

MegaFood[®]

Impact Report

2022



Foster Farm Botanicals, VT





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Letter from our CEO

This year, **MegaFood** is celebrating our 50th anniversary, and sharing our first ever Impact Report. This is a way to transparently communicate our sustainability progress and hold ourselves accountable to our impact goals. It allows us to celebrate our accomplishments and understand where we can do more. In this report, we highlight our commitment to the planet, people, and what's ahead.

“ We know that embedding sustainability into everything we do is the right thing to do. ”

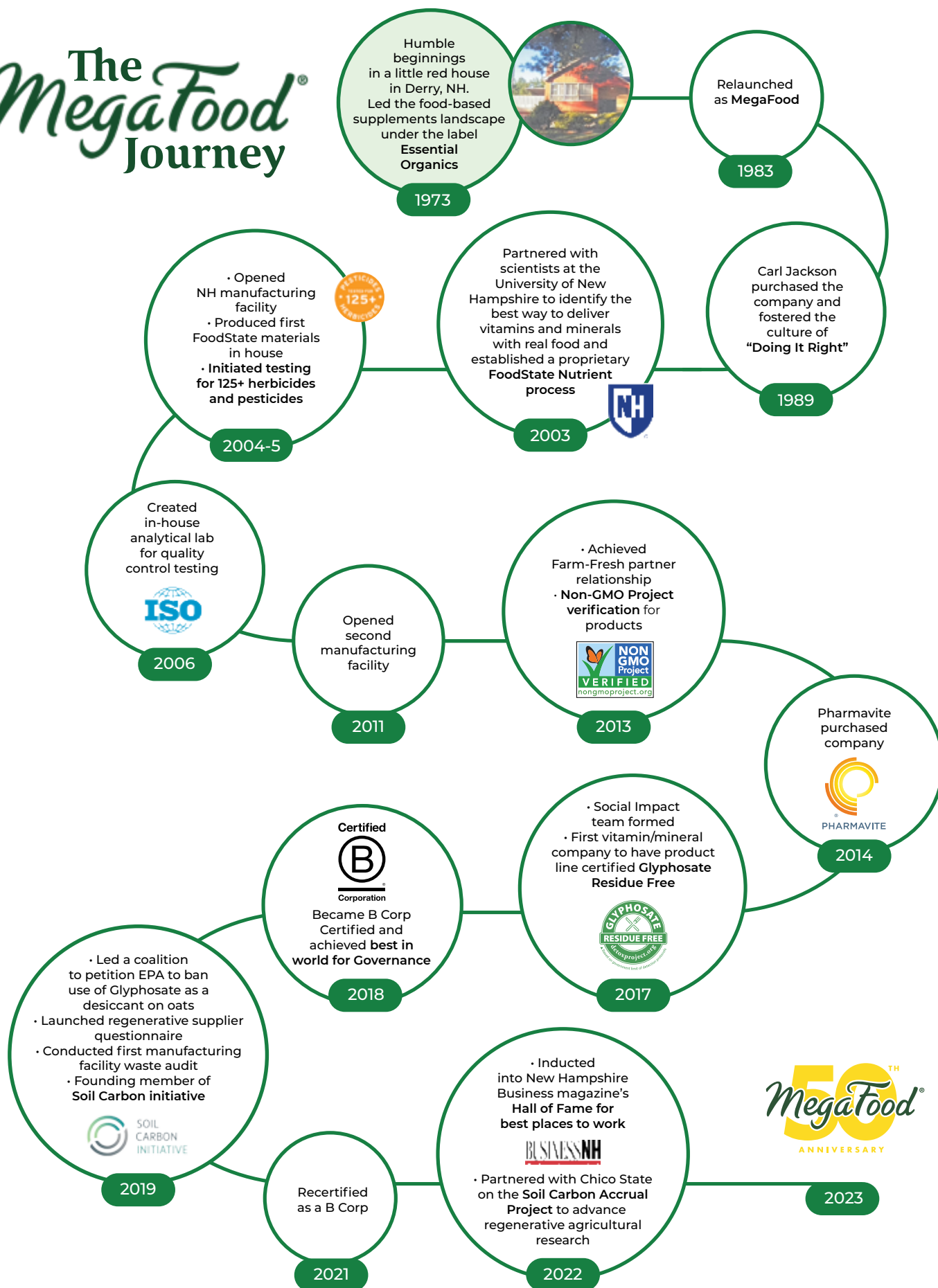
Since 1973, **MegaFood** has been a leader. We craft nutrient-rich, planet-first vitamins and supplements made with real food. Driven by the belief that food grown from healthy soil is a solution to making people and the planet healthier, we work with farmers who share our commitment to soil health and nutrient-dense food. We are a Certified B Corporation, underscoring our commitment to high standards of social and environmental performance.

