Walden Local, Inc.
2021 Annual Public Benefit Report
Introduction

Walden Local produces and delivers 100% grass-fed and finished beef, pasture raised pork and chicken, and wild Atlantic-caught seafood in partnership with active local farmers across New England and New York. We began in 2013 with a pilot group of 50 families, and have grown to reach tens of thousands of active member families from central New Jersey to Portland, Maine. We are pioneering a more sustainable and distributed agricultural system that makes the best ecological and economic use of our available land, given the soil and climate characteristics of the region. We also support a system of agriculture in which farmers and butchers take home a living wage – 55 cents on the retail dollar, rather than the 15 cents common to the mass meat commodity market.

Walden’s financial success is directly tied to the success of our mission: every pound of meat we sell builds topsoil, supports animal welfare, and fosters healthy communities. In addition, the dedication of our team members has been a primary factor in driving this mission forward. Waldeneers have a united focus, working together to produce the highest quality food that replaces industrial meat. Each pound of meat we produce at Walden takes one more pound out of a system that consumes our world’s limited resources, treats animals as objects, and leads to chronic health issues in our communities.

Walden’s primary business is a direct-to-consumer share program that allows individuals, groups, and organizations (our “members”) to sign up for monthly or bi-monthly deliveries of sustainably raised local meat (the “Share Program”). Modeled after vegetable Community Supported Agriculture (CSA) programs, and now one of the largest of our kind in the country, Walden’s Share Program allows a member to buy a portion of a whole animal (a “Share”). We purchase whole animals from farmers, and using our own proprietary algorithms, allocate the resulting cuts across our members in monthly deliveries we call Shares. These Shares are a carefully curated mix of local, high quality items that represent a share of a whole animal.

Our Mission

For people who want to cook and eat **locally, nutritiously and sustainably**, we are **MAKING LOCAL WORK** ...right here in New England and New York.

We produce the highest quality supply of **100% grass-fed beef** and other **pasture-raised meat** including chicken, pork and lamb from nearby highly principled farms.

By partnering with **small industrious farmers** instead of industrial factory farms, we are **REINVIGORATING** our **local agricultural economy**, in support of healthier and happier animals, people and communities.

For the **people** who want to take back control of the food they buy, cook, and eat...

For the **farmers** who work hard to ethically raise animals in open pastures...

For the **animals** that deserve to be fed what they are meant to eat and to be treated with dignity...

For the **soil** that needs better stewardship as one of our most vital natural resources...

For the long-term **health and happiness** of families and friends...

For the strength of **local economies**...

We are making local work.
As a public benefit corporation, our mandate is to “Make Local Work.” More specifically, we:

1. Connect adjacent rural and urban communities to reinvigorate sustainable local agricultural systems;

2. Produce the healthiest products possible with industry-leading standards of animal welfare and environmental sustainability;

3. Create incentives for farmers to move to more regenerative practices, including those that are not simply “do less harm,” but that provide a net positive benefit to the environment and surrounding communities.

As part of our company charter, we will provide regular updates of our progress in achieving our public purpose. Candor and transparency are central to our values, so our goal in openly reporting our progress (and equally, where there has been a lack of progress) is to hold ourselves accountable to further improvement.
Report Contents:

1. Connecting Urban & Rural  
2. Leading Standards  
3. Incentives with a Net Positive Benefit
Connect adjacent rural and urban communities to reinvigorate sustainable local agricultural systems
Connecting Rural & Urban Communities

Every day, we work to connect our partner farms to our thousands of member families. The mechanism by which we accomplish this is represented by the **5,644,518 lbs of sustainably-raised meat that we purchased in 2021 from area farms.**

Any given year presents its own set of challenges — adverse weather conditions, economic fluctuations—but we continue to renew our commitment to working with small farms and building our local agricultural economy.

In 2021 we expanded our delivery region to 187 new zip codes in an effort to bring healthy and sustainably raised meat to more homes and communities. To better serve our growing member base, we tested and launched a new partnership with the Southern Pork Processing Plant to help strengthen our local supply chain in our growing geographic reach!

We also further invested in our farming partners to allow them to grow and improve their operations. With a new poultry processing plant, Walden financed a new air-chilling system which enabled us to be their anchor customer during their first year in business. In launching milk in 2021, we organized with a local dairy producer in New York to bring fresh A2 milk, egg nog, cheese, and other new items to our membership program.

Our wholesale program restarted on the heels of the pandemic to help balance our whole animal program and increase the flow of sustainably raised meat in the region.

