



# MANNATREE

**2021 Annual ESG Report**  
Portfolio Company Updates





# Manna Tree & ESG

Manna Tree's 2021 Annual ESG Report highlights the ESG practices of our portfolio company's.<sup>1</sup> Using the 2021 baseline assessments for each company, our goal as a firm is to annually showcase each company's progress towards ESG practices they aspire to improve. By using a third party consultant to conduct the baseline assessments, Manna Tree has established a non-biased perspective on our portfolio's ESG practices. While we see the value an ESG lens brings to our portfolio, the only characteristics that play a determinative role in Manna Tree's investment decision making relate to human health (or, "+H"). This generally leads to the exclusion of investments that are counterproductive to human health.

Over the past 20 years, a majority of consumers have come to desire and are choosing healthier food and beverage options.<sup>2</sup> We are demanding cleaner ingredients, more nutrient dense foods and transparency in the supply chain. This is a critical change when 88% of Americans are metabolically unhealthy.<sup>3</sup> Furthermore, recent geopolitical and economic pressures have highlighted the importance of a resilient food supply chain, and a pandemic has reminded our global society of the importance of human health — and each lever that impacts it. Given the convergence of secular trends, we believe the food and beverage businesses that are poised to achieve scale and category leadership are those that promote human health.

Manna Tree was founded in 2018 with the aim of capitalizing on this transformation occurring in the global food and beverage industry. We strive to improve human health by investing in growth stage companies scaling healthy innovations in food and nutrition.

Located in Vail, Colorado, the Firm has raised over \$560 million and is supported by global investors representing 18 countries. The companies in our portfolio reflect the diverse areas of the food supply chain where innovation can improve nutrition. From a technology enabled logistics and distribution business to an infant probiotic, from plant-based ingredient innovations to indoor controlled agriculture, these companies not only encompass our ethos but they are engaged in ESG practices intended to both increase their value and benefit society.

<sup>1</sup> For Manna Tree, ESG factors are non-financial indicators that can influence, or be influenced by, Manna Tree's investment. ESG factors are not determinative in our investment decision making

<sup>2</sup> <https://foodindustryexecutive.com/2019/03/consumers-say-they-want-to-eat-healthy/>

<sup>3</sup> <https://www.forbes.com/sites/nancygagliardi/2015/02/18/consumers-want-healthy-foods-and-will-pay-more-for-them/?sh=676c0e6c75c5>

# Our Portfolio Companies



**Verde Farms**  
Natural and organic  
grass-fed beef

**P&P** **L&D** **CP**



**Gotham Greens**  
Urban greenhouse grown  
sustainable farming

**P&P** **L&D** **CP**



**Urban Remedy**  
Ultra-fresh high organic  
and nutrient dense prepared  
foods and juices

**CP**



**The New Primal**  
Producer of all-natural clean  
label protein snacks, condiments,  
sauces and seasonings

**CP**



**Nutriati**  
Ingredient technology company  
producing the industry's most  
functional plant-based ingredients

**P&P**

**P&P** Production & Processing

**L&D** Logistics & Distribution

**CP** Consumer Products

**PN** Precision Nutrition



**Evolve\***  
Infant probiotic to restore  
infant gut microbiome

P&P CP PN

\*As of 10/01/2022, Evolve BioSystems rebranded as In infant Health.



**Health-Ade**  
Producer of naturally fermented  
functional beverage (kombucha)

P&P CP



**Cheetah**  
Wholesale food marketplace and  
supply chain service provider  
servicing independent restaurants

L&D



**MycoTechnology**  
Fungi based food technology  
platform

P&P



**Vital Farms**  
Pasture-raised egg company  
that offers a range of ethically  
produced foods nationwide.

(EXITED)\*

P&P CP

\*The Fund has divested 100% of the Vital Farms, Inc (NASDAQ: VITL).

**MANNATREE**

## PORTFOLIO COMPANY ENGAGEMENT



### Cheetah

Founded in 2015, Cheetah is a wholesale food distributor that supplies independent restaurants and other small businesses in the Bay area. Utilizing Cheetah's digital application, customers are offered transparent pricing for a vast catalog of products – food and other supplies – with next day fulfillment. Cheetah is founded and run by food industry veterans, supply chain and logistics experts, chefs, engineers, and data scientists who have come together in their mission to empower restaurateurs and help their business thrive.



