

Walden LOCAL



WALDEN LOCAL, INC.
2023 Annual Public
Benefit Report



Introduction

Walden produces and delivers 100% grass-fed and finished beef, pasture-raised pork, lamb, and chicken, and wild Atlantic-caught seafood in partnership with farmers across the East Coast. We began in 2013 with a pilot group of 50 families and have grown to reach tens of thousands of active member families from Princeton, New Jersey, to Portland, Maine. We are pioneering a more sustainable, distributed agricultural system in which farmers and butchers take home a living wage – 52 cents on the retail dollar rather than 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. Walden team members 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 meat (the "Share Program"). Modeled after vegetable Community Supported Agriculture (CSA) programs, and now one of the largest of its kind in the country, Walden's Share Program allows a member to buy a rotating mix of cuts and value-added products (a "Share"). We primarily purchase whole animals from farmers and, using our proprietary algorithms, allocate the resulting cuts across our members in monthly deliveries we call Shares. These Shares are a carefully curated mix of high-quality items that represent a share of what our farmers have to offer.

Our Impact on a Page

201%

Premium paid to our independent partner farmers over mass commodity prices

19,662

Acres in agricultural production for Walden using regenerative practices

18,286

Metric tons of carbon sequestered annually by Walden

50,968

Pounds of food donated as part of 1% For The Hungry, representing 2% of gross sales

33

Number of Massachusetts schools to whom we deliver 100% grass-fed beef

+35%

Walden's BCorp score is 35% higher than the qualifying BCorp score

Certified



Corporation

Walden is proud to be part of the first cohort of companies to legally reincorporate as a public benefit corporation.

A public benefit corporation is neither a purely for-profit company nor a not-for-profit organization.

This status allows us to make decisions that benefit all of our stakeholders (partner farmers, community, employees, animals and the surrounding environment), even if they conflict with the interests of our financial shareholders.

As a public benefit corporation, our mandate is to:

- 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.

1

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

Connecting Urban & Rural Communities

Every day, we work to connect our partner farms to our thousands of member families. In 2023 alone, we purchased 3,462,940 lbs of sustainably raised meat from area farms, making us one of the region's largest buyers of better meat. Any given year presents its challenges – extreme weather events, growing economic pressures, and difficulties in the supply chain. Still, we continue to uphold our commitment to working with small, industrious farmers and leveling up standards in agriculture.

In 2023, the American beef market was in an acute crisis. Following droughts in 2021, farmers and ranchers sold off a large portion of their animals, depleting the animals that would typically be used to breed the next generation. Prices for calves remain sky-high, and the total number of cattle in the U.S. remains at a historic low. This dynamic has, and will continue to, put tremendous pressure on our partner farmers, who, facing increased input costs and rising interest rates, did not have the capital to invest in animals to sell to Walden.

To keep the highest quality, 100% grass-fed beef in member shares and keep perennial pastures in production, Walden piloted a program in which we purchased younger cattle, called feeders, and placed them on partner farms in the Northeast. The farmers were then paid to graze these animals until it came time for processing, resulting in a predictable and reliable income stream that allowed them to focus on what they do best – raising premium grass-fed beef. Through this 'grass shed' model, Walden was able to offer opportunities to new grazers and increase the number of farm partners in our network.

To further our mission of connecting regional communities, in 2023, through support by the Local Food for Schools Cooperative Agreement Program, a federal grant given to qualifying states, we were pleased to partner with 33 Massachusetts schools to supply our 100% grass-fed beef for school meals.

This grant aimed to shore up regional food supply chains disrupted by the pandemic by offering federal reimbursement to school systems that elected to purchase meats, produce, and fish from regional farms instead of the typical institutional service suppliers.

Because of this program, we are delighted that school children across the Commonwealth of Massachusetts have access to high-quality, highly nutritious, 100% grass-fed beef.





Walden donates at least 1% of the volume in our member program as part of our 1% for the Hungry program. In 2023, Walden donated 50,968 lbs of sustainably raised meat to partner organizations, representing ~2% of member sales.

