Sustainability Report 2018

ecostore

+ safer for you



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OUR PROMISE

Ecostore exists to make the world a safer place, one person, one home at a time.

"Safer for you, your family and our world." – this is our promise.

We've always believed in empowering our customers to make informed decisions about the products they choose. Since ecostore began in 1993, we've been on a mission to help care for the world through both responsible products and ethical business practices.

We see a future where safe, sustainable and ethical products are the norm.

Ecostore evolved from sustainable permaculture principles, with a deep understanding that our actions have an impact on the world, from climate change to the health of its people. To us, sustainability means acknowledging that everything is interconnected. And running a sustainable business requires not only focusing on our financial performance, but also social wealth creation and environmental responsibility.

We've been walking a sustainability path for more than 25 years now. Our aim now is to share our progress with you every two years. To share our wins, highlights and achievements. To come clean about where we can do better. And to bring even more transparency and accountability to our goals.

Thanks for joining us on our journey.



Captain Eco
Mark & Deb Smith

2018 COMPANY SNAPSHOT

25

years old. We were founded in 1993.



of products are made in NZ*

*1% applies to our dish tablets and toothbrushes which are manufactured overseas to our same high standards.



the units sold in 2018, compared to 2012. We're growing fast!

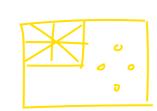


people in our team, nationally and internationally.

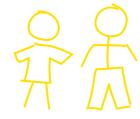


countries and counting – where you can buy ecostore products.











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LETTER FROM OUR MANAGING DIRECTOR

Since 1993, we've been thinking about the environment. About how we build a business driven by the desire to do good, to make products that are safer for both people and the environment. Reflection is valuable. But what we do now and next matters more.

At ecostore our purpose is to make the world a safer place, one person, one home at a time. A world where safe, sustainable, ethical products are the norm. We believe businesses need to step up and recognise that they can and must be a force for good. Green is now mainstream, as is sustainable business practice. We have an incredible opportunity to pave the way for future generations.

It's the small things we can control as a person, the larger ones as a business and the power of us all standing together.



Pablo Kraus
Emma Pickles

When I think about my children, I think about the future, about how the world must change and about the influence we can have to shape the future we want. We must lead by example, empower others, take action, make changes – and this report communicates how ecostore is delivering on this and leading the way.

Climate change and plastic pollution are two of the biggest challenges we face in the 21st century. At ecostore we tackle this holistically through our operations, how we choose our partners, how we source our materials, and what we do about the lifecycle of our products.

We're the only business in Australasia that makes and packages our products from a plant that's been carboNZero certified since 2010. To reduce our carbon footprint even further, in 2014 we switched our plastic packaging to plastic made from sugarcane. Since then, we've saved more than 5000 tonnes of carbon from being released into the air. The equivalent of a car driving the length of New Zealand 8500 times.

99% of our packaging is recyclable and widely recycled globally. We won't stop there, we will continue to innovative with solutions that ensure our operations and products are best for both people and planet. In 2018 we made ourselves publicly accountable by signing up to the New Zealand Plastic Packaging Declaration, joining the

Climate Leaders Coalition, and signing up to the New Plastics Economy Global Commitment, led by the Ellen MacArthur Foundation.

Ecostore is an authentic kiwi-owned business based on family values. We represent a real cross section of New Zealand – that includes a range of cultures, reflecting the diversity of our country and global community. What our team, customers, suppliers and collaborators have in common is that we're all taking this continuous journey to do things better for our planet and people.

I can say with confidence that my team and I are always striving to make a difference, and that we are constantly seeking out new ways to help make the world a better, safer place.

Jan-

PABLO KRAUS, Managing Director

PAST, PRESENT AND FUTURE



The old days
Malcolm Rand

Malcolm and Melanie Rands founded ecostore on New Zealand's lush, subtropical Northland coast in 1993. Part of a group that created an eco-village nestled in a valley dotted with streams and surrounded by native forest, the Rands set out to make their home as clean and green as the land they called home.

Then as now, the ecostore ethos has always been to put people's health first, giving them the choice to live clean. We do this by creating hardworking, highly effective products for people and their homes, without harmful or unnecessary chemicals,

From one New Zealand family to another – the Rands passed the baton to the Kraus family in 2013. Now led by Pablo Kraus, our goal is to be the world's most trusted, environmentally responsible home and body care brand.

Today we continue to develop, manufacture and pack our cleaning, laundry, body care, skincare, and baby care products at our own carboNZero certified factory in Auckland and share them with the world.

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2018 HIGHLIGHTS



In the Colmar Brunton Better Futures report, we were named New Zealand's #1 sustainability brand for the fifth year in a row



Tmall Global award for 'consumer experience excellence of the year'



We shared our sugar plastic story



Canstar Blue: Most Satisfied Customers for our bathroom cleaner in New Zealand



Black Limited Edition campaign supported Sustainable Coastlines (backed by some ecostore team mahi)



OhBaby Gold for our Baby Moisturiser and Baby Sleepytime Bath



Idealog awards ecostore for 'Long-Term Innovation Excellence'



60+ ecostore refill stations throughout NZ – and everyone's talking about it!



Ultra Sensitive range approved by the National Asthma Council of Australia and the Asthma and Respiratory Foundation of New Zealand's Sensitive Choice® programme

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Independance Mark & Deb Smith

SUSTAINABILITY PILLARS

'Sustainability' is a very broad concept that encompasses many different areas. We've chosen to measure, report and work on the following areas, where we can make the biggest positive difference.

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Health & Safety Transparency Community Engagement Consumer Accessibility

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Mamaki garden Malcom Rands

SUSTAINABILITY FRAMEWORK

In this report, we've mapped our progress and future goals against the relevant United Nations Sustainable Development Goals. This gives us a framework for prioritising and measuring the actions that enable us to make the biggest difference.

PILLAR	Environment			
SUB PILLAR	Climate Change	Water	Sourcing & Procurement	Packaging
PRESENT	Using renewable materials to reduce our emissions and keep petroleum oil in the ground. • GHG emissions reduction	Carefully managing our water use and effluent discharge. • Environmental Management System	Sustainable sourcing policies based on a rigorous material safety and environmental assessment.	Renewable, reusable, refillable and recyclable packaging, to keep what we produce out of landfills.
	and offsettingEnergy use measurement & reduction	Rigorous targets for water use & quality	 Transitioning from non- certified Palm Oil to Mass-Balance grades 	 Sugar plastic – renewable, recyclable & refillable
	Manufacturing efficienciesRenewable sugar plastic	 Concentrated formulations 	 Ingredient sourcing led by our precautionary principle 	 Recycled and recyclable cardboard shippers & packaging
	for carbon capture Renewable energy provider – Meridian			Making refills & bulk packs more accessible
FUTURE	Improving emissions by 1% per \$1 of revenue year on year. Using 100% renewable materials including all packaging. Making decisions based on lifecycle analysis.	Continuous reporting and minimising water and waste through reduction targets at our factory. Extending reporting to other areas of the busine	Segregated Palm Oil, and a more transparent supply chain.	Post-consumer recycled plastic blended with sugar plastic in our bottles, closed-loop recycling of ecostore bottles.
UN GOALS	7 AFFORDABLE AND CLEAN ENERGY 12 RESPONSIBLE CONSUMPTION AND PRODUCTION AND PRODUCTION 13 CLIMATE ON LAND 15 ON LAND	12 RESPONSIBLE CONSUMPTION AND PRODUCTION WATER WATER	11 SUSTAINABLE CITIES 15 UPF ON LAND 17 PARTINERSHIPS 17 FOR THE GOALS	12 RESPONSIBLE CONSUMPTION AND PRODUCTION AND PRODUCTION AND PRODUCTION AND PRODUCTION

