

## PALEO FOUNDATION

MAKE LIFE WORTH LIVING



Grain-Free, Paleo, and KETO Certification for compliant CPGs



### **ABOUT**

The story of the Paleo Foundation begins in 2009 after the founder—who was gravely ill with complications from Celiac Disease, Schizophrenia, and some other equally stressful illnesses was escorted out of a grocery store by security after a fight over mislabeled products.

She was so frustrated with mislabeling— and the difficulty finding convenient paleo-friendly products— that 3 months later she moved to Los Angeles with her mother to start the Paleo Foundation with a mission to help make the Paleo Diet easier for people who reluctantly needed to follow the diet like she did.

The Paleo Foundation began January 1st, 2010, three years before the Paleo Diet was even a blip on Google's radar.



# We typically avoid talking about that, but everyone wants to hear "our story"

So there it is. No, no one was hurt but hopefully we can move on and agree never to talk about that again.

#### **FUN FACT:**

Not naming names, but the altercation forced the store to change their policy, and they held an emergency reeducation for employees.



### WHAT WE DO

- We are a third-party certification organization
- We audit brands to ensure that they comply with standards
- We showcase our brands online and on social media

- We write standards for Paleo, Keto, and Grain Free Diets
- We provide licenses to use trademarked logos. Success!
- We certify Paleo, Keto, and Grain-Free brands worldwide



## At least, that's what we do in a nutshell.

We'll get into more detail soon. But for now let's go over our certification programs.

#### **CERTIFIED PALEO**

- Products are grain-free, legume-free, and dairy-free.
- Hundreds of brands and thousands of products have been Certified Paleo.
- One of the most popular Paleo Foundation Certification Programs.
- <u>SPINS.com</u> data reveals that certified products saw a 285% sales increase over non-certified but paleo-positioned products in 2018.



### KETO CERTIFIED

 The Keto Certified program was launched in 2016.

- Products are low carbohydrate separated by product type / category.
- Hundreds of brands and thousands of products have been Keto Certified.
- One of the most popular Paleo Foundation Certification Programs.
- Very little SPINS.com data, but preliminary data reveals that this is the fastest growing Paleo Foundation certification program.



#### **GRAIN FREE**

- The Grain-Free Certification program was started in 2018.
- Is grain-free the new Gluten-Free? According to SPINS.com, Grain-free products are the fastest growing natural products trend of 2019.
- Audited and Lab-Tested to ensure Grain-Free and Gluten-Free at less than 10ppm
- 100% money-back guarantee on licensing fees if products cannot be certified.



# These are a few of our certified brands.

Go ahead and zoom in a bit.



# You may recognize some of these certified brands too.

Prepare for an awkward flex.



### CERTIFIED BRANDS

- General Mills
- El Pollo Loco
- Glanbia
- Hain
- Kellogg's
- Kraft-Heinz

- Garden of Life
- McCormick
- Crown Prince
- Nestle
- Primal Kitchen
- Dole



## So even though we probably won't make the cover of Time Magazine

We are still the leading Paleo, Keto, and Grain-free certification organization worldwide.



## But why should you get certified by the Paleo Foundation?

Well, we have a lot of answers to that.



## Straightforward Answer

- Certified products vs paleo-positioned products saw an 285% difference in sales increase over the course of a year in 2016 according to SPINS.com.
- We showcase brands on the Paleo Foundation website to increase brand awareness and visibility for retailers and other interested parties.
- We signal boost to members of food tribes that your products are aligned with their core values.

- We increase brand trust which results in more sales, and a 93% chance of more product recommendations from customers.
- We help you communicate with your customers that you are dedicated to transparency and have met quality standards
- We help you differentiate your products as a high-quality products against low-quality products.



## Psychological Answer

- According to the 2016 Nielsen's Global Health & Wellness Survey, roughly 60 percent more than half of the people in the United States and Canada—distrust manufacturers claims on their food labels and packaging. They also found that consumer trust in food products declines year after year.
- Studies by Cone Communications and Globescan (among others) found that 76 percent of consumers agree that third-party product certification is the best way to verify product claims and increase their trust in a brand.

