

2025 Sustainability Report



State Garden
A GROWING FAMILY OF FRESH MAKERS™

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A Letter From *Our CEO*

More than 87 years ago, in the bustling streets of Boston's North End, my great-grandfather, Giovanni DeMichaelis, began selling fresh celery hearts to neighborhood markets and restaurants with his daughter Anne by his side. He couldn't have known that those early mornings would grow into a family business that continues to thrive four generations later. While no one used the word "sustainability" back then, the values that define it today - caring for the land, valuing people, and supporting our community - were deeply woven into everything he did.

Those same values guide us now. In this expanded report, I'm proud to share the progress we've made across our entire portfolio of brands and products, building on our legacy while looking toward the future. Our support of sustainable farming is as strong as it was from the very beginning, and the commitments outlined here form a clear and determined path toward our long-term decarbonization goals. Together, they represent not just our strategy for the future, but our promise to continue nourishing both people and the planet for generations to come.



Mark DeMichaelis
President, CEO, State Garden Inc.



Who We Are

State Garden is a family-owned fresh produce company headquartered in Chelsea, Massachusetts and is proud to be a leading supplier of both conventional and organic tender leaf greens, spinach, celery hearts, and juice - serving markets across the Eastern and Midwestern U.S. Sustainability is reflected in our mission - delivering the freshest, highest-quality produce while championing sustainable farming practices, supporting local communities, and prioritizing innovation.

Our Approach to Sustainability

Our world is constantly evolving, and the realm of sustainability is no exception. At State Garden, sustainability has been a guiding principle since our founding.

We're proud to share the meaningful progress we've made in recent years, with a focus on practical initiatives that create positive impacts for both the environment and our business. Building on the progress highlighted in our last sustainability report specific to the Olivia's Organics brand, we're now excited to showcase achievements that span our entire organization. This report highlights key accomplishments within each of our core focus areas:

- Energy & Refrigeration
- Logistics & Supply Chain Efficiency
- Climate-Smart Farming
- Waste Diversion & Circularity
- Sustainable Packaging
- People, Culture & Community



Our Focus Areas



Energy & Refrigeration

We are committed to reducing our environmental impact by improving energy efficiency and investing in advanced refrigeration systems that use less energy, maintain optimal food safety, and minimize refrigerant-related emissions.



Logistics & Supply Chain Efficiency

We work to optimize our transportation and supply chain practices to reduce emissions, improve efficiency, and support a more resilient and sustainable food system.



Climate-Smart Farming

We partner with growers who use certified organic farming methods and integrated pest management (IPM) to protect soil health, conserve water, and reduce reliance on synthetic inputs.



Waste Diversion & Circularity

By prioritizing waste reduction, recycling and composting, we support a circular economy that minimizes landfill use and maximizes resource recovery.



Sustainable Packaging

We are advancing packaging solutions that reduce environmental impact - through the use of recyclable and responsibly sourced materials - while maintaining the safety and quality of our products.



People, Culture & Community

We invest in our people and support the communities we serve through a focus on workplace well-being, employee development, and engaging in initiatives that make a meaningful local impact.

Our Focus Areas

Aligned with United Nations Sustainable Development Goals (SDGs)

	End hunger, achieve food security and improved nutrition, and promote sustainable agriculture.	We provide fresh, nutritious, and accessible food through brands like Olivia’s Organics, Locally Known, Northeast Fresh and Satur Farms. Our partnerships with growers who farm sustainably support a resilient food system.
	Make cities and human settlements inclusive, safe, resilient, and sustainable.	We actively reduce waste and divert it from landfills, while also supporting multiple, local charitable organizations and our community.
	Ensure sustainable consumption and production patterns.	We pursue optimization across our supply chain, from logistics and energy-efficient equipment to sustainable packaging, to enhance performance and minimize our overall environmental impact.



Carbon Emissions

We are proud to share that we quantified the carbon footprint of our entire business - including Scope 1, 2, and 3 emissions - for the first time.

This milestone marks a key step in State Garden's sustainability strategy, enabling us not only to measure our current impact but also to set clear, actionable goals for decarbonization in the years ahead. The insights gained from this process have laid the foundation for our emissions reduction targets, which are highlighted throughout this report.

