



2019 GRI ISSUE BRIEF

OUR CULTURE





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WHY IT'S IMPORTANT TO US

At Tillamook County Creamery Association (TCCA), our culture serves as our competitive advantage and is fueled by our talented, passionate and caring people. Simply put, our culture is what uniquely makes us at TCCA. It is not easily replicated by our competitors and it is the most powerful enabler of our ability to achieve our mission and vision. Our people are the bedrock of our success, and our culture is how we do things here at TCCA.

We believe that nurturing differing perspectives helps us innovate and make better decisions. To us, this means creating a climate of inclusion and diversity, and fostering conditions where all employees feel valued and a sense of belonging. Different backgrounds, cultures and ways of thinking inform our work and help us be better both as a consumer brand and as an employer.

“

Investing in people has made our future look bright. We have to invest in people and bring them up through the ranks. It's crucial to our business.”

SHANNON LORENZO

Chairman, TCCA board of directors

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Job seekers and employees today want to know if the organizations that they choose to work for care about not only their well-being but about the society and the planet as well. It becomes a source of pride for employees, and when employees are proud of their organizations, they contribute to sustainability efforts and give the organization discretionary effort in all aspects of their work.”

SHEILA MURTY

EVP, People and Culture, TCCA

MANAGEMENT APPROACH

Stewardship Charter: At TCCA, we uphold our tradition of doing things right by committing to a business model rooted in Stewardship. In 2017, we established a board-approved, third-party reviewed Stewardship Charter that defines our vision and our framework. Our Charter is centered on commitments to six key stakeholders, which encompass the issues most important to our business: Thriving Farms, Healthful Cows, Inspired Consumers, Enduring Ecosystems, Fulfilled Employees and Enriched Communities.

Our Stewardship Charter is the anchor of our Stewardship Management System; that is, we have policies, procedures, documentation, measurement and communication, which cascade from the Stewardship Char-



ter and guide our decision making. Adopting a management system like this is intentional—it ensures we embed our Stewardship commitments across all business functions, not just within our Stewardship Team. It also holds us accountable to our farmers, consumers, suppliers, employees, customers and neighbors. Upholding our Stewardship Charter is one of our five company shared values and one of our four top-level business objectives, or time-bound goals.

One of our Stewardship Charter commitments is Fulfilled Employees. As part of our Fulfilled Employees commitment, we strive to foster a culture where our people have a fulfilling and enriching experience—where all TCCA team members know their work is grounded in meaningful purpose; where they get to do interesting and challenging work; where they work in collaboration with others; where they have a real opportunity to grow personally and professionally; and, where they feel they belong. We demonstrate this by providing competitive living wages, excellent benefits, and internal growth and development opportunities and a meaningful way to contribute their time and talents toward a company they can be proud of.

We believe that one of the best ways to achieve our goals is to ensure inclusion is embedded in our culture. We focus on creating an inclusive environment, one that welcomes different perspectives and thinking, encourages employees to bring up new ideas and supports people to work together toward the same goals as **one team**. We welcome diversity by creating pipelines and partnerships to invite diverse talent to join our organization and be part of our story and success.

Shared Values: We ground our culture in five shared values, which are adopted across all TCCA operating sites:

- ▶ We are **GOOD STEWARDS**, choosing to do the right thing for the long-term for our farmers, employees, consumers, communities, environment and our brand.
- ▶ We are committed to **UNCOMPROMISING QUALITY** in our products and to continuously improving the way we do our work.
- ▶ We work together as **ONE TEAM**, keeping commitments to each other, valuing each other’s diverse perspectives, and collaborating across the organization toward the same goal.
- ▶ We **PLAY TO WIN**, adopting a challenger mindset, innovating, never backing down, and confidently pursuing growth without compromising our values or bold mission.
- ▶ We **GENUINELY CARE** for each other, serving each other with empathy and honesty, helping to keep each other safe and happy in our work and lives, and having fun together along the way.

Employee Guidebook: Our Employee Guidebook encompasses all employee policies, procedures and a common language and belief in how we operate at TCCA. All TCCA employees are required to read and sign the Employee Guidebook during the onboarding process.

Collective Bargaining Agreements: Collective bargaining agreements contain the official conditions of employment for bargaining unit members. Our Employee Guidebook does not supersede these agreements.

Site Culture Committees: Each TCCA site— Tillamook, Portland and Boardman—have cross-functional Culture Committees. The Culture Committees serve to enhance the employee experience through engaging and supportive activities and events that foster meaningful connections among our employees. The key areas of focus include volunteering and learning events, fun and celebrations, well-being, relationship-building and support of company events. We host external speakers for our Challenger Brand Lunch and Learn and Inclu-



sion series. We do a lot more than just come to work.

Tillamook Cares Volunteer Program: All employees are encouraged to participate and volunteer in community events through our formal volunteer program. As of September 2018, we offer all full-time, non-union employees eight hours of paid time each year to support a cause of their choice. TCCA also organizes many opportunities for our employees to participate in together, with their families and co-workers.

Key Players: At TCCA, our People and Culture Department—what is traditionally referred to as human resources—is responsible for providing responsive solutions for our employees and managers and oversees employee relations, payroll, benefits, compensation, recruiting and development. They are stewards of our culture. The team has an Executive Vice President and dedicated staff to advance these specific efforts and programs. Having said that, we believe that creating the culture we want and modeling our shared values is everyone’s responsibility at TCCA.

