

LEPRINO FOODS COMPANY

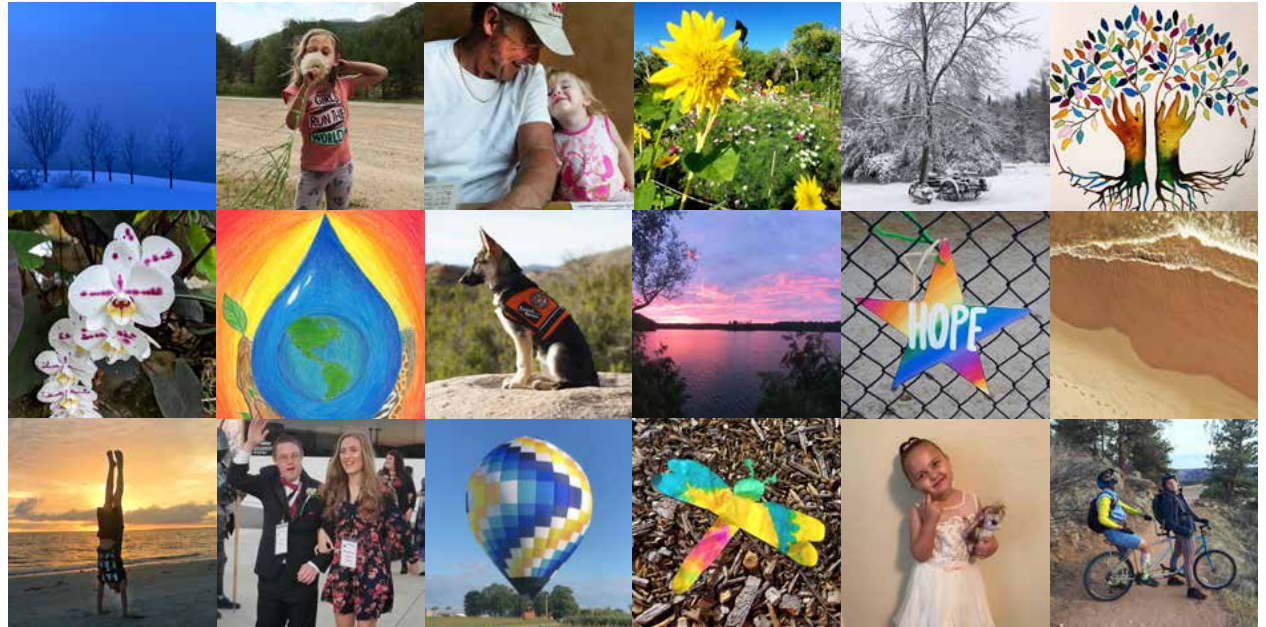


**TRUE
TO OUR
CORE**

GLOBAL RESPONSIBILITY 2019



WELCOME	1
Global Responsibility at Our Core	2
PRODUCT RESPONSIBILITY	6
Our Products	7
Leprino Quality	8
Food Safety	9
SUPPLY CHAIN RESPONSIBILITY	11
Responsible Procurement	12
Animal Care in Our Dairy Supply	13
OUR PEOPLE	14
Health & Safety	15
Employee Engagement	17
ENVIRONMENTAL RESPONSIBILITY	19
Environmental Management & Compliance	20
Energy & GHG Emissions	21
Water Usage & Quality	22
OUR COMMUNITIES	23
Community Support	24
Industry Education & Outreach	26
GR IN ACTION: LOCATION HIGHLIGHTS	27



Framing Our Commitment: For the third time, we held a contest that encouraged employees to submit photos and artwork that reflected their perspectives of Leprino Foods' Global Responsibility commitment. We are excited to feature some of the submitted images throughout this report. The images are credited by employee first name and location.

About This Report

This is Leprino Foods Company's fourth biennial report to provide our stakeholders with a balanced and accurate representation of our approach to global responsibility and our goals and performance in key areas. Our previous report was published in May 2018. The report covers our U.S. operations, which comprise our Denver headquarters and our nine U.S. manufacturing plants. Our international operations, which include a joint venture in the United Kingdom, a sales and culinary innovation hub in Singapore, representative offices in China and Japan, representation in Korea and operations in Brazil, are not part of this report.

Unless otherwise noted, this report covers our 2018 and 2019 fiscal years, a period from Nov. 1, 2017, to Oct. 31, 2019. Except as noted, performance data covers our headquarters and U.S. plants at the close of the reporting period. To guide report development, we referenced the U.S. Dairy Stewardship Commitment (November 2018) and the GRI Sustainability Reporting Standards. Refer to the Reporting Information section at the end of this report for additional information. This report is not intended as an advertisement or as promotional material.

Welcome

First and foremost, my thoughts are with you, your families and everyone worldwide impacted by COVID-19. In a matter of weeks, the pandemic transformed our lives – affecting everything from the way we live, commute, work and interact socially. At the same time, the pandemic has brought us closer together and instilled a sense of hope that the future will be better than ever.

Times such as these put our core values to the test, and continuing to apply these values to guide us through these turbulent times becomes all the more important. **Doing the right thing has been our unflinching compass over the years, and in the midst of this pandemic remaining true to our core has enabled us to navigate this uncharted territory.**

While we don't know what the future will bring, we do know that it is all meaningless without our employees. We have implemented robust measures to help keep our workforce healthy and safe, while maintaining operations to supply our customers and help nourish consumers around the world.

As we continue to make the best of a difficult situation, we also have prioritized helping our neighbors and local communities. This past spring, we donated over 350,000 pounds of cheese to more than 20 local and national organizations, such as Operation BBQ, Weld County Food Bank and Food Bank of the Rockies, to help address food insecurity.

We also assisted organizations with foundation grants and location-specific monetary donations totaling approximately \$300,000, as of the printing of this report,

including a \$100,000 company donation to the Farmers Feeding Families Fund, which was launched by our longtime partner Dairy Farmers of America.

We have accomplished all of this while maintaining our Global Responsibility commitments and reinforcing the importance of our efforts in how we operate every day. There is not a day that goes by that we are not thinking about, talking about or working towards achieving our GR commitments. When we established our formal initiative in 2013, we committed to making it part of our cultural fabric. Today, GR is an integrated part of how we do business and make decisions.

As you will see in the pages that follow, we are making progress and reaping the benefits across our five GR focus areas of Products, Supply Chain, Environment, People and Communities. We achieved our 2019 goal for reducing greenhouse gas emissions and continue to strive to meet others. Our efforts in GR have been recognized with the 24-Karat Gold Award by Colorado's Environmental Leadership Program, the top award available, and nationally with the Outstanding Dairy Processing & Manufacturing Sustainability Award by the Innovation Center for U.S. Dairy. Looking to future progress, we are advancing our Diversity & Inclusion journey through our Better Together initiative and recently rolled out our Drive to '25 operations vision and initiative across our plants, setting new goals within the sustainability pillar.

I've personally worked hard to align the majority of U.S. dairy processors to the U.S. Dairy Stewardship Commitment (page 5). As Chairman of that task force, I am proud to do my part to keep the industry as a whole moving down a common path.

We still have more work to do as we strive to fulfill our GR commitments. Our guiding principle of doing the right thing and our dedication to being responsible today while investing in the future will ensure continued progress.

I appreciate your interest in learning about our efforts and welcome your feedback, as we strive to become the world's best cheese and dairy ingredient company.



Mike Durkin
President, Leprino Foods Company



GLOBAL RESPONSIBILITY AT OUR CORE

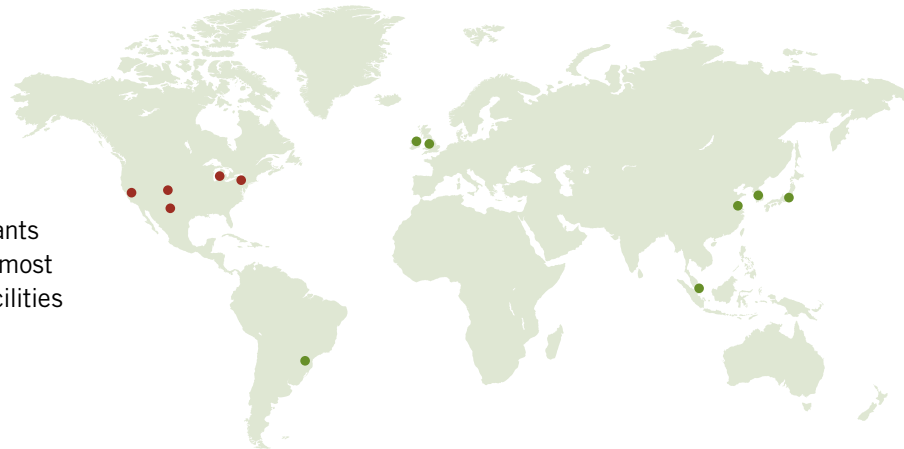
VISION | To be the world's best dairy food and ingredient company

MISSION | To make every customer feel like our only customer through our core values of quality, service, competitive price and ethics

U.S. Operations

We employ more than 4,300 people in the U.S.

- Our headquarters are in Denver, Colorado.
- Our nine U.S. production plants are some of the largest and most technologically advanced facilities in the world.



Global Sales

Our cheese and dairy nutrition products are found in 55+ countries.

- To support worldwide sales, we have joint ventures in the United Kingdom and Ireland, a sales and culinary innovation hub in Singapore, representative offices in Shanghai and Tokyo, and representation in South Korea.
- In late 2019, we took our ownership stake in Brazilian cheese manufacturer Pic-Nic from 70% to 100%.

Products

Leprino Foods transforms ~6% of the U.S. fluid milk supply into billions of pounds of high-quality cheese and dairy nutrition products.

World's largest mozzarella cheese manufacturer

One of the largest producers of lactose

Leading supplier of whey protein



LEPRINO
GLOBAL
RESPONSIBILITY

GLOBAL RESPONSIBILITY VISION STATEMENT

Growing stakeholder value through global responsibility consistent with our core values

Leprino Foods recognizes we're all part of the bigger picture. Our strategy for global responsibility is built on our core value of ethics and reflects our long-held belief in doing things the right way.

We never stop working to earn and keep the confidence of our employees, our customers and the global community. As dedicated members of the Leprino Foods Company family, we take personal responsibility to do our very best and create value for all stakeholders.



Lindsay, Denver

Our GR Framework & Areas of Focus

Global Responsibility is one of the three business priorities within our corporate strategic framework. We structure our GR strategy under five categories covering the environmental and social aspects of our operations.

Within each category, we identify areas of focus to prioritize our efforts in alignment with our strategic and operational objectives and the main interests of our stakeholders.

Our stakeholders include our employees, our shareholders, our customers, consumers of our products, the communities in which we operate, and others we interact with and impact as a business.



PRODUCT RESPONSIBILITY

Our commitment to deliver high-quality, nutritious and responsibly produced products to our customers and consumers

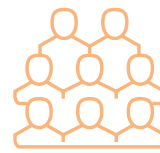
Our relentless pursuit of world-class quality and food safety ensures we consistently deliver the Leprino Foods products that our customers trust and have come to expect.



SUPPLY CHAIN RESPONSIBILITY

Our commitment to promote and ensure responsible practices throughout our supply chain

The quality of our products begins with our suppliers; therefore, we work to build strong relationships and ensure responsible practices across our supply chain.



OUR PEOPLE

Our commitment to ensure employee health and safety and to energize, empower and engage our team to succeed

Providing a safe, healthy, engaging and inclusive environment in which our valued team members can thrive is an essential element of our philosophy and strategy.



ENVIRONMENTAL RESPONSIBILITY

Our commitment to comply with regulations and to use natural resources responsibly

Through a focus on efficiency, employee engagement and innovation, we are dedicated to minimizing our impacts on the environment.



OUR COMMUNITY

Our commitment to strengthen relationships and benefit communities close to home and beyond

Supporting the vitality and resiliency of the communities where we live and work is a cornerstone of the Leprino Foods way of doing business.

