



LEPRINO  
**GLOBAL**  
RESPONSIBILITY

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# 2021



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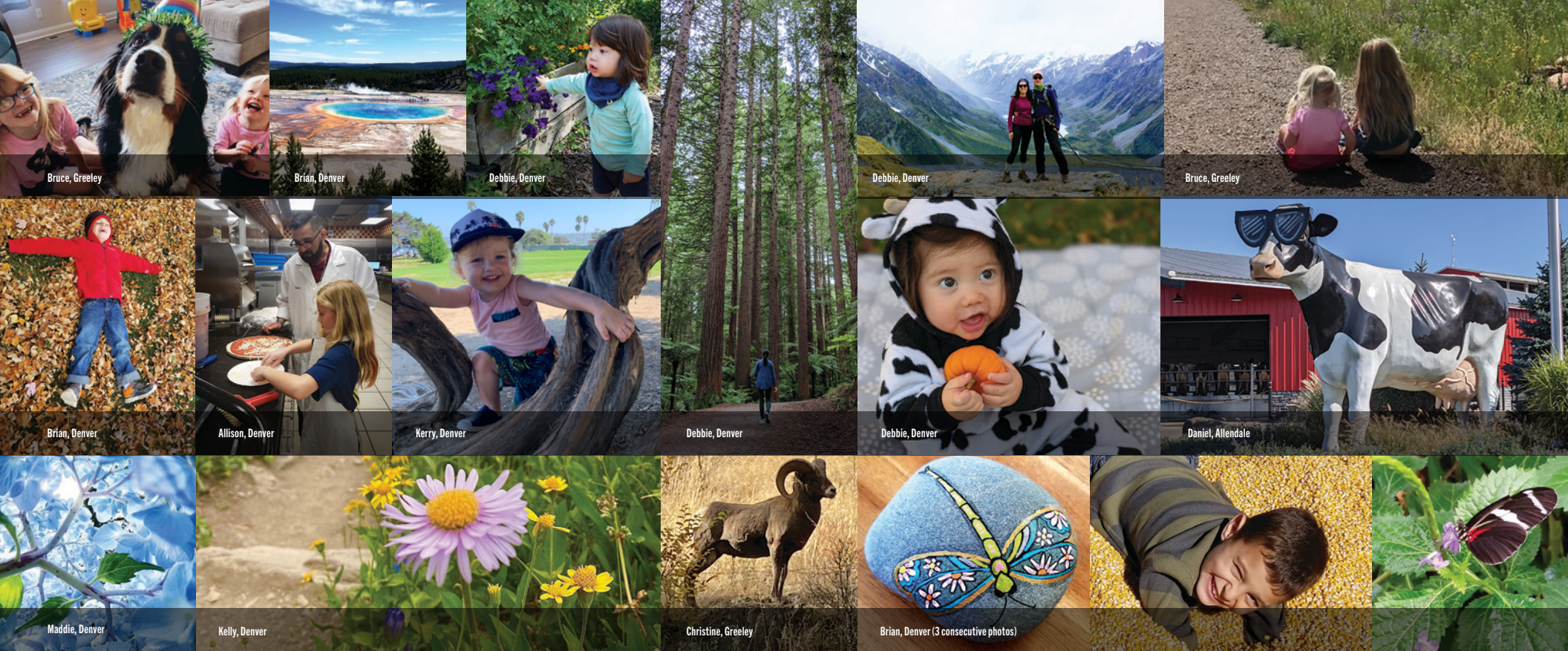
## ABOUT THIS REPORT

Leprino Foods Company has reported on its Global Responsibility (GR) progress every other year since 2013. This report provides our stakeholders with a balanced and accurate representation of our approach to global responsibility and our goals and performance in key areas. 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 2020 and 2021 fiscal years, a period from Nov. 1, 2019, to Oct. 31, 2021. 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 2021) and the GRI Sustainability Reporting Standards. Refer to the Reporting Information section at the end of the PDF version of the report for additional information. This report is not intended as an advertisement or as promotional material.

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## Framing Our Commitment

# Welcome

Since 2017, we have held a contest to encourage employees to submit photos and artwork that reflect their perspectives of Leprino Foods' Global Responsibility commitment. We are wowed each time by all the submitted images, which help bring GR to life. Many of the images are featured throughout this report and credited by employee first name and location.







## A Letter From Our President

In the nearly 10 years since we published our first corporate responsibility report, the ways we invest in our commitment to being a responsible global citizen continue to accelerate, supporting our company's purpose of sustainably feeding and nourishing families around the world.

As we continue our strong heritage of doing the right things in the right ways, we have now elevated Global Responsibility (GR) to one of the company's five business priorities. Rooted in our core values, our GR strategy guides how we do business and make decisions – enabling Leprino Foods, our employees, customers, suppliers, partners, communities and the planet to thrive.

To further our GR efforts, on Earth Day 2021 we launched our Climate Action Commitment. Actions include incorporating many sustainable elements into the construction of our new manufacturing facility in Lubbock, Texas. In fact, the new plant will be our most sustainable facility by minimizing energy waste, maximizing heat recovery and reducing the plant's greenhouse gas footprint when fully operational in early 2026. Our ongoing efforts are being noticed: the U.S. Environmental Protection Agency recognized our Fort Morgan plant with a Pollution Prevention Award within its region.

While we are making advancements in reducing the impact of our manufacturing activities, we also believe that building a more sustainable future is, and should be, a collective industry effort. Leprino Foods is proud to be a leading participant in and strong advocate for domestic and global initiatives that advance dairy's contribution to sustainable food systems. We were among the first dairy companies to adopt the U.S. Dairy Stewardship Commitment, U.S. dairy's social responsibility pledge to consumers, customers and other stakeholders, and to support the Global Dairy Platform's Pathways to Dairy Net Zero climate initiative.

We also work closely with our dairy partners to collaborate on issues that impact the industry as a whole. I've taken personal responsibility, as well as an advocacy role, in these shared goals. I recently accepted two opportunities to testify before the House Agriculture Committee. In 2021, my testimony, which was given on behalf of the International Dairy Foods Association at a hearing on challenges to our nation's food supply chain, described how supply chain disruptions have impacted Leprino Foods, the dairy industry and the agriculture sector's ability to export their products. In early 2022, I testified along with other voices in the dairy sector on Farm Bill dairy provisions and other federal policy impacting U.S. dairy. I also joined Biden Administration officials and other speakers representing agricultural exporters, port officials and the trucking industry in January 2022 to discuss the supply chain crisis and ways to fix it. From setting ambitious company objectives and serving the dairy community in leadership roles, to being an advocate for policy, I will continue to leverage our position in the industry to drive positive change.

The success of Leprino Foods emanates from our engaged employees, a hallmark of our company. Together, we have navigated the ongoing pandemic and other challenges. I am proud of the commitment, agility and resiliency that our team members demonstrated as they tirelessly adapted to new obstacles and customer needs. This tremendous teamwork enabled us to achieve record cheese sales in 2020 and 2021, while we advanced our safety performance and surpassed our quality goals.

We remain focused on making Leprino Foods an engaging and inclusive environment in which everyone can grow and succeed. Our Better Together diversity and inclusion initiative has grown in scope and reach across our locations, helping us continue to strengthen our workplace through greater awareness, dialogue and direct support of our employees. Our Better Together Champion Program, for example, empowers our employees to lead, collaborate and deepen their understanding of diversity and inclusion at our company and within our communities.

We have much to do, but we're proud of our progress to date. This report features our commitments, efforts and performance in 2020 and 2021, during which we increased our momentum toward delivering greater value to all of our stakeholders. We appreciate your interest and welcome your feedback.

Sincerely,

Mike Durkin

## About Leprino Foods Company

### VISION

To be the World's Best Dairy Food and Ingredient Company

### MISSION

We make every customer feel like our only customer, through Quality, Service, Competitive Price and Ethics.

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



70+ PATENT FAMILIES HELD IN THE AREAS OF PRODUCTION AND MANUFACTURING

## GLOBAL PRESENCE

Our network of production facilities, distribution centers, and sales and representative offices—along with third-party warehouses—support reliability and agility in serving markets around the world.



10

PRODUCTION PLANTS



1

JOINT VENTURE



16

INTERNATIONAL DISTRIBUTION CENTERS



4

INTERNATIONAL REPRESENTATIVE OFFICES

### UNITED STATES

Headquartered in Denver, Colorado, we operate some of the largest and most technologically advanced dairy processing facilities in the world. A new plant is under construction in Lubbock, Texas.

### LATIN AMERICA

Our Tapejara facility is home to our Brazilian mozzarella leader Pic-Nic.

### EUROPE

Located throughout the U.K. and Ireland, our European manufacturing facilities are a joint venture with Glanbia plc.

### ASIA PACIFIC

We have grown our presence in the Asia Pacific region with a commercial office in Singapore and representation in Shanghai, Tokyo and Seoul.

5,000+

PEOPLE EMPLOYED WORLDWIDE (4,300+ U.S.)

26%+

OF OUR U.S. PRODUCTION VOLUME (FLUID MILK EQUIVALENT) IS EXPORTED

55+

COUNTRIES WHERE OUR PRODUCTS ARE AVAILABLE





# Global Responsibility at Our Core

Our purpose at Leprino Foods is to sustainably feed and nourish families around the world. Global Responsibility encompasses our commitment to produce food in a way that is good for the planet, people and animals.





### OVERSIGHT FOR GLOBAL RESPONSIBILITY

The Leprino Foods senior leadership team is ultimately accountable for the company's global responsibility efforts. In 2021, we created a new dedicated role to oversee the continued advancement of GR across the company. This position reports to the chief procurement officer and vice president of government affairs and global responsibility.

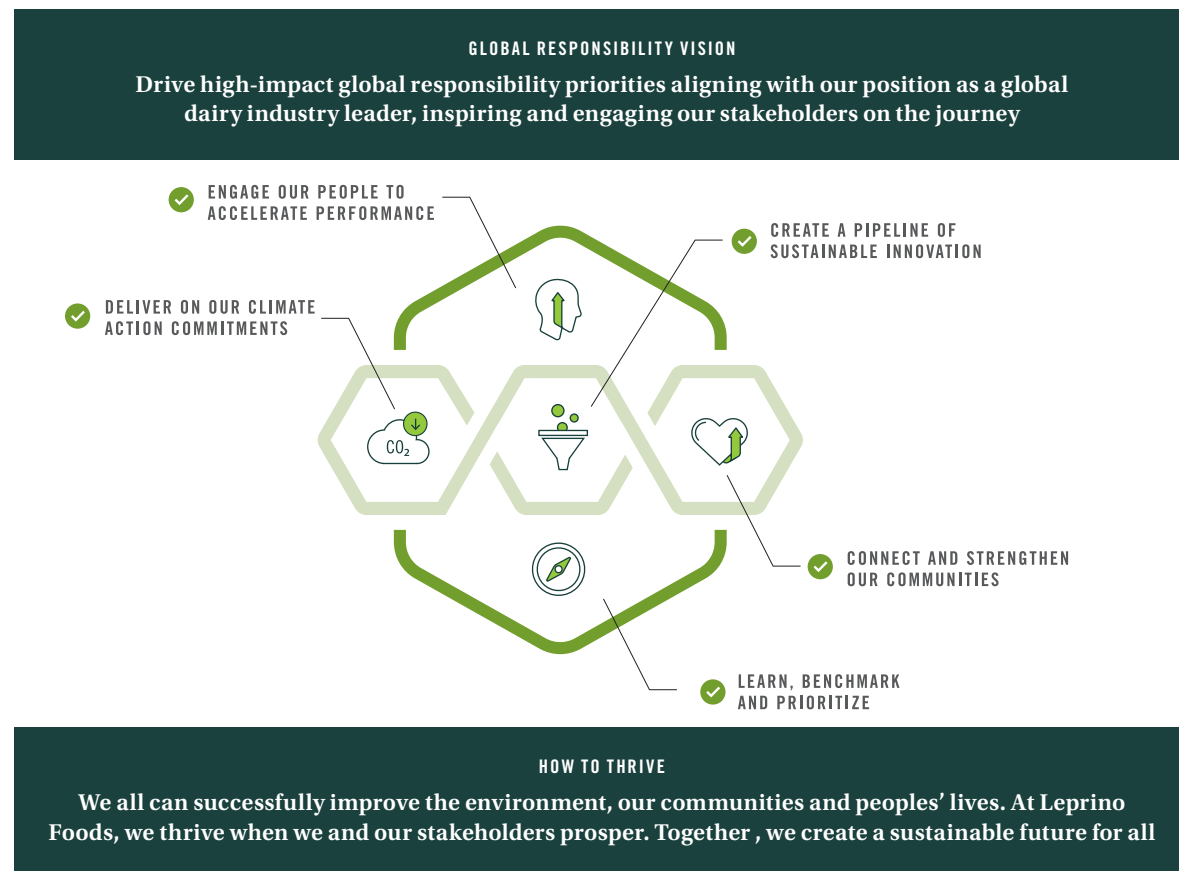
A cross-functional group of senior leaders comprises a steering committee that develops and directs initiatives, sets performance goals and ensures integration of global responsibility principles across the company. Leprino Foods President Mike Durkin is the executive sponsor and an active member of the committee.

