

PureCircle 2020 Sustainability Goals



Stevia – the sustainable sweetener

Stevia is a natural, no-calorie sweetener that provides a great tasting, mainstream replacement for caloric sweeteners. The key sweetening agents in the stevia leaf are steviol glycosides, which can be 200 to 600 times sweeter than sugar and have the potential to greatly lower environmental impacts of food and beverage products. PureCircle is pioneering the next generation of stevia with its improved taste profiles, greater customer acceptance, and positive environmental and social eco-system impacts, will allow stevia to be the sustainable mass scale sweetener of choice in the 21st Century.

PureCircle's Vision

It is our vision to lead the global expansion of stevia as the next mass volume natural sweetener and encourage healthier diets through the supply of natural ingredients to the global food and beverage industry. And it is our mission to scale stevia as the next mainstream natural sweetener. PureCircle is committed to this mission and has deeply invested in all aspects of stevia from farming, extraction and purification to R&D, innovation, application support, consumer communication and advocacy.

Our Advantage- Vertical Ownership and Control of our Supply Chain

Having an integrated supply chain provides many benefits. It allows us to continually innovate at all stages of our supply chain to insure we bring the best tasting stevia extracts to consumers. And it helps us drive down inefficiencies, reduce our overall environmental impacts, enhances benefits to the wider socio-eco system and maximize our potential benefits to public health.

Figure 1: Integrated Supply Chain from Farm to Gate



Farmers:

Helping farmers become increasingly successful by increasing yields and incomes is at the core of our business strategy. Close to 25,000 farmers across four continents are part of our supply chain. We place great importance on working very closely with them to ensure their success. This focus ranges from providing them quality seedling or cuttings, as well as materials and agronomic know-how to successfully cultivate stevia plants. We also, in many regions, guarantee incomes for farmers at the end of season to help them continue to invest and grow stevia successfully. Working so closely with individual farmers, we understand the need for financing and support them with access to quality materials, resources and microfinancing. In Kenya, we have helped farmers obtain more than a \$1 million of microfinance loans and we have more than 140 technicians providing agronomic assistance and know-how. We support farmers' ability to remain food self-sufficient and, thus, encourage them to limit stevia production to a third of their land area.

In Paraguay, the home of stevia, we are deeply committed to advancing the local economy while supporting the local community. We work in partnership with the non-profit Amigos de las Americas to provide safe housing and communities for farming families. In Paraguay and across our entire supply chain, PureCircle has a strict policy prohibiting child labor. We support this policy by providing fair income that eases pressures on families to have children work – instead of attending school – for additional family income. In China, we are pioneering a unique program in which we provide close to RMB 22 Million (US\$3.2 million) through building of free nursery greenhouses, free cuttings, training to co-operatives and a guaranteed minimum price to protect farmers' interest. We encourage use of organic fertilizer and any synthetic fertilizer and pesticides are discouraged.

World's largest Extraction & Purification plants:

We know that along with ensuring consistent supply of leaf, it is important to extract, purify and blend desired stevia extracts at a scale, safety and consistency expected by our customers. We have in place the world's largest extraction and purification plants. As a responsible corporate citizen, we are conscious of our impacts on the communities in which we operate and have invested in several initiatives that have drastically reduced water usage and impacts, such as installation of the first continuous backflow extraction technology and treating wastewater to local standards. We send all of our flocculation (process) waste to a facility that converts it to organic fertilizer. We have also invested in a biogas facility which will be used to convert biowaste to electricity and the residual plant materials will be converted to organic fertilizer. In both manufacturing facilities we have set up ambitious goals to reduce our environmental impacts-water, carbon, electricity and waste.



