

# - 2020 - Sustainability Report



**AGROPUR**

Coopérative laitière  
Dairy Cooperative



# About Agropur

Agropur Cooperative, founded in 1938, is one of the top 20 dairy processors in the world, with sales of \$7.7 billion CAN in 2020. We are owned by our 2,974 member farmers and have more than 10,000 employees.

We are proud of our cooperative model, based on sharing the wealth. Every year, Agropur returns dividends to our members, based on their annual milk production and the Cooperative's earnings.

In 2020, Agropur processed more than 6.6 billion liters of milk at our plants across North America. We are a leading supplier of products for the industrial, retail and foodservice sectors, and also boast an impressive roster of consumer brands.

## LOCATIONS

- Global headquarters: Saint-Hubert, Quebec, Canada
- US headquarters: Appleton, Wisconsin, USA
- 32 plants across North America
- Laboratories, RD&I centers, distribution centers, warehouses and offices
- Facilities in seven Canadian provinces: New Brunswick, Nova Scotia, Quebec, Ontario, Alberta, British Columbia and Newfoundland and Labrador
- Facilities in five US states: South Dakota, Idaho, Iowa, Minnesota, Wisconsin
- International sales offices: Geneva, Mexico City, Shanghai, Singapore



GLOBAL  
HEADQUARTERS  
**Saint-Hubert,  
Quebec, Canada**



US  
HEADQUARTERS  
**Appleton,  
Wisconsin, USA**

EARNINGS FROM  
OPERATIONS  
**\$459.2 million  
(CAN)**

SALES  
**\$7.7 Billion  
(CAN)**

NET EARNINGS  
**\$38.8 million  
(CAN)**

PATRONAGE  
DIVIDENDS  
**\$43.5 million  
(CAN)**

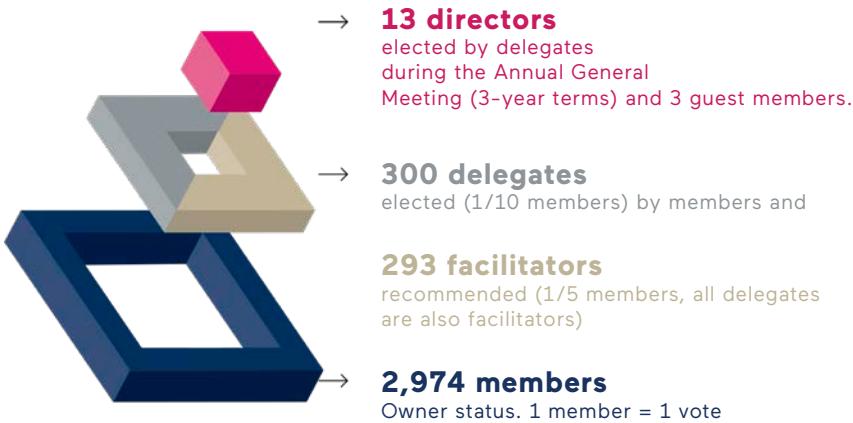
## SOUND GOVERNANCE STRUCTURE

The board of directors oversees Agropur’s business strategy. It is composed of 13 dairy farmer members of Agropur and three guest directors.

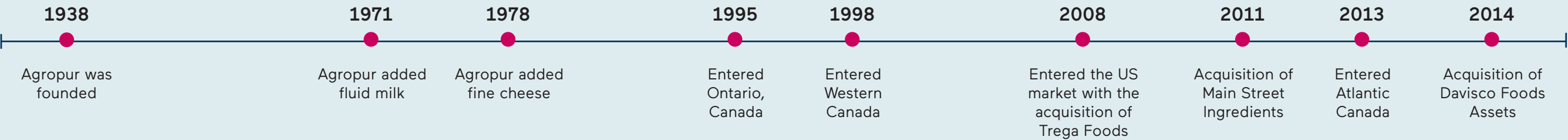
The members of the board are elected for a renewable three-year term by all the delegates to the Cooperative’s Annual General Meeting.

The board’s decisions are executed by the management committee. Led by the CEO, the members of the management committee frame the organization’s directions and development strategies, in addition to administering and directing its day-to-day affairs.

### The Democratic Structure



## HISTORICAL SNAPSHOT



Agropur’s founding was defined by ambition and idealistic principles that guided our growth from an original group of 87 farmers to one of the largest dairy processors in the world. In 1938, Agropur’s founders joined forces to create a collectively owned, democratically run business. Boldness, one of the Cooperative’s five fundamental values, has been a hallmark throughout our history as we completed more than 140 mergers and acquisitions.

Agropur entered new lines of business through the years, adding new products to our original line of cheese, butter and milk powder. Agropur added fluid milk in 1971 and fine cheese in 1978.

We also expanded our operations, and today, serve customers around the world. Agropur moved into Ontario in 1995, western Canada in 1998, the United States in 2002 and Atlantic Canada in 2013.

While Agropur has changed in size and scope, our founding principles of solidarity, democracy, self-help and self-responsibility remain the same. They will continue to set our direction as we chart our future.

# Message from the President and the CEO

There is widespread, global awareness today that we can do better as we work to promote sustainability and reduce inequality. People expect large organizations to do their part.

Agropur believes that advancing sustainability is imperative, and the way of the future. It is the concept that underpins our “Better Dairy. Better World.” promise. We are very pleased to present this report, which outlines our sustainability commitments, achievements and the path forward.

## We have made five key sustainability priorities:

1. Sustainable farms
2. Responsible sourcing
3. Responsible operations
4. Responsible products
5. Social impact



Roger Massicotte

Émile Cordeau

By virtue of our business model and its impact which spans from farm to processing plant to distribution, we are continually implementing initiatives that advance our sustainability practices. For example, we have introduced an environmentally responsible packaging policy, which has reduced plastic use, optimized container size and promoted the transition to post-consumer fibers. On the social side, Agropur has launched initiatives to develop female leadership and promote diversity, equity and inclusion.

In terms of overall ESG (environmental, social and governance) performance, we have earned a bronze medal from EcoVadis, the world’s largest and most trusted provider of business sustainability ratings.

Our goal is to be a responsible corporate citizen and a key partner for our strategic clients. We are proud of our work, but we are also aware of our forthcoming challenges and the efforts it will take to meet them. Advancing our sustainability commitments will require new programs that address priority issues and increased support for our member farmers.

As a North American dairy processing leader, we have a duty to create long-term value. The COVID-19 pandemic highlighted the essential role that organizations such as ours play in times of crisis to ensure that everyone has access to the nutritious food they need to feed their families. For example, Agropur donated cheddar cheese and other dairy products in 2020 equating to more than 1 million liters of milk. Feeding the population required heightened attention to the health and safety of our employees. We took significant steps from temperature checks to production scheduling reconfigurations that maximized our ability to socially distance. The pandemic has only strengthened our resolve to meet today’s needs without compromising the ability of future generations to meet their own.



Roger Massicotte | President



Émile Cordeau | CEO

# Table of contents

## ABOUT THIS REPORT

This report presents a global scope of the economic, social and environmental activities of Agropur Cooperative (Canada) and Agropur inc. (United States). It covers the fiscal year extending from Nov. 1, 2019 through Oct. 30, 2020 and sits alongside Agropur's 2020 Annual Report.

Highlighted activities, case studies and data from prior to 2020 were included when relevant as additional, informative context.

It is Agropur's second report of this nature. Agropur's 2017-2018 Corporate Social Responsibility Report was published in 2018. The 2020 report uses the Global Reporting Initiative (GRI) Standards: Core option as its guiding development framework.

Questions or comments may be directed to:  
[sustainability@agropur.com](mailto:sustainability@agropur.com)

<b>INTRODUCTION</b>	<b>2</b>
MESSAGE FROM THE PRESIDENT AND THE CEO	4
MESSAGE FROM OUR SUSTAINABILITY STRATEGY SPONSORS	6

<b>OUR APPROACH</b>	<b>7</b>
OUR MATERIALITY ASSESSMENT	8
OUR BUSINESS MODEL	11
OUR GLOBAL CONNECTIONS	12

<b>HEALTH AND NUTRITION</b>	<b>13</b>
INNOVATION	15
OUR BRANDS	22
PRODUCT SAFETY AND QUALITY	23
LABELING	24

<b>SUSTAINABLE FARMS</b>	<b>25</b>
ENVIRONMENTAL STEWARDSHIP	25
ANIMAL WELFARE	26
MILK QUALITY	29

<b>HUMAN CAPITAL AND COMMUNITY IMPACT</b>	<b>32</b>
COVID RESPONSE	33
EMPLOYMENT AND ENGAGEMENT	34
HEALTH AND SAFETY	35
LEARNING AND DEVELOPMENT	38
DIVERSITY, EQUITY AND INCLUSION	40

<b>RESPONSIBLE OPERATIONS</b>	<b>41</b>
ENERGY MANAGEMENT	42
GREENHOUSE GAS EMISSIONS	45
WATER	47
PACKAGING AND MATERIALS RECOVERY	50

<b>RESPONSIBLE BUSINESS</b>	<b>54</b>
ETHICAL AND RESPONSIBLE BUSINESS CONDUCT	54
OUR TAX APPROACH	55
PROCUREMENT	56
HUMAN RIGHTS	58
DATA PRIVACY AND SECURITY	60
ENGAGING WITH OUR DAIRY NETWORK	61

<b>APPENDIX</b>	<b>62</b>
CONTENT INDEX AND REPORTING INDICATORS	62



# Message from our sustainability strategy sponsors

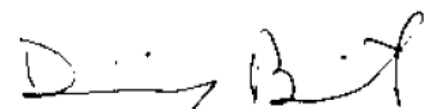
Agropur was able to stay the course of advancing sustainability in spite of the challenges that COVID-19 presented across many aspects of our operation in 2020. We know today's consumers are looking for healthy products that share their values and want to support businesses that are making a positive impact on the environment and the communities around them. At Agropur, we understand these expectations and our teams are dedicating time and energy to finding solutions.

Since our last report in 2017-2018, the global dairy industry has seen significant progress in the sustainability space such as the Sustainable Agriculture Initiative presenting consolidated approaches to sustainability development and reporting. We have also noted a growing number of industry partners making Net Zero by 2050 emissions reduction commitments with the Science Based Targets initiative methodology. As a B2B company and a top-tier supplier, Agropur plays a key role in supporting our customers' sustainability journeys.

In order to stay on top of these developments, Agropur commissioned a materiality assessment with an external, accredited sustainability firm, Isos Group. Our goal was to review the state of affairs in the industry and update our priority areas to encompass the new expectations of our stakeholders. We have started to assemble a global team that will review the findings of our materiality assessment and scope Agropur's sustainability journey moving forward.

Sustainability and its focus on holistic improvement have become the marketplace standard. No single person or industry has all the answers about how we will get there, but at Agropur, we are exploring new paths and defining next steps toward better dairy in the long term. We understand that innovation and collaboration with our members, farmers, employees, customers and the government will be necessary to deliver on our over-arching promise: "Better Dairy. Better World."

While Agropur has grown from a small local cooperative into a large North American dairy processor, our vision remains the same: we believe organizations – and particularly cooperatives – must be a force for good and continue to create value for both our members and society at large.



Dominique Benoit  
Senior Vice President Institutional Affairs and Communications



Mike Sipple  
Vice President Milk Procurement and Regional Operations



Dominique Benoit



Mike Sipple

## Governance & Responsibilities

- The sustainability strategy sponsors report directly to the Board of Directors' Sustainability Committee
- Five directors, led by the President, as well as senior staffs meet on a quarterly basis and report to the Board
- Sets the long-term strategic vision and establishes priorities
- Reviews initiatives and makes recommendations to the Board of Directors on sustainability topics including operational management, responsible packaging, health, nutrition and wellness, responsible animal care and sustainable farming practices

# Our approach

As a leading B2B company in the global food industry, Agropur's sustainability efforts are very much defined by our ability to respond effectively to customer needs, be a responsible corporate citizen and be mindful of our stakeholders. Each of our customers is on a unique sustainability path to improve upon social and economic performance. It is our primary role as a top-tier supplier to support efforts toward reaching their goals and targets.

The global dairy industry underwent significant shifts in sustainability action since our last report in 2017-2018. Leading actors and organizations consolidated their approaches to sustainability development, reporting frameworks and communication. The programs aim to provide global alignment on best practices and requirements as well as roadmaps for companies working to integrate sustainability into their operations and supply chains.

Notably, the industry sustainability landscape is becoming increasingly consolidated, given the momentum of the Sustainable Agriculture Initiative, the Sustainable Dairy Partnership and the rapid global adoption of the Science Based Targets initiative for greenhouse gas emissions. Many of Agropur's major customers participate in these global initiatives, which require targets across a variety of topics including greenhouse gas emissions, regenerative agriculture, sustainable packaging and food loss prevention.

Of interest for our US operation, the Innovation Center for US Dairy took a major step toward formalizing the national sustainability agenda by setting industry goals of Net Zero emissions or better by 2050, along with goals to increase clean water and waste management efficiencies. The Innovation Center for US Dairy's longstanding work with the Dairy Sustainability Alliance brought together more than 130 companies and organizations across the dairy value chain to measure, improve and communicate dairy's role in a sustainable food system.

In order to analyze this industry momentum and evaluate Agropur's role in these developments, Agropur commissioned a materiality assessment to update our priorities in a way that encompasses the new expectations of our stakeholders.



**Sustainable Agriculture Initiative** and its **Sustainable Dairy Partnership program** bring together more than 150 member companies and organizations leading the way in sustainable agriculture worldwide. The members' goal is to ensure that the agricultural commodities and ingredients they use are supplied from sustainable sources.



In 2020, US Dairy set aggressive new environmental sustainability goals to achieve net zero emissions or better, optimize water use and improve water quality by 2050, addressing the areas where US dairy can collectively have the greatest impact with a focus on feed production, cow care, energy efficiency and manure management.



**Science-based targets** provide a clearly defined pathway for companies to reduce greenhouse gas emissions, helping prevent the worst impacts of climate change and future-proof business growth.

The formula is being used by more than 1,000 companies worldwide to lead the way to a zero-carbon economy, boost innovation and drive sustainable growth.



# Our materiality assessment

In 2020, Agropur commissioned a materiality assessment to build upon its corporate responsibility work and respond to major sustainability developments in the global food industry. The assessment was completed with support from ISOS Group, an accredited sustainability strategy firm.

The exercise prioritized global and national industry-related sustainability issues to develop Agropur's environmental, social and governance strategy. It ensures that our planning aligns with the current state of dairy industry sustainability and key stakeholder feedback. The assessment's scope is focused on the US operation and was conducted with more than 500 Agropur employees, 70 dairy farmers, 17 suppliers and eight major customers.

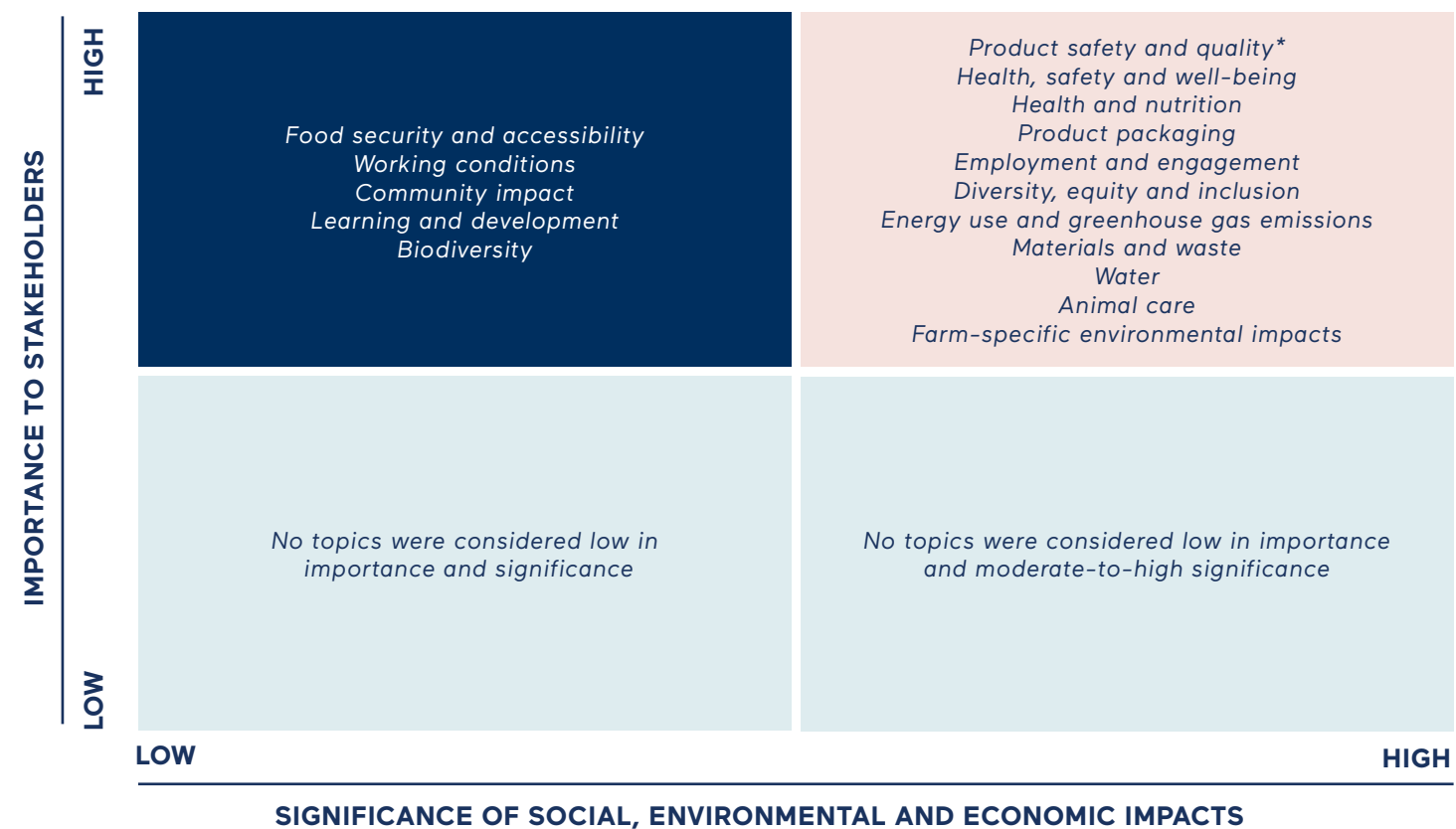
## WHAT IS A MATERIALITY ASSESSMENT?