### RESPONSIBILITY AS A SUPPLIER

Responsibility is an important dimension of quality for our customers, who rely on us not only to deliver high-quality cheese and nutrition products but also to run our operations responsibly, safely and ethically. One of the ways we execute on this is by hosting third-party SMETA (Sedex Member Ethical Trade Audits) evaluations. Sedex, the Supplier Ethical Data Exchange, is an international not-for-profit membership organization that helps drive improvements in global supply chains. Sedex develops third-party audit standards that evaluate suppliers in the areas of ethical and responsible labor practices, health and safety standards, and environmental and business practices.

## How to Thrive Strategies

Since we formalized our approach to GR in 2013, we have increased our attention to and investment in the ways we demonstrate our sustainability responsibilities. GR is one of our five strategic business priorities, and it is integrated throughout the other four. In 2021, we created a new GR vision and our How to Thrive GR Strategies. These initiatives collectively support efforts across our Global Responsibility categories, which address environmental and social aspects of our operations. They are designed to help us deliver on our GR commitments





## Our GR Framework

We structure our GR approach within five broad categories that address the significant environmental and social aspects of our operations and cover the interests of our key stakeholders. Within each category, we identify areas of focus to prioritize our efforts.



Catherine, Lemoore West

### DEFINING OUR STAKEHOLDERS

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

### GR CATEGORIES AND AREAS OF FOCUS



#### Product Responsibility

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

Everything we do connects to delivering the Leprino Foods products that our customers trust and have come to expect. Our emphasis on product responsibility is embodied by our relentless pursuit of world-class quality and food safety.

**AREAS OF FOCUS** *Leprino Quality | Food Safety*



#### 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 ensure responsible practices across our supply chain, with an emphasis on our dairy supply.

**AREAS OF FOCUS** *Responsible Procurement | Animal Care Within Our Dairy Supply*



#### Our People

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

Our valued team members are integral to the success of Leprino Foods. Providing a safe and engaging environment where our employees can thrive and build rewarding careers is an essential element of our corporate philosophy and strategy.

**AREAS OF FOCUS** *Health and Safety | Employee Engagement*



#### Our Communities

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

Supporting the communities where we live and work is a cornerstone of the Leprino Foods way of doing business. Our contributions focus on employee volunteerism, community involvement, company giving and industry education.

**AREAS OF FOCUS** *Company Giving | Volunteerism/Community Involvement | Industry Support*



#### Environmental Responsibility

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

Our environmental responsibility extends beyond compliance with environmental regulations and laws to include climate action, resource conservation and the reduction of environmental impacts. We concentrate our efforts on our most significant impacts—energy, greenhouse gas emissions and water—while striving for responsible use of all resources.

**AREAS OF FOCUS** *Environmental Compliance | Energy | Greenhouse Gas Emissions | Water*

## COLLABORATING FOR SHARED PROGRESS

Leprino Foods has long taken the lead in promoting positive change throughout the dairy value chain. Participation and leadership in national and international organizations and initiatives enables us to connect with peers and key stakeholders, to share strong practices, and to support industrywide progress. Collectively, these efforts promote dairy's contribution to the United Nations (UN) Sustainable Development Goals (SDGs).



Leprino Foods has been an early contributor to and adopter of U.S. dairy's social responsibility and environmental stewardship initiatives led by the [Innovation Center for U.S. Dairy](#). The Innovation Center serves as a pre-competitive forum through which the U.S. dairy community demonstrates its collective commitment to providing the world with responsibly produced dairy foods that nourish people, strengthen communities, and foster a future that helps our global community thrive.

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. Companies that adopt the Stewardship Commitment meet defined criteria in important areas like animal care, the environment and food safety, and they collectively report on impacts. In 2021, the Stewardship Commitment gained recognition and buyer support across dairy's global customer base through the SDP.



The Stewardship Commitment and Sustainable Dairy Partnership are aligned with GDP's [Dairy Sustainability Framework](#) (DSF), the global framework for a holistic approach to sustainability in the dairy value chain. The Innovation Center for U.S. Dairy is an aggregating member of the DSF for the U.S. companies that adopt the Stewardship Commitment.



We are a member of the [Global Dairy Platform](#) and participate in many of its initiatives. Leprino Foods was among the first dairy companies to support the GDP's [Pathways to Dairy Net Zero](#) climate initiative, which aims to accelerate climate change action and reduce GHG emissions across the dairy sector.



In 2021, Leprino Foods became a user of the [Sustainable Dairy Partnership](#) (SDP). Built on the DSF, the SDP is a globally relevant, yet regionally applicable, sustainable sourcing model developed by multinational brands and overseen by the Sustainable Agriculture Initiative Platform's Dairy Working Group.

#### Additional organizations we work with to accelerate beneficial change across the dairy community include:

American Dairy Products Institute | Dairy Institute of California | International Dairy Foods Association  
U.S. Dairy Export Council | U.S. National Committee of the International Dairy Federation



#### Contributing to the UN SDGs

Our products, operational practices and GR initiatives can directly and indirectly contribute to the achievement of the SDGs.

*The SDGs most closely aligned with the impacts of our products and GR initiatives are highlighted below.*



*Additionally, our philanthropic efforts support other goals.*







## Meeting Unprecedented Challenges With Unparalleled Teamwork

Our team's response to the pandemic brought our core value of doing the right thing into action in new ways. Employees faced the ever-changing situation with extraordinary levels of teamwork, collaboration and resiliency.

While a portion of our employees were able to shift to working from home, more than 85% of our team work in our plants, ensuring continued operations around the clock. In recognition of their efforts, we gave our frontline workers monthly appreciation bonuses for their dedication and exemplary commitment to the company, our suppliers, their colleagues and our customers.

Our culture of safety positioned us to respond early and comprehensively at the onset of the pandemic. We implemented enhanced safety measures, increased communications with all employees and vigilantly monitored and adjusted to the developing situation.

We knew that testing, contact tracing and, later in 2021, vaccinations would be key aspects of our COVID-response strategy. We brought together specialists from across the company and hired a COVID coordinator to manage these programs. Thanks to their innovative efforts and everyone's cooperation, we were able to organize on-site testing and vaccinations across our locations.

- **On-site testing:** Leprino Foods was the first private organization in Colorado to receive state approval for an on-site testing lab. We built a national network of nurses, healthcare professionals and testing companies, and we trained our staff on testing protocols. Chemists working in our genomics lab volunteered without hesitation to leverage their scientific expertise to support this initiative. They helped repurpose our facilities for testing and traveled to our locations, where they donned protective suits to swab potentially infected co-workers. As the pandemic progressed, we were able to stay at the forefront of developments, expanding our capabilities from initial PCR testing to antibody and rapid testing.
- **On-site vaccinations:** Leprino Foods was the only non-healthcare provider approved to give the vaccine in the five states where we operate. From February through April 2021, we vaccinated more than 5,000 people—including employees' families, our milk producers and their workers, customers and community members—many of them months before the vaccine was widely available.

*"While many parts of the country shut down during the first phase of the pandemic, our employees stepped up to the challenge of being critical infrastructure workers and fully embraced our COVID-19 prevention strategies in order to continue to produce high-quality cheese and nutrition products for our nation's food supply chain."*

— Steve Schmidt, Senior Director of  
Production HR and Safety

*"I'm incredibly proud of this company and all the employees who volunteered to help make this a reality. The innovation and tenacity they showed is the heart and soul of Leprino."*

— Jason Eckert, Senior Vice President & General  
Manager, Nutrition Global Business Unit

### SUPPORTING COMMUNITIES IN NEED

Leprino Foods, our Community Impact Teams, our employees and the Leprino Foods Company Foundation intensified efforts across the country to help those in need:

- Over 350,000 pounds of cheese donated to more than 20 local organizations
- \$100,000 company donation to the Farmers Feeding Families Fund launched by our longtime partner Dairy Farmers of America
- Leprino Foods Company Foundation grants and location-specific monetary donations to nonprofits addressing local challenges



Read more about our response to the pandemic and community support efforts throughout the report.

## GR Milestones

Leprino Foods has made steady strides in Global Responsibility. The milestones in this timeline highlight our drive to lead by example, do the right thing, take action and communicate with transparency, which are guiding principles that influence our activities.





## KEY GR ACCOMPLISHMENTS

IN 2020–2021

The following highlights feature some of the progress and achievements of the company, our locations and employees during the reporting period. More information on these and other accomplishments is provided in each section of this report and in the GR in Action location pages beginning on [page 38](#).



New How to Thrive GR Strategies launched in 2021

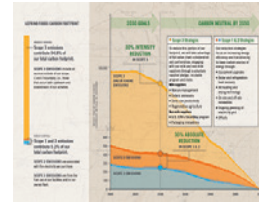


Percentage of female and minority representation in leadership positions increased 28.3% and 30%, respectively, between 2019 and 2021

# \$3M+

DONATED BY THE LEPRINO FOODS COMPANY FOUNDATION TO NEARLY 160 ORGANIZATIONS BETWEEN 2015 AND 2021

Climate Action Trail Map developed to achieve GHG neutrality across our value chain by 2050



Water intensity in 2021 decreased 7% from 2020, the lowest it's been since we first reported in 2013



In 2021, 8 out of 10 locations outperformed the dairy food manufacturing sector average for safety, with 6 achieving results within the top quartile



Highest spend level with small and diverse suppliers achieved in 2021

# 350,000+

POUNDS OF CHEESE DONATED TO MORE THAN 20 LOCAL ORGANIZATIONS TO ADDRESS FOOD INSECURITY DURING THE PANDEMIC



Leprino Foods signs the Global Dairy Platform's Pathways to Dairy Net Zero declaration



New 10-megawatt on-site solar installation in Lemoore, CA, will generate 10% of the plant's annual energy needs

## EMPLOYEE EXCELLENCE IN GR

The GR category of our annual Gina Awards recognizes our stellar employees who demonstrate initiative to advance global responsibility and sustainability.



2020

GINA AWARD

EMMANUEL (MANNY) EGBUNA

Senior Project Engineer,  
Lemoore West



2021

GINA AWARD

TOM ROBINSON

Manager, Power & Maintenance  
Lemoore West



# Product Responsibility

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

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AREAS OF FOCUS *Leprino Quality and Food Safety*



## Our Products

For more than 70 years, Leprino Foods Company has been transforming milk into a range of cheese and nutritional products to help feed and nourish families. We are working to ensure that all our products are responsibly and sustainably produced.

### CHEESE

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

We produce a variety of cheeses, including reduced fat and low sodium options, to meet nutritional needs without sacrificing taste, texture or performance.

We are also developing plant-based cheese that combines the taste and stretch of dairy cheese that some consumers are seeking, as well as positively impact the GHG footprint of our products.



### NUTRITIONAL PRODUCTS

**Early Life Nutrition, Sports Nutrition, Adult Nutrition, Commercial Food & Beverage, Nutraceutical and Animal Nutrition**

Leprino Nutrition products deliver the wholesome building blocks that enable healthy lifestyles. We provide quality nutrition ingredients for brands across the globe.

**Capturing the value in the whey stream:** The high-quality whey stream that comes from the production of our mozzarella cheese is used to produce a range of dairy ingredients: lactose, heat-stable proteins, gelling proteins, whey protein isolate, whey protein concentrate, whey protein hydrolysates and sweet whey.

We recently launched a line of animal nutrition ingredients to support the development of a more sustainable global animal production industry.

**Going direct for premium ingredients:** Our high-quality native whey and micellar casein concentrate (MCC) are microfiltered directly from Grade A milk. These premium dairy proteins provide compelling functional and application benefits, making them ideal for sports nutrition products—including our own Ascent® Protein line.



Product innovation has been pivotal to our success for decades. The Leprino Foods Innovation Studio is a team of vision setters who partner with our customers to bring inspired and profitable solutions to life.



### ASCENT® PROTEIN CONTINUES TO EXPAND PRODUCT LINE

Ascent Protein, which operates under a wholly owned subsidiary of Leprino Foods, started selling its Native Fuel™ line of native whey and micellar casein protein powders in 2016 and introduced Recovery Water, a water-based beverage for post-workout recovery, in 2019.

Ascent partnered with Whole Foods Market in 2021 to launch an organic plant-based protein powder, which is also vegan and gluten-free, to appeal to a broader range of consumers' preferences.

## Leprino Quality

Quality has been a core value from the start. The phrase “Leprino Quality is a way of life” was coined in 1950 by Mike Leprino Sr. with the belief that the company would always try to do the right things, continuously improve, act with a sense of urgency and have a passion for service.

