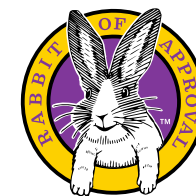




Annie's



Farm to Yum

SUSTAINABILITY REPORT FY2018



Table of Contents

KEEP IT HONEST	4
DESIGN BETTER FOOD	7
Ingredients	8
Manufacturing	20
Packaging	23
Distribution	26
INSPIRE CHANGE AND EDUCATE	28
LEAD BY EXAMPLE	35



Annie



About Annie's

When Annie Withey co-founded Annie's in 1989, she wanted to show that a successful business could also be environmentally and socially responsible.

Nearly 30 years later, her values still serve as the foundation for everything we do. We have continued our journey to advance the triple bottom line of people, planet, and profit, and, while we're proud of how far we've come, year after year we continue to push ourselves to do better.

Today, as part of General Mills, our founder's vision continues to guide the company.

Annie's has now been a part of the General Mills family for over three years, and we're happy to report that we haven't compromised on a single thing — not our values, not our ingredients, and most certainly not our mission. We make our delicious bunny treats with the same strict ingredient standards, we're still hopping around at our Berkeley HQ, and we're more determined than ever to be a force for good.

A Word from Our Head Bunny

From my earliest years, I have been passionate about caring for our natural resources. As a child, I spent hours digging in the dirt making mud pies and exploring our family garden. As the years passed, a groundswell was beginning to spread with campaigns urging us to “Give a hoot, don’t pollute” and to “Reduce. Reuse. Recycle.” Those imperatives stirred an urgency in me, and that is why I chose to get an undergraduate degree in Ecology and Evolutionary Biology at Princeton.

Twenty years ago, when I joined General Mills, we were beginning a journey into organic food with the acquisition of Cascadian Farm and Muir Glen. It felt like the perfect place to drive change from the inside of the food industry. Today, in my role leading the Natural and Organic Foods Operating Unit at General Mills, my team and I incorporate an environmental stewardship vision into a great portfolio of brands, including Annie’s.

Annie’s has driven greater organic food sales since joining General Mills in 2014. We have more than doubled the pounds of organic ingredients we purchase each year.

And Annie’s products can now be found in twice as many homes as they were at the beginning of the partnership (from 9.8% in FY2015 to 22% in FY2018).

At the same time, Annie’s is influencing the 150-year-old General Mills – particularly in sustainability. This conviction is the driving force behind our efforts to advance regenerative agriculture practices.

Today, it is critical to bring people and organizations together to drive meaningful reductions in greenhouse gas emissions and improvements in ecosystem health. So, my team and I are focused on collaborating with other stakeholders in these efforts. It will require many points of view to achieve these bold goals. It is our privilege to join with growers, researchers, eaters, and agri-business partners on this shared mission.

Because we believe in common ground. And we know that food matters.

Carla Vermón

President
Natural and Organic Operating Unit
General Mills





Sustainability: From Farm to Yum

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. We strive to understand our decisions in the context of the larger food system and make decisions based on our impacts on the planet, people, and profits. We measure and manage our performance through this triple bottom line lens.

Keep It Honest

Tracking and reporting our performance is a crucial component of our drive for continuous improvement.

Design Better Food

We strive to source from sustainable ingredient, packaging, and manufacturing partners who align with our values.

Inspire Change and Educate

We aspire to be a force for good, learning from and collaborating with others to achieve positive change in the food system.

Lead by Example

We seek to create a workplace that reflects our company values to ensure that we walk the talk at home.



Highlights | FY2018

87 million

pounds of **organic ingredients** purchased

⊞ SAME AS LAST YEAR

↑ DOUBLED SINCE FY2015



91%

of Annie's sales were from **certified organic and made with organic products**



⊞ SAME AS LAST YEAR

↑ % OF SALES FROM CERTIFIED ORGANIC PRODUCTS INCREASED BY 3.5 POINTS



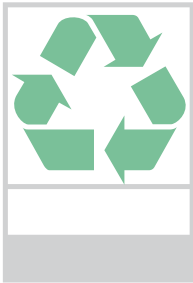
Launched our **first farm direct sourced products** and piloted Version 1.0 of our Regenerative Agriculture Scorecard with our partner farms

500K



meals donated through our manufacturing partners

↓ DOWN FROM 820K LAST YEAR



100%

of our products carry the **How2Recycle label**

↑ UP FROM 94% LAST YEAR



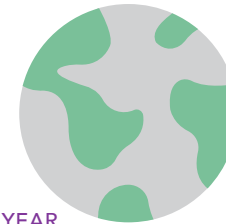
88%

of our **manufacturing partners** shared detailed information about their environmental and social initiatives through our self-assessment questionnaire

↑ UP FROM 83% LAST YEAR

\$1 million

donated to organizations that protect and support people and the planet



↑ UP FROM \$820K LAST YEAR

78%

of total office waste **diverted from landfill**

↓ DOWN FROM 81% LAST YEAR



6%

decrease in energy-related **greenhouse gas emissions** at our Berkeley office compared to last year



92%

of employees **volunteered** with non-profit organizations

↑ UP FROM 69% LAST YEAR

93%

of employees participated in **sustainability education activities**

↑ UP FROM 77% LAST YEAR

Keep It Honest

Food Matters

The mission of the food industry has long been to feed the world. This is a noble cause which has driven massive gains in productivity and efficiency over the last 150 years. But while our modern food system is highly productive, it has negative consequences.

The food industry contributes to some of our most pressing sustainability challenges like soil degradation, biodiversity loss, and climate change. In fact, the global food system accounts for an estimated one-third of global greenhouse gases, up to 80% of which stems from agricultural production.

As a food company, we recognize our opportunity and responsibility to help change this story.

