



22  
ANNUAL  
REPORT

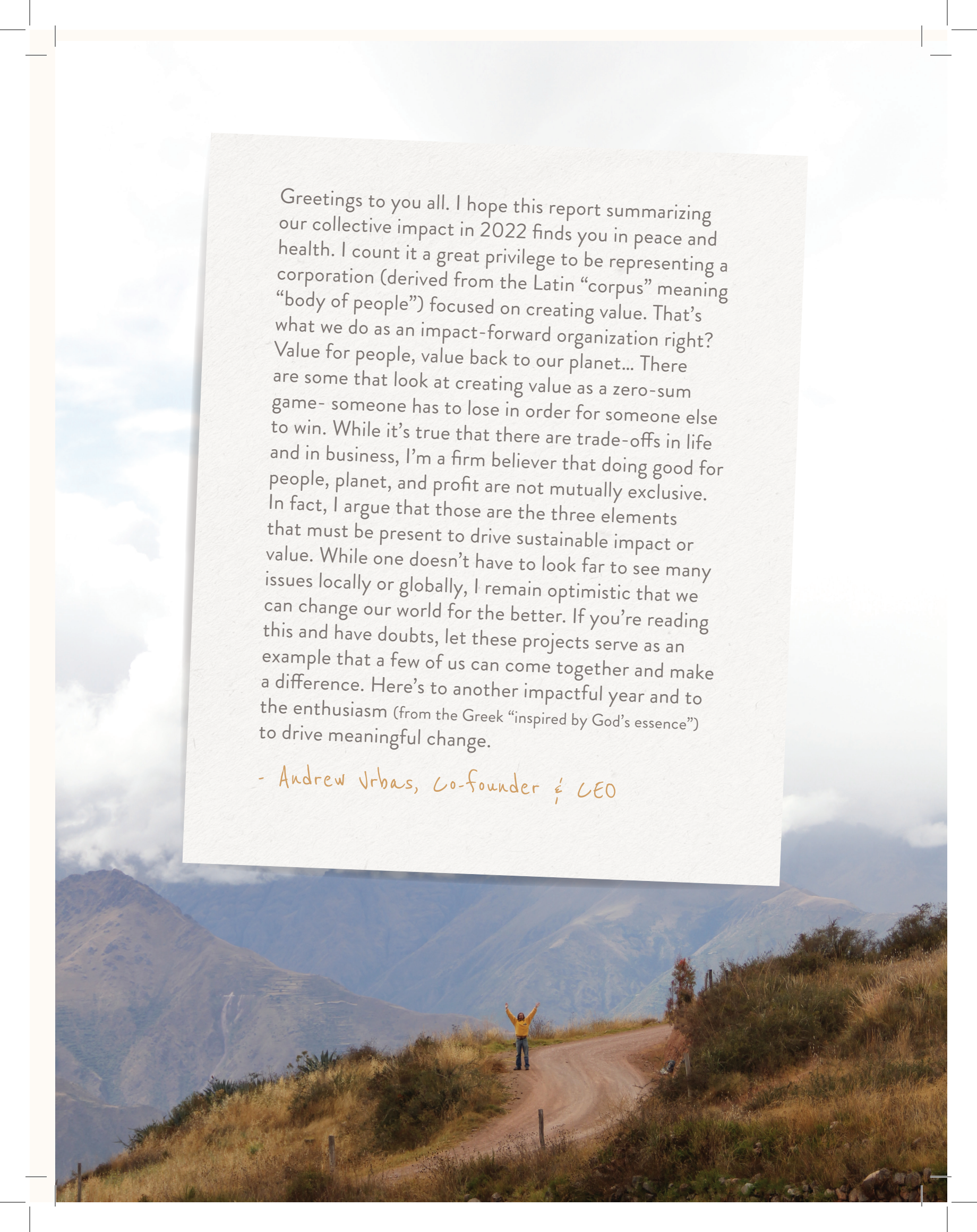
# SOAP IS POWER

*Impact has never  
smelled so good.*





CLOCKWISE FROM TOP LEFT: Andrew walks with Robin Van Loon through Camino Verde's regenerative agroforestry systems; Andrew visits the Rumonge soap shop in Burundi; Andrew and Abi Vrbas taking Pacha bars back to Peru where the company was first imagined; The Pacha and Imagine Burundi teams together in Burundi; Andrew attending an Imagine Burundi hygiene workshop in Burundi.

A photograph of a person standing on a dirt road in a mountainous landscape. The person is wearing a yellow jacket and blue pants, with their arms raised in a celebratory gesture. The background shows rolling hills and mountains under a cloudy sky. A large white paper overlay is placed over the top half of the image, containing a handwritten-style text block.

