



SUSTAINABILITY REPORT

2019





A Message from Albert Straus

I'm excited to share our 2019 sustainability report. Due to the advancement of our sustainability program and reporting over the last decade, we can now quantify, measure, and illustrate our environmental mitigation impact, and share our progress. Before I founded Straus Family Creamery in 1994, my family and I had aspirational goals around sustainable organic farming and food production. Over the last 25 years, we've come closer to these goals, including the goal of a carbon-neutral farming model that we hope to implement on the Straus Dairy Farm by 2022. We could not have come this far without the communities who have supported our mission to sustain family farms in Marin and Sonoma Counties through purchasing high-quality organic dairy products.

As we celebrated our 25th year in business last year, we continued to support the organic farming community, climate-smart innovation in dairy production, and independent family farms and rural communities. In 2019, organic farming practices and small-scale artisan dairy production remained as critical to the survival of family farms as they were in 1994.

Last year we welcomed three new next-generation dairy farms as independent organic milk producers for Straus Family Creamery. These three family farms help support our mission to sustain family farms in Marin and Sonoma Counties. With the addition of these new farms, we have a total of 12 certified organic family farms that supply us milk.

Organic farming practices are foundational to our sustainability efforts. I believe organic dairy farming can be a primary solution to climate change and that sustainable organic agriculture can create economically viable opportunities for dairy farmers. This report highlights our progress towards a climate-positive future in dairy farming and food production.

We look forward to continued progress, producing high quality organic dairy products while having a positive impact on our planet and community. Thank you to our sustainability team – Joseph Button and Beatrix Scolari – for developing an excellent sustainability report demonstrating our progress.

Albert Straus, Founder/CEO
strausfamilycreamery.com
June 2020
Petaluma, California



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Reflecting On 25 Years of Environmental Leadership

Our Founder and CEO, Albert Straus, started the company in 1994 with a vision for creating high quality, organic dairy products using sustainable farming and manufacturing practices. Straus Family Creamery was the first 100% organic creamery in the United States, sourcing milk from Albert's own dairy farm, processing it gently to preserve its flavor and nutritional benefits, and packaging it in reusable glass bottles to avoid waste. As Straus Family Creamery has grown over the last 25 years, our vision for sustainability has expanded to powering our operations with renewable energy, diverting 93% of our manufacturing waste stream away from landfill, and striving to create a model for dairy farming with net zero emissions. While our sustainability goals are always evolving, our mission remains the same. Straus Family Creamery is committed to sustaining family farms in Marin and Sonoma Counties by providing high quality, minimally processed, organic dairy products, and to supporting family farming and revitalizing rural communities everywhere through advocacy and education. In 2019, we advanced this mission by welcoming three new farming families to our local supplier network. These young farmers represent the future of organic dairy farming in our community, and Straus Family Creamery is proud to collaborate with them. We also secured a new manufacturing location in Sonoma County, which will enable us to expand our operations while remaining local.

This report describes Straus Family Creamery's sustainability achievements in 2019 and celebrates our 25-year legacy of environmental leadership. We hope to continue leading the way in sustainable organic farming and food production for many years to come. Thank you to our supplier farms, our employees, and our customers for being part of this journey.



STRAUS MISSION
Sustaining Family Farms

1994: Straus Family Creamery is founded with the mission to sustain family farms and revitalize rural communities.

2014: We begin donating a portion of glass bottle sales to the Marin Agricultural Land Trust to help protect farmland in Marin County.

2019: We welcome three new dairy farms to our supplier network, supporting a total of 12 local, family-owned farms.



ORGANIC FARMING
Building a Better Food System

1994: Straus Family Creamery is the first 100% certified organic creamery in the United States.

2004: The Straus Dairy Farm builds a methane biodigester to generate renewable energy from cow manure.

2013: Albert Straus becomes the first dairy farmer in California to adopt a science-based Carbon Farm Plan for reducing farm emissions in collaboration with the Marin Carbon Project.



FOOD MANUFACTURING
Reducing Our Environmental Impact

1994: The creamery bottles the first batch of premium, minimally-processed, organic milk in reusable glass bottles.

2009: We join the Sustainable Food Trade Association and begin tracking and reporting our greenhouse emissions annually.

2018: We are recognized as the first California Green Certified Food Manufacturer by the CA Green Business Network for our sustainability efforts.

2019 HIGHLIGHTS

- MISSION** Celebrated 25 years of business in pursuit of our mission to sustain family farms.
- FARMS** Welcomed 3 new organic family farms to our local network of dairy farms.
- WASTE** Diverted 93% of waste away from landfill to earn TRUE® Zero Waste Certification.
- ENERGY** Sourced 100% renewable, zero carbon electricity to power the Marshall creamery.
- WATER** Saved 180,000 gallons of water with drought-resilient landscaping at our office.
- PACKAGING** Received 3.2 million glass milk bottles returned by Straus customers to be reused.
- DONATIONS** Provided 22,000 pounds of product to the food bank to feed our neighbors in need.
- COMMUNITY** Donated \$104,000 to mission-aligned organizations to benefit our community.

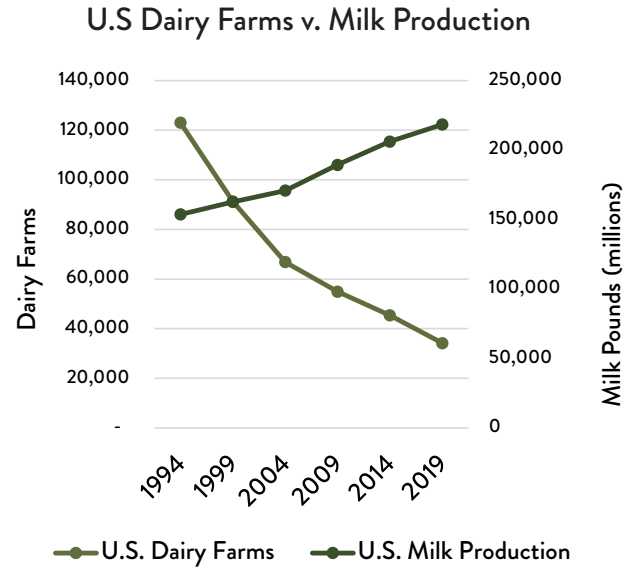


Sustaining Family Farms

After 25 years, our mission is more important than ever.

