



CO-ALLIANCE®



2023 SUSTAINABILITY REPORT
WE DELIVER.



“The soil is the great connector of lives, the source and destination of all. It is the healer and restorer and resurrector, by which disease passes into health, age into youth, death into life. Without proper care for it we can have no community, because, without proper care for it, we can have no life.”

-Wendell Berry, *The Unsettling of America: Culture and Agriculture*

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ABOUT THIS REPORT

In the nearly 100-year history of our cooperative much has changed. The heritage cooperatives represented by the Co-Alliance logo are still serving farmers today because they evolved to meet the opportunities that change brought forward. This spirit of change and evolution lives on and is embodied in Co-Alliance's 2023 Sustainability Report. Today's agriculture and energy industries are prioritizing sustainability to meet growing consumer demand and to capture billions of dollars in federal incentives. As industry shifts to these new opportunities, Co-Alliance leads the way, allowing our farmer-owners to capitalize on this new demand for sustainable products. This report outlines our strategy to ensure our farmer-owners are capitalizing on their efforts to adopt solutions to create continued climate resiliency in their operations.

Additionally, this report highlights the ways in which we are prioritizing our employees and rural communities. The younger generation entering the workforce today is increasingly interested in knowing how their potential employer values things like work-life balance, inclusivity, community involvement, and ethical governance. We are proud to showcase our efforts in these areas in this report.

A MESSAGE FROM OUR CEO

Here at Co-Alliance, our team, our board of directors and our farmer-owners are dedicated to preserving the land we farm and servicing the needs of our current & future generations. We recognize the importance of protecting the resources that help our collective mission of feeding the world.

Co-Alliance has integrated a focus on sustainability in all four of our divisions, as well as our departments that support our field and local communities. We take pride in knowing that our farmer-owners share our commitment to raising high performing grain while closely watching the products and practices used to yield those bushels.

In the nearly 100 year history of Co-Alliance, we know that our farmers have been stewards of their land, while continuing to expand the production of each acre. At Co-Alliance, we bring that passion to be stewards of the environment to our broader business and look for opportunities to lesson our impact on land, air and water. We have added leadership to our team to help steer us and our customers toward a more sustainable future. We are proud to share our first Sustainability Report with you and look forward to continued improvements in this space.

Kevin A. Still
Kevin A. Still | President & CEO



OVERVIEW & HISTORY

Co-Alliance Cooperative traces its community roots to 1927 when its foundation of local co-ops began. Now, as one of the largest, most successful agribusiness and energy marketing and supply cooperatives in the Midwest, Co-Alliance combines industry expertise, high quality products and leading-edge technology to deliver innovative solutions in energy, agronomy, grain marketing, and swine/animal nutrition to customers members and non-members across Indiana, Michigan and Ohio.

OUR MISSION



Lead
with people
& technology



Grow
profitably



Give
back locally

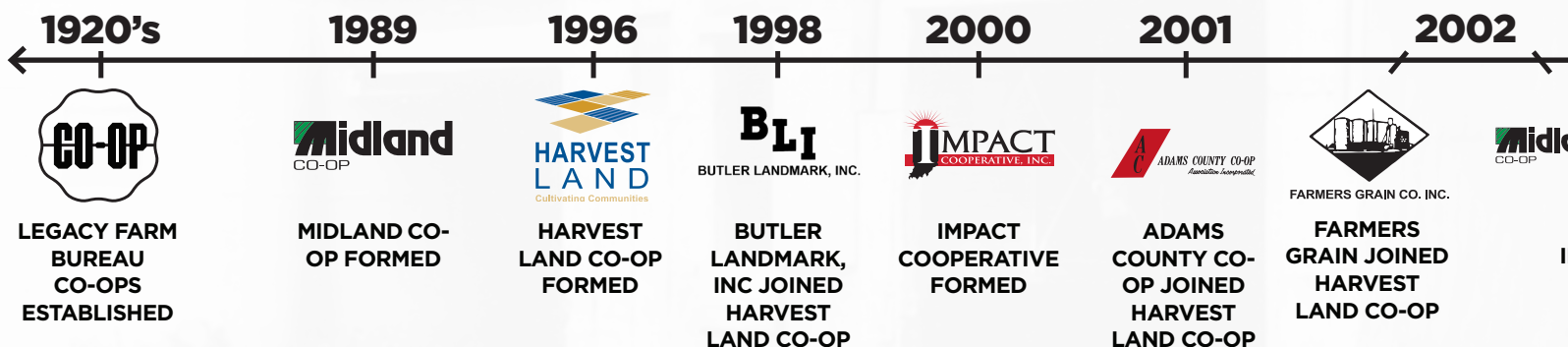


Remember
we are a
cooperative

OUR VISION

CO-ALLIANCE ASPIRES TO REDEFINE EXCELLENCE DELIVERED BY A TRUSTED TEAM.