Support for the UN Sustainable Development Goals

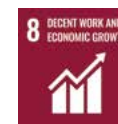


We recognize that our products, operational practices and GR progress can contribute to the achievement of the United Nations (UN) Sustainable Development Goals (SDGs). In particular, our efforts within our GR areas of focus align with the following SDGs:

THROUGH OUR PRODUCTS



THROUGH OUR OPERATIONS



2018-2019 Key Accomplishments

We continued to make progress across our GR areas of focus.

The following highlights mark some of our achievements at the company, plant, team and individual levels during the reporting period.

More information on these and other activities and achievements is provided in each section and on the GR in Action location pages beginning on page 27.



Strengthened our commitment

In 2018, Leprino Foods formally adopted the **U.S. Dairy Stewardship Commitment**, U.S. dairy's social responsibility pledge to consumers, customers and other stakeholders.



U.S. Dairy Sustainability Award Winner
Innovation Center for U.S. Dairy®

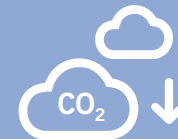
Received the **2020 U.S. Dairy Sustainability Award** for Outstanding Dairy Processing & Manufacturing



Accelerated our diversity and inclusion initiative



Honored for efforts in Greeley with the **24-Karat Gold Award** from the Colorado Environmental Leadership Program



Achieved a **15% reduction in GHG emissions**, exceeding our 2019 goal

\$2M

Amount donated by the **Leprino Foods Company Foundation** to nearly **130 organizations** between 2015 and 2019



Recognized in 2018 by IDFA for **Outstanding Achievements in Worker Safety** at Waverly

Employee excellence in GR

The GR category of our Gina Awards recognizes outstanding employees who embody our core values and take the initiative to advance global responsibility and sustainability.

While we typically have one GR award recipient each year, we honored two employees in 2019.



2018 Larry Rasmussen
Director of Regulatory Affairs
Denver



2019 Danny Ferreira
Production Senior Supervisor
Lemoore West



2019 Angela Tuxhorn
Senior Manager, Food Safety and Supply Assurance
Denver (page 26)

Amplifying Positive Impact Through Collaboration

Our drive to be the world's best includes taking the lead in promoting positive change throughout the dairy value chain.

Participation and leadership in national and international organizations enable us to connect with peers and key stakeholders and to support meaningful industrywide efforts. We contribute our expertise, energy and resources to promote advances in areas such as food safety, traceability, sustainability and animal care.

We also collaborate directly with our suppliers and customers to work on shared sustainability challenges and common objectives.

INVOLVEMENT WITH THE INNOVATION CENTER FOR U.S. DAIRY

Our involvement with the Innovation Center for U.S. Dairy since its creation in 2008 has enabled us to contribute to efforts that promote and scale beneficial change across the dairy value chain. The Innovation Center is a forum for dairy farmers, cooperatives, processors and customer companies to collaborate pre-competitively on industrywide efforts to offer nutritious dairy foods and ingredients and to help promote the health of people, communities, the planet and the industry.

Members of our leadership and management teams serve in various governance and committee roles, including on the Board of Directors of the Innovation Center, the Sustainability Operating Committee, and the Food Safety Committee. Leprino Foods employees also have long been actively involved in projects and initiatives to strengthen dairy's sustainability and to support the development of the U.S. Dairy Stewardship Commitment, described next.



Leprino Foods formally adopted the U.S. Dairy Stewardship Commitment, U.S. dairy's social responsibility pledge to consumers, customers and other stakeholders, in 2018.

Our President, Mike Durkin, chairs the U.S. Dairy Stewardship Commitment task force, which promotes the Stewardship Commitment and its adoption and use.


Companies that adopt the Stewardship Commitment meet defined criteria in important areas like animal care, the environment and food safety, and they report on impacts in a transparent and meaningful way.

The Stewardship Commitment is aligned with the Dairy Sustainability Framework, the global framework for a holistic approach to sustainability in the dairy value chain. We use it to inform our reporting, and we promote its use with our dairy suppliers.

Learn more at commitment.usdairy.com.

We work with organizations leading advancements across the dairy community.





PRODUCT RESPONSIBILITY

OUR COMMITMENT TO DELIVER HIGH-QUALITY, NUTRITIOUS AND RESPONSIBLY PRODUCED PRODUCTS TO OUR CUSTOMERS AND CONSUMERS

AREAS OF FOCUS: LEPRINO QUALITY AND FOOD SAFETY

DNA “fingerprinting” tracks pathogens to improve food safety

For microbiologist Larry Steenson and his team, the state-of-the-art genomics lab at our Denver headquarters is essential to supporting food safety and quality across our nine plants. They use sophisticated DNA sequencing and analysis to track unwanted pathogens and help our plants keep them under control and out of the company's products.

The lab “fingerprints” pathogens isolated in our plants. “Genomics is a forensic tool,” said Steenson, Director of Analytical Services. “We’re using this tool to track the enemy (pathogens), figure out who the enemy is, where they’re hiding and how to eliminate them.” On the most-wanted list are *Salmonella*, *Listeria monocytogenes* and *Cronobacter*.

The lab also uses metagenomics to isolate bacterial DNA from food products and identify which components are causing spoilage or other defects. This information can be leveraged to improve food quality. Having an in-house genomics lab allows Leprino Foods rapid results and keeps us in the forefront of food safety technology.

OUR PRODUCTS

Our responsibly produced, premium-quality cheese and dairy ingredients deliver milk's inherent nutrition to people worldwide.

It starts with milk.

Leprino Foods Company started as a cheese manufacturer, but over the decades we have developed a robust product line that captures all the value within milk to meet a range of needs.



Milk is one of the most nutrient-rich foods available.

Cheese



Mozzarella, String Cheese, Provolone, Cheese Blends and Reduced-Fat Cheeses

We produce a variety of cheeses to meet nutritional needs without sacrificing taste, texture or performance, including reduced-fat and reduced-sodium options. Cheeses are good sources of calcium, protein and phosphorus, three nutrients particularly important to help build and maintain healthy bones.

#2

CHEESE IS THE NO. 2 SOURCE OF CALCIUM FOR AMERICANS.

14%

1 SERVING OF CHEESE CONTAINS 14% DAILY VALUE OF PROTEIN.

Nutrition Products

Lactose, Heat-Stable Proteins, Gelling Proteins, Whey Protein Isolate, Whey Protein Concentrates, Whey Protein Hydrolysates and Sweet Whey

Our nutrition products deliver the wholesome building blocks that enable healthy lifestyles. They are made from a high-quality whey stream that comes from the production of our own mozzarella cheese.

Native Whey and Micellar Casein (MCC)

Made directly from microfiltered Grade A milk, MCC is a premium dairy protein with compelling functional and application benefits, making it ideal for sports nutrition products.



Ascent® Protein, which operates under a wholly owned subsidiary of Leprino Foods, offers the Native Fuel™ line of native whey and micellar casein protein powders.

In 2019, Ascent launched a new 100-calorie water-based beverage developed to support post-workout recovery. Recovery Water provides 20 grams of high-quality, clean protein and electrolytes without any artificial ingredients.

Committed to using the best real food ingredients, Ascent is designed to improve muscle health and performance, supporting the nutritional needs of athletes and those leading active lifestyles. Learn more at ascentprotein.com.

17%

OUR DIRECT FILTRATION PROCESS RESULTS IN 17% HIGHER LEVELS OF LEUCINE, THE KEY AMINO ACID THAT PROMOTES MUSCLE PROTEIN SYNTHESIS.

Learn more about all our products at leprinofoods.com/products.

CAPTURING MORE VALUE Our unique source of water: The raw milk coming into our plants is almost 87% water. We are able to capture and reuse much of that water within our plants to support our conservation efforts, as described on page 22.

Sources: National Dairy Council. Auestad, N., Fulgoni, V. L., 3rd, & Houchins, J. (2015, February). Contribution of dairy foods to nutrient intakes by Americans. National Dairy Council Data Brief No. 1501. Rosemont, IL: National Dairy Council. National Dairy Council. (2017). <https://www.usdairy.com/news-articles/is-cheese-good-for-you>.



PREVENTING PROBLEMS BEFORE THEY HAPPEN

Preventing Problems Before They Happen (PPBTH) is an important part of our ability to execute and deliver the highest-quality products to our customers. Through its nine principles, PPBTH helps employees stay vigilant in identifying and addressing potential issues proactively. In 2019, we reinforced the importance of PPBTH through enhanced communications and training. We also added a new category to our annual Gina Awards to recognize those who embody the PPBTH principles.

9 PPBTH PRINCIPLES

1. Understand what cannot be compromised.
2. Don't ignore warning signs.
3. Share and seek know-how.
4. Manage risk smartly.
5. Never, ever get complacent.
6. Over-communicate.
7. Always have a Leprino Quality mindset.
8. Don't fumble handoffs.
9. Give customers what they need.

LEPRINO QUALITY

Our customers and consumers trust Leprino Foods products for their outstanding quality. Leprino Quality is how we ensure we consistently deliver the highest standards of excellence.

LEPRINO QUALITY CONTINUOUS IMPROVEMENT MISSION

Energize, empower and engage employees to continuously improve our business to be the world's best, while creating ownership that cultivates responsibility and accountability. We achieve our organizational goals through leadership, communication, continuous improvement, innovation, rewards and recognition.

DELIVERING QUALITY

Quality begins with our core values and culture, establishing a shared mindset and collective behaviors throughout the company. Our quality management framework focuses on prevention, continuous improvement and best practices.

Our integrated food safety and quality systems are designed to enable teams to achieve and sustain high levels of quality that adhere to regulatory requirements, customer and third-party standards such as the Safe Quality Food Code, meet our internal requirements and exceed customers' expectations.

Our quality framework integrates several key initiatives:

Leprino Quality Continuous Improvement (LQCI)

Preventing Problems Before They Happen

(PPBTH, see sidebar)

Zero Tolerance (page 9)

Leprino Quality Animal Care (page 13)

Formal aspects of the quality framework include a quality policy at the company level and at each plant, along with standard procedures that address location-specific production mix considerations. Each plant has mature, world-class quality systems, which include complete assessment and control of all ingredients and processes, sanitation and pathogen environmental controls, and distribution controls. Finished product analysis is undertaken only after confirmation of these proactive systems.

Our food safety and quality systems have consistently demonstrated full compliance with regulatory requirements.

Powered by our people: Quality is everyone's responsibility; therefore, each employee is expected to play a role in prevention, problem solving, knowledge sharing and idea generation.

We provide ongoing training to all our employees with regard to their specific jobs and responsibilities and empower them to take on improvement projects. This shared responsibility for quality is reinforced with performance objectives and with incentives for quality and food safety that apply to everyone.

We also reward individuals and teams for their efforts to deliver exceptional quality. Each year, as part of the Leprino Quality Continuous Improvement program, we name a Team of the Year at each location and an overall Company Team of the Year. Allendale's Standard Deviation Team received the award in 2018 (page 27) and its Restaurant Depot Changeover Team won in 2019.

Aimed at continuous improvement: Our improvement model enhances our ability to refine a process, solve a problem or tackle a new opportunity. Our focus on innovation inspires us to look for creative solutions and develop more effective processes. In addition, we regularly perform internal assessments to ensure audit readiness and identify areas for improvement.

FOOD SAFETY

When it comes to food safety, there are no shortcuts in meeting our responsibility to produce and distribute wholesome, safe cheese and dairy nutrition products.



Our rigorous approach covers areas such as facility and equipment sanitary design and installation; an aggressive pathogen environmental monitoring program for verification of hygienic controls; extensive product and ingredient pathogen testing; and ongoing employee education on design, sanitation and hygienic practices and protocols.

The dedicated people who focus on food safety every day at Leprino Foods ensure that our uncompromising approach to food safety is second to none. We make sure everyone understands the vital role they play in helping to feed families around the world safely.

Monitoring and improving performance: We use meaningful metrics to monitor and benchmark internal performance toward Zero Tolerance objectives. During the report period, every plant has passed audits by USDA, FDA or both, and many have successfully undergone customer audits.

