

# HELPING TO FEED & PROTECT OUR WORLD

OUR GOAL is to improve animal nutrition to increase food production while reducing demands on our planet's natural resources.

OUR SUSTAINABILITY EFFORTS are categorized into 4 key areas:



# A Message of PROGRESS

## Sustainability and Zinpro in 2018

Zinpro Corporation is pleased to share its annual sustainability report. Our four key areas: environmental, technical, economic and social, have remained the focus as we've implemented and tracked our sustainability efforts throughout the year.

We're proud to state that in 2018, our sustainability progress continues to build onto our improvements from 2017, as we strive to expand our leadership as the Performance Trace Mineral provider for multiple species across the globe.

Sustainability. At Zinpro Corporation, sustainability is more than a year-end afterthought. It's part of [our mission statement](#): to improve the wellness and performance of animals and contribute to a healthier, more sustainable world.

As you read through our 2018 report, we hope that you see what we have valued since our company's founding, which is to help our customers succeed by providing products and business solutions that are research-proven to perform. With this goal in mind, we strive to continually measure the quality of our efforts on the improved wellness and performance that occurs in the animals under our customers' care, and how much we improve the animals' lives, and therefore improve the lives of the people who care for them.

We're also extremely proud of the new product line that we launched in 2018; our ProPath® family of Zinpro Performance Minerals® are the industry's newest, most effective, patented trace mineral in the market today. This product line improves animal performance, takes up less space in diet formulations, reduces shipping costs and warehouse space needs, while also providing increased benefits to our customers and the animals in their care.



**William Scrimgeour**  
CEO Zinpro Corporation

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## Our Sustainability Associations:



# TIMELINE

**1971**

Zinpro incorporates and markets its first Performance Minerals® product: ZINPRO 40 (ZINPRO zinc methionine), under the leadership of its founders, Dean and Mary Anderson.



**1980**

Independent research shows that ZINPRO zinc methionine improves hoof conditions in cattle.



**1992**

Zinpro introduces 4-Plex. Independent research shows 4-Plex provides multiple animal wellness and performance improvements when fed in a well-balanced diet.

**1996**

Availa®Mins amino acid complexes are introduced. Research shows Availa-Mins allow animals to absorb more minerals from their diet to deliver positive wellness and performance responses and a strong return on investment.



**1993**

The company completed construction of its first manufacturing facility near Garner, Iowa.



**2000**

Zinpro begins production at its second manufacturing facility, located near North Branch, Minnesota, which the company purchased in 1999.



**2007**

Zinpro forms its Feet First® team to advance swine wellness through lameness identification and prevention.



**2009**

Zinpro launches its First Step® Lameness Assessment and Prevention Program, providing a comprehensive assessment of overall lameness risk factors on a dairy.

**2013**

Availa®Plus is introduced into the U.S. market for dairy and beef cattle.



**Research shows:** feeding Availa-Plus as part of a well-fortified diet offers a novel nutritional solution to protect against digital dermatitis (commonly known as hairy heel warts).

Zinpro completes a third U.S. manufacturing facility near Shell Rock, Iowa, with production starting in 2014.

**2015**

Zinpro publishes a book to help assess and prevent lameness in dairy and beef cattle.



**2012**

ZINPRO® 120, Availa®Zn 120, and 4-Plex®C are introduced, providing more concentrated Performance Minerals products that take up less space in feed pre-mixes and micro-ingredient machines and decrease warehouse space needs and freight costs.



**2018**

Zinpro introduces the ProPath® family of Zinpro Performance Minerals®, which are the industries' newest, most effective, patented, and sustainable trace mineral in the market today. This product line improves animal performance, takes up less space in diet formulations, and reduces shipping costs and warehouse space needs, while providing increased benefits to our customers and the animal's in their care.



# ENVIRONMENTAL

Zinpro Corporation continuously monitors our global footprint, working to optimize all that we do year over year. In 2018, we used less energy with improved product sequencing that reduced cleaning and idling time; we added new production equipment to maximize our production efficiencies and water recovery systems; and we implemented significant, new ways to improve energy and transportation efficiencies.