Greetings to you all. I hope this report summarizing our collective impact in 2022 finds you in peace and health. I count it a great privilege to be representing a corporation (derived from the Latin “corpus” meaning “body of people”) focused on creating value. That’s what we do as an impact-forward organization right? Value for people, value back to our planet... There are some that look at creating value as a zero-sum game- someone has to lose in order for someone else to win. While it’s true that there are trade-offs in life and in business, I’m a firm believer that doing good for people, planet, and profit are not mutually exclusive. In fact, I argue that those are the three elements that must be present to drive sustainable impact or value. While one doesn’t have to look far to see many issues locally or globally, I remain optimistic that we can change our world for the better. If you’re reading this and have doubts, let these projects serve as an example that a few of us can come together and make a difference. Here’s to another impactful year and to the enthusiasm (from the Greek “inspired by God’s essence”) to drive meaningful change.

- Andrew Urbas, Co-founder & CEO



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Our family of impact brands continues to grow as this year we merged with **Hand in Hand Soap**, a company originally founded by a husband and wife, Bill and Courtney, in Philadelphia, Pennsylvania. Bill and Courtney formed Hand in Hand with the intention of alleviating the global hygiene and sanitation crisis while also sourcing and producing ethical products.

# SOAP IS POWER™

We couldn't be more optimistic about the future of this strong brand and the positive impact we will be able to generate with it. Our primary areas of focus for Hand in Hand will be with water, sanitation, and hygiene as well as in sustainable packaging innovation while utilizing Pacha's high-impact supply chains.



HAND <sup>IN</sup> HAND<sup>®</sup>



SUSTAINABLE SUDS™

## Clean ingredients. Clean conscience.

Hand in Hand exists to harness business as a force for good by creating beautiful, accessible, better-for-you products that sustain both people and the planet through a relentless commitment to environmental protection and empowering communities at home and around the world.

With every  
purchase, we  
donate soap and  
clean water to  
children in need.



BUY ONE  
GIVE BACK



PALM OIL  
FREE



INFINITELY  
RECYCLABLE  
ALUMINUM



100%  
VEGAN



CRUELTY  
FREE



NATURALLY  
DERIVED

store count  
**12,800**

**17.3 million\***  
bars of soap

**18 million\***  
gallons of clean water

**25 countries\*** served

\*totals to date, since 2011





**RAISE THE BAR<sup>®</sup>**

Pacha Soap Co. is a purpose-driven company. We handcraft natural, artisanal products to delight the senses and enhance well-being. Our mission is to challenge the standards for what it means to be an ethical business by taking radical steps to empower communities around the world with long-term, sustainable solutions.

Made good so  
you can **feel good**  
and **do good.**



NATURALLY DERIVED  
INGREDIENTS



VITAMIN  
RICH



NO ANIMAL  
TESTING



CRAFTED IN THE USA  
WITH GLOBAL INGREDIENTS

store count  
**8,200**

**6.2 million**  
bar soaps donated

provided **9,000** people  
access to water

**169,862** people given  
hygiene education

# LOOKING BACK AND M

Hand in Hand is founded by Bill Glaab and Courtney Apple. They begin their mission to make a higher quality soap and help mitigate water-related deaths around the globe.

**2011**



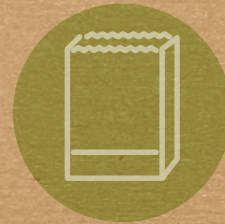
Hand in Hand's Clean Water Program Partnership with My Neighbor's Children begins installing wells that provide thousands of people with clean water every day.

**2013**



Pacha first enters into Whole Foods Market in Omaha, NE after product is dropped off in a paper sack.

**2014**



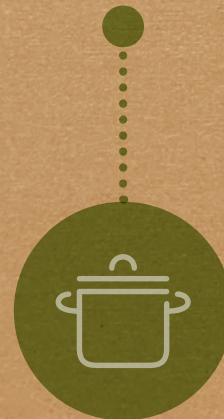
**2010**

Andrew goes to Peru and is inspired to make a soap company... of all things.



**2012**

Hand in Hand's first trip to Haiti, where we saw firsthand the effect our give-back model could have on people's lives.



**2013**

Pacha is founded by Andrew and Abi Vrbas out of a chili pot.



**2016**

Pacha launches Froth Bombs.

# MOVING FORWARD

Pacha wins Whole Foods Market Supplier of the Year.

**2017**



Pacha donated 5 million bars of soap!

**2019**



Hand in Hand purchases and donates more sophisticated well-digging equipment to their non-profit partner in Haiti, who begins work digging and repairing 80 new fresh water wells.

**2021**



100+ new items launching in Whole Foods Market!

**2023**



Hand in Hand's efforts expand to Cambodia, in partnership with Eco-Soap Bank, saving wasted hotel soaps from landfills for recycling and redistribution to developing communities.

**2018**



Pacha launches Deodorant and Liquid Body Wash.

**2021**



Pacha Soap Co. & Hand in Hand merge.

**2022**





# OUR PEOPLE

To make the best experiential bath products, we need the best people. Meet some of our amazing team and learn about our culture in this section.





# PACHA'S VALUES

**VIBRANT** The culture we create within our team and the experience we create within the industry is unparalleled. We care about living a vibrant life and ensuring that our products help others do this too.

