



OUR COMMITMENT TO CONSCIOUS CAPITALISM

Inaugural Sustainability Report • March 2022



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DEAR STAKEHOLDERS,

I am pleased to share Vital Farms' inaugural Sustainability Report, which details our Environmental, Social, and Governance (ESG) progress across each of our stakeholder groups, including our network of over 275 family farms, our talented and mission-driven crew members, our retail and foodservice partners, the consumers we affectionately refer to as our "raving fans," the environment, our communities, and our stockholders.

Since Vital Farms was founded 15 years ago, we have practiced Conscious Capitalism, which we often refer to as stakeholder capitalism. I'll be the first to acknowledge that we have not always talked about our business or stakeholders in the context of ESG. This is a relatively new journey for us. But as we have learned about this important shift taking place across the business and investment community, I feel grateful that our commitment to Conscious Capitalism has naturally guided us to make significant progress across the pillars of ESG and much more.

When I discuss stakeholder capitalism, people often assume I'm referring to corporate philanthropy or that we are a charity disguised as a business. While we are not motivated solely by what maximizes profits for our stockholders, we have always been fierce competitors who like to win. We believe prioritizing the long-term sustainability and success of our stakeholders produces

stronger outcomes, for everyone, over time. It's better business. And guess what? This model works.

We have become the leading pasture-raised egg brand in the U.S. by retail dollar sales and have continued to see growth in our butter business, while progressing toward our purpose of improving the lives of people, animals, and the planet every day. We have created high-quality jobs for our crew members, provided meaningful economic opportunities for family farmers, enabled millions of hens to spend their days outdoors, strengthened communities, and raised the standards of food production for households across the country.

As you read this report, we hope you gain an understanding of the many actions we have taken to support the long-term success of our stakeholders and business. Over time, we will continue to build our ESG framework by establishing concrete goals and sharing our progress along the way.

We look forward to taking you with us on this journey in the years ahead.

A handwritten signature in black ink, appearing to read 'Russell Diez-Canseco'.

Russell Diez-Canseco
President and CEO
Vital Farms

OUR PURPOSE

Improve the lives of people, animals, and the planet through food.

OUR VALUES

1. Be Humble
2. Lead with a Growth Mindset
3. Practice Empathy
4. Act Like an Owner
5. Compete to Win

OUR MISSION

Bring ethical food to the table.



Driving Sustainable Growth Through

CONSCIOUS CAPITALISM



OUR BUSINESS MODEL

**We practice Conscious Capitalism
by making decisions based on what's
sustainable for all our stakeholders.**

Simply put, we will not be a sustainable business if our stakeholders are not sustainable as well. Our collective resilience will enable us to fulfill our purpose of improving the lives of people, animals, and the planet now and long into the future. It's not about short-term outcomes or a trade-off between purpose and profit. We are fierce competitors who believe that prioritizing the long-term viability of all stakeholders will produce stronger outcomes, for everyone, over time.

Our decision to become a Certified B Corporation and Public Benefit Corporation is a natural extension of the purpose-driven business we built from the beginning.



**PUBLIC BENEFIT
CORPORATION**



**CONSCIOUS
CAPITALISM®**



OUR STAKEHOLDERS

EST. 2007

Vital
FARMS®

FARMERS & SUPPLIERS



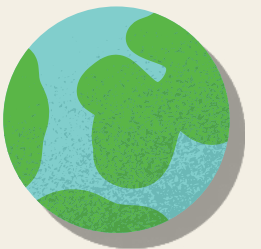
CREW MEMBERS



CUSTOMERS & CONSUMERS



COMMUNITY & ENVIRONMENT

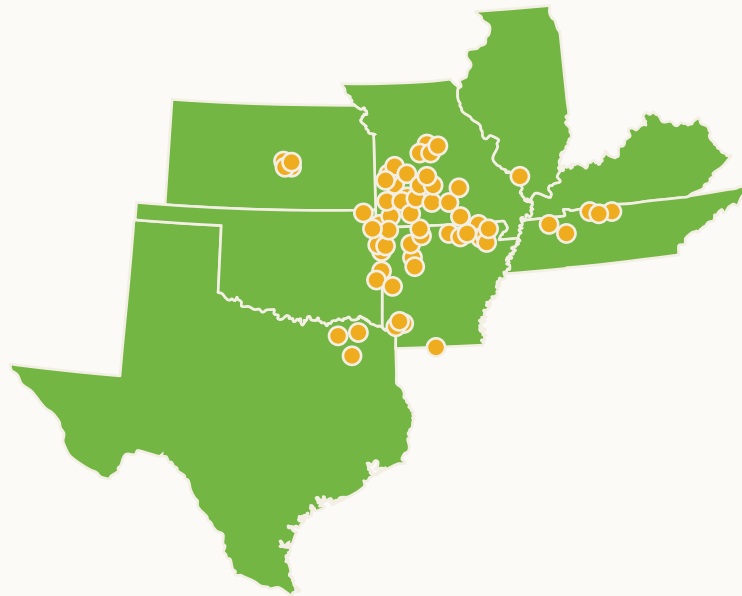


STOCKHOLDERS



DRIVING SUSTAINABLE GROWTH THROUGH CONSCIOUS CAPITALISM

NETWORK OF 275+ FAMILY FARMS



*Aggregate
product
from farm
network*



EGG CENTRAL STATION

**WASH, GRADE, PACK,
SHIP, QUALITY CONTROL**
SPRINGFIELD, MO

REMOTE CREW

**BRANDING, SELLING,
SUPPORTING**
ACROSS THE U.S.

*Direct to
customers
& through
distributors*

NATIONAL DISTRIBUTION

-  **GROCERY RETAIL**
-  **CLUB RETAIL**
-  **FOODSERVICE**

5.0%

HOUSEHOLD
PENETRATION¹

6.4M

HOUSEHOLDS
PURCHASING

#1

U.S. PASTURE-RAISED
EGG BRAND²

88%

U.S. PASTURE-
RAISED EGG SHARE²

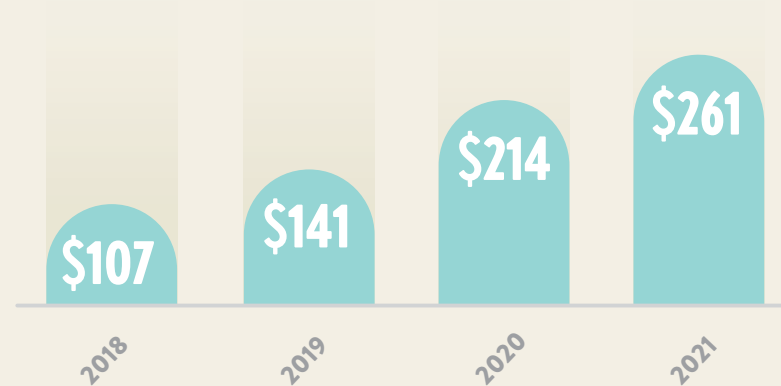
#2

U.S. OVERALL
EGG BRAND²

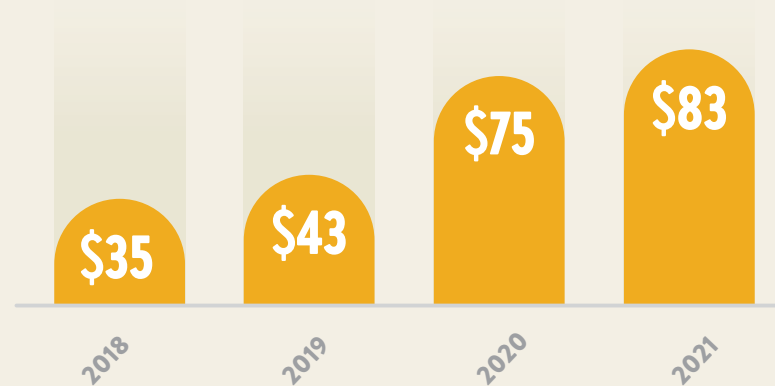
BULLSH*T FREE

HONEST FOOD

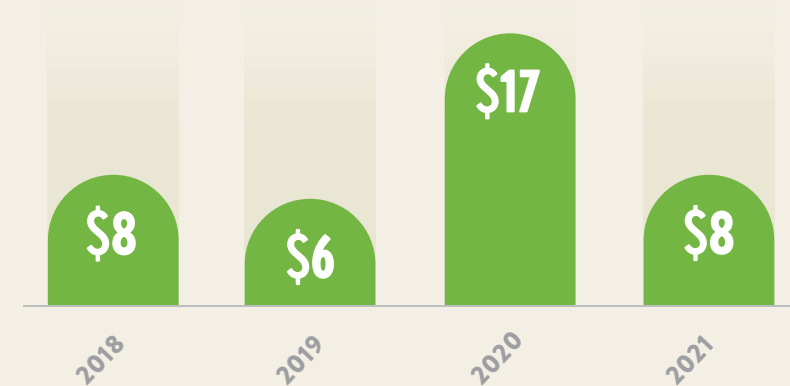
NET REVENUE
(IN MILLIONS)



GROSS PROFIT
(IN MILLIONS)



ADJUSTED EBITDA*
(IN MILLIONS)



Source: SPINS, Whole Foods Market; ¹ Numerator panel data based on the 52-week period ending 26-Dec-2021 ² Based on retail dollar sales for the 52-week period ending 26-Dec-2021. Brand rank excludes private label.

*Please see page 69 for reconciliation to GAAP financial measures.

If you're striving to be a company that integrates Environmental, Social, and Governance (ESG) principles into your operating strategy, be a company that practices stakeholder capitalism. At Vital Farms, our stakeholder-driven mindset is both values-focused and competitive, guiding us to make decisions that help us to create lasting resilience for ourselves and our stakeholders.



