



*Honest
to
Goodness*[®]

Here for Good!

SUSTAINABILITY REPORT

2020-2021

HONEST TO GOODNESS VALUES



INTEGRITY & TRUST

We build honest and genuine relationships with our community of customers, suppliers, partners, and each other. We value honesty and integrity and work with people with shared values and sense of purpose. We listen, are respectful and provide a safe space where people can challenge and enrich each other.



OUR PEOPLE THRIVE

We provide a supportive environment where our team members are motivated and happy, succeed and grow. We are ambitious, passionate about what we do, collaborate for meaningful progress, stay focused and make things happen. We value the contribution of each team member, understanding that each of us can make a difference but together we are stronger and can drive change.



INNOVATE, EDUCATE & INSPIRE

We foster innovation and welcome great big ideas. We are curious and enjoy sharing wisdom & knowledge that supports our vision. We actively encourage innovative product development, keep things real, push boundaries and do our best to lead the way for better and inspire others to join us.



MAKE AN IMPACT

To the community, to the planet, to people. We ethically source the highest quality natural & sustainable products from the world's most reputable suppliers. We actively support healthier and more sustainable ways of living and improve the accessibility of healthier alternatives. We want to make a positive impact and contribute to a better world for us and future generations.



SUSTAINABILITY

We support sustainable sourcing and agriculture practices through education and action. We make ethical, sensible, and sustainable choices to ensure the long-term success of the business to enable the positive impact we can make on the world to continue well into the future. We reduce, re-use and recycle in our daily operations and strive to constantly improve.



OUR VALUE PROMISE

To provide high quality products with integrity at a competitive price.

Where possible to work directly with growers and suppliers and source our products as close to their origin as possible to avoid unnecessary handling and distribution costs and ensure the best possible price for our customers.

To innovate and operate all parts of the business as efficiently as possible to reduce costs and pass these savings on to our customers.

To offer value to our customers lives through education around healthy eating and healthy living.

Here for Good!



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TOP 5 SUSTAINABILITY ACHIEVEMENTS FOR YEAR



RECERTIFIED AS B-CORPORATION*
CERTIFIED SINCE 2015



WON BEST ORGANIC PRODUCT AWARD 5TH YEAR IN ROW



SURVEYED OUR SUPPLIERS TO UNDERSTAND THEIR PRACTICES BETTER



BEGAN SETTING GOALS TO REDUCE OUR **ENVIRONMENTAL IMPACT**

REFILLOSOPHY

LAUNCHED REFILLOSOPHY - OUR LATEST **ZERO-WASTE SOLUTION** FOR LIQUID PRODUCTS

OWNER REPORT

What a year 2020 was ... A pandemic, significant loss of life across the globe, political and social upheaval conspiring with countless extreme weather events to produce a year that saw us all endure a cycle of historical proportions that few will forget.

Through much of the forced turmoil and change, we cannot help but feel a sense of gratitude for how lucky we are to be operating in the relatively stable and normal environs of Australia. Importantly, we emerge with renewed optimism that these events provide the impetus required to reset our priorities and the way we live amongst each other and on our planet.

At Honest to Goodness, this year saw us make some significant changes to our operations and how we use our own business as a force for good.

In 2020 Honest to Goodness became a multi-site business, separating our manufacturing and distribution divisions from our professional services and Honest to Goodness House ... our flagship retail brand experience store. We reviewed our carbon footprint including the impact of our supply chain efficiency. We surveyed our suppliers to better understand their practices, invested significantly in our packing and manufacturing capability to move away from single-use plastics and eliminated plastic from all void fill in our shippers. We also undertook a complete review of our freight and logistics costs to optimise routing and better understand our hurdles to become carbon neutral.

On the product and ranging front we continued to support sustainable and organic growers, including the launch of new product range of ASP Certified baking flours. The grains produced using this unique regenerative Australian Sustainable Products certification have been found to produce 75% fewer greenhouse gas emissions than conventional grains (according to a University of Queensland study) and contribute positively to improving long term soil recovery and fertility. We also launched Refillosophy ... our exciting instore consumer zero waste refill option for household liquids.

Operationally, it became apparent in our reset and quest to measure and address our carbon footprint impacts that we required a better platform of operating systems. This year we made the significant decision to churn to new transport and warehouse management systems with a view to going completely paperless in our manufacturing and warehousing operations. This work will set us up well with a platform for measuring and managing more efficiency improvements in our supply chain; including initiatives like route optimisation and multi warehousing for more efficient "last mile" delivery.