Straus Family Creamery was founded with the mission to sustain family farms locally and, on a broader scale, to support the revitalization of family farms and rural communities everywhere. Despite the industry challenges, we are proud to say we are delivering on this mission. In 2019, we welcomed three new family farms to our supplier group, helping protect the future of organic dairy farming in rural West Marin. Straus Family Creamery's approach is simple, we seek to build collaborative relationships with our partner farmers and pay them a price that reflects the true cost of production.

When Straus Family Creamery was founded in 1994, there were roughly 120,000 dairy farms across the United States. Today, fewer than 35,000 remain.¹ During this same period, milk production has increased faster than demand - a market imbalance that has contributed to industry consolidation and depressed prices, forcing many small and medium-sized farms out of business.² These farms are a vital thread in the fabric of rural communities, and the dairy crisis is tearing many of these communities apart.



The number of dairy farms in the United States has been in decline in the last 25 years, while milk production continues to increase. The consolidation has forced small, family-owned farms to close.

The U.S. Dairy Economy

Oversupply in the U.S. milk market has caused the price of milk to plummet, forcing farmers to produce more milk to compensate, adding to the surplus. Over time, these market conditions have forced many dairy farmers to give up their family farm and way of life.

- According to USDA analysis, the average milk price received by dairy farmers in 2019 was nearly 16% below the average cost of production.³
- Consolidation and low prices resulted in the loss of more than 3,000 dairy farms across the U.S. last year.⁴
- In the last ten years, the number of dairy farms in the United States has declined by 37%.⁵

Straus Family Creamery's Business Model

Straus Family Creamery balances milk supply and demand to provide our farmers a more stable price, despite market volatility. Our business model prioritizes the financial viability of our partner dairy farms, respecting the vital role of local agriculture in our community.

- In 2019, Straus Family Creamery paid partner farmers an average of \$34.54 per cwt⁶, reflecting the high quality of the milk and organic production costs.
- Three new farms joined our supplier network last year, helping us meet the growth in demand for our products.
- In the last ten years, the number of dairy farms in the Straus network has tripled.⁷

A new generation of organic dairy farmers joins Straus Family Creamery.

In 2019, Straus Family Creamery welcomed three young farming families to our supplier group, supporting the next generation of organic dairy farming in Marin and Sonoma Counties.



SILVA DAIRY

Louis & Marissa Silva
220 acres, 125 Cows

"We both love the lifestyle that agriculture provides, being outside and with family as much as possible. We try really hard to provide the highest quality, best tasting milk. Everyone at Straus is so kind and helpful, we feel really cared for. We also know Albert makes the farmers a priority so the relationship is more personal, which makes a big difference."



JJ'S FAMILY DAIRY

Jayson & Jeremy Spaletta
740 acres, 100 Cows

"My passion for dairy farming came from an early age while working on my family's dairy farm. I am a 5th generation local dairy farmer. It is a demanding but fulfilling life. Straus gave me an opportunity to revive an old dairy facility and go out on my own. I believe in sustainable farming practices to keep the land producing for the next generations to come."



DRAKES VIEW DAIRY

Lianne & William Nunes
860 acres, 85 Cows

"Dairy farming has been in our family for the last 100 years. We were born and raised into it and grew to love it; its in our DNA. It had always been a dream of ours to follow the family's legacy and be a part of the industry so when we had the opportunity to do so, there was no way we were about to turn it down."



The Future of Dairy Farming

Climate change threatens the future of our food supply. To sustain farms and farming communities, we must collectively transform our agricultural system.

The agricultural sector produces 24% of greenhouse gas emissions globally⁸ and 8% here in California,⁹ with two-thirds of these emissions coming from animal agriculture. Our modern food system is unsustainable and the future of food depends on the ability of farmers to adapt and innovate. Emerging science shows that agriculture has the power to reverse global emissions trends by drawing down carbon from the atmosphere and storing it in the soil. Straus Family Creamery believes that organic dairy farming can be a climate change solution, and we are working with the Straus Dairy Farm to develop a climate-smart organic dairy model to prove it's possible.

UNDERSTANDING DAIRY EMISSIONS

A product life-cycle analysis found that the average gallon of milk produced in the U.S. results in 8 kg of greenhouse gas emissions, and 72% of those emissions occur in the feed production and dairy farming stages of the product life-cycle. Together, these two sources of emissions are called "farm-gate emissions." Dairy farm emissions are high because cows naturally produce methane, a greenhouse gas 28 times more potent than carbon dioxide. Enteric emissions, commonly known as "cow burps," are often the single largest source of emissions on the average dairy farm, representing about 35% of total farm-gate emissions. Manure management systems represent 32%, feed crops and forage (grown on the dairy farm and other farms) represent 26%, and fossil fuels and electricity represent 5%. The remaining farm-gate emissions come from a variety of other sources.¹⁰

FEED PRODUCTION

Dairy cows typically consume a diet of assorted grains and grasses, and there are emissions associated with production of these feed crops. Organic dairy farms are pasture-based and use fewer feed grains. However, some nitrous oxide emissions result from spreading manure to fertilize pastures.

ENTERIC EMISSIONS

Enteric emissions are generally the most significant source of emissions on pasture-based dairy farms. These emissions are produced through a natural process called enteric fermentation, in which gut bacteria in the cows' digestive tract help break down the carbohydrates they consume.

MANURE STORAGE

Dairy manure releases methane emissions, but emissions vary in different manure management systems. Anaerobic lagoons, which store manure in liquid form, produce the most emissions. Biodigesters that convert manure into renewable energy are able to dramatically mitigate emissions.

The Straus Dairy Farm has a bold plan to radically reduce its emissions.