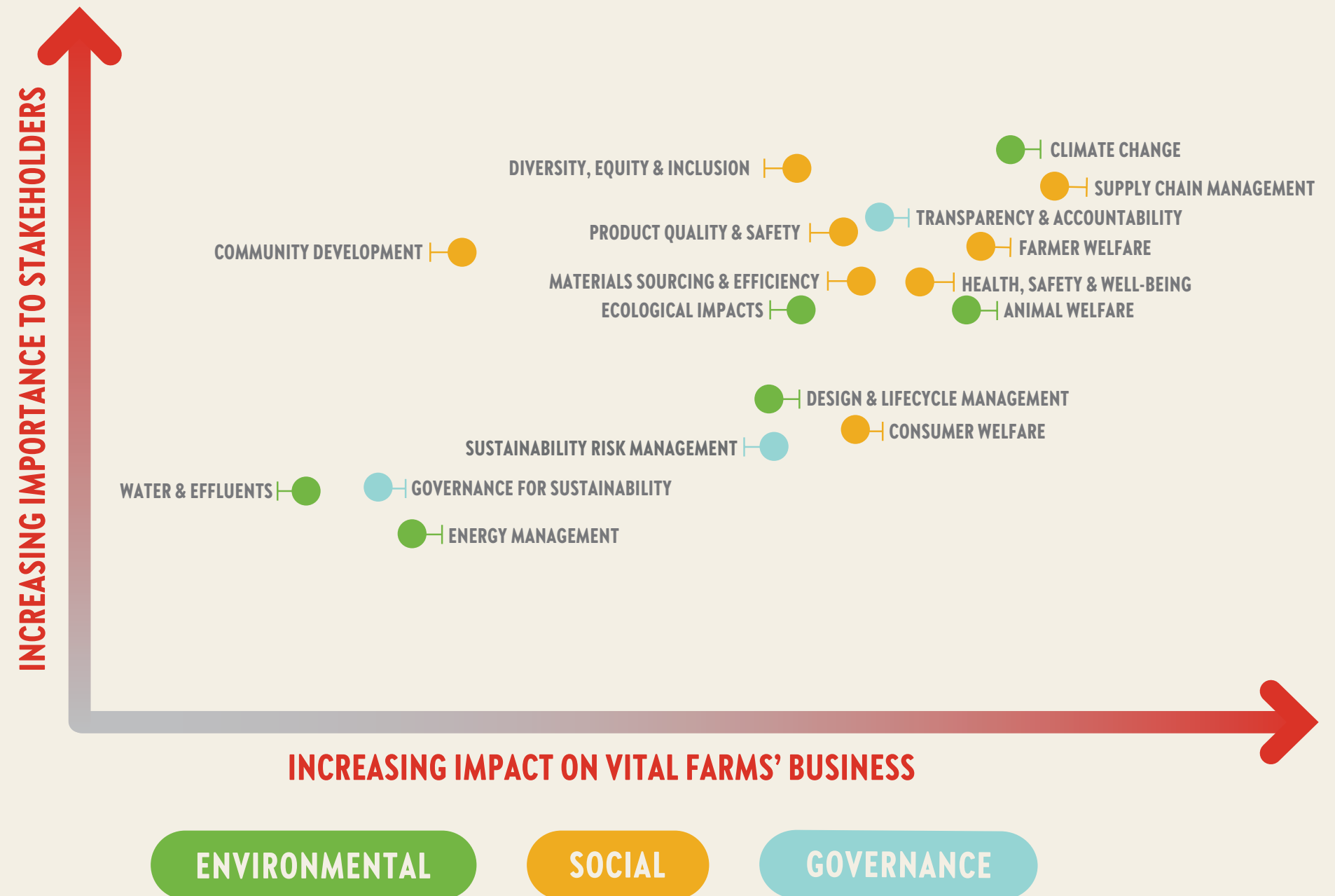
JOANNE BAL

GENERAL COUNSEL, CORPORATE SECRETARY & HEAD OF ENVIRONMENTAL, SOCIAL, AND GOVERNANCE



MATERIALITY MATRIX

To inform our Environmental, Social, and Governance (ESG) strategy, we worked with leading ESG experts KKS Advisors and Solebury Trout. For this Materiality Matrix, we engaged our stakeholders to identify the ESG issues that are most impactful to our business and most important to them. The process helped us to identify key risks and opportunities while maintaining our stakeholder-driven approach. The identification of these risks and opportunities will help to guide our sustainability efforts going forward.



METHODOLOGY

Our Materiality Matrix summarizes the results of a rigorous, three-stage process:

✓ IDENTIFICATION OF MATERIAL ISSUES

We worked with independent experts to identify the Environmental, Social, and Governance (ESG) issues most impactful to our business and stakeholders. This process included a review of reporting frameworks, market trends, industry benchmarking, expert insights, our business model, and potential for impact. As a result of this process, we identified the 17 issues displayed on the matrix.

✓ STAKEHOLDER ASSESSMENT

To inform our approach to prioritizing and addressing these issues, we collected, compiled, and standardized input from crew members, stockholders, consumers, farmers, and Vital Farms' senior leadership.

✓ ANALYSIS AND ACTION

Finally, we analyzed stakeholder, industry, and operational data to produce a matrix of material issues. The vertical position of each issue represents its importance to the stakeholder groups mentioned above, and the horizontal position of each issue represents its potential to impact Vital Farms'

operations and financial performance. As a result, issues in the upper-right corner of the matrix are of the highest priority. For Vital Farms, those issues include:

- ▶ Climate Change
- ▶ Diversity, Equity, & Inclusion
- ▶ Supply Chain Management
- ▶ Transparency & Accountability

Our efforts to innovate and raise industry standards to date on our priority issues are described in the following pages of this report, with standards-based performance metrics disclosed on pages 63–67. Looking ahead, we will create measurable targets to address our top ESG issues and develop operational plans to meet those targets.

Part of the success of our stakeholder capitalism model is due to the fact that it takes a systemic view and recognizes that the greatest impacts are realized through holistic and inclusive solutions as opposed to siloed efforts and box-ticking activities. We believe the 17 issues we have identified are inextricably linked. We believe that our approach to addressing them will maximize both internal value creation and positive external impacts through systemic solutions that serve not only to strengthen our business, but also to improve well-being and increase resilience across our value chain and among all our stakeholders.



COMMITMENT TO OUR STAKEHOLDERS

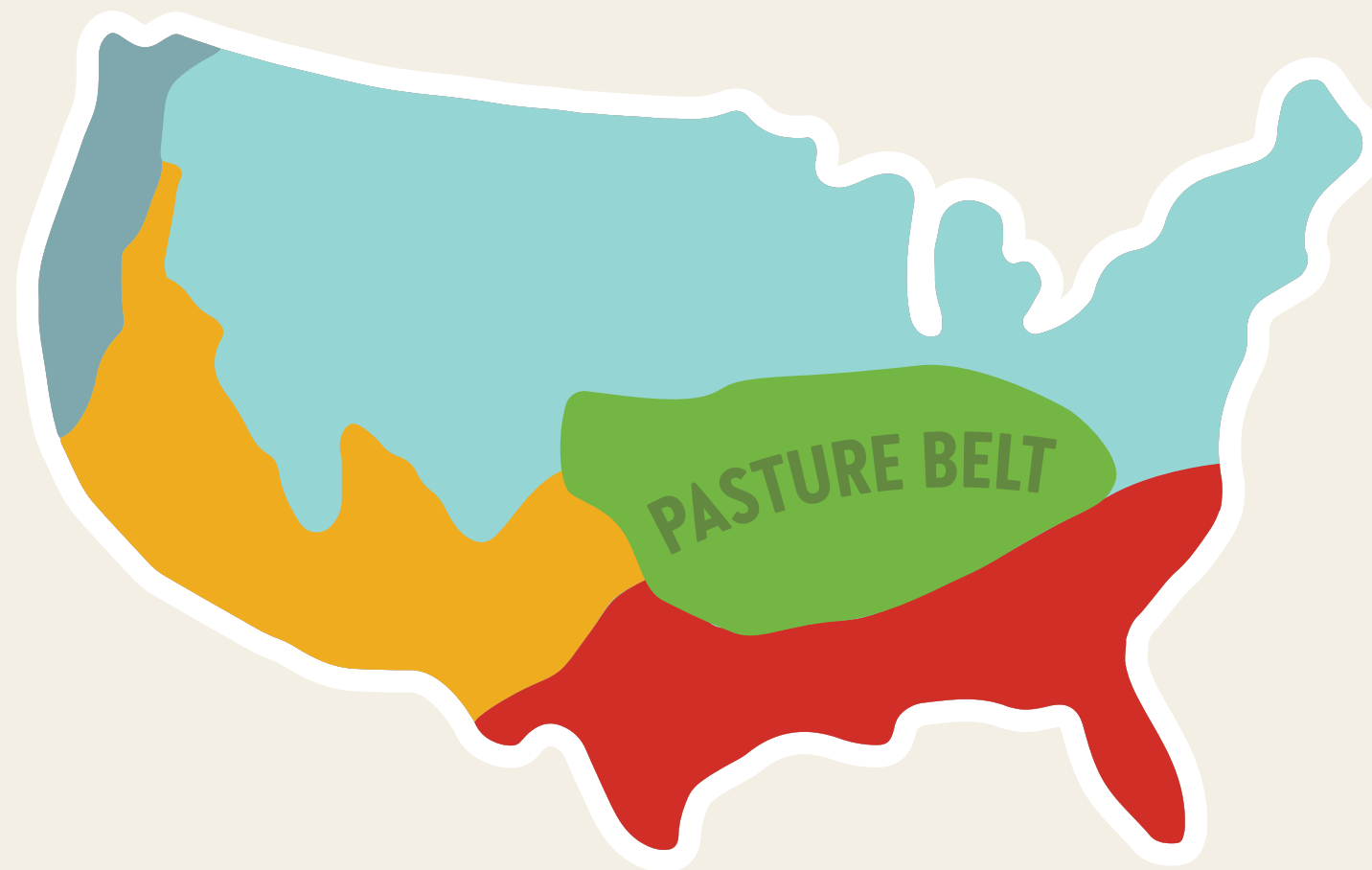
A man with a beard, wearing a blue and white striped t-shirt and blue jeans, is kneeling in a forest. He is holding a brown chicken with a red comb on his lap. The forest floor is covered in dry leaves, and several other chickens are visible in the background. The scene is brightly lit with sunlight filtering through the trees.

FARMERS & SUPPLIERS

PASTURE-RAISED EGGS

For our pasture-raised eggs, the over 275 family farms in our network are located along what we call the Pasture Belt, a region of the U.S. with a more temperate climate that enables the girls to be outdoors year-round.

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.



❄️ TOO COLD

💧 TOO RAINY

☀️ TOO DRY

🔥 TOO HOT

✅ JUUUUUST RIGHT!



With over 275 farms in our network, we're enabling over 3.4 million hens to live a life outdoors on pasture, free of confinement.

We gain farmers largely through word of mouth, which we believe is a reflection of our positive reputation in the community.

Our farmer selection and onboarding process begins with an application and a meeting for anyone interested in joining our network to ensure we share the same commitment to environmental and animal welfare. Then, we survey their farmland to ensure that it meets our environmental and animal welfare standards. If we both agree there is a good fit, we enter into a written agreement setting forth our mutual obligations for the relationship, including the farmer's obligation to uphold our stringent animal welfare standards.

Once farmers begin working with us, they attend Egg School, a comprehensive training program that focuses on farm management, including hen handling, nutrition, and pasture rotation.

FARMER SELECTION & ONBOARDING

ONGOING FARMER GUIDANCE & SUPPORT

We have an entire team dedicated to supporting our farmers, including the health of their flock and land.▶

This includes weekly phone calls, monthly in-person visits, quarterly meetings, a seasonal newsletter, and a bi-annual survey.

Each of these touchpoints serves a different purpose, from seeking feedback on their experience working with us, to giving advice on daily care for the girls, to a friendly phone call to ask about the farmer's family.

In 2021, we began a relationship with an external veterinary partner. The veterinarians visit farms regularly with our farm support crew and are also available on an on-call basis. The services help educate our crew, quickly aid our farmers in need, and hopefully increase farm production over time. Our farmers pay only for the cost of lab tests relative to farm-specific issues and are not charged for standard diagnostic and treatment services.



Our dedicated Farm Support team

We work with over 275 family farms. In 2021, our Farm Support team made over 2,900 visits to see our farmers in person.

Additionally, our Compliance team audits our farmers on a yearly, bi-annual, or quarterly basis (depending on their farm grade). These audits cover an extensive compliance checklist on all our animal welfare and environmental standards. We survey our farmers twice a year. We contact them through email, regular mail, and phone and ask one simple question: On a scale of 1–10 (with 10 being the highest), how likely are you to recommend becoming a Vital Farms farmer? For our most recent survey, in Spring 2021, more than half of the respondents provided a score of 9 or 10, indicating that they are promoters of Vital Farms. Many of our farmers personally refer others to work with us.

