2015 Sustainability Report
Promoting Health through Organic Agriculture as a Leading Sustainable Organization
What Does Sustainability Mean at OGC?

We use a science-based decision framework that we apply to every aspect of our business. Environmentally, it’s about taking care of the planet. Socially, it means trying to ensure those communities we touch are just and livable. And economically, it means we turn a profit so we can continue to get food to the public while supporting growers who are doing it right.

We are committed to working with our growers, customers and other trade partners to bring about a transition toward a more sustainable food system. This commitment informs our decision-making, planning processes and conduct of our business. This report is organized by each of our five sustainability goals, which give us targets to strive towards acknowledging our understanding of the entire food system that we exist within:

- Achieve carbon neutrality and eliminate fossil fuel use
- Eliminate solid waste and toxic substances
- Achieve on-farm sustainability and small/medium farm viability
- Foster a healthy and fulfilling workplace
- Build customer and broader community awareness and support for a healthy and sustainable food system

Each year, we review our progress, as well as the challenges we encountered on our way towards meeting these goals. It takes the continued dedication and creativity of our coworkers from all departments to drive innovation and report/collect the data featured in this report. We thank each of our coworkers for helping us in our ongoing mission to promote health through organic agriculture as a leading sustainable organization!

For more information on our Sustainability Report and initiatives, please contact our Sustainability Manager, Kimberlee Chambers, at kchambers@organicgrown.com
Bringing Organic Produce to the People

We’ve been certified by Oregon Tilth as a handler of organic produce since 1998. Sourced from 16 different countries, 96% percent of the food we distributed in 2015 was certified organic.

96% organic inventory  
17,000 organic acres  
70,600 tons of produce

In 2015, our drivers delivered approximately 70,600 TONS of organic produce to over 500 customers throughout the Northwest. To meet our customers’ needs, roughly 17,000 organic acres (26 square miles) were farmed organically, keeping approximately 600,000 pounds of toxic chemicals from polluting our earth.*

Conventionally grown fruits and vegetables use on average 3-88 lb of fungicides, herbicides, insecticides, soil fumigants, and desiccants per acre, depending on the crop—potatoes, apples, and tomatoes are some of the most heavily sprayed.

*Calculations provided by Washington State University’s Center for Sustaining Agriculture and Natural Resources.
This year, we expanded to new territories in the Northwest. This 15% increase in mileage driven resulted in a 30 percent increase in CO₂ emissions (2,973 metric tons) and a 13 percent increase in fuel consumption, but we offset some of this impact by incorporating sustainable practices to our distribution and facility operations.
Our Fleet Is Clean Air Certified & We Use Renewable Fuel

We source renewable fuel from SeQuential Biofuels, which turns cooking oil waste into clean, non-polluting fuel. In 2015, we consumed 76,883 gallons of pure biodiesel and 264,689 gallons of ultra-low sulfur diesel; however, some areas that we have expanded to do not have biodiesel readily available, which resulted in a 2.62 percent decrease in renewable fuel consumption from 2014. Thanks to new fuel-efficient manual automatics, driver training and engagement, and on-board technology that captures data on mpgs, over-rpms, over-speed, and idle time, we averaged 6.51 mpg in 2015, an incremental improvement over last year. At our Portland and Eugene facilities, we use shore power technology, allowing trailers to be cooled using renewable electricity when they are at our docks.

Driving Fuller Trucks

On delivery routes, we strive to keep our trucks full by coordinating backhauls with outside vendors needing steady refrigerated shipments, which helps us leverage our fuel/energy use. While our average cases shipped per mile driven dropped from 3.19 in 2014 to 3.02 in 2015, we increased our backhaul and freight volume to 928,106 cases.

Delivery By Trike

B-Line helps us deliver our produce to the dense urban core of Portland using European style motor-assisted cargo tricycles. In 2015, they delivered 535 tons of produce to customers in downtown, northwest and southeast Portland, and we avoided driving 4,322 miles with our trucks, eliminating 13,032 lb of CO₂ emissions.

Total Energy Use

We calculate our total energy use by looking at electricity, diesel, biodiesel and natural gas consumption as a BTU unit. Overall, our energy consumption rose by 1.3 percent after we factor in the energy savings from our backhauls, about 8,430 BTUs of energy used per case sold. We purchase renewable and clean energy credits (RECs) to offset 100 percent of our total non-renewable electric consumption companywide at all facilities where we operate. The funds are invested in wind power projects with small allocations to solar, low-impact hydro and biomass projects. In 2015, we enrolled in Energy Trust of Oregon’s demand response program for our Portland facility that utilizes web-based software to provide real-time energy information to manage energy use during peak load.

