



2018 SOCIAL AND ENVIRONMENTAL RESPONSIBILITY REPORT

OUR ANNUAL ACCOUNTING TO OUR PEOPLE AND OUR PLANET

Dear Banyan Stakeholders,

You are our customers, employees, vendors, our family, friends, members of our communities, both local and global, our environment, and our planet. This is our annual accounting to you. It's an update on what we have accomplished and an affirmation of who we are and what we intend to be.

Over the last 23 years, we have accomplished much together. We have supported the Ayurvedic community with herbs and products while creating a website with the intention of educating, inspiring, and motivating those interested in creating an Ayurvedic lifestyle. Through much effort and perseverance, we have built a supply chain committed to delivering herbs that are certified organic, sustainably sourced, and fairly traded. These herbs have become the basis for a line of products that assist our customers in achieving and maintaining optimal health and well-being. Many thousands of people have supported and benefitted from our work. For this we are both deeply grateful and honored.

As we look ahead, we see so much work still to be done and many more who can benefit from the wisdom of Ayurveda. As a company, we seek to continue our own healing journey so that we can be of even greater service to our customers, a more generous member of our communities, and a more harmonious steward of our environment.

In the coming years, we have several goals to accomplish. We will measure and reduce our carbon footprint with the aim of first becoming carbon neutral and eventually becoming carbon negative. We will reduce the amount of plastic in our packaging with the ultimate goal of eliminating its use completely. We will refine and certify the fairness in our supply chain. We will continue to grow more of our own herbs and source them more locally. We will continue to share the fruits of our success with our employees and improve our benefits and overall job satisfaction. We will be more active in our local communities and continue to introduce new products and services to our customers.

This is our first annual Social and Environmental Responsibility Report. Its purpose is to celebrate what we have accomplished, to acknowledge our shortcomings, and to mark our progress toward the dreams we intend to make manifest.

Thank you all for your support, your encouragement, and for believing that we can create more harmony in our lives—harmony within, harmony with Nature, and harmony with each other.



Yours in Health,

KEVIN CASEY

Co-Founder and CEO

ON THE COVER

Echinacea flowers at the Banyan project farm in Williams, OR.

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Employees

We have assembled a team of dedicated, hard-working, and compassionate people that believe in the power of Ayurveda to transform lives. Over time we have realized that in order to provide the best service to our customers, we too have to be committed to our path of healing. Our collective intention to be physically, mentally, and spiritually healthy is supported by being part of a passionate group of people who are highly engaged in producing quality work. At Banyan, we seek to provide an environment that will allow each one of us to embody our full potential and live balanced, fulfilling, and highly satisfying lives.



 Employees having fun at the annual Christmas party (top) and Albuquerque rafting trip (bottom).

Employee Highlights

- Two of our employees became new mothers and benefitted from our newly added benefit of 12 weeks maternity leave at 60% pay. We are excited to announce that we are also expecting three more babies to be added to the Banyan family in 2019.
- We took our next step towards ensuring a more secure retirement for our employees by setting up a 401K program that is accessible to all of our employees. In 2019 we intend to add an employer matching contribution benefit and to extend the range of potential investments to include socially and environmentally conscious options so that all employees are empowered with the choice to invest in a way that is aligned with their personal values.
- 94% of our employees took advantage of our employee health, dental, and vision insurance where Banyan pays 90% of employee premiums and 75% of premiums for spouses and dependents.
- Employees benefitted from free and discounted Banyan products.
- We continue to grow as a company: several new positions were created including Warehouse Operations Manager, Compliance Manager, Quality Control and Receiving Specialist, Junior Systems Administrator, and Inventory and Purchasing Coordinator. Our staff grew from 60 employees to 68.
- 65% of our managerial positions are now held by women.



Top: Megan, Banyan Marketing Director, and her son Ellis.
Bottom: Rachel, Banyan Customer Retention Manager, and her daughter Forest.