A FARMER REUNION

Our farmer gatherings have traditionally provided a forum for us to exchange news and ideas with our egg farmers. The COVID-19 pandemic interrupted our ability to conduct these gatherings in person. Because not all of our farmers use on-screen technologies, we could not move the meetings entirely online. Recently, we successfully restarted our farmer gatherings by conducting a small, in-person meeting in our Springfield, MO location while livestreaming the meeting to satellite locations that we outfitted with a Vital Farms crew member and video conferencing technology. We look forward to bringing all of our farmers together in large meetings soon. Until then, we believe this hybrid solution helps maintain engagement with our farmers while continuing to prioritize safety.

I absolutely love working with Vital Farms. I always feel valued and supported. It's clear they want us to succeed. Working with Vital Farms is so much more than supplying eggs. It's the opportunity to produce food to a higher standard, treating the girls, the land, and family farmers with care and respect. As a farmer, I also love that Vital Farms takes the time to connect families to the source of their food by sharing stories about the girls or videos of the exact farm their eggs came from!

JOSEPH PATTERSON

ROAMING P RANCH FARM

COMMITMENT TO FARMER DIVERSITY

In 2020, we announced a commitment to create opportunities for black farmers and have since spent time listening to experts and aligning with organizations that support this important cause.

In 2021, we made investments in the National Young Farmers Coalition and Farmer Veteran Coalition, two organizations that are working to build a more equitable food system. We have more work ahead of us to meaningfully fulfill this commitment and will continue to report progress on our actions to increase diversity in our farmer network and the farming community more broadly.



BUTTER

The four-legged girls that produce the cream used for our butter and ghee are raised on U.S. family farms by farmers who embrace rigorous animal welfare standards, supplying a rich cream for our sixth-generation butter makers to churn into a delicious, creamy product with high butterfat.

We work with a network of dairy farmers that source from U.S. family farms, follow the Five Freedoms of animal welfare, and have committed to version 4.0 of the FARM Animal Care Program. The 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.



THE FIVE FREEDOMS

Our butter and ghee products are from cows that are raised on family farms that follow the Five Freedoms to support their mental and physical well-being. These Five Freedoms are recognized as the gold standard for animal welfare.

① FREEDOM FROM HUNGER & THIRST

Nutritionists help farmers give the girls a delicious, balanced diet, and clean, fresh water is abundant.

② FREEDOM FROM DISCOMFORT

Farmers provide plenty of clean, dry, comfortable space for lying down quietly or socializing.

③ FREEDOM FROM PAIN, INJURY OR DISEASE

Cows are milked twice a day (they can get uncomfortable otherwise), and farmers offer both holistic and veterinarian care whenever needed.

④ FREEDOM FROM FEAR & DISTRESS

Farmers form essential bonds with calves at an early age, minimizing their stress. Regular routines and inviting barns help cows feel safe and secure.

⑤ FREEDOM TO EXPRESS NORMAL BEHAVIORS

Our cows live in herds with the freedom and space to socialize, rest, eat, and drink as they like.

100% of our dairy farmers have committed to the FARM Animal Care Program.

CERTIFICATIONS

- ✓ Our animal welfare practices for the hens that lay our eggs are consistently and independently audited by Certified Humane and certain retailers.
- ✓ Our organic egg farms are audited by Oregon Tilth and Bioagricert according to USDA National Organic Program (NOP) standards.
- ✓ Our dairy farms are evaluated to the National FARM Program standard.



OUR SUPPLIER CODE OF CONDUCT

Vital Farms works with suppliers located in areas with diverse social, economic, and cultural circumstances. We strive to work with suppliers that share our values and commitment to ethics. We also require all suppliers to comply with the following:

Non-Discrimination: Suppliers shall offer fair and equal employment decisions, including, without limitation, decisions regarding recruitment, selection, hiring, compensation, benefits, training, advancement, discipline, discharge, and other terms, conditions, and privileges of employment, based on individual qualifications, without regard to race, color, religion, national origin, sex (including pregnancy), sexual orientation, age, disability, marital status, veteran status, or any other status protected by law.

Diversity and Inclusion: Suppliers shall provide opportunities to diverse suppliers and businesses when supplying goods to Vital Farms.

Child Labor: Suppliers shall not hire children younger than the minimum age of employment required by the laws of the jurisdiction wherein they operate.

Forced Labor: Suppliers shall prohibit the use of slavery or human trafficking in their facilities and operations, as well as the use of any form of forced, coerced, indentured or compulsory labor. Suppliers shall also prohibit any form of corporal punishment or any unlawful disciplinary practices.

Health & Safety: Suppliers shall comply with all applicable health and safety laws and regulations to assure the health, safety, and well-being of employees and visitors. Suppliers shall also comply with all applicable laws and regulations regarding acceptable living conditions.

Wages: Suppliers shall comply with applicable national regulations and agreements concerning working hour rules.

Working Hours: Suppliers shall comply with applicable national regulations and agreements concerning working hour rules.

Freedom of Association: Suppliers shall respect the right of workers to form and/or join organizations of their choosing and recognize workers' rights to bargain collectively through those organizations.

Ethics: Suppliers shall conduct business ethically without ignoring social responsibilities and with integrity, avoiding improper advantage, with zero tolerance for bribery and corruption, disclosure of information, intellectual property, fair business, advertising and competition, responsible sourcing, international trade, privacy, and risk assessment and management.

Environmental Impact: Suppliers shall abide by all applicable laws regarding air emissions, hazardous materials management, materials disposal, product content restrictions, resource efficiency, and wastewater and solid waste. Suppliers shall have an Environmental Management System (EMS) in place to comply with ISO 14001 or equivalent.

Animal Welfare: Suppliers shall ensure that animals under their care are treated in a humane manner including but not limited to safe shelter accommodations.

CREW MEMBERS



HIGH- QUALITY JOBS

We create high-quality jobs, taking actions every day that support a people-first culture and the professional development, safety, and well-being of all our crew members.

I love working at Vital Farms because it's so much more than a job. Over the past six years, I've had the opportunity to make a positive impact on the food system by supporting the many family farmers who raise their girls with so much love and care. It's inspiring to be part of such a passionate crew who are working together to bring ethical food to families across the country.



JENNIFER GREGG

VICE PRESIDENT OF OPERATIONS

PEOPLE-FIRST CULTURE

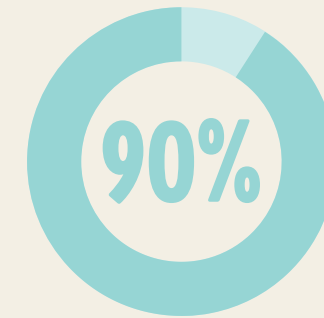
We believe in enabling our crew members to grow both professionally and personally with Vital Farms. We cultivate leaders across every level of the business and are committed to building a people-centered culture that embodies our values and understands the unique needs of our crew members. We do this formally through engagement surveys, quarterly feedback and development conversations, and culture-building events as well as informally by fostering a culture where our crew members treat each other like family.

CREW ENGAGEMENT SURVEY

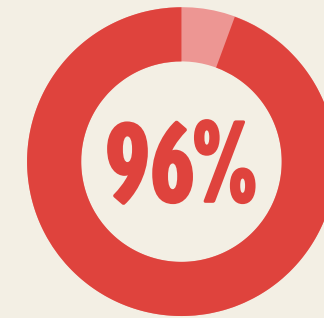
In 2021, we completed a crew member engagement survey using Culture Amp®, an employee experience platform with a mission to create culture-first organizations. We had a crew member participation rate of over 90% with 99% of remote crew members participating.

Culture Amp collects millions of responses worldwide to help understand organizational culture and performance. Each year, Culture Amp publishes insights across industries and regions, benchmarking how companies are engaging their people. Our engagement score was 71%, which is equal to Culture Amp's benchmark for U.S. Food & Beverage companies.

We are pleased that our crew members are engaged, inspired by our mission, and confident in the business. We are committed to taking additional steps in an effort to further increase crew engagement and have formed a cross-functional team to address opportunity areas in 2022.



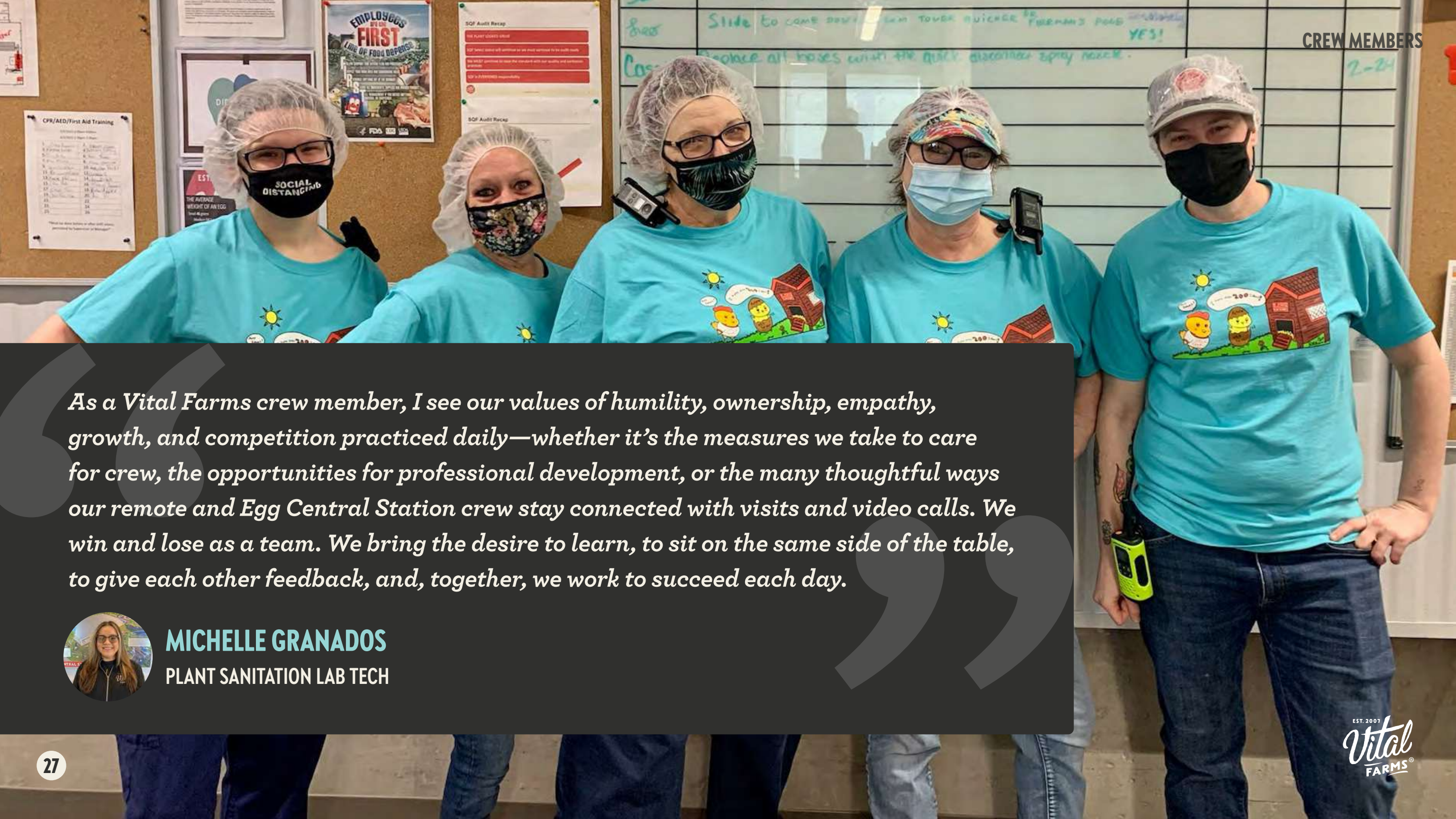
90% of crew members believe the products and services Vital Farms provides are as good as or better than our main competitors.



