

REGENERATION REPORT 2024



**alter
eco**



A NOTE FROM KEITH BEARDEN

Wow, 2024 was a year in the chocolate industry that no one expected. We've all become accustomed to hearing the news about climate change impacting weather patterns and crop yields and quality, but none of us ever expected cacao prices to increase by over 300%. But this is the reality of the situation we have created on our planet by continuing to release record amounts of emissions into the atmosphere and continuing to utilize industrial farming methods that deplete the soil rather than restore it. But despite all this, at Alter Eco, we made significant progress in our mission to provide our loyal customers with the best tasting, cleanest greenest snacks on earth. And we are happy to share our Annual Regen Report with you.

As most of our loyal followers know, at Alter Eco, we pride ourselves in trying to do everything the right way. And for us, that means leaving the world and everything we touch on our journey better than it was when we found it. While it's never easy being a food manufacturer, it's a lot harder to be one that takes an approach of sustainability, transparency and thoughtfulness in everything we do. Regenerative agriculture has been and will continue to be a major focus for us. Our goal is to source 100% of our cacao beans and oats from farms practicing regenerative agriculture and we won't stop until we get there. We also keep an eye to ensuring everyone in our supply chain is treated fairly and receives a fair wage. Our decisions around emissions have been a major focus for us in 2024 and we will continue to not only offset our carbon emissions but move towards being carbon negative. We became plastic neutral certified in 2024, and we are constantly looking for ways to further reduce our waste. And we are partnering with some of the best and brightest organizations in our mission to continue our progress. Hopefully as you read our Regen Report you will see that at every turn there is a consciousness about what we do and how we do it.

As I said last year when we published our Regen Report, the journey is ongoing and requires collective action. By choosing Alter Eco, you are not only supporting a brand but joining a movement towards a more sustainable and equitable future. I often tell people, "We're improving the planet one chocolate bar at a time!". Join us and together, we can make a real difference. Thank you for your support and don't forget to compost that wrapper after you've enjoyed a delicious Alter Eco truffle.

Sincerely,

A handwritten signature in black ink, appearing to read 'K. Bearden'.

CEO, Alter Eco





Our impressive
array of
certifications
that we hold
for our various
products



OUR MISSION

WE DELIGHT AND INSPIRE THE WORLD
WITH THE BEST TASTING, CLEANEST,
GREENEST SNACKS ON EARTH!

That's why every product we make
contains ingredients sourced from
farmer owned co-ops practicing
sustainable agriculture.

OUR PURPOSE

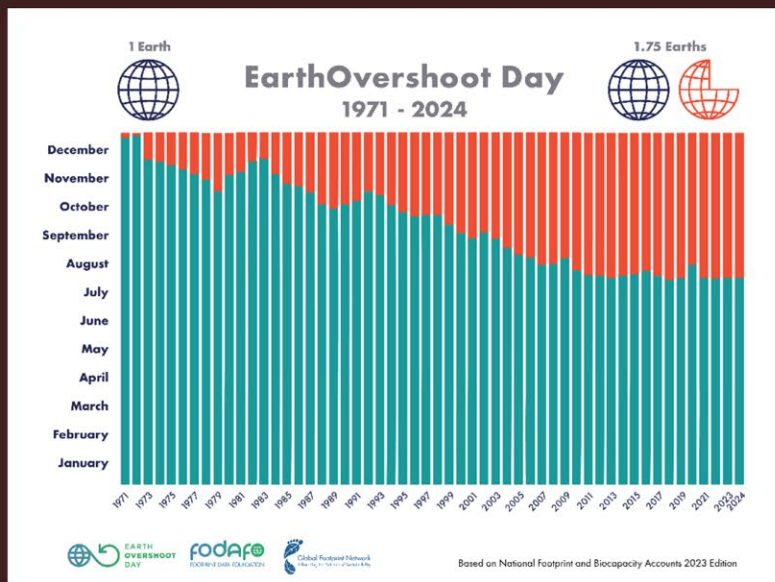
Chocolate should be grown in
thriving ecosystems, mixed with
clean ingredients you can
pronounce, and wrapped in
packaging that turns to compost,
instead of going to the landfill . From
farm to shelf, our chocolate restores
rather than depletes the planet.

OUR VISION

TO BECOME THE REGENERATIVE
SNACK BRAND FOR THE FUTURE BY
CHANGING THE WAY THE WORLD
DOES BUSINESS IN OUR INDUSTRY.