Albert Straus believes that organic dairy farming can be a climate change solution, and he is determined to pilot the solution on his own dairy farm in the next three years.

We call it our Big Hairy Audacious Goal – BHAG for short. Straus Family Creamery is partnering with the Straus Dairy Farm to develop a replicable carbon neutral model for organic dairy farming. We are piloting solutions now and aim to achieve our goal by 2022. Our plan to reach net carbon neutrality is to reduce farm emissions to the greatest extent possible and maximize carbon sequestration to neutralize emission sources that cannot be completely eliminated. Most importantly, this model must be replicable. This means that the solutions are financially and operationally feasible for other organic dairy farms. We consider the widespread adoption of climate-smart practices to be the most important measure of success, because the climate crisis demands ambitious action from food producers everywhere.

A CLIMATE-SMART ORGANIC DAIRY MODEL

Our plan to achieve net zero emissions on the Straus Dairy Farm integrates innovative technology with traditional practices of organic agriculture.



The Solution Begins with Organic Agriculture

Organic practices are the foundation of the Straus Dairy Farm's model for carbon neutral dairy farming. Organic dairy farms are pasture-based, reducing emissions associated with feed production and manure management. Organic agriculture also provides many environmental co-benefits, such as enhanced water quality and ecological diversity.¹¹



Methane Biodigester Converts Cow Manure into Renewable Energy

The biodigester on the Straus Dairy Farm takes in manure from the barns and captures the biogas to generate electricity. The farm currently generates 350,000 kWh annually, mitigating most methane emissions from manure storage. In 2019, Straus Family Creamery partnered with a biodigester developer to design a new, more efficient biodigester system. The farm will pilot the technology in 2020.



Seaweed Supplements to Suppress Enteric Emissions

Enteric methane emissions (commonly known as 'cow burps') represent the biggest challenge on the Straus Dairy Farm. These emissions are a natural part of the cows' digestive process, and pasture-fed cows tend to produce more emissions than those on a majority grain diet. To solve this problem, the Straus Dairy Farm is exploring an unusual solution: seaweed! In 2019, the farm received USDA approval to become the first commercial organic dairy farm to trial a red seaweed supplement that could reduce enteric emissions up to 95%.¹² The trial will move forward in 2020.



Electric Farm Equipment to Eliminate Fossil Fuels

The Straus Dairy Farm hopes to eliminate fossil fuel emissions by converting all farm equipment to electric. The farm already uses an electric feed truck powered by renewable electricity from the biodigester. Going forward, the farm hopes to replace its truck and tractor with electric models.



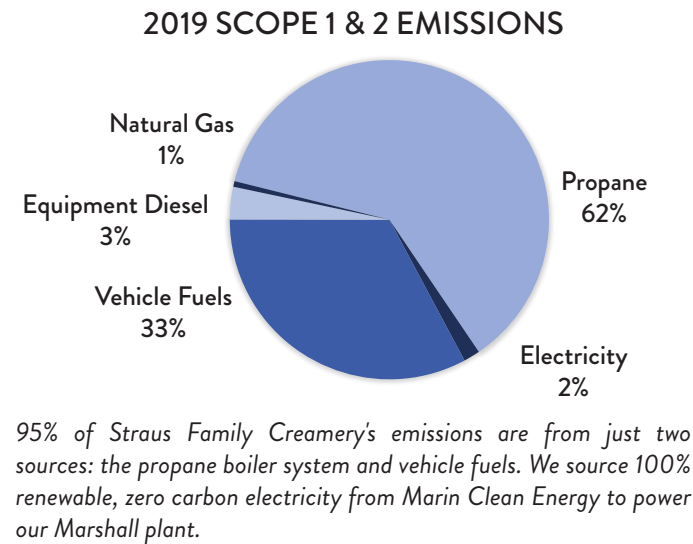
Carbon Farming Practices that Enhance Soil Health

Carbon farming is a set of land management practices that build healthy soil and sequester atmospheric carbon. Albert Straus was the first dairy farmer in California to adopt a science-based Carbon Farm Plan (CFP) in 2014. Since then, he has reduced the climate impact of his farm through practices such as compost application, intensive rotational grazing, and hedgerow planting. In 2019, Straus worked with the Marin Agricultural Land Trust to update his CFP to guide future land management decisions.

Sustainability at the Creamery

2019 marks another milestone for Straus Family Creamery – our tenth year of sustainability reporting.

Straus Family Creamery submitted its first annual Sustainability Report to the Sustainable Food Trade Association in 2010. These reports describe the practices we have implemented to reduce the environmental impact of our business, demonstrating our commitment to sustainability. While Straus Family Creamery has more than doubled the amount of organic milk processed per day during this period, we have significantly decreased the resource intensity of our operations. We have improved water use efficiency by 19% and reduced landfill waste by 48%. Most importantly, we have reduced Scope 1 and 2 emissions per milk ton by 46%.¹³ We are proud of the progress we have achieved since 2010, thanks to the efforts of the entire Straus team. We look forward to finding new ways to demonstrate our environmental leadership and further improve operational sustainability into the future.



A lot has changed since we opened the creamery in 1994, but our values are the same.

For 25 years, Straus Family Creamery has operated out of its original plant in rural Marshall, California. In 2019, we secured a new production facility in nearby Rohnert Park and made plans to move our operations there next year. This move will allow us to grow and innovate while continuing to uphold our mission.

STARTING FROM SCRATCH

In 1994, Albert Straus transformed a commercial kitchen into a manufacturing plant located just five miles from his family farm in rural West Marin. Six of Albert's friends and family were the first "employees" of Straus Family Creamery. Initially, the creamery processed organic milk from the Straus Dairy Farm and sold it at the local farmers' market and a few independent grocery stores. The brand quickly gained a loyal following of local customers. One of these customers was Chef Alice Waters, who asked Albert if he could make butter like the kind she had tasted in France for her restaurant, Chez Panisse, hence Straus Family Creamery's renowned European-Style organic butter was born!



