

Impact Report

2023

**Misfits
Market**

What's on the Menu

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Why does it matter where you grocery shop, anyhow?

Easy—because **our food system has a waste problem.** Traditional grocers have outdated standards that can create excess waste and inefficiencies. We, on the other hand, make intentional choices every step of the way, from farms to your doorstep, to reduce waste and conserve resources.

What we do differently



When customers choose Misfits Market, they're not only getting convenience and affordability, they're also **supporting our vision to build a sustainable system that eliminates food waste.**



Did you know that food loss and waste generates 8-10% of annual global greenhouse gas (GHG) emissions—almost 5 times that of the aviation sector*?

*UNEP Food Waste Index Report, 2024



Assortment

We're deliberately different

We're not like other grocery stores, and we're proud of it. Together with Imperfect Foods (a member of the Misfits family since 2022), we're on a mission to reduce food waste and make shopping for sustainable, high-quality groceries easier and more affordable. And it all starts with our **assortment** →



We've saved 210+ million pounds of food

from waste or lesser outcomes since 2015
(thanks to our valued partnerships with our supplier partners and customers!)

With one order, the average Misfits Market customer saves*:



5.01 pounds of food from a lesser outcome



196.79 gallons of water



6.94 pounds of CO2e emissions

*Based on average savings per customer order in 2023. [Learn more.](#)

Our Sourcing Strategy

We source our inventory a little differently than the other guys. By seeking out food that might otherwise go to waste or lesser outcomes, we're able to pass savings (up to 30% off grocery store prices!) along to our customers. It's our way of supporting a more sustainable food system, but also a more affordable one.

After all, **reducing wasted food is one of the most effective ways to fight climate change***, which we're all about.

*According to ReFED and Project Drawdown.



Inside Scoop:

We introduced a total of 1,485 new items to our store in 2023.

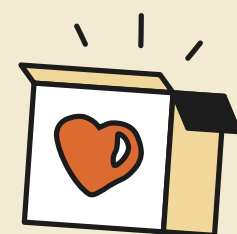


Our Approach to Private Label

We rolled out our **Odds & Ends** line in 2022 with a handful of pantry staples, and this year we've added the overwhelmingly popular Imperfect Foods private label items into the mix.

In 2023, we began reintroducing 89 of our private brand items, with the same goal of providing high-quality at an optimal price. (Plus brand-new packaging that matches our signature bold branding!)

By the end of 2024, we plan on adding totally new items to our roster, prioritizing those with sustainability attributes, in an effort to further underline our mission to reduce food waste.



Humble Brag:

In 2023, Odds & Ends was recognized by Store Brands as a Game Changer Brand for challenging the status quo while meeting consumer needs and driving innovation.



Why Private Label Matters

Not only do we source groceries that might go to waste, we also use our Odds & Ends brand to rescue even more food. Out of all the packaged foods we saved in 2023, **the biggest impact came through Odds & Ends**, the items we carefully created with our partners to save foods and ingredients from waste.

By developing new products, we help move raw ingredients and commodities “up” the Wasted Food Scale: from waste or lesser outcomes to high-value, innovative, and delicious foods!

Wasted Food Scale

HIGHEST VALUE

Odds & Ends

Preventing food waste and upcycling to feed humans

Animal feed

Compost

Landfill

LOWEST VALUE

SOURCE: EPA.GOV

We've got the numbers to prove it



When chocolate bars get a little broken up during production, we **package up all the tasty pieces instead of tossing 'em.**

Last year, we were able to **save nearly 5,200 pounds of chocolate from the landfill.**



By using the not-quite-perfect-looking oranges to make our cold-pressed juice, we were able to **save 181,000 pounds of oranges from the landfill and 181,000 pounds from animal feed** in 2023.



Did you know that your typical bag of **jasmine rice is only allowed to contain 4% broken kernels?** By being a little more lenient with ours (we allow 10% broken kernels), we were able to **save 78,250 pounds of rice** from going to animal feed in 2023. Which is a win-win for the planet and and our farmer partner.

