



# Oliver's Market Social Purpose Corporation 2021 Annual Report

*Oliver's*  
Real Food. Real People.®





## INTRODUCTION

In March 2017, after 29 years serving Sonoma County as a locally owned and operated grocer, Oliver's Market founder Steve Maass led the company's transition to become a Social Purpose Corporation (SPC) and create an Employee Stock Ownership Plan (ESOP). Steve's goal in making these decisions was to preserve Oliver's Market for years to come and reward the employees who have worked to build Oliver's through employee ownership.

Becoming a Social Purpose Corporation did not require any changes in business practices, but formally defined and acknowledged Oliver's longstanding company culture and business philosophy:

### FROM THE ARTICLES OF INCORPORATION:

This social purpose corporation shall endeavor to remain a locally owned and locally operated business which prioritizes the satisfaction of its local customers, employees, and suppliers, for the benefit of both the Corporation and the local community. In so acting, the social purpose corporation will act for the purposes of promoting the positive effects of, and of minimizing the adverse effects of, the social purpose corporation's activities upon all of the following, provided that the corporation consider such purposes in addition to or together with the financial interests of the shareholders and compliance with legal obligations, and take action consistent with that purpose:

- The social purpose corporation's employees, suppliers, and customers.
- The Sonoma County community, including its people, and businesses, including agriculture and environment.

The goal of the Oliver's Market 2021 SPC Annual Report, the fourth to be released, is to share challenges and successes within each of the identified stakeholder groups amid another challenging year in our country's -- and our company's -- history.

Sonoma County avoided wildfires in 2021, though the challenging job market for employers, ongoing challenges for parents juggling work and children at home, rising housing costs, and rising prices created new pressures, and fatigue, for many in our communities.



**...HONOR OUR  
VALUES WHILE  
SERVING OUR  
EMPLOYEES, OUR  
VENDOR PARTNERS,  
OUR COMMUNITIES,  
AND RESPECTING  
OUR ENVIRONMENT.**

As a Social Purpose Corporation, Oliver's Market management did their best to honor our values while serving our employees, our vendor partners, our communities, and respecting our environment. It was a tough year, but with a few triumphs along the way, including our outlined Sustainability Goals, we emerge more committed than ever to our mission.





The year began as the previous year had ended, with continued masking, social distancing, and no end to the pandemic in close sight. Thankfully, as Spring emerged, so did the arrival of vaccines for front line workers!

The Oliver's HR team partnered with Santa Rosa Community Health to offer our employee owners early access to vaccine appointments, scheduling literally hundreds of appointments from mid-March into May. A company-wide vaccine information campaign led to over 80% of Oliver's employee owners being vaccinated.

In cases where Covid infections did take place, our HR team quickly replaced the Sonoma County Health Department in diligently contact tracing every case, which avoided any workplace spread of the virus.

As Oliver's leadership worked to keep employee owners safe, they also provided hero pay through half the year, when we emerged from the state's tiered levels of business restrictions. This added compensation continued longer than any other grocer we know of.

In addition to pandemic-related challenges, Oliver's joined many employers locally and nationally facing a shortage of prospective employees. This was especially acute going into the fourth quarter of the year and the busy holiday season.

Oliver's founder/president Steve Maass decided to express his gratitude to Oliver's employees for their commitment throughout these challenging months by awarding a surprise \$2 Million discretionary bonus in December that was strictly based on days worked since March 2020, not on pay grade.

Steve gave extensive thought to designing the reward structure, carefully wording the card accompanying the bonus to ensure employees would understand his intention. "I want to express my appreciation for all that you do to make Oliver's what it is. Our success is entirely due to you, each and every one of you. We have all been through very challenging times in past few years. Yet because of your work, day in and day out, we have been successful. This gift is to show my appreciation for what you do. I cannot thank you enough for all you do to make Oliver's the company that it is."