PLANET EARTH



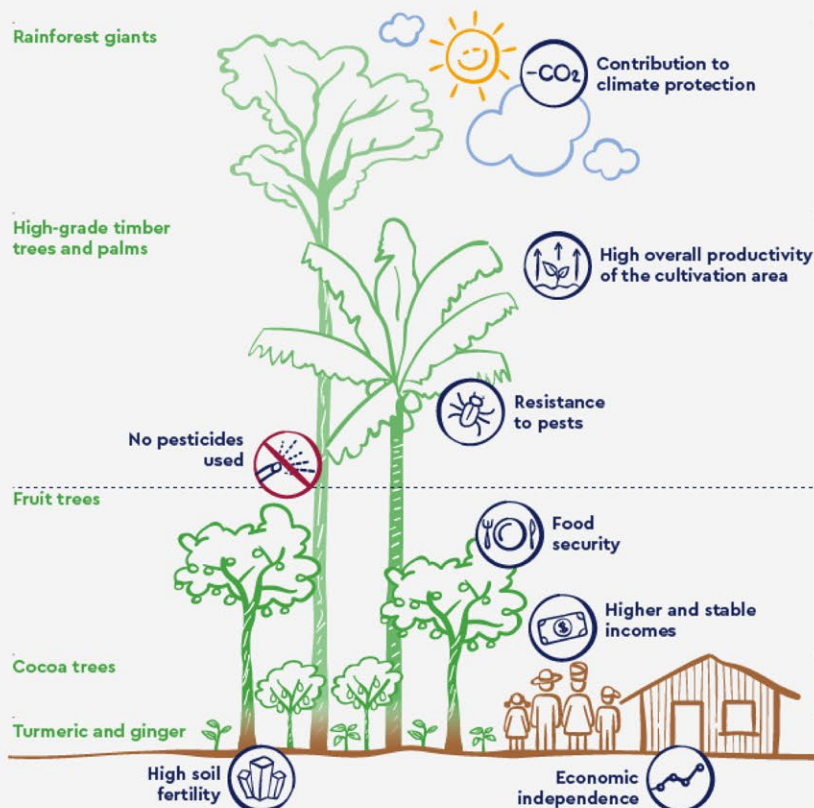
This graph above illustrates the growing imbalance between the Earth's natural resource capacity and human consumption. In 2024, we used resources equivalent to 1.75 Earths. This rate of consumption continues to rise. While the planet may survive through our lifetime, this trajectory threatens the well-being of future generations. Agriculture alone won't solve the crisis, but it plays a vital role by both nourishing life and offering pathways to restore ecological balance.

Regenerative agriculture is the future of cacao - This farming approach doesn't just grow cacao; it actually heals the land while it's at it. The result is healthier soil, happier ecosystems, and cacao beans that taste better because they are grown the right way. Plus, it helps fight climate change and keeps farming communities thriving for generations.

For Alter Eco, regenerative agriculture isn't just trendy farming - it's our playbook for environmental stewardship, social equity, and making the world's best chocolate.

So, how's it going? Glad you asked! Read on for the results - they're pretty incredible.

Agroforestry – sustainability through mixed cultivation



2024 RESULTS

01: MEASURE

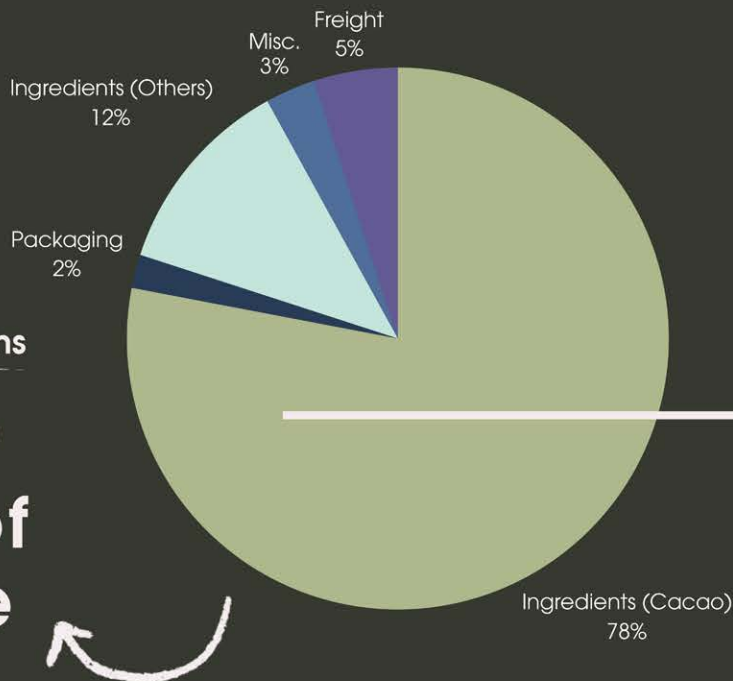
REGENERATION FROM SOIL TO SHELF

At first glance, our 2024 report may raise eyebrows because it appears our carbon footprint went up 37% this year. But here's the context that matters - this increase is driven almost entirely by one factor: the global price of cacao.

