

2019

# Sustainability Report

**Chobani**<sup>®</sup>



Dear Friends,

I started Chobani 10 years ago with a simple goal: Make a cup of yogurt.

With every year, our goals have grown. Reach new people. Help new people. Welcome new people.

And in 2018, we introduced a more ambitious one: Make universal wellness happen sooner.

As a modern food company, we stand for more than the food we make. We'll show our progress towards this vision through our sustainability program.

At Chobani, doing the right thing has never been the job of one department. We don't "check-the-box" and we don't have a traditional corporate social responsibility program. That's the Chobani Way. Our employees make changes, big and small, each and every day to make Chobani better—for us, for our communities, and for the planet. Maybe we didn't always call it sustainability, but working this way is who we are.

Our work to achieve a sustainable food system is not just a good business practice: It's a moral imperative. From reducing the amount of energy we use to supporting our communities to defending human rights and so much more, this report shares our aspirations, our goals, and our progress so far.

I'm proud of our collective actions and the meaningful results they've produced to date for our company. Even more, I'm very excited about the path ahead of us. We realize there is more work we can and will do, and we look forward to sharing our progress with you along the way. I invite you to join us on this journey and welcome your thoughts and ideas.

*Hamdi*



“As you start to walk on the way,  
the way appears.”—Rumi

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# Our approach

Our purpose is to make universal wellness happen sooner.

We're committed to playing a meaningful role in the transforming of our food system and to the betterment of our planet, our people, and our communities.

As we grow, we'll share this progress transparently. Some of it is on us. Some of it is on our suppliers. And some of it happens when we partner to make advancements in the traditional ways of making food.



# Paving the path

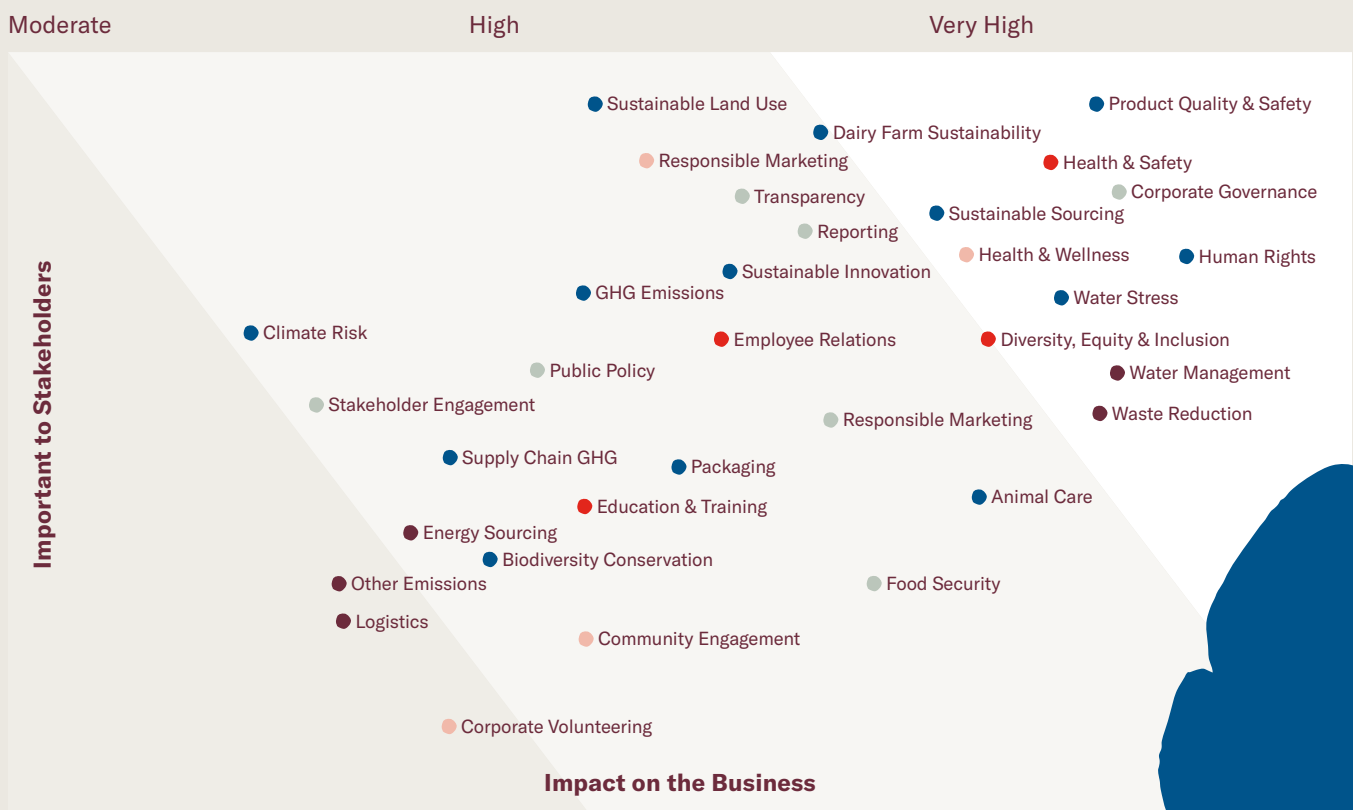
We started our sustainability journey with a materiality assessment to map the most significant impacts we can have. It's our compass, guiding us towards the nine North Star goals that make up our sustainability program. Every three years, we'll recalibrate our compass to guide our path forward.

