



**IDAHO MILK
PRODUCTS**

Double Materiality Assessment



Introduction

At Idaho Milk Products, our commitment to sustainability is rooted in a clear and enduring purpose: Bringing value to milk for generations. This guiding principle informs every aspect of our business—from how we source and process milk to how we engage with stakeholders and shape our long-term strategy. Grounded in the values and technical advantages of Idaho’s Magic Valley, we strive to empower better food for a better future, daring food to be better through integrity, innovation, and impact.

In 2022, we launched our first single materiality and prioritization assessment, identifying twenty key environmental, social/socioeconomic, and governance topics critical to our business and stakeholders. These topics were mapped to the United Nations Sustainable Development Goals (SDGs) and translated into actionable key performance indicators (KPIs). This foundational work not only accelerated our organizational growth but also embedded sustainability into our operations, guiding continuous improvement and strategic focus on what matters most.

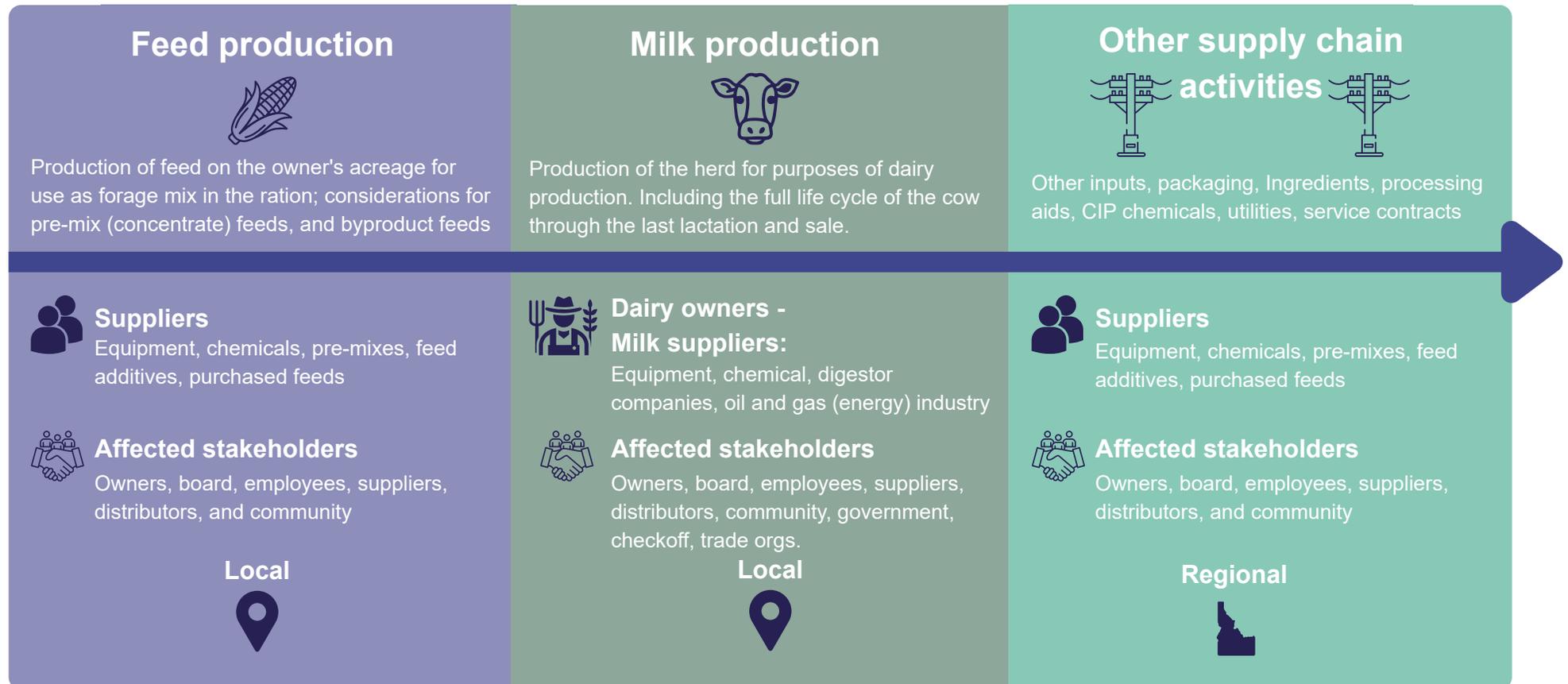
Through the lens of the “**Three I’s**”—**Impact, Innovation, and Idaho**—we continue to invest in science to solve real challenges, deliver clean-label dairy ingredients that support healthy lifestyles, and celebrate the community that powers our success. Our vision is to be a trusted employer and a long-term preferred partner, embodying what we believe to be true sustainability.



