



TWELFTH ANNUAL SUSTAINABILITY REPORT

FOR FISCAL YEAR 2023 (SEPT. 25, 2022– SEPT. 30, 2023)

Published by Outpost Natural Foods Co-op

Business Profile & Report Overview:

Outpost Natural Foods Cooperative is a natural foods retail grocery operation in the Milwaukee metro area. Outpost is owned by members of the community, governed by a board of co-owner directors, employs more than 350 people and ended the 2023 fiscal year with \$48.5 million dollar in total sales. Outpost operates four store locations, a central processing kitchen, and a wholesale division. Our central office and warehouse hub are in Milwaukee's Bay View neighborhood, separate from our retail environments. We own two store facilities: Wauwatosa (State Street) and Mequon; and lease our two Milwaukee-based store locations (Capitol Drive and Bay View), as well as office spaces at 3rd & Oklahoma in Milwaukee. The Central Kitchen provides fresh snacks, meals, and bakery for all our stores and cafés, as well as for our wholesale.

This report was created with thanks to the collaborative efforts among leadership at Outpost including directors, managers, and department teams. All have contributed to data collection and collaborative goal setting. Report figures are based on four store locations for the Fiscal Year 2023.

Thank you to all who have helped in the process!

Outpost's Mission

Outpost Natural Foods exists so that our owners have a healthy, diverse, and sustainable community. This will be accomplished while maintaining the long-term strength of the cooperative.

End Results

1. The community has access to products and services that promote personal and environmental health.
2. The community has access to organically and locally produced goods.
3. The community is educated about choices that impact personal and environmental health.
4. A community with commerce that is locally owned or locally oriented exists.
5. The owners have a sense of connectedness, belonging and fellowship.
6. The cooperative infrastructure is supported.

Our Vision

- Friendly, knowledgeable, and fast service.
- Quality goods that meet our high product standards and are always fresh.
- The vendors who bring us the best tasting foods, deepening and strengthening our local economy.
- A fair, diverse, and supportive workplace.
- Respectful, honest relations with our employees, customers, and suppliers.
- The cooperative way, which defines both our business model and our attitude.
- A community built on great relationships and the spirit of giving; all in support of the people we call our neighbors.
- The Earth and our responsibility to preserve the environment for future generations.





Capitol Drive Location
 100 E Capitol Drive
 Milwaukee, WI 53212
 414.961.2597



Bay View Location
 2826 S Kinnickinnic Avenue
 Milwaukee WI 53207
 414.778.3202



State Street Location
 7000 W. State Street
 Wauwatosa, WI 53213
 Phone: 414.778.2012



Mequon Location
 7590 W Mequon Road
 Mequon, WI 53092
 262.242.0426

Outpost Central Offices
 3200 S. 3rd Street
 Milwaukee, WI 53207
 414.431.3377

Connect with us on social media
facebook.com/outpostnaturalfoods
youtube.com/user/outpostnaturalfoods
instagram.com/outpostnaturalfoods/

*Outpost Mequon is
 USGBC Certified
 LEED Silver for
 Leadership in Energy
 & Environmental
 Design*



OUTPOST'S SUSTAINABILITY VISION:

Outpost Natural Foods operates our cooperative efficiently and effectively, addressing our present needs while being respectful of the natural resources required for future generations. Our employees, owners and conscientious citizens are responsible for the environmental and social impacts of their actions. Outpost embraces the challenge to move our operations and actions toward sustainable models. We will do this through:

Leadership, Climate Impact, Community, and a Triple Bottom Line



AMAZING
 WORKPLACES



DYNAMIC REGIONAL
 FOOD SYSTEMS



LIVELY CO-OP
 MARKETS



STRONG COMMUNITY
 PARTNERSHIPS



SUSTAINABLE &
 PRINCIPLED
 SOLUTIONS

Climate Change Statement

We acknowledge that climate change is a real and an imminent threat to our cooperative, our community, and the farmers and producers we rely upon to feed us. With more than 97% of climate scientists confirming that our climate, and therefore our world, has been severely impacted by greenhouse gasses, we believe that it is wrong to pollute our earth and to willfully ignore the implications for all of humanity. Therefore, we are committed to lead impactful change through education, effective partnerships, and sustainable solutions in our operations.