Drawing on expertise from external organizations, such as the *Global Reporting Initiative (GRI)*, *Sustainability Accounting Standards Board (SASB)*, *Ceres Roadmap for Sustainability*, among others, we identified 33

opportunities that are most impactful in and relevant to the food and consumer goods sectors. We also consulted 50 internal and external voices—our retailer partners, suppliers, industry associations, Chobani employees, and more—to understand which opportunities were most important to these key stakeholders.

We then mapped these opportunities across five sustainability focus areas: Operations, Supply Chain, People, Community, and Responsibility.

## Chobani Materiality Assessment



### ● Operations

Topics associated with our owned and operated facilities and manufacturing processes

### ● Supply Chain

Topics associated with our products and the ingredients, companies, and farmers we work with to make them

### ● People

Topics associated with our employees, culture, and workplace environment

### ● Community

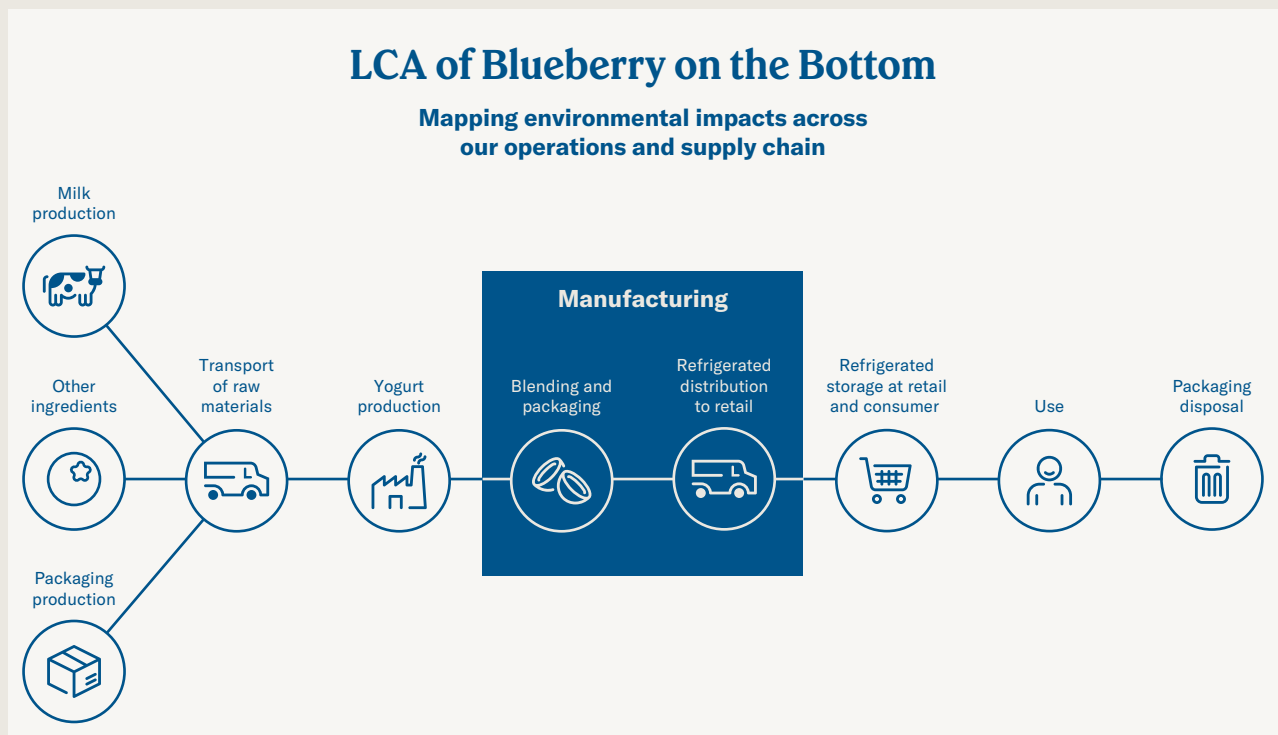
Topics associated with the communities where we operate and the people that buy our products

