

CALIFORNIA BENEFIT CORPORATION 2021 ANNUAL REPORT



Delivering organic. Driving change.

We're excited to release our sixth Annual Report to the community. In this report you'll find an explanation of why we chose B Lab's third-party assessment tool, an overview of our assessment results, and a narrative of our efforts.

In the last year, we successfully fulfilled our general purpose, functions, and responsibilities as a California Benefit Corporation. We accomplished this by supporting organic farmers, increasing access to fresh

produce, strengthening communities, cultivating a fair and dynamic workplace, and actively improving the food system.

Veritable Vegetable is an example of a rapidly growing part of the economy — the social enterprise. By using business strategy to forward social and environmental objectives, we hope to bring about meaningful change for our customers, growers, and local and national community partners.

Veritable Vegetable became a Benefit Corporation in the State of California in 2016. We took this step to ensure our company's legal status accurately reflects our values-driven business model.

Being a Benefit Corporation confirms:

- Our desire to create a measurable and positive impact on society and the environment.
- Our consideration of nonfinancial interests when making all decisions.
- Our willingness to be transparent by reporting annually on our social and environmental performance using recognized third-party standards.



2014

Veritable Vegetable
became a registered
B-Corporation

1,000+

small to mid-sized
organic growers

500+

independent stores, co-ops,
restaurants, manufacturers,
box CSAs, meal kit providers,
corporate campuses, schools,
and wholesalers

48

years of committed
service to our
communities

Our Impact Statement

Veritable Vegetable supports organic farmers, increases access to fresh produce, impacts food policy, and strengthens diverse communities. We create a healthier world through our work. Our unique, values-driven business model encourages political change and demonstrates a radically different approach to distributing organic produce.

Sustainable and regenerative systems increase energy and resources and are life-affirming. We envision the environment, the economy, and our communities as sustainable systems.

As a women-led business, we take a forward-thinking and innovative approach to solving complex problems. We create a fair and dynamic workplace through cooperative and collaborative leadership. We deeply value the people who make up our community of staff, growers, customers, and community partners; our collective labor is fundamental to the organic trade.

We strive for excellence in our work, transparency in our relationships, and integrity through our actions.

A Benefit Corporation

Founded to support small to mid-sized farmers and independent retailers, Veritable Vegetable's history and success over 48 years speak to a commitment to our unique business model which encompasses high integrity relationships, quality products, minimal environmental impact and active involvement in our various communities. In 2014 we joined the B Corp community to further demonstrate our dedication to using our business as a force for good.



Five Major Impact Areas

Since our founding, we have operated our business based on values, rather than the bottom line. Becoming a B Corp provided us a recognized framework to communicate our approach to doing business, a tool to assess our progress moving forward, and a network of businesses aligned with our values. B-Lab, an independent certifier, was chosen as our third-party assessor because it provides a formal assessment tool that measures five major impact areas: environment, workers, community, customers and governance. This tool further enables us to monitor progress on our economic, social and environmental goals. We respect B-Lab's desire to create an international movement of companies focused on using business to improve the world.

Environment

certified San Francisco Green
Business since 2016



Governance

a women-owned business

Customer
& Growers

close working relationships with
our customers and growers



Community

partner with community
organizations, businesses,
and institutions

Workers

competitive salaries, extensive
benefits, and education
and training



As a California Benefit Corporation, our purpose is to contribute to an equitable food system.

We do this by supporting over 1,000 small to mid-size organic growers, and increasing access to fresh, organic produce through relationships with over 500 independent stores, co-ops, restaurants, manufacturers, box Community Supported Agriculture (CSA) and meal kit providers, corporate campuses, schools, and wholesalers.

We transport our organic produce via an award winning, near zero emission fleet of trucks and temperature-controlled trailers to customers throughout California and parts of Nevada, Arizona, New Mexico, and Colorado. We also ship to Hawaii. In an effort to keep our trucks full in every direction, we pick up at farms and shipping points on the return trip to our warehouse.