### LEPRINO QUALITY CONTINUOUS IMPROVEMENT MISSION

Leprino Quality energizes, empowers and engages 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

Our approach to quality management focuses on prevention, continuous improvement and best practices to ensure we execute with excellence. Our integrated food safety and quality systems enable our teams to achieve and sustain high levels of quality that adhere to regulatory requirements and customer and third-party standards, meet our internal requirements and exceed customer expectations.

#### THE LEPRINO QUALITY CONTINUOUS IMPROVEMENT (LQCI) PROGRAM INTEGRATES MULTIPLE INITIATIVES

- **Preventing Problems Before They Happen (PPBTH):** Through its nine principles, PPBTH helps employees stay vigilant in identifying and addressing potential issues proactively.
- **Zero Tolerance:** Our holistic approach to food safety is called Zero Tolerance, underscoring the elevated standards we must always meet. Learn more on [page 15](#).
- **Leprino Quality Animal Care (LQAC):** Our robust program mandates that our milk suppliers and dairy farmers comply with world-leading animal care practices. Learn more on [page 18](#).

Formal aspects of the quality framework include a quality policy at both the company and facility levels. We also have standard procedures in place that address location-specific production-mix considerations. Each facility’s quality systems include complete assessment and control of all ingredient processes, sanitation and pathogen environmental controls, and distribution controls.

#### SHARED RESPONSIBILITY

Our quality culture is underpinned by the belief that quality is everyone’s responsibility. In addition to providing ongoing training to all employees, we empower them to take on improvement projects and set incentives for

meeting quality and food safety objectives. The Leprino Quality Continuous Improvement Program rewards exceptional quality by recognizing a Team of the Year at each location and an overall Company Team of the Year.

#### ONGOING ASSESSMENT AND IMPROVEMENT

Our food safety and quality systems have consistently demonstrated full compliance with customer and third-party standards such as the Safe Quality Food (SQF) Code. In addition, we regularly perform internal assessments to identify areas for improvement.

#### 2020–2021 HIGHLIGHTS

Quality is the highest weighted category in our World’s Best metrics. Despite the pandemic-related challenges, the company achieved outstanding performance in 2020 and 2021, exceeding our targets for key measures of quality and service.

As part of our Supply Chain Excellence strategy, we launched a number of projects and initiatives to strengthen quality with a focus on minimizing rework and better leveraging technology.

The LQCI Global Responsibility Team of the Year for 2020 and 2021 was the Greeley Water Reclamation Team.

The LQCI Productivity Team of the Year was the Allendale Processing Changeover Improvement Team.

## 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 nutritional products.

### MANAGING FOR FOOD SAFETY

As a longtime food safety advocate, Leprino Foods is committed to building knowledge, strengthening practices and reducing food safety risks across the dairy community. Our Zero Tolerance approach to food safety goes beyond compliance, guiding all aspects of our work through robust risk analysis and risk management. We ensure food safety is embedded in these areas of operations and management:

- **In our supply chain:** Our focus on food safety begins well before milk and other ingredients arrive at our plants. Our qualification and selection process for milk and critical ingredients covers each supplier's food safety program. Suppliers receive our supplier expectations, and we monitor performance through reviews, audits and inspections.
- **In our plants:** All facilities have comprehensive food safety plans to comply with the Food Safety Modernization Act, stringent food and safety regulations from the U.S. Food and Drug Administration (FDA), and facility and equipment guidance from the U.S. Department of Agriculture (USDA). We have been focused on simplifying and standardizing processes across our facilities, implementing best practices and better leveraging technology. Recent initiatives include an electronic master sanitation program and enhancements to our sanitation programs to improve information tracking and response. We deployed these programs at four plants and plan to roll them out to the rest of the plants over the next several years.
- **Leveraging advanced technologies:** Our genomics research center performs sophisticated genomic "fingerprinting" and analysis on ingredients from third-party suppliers and our products. Its testing capabilities enable us to gain insights into potential food safety issues.
- **Traceability:** The ability to track any food through all stages of production, processing and distribution is critical to food safety. Leprino Foods was one of the first dairy companies to commit to the voluntary Guidance for Dairy Product Enhanced Traceability, which is regularly updated to reflect FDA requirements and best practices, and our efforts substantially exceed the industry's minimum guidelines.
- **Monitoring our performance:** Overall performance is regularly monitored and benchmarked internally against our Zero Tolerance objectives and externally assessed through regulatory and customer audits. We had no critical findings from the USDA and FDA audits during the reporting period. We improved our customer audit scores, and seven of our plants received perfect scores either from customer or third-party audits.



### ADVANCING FOOD SAFETY ACROSS THE INDUSTRY

As a longtime food safety advocate, Leprino Foods is committed to strengthening practices and reducing risks across the dairy community. 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; however, the inherent risks involved demand a shared dedication to prevention and improvement.

Leprino Foods supports the dairy industry through financial investments and active participation in organizations and initiatives that help advance food safety practices and performance, including the Innovation Center for U.S. Dairy's Food Safety Committee and Listeria Research Consortium, the Food Safety Preventive Controls Alliance and the Scientific Advisory Committee of the National Conference on Interstate Milk Shipments.

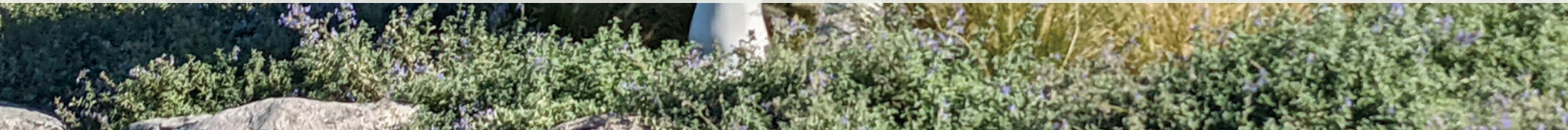




# Supply Chain Responsibility

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

AREAS OF FOCUS *Responsible Procurement and Animal Care in Our Dairy Supply*





## Responsible Procurement

We cultivate long-term, mutually beneficial supplier relationships based on shared values, high standards and a strong commitment to responsible and sustainable management practices.

### MANAGING AND SOURCING PROCUREMENT

A key aspect of our supply chain excellence strategies, responsible procurement is aligned with our Leprino Quality management system ([page 14](#)). We prioritize responsible sourcing and procurement efforts by considering strategic significance, spend and associated risks. Our milk supply is our highest priority. We focus on these key areas:

- **Supplier assessment and evaluation:** Supplier selection and verification follows our comprehensive policies and procedures. We manage relationships and expectations through our Supplier Code of Conduct. Critical areas of the assessment include quality and food safety and animal care ([page 18](#)) for our milk supply. We monitor performance through auditing and review of a supplier scorecard. In addition, improvement initiatives are underway to simplify our sourcing process, thus increasing efficiency for our suppliers and ourselves.
- **Integrating Global Responsibility:** Leprino Foods' scale of operations and position carries a level of influence that we take seriously. We are adding sustainability considerations in our request for proposals (RFP) and request for information (RFI) activities to understand supplier commitments to sustainability and weighted factors based on environmental aspects, such as fuel efficiency and GHG emissions.

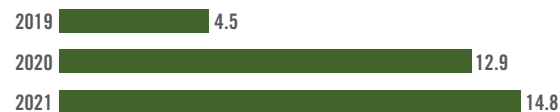
### SUPPORTING SUPPLIER DIVERSITY

To promote a more inclusive and equitable economy, we support small and diverse businesses across our direct and indirect supplier networks. Since we implemented our formal supplier diversity policy in 2018, efforts have focused on increasing awareness of our program, improving reporting and helping suppliers get certified. Our RFPs and RFIs include questions to identify vendors that meet the program criteria.

To evaluate our progress, we set annual targets for growth in spend with small and/or diverse suppliers. In 2020, the percentage of addressable spend with qualifying small and diverse supplier categories nearly tripled from 2019 and far exceeded our target. The percentage continued to grow in 2021.

### OUR PERFORMANCE

#### Percentage of Addressable Spend with Diverse Suppliers



### NAVIGATING CHALLENGES DURING THE PANDEMIC

Our procurement and logistics teams faced new obstacles in 2020 and 2021 while ensuring on-time delivery.

**Demonstrating dependability:** When many milk orders were being dropped at the start of the pandemic in the U.S., we maintained 100% of our purchase commitments and made sure the milk was used as demand shifted. For example, working with our milk partners, including Dairy Farmers of America, we found a home for 10 million pounds of block cheese in the international market

**Overcoming supply chain disruptions:** The combination of the COVID-19 pandemic, labor shortages, port congestion, increasing demands and trade issues led to a global supply chain crisis. The associated challenges have affected the delivery of key ingredients and supplies as well as the domestic and international distribution of our products. To ensure we continued to fulfill customers' orders, we implemented several initiatives to strengthen supply chain resiliency and increase global agility. For example, we have increased the number of secondary suppliers and launched projects to increase export efficiency and improve risk management.

## Animal Care in Our Dairy Supply

Leprino Foods and the dairy farmers with whom we partner care about and are committed to the health and welfare of dairy cows.

### ENSURING EXCELLENCE IN ANIMAL CARE

Healthy, comfortable cows that are well fed, maintained and cared for will always be the best and most productive source of milk. Leprino Foods and the great farmers we work with understand the benefit of humane animal care and the importance of upholding high standards in our dairy supply.

Since 2016, we have maintained our requirement for 100% of our U.S. milk supply to comply with the Leprino Quality Animal Care (LQAC) Program. The program mandates that all milk suppliers 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 a designated animal care program is required. Milk suppliers in the U.S. must be enrolled in the National Dairy FARM (Farmers is Assuring Responsible Management) 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 ([page 8](#)).
- 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 each employee's signed code of ethics upon program completion, reinforce the importance of animal care.

### 2020–2021 HIGHLIGHTS

While we made some adjustments in response to the pandemic, all our U.S. milk supply remained in compliance with the LQAC Program during the reporting period. To ensure safety, we shifted to virtual farm assessments. We also extended deadlines for corrective actions to address any identified non-conformances with program requirements in recognition of the challenging situation.

The 2020 launch of [FARM Animal Care Version 4](#) introduced updated animal welfare management guidelines in line with industry best practices.



LEPRINO QUALITY  
ANIMAL CARE

## 100% of our U.S. milk supply

IS ENROLLED IN THE NATIONAL DAIRY FARM PROGRAM AND IS IN FULL COMPLIANCE WITH THE LEPRINO QUALITY ANIMAL CARE PROGRAM







# Our People

Our commitment to ensure employee health and safety, while we promote an energized, empowered and engaged workforce

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AREAS OF FOCUS *Health and Safety and Employee Engagement*

## Health and Safety

Ensuring the health, safety and well-being of our employees is a fundamental responsibility. The Leprino culture we foster emphasizes employee welfare, 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.

### ACHIEVING WORLD-CLASS SAFETY

The strength of our culture of safety was tested during these challenging two years, and our team members succeeded in not only keeping operations safe but also advancing our safety performance.

Our health and safety system is designed to create a workplace atmosphere of safety. Our rigorous safety management framework involves ongoing risk assessments, prevention and mitigation and emergency planning. Critical aspects of safety include detailed procedures on safe work methods, design of equipment and facilities for safety, robust process monitoring for reliability, and emergency response planning. The integration of companywide programs like Preventing Problems Before They Happen ([page 14](#)) reinforces the prevention mindset across all areas of our operations.

Dedicated safety professionals support each location, and they coordinate with the corporate Safety Team to promote knowledge sharing and drive consistent best practices across the organization. The Leadership Team regularly reviews safety progress and policies while addressing key strategic issues related to health and safety risks.

### EMPLOYEE INVOLVEMENT AND ENGAGEMENT

We believe safety is everyone's responsibility; it's a part of our "own it" mentality. Active employee engagement occurs through ongoing training, daily pre-shift meetings and companywide meetings. All facilities have established safety teams, and nearly all plants have safety teams in every department.

Everyone at every location has the opportunity to participate in the safety process and safety-related discussions. At our annual safety meetings at all locations, we encourage employees to sign an annual pledge to make a personal commitment to improve safety for themselves and co-workers striving to eliminate all injuries.

### MEASUREMENT AND ASSESSMENT

Employees, teams, managers and senior leadership regularly review Leprino Foods' safety performance and identify opportunities for needed improvements. Leading and lagging indicators and the review of injuries and corrective and preventive actions provide valuable feedback on how well we are managing health and safety risks. The use of safety scorecards, goals and incentives keeps the focus on prevention and shared progress.

We conduct site visits and annual reviews to evaluate the effectiveness of our approaches. The MAPP (maturity and progression path) assessments help us gauge the quality and maturity of the safety programs at each location.