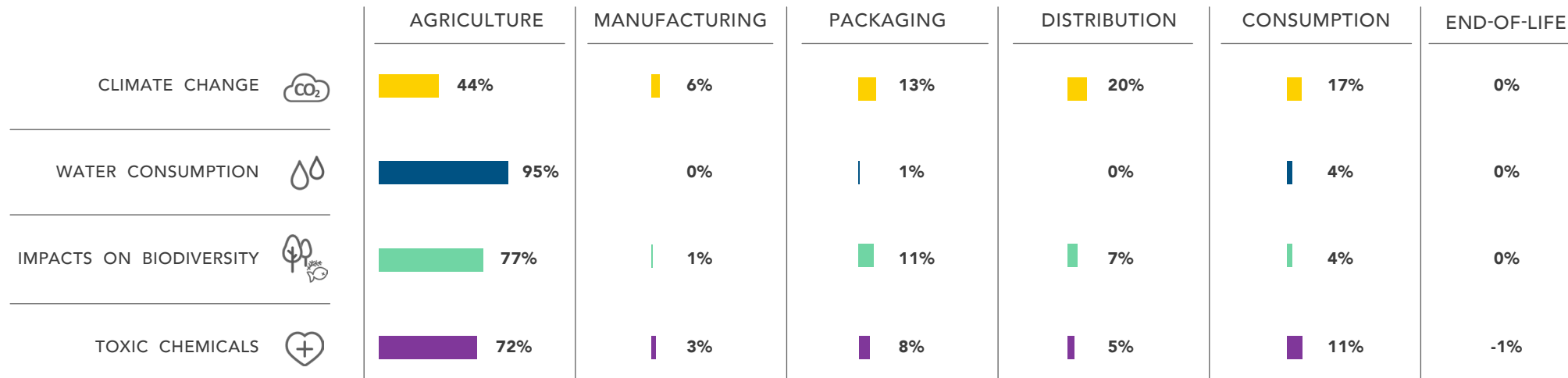


Understanding Our Impact

We use life cycle assessments to help identify our biggest opportunities for impact.

In FY2018, we partnered with Quantis, a third-party consultancy, to conduct a life cycle assessment (LCA) of twelve of our products, representing the wide range of our product categories. The LCA looked at impacts on climate change, water consumption, biodiversity, and toxic chemicals and supplemented learnings from our last assessment in 2012.

The results help guide our strategy by supporting decisions about where to invest time and effort in advancing our sustainability performance. The latest LCA results confirm that agriculture is our most significant area of impact. The way we source ingredients remains our biggest opportunity for positive change.



Design Better Food

We strive to design sustainable food from “Farm to Yum” by working with ingredient, manufacturing, and packaging partners who prioritize social and environmental responsibility. We double down on our supply chain because the way we source and make food represents our biggest opportunity for impact.



DESIGN BETTER FOOD

Ingredients

Our work to create delicious food starts with farms and farmers.

We have a long history of supporting organic agriculture, and this commitment remains steadfast. Now, we are amplifying our approach to soil health, biodiversity, and farmer economic resilience by focusing on regenerative practices like cover cropping and diverse crop rotations, which help draw carbon underground and build resilient ecosystems.





Our Sustainable Ingredient Sourcing Strategy

We strive to connect eaters to the people and places that grow their food.

Our sustainable ingredient sourcing strategy seeks not only to reduce harm but to create positive impact by regenerating natural resources and farming communities.

Grow Organic

Our focus on organic began with our first certified organic product in 1998. Today, our objective is to help build programs that increase organic farmland.

Ensure Transparency

We are working to bring visibility to the farmers and regions that grow our ten key ingredients. Mapping where our ingredients are grown helps us support farmers in their challenges and opportunities.

Seek Assurances for Positive Impacts

We source from producers that use third-party certifications (beyond organic) to provide transparency and accountability that ingredients are produced in alignment with our values.

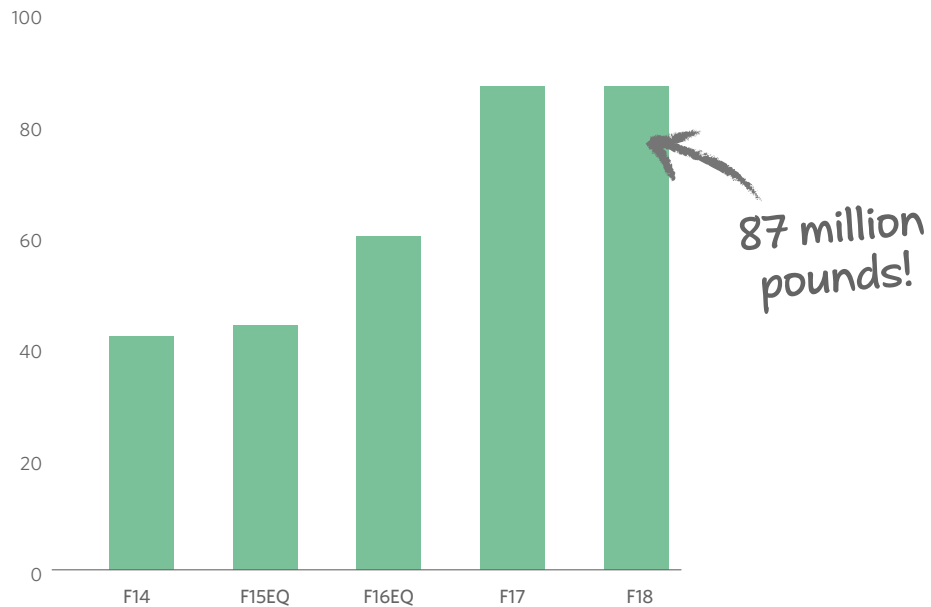
Measure Impact

Our objective is to quantify supply chain impact in terms of outcomes at the farm level. This helps our team make impactful sourcing decisions and track our progress over time.