- Price Waterhouse Coopers states that "certification marks have the greatest impact on consumer trust levels and confidence, period."
- According to the Pineapple Collective trend guide, due to consumer and industry skepticism, the health seeking consumer prefers alternative third party certifications to validate if a product fits within their personal eating philosophy, or food tribe.
- Third-party, impartial certification reduces decision friction via social proof heuristics and psychological kinship heuristics leading to less point-of-purchase scrutiny and increased sales.

## Paleo Foundation certifications meet 3 out of the 6 Scientifically-Validated Principles of Persuasion

PRINCIPLE	EXPLANATION	APPLICATION	CERTIFICATION
Authority	People defer to those who are experts.	Expose your credibility and use backup for claims.	<b>√</b>
Consistency	People behave in alignment with identities and commitments.	Acknowledge individual identity and ideological "tribes"	<b>√</b>
Consensus	People follow the lead of those who are similar to them.	Highlight the approval of authority and peers whenever possible.	<b>√</b>
Reciprocity	People repay gestures in kind with gestures.	Be generous and give when you want to receive.	-
Scarcity	People want more of what they can have less of.	Offer unique benefits and exclusive information.	-

Look for real similarities and offer

genuine praise.

People are influenced by people

they like.

Liking





#### **MULTI-CHANNEL GROWTH**

- Paleo-positioned products are up to \$536.7 million, growing 45.3%.
- Grain-free products are up to \$271.5 million, growing at 76.0%

#### **SNACK CATEGORY GROWTH**

- Paleo-positioned products are up to \$41.1 million, growing 163.5%.
- Grain-free products are up to \$291.7 million, growing at 258%.

#### **GRAIN FREE IS THE NEW GLUTEN FREE**

 Gluten-Free only experienced 2% growth in the multi-channel category but Grain-Free positioned products experienced 76% growth in the multi-channel category

#### **KETO**

 Growth information for KETO Certified products and the growth of the Keto trend is currently unavailable from our partners at SPINS.com and will be available next year.

#### "We're Different" Answer

- We are not new kids on the block and were the first to offer Paleo, Keto, and Grain-free certification, and have been certifying brands under for 10 years.
- We have certified nearly 4 thousand products and hundreds of brands.
- We have experienced auditors with over 75 years of collective quality assurance and regulatory experience.
- We have relationships with retailers who are interested in carrying certified products.
- We have had a number of retailers mandate our certifications for certain products to be carried in their stores.

- We showcase brands and build robust custom brand pages so community members and retailers can see what products are certified.
- We are a high-touch certification organization that has capacities to assist brands during the R&D stage.
- We have partnerships with industry trends and analytics companies like SPINS.com to offer enhanced industry insights.
- We keep up with the trends and develop new certification programs based on those trends and offer licensing to existing certified brands at no additional cost.

#### "We're Different" cont.

- We keep up with the science and publish research reviews and consensus reports to support certified products.
- We go to war for our brands and have even offered detailed research reports to provide support for our brand's packaging claims during litigation.
- We offer ongoing, year-long support to brands during R&D for new products, and audit and process new products at no additional licensing cost.
- We understand sensitive material and have ready-made non-disclosure agreements to put brands at ease.
- We can help brands make necessary retail connections with an email list of over 4,000 grocery buyers.

- We send materials like sales sheets and UPC codes to our retail connections.
- We keep your brand page updated and current with new images.
- We attend trade shows not to get new clients but to make new retail connections so we can share information about our certified brands.
- We offer Paleo Foundation innetwork discounts for platforms like RangeMe.com, industry reports from analytics companies like SPINS.com, legal counsel from Trestle Law, and more.
- We have dedicated teams to help expedite certifications through the auditing processes.

#### "We're Different" cont.

- We are international and have certified brands in over 26 different countries.
- Certification is everything that we do so our focus is not divided on self-promotion, only brand promotion.
- We protect our labels with a legal team that looks for infringements on a monthly basis.
- We meet the federally mandated requirements of an organization holding a certification mark under <u>15 U.S.C.</u> § 1064.
- We have relationships with USDA and FSIS regulatory personnel to keep us informed about changes to federal regulations, ensuring that our certified brands do not make mistakes that could potentially cost them their business.

- We offer multiple certification programs together a discounted rate that have shown synergistic effects on sales according to SPINS.com.
- We cut our teeth on CPG certifications over 10 years ago and have a team of 12 individuals who work tirelessly to bring value to your certification.
- We have a dedicated Standards team
  that evaluates standards and writes
  detailed reports to help educate the
  public about certified product
  ingredients.
- We offer a money-back guarantee on certifications so if we cannot certify your products or meet deadlines for rushes we refund in full.