1,000+

small to mid-sized organic growers

500+

independent stores, co-ops, restaurants, manufacturers, box CSAs, meal kit providers, corporate campuses, schools, and wholesalers

Near Zero

emission fleet of trucks and temperature-controlled trailers



B Impact Assessment

We strive to continually improve our performance at every level of the company. By undergoing an assessment every three years, we have the opportunity to measure progress, benchmark against other B Corps, and have a means by which we can demonstrate transparency to our business partners and greater community. Since our initial certification in March 2014 to our most recent one in 2018, our score on B Lab's B Impact Assessment rose 27.8% to an overall score of 112 out of 200. We completed an assessment this year and are awaiting our results.

Environment

Environmental sustainability informs every aspect of our company--from procurement of cleaning supplies to our use of renewable energy. We have been a certified San Francisco Green Business since 2016. The Green Business Program encourages businesses to operate in an environmentally responsible manner and recognizes them for their efforts. In order to be recognized as a Green Business, a business must meet environmental standards in four areas: waste reduction, water conservation, pollution prevention, and energy conservation.

health and safety of our staff. This certification ensures our environmental practices align with our culture and deep commitment to sustainability. In 2020, we were recertified as a San Francisco Green Business Innovator, the highest level of certification from the organization.



**waste
reduction**



**water
conservation**



**pollution
prevention**



**energy
conservation**

Maintaining an environmentally sustainable fleet reflects a deeply ingrained commitment to reducing our impact on the environment.

Our fleet includes trucks with hybrid refrigeration units as well as other technologies that reduce CO2 emissions and our overall carbon footprint. Since we started fueling our trucks with renewable diesel in 2017, we have reduced our greenhouse gas emissions by an average of 7% per year. We also minimize the impact of miles driven by striving to ensure each truck is full in every direction. Because of these efforts, we were awarded the Spare the Air Leadership award by Acterra and were recognized by *Food Logistics* as Top Green Provider, and by *Heavy Duty Trucking* as Top Green Fleet. More recently, our CEO, Mary Jane Evans, received recognition from *Women in Trucking* as one of the “Top Women to Watch in Transportation.”

- We operate out of three warehouses, all of which employ environmentally sustainable materials and technologies.
- We utilize a photovoltaic system with solar roof panels, which generates electricity needs for one of our warehouses.
- We subscribe to CleanPowerSF's SuperGreen program, which means our energy comes entirely from renewable sources.
- We have 10 electric charging stations at our facilities for staff use.
- We also use state-of-the-art temperature control technology, automatic high-speed roll-up doors, LED lights, energy efficient ballasts, fixtures and bulbs, motion and lumen sensors, and laser beams to create guidelines for our pallet staging area.



Because of our vigorous waste management program, we divert 99% of our waste stream from landfill.

Because of our vigorous waste management program, we divert 99% of our waste stream from landfill. To commemorate our longstanding commitment to these efforts, we were awarded an Ebbie Award for Sustainability from the San Francisco Chamber of Commerce.

We purchase environmentally-friendly cleaning supplies, and also use non-volatile organic compound paint throughout the offices and warehouse.

Office furniture is sourced from renewable resources such as reclaimed wood and the insulation in our warehouses is made from shredded cotton jeans.

We continue to partner with the Climate Collaborative to further address climate change in the areas of Food Waste, Energy Efficiency, Transportation and Policy. We were honored to receive an Outstanding Company Award from them for our comprehensive and successful approach to reducing emissions throughout our fleet and warehouses.

Solar

offsets electricity needs for our Cesar Chavez warehouse



7%

average annual reduction in greenhouse gas emissions from fueling trucks with renewable diesel



Governance

Veritable Vegetable is owned by Mary Jane Evans, Bu Nygrens and Karen Salinger. We are a women-owned business that emphasizes participatory leadership to engage staff and create a dynamic workplace. We meet regularly to keep the entire staff informed of company initiatives, and the overall health of the company. By soliciting staff participation in project-oriented focus groups, we encourage cross-department ideas on new projects. We also engage all manager and director level staff in weekly meetings where we talk about key decisions facing the company and take a deeper look at our financials. We invest in relationships and believe in collaboration. This means that we glean best practices from others and share our own as well. We also speak at industry conferences, sit on boards and sponsor events.