We’ve continued to hire and grow, while still keeping a sharp focus on the safety of our teams. Our safety protocols have evolved and adapted to fit with the latest information coming from the CDC and we’re proud and grateful for our team’s tenacity and willingness to adapt.

Our team and partners pushed forward with a dedication to our mission that we couldn’t have imagined, and the resulting effort has been inspiring. This is local at work!
NYCHA’s Tompkins Tenants Association receives donations from Walden Meats, delivered by the North Brooklyn Food Relief Coalition.
Enabled by our members, we donate 1% of the volume in our member program as part of our 1% for the Hungry program, totaling over 74,957 lbs in 2021. These donations go to local charities who provide meals and groceries for under-served communities. Providing high-quality protein to our neighbors in need is fundamental to our view of “connected community.” In addition, at Thanksgiving, our members generously donated ground beef to the Pine Street Inn, one of Boston’s oldest running shelters that services the homeless and hungry. This donation covered the organization’s ground beef needs through the end of 2021. We regularly partner with organizations such as the Greater Boston Food Bank, Pine Street Inn, and Lovin Spoonfuls thanks entirely to our members and their commitment to giving back.
Supported By Our Community

To further our mission of connecting our regional communities, in 2021 we invested in local projects. One example is Land’s Sake Farm, an organization that connects people to the land through education to build community and inspire lifelong stewardship. We are proud to have contributed our support for their new animal barn! Volunteers helped raise the structure which will (when complete) accommodate animals year-round and provide space for education programs during inclement weather!

We also launched our community forum as a place for members to connect with each other, share cooking tips, and discuss ways to get involved in community activities. The forums are still young, but we hope to continue building a place where like minded people can gather and share ideas!
Produce the healthiest products possible with industry-leading standards of animal welfare and environmental sustainability
Leading Standards

We continue to co-own one of the largest processing plants in Vermont, Vermont Packinghouse (VPH). Walden has partnered with VPH since the beginning, aligning our values alongside this locally operated and independent meat packing plant. Working closely together, Walden has more control over the quality of our products, and partner on exciting new endeavors. From a standards perspective, this lets us have greater control of our products from the farm to our members’ doors. That level of transparency is incredibly important to us as we work to build out and continuously improve a new kind of food system. Walden continues to elevate industry standards in meaningful ways, supporting our partner farmers in advancing their efforts to implement and maintain sustainable, regenerative production.

As a whole animal program, we’ve explored new ways to use different parts of the animal through the creation of exciting new products like sliced ham, soppressata, salami, pork round roast, and new sausages. This is vital so we can balance the whole animal across our member base, while offering the highest quality, local items possible.

Animal Welfare

We have implemented measures to ensure our partner farmers adhere to strict animal welfare standards. In 2021, 100% of our partner farms were audited by Walden, most on a quarterly basis. Our audits are a rigorous process that confirm these standards are being followed. A few examples of things we check for are:

- Fresh water must be available to all animals at all times.
- Animals across all species are never given growth hormones or antibiotics.
- Animals across all species are verified all the way to birth to ensure affidavit compliance.
- Pasture rotation schedule across all species allows appropriate time for the land to rest and regenerate between grazings.
- Use of electric prods across all species is prohibited.
- Loaﬁng areas for cattle and hogs must be bedded.
- Tail docking on hogs is prohibited.
- De-tusking on hogs is prohibited.
- Beak trimming on poultry is prohibited.

Additionally, we’ve provided greater clarification around allowable supplemental feeds under our grass-fed beef program, and solidiﬁed a ﬁnishing program that we believe leads to the highest quality and most consistent ﬁnal product year-round while adhering to our strict commitment to a 100% grass-fed and grass-ﬁnished animal.
Environment

The industrial meat complex has caused incredible harm to our planet. At Walden, protecting the environment is a core priority, and we have taken steps to ensure our locally produced meat is not merely compliant with guidelines set forth by the USDA, but exceeds them. A few of our environmental requirements are:

- No pesticides or fungicides, which can be harmful to the soil and leach into the larger environment through runoff water.
- Preventative measures, such as electric fencing, are used to manage predators. If preventative measures are not effective, poison or leg traps are not used for predator management and the farmer complies with local Fish & Game requirements for nuisance animal management.
- Wetlands on a farm parcel are appropriately protected from degradation and runoff.
- Manure must be stored on hard, non-leaching surfaces and protected from streams. Manure storage must also be a safe distance from feeding areas and comply with local requirements.
- All farmers are now expected to move towards certification with Global Animal Partnership (GAP).