96% of crew members feel we have found ways to collaborate as a team while working remotely.



90% of crew members feel genuinely supported if they need flexible working arrangements.



As a Vital Farms crew member, I see our values of humility, ownership, empathy, growth, and competition practiced daily—whether it’s the measures we take to care for crew, the opportunities for professional development, or the many thoughtful ways our remote and Egg Central Station crew stay connected with visits and video calls. We win and lose as a team. We bring the desire to learn, to sit on the same side of the table, to give each other feedback, and, together, we work to succeed each day.



MICHELLE GRANADOS
PLANT SANITATION LAB TECH

LEADERSHIP DEVELOPMENT

We offer a Leadership Academy for all people managers at Egg Central Station (ECS) that supports their professional growth and development. Our ECS people managers have the opportunity to enroll in the program, and we offer the courses at flexible times to accommodate all shifts. Our Leadership Academy covers a wide variety of topics, including Managing vs. Leading, Emotional Intelligence, Responsibility vs. Accountability, Effective Coaching, Conflict Resolution, and Building High-Performing Teams.

In July 2020, we launched Cluck University, an online learning platform with over 4,000 modules that provide extensive training options for both our ECS and remote crew members to improve their functional and interpersonal skills. To date, our crew members have logged over 600 hours on Cluck University and have taken over 2,800 courses. The course offerings on Cluck University include programs covering commonly used software, financial wellness, and diversity training.

BENEFITS

For all crew members, we pay at least 25% above living wage and provide a full benefits package from the first day they join Vital Farms.

We offer bonuses and equity for all roles, a benefit that aligns with our stakeholder model and belief in providing crew members at all levels an ownership stake in the business.

We worked with Korn Ferry®, a global organizational consulting firm, to benchmark our total compensation (base salary, bonus, and equity). Korn Ferry's benchmarking found that (in the aggregate) our total direct compensation aligned with market 75th percentile data as compared to appropriate industry peers.

The benefits we provide to crew members include health insurance, 401(k) matching, equity grants, leadership training, Employee Stock Purchase Plan (ESPP), and quarterly bonus eligibility through a bonus structure inspired by the Great Game of Business® (GGOB).

Our health insurance offerings include medical, dental, vision, and specialized assistance programs such as behavioral and mental health services.

Over 80% of our crew members are currently enrolled in our medical plans.

In 2021, we've invested over \$1.1M in our benefits offerings (medical, dental, vision, HSA, life insurance, AD&D, and PTO) and over \$650,000 in 401(k) matching retirement contributions.



REMOTE WORKFORCE

In 2020, we spent time listening to our crew members to understand how they felt about returning to the office and learned that the majority of them appreciated the flexibility of working from home. As a result, in 2021 we made the decision to support their preference and transitioned to a remote workforce for our crew members outside of Egg Central Station.

This transition has enabled us to attract top talent across the country and has had a positive impact on crew member retention and engagement. We see examples of this daily, with everything from children popping in to say “hi” during team meetings to crew members appreciating the ability to take care of family needs when necessary. We believe we have an extreme acceptance of our crew members’ needs and are pleased that we foster a culture where they can bring their full selves to work.



CREW SAFETY & WELL-BEING AT ECS

Across Egg Central Station (ECS), we’ve implemented a number of features to ensure our crew members feel safe, engaged, and valued. In 2021, we had seven reported injuries. Our Total Recorded Injury Rate (TRIR) was 9.8. In 2021, our Lost-Time Incident Rate was 0.758.

Safety features at ECS include:

- ✓ Identifying several opportunities to automate more physically challenging processes.
- ✓ Including windows that allow daylight to shine on the production floor, climate control to keep temperatures comfortable, and slip resistant floors.
- ✓ Offering a subsidy to every crew member so they can purchase slip resistant and safety toe shoes.
- ✓ Partnering with a local sports medicine practice to have a personal trainer come to ECS weekly and help our crew members with ergonomics.
- ✓ Implementing an “Idea Board” (pictured left) where we ask crew members to share their ideas on how to make their experience at Vital Farms even more engaging. To date, we’ve implemented over 30% of their ideas.
- ✓ Implementing health and safety measures in response to COVID-19, as detailed on our [COVID response site](#).

NAME	IDEA + DESCRIPTION	STATUS	OWNER
Maria/Carly	Paint pallet spaces in RR cooler to help prevent wasted space -Paint cooler floors w/ textured paint for better traction using bullet proof paint	In Progress	
DAM P	EMOTIONAL SUPPORT ANIMAL DAY W/LOCAL SHELTERS	In Progress	Link Z
Don L	Fabricate denesting screen cover for denester use velcro or magnets to tension	In Progress	Todd
John Tach	More Radio Headsets/corpus for better hearing radios. New people have a very hard time hearing on it!	In Progress	Don
Sabrina	If someone is late to work but is still present for 75% of scheduled shift, give a .5 point instead of 1.		Rick/Todd
Sabrina	New labels that run better on the domino's! Like the old ones maybe??		Heather R.
John	Can we put the extra microwaves back in the breakroom? We have too many employees and not enough microwaves. You end up waiting too long to heat up food.	Project	RZ
DAM P	220V DROP TW FOR FABRICATION SHOP & 30-40 AMP BREAKERS FOR SEPARATE OUTLETS FOR WELDER/PLASMA CUTTER		JH
John	Ladder Platform To downstack Pallets of tall Boxes in denesting		
John Tach	Better Clip Montage - ink system. Only Maintenance should be adjusting and moving the Denester Clip ★★☆☆★!		

DIVERSITY, EQUITY + INCLUSION

In 2020, we established our Diversity, Equity, and Inclusion (DEI) function with an objective to increase diversity across our crew and identify ways in which we can have a meaningful impact in building a more equitable world through community investment and involvement.

In 2020, we partnered with the National Diversity Council, a non-profit organization that champions diversity as a business imperative, to conduct a DEI audit. The National Diversity Council reviewed our hiring practices as well as our compensation and promotion data, both current and historic. Their audit was qualitative

and quantitative, including an analysis of company data, a company-wide survey, focus groups, and direct conversations with leaders and crew members.

Following the audit, the National Diversity Council found zero pay, promotion, or performance inequities among our crew.

The National Diversity Council also provided recommendations on how we can increase diversity among our crew which has informed our DEI-specific action plans under the leadership of our Head of DEI, who we hired in 2021.

DEI IN ACTION

In 2021, we created an internal Diversity Council with five crew-led committees to oversee our DEI approach and initiatives which include mandatory trainings on inclusive hiring practices, monthly inclusion chats, holiday celebrations that build empathy for different cultures, and a corporate wellness program. Each crew-led committee is sponsored by a member of our Senior Leadership Team.

- ▶ **Culture:** Enhances belonging by celebrating the many unique differences across our crew and forming a closer connection between remote and ECS crew members.
- ▶ **Change:** Ensures both equity and equality across the business by regularly reviewing company data and internal processes; manages all internal DEI communication.
- ▶ **Wellness:** Oversees a Corporate Wellness Program focused on mental, physical, financial, and occupational health.

- ▶ **Community:** Builds stronger relationships between Vital Farms and our community partners, which includes crew volunteering events.
- ▶ **Engagement:** Develops learning and development opportunities including trainings and mentorship opportunities.

This year, we plan to implement a comprehensive DEI action plan that includes hosting crew member trainings, expanding our work with community partners such as the Boys & Girls Club, and developing a recruiting pipeline with the objective of increasing diversity across our workforce.

I'm thrilled that I have the opportunity to lead Diversity, Equity, and Inclusion for Vital Farms. I'm excited to build on Vital Farms' special people-first culture with plans designed to increase diversity among our crew members and farmer network and foster a sense of inclusion and belonging for all our stakeholders.



SUMMER LEE

HEAD OF DIVERSITY, EQUITY, & INCLUSION



Vital Farms Crew Members Volunteer with the Boys & Girls Club



Monthly Inclusion Chats

OUR DEI POLICY

Here at Vital Farms, we believe in the importance of Diversity, Equity, and Inclusion (DEI). Just like the transparency you know and trust from the Vital Farms brand, anything we do related to DEI will be Bullsh*t Free.

Our intent is to constantly learn and challenge ourselves to take meaningful actions that directly impact our stakeholders—farmers, suppliers, customers, crew members, consumers, environment, stockholders—and those around us.

Internally, an important part of fulfilling our mission to bring ethical food to the table is by building diverse teams that reflect varying perspectives. We want to create an inclusive and collaborative culture that embodies our values of Growth, Humility, Empathy, and Ownership.

We are committed to building an environment where every crew member feels valued and that they belong. We do not tolerate racism or discrimination in any form.

We will continue to hold ourselves accountable to the important role we play in helping transition the world around us to a more diverse, equitable, and inclusive place.

OUR HUMAN RIGHTS POLICY

Vital Farms is committed to respecting, upholding, and promoting human rights. We strive to conduct our business in accordance with following principles:

We compensate employees competitively relative to our industry and local labor market. We work to ensure full compliance with all applicable labor and employment laws and regulations in the locations where we operate, including all applicable wage, work hours, overtime, and benefit laws.

We value and promote the diversity and inclusion of the people with whom we work. We abide by all labor laws and regulations and do not tolerate any form of discrimination or harassment based on gender, race, color, ethnicity, religion, sex, sexual orientation, gender identity or expression, age, disability, marital status, veteran status, citizenship, national origin, genetic information, or any other characteristic protected by law.

We are committed to maintaining a workplace that is free from violence, harassment, intimidation and other unsafe or disruptive conditions due to internal and external threats.

We prohibit the use of all forms of forced labor, including prison, indentured, bonded, and military labor, and we oppose modern forms of slavery and any form of human trafficking.

We prohibit the hiring of children younger than the minimum age of employment required by the laws of the jurisdictions in which we operate.

We respect freedom of association and the rights of our employees to lawfully and peacefully associate, organize, and bargain collectively.

We promote and take pride in our practices to ensure the safety, health, and well-being of all our employees.

We work to provide and maintain a safe, healthy and productive workplace, in consultation with our employees, by addressing and remediating identified risks of accidents, injury and health impacts.

We are committed to giving back to the communities around us through donation of food and monetary resources and support of various employee-volunteer initiatives.

We support human rights practices as outlined in the United Nations Guiding Principles on Business and Human Rights.

OUR HEALTH AND WORKPLACE SAFETY POLICY

Vital Farms' crew members are our most valuable assets. To ensure the safety of all our crew members, we make every reasonable effort to provide a safe, healthy and accident-free environment. Accordingly, as a condition of employment, crew members are expected to comply with the following health and safety rules:

Obey all posted or verbal safety rules and instructions when on Vital Farms premises or operating Vital Farms' equipment.

Immediately report any potentially unsafe conditions to their supervisor or, if unavailable, another management representative.

Immediately report any injury to the supervisor of the injured crew member and/or the witnessing crew member or, if unavailable, another management representative.

Exercise appropriate care in carrying out their assignments.

Adhere to all applicable state and local public health guidelines regarding attending work following illness.

Do not work under the influence of drugs or alcohol, including improper use of medication.

