McCarty Family Farms

Disclosure Report

Date Submitted: January 30th, 2024

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 of or trade in any of the following. Select Yes for all options that apply.		
Animal Products or Services	☑	☐
Biodiversity Impacts	☑	☐
Chemicals	☐	☑
Disclosure Alcohol	☐	☑
Disclosure Firearms Weapons	☐	☑
Disclosure Mining	☐	☑
Disclosure Pornography	☐	☑
Disclosure Tobacco	☐	☑
Energy and Emissions Intensive Industries	☑	☐
Fossil fuels Gambling	☐	☑
Genetically Modified Organisms	☐	☑
Illegal Products or Subject to Phase Out	☐	☑
Industries at Risk of Human Rights Violations	☐	☑
Monoculture Agriculture	☐	☑
Nuclear Power or Hazardous Materials	☐	☑
Payday, Short Term, or High Interest Lending	☐	☑
Water Intensive Industries	☑	☐
Tax Advisory Services	☐	☑

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	☐	☑
Breaches of Confidential Information	☐	☑
Bribery, Fraud, or Corruption	☐	☑
Company has filed for bankruptcy	☐	☑
Consumer Protection	☐	☑
Financial Reporting, Taxes, Investments, or Loans	☐	☑
Hazardous Discharges Into Air/Land/Water (Past 5 Yrs)	☐	☑
Labor Issues	☐	☑
Large Scale Land Conversion, Acquisition, or Relocation	☐	☑
Litigation or Arbitration	☐	☑
On-Site Fatality	☐	☑
Penalties Assessed For Environmental Issues	☐	☑
Political Contributions or International Affairs	☐	☑
Recalls	☐	☑
Significant Layoffs	☐	☑
Violation of Indigenous Peoples Rights	☐	☑
Other	☐	☑

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	☐	☑
Company/Suppliers Employ Under Age 15 (Or Other ILO Minimum Age)	☐	☑
Company prohibits freedom of association/collective bargaining	☐	☑
Company workers are prisoners	☐	☑
Conduct Business in Conflict Zones	☐	☑
Confirmation of Right to Work	☐	☑
Does not transparently report corporate financials to government	☐	☑
Employs Individuals on Zero-Hour Contracts	☐	☑
Facilities located in sensitive ecosystems	☐	☑
ID Cards Withheld or Penalties for Resignation	☐	☑
No formal Registration Under Domestic Regulations	☐	☑
No signed employment contracts for all workers	☐	☑
Overtime For Hourly Workers Is Compulsory	☐	☑
Payslips not provided to show wage calculation and deductions	☐	☑
Sale of Data	☐	☑
Tax Reduction Through Corporate Shells	☐	☑
Workers cannot leave site during non-working hours	☐	☑
Workers not Provided Clean Drinking Water or Toilets	☐	☑
Workers paid below minimum wage	☐	☑
Workers Under Bond	☐	☑
Other	☐	☑

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	☐	☑
Child or Forced Labor	☐	☑
Negative Environmental Impact	☐	☑
Negative Social Impact	☐	☑
Other	☐	☑