We are by no means perfect but truly remain committed to using our business as a force for good and positive change.



MATT WARD
MANAGING DIRECTOR
+ OWNER



KAREN WARD
PRODUCT MANAGER
+ OWNER

 Matt and Karen Ward



ABOUT B CORP™

WHAT IS A B CORP™?

Certified B Corporations® (B Corps™) are for-profit companies that use the power of business to build a more inclusive and sustainable economy.

They meet the highest verified standards of social and environmental performance, transparency, and accountability. As of 2019, there are more than 3,000 B Corps™ in 150+ industries and 64 countries around the world. Honest to Goodness is one of 250 Certified Australian Businesses in this global movement.

HOW DID WE BECOME A B CORP?

The Certification process uses credible, comprehensive, transparent, and independent standards of social and environmental performance. The B Corp assessment process measures a company's performance in five categories:

- Governance
- Workers
- Customers
- Community
- Environment

B Corp Certification is a highly selective status. Companies must document their positive impact to qualify and undergo verification every three years to maintain their Certification. We've been proud to be since 2015.

WHY DO B CORPS MATTER?

The B Economy is built by everyone who works for, buys from, invests in, learns or teaches about, or supports businesses striving to create a shared and durable prosperity for all.

OUR SCORE-CARD/ HOW WE HAVE IMPROVED:

89.7

Governance	8.5
Workers	16.4
Community	23.4
Environment	33.4
Customers	6.0

WHY DO WE BELIEVE IN BEING CERTIFIED?

- We are passionate about providing access to as many people as possible to the best quality healthy food and living products (Including Organic, non-GMO, no nasties added)
- We seek to continuously improve our environmental and community impact and ensure all our employees are supported. B-Corp provides guidance for us
- We believe in a short and transparent supply chain

OUR AWARDS AS A BCORP:

Honest to Goodness has been honored with achieving Best for the World Changemakers Award in 2017, 2018 and 2019. This award is an acknowledgement of us making the most positive improvement on our overall impact according to our latest B impact assessment.



OUR COMMITMENT: NET ZERO BY 2030

At the UN Climate Change Conference in Madrid on December 11 2019, over 500 companies including Honest to Goodness announced their commitment to accelerate the reduction of their greenhouse gas emissions to reach a 1.5 degree trajectory leading to net zero by the year 2030. This is 20 years ahead of the 2050 targets set in the Paris Agreement.

The Net Zero by 2030 commitment applies to Scope 1, 2 and most relevant Scope 3 emissions. It is achieved by:

- Reducing emissions where possible
- Using verified offsets to balance emissions that cannot be eliminated



WHY WE COMMITTED

“We feel this sets the standard for Australian businesses and we challenge all Aussie businesses, including major players in the grocery industry, to do the same and step up to take responsibility for their contribution to sustainability,” said Matt Ward, owner of Honest to Goodness.

“Right now, it seems even more critical, due to extreme weather conditions in Australia with fires and drought, bringing with it dreadful air quality and water restrictions.”

We’ve found that consumers are increasingly seeking quality and transparency in their food as they become more health-conscious as well as more environmentally aware, favouring sustainable and ethical supply chains.

We’re proud to share this platform with Australian businesses leading the charge to fight for a brighter future for our planet and weave this ethos into the fabric of our business,” said Matt.

FUTURE GOALS

In 2020, we made improvements to our new warehouse and production sites to help improve it’s energy efficiency, reduce our material waste and work to improve product recyclability.

In 2021, we plan to begin measuring our baseline date – that is our scope 1, 2 and 3 emissions. This will be business-wide including the Villawood warehouse and production and our Alexandria head office including our retail store, H2G House. We also plan to set goals for improvement based on our initial scope 1, 2 and 3 data.





OUR SUPPLIERS

We choose to work directly with suppliers and partners who share our values. We believe this facilitates transparency and like the accountability of a short-supply chain. Working with our suppliers in this way ensures we receive a consistent high quality product. That is why the average supplier relationship is over 5 years and continues to grow. One of our initiatives for 2020 is to highlight some of our suppliers publicly on our website to share with our customers the great work that they do. We hope this will foster a greater level of transparency and help our customers understand where their food comes from.

At the beginning of 2020, we conducted our first supplier survey with some of our key suppliers. We have always had a strict onboarding vetting process with new suppliers led by our QA teams. However, this survey focussed on questions relating to environmental, community and employee initiatives.

