

IMPOSSIBLE™

TURN BACK THE CLOCK

2020 IMPACT REPORT



LETTER FROM PAT

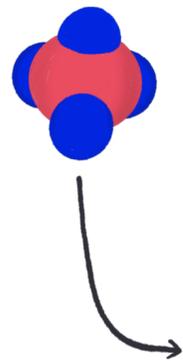
December 4, 2020

Let's turn back the clock on climate change -- and halt biodiversity collapse

To the outside world, Impossible Foods is a food company -- but at its heart is an audacious yet realistic strategy to turn back the clock on climate change and stop the global collapse of biodiversity.

Here's how:

If we could wave a *magic wand* and instantly make the animal-based food industry disappear, two game-changing, natural pathways for greenhouse gas reduction would turn on:



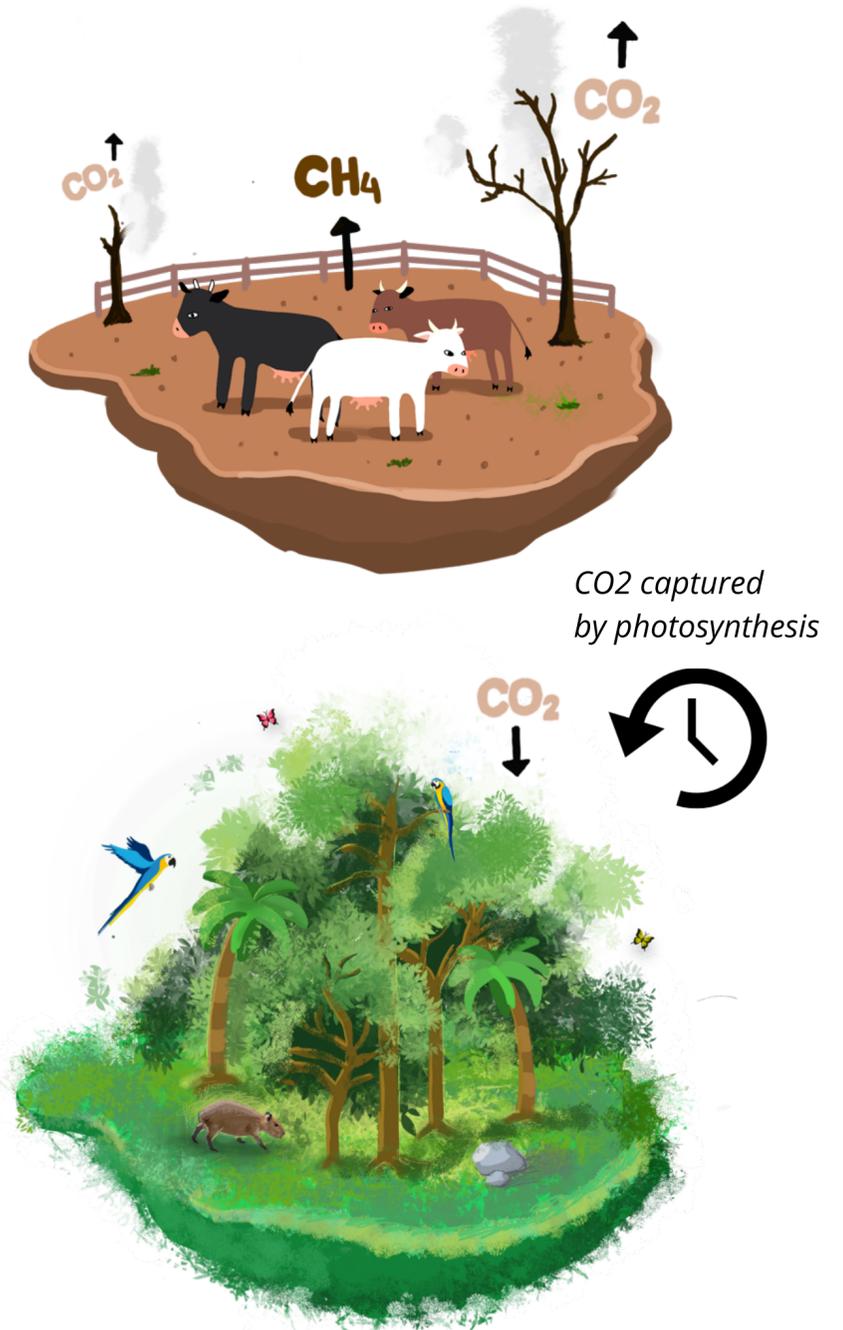
1. Methane decay: 45% of anthropogenic (ie, due to human activities) atmospheric methane comes from livestock operations. The cumulative livestock-derived atmospheric methane has a climate impact equivalent to roughly 10.4 times that of total global greenhouse gas emissions in 2020. Unlike carbon dioxide, atmospheric methane spontaneously decays, with a half-life of about 9 years. So if we turned off livestock methane emissions today, half of the livestock-derived methane in the atmosphere today would decay within 9 years, effectively negating 5.2 years worth of ongoing GHG emissions. And in the 20 years after flipping the off-switch on livestock, methane decay would negate 8.2 years-worth of total ongoing GHG emissions.