While we are proud of the work we have accomplished so far, we also recognize that there is much to be done to ensure that we leave a healthy planet for future generations to come. From the ingredients we source, to the packaging in which we deliver our products, we know that embedding sustainability into everything we do is the right thing to do. We appreciate you taking the time to read our Impact Report and want to thank you for being on this journey with us.

Andy Dahlen
CEO, MegaFood



The MegaFood Journey



2022 HEALTHY PEOPLE — HEALTHY PLANET

B CORP

Recertified in 2021 with a score of 81.8*

GIVING

\$1.2 million given in sponsorships, cash, and in-kind donations
and 546 employee hours volunteered

DIVERSITY, EQUITY, AND INCLUSION

24% of workers self-identify as part of a racially or ethnically
diverse group compared to 11% of New Hampshire population¹

WORKERS

100% of employees paid an individual living wage

SOIL HEALTH

100% of products are Certified Glyphosate Residue Free
and tested for 125+ herbicides & pesticides

SOURCING

Over \$3 million directly spent on organic ingredients and 4 suppliers
achieved Regenerative Organic Certified for some or all of their crops

PARTNERSHIPS

Established a partnership with the Center for Regenerative Agriculture and
Resilient Systems of California State University, Chico to advance
researching the benefits of regenerative agriculture

*To certify as a B Corp, a business has to be awarded at least 80 points out of a possible 250+

¹<https://www.census.gov/quickfacts/fact/table/NH/PST045222>

CERTIFIED B CORPORATION

Using Business as a Force for Good

MegaFood is a consumer products company headquartered in Manchester, NH. A wholly owned subsidiary of Pharmavite LLC, MegaFood produces vitamin supplement products which are sold directly to consumers, through online retailers, and in retail stores across the United States and Canada.

MegaFood became a certified B Corporation in 2018 and is proud to be a dedicated part of the movement. This certification demonstrates that a business meets high standards of social and environmental performance, transparency, and accountability.

The B Corp assessment scores the company's impact and highlights opportunities. We are focused on tackling all areas, from how we treat our workers to the impact we are having on the environment. We've structured this report to reflect the various areas of business assessed by B Corp.



Overall B Impact Score



- MegaFood's Overall B Impact Score
- 80 Qualifies for B Corp Certification
- 50.9 Median Score for Ordinary Businesses

2021 B Corp Assessment Scores

CATEGORY	SCORE	POSSIBLE SCORE
GOVERNANCE	10.9	20
WORKERS	28.0	40
COMMUNITY	17.9	40
ENVIRONMENT	19.9	75
CUSTOMERS	4.9	35



[Click here to learn more about our score](#)



Areas of MegaFood Merit

MegaFood offers an attractive work environment with a range of benefits:

- A salary above the individual living wage for all employees
- 24 hours of volunteer paid time off (VPTO)
- Benefits to support families and healthy work/life balance

Governance:

- MegaFood has a team dedicated to social impact

Areas for MegaFood Improvement

MegaFood has the potential to make improvements in several areas:

- Enhancing policies and executive involvement in all impact areas
- Formalizing an Environmental Management System (EMS) and reducing carbon emissions
- Streamlining impact-related communications
- Improving supply chain transparency

What's Ahead

1. Creating and socializing a holistic sustainability strategy
2. Creating internal B Corp teams to further drive improvements
3. Learning from and collaborating with other industry leaders
4. Sharing updates on our plans and progress

Employees are the Heart of MegaFood

Employees are the heart of any company ecosystem, and MegaFood takes pride in offering an environment in which all 186 individual employees and teams can flourish. Job satisfaction, health, wellness, and safety are prioritized. By paying a salary above the individual living wage and maintaining gender pay equity, we ensure a fair and secure financial foundation.