In any emergency, follow alarms or other alerts, whether to evacuate the building, shelter in place, or assemble in any other designated area.



CUSTOMERS & CONSUMERS



We believe our retail customers and consumers trust our brand because we have always maintained a steadfast adherence to our values of honesty and transparency in food production. We bring our brand to life in playful, savvy, and mindful ways, with transparency always at the foundation.



VITAL TIMES

The world's tiniest newsletter!
We insert this newsletter
in every egg carton so our
consumers can learn more
about our farmers and their
girls and can connect with us.





HENS | THE BEHIND | LENS

What's the most honest way to show where honest food comes from? By letting the hens create the campaign! *Hens Behind the Lens* was our first out-of-home campaign told entirely by hens, through a collection of photos they shot with a hen-friendly camera.



Our Effie-award winning campaign that called bullsh*t on the cage-free movement.

PEEK INTO A PASTURE WITH TRACEABILITY

Our Traceability product feature allows anyone to see 360° video footage of the family farm on which their eggs were laid. We launched Traceability in January 2020 and have received over 600,000 views to date, demonstrating that people are interested in being connected to the source of their food. We've heard so many stories of families using our Traceability feature to teach their kids about the food system.



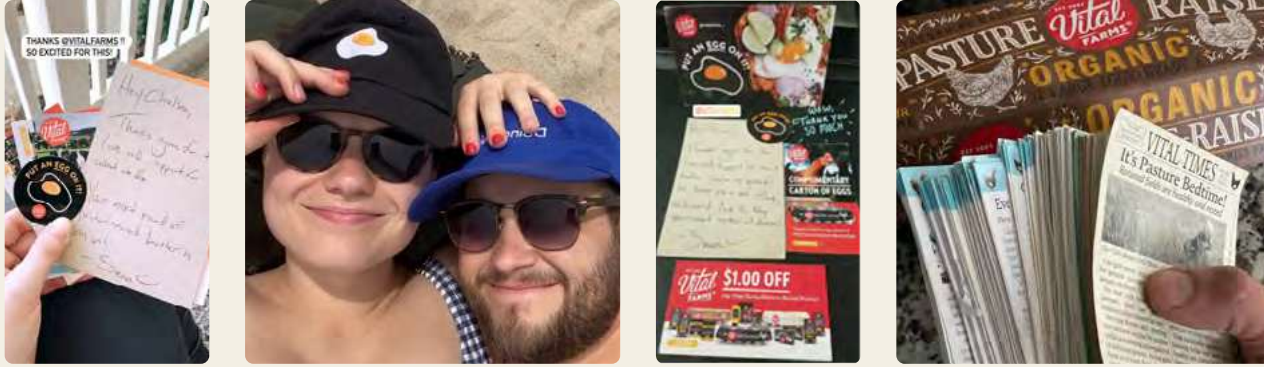
1 GO TO [VITALFARMS.COM/FARM](https://vitalfarms.com/farm)

FARM:

2 ENTER THE FARM NAME ON THE SIDE OF THE CARTON



3 ENJOY THE 360° VIEWS OF THE FARM!



BUILDING LOYALTY THROUGH THOUGHTFUL PROGRAMS & BEST-IN-CLASS CUSTOMER SERVICE

We affectionately refer to our consumers as raving fans because of the grassroots enthusiasm and loyalty they show for our products. We build and nurture relationships with our community through many creative touchpoints. This includes on social media, in our egg cartons, and through email and phone when we're communicating directly with our consumers. In some cases, these touchpoints are tried and true traditions, while in others we are nimble and respond to trends that meet consumers where they are.

Hi Vital Farms! I have a love letter for you!

We are big fans in my household of your eggs, butter & your mission! We love that you are doing your part to make sure animals are treated humanely & that we are getting the best as consumers! My mom is instilling it in my head that there are things you don't cheat yourself out on in life & that is good ingredients in your food! Vital Farms is a staple in my fridge & we are loyal customers!

Cheers,

Jessica, Bell Gardens, CA

Vital Farms is a terrific partner and an important brand to our customers. We're seeing more of our customers turn to brands like Vital Farms because they're seeking foods from companies that align with their values. They've done a great job in connecting our customers to the source of their food through honest, transparent communication and creative touchpoints like the Vital Times newsletter or the Traceability feature on their egg cartons, which we believe has been critical driver of their success at shelf.

**LEE ROBINSON**

VICE PRESIDENT OF MERCHANDISING, GROCERY (REFRIGERATED, FROZEN, AND COFFEE & TEA)
WHOLE FOODS MARKET



LOYALTY INITIATIVES



PASTURE PASSPORT

Send us 10 farm names from your egg cartons and you'll be an official member of our Birdwatchers Club!



KIDS CLUB

We created this club to show some love to our tiniest fans with activity guides that spark curiosity about the food system and small seasonal gifts to bring a little sunshine to their life.



BEST-IN-CLASS CUSTOMER SERVICE

We strive to respond to all consumer inquiries in an hour or less, and we love to creatively surprise and delight our raving fans!

In 2021, of the 28,149 interactions we had with our community on social media (Twitter, Instagram, Facebook), 97% were positive praise for our brand.





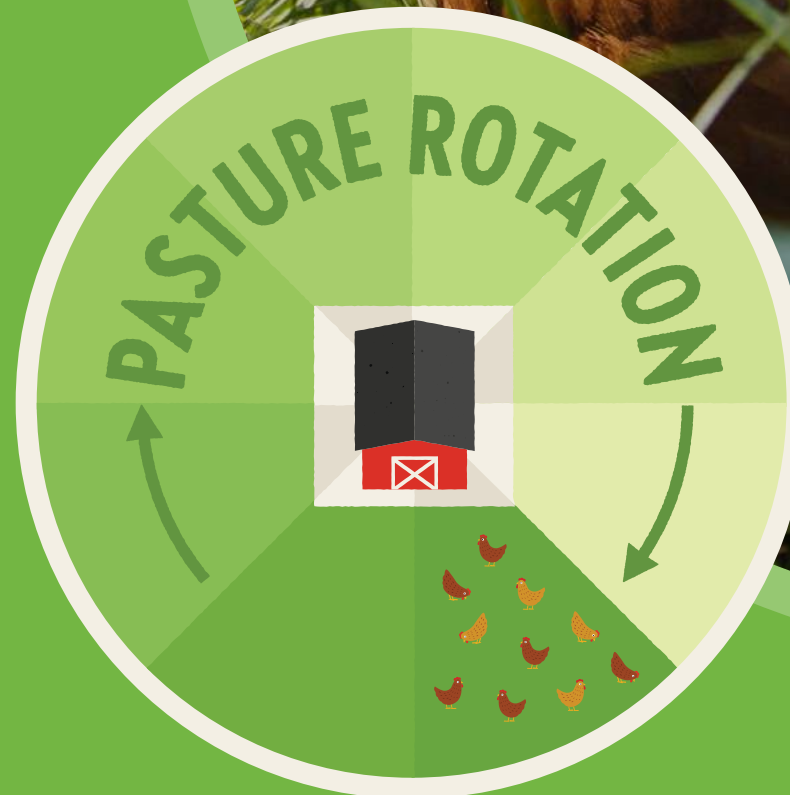
THE ENVIRONMENT

LAND CONSERVATION

Every egg farmer in our network of over 275 family farms practices pasture rotation, a method that rejuvenates the land naturally without herbicides or pesticides, which is a standard we require.

Currently, across our network of over 275 family farms, over 8,400 acres of land can rejuvenate naturally. As our network continues to grow, so too will our impact on the land. Our farmers rotate the girls to a new section of pasture every 21 days so they can forage for fresh greens and insects while the land recovers.

We make decisions across every aspect of the business that aim to preserve and respect the Earth's precious natural resources.



ENERGY & WATER CONSERVATION AT ECS

At Egg Central Station (ECS), where we wash and pack our eggs, we've implemented several features to conserve energy and water. We are currently in the process of expanding ECS, which will double our square footage and expand on these features even further.

- ✓ Features that capture natural light and manage engine room humidity.
- ✓ A water filtration system that allows us to reuse water for up to 4 hours.
- ✓ Use of an offsite underground cold storage facility that uses at least 25% less energy than above ground storage.
- ✓ Use of LED lights to improve energy efficiency by 50%.
- ✓ Bioretention features that clean and cool rainwater, provide for the recharge of local aquifers rather than runoff into storm sewers, and conserve over 700,000 gallons of water per year.
- ✓ Zero food waste facility; all excess egg product is used for other purposes such as pet food.
- ✓ Expanded facility will be LEED Silver Certified and use solar panels to significantly reduce electricity use and reduce greenhouse gas emissions.



BIODIVERSITY

Our 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. At Egg Central Station, we use native grasses and plants outside to preserve soil health, foster an environment for pollinators, and eliminate the need for permanent irrigation as well as use of any fertilizers or pesticides.



THE ENVIRONMENT

Since Vital Farms opened Egg Central Station in 2017, they've been a leader in environmental stewardship for the Springfield business community. At Egg Central Station, Vital Farms has invested in a wide range of features that support water conservation, energy efficiency, biodiversity and the preservation of plants and trees native to the Ozarks. Not surprisingly, Vital Farms is going a step further with the upcoming expansion of Egg Central Station by adding solar panels that will decrease its use of the city's electricity and also reduce its greenhouse gas emissions. The expanded facility is also LEED Silver Certified by the U.S. Green Building Council. It's rare for companies to implement such an extensive list of environmentally conscious features at their manufacturing facility and we're grateful for the impact Vital Farms has had on the Springfield community by conserving water, energy, and native plants."

MATT MORROW

PRESIDENT, SPRINGFIELD
CHAMBER OF COMMERCE



GREENHOUSE GAS EMISSIONS

We worked with greenhouse gas inventory experts at ADEC ESG Solutions, a global sustainability consultant, to develop our first Scope 1, 2, and 3 emissions inventories. For this process, we assessed both 2019 and 2020 data. We learned that Scope 3 emissions make up the majority of our carbon emissions.

VITAL FARMS 2019 AND 2020 SCOPE 1 & 2 EMISSIONS SUMMARY

We used empirically based and modelling calculation methodologies to calculate our Scope 1 and 2 emissions. We measured our direct natural gas, motor gasoline, and fugitive emissions for our Scope 1 inventory. For our Scope 2 inventory, we calculated our purchased electricity for our facilities in Austin, TX and Springfield, MO.

2019 SUMMARY TABLE

SCOPE	ACTIVITY TYPE	EMISSIONS (TONNES CO ₂ e/YEAR)	% OF TOTAL
SCOPE 1	Stationary combustion	500	19%
	Natural gas	500	19%
	Mobile combustion	81	3%
	Motor gasoline	81	3%
	Fugitive emissions	426	16%
	Air-conditioning refrigerants	45	2%
	Refrigeration refrigerants	381	14%
	Scope 1 – Total	1,007	38%
SCOPE 2	Purchased electricity – location based	1,628	62%
	Scope 2 – Total	1,628	62%
TOTAL SCOPE 1 + SCOPE 2 EMISSIONS		2,635	100%

2020 SUMMARY TABLE

SCOPE	ACTIVITY TYPE	EMISSIONS (TONNES CO ₂ e/YEAR)	% OF TOTAL
SCOPE 1	Stationary combustion	701	22%
	Natural gas	701	22%
	Mobile combustion	81	3%
	Motor gasoline	81	3%
	Fugitive emissions	426	13%
	Air-conditioning refrigerants	45	1%
	Refrigeration refrigerants	381	12%
	Scope 1 – Total	1,208	38%
SCOPE 2	Purchased electricity – location based	1,628	62%
	Scope 2 – Total	1,985	62%
TOTAL SCOPE 1 + SCOPE 2 EMISSIONS		3,193	100%

GREENHOUSE GAS EMISSIONS

VITAL FARMS 2019 AND 2020 SCOPE 3 EMISSIONS SUMMARY

We used a combination of spend and empirically based calculation methodologies to calculate our Scope 3 emissions.