1994

SUSTAINABILITY METRICS 2010-2019

2010	2019	10-Year Trend
25.7 MILLION POUNDS of MILK PROCESSED	56.1 MILLION POUNDS of MILK PROCESSED	↑ 118%
1,346 MT CO _{2e} TOTAL EMISSIONS	1,612 MT CO _{2e} TOTAL EMISSIONS	↑ 20%
0.105 MT CO _{2e} EMISSIONS per MILK TON	0.057 MT CO _{2e} EMISSIONS per MILK TON	↓ 46%
122.7 KWH ELECTRICITY per MILK TON	115.1 KWH ELECTRICITY per MILK TON	↓ 7%
7.1 GALLONS PROPANE per MILK TON	6.3 GALLONS PROPANE per MILK TON	↓ 11%
2.3 GALLONS DIESEL per MILK TON	2.0 GALLONS DIESEL per MILK TON	↓ 13%
447.3 GALLONS WATER per MILK TON	362.9 GALLONS WATER per MILK TON	↓ 19%
5.8 POUNDS LANDFILL WASTE per MILK TON	3.0 POUNDS LANDFILL WASTE per MILK TON	↓ 48%

GROWING THE BRAND ORGANICALLY

25 years later, we now have more than 75 employees at the Marshall creamery where we process 6.5 million gallons of 100% organic milk annually. While minimally processed, cream-top milk remains our signature product, we also make chocolate milk, Barista® milk, ice cream, sour cream, butter, and yogurt. We supply hundreds of retailers, restaurants, and cafes across the Western U.S., and while a lot has changed over the years, some things remain the same. Straus Family Creamery is proud of the growth we've achieved by supporting local farms, cultivating relationships with local customers, and creating jobs in our local economy.



2019

NEW PLANT, SAME VALUES

While we've made tremendous improvements in operational efficiency and sustainability over the years, the Marshall creamery also has many operational constraints due to its size and rural location. In 2019, Straus Family Creamery secured a new location in nearby Rohnert Park, California. This facility will allow us to expand production, invest in modern equipment, increase production efficiency, and expand our product offerings. It will also improve the quality of life for our employees by reducing the average commute by 40 miles each day. While we are sad to leave behind the creamery we've called home for 25 years, we believe the new plant will enable us to uphold our commitment to creating premium quality, minimally processed organic dairy products into the future.



The Next 25 Years

Zero Waste Leadership

In 2019, Straus Family Creamery became the first company in the world to earn TRUE® Zero Waste Certification for a dairy manufacturing facility.

Straus Family Creamery has been committed to reducing waste since 1994, when we began bottling our premium organic milk in reusable glass bottles. Twenty-five years later, glass bottle milk remains our flagship product, thanks to the support of environmentally-conscious consumers who return their bottles for reuse. Behind the scenes, we have also adopted a variety of practices to reduce waste across our operations. In 2019, we achieved TRUE® Zero Waste Certification at the Gold Level by diverting more than one million pounds of materials away from landfill.¹⁴ We recycle all cardboard, glass, shrink wrap, milk caps, and other clean plastics at our facilities. However, diversion means more than just recycling. At our creamery, we capture milk waste and transport it to the Straus Dairy Farm, where it feeds the methane biogas digester to produce renewable energy - a truly circular process. We also have taken steps to reduce waste at the source, such as replacing shrink wrap with reusable pallet wrappers and cardboard boxes with durable shipping containers. Looking to the next twenty-five years, we hope to eliminate all landfill waste from our operations and packaging.



2019
TRUE GOLD
TOTAL RESOURCE USE & EFFICIENCY
ZERO WASTE CERTIFICATION

THE TRUE® STANDARD

- Facilities must divert at least 90% of waste away from landfill, incineration, or the environment. Diversion includes quantifiable efforts to reduce and reuse materials.
- Facilities must measure and document all waste streams annually.
- Waste streams must not exceed 10% contamination.
- Facilities adopt a zero waste policy and implement a variety of best practices in waste management and diversion.



Achieving TRUE® Zero Waste Certification across our facilities.

Straus Family Creamery has implemented more than 50 TRUE-approved best practices in waste management and diversion. Here are some of our key zero waste accomplishments from 2019.



REUSED 3.2 MILLION GLASS BOTTLES

Our customers returned more than 3.2 million glass milk bottles in 2019. The bottles are cleaned, sterilized, and filled with fresh, organic milk at our creamery.



DONATED 22,000 lbs of STRAUS PRODUCTS

We donate all safe (and delicious) products that cannot be sold to the Redwood Empire Food Bank to help feed our neighbors in need.



AVOIDED 15,600 lbs of PLASTIC WRAP

By investing in durable pallet wrappers for local shipping, our logistics team eliminated thousands of pounds of single-use plastic wrap.



GENERATED 350,000 kWh of RENEWABLE ENERGY

All processing waste from the creamery is combined with cow manure on the Straus Dairy Farm to fuel the biogas digester that produces renewable power.



RECYCLED 100,000 lbs of CARDBOARD

In 2019, we invested in a new baler to streamline cardboard recycling. We also sold 15,000 boxes to be reused.



AUDITED WASTE with 14 EMPLOYEE VOLUNTEERS

Twice a year, the Sustainability Team leads waste audits to measure and document our waste streams with help from employee volunteers.



DIVERTED 190,000 lbs to ANIMAL FEED

All whey (yogurt byproduct) is used to feed cows at the Straus Dairy Farm. Damaged or expired product from our warehouse is sent to a pasture-based pig farm in Sonoma.



COMPOSTED 17,500 lbs of ORGANIC WASTE

A 30% increase in composting at our facilities in 2019 moved us closer to our goal of diverting 100% of organic waste away from landfill.



RECYCLED 14,000 lbs of MILK CAPS

Many Straus customers return their glass bottles with the plastic caps. These caps are too small for single-stream recycling, so we recycle them separately.

Packaging with Purpose

In 2019, we underwent a brand refresh and implemented measures to reduce our packaging footprint.

