



# DOING MORE WITH LESS

a commitment to sustainability

refreshingly dependable  
**Lipoman**



# THE RIGHT THING TO DO

Every day, somewhere in North America, fruit and vegetables are being planted, grown or picked on a Lipman farm. And the story of that produce is a sustainable one ... supporting protected agriculture, fair labor practices, food safety and environmental consciousness.

From tomatoes to peppers to watermelons ... and from seed to delivery ... Lipman incorporates sustainable practices across the full spectrum of the supply chain.

When it comes to caring for both natural and human resources, Lipman has been ahead of the curve for decades. We embraced sustainability early on — not because it was mandated, but because it was the right thing to do.

An industry pioneer, Lipman was the first large-scale grower to adopt and implement a sound corporate social responsibility policy and one of the first in the nation to use state-of-the-art technologies like drip irrigation to protect precious natural resources.

Our founders traveled the world in search of better ways to grow. So, at our core, taking care of the earth and taking care of our people is not just what we do for a living ... **it's who we are as a company.**





# FROM SEED TO DELIVERY:

## sustainability across the supply chain

### TAKING A HOLISTIC APPROACH: INCREASE OUTPUT. DECREASE INPUT.

At Lipman, we look at sustainability holistically. Our goal is to maximize the use of natural resources and minimize our overall carbon footprint — increasing output while decreasing input. It's called precision agriculture. But, simply put, it means “doing more with less.”

Applying that philosophy to day-to-day business, we focus on best practices and innovative solutions — from continuous improvements in production optimization ... to supreme quality and yields ... to timely logistics.

Operationally, our focus is threefold:

- **Reduce.** To decrease energy consumption, Lipman works diligently to improve efficiencies and manage with greater insight, precision and accuracy ... thus reducing significant amounts of inputs along the way.
- **Optimize.** We invest in research and development, as well as new technology and storage facilities, to improve yield and create sturdier, safer, healthier and more flavorful products.
- **Replenish.** All along the supply chain, from farm to packinghouse, we completely reuse, recycle or compost all wastes generated during production.



### USING TECHNOLOGY TO FARM SMARTER

Seeking ways to farm better and smarter, Lipman has consistently invested in the most up-to-date tools and technology. From computerized weather stations ... to irrigation systems that are individualized at the plant level ... to packinghouse machinery and equipment, processes are fully controlled through automation.

On our farms, all inputs and outputs are tracked by computer — meaning that every seed and drop of water is accounted for (and ultimately used) to its fullest extent. Programs can be monitored from anywhere in the world where there is internet access.

### MEETING THE HIGHEST FOOD SAFETY STANDARDS

A vital component of sustainable agriculture is making sure that the food supply is safe and healthy. Lipman's comprehensive food safety program encompasses the entire spectrum of our farming and packing

operation. All company managers and key personnel have been educated and certified in food safety standards. In addition, all packinghouse and farm employees are trained on good manufacturing practices (GMP), good agriculture practices (GAP), food safety and food security principles. As a company, we are Global GAP certified.

To ensure that we stay within these guidelines, Lipman farms and facilities are audited annually by NSF Agriculture, the world leader in product certification and risk management for public health and safety. We have also completed a thorough social accountability audit, which can be accessed through the NSF Agriculture database.



In the quest for what we call the “holy grail,” Mark Barineau, Ph.D., Lipman's director of R&D and seed production, leads one of the most effective tomato-variety teams on the planet.

### GOOD SEED

To develop plants that not only bear nutrient-rich and flavorful fruit, but also produce a high-yielding crop, Lipman has invested millions in research and development. Nearly a decade ago, we began working with experts in breeding and post-harvest physiology to develop proprietary tomato varieties with the most desirable characteristics.

To develop better and more sustainable hybrids, our scientists begin at the beginning — with the seed. The process, which typically takes about seven years, goes from seed to lab to field and back

again over several growing cycles, repeating itself until stable parental lines are produced. Through hand pollination of parental lines, our scientists make almost 1,000 new hybrid varieties each year.