Our Farm Services Team oversees relationships with TCCA farmer-owners, including their labor practices and policies. And, our Stewardship Team oversees a Stewardship Supplier Engagement Program to gain a line of sight into our supply chain partners’ practices.

Key Performance Indicators: We present qualitative and quantitative information alongside financials to our leadership team, executive team and board of directors. Every two to three years, we conduct a company-wide Employee Engagement Survey for all employees using a third-party vendor. The purpose of this survey is to find out how employees feel about the culture and workplace experience at TCCA. The survey is anonymous and confidential. The results are shared across all sites by People and Culture leadership. Department leaders then share the department-specific results with their respective teams. Every year, we implement several initiatives in response to the survey results. Our 2019 overall employee satisfaction score across our workforce was 75 percent. The following key metrics are aimed to help us monitor our progress:

1. Gender Balance (target 50 percent)
2. Employee Retention (target 75-85 percent)
3. Internal Employee Promotion (target 13 percent)
4. Employee Benefits Utilization (target 80 percent)
5. Workforce Diversity (target 30 percent)
6. Living Wage (target 100 percent)
7. Employee Volunteer Hours (target 3,500 hours)
8. 401k Participation (target 90 percent)
9. 401k Participation Under 35 (target 90 percent)



Resolution of Complaints: We strive to react promptly and respond fairly to every concern, question or complaint raised by an employee. All employees are urged to use the following procedure should they have a concern, question or complaint:

1. Speak directly with their supervisor, if comfortable.
2. Speak directly to a representative from People and Culture Department, if uncomfortable speaking directly with their supervisor.
3. Give written complaint to supervisor within 14 calendar days of the date problem arose.

A People and Culture representative will investigate and respond to employee concerns within seven to 10 days. This period may be extended, depending on the facts and circumstances of each case.

WELL-BEING

We **GENUINELY CARE** about our employees and prioritize employee well-being. We offer a generous employee benefit package to our full-time employees, including but not limited to health care coverage, life insurance, flexible spending account, 401(k) plans with employer matching and profit sharing, short-term and long-term disability and an Employee Assistance Program. In addition, we offer several voluntary plans to allow employees the flexibility to select the plans that fit their needs. More recently, we introduced a flexible work option, public transportation passes for our Portland-based employees, and birthdays off with pay.

It is our goal to promote healthful living and wellness for team members and their families, such as offering free biometric screenings (a mini-physical) and annual flu shots. Tobacco cessation programs are available for employees and family members at no cost. We also offer fitness reimbursement programs, wholesome snacks in our employee kitchens, meditation courses, financial wellness education, sports teams and a bike storage room and showers. Every year, our TCCA Baby Loafers Team participates in Oregon's Hood to Coast Relay. The "Mother of All Relays," this race stretches 198 miles from Timberline Lodge on Mt. Hood to Seaside on the Oregon coast.

We recognize that raising a family and juggling a career can be challenging. To support our growing families, we provide six weeks of paid parental leave for both parents, as well as flexible return to work options. Nursing mothers have access to quiet mothers' rooms at work, and a breast milk shipping service is available for our traveling moms. We always welcome new babies with a personalized Tillamook branded baby blanket.

We encourage a casual work attire, and a comfortable work environment. From May to September, employees are encouraged to leave the office at noon on Fridays to start their weekend early, and to enjoy the Pacific Northwest summer.

We provide programs to support the financial well-being of our employees, as well. Our generous 401(k) plan includes a 100 percent employee match up to the first 6 percent, which vests immediately, and a true-up feature that ensures our employees get the maximum matching funds. In addition, our employees are eligible for a profit share program. Based on the financial performance of the company in the previous year, a lump sum contribution is deposited into 401k accounts, with a target of 6.5 percent. All employees have access to our retirement and financial advisors who offer advice as they begin to plan and navigate to their retirement goals.



LEARNING AND DEVELOPMENT

The People and Culture Department offers a range of opportunities for all employees to take the driver's seat in advancing their learning and development goals. Our goal is to hire, develop and retain top talent. We provide permission-less opportunities for our employees to grow and develop through high quality learning opportunities and we reimburse employees to attend professional development trainings and conferences.

Leadership Development: We invest deeply in our leaders because we believe that leadership is crucial to fostering our culture. All TCCA people-leaders attend leadership development programs and continue learning through sustainable peer cohorts.

Tuition Reimbursement: Our Tuition Reimbursement program aids employees in earning a degree and helps employees to gain the skills that they need to better contribute in their role and to the organization.

Employee Referral Program: Employees receive a day off with pay for each hired referral. We take great pride in our talent acquisition processes and we encourage our employees to refer someone they think would be a great fit for our culture and would enjoy working at TCCA. post-installation assessments and inspections conducted for new equipment, machinery and/or processes are documented. For example, documented inspections of emergency eye wash stations occur regularly, verifying that they are operational, clean, sanitary and unobstructed.

EMPLOYEE RECOGNITION

We celebrate the successes and the milestones of our team members with Extra Sharp Employee of the Month awards, longevity awards, retirement gifts, High Five (for our values) awards, birthday gifts and employee appreciation events and days. Being an employee of TCCA means more than just having a job; when you work at TCCA, you are part of our family.

TCCA is committed to large-scale sustainability initiatives at the regional, national and global levels. Our values and stewardship commitments are aligned with and inspired by the United Nations Sustainable Development Goals, The Dairy Sustainability Framework Global Criteria, the Innovation Center for U.S. Dairy Stewardship Commitment and the National Milk Producers Federation FARM program.