## PRODUCT INNOVATION

### Driving Production Efficiencies

Our new **ProPath®** product line is a uniquely designed patented molecule that is the most significant animal nutrition breakthrough of our time. ProPath optimizes the amino acid transport system for direct uptake and absorption, bringing the benefits of trace minerals directly to the bloodstream for unparalleled performance, proven by animal data. ProPath's high concentration and exceptional efficacy deliver comprehensive sustainability, resulting in greater profit potential for both manufacturers and operators. Multi-species and multi-format (wet and dry), performance data proves that ProPath delivers the greatest biological efficacy. It's not just our best trace mineral, it is **the best**.



ProPath® Products

### PCS Dryer

A new pulse combustion system dryer at Zinpro's Garner, Iowa, manufacturing facility has greatly increased production capacity and efficiency. Because the dryer design concentrates the final product, it substantially increases our transportation and storage efficiencies.

### Water Recovery

Water recovery during production starts with sending mineral amino acid solutions through evaporators prior to drying. This step recovers approximately half the water being evaporated for reuse. The result is a much lower water vapor emission and significantly less fresh water being used to produce product.

USING LESS ENERGY

OPTIMAL PRODUCT SEQUENCING

saves **8 hours** in cleaning/idle time per 72-hour period



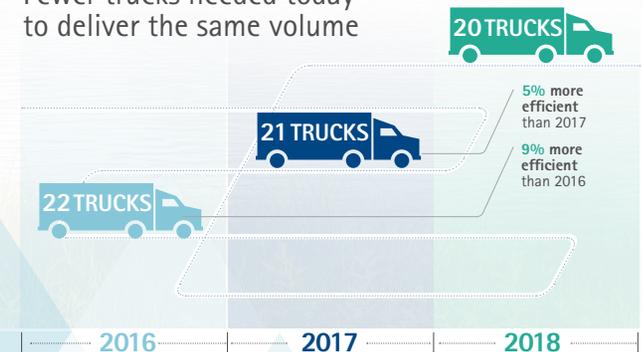
### Rail Spur Upgrade

The planned construction of 4,100 feet of rail track will allow faster, less costly, safer and more efficient delivery of raw materials at our Garner, Iowa, manufacturing facility compared to trucking.



### REDUCING MILES

Fewer trucks needed today to deliver the same volume



# TECHNICAL

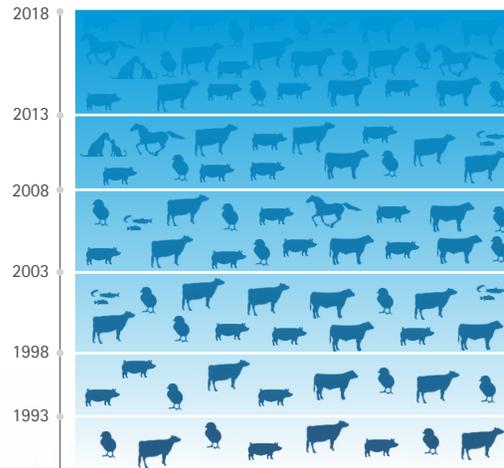
Through research and technical expertise, Zinpro and its employees provide practical, science-based recommendations to improve sustainable animal production on the farm.

Each year, Zinpro's field teams visit, train and educate farmers, nutritionists and veterinarians across the globe on research-proven ways to improve animal wellness and performance. In addition, Zinpro annually hosts local, regional or global training seminars and symposiums to help our customers improve their success in sustainable animal production.

## Sharing expertise with expert talks

Our Experts Talk video series features one-on-one educational interviews with leading authorities for multiple species on foot health, best management animal production practices and effective nutrition.

## Expanding Our Reach with PEER RESEARCH



**236**  
published articles

Zinpro continues to demonstrate the value of our products in the field through independent, peer-reviewed research studies – 236 to date, across multiple species.

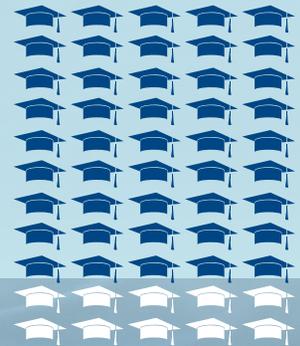


## Doubling lab space. Improving lead times.

In 2018, Zinpro doubled our lab facility size and added a blending room with improved ventilation. The result is safer and faster testing capabilities that allow our products to move into the marketplace quicker. The lab improvements also help reduce product storage times and warehouse needs.