Hybrids are tested across the country and carefully analyzed for desired traits. In Naples, 100 million seedlings are produced each year — while on thousands of acres of Lipman farms across the country, 30 of our proprietary hybrids are grown simultaneously. The work is painstaking, but it has paid off: Lipman's proprietary varieties have created a superior product, significantly increasing yields while measurably decreasing inputs.

# SUSTAINABLE AGRICULTURE: protecting precious natural resources

## PRESERVING THE BASIC BUILDING BLOCKS OF FARMING: LAND AND WATER

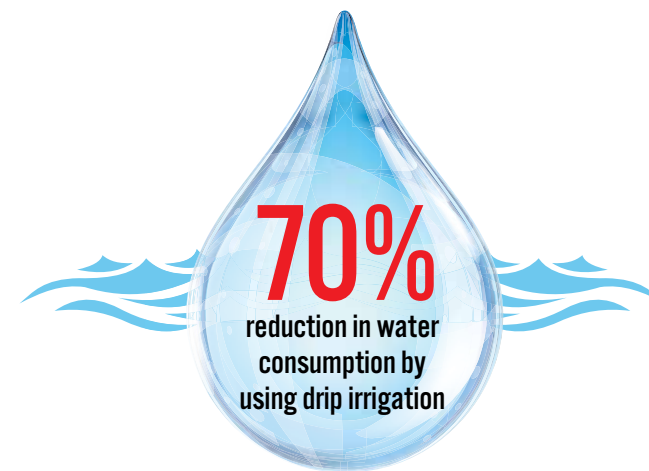
For generations, the Lipman family has tilled many of the same fields, and we've always honored our responsibility to nurture the environment that enables our plants to grow. Along with decades-old techniques like crop rotation, we preserve the land in many ways: tilling over crops to reduce carbon emissions, using GPS-controlled equipment to lessen stress on the soil, and using wider

tillage and spray machinery to cover the same amount of ground in less time. All municipal waste on the farms is incinerated, and organic matter is plowed back into the ground to replenish nutrients. Fertigation is controlled electronically from remote workstations, enabling us to make more efficient use of fertilizer.

Using a regimented, integrated pest management program that focuses on root-cause, prescriptive treatments, all fields are treated uniquely — applying only what is needed on a prescribed basis from

our knowledgeable scouting force. This significantly reduces the amount of chemicals applied annually. Environmental conditions, pest pressure and new chemistries are factored in — empowering dynamic decision-making and supporting a healthy environment.

As we transition to milder, safer, greener pesticides, we are completely eliminating the use of methyl bromide — and we're partnering with leading chemical companies to conduct field research that enables us to apply inputs in a more concentrated, pest-specific manner.



## MAKING EVERY DROP COUNT

Lipman's water usage policy is simple: We count every drop and try to make every drop count. That said, we have put into place various conservation efforts, including:

- **Precision Irrigation and Fertigation** – Lipman was one of the first in the industry to implement drip irrigation, and it's been a standard farming practice for over 25 years. All our farms are fully integrated with solar-powered irrigation controls and

micro-irrigation technology, which delivers water and fertilizer near the root system — maximizing yield and saving thousands of gallons of water each season.

- **ET-Adjusted Irrigation** – For the past decade, we have incorporated advanced ET (evapotranspiration) adjustment technology into our irrigation program. Computerized weather stations, strategically located throughout farms, allow us to remotely track precipitation, wind and temperature.
- **Crop Management Technology** – High-tech equipment like phytomonitors measure plant activity and growth, so that we can fine-tune irrigation regimens without stressing the crop — while moisture meters provide the necessary data to track inputs and outputs, significantly minimizing water and nutrient applications.
- **Disc Filtration** – Since 2003, Lipman has converted more than 50 units of sand media filters to disc filters — a retrofit that reduced water usage in backwashing by 45% at each farm.



- **Water Conservation** – Lipman has developed irrigation solutions that offset pumping from Florida's dwindling aquifer — saving nearly 66 million gallons of fresh well water each year.

