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#DrinkNumi

NUMi[®]
ORGANIC TEA



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ORGANIC TEA

Celebrating people, planet and pure tea

2017
IMPACT REPORT
Keeping it Real!

KEEPING IT REAL

every step of the way

Welcome to our annual Impact Report! We're excited to share our pursuits and efforts in 2017 — the rewarding, exhilarating, and the difficult. At Numi, with social and environmental responsibility built into our core values, we strive to keep it real along the way. We want to share the whole story — the journey. At times, there is a direct path to doing the right thing. Other times, it's a longer, more complicated process. We embrace all paths to realize the long term benefits and impact of doing the right thing!

We expanded *Together for H₂OPE* — Numi Foundation's program to ensure safe drinking water and sanitation for our farming communities around the world — to our organic black tea farming partners in Assam, India. We learned that while

6,500 residents had wells and latrines, their water tables were contaminated with harmful bacteria leading to waterborne illnesses. We had to dig deeper to find ways to help them achieve clean water, beyond building wells. Community organization is underway now to change behavior and rehabilitate critical infrastructure.

In South Africa, communities have been facing enormous water scarcity and uncertainty. After partnering in 2016 to complete Fair Labor Certification, we initiated another *Together for H₂OPE* project with our rooibos farmers to ensure each family had adequate water and sanitation at home. Together we assessed, designed, and broke ground on new community water, sanitation, and shower facilities.

After many years of research, investment, and testing, we finally found a solution on a plant-based, non-GMO, commercially compostable tea bag wrapper. We still have more work to do, but we're thrilled to be going into production on this industry-leading innovation.

As we reflect back on the year, we're reminded how important it is to stay committed to doing the right thing, no matter how hard and how costly.

.....
More than ever, in a world that is so interconnected and vulnerable, we have to remember what is important — being good to one another and to the planet we share.
.....

While not always easy or perfect, we promise to put our best foot forward, make it happen, and keep it real along the way.

Thank you for supporting our efforts in pursuit of a better world,

Ahmed & Reem

Ahmed Rahim & Reem Hassani
Co-Founders, Numi Organic Tea





Our MISSION

Numi Organic Tea is a family-owned business that creates the highest quality organic products and generates profits to ensure employee well-being while maximizing social and environmental impact in the world.

Numi CORE VALUES



Celebrating People

Infusing kindness and respect into all of our interactions



Nurturing Growth

Creating a supportive culture that allows people to strive for excellence



Embracing Possibilities

Innovating, forward-thinking, and willing to take risks



Be the Change

Using our business to create a positive impact on the planet and our CommuniTea

2017 BY THE NUMBERS

We made **\$380,825** in social business investments.



We offset **1,184,764 pounds** of CO₂ emissions.

93% of Numi Tea sales are Fair Trade or Fair Labor certified products, an **8% increase** from 2016.



Environmental Footprint

Through responsible packaging choices, we conserved the equivalent of:



5k
Trees



3k
BTUs of net energy



659k
LBs of GHG's



4M
Gallons of Water



317k
LBs of Waste

Did you know?

Using the results of our GHG Emissions Footprint (conducted by Soil & More Impacts), **we are developing science-based targets for emissions reduction and carbon sequestration in our global supply chains.** We are committed to carbon drawdown, and doing our part to slow and eventually reverse global warming. Stay tuned for updates on this journey!

Tea'm Numi



Volunteer time increased by **50%**

Through monetary and in-kind donations, Numi supported

256

ORGANIZATIONS

Ethical Sourcing

34



DIFFERENT COUNTRIES THAT SUPPLY OUR INGREDIENTS

82%



OF PURCHASED VOLUME IS FAIR TRADE OR FAIR LABOR

89%



OF INGREDIENTS ARE TRACEABLE TO THE FARM LEVEL

108k



DOLLARS PAID IN FAIR TRADE PREMIUMS

14,370



PEOPLE SUPPORTED IN ALL OF OUR FARMING COMMUNITIES WITH FAIR TRADE OR FAIR LABOR

Numi Foundation



10,500

people now have regular access to clean drinking water

4 COUNTRIES RECEIVING H₂OPE



36 WELLS BUILT/REPAIRED



25 VILLAGES



NUMI CURRICULUM SUPPORTS



4,800

K-6 students in schools

17

from low-income communities are now involved in the Oakland Afterschool Farming Program

Real TEA

Organic Goodness

All Numi products are certified organic. Beyond delivering the highest quality tea, organic farming ensures a clean, healthy product for our tea drinkers. It also safeguards workers and ecosystems by minimizing exposure to agrochemical run-off and watershed contamination.

Non-GMO

By definition, certified organic products are GMO-free. Still, we go above and beyond to have all our teas and our tea bags Non-GMO Project Verified. Popular see-through tea bags are often made with PLA plastic that originates from GMO-corn or PET plastic.

Fan Love

What real Numi tea drinkers have to say...

