Animals. People. Planet.

Products with Integrity.

USDA ORGANIC

2022 SUSTAINABILITY REPORT

Delivering organic dairy integrity, from cow to carton, to everyone, everywhere.

Stratford, TX

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Dear Friends of Aurora Organic Dairy

Scott McGinty, Chief Executive Officer, at our Platteville, CO Dairy Farm and Milk Plant

It is an understatement to say that a lot has changed since our last Sustainability Report was published in 2019. Our community has demonstrated resilience in the face of a pandemic, and countless related changes to public health and working environments. We have adapted to disrupted worldwide supply chains and record-setting inflation. We have continued to witness the effects of climate change across the globe and in our local communities. All the while, our dedicated teams have remained remarkably positive and resourceful, finding solutions and meeting opportunities one after another. We are reminded now — more than ever — that sustaining the health of ourselves, and our world require human effort, and that we must rely on each other to overcome and make positive change.

Just as Covid-19 interrupted normal life for so many in 2020, the food industry strained under its essential duty to feed a nation during extreme circumstances. Throughout this unprecedented time, our top priority has been to operate safely and to protect the health of our people. Like so many teams, we utilized new protective equipment, technology and working arrangements that maintained safety and kept us running.

Our mission statement reads: **Delivering organic dairy integrity from cow to carton, to everyone, everywhere.** Never have we been more committed to "delivering," no matter the obstacle that lies before us. I commend each one of our employees at Aurora Organic Dairy (AOD) who persevered, inspired each other and made us stronger as a team.

In this edition of our Corporate Sustainability Report, we will address these and many other efforts to conduct business responsibly and successfully.

At a glance, some of our recent highlights include:

- Three-year sales growth of 35% from 2019 – 2021. Maintained uninterrupted operations at all dairy farms and milk plants during our commitment to provide safe practices & working conditions.
- Launched innovative employee programs and have continued to provide additional financial and family support to help employees ease pandemic-related challenges.
- Since we opened the Columbia, Missouri Milk Plant in 2019, AOD has become an integral part of the local community, as we have created approximately 125 jobs, contracted with local vendors and supported local schools and nonprofits.
- The Columbia Milk Plant improves business reliability while adding new products and manufacturing expertise.
- Built two new heifer-raising facilities in Colorado and Texas to maintain a closed herd and deepen our commitment to the USDA Origin of Livestock organic regulations.
- During 2020 and 2022, commissioned innovated robotic milking parlors at our Platteville Dairy Farm and Pepper Grass-Fed Dairy & Heifer Farms, respectively.

Through it all, we have remained steadfast in our pledge to make progress toward our Animals, People and Planet sustainability goals. More details can be found in this report, but the highlights include:

- In 2021 we strengthened our commitment to land management by adopting regenerative agriculture practices. A recent study found that regenerative farms that combined no-till, cover crops and plant diversity had healthier soils and positively affected the nutritional content of food[1].
- During 2020 and 2021, we achieved our 100% carbon-neutral energy goal and validated this claim by an independent, third-party.
- We partnered with universities to evaluate organic feed additives' ability to reduce enteric methane emissions.
- We became one of the first companies to achieve Where Food Comes From CARE certification, which is a sustainability standard for the dairy industry and requires an onsite audit by Validus Verification Services. It requires each of our Company-managed farms to be audited for animal welfare standards, environmental practices, and worker care criteria.
- We continued to focus on diversity, equity and inclusion. Today, 38% of our supervisory and management positions are held by women, compared with 28% in 2019.
- We demonstrated our commitment to our people with support throughout the pandemic. We are humbled by the fact that our employees' support of AOD has resulted in being named a Top Workplace in the U.S. in 2022 and a Denver Top Workplace in 2021[2]. Our people have demonstrated tremendous commitment and resilience over the past three years, and we thank them for their dedication.

In the following pages you will find significant details on our progress toward these, and other, sustainability initiatives — including our approach to climate-conscious agriculture. Emissions from tilled & uncovered soils are one of agriculture's largest opportunities. Millions of bare, unhealthy acres in the U.S. alone are releasing carbon when they could be capturing carbon. We will leverage our advantages as a pasture-based and organic system to manage lands responsibly and regeneratively — increasing soil health and biodiversity. Grazing animals can help these systems thrive and capture more carbon. This is our vision, not only because it reduces our carbon footprint, but because it shows the consumer how responsible dairy and livestock production can be. We believe regenerative land management is key to reducing emissions across the agricultural system and we are committed to doing our part.

OUTLOOK

As 2022 progresses, geopolitics and supply chain challenges continue to dominate the headlines, just as inflationary pressures dominate the business environment. For price-conscious consumers, private label products and the retailers that prioritize them will be increasingly appealing options. Despite rising costs affecting our own supply chain, we intend to maintain the value we provide to private label customers while increasing the innovative products available to them. Our continued strategy is to support this demand with excellent quality and service so that retailers can succeed.

If there is a silver lining to the pandemic-related economic volatility, it is the imperative that businesses reduce waste and conserve resources wherever possible. This increases our collective consciousness and sustainable businesses. The search for efficiency will bring new ways of making goods and solving problems that can be beneficial to the planet and its resources.

> "The last three years have demonstrated Aurora Organic Dairy's commitment to its mission and values more than practically any other time in our 46-year history. During a global pandemic, as an essential business, we continued our 24/7 operations. We produced and delivered more milk than ever, which kept dairy cases stocked when consumers needed healthy organic food the most. Throughout it all, our first priority has been to invest in the health and safety of our AOD family."

In our business, these conditions motivate an examination of inefficiency wherever it occurs and encourage a re-prioritization of efforts that can create healthy change. A radically different employment market increases the importance of investing in both our people and automation to maintain sustainable operating teams. Driving efficiencies at scale means we can make meaningful differences — from cows to cartons — that will help us achieve our sustainability goals.

In closing, I would like to thank our employees, who adapted, embraced flexibility and committed to delivering healthy organic dairy products to U.S. consumers when they needed them the most. We thank our people for their work over the last three years and look forward to our shared success into the future.

Sincerely,

Scott McGinty
Chief Executive Officer
Aurora Organic Dairy

1 *Montgomery, David R., et al. "Soil Health and Nutrient Density: Preliminary Comparison of Regenerative and Conventional Farming." PeerJ, vol. 10, 2022, https://peerj.com/articles/12848/*

2 *Top Workplaces USA 2022: https://topworkplaces.com/award/top-workplaces-usa/2022/500-999/?page=4*

Approach to Sustainability

As the leading producer and processor of store-brand organic dairy products for U.S. retailers, the health of our animals, people and planet determines our success as a company. To manage our operations, we rely on healthy soils and ecosystems, abundant water, clean air, a culture of animal husbandry, dedicated employees and strong local communities. The ability to leverage these natural and social resources is a privilege. Therefore, we aspire to help protect, renew and restore these resources for years to come.

We believe in sustainable development and continue to support the United Nations Sustainable Development Goals (SDGs), which are an urgent call for action by all countries — developed and developing — in a global partnership (see United Nations Sustainable Development Goals, page 5). We focus on the goals that most closely align with our material topics and areas of commitment, investment and progress.

From cows to cartons and beyond, we work to integrate sustainability into all parts of our business, and recognize we do not always have all the answers. Therefore, we frequently partner with innovative, forward thinking organizations and universities.

For example, in 2021 we enhanced our commitment to holistic, ecosystem farming by enlisting the support of industry-leading experts who serve as guides along our journey to regenerative land management and soil health renewal. We believe advancing regenerative land management on our farms is a key component to the success of acting on climate change and creating long-term positive impact for our stakeholders (see page 64 for more details).

Also, in 2020 and 2021 to further strengthen our carbon-neutral energy commitment, we connected with other environmentally conscious organizations through the U.S. Environmental Protection Agency's (EPA) Green Power Partnership. EPA's Green Power Partnership encourages organizations and communities across the U.S. to voluntarily choose and use green power to reduce the effects of climate change and greenhouse gas emissions associated with conventional electricity use. We aim to continue this partnership in the coming years (see page 74 for more details).

As we explore innovative ways to improve the care of our animals, people and planet, we strive to inspire our employees with the knowledge they are working toward something meaningful and unifying on the most fundamental level. We know we must drive systemic change if we aim to hit our performance goals, and we believe our approach to sustainability will help to accelerate our progress. Sustainability is everyone's job, and this is the philosophy and culture Aurora Organic Dairy works to instill in all areas of our business.

"We strive to treat our Animals, People and Planet with respect while delivering organic dairy products with integrity. Transparent and balanced reporting about our challenges and progress provides accountability on topics that matter to our stakeholders."

— CANDICE STACEY, SUSTAINABILITY MANAGER

High Plains Dairy Farms, Gill, CO

MATERIAL TOPICS

To guide our disclosures and be transparent, this report focuses on 19 material topics with significant economic, social or environmental impacts.

(See page 90 for information about our materiality determination process.)

MISSION AND VALUES

- Ethics and Culture
- Affordable Food
- Labeling
- Food Safety and Quality
- Supplier Sourcing Policies
- Compliance with Laws and Regulations

ANIMALS	PEOPLE	PLANET
• Animal Care • Policies on Antibiotics and Growth Hormones	• Fair Pay and Benefits • Employment Opportunities and Retention • Training and Education • Worker Health and Safety	• Climate Change • Responsible Farming • Manure Management • Water Uses and Availability • Greenhouse Gas Emissions • Solid Waste • Energy

SUSTAINABILITY GOAL AREAS

To deliver on our promise and strive for progress, we have committed to sustainability goals.

(See pages 12–17 for more information about our goals and performance.)

ANIMALS	PEOPLE	PLANET
• Calf Housing • Early Cull Rate • Disbudding • Lameness • Video Monitoring	• Safety • Community Support • Employee Wellness • Employee Retention	• Water • Energy Efficiency • Carbon-Neutral Energy • Greenhouse Gas Emissions • Solid Waste Diversion

UNITED NATIONS SDGs

The material topics and sustainability goals discussed throughout this report coincide with 11 of the 17 United Nations SDGs.

Although Sustainable Development Goal 3 refers to the health and wellbeing of people, we respectfully extend this concept to our cows.

Adopted in 2015, the United Nations SDGs recognize the fact that the stability of our planet relies on our ability to address a range of environmental and social challenges. The SDGs are a call for action on 17 interconnected topics relating to protecting the planet, and promoting prosperity, equality, peace and justice.

AOD Locations

Our cows and heifers graze on more than 15,000 organic pasture acres.

ALL ACRES — INCLUDING LAND FOR FARM FACILITIES, ORGANIC ACRES AND ORGANICALLY MANAGED ACRES	
Coldwater Dairy & Heifer Farms	7,600
Gerk Heifer Farm	1,900
High Plains Dairy Farms	6,800
Pepper Grass-Fed Dairy & Heifer Farms	4,100
Platteville Dairy Farm	900
Additional Cropland[1]	16,000

COWS IN MILK	
Coldwater East Dairy & Heifer Farms	4,200
Coldwater West Dairy & Heifer Farms	2,800
High Plains Dairy Farms	
High Meadow Dairy	2,900
High Plains Dairy	3,900
High Ridge Dairy	2,000
Little Calf Ranch Dairy	2,000
Pepper Grass-Fed Dairy & Heifer Farms	2,200
Platteville Dairy Farm	1,200

CALVES	
Coldwater Dairy & Heifer Farms	2,000
High Plains Dairy Farms	2,200
Pepper Grass-Fed Dairy & Heifer Farms	300
Platteville Dairy Farm	100

DRY AND MATERNITY COWS	
Coldwater Dairy & Heifer Farms	1,200
High Plains Dairy Farms	2,300
Pepper Grass-Fed Dairy & Heifer Farms	600
Platteville Dairy Farm	200

HEIFERS	
Coldwater Dairy & Heifer Farms	3,400
Gerk Heifer Farm	700
Pepper Grass-Fed Dairy & Heifer Farms	2,100

As of March 2022

[1]Includes owned and leased land plus acreage contracted under dedicated supply agreements.

Supply Chain

Our cow-to-carton business model ensures traceability, quality and products with integrity

CROP GROWING & TRANSPORT

75,000+ organic crop acres supported, primarily operated by 100+ independent farmers

Approximately 4,000 organic acres of harvested crops managed by AOD

FARMS, COWS & PASTURE

100% Organic

100% non-GMO

Validus Animal, Worker Care and Environmental Certified

Where Food Comes From CARE Certified

15,000+ acres of organic grazing pasture operated by AOD

RAW MILK TRANSPORT

Full, efficient routes

PLANT & COLD STORAGE

Safe Quality Food Certified — 92–99% score every year

Energy-efficient systems and robotics

87% of plant water recycled

DISTRIBUTION

All new carriers EPA SmartWay Certified since 2009

Largest partner carrier fleet is EPA Certified Clean Idle and California Air Resources Board compliant

ORGANIC DAIRY PRODUCTS

Award-winning quality

Healthy and nutritious

Vertically integrated supply chain for more affordable pricing

Pepper Grass-Fed Dairy & Heifer Farms, Dublin, TX

Our History

Our commitment to ethical standards and integrity in our business relationships has made us successful throughout our 45-year history.

1976
Aurora Dairy founded, Idaho

1980
Platteville, CO Dairy Farm established

1994
Organic milk first produced

2003
Committed to 100% organic

2004
On-farm milk plant built at Platteville Dairy Farm

2006–2007
High Plains, Coldwater and Pepper Dairy Farms began supplying organic milk

2008
First Life Cycle Assessment (LCA) to determine environmental impacts of our products

2012
Dairy farm added to Little Calf Ranch site

2013
First Sustainability Report published, and High Meadow Dairy established

2014
Onsite cold storage built in Platteville

2015
Heifer raising at Pepper Farm established

2016
High Ridge Dairy established

2018
Pepper Dairy Farm began supplying 100% grass-fed organic milk

2019
Grand opening of Columbia Milk Plant, and small bottles introduced

2020
Robotic milking parlor at Platteville Dairy Farm, and heifer raising at Coldwater Farm established

2021
Committed to regenerative land management, and launched pilot product R&D lab at Platteville Plant

2022
Pepper Grass-Fed Dairy expands, and heifer raising at Gerk Farm established

A MISSION-DRIVEN COMPANY

Our mission has evolved over the years, but it remains focused on ensuring organic dairy is available to everyone everywhere. With our vertically integrated business model and emphasis on the store-brand market, "Healthy, Affordable Food" is an important topic to our stakeholders, and we continue to strengthen our commitment to our mission.

We sell our products in all 50 states in discount retail formats, national and regional grocery chains, convenience, drug and club stores. Our expansion into aseptic small bottles further expands product availability. This widespread distribution provides greater access to organic dairy products, and store brands tend to be more affordably priced than their brand-name counterparts.

ETHICS & INTEGRITY

Our stakeholders understand our commitment to integrity, ethics and culture drive our business decisions. This is an important aspect of our employee loyalty, and our long-standing relationships with customers, suppliers and other stakeholders. Approaching all relationships with integrity and ethics is an expectation we have of all employees when working with each other, our animals, suppliers and external stakeholders. Likewise, we expect the same standards from our suppliers, and we have a zero tolerance policy when it comes to animal or employee mistreatment, and we expect organic regulatory compliance.

MISSION: WHY ARE WE IN BUSINESS?	**VISION:** WHERE ARE WE GOING?	WHAT ARE THE **VALUES** THAT GUIDE US?
Deliver organic dairy integrity, from cow to carton, to everyone, everywhere.	Aurora Organic Dairy will be the best value-added milk supplier in America.	• Teamwork • Excellence • Entrepreneurial • Compassionate • Transparent • Organic • Stewardship

Prioritizing Animal Care on Our Farms

Over the last three years we have made significant strides towards the achievement of sustainability goals that support the health of our dairy cows. Our Animal Goals center on the physical and mental health of our animals, supporting natural behaviors, while at the same time, emphasizing employee monitoring and training to strive for continuous improvement.

Animal Goals

LAMENESS
Incidence of lameness consistently 35%* below 2012 baseline

ON TARGET
60%* below 2012 baseline

*3-year average

DISBUDDING
Consistently minimize disbudding on farms

ON TARGET
We select for animal health traits, and strive to use semen from polled bulls that also meet our health trait criteria

MONITORING
3rd party video monitoring of all dairy farms 24/7, by 2020

OFF TARGET
Installed at 3 of 4 dairy farms — completion mid-2023

OVERALL HEALTH[1]
Incidence of early culling consistently 40%* below 2012 baseline

OFF TARGET
30%* below 2012 baseline

*3-year average

CALF HOUSING
Paired and group calf housing by 2019

ACCOMPLISHED
Implemented at all of our dairy farms

1 Incidence of early culling is one indicator of overall herd health. The rate reflects cows <60 days in milk that were removed from the herd. Typically, a healthy cow would not be removed from the herd at this early stage in the lactation cycle.

High Plains Dairy Farms, Gill, CO

Bolstering our People & Communities

Our People Goals are focused on providing employees with safe workplaces and a variety of initiatives to promote retention and overall wellness. We also have a goal to support our communities with increased volunteerism and philanthropic activities. As a result of pandemic-related disruptions and the opening of our new processing plant, some of our People Goals were off target, but we are committed to continuous improvement.

People Goals

SAFETY AT FARMS [1,2]
Farm injury rate* consistently lower than industry average

OFF TARGET
5.5 injury rate* was higher than the latest industry average rate of 4.9

*3-year average

SAFETY AT PROCESSING PLANTS [2]
Processing plant injury rate* consistently lower than top quartile of industry

OFF TARGET
7.7 injury rate* was higher than the latest industry top quartile rate of 1.3

*3-year average

EMPLOYMENT OPPORTUNITIES & RETENTION
Increase rate of positions filled internally to 10%* by 2025

IN PROGRESS
7%* of positions filled internally

*3-year average

COMMUNITY
Elevate our philanthropic efforts and support of local communities

OFF TARGET
Due to Covid-19, the volunteerism program was on hold in 2021

WELLNESS
Improve participation in health and wellness initiatives to 70%* by 2025

ON TARGET
71%* of AOD employees who were eligible[3] for coverage enrolled in the company's medical insurance plan

*3-year average

1 Targeting a farm injury rate lower than the top quartile of the industry will be considered as more robust data become available for the dairy cattle and milk production sector.

2 Latest data available for industry rates for farms and processing plants at time of publication was 2020 data.

3 Full-time employees with at least 60 days of employment.

Pepper Grass-Fed Dairy & Heifer Farms, Dublin, TX

Acting on Climate Change for our Planet

We have made significant progress toward the achievement of our Planet Goals since 2019. Notably, we achieved our 100% carbon-neutral energy goal, and are either on-target or made progress on our longer-term goals around greenhouse gas emissions and solid waste diversion, as well as energy and water optimization efforts.

Planet Goals

GREENHOUSE GAS EMISSIONS
Reduce by 30%* per kg of product vs. 2012 baseline by 2025

ON TARGET
29%* reduction vs. 2012 baseline

*3-year average. Denominator excludes water weight

ENERGY EFFICIENCY
Reduce by 15%* per half gallon equivalent of product vs. 2012 baseline by 2025

IN PROGRESS
9%* reduction vs. 2012 baseline

*3-year average

PLANT WASTE
Divert 75%* of solid waste from landfill by 2025

IN PROGRESS
68%* diverted

*3-year average

FARM WASTE
Divert 25%* of solid waste from landfill by 2025

IN PROGRESS
4%* diverted

*3-year average

PLANT WATER CONSUMPTION
Reduce by 20%* per half gallon equivalent of product vs. 2012 baseline by 2025

ON TARGET
39%* reduction vs. 2012 baseline

*3-year average

FARM IRRIGATION
Consistently utilize variable rate irrigation on all applicable pivots during 100% of the growing season

OFF TARGET
89% utilization

CARBON NEUTRAL
Environmental Claims Validation™
by SCS Global Services
Aurora Organic Dairy has achieved 100% carbon-neutral energy for Company-owned farms and processing plants, headquarters office, and all raw milk transportation to Company-owned processing plants.

CARBON-NEUTRAL ENERGY
100% by 2020 for Company-owned farms and plants, headquarters office, and all raw milk transportation to our Company-owned plants

ACCOMPLISHED
During 2020 and 2021, we supported third-party carbon-reduction and renewable energy projects and had an independent, third-party validate our 100% carbon-neutral energy claim

High Plains Dairy Farms, Gill, CO

Organic Quality Standards

Core Value: Organic

We are committed to organic agriculture and offering consumers the choice to buy dairy products that are made without synthetics.