The materiality assessment is the globally recognized tool used by all industries to identify key areas for sustainability planning, program design and reporting. The materiality assessment is conducted by an independent third party that reviews global industry efforts and risk, industry-related environmental, social and governance topics, regulated and voluntary standards, agreements and frameworks, and industry reporting practices, to identify and prioritize issues based on their potential impact on the business.

Key stakeholders, including senior leadership, employees, customers, farmers and suppliers, are surveyed to rank the priority topics and provide feedback. The outcomes are then reviewed through a validation process and presented in a materiality matrix that provides guidelines for strategic planning and program development.







When interpreting assessment results, the upper right-hand corner of the matrix identifies the highest priorities based on their importance to stakeholders and potential business impacts. In many cases, Agropur customers also identified these themes as priorities in their own sustainability journeys. This synergy is creating new opportunities for collaboration with our stakeholders, in areas such as packaging and GHG emissions reduction.

This process has informed how we have updated our five core themes, supporting our global sustainability strategy and roadmap development process in 2021 and beyond. Agropur is committed to our role in the dairy industry’s rapidly evolving sustainability space and contributing accordingly via stakeholder engagement throughout our supply chain.

\*All Responsible Business topics (regulatory compliance, ethical and responsible business conduct, human rights, procurement and data privacy and security) were also rated as highly important topics. As most are standard requirements to conducting business, they have been filtered out to highlight topics where increased efforts are being requested by stakeholders.

# OUR FIVE CORE THEMES

Agropur updated each of our sustainability themes based upon findings of the materiality assessment. The analysis revealed an important shift in the dairy industry from a qualitative corporate responsibility space into sustainability. Greater value is now placed on sustainability performance metrics, quantitative, external reporting and customer/supplier engagement. All these topics have since become a business expectation. The analysis served as the first formal building block toward developing a global sustainability program.



## SUSTAINABLE FARMS

- **Animal care commitments** promote healthy and well-nurtured cows that produce high-quality milk.
- **Environmental commitments** support sustainable agriculture practices and greenhouse gas emissions reduction on farms.



## RESPONSIBLE SOURCING

- **Responsible packaging** is pursued through the optimization of recyclable materials and eco-design principles.
- **Responsible sourcing** focuses on ensuring best social and environmental practices in our supply chains.



## RESPONSIBLE OPERATIONS

- **Responsible operations** focus on water and energy intensity optimization, greenhouse gas emissions reduction and process innovation to find new uses for previous waste streams.
- **Employee health and safe working conditions** at our dairy processing plants are an essential component of our business.



## RESPONSIBLE PRODUCTS

- Our **responsible products** approach focuses on key areas such as **nutritional density, reducing sugar levels and improved ingredient formulations.**
- Develop products for a **circular economy** that reflect our role in global sustainable food systems.



## COMMUNITY IMPACT

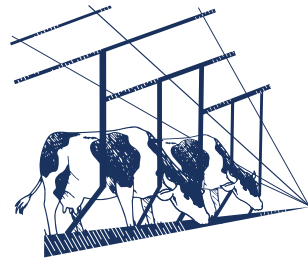
- Create a positive economic **impact for our cooperative members, our farmers and their communities.**
- Donation and sponsorship program aligned **with the values of the sustainable dairy industry** in the communities where we operate.
- Promote positive human capital policies regarding **well-being, health, engagement and diversity, equity and inclusion.**

## AGROPUR WORKS WITH LEADING DAIRY ORGANIZATIONS ACROSS NORTH AMERICA:



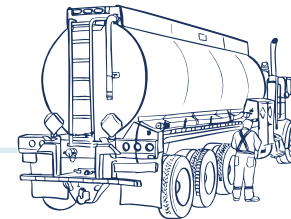


# Our business model



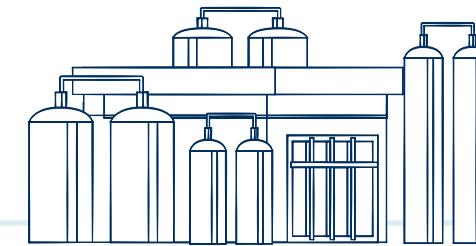
## Member Owners and Farmers

- Our Canadian operations source milk from our members located in New Brunswick, New Foundland and Labrador, Nova Scotia, Ontario and Quebec. It is also sourced from the provincial Marketing Boards, where all producers pool their milk.
- Our US operations purchase milk from 372 farms and coops from Wisconsin, Iowa, Minnesota, South Dakota, Nebraska and Idaho.



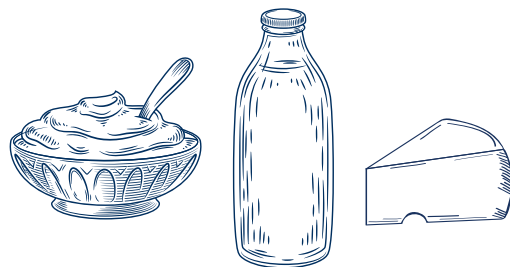
## Milk Collection

- Milk hauling from farm to plant is generally managed by Milk Marketing Boards.
- We partner with 30+ milk haulers for US raw milk collection.

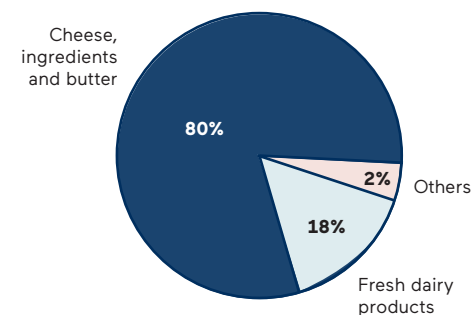


## Milk Processing and Distribution

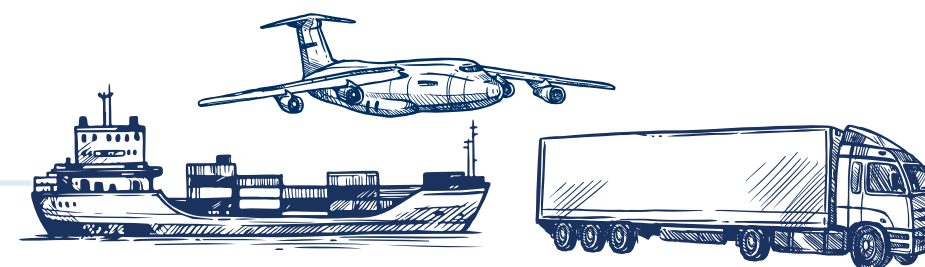
- 6.6 billion liters of raw milk were processed in 2020.
- 32 plants across North America, supported by regional laboratories and Research, Development & Innovation centers.



## Customers



As a world leader in premium-quality cheeses and ingredients, Agropur primarily serves global B2B customers.



## Logistics

- While most of our products are sold in North America, we serve 62+ countries using all modes of transport (road, rail, marine and air).
- International support services prioritize full container loads and rail options to optimize costs and emissions reductions.

# Our global connections

Agropur serves customers around the world with support from international sales offices and warehouses. This map illustrates when we established our offices, our research partnerships by region and the trade shows in which we participate.

## Canada

ESTABLISHED IN  
1938

### RESEARCH INSTITUTE PARTNERSHIPS

Université Laval, (STELA) Centre de recherche en sciences et technologie du lait (Québec), McGill University (RITA) Consortium de recherche et d'innovation en transformation alimentaire (Québec), Université de Montréal (Québec), Concordia University (Québec), University of Toronto (Ontario), Polytechnique Montréal (Québec), Mount Saint Vincent University (Nova-Scotia), Université du Québec, CRBM (Centre de recherche sur les biotechnologies marines) (Québec), CDBQ (Centre de développement bioalimentaire du Québec) (Québec), Novalait (Québec)

### GLOBAL CONNECTIONS

IDF International Cheese Science & Technology symposium 2020, Restaurant Canada Show

## Europe

ESTABLISHED IN  
2001

### GLOBAL CONNECTIONS

Food Ingredients Europe, Health Ingredients Europe, Vitafoods

## China

ESTABLISHED IN  
2007

### RESEARCH INSTITUTE PARTNERSHIPS

USDEC China - Jiangnan University

### GLOBAL CONNECTIONS

Food Ingredients China

## Japan and South Korea

### GLOBAL CONNECTIONS

Seoul Foods, Food and Hotel Asia

## United States

ESTABLISHED IN  
2002

### RESEARCH INSTITUTE PARTNERSHIPS

Midwest Dairy Research Center  
Southeast Dairy Foods Research Center,  
Center for Dairy Research  
Western Dairy Center  
(Minnesota/South Dakota/Idaho/Kansas/North Carolina/New York/Wisconsin/Idaho/Utah/Oregon)

### GLOBAL CONNECTIONS

SupplySide West, Institute of Food Technologists, Chicago Section Institute of Food Technologists, American Dairy Products Institute, Protein Trends and Technologies Conference, International Cheese Technology Expo, International Pizza Expo

## Mexico, Caribbean and Central America

ESTABLISHED IN  
1999

### RESEARCH INSTITUTE PARTNERSHIPS

Universidad Autonoma de Aguas Calientes, Mexico

### GLOBAL CONNECTIONS

Food Tech Summit & Expo, Dairy Ingredients and Cheese Show

## South America

ESTABLISHED IN  
1999

### RESEARCH INSTITUTE PARTNERSHIPS

University of Buenos Aires, Argentina  
ITAL-Tecnolat plant, Brazil

### GLOBAL CONNECTIONS

Alimentec Bogota, Food Ingredients South America - Brazil

## Africa and Middle East

### GLOBAL CONNECTIONS

Gulfood - Dubai

## SE Asia and Oceania

ESTABLISHED IN  
2012

### RESEARCH INSTITUTE PARTNERSHIPS

USDEC Singapore

### GLOBAL CONNECTIONS

Food Ingredients Asia



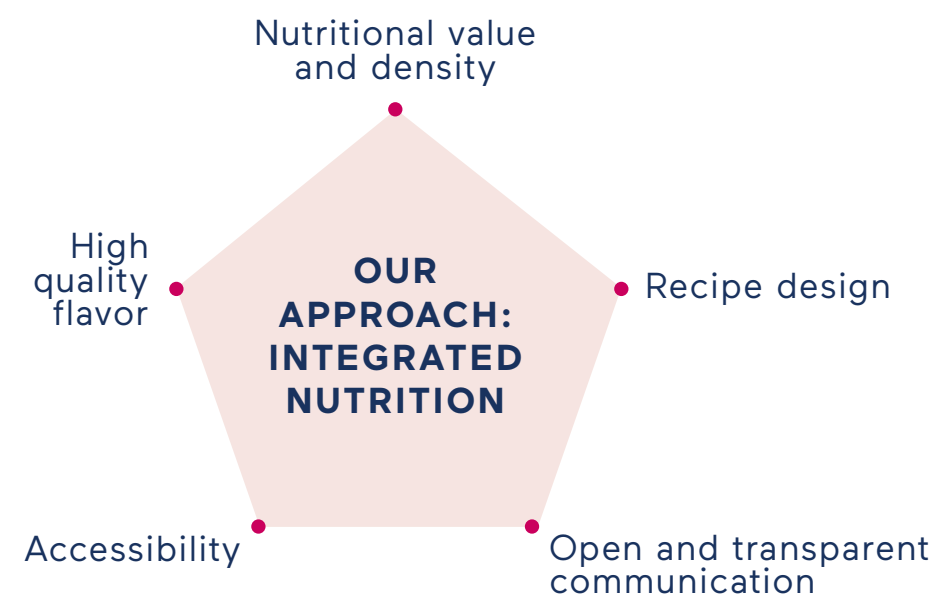
# Our commitment to healthy lives

As one of the world's top 20 dairy processors and Canada's leading processor, Agropur plays a major role in North Americans' health and nutrition. Agropur strives to be the key dairy partner for the food industry by providing:

- A dairy that is as nutritious as it is delicious, enhancing any meal.
- A dairy that is honest, wholesome and a vital part of people's nourishment.
- A dairy that thrives in a B2B market and one that makes us key for growth.

Our work contributes in several ways:

- Developing a product portfolio that meets both daily needs and consumption for enjoyment.
- Offering consumers multiple recipes with portions adapted to individual nutritional needs.
- Guaranteeing our products' transparency so that consumers can make informed choices.
- Responsibly promoting our products in alignment with Health Canada and USDA nutritional recommendations.



We believe in integrated nutrition, a diet that provides essential nutrients to support and maintain health while providing enjoyable experiences.

Our primary objective is to safeguard the natural nutritional value of milk, particularly in products designed for daily consumption. We also strive to promote the benefits of consuming dairy products during every stage of life in accordance with public health recommendations and the most recent independent scientific research.

## **We focus on families.**

Each family has different tastes and needs. We pride ourselves on offering a wide variety of products to suit all ages and occasions.

## **We use fresh milk from Canada and the US.**

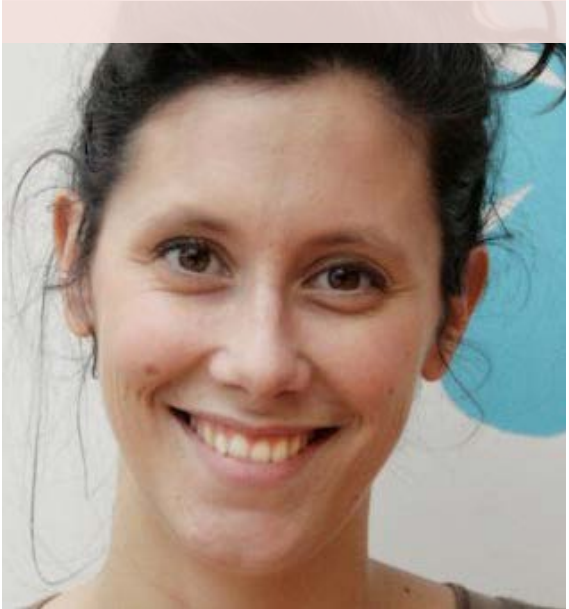
For Agropur, quality milk comes from North American farms and respects the highest standards in the industry.



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As one of North America’s leading dairy processors, we take our role in consumer health and nutrition very seriously. We have worked side by side with leading health organizations to develop nutritional guidelines to meet our customers’ individual dietary needs. We are committed to providing transparent labeling so that our customers can make informed choices on what is right for them, whether it is a food they enjoy on a daily basis or a special treat. Feeding the world responsibly is our primary concern.”

**EMMANUELLE STOVEN**  
Senior Manager  
Solutions Innovation



**Quality ingredients.**

We believe that milk is naturally healthy and nutritious raw material. Other ingredients are:

- Minimally processed, safe and healthy
- Processed with full respect for the integrity of the milk

**While all dairy products are good, some should be consumed in moderation.**

Because each dairy product has its place in healthy eating, we favor the development of nutritious products intended for daily consumption, without excluding products created more expressly for enjoyment. Such products are a part of healthy eating when consumed sensibly.

**We advocate for transparency.**

Because you want to know what you eat, we are committed to product transparency. We offer information with pride and work to develop offerings according to your tastes and needs.

**Our nutritional guidelines:**

We established a set of nutritional guidelines that serves as the basis for all new product development under the Agropur retail and foodservice brands. It also supports the continual optimization of our existing recipes. The nutritional criteria are based on Health Canada’s dietary recommendations.

We classify our product portfolio into two categories:

- Dairy products that are consumed as is. Examples include milk, cheese, cottage cheese and ice cream.
- Dairy ingredients that are added to create a finished product. Examples include cream, buttermilk, butter and whey powder.

We apply the whole concept of integrated nutrition to dairy products, while we only apply the general criteria (quality, naturalness, enjoyment) to dairy ingredients since they are added in small quantities to recipes. It is therefore difficult to make a relevant nutritional recommendation.

We have classified dairy products according to how frequently they’re consumed (daily, occasionally and special occasions/rarely) in accordance with Quebec’s Health and Social Services Bureau policy, “Vision of Healthy Eating.”

We have assigned compositional and nutritional criteria for everyday dairy products and those for occasional consumption. Based on these criteria, we are able to say whether our products comply or do not comply with our nutritional guide.



# Innovating for health and wellness

Healthy diets are essential for the well-being of our global population. Good nutrition is therefore one of the pillars that support a sustainable food business.

Dairy is a great source of high-quality protein, vitamins and minerals. Milk and whey proteins are highly digestible, easily absorbed and sustain life from infancy through adulthood. As a responsible dairy producer, Agropur is committed to globally sustainable food and nutrition, and dedicates our many resources to producing dairy products and ingredients that support healthy lives.

## INFANT NUTRITION

Agropur supports the World Health Organization's recommendation that infants be exclusively breast-fed for six months, with suitable nutrition for complementary feeding. As a global leader in whey protein manufacturing with ion-exchange technology, Agropur manufactures high purity Alpha-lactalbumin from bovine milk. This highly purified milk protein allows our customers to create infant formulas with nutrition that closely emulates breastmilk and closely resembles the amino acid profile of mothers' milk.