Customer and Growers

As a distributor, we serve as an important hub between our growers and retailers. This means our customers are both the farmers who supply our produce, and the retailers and restaurants who purchase it. Our farmers rely on our transparent approach, highest possible prices paid for their products, and willingness to share our knowledge of market conditions. Our customers depend on an extensive selection of high-quality products, reliable delivery, and timely market information.

Close working relationships with our customers and growers enable us to maintain our high level of service. By maintaining the farm identity throughout the supply chain, we elevate farm labels, and provide our customers with the ability to make informed and values-based choices.

Community

Veritable Vegetable strengthens communities through strong collaborations and deep relationships not only with our customers and growers, but also with our community partners. We partner with community organizations, businesses, and institutions to support important efforts that protect the viability of farms and increase access to fresh, organic foods in diverse communities. We also donate product and logistics to community organizations, share our knowledge through education, tours, and mentoring, and advocate for policies we believe are equitable and critical to transforming our food system. We proudly donate any edible but not sellable food to the San Francisco-Marín Foodbank and other community organizations. This past year, we donated over 126,805 pounds of produce.

In 2021, we resumed our Wellness Program with the San Francisco Unified School District after a year-long hiatus due to the pandemic. Through this program, we donated produce

to 6 local schools on a weekly basis to supply their health and wellness centers for students.

We also supported the Good Food Foundation's annual Good Food Awards event by donating logistics services for receiving, storage, and delivery as well as staff resources.

We are proud to be a San Francisco Legacy Business, a designation reserved for businesses that have operated continuously within San Francisco's city limits for 30 years or more.

126,805

pounds of produce
donated in 2021

San Francisco
Legacy
Business



A graphic of a honeycomb structure with several hexagons. Two hexagons are highlighted in a darker orange color and contain text. The top hexagon displays '4:1' and the bottom one displays '30%'.

4:1

wage ratio between
the highest wage and
entry level wage

30%

pay above San Francisco's
minimum wage

PLUS →

- Medical, dental, and life insurance
- Socially responsible 401(k) plan
- Flexible holiday and leave policies
- Infant support benefits
- Commuter reimbursement
- Free hot meals
- Voting incentives
- Worker Food Program

Workers

Veritable Vegetable maintains a 4:1 ratio between the highest wage and entry level wage. We honor labor and pay the lowest paid worker 30% above San Francisco's minimum wage. We also offer an extensive benefits package, promote from within, provide professional development and foster a highly collaborative workplace. We strive to improve the quality of life for our employees, both in the workplace and beyond, because we believe employment doesn't end with a paycheck.

In addition to competitive salaries, we also offer extensive benefits to our staff, including, but not limited to: medical, dental, and life insurance, a socially responsible 401(k) plan, flexible holiday and leave policies, infant support benefits, commuter reimbursement, free hot meals, voting incentives, and a Worker Food Program enabling staff to bring home fresh, affordable organic produce. Although our employee census changes, we have an unusual gender balance; we are women-owned and have women across the company holding untraditional roles.

Because we believe in our community and are committed to our values, we offer comprehensive training to each member of our team. In addition to the nuts and bolts of what we do, our training consists of topics such as an overview of sustainable food systems, health and safety in the workplace, equipment use, data analytics, and more. Our staff is provided the opportunity to visit farms we work with, giving them an appreciation for the labor that goes into bringing food to our warehouse, and grounding them in the larger food system. We invest in education and training as a way of developing high quality staff and leadership throughout the company. Training also contributes to creating a safer work environment.



Conclusion

After 48 years of dedication to operating a values-driven company, becoming a Benefit Corporation has inspired us to continue improving our systems and the way in which we impact our broader community. We invite our customers and vendors to join this growing movement of using business as a force for social good. We encourage businesses to take the B Impact Assessment to highlight areas for improvement ([www. bcorporation.net](http://www.bcorporation.net)).

Together we can change the world.