Currently sustainability initiatives employed by Cheetah include an in-house algorithm used for the optimization of delivery fleet routes, potentially reducing the number of miles driven and associated carbon emissions for every product order delivered. Cheetah looks to give back to the community and maintains partnerships with charitable organizations whose mission it is to fight hunger within local populations. One such partnership Cheetah maintains is with the Open Heart Kitchen who helps to feed those who have lost their job or are otherwise facing financial hardships. Cheetah not only directly donates food supplies to these organizations, but also encourages members of the community to participate through direct food donations or volunteering their time to this effort and, in 2021, was able to donate \$78,000 worth of food items. Additionally, in 2022, Cheetah plans to source a sustainability consulting firm to analyze the current state of their ESG initiatives and to build out the future sustainability strategy for the Company.



## **Evolve Biosystems**

Evolve Biosystems is a biotechnology company that has developed a clinically proven probiotic, Evivo, to restore and remodel the infant gut microbiome. The Company was founded in 2012 as a spinoff of the UC Davis Foods for Health Institute and builds on more than a decade of research into understanding the unique partnership of the infant gut microbiome and breast milk components. Eighteen peer-reviewed studies have been published demonstrating the safety and efficacy of Evolve BioSystem's proprietary strain of probiotic with an ongoing series of additional landmark clinical trials across human health applications.

Evolve is participating in a number of clinical trials to determine their probiotic's role in preventing a number of illnesses and conditions that affect children. In March of 2021, Evolve Biosystems announced that its product will be used in one of the largest international clinical studies on preventing type 1 diabetes (T1D) in genetically predisposed children. Evolve Biosystems is also one year into a study with Janssen to investigate whether infant probiotic Evivo can reduce development of early childhood atopic dermatitis, which is implicated in asthma, allergic rhinitis and food allergies, and affects up to 20% of children.



## PORTFOLIO COMPANY ENGAGEMENT



### Gotham Greens

Gotham Greens is a fresh food company on a mission to transform the way consumers approach the food system, putting people and the planet at the forefront. The Company produces and delivers long-lasting and delicious leafy greens, herbs, salad dressings, dips and cooking sauces all year round to retail, restaurant and foodservice customers. A **Certified B Corporation™**, Gotham Greens farms with the future in mind through a national network of climate-controlled, high-tech greenhouses in cities across America. The Company's sustainable farming practices allow Gotham Greens to grow salad greens and herbs year-round while conserving 300 acres of land



and 270 million gallons of water annually compared to conventional farming practices. Gotham Greens' unique irrigation techniques use less than one gallon of water to grow a head of lettuce compared with up to 10 gallons used in conventional open-field farming. The Company's products are grown within a day's

drive of its consumers. Building greenhouses next to large urban populations and distributing produce regionally allows Gotham Greens to reduce transportation time, fuel consumption and associated carbon emissions. Gotham Greens products get where they're going faster, stay fresh longer, and retain more of their nutrients, which helps to reduce food waste.

Understanding the importance of reducing the impact of their operations on the environment, Gotham Greens has established rigorous, forward-looking sustainability goals in 2021:

**Goal 1:** Reduce plastic packaging for leafy greens and herbs by 40% by 2024

In 2021, Gotham Greens introduced new lidded film packaging for its salad greens, which reduces plastic packaging for their lettuces by more than 30%.

**Goal 2:** Achieve a reduction of 5% in their electricity use intensity by 2024 and reduce their Scope 1 and 2 greenhouse gas emission intensity by 5% by the end of 2024

Gotham Greens is committed to strengthening the communities in which it operates through business, philanthropy, and development initiatives. As a pioneer in urban farming and indoor growing, Gotham Greens partners with community organizations and non-profits that promote environmental education and wellness programming. In 2021, Gotham Greens donated over 50,000 plant seedlings to local gardens, schools, and community centers. By advancing and promoting urban food production, the Gotham Greens is improving local communities and getting consumers to eat more plant-based foods.



