

Herbalist & Alchemist, Inc.
Sustainability Report - Review of 2020
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Introduction

To Our Customers and Friends in the Herbal Community,

2020 was a quite a year for our staff and our customers. COVID brought new challenges to our business and our lives. Our staff was undaunted and responded. Our suppliers were amazing and came through for us to help meet shifts in demand.

Through all the craziness, we continued our commitment to sustainability of the people and the plants that David Winston wove into the company from the very beginning.

In the spirit of transparency, we are proud to share our second annual Sustainability Report detailing our business practices. Our current focus:

- Preparing for our 2021 B Corporation Recertification (certified since 2010).
- Establishing the Green Team to set, monitor and measure our environmental and sustainability benchmarks.
- Continuing to work on Organic Certification of many of our simple extracts.
- Continuing to work toward Zero Waste.
- Working with others in Industry on the Climate Collaborative Project-targeting Packaging and Agriculture.

We look forward to continuing to bring you our high quality, healthy herbal products in keeping with our mission.

Sincerely,

All of Us at Herbalist & Alchemist

Overview + Mission

Herbalist and Alchemist's mission is to develop, manufacture and distribute herbal supplements that are of the highest quality, manufactured from plant material that originates in harmony with the environment: organically grown, ethically wild-crafted or sustainably harvested.

Each employee of this company is committed to achieving the highest standards of excellence possible. The company is dedicated to continually improving its knowledge base, processes and practices in order to maintain its position in the forefront of the herbal products community. We are likewise committed to providing education and information about the health benefits and uses of herbal medicine.

Herbalist & Alchemist believes that quality is the responsibility of every employee and must never be compromised. The company achieves this goal by:

- Listening to customers, suppliers, and staff, and acting on their inputs to provide continual process improvement efforts.
- Creating an environment of teamwork that fosters efficiency of all operations, where each process is continually monitored.
- Promoting the concept that an important aspect of our commitment to quality is compliance with pertinent established national and international regulations and guidelines. We don't cut corners, and our products reflect that commitment.
- Working with Rutgers University on quality assurance, we manufacture over 250 single extracts and herbal formulas from organically grown or sustainably wild-crafted herbs. We source raw herbs from people we know, examine each batch by hand before they are processed, and make the extracts ourselves. We know, exactly, that what is in our products is on the label.



Certified B Corporation since 2010

In 2010, Herbalist & Alchemist became the **first herbal supplements company to become a Certified B-Corp**. B-Corps are companies that have undergone a rigorous assessment through the independent nonprofit B-Lab to measure various aspects of their business - environmental, social, and governmental- in order to make a positive impact on the world. We undergo a rigorous recertification process every three years to maintain this certification. We have been evaluating and measuring our social and environmental impact as a Certified B Corporation™ since 2010.

To be a Certified B Corp, a company must earn a minimum of 80 points on the B Lab Impact Assessment, which evaluates a company’s performance in a wide range of areas. In 2018, we also became a **Benefit Corporation**, thus solidifying our commitment to doing business ethically and sustainably.

Impact Area	Previous (2016) Score	Most Recent Score (2018)
Governance	8.7	17.4 *
Workers	20.9	15.6*
Community	27.1	29.3
Environment	31.1	30.9*
Customers	7.3	5.6*
Overall B Score	95.5 (45 points above the 2016 median)	99 (48.1 points above the 2018 median)
*B Impact Assessment Key Performance Indicators change with each assessment version. Points are awarded based on the sum of all questions.		



Sourcing Botanicals & Raw Materials– Sustainable Supply Chain

159

Botanicals sourced from around the world

15 years

Average tenure of grower relationships

60.8%

Certified Organic, the remainder sustainably & ecologically sourced.