65% of Banyan managers—and 100% in our Ashland, OR office—are women! Here, our Ashland managers gather in the Banyan garden.

Employee Highlights

- In November, we conducted our first formal employee satisfaction survey. Overall employee satisfaction was measured at 88%. We gained valuable feedback and identified several ways we can improve, including speaking with employees more regularly about their progress and soliciting their opinions more frequently. In 2019, we will refine our feedback gathering process and take steps to standardize and schedule more consistent reviews for all employees. We will also make a greater effort to gather employee input on important topics that affect them before making decisions or strategic change.
- In 2018 we conducted our first living wage audit using the MIT Living Wage Calculator which is the recognized third-party living wage standard recommended by B Corp. By the end of 2018, our lowest paid wage at Banyan was 50% above the state minimum wage and exceeded the living wage rate for one adult. We learned that earning a living wage is highly dependent on the individual's situation and that factors like geographic location, size of family, and the number of wage earners in the family need to be considered to create a more complete picture. By going through the process, we verified the tremendous strides we have made in this area and identified several areas where we can continue to improve.
- We continued our "Kitchari Wednesday" program and served over 2,300 free, organic, Ayurvedic meals to our employees.
- A portion of company profits are distributed directly to eligible employees each quarter through our employee profit sharing program. In 2018, each team member earned a nice little bonus as way of participating in our collective financial success.
- Our Safety Committee improved employee safety by implementing a formal written procedure for performing safety and health inspections at least quarterly. Information discovered through these inspections is used to improve safety processes, such as hazards analysis, accident/incident analysis, and employee concerns. Inspection reports are made available to employees and clearly indicate what needs to be corrected with documented accountability for closure.



Banyan staff in our Albuquerque, NM office.

Customers

At Banyan, we frequently discuss how much Ayurveda has to offer our Western culture and how much suffering could be alleviated through sharing its wisdom. As a business, we are blessed and challenged by an abundance of opportunities to serve. If we do our jobs well and assist you, our customers, in becoming healthier, not only are you likely to come back, but you may even tell your family and friends about us. To the extent that we provide an excellent experience, we will continue to grow and have even greater opportunities to serve.

Customer Highlights

- In 2018, we served 317,654 individuals through retail, professional, and Amazon orders.
- Triphala tablets continue to be our best-selling product. We are definitely doing our part to help keep America regular!
- We introduced 7 new products, including Pollen Protect, Immune Strong tablets, Immune Strong liquid extract, Adrenal Nourish, Breathe Free Balm, Bitter Melon powder, and Moringa powder.
- In April 2018, the FDA instructed us to remove all customer testimonials from our website that mentioned or implied a disease-related condition. Every mention of even minor symptoms like constipation, a cold, or cough had to be removed. Despite this challenge, we still received and were allowed to post a great deal of glowing feedback from our customers.



“Awesome stuff! Triphala balances imbalanced emotions, helps digestion, and improves overall mood. I will not go without this stuff and I’m not even through the first bottle!

— Paige M., Banyan Customer

Harvesting shatavari root on Banyan's partner farm in Rajasthan, India.

OUR PEOPLE

Suppliers

As an Ayurvedic lifestyle company that currently specializes in providing herbs from the traditional Ayurvedic pharmacopoeia, our supply chain reaches half-way around the world and entails many complexities. Through cultivating long-term, healthy relationships with our vendors, we are able to consistently provide our customers with herbs that are certified organic, sustainably sourced, and fairly traded. We strive for win-win relationships where the circle of benefits travel from the fields, to the consumers, and back to the farmers.

Supplier Highlights

- We celebrated our 17th year in partnership with our main supplier. We purchased over 50,000 pounds of herbs from this fellow Certified B Corporation that shares our values and commitment to using business as a force for good.
- We launched our first FairWild-certified products, including our best-selling [Triphala tablets](#) which are now made with FairWild certified Bibhitaki powder. [Read the full story here.](#)



The great pied hornbills are a majestic and endangered large bird species that make their home in India's old-growth bibhitaki forests.

