



GOOD IS SOMETHING WE MAKE TOGETHER

2020 STEWARDSHIP REPORT



A YEAR THAT TRIED US AND UNITED US

When 2020 did its best to pull us apart, we confronted each challenge by coming together.

At Tillamook County Creamery Association (TCCA), we faced the same challenges as so many others in 2020. Yet, in a year of unforeseen hardship, coming together came naturally because we could rely on our shared values. When our essential workers and communities needed extra care, we were there. When farmers across America needed help, we stepped up. And when society spoke out against racial inequity, we furthered our actions. Our Stewardship Commitments inform every decision we make and have guided our business for over 110 years. For us, Stewardship has always meant coming together for the people, places and animals that we care for.

And it always will.

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People across the country are hunkering down at home and looking out for family, friends and neighbors. We are rising up to support the people and the places that have supported us for decades.

Shannon Lourenzo

*Farmer-owner and Chairman,
TCCA Board of Directors*



In the midst of constant change, one thing stayed constant: **OUR COMMITMENT TO STEWARDSHIP**

During a tumultuous year, our six commitments served as our foundation and our guide.



THRIVING FARMS

Thriving Farms are essential to our future. Not only for our cooperative, but for our TCCA community and the food system. We're helping farmers to be more efficient, economically sound and viable for generations.



HEALTHFUL COWS

From working with herd health experts to adopting new technology that monitors a cow's well-being, we're committed to keeping cows healthful and comfortable.



ENDURING ECOSYSTEMS

As an agricultural cooperative, we protect the resources that sustain us. We focus on conserving air, land and water, while reducing energy and waste — at the farms, in our facilities and across our truck fleet.



INSPIRED CONSUMERS

Every bite of our products should represent everything we stand for. When we strive for a higher standard of excellence across our value chain, the result is great-tasting products that consumers are proud to enjoy and inspired to share with others.



FULFILLED EMPLOYEES

It takes dedicated employees to keep our cooperative going for over 110 years. We're committed to helping them thrive by fostering a culture that is enriching and fulfilling.



ENRICHED COMMUNITIES

Our work and our people are intricately connected to our communities. We look for ways to strengthen them — focusing on agricultural advocacy, food security and healthful children.

2020 HIGHLIGHTS

\$4 MILLION IN COVID RELIEF

When COVID-19 upended the communities where we work and the lives of TCCA employees, we stepped up with the support they needed.

32% HIGHER MILK PRICES

In 2020, we paid our farmer-owners 32% more than the annual average federal Class III milk price.

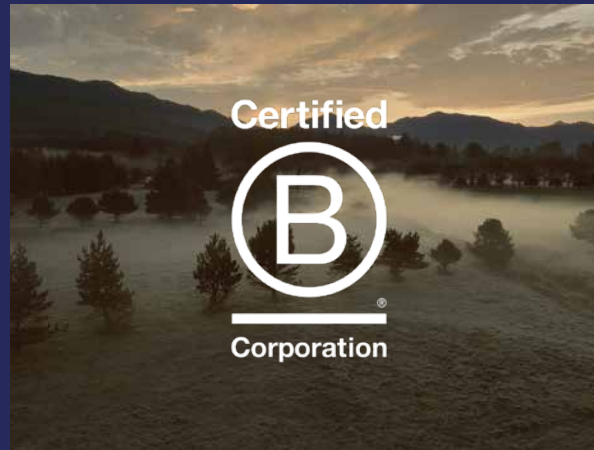


\$1.6 MILLION DONATED

In September, we donated 10% of our profits in key markets to provide 130 grants to farmers across the country and protect at-risk farmland through the American Farmland Trust.

BECAME A CERTIFIED B CORPORATION®

Earning the distinguished B Corp™ certification represented a collective effort to build a purpose-driven company committed to doing good.



8,516 PAID VOLUNTEER HOURS

In 2020, our employees volunteered a total of 8,516 hours in service to our communities.

PITCHED IN FOR FIRST RESPONDERS

When wildfires reached Tillamook County, we served up 500 free to-go meals for first responders in just four days.

AWARDED FOR SUSTAINABLE PROCUREMENT PRACTICES

Winning a 2020 Sustainable Purchasing Leadership Council Award validated our commitment to traceability and transparency across our entire supply chain.