PROMOTING CIRCULAR PACKAGING SOLUTIONS

Our glass bottle return program represents a circular packaging solution. We bottle most of our retail milk products, including organic milk, heavy whipping cream, chocolate milk, and eggnog in durable glass bottles. Customers pay a \$2 deposit on each bottle, then rinse and return their bottles for a refund. We sanitize the milk bottles before refilling them and recycle all bottles that cannot be reused so this material can be incorporated into new bottles. In 2019, our customers returned over 3 million glass milk bottles, making our overall return rate 75%.¹⁵

LIGHTWEIGHTING YOGURT PACKAGING

Straus Family Creamery's Greek yogurt is known for its thick and creamy texture - while we wouldn't dream of lightening the yogurt, we have made changes to slim down the packaging. In 2019, we achieved an average 15% reduction in plastic use across our European Style and Greek yogurts, as well as our sour cream, eliminating 45,000 pounds of plastic annually.¹⁶ We continue to market a majority of our yogurt in quart size containers and we do not sell individually packaged servings. Our yogurt cups are made of recyclable* #5 plastic and the lids are made of #4 plastic.

*Materials accepted for recycling vary by region and service provider.

PROVIDING ORGANIC MILK TO SCHOOLS WITH LESS WASTE

In 2019, Straus Family Creamery partnered with the San Francisco Unified School District (SFUSD) to install bulk milk dispensers in six public schools. These bulk dispensers replace disposable, single-serving cartons and allow students to pour only as much milk as they can drink, which significantly reduces waste and saves money. These savings make it possible for school districts to purchase more organic food. We supply 13 public schools in 5 Bay Area school districts, and we provided the dispensers on 8 of these campuses. Our school milk program makes organic milk accessible to 5,600 children in our community.

Communicating our brand principles on new packaging.

We developed our brand principles in 2019 to build on our 25-year heritage and educate on the various tenets of our business - demonstrating all the ways SFC makes a difference in our community. Now, you can find these principles on all our product packaging.



Minimally Processed & Premium Quality

We believe less is more - our products are crafted with only a few high-quality ingredients. Everything begins with our premium organic milk, never ultra-pasteurized to ensure nutritional benefits, superior taste and culinary performance. No additives or artificial ingredients, ever.



Farmer-First Business Practices

Our mission is to support family farming and revitalize rural communities. We put farmers first by paying stable prices, building collaborative relationships, and supporting current and next generation farmers by ensuring their voices are heard. Every purchase helps further this mission.



Environmental Leadership

From the methane digester that powers electric vehicles at the Straus Dairy Farm to innovative water reuse systems and 100% renewable energy at our creamery, to thoughtful consideration of our packaging choices, we are continually seeking new ways to reduce our impact on the planet.



From Pasture-Fed Cows†

In keeping with the USDA's National Organic Program, our organic milk comes from cows that graze on pastures at dairy farms in Northern California, including the Straus Farm. Sweet grasses, rich in beta-carotene, thrive in this unique coastal climate, contributing to our authentic flavor.

†Complies with NOP



Always Organic & Non-GMO

Every Straus product is USDA certified organic...and always will be. In 2010, Straus Family Creamery became the first creamery in North America to be Non-GMO Project Verified. All our products are also gluten free and certified kosher.

PACKAGING THEN



1994

When Albert Straus started Straus Family Creamery in 1994, he decided to bottle the brand's organic milk in reusable glass bottles to reduce waste from disposable packaging. Over the years, our glass milk bottles have become a symbol of our commitment to sustainability while preventing millions of pounds of landfill waste from single-use packaging.

...AND NOW

2019

As our product line has expanded, so has our packaging portfolio. In 2019, we began developing the Sustainable Packaging Roadmap to assess the environmental impacts of our current packaging and identify opportunities for improvement. The Roadmap will help us achieve our long-term goal of having 100% reusable, recyclable, or compostable packaging.



Our People

We are a family-owned business that prioritizes the wellbeing of our workforce and their families.

Straus Family Creamery believes that respect for employees is core to our mission and essential to our success. We strive to create a workplace that is safe, equitable, and inclusive to all of our 127 team members. This culture begins with our leadership team, who are committed to making Straus Family Creamery a place where people enjoy their jobs and find connectedness to the mission and values of our brand. Our People & Culture Team are the main stewards of our company culture, organizing programs to support employee wellbeing through good health, financial stability, and work-life balance. All full-time employees at Straus Family Creamery receive fully sponsored healthcare and retirement benefits. In 2019, we enhanced our benefits package by adding Honey Bee, a service that provides financial tools to our employees at no cost. As a food manufacturer, we take employee safety very seriously. Instilling a "safety-first" mentality is a key part of our workplace culture. The Straus Safety Manager oversees our employee training and response program to ensure that safety remains our top priority at all times.



HEALTH & WELLNESS

- Fully sponsored healthcare and dental plan
- Subsidized gym membership
- Annual wellness fair with on-site flu shots
- Support for new parents provided by Cleo
- Breakrooms stocked with healthy snacks and fruit.



