Annual Sustainability Report





SCOULAR'S CORE VALUES

CORE VALUES - Inform the qualities we embody when working toward our vision and mission.

Integrity. Our word is our bond. We do what is right, not just what is easy or allowable. We are candid in our relationships.

Curiosity. It is the root of our creativity, innovation and flexibility. We seek deep understanding of markets and customers' unique needs. Coupled with knowledge, it leads to creative, unique solutions for mutual benefit.

Perseverance. We commit to shared goals, knowing there are many paths to reach them. Success means that we deliver results in the right way.

Inclusion. We win when we bring a diverse set of ideas and people together to collaborate for company success.

Compassion. Our employees are people first. We show compassion when adversity affects any of us. Each of us is stronger because of this.

Stewardship. We deploy the assets of the company to win, while being disciplined to safeguard them for the next generation.

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At Scoular, we have a long history of creating safe, reliable, and responsible supply chain solutions. For more than a century, Scoular has been responding to the needs of our customers and changes in our industry. For us, it is no longer possible to separate the business we are in, from the people, communities, and ecosystems that enable what we do at Scoular. Not only is this responsible business, but it's also smart business, which generates tangible value for Scoular and its partners. As an employee-owned company, we take pride in the way we operate, and we believe by working together, we create shared value and a path to success for the entire value chain.

In November 2020, we formalized our environmental, social, and economic commitments with the launch of our inaugural Sustainability Strategy. The strategy's five pillars are both authentic to our business, and the business of our end user and producer partners. Like all things that we do at Scoular, we put people at the center of our strategy. Ensuring a safe, diverse, and inclusive culture allows our employees to focus on what they do best – creating the innovative solutions that deliver our products worldwide. We believe that those solutions, and with the help of the Scoular Foundation, we are building prosperous communities that are well equipped to protect and manage the resilient ecosystems that play a vital role in the health of our planet.

As part of our first Annual Sustainability Report, we are excited to share our progress on each of our five pillars and spotlight our accomplishments on Reducing Our Carbon Footprint, Fostering Responsible Product Sourcing, Engaging in Our Communities, Promoting Diversity and Inclusion, and Upholding Workplace Health and Safety.

While we are still quantifying many of our goals, we realize the solutions required to solve the world's most challenging issues will evolve. Rather than waiting for certainty, we choose to act now and lead through uncertainty. Most importantly, we want to reemphasize our dedication and commitment to delivering responsible supply chain solutions for all our partners.

Megan Belcher

Paul Maass

To Our Stakeholders

AS AN EMPLOYEE-OWNED BUSINESS, WE TAKE PRIDE IN THE WAY WE OPERATE, AND WE BELIEVE BY WORKING TOGETHER, WE CREATE SHARED VALUE AND A PATH TO SUCCESS FOR THE ENTIRE VALUE CHAIN.



Paul Maass Chief Executive Officer



Megan Belcher Chief Legal & External Affairs Officer



Joshua Mellinger Head of Corporate Sustainability



Joshua Mellinger



About Scoular

Scoular by the numbers (FY21)

8888 Employees



(Offices, Storage, Handling, Processing) in North America and Asia



\$6 Billion Annual Revenue

What we do

We facilitate solutions for our customers at every step in the agricultural supply chain.

- Grains
- Food Ingredients
- Animal Feed Ingredients

Who we serve

- Farmers
- Animal Feed Manufacturers
- Petfood Manufacturers
- Renewable Energy Producers



80+ Countries pping goods locally and internationally

100+ Facilities



1+ Billion Bushels Traded



\$900 Million ales of Food & Feed ngredients

- Pet Food Ingredients
- International Trade
- Transportation

We deliver innovative supply chain solutions in food and feed that help meet industry goals.

- Grain Processors
- Aquafeed Manufacturers
- Food, Beverage and Supplement Manufacturers
- Distilleries

REPORTING PERIOD: SCOULAR'S FISCAL YEAR FY2021 (JUNE 1, 2020 - MAY 31, 2021)

This report reflects our Sustainability progress during Scoular's 2021 Fiscal Year. It covers our most material topics and risk across the environmental, social, and governance metrics established by our Board of Directors and Senior Leadership Team.

