

# MADE FOR MORE.

SOCIAL RESPONSIBILITY REPORT 2023



MILK  
SPECIALTIES  
GLOBAL



We recognize the impact that our operations have on the environment and our communities. As a result, we make it a priority to implement sustainable practices into every facet of our business strategy to ensure that we conduct ourselves in a responsible and ethical manner. In this report, we strive to transparently share the results of our efforts to mitigate our impact on the long term health of nature, and improve the lives of the people around us.



Visit our website at [milkspecialties.com](https://milkspecialties.com)

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# A MESSAGE FROM OUR CEO



*"In many ways, the past year was a watershed year for Milk Specialties Global. Not only in terms of business, but also in terms of sustainability. We have a long road ahead of us, but we are committed more now than we ever have been."*

A handwritten signature in white ink that reads "David Lenzmeier".

David Lenzmeier, CEO

# OUR FOCUS

Milk Specialties Global was founded on the principle of upcycling – turning something considered waste into something of value – and we believe wholeheartedly in doing right for the environment. As a food ingredients company with deep ties to agriculture and dairy, we affirm to the family farm mantra of creating a better situation for the generations to come.

## WHAT WE STAND FOR

### Tracking and Understanding Our Environmental Impact

Milk Specialties actively tracks a range of metrics, including greenhouse gas emissions and water usage, to measure our usage of resources. Throughout this report, we will share data that we collect and provide transparent analysis.

### Continuous Improvement

Whether it is the amount of diesel fuel we utilize in our equipment, or the kilowatt hours of energy required to make one pound of our product, we expect a gradual improvement in the areas where we make the largest impact on the environment.

### Transparency as a Solution

With deep ties to the dairy industry, we believe that dairy can be a sustainability solution. With widespread adoption of new technologies, such as methane digesters, dairy farms have the ability to power our homes and vehicles while providing high density nutrition with less land. Scientific advances in dairy nutrition and waste management lead us to be confident that dairy can be an environmental solution.

### Working with Partners

No single entity will ensure food processing and associated supply chains become carbon neutral. It will require partnerships built on trust. We believe in setting competitions aside when it comes to making environmental improvements. That includes consulting with competitors on how we implemented environmental improvements or reaching out to competitors when a solution can be achieved by working together.



# S.E.C.R.I.T.S

MILK SPECIALTIES GLOBAL **VALUES** ACRONYM

Our S.E.C.R.I.T.S. program allows our employees to recognize their fellow coworkers whom they have observed going above and beyond while demonstrating one or more of the following principles critical to our company's success.

## SAFETY

Our first consideration is the health and safety of our workers, the animals in the supply chain and all the products we produce are safe for their intended use.

## ENTREPRENEURIAL

We start with "yes," approaching challenges and opportunities with the belief that we can get the job done.

## CONTINUOUS IMPROVEMENT

We work together with all stakeholders to ensure MSG is constantly evolving and enhancing to achieve excellence every day.

## RESULTS DRIVEN

We expect passion and strong work ethic of each other and view the outcomes of our work as the key measure of success.

## INTEGRITY

Our business is built on trusting relationships, doing right by suppliers, partners and each other is non-negotiable.

## THRIVE & GROW

We strive to create a workplace environment where all employees can develop, thrive and grow.

## SUSTAINABILITY

We encourage everyone to share new ideas and establish protocols that lead to positive environmental outcomes and efficiencies in energy, water, waste and GHG emissions.

We are excited to introduce **sustainability** as a new core value within our company. By incorporating sustainability into SECRITS, we recognize the importance of understanding our environmental impact and promoting long-term improvements in all areas of our operations.

# MSG TIMELINE

**MILK SPECIALTIES GLOBAL**



**1944**

Founded in Dundee, IL.

**1989**

Launched Energy Booster, our signature dairy cattle supplement.



**2009**

Started contract manufacturing following acquisition of facility in Wautoma, WI.



**2014**

Became the single largest producer of whey protein isolate in North America.

Initiated "Whey Better Communities," a charitable-giving program designed to support the communities where we live and work.



**2021**

Fond Du Lac, WI facility begins production of lactoferrin.

Acquired Kay's Processing expanding product portfolio with extruded protein.



**2023**

Completion of casein manufacturing facility in Jerome, ID, the first casein plant in North America.

**1976**

First to market with a milk replacer made with dried whey.



**2008**

Expanded into food-grade production with acquisition of Mountain Lake, MN facility.

**2013**

Conserved 55 million gallons of water through installation of water-recovery equipment at Visalia, CA facility.

**2017**

Received Validus Certification for Dairy Animal Welfare at Norfolk, NE facility.



**2020**

PRObev™ wins the Breakthrough Award for Dairy Ingredient Innovation from Dairy Foods Magazine.

**2022**

Received U.S. Dairy Sustainability award for Excellence in Dairy Processing.



## HEADQUARTERS

Eden Prairie, Minnesota

## MANUFACTURING

12 facilities in California, Idaho, Illinois, Minnesota, Nebraska and Wisconsin

## WORKFORCE

**2020** - 841 employees

**2021** - 1,015 employees

**2022** - 1,151 employees

## DISTRIBUTION

Products reach 44 countries across six continents



# A BRAND BUILT ON UPCYCLING

Before becoming a leading global manufacturer of protein and food ingredients, Milk Specialties Global (MSG) was founded on the principal of upcycling. Midwest Dried Milk Company, as Milk Specialties Global was known in 1944, began as an animal feed company that reclaimed leftover whey from the cheesemaking process. The nutrients in the whey were captured, dried and used in milk replacer and other animal feed products - a novel idea at the time that ultimately led to MSG being an early pioneer in milk replacer manufacturing. Milk Specialties co-founder, the late Merle Nesbit, described to the Chicago Tribune in 1993 how whey was perceived around the time the company was founded.

**"BACK THEN, IT (WHEY) WAS A PROBLEM FOR THE CHEESE MANUFACTURERS TO GET RID OF IT. THEY WERE DUMPING IT IN STREAMS, AND IT WOULD POLLUTE THE STREAM AND KILL THE FISH."**

**-MERLE NESBIT CO-FOUNDER, MILK SPECIALTIES**

Today, Milk Specialties Global is the largest purchaser and upcycler of whey in the world. We supply protein and ingredients to some of the top food brands and there is a strong likelihood you have some of our ingredients in your pantry or refrigerator right now without realizing it. While our product portfolio has expanded and diversified since our founding, our goal remains the same: **to capture every last gram of nutrition in milk and other products we process to help feed the world.**

## UPCYCLING

*verb*

Reuse (discarded objects or material) in such a way as to create a product of higher quality or value than the original.

