



RESTORING THE SOIL THROUGH FARMER PARTNERS

July 22, 2019

TRIPLE BOTTOM LINE APPROACH

OUR BRAND MODEL

OUR BUSINESS MODEL



SUSTAINABLE DEVELOPMENT GOALS

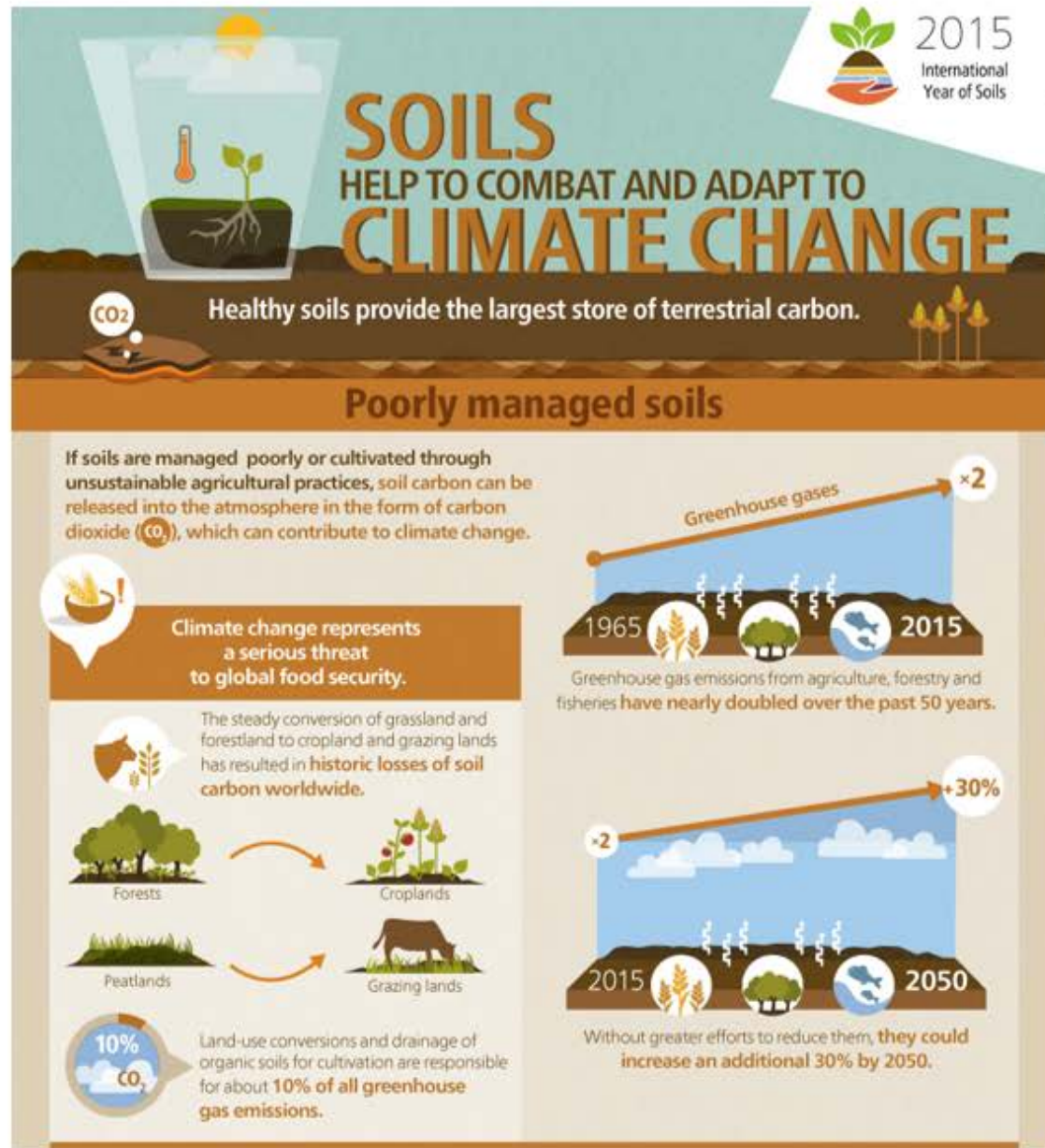


2018 KEY HIGHLIGHTS

 **26,318,000**
(21,614,000 in 2017)
tons of CO2 equivalent
emissions of for our total
scope of responsibility.

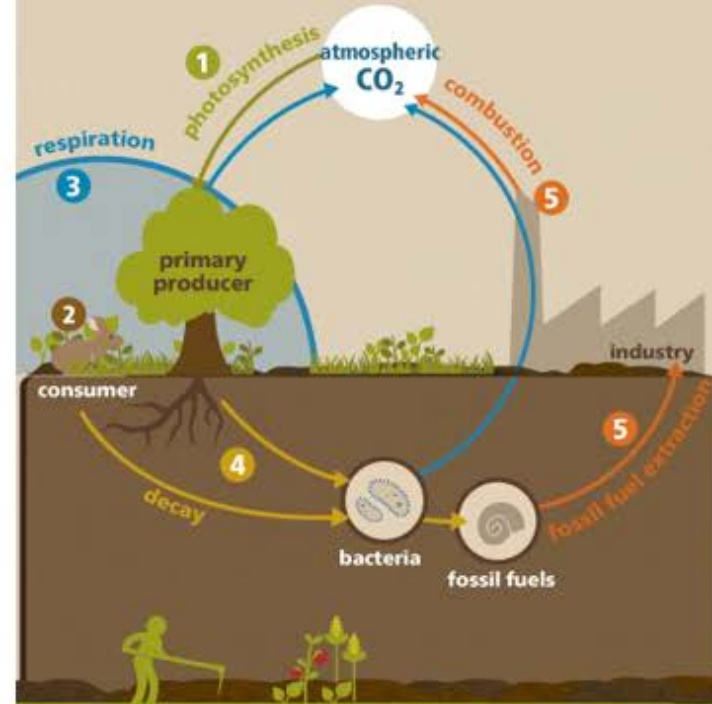
Our ambition
Carbon neutrality
by 2050





Soils and the Carbon Cycle

The carbon cycle is the exchange of carbon (in various forms, e.g., carbon dioxide) between the atmosphere, ocean, terrestrial biosphere and geological deposits.



- 1 Plants use CO₂ from the atmosphere, water from the soil and sunlight to make their own food and grow in a process called **photosynthesis**. The carbon they absorb from the air becomes part of the plant.
- 2 Animals that feed on the plants pass the carbon compounds along the food chain.
- 3 Most of the carbon the animals consume is converted into CO₂ as they breathe (**respiration**), and is released back into the atmosphere.
- 4 When the animals and plants die, the dead organisms are eaten by decomposers in the soil (**bacteria and fungi**) and the carbon in their bodies is again returned to the atmosphere as CO₂.
- 5 In some cases, the dead plants and animals are buried and turn into **fossil fuels**, such as coal and oil, over millions of years. Humans burn fossil fuels to create energy, which sends most of the carbon back into the atmosphere in the form of CO₂.