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PILLAR	Society			
SUB PILLAR	Health & Safety	Transparency	Community Engagement	Consumer Accessibility
PRESENT	Protecting the health of everyone who makes and uses our products, including those working on plantations and at raw material sources. Ingredient safety assessment nonastychemicals.org Environmental Working Group assessment Dermatological & ocular testing OSH compliance (NZ)	 Empowering our customers to make better decisions for the health of their families and the environment. Full disclosure of ingredients on all products, both personal care & home care Giving our customers insight on our practices, values & policies. Transparency about our sugar plastic supplier 	Advocating for healthy, responsible lifestyles, and supporting local action to educate on environmental issues. Good Soap for a good cause Volunteering in our community Fairground Foundation Supporting Children's Cancer Society Gold sponsor of Sustainable Coastlines Ongoing product donations for community groups	 Ensuring our high-performing products are good value for money. Resource efficiency & innovation Different formats: bulk & refill purchasing options Concentrated product formulations
FUTURE	Informing smallholders about our No Deforestation/Peat/Exploitation Policy, good environmental practices and ecosystem conservation.	Expanding the detail on our websites to provide end-to-end transparency throughout the supply chain.	Increasing our volunteering hours by 25% and exploring international partnerships.	Continuing to make improvements to our supply chain, distribution and operations in line with our sustainability ethos - while keeping it accessible.
UN GOALS	12 RESPONSIBLE CONSUMPTION AND PRODUCTION AND PRODUCTION	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	17 PARTNERSHIPS FOR THE GOALS	12 RESPONSIBLE CONSUMPTION AND PRODUCTION AND PRODUCTION AND COMMUNITIES

PILLAR	Economy			
SUB PILLAR	Employment & Our People	Circular Economy	Associations & Collaborations	
PRESENT	Looking after our team and the people at every step along our supply chain.	Protecting the environment and future resources by working within a circular	Contributing to the sustainability conversation and setting an example as	
	• Diversity of gender, ethnicity,	economy framework.	a responsible business.	
	disability & sexual orientation	 Supporting the Fairground Foundation 	 Climate Leaders Coalition 	
	 Equal opportunity employer 	Ellen MacArthur Foundation	Ellen MacArthur Foundation	
	Living wage employment progression	commitment	The Forest Trust/Earthworm	
		Global packaging alliance	Sustainable Business Network	
	Human rights	81% renewable plastic bottles	Sustainable Business Council	
FUTURE	Reviewing HR policies and developing twice-yearly education programme for diversity and inclusion, gender equality, wellbeing and more.	Investigating new ways to take greater responsibility for our packaging after consumers have used our products.	Gaining further global third party endorsements of our products and commitments to people and the environment	
UN GOALS	5 GENDER 10 REDUCED NEGULALITIES	12 RESPONSIBLE CONSUMPTION AND PRODUCTION AND PRODUCTION TO THE GOALS	12 RESPONSIBLE CONSUMPTION AND PRODUCTION 13 CLIMATE 17 PARTNERSHIPS FOR THE GOALS 14 PARTNERSHIPS FOR THE GOALS	

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Daisy chains Mark & Deb Smith

CLIMATE CHANGE

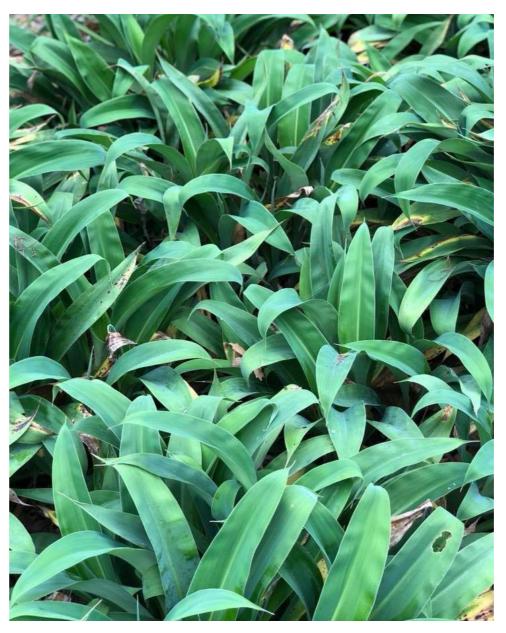
REDUCING AND OFFSETTING OUR EMISSIONS

We believe that people, businesses and governments need to work together to help address climate change. So we're joining forces with other likeminded businesses and organisations in New Zealand and globally – to help create change at scale.

We support the Paris Agreement and New Zealand's commitment to it, and believe the transition to a low emissions economy is a powerful opportunity to improve our country's prosperity. We support the introduction of a climate commission and having carbon budgets enshrined in law.

As a signatory to the Climate Leaders Coalition, ecostore has committed to:

- Measuring our greenhouse gas emissions & publicly reporting on them
- Setting a public emissions reduction target consistent with keeping within 1.5° of global warming
- Working with our suppliers to help them reduce their greenhouse gas emissions



WHAT WE'RE DOING

- Reducing our emissions with external partnerships
- Monitoring emissions & energy use
- Formulating & manufacturing effectively & efficiently at our factory
- Carbon offsetting
- Using renewable materials, both in formulations & packaging
- Joining with other organisations to drive change: Ellen MacArthur, Climate Leaders Coalition, Plastic Packaging Commitment

Habitat
Pablo Kraus

REDUCING EMISSIONS AT OUR FACTORY WITH EXTERNAL PARTNERSHIPS

Ecotech, our Auckland based factory, has been carboNZero certified since 2010, and has offset 769 tonnes of carbon since then.

Alongside an ISO14001 environmental management system, ecostore has an Emissions Management and Reduction Plan (EMRP) with Enviro-Mark CEMARS and CarboNZero.



ISO14001:2004 (certified since Nov. 2010)

This internationally recognised standard certifies that ecostore has an effective Environmental Management System (EMS) that mitigates or minimises the potentially negative effects of our operation on the environment.



Enviro-Mark Diamond (certified since Dec. 2009)

Our EMS is certified Enviro-Mark Diamond – the highest of five levels. To achieve this standard entails:

- Identification and evaluation of compliance to legal and other requirements
- Identification and evaluation of environmental aspects and impacts
- Establishing environmental objectives, targets & programmes
- Performing management reviews & internal audits



carboNZero (certified since 2010)

Each year, we calculate and offset our CO2 emissions via CarboNZero, through renewable energy and native forest programmes that reduce our net greenhouse gas emissions in our New Zealand Factory.

In 2018, we contributed to the Kurinui Forest Permanent Forest Sink Initiative (PFSI), which restores native biodiversity, reduces soil erosion and improves water quality.