### REWARDING SAFETY

Leprino Foods' recognition and rewards programs spotlight teams and employees who champion safety at their locations. The following examples highlight two safety advocates:

- Scott Conant, Tracy plant manager, received the Leprino Foods President's Award for leading transformational change by engaging employees in improved processes and production resulting in improved safety.
- Ron Furtoss, Waverly plant safety leader, received the Gina Award for Leadership for his relentless passion for safety and championing the importance of safety.





Our robust health and safety system and strong collaboration among departments enabled us to respond proactively and comprehensively to the pandemic. Learn more on [page 9](#).

#### 2020-2021 HIGHLIGHTS

As these highlights exemplify, our employees are committed to continuous improvement.

**Fundamental Five Program** ▶ This program was first developed as a corporate standard to communicate essential behaviors for performing functions safely. Teams at Waverly and Lemoore East refined it to better support the customized practices at their locations. The improvements have since been adopted at the other plants.

**Shining a light on safety** ▶ We added new policies to ensure safety for forklift operations and accident prevention by adding visual cues for advanced warnings.

**Presence of Safety Program** ▶ Our plants created an online tool to enable anyone to submit a safety suggestion or work order by scanning a QR code posted in the plants.

**Focusing on ergonomics** ▶ The Operations and Technical Services teams worked together to increase production rates and volume while improving ergonomic safety.

**Targeting early intervention** ▶ An initiative at Fort Morgan focused on medical interventions for potential workplace-related musculoskeletal disorders helped the plant achieve a more than 70% reduction in injuries since the program's inception in 2020. The program evaluates risk and adapts work methods to prevent injuries. An athletic trainer works with personnel to ensure ergonomic problems are prevented before they happen. The program's impressive results led to its deployment at other locations.

#### OUR PERFORMANCE

Despite the challenges of the past two years, our workforce continued to improve our safety performance. In 2021, we attained the lowest injury rate since 2017, and our lost-time injury rate was close to being our lowest ever.

#### KEY 2021 SAFETY ACHIEVEMENTS

**8** LOCATIONS  
IMPROVED INJURY  
RATES BETWEEN  
2020 AND 2021

**8** LOCATIONS  
PERFORMED BETTER  
THAN THE SECTOR  
AVERAGE

**6** LOCATIONS  
PERFORMED WITHIN  
THE TOP QUARTILE  
FOR OUR SECTOR

In 2021, our Occupational Safety and Health Administration (OSHA) recordable incident rate achieved top-quartile performance within the dairy products manufacturing sector. Our 2021 DART (days of restricted work activity or job transfer) rate was above our target and remained well below industry average. Both rates improved in 2021.

#### SAFETY GOAL ACHIEVE PERFORMANCE IN THE TOP QUARTILE OF THE DAIRY PRODUCTS MANUFACTURING INDUSTRY SECTOR AND INDUSTRY AVERAGE\*

##### OSHA Recordable Incident Rate

Fiscal Year	Recordable Incident Rate	Top Quartile Goal*
2017	2.0	2.2
2018	2.4	2.4
2019	3.1	2.1
2020	2.43	2.1
2021	2.32	2.1

##### DART Rate

Fiscal Year	DART	Industry Average
2017	1.4	3.4
2018	1.8	3.4
2019	2.1	3.2
2020	2.26	3.0
2021	1.84	3.2

\*Top Quartile Goal and Industry Average: We compare our fiscal-year performance with the latest available annual data from OSHA for the top quartile and average of the dairy products manufacturing industry sector. The values listed for our 2020 and 2021 fiscal years correspond with the OSHA reports for calendar years 2019 and 2020, respectively. Industry values reported reflect weighted calculations based on location sizes.



Learn more about the ways the company and our employees, especially those working at our plants, went above and beyond to ensure operations continued safely and effectively on [page 9](#).



# 89%

EMPLOYEE  
PARTICIPATION  
IN THE WELLNESS  
PROGRAM

•H100•

2021 Winner

Recognized as one of the Healthiest 100 Workplaces in America (#59) for our demonstrated commitment to employee health and wellbeing

## PROMOTING EMPLOYEE WELLNESS

Our Total Wellbeing strategy helps promote healthy lifestyles for our employees. Our holistic approach, which focuses on education and the benefits of physical, social, mental and financial health, encourages and rewards healthy practices and behaviors.

Our integrated efforts help support employees through lifecycle events as well as contribute to increases in morale, productivity and overall employee satisfaction. They also help maintain cost-effective programs for both Leprino and employees where they share the cost.

We promote wellness through a variety of voluntary initiatives and programs:

- A convenient way for employees to manage their healthcare needs with Rally—our online app to help employees track their health activities and actions through a one-stop online resource
- Reward opportunities for a range of activities such as participation in on-site biometric screening; completion of a health survey or preventive exam; participation in a maternity support, coaching or weight loss program; or receiving a COVID-19 vaccination or booster
- A range of tools and resources to support mental health (see sidebar)
- Health and wellness teams at every location, which coordinate and promote initiatives such as neighborhood walks, healthy snacks and meals, and weight loss and fitness challenges
- Reimbursement of registration fees for various athletic races, classes and similar activities
- Nutritious menu options in our cafeterias and break areas

In addition, through their voluntary participation in designated initiatives, employees can earn money on an annual basis towards their health reimbursement account (HRA) or health savings account (HSA) if participating in any of our medical plans. This contribution is in addition to the company seed ranging from \$350 to \$700.



## SUPPORT FOR MENTAL WELL-BEING

We saw a need for enhancing support for employee mental health and providing resources to assist with day-to-day pressures of work, family matters and other issues. To provide the right support at the right time, we promoted the following tools:

- Calm app to relax, improve sleep and decrease stress or boost happiness
- Sanvello, on-demand mobile experience to help with symptoms of stress, anxiety and depression
- Virtual visits through liveandworkwell.com
- Talkspace, a flexible counseling option that includes video appointments and unlimited text messaging
- Substance use treatment hotline

## Employee Engagement

Our employees are the reason for our continued success, driving us to be an employer of choice and helping turn our team members' passion into impact.

### Culture Statement

*Our culture is driven by our people and a shared ownership mentality to be the best at what we do. We act with urgency, adaptability and a sense of purpose. We collaborate through conscious inclusion and demonstration of mutual trust and respect, rooted in a passion for our work and each other.*

### ENGAGING AND DEVELOPING OUR PEOPLE

Our employees are committed to Leprino Foods' purpose to feed and nourish families around the world. We maintain a high-performing organization through a culture of engagement, inclusion, development and recognition. Engaging and developing our people is one of our five strategic business priorities and supports the success of the other four.

Our integrated How to Win strategies are aimed at creating positive experiences throughout the employee lifecycle. They focus on attracting the best talent, developing employees throughout their careers, and creating a workplace that embraces inclusion by celebrating diverse perspectives and experiences.

### ATTRACTING THE BEST TALENT

We seek to attract, recruit and hire top talent to join our team for the long run.

To give prospective and current employees a genuine sense of who we are at Leprino Foods, our employees helped create the company's employee value proposition (EVP), or employment brand. We refreshed the EVP in 2021 to ensure we remain competitive with our programs and benefits that support healthy and enriching long-term careers at Leprino Foods.

To attract the best, we pursue multiple outreach and recruitment channels. Our robust employee referral program, which offers higher bonuses for hard-to-fill positions, has been highly successful in recruiting strong candidates and increasing retention in a challenging job market.



### TOTAL REWARDS EMPLOYEE PACKAGE

We share in our success by rewarding our team members for their hard work. Our comprehensive total rewards package reflects the long-term investment we make in retaining our employees.

- Profit sharing
- Incentive plans
- Employee-selected health insurance
- Parental leave and adoption assistance
- Retirement savings with company matching program
- Educational assistance
- Paid time off
- Health and wellness programs
- Employee sales offering with product discounts



## SUPPORTING LEARNING AND DEVELOPMENT

Leprino Foods invests in bringing out the best in our people. We approach employee development holistically, creating multiple pathways for employee learning, growth and career advancement.

We offer various programs that help employees throughout their careers reach their potential:

- Leprino University
- Future People Leader Program
- Introduction for Leprino Management Course
- Choose to LEAD Program for mid-level managers and supervisors
- Core Leader College Program for directors and above
- Mind-to-Mind Mentoring

In response to the COVID-19 pandemic, we quickly shifted to online learning formats. This change increased the availability of opportunities for training; therefore, we now offer a hybrid approach, which includes both in-person and online development opportunities.

Our mentorship program, which has grown over the years, provides another pathway for ongoing employee development and relationship building. In 2020 and 2021, 42 mentors were paired with employees.

Other learning and development opportunities occur between employees and supervisors through career path coaching and succession planning through our Build The Organization Planning (BTOP). This enables managers to assess organizational capabilities and to identify and address gaps between current and needed abilities.

## BRINGING OUT THE BEST

To foster employee engagement and retention, we focus on cultivating positive experiences throughout each employee's career with us. We gather employee feedback through both dialogue and more formal channels to better understand their perceptions, assess the effectiveness of our efforts and identify opportunities where we can do better. We conduct our Leprino Voice survey every other year to measure employee engagement and use pulse surveys in between to evaluate employees' experience and assess progress against our action plans.

### REWARDS AND RECOGNITION

Our rewards and recognition programs align with our company strategy and culture, reinforcing what matters most for our collective success. We recognize outstanding effort through company-wide communications and support peer-to-peer recognition.

**Gina Awards:** Leprino Foods has recognized the outstanding performance of employees since 1969. Recognition is given to those employees who have contributed to the achievement of our vision and goals in 11 categories.

**Mike Leprino Sr. Awards:** Created in honor of the company's founder, this annual award honors awardees at each location; the 2020 and 2021 award recipients are featured on the location highlights beginning on [page 40](#).

## OUR PERFORMANCE

We monitor various measures, such as retention, turnover, employee referrals and employee engagement, to understand our progress on attracting, developing, engaging and retaining our people.

### EMPLOYEE ENGAGEMENT

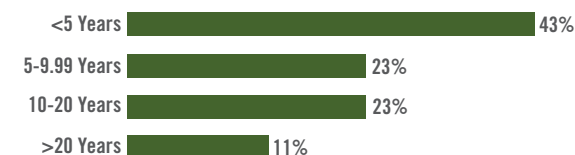
Overall employee engagement increased by 4 points to 75% in 2020, a result that meets our world's best target for employees being satisfied or highly satisfied at work.

### EMPLOYEE RETENTION

At Leprino Foods, we are proud that so many employees choose to build long careers with our company. In 2021, 34% of our workforce had 10 or more years of service—an important indicator of employee satisfaction and engagement.

#### Employee Retention

*(Percentage of employees by years of employment, at end of fiscal year 2021)*





### Diversity and Inclusion Commitment

*We're committed to creating an inclusive and supportive culture that leverages the unique talents of all our employees to further foster our company's vision, mission and core values. By leveraging the diverse experiences, backgrounds and perspectives of our employees, we realize a competitive position in today's ever-changing environment. Through key focus areas of growing self-awareness, advancing our organization and impacting our communities, our employees can reach their full potential at Leprino Foods.*

### 2020–2021 BETTER TOGETHER HIGHLIGHTS

- ✓ Launched Better Together Champion Program: Employees across the company have participated in this new program, which offers an extensive diversity and inclusion curriculum through Leprino University. It incorporates inclusive leadership training, online modules in LinkedIn Learning, self-reflection exercises and workshops.
- ✓ Organized monthly cultural celebrations
- ✓ Launched officer speaker series
- ✓ Created an online library of resources accessible to all employees
- ✓ Hosted four roundtables to hear directly from our employees
- ✓ Continued focus on supporting women through professional development, training and corporate membership with Women in Manufacturing (WiM)

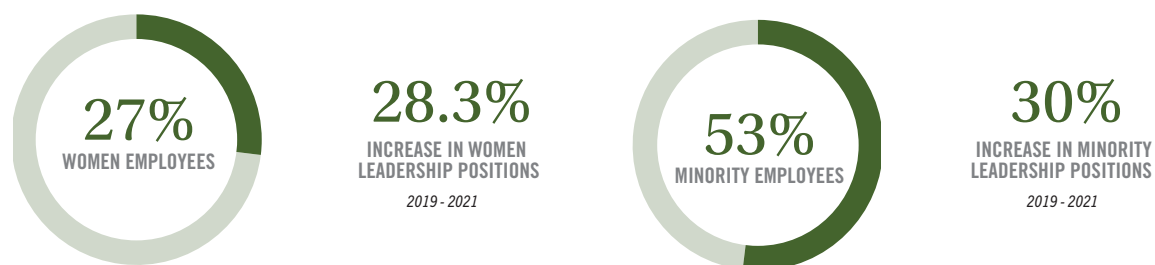
### BETTER TOGETHER: STRENGTHENING DIVERSITY AND INCLUSION

Leprino Foods has a longstanding commitment to ensuring our culture supports our employees' diverse perspectives, experiences and backgrounds. Driving diversity and inclusion (D&I) is one of five key strategies supporting our Engage and Develop Our People business priority. We have focused on strengthening and formalizing our approaches to integrate best practices more fully throughout our organization:

- **Better Together initiatives:** Our programs help increase self-awareness for our employees; promote leading by example; and ensure equitable systems and processes that impact recruitment, performance reviews and promotions. We also encourage diversity and inclusion outside of Leprino Foods by cultivating intentional relationships with organizations supporting underrepresented communities as demonstrated through our Supplier Diversity Program, described on [page 17](#).
- **Measurement and evaluation:** We assess progress through qualitative and quantitative measures and report performance on our D&I Scorecard. Questions on our employee surveys assess employee perceptions of diversity, inclusion and sense of belonging. Feedback specific to diversity and inclusion practices also has been incorporated into our 360-degree assessment to help managers understand and assess their own inclusive leadership practices.