MegaFood is committed to diversity, equity, and inclusion (DE&I) and has embedded practices in the workplace that support a culture of belonging. In 2020, our DE&I team was expanded, and in 2022, we saw increased levels of diversity among employees. We partnered with Jermaine Moore of the Mars Hill Group, who has been hosting quarterly DE&I awareness training for employees.

Employee Ethnicity and Diversity Profile

24% BIPOC+
76% White

Employee Gender Identification Profile

55% Male
45% Female

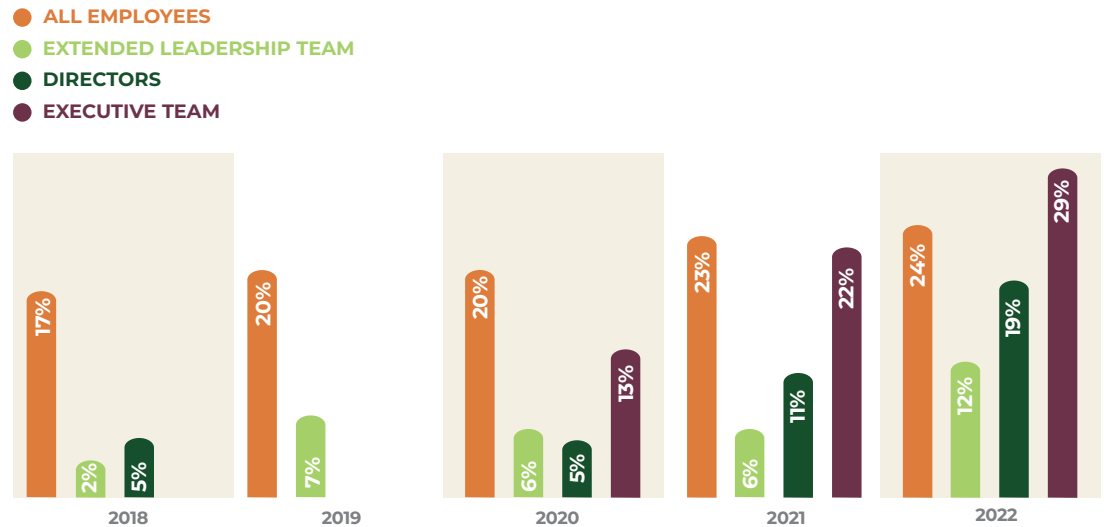


Diversity Metrics

Self-identified as part of a racially or ethnically diverse group (BIPOC+)

24% of MegaFood employees identify as diverse compared to the state of NH in which the population comprises just over 11% Black, Indigenous, and Persons of Color according to the U. S. Census Bureau.

<https://www.census.gov/quickfacts/fact/table/NH>



Volunteer Paid Time Off Highlight



Carl Johnson
R&D Director
Innovation

"I come from Chicago and have a soft spot for inner-city kids because I know what they are up against. In my spare time, I go to various organizations to tell my story.

Throughout my 18 years in the food industry, I have noticed there aren't many food scientists that look like me. African Americans tend to shy away from science and math because they have been conditioned to think they can't do it. In my eyes, one of the most impactful things for the Black community is representation, whereby they can see what is possible.

So, when asked to speak at a local school in New Orleans for Career Day, I jumped at the chance to tell the kids about how they can get involved in such a career. I explained what the R&D team does every day and shared product samples so they could see some of the products I had a hand in developing.

The day was a HIT with the kids!!!! I saw a glimmer of hope and it was very fulfilling."

