



2017 IMPACT REPORT

A letter from OUR CEO

Greetings!

We are proud to share our 2017 Impact Report. While this report represents an annual snapshot of our most recent sustainability efforts, it also illustrates the culmination of decades of work.

For over three generations, Clover Sonoma has been focused on producing the highest quality dairy products with an emphasis on the wellbeing of our family farms, animals, the environment, and the communities we serve.

At Clover Sonoma, success isn't reflected in our bottom line, it's reflected in our triple bottom line—people, planet, and profit. When it comes to producing dairy, here's what that means to us:

Family farms. We're proud to continue to support our local communities by sourcing from a select group of small family farms in Northern California. They share our commitment to quality milk, humane treatment of animals, and ethical stewardship of the land.

Happy cows. In 2000, Clover Sonoma became the first and only dairy in the U.S. to be certified by the American Humane Association (AHA) for their animal welfare program—one of our proudest moments to date and one that set the bar for animal welfare in the industry that remains today.

Land stewardship. Northern California is a beautiful place to call home and we work hard to keep it that way. We understand that the health of our land means the health of our business and our community. We support our local family farms for being committed to making environmental improvements to their land year after year.

Independent & family-owned. By remaining a family-owned business, we've been able to make bold decisions, pioneering consciously made dairy for decades. In 1994, Clover became the first dairy west of the Mississippi to say "no" to the synthetic growth hormone rBST and the first to adopt the rigorous quality standards set by the North Coast Excellence Certified program; what we now call our Clover Promise of Excellence. As an independent and family-owned business, we have the freedom to only partner with people who can agree that clean, fresh, responsibly produced dairy makes a difference in the world.

As a third-generation owner, I am proud of Clover's heritage and the path we've chosen—one that we can believe in and one that we continue to lead today. But most importantly, none of this would be possible without our incredible employees, customers, community, and of course, our beloved cows. Thank you, all.

MARCUS BENEDETTI
Chief Executive Officer



Clover Cares

Since our beginning, we've been a conscious company. When Gene Benedetti founded Clover Stornetta, he had a vision for a company that reflected his personal ethos, "to do unto others as you would have them do unto you."

Clover Cares is Gene's vision put into action and how we use our business as a force for good.

Today and everyday, we honor and strive to live up to the high standards of excellence Gene established all those years ago through Clover Cares.

Our brand mission is simple: "We use our best knowledge to produce quality dairy in ways that honors our collective values of care for family farms, animals, the environment and the communities we serve."



CLOVER CARES ABOUT

OUR ANIMALS

OUR COMMUNITY

OUR EMPLOYEES

OUR PRODUCT

OUR IMPACT

OUR PARTNER
ORGANIZATIONS



Certified



Corporation



WE'RE B CORP CERTIFIED!

In December of 2016, Clover Sonoma received its B Corp Certification, with a score of 97. We are now part of a community of leaders that includes 2,655 global companies across 150 industries.

Certified B Corporations are a new kind of business that balances purpose and profit. They are legally required to consider the impact of their decisions on their workers, customers, suppliers, community, and the environment. This is a community of leaders, driving a global movement of people using business as a force for good.

Becoming B Corp Certified is a huge leap in our history of producing quality dairy that cares for family farms, animals, environment and community. We see B Corp as a unifying metric from which to measure all areas of impact in our business, holding ourself to a new global standard.



HOW WE SCORED

COMMUNITY	35.1
Job Creation	1.3
Diversity & Inclusion	2.5
Civic Engagement & Giving	4.4
Local Involvement	4.2
Suppliers, Distributors & Product	6.5
Local Economic Development	16.0
ENVIRONMENT	29.3
Land, Office, Plant	4.2
Inputs	6.5
Outputs	3.5
Transportation Distribution & Suppliers	3.7
Land/Wildlife Conservation	2.7
Toxin Reduction/Remediation	8.5
WORKERS	24.9
Compensation & Wages	8.5
Benefits	8.6
Training & Education	0.6
Worker Ownership	2.2
Management & Worker Communication	1.3
Job Flexibility/Corporate Culture	1.5
Occupational Health & Safety	1.1
N/A Points	0.7
GOVERNANCE	7.6
Mission & Engagement	1.1
Corporate Accountability	0.5
Ethics	1.1
Transparency	2.3
Mission Locked	2.5
TOTAL	96.9
QUALIFYING B CORP SCORE	80

COMMUNITY



2017

Clover's longstanding tradition of giving back to the community was formalized into what is now called the Clover Cares Giveback Program. This program is a commitment to donate a minimum of 5% of profits to organizations serving one or more of our three Clover Cares pillars.

