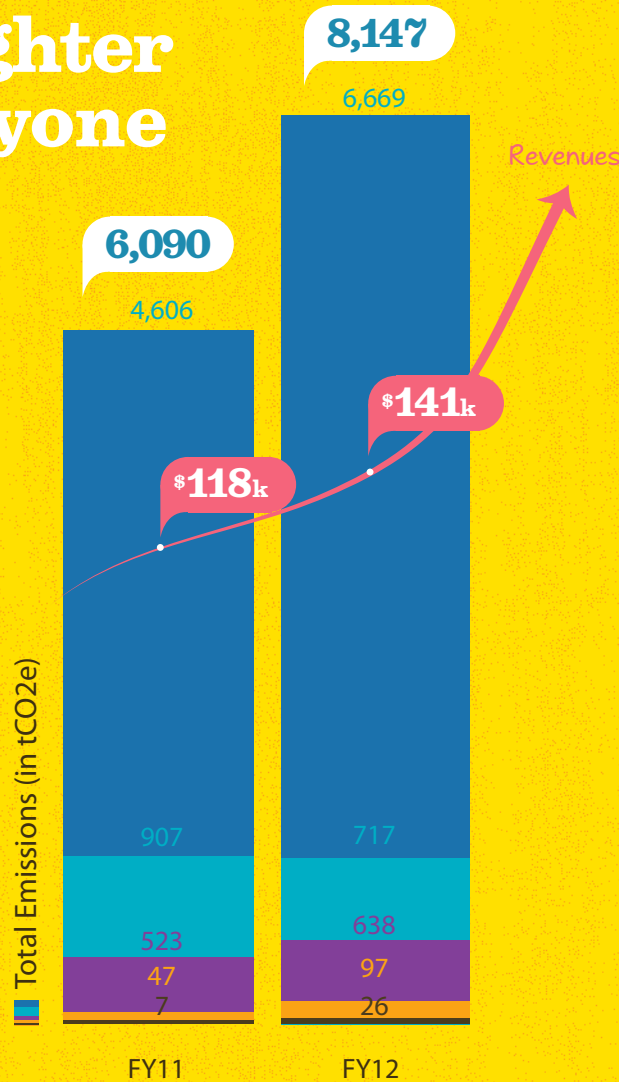
**A**s a company that uses energy to produce, manufacture and deliver our foods, we want to do our part to combat climate change.

The carbon LCA that we conducted gave us perspective on our overall carbon hotspots and demonstrated the importance of focusing on the farm. That said, we know it's also important to do our part in areas under our direct control and where we have greater opportunity to influence change, namely, our office building, business travel, employee commutes and product manufacturers.

We're committed to measuring and reporting our energy use and GHG emissions from these sources, and we continue to look for opportunities to inspire change at a systemic level within our company.

This year we're shifting our resources away from buying carbon offsets to working more directly with suppliers to make positive changes. While we believe that there is a place for carbon offsets, especially when working with an organization like NativeEnergy who supports the construction of new renewable energy, we want to focus more of our attention on working directly with suppliers to reduce impacts in our own supply chain.

We assess our greenhouse gas emissions according to the GHG Protocol, which is the most widely used international accounting tool for businesses to quantify and manage



**ANNIE'S, INC. TOTAL ASSESSED tCO2e RELATIVE TO REVENUES (FY2011-12)**

- Annie's-owned and operated facilities (1,2)
- Business Travel and Employee Commute (3)
- Warehouse/Repacker (3)
- Tier 1 Manufacturing (3)

their greenhouse gas emissions. This year, energy use and greenhouse gas emissions in our direct control and from purchased energy sources – also called Scope 1 and 2 emissions – increased. Given that our office size increased when we moved to Berkeley, this makes sense. However, we decreased our emissions on a normalized square footage basis thanks to our efforts in using more efficient energy equipment and lighting (we also achieved LEED Gold certification).

Our overall Scope 3 emissions – those that are not in our direct control – also increased. This overall number masks significant achievements made by some of our supplier partners. Our distribution center and repacker together achieved more than a 20% absolute reduction in their GHG emissions. For this and other sustainability accomplishments, we awarded one of them the inaugural Green Bernie Award. We are exploring additional opportunities to engage more directly with our manufacturing suppliers to reduce their greenhouse gas emissions.

