LETTER FROM CEO

At Zinpro Corporation, we define sustainability as the optimal use of natural resources to support life. That includes helping to feed the world, while protecting the planet for future generations. 2017 was a busy year for us in this area. While we have always operated each business component to function sustainably, in 2017 we made great strides to improve how we collaborate on, track and communicate our sustainability efforts.

These efforts began to bear fruit in August, when we created a new page on our website devoted solely to sustainability. But words aren’t enough: we also implemented steps to ensure our sustainability efforts are measurable, via third-party audits.

Since our founding, we have succeeded as a company by providing our customers with products and business solutions that improve animal’s lives, are research-proven to perform and contribute to long-term viability. Through our focus on technology, rigorous research and process optimization, we continue to enhance our environmental efficiencies while contributing to improved animal wellness and performance. Our goal: increase food production while reducing demands on our planet’s natural resources.

Our company’s sustainability efforts are categorized into four key areas that impact for our business as well as the business of our customers: environmental, technical, economic and social. In this report, we provide you a summary of our efforts in all four categories for 2017 and how we will continue to make sustainability a key priority in all we do at Zinpro Corporation for years to come.

With kind regards,

William Scrimgeour
President & CEO, Zinpro Corporation
ENVIRONMENTAL SUSTAINABILITY

Zinpro Corporation is focused on several attributes to be a responsible environmental steward. One impactful way that helps us to excel in this aspect is to continue our annual improvements in our efficiencies and processes, while decreasing the energy and water consumption at our manufacturing facilities. However, when measuring these attributes, it is extremely important to have measurable, unbiased third-party verification of our efforts.

Operating Efficiencies

Doing more with the same amount of resources or doing more with fewer resources is key to feeding an ever-growing global population. Zinpro Corporation has applied this same principle to how we operate. In 2017, Zinpro made a concerted effort to improve the operating efficiency and add production capacity at our facilities without significant expansion or capital outlays. From a monthly production standpoint, we achieved this goal nearly every month of 2017. We had an 18% annual increase in production and 40% of that came from efficiency improvement alone!

Zinpro’s increased focus on operating efficiencies has helped us add production capacity at our facilities year after year. Although capital improvements to maintain world-class facilities are important, they are not the only investment we’ve undertaken to increase our production capacity without having to build new production facilities. We added 5% capacity across our business from 2016 to 2017 simply by improving operating efficiencies.

Industry Certifications

Quality and Integrity are two core values Zinpro Corporation takes seriously. This goes deeper than mere words. Independent, third-party organizations audit our products and manufacturing processes to ensure they meet or exceed global industry standards. These third-party organizations regularly take an in-depth look at Zinpro’s operating processes: from sourcing to quality assurance and safety, to manufacturing standards and even delivery processes. In 2017, we are proud to report that all our facilities have met or exceeded industry standards, and we continue to seek out additional third-party auditing programs to help us bring about even more production efficiencies and add to our current global environmental sustainability improvements. Our certifications are listed below.

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*Projected increase
TECHNICAL SUSTAINABILITY

Success at Zinpro Corporation is grounded in a dedication to research, which for more than 45 years has helped our company develop new products to improve animal wellness and performance. At the start of 2017, Zinpro announced a major research milestone in the company’s history: its 200th peer-reviewed research publication across multiple species. By the end of 2017, more than 225 peer-reviewed research publications had been recorded in support of Zinpro product performance across species.

Peer-reviewed research indicates that the science is sound and the study is designed rigorously enough that it passes a review of peer scientists in the field. Multiple third-party scientists in the field of interest review and critique the publication data and the methods by which the data is obtained. These scientists must concur that the experimental methods used to collect and analyze the research data are scientifically sound before the data is published.

By connecting our research to third-party scientists, and to the end-user through public outlets, Zinpro helps to provide practical, research-based recommendations to improve both animal production and sustainability on the farm. Each year, Zinpro field teams spend countless hours visiting, training and educating farmers, nutritionists and veterinarians all around the globe on various ways to improve animal wellness and performance. In addition to hosting hundreds of local or regional training seminars and symposiums worldwide, Zinpro also hosted its first global symposium with a focus on chronic inflammation and its impact on global animal production in November 2017. Whether local or global, these training seminars were greatly appreciated by our customers due to their relevancy to improve their success in sustainably raising animals.