Disclosure Questionnaire Statement

Disclosure Questionnaire Category: Environmentally Intensive Industries

Issue Date	January 2020
Topic	Water Intensive Industry - Dairy Farm
Summary of Issue	Agriculture and food production is highly dependent on clean water. In milk production, water is relied on for proper cow nutrition and to maintain clean facilities. Because of the need for large amounts of water in food and agriculture production, it is imperative that water is used in the most sustainable and responsible way possible.
Size/Scope of Issue ***(e.g. $ financial implication, # of individuals affected)***	Mc Carty Family Farms house, feed and milk around 10,000 dairy cows. Each cow requires around 40 gallons of water each day. In addition to hydration for the cows, water is also used to clean the barns and milking parlors as well as to irrigate the cropland, when needed.
Impact on Stakeholders	Food agriculture production remains a large sector for water use and in some cases can lead to negative environmental impacts when natural resources like water are not managed properly. Some production challenges also include the risk of potential water pollution from mishandling of manure, pesticides or fertilizers. The company sources their water from the Ogallala-High Plains Aquifer. Every gallon of water that is pumped from the aquifer is metered and reported to the state and is public record. Every drop of water that hits the dairy is contained onsite on and we also report rainwater, flush water and application rates.
Implemented Management Practices	The company works with Select Sires to breed for superior genetics and highly productive cows. They also work with dairy nutritionists to create balanced diets for the cows ensuring they get the exact nutrients they need to efficiently turn their water and feeds into high quality milk. The cows currently produce about 92 lbs of milk each day which is about 30 percent higher than the national production average. The company has a bespoke milk condensing plant on site. They reclaim the water contents from the yogurt making process to irrigate on their fields while sending the “condensed milk” on to their end customer. This also helped reduce the amount of

	trucks needed to haul their product by about 75% which reduces fuel use and water that would be needed to clean the additional trucks. The company uses clean water to wash the milking facilities, from there the "gray water" is collected and used to flush the barns clean, the water now mixed with cow urine and manure then goes through their manure separator system. Through the manure separation process the liquid manure is now considered a low-nutrient water that is then used to irrigate their cropland when needed. They also collect and store rainwater runoff from the dairy and fields in a pond to be utilized for crop irrigation as well. They implement a soil health program that also helps reduce water consumption. When soil is healthy it becomes more resilient to drought and flooding because of its water absorption abilities. Utilizing manure as an organic fertilizer also helps soil retain moisture. The company actively participates in 3rd party evaluations and programs that help to optimize water technologies to continually lessen overall water use. MFF is a water technology farm and works with the Kansas Water office on a variety of programs to implement innovative water conservation practices and best practices among the dairy industry. https://kwo.ks.gov/projects/mccarty-dairy. This is a state run program and they have also signed a WCA- Water Conservation Agreement which is a voluntary agreement to reduce their overall water use. The McCarty Farm irrigation fields participate in the GMD4 LEMA, where action was taken by the local groundwater board members to reduce water use across their district. More information on the GMD4 LEMA can be obtained here http://gmd4.org/. They also enlist the help of EcoPractices to conduct an assessment on their water use and overall environmental impact. https://mccartyfamilyfarms.com/sustainable-agriculture/ After each annual evaluation from EcoPractices, the goal is to improve upon their practices each year.

Disclosure Questionnaire Statement

Disclosure Questionnaire Category: Environmentally Intensive Industries

Issue Date	Ongoing
Topic	Energy and Emissions Intensive Industry
Summary of Issue	As a dairy processing company, Mc Carty Family Farms operates in an energy intensive industry with milk processing and transportation being the most energy intensive processes in their operations. While they don't own or operate any dairy farms, 100% of their revenue comes from animal products and therefore have set targets for the reduction of emissions on and off farm.
Size/Scope of Issue ***(e.g. $ financial implication, # of individuals affected)***	Mc Carty Family Farms house, feed and milk around 10,000 dairy cows.
Impact on Stakeholders	The carbon emissions associated with their operations and their contribution to climate change along with air pollution and associated health impacts of air quality are the potential impacts of their energy intensity.
Implemented Management Practices	Mc Carty Family Farms works with bovine genetics specialists to ensure each generation of cows is even better and more efficient than its previous generation which allows for a higher performing cow resulting in more milk from fewer cows requiring fewer resources overall. The cows are housed within just a few miles of where the majority of their feed is grown, which also cuts down on transportation, and the corn is ground onsite. Implementing regenerative ag practices on their cropland also helps with carbon sequestration. MFF uses no-till, cover crops, buffer strips, grid soil sampling, precision irrigation and soil moisture probes. By using practices like no-till farming and precision irrigation they also cut down their farm equipment use in the fields. In the barns, they use variable rate frequencies to run their cooling equipment, this is all dependent on the humidity and temperatures. Meaning they adjust automatically for actual data. In dairy farming, it is uncommon for barns to be insulated. They insulated the ceilings to help maintain and control temperatures with less resources. They also use polycarbonate siding that allows for more natural sunlight in reducing lighting needs. 100 percent of their lighting is LED, this also includes their offices

	that are all on censors. They use sand bedding in the barns. This allows them to clean the bedding and reuse it which cuts down on delivery. They also can collect the manure from the sand and send it through their manure separation system and add it back to their fields to fertilize and support organic matter in the soil and reduce the use of commercial fertilizers.

