

fa!rlife



2021

*Stewardship
Report*



Thank you for your interest in **fairlife's 2021 Stewardship Report**. In many ways, this year was one of our most successful.

While the pandemic continued, our teams worked diligently to keep our facilities safe. We brought much needed nutrition through fairlife products into more households this year than ever before – including new homes in Canada and China. We earned a Great Place to Work designation and continued to support communities across the country with our Grant Program.

From a sales standpoint, we reached a major milestone by achieving more than \$1B in annual retail sales. This incredible achievement is the result of truly extraordinary teamwork across the company and an unwavering focus on bringing great-tasting, nutrition-rich products to the market.

We are pleased to announce that our newest facility in Goodyear, Arizona became fully operational in 2021 – which added to our capacity and helped us continue to meet consumer demand and fulfil our customer commitments.

However, even in great years, difficult decisions must be made. To optimize production on our top selling products, we announced the retirement of two product lines – fairlife Creamers and Good Moo'd milk. We know it's disappointing for consumers to lose a favorite. Rest assured, innovation is always at the center of the fairlife spirit, and we have exciting new products planned for the future that deliver on the great taste and nutrition expected from fairlife.

When it comes to how we do business, our responsibility to care for people, animals and the planet remains our focus. To put these values into action, we committed to becoming B Corp certified and are on track to achieve this designation in early 2022. Our partnerships with our supplying farms and shared commitment to animal welfare once again resulted in 100% passage of critical care standards and after significant testing and learning we are getting closer to our long-term goal of 100% recyclable packaging.

In the following pages, we invite you to learn more about our priorities, progress, and plans. Thank you for reading and for your continued support. Best wishes for a great 2022.



Sincerely,
Tim Doelman
CEO, fairlife, LLC

Our Mission

We're on a mission to nourish the world with great tasting, nutrition rich products, but our products are just part of our purpose. At fairlife we believe in better - whether it be our better-for-you products or our commitment to caring for *people, animals, and the planet*, we put a focus each day on making a positive impact for all.





Care for People

Our greatest ambition is to bring high quality nutrition to everyone. Great nutrition extends beyond our products to supporting communities through our grant program and providing a great place to work for our employees.

Consumers



More than **30 million** households enjoyed fairlife products in 2021.



Added more than **12 million** pounds of high quality protein to American diets.



Removed nearly **2 million** pounds of sugar from the diets of those who drink fairlife vs other milk.



Introduced more than **a dozen** new products or reformulations to continue improving the taste and nutrition of fairlife products.



Community

FAIRLIFE GRANT PROGRAM

The fairlife Grant Program supports community organizations working to improve local food systems.

IN KIND DONATIONS

Our Coopersville plant donated over \$250,000 worth of fairlife products through the Food Bank Council of Michigan to help combat nutrition inequality in areas of high need.

IN THE PAST 5 YEARS:



awarded
\$450,000

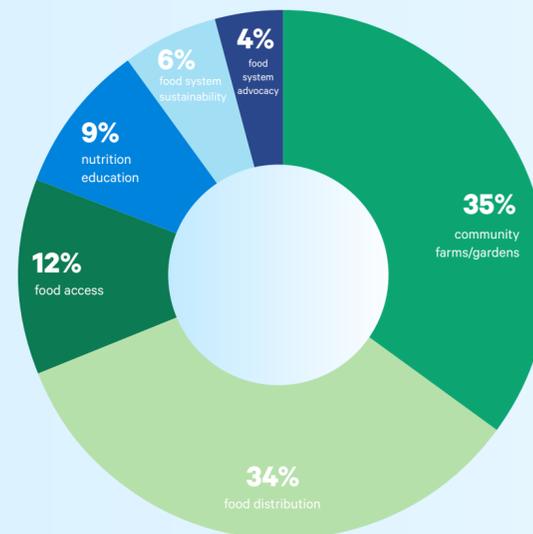


supported communities in
12 cities



funded
124 different
food organizations

IN 2021, WE SUPPORTED MANY DIFFERENT MISSIONS:



- community farms/gardens
- food distribution
- food access
- nutrition education
- food system sustainability
- food system advocacy



Employees



Earned the designation of “Great Place to Work”

