



2021 IMPACT REPORT



Greetings from Northern California!

2021 was a year of both great successes and continued challenges. Much like 2020, it required us to be nimble, in an ever changing situation, and to work together through a second year of the pandemic. We remained humble and steadfast in support of our people and our planet, which is evident in our 2021 Impact Report.

We launched our first-ever Materiality Assessment in Q1 2021 as part of our B Corporation commitment, interviewing internal and external stakeholders to assign rankings to material topics. We identified material issues (Product Quality & Safety, Business Ethics & Responsible Leadership, Family Farms & Animal Care, Health Nutrition & Consumer Well-Being, Company Culture) and will create goals to support our Impact Strategy. In 2022, we will align these priorities in a way that best supports the success of its stakeholders.

Sustainability continues to be a priority for Clover Sonoma. In 2020, we launched the first-ever fully renewable milk carton in the United States. This year we continued these efforts, rolling it out to additional skus, with the intention to transition all of our organic fluid milk cartons to the fully renewable cartons by 2025.

As a next step in this process, in 2021, we announced our intent for the first PCR (post consumer recycled plastics) gallon milk jugs in the U.S. Starting with 30% PCR content, we made the commitment to increase the PCR content across all of our organic gallon milk jugs, also by 2025. These are inspiring innovations for our industry, and we will continue to update you; in the meantime, look out for the organic gallon milk PCR jug on grocery store shelves now...and don't forget to Recycle The Jug.

In addition to these environmentally-friendly packaging updates, we also continued to dig deeper into regenerative agriculture. We donated \$25k to the nonprofit Zero Foodprint to support regenerative farming projects in California. Zero Foodprint selected Clover's Perucchi Dairy farm as a recipient of a Restore California grant that helped fund range planting and 350 tons of compost application across 25 acres. Implementing these regenerative farming practices on farm jump starts soil biology, which is expected to transform 810 tons of atmospheric carbon into healthy soil carbon over the coming years; equivalent to not burning 90,000 gallons of gas! Atmospheric carbon is equivalent to more than two million miles driven by an average passenger vehicle.

We recently completed an emissions inventory for our company, and are working on setting goals for reduction. As always, we remained true to our Clover Promise of Excellence and our B Corp pledge, elevated our commitment to creating dairy with integrity, and expanded our focus as a force for good. We supported many wonderful nonprofits and causes that elevate dairy, empower future generations, or support our community through our Clover Cares Program and continued to educate and incorporate the J.E.D.I Collaborative (Justice. Equity. Diversity. Inclusion) purpose into our culture and as a business.

In the Impact Report that follows, you'll learn more about the actions we took in 2021. We are looking forward to returning to a sense of normalcy in 2022 and are hopeful for lighter times as we continue to strive to be better.



*A letter from
Marcus Benedetti*

CLOVER SONOMA CHAIRMAN OF THE
BOARD & THIRD GENERATION OWNER



DOING BUSINESS THE B CORP WAY

Since 2016, we've been a part
of something bigger.

As part of the B Corp community of businesses (that includes 4,000+ global companies!), we're proud to be balancing purpose with profit.

B Corp businesses are legally required to consider the impact of their decisions on their workers, customers, suppliers, community, and the environment. B Corp scores are based on the sum of five rated categories: Community, Environment, Workers, Governance and Customers.

Take a look!

Through the B Corp framework, we've implemented new initiatives, and more importantly, seen significant results!

*Scores may not add up to 100.5 due to rounding of categories.



COMMUNITY 31.6

Diversity, Equity & Inclusion	4.7
Economic Impact	3.7
Civic Engagement & Giving	4.2
Supply Chain Management	9
Local Economic Development	9.8

ENVIRONMENT 26.3

Environmental Management	3.6
Air & Climate	5.1
Water	1.8
Land & Life	4.5
Land/Wildlife Conservation	4.1
Toxin Reduction/Remediation	6.1

WORKERS 24.6

Financial Security	10.1
Health, Wellness & Safety	8.9
Career Development	2.1
Engagement & Satisfaction	3.4

GOVERNANCE 14.2

Mission & Engagement	1.4
Ethics & Transparency	2.8
Mission Locked	10

CUSTOMERS 3.5

Customer Stewardship	3.5
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TOTAL 100.5*

QUALIFYING B CORP SCORE: 80

Certified



Corporation

CLOVER *and the* COMMUNITY



We hosted a Giving Tuesday Community Giveaway Drivethru in our parking lot and **gave away milk and smoothies to over 400+ households.**



FEAST

FOOD • EDUCATION • ACCESS
SUPPORT • TOGETHER

Partnered with FEAST on a shared mission to **support families in South and Central LA** through nutrition education, access to healthy foods, and social support.



