



ONE STEP CLOSER²

Organic Sustainable Community

Photo courtesy of Alter Eco

Annual Report

Regenerative Businesses and Agricultural Systems in Action

OSC²: *One Step Closer to an Organic Sustainable Community*

Mission: *Address the toughest sustainability problems facing our industry and our planet, by building regenerative business models and agricultural systems.*

Vision: *We envision a regenerative global economy that supports all life and living systems. We believe that our relationship to the world and all that inhabit it requires a long-term view with brave action. We see our network of purpose-driven brands as an important vehicle for catalyzing this vision.*

OSC² is a community of leaders in the natural products industry who maintain the highest environmental and social standards in their businesses and personal lives. OSC² organizes two Founder & CEO chapters, as well as five departmental Working Groups and a continuing education program for its chapter members and their

staff. It also leads three industry impact initiatives, which are available to members and nonmembers alike. These include the *Packaging Collaborative*, the *Climate Collaborative*, and the *Justice, Equity, Diversity, and Inclusion (JEDI) Collaborative*.

Member Programs

Curated content for our member community

CORE & RISING STAR CEO & FOUNDER CHAPTERS

Our leadership chapters are the foundation of OSC²'s work. This year we focused on the essential building blocks of our community - collaboration, trust, and purposeful growth. We cultivated these in part by quieting our minds, expanding our time together, and incorporating regenerative leadership practices into our work.

Recent additions to our Core CEO & Founder chapter include Birgit Cameron of Patagonia Provision, Ned Fussell of Cannacraft, Jon Silverman of the Grove Collaborative, Miyoko Schinner - our first Rising Star graduate - and Ted Robb of New Barn Organics. Our Rising Star chapter has seen vital growth as well with the addition of Emily Stone of Uncommon Cacao, Caroline Duel & Ryan Rich of All Good, Sadie Scheffer of Bread SRSLY, Sarah Bird of Bhakti Chai, Charles Thierot of Llano Seco, Eric Quick of The Town Kitchen, Michelle Pusater of Nana Joe's, and Tucker Garrison of Imlak'esh Organics. We also added three new Community Members - Don Buder of Naturally Bay Area/Davis Wright Tremaine, Jerry McGeorge of Organic Valley, and Ryan Black of Sambazon.



WORKING GROUPS

Designed to deepen member engagement and collective impact, the Finance, Operations, Marketing, Sales, and Administration Working Groups provide members and their senior staff with a trusted space for collaboration, knowledge sharing, and peer support. OSC²'s Working Groups leverage the experience of members and trusted external partners to build healthy and thriving natural products companies. Since the program's launch, we have hosted 50+ sessions and enrolled over 150 leaders. Workings are led by an amazing team of advisors from Numi Tea, Lotus Foods, and REBBL.

OSC² UNIVERSITY

Our continuing education program gives our Core & Rising Star members and their staff access to Fortune 500 level professional development courses throughout the year. The curriculum includes both soft skills and technical training. Similar to a business school cohort, participants study with fellow members on an ongoing basis. This allows instructors and participants to draw on familiar examples from course to course and to put their learnings to work immediately on live cases.

Industry Initiatives

For members and non-members alike

JUSTICE, EQUITY, DIVERSITY, AND INCLUSION (JEDI) COLLABORATIVE

OSC²'s JEDI Collaborative is committed to establishing the business case for diversity, equity, and inclusion across the entire food & agriculture ecosystem. A key part of this work is launching pilot impact programs in five OSC² member companies from 2019 to 2020. We are also undertaking an industry-wide benchmarking initiative in parallel. This work will benefit our industry, our companies, our teams, our board, and ultimately our planet. The natural products industry is a leader in innovation and is on the front lines of many important sustainable food and agricultural movements. Making meaningful progress on diversity, equity, and inclusion in our industry should be no different.

JEDI Collaborative Vision and Goals: A diverse natural products industry workforce and leadership, as reflective of the US population, equitable and inclusive, especially in terms of decision making now and in the future. We realize a true JEDI Culture where those who have been marginalized are lifted up, heard, and become recognized contributors to the success of the industry. In addition, companies within the industry influence their supply chain partners and their customers to embrace diversity, inclusion and equity. The natural products industry becomes a model of how this gets done in other industries.



CLIMATE COLLABORATIVE A PROJECT OF OSC² AND THE SFTA

The Climate Collaborative was born from a belief that by working together, the natural products industry can leverage collective impact to combat climate change. Since launching on Climate Day at Expo West on March 8, 2017, the Climate Collaborative has experienced overwhelming support, with 400+ participating companies and over 700 climate action commitments logged to date. To support this growing movement, the Climate Collaborative produces a series of industry webinars, facilitates a climate action projects, and via its annual awards program and communication channels, recognizes companies for their exemplary work on climate change.



PACKAGING COLLABORATIVE

OSC² formed the Packaging Collaborative to prevent petroleum-based flexible packaging from ending up in landfills and oceans by developing compostable and renewable film structures. We believe that the best way to address packaging is to share our learnings and steer the industry towards leading-edge solutions. The Packaging Collaborative is comprised of over 25 companies, including, Numi Tea, Alter Eco, Happy Family, Regrained, Plum Organics, Amy's Kitchen, Ben & Jerry's, Lotus Foods, Lundberg Rice, Patagonia Provisions, Nature's Path, Kuli Kuli, Sambazon, and many more.