JOINED THE GLOBAL FIGHT AGAINST FOOD WASTE

We've teamed up with Kroger and hundreds of suppliers worldwide to commit to a 50% reduction of food waste in our operations by 2030.



4 MILLION GALLON REDUCTION IN WATER

In 2020, we reduced our water consumption by roughly 4 million gallons at our Tillamook manufacturing facility, a 2.7% net reduction.

A COLLECTIVE EFFORT, A WORLD OF DIFFERENCE

We've structured our business to be a force for good in the world. So when COVID-19 disrupted the lives of our employees and the people who live and work in our communities, we stepped up with a \$4 million COVID-19 relief fund and a plan to distribute it. It was a united response to a year unlike any other.

For more information, read our COVID-19 relief web article.

[LEARN MORE](#)

\$4 MILLION IN
COVID RELIEF

To help our communities and employees during the global pandemic.



A few ways we provided funding for THE PEOPLE AND PLACES THAT NEEDED IT MOST

We distributed a portion of our \$4 million commitment directly to our communities.

CREATED A HOMETOWN RESILIENCE FUND

\$500 K

Administered through our newly created Hometown Resilience Fund. We provided direct support to local businesses in our rural hometowns of Tillamook and Morrow counties through grants and by securing an additional \$500,000 in government matched funds.

INCREASED OREGON FOOD BANK PRODUCT DONATIONS

\$1.2 M

Worth of product donated to food security organizations, including Oregon Food Bank, as well as first responders and school districts. In a year where hunger doubled,¹ we donated the equivalent of 340,000 meals, an increase of over 450% from our 2019 product donations.

SUPPORTED RESTAURANTS IMPACTED BY COVID

\$110 K

Distributed directly to restaurants impacted by COVID-19 shutdowns.

DISTRIBUTED PRODUCT COUPONS TO ESSENTIAL WORKERS

\$100 K

In product coupons handed out for free cheese and ice cream for farmer-owners and employees to distribute to essential workers across their communities.

Support for OUR EMPLOYEES



PROTECTING OUR ESSENTIAL WORKERS

We provided premium pay, PPE, extra safety measures and tools for our essential workers who kept our manufacturing facilities running.

CARING FOR MENTAL WELL-BEING

From online summer camps and tutoring for kids of working parents to waiving copays for virtual doctor visits, we established new programs to help employees cope during the COVID-19 pandemic.



MAKING MASKS

When The Creamery visitors center temporarily closed, we kept workers employed by sewing over 5,000 face masks for the community or retraining them for manufacturing roles.

CONNECTING, 2020 STYLE

We discovered new ways to come together with virtual Town Halls, virtual food drives and a drive-through employee appreciation event.



Donated \$1.6 million to help farmers across the country

#ALLFORFARMERS

Bobby Bounmy is a Hmong vegetable farmer working to carry on his family's legacy. However, COVID-19 struck at a time when many farmers were already struggling financially. All over the country, farmers were forced to give away or even destroy the food they produced due to restaurant closures and distribution challenges.

To ensure Bobby and other farmers like him could keep going, we partnered with American Farmland Trust who could get money to farmers who needed it most — when they needed it most. Our \$1.6 million donation seeded the American Farmland Trust's Brighter Futures Microgrants program that provided Bobby with one of 130 grants to farmers across 25 states so he could replace his walk-behind tractor. Other farmers received help protecting their farms in perpetuity from development. This will make farmland both more affordable and available for current and future generations.

For more information, read our All For Farmers web article.

[LEARN MORE](#)





COW CARE

A COMMITMENT EVEN 2020 COULDN'T SHAKE

When the global pandemic brought our nation to a screeching halt, dairy farms had to carry on, and cows still needed our care. Excellent cow care takes everyone at TCCA coming together: all-in support from farmer-owners, hands-on expertise from our Farm Services Team and a cooperative full of people passionate about equipping farms with the latest practices and technology. Whether a farm has 200 or 20,000 cows, our standards are rigorous, our expectations are clear, and our philosophy is straightforward:

Healthful cows always come first.