### ANOTHER EMPLOYEE OWNERSHIP MONTH PANDEMIC-STYLE

Since becoming an ESOP in 2017, Oliver's has celebrated Employee Appreciation Month each October, using the release of annual ESOP account statements to educate employees on ESOP-related topics and host events at each business location, complete with lunch and raffle prizes.

After the successful re-design of the 2020 celebration, the Oliver's Employee ESOP Communications Committee made more adjustments to make the event fun and engaging. All employee owners received raffle tickets this year for a wide array of prizes. Additionally, the celebration included a dress-up day, two Employee Double Discount Days and meal vouchers were distributed for every employee to enjoy a free meal from Oliver's and another meal at selected local restaurants. With more employee owners becoming vested and accounts growing, engagement and understanding of this additional benefit continues to grow, too.







## WE SERVE OUR BUSINESS PARTNERS AND THEY SERVE US!

While 2021 did not bring the extreme consumer shopping behaviors and depleted inventories of 2020, both the supply chain and consumer habits remained unpredictable. As expected, lunchtime store visits increased as employees returned to work, which aided in the return of Deli department business to pre-pandemic patterns. As expected, as more dining establishments opened, business in other departments also rebalanced to more traditional proportions, though preparing food at home remains more popular as Americans learned more cooking techniques and saw the savings of dining at home.

Throughout these challenging times, we have continued to rely on our local vendor relationships, some of which span back to our early days in business. These deep connections to local resources aided us in many ways:

- We are fortunate to have local sourcing for Meat, Dairy, Produce, and local suppliers for many other departments. These local resources helped us keep products in stock when many other stores were facing limited to no supply.
- Long-term relationships built on years of mutual support often gave us priority treatment for our orders and kept our shelves stocked.
- For our Employee Appreciation Month, our vendor partners pulled out the stops, donating very generously to our raffle prize collection.

Oliver's has a long history of getting behind local products, giving them great exposure in store displays, advertising, and sharing their stories in our marketing. For a small business, this 'incubation' can be extremely helpful in a successful launch locally, and in some cases leading to national distribution. We were gratified to support several local companies in this way during the year.

In a year full of unknowns, the value of local vendor and supplier relationships become even more essential. We could not do what we are able to do without these loyal, supportive and generous partners.



## WE SERVE OUR CUSTOMERS

We strive to serve our customers as well as we possibly can, always. Many of them have shopped with us since our early days, and they are an engaged and loyal group! They value our commitment to serving them as a local, employee-owned, community-focused, neighborhood grocery store, and their loyalty is unsurpassed. Communication and transparency with customers always remain a priority.

In Sonoma County, many 2020 protocols were lifted mid-year as business returned to some normalcy and customers moved toward their pre-pandemic shopping habits, though masks remained required for most of the year, and higher quality masks were recommended for adapting to the Omicron variant.

- We maintained protocols to keep both our employees and our customers safe, following all federal, state, and county protocols as they changed through the year. After months of moving in a positive direction, the Omicron variant arrived in the fourth quarter and created another set of constraints.



- Working with our vendor and supplier partners, we worked to keep our shelves stocked and serve our customers. Our buying team did their best to find the best pricing and deals available to pass along savings whenever possible.
- Industry recognition of our success during the year included being named a 2021 Outstanding Independent by Progressive Grocer magazine. We were also recognized by Winsight Grocery Business, who honored Oliver's with a Remarkable Independents Award, our first-ever recognition from this publication.
- Our customers expressed their appreciation for Oliver's by voting us a Press Democrat "Best of Sonoma County" winner in six categories: Best Local Produce; Best Local Grocery Store; Best Butcher; Best Deli; Best Organic Grocer; and Best Sandwich. We were also named Best Grocery Store by readers of the North Bay Bohemian for the 22nd consecutive year.
- As we phased out special shopping hours and added discount days for seniors transitioning to more regular operations, we continued to offer extended senior discount hours to encourage continuing to shop in off-peak hours.
- Our Windsor Tavern remained closed through the year. As a result, creative use of the space continued, with displays of gift items and added wine displays. During the holidays, it was again a seasonal holiday wonderland and gift shop with the addition of appearances by Windsor Santa, who conducted socially distanced Santa visits for children.