FARMER OWNED & DRIVEN SINCE 1927



FACTS AT A GLANCE

109

LOCATIONS

8

ENDEAVOR LOCATIONS

11,282

FARMER OWNERS

952

FULL-TIME EMPLOYEES

6th LARGEST

PRIVATELY OWNED INDIANA COMPANY

4 MILLION

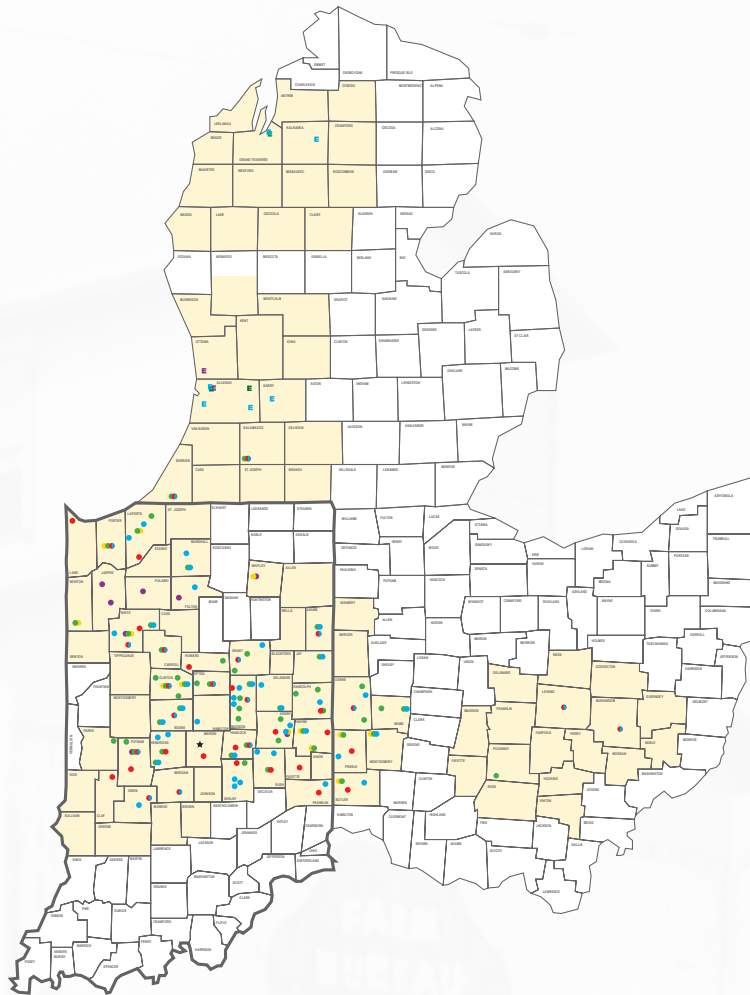
ACRES SERVICED

\$500,000

COMMUNITY FUNDS INVESTED LOCALLY

\$45 MILLION

RETURNED IN PATRONAGE TO FARMER OWNERS



LARGEST **COUNTRYMARK** DEALER



TOP 9 US **AG** RETAILER



LARGEST INDIANA **HOG** CONTRACT PRODUCER

2005

2006

2007

2008

2021



MIDLAND-IMPACT LLP FORMED



CO-ALLIANCE LLP FORMED



LAPORTE COUNTY FARM BUREAU CO-OP JOINED CO-ALLIANCE LLP



FRONTIER CO-OP JOINED CO-ALLIANCE LLP



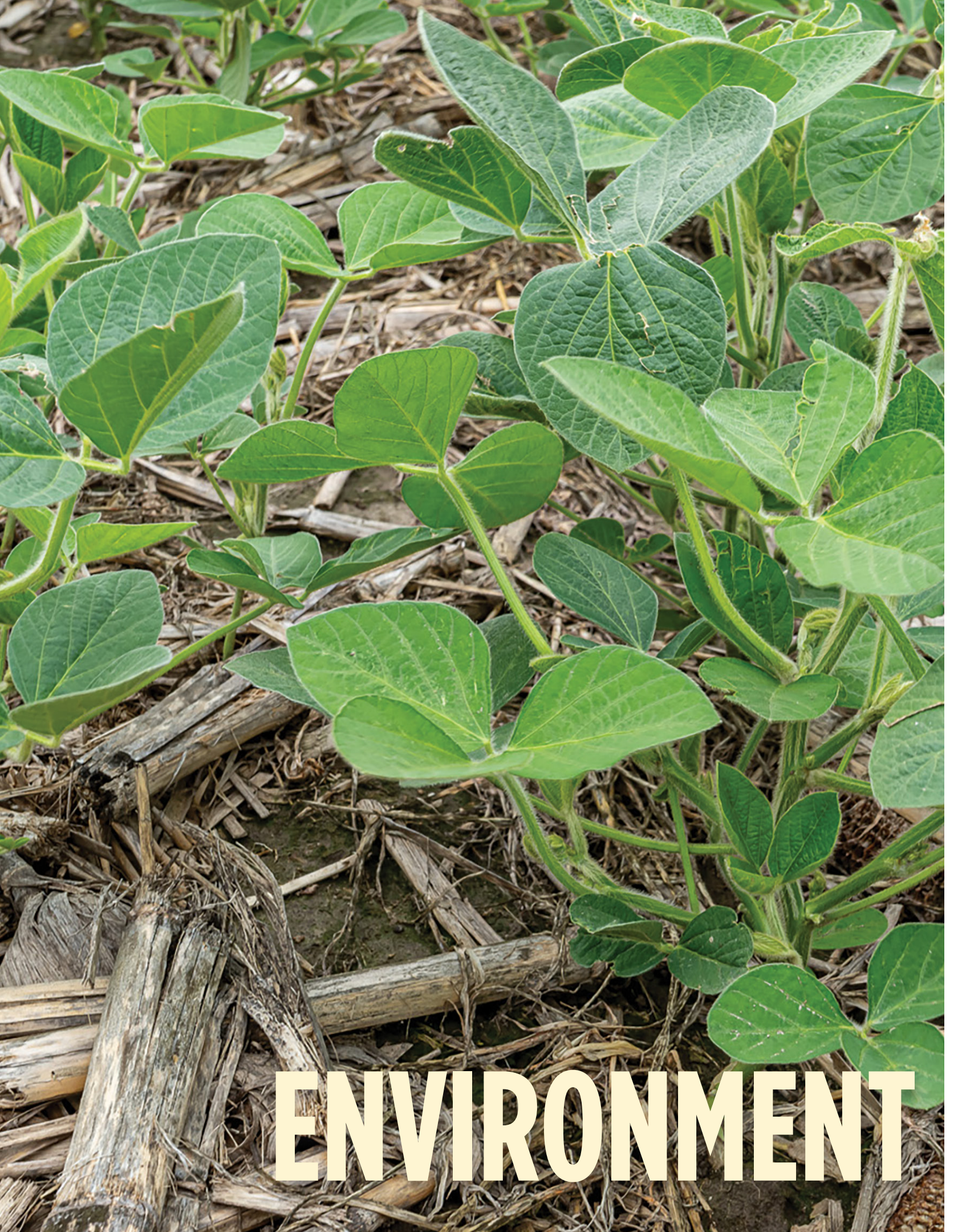
AG ONE CO-OP JOINED HARVEST LAND CO-OP



EXCEL CO-OP JOINED CO-ALLIANCE LLP



CO-ALLIANCE COOPERATIVE, INC FORMED



ENVIRONMENT

AGRICULTURE AS THE SOLUTION

SUPPORTING THE TRANSITION TO REGENERATIVE AGRICULTURE

There has never been a more exciting time for growers who prioritize conservation and land stewardship within their production systems. Until recently, there have been few financial incentives in place to encourage growers to adopt or maintain regenerative practices. Additionally, the incentives and programs that have historically been available either barred early adopters from participation (i.e., private carbon market contracts) or were too oversubscribed and poorly funded to satisfy grower needs (i.e., NRCS programs). Today, a combination of investor pressure, consumer preference towards sustainable products, and global and domestic policy favoring a low-carbon economy are creating new mechanisms that will enable farmers to monetize their on-farm conservation efforts as well as receive a premium for their low carbon commodities. American agriculture is uniquely positioned to solve some of the 21st century's biggest challenges. Our farmers are being called on to combat food insecurity by continuing to produce more food on a shrinking amount of farmland, to eliminate America's dependency on foreign oil by growing low-carbon feedstocks for renewable fuels, and to mitigate climate change by adopting and maintaining practices that transfer CO₂ from the atmosphere and convert it to soil organic matter. We believe that our cooperative has a vital role to play in these endeavors. The following sections outline the ways in which we are enabling our farmer-members to capitalize on current and future opportunities to monetize conservation practices.

CONNECTING GROWERS TO ECOSYSTEM SERVICE MARKET OPPORTUNITIES

Many factors have resulted in around 90% of the global GDP making future commitments to achieve net-zero greenhouse gas emissions.¹ Because certain agricultural management practices can help remove these greenhouse gases from the atmosphere, billions of private and public dollars have been injected into programs that pay farmers to sequester carbon in soil. These carbon credits can either offset a company's emissions from outside their supply chain (carbon offsets) or reduce emissions from within the company's supply chain (carbon insets). Carbon insets in the form of premiums for low carbon commodities are a promising option because they provide a pathway for long time practitioners of regenerative practices to be rewarded. While early offset programs were a good fit for some farmers, they were often prohibitive to growers who had already adopted regenerative practices and therefore had no ability to add additional carbon storage potential through management changes. Fortunately, programs available today through Co-Alliance are more flexible and, in some instances, allow for growers to qualify for practice changes