**100% FARM ANIMAL
WELFARE PROGRAM
ADHERENCE**

In 2020, 100% of all milk used in Tillamook® products came from suppliers who adhere to Farmers Assuring Responsible Management (FARM) industry-leading animal care standards.

The better the care, **THE BETTER THE MILK**

We put every ounce of our values into every scoop, spoonful or slice of Tillamook® products. But can you measure the science of cow care? In a word, yes. One way is by tracking somatic cell counts (SCC). Somatic cells increase in response to an infection. Lower counts mean more healthful cows, and more healthful cows mean higher quality milk. To continue driving lower SCC, we pay premiums to farmer-owners who keep their SCC low, and we are working with our co-manufacturers to do the same. Of all the milk that goes into Tillamook® products, 75.4% has an SCC below 200,000 per milliliter,² and we have a goal of reaching 100% by 2025. **The fact that our milk has some of the lowest SCC in the industry reflects how well our farmer-owners and co-manufacturers care for cows.**

20% IMPROVEMENT

In average somatic cell counts at our milk supplier Threemile Canyon Farms in Boardman. This improvement correlates with our work to have the most healthful cows possible.



New data, new tools, **NEW STANDARDS**

Ask Dr. Kate Lott, DVM, and her Farm Services Team what it takes to care for cows, and you won't get a simple answer because, put simply, excellent cow care keeps evolving. And that's a good thing. "It's a job that never stops," she says. "There are new ways to care for animals, and we have to keep driving to be better. I took an oath as a veterinarian, and I'm passionate about animal welfare. **Ultimately the cow is one of our stakeholders here, and she can't speak for herself. So it's up to us and the farmers to keep her best interest at heart.**"

ADOPTING HIGHER STANDARDS

for cow care

In 2020, the Farm Services Team and our farmer-owners agreed to adopt stricter, more rigorous FARM 4.0 standards for all our milk suppliers to make sure our heritage of exceptional animal care endures well into our future.

MORE PROTECTION FOR HIGH-RISK ANIMALS

Mandatory practices according to the new, rigorous FARM 4.0 standards are improving rules around how farms move and care for calves at birth while mandating that farmers provide colostrum, the mother cow's first milk, which is full of antibodies, within six hours after birth.

COMPLIANCE ISN'T OPTIONAL

Our farmer-owners participate in on-farm evaluations every year, including evaluations from our Farm Services Team and third-party evaluations from NSF International. After evaluations, if they don't meet our high standards, they have 60 days to implement corrective actions.



LESS PAIN, MORE MANAGEMENT

Stricter requirements for pain medications, farm protocols and record keeping enhance the way we care for calves from birth to weaning.

PERSONALIZED ACCOUNTABILITY

We require that farmer-owners establish written agreements outlining medication usage and protocol documentation with their veterinarian. These agreements create a stronger relationship between farmer-owners and veterinarians while increasing accountability.

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The cows on this farm are our livelihood and our life. We care deeply for them, and adhering to the latest FARM standards is how we make sure they are healthful, comfortable and well taken care of.