Sustainability Report Criteria

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Outpost's Sustainability Impact Report shows key highlights of all data annually measured and tracked





total organic sales
\$18,294,411

(44% of total sales)



1. ORGANICS

POLICY, GUIDELINES, AND PRACTICES

Outpost believes that the health of the people reflects the health of the planet. The Product Policy Advisory Team developed policies for our purchasing team to follow:

Organic Policy:

Organic farming practices ensure the health of farmers, farm workers, livestock, and the environment. Our support of the organic food system protects the integrity of the entire food system. We curate our product selection giving preference to organically sourced foods.

Organic Production and Purchasing:

Outpost's commitment to organic has been a cornerstone of our business for decades. We strive to provide an ever-growing variety of organically grown products. We track organic sales as a percent of total product available that *could be* organically sourced because organic sourcing from categories such as cleaning products, books, and general merchandise doesn't exist or isn't possible.

Product Availability:

Supply chain disruptions and extreme climate-related activities can affect organic agriculture and availability of products, locally, domestically, and globally.

2. SOURCING

POLICY, GUIDELINES, AND PRACTICES

Outpost will give preference to products sourced locally and regionally, when applicable. We may assist local producers to help them get their product to market.

Product Policy Statement:

At Outpost Natural Foods we believe that foods are best used or eaten as close as possible to their original natural state and should have as minimal an impact on the environment as possible. To that end we emphasize, within our product selection, items sourced locally from Wisconsin and regionally from the Midwest. We also believe that whole, organic foods in their fresh state are the highest-quality products available. We voluntarily offer full disclosure on the state or country of origin, making Outpost a trusted and reliable source.

Outpost will not knowingly sell any food that contains harmful preservatives or colorings that are not naturally derived. Additives from natural sources, which are generally regarded as safe (have GRAS status), will be evaluated based on references: "A Consumer's Dictionary of Food Additives" and "A Consumer's Dictionary of Cosmetic Ingredients," both by Ruth Winter.

We support full disclosure and provide information about product ingredients, growers or growing methods, and product origin

total local/regional sales

\$14,188,719

(34% of total sales)



FAIR TRADE

Fair Trade standards work to ensure that people around the world get fair value for their work or products. Criteria often includes paying fair wages in the local context, providing equal opportunities for workers, ensuring there is no abuse of child labor, ensuring healthy and safe working conditions with a local context, engaging in environmentally-sustainable practices, building long-term trade relationships, and providing financial and technical assistance to producers whenever possible.

Fair Trade products can include chocolate, coffee and tea, wine, sugar, fruits and vegetables, nuts and grains, handicrafts, and body care.



total Fair-Trade sales
\$1,287,173
(3% of total sales)

LOCAL • REGIONAL

Outpost defines “local” as within the State of Wisconsin, and “regional” as the neighboring states that make up the Upper Midwest – Minnesota, Iowa, Illinois, Indiana, and Michigan.

Total sales reflect all categories including produce, dairy and cheese, meat/poultry, eggs, and non-perishables.



total local/regional ingredients
used by Central Kitchen
41%

total fleet mileage
51,870 miles



total fuel consumed
6,082 gallons

(down 1,450 gallons from previous report)

3. DISTRIBUTION

POLICY GUIDELINES AND PRACTICES

We will produce, pack, transport, and distribute products using the most efficient means possible with the most environmentally responsible renewable fuel sources available. We will systematically improve our energy efficiency, reduce our energy consumption, and reduce food miles whenever possible.

Vehicles

In FY23, Outpost owned and operated the following vehicles:

- Ford F550: Refrigerated truck with diesel engine used for Wholesale delivery and store runs Monday through Friday. Started in service in 2012.
- Ford Transit E350: Used for wholesale. Gas engine. Started in service in 2018.
- Ford Transit T250: Primarily used for construction and repair. Started in service in 2019.
- Ford F 750: Refrigerated truck with gas engine and diesel-powered refrigeration unit. Used for store runs Monday through Friday. Started in service in 2023.

4. ENERGY USE

POLICY, GUIDELINES & PRACTICES

Reduction of net energy consumption is central to our fight against climate change. It is not only a factor in our decision-making processes but a financial commitment we choose to make in supporting renewable options that bring us closer to being completely carbon neutral.

Energy Offsets

Outpost believes in a future supported by clean, green, renewable energy. We offset 100% of our store electricity use through the purchase of Renewable Energy Credits (RECs) via 3Degrees. This helps to create domestic wind energy projects. Clean energy infrastructure, like wind, creates green job opportunities and builds a sustainable grid.



