



FOR THE FUTURE OF OUR FAMILIES



2021
SUSTAINABILITY
REPORT



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FAMILIES AND THE FUTURE

A LETTER FROM OUR CEO, MARK DEMICHAELIS

FAMILY.

For as long as we've been in business, that's been our mission statement. A single word that encapsulates everything we stand for.

In the following pages, we'll share a bit more about how that focus on families translates into a sustainability platform that is reflected throughout our company.

If you're not familiar with our brand, or know and love our products but don't yet know our story, I'm excited to get the chance to share a glimpse of who we are and how our commitment to sustainability is a direct reflection of our mission and values.

State Garden, the parent company of Olivia's, has been in the produce business for over 80 years. Since the inception of our Olivia's Organics brand in 2006, we've been committed to delivering fresh, organic produce that gives back to the community with every purchase.

But before I get too far into the Olivia's story, let me go back to the beginning. When my great-grandfather Giovanni DeMichaelis started selling celery hearts in Boston nearly a century ago, sustainability wasn't the industry buzzword it's become today. But even in those early days, the focus on sustainability was there. He understood the value of quality produce and meaningful partnerships in building a lasting family business.

Today, we're funneling celery and tons of other Olivia's Organics vegetables into our new, healthy juices and we're exponentially decreasing our food waste footprint in the process.

Our commitment to sustainability just keeps growing just as our commitment to fill families' lives with fresh, organic options grows each and every day. Because when your focus is on families, you tend to think a little more broadly and a little more long-term. You think about how better agriculture practices impact the surrounding communities and climate now and generations into the future. You think about how a new product like juice can be harnessed to reduce food loss without compromising quality or safety. You think about your impact in your local community and around the world. You think about your opportunity to make sure the tables of your customers, employees, farmers, partners, and neighbors are filled with fresh, healthy, delicious food.

We're grateful to everyone in the extended Olivia's family who shares this focus and vision for a sustainable future. We're proud of the role our family business has played in advancing sustainability in our industry and beyond. This report details key aspects of our work to date. More importantly, it establishes our goals and benchmarks moving forward. It formalizes our sustainability commitments and provides how our work will benefit families today and far into the future.

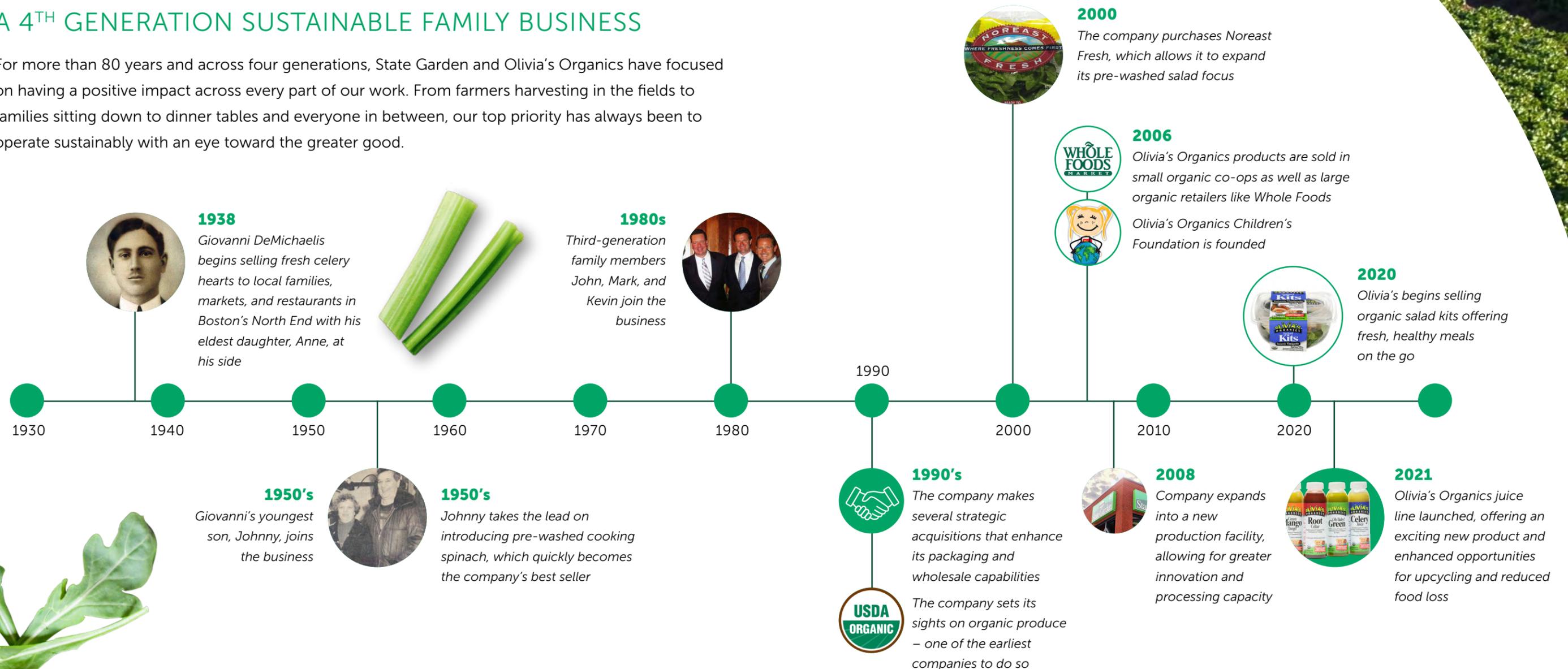
Like we always say at Olivia's – when you put good in, you get good out.

