

2021
**MISSION
REPORT**

**WE MAKE DAIRY THAT
TASTES BETTER BECAUSE
IT'S MADE BETTER**

ESTD 1984

VERMONT
CREAMERY®

A LETTER FROM OUR PRESIDENT

This year our business — like many — shifted from managing the initial challenges of being an essential food producer during a pandemic to navigating the waves of disruption and uncertainty that followed.

We maintained our commitment to placing our 125 Bettermakers first, focusing on depth of impact versus promises that are easy to make, yet lack substance. We worked to stay grounded in our roots; our company started as a mission-led artisan cheese and butter making company located in the green hills of central Vermont 37 years ago, and nearly four decades later, our people are still the heart of this company, churning delicious cultured butter and making fresh goat cheese.

This year we saw the tightest labor market in years, volatile commodity markets, increasing costs in all directions, the strain of a second year of a global pandemic on the already-stretched parents in our workforce, and news about our changing climate that is coming even faster than many anticipated. We led through our culture of care and the incredible resilience and passion of our Bettermakers — strong culture is

not only in our dairy products but in every corner of our business.

As a team, we continue to manage our rapid growth while balancing care of our people, farmer-suppliers, customers, and community. *And* this is a year that took what we had, and then some. I closed the year working side-by-side with our employees on the production line. We kept our spirits up through early mornings and long days with light-hearted jokes and high-fives for a job well done.

Growing a business must be linked with growing its impact, and this year we placed our purpose and mission to the test, proudly recertifying as a certified B Corp under even more rigorous standards. Today there are nearly 5,000 B-Corp-certified businesses globally, in contrast to 2014, when we were one of the first 1,000 businesses to certify. This movement of responsible businesses that chose

to be measured against high standards for social impact and sustainability is not a mistake or a trend. It is a real movement — a reckoning of the role of business as we increasingly understand its responsibility to create positive changes in our economy and society. We all, B Corp and non-B Corp businesses alike, have much work to do and a long runway before we truly catch up with our impact.

In this report you will see our continued focus on being an inclusive employer-of-choice, offering a path for women to grow their career and be supported in manufacturing, while advocating for systemic changes such as universal childcare and affordable housing. We are also working with partners to build the infrastructure to accelerate dairy diversification in New England, with a goal of serving the next generation of farmers, cheesemakers and consumers as we lead the market with our delicious goat cheese products nationally.

Lastly, I want to thank all the people in our community who contribute to the substance in this seventh annual mission report. Our consumers who discover us each day in their kitchen and

build a love for our growing brand; our community of resilient and innovative Vermonters; our customers who have worked with us hand-in-hand for nearly four decades; the farmers who produce outstanding, quality milk so we can make our award-winning cheeses; and lastly our employees — there is a reason we call ourselves *Bettermakers* — they truly make each of my days better, and our world a little more delicious every year.

With gratitude,

Adeline

Adeline Druart
President, Vermont Creamery





Our communities demonstrated key skillsets this year: Collaboration. Creativity. Prioritization.

Each of these was instrumental for Vermont Creamery as well. Our team came together, again, to keep each other safe and to continue doing what we do best: create delicious products for our consumers to cherish, and ensure we are continuing to stretch ourselves towards big and ambitious goals.

This year we recertified as a B Corp. This certification is critical to measuring our progress and impact. Continuing to meet the standards, which are being raised as purpose-based becomes a standard business practice, is not something that we take for granted. Through the assessment, we look at our practices in each of five key categories and understand where we are succeeding and where we have opportunities to improve, while benchmarking against our fellow B Corps. While I manage our certification, it takes the commitment and expertise of our entire team to succeed.

We consistently score high in the categories assessing how we treat our employees and interact with our communities. Our benefits package, competitive wages, and inclusive environment continue to be pillars in how we retain, as well as recruit, our Bettermakers. Engaging with our communities — whether local, fellow artisan cheese leaders, or other B Corps — is important to us.

