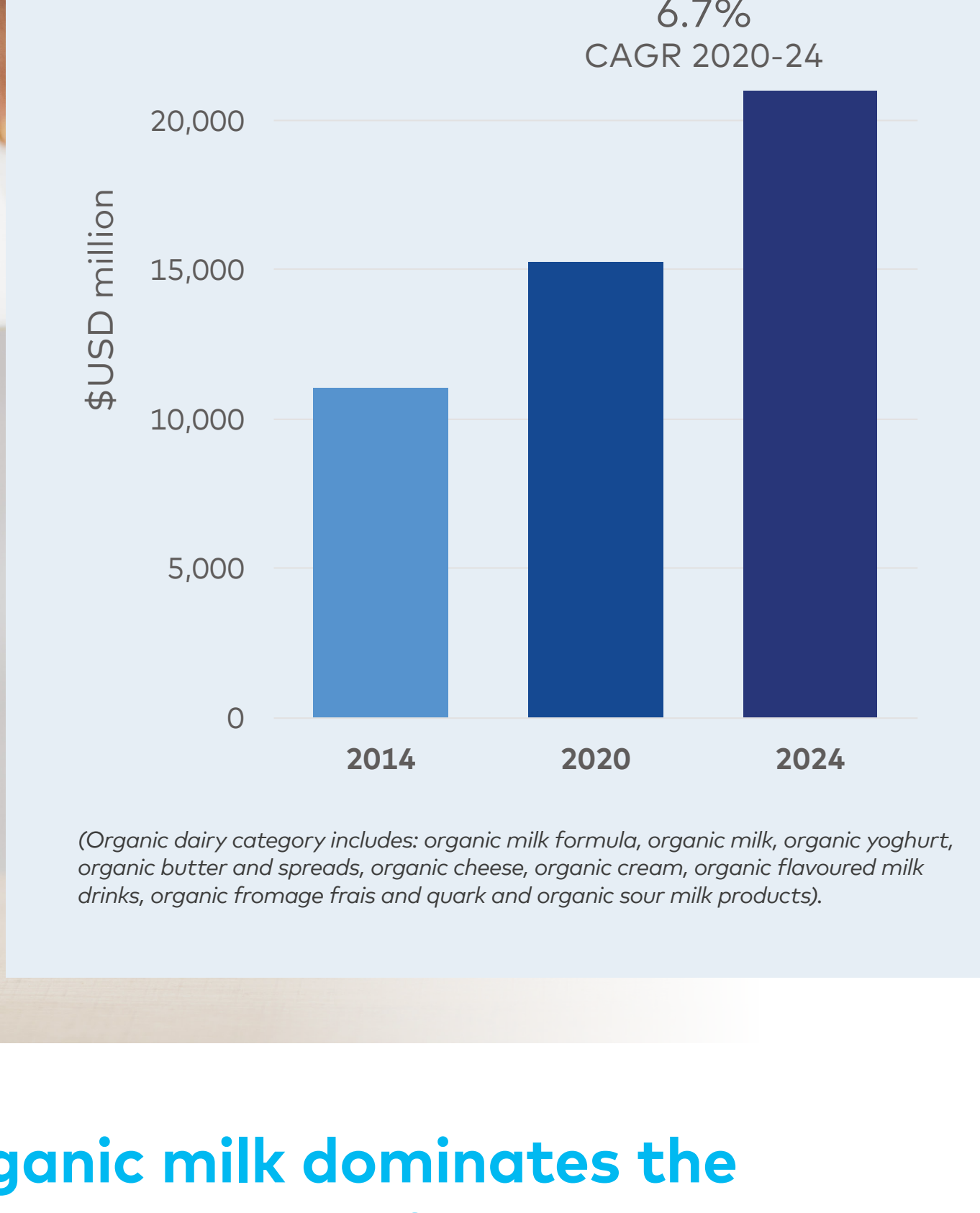


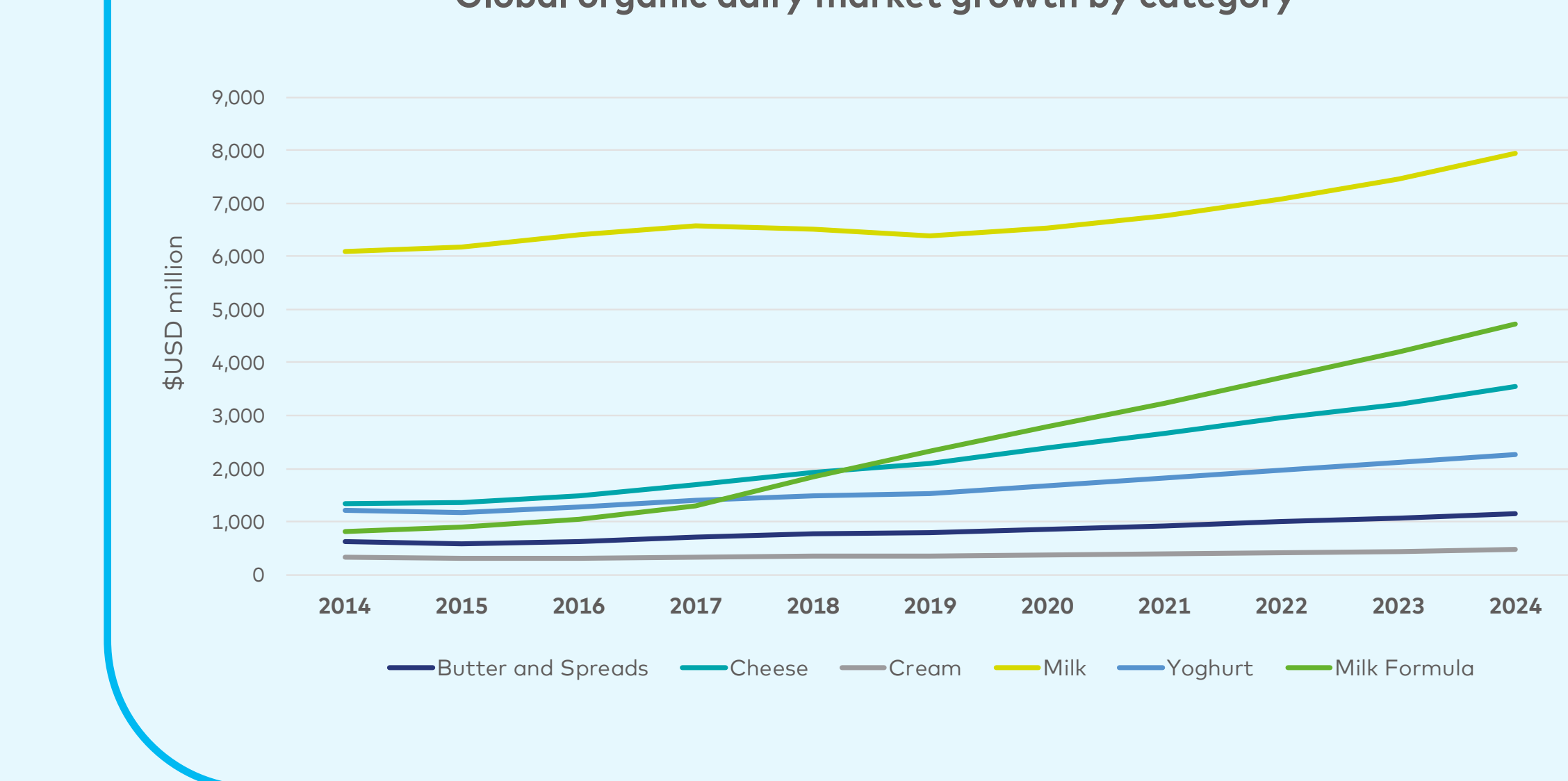
The Evolution of Organics

Demand for organic dairy is going from strength to strength. Behavioural shifts towards prioritising health and wellness along with an increased environmental awareness, is fuelling this demand.