#### DID YOU KNOW?

It is prohibited for an organization with a certification mark to give the licensing for the certification mark without performing an audit.

It is prohibited for an organization with a certification mark to engage in the production of any goods. .

It is prohibited for an organization with a certification mark to profit from the sales of certified products in any way.

All of the aforementioned rules fall under 15 U.S. Code §1064 and are grounds for the cancellation of registration.



## There's a lot going on under the hood at the Paleo Foundation.

And people are happy with our work.



"Getting Certified Paleo was one of the best business decisions we have ever made! It has opened so many doors for my business. I can't imagine doing business without the Paleo Foundation certification now, and I sing their high praises wherever I go to anyone that will listen."

-IAN, CO YO



-IAN from Co Yo, the #1 selling Coconut Yogurt in the United States.



"Having our EVOO Certified Paleo from the Paleo Foundation has been extremely beneficial to our business. The certification helped us gain an immense amount of recognition from both inside and outside of the Paleo Community. They do such an amazing job of promoting our brand and providing networking opportunities."

-Effi Kasandrinos Booth, Kasandrinos Olive Oil



-Effi Kasandrinos Booth from Kasandrinos Olive Oil, Top-10 selling Extra Virgin Olive Oil in the US



"Utilizing the Paleo Foundation seal of approval on our packaging helps ensure that our corporate level buyers and customers alike are fully aware that they are making a good decision to buy a high-integrity product. In a VERY competitive business climate, Paleo Certification has given us an important competitive edge."

-DPM, The New Primal





-DPM from The New Primal, the #1 selling Beef Jerky brand in the US



"With the Paleo and Keto diet trends continuing to grow YoY, we see our certifications through the Paleo Foundation as a great catalyst for growth of our brand. The certifications also adds another level of transparency for our customers, which is very important to us."

-Wian van Blommestein, Ayoba-yo





Wian van Blommestein from Ayoba-Yo, the #1 selling Biltong, Droëwors, and Boerewors in the US



The Paleo Foundation has been instrumental in helping Bhoomi to share the health benefits of cane water as a Certified Paleo beverage. Karen and the Standards team are insightful, collaborative, and deeply dedicated to the wellbeing of the Paleo community. One of the most impressive aspects is to see that Paleo Foundation conducts detailed consensus reports and comprehensive research on all the approved ingredients & certified products.

In Bhoomi's context, the Paleo Consensus Report on Sugarcane Juice was revolutionary— The Paleo Foundation compiled 30+ pages of independent research to determine the facts and demystify myths to prove why cane juice is extremely nourishing for the body and meets the Certified Paleo standards. This along with the Paleo certification helped us tremendously in connecting with the Paleo community as well as consumers in general about our product benefits.

-Arpit Bhopalkar, Bhoomi





Arpit Bhopalkar from Bhoomi Cane Water, the #1 selling cane water in the US



"Cappello's has found tremendous value in our partnership with the Paleo Foundation. They offer a wealth of information and are leaders in consumer education and awareness around the impacts food and nutrition on health."

-Loren Lortie, Cappello's





-Loren Lortie from Cappello's, one of the topselling grain-free gluten-free pastas in the US



### MISSION

Our organizational mission is to improve the tolerability of restrictive diets and make life worth living-but our goal is to make every certification worth 10 times the cost.

In other words, if we don't meet our goal, we don't meet our mission.

# Part of our Mission is to make you a happily certified brand.

But we can't make you happy until you get certified.



## LET'S GET STARTED

In other words, here's how this works.



### COST

- The cost of certification is set up on a tier-based system, so total cost depends on your company's annual revenues, the number of years you want to be certified, and the certifications programs you sign up for. We offer a 10% discount for licenses that are for 2 years, and 20% for 3 years.
- There are quarterly and monthly payment options available for licensing agreements for bi-annual and tri-annual licensing.
- The total licensing cost also covers you for the audits of additional products, updating agreements, sending new permissions letters, as well as updates to your custom brand page throughout your agreement period. You can roll out as many products as you like and have them audited without incurring additional licensing fees!