Mark DeMichaelis
President and CEO, State Garden Inc.

OUR HISTORY OF COMMITMENT

A 4TH GENERATION SUSTAINABLE FAMILY BUSINESS

For more than 80 years and across four generations, State Garden and Olivia's Organics have focused on having a positive impact across every part of our work. From farmers harvesting in the fields to families sitting down to dinner tables and everyone in between, our top priority has always been to operate sustainably with an eye toward the greater good.



OUR SUSTAINABILITY PLEDGE

WE BELIEVE THAT ADVANCING ENVIRONMENTAL SUSTAINABILITY CAN ONLY BE ACHIEVED THROUGH A COLLECTIVE EFFORT THAT FOCUSES ON THE ROLE THE FAMILY PLAYS IN DRIVING MEANINGFUL ENVIRONMENTAL CHANGE.

With a history rooted in positive impact, our Olivia's family recognizes our role as a vital connector between sustainable farming practices and safe, healthy food that sustains our families today and for generations to come.

The phrase *For the Future of our Families* is not just the title of this report, but the philosophy that guides our sustainability pledge. It steers our sustainability platform that recognizes our place not only as a local company that gives back to the communities we serve, but as a global community partner tasked with fostering a better future for generations to come. Aligned with United Nations Sustainable Development Goals, *For the Future of our Families* compels us to create tangible outcomes in four key areas **produce**, **planet**, **people**, and **protection**.



OUR SUSTAINABILITY PILLARS



PRODUCE

We're committed to harnessing our entire value chain to ensure most or all of the food we produce achieves its optimal use in nourishing families and sustaining communities.



PLANET

We're committed to partnering with growers to foster sustainable farming practices and reducing the impact our processes have on climate change and our shared future.



PEOPLE

We're committed to ensuring everyone in the extended Olivia's Organics family has an opportunity to thrive through fair treatment, community support, and fresh, healthy food.



PROTECTION

We're committed to holding our processes and end products to the highest standards of quality and safety while working to safeguard the future of our communities and our planet.

ALIGNED WITH UN SUSTAINABILITY GOALS



End hunger, achieve food security and improved nutrition and promote sustainable agriculture.



Make cities and human settlements inclusive, safe, resilient and sustainable.



Ensure sustainable consumption and production patterns.



THE INTERSECTION OF QUALITY AND SUSTAINABILITY

We examine every leaf.

That's not an exaggeration. Our safety and quality process is among the most rigorous in our industry, beginning with a strict Raw Product Suppliers Qualification program and continuing through transportation, receiving, washing and packaging, testing, and distribution. Our process maintains an intact cold chain and utilizes state-of-the-art technology to ensure the highest safety and quality standards are met, providing 50 million pounds of healthy food free from herbicides and pesticides.