FINANCIAL STABILITY

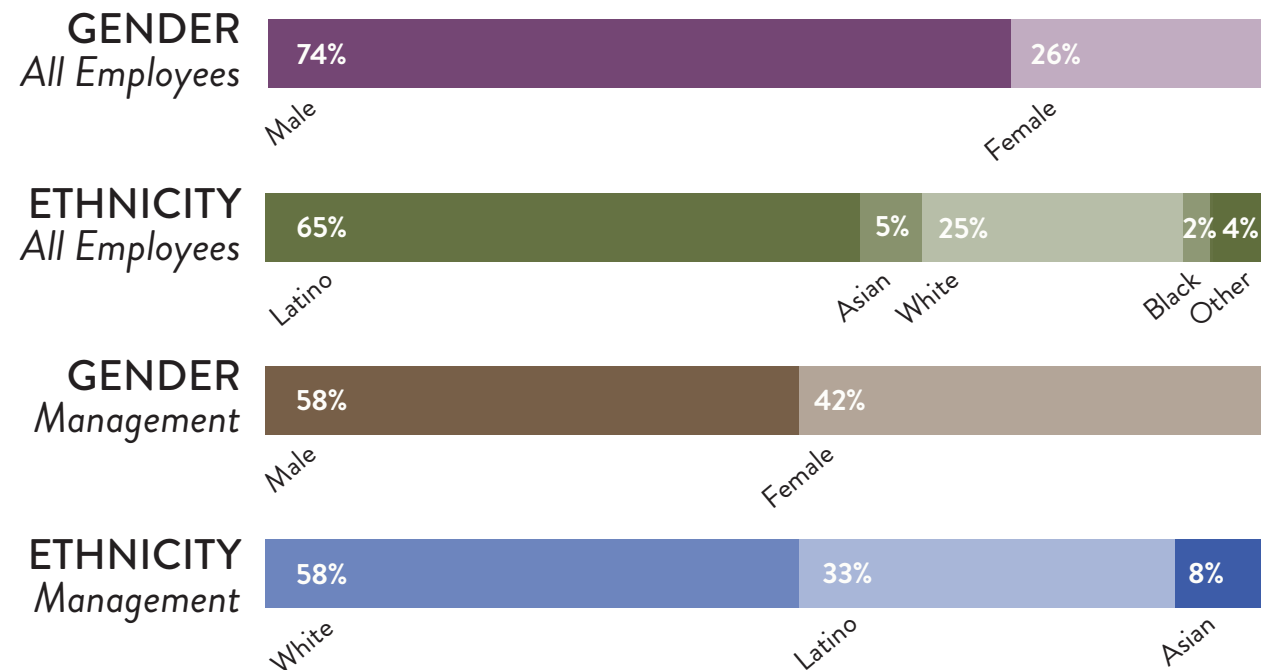
- 401k with employer match up to 5%
- Profit-sharing through quarterly bonus program.
- Honey Bee financial advice and zero-interest loans
- All starting wages exceed local minimum wage



2019 SAFETY RECORD

- 33 recorded incidents
- 9 OSHA recordable incidents
- 5 modified duty assignments
- 23 days of work lost
- 1 incident per 9,029 hours worked

2019 WORKFORCE STATISTICS



Celebrating Latino leadership at Straus Family Creamery.

Two-thirds of our employees identify as Latino and we believe in the importance of having a leadership team that reflects the diversity of our workforce.



JUAN GOMEZ, Director of Process Innovation & Efficiency, Team Member for 24 Years

Juan joined Straus Family Creamery as a production assistant in 1995, making him one of the longest-serving members of our team. As a result, Juan knows how the creamery works better than anyone else, and he is constantly seeking new ways to enhance efficiency, safety, and sustainability. "The mission of Straus is really aligned with how I grew up. My parents are from a small, agrarian village in Jalisco and came to the U.S. to work before I was born. Although we lost a lot of traditions from Mexico, we still like to celebrate big during Christmas with traditional plates like tamales and pozole. I love that Straus has an annual pozole celebration too."



ANGEL LECHÓN, Director of People & Culture, Team Member for 9 Years

As Director of People & Culture, Angel ensures that we uphold our commitments to the success, safety, and wellbeing of our team members. In addition to cultivating a warm & inclusive community at work, Angel is also passionate about supporting the local Latino community. "I am proud of the rich cultural heritage I was steeped in and that Spanish was my first language. Being bilingual has afforded me many benefits and opportunities, most importantly my role here at Straus. I love serving the remarkable team that makes our success possible every single day, and being able to support many other local Latino led organizations in our community through our donation programs."



MIGUEL GONZALEZ, Production Planning Manager, Team Member for 19 Years

Miguel's career in the dairy industry began when he was six years old, helping take care of the cows, pigs, chickens and sheep on the farm in Mexico where he grew up. "My parents taught me that you have to be humble, honest, responsible, and hard-working. I always like to share, to teach, to give the best of myself." As the production planner, Miguel makes sure we are always prepared to meet demand. "My job is like a puzzle, there are so many ingredients, materials, personnel and machinery that you have to move from one place to another to complete the orders for our customers."



Nourishing Community

Supporting community organizations who share our vision for a thriving local food system.

Straus Family Creamery is proud to support 12 family dairy farms across Marin and Sonoma counties, but our region is also home to hundreds of other farms, ranches, restaurants, and food producers. Together, we have created a vibrant local food system for our community. Every year, Straus Family Creamery donates to community partners helping to make our food system more sustainable, equitable, and prosperous. In 2019, we donated \$59,000 to mission-aligned nonprofits and contributed \$45,000 worth of in-kind donations to hunger relief and community events. We spent a majority of donation dollars locally to benefit more than 100 organizations across the Bay Area.

BUILDING A BETTER FOOD SYSTEM, TOGETHER

Protecting Farmland: *The Marin Agricultural Land Trust*

The Marin Agricultural Land Trust (MALT) protects farmland in Marin County through conservation easements and provides farmers with support and resources to adopt sustainable practices. For six years, Straus Family Creamery has donated a portion of glass bottle milk sales to MALT, giving \$24,000 in 2019.

Providing Food Access: *Redwood Empire Food Bank*

While food and agriculture are top industries in Marin and Sonoma, many families are unable to afford enough food to meet their basic needs. The Redwood Empire Food Bank (REFB) helps bridge this divide by collecting and distributing food to families across Northern California, including 82,000 Sonoma County residents. In 2019, Straus Family Creamery donated 22,000 lbs of dairy products to REFB to feed our neighbors in need.

Empowering a Diverse Workforce: *Career Technical Education Foundation of Sonoma County*

A thriving food system requires a diverse workforce, which is why Straus Family Creamery supports the Career Technical Education Foundation of Sonoma County (CTEF). CTEF funds programs that train local students in skills aligned with the needs of the local economy, helping these students find a fulfilling career path in the community they call home.