By communicating our progress, we maintain alignment with our stakeholders and facilitate opportunities to collaborate with our partners. While this report serves as our annual communication on progress, we are actively working with our partners to help address their sustainability aspirations and embed sustainability into the food and feed solutions we offer.

STAKEHOLDER ENGAGEMENT, MATERIALITY, AND GOVERNANCE

Stakeholder Engagement: In 2020, Scoular launched its inaugural companywide sustainability effort, in partnership with an expert global consultancy.

Materiality: During the process we collected inputs from senior business leaders, functional experts, and external partners to align our business model and purpose to the issues that impact the food and feed value chains in which we operate.

Governance: Our position in the value chain puts environmental, social, and economic opportunities on the board agenda for every meeting (held guarterly), even if the issues are indirect. Our CEO and Chief Legal & External Affairs Officer (Head of ESG) receive updates from corporate sustainability leadership and pillar teams to provide an assessment of risk and opportunities.

Bias for Action: We are a solutions-based company and while there are still performance-based targets that are being quantified, we are committed to acting now and continuing to update goals as they are approved by Scoular's Leadership.

About this Report

Phase 1: Aligning our purpose and profits (FY21)



Future reports will include additional details on baselines, targets, new initiatives and detailed tracking on progress

New Capabilities and Initiatives Focused on Achieving Goals



First Annual Sustainability Report

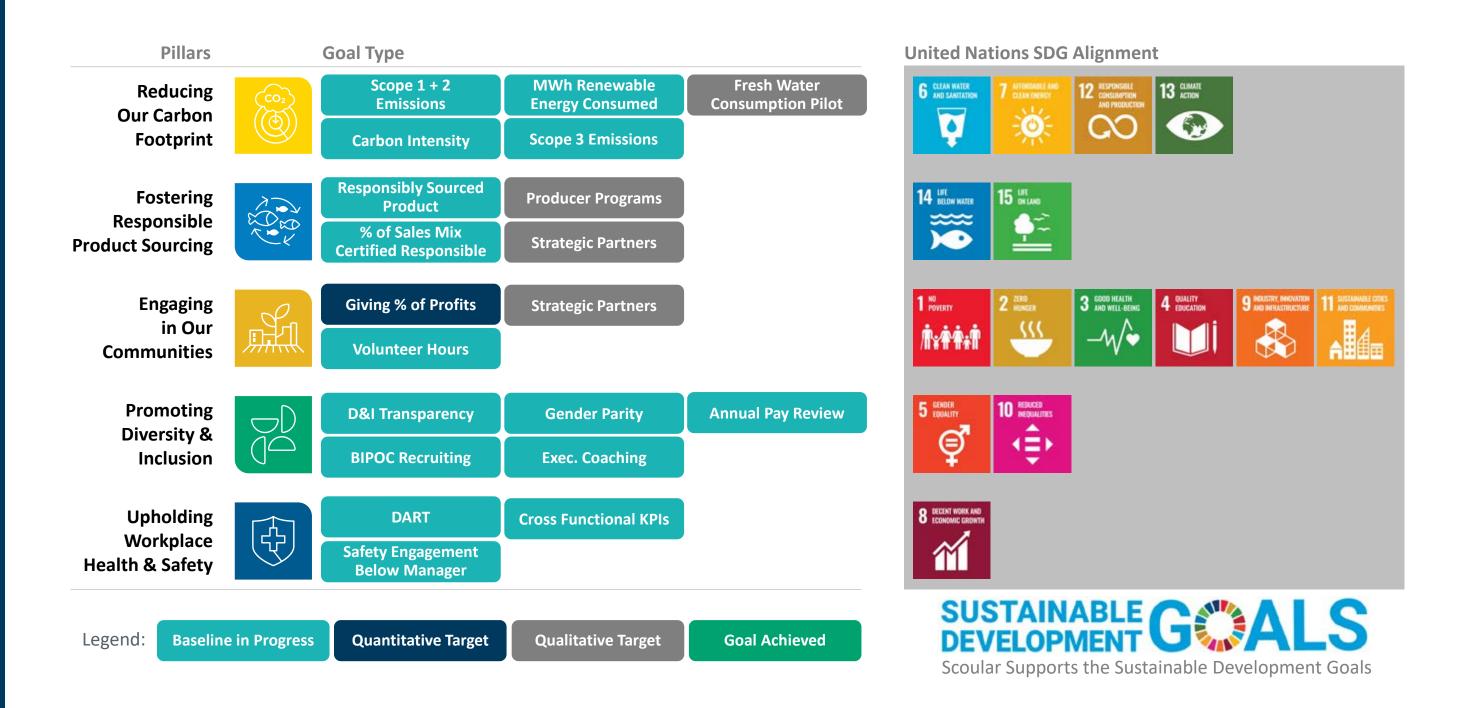
Scoular's Progress to Date on Each Pillar (including Historical Initiatives)