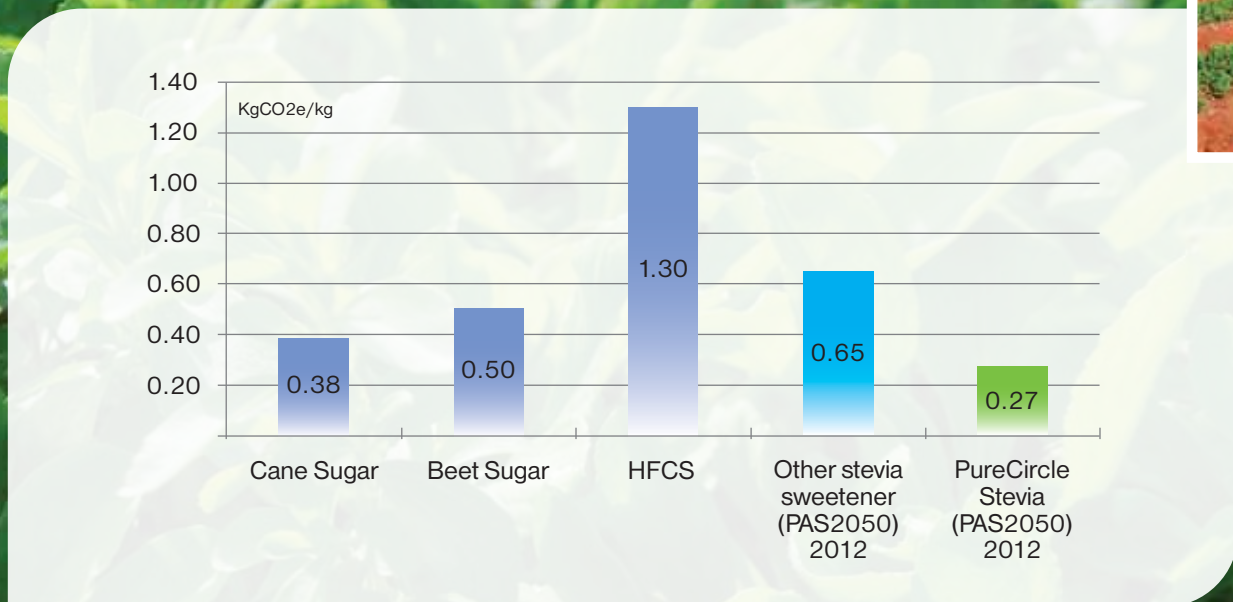
Our 2020 Goals- Reduce our own intensity while helping the Food & Beverage industry drive down its impacts

It is our mission to scale stevia as the next natural mainstream sustainable sweetener. With PureCircle pioneering the next generation of stevia solutions- stevia, improved taste profiles and greater customer acceptance will translate to tremendous environmental and eco-system benefits for the wider food and beverage industry while providing better income streams and livelihoods for small farmers in countries across our farming base.

Carbon Footprint

PureCircle Stevia has a lower carbon and water footprint than published benchmarks from other natural mainstream sweeteners: beet, cane sugar, high fructose corn syrup (HFCS), and other stevia sweeteners¹. In fiscal 2012, the weighted average carbon footprint of PureCircle sweeteners was estimated to be 60% lower than other stevia sweeteners¹, 55% lower than beet² sugar, 79% lower than HFCS² and 29% less than cane² sugar based on industry standards³. Figure 2 provides an overview of several publicly available carbon footprints for sugar.

Figure 2: Comparative carbon footprints to achieve equivalent benchmark sweetness