From 2023 to 2024, as we anticipated in last year's Regeneration Report, we are seeing a notable increase in our emissions, specifically a 37% jump. This rise is largely driven by the dramatic surge in cacao prices, which significantly impacts our emissions reporting. But it's important to remember: this number doesn't tell the full story. Despite the increase, we've made tremendous progress this year in reducing emissions across other areas of our supply chain. These improvements reflect our ongoing commitment to sustainability and regenerative practices.

2024 Emissions

**5,269
tons of
CO₂e**



Understanding Our Emissions Calculations (Ingredients):

Currently, the way we measure the Life Cycle Assessment (LCA) of our key ingredients—particularly cacao—is based on the dollar amount spent on finished goods. While this method isn't ideal, it reflects the limited access to precise emissions data at the farm level.

We know there is established LCA data for cacao from monocrop systems (both organic and conventional), but there is very little publicly available data for cacao grown using regenerative agriculture. Yet, we are confident—based on field reports, biodiversity gains, and higher yields—that regenerative cacao farming has a significantly positive impact on ecosystems, soil health, and carbon sequestration. We just don't yet have a standardized emissions factor to reflect that progress.

To remain transparent and accountable, we've continued using the Climate Neutral-certified software from the Change Climate Project, which calculates estimated emissions based on spending. We understand this may overstate our emissions, but we believe it's better to overcompensate while we work toward better data.

LET'S TALK ABOUT CACAO

If you take a closer look at the source of our emissions increase this year, it comes almost entirely from ingredients—with a staggering 75% rise in emissions attributed to cacao alone.

The primary reason for this? Commodity prices for cacao beans and cocoa butter have skyrocketed.

- In 2023, cacao traded at around \$3,400 per ton. (this is mostly used in the trade)
- Today, it exceeds \$10,000 per ton.
- Cocoa butter alone has seen a 340% increase in 2024, rising from \$8,000 to over \$35,000 per ton.

This unprecedented price surge stems from a mix of environmental and structural challenges:

- Aging monoculture plantations in West Africa—responsible for about 60% of the world's cacao supply—have been devastated by plant diseases and extreme weather, leading to sharply reduced yields.
- These supply issues, in turn, attracted massive speculative investments, further inflating prices.
- Long-term problems such as soil degradation and the declining fertility of land cleared for monocrop cacao farming decades ago add to a pessimistic forecast for the region.

This is exactly why regenerative agriculture is not just a hopeful alternative, but a critical solution for the future of cacao. Unlike conventional monocropping, regenerative practices restore soil health, improve biodiversity, and increase long-term yields.

Thankfully for us (and our customers / you), we've been building relationships with farmer cooperatives for years. These partnerships mean we can still get high quality cacao beans even amid global shortages and market volatility.



ON THE UPSIDE: MAJOR PROGRESS IN TRANSPORTATION EMISSIONS

While ingredient prices have significantly impacted our emissions, **we've made remarkable strides in reducing our transportation footprint.**

Thanks to strategic improvements in both **upstream logistics** (getting goods to our warehouse) and **downstream logistics** (shipping to our customers), we've successfully reduced our transportation emissions by **over 50%.**

This is a huge win, and a testament to our ongoing commitment to more efficient, sustainable supply chain practices.

We use our measurements to identify opportunities to reduce our environmental footprint wherever possible. Here are a few key ways we've made progress:

02 : REDUCE

VENDOR SELECTION AND PARTNERSHIP:

One of Alter Eco's fundamental commitments is to select vendors that share our high standards and are dedicated to increasing their sustainability efforts.

Chocolate Manufacturer:

Our Swiss chocolate partner was ranked 2nd worldwide on the 2025 Chocolate Scorecard and is the only manufacturer rated "green" in every category. Recognized as the most sustainable chocolate and snack producer in Switzerland, they operate with 95% renewable energy and ensure 100% of their cacao beans and cocoa butter are Fair Trade certified.