SMART Commute Program

To reduce the “carbon footprint” of daily commuting, coworkers are reimbursed for utilizing alternative transport to work. In 2015, our coworkers logged 5,084 trips, totaling 52,686.80 miles for the year. According to the Environmental Protection Agency, taking single occupancy cars off the road for these miles has saved 37,768 lb of CO₂ from entering the atmosphere, which is equivalent to the amount absorbed by planting 14 acres of forest!
In our daily operations, we strive for Zero Waste. Beyond extensive recycling, composting and sorting, we prioritize working with vendors and companies that share our sustainability values to help us reduce our environmental impact and eliminate toxic substances in our facilities.
Sustainable Office Supplies

We have a *Guidelines for Purchasing Green Office Supplies* document and maintain a database of vendors who offer green products, have strong sustainability policies, and are located near our facilities. For example, we used 830 reams of regular copy paper in 2015 from TreeZero, a sustainably-driven company that produces paper made entirely out of sugar cane fiber called bagasses – an abundant and renewable resource. It’s tree-free, biodegradable and elemental chlorine free.

Reducing Packaging & Improving Alternatives

One of our ongoing goals is to eliminate non-recyclable corrugated waxed transport boxes, used for their performance in hydro-cooled, wet and iced product applications. Our supplies team has been pursuing alternatives such as Reusable Plastic Containers (RPCs) and recyclable non paraffin “wax alternative” boxes. In 2015, we purchased 354,549 cases from growers who packed product in RPCs, and we packed product into 122,923 empty RPCs for a total of 477,949, a 22% increase from 2014. By working with customers to increase pack-size requests and RPCs, we decreased the need for wax alternative boxes (79,364 in total, down 23 percent). Some waxed corrugate from our facilities is picked up by a vendor who uses it for energy generation.

Our PM Operations Team implemented a new process for partial case picking that favors less packaging and reuse where possible, such as putting lighter items into paper bags. All LADYBUG plastic clamshells are derived from 75 percent post-consumer recycled polyethylene terephthalate (PET), and our LADYBUG corrugate boxes are manufactured by Sustainable Forestry Initiative (SFI) certified producers.

Bulk Diesel Containers

Diesel Exhaust Fluid (DEF) reduces diesel emissions and is required for all commercial-size diesel trucks built after the 2010 model year. DEF is typically filled in plastic containers, which due to their contents are not recyclable. In 2015, our Transportation Department began utilizing a bulk DEF tote at our Portland facility. The dispenser system is solar powered and charges a set of batteries that operate the pump motor and the interior lighting in our storage shed. When the tote is empty, it is returned to the fuel company to be cleaned and refilled.

Waste Diversion

A cross-functional Zero Waste Committee explores opportunities for engaging staff in waste reduction, including innovative signage and communication formats, easy-to-use receptacles, and warehouse-wide waste audits. Driven by our coworkers’ initiative and efforts, approximately 93 percent of waste was diverted from landfills by:

- extensively sorting our waste into five categories
- donating pallets of unsalable but edible organic fruits and vegetables to food banks
- collaborating with companies who process and reclaim materials like plastics, lithium and metals from batteries, temperature recorders, and circuit boards
- donating outdated technology and computer equipment to Free Geek

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Achieve On-Farm Sustainability and Small/Medium Farm Viability

Farmers and farmworkers are truly the backbone of our business. Without our network of over 340 organic farms (small, medium and large) growing the best quality organic produce, we couldn’t be a successful distributor, operate sustainable systems, and be change agents in the larger organic trade. We’re proud to partner with an amazing network of growers and support them through a diversity of grower services.
Commitment to Northwest Farms

Our roots are in the Northwest, which is why 33 percent of our total volume of produce purchases comes from farmers and orchardists in Oregon, Washington, Idaho, and British Columbia. We highlight regional farms on our price sheets and coordinate crops with growers to help them better plan for ordering seeds and organic inputs, preparing equipment and planting times. In doing so, we help farms mitigate the risk of over/under production and increase their economic stability, and it has become a platform for relationship development with many of our suppliers outside the region.