### OUR PERFORMANCE

We review a range of measures for diversity such as gender, race and ethnicity, age, and tenure ([page 24](#)), along with indicators of an inclusive culture. We also assess employee perceptions of diversity, inclusion and sense of belonging through our employee engagement surveys and other input. In 2020, 78% of survey responses were favorable for perceptions of diversity, inclusion and sense of belonging.



**Note:** The average for female representation in the dairy product manufacturing sector is close to 30%. Although our percentage is close to this value, we are not satisfied with the gender gap in the industry. We have a number of dedicated programs and initiatives aimed at attracting, engaging and supporting women throughout their careers at Leprino Foods.



# Environmental Responsibility

Our commitment to bold climate action and the responsible use of natural resources

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AREAS OF FOCUS *Environmental Compliance, Energy, GHG Emissions and Water*



## Environmental Management

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

### MANAGEMENT APPROACH

Our environmental management system (EMS) emphasizes compliance, conservation and continual improvement driven by employee engagement and ongoing integration of best practices and new technologies. The EMS includes companywide and location-specific policies, standard procedures, performance measurement and audit processes.

Environmental stewardship is a team effort at Leprino Foods, engaging everyone across our organization. For example, engineers in Technical Services regularly work cross-functionally with Plant Sanitation, Utilities Management and Environmental Management teams to investigate specific projects at each location. Our team approach also includes third-party expert energy assessments to help identify ways we can save energy, resources and costs and to inform the development of plant-specific project portfolios. We often pilot projects at one plant to learn and make adjustments before pursuing broader implementation at our other plants.

Other aspects of our approach include:

- **Measurement and goal setting:** Regular monitoring of performance metrics and setting companywide and location-specific goals keeps the attention on improvement. Our Climate Action Trail Map, launched in 2021 and described on the following page, unifies and drives efforts across the company to improve our environmental footprint.
- **Employee engagement:** Everyone has a role to play in upholding our commitment to the environment. Resource Conservation Teams at our plants and in our corporate office work to foster grassroots solutions for saving resources. Led by team champions, these passion-driven employees raise awareness about resource-smart behaviors and engage co-workers in finding low- and no-cost ways to save energy, water and other resources and to reduce waste.
- **Recognition:** We celebrate the accomplishments of individual employees, teams and plants through our recognition program ([page 24](#)).



### PARTICIPATION IN STATE PROGRAMS

Both our Greeley and Fort Morgan plants participate in the Colorado Department of Public Health and Environment's Environmental Leadership Program (ELP). The program has recognized company leadership at three progressive tiers in environmental stewardship for voluntarily going beyond compliance with state and federal regulations and for their commitment to continual environmental improvement.

- Greeley achieved Gold Leader status in 2017 and received the 24-Karat Gold Award in 2019.
- Fort Morgan achieved Silver Partner status in 2021.

The ELP is transitioning to the Colorado Green Business Network to further promote collaboration and drive operational sustainability across companies in Colorado. As this program transition is made, Leprino Foods will continue to be an active partner in the network.



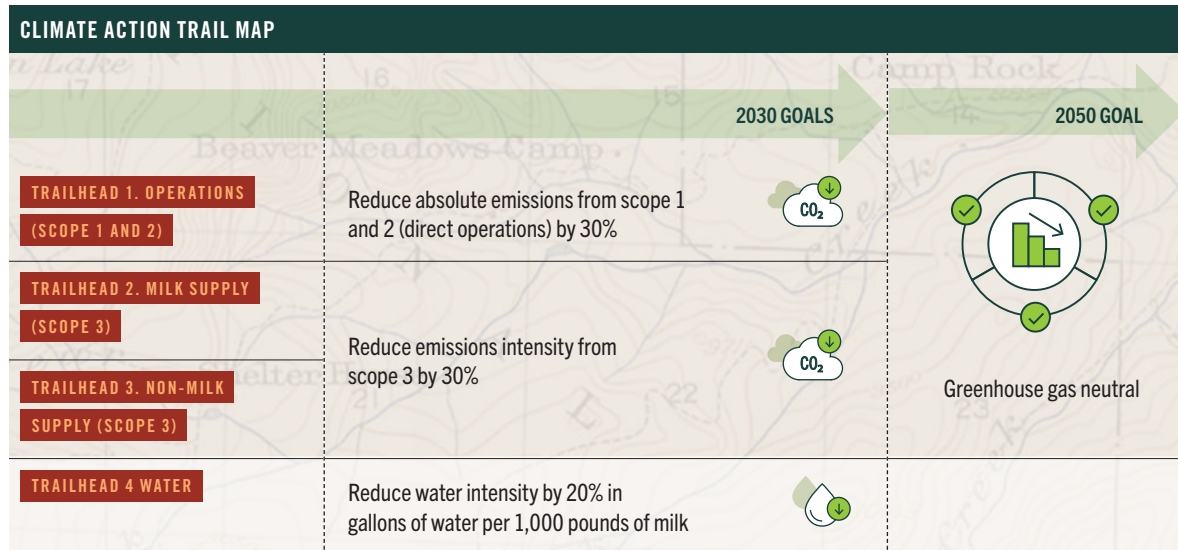
## Climate Action

On Earth Day 2021, we announced our Climate Action commitment, which establishes our Trail Map for achieving greenhouse gas neutrality by 2050 and solidifies our pledge to be responsible water stewards.

Delivering on our climate action commitments is one of our How to Thrive GR strategies. Our goals align with those of the U.S. dairy industry and global dairy sector, reinforcing our belief that our company along with the dairy community has a crucial role to play in reducing environmental impacts and promoting sustainable food systems.

### FOUR TRAILHEADS: SHARED DESTINATION

We understand the uphill effort required to get to GHG neutrality and are committed to the journey. Our comprehensive Climate Action Trail Map lays out four key pathways, which we refer to as trailheads, to address the three main contributors of GHG emissions in our value chain and to strengthen water stewardship. These trailheads will guide us in turning our ambitions into actions and measurable results, as described in the following subsections.

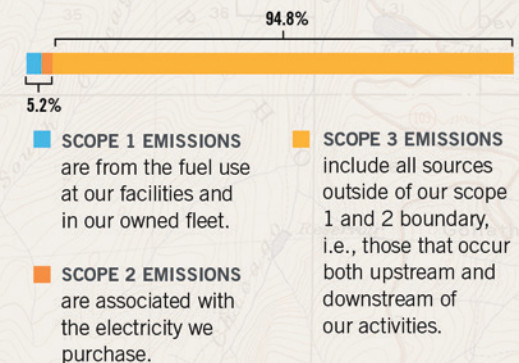


### JOINING LEADING COMPANIES IN GLOBAL CLIMATE INITIATIVE

Leprino Foods Company was among the first dairy companies to support the new [Pathways to Dairy NetZero](#) climate initiative. Coordinated by the Global Dairy Platform, the effort aims to accelerate climate change action to reduce GHG emissions across the global dairy sector, while continuing to produce nutritious foods for 6 billion people and provide for the livelihoods of 1 billion people. When the initiative launched during Climate Week in September 2021, it was backed by organizations representing approximately 30% of total milk production worldwide.

### LEPRINO FOODS CARBON FOOTPRINT

The company completed a full carbon footprint in 2020, building upon our previous scope 1 and 2 emissions reporting. Scope 3 emissions make up most of our total carbon footprint.



**TRAILHEAD 1. OPERATIONS****(SCOPE 1 AND 2)**

Our strategies for reducing the GHG emissions associated with our direct operations build on the energy-saving approaches we've long pursued, while increasing attention on larger scale projects and the transition to cleaner sources of energy. A range of companywide initiatives, plant-specific projects and activities led by Resource Conservation Teams help us deliver reduction.

**INCREASING ENERGY EFFICIENCY**

We are investing \$50 million by 2025 in projects to optimize plant operations and lower energy use.

- Work started under our Drive to '25 operations goals continue to be implemented.
- Third-party expert energy assessments help us identify ways we can save energy and costs and inform the development of plant-specific portfolios of small to large projects.
- Heat recovery systems at our plants make the most of available energy. We are targeting the capture and use of heat from sources, such as stack gases and wastewater, to heat other equipment.
- Lighting projects such as converting to LEDs and installing motion sensors deliver sizable energy reductions and cost savings companywide.
- Employee engagement, including education about resource-smart behaviors, increases awareness and helps build strong conservation-minded habits.

**GOALS FOR OPERATIONS (SCOPE 1 AND 2)****2030 GOAL**

**REDUCE ABSOLUTE EMISSIONS  
FROM SCOPE 1 AND 2 (DIRECT  
OPERATIONS) BY 30%**  
FROM A 2020 BASELINE

**2050 GOAL**

**GREENHOUSE  
GAS NEUTRAL**

**TRANSITIONING TO LOWER-CARBON  
SOURCES OF ENERGY**

On-site energy generation provides an important pathway to lower our carbon footprint.

- We are investing in on-site solar at our plants. In 2021, work began on a 10-megawatt solar project at our Lemoore West facility. We are planning additional systems and considering ways to expand capacity through solar parking canopies and floating solar systems at water treatment plants.
- Building on past large-scale projects such as combined heat and power (CHP) at Greeley and anaerobic digesters, we are investigating new technologies that can help us achieve our reduction targets.



Learn more about our environmental stewardship efforts in the GR in Action section beginning on page 40.



## A CLOSER LOOK

## Pursuing Opportunities Across Plant Operations

Our Utility Management, Engineering and Technical Services teams put their expertise to work across our plant operations. While many of the projects undertaken are technically complex, their benefits are easy to understand: reductions in environmental impacts, cost savings and improvements in system performance.

We are pursuing multiple strategies across our plants to achieve our scope 1 and 2 emissions and water goals. Projects are further supported by the promotion of resource-smart mindsets and behaviors that empower everyone to contribute.

## STRIVING FOR ZERO WASTE

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

# 99+%

DIVERSION RATE  
AT OUR PLANTS



### Energy efficiency projects

Optimization of equipment and processes maximizes energy and water efficiency, while improving overall system performance.

- ✓ LED lighting conversions continue to be implemented.
- ✓ Projects include conversion of pumps/blowers to variable frequency drives (VFD), installation of high-efficiency air compressor systems, and optimization of ammonia-based refrigeration and clean-in-place (CIP) systems.\*
- ✓ Waste heat recovery systems make the most of available energy by capturing and reusing heat from sources such as plant equipment and wastewater. Target areas include boiler stack economizer and NH3 (ammonia) heat pump for process preheating.



### On-site solar farm installation

In 2021, Leprino began work on a 10-megawatt solar project at one of the facilities in Lemoore, California. The electricity will contribute approximately 10% of the plant's annual energy needs.



### Lower-emission systems

Large-scale projects such as combined heat and power (CHP) systems and an anaerobic digester have decreased GHG emissions.



### Water capture and reuse

Water capture and reuse reduces the withdrawal of municipal water. We are targeting opportunities to maximize water recovery and reuse and to increase water storage capacity at our plants.

- ✓ COW water: The reuse of the water we recover from raw milk—called COW (condensate of whey) water—plays a major role in our conservation efforts.
- ✓ Boiler condensate recovery: Condensed water in boiler systems is captured for reuse within plant processes.
- ✓ Wastewater treatment plant effluent: Use of treated water for agricultural irrigation and other applications offsets water withdrawals.

\*Notes: Clean-in-place involves automated cleaning of the interior surfaces of equipment and components without dismantling the system.





## SCOPE 3 STRATEGIES

Scope 3 emissions, or value chain emissions, represent nearly 95% of our carbon footprint. They include all sources beyond our scopes 1 and 2 boundary, i.e., those that occur both upstream and downstream of our activities.

In 2020, we worked with a sustainability firm to conduct a full GHG inventory to understand sources of emissions beyond our direct operations and to establish a baseline for goal setting. We then developed targeted strategies in 2021 to address the scope 3 sources that contribute the most to our footprint: Trailhead 2 (Milk Supply) and Trailhead 3 (Non-Milk Supply).