made in the past. By partnering with multiple organizations that offer both carbon inset and carbon offset contracts, we have maximized options for our farmer-members who wish to capitalize on these markets. Furthermore, our goal is to educate our farmers on what to look for in any program that pays for conservation practices, regardless if it is a program we currently offer.

HOW WE ARE BRINGING GROWERS OPPORTUNITIES

- Partnering with Truterra and the Soil and Water Outcomes Fund to offer our growers a diverse suite of programs that pay them for their on-farm conservation efforts
- Utilizing our various digital tools to provide comprehensive data management and enrollment services for these programs at no charge to the grower
- Providing growers with complementary carbon sequestration modeling services to help inform them of their expected income from generating carbon credits and how to maximize these payments
- Hosting meetings to educate growers on ecosystem service markets, emerging opportunities to capture premiums for climate-smart and low-carbon grain, and federal policy that could impact the agriculture industry

ENABLING NUTRIENT STEWARDSHIP

Our Co-Alliance agronomy team is committed to helping our customers utilize the products we sell in the most efficient way possible. Our YieldPro team partners with our customers and agronomy team to convert production and agronomic data into actionable insights aimed at boosting grower profitability and environmental stewardship. We utilize precision soil sampling to enable prescriptive applications of fertilizer and other inputs to improve nutrient-use efficiency and prevent runoff. Our YieldPro team is also trialing a variety of innovative technologies, such as autonomous sprayers, to better understand how we can continue to drive efficiencies for our farmer-members.

As biological inputs continue to flood the market, our YieldPro team is working in conjunction with our agronomy team and their customers to trial and validate a variety of biological products with diverse functionality. These on-farm trials will provide much-needed insight into the efficacy of these products and aid our agronomy team in understanding how to maximize the value of these inputs for our farmers.

WHAT ARE ECOSYSTEM SERVICES?

Ecosystem services refer to positive environmental outcomes such as carbon sequestration and improved water quality. Growers can generate ecosystem service credits by implementing practices like cover crops or reduced tillage that result in a quantifiable change to their soil or watershed. The voluntary carbon market is the most well-known example: growers sign a contract with an aggregator to adopt a practice that sequesters carbon into the soil, changes in soil carbon are tracked to determine how many carbon credits the grower has generated (carbon credit = 1 metric tonne of CO₂), the grower sells the carbon credits to the aggregator who in turn sells them to corporations who use the credits to offset their carbon footprint. A corporation that has committed to reducing their carbon footprint has two options. The first is to buy carbon offsets (carbon credits) that represent emission reductions taking place outside of their own supply chain. If the corporation emits 1 million tonnes of CO₂ annually, they can buy 1 million carbon credits to achieve net-zero emissions. Alternatively, a company can incentivize changes in their own supply chain that result in a lower carbon footprint. This is referred to as carbon insetting. Offsets are considered transactional whereas insets are considered transformational. An example of insetting is an ethanol plant that has committed to reducing carbon emissions in their value chain. One option the company has is to pay a premium for corn grown with a lower carbon footprint. This low-carbon corn enables the ethanol plant to lower the carbon intensity of their product and receive federal incentives in the form of tax credits.