CO2 TONNES OF EMISSIONS FROM OUR NZ FACTORY, PER MILLION DOLLARS OF SALES

	2010	2011	2012	2013	2014	2015	2016	2017	2018
BIODIESEL/ DIESEL/ LPG CONSUMPTION	6.71	5.75	16.46	21.49	23.40	34.57	50.68	60.09	95.24
ELECTRICITY CONSUMPTION	26.95	26.02	23.40	15.11	26.45	38.34	36.55	37.13	43.54
FREIGHT (ROAD/SEA), CAR, LANDFILL	67.42	27.89	32.53	34.64	29.07	23.40	28.84	66.45	150.82
TOTAL GROSS EMISSIONS	101.08	59.66	72.39	71.23	78.93	96.30	116.07	163.68	289.61

HOW WE'RE DOING

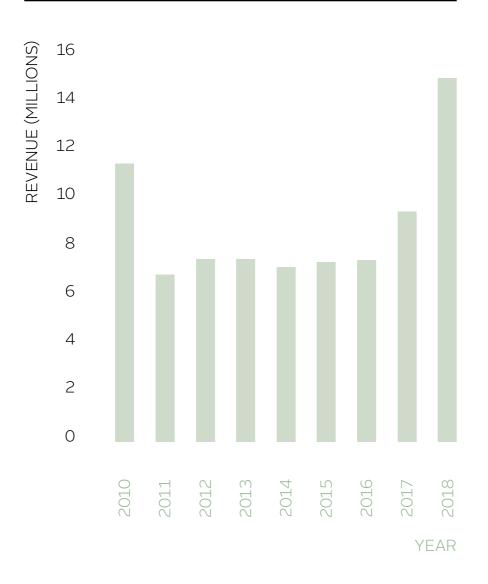
We achieved a significant 37.5% reduction in emission intensity throughout 2010-2015 – from 11.26 CO2eT/M to 7.03 CO2eT/M at our factory.

However, our emission intensity increased from 2016 to 2018 – from 7.15 CO2eT/M to 14.6 CO2eT/M (104% increase) due to these reasons:

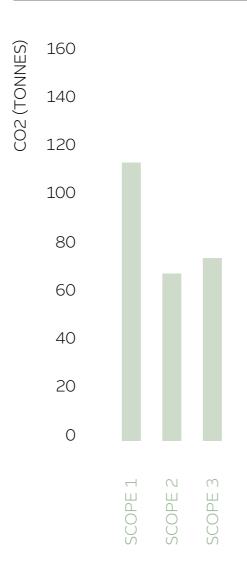
- As we grew, we had to relocate our finishedgoods warehousing off-site, which increased GHG emission on freight (Previously everything was under one roof, now our operation is spread across three)
- Growth also led to storage capacity constraints, which meant constantly re-organising raw materials, increasing the use of our LPG and electric powered hoists



Greenhouse Gas Emissions By Revenue



2018 Greenhouse Gas Emissions By Scope Of Operations



Scope 1: Transport Fuels

Direct emissions from sources owned or controlled by ecostore e.g. emission from diesel powered boiler

Scope 2: Electricity

Emissions specific to heat, electricity or steam consumed by the company

Scope 3: Freight, Transport (others)

Indirect emissions resulting from nonecostore sources e.g. travel, freight

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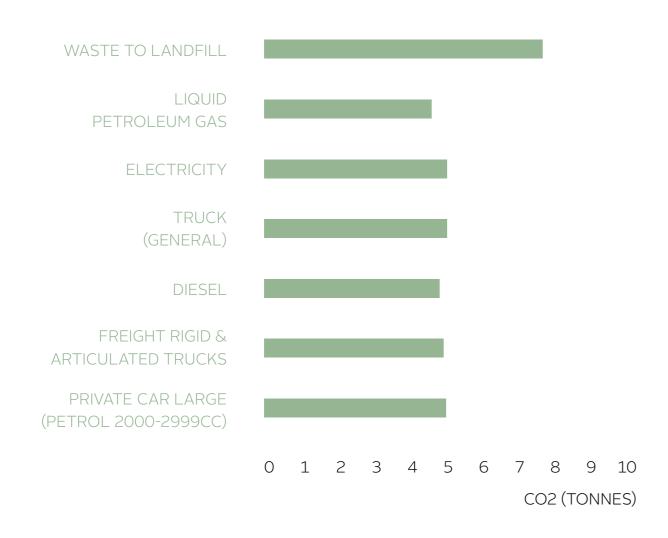
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2018 Greenhouse Gas Emissions By Source

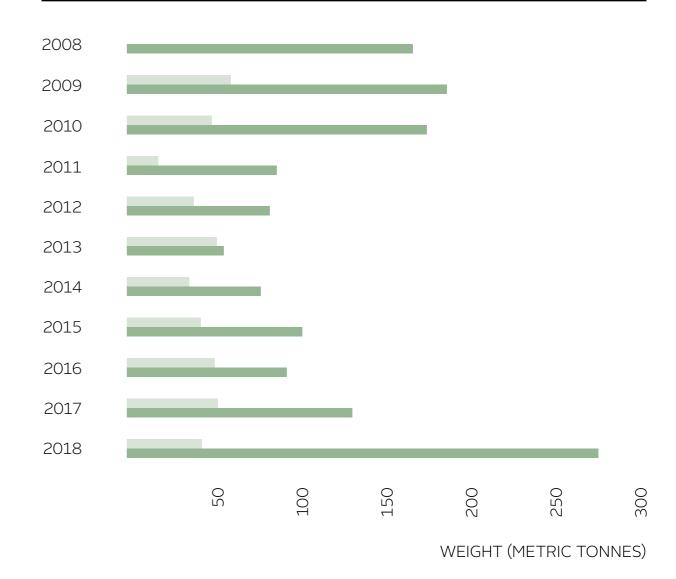


ELECTRICITY AT OUR FACTORY

In 2018, we replaced our older LPG forklifts with an efficient electric fleet. These plug in at night during low consumer usage, to level out peaks in energy use. In 2018, we also consolidated back from four manufacturing/storage locations to three, reducing electricity use.

2018 Our Recyclables To Landfill Rates





WASTE AT OUR FACTORY

In 2018, our GHG emission calculations for solid (mainly plastic) waste going to landfill doubled due to poorly compacted bins, since waste data is estimated based on rubbish bin volume. It also increased due to China not buying recyclable materials, which added to our waste emission calculations.

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CARBON OFFSETTING

YEAR	TOTAL OFFSET	PROJECT	DESCRIPTION OF PROJECT
2010	117 tCO2e	Beijing 48MW Guanting Windpower projects credits	Offsetting GHG emissions through renewable energy generation,
2011	61 tCO2e	Windfarm (Tararua TrustPower)	which displaces fossil fuel-generated electricity from the grid.
2012	77 tCO2e	Geothermal: Gunung Salak Capacity upgrade credit	
2013	77 tCO2e	Patnaik Windfarm credits	
2014	73 tCO2e	PFSI AAUs Rangitoto Station	Sequestration of GHGs through regeneration of native forest or
2015	98 tCO2e	PFSI Hinewai Forest	methane capture, increasing native forests on private land, while providing an income for landowners.
2016	117 tCO2e		
2017	164 tCO2e		
2018	290 tCO2e	PFSI Kurinui Forest	

We offset our emissions beyond electricity, freight and waste through forest regeneration and investing in biobased packaging that captures carbon from the atmosphere. Choosing this packaging option removes on average, 121 tonnes of carbon each year from the atmosphere as it grows.

Learn more about how we source this crop

Our chosen forest regeneration project is Kurinui native forest. Kurinui is a native forest regeneration site near Moeraki in Otago, New Zealand. The carbon forest area is close to 100ha and contains a diverse range of vegetation, including many dryland species, several of which are nationally threatened. The site provides habitat for three nationally threatened birds and one nationally threatened lizard species.