31%

Raw Materials locally sourced

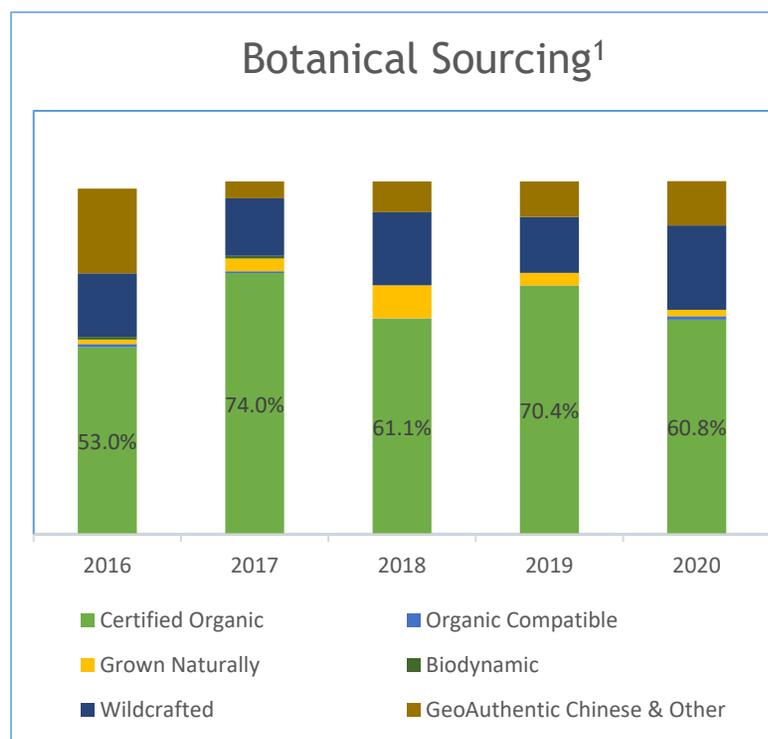
Nurturing Relationships

We support Organic farmers and sustainable wild-crafters, giving preference to local suppliers whenever possible. Many are friends through the farming and permaculture communities. We are proud of these long-term relationships, nurtured through fair and honest business transactions.

Sustainably Sourced

H&A sources herbs from around the world, pulling from several herbal traditions.

- We source raw materials based on seasonal availability, finding the highest quality botanicals free from heavy metals and pesticides.
- We require that herbs be of high quality, prioritizing organically grown or sustainably wild-crafted herbs for optimal vitality.
- We use Certified Organic, pharmaceutical grade alcohol in our extractions.
- About 60% of our botanicals are Certified Organic.



¹ (Herbalist & Alchemist, 2020 Analysis of Supplier Sourcing Data, 2021)



Wild-Crafted and Traditional Chinese Herbs

We are an "Herbalist's Company" that offers more than 150 botanicals, some of which can only be found in the wild.

- Wild-crafted plants, around 25% of the herbs we use, are more difficult to certify than cultivated herbs.
- Some of the herbs we use are biodynamic or grown by small farmers who have signed a pledge to cultivate by organic methods.

Committed to Regenerative Farming

In partnership with the Climate Collaborative, we are committed to reducing the carbon impact of the natural products industry.

- We are working on compiling information from our herb suppliers about how they farm, and what regenerative practices they already use so that we can report and build upon that knowledge to make improvements.
- Our organic and biodynamic growers practice regenerative methods that keep carbon in the soil, and some of our growers are members of the Northeast Organic Farming Association (NOFA), the Pennsylvania Sustainable Agriculture Association (PASA) and other grower organizations committed to sustainable agriculture practices.

Our primary sources of imported herbs:

- Traditional Chinese botanicals - Our main source is a multi-generational business with impeccable supply chain management practices. Committed to quality & purity with a large selection of Certified Organic herbs, their Geo-Authentic Chinese Botanicals are pure, safe and effective.
- European botanicals - A rural group sourcing from Southern France, Eastern Europe and the Middle East.
- Canadian Grower organization - representing a collective of farmers.