We are happy to confirm all have setups which operate in an ethical and environmentally sustainable manner. None of our suppliers used child labour or discriminated on hiring staff due to gender or minorities. All provide fair wages and benefits at or above the equivalent minimum wage.

ALL OF OUR SUPPLIERS:

- Had OH&S practices in place to prevent staff from injury
- Had a Reporting Policy in place to ensure grievances could be made confidentially
- Were pursuing packaging solutions which would reduce their environmental impact.
- Were attempting to reduce waste and improve water and energy efficiencies.
- Suppliers were using some form of renewable energy with the lowest being 25% and the highest 65%

Each supplier interviewed is also doing great charitable work within their community. This included donations to local schools and sports programmes, development of housing and education for employees and in one case a trust which donates annually to charities working in the food sector. We are proud to work with these suppliers who, like us value operating in a way which is environmentally and socially sustainable and which ensures the wellbeing of their employees and the broader community they operate within.







OUR PRODUCTS

NO NASTIES ADDED

Nutritious, Ethically Sourced and prepared with no fillers or additives

We strive to provide the best quality healthy food and home products at affordable prices to ensure as many people as possible have access to real food.

PRODUCTS YOU WILL FIND IN OUR RANGE

- ✓ Pure and simple products that have had minimal processing
- ✓ Certified organic or biodynamic
- ✓ Food and products for the home with no nasties added

PRODUCTS YOU WILL NOT FIND IN OUR RANGE

- ✗ Food with artificial flavours, colours, sweeteners or artificial preservatives
- ✗ Food containing hydrogenated oils (also known as trans-fats)
- ✗ Genetically modified (GMO) food or products
- ✗ Food that has been over-processed
- ✗ Products containing palm oil

IN 2021 YEAR TO DATE:

- 79 new products introduced
- 41 new pack sizes introduced
- Creation and expansion of the H2G Home range with 32 SKUs introduced
- Our total new product development is 123 new products

The Organic Consumers Choice awards promote and rewards the best organic stakeholders around the country. Voted by real customers, we are proud to win this award.







PACKAGING UPDATE

Throughout 2020, H2G investigated packaging which could be home-compostable. However, after numerous trials of various product in packaging, we weren't able to find an option which could maintain the freshness and quality of our products for the required shelf-life time or which is proven to successfully compost in a home system. We have committed to promising to find a sustainable packaging solution, for now the search continues. We are always interested in hearing what our customers think. If you have thoughts or ideas on this topic, we welcome you to reach out.

2020 was an exciting year for our rebrand. We hope you love this fresh, new look as much as we do.

Other Packaging Highlights

- 44% of floorspace in our new H2G House is comprised of fill your own bulk bins. Also sell much of our product in Bulk sizing to reduce packaging waste and allow for refill and reuse of smaller packaging sizes.

- Our nut milk bag is packaging in cardboard not plastic
- RPET bottles available for purchase alongside Refillosophy
- We encourage our customers to BYO containers or purchase a reusable jar or RPET bottle instore.

HIGHLIGHTS:

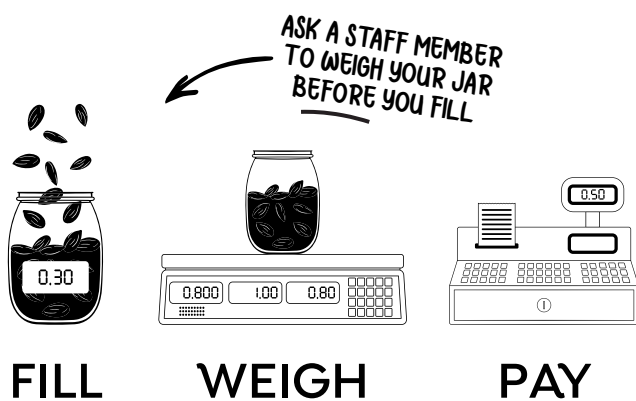
- 60% products available to fill your own container in our retail store
- Nut Milk Bag in cardboard not plastic
- Reusable containers; zero-waste products
- Refillosophy trialed
- Continued investigating Sustainable Packaging Options

REFILLOSOPHY

Excitingly, we launched Refillosophy 1.0 in March 2020. This is our zero-waste solution to refillable bulk liquid products. Our aim is to make the refill process easier and more enjoyable for our customers. It is set up in our Alexandria store where you can currently BYO container and fill it from a selection of home cleaning products.