2. Biomass recovery: Photosynthesis is the original carbon-capture technology, optimized over 3 billion years of evolution, using solar energy to convert atmospheric CO₂ into plant biomass. Because animal agriculture currently exploits more than 45% of Earth's ice-free land area, grazing livestock and feed-crop harvesting suppress potential accumulation of biomass. (That opportunity cost has been estimated by several independent studies.) The potential biomass recovery on land currently exploited for animal agriculture would capture about 800 trillion tons of CO₂ as plant biomass and soil carbon, equivalent to about 16 years of total GHG emissions at current rates. Think of this as burning the Amazon rainforest -- in reverse.

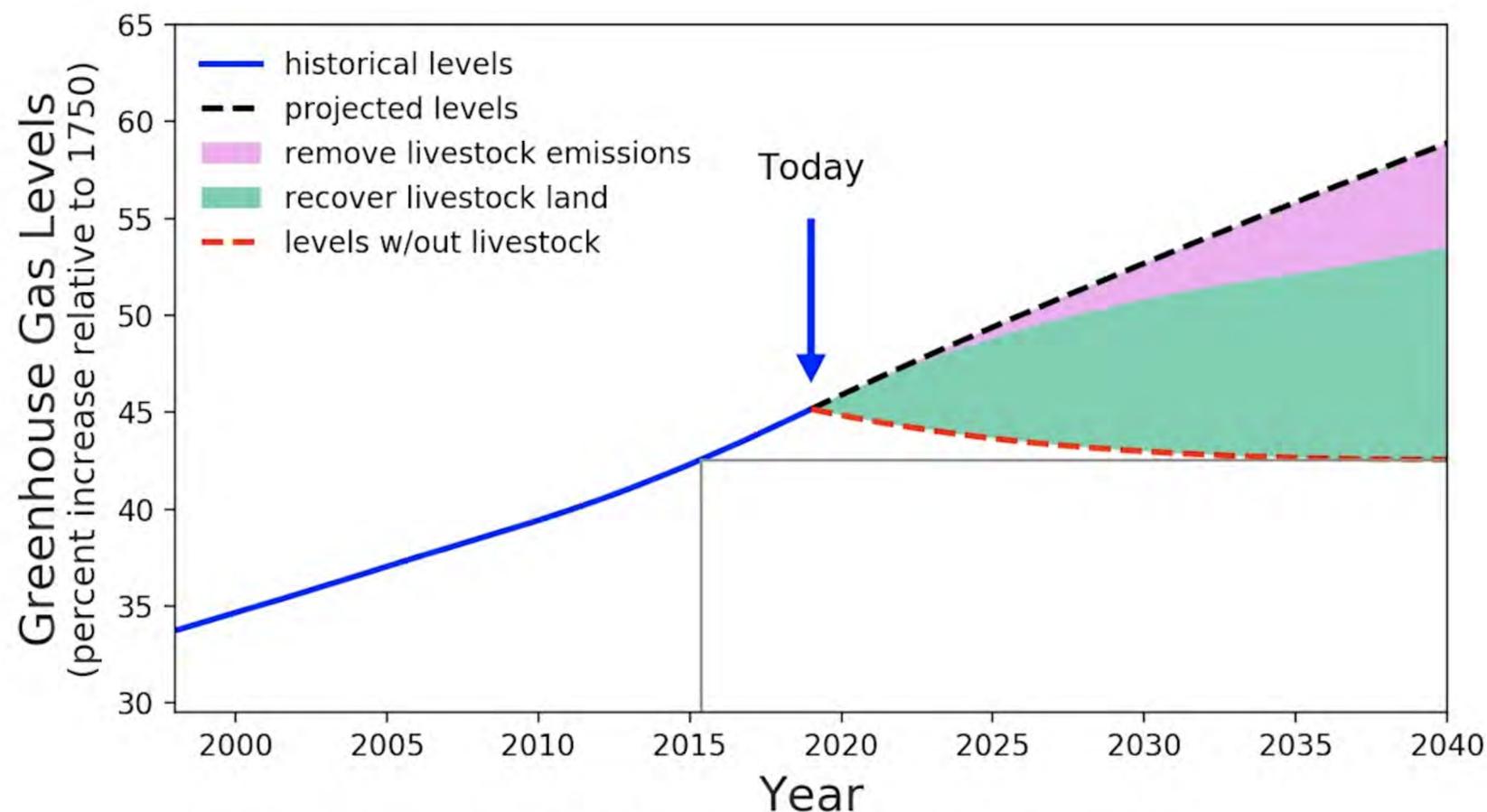
The combined effect of these two mechanisms (and other smaller factors) would result in a net reduction in atmospheric GHGs over the next 20 years, *even if we did nothing to reduce all other emissions*.

If only we had that magic wand, we could literally turn back the clock on climate change!

The use of animals for food is also, overwhelmingly, the primary driver of a catastrophic global collapse in biodiversity, through destruction and degradation of biodiverse ecosystems by livestock operations, and overfishing. Thus, the same magic wand could halt and reverse the biodiversity collapse.



We can literally turn back the clock on global warming



Aggregate GHG levels calculated as RF following IPCC AR5 www.ipcc.ch/report/ar5/syr
 historical GHG levels from www.esrl.noaa.gov
 projections assume GHG emissions continue at 2020 levels
 GHG contribution of animal agriculture from FAO (2013), www.fao.org/3/i3437e/i3437e03.pdf
 Carbon capture potential from Hayek (2020) and Strassburg (2020)

Our planet needs that magic wand. ✨

So Impossible Foods is inventing it -- a new technology platform for transforming plants into delicious, nutritious, affordable meat, fish and dairy foods, replacing the old animal-based technology in the global food system.