These donations go to local charities that provide meals and groceries for under-served communities and those suffering from food insecurity. Providing high-quality protein to our neighbors in need is fundamental to our view of a "connected community." In addition, at Thanksgiving, our members generously donated ground beef to the Pine Street Inn and ground pork to Abenaki Helping Abenaki, a small 501(c)3 community-based organization charged with addressing the social, economic, cultural, and health needs of the Abenaki and American Indian communities.

We regularly partner with over 45 organizations across five states, including Everyone Eats, Gather NH, Rosie's Place, Dwelling House of Hope, and the Jericho Partnership. We are truly grateful to our members, as none of this would be possible without their support.

2

Produce the healthiest products possible with industry-leading standards of animal welfare & environmental sustainability

Leading Standards

We are excited to announce that in October 2023, Walden fully acquired Vermont Packinghouse (VPH), our long-term partner and one of the largest processing plants in Vermont. Our decision to fully acquire Vermont Packinghouse reflects Walden's commitment to building a quality supply chain that serves regional producers of all sizes. As a long-time plant customer, Walden has experienced firsthand the benefit of a positive processor relationship to a growing business. Vermont Packinghouse is a critical pillar in our ability to manage quality while keeping our dollars and efforts local.

Vermont Packinghouse is audited annually to verify compliance with industry-leading animal welfare and food safety standards, ensuring that the products Walden provides to our members are humanely and responsibly produced. The facility is a champion not just for local farms but also for local employment, providing diverse training opportunities for community members interested in butchery.

Our team at Walden enthusiastically supports Vermont Packinghouse's mission to "make superior meat the standard in the Northeast." VPH works with over 100 Northeast farmers, providing critical processing services to small and mid-scale livestock producers. By committing to the livelihood of farmers and their local communities, Vermont Packinghouse is preserving the Northeast's proud agricultural heritage and creating a more transparent, vibrant and enduring food system.



Animal Welfare

Walden continues to lead the industry in humane handling and animal welfare requirements.

Some examples of our expectations are:

- ✓ Fresh water must be available to all animals at all times.
- ✓ Animals across all species are never given growth hormones or antibiotics.
- ✓ 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.
- ✓ After up to four weeks in the brooder, chickens are moved daily onto pasture.
- ✓ All livestock guardian animals, if utilized, appear healthy and are provided with fresh water at all times and food and shelter appropriate to their needs.



Seafood

We follow the guidelines of NOAA, the National Oceanic and Atmospheric Administration (NOAA) Fish-Watch site when considering which fish to provide. Fish-Watch provides a **quick 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.



Red's Best Seafood, Boston, Massachusetts

Along with abiding by the rigorous standards set in our affidavit, some of our partners have also pursued additional certifications, including:

- ✓ The American Grass Fed Association
- ncr ✓ Organic Certification
- ✓ Global Animal Partnership (GAP)
- pu ✓ Animal Welfare Approved
- ✓ Regenified

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 R 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.

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 & surrounding communities



Incentives with a net positive benefit

As a significant buyer of regeneratively grown meat in the region, Walden sets the market standard for quality and fair pricing to farmers. This has been a challenging year for all of us. Beef prices skyrocketed, as did input costs for both Walden and our partners. We had to make some difficult decisions regarding raising prices for you, our members. To accommodate the higher cost of raising beef, Walden increased the prices paid to our cattle partners and remained significantly above market for all other animals purchased. Across all proteins, this represents a premium of 201% relative to commodity pricing.

We truly appreciate the support of our members for making a supply chain like this possible.

Carbon Sequestration

At Walden, we are committed to cultivating a sustainable food system without compromise. One of the most critical aspects of this mission is our conviction that agriculture can be used to improve environmental outcomes. We live this commitment through our program standards, which promote regenerative practices. While the scientific community is still only at the tip of the iceberg in researching the benefits of regenerative agriculture, studies show that land managed through multi-species pasture rotation sequesters on average 0.93 tons of carbon per acre.