¹ Truvia® Sustainability Program Update 2013

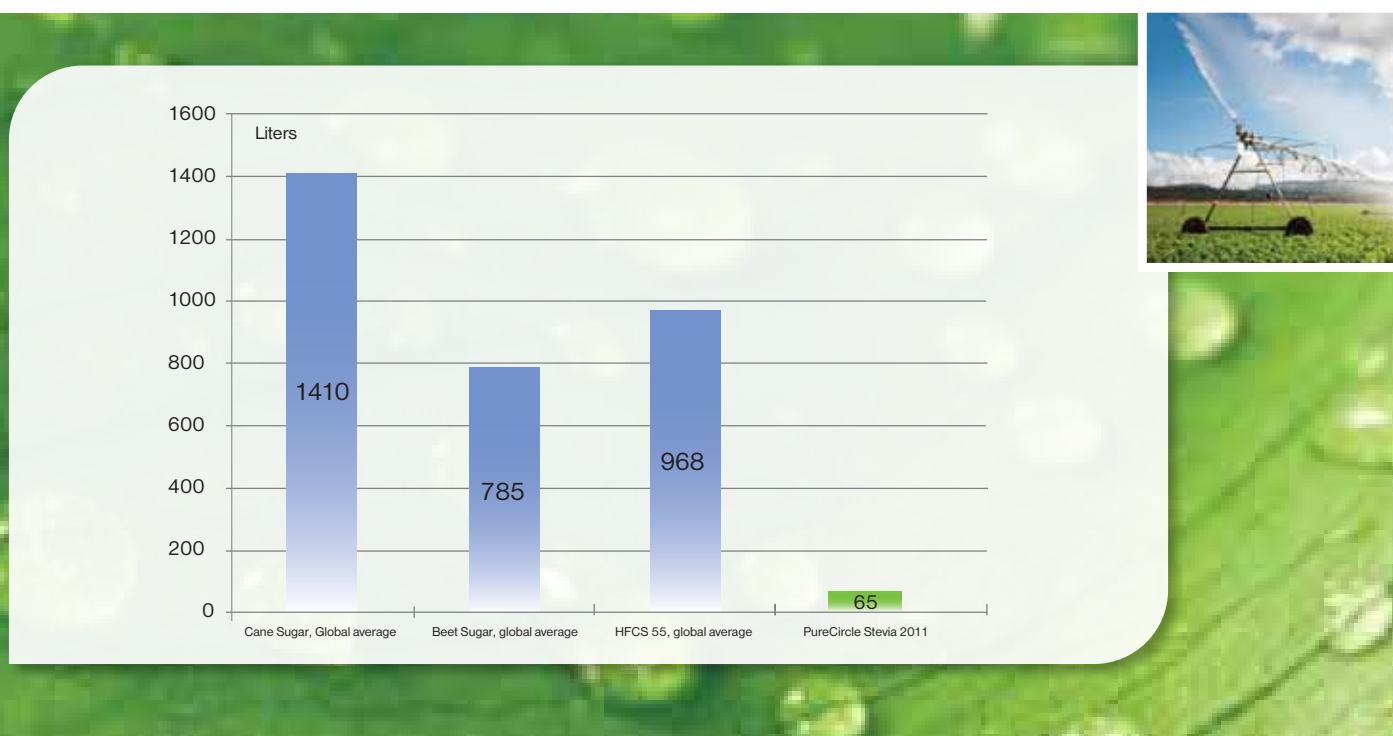
² Beverage Industry Environmental Roundtable June 2012 Study-“Research on the Carbon Footprint of Carbonated Soft Drink”

³ Industry standard to measure sweetness potency in water sweetened to achieve 5% Sweetness.

Water Footprint

In Fiscal 2011, the weighted average consumptive⁴ farm to sweetener water footprint of PureCircle was 92% lower than beet⁵ sugar, 94% lower than HFCS⁵ and 96% less than cane⁵ sugar according to publically available benchmarks in water sweetened to achieve equivalent sweetness equivalence. Figure 3 provides an overview of several publicly available comparative⁷ water footprints for natural mainstream sweeteners.

Figure 3: Comparative water footprints to achieve equivalent benchmark sweetness



Calorie Footprint

Since high purity stevia sweeteners are metabolized by the human body in a way that has almost no caloric impact, even partial replacement of caloric sweeteners with stevia can have a significant caloric reduction benefit. To date PureCircle has sold enough stevia sweeteners to allow the food and beverage industry to reduce approximately 1.3 trillion calories from global diets.

³ Truvia® Sustainability Program Update 2013

⁴ Green and Blue water

⁵ Figures are per Erclin et al in 2011 "Corporate Water footprint of Soft Drink"

⁶ Truvia® Sustainability Program Update 2013

⁷ Industry standard to measure sweetness potency in water sweetened to achieve 5% Sweetness.

Goals:

PureCircle has set ambitious goals to positively benefit the wider food and beverage industry and communities we operate based on our industry pioneering farm to gate carbon and water footprints for fiscal 2011 and 2012. These goals cover every link of our supply chain, from farm to product.