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WHERE WE WANT TO BE

Emissions

Right now, we're focused on improving accuracy in our GHG emissions calculations. We aim to expand the scope of our CarboNZero certification of our New Zealand based factory to cover the entire organisation: including finished goods warehouse facility, flagship store, head office and satellite office in Australia.

We will investigate further ways to minimise electricity, LPG and fuel use, waste, use of water and emissions from the freighting of our finished goods. Future decision making will be based on lifecycle analysis to compare different options for their environmental or social impact.

Waste

Waste reduction is a priority focus for us. We will analyse and reduce our solid waste volume (in kg) by 5% from 2020-2025. We're developing new ways to reduce our waste by reducing bottle weight and maximising efficiency, closed loop recycling of our sugar plastic bottles, and making refill options available in more areas.

We are committed to investigating and finding new channels for recyclables – given China is no longer importing recyclable plastics from other countries, and the system for New Zealand soft plastics recycling is struggling to cope.

For more information on this principle in action, see our packaging section.



IMAGE

One path Hirotaka Mukubayashi

Conserving water & discharging it responsibly

While responsible effluent release is important to us, we're also constantly seeking ways to reduce water use and wastage.

At our factory:

- Environmental Management System at our factory to maintain the quality of wastewater discharged for treatment
- Monitoring water use & discharge

With our products:

Concentrated formulations mean less product going down the drain. And by carefully selecting our ingredients, we ensure that wastewater from our manufacturing site or going down the drain at home is safe for municipal water processing facilities, grey water systems and environment. The surfactants and other ingredients in our plant and mineral based formulations are readily biodegradable.



IMAGE

SOURCING

HOW WE CHOOSE OUR INGREDIENTS

Responsible selection and sourcing of ingredients is one area where we can have a huge positive impact. We select and work with suppliers to ensure the materials we use in our products are safer for people and our planet. Our material safety and environmental assessment is used to evaluate suppliers on this criteria.



Safer for people

- We use the precautionary principle. If there's any doubt about an ingredient's safety, we'll find an alternative
- Full material evaluation to ensure materials have no toxicity concerns
- Nothing on the nonastychemicals.org list
- No nanomaterials, heavy metals & phthalates



Kinder to our world

- Sourcing: origin; renewable feedstock, minerals
- Low environmental & aquatic toxicity, persistence & bioaccumulation
- Readily biodegradable
- Grey water safe using waste water experts to advise on and assess our products



Verified & certified

- Environmental Working Group ingredient database - low health & environmental hazard ratings wherever possible
- Proposition 65: Safe Drinking Water & Toxic Enforcement Act of 1986
- Environmental Choice New Zealand
- COSMOS/Ecocert preferentially sourced
- Palm Roundtable on Sustainable Palm Oil (RSPO) member

ENVIRONMENT

USE OF RENEWABLE, PLANT-BASED RAW MATERIALS IN 2018

FEEDSTOCK	INGREDIENT EXAMPLES	2018 VOLUMES (METRIC TONNES)
PALM DERIVATIVES	Alkyl Polyglucosides Glycerin etc	692
SUGARCANE	Sugar Polyethylene (sugar plastic)	1,309
CORN	Citric Acid	30
COCONUT	Coconut Oil, Sodium Coco-Sulphate	22
OTHER VEGETABLE OILS	Olive Oil, Rapeseed Oil, Jojoba Oil etc.	27
ESSENTIAL OILS	Eucalyptus Oil, Lemongrass Oil etc.	4

These raw materials have passed our rigorous material safety and environmental assessment to be sure that they're safer for people and planet.

CORN

Some of our surfactants are made from glucose of corn, while other materials like citric acid are produced by fermenting corn. None of our plant-based ingredients come from genetically engineered/modified stock. The enzymes used in ecostore auto dish powders, dish tabs and laundry products are not genetically modified.



Corn field Stock Imagery

SUGARCANE

We use this versatile, renewable crop for our sugar plastic bottles – a more sustainable alternative to plastic made from petrochemicals. All sugarcane used in the manufacture of ecostore bottles has been sustainably sourced from Brazil (concentrated in the South-Central region, which is located more than 2, 500km from the Amazon rainforest). All our sugar used by our plastic supplier Braskem, is certified sustainable by Bonsucro, according to these six principles:

- 1. Obeying the law, including land and water rights
- 2. Respecting human rights & labour standards, such as minimum age of workers, forced and compulsory labour, health and safety
- 3. Managing efficiency to improve sustainability, such as managing the inputs, production & processing efficiencies such as raw materials used & emissions
- 4. Managing biodiversity and ecosystems, such as waste and effluents, protecting conservation areas
- 5. Continuous improvement of financial & environmental efficiencies
- 6. Adhering to EU directives for renewable energy & fuel quality



IMAGE

Sugarcane Stock Imagery

PALM OIL, & WHY WE USE IT

We use approx. 692 metric tonnes of palm-derived ingredients each year, and are committed to using 100% certified sustainable palm and palm kernel oil. Palm oil is a vegetable oil derived from the kernel and the fruit of the African oil palm tree. This land-efficient, versatile natural material is a key ingredient in our products as an alternative to oils made from non-renewable petrochemicals. But there are concerns over the agricultural and economic practices of the palm industry.

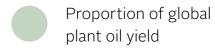
The good

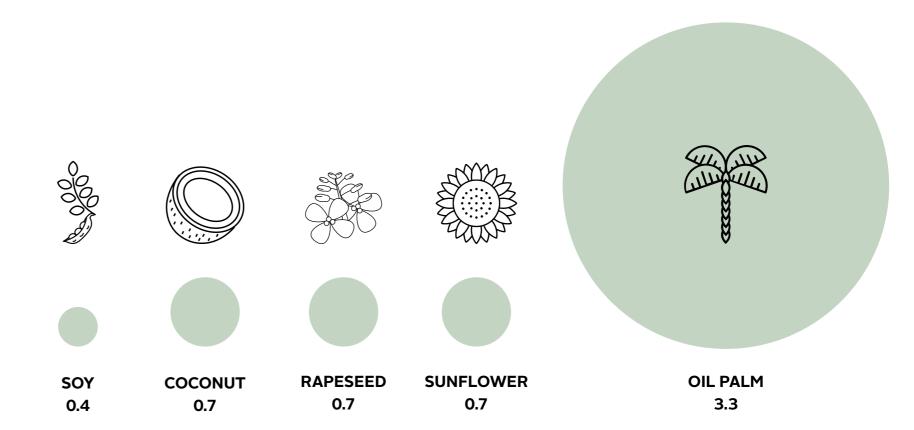
- Palm needs up to 10x less land, & fewer resources than crops like coconut or rapeseed
- Its versatility means it can be made into many useful, safe ingredients
- Palm oil can be harvested 12 months of the year
- Palm Kernel Expeller = leftover fibre can be used in animal feed or to make products like paper or fertiliser
- On average, 3.9 tonnes of crude palm oil & 0.5 tonnes of palm kernel oil can be extracted per hectare
- Palm crops can be grown in a sustainable manner

The not so good

- Deforestation destroys habitats & causes greenhouse gas emissions
- Peatland clearance & burning releases large amounts of CO₂ contributing to climate change
- Chemical pesticides leach into soils and waterways, harming human health & aquatic environments
- Communities are displaced through forest clearing
- Local workers may be denied rights
- Indigenous people may be prevented from decisionmaking that affects the use of their lands

Global Plant Oil Yield Comparison (Tonnes per hectare)





WHERE WE STAND

Right now, we believe certified sustainable palm oil is the best choice for people and the planet.