Scoular's Sustainability Strategy



Goals and Commitments





PLANET

Reducing Our Carbon Footprint

At Scoular we believe the health of our planet is important and climate plays a vital role in our collective success. We have a history of integration in nearly every agricultural supply chain, so we understand the effects and impact of carbon emissions.

As stewards of our industry, we are committed to addressing our own environmental impacts and safeguarding our action for the next generation.

Our Commitments

ABSOLUTE CO2e



Reduce absolute greenhouse gas emissions

CO2e INTENSITY



Reduce greenhouse gas emissions intensity

VALUE CHAIN CO2e

Reduce value chain carbon footprint

RENEWABLES



Increase renewable energy consumed

WATER



Implement pilot program focused on reducing freshwater consumption



IN PROGRESS On Track - 2025

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OUR OPERATIONS

Reducing the impact of our operations on the environment

Energy efficiency - we are upgrading our bunker facilities and reducing the energy required to hold bunker coverings in place. A standard bunker is 380' long x 130' wide and requires seven electric aeration fans to maintain the static air pressure needed to hold the covering in place in windy conditions. With the installation of new louvers, we now have the ability to run the systems on only three fans for lower wind conditions and we are prototyping the use of anemometers to automatically vary the power output based on windspeed. Additionally, we are increasing the use of soft starts on large motors and variable frequency and variable speed drives to reduce motor power consumption and prevent damaging power surges.

Materials reduction (digitally enabled solutions) – Scoular implemented Filebound, a digital solution that reduced the amount of annual paper documentation we create, store, and shred by 1.5 million pieces of paper. We see increasing use of digital tools to reduce rail jackets, export paperwork, and other paper dependent processes, reducing our overall waste and improving our ability to manage complex processes, gather insights, and improve our level of customer service.

Nature - we use vegetative barriers and have planted grass around all our bunkers to ensure facility operations minimize impact to local ecosystems. We are also using tree rows as natural windbreaks at facilities where additional erosion control protection is needed.

ACROSS THE VALUE CHAIN value chain operations

Throughput and storage capacity - substantial investments in truck dumping capacity improved throughput, reduced trucking wait times, and vehicle idle time emissions for our producers.

Rail and transportation – rail transport creates 1/3 of the emissions compared to long haul trucking. Scoular has invested in multiple train loading facilities and over 100 car trains to move interior grain from 12-15 facilities to market. Our partnership with the Kansas Department of Transportation is helping to add rail trackage and switches, expanding our ability to reduce trucks on the road and cut the emissions associated with moving products to market.

Asset utilization and backhaul - our cross-country trading businesses are able to match backhaul lanes moving more than 700,000 annual loads, which allow Scoular to backhaul grain against fronthaul aggregates and reduce overall miles driven.