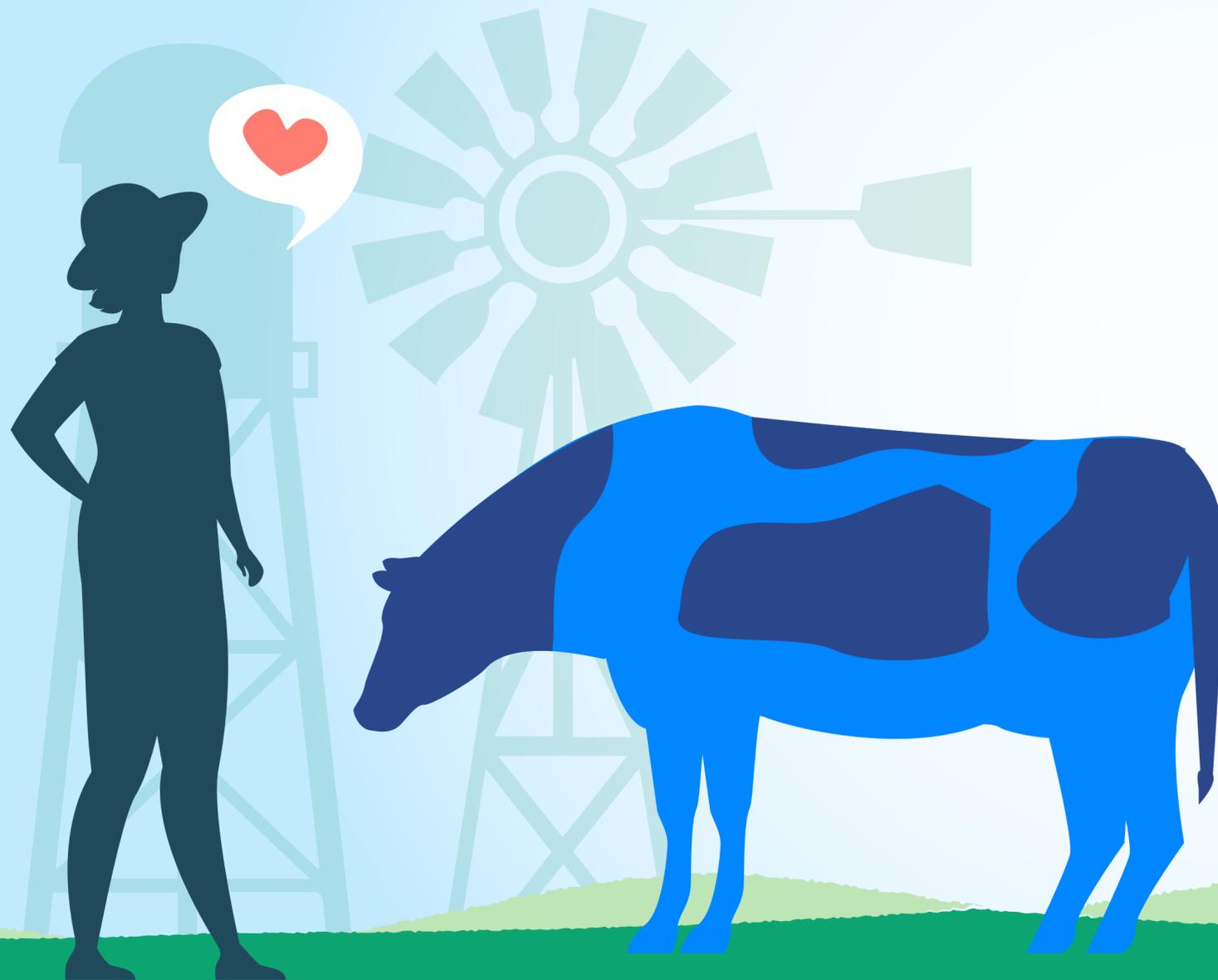


Grew our workforce by more than 10 percent



Launched our first Women's Business Resource Group, focused on fostering and empowering women leaders





Care for Animals

Caring for animals is a top priority and it all begins with strong relationships with our supplying farms. We are committed to working with our partners to continuously improve the care of the cows that provide us with milk.