We will continue to push ourselves towards a positive impact on the environment by focusing

on efficiency, optimization, and reducing waste. We made great progress this year in digging into our various waste streams, defining new opportunities for improvement, and aiming to reduce our environmental impact. We have new partnerships in development that we will solidify in 2022 that will be beneficial for our local farms and reduce our carbon impact.

We will continue to drive our business towards impact. In the year ahead, we will set some big and exciting goals for our business within the pillars of our Sustainable Business Strategy. We care about the future of sustainable food systems, the dairy industry, climate, and our communities, and we know our consumers, customers & peers also care. The pandemic has only strengthened the value and urgency of each of these issues.

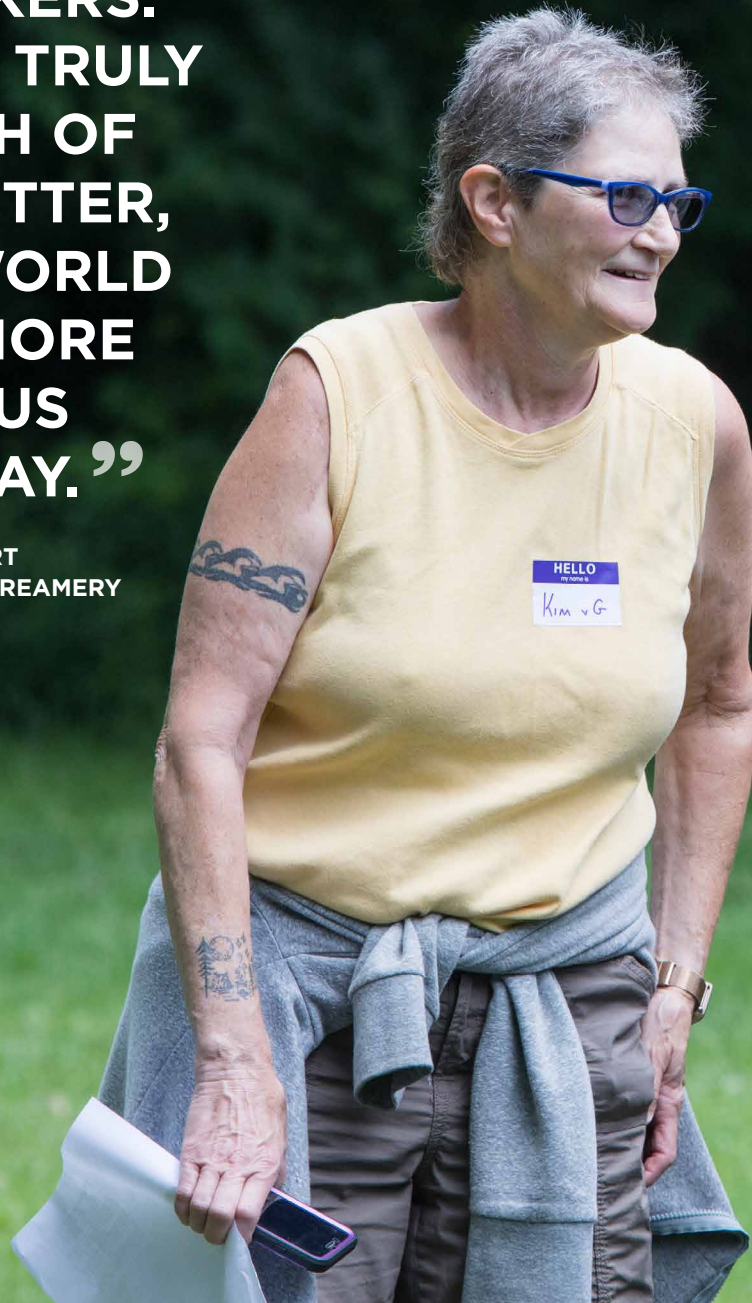
ELIZA

Eliza Leeper
Mission Manager, Vermont Creamery



**“ THERE IS A
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CALL OURSELVES
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**ADELINE DRUART
PRESIDENT, VERMONT CREAMERY**