Boulder, CO

Our Quality Awards

First Place For Ultra-Pasteurized Milk, Whole A2 — Platteville Plant
WORLD DAIRY EXPO, 2022

Second Place For Ultra-Pasteurized Milk, 2% — Columbia Plant
WORLD DAIRY EXPO, 2022

Best New Product
RETAIL CUSTOMER AWARD, 2019

Second Place For Ultra-Pasteurized Milk
WORLD DAIRY EXPO, 2017

Second Place For Ultra-Pasteurized Milk
WORLD DAIRY EXPO, 2016

Nearly 30 Years of Organic Integrity

Our founders were pioneers in the organic dairy movement. As dairy farmers since the mid-1970s, we had developed a history in milk production across many U.S. climates. In the early 1990s we began using organic protocols to support the emerging organic dairy brands by dedicating groups of cows to organic production standards. Several of our employees and our founders were involved in the early days of the organic dairy industry, and even collaborated with this community to develop today's organic dairy standards.

In 2003, Aurora Organic Dairy committed to only producing 100% organic dairy products, and we have never strayed from this core organic value. Our entire production chain — farm inputs, soil, crops and pasture, livestock management, facilities and dairy quality — has been 100% certified organic since 2003.

Our facilities are audited annually and are subject to unannounced inspections by USDA-accredited certifiers. This includes visual inspections of our facilities, as well as deep-dive analyses of our records and Organic System Plans. Organic certifiers trace the origin of all farm inputs and validate our records to demonstrate we meet the USDA National Organic Program standards. We require valid organic certifications from our feed suppliers.

Pepper Grass-Fed Dairy & Heifer Farms, Dublin, TX

Rigorous Organic Dairy Regulations

We must meet a set of USDA National Organic Program standards for agricultural crops, livestock management and food processing. USDA Organic is the only label in the U.S. that legally requires third-party certification from farm to finished product and is backed by federal oversight and enforcement.

No synthetic pesticides, herbicides, fertilizers or genetically modified organisms (GMOs) are used to produce or manage crops and pasture we feed to our dairy cows. Our organic dairy cows are never treated with antibiotics, synthetic growth hormones or other unapproved substances. Generally, organic dairy cows must receive at least 30% of their dry matter intake (feed) from pasture during the grazing season, which cannot be less than 120 days.

Our Colorado farms are certified by the Colorado Department of Agriculture; our Texas farms are certified by Quality Assurance International (QAI); and our Colorado and Missouri Milk Plants are certified by QAI. Every one of our dairy farms works tirelessly to meet the exacting USDA National Organic Program requirements with a commitment to cow care, grazing, sustainability and organic compliance.

Our farms are surrounded by more than 15,000 organic pasture acres for grazing. Our dairy cows have open housing with constant access to outdoor exercise areas. We design our facilities so that cows can graze while being near shelter, water, milk parlors and herd-health facilities. Even in the winter months when the pastures are dormant, our cows are never confined or tied to stalls.

Our two milk plants are among just a few plants in the U.S. dedicated exclusively to organic milk processing.

We work with more than 100 independent farmers who are predominantly located in our farming regions. Through this farmer network, we support more than 75,000 total acres of organic-dedicated farmland. As feed suppliers to our organic farms, they must comply with our Farm Sourcing Policies, which state feed must meet our quality standards and is USDA organic certified. We also purchase milk from a select few organic dairy farms. At each of these farms, we have verified our milk quality and animal care programs are in place.

The USDA Organic label verifies a product meets organic standards.

"Becoming certified organic takes dedication, which we have been committed to for nearly 30 years. It's our government's premier standard for milk that outlines cow care and land stewardship."

— EMILY VELAZQUEZ, DIRECTOR OF COMPLIANCE

Vertical Integration for Traceability, Quality & Product Integrity

Our cow-to-carton business model has many benefits. As a dairy farmer and bottler, Aurora Organic Dairy has visibility into the entire supply chain because we own our dairy farms, raise our cows and produce and process our milk. This allows us to control our product integrity, quality and traceability.

Our integrated model starts with certified organic feed. We grow a portion of our organic feed and 100% of the 15,000+ acres of certified organic pastures for grazing our dairy cows. We also source from approximately 100 independent farmers growing organic feed on an estimated 75,000 acres.

We own three heifer-raising farms and organic dairy farms that feature eight individual milking parlors. Our heifer facilities supply organic-born replacement cows to our dairy farms. Within our dairy farms, in recent years we have added grass-fed organic and A2 organic milk production systems.

Our AOD farms produce approximately 60% of the milk we bottle at our Platteville, Colorado and Columbia, Missouri Milk Plants. These 100% organic processing facilities pasteurize then homogenize the milk into different fat content, nutrition-fortified, flavored and other specified products for our customers. Our on-site testing labs promote milk quality and food safety.

A primary benefit of our vertically integrated supply chain is that our plant quality lab technicians provide ongoing feedback to our farms, improving the quality of our milk. Our quality-assurance protocols require that our products are assessed for health and safety improvements. We conduct milk sensory tests and numerous quality tests at eight different points along the milk's journey, from farm, through bottling and distribution.

Due to the perishable nature of dairy products and our focus on quality, stakeholders view "Food Safety & Quality" as a material topic for our organization. We continue to prioritize milk quality and safety from cow-to-carton, and have had zero incidences of non-compliance with regulations or codes related to the health and safety of our products.

Columbia Milk Plant, Columbia, MO

We donate milk to neighbors of our dairy farms in Colorado and Texas

Product Quality

From the milk we produce on our farms and the milk we purchase from outside dairy farmers, to each and every ingredient that goes into our final products, we strive for excellence in quality. Dairy processors in the U.S. are required to meet comprehensive quality and food safety regulations throughout the dairy supply chain. At AOD, we take this a step further with Safe Quality Food Certification (SQF). Our Platteville Milk Plant has been SQF Certified since 2009, and in 2019 we achieved SQF certification for our Columbia Milk Plant. Our annual SQF audit scores have been between 92–99% (out of 100%) for the last 13 years. Part of the Global Food Safety Initiative (GFSI), SQF is an industry-leading, third-party food safety program, which allows us to meet high standards for food processing, preparation and handling.

Our Platteville plant processes ultra-pasteurized gallon jugs and half-gallon cartons. In addition to having an ultra-pasteurized half-gallon processing line, our Columbia plant also includes an aseptic small bottle processing line. Similar to ultra-pasteurization in which the milk is pasteurized at 280 degrees Fahrenheit for at least 2 seconds, aseptic milk is pasteurized for a minimum of 4 seconds. Additionally, the aseptic filler uses polyethylene terephthalate (PET) preforms that are sterilized prior to being blown and filled with milk. This process and technology allow the milk to be stored at room temperature.

Both milk plants are strictly governed by the U.S. Food & Drug Administration (FDA) and state regulatory agencies, and are subject to rigorous operating procedures and protocols. Additionally, they comply with ongoing Food Safety Modernization Act (FSMA) requirements, and our aseptic plant must comply with Low Acid Foods Packaged in Hermetically Sealed Containers (LACF) regulations.

Since 2019, our Columbia Milk Plant has allowed us to expand into multiple new categories by leveraging our aseptic processing capabilities. We have added 11 new organic products, enabled by our aseptic line, including: Lactose-Free, A2, grass-fed, flavored milks (chocolate, strawberry and vanilla) and creamers (vanilla, French Vanilla, sweet cream and hazelnut), half-and-half and heavy whipping cream.

As a result of this significant product line expansion and new product development, LACF requirements and more in-house testing, we have bolstered our Quality Team over the last three years. With additional resources, we have incorporated in-house somatic cell count testing to both quality labs, which expedites and streamlines the feedback to our farms on raw milk quality.

In the fall of 2021, we launched a new product research and development lab within our Platteville Milk Plant. This allows us to develop and test new products in-house and run trials for customers more efficiently than using third-party facilities. As a result, we remain on the cutting edge of dairy product innovation.

In addition to federal and state-level audits, and our SQF certifications, our milk plants are inspected by a variety of stakeholders. They review our practices in food safety, organic certification, employee benefits and practices, codes of conduct, ethical sourcing, workplace safety and quality to confirm we meet or exceed their expectations.

Supplier Standards for Quality & Organic Integrity

We work with hundreds of suppliers across our cow-to-carton supply chain, and require the same high standards for quality, animal care and organic integrity that we practice at our facilities. Our sourcing policies incorporate product quality, organic certification and animal care standards, among others. We expect each of our suppliers to conserve natural resources, treat their employees fairly and demonstrate integrity when working with our Company.

The majority of our feed is grown by more than 100 independent organic farmers with whom we have long-term relationships. Our feed sourcing policies stipulate that products must meet our quality standards and be USDA organic certified. We expect competitive rates, open and transparent communications and reliable service. In return, we treat our suppliers with integrity, provide a fair price and nurture long-term relationships. Our first preference is to work with local farmers and suppliers in our operating communities.

As we continue to incorporate more holistic, ecosystem approaches to farming our land, we will also collaborate with our feed suppliers to identify soil health and sustainable farming opportunities. For example, we have close relationships with our corn silage farmers in Colorado. We consult with them to source organic seed varieties and share management practices on irrigation and weed control, as well as timing for plantings and harvests. We also include key organic feed suppliers in on-site regenerative agriculture seminars.

While nearly 60% of our milk is produced on our farms, we purchase the remainder from select organic dairy farms that meet our quality and animal care standards. Milk sourced from third-party dairy farmers must have valid USDA organic certifications, as well as Validus Animal Welfare certification. We work closely with these dairy farmers and have nurtured our relationships with our third-party milk suppliers over many years.

Companies supplying materials, ingredients and third-party cold storage services to our milk plants are required to meet the criteria in our Supplier Policy, which also follows SQF/GFSI and FSMA certification requirements. Annually, suppliers must undergo a third-party food safety audit and meet the requirements to be an approved supplier.

Compliance with Applicable Laws and Regulations

Our farms and processing plants are required to adhere to several laws and regulations based on local and national regulatory requirements. Additionally, we voluntarily participate in third-party audits and certifications, including Validus Animal Welfare, Worker Care and Environmental audits, SQF certification audits and the many code-of-conduct audits required by our customers and other stakeholders.

As an organic dairy producer and processor in the U.S., we are part of a heavily regulated industry, and are required to comply with various livestock handling, food safety, organic, environmental and occupational safety laws. Aurora Organic Dairy strictly adheres to the laws and regulations applicable to each of our operations. This includes requirements of the U.S. Department of Labor Occupational Safety and Health Administration, U.S. Environmental Protection Agency, the U.S. Food and Drug Administration, the U.S. Department of Agriculture and their National Organic Program, the U.S. Natural Resources Conservation Service, the Colorado Department of Public Health and Environment, the Missouri Department of Agriculture, the Texas Commission on Environmental Quality, the Texas State Soil and Water Conservation Board and the Texas Department of State Health Services. Additionally, our grass-fed organic dairy operations are verified by QAI.

Columbia Milk Plant, MO

Nutritious Products and Transparent Labeling

The dairy food group offers numerous health benefits, as milk contains high levels of calcium, phosphorous, magnesium, protein, vitamin D and other vitamins. An integral part of the USDA's Food and Nutrition Plan, dairy products support healthy bones and teeth, and when consumed as part of a balanced diet, milk and dairy products have numerous other health benefits.

We provide our milk in recyclable gallon plastic jugs and half-gallon cartons in four different, clearly labeled fat contents: non-fat, 1%, 2% and whole milk to meet consumer preferences. With the opening of our Columbia Milk Plant in early-2019, we added an array of small, PET plastic bottles. This allowed us to expand our product offerings to include additional flavored and fortified shelf-stable milks and creamers. Lower fat content milk is lower in both saturated and unsaturated fats. Our fortified milks offer nutritional additives, such as Omega-3 fatty acids and added protein, for consumers who desire these, and other, nutritionally enhanced products.

Our product labeling is transparent and includes nutritional, food safety, allergen, ingredients, certifications, safe handling and "sell-by date" information, as well as packaging recyclability labeling.

Consumers rely on this information to make healthy food choices, and to properly handle and dispose of products once in their homes. We follow all FDA regulations for labeling 100% of our products. We include our organic certifications and other voluntary third-party certifications, such as our Validus Animal Welfare certification logo and Kosher certification insignia, on our labels to provide additional information to consumers. We collaborate with retail customers to educate consumers about our production practices, sourcing and other values-oriented information. We experienced zero incidents of noncompliance with laws related to the labeling of our products during the periods covered by this and all prior sustainability reports.

The Nutrition Facts Panel provides consumers with product-specific information on the nutritional profile of packaged food products. Our products' nutritional labeling includes an ingredients statement, information about added vitamins, along with the nutrition facts panel. As of January 1, 2020, the FDA required changes to the Nutrition Facts Panel to make it easier for consumers to make well-informed food choices. Aurora Organic Dairy had met these labeling requirements in advance of the deadline.

Prioritizing Animal Care on Our Farms

Core Value: Compassion
Animal care is a fundamental practice on our farms.

We believe that taking care of our cows on our farms is the right thing to do

Disease prevention is a priority in our organic system

Facilities designed for comfort and grazing

Paired calf housing

Employee training on animal care protocols

Disbudding minimized

24/7 monitoring

In-house veterinarians

Nutritious feed and pasture

Outdoor access year-round

Never tied to a stall

Certified by independent third-party, Validus

Platteville Dairy Farm, Platteville, CO

Pioneering a Culture of Animal Husbandry Expertise

For the past four decades, the in-house animal husbandry expertise we have curated has contributed to our success as dairy farmers. Our Chief Agricultural Officer, Juan Velez, MV, M.S., DACT, has pioneered a culture committed to animal care and compassion that begins with the Five Freedoms of animal welfare.

Driven by research and science, Dr. Velez and the farm management team have established many of the common animal care practices used throughout the organic dairy industry today. These innovative practices, often in partnership with universities and other research organizations, have been widely published in animal science journals over the decades. In fact, Aurora Organic Dairy frequently shares research and insights at industry conferences. For example, Dr. Velez's farm management team shared our findings related to "Group Housing of Dairy Calves" at the Dairy Cattle Welfare Council's 2019 Dairy Cattle Welfare Symposium.

Three additional certified veterinarians are on staff, and oversee our herd health protocols. On-staff and third-party nutritionists determine the certified organic diet of organic pasture and feed for our animals, which is continually customized by facility, cow group and developmental stage. Lastly, we actively recruit and employ graduates and interns with degrees in veterinary medicine, animal science and agronomy to help care for our animals, along with third-party veterinarians.

Our farm employees are trained on our animal care protocols several times a year. This includes on-the-job training with their supervisors, as well as presentations and in-house videos to support key animal care and safe animal handling procedures. It is important for our employees to understand the behavioral and motivational characteristics of cows to help anticipate their needs and respond to their reactions in various situations. As a result, we have incorporated animal behavior training into our animal care protocols. We believe this additional training helps to round out our employees' knowledge and skills when it comes to animal care standards.

Animal Care Overview

At Aurora Organic Dairy, we believe that taking care of our cows is the right thing to do. Animal care is a fundamental practice on our farms. We take an open-minded approach to animal care initiatives through our continuous improvement efforts, which start with incorporating the Five Freedoms of animal welfare. The Five Freedoms include the freedom from hunger and thirst; freedom from discomfort; freedom from pain, injury and disease; freedom to express their natural behaviors; and freedom from fear and distress. We aim to adopt innovative practices that put animals first and partner with universities to develop peer-reviewed research.

As of March 2022, we managed approximately 36,000 cows, calves and heifers (see AOD Locations map, pages 6 and 7) on our Company-managed, certified organic dairy farms, calf ranch and heifer farms, which allow us to create a closed herd. This number has remained relatively consistent over the years. The majority of our cows are of the Holstein breed, with a small percentage of Jersey and crossbred cows. We rely on natural service and artificial insemination to breed our dairy cows.

Coldwater Dairy & Heifer Farms, TX

INNOVATIONS THAT PUT ANIMALS FIRST

Examples of Aurora Organic Dairy's Animal Care Initiatives

- **Animal welfare audits and certification, starting in 2005**
- **Paired calf housing at all facilities in 2019**
- **24/7 third-party video monitoring, installed at 3 of 4 dairy farms — completion mid-2023**

Our focus on continuous improvement requires us to work innovatively and to rely on science and research to achieve advancements. Our partnerships with numerous universities and professional associations have informed animal care standards across the organic dairy industry. Our latest research with Colorado State University examines animal behavior variables associated with the cow-calf contact relationship immediately after calving to identify significant behavioral measures, and, thus, evaluates the relations with future production and health performance. We have also been working with industry professionals on a digital monitoring system that uses artificial intelligence (see page 31 for more details). In May 2022, Dr. Velez was named Dairy Cattle Welfare Council's (DCWC) President. DCWC's mission is to advance the care and treatment of dairy cows by bringing the dairy industry together to inform, educate and support continuous improvement of animal well-being on dairy farms.

Since 2005, our farms have been animal welfare certified by Validus. This certification includes audits and inspections of each of our dairy farms (see page 32 for more details). Third-party 24/7 video monitoring helps facilitate training and allows us to address potential concerns as they arise. We also encourage employees to report the smallest animal care concern and to take action in support of our dairy cows. As such, we have adopted a culture of care and have set up an anonymous hotline for employees to report potential animal abuse and mistreatment.

As stated in our sustainability goals, we have worked to continually reduce incidents of lameness in our herd through prevention and early detection. Our focus on decreasing disbudding procedures on our farms is addressed with semen from polled bulls, reducing the number of calves born with horns. In 2019, we achieved our initiative to eliminate individual calf housing, which allows our calves, from the time they are born, to be raised in social arrangements, enabling more natural behaviors and promoting cognitive and emotional health.

Latest Research Partnership:
Cow-calf Contact Relationship in Organic Dairy Herds

SUPPORTING ANIMAL HUSBANDRY RESEARCH

During the last 10 years, Aurora Organic Dairy has partnered with leading universities to publish more than **40 on-farm research studies** in peer-reviewed animal science journals.

For a list of the peer-reviewed studies, see page 100.

Pepper Grass-Fed Dairy & Heifer Farms, Dublin, TX

Animal Goals

2021 RESULTS

LAMENESS
Incidence of lameness consistently 35%* below 2012 baseline

ON TARGET
60%* below 2012 baseline

*3-year average

DISBUDDING
Consistently minimize disbudding on farms

ON TARGET
We select for animal health traits, and strive to use semen from polled bulls that also meet our health trait criteria

MONITORING
3rd party video monitoring of all dairy farms 24/7, by 2020

OFF TARGET
Installed at 3 of 4 dairy farms — completion mid-2023

OVERALL HEALTH[1]
Incidence of early culling consistently 40%* below 2012 baseline

OFF TARGET
30%* below 2012 baseline

*3-year average

CALF HOUSING
Paired and group calf housing by 2019

ACCOMPLISHED
Implemented at all of our dairy farms

[1]Incidence of early culling is one indicator of overall herd health. The rate reflects cows <60 days in milk that were removed from the herd. Typically, a healthy cow would not be removed from the herd at this early stage in the lactation cycle.

Pepper Grass-Fed Dairy & Heifer Farms, Dublin, TX

Prevention is a Priority in our Organic System

Disease prevention starts with our people. We employ four on-staff veterinarians and work closely with expert, third-party nutritionists. Our animals graze on organic pastures during the grazing season and are fed nutrient-rich organic feed. Our farm staff regularly participates in our animal care training programs to identify early signs of stress or illness.

As a 100% certified organic system, we cannot depend on antibiotics to treat disease. We see this as an opportunity to implement innovative animal care protocols highlighting cow care and comfort, combined with employee training programs focused on prevention.

We consider animal health in all decisions — including our approach to selecting the semen we use for artificial insemination. In addition to milk production, we favor animal wellness and longevity when we select for semen traits.

Cows that are close to calving are housed in a dedicated maternity facility or area within our barns. This allows our trained animal care staff to provide organic feed with nutrients, vitamins and minerals specifically formulated for their health and that of their calves.

Newborn calves are fed colostrum to build a strong immune system, they receive milk at least two-to-three times per day, and are under 24-hour supervision. Our Calf Caregivers are trained on our animal care protocols, and ensure the animals have access to clean water, milk, solid feed and comfortable bedding. To promote cognitive and emotional health, in 2018 we started raising calves in pairs or larger social groups. By the end of 2019, we achieved our goal to completely phase out individual calf housing. Calves are administered organic-approved vaccines, which play an important role in disease prevention.

Early Detection Is Key

When illness cannot be prevented, the next best outcome is early detection, which means our animals receive immediate treatment. Early detection requires constant monitoring. For example, during our milking routine, each cow is checked two-to-three times per day for mastitis, which is caused by bacteria on the udders. Other monitoring occurs when cows are at the feed bunks, walking to and from pasture and during routine health procedures.