### ● Responsibility

Topics associated with our sustainable business strategy, governance, and communications with stakeholders

# Life-Cycle Assessment

In 2017, we completed our first ‘Life-Cycle Assessment’ (LCA) on a single-serve cup of Greek Yogurt. We picked one of our iconic, fan-favorite products—Blueberry on the Bottom. LCAs are an important first action for any company to understand the environmental impact of each step in their operations. It provides a foundational baseline on which to build your sustainability progress. Once you know where you’re starting from, you can start to see how far you can go! Our LCA looked from cow to cup and uncovered opportunities to cut costs and carbon emissions, helping us make decisions that are better for both the bottom line and the environment.





# One piece of a bigger whole

We don't operate in a vacuum. When we embarked on this journey, we knew we couldn't do this alone.

So we decided to align our North Star goals with something bigger than ourselves to create change that reaches further. In an effort to contribute to meaningful change on a global scale, we looked to the UN Sustainable Development Goals as a guide.

The UN created the Sustainable Development Goals in 2015 as a universal call to action to protect the planet, end poverty, and ensure that all people enjoy peace and prosperity. We are joining the leagues of global

companies in recognizing the role that the corporate sector has to play in leading the way and making measurable progress towards these goals.

We identified eight UN Sustainable Development Goals that were most relevant to our business, connected to our mission, and where Chobani can demonstrate real progress. As you read on about the North Star goals that are guiding our sustainability journey, you'll see how they connect to the broader global goals highlighted below.

## Chobani supports the UN Sustainable Development Goals



We've also proudly adopted the U.S. Dairy Stewardship Commitment, affirming our commitment to responsible dairy production as we nourish the communities we serve. We join other dairy cooperatives and companies across the country in working hard to assure best practices in important areas like animal care, the environment and food safety. We strive to continually improve as we listen to and engage with our diverse stakeholders about what is most important to them. And we pledge to contribute to U.S. dairy's ability to track and report progress to document our community's leadership—from farm to table.

For more information about the U.S. Dairy Stewardship Commitment, go to: [commitment.usdairy.com](http://commitment.usdairy.com)

# North Star goals

Close your eyes. Envision what the most sustainable company would look like.

What goals would you set for your company if you knew you couldn't fail?

This is our inspiration. We believe that bold, ambitious goals help us think bigger and push our organization to new limits.

These are big moves and guiding lights for our sustainability program. Some may be achieved in a few years and some may be decades away, but we believe it takes this type of courageous thinking to drive innovation and propel us forward.

To make sure we're making progress towards achieving our North Star goals, we've set tangible, trackable, and most importantly, meaningful targets for the business over the next four years.



**100% renewable energy**



**Water neutral**



**Zero waste to landfill**



**Renewable fuels**



**Sustainable sourcing**



**Dairy worker well-being**



**Sustainable packaging**



**Inclusion and diversity**



**Strengthening rural communities**





## Manufacturing operations powered by 100% renewable energy

It all comes down to doing more with less, and building the foundation for a renewable energy future.