For this initial exercise, we found that approximately 49% of our Scope 3 emissions in 2019 and approximately 43% of our Scope 3 emissions in 2020 came from purchased goods and services, upstream transportation and distribution, and downstream transportation and distribution.

We are committed to enhancing the quality of this inventory as we further develop our data management collection and reporting processes and systems.

2019 SUMMARY TABLE

SCOPE	ACTIVITY TYPE	EMISSIONS (TONNES CO ₂ e/YEAR)	% OF TOTAL
SCOPE 3	Purchased goods and services	27,363	48.56%
	Capital goods	4,558	8.09%
	Fuel- and energy-related activities	91	0.16%
	Upstream transportation and distribution	868	1.54%
	Waste generated in operations	26	0.05%
	Business travel	327	0.58%
	Employee commuting	346	0.61%
	Upstream leased assets	IE	
	Downstream transportation and distribution	21,137	37.51%
	Processing of sold products	NA	
	Use of sold products	1,519	2.70%
	End-of-life treatment of sold products	109	0.19%
	Downstream leased assets	NA	
	Franchises	NA	
	Investments	NA	
TOTAL SCOPE 3 EMISSIONS		56,343	100%

2020 SUMMARY TABLE

SCOPE	ACTIVITY TYPE	EMISSIONS (TONNES CO ₂ e/YEAR)	% OF TOTAL
SCOPE 3	Purchased goods and services	33,175	42.72%
	Capital goods	7,906	10.18%
	Fuel- and energy-related activities	107	0.14%
	Upstream transportation and distribution	2,298	2.96%
	Waste generated in operations	110	0.14%
	Business travel	57	0.07%
	Employee commuting	291	0.37%
	Upstream leased assets	IE	
	Downstream transportation and distribution	31,334	40.35%
	Processing of sold products	NA	
	Use of sold products	2,215	2.85%
	End-of-life treatment of sold products	162	0.21%
	Downstream leased assets	NA	
	Franchises	NA	
	Investments	NA	
TOTAL SCOPE 3 EMISSIONS		77,654	100%

NA = Not Applicable / IE = Included Elsewhere

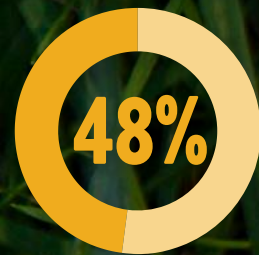
PACKAGING

We aim to use packaging that is recyclable and compostable, while prioritizing our food safety and quality standards. We're also doing our part to embrace the circular economy, minimizing our consumption of virgin materials by utilizing post-consumer recycled content in all our egg cartons and cases, ghee squeeze bottles, and hard-boiled egg packaging.



99%

RECYCLABLE
BY WEIGHT



48%

COMPOSTABLE
BY WEIGHT



90%

MADE FROM
**POST-CONSUMER
RECYCLED MATERIALS**
BY WEIGHT

- ✓ Our hybrid egg cartons are made from **100% RECYCLED MATERIAL** and have a carbon neutral lid, which has saved over 33,000 trees since launch.
- ✓ Our PET egg cartons are recyclable and made from **100% RECYCLED MATERIAL**.
- ✓ Our liquid egg cartons are **CARBON NEUTRAL** through a credit program with our supplier and recyclable in select markets.
- ✓ Our butter cartons and ghee bottles and jars are **FULLY RECYCLABLE**. Our ghee bottles are made from **25% POST-CONSUMER RECYCLED MATERIALS**.
- ✓ Our hard-boiled egg packaging is made with **12% POST-CONSUMER RECYCLED MATERIALS**.





COMMUNITY

We support a vast network of community organizations through monetary and product donations as well as paid time off for crew volunteering. We work with non-profit organizations that advocate for causes such as youth empowerment and nutrition, reducing food insecurity, animal welfare, and environmental conservation.

In 2021, we donated nearly \$1 million in monetary and product contributions across 31 non-profit organizations in support of our purpose to improve the lives of people, animals, and the planet through food.





YOUTH EMPOWERMENT & NUTRITION

We have ongoing partnerships with the Boys & Girls Club of America and Whole Kids Foundation. These organizations are focused on youth empowerment either through creating educational opportunities or improving access to nutritious food. Since 2020, we have donated over \$130,000 to Boys & Girls Club chapters in Austin, TX, Springfield, MO, and St. Louis, MO to support youth club programming. Our crew members also have the opportunity to volunteer with Boys & Girls Club, teaching the kids about the food system through virtual “farm field trips” and in community gardens that Vital Farms sponsors. We also contribute \$15,000 annually to the Whole Kids Foundation which gives children access to nutritious food choices through school organizations and programs.

At Boys & Girls Club, we believe kids in every community deserve a chance at a great future. We are grateful to Vital Farms for their support in helping us advance our mission to enable all young people, especially those who need us most, to reach their full potential as productive, caring, responsible citizens. We’ve used Vital Farms’ monetary donations for youth programming including a community garden. Vital Farms’ crew members have also volunteered with us to teach our Club members about the food system, from family farms and environmental conservation to being a responsible consumer. We look forward to continuing this partnership and working with Vital Farms in the years ahead.

MS. DIDEM KOROGLU

DIRECTOR OF DEVELOPMENT | BOYS & GIRLS CLUB OF SPRINGFIELD

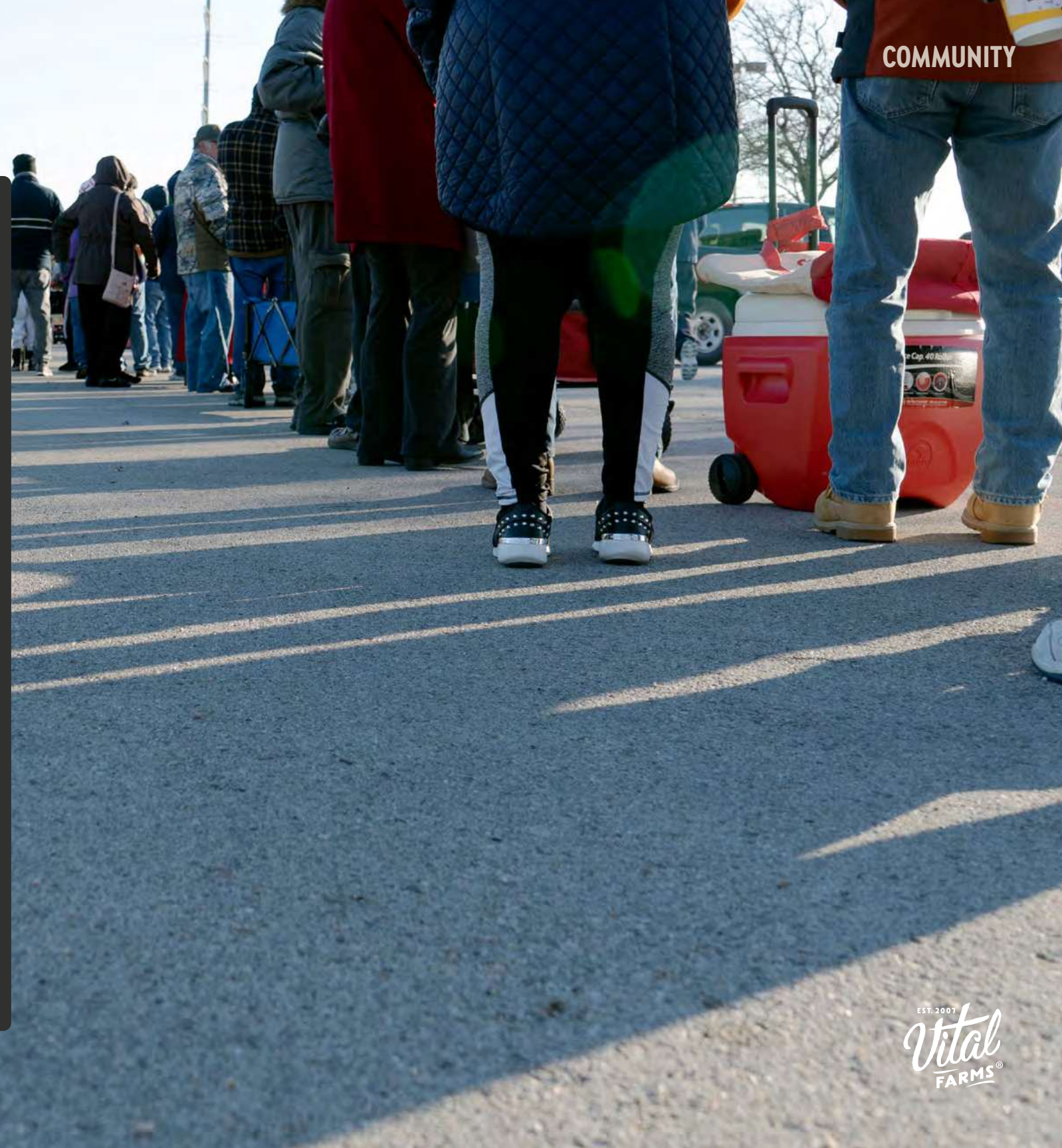


ADDRESSING FOOD INSECURITY

We have a longstanding relationship with Feeding America and its affiliated local food banks in Central Texas and Springfield, Missouri.

In 2021, we 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 Egg Central Station. These donations provided over 490,000 meals to food insecure families in southwest Missouri.

In 2020, we donated over 15 million eggs to 21 Feeding America affiliate food banks across the country that serve communities of color with high rates of food insecurity.



ANIMAL WELFARE

We have longstanding relationships with organizations that advocate for animal welfare. We make annual contributions to The Humane Society of the United States, which advocates to end all forms of animal cruelty, The Humane League, which works to end the abuse of animals raised for food through institutional and individual change, and The Animal Legal Defense Fund, an animal law advocacy organization with a mission to protect the lives and advance the interests of animals.



**ANIMAL LEGAL
DEFENSE FUND**

**THE HUMANE
LEAGUE** 



**THE HUMANE SOCIETY
OF THE UNITED STATES**

ENVIRONMENTAL CONSERVATION

We support organizations that focus on environmental conservation and advocate for sustainable agriculture practices. In 2021, we contributed to Watershed Committee of the Ozarks, a Missouri-based organization that strives to restore, protect and manage the state’s wildlife, Cornucopia Institute, a national food and farmer watchdog group working to uphold the integrity of organic, local and other forms of alternative agriculture, and Regenerative Rising, an organization devoted to elevating and forwarding regenerative principles and holistic problem solving to address planetary regeneration through place-sourced agriculture and stakeholder-centric business action.



**The
Cornucopia
Institute**



DISASTER RELIEF

We do what we can to bring relief to communities impacted by unexpected events. In 2021, we provided emergency funds and donations to support relief from devastating weather events. This included Winter Storm Uri in Texas where we made a monetary donation to Central Texas Food Bank that supported emergency food boxes and worked with our foodservice partners Tacodeli and Chi'Lantro to provide meals to local communities. We also supported relief funds for grocery workers along the Gulf Coast that were affected by Hurricane Ida and donated to Feeding America following tornadoes that impacted communities along the Pasture Belt, where many of our farmers are located.