- **2,689,607 ACRES SOIL SAMPLED IN 4-YR SAMPLING ROTATION**
- **1,344,803 ACRES OF VARIABLE RATE FERTILIZER APPLIED IN CROP YEAR 2023**
- **20,000+ ACRES ENROLLED IN ECOSYSTEM SERVICE MARKET PROGRAMS**
- **4,889 TONS OF CO₂ EQUIVALENT SEQUESTERED ANNUALLY BY OUR FARMERS ENROLLED IN CARBON PROGRAMS ACCORDING TO USDA'S COMET-PLANNER TOOL**
- **22 EVENTS HOSTED TO EDUCATE GROWERS ON CONSERVATION OPPORTUNITIES**
- **4 CENTRALLY LOCATED FERTILIZER HUBS**

ENABLING PORK'S SUSTAINABLE FUTURE

Given projections of increases in the global population to 9.7 billion people by 2050 it has never been more critical to ensure that the production of nutrient-dense meat is sustainably increased.² Pork plays a major role in satisfying consumer demand for environmentally friendly protein and our Swine and Animal Nutrition Division (SWAN) is committed to meeting this demand.

SWINE & ANIMAL NUTRITION DIVISION AT A GLANCE

Co-Alliance's SWAN division is made up of 107 employees throughout Indiana, Ohio, and Michigan. Our vertically integrated SWAN division consists of two complementary components: farrow-to-finish contract swine production and animal nutrition/feed production. We currently own or manage 1,006,000 of pig spaces in partnership with 270 family farms. Our pig supply comes from a mix of internally owned sow farms and supply agreements with production partners. We currently operate two state-of-the-art feed mills in Reynolds and Columbia City, Indiana, the latter of which is a joint operation founded in 2018 between Co-Alliance and Farmer's Grain and Feed called Alliance Feed. Together these two mills produce 570,000 ton of feed annually. The feed produced at our Reynolds and Columbia City mills feed hogs managed by Co-Alliance and Alliance Feed, respectively. In January 2023, we announced the creation of Legacy Feed, LLC in partnership with Signature Farms, LP that will deliver an integrated swine production service to farm families in eastern Indiana. In conjunction with the creation of Legacy Feed we announced the construction of a new feed mill in Henry County, Indiana to feed pigs managed by Legacy that will have the capacity to produce 300,000 tons of pelleted feed annually.

KEEPING THE FAMILY ON THE FARM

A foundational component of our swine management contract is the opportunity it provides for our farmer-members to diversify their operations in a way that affords the next generation the ability to remain on the farm. With the guarantee of a sustained source of income, this next generation can secure financing to create their own path on the family farm. Our swine management contract is structured to eliminate the inherent financial risks that often come with expanding farm operations. To further simplify the process for our hog farmers, we utilize our feed mills to develop custom formulations to fit the nutritional requirements of pigs throughout their varying stages of growth. This vertical integration enables us to shield our hog farmers from volatility in the feed market so they can focus on the well-being of the animals. The geographic locations of our feed mills, centralized around our major production areas, serve to drive efficiencies in production by reducing the distance our feed must travel to reach contract growers and feed markets.

QUANTIFYING THE ENVIRONMENTAL IMPACT OF OUR HOG FARMS

One of our first steps in identifying pathways to minimize the environmental impact of our pork production was to understand the baseline environmental impact of our hog farms today. Utilizing funding from The Pork Checkoff, we set out to collect data to generate on-farm sustainability reports for 3 of our hog farms. These reports quantified metrics around water and energy usage, manure management, and greenhouse gas emissions. These aggregated reports were utilized by various stakeholders in the pork industry to build consumer trust in pork products and protect our pig farmers' freedom to operate. While we know it is critical to continue lowering the carbon intensity and environmental

footprint of swine production, it's also important to note the swine industry's historic improvements in these areas. A 2015 report by The Pork Checkoff and University of Arkansas quantified improvements in environmental outcomes of pork production from 1960 to 2015. The report found that pig farmers in 2015 were using 75.9% less land, 25.1% less water and 7% less energy compared to 1960.³ Co-Alliance's SWAN team looks forward to continuing to find ways to improve these environmental outcomes while producing a sustainable, affordable, and nutritious source of protein for global consumers.



- **270 FAMILY FARMS WORKING WITH OUR SWAN DIVISION TO DIVERSIFY FARM INCOME**
- **188 DIGITAL FEED MONITOR UNITS INSTALLED AT HOG BARN TO IMPROVE LOGISTICS + TIMING OF FEED DELIVERY**
- **3 FARMS REPRESENTING 24,000 HOG SPACES COMPLETED ON-FARM SUSTAINABILITY REPORTS**
- **4 PROP 12 COMPLIANT BARN AT 6,000 HEAD SOW FARM**
- **100,000,000 GALLONS OF MANURE UTILIZED BY OUR HOG GROWERS AS FERTILIZER**

IMPROVING ENVIRONMENTAL OUTCOMES WITH OUR ENERGY & GRAIN DIVISIONS

ENERGY DIVISION AT A GLANCE

Our Energy Division is made up of 179 employees throughout our 3-state territory and includes liquid fuels and propane. We operate 30 liquid fuel locations and 18 convenience stores. In 2022 our energy division sold 133 million gallons of liquid fuel. Additionally, we operate 46 propane locations and sold 42 million gallons in 2022.