Outpost ranks #27 on EPA Top 30 Retailer List

The Top 30 Retail list represents the largest green power users among retail partners within the EPA Green Power Partnership program. See how other businesses rank.



Electric Vehicle Charging

Outpost's Mequon and Wauwatosa stores offer EV charging. Plan for additional stations in the coming fiscal year.



total electrical use
3.25 million kWh

(The average US household consumes around 10K kWh)

total solar generated
45,010 kWh

(Enough to power 4 average homes for a year)

total natural gas use
102,541 therms

(The average US household consumes about 57 therms)

5. SOLID WASTE REDUCTION

POLICY, GUIDELINES & PRACTICES

Outpost is committed to minimizing waste and using resources wisely. We conduct company-wide composting for all pre-consumer food waste from our central kitchen, produce departments, and cafés. The many benefits of composting include landfill diversion, reducing harmful GHG, and building up healthy soils.



Composting

Compost Crusader handles and processes Outpost's compostables. Since 2014, Outpost has composted more than 2,000 tons - or 4.1 million pounds - of pre-consumer food waste. That's equivalent to five Airforce 1 Boeing 747 jet airplanes!



Plastics

Outpost continues to make progress on reducing single-use, petroleum-based plastics in our fresh departments and food service program. Look for packaging that uses more renewable raw materials, bio-based cutlery in the cafés, and more compostable or bio-based plastic beverage cups. Currently, bio-based and other compostable plastics cannot be recycled with regular plastics, nor can it be commercially composted as there are no composting facilities in the metro area that accept compostable packaging. However, using compostable plastics reduces the dependency on petroleum-based feedstock and helps to grow the sustainable packaging industry. Want municipal composting? Call your local representative!

total recycled waste

276 tons

(or 552,000 pounds)

total composted materials

229 tons

(or 458,000 pounds)

total landfill diversion rate

71%

(Percentage of waste that was not landfilled)

Greenhouse Gas Emissions Scope	FY23 Metric Tons CO2e
Direct/Scope 1 Emissions Total CO2 equivalents from fuels burned in company-owned vehicles	54
Indirect/Scope 2 Emissions Total electricity purchased though our utility for all stores (kWh)	2,242
Indirect/Scope 2 Emissions Total gas purchased though our utility for all stores (therms)	543
Total Annual Gross GHG Emissions	2,839
CO2e of RECs purchased	2,553
Total Annual Net GHG Emissions (Gross GHG Emissions minus RECs)	286

6. CLIMATE CHANGE & AIR EMISSIONS

GUIDELINES & PRACTICES

We will actively reduce production, storage, processing, and retail practices that create greenhouse gas emissions that contribute to climate change. We measure the carbon footprint of our operations and strive to achieve carbon neutrality – Net Zero – of our business practices.

Greenhouse gas (GHG) emissions

Outpost uses standardized calculations that encompass measured Scope 1 and 2 GHG emissions and convert that figure into metric tons of carbon dioxide (CO2e). FY23 GHG emissions equal 286 metric tons of carbon dioxide, 51% less than in FY15 when we first started using this formula to track these emissions.

Climate Change Policy

We acknowledge that climate change is a real and imminent threat to our cooperative, our community, and the farmers and producers we rely upon to feed us. With more than 97% of climate scientists confirming that our climate, and therefore our world, has been severely impacted by greenhouse gasses, we believe that it is wrong to pollute our earth and to willfully ignore the implications for all of humanity. Therefore, we are committed to lead impactful change through education, effective partnerships, and sustainable solution in our operations.

A WORD ON EMISSIONS

Tracking and monitoring Outpost's carbon footprint requires keeping tabs of the emissions we create from both direct and indirect sources. There are three types of emissions that are tracked: Scope 1, Scope 2, and Scope 3.

Scope 1: Owned emissions

Direct GHG emissions that result from the burning of fossil fuels from sources controlled or owned by the company

Applied to Outpost, examples include fuel consumption for company fleet vehicles and tracking refrigerant leaks that may occur from refrigeration systems that keep retail floor coolers and freezers functioning.

Scope 2: Purchased emissions

Indirect GHG emissions resulting from offsite generation of fossil fuels to produce electricity, heat, or steam, and purchased by the company

Applied to Outpost, examples include electricity (kWh) and natural gas (therms). We don't have control in how these energy sources are created, but we do have control over how efficiently we use those resources.