I'm currently trying to transition into a healthier lifestyle and your teas make it so much easier to discover new tastes while taking good care of my body! I'm also such a big fan of your company's sustainable and socially responsible practices. Thanks for making it so much easier for me to do the right thing.

—Alexandria A.

Thank you for the wonderful Jasmine Green Tea! I drink 1-2 cups every day and every cup is a gift! I always feel better after drinking this tea—I feel more centered and energized. I love the flavor! Thank you for having such great products that are good to people and the earth!

—Jessica F.

I have always had a lifelong passion for teas. Here lately I had grown tired of the same old “run of the mill” teas. One day I came across your Numi's Collection and took a chance on it. I can honestly say that I will never buy any other tea than yours from now on. I love every one of your teas. You have rekindled my love of tea. Thank you.

—James A.



Our Jasmine Green tea is scented with real organic jasmine flowers.

100% Real Ingredients

Numi purchases only 100% real organic teas, herbs, fruits and spices.

Most teas on the market are blended or sprayed with “natural” or artificial flavorings or fragrances. This results in a manufactured perfume after-taste that masks the true flavor of tea.

Flavorings are made in a laboratory by extracting the flavor constituents of plant, animal, or dairy products through heating, roasting, or enzymolysis.

Flavorings can also be developed through a synthetic chemical process, and they are devoid of nutritional value.

Through authenticity, creativity and commitment to people and planet, we bring you the purest, best-tasting organic tea. We hand-pick premium organic teas and herbs, blending them with only real fruits, flowers, and spices, letting the full flavor of nature speak for itself!

Real SOCIAL RESPONSIBILITY

As a leading purchaser of socially certified ingredients, Numi is committed to fair employment, fair wages, and safe working conditions for all workers in our supply chain. We believe that socially responsible, ethically conducted business fosters healthy, thriving global communities from farm to cup. We seek and preferentially select partners who share this vision and demonstrate leadership in their communities.

Fair Trade

As a leading purchaser of Fair Trade Certified teas in North America, Numi pays fair prices for ingredients, plus an annual premium to the farmers to spend as they see fit for improving social, economic, and environmental conditions in their communities.

Fair Labor

A certification proprietary to Numi, Fair Labor & Community Benefits Verified is a continuous improvement program focused on labor and workplace conditions, ensuring fair wages, safe working conditions, access to medical care and education, and beneficial impacts on the surrounding community and environment. The Fair Labor program is third party verified by SCS Global Services according to internationally recognized auditing standards.

We're proud to have nearly doubled the amount of Fair Labor Verified ingredients we purchase, thanks to the addition of ethically sourced roobios from South Africa and our Matcha Toasted Rice from China.

49%
more Fair Labor Verified
ingredients sourced



\$11,934
directly invested into
Fair Labor implementation,
a 16% increase in 2017



Our Fair Trade premiums helped fund a school dormitory for the community surrounding partner farms in China.

THE JOURNEY OF FAIR LABOR ROOIBOS:

How we assess the needs of our farming communities

JANE FRANCH, DIRECTOR OF STRATEGIC SOURCING & SUSTAINABILITY

In 2017, we were excited to re-establish direct purchasing of our award-winning rooibos tea from one of the original pioneers of organic rooibos farming in South Africa.

The tea comes from a pristine family-held tea estate run by third generation rooibos farmers. By working directly with this estate, we are able to bring premium, organic, ethically sourced rooibos to consumers.



Organic rooibos grown by our farming partner in South Africa.



As part of our shared commitment to ethical production, the estate embarked on a journey to become Fair Labor Verified. During a farm visit for Fair Labor, Numi, together with the workers and farm owners, identified a need for improved access to clean water and sanitation for the farm workers and their families living on the estate.

This gave rise to a new H₂OPE campaign for South Africa, and we began a project to upgrade the well and the sanitation facilities for the workers. In 2017, the farm owners and Numi worked with local hydrologists and builders to plan infrastructure improvements, and in 2018,

construction will be complete for a new freshwater well and sanitation block with toilets, showers, and solar heated water for the workers.

The South Africa H₂OPE campaign highlights the power of Fair Labor to open a conversation with our supply chain, ask them what is most needed to thrive, and then work together to build a solution.



By conducting our business collaboratively, and seeing all members of our supply chain as members of the extended Numi family,

we deliver on our mission to create positive social and environmental impact in the world.

New Partnership: Kainos

In 2017, we shifted the packing of our Numi's Collection tea boxes and amenity cards to Kainos, a home and training center for adults with developmental and intellectual disabilities focused on teaching self-sufficiency and independence. At Kainos, 60 program participants now earn income packing Numi teas.