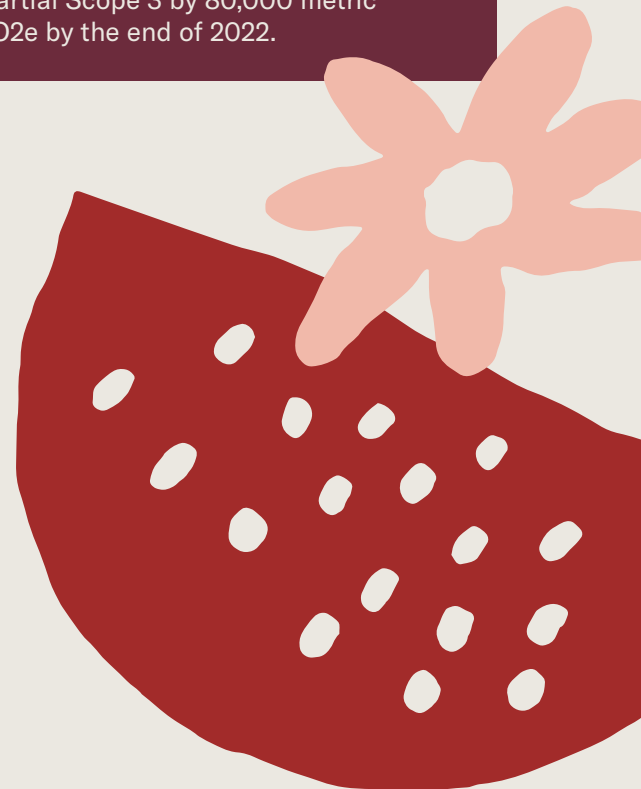
Since 2014, we've cut our overall energy consumption by 17%—enough electricity to power more than 100 homes in the United States for one year. It's enabled us to lower our carbon footprint by up to 840 metric tons per year by reducing greenhouse gas emissions.

Over the next four years, we're committing to reducing our energy consumption in our manufacturing operations by another 15% (vs. 2016 baseline). This is a Scope 1 and 2 greenhouse gas emissions reduction of 17,000 metric tons of CO<sub>2</sub>e, or the equivalent of taking more than 3,600 passenger vehicles off the road for one year. In addition, we're working with our supply chain partners to identify ways to reduce our partial Scope 3 greenhouse gas emissions, comprised of milk production and logistics, by an additional 80,000 metric tons of CO<sub>2</sub>e by the end of 2022. As we work towards these goals, we're also exploring renewable energy technologies to find more sustainable ways to fuel our operations.

In the next two years we're committed to developing 'Science Based Targets' to support the Paris Agreement's goal of keeping global temperature below 1.5 degrees Celsius compared to pre-industrial levels. We've joined the **We Are Still In** coalition of more than 3,500 American organizations aligned with the Paris Agreement's commitments to climate action.

### What's Next | 2022 Goal

Reduce our Scope 1 and 2 greenhouse gas emissions by 17,000 metric tons of CO<sub>2</sub>e and our partial Scope 3 by 80,000 metric tons of CO<sub>2</sub>e by the end of 2022.





## Water neutral manufacturing operations

We know water is a limited, precious resource. Ultimately, it's our goal to put back as much water (of the same quality or higher) into our local community as we use in our manufacturing operations.

In Idaho, we installed a reverse osmosis system to recover and recycle the water we strain from our yogurt during production. Thanks to this industry-leading method, we've reduced the water we take in daily. At our upstate New York manufacturing plant, our wastewater is treated to exceed state and regional standards before its release into the Unadilla River. We monitor and report on local aquifer performance in real time and ensure natural water levels are being restored each year.

### What's Next | 2022 Goal

Reduce water consumption by 25% (vs. 2016 baseline) by end of 2022.

Snake River,  
Twin Falls, Idaho





# Zero waste to landfill manufacturing operations

By the end of 2022, Chobani is committing to transitioning our plants to be zero waste to landfill facilities. And we're on our way to making it happen.

We continue to improve the recycling processes in our manufacturing plants. Today in our NY facility, we're recycling more than 30% of what would have headed to a landfill in 2016.

Whether or not you're a food manufacturer, food waste impacts us all. For our part, we're using technology to better forecast and schedule our production runs, clearly labeling the "Best If Used By" date in multiple locations on our corrugated cases for our retail and foodservice partners and donating any excess product in our distribution warehouses to local food banks to help tackle this issue.



## What's Next | 2022 Goal

Zero waste\* to landfill manufacturing operations.



\*Based on the Green Business Certification Inc. (GBCI) TRUE (Total Resource Use and Efficiency) Zero Waste certification. Learn more at: [true.gbci.org](https://true.gbci.org).



## Fleet run on renewable fuels

When it comes to moving our finished product around the country, we continue to work hard to increase our transportation efficiency.

Optimizing routes to reduce the total number of miles driven, improving our pallet configurations, transitioning to full truckload order quantities, and increasing our weight-to-truck ratio are all ways we have made significant progress. Through these initiatives we have been able to take 2,000 trucks off the road for one year avoiding the use of 460,000 gallons of diesel fuel. With an eye to the road ahead, we'll be looking to pilot renewable fuel technologies within our transportation network.