COMPANY OVERVIEW

Responsible Growth

- Founded in 1984, Celebrating 38 years in Business
- 11.8% Revenue Growth YoY
- Recertified as a B Corp



Stakeholders

- 125 Bettermakers
- Supplied by 19 Goat Farms
- Cows' Milk Not Treated with rBST*, Sourced from a Dairy Coop Supplier



Product

- 53 Products Across Fresh Goat Cheese, Aged Cheese, Culinary Creams, and Cultured Butter
- #1 Goat Cheese Brand in US**
- Goat Cheese Portfolio Growing at 3x Category Rate**
- 6 Top-Ranking Product Awards Across Portfolio
- Introduced Sour Cream platform



Brand

- 119 Pieces of Original Content Created
- 4 Billion Brand Impressions
- Recognized as a Top 20 Purpose-Led Brand
- Advocated for Universal Childcare and Sustainable Food



*No significant difference has been shown between milk derived from rBST-treated and non-rBST-treated cows.

**Source: IRI, 2021 year in total



Recertifying as a B Corp

Using our Business as a Force for Good



Our business was born in the green hills of central Vermont in 1984, and grew with a set of basic tenets, including putting people first and working for a positive impact. When we formalized our “business for good” approach by becoming a certified B Corp in 2014, we had already been quietly adhering to similar standards of the certification for twenty years. For us, becoming a B Corp gave us a northern star to shoot for, a roadmap to get there, and a commitment to transparently sharing our progress publicly. It also solidified our commitment to putting stakeholders first even as we embarked on an ambitious growth journey.

This year we once again recertified as a B Corp, a practice that is conducted every three years to ensure that B Corps are continuing to progress against ever increasing standards. The B Impact Assessment audits and scores companies in Governance, Workers, Community, Environment and Customers. Vermont Creamery's overall B Impact Score this year is 83.3.

We are proud to have recertified for the fourth time and look forward to continuing to build our work and impact as a business.



CULTURE IS
NOT JUST IN
OUR PRODUCTS;
IT'S IN OUR
PEOPLE.



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 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 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 SUPPLIES

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

UN SUSTAINABLE DEVELOPMENT GOALS

Our strategy supports several of the UN Sustainable Development Goals, specifically:



Goal 2 Zero Hunger: End hunger, achieve food security and improved nutrition and promote sustainable agriculture.

Goal 8 Decent Work and Economic Growth: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.

Goal 12 Responsible Consumption and Production: Ensure sustainable consumption and production patterns.

OUR HANDS



Our people are the heart of all we do, and as we've navigated the past year, we're proud to say we've prioritized their safety, grown our team, and supported them with care.

Celebrating Bettermaker Day Together

After taking a year off, we were thrilled to come together as a team of Bettermakers for a day of celebration and learning. We call ourselves "Bettermakers" because each day we aim to make the world a better place — whether it's the work of making our cheese and butter or the helping hand

we share with a neighbor. On this day in July we packed backpacks for local kids, celebrated our B Corp Recertification, but most importantly shared stories and laughter as we broke out the obstacle course, trivia games, and tie-dye t-shirt decorating.

Building camaraderie is important to our team and is the glue that holds us together as we work so hard. We're grateful for the chance to be back together in person this year.