The scope of this assessment spans our entire value chain—from farm cradle to processor gate—and includes both current product portfolios, such as cream, milk protein concentrate/isolate (MPC/MPI), and milk permeate powder (MPP), as well as emerging new portfolio items like ice cream, dry mixes, and powder blending. Conducted in collaboration with the Innovation Center for U.S. Dairy through a pilot of their 2025 U.S. Dairy Materiality Assessment Guide, our process enabled benchmarking against broader industry standards and helped identify key impacts, risks, and opportunities (IROs).

Our double materiality assessment is aligned with the Global Reporting Initiative (GRI), Sustainable Dairy Partnership (SDP), and Corporate Sustainability Reporting Directive (CSRD) standards and guidance.

Upstream



Primary and *Secondary

<p>Milk transportation</p>  <p>Transportation of produced milk from owner dairies to the processing plant in Jerome, ID.</p>	<p>Dairy processing</p>  <p>Processing of the raw milk into the various products – currently bulk cream, MPCs/MPI, and MPP – consideration for new plant (ice cream and powder blending)</p>	<p>Packaging</p>  <p>Current ingredient packaging in bulk (bags and totes), future in consumer-size retail for ice cream</p>	<p>*Human resources management</p>  <p>Procurement, Accounting/Finance, Information Technology, Research and Development, and Infrastructure are also considered</p>
<p>Suppliers</p> <p>Equipment, chemicals, materials, fuel company, automotive sales, repairs, tires, etc.</p>	<p>Suppliers</p> <p>Equipment, chemicals, ingredients, processing aids</p>	<p>Suppliers</p> <p>Equipment, chemicals, ingredients, processing aids, packaging</p>	<p>Suppliers</p> <p>Equipment, chemicals, ingredients, processing aids</p>
<p>Affected stakeholders</p> <p>Owners, board, employees, suppliers, distributors, and community</p>	<p>Affected stakeholders</p> <p>Owners, board, employees, suppliers, distributors, community, government, checkoff, trade orgs.</p>	<p>Affected stakeholders</p> <p>Owners, board, employees, suppliers, distributors</p>	<p>Affected stakeholders</p> <p>Owners, board, employees, suppliers, distributors, community, government, checkoff, trade orgs.</p>
<p>Local</p> 	<p>Regional</p> 	<p>Local Regional Global</p>   	<p>Regional</p> 

Downstream

Distribution



Downstream shipment of products from over-the-road liquid hauling of bulk cream to overseas shipment of powders globally

Final sale



Manufacturers procuring ingredients for CPG items for retail

Consumption



Retail consumer purchasing the CPG items that contain the ingredients that Idaho Milk Products supplies



Customers

Domestic and global manufacturers (of note and size) who buy ingredients for the manufacture of CPG items for shelves in multiple channels, transport companies



Affected stakeholders

Owners, board, employees, suppliers, distributors, community, government, checkoff, trade orgs.

Local Regional Global



Customers

Domestic and global manufacturers (of note and size) who buy ingredients for the manufacture of CPG items for shelves in multiple channels



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Local Regional Global



Customers

Domestic and global manufacturers (of note and size) who buy ingredients for the manufacture of CPG items for shelves in multiple channels



Affected stakeholders

Owners, board, employees, suppliers, distributors, community, government, checkoff, trade orgs., retail, consumer

Local Regional Global





Topic review and industry alignment

To effectively establish the 2025 list of material topics and build upon the 2022 assessment, we compared our findings to the recent Double Materiality Assessment conducted by the Innovation Center for U.S. Dairy. Following this comparison, we carried out an internal review to assess the relevance of the selected topics and mapped them to various industry frameworks. The table below illustrates the results of this mapping exercise.