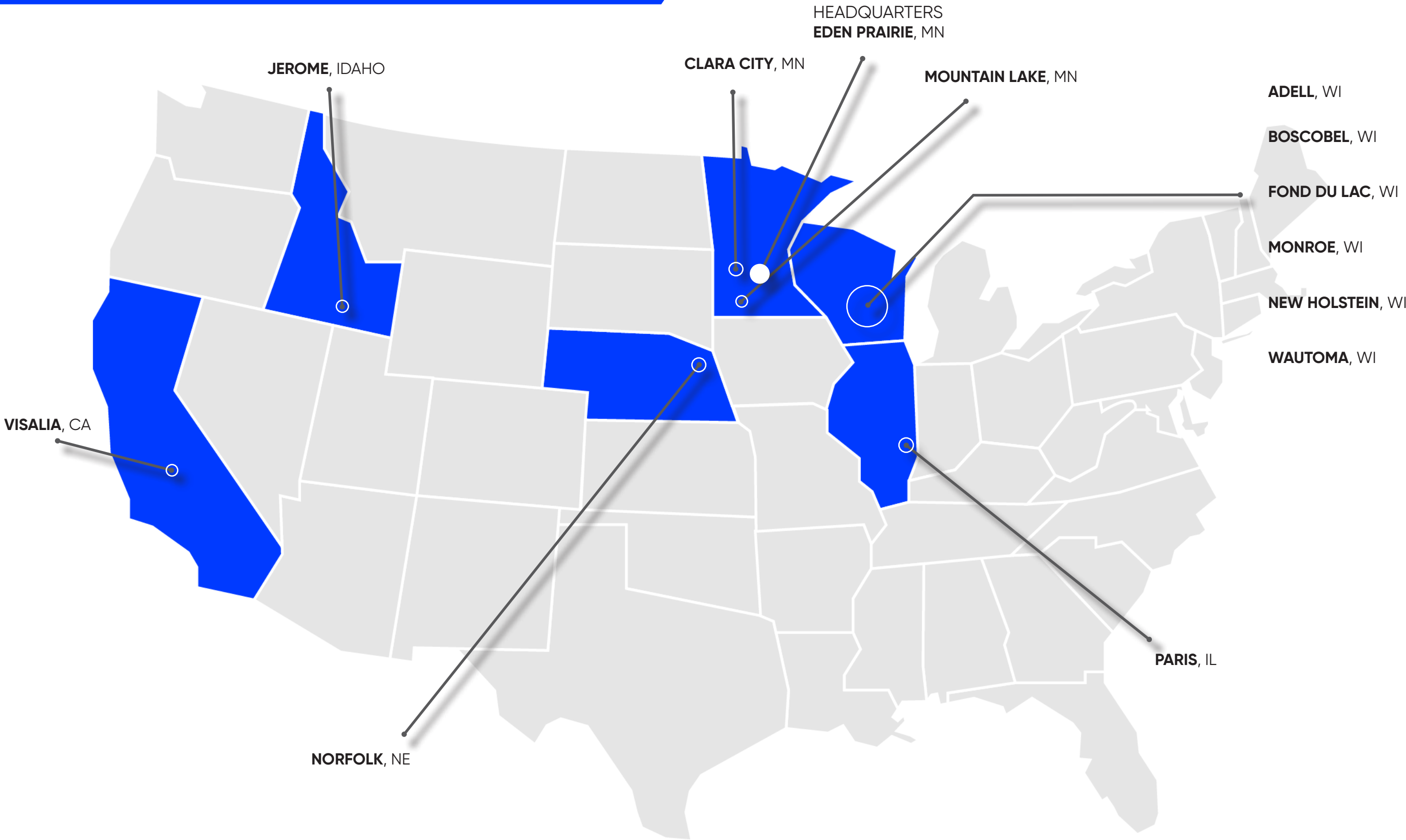
## SUSTAINABILITY

*noun*

Preserving and protecting natural resources and ecosystems to ensure their availability and health for current and future generations



# OUR FACILITIES






# CIRCULAR BUSINESS MODEL

Our full circle model shows how both sides of our business support the agricultural supply chain. We produce animal nutrition products to help grow and maintain generations of dairy cattle. While our human nutrition business supports the farmer's milk check by acquiring milk and whey components, then converting them into high value ingredients for consumer products.



# ENERGY & ENVIRONMENT



At our Clara City facility, 17% of the overall electricity usage in 2022 came from cleanest and most abundant renewable energy source available, solar energy.

IN 2022, WE SHIPPED

**2300**

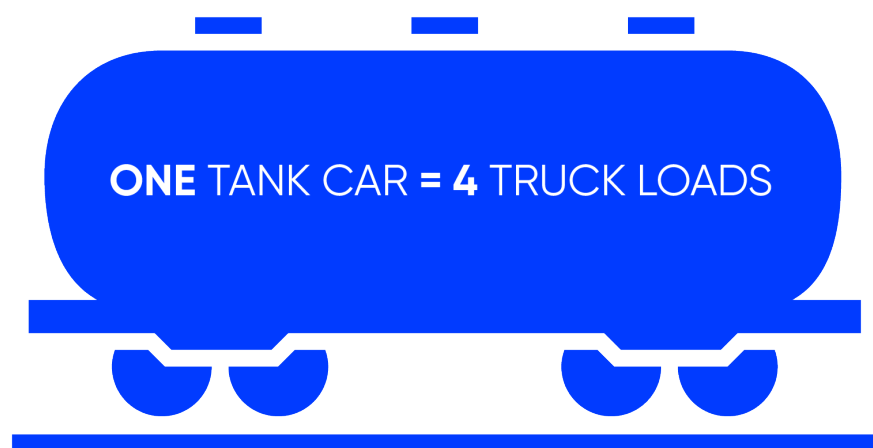
HOPPER CARS WORTH OF PRODUCT  
**11.7% INCREASE**  
FROM THE PREVIOUS YEAR

THATS THE EQUIVALENT OF TAKING

**9200**

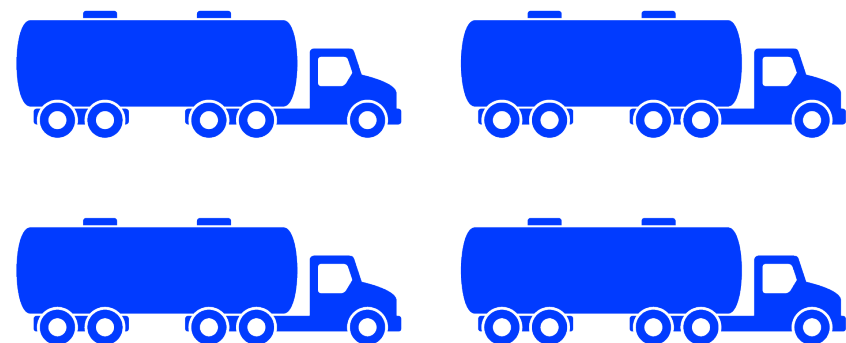
TRUCK SHIPMENTS  
OFF OF OUR HIGHWAYS

THIS IS EQUIVALENT TO CO<sub>2</sub> EMISSIONS FROM  
**1,191,876 GALLONS** OF DIESEL BURNED



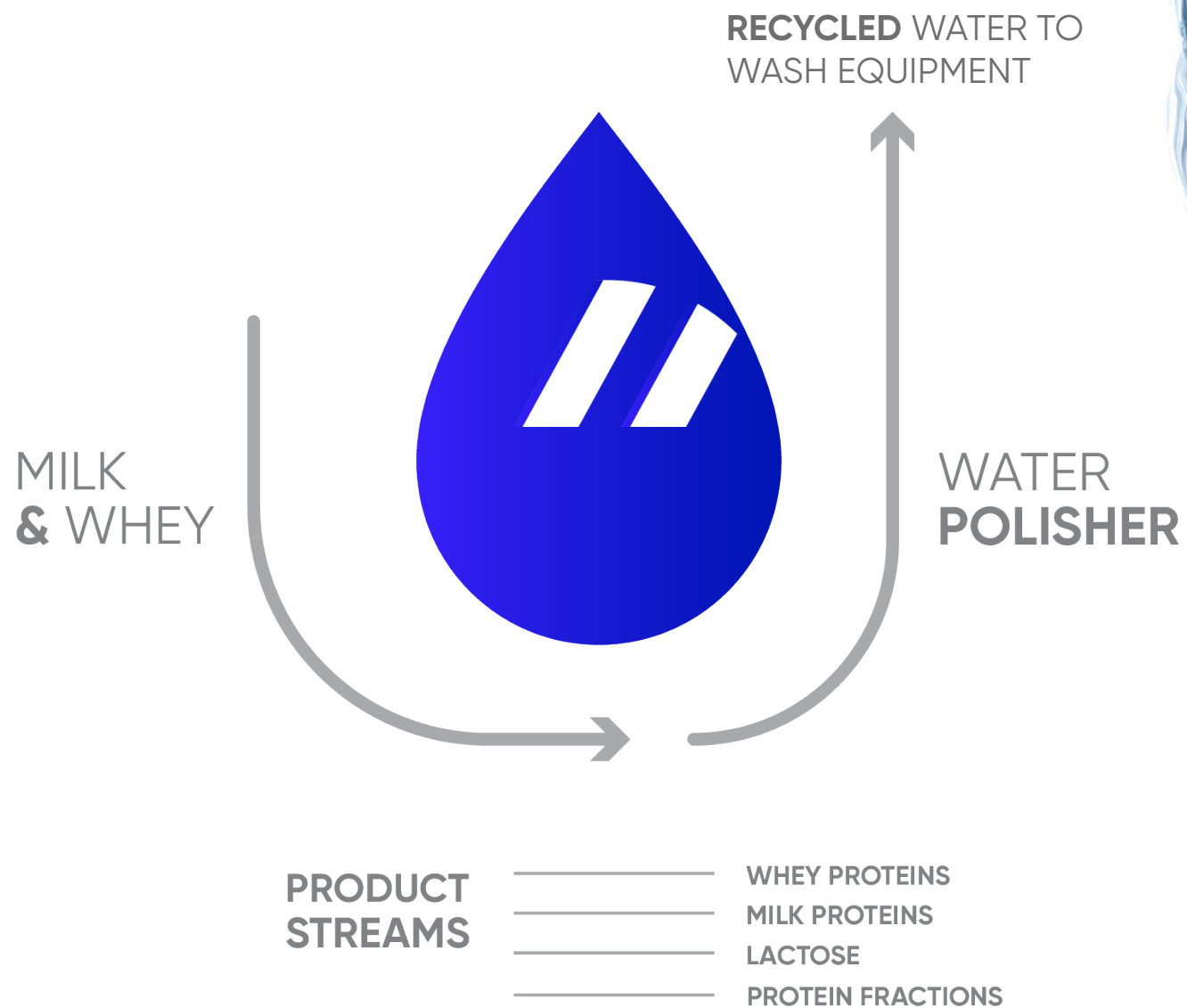
WE MADE **337 INTERMODAL SHIPMENTS** IN 2022