Total Scope 1, Scope 2, and Scope 3 Emissions

207,002.07 tCO_2e

■ SCOPE 1

3,341.6

■ SCOPE 2

2,702.35

■ SCOPE 3

200,958.12

Purchased Goods and Services

198,901.02

Electricity Usage

2,702.35

Refrigeration Consumption

1,839.31

Vehicle Usage (Fuel)

1,502.29

Capital Goods

1,038.44

Waste Generated in Operations

977.37

Business Travel - Good Travel

41.29

● Scope 1 ● Scope 2 ● Scope 3

Sustainability Commitments

The majority of our carbon footprint is comprised of Scope 3 emissions, which is typical for the fresh produce and agriculture industries where most emissions come from suppliers, packaging, and upstream production. While we have made progress in these areas in recent years, the data reinforces the importance of continuing to reduce emissions from production, transportation, and packaging. To address this, we are setting measurable goals - outlined throughout this report and summarized below - to ensure accountability and continued progress.

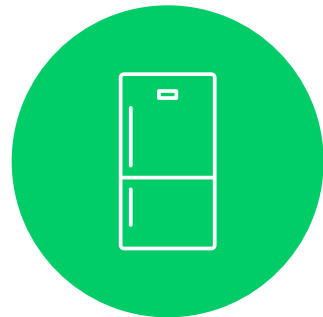
FOCUS AREA	SUSTAINABILITY COMMITMENTS
CLIMATE-SMART FARMING	Increasing organic acreage by another 30% by 2030.
CLIMATE-SMART FARMING	Ensuring 100% of State Garden product continues to have a third-party Integrated Pest Management (IPM) certification.
TRANSPORTATION	Increasing loads moved by SmartWay-certified and TRU CARB-compliant carriers to reduce transportation-related GHG emissions.
SUSTAINABLE PACKAGING	Cutting plastic use by 5% across all SKUs by the end of 2026 through peel-and-reseal packaging, which uses an average of 30% less plastic. Our goal is for 15% of total product volume to be in this format by 2026.
WASTE	From 2022 to 2024, we cut our overall organic waste by 26%, keeping us firmly on track to achieve our 50% reduction goal - set in 2021 - by 2027.
EDUCATION/ COMMUNITY	In celebration of Olivia’s Organics’ 20th anniversary, the company has pledged \$1 million over the next five years to support local nonprofits through the Olivia’s Organics Children’s Foundation.

Energy & Refrigeration

Our Scope 1 and 2 emissions are primarily driven by a few key operational activities:

**FACILITY ENERGY USE:**

The electricity required to power our production facility in Chelsea, Massachusetts.

**REFRIGERATION SYSTEMS:**

Cold storage refrigeration needed to preserve the freshness of our tender leaf greens, spinach, and celery hearts.

**TRANSPORTATION:**

The vehicles used to transport our products - both from the field to our facility and from our facility to our retail and food service customers.

