

Sustain

SUSTAINABILITY

Precision Agriculture
For Maximum
Resource-Use Efficiency



Check us out!



Good from the ground up

Lipman Family Farms is the nation's largest integrated network of local growers, fresh-cut processors, and distributors. For more than 80 years, we've delivered delicious, safe, high-quality produce to our customers and consumers.

We pride ourselves on being good stewards of fresh produce and people, and we're inspired to create growth that nourishes everyone.

Why Family is in our Name



1930s

Max and Ella Lipman began to show an interest in wholesale produce when they started a tomato cart in New York City's Washington Street Market.



1950s

They found opportunity in Immokalee, FL and planted roots here, beginning their commercial farming business.



2000s

The Lipman name grew and the company began operating as a repack operation and fresh-cut operation in New Jersey.



2010s

Lipman grew exponentially, acquiring 8 produce companies in 10 years, now operating across the USA, Canada, and Mexico.

TODAY

Still 100% owned by family, Lipman Family Farms has become the nation's largest tomato grower, sold to most grocery store chains and foodservice restaurants across the country.



We have locations across North America, where we grow, distribute, work, and live.



UNITED STATES

NEW JERSEY (NJ)
• West Deptford

MARYLAND (MD)
• Westover

VIRGINIA (VA)
• Belle Haven
• Exmore
• Painter
• Birdsnest
• Machipongo
• Melfa

ARKANSAS (AR)
• Clarksville

TENNESSEE (TN)
• Knoxville

NORTH CAROLINA (NC)
• Hendersonville
• Clinton

SOUTH CAROLINA (SC)
• St. Helena
• Varnville
• Beaufort

FLORIDA (FL)
• Ruskin
• Estero
• LaBelle
• Naples
• Immokalee
• Tampa

TEXAS (TX)
• Dallas
• Edinburg

NEBRASKA (NE)
• O'Neill

COLORADO (CO)
• Frederick
• Denver

ARIZONA (AZ)
• Nogales
• Glendale

CALIFORNIA (CA)
• Otay Mesa
• South Dos Palos
• Livermore
• Manteca
• Los Banos
• Brentwood

OREGON (OR)
• Gresham
• Portland

CANADA

ONTARIO (ON)
• Exeter
• Strathroy

MEXICO

• La Cruz
• Guasave, SIN
• Hermosillo, SON
• Irapuato, GTO
(STRATEGIC ALLIANCE WITH GREENHOUSE 365)
• San Quintin, Las Escobas, BC
• El Vizcaino, SIN
• Baja
• Tequisquiapan, Queretaro
(STRATEGIC ALLIANCE WITH EL CIPRESS)

CENTRAL AMERICA

• El Salvador
(STRATEGIC ALLIANCE WITH HIDRO EXPO)

MAP LEGEND



Word

Sustainable

Adjective

definition

1. Able to be maintained at the current rate or level
2. Able to be upheld or defended

Question

What do we do every day to make sure that this company will be maintained and upheld in the future?



What is Sustainability?

As it pertains to business

Sustainability is a management approach For the key issues affecting our company's long-term success

- Employee health & safety
- Operational efficiency & profit
- Resource cost & availability
- Regulatory compliance
- Customer relations & brand image
- Ethical leadership



Sustainability = continuous improvement

Major topics “ESG”



Environmental

- Resource consumption & availability
- Pollution



Social

- worker health & safety
- human rights



Governance

- Management ethics
- Economics & finance



Sustainability = continuous improvement

Our customers care

sustainability is a competitive advantage

#1 Walmart

“Our approach to ESG topics is rooted in our company’s purpose and long-term business strategy”

- USA and Mexico produce supply chain is top priority for sustainable sourcing – requests yearly sustainability scorecard from Lipman
- Goal to double sales of locally grown produce in the US and move to 100% recyclable packaging by 2025

#2 US Foods

“Our commitment to providing sustainably sourced products, caring for people, and protecting the environment exemplifies our approach to Corporate Social Responsibility”

- Implements a “Serve Good” program for offering products that are responsibly sourced and contribute to waste reduction
- Requesting fair trade and sustainable packaging certifications for agriculture products

#3 Chipotle

“Sustainability is at the core of our business”

- Requires all suppliers to comply with a set of environmental standards and provides support for developing sustainability goals
- Implements yearly supplier auditing for environmental and social impacts



Sustainability = continuous improvement

Companies issuing Sustainability commitments & reports



Sustainability = continuous improvement

Consumer Interest

77%

of Americans say that sustainability informs their food purchasing decisions, ranking only behind family satisfaction and nutrition Source: 2014 Cone Communications Food Issues Trend Tracker

78%

wish companies would share more about environmental impact in 2020 Source: Kearney consumer survey accessed through www.fooddrive.com

1,080% increase

in revenue of Fairtrade-labeled products from 2004 to 2018, from less than \$1M to \$11.5B Source: www.statista.com



Sustainability = continuous improvement

Sustainability is more than just compliance

“

“Sustainability is a journey. It begins with compliance but becomes more proactive understanding, prioritization, and management of key issues that affect long-term success”

