

VERMONT CREAMERY®

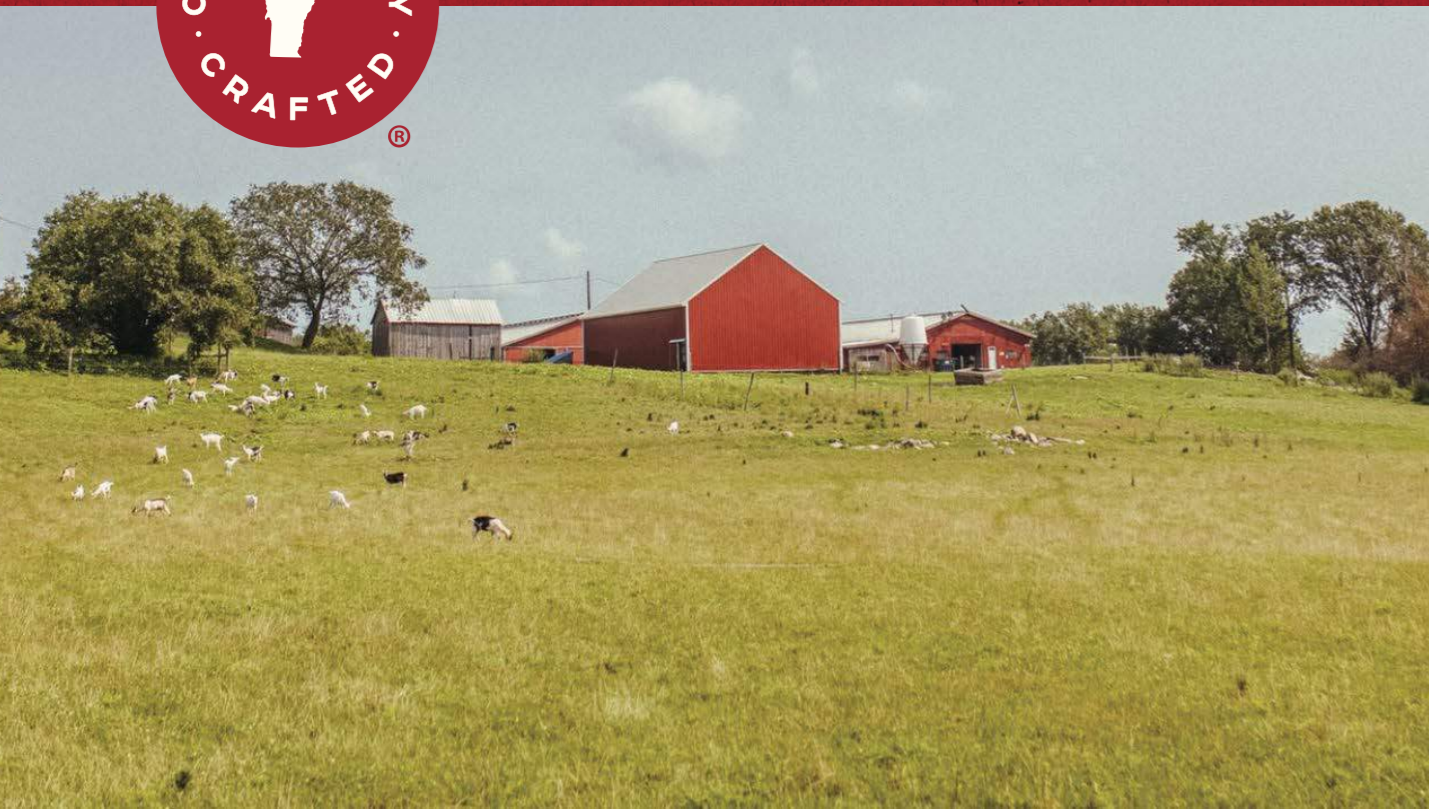


2022

— Mission Report —

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PURPOSE IN PRACTICE

Purpose is our motivating force – it’s what gets us going every day; to use our business for good, to drive meaningful impact in our community.

