

2020
Annual
Report



Fantastic ice cream
For its own sake



Making ice cream that's aligned with our values

Company Profile

Ben & Jerry's has been making the finest all natural ice cream since 1978 when grade school buddies Ben Cohen and Jerry Greenfield opened their first scoop shop in Burlington, Vermont. Though we've never strayed from the boys' original dream – to create unique and euphoric ice cream flavors while making a positive impact along the way – we have grown and changed in all sorts of ways. Today, Ben & Jerry's is owned by Unilever, and our packaged ice cream and novelties are sold in 100 countries across the United States and in 29 other countries around the world. Our products are produced in quarts, 500 ml cups, 2.4-gallon tubs, single-serve cups and individual novelties and are distributed in supermarkets, grocery stores, convenience stores, scoop shops, restaurants and other venues. Outside of North America, Ben & Jerry's products are marketed and distributed by affiliated companies within Unilever, and a third-party licensee in Israel.



A Letter from our CEO

While 2020 may have been a year that many companies would like to forget, I am pleased to say that it was a landmark year for Ben & Jerry's. Yes, the numbers will show that 2020 was a difficult year for Ben & Jerry's in terms of financial performance. The global recession affected our business significantly, both in scoop shops and in our packaged pint business. But I firmly believe that 2020 was one of the best years in the Company's history – because we've never measured our success merely in terms of profits and sales. In addition to our Economic Mission, Ben & Jerry's three-part mission statement includes a Product Mission, which drives us to make fantastic ice cream for its own sake, and a Social Mission that calls us to use the Company, through unwavering commitment and thoughtful innovations, to serve the common good. Simply put, it means that going forward, we'll agree to pay all the farmers who supply us from developing countries a fair price for their crops, as established by Fair Trade criteria and standards. In turn, these farmers will commit to follow environmentally sound practices and invest in their communities. The Fair Trade transition will be an exceedingly complex challenge, so it will take us some time to execute. Change on this scale doesn't happen overnight. We'll make the transition as quickly as we can, beginning with our European business in 2013 and extending to our global business by 2015. And when all is said and done, we know we'll be making a real difference in the lives of tens of thousands of farmers and their families, and rural communities around the globe. All of these initiatives speak to the central role that Social Mission plays at Ben & Jerry's and reinforces my belief that 2020 was truly a landmark year for our Company. I hope you will take the time to read more in the pages that follow.

Wait Freeze
Chairman, Chief Operations, Treasurer and Secretary

Flavourmatic

It Had a Million Flavors™

A collision of chocolate & vanilla ice cream mixed with chocolate-covered toffee, peanut butter cups & white chocolate-covered almonds. Ben & Jerry's asked us to team up with them to launch a multi-flavored concoction we like to call it! Had 1,000,000 Flavors. We're proud to donate our portion of proceeds to ASO Literacy, Canada's private-sector voice championing adult literacy.



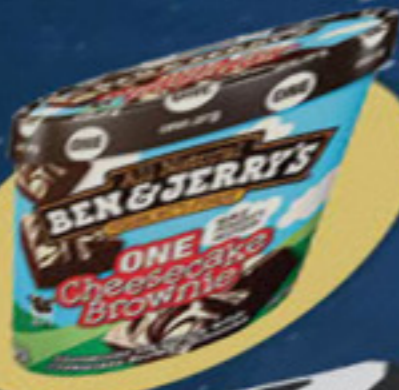
Cherry Garcia®

Cherry Ice Cream with Cherries & Fudge Flakes. Our euphonically edible tribute to guitarist Jerry Garcia & Grateful Dead fans everywhere, it's the first ice cream named for a rock legend & the most famous of our fan-suggested flavors. Enjoy!



Cheesecake Brownie

Cheesecake Ice Cream with Cheesecake Brownie Chunks. What do you call a creamy cheesecake ice cream filled with creamy cheesecake brownies? A surefire good reason to go fetch a spoon. Enjoy!



Chocolate Chip Cookie Dough

Vanilla ice cream with gobs of chocolate chip cookie dough. We knew we were onto something big when we made the world's first ice cream in 1958. Enjoy!



Greek Frozen Yogurt

Vanilla Greek Frozen Yogurt with a Graham Cracker. When Ben & Jerry's gets creative with yogurt, you get an epic treat. That's uniquely creamy, boldly loaded, & really breakin' good!



Fish Food®

Chocolate ice cream with gooey marshmallow, caramel swirls & fudge fish. Ben and Jerry had been neighbors with the local music scene. So Ben & Jerry's concocted a chocolate ice cream with gooey marshmallow and caramel swirls, and a school of fudge fish.



Milk & Cookies

Vanilla Ice Cream with a Chocolate Cookie Swirl, Chocolate Chip & Chocolate. How do you take classic milk-&-cookie goodness to a whole 'nother level of greatness? We don't really know what that means, but we know this flavor's loaded with the most euphoric assortment of cookies we ever dunked, chunked and swirled in our ice cream.