GOAL	TARGET	PROGRESS
Gender Representation	50/50	<ul style="list-style-type: none"> •50/50 leadership •60% female supervisor/management •33% female manufacturing workforce
Gender Pay Equity	1:1	Consistently perform pay reviews to ensure pay equity
Safety	3 Ergonomic Improvement Activities	4 completed
Safety (Recordables, Training)	10% training completed	100% training completed
Living Wage	Living wage for all employees, based on Washington County, VT \$22.44 (2 kids, 2 working adults)	\$17.25 lowest base pay rate
Internal Promotions	Increase YoY	17 promotions (+ from 6)
Turnover	30% Turnover	36% turnover (-3%)
Employee Engagement	Improved score YoY	69% engagement index (+12% YoY)
Benefits that Support Families	Strong benefits that meet or exceed market standards and support working parents	Generous benefit programs include healthcare, dental vision, disability, and life insurance; 401k match; tuition reimbursement; time off and leave of absense programs.
Product Available for All Employees	N/A	On-site cooler with free product available for all employees in Vermont

GENDER BREAKDOWN	MALE COUNT	FEMALE COUNT
President		100%
Leadership	50%	50%
Supervisors & Managers %	45%	55%
Production & Non-Production %	67%	33%
Total %	64%	36%

DIVERSITY BREAKDOWN	
Black or African American	3%
Asian	1%
Hispanic or Latino	1%
White	95%



Installation of our new Mamava pod in our manufacturing facility.

Supporting Our Women

The pandemic has disproportionately impacted women around the world in areas including unemployment, hunger and food insecurity, domestic violence, and illness. Women have also been on the front lines as health care workers, caregivers, and were often primarily responsible for the care of home and family. Roles held by women often include lower paid jobs that have been deemed “essential jobs” during the pandemic. We recognize that our food manufacturing jobs are included in this space. Because manufacturing jobs often are interdependent, they may offer less scheduling flexibility and remote work opportunity. We added additional pandemic paid leave to our programs to help our workers balance COVID disruption for their own health and their families.

In addition to increased paid leave, our actions have further benefited women by ensuring equal opportunity for promotions; ensuring leadership openings are visible and adding a Mamava Pod to further support our breastfeeding employees.

Our history as a great place for working women began with one of our founders. We are proud that more than 50% of our leadership team continues to be comprised of women and we are deeply committed to continuing to support the women and working mothers on our team.



The new Mamava pod installed in our production facility allows a private and convenient location for breastfeeding mothers on our team.

Building our Safety Culture

Above all, we aim to send our employees home to their families safely each day. In 2021 we



ENGAGEMENT RATE IN
SAFETY CULTURE

achieved our longest stretch in the history of our business without a recordable injury. We set and hit targets for training every employee on safety

programs within their areas, completing engagement activities based on safe behaviors and practices, and involving the entire team in driving improvements in the workspace and procedures.

Our commitment to safety extends to preventative care and ergonomic analysis, and we we partnered to conduct 250 individual consultations and projects, including design changes that improve our process for our employees.