Results of U.S. Dairy Materiality Assessment			Organization review			Mapping reference		
Dimension	Topic in U.S. Dairy MA	Materiality tier	Topic	Past MA result	Past significance of impacts	U.S. Dairy Stewardship Commitment	Dairy Sustainability Framework (DSF) criteria	GRI standards
Social/ socioeconomic	Animal care	Most material	Animal care	Critical	4.06 - Very significant	Animal care	Animal care	Animal health & welfare
Social/ socioeconomic	Food safety & product quality	Most material	Food safety and product quality	Critical	4.55 - Very significant	Product safety & quality	Product safety & quality	Food safety; supply chain traceability
Environmental	GHG emissions & energy	Most material	Greenhouse gas emissions	Severe	3.52 - Significant	GHG emissions; energy use	Greenhouse gas emissions	Emissions
Environmental	GHG emissions & energy	Most material	Energy efficiency and renewables	Severe	3.86 - Significant	GHG emissions; energy use	Greenhouse gas emissions	Emissions

Topic review and industry alignment continued

Results of U.S. Dairy Materiality Assessment			Organization review			Mapping reference		
Dimension	Topic in U.S. Dairy MA	Materiality tier	Topic	Past MA result	Past significance of impacts	U.S. Dairy Stewardship Commitment	Dairy Sustainability Framework (DSF) criteria	GRI standards
Social/ socioeconomic	Health & nutrition	Most material	Health and nutrition	Critical	4.08 - Very significant	Product contributions; product safety & quality		
Environmental	Water quality & nutrient management	Most material	Water quality	Critical	4.18 - Very significant	Water quality; nutrient management	Water availability and quality; soil nutrients	Water & effluents
Environmental	Water use & availability	Most material	Water use and availability	Critical	4.25 - Very significant	Water quantity	Water availability and quality	Water & effluents
Social/ socioeconomic	Worker health, safety & well-being	Most material	People health and safety	Critical	4.43 - Very significant	Workforce development	Working conditions	Occupational health & safety
Governance	Cybersecurity & data protection	Highly material	Cybersecurity and data protection	N/A	N/A			Customer privacy
Social/ socioeconomic	Economic contributions	Highly material	Economic contributions	Severe	3.85 - Significant		Rural economies	Local communities

Topic review and industry alignment continued

Results of U.S. Dairy Materiality Assessment			Organization review			Mapping reference		
Dimension	Topic in U.S. Dairy MA	Materiality tier	Topic	Past MA result	Past significance of impacts	U.S. Dairy Stewardship Commitment	Dairy Sustainability Framework (DSF) criteria	GRI standards
Social/ socioeconomic	Economic viability & resilience	Highly material	Business resilience	Critical	3.99 - Significant		Rural economies; market development	Food security
Social/ socioeconomic	Food/nutrition security & accessibility	Highly material	Product innovation	Critical	4.27 - Very significant	Product contributions		Employment, training and education
Social/ socioeconomic	Workforce attraction, development & retention	Highly material	Workforce attraction, development and retention	Critical	4.38 - Very significant	Workforce development		Materials
Environmental	Materials & packaging	Material	Materials and packaging	Severe	3.56 - Significant	Packaging; resource recovery		Materials
Environmental	Soil health & quality	Material	Soil health and nutrient management	Severe	3.57 - Significant	Nutrient management; land use (within feed impact)	Soil quality and retention; soil nutrients	Soil health; pesticides use

Topic review and industry alignment continued

Results of U.S. Dairy Materiality Assessment			Organization review			Mapping reference		
Dimension	Topic in U.S. Dairy MA	Materiality tier	Topic	Past MA result	Past significance of impacts	U.S. Dairy Stewardship Commitment	Dairy Sustainability Framework (DSF) criteria	GRI standards
Environmental	Waste & resource recovery	Material	Resource recovery	Severe	3.87 - Significant	Resource recovery; packaging	Waste	Waste
Social/ socioeconomic	Working conditions & labor practices	Material	Human rights	Severe	3.81 - Significant	Workforce development	Working conditions	Employment practices; non-discrimination & equal opportunity; child labor; forced labor; freedom of association & collective bargaining; living income & living wage
Environmental	Air quality	Important	Air quality	Severe	3.42 - Significant			Emissions
Environmental	Biodiversity	Important	Biodiversity	Severe	3.22 - Significant	Biodiversity	Biodiversity	Biodiversity

Topic review and industry alignment continued

Results of U.S. Dairy Materiality Assessment			Organization review			Mapping reference		
Dimension	Topic in U.S. Dairy MA	Materiality tier	Topic	Past MA result	Past significance of impacts	U.S. Dairy Stewardship Commitment	Dairy Sustainability Framework (DSF) criteria	GRI standards
Social/ socioeconomic	Community impact & engagement	Important	Community support	Critical	4.14 - Very significant	Community contributions		Local communities
Environmental	Land use & conversion	Important	Land use and conversion	N/A	N/A	Land use (within feed impact)		Natural ecosystem conversion





Stakeholder identification, data analysis, and scoring

Stakeholders were organized into the following categories: Idaho Milk Products owner, Idaho Milk Products employee, dairy/farm employee, customer, supplier, regulatory, local community, and other (which included responses from trade organizations, NGOs, etc.).