- Clover's 2017 donations to the community totaled over \$480,000 including in-kind, product donations, cash and sponsorship donations to over 300 community organizations.
- In addition, Clover donated over \$315,000 to relief efforts following the tragic October 2017 North Bay fires.

OUR FOCUS FOR NEXT YEAR:

- Distribute our giving based on our three Clover Cares pillars.
- Build stronger partnerships with local non-profits.

2018

THE THREE PILLARS OF CLOVER CARES

ELEVATING DAIRY

- Supports, scales or shares sustainable, healthy farming or environmental practices.
- Raises the bar on standards for animal treatment, land conservation, and product quality.
- Shares best practices and thought leadership on how to use business as a force for good.

EMPOWER FUTURE GENERATIONS

- Provides educational and extracurricular opportunities for children.
- Creates greater opportunity for family farming to continue among the next generations.
- Supports organizations that build character and life skills through values based youth development programs.

SUPPORTING OUR CLOMMUNITY

- Builds community engagement, learning and sharing.
- Supports important programs serving the local community.
- Shares products with community groups who will benefit from donations.



IN 2017 WE DONATED

\$480,000+
to organizations in the community

\$315,000+
towards relief efforts
following the north bay fires



ENVIRONMENT

2017

At Clover, we work closely with our dairy producers to ensure that the Clover Promise of Excellence standards are achieved.

- Cows are not treated with the growth hormone rBST.
- All farms adhere to the strict guidelines of the Clover Promise of Excellence. All Non-GMO verified products follow the high standards of Non-GMO Project, and all organic products, the USDA organic standards.
- All cows are cared for under the American Humane Certified animal welfare standards.
- Milk is tested daily to ensure bacteria counts are three to six times lower than state and federal standards.
- All Clover farms strive to make annual environmental improvements to their land.

OUR FOCUS FOR NEXT YEAR:

- Surveying our significant suppliers to understand their footprint as it relates to our impact.
- Reduce plastic waste at our processing plant and warehouse.
- Reduce our transportation footprint.

2018

BACTERIA COUNT

CLOVER 2017 AVG. 1,600

CLOVER PROMISE OF EXCELLENCE 7,500

CA REGULATIONS 50,000

USA REGULATIONS 100,000

COLIFORM COUNT

CLOVER 2017 AVG. 50

CLOVER PROMISE OF EXCELLENCE 150

CA REGULATIONS 750

USA REGULATIONS NONE

SOMATIC CELL COUNT

CLOVER 2017 AVG. 160,000

CLOVER PROMISE OF EXCELLENCE 200,000

CA REGULATIONS 600,000

USA REGULATIONS 750,000



EMPLOYEES

2017

Clover conducted its first Employee Volunteering & Giving Survey in 2017 to ensure that our community engagement activities reflect and engage the values of our employees.

WHAT WE LEARNED:

- Respondents volunteer in the community, on average, 52 hours a year outside of work.
- 43% of respondents felt that Clover could better support local non-profits by getting more volunteers out in the community.

WHAT WE CREATED:

- An employee-led Volunteering Committee to implement and organize quarterly employee volunteer days.
- The Power Hours program - which encourages and rewards employee volunteerism outside of work. For every 2+ volunteer hours reported each month, employees are entered into a monthly raffle drawing. For every 25 volunteer hours accumulated, Clover will award a non-profit of the employees' choice with a \$250 Power Hours grant.

 **25**
VOLUNTEER
HOURS

=

\$250
POWER HOURS
GRANT

AWARDED TO NON-PROFIT
OF EMPLOYEES' CHOICE

2018

OUR FOCUS FOR NEXT YEAR:

- Learning from our employees about what we can do better through an annual Employee Satisfaction Survey.
- Planning and sponsoring at least four employee volunteer days.
- Launch our Power Hours program and aim to record at least 200 volunteer hours.





BASED ON 2017 DATA