## PROTEIN FOR NON-PROTEIN USERS

A small segment of the global population is born with a genetic deficiency known as phenylketonuria (PKU). The disorder renders people unable to properly digest dietary protein and absorb its amino acids. Specifically, those with PKU are unable to metabolize the amino acid phenylalanine, which then becomes toxic. People who have this life-long genetic condition survive on a highly restrictive diet that is practically devoid of all protein. Their bodies amino acid needs are met by consuming formulated beverages that contain synthetically produced amino acids, except phenylalanine.

Agropur provides sustenance to PKU sufferers by isolating a whey protein that doesn't contain phenylalanine. This high-purity protein facilitates formulation of appetizing foods for the PKU population.





## NUTRITION FOR HEALTHY AGING

The global population continues to grow, as does the number of people reaching advanced age. They require high-quality protein to sustain health and wellness, and protein isolated from milk and whey can meet an expanding global demand.

Agropur's efforts in ingredient manufacturing are focused on producing high-quality proteins from fresh sweet whey. We dedicate our research, development and innovation resources to exploring and identifying high-value nutrients found in milk and whey.

Operational excellence demands manufacturing practices that reduce water use and wastewater during the purification of milk proteins.

Our scientists continuously improve process technologies and plant operations to reduce our manufacturing footprint. They work with customers across the globe to develop nutritious foods using high-quality milk and whey proteins.

As such, our Research, Development & Innovation team is integral in supporting globally sustainable nutrition.

“

As a dairy cooperative, Agropur has the responsibility and commitment to evaluate all of our operations and improve our role in the sustainable production of value-added dairy products and ingredients. Nutrition is an important aspect of delivering the goodness of dairy to our customers and consumers. By committing our Research, Development & Innovation resources to sustainable ways of purifying and extracting the nutritional value of milk, we support Agropur's commitment and efforts.”

**ANAND RAO**  
Vice President  
Ingredients Innovation





## SOLUTIONS FOR LACTOSE INTOLERANT AND PROTEIN-SEEKING CONSUMERS

While two thirds of Canadians drink milk at least once per week, one third is lactose intolerant or otherwise experiences digestive discomfort. Further, more than half of younger Canadians consider protein to be an important part of their diets. As they seek different options to increase protein intake, it is important to highlight that dairy protein offers a number of benefits over other types. As Canada's top milk manufacturer, Agropur cares about providing high-quality dairy beverages that answer Canadians' health and nutrition needs.

### Natrel Lactose Free - Canada's #1 Lactose-Free Dairy Beverage

Our Natrel Lactose Free is Canada's top lactose-free dairy beverage. It offers all the great taste of fresh milk without the discomfort. It is also a great source of protein and froths fully for beverages and cooking applications.

### Natrel Plus - Lactose Free and Highest Protein on the Market

Natrel Plus delivers the highest protein content on the market with 18g. It also contains no artificial flavors or sweeteners and is lactose free. Natrel Plus belongs to Agropur's family of high-protein dairy beverages aligned with Canada's Dietary Guidelines. They emphasize increased protein and low sugar content.

Natrel Plus has become exceedingly popular with Canadian consumers. The proof is in the numbers as the high-protein dairy beverage segment experienced more than 49% growth.



## MAKING DAIRY MORE ACCESSIBLE TO LACTOSE INTOLERANT CONSUMERS

Lactose intolerance and malabsorption affects a growing proportion of the population. For every lactose intolerant person, it is estimated that four to five others living with that person or in a close circle will take action to avoid or limit the amount of lactose in their diets.

Therefore, Agropur's Canadian operations have made it a priority to give access to the nutritional benefits of dairy to these people through an increasing portfolio of lactose-free products. From lactose-free milks, protein-enriched dairy beverages, cream and cheese up to ice creams and frozen dairy desserts.

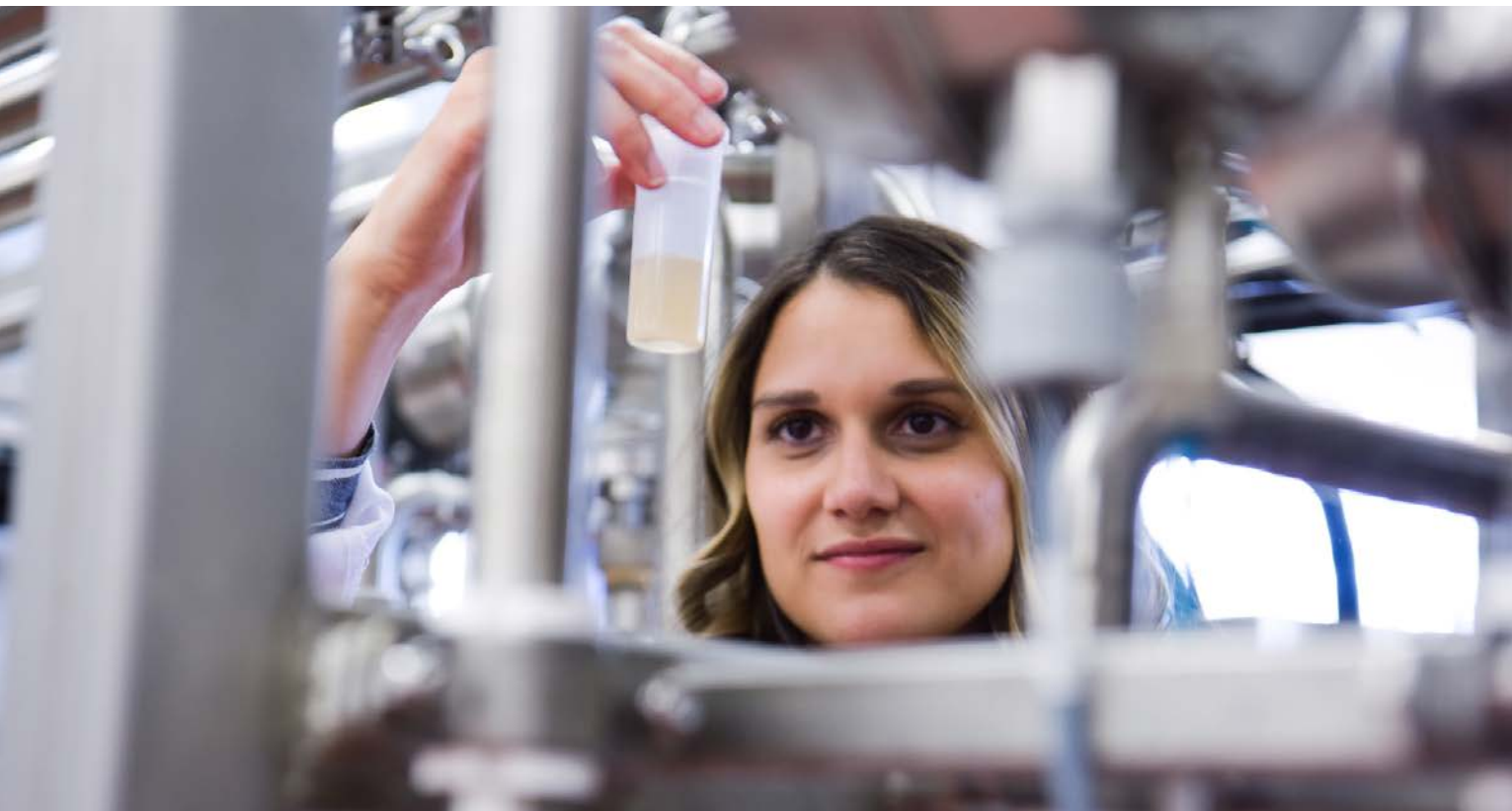
Through our efforts, everyone can enjoy the true taste and unequalled nutritional benefits of dairy products.



## SODIUM REDUCTION IN CHEESE

It is a fact: we consume too much salt. However, salt is very important in the production, taste and innocuity of cheeses. The majority of the cheeses that Agropur manufactures are compliant with the maximum amounts that government health agencies would like cheese to contain. For the cheeses that are above that mark, we are putting forth efforts and research and development in order to lower the levels of sodium while maintaining the taste, texture and quality that our customers expect.





## PROTEIN RESEARCH CENTER

The Protein Research Center (PRC) in Le Sueur, Minnesota, showcases our technical expertise in analyzing, purifying and commercializing innovative dairy ingredients from milk and whey to help food manufacturers develop new, healthy, dairy-based products.

The PRC is the center of our whey protein research, housing state-of-the-art analytical equipment and a complete pilot plant that can mimic commercial unit operations used in whey processing.

With decades of research and a deep understanding of dairy process technology, our food scientists and technologists play a critical role in commercialization of new ingredients. We develop and validate analytical testing methods for reliable and consistent identification of highly purified whey-derived components. We utilize benchtop and pilot plant equipment to develop and optimize process technologies for manufacturing new innovative ingredients.

## PROTEIN APPLICATIONS CENTER

The Protein Applications Center (PAC), in Eden Prairie, Minnesota, is the product development arm of Agropur's ingredients Research, Development & Innovation. The PAC team works closely with Protein Research Center to understand and highlight the functional characteristics of whey-derived ingredients. The product development scientists use their understanding of protein nutrition and creative talents to demonstrate innovative uses of whey proteins and help deliver protein nutrition to the consumer.

Our food scientists work closely with manufacturers to identify specific needs, diagnose product development challenges and assist in successful product launches. The PAC also provides technical interface with academic researchers around the world and supports research activities through knowledge transfer and ingredient samples.



## FOOD AND BEVERAGE INNOVATION

The Food and Beverage Innovation (FBI) team in La Crosse, Wisconsin, supports tailored needs of the customized ingredients business. The multi-talented team has expertise in crafting innovative and effective ingredients for bakery, beverage, cheese, and frozen desserts. The expertise extends beyond dairy with expertise to develop commercially successful formulations for a variety of food products. The team’s specialty is to reduce the input formulation costs by creating innovative blends that provide optimal functionality.

## NUTRITION INNOVATION

From La Crosse, Wisconsin, our food scientists meticulously and thoughtfully formulate applications for health and wellness, lifestyle nutrition, senior nutrition, and sports nutrition. From trending formulation design, superior flavoring to end consumer experience consideration, the food technologists add value at all development stages. The team’s specialty is to create innovative ready-to-mix (RTM) powder beverage blends that optimize nutritional value with the best flavor at the lowest possible cost. They continue to deliver creativity in ingredient options with dairy proteins, plant proteins and beyond.



## CHEESE TECHNICAL SERVICES

Agropur’s Cheese Technical Services is located in Appleton, Wisconsin, at our US headquarters. The department provides technical support for all cheese manufacturing operations in seven facilities across the US. Collaboration of cross-functional teams leads to increased operational efficiency and promotes value-added margin projects for customers. Our team works closely with customers to meet their needs for new and existing products. Customer-driven research and development, such as new product formulation development and line extension support is a critical function of the Cheese Technical group. The cheese applications lab is equipped with a wide variety of pizza ovens to evaluate cheese functionality through its shelf life. The team’s experience is invaluable to our customers in cheese grading and product application development.





## INNOVATION AND PRODUCT DEVELOPMENT CENTER

Located at the Canadian head office, the 3,720-square-meter (40,000-square-foot) research & development center of Agropur is able to create and recreate almost all dairy product from the laboratory scale to the pilot production and small-scale commercial production. In multi-functional teams, the Innovation and product development specialists focus on the needs of our consumers and customers for all categories of products (Fresh, Cheese, Butter and Ingredients, Fine Cheeses and Frozen products). To address more challenging projects, Agropur can count on the Innovation Solution Team, which will find out-of-the-box solutions to bring innovative products to the world. And since we believe that dairy is part of the solution to feed 10 billion people by 2050, the Research and Science team is working on different solutions to make dairy more sustainable.



# Our brands, a standard of excellence

*Natrel*

**L'EXTRA**

**OKA**

**Québon**

 **Lucerne**  
SINCE 1904

**island  
FARMS**

AGROPUR  
*Grand Cheddar*  
CANADIAN RESERVE™

**Farmers**<sup>MD</sup>

FROMAGES FINS  
**ANCO**  
FINE CHEESE

Central Dairies



*Sealtest*

**biPro**

Beyond our consumer brands, Agropur is a leading B2B manufacturer. We are one of North America's largest whey protein manufacturers and producer of more than 500 million kg or 1 billion pounds of cheese per year for retail brands, food service and restaurant chains. We are behind some of the most prominent food, beverage and nutrition brands in the industry. Vertically integrated by design, Agropur provides future-forward solutions in cheese, ingredients, beverages and contract manufacturing.





# Product safety and quality

It is Agropur's top priority to produce safe and high-quality products as we strive to become the key dairy partner for the food industry. We have established core values of communication, collaboration, boldness and integrity with a special focus on excellence to bolster those commitments.

Agropur is working to build a world-class culture of excellence, recognized and shared by all, that will guarantee safe and compliant dairy products, protect our reputation and ensure our sustainability. Our management is committed to continuous review of food safety and quality objectives and making program improvements.

Company programs ensure consistent production of safe and high-quality products. They serve as guides throughout Agropur, and every employee has the responsibility to ensure they're followed.

Our top-level commitment to product safety and continuous improvement is shown through our adherence to the current SQF Code, a food safety and quality system, which is audited annually by an independent international agency. We internally establish and review food safety and quality objectives outlined in the Agropur Quality Expectation Manual and focused initiatives defined through the annual strategic planning process.

Agropur strives to meet or exceed customer expectations and all regulatory requirements. We adhere to the CFIA, FDA Code of Federal Regulations (21 CFR part 117: Current Good Manufacturing Practice, Hazard Analysis, and Risk-Based Preventive Controls for Human Food) and all provincial and state regulatory requirements.

All manufacturing or processing employees receive food safety training. It is periodically performed in virtual or classroom settings, while everyday training occurs on the production floor. We encourage employees to ask questions, express concerns and report quality or food safety risks. We provide leaders with executive summary reports of significant quality events to ensure our factory-level food safety culture is supported at the highest levels.

In 2020, we completed customized modifications to our certified supplier management software. It allows us to automate food safety assessments of incoming materials and suppliers using a risk-based approach. The modification meets the expectations of the Food Safety Modernization Act. It allows easy reporting, tracking and trending of supplier and material compliance to all aspects of food safety. That ensures plant-level food safety and HACCP plans apply the correct preventive controls to mitigate any food safety risks from incoming materials.

As part of our continuous improvement programs, our quality and leadership teams partnered to evaluate quality improvement projects prior to implementation. They use project management philosophy and adhere to change management principles to gain support from key stakeholders and ensure project success.

Agropur has created more transparent and detailed program summary documentation. It better supports our customer needs to understand the design of food safety programs. Agropur aims to provide detailed risk assessments to our customers just as we require transparency from our suppliers. Though it is critical to maintain confidentiality in proprietary business areas, trusting partnerships require that we present food safety risk assessments in a clear and logical manner.



# Labeling: responsible sourcing, cleaner ingredients



## TRACEABILITY

Agropur maintains full traceability through supporting documentation of ingredients received into the facility, point-of-use information, packaging and shipping information. All products shipped to first customers are maintained in a computerized traceability control system. Agropur ensures that product is suitably identified and traceable to the customer and through the process from raw materials and other inputs.

Consumer preferences are shifting toward healthier diets that reflect social and environmental values. Agropur is a strategic partner for many customers pursuing cleaner ingredients and a wide range of responsible sourcing certifications:

- Animal Care
- Cleaner Ingredients
- Dietary Attributes
- Education
- Environmentally Friendly
- Ethically Sourced
- Health and Safety
- Sustainable Seafood





Sustainability is defined as “Meeting the needs of the present without compromising the ability of future generations to meet their own needs.”  
- United Nations Brundtland Commission, 1987

# Sustainable farms

Agriculture depends on an environmentally viable planet, and dairy producers have long been considered the original environmental stewards. Their long-term, generational approach to carrying out environmental management plans through land conservation, soil health and water management underpins the top-quality milk they deliver year after year.

In recent years, as the global dairy industry has come together on its approach to environmental management and reporting on the farms, Agropur abides by the leading national industry standards to support producers in these areas.

## US DAIRY: FARM ENVIRONMENTAL STEWARDSHIP



The FARM Environmental Stewardship (Farmers Assuring Responsible Management) program is the most recent initiative in the dairy industry’s FARM continuous improvement program.

The Environmental Stewardship assessment collects on-farm data to calculate a carbon and energy footprint for the farm, using the life cycle assessment (LCA) of fluid milk conducted by the University of Arkansas’ Applied Sustainability Center. The program also provides sustainability resources such as science-based standards, verifications, metrics and other tools for farms to benchmark their performance and support the adoption of regenerative agriculture practices. In 2020, key members of Agropur’s US milk procurement team became certified evaluators with the program and will onboard US producers in 2021.

## DAIRY FARMERS OF CANADA: PROACTION



Dairy Farmers of Canada proAction program is a national on-farm assurance tool that includes multiple sustainability modules that were implemented progressively in time. The modules include Milk Quality, Food Safety, Animal Care, Livestock Traceability, Biosecurity and Environment. Compliance with proAction is mandatory for all dairy producers in Canada.

Starting in Sept. 2021, proAction will roll out its environment program, which will address issues such as soil conservation and health, water use and management, biodiversity and energy use. Agropur will continue to support our members, farmers and the dairy industry in complying with the ever-evolving proAction program. As a processor, we bring a unique perspective to its continuous improvement. We know it is imperative that proAction meets consumer and business partner expectations and provides the proper level of data monitoring and reporting to maintain confidence in dairy products and demonstrates dairy producers’ achievements.





