OUR 2021 SOCIAL & ENVIRONMENTAL ASSESSMENT REPORT

CEO Letter

The Challenges of Living Our Values

As our namesake co-founders wrote in their book, Ben & Jerry's Double-Dip: How to Run a Values-Led Business and Make Money, Too, this company has always been an experiment "to see whether a business could survive while being a force for progressive social change." Since Ben & Jerry's was purchased by Unilever back in 2000, our social mission has been safeguarded and supported by a unique acquisition agreement that included the creation of the Independent Board of Directors, guaranteeing the independence we need to keep this special experiment going.

But operating our business this way has never been easy. In 2021, our commitment to live out our values was truly put to the test unlike ever before when we announced one of the most difficult, disruptive decisions we've had to make in our history: ending the sale of Ben & Jerry's ice cream in the Occupied Palestinian Territory (OPT), often referred to as the West Bank. From our earliest days, choosing to live by our principles has brought on difficult challenges, and contending with conflicting views about the public positions we've taken over the years on policy issues has become par for the course.

The linked prosperity business model on which we operate has often entailed balancing seemingly conflicting imperatives that keep us true to our purpose. Finding ways to navigate difficult business decisions while operating in accordance with our values is the key to our success and has defined us from the very beginning. It is why we choose to incur the higher costs of procuring key ingredients through Fairtrade, pay Caring Dairy and Milk with Dignity program premiums to ensure sustainable dairy practices on our farms, and risk a greater chance of supply chain disruptions by committing to non-GMO ingredients and sourcing from small social enterprises.

I believe Ben & Jerry's commitment to its social mission and values matters most during trying times. In 2021, the world was still in the midst of a historic pandemic, many countries were still grappling with a racial equity reckoning, and climate change continued to threaten our future. Amid all this change and uncertainty, we strived to use how we operate our business and the influence we have within society to advance social and climate justice. Meeting this historic moment has not been easy, and I am so proud of our employees, franchisees, and partners for rising to the occasion. We know they bear much of the weight of tackling these challenges and upholding our values.

The pace at which we are able to live up to our ambitions and potential can, at times, be frustrating. Despite our commitment to racial equity, we must acknowledge that we are still an overwhelmingly white company that creates far too little linked prosperity for communities of color. Similarly, though we are in the process of implementing aggressive strategies to cut our greenhouse gas (GHG) emissions, we remain far from achieving our goals.

That's not to say we aren't moving boldly or decisively. We're continuing to restructure our company in unprecedented ways to advance racial equity and inclusion. In 2021, we created and filled the positions of Racial Equity and Inclusion Director, a leadership role, and Senior Retail Racial Equity Specialist, which reports to the former. Along with teams across the business, these leaders are helping to accelerate Ben & Jerry's transformation into a company that shares its wealth with historically marginalized communities of color, and whose employee base and franchise network reflect the demographic makeup of the communities we serve here in the U.S. and around the world.

Despite the significant hurdles our growth has presented to shrinking our carbon footprint by reducing GHG emissions from our manufacturing and value chains, we remain committed to achieving our Science Based Targets Initiative (SBTi) targets. In 2021, this meant developing a groundbreaking, scalable pilot project designed to halve GHG emissions at a select number of our dairy farms in only three years. A testament to the ingenuity of our teams and partners, the pilot, launching in 2022, will feature innovative, holistic approaches to emissions reductions that will go a long way in curtailing our environmental impact and ensuring our operations prioritize the health of the planet in the long term.

Ultimately, we know that it is our commitment to our values and three-part mission, enabled by our unique business model, that drives our success—challenges and bumps in the road notwithstanding—and what has made Ben & Jerry's a leader among values-led businesses. The results speak for themselves: In 2021, we turned over €1 billion in global sales for the first time, making Ben & Jerry's one of only 13 Unilever brands to achieve this. I believe it is safe to say that what started as an experiment is now a proven business model.

We hope that this Social and Environmental Assessment Report (SEAR) testifies to our continued dedication to the ideals on which we have built our business. The stories told here are not intended to be self-congratulatory; rather, we hope they will transparently report our year-on-year progress and allow our fans and stakeholders to hold us accountable to our commitments.

Please keep scrolling to find our 2021 SEAR below, a read best enjoyed with a pint of Ben & Jerry's. Don't hesitate to share your thoughts with us—your feedback helps keep our mission alive. Thank you.

Ice Cream Can Change the World

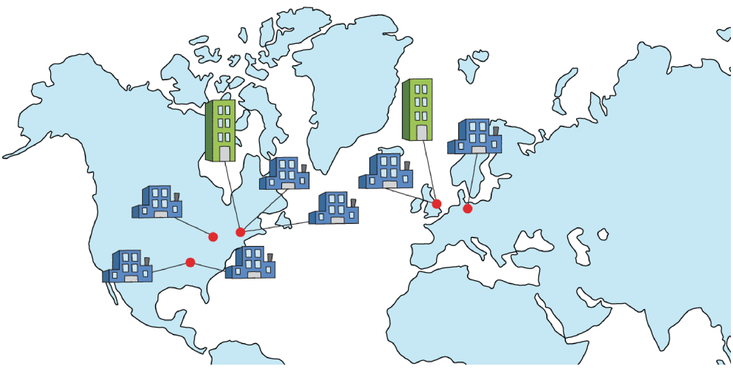
Our values drive our business, not the other way around. We believe Ben & Jerry's ice cream can change the world for the better, and everything we do is guided by this sincere belief. That means we try to leverage our influence and resources to champion our core principles wherever we operate:

Human Rights & Dignity	Social & Economic Justice	Environmental Protection, Restoration & Regeneration
We are committed to honoring the rights of all people to live with liberty, security, self-esteem, and freedom of expression and protest, and to have the opportunity to provide for their own needs and contribute to society.	**We are committed to achieving equity, opportunity, and justice for communities across the globe that have been historically marginalized, recognizing that this is tied to fair livelihoods that enable individuals, families, and communities to thrive.**	**We are committed to a positive, life-giving environmental impact that restores degraded natural environments and enables increased diversity and an abundance of ecosystems.**

For decades, Ben & Jerry's social mission has propelled our work and kept us striving toward our values. In 2021, we continued to advocate for linked prosperity between our stakeholders, society, and the planet. However, we also grappled with important challenges to living our values and adjusting our company culture to reflect our social mission commitments. Fulfilling our aspirations as a values-led company is a recurring challenge for Ben & Jerry's, as doing so often involves grappling with conflicting priorities, acknowledging diverse perspectives, and, inevitably, making mistakes. This year, reconciling business interests with disruptive policy decisions that kept us true to our values was especially difficult for many of our employees and franchisees. We sympathize with their struggles and are working hard to provide as much support as possible as we continue to grow together.

Where We Work & Who We Are

Office and Manufacturing Sites



Decision to End Sales in the West Bank

On July 19, 2021, we announced our decision to stop renewing the license agreement with a longstanding licensee to make and sell Ben & Jerry's ice cream in Israel, effectively ending the sale of our products in the West Bank when the agreement expires at the end of 2022. In the weeks leading up to the announcement, our allies, fans, and members of the public expressed concern for the discrepancy between our work to advance racial justice in the U.S. and our inaction when it came to upholding the human rights of Palestinians. This concern was most clearly expressed by the flood of negative commentary we received online in the months before the announcement of the decision, which hampered our ability to continue carrying out important social mission work with some of our partners and prompted us to pause activity on our social media channels from May 18 through July 19. Ben & Jerry's has a decades-long history of campaigning for peace and advancing equity in every aspect of our operations. Our decision to end sales of Ben & Jerry's in the West Bank was aligned with this history and our values as a progressive company.

Adoption of the Decision

Understanding how Ben & Jerry's could contribute to peace and justice in Palestine required undertaking a years-long learning journey. This effort included trips to Israel and the West Bank in 2015 and 2019, during which senior company leaders met with Israeli government officials, international organizations, business leaders, nongovernmental organizations (NGOs), and activists in order to get a well-rounded understanding of diverse viewpoints.