By using sustainable palm oil, we can meet our customers' needs, look after growers and preserve growing environments from further biodiversity loss. As a purchaser of RSPO certified Palm oil, and Earth Worm, our suppliers work with growers, other manufacturers, local authorities and notfor-profits to develop environmental and social criteria to guide palm oil producers while protecting native forests, reducing pollution, and respecting the rights of local people.

Alternative crops are less productive per hectare, requiring more land to be converted to agriculture and more deforestation. Some brands have switched to coconut oil, which according to The IUCN Report, Palm Oil and Biodiversity, would likely displace, not halt biodiversity loss. The Report is an objective analysis of palm oil impacts on global biodiversity and possible solutions. It found that a better option to preserve biodiversity is to avoid further palm oil-related deforestation. This stance is in line with the World Wild Life Funds Sustainable Palm Oil stance.

WWF POSITION ON PALM OIL

"Palm oil is an incredibly efficient crop, producing more oil per land area than any other equivalent vegetable oil crop. Globally, palm oil supplies 35% of the world's vegetable oil demand on just 10% of the land. To get the same amount of alternative oils like soybean or coconut oil you would need anything between 4 and 10 times more land, which would just shift the problem to other parts of the world and threaten other habitats and species. Furthermore, palm oil is an important crop for the GDP of emerging economies and there are millions of smallholder farmers who depend on producing palm oil for their livelihood. Boycotting palm oil is not always the answer, but demanding more action to tackle the issues and go further and faster, is."

Source: https://www.wwf.org.uk/updates/8-things-know-about-palm-oil

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WHAT WE DEMAND OF OUR PALM OIL SUPPLIERS

- Adherence to RSPO certification criteria
- Avoidance of deforestation
- Environmental responsibility & conservation of natural resources & biodiversity
- Facilitating the inclusion of smallholder growers

RSPO

Ecostore was one of the first consumer businesses to join the Roundtable on Sustainable Palm Oil (RSPO) in 2007. The RSPO is an association under Swiss law that is composed of various organisations from different sectors of the palm oil industry, including environmental and social NGO'S, who are involved in developing and implementing global standards for sustainable palm oil. The RSPO standards make sure that the fundamental rights of communities, plantation workers, small farmers and their families are respected and taken into account and that no new primary forests or high conservation value (HCV) areas have been cleared for palm oil production since November 2005.

EARTHWORM

We joined Earthworm in 2015, and signed its No Deforestation and No Exploitation pledge. This organisation helps us work with our palm oil supply chain to:

- Create a Palm Oil Policy
- Annually & publicly report on our use and source/ origins of palm derivatives
- Shift a key supplier from IOI (suspended from RSPO) to Wilmar
- Tracing of our supply chains for Wilmar, BASF & NBPOL

RSPO's Palm Oil Certification Standards

MINIMUM STANDARD

Green Palm or Standard

Untraced palm oil with a trading scheme to support equivalent certified sustainable production.

The minimum when Segregated, Identity
Preserved Certified Sustainable Palm Oil or
Mass Balance are not available.

INTERIM OPTION

Mass Balance

A mix of certified and uncertified palm oil.

A temporary solution when the Segregated, Identity Preserved Certified Sustainable Palm Oil are not available.

HIGHEST STANDARD

Segregated or Identity Preserved Certified Sustainable Palm Oil

Certified palm oil that is sustainable, fully traceable and meets the RSPO's standards.

100% sustainable solution that companies should aim for.

HOW WE ARE GOING

In 2018 we switched to using the highest grade of RSPO certified sustainable palm oil in our lemongrass bar soaps, without passing on the cost to our customers. All other products use a mixture of certification levels. We're actively working with suppliers to increase volumes of certified grades, and reviewing our progress annually to move more products to higher levels of certification when price and quantity of supply is available.

ECOSTORE PALM CONSUMPTION 2018

CONSUMPTION 2018	PALM OIL (KG)	PKO (KG)
STANDARD	29,609	279,577
MASS-BALANCE	247,469	112,434
SEGREGATED	23,515	0
TOTAL ANNUAL CONSUMPTION BY SUPPLY GRADE	300,593	392,011



IMAGE Palm plantation visit Melanie Rands

WHERE WE WANT TO BE

By 2025 we aim to have all of our palm-derived ingredients (palm oil and palm kernel oil), RSPO certified at the highest level of certification possible. We will be collaborating more closely with our suppliers to drive positive change across industries while making major transitions to higher grades of certified RSPO palm-derived oils throughout 2019-2021 to achieve this goal.

ENVIRONMENT



Palm derivatives Melanie Rands

OUR COMMITMENT IN ACTION - TOTAL PERCENTAGE OF RSPO GRADES IN 2018 & OUR FUTURE COMMITMENTS

2018	RSPO STANDARD	RSPO MASS BALANCE	RSPO SEGREGATED
PALM OIL	10%	82%	8%
PALM KERNEL OIL	71%	29%	0%

2019	RSPO STANDARD	RSPO MASS BALANCE	RSPO SEGREGATED
PALM OIL	9%	1%	90%
PALM KERNEL OIL	28%	72%	0%

2021	RSPO STANDARD	RSPO MASS BALANCE	RSPO SEGREGATED
PALM OIL	1%	9%	90%
PALM KERNEL OIL	2%	98%	0%

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PACKAGING

Constantly innovating to reduce, refill & recycle

According to the 2018 Colmar Brunton Better Futures Report, 'Build-up of plastic in the environment' is a key concern for 72% of Kiwis, and closely related, 64% are concerned with the 'Pollution of lakes, rivers, and seas'. 84% of those surveyed are also ditching plastic bags in favour of reusable ones – showing population-level behaviour change is possible.

We believe it's essential that businesses step up as leaders and drive change. And because it plays such a huge part in what we do, packaging is a key area where we can make a difference. We are committed to using renewable packaging materials, and making them recyclable, so less of what we produce ends up in landfill.

WHAT WE DO

- Recycled & recyclable cardboard shippers
- Recyclable sugar plastic bottles
- Refill & bulk packs
- Incorporate recycled plastic polymers into selected products, including 10% from locally sourced post-consumer milk bottles

Made from sugarcane, our sugar plastic bottles reduce our carbon footprint and are 100% recyclable via kerbside collection. When they choose products packaged in sugar plastic bottles, our customers are helping to protect the environment for future generations. That is because they're made from a renewable, sustainable alternative to petroleum-based plastic that fights climate change by capturing CO₂ from the atmosphere as it grows.