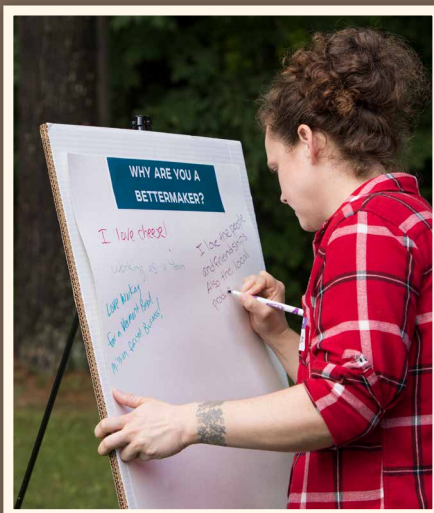
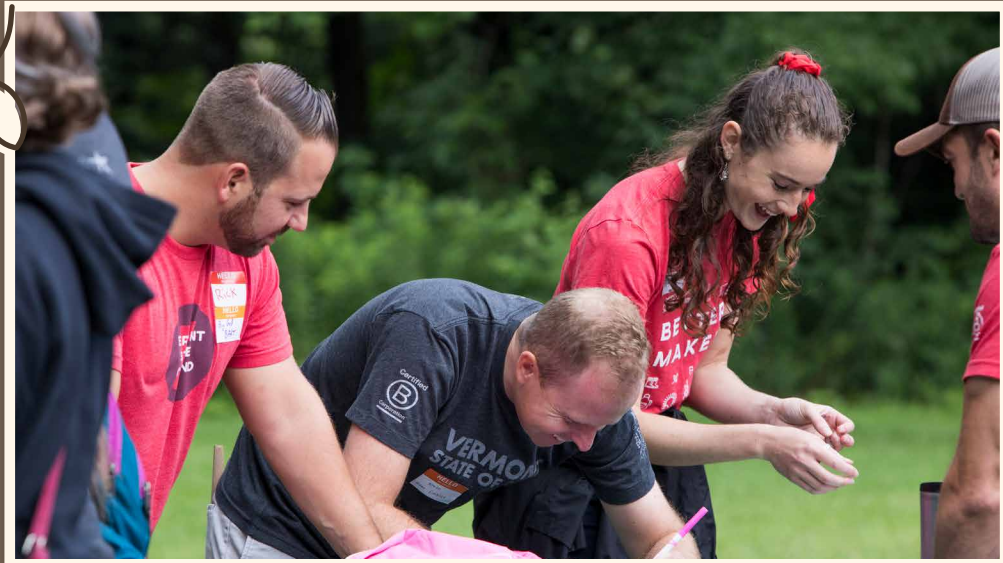
BETTERMAKER DAY



2021

Bettermaker Day is our annual celebration of our team, and our shared mission of making dairy that tastes better because it's made better. Our entire team comes together for a day of fun, volunteering, learning, and camaraderie.





OUR ROOTS



We support our communities with food while we work toward structural change that builds health and resilience in the future.




Celebrating Local Food at Montpelier Alive Food Festival

This year we were proud to sponsor the Montpelier Food Festival, a local event celebrating the vibrant food culture of Vermont. We sampled our cheeses as well, sharing the gift of delicious flavor with crowds who were eager to reconnect over food.



GOAL	TARGET	PROGRESS	HIGHLIGHTS
Cash Donations	Increase YoY	\$39,322	\$10,000 to Vermont Foodbank on Giving Tuesday
Product Donations	N/A	28,563 lbs	
Advancing Women KIPs	Private, dedicated breastfeeding facilities in manufacturing building	Completed June 2021	Partnered with Mamava
Support for Universal Childcare	H.171 passed to ensure universal childcare in Vermont	Bill passed, Act 45	Supported LGK as they partnered with early educators to create 1,442 new childcare spaces statewide

ORGANIZATIONS SUPPORTED

 Annual Celebration Sponsor	 Champion Member	 Corporate Circle Sponsor	 Education Sponsor	 Product Donor
<p>Support contributes to annual grantmaking program that funds organizations that advocate for economic security, provide job training, promote self-sufficiency, and address the intersectionality of race and gender equity.</p> 	<p>Our leadership team provides board leadership and in-kind support for VBSR, a statewide non-profit business association with a mission to leverage the power of business for positive social and environmental impact.</p>	<p>Supporting quality, affordable childcare in Vermont, achieving:</p> <ul style="list-style-type: none"> • 2,581 new supporters joining the campaign for a total of 35,322 supporters • Passing H.171 (now Act 45) through the Vermont legislation • Partnering with early educators to create 1,442 new childcare spaces statewide. 	<p>Fostering the future of American artisan cheese by supporting rising mongers and newcomers to the cheese industry.</p> <p>Donation supported 27 attendees for the annual conference and ten educational webinars available in a library for all ACS members.</p>	<p>Supporting the state's largest hunger relief organization in their work to ensure all Vermonters have access to food every day through multifaceted support of product, money, and in kind.</p>

This year we celebrated local food at the first Taste of Montpelier Festival and shared our cheese and sour cream with our local community.