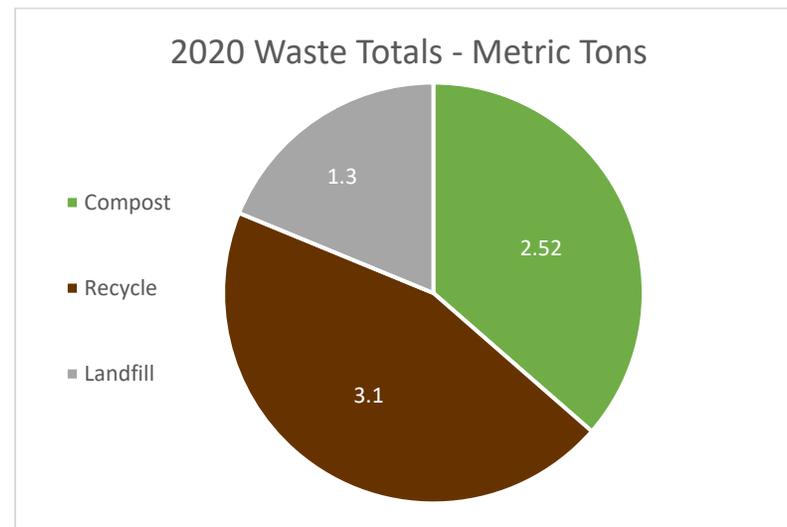
Office & Operations

Working Towards Zero-Waste

In 2019, we set a goal to become zero waste in our operations. We are still working towards this goal, starting by identifying waste streams and finding creative ways to re-use or dispose of them responsibly. With our manufacturing & office space, the day-to-day operations inevitably generate waste. We search for sustainable alternatives and ways to recycle & reuse materials we cannot do without.

Reduce

- We divert an estimated 50% of all the waste generated by our business from the landfill by composting with local farmers.
- We significantly reduced the amount of landfill waste by 37% from 2019
- Reduced use of paper by redesigning order confirmations & other outgoing forms and letters to print on fewer pages
- Energy use in 2020 was down 14% from previous year.
- Average monthly electricity use is 3% less than the national average
- Employees encouraged to conserve energy & water
- Introduced a smaller shipping box to decrease secondary packaging
- 56% of our suppliers are local to the H&A headquarters. We prioritize locally based suppliers, when possible. This helps reduce the impact of transport.



Re-Use

- Re-use cardboard boxes to ship our products, which extended the lifecycle of hundreds of cardboard boxes before they ultimately get recycled.
- We donate / upcycle 55-gallon barrels
- We send pallet straps to Aurora Robson², a sculpture artist in NYC who creates abstract works from debris. In January 2021 her work was featured at Hollis Taggart Gallery in NYC.
- Donated over 900 ice packs (used to keep herbs shipped to us fresh in transport) to members of the community including local food pantries
- H&A promotional product gift baskets assembled with 60% reused/upcycled wrapping materials

² <https://www.aurorarobson.com/>

Recycle

- Utilize TerraCycle Zero Waste Boxes to offset hard-to-recycle materials, such as tape dispenser rings, pens & pencils, protective gear, miscellaneous office waste as well as other plastic waste not accepted by curbside.
- Recycle plastic bags & film through the local Trex program, turning this hard-to-recycle material into park benches for the local community
- In December 2019, we joined the R&B Supplement Packaging TerraCycle Brigade. Employees were able to recycle over 150 lbs of supplement packaging.
- **New Initiative!** Began recycling label backings & other packaging and shipping waste with TerraCycle, saving an estimated 120lbs from landfill.