As one of North America's leading dairy processors, Agropur's success can only be as great as the relationships to provide the highest quality milk, ensure the animals receive proper care and that environmental practices contribute to the long-term sustainability of the dairy industry. In 2020, Agropur accounted for 2,974 dairy producer member owners in our Canadian operation across the provinces of Ontario, Quebec, New Brunswick, Nova Scotia and Newfoundland and Labrador. In the US, our team worked with 372 farms across Wisconsin, Iowa, Minnesota, South Dakota, Nebraska and Idaho.

# Commitment to animal welfare

Agropur enacted our animal welfare statement in 2015, setting dairy industry expectations and providing our support for best practices. In our Canadian operations, Agropur's direct involvement on multiple fronts provided clear animal welfare guidelines for the dairy industry and our members.

## Our efforts have included:

- Appointing an animal welfare advisor in 2017. Our expert's responsibilities include support for the Cooperative, cooperative advisors, members and the dairy industry in implementing animal welfare best practices, collaboration with national and provincial industry stakeholders on continuous improvement and coordinating communication and knowledge transfer.
- Agropur has been an associate member and avid supporter of Canada's National Farm Animal Care Council (NFACC) since 2017. Agropur's animal welfare advisor is an observer for the Code of Practice for the Care and Handling of Dairy Cattle (the "Code of Practice") revision, a three-year process launched in 2019.

Canada's dairy producers have a responsibility to comply with NFACC's Dairy Cattle Code of Practice. It is assessed through Dairy Farmers of Canada's (DFC) proAction program, a national, mandatory on-farm assurance tool for all Canadian dairy producers and managed by the provinces (e.g., logistics for validations on farm, penalties, milk shut-offs). Agropur plays a vital role in supporting the highest standards of milk production in Canada through compliance with proAction. In addition, collaboration with stakeholders on the implementation and evolution of proAction is essential to ensure that it meets market expectations.







Agropur adheres to strict antibiotic guidelines that limit the use of medically necessary antibiotics to assure animal health by treating, controlling and preventing specific diseases. Agropur also prohibits the use of growth-promoting substances in dairy producer operations.

## SUPPORTING MEMBERS WITH CREDIBLE EXPERTISE

In Canada, Agropur's team of cooperative advisors includes seven agronomists in Quebec and one colleague in Atlantic Canada. They're a front-line resource and champion for our dairy producer members. The advisory team used state-of-the-art equipment and continuous training to help members reach sustainability goals and industry expectations.

Agropur launched our animal welfare services in 2018 and the efforts include:

- Supporting member preparation for Dairy Farmers of Canada's proAction validation process; helping put requirements into practice and finding solutions and strategies when gaps exist.
- Sharing animal welfare information and resources through our member-only digital platform.
- Carrying out complete analyses of animal welfare indicators on farm.
- Recognizing superior efforts through the launch of the Club of Excellence Animal Welfare Award in 2020.

**100%**  
**compliant\***  
**with**  
**proAction**

\* There is a 0.1% difference that is attributed to new farm operations in the process of implementing requirements, or existing farm operations in the process of updating their practices and showing their corrective actions to comply with requirements.



Measuring our reach:

- Since 2017, cooperative advisors accumulated more than 70 hours of animal welfare training with subject matter experts, which included in-class, online and on-farm settings.
- Since 2018, Agropur has activated our animal cruelty and mistreatment crisis management protocol to address a variety of dairy industry allegations. The protocol sets forth roles and responsibilities of concerned stakeholders, coordinates actions and informs support for members and their livestock, when applicable.
- In 2019, cooperative advisors provided animal welfare services to 44 members and conducted 53% of the interventions on farm.
- In 2020, cooperative advisors provided animal welfare services to 49 members and conducted 67% of the interventions on farm.

Agropur's significant animal welfare efforts over the years serve as a critical foundation to building our sustainability program. We support the dairy industry along several supply-chain leverage points and share members' successes to inspire progress.

## US DAIRY: FARM – ANIMAL CARE PROGRAM

Established in 2009 by the National Milk Producers Federation and Dairy Management Inc., Farmers Assuring Responsible Management (FARM) – Animal Care Program is an excellent industry initiative to develop the highest animal care standards for US dairy farms. It is an on-farm continuous improvement process that targets animal care and quality assurance.

Agropur requires that all of farms and cooperatives that ship milk to our facilities are compliant with the FARM – Animal Care program.

Under normal, non-pandemic circumstances, our team of six field service representatives across the country provides technical assistance and resources to farmers to help resolve issues and meet requirements. Agropur's US field service team conducts second-party evaluations of all participating farms on a three-year basis, with third-party audits carried out in accordance with the frequency determined by the FARM program. In 2020, the FARM program implemented a COVID protocol that delayed 2020 audits until Sept. 2021.

\* There is a 0.1% difference that is attributed to new farm operations in the process of implementing requirements, or existing farm operations in the process of updating their practices and showing their corrective actions to comply with requirements.

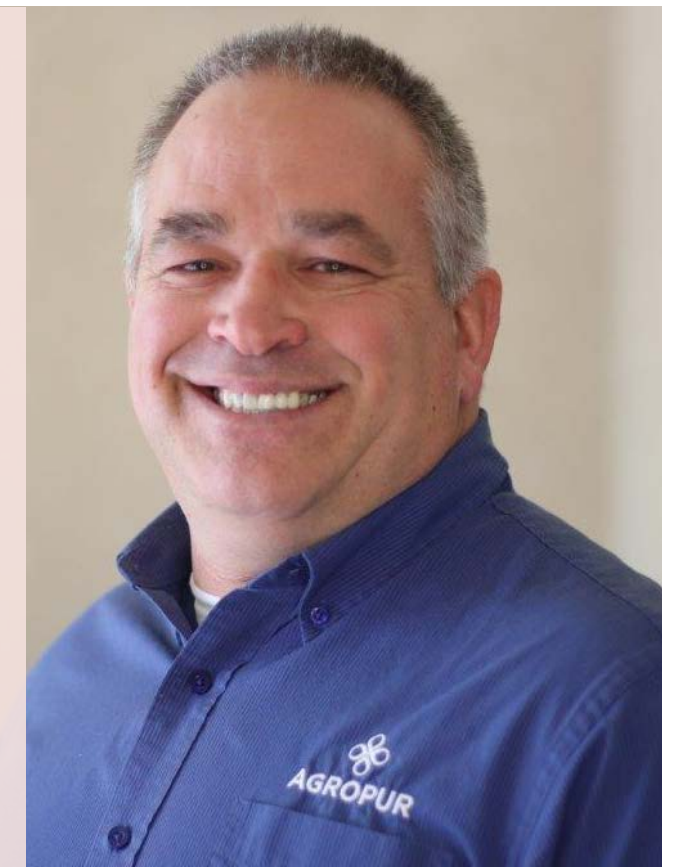


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All of the dairy producers I have had the pleasure to work with takes tremendous pride in their roles as stewards of the land and water. With the dairy industry paying more and more attention to sustainability on the farm, the dairy producers' stewardship role will expand and build upon their longstanding work in environmental management. I look forward to exploring how we can work together to preserve the natural resources that we all rely on.”

**KEITH BRAUN**

Director Milk Procurement – US





# Agropur's focus – top-quality milk

Agropur has always placed great importance on milk quality – it is fundamental to the viability of our business and that of our dairy producer members, US producers and milk shippers. Given the cooperative structure that we were founded on, it is our responsibility to invest in producer efforts to obtain the best possible milk quality results. In addition, food safety issues are of concern to consumers who are increasingly critical of the quality of the food they choose to consume.

- Top-quality milk is a raw product that is more easily processed, maintains a longer shelf life and ultimately translates into less food waste along the supply chain.

## A TEAM EFFORT THAT TRANSLATES INTO MEASURABLE RESULTS

Constant communication with our farmers is essential. Agropur's team of qualified cooperative advisors and field service representatives help prevent and resolve on-farm milk quality issues with intervention plans, state-of-the-art equipment and continuous, advanced training. These teams can identify milk quality problems and their causes, provide solutions and minimize risk factors. Once corrective measures have been implemented on the farm, the advisors conduct follow-up verification to confirm standards have been met.

- In 2020, 843 Canadian dairy producer members received at least one intervention from a cooperative advisor (this represents 29% of all members). Interventions can be done remotely or on-farm and are either preventative or troubleshooting in nature.
- In the US, during non-pandemic conditions, our field service representatives visit between 6-8 farms per day to monitor production indicators and provide support where needed. During COVID in 2020, the frequency of these visits reduced, and more troubleshooting was handled over the phone and via email. We look forward to returning to our normal routine once conditions normalize.

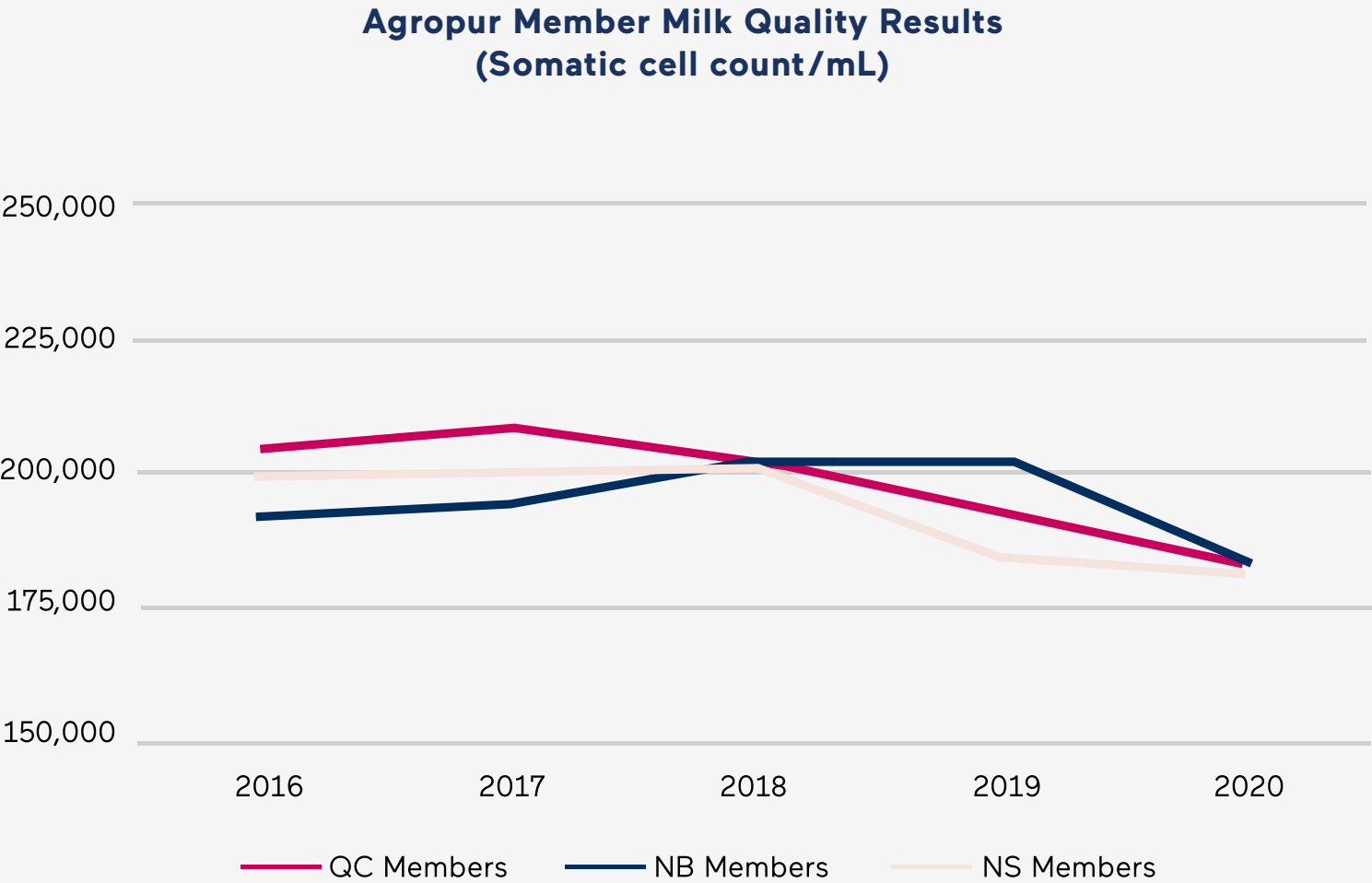
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Dairy producers are at the heart of Agropur. Our team supports the dairy producers with comprehensive training programs to make sure that their cows are well cared for and to ensure that the milk meets the highest standards possible. We take pride in working with dairy producers across many geographies and it is only through their longstanding commitment to quality and best practices that Agropur can develop the award-winning foods that families put on their tables year after year.”

**SOPHIE NEVEUX**  
Animal Welfare and  
Milk Quality Advisor



In the US, this testing is available through our field service representatives. In addition to the stringent milk quality testing in place by regulatory authorities, a further preventative measure has been in place in Canada by Agropur since 2012; a network of member volunteer “Points of Service” equipped to test for the potential presence of antibiotics in our members’ bulk tank milk prior to shipment. These 34 locations are dispersed throughout Quebec, New Brunswick, and Nova Scotia and provide results within five minutes. It is these types of critical control type efforts that demonstrate how Agropur is fully invested in ensuring our dairy portfolio meets the highest standards and consumer expectations.



The graph represents Canadian members’ progress regarding the level of somatic cell count (SCC) in their delivered milk. Member data in Ontario and Newfoundland and Labrador is not included to respect confidentiality.

### OUR PROOF IS IN THE NUMBERS

Our producers’ milk quality results are conclusive, a point of pride and an inspiration to other producers. Agropur complies with rigorous quality standards, which set limits on the acceptable somatic cell count found in milk during laboratory testing, which is one health indicator for cows.

#### Milk standards include:

- Canada Milk Quality Policy requires  $\leq 400,000$  SC/ml.
- EU Standards require  $< 400,000$  SC/ml.
- Pasteurized Milk Ordinance require  $< 750,000$  SC/ml.

#### Going above and beyond

- Our North American farmers far surpass Canadian and EU performance indicators on an annual basis, ranging between 210,000 and 175,000 SC/ml, indicating excellent quality.
- In 2020, the 241 Wisconsin (US) farms had an excellent year and averaged 164,000 SC/ml.
- Each year, more than 50 Canadian dairy producer members are recognized for their milk quality achievements through Agropur’s Club of Excellence Milk Quality Award, one of our Canadian programs established in 1989.
- In 2020, an average of 28% of our Quebec members were paid the highest premium price for delivering the most rigorous milk quality monthly.

### INDUSTRY EXTENSION PARTNERS

Agropur believes it is important to support the evolution of the dairy industry and is actively involved in industry extension efforts across North America, notably Novalait and Op+Lait in Canada and the university extension services and regional dairy organizations across the US. These organizations target research and development and provide knowledge transfer opportunities to engaged stakeholders. These strategic committees provide up-to-date science, information and guidance that improves on best practices for producing high-quality milk.



# Spotlight: developing dairy producers

While Canadian dairy farms range in size, configuration and style, those who work with cattle must be highly competent as they directly impact milk quality and animal welfare.

Dairy production requires qualified employees. Although professional development requires financial and human capital inputs, the return on investment is significant. It is essential for dairy producers to surround themselves with credible support and remain informed on best practices. Our goal is to help those who work with dairy cattle to do things right, effectively and with the well-being of humans and animals front and center.

## MOBILIZING OUR AMBASSADORS

As a Canadian cooperative, knowledge transfer and communication are at our core. We have developed a large network chosen by our nearly 3,000 members to act as ambassadors. For each group of five members, there is one facilitator whose role is to act as a conduit of information for other members on business aspects including industry updates, market expectations, dairy processing and production.

## ENGAGING OUR MEMBERS

Agropur provides training opportunities across a variety of subjects important to making sound decisions coherent with best management practices.

Since 1998, we have provided in-class milk quality training to more than 1,900 participants. We provided information on producing quality milk, the science of mastitis, root causes of problems and solutions. Participants received user-friendly reference guides on minimizing risk during milking to improve results for animals and the milk produced.

In addition, we supported 60 members' participation at various 2019 training events organized by Agropur, industry partners or extension services. Topics included safe and stress-free dairy cattle stockmanship, which are essential lessons on working effectively with animals.

In 2020, Agropur provided a collaborative training opportunity to our members' Spanish-speaking workforce with over 55 participants. The training was provided via Lactanet's FIATÉ service and partially financed by Agropur for their members. Sessions included presentations and hands-on verification of milking and stockmanship best practices.

Agropur is keenly aware that knowledge transfer has a significant ripple effect. We believe it should be an industry-wide practice; that is why we have sponsored events that contribute to the exchange between producers and experts.

- In 2018, Agropur was a sponsor for Dairy Focus Atlantic in Halifax, Nova Scotia with more than 450 participants.
- In 2019, Agropur was a sponsor for Saint-Hyacinthe's Agricultural Show with more than 15,000 participants.

Professional development is a continuous process. We are motivated to help inform our members' management decisions and actions as they strive for excellence.



# Caring for our communities

In an ideal world, all families would have reliable access to nutritious food. Unfortunately, millions of North Americans regularly experience food insecurity, and in 2020, COVID-19 exacerbated the crisis.

While Agropur aids many worthwhile causes, we believe our role as a dairy company should focus on food accessibility. We aim to ensure that all families can get the healthy food they need in the communities where we operate. We help through donations and sponsorships, employee fundraising and our farmer members' activities.

While the pandemic affected everyone, the disadvantaged were particularly impacted. Our North American hunger-relief partners reported a grim reality. In the first three months of lockdown, Feed Ontario saw a 26% increase in first-time food bank visitors<sup>1</sup>. In the US, Feeding America – Eastern Wisconsin distributed 84% more food in 2020 than pre-pandemic levels<sup>2</sup>.