MALT protects rural West Marin from development pressure. Photo by Paige Green, Paige Green Photography, courtesy of MALT.

Creating a resilient landscape with community partner Daily Acts.

In 2019, Straus Family Creamery partnered with local nonprofit Daily Acts to transform our water-thirsty lawn through sheet-mulching.

Straus Family Creamery seeks to create a sustainable work environment that reflects our values. In 2019, we decided to replace our irrigated office lawn with a resilient landscape better adapted to our warm, dry climate. We were grateful to form a partnership with Daily Acts, a nonprofit that empowers Sonoma County residents to reclaim the power of our actions to live sustainably, guided by the ethos that every action makes a ripple. We experienced this ripple effect ourselves when we collaborated with Daily Acts to organize a volunteer sheet-mulching day. Despite the summer heat, 78 volunteers came out to help, including Straus employees, their friends and families, and many local community members. Miraculously, our volunteer team sheet-mulched the entire lawn in just four hours, leaving plenty of time after to enjoy a scoop (or two) of Straus organic ice cream!



EVERY
ACTION
MAKES
A RIPPLE

The Ripple Effect of Our Resilient Landscape

- 1-2-3** We started by sheet-mulching: applying one inch of compost, two layers of cardboard, and three inches of arbor mulch. This process smothers the grass and creates a rich layer of soil on top.
- 78** Many volunteers showed up to lend a hand to these efforts! Volunteers included Straus Family Creamery employees, the Daily Acts team, and generous community members.
- 170** Together, we spread 170 cubic yards of compost and mulch, approximately 40 tons of material.
- 14,500** We sheet-mulched the entire 14,500 square foot lawn in just one day!
- 180,000** Our new landscape will save 180,000 gallons of water annually, helping conserve this vital resource for our community.

Year in Review

We are proud of our many sustainability achievements in 2019, but we also want to acknowledge the challenges we faced and lessons we learned.

Straus Family Creamery sets ambitious goals to advance our mission. Every year, we aim to achieve tangible progress to reduce the environmental impact of our business, support the wellbeing of our work force, and develop a sustainable model for dairy farming. We measure our performance against these goals because we believe accountability matters and informs the strategic approach to our sustainability initiatives. We are proud to report that we completed 10 of the 12 goals listed in our 2018 report. The goals we did not complete were simply delayed, and we will continue to pursue them in 2020.

Successes

- Helped two partner dairy farms adopt Carbon Farm Plans to enhance carbon sequestration and soil health on their land.
- Completed a third year of pasture biomass analysis using satellite data and provided the results to all twelve partner dairy farms.
- Earned TRUE® Zero Waste Gold Certification at both our facilities by diverting more than 90% of our waste stream away from landfill and implementing more than 50 best practices.
- Developed the Sustainable Packaging Roadmap to assess the sustainability performance of our current packaging materials and guide future efforts to improve packaging sustainability.
- Converted our 14,500 ft² office lawn into a low-water landscape by organizing a volunteer sheet-mulching event in collaboration with nonprofit Daily Acts.
- Enhanced our employee benefits package by partnering with Honey Bee, a Certified B-Corp that provides free financial tools to our employees.
- Expanded our local supplier network by partnering with three new farming families, upholding our mission to sustain family farms.

Key Learnings

- Two of our farm projects required additional time for planning and regulatory review. The red seaweed supplement we intend to trial needed to be approved for organic production by the USDA. We received this approval in January 2020. The regulatory process for advancing a new methane biodigester technology is ongoing, but we expect to move this project forward in 2020.
- We also extended the timeline for our supply chain analysis into 2020 because we expanded the scope of the project. Dedicating more time and focus to this project will produce stronger results, enabling us to align our ingredient supply chain with our mission and values.



2020 GOALS



Organic Dairy Farms

- Pilot a new methane digester on the Straus Dairy Farm with funding from the Marin Community Foundation.
- Complete an inventory of greenhouse gas emissions on the Straus Dairy Farm using the Cool Farm Tool.
- Work with Blue Ocean Barns to trial a seaweed supplement for suppressing enteric methane emissions.
- Trial a new satellite technology system to pasture biomass and support organic certification.



Operations

- Maintain waste diversion and practices in compliance with the TRUE® Zero Waste standards.
- Advance the Sustainable Packaging Roadmap by setting strategic priorities with the executive team.
- Provide guidance to ensure that operational sustainability is prioritized in the design and construction of the new plant.
- Implement a supplier survey to better understand our ingredient supply chain and develop a Sustainable Sourcing Framework to align supply chain decision-making with our mission and values.



Culture & Community

- Continue partnership with Daily Acts to plan and implement phase two of our landscape project.
- Expand membership on our internal Environmental Stewardship Team to promote sustainability as a core value in every department.
- Organize quarterly lunch & learns to educate staff about issues related to our sustainability efforts.
- Deepen our relationship with the Redwood Empire Food Bank to address food insecurity in our community.