Safety at Work

We go out of our way to ensure that safety of our employees is always our number one priority. In addition to having clear safety protocols and monthly safety trainings, we also have an internal safety risk reduction program (RRN) in which each team across operations quantifies all safety hazard risks for jobs performed within teams. As an organization, we set a high goal of reducing company risks by 20% on a year-over-year basis. All these efforts have definitely paid off for MegaFood. The incidence of non-fatal occupational injuries and illnesses in 2022 was 1.94 for operations and 1.061 for the entire company. This compares to the national average for food manufacturing industries of 4.8.¹

Recovery Friendly Workplace

Through participation in the New Hampshire Governor's Recovery Friendly Workplace (RFW) Initiative, MegaFood seeks to advance our commitment to creating a healthy and safe environment that is free from stigma sometimes associated with substance misuse. RFW encourages an environment where employers, employees, and communities can collaborate to create positive change and eliminate barriers for those impacted by addiction.

Aligning Financial Wellbeing with Social Responsibility

With \$1.5 trillion invested in fossil fuel companies via US retirement funds, MegaFood recognizes that financial investments have an impact on climate. Since 2018, MegaFood has offered socially responsible investing options for employees through their 401(k) plan.



¹<https://www.bls.gov/iif/nonfatal-injuries-and-illnesses-tables/table-1-injury-and-illness-rates-by-industry-2021-national.htm>



REGENERATING SUPPLY

Nurturing Soil and Sustaining People

Healthy soil is the foundation of agriculture that sustains people and protects the planet. Regenerative agriculture, rooted in Indigenous traditions, prioritizes nurturing the soil while also sustaining ecological function, biodiversity, and farmer welfare. For the past five years, MegaFood has focused on soil through organic and regenerative agriculture because healthy soil means nutrient-dense food that supports human health without jeopardizing planetary health. However, shifting the conventional agricultural production system is a big undertaking that requires coordinated efforts across disciplines including scientific research, market development, and public policy. At MegaFood, we're using our influence to support progress across these multiple fronts.

Supporting Workshops and Research

MegaFood's support of farm-based pilots and workshops helps to generate the real-life data and actions needed to make healthier soils a tangible reality.

Tripper Agroforestry Project

Located in Indonesia, Tripper Farm provides the turmeric used in some MegaFood products. In partnership with Tripper's sister company, Origine, MegaFood sponsored a series of workshops to help farmers manage their land, improve soil fertility, and learn about intercropping and cropping patterns. Now 335 farmers have replicated these practices and are benefiting from improved agroforestry systems.



REGENERATING SUPPLY

Soil Carbon Accrual Project

To further research into the broad benefits of regenerative agriculture, MegaFood is partnering with the Center for Regenerative Agriculture and Resilient Systems of California State University, Chico.

The Soil Carbon Accrual Project (SCAP), led by the Center for Regenerative Agriculture and Resilient Systems of California State University, Chico, is a collaboration of scientists and farmers coming together to measure the effect of regenerative agriculture on soil carbon and other variables using flux tower technology. With MegaFood's support, the three-year study aims to accurately evaluate how regenerative agriculture will support carbon sequestration, along with water efficiency, farmer profit margins, and overall soil health. Learnings from this study could provide a basis for far-reaching policy changes needed to ensure a climate resilient future.



Market Development

To fully benefit from healthier soil, we need economic tools that make it financially feasible to do the right thing. MegaFood plays a role in connecting farmers, retail partners, and consumers to help build market awareness for product ingredients grown regeneratively.

Our supplier questionnaire is a two-way education and engagement tool that connects us and our suppliers to soil health and other sustainable agriculture best practices. Through this survey, we learn more about the practices farmers in our supply chain engage in to advance soil health, biodiversity, energy, water use efficiency, and thriving livelihoods. MegaFood Supplier Questionnaire has been completed for 28 product ingredients.

Peer-to-peer connections allow collaboration between our farmers and experts in the field of regenerative agriculture.

MegaFood is a founding supporter and an ongoing thought partner in the development of Green America's Soil Carbon Initiative — a science-based regenerative agriculture third-party standard designed to incentivize and credential regeneratively grown products in the North American market.