THIS IS EQUIVALENT TO CO<sub>2</sub> EMISSIONS FROM  
**128,782 GALLONS** OF DIESEL BURNED



## TRANSPORTATION EFFICIENCY

To promote efficient energy useage, we focus on transportation efficiency and have implemented measures to optimize our operations. Our approach includes using intermodal transportation which combines the use of rail and truck transportation on shipments. This allows us to leverage the strengths of each mode of transportation, reduce costs, and minimize our environmental impact. We also use tank cars and hopper cars to transport products by rail, which is more efficient and more eco-friendly than trucking. By prioritizing transportation and resource conservation, we can ensure responsible and efficient transportation of our products.



## CONSERVING A VITAL RESOURCE: **WATER**

While most of Milk Specialties' facilities are not in areas considered to be water stressed, we make it a point to conserve this precious resource. We continue to focus on water reclamation and water purification by leveraging the latest technology to capture "waste" water and clean it using reverse osmosis filtration.

We have made significant investments in our facilities over the past decade to clean and recycle the water we use. Milk Specialties Global continues to look to processing technology and water use reduction, and coupling these efforts to the Clean Water Act initiatives, to ensure that we continue to be stewards of this valuable resource.

This is especially important for our Visalia, CA facility which is located in the Tulare Basin, a water stressed area of California. Our Visalia facility creates an **annual water surplus of nearly 48 million gallons.**


At MSG, we put **MORE** water back into the local water systems than we take, making us water positive. We produced **221,122,538 gallons** of water surplus in 2022.

# WATER RECYCLING

MSG's dairy processing operations recover significant volumes of clean water (polished water leftover from milk processing), which is then used for cleaning or returned to nature. These volumes significantly offset our demand for fresh water.

TOTAL GALLONS RECYCLED  
**304,793,250**



 = MILLION GALLONS RECYCLED

FOND DU LAC,  
WISCONSIN | 143,810,000  
GALLONS

MONROE  
WISCONSIN | 82,200,000  
GALLONS

MOUNTAIN LAKE,  
MINNESOTA | 48,960,000  
GALLONS

ADELL  
WISCONSIN | 18,250,000  
GALLONS

NORFOLK  
NEBRASKA | 8,212,500  
GALLONS

VISALIA,  
CALIFORNIA | 2,360,750  
GALLONS

# LEADERS IN WATER RECLAMATION

PLANT	RECYCLED	RECYCLED, %	WITHDRAWN	DISCHARGED	SURPLUS
Adell	18,250,000	5%	392,894,340	395,963,300	3,068,960
Fond Du Lac	143,810,000	62%	233,621,767	273,867,100	40,245,333
Monroe	83,200,000	141%	58,849,774	129,259,723	70,409,949
Mountain Lake	48,960,000	167%	29,317,913	52,152,100	22,834,187
Norfolk	8,212,500	6%	130,948,860	176,210,537	45,261,677
Visalia	2,360,750	1%	161,853,241	209,844,583	47,991,342
<b>TOTAL</b>	<b>304,793,250</b>	<b>64%</b>	<b>1,007,485,895</b>	<b>1,237,297,343</b>	<b>221,122,538</b>

WATER SURPLUS

THIS IS EQUIVALENT TO

**462**

OLYMPIC SIZED SWIMMING POOLS

WATER RECYCLED

THIS IS EQUIVALENT TO

**355**

OLYMPIC SIZED SWIMMING POOLS

WE RECYCLED **67% MORE WATER** AT OUR PLANTS THAN THE INDUSTRY AVERAGE IN 2022

IN THE PAST YEAR, MSG **INCREASED WATER RECYCLING BY 124%**

# WASTE

## SALEABLE COMPLIANCE

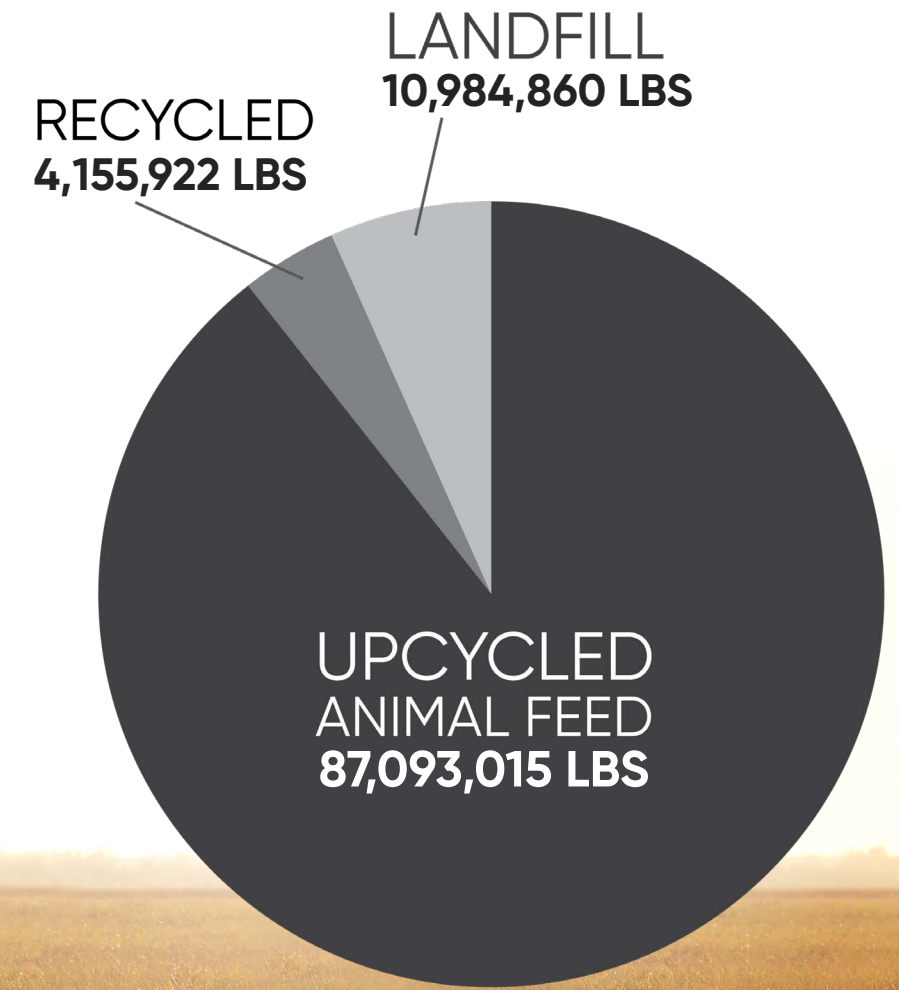
A crucial aspect of our sustainability story is saleable compliance, or ensuring that everything we produce gets used. By using every pound of product we produce, we are helping ensure that there is no wasted energy during its production.