For our employees, we leveraged our internal learning management system (LMS) and Microsoft Forms to collect responses on the impact and importance of the topics. We provided a five-level scale, ranging from 'not at all important' to 'extremely important', for stakeholder rating of topic importance. A five-level scale ranging from 'no impact' to 'extremely high impact' captured the responses for the impact rating. Text responses of ratings were converted to a 1-5 Likert scale (not at all important/no impact = 1; extremely important/extremely high impact = 5).



The internal and external response rates were 77% and 43%, respectively, which showed considerable improvement in response compared to the 2022 assessment. A total of 199 responses were received and provide the basis of the interpretation of the prioritization of the material topics. Due to high response from internal stakeholders above and beyond the response of external stakeholders, the data were normalized in the impact and importance analysis to maintain a two-thirds internal, one-third external weighting of responses.

Evaluation of the topics was completed using the Innovation Center for U.S. Dairy's Materiality Guidance document and workbook to further prioritize and rank the topics. Impacts can be positive or negative, intended or unintended, and actual or potential. The assessment considered short, medium, and long term horizons along with our influence on these impacts. Key impacts were evaluated based on objective evidence, expert insights, and stakeholder input as mentioned above. The significance was determined using the scale, scope, remediability, and likelihood criteria, where scale is defined as the magnitude of the impact (+ or -), scope as the extent of the impact's reach, remediability as the ability to address or reverse negative impacts, and likelihood as the probability of potential impacts occurring.

For the double materiality assessment, the financial risks and opportunities related to the 21 topics were examined. The criteria used in the evaluation considered the likelihood of the occurrence and potential magnitude of the financial effects in the short, medium, and long term. Considerations for the financial effect included topics of direct revenue loss, business development, financial performance, access to and cost of capital, and indirect financial effects. Objective evidence, consultation with in-house Finance team members, and the Sustainability Team perspective informed the ratings and prioritizations identified.



Description of topics

The table below shows the 21 identified topics and Idaho Milk Products' definition of those evaluated in the assessment.



Air quality

Ensuring healthy local air quality by adopting appropriate control measures.



Animal care

Humane treatment of animals as per the U.S. Dairy Industry guidelines and standards for cow care. Sourcing from FARM-enrolled farms.



Biodiversity

Maintaining and promoting healthy ecosystems in the communities where we operate.



Business resilience

Keeping our operations going around the clock, supporting access to nutritious and affordable food products.



Community support

Being a source of good in the communities in which we operate.



Cybersecurity and data protection

Protective measures to prevent unauthorized access, malicious attacks, and exploitation of information systems. Data privacy and protection involve the right to control access to personal and organizational data, along with the measures to secure it.



Economic contributions

Significant direct and indirect economic value at the local, state, and national levels by supporting millions of jobs and billions of dollars in wages, creating an overall economic impact.



Energy efficiency and renewables

Implementing solutions to optimize energy efficiency and recovery throughout the organization.



GHG emissions

Minimizing GHG emissions resulting from operations and the supply chain.



Health and nutrition

The relentless pursuit of unleashing the full nutritional value of milk for generations.



Human rights

Promoting and respecting human rights in our operations, including the agricultural supply chain.



Land use and conversion

Altering a natural ecosystem for a different use or significantly changing its species composition, structure, or function.



Materials and packaging

Minimizing product packaging and increasing recycled content and recyclability of materials, where possible.



People health and safety

Creating and promoting a safe, secure, and healthy environment for all employees at all levels of the organization.



Product innovation

Leading innovation in product development and processes to address customer and market needs.



Product safety and quality

Delivering safe, high-quality food products to customers.



Resource recovery

Extracting the maximum practical benefits from products and waste, including animal feed, recycling, and composting, while minimizing landfill use.