**82%**

Research & Nutritional Services employees have **PhD's, DVMs or DVM equivalent**



# ECONOMIC

In 2018, Zinpro completed SAP software implementation throughout all its manufacturing facilities, allowing us to use real-time manufacturing data at each location to run at top efficiency. Our shipping processes have also seen a change. With better production information, we can now ship products directly from the production facility, and not from a warehouse, to enable more timely and cost-effective transport.

In addition, new equipment installed in 2018 now produces an entirely new line of products that is easier to handle and more concentrated. More concentrated products translate into less weight in the containers being shipped, while still ensuring the same beneficial properties as our less concentrated products.

## Exceptional Return on Investment

Zinpro Performance Minerals® elevate the mineral nutrition levels in animals to improve their wellness and performance in a variety of ways, from improved feed efficiency to reduced lameness, and from improved fertility to improved immune function. Most of these parameters are associated with a significant economic return to the producer.

For example, improving the pregnancy rate in U.S. dairy cows by just 1% results in approximately \$36 more in profits per cow, per year. Preventing one case of digital dermatitis in a U.S. dairy cow results in approximately 500 lbs. more milk production per lactation. Due to the variety of benefits that can be achieved by feeding Zinpro Performance Minerals to dairy animals, it is not uncommon to see a return on investment (ROI) at or above 10:1. And research shows similar ROIs can be achieved by feeding our products to other species.

### IMPROVING WELLNESS & PERFORMANCE:

improving pregnancy rate  
in U.S. dairy cows by just 1% =



preventing 1 case of digital dermatitis  
in a U.S. dairy cow =



2018

**500,000+ miles**

of shipments can now be  
switched from trucks to rail



UP TO **25%** of our domestic,  
finished-product can now be

**SHIPPED BY RAIL**

throughout the U.S.

more cost-effective,  
environmentally  
sound & safe



## SOCIAL

Zinpro Corporation focuses on improving people's lives and contributing positively to society. Through research, charitable contributions, community service and educational activities, we support sustainability-minded causes in both the communities we serve and across the globe.



### Anderson Foundation



The Anderson Foundation is committed to the humane, giving spirit exhibited by Zinpro's founders, Dean and Mary Anderson. By strategic global partnering, the foundation focuses on alleviating poverty and preventable diseases, and educating and empowering young women and girls in impoverished communities around the world.

### Corporate Giving

Zinpro Corporation provides substantial, annual charitable donations to multiple organizations as a company and in partnership with employees through a matching gift program. In addition to the Anderson Foundation, Zinpro made contributions to the following in 2018:

- Heifer International
- North Carolina Farm Bureau Foundation for Hurricane Florence Relief
- Ventura County Community Foundation & the Humane Society of Ventura County for California Wildfire Relief
- For Jake's Sake Foundation
- Special Olympics of Minnesota
- People Reaching Out to People (PROP)
- Institute for Feed Education and Research (IFEEDER)

### Employee Giving

Employees provided gifts, which Zinpro matched, to many other charitable organizations including:

- Scouts et Guides de France (Boy Scouts of France) – a "Save the Turtles" project
- Japan America Society of Minnesota
- Minnesota Endo Warriors
- Reach & Restore
- Halfway to Heaven (Bernie Ulrich Memorial Fund)
- American Legion

### 2018 Scholastic Awards and Scholarship Recipients





Customer Success Story:  
**Hallway Feeds,  
Fueling Racehorse  
Victories**

We're proud of the successes that our products bring to those who raise and care for animals. One of our customers, Hallway Feeds, has experienced unprecedented success supplying feed to the equine industry and being an important component in multiple, historic horserace wins.

Since 1964, Hallway Feeds has helped fuel two Triple Crown winners and 12 Kentucky Derby winners. In 2018, Hallway Feeds helped fuel only the thirteenth horse in history to win the Triple Crown of horseracing winning the Kentucky Derby, Preakness Stakes and Belmont Stakes.

And while Hallway's success in fueling racehorse wins is something we are proud to share, we're just as proud of all our customers who by feeding Zinpro products see increased animal wellness and performance every year.

Winning races may be an equine champion's yardstick, but we know all our customers achieve greater environmental, technical, economic or social benefits by feeding Zinpro products. At every step, we are their sustainability partner for success.