Our role is clear and the scale of our impact on our local community is where we can deepen our legacy.

After two long years navigating constant change and disruption, 2022 has been a breath of fresh air for our business. Despite ongoing challenges with our supply chain, we are proud of the year we had; we worked collaboratively, creating solutions together, and enabling our business to grow.

We are proud of our performance, both on paper and in practice. This year, we focused on making the best possible decisions for our business, whether to enable service or sustainability. We also focused on updating our long-term mission strategy, ensuring that we steer ourselves towards the most critical and impactful initiatives and areas for our business, our people, our suppliers, and our planet.

In this report, I’m excited to share about the new key partnerships we’ve built to drive our mission forward. We have made significant strides towards food waste reduction, thanks to our relationship with Vanguard Renewables, and joined other food and beverage companies committed to reducing food waste and sourcing renewable energy by joining the Farm Based Strategic Alliance.

We continue to value the incredible work done by nonprofit organizations that serve the Vermont community—particularly in areas of food justice and empowerment. We are committed to using business as a force for good.

Thank you for your partnership, and for joining on this journey, with all of us at Vermont Creamery. I am proud to present this report that details our efforts to reduce our waste and carbon footprint, further invest in our Bettermakers, and continue to look long term at the impact and purpose of our business.

And finally, thank you to our outgoing President, Adeline Druart, for her deep passion for our people, products, and purpose. We are grateful for her influence and empowering us each to be champions for our business and community.

Best,

ELIZA LEEPER

MISSION AND BUSINESS
OPERATIONS MANAGER





Purpose is our
motivating force.

OUR SUSTAINABLE BUSINESS STRATEGY

Our Sustainable Business Strategy has four pillars, against which we set progressive goals each year. This is our guiding framework for ensuring we are making business decisions with our critical stakeholders at the center.

OUR HANDS



We are building a healthy workplace and culture where our employees thrive both on the job and in their personal lives.

OUR EARTH



We strive to be sustainable makers and stewards of our delicate planet. We seek to minimize harm, embrace progress, and actively preserve our ecosystem for future generations.

OUR PILLARS

OUR ROOTS



We believe in business as a force for good, and this comes to life first in the communities in which we were born and have our roots.

OUR SUPPLIES



We believe in fostering a transparent and responsible supply chain from farm to fork.



VANGUARD RENEWABLES X VERMONT CREAMERY

In August, we gathered at the Goodrich Family Dairy Farm in Salisbury, Vermont to announce a newly forged relationship with Vanguard Renewables.



With the largest anaerobic digester in the Northeast in the background, Vermont Creamery also formally joined the Farm Powered Strategic Alliance - a precompetitive group of food and beverage companies committed to reducing food waste and sourcing renewable energy.

The Alliance was founded in 2020 by Vanguard Renewables, Unilever, Starbucks, and Dairy Farmers of America and aims to avoid or eliminate food waste first and repurpose what cannot be eliminated into renewable energy via Farm Powered® anaerobic digesters.

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In joining the Alliance, we deliver on our commitment to think holistically about our impact, learn best practices and work together to change how the world views waste. Beginning in April of 2022, Vermont Creamery started shipping its production bi-product (whey and buttermilk) and food waste to Vanguard's digester at Goodrich Farm - a significant step towards reducing our own food waste in the interest of creating renewable energy.

"Vermont Creamery began as a two-person start-up and today has become a company that embraces the ethos of doing well, by doing good," stated Neil H. Smith, Chief Executive Officer at Vanguard Renewables. "Working with Adeline and her team to further

their commitment to mitigate greenhouse gas emissions is proof that Vanguard's Farm Powered® movement is changing how food manufacturers are thinking about their waste, and we are thrilled to have them as a member of the Farm Powered Strategic Alliance."