✔ Kathryn Templeton, Banyan Ambassador, and graduates of the Ayurvedic Yoga Studies program at the Himalayan Institute enjoy Banyan oil samples.



OUR PEOPLE

Community

When we reflect on our mission of helping others achieve health and well-being through the wisdom of Ayurveda, we acknowledge that the individual is only one part of a greater whole. Indeed, to be truly Ayurvedic, we must also focus on the health and well-being of our communities—local, national, and global. We bring this to life by honoring and supporting employee volunteerism, supporting non-profit organizations, and offering in-kind product donations.



✔ Banyan provides financial and product donations to Rogue Community Herbalism's pop-up herbal clinic, which supports underserved members of the community by offering free consultations, self-care education, hygiene items, herbal formulas, and hot meals.

Community Highlights

- We organized five employee volunteer events to support employee volunteerism and support our local communities. These included three events with Rogue Community Herbalism, supporting their free pop-up herbal clinics, serving kitchari lunches, and making wellness kits for local homeless populations. We also sponsored a volunteer event with Southern Oregon Land Conservancy to weed invasive plants at a local property, and we held a food drive for a local food bank in Albuquerque, New Mexico.
- Our collective volunteer hours exceeded 340 hours.
- We made in-kind product donations to 27 charitable projects including: Southern Oregon Land Conservancy, Paradise Fire Fundraiser and Benefit Concert, Black Mesa Indigenous Health Clinic, International Day of the Girl, Yoga By Design Foundation, and Sprouts Cooking Club.
- We supported Yoga Gives Back in putting on their annual gala dinner fundraiser as an annual partner and sponsor.
- We sponsored the National Ayurvedic Medical (NAMA) Conference for the 14th consecutive year (every year since its inception), supporting their goals to support Ayurvedic education in the United States and the resulting professional practices.
- A financial donation was made to Punarnava Ayurvedic Trust to sponsor twelve (one each month) free Ayurveda medical camps for people living in interior villages of Coimbatore, Tamil Nadu, India, that previously did not have access to health care.
- Two full academic scholarships were granted to students of the Ayurvedic Institute.



With financial support from Banyan, Yoga Gives Back funds meals, education, and social activities for 30 children at the Deenbandhu Trust Home (orphanage) in India.

We are committed to becoming increasingly aware of how the way we conduct our business impacts the environment and to taking actions that will allow us to operate more in harmony with Nature. We are finding that this is no easy task in our modern world. As a consumer products company that imports the majority of our herbs from the other side of the planet and manufactures products intended for people that live across the country, we currently find ourselves with more questions than answers. As much as we recognize the value of the work that we do, we are also facing up to the role we are playing in contributing to the climate and ecological crisis. As we identify ways we can operate in a more ecologically friendly way, we are summoning the courage and allocating the resources to take action.

Sourcing

Global trade of medicinal herbs has a history dating back thousands of years and has benefitted the international community in many ways. We are part of this tradition and are deeply grateful for the wonderful plants native to India that we have grown to love and cherish as our allies in health.

We also recognize that all plants have medicinal benefits and that there is a treasure trove of herbs that grow on this continent. In the coming years we will be diversifying our supply of our herbs and moving in the direction of sourcing our herbs more locally. In doing so we will continue to maintain our certified organic and sustainable sourcing standards. We are also taking steps to cultivate herbs on our own Banyan farms so that we can be more directly connected with the plants and further refine our methods and processes for working with them.

Sourcing Highlights


- 99.5% of the herbs we sourced in 2018 were certified organic. The only two exceptions were asafoetida and kutki, for which no certified organic sources or viable substitutions could be found.
- We leased 4.5 acres of land on an organic farm in Southern Oregon to begin growing our own herbs domestically.
- We leased farm land in Gujarat, India, and are now cultivating gotu kola, bacopa, vasaka, bala, jasmine, bhringaraj, bhumyamalaki, kalmegh, chitrak, shatavari, and punarnava root on this plot.
- We provided a market for over 50,000 pounds of certified organic herbs grown in India that might otherwise have been used for non-organic agriculture.
- We continued to supply our customers with sustainably sourced-guggulu and CITES-certified kutki, two herbs that have been severely over-harvested in the wild. By supporting these pioneering cultivation projects, we are working to ensure these herbs will be available for future generations.
- We invested in the [FairWild initiative](#), which ensures the protection of wild plant species and their habitat.