Beyond these face-to-face training events, Zinpro has increased its efforts to make more information available electronically. This allows for even more efficient and effective global communication and technical support of sustainable animal production practices. We’ve done this using a variety of methods, such as hosting video events like Experts Talk, and sending out our electronic newsletter listing the latest industry research publications via Tech Tracks.
ECONOMIC SUSTAINABILITY

Economic viability is the foundation for a sustainable organization. By creating efficiencies in how products are manufactured and delivered, Zinpro Corporation boosts its economic viability, minimizes waste and lowers operational costs, which in turn furthers our overall sustainability achievements. In addition, our emphasis on research-based animal performance helps ensure that we are efficiently and effectively providing nutrients to animals and creating a strong return on investment for our customers.

Over the next five years, our commitment is to position our company both to significantly improve product offerings and to fundamentally transform our ability for exponential growth. Implementing on this commitment will be accomplished partially through capital investment and partially through fine tuning current processes. Both aspects of our commitment will require careful planning to ensure sustainably in all we do. While there were many processes on which we had focused to improve our economic sustainability throughout 2017, for this report, we share just the main successes that are specific to our long-term strategy.

Product Sequencing

In recent years, Zinpro has made a concerted effort to install the infrastructure necessary to deliver some of its products more efficiently. During the next five years, by utilizing better infrastructure, planning, and sequencing, we foresee our ability to provide substantially more products, both current and new, much more efficiently.

Recent improvements in product planning and sequencing have increased our energy efficiency by nearly 10% in 2017 compared to 2016. These same improvements in efficiencies have also helped Zinpro to reduce our overall annual water use since 2016, even while we significantly increased our product sales and production in 2017.

Supply Chain Optimization

As in previous years, throughout 2017, Zinpro’s Global Customer Service and Supply Chain Team has been very busy in examining every aspect of our business. We embarked on an end-to-end supply-chain review to examine what we most needed to improve in this area over the next five years. Zinpro Corporation has experienced organic growth nearly every year since 1971. Along with that organic growth comes both challenges and opportunities. During 2017 our team worked hard to develop strategies to reduce delivery time around the globe, while ensuring our inventory is optimized to improve working capital. As a result, plans are now in place to reduce our miles shipped by over 30% in the next five years!
SOCIAL SUSTAINABILITY

At Zinpro, we focus on making positive contributions to society to improve lives. Through our research, charitable contributions, community service and educational activities, Zinpro supports sustainability-minded causes in the communities we serve and across the globe. In 2017, this was an area where Zinpro Corporation paid concerted attention. Our goal was to further an organizational culture that encouraged several areas for giving.

Matching Funds

Zinpro Corporation has established a program that will match donations (dollar-for-dollar, up to $1,000) made by our employees. In 2017, employees contributed to more than 45 organizations across the globe, and Zinpro matched these donations. Employee contributions included everything from donations to local food banks to agricultural research centers to organizations dedicated to ending poverty and disease.

Corporate Giving

2017 was a year filled with several unfortunate natural disasters. Communities where our employees and customers work and call home were severely impacted by these disasters. Zinpro Corporation made several generous donations to aid in disaster relief and to ensure people and animals had food and shelter and that the impacted local economics had adequate support to rebuild. A few areas where we contributed in 2017 included:

- The Kansas Livestock Association, to aid support for farmers and ranchers devastated by wildfires that tore across the Great Plains, USA
- The STAR Fund (through the Texas Department of Agriculture), to aid in disaster relief from Hurricane Harvey and its damage across a wide area within Texas, USA
- Save the Children, to support disaster relief from Hurricane Maria and its destruction across the island of Puerto Rico
- Save the Children, to support disaster relief from the 7.1 magnitude earthquake that rocked the greater Mexico City area in September, injuring 6,000 people and killing 370

The Anderson Foundation

The owners of Zinpro Corporation through their established Anderson Foundation are committed to helping people, especially children. This foundation partners with several global organizations to focus on alleviating global poverty and preventable diseases, educating children and empowering young women and girls in impoverished communities around the world. These global partnerships include:

The Lidè Foundation – Haiti
World Connect
Mona Foundation