Alliance members commit to recycle unavoidable food and beverage waste on farms where it is combined with farm manure in a Farm Powered® anaerobic digester to generate renewable natural gas (RNG). Hosting a Farm Powered® anaerobic digester provides farm partners with a diversified income stream in addition to a by-product of the operation: a fertilizer that host farms can spread in place of chemical fertilizers.





SUSTAINABLE PACKAGING

We seek sustainability opportunities throughout our business.

We accept the challenges we face as food manufacturers with solutions that reduce our impact on our environment while preserving the quality of our products.

In this spirit, we kicked off a sustainable packaging initiative that is a meaningful step towards our goal. In 2022 we transitioned our aged cheese packaging from the former wooden crates to post-consumer-waste plastic “clamshells.” While practical for the protection and transportation of our fragile aged cheeses, our wooden crates were not recyclable, and were shipped from overseas, adding to our logistics footprint. Our new clamshells are comprised of 75% recycled material (post-consumer-waste) and can be recycled again after use.

They still offer protection for our cheeses, ensuring our product quality and integrity. In 2023, using a Vermont Agency of Agriculture/Dairy Business Innovation Center grant, we’ll seek to transition our goat cheese film to a recycle-ready material, reducing our contribution to landfill waste.





FLEX MANUFACTURING

In order to meet the challenges and needs of an ever-changing manufacturing workforce, we introduced a Flex Manufacturing Program.

Beginning in 2022, we opened part-time positions, offering employees the opportunity to work a schedule that fits their unique needs. Part-time “Flex” employees work a minimum of two shifts per week, for a minimum of four hours per shift.

The Flex Manufacturing Program was born out of both necessity and desire; we saw an opportunity to strengthen our workforce during peak operating seasons and offer employment to a variety of people including students, parents, or anyone looking for supplemental income through part time employment. Flex Manufacturing is where life and work intersect successfully, and it’s not without other incentives. In addition to a flexible schedule, we offer qualifying part-time employees the opportunity to participate in a 401(k) plan with company match, educational assistance and paid time off.





ALL HANDS ON DECK

Now in its second year, All Hands on Deck is a company initiative that brings together our production, office, administrative and leadership teams.

November is our most productive season of cheesemaking, and our non-production teams join in the effort on the floor to learn and help keep up with demand.

All Hands on Deck is an opportunity to connect with and learn from each other, make new friends, look behind the scenes, share ideas and gain a deeper understanding of the business.





VERMONT B CORP COLLECTIVE

In 2022, Vermont had the highest number of B Corp-certified businesses per capita in the US!



Vermont is the proud home of 42 certified B Corp businesses.

Over the years, various informal groups have come together; in 2022 Vermont Business for Social Responsibility (VBSR) and Vermont B Corps came together to create a forum to connect and build relationships.

The group has evolved into the Vermont B Corp Collective, which is now led and organized by representatives of Vermont B Corps: Native Energy, Suncommon, King Arthur Baking Company, Business Culture Consultants, and Vermont Creamery.



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GOAT INCUBATOR PROJECT

**Without farms, there is no food;
and without goat dairies,
we wouldn't exist.**

As we continue to strengthen our local supply chain, Vermont Creamery is working with partners to survey goat dairies to better understand their needs in areas such as veterinary services, financial support, and nutritional expertise.

Additionally, we are surveying existing cow dairies to understand interest in goat farming and business-planning in the desire of growing and supporting a diverse agricultural system in our small state. This work is thanks to

a Vermont Agency of Agriculture/Dairy Business Innovation Center grant and done in conjunction with the UVM Extension Ag Business Unit and UVM's Center for Rural Studies. Our farmers are the lifeblood of our organization, and to that end, we gather as a goat-farming community annually. Our annual farmer's meeting is an opportunity for our farmers to hear about the state of the business and learn about resources for funding and support from the Agency of Agriculture and UVM Extension.





BETTERMAKER DAY

Each summer, we gather as a company to celebrate our Bettermakers.