Tom Seals

Farmer-owner and Board Member, TCCA



ENDURING ECOSYSTEMS

RESTORING OREGON'S HABITATS

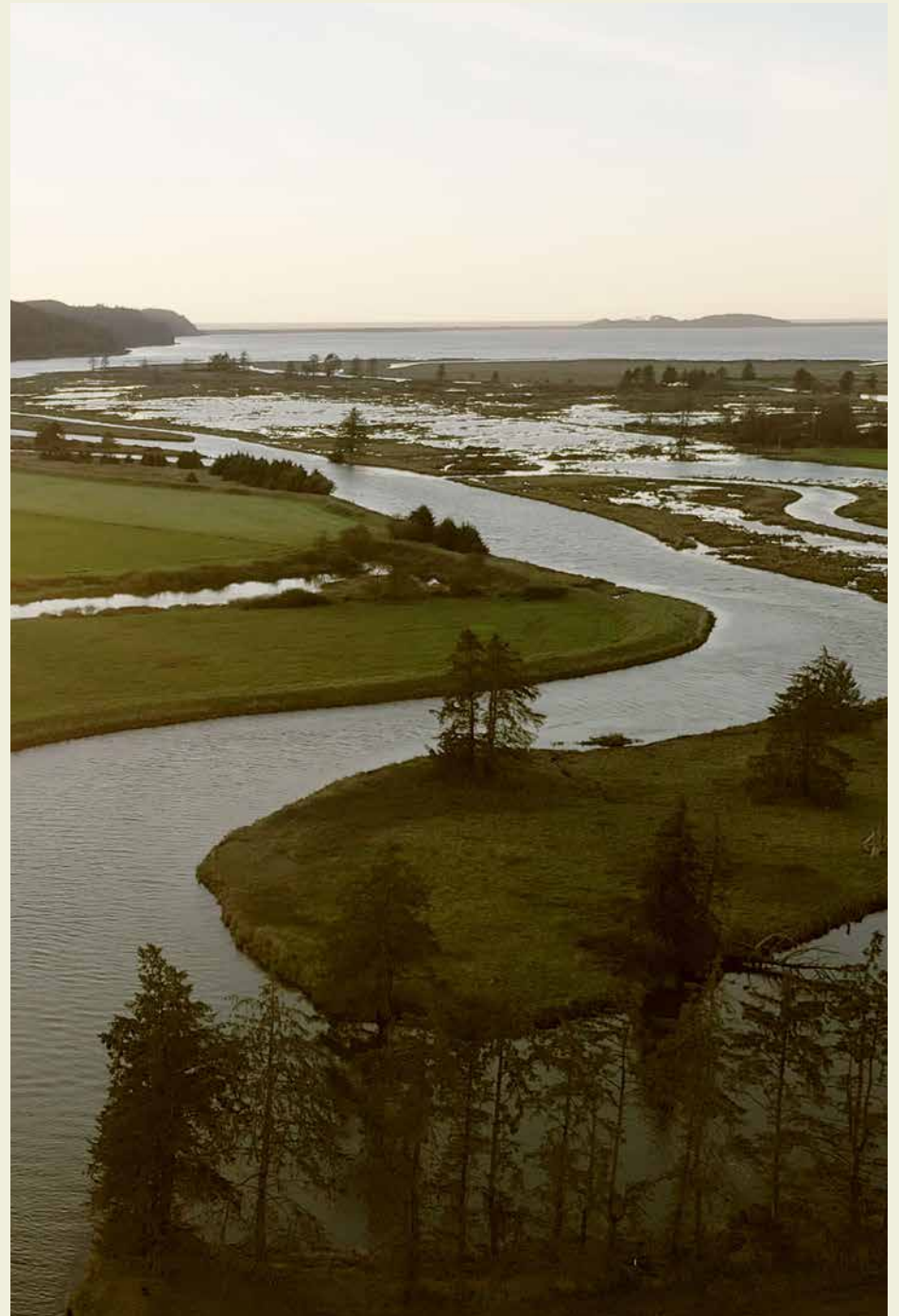
In 2020, we partnered on several habitat restoration projects in Oregon to uphold our commitment to Enduring Ecosystems.

Reconnecting aquatic habitats for ENDANGERED SPECIES

Together our farmer-owners worked with the [Salmon SuperHwy](#) — the region's largest fish conservation and economic development partnership — to restore watersheds on the Oregon Coast, including three on TCCA farmer-owners' lands. In 2020, the organization's projects reconnected 14.7 miles of aquatic habitat for ocean-going fish in the Tillamook-Nestucca Subbasin, provided 33 local jobs and improved critical transportation infrastructure. In the past seven years, these projects have reconnected 95 miles of aquatic habitat.³

14.7 MILES OF
AQUATIC HABITAT
RECONNECTED

Throughout salmon and steelhead rivers
of Oregon's North Coast.



PRESERVING NATIVE PLANTS in Northwest Oregon

In 2020, we also committed \$20,000 to support the conservation and restoration of Tillamook County's watersheds alongside Northwest Oregon Restoration Partnership (NORP), a program that's part of the Tillamook Estuaries Partnership.



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With the help of TCCA funds, NORP propagated and distributed coastally adapted, genetically appropriate native plants into habitat restoration projects across Northwest Oregon. As a result, we sowed 37,000 seeds, transplanted over 40,000 plants and maintained our 100,000 native plant nursery.