Traceability is also an important factor for both our meat and seafood offerings. New Walden members are often surprised to find the name of the farmer and location where the animal was raised right on the package. For us, it is yet another sign of the transparency of our supply chain.
Certifications
Many of our partners have also pursued different certifications, including:

• The Global Animal Partnership (GAP)
• The American Grass-fed Association
• Animal Welfare Approved (AWA)
• Organic certification
• Non-GMO, and others.

In 2021, we’ve also worked with our farming partners to increase GAP certifications.

These certifications help our partner farms to expand their credibility in the marketplace and expand into other retail outlets (unlike industrial meat companies, we do not require exclusive relationships with our partner farmers).

Seafood
We follow the guidelines of NOAA, the National Oceanic and Atmospheric Administration (NOAA) Fish-Watch site when considering what fish to provide. Fish-Watch provides a quick and easy method of determining whether a fish is a responsible choice based on population, habitat impacts, by-catch, and fishing rate. In the same way each incremental pound of Walden meat replaces industrial meat, our seafood displaces internationally caught fish with a product that supports ethical catching methods and follows regulation limits to support fishery populations.

Walden ensures that the seafood we offer also adheres to a high level of traceability. One way we achieve this is by partnering with community-based fishing groups, such as Red’s Best of Boston. We are not only able to trace the fish we sell to the name of the fisherman who caught it, but also the location and time it was caught and even which boat brought it into port. We utilize a QR code system that communicates an unbroken chain of custody for the catches we purchase. This technology allows us to see how and where the fish are handled through processing, packaging, labeling, and shipping. We are proud to support suppliers that have a reputation for honesty and the data to backup their claims.
Create incentives for farmers to move to more regenerative practices, including those that are not simply “do less harm,” but that provide a net positive benefit to the environment and surrounding communities.
Incentives with a net positive benefit

Partners
As a significant buyer of grass-fed beef and pasture-raised meat in the region, we are increasingly setting the market standard for quality and driving premiums paid to farmers. We believe the best methods produce the best products. This is why we increased premiums paid to our farmers to make sure we are still paying a living wage in spite of high inflation and rising prices across the board for supplies (like feed). We want to continue to enable our partners to produce animals in the healthiest, most sustainable manner possible. Increasing pay during this difficult time makes that possible.

Across all proteins this represents a 203% premium to commodity pricing.

We believe gross annual receipts of about $250,000 allow one partner in a regional farming operation to take home a living wage. We have taken over a dozen farms from below this number to above.

In 2021, we exceeded this number and paid an average of $889,264 to each of our partner farmers, and $905,547 to those with monthly, recurring contracts.
Carbon Footprint
By utilizing rotational grazing and regenerative pasture management practices, our 100% grass-fed beef captures and stores carbon in the soil, removing some 24lbs of CO₂ from the air per share delivered². We estimated this impact by using a third-party lifecycle study done of a similar farming operation in the southeastern US. While the carbon sequestered by our beef program more than offsets our distribution activities, we hope to expand upon these measurements and include additional core activities in the years to come to form a more holistic picture of our total environmental impact.

Our commitment to a net positive impact extends to distribution as well. Our fuel per 100 shares delivered has fallen by 6.3% year-over-year. To the extent that we eliminate a grocery trip for our member families, or extend the time between trips, we feel good about the carbon impact of our last mile deliveries at about 6.5lbs of CO₂ per share delivered in 2021 – especially in combination with the impact of our beef program.

Operations
We continue to lament the amount of plastic required in our product packaging, and are seeking alternatives all the time (please connect us to anyone in this area!). From top to bottom we are actively looking for areas in our supply chain where we can find ways to reduce waste: for example, we are working on eliminating plastic wrap from our meat storage and transportation systems. Progress has been made on extending the life of pallets, both by resorting usable pallets and back-hauling them to our processors where possible, or by recycling bad pallets for a second life.

Team

We are proud to earn a B Corp Impact Score that is 35% higher than the qualifying B Corp score, as measured by the B Impact Assessment\(^3\). This metric measures the impact of a company’s operations on its workers, community, and environment. Still, there is so much more work to be done. Of our managers, 45% are female and 27% are minority. Some of the work brought about in 2021 has helped us to do better, but we have only just begun and acknowledge we have much to tackle here. Our wages have grown relative to minimum wage and the MA living wage index, and we now offer benefits to all of our employees, including 80% contributions for both individuals and families for health care, and 50% contributions on dental.