Supporting Universal Childcare



in unlocking opportunity and prosperity in so many sectors and facets of our society. In the state of Vermont, three in five children don't have access to childcare, and parents pay an average of 30% of their household income in childcare.

We were proud to support the work of Let's Grow Kids and to see the passage of ground-breaking Vermont legislation for universal childcare. The work in Vermont is building a blueprint for national universal childcare, as this is an issue that touches parents and communities across the nation.

Affordable, accessible, quality childcare is central to the health, vibrancy, and diversity of our community. It is a critical issue

Supporting the Vermont Foodbank

Food insecurity continues to be a critical issue in our communities, with a 23% increase since 2019 among Vermonters. With rising food costs, foodbanks are also seeing a steep increase in cost for the same amount of food, all while they are experiencing record-breaking demand for their services.

Land O'Lakes, the parent company of Vermont Creamery, generously donated 40,000 pounds of macaroni and cheese to the Vermont Foodbank — a gift that has an incredible impact on our small community.

Our neighbors — both in proximity and in mission — at the Vermont Foodbank are doing the increasingly important work of feeding our community. We partnered with them through the year, providing donations of food and money. We also rallied a team of our employees to raise funds for the Foodbank through the VSECU Point-to-Point ride.



OUR SUPPLIES



Without farms, there is no food. Our supplier-farmers are the anchor of the working landscape that is so important to all of our communities. We are grateful to partner with them to turn their fresh milk and cream into our delicious cheeses, butter and creams.



GOAL	TARGET	PROGRESS
# of Goat Farms	Increase goat farms supplying to Vermont Creamery	19 Goat Farms
% Ingredients Sourced Locally (within 200 miles)	N/A	67% of all product ingredients by volume
First Pass Quality Rate	96%	95.74%

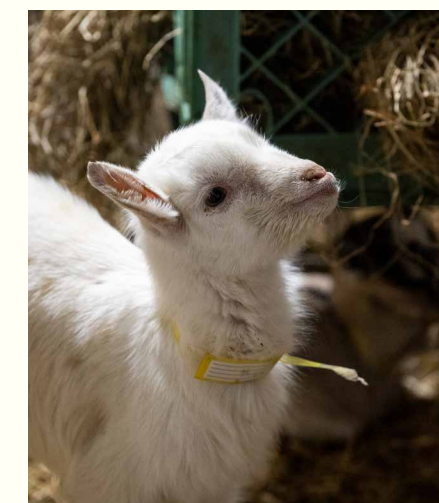
Building a Future for Goat Dairy

In 2021 we received our first shipment of goats' milk from Joneslan Farm, a fifth-generation cow dairy that transitioned to goat farming over the past two years. The Joneslan Family serves as an example of the bold ingenuity and resourcefulness of Vermont farmers, as they were one of the first farms in Vermont to transition from cows to goats, embarking on a learning journey that has served as an example for other farmers in the state and beyond.

year Vermont Creamery received a grant from the Northeast Dairy Innovation Center and will be partnering in 2022 with the University of Vermont to assess the network of support and services needed for farmers to successfully transition to goat farming.



Goat farming offers an alternative choice and brings further diversification to the Vermont agricultural system. Vermont Creamery is positioned to be an important partner in this process, providing a steady and growing demand for goats' milk and paying a premium for quality milk. While diversification is a promising prospect, further work is needed in order to educate, finance, and support the infrastructure. This



AYERS BROOK

GOAT DAIRY



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.