### What's Next | 2022 Goal

Increase our logistics efficiency by 20% (vs. 2016 baseline).





## Sustainable sourcing of high-priority ingredients

While all of our fresh milk is sourced from local dairy farms, we source the other natural ingredients in our products from around the world. We've always considered our supply chain to be part of the Chobani family, which means we expect the same commitment to sustainability from each of our suppliers.

Chobani collaborated with the **World Wildlife Fund (WWF)** to conduct a supply chain analysis to identify important ingredients that have higher environmental and social risks due to where and how they are produced. We're focusing our attention on six high-priority ingredients over the next few years: dairy, strawberries, coconuts, vanilla, almonds, and palm oil. With strategic guidance from WWF, we are building sustainable sourcing frameworks for each ingredient. Together with our suppliers, we'll develop progressive sourcing programs for these important ingredients. We're excited to

collaborate with our suppliers on this journey in the years ahead. To learn more about Chobani's Supplier Code of Conduct, click [here](#).

### What's Next | 2022 Goal

By the end of 2022, we're committed to supporting progressive programs and practices for our high-priority ingredients: dairy, strawberries, coconuts, vanilla, almonds, and palm oil.

## Sourcing palm oil the right way

Chobani uses a very small amount of palm oil in a few of our mix-in ingredients for Chobani® Flip® products. But no matter how small the amount, we want to source it right.

Chobani supports the Principles & Criteria of the **Roundtable on Sustainable Palm Oil (RSPO)** and requires that all palm oil, palm kernel, or any palm derivatives sourced for its products be Certified Sustainable Palm Oil (CSPO) within the RSPO framework. Since 2016, 100% of the palm oil we've sourced has been CSPO and we actively encourage our suppliers to adopt the RSPO NEXT standards, which allow for independent, third-party verification that ensures our entire supply chain is respecting workers and the planet when sourcing this ingredient.





## Dairy worker well-being

Dairy farming is difficult work that requires exceptional talent, care, and effort. The incredible farmers and farm workers who do this challenging work deserve to feel safe, secure, and happy in their work environment.

Chobani's story began in a small dairy community in upstate New York. Ten years later, we still care passionately about the people, animals, and farms who provide our number one ingredient: milk.

To define our vision for the future, we're working with farmers, farm workers, elected officials, and experts across the industry to develop a program that looks at the dairy system as a whole—not an issue in isolation. That program is Milk Matters™, and dairy worker well-being is one of its core pillars.

From safety and training programs to wage standards to a support hotline for outlier situations—we'll work with

dairy cooperatives, farmers, and farm workers to create a system where everyone in the dairy industry has the support they deserve.

The result? Confidence in knowing where your dairy is from and that every hand that had a part in producing it is protected and supported.

### What's Next | 2022 Goal

Dairy worker well-being program in place within our supply chain.







## Sustainable packaging

In recent years, the changes to our packaging have meant less energy to produce, less materials to ship, and fewer cups and bottles ending up in the landfill. Win, win, win. And best of all, we've extended the shelf life of our products while minimizing our impact on the environment.

At Chobani, our definition of sustainable packaging means all of our packaging is either fully recyclable, compostable, biodegradable or made with recycled content. We will continue to invest in new innovations that support these ambitious sustainable packaging goals.

### Source reduction

We've picked apart the pieces—and left only what's needed. Lightening up our cups, films, and overwraps can make a world of a difference (and a big difference to the world). Ready to get wonky with us? We've reduced the weight of our core cup by 12.3% since August 2015,

which means we've saved over 3.9 million pounds of polypropylene resin—that's the weight of 15 adult blue whales! We've also reduced the shrink sleeve thickness on our core cups by 22% (vs. 2012 baseline).

### Recyclable packaging

We're proud to be members of the **Sustainable Packaging Coalition's How2Recycle** labeling program, which helps reduce consumer confusion about how to recycle single-use consumer packaged products with a clear, concise, harmonized label.

We're also piloting tear-perforation sleeves on our Non-Dairy Chobani™ products. As our packaging is made from different types of plastic, it can limit recyclability in some places. The tear perforation label can be easily removed from the cup and discarded, leaving just our cups, which are made from a single type of plastic. This allows for easy sorting at the recycling facility, so that more cups go on to find another use and don't end up in a landfill.