We also rely on the latest science, technology and data to detect and prevent diseases. At our Platteville Dairy Farm, we are conducting two research trials to evaluate locomotion performance and prevent diseases. Our latest research examines a digital monitoring system that uses artificial intelligence to analyze and extract data from video sequences of cows walking. The system scans cows when they exit the milking parlor and develops a mobility score, building a mobility profile for each cow. As soon as the system notices a change in traits in how a cow is walking, our staff receives a notification. Aurora Organic Dairy is currently working to validate the system and analyze the relationship between locomotion score and animal performance with the potential of applying the system to our animal care protocols.

We are also conducting activity tracker research trials to monitor the cows' temperatures and a variety of health-related indicators at our Platteville Dairy Farm. The system sends our farm staff alerts if an animal may need to be monitored more closely. For example, a reduction in rumination — cud chewing — can signify stress or illness. Our staff can also access data trends for each cow via a mobile phone application.

Currently, we are expanding new pedometer technology to all farms. Launched at our High Plains Dairy Farms, this technology tracks cows' movements and provides early detection of illness. For example, the pedometers detect general activity, changes in weight distribution, lying times and behavior and possible lameness. Data collected from these innovative technologies help our team individually monitor the health of our cows, and immediately identify and address potential concerns.

Platteville Dairy Farm, Platteville, CO

Validus Certified for Animal Care Standards

In 2005 Aurora Organic Dairy became one of the first dairy farms to voluntarily achieve animal welfare certification. Our commitment to animal care and continuous improvement led us to invite an industry expert to verify our practices and provide an outside perspective to inform our protocols.

Validus is an independent, USDA Process Verified animal welfare certifier, is ISO 9001:2015 accredited for quality, and meets ISO/TS 34700 criteria for animal welfare management and guidance for organizations in the food supply chain. In addition to our long-standing animal welfare certifications with Validus, in 2010 we achieved Validus Worker Care certification (see page 45). Most recently, in 2021 we became Validus Environmental Certified (see page 68) and Where Food Comes From CARE Certified, which is a sustainability standard for the dairy industry and requires an onsite audit by Validus Verification Services.

Since 2005, each of our farms and milk plants have been continually Validus Animal Welfare Certified. Each of our owned facilities has received the highest achievable audit ratings of Excellent in the reporting periods of 2019, 2020 and 2021. In addition to 100% of our Company-owned facilities being Validus certified, we also require our third-party milk suppliers to be Validus certified for animal welfare.

To bring additional transparency to our animal welfare certification, since 2017, we have requested Validus conduct unannounced audits at our farms — in addition to our own internal, routine audits — to confirm we meet the standards for Validus Animal Welfare certification. Each audit at our farms includes an inspection of our animals, facilities, protocols and records. Inspectors score each of our farms on more than 115 animal welfare metrics, including: locomotion, cleanliness, body condition, behavior, facilities, protocols and management.

In 2021, out of nearly 30,000 licensed dairies in the U.S., only 400 achieved Validus Animal Welfare certification. Each of our Company-owned farms undergoes annual, multi-day certification audits with trained and certified Validus inspectors from Professional Animal Auditor Certification Organization. We request these audits be unannounced — not scheduled in advance — and conducted by dairy professionals or veterinarians. Validus does not allow branding or tie-stall barns. We do not practice branding. Our cows have year-round outdoor access and are never tied to a stall. Our commitments to animal care and continuous improvement on our farms propel us to do things differently, be innovative and rely on science and research to achieve advancements.

Platteville Dairy Farm, Platteville, CO

"In 2021, we strengthened our commitment to continuously improve the standards and protocols on our farms by being one of the first companies to achieve Where Food Comes From CARE certification, which is a sustainability standard for the dairy industry and requires an onsite audit by Validus Verification Services. It requires each of our farms to be audited for animal welfare standards, environmental practices, and worker care criteria. We surpassed requirements in all three areas."

— DR. JUAN VELEZ, CHIEF AGRICULTURAL OFFICER

Platteville Dairy Farm, Platteville, CO

Facilities Designed for Comfort and Grazing

One of the central goals of our animal care philosophy is to give our cows the freedom to express their natural behaviors. Our dairy farms were constructed to promote cow comfort and employee safety, and help us meet the grazing requirements of the USDA National Organic Program. Our mature animals are housed in freestall barns or loose, open housing, which provide them with outdoor access year-round. Our farms are located in the temperate climates of Colorado and Texas. Shelter is always available, particularly in inclement weather.

Pastures surround our milking parlors and animal housing, which allow us to practice rotational grazing while aiming to provide cows with the care needed and ability to be milked 2–3 times a day. Generally, at least 30% of our cows' dry matter intake comes from pasture during the grazing season, which cannot be less than 120 days. Additionally, our cows have access to fresh food and water, as well as clean bedding.

We adjust summer grazing routines to avoid heat stress in our animals, and our barns and milking parlors feature fans and misters to help the cows stay cool. We line walkways with rubber mats to provide a cushioned lane for cows and employees, and raised milking stalls help to reduce back strain in our milk harvesting staff.

We have invested in additional cow comfort features at our dairy farms, including comfort brushes (see photo above) installed throughout our barns. The freestall barns at our High Ridge Dairy Farm feature more flexible dividers, which improves the cows' comfort when they lie down. We continue to participate in university and veterinary research to identify new and innovative ways to improve our facilities for cow comfort.

Animal Care Standards Expected of our Vendors

Our dairy farms work with a variety of suppliers and service providers, which are expected to maintain our standards for animal care. We sell crossbred heifers and male calves to outside livestock farmers. And, we work with cattle hauling companies and on-farm service providers who help to support the health of our animals. It is our expectation that each of these vendors follows our standards of animal care.

All vendors receive and sign an Animal Care Standards Memorandum. This document communicates our animal care expectations and our zero-tolerance policy for the mistreatment of our animals. We closely monitor all vendors who come onto our facilities to work with our animals.

Any company that hauls cattle for us must sign our Cattle Hauling Agreement. This agreement outlines safe handling and transport procedures, which comply with the latest animal welfare regulations and our specific on-farm animal care protocols. In addition, they must have their Beef Quality Assurance certification, which confirms proper management techniques and a commitment to quality. Animals that are not healthy enough for transport are not allowed to travel. We also require nighttime transportation for our animals during hot weather, and haulers must demonstrate that animals have plenty of space and are treated with respect. Specific requirements for trailer preparation, careful driving and loading/unloading techniques are also included in the agreement.

Coldwater Dairy & Heifer Farms, Stratford, TX

AURORA ORGANIC DAIRY ANIMAL CARE STANDARDS

Health & Management

- **No Branding** — Since 2008, no branding has been performed at our dairies.
- **No Tail Docking** — No tail docking is performed at our dairies, and we do not purchase animals that have docked tails.
- **No Udder Flaming** — Udder flaming is not practiced at our dairies.
- **No Prods** — Prods — electric or otherwise — are not used at our dairies.
- **Minimizing Disbudding** — To minimize the need for disbudding, in 2013 we began breeding cows with semen from polled bulls, so that the offspring will have a greater likelihood to be born without horns.
- **Always Minimize Pain** — While we do not have the need to perform many surgical procedures on our animals, when we do, we require trained employees to use an organic-approved local anesthetic, and aspirin or flunixin, to help minimize pain. In the event disbudding procedures are required, a local anesthetic and pain relief are also administered by on-farm certified employees.
- **No Synthetic Growth Hormones** — Synthetic growth hormones are never used at our dairies.
- **No Antibiotics** — Antibiotics are not used, except in the rare case we need to preserve the animal's life. If organic-approved treatments are not successful in treating disease, the animal is removed from the herd, treated and sold.
- **Lameness Prevention** — Preventing lameness is always a top priority. We visually monitor our animals daily, use activity collars to detect early signs of lameness, cover floors with rubber mats, utilize foot baths, employ selective breeding for hoof health and perform certified treatments, as needed. Our hoof trimmers are trained and certified annually by a third-party animal welfare expert.
- **Quality of Life** — Treatment for a very sick — or downed — animal requires that an experienced, trained and certified team of employees carefully transfer the animal to a clean, dry area. The animal is provided with clean, dry bedding at all times, fresh food and water, protection from the elements and health care. If organic-approved treatments are not successful, the animal is removed from the herd.
- **Humane Euthanasia** — If an animal is suffering and cannot be brought back to health, euthanasia is performed by a certified technician to eliminate pain and suffering.
- **24/7 Supervision** — Animal supervision is constant and is always focused on continuous improvement.

Feed & Facilities

- Animals are provided with clean food and water.
- Year-round outdoor access to exercise areas.
- No synthetic pesticides, herbicides or fertilizers are used on the feed or pasture provided to the animals. Additionally, organic feed cannot be produced with GMOs. We require valid organic certifications from all feed suppliers.
- Generally, at all of our dairy farms, cows receive a minimum of 30% of their dry matter intake (DMI) from organic certified pasture during the grazing season, which cannot be less than 120 days (USDA Organic Dairy Regulations).
- Animals are not without feed and water for more than one hour at a time (typically during milk harvesting).
- On-staff nutrition experts continually monitor the cattle feed at all locations. A nutritionist reviews the herds frequently and adjusts the feed ration as needed for the health of our animals.
- Animals are provided with a comfortable, dry place to lie down.
- Animals are provided with shade and protection from the elements, as needed.
- Animals are provided with sufficient space for comfort and to display natural behaviors. We only house our animals in freestall barns and open, loose housing.
- Tie-stall barns are never used.
- No individual calf housing — Since 2019, all calves have been housed in pairs or groups to promote cognitive and emotional health. They continue to receive dedicated care and attention to prevent disease.
- Our facilities are maintained with sanitary conditions to prevent disease and infestations.
- To prevent injury to our animals, our facilities are maintained in good condition, and our employees are trained in safety protocols.
- All walkways are kept clean and slip-resistant.
- We strive to keep our milking parlors clean with good airflow, and we use cooling systems to provide comfort during periods of high temperatures.
- Our milking parlors are designed for optimum cow and employee comfort. Rubber mats are used on most walkways and lanes to maintain foot, leg and hoof health and comfort. Rubber mats also increase the comfort of our milk harvesters.

OUTLOOK

Through our contributions to more than 40 on-farm research studies in peer-reviewed animal science journals during the last 10 years, we have demonstrated our commitment to continuously improve our animal husbandry expertise and animal care standards. Our 2025 Animal Goals outline our path for the future on our farms.

Pepper Grass-Fed Dairy & Heifer Farms, Dublin, TX

Bolstering our People & Giving Back to our Communities

Core Value: Entrepreneurial
We embody a spirit of dairy innovation and take calculated risks to exceed customer expectations.

Platteville Milk Plant, Platteville, CO

We support people and nurture relationships

2022 Top Workplaces USA and 2021 Denver Post Top Workplace

Workforce diversity

Comprehensive benefits for employees at all levels

Employee health & safety are top priorities

Investments in training & career development

Support local economies, farmers, nonprofits & disaster relief

Scholarships for agriculture education & employee family members

Validus Worker Care Certification

EMPLOYEE DISTRIBUTION

755 full-time employees as of March 2022. (nearly 100% of total workforce is full time)

Columbia Milk Plant, Columbia, MO

Relationships Developed over Decades

The deep and lasting relationships we have built throughout our history have made the success of our business possible. We strive to always treat others with respect, and we sincerely value the relationships we have with our employees, suppliers, customers, local communities and other stakeholders.

Thousands of individuals and organizations support Aurora Organic Dairy in our daily operations. Our employees ensure that our facilities run smoothly and that we deliver quality organic milk to our customers. Many employees have been with us for decades, which demonstrates their loyalty to our values-based organization. Likewise, we maintain long-term relationships with our suppliers, and have farmers who have been growing feed for us since the 1990s.

It is part of our core values to behave with integrity, honesty and transparency. We expect these traits from both internal and external stakeholders. In return, we compensate fairly and competitively. We invest in training programs to keep our employees and suppliers safe. We encourage cross-departmental communication and inspire creativity and innovation. We have invested a tremendous effort to nurture and maintain our unique family-like culture, particularly as we grow.

We regularly conduct employee satisfaction surveys across our farms, plants and office locations. In the most recent employee survey, conducted in the first quarter of 2021, employees ranked the following attributes above the 80th percentile:

- I believe Aurora Organic Dairy is going in the right direction
- My job makes me feel like I am part of something meaningful
- I feel genuinely appreciated at Aurora Organic Dairy
- Aurora Organic Dairy enables me to work at my full potential
- At Aurora Organic Dairy, we do things efficiently and well

We believe this valuable feedback demonstrates the importance of the relationships we nurture with our employees. We also address constructive feedback to identify opportunities for improvement.

The following attributes received lower rankings and are being addressed through action plans:

- New ideas are encouraged at Aurora Organic Dairy
- My manager cares about my concerns
- I feel well-informed about important decisions at Aurora Organic Dairy

Diversity

At Aurora Organic Dairy we choose to be inclusive because diverse backgrounds and perspectives make us stronger, more compassionate and more innovative. As both a producer and processor of organic dairy products, we employ individuals with diverse work experience and a wide breadth of job skills that span agriculture, food processing and administrative functions. We value this diversity, and also embrace the diverse workforce that we have built over our 46 years in business.

As of March 2022, we employed approximately 755 people across our farms, plants and offices. While we continue to experience a difficult labor market in the U.S., our total number of employees increased 4% from 725 in March 2019. The increase in total employees during the time period was due to additional processing plant employees needed to meet customer demand as we broadened our product offerings and increased farm labor to support the expansion of our heifer-raising and grass-fed operations.

We are proud of the racial and gender diversity among our employees. Approximately 63% of our workforce identifies as non-White. The total percentage of non-White employees declined slightly since March 2019, as our total number of employees grew. Because Spanish is the first language for much of our workforce, all of our important company information and training programs are provided in English and Spanish to ensure our employees receive pertinent company information in their native language. Additionally, our hiring practices prioritize bilingual managers.

While farming and manufacturing are typically male-oriented sectors, we are proud of our ability to attract and retain women in key leadership roles across our farms and milk plants. As of March 2022, 29% of our total full-time, regular workforce is women, which is equal to March 2019 when we last reported this metric. We continue to be committed to increasing the number of under-represented groups and women who hold key management roles on our executive team, at our farms and in our milk plants, and will seek to develop career advancement programs for these groups. Of the 106 supervisory- and management-level employees throughout our organization, 33% are non-white and 38% are women. This compares to 41% non-white employees and 28% women who held a total of 96 management positions in March 2019.

AURORA ORGANIC DAIRY IS A 2022 TOP U.S. WORKPLACE

In 2022, Aurora Organic Dairy was named a Top U.S. Workplace, and in 2021 we were recognized as a Denver Post Top Workplace for the Colorado market. The Top Workplaces rankings are developed based on direct employee feedback. Our employees participated in a 24-question survey conducted by a third party.

Aurora Organic Dairy's average scores for the majority of categories in the survey ranked higher than other participating food and beverage manufacturing companies. Across the U.S., thousands of companies participate each year.

Comprehensive Benefits at all Levels

As a primary pillar of our sustainability program, our People are incredibly important to us. We have always strived to provide our employees with a rewarding work experience, recognition for a job well done, career growth and respect. In return, we have nurtured a dedicated employee base that is invested in our Company.

Since March 2020, supporting our people has become an even more urgent priority. During the Covid-19 pandemic, we have invested in operational changes and equipment, on-site vaccine clinics, childcare reimbursement, support for employees who had to take time off work to quarantine, care for themselves or a family member who was ill, and work-from-home protocols for job functions that allow it.

As a result of quick action when Covid-19 came into our communities, frequent and transparent employee communication and a commitment to doing what is right for our people, we were able to bolster our 24/7 operations to meet increased customer orders while ensuring our employees remained healthy and safe. In fact, nearly 100% of employees who participated in a 2020 Covid-19 employee survey agreed that "AOD is supporting its employees during the pandemic."

In 2019, we added domestic partners to our comprehensive medical plan and expanded our group life insurance to all full-time employees. In 2020, we included a health flexible spending account (FSA) option to our coverage. And, in 2021, we added a wellness program, called MotivateMe, to our medical plan as a way to provide incentives to employees and their families to maintain or improve their overall health and make positive changes.

"At Aurora Organic Dairy, we go beyond the basics. As a 2022 Top U.S. Workplace, we are dedicated to providing an inclusive benefits package to employees at all levels of the organization."

— ROBIN KANE, CHIEF PEOPLE OFFICER

BENEFITS

We are proud to offer our employees a robust and competitive benefits package including the following:

PHYSICAL HEALTH

- Comprehensive medical, dental & vision coverage
- Health Flexible Spending Account
- Health coverage for qualified domestic partners
- Wellness Programs

FINANCIAL HEALTH

- Competitive wages
- 401(k) and ROTH retirement savings plan with company match and immediate vesting
- PTO donation bank to support coworkers experiencing hardship
- Paid family leave and parental leave
- Company paid and Employee optional Life insurance
- Income replacement options — Short- & Long-term disability coverage
- Tuition support
- Scholarships for family members seeking post-high school education

MENTAL HEALTH

- Generous paid time off and paid holidays
- Employee Assistance Program

OTHER BENEFITS

- Company match on employee charitable contributions
- Training and career development
- Free organic dairy products
- Hybrid work option for office positions
- Housing allowances or on-site housing, where available, for majority of farm employees

Wellness

The addition of our Wellness-focused Sustainability Goal in 2018 has helped to increase employee participation in our various wellness benefits. An indicator of employee adoption and acceptance of our Wellness benefits is the percent of eligible employees who are enrolled in our Company-provided medical plan, which has grown nearly 13% since 2018.

We encourage participation in preventive care programs by removing barriers to access and by offering incentives and a variety of third-party plan options.

To reach employees in rural locations, we contract with mobile, third-party health care organizations to provide free preventive care to employees who otherwise may not have the means to access health and wellness care. Additionally, we provide various on-site services, such as biometric screenings, wellness assessments and vaccination clinics at no cost to our employees. We reinforce health and wellness information via frequent bilingual communication to all employees delivered in email, internal social media pages and on television monitors at each of our locations.

We also contract with local organic farms to provide weekly Community Supported Agriculture (CSA) deliveries of fresh produce to several of our locations during the growing season.

"We are pleased that nearly 3/4 of our eligible employees are enrolled in our medical insurance plans. At our farms, we continually communicate the benefits of these plans and the importance of preventive care to support overall wellness of our employees and their families."

— MARTHA TRETO, DIRECTOR OF HUMAN RESOURCES, AURORA ORGANIC FARMS

WELLNESS GOAL
Improve participation in health and wellness initiatives to 70%* by 2025

ON TARGET
71%* of AOD employees who were eligible** for coverage enrolled in the company's medical insurance plan

*3-year average

**full-time employees with at least 60 days of employment

During 2020 and 2021, we provided onsite Covid-19 vaccine clinics to our employees.

Platteville Milk Plant, Platteville, CO

Training & Career Development

Our employees value the comprehensive training programs we provide. In the 2021 Energage Top Workplaces employee survey, AOD employees ranked workplace training topics higher than the survey benchmarks for other food manufacturing companies. Through our annual review process, we provide feedback to our employees and strive to reach 100% of our employees with annual performance and career-growth reviews, regardless of gender, job function or position.

All of our employees are provided with training and educational opportunities. Our training programs emphasize workplace safety, functional job training, culture & mission training, sustainability education and career advancement. In 2021, we estimate that our employees, collectively, received approximately 12,300 hours of training, which is an average of approximately 16 hours of training per employee throughout the year. This is 53% lower than our total training hours of 26,300 and an average of 36 training hours per employee in 2018, when we last reported on this metric. The decline in training hours over the last three years is largely due to the Covid-19 pandemic and our inability to have our farm and plant employees participate in on-site group training programs. Additionally, the start-up of our Columbia milk plant in 2019 required significant onboarding and manufacturing equipment training of all employees at that facility during our previous reporting period.

In 2020 we added a dedicated training position to our administrative staff. As a result, we expect our training hours to continue to grow in the coming years. In addition to enhancing our job-specific training programs, we have launched several companywide training and education initiatives over the last three years, including self-paced modular training about our history, mission & values and sustainability programs. We also launched our AOD Learning Network, a virtual speakers bureau that features our own employee subject matter experts who share a variety of topics about our business, from animal care and milk quality to consumer trends and market conditions.

Our farm employees participate in safety and animal care trainings. Our processing plant employees participate in job-specific training on manufacturing equipment and safety procedures, food safety and milk quality. One hundred percent of employees receive Aurora Organic Dairy mission and culture training.

With the addition of a new training position, we have bolstered our management and home office training programs. We host webinars for all managers to help them with goal-setting, employee reviews, onboarding new employees, hiring and interviewing skills, change management training and staff career development training. Our home office new hire training programs have been expanded to include a variety of topics relevant to our administrative support staff, including an introduction to AOD's commitment to sustainability and organics, our Covid-19 protocols and safety information, workplace harassment and violence training, healthy office spaces and ergonomics and Company mission & values.