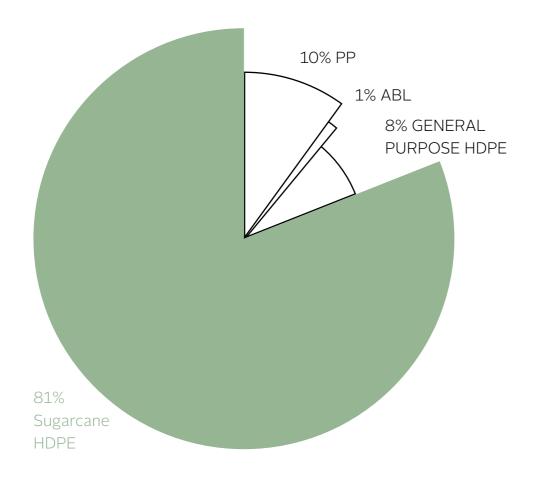


IMAGE

Bottled sugarcan Lauren Wepa

Last Words
Team Photos

Plastic Polymers In Our Packaging By Percentage



GLOSSARY

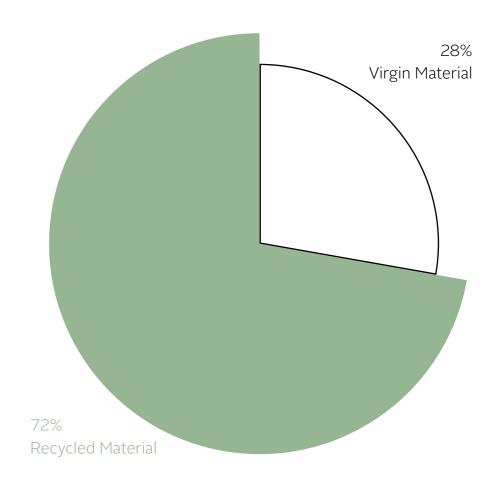
Sugarcane HDPE Sugarcane Plastic

PP Polypropylene

ABL Aluminum Barriers Laminate

HDPE High-density Polyethylene

Recycled Cardboard In Our Packaging By Percentage



CARDBOARD

We use recyclable cardboard to package our laundry detergent powder, soaps, skincare and oral care ranges.

ENVIRONMENT

REFILL STATIONS

Recycling is part of the answer to the plastic pollution problem. Refills reduce the amount of plastic consumed and the amount entering our waste stream. We've led the refill model in New Zealand, invested heavily in our refill stations in 2018, and now have more than 60 throughout New Zealand, and the first one in a supermarket, with a plan for 140% growth over 5 years.



Our refill stations have saved

276,466



which is also the equivalent of

500ml bottles in 2018

138,233

1L bottles in 2018.



IMAGE

Refill at Freemans Emma Pickles

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2018 BULK PACKS

Our customers have the option to buy ecostore products in bulk sizes. This is one way that Ecostore helps Kiwis reduce the amount of plastic packaging they consume.



IMAGE Bulk lifestyle

BULK UNITS SOLD IN 2018



5L liquid bulk packs sold in 2018



4.5kg powder bulk packs sold last year

ENVIRONMENT

WHERE WE WANT TO BE

We're constantly looking at solutions to packaging waste and pollution.

As more sustainable or minimal packaging alternatives become available, we'll use them wherever possible. Our next step is a transition to recycled polymers, with an initial roll out of 10% New Zealand sourced post-consumer recycled plastic underway in 2019.

In 2018, ecostore pledged to be part of the concerted response to address today's plastics challenge, by signing up to two major plastics commitments.

- 'A Line in the Sand a Global Commitment' to tackle plastic pollution, driven by the Ellen MacArthur Foundation – global leaders in the Circular Economy & addressing the plastic issue worldwide
- The New Zealand Plastic Packaging Declaration

 Local & international businesses commit to
 using 100% reusable, recyclable or compostable
 packaging in their New Zealand operations by
 2025 or earlier

By signing up to A Line in the Sand, and the New Zealand Plastic Packaging Declaration we've made a public commitment to work towards these ambitious targets:

- 100% of plastic packaging to be reusable or recyclable by 2023
- 100% of ecostore bottles made from renewable or recycled content by 2025
- Move from single-use to reuse by selling more bulk packs (via refill stations & consumer purchase) with 140% growth over 5 years
- Continue to invest in renewable sources like sugar plastic, (currently this sits at over 80%) across all packaging between 2018 & 2025
- Set up a packaging return scheme where plastic packaging will be returned & reused as recycled content – volume to be collected to grow year on year

The targets build on 25 years of making ecostore packaging more sustainable – part of our commitment and investment to minimise our environmental impact by addressing both the plastic source and waste issues.



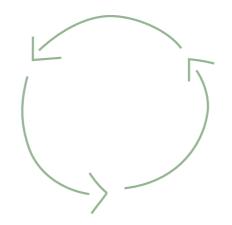
IMAGE

Conserving resources at head office *Britt Little*

ENVIRONMENT

WHAT ECOSTORE IS DOING

- In one year, Kiwis refilled bottles with more than 30,000 litres of ecostore products
- Since moving to sugar plastic bottles in 2014, we've saved almost 4500 tonnes of carbon from being released – the equivalent of emissions caused by driving a car the length of New Zealand 8500 times
- We're reducing the use of virgin plastics by collecting toothpaste tubes and toothbrushes, & remaking the plastic into spanners to open bulk containers





of ecostore packaging = recyclable & widely recycled globally





plastic packaging
– all bottles – from
renewable sugarcane





plastic packaging – caps & triggers – from petroleum-based plastic



Oral care

OUR CHALLENGE: ORAL CARE

99% of our packaging is recyclable and widely recycled globally. But that last 1% – toothpaste tubes and toothbrushes – is harder to recycle, and only through special schemes. Since launching our oral care range in 2018, we've set up our own programme in New Zealand to deal responsibly with used tubes and toothbrushes. Customers can post them back to us for free, or drop them off at some of our North Island stockists. Toothbrush bristles are removed and handles are ground up to be remade into spanners for opening our 20 litre bulk containers, reducing our reliance on virgin plastics. Australia customers are also directed to responsible recycling systems. We're currently researching technology to allow us to separate and recycle the different layers of toothpaste tubes ourselves. If we can't do this, we aim to use existing specialist recycling schemes.

Visit ecostore.co.nz for all details on oral care recycling.

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IMAGE

Helping hand Mark & Deb Smit

HEALTH & SAFETY

We assess every ingredient against the Environmental Working Group Skin Deep database and its two-part score.

The hazard score reflects known and suspected hazards.



The data availability rating reflects the number of scientific studies in the published scientific literature and the number included in the Skin Deep database.

Then we test our products for:

- Mildness: dermatological tests on sensitive skin types & in vitro ocular irritection testing ensure they're safer for people to use every day
- Performance: fit for purpose formulations minimise consumption & reduce overall environmental impacts

Preservation is our most technically challenging aspect when developing products. We strive to find the safest preservatives available to:

- Adequately preserve the product from time of manufacture through to its expiry date
- Be compatible with our eco formulations
- Have low aesthetic impacts such as odour or colour change or user experience
- Meet all relevant regulatory requirements and is approved in all relevant markets
- Respect for consumers' health (including our manufacturing staff)
- Respect the environment post disposal plus other considerations



Ecotech lab
Unknown

SOCIETY

We want our customers to feel empowered and confident to make informed decisions about the products they choose.

- We provide full disclosure of ingredients on all products – both personal care & home care (full ingredient disclosure on home care products is not mandatory)
- We give our customers insight into our practices, values & policies
- All products are labeled with a full ingredient list, & our website provides in depth information about these ingredients
- We use the INCI (International Nomenclature of Cosmetic Ingredients) system so consumers can clearly tell what's in our products



Back to front

WHERE WE WANT TO BE

We know there are always ways we can do better, and our R&D team strives to stay current with the latest scientific advances in raw materials and technology. Our aim is for all ingredients we use to be rated globally as low hazard to people and the environment. In 2019 we are improving the formulations in our Baby Care range to make these products even safer and more gentle.