Technology and transparency - we are working with technology partners, such as Roger[®] and Bushel[®], to deliver solutions that increase transparency, enable faster payments, and reduce inefficiencies across

the supply chain.

Reducing the intensity of products delivered through efficient



Scoular enables supply chain sustainability through efficient operations.

As farmers invested in expanded harvesting equipment the increased supply of product pushed the limits of traditional storage facilities. To deliver a faster harvest and better customer experience for our farmers, Scoular invested millions in upgrading capacity to reduce truck wait times for our producers. As we strive to run more environmentally friendly operations, we realize that the investments we are making to reduce energy, water, and waste in our facilities is also reducing inefficiencies across the supply chain and helping our partners meet their own sustainability goals.

Operating our facilities in the most efficient and responsible manner remains a critical capability for Scoular in serving our producers and customers, as well as reducing our own carbon footprint.

> Ron Bingham Sr. Vice President & Grain Division Manager



LOOKING FORWARD

- Baseline current environmental impact by conducting a corporate carbon footprint assessment for operations (carbon for which we're directly responsible) and upstream supply chain (measurable carbon use we're connected to)
- Analyze facility portfolio and identify opportunities to reduce footprint or install renewable generation
- Update reduction targets and disclose impact through standard reporting methods and frameworks protocols





ECOSYSTEMS and **PRODUCTS**

Fostering Responsible Product Sourcing

We understand the importance of maintaining resilient ecosystems that produce safe, nutritious, and highquality food and feed ingredients.

On land and in oceans our ecosystems face potential losses to biodiversity and animal habitat that could lead to food supply disruptions.

We are committed to creating supply chain solutions that reduce ecosystem impact and encourage the responsible management of natural ecosystems.

Our Commitments

PRODUCT SOURCED



Increase total volume of marine products sourced from sustainable processors or aquaculture sources

PRODUCT SOLD



Increase percentage of sales for responsibly sourced and certified marine products

PRODUCER PROGRAMS

Develop producer programs that are carbon focused for climate smart agriculture

PARTNERS



Establish strategic relationships with marine sustainability NGOs and support additional NGO led impact programs

IN PROGRESS On Track - 2025

IN PROGRESS On Track - 2025

IN PROGRESS On Track - 2025

IN PROGRESS On Track - 2025



Marine

- Producer programs facilitated SEDEX Gap assessments and helped multiple new suppliers achieve SEDEX 4 Pillar certification
- Supply transparency leveraged the MarinTrust Identity Preserved model to approve new fisheries and processors within Scoular's certificate
- Partner collaboration established partnerships with NGOs to understand the potential value of bringing low impact sources of fish meal to market

Agriculture

- Optimized producer inputs improved on farm practices by sourcing, cleaning, and distributing 100,000 acres of cover crop seed for producer partners
- Supply chain collaboration registered our first Farm Management group with the Sustainable Agriculture Initiative Platform, covering 5,000 acres of sustainable rye production
- Certified product met increased product demand with responsible sourced commodities from sustainable growing regions, including SSAP certified soy product exported to Asia
- Improved access and handling increased our ability to meet organic demand by maintaining 12 certified organic facilities
- Biofuels partnered with Pratt Energy to increase the efficiency of operations and allow Scoular to bring wet distillers grain (WDG) and dried distillers grain (DDG) to market
- Branded claims long term strategic relationships with premium milling brands that trust Scoular, allowed us to bring specialized hard red winter wheat into facilities making premium flour products for consumer markets that value responsibly produced products

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When a leading alternative meat company experienced increased demand, they partnered with Scoular to find product that aligned with its sustainability mission. The company needed a high-quality soy protein that was non-GMO and wouldn't contribute to deforestation. Even though there was certified product available in the marketplace, it didn't meet the company's high responsibility standards based on the production region. As an industry leader in sustainable soy products, Scoular was able to bring additional product online from sources that were closer in proximity to the customer's manufacturing facilities and were deforestation free. This additional supply helped to fuel the customer's growth in new markets and its continued success.