We provide a $3,500 tuition assistance benefit to employees who pursue additional education in job-related coursework. We also cover the cost of external training programs that provide career enhancement skills. In 2021, we introduced a milk plant-specific program that pays employees when they acquire new job skills.

CORE VALUE: TEAMWORK

Our team enjoys the challenge of building competitive advantage through the uncommon integration of dairy farming and processing.

Columbia Milk Plant, Columbia, MO

Employee Opportunities and Retention

Offering career growth opportunities to current employees has always been a point of pride for Aurora Organic Dairy. Two recent examples include our production skills training program and a management development curriculum. Employees are motivated and feel supported when we provide the opportunity to learn new competencies and gain additional work experiences. Ultimately, this leads to higher retention rates and improved business continuity. We are also able to build a pipeline of talented and diverse employees who will help Aurora Organic Dairy continue to lead in quality and innovation. Since 2019, we have tracked the rate of job openings that were filled internally through promotions and job transfers, with a 3-year average of nearly 7%. Our goal is to reach 10%, based on a 3-year average, by 2025, through improved management training programs and targeted development opportunities — such as a women's mentoring circle — focused on populations with historically lower representation in our business and across our industry.

EMPLOYEE OPPORTUNITIES & RETENTION
Increase rate of positions filled internally to 10%* by 2025

IN PROGRESS
7%* of positions filled internally

*3-year average

WORKER CARE CERTIFICATION

Our farms are Worker Care Certified by Validus. This audit and certification include a comprehensive, unbiased process completed by a third party that confirms employees are legally hired, fairly compensated and treated, have a safe working environment and are offered appropriate training.

Our farm employees have access to industry-leading benefits that are uncommon on most agricultural operations in the U.S. We provide four weeks of paid family leave, a 6-days-on/2-days-off work schedule and comprehensive health benefits, among other benefits, for our farm employees (see page 42 for more details).

Pepper Grass-Fed Dairy & Heifer Farms, Dublin, TX

Maintaining Workplace Health & Safety in a Global Pandemic

As an essential business serving the consumer food retail sector, we experienced unprecedented demand during the Covid-19 pandemic. In order to keep our customers' dairy cases stocked, our workforce went above and beyond the call of duty to maintain productive and safe operations. Many of the operational changes, new workplace norms and enhanced employee communications we implemented during the pandemic continue to this day.

Facility safety includes not only maintaining safe workplaces for our employees, but also for our dairy cows, non-employees, visitors and contract workers at our Company locations. The locations we operate include our Company-owned dairy farms, heifer farms, milk processing plants and farm and headquarters office locations.

Aurora Organic Dairy uses an Occupational Health and Safety Management System. This system was implemented based on applicable standards and regulations from the U.S. Occupational Safety and Health Administration (OSHA). The system's policies, protocols, objectives and strategies support the overall goals of providing a safe workplace and continuously improving on our culture of safety.

All new employees participate in site-specific safety onboarding courses during new employee orientation. This training is followed by job-specific safety training. Employees perform their tasks under direct supervision until they are ready to safely operate independently. Production employees are fully trained and evaluated by Subject Matter Experts (SME) before being given the approval to work on their own. The SME's primary objective is to train and evaluate all incoming new hires, and train and evaluate all existing employees who are learning new equipment or are in the rotation to be re-evaluated in their current role. These evaluations are outside of the annual performance review cycle and are specific to the operation of production equipment. Additionally, SMEs are responsible for the continuous creation and maintenance of processing plant standard operating procedures.

Our safety protocols focus on preventing injuries, and employees are encouraged to immediately report hazards in an open and direct manner. If an employee prefers to report hazards or concerns anonymously, our independent reporting hotline is available. At our farms and milk plants, all employees are trained to actively survey their surroundings at all times. Some personnel conduct more formal site surveys to routinely identify hazards.

Once a hazard is identified, we use the OSHA hierarchy of controls to first eliminate or substitute the hazard before working to minimize or isolate the hazard. We continually evaluate our procedures and implement new programs to improve our workplace safety. For example, in 2020, we implemented a program at our Platteville Milk Plant to help reduce the number of slips, trips and falls because this is the most common type of injury at our milk plants (see page 50 for more details). When applicable, we also supply Personal Protective Equipment (PPE) to employees and provide PPE training.

Platteville Milk Plant, Platteville, CO

Columbia Milk Plant, Columbia, MO

It is our Company policy that employees must wear applicable PPE when on the job. When operating during the Covid-19 pandemic, we added surgical face masks, rubber gloves and additional cleaning supplies to our PPE protocols, where applicable. We required social distancing and regular workspace cleaning procedures, and installed temperature check stations and health assessments at all locations. We also required daily health checks, discontinued all non-essential visitors to our facilities and allowed employees who could — based on their roles — to work remotely.

Communication and education are essential in our workplace safety program. Safety incidents and near misses that occur at our facilities are shared with our employees. This awareness is facilitated via face-to-face communication and break room television monitors. Time-sensitive issues are also communicated directly during shift overlap meetings. At regularly scheduled staff meetings, management discusses specific safety-related incidents and strategies to further mitigate hazards. All farm and processing plant employees are required to participate in monthly safety meetings, where relevant safety topics are discussed and employee suggestions are openly solicited. Our farm managers use a texting system to send safety information and safety training reminders to farm employees.

We provide ongoing safety training sessions to ensure safety is top-of-mind among our employees. Topics include animal handling, inspection and equipment operation, lockout and tagout procedures, materials handling, personal protection, respirator certification, fire safety, attitude and awareness, medical treatment, CPR and first aid and hazard reporting. We also provide audiometric testing for our milk plant employees, which reinforces the importance of following our hearing protection protocols.

The onboarding and annual safety trainings necessary for each role are mandatory, and the trainings occur while employees are on the clock. We evaluate the effectiveness of safety training through employee feedback, as well as interactive, scored safety quizzes for our farm staff. Ultimately, the effectiveness of training also becomes apparent in an overall decline in injury rates.

If a safety incident occurs — whether resulting in an injury or near miss — the incident is investigated immediately. As soon as the employee and scene are deemed safe, management and a safety team member will walk the scene, interview witnesses and, if possible, re-enact the incident with the employee. An Accident Investigation Report is filed, our hierarchy of controls is applied to mitigate additional incidents, and we implement our continuous improvement strategies, discussed above.

To support our commitment to workplace safety, we voluntarily partner with safety training services and a third-party organization to conduct mock OSHA safety audits and share management practices. Aurora Organic Dairy has also achieved the Validus Worker Care certification at our farms (see page 45 for more details), which emphasizes workplace health and safety. Additionally, our customers inspect our facilities with comprehensive code of conduct programs to verify we are taking care of our employees, and providing safe and healthy workplaces.

We have made a formal commitment to our workplace safety goals as part of our overall sustainability program (see pages 48–51 for more details). Likewise, we will continue to be open and transparent in our reporting of safety performance metrics.

Workplace Safety Performance

To monitor our progress toward the achievement of our workplace safety goals, we track certain safety performance metrics. We openly publish injury rates for our Aurora Organic Dairy owned and operated farms, processing plants and company offices. This allows us to hold ourselves accountable for the safety of our employees.

Safety performance is reported in terms of OSHA recordable injuries per 200,000 hours worked. Aurora Organic Dairy reports both the annual injury rate and the 3-year average rate. Our sustainability goals include tracking against workplace safety performance based on these metrics. We strive to have a farm injury rate that is consistently lower than the dairy cattle and milk production industry average, and a processing plant injury rate that is consistently lower than the fluid milk manufacturing industry top quartile. (If more robust data becomes available for the dairy production industry, we may set a top quartile goal for our farms, as well.)

For our farms, the 3-year average injury rate in 2021 was 5.5 per 200,000 hours worked, which was higher than the most recently reported industry average of 4.9 for dairy cattle and milk production. The farms experienced a higher-than-normal injury rate in 2019, which we have addressed with an increased management focus on safety — particularly in slips, trips and falls and animal-related incidents. As a result, our 2020 and 2021 injury rates were lower. The most common types of injuries on our farms are related to slips, trips and falls, handling animals and working with heavy machinery. Some hazards on our farms have the potential to cause high-consequence injuries — although infrequent — with a greater than 6-month recovery time. High-consequence hazards include cleaning supplies, heavy machinery and large animals.

For our plants, the 3-year average injury rate in 2021 was 7.7 per 200,000 hours worked, which was higher than the most recent industry top quartile rate of 1.3 for fluid milk manufacturing. We experienced a higher-than-average injury rate in 2019, which was associated with the ramp-up of our Columbia milk plant. This caused our 3-year average injury rate to be inflated. The rate declined in 2020 and 2021, which we attribute to management focus on safety and unique programs to reduce common safety issues, such as the Captive Shoe Program (see page 50 for more details). To lower our average injury rates at our processing facilities, we will continue to focus on employee training and identifying workplace hazards.

The most common types of injuries at our milk plants are related to slips, trips and falls, repetitive motions, cleaning supplies and working with heavy machinery — with many of these injuries associated with inattention. Some hazards at our processing plants have the potential to cause high-consequence injuries — although infrequent — with a greater than 6-month recovery time. High-consequence hazards include cleaning supplies, heavy machinery and working at heights.

It is our philosophy that one injury is one too many at our facilities. Management recognizes that most injuries are preventable and can be addressed with more training, awareness, supervision and cultural shifts, and we take that responsibility on for our employees. As part of our commitment to each and every one of our stakeholders, we strive to improve our Occupational Health and Safety Management System and our overall culture of safety.

"At Aurora Organic Dairy, we believe that one injury is one too many. As managers, it is our top priority to ensure our employees have the knowledge, training and PPE needed to perform their duties in a safe and successful manner."

— DOUG GESHELL, PLANT MANAGER, COLUMBIA, MISSOURI PROCESSING PLANT

Coldwater Dairy & Heifer Farms, Stratford, TX

INJURIES AT FARMS

GOAL:

Injury rate* consistently lower than industry average

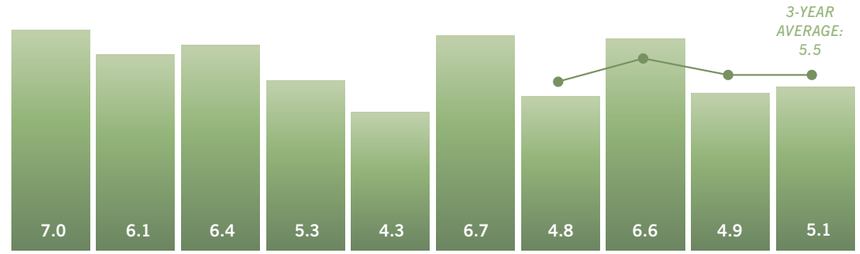
*3-year average

2021 RESULT:

5.5 injury rate* was higher than the latest industry average of 4.9

TOTAL OSHA RECORDABLE INJURIES

(Per 200,000 hours worked)



	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
HOURS WORKED	802,488	911,466	840,414	948,676	968,566	1,081,312	1,031,368	941,542	970,605	1,101,156
OSHA RECORDABLE INJURIES	28	28	27	25	21	36	25	31	24	28
HIGH CONSEQUENCE INJURIES	–	–	–	–	–	–	6	2	3	3
HIGH-CONSEQUENCE INJURY RATE	–	–	–	–	–	–	1.2	0.4	0.6	0.5

Notes: Typical injuries include contusions, sprains, lacerations, slips, trips and falls. In 2020, our OSHA recordable injuries include Covid-19 cases. Our Company has experienced zero fatalities, our employees are not prone to any known occupational diseases, and we had no injuries to non-employees — of which we are aware — in 2019, 2020 and 2021. Industry data can be found at: https://www.bls.gov/iif/oshsum.htm#14Supplemental_News_Release_Tables

As part of our Captive Shoe Program at our milk processing plants, Aurora Organic Dairy purchases a pair of replacement shoes or boots for new employees. The employee selects a pair from a catalog of pre-approved shoes and boots specific to their job and personal preferences. It is called the "Captive Shoe Program" because the shoes must remain onsite at our milk plants. We replace shoes for employees, as needed. This program helps to prevent some of the more common injuries at our milk plants, which includes slips and falls.

Columbia Milk Plant, MO

Platteville Milk Plant, Platteville, CO

INJURIES AT PLANTS

GOAL:

Injury rate* consistently lower than top quartile of industry

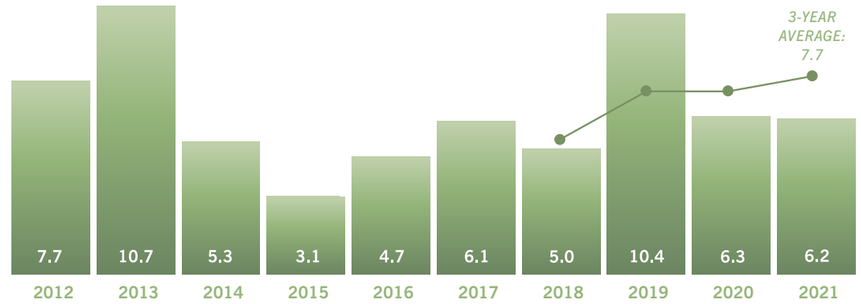
*3-year average

2021 RESULT:

7.7 injury rate* was higher than the latest industry top quartile rate of 1.3

TOTAL OSHA RECORDABLE INJURIES

(Per 200,000 hours worked)



	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
HOURS WORKED	258,706	261,077	304,159	327,713	339,007	358,725	439,894	576,615	600,224	611,004
OSHA RECORDABLE INJURIES	10	14	8	5	8	11	11	30	19	19
HIGH CONSEQUENCE INJURIES	–	–	–	–	–	–	1	3	4	4
HIGH-CONSEQUENCE INJURY RATE	–	–	–	–	–	–	0.5	1	1.3	1.3

Notes: Typical injuries include contusions, sprains, lacerations, slips, trips and falls. In 2020, our OSHA recordable injuries include Covid-19 cases. Our Company has experienced zero fatalities, our employees are not prone to any known occupational diseases, and we had no injuries to non-employees — of which we are aware — in 2019, 2020 and 2021. Industry data can be found at: https://www.bls.gov/iif/oshsum.htm#14Supplemental_News_Release_Tables

Giving Back & Supporting Vibrant Communities

Aurora Organic Dairy has a long history of supporting vibrant local communities where we operate facilities and where our employees live and work. We source as much of our feed and supplies from local farmers and businesses as is available. Our dairy farms purchase organic feed from more than 100 independent organic farmers. Over the years we have developed long-term relationships with these farmers and other local suppliers and service-providers who support our farms, processing plants and offices. We believe this contributes to diverse and vibrant local communities.

Our philanthropic initiatives focus on providing in-kind and monetary support to non-profit organizations, food banks, schools and institutions. In 2019 we added a new, formal Sustainability Goal: Elevate our philanthropic efforts and support of local communities. We set out to achieve this goal with a more structured and intentional approach to our charitable giving and volunteer efforts. In 2021, we established a cross-departmental committee to address this opportunity, and our new Boulder charitable giving committee oversees a more structured headquarters giving program. Similarly, each of our dairy farms and milk plants is responsible for directing donations in their local communities. When our employees donate to nonprofit organizations, Aurora Organic Dairy continues to match their donations, up to $500 per employee, per year. The program's efforts align with our Company's Mission, Vision and Values including hunger relief and nutrition, animal welfare, agricultural education, protection of wild places and open spaces, organic agriculture, climate and environmental stewardship and community crises.

We established a volunteerism pilot program in 2019 to encourage employees at all levels to donate their time to support their local communities. We provide paid time when an employee volunteers during the regular workday. Once we are able to safely encourage our employees to volunteer again, we will track and report the number of volunteers and donated hours. However, since March 2020, we have been limited in our ability to pursue volunteer opportunities for our employees, due to the Covid-19 pandemic. Therefore, we are off-target on this important goal.

In 2020 and 2021, the bulk of our philanthropic efforts were focused on providing milk donations to food banks and school districts in our local operating areas. When people were out of work and kids were home from school during the Covid-19 pandemic and associated lockdowns, the need for food donations in our local communities skyrocketed. We supported our local schools and food banks with regular organic milk donations to help feed our communities during this difficult time (see page 55 for more details).

BVSD Food Donation

BOULDER VALLEY SCHOOL DISTRICT PROVIDES ITS 1 MILLIONTH MEAL

The Boulder Valley School District (BVSD) serves our headquarters city of Boulder, CO. and surrounding areas by operating 56 schools in 11 communities. It is where many of our employees' children attend school. During the Covid-19 pandemic, BVSD reached the milestone of serving its 1 millionth meal. Aurora Organic Dairy supported school families by regularly donating organic milk to BVSD and other school districts in our local operating areas. Originally designed to provide meals to lower income families, during the pandemic, BVSD made grab-and-go meal bags available several times a week to all district families.

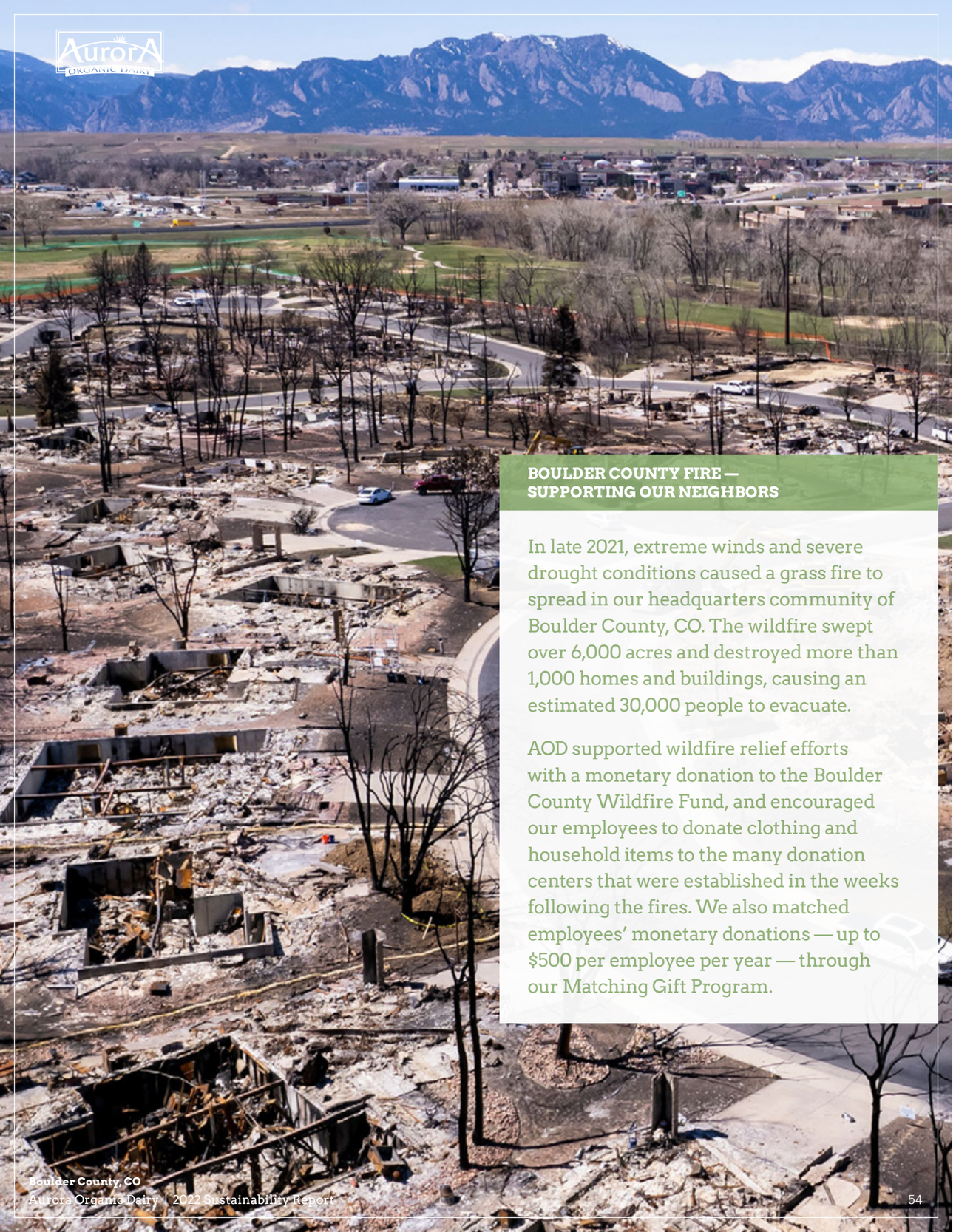
COMMUNITY GOAL

Elevate our philanthropic efforts and support of local communities

OFF TARGET

Due to Covid-19, the volunteerism program was on hold in 2021

Boulder Valley School District Food Donation



BOULDER COUNTY FIRE — SUPPORTING OUR NEIGHBORS

In late 2021, extreme winds and severe drought conditions caused a grass fire to spread in our headquarters community of Boulder County, CO. The wildfire swept over 6,000 acres and destroyed more than 1,000 homes and buildings, causing an estimated 30,000 people to evacuate.