## PORTFOLIO COMPANY ENGAGEMENT



### **MycoTechnology**

Established in 2013 and based in Aurora, Colorado, MycoTechnology creates products from mushroom mycelia that solve the biggest challenges in the food industry. The world's leading explorer of mycelia, MycoTechnology is dedicated to increasing the availability of healthy, sustainable, clean label and high-quality food options through natural mushroom fermentation. Since its inception, MycoTechnology has been committed to building a sustainability culture which runs throughout its entire infrastructure as well as its workforce. This commitment has resulted in the company repeatedly earning recognition for its sustainability efforts, including:

- In 2019, MycoTechnology was announced as a regional winner by Engineering News-Record (ENR) Mountain States for Best Projects in Manufacturing for the Company's facility design which facilitates future flexibility and expansion.
- MycoTechnology was recognized as the 2020 Food Engineering's Sustainable Plant of the Year for its water and energy saving design of the production facility and corporate headquarters as well as the sustainability of the Company's production process.
- In 2020, MycoTechnology was recognized in The Radicle Protein Challenge by Syngenta for the Company's novel solutions to support the future of protein and improve global food security.
- MycoTechnology received the 2021 Bronze Environmental Achievement Award from the Colorado Department of Public Health and Environment's Environmental Leadership Program for the Company's voluntary and significant environmental project with one year of clean compliance.





## The New Primal

Based out of Charleston, South Carolina, The New Primal has been offering clean, healthy, and low sugar protein snacks since the Company's inception in 2012. Since then, their product offerings have expanded to include protein snacks for kids and a line of Noble Made sauces, marinades, dressings, condiments, and seasonings. The beef sourced by The New Primal is grass-fed, feedlot free, and hormone free, confirmed through the various audits required for the Company's retailers such as Whole Foods Market. The Company's products maintain certifications such as Gluten-Free, Keto, and Whole 30 Approved. Additionally, the products avoid common allergens such as soy, wheat, gluten, and dairy.



The New Primal recently implemented new packaging innovations for their mini meat stick offerings, moving towards an easy-to-open customer-facing package that eliminates additional materials and is ready for retail shelves. Developed by The New Primal team over a span of eight months, this unique, more sustainable packaging will reduce material usage by 41%. Additionally, it will help to decrease labor times while improving workforce efficiency.



## PORTFOLIO COMPANY ENGAGEMENT



### Nutriati<sup>1</sup>

Founded in 2013, Nutriati's company mission is to provide healthier, better ingredient options for food manufacturers which help to drive the livelihood of farmers while creating a positive environmental impact on our planet. The Company's focus is on the utilization of chickpeas to produce a variety of products, including gluten- and allergen-free flour, protein powder for plant-based protein options, and other custom food creations.



The production of Nutriati's innovative products are shown to have reduced impacts as compared to traditional food manufacturing processes. Through the Company's patented Artesa PureProcess extraction process which can be utilized on any plant-based ingredient, Nutriati is able to lower water consumption to zero, saving 20 gallons of water per kilogram of protein isolate as compared to other conventional manufacturing and extraction processes. Additionally, the efficiency of the Company's manufacturing processes is shown to be approximately three times as efficient as traditional processes, leading to decreased amounts of raw materials required.





## Verde Farms

Verde Farms provides grass-fed, 100% organic beef in stores across America.

Verde Farms sources the majority of its beef from Uruguay, which is the 7th largest beef exporter in the world and ensures that no chemical fertilizers or synthetic pesticides are applied for organic production. Verde places a high importance on not only the quality of its product, but also food safety. The Company facility in New Jersey maintains SQF (Safe Quality Food) certification and has achieved a ranking designation of “Excellent” for its operations. In addition, Verde employs a number of strict certification and food safety measures in its supply chain processes, including:

- Animal Welfare audit following the Protocol of Good Animal Management Practices
- Global Food Safety Initiative 3rd party audit
- Hazard Analysis and Critical control Point (HACCP) plans
- Organic certification
- USDA FSIS Label approved



## CASE STUDY

# URBAN REMEDY

**Founded in 2009, Urban Remedy provides over 50 different convenient and healthy meals, snacks, desserts, drinks, and juices in fully recyclable packaging – and made entirely from recycled content. The Company utilizes 100% CCOF (California Certified Organic Farmers) organic ingredients from small-batch California producers to serve approximately 5.3 million healthy meals to consumers across the United States.**

### **Upcycling of Organic Pulp Byproducts**

During the process of producing some of the Company's pressed juice offerings, vegetable and fruit pulp is created as a byproduct. Due to the high quality and organic status of the pulp, this byproduct can be utilized and upcycled in a variety of different ways.