Our Commitment to Organic — Strong as Ever

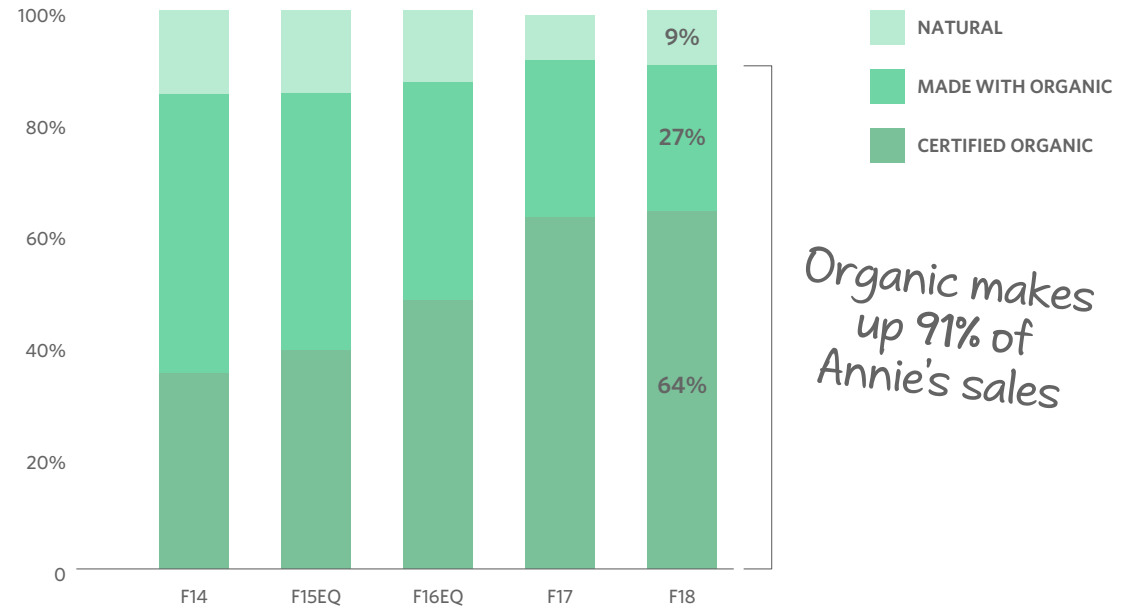
We believe that organic farming systems benefit consumers, farmers, and ecosystems.

POUNDS OF ORGANIC INGREDIENTS PURCHASED



The launch of our first certified organic mac and cheese in 1998 marked our early commitment to organic agriculture. Since then, we have launched hundreds of organic products with the goal of bringing organic to everybunny. We purchased 87 million pounds of Certified Organic ingredients in FY2018, more than double the volume in FY2014 before we joined General Mills.

PERCENT OF SALES ORGANIC (CERTIFIED OR MADE WITH ORGANIC)



91% of our sales in FY2018 were Certified Organic or Made with Organic, demonstrating our continued commitment to expanding organic farmland. Since FY2014, the percentage of our product sales that are Certified Organic has risen from 36% to 64% in FY2018, highlighting our ongoing efforts to get certified organic products into the hands of more consumers.

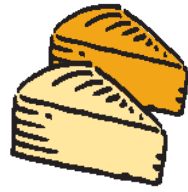
Our Key Ingredients

We focus our sustainable ingredient sourcing efforts on 10 key ingredients, selected based on volume and risk, to maximize our impact.



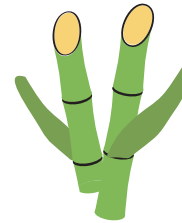
Wheat

We continue to prioritize organic wheat and partner with the U.S. Organic Grain Collaboration to increase organic grain acreage and improve the resilience of organic grain farming in the U.S.



Dairy

We prioritize dairy from cooperatives and family farmer groups that set high standards for animal welfare and sustainable agriculture. In FY2018, we continued to partner with Organic Valley to help transition dairies from conventional to organic.



Sugarcane

100% of our sugarcane is certified organic. We partner with our primary sugar supplier in Brazil who is committed to building soil health, enhancing biodiversity, and investing in its workers, as demonstrated by their IBD Fair Trade Certification.



Tapioca

100% of our tapioca is certified organic. We work with conscientious producers who focus on farmer livelihoods and resilient ecosystems.



Cacao

99% of our cocoa is certified organic. We are on a journey to ensure that 100% of our cocoa is third-party certified by at least one of the following standards: Fairtrade International, Fair Trade USA, or Rainforest Alliance.





Canola

The canola used in our products is either Organic (which, by definition, is non-GMO) or identity-preserved to ensure non-GMO sources.



Palm

At a minimum, we require that our palm oil is verified to the Roundtable for Sustainable Palm Oil (RSPO) standard. We go above and beyond this standard by sourcing the majority of our palm oil from trusted suppliers in South America that are members of the Palm Oil Innovation Group.



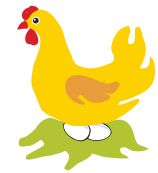
Rice

We strive to trace 100% of our rice back to its agricultural origins. The majority of our rice is grown domestically.



Meat

We source very few meat ingredients, but when we do, we require that suppliers avoid all added hormones and subtherapeutic use of antibiotics. We partner with suppliers who are committed to animal welfare.



Eggs

We prioritize organic eggs whenever possible. Our baseline requirement is that all eggs are cage-free.



Our Commitment to Regenerative Agriculture

Building on our longstanding commitment to organic agriculture, we're helping advance regenerative farming practices that build soil health, foster above-ground biodiversity, and promote resilient farm communities.

Regenerative agriculture works with nature to pull carbon from the air and store it in the soil, where it nourishes a network of life. By sequestering carbon in the soil, regenerative practices can help reduce the greenhouse gases in our atmosphere.

Through our products, policy advocacy, and partnerships, we are working to regenerate ecosystems and farming communities.

We define regenerative agriculture as farming that protects and intentionally enhances natural resources and communities.

Regenerating Our Land and Farming Communities

We frame our understanding of regenerative agriculture around three key outcomes of interest.

Soil Health

Soil is a complex ecosystem that forms the base of the food chain for humans and all land animals – in fact, 99% of our food comes from the soil! Soil also plays an essential role in balancing earth’s ecosystems and our climate.



Above-Ground Biodiversity



Diversity in crops, grazing animals, wildlife, and pollinators help build farm ecosystems that are robust against disease, pests, and climate shocks.

Farmer Economic Resilience

A strong food system starts with prosperous farmers who operate productive and resilient farms. By fostering natural nutrient cycling, regenerative agriculture practices can reduce the need for expensive chemical inputs, support healthy yields, and build farm profitability over time.

“The food system has profound environmental and social impacts, especially in agriculture. We believe that by investing in regenerative agriculture, we can be part of a large-scale effort to foster healthy ecosystems and resilient farm communities. Collaborating with regenerative farmers, we seek to heal degraded landscapes, encourage carbon sequestration, and ensure that all people have a thriving future.”