LADYBUG Brand

In 2015, our LADYBUG Brand represented 31 Northwest farms that are certified organic, independently owned and operated, located in the Pacific Northwest and certified Salmon-Safe. Salmon-Safe is a non-profit organization dedicated to protecting watersheds and natural biodiversity by working with farmers, vineyards and land developers to promote a healthy habitat on their lands so that salmon and other native species can thrive. We cover the cost of certification for LADYBUG growers.

We were honored to accept a second Salmon-Safe award in 2015, reflecting our longstanding commitment to support environmentally-conscious agriculture.

Fair Trade Produce

We are proud to work with growers who grow fair trade certified items and to promote the positive impact that programs like Fair for Life, Fairtrade International, and Fair Trade USA have on farmworkers and their communities. 4.8 percent of our sales in 2015 came from over 20 certified items from 11 producers in Mexico, Ecuador, Peru, Argentina, Chile, and New Zealand. The premiums range from $.50 to $3.50 per case based on item, pack size, grower, region, and season. Fair trade certification guarantees that producers comply with strict environmental, economic and social sustainability criteria; fair trade premiums provide development funds directly controlled by the farmworkers that go to educational, health, and social service programs.

GROW Bananas

We purchase the majority of our bananas from Organics Unlimited, which operates the “Giving Resources and Opportunities to Workers” (GROW) program. Since 2005, our GROW banana sales have resulted in donations of $969,000 to vision and dental clinics, education centers, student housing, school supplies, and scholarships in southern Mexico and Ecuador. At the time of publishing this report, we have hit the $1 million mark in giving and are planning celebrations to honor contributors!
Those employed by OGC are known as coworkers, because we work together, hand-in-hand to build a successful company. By the end of 2015, our workforce totaled 270, out of which 111 have a tenure of 5 years or more. To maintain our success and customer service capacity, we invest in the safety, health and future of our teams. We want coworkers to thrive in a healthy, respectful and safe workplace while building a strong culture based on five core behaviors and attitudes.

Foster a Healthy and Fulfilling Workplace

We are passionate about produce and sustainability

We provide exceptional customer service

We share ownership and leadership

We act with joy and gratitude

We inspire trust in everything we do
Building Organizational Vitality

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<th>Training &amp; Career Development</th>
<th>Health Insurance</th>
<th>Employee &amp; Grower Owned</th>
<th>Retirement Matching</th>
<th>Coworker Wellness</th>
<th>Provisions for Organic Produce and Meals</th>
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<td>In 2015, we invested over 3,199 hours in education and trainings for: • technical and professional skills • warehouse safety &amp; procedures • CPR/First-Aid • ammonia refrigeration • produce education</td>
<td>We offer health plans that provide medical, dental, alternative care, and: • pay 75 - 95% of health insurance premiums for coworkers • pay 50 percent of dependent premiums for full-time coworkers • provide benefits for part-time coworkers</td>
<td>We’re independently owned by: • 19 farmers • 23 current &amp; legacy-coworker shareholders • 219 coworkers in our ESOP (own 41% of OGC!). Our ESOP retirement program gives coworkers shares without purchasing them directly.</td>
<td>We offer “socially responsible” investment options through Paychex, and: • match coworkers’ 401(k) contributions up to $5,000 or 6.5% • a coworker-led 401(k) committee reviews fund options and performance • the program has 94.2% participation among eligible coworkers</td>
<td>We have a committee dedicated to promoting health and wellness at OGC by: • sponsoring wellness fairs and fun runs • offering fitness programs and incentives • coordinating biometric screenings to help find, treat or prevent potential health issues</td>
<td>We share our passion for organic produce and foods by: • making produce available to coworkers at a reduced cost • offering samples and tastings daily • maintaining a database of mission-aligned food vendors to help guide coworkers’ choices for meals and snacks</td>
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### Food Safety and Safe Facilities

Operating in sanitary, safe facilities is not only a requirement but also a top priority, because we value the health of our coworkers and those who grow and enjoy our produce. We’re proud to consistently achieve high ratings in our facility GMP (Good Manufacturing Practices) audits under the PrimusGFS standard, a Global Food Safety Initiative (GFSI) benchmarked standard. The scope of this audit covers everything from purchasing to sales, receiving to delivery, maintenance, sanitation, pest control, operations to administration and Information Technology.