Soil health and nutrient management

Optimizing soil health and quality by promoting responsible nutrient management practices to include the use of fertilizers and manure.



Water quality

Maintaining high standards of water quality for our organization, the natural ecosystems, and the surrounding communities.



Water use and availability

Advancing efforts for the responsible use of water across the value chain and protecting water resources through efficiency measures.



Workforce attraction, development and retention

Growing and expanding the skills of the current workforce and providing employees with technical, professional, and leadership development opportunities through training and continuous education.

Materiality matrix and results

A summary of the results of the assessment is presented in matrix form, and their rating/ranking is listed in the table below.

FINANCIAL SIGNIFICANCE	Very significant		<ul style="list-style-type: none"> • Cybersecurity and data protection • Business resilience • Human rights • Greenhouse gas emissions 	<ul style="list-style-type: none"> • People health and safety • Product safety and quality • Water quality • Water use and availability • Workforce attraction, development and retention 	
	Significant	<ul style="list-style-type: none"> • Air quality 	<ul style="list-style-type: none"> • Health and nutrition • Economic contribution • Product innovation • Community support • Resource recovery • Energy efficiency and renewables • Soil health and nutrient management 	<ul style="list-style-type: none"> • Animal care 	
	Moderate	<ul style="list-style-type: none"> • Materials and packaging • Biodiversity 			
	Low	<ul style="list-style-type: none"> • Land use and conversion 			
		Low	Moderate	Significant	Very significant
		SIGNIFICANCE OF IMPACTS			

Materiality tiers:

- Most material
- Highly material
- Material
- Important
- Relevant

Aspect	Material topic	Average	Impact significance	Financial significance	Materiality tier	Ranking
Environmental	People health and safety	4.34	Very significant	Very significant	5-Most material	1
Social/ socioeconomic	Product safety and quality	4.33	Very significant	Very significant	5-Most material	2
Environmental	Water quality	4.12	Very significant	Very significant	5-Most material	3
Environmental	Water use and availability	4.10	Very significant	Very significant	5-Most material	4
Social/ socioeconomic	Workforce attraction, development, and retention	4.08	Very significant	Very significant	5-Most material	5
Governance	Cybersecurity and data protection	4.04	Significant	Significant	3-Material	6
Governance	Business resilience	4.05	Significant	Very significant	4-Highly material	7
Social/ socioeconomic	Health and nutrition	4.04	Significant	Significant	3-Material	8

Aspect	Material topic	Average	Impact significance	Financial significance	Materiality tier	Ranking
Social/ socioeconomic	Animal care	3.99	Very significant	Significant	4-Highly material	9
Governance	Economic contribution	3.95	Significant	Significant	3-Material	10
Social/ socioeconomic	Product innovation	3.93	Significant	Significant	3-Material	11
Social/ socioeconomic	Community support	3.91	Significant	Significant	3-Material	12
Social/ socioeconomic	Human rights	3.86	Significant	Very significant	4-Highly material	13
Environmental	Resource recovery	3.76	Significant	Significant	3-Material	14
Environmental	Energy efficiency and renewables	3.70	Significant	Significant	3-Material	15
Environmental	Greenhouse gas emissions	3.56	Significant	Very significant	4-Highly material	16

Aspect	Material topic	Average	Impact significance	Financial significance	Materiality tier	Ranking
Environmental	Air quality	3.59	Moderate	Significant	2-Important	17
Environmental	Soil health and nutrient management	3.56	Significant	Significant	3-Material	18
Environmental	Materials and packaging	3.57	Moderate	Moderate	2-Important	19
Environmental	Land use and conversion	3.45	Moderate	Low	1-Relevant	20
Environmental	Biodiversity	3.44	Moderate	Moderate	2-Important	21



Topic summaries

*  Financial significance
 Impact significance



People health and safety

Category: Social/ Socioeconomic

Average score 4.34  Very significant	Tier 5 Most material  Very significant
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Topic interconnections






Relevant SDGs



1

Summary of key impacts, risks, and opportunities:

People health and safety is most material, with impacts including chemical exposure, equipment injuries, and mental health concerns, all very significant, with national scope and short to long-term horizons. Risks include insurance costs, legal liabilities, and absenteeism, all of high magnitude and highly likely.