- *McDonald's 2016
Sustainability Roadmap*

”



Sustainability = continuous improvement

Lipman knows Sustainability

Lipman has always invested in sustainability



State-of-the-art farming technology & practices



Supporting employee education & health

Protecting workers' rights

Food safety innovation



Ensuring transparent and ethical leadership



Donating to local communities and causes



State of the Art Farming Practices

Computer-Controlled Drip irrigation company wide

1. All drip since 1992
2. Auto-drip computer control centers are powered completely by solar panels
3. Reduces water usage by up to 70%. That's a reduction of 66 million gallons of water on Florida's aquifer
4. On farm weather stations also measure temperature and precipitation to calculate 'evapotranspiration' allowing us to be proactive to weather changes
5. System can adjust automatically



1. Reduces diesel fuel usage because pumps are running less
2. Less stress on plants = higher yielding plants better reduce diseases and pests further reducing inputs
3. Farms are broken into 'irrigation zones' of 5-50 acres to meet the individual needs of different crops and soils
4. 6 readings per day allows for constant adjustments
5. Drip system is also utilized to apply fertilizers – more uptake, less waste/runoff



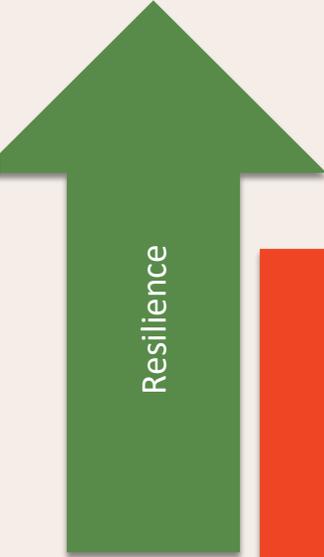
Sustainability = continuous improvement

State of the Art Farming Practices

Soil Probes/Electrostatic Sprayers

1. Soil Probes

2. Improve water and nutrient use efficiencies
3. Probes measure soil temps, moisture, and electrical conductivity (nutrient content)
4. Allows us to adjust all of our input schedules
5. Helps us maintain a constant moisture level in our planting beds



Resilience

1. Electrostatic sprayers/New nozzles

2. Allows for more targeted crop protection programs
3. Represents a 30% decrease in inputs



Risk



Sustainability = continuous improvement

State of the Art Farming Practices

Improved Plant Bed Design

1. We collaborated with University of Florida Institute of Food And Agricultural Services (UF-IFAS)
2. Higher and narrower beds on 100% of our farms
3. Better water uptake and nutrients meaning less inputs
4. Improved drainage, less dirt on the plants, and better support for plants/stakes – cleaner farms and better pest/disease control
5. Easier for harvesters to pick vegetables – less injuries



1. Reduced water use by up to 35%
2. Reduced nutrient/chemical leaching by up to 50%
3. Reduced overall carbon footprint up to 10% (less energy use for irrigation pumping)



Sustainability = continuous improvement

State of the Art Farming Practices

Fiberglass Stakes

1. We used wooden stakes for 50 years
2. Recently transitioned to fiberglass stakes
3. Higher upfront cost
4. Should last 15 yrs vs 3-4 yrs



Resilience

1. Easier on farm labor to input and remove – lighter, can be manually installed



Risk



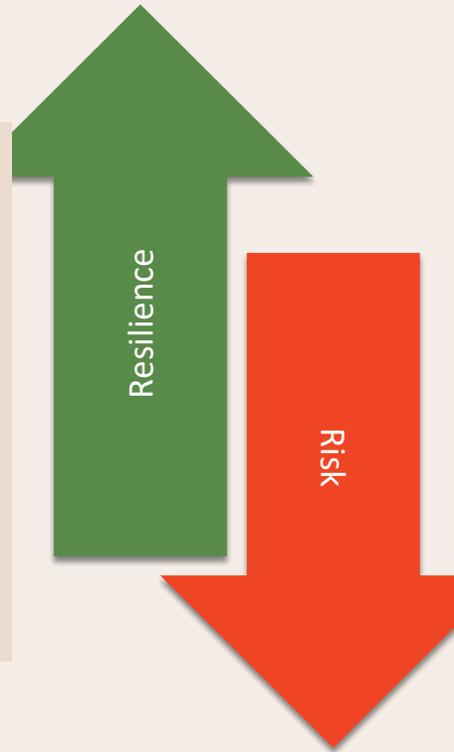
Sustainability = continuous improvement

State of the Art Farming Practices

Cutting Edge Research and Development/Technology

1. Research and Development

2. Lipman has invested millions in tomato R&D
3. Created over 30 non-GMO hybrid varieties through traditional cross-breeding
4. Better taste, better yields, more disease and pest resistance
5. Creates significant input reductions



1. Data/Business Intelligence (BI)

2. Collecting data on everything from yields and weather to harvest schedules, etc
3. We create new algorithms to better predict crop performance
4. Helps us plan for labor and input needs
5. More of a 'just in time' approach to farming further reducing inputs



Sustainability = continuous improvement

State of the Art Farming Practices

Accelerator/Innovation Team

1. Created team of leader/innovators across all operations that look at all of our practices to see where we can improve
2. Harvest assist
3. Waste products, tomato seeds, cull tomatoes utilization, recycled water, heating processes