The year brought many twists and turns, but we remained committed to constantly adapting, doing all we could to serve our customers with honesty and transparency.



Since Oliver's Market began in 1988, serving our community was always a part of our company DNA. Beyond being a locally based purveyor of quality groceries, supporting community causes, schools, and charities is a key pillar of our mission.

Many community events and organized group sports and other activities continued to be paused for 2021, but we supported those who returned whenever possible.

- We not only continued our "One Bell Saves Supper" Holiday Bell donation program to serve the Redwood Empire Food Bank (REFB), but had our best year ever, increasing our donation by a whopping 63%! We partnered with Oliver's Market customers to contribute \$34,197 toward addressing hunger in our region. With the need for support from REFB only getting larger, this was a welcome year-end success.
- We completed our second year of implementing better systems to increase the amount of edible food loss recovered, donating to five local charities and food banks (previously four) and having food picked up daily (excluding Sundays) instead of only two to three times a week. 2021 was also the second year that we tracked this metric. Due to our edible food recovery program improvements, the number of meals provided to the community through our partnerships went from 58,898 in 2020 to 180,963 in 2021. This was a 207% increase.



- In 2021, Oliver's also continued to provide year-round food drives via REFB donation barrels available to customers in our lobby entrance areas. Through the generosity of our customers, 28,525 lbs. of food were donated, which translated to a total of 23,771 meals donated to community members in need. This donation total was doubled from the 2020 total donation of 14,261 lbs.
- Oliver's partnered with ten locally owned restaurants to provide hundreds of meals to our employee owners during Employee Appreciation Month, providing them with much needed business.

### OLIVER'S COMMUNITY CARD

The Oliver's Community Card, which allows participating customers to donate 3% of their purchase totals to the charity or school of their choice, remains one of our core philanthropic programs. Usage rose in 2021 as customers resumed some of their pre-pandemic shopping habits, which resulted in over \$230,000 in Oliver's Community Card program proceeds being donated to over 500 local charities.

Total monies donated since the inception of the Community Card program total over \$3.25 Million.

#### TOP 10 COMMUNITY CARD RECIPIENTS IN 2021

Humane Society Of Sonoma County  
The Redwood Empire Food Bank  
Forgotten Felines of Sonoma County  
Center for Spiritual Living - Santa Rosa  
Maria Carrillo High School Association  
Sonoma County Regional  
Parks Foundation  
Summerfield Waldorf School and Farm  
Windsor Christian Academy  
The Bird Rescue Center  
Peace and Justice Center  
Sonoma County

### COMMUNITY DONATIONS AND EVENTS

Despite cancellation of many community events we support through free store ticket sales or direct sponsorship and participation, we were gratified to see the return of several events and fundraisers in 2021. Our donations of cash and in-kind product and sponsorships for 2021 totaled \$55,525. We look forward to the return of more community events in the coming year.



### COMMUNITY EVENTS AND SPONSORSHIPS FOR 2021 INCLUDED:

Sonoma County PRIDE 2021  
Gravenstein Apple Fair Benefit Concert  
Cotati Kids Day Parade  
Cotati Accordion Festival  
Windsor Summer Nights on the Green  
Ceres Harvest of the Heart  
Press Democrat Women in Conversation  
SAY 50th Anniversary Celebration  
Town of Windsor Charlie Brown  
Christmas Tree Grove  
Green Music Center Concert Series  
Santa Rosa Community Health Epic  
Trail Challenge  
Food for Thought Virtual Table Event  
Children's Museum of Sonoma County  
FUNtazmagoria!  
KRCB Radio Listener Membership Drive





## WE ARE STEWARDS OF THE ENVIRONMENT

Oliver's Market's commitment to operating as sustainably as possible reflects an ongoing commitment as a Social Purpose Corporation and a Sonoma County Certified Green Business to consider the well-being of our employees, our communities, and the environment in every business decision we make.