In 2020, Urban Remedy was able to upcycle and utilize approximately 3,000 lbs of organic pulp for their own products such as their Veggie Crackers and Upbeet Vegan Cheeseburger Wrap. Urban Remedy maintains several community partnerships which utilize the pulp for gardening and composting means, donating approximately 15,000 pounds of pulp to these organizations. Additionally, one of the Company's largest initiatives currently is the application of their pulp byproduct within their own product offerings as a future initiative. The Company is also looking to further expand their community partnerships for application of their pulp byproducts, potentially outside of the sphere of gardening and composting uses.

### **Community Partnerships and Impacts**

In 2020, Urban Remedy made the decision to further promote community engagement within their workforce by offering paid time off for employees to utilize for volunteer hours, providing full time employees with eight hours per year and part time employees four hours per year to volunteer with organizations and projects important to them. This has allowed for an annual goal of approximately 650 hours of paid team community service hours across the Company's workers. Currently, Urban Remedy's volunteer efforts have been the product of grassroots engagement throughout their workforce. In the upcoming years, the Company hopes to continue and encourage this approach as well as promote and focus on volunteer hours accomplished by their employees.



Urban Remedy has also worked with various community engagement partners throughout the year, including MeWater Foundation, Friends of Trees, Feed the Streets LA, and many other organizations. These partnerships include donations of the Company’s food and beverage products as well as employee volunteer hours. In 2021, Urban Remedy was able to donate approximately \$175,000 worth of products to their various partners to help fight hunger within the communities.



### **B Corporation Certification**

While Urban Remedy has maintained B Corporation Certification since 2017, many of the initiatives and programs relevant to certification and scoring have been a part of the Company’s culture for many years prior. Urban Remedy has been living and implementing B Corporation values since the Company’s inception, but the formal certification process not only brings outside credibility to Urban Remedy’s initiatives but has also led to more formalized accounting and tracking of Company impacts and initiatives as well as allowing for more employees to become educated regarding Urban Remedy’s values and actions to continually improve on its impacts across the various B Corporation categories: governance, workers, community, environment, and customers.

## CASE STUDY



**HEALTH·ADE  
KOMBUCHA®**

**Health-Ade is a leading producer of organic, high-quality fermented kombucha tea in California, on a mission to unlock the power of the gut. While Health-Ade's product is focused on human health, its operations help promote a healthy environment too.**

### **Water Stewardship**

In 2021, Health-Ade expanded their operations by opening a new brewery location in Los Angeles whose processes and wastewater treatment options were designed with sustainability efforts in mind. Such designs include the use of reverse osmosis for treatment of the brewery's wastewater created from the production of kombucha, thus allowing for reduced water usage through water regeneration efforts. These choices help Health-Ade save approximately 6,000 gallons of water per week.

### **Packaging and Waste**

Within recent years, packaging materials and the waste associated from them has become increasingly important across industry sectors in the United States. Health-Ade does their part in working to eliminate plastic packing by committing to never putting

their liquid products in plastic packaging and has maintained over 80% of their packaging material as recyclable. In addition, Health-Ade also has committed to not introduce any additional plastic into their manufacturing and packaging processes, instead promoting the use of glass bottles and aluminum cans for their products.

Along with limiting materials which cannot be recycled in production, Health-Ade also maintains high levels of recycling recovery rates for their brewery and manufacturing processes, recycling approximately 86% of the Company's total waste stream in 2021. While the average industry standards to manufacturing recycling rates in Los Angeles are approximately 30%, Health-Ade has committed to maintaining a year-over-year manufacturing and production recycling rate of over 85% of the Company's total waste stream.