**SALEABLE COMPLIANCE IMPROVEMENTS PREVENTED 685,000 POUNDS OF PRODUCT FROM GOING UNUSED IN 2022.**

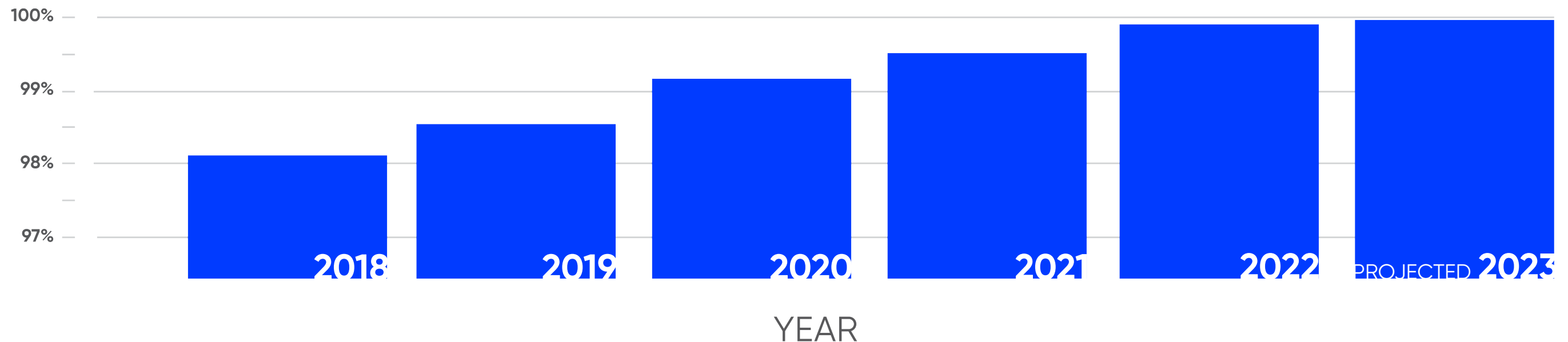
## RESOURCE RECOVERY

Milk Specialties produces more than 100 million pounds of "waste" annually. A key aspect of our business strategy is to minimize waste and extract every last drop of nutrients from milk and whey. Subsequently, the vast majority of our "waste" is upcycled into animal feed. We also try to maximize our recycling options to help minimize what we send to the landfill.

IN 2023, ALL OF OUR FACILITIES WERE CHALLENGED TO REDUCE WASTE BY **10 PERCENT.**

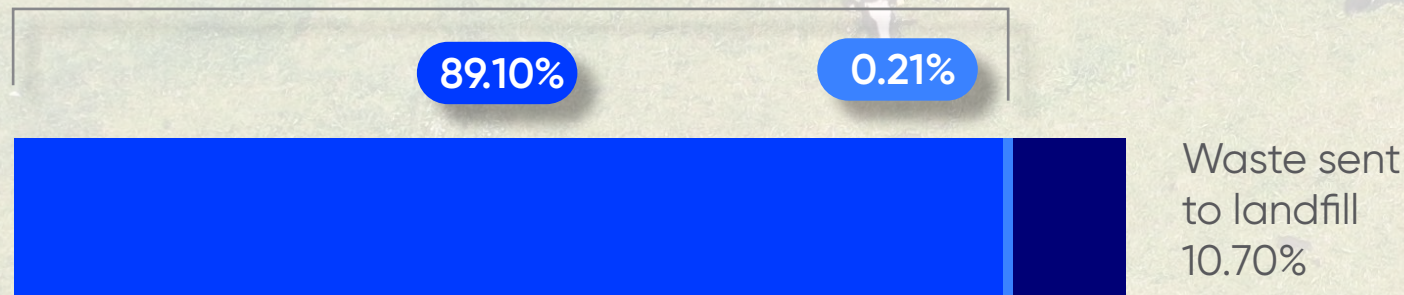


## HUMAN NUTRITION SALEABLE COMPLIANCE



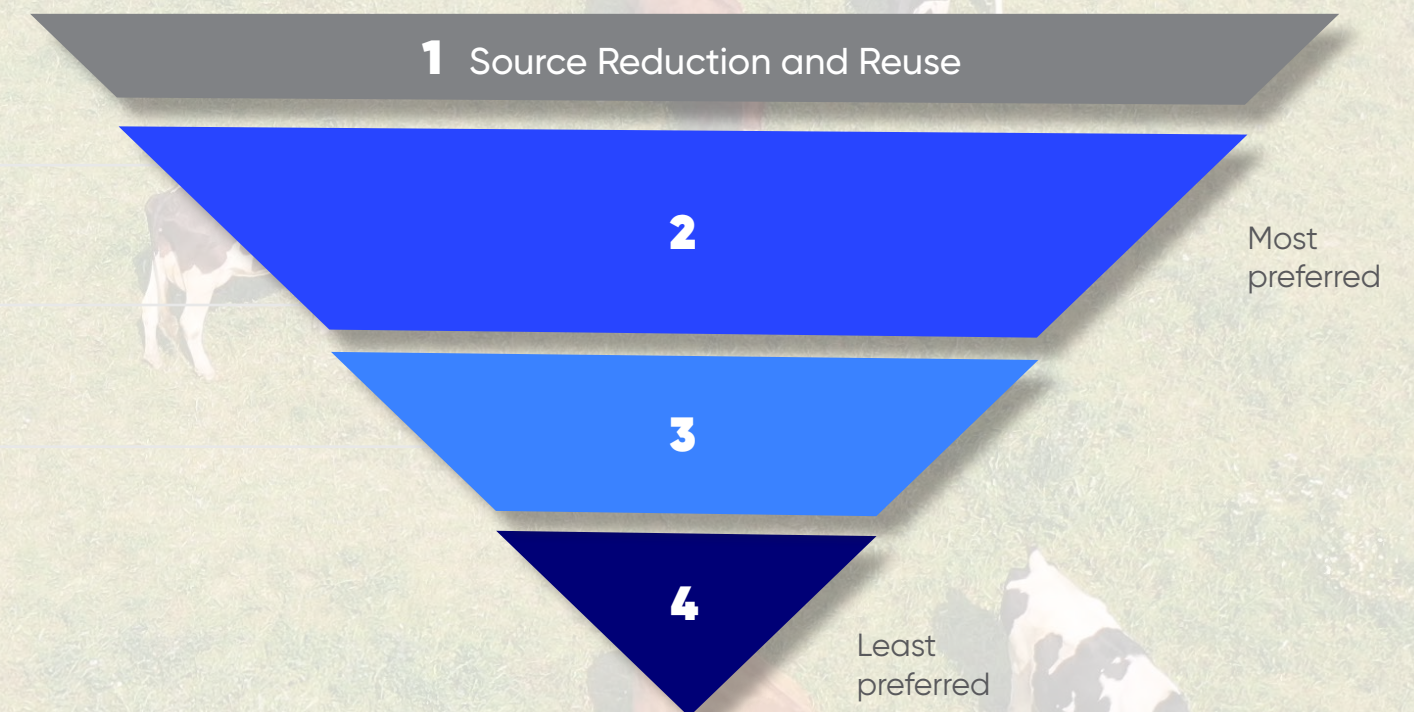
# RESOURCE RECOVERY

89.31% OF RESOURCES PUT TO BENEFICIAL USE



## FOOD RECOVERY HEIRARCHY

Food Recovery Hierarchy created by the EPA the goal of this was to prioritize actions organizations can take to prevent and divert waste. The top levels of the hierarchy are the best ways to prevent and divert wasted food because they create the most benefits for the environment, society and the economy.