Shauna Sadowski
Head of Sustainability

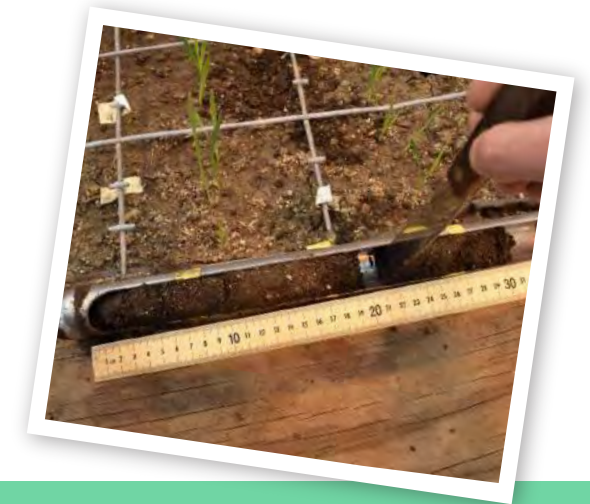
General Mills Natural and Organic Operating Unit

Impact Matters

Measuring outcomes is critical to ensure that we're driving positive impact.

That's why we're working collaboratively with farmers, scientists, and partner organizations to build measurement systems that track farm-level impact. As part of our journey to quantify impacts, in FY2018 we developed Version 1.0 of the General Mills Regenerative Agriculture Scorecard to better understand the practices farmers are using to steward their land and build economic resilience. Advancing our commitment to measuring outcomes, we also launched our Regenerative Agriculture Soil Sampling Protocol to capture soil health measurements in our supply chain.

Taking soil core measurements



REGENERATIVE AGRICULTURE SCORECARD

Version 1.0 of the General Mills Regenerative Agriculture Scorecard is a user-friendly self-assessment tool for farmers to understand how their practices influence soil health, biodiversity, and economic resilience. The objective of the scorecard is to verify the implementation of on-farm management practices and increase transparency within our supply chain. We continue to solicit feedback from diverse stakeholders on this open-source tool, so we can iterate on this resource in a meaningful and inclusive way.

REGENERATIVE AGRICULTURE SOIL SAMPLING PROTOCOL

The General Mills Regenerative Agriculture Soil Sampling Protocol outlines our approach to understanding the impact of agricultural management on soil health. In FY2018, we captured soil health results on 3 pilot farms in the Annie's supply chain. We are working to scale soil health measurements across more of our supply chain while also building out measurement protocols for above-ground biodiversity and farmer economic resilience.

Products Direct from the Farm

We're on a journey to celebrate the people who grow our ingredients.

Farmers have always been at the center of our work, and with our growing focus on regenerative agriculture and measuring farm-level outcomes, the role of our farmers is as important as ever. We seek to understand the challenges and opportunities that farmers face, so we can forge effective partnerships with the heroes who grow our ingredients.

This year, we partnered with innovative Montana farmers Casey Bailey and Nate Powell-Palm to create limited editions of two of our top items, using organic pasta ingredients grown using regenerative practices including cover crops, crop rotations, and integrated livestock management. We diverged from a traditional supply chain structure to source the ingredients directly from these two farmers, increasing transparency and giving us insight into the practices used to grow the ingredients. Through our multi-year partnerships, we're encouraging implementation of regenerative practices and measuring the impacts of these practices on soil health, biodiversity, and farming communities.





Casey



Meet Casey: Self-Professed Soil Nerd

Casey Bailey grew the wheat and oats for our Limited-Edition Organic Honey Bunny Grahams

Casey is a 4th generation Montana farmer. Since he learned to drive a tractor at age 10, managing his family's land has been Casey's pride and joy. When he's not farming, you can find Casey geeking out about the soil life discoverable beneath his microscope. Casey also enjoys trail running and sings for the Great Falls Symphony Choir!



Meet Nate: First Generation Farmer

Nate Powell-Palm grew the wheat and peas for our Limited-Edition Organic Elbow Pasta & Cheddar

On two plots of land outside of Bozeman, Montana, Nate Powell-Palm grows grains and legumes and rotates his 35 cattle to graze crop stubble and help keep his soil healthy. Nate is the first in his family to farm – and he started early. Nate acquired his first cow at age 9, and by 18, he was managing a full herd of cattle and growing organic grain to feed them. Nate is a leader in Bozeman’s local food movement and is happiest when he’s working his land or sharing yummy organic food with his community.

← Nate

**SOIL MATTERS
MORE THAN YOU THINK**

Organic Conversion at Scale

Annie's is helping to create one of the largest contiguous organic farms in the U.S. by converting 34,000 acres of conventional farmland to regenerative, organic management.

We're partnering with MidWestern BioAg (MBA) to enable the land conversion at Gunsmoke Farm in South Dakota. Farmers managing the land will plant diverse crop rotations and apply other regenerative practices to build healthy soil. When the transition is complete in 2020, the farm will supply organic wheat for Annie's Mac & Cheese. We're helping to provide on-the-ground mentorship to empower the farm operators to advance leading organic and regenerative agricultural practices.



Advancing Carbon Farm Plans

Through partnership with Organic Valley, The Carbon Cycle Institute, and the California Resource Conversation Districts, we're helping three farms in California develop carbon farm plans.

These plans help farmers identify and implement climate-beneficial farming practices like cover cropping, application of compost, and

rotational grazing. Organic Valley hopes to soon bring carbon farm planning to other Organic Valley farmers across the country.



DESIGN BETTER FOOD

Manufacturing

We work with manufacturing partners who are aligned with our environmental and social responsibility values.

Annie's contracts with manufacturers to produce our products to our exacting standards. Annie's and General Mills have always held these partners to high standards of compliance with all applicable environmental and worker-rights laws, requiring that they sign our strict Code of Conduct. We go above and beyond this through a strategy for continuous improvement of the impacts of making our products.



Our Sustainable Manufacturing Strategy

Our goal is to motivate and empower our manufacturers to continuously improve their environmental and social impact, which we pursue through three initiatives.

Supply Chain Transparency

Improving our understanding of the impact that our manufacturers have on the environment is crucial to mitigating risk in our supply chain, identifying opportunities, and making improvements. In FY2018, we updated our annual self-assessment questionnaire, which resulted in markedly improved data collection, which we can now use to pursue improvements.

Internal Business Integration

We aim to embed sustainable manufacturing principles into existing practices and processes of our internal teams. We partner closely with the supply chain department to enable them to lead improvements with our manufacturers. In FY2018, we continued our collaboration to embed sustainability considerations into everyday business decisions.

Manufacturer Engagement

We work to provide our manufacturers with relevant resources that enable them to improve the sustainability of their plants. In FY2018, we conducted interviews with our manufacturers to better understand the challenges they face in advancing sustainability and how our teams can facilitate continuous improvement.

Engaging Our Manufacturers

We build relationships with our top suppliers and routinely make financial investments to improve efficiency at their plants.