“GIVE A CLUCK” WEEK

We give our crew members paid time off to serve their community. Every year, we host “Give a Cluck” week, when our crew members can take time out of their workday to volunteer with a local non-profit. Our 2021 “Give a Cluck” projects included sorting food for the Central Texas Food Bank, a community clean-up day to support clean drinking water with Watershed Committee of the Ozarks, and volunteering with local organizations that support animal welfare. We also made corresponding monetary donations to organizations such as Feeding America, Watershed Committee of the Ozarks, and The Humane Society of the United States that support people, animals, and the planet.



A man in a red polo shirt and glasses is seen from behind, gesturing with his right hand while addressing a group of people seated at round tables in a conference room. The room has large windows and modern spherical pendant lights. In the background, there are banners for 'Vital Farms' and 'MARKET VISION'. The text 'GOVERNANCE & STOCKHOLDERS' is overlaid in large white letters across the center of the image.

GOVERNANCE & STOCKHOLDERS

We believe that strong corporate governance is critical to Vital Farms' success. Our corporate governance structure and practices enable us to manage risks, ensure our actions align with our values, and foster a culture of integrity.

CODE OF BUSINESS CONDUCT
& ETHICS

I've had the privilege of serving on Vital Farms' Board of Directors for seven years. In that time, I've had a front row seat to how decisions are made. It's not just Vital Farms' commitment to Conscious Capitalism or its designations as a Public Benefit Corporation and Certified B Corporation that make this company a model for ethical business. It's the desire to raise the standards of everything we do—from how food is produced in the U.S. to how business is governed. I saw this in practice as the company prioritized adding more diversity to the Board. Rather than simply making commitments for the future, we put in the hard work to ensure the Board more accurately reflected Vital Farms' stakeholders.



KARL KHOURY

VITAL FARMS BOARD MEMBER

AUDIT COMMITTEE AND COMPENSATION COMMITTEE MEMBER

LEADERSHIP

Our Board of Directors and Senior Leadership Team are collectively responsible for the leadership, control, and long-term success of our company. These responsibilities include providing policy guidance, monitoring corporate performance and the integrity of financial information, and overseeing enterprise risk management programs.

Our Board of Directors provides stable and experienced oversight to our business. The Board has three standing committees:

► **The Audit Committee** oversees our accounting and financial reporting processes, systems of internal control, financial statement audits, and the integrity of the Company's financial statements. The committee also oversees our cybersecurity program and receives regular reports from management on cybersecurity matters.

► **The Compensation Committee** reviews and determines the compensation to be paid to the Company's executive officers and helps the Board oversee the Company's compensation policies and programs to attract, incentivize, retain and reward top quality executive management and employees.

► **The Nominating & Corporate Governance Committee** identifies, evaluates and recommends candidates to become Board members and oversees matters such as succession planning and Board and committee assessments. The committee also oversees our strategy, initiatives, practices, and reporting relating to Environmental, Social, and Governance (ESG) matters.



PUBLIC BENEFIT CORPORATION

We are among a very select group of U.S. companies that are publicly traded, B Corporation Certified, and Public Benefit Corporations. Certified B Corporation status is a third-party certification administered by B Lab, an independent non-profit entity. B Lab assesses companies on more than 200 sustainability questions and awards B Corporation certification to those companies that meet its stringent standards.

As a public benefit corporation, we are legally required to balance our financial interests with the best interests of our stakeholders. We believe that prioritizing the long-term viability of all stakeholders will produce stronger outcomes, for everyone, over time.

LEADERSHIP DIVERSITY

We have consciously assembled a Board of Directors and Senior Leadership Team who bring diverse experiences, perspectives, and backgrounds. In keeping with our commitment to Diversity, Equity, and Inclusion across the company, we prioritize diversity among our Board members and Senior Leadership Team. Our definition of diversity aligns with the Nasdaq definition: anyone who self-identifies as a female, an Underrepresented Minority (Black or African American, Hispanic or Latinx, Asian, Native American or Alaska Native, Native Hawaiian or Pacific Islander, or two or more races or ethnicities), or LGBTQ+.

Since January 2019, the composition of our Board has changed significantly to include members from diverse groups. Additionally, women hold several leadership positions, including as Lead Independent Director and as Chairperson of each of our standing Board committees.

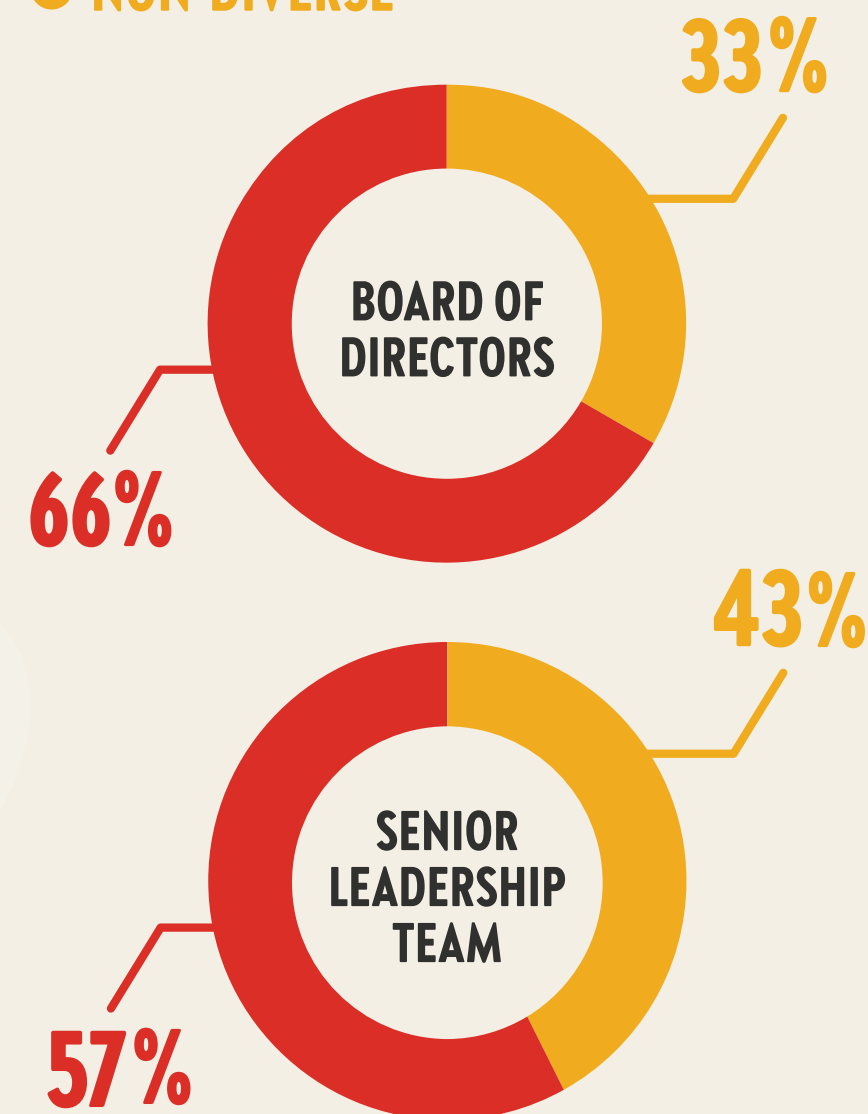
With 4 women directors, holding 44% of its corporate board seats, Vital Farms, Inc. is one of only 8% Russell 3000 companies with a gender-balanced board. This achievement is a powerful example of change at the highest level and an exceptional corporate commitment to reach equity on corporate boards.

BETSY BERKHEMER-CREDAIRE

CEO OF 50/50 WOMEN ON BOARDS

**50 WOMEN
50 ON BOARDS**

● DIVERSE
● NON-DIVERSE



BOARD OF DIRECTORS



KOFI AMOO-GOTTFRIED
Director



RUSSELL DIEZ-CANSECO
President, CEO & Director



BRENT DREVER
Director



GLEND A FLANAGAN
Director



KELLY KENNEDY
Director & Chairperson of
the Audit Committee



KARL KHOURY
Director



MATTHEW O'HAYER
Founder, Executive
Chairperson & Director



DENNY MARIE POST
Lead Independent Director
& Chairperson of the
Nominating and Corporate
Governance Committee



GISEL RUIZ
Director & Chairperson of the
Compensation Committee

SENIOR LEADERSHIP TEAM



JOANNE BAL
General Counsel, Corporate Secretary
& Head of Environmental, Social, and
Governance (ESG)



STEPHANIE COON
Senior Vice President,
People and Strategy



JASON DALE
Chief Operating Officer



RUSSELL DIEZ-CANSECO
President & CEO



KATHRYN MCKEON
Chief Marketing Officer



BO MEISSNER
Chief Financial Officer



PETER PAPPAS
Chief Sales Officer

SASB FRAMEWORK



SASB DISCLOSURES

As part of our inaugural Sustainability Report, Vital Farms is disclosing our performance on certain Environmental, Social, and Governance (ESG) issues in accordance with the Sustainability Accounting Standards Board (SASB) standards. These standards reflect industry-specific, financially material sustainability topics and metrics. SASB disclosure provides Vital Farms with a powerful tool to track changes in performance over time using globally accepted best practices for data and reporting. In the following table, we have reported in accordance with the “Meat, Poultry, & Dairy” industry standards, which we believe are most appropriate for our business operations.

TOPIC	ACCOUNTING METRIC	UNIT OF MEASURE	CODE	RESPONSE
Greenhouse Gas Emissions	Gross global Scope 1 emissions	Metric tons (t) CO ₂ -e	FB-MP-110a.1	We produced 1,208 t CO ₂ -e in 2020. This reflects Vital Farms’ initial measurement of our CO ₂ emissions. We are working to measure our 2021 emissions as part of our aspirations to report against the TCFD standards in the future.
	Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	n/a	FB-MP-110a.2	This report reflects Vital Farms’ initial measurement of our CO ₂ emissions. We acknowledge the importance of climate change to our business and to our stakeholders and are actively assessing the opportunities for Vital Farms to be a leader in promoting the transition to a low-carbon economy.
Energy Management	1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable	Gigajoules (GJ), Percentage (%)	FB-MP-130a.1	1) 3,207,826 Joules (0.0039 GJ) 2) 100% grid electricity 3) 40%
Water Management	(1) Total water withdrawn, (2) total water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress according to the World Resources Institute’s Aqueduct Water Risk Atlas (WRI Aqueduct)	Thousand cubic meters (m ³), Percentage (%)	FB-MP-140a.1	1) 38.2 thousand m ³ (0%) withdrawn from office and production facilities 2) 5.6 thousand m ³ (0%) consumed from production facilities Surface Water: 30.97 thousand (m ³) - 0% from areas of high baseline water stress Groundwater: 7.27 thousand (m ³) - 0% from areas of high baseline water stress