" I am especially proud of the collaboration efforts our marine proteins team has led in developing a best-in-class portfolio of sustainable aquaculture solutions. As we build resiliency into every step of the value chain, our customers now have access to more sustainable product options from sources they can trust regardless of the product they need.



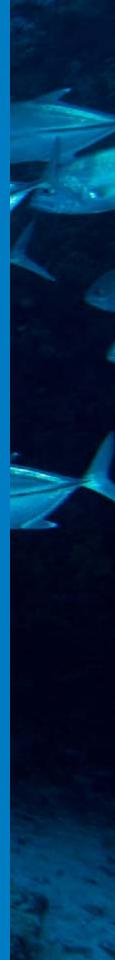
Joe Andrus Sr. Vice President & Feed Division Manager



LOOKING FORWARD

- Increase adoption of SEDEX or equivalent social responsibility assessments by partnering directly with marine products suppliers
- Collaborate with suppliers to initiate fishery assessment and define a path to responsible sourcing certification(s)
- Pilot initial set of customer facing producer programs that are carbon focused for climate smart agriculture
- Formalize role of NGO partners in community engagement opportunities





COMMUNITIES

Engaging in Our Communities

Foundation, and harnessing the

Our Commitments

GIVING %



Invest 2% of annual profits (before taxes) in high impact community investment areas, with focus on rural communities and cultivating soil health

VOLUNTEER HOURS



Complete a milestone number of annual company volunteer hours

PARTNERSHIPS

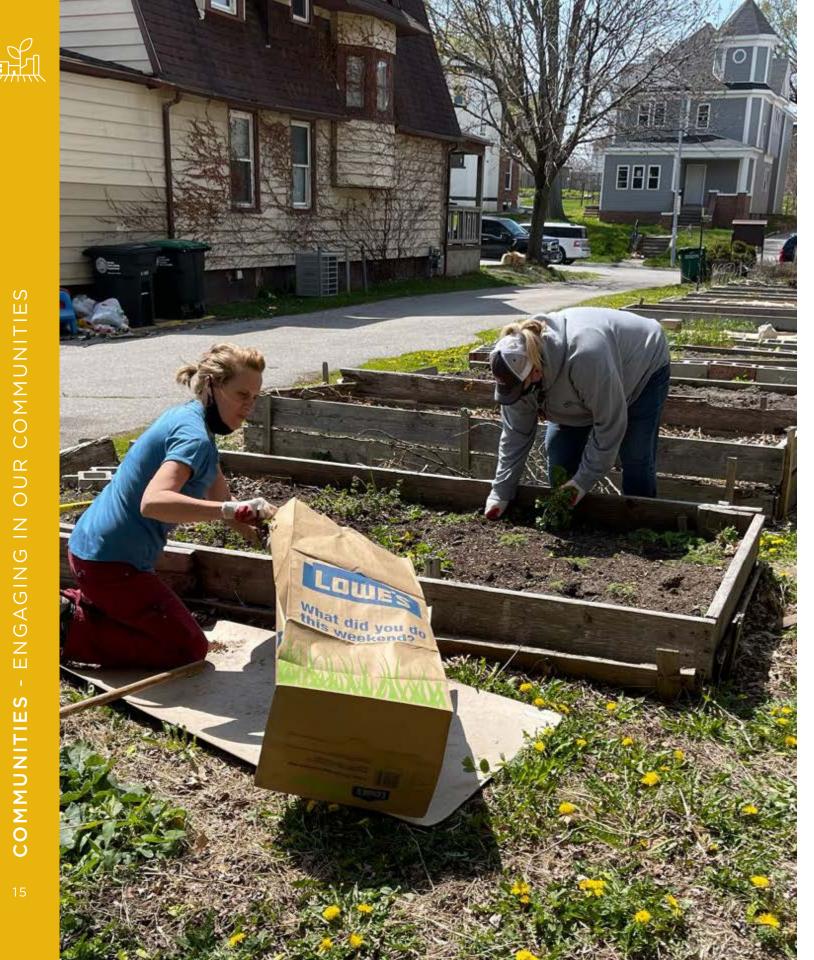


Develop strategic partnerships with local organizations, customers, and third parties