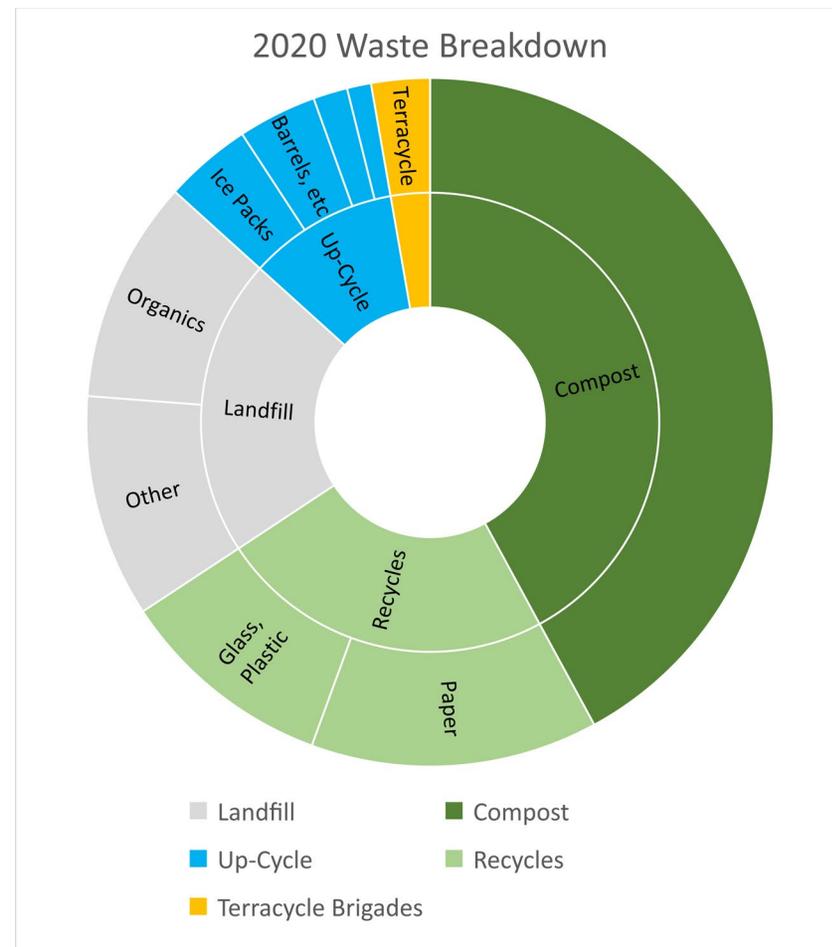
Our Compost Story

Unusable plant material that is garbled out before we make our extracts, as well as the marc, a fine plant material left over from the extraction process, are composted.

We have been composting these byproducts of our herbal extracts for years.

- From the beginning, our Founder David Winston used these materials in his beautiful gardens.
- Now, we supply a local organic farm

We are happy to keep this material out of the landfill and turn it into rich soil. In the past eight years...



55,000 lbs. of marc diverted from landfill and composted into healthy soil!

That means an estimated 12.5 tons of CO² were sequestered.³

³ (Brown, 2013)

Our Community

Our People

During the pandemic our utmost priority became the safety and wellbeing of employees. As everyone scrambled to adjust to the “new normal”, we strove to keep everyone safe and well through social distance measures, allowing remote work where possible, and providing employees with proper protective gear. Our team went above and beyond as we saw a surge in demand for herbal products. We are grateful that these measures have paid off, and everyone remains safe and healthy.

The majority of our employees live less than 15 miles from the company. Many choose to work here to

- be close to their families,
 - reduce their commuting time and
 - have more free time for other pursuits.
- Most of our employees have been with us for many years

Benefits include:

- Employees received a stress boost to their pay rate during the height of COVID in 2020. And we were able to make it a permanent pay increase to support the wellbeing of our staff during a very stressful time.

- Discounts on Herbalist & Alchemist products to promote wellness
- H&A pays 50% of Health Insurance for the employee, and a family plan is available as an option
- Generous 401-K program, H&A matches 100% of employee contributions up to 3% of salary. If employees choose to contribute more, H&A matches an additional 50% up to 5%.