Product safety and quality

Category: Social/ Socioeconomic

Average score 4.33  Very significant	Tier 5 Most material  Very significant
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Topic interconnections






Relevant SDGs







2

Summary of key impacts, risks, and opportunities:

This topic is most material due to its direct influence on consumer health and brand trust. Impacts include foodborne illness, mislabeling allergens, and erosion of trust, all with global scope, high likelihood, and very significant ratings. Financial risks such as recalls, regulatory fines, and operational disruptions are high magnitude and highly likely, while opportunities include brand reputation gains from consistent quality.



3

Water quality

Category: Environmental

Average score

4.12

 Very significant

Tier 5

Most material

 Very significant

Topic interconnections



Relevant SDGs







Summary of key impacts, risks, and opportunities:
 Water quality is most material, with negative impacts like wastewater pollution, public health risks, and ineffective water treatment, all rated very significant, with regional scope and high likelihood. Financial risks include fines, reputational damage, and operational restrictions, all of high magnitude and highly likely.



4

Water use and availability

Category: Environmental

Average score

4.10

 Very significant

Tier 5

Most material

 Very significant

Topic interconnections



Relevant SDGs





Summary of key impacts, risks, and opportunities:
 This topic is most material, with impacts such as resource depletion, high processing demand, and drought-related aquifer stress, all very significant, with regional scope and medium to long-term horizons. Risks include operational disruptions, rising costs, and regulatory pressure, while opportunities lie in water-saving technologies.



Workforce attraction, development, and retention

Category: Social/ Socioeconomic

Average score

4.08

 Very significant

Tier 5

Most material

 Very significant

Topic interconnections





Relevant SDGs

8 DECENT WORK AND ECONOMIC GROWTH



9 INDUSTRY INNOVATION AND INFRASTRUCTURE



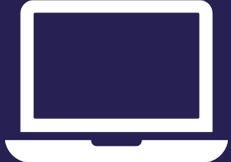
10 REDUCED INEQUALITIES



5

Summary of key impacts, risks, and opportunities:

This is a most material topic, with impacts such as employee turnover, engagement, and education partnerships, all very significant, with national scope and short to long-term horizons. Opportunities include reduced recruitment costs, employer reputation, and labor risk mitigation, all financially high and highly likely.



Cybersecurity and data protection

Category: Governance

Average score

4.04

 Significant

Tier 4

Highly material

 Very significant

Topic interconnections



Relevant SDGs

4 QUALITY EDUCATION



8 DECENT WORK AND ECONOMIC GROWTH



9 INDUSTRY INNOVATION AND INFRASTRUCTURE



16 PEACE, JUSTICE AND STRONG INSTITUTIONS



6

Summary of key impacts, risks, and opportunities:

Cybersecurity is highly material, with risks such as data breaches, ransomware, and email fraud, ranging from moderate to very significant, with community to national scope and short to medium-term horizons. Financial risks include downtime, legal liabilities, and infrastructure costs, while opportunities lie in avoiding losses and maintaining operations.



7

Business resilience

Category: Social/ Socioeconomic

Average score 4.04  Significant	Tier 4 Highly material  Very significant
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Topic interconnections







Relevant SDGs

2
ZERO HUNGER


8
DECENT WORK AND ECONOMIC GROWTH


9
INDUSTRY INNOVATION AND INFRASTRUCTURE


Summary of key impacts, risks, and opportunities:

Business resilience is highly material, with impacts such as preventative maintenance, consistent throughput, and OEE improvements, all significant, with community scope and short to long-term horizons. Opportunities include reduced downtime, insurance savings, and a competitive advantage, all financially high and highly likely.



8

Health and nutrition

Category: Social/ Socioeconomic

Average score 4.04  Significant	Tier 3 Material  Significant
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Topic interconnections




Relevant SDGs

3
GOOD HEALTH AND WELL-BEING


9
INDUSTRY INNOVATION AND INFRASTRUCTURE


Summary of key impacts, risks, and opportunities:

This topic is material, with positive impacts such as high-quality protein delivery, shelf-stable innovations, and functional ingredients, all rated significant with national scope and short to medium-term horizons. Opportunities include market growth, brand value, and competitive advantage, while risks involve regulatory scrutiny. These are financially moderate to high.