IN PROGRESS On Track - 2025

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IN PROGRESS On Track - 2025



Impact Investments

- Invested 2% of the company's profit before taxes in the Scoular Foundation for distribution to non-profit partners
- Expanded volunteer activities with imaginative community parties, and company-wide giving events at our locations around the world
- Strengthened our investment alignment and giving events for partner and customer recognition around Scoular's sustainability pillars

Foundation Strategy

- Developed three-pronged strategy based on employee community engagement and leadership, company community engagement and leadership, and foundation funding and engagement
- Re-envisioned the guiding principles the Scoular Foundation leverages for giving decisions, with an emerging focus on our sustainability pillars and building a consistent, strategic, and year-over-year community partnerships around the world
- · Created new vision and mission for the Scoular Foundation consistent with an eye toward strategically supporting our sustainability strategy
- Updated and expanded Trustee membership in the Scoular Foundation to include Scoular's Chief Diversity Officer to drive greater connectivity to our Diversity & Inclusion strategies

Employee Engagement and Partnerships

- Established strategic ways to collaborate on community giving with employee resource groups (ERGs), Scoular's D&I strategy, and around key events
- Expanded company leadership in non-profit leadership and development of a Boardperson program for Scoular
- Implemented new and imaginative communication strategies to broaden engagement around Scoular's community engagement
- Joined the American Connection Project and the American Connection Corps, as a strategic partner for funding rural fellowships, focused on closing the digital divide and building the next generation of rural leaders
- Launched a free rural broadband access pilot in collaboration with the American Connection Project



Scoular invests in the places that matter most

Deep community engagement, and giving back in transformative ways to the communities where our employees live and work, have been part of Scoular's fabric for the entirety of its 128-year history, and a legacy we continue to build on with our sustainability program. One of the ways we give back is through our collaboration with InCOMMON, a longtime community partner for Scoular and the Scoular Foundation, with their mission to alleviate poverty at a root level by uniting and strengthening vulnerable neighborhoods consistent with so many of our foundation's giving principles. In 2021, Scoular employees made an impact by volunteering as part of the United Way of the Midlands Day of Action, cleaning up the community garden at inCOMMON Community Development, as well as partnering on holiday giving events and investments from the Scoular Foundation.

Our company's and employees' investments through acts of service and the work of the Scoular Foundation bring our values of compassion and stewardship to life each an<mark>d every d</mark>ay at Scoular.



Megan Belcher Chief Legal & External Affairs Officer



LOOKING FORWARD

- committee to assess potential



PEOPLE **Promoting Diversity** and Inclusion (D&I)

We believe that creating a diverse and inclusive culture allows us to better understand and connect the needs of our employees and partners with innovative solutions that deliver feed and food worldwide.

With a global, multi-cultural mindset, we respect the many cultures represented across the company and ensure that inclusive perspectives are seen and heard. Inclusion is a core value at Scoular, and we are committed to integrating it into our business strategy.

Our Commitments

TRANSPARENCY



Implement method for transparency on D&I progress

RECRUITING



Develop recruitment, pipeline and retention program for Black, Indigenous, and **People of Color**

GENDER PARITY



Reach milestone goals for gender parity

EXECUTIVE COACHING



Create annual executive leadership coaching program with affiliated KPIs

ANNUAL PAY REVIEW



Implement a system for and completion of annual pay parity reviews

IN PROGRESS On Track - 2025







Leadership Engagement

- Deployed Scoular's first comprehensive diversity and inclusion (D&I) strategy, including goals for all senior leadership team members, led by Jennifer Deitloff, Chief Diversity Officer
- Increased gender diversity on senior leadership team by adding two women, CHRO and President of Petsource via internal promotions
- Participated in first all employee inclusion survey