**TRUSTING** Trust is at the heart of what we do. You can expect complete transparency in the materials we source, in the products we create, in the service we provide, and in the culture we create. You can trust the quality of our products because we trust the people making them.

**INNOVATIVE** We are here to change the way the world interacts with naturally sourced products. We want the industry to feel accessible and welcoming to every human. To do this, we are creative in our approach, we evolve through change, we lean into challenges, and we are fluid in our execution.

**SUSTAINABLE** We invest in the long term - our choices today impact tomorrow and future generations. We are committed to developing products considering the long-term effects on the environment and the people we serve.

**EXCELLENT** We are committed to excellence in the materials we source, in the products we create, in the service we provide and in the culture we create. We rise above the industry standard and commit to the highest level in everything we do.

**INTERCONNECTED** We are creating community worldwide and shifting how business is done. We believe in collaboration over competition. We do not compete with one another; we help each other rise. Creating a high-performing team environment is praised for helping elevate and challenge everyone to be the best they can be.



## THE DIRTIEST HIPPIE AWARD

Each year we strive to acknowledge and celebrate a team member that embodies our Core Values here at Pacha Soap Co.

Our Core Values represent Pacha's guiding beliefs that each one of us are accountable for our words, actions, and decisions.

The Dirtiest Hippie award is all about recognizing the people that bring these Core Values to life in their everyday work and interactions.

**Our most recent recipient of the Dirtiest Hippie Award is Mikel!**

**Mikel is the Shipping Team Lead and here are some of the highlights of what her coworkers had to say about her.**

“She is the definition of a rock star! She is truly VIBRANT every day at work! Her commitment to EXCELLENCE goes beyond just reaching a goal but really speaks to who she is.”

“She works so incredibly hard every day. Her job demands being INTERCONNECTED.”

“She is a great leader who cares about the product and the customer's satisfaction.”

# OUR TEAM IS OUR BIGGEST ASSET

Building the best team means we can create the best products.

Our greatest asset at Pacha Soap Co. is our amazing team. They make everything happen day after day with passion and a commitment to our values. Since 2021, Pacha has been investing in our team through a partnership with Thrive Coaching and Consulting. Thrive has helped us build our team's leadership capacity and mature as a company. We asked Thrive's CEO Charlotte Ferreux to describe our work together:

“At Thrive, we are passionate about helping organizations develop a values-based, people-focused, high-performance culture. We help organizations scale resiliently. Perhaps this is why our relationship with Pacha Soap has always been such an organic, deeply rooted one. Since early 2021, we've had the honor of working with Pacha leaders and can attest to their devotion and passion for the work they do. Their eagerness to grow and commitment to our coaching process has created a ripple effect throughout the organization. We've had the opportunity to provide 1:1 coaching to over 40 Pacha leaders and have held 20 group leadership training sessions since 2021.

The impact of the relationship between Pacha and Thrive is evident in every department throughout the organization. During their coaching experience, Pacha leaders develop their skills in areas such as productivity, values, clarity, vibrancy, accountability, courage, self-mastery, influence, candor, persuasion, trust, and authority. They've modeled these areas of growth in their everyday situations, creating a ripple effect that has expanded throughout their teams.

This past summer, we were thrilled to be given the opportunity to expand our coaching presence at Pacha. Prioritizing process management in these leadership development initiatives honors Pacha's commitment to their values of interconnectedness and sustainability. This is the reason Thrive's leadership development model starts at the top; when leaders adopt and role model a healthy, high-performance culture, it can be duplicated throughout their teams and organizations. This is where monumental change happens.





We are proud to see how Pacha leaders have pushed the envelope in performance, hitting higher heights and setting new goals. We are just as proud to see them respond to difficulty with resiliency, activating their ability to pivot quickly, accept crucial feedback, and move to innovation. The very qualities that define Pacha's culture are truly what caused such a deep, immediate connection between our two entities, and they will continue to steer Pacha forward to a bright future. As Kim Schanaman expressed in her Leadership Legacy Statement: "Pacha enables us all to be part of building something bigger than ourselves, with a culture that is a bit hard to define in words specifically, but you can see it and feel it, when you are in it. You know it's special when it improves your life, in and outside of work, when you are part of it."



"I could feel a shift in the team's energy when I made a shift in mine. I also made changes in how I was handling delegation during this time, and people blew me away with what they could handle when I just set clear expectations but then let them roll with what they needed to do."

– **Anna B**

"I have been able to work more honestly and openly with my team members. I've had people come up to me to ask me what I did to change. I think people are becoming infected with positivity and want change as well."

– **Seth A**

"I'm most proud of gaining realization around how I needed to change to perform at a higher level. I noticed the ability to start reflecting more on the steps I need to take to continue to grow as a leader. It gave me more direction."