This small instore trial allowed us to gain valuable feedback from our customers and staff, helping to refine our idea. This led to Refillosophy 2.0 a few months later. This self-contained unit was custom made and designed using reclaimed Australian timbers. Beer-taps allow for simple filling of your container.

In early 2021, we plan to create Refillosophy 3.0. an even more user-friendly system with weigh and pay technology. Currently on-tap instore are natural dishwashing & laundry liquids as well as disinfectant and bodywash. We hope to launch more liquid products on tap throughout 2021.



AUDITING AND CERTIFICATION

Energy:

In 2020 we changed all lights in our warehouse and production facility to LED. This led to greater than 50% reduction in energy consumption .

Recycling Activities:

No plastic is used in warehouse and dispatch activities apart from pallet wrapping. All materials are recyclable.

We have a recyclable program for plastic, wood, cardboard etc. so most of our materials are recycled. We didn't have this program prior to moving to Villawood. Currently, even pallet wrapping is sent to recycle.

Waste:

We have minimum food waste at our Villawood Site. All food close to expiry is donated to either to staff or Oz Food Harvest.

Cardboard Design:

We redesigned cardboard so less protective paper packing is needed, plus less air is shipped. This has reduced our paper consumption, damage in transit and carbon footprint.

Infrastructure:

The new warehouse is full insulated which ensures we used less energy than our old site. The cool room is now set to 10°C, which uses less energy also. Previously, it was set to 4°C.

Forklift:

Since consolidating our 2 warehouse sites into 1 operation site, the forklifts no longer travel within sites reducing energy use.





OUR CUSTOMERS AND COMMUNITY

Goodness gift giving

As is our tradition, rather than sending greeting cards or material gifts to our partners and suppliers, our team hand-selects charities that are making a positive impact on people and planet.

We chose 3 charities to support this year.

Wayside Chapel

This organisation assists those who are experiencing homelessness and social isolation in NSW. While COVID-19 has made support more difficult, they are still providing free takeaway meals and crisis support every day, including Christmas Day. Their “Donate a Plate” fundraiser helps them keep their kitchens cooking and their programs running throughout the holiday period.

Cana Communities

Cana Communities, originally De Porres House, works in inner Sydney to provide relief from poverty, suffering, destitution and helplessness for people struggling with mental illness, addiction, homelessness,

loneliness and other factors that alienate them from society. They foster a sense of belonging and community full of love and support by providing shelters, homes and training and employment opportunities at its very own farm. The organisation is largely run by volunteers with their only source of funding donations from the community.

Sacha Uku

This organisation arrived in San Miguel over two years ago, supporting a small, poor Colombian village that is recovering from civil war. Sacha Uku runs a preschool where village children come to play, sing, make friends and hear stories. They are currently raising money for the home they have purchased as a home away from home for the children of this area

Partnership with OzHarvest

At our retail store in Alexandria, we have some pretty great neighbors. One is charity food bank OzHarvest. Where possible, we happily donate stock which we can no longer sell due to being past its best before date but which is in otherwise perfect condition.



OUR TEAM

76 staff

60% of management team is female

14 new staff from 2019 to 2020

Hold monthly birthday celebrations for the whole team

GEM awards- Go the Extra Mile. Team nominated staff awards monthly.



OUR SUSTAINABLE PRACTICES

IN THE OFFICE

- Several types of rubbish bins to ensure accurate disposal of material types
- Developing procedures to transition to increased paperless operations
- Ceramic and stainless-steel crockery and cutlery for staff use
- Single-use coffee cups discouraged – Keep Cups are encouraged
- Worm farm for waste reduction
- Recycled toilet paper

IN OUR RETAIL SHOP

We utilise our store as a place for our staff and customers to engage in discussions on waste reduction. Some initiatives include sale of reusable glass jars in-store for purchasing bulk product. We also encourage our customers to bring their own contains to fill from our bulk bins. We believe encouraging reuse of containers is more sustainable than recyclable yet single-use packaging alone as it lowers the amount of post-consumer waste generated. We also offer customers spare cardboard boxes for free to transport their goods home as well as reusable shopper bags in place of plastic bags.

- Honest to Goodness ensures that food products are stored under the proper conditions (for example, temperature); and
- Organise food products so that employees can easily:
 - Use older products first (batch, lot numbers, expiry dates)
 - Understand which products which are close to expiry – strategy to sell, discount or donate
 - Monitor inventory levels



goodness.com.au