Appendix

- National dairy farm statistics based on data from the U.S. Department of Agriculture (USDA). USDA publishes annual estimates of licensed dairy herds, defined as “average number of dairy farms licensed to sell milk, based on counts collected from the State and other regulatory agencies.” Source: USDA Milk Production Report Archive, <https://usda.library.cornell.edu/concern/publications/h989r321c?locale=en>
- Sources: ‘Struggling To Tread Water’: Dairy Farmers Are Caught in an Economic System with No Winning Formula, Milwaukee Journal Sentinel, 2019, <https://www.jsonline.com/in-depth/news/special-reports/dairy-crisis/2019/05/16/wisconsin-dairy-farms-closing-milk-prices-drop-economics-get-tough/3508060002/>, Can This Radical Approach to Dairies Save US Farms?, Civil Eats, 2018, <https://civileats.com/2019/03/11/can-this-radical-approach-to-dairies-save-us-farms/>, Reviewing the State of the Dairy Economy, Hearings before the Subcommittee on Livestock and Foreign Agriculture of the House Committee on Agriculture, United States Congress, 2019, <https://www.congress.gov/event/116th-congress/house-event/109331?s=1&r=4>
- USDA estimates that the average U.S. dairy farm (includes both conventional and organic farms) received a milk price of \$19.17 per cwt in 2019, 15.7% less than the \$22.75 estimated average cost of production. 2019 Milk Cost of Production by Size of Operation, USDA, 2020, <https://www.ers.usda.gov/data-products/milk-cost-of-production-estimates/>
- See Figure A
- See Figure A
- In 2019, Straus Family Creamery’s paid farmers an average price of \$34.54 per cwt: \$2.674 (blended price and average quality incentive per component pound) X 12.92% (average fats and solids component content of milk).
- See Figure B
- Source: Greenhouse Gas Emissions from Agriculture, Forestry, and Other Land Use, United Nations Food & Agriculture Organization (FAO), 2016, <http://www.fao.org/3/a-i6340e.pdf>
- Source: 2019 Greenhouse Gas Inventory, California Air Resources Board (ARB), 2020, <https://ww2.arb.ca.gov/ghg-inventory-data>
- These findings represent the average emissions across all dairy farms in the U.S. However, individual farm emissions vary significantly depending on the farm’s size, region, and practices. Sources: 2018 U.S. Dairy Sustainability Report, Innovation Center for U.S. Dairy, 2019, https://www.usdairy.com/getmedia/0abe2b97-e102-4b53-96ea-07798856593c/2018usdairysustainabilityreport_web_10jun2019.pdf.pdf, Greenhouse Gas Emissions from Milk Production and Consumption in the United States, International Dairy Journal, 2013, <https://www.sciencedirect.com/science/article/pii/S0958694612001975>, Regional Analysis of Greenhouse Gas Emissions from USA Dairy Farms, International Dairy Journal, 2013, <https://www.sciencedirect.com/science/article/pii/S0958694612002051>
- Source: Roadmap to an Organic California: Benefits Report, California Certified Organic Farmers (CCOF), 2019, <https://www.ccof.org/roadmap-organic-california>
- Source: Effect of the Macroalgae *Asparagopsis taxiformis* on Methane Production and Rumen Microbiome Assemblage, Animal Microbiome, 2019, <https://animalmicrobiome.biomedcentral.com/articles/10.1186/s42523-019-0004-4>
- Scope 1 & 2 emissions calculated by Straus Family Creamery (Joseph Button) using emissions factors from The Climate Registry and local electric utilities (Marin Clean Energy, Sonoma Clean Power). See Figure C
- Waste diversion calculated following TRUE® Zero Waste Standard. See Figure D
- In 2019, Straus Family Creamery sold 4,274,797 glass bottles and received 3,211,238 bottle returns.
- We reduced the weight of each 32 oz. yogurt cup by 6.8 grams, each 16 oz. cup by 1 gram, and each 8 oz. cup by 1 gram. See table for net material reductions. The weight of the lids did not change. See Figure E

Figure A: U.S. Dairy Farms

Year	U.S. Dairy Farms*	U.S. Milk Production (million pounds)
1994	122,992	153,622
1999	91,200	162,711
2004	66,830	170,805
2009	54,942	189,320
2014	45,344	206,046
2019	34,187	218,382

*Note: 1994-1999 numbers represent “dairy operations,” any farm having one or more milking cows, whereas 2004-2019 numbers represent “licensed dairy herds,” only farms licensed to sell milk.

Appendix

Figure B: Straus Family Creamery Supplier Farms

Organic Family Farm	Acreage	Milking Herd	Partnership Years	Year Joined SFC
Straus Family Dairy Farm	500	280	25	1994
Lakeside Dairy Farm (Brazil)	1,200	311	7	2012
Correia Family Farm	300	400	9	2010
Cypress Lane Ranch (Spaletta, T.)	772	350	5	2014
Westview Dairy Farm (Hughes)	182	218	14	2005
Double M Ranch (Mendoza)	1,200	290	5	2014
Silacci Family Dairy Farm	196	220	6	2013
Deer Valley Dairy West (Tresch)	1,400	600	23	1996
Deer Valley Dairy East (Tresch)	700	316	16	2003
JJ’s Family Dairy (Spaletta, J.)	737	100	0	2019
Silva Family Dairy Farm	220	125	0	2019
Drakes View Dairy (Nunes)	886	100	0	2019
TOTAL	8,273	3,310	110	

Figure C: Scope 1 & 2 Emissions

Year	Total Scope 1 & 2 Emissions	Normalized Emissions
2010	1,346 MT CO ₂ e	0.105 CO ₂ e/Milk Ton
2011	1,127 MT CO ₂ e	0.073 CO ₂ e/Milk Ton
2012	1,388 MT CO ₂ e	0.077 CO ₂ e/Milk Ton
2013	1,695 MT CO ₂ e	0.074 CO ₂ e/Milk Ton
2014	1,870 MT CO ₂ e	0.076 CO ₂ e/Milk Ton
2015	1,889 MT CO ₂ e	0.070 CO ₂ e/Milk Ton
2016	1,753 MT CO ₂ e	0.069 CO ₂ e/Milk Ton
2017	1,828 MT CO ₂ e	0.072 CO ₂ e/Milk Ton
2018	1,523 MT CO ₂ e	0.058 CO ₂ e/Milk Ton
2019	1,612 MT CO ₂ e	0.057 CO ₂ e/Milk Ton

Figure D: Waste Diversion

Year	Landfill	Diverted	Diversion Rate
2017	87,888 lbs	997,973 lbs	91.9%
2018	85,968 lbs	1,035,598 lbs	92.3%
2019	84,504 lbs	1,117,295 lbs	93.0%

Figure E: Lightweighting Plastic Cups

Unit Size	2018 Packaging Weight	2019 Packaging Weight	Total Change
32 oz.	266,043 lbs	221,919 lbs	44,124 lbs
16 oz.	23,935 lbs	22,938 lbs	997 lbs
8 oz.	3,634 lbs	3,461 lbs	173 lbs



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