Testing in new and deeper ways: Preventing the microorganisms that put food safety at risk takes vigilance and ongoing testing and monitoring. Our investment in advanced technology enables us to monitor in increasingly sophisticated ways. The genomics research center at our Denver headquarters brings together testing capabilities and tools unmatched within the dairy food industry. The lab is able to perform genomic “fingerprinting” and analysis on ingredients from third-party suppliers and our products, offering useful insight into food spoilage and control. Such findings can provide valuable lead time to investigate and resolve potential food safety issues.

MANAGING FOR FOOD SAFETY

Our holistic and rigorous approach to food safety is called Zero Tolerance, underscoring the elevated standards we must always meet. The Zero Tolerance philosophy guides all aspects of our work. While our responsibility to ensure food safety primarily applies to our direct operations, it starts in our supply chain and extends across the dairy value chain. A robust hazard analysis is conducted on ingredients, packaging, processes and distribution of product to evaluate and minimize risk in all categories of hazards (biological, chemical and physical).

ENSURING FOOD SAFETY IN OUR PLANTS

Each facility has developed a comprehensive food safety plan to comply with the Food Safety Modernization Act (FSMA), stringent food safety regulations from the U.S. Food and Drug Administration (FDA), and facility and equipment guidance from the U.S. Department of Agriculture (USDA). To address food safety at all stages and from all angles, our food safety program is integrated with our quality (page 8) and employee health and safety (page 15) programs.



PARTICIPATION IN FOOD SAFETY INITIATIVES

Leprino Foods Company employees are involved with a number of organizations and initiatives focused on food safety.

- **Innovation Center for U.S. Dairy:**
Key roles have included serving on the Food Safety Committee, teaching workshops, involvement in the development of food safety guidance publications, and support for the establishment and operation of the Listeria Research Consortium. Learn more about our involvement with the Innovation Center on page 5.
- **Food Safety Preventive Controls Alliance:**
Work with this alliance of industry, academic and government stakeholders has involved contributing to the development of curriculum resources on compliance with the Food Safety Modernization Act's Preventive Controls for Human Food.
- **Scientific Advisory Committee of the National Conference on Interstate Milk Shipments**

ASSESSING FOOD SAFETY IN OUR SUPPLY CHAIN

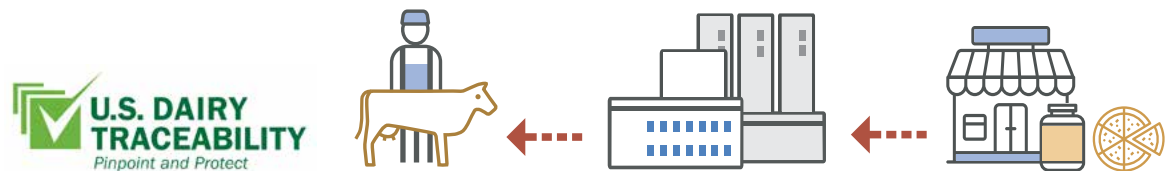
Our products depend on the quality and safety of the milk and other ingredients we use. Management of our dairy supply and critical ingredients starts with a comprehensive qualification and selection process, which covers each supplier's safety commitment, culture, quality program and personnel training, as well as the results of its regulatory inspections. We provide each supplier with our supplier expectations manual, which details our requirements, and then perform annual reviews and reinspections for all suppliers of critical ingredients to ensure continued compliance.

To drive continual improvement, we evaluate food safety risk in our supply chain using a supply chain risk assessment calculator developed by the Innovation Center for U.S. Dairy. As a result, we can better assess and quantify potential supplier risk areas and proactively prioritize resources to concentrate on identified opportunities for improvement.

ADVANCING FOOD SAFETY ACROSS THE INDUSTRY

Leprino Foods is a longtime food safety advocate. We are committed to building knowledge and strengthening practices across the dairy community. Although dairy products as a whole have a strong food safety track record – due to both pasteurization and the hard work and diligence of the industry – we recognize the never-ending need for shared dedication to prevention and improvement. Leprino Foods supports a range of food safety organizations and initiatives through corporate memberships, funding and the direct involvement of our senior leaders and team members (see sidebar).

Committed to traceability best practices: Traceability, which is the ability to track a product through all stages of production, processing and distribution, is a key aspect in ensuring food safety and an important factor in dairy trade. Leprino Foods helped develop and was one of the first companies to commit to the voluntary Guidance for Dairy Product Enhanced Traceability, which focuses on product flows, labeling, record keeping, data collection and other protocols. Our current practices substantially exceed the industry's minimum guidelines.



We follow enhanced traceability best practices to ensure our cheese and dairy ingredients can be tracked back to the source, supporting transparency and food safety.



SUPPLY CHAIN RESPONSIBILITY

OUR COMMITMENT TO PROMOTE AND ENSURE RESPONSIBLE PRACTICES THROUGHOUT OUR SUPPLY CHAIN
AREAS OF FOCUS: RESPONSIBLE PROCUREMENT AND ANIMAL CARE IN OUR DAIRY SUPPLY

Collaborative supplier partnership delivers big with custom railcar

Our Supply Chain Planning and Logistics team worked closely with a railcar manufacturer to design a more cost- and energy-efficient private refrigerated railcar that maximizes load capacity, eliminates hand stacking, provides improved insulation and leverages the latest tracking technology, which all help ensure product quality.

The new 50-car fleet reduces freight costs and product damage claims, saving nearly \$1 million per year. As Steve Strafface, the team's Senior Director, describes, "We seized the opportunity to do something different with our rail program, and our railcar partner rose to the challenge to create what was needed."

The same amount of product is delivered with 40 fewer railcars per year, saving 162,000 gallons of diesel annually. The associated reduction in GHG emissions is equivalent to taking 346 cars off the road annually (see Endnotes). We will continue to build on this success with increased utilization of the cars and by exploring back-hauling opportunities.

RESPONSIBLE PROCUREMENT

We are committed to cultivating strong supplier relationships and ensuring that responsible and sustainable practices are integrated throughout our supply chain and the life cycle of the products and services we procure.

MANAGING SOURCING AND PROCUREMENT

Our success depends on reliable, high-quality sources for milk and other ingredients, products and services. We have taken an industry-leading role to ensure that suppliers meet our stringent requirements, while emphasizing the value Leprino Foods places on strong, collaborative relationships.

Responsible procurement is integrated into our quality management system. In addition to our responsible sourcing policy, specific approaches for certain supply categories are used, based on their significance and associated level of risk. Clear expectations for our suppliers are communicated directly with them and through our Supplier Code of Conduct.

“Ensuring ethical and responsible conduct is essential in all of our supplier partner relationships. This means we must always engage in an honest, principled and respectful manner, and expect the same in return. Leading with integrity in our supplier interactions is fundamental to our core values.”

Mark Benson, Vice President, Supply Chain

Supplier assessment and monitoring: Comprehensive policies guide supplier selection and assessment, and verification and auditing systems ensure ongoing adherence. Quality and food safety, discussed previously, are the most critical assessment criteria for dairy and other ingredient suppliers. For our milk suppliers, adoption of industry-sanctioned animal care practices is another key area of assessment (page 13).

We continue to identify opportunities to incorporate the assessment of environmental and social practices into supplier selection and decision-making processes. For example, we consider fuel efficiency and associated GHG emissions with contract transportation providers, as discussed further on page 21.

SUPPORTING SUPPLIER DIVERSITY

We are dedicated to supporting small and diverse businesses across our dairy and nondairy purchasing network. This commitment goes well beyond compliance with the requirements associated with our federal contracts.

We implemented a formal supplier diversity policy in 2018 and have strengthened our solicitation strategies to grow existing and potential business relationships with qualified and certified diverse suppliers. In support of these efforts, we have improved our data tracking and verification methods. For example, we have been coordinating with our largest dairy supplier, Dairy Farmers of America (DFA), to gain a better understanding of the characteristics of the member farms that supply our milk.



To evaluate our progress, we measure and set targets for growth with diverse suppliers. In 2019, 4.5% of actionable spend was with diverse suppliers, exceeding our 3.5% target. While this percentage is relatively low, it did increase during the reporting period, and our target for 2020 is 5.4%, a 20% increase from the current level.

COLLABORATING ON SHARED OBJECTIVES

We recognize that the scale of our operations and our market position carry a significant level of influence and responsibility; therefore, we strive to be a positive force in supporting responsible practices and continuous improvement in our supply chain and the dairy community. In addition to our efforts to promote food safety (page 9), we support advancements in environmental performance and collaborate with our suppliers to develop solutions that improve our collective impact and reduce the footprint of our products. Some of these efforts are highlighted on page 21.

DFA member honored for sustainability efforts

Our suppliers are long-term partners with whom we build mutually beneficial relationships based on shared values. Those common values shine through in Philip Verwey Dairy Farms, which provides milk to our Lemoore plants. The Verweys prioritize three things in their operations: the people (employees), the animals and the environment. Philip Verwey Dairy Farms ensures all three work in harmony to make the business a success. In 2019, the farm was awarded the U.S. Dairy Sustainability Award for Outstanding Dairy Farm Sustainability.

ANIMAL CARE IN OUR DAIRY SUPPLY

Leprino Foods and the dairy farmers with whom we partner care about the health and welfare of dairy cows. We share a commitment to the humane treatment of animals.

“As dairy farmers, the health and well-being of our animals is our top priority. It’s nice to do business with a company that cares for our animals as well. Through the implementation of the Leprino Quality Animal Care program, Leprino has shown that they are taking steps to work with us for this purpose.”

Jason Mello

Partner at Mello-D and JD Mello Farms



ENSURING ANIMAL CARE

The foundation of our industry-leading approach to animal care in our dairy supply is the recognition that healthy, comfortable cows are the best producers of high-quality milk. Upholding high standards in animal care is an essential aspect of quality.

The Leprino Quality Animal Care (LQAC) program mandates that all suppliers of our milk comply with world-leading animal care practices and commit to ongoing animal care education. The rigorous LQAC program ensures continued responsible behavior at the farm level through multiple approaches:

- Enrollment in the National Dairy FARM (Farmers Assuring Responsible Management) Program – the first ISO-compliant livestock animal care program in the world – in the U.S. and the Red Tractor program in the U.K.
- On-farm evaluations and herd health assessments by independent parties ensure compliance and identify areas for improvement. An oversight committee is responsible for investigating instances where animal care standards do not meet LQAC program expectations.
- Annual farm employee education and training programs, including a signed code of ethics by each employee upon program completion, reinforce the importance of animal care.

The full policy is available at our [website](#).



A calf at a northern Michigan dairy farm | Lori, Remus

PROMOTING ONGOING IMPROVEMENT

We engage with our milk suppliers, along with other influential dairy farmers, industry leaders and the Innovation Center for U.S. Dairy to identify best practices in both the U.S. and the U.K. The LQAC advisory committee, which brings together Leprino Foods team members with academics who specialize in animal care, provides guidance on areas for advancement based on scientific research and leading approaches. In addition, the entire program undergoes an independent third-party verification for compliance.

OUR PERFORMANCE

100%
OF OUR MILK SUPPLY IS
COMPLIANT WITH LQAC

Since 2016, we have maintained our requirement for 100% of our U.S. milk supply to be in compliance with the Leprino Quality Animal Care program. Sourcing all our U.S. milk from FARM-enrolled farms is also a term of adoption for the U.S Dairy Stewardship Commitment.



OUR PEOPLE

**OUR COMMITMENT TO ENSURE EMPLOYEE HEALTH AND SAFETY
WHILE WE PROMOTE AN ENERGIZED, EMPOWERED AND ENGAGED WORKFORCE
AREAS OF FOCUS: HEALTH AND SAFETY AND EMPLOYEE ENGAGEMENT**

Lean In Circles connect and nurture women leaders

Every month, dozens of women at our Denver headquarters come together in small groups to network, support one another and sharpen their professional skills. Lindsay Besser Hank launched the first Lean In Circle in 2016 and has since been joined by Melissa Bischoff and Debbie Kim to lead the growing program.