Professional Development & Education

- Full scholarships to employees who enroll in David Winston’s Center for Herbal Studies 2-Year Herbalist Training Program. The majority of our employees have taken this course and as of 2020, 100% of management had completed the course.
- Professional Development opportunities include seminars held by David Winston, educational sessions at trade shows & conferences, trade associations, cross-training, skills-based trainings related to job responsibilities
- H&A employees and wholesale customers can tune in to the monthly Herbal Salon with David Winston: the opportunity to expand their knowledge of herbal medicine through educational sessions focused on specific topics.



Our Community

Volunteering 2020

Despite the many challenges of volunteering during a pandemic, we still made a positive impact in our local communities.

- 6% of Employees took PTO to volunteer and
- 31% of employees spent time volunteering outside of work. ⁴
- In total, H&A employees donated over 200 hours of their time to the community!
- H&A Employees donated their time to local church ministries, prison ministries, community gardens, PTsAs, and even a karate program.

Education, Outreach & Charitable Donations

In 2020 we sponsored and donated to many educational events, organizations, conferences, & symposiums. These events play a pivotal role of supporting the herbal community. As many events transitioned to virtual during the height of the pandemic, we stood by these organizations.

- We were a top-level sponsor of the American Herbalists Guild Symposium
- Financial support and product donations totaled 1% of our revenues in 2020.

Proud Supporters

Here are some of the many organizations and initiatives Herbalist & Alchemist proudly supports with financial and product donations:

Education

- American Herbalists Guild
- American Herbal Pharmacopoeia
- American Herbal Products Association and Foundation
- Arbor Vitae School of Traditional Herbalism
- National Animal Supplements Council
- National University of Naturopathic Medicine
- Practitioner Herb Schools
- Rutgers University
- Veterinary Botanical Medicine Association

Environmental Sustainability

- American Botanical Council
- Musconetcong Watershed Association
- Raritan Headwaters Association
- United Plant Savers

Community Relief

- Abilities of Northwest NJ
- Family Promise of Warren County
- Herbal Mutual Aid Networks
- Project Self-Sufficiency
- Warren Hills High School Robotics Association PPE for First-Responders Project

⁴ (Herbalist & Alchemist, Employee Volunteerism & Training Survey, 2020)

Leadership - in the Community

- David Winston, RH (AHG), founder and President:
 - Chair of the American Herbalists Guild (AHG) admissions review committee for 30 years.
 - Serves on American Herbal Products Association (AHPA) Botanical Safety Handbook expert advisory committee, working on the 3rd edition of the Botanical Safety Handbook.
 - Advisor and reviewer for the American Herbal Pharmacopoeia.
 - Serves on the American Botanical Council advisory board.
 - Founder and dean of David Winston's Center for Herbal Studies, and
 - Speaks at conferences and symposiums around the world.
 - Author of several definitive books on herbs
- Beth Lambert, CEO:
 - Serves on the Board and Executive Committee of the American Herbal Products Association (AHPA)
 - Chairs the Board of the AHPA Herb Foundation
 - Serves as Chair of AHPA's Education Committee and is a member of several other working committees.
 - Serves on the Board of the Veterinary Botanical Medicine Association (VBMA).
 - 2021 NJBiz Icon Award Winner

Looking Forward

Green Team

In Spring of 2021 we formed the H&A Green Team after seeing the need for improved communication of our sustainability goals, impact and activities.

The Focus:

- Environmental Management System
- Increased Focus on Zero Waste Goal
- Coordination among all departments as we pursue our B Corp Recertification for 2021.

Tracking our GHG Emissions

- One of our goals for 2020 was to establish a baseline for our Scope 1, 2, & 3 emissions.
- We made exciting progress as we participated in educational sessions with B Lab and the Climate Collaborative and have established baselines for our emissions.
- Moving forward we can work to reduce where possible and offset our emissions, and work with our supply chain partners to make critical changes to reduce our carbon footprint.

Now more than ever, climate change is of high concern and we must all do what we can to mitigate our impact.



References

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