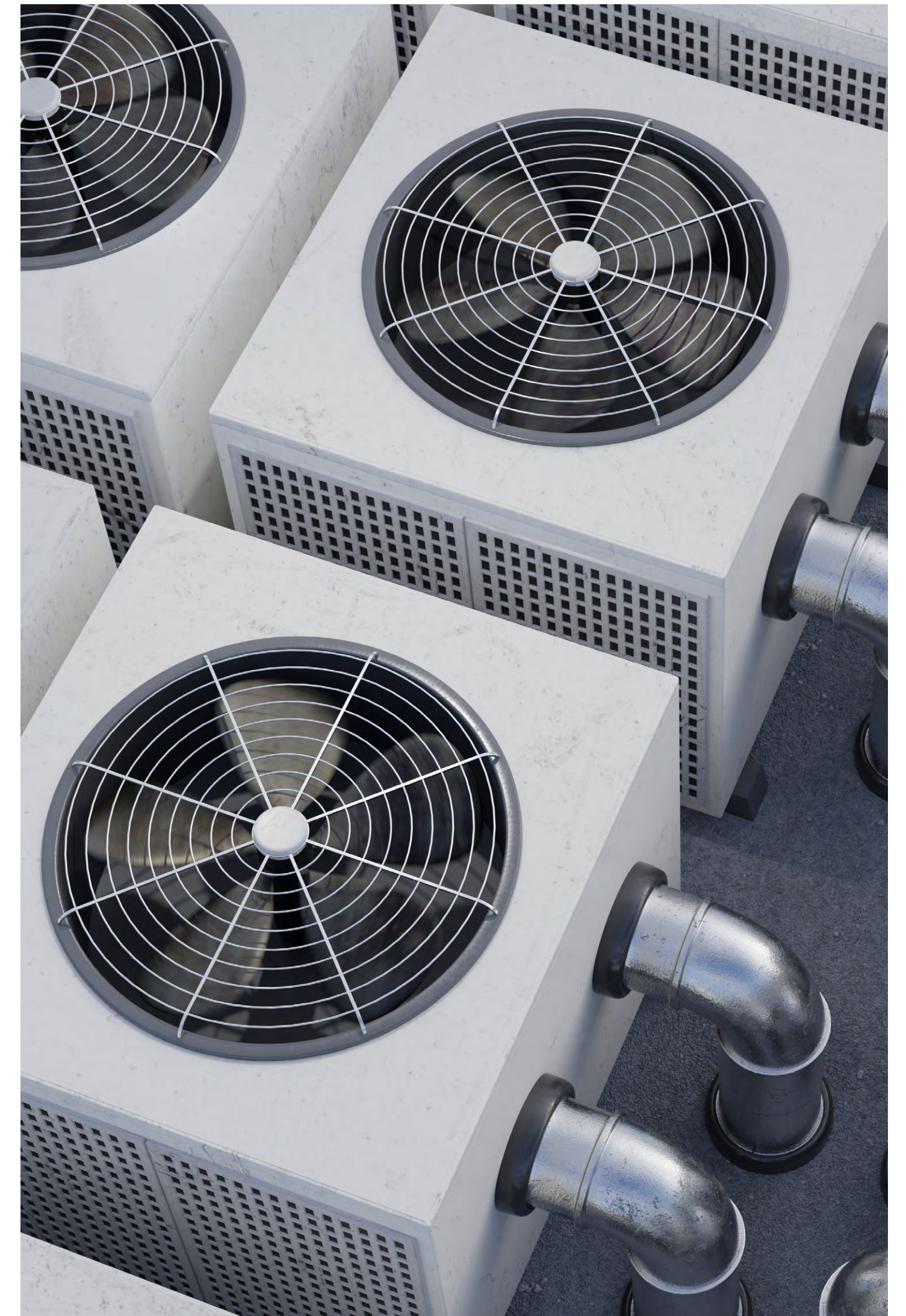
We've already made meaningful progress in reducing the environmental impact of these activities through targeted investments and operational improvements.

Highlights of this progress include:

- Using hot gas defrost and glycol-based refrigeration systems to improve the energy efficiency of our cold storage facility. Thanks to centralized, closed-loop cooling, we reduce greenhouse gas emissions by as much as 15-30% annually compared to traditional systems, through both lower energy consumption and reduced refrigerant leakage.¹
- Installing LED lighting throughout our office and warehouse space which use up to 90% less energy compared to traditional bulbs.²

¹ <https://www.tekworx.us/blog/chilled-water-optimization-ups-sustainability/>

² U.S. Department of Energy





Logistics & Supply Chain Efficiency

State Garden relies on a coordinated network of trucking to move products efficiently through every stage of the supply chain:

1. From the field to our facility - Fresh produce is transported in refrigerated trucks from growing regions to our processing facility to preserve quality and food safety.
2. Within our property - Once on-site, trucks and yard tractors shuttle product between different areas of our operation, moving raw produce to processing lines and transporting finished goods to cold storage or staging areas for shipment.
3. From our facility to our customers - After processing and packing, refrigerated trucks deliver finished products to retail, food service, and distribution partners across our customer network.