In 2022, MegaFood spent over \$3 million on certified organic ingredients.



We are excited to celebrate four of our suppliers that have achieved Regenerative Organic Certification for some or all their crops. This means farms prioritize soil health, social fairness, and where applicable, animal welfare.

Enabling Public Policy

We need federal and state policies to enable investment for farmers and companies working to accelerate the transition to a healthier agricultural production system. With our history of advocacy for health in the natural foods space, MegaFood aims to be a leading voice for policies that support regenerative agriculture, and as such, has been an active member of the American Sustainable Business Network's Regenerative Agriculture and Justice Working Group focused on 2023 Farm Bill priorities.

Farmer Spotlight: James Lake Farms

John Stauner of James Lake Farms, Wisconsin, has been a longtime partner of MegaFood. When he expressed an interest in improving conditions that support biodiversity around the cranberry bogs on his farm, MegaFood leveraged connections with experts to facilitate a pollinator habitat assessment.



What's Ahead

1. A continued multifaceted and collaborative approach to support the soil health movement through science, market, and policy engagement
2. Product development focused on regenerative, organic, regenerative organic, and fair trade ingredients



COMMUNITY PARTNERSHIPS

MegaFood engages with a dynamic and multifaceted community, including farmers, industry peers, industry experts, academia, and nonprofits. We seek to use our influence to facilitate a more just, inclusive, and planet-friendly world. Through elevating the excellent work of others, investing in research, and contributing financially, we strive to make a positive impact.

Partnering with Experts

MegaFood is fortunate to partner with key collaborators who are experts in regenerative agriculture and engage in facilitating the shift toward meaningful improvement.



Tim LaSalle, former CEO of Rodale Institute

Tim LaSalle is a co-founder of the Center for Regenerative Agriculture & Resilient Systems at Chico State. He has served as the Executive Director of the Allan Savory Center for Holistic Management, and advisor for the Howard Buffett Foundation in Africa on soils and food security for smallholder farmers.

A consultant to MegaFood since 2018, Tim has been an invaluable resource, helping to educate and elevate knowledge of regenerative agriculture for both internal and external partners.

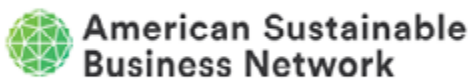
Since 2018, MegaFood has retained Pure Strategies, a sustainability consulting firm that has helped the company envision a new, more sustainable future and develop a pathway toward making the vision a reality. Pure Strategies helped MegaFood calculate scope 1, 2, and 3 emissions, identify elevated risk ingredients, develop the supplier questionnaire, and provide guidance on potential regenerative agriculture pilots.



COMMUNITY PARTNERSHIPS

Advocacy and Collective Action

The regenerative landscape can be confusing, and change cannot happen solely on farms. Improving the system that connects the end user with foods they consume requires collaboration and focus.



The American Sustainable Business Network's Regenerative Agriculture and Justice Working Group met monthly over the course of 2022 to develop 2023 Farm Bill Priorities that will support the transition to Regenerative Agriculture. MegaFood is grateful to be part of this collective that exemplifies the type of collaboration needed to achieve a more equitable and planet friendly agriculture system. The group comprises business leaders from industries who are connected to agriculture through the purchase of raw materials together with advocacy leaders and groups representing farmers, farm workers, and frontline communities.

MegaFood has been a thought leader in the regenerative space, participating in several aligned initiatives, including HowGood's Regenerative Agriculture Working Group, to learn from and collaborate with other industry members.





COMMUNITY GIVING

In 2022, MegaFood gave **\$1,235,000** in financial donations, product donations, sponsorships, and small grants.

Elevating Regenerative Partners

MegaFood seeks to use its platform responsibly for the positive benefit of all. We recognize that there are many doing the invaluable work of tending the planet, fighting against injustice, teaching the younger generations the ways of land stewardship, and working for the greater good, whose work could be elevated with a little extra support. To that end, MegaFood offers financial support as a means to strengthen their work and amplify their voices.