In response, Agropur coordinated with Feed Ontario for food pick-ups directly from our plants and distribution centers. We donated cheddar cheese and other dairy products equating to more than 1 million liters of milk. We humbly accepted Feed Ontario's 2020 Paul Mistele Memorial Award in recognition of our support. In the US, Agropur supported Feeding America Eastern Wisconsin with our annual employee fundraising campaign, "I Care, I Give." Employees donated directly from their paychecks. We also maintained our longstanding practice of directing a portion of earnings before patronage dividends and income taxes to donations and sponsorships.

Mutual aid and solidarity are values embedded in our DNA. As such, Agropur supported organizations committed to the proposition that healthy eating isn't just about nutrition; it is also about social connection, the environment and education.



In 2020, Agropur supported many leading North American organizations:

- Aligning with food banks such as Feeding America and Moisson Foodbank Network, Agropur helped improve access to nutritious foods across North America.
- Through engagement with La Tablee des Chefs and Cuisines Solidaires, Agropur encouraged people to explore new foods, try new recipes and build social connection through the joyful, unifying power of cooking.
- True to our roots, Agropur supported dairy research and flagship cooperative organizations such as the Quebec Council of Cooperation and Mutual Enterprise, Cooperatives and Mutual Enterprise Canada, University of Sherbrooke's Research and Education Institute for Cooperatives and Mutual Enterprise and SOCODEVI.

1. Feed Ontario. <https://feedontario.ca/story/a-year-of-unprecedented-impact-in-response-to-covid-19/>  
2. Feeding America Eastern Wisconsin. <https://feedingamericawi.org/coronavirus-updates/>





# Taking care of our Agropur family

As a major business within an essential industry, Agropur carried forth production throughout the COVID-19 pandemic to meet the demands of both our customers and dairy producers.

The health and well-being of our employees has always been a top priority. In March 2020, it became a far greater concern and risk mitigation became a key consideration. Our plants took significant steps to provide the safest possible work environments and lessen anxiety among our teams.

Telework was made available to employees in the US and Canada who were able to work from home and training was conducted virtually.

Agropur's US Operations formed an overall task force as well as plant-level task forces in effort to exchange and move quickly on rapidly emerging information. Leadership across the dairy industry worked together to formulate best practices. Our leaders communicated openly and frequently with employees to ensure compliance and understanding.

As a food producer, Agropur benefited from already strict hygiene standards and took steps to build from them. Facilities took measures such as daily temperature checks and use of health questionnaires to protect employees from those who were potentially infected.

Our US and Canadian operations developed and enacted plans to make the best use of space and promote social distancing. Employees used personal protective equipment and plants staggered shifts to lessen the numbers congregating in locker rooms and other common spaces. Our plants also installed plexiglass in common spaces and created additional breakroom space.

Agropur was able to maintain production with a high degree of safety. In Canada, for instance, 76% of Agropur's sites ended the year without a lost-time injury (LTI).

Our success in navigating through the turbulence of 2020 was in large part due to the dedication and flexibility of our employees. They exercised precaution, managed through inconveniences and rallied together to meet our important mission.

CREATING A WELCOMING WORKPLACE

We are focused on building a diverse and inclusive workforce that is effective and highly engaged. Our Code of Conduct and global policies, which include ethical behavior and diversity, equity and inclusion, set clear expectations. Our policies are supported by local guidance to reflect relevant regulations and norms. An understanding of, and connection with, local markets is vital to our success. By hiring and developing local talent, we contribute toward the shared success of Agropur and the countries in which we operate.

Agropur is committed to an environment of equality, respect and dignity. We have long implemented policies and programs in support.

Our zero-tolerance policy applies to all terms and conditions of employment. Harassment may be grounds for immediate termination whether it occurs at or outside of work. It applies to harassment of team members or others. Agropur makes every reasonable effort to ensure its entire community is familiar with the policy and aware that every complaint received will be promptly, thoroughly and impartially investigated. We also work to ensure all cases are resolved appropriately. Agropur will not tolerate retaliation against anyone who complains or participates in an investigation. We conduct annual training for Respect in the Workplace. Agropur has a supervisor/manager training and an all-employee training.

We fund an independently administered whistle-blowing hotline that is available to all employees with concerns of serious wrongdoing or other behavior.

In Canada, 90% of our hourly employees are covered by collective bargaining agreements.

FULL-TIME EMPLOYEES

6,678  
Canada

2,975  
US

9,653  
Total

TOTAL EMPLOYEES  
(Full-Time + Part Time)

7,380  
Canada

3,058  
US

10,438  
Total



OUR EFFORTS

Agropur strives to be a top employer in each region we operate. We offer a competitive, total rewards package to attract talented people who are interested in building long-term careers.

Agropur offers benefits that support the wellness of employees and their families. Our programs include resources for physical, mental, financial and social health.

Our global wellness offerings include:

- Benefit plans to support the health of employees and their families
- Employee Assistance Program (EAP), with free, 24/7 access to third-party confidential advice and aid for employees and their families
- Paid and unpaid time off to promote mental health and work/life balance
- Retirement and savings plans to help employees build financial security

Other wellness programs offered in some regions include:

- Digital wellness platforms that provide incentives for building healthy habits
- Enhanced coverage for mental health and other healthcare professionals
- Access to virtual health care and other on-demand services, like webinars to navigate work and life challenges
- Chronic condition management programs to manage and prevent conditions such as diabetes and cardiovascular disease
- Support provided to employees facing the emotional and financial challenges associated with eldercare

EMPLOYEE ENGAGEMENT

Global employee engagement is a key element to Agropur’s performance. Agropur works with Qualtrics, an independent, third-party management consulting firm, to conduct an annual employee engagement survey, known as the VIBE survey. The confidential survey is offered to all employees and provides an assessment of employee opinions and perspectives. Agropur also carries out periodic strategic alignment pulse surveys. It is a set of questions on employees’ understanding and buy-in of the business’s objectives, as well on specific topics important to our employees’ experiences at Agropur. In 2019, Agropur’s engagement rate was 78%, which aligns with industry benchmarks. Our next survey was conducted in Sept. 2021.



# Health and safety

For Agropur, nothing is more important than returning our employees back to their families in the same condition as they reported to work. Safety is a key priority, and our strong track record demonstrates the close attention we place on training and risk reduction.

In two key measures for assessing work-related injuries and illnesses, Agropur's US operations recorded figures below the industry average for cheese manufacturing.

In 2020, our US operations had a DART rate of 2.63. DART, or Days Away/Restricted or Transfer, is a calculation that describes the number of recordable injuries and illnesses per 100 full-time employees that resulted in days away from work, restricted work activity or job transfer.

Our US operations had a Total Incident Rate of 3.99 in 2020.

Key safety-related accomplishments in 2020 included:

- A reduction to both total OSHA Recordable Rates and DART rates from 2019.
- Continued training options during a health pandemic.
- Use of artificial intelligence programs to reduce our ergonomic hazards.
- Introduction and trials of drones to accomplish some at risk inspection points.
- The use of technology to automate recordkeeping and track corrective actions for incidents.
- A reduction in Worker's Compensation experience.

COVID-19 created new challenges. We needed to re-think and re-introduce our safety training programs to ensure they were both effective and protected our employees as much as possible during the pandemic. Agropur's safety professionals developed innovative ways to hold smaller, socially distanced meetings that included use of web-based programs and video conferences.

All of Agropur's plant focus on continual improvement and creating innovative safety programs. Our plants in Jerome, Idaho, Lake Norden, South Dakota and Le Sueur, Minnesota have incentive programs, such as #WHYIWORKSAFE.

Agropur has been frequently recognized for our excellent safety track record.







In Canada, our operations recorded a Total Incident Rate of 5.21 in 2020 with a Lost-Time Incident Rate of 1.28.

Key 2020 safety-related accomplishments in Agropur's Canadian operations included:

- Continuing work on increasing safety ownership and empowerment at all levels:
  - Local and Canadian performance targets and trends were monitored on a monthly basis at various level of the organization
  - All sites identified their local health and safety top three annual initiatives to reduce risks and accidents
  - Implementation of a standardized information management system to support preventive culture. The tool is used in the US and Canada.
- Continuing work to increase risk awareness while eliminating or reducing risks:
  - We continued to increase our control of critical risks with local projects and investments based on risk analysis conducted at site level to identify annual priorities
  - Local joint health and safety committees were active in a majority of our locations
- We continued to align health and safety strategy of creating a Preventive Culture with the deployment of the Safety Pillar as part of the AOS (Agropur Operating System) platform
- Coaching and training was adapted to the pandemic
- Increased synergy between health and safety and quality



## OPERATIONAL SAFETY RECOGNITIONS

Agropur’s long-standing commitment to operational safety culture has created a positive work environment that has received several awards and recognitions over the years. We take pride in developing top of the line work environments where our employees can excel.

Our Wisconsin plants have been finalists or winners of the Wisconsin Corporate Safety Awards every year since 2010. We have won the Wisconsin Safety Council award in 2012–2015, 2018 and 2019. Our Hull, Iowa plant won the Iowa/Illinois Safety Council Hazard Control Award in the following years: 2012–2013 (President’s Choice), and 2015–2020.



## COLORING CONTESTS KEEP SAFETY TOP OF MIND

Agropur began incentive programs in 2010 as an innovative way to draw greater attention to safety. Our kids coloring contest is a great example.

These programs serve multiple purposes. The coloring contest engages our employees and their children or grandchildren in our safety awareness efforts. We focus on the time from mid-November through the New Year as it is a busy time for our employees outside of work. We post the entries in common areas such as our breakrooms, which helps all of us remember that we need to stay focused on safety in order to return home to our loved ones. It also reminds our employees that we need to watch out for one another at work and help each other for the sake of our kids.

At some locations, winners are selected to create a calendar for the next year featuring their artwork. It is a fun event that ends with personalized letters to the children thanking them for helping protect their loved ones at work.





# Learning and development

Agropur supports our employees in their professional development through learning and development programs. We are raising our efforts to bring new skills to our global workforce. We are accomplishing that goal through a mix of on-the-job training, mentoring, coaching and formalized learning. On-the-job training is a priority and we have instituted several programs in support. These include early-in-career offerings for apprentices, trainees and graduates.

We also understand the importance of developing leadership skills, and launched programming designed to develop confident, capable and collaborative leaders. It uses a combination of facilitated sessions, one-on-one coaching, on-the-job activities and project work to build capability and shift mindset. We have received positive feedback from participants, managers and other stakeholders and plan to offer it to a wider audience in coming years.

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Agropur’s sustainability actions are very important to our employees. They help give meaning to their work: to make superior products in a way that makes our world a better place. This also applies to the way we work together. We want to build strong, inclusive teams that allow everyone to develop their full potential.”

**MARIANNE MEUNIER**  
Senior Vice President,  
Human Capital





# LEARNING AND DEVELOPMENT PROGRAMS

## B-Vision

The B-Vision program is part of Agropur’s strategy for talent retention and succession management, and has replaced our VisionR program, introducing a stronger focus on business and financial acumen necessary to lead our organization. Aimed at high-potential professionals and executives in all of Agropur’s areas of activity, the program develops the business skills of emerging leaders in line with corporate values. B-Vision has also targeted gender parity to increase the number of women in middle and senior management positions. Altogether our VisionR and B-Vision supported six employees in 2020.

## LeadR

LeadR is a leadership program designed to develop our frontline leaders’ people management skills to be better equipped for their day-to-day roles. The training is divided into several modules, including effective communication, coaching, problem-solving and decision-making. The program aims to develop leaders that will better understand what is expected in Agropur leadership and accelerate their development. The program offers new perspectives on a participant’s role as a leader and aims to develop a network of leaders in similar roles at Agropur. LeadR supported 59 employees in 2020.

## PerformR

PerformR is the ongoing performance management process for salaried employees. It fosters coaching, feedback and provides clear communication of expectations. The program aims to align the contribution of each employee with our strategic plans, foster meaningful and continuous performance discussions and allow employees to take charge of their performance and development. In 2020, this program was rolled out to all Agropur facilities in North America. PerformR supported all of our salaried employees in 2020.

## Women in Leadership

LIFé in Canada and EmpowHer in the US are women’s leadership programs, that have been launched by women to increase representation of women at all levels in Agropur and support their advancement and skills development. Numerous initiatives, webinars as well as mentorship have been introduced and will be deployed more frequently moving forward.

## Agropur Graduate Program and Internship Placement

The Agropur Graduate Program develops the leadership skills of recent graduates. The program places previous interns or university graduates into key developmental roles, where they work through three to four rotations over a two-year period, to build a new channel in our leadership pipeline. In the US, Agropur hosted six recent graduates in 2020. Agropur also offers a global, paid internship program that receives university students in areas such as engineering, marketing and human capital. These short-term commitments are designed to give students hands-on experience in the fields of study they are pursuing in school. In 2020, Agropur hosted 67 of these students.



**B-Vision**  
Elevate your business game



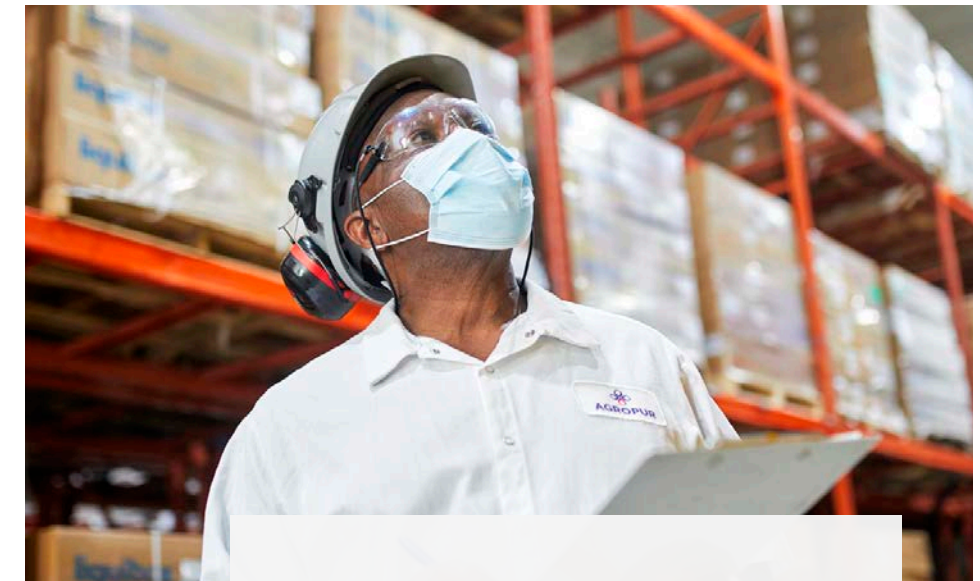
**LeadR**  
Road to Leadership



**PerformR**



**EMPOWher**  
LIFé



# Diversity, equity and inclusion

At Agropur, we have a true desire to grow and help our employees reach their full potential. We also strive to foster fairness and equity in the communities we serve.

As a cooperative, our business model supports wealth sharing and prompts us to work toward a more just and equitable world. We want our workplaces to be representative of our communities. We also want all of Agropur's employees to be all they can be. All of us should feel safe, welcome and respected regardless of sex, age, ethnic or cultural background, religion, sexual orientation or disabilities.

Agropur is working to ensure diversity and inclusion is part of our culture. For example, female leaders at Agropur launched inclusive women's leadership programs. LIFé in Canada and EmpowHer in the US set out to increase representation of women at all levels in Agropur and support their advancement and skills development. The programs have the full support of Agropur's management.

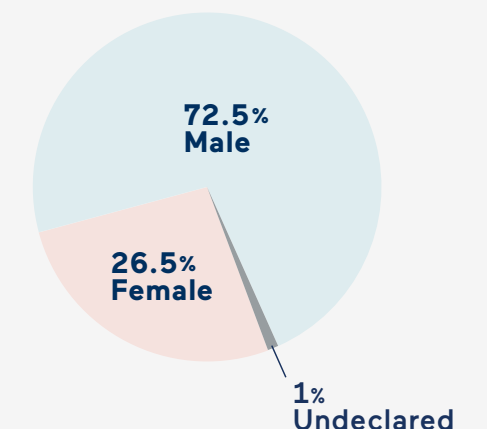
In the US, our Affirmative Action Plans have been in place since 2018 to promote diversity, equity and inclusion, in accordance with federal government guidelines. In Canada, we started the Employment Equity Program to meet Québec's provincial government guidelines, and are collecting data across all provinces in order to be able to deploy initiatives across the country.

Our work continues. We will be launching diversity, equity and inclusion committees in 2021. They will include members from all our regions who belong to the following groups: women, indigenous people, visible minorities, religious minorities, LGBTQ+ employees and people with disabilities. The committees will guide our efforts and help us build solid diversity, equity and inclusion programs. A member of Agropur's Management Committee will sit on each committee to support its work.

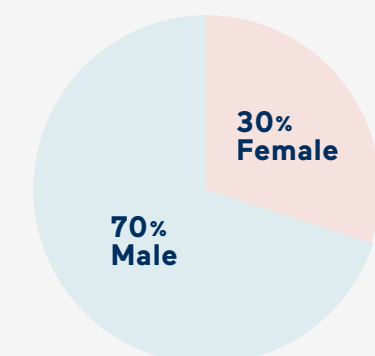
Diversity, equity and inclusion are part of our corporate responsibilities and an important building block for our "Better Dairy. Better World." promise. We need everyone working together to make a better world.

## GENDER DIVERSITY

### Canada



### United States





# Responsible operations

Change for the sake of sustainability isn't just a matter of action, but also a matter of attitude. Our efforts to improve go beyond the need to meet requirements. We recognize it is the right course of action for our business, our children, our neighbors and our future. Over the past generation, research and technological advances have led us to the sobering conclusion that our planet's natural resources can be exhausted: our behavior is greatly stressing the very elements we rely upon for our own survival.