## FARMING THAT'S BOTH GEOGRAPHICALLY DIVERSE AND HYPER-LOCAL

The more places you grow, the better you grow. So, to ensure availability of quality produce 24/7/365, Lipman is geographically diverse. With more than 30 locations to farm, pack and ship produce throughout North America, we grow year-round in optimal conditions that allow for the highest yield per plant. Another benefit: It cuts down on miles driven, reducing both transportation costs and environmental effects.

Geographic diversity also helps us support local sourcing programs. Through our "Lipman Local" initiative, we partner with smaller, seasonal farms and sub-suppliers, sharing best practices. Having started out as a small farm six decades ago, we understand the hard work it takes to prosper, so we meet with growers across the country to help them improve yields and efficiencies — offering assistance with crop issues, food safety, planting schedules, product quality and education/certifications.



Scott Rush grew up on the farm and now heads "Lipman Local."



**Auto-steered tractors with GPS guidance systems** allow for alignment of piping, drip tape and plants, providing the most efficient use of water resources while also reducing tractor use.



# FROM FARM TO PACKINGHOUSE:

## reducing our carbon footprint

### TAKING PROACTIVE STEPS TO PROTECT THE PLANET

Throughout our operations, Lipman is mindful of the importance of conserving energy and reducing the use of fossil fuels. Innovative processes and improved seed yields have led to consolidated tasks, reduced machinery usage and fewer required passes for tractors in the field. Traditional farm implements have been replaced with more efficient motors and engines to reduce fuel and power requirements. And looking ahead toward alternative energy sources, we are assessing fallow land to use for solar and wind farms.

In our packing and repacking facilities, we've automated sorting and palletizing and replaced outdated lighting fixtures to further save energy. By taking basic steps like replacing an air curtain with a high-speed, energy-efficient sliding cooler door, we saved an estimated 602,700 kWh.

### MOVING PRODUCT MORE STRATEGICALLY

To conserve fuel and reduce pollution, Lipman launched a new logistics division that moves product more strategically. We've upgraded our fleet to be more fuel-efficient and environmentally friendly, with all new vehicles meeting California CARB standards. Load factors and equipment usage are being optimized as well, reducing the number of routes and units on the road.

In the field, irrigation managers equipped with netbooks control our systems without having to waste fuel by continuously driving around the farm. In addition, fallow spray herbiciding is conducted during down times to minimize the use of high-horsepower tractors for tillage.



### "NOTHING WASTEFUL"

Lipman supports the opportunity to reduce waste by feeding the hungry, providing food for livestock, generating clean energy and composting. This is a significant contribution,

considering that 80 billion pounds of food waste is sent to U.S. landfills annually. Each year at Lipman, 80-120 million pounds of unused produce is repurposed as livestock feed. An additional 30,000-50,000 pounds is donated to food banks. In partnership

with local engineering firms and universities, we are also exploring programs that will process off-grade tomatoes and convert them through anaerobic digestion into biogas (an alternative energy source) and effluent, which is considered a possible biofertilizer.

Under the mantra "nothing wasteful," Lipman has implemented a series of recycling programs. Since 2002, we have used approximately 8.6 million pounds of recycled corrugate packaging each year. All clamshell containers are manufactured with 30% recycled material, and all corrugate utilizes 37% recycled content.

And at our Florida repacking facility, we replaced all paper towels with high-efficiency hand dryers, eliminating over 10.4 tons of paper waste a year.



Manager of Greenhouse Production Bob Poklemba

### PROTECTED AGRICULTURE

To improve resource utilization through controlled environments, lower fuel consumption and improved production yields, Lipman is developing a sustainable, hybrid growing system to capture the best of both outdoor and protected agriculture. To that end, we have installed five acres of retractable-roof Cravo greenhouses at our Naples farming facility. The retractable-roof design makes it possible for crops to grow under natural outdoor conditions, while protecting them from wind, cold, heat and rain. It's the best of both growing methods: Tomatoes have the cosmetic beauty of greenhouse-grown fruit ... with the firmness and taste of the open field. The process could result in yield increases of 300% to 400%.