AOD supported wildfire relief efforts with a monetary donation to the Boulder County Wildfire Fund, and encouraged our employees to donate clothing and household items to the many donation centers that were established in the weeks following the fires. We also matched employees' monetary donations — up to $500 per employee per year — through our Matching Gift Program.

Boulder County, CO

PHILANTHROPY, PARTNERSHIPS & SUPPORTING ORGANICS

Our donation programs are directed to non-profit organizations, food banks, schools and other qualifying institutions to support the future of a vibrant organic dairy industry.

We provide monetary and product donations, as well as volunteer hours, to local organizations and events in our communities.

2019	2020	2021	DONATED
254,000	256,000	296,000	Gallons of Organic Milk
16,100	5,500	22,500	Pounds of Organic Butter
$130,000	$142,000	$107,000	Cash and Scholarships
$1,960,000	**$2,450,000**	**$2,760,000**	**Total Value of Donations** *(based on approximate retail value for product donations)*

American Red Cross Colorado & Wyoming Region

Boulder Food Rescue

Boys & Girls Clubs of Columbia

College of Agricultural Sciences Colorado State University

Columbia Public Schools

Community Food Share

Community Foundation Boulder County

Food Bank of the Rockies

The Food Bank

Garden to Table

Holyoke Chamber of Commerce

Ozarks Food Harvest

The Pantry and More Inc.

School Food Project

Stratford FFA

Stratford ISD

Thompson School District

Weld Food Bank

Scholarships & Internships Support the Future of Organic Dairy

Aurora Organic Dairy is unique in that we are both a producer and processor of organic dairy products. Our dairy farms and milk plants provide a rich training ground for people interested in organic dairy, and we host a multitude of research studies, interns and educational tours at our facilities. Additionally, we donate to several scholarship programs each year, including Future Farmers of America (FFA) and 4-H scholarships for younger kids, and college- and graduate-level organic agriculture scholarships. Each year we donate $20,000 to Colorado State University College of Agriculture students enrolled in the Organic Agriculture minor. Since implementing this scholarship in 2008, we have donated more than $260,000 to students interested in a career in organic agriculture. Included in our support is funding for tuition, graduate teaching assistant stipends, hands-on learning, research and educational field trips.

Since 2003, our farms have hosted more than 165 interns, representing 22 different countries. These internships are available to veterinary and agriculture students to provide opportunities for longer term field work and immersive learning. Several of these interns have been hired once they complete their education, and we cherish the various perspectives these students bring to our dairy farms. Likewise, our milk processing plants hire interns from local colleges in the areas of animal science, agribusiness, food science & nutrition, biochemistry and maintenance. In several cases, these field study opportunities have also turned into full-time positions with our milk plants.

In 2011, in memory of a long-time employee, we established the Barney Little Scholarship Fund. This annual scholarship is available to children, grandchildren and immediate family members of our employees. We raise funds through donations from our suppliers and other stakeholders who sponsor our annual golf tournament. To date, we have donated more than $245,000 in scholarships to our employees' family members. We believe this is just one way we can show our appreciation to our employees for their hard work and encourage their families to pursue a post-high school education.

Our employees are experts in their fields. They lend their expertise to our communities by hosting tours of our facilities for agriculture, dairy production and food processing education. Our farms serve as educational facilities to several university veterinary and agriculture programs to help develop innovative animal husbandry and care practices. Aurora Organic Dairy subject matter experts will often speak at offsite events and conferences to share their knowledge and provide organic dairy production and processing education. During the pandemic, the number of educational tours and external speaking opportunities was significantly reduced. We expect that, as local health authorities deem it is safe for our employees to gather again with outside groups, we will resume this important aspect of our community support.

Coldwater Dairy & Heifer Farms, Stratford, TX

SCHOLARSHIPS

4-H and FFA

We donate to scholarship funds and also provide calves to local agriculture club members.

Colorado State University

Since 2008, we have donated $20,000 each year to Colorado State University College of Agriculture students enrolled in the Organic Agriculture minor.

Barney Little Scholarship

Through 2021, we have donated more than $245,000 to the family members of our employees through our Barney Little Scholarship fund. This scholarship was created in memory of Barney Little, a longtime employee who dedicated his career to the organic dairy industry.

Coldwater Dairy & Heifer Farms, Stratford, TX

OUTLOOK

Our People Goals help us promote employee opportunities and retention; improve upon employee health and wellness, workplace safety and volunteerism; and enhance corporate giving. As we emerge from this global pandemic, we look forward to building upon the strong support and safety protocols we established in 2020 to keep our employees safe, and to nurture their growth and development. The current labor shortage in the U.S. will continue to prove challenging for our farms, plants and home office. However, our commitment to diversity, equity and inclusion, as well as our competitive and innovative benefits, will help us to attract and retain the right talent.

High Plains Dairy Farms, Gill, CO

Acting on Climate Change for our Planet

At Aurora Organic Dairy, we understand our business fundamentally depends on conserving our natural resources and protecting our ecosystems. Acting on climate change requires a holistic, full-systems approach to our stewardship commitment and, while we have made progress to reduce our impact on the environment, there is still much work ahead of us.

As a vertically integrated operation with a wide scope, we look for opportunities to reduce our climate impacts and protect our natural resources within our supply chain. We manage our own pastures for grazing, and fields where we grow some of the supplemental feed for our cows. Additionally, we operate our own dairy farms, milk processing plants and cold storage warehouses.

Since we manage a large portion of our supply chain, we have greater control over those operations. This allows us to use primary data to track climate impacts across a significant portion of our milk's life cycle. To keep our data management and sustainability reporting consistent with industry-leading standards, we work closely with third-party sustainability experts.

Stewardship:
We care for our land, water and air, while supporting the communities where we are located.

Pepper Grass-Fed Dairy & Heifer Farms, Dublin, TX

We are focused on:

Climate change

Responsible farming decisions, supported by science & technology

Regenerative land management

Healthy ecosystems & biodiversity

Responsible manure management

Greenhouse gas reduction

Energy optimization & renewable energy

Water efficiency

Product packaging

Solid waste diversion

CARBON NEUTRAL
Environmental Claims Validation™
by SCS Global Services
Aurora Organic Dairy has achieved 100% carbon-neutral energy for Company-owned farms and processing plants, headquarters office, and all raw milk transportation to Company-owned processing plants.

Environmental Review ValidusCertified.com

EPA GREEN POWER PARTNER

Climate Change — The Big Picture

Climate change is one of society's greatest challenges. It is also one of the greatest risks to the future of our business, livelihood and communities where we live and work. Our environment has become increasingly threatened because climate change causes rising sea levels, ecosystems to collapse and more frequent and severe weather events. Recently, on December 30, 2021, near our corporate headquarters, the Boulder County wildfire in Colorado destroyed more than 1,000 homes and businesses. This was the most destructive wildfire in Colorado's history, and it was undeniably the result of climate change. Excessive drought, unseasonably warm temperatures and extreme wind conditions fueled the devastation. Acting on climate change requires us all to participate with great urgency and be environmentally conscious.

It is estimated that the global livestock sector emits 14.5% of greenhouse gas (GHG) emissions[1]. As such, animal agriculture producers have the responsibility to be part of the solution. While the U.S. dairy sector contributes a relatively small portion of global livestock emissions and of total U.S. emissions, we believe that all businesses and all sectors must commit to doing their part to slow the pace of our warming planet. Aurora Organic Dairy shares the common goal to mitigate climate impacts and work toward a more sustainable future where animals, people and communities continue to thrive.

Changes in climate impact crop yields, milk production from dairy cows and access to natural resources, such as water supply. Effectively addressing GHG emissions and acting on climate change requires an innovative, holistic ecosystem approach to our vertically integrated operation. We regularly review our climate impacts in our products' life cycle and identify opportunities to mitigate climate risks across operations over which we have control. We set measurable goals to demonstrate our commitments to GHG emission reductions, energy and water efficiency, solid waste diversion and 100% carbon-neutral energy. In 2021, we bolstered our climate change actions by committing to regenerative land management, implementing no-till practices on the majority of our acres and enhancing our commitment to biodiversity. Aurora Organic Dairy will continue to seek environmentally conscious solutions across our operations to further reduce our climate impacts, and help protect, renew and restore the planet's resources.

Our climate actions aim to reduce our environmental impacts, and aspire to help protect, renew and restore the planet's resources, while delivering benefits to our business, animals, people and communities.

Pepper Grass-Fed Dairy & Heifer Farms, Dublin, TX

[1] *See FAO's Tackling Climate Change Through Livestock http://www.fao.org/news/story/en/item/197623/icode/*

We are Acting on Climate Change

The Issue :
Rising sea levels, destruction of ecosystems and severe weather events

	What we are Doing:	Why it Matters:
Farms & Pastures	Regenerative land management	Improves soil health and sequesters carbon
	Manure management	Cycles nutrients and increases water retention
	Smart irrigation technology	Conserves water
	On-farm solar arrays	Reduces GHG emissions
Cows	Support organic feed additive research	Reduces enteric methane emissions
	Intensive rotational grazing	Optimizes pasture growth and sequesters carbon
Processing Plants	Plant water recycled	Reduces impact to local communities
	Product packaging	Protects our products and reduces waste
	Energy-efficient equipment	Optimizes energy use

100% Carbon-Neutral Energy Company-owned Farms & Plants, Headquarters & Raw Milk Transport

We support third-party carbon-reduction and renewable energy projects and have an independent, third-party validate our 100% carbon-neutral energy claim

More details about our work can be found on the following pages.

High Plains Dairy Farms, Gill, CO

Our Holistic, Ecosystem Approach to Agriculture

Our organic farms are living systems. Everything we do is ultimately connected to the quality of our milk — from the health of the microbes in our pasture soils and our grazing methods, to our smart irrigation technology. We intentionally approach farming in a way that protects the ecosystems and biodiversity needed to grow high-quality organic pasture and crops for our cows. For more than 45 years, working in harmony with nature has been a core value of our operations.

We strive to adhere to organic and environmental regulations. We use the United States Department of Agriculture (USDA) organic regulations in our farming practices, which encourage producers to "improve the natural resources of the operation." We also apply the USDA's Natural Resources Conservation Service (NRCS) recommendations and conservation plans to each of our farms. Additionally, we use NRCS soil and wetland conservation plans, which are customized to each of our fields. Compliance is routinely verified by regulatory agencies and third-party inspectors.

As an organic dairy producer, we do not use synthetic pesticides, herbicides or fertilizers. For fertility, we apply manure and compost to our fields, which cycle nutrients, build organic matter and support moisture retention. We enhance soil and plant health through a combination of crop rotation, cover cropping techniques and intensive rotational grazing methods.

Responsible agriculture is important not only for the quality of our milk and health of our dairy cows, but also to combat climate change and sustain our land for future generations. We take this obligation seriously. We have soil scientists on staff, as well as a team of agriculture experts who manage the complex relationships between our operations and the land, water and air.

We believe it is our responsibility to share our knowledge and innovation throughout the organic community. We collaborate on management practices with many of our organic feed suppliers, and we partner with universities and other organizations to host on-farm research studies and trials (see page 100 for more information on our research partnerships).

Committed to Regenerative Land Management

By working with industry-leading experts and taking a forward-thinking approach to responsible farming, in 2021 we embraced regenerative land management, which is an enhancement to our commitment to organic farming methods. Regenerative land management is widely defined as protecting and restoring ecosystems so they can function in a way that sustain healthy life. Our dedication and principles-based approach to regenerative land management focuses on prioritizing soil health and seeks to protect, renew and restore ecosystems.

We care for our organic systems through a combination of regenerative and organic farming methods, the latest science and technology and data-driven practices. With a focus on environmental stewardship and minimizing our climate impacts, we make more efficient use of our land and natural resources, while maintaining a balanced ecosystem. We achieve this balance without the use of synthetic pesticides, herbicides or fertilizers; with cover cropping techniques and intensive rotational grazing methods; and with our 2021 implementation of no-till practices on the majority of our acres. These methods support nutrient uptake, water retention and fertility, and restore the soil's carbon content.

A recent study found regenerative farms that combined no-till farming, cover crops and plant diversity for more than five years produced crops with higher soil organic matter levels, soil health scores and concentrations of certain vitamins, minerals and phytochemicals[2].

We understand regenerative land management works best when our farms function as ecosystems that emulate nature and renew soil health, biodiversity, feed quality and cow nutrition — all of which contribute to quality organic milk.

2 Montgomery, David R., et al. "Soil Health and Nutrient Density: Preliminary Comparison of Regenerative and Conventional Farming." PeerJ, vol. 10, 2022, https://doi.org/10.7717/peerj.12848

REGENERATIVE LAND MANAGEMENT PRINCIPLES

PRINCIPLE
Limit Disturbance

METHOD
No- or Low-till, synthetic pesticides, herbicides or fertilizers and responsible manure handling

OUTCOMES
Minimizes soil erosion, promotes soil health and cycles nutrients

PRINCIPLE
Armor

METHOD
Cover cropping and crop rotation

OUTCOME
Keeps living roots in the ground and minimizes soil erosion and moisture evaporation

PRINCIPLE
Diversity

METHOD
Plant diversity

OUTCOME
Promotes microbial diversity and enhances ecosystem function

PRINCIPLE
Living Roots

METHOD
Living roots in the soils as long as possible throughout the year

OUTCOME
Cycles nutrients and sequesters carbon

PRINCIPLE
Intensive Rotational Grazing

METHOD
Move herds between paddocks on a planned basis

OUTCOME
Increases soil organic matter, optimizes pasture growth and sequesters carbon

PRINCIPLE
Context

METHOD
Understand the context of each farm operation

OUTCOME
Incorporates nature and the surrounding environment

Pepper Grass-Fed Dairy & Heifer Farms, Dublin, TX

Working with Industry-Leading, Regenerative Agriculture Experts

We rely on healthy soils to produce quality, nutritious organic feed for our dairy cows. In turn, our cows produce quality organic milk, which we deliver to our customers across the United States. Our approach to farming has always been intentional. We aim to protect the ecosystems and biodiversity upon which we depend. In 2021, we increased our commitment to holistic, ecosystem farming by enlisting the support of two industry-leading experts who serve as guides along our journey to regenerative land management and soil health renewal.

Ray Archuleta and Gabe Brown, two leaders and pioneers in the soil health and regenerative agriculture movement, are working with Aurora Organic Dairy to bring the six principles of soil health to our farms. Archuleta and Brown are regenerative agriculture consultants and run a non-profit called the Soil Health Academy. Featured in the 2020 Netflix Original Documentary, Kiss the Ground, they have supported more than 25 million acres across North America with regenerative agriculture principles. Additionally, Brown authored the award-winning book, *Dirt to Soil; One Family's Journey into Regenerative Agriculture*. In December 2021, after a year of collaboration with our Company-owned farms, we sat down with Archuleta and Brown to better understand why soil health matters and the role regenerative agriculture plays to enhance soil health at our farms.

Platteville Dairy Farm, Platteville, CO

"Aurora Organic Dairy has the opportunity to demonstrate how a large-scale organic dairy operation can transition to regenerative agriculture successfully and be an example for the industry. I am excited about it."

— RAY ARCHULETA

"Without healthy soil, we cannot have healthy plants, or healthy animals or healthy people. We must promote the health and function of the ecosystems in which we farm."

— GABE BROWN

A CONVERSATION WITH RAY ARCHULETA AND GABE BROWN

Why does our soil matter?

Healthy soil is the reason that our land can be abundant with life, the reason that water can be absorbed and retained for plants to grow, that small organisms become food for larger organisms, why things can be decomposed and recomposed, and the reason plants can absorb nutrients.

Why are you concerned with the health of soils today?

So many of our soils are degraded, and we are running out of topsoil. Working with nature to rebuild soil is crucial to solving the climate, water and food crises.

Can you explain the concept of Regenerative Agriculture?

So often we get asked if regenerative agriculture means sustainable. But in agriculture, the question we pose to people is, why would we want to sustain a degraded resource? And if you look at our soils and our ecosystems, and how they function today, they are degraded. I don't care where you go in North America — around the world for that matter — the organic matter levels in our soils in production agriculture, are a mere fraction of what they once were. This has major ramifications when it comes to the amount of rainfall that can infiltrate the soil and be held in the soil when the plants need it. I say regenerative agriculture is bringing the ecosystems back into function so they can function in a way where they truly can sustain healthy life in the form of plants, animals and then, eventually, people.

What are the steps to integrating regenerative agriculture?

We've come to realize over time that there are six core principles that are constant in land-based agriculture:

- Context — Nature always acts in context, and I tell people there's a reason why bananas don't grow in North Dakota — the winters are brutal. Yet, so often in agriculture, we're trying to grow crops or raise livestock out of context with nature.
- Armor on the soil — Nature always tries to cover the soil. Walk in a forest and there's always leaves covering the ground. But we tend to till the soil and we leave it bare, then it's prone to wind and water erosion and evaporation.
- Limit mechanical and chemical disturbance — In nature you have earthworms and burrowing animals, but you don't have this massive tillage that's going on that can destroy the biology and leave the soil bare and uncovered.
- Diversity — Where in nature do you find a monoculture? Walk into a forest, it's not just one tree species growing, there's all these other species. You walk onto a prairie, there's myriad different grasses, forbs and legumes. What do we do in agriculture today? We try to plant monocultures, corn, soybeans, rice, cotton, wheat, whatever the case may be. That's not how nature functions.
- Living roots — keep living roots in the soil as long as possible throughout the year.
- Animal and insect integration — Nature does not function properly without animals and insects. It needs the pollinator species. It needs predator species of insects to eat the pests. It needs livestock ruminants grazing the plants because once that plant is grazed, it will bring more carbon out of the atmosphere and put it in the soil.

So, regenerative agriculture is working with these six principles in order to have healthy functioning ecosystems.

In the almost 5 years of consulting on nearly 25 million acres of land, what have been the most tangible, positive impacts experienced by the farmers who drive your passion in this work?

Our work creates economic resilience for farmers since everyone now has a common goal to emulate nature. By restoring and enhancing natural ecosystem processes like water and nutrient cycling, regenerative agriculture improves ecosystem function and builds resilience over time. This supports productivity, while reducing reliance on inputs needed to combat system stressors like pests, nutrient deficiencies and diseases.

Looking back at the work you have done with Aurora Organic Dairy in the past year, what excites you most about the future?

During the past year, we have spent our time at Aurora Organic Dairy working with the farm teams doing ecological assessments, evaluating all farms' context and educating employees on the six principals of soil health. Aurora Organic Dairy has the opportunity to demonstrate how a large-scale organic dairy operation can transition to regenerative agriculture successfully and be an example for the industry. I am excited about it, and I feel the commitment from the employees — they have the right attitude and are being proactive.

Matsuda Farm near Wellington, Colorado

Biodiversity

We help to protect, renew and restore biodiversity through our organic farming practices and commitment to regenerative land management, which excludes the use of synthetic pesticides, herbicides or fertilizers. In 2021, with help of industry experts, we began to formalize a strategy to protect and regenerate biodiversity with a baseline assessment of farm-specific criteria, including birds, insects and microbial life. Our biodiversity strategy includes a monitoring plan to assess density and growth of these farm-specific criteria at regular intervals, and to measure progress at a local and regional level. Our strategy will play a key role in our commitment to regenerative land management.

Validus Certified for Environmental Standards

To further strengthen our commitment to our planet pillar, in 2021 our farms achieved the Validus Environmental certification. Validus conducts environmental certification audits during the same audits for Animal Welfare certification at each of our farms. Each audit includes a thorough inspection of our facilities, protocols and records. Inspectors score each of our farms on more than 45 environmental metrics, including: environmental management of facilities, emergency action planning, response and prevention, erosion prevention, manure management and training. The Validus Environmental program is based on the Good Environmental Livestock Production Practices (GELPPs), a set of standards verified and certified by the American National Standards Institute (ANSI). The appropriate mix of industry, academia and public were consulted in developing the ANSI certification standard.

Responsible Manure Management

While many agricultural operations might consider manure a waste product, we use our cows' manure as a resource to cycle nutrients by applying it to our pastures for increased soil organic matter and water retention. (See page 64 to learn more about our holistic, ecosystem approach to agriculture.) We apply nearly all of our manure to our crop fields and the more than 15,000 acres of pasture around our facilities. We handle roughly 75% of our farms' manure using composting principles before applying it to our land; the majority of the remaining 25% is applied directly to our fields, and a small percentage passes through our lagoons before being irrigated onto our pastures.