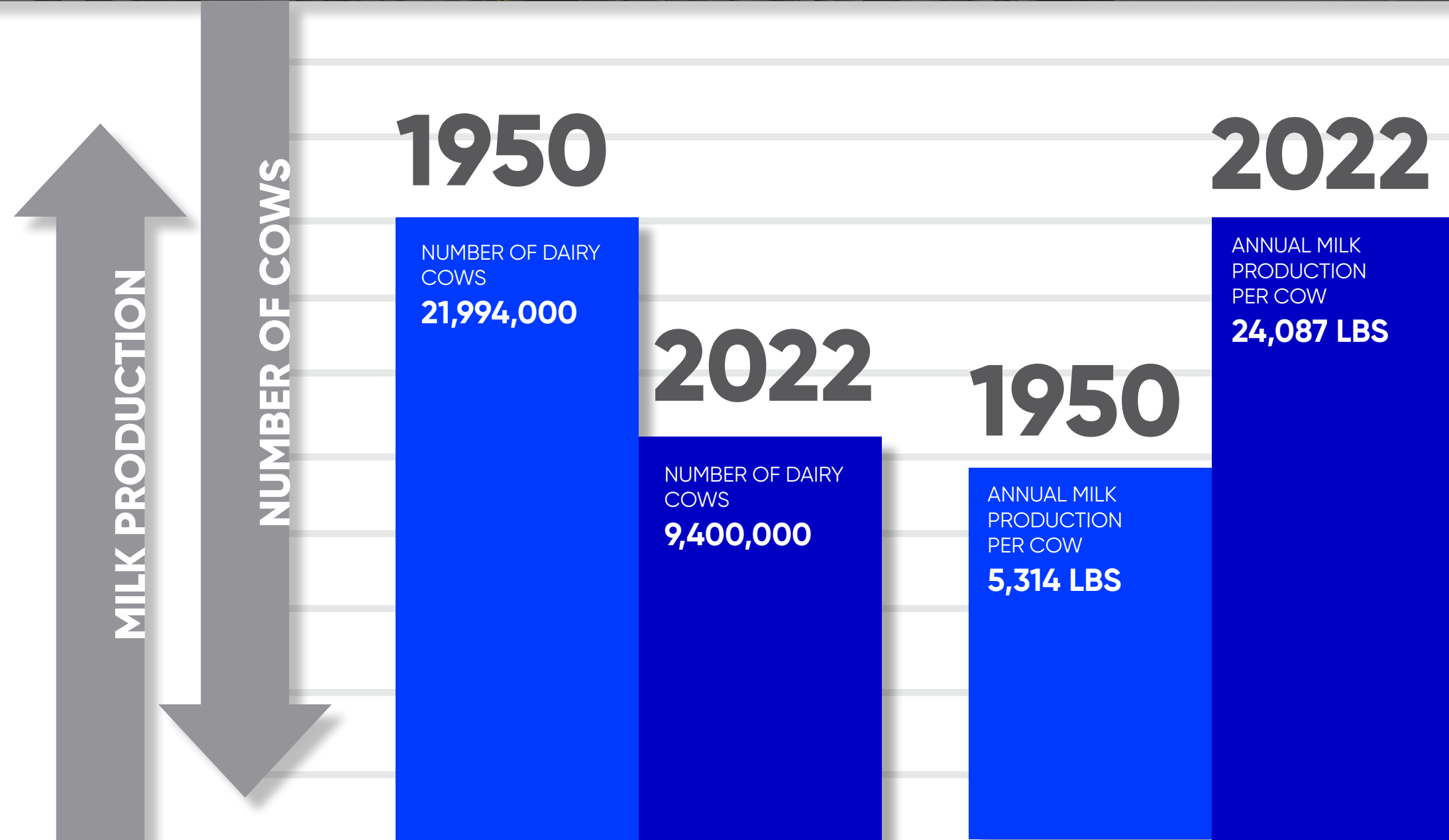
Metric (waste stream per total waste stream in pounds)	2022
Food/organics donated or repurposed as animal feed and non-food recycled or composted	0.8907
Food/organics repurposed for industrial uses or compost and non-food repurposed for energy recovery	0.0021
Waste sent to landfill or incineration without recapturing energy	0.1073



# REDUCING METHANE EMISSIONS FROM DAIRY COWS

Agriculture has seen an incredible increase in production in the United States over the past century thanks to technological breakthroughs. In the dairy sector, advancements in nutrition and genetics have more than quadrupled the average milk production per cow since the 1950s. Subsequently, today there is more than 12 million fewer dairy cows in the U.S. when compared to 1950. According to U.S.D.A. statistics, dairy cows account for about one quarter of all cows living in the U.S.

One of the key strategies farmers are utilizing to reduce greenhouse gas emissions emitted by dairy cows is to focus on the nutrition going into them. The feed going into the cows can impact the amount of the emissions coming out. One strategy becoming widely accepted in reducing methane (CH<sub>4</sub>) emissions is to supplement the cow's diet with a fat supplement that can withstand the conditions in the cow's rumen.



In 2008, the dairy industry's total greenhouse gas contributions were measured at **1.9 percent of the U.S. emissions overall**. While the dairy industries' environmental footprint is small compared to the oil and gas industries, reducing methane (CH<sub>4</sub>) emissions from dairy cows continues to be a focal point within the dairy sector.

# REDUCING METHANE EMISSIONS FROM DAIRY COWS

MSG is a leading manufacturer of bypass fat supplements for dairy cows in the U.S. today. Based on calculations provided by NASEM and assuming a 0.30 kg/day feeding rate per cow, feeding Energy Booster can reduce methane emissions by nearly six percent in the average U.S. dairy herd.



The proportion of dairy cows consuming Energy Booster® resulted in an overall **reduction of 6% in methane emissions.**

For every 1,000,000 cows fed Energy Booster®, methane emissions are **reduced by more than 12.5 million pounds annually.** That is the greenhouse gas equivalent to **CO<sub>2</sub> emissions from 13,968,684 gallons of diesel burned.**

The Environmental Protection Agency (EPA) estimates the average cow produces between **154 and 264 pounds of methane annually.**

## NASEM Methane Reduction Calculation for Bypass Fats

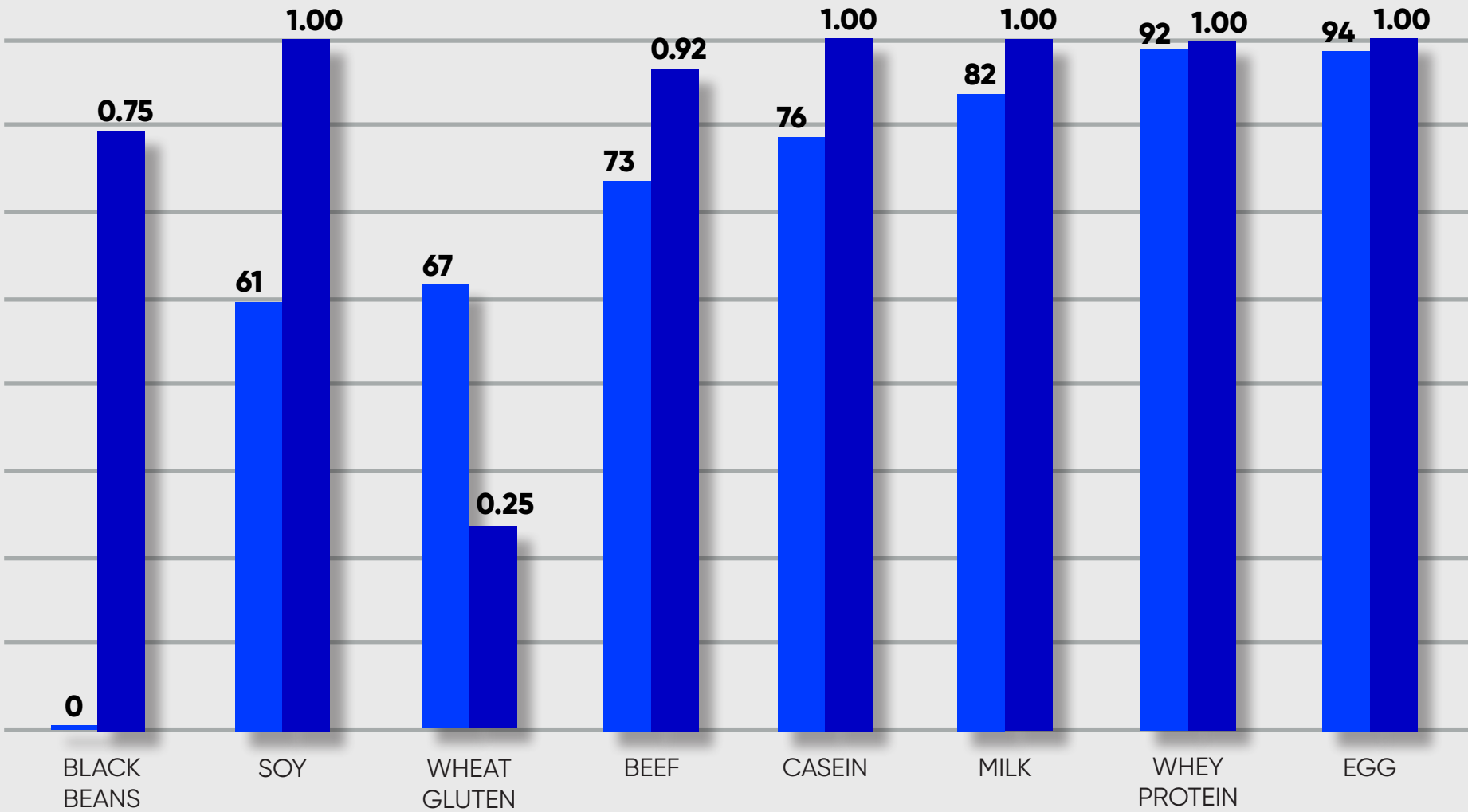
$$\text{Methane (Mcal/d)} = 0.294 \times \text{DMI} - 0.347 \times \text{FA} + 0.0409 \times \text{dNDF}$$