### SUSTAINABILITY BY THE NUMBERS



Since 2005, Lipman has decreased overall fuel consumption per acre by **23.3%** for diesel and **11.2%** for gasoline.



**80-120 million** pounds/year of produce is repurposed as livestock feed.



**100%** of cardboard waste is recycled (**300,000** pounds/week).



Replacing outdated lighting fixtures, we cut energy consumption by **56%** (1.9 million kWh/year) at all Florida packing/repacking facilities. This reduced CO<sub>2</sub> emissions by 1,232 tons annually – equal to planting **340** new acres of trees or saving **153,012** gallons of gasoline annually.



# SOCIAL ACCOUNTABILITY:

## caring for our employees and our community



### CULTIVATING A SUSTAINABLE WORKFORCE

In the area of corporate social responsibility, Lipman has long exceeded required standards — going the extra mile to do right by our workers and their families. To us, “every job matters” is not just a catch phrase; it’s a testament to who we are.



A Socially Accountable Farm Employer, Lipman houses 95% of our farmworkers and provides them with transportation to work at no cost to the employees. And since 1975, we’ve offered daycare for

families with children through the Head Start program. We also offer paid orientation and training. By maintaining our harvest workforce year-round, we provide a stable and secure environment, as well as opportunities for upward mobility.

As a supporter of the Campaign for Fair Food, Lipman complies with or exceeds all fair wage and treatment protocols. Employees are educated about their rights under the Migrant and Seasonal Agricultural Worker Protection Act — as well as on health and environmental precautions. When it comes to safety, we protect workers on every farm, every day.

Away from the field and beyond the workday, we provide recreational activities and opportunities for volunteer engagement. We’ve built soccer fields near employee housing facilities and organize two

tournaments a year — complete with trophies, food and entertainment. In addition, we plan service projects where workers can volunteer at non-profit organizations in their area.



### GIVING BACK

Lipman has long been committed to philanthropy and community service — a pledge that still remains strong even as the company enters its fourth generation. Our goal is to support organizations and programs that provide long-term solutions to real social issues — not only in the areas where we operate, but also in the agriculture community as a whole. With that in mind, our owners have developed a focused giving program centered primarily on children, education and hunger relief.

### Supporting Children and Education.

Headquartered in Immokalee, Florida, and the largest employer of residents there, Lipman has donated millions of dollars and thousands of volunteer hours to support local organizations and causes. Among them:

- **The Lipman Scholarship Program** for graduates of Immokalee High School — making college an option for these students.
- **The Homerun Harvest Backpack Giveaway and Homerun Harvest Softball Tournament** — raising funds and donating backpacks filled with school supplies to needy children.
- **Redlands Christian Migrant Association** (the largest provider of quality child care and early education for migrant workers in the state of Florida) — providing funds for three charter schools.
- **American Cancer Society** — Lipman has sponsored Relay For Life events in both Immokalee, Florida, and Bentonville, Arkansas. Employee teams have committed their time and walked thousands of laps at these overnight marathon fundraising events to help support cancer research.

To help promote science and hands-on education in both Collier and Lee counties,

we have made donations to local museums to encourage agricultural and science exploration — including the Golisano Children’s Museum of Naples and the Imaginarium Science Center in Ft. Myers.



**Hunger Relief.** To help alleviate hunger in the areas where we operate, Lipman provides financial and volunteer support to regional food banks, such as the Harry Chapin Food Bank in Southwest Florida; the Second Harvest Food Bank in Knoxville, Tennessee; the North Texas Food Bank in Dallas; and the Manna Food Bank in western North Carolina.

Lipman's commitment to sustainability and corporate social responsibility did not begin — nor does it end — with this report. At every level of our company, from one end of the supply chain to the other, we are constantly striving to make a better product ... a better workplace ... and a better world.



Learn more at [lipmanproduce.com](http://lipmanproduce.com).



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