IMPROVING AIR QUALITY & REDUCING TRANSPORTATION EMISSIONS FOR LOCAL SCHOOL SYSTEMS

Propane is a key component of our Energy Division at Co-Alliance led by Mike Hayden, Director of Propane. Our customers utilize our propane services for home heat, grain drying, and as transportation fuel. Propane is increasingly being recognized as a readily available clean energy solution that can play a significant role in a low-carbon future. Propane generates 43% fewer greenhouse gas emissions than using an equivalent amount of electricity generated from the grid.⁴ Propane used as a transportation fuel in school buses can yield both positive environmental outcomes and cost-savings. A study from West Virginia University in 2018 titled "In-Use Emissions and Performance Testing of Propane-Fueled Engines" found that school buses using propane on stop-and-go routes reduced emissions of nitrous oxides, a highly potent greenhouse gas that negatively impacts human health, by 96% compared to buses using diesel.⁵ The same study found that propane buses emitted 13% less carbon dioxide than diesel buses. In addition to improving air quality, buses run on propane are significantly quieter than diesel buses when operating. Furthermore, propane buses don't require additives to prevent gelling in winter months and warm up significantly faster inside the bus. A case-study from the U.S. Department of Energy in 2014 found the average cost per mile for propane buses was \$0.18 less than diesel buses, with some of the schools in the study saving nearly 50% on a cost per mile basis for fuel and maintenance relative to diesel.⁶

School systems in Indiana are increasingly utilizing Co-Alliance's expertise in transitioning buses to propane, which allows them to capitalize on the benefits mentioned above. We currently work with 11 school systems and counting throughout Indiana who collectively operate 450 propane buses. Using calculations from the 2014 D.O.E. case study, these buses prevent around 2,940 tons of greenhouse gases from entering our atmosphere annually. As more Hoosier schools look to reduce transportation costs and improve air quality in their communities, our cooperative will be here to serve their propane needs.



- **100% OF LIQUID FUELS BLENDED WITH RENEWABLE FUEL (9.6% ETHANOL BLENDED IN GAS & 0.9% BIODIESEL BLENDED IN DIESEL)**
- **450 SCHOOL BUSES CONVERTED TO PROPANE AUTOGAS**
- **1,017 SHORT TONS OF GHGS (CO₂-EQUIVALENT) PREVENTED FROM ENTERING THE ATMOSPHERE ANNUALLY AS A RESULT OF TRANSITIONING 450 SCHOOL BUSES TO PROPANE ACCORDING TO THE GREET FLEET FOOTPRINT CALCULATOR**

GRAIN DIVISION AT A GLANCE

Our Grain Division at Co-Alliance consists of 38 wemployees that operate 13 grain elevators throughout our territories in Indiana and Ohio. These locations have 20.9 million bushels of upright storage capacity and 8.1 million bushels of temporary storage capacity. Our grain is marketed to a variety of end-users in various segments of the ag industry. Our grain locations strive to improve air quality by utilizing a variety of dust suppression methods on grain piles. Additionally, 5 of these locations have access to rail, which enables us to move bushels more efficiently to their next destination in the supply chain. Moving grain on rail also reduces the transportation-related scope 3 emissions connected to the life-cycle analysis of the product that will eventually be produced with the grain. This could include biofuels, animal feed, or consumer packaged goods. As markets continue to emerge for low-carbon grain, our Grain Division will explore opportunities to generate premiums and create additional value for connecting environmental attributes like carbon intensity to bushels of grain.



- **17,916,427 BU. OF CORN + 5,125,210 BU. OF SOYBEANS LOADED ON RAIL OPPOSED TO TRUCKS**
- **4.2 MILLION BUSHELS OF GRAIN SENT TO BIOFUEL PRODUCERS AS FEEDSTOCK FOR RENEWABLE FUELS**
- **7 OUT OF 11 CORN PILES TREATED WITH OIL TO SUPPRESS DUST & IMPROVE AIR QUALITY**
- **2,980,523 BU. OF GRAIN MOVED OUT OF ELEVATORS WITH SOLAR**



CO-ALLIANCE

SOCIAL

INVESTING IN OUR RURAL COMMUNITIES

SENDING OUR PROFITS BACK TO OUR MEMBERS AND THEIR COMMUNITIES

Co-Alliance paid 45-million dollars in patronage to farmer-members who did business with the cooperative in 2022. This amount represents an unprecedented cash return as a member owned business and is reflective of the Co-Alliance’s profitable year. Fifty-one percent of Co-Alliance’s 2022 net income was paid back in patronage. The remaining profit has been reinvested into the cooperative’s assets to ensure Co-Alliance is prepared to service today’s member owners and the next generation of farm families.

We are currently making vast improvements in east central Indiana facilities, including a liquid chemistry with liquid fertilizer loadout building at the Mt. Summit Ag Center. The \$1.5 million investment is phase one of the project, and will provide faster, more efficient, and environmentally friendly product distribution to farmers within a 25-mile radius of the facility. Herbicides, insecticides, and fungicides will all be housed and distributed through this facility. Phase two, which is a \$15 million investment, includes a dry fertilizer hub and rail spur. The dry hub, which will hold 26,000 dry tons, and rail spur will be completed and operational by the end of September 2023. This new asset will provide reliable product supply for local growers and other Co-Alliance retail locations in the eastern Indiana trade area. We have sixteen agronomy locations in east central Indiana that will benefit from this improved technology. These improvements will also allow for additional employment opportunities for local residents.

Additionally in east central Indiana, we have begun construction of a state-of-the-art feed mill in Millville, IN. This facility will have 1.5 million bushels of grain storage and the capacity to produce 300,000 tons of pelleted hog feed. Once completed, it is estimated to bring 30 new jobs to the area, 90 million dollars in annual sales and 6 million bushels of corn used annually. This will broaden the market opportunity for farmers in Henry County. This corn usage will improve basis in the area and allow farmers a more competitive price for their corn.