Operations

We're deliberately different

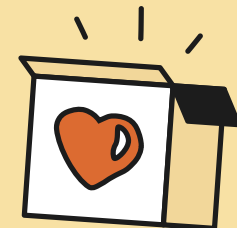
We don't just prioritize sustainability in our product assortment where everyone can see it. We factor environmental impact into every step of our **operations** →

Zero Waste Initiative

We have five fulfillment centers where all our box-packing magic happens, and each has a dedicated Green Team Lead to keep us on track in our pursuit of zero waste certifications.

In November 2023 our Clackamas, Oregon, facility was the first to receive a TRUE Zero Waste Gold certification, and we've committed to certifying all five of our facilities by the end of 2025.

That means achieving a **90-100% diversion from landfill or incineration, by weight, and 40-60 credit narratives related to reducing waste in our business**, like our Packaging Return Program (keep reading for more on that!).



Humble Brag:

Our Clackamas fulfillment center is actually one of only 40 industrial facilities in the food space to achieve a TRUE Zero Waste Gold certification.



Our Free Packaging Return Program

Yup, we're **the only nationwide online grocer to offer free packaging return** to our customers.

We collect those gel packs, egg carton liners, and silver insulated liners and reuse or recycle 'em. All eligible customers have to do is leave them out for drivers to pick up on their grocery delivery day.

To date, we've collected more than 10 million pounds of packaging from customers across the country.



In 2023, we collected at least **2,776,433 pounds of packaging for reuse and recycling.**

Our Own Delivery Fleet

In 2023, we took a page out of the Imperfect Foods playbook and used our own delivery fleet and drivers. That means we got to control how many miles we were on the road, design our own routes, and provide free packaging pickup in select areas.

We estimated that **our delivery fleet emitted 3,151 tCO2e less* than the U.S. average** for the same trips to the grocery store (aka, the equivalent of charging 208,018,572 smartphones).

*According to the EPA average for the same trips to the grocery store.



Inside Scoop: Delivery Day

Customers eligible for delivery by our fleet get assigned a delivery day. By clustering deliveries by neighborhood, we're able to minimize our carbon footprint even more!

Fulfilled by Misfits

Fulfilled by Misfits (FBM) is our new 3PL-style fulfillment service aimed at the unique needs of today's perishable direct-to-consumer brands.

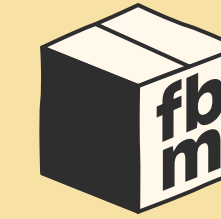
By leveraging the structure and scope of the Misfits network, we're able to help brands achieve a level of scale that would otherwise be difficult (or prohibitively expensive).

The FBM suite of services includes:

- Pallet receipt + storage
- Pick + pack fulfillment
- Outbound logistics and last mile services utilizing Misfits Market's shipping accounts
- Supply chain management and optimization including packaging and coolant procurement

Our clients include:

- Cometeer
- Little Spoon
- Spot & Tango



Inside Scoop

Fulfilled by Misfits is a growing business segment inside the broader Misfits Market organization and is working with leading DTC brands such as Little Spoon, Spot & Tango, and Cometeer. **FBM shipped over 1 million products for clients in 2023.**



Vision

We're deliberately different

Sure we're here to make more sustainable grocery shopping easier—but our **vision** is to reimagine the food system and build a sustainable system that eliminates waste. And that means thinking outside the box (...literally!) →

We're All in on Upcycling

It's estimated that 90% of all surplus food from manufacturing (which makes up 15% of all food waste across the supply chain) comes from byproducts and production line waste.

Which means that any way we can turn that surplus food into something else that's edible is a way to, yup you guessed it, save even more food from becoming waste.

To support that work, we've partnered with the Upcycled Food Association, and even worked with them to host a Shark Tank-style challenge →



Vocab Lesson: Upcycling

According to our friends at Where Food Comes From, "upcycled foods use ingredients that otherwise would not have gone to human consumption."