Since August 2015, we've reduced our packaging weight by 12.3% by redesigning our cups, saving over 3.9 million pounds of plastic resin, the weight of **fifteen adult blue whales**.

### Recycled content

Utilizing recycled content where possible is another strategy that reduces stress on environmental systems by reducing the use of virgin materials while supporting a circular economy. All of our multi-pack overwraps contain 95% post-consumer recycled content (per the ISO definition) and 100% of our corrugated containers are Sustainable Forestry Initiative-certified and made with 46% pre- and post-consumer recycled content.

#### What's Next | 2022 Goal

Convert 50% of our product packaging to be either fully recyclable, compostable, biodegradable or made with recycled content.



# Inclusion and diversity throughout our business

Since day one, we've promoted inclusiveness and diversity within our workforce because we know that our communities are stronger when people of all identities are given opportunity and access. At the core of our business, we want our employees to have a happy and fulfilling life with their families, while also being an integral part of our company's success.

Our vision is for equal representation, respect, and recognition for diverse employees at Chobani, and fostering a spirit of inclusivity for all. Over the last year, we've added programming to drive connection and celebration of amongst our very diverse employee population. This includes education events around important observance moments like Black History Month, Asian Pacific American Heritage Month, and Pride Month, and mentorship circles for women at Chobani at all of our locations.

Family has always been integral to Chobani. Celebrating our employees and their families is one of the key hallmarks of our success and, as such, we are committed to supporting our employees when welcoming a new child into their families. In early 2017,

we implemented a new, paid parental leave policy for mothers and fathers of newly born, adopted, or fostered children, offering 100% paid parental leave for six weeks for all full-time hourly and salaried employees. We want our employees to be able to bond with the newest additions to their families and return to their jobs feeling confident and ready.

### What's Next | 2022 Goal

Unconscious bias training for all Chobani employees and develop people programs that foster greater diversity and inclusion within management positions.





# Strengthening rural communities through business, philanthropy, and development initiatives

At Chobani, giving back has always been one of our core values. We're proud to be part of the communities where we live and work, and continue to identify ways where we can make a difference.

Last year, our employees collectively volunteered 4,540 total hours through Chobani-sponsored community events. We donated over 325,000 cups of yogurt to local food banks and community pantries.

Giving back is an important piece of bringing our vision of universal wellness to life. By volunteering our time, donating our products, and supporting impactful charitable projects and programs, Chobani is strengthening the communities we call home, improving childhood nutrition and wellness nationally, and helping those in need wherever they may live. In 2018, we launched several important initiatives in service of this North Star goal:

**Chobani Scholars:** The Chobani Scholars program is a multi-year scholarship available at Cornell University and the University of Idaho, supporting students who have a family connection to dairy farming and plan to pursue their own career in the dairy industry.

**Wholesome Wave:** Together, Chobani and Wholesome Wave are addressing the challenge of access to quality, nutritious food by providing free fresh fruits and vegetables, yogurt, and healthy recipes for six months to families who have at-risk children due to diet-related disease or food insecurity in Twin Falls, Idaho and Chenango County, NY.

**Community Impact Fund:** Chobani partnered with the Community Foundation for South Central New York and the Idaho Community Foundation to launch our Community Impact Funds—investing in big ideas that expand economic opportunity and promote entrepreneurship in the region.

## What's Next | 2022 Goal

We will continue to monitor, evaluate and evolve our philanthropic programs to fuel entrepreneurship, economic opportunity, and real impact in rural communities.