\(^3\) https://bcorporation.net/directory/waldenlocalmeat
Impact by the numbers

OUR COMPANY

Employee Diversity

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
<th>2021</th>
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<tbody>
<tr>
<td>Female Employees</td>
<td>27%*</td>
<td>24%*</td>
</tr>
<tr>
<td>Female Managers</td>
<td>40%*</td>
<td>45%*</td>
</tr>
<tr>
<td>Minority Employees</td>
<td>19%*</td>
<td>29%*</td>
</tr>
<tr>
<td>Minority Managers</td>
<td>19%*</td>
<td>27%*</td>
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Compensation

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<tr>
<th></th>
<th>2020</th>
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<tbody>
<tr>
<td>MA Starting Full Time Wage</td>
<td>15.75 $</td>
<td>15.75 $</td>
</tr>
<tr>
<td>Available Non-discretionary Bonus per Hour</td>
<td>1.25 $**</td>
<td>1.50 $**</td>
</tr>
<tr>
<td>MA Minimum Wage</td>
<td>12.75 $</td>
<td>13.50 $</td>
</tr>
<tr>
<td>Min Premium Paid to Minimum Wage</td>
<td>24%</td>
<td>17%</td>
</tr>
<tr>
<td>Premium w/Non-discretionary bonus</td>
<td>33%</td>
<td>28%</td>
</tr>
<tr>
<td>MA Living Wage Estimate</td>
<td>15.46 $</td>
<td>14.56 $</td>
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<tr>
<td>Min Premium to Living Wage</td>
<td>2%</td>
<td>8%</td>
</tr>
<tr>
<td>Premium w/Non-discretionary bonus</td>
<td>10%</td>
<td>18%</td>
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Benefit Participation

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
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<tbody>
<tr>
<td>Health Insurance</td>
<td>60%***</td>
<td>73%***</td>
</tr>
<tr>
<td>Dental Insurance</td>
<td>54%***</td>
<td>67%***</td>
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B Impact Assessment

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<tr>
<th></th>
<th>2020</th>
<th>2021</th>
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<tbody>
<tr>
<td></td>
<td>104.6****</td>
<td>108****</td>
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* Results as of 1/1/21 voluntary self identification diversity survey

** Minimum bonus available in 2020 was $1.25/hr and average bonus paid above base rate in 2020 was $1.59/hr

*** Heavy hiring leading to many employees in the pre-benefits 90 day window + we are skewing <26yrs old

**** B Impact Assessment is updated every 3 years. 104.6 was from 2017 and 108 was from 2021.

OUR BUSINESS

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
<th>2021</th>
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</thead>
<tbody>
<tr>
<td>Acres in Perennial Pasture</td>
<td>14,924 acres</td>
<td>20,528 acres</td>
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Farm Level Income

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
<th>2021</th>
</tr>
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<tbody>
<tr>
<td>Total Volume (lbs)</td>
<td>3,060,504 lb</td>
<td>3,832,822 lb</td>
</tr>
<tr>
<td>Total Premiums Paid vs Commodity Prices</td>
<td>273%</td>
<td>203%</td>
</tr>
<tr>
<td>Average Purchasing per Farm, all Farms</td>
<td>524,437 $</td>
<td>889,264 $</td>
</tr>
<tr>
<td>Average Purchasing per Monthly Contract Farm</td>
<td>461,486 $</td>
<td>905,547 $</td>
</tr>
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Carbon Intensity of Key Activities

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Last Mile Delivery (Fuel Use)</td>
<td>6.56 lb CO2 / share</td>
<td>6.57 lb CO2 / share</td>
</tr>
<tr>
<td>Beef Production, Net</td>
<td>-23.9 lb CO2 / share</td>
<td>-21.6 lb CO2 / share</td>
</tr>
</tbody>
</table>
Through 2021, we’ve connected rural and urban communities, implemented industry leading standards of animal welfare and environmental sustainability, and created incentives for farmers to help push them into practices that produce a net positive benefit to the environment and surrounding communities. We’ve also made great strides in diversifying our teams.

Walden’s commitment to growing with and within our communities remains steadfast as we plan for the future. As our membership expands and our name becomes increasingly synonymous with quality and trust, we feel our responsibility also grows and creates the momentum we need to continue our hard work. There is always room for improvement and innovation, and we look forward to the world we want to help build: a planet that’s better off tomorrow than it is today.

We are incredibly passionate about the regional food system all of our members are helping us build. We hope you will join us for the long haul as we endeavor to build a company to last.