Every year, our Sustainability Coordinator spearheads the effort to continually improve our performance in a variety of sustainability indicators by tracking key metrics that identify where there is room for improvement and illustrate where we excel.

2021 was a unique year for Oliver's Markets as we faced the ongoing challenges of the 2020 pandemic. Shopping patterns and pandemic safety measures affected sustainability dramatically. In fact, in many ways, sustainability took a back seat to health and safety as our company and customers focused on measures to reduce the spread of a deadly disease. Despite these challenges, we are proud to report success and measurable progress in a variety of key sustainability performance goals, illustrated below.

### COMPANYWIDE SUSTAINABILITY POLICY

For the first time ever in February 2021, as a direct result of going through the green business certification renewal process in 2020, we created and implemented a comprehensive companywide Sustainability Policy detailing all that went into getting certified and outlining what is expected of us as a certified green business. Previously, when employees would inquire about what we were required to do as a green business, it was difficult to find a source of

clear and accurate information. Now, it is an easily referenced, comprehensive, user-friendly document accessible to everyone in the company.

### PURCHASING

Although we do many things in the area of purchasing on a regular basis (such as centralizing purchases to reduce the carbon footprint of deliveries, reduce wrong orders, and to reduce waste), in 2021 our cheese department learned about a wrap for our cheeses that uses 60% less plastic than the traditional one and it preserves the cheese for longer, requiring less of a need for re-wrapping.

### ZERO WASTE

Oliver's Market understands and strives to operate under the core concept behind zero waste which is, "The easiest piece of waste to manage is the waste we don't create." In addition to not creating unnecessary waste by implementing reusables and other best practices, another goal of zero waste is to divert waste from the landfill to be reused, repurposed, recycled, and composted. Specifically, the goal is to divert over 90% of waste generated away from the landfill and into the more sustainable ways of managing waste instead.

**ALTHOUGH WE ARE A LONG WAY OFF FROM THIS GOAL, WE MADE GREAT STRIDES IN 2021 TOWARD THESE GOALS:**

#### recycled paper carryout bags

Because of the high demand for single-use recycled carryout paper bags, due to the health department prohibiting reusable bags out of an abundance of caution, there was an extreme paper bag shortage. Although we could have replaced them with plastic carryout bags, we continued to follow our Sustainability Policy which allows only recycled carryout paper bags and worked extremely hard to continue providing them at check out.

#### reusable pallet wraps, pallet bands & u-boat covers

Since the Sustainability Coordinator introduced reusable pallet wraps in 2017 to reduce single-use plastic pallet wrap, we have saved \$79,620 and 42,682 lbs of plastic. When annual sales growth is considered, even higher cost savings and waste reduction is evident, amounting to an additional



\$47,652 saved and 32,593 lbs less plastic pallet wrap. In total, reusable pallet wraps, bands and u-boat covers have saved Oliver's over \$127,000 and eliminated 75,000 lbs of plastic from the waste stream. Although the amounts saved annually are leveling out, between 2020 and 2021, we still managed to reduce pallet wrap costs and usage without introducing more reusables; this was due largely to rethinking our operations and decreasing the need to wrap pallets.



### **edible food recovery**

In 2021, we worked hard to bring all our stores into compliance with SB 1383's requirements. This new law, enacted January 1, 2022, lays out higher standards to reduce greenhouse gas emissions from landfills by requiring businesses to divert food waste that is edible to food recovery organizations and to require composting. During the year, we increased the number of departments participating in edible food recovery, continued to improve tracking of this metric, and increased the number of days that edible food recovery is picked up.