They also bypass intermediaries, working directly with farmer co-ops to ensure transparency, fair compensation, and regenerative impact on the land and community. Alter Eco is strengthening this relationship by investing directly in regenerative agriculture initiatives alongside our manufacturer and cacao farmers.

Granola Manufacturer:

We've launched an official project with the Climate Project to source 50% or more of our oats from certified organic regenerative farms. Our long-term goal is 100%, and we are fully committed to getting there.



SUSTAINABLE PACKAGING:

Packaging in the food industry is a complex challenge, but we've consistently worked to stay ahead of the curve. One of our proudest achievements was the introduction of **home-compostable truffle wrappers**, first of its kind.

We continue to explore and test alternatives to plastic for our pouches, remaining deeply committed to reducing packaging waste while upholding the highest standards of product integrity. In 2024, we took a meaningful step forward by partnering with **rePurpose Global** to fund the recovery of as much plastic waste from nature as we use in our products. You'll find more details on this initiative in the ongoing projects section of our report.



KEEPING UP THE WORK AT INCREASING REGENERATIVE AGRICULTURE:

We have now transitioned **573 farmers** to regenerative agriculture practices, focusing on improving soil health, increasing biodiversity, and enhancing ecosystem resilience. The number of farmers has remained consistent since last year, a testament to our strong partnerships and the farmers' dedication, especially considering the cacao crisis.

This year, the land under regenerative practices increased by **12%** (+178 acres) compared to last year, bringing the total to **1,668 cacao acres** transitioned to date. This progress demonstrates the tangible success and promises of these practices.

Our commitment to growth not only ensures a sustainable supply of high-quality cacao but also supports the long-term health of farming communities and the environment. Notably, **75% of our cacao beans** come from dynamic agroforestry, reflecting our dedication to a more resilient and regenerative cacao supply chain.





CENTRALIZED WAREHOUSE & TRANSPORTATION OVERHAUL: A MAJOR WIN

In 2023, we announced a major shift in our logistics strategy: relocating our primary warehouse from the West Coast to the Midwest, in Ohio. This move wasn't just operational, it was environmental. The new centralized location brings us closer to an East Coast port, allowing us to shift our imports from road to rail. Today, our containers travel just 10 miles by truck after arriving in the U.S., drastically cutting our road freight emissions.

This new warehouse is also just a few hours from our Granola manufacturing facility, further optimizing our supply chain. We are thrilled to share that in 2024, this move translated into a 58% reduction in carbon emissions from our Scope 3 transportation and distribution—one of our most significant achievements of the year.



Not only did we reduce upstream emissions (goods coming into our warehouse), but the more centralized location also led to improved efficiencies for our distributors. This reduced the footprint of downstream transportation (goods leaving our warehouse) for both Alter Eco and our customers.

Additionally, we're proud to report zero air freight in 2024—a milestone, given that air freight generates up to 40 times more CO₂ than ocean shipping.

This transformation reflects our ongoing commitment to climate-conscious business practices and smarter logistics that benefit both the planet and our partners.

03 : ONGOING PROJECTS

In 2024, Alter Eco embraced a bold new path in our climate journey. Thanks to updates from the **Change Climate Project**, we are now able to invest directly into our own supply chain to create **real, measurable emission reductions**—not just carbon offsets. We are proud to be among the first companies to achieve **Climate Label certification**, which sets a new, more transparent standard beyond the often-misunderstood “climate neutral” label.

Here's how we're leading the way:

1. Insetting with Our cacao Supply Chain in the Dominican Republic

We've launched a groundbreaking partnership between Alter Eco, our Swiss manufacturing partner, and our cacao farming communities in the Dominican Republic—where we source much of our cacao. Through a **direct financial investment**, we are funding the transition of **13 hectares** of land to **Dynamic Agroforestry (DAF)**—effectively **doubling** the amount of their regenerative land.

This initiative aims to:

- **Improve livelihoods** for nearly 200 small-scale farmers in the Duarte and María Trinidad Sánchez provinces.
- **Train farmers** in regenerative practices and supply them with seeds, coconut trees, and tools.
- **Promote biodiversity and reduce land use** through multi-crop planting alongside cacao.
- **Increase soil fertility, boost yields, and generate new income streams**, especially through the integration of coconut cultivation—an in-demand product currently imported into the Dominican Republic at high environmental cost.

This project not only enhances ecological health but also strengthens our farmer relationships and contributes to a more resilient cacao future.