## *Real change today*

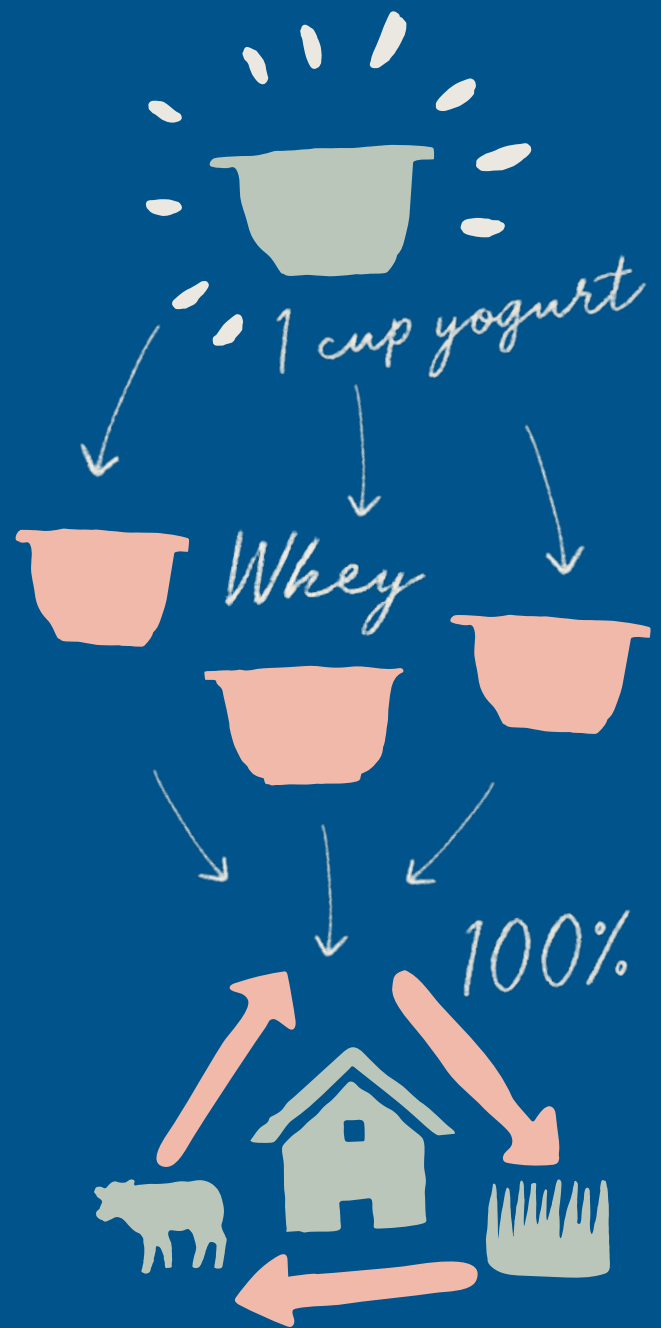
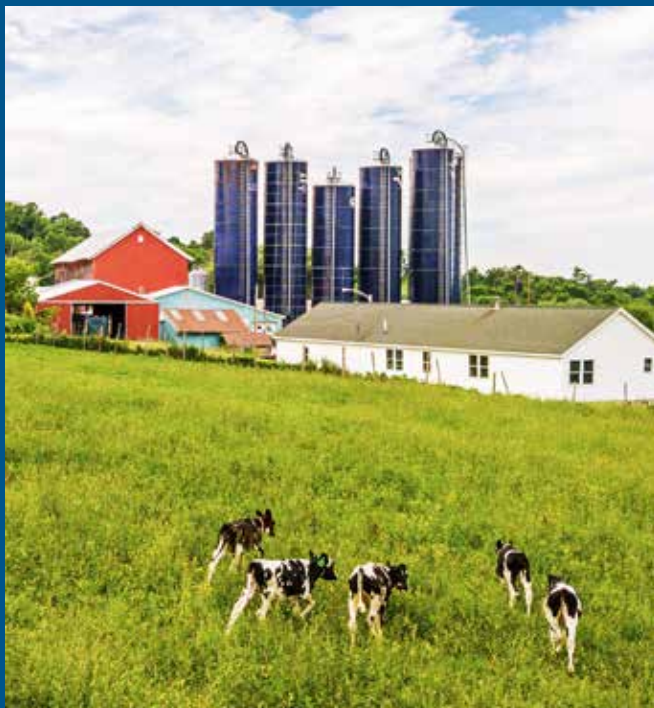
At Chobani, we believe that business can be a force for good. Good for the earth, its people, and our communities. It's how we've operated since day one.

That's why our sustainability efforts didn't begin the day we created our North Star goals. Rather, these guiding lights are the culmination of many choices and changes we've made to do business better along the way.

Read on for some of the steps we've been taking to live out our commitment to sustainability throughout our operations.

*Real change today*  
**Whey recycling**

For every cup of yogurt we make, we also produce three cups of whey. Whey is largely made up of water, lactose, and minerals. We recycle 100% of our whey through our R&D team, partnerships with local businesses and dairy farms who use the whey as a renewable fuel source, animal feed, or as a land-applied fertilizer. What's great about this byproduct is that whey provides basic nutrients, such as nitrogen and phosphorus, that help "recharge" the soil balance that supports crop growth. Farms that receive whey from our facilities are required to have a nutrient management plan on file with the appropriate local, regional, and state agencies to ensure that they handle the byproduct with care.