Food and Agriculture Organization of the United Nations

SOIL HEALTH YEAR 1

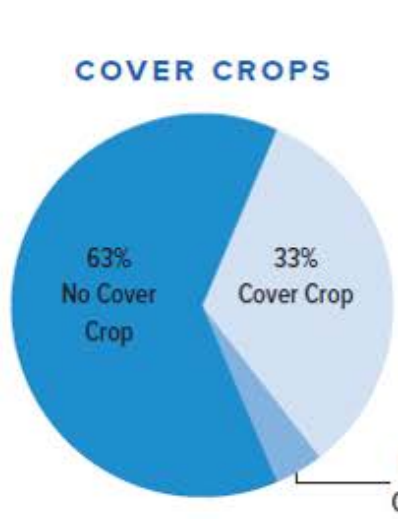
12 Dairies in 5 States with 26,183 Acres from 330 Fields

Soil Health

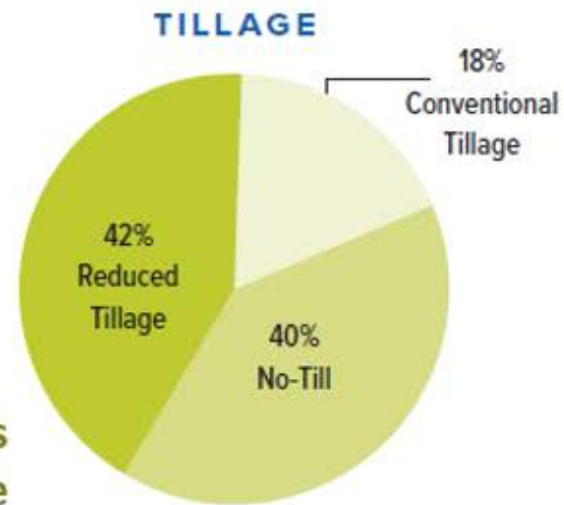
Biodiversity

Water

Carbon & energy



Cover crops ensure the ground is covered most of the year ensuring Carbon retention in the soil



Reduced till or No-till practices avoids Carbon to be released to the atmosphere

WATER RECLAIMED
121 million gallons recycled multiple times on the farm to reduce fresh water needs and transportation volume.

WATER REDUCTION
157 million gallons of fresh water saved by utilizing wash water for crop irrigation in the West and Central Milksheds.

SMART IRRIGATION
15 soil moisture probes were in place during 2017 across all 12 dairies.



8,170 tons of carbon sequestration, which is the same as **8,691** acres of US forest that sequesters carbon in a year

Farmer's fields reported

24,620 Milking Cows
32,942 Total Cows

HOW WE FOSTER REGENERATIVE PRACTICES WITHIN OUR SUPPLY CHAIN



Unique dairy partnership model: Cost Plus



Long-term contracts allow for a different mindset



Integrated supply chain enables new approaches on financing



Long-term practice adoption, collaboration is key