Together with cacao, the agricultural land can be used many times over. This pioneering farming method keeps land consumption low in the long term, increases soil fertility, boosts productivity and improves the income situation of farmers. To this end, around 200 small-scale farmers are to be trained in DAF and supported with the necessary plants and tools. The project places a special focus on the integration of coconut trees into cacao plantations. In the Dominican Republic, there is a great demand for coconuts, which are predominantly used for the extraction of coconut oil. As it stands, this high demand can only be met by imports from Asia. The coconuts grown in the project not only provide the farmers with additional income but also reduce expensive coconut imports and transportation harmful to the environment.



2. U.S. Regeneration through Kiss the Ground

We are proud to announce our new partnership with **Kiss the Ground**, an audience-supported nonprofit promoting regeneration and healthy soil as a viable solution for our wellness, water, and climate crisis. Since 2013, they have inspired millions to participate in the Regenerative Movement through Storytelling, Education, and Partnerships, significantly advancing the adoption of regenerative agriculture.



Why this matters:

- Only **6.8% of the US population** are aware of regenerative agriculture, yet more than **34 million acres** are currently being transitioned.
- Kiss the Ground is working toward a **tipping point goal of 100 million acres** in transition.
- Their programs focus on **storytelling, education, and partnerships** with on-the-ground partners such as Soil Health Academy and Savory Global.

Alter Eco committed to support the transition of **1,000 acres** to regenerative agriculture through this partnership—and we're just getting started.

We believe that investing in U.S. soil health is essential to creating a global shift toward regenerative systems.

3. Certified Plastic Neutral with rePurpose Global

In addition to our ongoing commitment to sustainable packaging, Alter Eco became **Plastic Neutral Certified** in 2024 through a new partnership with **rePurpose Global**.

Although our chocolate products are free of plastic packaging, we recognize that our granola line and other packaging formats still contribute to plastic waste. So, we took action.



Our newest
member
to our
certification
family!



IN 2024 ...

WE DIVERTED

13.5 MILLION

WRAPPERS FROM LANDFILL

Our truffle wrappers were transitioned from Industrial to **Backyard Compostable** in 2021.

WE RECOVERED

25,309 POUNDS

FROM THE ENVIRONMENT

Equivalent to removing **637,778 plastic bottles**.

WE SAVED

14,170 POUNDS

OF VIRGIN PLASTIC FROM
ENTERING OUR SUPPLY CHAIN

WE SUPPORTED

1,635 WORKERS

ACROSS REPURPOSE GLOBAL
PROJECTS IN INDIA AND INDONESIA.

This certification is another step toward **total transparency** and taking responsibility for our environmental impact—even in areas where we already do well.

Together, these efforts represent a shift from just offsetting our impact to actually TRANSFORMING our supply chain.

We're investing in the long-term for resilience, regeneration, and justice - in our own backyard and beyond.

We're building something bigger than just carbon neutrality, we're building regeneratively.



LOOKING FORWARD

At Alter Eco, sustainability isn't just a goal - it's the foundation of everything we do. We believe delicious, crave-worthy food can also be a powerful force for positive change. From the regenerative agriculture to plastic reduction, we're committed to transforming the food system from the inside out.

Last year marked a significant period of transition. Looking ahead, we hope for more stability in the global cacao market, especially in West Africa, where widespread adoption of regenerative practices could dramatically improve the long-term health of the land, the resilience of farmers, and the future of chocolate itself.

But rather than wait for the industry to change, we're focusing on what we can control:

- **Expanding regenerative agriculture: Growing acreage under regenerative practices in our cacao supply chain and across U.S. farms.**
- **Increasing regenerative ingredients across our entire product line.**
- **Ensuring fair, premium prices for our farmers so they can build sustainable livelihoods.**
- **Despite economic headwinds - from cacao price spikes to escalating tariffs - we're sticking to our values. We're not backed by a massive corporation that can absorb losses. We're a small, passionate company doing everything we can to make responsible choices while keeping the cleanest, greenest, and tastiest snacks on Earth affordable."**

This next year marks the beginning of an even more community-driven chapter for Alter Eco. We believe the only way forward is together: through shared data, collaboration, and radical transparency. We call on all businesses to measure their carbon footprints, pay fair wages, and prioritize the health of our ecosystems and the people who grow our food. At Alter Eco, we'll never compromise on who we are. We are committed to transparency, accountability, and to continuous improvement in every aspect of our work.



THANK YOU

Thank you for supporting Alter Eco as we continue to reimagine what's possible in food, farming, and business. Together, we can create a more sustainable, more delicious future.

**alter
eco**