Examples of How We're Driving Efficiency and Reducing Impact:

- Encouraging suppliers to use newer, more fuel-efficient trailers with optimized airflow systems, reducing transportation-related emissions and minimizing product loss.
- Partnering with SmartWay-certified carriers to improve fuel efficiency and reduce environmental impact.
- Piloting Renewable Diesel across California shipments (inbound and outbound), targeting 20% adoption within the next year. Continuing to reduce empty miles (miles traveled without carrying any cargo) year over year, maintaining a rate of just 3% of total loads – well below the industry average of 17%.³
- Investing in operational innovations that have removed hundreds of trucks from the road each year while also reducing food waste.

SmartWay

A program of the U.S. Environmental Protection Agency that helps companies advance supply chain sustainability by requiring SmartWay-certified carriers meet higher standards for fuel efficiency and emissions reduction.



Investing in Regional, Sustainable Growing

We are thrilled to share our recent investment in a Controlled Environment Agriculture (CEA) operations in the Northeast and Up-State New York, enabling us to grow products closer to our processing facility and Eastern US markets. This strategic move significantly reduces transportation miles compared to produce grown in other regions of the U.S., lowering associated greenhouse gas emissions while delivering fresher products to our customers. In addition to its environmental benefits, this investment strengthens the local economy, supports regional agriculture, and builds a more resilient, sustainable supply chain.

³ American Transportation Research Institute report: "An Analysis of the Operational Costs of Trucking: 2025 Update"

Climate-Smart Farming

At State Garden, we are deeply committed to organic produce because it reflects a holistic approach to both sustainability and health. We are proud to have been a pioneer in the organic produce space - becoming the first company east of the Mississippi to dedicate our entire facility to wash and pack organic greens grown across the United States.

Organic farming practices protect and enrich the environment by avoiding synthetic pesticides and fertilizers, promoting biodiversity, and preserving soil health. These methods also help mitigate long-term climate impacts by enhancing carbon sequestration and reducing pollution. Beyond their environmental benefits, organic practices yield high-quality, nutritious produce - providing families with cleaner, safer food they can trust. In 2021, we committed to expanding our organic acreage, and we're proud to report that we have delivered on that promise - **growing our organic acreage by over 33% in just four years and averaging over 40 million pounds of organic product sold annually.** In addition, we are committed to increasing our organic acreage by another 30% by 2030.





In addition to our focus on organic, all State Garden products are GMO-free, further reflecting our dedication to natural, wholesome food for the communities we serve. For us, supporting organic and GMO-free agriculture means nurturing both the planet and the well-being of families, ensuring a healthier future for generations to come.

Integrated Pest Management (IPM) has grown increasingly important in recent years as pollinators face ongoing threats including habitat loss, pesticide exposure and impacts from climate change. At State Garden, we're proud our products have always been grown on land that holds a third-party IPM certification, which ensures production practices prioritize environmentally responsible pest control, minimize reliance on pesticides harmful to pollinators, and comply with rigorous guidelines aligned with sustainable agriculture best practices.



100%
of State Garden
products
carry a third-party
IPM certification.

Waste Diversion & Circularity

Collaboration across the supply chain is essential to achieving meaningful success in the realm of sustainability. Through partnerships with Save That Stuff and Krockmal Farms, we've created a system that diverts nearly all our waste from landfills, ensuring it's repurposed, composted or recycled.

Save That Stuff specializes in recycling, composting, and sustainable waste management services and they play a critical role in helping us divert waste, packaging materials, and other recyclables away from landfills. Through this collaboration, we are able to significantly reduce our environmental footprint and advance zero-waste goals by ensuring materials are properly sorted, recovered, and processed.

Krockmal Farms is a multi-generational family livestock farm that also runs a large-scale composting operation, transforming agricultural byproducts from State Garden into nutrient-rich loam, topsoil, and compost.



WASTE REDUCTION

From 2022 to 2024, we cut our overall organic waste by 26%, keeping us firmly on track to achieve our 50% reduction goal - set in 2021 - by 2027.