NOTE: Kilowatt hours of electricity generated by the solar panels on the Mequon store help to offset the impact of our electricity use

Scope 3: Emissions not owned or controlled

Indirect GHG emissions resulting from the organization being in business

Applied to Outpost, examples include waste management, business travel and employee commuting, and investment vehicles for our 401k programs. It also includes emissions much more difficult to track such as those emitted by our contractors, supply chain partners and food vendors, wholesale distributors, customer-owned vehicles and those resulting from the products we sell, to name a few.

NOTE: Tracking how often customers use our EV charging stations could be one way of collecting data on Scope 3 emissions

7. WATER USE & QUALITY

GUIDELINES & PRACTICES

We will find effective methods to reduce our use of fresh water and to optimize operations so that all water use is as efficient as possible. We raise awareness of regional and local water issues through education and information sharing. We commit to managing our water resources while realizing that multiple water stressors exist today.

Water usage

Usage trends match sales and production trends. In drier seasons, landscaping may require some supplemental watering, so we look to plant native, drought-resistant landscapes. An increase in sales can increase water use for food production.

Ground water

We reduce storm water runoff using native gardens and, when feasible, porous pavement and cisterns. Storm water naturally passes into the ground and watershed, versus flowing away in storm sewers. Benefits of porous areas include groundwater recharge, improved water quality, and decreased water entering treatment facilities prior to being returned to Lake Michigan.

All Outpost landscaping utilizes native plants and other perennials without the use of synthetic herbicides, pesticides, or fertilizers, providing urban havens and sources of food for beneficial insects, migratory birds, and other critters.

total water usage
4.43 million gallons

(up 1.43 million gallons from previous report)

(2017-21 average is 3.82 million gallons)



See how our zero-runoff landscaping works at our Mequon store!

8. PACKAGING & MARKETING MATERIALS

GUIDELINES & PRACTICES

Outpost has a dedicated team that actively works on tackling single-use plastics in Outpost fresh departments. The purchasing department considers the feasibility of packaging when making choices on products to sell.

Reusable containers and bags

We always encourage our shoppers to bring their own reusable shopping bags, produce bags, water bottles, and bulk foods containers. You can purchase these at Outpost! It saves the co-op money, too. Paper shopping bags are certified by the Sustainable Forestry Initiative and printed with soy-based inks. Look for paper and compostable produce bag options – or don't use a bag at all!

OWNERS: Receive a Reward Point for each reusable full-sized grocery bag you use for your Outpost shopping trip!

Marketing materials

Educating shoppers is an important part of being a co-op and we practice responsible publishing practices for all printed materials, including GRAZE magazine, weekly sales flyers, annual reports, takeaway menus, etc. Access digital issues of GRAZE online!

www.outpost.coop/graze



9. LABOR

GUIDELINES & PRACTICES

We believe in a fair, diverse, and supportive workplace. Through our customer service commitment, we work towards respectful and honest relations with our employees, our customers, and our suppliers. In our ongoing work towards our vision, our “Amazing Workplaces” theme helps us reach this goal.

United Food and Commercial Workers Union

Outpost is proud to say that a majority of employees are members of UFCW Local #1473. Our relationship dates to 1979. Outpost and UFCW agree to use Interest-Based Problem Solving, a consensus-based model that fosters a positive, collaborative working relationship between the union and Outpost management.



Health insurance is available to all Outpost employees once the required number of service hours for eligibility have been met

total number of employees

350

(union and at-will)



full-time union employees

47%

percent of company-covered benefit premiums

75 %

Growth and Development

Outpost employees have numerous opportunities to grow and develop in the workplace. Outpost Leadership, Exploration, and Development (LEAD) Program, Peer to Peer development forums, coach groups, Lean Team apprenticeships, and vendor product trainings are just some of the resources available to employees.

Outpost's Diversity, Equity, & Inclusion Vision

At Outpost everyone will be treated with dignity and respect, without fear of discrimination for being who they are. As leaders we will create policies and practices that eliminate racism, sexism, homophobia, transphobia, ableism, ageism, division, and injustice. We will create an inclusive, cooperative culture to ensure everyone is welcome and respected. These actions and intentions are part of a solution towards an equitable and inclusive future for everyone.