For many generations, people did not consider the finite nature of clean water, clean air and healthy soils that are necessary to grow crops and create products we use every day. Decision-makers viewed our impact on the planet and public health as relatively insignificant. Business as usual motored ahead.

The effects of those decisions became clear. Ecosystems became ever more contaminated, and greenhouse gas emissions from the global activity fueled climate change. Today, societies around the world are experiencing natural disasters with alarming frequency such as wildfires, unprecedented droughts and record-setting high temperatures. Today, volatile superstorms cause extensive flooding and severe damage in areas unequipped to manage so much precipitation in such a short amount of time.

As a member of the global food industry, Agropur is aware of our role in society and how our operations are interrelated with this global climate crisis. Our expert energy and water teams do their part to track our energy consumption and carefully manage our water use. The teams take the unique geography of each plant site into consideration to design solutions that continually improve our performance.



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Agropur is taking large steps to become a leading supplier in the cheese and whey markets worldwide. It is our responsibility to minimize our footprint by keeping it green and keeping it clean. We must leave the earth a better place than we found it. To do this, we must always do the right thing even when no one is watching.”

**TED WINKELMAN**  
Director Environmental Compliance





# Energy management

It takes significant energy to produce dairy products. Our energy team is committed to finding solutions that increase efficiency and cut costs, and their dedication has won several prestigious awards. Beyond efficiency, we also care about our energy sources; each of our facilities is supplied by a different energy mix. Some are powered with renewable energy sources such as wind, solar and hydropower. Others receive energy from power plants that haven't yet transitioned to renewable energy. As signatories of US Dairy's Stewardship Commitment, we take pride in contributing to the industry's goal of becoming carbon neutral or better by 2050 through two major objectives: reducing our energy intensity and increasing our use of renewable energy.

## ENERGY EFFICIENCY

Agropur is dedicated to increasing our energy efficiency. We have reduced our energy intensity in the US since 2016 by roughly 7.5%, based on total BTU/WME during each fiscal year. In Canada, our teams carried out six energy audits in 2019-2020 at major sites to identify energy reduction projects. Other major projects included:

- **Converting all our lighting to LED** – In 2017, our US operations began converting our fluorescent and HID lighting to LED. All US plants now have nearly 100% LED lighting, which saves more than 5 million kWh annually or roughly 2% of our total electricity usage.
- **Installing Variable Frequency Drives (VFDs) to control flow or pressure vs. throttling valves** – Any motor that was once controlled with a throttling valve or damper is now controlled with a VFD. It is a more efficient way to control the motor as it reduces the pump or fan speed and thereby reduces energy use. The change is saving roughly 17 million kWh annually across our plants, or roughly 5% of our total US electricity use.
- **Steam trap studies, boiler tune-ups and steam projects** – Our maintenance department conducts steam trap studies and boiler tune-ups annually to ensure steam systems at each plant are running at peak efficiency. We also completed several steam and condensate projects to further increase efficiency. These combined efforts save roughly 60,000 Dth per year, or 2% of our US natural gas use.
- **Jerome, Idaho Refrigeration Study** – In 2019, our Jerome plant partnered with local utility company Idaho Power and Cascade Energy, a third-party engineering consulting firm. We conducted a comprehensive study of our ammonia refrigeration system and identified several energy savings projects for our team. We raised the suction pressure, installed high speed roll-up doors and optimized set point temperatures on certain equipment. These projects save more than 1.7 million kWh annually, or 2.3% of Jerome's total electricity use.
- **Lethbridge, Alberta technology improvements** – Looking ahead, the Lethbridge plant will be the first site to install Enviroflame technology in 2021. This piece of equipment is the most cost-effective, environmentally friendly, industrial high-volume water heater on the market, rated to 94-96% efficiency.







Pictured above: Biogas bubble in Luxemburg, Wisconsin.

## RENEWABLE ENERGY

- **Notre-Dame-du-Bon-Conseil, Quebec, Canada** – Since 1984 Notre-Dame-du-Bon-Conseil wastewater are treated by biological treatment which produced biogas. Each year approximately 27,000 Dth of biogas are produced and used in the boiler. The boiler will generate steam for the plant on renewable biogas when available. The wastewater treatment produced 8% of the gas use.
- **Luxemburg, Wisconsin biogas installation** – Luxemburg underwent a major project to install a biogas line from the wastewater treatment plant where the biogas is generated to the boiler room. We retrofitted one of the boilers with a dual-fuel burner to be able to burn both natural gas and biogas. The boiler will generate steam for the plant on renewable biogas when available. This offsets roughly 4,500 Dth of natural gas that would otherwise be burned in the boiler. This is equivalent to 1% of Luxemburg's total natural gas use.
- **Lake Norden, South Dakota biogas installation** – During the recent expansion in Lake Norden, our environmental engineering team built a biogas generation system into the upgraded wastewater treatment plant. This system offsets all of the natural gas that previously went to the wastewater treatment's boiler, saving roughly 1,800 Dth of natural gas.



PROGRAMS AND AWARDS

Agropur’s US operations have been members of the US Department of Energy’s Better Buildings, Better Plants program and the Energy Star program for 10 years. The Better Plants program works with leading manufacturers to boost efficiency, resilience, and economic competitiveness. Companies set specific energy, water, and waste reduction goals, and commit to reducing energy intensity by 25% over a 10-year period.

Agropur also follows the Energy Star Guidelines for Energy Management at all facilities to help deliver deep energy savings over the long term.

US DEPARTMENT OF ENERGY PROJECT AWARD

Agropur’s Le Sueur, Minnesota facility received the US Department of Energy Project Award in 2019, for completing multiple projects that resulted from a comprehensive ammonia refrigeration system study. The largest savings came from raising the suction pressure on the ammonia compressors, which reduces the amount of energy needed to maintain cooling. This project is saving over 2 million kWh a year, or 7.6% of Le Sueur’s total annual use.



Pictured above (Mark Minter, Mark Spence, Jeff Shodean, Dave Bero) taken during the 2019 Better Buildings Better Plants Summit in Arlington, Virginia.

LEADERSHIP IN ENERGY EFFICIENCY & SUSTAINABILITY AWARDS



Pictured above are Ken McDonald, Plant Engineer & Maintenance Manager, Idaho Governor Brad Little and Eric Gracida, Plant Manager, receiving the Idaho Governor’s Leadership in Energy Efficiency Award in 2019.

Our Jerome, Idaho facility has received the Idaho Governor’s Award for Leadership in Energy Efficiency and Sustainability every year since 2014. Projects have been focused on lighting, refrigeration, VFDs, steam traps and boiler maintenance.

- |                              |  |
|------------------------------|--|
| • 2014 – 4,010,285 kWh Saved | • 2018 – 2,074,960 kWh Saved                       |
| • 2015 – 1,802,306 kWh Saved | • 2019 – 754,373 kWh Saved<br>and 85,187 Dth Saved |
| • 2016 – 5,156,044 kWh Saved | • 2020 – 2,773,499 kWh Saved                       |
| • 2017 – 14,016 Dth Saved    |  |



# Greenhouse gas emissions

The severity of climate change is driving the global economy to tackle emissions by 2050 or sooner.

Since Agropur's last greenhouse gas emissions assessment in 2017-2018, the global food industry has rapidly adopted the Science Based Targets methodology to calculate their public commitments. Companies are announcing their Net Zero greenhouse gas reduction goals by 2030, 2040 and 2050. These commitments come with ambitious roadmaps; as a top-tier, B2B supplier for many global food companies, Agropur is committed to engaging with our customers to support these environmental performance targets.

## US OPERATIONS

In the US context, Agropur complies with the federal Clean Air Act. Our plants report greenhouse gas emissions, particulate matter (PM), volatile organic compounds (VOCs), carbon monoxide (CO), sulfur dioxide (SO<sub>2</sub>), and hazardous air pollutants (HAPs). Due to our low emissions, most of our plants have registration permits, not permits issued to track sources of pollution. Agropur annually reports greenhouse gas emissions to the federal government and total facility air emissions to the state. The government uses this data to track private sector pollution, determine which companies represent significant sources of pollution, target regulatory actions and estimate air quality levels for human health.

Our primary sources of emissions at each plant are dryers and boilers. To minimize potential emissions, we use baghouses on the dryers to collect particulate. We use high-efficiency burners for most of our facilities' boilers. With all of these emissions sources taken into account, Agropur is not considered a significant source of emissions by the US Environmental Protection Agency.

## CANADIAN OPERATIONS

In our Canadian operation, Agropur complies with the federal National Pollutant Release Inventory and the Greenhouse Gas Reporting Program. Our plants report greenhouse gas emissions, particulate matter (PM), volatile organic compounds (VOCs), carbon monoxide (CO), sulfur dioxide (SO<sub>2</sub>), and hazardous air pollutants (HAPs). Agropur completed greenhouse gas emissions assessment from FY2016- FY2018 that was third party certified. Our 2019 and 2020 assessments were in-house calculations that targeted a manufacturing and corporate footprint approach.

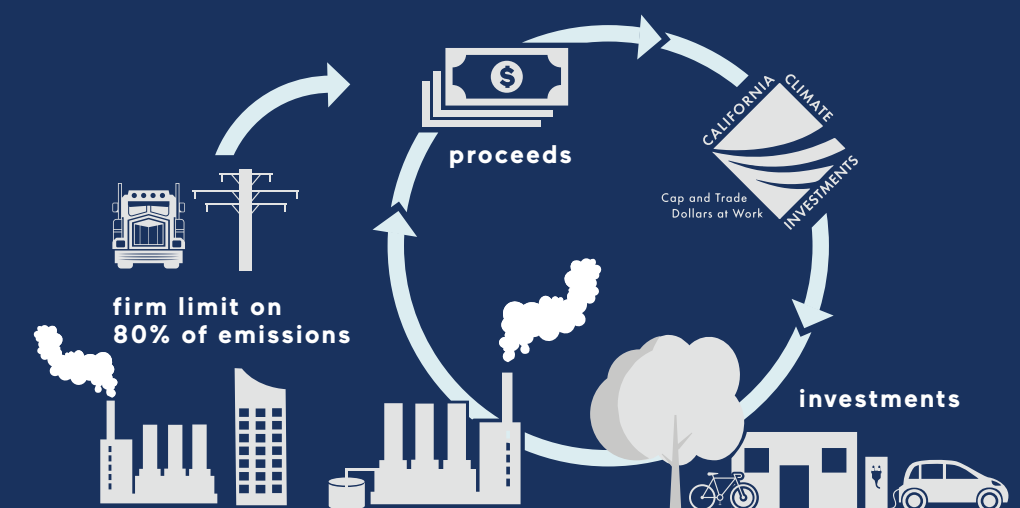
Since 2019, Agropur also participates in the Western Climate Initiative, also known as the joint cap-and-trade system between California and Quebec.

## Carbon markets generating investment dollars for climate action

The Western Climate Initiative is the world's fourth largest carbon market and the highest performing in the Americas. Since its inception in 2012, the cap-and-trade market generated revenues of \$19.8 billion CAD in California, \$4.8 billion CAD in Quebec and \$15.3 million CAD in Nova Scotia through quarterly carbon credit auctions and reserve sales. They are designed to collectively reduce greenhouse gas emissions among nearly 1,000 registered entities in the system.

Proceeds are allocated back to participating governments (currently California, Quebec and Nova Scotia) and invested in clean, affordable energy and innovative programs used to fight climate change. Investments include zero-emission vehicles, environmental restoration and sustainable agriculture.

Agropur has been a registered entity of the Quebec jurisdiction since 2019 and participates in the government's incentive program to onboard Quebecois companies.



Western Climate Initiative, Inc. <https://wci-inc.org/>

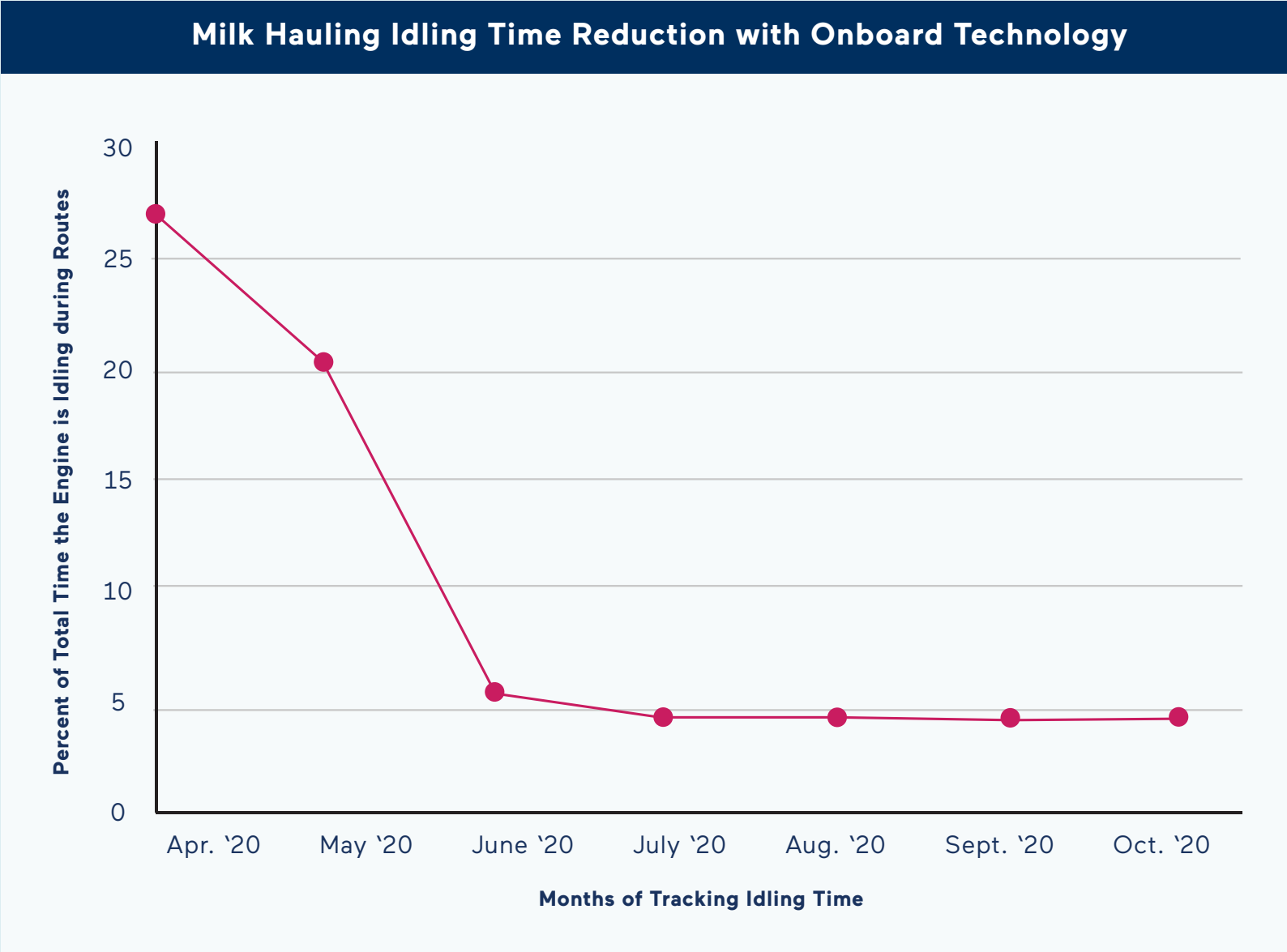
# Spotlight: freight efficiency

Agropur’s Canadian logistics team implemented a series of initiatives in recent years to reduce both greenhouse gas emissions and expenses in the trucking fleet. Increasing transportation efficiency is a complex undertaking, and our team has been active in implementing best practices and technological improvements in many areas:

- Onboard GPS systems cap maximum speed at 90 km/h, which is 10% more fuel efficient than operating at 100 km/h.
- Fuel management technology optimizes the engine’s air intake and fuel mixture, according to the weight of the truck’s load.
- Mud flaps, side skirts and air deflectors on the roof and sides of the cab improve aerodynamics and reduce wind resistance.
- Trucks are equipped with light-weight aluminum wheels and cab heaters.

Reducing engine idle time was one of our key focus areas. Whether our drivers are waiting in line at the farms to pick up milk or waiting at the plant to drop off milk, there is a lot of time spent with the engine running in place. The practice results in both unnecessary fuel expenditures and avoidable greenhouse gas emissions.

Our drivers were able to decrease average idling time by our drawing attention to the issue and installing onboard technology to automatically cut engines after 10 minutes of idling. Our Nova Scotia drivers saw the biggest reduction, reducing idling time by 18% in six months and cutting diesel purchases by 16,000 liters or 4,225 gallons monthly. In the process, they avoided 530 tons of CO2e emissions.



Source: <https://intranet.agropur.com/en/news/corporate/11-26-2020/2148/a-remarkable-initiative-from-the-atlantic-transportation-team>





# Water

Water is a shared resource and must be used with care. Our continuous improvement approach to water management aligns with the company vision, “Better Dairy. Better World.” We address our water management on a case-by-case basis with a combination of projects and operational process improvement initiatives. In 2020, Agropur signed the US Dairy Stewardship Commitment in support of the industry’s goals of optimized use and improved water quality. The commitment provides consolidated parameters for tracking and monitoring to inform decision making and implement best management practices.

## WATER QUALITY MANAGEMENT

Our global water specialists and engineers have taken on several projects designed to reduce the organic load in wastewater:

- In 2019, the Woodstock, Ontario plant modified the cleaning procedure on cutting lines. We added manual scraping of large cheese deposits as a first step, which reduced the amount of organic matter discharged into the sanitary sewer.
- Multiple plants are working to install or improve water flush technology. This practice reduces losses by keeping products from becoming trapped inside the production lines and discharged. Instead, at the end of the pumping stage, water is pushed in the lines to recover product and ensure it will be processed.
- Some plants have automated, spill monitoring capabilities, including turbidity meters, that alarm teams to potential spills to take immediate action.