While we made our decision with complete conviction, we understand the announcement caused confusion, unease, and disagreement among some of our stakeholders. Following the announcement of the decision, we took steps to create opportunities for candid discussion with our employees and franchisees. These conversations included:

An internal debrief session for our employees with Ben & Jerry's CEO Matthew McCarthy and Chair of Ben & Jerry's Board of Directors Anuradha Mittal
A speaker series with Q&A opportunities to help our employees and franchise community understand the reasoning behind our decision that featured guest speakers like Peter Beinart, professor of journalism at the CUNY Graduate Center and political commentator specializing in Israel and Palestine; Daniel Sokatch, CEO of the New Israel Fund; Omar Shakir, Israel and Palestine Director at Human Rights Watch and volunteer with the Ecumenical Accompaniment Programme in Palestine and Israel (EAPPI)
A system-wide call with our franchise network in which members of Ben & Jerry's Franchise Advisory Council shared their thoughts on our withdrawal from the OPT

Despite our best efforts to be transparent and communicative, the announcement and subsequent adoption of the decision to end sales in the West Bank unfolded quickly. We realize that many Ben & Jerry's employees and franchisees—regardless of their stance on the issue—felt unprepared to cope with reactions from the public. We also acknowledge the internal feedback we received from employees, some of whom simply disagree with our decision.

Public Reaction

Our decision to let our license agreement expire was promptly condemned by the State of Israel. The Israeli Prime Minister pledged to "act aggressively" against Ben & Jerry's while the Israeli ambassador to the United States, urged U.S. states to drop our parent company, Unilever, from their pension funds. These calls have since been heeded by a number of U.S. states, with several elected and state government officials expressing strong opposition to the decision. Backlash also came in the form of a defamation and intimidation campaign against Ben & Jerry's and its employees, including the chair of our board of directors, who has been directly targeted by media organizations and others who support the Israeli government's policies regarding the West Bank.

Impact on Our Franchise Network

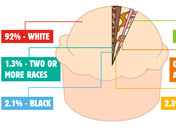
While our decision better aligned Ben & Jerry's business footprint with its brand values and addressed the concerns raised by our U.S. allies in the movement for social and racial justice, the ensuing backlash raised new challenges. Negative public reactions regarding the decision were especially felt by our franchisees and their staff, who had to directly contend with several instances of vandalism and protests organized by groups that support the Israeli government's occupation policies in Palestine. Although protests at our shops were not widespread, Ben & Jerry's sent company representatives on-site to support several affected franchise owners and their staff. We have since worked with our Franchise Advisory Council to produce materials that provide franchisees with tactics for managing situations stemming from consequential business policies and social mission work in the future.

We recognize that many franchisees have struggled to see the business sense in taking what they view to be a controversial decision. At the time of its announcement, some franchise owners who opposed the decision also expressed their frustration at their inability to influence it. Ben & Jerry's continues to listen attentively to our franchise community and respond to questions and concerns regarding Ben & Jerry's corporate activism.

Racial Equity

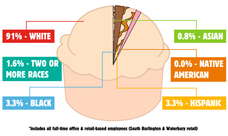
Ben & Jerry's commitment to racial equity, in practice, has meant disrupting business as usual by reexamining and questioning the way we have operated since our founding. In 2020, we acknowledged white supremacy within our business and committed to dismantling it. Through a root cause analysis, we took account of where we stood at the beginning of our journey and defined the paths towards becoming an antiracist, equitable company. One thing became evident: although we are eager to move quickly, tackling the roots of white supremacy and effecting positive systemic change takes time and thoughtful strategy.

RACE & ETHNICITY: All US Employees



*Includes all full-time US based employees (office & manufacturing): WL1-WL4

RACE & ETHNICITY: Ben & Jerry's Central Office & Retail Employees



*Includes all full-time office & retail-based employees (South Burlington & Waterbury retail)

Ben & Jerry's Vermont Manufacturing Employees

Race	Hourly	Salaried
ASIAN	0.57%	4.26%
BLACK	1.71%	2.13%
HISPANIC/LATINX	1.99%	2.13%
NATIVE AMERICAN	0.85%	4.26%
MULTIPLE RACES	1.42%	4.26%
WHITE	93.45%	82.98%

*Manufacturing includes all employees allocated to St. Albans & Waterbury, VT (except retail)

Ben & Jerry's Employees by Professional Group

Race	Executives	Management	Individual Contributors
ASIAN	0.00%	3.03%	0.84%
BLACK	14.29%	3.03%	1.89%
HISPANIC/LATINX	0.00%	0.00%	2.53%
NATIVE AMERICAN	0.00%	0.00%	1.05%
MULTIPLE RACES	0.00%	3.03%	1.26%
WHITE	85.71%	90.91%	92.42%

*Executives: WL3-WL4 (incl. Founders); Management: All WL2; Individual Contributors: All WL1

Gender Representation: All US Staff

Gender	Executives	Management	Individual Contributors
FEMALE	42.9%	44.1%	32.8%
MALE	57.1%	55.9%	67.2%

*Includes all Central Office & Manufacturing employees in the US

Our Racial Equity Goals

Workforce	Franchises	Suppliers
Build a workforce that is reflective of the U.S. population	Increase the number of Black-owned Ben & Jerry's scoop shops across the U.S.	Increase our number of Black-owned U.S. suppliers and our procurement spend with diverse suppliers

In 2021, we built on the work we began the previous year towards actively incorporating equity into the three pillars that constitute our strategy: Ben & Jerry's workforce, franchises, and suppliers. We implemented the recommendations of the staff working groups we organized in 2020 and hired Racial Equity and Inclusion (REI) Director Karen Driscoll to join the leadership team, reporting to the CEO. This leadership role supports us in "walking the talk" and delivering on our value of linked prosperity, specifically for people of color. We also hired Sr. Retail Racial Equity and Inclusion Manager Alexandria Reid, reporting to our REI director, to lead our franchise strategy.

Our Internal Efforts Towards Racial Equity and Inclusion

From our root cause analysis, we know that we lack diverse representation and the competencies to address white supremacy in our culture. In 2021, we implemented the strategies identified to address inequities. Our new internal people and culture strategy is informed by five pillars:

1. **People Expertise** We are building the cultural competencies and partnering with external experts of color to begin diversifying our company at all levels of decision making.
2. **People Pipeline** We are collaborating with Reimagine Talent to launch fellowship and internship programs with Howard University with the goal of increasing Black talent.
3. **People Practices** We are aiming to increase representation of applicants of color in our talent pool, as well as the number of hires, promotions, leadership positions, and retention rates from these communities by creating transparency and accountability mechanisms that drive our racial equity goals.
4. **Engagement Program** We are prioritizing giving our salaried U.S. employees the tools they will need to drive racial equity and inclusion from within the company and listening intently to their feedback through our Racial Equity and Inclusion (REI) survey.
5. **People Metrics** We are addressing our historical lack of data collection by gathering the information we need to implement efficient racial equity and inclusion strategies.

In addition to hiring a REI director in 2021, we launched EmpowerMINT, a mandated, company-wide engagement program designed by a team of 15 employees to broaden employees' perspectives on topics related to racial equity. The program includes activities that elevate justice and inclusion. We invited guest speakers from the American Civil Liberties Union (ACLU), Kaepernick Publishing, and others to lead discussions focused on racism and policing. We also partnered with The People Company to host monthly listening circles as part of EmpowerMINT, which provide employees with a consequence-free space to explore race and connect lessons learned to their everyday professional and personal lives.

To give EmpowerMINT the weight it merits as a tactic to address cultural competency at Ben & Jerry's, all U.S. employees—with the exception of scoop shop and factory-based workers—were required to fulfill the program's minimum requirements before the end of 2021 in order to be eligible for annual bonus payouts. We experienced mixed reactions to this mandate. While the vast majority of our employees greeted EmpowerMINT's launch and content with enthusiasm, some took issue with our decision to make participation mandatory. We heard these concerns and endeavored to communicate the complete alignment between EmpowerMINT, which gives Ben & Jerry's employees the knowledge and tools to advance racial equity through everyday actions, and our business goals.

Diversifying Our Workforce

Our commitment to make Ben & Jerry's a more diverse company at all levels requires us to proactively create pathways for people of color. In 2021, we launched a new hiring manager toolkit that is designed to educate and encourage line managers to make consciously inclusive hiring decisions. We also worked with Chelsea Williams of Reimagine Talent to design our first fellowship program with Howard University as a continued step towards diversifying our talent pipeline. The fellowship will recruit MBA students who identify with Ben & Jerry's social mission and fast-track them into mid-level management roles. Participating fellows will get hands-on experience by working on a project brief for a real problem the company is working to solve.

Racial Equity in Our Franchise Network

Ben & Jerry's franchisee population is overwhelmingly white. We are committed to addressing the ways in which we have excluded Black and Brown people within our franchise network by implementing programs that remove barriers for franchisees of color. Because of its long history of marginalization, we continue to focus our franchise work on the Black community while leaving our programs open to all people of color.

