



IMPACT REPORT



2022

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INTRODUCTION FROM OUR CEO

SMALL FARMS, BIG HEARTS, BRIGHTER FUTURE

Throughout 2022, the world faced enormous crises from a geopolitical and economic perspective – impacting millions of lives directly, as well as the layer hen industry, at large.

The war in Ukraine tore apart communities and disrupted global supply chains. Organic soy - the primary protein source in layer hen feed - reached record-breaking prices and compressed margins for specialty egg operators throughout the year. The Highly Pathogenic Avian Influenza (HPAI) outbreak tested the strength and resilience of our farmer network and field staff. In turn, the American consumer was tested by the acute inflationary impact HPAI had on shell egg prices, a staple protein that many of us consume and depend on.

Handsome Brook Farms also marked a critical milestone in its journey during 2022, completing the acquisition of a key northeast regional competitor and establishment of The Farmer's Hen LLC. The transaction allowed us to expand our grower network by approximately 50 farms while diversifying our Northeast production and distribution capabilities to include Organic and Conventional Free Range and Cage-Free complements to our core Organic Pasture Raised offering. We are fortunate to have added a fantastic group of growers to our network that share our passion and commitment to husbandry and stewardship. I wish to acknowledge the collective Handsome Brook grower and staff network for conducting themselves with poise, dignity, and the utmost care for the health and safety of our hens during a particularly challenging year.

Through these external and internal challenges, HBF remained true to our mission to prioritize personal, public, and planetary health.

Through our Cost-Share Program, designed to expand regenerative practices on farm, Handsome Brook partnered with its growers to support climate-smart initiatives like planting trees that sequester carbon, enhancing nutrient management, and incorporating solar power to reduce reliance on nonrenewable resources.

We proudly launched the Regenerative Egg Farming Project (REFFP) - our USDA Conservation Innovation Grant-funded program designed to test the impact of regenerative agriculture practices on five partner farms in Kentucky. We also welcomed the introduction of egg cartons made with more recycled content that are less harmful to the planet.

As an agriculture company, part of a sector responsible for nearly 25 percent of global emissions, we continue to seek opportunities to learn how we can support emissions reduction and increase resiliency in our supply chain – and how to make these solutions scalable. We're excited to embark on new projects in 2023 that enforce our mission to promote regenerative farming practices, thriving communities, and responsible operations.



Jordan Czeizler
Chief Executive Officer





SUSTAINABLE DEVELOPMENT GOALS

HANDSOME'S PART



OUR HANDSOME MISSION

Regenerative Farms

Advance farm practices that ensure the highest level of animal welfare and restore the earth's water, soil, and biodiversity



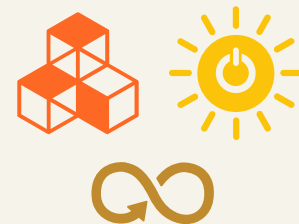
Thriving Communities

Support flourishing livelihoods among our farmers, suppliers, employees, and customers; Uphold a preference for local sourcing, and coop to carton transparency



Responsible Operations

From cradle to carton, adopt practices that reduce greenhouse gas emissions and protect natural resources. Includes energy use, sourcing, and packaging.



SUSTAINABILITY GOALS

- I. Advance regenerative agriculture practices across 100% of the farms in our network
- II. Improve the sustainability of our cartons
- II. Reduce Scope 3 GHG emissions intensity by 10% across our supply chain by 2027



REGENERATIVE FARMS

Addressing Climate Change through Regenerative Agriculture

Farmers in our network face natural disasters intensified by climate change. In Kentucky, HBF farmers faced harsher droughts which caused new challenges for reseeding chicken pasture. This crisis was compounded when, tornadoes, accelerated by record-setting temperature changes, ravaged Kentucky.

According to the United Nations Intergovernmental Panel on Climate Change (IPCC), the climate crisis is leading to an increase in the frequency and intensity of devastating weather events across the world. Farmers are negatively impacted by climate change in a variety of ways including droughts, floods, heat waves, and other impacts leading to losses in crop and livestock viability.



REGENERATIVE FARMS

Handsome Brook Farms is addressing the climate crisis by investing in regenerative agriculture.

On five partner farms, HBF is supporting regenerative agriculture research by investing in science-based farming practices and long-term regenerative agriculture monitoring through a USDA Conservation Innovation Grant called Regenerative Egg Farming Project (REFFP).