Education / Awareness

- Launched Scoular's first employee resource group, Scoular Women Influencing Culture (SWIC), led by Megan Belcher, Scoular's Chief Legal & External Affairs Officer
- Kicked off first D&I Advocate group, a group of 13 Scoular employees coming together for robust learning and awareness sessions designed to provide them with stronger skillsets to be internal D&I advocates
- Developed Scoular Talks, employee roundtable discussions on important D&I topics, led by D&I Council members
- Created meaningful programming including General Manager Culture sessions, fireside chats with inspirational leaders, virtual coffees, MBA in a day, and more than 10 all employee training/awareness opportunities with average attendance at over 150 employees
- Launched multiple employee book clubs and a Wellbeing Webinar Series to facilitate info-sharing and culture building

Recruiting

- Expanded recruiting pipeline by building relationships with universities, including Kansas State University College of Agriculture
- Introduced a new pilot internship program in partnership with Avenue Scholars, an organization that provides career support to underserved youth in the Omaha area and provides individual student support to address crucial needs of high performing high school students



Scoular celebrates a milestone year for our culture

July 30, 2020 marked the official launch of Scoular Women Influencing Culture (SWIC), Scoular's first Employee Resource Group. SWIC united women of Scoular around the world in innovative and new ways. SWIC's leadership council and members built a robust community, learned a lot more about one another, shared challenges and successes, and found time to celebrate along the way. SWIC offered five General Manager education sessions providing a deep dive into the company's business units, with each session attended by hundreds of women. Also offered were fireside chats with high level executive women from outside of Scoular, a feature series of members on Scoular's intranet, as well as hosting the company's first all employee celebration of International Women's Day and offered a full month of internal and external events celebrating Women's History Month. SWIC finished the year by undertaking the work to develop relationships with industry organizations like Women in Agribusiness.

I am incredibly proud of the progress that Scoular has made to deliver on our strategy and I'm excited to continue to evolve our culture to cultivate an environment that drives innovation and increased business value.



Jennifer Deitloff Chief Diversity Officer



LOOKING FORWARD

- **D&I** Council
- **Board of Directors**

- agriculture and D&I initiatives

• Create new executive sponsor role for the

• Increase female representation on Scoular's

• Launch additional employee resource groups

• Increase reach of trainings and programming

• Establish new partnerships to support urban



PEOPLE Upholding Workplace Health and Safety

Our people are the inspiration behind our innovative solutions and the foundation of everything we do at Scoular. That is why ensuring the safety and well-being of our employees will always be our top priority.

We are committed to working with industry safety organizations and remaining in line with the best-in-class safety practices across all levels and functions at Scoular.