Today, 60 women from across departments meet in five Circles and gather at three larger events a year. Each January, some women step down, others join, and the groups re-form. "It's a wonderful place for women to stretch their leadership skills," said Besser Hank, Global Services Director. "It's really fulfilling. The connections are so strong."

The program is poised to expand to our plants and our Singapore office, and the team is exploring ways to engage men as allies in the quest to grow female leaders. The effort is part of an international movement founded by Facebook Chief Operating Officer Sheryl Sandberg, author of "Lean In: Women, Work, and the Will to Lead."

HEALTH & SAFETY

Ensuring the health and safety of our employees is one of our fundamental responsibilities. We foster a company culture that supports employee well-being, both on and off the job.

SAFETY VISION

To be the world's safest food manufacturing company, driven by the world's safest employees.

SAFETY MISSION

We will create a world-class safety culture through leadership, personal commitment and accountability. Together, we are all responsible to care for each other's health and safety and are dedicated to preventing all injuries before they happen.

MANAGING FOR WORLD-CLASS SAFETY

As highlighted in our safety mission, we believe great safety performance takes a personal commitment by every individual to create a workplace free of all injuries. Our health and safety management systems are designed to share responsibility among everyone in the organization for designing safe work processes, maintaining safe working conditions, and promoting safe and healthy habits on and off the job. Our Allendale plant leveraged these strengths to work throughout 2019 with zero injuries.

Our safety philosophy underlies everything we do. For example, before performing any work task, we consider the risks through a four-step process we call SLAM, the acronym for stop, look, assess and manage. We also incorporate safety communication into our daily routines and safety responsibilities into our work performance accountability.

We provide a robust framework for safety management, from risk assessment, prevention and mitigation through emergency planning, with an emphasis on ongoing training, communication, inspections and employee engagement. Each location is supported by dedicated individuals with professional safety certifications and degrees in safety. Our safety professionals interact on a regular basis to promote knowledge sharing and drive consistent best practices across the organization.



Employee engagement: Safety committees and teams, wellness teams, daily pre-shift meetings and regular department safety meetings offer opportunities for engagement and dialogue among employees and managers. Most locations also have teams dedicated to improving critical aspects of safety such as warehouse operations, ergonomics, ammonia refrigeration, hazardous materials response and emergency planning.

Measurement and assessment: Regular review of safety scorecards, which track safety performance, leading indicators, and actions taken to improve safety, keep the focus on achieving our safety vision. To help drive improvement, we conduct formal annual audits to evaluate our safety culture and the quality of our safety systems and processes, which help identify ways to raise the bar on our performance.

Recognition: Our employee recognition and rewards program further reinforces our commitment to safety by shining a spotlight on individuals and teams that champion workplace safety.

OUR PERFORMANCE

In 2018, our Occupational Safety and Health Administration (OSHA) recordable incident rate achieved top-quartile performance within the food manufacturing industry sector for the second straight year. While our DART (days of restricted work activity or job transfer) rate was above our target in 2018, it remained well below the industry average. Both rates increased in 2019 and were above average. We have implemented a number of actions to lower these rates and improve safety performance.

SAFETY GOAL

Achieve performance in the top quartile of the food manufacturing industry sector.

OSHA Recordable Incident Rate

Fiscal Year	OSHA Recordable Incident Rate	Top Quartile Goal*
2015	2.3	2.2
2016	2.3	2.2
2017	2.0	2.2
2018	2.4	2.4
2019	3.1	2.1

DART Rate

Fiscal Year	DART Rate	Top Quartile Goal*
2015	1.6	1.2
2016	1.9	1.2
2017	1.4	1.4
2018	1.8	1.7
2019	2.1	1.3

***Top Quartile Goal:** We compare our fiscal-year performance with the latest available annual data from OSHA for the top quartile of the food manufacturing industry sector; therefore, the top quartile values listed for our 2018 and 2019 fiscal years correspond with the OSHA reports for calendar years 2017 and 2018, respectively. Industry values used reflect weighted calculations based on location sizes.

HIGHLIGHTS

Creative approach ensures unwavering focus on top safety risks

The dairy product manufacturing industry has significant safety risks that must be managed effectively to provide a safe workplace. The nature of the work involves hazards associated with chemicals, ergonomics, material handling, moving machinery, industrial vehicles and falls.

At the Lemoore West plant, our focus on minimizing the top safety risks is an obsession.



To keep attention on these risks, employees at the plant launched a campaign using the acronym CHEF MILK, which stands for the eight risk areas responsible for more than 90% of injuries

in our industry (see below). All supervisors at the plant receive specialized training in each of these areas and share this knowledge with others through coaching, inspections and daily communications. Through its concentration on and great execution in controlling these risks, the plant maintains a high level of safety performance.

Chemical Burns

Hand Safety

Ergo/Overexertion

Falls

Materials Handling

Industrial Vehicle

Lockout/Tagout (LOTO)*

Knives & Other Tools

*Noncompliance with LOTO procedures/regulations can lead to injuries.

Allendale achieves record in injury-free days

In 2019, the 288 employees at our Allendale plant completed more than 600 days and over 1 million combined work hours without a recordable work injury. They accomplished this phenomenal record with world-class safety practices in many areas of the business. The plant has established formal safety responsibilities for all levels of management and tracks leading indicators for performance on a monthly basis.

600+

**INJURY-FREE DAYS
AT OUR
ALLENDALE PLANT**

Employees take ownership of safety through daily safety communications and participation on safety teams. The employee safety team leaders have a

reputation for their passion, strong communication and getting corrective actions completed in a timely manner.

The Allendale plant also qualified for the Leprino Safety Excellence Award in 2018 and 2019.



PROMOTING EMPLOYEE WELLNESS

74%

**EMPLOYEE PARTICIPATION
IN THE HEALTH INCENTIVE
REWARD PROGRAM**

Our wellness strategy is designed to help our employees live safe and healthy lives. Our holistic approach encourages

healthy lifestyle behaviors and helps to raise morale, productivity and overall employee engagement. It also helps reduce healthcare costs – not just for the company, but also for employees and their families.

- Health and wellness teams at every location promote initiatives such as neighborhood walks, healthy snacks and meals, weight loss and fitness challenges, and the annual Curds & Whey 5K (see highlight below).
- Reimbursement of registration fees for races, athletic classes and similar activities encourages participation.
- Nutritious menu options in our cafeterias and break areas make eating healthy easier.
- Our health incentive reward program gives employees a wide range of online tools and incentives to help them manage their health and stay motivated, with rewards for logging activities.

Long-running company event spurs healthy competition and community spirit

For more than 10 years, Leprino Foods has sponsored an annual Curds & Whey 5K and 1-mile run/walk in each location.

The event encourages employees to spend time with colleagues, family, friends and neighbors in a fun, active way.

EMPLOYEE ENGAGEMENT

We strive to bring out the best in our employees so they can achieve their personal and professional ambitions while contributing to the company's continued success.



Ryan, Denver

ATTRACTING AND RETAINING THE BEST TALENT

We wouldn't be where we are today without our people. Leprino Foods seeks to be the employer of choice in the communities we serve. Our people strategy focuses on attracting, developing, engaging and retaining our high-performing, diverse workforce, so our employees can reach their full potential.

We aim to encourage the passion, energy and innovation of our employees in our pursuit of shared objectives. To achieve that, we focus on enhancing the total experience, beginning with the recruitment of candidates who bring individual differences and unique experiences to our company and continuing to the onboarding and ongoing development of the talented people on our team.

To ensure the highest levels of engagement and success right from the start, our employee value proposition (EVP), or Employment Brand, which our employees helped define, gives prospective and current employees an authentic sense of who we are at Leprino Foods. Our enhanced employee referral program, with higher bonuses for hard-to-fill positions, has been an effective way to recruit the best candidates and increase retention in a challenging job market. Various outreach programs such as military recruiting help us reach a diverse range of potential employees.

4,373 2019 FULL-TIME EMPLOYEES

INVESTING IN COMPREHENSIVE BENEFITS

We hire people who are seeking long-term careers with Leprino Foods; therefore, we offer robust benefits that support that shared objective. Full-time employees, who represent more than 98% of our workforce, receive a total rewards package.

Total rewards package includes:

- Profit sharing
- Incentive plans
- Choice of health plans
- Matched retirement savings
- Educational assistance
- Paid holiday and vacation
- Wellness sponsorships
- Product discounts

We review and enhance our benefit offerings on an ongoing basis to remain competitive and to offer more choices to meet employees' shifting needs. Recent additions include parental leave and adoption assistance.

Learn more at leprinofoods.com/careers.

OUR PERFORMANCE

We measure employee engagement every two years through our Leprino Voice Survey. We've had strong performance, approaching our benchmark of world's best manufacturing company.

To gain more insight into ways to enhance employees' experiences at key moments, we implemented Pulse Surveys, which measure overall engagement and progress against action plans midway between our biennial surveys. The results from both employee surveys, combined with exit surveys, provide valuable insight on drivers of engagement and areas where we can do better. We also monitor a range of employment measures, including retention and turnover.

EMPLOYEE RETENTION

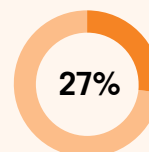
(Percentage of employees by years of employment)

% < 5 Years	% 5-9.99 Years	% 10-20 Years	% > 20 Years
41%	25%	24%	10%

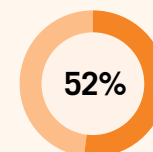
At Leprino Foods, we are proud that so many employees choose to build long careers with our company. In 2019, more than a third of our workforce had 10 or more years of service – an important indicator of employee satisfaction and engagement.

Diversity

FEMALE



MINORITY



The average for female representation in the dairy product manufacturing sector is about 25%. Although our percentage is slightly higher, we are not satisfied with the gender gap in the industry. We invest in attracting and retaining women and demonstrating to them that there are long-term career advancement opportunities at Leprino Foods, as highlighted on the next page. (Source: BLS Labor Force Statistics, 2018 Employed persons by detailed industry, sex, race, and Hispanic or Latino ethnicity)



PROMOTING DIVERSITY AND INCLUSION

We're committed to fostering a diverse and inclusive culture that supports the unique talents of all our employees. By leveraging the varied identities, backgrounds, experiences and perspectives of our employees, we realize a competitive position in today's ever-changing environment.

- Recognizing that cultivating a diverse and inclusive culture must start at the top, we held inclusive leadership workshops for all people leaders in our corporate office and directors in our plants to align on our strategy and to reinforce the behaviors and actions we expect all leaders to demonstrate and promote. Our next step will be to deploy this same education to all people leaders across our plants.
- Initiatives are underway to ensure our diversity and inclusion mindset is incorporated into all our people processes and sustained within our culture.

SUPPORTING WOMEN IN MANUFACTURING

Attracting and retaining women in the manufacturing industry can be challenging; therefore, we direct extra attention to women's leadership and development, aiming to inspire and empower women to reach their full potential. We offer women at Leprino Foods various ways to further their development, get involved and network with other women, including:

- Women in Manufacturing resources, events and mentoring and networking opportunities through our corporate membership with this national association
- Participation in Lean In Circles (see page 14) at various locations
- TED talks, book clubs and leadership development speaking events, and participation in other social and community activities



About 30 Women in Manufacturing Summit participants toured the Greeley plant.

DEVELOPING EMPLOYEES FOR SUCCESS

One of our strategic priorities is to engage and develop our team. We offer a wide range of training and leadership and professional development opportunities to cultivate the talents of employees and spur innovation, enabling us to achieve consistently high performance. Our leadership development strategy centers on providing development to all levels of employees: individual contributors, people managers and directors.

Our offerings include:

- Leprino University for all employees
- Intro to Leprino Management for new managers
- Choose to Lead for people leaders, including our frontline plant managers
- Core Leader College
- Executive Leadership

Other development opportunities happen directly between employees and their supervisor through coaching and performance discussions, the formulation of individual development plans, and specific career pathing discussions within each division.

To support succession planning and meet future business needs, our Build The Organization Planning (BTOP) enables managers to assess organizational capability and put plans in place for closing gaps between current capabilities and those required to achieve our goals.