Acres in agricultural production for Walden: 19,662
Carbon being sequestered annually: 18,286 metric tons

This is a meaningful number, made possible by our members' support and our farmers' hard work. To contextualize this level of sequestration, see the following examples!

Walden partner farms have the same net carbon impact as planting 302,361 trees! That is the equivalent of avoiding the emissions from driving over 46 million miles (enough to get you from Boston to San Francisco and back 15,021 times over): or powering 2,456 American homes for an entire year.

Source: [Soil 4 Climate](#), [Greenhouse Gas Equivalencies Calculator \(EPA\)](#)





Soil Testing

In 2023, Walden continued to offer soil testing to select partner farms through Cornell University's Comprehensive Assessment of Soil Health program.

This testing captures data on overall soil health, including organic matter and soil carbon. By using Cornell's rigorous sampling methodology, offering free soil collection services to our farmers, and covering the costs of testing, we are on our way to demonstrating the benefits of regenerative agriculture in our farm network.

While this is a multi-year project and our dataset is still growing, we are pleased to see fields where Walden animals are raised outperforming neighboring fields and scoring in top percentiles for soil health.



We are proud to earn a B Corp Impact Score 35% higher than the qualifying B Corp score, as measured by the B Impact assessment. This measures the impact of a company's operations on its employees, community and environment. Of our managers, 43% are female and 22% are minority.

Walden is proud to offer benefits to all of our employees. Starting in 2023, these generous benefits were extended to Vermont Packinghouse employees, including 75% contributions for individuals and families for health care, 50% on dental, and a 401k program with company match.

Overall B Impact Score

Based on the B Impact assessment, Walden Local Meat earned an overall score of 107.9. The median score for ordinary businesses who complete the assessment is currently 50.9.



- 107.9 Overall B Impact Score
- 80 Qualifies for B Corp Certification
- 50.9 Median Score for Ordinary Businesses

Impact by the numbers

OUR BUSINESS

	<u>2022</u>	<u>2023</u>
Acres in Perennial Pasture	22,480 acres	19,662 acres
Farm Level Income		
Total Volume (lbs)	3,829,871 lb	3,462,940 lb
Total Premiums Paid vs Commodity Prices	181%	201%
Average Purchasing per Farm, all Farms Average	959,789 \$	372,585 \$
Purchasing per Monthly Contract Farm	957,887 \$	254,318 \$
Carbon Intensity of Key Activities		
Last Mile Delivery (Fuel Use)	7.23 lb CO ₂ / share	7.24 lb CO ₂ / share
Beef Production, Net	-21.2 lb CO ₂ / share*	-19.4 lb CO ₂ / share*

OUR COMPANY

Employee Diversity

Female Employees	23%	21%
Female Managers	52%	43%
Minority Employees	27%	28%
Minority Managers	24%	22%

Compensation

MA Starting Full Time Wage	16.50 \$	17.50 \$
Available Non-discretionary Bonus per Hour	1.50 \$	0.0 \$
MA Minimum Wage	14.25 \$	15.00 \$
Min Premium Paid to Minimum Wage Premium	23%	16%
w/Non-discretionary bonus	26%	17%
MA Living Wage Estimate	17.54 \$**	23.87 \$**
Min Premium to Living Wage	-6%	-27%
Premium w/Non-discretionary bonus	3%	-27%

Benefit Participation

Health Insurance	74%	57%
Dental Insurance	72%	53%

B Impact Assessment

	108***	108***
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* We started our own soil testing in 2022, and should have actual carbon sequestration numbers within the next three years. For now, continuing to use White Oak Pastures 2019 independent evaluation of carbon footprint of regenerative grazing (<https://blog.whiteoakpastures.com/hubfs/WOP-LCA-Quantis-2019.pdf>)

** 2023 living wage estimates (by the MIT living wage calculator: <https://livingwage.mit.edu/>) were significantly higher than 2021, primarily due to inflation in housing and childcare.

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

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.

Through 2023, 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.

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 grows and creates the momentum 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.

Walden
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