



Clover Sonoma

Disclosure Report

Date Submitted: May 1st, 2023



Disclosure Materials

Certified B Corporations must complete a Disclosure Questionnaire to identify potentially sensitive issues related to the company (e.g. historical fines, sanctions, material litigation, or sensitive industry practices).

This component does not affect the company's score on the B Impact Assessment. If the company answers affirmatively to any items in the Disclosure Questionnaire that B Lab deems relevant for public stakeholders, then, as a condition of their certification, the company must:

- 1) Be transparent about details of the disclosure issues identified on the company's public B Impact Report
- 2) Describe how the company has addressed this issue
- 3) Demonstrate that management practices are in place to avoid similar issues from arising in the future, when necessary.

In all cases, the Standards Advisory council reserves the right to refuse certification if the company is ultimately deemed not to uphold the spirit and integrity of the community.

In addition to the voluntary indication of sensitive issues in the Disclosure Questionnaire, companies pursuing Certification also are subject to a background check by B Lab staff. Background checks include a review of public records, news sources, and search engines for company names, brands, executives/founders, and other relevant topics.

Sensitive issues identified through background checks may or may not be within the scope of questions in the Disclosure Questionnaire, but undergo the same review process and are subject to the same possible review by the Standards Advisory Council, including ineligibility for B Corp Certification, required remediation, or disclosure.

This document contains a copy of the company's completed Disclosure Questionnaire and related disclosure documentation provided by the company



Disclosure Questionnaire

Industries and Products

	Yes	No
Please indicate if the company is involved in production or trade in any of the following. Select Yes for all options that apply.		
Animal Products or Services	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Biodiversity Impacts	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Chemicals	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Disclosure Alcohol	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Disclosure Firearms Weapons	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Disclosure Mining	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Disclosure Pornography	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Disclosure Tobacco	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Energy and Emissions Intensive Industries	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Fossil fuels Gambling	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Genetically Modified Organisms	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Illegal Products or Subject to Phase Out	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Industries at Risk of Human Rights Violations	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Monoculture Agriculture	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Nuclear Power or Hazardous Materials	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Payday, Short Term, or High Interest Lending	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Water Intensive Industries	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Tax Advisory Services	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Outcomes & Penalties

	Yes	No
Please indicate if the company has had any formal complaint to a regulatory agency or been assessed any fine or sanction in the past five years for any of the following practices or policies. Check all that apply.		
Anti-Competitive Behavior	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Breaches of Confidential Information	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Bribery, Fraud, or Corruption	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Company has filed for bankruptcy	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Consumer Protection	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Financial Reporting, Taxes, Investments, or Loans	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Hazardous Discharges Into Air/Land/Water (Past 5 Yrs)	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Labor Issues	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Large Scale Land Conversion, Acquisition, or Relocation	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Litigation or Arbitration	<input type="checkbox"/>	<input checked="" type="checkbox"/>
On-Site Fatality	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Penalties Assessed For Environmental Issues	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Political Contributions or International Affairs	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Recalls	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Significant Layoffs	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Violation of Indigenous Peoples Rights	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Other	<input type="checkbox"/>	<input checked="" type="checkbox"/>



Practices

	Yes	No
Please indicate if the following statements are true regarding whether or not the company engages in the following practices. Check all that apply. If the statement is true, select "Yes." If false, select "No."		
Animal Testing	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Company/Suppliers Employ Under Age 15 (Or Other ILO Minimum Age)	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Company prohibits freedom of association/collective bargaining	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Company workers are prisoners	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Conduct Business in Conflict Zones	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Confirmation of Right to Work	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Does not transparently report corporate financials to government	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Employs Individuals on Zero-Hour Contracts	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Facilities located in sensitive ecosystems	<input type="checkbox"/>	<input checked="" type="checkbox"/>
ID Cards Withheld or Penalties for Resignation	<input type="checkbox"/>	<input checked="" type="checkbox"/>
No formal Registration Under Domestic Regulations	<input type="checkbox"/>	<input checked="" type="checkbox"/>
No signed employment contracts for all workers	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Overtime For Hourly Workers Is Compulsory	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Payslips not provided to show wage calculation and deductions	<input type="checkbox"/>	<input checked="" type="checkbox"/>

	Yes	No
Sale of Data	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Tax Reduction Through Corporate Shells	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Workers cannot leave site during non-working hours	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Workers not Provided Clean Drinking Water or Toilets	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Workers paid below minimum wage	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Workers Under Bond	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Other	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Supply Chain Disclosures

	Yes	No
Please indicate if any of the following statements are true regarding your company's significant suppliers.		
Business in Conflict Zones	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Child or Forced Labor	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Negative Environmental Impact	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Negative Social Impact	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Other	<input type="checkbox"/>	<input checked="" type="checkbox"/>



Disclosure Questionnaire Statement

Disclosure Questionnaire Category: Environmentally Intensive Industries - Animal Products and Services

Topic	Animal Products and Services
Summary of Issue	Clover Sonoma, formerly Clover Stornetta Farms, is a third-generation family-owned and operated dairy company located in Sonoma County, California, along the Pacific coast in Northern California.
Size/Scope of Issue (e.g. \$ financial implication, # of individuals affected)	<p>95% of annual revenue comes from animal products.</p> <p>The company does not have any cattle. They have approx. 30 producers with herds of about 400 milking cows on average (compared to California's average herd size of 1,200 cows).</p>
Impact on Stakeholders	<p>The sale or use of animal products and animal-related services by businesses poses a risk to the humane treatment of animals if adequate management practices are not in place.</p> <p>Large dairy operations can have adverse impacts on the environment (greenhouse gas emissions due to high methane concentration) and animal welfare concerns due to the large number of cows being confined or not able to express normal behaviors.</p>
Implemented Management Practices	All of Clover Sonoma's producers meet the American Humane Certified standard for dairy animal welfare. Additionally, the company regularly site visits their producers and annual third-party audits are conducted to ensure these practices are being followed. Since 2000, 100% of the company's dairies AHA certified. Their dairy producers employ the best methods for their specific farms and terrain, including rotational grazing, growing their own silage, etc.
Management Comments	<p>https://cloversonoma.com/our-promise/humane-milk/</p> <p>https://cloversonoma.com/press/clover-sonoma-celebrates-20-years-as-an-american-humane-certified-dairy/</p>