RECOGNIZING EMPLOYEE EXCELLENCE

Applauding the contributions of the amazing employees who work to make Leprino Foods the world's best is an important part of our culture and engagement efforts. We update our rewards and recognition programs on an ongoing basis to support our company strategy, reinforcing what matters most for our success.

We recognize outstanding efforts in informal one-on-one interactions, in team meetings and town halls and on recognition boards, as well as through company-wide award programs in areas such as quality, safety and those highlighted below. In 2018, we enhanced opportunities for peer-to-peer recognition through our digital platform *LeprinoAppreciates!*, which was piloted in the corporate office.



Gina Awards: Since 1969, Leprino Foods has recognized outstanding performance by employees who contribute to the achievement of our vision. There are 11 Gina Award categories, including the global responsibility category (page 4). In 2019, we added a new team category for PPBTH (Preventing Problems Before They Happen, described on page 8) to reinforce the importance of this strategic pillar. Jedd Taylor (above right), Tech Services Associate Director, Cheese, received the inaugural award in recognition of his commitment to continuous improvement.

Mike Leprino Sr. Awards: This annual award presented at each of our locations honors the company's founder; the 2018 and 2019 award recipients are featured on the location highlights beginning on page 27.



ENVIRONMENTAL RESPONSIBILITY

OUR COMMITMENT TO COMPLY WITH REGULATIONS AND TO USE NATURAL RESOURCES RESPONSIBLY
AREAS OF FOCUS: ENVIRONMENTAL COMPLIANCE, ENERGY, GREENHOUSE GAS EMISSIONS AND WATER

Greeley receives state- and national-level awards for environmental achievements

Our environmental commitment and initiatives have always focused on efficiency and conservation. Two recent awards for our Greeley plant recognized this unwavering attention: the 24-Karat Gold Award from the Colorado Environmental Leadership Program and the 2020 U.S. Dairy Sustainability Award for Outstanding Dairy Processing & Manufacturing.

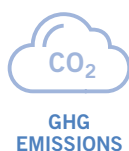
Both awards honor companies for their dedication to continuous improvement and for actions that have made a measurable, beneficial contribution to the environment, the economy and the community. The accolades recognize the Greeley plant's steadfast efforts over the years to improve resource efficiency and local impacts as production levels have increased.

Solutions deployed by the Greeley team have ranged from energy-saving LED lighting upgrades and on-site renewable energy generation to robust systems for optimizing water capture and reuse. Many of these efforts were piloted at Greeley for wider deployment across our plants. Learn more in the highlights on page 30 and at leprinofoods.com/global-responsibility/.

ENVIRONMENTAL MANAGEMENT & COMPLIANCE

ENVIRONMENTAL AREAS OF FOCUS

Our top priorities, based on our evaluation and the U.S. dairy industry materiality assessment, are environmental compliance, GHG emissions and water. We also are working to minimize our impacts in additional areas such as packaging, transportation, solid waste and chemical use.



MANAGING ENVIRONMENTAL IMPACTS AND RESOURCE USE

We have always stated that “Leprino Quality is a way of life,” and this extends to our management of resources. Our environmental management system (EMS) emphasizes compliance, conservation and continual improvement through employee involvement, use of best practices and investment in new technologies. The EMS includes company-wide and location-specific policies, standard procedures, performance measurement and audit processes. We recognize accomplishments at the individual, team and plant levels through our recognition program (page 18).

Oversight for environmental compliance and management occurs at the corporate level, with each plant responsible for achieving performance targets specific to its facility. Our reduction goals for GHG emissions and water were extended to support the sustainability pillar in our five-year production operations vision, Drive to '25. As part of our evaluation, we performed benchmarking and are considering science-based targets.

Environmental stewardship at Leprino Foods is about doing the right thing, doing more with less and always striving to do better while ensuring the highest standards of quality.

ENGAGING EMPLOYEES IN RESOURCE CONSERVATION

Our resource conservation vision is to engage the skills and passions of every employee toward the world’s best natural resource conservation performance via tenacious continuous improvement. Employees across the company collaborate on solutions large and small.

Resource Conservation Teams at each of our plants work with Denver colleagues to foster grassroots solutions for saving resources. Led by team champions, these passion-driven employees raise awareness about resource-smart behaviors and engage coworkers in finding low- and no-cost ways to save energy, water and other resources. Some of their efforts are highlighted on the GR in Action pages beginning on page 27.

Cross-functional “deep dive” teams composed of members from the Technical Services Team and internal experts in sanitation, utilities management and environmental management work together to investigate specific topics at each location, such as water metering at our Tracy plant (page 22).

PURSuing BREAKTHROUGH CHANGE

While we continue to pursue incremental improvements, we are investing significant time and resources in researching breakthrough technologies and out-of-the-box approaches with the potential for significant reductions in resource use.

ENSURING ONGOING IMPROVEMENT

We perform regular internal audits to evaluate the effectiveness of our EMS and identify opportunities for improvement. The EMS implemented at the Greeley plant has been externally verified as part of its Gold Leader designation from the Colorado Environmental

Leadership Program (see highlight on page 19). In addition, we engage third-party audits mandated as part of some customers’ responsible sourcing programs. During the reporting period, Sedex responsible sourcing audits were completed at our Greeley, Tracy, Fort Morgan and Lemoore West plants. Sedex, the Supplier Ethical Data Exchange, develops international audit standards that evaluate suppliers based on a set of ethical and responsible labor practices, health and safety standards, and environmental and business practices.



99+%
DIVERSION RATE AT
OUR PLANTS

Resource Recovery and Waste

Minimizing waste is critical to reducing our environmental footprint. We employ multiple strategies at our facilities to reduce waste overall and to minimize the amount of waste that is sent to landfill. As a result, less than 1% of waste gets sent to landfill.

ENERGY & GHG EMISSIONS

We are dedicated to lowering our energy use and shifting our energy sources to reduce our contribution to climate change.

REDUCING ENERGY AND GHG EMISSIONS

We achieve energy and GHG emission reductions through company-wide initiatives, plant-specific projects and activities led by Resource Conservation Teams. Conducting energy audits helps identify ways we can save. Improvement efforts include incremental steps and larger strides such as the digester project highlighted on page 30.

- Education of resource-smart behaviors increases awareness and helps build strong conservation-minded habits.
- Ongoing efforts include as-needed equipment upgrades, addressing air and steam leaks, and making adjustments to equipment settings to optimize performance.
- Lighting projects such as converting to LEDs and installing motion sensors deliver big energy reductions and cost savings company-wide.
- Heat recovery systems at our plants make the most of available energy.
- On-site energy generation, such as through the combined heat and power (CHP) system and anaerobic digester in Greeley, contributes significant environmental and financial benefits. We are exploring more applications based on the successful CHP implementation in Greeley.

PROMOTING IMPROVEMENTS IN OUR SUPPLY CHAIN

We collaborate to influence and support environmental improvements throughout the dairy value chain. Efforts are aimed at supporting the reduction of energy use and GHG emissions associated with our milk supply as well as with the distribution of our products.

Collaborating with dairy farmers on shared

objectives: In 2017, we teamed up with Dairy Farmers of America (DFA), our largest milk supplier, to begin a GHG emissions assessment of farms that supply milk to Leprino Foods. Work is underway to finalize the baseline for use in benchmarking, set reduction targets and identify opportunities for improvement.

Driving improvements through SmartWay: Our management process for over-the-road carriers supports participation in the U.S. Environmental Protection Agency's SmartWay program, which enhances our ability to measure freight transportation efficiency. To strengthen our commitment in the program, Leprino Foods enrolled in SmartWay in 2019.



We increased the percentage of our truck carrier base that is SmartWay certified by 13% from 2017 to 2019, representing 95% of full truckload carrier miles. Our planned goal for 2020 is for 98% of carrier miles to be SmartWay certified.

95% OF FULL TRUCKLOAD CARRIER MILES WERE SMARTWAY CERTIFIED AT THE END OF FISCAL YEAR 2019

Choosing rail to lower total carbon footprint: We optimize the use of rail, which is more fuel efficient than trucking and generates less GHG emissions per pound of product shipped. We further enhanced the benefits of rail with the custom railcar project highlighted on page 11.

OUR PERFORMANCE

Investments in the on-site energy generation in Greeley combined with energy-efficiency projects at all locations delivered a 15% reduction in GHG emissions intensity from our 2013 baseline, exceeding our 2019 goal. The increase in energy intensity reflects a shift to lower-emission fuels, primarily driven by the CHP system in Greeley, which increased natural gas usage and decreased purchased electricity.

GHG Reduction Goal

Reduce GHG emissions intensity by 10% from the 2013 baseline by 2019.

Reduce GHG emissions intensity by 10% from the 2019 baseline by 2024.

GHG Emissions Intensity

(MTCO₂e per 1,000 lbs. of milk processed)

Fiscal Year	Direct GHG Emissions Intensity	Indirect GHG Emissions Intensity	Total GHG Emissions Intensity
2013	0.0191	0.0239	0.0430
2015	0.0181	0.0242	0.0422
2016	0.0181	0.0244	0.0425
2017	0.0180	0.0246	0.0425
2018	0.0188	0.0207	0.0395
2019	0.0211	0.0155	0.0365
Δ '13-19	10%	-35%	-15%

Energy Reduction Goal

Reduce energy intensity by 10 percent from the 2013 baseline by 2019.

Energy Intensity

(MMBtu per 1,000 lbs. of milk processed)

Fiscal Year	Direct Energy Intensity	Indirect Energy Intensity	Total Energy Intensity
2013	0.359	0.165	0.525
2015	0.340	0.168	0.508
2016	0.342	0.168	0.510
2017	0.338	0.168	0.506
2018	0.354	0.165	0.519
2019	0.397	0.139	0.536
Δ '13-19	10%	-16%	2%

The intensity measures, which are units per 1,000 pounds of milk processed, enable us to compare performance across plants of varying sizes and production levels and to assess the organization as a whole. See also Endnotes.

OUR PERFORMANCE

While we've made some progress in lowering water intensity over the years, increased demands related to food safety improvements, production requirements and changes in product mix at some locations have offset reductions.

Water Reduction Goal

Reduce water intensity by 10% from the 2013 baseline by 2019.

Reduce water intensity by 10% from the 2019 baseline by 2024.

Water Intensity

(Gallons per 1,000 lbs. of milk processed)

Fiscal Year	Water Intensity
2013	187.99
2015	195.69
2016	191.72
2017	194.44
2018	189.02
2019	191.10
Δ '13-19	2%

The intensity measure is based on water consumption per 1,000 pounds of milk processed to enable us to compare performance across plants of varying sizes and production levels and to assess the organization as a whole. Performance data covers our U.S. plants and excludes our headquarters.



*Note: Water calculation is based on U.S. Environmental Protection Agency WaterSense estimates.

WATER USAGE & QUALITY

Water is a shared resource vital to our supply chain and products. We strive to use water wisely and ensure the quality of the water we return for beneficial reuse.

MANAGING FOR WATER EFFICIENCY

Reducing water use without sacrificing quality or safety continues to be a priority. Limited water availability and risk of drought in some of the areas where we operate provide strong impetus for finding innovative solutions.

To achieve our reduction goals, we are pursuing a portfolio of incremental improvements and large-scale projects to increase water efficiency and recycling across our locations. The capture, treatment and reuse of the water from milk at the end of cheesemaking and whey processing, such as for cleaning purposes and in coolers and boilers, is a key water management strategy.

We also collaborate with our dairy suppliers and participate in industry-wide efforts to reduce the amount of water used in dairy operations. Refer to page 5 for information on our work at the industry level.

Better metering for better management

In 2017, we brought together a cross-functional team of specialists with a group of technical and environmental experts to collaborate on water-saving solutions. The team started at our Tracy plant to investigate water from all angles, exploring and testing advanced and creative approaches, with the goal of identifying practices to share and scale with all locations.

One outcome of this investigation was the implementation of increased water metering throughout the plant, at a level not typically seen in dairy manufacturing plants. The meter-level data improves analysis of water usage by each key process, which helps us identify leaks sooner and evaluate the results of water-saving initiatives. Based on the work at Tracy, we invested in similar metering projects at all our plants.