– **Jeremy H**

"The leadership DNA model was my favorite assignment. I felt this program helped me clearly identify the different roles and see what areas I am already stepping into and what areas I need to grow in order to shift to a higher position in the future. The take away from coaching sessions that has been the most applicable and freeing for me is the realization that I cannot let myself be upset for not knowing how to do something that I would not reasonably be expected to know. When something that is intended to be done by a CFO or controller comes across my email, it should not be discouraging that I do not know how to do it but rather see it as an opportunity to learn and grow."

– **Chelsea M**

"People have been more vibrant and interconnected since starting coaching."

– **Kyle P**



# LEADERSHIP TRAINING

Making the best soap comes from building the best team. We come together multiple times throughout the year to plan, learn, play, connect, and envision the future for our company, our brands, and our products. Our times together in training are always some of the highlights of our year.



# KEY PACHAVERSARIES

We are so lucky to have so many incredible employees helping us pave the way and here are some important Pachaversary milestones to celebrate!

## ONE YEAR

Tamie Adler  
Makayla Audebert  
Justin Beaulieu  
Alicia Buck  
Megan Burr  
Mikel Cashoili  
Jordan Cox  
Jose Diaz  
Carol Feezell  
Hayling Han  
Samantha Henke  
Jairesh Mohan  
Amber Larsen  
Kristine Lewis  
Chelsea Mol  
Kyle Petsche  
Jennifer Poindexter  
CJ Rimmenga  
Jordan Schutte  
Anna Wilwerding

## TWO YEARS

Brandon Oatman  
Kim Schanaman  
Stacy Vossberg

## THREE YEARS

James Arneson  
Liz Bell  
Rudi Bourg  
Riley Johnson  
Tjaden Schroder

## FOUR YEARS

Hannah Adams  
Kristie Askey  
Jennifer Mendoza

## FIVE YEARS

Jeremy Hansen  
LeAnn Hawes  
Hannah Keen  
Devon Salinas

## SIX YEARS

Seth Aflague  
Natalie Badham  
Anna Baker  
Christine Manthei

## SEVEN YEARS

Kyler Atz  
Danielle Kostner

## ELEVEN YEARS

Andrew Vrbas





# OUR PRODUCT

Every bar, bomb, and bubbly thing we make is crafted right here in the USA so we can guarantee you're getting the good stuff. We know Mother Nature does it best, so we scour the globe to source the highest-quality, natural ingredients. That means no SLS, parabens, sulfates or other yucky chemicals ever make their way into our products.



# FACTORY MOVE





**In 2022, we are officially calling our new factory home! You can now find all facets of the organization housed under one very “hippie” roof.**

## **We love our community and home in Hastings, Nebraska.**

Previously, Pacha Soap Co. was headquartered in an old hardware store downtown. Our team transformed the three-story building into an experiential bath and bar soap production area, office spaces, a research and development (R&D) lab, and a shipping center.

Over time, we gradually outgrew the space. In 2019, we found the perfect new location for Pacha – an old bread factory a few blocks away. After many months of cleaning, construction and preparation, we started moving departments over one by one. The first phase included moving and setting up packaging, shipping, and storage. Our new factory will enable us to scale production while keeping our handmade approach and focus on product quality.

Our goal is to be able to make more products so we can delight more customers and continue to grow our impact; the more soap we make the more impact we can have!

# THE BAR OF THE FUTURE

At Pacha, our first love is our bar soap; it was the first product we ever made, it remains our best seller, and we continue to handmade every Pacha Soap bar in our factory in Hastings, Nebraska. Although we have made millions of bars of soap, we are always thinking of ways to improve and innovate the product, be that new scents, new colors, or new shapes and stamps. More fundamentally though, we're also always looking to improve the ingredients that go into our bars of soap and our partnerships with the farmers that grow these ingredients. That's why, in September 2022, we decided to make our dream bar of soap – a bar of soap that captures everything we know about soapmaking, fragrance, and sourcing. Our goal was to make one batch of our dream soap in our R&D lab that would bring us one step closer to making every bar of soap we create the most beautiful, fragrant, and impactful soap possible.







**With all of these ingredients, we made our dream bar of soap the same way we do with every bar of Pacha Soap: by hand in Hastings, Nebraska with our amazing team of soap crafters.**



So, what does Pacha’s perfect bar of soap look like? Let’s start with the ingredients. Real soap is made from real vegetable oils, and our perfect bar of soap contains oils from three amazing producers. The first oil is palm kernel oil (PKO) from J-Palm Liberia. Pacha has worked with J-Palm for close to 4 years, supporting them to scale their socially and environmentally impactful model of wild-harvested oil seed collection. By distributing manual screw-press mills in villages and towns, J-Palm helps smallholder palm producers increase their oil extraction rates by an average of 53 percent, while reducing processing time by about 75 percent. J-Palm then buys palm kernels from village-level mini-mill sites and transports them to a central milling site, where the palm kernels are processed into PKO which Pacha buys. J-Palm currently works with 5,000 farmers in this way and makes a huge positive impact to their livelihoods. The second ingredient is shea butter. This rich and moisturizing oil comes from our partner AfriKids in Ghana. This organization works with women’s groups across the Upper East Region of the country where wild shea nuts are harvested and then centralized for processing by the Sirigu Women’s Cooperative. In a region with limited access to premium international markets, direct sourcing our shea butter enables us to be certain that all the women involved are being paid fairly and can continue to grow their businesses. Finally, we use sunflower oil that is harvested and processed locally to our factory in Nebraska and Kansas. Pacha always purchases locally when we can. As part of our efforts to build our relationships with local farmers, we’ll be piloting a project in 2023 with the Iowa Tribe of Kansas and Nebraska to grow sunflowers on their regenerative certified tribal lands.