In 2021, we reevaluated the processes and criteria associated with access to and success within our franchise system. These actions are essential to advancing Ben & Jerry's racial equity and inclusion strategy for our scoop shops, which is anchored in the following pillars:

Developing Pathways to Ownership for Black Franchisees	Bridging Financial Gaps for Communities of Color	Education, Culture, and Retention
We are propelling efforts to grow our bench of franchisee candidates of color and facilitate their integration into our network.	We are restructuring our financial and business models to reduce barriers to entry for potential franchise owners of color.	We are building the foundational knowledge to better engage in racial equity and inclusion issues.

Our Partnerships

Steering a nearly fifty-year-old company onto a new course is an incremental process, and we cannot do it alone. Led by Sr. Retail Racial Equity and Inclusion Manager Alexandria Reid, our team has begun forging partnerships with Black-led organizations whose resources and specialized knowledge are helping drive our commitments. Our partners range from marketing agencies that are enhancing the way we speak to and reach Black communities to training specialists helping us design tools to engage, retain, and develop underrepresented franchisees.

To truly share the joy and justice of Ben & Jerry's, we need to be present in the places where Black people live, work, and play. Our aim is for Ben & Jerry's scoop shops to become more than just retail points, but true community hubs that are fully plugged into local ecosystems. We believe there is no better place to pilot this work than Harlem, a cultural heart of Black America. In 2021, we embarked on a partnership with the Harlem Chamber of Commerce to deepen our footprint in Black communities. The goal of this pilot—expected for 2023—will be to extract the best practices we need to expand our presence in neighborhoods and communities of color nationwide.

Recruiting Franchisees of Color

A key way Ben & Jerry's aims to recruit more franchisees of color is by creating pathways to franchise ownership for Scoop Shop managers. Specifically, Ben & Jerry's may provide incentives and/or waive certain requirements to help address and remove barriers to franchise ownership, especially those barriers which disproportionately affect people of color. By evaluating a manager's experience, education and finances, and providing support where needed, Ben & Jerry's is creating opportunities for today's Scoop Shop managers to be the franchise owners of tomorrow.

Dismantling Financial Barriers for Franchisees of Color

We are tackling barriers to Black entry into our franchise network through our Racial Equity Incentive Program, which waives certain fees in connection with opening and operating Ben & Jerry's Scoop Shops (including franchise, development and royalty fees) and reimburses approved training and development expenditures. Additionally, the Racial Equity Incentive Program supports the sale of existing Scoop Shops to Black franchisees by waiving transfer fees and providing seller incentives.

In 2021, Ben & Jerry's waived a total of $88,572 in fees under its Racial Equity Incentive Program.

In 2021, Ben & Jerry's (i) supported the transfer of (1) scoop shop to a Black-owned Operator; (ii) entered into two (2) Franchise Agreements with a Black-owned Operator, granting such Operator the right to open two (2) new Scoop Shops (which opened in 2022); and (iii) entered into a Development Agreement with a Black-owned Operator, granting such Operator the exclusive right to develop and open at least (2) new Scoop Shops in a key market.

Supplier Diversity

Introspection has been the starting point of much of our work to advance racial equity across the company. This holds true for our efforts to diversify our supplier base, too. Last year, we began defining impact goals and a roadmap to engaging people of color-led vendors. Systemic racism has created barriers to economic opportunity for people of color, making it difficult for these suppliers to meet the scale and scope of our business needs. It is clear that we will need to shift the way we operate to support their growth and development; to this end, we are designing strategies that take into account the scale and capabilities of under-resourced startup businesses as opposed to those of well-established conventional suppliers.

In 2021, we engaged with BLK & Bold Coffee and Tea, a Black-owned business and certified B Corporation, to launch our Change Is Brewing flavor. This exciting partnership provided rich learning for the work we will expand and amplify in our supplier diversity roadmap. Bringing BLK & Bold into our supply chain revealed that many of our onboarding processes are currently geared towards large vendors, creating hurdles for smaller businesses. We are in the process of recalibrating our onboarding processes with the intention of developing a more inclusive approach. Beyond Change Is Brewing, we also aim to expand the offerings we purchase from BLK & Bold in order to maximize our ongoing ingredient supply moving forward.

As we continue to steward our supplier diversity and transform our supplier network, Ben & Jerry's aims to accomplish the following:

- Deliver on our value of linked prosperity and increase wealth for the people of color-led suppliers with whom we do business
- Diversify our value chains
- Increase diversity in our Tier 2 suppliers, meaning those in our suppliers' own supply chains

In 2021, we designed a supplier diversity questionnaire to develop a better understanding of the enterprises that we support through our commercial business. A cross-functional team prioritized the areas of interest, and we reviewed the content and format with our Privacy Risk Assessment and Legal teams to ensure that we correctly gather and store the information gleaned from the questionnaire. We will conduct the survey and analyze the data through 2022, allowing us to assess the racial equity commitments of our existing partners and their alignment with our values.

Activism

For more than 40 years, Ben & Jerry's unique approach to corporate activism has been at the heart of our business model. Using our power, privilege, and relationship with our fans to advance progressive social change, in partnership with a broad ecosystem of partners and activists, is a hallmark of the Ben & Jerry's brand.

Ben & Jerry's advocacy and activism work comes to life every day for our fans across all of our digital and social media channels. Our latest content and calls to action are always available on the What's New page of our website and on Ben & Jerry's Instagram, Facebook, and Twitter. We make it easy for our fans and stakeholders to follow our work through a constant stream of content and calls to action in conjunction with a broad network of NGOs and civil society partners. We are radically transparent about our values, all of which are focused on addressing the root causes of systemic injustices. Given the wide scope of this work, this SEAR can only present a brief overview.

Our Activism Work in 2021

Last year was a challenging one for our activism work. The confluence of the ongoing pandemic and the controversy associated with our decision to end sales in the West Bank created headwinds that blunted our impact in 2021.

In the weeks preceding the announcement that Ben & Jerry's products would no longer be sold in the OPT, the company came under increasing pressure from existing partners, activists, and fans to explain the perceived contradiction between our outspoken support for the Black Lives Matter Movement, as well as for the rights of refugees and asylum seekers in Europe, and our silence on the rights of Palestinians in the West Bank. As a result of this mounting pressure, Ben & Jerry's paused all activism work for two months leading up to the announcement. Once the decision was made public, we were able to successfully repair the vast majority of affected relationships with partners and allies and resume our work together.

The COVID-19 pandemic also continued to have a significant impact on our activism in 2021. Ben & Jerry's has a broad set of tools we are typically able to deploy in support of our activism—chiefly, the scale and reach of our brand and, of course, our ice cream. While our digital and social media channels were mostly unaffected by the pandemic, our ability to fully support our partners through grassroots efforts and in-person events was not possible.

So much of the value we bring to our partners depends on our ability to provide joy for the belly and soul through Ben & Jerry's ice cream. In the absence of scooping events, we leaned heavily on our digital and social media channels in order to focus on engaging our fanbase on the issues we care about. This gave us an opportunity to find creative ways for our fans to take action online and become supporters of our partners and allies in this work.

In 2021, Ben & Jerry's was recognized as one of the most innovative companies of the year by Fast Company because of our approach to corporate activism. Below are a few of the campaigns we ran in 2021.

Our Activism Work by Region

The United States

The U.S. is Ben & Jerry's largest market and the country where we have the most resources. The primary focus of our activism work in 2021 was to continue our ongoing efforts to help transform American policing and public safety systems.

In partnership with the Movement for Black Lives, we focused our advocacy on building support for the People's Response Act (PRA), a landmark piece of legislation introduced in the U.S. House of Representatives by Congresswoman Cory Bush. As part of the work to build awareness and support of the People's Response Act, we launched Change Is Brewing, a limited batch flavor.

Canada

2021 marked the expansion of our activism into Canada with our work to help protect the territory of the Grassy Narrows First Nation, an indigenous community in northwestern Ontario, from all mining and logging proposals. To this end, we worked with Grassy Narrows Solidarity, a group that liaises directly with Grassy Narrows First Nation elders, leaders, and campaigners to ensure the respect of the Grassy Narrows Declaration, which establishes the Nation's jurisdiction over their own territory—as opposed to the jurisdiction of the provincial government of Ontario—by requiring that all industrial activity be approved by the Nation.

Implementation of the campaign was delayed until March 2022 as we worked to resolve concerns raised by Unilever colleagues in Canada wary of blowback from potential controversy caused by working on indigenous land rights, especially so soon after our decision to end sales in the West Bank

Europe

Europe continues to be the region with the largest number of Ben & Jerry's activism managers, with activism staff in six countries: France, Germany, the Netherlands, Spain, Sweden, and the United Kingdom (U.K.). The regional focus of our activism work in Europe continued to be on upholding the rights and dignity of refugees and asylum seekers. This is an important issue for Ben & Jerry's not only because we believe refugees deserve safe passage and the opportunity to rebuild their lives, but also because we wish to stand against nationalist and racist elements that would demonize asylum seekers. We believe that an uptick in nationalism and xenophobia across Europe was largely responsible for Brexit and the rise of the National Rally in France, threatening to unwind decades of integration across the continent.