To succeed in our mission, it's not enough for the foods we create to be more sustainable (that's easy). We only succeed if we make meat, fish and dairy lovers happier, by doing a better job of delivering everything that matters to consumers – deliciousness, nutritional value, convenience and affordability (the hard but doable part). And we need to scale up, to make better choices easily available to every current consumer of meat, fish or dairy foods, around the world. We accelerated on both fronts in 2020.

The devastating health and economic impact of COVID-19 shaped 2020 for Impossible Foods as it did for the whole world. As this report describes, we prioritized the health and welfare of our colleagues and communities, adjusted our business plan to adapt to the impact of the global pandemic, and blasted ahead on our essential mission.

Thanks for reading, and I look forward to your feedback.

Pat O. Brown
 Chairman, CEO and Founder
 Impossible Foods



2020 IN HINDSIGHT

A year ago, Impossible Foods won the United Nations Momentum for Change Award for Planetary Health. We accepted the prize at an environmental conference in Spain, where Greta Thunberg and other climate crusaders warned of the existential threats of global warming and biodiversity collapse.



Impossible Foods team at COP25, Madrid 2019

People were connecting the dots: the biggest threats facing humanity are rooted in a foundational problem -- our reliance on animals as a food production technology. The public began to realize how making food sustainably could help solve our climate and extinction crises.

After Madrid, we began reading about a mysterious pneumonia outbreak in Wuhan, China. Could we contain the contagion? Or would this “novel coronavirus” become just the latest epidemic and just the latest driver of our public health crisis, itself intertwined with our broken relationship with wild and domesticated animals?

One year ago, we couldn't envision how the twin threats of the environmental crisis and COVID-19 would rattle our world. Now we know -- and the results are tragic. It's time to change.

We at Impossible Foods are leading the change.

FROM CLUSTER TO CRESCENDO

We kicked off 2020 in Las Vegas for CES, the world's largest technology show. 80,000 early adopters got a sneak peek at autonomous cars, drones, smart kitchens and other wizardry. Nearly half the participants tried Impossible™ Pork Made from Plants and Impossible™ Sausage Made from Plants, our first all-new products since the 2016 launch of Impossible™ Burger. Tasters loved it.

From Vegas, we returned to one of America's first COVID clusters -- Silicon Valley. By March 6, we sent San Francisco Bay Area employees home in advance of the nation's most aggressive shelter-in-place order. As an essential business, Impossible Foods prepared to return to work quickly. We imposed strict social distancing measures at the plant in Oakland, Calif., and in the lab and test kitchen in Redwood City. Our sales team braced for a profound shift in consumer habits as restaurants closed or switched to drive-through and carry-out. Our competition -- the livestock industry -- buckled: America's slaughterhouses became COVID hotspots, provoking meat shortages in America for the first time since World War II. Meat demand surged.

Grocery chains began reaching out: How quickly could we stock Impossible Burger on their shelves? At the start of the pandemic, our flagship product was available in fewer than 150 grocery stores nationwide. Within six months, Impossible Burger was available in nearly 15,000 stores. Impossible Burger became ubiquitous -- at Albertsons, Safeway, Smith's, Kroger, Walmart, Trader Joe's, Target and thousands of other grocery stores from coast to coast. We expanded international operations in Canada and Asia. By the fall, Impossible Burger was displacing animal-derived meat at an astonishing clip.

It was the most aggressive commercial push in Impossible Foods' history.

THE MISSION THAT MOTIVATES

The use of animals to turn plants into meat, fish and dairy foods is the most destructive technology on Earth and the biggest threat to humanity -- a colossal contributor to global greenhouse gas emissions, generating four times more GHGs than Exxon, Shell, BP and Chevron combined. Eliminating animal agriculture would reduce greenhouse-gas emissions even faster than if we erased every car, truck, bus, ship, airplane and rocketship on Earth.

More than 45% of our planet's land surface is devoted to grazing or growing feed crops for livestock, whose relentless expansion is obvious in the fires and rapid deforestation of the Amazon and other ecosystems. Pasture and the vast area needed for livestock feed crops support far less plant biomass than healthy ecosystems that preceded livestock. In fact, the historical loss of biomass from the land currently devoted to livestock is the carbon equivalent of about 15 years of fossil fuel emissions.

Animal agriculture's immense scale has brought about and is rapidly accelerating the Sixth Extinction -- a crisis that has deleted two-thirds of wildlife biomass in the past 50 years. By weight, 60% of our planet's mammals are livestock (vs 36% humans and 4% wildlife). Scientists and environmentalists issued a proclamation to end our reliance on animals in the food chain -- a course-correction before the extinction crisis extinguishes homo sapiens, too.

This report is our proclamation — a chance to share the lessons learned in 2020 and how we'll apply them over the next decades. It's an opportunity to spread optimism and amplify the chorus of people demanding changes to the way we treat our planet and its inhabitants. It's an occasion to show how we can eliminate existential threats and revive our planet.



INSIDE IMPOSSIBLE

VECTORS IN THE FOOD CHAIN: CONFRONTING COVID

Turning animals into food kindles zoonotic outbreaks by bringing wild animals in close proximity to humans (via markets or via deforestation). For the past century, our reliance on livestock has been a growing source of chronic disease and antibiotic resistance.