Real SUSTAINABILITY

Sustainable Packaging

Recognizing that one of the biggest inputs of our product is packaging, we strive to create the greenest packaging possible. Components of our commitment to eco-packaging include:



Tea boxes made of 90% post-consumer recycled content



No plastic shrink wrap on our tea boxes



Tea bag wrappers made of 72% post-consumer recycled content

Sustainable Partnerships



Numi is a founding B Corporation, meeting rigorous standards of social and environmental performance, accountability, and transparency. In 2017 we won their Best for the World, Environment award.

Soil & More impacts

In 2017, we engaged Soil & More Impacts to conduct a comprehensive inventory of our scope 3 emissions. The results are guiding development of our strategy towards becoming carbon positive.



A project of OSC² and the Sustainable Food Trade Association, the Climate Collaborative is a community of businesses joining forces to reverse global warming.



Numi offsets Scope 1 & 2 greenhouse gas emissions through Carbonfund.org, supporting renewable energy projects in India and China.



OSC² is a community of sustainability-focused natural products industry leaders, co-founded by Numi CEO Ahmed Rahim.



The new design for our compostable overwrap.

THE JOURNEY TO ZERO WASTE PACKAGING:

The packaging breakthrough that took a village

BRIAN DURKEE, PRESIDENT

Flexible packaging is the Achilles Heel of the food industry. Purpose driven companies can do everything right, from sourcing fair trade to using renewable energy, and yet have no option but to package their products in single-use plastics that end up in the landfill.

Numi's journey towards a compostable packaging solution has been long. For nearly a decade, we actively tested alternative structures and participated in extensive R&D with our vendors. We learned that trying to solve the problem alone was yielding limited results, and more collaboration was needed.

When the leadership of the natural products companies in OSC² first got together, it was an opportunity to join resources and tackle this packaging challenge together. And so, the OSC² Packaging Coalition was born. The coalition quickly grew and members shared their knowledge and pooled resources, searching for compostable alternatives to plastic-based flexible packaging. Over the last 5 years, we

have brought in the top producers of sustainable raw materials and other industry experts to help develop the packaging of the future.

Now, after many years of research and innovation, Numi will be launching a plant-based, non-GMO, compostable packaging for our individual tea bag wrappers in the coming months. We're excited to launch this innovation, starting with our Moroccan Mint and Aged Earl Grey teas, to come full circle with a product for which all elements can either be composted or recycled.

But this is just a beginning...Numi as a brand and all of us as an industry have a long way to go on this journey. Our future depends on it.

Real COMMUNITEA

Together for H₂OPE: Our vision is for each of Numi's global farming communities to have lifelong access to clean, safe drinking water and sanitation.

Together for H₂OPE is one of Numi Foundation's signature programs designed to ensure access to improved water and sanitation for our farming communities. After a successful 2016 launch in Madagascar, in 2017 we began expanding our efforts with our black tea partners in India, rooibos partners in South Africa, and herbal tea partners in Egypt.

H₂OPE Update

Based in part on Numi Foundation's work to build and rehabilitate 23 wells serving turmeric farming partners in Madagascar, USAID has committed to \$30M over five years to improve water, sanitation and hygiene education services (WASH) to 600,000 rural Malagasy people. More than 250 communities will benefit from the support of a consortium of local and international NGOs, including the farming partners that work with Numi.



Our most recent H₂OPE project is in Assam, India, providing improved working conditions with restrooms closer to the tea fields.

REAL H₂OPE IN ASSAM, INDIA:

Water infrastructure restoration & community-driven education

DARIAN RODRIGUEZ-HEYMAN, NUMI FOUNDATION EXECUTIVE DIRECTOR

When the suppliers of our award-winning black teas asked for support through our *Together for H₂OPE* initiative, we jumped at the chance to help provide clean, safe drinking water to the 6,500 residents of one of the largest Fair Trade, organic tea gardens in India.

Promoting better sanitation to our community of 6,500 residents will ensure clean water for generations to come.

Unlike our first water project in Madagascar, where creating water access led to the installation of 23 wells, the solution in Assam was not as clear cut. While every one of the 1,150 households had existing wells, the water table they were tapping was contaminated.

Through *Together for H₂OPE*, we're now working on infrastructure repairs to clean up their water supply. In partnership with the local farmers and Women's Earth Alliance, Numi Foundation is helping to build wells and toilets for workers in the fields. And thanks to critical support from Broadcom Foundation, we've distributed water filters to every household so families can enjoy safe drinking water while we address the underlying problems.



1,150
Households

have been supplied with filters
for safe drinking water

To ensure the community's water access is sustainable, we're also helping to implement a community-driven education and behavior change campaign fostering healthy practices that protect the water table while promoting better sanitation, ensuring lasting access to clean water for future generations to come.

Numi Foundation



Created by Numi founders Ahmed and Reem, Numi Foundation is a 501(c)3 nonprofit built to nurture and empower thriving communities. The Numi Foundation administers both *Together for H₂OPE* and the NUMI (Nature Underlies My Inspiration) Curriculum, a project to connect inner-city kids in our backyard of Oakland, CA with organic gardening, arts, and social studies curriculums.