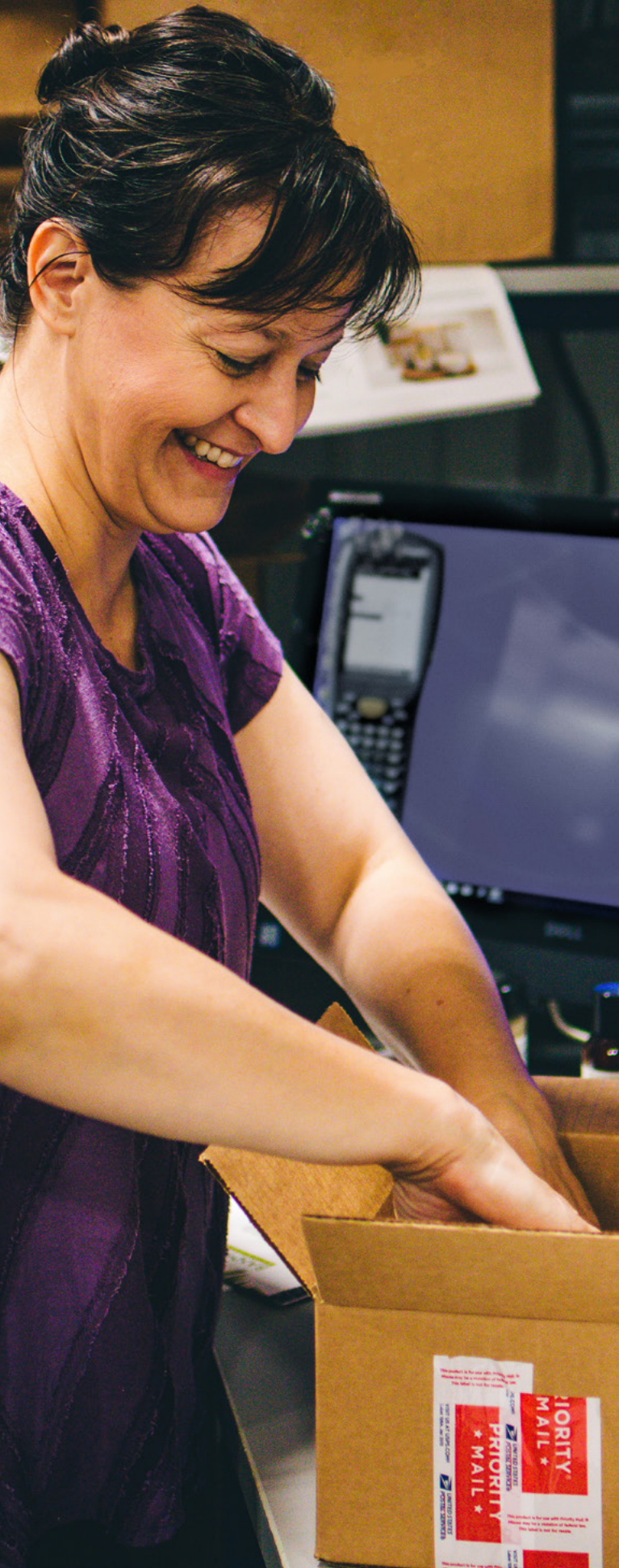
Manufacturing

The care that we put into securing pure, high quality raw materials extends to the processes we employ to transform the herbs and oils into products. Our manufacturing facility, in Albuquerque, where we make our herbal oils and balms, is certified organic as are our partner manufacturers that we use to produce our herbal tablets and liquid extracts. While the processes themselves maintain the purity of the products, there is still much for us to learn about how we can produce and transport them using less fossil fuels.