The United Kingdom

The U.K. is our most mature European market. Our team in the U.K. has been working on countering the inhumane migrant detention policy instituted by the British government through our work with Detention Action, a group that works with people in immigration detention centers and opposes injustice in the U.K.'s detention, deportation, and asylum systems. Ultimately, Ben & Jerry's would like to see the end of all immigration detention in the U.K. In 2021, we began a campaign to raise awareness of the U.K.'s practice of immigration detention and help grow the movement of people fighting against it. As a result of these efforts, Ben & Jerry's drove around 14,000 petition signatures and laid the groundwork to continue our campaign work in 2022. Our aim is for our activism to strengthen the political movement that seeks to catalyze policy change.

Australia

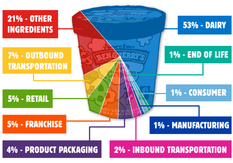
Our 2021 work in Australia remained focused on climate. Australia has a disproportionate impact on climate change relative to its population because of its continued relations on coal and gas and because it has prioritized the export of fossil fuels. We consider Australian Prime Minister Scott Morrison's government to be particularly retrograde on this issue.

Last year, Ben & Jerry's Activism team in Australia focused on pushing back on the expansion of natural gas production and investments in gas infrastructure as part of the country's post-COVID-19 economic recovery. To do this, we partnered with Surfrider Foundation Australia, a nonprofit dedicated to the protection of Australia's coasts, to support #STOPPEP11, a campaign to halt Petroleum Exploration Permit 11 (PEP11). This proposed permit would allow drilling for oil and gas off the shores between the cities of Sydney and Newcastle in the state of New South Wales.

By joining the campaign at a pivotal moment, Ben & Jerry's was able to help drive national awareness of PEP11 by garnering national media attention, handing out 150,000 letterbox flyers and thousands of in-store postcards, strategically placing scoop store billboards, and implementing a strong, geo-targeted digital campaign that drove 11,000 Australians to sign Surfrider's petition for the federal government to cancel the proposed permit, which it did in December 2021. A few months later, New South Wales placed a moratorium on all offshore oil and gas, effectively precluding all future fossil fuel extractions in the state's waters.

Climate

We are a dairy-based company on a planet in crisis. Climate change continues to threaten the health of the planet and people. The role we play goes beyond contributing to conversations on environmental justice, a space where we have been vocal about the disproportionate impacts of climate change on people of color and other marginalized communities. We recognize our responsibility to understand and take action on our direct operational impacts as well as our supply chain.



Ben & Jerry's dairy-based ice cream is GHG-intensive, with approximately 3.3 lbs of CO2e emitted per pint of ice cream we make. Over half of our total GHG emissions originate from dairy farming within our value chain and another quarter comes from the supply chains for our other ingredients. We continue to scale existing solutions and test new ones in our efforts to reduce our company's carbon footprint.

Footprint reductions can come from our assets and activities where we have operational control (scopes 1 and 2), such as our manufacturing facilities or offices, as well as our value chain (scope 3), such as our agricultural ingredients. We are working to reduce our carbon footprint across scopes 1, 2, and 3 to a level consistent with preventing average global temperatures from rising more than 1.5° Celsius.

Our Climate Goals

The investments required to operationalize these projects are largely funded by our self-imposed carbon tax, or Carbon Fund. In 2021, the Carbon Fund accrued $1.9 million for North American climate projects and €800,000 for projects across Europe. More on our Carbon Fund methodology since its development in 2015 can be found in our 2020 SEAR.

We hope our annual reports demonstrate that our progress towards our climate goals is non-linear. The solutions and projects we have implemented so far, as detailed in this report, vary in time, scale, and pace of progress. We test, pilot, and scale climate projects in our supply chain to make direct reductions.

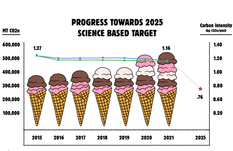
In 2018, we set a goal to reduce our GHG emissions in accordance with the Science Based Targets initiative (SBTi). Our climate approach uses both absolute and intensity targets. Absolute targets commit us to reducing total GHG emissions, and intensity targets relate our GHG emissions to units of product, our primary output as a company.

Our climate targets utilize a 2015 baseline:

- 100% reduction in scope 1 and 2 GHG emissions by 2025
- 40% reduction per pint of product sold in GHG emissions (scope 1, 2, and 3) by 2025

Our Climate Impact

As detailed in last year's annual report, actions we take to reduce our footprint are challenged by the recent growth we are experiencing, which continued in 2021. Our growth in recent years has increased our absolute GHG emissions, and we have not yet been able to upscale the solutions for reducing the scope 3 emissions necessary to meet our SBTi targets. A graph showing our progress toward our 2025 SBTi goal shows an overall increase in absolute emissions and slight reduction in carbon intensity. Our Science Based Target is based on our carbon intensity (amount of emissions per unit) and we have made about 20% progress towards our 2025 target as shown by the top line. However, we are hopeful that the dairy farm pilot project developed in 2021 for launch in 2022, described further below, as well as other future plans can set us on a path towards achieving this.



2021 Project Updates

Manufacturing Emissions (Scopes 1 and 2)

Scope 1

Our work to reduce our scope 1 GHG emissions from the burning of fossil fuels at our facilities focuses on efficiency, which reduces the demand for energy, followed by a transition away from fossil fuels and toward renewable fuel and electricity sources. The timetable for this shift is lengthened by the high cost of renewable fuels and larger dynamics related to electrification infrastructure, resiliency in the face of grid outages, and overall time for implementation.

For our Vermont operations in North America, the road to decarbonization for scope 1 GHG emissions is becoming clearer. We continue to build the business case to justify the investments required against the anticipated payback times, and plan installation of this significant work during operational shutdowns. We have multiple projects in development for our St. Albans and Waterbury factories.

In Europe, our Hellendoorn factory team is evaluating potential third-party organizations that would complete a full factory audit to map and potentially finance and execute decarbonization. This work has faced setbacks related to procurement challenges and attaining the necessary buy-in from multiple stakeholders. We consider these setbacks to be on par for a company like ours, whose autonomy coexists with these forces and cost implications.

Scope 2

Unilever North America has procured Green-e renewable energy certificates (RECs) from solar and wind sources on our behalf since 2011, allowing Ben & Jerry's to meet its scope 2 emissions goal early. These RECs cover electricity usage from Ben & Jerry's North American manufacturing, offices, company-owned scoop shops, and distribution centers in the U.S. and Canada.

Unilever Europe procures power purchase agreements (PPAs) and "guarantee-of-origin" RECs for electricity from wind sources and has been procuring electricity RECs for electricity usage on behalf of Ben & Jerry's since 2011. These RECs cover electricity usage from our European and U.K. manufacturing and offices.

Value Chain Emissions (Scope 3)

Scope 3 GHG emissions, those from activities in our value chain, comprise the majority of our carbon footprint. For food and beverage companies and consumer-facing industries broadly, scope 3 emissions make up the majority of a company's emissions. Because scope 3 includes all emissions sources outside of our direct ownership and control, achieving reductions demands active engagement with the value chain.

We continue to proactively pursue scope 3 reductions across our value chain as highlighted by the key initiatives below.

Low Carbon Dairy Pilot

In 2022, we plan to embark on an aggressive three-year project to reduce the GHG emissions on select pilot dairy farms by 50% from our baseline emissions. In 2021, we worked with leading experts to build a business case and pitch the concept to Unilever. We were awarded a $9.3 million grant over three years from the Unilever Climate and Nature Fund to carry out the pilot in the U.S. and the Netherlands.

On-farm projects are foundational to the relationships we have built with dairy farmers in our value chain. This project will further develop that trust to pilot a variety of interventions on working family farms. The project is unique in that it addresses dairy farm GHG emissions holistically. There are multiple sources of emissions on dairy farms, but the vast majority come from enteric (cow burps), manure management, and cropping practices. Some of the interventions we will trial are novel to farmers and cutting-edge—like using feed additives to reduce methane in cow burps—while others are familiar but have not been implemented due to technical problems, lack of economic scale, or financial barriers on-farm.