Annual Self-Assessment Questionnaire

Each year since 2010, the Annie's sustainability team asks our manufacturers to respond to a Self-Assessment Questionnaire to benchmark their performance on topics related to environmental and social responsibility. The questionnaire collects qualitative and quantitative data with the goal of identifying areas for improvement and providing resources to accelerate change.

Green Bernie Award

Created in 2012, the annual Green Bernie award is given to a contract manufacturer that demonstrates exemplary performance and continuous improvement as indicated by the Self-Assessment Questionnaire.



Informational Resources

In FY2018, we hosted a webinar for our manufacturers that provided tips and resources for improving waste diversion at their plants. We also conducted site visits and worked individually with several of our manufacturers. Our manufacturers are connected with longtime General Mills partner Feeding America to donate food to a network of over 200 food banks.

DESIGN BETTER FOOD

Packaging

We're committed to designing our packaging to have a positive impact on people and the planet.

We hold ourselves accountable not only for how we make our products, but what happens to them after they're enjoyed.



Our Sustainable Packaging Strategy

We strive to minimize the amount of packaging we use while prioritizing low impact materials and considering end-of-life outcomes.

Packaging plays a critical role in preserving the safety, nutrition, and quality of the food we make. It also presents sustainability challenges through the raw materials used in production as well as the waste generated when improper disposal occurs.

Inputs

We have embedded sustainability into the material selection process and continue to work towards a closed loop system for all packaging.



Outputs

We choose materials that are recoverable (recyclable or compostable) when possible. We also use the How2Recycle logo to help consumers dispose of packaging properly.

Optimization

We design packaging that balances the needs of product preservation with efficient transportation and minimized waste.

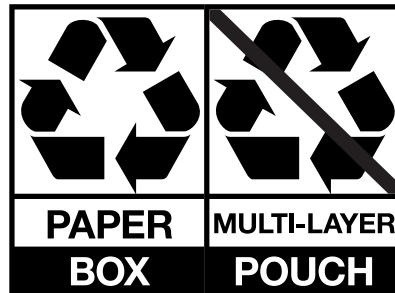
90%
of our packaging
can be recycled

How2Recycle

Variation in recycling programs, unclear labeling, and inaccurate recyclability claims make proper recycling a challenge. The How2Recycle label was created to provide consistent and transparent on-package recycling information to consumers in North America.

In 2014, we joined How2Recycle and started labeling our products to help our consumers know if and how our packaging can be recycled. Beginning in FY2018, 100% of our packaging has the How2Recycle logo!

100%
of Annie's products
carry the
How2Recycle label



DESIGN BETTER FOOD

Distribution

We aim to reduce our distribution impact by continuously improving the efficiency of our logistics system.

We've grown a lot since the early days when Annie herself would hand pack and deliver boxes of mac and cheese with her trusty truck. Now we work with the General Mills distribution network to efficiently deliver our products to retailers across the country, and Canada too!



Distribution

We aim to reduce our distribution impact by continuously improving the efficiency of our logistics system.

We work with General Mills to increase centralization of ingredients, unfinished goods, and products through co-location of storage, manufacturing, packaging, and distribution centers. This reduces transportation mileage and optimizes loads by avoiding empty space in trailers. As Annie's has become a part of General Mills, we have been able to move products from 'less than truckloads' (LTLs) to full truckloads, increasing transportation efficiency across brands. We are also part of the General Mills "hub-and-spoke" distribution model, through which finished goods are stored at 3 central U.S. distribution hubs before product volumes are precisely allocated to localized distribution spokes based on customer demand. Transportation is one of the areas to which we have committed through the Climate Collaborative, an organization that brings together companies in the natural product industry to make commitments that can help reverse climate change.



Inspire Change and Educate

We aspire to be a force for good, learning from and collaborating with others to achieve positive change in the food system.



Partnerships

We seek to advance a more regenerative food system by forming strategic partnerships, advocating on policy, and funding research.

We believe big change requires supporting and collaborating with organizations that are working to make the world better. We have donated nearly \$3.25 million dollars in the last 5 years to support programs that benefit both people and the planet by conducting agricultural research, teaching children about real food, and much more.

We also support non-profits through in-kind donations. Our Cases for Causes program allows groups to apply for products for community events. Recognizing the devastating effects of natural disasters in 2017, we donated our Cases for Causes to communities in need after Hurricane Harvey through Convoy of Hope. We also donate extra products from our in-office test kitchen to the local food bank.



Industry Collaboration

Collaboration with our peers helps amplify our voice to affect meaningful change. These are just a few examples of our close partners.



We stand with over 300 companies in the Climate Collaborative making commitments to address climate change through business. As a founding member, we have made public commitments to tackle climate change in seven areas: agriculture, food waste, transportation, energy efficiency, short-lived climate pollutants, forests, and packaging.



The U.S. Organic Grain Collaboration, a program of the Organic Trade Association and the Sustainable Food Lab, brings organic food companies together to address key challenges in expanding the supply of organic grain in the US. We are a founding member and support the Organic Grain Collaboration in their mission to increase the domestic supply of organic grain by funding research, field days, and other educational events.



Through our partnership with The Organic Center, we support research and programs that advance best practices within organic systems. In FY2018, we supported The Organic Center's efforts and specifically funded research to explore the link between management practices and soil health outcomes.

Policy

We support policies that advance the organic standard, protect our natural resources, and benefit farmers.



Annie's is an active member of the Organic Trade Association, whose mission is to promote and protect the organic standard. Each year, members of our team travel to Washington, D.C. to meet with Congress to advocate for policies that promote and protect organic integrity and advance its continuous improvement.



With only 6% of U.S. farmers under the age of 35 and two-thirds of our nation's farmland set to transition in the next two decades, it is critical that young farmers and ranchers have what they need to succeed in agriculture. Annie's supports the National Young Farmers Coalition which represents, mobilizes, and engages young farmers and ranchers to ensure their success.



Like Annie's, the National Sustainable Agriculture Coalition (NSAC) envisions a systems approach to sustainable agriculture – recognizing the interconnections between the land, farmers, and the food we eat – and works on a range of policy issue areas including soil, water and biodiversity; rural economic and community development; and organic programs. We support NSAC in their work and their empowerment of farmers to do effective grassroots organizing.

Inspiring the Next Generation

We believe that showing children how food is grown can change their lives.