WASTE DIVERSION RESULTS

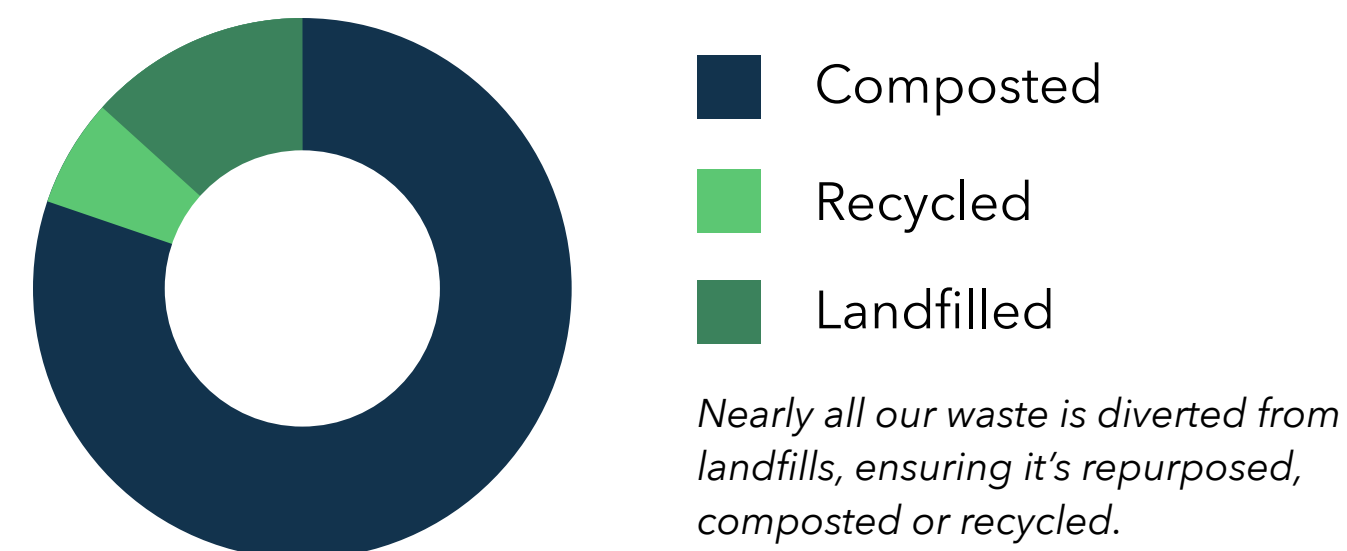
The result of our organic waste diversion and recycling efforts in 2024 is equivalent to:⁴

- The greenhouse gas emissions from **1,126** gasoline-powered passenger vehicles driven for one year
- The annual electricity use of **1,006** homes

Or saving:

- **5,954** adult trees
- **4,277** cubic yards of landfill space
- **1,667,099** kilowatt-hours of electricity

WASTE DIVERSION & DISPOSAL BREAKDOWN



TURNING BYPRODUCTS INTO PRODUCTS

Each year, we give new life to celery trim and greens, keeping them out of landfills and compost piles by transforming them into valuable food products.

In 2024 alone:

- **2 million pounds** were sent to an Individual Quick Frozen (IQF) processor, where the celery was washed, cut, and flash-frozen to be used in soups, stews, and prepared meals.
- An additional **2.3 million pounds** were sent to a juice manufacturer, giving the celery a second life in nutrient-rich beverages.

³ American Transportation Research Institute report: "An Analysis of the Operational Costs of Trucking: 2025 Update"

Sustainable Packaging

At State Garden, we view packaging as an opportunity to protect both our products and the planet. Through thoughtful material choices and packaging design innovation, we're reducing waste, improving recyclability, and supporting a more circular economy.

Key Advances in Sustainable Packaging:

- **Recyclable packaging** - All product packaging is 100% recyclable, except for labeling on greens clamshells and juice bottles, supporting a more circular materials economy.
- **PCR content** - We use a minimum of 25% post-consumer material on all clamshells and lids.
- **Clean flake adhesive labels** - Our labels use a clean flake adhesive that cleanly separates from packaging during recycling, preventing contamination and allowing more high-quality plastic to be recovered and reused. This helps reduce waste and conserve resources.
- **Reducing plastic use** - We've committed to cutting plastic use by 5% across all SKUs by the end of 2026 through peel-and-reseal packaging, which uses an average of 30% less plastic. Our goal is for 15% of total product volume to be in this format by 2026.
- **FSC Certified packaging** - We use cardboard certified by the Forest Stewardship Council, sourced from responsibly managed forests that protect wildlife, respect local communities, and support sustainable forestry.