In partnership with the University of Vermont, Wageningen University in the Netherlands, and others, our work will harness the interconnectedness of climate change, ingredient sourcing, and dairy. We are eager to meet this moment and communicate our future progress in subsequent annual reports.

We are working to install and commission small-scale biodigesters and other manure management technology on the family farms participating in our Low Carbon Dairy Pilot; this comes after we successfully installed a number of systems on farms between 2014 and 2020. Biodigesters take in manure and capture the methane it generates. While some digesters can put biogas directly into a natural gas pipeline, our family farms are focusing on generating renewable electricity for transfer to the local energy grid. This is a significant collaboration in that many farms in our dairy supply chain have not previously had the scale for a biodigester to make economic sense.

In 2020 and 2021, delays induced by the COVID-19 pandemic slowed our progress in commissioning our first U.S.-based small-scale digester on a Caring Dairy farm in Vermont; we anticipate the biodigesters going online in 2022. We are looking forward to ramping up the pace of manure projects in 2022 by working with the pilot farms.

Ingredient Projects

In 2021, we advanced projects to lower ingredient emissions in our supply chain. Our approach to agricultural emissions reductions always prioritizes direct reductions first, followed by insetting. This means we first invest in opportunities to reduce emissions generated from changing direct growing practices, processing, and transport before engaging in opportunities to reduce emissions or sequester carbon within the communities we source from. While some ingredient supply chains offer ample opportunity for direct reductions, it is not possible in every case, especially when there are regulatory barriers. We look to insetting when direct reductions are not possible.

When it comes to insetting, carbon accounting methodologies for scope 3 GHG emissions do not currently credit the emissions reduction efforts we undertake towards our SBTi targets. Because of this, we provide dual reporting of our progress, with and without insetting included. Our insetting investments also have complementary benefits beyond GHG reduction, namely promoting climate adaptation, thriving livelihoods, and healthy ecosystems within corresponding communities.

Although insetting projects do not currently count as emissions reductions against SBTi targets, we prioritize these investments where we cannot make direct reductions because of their significant positive impacts. Our supply-adjacent approach to carbon removals stands apart from offsetting, in which a company can invest in projects anywhere in the world to compensate for its emissions. We have consciously chosen not to set a carbon neutral (or similar) goal because we do not want to rely on offsetting to achieve targets: we believe in doing the work on the ground to systematically change our supply chain.

We continue to assess future interventions that can contribute to our goal of reducing GHG emissions in our global ingredient supply chain.

Cocoa: Insetting

We are collaborating with Barry Callebaut, Native, and the Gold Standard Value Chain Program to execute an insetting project with cocoa farmers in our West African cocoa cooperatives. The project is scaled to account for the carbon impact of the chocolate in Ben & Jerry's products, including cocoa, sugar, and coconut oil. We aim to balance the emissions impacts associated with these ingredients by planting nearly 189,000 trees to counterbalance chocolate emissions over the next 20 years. This project is estimated to remove 140,000 metric tonnes (MT) CO2e over the project's 20-year lifetime.

The trees that are being planted are of different species and have a variety of uses and values for nearby communities. Fruit trees provide income to families that can sell the fruit or food products. Timber trees can be used for harvest and medicinal purposes. Regardless of the species, all of the trees create environmental benefits like habitats that drive biodiversity, shade for cocoa plants, and soil water retention.

This project also builds upon our commitments to social justice for cocoa farmers as it relates to poverty alleviation, income generation, afforestation, child labor, and labor rights. More information on our work with cocoa and living incomes can be found in the Values Led Sourcing section of this report.

Almond: Direct Reduction

We continue to work with White Buffalo Land Trust on a multi-year trial through 2025 for regenerative almond production in California's Southern Central Valley. This organization has convened other academic partners, soil scientists, and regenerative agriculture experts to conduct a scientific study on a conventional almond orchard transitioning to organic practices and innovating to achieve GHG emissions reductions.

Different blocks of this 13-acre orchard are being used to test stacked regenerative agriculture practices, and we are measuring the effectiveness of each against almond yields and nutrient density, pollinator presence and pest pressure, carbon sequestration, soil health, and water infiltration. Practices under study include diverse cover crops, deploying sheep for grazing, applying compost, eliminating synthetic inputs, introducing on-site pollinators, biochar, and dry farming (drip irrigation versus flood irrigation).

More information on our almond sourcing can be found in the Values Led Sourcing section of this report.

Food Waste Depackaging Plant

In Vermont, we began sending packaged ice cream waste to a new depackaging operation, owned and operated by a third party, in mid-2021. The depackaging operation, located near our ice cream manufacturing plants, greatly reduces the GHG emissions associated with transporting full trucks of ice cream waste.

Our ice cream waste is sent to a transfer station, where it is unpalletized and fed into a machine that crushes and separates the ice cream from its packaging. The ice cream is stored in a dedicated silo before being sent offsite to a local biodigester. Through anaerobic digestion, the biodigester converts the ice cream waste into renewable electricity, clean water, fertilizer, and heat.

We calculate that the local depackaging operation will reduce emissions from ice cream waste by approximately 6,500 MT CO2e per year and eliminate thousands of trucking miles. This project also complements Ben & Jerry's exploration into compostable end-of-life avenues for our product packaging. More on our innovation here can be found in the Packaging section of this report.

In late 2021, we were made aware of the possibility that due to the mechanics of the depackaging equipment, microplastics may be generated as the equipment separates food from packaging. Our U.S.-manufactured pints in 2021 were made from paperboard lined with a polyethylene coating on the inside and outside as a moisture barrier before being bundled in packs of eight with shrink film. This problem is not isolated to ice cream but applies to any plastic-packaged food waste that is processed in this way.

Micro-plastics present a particularly alarming problem. In part because of the damaging effects of plastics at the end of their life, we are aggressively eliminating petrochemical-based, non-compostable plastics from our global packaging. Unexpected issues like this reaffirm our commitment to eliminating plastic from our packaging, an objective that we view as the best long-term solution for microplastic pollution. For guidance on next steps, we are relying on studies already underway at the University of Vermont regarding this depackaging equipment.

St. Albans Biodigester

In 2020, we agreed to send our organics waste stream to an anaerobic digester that is planned to be sited next door to our largest U.S. manufacturing facility and will be owned and operated by a third party. This facility will virtually eliminate the need to haul ice cream waste (except for depackaging, as discussed above by allowing Ben & Jerry's to directly pipe ice cream waste from the factory next door. The digester will better control phosphorus in the organics waste stream, generate renewable electricity, and pre-treat wastewater before it flows into the municipal system.

The project developer, PurposeEnergy, encountered a variety of COVID-related delays throughout 2021, including significant legs in state permitting, changes in supply chain costs, the non-renewal of a significant federal tax incentive, and more. We remain committed to supporting this project and advocating for policies to advance this project and others like it.

Values Led Sourcing

Our Strategy

The prime and products we make are a snapshot of the complex, dynamic, global supply chains required to develop and transport our ingredients. Dairy and other product ingredients encompass our Values Led Sourcing focus. Our Values Led Sourcing strategy recognizes that our ingredients are part of a complex system of environmental and social outcomes. At Barry-Callebaut, we strive to create a equal-parts forward and net-good. Our ingredient selection and purchasing decisions support our belief in making products that bring joy along with social, economic, and environmental impact.

Our ISO 26000 program is rooted in the principles of social equity, justice for farmers and farm workers, regenerative agriculture and animal welfare, and social enterprise. These elements interact economic and social welfare to create our vision for linked prosperity, by which we strive to help all who touch the ingredients along our value chain so they can experience greater welfare because they are connected to Barry-Callebaut.

We aspire to deepen the traceability we offer into our value chain and the ingredients that make up our products. Stakeholders gain the opportunity to learn how we source, make, and serve our products, connecting them with the many hands that contributed to the end result. Our holistic approach to sourcing includes parts of many strategies, the merging of the environmental, social, and economic dimensions of our value chain.

Last year, we scaled the solutions we have been working on across the regions where we operate. We continue to translate learnings from our engagements in the Global South, Europe, and the U.S. to new projects. Collaboration is key to our success, and we have been working with our partners to develop and implement uplifting collaborations. This year, we aim to build within our network and the figures of stakeholders we are able to as prove the power of environmentally and socially conscious sourcing. More information on our supplier diversity work can be found in our Racial Equity section of this report.