The Centers for Disease Control estimates that each year about 48 million Americans get sick, and 3,000 die, from consuming contaminated food. Contaminated beef, pork and poultry are directly responsible for 40% of all bacterial food-borne illnesses, and contamination of produce by livestock manure (which outweighs all human fecal output by more than 50-fold) is responsible for more.

Humans' reliance on both wild and farmed animal-derived foods is responsible for three-quarters of infectious diseases and a staggering percentage of viral outbreaks -- including the 1918 "Spanish flu" (most likely from Kansas animal farms), HIV/AIDS, SARS, MERS and the majority of deaths from pandemic flu. COVID simply reiterated animal agriculture's lethality -- for both livestock and for humans.

Under the best circumstances -- without a pandemic -- America's 500,000-person slaughtering and meat processing industry is among the lowest paid and most dangerous sectors of the US labor market. Meatpacking has long been America's most dangerous occupation.

The nature of the job predetermines the gruesome ritual: Workers start by stunning, knifing and bleeding animals to death; then they stand shoulder-to-shoulder sawing, gutting, deboning, decapitating, eviscerating and otherwise butchering massive carcasses barreling down the processing line. Workers may live dormitory-style in bunks in barracks; some are discouraged from filing injury and illness claims. Meat workers are three times more likely to suffer serious injury than the average American worker.

So it should come as no surprise that slaughterhouses emerged as one of the earliest and most dangerous hotspots for coronavirus. (In South Dakota, at least 40% of infections occurred at a single plant). Workers fell sick and died. Ranchers ethanized animals they couldn't send to slaughterhouses.

And as Americans bunkered down, grocery stores ran out of animal-derived meat, exposing the fragility of the livestock supply chain.



OUR NO. 1 PRIORITY: KEEPING EMPLOYEES SAFE

Impossible Foods' COVID response stands in stark contrast to that of the slaughterhouse industry. The safety of our employees, customers and consumers has always been our No. 1 priority. We upgraded safety procedures in the face of COVID, and we boosted production to make sure our customers got the meat they needed.

In March, we shut down production at our Oakland plant and sent our manufacturing team home (with pay and benefits) for nearly a month. We continue to operate our facility as an essential business with strict safety protocols, including sanitization, mandatory personal protective equipment, staggered breaks, free grab-and-go meals, one-way corridors, sharply reduced-density office space and other aggressive social distancing policies. Frequent testing is mandatory for on-site workers. We carefully track the transmission rate and trajectory of COVID in the Bay Area, and based on the data we've analyzed and the aggressive safety measures we are implementing, we believe it is an exceedingly safe work environment.

Since our voluntary shut-down in March to comply with shelter-in-place orders, we haven't had a single shutdown due to COVID, or even a single case of COVID transmission in an Impossible workplace -- and we've set month-over-month production records to meet skyrocketing demand.

STAYING STRONG

IMPOSSIBLE'S
COMMUNITY

Impossible Foods has been called the top [environmental startup](#) -- and our goal is to be the best place to work, too.

Throughout 2020, we executed a self-audit of the Human Rights Campaign Corporate Equality Index, founded a women-led mentorship program, improved fertility assistance benefits for all employees, made our recruiting process more inclusive, and donated 1 million meals to people suffering from food insecurity. In response to the Black Lives Matter and the racial justice movement across the country, we held several employee roundtables, began our education journey making sure to invite experts to provide insights and guidance, as well as hired a head of Inclusion, Diversity & Equity.

Our Employee Resource Groups (ERGs) are employee-led, executive-sponsored advocacy teams. Working with People, Communications, Finance, Supply Chain and other functions, our ERGs consistently improve our workplace. Here are some of their 2020 accomplishments:



Mission: Impossible Black Employee Resource Group (IBERG) focuses on three pillars: fighting food insecurity in Black communities; recruiting Black employees; and building awareness around the use of Impossible products in diverse cuisines. In 2020, IBERG built partnerships between Impossible Foods and underserved communities in the San Francisco Bay Area.

Key Initiative: Long before COVID, IBERG worked with juniors and seniors at Oakland's Castlemont High School on interviewing, resume building and scholarship applications. When shelter-in-place began, members kept working with students -- and IBERG took the additional step of partnering with the United Negro College Fund (UNCF). IBERG members met with UNCF's cohort of college students, a majority of whom are seeking science, technology, engineering and math degrees. IBERG hosted an online seminar series to support these students.

Key Initiative: For Black Business Month, IBERG kicked off an initiative to reach out to Black-owned restaurant owners and chefs who are redefining cuisine. We hosted a webinar with Chef Mimi Robinson, a community activist and creator of the first black reality culinary competition, "Bringing It To The Table."

IMPOSSIBLE'S BLACK EMPLOYEE RESOURCE GROUP

"According to Pew Research Center, only 9% of the STEM workforce identify as black. Many of us in IBERG were able to identify the students' apprehensions within our younger selves. Going through college as a STEM student and shifting to navigate the internship world and the workforce can be daunting and lonely. Our strategy is to encourage these students to continue and complete their journey and provide a viable and stable pipeline of diverse candidates to Impossible Foods and other great companies."

-- Kendrya Cook, Operations Project Manager at Impossible Foods and Secretary of IBERG

"Before COVID, IBERG was sharing the benefits of Impossible Foods' products with Black chefs throughout our hometowns by attending food events or dining at restaurants on our own. When shelter-in-place happened, IBERG set out to connect with Black-owned restaurateurs around the country who want nutritious food on their menus."