In collaboration with the Soil Carbon Initiative, the University of Kentucky, and other partners, HBF's partner farmers are integrating regenerative agriculture practices that improve soil health and address the impacts of climate change. In 2023, HBF will increase on-farm regenerative agriculture practices by partnering with mission-aligned organizations through the USDA's Partnerships for Climate-Smart Commodities Initiative.



REGENERATIVE EGG FARMING PROJECT



HBF launched its 4-year USDA NRCS Conservation Innovation Grant. Five HBF growers in Kentucky are testing the impact of regenerative agriculture practices on their farms. Regenerative practices include establishing tree and shrub cover, enhancing vegetative cover, rotational grazing, and improving nutrient management practices.



We partnered with Soil Carbon Initiative (SCI) to understand ways to increase soil health on-farm. HBF also partnered with Agricultural Engineers and Poultry Scientists at the University of Kentucky to track pasture biodiversity, reduce in-barn ammonia levels through manure management strategies, and learn solutions to reduce emissions on the test farms.



HBF's Postdoctoral Research Fellow performed baseline testing for soil, greenhouse gas, and biodiversity on participating farms and HBF's Pasture Management Planner worked with 5 Farmers to create site-specific Regenerative Farm Plans launching in 2023.





REGENERATIVE FARMS OUTREACH

KY Tornado Relief Fund



In the wake of a series of tornadoes that devastated farmland in Kentucky, HBF contributed to the Kentucky Tornado Relief Fund to help farmers affected by the tornadoes rebuild.

Regenerate America



HBF joined Regenerate America, a national coalition of citizens, farmers, ranchers, landowners, non-profits, and companies advancing policies and market opportunities to improve soil health and climate resilience in food and agriculture.

Regenerative Agriculture Scholarship



In collaboration with the University of Kentucky Philanthropy office and the National Society for Minorities in Agriculture, Natural Resources, and Related Sciences (MANRRS), HBF established a Regenerative Agriculture Scholarship and sponsored a senior honors student from Helotes, TX double majoring in Sustainable Agriculture & Community Food Systems and Biosystems and Ag Engineering.





HBF COST-SHARE PROGRAM

Growing Community Through the Cost-Share Program

In 2022, Handsome Brook Farms continued to support its farm communities through the Farmer Cost-Share Program.

32 Handsome Brook Farmers pursued projects that focused on controlling stormwater runoff, increasing shade, utilizing renewable energy, and enhancing the lives of the hens and the farmers in HBF's network.



GROWER APPRECIATION

HBF hosted two inaugural Grower Appreciation Lunches in Kentucky and New York, attended by 95 Handsome Brook Farmers. The lunches highlighted the successes of individual Cost-Share projects and provided an opportunity for the HBF team to express gratitude to its expanding network of farmers.



COST-SHARE PROJECTS

Highlights from the 2022 Farmer Cost-Share Program



Handsome Brook Farmer Nelson Z in the Finger Lakes region of New York was searching for a way to lower his barn energy costs while providing more shade for his hens and goats and earn additional income.

Through the Farmer Cost-Share Program, Nelson planted 10 acres of seed corn and installed solar panels.

Nelson's chickens enjoy shade and shelter in the corn rows and under the solar panels, and Nelson enjoys the extra income he's earned from selling organic corn to neighboring farmers and saving on energy costs.



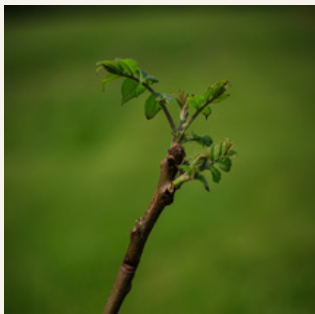
COST-SHARE PROJECTS

Highlights from the 2022 Farmer Cost-Share Program (ctd.)

In the Spring, Handsome Brook Farmer Larry S in central Kentucky planted 60 black walnut trees on his chicken pasture.

A common tree in Kentucky, the black walnut is prized for its valuable lumber and edible nuts. Black walnut trees are enhancing Larry's chicken pasture by attracting a diversity of birds, insects and grass species.

By planting the black walnuts around the perimeter of his barn, Larry is also making it easier for his hens to explore the pasture, feast on insects, and keep cool on hot Kentucky days.



COST-SHARE PROJECTS

Highlights from the 2022 Farmer Cost-Share Program (ctd.)