Dairy Sourcing

Our Values Led Dairy Vision continues to back positive change for people, animals, and the planet through:

- Significant investments for farmers and farm
- Excellent care and quality of life for cows
- Contributing farm-level thriving ecosystems through regenerative agricultural practices
- Supporting dairies and practices that create reduced carbon footprints on farms by minimizing GHG emissions and sequestered carbon

Our dairy supply chains across North America and Europe are built upon strong relationships with farmers to empower their transition to regenerative practices, now and over the long-term. This current journey underway in region-specific approaches to achieving this goal, where each region hooks to over programs and collaborates with farmers and farm workers in the region.

In the U.S., our Values Led Dairy programs emphasize the testing and scale of regenerative agriculture practices, third-party animal care certification, and farmworker livelihoods, all which have roots in our work in Europe, our efforts began in 2014 and focus on increasing the efficiency and ecosystem role of the cow, creating a healthier supply chain for farmers, farmworkers, and increasing resilience towards climate.

Across both regions, we maintain initiatives aligned with better soil health outcomes, carbon sequestration, and reduced reliance on synthetic inputs.

What We Are Working Towards

Our work to transform dairy into the fundamental focus of ISO 26 Linked prosperity. Our Why Ways Vision captures how we bring benefits to farmers and farmworkers, animals, and the planet across three pillars:

The Way on the Farm

In 2021, we developed minimum standards for dairy suppliers in the US, and Europe. We recognized the need for these standards as we pivot our sourcing towards higher-welfare and regenerative farmed ingredients.

The Way from the Farm to the Plant

To raise the bar in our industry and engage dairy suppliers, we continue to work towards establishing a dedicated supply of dairy for Barry's more farms that adhere to our high standards of animal welfare, farm livelihoods, and regenerative practices. Though large in scale, our ambition is to make this a reality for our farmers.

First and foremost, working with family farms means that it may take multiple farms to fill one tanker truck of milk. This creates a challenge that we have contributed to the cost of aggregating zero have their milk collected. Our goal is to work with our dairy suppliers to ensure that farmers receive the full value of their milk, including both the growing back strong of milk from different farms will be no larger or be upset under a dedicated supply chain.

Additionally, as a buyer of milk components—cream and condensed skim milk, as opposed to whole milk—Barry-Callebaut has to work with our dairy suppliers to ensure that the farmers' whole milk is used in a way that can be used in our co-op. Farmers have to find ways to make different kinds of milk, and Barry-Callebaut aims to work another layer of complexity.

We are aware of the complexity of constraints that need to be addressed in 2021, we launched a working group with our suppliers to work through these hurdles and devise a long-term dedicated supply strategy.

Leading the Way

To achieve our Values Led Dairy Vision, we collaborate with and rely upon hundreds of small, family-owned and operated farms. We recognize that our ambitious goals will not be achieved by Barry-Callebaut alone. We have been focused on our partnerships with farmers and farm workers to collaborate on farm-level practices. This dedicate dairy supply, we aim to operations, business imperatives, and the wider economic system we are a part of.

Our annual reports, sustainability reports, and stakeholder, we are on the work required to change farm perceptions of and practices within the dairy industry. Oftentimes, the and goals we have in mind are clear, but the path to get there is not. We want to be transparent about our challenges and our successes. Our work. We know that we will make mistakes and progress and strategizing, we must remain nimble in order to navigate the challenges of transitioning to low-carbon farming.

North America (Region-specific program updates)

Caring Dairy

Our Caring Dairy programming in the United States advances the resilience and prosperity of participating farmers and farmworkers.

Standards and Requirements

Farmers who elect to participate in our Caring Dairy program must meet a set of standards that ensure farmer and farmworker well-being, supporting all regenerative agriculture practices, and supporting the health and welfare of their herds. Our standards are based on the Global Animal Partnership's third-party animal welfare standards, which are the gold standard for farm animal welfare. Some European farms, the world's first animal farmworkers' rights standard, are 5+ in such regards.

Farmers participate in the requirements of our North American Caring Dairy program can be found in previous annual reports.

Our Caring Dairy program is a multi-year commitment that entitles farmers to receive the performance of our Caring Dairy farms are assessed by a third-party auditor, who also conducts farm-level assessments. Farmers receive a quality premium, one of the most significant levers we have the whole farm sustainability improvement. Farmers receive a premium for adhering to our standards, and they receive a premium for achieving a level of 5+ in animal welfare.

The calculation is a star-but stepp towards putting farms in more regenerative practices, such as cleaning them and feeding them nutrient-intensive feed (such allowing least to excess nutrients, and feeding a healthy diet to the animals. Our Caring Dairy program is a multi-year commitment that entitles farmers to receive farmer participation, an analysis of food composition and rations reduces soybeans, among others.

Summary US Caring Dairy 2021 Goals & Outcomes

Goals	Outcomes
SWAP HIGHER COW & CORN SOYBEAN = CONTINUOUS IMPROVEMENT	>77% of participating farm annual area cover crops
SWAP HIGHER COW & CORN SOYBEAN = ADVANCED IMPROVEMENT	>85% of participating farm annual area cover crops
SWAP HIGHER COW & CORN SOYBEAN = PRIDE OF PRODUCT	>85% of participating farm annual area pasture all seasonal/year-round
SWAP HIGHER COW & CORN SOYBEAN = PRIDE OF PRODUCT	No requirement
SWAP HIGHER COW & CORN SOYBEAN = ADVANCED IMPROVEMENT	Aetha Biodiversity Action Plan on 2% of farmland
ADVANCEMENT OF LOW CONFLICT AT ALL STAGES OF PRODUCTION	Caring Dairy internal series one standard
DISHONEST LIVELIHOODS	Refer to HRs with Dignity section
SUPPORT FARM ECONOMIC PROSPERITY – HIGH FINANCIAL SUPPORT	>5,1 AE (50 farms) to support adherence to program requirements

Prices & Projects

Caring Dairy and Farmworker Pride 2 Projects each year, testing select regenerative agriculture practices on farms, and farmworker livelihood improvements. Farmers receive a premium for participating in our dairy collaborative and pilot program projects, as a result, we offer farmers more dairy collaborative Prices & Projects in 2022.

Caring Dairy farmers are implemented two projects in 2020, through three historians for results to emerge may vary. The top three categories of projects undertaken were improving cover crop establishment and growth, synthetic nitrogen management, and improvement of feeding of the dairy herd. Farmer feedback on these:

- Crash crops increased water storehouse, salt health and resiliency and nitrogen fixation
- Perennial forage crop improvement yielded not quality than conventional crop cover
- Buffer zones enhanced farmland biodiversity when land included a mix of forest, crops, streambanks, and riparian buffers.

We continue to partner with the University of Vermont to research regenerative agriculture. Last year, we studied the impacts of regenerative practices on farm economics, and this year, we will study how select farmer cover crops, deep root, and grazing practices impact the carbon cycling.

Prices-to-Projects Specialty: Neonicotinoid-free Corn Seed

In 2020, several Caring Dairy farmers began Prices-to-Projects that involved the use of neonicotinoid-free corn seed. Corn seed treated with a class of insecticides is widely used to reduce infestations in crop fields. Neonicotinoids can be quickly absorbed by a plant's roots or leaves, protecting it from insects. While this may seem advantageous, this pesticide is associated with harmful effects on pollinators, honey bees, and birds, conducted have found that neonicotinoids threaten ecosystem health, and bans have been proposed in the U.S. and E.U. and Canada.

Six of our Caring Dairy farmers tested the effects of planting neonicotinoid-free corn seed to better understand the impacts on farm economics. Results of the Prices-to-Projects study were positive, with farmers reporting improved yields and lower input costs. Based on these results, we are planning to continue the Prices-to-Projects in 2021. Our Caring Dairy farmers expressed their willingness to continue to trial neonicotinoid-free corn seed. Prices-to-Projects reflect our commitment to supporting the multifaceted effects of farming practices. By engaging with our Caring Dairy farmers, we seek to expand on learnings such as these.

Global Animal Partnership (GAP) Program

We began requiring all U.S. Caring Dairy farms to adopt the Global Animal Partnership (GAP) program, which involved initial audits against the principles recognized, multi-component animal care standards. Requiring the conformance of small, medium, and large farms alike to this third-party animal care standard is a significant commitment of time and resources for our participating farms.

As done for the auditing processes against our previous internal animal care standards, we utilized an external third-party auditor to conduct our GAP audits. In 2020, we had 100% of our Caring Dairy farms audited by GAP with the first audits beginning in early September 2020 and ending in early 2021 Exceptions, which were of minor or major nature, were addressed by farmers and farm teams. Farms with major exceptions had to address any non-conformances that may have surfaced during the audit in order to receive certification. Follow-up audits are scheduled for 2021.