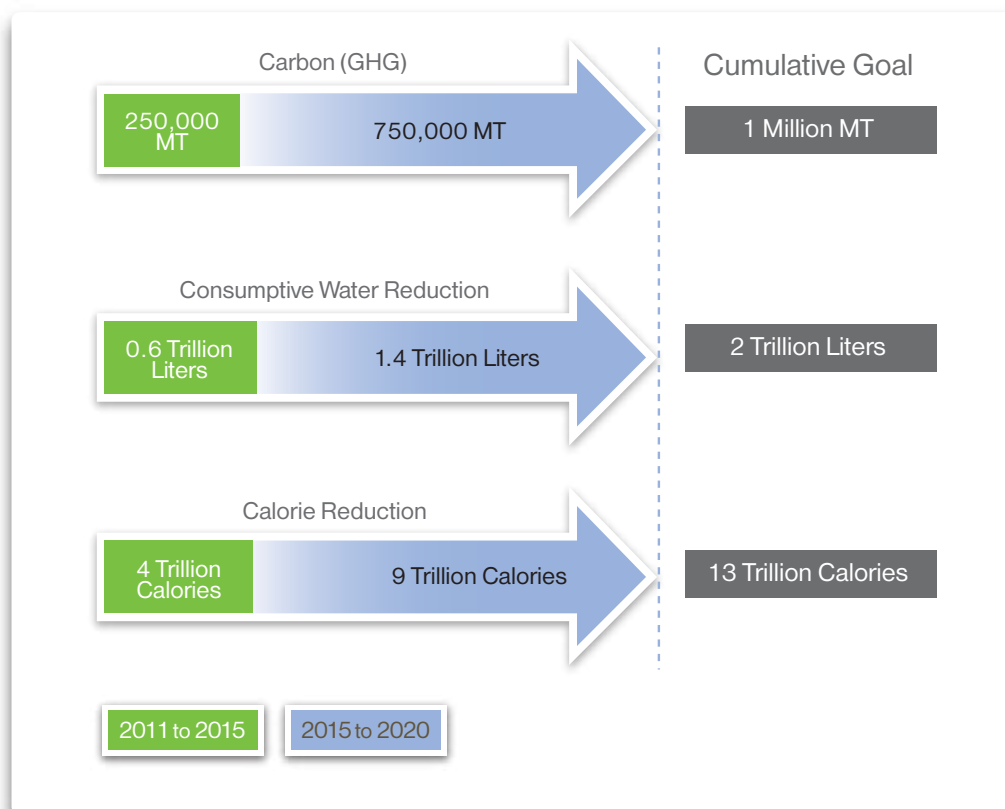
Briefly, our 2020 goals will:

Achieve a cumulative reduction of the Food & Beverage Industry's	While
<ul style="list-style-type: none">✓ Carbon Footprint by 1 Million (1,000,000) metric tons by 2020✓ Water Footprint by 2 Trillion (2,000,000,000,000) liter by 2020✓ Calorie Footprint by 13 Trillion (13,000,000,000,000) by 2020	<ul style="list-style-type: none">✓ Reducing our own Carbon, Energy and Water intensity by 20% by 2020 from our 2011 baseline✓ Ensuring zero untreated landfill waste from across our supply chain by 2015✓ Adopting a Sustainable Agricultural policy that empowers and offers up to 100,000 small scale farmers a fair market to participate in✓ Maintaining and extending our traceability program as we grow

Achieving our 2020 goals

Achievement of our goals will be based on two important pillars. First, continuously improving and reducing environmental impacts of our products as we scale. Second, helping our customers formulate great tasting partially or fully calorie reduced products with our sustainable PureCircle Stevia ingredients, as shown in Figure 4.

Figure 4: Phasing of our 2020 Reduction Plan





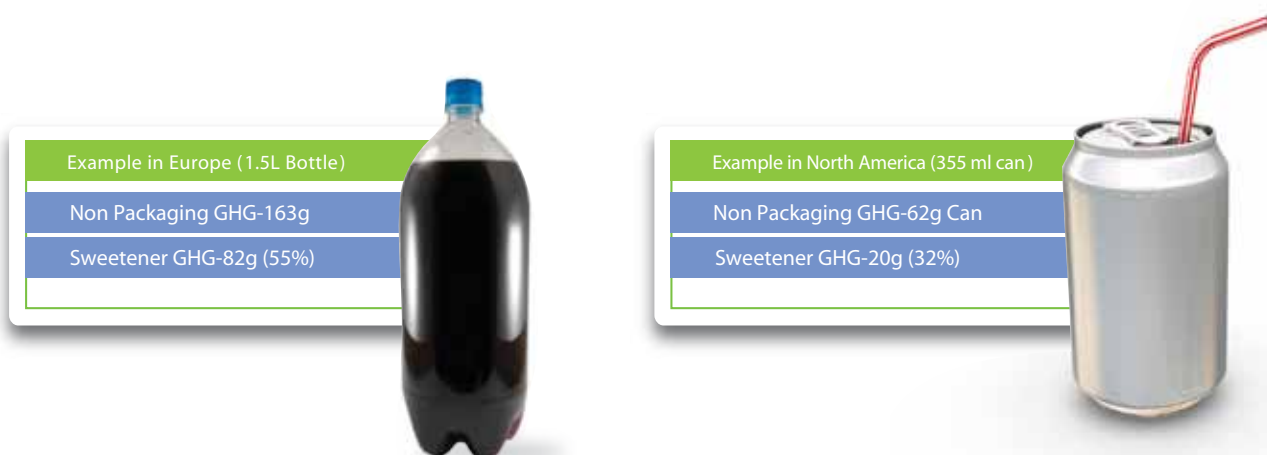
Case Study: Meaningful impacts of our Goals and stevia formulation