With that commitment to freshness and safety comes the increased potential for product rejects material lost in the production process, posing a challenge to sustainability efforts. Olivia's Organics has developed an innovative solution for processing and distributing produce that doesn't make it to grocery store shelves.

1. REDUCING PRODUCE WASTE BY RECYCLING AND REUSING RAW AND FINISHED PRODUCE

Greens and produce that cannot be safely used in production are routed to be beneficially used by partner organizations.



A local digester collects Olivia's raw and finished produce and uses it to produce renewable energies

2021 IMPACT:

By recycling with Save the Stuff, State Garden has saved:

- **8,715 trees**
- **12,528 cubic yards** of landfill space
- **2,549,782 kilowatts** of electricity

We've reduced carbon footprint by **1,376 metric tons of carbon** equivalent (the equivalent to removing 1,116 cars from the road each year).

KROCKMAL FARMS

A local family farm collects Olivia's Organics raw and finished produce to be used in animal feed and compost

- **78% of State Garden waste** is reused on the Krockmal Farms and **100% is fully recycled**



PRODUCE

We're committed to harnessing our entire value chain to ensure most or all of the food we produce achieves its optimal use in nourishing families and sustaining communities.



2. FINDING NEW USES FOR RAW PRODUCE NOT FOR TRADITIONAL PRODUCTION

Greens and produce that cannot be used for packaged greens, salad, or celery production are used in production of our juices or routed to Krockmal Farms for animal feed and compost.

- **Celery:** 60% to juice production / 40% to Krockmal Farms
- **Kale and Spinach:** 80% to juice production / 20% to Krockmal Farms

3. HELPING TO END HUNGER WITH PACKAGED PRODUCT THAT GOES UNSOLD

Finished product that doesn't end up on store shelves due to overproduction or canceled orders is promptly donated to local food banks, food pantries, and rescue organizations.

OLIVIA'S COMMITMENT:

We have an opportunity to multiply our efforts across our broader Olivia's Organics family of partners. We pledge to continue to innovate and implement best practices centered on reducing food loss and share our methods and metrics with our entire value chain.

JUICE AND SUSTAINABLE REUSE

In 2021, Olivia's Organics launched a line of organic juices. These five juice flavors offer a fresh, healthy, on-the-go beverage while advancing our commitment to sustainability and reducing food loss. By using produce that cannot be used in our conventional greens and blends product, we're ensuring more of our farmers' crops go to good use and less food goes to waste. At the same time, we're selling a high-demand product with no added sugar that's good for consumers and families.



Our organic juices are the very definition of upcycling in action and underscore the power of innovative thinking.



GET TO KNOW OUR GROWERS

We only buy from the best. All of our growers are GAP and USDA Organic certified, and must complete a rigorous qualification program. Strict agricultural guidelines ensure that our product is carefully cultivated and is both safe and wholesome.



PLANET

We're committed to partnering with growers to foster sustainable farming practices and reducing the impact our processes have on climate change and our shared future.



1. HARNESSING THE POWER OF ORGANIC FARMING TO FIGHT CLIMATE CHANGE

It's right there in our name.

Organic farming is at the heart of everything we do. We believe organic farming is key to fostering healthier people, healthier communities, and a healthier planet.

"Regenerative organic agriculture can sequester carbon and reverse climate change."

-The Rodale Institute

The benefits of organic farming practices in combatting climate change are well established. A landmark 40-year study conducted by the Rodale Institute found that organic farming systems use **45% less energy** than conventional farming and release **45% fewer emissions**. They're more resistant in times of drought and release no toxic chemicals into nearby waterways.¹

OLIVIA'S COMMITMENT:

More land devoted to organic farming means more land to fight climate change and provide nourishing food in our communities. We pledge to increase our **6,000-acre influence** to **7,000 acres by 2027**.



2. PROMOTING ECOLOGICAL HEALTH AND BALANCE THROUGH OUR ONGOING ORGANIC PROMISE

Our organic produce is grown with sustainable farming practices that foster cycling of resources, promote ecological balance, and conserve biodiversity. We pledge to embrace the following organic and earth-friendly farming methods:

NON-GMO PROMISE

As an organic company none of our products are genetically modified and most have been verified by the Non-GMO project.