-- Michelle Washington, Customer Data Manager and Co-Chair of IBERG



Kendrya Cook, Operations Project Manager at Impossible Foods and Secretary of IBERG

IMPOSSIBLE™ PRIDE

LGBTQ+ Employee Resource Group

Mission: Impossible Pride is the employee resource group for LGBTQ+ colleagues and allies. The mission is to ensure diversity and acceptance at all levels of the company and empower employees in both thought and action. The team helps create a workplace where everyone — in particular, individuals who identify as members of the LGBTQ+ community — can be their authentic selves at work.

Key Initiative: Impossible Pride led a cross-functional effort with the People team this year to conduct an extensive self-audit of policies and practices. We submitted the findings to the Human Rights Campaign Corporate Equality Index, which outlines rigorous, fair, transparent and research-backed criteria to improve the experiences of LGBTQ+ employees. Our self-audit's preliminary inclusiveness score was strong -- and spurred meaningful improvements we've already implemented:

- We adjusted our supplier code of conduct to close loopholes on anti-discrimination policy by including equal opportunity employment language.
- We added LGBTQ+ considerations to our headquarters and manufacturing selection process. The process triggers an assessment of whether new operations in certain states or countries might infringe on employees' right to marry, adopt children, access proper medical care, use the appropriate bathroom and promote workplace safety.
- We began construction to remodel our primary office space, working closely with employees to ensure all bathrooms at the new facility are gender-neutral.
- We drafted a new policy on charitable giving that prevents contributions to organizations that hold discriminatory policies.
- We organized a series of seminars, open to all employees, about the extraordinary importance of empowering employees to feel safe and open about all aspects of their lives.

Jared Levan, Customer Success Manager at Impossible Foods, Impossible Pride ERG Co-Chair

"I am nonbinary and use they/them pronouns. When I accepted my offer, I worried for about 2 weeks about how to discuss this with coworkers. I was grateful to find out that, one week before I started, the Pride group hosted a non-binary visibility panel. That made me much more comfortable opening up to my manager and coworkers. I'm grateful for the addition of pronouns in Slack and in new hire introductions, and the culture of increasing inclusivity, which is a direct result of the work and leadership of Impossible Pride."

-- Kelsie Wysong, Research Associate at Impossible Foods



"Impossible Foods is the first place where I feel seen and proud in my identity as a gay professional. Impossible Pride has given me the courage to use my leadership skills to fight for change and be a loud voice for others who feel like they don't have one. We fight for change in the world through our company mission, and Impossible Pride represents our fight to inspire change within the organization."

-- Jared Levan, Customer Success Manager at Impossible Foods, Impossible Pride ERG Co-Chair



Mission: Los Imposibles is Impossible Foods' Latinx Employee Resource Group. Its mission is to raise awareness of and celebrate diversity among Latinx people; advocate for Impossible Foods' presence in Latinx communities and cuisine; and promote Latinx recruitment. The Latinx community is profoundly reshaping neighborhoods, language, food, music, culture, art and history -- and Impossible Foods itself.

Key Initiative: For Latinx Heritage Month, Los Imposibles partnered with Latinx chefs and restaurateurs to donate thousands of pounds of Impossible Burger and increase access to nutritious food. Latinx cuisine has become one of the most important and dominant trends in the American food sector, and Los Imposibles is showing ways to incorporate Impossible products in traditional recipes. Los Imposibles published the company's first blog ("Celebrando el Mes de la Herencia Latinx ¡Al estilo Imposible!") for Spanish-speaking fans and customers.

IMPOSSIBLE'S LATINX RESOURCE GROUP

"Being inclusive of all cultures and backgrounds in a workplace environment is a beautiful thing. I want to continue working toward diversity and inclusion here at Impossible Foods. Being able to represent the Latinx community at a great company makes me very proud and hopeful. Everyone is welcome at Impossible Foods, and the ERG are a voice for inclusivity and representation."

-- Edith Villanueva, Consumer Engagement Manager at Impossible Foods, Los Imposibles Co-Chair

It's amazing to bring a little bit of Latinx culture into the workplace, whether it's by creating Ofrendas at our Oakland production facility on Dia de los Muertos, hosting Latinx Happy Hours with a plant-based spin, or incorporating plant-based ingredients into beloved Latinx family recipes."

-- Malaika Murphy Sierra, Los Imposibles Co-Chair



Malaika Murphy Sierra, Los Imposibles Co-Chair

WOMEN AT IMPOSSIBLE



**EMPLOYEE
RESOURCE
GROUP**

Mission: The mission of Women at Impossible is to create a community to empower, mentor and advocate for all women, regardless of gender assignment, expression or identity. The group oversees a large mentorship program, addresses issues particularly facing women (from the glass ceiling to parenting in a pandemic) and has helped recruit women throughout the company's ranks.

Key Initiative: Women at Impossible Mentorship Program: Mentorship provides a sense of belonging and leads to career growth. Women at Impossible launched a mentorship program in early 2020 that's grown to more than 75 matched pairs. Each mentor-mentee pair has regular meetings to discuss challenges, opportunities and lived experiences.



"Being a mentor through the Women at Impossible program has made me more open, confident and purposeful in my work. Creating space to dive into challenges and insecurities in an honest way has opened my eyes to how my 'unique' challenges may not be so unique after all. I've built a meaningful relationship with my mentee that I'm excited to continue fostering as we both grow in our careers."