### **Carbon Emissions**

Health-Ade has also employed annual initiatives to reduce their carbon footprint by optimizing freight delivery. Through these efforts, Health-Ade was able to reduce the number of trucks utilized by 142 vehicles in 2020, leading to over 200,000 less miles driven overall. In 2021, even greater mileage and carbon emissions reductions were realized by reducing the number of trucks used by over 1,000, resulting in over 1 million less miles driven. Health-Ade was able to make these reductions while increasing sales in both 2020 and 2021 at the same time.



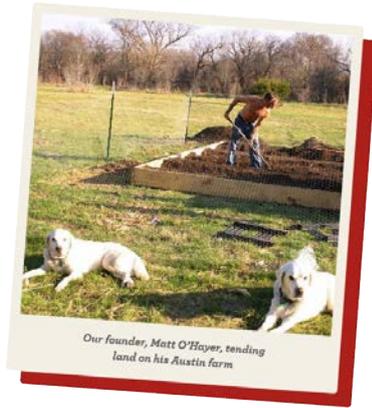
**MANNATREE**

## CASE STUDY



**Vital Farms<sup>1</sup> is one of the few pasture-raised egg companies in the United States, a Certified B Corporation that offers a range of ethically produced foods nationwide.**

Started on a single farm in Austin, Texas in 2007, Vital Farms is now a national consumer brand that works with over 275 family farms and is the leading U.S. brand of pasture-raised eggs by retail dollar sales. Its values are rooted in the principles of Conscious Capitalism, and decisions are made based on what's sustainable for all stakeholders who include farmers and suppliers, crew members, customers and consumers, community and the environment, and stockholders). Their pasture-raised egg and butter products are sold in over 21,000 conventional and natural grocery stores, as well as foodservice outlets nationwide. Their



operations include over 275 farms based in Texas, Missouri, Arkansas, Tennessee, Oklahoma and Georgia, all raising laying hens in a total outdoor pasture system, with access to shelters at night.

### **Animal Husbandry**

At Vital Farms, each hen receives at least 108 square feet of pasture on which they have the freedom to roam and forage during the daytime for natural food sources like native grasses and insects. This contrasts with how most egg-laying hens in the U.S. are treated, which includes confinement in battery cages or cage-free conditions where they live in large flocks and rarely or never go outside. With over 275 farms in its network, Vital Farms is enabling over 3.4 million hens to live a life outdoors on pasture, free of confinement.

The company also sells butter and ghee that comes from cows raised on U.S. family farms by farmers who embrace rigorous animal welfare standards and have committed to version 4.0 of the FARM Animal Care Program. All farms follow the Five Freedoms of animal welfare: #1 Freedom from hunger; #2 Freedom from discomfort; #3 Freedom from pain, injury or disease; #4 Freedom from fear or distress and #5 Freedom to express normal behaviors. All cows are allowed to express their natural behaviors, socialize with their herd, and have plenty of room in the barns to eat, drink, and lie down in a clean, dry space whenever they desire.

<sup>1</sup>The Fund has divested 100% of the Vital Farms, Inc (NASDAQ: VITL).



## Land Conservation

At Vital Farms, every egg farmer in a network of over 275 family farms practices pasture rotation in over 8,400 acres of land, a method that rejuvenates the land naturally without herbicides or pesticides. Farmers use silvopastoral systems that intentionally integrate trees and forage on the same land used to raise animals.

This allows farmers to leave their trees intact, creating an additional source of income from land that would otherwise have to be deforested.

## Packaging and Waste

In terms of packaging, Vital Farms uses hybrid egg cartons that are made from 100% recycled material and have a carbon neutral lid, which has saved over 33,000 trees since launch. The PET egg cartons are recyclable and made from 100% recycled material.



## Community Partnership and Impact

In 2021, Vital Farms donated over 588,000 pounds of food, including 1.7 million shell eggs, 7,700 pounds of butter, and 31,000 pounds of liquid eggs to Ozarks Food Harvest, located just a few miles from their processing facility. These donations provided over 490,000 meals to food insecure families in southwest Missouri.



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