If not managed responsibly, livestock manure can result in both direct and indirect climate change impacts: elevated GHG emissions, nutrient run-off into waterways and degraded soils. We use responsible manure management practices, including vacuuming manure from our freestall barns rather than flushing it to our lagoons. This reduces water use while curbing GHG emissions, since lagoons are a significant source of methane. We combine this vacuumed manure with straw, turn it frequently and allow it to age.

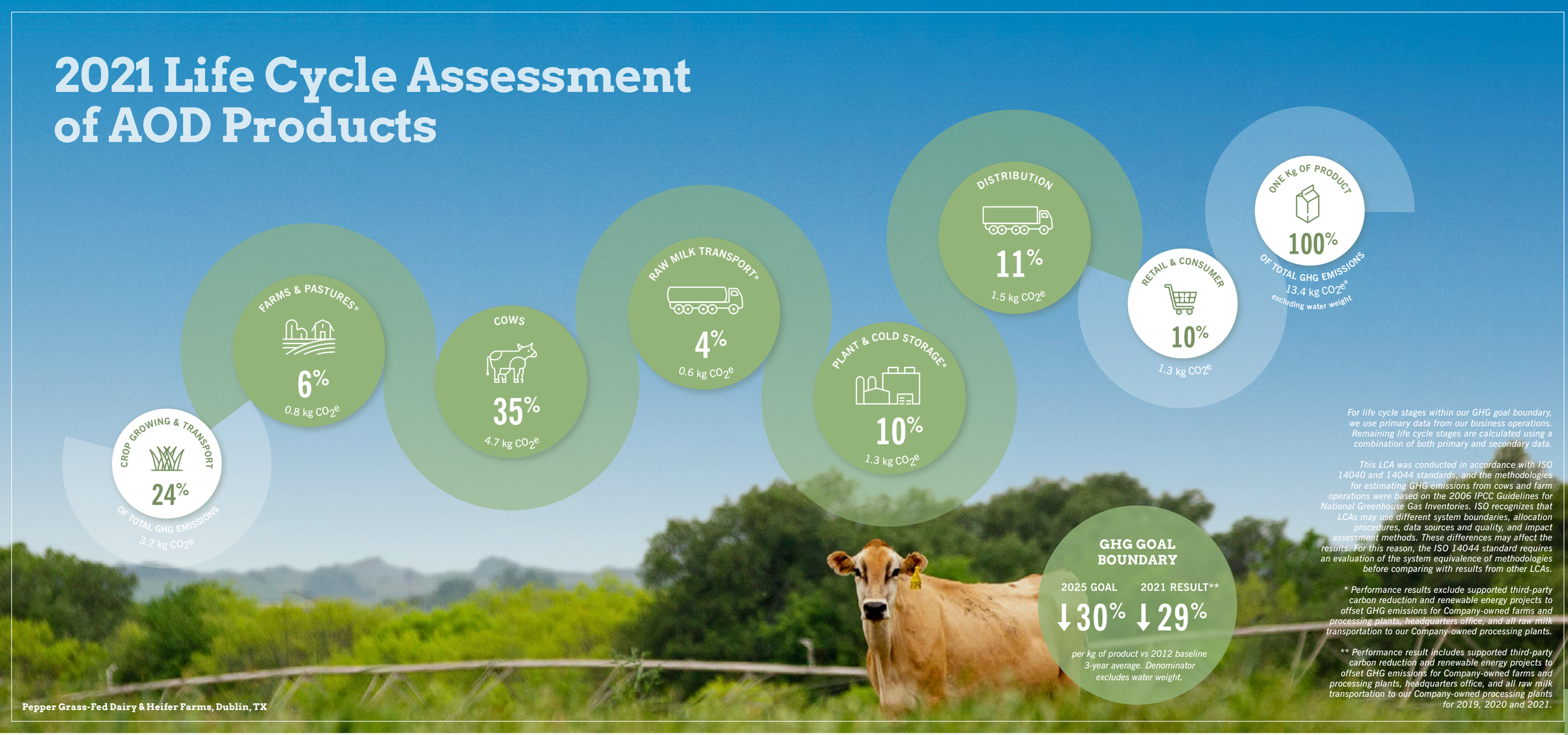
When the aged manure is later spread and incorporated into our fields, it enriches the soil and nourishes the crops and pasture for our cows.

To reduce methane emissions, we limit the amount of manure that enters our lagoons. However, a small amount of manure that is flushed from our milking parlors passes through manure separation equipment and ends up in a lagoon at each of our farms. The separated manure is handled using composting principles and is ultimately used for bedding and soil fertility. The lagoon water and nutrients are pumped to irrigation pivots to be recycled back to surrounding pastures.

These manure management practices are developed and implemented under the guidance of our in-house soil scientists and comply with environmental regulations in Colorado and Texas. By managing this resource responsibly, we mitigate negative environmental impacts, improve the fertility of our soils and enhance pasture yields — all without the use of synthetic fertilizers.

Pepper Grass-Fed Dairy & Heifer Farms, Dublin, TX

2021 Life Cycle Assessment of AOD Products



Pepper Grass-Fed Dairy & Heifer Farms, Dublin, TX

For life cycle stages within our GHG goal boundary, we use primary data from our business operations. Remaining life cycle stages are calculated using a combination of both primary and secondary data.

This LCA was conducted in accordance with ISO 14040 and 14044 standards, and the methodologies for estimating GHG emissions from cows and farm operations were based on the 2006 IPCC Guidelines for National Greenhouse Gas Inventories. ISO recognizes that LCAs may use different system boundaries, allocation procedures, data sources and quality, and impact assessment methods. These differences may affect the results. For this reason, the ISO 14044 standard requires an evaluation of the system equivalence of methodologies before comparing with results from other LCAs.

** Performance results exclude supported third-party carbon reduction and renewable energy projects to offset GHG emissions for Company-owned farms and processing plants, headquarters office, and all raw milk transportation to our Company-owned processing plants.*

*** Performance result includes supported third-party carbon reduction and renewable energy projects to offset GHG emissions for Company-owned farms and processing plants, headquarters office, and all raw milk transportation to our Company-owned processing plants for 2019, 2020 and 2021.*

Approach to GHG Tracking

Since 2008, when we completed our first life cycle assessment (LCA) in partnership with the Center for Sustainable Systems at the University of Michigan, we have annually tracked our LCA, which accounts for the energy and GHG footprint of each product we produce. Our detailed, data-centric LCA provides a clear picture of the energy used and emissions produced at each stage of our milk's life cycle — from crop production, dairy operations, milk transportation and dairy processing, to retailers, consumers and end-of-life processes. The Company's vertical integration provides primary data across large sections of our milk's life cycle, giving us greater confidence in the accuracy of our calculations.

To track and calculate our GHG emissions, we created a custom tool using guidance and data from external sustainability experts and University of Michigan researchers. Our calculation methodology aligns with UN Intergovernmental Panel on Climate Change (IPCC) protocols for calculating agricultural emissions; we rely on industry standards to determine each life cycle stage's emissions. We update our LCA with the most recent datasets and factors to align with industry standards and global reporting methodologies. Historical restatements are discussed in the Appendix, page 97.

Our LCA includes all Scope 1, 2 and 3 GHGs. For our operations, this includes CO_2, CH_4, NO_2 and HFCs. PFCs, SF6 and NF3 were either not applicable or had a negligible impact.

For our GHG goal boundary, we currently focus on the life cycle stages over which we have significant control, which are emissions from our dairy cows, calves and heifers, dairy farms, raw milk transportation, milk processing, cold storage and outbound distribution.

With the creation of new product lines beyond white fluid milk in 2019, our calculations account for additional ingredients. Our methodology normalizes emissions per kilogram (kg) of product — excluding water weight — allowing us to include 100% of our products in the calculations. Our goal is to reduce GHG emissions 30% by 2025 vs. our 2012 baseline, when measured on a 3-year average basis. The Company's performance and future outlook can be found on the following pages.

Greenhouse Gas Emissions

Aurora Organic Dairy's goal is to reduce GHG emissions by 30% per kg of product — excluding water weight — by 2025, versus our 2012 baseline. As a direct result of achieving our 100% carbon-neutral energy goal (see page 74 for more details), we have reduced our GHG emissions by 29% per kg of product. Volume-related efficiencies also contributed to this reduction in GHG emissions. Business volumes have outpaced GHG emissions from energy consumption at farms and processing plants compared to 2012. (See page 77 for more details about our energy intensity goal.) As anticipated, we have realized additional GHG reductions through greater milk distribution efficiency with the addition of our Columbia processing plant.

We continue to support research and innovation in organic feed additives that reduce enteric methane emissions from our cows[3]. Enteric methane is responsible for more than 45% of the emissions within our GHG goal boundary. Feed additives designed to reduce enteric methane emissions that meet the standards of the National Organic Program have recently come to market. Scientific, short-term trials indicate these additives may be effective. To continue to reduce the impact of enteric methane emissions in an organic dairy system and to further industry research, our dairy farms partner with universities to conduct peer-reviewed studies, including long-term trials of organic feed additives.

These reductions and advancements in innovations are encouraging, but there is still much room to improve our mitigation of climate risks. Simple solutions are not always readily available. Not only do GHG reduction projects need to deliver meaningful results, they must also be economically feasible and in compliance with organic regulations. Aurora Organic Dairy will continue to seek solutions across our operations to further reduce our GHG footprint, and we will continue to partner with universities and industry experts to support innovative technologies and advancements.

[3] *Inside the digestion system of cows, bacteria break down carbohydrates in the feed. The rumen — part of the cow's digestive system — supports microbial fermentation, which allows ruminants the ability to digest cellulose. Methane gas (CH_4) is released as a natural by-product of this digestion.*

INNOVATION IN ORGANIC FEED ADDITIVES

Sustainability is intertwined with consumer expectations of organic agriculture and products. However, there are very few independently validated strategies to mitigate enteric emissions in organic dairy systems. Our latest research partnerships with The Ohio State University and Colorado State University evaluate organic feed additives that may reduce enteric methane emissions.

Pepper Grass-Fed Dairy & Heifer Farms, Dublin, TX

Platteville Milk Plant, Platteville, CO

GREENHOUSE GAS EMISSIONS

GOAL:

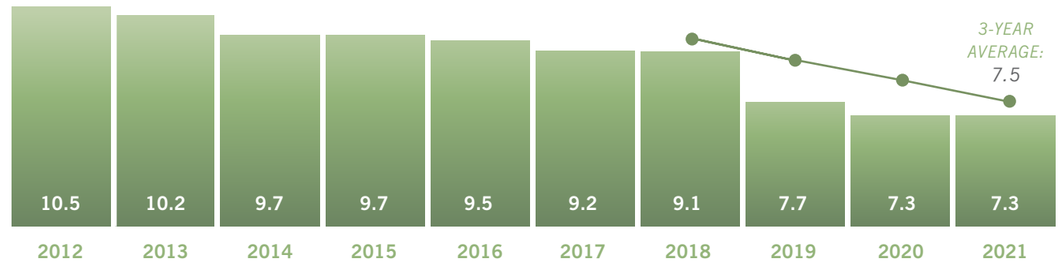
Reduce GHGs 30% by 2025

2021 RESULT:

↓29%

3-year average vs. 2012 baseline

KG CO_2e PER KG OF PRODUCT. DENOMINATOR EXCLUDES WATER WEIGHT



1 *Beginning in 2019, we supported third-party carbon reduction and renewable energy projects to offset GHG emissions for Company-owned farms and processing plants, headquarters office, and all raw milk transportation to our Company-owned processing plants, which are included in our performance results for 2019, 2020 and 2021.*

Carbon-Neutral Energy

Every step of our products' life cycle requires energy — from powering the farm equipment required to grow feed, milk our cows, and process and pasteurize our milk, to transporting pallets of finished goods to our customers and recycling empty milk cartons. Our consumption of energy generates GHG emissions and other air pollutants when electricity is created and when fuels, such as natural gas, diesel, propane and gasoline are combusted. The mining and drilling processes related to fuel extraction also negatively impact our land, water and air, as well as human and animal health. Energy represents a significant cost to our business. By improving energy efficiency and using cleaner sources of energy, we not only reduce our climate impacts and help protect our natural resources, but we also support our long-term business success.

CARBON NEUTRAL
Environmental Claims Validation™
by SCS Global Services
Aurora Organic Dairy has achieved 100% carbon-neutral energy for Company-owned farms and processing plants, headquarters office, and all raw milk transportation to Company-owned processing plants.

To take our commitment to clean energy a step further, Aurora Organic Dairy established an important goal to achieve 100% carbon-neutral energy by 2020, and annually thereafter. This sustainability goal applies to the areas of our supply chain over which we have direct control: our Company-owned farms and processing plants, headquarters office and all raw milk transportation to our Company-owned processing plants. In 2020, Aurora Organic Dairy achieved its goal of 100% carbon-neutral energy and has committed to achieving this goal annually. To ensure accountability to our stakeholders, we voluntarily sought an independent, third-party validation of our 100% carbon-neutral energy claim in 2020 and 2021. (See page 101 for the Validation Claim.)

To meet the urgent need for action, in 2019 Aurora Organic Dairy began purchasing Renewable Energy Certificates (RECs) in a quantity equal to our electricity consumption. We also purchase enough Verified Emission Reductions (VERs) to match the carbon emissions associated with our fuel consumption. RECs and VERs are instruments that convey the right to claim the renewable energy and carbon reduction benefits from specific, verified third-party projects, such as wind farms, solar farms or landfill methane capture projects. Aurora Organic Dairy's purchases of these instruments support the market for renewable energy and carbon reduction projects by providing funding for these investments. The RECs and VERs are certified by independent agencies — Green-e Energy and Climate Action Reserve, for example — to assure the conveyed environmental attributes are properly registered and claimed by only one purchaser.

We connect with environmentally conscious organizations through various groups committed to a more sustainable future. The U.S. Environmental Protection Agency's (EPA) Green Power Partnership includes organizations and communities that consume green power to reduce the effects of climate change, and in 2020 and 2021, we purchased green power through RECs at levels that met the EPA's requirements for this partnership. RE100 is a global partnership of companies who aim for 100% renewable electricity in their operations. Climate Collaborative is an organization of natural products companies working together to share knowledge and catalyze bold action to review climate change. Finally, The Organic Trade Association Sustainability Food Trade Action Council is a group of organic producers committed to strengthening the organic sector's voice in climate policy and sustainability issues.

As part of our support of renewable energy technology, we continue to explore on-site generation possibilities at our farms and processing plants. The solar arrays at our High Plains and High Ridge dairies in Colorado produce electricity equivalent to nearly 35% and 100% of the electricity consumed, respectively, at each dairy. As part of our interconnection agreement, we are required to sell the RECs we generate on-site to Xcel Energy, our local utility, helping them reach their renewable energy goals. We then purchase "replacement RECs" to cover the electricity generated by these projects. A combination of on-site generation, RECs and VERs is central to our strategy to reach 100% carbon-neutral energy annually.

"With our carbon-neutral energy commitment, Aurora Organic Dairy has materially reduced our contribution to climate change, and joined a global movement of cities, states, countries, companies and organizations supporting the growth of clean energy technologies."

— CRAIG EDWARDS, SENIOR DIRECTOR OF FARM OPERATIONS AND STRATEGIC MANAGEMENT

CARBON-NEUTRAL ENERGY

100% by 2020 for Company-owned farms and plants, headquarters office and all raw milk transportation to our Company-owned plants

ACCOMPLISHED

During 2020 and 2021, we supported third-party carbon-reduction and renewable energy projects and had an independent, third-party validate our 100% carbon-neutral energy claim

High Plains Dairy Farms, Gill, CO

Platteville Milk Plant, Platteville, CO

Energy Optimization

Optimizing how we consume energy is a fundamental aspect of our Company's holistic, systems approach to acting on climate change. Our primary focus is to reduce energy consumption from electricity and fuels at our Company-owned farms and processing plants, including natural gas, diesel, propane and gasoline. When calculating our total energy consumption, we must account for each of these energy sources. Our access to primary data and commitment to internal monitoring ensure accuracy and confidence as we calculate our energy consumption and establish goals to reduce our impacts.

Since 2012 — our baseline year — energy consumption has increased on an absolute basis at our Company-owned farms and processing plants due to the growth of our business. When setting our goals and reporting our results, we account for this growth by normalizing energy consumed per half gallon equivalent of product. Our energy optimization efforts are focused at our Company-owned farms and processing plants.

In 2021, our 3-year average normalized energy consumption was 4.2 megajoules (MJ) per half gallon equivalent of product. In 2019, absolute energy consumption grew at a faster rate than product volumes, due to increased on-site farm operations and the ramp up of our Columbia milk plant. In 2020, our plants drove improved energy efficiency by processing higher product volumes, while absolute energy consumption grew at a slower pace than processing volumes. Energy optimization efforts at the Columbia milk plant focused on increasing boiler steam capacity and other initiatives, which led to a greater than 5% savings in normalized natural gas consumption (per half gallon equivalent of product). In 2021, our farms' absolute energy consumption grew at a slightly faster rate than product volumes. However, in future years we expect our normalized energy consumption to decline, as our processing plants increase volumes, and as we continue to drive greater employee awareness and education around energy conservation through programs, including our Sustainability 101 Curriculum.

2021 ENERGY CONSUMPTION *(% of total MJ)*

	Processing Plant & Cold Storage	Dairy Farms & Heifer Raising
Electricity	17%	6%
Natural Gas	48%	14%
Diesel	0%	11%
Propane	0%	3%
Gasoline	0%	1%
Total	65%	35%

Corporate headquarters accounts for <1% of energy consumed.

ENERGY EFFICIENCY

GOAL:

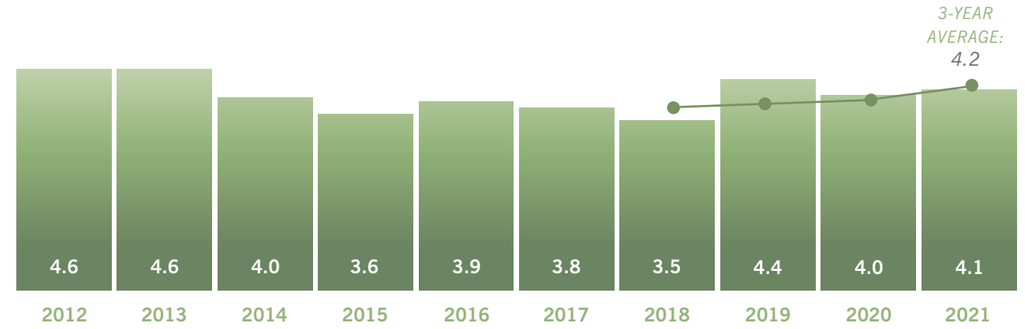
Reduce energy consumption 15% by 2025[1]

2021 RESULT:

↓9%

3-year average vs. 2012 baseline

MEGAJOULES (MJ) PER HALF GALLON EQUIVALENT OF PRODUCT



1 *Starting in 2019, data for our Columbia plant has been included in our performance results.*

Water & Conservation

Water is essential for life, for drinking and sanitation, to grow food, generate power and to nurture ecosystems. It is fundamental to our farms and processing plants. With the exception of our Columbia, Missouri processing plant, all of our Company-owned facilities are located in water-stressed geographies, as determined by the World Wildlife Fund (WWF) Water Risk Filter.

The growing demand for water in Colorado is a key climate change risk to our business, as we operate six farms and one milk plant in this area. The population in this region has already grown in recent years, and is expected to continue to increase in the coming decades. Agricultural producers, other industries and municipalities compete for water supplies. We know that using our water responsibly isn't just good business — it's part of being a conscientious member of our greater community.

Additionally, other water risks are inherent in our business, such as depletion pressure on the Ogallala Aquifer, and more frequent and severe droughts in coming years, as projected by the National Center for Atmospheric Research. Water efficiency is a material topic for our Company, and our senior leadership team has established goals to more efficiently use this precious resource across our dairy farms and processing plants.

Smart Irrigation Technology

Within our facilities, we employ several techniques to re-use water across our dairy supply chain. Water at our farms is used multiple times before it flows to our lagoons, where we use it to irrigate our pastures. Notably, most of our water use — approximately 85% — is in irrigation. As a result, most of our farm water efficiency efforts in recent years have focused on irrigation.

To deliver the right amount of water, in the right place, at the right time, in 2017 we began a smart irrigation initiative. The variable rate irrigation (VRI) technology allows us to remotely change the speed — using tablets or smart phones — of our irrigation pivots as they move through our fields. For example, we can program the pivots to travel as quickly as possible over cow lanes, which don't require watering, while moving more slowly in the areas with greater water needs. When we combine VRI technology with information from soil moisture probes and weather stations, as well as satellite-enabled crop health reports, we can create unique prescriptions for each field. This allows us to direct the pivot to deliver a specific quantity of water to each 'degree' of a 360-degree circular field. On fields with VRI prescriptions, we have reduced water consumption by several percentage points when compared to normal irrigation practices, without sacrificing crop yields.