Grants for Gardens

Since 2008, we've given grants to support and sustain nearly 500 school gardens. Food educators help children think holistically about their food, communities, and the planet. Through Grants for Gardens, these educators can invest funds in gardening tools, seeds, and supplies that make these inspiring programs possible.

Sustainable Agriculture Scholarships

Through our scholarship program, we award undergraduate and graduate school scholarships to future leaders who share our mission to leave the planet better than we found it by advancing the principles of regenerative agriculture.

FoodCorps

Since we formed our partnership with FoodCorps 6 years ago, we have donated nearly \$1 million to help connect children with healthy food and understand where it comes from.



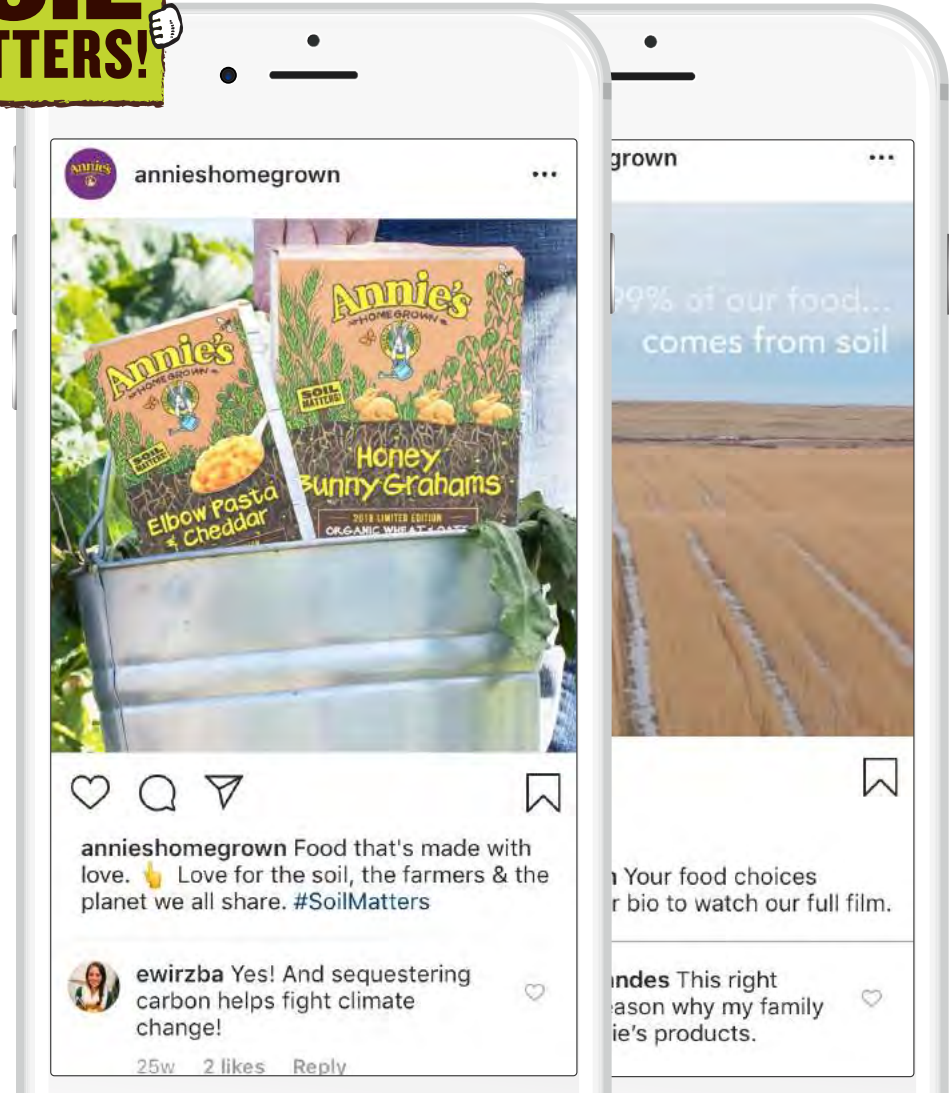
16K

children benefited from
our Grants for Gardens
program in FY2018

Inspiring Eaters

We work to connect eaters to the people and places that grow their food through thoughtful packaging design, in-store displays, and digital content.

Throughout April 2018, Annie's hosted a "soil takeover" on all our digital and social channels to celebrate Earth Month and our two limited edition direct farm sourced products. We also produced and shared an inspirational video about the farmers behind our limited edition products, and soil took over the home page of our website for the month.



#SoilMatters

We hosted a #SoilMatters sweepstakes, asking our followers to share why soil matters to them.

"Good soil is important because the world needs flowers. And trees. And some bugs live in the soil. And all the fruits and vegetables we eat need soil to grow. And things won't grow in bad soil."

