



60 Lake Street
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About Seventh Generation

Company Overview

Seventh Generation is the nation's leading brand of household and personal care products that help protect human health and the environment. Established in 1988, the Burlington, Vermont based company remains an independent, privately held company distributing products to natural food stores, supermarkets, mass merchants, and online retailers across the United States and Canada.

We believe our products are healthier solutions for the air, surfaces, fabrics, pets and people within your home—and for the community and environment outside of it. As a pioneer in corporate responsibility, we want our products to make a difference—from their development through to their production, purchase, use, and disposal. We are always evaluating how to reduce their environmental impact, increase performance and safety, and create a more sustainable supply chain. We believe our products set a course for a more mindful way of doing business, where companies act as partners with other stakeholders to create a brighter future for the whole planet.

Seventh Generation's business practices focus on offering people varied avenues to express their idealism, passion, and commitment to causes larger than themselves. To read more about Seventh Generation's corporate responsibility, visit the 2009 Corporate Consciousness Report at: www.7genreport.com.



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Company History

The Early Years

In 1988, Niche Marketing, a small mail-order fulfillment firm in Burlington, Vermont, received an unusual gift: a free mail order catalog. By this we don't mean a copy in their mailbox. We mean an entire catalog operation called Renew America, which offered energy-, water-, and resource-saving products and was on the verge of failure. Rather than close it forever, Renew America's owners gave the catalog away to Niche Marketing founder, Alan Newman, who was already handling its customer service.

The good people of Niche Marketing didn't know quite what to do with their unexpected hand-me-down. But when an employee of Native American descent suggested changing its name to one inspired by the Great Law of the Haudenosaunee, an ancient Iroquois document, which declares that "in our every deliberation, we must consider the impact of our decisions on the next seven generations," a new company called Seventh Generation was born.

With a better name, a new look, and an enhanced mix of products, the catalog seemed poised for success in an increasingly environmentally aware world. All it needed was a little green of the monetary kind. Enter Jeffrey Hollender, a successful entrepreneur and author of *How to Make the World a Better Place*, who offered to become Alan's partner and secure some much-needed financing.

Triumph came quickly. \$100,000 in first-year sales grew to \$7 million two years later. During the 20th anniversary Earth Day celebrations in 1990, 500,000 people requested our catalog. Then the eco-bubble burst, and sales did, too. In an effort to compensate, we launched our own line of non-toxic and recycled household products, and opened our first (and, it turns out, only) retail store in Burlington.

From Catalog to Wholesale

In early 1992, Alan Newman left the company. Several waves of cost-cutting and unhappy layoffs later, things stabilized and our accountants were relieved to find the company breaking even. Yet a need for cash persisted, and to raise it, Seventh Generation issued a \$5 per share public stock offering in 1993.

The offering was well-timed—sudden dramatic growth in the natural foods industry was fueling our wholesale business. Yet our struggling catalog continued to drain vital resources, natural and otherwise, away. So it was that in 1995 our catalog business was sold to Gaiam, Inc., a new company started by Jirka Rysavy, founder of office supply behemoth Corporate Express, who showed up at our offices to inspect his new acquisition in disguise due to fears his investors wouldn't approve of the purchase.



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With the catalog gone, we were free to focus on nurturing our wholesale brand and chart a path to lasting sustainability of a financial nature. In 1999, bolstered by growing success, we made our smartest move yet and bought back all our stock to protect our company from hostile takeovers that would have diluted if not destroyed our mission.

The New Millennium Brings Major Growth

The new millennium dawned with a sea-change in consumer lifestyles and a new emphasis on healthy living that triggered an explosion in the natural products and organic food industries. Though it came a decade later than we thought it would, this emerging concern about personal health was just what we were waiting for, and we changed our tag line from “Products for a Healthy Planet” to “Safer for You and the Environment,” in order to more naturally reflect our products’ renewable promise to provide solutions to the problems caused by conventional household products.

Over the next five years, our sales grew almost 32% per year and reached nearly \$50 million. In 2002, we had our very first profitable year ever, and you could hear the collective sigh of relief from one end of the office to the other. By 2005, we had created over 70 products and claimed 45% of the total sales in the paper and plastic, cleaning, diaper, wipes and feminine hygiene categories, making us the leading seller of natural, non-toxic household products in the United States. All this growth meant a lot of new faces in the office, and in 2006 we ran out of elbow room and moved to a brand new LEED Gold-certified office on the shores of Lake Champlain.

In 2003, we published our first corporate responsibility report, which was focused on all the things about our products and our company we thought still needed some work. The transparency the report embodied became one of our key hallmarks as a leader in the corporate responsibility movement.

The next few years saw continued double-digit sales growth, and introductions of revolutionary new products like our Free & Clear line, our essential oil-scented products, our natural hand wash, and our botanical disinfecting cleaners. We also upgraded most of our existing formulas and made some trend-setting packaging changes—including the world’s first product container made from 96% post-consumer plastic, and the only bottle on Earth made from (no kidding!) 100% recycled paper and cardboard.

A Force for Sustainability

As the decade unfolded, we also launched a series of initiatives to make the world a better place. These included our 2006 Tampontification campaign, which encouraged women to talk



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about feminine care issues and donate needed supplies to women's shelters, and 2009's Million Baby Crawl, which rallied support for toxics legislation in Congress. We helped engineer an industry-wide ban on polluting phosphates in dishwasher detergents and in 2009 announced our industry's first sustainable palm oil initiative, a program aimed at changing the harmful ways this natural resource is obtained.

In 2009, change came to our boardroom as well when Jeffrey Hollender stepped aside as CEO to focus on our long-term sustainability goals, and former PepsiCo division president Chuck Maniscalco joined us to take the reins of day-to-day operations. In 2010, Jeffrey left the company completely and became the nation's leading spokesperson for corporate responsibility. Soon thereafter, Chuck made the decision to depart as well and in early 2011, former Burt's Bees CEO John Replogle came on board as our new CEO.

Today, John is leading our company and employees to a cleaner and greener future that we hope will leave the Earth in better shape than we first found it 23 years ago. We've come a very long way from the tiny mail order catalog that gave us our name and the handful of employees who planted the seed that would one day grow into a whole new kind of company making a much different kind of product. Ours has been and continues to be a remarkable journey. And we can't wait to see where it takes us next.