WATER USE OPTIMIZATION

Our plants are continuously executing projects to reduce water use:

- The Don Mills, Ontario plant completed a series of projects, such as the replacement of cooling water by air and the re-use of some streams, for a savings of 20 million liters of potable water per year.
- Over the past few years, the Lethbridge, Alberta plant decreased water use intensity by initiating actions such as the recovery of post-caustic rinses. These actions led to a decrease of 23% of the ratio of water (m3) / finished goods (tons) between 2017 and 2020.
- From 2018 to 2020, the Amqui, Quebec plant reduced water use intensity by 24% by completing actions including the identification and repair of leaks, reuse of water and automation.
- Agropur is working to increase its water use efficiency by use of COW water, or Condensate of Whey water. COW water is a byproduct of milk processing and is recycled for various uses. We invested in a water savings project in our Luxemburg, Wisconsin plant. By installing a new COW water silo, we were able to store excess water on site and no longer needed to divert unused water to the treatment plant.
- Agropur redesigned our processes at the Little Chute, Wisconsin plant in an effort to minimize water use. We reduced our water use by about 30 million gallons per year by cooling the whey plate with cold milk instead of well water. This streamlined design also resulted in unexpected electricity and natural gas savings because the milk could be simultaneously warmed on its way to the pasteurizer.

As a growing business, Agropur often revisits the cycle of acquiring a new facility, re-permitting the facility through provincial, state and local officials and investing in water treatment improvements. As regulations evolve, Agropur strives to improve treatment processes with short- and long-term projects to uphold our commitment to responsible operations. We work with multiple environmental groups, states, provinces, municipalities, regions and federal agencies to understand the impacts of our freshwater use and surface water discharge. These organizations also guide us in determining how to responsibly treat our water discharges for constituents of concern including biological oxygen demand (BOD), dissolved oxygen, pH, temperature, nitrates, phosphorous, toxicity and conductivity.



Collaboration driving action  
US Dairy Stewardship Commitment

Agropur is a member of the Dairy Sustainability Alliance, a group of more than 165 dairy businesses and farms working together to accelerate progress toward our common sustainability goals, known as the US Dairy Stewardship Commitment. Our participation affirms Agropur’s pledge to our customers, consumers and the global marketplace to practice responsible dairy production as we nourish the communities we serve.

We join dairy cooperatives and companies around the country to ensure best practices in important areas such as animal care, the environment and food safety. Our dedicated teams connect with the dairy community every day about what is most important to them and how we can do better business together. A key element of this pledge is contributing to US Dairy’s tracking and reporting efforts. These efforts serve to document our community’s leadership around our longstanding values and practices.

For more information about the US Dairy Stewardship Commitment, please visit: [www.commitment.usdairy.com](http://www.commitment.usdairy.com).





# Spotlight: innovation in water

Availability of clean water is critical to Agropur’s long-term business success. While water management is always a top priority at our plants, greater efforts need to be taken when a plant is located in a high water stress area, such as our Jerome, Idaho facility.

By using the World Resources Institute Aqueduct Water Risk Atlas, it is easy to visualize where water risk hotspots may exist. In the case of Jerome, there is frequently insufficient amounts of fresh water to meet the demand for domestic, industrial, irrigation and livestock uses in the region.

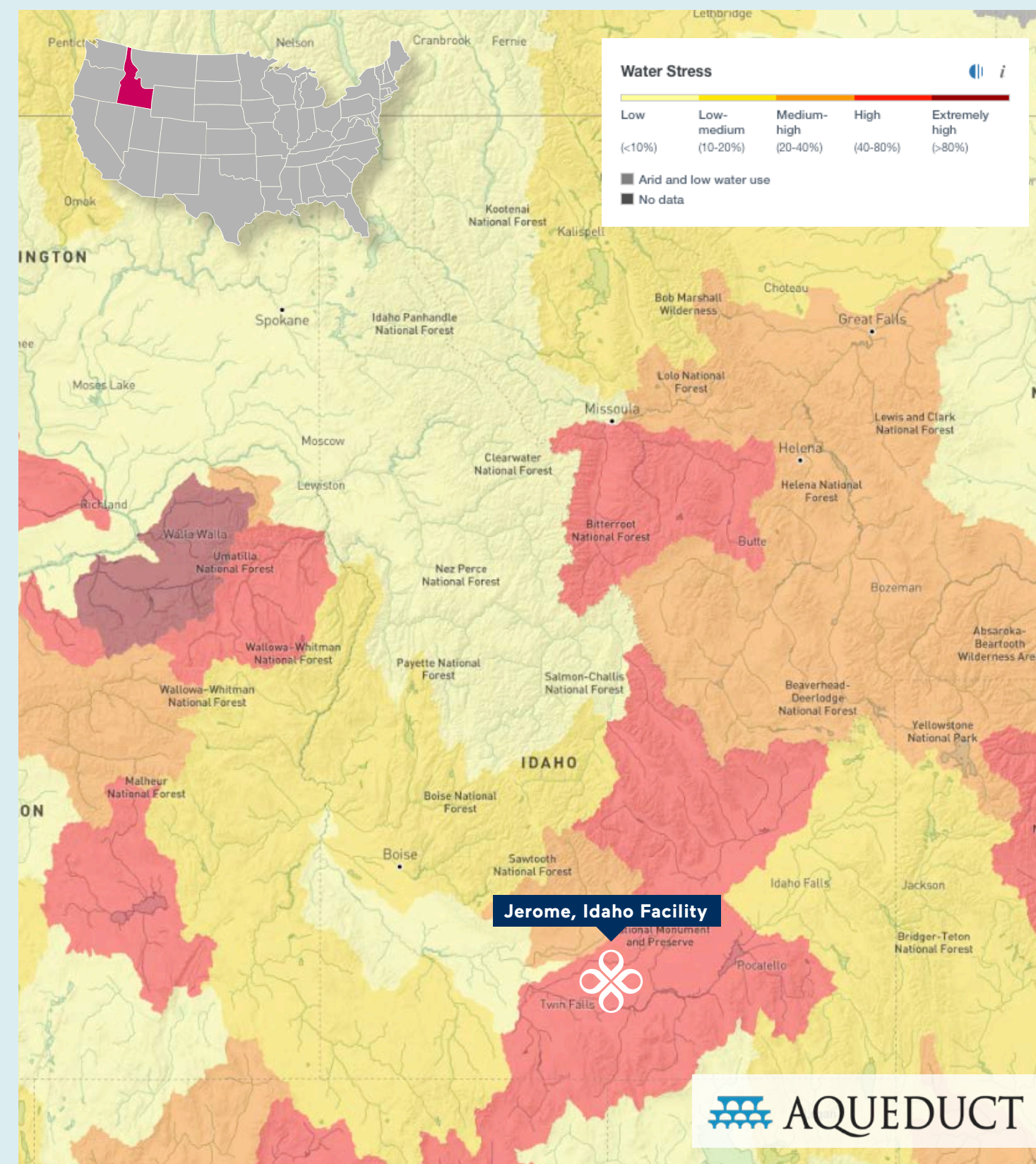
## A CIRCULAR SOLUTION: COOLING THE WHEY

While most of our water use is for cleaning equipment, large quantities are also used in cooling processes. For example, separating milk into solids and whey is a process performed at high temperatures. After the separation is complete, it is important to cool the whey as quickly as possible to preserve its nutritional integrity.

At the Jerome plant, the traditional cooling process used 100,000 gallons of cold water per day. Cold water would run through pipes to cool the whey and then be immediately discharged to the treatment plant. Depending on production cycles, the quantity needed to cool whey would negatively impact the treatment plant’s processing capacity.

One of our plant leaders described water to be “the main issue that keeps him up at night.” Jerome saw an opportunity for innovation. After digging into the research on circular hydraulic cooling systems and brainstorming with engineers, the team was able to design a closed loop system to intake water, use a chilling plate to cool it and continuously recirculate the water using a condensation and evaporation system.

The Jerome team’s ability to execute the recycled water project represented a major accomplishment for the plant in 2020. The plant decreased its daily water usage by 100,000 gallons per day and created an innovative solution that saves and recycles water. It also eliminated water-related fines for not meeting discharge and pH limits.





# Packaging

Packaging is essential to safe and high-quality dairy products, which is why we ensure the functionality and quality of our packaging meets the highest standards. To accomplish this, it is important we understand the source, composition and quality of packaging materials. This section covers packaging used to protect and transport our finished products, which are bulk ingredients for industrial use and packaged products for foodservice or retail.

## OUR EFFORTS

We aim to maximize the nutritional value provided by every drop of milk by minimizing food losses throughout our supply chain, from farm to consumer, through efficient packaging. To this end, we have established a directive on responsible packaging that illustrates our vision, orientation and commitments. It guides our teams, suppliers and partners in reducing the overall environmental footprint of our packaging in effort to achieve our vision, “Better Dairy. Better World.”

## GUIDELINES ON RESPONSIBLE PACKAGING

In 2020, we implemented responsible packaging guidelines with the help of the AGECO Group and the Food Processing Development Fund. It promotes an optimization and reduction approach at source and contributes to the circular economy. The responsible packaging guidelines are based on the following principles:

- Optimal design
- Adoption of responsible procurement criteria
- Facilitation of end-of-life management

Agropur promotes packaging that:

- Meets or exceeds our current quality standards and protects the quality and integrity of our products to avoid waste and food loss
- Minimizes use of non-renewable resources
- Reduces waste generation
- Offers the smallest possible overall environmental footprint, according to recognized standards.



## EXAMPLES OF RESPONSIBLE CUSTOMIZED PACKAGING

- Carried out customized reduction projects by adapting the format of our cheese bags to their contents.
- Decreased plastic bag weight by 46%. It also allowed us to review the transport box format and palletizing.
- Designed the box to eliminate empty space, which made it possible to increase product load from 360 to 504 bags per pallet. That represents 28% fewer trucks on the road.
- Modified the design of Natrel’s mochi box to reduce cardboard by 13% and offer 100% recycled material packaging.
- Reduced milk bag thickness by 0.25 millimeters, or 0.5 grams, which cut GHG emissions associated with 4L “bag in a box” packaging by 6%.



# Spotlight: sustainable packaging

Agropur has worked with an award-winning business partner to bring sustainable practices to packaging and transportation. By incorporating innovative packaging solutions into our plants, Agropur eliminates waste and incorporates circular, local economy practices into our supply chain.

## WOODEN CHEDDAR BOXES

Agropur's Weyauwega, Wisconsin facility has used wooden containers since the late 1960s for packaging 640-pound, solid blocks of cheddar cheese. Wood is not only a safer and more durable material to protect and age cheese; it's also a renewable resource. This container is crafted with select wood panels and frames and is reused several times. We fill these specialty containers and ship them to the customer for aging. Once pulled from inventory, the containers are disassembled, the cheese is converted into finished product and the box is returned for refurbishment. It's then put back into service.

After several years of shipping cheese, the 640 containers then are upcycled for various purposes. A local honey company, Indian Summer Honey Farm in Germantown, Wisconsin, uses retired container panels as roofs for their beehives. The panels are already permeated with layers of polymer that repel water and rarely warp, making the panels efficient tools to support their business.

## FETA CONTAINERS

Agropur's Weyauwega facility debuted reusable plastic containers in April 2019 for large-scale packaging and feta cheese transport. Feta loaves are vacuum sealed into pouches, which are then packed into reusable plastic containers and shipped directly to our customers. Our customers ship the reusable containers back to the manufacturer for cleaning before they're placed into service again. This circular economy solution eliminates considerable waste for both Agropur and our end customers.

Reusable packaging has proven to be an excellent way to eliminate waste within the value chain. It's also been exceedingly efficient to fill and manipulate at our Weyauwega facility, generating operational efficiency for both Agropur and our customers.



# Giving new life to what is left over

In the dairy industry, the phrase “one man’s trash is another man’s treasure” really hits home. The dairy industry has a longstanding track record of repurposing and creating innovative products from materials once considered waste. Did you know that the liquid produced in the cheesemaking process, once considered a problematic byproduct, is now used to create nutrient-rich whey protein?

Waste management and material recovery is an ongoing challenge for every manufacturing facility and requires perseverance and creativity. Product line inputs change, suppliers change and third-party vendors who can reuse your materials frequently change, as well. Each of our plants faces similar challenges, and our teams continually work to find a comprehensive set of solutions. We strive to reduce waste at the source, secure vendors that are able to repurpose materials and redirect food-grade products to outlets such as animal feed suppliers, and food pantries if products are still fit for human consumption.

At Agropur, we are always exploring how can we reuse materials or recycle at each site. For example, our Saint-Hyacinthe, Quebec, plant has designed an innovative agreement with the city to process up to 10,000 tons of food waste (acidic whey) per year. Since 2016, this food waste has been diverted from the landfill and transformed into renewable natural gas that provides environmental, economic and social benefits to the entire region.



“

Sustainability is at the core of doing things right. It contributes to better community resource sharing, mitigates the risk of resource shortage and ensures our continuity. To sustain operations, Agropur must protect our resources and contribute proactively to improved water, solid waste and energy management.”

**MICHÈLE THÉBERGE**

Vice-president Quality, Health and Safety, Environment







## Spotlight: materials recovery

Since 2014, Agropur's Jerome, Idaho facility has made significant improvements resulting in a more than 50% reduction in waste sent to the landfill and a 90% elimination of hazardous waste.

The Jerome team carried out a hazardous waste assessment that revealed they could eliminate 90% of hazardous waste at the source. Our team decided to make equipment upgrades including a shift from mercury-based analytical testing kits to non-mercury testing kits. All mercury thermometers and switches were removed from the facility and replaced with non-mercury devices. The team also replaced the traditional lighting system with high intensity discharge (HID) lamps, which allowed them to recycle the lamps rather than dispose of them as hazardous waste.

The key to material recovery is finding third-party vendors who can repurpose our materials. For instance, pallets that fail to meet sanitary, food-grade standards were traditionally sent to the landfill. The Jerome team was able to find a local vendor in Twin Falls, Idaho, that would take the pallets for recycling and repurposing elsewhere.

Bulk totes, commonly known as 275 lb. super sacks, are made of woven polypropylene and used for packaging whey powder. These can be problematic to recycle, though the Jerome team found a local vendor to repurpose them.

Recycling efforts have been wide reaching. We have tackled scrap metal and recycle 100% of our corrugated cardboard material and white paper. Recyclable cans and bottles from break rooms are collected and donated to local charities. These impressive achievements were verified by SEDEX in the facility's regular third-party audits.





# Responsible business

## ETHICAL AND RESPONSIBLE BUSINESS CONDUCT

Agropur takes pride in our Trust and Ethics Code; it reflects our organization's DNA and emphasizes the central importance of Our Mission and Our Five Values.

Our objective is to reinforce the trust of our members, our co-workers, our consumers, our customers, our partners and society as a whole. Our words and deeds shape our culture. All employees must be able to give their best and contribute to Agropur's success in a climate of trust. This Code applies to all employees of Agropur Cooperative and its subsidiaries in Canada, the US and elsewhere in the world.

Our five corporate values: boldness, communication, integrity, excellence and collaboration, are at the core of our code. These values support our mission and help us achieve our business objectives. They are embedded in all our actions and in every decision. The way we apply them day by day is what differentiates us and strengthens our relationships of trust.

This Code is intended to serve as a guide in complicated situations and help us make the right decisions. It helps us analyze the impacts of our actions and decisions on our co-workers, our members, our partners, consumers and the general public. In the event of an inconsistency between the Code and laws or professional codes of conduct, the more stringent standard will apply. This Code takes precedence over any other Agropur directive or policy. However, the principles set out here do not exclude or limit in any way the application of all the Cooperative's other rules, policies and procedures, present or future; the Code supplements them.

At the end of the day, if we live by our values and honor our commitments, we will make the right decisions and earn the trust of others.



## ANTI-BRIBERY AND ANTI-CORRUPTION PRACTICES

We are committed to respecting the law and engaging in healthy competition. Agropur takes a vigilant stance on corruption. Agropur condemns all anti-competitive practices and collusion. We keep a close eye on situations that may give rise to bribes, collusion, favoritism, price fixing, false expense accounts, kickbacks, secret deals that distort competition, etc. Our employees must be vigilant at all times in order to avoid and report any attempts at corruption, collusion or bid rigging.

In terms of bribery, Agropur is committed to identifying, disclosing and managing conflicts of interest. We mandate that employees carefully analyze direct or indirect financial interests that may come into play while engaging with external entities. Employees that interact regularly with suppliers are also required to comply with the Code of Ethics for Employees who Interact with Suppliers.

## RESPONSIBLE TAX

Paying our fair share of global taxes is part of Agropur's duty as a responsible corporate citizen. Agropur is a tax compliant entity that submits tax filings in accordance with Canadian, US and other international tax regulations where we operate. Agropur's approach to tax aligns with our high ethical standards on integrity and transparency.

Our collaborative in-house tax team interacts at global and national levels to partner in business transactions. They're supported by external advisors and committed to ongoing professional development.