### **elimination of polystyrene (foam) products**

Because foam waste is not recyclable in Sonoma County, a new ordinance called the Disposable Food Service Ware & Polystyrene Ban in Sonoma County will ban retail sales and Food Service Ware foam on January 1, 2022. To proactively

prepare for this requirement, in 2020 and 2021 Oliver's removed all foam coolers for sale on our retail shelves and replaced them with a fiber-compostable option instead. Additionally, we removed all foam plates, cups, and other food ware on our retail shelves and replaced them with recyclable and fiber-compostable options for sale. In our prepared foods departments, the only foam food service ware product we were using was a foam tray for sandwiches, which was easily replaced with a fiber-compostable tray.

### **sustainable food service ware**

In 2021, Oliver's Deli Departments transitioned to a more sustainable soup container that has a fully compostable lid and is made of more sustainable materials. Although the body of the soup container will still need to be placed in the garbage (landfill-bound) bins since it is made using "compostable plastic," which is not accepted in compost bins, it is a step in the right direction and supports a local certified green business called World Centric. Additionally, in preparation for compliance with the Disposable Food Service Ware & Polystyrene Ban in Sonoma County, we began transitioning from landfill-bound plastic-lined paper food ware, used in both the deli and meat (BBQ) departments, to fiber-compostable paper food containers that are not only accepted in the green waste bins but can also biodegrade in a backyard compost bin.

### **landfill-bound waste on the decline**

Because we are continually improving the zero waste programs currently in place and initiating new ones, as well as educating employees and informing the public about ways they can shop zero waste, in 2021, we reduced the amount of landfill-bound waste by approximately 100 tons (that's 200,000 lbs. of landfill waste).





## **used cooking oil recycled into biofuel**

All of Oliver's used cooking oil that comes from deep frying foods and from the rotisserie gets recycled into biofuel to use in vehicles in place of fossil fuels. In 2021, we recycled 12,825 gallons, which displaces thousands of gallons of fossil fuels.

## **cell phones and batteries refurbished and recycled**

Through our partnership with Call2Recycle, we recycled 183 lbs of batteries into new batteries, new silverware, pots, pans, and more. This was up from 78 lbs. the previous year due to more education and training of employees.

## **repurposing plastic buckets**

When receiving various food products distributed to our stores, they often arrive in reusable and recyclable food-grade 5-gallon plastic buckets. Since 2018, we have repurposed over 989 plastic buckets (over a ton) to community members for a variety of purposes ranging from food storage to use for animal feed, to creating emergency kits to using for beach and roadway clean-ups. Even Snoopy's Ice Arena repurposes our buckets to help people learn how to ice skate safely. Overall, this bucket repurposing program unique to Oliver's Markets has diverted 1,700 lbs of plastic from the waste stream. In 2021 we repurposed over 500 buckets, the largest number of plastic buckets in one year, which was almost half a ton of plastic.



## **repurposing used corks**

After a tough 2020 when we had to stockpile all the cork collected when our recycler stopped accepting them during the pandemic, we had to frantically find another path to re-use for them. We temporarily resorted to giving corks away to community members for a variety of projects

and in this process discovered a fantastic local company that collects, sorts, and resells used corks for projects. This turned out to be a more sustainable option for us going forward, since it supports a fellow local business in our local economy, has a much smaller carbon footprint than shipping does, and the focus of the business makes it much less resource intensive. In 2021, we repurposed 1.30 tons of cork, which amounts to over 234,000 corks. In total since 2016, that's 859,524 corks amounting to nearly 5 tons of corks diverted from the landfill.



## **WATER CONSERVATION**

Oliver's Market is committed to doing everything we can to conserve one of our most precious resources, water, especially amid a drought of historic proportions. Overall, through the various avenues we took to meet Sonoma County's mandated drought reduction requirements of 20%, detailed below, we reduced our water usage by 16%, amounting to a reduction of 1,057,727 gallons. Considering this reduction occurred in an already highly water-efficient operation due to green business standards, this was a remarkable accomplishment, and we will continue improving our efforts in the years to come.