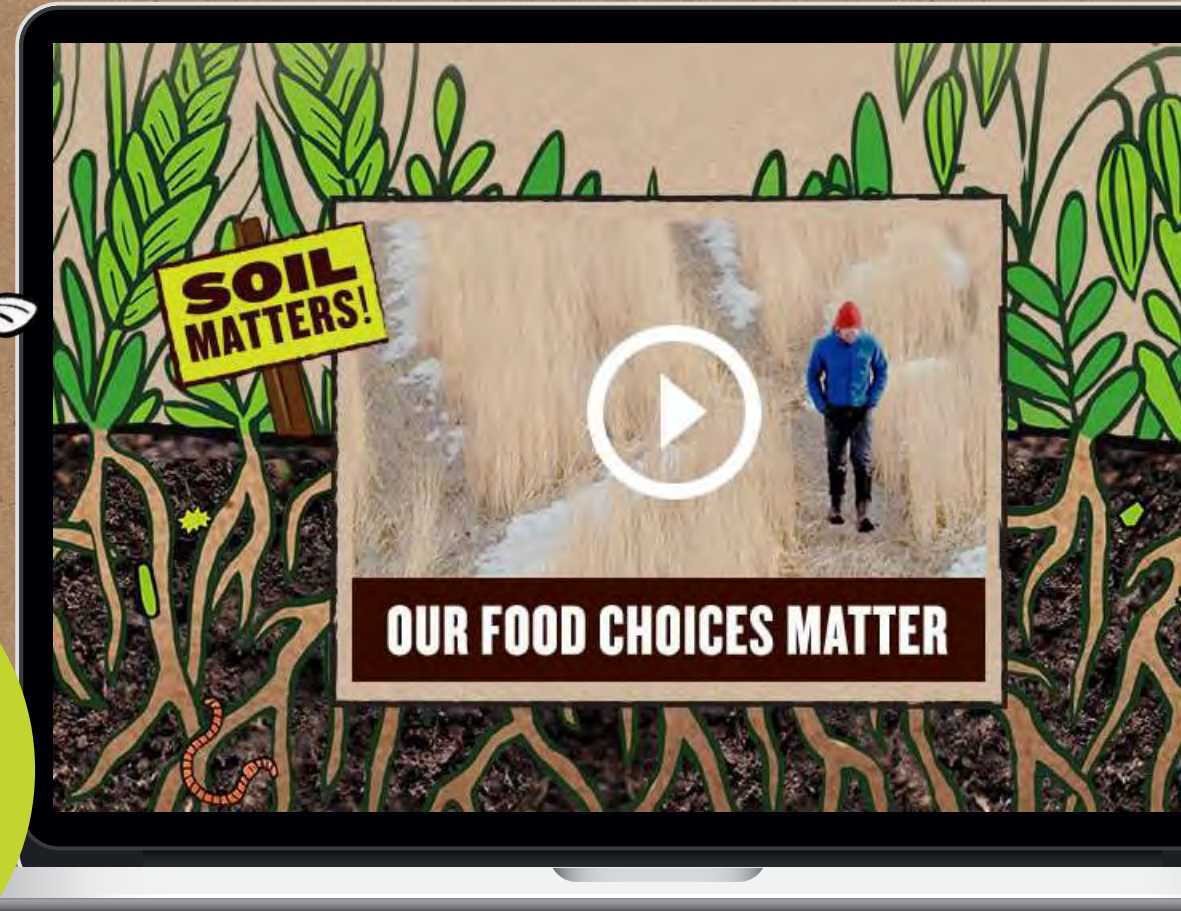


400+

#soilmatters
sweepstakes entries

3.8
million

million viewers reached
through our #SoilMatters
social media posts



Lead by Example

We walk the talk at home by creating a workplace that reflects our company values.



Our People

The success of our business rests on the wellbeing of our people.

The ALOHAS (Annie's Lifestyle of Health and Sustainability) Committee, initiated in 2012, is a group of employees that volunteers to organize initiatives focused on employee wellbeing and engagement. The group helps build community by coordinating social events, holiday celebrations, inclusion education sessions, and much more.

Our beautiful **edible garden** and patio provide a place for employees to enjoy the sunshine and pick fresh vegetables. Employees can harvest as they please or wait for the big weekly harvest by our garden guru.

Our **sustainability incentive program** encourages employees to be environmental ambassadors and invest in sustainable lifestyles. Our incentives help employees choose alternative transportation for their commutes, switch to the most fuel-efficient/low emission vehicles, and make energy-saving home improvements.

We have helped employees make

167

rounds of sustainability improvements to their homes

invest in

89

bicycles, and purchase

51

fuel-efficient and electric vehicles since 2012

Our Office Building

We work hard to minimize the environmental impact of our office.



Even though the environmental footprint of our office is much smaller than that of our supply chain, we emphasize a culture of sustainability to positively frame the decisions our employees make each day. We have maintained our LEED Gold certification since our office renovation in 2012, and we continue to be a registered Alameda County Green Business.



Energy Efficiency

We strategically manage our energy use. Since our heating, ventilation, and air conditioning system retrofit in 2016, we have reduced our energy use by 43%, decreasing related greenhouse gas emissions by 40%. This earned us the 2016 Acterra Climate Disruptors award. In FY2018, we further reduced our electricity use by 4% and natural gas by 15% compared to last year.

Waste and Recycling

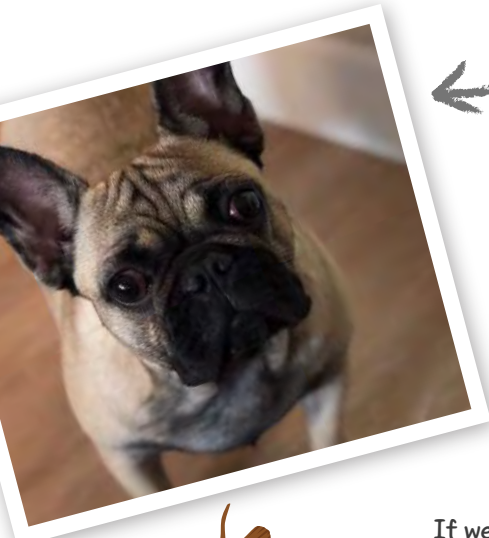
We work to keep waste out of landfills by recycling, composting, and reducing overall waste. Through education events and signage, we empower employees to be waste management champions. In FY2018, we diverted 78% of our office waste from landfill and decreased our waste by about 20% since last year.

Water Reduction

Water is scarce in our home state of California. We track monthly consumption and incorporate efficiencies into daily operations, from appliance use to watering the on-site organic garden. This year, we were recognized as an East Bay Municipal Utility District WaterSmart business for these practices. In FY2018 our water use increased by 9% compared to last year.

Office Dogs

Our K9-5'ers are an important part of what makes Annie's special.



Fig



Human's name: Ethem

Favorite Annie's product: All of them! I love ALL food! You don't get to be this compact by just eating lettuce.

Highlight of my day: When I don't get to go to work, I patiently wait all day for my daddy to come home from work. When I hear him pull in, I run over to the balcony and wait for him to step out of the car and give me a "hello".

What I think my human does all day: I'm not entirely sure what my dad does all day, but I bet there's a lot of tea-drinking involved.

Pet peeve: Humans touching my nose! It might be a bit unusual (some even say cute), but that doesn't mean I like it being poked.

If we had our way around here: I'd come to work with my dad every day. I get so much extra attention and cuddles from my humans at Annie's.



Human's name: Brianna

Favorite Annie's product: All Annie's crackers and cookies! I also love bacon, peanut butter, berries, and any crumbs of any sort, and I will pawsitively clean it up for you.

Highlight of my day: Anytime I get to eat. Can you tell I am food motivated?

What I think my human does all day: She can't decide whether to sit or stand to stare at a box.

Pet peeve: My mom makes me shake her hand or sit for a treat.

If we had our way around here: All the furballs would have free rein of the office, and I would play tag all day long with my dog friend Waffles.



Waffles



Human's name: Linda

Favorite Annie's product: Annie's Cheddar Bunnies

Highlight of my day: Getting my daily scratches and treats from my aunties and uncles.