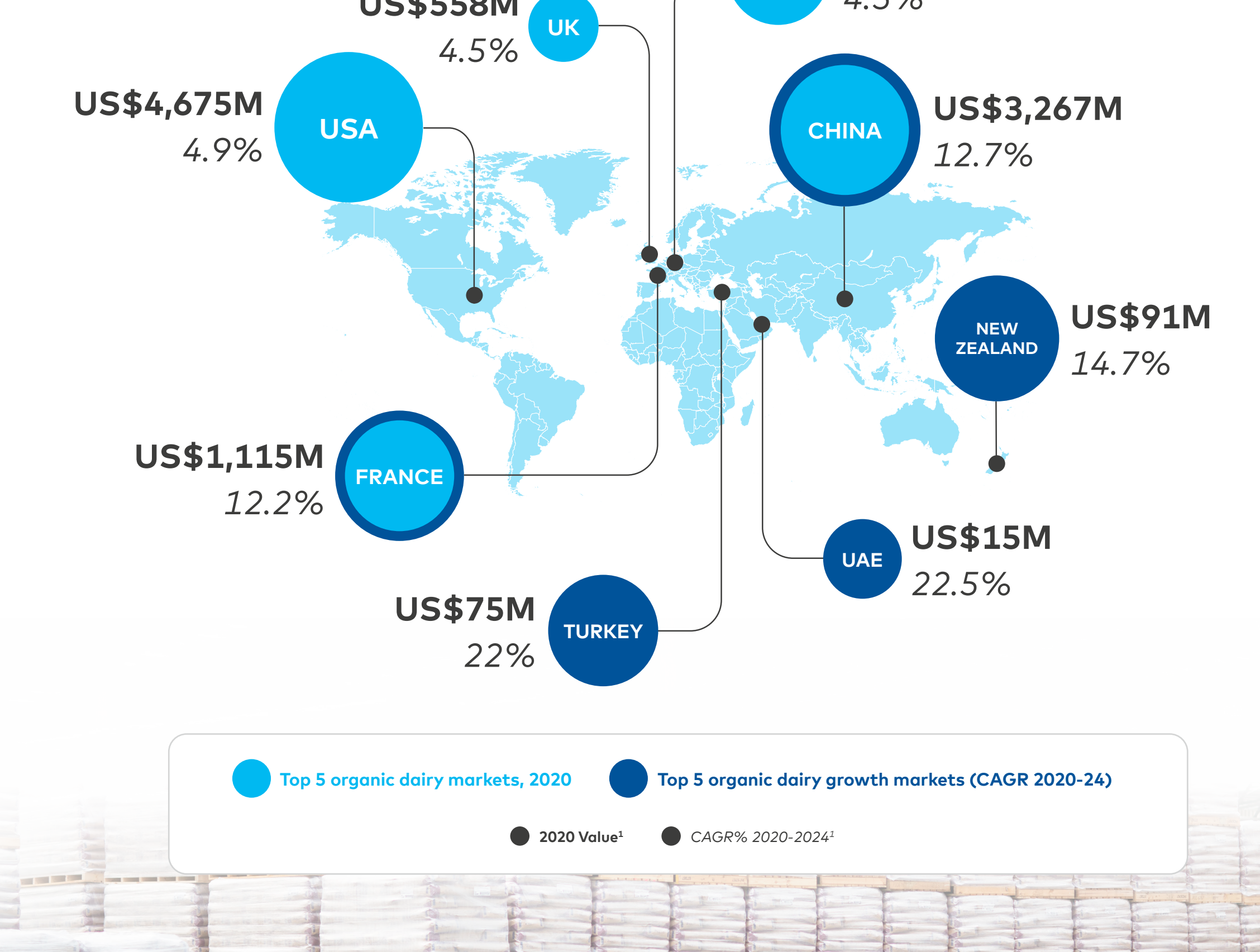
The global organic dairy market continues to experience growth



Globally, organic milk dominates the market, but organic milk formula and cheese are the fastest growing categories



Top 5 markets make up 71% of global organic dairy market.



What is driving consumer demand for organic products?

1 Sustainability concerns encourage organic growth.

- 47%** of global consumers seek organic food and drinks because of environmental concerns.²
- 46%** of French organic food and drink consumers say they buy these products because they are better for the environment.³
- 41%** of Chinese consumers seek organic food and drinks because of environmental concerns.²
- 57%** of US consumers think organic/natural foods are safer for the environment than conventional foods.³