Maysa Miller

Restoration Partnership Coordinator, NORP



Taking extra steps to minimize our footprint

FARM Environmental Stewardship (FARM ES) is a third-party, voluntary program that asks dairy farmers to go beyond the FARM framework for animal care by measuring greenhouse gases. In 2020, we adopted FARM ES to take a step toward our goal of assessing greenhouse gas emissions specific to our farmer-owner dairies. This included analyzing data around electricity use, feed use and manure management. We also took soil samples to assess nitrogen levels and help farmers continue to uphold best management practices. While we're still in the beginning stages of implementation, we're working toward widespread adoption to better understand and further reduce our environmental impact.



VALUING DIFFERENCES, WORKING TOGETHER

2020 accelerated our commitment to Inclusion & Diversity. Together, we learned, took action and amplified the work of others while continuing to create a culture of inclusion. Our shared mission is to build an environment where we're inspired to use our different ideas and talents so innovation can flourish — and we can make better decisions together.

Working together to be BETTER IN 2020

FLEXIBLE INCLUSION TRAINING AND DISCUSSIONS

From interactive webinars and discussion groups to inclusion circles and Building an Inclusive Culture sessions, we created multiple ways for TCCA employees to deepen our collective awareness, widen our circles and broaden our perspectives.

BUILDING CONSCIOUS INCLUSION

We created opportunities to engage and educate TCCA employees to model inclusive behavior and create a culture where we all feel valued. It's a job we couldn't do alone. So we invited experts to join us and help expand our perspectives as we learned and grew together.

SPONSORING THE RED DOOR PROJECT

By actively hosting sessions and workshops led by local businesses and community experts, we're supporting the voices of people transforming our communities.

We became the founding corporate sponsor for The Red Door Project virtual series. These workshops help give audiences the tools to have nuanced and complex conversations with each other in order to bridge our different lived experiences.

For more information, read our Inclusion & Diversity web article.

[LEARN MORE](#)



TILLAMOOK 2020 STEWARDSHIP REPORT

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We do more than create a sense of belonging at TCCA — we create a culture where we benefit from the unique perspectives of our people. And one that enables us to make better decisions, have stronger teams and be a better brand.

Sheila Murty

Executive Vice President of People and Culture, TCCA



SINCE 2018, WE'VE DOUBLED THE NUMBER OF LEADERS OF COLOR

We also increased the percentage of women in director-level roles by 6%. To date, 18% of our directors and above are people of color and 43% of manager level and above are women. [Learn more](#) about the framework we're using to dial in our Inclusion & Diversity efforts and the positive impact it's having across TCCA.

SCORECARD

● 90-100% of target ● 50-89% of target ● 0-49% of target

METRIC	EXPLANATION	2019 PERFORMANCE	2020 PERFORMANCE	TARGET	RESULTS
HEALTHFUL COWS					
FARM/Validus Program Participation	Percent participation among TCCA farmer-owners	100%	100%	100%	●
Somatic Cell Count	Percent of total milk supply below 200k somatic cell count ⁴	71%	75%	100%	●
INSPIRED CONSUMERS					
Supplier Traceability	Percent participation in Stewardship Supplier Engagement Program covering suppliers, co-manufacturers and milk supplied to Tillamook and Boardman facilities ⁵	4%	46%	100%	●
ENDURING ECOSYSTEMS					
Air Emissions — Ammonia	Percent of milk pounds entering Tillamook and Boardman facilities between 8-14 mg/dl Milk Urea Nitrogen (MUN)	93%	98%	100%	●
GHG Emissions	Scope 1 emissions: Percent YoY change in total metric tons of CO ₂ -eq emitted	-4.2%	4.3%	-4.1	●
	Scope 2 emissions: Percent YoY change in total metric tons of CO ₂ -eq emitted	0.0%	-3.4%	-4.1	●
	Scope 3 emissions: Percent YoY change in total metric tons of CO ₂ -eq emitted	-2.8%	8.2%	-4.1	●
Energy Use	Percent YoY change in total MMBtu of energy used, normalized by milk pounds received	-0.4%	-8%	-1%	●
Waste Diversion	Percent of waste diverted from landfill ⁶	42%	63%	90%	●
Water Consumption	Percent YoY change in total gallons of water consumed, normalized by milk pounds received	+8%	-12%	-1%	●
FULFILLED EMPLOYEES					
Employee Benefits	Percent of employees utilizing benefits	95%	88%	80%	●
	Percent of employees participating in 401(k) plan with safe harbor match	94%	94%	90%	●
	Percent of employees participating in 401(k) plan with safe harbor match (under age 35)	93%	91%	90%	●
Employee Opportunities	Percent of employees internally promoted	14%	14%	13%	●
Employee Retention	Percent employee retention	79%	82%	75%-85%	●
Gender Balance	Percent female/male at Manager level and above	45%/55%	44%/56%	50%-50%	●
Living Wage	Percent of employees who are paid a living wage	100%	100%	100%	●
Overall Employee Engagement	Overall employee engagement score, based on results of annual survey	75%	93%	75%	●
Workforce Diversity	Percent of employees of color, racially or ethnically diverse	25%	26%	30%	●
ENRICHED COMMUNITIES					
Community Investment	Percent of our earnings invested in our communities ⁷	4%	13%	4%	●
Employee Volunteer Hours	Number of hours volunteered in our communities ⁸	3,155	8,516	3,000	●