DMI = Dry Matter Intake  
FA = Fatty acid percentage  
dNDF = Digestible Neutral Detergent fiber

# NOT ALL PROTEIN IS CREATED EQUAL

Consumer demand for protein packed products is surging. As consumers focus on their overall health and nutrition more than ever, one aspect of protein that is often overlooked is protein quality. While protein can be derived from a wide range of animal and plant sources, only a few protein sources can be considered "complete."

Protein is made up of 20 amino acids, 11 of which are produced by the human body. The remaining nine amino acids known as essential amino acids, must be derived from the food we eat, such as protein. Protein sources that provide all nine essential amino acids are complete proteins.



**NET PROTEIN UTILIZATION**

**PROTEIN DIGESTIBILITY CORRECTED AMINO ACID SCORE**

Adapted from: U.S Dairy Export Council, Reference Manual for U.S. Whey Products 2nd Edition, 1999 and Sarwar, 1997

# A FOCUS ON ANIMAL WELFARE

More than 99 percent of the nation's milk supply comes from dairy operations participating in the FARM animal care program. While MSG does not source milk directly from farms, we believe that strong animal welfare practices need to be a top priority for all dairy operations.

As a value-added service for dairy farmers and suppliers, Milk Specialties provides resources to help ensure their animals are raised humanely. MSG has a full-time employee on staff who is a member of the Dairy Cattle Welfare Council and certified in:

- FARM Animal Care Program
- PAACO (Professional Animal Auditor Certification Organization)
- Calf Care Quality Assurance Program



**Elizabeth Marvel**  
Calf Technical Specialist

# PARTNERSHIPS & AWARDS

## MSG SUSTAINABILITY EFFORTS HONORED

Despite having a deep-rooted history in upcycling, 2022 was a watershed year for MSG in terms of being recognized for decades of environmental efforts. In November of 2022, Milk Specialties was awarded one of the most prestigious sustainability award in the dairy industry: U.S. Dairy Sustainability award for Outstanding Dairy Processing and Manufacturing Sustainability. MSG was honored for its efforts to improve transportation efficiency, while cleaning and recycling wastewater in the process.



Erin Huls, MSG's first full-time Sustainability Specialist accepting the **2022 U.S. Dairy Sustainability Award**



**U.S. Dairy Sustainability  
Award Winner**  
Innovation Center for U.S. Dairy.

# LEADING THE WAY IN TRANSPORTATION EFFICIENCY

Milk Specialties is a company built on partnerships and we are uniquely positioned to drive change nationwide. Our strategy to reduce greenhouse gas emissions from transportation by concentrating solids and reducing water prior to shipping has helped save hundreds of thousands of gallons of diesel fuel. This model has been so successful in reducing transportation impact, that MSG is scaling it up to a national level. Milk Specialties is actively investing millions of dollars towards capital improvements at the facilities of our suppliers to install equipment that will concentrate solids and recycle water. The projects not only significantly reduce the number of truck shipments, but the recycled water is then used to clean equipment.

Through these series of projects, in 2023 alone we anticipate:

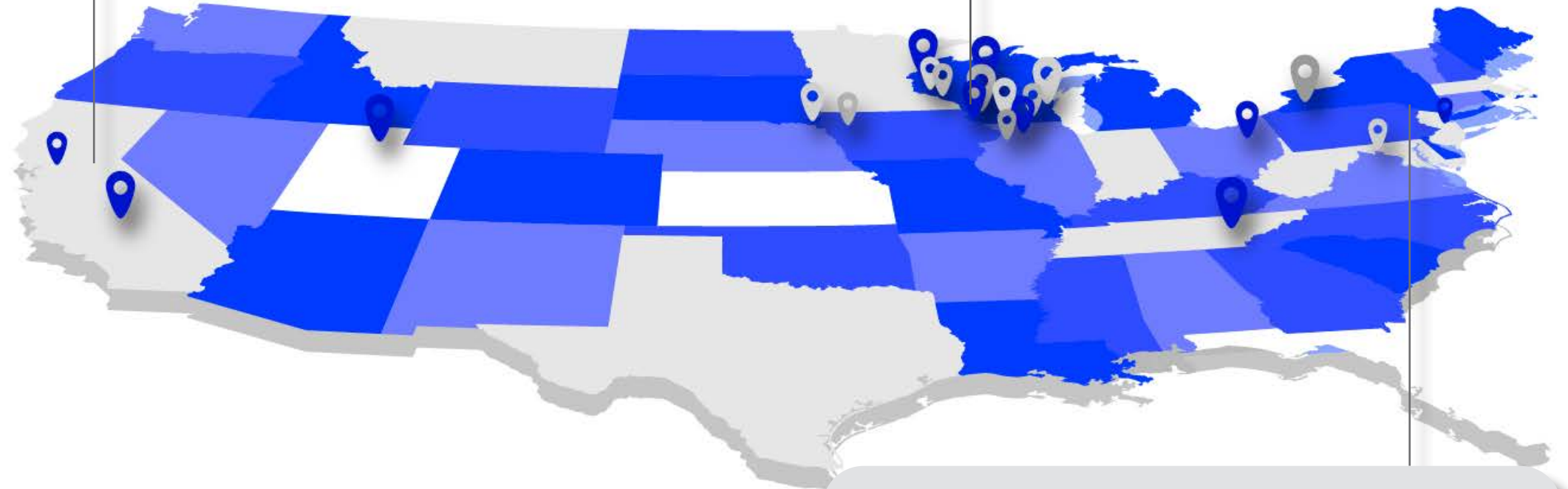
- **Reducing the number of loads shipped via trucks by 7,618.**
- **Preventing at least 1.57 million pounds of highly nutritious protein from going to waste.**

## CRYSTAL CREAMERY | MODESTO, CA

More than one million dollars was invested to concentrate nutrients and clean water. This project reduced the number of weekly truck deliveries from 30 down to **one**.

## CASCADE CHEESE | CASCADE, WI

More than one million dollars was invested into an ultra-filtration system and reverse osmosis water purification system.



[CLICK TO WATCH](#)

LEARN MORE  
ABOUT OUR  
**MONROE, WI**  
PROJECT

## TROPICAL CHEESE | PERTH AMBOY, NJ

More than \$2.5 million dollars was invested into ultra filtration and reverse osmosis systems to reclaim nutrients and clean water.

This collaborative project will help reduce the number of weekly truck routes from 80 down to **three**.

## SMALL CHANGES ADD UP TO A BIG IMPACT

While developing an efficient supply chain is simply good business practice, MSG believes the focus cannot simply be on cost savings. Efforts to reduce our energy usage or minimize waste should still be pursued even if there is not a direct cost saving or it creates more work.

## WON'T YOU BE MY NEIGHBOR?

Being neighborly isn't only a trait found at our Midwest facilities. Our newest facility, opened in Jerome, Idaho in 2023 was built next to a long-term partner to help minimize the need for truck transportation. The facilities are connected through a pipeline that transports fresh skim milk that is then processed into casein products.