As for scent, we chose three beautiful essential oils from our partners Camino Verde and the Dayaxa Frankincense Export Company (DFEC). From the Amazon jungle, we sourced Rosewood (CITES permitted) and Moena (which is often described as the scent of the jungle). These oils come from Camino Verde’s reforestation projects in Peru, where they work with native species to create replanting programs that capture carbon and produce beautiful non-timber products for export, like essential oils. We also included Frankincense Carteri from Somaliland. DFEC works in the deeply opaque and extractive supply chain of frankincense and uses blockchain technology to provide unique transparency whilst creating premium resins and essential oils that benefit local communities socially, economically, and ecologically.

With all of these ingredients, we made our dream bar of soap the same way we do with every bar of Pacha Soap: by hand in Hastings, Nebraska with our amazing team of soap crafters. We were happy to welcome the CEO and founder of J-Palm Liberia, Mahmud Johnson, to Hastings to help us make the sort of soap that inspires us every day. Our goal through 2023 is to regularize these ingredients into our operations so that every bar of soap we produce continues to “Raise the Bar” in terms of quality, innovation, and impact.



# INNOVATION DAY

Keep an eye  
out for all of  
this exciting  
innovation  
(and more)  
in 2023!



In July, the Pacha Soap Co. team hosted several members of the Whole Foods Market Body Care team for our annual Innovation Day. Innovation Day is a time for our teams to come together and experience our new products, share big ideas, and brainstorm strategies for the coming year.

Our team utilized one of the rooms in the new building to build out a complete Pacha Soap Co. experience, featuring elaborate merchandising and a fountain made from an old claw foot tub and shower head.

The key topic for the day was Pacha's new RAISE THE BAR® program. Inspired by Pacha's big, interruptive, abundant, and impulsive bar soap displays, we saw an opportunity to expand personal care into the experiential bath category – putting high-performing body care categories into our winning format.

With this program, we'll create a one-of-a-kind shopping experience for consumers to explore plastic-free, solid cleansing and care for the whole body. All inspired by Pacha's best-in-class bar soap experience! Each product line will have a unique shape that is thoughtfully designed to be merchandised in innovative and creative ways.

Other topics for the day included being able to touch and smell the new experiential bath items launching in late '23, discussing more sustainable packaging swaps, and a rebranding of the Pacha Kids product line. Inspired by our OI' Factory and our talented team of creators and artists, the new Pacha Soap Co. Kids collection is focused on creativity and fun in the tub with the tagline "the tub is your canvas." The collection will feature Bubble Bath, 2-in-1 Foaming Shampoo & Body Wash, Bath Crayons, Color-Mixing Froth Bombs, and a 3-in-1 Bar Soap.





# OUR IMPACT

We believe business can free people. Our goal is to ensure every product we sell helps create the world we want to live in through its ingredients, packaging, production and beyond.





# WHAT'S PALM GOT TO DO WITH IT?



**How can a no-palm brand like Hand In Hand and a pro-responsible palm brand like Pacha work together?**

Palm oil is a controversial ingredient – and rightly so. It's associated with deforestation and habitat destruction, labor and human rights abuses, and a huge carbon footprint. Much of this controversy stems from Southeast Asia, where the palm oil plant was taken from its native West Africa and mono-cropped into vast plantations that are often located where rainforests used to stand. This story of palm is accurate, and although much work is being done to address these issues, progress is slow. For these reasons, brands like Hand In Hand have taken the approach of saying no to palm oil. In situations where supply chains and manufacturing arrangements make traceability difficult, this can be a logical choice to ensure products are not associated with palm oil's environmental and social challenges.

There is another story to palm, however, that is backed by organizations, like WWF and Greenpeace, to use ingredient purchasing dollars to support responsible palm. Palm oil as a product is always going to be valued; it is the highest producing vegetable oil per hectare (by more than 3x!) and has unique properties that make it very useful for replacing functions that used to be filled by animal fats. Due to this, major global conservation organizations support responsible palm rather than palm abolition. This is the approach that Pacha has taken to palm oil, both by sourcing from and supporting important industry initiatives like Palm Done Right, but also by building direct sourcing relationships in palm, such as our relationship with the wild palm processor, J-Palm.