Collaboration is a key aspect of both strategies. In 2021, we started design of a supplier pledge program to engage with partners across our supply chain on collective climate action. Implementation of the program will start in 2022.

## SCOPE 3 GOALS

2030 GOAL



REDUCE EMISSION  
INTENSITY FROM  
SCOPE 3 BY 30%  
FROM A 2020 BASELINE

2050 GOAL



GREENHOUSE  
GAS NEUTRAL

## TRAILHEAD 2. MILK SUPPLY

We are partnering with our milk suppliers to encourage and support emissions reductions and increases in carbon sequestration. On-farm opportunities, which cover the different sources of GHG emissions, include:

- Feed production and agricultural practice changes and initiatives to increase productivity, improve soil health, reduce runoff and increase soil carbon stocks
- Reduction of enteric methane emissions from dairy cows through approaches such as feed additives and optimization of feed rations
- Manure handling and nutrient management, including the use of anaerobic digesters to capture methane from manure, which is used to generate renewable energy while producing nutrients to fertilize cropland and material for bedding
- On-farm energy efficiency and renewable energy projects

## TRAILHEAD 3. NON-MILK SUPPLY



## FY2021 GOAL

98% OF CARRIER MILES TO  
BE SMARTWAY CERTIFIED

92% OF FULL TRUCKLOAD  
CARRIER MILES AND  
83% OF RAIL CARRIER  
MILES WERE CERTIFIED  
AT THE END OF FY21

96.4% OF FULL  
TRUCKLOAD CARRIER  
MILES WERE CERTIFIED  
AT THE END OF FY20

Two key areas with significant opportunities for improvement are packaging and upstream and downstream transportation and distribution. We are engaging with our suppliers, service providers and customers to develop solutions that support our shared objectives.

- **Transportation:** Our teams work to optimize modes of transportation to meet customer delivery requirements while reducing costs and environmental impacts. Our management process for over-the-road and rail carriers supports participation in the U.S. Environmental Protection Agency's SmartWay program, which enhances our ability to measure fuel efficiency on contract transportation providers.
- **Packaging:** We collaborate with our customers and packaging suppliers to optimize the use of packaging materials. We are assessing our current packaging inventory, investigating materials and packaging innovations with our partners, customers and industry peers.



## A CLOSER LOOK

## Leading with Sustainability in Lubbock

Lubbock, Texas, is the site for Leprino Foods' latest state-of-the-art facility. This next step in our growth presents an exciting opportunity to combine our unrelenting drive for excellence with leading practices and innovative technology to design and build our most sustainable plant to date. It will also challenge us to meet our climate action goals to achieve greenhouse gas neutrality and reduce water use, while we expand the operational footprint of our business.

Leprino Foods is investing more than \$1 billion in the facility to ensure we get it right. We will leverage cross-functional expertise in quality and food safety, occupational health and safety, operational excellence and environmental stewardship throughout planning and implementation.

The plant will be designed and built from the ground up with sustainability in mind to achieve a high-performing building and production processes with reduced carbon and water footprints.

### Planned features include:

- Application of leading green building standards
- Advanced LED lighting and sensors
- High-efficiency equipment and building systems
- Smart controllers on refrigeration systems to reduce electrical load
- Optimization of waste heat recovery and reuse to reduce fuel consumption



- Utilization of anaerobic treatment and biogas generation
- Water capture and reuse throughout the facility to reduce the withdrawal of municipal water and return more water to Lubbock for beneficial reuse

### Engagement with Lubbock community stakeholders:

Team members met with local elected officials, city staff, school districts, Texas Tech University, utility companies and dairy producers to identify potential areas of collaboration, sharing and learning.

We also held multiple virtual meetings on topics within our Global Responsibility priorities and hosted a daylong sustainability collaboration session in support of our efforts to make the Lubbock facility the most sustainable factory in our network.

### SITE SELECTION TEAM SPOTLIGHT

The search to identify the right location for our new facility was no small task: One might say it was a Texas-sized endeavor. The collaboration and successful results of the cross-functional site selection team earned its members a 2021 Gina Award in the team category. The group led an extensive search across 30 sites in Texas and Michigan over more than two years—to ultimately identify Lubbock, Texas, as the home for our new plant.

The team members are Melissa Bischoff, Josh Chun, Joe Herrud, Chad Hilsendager, Colleen Kershnik, Erik Nielsen, Steve Schmidt and Adam Wylie.

### ABOUT OUR LUBBOCK FACILITY

- 850,000-square-foot manufacturing facility on 258 acres
- 600 full-time positions once the facility is fully operational
- Processing capacity just under 1 million pounds of cheese daily when fully operational



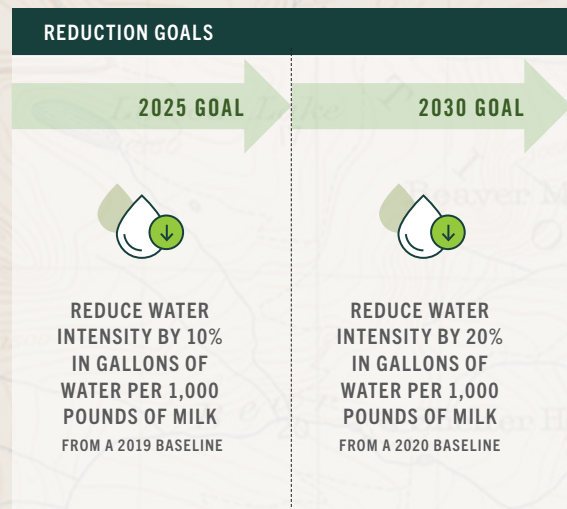
## Water

We all rely on water. Our dedication to the conservation, protection and renewal of shared water resources spans our operational and supply chain activities.

### TRAILHEAD 4. OUR APPROACH TO

### SUSTAINABLE WATER STEWARDSHIP

We strive to use water wisely and ensure the quality of the water we return for beneficial reuse. Limited water availability and water stress in some of the areas where we operate, such as California and New Mexico, provide strong impetus for finding innovative solutions. Furthermore, climate change adds complexity—from changing precipitation patterns to increasing the risks of drought. These interconnections led us to add a water-specific trailhead to our Climate Action Trail Map.



### KEY STRATEGIES

Across our plants, we have been implementing water-saving methods for years and continue to investigate pioneering ways to reduce our use without sacrificing quality or safety. Leprino Foods also invests significant resources in ensuring effluents, the outflow of treated water released for beneficial reuse, meets stringent permit standards. Our integrated strategies work together to reduce our water footprint.

- **Water conservation:** Each location is at work to increase water efficiency through a range of projects, including enhancements to metering, monitoring and reporting systems to enable faster identification and resolution of issues. Passion-driven employees on Resource Conservation Teams at each location educate their colleagues and promote behaviors and practices that save water.
- **Water capture and reuse:** We continue to investigate and implement innovative approaches for water capture, storage and reuse at our plants. The water extracted from milk is a significant supplemental source of water for plant processes. Maximizing the amount of water captured from milk and other production processes enables us to return more water than we withdraw from municipal and other sources.
- **Getting to zero:** A long-term ambition is a plant that achieves near zero water withdrawal by fully reusing all the COW water available. In 2020, after years of effort, we reached a major milestone by receiving approval from the California Department of Food and Agriculture for full reuse of water purified on site.

### WATER AS SHARED RESOURCE



THE NET AMOUNT OF WATER RETURNED TO LOCAL COMMUNITIES EACH DAY IS ENOUGH FOR ~2.4M HOUSEHOLDS\*



5 FACILITIES SUPPLY WATER TO NEARBY RIVERS



3 FACILITIES SUPPLY IRRIGATION WATER FOR NEARBY FARMLAND

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



Refer to the Pursuing Opportunities Across Plant Operations highlight on page 30 to learn more.



## A CLOSER LOOK

## Recognition for Fort Morgan's Environmental Efforts

The U.S. EPA Region 8 recognized our Fort Morgan plant along with three other Colorado companies as winners of the 2021 Regional Pollution Prevention (P2) Award Program. The award acknowledges demonstrated leadership and commitment to practices that reduce, eliminate or prevent pollution at its source, helping protect human health and the environment.

Fort Morgan installed modern equipment and implemented a cleaning system and production process improvements to eliminate waste brine generation and minimize generation of process-cleaning water. Actions at the plant have an annual cost savings of almost \$209,000, save close to 4 million gallons of water annually and have lowered the plant's greenhouse gas emissions.

## OUR PERFORMANCE

We report intensity metrics for energy, GHG emissions and water using 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. Investments in conservation and efficiency projects at all locations and targeted large-scale projects over the years are delivering results that will support our climate action commitments.

- From 2017 to 2021, GHG emissions intensity for direct operations (scopes 1 and 2) decreased by more than 20%, resulting from increases in energy efficient equipment, the greening of the grid, the use of lower-emission fuels and the generation of on-site energy. The 2021 result represents a 1.5% decrease from 2020.
- Absolute GHG emissions have decreased more than 3% since 2015. Although absolute emissions in 2021 increased by 2% from the 2020 baseline for our new reduction goals, we expect to see the start of a downward trend beginning in 2022, driven by the solar installation and other projects in planning and already launched.
- Water intensity in 2021 decreased 7% from 2020, demonstrating strong progress toward our reduction goals. The 2021 result is lower than the value first reported in 2013 and 7% lower than in 2017.

### Energy Intensity

MMBtu per 1,000 lbs. of milk processed

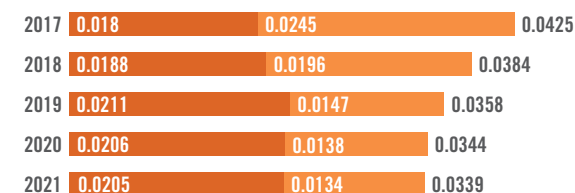


**2.8%** REDUCTION IN TOTAL ENERGY INTENSITY FROM 2017-2021

**Note:** Direct energy includes natural gas and other fuels; indirect energy represents purchased electricity.

### GHG Emissions Intensity

MTCO<sub>2</sub>e per 1,000 lbs. of milk processed



**20.3%** REDUCTION IN TOTAL EMISSIONS INTENSITY FROM 2017-2021

**Notes:** Scope 2 values previously reported have been revised based on eGRID data update for 2020 revised in January 2022.

### Water Intensity

Gallons per 1,000 lbs. of milk processed



**7%** REDUCTION IN TOTAL WATER INTENSITY FROM 2017-2021



Leprino Foods®  
COMPANY FOUNDATION

Pay to Order of Habitat For Humanity \$ 20,000.-  
Twenty Thousand dollars and 00/100 Dollars

*Mark Adkins*

Mark Adkins, Executive Director



## 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*



## COMMUNITY IMPACT

Leprino Foods Company has long been dedicated to supporting and advancing the communities to which we are connected.

### HELPING COMMUNITIES THRIVE

Our company, our employees and the Leprino Foods Company Foundation are committed to contributing to thriving communities and helping our neighbors in need. We work together to direct our time, talent and resources to make a positive difference.

One of our five Global Responsibility categories is to connect with and strengthen our communities. Our approach combines companywide efforts with employee-driven initiatives at each of our locations. Close coordination and collaboration with the Foundation helps amplify the positive impact of our contributions. Three key strategies to increase our impact have shaped the development of our community efforts:

- Embrace our important role in all our stakeholder communities
- Give and volunteer with intention, locally and globally, in our four pillars of support
- Maximize impact by connecting employee passions with community needs and by pursuing multiple points of support

### OUR COORDINATED APPROACH TO AMPLIFY OUR IMPACT

Employees are the driving force for our community involvement and giving. These combined efforts help us make lasting, meaningful impacts in our communities.

#### Companywide Support

Leprino Foods makes direct charitable contributions at the company level. The company also provides each location with an annual budget enabling them to determine the best ways to give back.

The GR Steering Team coordinates tracking and reporting of community support across the company.

#### Community Impact Teams

Dedicated employee volunteers, Community Impact Teams (CITs) at each of our locations lead by:

- ✓ Organizing location-sponsored events and activities to promote employee volunteerism and a spirit of giving
- ✓ Identifying, engaging with and supporting nonprofits with the Foundation's grant application process
- ✓ Serving as Leprino Foods ambassadors

#### Leprino Foods Company Foundation

The Foundation drives positive change in our communities through grants to nonprofit organizations that align with its pillars of support. The Foundation is a private nonprofit established in 2015 with a \$10 million commitment from the Leprino family.

The Foundation's coordination on grant making with the CITs at each location is a cornerstone of our community giving.