Back at the home office, for our employee commute Scope 3 emissions, we reduced GHG emissions by 23% since last year, thanks in part to employees' actions, our more centrally located building, additional alternative transport options, and our commuter incentive program. We recognize that as our company's sales grow, so too may our emissions. However, we'll continue working to decouple this correlation and reduce our total amount of emissions.





# How do we grow our might ?

**T**racking, measuring and reducing our carbon impact is important. Likewise, supporting a momentous shift at an industry level is also important. That's why we're partnering with like-minded companies and organizations to encourage renewable energy growth, enact public policy changes and support more scientific research to get us on the path to climate stabilization.

## NATIVE ENRGY

Since 2006, we've partnered with NativeEnergy to support renewable energy projects as one step in managing our carbon footprint. NativeEnergy provides funding for the construction of new renewable energy projects that need additional upfront financing to succeed. This year, we're supporting the Iowa Farms Wind Project, which is building two new 1.6 MW



wind turbines in a northern Iowa farming community.

## BICEP

This year we joined Business for Innovative Climate and Energy Policy (BICEP), a coalition of companies committed to bringing about effective policy reforms for climate change. This year, BICEP has actively worked to extend the Production Tax Credit (PTC), a key piece of legislation that supports renewable energy.



## CLIMATE COUNTS

Last year we started working with Climate Counts, a nonprofit group that spurs companies and consumers to action to address climate change, and this year we have achieved Striding Climate Leader status as part of its industry innovator (i2) program.



## CSCAP

To better understand farming impacts, we are funding research on how soils' biological impacts can help sequester carbon through the Climate and Sustainable Corn-based Cropping Systems Project (CSCAP). This five-year project will assess the environmental, economic and social impacts of long-term climate variability on corn-based cropping systems.



# A good planet is a terrible thing to waste

While we're working to reduce the amount of waste that comes from our products, we also want to make sure we're walking the talk at home. That's why we're striving for zero waste at our Berkeley office.

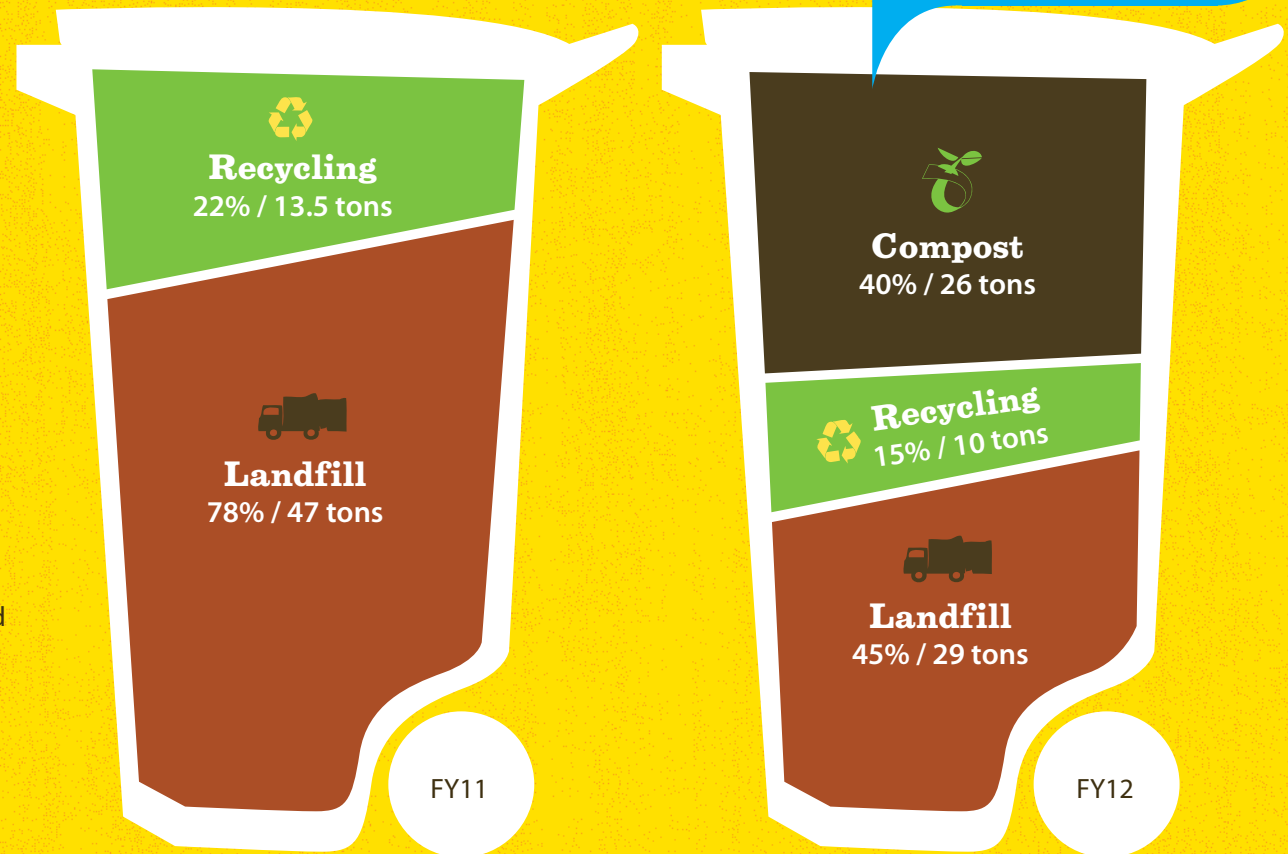
This year we've made significant progress to improve processes and identify opportunities for waste reduction. By working closely with our facilities team and engaging with our employees, our waste diversion rate has gone from 22% in FY2011 to 55% in FY2012. We've been able to make this huge leap in large part because we've added composting to our resource recovery mix, an action that's supported by Berkeley's municipal composting program.