According to the UN, women make up 43 percent of the global agricultural labor force; yet, they face significant discrimination when it comes to ownership, equal pay, decision-making, and access to financial services.¹ Since 2019, MegaFood has been a proud supporter of Women's Earth Alliance (WEA) and has donated over \$100k.* WEA catalyzes women-led grassroots solutions to protect our environment and strengthen communities, helping ensure a safe, healthy, and just future for generations to come. Through their Accelerator Program, WEA promotes leadership, supports development of strategy, and provides technical training for young advocates, helping them scale their initiatives.

Small grants were also awarded to two graduates of the WEA US Accelerator Program, and last year's accelerator program participants received gifts of MegaFood supplements to keep them healthy while they work.

¹ <https://www.fao.org/reduce-rural-poverty/our-work/women-in-agriculture/en/>

* Donations to WEA by year: 2019 - \$10,000, 2020 - \$25,000, 2021 - \$50,000, 2022 - \$5,000



Small Grant Recipients



Little Growers Inc.
Program Director:
Camille Hadley
MegaFood 2022 Small Grant
Recipient

Building sustainable food production systems and providing Science, Technology, Engineering, and Math (STEM) opportunities for underserved youth in Palm Bay, Florida.

"My number one priority is teaching these kids how to support the planet we are leaving them." — Camille



Valley Improvement Projects
Co-Founder: **Bianca Lopez**
MegaFood 2022 Small Grant Recipient



Dedicated to bringing justice and equity to disadvantaged areas.
2021 US Accelerator Participant with WEA.

Philanthropic Recipients

Climate Collaborative
Families in Transition/New Horizons
Green America: Farmer Fund
Humane Society
Little Growers
National Black Food and Justice Alliance
National Young Farmers Coalition

New Hampshire Businesses for Social
Responsibility
Regenerative Rising
University of Vermont Foundation
Valley Improvement Projects
Women's Earth Alliance
World Central Kitchen



What's Ahead

1. **Giving:** Refining and focusing our giving strategy and expanding our giving efforts
2. **Experts:** Conducting an ingredient risk analysis and using third-party certifications to ensure ethical sourcing and movement toward regenerative supply
3. **Partnerships:** Supporting advocacy partners to champion the scaling and incentivizing of regenerative agriculture and the growth and protection of the organic standard in the 2023 Farm Bill

A thriving and productive business is contingent upon a thriving and productive planet. MegaFood is committed to fully understanding its overall impact on the air, climate, water, land, and overall ecosystem. We seek to make significant improvement in our overall footprint on the planet through improved environmental management practices and company operations, as well as, where possible, by supporting regenerative efforts in the supply web.

Operations Efficiency Improvements

Packaging Used for Shipping: By shipping with Hexcel paper-wrap in place of plastic bubble wrap, in 2022, MegaFood eliminated 13,500 pounds of plastic to landfill, equivalent to 250,000 plastic bottles.

Transportation Changes: By leveraging a shared truckload service, MegaFood reduced its impact on the planet. Over the course of six months in 2022, this resulted in a reduction of 157,000 pounds of emitted carbon.

Parcel Changes: By partnering with a 3PL (third-party logistics) company for parcel delivery, in 2022 MegaFood saw a reduction in 100 million miles driven! This resulted in an 80 percent reduction of delivery-generated carbon.

Waste Audits: MegaFood has completed three waste audits since 2019. This has helped us to quantify waste streams and identify areas of opportunity. Employees were offered VPTO for participating in the waste audit.



Energy: 100% renewably powered with Native Renewable Energy Credits (RECs). Native's REC Portfolio accelerates the development of new and innovative solar and wind energy projects that will produce renewable energy for years to come. The projects displace the need for fossil fuels, offer economic benefits to land holders and communities, and create pollinator-friendly habitats or grazing pastures for local wildlife or livestock.

Packaging

We have put together a cross-functional team to assess our product packaging with the goal of optimizing recyclability and reducing environmental impact. From amber glass bottles to containers for gummies and pouches for chews, there is a good deal of complexity. Our bottles are made with 30 percent post-consumer materials, but we know this is not enough. We are working to prioritize post-consumer recycled materials, materials that can be curbside recycled, and utilizing the How2Recycle label to clearly communicate recycling instructions.