For more information, see our [2020 GRI Content Index: Issue Briefs & Data](#).



GRI ISSUE BRIEFS

For a more detailed approach to what matters most to us, see our GRI Issue Briefs:

- [Animal Welfare](#)
- [Community Enrichment](#)
- [Economic Performance](#)
- [Energy, Emissions and Climate Change](#)
- [Food Safety and Product Quality](#)
- [Occupational Health and Safety](#)
- [Our Culture](#)
- [Packaging](#)
- [Responsible Sourcing](#)
- [Waste](#)
- [Water and Effluents](#)

GRI CONTENT INDEX & COMPREHENSIVE DATA

For a detailed look at our GRI alignment and comprehensive data:

[COMPREHENSIVE GRI DATA](#)

TCCA is committed to large-scale sustainability initiatives at the regional, national and global levels. Our Key Performance Indicators 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.

ENDNOTES

1. Edwards, M. (2020, December). [Oregon's Food Insecurity in the Time of COVID](#). Oregon State University, OSU Policy Analysis Laboratory (OPAL).
2. Norman, H. D., Guinan, F. L., Walton, L. M., & Dürr, J. (2020, February). [Somatic Cell Counts of Milk from Dairy Herd Improvement Herds during 2019](#). (CDCB RESEARCH REPORT SCC21). Council on Dairy Cattle Breeding (CDBC).
3. Salmon SuperHwy. [2020 Annual Report](#).
4. As of 2020, we have better visibility into the milk quality of our suppliers. Our 2019 Somatic Cell Count performance only accounted for milk entering our Tillamook and Boardman manufacturing facilities. Our 2020 Somatic Cell Count performance accounts for our entire milk supply.
5. In addition to the suppliers and co-manufacturers that we evaluate through EcoVadis, we expanded our definition of traceability in 2020 to recognize and include the significant supplier traceability programs we have in place for milk supplied to our Tillamook and Boardman manufacturing facilities. These include abiding by the environmental protection and worker health and safety programs outlined in our TCCA Cooperative Member Handbook and Contract Milk Suppliers Handbook, participating in regular formal and informal farm visits, undergoing inspections, and meeting animal welfare standards and milk quality assessments. We have also included the spend covered within the scope of our environmental footprint assessment. Therefore, the percent participation in the Stewardship Supplier Engagement Program has increased from 4% to 46%.
6. Our waste diversion performance accounts for solid and non-hazardous materials generated across our operations.
7. This metric represents total giving in 2020 to nonprofit organizations (501(c)3, 501(c)6 or 501(c)7) and is comparable to previous years' KPIs. It does not include additional donations we gave in 2020 to for-profit small businesses, chef and restaurant support or additional employee benefits included in our COVID-19 Response Plan.
8. In light of COVID-19, The Creamery visitors center closed, and we granted employees extra paid volunteer time to create face masks and letters for first responders. This opportunity was optional for employees, and we saw a high volume of participation.