### SOME OF THE OTHER EFFORTS WE UNDERTOOK IN FY2012 INCLUDE:

- Creating visually compelling informational posters to encourage responsible materials sorting by demonstrating which items should go to landfill, recycling or compost bins.
- Encouraging employees to print documents only when absolutely necessary and to change their computer settings to produce double-sided prints.
- Installing collection areas for more difficult to recycle products, including plastic bags and batteries.

Adding compost to our resource recovery has helped increase our waste diversion rate to

**55%**



TOTAL TONS: **60.5**

TOTAL TONS: **65**

RESOURCE RECOVERY AT ANNIE'S HEADQUARTERS, IN TONS, FY11-12



# Good from the inside out

**A**t Annie's, we believe our people are essential to our success as a mission-driven company. Sustainability is built into our mission. Thus, embracing sustainability is not just one person or one team's job, but rather, it's the job of every Annie's team member. We strive to create a culture that embraces these values.

**Core benefits** – Annie's provides comprehensive traditional benefits, including medical, dental, vision, term life insurance, and short and long term disability. We also offer 401(k) with 1.5% matching, flexible spending accounts, employee assistance programs and paid vacation. Many of these benefits go above and beyond industry standards.

**Health, wellness and education** – We sponsor educational events for employees on topics related to health, wellness and sustainability. Additionally, fitness classes such as yoga and circuit-training are available at our on-site gym, and we provide massage services every other week. Employees enjoy organic fruit delivered to the office, and they're invited to harvest vegetables in our on-site organic garden.

**Incentive programs** – We continue with our commuter incentive programs to encourage greater use of low- and no-carbon commuting. Employees can receive \$500 toward a commuter bike and \$5000 toward the purchase of a fuel efficient/low emissions vehicle. Employees are also eligible for \$1000 toward the purchase of energy-saving home improvements.

**Volunteering** – We offer paid time-off for employees who volunteer. We started tracking our efforts in FY2012 and found that 16% of employees participated in our company's volunteer programs. We hope to increase that amount next year with a more formalized program.

We also participate with In Good Company, week-long community service trips developed by Clif Bar & Company that focus on making a positive change for people and places in need. Last November, we sent our marketing coordinator, Staci Lucash, to Louisiana to do some hands-on wetlands restoration. Staci and a group of 27 volunteers from other like-minded companies such as Eileen Fisher, Seventh Generation and Timberland placed over 4,000 Gulf Saver Bags; these bags are

biodegradable, self-contained packages of native plants that reduce erosion and remediate the soil. It was the area's biggest effort to date, with over 20 acres of coastline planted.