Disclosure Questionnaire Statement

Disclosure Questionnaire Category: Environmentally Intensive Industry

Issue Date	Ongoing
Topic	Biodiversity Impacts
Summary of Issue	Feed production for dairy farming can potentially decrease biodiversity if not managed properly with regenerative agricultural practices.
Size/Scope of Issue ***(e.g. $ financial implication, # of individuals affected)***	Mc Carty Family Farms house, feed and milk around 10,000 dairy cows.
Impact on Stakeholders	Agriculture, particularly in cases where a single crop is cultivated at a time, poses a risk to local ecosystems of flora and fauna as well as the potential degradation of cultivated land.
Implemented Management Practices	The company has an established conservation plan with the Natural Resources Conservation Service (NRCS) and implement the following to ensure they are retaining and improving their biodiversity: -Crop Rotation(CPS Code 328) -Structures for Wildlife (CPS Code 649) -Upland Wildlife Habitat Management (CSR Code 645) They utilize regenerative farming practices like no-till farming, cover crops, crop rotation and buffer strips. They work to leverage the power of plants to keep carbon in the soil, increase soil's water retention abilities, and increase overall organic matter in soil while limiting the need for synthetic fertilizers and fossil fuels. In 2018, they transitioned all their acres to 100% Non-GMO. They also implemented wetland areas, added new trees and installed bird, duck, bat and insect homes around the dairy farm. They enlist the help of Eco Practices to help monitor and measure their biodiversity impact. They utilize the COOL farm tool https://coolfarmtool.org/coolfarmtool/biodiversity/ Data Inputs within the Cool Farm TOOL include the following:

	• The total area of the farm, including non-productive land. • General information about crop protection management, green manure crops and soil cultivation. • Area (ha), OR length and width (m), of small or linear habitats including: • Grassy verges along roads or tracks • Field corners and margins managed for wildlife • Hedgerows • Solitary trees, widely spaced avenues of trees or woodland patches • Water courses (including ditches, field drains, streams) • Ponds and pools • Area (ha) of any larger pieces of semi-natural habitat managed for nature conservation (woodland, grassland or heath, or wetland areas greater than 1 ha).

Disclosure Questionnaire Statement

Disclosure Questionnaire Category: Disclosure Industries

Topic	Animal Products or Services
Summary of Issue	Mc Carty Family Farm is a dairy farm earning a material amount of revenue from animal products.
Size/Scope of Issue ***(e.g. $ financial implication, # of individuals affected)***	100% of Mc Carty Family Farm's revenue comes from dairy-based products.
Impact on Stakeholders	Large dairy operations can have adverse impacts on the environment (greenhouse gas emissions due to high methane concentration) and animal welfare concerns due to large numbers of cows being confined or not able to express normal behaviors.
Implemented Management Practices	Mc Carty Family Farm are the first and only dairies to receive all four certifications from Validus. Validus is a stringent evaluation for dairy cow welfare and other best practices. The cows live in six tunnel-ventilated freestall barns that are furnished with sand bedding, misters and fans to keep them cool and even cow brushes to scratch their backs. The company works with experts in animal health and nutrition to ensure that their cows have everything they need from balanced and nutritious diets to veterinarian care. Each cow has her own activity tracker that monitors her activity 24 hours a day and uses a 3rd party surveillance system that ensures all employees are also following animal welfare protocols. Mc Carty Family Farms is regularly audited by Validus and FARM, third-party experts in Animal Welfare.