Manufacturing Highlights

- All of our eligible herbal tablets, oils, balms, and liquid extracts continued to be USDA certified organic.
- Even though Banyan never uses GMOs and USDA certified organic signifies non-GMO, in 2018 we elected to make the additional investment of having the Non-GMO Project Verified logo applied to our bulk herbs and tablets.
- We expanded our quality control team and improved our testing capabilities.
- [We reformulated our Immune Strong](#) (formerly Immune Support) product, removing osha root, which due to increasing demand is now deemed “regionally scarce.” Even though the osha we were using was being responsibly harvested, we decided that we could make a comparable formulation using herbs that are more abundantly available.

 Julie, Banyan intern and student at the Ayurvedic Institute, carefully packs a customer order at our warehouse in Albuquerque, NM.




Packaging and Packing

Perhaps our biggest ecological challenge as a company is cracking the nut of how to deliver our products in a way that maintains their quality, meets FDA guidelines, and is convenient and economically viable for our customers all while minimizing waste and the amount of carbon used in the process. As we invest more time and resources to researching solutions, we are learning that this is a very complex issue with no easy solutions. That said, we are identifying changes that can be made and are working diligently to implement them.

Packaging and Packing Highlights

- We continued to package our tablets and oils in PETE 1 plastic, which is the most recycled type of plastic, is lighter in weight, and less prone to breakage than glass.
- Orders are now packed with 100% recycled newsprint paper.



 This package is ready to ship.

Order Fulfillment and Shipping

Another challenge in our modern economy is the transportation of goods in a way that minimizes the ecological impact on our environment. Shipping currently requires the use of carbon, and while we have great hope in the electric solutions being developed, they are not currently available to us at scale. Here we are looking towards minimizing the weight and size of packages, the consolidation of orders, and the use of ground transportation instead of air whenever possible.

Order Fulfillment and Shipping Highlights

- We made the difficult decision to stop shipping internationally. There were multiple factors involved in this decision, including a desire to reduce this portion of our carbon footprint by limiting our shipments to within the United States and to help encourage the development of more local and direct Ayurvedic suppliers throughout the world.



Y Left: Michael, Stocking and Inventory Specialist, selects products for a customer order in Albuquerque, NM.

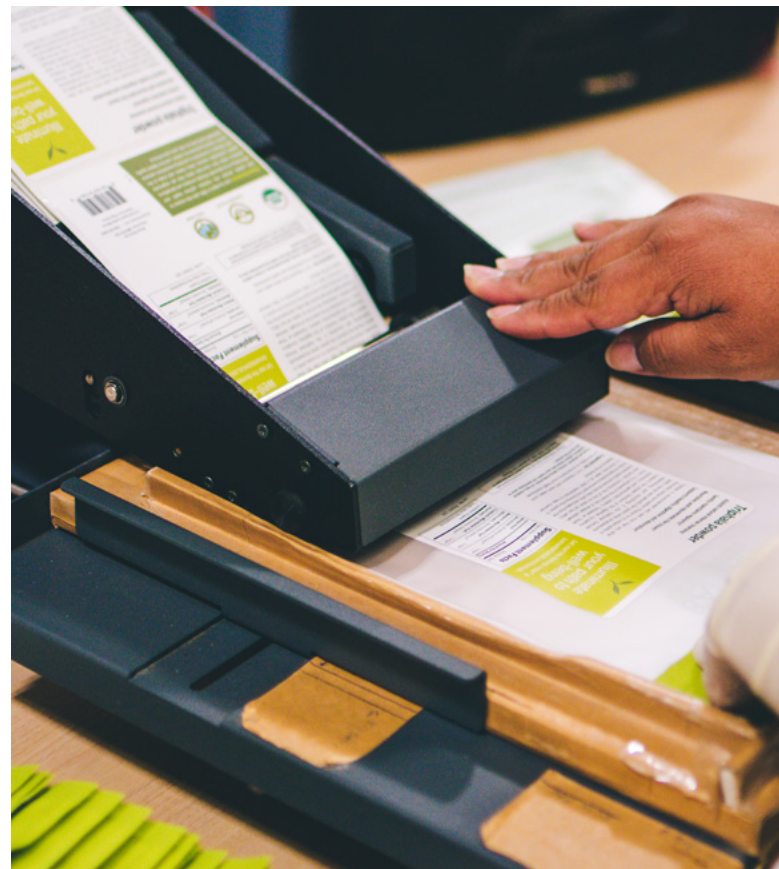
Above: Every order is hand-picked and packed.