ADVANCING TOWARD OUR ZERO WATER AMBITION

The big win of the future is a plant that achieves near zero water withdrawal by recycling water over and over again. In 2015, we created a cross-functional California Water Task Force made up of Leprino Foods regulatory, food safety, legal and engineering experts as well as maintenance and plant operations specialists to investigate paths toward this bold vision.

Dairy processing's unique water source called COW (condensate of whey) water – which we recover from raw milk through evaporation and condensation – already plays a major role in our conservation efforts. This source of water enables us to optimize efficiency and maximize the opportunities to reuse water that is treated and stored on-site – minimizing the amount of municipal water or private groundwater we use at our plants and reducing the amount of wastewater that our plants discharge. It also makes us net generators of water: The water output from our plants exceeds the amount of fresh water taken in.

Our task force worked with other companies and California state regulators to expand the allowable uses of treated water while meeting or exceeding regulatory and food safety requirements. In 2019, the team received regulatory approval for its design and engineering plans, marking a significant milestone along the road to zero. Economic feasibility studies are underway and will help inform next steps.

ENSURING WATER QUALITY

Leprino Foods invests significant resources in ensuring effluent, the outflow of treated water released for beneficial reuse, meets stringent permit standards. As part of our robust wastewater management systems, the treated water is analyzed to ensure it meets requirements before being returned to farmland, municipal treatment plants or surface waters.



OUR COMMUNITIES

OUR COMMITMENT TO STRENGTHEN RELATIONSHIPS AND BENEFIT COMMUNITIES CLOSE TO HOME AND BEYOND
AREAS OF FOCUS: COMPANY GIVING, VOLUNTEERISM/COMMUNITY INVOLVEMENT AND INDUSTRY EDUCATION

Support for Girls Inc. highlights the ingredients for creating greater impact

Combining employee involvement with Leprino Foods Company Foundation grants has been a great way for us to amplify our impact and build long-term relationships in our local communities. Our partnership with Girls Inc. of Metro Denver, which inspires all girls to be strong, smart and bold, has proved to be a recipe worth repeating across our locations.

Our support included sponsorship funding for Eureka!, an intensive five-year program to build girls' confidence and skills in science, technology, engineering and math (STEM). At a Denver office "field experience" day, employee volunteers led hands-on activities in our genomics and chemistry labs, cheese-making demonstrations and pizza making (and eating).

In 2019, six Girls Inc. interns worked in various departments and toured our Greeley plant. Mary Ellen Jackson, Cheese R&D Scientist, spearheaded the partnership that year. "I couldn't be happier with how it turned out. The girls had a fantastic time." Ongoing support for Girls Inc. includes board membership by our Senior Vice President of Human Resources.

Product and in-kind donations: Each of our locations donates cheese and nutrition products throughout the year. The donations support food banks and other charitable organizations that feed those in need, as well as community, school and fitness events. We also donate the pizzas made in our Denver research and development kitchens to local food banks.

Approximately \$11,000 in cheese and nutrition donations were provided to community organizations in 2019.

Nearly \$20,000 in in-kind donations, including equipment, furniture and clothing, were made.



Product donation spotlight: In 2018, the Michigan Milk Producers Association awarded Leprino Foods its Valued Partner Award in honor of the mutually beneficial relationship formed more than 30 years ago.

In conjunction with the award, Leprino Foods donated 4,300 pounds of mozzarella string cheese, produced with local milk at its Allendale and Remus plants, in an effort to support those in need in Michigan, where one in seven residents struggles with hunger.

COMMUNITY SUPPORT

Making a positive difference and building strong relationships with the people and organizations in the communities we share are part of the Leprino Foods culture.

CONTRIBUTING TO OUR COMMUNITIES

Our approach to supporting our local communities is location-focused and employee-driven through Community Impact Teams (CITs). CIT members work tirelessly to build and foster community partnerships and provide help where it is needed most, making tangible impacts. Each location receives an annual budget for charitable giving and activities. We also cultivate the spirit of giving back by incorporating community involvement activities into company events such as our Biennial Meeting.

Our community support strategies concentrate on four key areas, which align with those of the Leprino Foods Company Foundation (page 25):



NUTRITION



EDUCATION



FITNESS



LOCAL NEEDS

Many of the CITs organize Impact Days, which are dedicated days for employees to volunteer in company-sponsored, community-focused events. Our Greeley and Denver locations now host an entire week of activities. Other CIT-organized efforts have included building houses; collecting food, clothing and school supplies for those in need; and participating in charity sports and fitness events.

We track volunteer hours, monetary and product donations, and dairy education activities to better understand our impact. The location highlights beginning on page 27 feature some of the community activities during the report period.



Chelsea, Denver

40K VOLUNTEER HOURS HAVE BEEN LOGGED BY OUR EMPLOYEES SINCE 2015

RECOGNIZING VOLUNTEERISM

We are regularly inspired by the generosity and spirit of our employees who give their time and energy to help others. In 2019, we recognized our volunteer superstars through a “Super Volunteer” poster series that featured top volunteers from our locations.

Employees are invited to record both their individual activities and participation in company-sponsored events in the LeprinoReach volunteer portal. Since the launch of the portal in early 2019, our team members have logged more than 10,000 individual volunteer hours. Since we started tracking volunteer hours in 2015, our employees have logged nearly 40,000 hours. They participated in charity walks and runs; coached youth sports teams; helped out at food banks, schools and churches; and much more.

In 2019, the Leprino Foods Company Foundation sponsored two volunteer contests to encourage employees to utilize the portal. The first contest, which the Remus plant won, garnered the plant an extra \$5,000 in Foundation grant funding to be used to make a greater impact on their community. The second contest, won by Denver, provided \$10,000 in extra grant dollars.

Leprino Foods Company Foundation

Established in 2015, the Leprino Foods Company Foundation is a private nonprofit entity that supports and advances the success of the communities where our company and employees are most active. The Foundation awards grants exclusively to nonprofit organizations in support of charitable, educational and scientific collaborations that align with our focus areas of nutrition, education, fitness and local needs.

Although the Foundation and company are separate entities, we coordinate our efforts to maximize our impact. Our Community Impact Teams conduct community impact studies to help identify investment opportunities, and employees can request funding and invite local nonprofits to submit grant applications. In addition, the company and our employees participate in events funded by the Foundation, and CITs organize

volunteer efforts to provide further support for grant recipients. This approach often leads to longer-term relationships, such as the one with Girls Inc. featured on page 23. The GR in Action location pages (pages 27-36) highlight additional Foundation support.

\$2M AMOUNT DONATED BY THE LEPRINO FOODS COMPANY FOUNDATION TO NEARLY 130 ORGANIZATIONS BETWEEN 2015 AND 2019

HIGHLIGHT Helping During the Pandemic



Our company, employees and the Leprino Foods Company Foundation are committed to helping our neighbors in need. Between April and July 2020, we intensified our efforts across the country to help in the areas of food security, medical supplies and other challenges local communities and vulnerable populations are facing.

Between April and July 2020, we donated over 350,000 pounds of cheese.

Colorado: Denver Community Impact Team members, with the help of several IT and GRDQ volunteers, helped deliver nearly 250,000 pounds of string and shredded cheese to local food banks and nonprofits, including the Weld County Food Bank, which also received a \$45,000 Foundation grant for a new freezer. A \$25,000 donation to the Impact Foundation helped purchase surgical masks for frontline medical workers, and a \$100,000 contribution supported DFA's Farmers Feeding Families Fund to get dairy products into food banks.

California: All California plants have provided a combination of monetary and product donations to support numerous local nonprofits.

Michigan: The Allendale CIT provided monetary donations to the Kids Food Basket, and the Remus plant has provided financial support through Foundation grants and local plant donations to the Barryton Area Mobile Food Pantry and the Mecosta County Senior Resource Center. The plant also donated four truckloads of food and about 450 pounds of cheese to various organizations.

New Mexico: Our Roswell location provided monetary donations and Foundation grants to various local organizations, including the donation of N95 masks to local ambulatory services.

New York: The Waverly plant has donated cheese weekly to Catholic Charities and has provided Foundation grants to a number of nonprofits benefiting disadvantaged neighbors.

Many employees are also stepping up to help outside of work. In partnership with customer J&G Pizza, Bacio's Dan Hoff and Joe Youngs have joined forces with a Monmouth County (New Jersey) organization to deliver "Slices of Hope" to families of first responders and frontline workers. They have delivered hundreds of pizzas, accompanied by handwritten and hand-drawn notes from kids in the community.

While the pandemic has changed our everyday life, it doesn't change who we are – or our dedication to doing the right thing to help those with the greatest needs.

INDUSTRY EDUCATION & OUTREACH

We support a thriving industry through our investment in science, technology and education and our involvement in outreach efforts to educate people about the dairy community.

SUPPORTING FUTURE DAIRY PROFESSIONALS AND INVESTING IN DAIRY SCIENCE

Scientific and technological advances are transforming the dairy industry, fueling the need for a highly educated workforce to fill manufacturing management and technical positions at our plants. To help ensure the availability of qualified candidates, we support industry education and recruitment efforts in a number of ways:

- Partnerships and sponsorships with higher education institutions (see highlight below)
- Funding for academic scholarships, such as the Leprino Foods Dairy Science FFA Scholarship
- Employee participation in local career fairs to encourage young people to pursue careers in dairy science, food manufacturing and technology
- Internships at several of our locations
- Support of education initiatives within the dairy industry through organizations such as the Innovation Center for U.S. Dairy (page 5)

Supporting dairy education and research: Our support of leading higher education agricultural programs includes sponsorships, endowed faculty positions, educational partnerships and funding for dairy science research at the following academic institutions and others:

- California Polytechnic State University, San Luis Obispo
- California State University, Fresno
- Colorado State University
- New Mexico Institute of Mining and Technology
- South Dakota State University
- University of Wisconsin–Madison
- Utah State University



SHARING DAIRY'S STORY

Public education and outreach activities, such as local festivals, state fairs and community events, provide opportunities for employees to offer support and to connect with our neighbors and inform people about our operations and the dairy industry in general. For example, we regularly sponsor the Lemoore Chamber of Commerce's annual Central Valley Pizza Festival and host a booth at the Susan G. Komen Race for the Cure, where employees hand out string cheese. Our Roswell plant offers tours during the annual Roswell Chile Cheese Festival. Our support of Girls Inc. (page 23) included an event at our Denver headquarters and tours of our Greeley plant and a farm in Fort Morgan. Our industry education efforts also include sponsorship of CSU's College of Agricultural Sciences annual Ag Day, where college students tour the Greeley plant and learn about cheesemaking from our experts.

HIGHLIGHT

2019 Gina Award recipient for Global Responsibility



Angela Tuxhorn, Senior Manager, Food Safety and Supply Assurance and a 2019 Gina Award recipient in the Global Responsibility category, combines her commitment to the dairy industry with her community spirit. She is an active member and supporter of CSU Ag Day, helping to promote dairy to younger generations. She also coaches and mentors youth through the nonprofits 4-H and FFA.

“Volunteering ties my passion for what I’m doing at work with my passion for agriculture and for being able to support youth. Investing in our youth is critical, as they are the future of agriculture.”

Angela Tuxhorn

Senior Manager, Food Safety and Supply Assurance

GR IN ACTION Allendale, Michigan



288
EMPLOYEES

MIKE LEPRINO SR. AWARD RECIPIENTS

2018: Jose Flores Orona 2019: Victor McMillan

2018 LQCI Company Team of the Year

The Allendale Standard Deviation Improvement Team was awarded for its continuous improvement efforts and strong results. The team relied on volunteers, employee suggestions, management requests and a steering committee to improve standard deviations in key areas of cheesemaking by more than 5% over 10 months.

“Not only have we seen the numbers improve but employee engagement has increased, which helps improve team morale, in-spec performance and overall quality of our product.”