WHAT WE ACCOMPLISHED IN 2021

We donated a total of

\$810,000

TO OVER 175 ORGANIZATIONS

fulfilling our commitment
to give back at least 5%
of our profits to
our community.

Total Monetary Giving:

\$418,000

Clover Cares Pillars

Elevating Dairy: **29%**

Empowering
Future Generations: **37%**

Community Support: **34%**

Total Product Donations:

\$392,000

Donated hundreds of pounds of
product to causes that support
**underprivileged and those
experiencing food insecurity.**

Expanded our support for the J.E.D.I. Collaborative

Made monetary donations totalling
\$45,000 to LaCocina, Miry's List,
and Californians for Justice during
Giving Tuesday in support of justice,
diversity, equity and inclusion.



MIRY'S LIST

**1880+ units of milk and
smoothies** donated to Second
Harvest Foodbank in partnership
with the 49ers Foundation.



**Over \$275k in
product was
donated** to feed our
own backyard
through the
Redwood Empire
Foodbank.



Supported Operation BBQ Relief
/Guy Fieri Foundation with
**enough butter to provide 5000
Thanksgiving meals** to first
responders, residents and people
in need who have been impacted
by wildfires in Northern California.



CLOVER *and the* COMMUNITY

WHAT WE HAVE PLANNED FOR 2022

1

Continue to balance our giving with our three Clover Cares pillars.

2

Give back to more farm and environment-centered nonprofits like regenerative agriculture and research conservation districts.

3

Support more causes that focus on diversity, equity and inclusion, and building better futures for the underprivileged in accordance with our JEDI mission.

4

Coming out of our Materiality Assessment we are also looking at ways to support more causes that help the underprivileged and food insecure



CLOVER *and the* ENVIRONMENT

WHAT WE ACCOMPLISHED IN 2021



Announced Clover as **THE FIRST** in the **U.S.** to use **PCR** (post consumer recycled content) in our organic milk jugs.

Starting with 30% PCR content on our organic gallon milk line, the company commits to increasing the PCR content and extending PCR content use across all Clover Sonoma gallon milk jugs by 2025.



*Continued the rollout of the **FIRST RENEWABLE MILK CARTON IN THE U.S.***

Including Organic Half Gallons and Quarts, and Conventional UHT Half Gallons. With a 100% plant based liner, this carton has a 16% smaller carbon footprint vs. traditional cartons. Furthermore, we are planning to convert all of our retail cartons to the renewable carton by 2025. In 2021, we dedicated our H1 Advertising Campaign to education around this effort in conjunction with American Humane.



We gave back
1% TO THE PLANET

Through our partnership with 1% for the Planet, we gave back over \$7360 to the Plastic Pollution Coalition; a non-profit fighting to eliminate plastic waste through sales of our Omega-3 milk.



Continued to explore
REGENERATIVE AGRICULTURE

Engaged our local dairies to identify ways to implement regenerative agriculture practices, reduce emissions and recapture carbon in the soil, and start the process of carbon farm planning on our organic dairies.



PLASTIC BALER Progress

With our 2020 investment of a plastic baler, we continued to reduce plastic waste at our Processing Plant. Clover's balers recycled 117,036 lbs of plastic in 2021.



ANIMAL WELFARE STANDARDS *and Education*

Continued education and awareness around what it means to be American Humane Certified and why it matters. We dedicated our H1 Advertising Campaign to education around this effort in conjunction with the announcement of our renewable carton.



Conducted a **GHG EMISSIONS INVENTORY and ANALYSIS**

Updated manure management and farm emissions in 2021 using Cool Farm Tool. Collected farm level data to improve the quality of emissions inventory coming from our dairies, and identify areas of opportunity for further GHG emission reductions on farm.

SUPPORTED

ZERO FOOTPRINT'S RESTORE CALIFORNIA GRANT PROGRAM

Donated \$25,000 to the nonprofit Zero Foodprint's efforts to fund regenerative farming projects in California. Zero Foodprint selected Clover Sonoma's Perucchi Dairy farm as a recipient of a Restore California grant that will pay for range planting and 350 tons of compost application across 25 acres. Implementing regenerative farming there will jumpstart soil biology, which is expected to transform 810 tons of atmospheric carbon into healthy soil carbon over the coming years; equivalent to not burning 90,000 gallons of gas! Atmospheric carbon is equivalent to more than two million miles driven by an average passenger vehicle.