Achievement of our goals will be based on two important pillars. First, continuously improving and reducing environmental impacts of our products as we scale. Second, helping our customers formulate great tasting partially or fully calorie reduced products with our sustainable PureCircle Stevia ingredients, as shown in Figure 4.

Carbon

Mainstream natural caloric sweeteners form the bulk of sweetening source in the food and beverage industry. PureCircle Stevia has the potential to help food and beverage manufacturers to reduce related carbon, water and caloric impacts from these products.

Based on a Beverage Industry Environmental Roundtable study in 2012, sugar contributes up to 55% of the non-packaging GHG impact of a carbonated soft drink in Europe and up to 32% in the United States. A 30% reduced calorie drink sweetened with PureCircle Stevia can help achieve a 22% reduction of the GHG from added sugars.



An example of a large scale impact would be through a straight line extrapolation of these insights to an across the board 15% calorie reduction of the carbonated soft drinks category (95 billion liters⁸ with around 1.5 million MT of sugar) sweetened with PureCircle Stevia and sugar. This PureCircle Stevia-sucrose formulation would have a GHG of approximately 4.6 Million MT as compared to 5.2 Million MT of GHG from an all sugar sweetened formulation. This is a total reduction of 616,000 MT of GHG or 12%.

⁸ Datamonitor figures for carbonated drinks in Europe and USA

Figure 5: Impacts of reduction in GHG when sugar is partially replaced by PureCircle Stevia

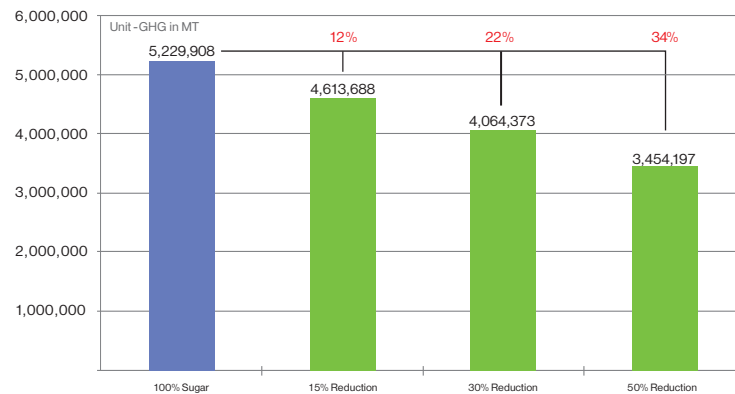
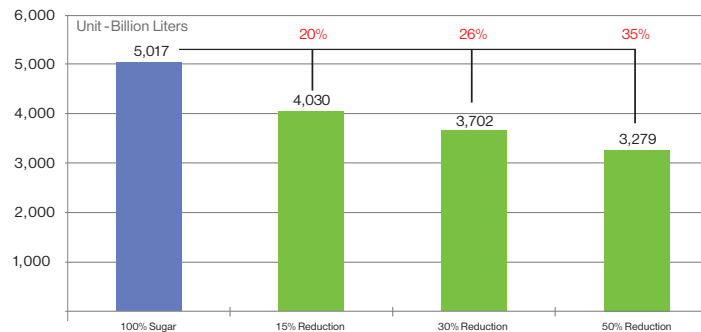


Figure 6: Reduction in Consumptive Water Footprint of sweeteners when sugar is partially replaced by PureCircle Stevia



Water

The same PureCircle Stevia ingredients⁹ can also help reduce approximately 322 Billion liters and 409 Billion liters of consumptive water footprint in the carbonated soft drink categories in Europe and the United States respectively; a combined total savings of 730 Billion Liters or 12% reduction in consumptive water footprint from a 15% reduction in added sugars.