What I think my human does all day: My mama just sits and stares at a bright screen. Sometimes she leaves me at her desk to go to a magical room that has treats.

Pet peeve: When the humans walk by without giving me pets and scratches.

If we had our way around here: My girl Winnie and I would first do some zoomies in the gym. Then, we go would scavenge for food in the kitchen followed by a whole afternoon of going around the office looking for humans who will give us treats and butt rubs.

Winnie

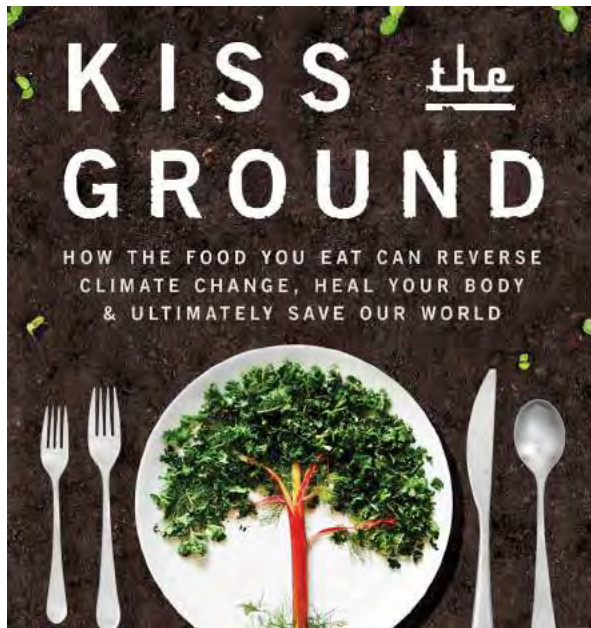


Staying Informed

Our sustainability education events help keep employees engaged on environmental and social topics.

Regenerative Agriculture Book Club

Each quarter, employees read a farming focused book and meet to discuss learnings. After reading *Kiss the Ground*, we hosted author Josh Tickell to present a soil-themed lunch and learn!



Lunch-and-Learns

Employees gather for engaging presentations over lunch. An FY2018 highlight included hosting scientist Tracy Misiewicz, Ph.D. for an in-depth conversation about the importance of soil health. She even brought her microscope, so employees could look at the diversity of life within just a teaspoon of soil.

World Soil Day

We celebrated World Soil Day by hosting Family Feud Soil Health Edition, soundtrack and all. Employees teamed up to answer geeky questions about one of our favorite topics: soil health. Did we mention that we like soil?

Sustainability Office Tours

All new employees and many guests receive an office tour that highlights the sustainability features of our building and our employee engagement programs.

93%

of employees attended at least 1 education event this year

Employee Volunteerism

We empower employees to strengthen our community by volunteering.

To amplify our impact, we coordinate volunteer events that align with our mission and brand. We choose a variety of activities to foster full employee engagement, and we also support employees to volunteer for organizations of their choice during work hours.

This year, we focused our efforts on helping nearby communities affected by the devastating fall 2017 wildfire season by volunteering with the Redwood Empire Food Bank, delivering Halloween goodie bags to children who were displaced, and collecting holiday gifts for children with special needs from the impacted areas. We were also able to support the Redwood Empire Food Bank by donating 15 truckloads of product and presenting a financial donation from the General Mills Foundation.

Helping at the Food Bank



Restoring habitat



Weeding at the botanical gardens



We are Part of a Team

At the 2018 Natural Products Expo West, General Mills and our family of 9 natural and organic brands came together as a unified force for good.

General Mills shared its commitment to regenerative agriculture by showcasing credible and substantive work, giving hope by letting people know that our food choices matter more than we think, and inspiring action by engaging others in the industry. General Mills' booth reflected our deep commitment to our regenerative agriculture pillars of soil health, biodiversity, and farmer economic resilience by creating an interactive experience replete with sensory engagement as attendees walked through.

This display was a true showing of how our Farm to Yum strategy all comes together.



Pollinator habitat

Above the planted pollinator habitat, an overhead projection of bees and a serene audio of birds and insects took visitors straight to the farm.

A real bison!

Epic's demonstration bison highlighted the important role of intensive rotational grazing in bringing soil back to life.

FOOD MATTERS

OUR FOOD CHOICES MAKE A DIFFERENCE

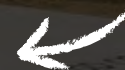
POLLINATORS MATTER

Diverse plants



Plants representative of promising cover crops and healthy crop rotations lined the outside of the booth. These plants were donated to the Ron Finley Project after the show.

Dirt



Bare dirt covered the floor of the entrance to demonstrate the dire state of our soils in contrast to the chocolate cake-quality healthy soil in the adjacent banner.

Hopping Along

For nearly 30 years, Annie's has been devoted to the business of good: creating good food, demonstrating good business practices, and helping build good communities.

1989

Annie Withey
co-founds Annie's



1989

Launch
Cases for Causes



1998

Introduce our first
Organic Mac & Cheese



2000

Award our first
sustainability
scholarships

2007

Start Grants
for Gardens



2009

Join the
Sustainable Food
Trade Association

2011

Publish our first
sustainability report



		<p>2012 Start our employee sustainability incentive program</p> <p>Conduct our first life cycle assessment</p>							
<p>2012 Begin funding research on soil carbon sequestration</p> <p>Annie's goes public as BNNY</p>		<p>2013 Certified as a Bay Area Green Business</p>	<p>2016 Receive the Acterra Climate Disruptor Award</p>	<p>2018 Publish Version 1.0 of the Regenerative Agriculture Scorecard</p>					

In FY2018, Annie's joined General Mills sister companies **Cascadian Farm**, **Epic Provisions**, and **Muir Glen** under the umbrella of a new Natural and Organic Operating Unit within our parent organization. We proudly named our group after our fierce commitment to mission: The Triple Bottom Line Operating Unit is unwaveringly focused on driving positive outcomes for people, planet, and profit.

We're excited to partner with our sister brands (we refer to them as bison, bees, and tomatoes) to amplify our mission work, double down on the importance of agriculture, share our inspiring network of food system partners, and support whole farm rotations through the ingredients we collectively purchase. Stay tuned for stories from our bunny, bison, bee, and tomato family!

*This report was prepared by the Annie's team with images from Nick Kelley and graphic design by Mannie Rabara.
For more information, visit Annies.com or contact us at sustainability@annies.com.*