What makes this situation especially unique is not only the forward thinking planning to reduce resource impact, but MSG's new Jerome facility is the only facility in north America making fresh curd casein. Historically, the vast majority of casein products are produced in Europe and Oceania. This new facility will greatly simplify the supply chain for North American food manufacturers, preventing millions of tons of product from needing to be shipped across oceans.

## UPCYCLING CHEESE

In 2022, Milk Specialties leveraged its relationship in the cheese industry to purchase bulk amounts of distressed cheese to convert into animal feed products. The animals benefit because cheese is rich in butterfat, and has a fatty acid profile similar to milk, while preventing a quality source of nutrition from ending up in a landfill.

## CONNECTED AT THE HIP

In a business built on relationships, being neighborly is important. At our Monroe, Wisconsin facility we not only work with our neighboring businesses, we have a pipeline connecting us – literally. Whey from small to medium sized cheesemakers in the region is collected at our Monroe facility, where water and some solids are removed. Some of those solids are then sent to the neighboring business, through the pipeline to be upcycled into new products.

**12,171,696 gallons of permeate** are transported annually without a single gallon of diesel fuel, while also ensuring that every last nutrient in milk is captured and utilized.

# PROUD OF WHAT WE DO



- 2023 BEST IN CLASS**
- INSTANTIZED WHEY PROTEIN CONCENTRATE
  - WHEY PROTEIN ISOLATE



- 2022 BEST IN CLASS**
- WHEY PROTEIN CONCENTRATE

# MEMBERSHIPS



AMERICAN  
**Dairy Products**  
INSTITUTE



**AMERICAN DAIRY  
SCIENCE ASSOCIATION®**



**WISCONSIN  
CHEESE MAKERS  
ASSOCIATION**  
EST. 1891



**IDFA**  
International  
Dairy Foods Association



**WHEY**  
PROTEIN RESEARCH  
CONSORTIUM



**AAFCO**  
Association of American Feed Control Officials





# PEOPLE & CULTURE

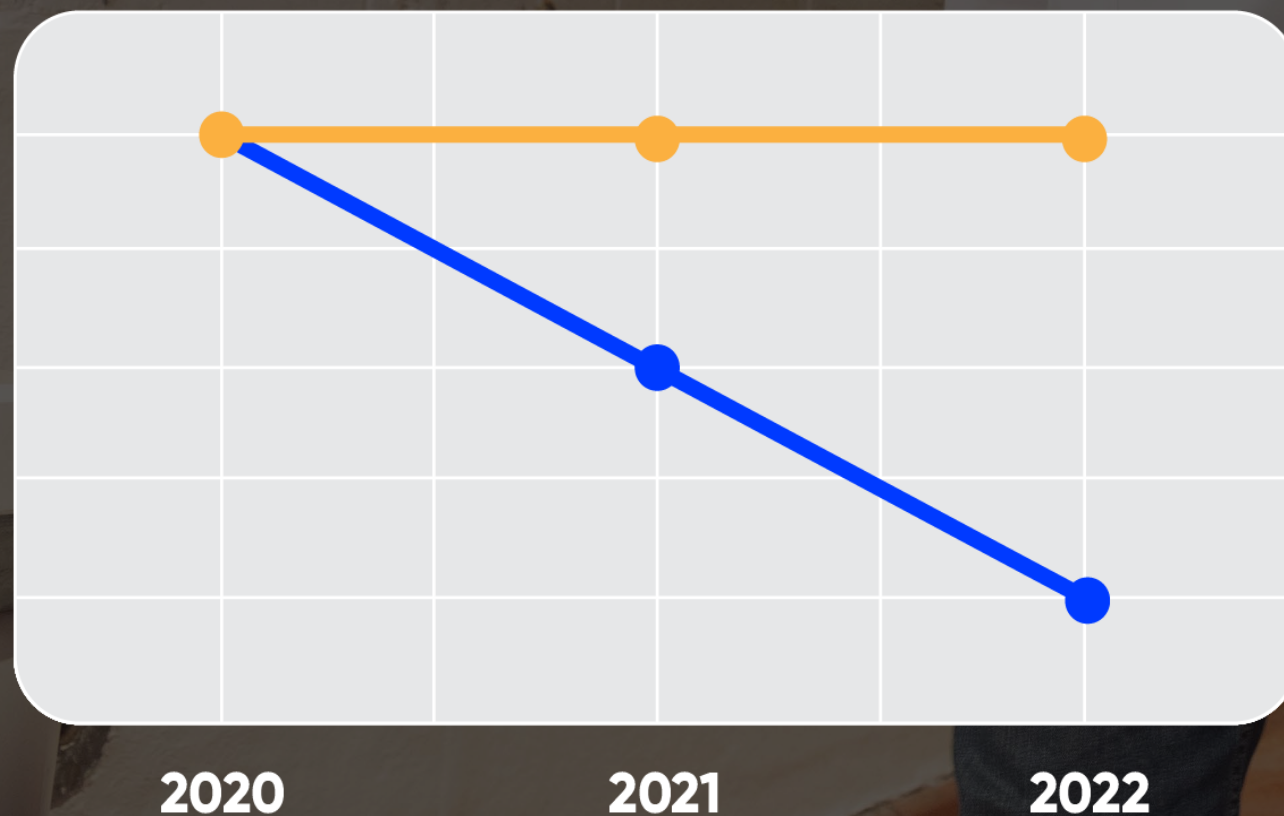


# HEALTH SAFETY & WELLBEING OF EMPLOYEES

Every Monday morning when the Milk Specialties' management team meets, the first topic on the agenda is always safety. We believe that safety is not just a priority, but a core value that guides our operations and decision-making. Our commitment to employee safety is unwavering because safe, healthy people produce the best products. This extends beyond our employees to include contractors, customers, and visitors to our facilities.

## TOTAL RECORDABLE INCIDENCE RATE

— Milk Specialties Global      — Bureau of Labor Statistics Industry Average



## EMPLOYEE SAFETY

We take employee safety very seriously at Milk Specialties, and the commitment to excellence by our teams is showing. MSG closed out 2021 with a Total Recordable Incident Rate (TRIR) nearly a full point below the industry average.

# TRAINING & INVESTING IN PEOPLE

## EMERGING LEADERS PROGRAM

Milk Specialties Global employees receive job-specific training the first day they walk through our doors. Progress is an expectation at every level, and we know we can't grow as a company if we aren't growing as professionals.

We invest in continuing education and career advancement through several programs:

- Our Maintenance and Apprenticeship Program provides production employees the opportunity to train with the maintenance team in a 250-hour program focused on plant-specific operations. Upon successful completion of the program (which includes one external industrial maintenance course), employees are compensated for their time, class expenses and they earn a financial bonus.
- Non-exempt employees receive on-the-job training to enhance skills and professional potential, allowing Milk Specialties Global to hire and promote from within the organization whenever possible.
- Production employees receive OSHA 10 & 30 and LECO instruction to ensure the operational efficiency and safety at our manufacturing facilities.
- New employees receive safety training from EHS leadership on protocols and procedures. Participation in additional health and safety programs—such as emergency response, first aid and vehicle safety—is required for all employees throughout the year.



"I FEEL LIKE I KNOW MY DISCIPLINE VERY WELL, BUT THIS PROGRAM COVERED ASPECTS OF LEADERSHIP AND OPERATIONS THAT I NORMALLY WOULDN'T BE EXPOSED TO. **I LEARNED A LOT.**"

**LAUREN JUNG**  
FORMULATIONS MANAGER

"THIS PROGRAM GAVE ME AN OPPORTUNITY TO CONNECT WITH OTHER PEOPLE AT THE COMPANY WHO I WOULD NOT NORMALLY CROSS PATHS WITH. **I GAINED A LOT OF PERSPECTIVE** ABOUT HOW OTHER DEPARTMENTS FUNCTION AND HOW WE CAN WORK MORE COLLABORATIVELY."



**JACQUE GIDLEY**  
MANAGER OF BUSINESS DEVELOPMENT  
AND SALES OPTIMIZATION



We developed 'Milk University' which is Milk Specialties' Training & Development program. We plan to develop technical training for all operator/technicians' positions across all plants under this program.