Our Upcycling Challenge

In 2023, we hosted an Upcycling Food Challenge in collaboration with the Upcycled Food Association to encourage food innovators to pitch and develop new products, all with the goal of minimizing food waste.

With a panel of judges, we chose these three winners from 114 applicants, all of which are now available in our store.



Atoria's Family Bakery Multigrain Mini Naans

Atoria's Family Bakery Upcycled Certified Multigrain Mini Naan includes ReGrained SuperGrain+, a flour made using spent grains, a byproduct of making beer.



Petit Pot Rice Pudding

Each (reusable!) glass jar of Upcycled Certified Petit Pot rice pudding contains rice that would've otherwise been used as animal feed.



Chomps

These sticks have the same ingredients as the other Chomps sticks, but each is also made up of 10% meat that's gone back into the mix post-production (rather than to the landfill).



Our Community Work

Our people are at the center of everything we do, from our partners in sourcing, to the customers who support our mission, to community members fighting food insecurity. In 2023, Misfits Market donated over 6 million pounds of food to 60+ food bank and pantry partners as well as 1.5 million meals* to Feeding America.

We continued to advocate for policy awareness, education, and engagement, for policies that affect and build a more sustainable food system, like the Farm Bill and the Food Date Labeling Act.

*\$1 helps provide at least 10 meals secured by Feeding America on behalf of local member food banks

Our Content Approach

We want to empower our customers to become more sustainable cooks at home, without a bunch of extra work. We don't just provide recipes that look good—we're all about minimizing food waste through storing produce properly, talking about how long leftovers actually last, offering tips for reviving fresh produce, and demonstrating how to incorporate food scraps in delicious recipes.

After all, when you save more food from going to waste at home, you're saving more money, too*!

*According to ReFED, the average American spent \$759 on food that went uneaten in 2022.



How Long Do Leftovers Actually Last?

FOOD	FRIDGE	FREEZER
Bread, Biscuits, and Rolls	2-3 weeks	3-5 months
Cheese, Hard	3-4 weeks	6 months
Cheese, Soft	1-2 weeks	6 months
Dairy Milk	1-2 weeks	3 months
Deli Meat	3-5 days	1 month
Ground Meat, Cooked	3-4 days	2 months
Ground Meat, Raw	3-5 days	Up to 12 months
Poultry, Cooked	3-4 days	IF PLAIN: 2-3 months IF COVERED IN GRAVY OR BROTH: 6 months
Poultry, Raw	1-2 days	9 months - 1 year
Seafood, Cooked	3-4 days	3 months
Seafood, Raw	1-2 days	3-8 months
Soup and Stew	3-4 days	Up to 3 months
Takeout	3-4 days	1-2 months
Yogurt	1-2 weeks	1-2 months

SOURCES: ABC13, Taste of Home, FoodSafety.gov, The USDA, Food Network, Food52, The Kitchn, The Pioneer Woman, BNL, and State Food Safety



Fruits and Veggies That Don't Need to be Refrigerated

FRUIT

Lemons and limes
Oranges and grapefruit
Peaches and plums
Apricots
Nectarines
Ginger
Apples
Avocados
Kiwis
Mangoes
Persimmons
Pineapples

VEGGIES

Garlic
Onions
Potatoes
Tomatoes
Butternut squash
Delicata squash
Kabocha squash
Parsley*
Mint*
Basil*

*store in a jar of water



Countertop Produce

- Potatoes
- Hard/winter squash
- Apples (store far from other veggies)
- Beets (remove leaves)
- Garlic
- Onions (store far from other veggies)

Refrigerator Staples

- Eggs
- Tortillas

What's Up Next in 2024

Every year is an opportunity for us to find new ways of challenging the traditional way of shopping for groceries—and building a feel-good community along the way.

In 2024, you can expect us to double down on our work to rescue food and to find fresh ways of reaching even more people, all in an effort to build a better food system.





Misfits Market