## **infrastructure changes**

In 2021, Oliver's applied for and received a generous grant from the City of Santa Rosa and Sonoma-Marin Saving Water Partnership to replace all our Pre-Rinse Spray Valves (PRSVs) (used for spraying debris off dishes before placing in the dishwasher) at our Stony Point location with PRSVs that use 1.07 gallons per minute (GPM), which go above and beyond the current efficiency standard of  $\leq 1.28$  GPM. With such great user feedback, we invested in replacing all PRSVs in the company with the 1.07 GPM model, saving an estimated 74,000 gallons of water annually.



### **noticing, reporting, and repairing leaks and eliminate/reduce water waste**

We increased our efforts to regularly assess, report, and repair leaks at a faster rate by tracking when it was noticed, reported, estimated repair, and follow-up.

### **decreasing and eliminating water waste**

One way that water is often wasted in food establishments is from using water to thaw meat products. To reduce the amount of water waste in our meat and deli departments, we created a poster incorporating best practices, including non-water thawing methods such as planning ahead and transferring from the freezer to the refrigerator the night before preparation. When a stream of water is needed when the previous methods aren't possible, it is now an incorporated best practice to use only a pencil-sized stream of water instead of the faucet being on most of the way. All of the methods above were verified as health department compliant.



### **sourcing landscape irrigation from recycled water**

We have sourced our irrigation water from recycled water at Stony Point's location since October of 2011 and in 2021 we used 843,000 gallons, which was actually 30% less irrigation

water used than in 2020 – surpassing the 20% reduction mandate by an additional 10%. We recognize that even though it is from a recycled source, it is just as important to conserve this precious resource as it is to conserve potable water.

### **ENERGY CONSERVATION**

The financial costs of energy are rapidly rising, as are the social and environmental costs of sourcing from non-renewable sources. At Oliver's, we recognize how our operations as one local grocery chain can contribute to greenhouse gas emissions; therefore, we have slowly been decreasing our energy use annually seeking more ways to incorporate renewables into the mix in addition to being a Sonoma Clean Power customer and having a solar system on the roof at our corporate location. In 2021, we made measurable progress in this indicator by decreasing our electricity consumption by 65,158 kWh.

### **heating, ventilation, air conditioning (HVAC) maintenance**

We increased the energy efficiency of our HVAC equipment companywide by scheduling semi-annual, and in some cases quarterly and monthly, maintenance with a reputable company that specializes in grocery store HVAC systems. In addition to increasing the energy efficiency of our systems, it also increases the equipment's lifespan and we can catch refrigerant leaks and repair them promptly.

### **sourcing from renewables**

We support local clean power and understand the value that this adds to our social and natural community as a Sonoma Clean Power (SCP) customer since its founding in 2014. In 2021, through SCP's "CleanStart" program, 49.7% of the energy used to operate Oliver's Markets and business offices consisted of renewable energy sources, including local geothermal, solar, and wind power sources. Additionally, the solar system installed at Oliver's Market's business offices in 2017 produced 91,750 kWh in 2021 – more energy produced than any other year. In total, Oliver's Market used 3,416,324 kWh of renewable energy in 2021, amounting to over half (51%) of the energy used to operate in 2021.





four locations serving sonoma county

### COTATI

546 East Cotati Ave.  
Cotati, CA 94931  
707-795-9501

### MONTECITO

560 Montecito Ctr.  
Santa Rosa, CA 95409  
707-537-7123

### STONY POINT

461 Stony Point Rd.  
Santa Rosa, CA 95401  
707-284-3530

### WINDSOR

9230 Old Redwood Hwy.  
Windsor, CA 95492  
707-687-2050

visit us online at [www.oliversmarket.com](http://www.oliversmarket.com)