ALL-NATURAL FERTILIZERS

We never use synthetic fertilizers to enrich our harvests. Our organic farmers use a variety of earth-friendly methods that include crop-rotation, good quality compost and the addition of natural minerals to naturally increase soil fertility.

RENEWABLE RESOURCES

Our organic farmers prioritize the use of renewable resources when cultivating their crops. By recycling naturally occurring materials, farmers are also helping to conserve natural resources and create a more sustainable farming cycle.

RADIATION-FREE

We do not subject any of our products to ionizing radiation or other processing methods that artificially enhance shelf life.

OLIVIA'S COMMITMENT:

We pledge to not only honor our Organic Promise but to promote and share education around these important topics for years to come.

¹ <https://rodaleinstitute.org/science/farming-systems-trial/>

3. REDUCING ENVIRONMENTAL IMPACT THROUGH SUSTAINABLE OPERATIONS AND FACILITIES

We expect a lot of our farmers when it comes to sustainability and beneficial land use, and we hold ourselves to the same standards. We have made significant strides in recent years to reduce the environmental impact of our facilities and operations.

Lighting – All facilities have been retrofitted with the latest LED technology in 2020, driving a 40% reduction in power consumption.

Refrigeration – 60% of our refrigeration uses hot gas defrost, which is up to 70% more efficient than traditional refrigeration methods.

OLIVIA'S COMMITMENT:

Building on best practices is fundamental to achieving lasting sustainability. We pledge to expand our utilization of hot gas defrost and to utilize new technologies to further automate all processes with energy efficient equipment.

We are focused on reducing the use of plastics in packaging by **25% by 2025**.

4. AIMING TO RECYCLE AND REDUCE OUR WASTE

In addition to streamlining efficiency at our facilities, we have taken great strides to minimize the waste created at our facilities. Aligned with our produce processing innovations, we have dedicated processes and partners for recycling most of our used materials.

Steel is recycled at a local recycling facility

Plastics, cardboard, and vegetable materials are recycled by Save That Stuff

Batteries are recycled – approximately 150 pounds a year

Paper is shredded on-site and recycled by Shred-It – 2.7 cubic yards of landfill space saved in 2021

Conventional trash is utilized in waste-to-energy processing

OLIVIA'S COMMITMENT:

Over the past five years we have reduced waste by 50%. We are focused on reducing currently levels by a further **50% reduction by 2027**.





DOING OUR PART FOR COMMUNITIES BOTH LOCAL AND GLOBAL

Olivia's Organics is a family business.

But when it comes to supporting and lifting up communities, we think of each and every person we touch with our work as part of the extended Olivia's family, from our employees and our farmers to our partners and end consumers.

We have developed a broad platform for giving back to ensure we have a positive impact in the communities where we live and work and that our fresh, healthy produce is accessible for families in need.

1. FOSTERING FOOD SECURITY AND ACCESS

Too many families today struggle with food insecurity and a lack of consistent access to enough food for an active, healthy life. In addition to a steadfast commitment that all of our products be organic, fresh, and healthy, Olivia's Organics works to expand access to fresh and nourishing food.

We've donated hundreds of thousands of cases of Olivia's Organics products to local food banks, food pantries and food rescue organizations, and partners with the Greater Boston Food Bank. Through donations of nutritious salads and cash grants to the Kids Cafe Program, the Foundation has provided over 140,000 cases of fresh organic produce to children who can't afford fruits and vegetables. In 2012, Olivia's was named the Greater Boston Food Bank's Donor of the Year.

DONATIONS:

- 2020 - 27,363 cases
- 2021 - 25,066 cases

OLIVIA'S COMMITMENT:

We pledge to be on the front lines of fighting hunger in the communities we serve and providing catastrophic assistance when our communities need it most.



PEOPLE

We're committed to ensuring everyone in the extended Olivia's Organics family has an opportunity to thrive through fair treatment, community support, and fresh, healthy food.





FURTHERING OUR COMMITMENT TO GIVE BACK THROUGH OUR FOUNDATION

Back in 2006, as we were rolling out our Olivia's Organics brand, we did so with a goal to create a more formal structured giving program which aids children in the markets in which we sell our products. Out of this commitment, the Olivia's Organics Charitable Foundation was born, privately funded by our family. Since its inception in 2006, the Foundation has donated over \$1mm to area children's charities. Some of the best moments have been aiding charities in their growth process or in their time of need.