# WHEY BETTER COMMUNITIES

## WHEY BETTER PURPOSE

From our supply chain that originates on farms to our processing facilities rooted in rural communities, MSG has a commitment to giving back to the communities that support our business. Our Whey Better Communities program enables employees to nominate local non-profit organizations that have a direct impact on their local communities. Since the program's 2015 inception, Milk Specialties has distributed more than **\$376,000 in charitable contribution** to the local communities in which we live and work.

## CREATING A STRONGER FUTURE THROUGH EDUCATION

To help pave a better future for our people and communities, MSG annually awards five scholarships to its full time employees or their children. In order to qualify, the applicant simply must be employed full time or they have to be a dependent of a full time employee. The scholarships can be used towards full-time, part-time or vocational school programs.

In addition to offering scholarship, Milk Specialties actively encourages its employees to develop their skills and professional competences. Subsequently, education reimbursement programs are available to all full-time employees.



### ADELL, WI

Through our Whey Better Communities Program, we donated a large portion of money to other groups, but we were able to snag a picture with our local Adell Fire Department who received \$1450, and the Adell First Responders who received \$500.

## 2022-2023 SCHOLARSHIP RECIPIENTS



### REBEKAH SCOTT

Attending the University of Minnesota as a Junior. Majoring in Graphic Design. (Child of Mark Scott, Eden Prairie, MN)



### MATTHEW AIDE

Attending the SW Wisconsin Technical College as a Sophomore. Majoring in Supply Chain Management. (Works at MSG, Boscobel, WI)



### BENJAMIN YOUNKER

Attending the University of Wisconsin as a Freshman. Majoring in Civil Engineering. (Child of Stephen Younker, Home Based, IL)



### GRACE ARTERY

Attending the University of Minnesota as a Freshman. Majoring in Sociology of Law, Criminology, and Justice. (Child of Mike Artery, Adell WI)

# FUTURE PLANS



# COMMITMENTS

In 2023, a significant milestone will be achieved as we embrace the implementation of global Environmental Social Governance (ESG) frameworks and standards. These standards will be firmly anchored in the United Nations' Sustainable Development Goals, providing a solid foundation for sustainable development and responsible business practices.

This adoption of ESG frameworks is a crucial step towards building a better future for our planet, as we collectively commit to creating a more sustainable and equitable world. By adhering to these standards, we can ensure that businesses and industries prioritize the well-being of the planet and its inhabitants, while driving economic growth and development.

## STEWARDSHIP COMMITMENT

Milk Specialties is proud have made the US Dairy Stewardship Commitment which aims to meet three industry-wide goals by 2050.

ACHIEVE GREENHOUSE GAS NEUTRALITY



OPTIMIZE WATER USE WHILE MAXIMIZING RECYCLING



IMPROVE WATER QUALITY BY OPTIMIZING UTILIZATION OF MANURE & NUTRIENTS

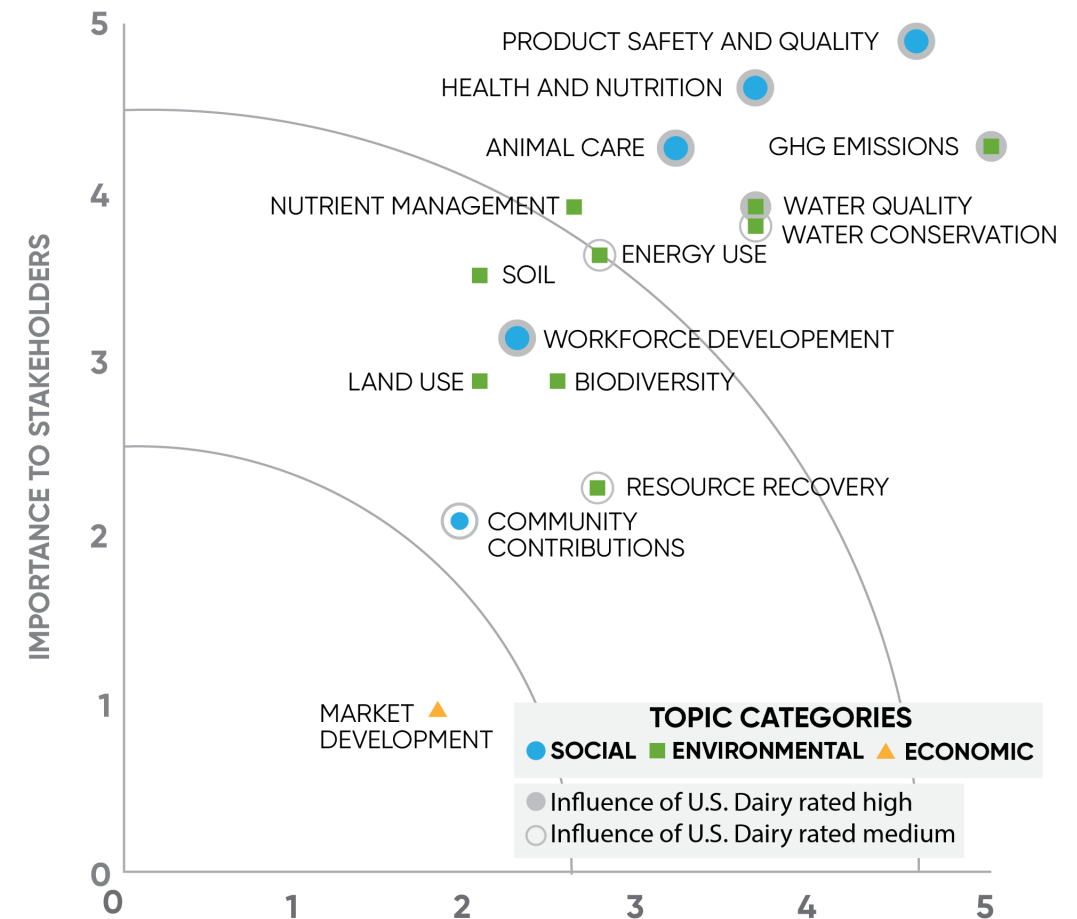


There are 36 adopters of the U.S. Dairy Stewardship Commitment. These adopters represent over **75% of the U.S. milk production.**

**Milk Specialties will be announcing its formalized ESG goals in summer of 2023, at which time this report will be amended.**

# MATERIALITY ASSESSMENT

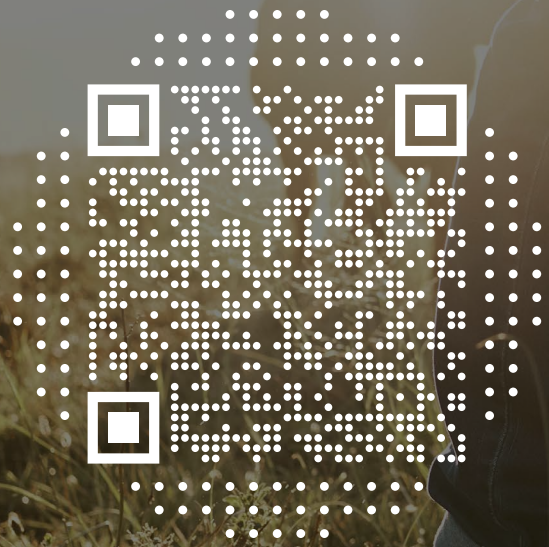
U.S. DAIRY MATERIALITY MATRIX



MSG is conducting its own materiality assessment in 2023. We aim to identify the issues that are most relevant to our business and stakeholders, such as environmental impact, social responsibility, and governance. By engaging with our employees, consumers, suppliers and customers, we will gain a better understanding of their expectations, concerns, and priorities. This information will help us to develop a focused and impactful Corporate Social Responsibility report that addresses the issues that matter most to our stakeholders and aligns with our business strategy. We are committed to transparency and accountability, and we believe that conducting a materiality assessment is an essential step in our sustainability journey. We look forward to sharing the results of our assessment and working together with our stakeholders to create a more sustainable and responsible future.

WANT TO LEARN MORE ABOUT  
OUR EFFORTS TO IMPROVE THE  
ENVIRONMENT?

CHECK OUT OUR WEBSITE.



**MADE  
FOR  
MORE.**