We recognize there is always more to do, so we plan to strengthen our existing programs and expand into new ones. We're committed to working on it and making a difference.



*“ I've never been dirtier, bitten by so many bugs, or felt so lucky to be part of such an incredible volunteer project. It's been amazing to see first-hand how a week of hard work from 28 people can have such an impact*

*on a community. I'm also happy to report that all of our work survived Hurricane Isaac, and a new batch of In Good Company volunteers are headed down to the same location to add on to our work and continue to restore the land for everyone in Louisiana. ”*

– Staci Lucash, Marketing Coordinator  
Annie's / Berkeley, CA

While we diligently work to better understand our company's impacts and make changes in our supply chain, we're also simultaneously looking for ways to inspire change in the food system at large. We know we cannot do this in isolation and that we must support others who are doing work that's in line with our mission. That's why in the past two years, we've contributed nearly \$1 million to organizations that are helping to support a more sustainable food system.

**FROM FARM TO FORK**

Two of our flagship programs allow us to support both ends of the food system spectrum: sustainable agriculture and school gardens.

**Sustainable Agriculture Scholarships**

Annie's supports the next generation of organic farmers and sustainable agriculture advocates with our annual scholarship program. Since we started this program in

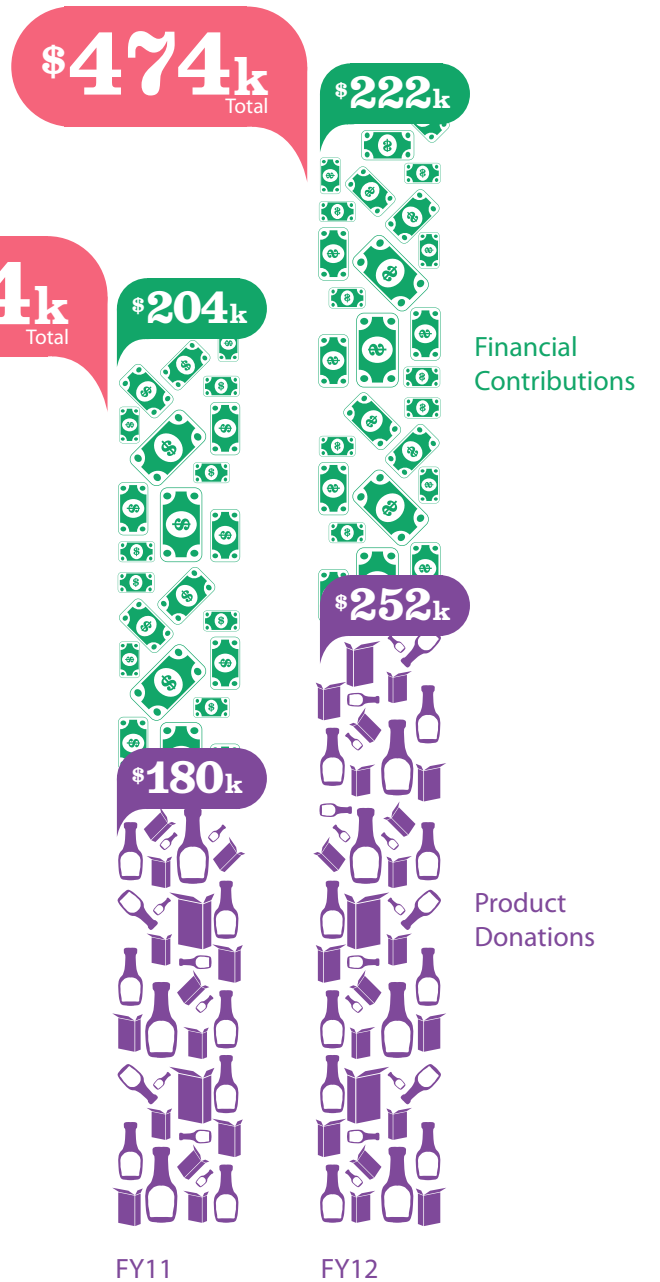
2000, we have helped more than 100 students pursue environmental and sustainability-focused agriculture studies. In FY2012, we provided \$75,000 to support undergraduate and graduate-level students.