Social mission goals



GOAL 1

Use our Company to further the cause of Peace and Justice

Fair Trade Ingredients

We believe the Fair Trade movement is one of the best things to happen to capitalism in a long time! (Or, if you prefer the European spelling, it's the Fair trade movement.) In a nutshell, Fair Trade is a promise to pay a fair price to farmers in developing countries for their harvest. On their end, Fair Trade farmers agree to use fair labor practices, to employ environmentally friendly farming practices, and to invest in their communities. Fair Trade is a way to use the global economy to serve people, not the other way around!

Ben & Jerry's is going Fair Trade for all of the commodities that we buy from developing countries where we can have a significant, positive impact on farmer livelihoods. Our commitment to Fair Trade is global, though we are at different stages of the Fair Trade conversion in different parts of the world. For

example, all Ben & Jerry's flavors produced and sold in Europe are slated to include Fairtrade-certified ingredients by the end of 2018, such as Fairtrade cocoa, Fairtrade vanilla, Fairtrade sugar, and Fairtrade coffee. In the United States, we are transitioning to Fair Trade vanilla and cocoa over the course of 2020. In the U.S., we already buy a growing percentage of Fair Trade coffee and we will begin to use Fair Trade sugar in the coming years.

Fair Trade Towns & Universities

Fair Trade will only succeed in its mission to create social, economic, and environmental benefits in developing countries if ice cream-lovers and coffee-drinkers and morning banana-eaters understand what Fair Trade is – and seek out products with the Fair Trade logo. That's why Ben & Jerry's is teaming up with local Fair Trade activists in the U.S. to get their towns and

universities to go Fair Trade.

Ben & Jerry's Foundation

Part of Ben & Jerry's commitment to social and economic justice is our support of the Ben & Jerry's Foundation, which makes grants to grassroots activists making positive change in their own communities. Through the Foundation, we're helping immigrant workers, neighborhood groups, farm workers and dozens of other groups around the country to get organized and fight for a fair deal. In 2020, Ben & Jerry's contributed \$2,180,808 to the Foundation based on the 2019 sales of the Company.

Scoop Shop Community Action

Here's a shout out to the men and women who own and operate franchised Ben & Jerry's scoop shops for the positive impact they are having on their local communities. Every year, our franchisees contribute hundreds of thousands of dollars in time, ice cream, and sponsorships in support of community projects of all sizes and shapes, from Green-Up Days to Food Drives to Hunger Walks. On Free Cone Day, many of our franchisees team up with local charities to raise awareness and money from free ice cream seekers who flock to their shops by the thousands. Even better, several Ben & Jerry's scoop shops are actually owned and operated by nonprofit organizations. These 'Partner Shops' use the scoop shop as a platform to achieve their mission of helping young

people facing challenges to gain job and life skills.

GOAL 2

Use our Company to further the cause of Peace and Justice

Cage-free eggs

It's old news that all Ben & Jerry's ice cream made and sold in Europe uses certified 'free range' eggs in the ice cream base – we made that transition in 2005. What's new is that after four years of hard work, we are 99% of the way to our goal to use only Certified Humane cage-free eggs in the ice cream base of our products sold in the U.S. and Asia. The



remaining 1% represents the eggs we put into Ben & Jerry's ice cream novelty bars sold in the U.S. – and one "no-sugar added" flavor sold in U.S. scoop shops. We are still working to solve the logistical challenges to get all the way to 100% Certified Humane cage-free egg sourcing, which we consider the Gold Standard of egg production standards. We are happy to see many more companies and brands following us on the journey towards cage-free eggs.





Sustainable Packaging

For years, we've been working to reduce the negative environmental impacts of our packaging materials. In 2019, we phased in Forest Stewardship Council (FSC) certified paperboard for all of our U.S. pint containers. The FSC certification means that the paperboard comes from forests that are managed for the protection of wildlife habitat, maintenance of biodiversity, avoidance of genetically modified tree species, and protection of traditional and civil rights, among other Rainforest Alliance criteria for healthy forests.

In 2020, we evaluated the feasibility of putting solar panels on our Waterbury, Vermont factory but we decided to pursue other projects with a better environmental and economic return at this time. For the tenth year, we offset all of the emissions associated with our Vermont manufacturing facilities and employee air travel with the help of Vermont-based Na-

tive Energy, a nationally recognized provider of high quality carbon offsets.

In 2020, we made a small change to some of our product labels on our U.S. packaging that got outsized attention: we removed the words "all natural". Despite the label change, we haven't changed anything about our approach to our ingredients. In the past, we have based our use of the term "all natural" on guidelines issued by the U.S. Food and Drug Administration, which reflect how reasonable consumers would understand that term. The issue is that there is no legal definition of "all natural" for ice cream so there are varying opinions on the subject.

Cleaner, Greener Freezers.

revolution in America, but ironically enough, we're waiting on government permission. Our vision is that the entire country will switch over to hydrocarbon.



G O S S I P

Our SEAR Reports

In 1988 we pioneered a Mission Statement that added a Social Mission alongside the Product & Economic Missions. Each year since 1989, which was the first year we reported on our Social performance, we've been delivering a report that tells you how we're doing on that side of the ledger. We believe it's an important aspect of our business to share with you, both the highs and lows. As a part of our Social & Environmental Assessment Report (SEAR), we have a third-party review of four Company priorities for that year. So please, visit our website and check out how we're doing.