Our Commitments

DART

Reduce our percentage of days away restricted or transferred injuries

SAFETY ENGAGEMENT

Increase our safety engagement at the below manager level



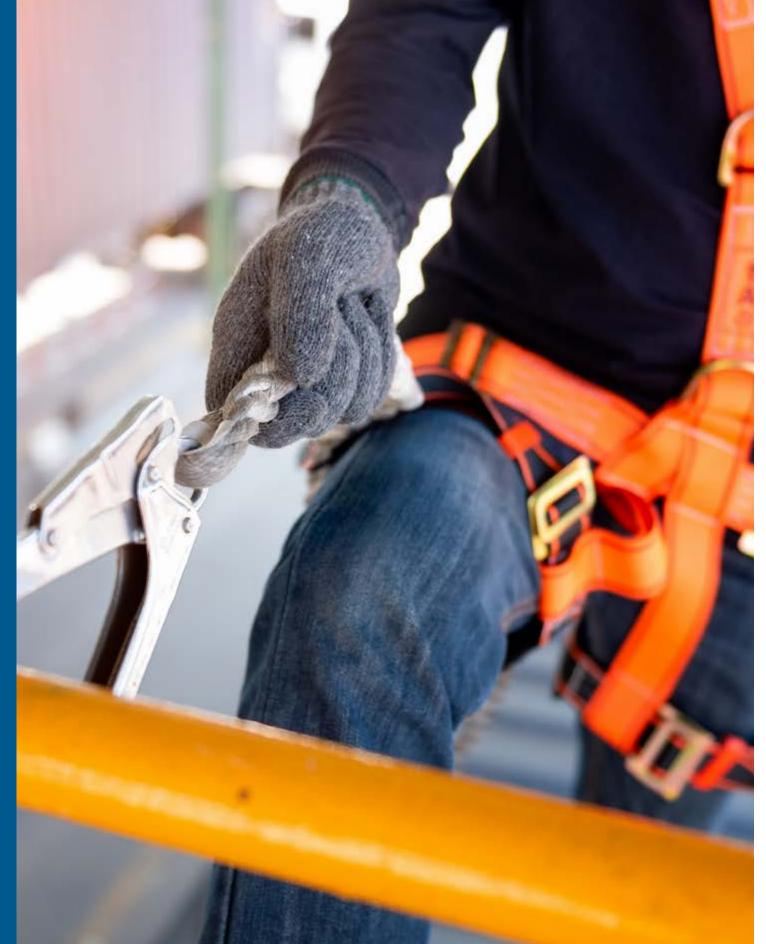
Reach milestone improvements on key performance indicators, established by a company cross-functional committee. IN PROGRESS On Track - 2025

IN PROGRESS On Track - 2025

IN PROGRESS On Track - 2025







- Injury free locations 43 of 51 locations remained injury free during the year
- Preventative systems and tools entered into an agreement with Intelex to develop a SMS (Safety Management System) intended to be rolled out in the Fall/Winter of 2021, with the venture to develop a system in stages that provides frontline managers with tools capable of assisting with Incident Management, Leading and Lagging Indicators, Risk Management and Employee Training
- **Reporting and tracking** developed and implemented a monthly leading and lagging statistical report that included safety performance for all facilities within Scoular and launched initiatives to introduce workplace safety observations conducted by Facility Managers/Supervisors
- Facility programs and practices introduced facility sanitation programs for split grains, focused on timely cleanup and preventing runoffs into water systems. This reduced need for herbicides to maintain volunteer growth from spilled grains
- Reduced chemical usage optimized aeration practices to remove harvest and summer heat, maximizing insect control and minimizing fumigant needs
- Post injury care introduced Injury Counselor for U.S. operations and a nurse triage service to support our Canadian operations intended to assist with post-injury follow-up for injured employees



Scoular elevates safety to new levels for all of our stakeholders

Achieving our vision of "Zero" injuries takes more than just talk. That's why in FY21 we invested in additional capabilities to keep our workforce safe. Our focus is on building a culture of shared accountability supported by resources and tools that enable and empower action at all levels of the organization. During the year we worked with our partners to design a Safety Management System that allows us to monitor, measure, analyze, and implement improvement opportunities. Additionally, leaders across the organization were paired with safety team members to encourage collaboration, accelerate learning and better achieve improved safety performance in every part of our business.

Mo part of our business is sustainable without the safety of our people. As we navigated the challenges of the COVID-19 pandemic safety all employees faced elevated safety concerns but through proactive actions, empowered decision making, and transparent communications we were able to continue operations and keep our employees safe.



Bryan Wurscher Sr. Vice President & Food Division Manager (Environment, Health & Safety Executive Sponsor)



LOOKING FORWARD

- Implement shared Health and Safety Managers and Directors
- Pair Officers, General Managers, and drive positive performance
- Continue to monitor, measure, and
- Launch new Safety Management System to systematically assist with monitoring, incident reporting, and employee training
- Provide additional support to frontline management and employees by restructuring our Safety Team's resources and capabilities
- Deliver focused education and training that empowers our employees and

goals for all Scoular Officers, General

Directors with Safety Team members to build pervasive safety culture and

analyze leading and lagging indicators

creates accountability across locations





To learn more about Scoular's commitment to sustainability, email sustainability@scoular.com