You may be asking, how can a no-palm brand like Hand In Hand and a pro-responsible palm brand like Pacha work together? We put this question to Stacy Vossberg, Pacha Soap and Hand In Hand's Senior VP of Sales, who headed up Hand In Hand sales efforts prior to our merger: "For me, it's about integrity and opportunity. It was clear when we brought Pacha and Hand In Hand together that they were both brands founded in and committed to high integrity with their products and their impact. At Hand In Hand, our production process had made it hard for us to source the quality of palm that would match our commitment to our impact standards; we therefore chose not to engage with it. Pacha, with their handmade production process, had faced the same challenges but spent 6 years building palm oil partnership solutions to the issue, that they are able to implement in their own factory. This is part of the reason why our merger is so exciting to me. Pacha has really worked hard on their direct sourcing solutions and hand-crafted production at scale, whilst Hand In Hand has focused on sustainable packaging and scaled donation partnerships. Together, we merge our expertise under a shared belief in business as a force for good. We don't plan on changing either of our brands' ingredient promises at the moment, but as we learn and grow together we will keep exploring how we can maximize our product's quality and impact."



# 2022 J-PALM UPDATES

J-Palm Liberia produces Palm Kernel Oil (PKO) with kernels sourced from wild palm harvesters in rural communities in Liberia. Pacha Soap Co. has been working with J-Palm for the last four years to support the growth of their operations so that we can use their PKO in our soaps.



THIS PAGE LEFT TO RIGHT: The view over the Bo Mountain range near to J-Palm Liberia's factory in Gbarnga; 'Freedom Mills' ready for distribution to communities. OPPOSITE PAGE TOP TO BOTTOM: A drying rack for palm kernels at a community mini-mill site; J-Palm's new factory in Gbarnga, ready to process palm kernels into oil for our soaps.





**With the coming peak season of wild palm in the first half of 2023, the factory will see a boom in production and the beginning of exports at scale.**



This past year was transformational for J-Palm Liberia due to the establishment of a new central processing factory. After years of planning and investment, the factory represents a critical step towards exporting palm kernel oil to the U.S. which culminated in the first export of palm kernel oil to Pacha Soap Co. in September 2022 as part of the creation of Pacha's Bar of the Future. With the coming peak season of wild palm in the first half of 2023, the factory will see a boom in production and the beginning of exports at scale.

Alongside the new palm kernel factory, J-Palm has further embedded its operations into local communities. At the start of 2023, J-Palm will certify 31 communities as wild harvest organic for the very first time. This will be the first wild harvest organically certified ingredient in Liberia and represents a step change in production not only for J-Palm but Liberia as a whole. A dedicated certification team has worked to build ecologically friendly mini-mill sites, with improved processing and waste disposal, as well as deliver community workshops on a rolling basis. Working alongside local communities, wild palm organic collection areas have been mapped, showing where different boundaries, crops, and geographic features of every community are located and ensuring the organic collection zones are protected.

J-Palm's expansion has been recognized by both the U.S. government and new grant donors who will support their continued growth as they work to turn previous waste material into sustainable energy sources. J-Palm's CEO, Mahmud, attended the U.S.-Africa Leaders Summit in December in Washington as one of the leading examples of private sector initiative. New donors, GIZ, the World Bank, and GSMA, all committed to funding in 2023 to boost production capacity and to invest in a new production plant that will transform palm nut shells into fuel for cooking stoves. This will enable J-Palm to sell fuel briquettes that can be used instead of traditional charcoal. Using less charcoal will reduce local logging and deforestation. This new product also enables J-Palm to continue to innovate and streamline processing. Pacha Soap Co. continues to actively promote J-Palm in the U.S., and we're very proud of how our long-term partnership has been a catalyst for the growth and recognition that J-Palm is now receiving.

# WEST AFRICAN & GHANAIAIAN PALM



Challenges demonstrate why partnerships are so important. Nothing in agriculture is ever easy, especially in developing economies.