We're proud to source all our packaging from a local partner in Massachusetts, minimizing transportation miles and supporting our regional economy.



People, Culture & Community

At State Garden, our success begins with our people. We believe that taking care of our employees - providing a safe, respectful, and inclusive workplace - is not only the right thing to do, but essential to our long-term success. Just as we invest in our team, we are committed to supporting our community, giving back through a variety of ways including volunteering and partnerships that create a positive and lasting impact.

SUPPORTING OUR PEOPLE

We invest in our employees' growth, safety, and engagement through a range of programs and opportunities, including:

- Comprehensive training that goes above industry standards in food safety, logistics, operations, transportation, and maintenance.
- A proprietary Process Immersion Program to provide deeper organizational onboarding for new team members.

- Workforce safety certifications such as First Aid, CPR, AED, OSHA 10, OSHA 30, and mobile equipment operation.
- Leadership and professional development opportunities, including a Leadership Development Program (currently with 60 participants) and educational assistance programs for employees pursuing additional training or degree programs (10 participants to date).
- Employee recognition initiatives such as service anniversary awards, annual company events, raffles, and other celebrations.

Nearly one-third of our team has been with State Garden for 5-10 years - a testament to the strength of our workplace culture and our long-term commitment to our people.

Social Responsibility

Ethical Charter Implementation Program

As part of our commitment to fair and responsible labor practices, State Garden participates in the Ethical Charter Implementation Program (ECIP). This industry-led initiative provides tools and resources to help growers and suppliers assess, benchmark, and strengthen their labor practices. ECIP promotes safe, fair, and respectful working conditions across the produce supply chain, focusing on current best practices while identifying opportunities for continuous improvement.

With 100% of our growers participating in ECIP, State Garden has been recognized as a member of the ECIP Leadership Circle and is proud to be designated as a 3-Star Supplier.

Charitable Involvement and Volunteering

Giving back is deeply ingrained in State Garden's values, and our partnership with the Greater Boston Food Bank (GBFB) is one of the most meaningful ways we live out that commitment. Our CEO, Mark DeMichaelis, proudly serves on GBFB's Board of Directors, helping guide the largest hunger-relief organization in New England and one of the largest in the country. State Garden has supported GBFB since its inception, contributing fresh, healthy food to those in need and being honored as Donor of the Year multiple times.

When finished products aren't able to reach store shelves due to overproduction or canceled orders, we make sure they find their way to the people who need them most - donating promptly to local food banks and rescue organizations. Each year, these donations total more than 20,000-30,000 cases of fresh produce - equivalent to 100,000-200,000 pounds - providing healthy, nourishing food to our communities.



Social Responsibility



Olivia's Organics Children's Foundation

When we launched the Olivia's Organics brand in 2006, we also founded the Olivia's Organics Children's Foundation to give back to the communities where our products are sold. With every Olivia's purchase, a portion of proceeds goes directly to the Foundation, helping fund the important work of many deserving local organizations.



Kids Clothes Club

After 18 years of partnering with the Kids Clothes Club, a small nonprofit providing brand-new winter coats to children in need, State Garden took full ownership of the program in 2024, reintroducing it as Olivia's Kids Coats. Having managed the logistics for nearly two decades, our team has helped distribute an estimated 100,000 coats, and we look forward to continuing this impactful work while raising awareness for the Foundation.



Organizations we are proud to support

We support local families and community organizations through initiatives like our toy drive for veterans' children, local police, and the Mass Badge Association, as well as hosting collection drives for the Kiwanis Club and other community organizations.



Random Acts of Freshness

Through our Random Acts of Freshness program, Olivia's recognizes and thanks community heroes - from first responders and medical staff to local organizers - who make our neighborhoods stronger. We surprise these dedicated individuals with fresh, healthy products and Olivia's swag. Over the years we've been able to visit close to 100 Fire and Police stations across Massachusetts.