TOPIC	ACCOUNTING METRIC	UNIT OF MEASURE	CODE	RESPONSE
Water Management	Description of water management risks and discussion of strategies and practices to mitigate those risks	n/a	FB-MP-140a.2	Water conservation is an important issue to Vital Farms. Our egg processing facility, Egg Central Station (ECS), uses Xeriscape water-conservation techniques, employing bioretention landscaping and permeable pavers to reduce runoff and improve water quality in local waterways. We worked with water risk management experts at ADEC Solutions to help us assess our water risks. We determined that none of our owned facilities are located in regions with high baseline water stress according to the WRI Aqueduct. To begin to assess our suppliers' exposure to changing levels of water scarcity, we analyzed a sample of farms in our network and can report that approximately 20% of the sampled farms are located in areas with high levels of baseline water stress according to the WRI Aqueduct. Based on these findings we plan to expand our water risk assessment to include all of Vital Farms' suppliers in the future.
	Number of incidents of non-compliance with water quality permits, standards, and regulations	Number	FB-MP-140a.3	Zero incidents
Land Use & Ecological Impacts	Amount of animal litter and manure generated, percentage managed according to a nutrient management plan	Metric tons (t), Percentage (%)	FB-MP-160a.1	The roughly 2 million hens in our farm network produced approximately 18,140t of manure. 100% of this was managed according to a nutrient management plan, with most being used as fertilizer.
	Percentage of pasture and grazing land managed to Natural Resources Conservation Service (NRCS) conservation plan criteria	Percentage (%) by hectares	FB-MP-160a.2	100% of our pasture and grazing land used for egg production is managed to Natural Resources Conservation Service (NRCS) conservation plan criteria.
	Animal protein production from concentrated animal feeding operations (CAFOs)	Metric tons (t)	FB-MP-160a.3	This is not applicable to Vital Farms' business.
Food Safety	Global Food Safety Initiative (GFSI) audit (1) non-conformance rate and (2) associated corrective action rate for (a) major and (b) minor non-conformances	Rate	FB-MP-250a.1	1) 0% non-conformance rate 2) No corrective actions were required

TOPIC	ACCOUNTING METRIC	UNIT OF MEASURE	CODE	RESPONSE
Food Safety	Percentage of supplier facilities certified to a Global Food Safety Initiative (GFSI) food safety certification program	Percentage (%)	FB-MP-250a.2	100% of supplier facilities were certified.
	(1) Number of recalls issued, (2) Total weight of products recalled	Number, Metric tons (t)	FB-MP-250a.3	We issued zero recalls in 2021.
	Discussion of markets that ban imports of the entity's products	n/a	FB-MP-250a.4	This is not applicable to Vital Farms' business, because we do not export our products.
Antibiotic Use in Animal Production	Percentage of animal production that received (1) medically important antibiotics and (2) not medically important antibiotics, by animal type	Percentage (%)	FB-MP-260a.1	1) 0% 2) 0% Per USDA National Organic Program regulations, Organic eggs must come from chickens that receive no antibiotics.
Workforce Health & Safety	(1) Total recordable incident rate (TRIR) and (2) fatality rate	Rate	FB-MP-320a.1	1) 9.8 TRIR 2) 0 fatalities
	Description of efforts to assess, monitor, and mitigate acute and chronic respiratory health conditions	n/a	FB-MP-320a.2	This is not applicable to Vital Farms' business.
Animal Care & Welfare	Percentage of pork produced without the use of gestation crates	Percentage (%), by weight	FB-MP-410a.1	This is not applicable to Vital Farm's business, because we do not produce pork products.
	Percentage of cage-free shell egg sales	Percentage (%)	FB-MP-410a.2	100%
	Percentage of production certified to a third-party animal welfare standard	Percentage (%)	FB-MP-410a.3	100%

TOPIC	ACCOUNTING METRIC	UNIT OF MEASURE	CODE	RESPONSE
Environmental & Social Impacts of Animal Supply Chain	Percentage of livestock from suppliers implementing the Natural Resources Conservation Service (NRCS) conservation plan criteria or the equivalent	Percentage (%)	FB-MP-430a.1	100% of our hens are from suppliers implementing NRCS conservation plan criteria or equivalent. Approximately 84% of our dairy suppliers are also certified. We are currently working with our smaller suppliers to seek certification.
	Percentage of supplier and contract production facilities verified to meet animal welfare standards	Percentage (%)	FB-MP-430a.2	100%
Animal & Feed Sourcing	Percentage of animal feed sourced from regions with High or Extremely High Baseline Water Stress	Percentage (%), by weight	FB-MP-440a.1	32% of our feed is sourced from regions with High or Extremely High Baseline Water Stress. We are currently assessing regional water stress levels. As we further explore the impacts of increasing water stress, we intend to refine our analysis to assess the specific location of each producer.
	Percentage of contracts with producers located in regions with High or Extremely High Baseline Water Stress	Percentage (%), by contract value	FB-MP-440a.2	38% of our contracts with producers are located in regions with High or Extremely High Baseline Water Stress. We are currently assessing regional water stress levels. As we further explore the impacts of increasing water stress, we intend to refine our analysis to assess the specific location of each producer.
	Discussion of strategy to manage opportunities and risks to feed sourcing and livestock supply presented by climate change	n/a	FB-MP-440a.3	Vital Farms is taking a holistic approach to managing the risks presented by climate change. As we look to formalize our climate change strategy, we will explore potential risks and opportunities across our value chain to support our goal of being a sustainability leader in the agriculture industry.
Activity Metrics	Number of processing and manufacturing facilities	Number	FB-MP-000.A	We have one egg processing facility, Egg Central Station (ECS) located in Springfield, Missouri.
	Animal protein production, by category; percentage outsourced	Various, Percentage (%)	FB-MP-000.B	Egg production represents approximately 90% of our business. The remaining 10% is butter production.

FORWARD-LOOKING STATEMENTS

This report contains “forward-looking” statements, as that term is defined under federal securities laws in the United States, including but not limited to statements regarding our growth potential and plans, our sustainability goals or targets, the impact of our sustainability initiatives on our stakeholders, and our expectations regarding our future operating and business environment. All statements other than statements of historical facts contained in this report, including statements regarding our future results of operations or financial condition, business strategies, goals, initiatives, commitments and plans and objectives of management for future operations, are forward-looking statements. In some cases, you can identify forward-looking statements because they contain words such as “anticipate,” “believe,” “contemplate,” “continue,” “could,” “estimate,” “expect,” “forecast,” “goal,” “intend,” “may,” “plan,” “potential,” “predict,” “project,” “seek,” “should,” “target,” “will” or “would” or the negative of these words or other similar terms or expressions. These forward-looking statements are subject to substantial risks, uncertainties, assumptions, and changes in circumstances that may cause actual results, performance, or achievements (including achievement

of any sustainability goals or targets in connection with this report) to differ materially from those expressed or implied in any forward-looking statement.

The risks and uncertainties referred to above include but are not limited to those risks described in our filings with the Securities and Exchange Commission (SEC), including in the sections entitled “Risk Factors” in our latest annual report on Form 10-K and our quarterly reports on Form 10-Q, and in our other filings and reports that we may file from time to time with the SEC. Moreover, we operate in a very competitive and rapidly changing environment. New risks emerge from time to time. It is not possible for management to predict all risks, nor can we assess the impact of all factors on our business or the extent to which any factor, or combination of factors, may cause actual performance and results to differ materially from those contained in any forward-looking statements we may make. In light of these risks, uncertainties and assumptions, we cannot guarantee future results, levels of activity, performance, achievements, or events and circumstances reflected in the forward-looking statements will occur. Forward-looking statements represent managements’ assumptions, expectations and beliefs only as of the

date of this report. We disclaim any obligation to update forward-looking statements except as required by law.

We utilize materiality in this report to describe issues relating to certain sustainability and Environmental, Social, and Governance (ESG) matters that we consider to be impactful to our business and important to our stakeholders. Certain of our sustainability and ESG disclosures are included in our annual and quarterly reports filed with the SEC, our proxy statement, and this report. The “materiality” thresholds for purposes of this report may differ from the concept of “materiality” for purposes of federal securities laws and disclosures required by the SEC rules in our filings with the SEC. The inclusion of sustainability and ESG disclosures in this report and in our filings with the SEC does not necessarily mean or imply that we consider such disclosures to be material for purposes of the federal securities laws or the SEC’s rules and regulations governing such disclosures.

NON-GAAP FINANCIAL MEASURES

In this report, we use certain non-GAAP financial measures, including Adjusted EBITDA. We report our financial results in accordance with GAAP. However, our management believes that Adjusted EBITDA, a non-GAAP financial measure, provides investors with additional useful information in evaluating our performance.

Adjusted EBITDA is a financial measure that is not required by or presented in accordance with GAAP. We believe that Adjusted EBITDA, when taken together with our financial results presented in accordance with GAAP, provides meaningful supplemental information regarding our operating performance and facilitates internal comparisons of our historical operating performance on a more consistent basis by excluding certain items that may not be indicative of our business, results of operations or outlook. In particular, we believe that the use of Adjusted EBITDA is helpful to our investors as it is a measure used by management in assessing the health of our business, determining incentive compensation and evaluating our operating performance, as well as for internal planning and forecasting purposes.

We calculate Adjusted EBITDA as net income, adjusted to exclude: (1) depreciation and amortization;

(2) provision for income taxes; (3) stock-based compensation expense; (4) interest expense; (5) change in fair value of contingent consideration; (6) interest income; and (7) net litigation settlement gain.

Adjusted EBITDA measurements in this report are presented for supplemental informational purposes only, have limitations as an analytical tool and should not be considered in isolation or as a substitute for financial information presented in accordance with GAAP. Some of the limitations of Adjusted EBITDA include that (1) it does not properly reflect capital commitments to be paid in the future, (2) although depreciation and amortization are non-cash charges, the underlying assets may need to be replaced and Adjusted EBITDA does not reflect these capital expenditures, (3) it does not consider the impact of stock-based compensation expense, (4) it does not reflect other non-operating expenses, including interest expense, (5) it does not consider the impact of any contingent consideration liability valuation adjustments, and (6) it does not reflect tax payments that may represent a reduction in cash available to us. In addition, our use of Adjusted EBITDA may not be comparable to similarly titled measures of other companies because they may not calculate Adjusted EBITDA in the same manner, limiting its usefulness as a comparative measure. Because of these limitations, when evaluating our performance, you should

consider Adjusted EBITDA alongside other financial measures, including our net income and other results stated in accordance with GAAP.

The following table presents a reconciliation of Adjusted EBITDA to net income (loss), the most directly comparable financial measure stated in accordance with GAAP, for the periods presented in this report:

(\$ THOUSANDS)	52-WEEKS ENDED			
	26-DEC-21	27-DEC-20	29-DEC-19	30-DEC-18
Net income	\$ 2,382	\$ 8,884	\$ 3,312	\$ 5,629
Depreciation and amortization	3,540	2,550	1,921	1,437
(Benefit)/Provision for income tax	(2,028)	2,770	1,106	723
Stock-based compensation expense	4,440	2,509	1,029	600
Interest expense	52	488	349	424
Change in fair value of contingent consideration ¹	44	(333)	70	92
Interest income	(381)	(97)	(181)	(9)
Net litigation settlement gain ²	0	(20)	(1,200)	(1,000)
Adjusted EBITDA	\$ 8,049	16,751	6,406	7,896
Net Income as a % of Net Revenues	0.9%	4.1%	2.4%	5.3%
Adjusted EBITDA Margin	3.1%	7.8%	4.6%	7.4%

¹ Amount reflects the change in fair value of a contingent consideration liability in connection with our 2014 acquisition of certain assets of Heartland Eggs.

² For the year ended December 29, 2019, amount reflects a gain in connection with the settlement of the Ovabrite lawsuit.



Vital Farms

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