Calories

There continues to be numerous government and industry led initiatives around the world to reduce calories ranging from the commitment in the US of 16 food and beverage corporate partners and the Healthy Weight Commitment Foundation (HWCF) to reduce 1.5 trillion calories by 2015 to the UK's goal to reduce the national intake of 5 billion calories every day. As a natural no calorie sweetener, PureCircle can have a positive impact in this effort. To date, we have successfully supplied the food and beverage industry enough stevia to reduce over 1.3 trillion calories from global diets.

⁹ Identified stevia formulation has a potency of approx. 400 times sugar

Our action plan towards attaining our goals

We will reduce our environmental footprints by focusing efforts on reducing the highest sources of carbon emissions, pursuing energy conservation opportunities, and continuing to adopt sustainable agricultural policies across our diversifying agricultural base. Planned actions are outlined below:

Farming

- Continued R&D investment to improve yield output of leaf and its quality
- Conduct research and field trials to determine the optimal amount of agricultural inputs including inorganic fertilizers, the main sources of emission in each region.
- Partner with our farmers to optimize the efficiency of all irrigation systems.
- Actively support our farmer partners by facilitating equitable and flexible financing, providing quality seedlings/cuttings and inputs, and offering training and agronomic expertise.

Extraction

- To achieve our objectives, our focus will be on accelerating adoption and demand of PureCircle Stevia. As demand increases, our capacity utilization and fixed emissions allocated over a larger volume will help us drive down intensity of emissions and energy.
- During the extraction process heat is required for boilers to facilitate extraction of glycosides from leaves steeped in water. Along with electricity needed for equipment, the boiler plant is the biggest source of GHG. We are identifying ways to capture heat to reduce the need for energy. We will fully operationalize a bio gas plant that can supply up to 75% of our energy needs.
- In the next few years, we plan to implement a smart mechanism to be able to measure electricity consumptions of our equipment in order to further drive down energy consumption from inefficient equipment and/or process.

In addition, we will send our bio waste to an onsite biogas facility where it will be converted into energy that is supplied to the local energy grid. We will continue to invest in water and energy efficiency technologies like our Continuous Backflow Extraction Technology that helped us decrease our water use by 33%.

Purification

One of the biggest drivers of emissions in Purification is consumption of energy and electricity.

- We are in the process of installing a new Energy management ISO 50000 systems in partnership with UNIDO. We expect that this new system will reduce our energy usage by 25% by 2015.
- We are aggressively moving towards zero waste. In fiscal 2012, we installed a new Waste Water Treatment Plant at our Purification facility that will bring all effluents to the highest local standards. With this we expect that all the water from Purification will be treated before it is released.
- We also are moving aggressively to reduce landfill waste and plan to have zero untreated waste sent to landfills by fiscal 2014.



Sourcing and Agricultural Policy

Working closely with our farm base of 25,000 in a fair, responsible and ethical manner is very critical to our sustainable growth. We have targeted to complete rolling out our new sustainable agricultural policy and procedures across our farm base of 25,000 farmers by 2015. Our comprehensive policies cover:



Principle (Pillar)	Current Policy & Procedures
Reduce Our Environmental Footprint	No.1: Land Rights and Conservation of High Value Conservation Areas
	No.2: Protection of Threatened or Endangered Species and Wild Animals
	No.3: Water Rights and Conservation and Preservation of Water Resources
	No.4: Waste Minimization and Management
Source Responsibility	No.5: Comply with all Labor Laws and Promote ILO DEcent Work Core Labor Standards
	No.6: Open and Transparent Negotiations
	No.7: Safe Agrochemical Use
	No.8: Avoid Competition with Local Food Security
	No.9: Management of Crops
Deliver Transparency and Accountability	No.10: Maintain Traceability of stevia Leaf

Transparency in our communication:

We will continue to enhance processes across our integrated supply chain to attain these goals and will communicate our progress annually to all our stakeholders. We are committed to SEDEX (Supplier Ethical Data Exchange) to communicate our social and ethical compliance to our customers.

We have also decided that starting this year, we will report into the Carbon Disclosure Project on an annual basis. This will allow us to be more transparent in our communications around our Carbon impacts to our stakeholders.

Conclusion

Sustainability is core to PureCircle's business practices from farm through manufacturing. As demand for commodities like sugar and corn grow due to rising incomes and growing global population, there will be added pressure on land, water, clean air, food prices, food security and food safety. The 2020 goals that PureCircle has set are an acknowledgement of these mega trends and the role PureCircle Stevia grown, processed and delivered sustainably can play to positively impact the wider community, industry and planet.