Marc Morningstar

Team Lead and Allendale Cheese Manager

600

Accident-free days

achieved through employee-led initiatives helped Allendale set the **best safety record** in the company.



Employees supporting the local community



Employees are partnering with Love INC of Allendale to improve the lives of families in the community.

They help throughout the year with donations of coats and food. In April 2019, a food drive collected 1,167 items for the food pantry.



Trees planted to celebrate Arbor Day, reduce carbon footprint



In looking for additional ways to reduce the plant's carbon footprint, the Resource Conservation Team took the next step in improving its overall impact on the environment. “That turned into planting trees,” said RCT leader and project engineer Sean McNamara.

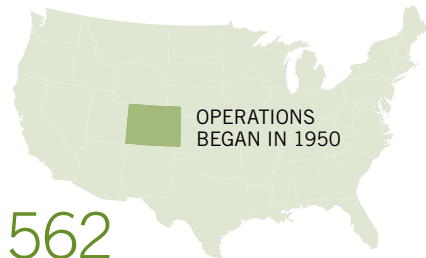
In 2018 and 2019, employees planted about 20 maples, Kwanzan cherry trees and pines at the Allendale site. In 2020, the team plans to hand out about 300 saplings to employees to extend the impact beyond the Leprino Foods property.



Helping veterans fly to D.C. to visit memorials

The Leprino Foods Company Foundation helped send 20 veterans on a free trip to Washington, D.C., in the fall of 2019 with a \$10,000 grant to Talons Out Honor Flight, the Southwest Michigan hub for the national network. The nonprofit organization takes veterans to visit memorials from the wars they fought. Former members of the Detroit Lions also took part in the flights.

GR IN ACTION Denver, Colorado



562
EMPLOYEES

MIKE LEPRINO SR. AWARD RECIPIENTS

2018: Erin Burl

2019: Jessica Benallo



Food safety expert and advocate awarded for her leadership

Edith Wilkin, recently retired Vice President and Fellow, Food Safety and Regulatory Compliance, received the International Dairy Foods Association's (IDFA) 2020 Food Safety Leadership Award. The award honors an individual, group or organization for demonstrating outstanding leadership directed at enhancing food safety within the dairy products industry.

Reduction in QLC plastic bag film weight lowered plastic use in packaging by nearly

327K

pounds per year
saving more than \$190,000



IT team volunteers to clean up Denver roadsides

Four times per year, members of our IT department volunteer an afternoon to clean up trash and debris along a stretch of highway between I-25 and Mile High Stadium, which they formally adopted. The photo shows the results of a productive fall 2019 clean-up outing to help restore the beauty of our local community.

Mark, Denver



Employees continue long history of giving back

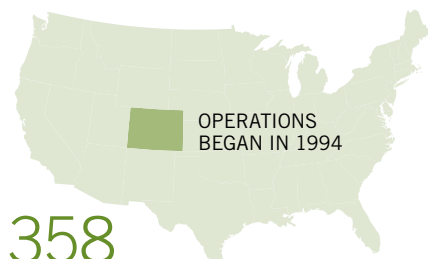
Our headquarters is located on the same corner where the family's original grocery store once stood, representing a valued connection to place and history. Employees are active in supporting families in the surrounding neighborhood as well as community members in the broader Denver area. Throughout the year, you can find our team:

- Participating in personal care drives for a local food bank and a homeless shelter
- Cooking meals for a homeless shelter
- Supporting Food for Thought by packing school lunches once a week for schoolchildren to bring home over the weekend
- Donating presents to Bryant Webster elementary school and other local children's organizations through the Giving Tree program

"I have seen firsthand the impact of our work in the community, from addressing food insecurity, homelessness and mental health to promoting literacy, education and fitness. We focus on local needs and causes our employees are most passionate about to help make our communities better places to live and work."

Adela Peña

Office Manager and Executive Assistant



OPERATIONS
BEGAN IN 1994

358

EMPLOYEES

MIKE LEPRINO SR. AWARD RECIPIENTS

2018: Butch Acosta
Steven Luna

2019: Tim Martin
Jerry Martinez



Local students get a hand with robotics challenge

Employees are helping local high school students design and build robots for competition. CIT members have helped the Morgan County 4-H Club's Mecha-Maniacs Robotics Team win grants from the Leprino Foods Company Foundation for several years, and they work with the students from July through March. Their efforts help support the development of STEM skills in Morgan County.

Wellness program partners with community initiatives

The Wellness Team relaunched its program in early 2019 by bringing in a registered nurse for monthly blood pressure checks and organizing a cardio challenge to increase activity levels for Heart Health Month in February.

The team also is working to expand its efforts and bring wellness initiatives to the broader community.

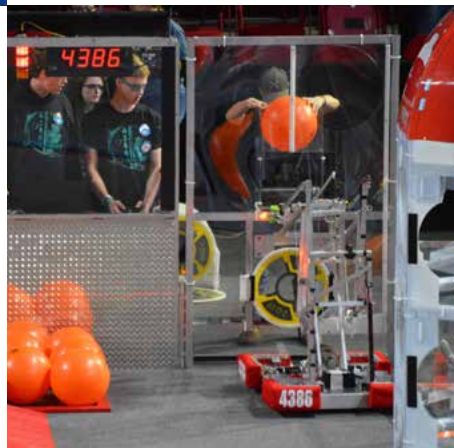
Supporting young readers



Four-year-olds in Fort Morgan are better prepared to read when they enter kindergarten thanks in part to the efforts of Community Impact Team members.

The team helped secure a \$15,000 Leprino Foods Company Foundation grant in December 2018 for the new Growing Readers program that distributed four books a week to about 250 children during the summer of 2019.

In addition, about a dozen employees volunteered to read to children at events over the summer, and the team plans to expand its involvement in 2020.



Recycling program diverts recyclable material from landfill



An average 280 pounds of material are being diverted from the landfill each week thanks to employee participation in a recycling program launched on Earth Day 2019. The Resource Conservation Team also sponsored a week-long electronics recycling collection in August 2019 and is planning another event in 2020.

Recycling can be more expensive than sending waste to the landfill, but "we're doing it because it's the right thing to do," said plant Engineering Manager Jim Volk.

280
Average
weekly pounds
of material
diverted from
landfill

"With the support of the Leprino Foods Company Foundation, we are proud to be part of this worthwhile program and bring to fruition a lifetime love of reading through the gift of books."

David Merriam
Plant Manager

Kids race sheep at annual rodeo sponsored by Leprino Foods



Morgan County has been celebrating Fourth of July in style since the 1950s with the annual multiday Brush Rodeo, fireworks, a parade and more.

Leprino Foods is a longtime major sponsor of the popular Mutton Bustin' event for young children held as part of the rodeo at the county fairgrounds.



GR IN ACTION Greeley, Colorado



OPERATIONS
BEGAN IN 2011

502
EMPLOYEES

MIKE LEPRINO SR. AWARD RECIPIENTS

2018: Christopher Johnson Ryan King
2019: Raul Martinez Thomas Hutchins

Instilling safety, one employee at a time

To ensure each employee at the Greeley facility understands and follows the highest safety standards, one-on-one safety meetings are held with every individual at the plant. Employees and safety personnel discuss the importance of safety and ways to improve. They also sign an “Employee Pledge to Safety” to confirm their commitment.



The net amount of water the Greeley plant returns to the Poudre River each day is enough for

~1,000 households



The Greeley plant received the 24-Karat Gold Award, the highest-level recognition available to participants in the Colorado Department of Public Health and Environment’s Environmental Leadership Program.

“When it comes to environmental responsibility within industry, this is as boots-on-the-ground as it gets.”

Brady Stewart
Senior Project Engineer-Utilities Engineer

Energy-related projects reduce carbon footprint

A portfolio of large and small projects are delivering energy and cost savings while lowering the plant’s GHG emissions:

- The installation of a \$22 million combined heat and power (CHP) system, also known as cogeneration, captures the waste heat to create steam for plant processes and lowers GHG emissions.
- An anaerobic digester transforms biosolids from our waste stream into renewable energy, reducing the residual hauling volume by 40% and lowering the environmental impacts of transportation.
- 5,500 LED light fixtures deliver 5.5M kilowatt hours in annual energy savings.

\$2,100+

Donation amount raised during the 2019 Pie Them in the Face fundraiser



“Pie Them in the Face” fundraiser

In a novel way to put your best face forward, employees pay to throw pies in the faces of willing plant managers – all in the name of good fun and fundraising for local charities. In 2019, donations collected during the event, which included a CIT contribution, were directed to employee-selected nonprofit organizations and the Weld County Veterans memorial.



316
EMPLOYEES

MIKE LEPRINO SR. AWARD RECIPIENTS

2018: Ed Silva

2019: Jimmy Post

Teaching children safety lessons

For the second year in a row, the Lemoore East plant sponsored “Safe Kids Day,” educating kids and their families about childhood injury prevention. In the all-day event, first-graders learned about a wide range of safety topics, including hand washing, CPR, concussion awareness and poison prevention. Leprino Foods also provided string cheese and water for the event.

Golf tournament benefits Amanda’s Home



For a second year, the Lemoore East plant hosted a charity golf tournament to raise funds for Amanda’s Home, a residential program for women struggling with substance use or mental health issues. This employee-driven initiative raised \$8,000 in 2019.

Amanda’s Home is named after human resources manager Ana Nicks’ daughter who died tragically in 2016. Amanda’s story inspired Nicks’ fellow employees to raise funds through the tournament as well as individual contributions.



“Safety is a number one priority for us and a great reflection of our culture and goals.”

Heidi Nunes
Lemoore East Plant Manager



Annual pizza festival engages community, slice after slice

Celebrating its 19th season in 2019, the annual Central Valley Pizza Festival gives employees an opportunity to engage with the community in a fun, creative way. In addition to providing funding and cheese, a team competed in the Giant Slice Contest, decorating a slice of a 9-foot pizza known as the Mega Pie.

\$285K

Amount the Leprino Foods Company Foundation has donated over the past three years to organizations in Lemoore, Hanford and Riverdale



Bridgette, Lemoore East

GR IN ACTION Lemoore West, California



MIKE LEPRINO SR. AWARD RECIPIENTS

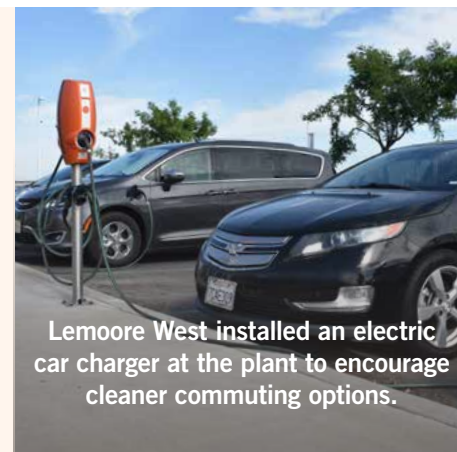
2018: Casey McMahan, **2019:** Daniel Hernandez,
Acey Chavez, Dwain Burkett Thomas Sippel, Catherine Fagan



Emergency drills ensure safety

We hold emergency response drills to test our ability to respond to hazardous materials incidents. The exercises give us the opportunity to identify and resolve response and coordination issues that could arise during a variety of scenarios.

Our plant's first responders work with the local fire department and other agencies as mandated by state and local laws.



Lemoore West installed an electric car charger at the plant to encourage cleaner commuting options.



Discharged water used to grow crops



In Lemoore, California, treated effluent from Leprino Foods' two local facilities combined with treated effluent from the city produces a significant recycled water supply.

Leprino Foods purchased a 2,200-acre farm in 2019 from a local farming family and then leased the property back to the family to utilize this recycled water to grow crops for animal feed.

By purchasing the acreage, we helped ensure a consistent source of water for the farm, while providing a reliable destination for beneficial use of the recycled water, which benefited the city as well.

"We work hard to be a neighbor that anyone would want to work and live beside."

Tim Hutcheson
Director of Technical Services

Swinging a hammer for Habitat for Humanity

In the spirit of giving back, employees rallied together on a home expansion project to accommodate a growing family in Lemoore who had just adopted three boys.