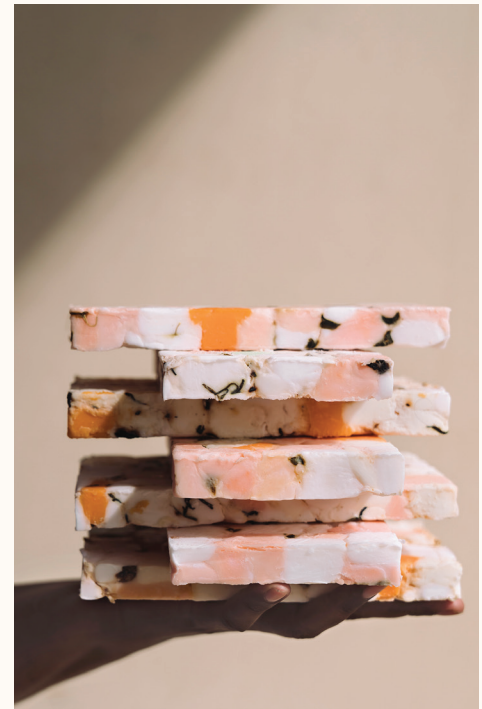


In partnership with USAID and the West Africa Trade and Investment Hub, Pacha Soap Co. continues to support the implementation of \$1.1m in grant funding. The funding is being used to help two palm processors in West Africa, 8 Degrees North (8DN) in Ghana and J-Palm Liberia in Liberia, achieve organic certification. In 2022, 8DN was successfully accredited as organic and Roundtable on Sustainable Palm Oil (RSPO) Eligible. J-Palm is ready for the organic certification audit to take place at the start of 2023. 8DN has built a certification team that is sourcing palm fruit directly from 321 farmers as well as investing in new processing components for the mill to improve the oil extraction rate and increase profitability.

Irregular rain due to climate change impacted palm oil production and the predictability of palm fruit in West Africa in 2022. The peak season for palm in Ghana ordinarily arrives from February to June with a second mini-peak in October and November each year. In 2022, the peak season ended by mid-May and the mini-peak season never arrived, resulting in significant consequences for palm processors and smallholder farmers by making fruit and income much less predictable. 8DN's approach, supported by Pacha Soap Co., to certify farmers grants them access to a premium, more reliable market so there is a guaranteed buyer when fruit is available. Using the downtime in palm fruit to accelerate the certification process has prepared 8DN in the best possible way for the coming 2023 palm season.

Challenges demonstrate why partnerships are so important. Nothing in agriculture is ever easy, especially in developing economies. Part of Pacha Soap Co.'s commitment to creating impact is to ride these challenges with our partners and support wherever we can. If this was easy, it would already have been done. That's why we believe that brands working hand in hand (excuse the pun!) with farmers is essential if we are to see the types of farming and ecosystems we want in the world flourish.





# IMPACT PARTNER FOCUS: ECO-SOAP BANK

Pacha Soap Co. and Hand In Hand are proud to partner with Eco-Soap Bank, a humanitarian and environmental non-profit organization that saves soap to save lives. Eco-Soap Bank rescues leftover soap from soap makers large and small and recycles it into new bars that are then distributed to people in need. **Here is how they do it.**

## 1. RESCUE

Eco-Soap Bank rescues leftover soap from soap makers, diverting it from landfills, so it's completely zero-waste.

## 2. RECYCLE

Eco-Soap Bank pays women fair wages to transform the leftover soap into clean, new bars affordable enough for communities that lack access.

## 3. DISTRIBUTE AND EDUCATE

In collaboration with their network of community-based NGO partners, Eco-Soap Bank then distributes this lifesaving soap (along with hygiene education) to schools, health clinics, and village communities.



## ECO-SOAP BANK'S IMPACT

### Saving leftover soap saves lives.

1.6 million deaths per year are attributed to unsafe water, poor sanitation, and lack of hygiene (including lack of access to soap). In fact, in some areas of the developing world, only 1% of households have soap for handwashing and 800 million children go to school every day without access to this most basic human necessity.

### They help the environment

by making their soap making process zero waste.

### They support vulnerable women.

Eco-Soap Bank employs 160 women across 5 hubs in Africa and Asia. They receive above fair wage and excellent benefits, empowering them to increase their quality of life for themselves and their families.

TO DATE, ECO-SOAP BANK HAS REACHED

# over 8 million

people and children with recycled soap!

WITH SUPPORT IN 2022 FROM PACHA & HAND IN HAND, ECO-SOAP BANK HAS:

RECYCLED **1,493,971** BARS OF SOAP

#### SHIPPED AND DISTRIBUTED SOAP TO SCHOOLS IN:

United States, Panama, Sierra Leone, Somalia, Afghanistan, Lebanon, Syria, South Africa, Nepal, Kenya, Rwanda, Burundi, Tanzania, Eswatini, Bangladesh, Laos, Cambodia, Liberia, Honduras, Greece, Turkey, Uganda

SUPPORTED THE EMPLOYMENT OF  
**12 WOMEN IN SIERRA LEONE**

Looking to 2023, we're proud to continue to work with Eco-Soap Bank to support their entrepreneurial model by supplying them with a capital loan fund to build out their soap recycling operations. The new soap manufacturing equipment is projected to reduce recycling costs by 40% per bar globally and drive a 2x increase in gross profit margin per bar. This will help Eco-Soap Bank push further towards independent financial sustainability with its unique social business model. The loan is expected to be paid back within 12 months and will subsequently be re-invested into other capital projects within Eco-Soap Bank's global projects.

# OUR IMPACT STRATEGY

**HISTORICALLY,  
WE SPLIT OUR  
IMPACT INTO  
THREE SPECIFIC  
AREAS**

**PRE-SALE:** How we actively source our ingredients in a manner that creates positive environmental and social change.

**MANUFACTURING:** How we make our products, how we support the people that make them, and how we package our products.

**POST-SALE:** How we support causes through the donation of money that help create the world we want to live in. As a soap company, we often focused on the provision of clean water and hygiene access in the U.S. and abroad.