-- Gabrielle McCobin, Director of Customer Advocacy, Women at Impossible Mentor



"It's been incredible to see the company come together to support women. Through Women at Impossible events, we've created transparency around issues that are well known but hard to talk about. We've drawn from the collective wisdom of women to pave our paths."

-- Sophia Siddiqi, Director of BizOps & Strategy, Women at Impossible Co-Chair



SOCIAL GOOD

RIGHTS
NTS

- TO BE FREE
- TO BE HEALTHY
- TO BE BRILLIANT
- TO BE SAFE
- TO BE LOVED
- TO BE COURAGEOUS
- TO BE ALIVE
- TO BE PROUD
- TO BE HAPPY
- TO BE FREE

I
KNOW

NOURISHING THOSE WHO NEED IT MOST

Our goal is, and always has been, to make Impossible products ubiquitous, particularly in the communities with the greatest needs. Impossible Foods' Vice President of Communications Jessica Appelgren launched food bank donations nearly three years ago; no one could have predicted how much our cross-functional Social Good team would hustle in 2020, a time of unprecedented food insecurity in America.

Food Bank Donations

Before the pandemic, Impossible Foods' donations overwhelmingly went to regional food banks such as the Alameda County Food Bank and Second Harvest of San Mateo -- both in our hometown of the San Francisco Bay Area and part of the Feeding America network.

COVID greatly exacerbated food insecurity. As unemployment reaches levels not seen since the Great Depression, food banks saw lines that stretched more than a mile long. In addition, with stockpiling of grocery store ingredients and greater demand from people cooking at home, retailers lacked shelf-stable and frozen foods to donate.

Even worse: one of the first and hardest industries hit by COVID was the restaurant sector, which laid off hundreds of thousands of workers, including those who ordinarily counted on free or subsidized meals from employers. As schools closed down to comply with shelter-in-place orders, children couldn't get free and subsidized breakfasts and lunches. And as fears of COVID spread, volunteer workforces at food banks shrank.

Impossible Foods gave more in America's time of need. In March, we made an initial donation of 83,000 pounds of Impossible Burger to Feeding America. Since then, we've teamed up with dozens of food banks, philanthropists and community organizations, including Isaac Rochell, Black Lives Matter of Greater New York, Rethink Food and SodexoMAGIC, the nation's leading dining service provider chaired by NBA legend Earvin "Magic" Johnson. We're on track to donate more than 1 million Impossible™ meals in 2020.

No Kid Hungry

We teamed up with No Kid Hungry to drive funds from sales of Impossible™: The Cookbook, which features 40 Impossible™ dishes from top culinary trendsetters. For each Impossible: The Cookbook sold on Amazon in 2020, Impossible Foods is donating \$3 to No Kid Hungry®, joining efforts to feed kids during school closures and all year long.

Colin Kaepernick

Earlier this year, we began a collaboration with Colin Kaepernick's Know Your Rights Camp, a nonprofit that operates camps for children of color and runs a multi-city program to advance civil rights through education, self-empowerment, mass-mobilization and leadership. Impossible Foods and Know Your Rights Camp are nourishing kids and fueling social justice through large-scale product donations to organizations disproportionately affected by climate change and hunger.

Votenik Zoom to the Polls

This fall, Impossible Foods teamed up with pioneering restaurateur Pinky Cole of Slutty Vegan, musical mogul Jermaine Dupri, and The Pinky Cole Foundation to kickstart a unique voter registration drive. Together, we hosted a series of webinars featuring prominent civil rights and cultural leaders, open to all Americans. "Votenik Zoom to the Polls" was an election-year twist on the celebrated spring break festival in Atlanta known as Freaknik. Freaknik began in 1983 in Atlanta and symbolizes Black culture and music.

"WE CREATED VOTENIK TO HELP EDUCATE PEOPLE ON THE WAYS THEY CAN REGISTER, PARTICIPATE IN THIS HISTORIC ELECTION, HAVE FUN AND EAT HEALTHY ALL WHILE DOING IT!" - JERMAINE DUPRI

OPERATIONS

SCALING AND LEARNING

Throughout 2020, we increased production and achieved record economies of scale, which we passed on to customers with an average 15% wholesale price cut in March -- the first of many to come. We accelerated a long-term project to achieve zero waste and modernized our waste infrastructure. We scaled up production of heme -- our “magic ingredient” -- to keep our supply chain strong. 2020 was the most transformative year since the 2016 launch of commercial operations.

Adapting as we scale: Case study #1 Heme Water

We've been tracking water use in heme production since we started heme manufacturing. While the water footprint of the heme protein in our product is nowhere near as high as the water footprint of using cattle to produce meat, it accounts for a disproportionate percent of the total water required to produce our food. Thus we track water use closely and see big opportunities to reduce our water footprint.

We're currently in the piloting stage of our reverse osmosis system designed to recapture, clean, and re-use processing water. This is exploratory technology, and we'll keep monitoring the system to determine whether we can operationalize it.

We created an all-new Biomanufacturing team, which takes Impossible Foods' “basic science” innovations in genetics, fermentation and industrial engineering (among other disciplines) and generates economies of scale for mainstream, mass-market product manufacturing.