GOAL	TARGET	PROGRESS	HIGHLIGHTS
Carbon Footprint Measured/Reduced	Measure emissions	Scope 1, 2, and 3 measured via Carbon Neutral online assessment	50,000 Tonnes of CO ² Produced Annually
Renewable Electricity Sourced for Facilities	100% renewable electricity in facilities	100% renewable electricity in facilities	100% renewable electricity for facilities purchased from Green Mountain Power Cow Power Program
Consumer Packaging Recyclable	Increase percentage	80% by volume	Include case packs and consumer goods
Packaging Sourced from Recycled, Reused or Certified Sustainably Sourced Materials	Increase percentage	62% by weight	FSC certified butter cartons and case corrugate
Raw Product Loss	40% reduction	21% reduction in loss	
Volume Recycled	Increased percentage of total materials recycled	355 tons (+11%)	Increase of 34 tons

Reducing our Business Waste

As our business continues to grow, we are conscious of our environmental impact. This year, we focused on mapping out the various waste streams that exist within our operations and initiated work to drive waste reduction in our facilities. Through process improvement and equipment management, we reduced our silo loss by 21%.



Sustainable Packaging Commitment

While we already source FSC-certified butter cartons and lower resin plastic cups, we know there is more work to do to reduce the environmental impact of our packaging. This year we did the work to benchmark where we're at, identifying opportunities for improvement that will have the most impact. We're excited to continue the work to increase recyclability and composability of our product packaging. We are aligning with the Sustainable Packaging Coalition's standards

and have set a goal to convert our retail goat cheese packaging into a recycle-ready or compostable structure by 2025.





**WITHOUT FARMS,
THERE IS NO FOOD.**

**OUR FARMS ARE
ESSENTIAL TO THE
WORKING LANDSCAPE
IN VERMONT, AND
THE CORNERSTONE
OF A HEALTHY FOOD
SYSTEM.**



YOU'LL NEVER
EAT SOMETHING
WE DON'T
BELIEVE IN.



New Strawberry Spritz
fresh goat cheese.

Introducing VERMONT CREAMERY CULTURED SOUR CREAM



Our obsession with crafting delicious dairy found its way to sour cream shelves with the introduction of our new 22% cultured sour cream. We launched this rich and velvety new entrant to the dairy case in the fall, and the new trio — including classic plain, fire roasted onion and chive sour crème, and cilantro & lime sour crème — has been received with enthusiasm by consumers.

The New York Times

FRONT BURNER

The Plush Side of Sour Cream

Vermont Creamery's first sour creams are suitable for dipping in flavors like onion and chive or cilantro lime.



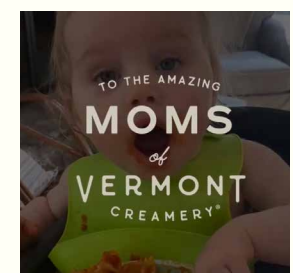
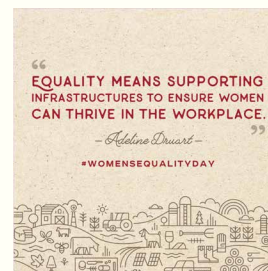
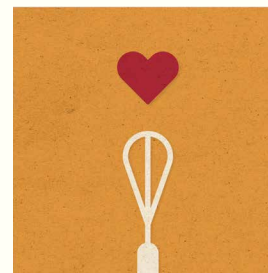
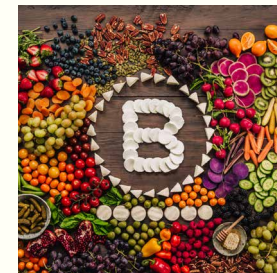
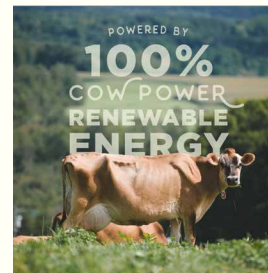
AWARD-WINNING TASTE

We're honored to have won some of the most prestigious awards for quality and responsible production across the portfolio.




SHARING OUR VALUES WITH OUR CONSUMERS

We believe in better business that makes the world a better place, and throughout the year we educated our consumers and used our platforms to share our values.



ESTD 1984

VERMONT CREAMERY®



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

VERMONTCREAMERY.COM/MISSION