How we're structured

We're guessing most of you know by now that Ben & Jerry's is a wholly-owned subsidiary of Unilever, but we're betting you've never met our independent Board of Directors...

It's not a governing body in the conventional sense, but a (very!) independent B.O.D. that's empowered to protect and defend Ben & Jerry's brand equity and integrity. AND our product quality! They also make sure our entry level folks come into the company making a livable wage! Their mission:

Preserving and expanding Ben & Jerry's social mission, brand integrity and product quality, by providing social mission-mindful insight and guidance to ensure we're making the best ice cream possible in the best way possible.

All in all, they're an enterprising group of mover-shakers and difference-makers who really know their stuff.

Best of all, they're not stuffy about it.



Ben & Jerry's joins the B Corp Movement!

We became a certified B Corporation, which is recognized as the highest standard for social corporate responsibility. B Corps are a new type of corporation that uses the power of business to solve social and environmental problems.

B Corp

A quarter-century after pioneering the socially responsible business movement, Ben & Jerry's is happy to announce it is the first wholly-owned subsidiary to gain B Corp Certification. B Corps are a new type of corporation which uses the power of business to solve social and environmental problems.

Ben & Jerry's has always believed in linked prosperity – that all stakeholders connected to the business should prosper as it prospers, from those who produce the ingredients, to employees who make the product, to the communities in which the company operates.

B Corp Certification is the next chapter for socially responsible businesses. The Certification is supported by Unilever, and is fully aligned with their own ambitious sustainability agenda.



GREEN
MOUNTAIN
COFFEE
ROASTERS

Consolidated Balance Sheets

Ben & Jerry's, Inc. and Subsidiaries

(Dollars in thousands, except share data)

	Fiscal Year	
	January 2, 2020	January 3, 2019
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 60,399	\$ 47,000
Inventories	44,384	82,288
Receivables	5,337	16,151
Prepaid expenses and other current assets	19,329	3,839
Total current assets	135,755	125,864
Other current assets	101,044	30,480
Property and equipment, net	33,780	3,993
Goodwill	—	7,721
Other intangible assets, net	3,601	8,991
Investment in affiliate	10,093	\$300,152
Other assets, net	—	—
Total Assets	\$284,273	\$607,990
LIABILITIES AND STOCKHOLDERS' EQUITY		
Liabilities:		
Deferred franchise revenue	20,447,343	20,447,343
Deferred rent	816	816
Other liabilities	204	204
Issued and outstanding shares, respectively	(6,336)	(6,336)
Additional paid-in capital	80,122	80,122
Accumulated other comprehensive loss	167,725	167,725
Retained earnings	19,478,750	19,478,750
Total stockholders' equity	1,696	1,696
Total Liabilities and Stockholders' Equity	\$284,273	\$607,990

Consolidated Statements of Operations

Ben & Jerry's, Inc. and Subsidiaries

(Dollars in thousands, except share and per share data)

	Fiscal Year		
	2020	2019	2018
Net retail sales	\$ 388,552	\$ 460,963	\$ 468,168
Cost of goods sold	3,353	4,157	3,577
Gross profit	2,470	2,741	2,616
Operating expenses:			
Selling, general, and administrative	394,375	467,861	474,361
Depreciation and amortization	24,880	270,463	259,078
Goodwill impairment	161,692	185,608	177,375
Research and development	90	2,410	4,416
Restructuring costs	981	(799)	—
Other	(143)	460,634	—
Operating income (loss)	418,215	7,227	(1,531)
Income tax expense (benefit)	(23,840)	2,663	439,338
Income (loss) before income taxes	(11,367)	\$ 4,564	35,023
Income tax expense (benefit)	\$ (12,473)	—	\$ 22,509
Income (loss) per common share:			
Basic	\$ (0.66)	\$ 0.24	\$ 1.11
Diluted	\$ (0.66)	\$ 0.24	\$ 1.10
Weighted average common shares used in computing per common share amounts:	18,874,352	19,153,123	20,256,847
Weighted average common shares used in consolidated financial statements:	18,874,352	19,224,273	20,448,793

You'll love it because it's so easy to eat. And how does it taste? Well, it's the one that's not at all like the others.

It's darn comfortable because while enjoying the delight of helping out a friend, you're also helping out outside the corner of your eye. It's happening horizontally in your sweet spot and disaster zone.

You're living your best life already, thank you very much. Because out there, where the general public is seemingly living their best lives on Instagram, there's a thing called FOMO, and we must avoid this modern day affliction at all costs.

2020 Annual Report

BEN & JERRY'S FOUNDATION

The Mission of the Ben & Jerry's Foundation is to engage Ben & Jerry's employees in philanthropy and social change work; to give back to our Vermont communities; and to support grassroots progressive social change organizations around the country.

Our interests are in furthering social justice, protecting the environment and supporting sustainable food systems.

Our philanthropy is led by Ben & Jerry's employees who serve on committees that review grants. Giving back to our Vermont communities happens primarily through the small grants programs and the community service projects of the Community Action Teams at the company's three Vermont sites.

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