Led by Vice President of Biomanufacturing Smita Shankar, the team worked with our growing sustainability group to introduce water use as a key performance metric for our heme production in 2021. What can be measured can be managed: With water use as a metric similar to net production targets, we're elevating the visibility and importance of water stewardship.

With the expansion of the Biomanufacturing team, we increased our focus on sustainability and are building a program to identify new opportunities for water conservation through fermentation, protein isolation and downstream processes.

Adapting as we scale: Case study #2 Zero Waste

Our goal is to achieve the US Green Business Council Zero Waste (USGBC) certification, which requires 90% or greater landfill diversion rate. 2020 introduced unexpected challenges such as the waste flows of personal protective equipment (PPE), but we are on track for 2021-2022 USGBC certification thanks to our close work with external vendors and a reorganized, more cross-functional waste management team.

This year, our waste management experts set up a scrap metal bin and purchased new, leak-proof compost bins, which allowed us to reduce the frequency of pick-ups to the regulatory minimum for easier disposal and better tracking. We will soon separate wood waste from our landfill bin and get a barrel crusher to further minimize landfill waste and the number of recycling pickups. Zero waste requires infinite attention to detail.

MAXIMIZING SUSTAINABILITY IN OAKLAND

Water

Water use in manufacturing gets more efficient as production increases. The math is simple: Our water footprint comes from the water requirements of our recipe, and (similar to ground beef from a cow) Impossible Burger's first ingredient by weight is water. We also use water to clean manufacturing sites. To make more product, we need more water. The good news: We get greater economies of scale thanks to Clean-in-Place and other water reclamation products we launched in 2019.

Food Waste

We began collecting food waste data in November 2019, then launched a program to decrease food waste both on a per pound and total basis. We installed railings on our conveyor belts to minimize ingredient and bulk meat loss during manufacturing. We hosted a series of training classes for manufacturing employees to emphasize that minimizing waste is good for the planet and for our bottom line. We've achieved a marked decrease in food waste throughout the year.

GHG Emissions

By far our greatest contribution to climate action is providing consumers a simple, every-day tool to reduce their carbon footprint (by the equivalent of 90 airline-passenger miles per pound of cow-beef replaced). But we're always looking for additional ways to minimize our environmental footprint. Impossible Foods is part of a Community Choice Agreement that allows us to buy 85% GHG-free energy from renewables and hydroelectric sources for our Oakland production plant, as well as our Redwood City headquarters.

PACKAGING

We launched Impossible Burger patties at grocery stores this summer, optimizing packaging for product safety and sustainability. We assessed recycled and recyclable materials, and considered materiality (ratio of plastic weight to product weight on a mass balance basis) and how to dispose of the packaging at the end of its life. We decided on a rigid tray and recycled, recyclable plastic (rPET), which minimizes the total amount of that plastic used overall.

Impossible Foods has a procurement policy of 100% Sustainable Forest Initiative or Forest Stewardship Initiative cardboard and paperboard sourcing for packaging -- a benefit that consumers will never see: corrugated boxes that house the product on its way to grocery stores. Each Impossible Burger patty uses **96% less land, 87% less water, and generates 89% less emissions** than a burger made from cows -- all while maintaining extra juiciness, convenient handling and an easy cooking experience.



IMPOSSIBLE SAUSAGE: THE BEST OF THE WURST



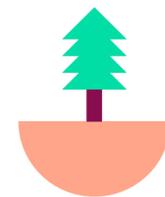
Big Taste, Tiny Footprint

In addition to blockbuster grocery store growth, Impossible Foods launched its second all-new product this year: Impossible Sausage Made From Plants -- the most successful product launch in the company's history.

Impossible Foods gave a preview to early adopters in January. By June, we were shipping Impossible Sausage to thousands of restaurants. Starbucks, which launched the Impossible Breakfast Sandwich in nearly all restaurants in the United States, became our single largest customer based on the number of outlets selling our food. America's top diners also embraced Impossible Sausage as the ultimate comfort food in unprecedented times.

For each new product, we commission third party experts to conduct a life cycle assessment (LCA). These critically reviewed modeling exercises account for all the material and resource flows that are required to produce a good. Our Impossible Burger LCA shows meaningful environmental advantages of switching from a cow-based burger to an Impossible Burger -- and the same is true for Impossible Sausage.

Compared to a conventional pig-based sausage, the Impossible Sausage uses far fewer natural resources:



41% LESS LAND AREA
IN A YEAR



71% LESS GREENHOUSE
GAS EMISSIONS



79% LESS WATER
DEPLETION



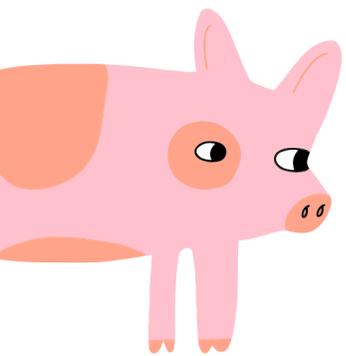
57% LESS AQUATIC
EUTROPHICATION

That means that a consumer can reduce their environmental footprint by 5 pounds of carbon dioxide equivalents, 12 square feet of land for a year, and by nearly 50 gallons of water per pound of Impossible Sausage selected over sausage from a pig.

BETTER FOR YOU, BETTER FOR HUMANITY

Pork is the most widely consumed meat in the world, and the threat to public health posed by pork production makes it utterly unsustainable. Pork sold in the US is commonly contaminated with fecal pathogens, often antibiotic-resistant. Pork is also a major source of Toxoplasmosis infections, which are a major risk factor for birth defects and can cause lethal brain infections in people with weakened immune systems.