Our 2015 GFSI Facility Ratings (PrimusGFS standard):
- Food Safety Management System in our Eugene and Portland facilities: 100%
- HACCP Verification in our Eugene and Portland facilities: 100%
- Good Manufacturing Practices in our Eugene facility 99.53% and in our Portland facility 99.63%

To maintain our ratings, we regularly train coworkers regarding proper use of equipment, monitor our programs, continue food safety and compliance education; our Safety Committees work to improve our operational functionality and prevent accidents through training and communication. In 2015, not only did the number of workers’ comp claims drop, but our DART rate (accidents resulting in Days Away, Restrictions or Transfers per 200,000 hours worked) decreased from 8.69 in 2014 to 7.15.

In 2015, our drivers logged 2.1 million miles and had ZERO reportable accidents.

Thank you to our drivers and transportation team for your continued dedication to safety!
We distribute produce, but to our core we are so much more. We seek partnership with mission-aligned organizations, who are helping grow the organic trade in different sectors, in our ongoing effort to raise support and awareness for a just, healthy and sustainable food system in both regional and national fronts. OGC representatives will often dedicate their time volunteering with various non-profit boards, present at public speaking engagements, or attend educational and networking events hosted by our partners in order to participate and engage with the larger organic community.
Farm to School Apples

$50,000 raised in 2015!

We partner with regional farm to school programs, schools, apple producers and 30 retailers to sell Farm to School bagged apples. At least 70 percent of the retail profit generated is given directly to non-profit programs that improve access to local and organic produce and provide farm to school education to K-12 students.

Community Contributions

Each year, we donate at least 2.5 percent of profits (in-kind produce and cash donations) to non-profit trade and community organizations that further our mission by supporting sustainability, agricultural, educational and environmental causes, including funding for farmland preservation, new and emerging grower education and organic research.

Not only do we offer staff 8 hours of paid time each year to volunteer for a cause of their choice, but we host optional volunteer events such as restoring wetlands, tending school gardens and cleaning up parks.

Regional and National Advocacy

2015 was another busy advocacy year! On our local front, we are actively engaged with the Oregon Organic Coalition (OOC), a non-profit organization working to advance the development and growth of the organic community. We serve on the board and help sponsor, host and promote Organically Grown in Oregon Week (OGOW) and the OOC’s Awards for Excellence Luncheon. We also partnered with North Star Civic Foundation to provide data for a report to the Oregon State Legislature on the potential impact of competing proposals to raise the Oregon minimum wage (legislative and ballot measures) on Oregon agriculture and about what policy provisions might help ease the transition for farmers.

In June, OGC representatives attended the National Organic Coalition’s “Hill Lobby Days” in Washington D.C. to present key policy issues affecting the organic community to the USDA and U.S. Congress. We have developed working relationships with Senator Merkley, and Representatives DeFazio and Blumenauer by coordinating with their staff on organic policy strategy, including appropriations funding for sustainable agriculture research, education, conservation stewardship programs, organic research priorities (e.g. regionally adapted seeds and breeds), organic certification cost share, and GMO labeling preemption.

We’re leading and organizing efforts on behalf of the Organic Produce Wholesalers Coalition (OPWC); this year, we collectively presented comments to the National Organic Standards Board, stemming from its survey of growers to document the “necessity” of certain materials in organic production from the National List set to “sunset” (i.e. go off the list) in 2017. Of particular impact, the OPWC was able to bring to light the critical importance of ethylene in organic pineapple production and provided valuable comments on organic research priorities and handling materials allowed in organics, especially those used to ensure food safety.

While we aspire to be an example of a sustainable business and a leader in the organic trade, we don’t work alone. We team up with many organizations that also are striving to make our industry more sustainable through memberships, sponsorships and by serving on trade boards and committees. Visit organicgrown.com/sustainability/our-partners/ for more information.

Building Connections

Each year, we aspire to educate our community and build stronger connections through events, farm tours and participation with organizations dedicated to organic agriculture and sustainable food systems. Highlights of our 2015 efforts:

- Coordinated volunteers with Project Amigo to visit cooperative GROW banana plantations and farmworker communities
- Hosted coworkers and customers on an educational farm tour to explore Southern California’s desert growing region
- Volunteered with produce wholesaler Veritable Vegetable on a Fair Trade-sponsored work trip to Wholesum Family Farms in Los Janos, Sonora, Mexico
- Co-hosted the biennial Organicology conference and covered registration for over 150 coworkers to attend for free

Organicology coworker, Tom Lively, speaking at the 2015 Organicology conference.