### Four pillars of support to help communities thrive

NUTRITION | EDUCATION | FITNESS | LOCAL NEEDS

### OUR PERFORMANCE

Over  
\$3M

DONATED BY THE LEPRINO FOODS COMPANY FOUNDATION TO NEARLY 160 NONPROFIT ORGANIZATIONS BETWEEN 2015 AND 2021

\$636,000

DONATED BY THE FOUNDATION IN 2020 TO MORE THAN 21 ORGANIZATIONS

16,873

EMPLOYEE VOLUNTEER HOURS LOGGED IN THE LEPRINOREACH VOLUNTEER PORTAL SINCE 2018

\$26,838

IN-KIND DONATIONS, INCLUDING EQUIPMENT, FURNITURE AND CLOTHING, MADE IN 2020 AND 2021



## COMMUNITY SUPPORT IN ACTION

During the pandemic we shortened the Leprino Foods Company Foundation grant-processing cycle to get funds to communities in need. The following examples highlight some of our efforts across our pillars of support for FY 2020 and 2021.

## NUTRITION

**23 grants totaling \$209,809**

Each of our locations donates cheese and nutrition products to food banks and other nonprofits, schools, and event organizers. Some have set up regularly scheduled product donations with local partners.

- ✓ In 2020 and 2021, Denver and our plants donated over 411,500 pounds of cheese to local food banks and community organizations.

## FITNESS

**5 grants totaling \$106,000**

In coordination with Foundation grants or location donations, CITs sponsor local youth sports activities. Our employees participate in races and events to raise money for charitable activities while helping instill a team spirit.

- ✓ Waverly donated \$10,000 to Friends of the Valley Playland to support rebuilding a playground, a project which began through grassroots community organizers 25 years ago. The plant also paid for the volunteer lunches during the construction project.

## EDUCATION

**24 grants totaling \$470,606**

Efforts range from volunteering and funding for early education programs and K-12 schools to supporting post-secondary academic institutions (see sidebar).

- ✓ The Foundation gave \$100,000 to the Denver Scholarship Foundation and \$56,250 to Denver North High School, which funded counselors working with recent graduates and other school needs.
- ✓ The Foundation gives approximately \$100,000 per year to a scholarship program for the children of our employees. In 2020 and 2021, 47 scholarships were awarded.

## LOCAL NEEDS

**17 grants totaling \$180,500**

We assist a range of organizations that serve the needs of community members and groups, promote social and environmental causes, and help solve local challenges. Efforts also target emergency support to those affected by natural disasters, wildfires, and other local crises.

- ✓ The Allendale CIT helped Love INC. receive a \$10,000 Foundation grant and hold a drive to collect donations for the diaper and food pantry. Employees donated approximately 5,000 items.

## SUPPORTING FUTURE DAIRY PROFESSIONALS

We support dairy industry education and careers through several partnerships and collaborations.

- Higher education partnerships and sponsorships, including endowed faculty teaching positions and funding for dairy science research at the following academic institutions: 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 | Texas Tech University | University of Wisconsin-Madison | Utah State University
- Academic scholarship funding through Leprino Foods Dairy Science FFA Scholarship
- Employee attendance at career fairs
- Internships at several of our locations



Ascent® Protein donated \$22,000 for Patriot PAWS, a nonprofit dedicated to training service dogs to support veterans [Learn more online.](#)





## Location Highlights: *GR in Action*

Allendale, Denver, Fort Morgan, Greeley, Lemoore East, Lemoore West, Remus, Roswell, Tracy and Waverly



## ALLENDALE, MI

OPERATIONS BEGAN IN 1989

279 EMPLOYEES



### Our Communities

#### SUPPORTING CHILDREN IN OUR COMMUNITIES

Organizations that improve the lives of children are favorite causes among our employees.

- Our plant joined other area companies in the 2021 Brand it Blue Initiative by hosting a drive to collect arts and crafts supplies, puzzles, games, slippers, lip balm and more for kids at Helen DeVos Children's Hospital who couldn't have visitors during the COVID-19 pandemic.
- Different shifts and departments competed in 2021 to see who could collect the most hats, gloves and coats for Allendale Elementary School to help keep children warm in the winter months.
- Our Community Impact Team (CIT) helped obtain a Leprino Foods Company Foundation grant for Kids' Food Basket in 2020 to aid their mission of increasing access to healthy food for children and families.



### MIKE LEPRINO SR. AWARD RECIPIENTS

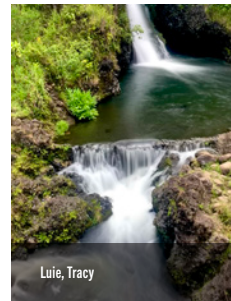
2020: Jared Venema

2021: Ramon Cotto



*"Participation in the Wellness Team Weight Loss Challenge last year was a way for me to step out of my comfort zone and interact with more people in the plant in a fun, competitive way."*

— Vivian "Rose" True, Maintenance Administrative Assistant



Luie, Tracy

### Our People

#### TAKING THE SCENIC ROUTE TO FITNESS

Our employees took a virtual walk across Michigan, visiting waterfalls along the way in a creative fitness challenge. We provided fitness trackers to employees who needed them. Employees logged their steps, and we tracked our combined progress on a route across Michigan. Displays highlighted waterfalls we "passed," and walkers won prizes as they hit milestones.

### Our People

#### IMPROVING THE LIVES OF OUR EMPLOYEES

While the COVID-19 pandemic forced us to adjust how we interacted as a team, we continued to find ways to support each other.

- When we had to cancel our 2020 company picnic, we encouraged people to have a game night with their families. We gave employees pizza gift cards and board games.
- In the summer of 2021, we brought in a shaved ice truck so everyone could get outside to walk around, take a break and enjoy a cold treat.
- As part of the companywide rollout of the Calm app, we raffled off prizes to encourage people to sign up.



### Our Communities

#### LIFTING UP THOSE IN NEED

# \$20,000

#### LEPRINO FOODS COMPANY FOUNDATION GRANT

Our CIT coordinated the award of a \$20,000 Leprino Foods Company Foundation grant in 2021 to Guiding Light—which provides meals, housing, addiction recovery and job assistance to homeless men. The grant helped fund the restoration and rebuilding of one of its facilities.



## DENVER, CO

OPERATIONS BEGAN IN 1950

571 EMPLOYEES



### Our Communities MAKING AN IMPACT CLOSE TO HOME

We were excited to resume our Impact Week activities in 2021 by volunteering with longtime partner Habitat for Humanity. About 40 employees turned out for a team build close to the office in the Regis neighborhood over a couple of days. The combination of \$10,000 in Leprino Foods Company Foundation grants in 2020 and 2021 with a matching company donation from Leprino Foods made the construction of the new home possible.

### Our Communities GROWING HEALTHY KIDS

The Big Green Learning Garden where students at Mount Saint Vincent Home grow lettuce, carrots and other vegetables is getting a facelift thanks to a \$10,000 grant from the Leprino Foods Company Foundation. The garden at the treatment center for children with severe emotional and behavioral challenges was built in 2018 with the help of Big Green, a Colorado nonprofit that works to help kids through learning gardens. Leprino Foods Senior Director of Enterprise Applications Trey Riley serves on the Big Green board.

# 2,700+

DIAPERS COLLECTED BY LEPRINO FOODS EMPLOYEES IN 2021 FOR THE BOTTOM LINE DIAPER BANK RUN BY CATHOLIC CHARITIES OF THE ARCHDIOCESE OF DENVER

### MIKE LEPRINO SR. AWARD RECIPIENTS

2020: Karen Brook

2021: Nina Sampier



### Our Communities KEEPING THE HIGHWAY CLEAN

For several years, the IT team has been keeping a mile-long stretch of Interstate 25 looking good through the Adopt-a-Highway program. A crew puts in a few hours three or four times a year, sometimes challenging each other to see who can find the most valuable items. Top of the list so far: a working smart phone. When the team was working remotely during the pandemic, the activity gave them a chance to reconnect safely outside.

*"We make a difference. I can drive by there and it makes me feel good that I, along with a bunch of my colleagues, can make something look better. I'm really proud our company sponsors this."*

—Mark Teller, Director of IT Shared Services

### Our Communities TAKING PRIDE IN DIVERSITY

Leprino Foods values diversity within our company and in our communities. Our Community Impact Team made a \$1,000 donation to The Center on Colfax, the largest LGBTQ community center in the Rocky Mountain region, during Denver Pride 2021.

### Our People

✓ **SAFETY PERFORMANCE** We continued strong safety performance, recording only 1 injury in 2021.

## FORT MORGAN, CO

OPERATIONS BEGAN IN 1994 ▶ 385 EMPLOYEES



### MIKE LEPRINO SR. AWARD RECIPIENTS

2020: Manuel Rios and Conor Kokes

2021: John Klassen and Laiya Marlow

### Environmental RECOGNIZED FOR OUR LEADERSHIP

Fort Morgan received the 2021 Regional Pollution Prevention (P2) Award from the U.S. Environmental Protection Agency Region 8.

*"I appreciate the teamwork, imagination, hard work and patience it took to accomplish the projects. I am very proud that we were recognized by the EPA, but we didn't do it for the award. We did it because it was the right thing to do for our plant and company."*

—Jim Volk, Engineering Manager



### Our Communities EMPLOYEES LEND A HAND TO ENCOURAGE FUTURE AG LEADERS

Employees volunteered and the plant donated cheese for a "Grow Her" event at Morgan Community College in 2021. High school students visited the campus to learn about agricultural and other careers in rural communities.



### Our Communities MAINTAINING PARTNERSHIPS FOR POSITIVE CHANGE

By fostering long-term relationships with local organizations, we maximize our impact.

- Our Community Impact Team continued its partnership with Growing Readers, which distributes free books to children over the summer. We secured Leprino Foods Company Foundation grants totaling \$15,000 in 2020 and 2021 and provided backpacks and art supplies at a summer barbecue.
- We once again sponsored the Mutton Bustin' sheep races for younger children at the annual Brush Rodeo and also supported young farmers by purchasing rodeo animals and then donating them back to the kids.
- Our plant donated 250 pounds of cheese a month to longtime partner Rising Up, which fights homelessness, hunger and poverty in Morgan County. We also held a holiday food drive for the RisingUp foundation in 2020.
- We supported SARA House, a community organization dedicated to helping sexual assault and domestic violence victims and advocating for change, with a \$5,000 donation and sponsored its annual Prairie Golf Challenge to raise additional funds and awareness about its work.



### Our Communities SHAKES POWER YOUNG STUDENTS

Employees volunteered to whip up healthy shakes for preschool and kindergarten students at Sherman Early Childhood Center during their track and field day.



## GREELEY, CO

OPERATIONS BEGAN IN 2011

509 EMPLOYEES



**MIKE LEPRINO SR.**  
AWARD RECIPIENTS

*2020: John Barnaby and Sylvia Guerra Gasca*

*2021: Jose Roacho and Perla Solis*



**WATER USE IN 2021 REDUCED BY 61M GALLONS—ENOUGH WATER TO FILL MORE THAN 92 OLYMPIC-SIZED POOLS.**

### Environmental Stewardship GOING ALL IN TO CUT WATER USE

Employees in every area of our plant set a goal for the Battle of the Loop water reduction challenge. Fun activities and incentives inspired people to save as much water as they could and find areas where water use could be more efficient.

### Our People STEADY REDUCTION IN INJURIES CONTINUES

- ✓ We maintained a strong four-year trend in reducing injury rates, with the number of OSHA-reportable incidents declining nearly 70% between 2019 and 2021 thanks in part to new safety programs and continued emphasis on prevention and awareness.



### Our Communities EVENTS HELP WOMEN THRIVE

To empower women in their career development, we held a Build Your Brand workshop for over 50 women within our plant. The Women's Leadership Development Committee also hosted a large International Women's Day open house celebration and partnered with the CIT for a charity carnival during Breast Cancer Awareness Month.

*"Being able to participate in the planning of International Women's Day has always been a great experience that I truly enjoy. It keeps me motivated on becoming the best mother, worker, sister and friend I can be."*

—Luz Hernandez, Warehouse Shipping Operator

### Our Communities DOING THE RIGHT THING FOR OUR COMMUNITY

During the COVID-19 vaccination clinic, we partnered with Passport Health and offered our extra doses to University of Northern Colorado community members, vaccinating approximately 2,500 people.

### 2020 & 2021 TEAM OF THE YEAR

We won the Leprino Quality Continuous Improvement (LQCI) Global Responsibility Team of the Year Award two years in a row for our work to cut water use.

### Our Communities DONATIONS BOOST LOCAL CAUSES

A \$45,000 Leprino Foods Company Foundation grant was welcome relief for a local food bank that found itself in dire straits when a freezer went out right after the COVID pandemic struck. We also made a large donation to Habitat for Humanity and smaller donations to other community groups.