9

Animal care

Category: Social/ Socioeconomic

<p>Average score 3.99</p> <p>✔ Very significant</p>	<p>Tier 4 Highly material</p> <p>💰 Significant</p>
<p>Topic interconnections</p> <div style="display: flex; justify-content: center; gap: 10px;">   </div>	
<p>Relevant SDGs</p> <div style="display: flex; justify-content: center; gap: 10px;">   </div>	

Summary of key impacts, risks, and opportunities:

Impacts include potential negative effects such as mistreatment of cows, disease spread, and antibiotic resistance, all very significant, with global scope, high likelihood, and medium to long-term horizons. Ethical treatment practices offer a positive impact. Risks include loss of certifications, brand damage, and regulatory enforcement, while opportunities lie in supplier audits and FARM compliance, all financially significant, with moderate to high likelihood, and span short to long-term horizons.



10

Economic contribution

Category: Social/ Socioeconomic

<p>Average score 3.95</p> <p>✔ Significant</p>	<p>Tier 4 Highly material</p> <p>💰 Significant</p>
<p>Topic interconnections</p> <div style="display: flex; justify-content: center; gap: 10px;">   </div>	
<p>Relevant SDGs</p> <div style="display: flex; justify-content: center; gap: 10px;">  </div>	

Summary of key impacts, risks, and opportunities:

This topic is material, with positive impacts like job creation, community investment, and support for rural economies, all significant, with regional scope and long-term horizons. Opportunities include public support, government incentives, and economic insulation, while risks involve job loss.



11

Product innovation

Category: Social/ Socioeconomic

Average score

3.93

 Significant

Tier 3

Material

 Significant

Topic interconnections



Relevant SDGs

8 DECENT WORK AND ECONOMIC GROWTH


9 INDUSTRY, INNOVATION AND INFRASTRUCTURE


12 RESPONSIBLE CONSUMPTION AND PRODUCTION


Summary of key impacts, risks, and opportunities:

Product innovation is material, with positive impacts from novel ingredients, process improvements, and enhanced nutrition, all significant, with national scope and short to medium-term horizons. Opportunities include R&D funding, strategic partnerships, and a competitive edge, while risks involve intellectual property theft and failed investments.



12

Community support

Category: Social/ Socioeconomic

Average score

3.91

 Significant

Tier 3

Material

 Significant

Topic interconnections



Relevant SDGs

1 NO POVERTY


2 ZERO HUNGER


3 GOOD HEALTH AND WELL-BEING


Summary of key impacts, risks, and opportunities:

Community support is material, with impacts like education, economic stimulation, and food security, all significant, with regional scope and short to long-term horizons. Opportunities include brand loyalty, local partnerships, and facility expansion goodwill.



13

Human rights

Category: Social/ Socioeconomic

Average score 3.86	Tier 4 Highly material
 Significant	 Very significant

Topic interconnections



Relevant SDGs







Summary of key impacts, risks, and opportunities:

Human rights are highly material, with impacts such as fair labor, diversity, equity, and inclusion support, and ethical sourcing, all significant, with regional scope and long-term horizons. Risks include reputational damage, legal liabilities, and loss of market access, while opportunities lie in employer reputation.



14

Resource recovery

Category: Environmental

Average score 3.76	Tier 3 Material
 Significant	 Significant

Topic interconnections






Relevant SDGs





Summary of key impacts, risks, and opportunities:

Resource recovery is material, with impacts like landfill reduction, biodigestion, and circular economy benefits, all significant, with regional scope and short to long-term horizons. Opportunities include upcycling revenue, waste compliance, and cost savings.



Energy efficiency and renewables

Category: Environmental

Average score

3.70

 Significant

Tier 3

Material

 Significant

Topic interconnections




Relevant SDGs

7

AFFORDABLE AND CLEAN ENERGY



8

DECENT WORK AND ECONOMIC GROWTH



9

INDUSTRY, INNOVATION AND INFRASTRUCTURE



13

CLIMATE ACTION



15

Summary of key impacts, risks, and opportunities:

This topic is material, with positive impacts from efficient equipment, reduced fossil fuel dependence, and lower energy demand, all significant, with national scope and short to medium-term horizons. Opportunities include cost savings, tax incentives, and ESG improvements, while risks are minimal.



Greenhouse gas emissions

Category: Environmental

Average score

3.56

 Significant

Tier 4

Highly material

 Very significant

Topic interconnections






Relevant SDGs

7

AFFORDABLE AND CLEAN ENERGY



13

CLIMATE ACTION



16

Summary of key impacts, risks, and opportunities:

GHG emissions are a highly material environmental concern. Impacts include climate change contributions and emission reductions, with national to global scope, long-term horizons, and very significant ratings. Risks include customer pressure, reputational damage, and carbon pricing exposure, while opportunities for mitigation technologies and emission mapping are financially significant and strategically important.