*Real change today*

## Milk Matters™ : Our vision for dairy

At Chobani, we're on a mission to provide better food for more people. That is why we've developed Milk Matters™ to support positive change across the many aspects of dairy farming—from cow to people to planet. Learn more about the six pillars of our Milk Matters™ program below.

### **Environmental stewardship**

We're collaborating with World Wildlife Fund and National Milk Producers Federation to reduce our environmental impact and help dairy farms do the same.

### **Animal care**

All of the dairy cooperative farms we source from are participating in National Milk Producers Federation's F.A.R.M. Animal Care program and have completed an on-farm evaluation.

### **Worker well-being**

We're collaborating with Fair Trade USA to explore developing a first-of-its-kind standard and certification program for U.S. dairy that supports dairy workers and provides meaningful premiums to benefit farmers and farm workers.

### **Local sourcing**

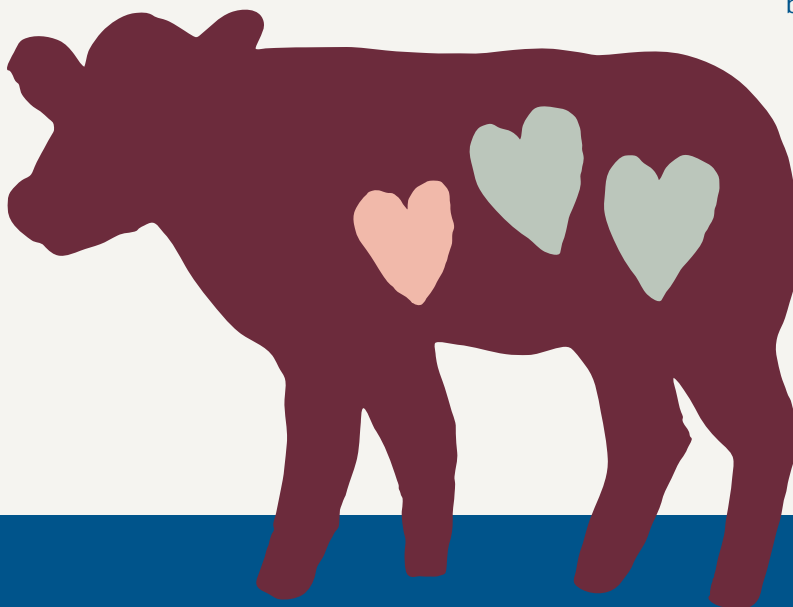
Local sourcing is an important way to support agricultural communities and minimize our carbon footprint while ensuring that our products are as fresh and delicious as possible.

### **Economic opportunity**

We're partnering with community organizations to invest in and expand economic opportunities within the dairy communities where we operate.

### **Support for dairy farms**

We're committed to giving farmers the freedom to farm as they know best. To advance quality for consumers and opportunity for farmers, we're helping small farms receive funding for projects that improve business and farming practices.







## *Real change today* **Construction**

In support of energy, water, and waste goals, Chobani's Twin Falls Innovation and Community Center is registered with the goal of U.S. Green Building Council's LEED Silver certification. This building was designed to use 30% less water, including a 50% reduction in water usage for landscaping. It is also using more than 25% less energy for lighting, heating and cooling than a typical U.S. office building. Plus, 55% of the construction waste was recycled and diverted from landfills.

### **Innovation and Community Center building features include:**

- Over 11,000 square feet of “smart glass” that automatically tints based on the availability of sunlight, providing optimal interior light levels and reducing glare.
- An expansive skylight at the center of the building will reduce lighting needs from our already environmentally-conscious, all-LED lighting system, while 30,000-square-feet of roofing material will reflect sunlight and reduce heat absorption.
- Prioritized use of recycled materials in building construction and materials that have environmentally, economically and socially preferable life-cycle impacts, and 55% of all primary construction waste was recycled.
- High-efficiency mechanical systems utilizing cutting-edge chilled beam technology that reduces energy usage and creating an optimal, comfortable work atmosphere for our employees.

Chobani Twin Falls  
Innovation and  
Community Center

2019

# Sustainability Report

For more information regarding  
Chobani's ongoing sustainability  
efforts, please visit:  
[chobani.com/impact/the-chobani-way](https://chobani.com/impact/the-chobani-way)

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