- \$45 MILLION - PATRONAGE PAID OUT TO OUR MEMBERS IN 2022
- \$46,440 - AMOUNT RAISED FROM PLANTING THE SEEDS FOR FOOD SECURITY INITIATIVE TO FIGHT HUNGER IN OUR LOCAL COMMUNITIES
- \$40,000 - IN SCHOLARSHIPS FOR YOUTH TO PURSUE CAREERS IN AGRICULTURE
- \$15 MILLION - INVESTMENT IN MT. SUMMIT FERTILIZER HUB
- \$25,000 - DONATED TO INDIANA FFA
- 21 GRAIN ENGULFMENT TUBES DONATED TO LOCAL FIRE DEPARTMENTS
- 87 GRAIN BIN SAFETY TRAINING SESSIONS GIVEN TO FIRE DEPARTMENTS



PLANTING SEEDS FOR FOOD SECURITY

In the spring of 2023, we held a 12-day internal employee food security drive that raised \$15,480. That commitment from the farmer-owned cooperative employees is now being tripled, as Co-Alliance is matching every dollar donated by employees and Land O'Lakes will match what Co-Alliance commits.

Planting Seeds for Food Security invited employees to play a key part in ending hunger in local rural communities. What may seem like an insignificant amount out of their bi-weekly pay adds up tremendously to serve rural communities. The total money raised to be given back to rural communities through food security donations and the match program is officially \$46,440.

Employees had the opportunity to give anywhere from \$5 - \$100 out of a single paycheck during 12 days in May through Planting the Seeds for Food Security. More than 300 employees participated in the efforts. Employees could elect specifically where those funds are distributed. They could choose churches, community or regional food banks that serve families in their hometowns. It is through this very personal feedback that Co-Alliance will now direct those dollars throughout the spring and summer.



TRAINING VOLUNTEER FIRE DEPARTMENTS ON GRAIN BIN RESCUES

Co-Alliance's safety team works directly with fire departments across Indiana, Ohio, and Michigan to lead training with a grain bin simulator trailer built through Co-Alliance's sponsorship. This trailer gives firefighters hands-on experience in dealing with grain entrapments. As part of this initiative, Co-Alliance has donated 21 grain engulfment tubes and hosted trainings for 87 fire departments across our territory.



PHYTOREMEDIATION PROJECTS

Co-Alliance has participated in the process of phytoremediation for the past 20 years. Phytoremediation is the process of planting specialized trees to clean up contaminated areas and prevent the flow of contaminants away from the site and into nearby waterways. The use of "hydraulic control" allows the planted trees to act as a pump to take out pollutants that have leached into the soil at the deepest levels, processed inside the plant, and then released in many ways, one being through phytovolatilization. Depending on the environment, within 30 years from the start of a cleanup the contaminants in the groundwater at a site may be reduced by up to 85 percent. Co-Alliance currently has initiated cleanup action through the utilization of phytoremediation at 8 of its locations across Indiana and Ohio and continues to grow these initiatives.

PAID VOLUNTEER HOURS FOR OUR EMPLOYEES

For Co-Alliance to recruit and retain the best employees in the field, we must identify what our employees value and need as individuals. The employee profile has changed dramatically across the spectrum that covers our business - right out of high school or nearing retirement in their mid-sixties. Co-Alliance has deepened our investment in all employees and allow them to focus on what is most important to them outside of our cooperative. To support that, Co-Alliance offers all employees 8 hours of paid time off to volunteer in their local communities.

INVESTING IN OUR YOUTH

INVOLVEMENT IN FFA AND 4-H

Co-Alliance believes in the power of National Blue and Corn Gold and highly values the opportunities the FFA affords our youth. Our support of the organization spans national, state and local levels.



NATIONAL: We find it to be a great advantage that the National FFA Convention is held in Indianapolis. We utilize that week to open the doors of our corporate office, energy locations, grain facilities, feed mills and agronomy centers to hundreds of students from across the United States. This is our chance to reveal the diversity of our business and the opportunities for those who desire to work in agriculture.

STATE: We support the Indiana FFA at a \$25,000 level, which allows us to serve the students in different capacities. We facilitated a workshop where Co-Alliance had an opportunity to host an interactive workshop with 130 FFA members, which spotlighted the work-ready career opportunities for those who may not desire to go to college. We made it clear that we were not there to discourage students from attending college, but rather showing them the opportunities available without a college degree. Then a 4-person panel was comprised of Co-Alliance employees who have capitalized on their career opportunities within agricultural without obtaining a 4- year college degree. Co-Alliance employees shared their personal experiences and advice with students who are ready to get to work and blaze a trail of their own.

Our Talent Acquisition team was on hand for four days visiting with students about careers and internships at Co-Alliance. We parked our FFA Proud fuel transport truck in front of Stewart Center where main events were taking place. Numerous FFA members and chapters took advantage of this location for a photo op.

Co-Alliance joined the district chapters on stage at the Second General Session to present the Living to Serve Chapter awards, which recognizes those chapters who have made serving in their community an important part of their FFA Chapter's mission.

LOCAL: Our support of local FFA chapters is unrivaled. Our employees invest their time to share their talents with those local chapters in the communities where they live.

Whether judging a contest, opening an agronomy center for a workshop, being a guest speaker or donating funding towards a project, we are all-in when it comes to FFA support.

4-H: The 4-H organization is one that has impacted our employees far wide, whether as a member, parent or volunteer. That's why we invest more than \$400,000 annually to 4-H and its members. Through sponsorships, banners and awards, grounds improvements, livestock auctions, and club donations, we reinvest our profits locally through this organization that serves a diverse set of youth, living on Main Street or the Rural Route. In 2023 we sponsored 38 swine shows throughout our territory, greatly supporting the youth who have an interest in pork production and animal husbandry.