Sustainability = continuous improvement

Human/Social Sustainability

Social Accountability and Development

1. Lipman's goal is to be the employer of choice
2. We are a leader in labor management
3. We promote social accountability through constructive engagement with workers and protection of workers' rights
4. Coalition of Immokalee Workers (CIW) – worker based human rights organization
5. We were one of the first tomato growers to sign on
6. Set up a framework for worker protections and supplemental pay
7. Multiple audits every year on each farm



1. **Housing**
2. Industry leading housing infrastructure
3. Over 6,000 company-owned beds
4. Provided for free
5. Strategically located for less travel miles
6. **Training and Development**
7. Focused on management levels
8. Multiple training programs ongoing at any given time
9. Gives us 'bench strength'

Human/Social Sustainability

H-2A Program

1. Largest in the country
2. In-house full time staff manages every aspect of the program
3. Likely to be expanded in the future
4. Guarantees available labor for our company but ensures that farm labor is be treated fairly and consistently



Sustainability = continuous improvement

Community Sustainability

Commitment to giving back

1. Commitment to give back to each community we operate in
2. Children, Education, and Hunger Relief
3. Our employees consistently perform community projects at their locations
4. 'Day Of Good'
5. Backpack Drive
6. Scholarships
7. Employee Support



Sustainability = continuous improvement

The Lipman Vision

Good From the Ground Up

To be north America's largest integrated network of fresh vegetable growers, fresh-cut processors, and distributors

Question

Is Lipman a large corporate food supplier that will be held to the highest standards by our customers and the public? - *the answer is YES!*



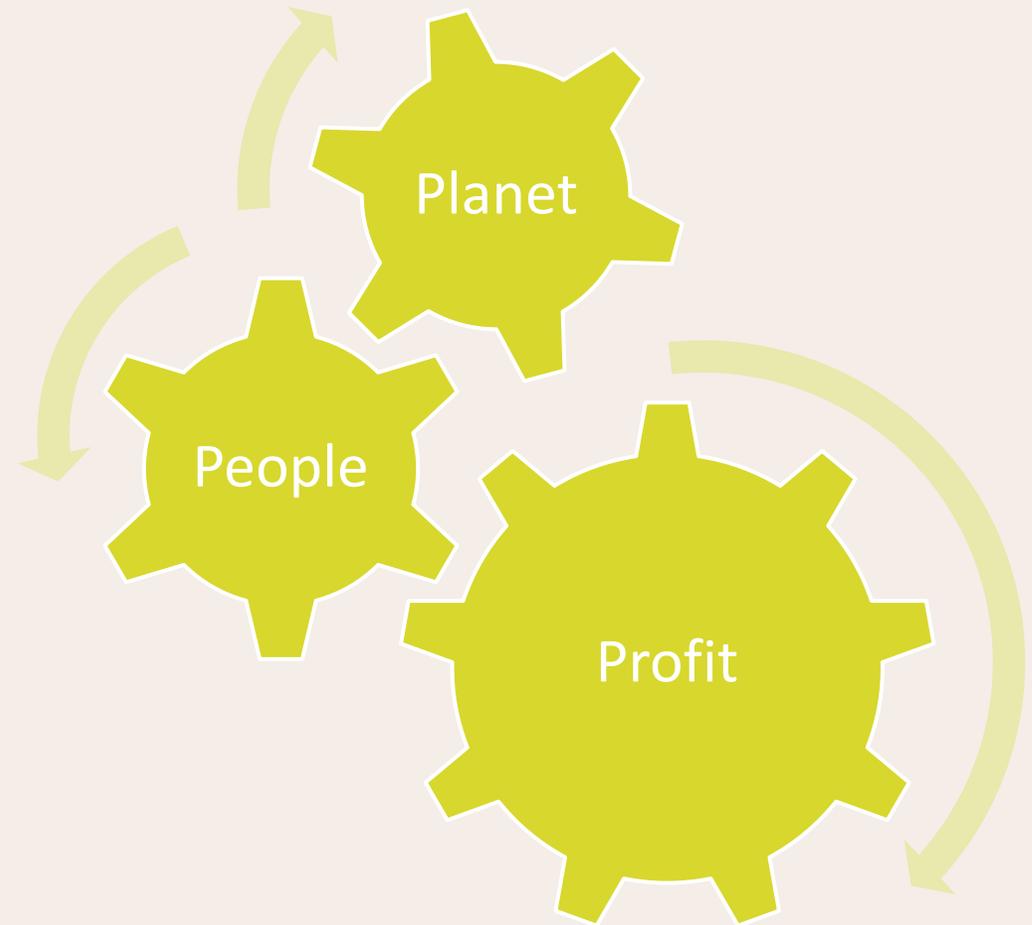
Sustainability = continuous improvement

End Goal

The “Triple bottom Line” ...

1. Healthy People
2. Healthy Planet
3. Strong Profit

... for **Thriving** well into the future



Sustainability = continuous improvement

Sustain

Good From the Ground Up