Sustainability Metrics

	2018	2022	Notes
Scope 1 (MTCO2e) energy use in facilities	897	997	Absolute Scope 1 increased with sales. We aim to reduce this through manufacturing process efficiency investments.
Scope 2 (MTCO2e) purchase electricity (location-based)	446	404	We are getting more efficient and aim to continuously improve through energy efficiency initiatives and renewable energy.
Scope 3 (MTCO2e)	9,841	Currently working to recalculate	Initial assessment of our Scope 3 targets raw materials and packaging, two of our biggest Scope 3 categories.
MTCO2e = metric tons of carbon dioxide equivalent			
Water (Gal)	2,373,240	3,283,275	As sales increased, so did our water usage. We aim to reduce water usage through efficiency investments (e.g., a steam efficiency project)
Waste	First waste audit conducted in 2019	36% diversion rate	We have taken steps to understand and measure our waste more accurately. Using this information, we will identify hotspots and opportunities to improve.

What's Ahead

1. Recalculating scope 3 emissions, committing to a science-based target and crafting a climate action plan, prioritizing reduction projects over offsets.
2. Tackling our plastic footprint by working on How2Recycle labels and certifying our products Plastic Neutral with rePurpose Global. We are working to make our packaging 100 percent recyclable, compostable or reusable by 2030.
3. Establishing an Operations Green Team to help identify efficiency projects and setting a goal to have our operations Zero Waste Certified by 2030.

CUSTOMERS

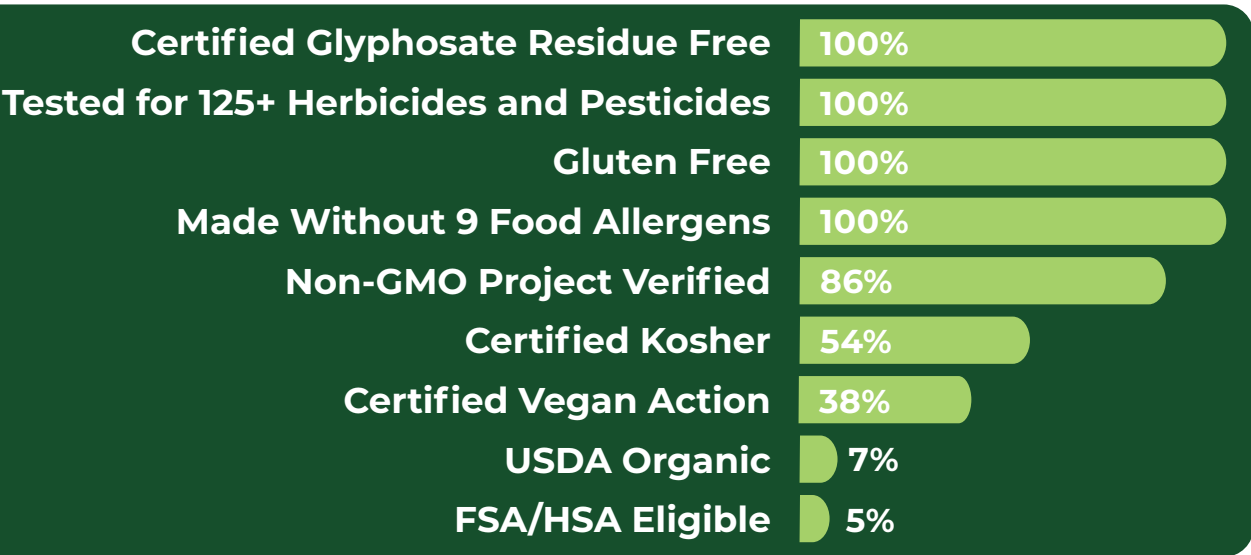
Who are our customers? Individuals, independent and online retailers, large and small retail chains, and natural health practitioners. It is customer loyalty to MegaFood’s nutrient-rich, planet-first products that has served as a foundation for the company to steadily grow over the last 50 years in an ever-growing world of supplements. It is our primary responsibility to deliver safe and effective products that never compromise on quality. We rely on third-party certifications to demonstrate this commitment to our customers. We are committed to transparency, with this report being another step in the direction of clear communication and sharing our sustainability efforts with our customers.