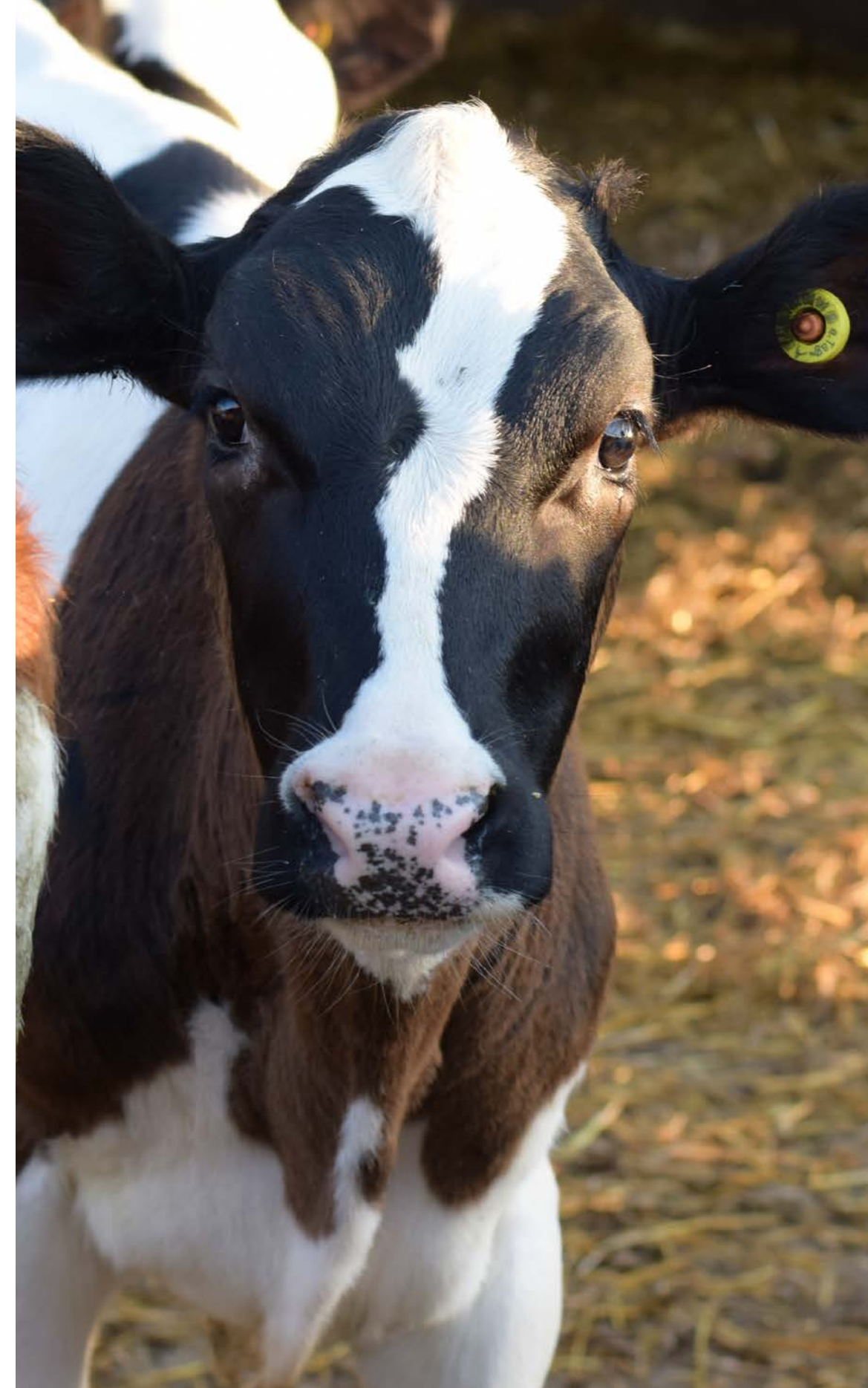
Our corporate governance framework mitigates tax risks created by business operations.

We act with integrity, respect, professionalism and a collaborative spirit to establish trust, and pro-actively engage to seek tax certainty. We are represented through industry bodies in the development of tax laws.

We apply arm's length principles in the pricing of transactions of goods and services in accordance with OECD guidelines.

## RESPONSIBLE LOBBYING

We are committed to being clear, honest and fair in business relationships, addressing Agropur's high ethical and professional standards of our employees and partners alike. In our industry, we need a variety of experts, partners and suppliers to accomplish our mission. Their satisfaction motivates us to succeed, and we apply our skills and resources to maintain it. To honor this commitment, we seek partners with integrity and act transparently. We are committed to providing accurate, reliable and relevant information to our partners in terms of communications, lobbying and the handling of confidential information.



# Responsible procurement

Our global strategic sourcing team brings value by sourcing goods and services produced in an environmentally and socially responsible way, which positively influences behaviors in our supply chain. This section covers our non-milk supply chain, including capital projects.

## OUR EFFORTS

Our Global Strategic Sourcing team works with procurement standards of non-milk goods and services. Key principles include ensuring health and safety, food safety and quality, environmental sustainability and social practices. These requirements apply to all purchasing. For strategic items and services, the sourcing team is involved in purchasing decisions and ongoing vendor management.

Agropur's sourcing policy is approved by the Board of Directors, and the Chief Financial Officer is accountable for ensuring its full implementation across the organization. All employees are responsible for complying.

We make a positive contribution to society through a continuous improvement approach in working with our suppliers. We select our suppliers based on a balanced set of criteria and work to influence them by sharing our knowledge and best practices.

The Agropur Supplier Code of Conduct sets our expectations of vendors that require they uphold human rights standards, fair working conditions and environmental protection.

We pledge to maintain a business environment based on trust and respect, so that all suppliers and partners can expect a fair, unbiased relationship when dealing with Agropur. We created our Ethics Reporting Hotline to promote and establish a formal, confidential and anonymous process through which complaints and concerns can be reported without fear of reprisal.



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Procurement and supply chain professionals have been profoundly reminded in 2020 that resources are finite and a scarcity of resources increases costs and can shut a business down. Although sustainability is obviously a much broader topic, this is a starting point for why it is a critical consideration for businesses today, and their procurement teams. By weaving sustainability into the fabric of how we conduct business day to day, I am very proud of the progress Agropur is making.”

**BRIAN ROUSE**

Senior Director Procurement



# SUPPLIER RELATIONSHIP MANAGEMENT PROGRAM

Agropur implemented a program to effectively manage and develop its relationships with strategic suppliers. This program includes assessments on quality performance, service level, cost efficiency, innovation and risk management. We conduct annual business reviews with our strategic suppliers in an effort to build long lasting partnerships. Close work with our suppliers allows us to understand their challenges and help them overcome.

## VENDOR ASSESSMENTS

Assessing and managing the risk of environmental and social issues within our supply chain is a core part of responsible procurement. We are currently building a plan to effectively assess and report the social and environmental performance of our top suppliers.

## FOREST PRODUCTS

Palm products are one of the highest-profile raw materials in our supply chain. We specifically focus on this area as the production of palm products is often linked to unsustainable practices including deforestation, habitat destruction and poor human rights practices. We are a member of the Roundtable for Sustainable Palm Oil (RSPO) and our limited palm oil purchases are RSPO certified.

We also work with our fiber suppliers' to ensure that all virgin fibers are sourced responsibly. All fiber suppliers are required to have an active certification from the Forest Stewardship Council (FSC) or the Sustainable Forest Initiative (SFI). Whenever it is possible, we include post-consumer or post-industrial recycled content in our fiber packaging and handling materials to reduce our use of virgin fibers.



### A LOOK AHEAD

- We will continue to assess our suppliers' social and environmental performance.
- We will work toward more transparency in our supply chain to ensure suppliers understand our expectations, and that we better understand the practices in their supply chains.
- We will complete our review and continue to update our supplier code of conduct and our palm and fiber products sourcing standards.

# Human rights

Human rights and ethical behavior underpin Agropur's business operation. We abide by all federal, provincial, state and local guidelines. As a key dairy partner and B2B supplier for global CPG customers, Agropur undergoes regular Sedex Members Ethical Trade Audits (SMETA). SMETA is one of the most highly recognized responsible supply chain audit methodologies in the world, covering labor rights, health and safety, the environmental and business ethics. As a SMETA-compliant company, Agropur follows two primary frameworks that address human rights.

## ETHICAL TRADING INITIATIVE (ETI) BASE CODE

ETI Base Code is an internationally recognized set of labor standards based on International Labor Organization (ILO) conventions that highlights nine areas of focus: employment is freely chosen, freedom of association and right to collective bargaining are respected, working conditions are safe and hygienic, child labor shall not be used, living wages are paid, working hours are not excessive, no discrimination is practiced, regular employment is provided and no harsh or inhumane treatment is allowed.



ETI Base Code. Ethical Trading Initiative. [https://www.ethicaltrade.org/sites/default/files/shared\\_resources/eti\\_base\\_code\\_english.pdf](https://www.ethicaltrade.org/sites/default/files/shared_resources/eti_base_code_english.pdf)



# UNITED NATIONS GUIDING POLICIES ON BUSINESS AND HUMAN RIGHTS

The United Nations Guiding Policies on Business and Human Rights are the authoritative standard on corporate human rights conduct. These globally recognized principles explain the complementary roles of governments and businesses in safeguarding and respecting human rights in the context of business activities.

The principles are based on three pillars: 1) the state duty to protect the population from human rights abuse by private actors, including business enterprises; 2) corporate responsibility to respect human rights, including the exercise of due diligence; and 3) the responsibility of states and business enterprises to ensure those affected by human rights abuses have access to effective remedy.



United Nations Principles for Responsible Investment. <https://www.unpri.org/download?ac=11953>



# Data privacy and security

Agropur is committed to the privacy and security of our customer's personal information, which is demonstrated in our comprehensive privacy policy. We comply with the federal Personal Information Protection and Electronic Documents Act and similar provincial privacy legislation.

In our US operation, data privacy and security is managed in accordance with legislation on a state-by-state basis. Agropur has not received any complaints concerning breaches to customer privacy.

Personal information is collected only for purposes identified at or prior to the time of collection. Agropur may occasionally disclose personal information to third-party service providers, but with assurance that it is only used in compliance with privacy laws and within the scope of the task they were retained to perform.

Agropur additionally has security measures in place to attempt to protect against the loss, misuse and alteration of user data that is under our control. In all cases, information is retained in secure facilities, protected from unauthorized access and kept only for as long as it is reasonably required. Only authorized employees have access to the information, and authorization is limited to purposes described in our policy. Agropur has strict non-disclosure contracts with all employees who have access to servers and databases storing user information.

Agropur's privacy policy is published on our website and can be found here:

<https://www.agropur.com/en/privacy-policy>





# Engaging with our dairy network

Agropur takes an active role in maintaining fluid communication and productive relationships with our network of dairy industry stakeholders. Our global teams are in regular contact with these people and entities to ensure their perspectives are integrated into our business development approach.

## DAIRY PRODUCERS AND MEMBER OWNERS

In both Canada and the US, our advisors and field service representatives are in daily contact with dairy producers to provide training and technical assistance on milk quality, equipment upgrades and related topics. Interventions are carried out both remotely and on farm. Our Canadian team keeps members updated on business developments and industry trends through regular written communications and a series of member meetings held during the year.

## CUSTOMERS

Our global sales team maintains constant contact with our business customers through regular meetings, quarterly, semi-annual and annual business reviews. Agropur also provides information to customers through facility reviews such as the SEDEX/SMETA audit.

## CONSUMERS

Agropur carries out periodic surveys of its Canadian B2C consumers through several channels of communication to gauge product satisfaction, analyze consumer trends and gather general feedback to support product research, design and innovation processes.

## ASSOCIATIONS AND NGOS

Agropur engages regularly with dairy producer associations through meetings and conferences. Agropur also meets with NGOs periodically to discuss issues of shared interest, such as public health and community outreach.

## FINANCIAL PARTNERS

Agropur holds an annual business review and provides quarterly financial statements to our financial partners.

## GOVERNMENTS

Agropur maintains constant communication with government agencies through meetings with regulatory officials, reporting requirements and compliance processes.

## EMPLOYEES

Agropur managers hold regular meetings with department teams to provide relevant updates and direction to support our operations. In terms of engagement, Agropur carries out an annual, confidential engagement survey and strategic alignment pulse surveys to capture employee perspectives and measure employees' understanding and buy-in of business objectives.

## SUPPLIERS - NON-MILK VENDORS

Our global procurement team is in daily contact with the suppliers that support our facilities. Depending on the level of supplier, the team may conduct weekly or monthly check-ins, along with quarterly, semi-annual or annual business reviews based on the topics that need to be addressed.

# Appendix

## CONTENT INDEX AND REPORTING INDICATORS

Agropur referenced both the Global Reporting initiative’s Sustainability Reporting Standards (GRI Core Standards) and the US Dairy Stewardship Commitment – Dairy Processor Handbook (November 2020) to develop a comprehensive report on the topics considered to be the most relevant within the dairy industry and for its stakeholders. The following content index identifies key topic areas from both frameworks and the location of associated disclosures within the report.

GLOBAL REPORTING INITIATIVE (GRI) INDICATORS	US DAIRY STEWARDSHIP COMMITMENT INDICATORS	REFERENCE
GRI Social Disclosures		
102-1 Name of the organization		About Agropur, p.2-3
102-2 Activities, brands, products and services		Innovating for health and wellness, p.15-22
102-3 Location of headquarters		About Agropur, p.2-3
102-4 Location of operations		About Agropur, p.2-3
102-5 Ownership and legal form		About Agropur, p.2-3
102-6 Markets served		Our global connections, p.12 Innovating for health and wellness, p.15-22
102-7 Scale of the organization		About Agropur, p.2-3
102-8 Information on employees and other workers		Creating a welcoming workplace, p.34
102-9 Supply Chain		Our business model, p.11 Responsible procurement, p.56
102-10 Significant changes to the organization and its supply chain		No significant changes
102-11 Precautionary principle or approach		Yes, it is included in the Quality Assurance measures.
102-12 External initiatives		Leading Dairy Organizations Across North America, p.10
102-13 Membership of associations		Leading Dairy Organizations Across North America, p.10
102-14 Statement from senior decision-maker		Message from the Board Chair and CEO, p.4 Message from our sustainability strategy sponsors, p.6
102-16 Values, principles, standards and norms of behavior		Responsible Business, p.54
102-17 Mechanisms for advice and concerns about ethics		Creating a welcoming workplace, p.34
102-18 Governance structure		About Agropur, p.2-3
102-20 Executive level responsibility for economic, environmental and social topics		Message from the Board Chair and CEO, p.4 Message from our sustainability strategy sponsors, p.6
102-42 Identifying and selecting stakeholders		Our materiality assessment, p.8-10
102-43 Approach to stakeholder engagement		Our materiality assessment, p.8-10
102-44 Key topics and concerns raised		Our materiality assessment, p.8-10
102-40 List of stakeholder groups		Engaging with our dairy network, p.61



GLOBAL REPORTING INITIATIVE (GRI) INDICATORS	US DAIRY STEWARDSHIP COMMITMENT INDICATORS	REFERENCE
<b>GRI Social Disclosures</b> (continued from p. 60)		
102-41 Collective bargaining agreements		Creating a welcoming workplace, p.34
102-46 Defining report content and topic boundaries		Our materiality assessment, p.8-10
102-47 List of material topics		Our materiality assessment, p.8-10
102-50 Reporting period		Table of contents, p.5
102-51 Date of most recent report		Table of contents, p.5
102-52 Reporting cycle		Table of contents, p.5
102-53 Contact point for questions regarding the report		Table of contents, p.5
102-54 Claims of reporting in accordance with GRI Standards		Table of contents, p.5
102-55 GRI Content Index		Appendix, p.62
<b>GRI Economic Disclosures</b>		
201-1 Direct economic value generated and distributed		About Agropur, p.2-3 Sustainable farms, p.25-31 Caring for our communities, p.32
204: Procurement Practices		Responsible procurement, p.56
207: Tax		Responsible Business, p.54
<b>GRI Social Disclosures – Products &amp; Customers</b>		
416-1 Assessment of health and safety impacts of product and service categories	Food Safety	Our commitment to healthy lives, p.13-21 Product safety and quality, p.23-24 Agropur's core value- top-quality milk, p.29-30
	Traceability	Product safety and quality, p.23-24 Agropur's core value- top-quality milk, p.29-30
417-1 Marketing and labeling: Requirements for product and service information and labeling		Labeling: responsible sourcing, cleaner ingredients, p.24
418 Customer Privacy Disclosures		Data privacy and security; p.60
<b>GRI Environmental Disclosures</b>		
302 Energy	Energy Use	Energy management, p.42-44
305 GHG Emissions	Greenhouse Gas Emissions	Greenhouse gas emission, p.45
303 Water Withdrawal	Water Management	Water, p.47-49
306 Effluents and waste		Water, p. 48
301 Materials	Resource Recovery	Packaging, p.50-51 Giving life to what's left over, p.52-53
308 Supplier Environmental Assessment		Sustainable farms, p.25 Responsible procurement, p.56

GLOBAL REPORTING INITIATIVE (GRI) INDICATORS	US DAIRY STEWARDSHIP COMMITMENT INDICATORS	REFERENCE
<b>GRI Social Disclosures – Employment</b>	<b>Workforce Development</b>	
	Human Resources – Total FTEs	Creating a welcoming workplace, p.34
401-2 Benefits provided to FTEs	Employee Benefits	Creating a welcoming workplace, p.34
	Employee Retention	Creating a welcoming workplace, p.34
403-2 Types and rates of injury	Worker Safety	Health and safety, p.35-36
401 Employment Engagement	Employee Engagement	Creating a welcoming workplace, p.34
405 Diversity and Equal Opportunity		Creating a welcoming workplace, p.34 Diversity, equity and inclusion, p.40
404-2 Programs for upgrading employee skills and transition assistance programs		Learning and development p.38-39
412 Human Rights Assessment		Human rights, p.58-59
	<b>Community Contributions</b>	
	Community Volunteering	Not applicable in 2020
	Monetary and Product Donations	Caring for our communities, p.32
	Educational Opportunities	Not applicable in 2020
	Product Contributions	No consistently supplied organizations