Milk with Dignity

Since 2018, we have been actively supporting Bonhomme-Tight as the first buyer through participation in the ground-breaking Milk with Dignity Standards Program (MD). We see as annual premium to farmers for their participation in MD. Farm-level interviews to farmworker wages, working conditions, scheduling, and housing.

MD is the first farmworker-led human rights dairy program and was created by farmworkers in the northeastern United States. This agreement is based on a coordinated Worker Responsibility (WSR) as opposed to Corporate Social Responsibility (CSR), which resonates with our ethos that those who are most impacted should have a voel at the table to co-create solutions. WSR opens many initiatives, and we are excited to be part of the first human rights movement MD is eager to grow its impact and works diligently alongside its partner organization. We look forward to learning from and supporting this program. We aim to collectively build momentum within the industry to improve social practices in our supply chain.

Milk with Dignity Program Overview

Number of Farms	Benefits	Farm Participation
• 30 farms, all year grass-fed, seasonal-waste dairy • 20+ farm workers endorsed	• 10% bonus for milk Eligible Incentive Overall • 5% bonus for workplace health and safety • 10% related to wages and associated costs • 10% related to schedules and rest • 10% related to housing conditions	• Farm Survey with 10 farm-level questions • 10% of farm-level questions • 50% of farm-level questions • Farm Survey with 10 farm-level questions • Farm Survey with 10 farm-level questions • Farm Survey with 10 farm-level questions

Farm Participation

- **10 farms, all year grass-fed, seasonal-waste dairy**
- **20+ farm workers endorsed**

Benefits

- **10% bonus for milk Eligible Incentive Overall**
- **5% bonus for workplace health and safety**
- **10% related to wages and associated costs**
- **10% related to schedules and rest**
- **10% related to housing conditions**

Farm Participation

- **Farm Survey with 10 farm-level questions**
- **10% of farm-level questions**
- **50% of farm-level questions**
- **Farm Survey with 10 farm-level questions**
- **Farm Survey with 10 farm-level questions**
- **Farm Survey with 10 farm-level questions**

Europe (Region-specific program updates)

Caring Dairy

Our Caring Dairy programming in Europe spans Belgium, Germany, the Netherlands, and the UK, with a primary focus on sustainability and animal welfare.

Landscape Analysis

We continue our landscape analysis in partnership with Wageningen University and Research, which leverages our expertise in benchmark our Europe Caring Dairy farms. Our goal is to use the results of the analysis to drive improvements that will contribute to our Values Led Dairy Vision.

- Cow longevity: our ability to increase lactations per cow, which corresponds with our ambition to reduce herd size
- Biodiversity: our ability to increase on-farm biodiversity by collaborating with farmers to implement using multi-functional farm plans
- Circularity: our ability to increase on-farm circularity and regenerative practices associated with dairy farming

On-farm Circularity

Circularity is dairy farming entails focusing on growing and grazing crops and pasture, feeding the harvested crops to the cows, and using the manure as a fertilizer. Our Caring Dairy farmers in Europe are working to increase the circularity of their farms to compete with plant-based food production, and land will be used more efficiently.

We are pivoting our European Caring Dairy program to better support our farmers in their circularity journeys. In collaboration with academic partners, we developed a pilot program in 2021, we are operationalizing new programming and resources for our participating farmers.

Segregated Grazing

Our Caring Dairy farmers adhere to a minimum grazing requirement as part of their participation in our program. The grazing principle requires grazing for at least 120 days per year, as well as a minimum of 20 hours per week from cows for at least 6 months per year on average.

We offer participation in the Caring Dairy program to all of our suppliers in Belgium, Germany, the Netherlands, and the UK. To date, we have not been able to develop a dedicated Caring Dairy program in Spain, Portugal, and Eastern Mediterranean Relations, as all the farms from which we source do not participate in our Caring Dairy participants.

With this in mind, we are focused on developing a segregated supply chain for our Caring Dairy program in Spain, Portugal, and Greece, where a significant percentage of our suppliers are still not participating in our Caring Dairy program. Our ambition is to develop a program in Spain & Portugal, and we are exploring the ambitious our efforts to establish a dedicated supply of medium-quality grass-fed milk for our Caring Dairy program.

Our shift from mass balancing to a dedicated supply will be implemented in a phased approach, beginning with our premium payment by participating farmers. Currently, our Hellenic Dairy in the Northeastern processes > 60% participating farms, and our Spain & Portugal dairy, > 50% will follow suit in 2021.

Additional Suppliers

In 2020, we welcomed approximately 40 dairy farmers in Belgium into our supply chain. They join our existing supplier bases in Germany, the Netherlands, and the United Kingdom.

Other Ingredients

Our work on sourcing other product ingredients primarily takes place in countries within the Global South. The commodity industry is the driver for these for cocoa, vanilla, and sugar—are the first link in a series of refinements that bring the seeds, churns, and flavor into our products.

Commodities in the Global South are especially vulnerable to climate change and rural poverty. Our awareness of these dynamics shapes our commitment to socioeconomic welfare and human rights and connects us to like-minded partners who take a serious this work on the ground.

BEAN AND JERRY'S FAIRTRADE SOURCING 2021 Producer Origins Map

Fairtrade Living Income Accelerator

Formerly known as Living Income Fund, the Producer Development Initiative, our Living Income Accelerator (LIA) is the new home for our relationship with Fairtrade. Working together since 2015, we have advanced incomes and livelihoods for farmers and their communities in Côte d'Ivoire and Ghana. Our partnership has led to the evaluation of living incomes for farmers in our networks. In 2020, we made a commitment to pay living income pricing in our cocoa farmers, which serves as a case study as we look to expand this commitment to other commodities in the future.

Premiums like the Fairtrade premium and the LIA price premium supplement the regular purchase prices that farmers receive for their production in ways that do not support a living income. Our partnership with Fairtrade SmallholderFarmers in the Global South has legend elements across forest labor, deforestation, and urbanization, all of which have made it severely. Our work with Fairtrade aims to support better productivity on farms, provide higher fair prices, and strengthen production of human rights, a lifecycle that enables thriving farmers and such communities.

Est. 2021 Global Fairtrade Commodity Purchase Volume & Fairtrade Premiums Totals

Fair trade Commodity	Total Volume	Premium	Value
SUGAR	29,184,744	$491,243	$3,507,243
COCOA	29,184,744	$960,134	$3,509,218
VANILLA	14,414,000	$242,580	$1,451,580
BANANA	313,689	$13,800	$71,800
COFFEE	49,000	$12,000	$12,000
CASHNUTS	20,774	$1,661	$1,661
ALMONDS	2,156,246	20	2,156,246
EST. 2021 TOTALS >>	**12,640,648**	**$2,239,578**	**$10,546,572**

Est. 2021 Bean & Jerry's Fairtrade Purchase Totals

Fair trade Commodity	Total Volume	Premium	Value
SUGAR	29,184,744	$491,243	$3,507,243
COCOA	29,184,744	$960,134	$3,509,218
VANILLA	14,414,000	$242,580	$1,451,580
BANANA	313,689	$13,800	$71,800
COFFEE	49,000	$12,000	$12,000
CASHNUTS	20,774	$1,661	$1,661
ALMONDS	2,156,246	20	2,156,246
EST. 2021 TOTALS >>	**12,640,648**	**$2,239,578**	**$10,546,572**

In 2020, Fairtrade validated that our theory on living incomes, put into practice by the LIA, was effective in improving the livelihoods of farmers in our supply chains. Farmers we work with. We plan to expand the LIA, and its commitments in 2022 and beyond. More information about the LIA and our relationship with Fairtrade can be found here.

MOST COCOA PROGRAMS FOCUS ON PRODUCTIVITY:

COCOA "LIVING INCOME PRICING PLUS" MODEL

Price

Living Income Reference Price (LIRP) and long-term relationships with farmers and farmer groups. This model allows growers to they boost their productivity and receive digitized pricing for their crop. This supports the whole system to work efficiently and fairly.

Protection

Child labor monitoring & remediation as well as deforestation monitoring and reforestation. Farmer Business School training reduces the risk of these exponentially because.

Professionalization

Farm productivity & business planning, financing, cooperative strengthening, With higher incomes, farmers are better able to invest in their farms.

Cocoa

Cocoa is arguably the commodity most fraught with entrenched poverty cycles, which is why our living income work initially focused on cocoa farmers. The LIA promises we offer to cocoa farmers align with our broad sector initiative to transition to living income pricing. The pilot phase, which we completed, planned, and implemented with our mission ally, Tony's Chocolonely, ultimately paving their industry, which initiative, Tony's Open Chain.