## LEMOORE EAST, CA

OPERATIONS BEGAN IN 1986

312 EMPLOYEES



### Our People MAKING STRIDES ON SAFETY

We achieved a dramatic improvement in safety performance in 2021:

- ✓ Injuries declined 55% year over year
- ✓ Implementation of best practices in major accident prevention increased 50%

### Our People PARTNERS SUPPORTING EACH OTHER

When our plant had no nurses for an employee COVID vaccine clinic at the last minute, one of our community partners stepped up to save the day. Human Resources Manager Ana Nicks serves on the Adventist Health Hanford foundation board. She made a quick call and the hospital sent two nurses over. Senior Vice President Jason Eckert made a \$5,000 donation to Adventist Health as a thank you.

*"This is a great story about community partnership. Serving on the Adventist Health board gave me the opportunity to reach out and ask for help."*

—Ana Nicks, Manager I, Human Resources



MIKE LEPRINO SR.  
AWARD RECIPIENTS

2020: Doug Strole

2021: Efrain Sanchez



### Our Communities GIVING BACK TO OUR YOUTH AND FAMILIES

The Leprino Foods Company Foundation made donations on behalf of both plants to West Hills College for its Fight the Hunger program and food pantry for students battling food insecurity and to the Kings County Office of Education's Lemoore and Hanford family resource centers for pre-K children and their families.

### Our Communities SUPPORTING DAIRY EDUCATION

We and our colleagues at Lemoore West helped secure Foundation donations to purchase a cheese processing vat for California State University, Fresno.

### Environmental RAMPING UP REUSE

# 100K

GALLONS OF WATER  
SAVED PER MONTH

We completed a project that will use water extracted from milk instead of potable water in our evaporator tower, saving 100K gallons of water per month. In addition, heat from the extracted water is captured for reuse before it goes to the cooling tower.

### Our Communities COMMUNITY SERVICE IS IN OUR HEARTS

We support local community organizations in multiple ways and cultivate long-term partnerships for maximum impact.

In 2021, we were happy to resume volunteer efforts that had been put on hold. Our annual charity golf tournament—organized by employees as their way to give back to the community—raised more than \$8,200 for longtime partners God's Breadbox and Amanda's Home as well as Hannah's House and the Salvation Army Christmas gift program.

*"The golf tournament brings the people of the plant together outside of our daily workday and allows us to give back to the community that we are all a part of. That's a win-win in my book."*

—Jessie Hernandez, Inventory Foreperson

## LEMOORE WEST, CA

OPERATIONS BEGAN IN 2003

1,039 EMPLOYEES



### MIKE LEPRINO SR. AWARD RECIPIENTS

2020: James Sellers,  
Victoria Valladares, Angel  
Garcia, and James Cardoza

2021: Brandon Brieno,  
Michael Gutierrez, Wesley  
Nelson, and Victor Olvera



### Our Communities MAKING A POSITIVE IMPACT

We strive to be involved in the local community and to support community needs.

- Our employees created a float to represent Leprino Foods in the 2020 community Christmas parade.
- We accepted a community challenge by the Lemoore Police Department to promote National Read Across America Day in 2021 by creating a Dr. Seuss-themed video, available at [youtube.com](https://www.youtube.com)
- In conjunction with the Lemoore East plant, we secured Foundation donations to support California State University, Fresno; food security programs at West Hills College; and the Kings County Office of Education's family resource centers.

### Environmental Stewardship

We completed a third-party energy and water assessment to help us identify ways to reduce our environmental footprint and lower operating costs.



### Our People KEEPING FIT

Our Wellness Committee sponsored a softball tournament, a weight loss challenge and fitness contest. In 2021, we rented a fitness facility for an afternoon, and employees competed by doing sit ups and other exercises. Winners were awarded based on weight category.

### Our People STEPPING UP SAFETY

We made strides in 2021.

- ✓ Achieved more than 650,000 hours without an injury.
- ✓ Highest assessment score for the plant's ergonomic safety processes for preventing major accidents.

### Our Communities

#### CULTIVATING COMMUNITY PARTNERSHIPS

We have a longstanding relationship with Episcopal Church of the Saviour in Hanford.

- Our employees organized Strike Out Hunger softball events in December 2019 and September 2021 to raise money and food donations for the church soup kitchen. Some of our employees also volunteer to serve food there.
- We worked with the church to put on a community COVID-19 vaccination clinic in April 2021 to share vaccines that were not used for our employees. We helped to coordinate and staff the clinic.

### Our People MAKING THE HOLIDAYS SPECIAL

We hold special events for our employees' children to spread holiday cheer. At Easter, employees dressed as holiday-themed characters and handed out gift bags at a drive-through event. We also held a trunk-or-treat Halloween event.



## ROSWELL, NM

OPERATIONS BEGAN IN 1994 ▶ 546 EMPLOYEES



MIKE LEPRINO SR.  
AWARD RECIPIENTS

2020: *Mario Campos and Jacob Villareal*  
2021: *Nicholas Winn*



### Our Communities TRAINING PUPPIES TO HELP CHILDREN

Chaves County CASA is adding a second pup to the working rotation for its courthouse facility dog program thanks to a \$10,000 Leprino Foods Company Foundation grant in 2021. The dogs provide a calming influence and emotional support for child victims as they journey through the judicial process. The puppy will head to Roswell after completing its training.

### Our Communities COMING TOGETHER TO READ A COMMON BOOK

Our team jumped in to support the Roswell branch of Eastern New Mexico University for the Roswell NEA Big Read 2021. Members of the community read “Into the Beautiful North” by Luis Alberto Urrea and participated in related programs. We donated \$2,250 to purchase books, and a display at our plant made it easy for employees to borrow and read the book.

### Our Communities

#### PITCHING IN TO BUILD VITAL COMMUNITIES

When the ambulance service that serves Chaves County was in danger of shutting down because it couldn't get masks for its workers, we stepped in and donated N95 masks from our own supplies.

Our employees also donated time and resources for various other community events and groups, including the Big Brothers Big Sisters Bowl for Kids' Sake, the Chaves County Assistance League's Assisteens auxiliary, Harvest Ministries, the All Hearts 4 Paws no-kill animal shelter and Roswell Community Disaster Relief Services.

### Our People

#### SNACK SWITCH-UP SUPPORTS HEALTH

Our Friday snack tradition got a nutritious makeover when we switched our weekly popcorn days for Fruit Fridays once a month to support healthy eating. Our Wellness Committee also hosted a weight loss challenge and virtual 5K.



### Our People SUPPORTING EMPLOYEES

# \$500

#### SPONSORSHIP SUPPORT

We stand behind our people and are proud to help celebrate their accomplishments.

We provided a \$500 sponsorship to Warehouse Supervisor Angel Marrero for his Senior Olympics training. Angel placed third to qualify for the 2022 nationals.



### Our People SUPPORTING EMPLOYEES

# \$1,000

#### DONATION SUPPORT

We also donated \$1,000 to the Roswell Community Theater for its production of Bye Bye Birdie, featuring HR Generalist Jennie Lopez Borbas in one of the supporting roles as Mrs. MacAfee.



## TRACY, CA

OPERATIONS BEGAN IN 1977

328 EMPLOYEES



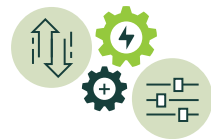
### MIKE LEPRINO SR. AWARD RECIPIENTS

2020: *Felipe Avalos and Marianne Hawkins*2021: *Ross Ballard and Javier Munguia*

### Our Communities BOWLING FOR A CAUSE

Our plant made a \$3,500 sponsorship donation to Give Every Child a Chance, and a team made up of employees from the plant participated in its bowl-a-thon in 2021. The event raised money for the organization's TEACH Program, which helps to provide free tutoring to youth to ensure they have the tools necessary to be successful lifelong learners.

### Environmental Stewardship



## 750 kWh

ANNUAL ENERGY REDUCTION  
RESULTING FROM THE  
INSTALLATION OF AIR  
AND AMMONIA COMPRESSOR  
CONTROLS TO INCREASE  
PERFORMANCE AND EFFICIENCY



### Our Communities

### HELPING FAMILIES NAVIGATE DIFFICULT TIMES

## \$50,000

### LEPRINO FOODS FOUNDATION GRANT

Early in 2021, we presented a \$50,000 Leprino Foods Company Foundation grant to the Boys & Girls Clubs of Tracy to support its virtual programs and other COVID relief efforts such as helping kids be successful at-home learners and distributing food and supplies to families in need.

### Our Communities

### HAVING AN IMPACT IN OUR LOCAL COMMUNITY

We are proud to support local causes that raise up youth and enrich our community. In 2021, we sponsored the following activities and events:

- \$1,500 donation to the West High School soccer team to help provide equipment, uniforms and warmup uniforms
- \$1,500 to the Tracy High School softball booster club for equipment, uniforms, umpire fees and tournaments
- \$650 to Tracy FFA to purchase jackets
- \$1,000 to the Tracy High School agriculture scholarship
- \$2,500 to support the Grand Foundation's Hearts around Hartz public art exhibition



## 2020

### BUSINESS OF THE YEAR

The Tracy Chamber of Commerce named Leprino Foods its 2020 business of the year.

*"Our Community Impact Team is committed to serving the community's needs, volunteering and being a partner with our community. In 2020, we were honored to accept the Business of the Year award from the Tracy Chamber of Commerce for our community support."*

—Lisa Melo, Plant Controller

## REMUS, MI

OPERATIONS BEGAN IN 1987 ▶ 133 EMPLOYEES



### Our Communities GRANT HELPS OUTFIT COMMUNITY KITCHEN

# \$4,500

LEPRINO FOODS COMPANY  
FOUNDATION GRANT

A Foundation grant of almost \$4,500 to the Wheatland Township Downtown Development Authority funded two commercial refrigerator units for the township park's new pavilion and kitchen for community events.



### Our People PLANTING THE SEEDS OF HEALTHY DIETS

Our Wellness Team helped employees add healthy produce to their diets by buying vegetable plants from a local nursery and handing them out to budding gardeners. The team also offered employees gift cards to a local grocery store for 10% of the amount they had spent on purchases of fresh fruits and vegetables.

MIKE LEPRINO SR.  
AWARD RECIPIENTS

2020: Angel Dutcher

2021: Martin Simon



### Our Communities CANINE COMFORT HELPS CHILDREN

# \$10,000

LEPRINO FOODS COMPANY  
FOUNDATION GRANT

Foundation donations totaling \$10,000 in 2020 and 2021 sponsored a year of golden retriever Trigger's work with the Northern Michigan Mobile Child Advocacy Center. As a canine advocate, Trigger helps child abuse victims calm their fears during forensic interviews and all the way through the court process.

*"I had a pawsome time meeting the wonderful people at Leprino Foods yesterday! Their generous donation will ensure I am best equipped to help as many kiddos in need as possible. I'm very fortunate to have friends like them. Thank you to the Leprino Foods team for your support!"*

– Trigger

### Our Communities JOINING FORCES TO FEED THOSE IN NEED

We nurture longstanding partnerships with local organizations that fight hunger.

- In 2020 and 2021, we continued working with the Barryton Area Mobile Food Pantry, purchasing seven truckloads of food, the equivalent of 70,000 pounds, and showing up with family members to help unload, sort, bag and hand out food on monthly distribution days.
- A \$2,000 Foundation grant to the Mecosta County Senior Resource Center, which runs a Meals on Wheels program, helped pay for meal carriers and a dishwasher heat booster. We donated four truckloads of food and about 1,430 pounds of string cheese to other organizations in 2020 and 2021.





## WAVERLY, NY

OPERATIONS BEGAN IN 1980

213 EMPLOYEES



**MIKE LEPRINO SR.**  
AWARD RECIPIENTS

2020: Shawn Bradley

2021: Armando Bernal



### Our People

#### CHEESE BRINGS US TOGETHER

Not everyone at Leprino Foods knows how to make cheese, but our employees gave it a go during a team-building event in 2021. Teams included employees from different departments so they could get to know each other as they made cheese and competed for awards for best time, highest yield and best stretch. Employees also designed T-shirts and managers picked their favorite logos.



### Our Communities

#### PARTNERING WITH LOCAL GROUPS TO FIGHT FOOD INSECURITY

As a food company, we make it a priority to help end hunger in our communities.

- We donate 60 pounds of cheese every other week to the food pantry at the Catholic Charities Tioga Outreach Center.
- We helped Child Hunger Outreach Partners (CHOP) secure a Foundation grant for its Pop Up Pantry program in 2020. The \$12,000 donation was enough for CHOP to prepare 15,000 bags of easy-to-prepare nutritious foods and fresh produce for schoolchildren to take home over the weekend.



### Our Communities

#### GROWING FUTURE TALENT

Our CIT created and then expanded a scholarship program for graduating high school seniors going to college to study areas such as engineering that are related to Leprino Foods' operations. Waverly High School students were eligible for the \$1,000 awards starting in 2020, and Sayre Area High School was added in 2021.







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