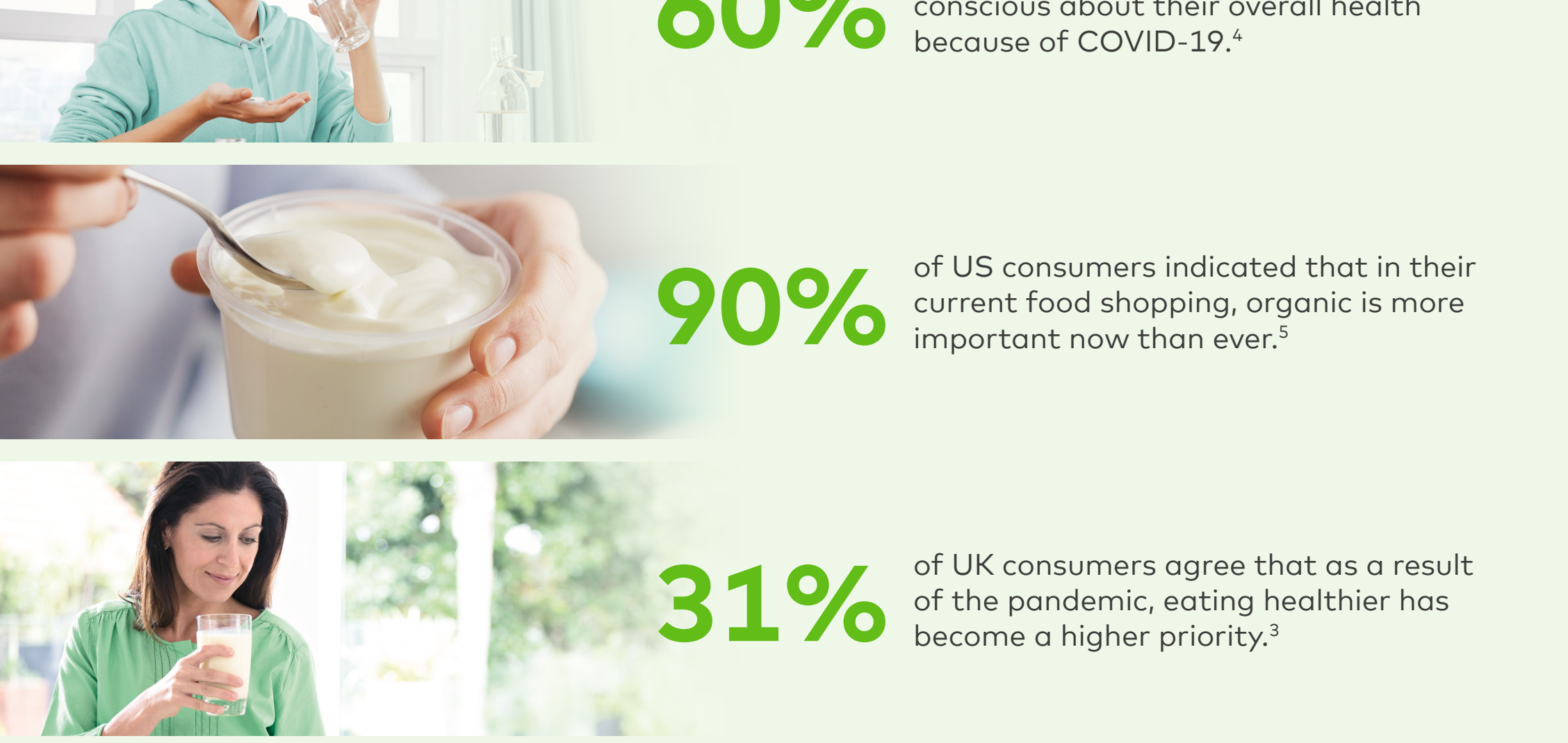


2 Consumers have become more aware of the benefits organics can have on overall health.

% of consumers who seek organic food and drinks because "it makes me feel healthier"²



3 COVID-19 concerns have further accelerated the demand for supporting wellness, which positively impacts organic demand.



Organic dairy products are priced at a premium

Comparative pricing: organic vs non-organic dairy⁴
(Average price per 100ml/g, products launched July 2015-2020)

<p>Hard cheese & semi-hard cheese</p> <p>Organic \$2.5 Non-Organic \$2.0</p> <p>% Difference +28%</p>	<p>Soft cheese & semi-soft cheese</p> <p>Organic \$2.3 Non-Organic \$1.8</p> <p>% Difference +30%</p>	<p>Butter</p> <p>Organic \$2.2 Non-Organic \$1.4</p> <p>% Difference +56%</p>
<p>Growing up milk 1-4 years</p> <p>Organic \$3.0 Non-Organic \$2.4</p> <p>% Difference +25%</p>	<p>Baby formula 6-12 months</p> <p>Organic \$3.3 Non-Organic \$3.2</p> <p>% Difference +5.4%</p>	<p>Drinking yoghurt & liquid cultured milk</p> <p>Organic \$0.8 Non-Organic \$0.6</p> <p>% Difference +42%</p>



Opportunities

The demand for organic food and drink continues to grow. This demand is fuelled by consumers seeking healthier food and drink options, their increased sustainability awareness, and desire for increased immunity driven by COVID-19.

Organic provides dairy a new story to tell in the health and wellness segment which it has traditionally been known for. This creates room to add a premium over 'standard' dairy offerings.

Organic also allows dairy another avenue to tackle sustainability issues that is impacting the industry today.