DE&I Task Force

The first official meeting of Outpost's internal DEI Team took root in October 2022. Team members applied to be considered for participation. The seven-member group consisting of clerks, managers, directors, and the GM/CEO, got to work immediately to awaken the team's purpose of providing direction and gathering employee feedback in support of the co-op's DEI vision. The first task was for each member of the group to identify their own individual biases toward goals and outcomes. Moving forward, the team developed resource materials for future learning and possible trainings.



promotional positions filled
by BIPOC candidates

44%

(Black, Indigenous, or People of Color)

total training expenditures

\$48,830

10. HUMANE ANIMAL CARE

GUIDELINES & PRACTICES

To develop a more compassionate world, Outpost avoids products that are knowingly produced or raised in a manner that is cruel to animals. Toward this end:

- In departments where animal or meat products are sold, Outpost emphasizes products that are raised or produced under humane methods or conditions and will give preference to meat products certified by third-party inspection.
- Outpost will not knowingly buy products from manufacturers who engage in animal testing, gestation crates, or the egg production process known as forced molting.

Outpost takes several factors into consideration when purchasing animal products, including distance, transport time, processes taken and if suppliers have certifications. We only offer seafood that has been sustainably harvested, wild caught, or farmed in ecologically sound ways, including canned seafood.

Health, Well Being, & Living Conditions

- Dairy purchased is from cows confirmed to be free of rBGH/BST and other growth promoters, antibiotics, and hormones
- Livestock/poultry confirmed to be free of synthetic growth promoters, antibiotics, and hormones of any kind
- Eggs purchased/produced from hens prohibited from feed-to-force molting
- Pork is produced from pigs not confined to crates
- Animals are given access to pasture and actively graze





total local meat and poultry sales

54%

(of all meat and poultry sold)

total organic meat and poultry sales

8%

(of all meat and poultry sold)



total local raw eggs used in Central Kitchen

119,880 eggs

(that's just shy of 10,000 dozen - 🤪)



11. SUSTAINABILITY EDUCATION

GUIDELINES & PRACTICES

The department of Community Relations is responsible for overseeing the educational programs, ownership, and community activities of the cooperative, as well as developing lasting relationships and partnerships with community organizations, local government, and locally-owned, independent businesses. The sustainability manager position has been unfilled since 2021. The Community Relations director carries that work forward during the hiatus, with input from the director team and others.

Engagement

Outpost engages our owners and shoppers in occasional industry surveys and newsletters. Other communication methods include stickers, posters, and shelf signs highlighting local and regional products, as well as gluten-free items. All organic products are labeled in their packaging or on the produce tag. Weekly specials are highlighted in our sales flyer and on the website, as well as labeled on the shelf. Digital newsletters are mailed weekly, and a digital Co-op News is mailed once a month to all who wish to subscribe.

Shopper Education

Outpost endeavors to communicate clearly and effectively with our owners and our shoppers. Our communication methods include stickers, posters, and shelf signs highlighting such things as organic, local and regional products, and Country of Origin labeling. Look for media appearances educating about products and trends.



12. GOVERNANCE & COMMUNITY ENGAGEMENT

GUIDELINES & PRACTICES

We review our progress toward these goals on a regular basis by conducting self-audits and being transparent with all employees and the public with the results. We will actively engage in communication across the trade to solve sustainability-related challenges and will facilitate dialogue regarding action.

Sustainability Governance and Management

Outpost is committed to sustainability for the long haul. With Sustainable & Principled Solutions as a core strategic theme in our High Five goals, we are positioned to address and work on our sustainability challenges. Departments are organized to align with a Triple Bottom Line strategy - People, Planet, and Prosperity – that includes all stakeholders of the co-op, instead of favoring profits at the expense of the others.

Business Governance

We are governed by a board of owner directors that use the Policy Governance Model to monitor its duty of care, loyalty, and obedience to Outpost owners. Outpost follows the seven internationally recognized cooperative principles of:

Voluntary and Open Membership • Democratic Member Control • Member Economic Participation • Autonomy and Independence • Education, Training, and Information • Cooperation among Cooperatives • Concern for the Community | Also Diversity, Equity, & Inclusion (*principle incorporated by National Co-op Grocers*)



endowment contribution to
Co-op Community Fund (CCF)

\$13,296

(total endowment \$182,000)

CCF grant to Marbleseed

(formerly MOSES)

\$4,820

(interest earned on the endowment)

Wisconsin Sustainable Business Council 2023 Green Masters Awards

Maturing Designation

Green Masters Award Scope: Environment, Workforce, Governance & Leadership, Society



customer Buy A Bag contributions
\$105,558
(record amount)



total amount raised for
Friedens Empty Bowls
\$11,175