COMMUNITY ENGAGEMENT

SUPPORTING ORGANISATIONS THAT STRENGTHEN OUR COMMUNITIES

In 2018 we contributed to good social and environmental causes, as well as educating and advocating for health, wellbeing and responsible lifestyles. Our Community & Relationships Manager is dedicated to supporting good causes with products, sponsorship and education.



IMAGE:



IMAGE:



IMAGE:



WHAT WE DO

Good soap for a good cause™

We provide special soap packs as a healthy alternative to chocolate and sweets for community fundraising projects. Organisations earn \$1 from every soap sold to fund their good cause.

Fairground Foundation

Ecostore's not-for-profit arm is funded through a percentage of our profits. The aim of the Foundation is to create a better world by tackling social and environmental challenges, and inspiring others to follow suit. Two Fairground Foundation projects in development will launch in 2020: Bucket will build a crowdfunding platform, with a spotlight on plant and wildlife projects. Bumpspace will work with partners to create an urban housing development that's sustainable, green, affordable, and builds a strong sense of community.

Education for a better world

In 2018, we published educational, non-sales focused blog content on a range of topics, with the aim to help people live healthy happy lives and protect our environment, including:

- The Waitakere Rāhui
- Healthy eating
- Breastfeeding
- · Organic home gardening
- Effective recycling



SPONSORSHIPS

Gold partner of Sustainable Coastlines

Sustainable Coastlines helps people look after the places we love, through coastal clean-up and waterway restoration events, education programmes and public awareness campaigns. In 2018, ecostore donated \$12,500 towards operating costs, as well as \$4,000 worth of product support. We also gave an extra \$7,800 through sales of our limited edition range.



Hero sponsors of Child Cancer Foundation

Child Cancer Foundation provides strength and personalized comfort to families, parents and children impacted by child cancer.

Ecostore provides ultra-sensitive products for their Essential Care Kits and to use in the three CCF Family Places close to local hospitals. Child cancer foundation: 175 product packs per year and product for their 3 family rooms across the country.



Habitat for Humanity

Habitat for Humanity directly provides housing to New Zealanders in need, laying the foundations for better lives. Ecostore provides a healthy home bucket full of home and personal care products for every family presented with a new home built by Habitat for Humanity.



Kelmarna 2018

VOLUNTEERING

Each year we volunteer our time for the Auckland City Mission and the Keep New Zealand Beautiful clean-up week. In 2018 we did a bit extra: ecostore team members donated blood, volunteered for Everybody Eats, Kelmarna and Kaipatiki gardens, as well as mucking in to clean up rubbish on a local Auckland beach with Sustainable Coastlines. Our Australia team volunteered 36 hours for Keep Australia Beautiful clean-up week.

PRODUCT SUPPORT

Every year we give people the opportunity to apply online for support towards various causes. Throughout 2018, we've provided products for school fundraisers, sports team raffles, event prize packs and great charities like Fighting the Mind, KidsCan NZ, Kids First AU, and Pink Ribbon.

WHERE WE WANT TO BE:

We'll continue supporting and partnering with social and environmental causes we believe in. We will increase volunteer hours by 25% in 2019, and explore more international partnerships.

CONSUMER ACCESSIBILITY

HELPING OUR CUSTOMERS LIVE MORE SUSTAINABLE LIVES

As much as possible, we make sure our products are affordable, widely accessible, kind to our planet, easy to use and formulated to perform effectively.

HOW WE DO IT

- Distribution online & in stores makes products accessible
- Many of our products are concentrated such that you can use less & therefore get better value for money
- Different formats: bulk & refill purchasing options

WHERE WE WANT TO BE

We will continue making improvements to our supply chain, distribution and operations in line with our sustainability ethos - without passing on costs to our consumers.

Bottle chain



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IMAGE

Archie stands with animals

Mark & Deb Smith

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ANIMAL WELFARE

We know that customers are becoming increasingly concerned about the ethical issues around testing on animals. Therefore, we will never test our products or ingredients on animals, or choose suppliers that test on animals. This means that we can proudly carry the following certifications:

PETA (People for the Ethical Treatment of Animals)

PETA is currently the world's largest animal rights organisation. In return for using their logo on our packaging, we have signed their statement of assurance verifying that we do not conduct or commission any animal tests on ingredients, formulations, or finished products and pledge not to do so in the future.

Choose Cruelty Free

Choose Cruelty Free (CCF) is an independent, non-profit organisation based in Australia, which since 1993 has produced the Choose Cruelty Free List (CCF List) for Australian consumers. CCF actively campaigns for an end to animal testing of cosmetics, toiletries and other household products.

In China, where animal testing for some cosmetics products is required, all of our affected body care products are sold online. This means we don't have to test on animals – these body care products won't be available in physical stores in mainland China as long as animal testing is required there.

SOCIETY



ECONOMY

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Associations & Collaborations

IMAGE:

Hanging out
Mark & Deb Smith

EMPLOYMENT & OUR PEOPLE

We are committed to operating fairly and with financial integrity in all of our business dealings, from procurement and HR policies to our participation in industry associations that enable us to make a bigger difference.

We're fortunate to have a fantastic team. People are our greatest assets, whether they're part of our ecostore team or working within our supplier or partner organisations. We aim to treat all people fairly and with respect, and have developed detailed HR policies and processes to help us achieve and maintain:

GENDER BALANCE

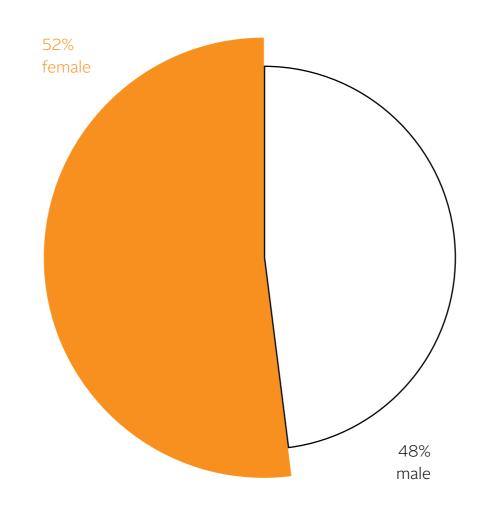
RACIAL DIVERSITY

EQUAL OPPORTUNITIES

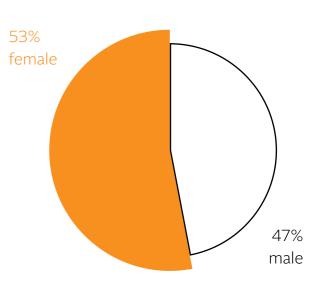
LIVING WAGES

HUMAN RIGHTS

Total Staff



Managers



GENDER BALANCE

At ecostore we've always been committed to building a team that promotes gender equality. In 2018, we saw a positive balance between genders in the team and in management positions, with slightly more women than men.

Our goal is to ensure gender equality in terms of opportunity, professional development, treatment and pay. In 2019 we'll be talking and educating more about the benefits of equality across all parts of the company and actively capturing more data for deeper reporting and understanding.