Animal Care

INVESTING IN ANIMAL CARE

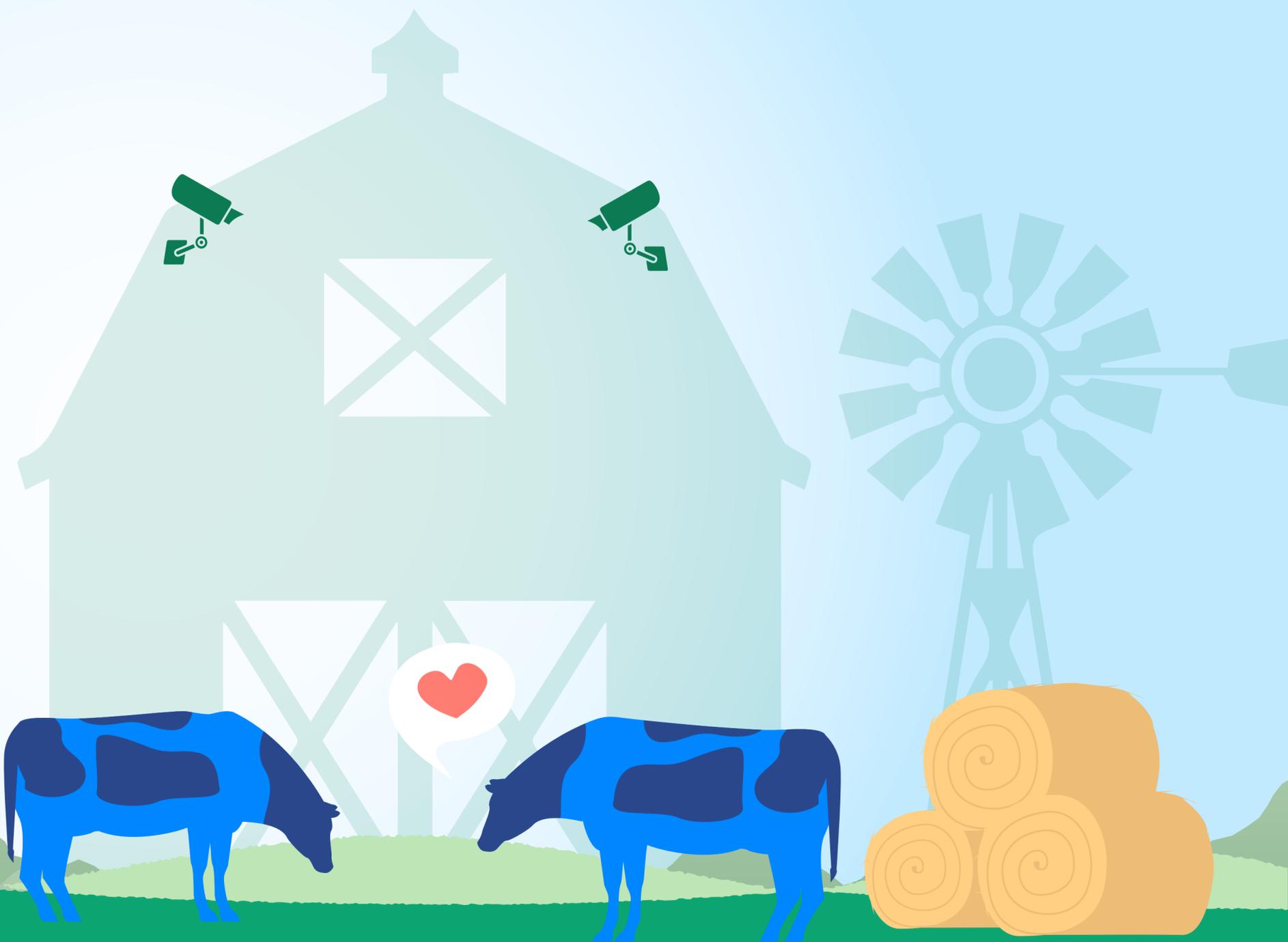
We invested more than \$8 million in 2021 to support our supplying farms in the implementation of our animal welfare standards and to explore new methods and technologies to improve animal care. These investments covered a wide range of activities, among them:

Development of Stronger Governance Framework

We partnered with a company that works to build resilient, restorative and biodiverse food systems, to develop a governance framework for our supplying farms.

New Technologies & Camera Monitoring

We are working with our supplying farms to install camera monitoring that monitors all human-animal interaction. We are also piloting artificial intelligence (AI) camera monitoring.