Dawn Wilson
Western Regional Sales Leader

“I believe supporting our natural retailers is the single most important part of our business. They stood with us as we navigated through a changing landscape and their support and love for the brand has enabled us to grow and prosper over the last 50 years. We owe a lot of our success to their belief in us, our mission, and our vision.”

Product Certifications and Standards



CUSTOMERS

Commitment to Quality Certifications and Seals



Quality is of utmost priority to MegaFood, and we hold ourselves to the commitment of providing each consumer with the best version of every product. Our manufacturing facilities are third-party cGMP certified by NSF. Good Manufacturing Practices are requirements that ensure each product produced has the identity, strength, composition, quality, and purity as intended. No product leaves the MegaFood facility unless it conforms to our specified exacting standards. In 2022, MegaFood manufacturing facilities were audited by four independent organizations plus the FDA to ensure we are following Good Manufacturing and Laboratory Practices and the National Organic Program regulations — receiving either an A grade or “no fault” findings.



To engage and educate our customers on the importance of regeneration, MegaFood worked with a key farm partner to collaboratively host a retailer education day on the farm.

What's Ahead

1. Ongoing education around sustainability and regenerative agriculture
2. Transparently tracking progress on our goals

GOVERNANCE

Code of Conduct

MegaFood is passionate about continuously working to improve its social and environmental impact through a detailed code of conduct, transparency, and involvement of all stakeholders. All MegaFood employees, from those in marketing and manufacturing to the CEO, are responsible for advancing our sustainability and impact mission. For external partners, MegaFood's Code of Conduct, which can be viewed on our website, lays out a baseline set of requirements for suppliers and co-manufacturers to ensure a just and equitable supply chain.

MegaFood Social Impact Founding Principles

MegaFood Social Impact team was created in 2017 and set the foundation for the company's sustainability trajectory with the following manifesto:

We exist to help grow a **healthier world.**

We do not want to just sustain. We need to **regenerate.**

A living wage is the **only** wage.

We are ambassadors of **honesty** and **transparency.**

Fearless engagement. **Always.**

Soil is our common ground.

We hold ourselves and other businesses accountable for doing **good in the world.**

We empower others who are working toward a **more regenerative world.**

What's Ahead

In 2023, MegaFood internal teams will integrate sustainability-related metrics into their annual goals.



Mega means more; it means going beyond a singular focus to our first holistic sustainability strategy. As the new Director of Sustainability, I am proud of the impact that we've had over the past 50 years and am excited to share where we are heading.

With greenhouse gas emissions continuing to rise, the next 10 years will define the future for generations to come. A changing climate impacts our farmers, employees, and consumers. It impacts everyone and everything. We are committing to a science-based target and working rigorously to craft a meaningful climate action plan that focuses on reduction projects before offsets.

***“ Through partnerships and collaboration,
we are committed to moving the needle ... ”
we don't have time to waste.***

We know that ingredients and packaging are our largest areas of impact. That's why we are prioritizing the purchasing of organic ingredients and working to incorporate more regenerative and fair-trade certified ingredients into each of our bottles. Our products start their journey in packaging, and after consumption, that's all that remains. Our goal is that by 2030, our packaging is 100 percent recyclable, compostable, or refillable. Why will this take so long? Sustainability is nuanced. Packaging is complex. Supply chain visibility is challenging. Being a smaller company with limited buying power makes it even more difficult, but through partnerships and collaboration, we are committed to moving the needle and embedding sustainability into everything that we do — because we don't have a choice and we don't have time to waste. So, we invite you to join us on this journey, to check in on our progress, hear about our challenges, and learn how, by working together, we can make people and the planet healthier. Feel free to contact our team at impact@megafood.com.

Stacia Betley

Director of Sustainability and Social Impact