On Bettermaker Day, we spend time reviewing the progress of the first half of the year, volunteer in the community, play games, have fun, enjoy local food vendors and celebrate our team together.

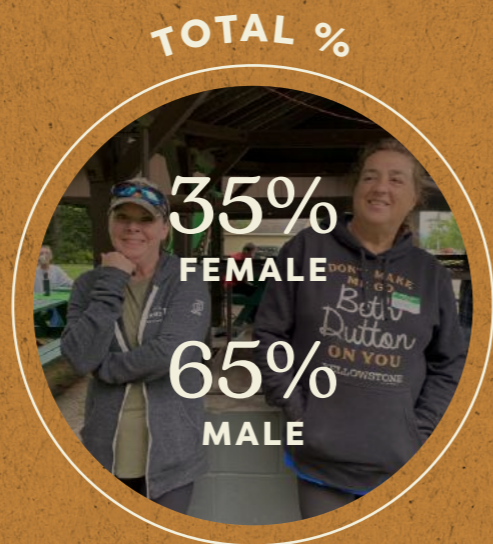
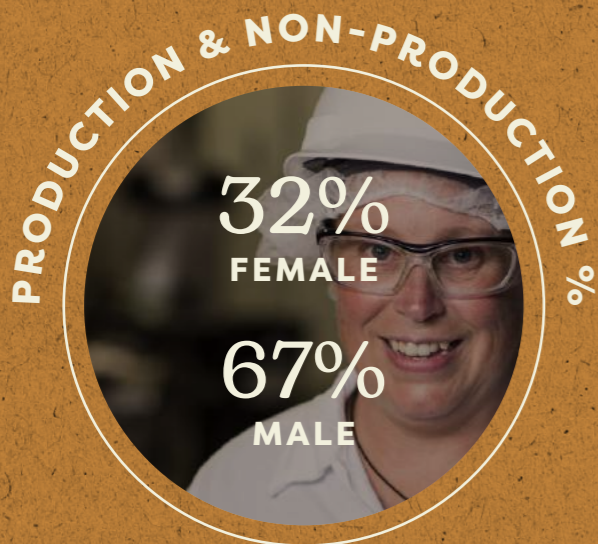




CELEBRATING GENDER DIVERSITY

We are proud to be female co-founded and female led.

With a leadership team comprised of 57% women, and women representing 45% of supervisors and managers, we value and elevate female voices throughout the Creamery, every day.



ORGANIZATIONAL PARTNERS



Supporting our community here in Central Vermont, in our artisan cheese industry, and statewide is paramount to our mission. We are happy to offer time, funding and public support to various local organizations that align with our values and support our mission.



IN 2022, VERMONT CREAMERY PRODUCTS WON A TOTAL OF 44 Awards Across Our Product Line



2022 METRICS

GOAL	2022 TARGET	PROGRESS
Gender Representation	60% Male, 40% Female	65% Male, 35% Female
Gender Pay Equity	1 to 1	1 to 1
Engagement Rating in Safety Culture	Increase Year over year (89% in 2021)	100%
Living Wage	Living Wage for all employees (based on Washington County, VT \$22.44: 2 kids, 2 working adults)	\$18.33
Turnover	<40%	33%
Employee Engagement	Improved score	66% (-2)
Cash Donations	Increase Year over year	18% Increase
Number of Goat Farms	Increase goat farms supplying milk to Vermont Creamery	15 Farms
First Pass Quality	96%	95.5%
Renewable Electricity Sourced for Facilities	100%	100%
Raw Product Loss	Reduce by 50%	Reduced by 69%
Waste Sent to Biodigester	N/A	1,680,812 gallons

ESTD 1984

VERMONT
CREAMERY®

You'll never eat anything
we don't believe in.

LEARN MORE ABOUT OUR MISSION TO MAKE DAIRY THAT
TASTES BETTER BECAUSE IT'S MADE BETTER.

[VERMONTCREAMERY.COM/MISSION](https://vermontcreamery.com/mission)