Audits and Certification of Our Supplying Farms

AUDITS

We have a robust auditing process for all of our supplying farms led by third-party partners. All of our full-time supplying farms undergo quarterly, unannounced audits. In 2021 this totaled more than 100 audits across our supply chain. We're pleased to share that all farms passed 100% of critical care areas.

CERTIFICATION

All of our full-time supplying dairy partners are audited by **Validus**, an independent third-party animal welfare certification firm, and are certified in Animal Welfare, Worker Care, and Environmental Practices.



Strengthening Farmer Partnerships

GROWING OUR FARM NETWORK

We formed new partnerships with Arizona dairy farms to supply milk to our new facility in Goodyear, Arizona. These farms come on board with a commitment to our robust standards and great animal care.

RECOGNIZING OUR FARM PARTNERS

To recognize progress and celebrate success, we launched our first ever Animal Care Awards programs. The awards are meant to recognize innovation, progress and extraordinary efforts towards sustainable animal care.





Care for Planet

Being a good steward of the planet and its resources is more important each day, and fairlife is rising to the challenge as we embark on our journey towards a world without waste.

ROAD TO 100% RECYCLABLE PACKAGING



Our goal is to have all products in 100% recyclable packaging by 2025.



To bring us closer to achieving this goal:

- We conducted extensive research on various recyclable materials and packaging options to help determine our best path forward.
- We launched new products and market tested single serve bottles in clear PET, which better supports recyclability and material circularity. We are now actively working on viable solutions for all our packaging.



SUSTAINABLE CULTURE BUILDING

To reinforce a sustainable mindset throughout our workforce, we launched our Sustainable Culture Team. Comprised of representatives from across the fairlife facilities, the team works to identify and address opportunities to make more sustainable choices in our offices and plants.



Carbon Footprint Across our Supply Chain

LIFE CYCLE ASSESSMENT

In 2021, we completed a life cycle assessment with Ohio State University that provided us with a better understanding on our carbon footprint across our supply chain - from growing feed for cows to making our product to delivering it to our customers. Our focus now is on improving our carbon footprint in 3 key areas:



Heating & cooling

These processes ensure the quality of our product but take a lot of energy



Electricity

We are looking at introducing solar panels to generate electricity



Transportation

We are working to improve logistics and take miles off the road.

Plant Efforts

SPOTLIGHT ON OUR MICHIGAN FACILITY

Running a more efficient operation is especially important as we continue to grow and scale our business. In 2021, we were able to reduce gas and electricity usage by 8% per case. A significant start that we'll continue to improve upon.

Our Coopersville plant is now turning waste into energy by working with local farms with anaerobic digestors that turn waste into usable energy.



2022 goals

PEOPLE



Expand the fairlife Grant Program



Strengthen our Diversity, Equity and Inclusion plans



Partner with the Healthy Living Coalition to address nutrition inequality across the country

ANIMAL



Continue to strengthen animal welfare capabilities and install camera monitoring at all full-time supplying farms



Expand our Animal Care Awards program and share successes across our supplying farms



Deepen our relationship with our Animal Welfare Council to further develop industry leading guidance and framework

PLANET



Achieve B Corp Certification



Continue exploration of environmental efficiencies at our plants, including solar panel installation



Launch additional products in 100% recyclable clear PET material



The Decision to Become B Corp Certified

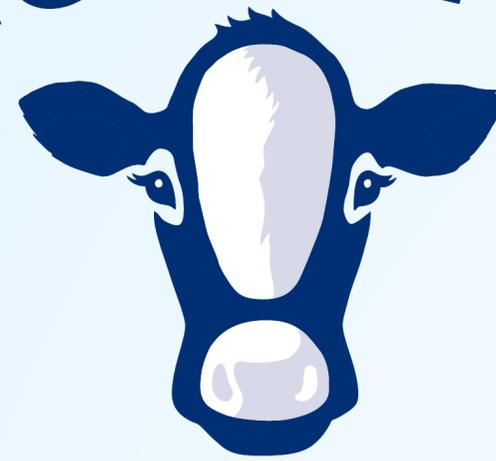
In 2021, fairlife made the decision to seek B Corp certification for a number of reasons, chief among them that B Corp certification exemplifies our organization's goals and values.

B Corps are businesses that value progress in social good and sustainability as equal to economic growth. It is a community that is committed to continuous improvement to make business a force for good.

Through B Corp certification, we are able to measure our efforts as we keep building off our strong foundation.



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