### **COST Continued**

- Costs are revenue-based and not SKU based because there is a positive correlation between size of the company, and the amount of new products to be audited, the level of enhanced sensitivity, the increase in expensive legal work that must be performed to complete the agreement process, and an increased amount of new products to be certified throughout the year which must be audited by the Paleo Foundation team.
- We do not offer discounts to new brands because The Paleo Foundation typically operates at a loss for tier 1 businesses, even without the discount.
- Because of the number of factors that are involved in determining the cost for licensing and certification, the best option is to choose the application that suits your needs, and the total will be displayed at the bottom.



### **PROCESS**

- The first step in the certification process is to complete the application, and submit payment.
- The application is a legal document, and must include accurate information about your suppliers and ingredients.
- The auditing team will receive your application, and reach out to your suppliers for ingredient statements as well as sub-ingredient statements to verify that each individual ingredient meets the requirements of your chosen certification programs. This process may take up to 8 weeks, but usually takes about 5 to 6 weeks.
- For Grain-Free Certification, the round 2 audit requires additional samples be sent to the Paleo Foundation for processing and lab tests for gliadin, gliadin competitives, and gluten.



### PROCESS continued

- If the product meets the requirements of the certification program, The Paleo Foundation will draw up an agreement, and send it to you via SignNow.com.
- Once the agreement is signed by both parties, The Paleo Foundation will request additional information including sales sheets, UPC codes, photos of the products, and other relevant information to build out the custom brand page.
- The Paleo Foundation will update internal drives which are shared with retailers with the new sales sheets.
- UPC codes are shared with industry analysts to monitor the growth of brands in the Paleo, Keto, and Grain-Free certification programs.



### **FAQs**

#### Q: What Happens if I don't pass my audit?

You get refunded. Even if you had a rush. It's 100% refundable.

#### **Q:** Can I email my ingredients for preliminary audit?

We sure can.

#### Q: Do I have to include all of the ingredients and supplier information?

Yes.

#### Q: Will the Paleo Foundation sign an NDA?

Yes. And if you don't have one and want one, we have one.

#### Q: What if I don't want to share my supplier or ingredient information?

Then we can't audit you, and therefore we cannot certify. But we can sign an NDA with you or with your suppliers. We've signed hundreds.



## **FAQs** continued

Q: What if I don't want to get certified, can I just put the label on my package? No. That is not how this works. And if you do, our legal team will find it.

#### Q: Will the cost of certification be the same every year?

It depends. If everything is the same the cost will not change. Once you have completed certification, you are "grandfathered in" to your fee band. A Paleo Foundation administrator will give you your individual renewal forms based on your "grandfathered" band.

Q: **Do I have to include all of the ingredients and supplier information?** Yes.

#### Q: What if I need to submit a new product?

You will simply fill out a new product form for the new products. Each license period covers 10 different products. Submitting new products will require an additional 6-8 weeks to audit.



## **FAQs** continued

#### Q: What if I am on a tight deadline and need certification quickly?

The Paleo Foundation offers a 10-day business rush and a 48 hour business rush for an additional fee. If we are unable to rush your product in that time frame, you will be refunded.

#### **Q:** Can I make the certification process go faster?

Yes! This process is greatly impacted by the responsiveness of suppliers, and their ability to provide documentation to our auditing team in a timely manner. To increase the speed of your approval process, you can notify your suppliers that the Paleo Foundation will be contacting them for ingredient statements and other pertinent documentation.

## QUICK RECAP:

- Certification boosts trust
- Certification boost transparency
- Certification boosts sales
- The Paleo Foundation operates in accordance with 15 U.S. Code §1064
- The Paleo Foundation has been in business for 10 years.
- The Paleo Foundation has certified hundreds of brands and thousands of products.
- The Paleo Foundation has developed key relationships to provide certified brands with additional support and services.

- The Paleo Foundation conducts independent research to support their standards.
- The Paleo Foundation stays on the cutting edge of industry trends to develop more valuable programs for certified brands.
- The Paleo Foundation offers year-round support to certified brands.
- The Paleo Foundation maintains custom brand pages.
- And perhaps most importantly, the Paleo Foundation exists to certify and promote brands that make life worth living.



## LET'S DO THIS.

If you're ready to maximize your brand's trust, transparency, and sales with the worlds' most-recognized Paleo, Keto and Grain-Free certification, then what are you waiting for? Join hundreds of other brands today and start seeing what certification from the Paleo Foundation can do for you!