We created the Olivia's Organics Children's Foundation to support community-based charitable programs wherever we sell our products. With every Olivia's purchase, a portion of our proceeds goes directly to the Foundation to support the work of many deserving local organizations.

Lately, Olivia's has been partnering with the Greater Boston Food Bank in the fight to stamp out childhood hunger. Additionally, each year Olivia's Organics partners with Kids Clothes Club and has distributed approx. 80,000 brand new winter coats from our facilities to date. We also hold annual collection drives for toys, school supplies, crayons, and bags.

Finally, our volunteer teams support a wide range of child and advocacy groups, including the Italian Home for Children, Healthy Chelsea, Grassroots, Kiwanis Club, and more.

OLIVIA'S COMMITMENT:

As Olivia's continues to grow and evolve, so will our list of partners that we will support through the Olivia's Organics Children's Foundation.

ORGANIZATIONS AND CAUSES WE ARE HONORED TO SUPPORT INCLUDE:



RANDOM ACTS OF FRESHNESS IN THE COMMUNITY

Olivia's is committed to supporting and celebrating community heroes and those going above and beyond. As a small way of saying "thank you" to all the first responders, medical and hospital staff, community organizers, and more who make our neighborhoods safe and engaging spaces, we launched our "random acts of freshness" program. This allow us to surprise our local heroes with fresh healthy products and swag! To date we've surprised 49 fire stations and 17 police stations and plan to continue these meaningful visits in the future.



ACHIEVING NEW LEVELS OF SUSTAINABILITY AND SAFETY THROUGH PACKAGING

When food is fresh, it has to be safe.

Fresh food harvested by local farmers demands an unwavering focus on quality and safety. Olivia's Organics has made a concerted effort to enhance the sustainability of its packaging and processes without compromising safety for customers and end users. We've made tangible gains in reducing materials and transitioning to greener packaging. Here are a few spotlights of our process and our progress.

1. All product packaging is 100% recyclable, except for labeling on greens clamshells and juice bottles.
2. We use a minimum of 50% post-consumer material on all clamshells and lids.
3. We recently decreased the thickness of our salad kit bowls with a total reduction of 16% plastic per bowl.
4. The majority of produce coming from growers arrives in reusable collapsible plastic totes. Approximately 10,000 reusable totes are in circulation each day, saving tons and tons of cardboard.
5. We have reduced the ECT (thickness) of our cardboard boxes as well as consolidated products and box sizes to eliminate the amount of cardboard required for finished goods.

OLIVIA'S COMMITMENT:

We're committed to minimizing packaging without negatively impacting safety or customer experience. We pledge to reduce plastic across our products, including replacing our greens clamshell lids with clear, peelable skins, resulting in a **27% reduction in plastic per container, by 2025.**

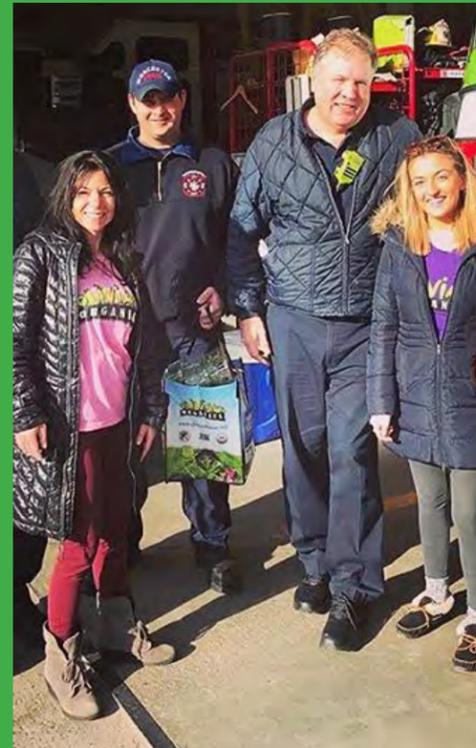


PROTECTION

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GETTING TO KNOW OUR OLIVIA'S FAMILY





**FOR THE
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OF OUR
FAMILIES**





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