SCHOLARSHIP PROGRAMS

Annually we award approximately 40 \$1,000 scholarships to high school seniors who are going on to study agriculture in college. These awards are given based on academic performance, extracurricular involvement, and their passion for agriculture. We see a very bright future in today's college-bound seniors who demonstrate exceptional academic or extracurricular leadership ability. The scholarship program was developed specifically to invest in students who represent the best of our member-families, our communities, and our industry as a whole.



DELIVERING CAREERS: CO-ALLIANCE'S COMPANY CULTURE

TAKING ACTION TO ENSURE OUR PEOPLE HAVE A POSITIVE WORK-LIFE BALANCE

We grant 8 hours annually of Paid Family Engagement time to support work life balance. This allows employees to rest, recharge, spend time with those who they value and promotes greater balance between work and life outside of it. We also give each employee 8 hours of individual community investment support, which encourages them to extend their personal talents to improve communities and organizations that they find value in. These eight hours allow employees to spend a day doing good, leaving them motivated and emotionally moved.



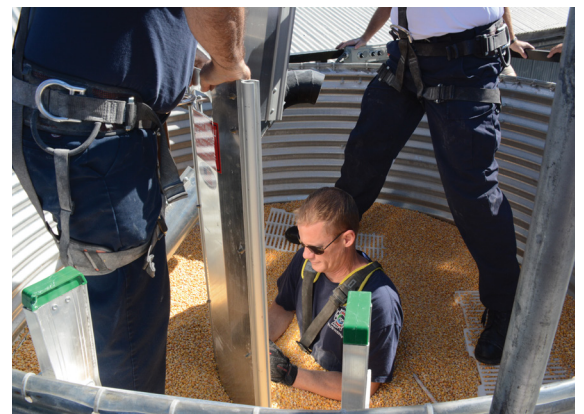
OPPORTUNITIES FOR PEOPLE OF ALL BACKGROUNDS

At Co-Alliance we believe that achieving a sustainable agricultural system depends on equity and inclusion of all groups of people from varied and diverse backgrounds. We strive to promote diverse voices because all people have unique perspectives and viewpoints. Through our various foreign labor efforts, we have hired over 60 seasonal and permanent employees from different cultures and backgrounds to work in our Agronomy and SWAN divisions. These employees bring a desire to improve their own life, while contributing to the overall success of Co-Alliance. We will continue our efforts to attract both domestic and international talent in the coming years.



A CULTURE OF SAFETY

At Co-Alliance, safety is our top priority. Our safety team is made up of 14 full-time employees who work with our 4 divisions to ensure a safe workplace is maintained throughout every facet of our business. Our safety department trains all employees who drive a vehicle on the “Manage by Walking Around” method, which they do before hitting the road each day. This ensures that any potential issue is addressed before it becomes a safety hazard. In addition to annual fleet inspections, the safety team also conducts additional inspections on vehicles and large equipment at individual branches throughout the year. This team is tasked with conducting annual applicator training to ensure we are meeting EPA requirements around pesticide applications. Lastly, the safety team trains all employees who enter grain bins on bin safety and conducts function specific and hands-on training at various times throughout the year.



CO-ALLIANCE'S WOMEN IN LEADERSHIP



ANGELA MACKE HUDGINS, VP OF HR + TALENT MANAGEMENT

Education: BA – University of Kansas; MAHR – Ottawa (KS) University; MBA – Wichita State University

How do you deliver for Co-Alliance? I help our leaders reach their business goals through effective utilization of human capital.

What are your thoughts on the changing business climate in your area? The labor market has changed significantly in the last 25 years. On the employer side, the fight for talent is fierce. I truly believe how companies master the competition for talent will determine their financial success in the future, more than any other factor.

What advice do you have for women who aspire to be leaders in their arena? Your career does not make a life. Take the time to invest in yourself outside of the workplace. You will be a better person for it.



EMILY THRASHER, CROP NUTRIENT MANAGER

Education: BS in Business Administration; Majors in Marketing & Operations Management – Kansas State University

How do you deliver for Co-Alliance? I am responsible for our macro nutrient procurement.

What are your thoughts on the changing business climate in your area? Crop nutrition products & application practices will continue to evolve as new enhanced efficiency fertilizers enter the market. Government regulations will also drive the direction of application rates and fertilizer placement; additionally, government involvement setting import and export tariffs can have significant impact on product trade flows and production economics.

What advice do you have for women who aspire to be leaders in their arena? Work hard to be the best in your chosen field, your excellence will be recognized. Let leadership know you are ready for additional or different responsibilities but be patient. Take time to know those that work around you and appreciate how hard they work as well. Give grace to get grace and that will create a team that can elevate together.



AMY KINSLER, VP OF SALES + MARKETING

Education: Bachelor's & Master's Degree – Purdue University

How do you deliver for Co-Alliance? I help tell the cooperative story and ensure our sales team delivers on our promise of being our farmer-owners trusted business partner.

What are your thoughts on the changing business climate in your area? We continue to be challenged with change in our industry. Whether it is change in technology, data access, generational shifts or simply the value of a growing crop – our team has to navigate many unknown variables and new influences. Co-Alliance has a record of success due to the high-quality team that has executed and managed through many seasons of change. As we look to the future, the willingness to adapt to new opportunities and embrace the uncomfortable process of change will lead the company to further success.

What advice do you have for women who aspire to be leaders in their arena? Hard work will be recognized. High performers will be rewarded. Attitude is everything.



ELIZABETH A. SOUTH, VP & GENERAL COUNSEL

Education: Bachelor of Arts (B.A.) – Purdue University; Doctorate of Jurisprudence (J.D.) – The Indiana University Robert H. McKinney School of Law; Master of Laws (LLM) – The Michigan State University College of Law

How do you deliver for Co-Alliance? Manage all legal matters and risk management programs for the company.