The pandemic posed many hard questions to all of us—personally, professionally, to our institutions and our businesses. We decided to use the disruption as an opportunity to take a fresh look at our impact work.



The core and founding belief of our company has always been that business can free people. We seek to use the tool of business to create a better world and allow our global community to live their fullest lives. The pandemic showed us the fragility of many systems we rely on, be that the ability to get on a plane or the ability to order the ingredients and packaging we need. It reinforced to us the essential nature of entrepreneurialism for human flourishing. As we looked at our impact work, we saw that those with the most entrepreneurial models were the most resilient and decided to pivot our work to focus on being a catalyst for entrepreneurialism.





# OUR UPDATED IMPACT APPROACH

We have decided to approach our work as an impact portfolio. We believe this will enable us to make the best use of our company's resources to catalyze impact and entrepreneurship – be that money, brand, purchasing power, or our network.

1. Create a balanced portfolio of risks
2. Support a diverse range of entrepreneurs and methodologies
3. Create synergy across the portfolio and impact work

## METRICS

In collaboration with our existing impact partners, we are pioneering a new set of metrics to better understand our impact. These metrics will be the first step towards measuring our impact across our entire portfolio – from supporting palm kernel oil farmers in Liberia to donating bar soaps to food banks in Texas.

- Primary Output: Number of entrepreneurs directly worked with
- Primary Output: Women and youth supported in entrepreneurial activities
- Primary Output: Loan capital recovered from entrepreneurial activity and redeployed
- Primary Outcome: Additional net dollars earned per entrepreneur
- Primary Outcome: Income resilience of entrepreneurs
- Secondary Output: Number of people whose lives are improved through entrepreneurial activity (examples could be family members of the entrepreneurs or if the entrepreneurial activity has social value)
- Secondary Outcome: Improvement in these people's lives (this is necessarily open to allow our impact partners to capture the complexity of their impact areas)

# WIDER IMPACTS WE WILL BE TRACKING

**LEVERAGE:** We'll be tracking our outputs and outcomes that develop from our engagement with a portfolio group without our direct funding. This is part of us measuring how we can be catalytic.

**ENVIRONMENTAL IMPACT:** We seek to support partners that have a measurable positive environmental impact.

**INNOVATION:** We actively seek partner groups that are working in new and innovative ways as we see innovation as key to the entrepreneurial process and a catalyst for growth.

**INTEGRATION WITH OUR CORE BUSINESS:** We seek to tie our impact work into our products, customers, and consumers in as many ways as possible.

CLOCKWISE FROM TOP LEFT OF OPPOSITE PAGE: One of the goats that supplies milk for our Almond Goat's Milk Bar Soap; Pacha bars resting on palm kernels in Liberia; Mahmud Johnson testing palm kernels in the J-Palm factory; Andrew and Mahmud recording a vlog during Mahmud's visit to the Pacha factory in Hastings, NE; The Nebraska sunflowers that make our sunflower oil.

# OUR CARBON COMMITMENTS



This past year, Pacha Soap Co. has continued to work towards going carbon neutral through our partnership with Camino Verde. Alongside their innovative reforestation work in the Peruvian Amazon, Camino Verde is assessing exactly how much carbon is being stored by the trees being planted, and carbon that remains sequestered, by preserving other areas of the Amazon from deforestation.

**There are a variety of different approaches that Camino Verde uses to enable the most accurate carbon capture calculation:**

- A carbon assessment on a tree-by-tree basis using photos captured on mobile phones
- Sampling groups of trees on an annual basis
- Using terrestrial and unmanned aerial scanning of the forest to provide a different assessment of carbon capture

These provide a wealth of valuable data, not just for Pacha, but more fundamentally to understand how fast reforestation in the Amazon can sequester carbon and identify the gap for what else needs to be done.

Pacha is also working with Carbon Analytics to measure carbon emissions along our supply chains and in our soap factory to determine the exact levels of carbon to offset. This calculation enables us to target the exact figure of carbon credits we'll need on an annual basis, for both Pacha and Hand in Hand, and can link these offsets to specific areas of the Amazon where trees are being planted.





# THANK YOU

**As we reflect on the year, the word that strikes us is “Beginning.” Although Pacha has been around since 2013, in many ways, 2022 was a year of firsts.**

The company performed at levels not previously seen and welcomed a sister brand, Hand in Hand,<sup>®</sup> to the family. The acquisition brought many talented individuals to our team and signaled the start of reaching even more consumers with our mission.

Last year was the beginning of our organization leveraging our position in the market to create world-class impact in our supply chain. We’ve been planning some of the projects referenced in our Annual Report for years and will start to see them come to life in 2023.

This growth wouldn’t have been possible without our amazing team, retail partners, suppliers, impact partners, and loyal customers. We can’t thank you enough for all your hard work and support!

**But this is only the beginning...  
we’re excited for the growth and impact to come!**



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