The VRI technology is installed on 100% of applicable pivots, companywide. At our High Plains Dairy Farms, where our soil scientists can directly manage VRI operations, this technology is used nearly 100% of the time, with more limited use at our other locations. We are developing management capacity and strategies at our other farms to further expand VRI to make the best use of this technology. We continue to improve on-farm irrigation delivery and have installed PVC underground irrigation delivery lines at our High Plains Dairy Farms to help minimize shrink from evaporation and seepage.

High Plains Dairy Farms, Gill, CO
Colorado State University's AWQP

DEVELOPING NEXT GENERATION WATER QUALITY TECHNOLOGY

Aurora Organic Dairy collaborated with Colorado State University on a three-year, grant-funded project to develop next generation technology to monitor and sample edge-of-field water quality in organic agriculture. The technology provides a cost-effective alternative to traditional edge-of-field sampling technologies and enables scientists to quantify the benefits of water quality practices.

WATER USES AND SOURCES

Note: Graph represents Company-owned farms and Processing Plants

FARM IRRIGATION

Consistently utilize variable rate irrigation on all applicable pivots during 100% of the growing season

OFF TARGET
89% utilization

Pepper Grass-Fed Dairy & Heifer Farms, Dublin, TX

RECYCLING BIOSOLIDS

Both our Columbia and Platteville processing plants operate onsite water pretreatment facilities so that we can remove biosolids from the water before returning it for future use. Like our plant water, the biosolids byproduct is also recycled for beneficial uses in our communities. In Platteville, we give the biosolids to third parties who turn it into fertilizer. In mid-2021, our Columbia processing plant received approval from Missouri Department of Natural Resources and Missouri Fertilizer Control Board to provide their biosolid byproducts to local farmers who also use it as fertilizer for crops.

Platteville Milk Plant, Platteville, CO

Water Efficiency

Our goal is to reduce our processing plants' water consumption by 20% per half gallon equivalent of product produced, compared to our 2012 baseline. In 2021, our 3-year average normalized water consumption was 0.13 gallons per half gallon equivalent of product. In 2019 our processing plants' water consumption grew faster than product volumes due to the opening of the Columbia milk plant. Since 2019, the Platteville and Columbia processing plant operations teams have been focused on continuous improvement projects that allow for more efficient water use. Some of these projects include programming changes in different areas of the automated cleaning processes. These innovative improvements saved approximately 2 million gallons of total water consumption at both locations, combined. In 2020 and 2021, our plants experienced improvements in water efficiency as they processed greater volumes. In the future, we expect our water consumption per half gallon equivalent of product produced to continue to decline as we process greater volumes, and continue to promote water conservation, education and awareness at all levels of the Company as we process our milk.

87% of Processing Water Returned

We purchase water from the local municipalities where our milk plants are located. To reduce our impact on the total water use in our communities, we treat and return approximately 87% of the water the plants withdraw for use — recycling it for future use in both areas. Our onsite effluent pretreatment facilities pretreat approximately 86% of the water used in the Platteville plant and approximately 87% of the water used in the Columbia plant, ensuring the water we return to the local sanitation districts meets or exceeds their requirements to minimize organic materials and suspended solids. The remaining water is unreturnable because it is lost from evaporation in our cooling systems or steam in the milk pasteurization process or been consumed by employees during daily operations.

PROCESSING PLANT WATER CONSUMPTION

GOAL:

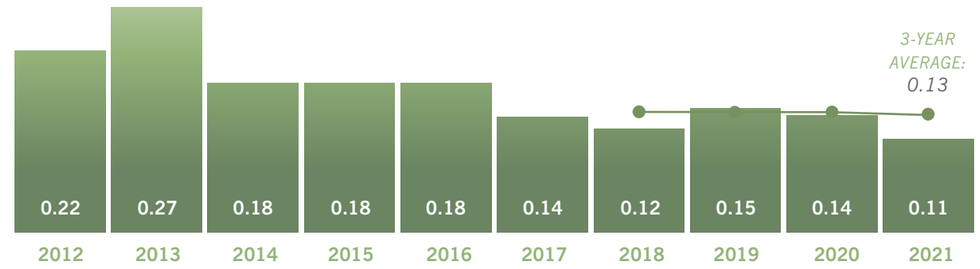
Reduce water consumption[1,2] 20% by 2025[1]

2021 RESULT

↓39%

3-year average vs. 2012 baseline

GALLONS OF WATER PER HALF GALLON EQUIVALENT OF PRODUCT



1 The sum of all water that has been withdrawn and has evaporated, transpired, or been consumed by humans, and is therefore not released back to a third party over the course of the reporting period.
2 Starting in 2019, data for our Columbia plant has been included in our performance results.

Product Packaging

When choosing packaging for our products, we must balance the need to maintain food safety with our desire to reduce the environmental impact of the packaging. Dairy product packaging is designed to prevent food waste, while protecting the integrity of the product and health of consumers. The majority of our milk is packaged in half gallon cartons, made from paperboard with a polyethylene coating; the remainder is packaged in gallon jugs and small bottles made from polyethylene (HDPE and PET, respectively). Pollution from plastics is a major global environmental problem. Additionally, a significant portion of our GHG footprint is related to the materials and energy that go into our packaging. As we increase the sustainability of our Company, we will focus on ways to mitigate these climate change impacts.

To address the impact of deforestation related to paper and other wood products used in packaging, our milk and butter cartons and corrugated cases, come from suppliers who source their wood from North American forests, and who have a Sustainable Forestry Initiative (SFI) or Forest Stewardship Council (FSC) Certification, which confirms the integrity of their supply chain. Our corrugated cases contain, on average, approximately 30% post-consumer recycled material. The wood pallets we use to ship our milk are repaired and reused approximately 30 times. Using this pallet material for as long as physically feasible reduces demand for replacement wood.

We continue to test the feasibility of using post-consumer recycled HDPE plastics in our gallon jugs, which would help to offset the threat of plastic on our global ecosystems. Not only would this reduce our GHG footprint, but we would help to create additional demand for recycled HDPE, ultimately diverting plastics from landfills and reducing overall plastic pollution. Since the Company's product line has expanded into small bottles, the PET used in those bottles has increased our GHG footprint. We are currently researching the use of post-consumer recycled PET as a potential option to reduce the GHG footprint of our packaging. Most of our packaging — HDPE jugs, PET bottles, paperboard cartons and boxes and corrugated cases — is considered widely recycled since more than 60% of U.S. households have access to recycling programs for these materials.

In addition to exploring recycled plastics, we continue to research bioplastics and other lower-impact packaging options. We work with external sustainability consultants to rigorously evaluate the environmental impacts of a variety of packaging solutions, and balance these findings against operational feasibility, product quality impacts, supply availability and cost considerations.

PACKAGING EXAMPLES

GALLON JUG

Widely recycled HDPE. We are currently testing the feasibility of incorporating post-consumer recycled HDPE.

GABLE TOP CARTON

Widely recycled paperboard sourced from North American forests by SFI or FSC certified suppliers.

SMALL BOTTLE

Widely recycled PET. We are currently researching opportunities to incorporate post-consumer recycled PET, and to enhance the recyclability of the shrink label. The plastic film around a case of small bottles can be recycled at approximately 18,000 drop-off locations, including at major grocery store chains.

BUTTER CARTON

Widely recycled paperboard sourced from North American forests by SFI certified suppliers.

CORRUGATED CASES AND TRAYS

Widely recycled and containing approximately 30% post-consumer recycled content. Widely recycled paperboard sourced from North American forests by SFI certified suppliers.

Dublin, TX

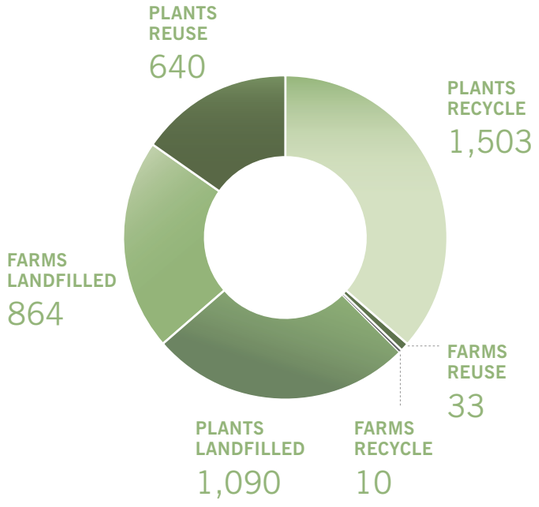
Solid Waste Diversion

Minimizing solid waste in our daily operations and identifying diversion opportunities through recovery methods, such as reuse and recycling, is an increasingly important part of our stewardship commitment and fight against climate change as the Company grows. We set goals to divert 25% of farm solid waste and 75% of plant solid waste from disposal methods or landfilling by 2025. Our farms and processing plants seek to maximize our diversion rates through on-site sorting, staff training and continuous improvement efforts. When possible, they also enter into agreements with vendors to recover various types of solid waste generated through reuse or recycling services. To confirm the solid waste is managed in accordance with contractual obligations, our operations teams conduct site visits, as needed. Our solid waste data is collected and monitored at our farms and processing plants on a regular basis.

At our farms, solid waste streams include packaging, paper, corrugated boxes, gloves, filter socks, medical supplies, bottles, twine, silage plastic, milking inflations and wood pallets. Through 2020, the farms made little progress toward their solid waste diversion goal, primarily because of their remote locations and the complexity of the solid waste streams. At most of our farm locations, reuse and recycling services are extremely limited or non-existent. In 2021, our farm management team began to make progress with corrugated cardboard recycling by installing a baler and compactor at two of our locations.

2021 FARM AND PLANT SOLID WASTE

(Metric Tons)



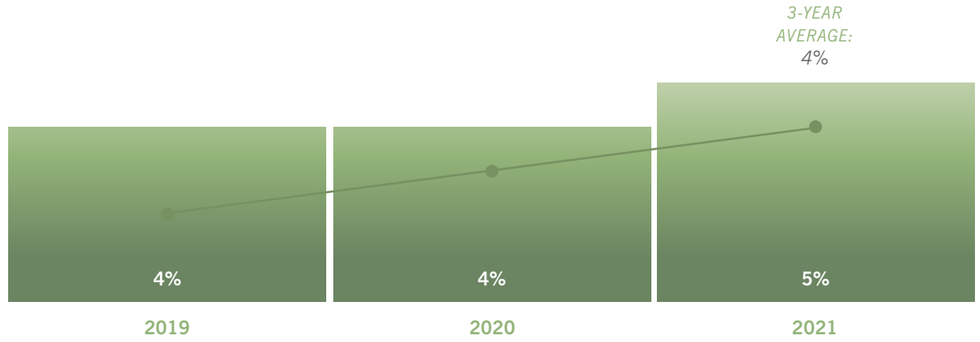
Data, disposal and recovery methods are based on information from waste disposal contractors. Waste is non-hazardous.

SOLID WASTE DIVERSION RATE AT FARMS

GOAL:
Divert 25% of solid waste from landfill by 2025

2021 RESULT:
4%
3-year average

DIVERSION OF LANDFILL WASTE



Since 2019, data for our Columbia plant has been included in our processing plants' solid waste diversion rate, which caused a decline in our performance results. As we are able to divert more solid waste streams from the landfill at this location, we anticipate our solid waste diversion rate to improve. The solid waste streams at our processing plants include corrugated cardboard; office paper; metal; plastic stretch wrap; wood pallets; plastic barrels; plastic from our gallon jugs and small bottles; half gallon cartons, gallon jugs and small bottles containing milk residue; and biosolids from our onsite effluent pretreatment facilities.

Of all these materials, the Company cannot reuse or recycle the cartons, jugs and small bottles with milk residue. The residue contaminates the containers to the extent they cannot be accepted in bulk by most vendors. Used milk packaging containers are the primary component of the processing plants' landfilled solid waste and are difficult to eliminate because we often need to respond to changes in customer ordering patterns. We continue to explore recovery methods to reuse or recycle the containers with milk residue.

In an effort to improve resource efficiency and reduce the climate impacts of our packaging, our Platteville processing plant captures trimmings generated from the gallon jug blow mold process and sends them back to the grinder to be re-introduced as resin. In 2021, more than 1.5 million pounds of regrind was diverted from the landfill and recycling waste streams. This equates to 35% of the gallon jugs we produced in 2021.

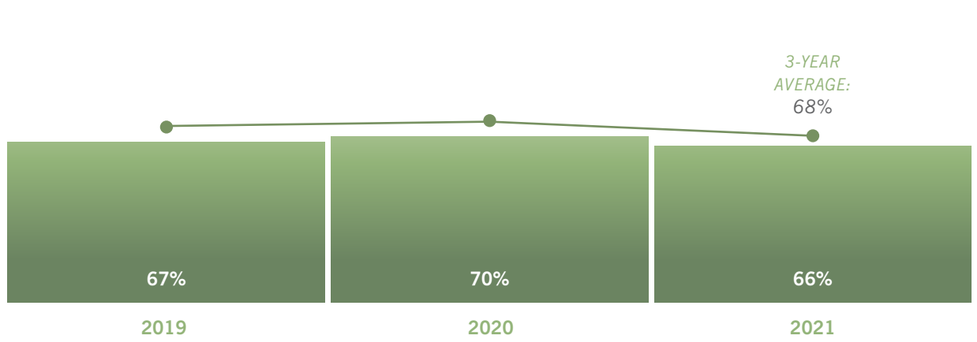

Platteville Milk Plant, Platteville, CO

SOLID WASTE DIVERSION RATE AT PROCESSING PLANTS

GOAL:
Divert 75% of solid waste from landfill by 2025

2021 RESULT:
68%
3-year average

DIVERSION OF LANDFILL WASTE



OUTLOOK

Our Planet Goals provide a roadmap for 2025, and our climate actions and environmentally conscious initiatives outline our path forward. Our journey depends on important new technologies to deliver meaningful GHG emissions reductions that are economically feasible and in compliance with organic regulations. We will advocate for supportive legislation that reduces barriers to renewable energy markets, provides incentives for innovation in the agriculture community to promote soil health, and helps to establish common standards for GHG emissions claims. We will continue to seek solutions across our operations to further reduce our climate impacts, and aspire to help protect, renew and restore the planet's resources.

High Plains Dairy Farms, Gill, CO

Appendix

The following section contains additional details about our organization and our approach to sustainability reporting.

In this section

High Plains Dairy Farms, Gill, CO

Report Content and Materiality

Aurora Organic Dairy management focused on the following reporting principles when developing the content for this report: sustainability context, stakeholder inclusiveness, materiality and completeness. Materiality and completeness were largely informed by the custom life cycle assessment of our milk, conducted by the University of Michigan's Center for Sustainable Systems. Additionally, our external sustainability advisors, who specialize in providing guidance to companies in the dairy farming and milk processing industries, provided insight around materiality, completeness and sustainability context. Our Sustainability Department has also developed expertise on these principles, and they lead our Sustainability 101 Curriculum. Finally, our materiality determination process — detailed in the following paragraphs — was determined by a comprehensive and thoughtful approach to stakeholder engagement and inclusiveness.

Columbia Milk Plant, Columbia, MO

Our Core stakeholders are our employees and our dairy cows, as these two groups are critical to our success. Our Tier 1 stakeholders include: consumers of organic dairy products, our investors, regulators, retail customers and our suppliers. Stakeholders that fall within our Tier 2 group include: local communities, nongovernmental organizations, science & research groups and trade & industry groups. These Tier 2 stakeholders are important to our business, but we may not directly interact with them on a regular basis.

Our stakeholder groups were determined by our Sustainability Steering Committee. The primary factor in each group's selection and segmentation was the role they play in our current operations and future success. While each of these groups is important to our business, the Core and Tier 1 stakeholders were deemed to have the greatest impact on our future success.

In 2015, we developed a formal stakeholder engagement process. This included conducting a comprehensive materiality assessment with our Sustainability Steering Committee and representatives from our Tier 1 stakeholder groups. First, we reviewed Global Reporting Initiative (GRI) topics, the Sustainability Accounting Standards Board (SASB) Dairy Survey and the Stewardship and Sustainability Guide for U.S. Dairy 2013 to identify an original list of 55 potential topics. Nonrelevant areas were eliminated, and we narrowed our original list to 33 topics that were potentially important to our business. Then, after reviewing results from our Employee Opinion Surveys, and with guidance from third-party sustainability experts, our Sustainability Steering Committee further refined the list to the 20 most important topics regarding environmental, social and economic impacts — both inside and outside the Company.

We conducted telephone, electronic and in-person surveys with more than 30 of our Tier 1 stakeholder organizations. Tier 1 stakeholders were asked to rank these 20 topics based on how each topic affected their decision-making processes when working with Aurora Organic Dairy. The results of these stakeholder assessments are detailed in the table on page 92.

For Core and Tier 1 stakeholders that were not a part of our direct materiality determination process, we reviewed various materials and sought expert feedback. We used results from our Employee Opinion Surveys to determine what is most important to our employees. We also reviewed consumer research to determine motivations for organic dairy consumption. We included cows in our Core stakeholder group because our business success depends on the health of our animals. To better understand the most important topics to our cows, we consulted with our on-staff veterinarians and animal care employees.

Although several key stakeholders in the Regulatory group were directly surveyed as part of the materiality determination process, we also continually receive feedback on our operations and information on topics that are most important to them as they audit our facilities. Our Regulatory group includes organizations responsible for ensuring our facilities follow the many laws and regulations for organic dairy production and processing. For example, the Colorado Department of Public Health and Environment oversees our Platteville Milk Plant and visits our facility routinely for audits and inspections. Our Regulatory group also includes organizations that support our Company as we work with various regulatory agencies in the organic dairy sector.

Through our stakeholder engagement efforts and materiality determination process, we identified 19 material topics. These are the topics that define the content of this report. (See list on page 93.) Our vertical integration allows direct access to primary data related to the material topics. As such, the majority of our efforts are focused on the parts of our supply chain where we have direct influence. In the longer term, we plan to more closely engage with our various supply chain relationships to have a greater impact outside our organization. Additional areas of influence include feed and bedding suppliers, heifer growers, processing plant suppliers and third-party distribution companies.

Due to the fact that our overall business — and the environmental, social and governance context — hasn't changed significantly since 2015 when our materiality determination program was established, we have made minimal updates to our material topics for this report, which include the addition of climate change as a material topic. To help validate this decision and ensure the Company continues to focus its reporting on topics that are material, we solicited internal feedback from the 18-member Animals-People-Planet-Product (AP3) Leadership Team. The AP3 Leadership Team consists of the management heads of all departments within the Company. Also, as a normal course of business, we interact with our Core and Tier 1 stakeholders. Our Board of Directors meets quarterly, and we conduct quarterly updates with our investors and bankers. We have face-to-face meetings and site visits with our retail customers and suppliers. During these meetings, we seek input from them regarding their priorities and concerns.

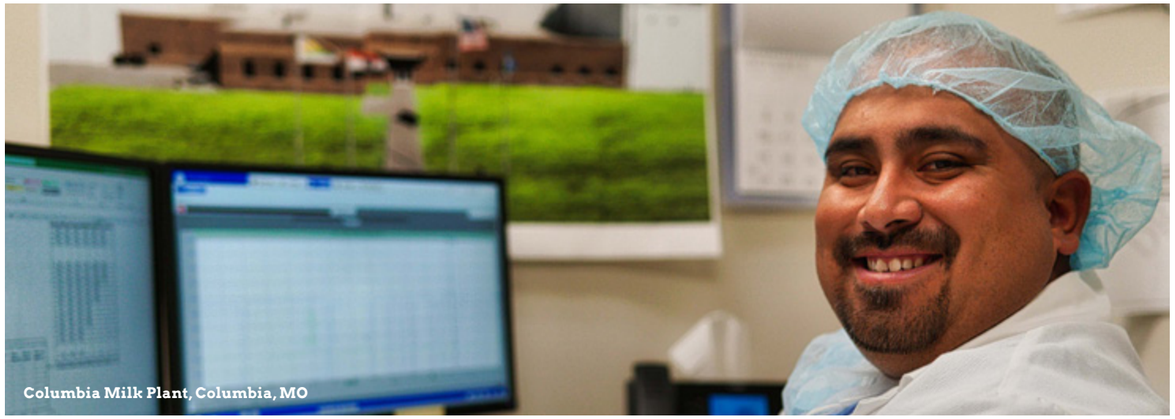
While not as frequent as our Core and Tier 1 groups, we interact regularly with Tier 2 stakeholders. We attend meetings with industry and trade groups to further the interests of the organic dairy community. Aurora Organic Dairy is an active member and financial supporter of the Organic Trade Association, and the International Dairy Foods Association. We also provided financial support to The Organic Center. The Company retains a membership with the Private Label Manufacturers Association.