**Grants for Gardens**

Gardens are places for kids to connect to real food, explore new flavors and talk about where food comes from. For many years, we've offered Grants for Gardens donations to schools and other educational programs to help put children in direct contact with growing real food. In FY2012, we provided \$44,000 to fund more than 75 gardens across the country. Read more about Grants for Gardens in the coming pages.

In addition to these two programs and several others, we also donate food products to those in need, including food banks and nonprofit organizations.

We want to spread goodness far & wide



CHARITABLE CONTRIBUTIONS (FY2011-2012)



# Every kid deserves a garden

At Annie's, we've seen firsthand how a garden can change a child's life, and we believe strongly in making sure children have the opportunity through their schools to see how real food is grown. Creating small gardens doesn't take much—just a seed in warm, moist soil; nature does most of the hard work. Even seeds in a paper cup offer a rich context for learning. When kids grow vegetables, herbs, and fruits themselves, they're much more likely to both try and enjoy them, often making mealtime an educational experience for parents, too! We call these "gardens of goodness".

We started Annie's Grants for Gardens program in 2008. Each year, we've been able to help more and more schools create and sustain gardens with the money we provide, as well as by offering practical (and free!) gardening resources for parents and teachers through our website.

We're proud to help make gardens in schools a reality for so many reasons. Working or playing in a garden gives us all a chance to learn to slow down and connect with each other and our environment.



ESTIMATED NUMBER OF STUDENTS IMPACTED THROUGH GRANTS FOR GARDENS PROGRAM

A few ways Annie's Grants for Gardens money can be used



TOOLS



SEEDS



SOIL



IRRIGATION





# Love at first bite

In FY12, Annie's awarded over 75 grants that impacted kids nation-wide. For example, we gave the High Country Conservation Center (HC3) a grant to support The Living Classroom Greenhouse and Community Garden project in Frisco, Colorado. Later that year, 27 second graders from Frisco Elementary visited the garden and greenhouse to learn about local food production and healthy eating. They harvested 16 pounds of zucchini, cucumbers, tomatoes and salad greens for their school cafeteria. And the goodness grows: because of our grant, HC3 harvested another 110 pounds of produce that were donated to local food banks or sold on location to support the garden.

“ Many of the kids hardly made it out of the greenhouse without taking a bite of the produce in their hands. The students were eating the cucumbers like pickles and tomatoes like candy. ”

– Jennifer Santry, Community Programs Director  
High Country Conservation Center / Frisco, CO

*The Living Classroom Greenhouse at High Country Conservation Center in Frisco, Colorado, gives local kids hands-on experience with growing food.*







# Annie's



Dear Friend,

On the very first run of Annie's Shells & Cheddar almost twenty-five years ago, we sent a message to our customers. We vowed we would not spend on advertising but, instead, our modest start-up funds would be used to purchase the finest ingredients available without any artificial colors or flavors. In appreciation of those who bought our first products, we pledged we would donate a portion of the sales to a local 4H camp in northeastern Connecticut.

Fast forward to 2012. I still write messages for Annie's and I feel gratified to be writing for the company's second Sustainability Report. The small company that I co-founded is now a much larger, publicly traded company, but it has kept the faith with its consumers through the years. I am most proud of the fact that the social responsibility promised with our first box of product has grown to become a commitment to a variety of practices, both within the company and out in the larger community, which promote sustainability on our planet. I believe social, ethical and environmental irresponsibility are not only unacceptable, but also unsustainable.

As this second Sustainability Report shows, Annie's is a work in progress and we are learning every day. We remain committed to our goal of being a good corporate citizen by asking challenging questions on how we can be a better, more sustainable company. The pride I feel for these efforts is immeasurable. For me, knowing that the more Annie's grows and profits, the more we'll be able to support our sustainability programs is a beautiful thing.

Bye for now,

Annie





We increased our waste diversion rate to

**55** %\*

\*FY2012

**\$858k**  
\$ in   
**charitable contributions**

**FY2011-FY2012**

**86k**

Estimated total number of students impacted by Annie's Grants for Gardens program\*



\*FY2010 - 2012

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