The global housing nonprofit Habitat for Humanity brings together families in need of housing with volunteers to build or improve homes and support affordable housing.



Employees give back all year long



Throughout the year, our employees donate time and funds to help local causes such as hunger relief. Some of our team's efforts in 2018 and 2019 include:

- Raising \$14,500 for the soup kitchen at a local church
- Sponsoring the Westfield College food bank
- Organizing and hosting a veterans dinner
- Hosting a Christmas dinner for 500 people in Lemoore

GR IN ACTION Remus, Michigan



153
EMPLOYEES

MIKE LEPRINO SR. AWARD RECIPIENTS

2018: Beverly Adams

2019: Dianna Frye

Three of our Remus employees serve on the local volunteer fire department.



Kevin, Remus

Biodegradable gloves reduce our environmental footprint



The environmental and safety teams found a greener alternative to the thousands of pairs of latex gloves used each year at the plant. The plant switched to biodegradable nitrile gloves, which break down in about 24 months, compared with decades for traditional gloves.



Wellness team and CIT work together on cleanup program

A two-mile section of Michigan highway is looking better thanks to Remus employees who have picked up more than 100 bags of trash in the last two years. The Adopt-a-Highway program gives employees an opportunity to exercise, improve the environment and give back to the community.



445 new or retrofitted LED light fixtures are providing better lighting, and saving **480 kWh in energy use** and **\$3,500 in spare parts costs** each year.

Finding multiple ways to help fight hunger



Employees are helping address hunger in the community with donations and volunteer efforts in a variety of ways:

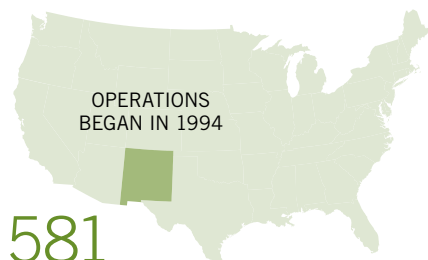
- Leprino Foods purchased four truckloads of food in 2018 and in 2019, each packed with 10,000 pounds of goods for the Barrytown Mobile Food Pantry. Employees helped unload, sort, bag and hand out the food.
- In 2019, Leprino Foods Company Foundation gave a \$3,000 grant to help Angels of Action buy milk for weekend meals and snacks it provides to children in need.
- The Foundation also helped the Mecosta County Senior Center buy a walk-in freezer for the Meals on Wheels program.



“We have had many employees volunteer at this food pantry. It’s a very fast-paced, physical process – and also very humbling! There are on average 150 to 200 households in line waiting to receive food.”

Lorinda Pierce
Receptionist and CIT Leader

GR IN ACTION Roswell, New Mexico



581
EMPLOYEES

MIKE LEPRINO SR. AWARD RECIPIENTS

2018: Ashlie Munoz
Carlos Reyes

2019: Ashley Sepulveda
Kelly Gilbreath

New initiative promotes healthy people and workspaces

The Roswell team will be welcoming an occupational nurse to the Leprino family to work at its on-site clinic. This initiative helps protect health and promote available health services to improve our employees' quality of life and the productivity of our operations. The Roswell facility will serve as a model for other Leprino facilities.

"We're building a healthier workplace by adding an occupational nurse and by implementing ergonomic best practices that will help remove risk factors that could lead to injuries on the job and at home."

Angela Martinez
Human Resources Manager



Helping to plant the future on Arbor Day



Leprino employees joined together with city of Roswell staff and "Keep Roswell Beautiful" volunteers at the Spring River Park & Zoo to celebrate Arbor Day. Employees helped give away 1,200 sapling trees to local community members. These new trees will support the environment by capturing air pollutants and reducing stormwater run-off while providing wildlife habitats.

Leprino volunteers also branched out to install planters on Main Street of downtown Roswell to help beautify the area and celebrate Roswell's designation as a Tree City by the Arbor Day Foundation.

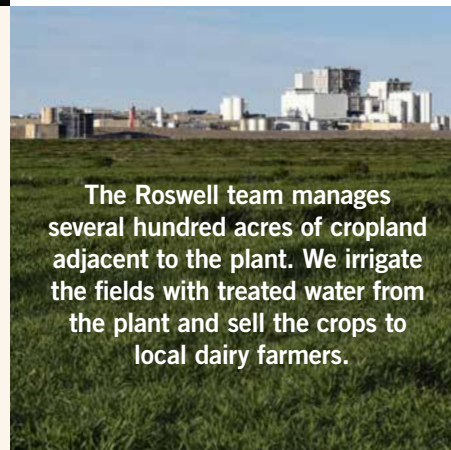
Donating to 200 angels with the Salvation Army



The holiday wishes of 200 children were answered last year by Roswell employees who took part in the Salvation Army "Angel Tree" program. Our team collected and assembled gift bags with a pair of new shoes, a new jacket and two toys for children in need.

Spicing things up at the Chile Cheese Festival

Since 1993, we have been proud to be the cheese in Roswell's annual Chile Cheese Festival. Our community spirit was on display again this year as we opened our doors to the public for tours of our plant, during which employees give out complimentary string cheese and serve pizza we make on-site.



The Roswell team manages several hundred acres of cropland adjacent to the plant. We irrigate the fields with treated water from the plant and sell the crops to local dairy farmers.

Trick or treat!



Leprino Foods joined other local businesses to support the Roswell Chamber of Commerce's Haunted Tailgate Party, a local event to celebrate Halloween and the eve of the football game between Goddard High and Roswell High. Employees created a standing display filled with candy for kids at the event.

GR IN ACTION Tracy, California



348
EMPLOYEES

MIKE LEPRINO SR. AWARD RECIPIENTS

2018: Ivan Limosenero

2019: Antonio Soares
Javier Munguia



Marianne, Tracy

Wellness Team kicks it up a notch with new events



Tracy stretched the annual Curds & Whey event over an entire week in 2019, drawing 146 employees who earned prizes for walking a mile. The Wellness Team wanted to step up its activities, and a call for volunteers at the Curds & Whey event drew new members.



The expanded team got right to work planning a more active schedule of events for the coming year, including a sock giveaway and a Project Zero weight management challenge to reward employees who maintain their weight over the holidays.



Improving drinking water quality

Employees are enjoying healthy, purified water from six new water bottle refill stations installed in 2019 to replace old machines that were difficult to maintain. "It's a top-quality water," said Maintenance Manager Doug Chitwood who coordinated the installation. The new machines also are boosting ongoing efforts to reduce the use of disposable plastic water bottles.



Juan, Tracy

Supporting local athletics



The Leprino Foods Company Foundation donated \$43,000 to help buy and install five scoreboards for the city

of Tracy's new Legacy Fields Sports Complex, which eventually will be the largest multi-sport facility in the region.



"Giving our time and resources to help communities thrive is part of our company's core value of ethics. We are dedicated to building strong relationships in the communities we share."

Kim Miller
Tracy Plant Manager



GR IN ACTION Waverly, New York



OPERATIONS
BEGAN IN 1980

229
EMPLOYEES

MIKE LEPRINO SR. AWARD RECIPIENTS

2018: Meghan Trout

2019: Zachary Chilson



In 2018, Waverly was recognized as **one of 27 plant-safety award winners** by the International Dairy Foods Association for its outstanding achievements in worker safety.

Friendly competition promotes employee health and fitness

Interested employees kick off the new year with a 12-week weight loss and exercise challenge. The Health and Wellness Team holds weekly weigh-ins and encourages employees to eat healthy, exercise and lose weight to be eligible for weekly prizes as well as a grand prize for the person who achieves the highest percentage weight loss.

“The employees have really enjoyed this event each year, and the competition is strong!”

Allison Dix
Production Accounting Supervisor



Agriculture exhibit for kids

Quality Execution Supervisor Robert McCarty volunteered at an interactive “Agsploration Station” at the Troy Fair in July 2019. The exhibit, sponsored by the plant, helped educate families about agriculture with exhibits and interactive displays such as the “Little Hands on the Farm” maze. Employees also volunteered on Milk Mania Day, part of a Dairy Farmers of America event that offered free milk to fairgoers.

Career days at schools

For the last two years, Waverly employees have volunteered at career days hosted by area elementary schools and a high school, teaching students about Leprino Foods, our products and the manufacturing process.

“Of all the community involvement events we have done, these career days are my favorite because of the interaction with the kids,” said CIT Leader Sherry Boor (pictured above).



Employee spirit of giving enriches local community

- The Waverly Community Impact Team helped coordinate Leprino Foods Company Foundation grants for local nonprofits. The funding assisted a community food pantry, aided the expansion of a suicide prevention program and the renovation of Waverly Glen Park, and supported schoolchildren by sponsoring field trips, purchasing laptops and funding construction of outdoor play and learning spaces.
- Employees volunteered to help provide meals to children in need, to place new flags and markers on veterans’ graves and to help fund local sports teams and emergency responders.
- The plant donated to the Tinsel-n-Lights holiday event, and employees made bags of popcorn and purchased hats, gloves and scarves to hand out.





REPORTING INFORMATION

We referenced two voluntary reporting frameworks to inform report development.

- We use the U.S. Dairy Stewardship Commitment to select, measure and communicate topics and indicators that have been developed for dairy food processors and manufacturers. Most of our areas of focus align with the topics in the Stewardship Commitment, which are considered the most important topics for the dairy industry and its stakeholders for credible reporting. Where applicable, we report our performance based on indicators and methodologies consistent with the *Dairy Processor Handbook* (November 2019).
- We referenced the Global Reporting Initiative's Sustainability Reporting Standards (GRI Standards), the world's most widely used sustainability reporting framework, as identified in the table below.

The following reference table maps Dairy Processor indicators and metrics from the Stewardship Commitment and associated disclosures from the GRI Standards to their location in this report.

Focus Area & U.S. Dairy Stewardship Commitment Indicator	GRI	Page
PRODUCT RESPONSIBILITY		
Food Safety	416-1	9-10
Traceability		10
OUR PEOPLE		
Employment Opportunities	102-8	17, 27-36
Employee Benefits	401-2	17
Employee Retention		17
Measurement Systems		15
Days of Restricted Work Activity or Job Transfer	403-9	15
ENVIRONMENTAL RESPONSIBILITY		
Energy Intensity	302-3	21
GHG Intensity	305-4	21
Water Efficiency		22
Resource Recovery		20
OUR COMMUNITIES		
Community Volunteering		24-25, 27-36
Monetary and Product Donations/Contributions		24-25
Educational Opportunities		26, 27-36

ACKNOWLEDGMENTS

The Global Responsibility report team would like to thank all the Leprino Foods colleagues who contributed their time and expertise to the development of this report and all who participated in the photo and drawing contest.

ENDNOTES

Page 11. Fuel savings is based on 160 truckloads off the road (~20,000 gallons of diesel not consumed) plus fuel efficiency per trip for choosing rail over truck (200 gallons vs. 480 gallons per trip, which totals ~142,000 gallons of diesel annually). Associated GHG emissions and equivalency are based on U.S. Department of Energy estimates.

Page 21. Performance data covers our U.S. plants and excludes our headquarters. Direct energy includes natural gas and other fuels, and indirect energy is from purchased electricity. Indirect GHG emissions values based on eGRID data update for 2018, revised in March 2020. Current values are based on eGRID Power Profiler.

Page 24: MMPA. 2018. Messenger. April. https://issuu.com/milkmessage/dmcs/18_4_apr_messenger. See also https://issuu.com/milkmessage/dmcs/18_6_jun_messenger.

WE WELCOME YOUR FEEDBACK.

Please share your thoughts with us at GR@leprinofoods.com.

Photos, left to right: Adam, Denver; Daniel, Allendale; Lorinda, Remus; Ryan, Denver; Kelly, Denver; Chelsea, Denver; Danielle, Lemoore West; Daniel, Allendale; Frank, Waverly.





Leprino Foods®

LEPRINO FOODS COMPANY

1830 West 38th Ave., Denver, CO 80211 1.800.LEPRINO leprinofoods.com

© 2020 Leprino Foods Company. All Rights Reserved.