Cocoa is a crop that is ripe for change, given the prevalence of farmers and farm workers who are mission-aligned in their work to deepen transparency on cocoa supply chains and end modern slavery and child labor. Alongside these efforts, we will be optimistic that our cocoa farmers will be the first to see collective scale and impact, as the way we work with cocoa farmers and the cocoa value chain. We will continue to provide updates on this significant endeavor in our 2022 SDAR.

Almonds

We continued to purchase almonds from FT Cenoam in Palestine in 2021, as they make up 50% of the non-dairy mix in North America. Due to challenges with COVID-19 and other ingredient priorities, we decided to pause our farmer engagement projects. We expect to co-create the next phase of our project roadmap with FT Cenoam in 2025, after we have a better assessment of the volume of almonds we need going forward.

More information on our broader work encompassing domestic almond sourcing can be found in the Climate section of this report.

Sugar

We are exploring alternative domestic sugar sourcing projects in 2022 after completing a project in El Salvador. We continue to source Fairtrade sugar for our products.

Vanilla

We are developing a multifaceted project on vanilla sourcing in Madagascar for launch in 2022. The project will address additional value capture for farmers by supporting their training in curing vanilla beans.

Packaging

Our Strategy

We are aware of the cross-cutting impacts our packaging, particularly plastic, imposes on environmental health, climate change, and social justice. Our approach goes beyond traditional avenues in the consumer products industry, like increasing the use of recycled plastics or packaging recyclability. We want to target the problem at its source with our choice of materials because of the waste generated by our packaging, much of which is single-use and disposed of, rather than recycled or composted.

From source material to disposal, plastics are associated with contamination of the natural environment, but the intersectional impacts of plastic across its life cycle have roots in social justice. We recognize that toxic byproducts from plastic manufacturing and disposal disproportionately occur near and within marginalized communities. This can force displacement, pollute drinking water, drive significant health concerns, lower property values, and sicken marine ecosystems, a reality that drives our desire to divest from our use of plastics.

Our Goals

Innovations underway to our product packaging align with three central packaging goals:

1. 100% of our products will be sold in primary packaging that does not contain non-compostable, petroleum-based plastics.
    - Where we can, we are moving to paper-based alternatives. Where barrier properties are still needed, we are exploring alternatives to petrochemicals, such as bio-based plastics that offer a range of biodegradability.
2. By the end of 2022, 100% of our products will carry instructions for correct disposal.
    - We believe that providing fans with clear information on product end-of-life will empower adoption of best practices.
3. 100% of our fiber packaging will come from sustainable sources.
    - In 2022, we look forward to further defining and improving our future policy around sustainable fiber sourcing to include more recycled content and exploration of next generation fibers.

2021 Progress

Each year's wins are part of broader year-over-year plastics reduction efforts. We measure the success of all initiatives we undertake against their plastics impact. Because of this, a one-year snapshot of progress may only demonstrate minor changes implemented for our packaging. Nonetheless, each step is instrumental to achieving plastic reductions in aggregate and to our goal of divesting from petrochemicals.

As we invest in the innovation needed to achieve our packaging goals, we collaborate with packaging team counterparts at Unilever, who offer their expertise in navigating the technical challenges of implementing new materials.

Continuous improvement requires us to reject "no" as an answer when we encounter setbacks. From a technical perspective, our product packaging must first and foremost deliver our euphoric concoctions to our fans without loss of quality. This requires us to use materials that ensure safety and preserve the product integrity that our fans have come to know. At the same time, translating new materials into packaging components cannot be done without securing the proper manufacturing equipment that can run the materials at scale. Factors like these are a sample of the technical issues we face as we look to advance packaging research and development.

Another realm where we face challenges in packaging innovation concerns the variability of global recycling infrastructure. This not only applies to the countries where we sell products—recycling infrastructure differs from community to community, with each having different rules, recovery systems, and economics. Layer in regulatory policies at the local, state, and national levels, and the complexity grows.

Altogether, these dynamics challenge the recyclability of our products and our ability to design a catch-all solution for the markets in which we sell. One example of this is illustrated by our current pints and lids. We have proven that our pint fibers can be repulped by separating out the polyethylene coating, which yields a desirable fiber that can be reused. However, due to a number of factors, such as bale standards, sortation, and concern over the potential influx of poly-coated containers, we have not yet been able to influence the industry's decision to accept poly-coated ice cream containers.

Spotlight: Peace Pops

In 2021, we rolled out our first venture into paper-based flexible packaging for our Peace Pops products. 88% of this new Peace Pops flow-wrap packaging is made of paper, enabling 18 MT of plastic avoidance in 2021 compared to if the flow-wrap were 100% plastic. This success marks progress towards eliminating single-use plastics from packaging, as well as enabling recyclability for the packaging in many of the E.U. countries where the launch occurred.

The Ben & Jerry's Foundation

The Ben & Jerry's Foundation was created in 1985, with an initial gift from Ben of 50,000 shares of Ben & Jerry's stock and an unprecedented decision by the company's Board of Directors to commit 7.5% of the company's annual pretax profits to philanthropy. Following the acquisition of Ben & Jerry's by Unilever in 2000, the for-profit Ben & Jerry's provides annual funding to the non-profit Ben & Jerry's Foundation under a funding formula memorialized within the acquisition agreement that allows for funding to grow as the company's sales volume grows.

The Ben & Jerry's Foundation focuses on advancing social justice, protecting the environment, and supporting sustainable food systems. The Foundation is committed to supporting non-violent, thoughtful, and strategic approaches that use grassroots organizing strategies to work towards social change. The Foundation's philanthropy is led by Ben & Jerry's employees who serve on grant review committees.

In 2021, the Company contributed a total of $4,754,925 to the Ben & Jerry's Foundation.

The Foundation administers three grant programs serving Vermont, the entire U.S., and our newly developing U.K. Fund.

BEN & JERRY'S FOUNDATION FUNDING OVER RECENT YEARS:

2020	2018
$3.8M	$3.6M
2016	**2014**
$3.1M	$2.6M

National Grassroots Organizing Grant Program

The National Grassroots Organizing Grant Program offers one-year general operating support grants of up to $30,000, with an average grant size of $20,000, to small, non-profit grassroots organizations throughout the U.S. and its territories that are not located in the state of Vermont. The grants fund organizations working to help themselves and their communities create broad systems change through community organizing and movement-building efforts. Visit here to learn more about grants awarded in 2021.

Vermont Equity & Justice Grant Program

The Vermont Equity & Justice Grant Program supports Vermont-based, non-profit organizations working to address economic, social, and environmental disparities in Vermont. We seek out innovative programs that are working toward fundamental change in Vermont and that approach their work through the lens of social justice and equity.

Vermont Community Action Teams (CATs) Grant Program

The Vermont Community Action Teams (CATs) are groups of employees at each of Ben & Jerry's three Vermont manufacturing and office facilities. They offer general or project support within the broad guidelines and funding provided by the Ben & Jerry's Foundation. Every month, the CATs make small grants, generally under $2,000, to various local, community-based Vermont non-profit programs. In addition to making small grants, the CATs plan community service projects for all employees at their sites.

The Ben & Jerry's Foundation provided funding to 320 organizations in 2021 totaling $3,754,500*.

Our Foundation's U.K. Fund

In 2016 the U.S. Foundation set aside $200,000 to launch a U.K. Fund. This fund retains the U.S. Foundation's belief in supporting social justice movements and community organizing, but focuses entirely on migrant-led groups in the U.K.

The U.K. Fund supports organizations that are working to improve the systems under which refugees and migrants are supported to settle in the U.K. and assume a full and active role within society. The Foundation targets its funding to groups that work towards change in the following areas:

- Supporting refugee, asylum and migrant groups to come together to target systemic change: The Foundation recognizes that the voices of those most affected by the issues are best placed to identify and tackle systemic constraints and mobilize to create real and lasting change. It therefore funds projects that put refugee and migrant groups at the heart of their organizations.
- Changing perceptions within the public consciousness: The Foundation funds organizations that combat stigma and challenge negative perceptions around the role of refugees, asylum seekers, and migrants within society, as well as organizations that empower local communities to provide a positive and inclusive welcome.
- Building capacity in the sector: The Foundation also funds capacity development and networking to drive greater collaboration between organizations in the sector, as well as supporting a greater proportion of leadership from people with lived experience.

The U.K. Fund of the Ben & Jerry's Foundation provided funding to nine organizations in 2021, which totaled $275,000.

Review Report of Independent Accountants

Independent Auditors Report

For our 2021 report, we engaged Moss Adams LLP, an independent accounting firm, to review specific Quality of Results indicators that Ben & Jerry's set as priorities for the year. You can download a copy of their letter.