When issues or concerns are raised by our stakeholder groups, we address them to the best of our ability via direct communication. To respond to our stakeholder needs for disclosure — as a whole — we update our website at least annually and have historically published our Sustainability Report every two-to-three years.

STAKEHOLDER TIERS

Coldwater Dairy & Heifer Farms, Stratford, TX

	STAKEHOLDER GROUP	ENGAGEMENT	TOPICS MOST IMPORTANT *(in alphabetical order)*
CORE	CSR Steering Committee	Materiality Assessment meeting and comprehensive exercise	*Animal Care* *Antibiotics & Hormone Policies* *Climate Change* *Ethics & Culture* *Food Safety & Quality* *Sustainable & Responsible Farming* *Water Use & Availability* *Worker Health & Safety*
	Employees	CSR Steering Committee exercise and employee survey findings *(note: employee surveys not specific to GRI topics)*	*Animal Care* *Climate Change* *Ethics & Culture* *Fair Pay & Benefits* *Food Safety & Quality* *Supervision & Communication* *Training & Education* *Worker Health & Safety*
	Cows	Interact with cows daily to monitor quality of life and health, and consultation with on-staff animal care experts	*Animal Care* *Ethics & Culture* *Food Waste* *Supplier Sourcing Policies* *Sustainable & Responsible Farming* *Training & Education* *Water Use & Availability*
TIER 1	Consumers of Organic Dairy Products	Review of secondary consumer research on drivers of organic dairy purchases	*Animal Care* *Antibiotics & Hormone Policies* *Ethics & Culture* *Food Safety & Quality* *Healthy Affordable Food* *Labeling* *Sustainable & Responsible Farming*
	Board of Directors, Investors, Banks *(all external Board members, primary investors and banking relationships represented)*	In-person and electronic surveys sent to each external Board member and key banking relationships	*Animal Care* *Antibiotics & Hormone Policies* *Compliance with Laws & Regulations* *Economic Performance* *Ethics & Culture* *Food Safety & Quality* *Water Use & Availability*
	Regulatory	In-person and electronic surveys	*Animal Care* *Antibiotics & Hormone Policies* *Compliance with Laws & Regulations* *Food Safety & Quality* *Labeling* *Manure Management* *Training & Education*
	Retail Customers *(retail customers representing more than 85% of our sales volumes participated in a materiality assessment survey)*	Electronic surveys and normal course of business meetings	*Animal Care* *Antibiotics & Hormone Policies* *Climate Change* *Compliance with Laws & Regulations* *Ethics & Culture* *Food Safety & Quality* *Labeling* *Worker Health & Safety*
	Key Suppliers *(primary farm suppliers of organic feed, heifers, bedding; plant suppliers of packaging and materials; and insurance/benefits suppliers)*	In-person and electronic surveys	*Compliance with Laws & Regulations* *Economic Performance* *Employment Opportunities & Retention* *Ethics & Culture* *Fair Pay & Benefits* *Training & Education* *Worker Health & Safety*


Columbia Milk Plant, Columbia, MO

MATERIAL TOPICS	BOUNDARIES				
Material topics may be important across the supply chain. The boundaries shown in this table signify the stages in which the impacts are deemed not only important, but also material.	3RD PARTY FEED, HEIFER & MILK SUPPLIERS	FARMS & COWS	RAW MILK TRANSPORT	MILK PROCESSING	DISTRIBUTION, RETAIL & CONSUMER
MISSION & CULTURE					
Ethics & Culture	X	X	X	X	X
Affordable Food	X	X	X	X	X
Labeling				X	X
Food Safety & Quality	X	X	X	X	X
Compliance with Laws & Regulations	X	X	X	X	X
Supplier Sourcing Policies	X	X	X	X	
ANIMALS					
Animal Care	X	X			
Policies on Antibiotics & Growth Hormones	X	X			
PEOPLE					
Fair Pay & Benefits		X		X	
Employment Opportunities & Retention		X		X	
Training & Education		X		X	
Worker Health & Safety		X		X	
PLANET					
Climate Change	X	X	X	X	X
Responsible Farming	X	X			
Manure Management	X	X			
Greenhouse Gas Emissions	X	X	X	X	X
Energy	X	X	X	X	X
Water Uses & Availability	X	X		X	X
Solid Waste	X	X		X	X

Sustainability Governance

Our promise to our stakeholders is to care for our animals, people and planet and deliver products with integrity. The Company was built around these principles more than four decades ago, and they will continue to guide us as we expand our capabilities and product lines. Furthermore, we know the success of our business depends on holding ourselves accountable to this promise, and we take our obligations seriously.

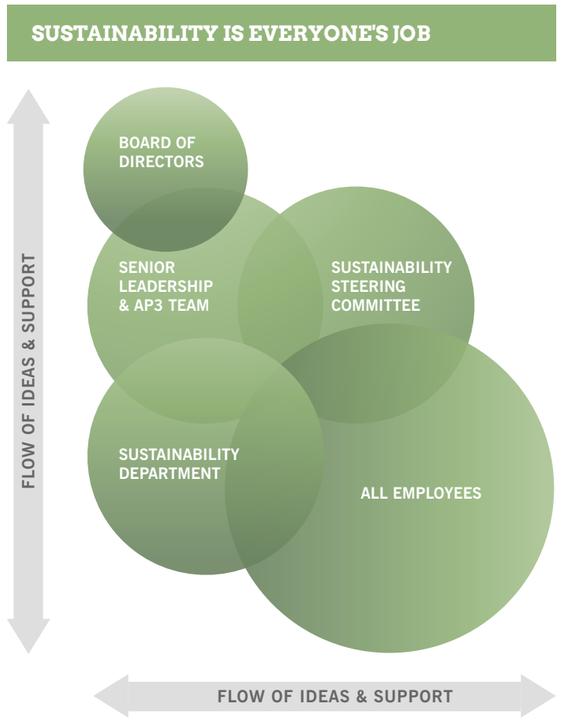
Alongside our commitment to transparent and balanced sustainability reporting, the governance structure of the organization is designed to ensure the necessary accountability regarding economic, environmental and social topics. Over the decades, we have developed a governance structure that is appropriate for our business and provides the proper oversight toward ethical operations.

We are a privately held Company that is majority owned by an investment group. Our Board of Directors includes four members. Marc Peperzak, our Executive Chairman and Founder, and Scott McGinty, Chief Executive Officer, serve as internal directors. Our external directors include two members from the investment group. Our Board participates in the strategic planning process and approves annual budgets.

Our Senior Leadership Team is responsible — pursuant to the Board's mandate — for the strategic guidance of the organization, the effective monitoring of management and the accountability of management to the broader organization and its stakeholders. The Senior Leadership Team is comprised of our Executive Chairman and Founder, Chief Executive Officer, Chief Operating Officer, Chief Financial Officer, Chief Agricultural Officer, Chief Customer Officer and Chief People Officer.

Our Senior Leadership Team provides updates to our Board of Directors regarding economic, environmental and social impacts. Each member of our Senior Leadership Team — along with our Vice President of Plant Operations, Senior Director of Farm Operations and Strategic Management and Sustainability Manager — serves on our Sustainability Steering Committee. This group is closely involved with setting our sustainability strategies and goals, as well as sharing our progress with key stakeholders. Our Senior Leadership Team reports key sustainability initiatives to our Board of Directors.

Daily execution of sustainability projects is managed by project leaders throughout the organization and the Sustainability Department — consisting of our Sustainability Manager and Senior Sustainability Analyst. Sustainability project leaders communicate the status of their initiatives, as needed, to the Sustainability



Department as well as to the 17-member Animals-People-Planet-Products (AP3) Leadership Team. The AP3 Leadership Team consists of the management heads of all departments within the Company.

Caring for our animals, people and planet is everyone's job at Aurora Organic Dairy, and we are dedicated to ensuring all employees have the tools to reinforce this culture of sustainability. In 2018, the Sustainability Department began developing a 14-week Sustainability 101 Curriculum, which was taught to our processing plant employees and farm managers through 2019. The course provides global context and Company-specific case studies on the topics of animal care, people care, local communities, water, climate change, energy and waste. In addition to raising awareness and educating employees about the importance of these topics, each module encourages discussion and ideas about what each of us can do better in our daily routines.

In 2021, we expanded our commitments to employee education and outreach by adding an employee engagement specialist to

develop custom training programs for front-line farm employees around topics central to our core values, including sustainability. We began delivering the Sustainability 101 Curriculum in-person to frontline farm employees in 2022.

We have published sustainability reports previously in 2013, 2015, 2017 and 2019. Considering we take a long-term outlook on our sustainability progress, going forward, we plan to publish our full sustainability report every three years. We update our progress toward sustainability goals annually on our website to provide more frequent updates to our stakeholders. We aim to provide transparent and balanced reporting on material topics. It helps our stakeholders gauge the effectiveness of our corporate governance as it relates to environmental and social considerations, and allows us to publicly track our progress toward sustainability goals. We work with outside sustainability experts who review that our reporting methods reflect industry-leading standards. They also confirm that our approach to sustainability planning and reporting follows Global Reporting Initiative (GRI) guidelines and other industry standards.


Coldwater Dairy & Heifer Farms, Stratford, TX

Scale of the Organization

Aurora Organic Dairy is the leading provider of private brand organic dairy products in the U.S. As of March 2022, we had approximately 755 employees across the organization. 100% of our workforce is considered to be full time. Occasionally, we hire temporary help on a short-term basis, primarily at our headquarters office. Our operations are managed in two wholly owned subsidiaries: Aurora Organic Farms, Inc. and Aurora Organic Dairy Corp.

Aurora Organic Farms includes farming operations, eight organic dairy farms, as well as calf and heifer-raising farms. In 2018 we converted our Pepper Dairy in Dublin, Texas to a 100% grass-fed organic dairy farm. We also operate a heifer-raising facility at the Pepper Dairy, and we have added heifer-raising facilities at our Coldwater Dairy in Stratford, Texas and in Holyoke, Colorado in 2020 and 2021, respectively. In addition to growing organic pasture and feed crops in the areas surrounding our dairy farms, we own and manage approximately 2,000 acres of land for harvested feed crops in Imperial, Nebraska.

Aurora Organic Dairy Corp. includes our sales, logistics and processing operations. We operate two organic-dedicated milk processing facilities in Platteville, Colorado and Columbia, Missouri. Our Company headquarters is in Boulder, Colorado (see AOD Locations map, pages 6 and 7).

As a privately held Company, we elect not to disclose some financial and sales growth details. In general, our net revenue and sales volumes continue to increase versus prior year results due to continued growth in overall consumer demand for our organic dairy products.

Platteville Milk Plant, Platteville, CO

Restatements and Changes to Reported Metrics

We align our sustainability analysis, goal-setting and reporting with global and U.S. sustainability reporting standards. To achieve our objective of continuous improvement in sustainability reporting, we collaborate with sustainability consultants who have expertise in dairy farming and processing industries.

Since we published our prior report in 2019, we have restated certain reported metrics, which includes updating eGRID factors to reflect the Environmental Protection Agency's (EPA) most recent GHG emissions data for the electricity grids in which we operate.

While these restatements are immaterial, they reflect improvements in data gathering and calculation methodologies related to reported GHG emissions and energy performance results. To ensure transparency, we also continue to provide annual performance results.

For reference, our 2019 Sustainability Report and annual performance results can be found at: https://www.auroraorganic.com/organic-integrity/

Pepper Grass-Fed Dairy & Heifer Farms, Dublin, TX

GRI STANDARDS CONTENT INDEX

This report has been prepared in accordance with the GRI Standards: Core option

GRI#	DISCLOSURE	PAGES/RESPONSE
GENERAL DISCLOSURES		
102–1	Name of the organization	Aurora Organic Dairy
102–2	Activities, brands, products and services	Organic dairy products for numerous retail store brands
102–3	Location of headquarters	Boulder, CO
102–4	Location of operations	United States of America; 6–7
102–5	Ownership and legal form	Privately held
102–6	Markets served	U.S. Food Retail Customers in all 50 states
102–7	Scale of the organization	96[1]
102–8	Information on employees and other workers	40–41
102–9	Supply chain	8–9
102–10	Significant changes to the organization and its supply chain	2–3
102–11	Precautionary Principle or approach	62–63
102–12	External initiatives	N/A
102–13	Membership of associations	74, 91
102–14	Statement from senior decision-maker	2–3
102–16	Values, principles, standards and norms of behavior	10–11; Core Values also highlighted throughout report
102–18	Governance structure	94
102–40	List of stakeholder groups	90–93
102–41	Collective bargaining agreements	0%
102–42	Identifying and selecting stakeholders	90–93
102–43	Approach to stakeholder engagement	90–93
102–44	Key topics and concerns raised	90–93
102–45	Entities included in the consolidated financial statements	96
102–46	Defining report content and topic boundaries	90–93
102–47	List of material topics	5; 93
102–48	Restatements of information	97
102–49	Changes in reporting	Climate change as a material topic
102–50	Reporting period	2019–2021
102–51	Date of most recent report	2019
102–52	Reporting cycle	Triennial since our 2019 report
102–53	Contact point for questions regarding the report	Office of Sustainability: sustainability@aodmilk.com
102–54	Claims of reporting in accordance with the GRI Standards	This report has been prepared in accordance with the GRI Standards: Core option
102–55	GRI content index	98–99
102–56	External assurance[2]	Carbon-Neutral Energy Validation; 101
MATERIAL TOPIC DISCLOSURES		
MANAGEMENT APPROACH 2016		
103–1	Explanation of the material topic and its Boundary	This information is discussed within each material topic section. Boundaries also presented in table on page 93
103–2	The management approach and its components	
103–3	Evaluation of the management approach	
AFFORDABLE FOOD		
	Discussion of management approach and additional disclosures, as appropriate	10
ETHICS AND CULTURE		
	Discussion of management approach and additional disclosures, as appropriate	10; 38–59
FOOD SAFETY AND QUALITY		
416–1	Customer Health and Safety 2016: Assessment of the health and safety impacts of product categories	22–23; 100%
416–2	Customer Health and Safety 2016: Incidents of non-compliance concerning the health and safety impacts of products	None
SUPPLIER SOURCING POLICIES		
G4–FP1	Purchased volume from suppliers compliant with sourcing policies	2019 – 100%[3]; 2020 – 100%; 2021 – 100%
308–1	Supplier Environmental Assessment 2016: New suppliers that were screened using environmental criteria	24
414–1	Supplier Social Assessment 2016: New suppliers that were screened using social criteria	24

GRI#	DISCLOSURE	PAGES/RESPONSE
COMPLIANCE WITH APPLICABLE LAWS AND REGULATIONS		
307–1	Environmental Compliance 2016: Non-compliance with environmental laws and regulations	None
419–1	Socioeconomic Compliance 2016: Non-compliance with laws and regulations in the social and economic area	None
LABELING		
417–1	Marketing and Labeling 2016: Requirements for product information and labeling	*25*
417–2	Marketing and Labeling 2016: Incidents of non-compliance concerning product information and labeling	None
417–3	Marketing and Labeling 2016: Incidents of non-compliance concerning marketing communications	None
ANIMAL CARE		
G4–FP9	Animals by species or breed type	*28*
G4–FP10	Animal welfare policies and practices	*26–37*
G4–FP11	Total animals by housing type	*28–33*
G4–FP13	Non-compliance with transportation and slaughter standards	34
POLICIES ON ANTIBIOTICS AND HORMONES		
G4–FP12	Policies on antibiotics and hormones	*35*
FAIR PAY AND BENEFITS		
401–2	Employment 2016: Benefits provided to full-time employees only	*42*
EMPLOYMENT OPPORTUNITIES AND RETENTION / TRAINING AND EDUCATION		
404–1	Training and Education 2016: Average hours of training per year per employee	*44*[4]
404–2	Training and Education 2016: Programs for upgrading employee skills and transition assistance programs	*44*
404–3	Training and Education 2016: Employees receiving regular performance and career development reviews	*44*
HEALTH AND SAFETY		
403–1 through 403–7	Occupational Health and Safety 2018: Management approach disclosures	*46–51*
403–9	Occupational Health and Safety 2018: Work-related injuries	*48–51*
CLIMATE CHANGE		
	Discussion of management approach and additional disclosures, as appropriate	*62–63*[5]
RESPONSIBLE FARMING		
	Discussion of management approach and additional disclosures, as appropriate	*64–69*[5]
MANURE MANAGEMENT		
	Discussion of management approach and additional disclosures, as appropriate	*69*[5]
GREENHOUSE GAS EMISSIONS		
305–4	Emissions 2016: GHG emissions intensity	*70–73*[5]
ENERGY		
302–3	Energy 2016: Energy intensity	*77*[5]
WATER		
303–1 through 303–2	Water and Effluents 2018: Management approach disclosures	*78–81*[5]
303–3	Water and Effluents 2018: Water withdrawal	*79–81*[5]
SOLID WASTE AND RECYCLING		
306–1 through 306–2	Waste 2020: Management approach disclosures	*84–85*[5]
306–4	Waste 2020: Waste diverted from disposal	*84–85*[5]
306–5	Waste 2020: Waste directed to disposal	*84–85*[5]

1 As a privately held Company, we have responded to most, but not all, of this disclosure due to confidentiality constraints.

2 Reporting guidance provided by sustainability consultants with dairy industry expertise.

3 In 2019, we temporarily halted some purchases from a third-party organic milk supplier that did not meet our animal care standards. Immediate corrective actions were taken by the supplier, and Validus, a third-party animal welfare auditor, completed facility inspections to confirm compliance with our standards.

4 Average hours metric is provided in total; information is not collected by gender.

5 Accurate information not readily available for third-party suppliers. Also, as a privately held Company, our responses to some of these disclosures are in the form of intensities or distributions due to confidentiality constraints.

AOD ON-FARM RESEARCH PUBLISHED IN PEER-REVIEWED ANIMAL SCIENCE JOURNALS

TOPIC	PARTNER	YEAR
Postpartum treatments	Colorado State University	2021
Lameness treatments	Texas A&M University	2021
Reproduction treatments	Colorado State University	2021
Body condition	Colorado State University	2021
Lameness treatments	Colorado State University	2020
Genetics	University of Wisconsin	2020
Reproduction parameters - genomic variation and fertility	Colorado State University	2020
Reproduction treatments	Colorado State University	2020
Cow behavior	University of California	2020
Reproduction treatments	Colorado State University	2020
Reproductive disorders	Colorado State University	2020
Postpartum disorders	Colorado State University	2020
Cow behavior	Colorado State University	2020
Feed supplements	Colorado State University	2019
Reproductive disorders	Colorado State University	2019
Cow behavior	Colorado State University	2019
Feed supplements	Colorado State University	2019
Cow behavior	Colorado State University	2019
Alternative Therapies	Colorado State University	2019
Cow behavior	Colorado State University	2019
Alternative Therapies	Colorado State University	2019
Impact of Activity on Reproduction	Colorado State University	2019
Calf Health	Colorado State University	2018
Cow behavior	Colorado State University	2018
Genetics	Colorado State University	2018
Effects of lameness	Colorado State University	2018
Reproductive disorders	Colorado State University	2018
Reproduction treatments	Colorado State University	2018
Reproduction parameters - effect of seasons on fertility	Colorado State University	2018
Reproduction parameters - early lactation diseases	Colorado State University	2018
Cow behavior	Colorado State University	2018
Postpartum lameness	University of Missouri	2018
Calf Health	Colorado State University	2017
Lameness treatments	Colorado State University	2017
Metritis treatments	Texas A&M University	2017
Pregnancy diagnosis	Texas A&M University	2017
Postpartum treatments	The Ohio State University	2017
Reproduction treatments	Texas A&M University	2016
Pregnancy diagnosis	Texas A&M University	2016
Metritis treatments	Texas A&M University	2015
Pregnancy diagnosis	Texas A&M University	2015
Reproduction treatments	The Ohio State University	2014
Mastitis treatments	University of Florida	2013

SCS Global Services *does hereby certify that an independent assessment has been conducted on behalf of:*

Aurora Organic Dairy

1919 14th Street, Suite 300, Boulder, CO 80302

For the following product(s):

Organic Dairy Products

The product(s) meet(s) all of the necessary qualifications to be certified for the following claim(s):

Carbon-Neutral Energy

Aurora Organic Dairy has achieved 100% carbon-neutral energy for Company-owned farms and processing plants, headquarters office, and all raw milk transportation to Company-owned processing plants.

Registration # SCS-ECV-00056
Valid from: August 19, 2022 to August 18, 2023

Stanley Mathuram, PE, Vice President
SCS Global Services
2000 Powell Street, Ste. 600, Emeryville, CA 94608 USA

Pepper Grass-Fed Dairy & Heifer Farms, Dublin, TX

Be kind to our leafy friends;
only print this report
if you truly must.

AurorA
ORGANIC DAIRY

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Platteville Dairy Farm & Milk Plant, CO