Farmer Vernon M is a pioneer in the HBF network. Located on a steep hillside in the Finger Lakes in New York, Vernon is re-foresting his chicken pasture.

After some transplanting trial and error, Vernon worked with an agroforestry consultant to plant tree species that can handle extreme hills, stand up to chicken traffic, and minimize nutrient runoff from the top of the hill to the bottom.

Vernon shared the lessons of his planting journey with the HBF New York farming network during a Grower Appreciation lunch hosted at his farm.



COST-SHARE BY THE NUMBERS



THRIVING EMPLOYEES

Building an inclusive team through equitable hiring practices.

In 2022, HBF added 35 employees, an 150% increase from 2021. HBF's Hiring for Diversity, Equity, and Inclusion policy has helped cultivate a diverse and inclusive workspace.

The U.N. finds that women's leadership plays a central role in promoting sustainable land management. The Sustainable Development Goals link gender equality to sustainable agriculture.

HBF is proud to have strong female representation, with 63% of managers identifying as women.

Diverse representation among upper management

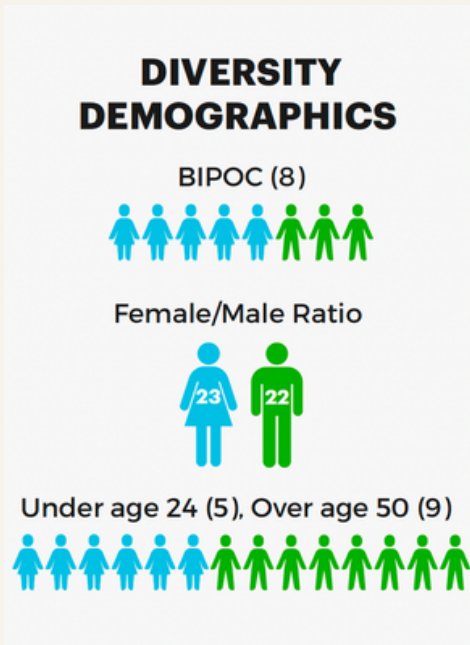


Structural and institutional racism has historically prevented Black, Indigenous, and other people of color (BIPOC) from building wealth in the food system.

HBF is committed to building an equitable team through diversity-driven recruitment efforts.

From 2021 to 2022, HBF's BIPOC employment increased by 7%, with 18% of employees identifying as BIPOC.

HBF is also proud to support employees from a diverse range of experiences and ages. In 2022, HBF increased its age diversity by 14%, with 31% of employees under 24 and over 50.



SUPPORTING THRIVING COMMUNITIES

HBF is continuing to invest in communities across the country

In addition to supporting its farm network and employees, HBF supports thriving communities across the country and around the world through quarterly donations, in-kind egg donations, and support for global crises.

Quarterly Donations

HBF continues to support three mission-aligned organizations through a cash donation program. Once per quarter, HBF donated \$1,750 to Soul Fire Farm in New York, Sharing Our Roots in Minnesota, and Black Soil in Kentucky totaling \$21,000 for the year.



1x Donations

This year, HBF offered humanitarian support for the victims of the war in Ukraine by donating \$5,000 to Doctors Without Borders to the doctors providing lifesaving assistance.

HBF also donated \$5,000 to the Organic Trade Association's (OTA) Diversity and Entrepreneurship Program. This program provides a two-year Trade Membership to the Organic Trade Association for business that are US-based, engaged and/or actively transitioning to organic production, engaged in policy-making at OTA, and 51 percent BIPOC and/or women-led.



Food Banks

HBF donated a total of 9,659 dozen eggs to the Georgia Mountain Food Bank and Arkansas Food Bank.





RESPONSIBLE OPERATIONS

Increasing egg carton sustainability



As a certified B Corp™, HBF is always seeking ways to increase its social and environmental performance, transparency, and accountability. In addition to pursuing on farm projects, HBF is increasing the sustainability of its cartons. In 2022, the standard dozen carton transitioned from virgin paperboard to 100% recycled Coated Recycled Board (CRB).

For every ton of virgin paperboard converted to CRB, one ton of recovered fiber is kept out of municipal landfills. The transition to CRB reduces the amount of methane emitted from landfills and helps reduce greenhouse gas emissions.





THE ~~END~~ BEGINNING



handsomebrookfarms.com

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