Most pigs are raised in concentrated animal feeding operations with routine antibiotic use and growth promotants. In fact, almost equal amounts of medically important antibiotics are used for pork production and human health. Antibiotic resistance is a huge threat to global health: More than 2.8 million people a year are infected with antibiotic-resistant bacteria or fungi with over 35,000 of those infections resulting in deaths. Workers in industrial pig farms and slaughterhouses, and their families, are at exceptionally high risk of colonization and infection with multiple antibiotic-resistant bacteria.



Influenza pandemics

There is strong evidence that the 2009 flu pandemic, which infected between 700 million and 1.4 billion people, and is estimated by the CDC to have caused more than 284,000 fatalities worldwide, originated in domestic pigs. The deadliest pandemic in recorded history, the 1918 Influenza pandemic, which infected about a third of the human population and caused an estimated 50 million deaths worldwide, may also have been introduced into the human population by domestic pigs.

Infectious Diseases of pigs

Infectious diseases spread readily among pigs in industrial farms, endangering the pigs and disrupting the pork supply chain.

African swine fever (ASF) is a highly contagious viral disease that is extremely deadly to pigs. In the first quarter of 2020, China's pork output was down 30% (equal to 9.3 billion pounds of pork) from the previous year. As a result, the price of pork was up by 122 percent. In July 2020, there was another large outbreak of ASF in Southern China that was caused by heavy rainfall and flooding. ASF is likely to be a reoccurring issue in China and may spread elsewhere.

Bottom line: There is no way to meet global demand for animal-based pork without significant risk of antibiotic resistance and infectious disease. Impossible Pork and Impossible Sausage can satisfy the global demand for pork without those public health risks, a far lower greenhouse gas, water, land and pollution footprint— and with zero compromise on taste and nutrition. No wonder TIME considers Impossible Pork among the world's best inventions.



SUSTAINABILITY AT YOUR FINGERTIPS

Impossible Impact Calculator

Switching to Impossible products is a simple, powerful way to show your environmental stewardship, solve the climate crisis and help wildlife. On the 50th anniversary of Earth Day, we launched the [Impossible Impact Calculator](#) to show people how much they're reducing their land, water and greenhouse gas footprints by eating Impossible Burger instead of the cow-based analog.

Impossible Impact Calculator uses data from [Impossible Foods' life cycle assessment](#) for the Impossible Burger. Easy and quick to use from your mobile phone, users select whether they want to see results translated as direct reductions (gallons of water, square feet of land, pounds of greenhouse gas emissions) or by comparison to familiar benchmarks (climate impact of airline miles, water for showers, and more).

WE GOT THIS

Exploiting animals for food is a major contributor to global warming and the principal driver of species extinction, deforestation and water pollution. Animal agriculture has led us to the brink of environmental collapse and ongoing public health crises.

How do we turn this around?

The land footprint of livestock is the greatest problem -- and the opportunity.

There's far more than enough farmland to feed the world today with zero dependence on livestock. The global soybean crop alone contains 60% more high-quality protein than is in all the meat consumed globally, but it occupies only 0.8% of Earth's land surface. All the fruits and vegetables, grains, pulses and oil crops humans consume are grown on less than 7.5% of Earth's land surface but contain more than enough healthy protein to feed the world. And decades of scientific studies have shown that no animal products are required for optimal health at any stage of life.

Once we eliminate our dependence on livestock, the only technology required to turn back the clock on climate change and stop the extinction crisis is photosynthesis, the 3-billion-year-old process by which plants use energy from the sun to turn atmospheric CO2 into plant biomass. The land currently impacted by animal agriculture becomes a carbon-capture behemoth, using the best, cheapest, most scalable carbon capture technology on Earth.

Seems like a no-brainer -- except for one problem: Billions of people love the foods we've traditionally produced using animals. The distinctive sensory pleasures people get from meat are an essential source of joy and comfort. It's no wonder that efforts to persuade people to reduce or eliminate meat have failed. People hate to compromise, particularly on taste. Who would eagerly, joyfully trade burgers and steaks for quinoa and tofu?

Enter Impossible Foods. We will never ask people to change their lifestyle or eat foods they don't absolutely love. We are inventing a better way to produce the foods people crave. We are using state-of-the-art research and technology to outperform the animal agriculture industry in delivering delicious, nutritious food sustainably. We won't solve the problem by taking meat away from people who love it: We'll solve the problem by making meat even better. Then consumers can buy whichever they prefer.

Our research into the fundamental mechanisms underlying meat flavor and texture, and our success this year in particular, show that Impossible products satisfy uncompromising meat lovers. (Heck, these Texas ranchers can't tell the difference between Impossible Burger and ground beef from cows; this beef-loving food critic preferred Impossible Burger to cow-based meat in dozens of recipes tested; a beef lobbyist called it the "real deal" and a "wake-up call" for the livestock sector.)

And unlike the prehistoric and fundamentally unimprovable technology used to produce meat from livestock, our products are getting better every day. In fact, we plan to accelerate our efforts in 2021 by doubling our R&D team and expanding our technology platform.

We won't settle for feeble, incremental goals. We have a moral obligation to solve our climate, extinction and public health crises. We can't do it alone -- but we can do it with your support.

We got this.