We strongly believe that diversity within our company will only make us stronger. We hire the best people for the role, based only on the skills and experience they can bring to the role and company. We are very proud of our diverse team, it includes an incredible mix of people from all over the world, with different backgrounds that all provide invaluable input to our company.

Every new member of the team receives our company handbook, where we talk about the importance of diversity, what discrimination is and how important it is to treat each other and all people with equal regard, dignity, concern and decency.

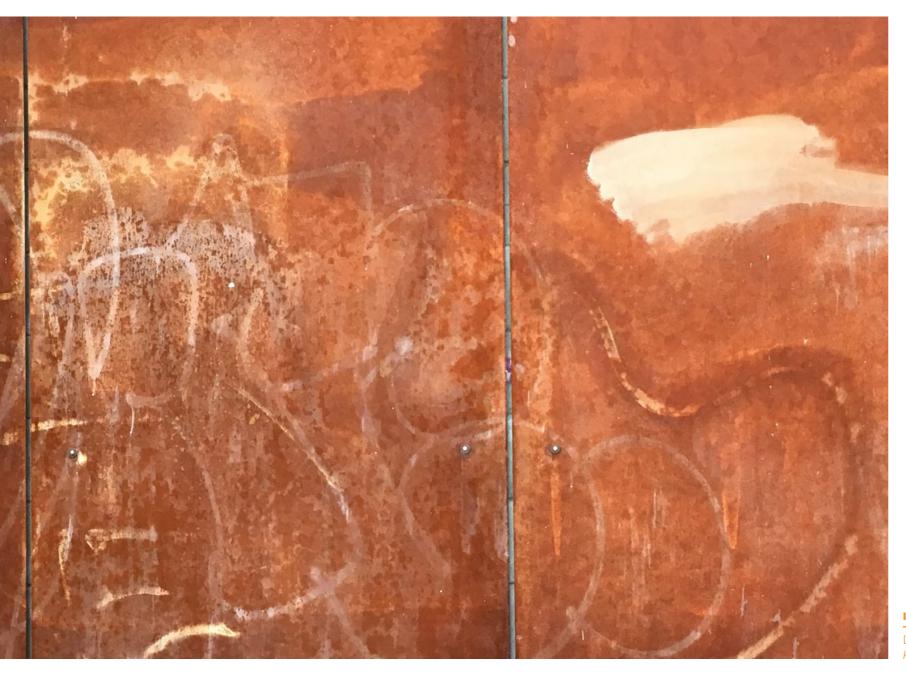
Ecostore is committed to providing equal employment opportunities and building a culture where all employment related decisions are based on merit, and where ongoing training, development and upskilling are available for all employees.



Pay it forward Poppy Smith

LIVING WAGES

We want all our people to be able to afford the necessities for themselves and their families, and to have the ability to engage in their communities and society. In 2018 we began the journey towards becoming a Living Wage employer, by raising our minimum wage to \$18.50 per hour. On 1 April 2019 this will go up to \$19.44, with the aim to be fully accredited by 1 April 2021.



Diversity
Kathryn Avery

HR POLICIES

Ecostore is committed to a non-discriminatory culture based on merit, within an environment that supports professional and personal development to help staff live rich lives and fulfill their potential. Our HR policies are designed to ensure that everyone on our team treats others with equal regard, dignity, concern and decency.

WHERE WE WANT TO BE

Companywide review of all HR policies in 2019. Our HR team aims to continually develop bi-annual programmes on diversity and inclusion, gender equality, wellbeing and creating a fair and safe environment for our team in the next reporting cycle.

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ASSOCIATIONS & COLLABORATIONS

In 2018, our partnerships, affiliations and memberships enabled us to have a far greater positive impact, by being part of a wider collaboration and conversation.





wbcsd Global Network Partner





While recognised independent third-party endorsements helped us to build trust and hold us accountable.























We're proud to bring our experience to these sustainability focused business groups.

- Climate Leaders Coalition
- Ellen MacArthur Foundation
- Earthworm
- Sustainable Business Network
- Sustainable Business Council
- Plastic commitment



Ecostore will continue to work collaboratively with current third party associate organisations, to ensure progress towards our commitments to people and the environment. We will continue to review and explore alternate third-party endorsements of our products and commitments.

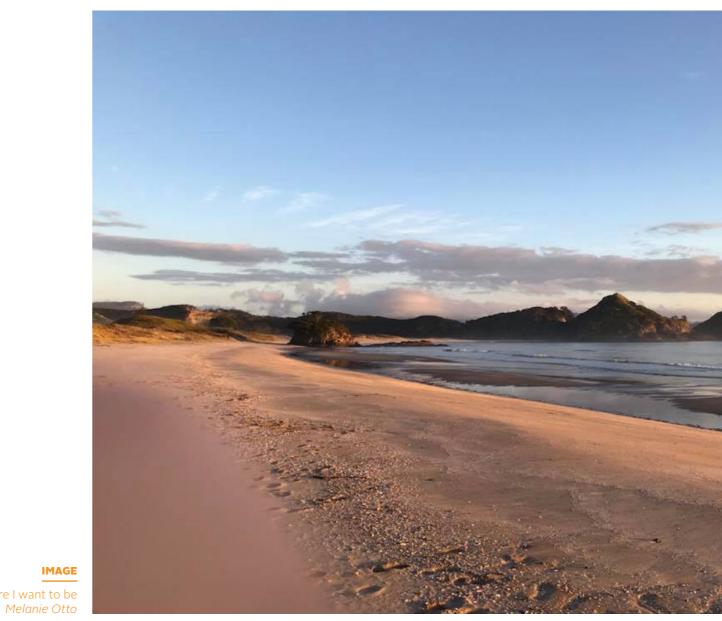


IMAGE Where I want to be

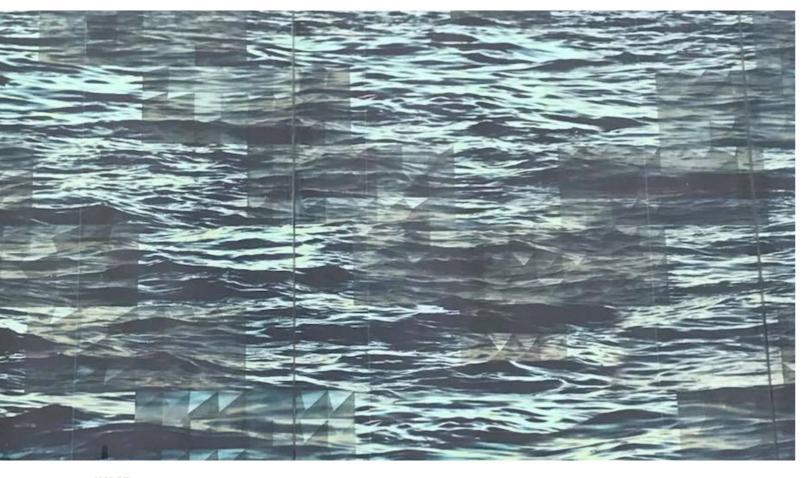


SIGN OFF

Last Words

Team Photos

LAST WORDS



IMAGE

Reflect
Marianne Short

Since 1993, we've been thinking about the environment. About how we build a business driven by the desire to do good, to make products that are safer for both people and the environment. Reflection is valuable. But what we do now and next matters more.

PABLO KRAUS,

Managing Director

TEAM PHOTOS

Our Auckland and International teams in their communities











For enquiries contact info@ecostore.co.nz

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Last Words Team Photo