Disclosure Questionnaire Statement

Disclosure Questionnaire Category: Environmentally Intensive Industries - Biodiversity Impact

Topic	Biodiversity Impact
Summary of Issue	As a dairy food product manufacturer, Clover Sonoma operates in an industry in which biodiversity impact is a material environmental issue. Dairy products are purchased from third-party, family owned dairy farms; the company does not own any cattle.
Size/Scope of Issue (e.g. \$ financial implication, # of individuals affected)	Approx 64% of the company's supplier expenditures comes from animal farms (milk/dairy) They have approx. 30 producers with herds of about 400 milking cows on average (compared to California's average herd size of 1,200 cows).
Impact on Stakeholders	Approx 64% of the company's supplier expenditures comes from animals farm (milk/dairy) Agriculture poses a risk to local ecosystems of flora and fauna as well as the potential degradation of cultivated land.
Implemented Management Practices	<p>Clover works directly with 30 dairy farms that manage over 24,000 acres in a regenerative way. These dairies practice rotational grazing, no-till planting, and utilize volunteer/native grasses on 58% of that land. They manage their manure closely to prevent contamination of local waterways. They test their soil for organic material and maintain perennial plants.</p> <p>The company has an internal vetting of any new potential contracted dairies that include site visits, records reviews, humane audits, and visual inspections of animals, pastures, and facilities. Additionally, the company does regular site visits throughout the year to ensure contracted suppliers continue to comply with the company's expectations.</p>



Disclosure Questionnaire Statement

Disclosure Questionnaire Category: Environmentally Intensive Industries - Water Intensive Industries

Topic	Water Intensive Industries
Summary of Issue	<p>As a dairy product manufacturer, Clover Sonoma operates in an industry that is water intensive.</p> <p>The dairy industry uses water in two main ways:</p> <ol style="list-style-type: none">1) On farms to grow crops and to feed dairy cows;2) At the dairies and in operations to clean equipment.
Size/Scope of Issue (e.g. \$ financial implication, # of individuals affected)	<p>95% of the company's revenue comes from the product or service related to water-intensive use.</p> <p>The company uses 1.01 gallons of water per gallon of milk.</p>
Impact on Stakeholders	<p>As a water-intensive industry, animal agriculture poses risks such as water stress or depletion of local water sources if water use is not appropriately managed.</p> <p>The company is located in the state of California, which experiences periods of drought. According to the Water Risk Atlas, the company is specifically located in a Low-Medium Water Stress Region in the state of California (https://bit.ly/3Np4MGM).</p> <p>The company is water supplied by the city of Petaluma and considers to be a significant user in this city.</p>
Implemented Management Practices	<p>Over the past 7 years, Clover has focused on reducing water usage through adjustments to its practices and investing in infrastructure. The company was able to reduce water by over 15% over that time period saving over 21 million gallons of water.</p> <p>The company has invested in:</p> <ul style="list-style-type: none">• a new silo hall to utilize tankers differently;• a new sanitizer to eliminate unnecessary rinse steps, optimize rinse times for equipment washes <p>In addition, the company reclaims post-rinse water for other</p>

	<p>uses.</p> <p>Clover Sonoma's current target (2023) is a 1% reduction in water use from the previous year (2022).</p> <p>The company compares itself with others in the industry in terms of water usage and/or management, the company uses the ratio of water to milk metric to be expected at 1.0.</p>



Disclosure Questionnaire Statement

Disclosure Questionnaire Category: Environmentally Intensive Industries - Energy and Emissions Intensive Industries

Topic	Energy and Emissions Intensive Industries
Summary of Issue	As a dairy product manufacturer, Clover Sonoma operates in an industry in which energy and carbon emissions is a material environmental issue.
Size/Scope of Issue (e.g. \$ financial implication, # of individuals affected)	<p>95% of the company's revenue comes from the product or service related to energy-intensive use</p> <p>In terms of the carbon footprint, the main contributors for scope 1 & 2 emissions are:</p> <ul style="list-style-type: none">• Diesel = ~55%• Natural Gas = ~20%• Electricity = ~25% <p>For scope 3, 95% of the overall emissions are related to dairy emissions, packaging emissions, and transport of ingredients and packaging.</p>
Impact on Stakeholders	Food production and animal agriculture involves both carbon sequestration during the growth of pastures and feed for the animals, as well as carbon emissions from enteric methane, manure, and the burning of fossil fuels for transport and daily operations.
Implemented Management Practices	<p>The company:</p> <ul style="list-style-type: none">• measures its emissions and tracks their reduction progress;• optimizes routes to minimize wasted diesel fuel;• optimizes ordering to minimize deliveries of packaging and ingredients;• optimizes operations to minimize wasted boiler heat. <p>The company completed a full GHG summary in 2019 and use it as the company's baseline to compare to current progress and it has set a 2023 target of 1% overall CO₂e reduction for Scope 1,2,&3.</p> <p>Additionally, the company compares its overall GHG impact against other dairy companies that publicly share their data like Tillamook and Organic Valley.</p>