CLOVER *and the* ENVIRONMENT

WHAT WE HAVE PLANNED FOR 2022 AND THE FUTURE!

TRANSITION

ALL OF OUR
cartons

to fully renewable by 2025 and innovate more eco-friendly packaging, including incorporating more post consumer recycled plastic.

ENGAGE

WITH OUR
family farms

to identify ways to reduce emissions and recapture carbon in the soil. Stay tuned for more exciting news on our efforts in 2022!

EXPLORE

our facilities for
SUSTAINABILITY
IMPROVEMENTS

and develop reduction targets for energy and water use.

EDUCATE

Clover employees
ON COMPOSTING
PRACTICES

and implement a composting program at all Clover facilities.

CLOVER *and our* WORKERS

WHAT WE ACCOMPLISHED IN 2021

Incorporated more J.E.D.I. COLLABORATIVE concepts into Clover culture

Realizing diversity and inclusion is imperative to any company culture, we became an early adopter of this program and continue to implement.

Recorded 200 EMPLOYEE POWER HOURS & Awarded 8, \$250 POWER HOUR GRANTS on behalf of employee volunteerism

Our employees continued to demonstrate commitment to the community, and volunteer hours. We donated \$2,000 to employee charity of choosing.

Shifted to a REMOTE/HYBRID WORK ENVIRONMENT wherever possible

We shifted to a hybrid work environment with two days in the office for those who can remotely work from home.

Conducted MATERIALITY ASSESSMENT SURVEYS

Clover conducted surveys with external stakeholders (copackers, retailers, consumers, dairy producers) and internal stakeholders (employees) to create a materiality assessment matrix. This materiality assessment matrix will help Clover prioritize issues that have the most impact on the economy, society and the environment

Celebration of our EMPLOYEES & ESSENTIAL WORKERS

Bring in surprise lunches, created gifts to enjoy at home in place of annual summer picnic and holiday party. We gave away 300 turkeys to Clover employees for Thanksgiving celebration. We had a virtual cooking class during 2nd year of pandemic with Shark Tanks, Truffle Shuffle. We hosted a drive-in movie with donuts for employees and families during the pandemic.



CLOVER *and our* WORKERS

WHAT WE HAVE PLANNED FOR 2022

COME TOGETHER *Around Community*

Encourage volunteering, refresh Power Hours Program and head out into the community together as pandemic safety restriction circumstances allow.

Expand RECOGNITION PROGRAMS

Continue to engage employees through a variety of programs, including celebrating life events (i.e. new baby welcome gifts) and recognizing long-tenured employees.

Continued TRAINING AND DEVELOPMENT

Implement engaging "Lunch & Learns" where speakers address relevant topics to employees. Conduct operations Manager Trainings, and incorporate diversity and inclusion into harassment training.

Launching a new "CloZen" PROGRAM

"CloZen" supports employee mental health by offering up to \$2,400 in reimbursement annually to cover things like counseling and therapy.

Refresh the EDUCATION and importance of being a B CORP

Communicate regularly about what Clover is doing to use business as a force for good.



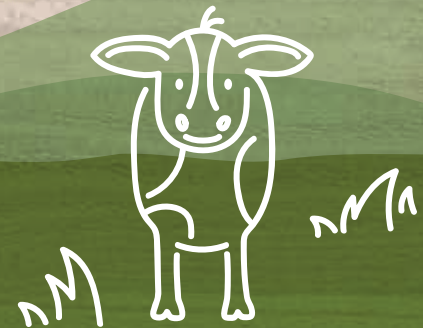
CLOVER *and* GOVERNANCE

In 2021, we launched our first-ever Materiality Assessment we will be building a roadmap to cover Material Issues and create an Impact Strategy

Materiality Assessments ensure we prioritize issues that have the most impact on the economy, society and the environment, and that most influence the decision making of our stakeholders, including dairy producers, distributors, retailers, contract manufacturers, packaging and ingredient suppliers, nonprofit partners, employees, and customers. The relevant topics we identified as most important and essential to report and act on include:

- 1 *Product Quality & SAFETY*
- 2 *Business Ethics & RESPONSIBLE LEADERSHIP*
- 3 *Family Farms & ANIMAL CARE*
- 4 *Health Nutrition & CONSUMER WELL-BEING*
- 5 *Company CULTURE*

THROUGHOUT 2022, WE'LL CONTINUE TO ALIGN AND SHARE PROGRESS AGAINST THESE PRIORITIES IN A WAY THAT BEST SUPPORTS THE SUCCESS OF STAKEHOLDERS.



We can't wait to share
MORE GOOD THINGS
WITH YOU IN 2022!