"You never change things by fighting the existing reality. To change something, build a new model that makes the existing model obsolete." — Buckminster Fuller

With support from the Packaging Collaborative, Alter Eco, successfully launched an industry-leading, compostable, non-gmo pouch for its line of quinoas. Since then, the Packaging Collaborative has utilized this momentum to support the development and launch of Numi Tea's overwrap application. Our current focus areas include: 1. shelf-life testing next generation films, and 2. Accelerating design innovation by redesigning the system with the best minds in packaging, sourcing, branding, and waste.



GONE 4 GOOD

Member Impact in Action

34

Participating Companies

65%

are Certified B Corp Companies



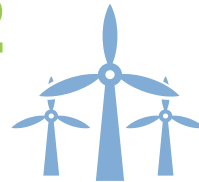
85%

of Leadership Teams retain Female and/or Minority Workers



290,082,962

Lbs. of Organic Agriculture Purchased



18,509

Metric Tons of CO2 Offset and/or Renewable Energy Credit (RECs)

271,144

Total Forest Acres Conserved



30,480,168

Total Trees Planted and/or Conserved

\$6,408,380

Total Fair Trade Premiums \$'s Paid Directly to Farmers



\$6,989,895

Total Social/Enviro Impact \$'s Paid Directly to Farmers

Our Partners

PARTNER THANK YOU'S

OSC² would like to extend a special thank you to our amazing partners.

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Member Impact in Action

Read more stories at www.osc2.org

Alter Eco **AGRICULTURE / FORESTS**

Alter Eco continues to partner with PUR Projet as well as their cacao producing partners at the Acopagro Cooperative to reforest the San Martín region of Peru. This area suffered severe deforestation in the 1980s as it became a red zone for coca (cocaine) production. In addition to replenishing the rainforest and sequestering carbon, these projects also provide a retirement program for farmers, as the trees planted are high-value native species that allow them to diversify their revenue. These projects allow Alter Eco to be a carbon negative business, as it offsets more than it emits. Since 2008, they have compensated their full carbon footprint from office emission, to farmer emissions and end of life emissions.

Dr Bronner's **RENEWABLE ENERGY**

A Quest for 100% Renewable Energy Through a combination of on-site solar power, a program through our local utility to buy local renewable power, and now thanks to a unique partnership between Organic Valley and fellow B Corp OneEnergy Renewables generating 30MW of new solar power on organic farms in the Midwest—Dr. Bronner's purchased enough RECs (renewable energy certificates) to take it from ~80% renewably powered in 2017 to 100% renewably powered in 2018! Closer to home, to advance even more renewable power use beyond our factory, Dr. Bronner's installed 14 electric vehicle charging stations, offering free charges to employees along with \$1,000 toward the purchase of an electric vehicle.

FruitGuys **FOOD WASTE**

The FruitGuys has had a zero waste policy since it started and all excess fruit is donated to local food banks, charities, and organizations that fight hunger in the communities it serves. St. Anthony's Dining Room in San Francisco was its first direct donation recipient in 2000 and they continue to be a partner. In 2017, 2,245,184 servings of fresh fruit was delivered to people in need via food banks and nonprofits in the San Francisco, Los Angeles, Seattle, Phoenix, Dallas, Chicago, Philadelphia, Boston, Baltimore, and New York areas. Lovin' Spoonfuls Food Rescue, a hunger relief organization in Boston, received nearly 55,000 servings of fruit from both direct donations from The FruitGuys and client-donated fruit via the Donate-a-Crate program. "In 2017 alone, we collected [enough] fruit from The FruitGuys—to distribute across seven nonprofit agencies that feed hungry people each week," said Communications Director Katy Jordan. "It's meaningful partnerships with companies like The FruitGuys that enable us to keep fresh, healthy food out of landfills, and help alleviate hunger in our communities."

Happy Family **TRANSPORTATION**

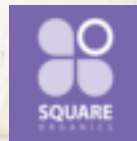
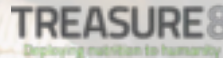
Knowing that transportation makes up roughly a quarter of Happy Family's full-scope carbon footprint, Happy Family began looking for ways to reduce its impact in 2017. Using the Environmental Defense Fund's Green Freight Handbook as a guide, it zeroed in on transitioning a portion of our inbound domestic raw material transportation from truck to rail. It worked with key Third Party Logistics (3PL) companies to identify the most cost-effective and strategic lanes to move, and transitioned close to 20% of its domestic inbound raw material volume to intermodal lanes. This move has the potential to reduce Happy Family's transportation footprint by roughly 150 metric tons. Happy Family has also simultaneously been working with its 3PL providers to measure and increase its usage of EPA SmartWay certified carriers to further reduce its logistics footprint.

Lotus Foods **PACKAGING**

Lotus Foods is on a mission to make all of its packaging either compostable or recyclable. In the meantime, as it tackles this big challenge, it is making important strides to reduce the thickness of its rice and ramen bags in order to reduce packaging materials usage. Lotus Food's Ramen singles packaging has been slimmed down by 25%, the Ramen 4 packs by 12.5%, and its Rice retail bags by 18%. It has also developed a pallet return program with its business partner in China, which reduces landfill by extending the pallet life-cycle, and provides cost savings to Lotus and the supplier.



Member Companies



For more information or to inquire about joining the OSC² community, contact Lara or Michael at info@osc2.org

www.osc2.org

OSC² is a 501 C6 Nonprofit Trade Organization

OSC²'s Annual Report is sponsored in part by:

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