17

Air quality

Category: Environmental

Average score

3.59

 Moderate

Tier 2

Important

 Significant

Topic interconnections




Relevant SDGs

3 GOOD HEALTH AND WELL-BEING



13 CLIMATE ACTION



Summary of key impacts, risks, and opportunities:

Air quality is important, with impacts like boiler emissions, odors, and ammonia levels, rated low to significant, with local to regional scope and short to long-term horizons. Risks include permit fines, insurance costs, and shutdowns, all financially moderate.



18

Soil health and nutrient management

Category: Environmental

Average score

3.56

 Significant

Tier 3

Material

 Significant

Topic interconnections






Relevant SDGs

15 LIFE ON LAND



Summary of key impacts, risks, and opportunities:

This is a material topic, with impacts such as nutrient runoff, carbon sequestration, and fertilizer reduction, all significant, with regional scope and medium to long-term horizons. Opportunities include yield improvements, cost savings, and compliance.



19

Materials and packaging

Category: Environmental

Average score

3.57

 Moderate

Tier 2

Important

 Moderate

Topic interconnections




Relevant SDGs



Summary of key impacts, risks, and opportunities:

This topic is important, with impacts like pollution, recycling, and resource use, rated moderate to significant, with regional scope and short to medium-term horizons. Risks include compliance costs, material shortages, and customer preferences, while opportunities lie in sustainable packaging.



20

Land use and conversion

Category: Environmental

Average score

3.45

 Moderate

Tier 1

Relevant

 Low

Topic interconnections




Relevant SDGs







Summary of key impacts, risks, and opportunities:

This is a relevant topic, with impacts such as feed crop expansion contributing to deforestation, conversion of pastureland, soil degradation, and displacement of local wildlife, all moderately detrimental, with regional to national scope, and unlikely to occur in the short to medium-term. Financial risks include increased costs for sourcing, reduced productivity from degraded land, regulatory restrictions on land conversion, and reduced stakeholder support, which are unlikely to occur, with low to moderate significance.



Biodiversity

Category: Environmental

Average score

3.44

 Moderate

Tier 2

Important

 Moderate

Topic interconnections



Relevant SDGs




21

Summary of key impacts, risks, and opportunities:

Biodiversity is important, with impacts such as habitat loss, pollinator harm, and aquatic system degradation, rated moderate to significant, with regional scope and short to long-term horizons. Risks and opportunities are financially low to moderate, but growing in relevance due to connectedness to land use and ecosystem impacts.

Application

Idaho Milk Products is dedicated to disseminating these results with its internal and external stakeholders, upstream and downstream, and the broader dairy industry. This assessment will serve as a powerful tool to continue to guide our focus and prioritization of resources toward advancing our sustainability platform.

Much like our 2022 assessment, we remain committed to aligning our growth with the United Nations Sustainable Development Goals (SDGs). The 21 evaluated topics were mapped against the seventeen SDGs to determine which goals are most relevant—either directly or indirectly—to our operations. This mapping was guided by the SDG Compass, a framework designed to help businesses integrate the Global Goals into their strategies and performance metrics. Through this process, we aim to ensure our sustainability efforts are both measurable and meaningful, reinforcing our role in contributing to a healthier planet and more resilient communities.

Continuous improvement and next steps

Idaho Milk Products is committed to a robust sustainability platform, re-evaluating our material topics every three years to ensure we remain at the forefront of relevance. Our dedication to improvement fuels our materiality assessment, driven by monitoring and alignment with the latest scientific insights and standards. Future assessments will build on our prior analyses, enriched by ongoing review, continuous improvement, and meaningful stakeholder engagement. This proactive approach empowers us to stay informed and effective in our initiatives.

We will weave the updated results of our 2025 materiality assessment into our sustainability strategy, refreshing the established KPIs for issues that matter most to our company and engaging in impactful actions. To explore our sustainability information, visit us at <https://www.idahomilkproducts.com/sustainability>. For more information about the Innovation Center for U.S. Dairy Stewardship Commitment, Dairy Sustainability Alliance, or how to get involved, please visit <https://www.usdairy.com/about-us/innovation-center>.





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