What are your thoughts on the changing business climate in your area? Many facets of our business have always been highly regulated, but the challenges are when there are political leadership changes and focus on specific areas become more intense. The ESG aspects of contracting are making vendor management and partnerships more difficult to manage due to contracting requirements.

What advice do you have for women who aspire to be leaders in their arena? Nothing gets you ahead further than good work and solving problems. Stay focused on what you want – and ask for what you need to get there.



GOVERNANCE

SUSTAINABLE GOVERNANCE

Governance refers to the way a company is managed and governed, including its leadership, internal controls, and decision-making processes. Governance practices encompass a range of issues, including transparency in financial reporting, ensuring ethical behavior, minimizing risk, and most importantly, maintaining the trust of our employees, member-owners, and rural communities. In the following sections we will discuss some of the ways Co-Alliance prioritizes sustainable governance.

LEADERSHIP SUPPORT

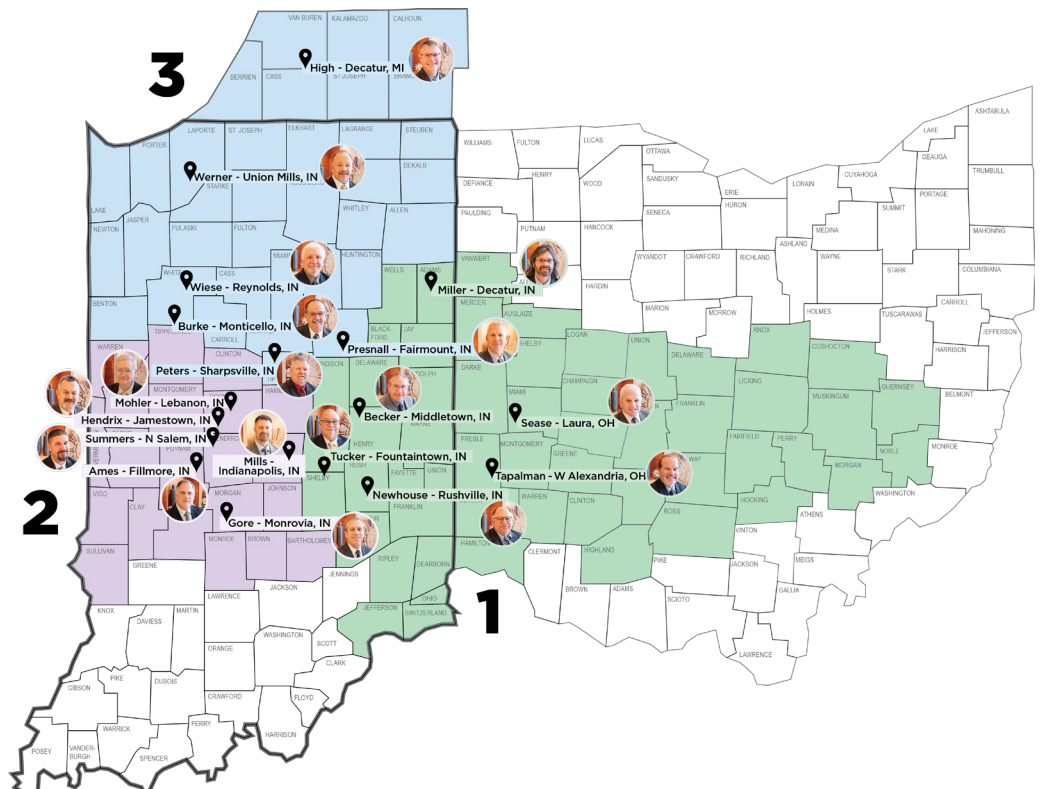
Co-Alliance’s commitment to environmental sustainability and responsible governance starts with our membership governance, which consists of advisory boards and a board of directors. As a farmer-owned cooperative it is critical that our members’ voices are heard, and our board of directors serve this role by representing our 11,242 members throughout the regions in which we operate. Our board of directors guide strategic direction alongside our advisory boards to ensure our cooperative is doing all it can to serve our members and remain financially healthy. Leadership is supported by four committee charters, which include an executive committee, board governance/bylaws/policy committee, partnership committee, and audit committee. Our board of directors and advisory board members adhere strictly to the Standards of Performance outlined in Co-Alliance’s Board Operating Manual, which also contains the roles and responsibilities of the four aforementioned supporting committee charters. The Board Operating Manual is reviewed and updated annually to ensure all standards remain relevant.

Our board members are farmers who have spent their lives stewarding the land and responsibly managing the natural resources of their unique agroecosystems. Many are long-time practitioners of conservation agriculture practices who have remained at the forefront of the regenerative agriculture movement. We understand that sustainable agriculture will play a critical role in solving societal hazards of the 21st century, such as food insecurity, dependency on foreign energy, and climate change. Our leadership team made the decision to hire Caleb Smith as Director of Sustainability to spearhead sustainability initiatives across our four divisions. Our

cooperative’s leadership will continue to support the various initiatives outlined in this report while pursuing our goal of profitably growing our volumes by 50% by delivering efficient, excellent customer service through an empowered team to customers that value doing business with trusted, local partners.

RISK MANAGEMENT

Co-Alliance judiciously employs a suite of risk management tools and strategies to protect our business and stakeholders from market volatility and cybersecurity threats. Risk management policies unique to our agronomy, energy, grain, and swine & animal nutrition divisions are outlined in Co-Alliance’s Board Operating Manual. These policies function to mitigate the inherent risks and volatility of energy and agriculture commodity markets and ensure we are capable of offering seed and crop protection products at a competitive price. In addition to financial risk management, Co-Alliance also takes great strides to prevent cybersecurity threats and other forms of fraud. To ensure robust cybersecurity measures, Co-Alliance collaborates with multiple companies, employing various methods and tools to safeguard user data and systems. These initiatives encompass top-tier user security training, endpoint protection, managed incident response and disaster recovery.



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