Office and Administration

In our places of business, we are also seeking to work in a more environmentally conscious way. This requires attention to detail in our processes and routines that is mindful of our impact. Waste and energy reduction has been on our minds for years, and we have had some success in improving our practices, from going (almost) paperless in our Ashland office to making sure we buy the most energy efficient light bulbs and recycling everything that is possibly recyclable.

In 2018, we began to take a closer look at our energy use, how much waste we produce, and how to measure these. When we reflect on the year, we can see some measurable progress.



 Printing labels in our Albuquerque, NM office. Using energy and resources wisely is an important consideration for us in all our decisions.

Office and Administration Highlights

- We recycled, composted, or reused over 50% of our manufacturing wastes, including the herbs from our herbal oils, which are either composted or recycled into biofuel.
- We printed our catalogs on FSC certified paper with 10% post-consumer recycled content made with trees grown in responsibly managed forests and used so-seal approved inks on an energy-efficient press powered by 100% wind power.
- We reduced our average monthly electricity consumption by 11%, or 1,000kW hours, at our production warehouse in New Mexico (our goal was to reduce it by 5%).
- We audited city recycling programs in each office and reeducated our employees on what is recyclable and what is not.
- We began more formally monitoring our energy use.
- We converted our Ashland office heating and cooling systems from natural gas to electric.
- In the month of June, when it came time to improve our employee kitchen in Ashland, we chose energy star appliances and an efficient induction stove.
- We created an environmentally-preferred purchasing policy and a list of green suppliers to support our conscious purchasing choices for things like office supplies, cleaning products, and furniture.



Maximino, Head of Oil Production, filtering oil in our Albuquerque, NM warehouse. All oil and herbs leftover from manufacturing our herbal oils are either composted or recycled into biofuel.

OUR PROMISE


As an Ayurvedic lifestyle company, we promise to walk the path of ever-increasing harmony—harmony within, harmony with each other, and harmony with Nature.


We will do this by taking into consideration all of our stakeholders when making business decisions. We recognize the importance of profit in being a financially healthy, sustainable business, but it is not of highest importance, rather it is a means to further our mission, support our people, and be a good steward of our planet.

Highlights

- We continued the rigorous process of becoming a Certified B Corporation®. (Spoiler alert for next year's report—we achieved B Corporation status in May 2019!)
- We learned new best practices from an elite group of socially and environmentally conscious businesses.
- We improved our B Corp Impact Assessment working score from 34.6 to 79.5 points.
- We created a Corporate Responsibility Manager position to oversee our social and environmental initiatives and to monitor our progress.



 Erin, Corporate Responsibility Manager.

 Ashwagandha plant at the Banyan project farm in Williams, OR.



Banyan Botanicals was founded in 1996 with the mission to help people achieve and maintain optimal health and well-being. As an Ayurvedic lifestyle company, we specialize in products made from Ayurvedic herbs that are organically grown, sustainably sourced, fairly traded, and made in the USA. Our product line includes the largest selection of USDA certified organic Ayurvedic herbs as well as herbal tablets, liquid extracts, massage oils, and Chyavanprash. Banyan is committed to providing exceptional customer service, inspiring educational content, and the highest quality Ayurvedic herbs that are safe, pure, and effective.

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