



Create a Supply Chain that Thinks Like A Tree

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Clif Bar & Company

In 1990, my son turned 33 and moved into a garage.



He didn't have a regular job-job. Oh sure, he had time to race his bike, and rock climb. And play that trumpet in jazz bars until who knows when. And you can be sure nothing got in the way of those countless treks. Places I'd never heard of. We've had our moments through the years. But all this (pause) really gets a father wondering.

Then he names Clif Bar after me.

I worry too much.

— Clifford Erickson, Father of owner

For more of the Clif Bar story,
visit www.clifbar.com
(800) CLIF BAR



Every flavor made with certified organic ingredients

- Established in 1992
- Family & employee-owned
- Based in Emeryville, California
- Makers of organic food including CLIF, LUNA, MOJO and CLIF kid brands

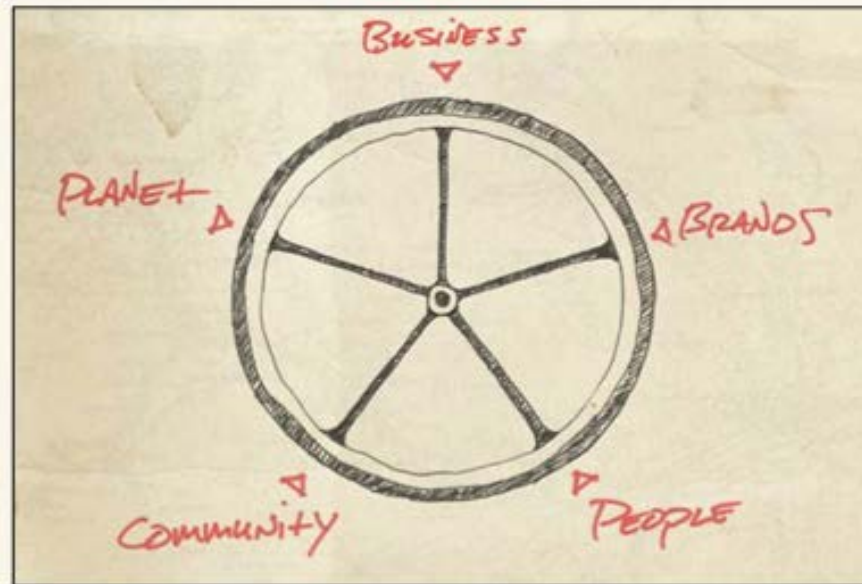




Clif Bar's Approach to Sustainability: Our Five Aspiration Business Model

Business: Investing for the long-term

Planet: Reducing our ecological footprint, field to final product



Brand: Creating brands with quality, integrity and authenticity

Community: Promoting healthy, sustainable communities

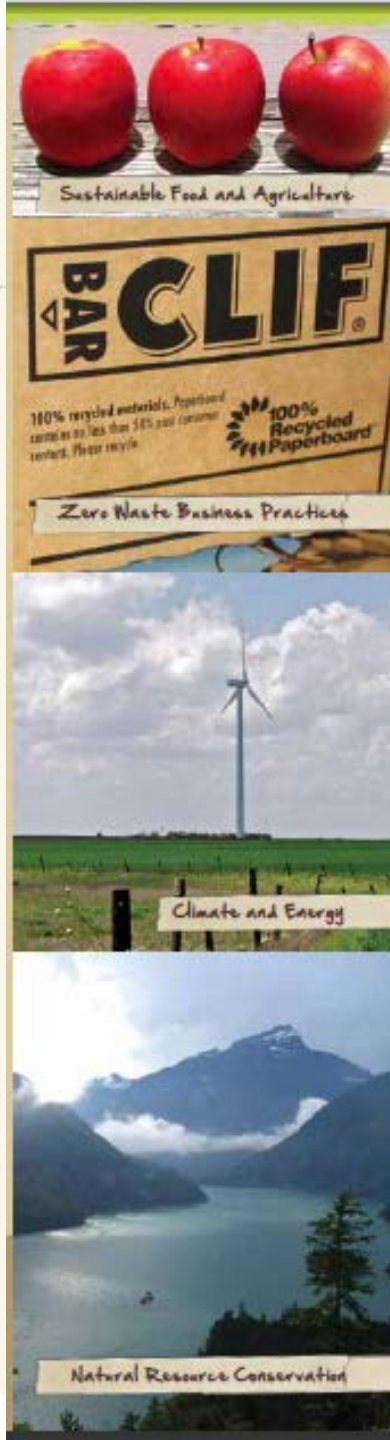
People: Supporting the whole person, redefining a typical day in the office



The Planet Aspiration

We're working to:

- Reduce our ecological footprint
- Conserve and restore our natural resources
- Create a healthy, just sustainable food system.



Sustainable Food and Agriculture

Zero Waste Business Practices

Climate and Energy

Natural Resource Conservation



What will sustainability look like in our supply chain?

Our products will be:

- made with sustainable, organic ingredients
- baked with clean, renewable energy
- packed in environmentally friendly packaging
- delivered by transportation that doesn't pollute

from field to final product.

How do we do that?



Making the Case for Climate Action

The Food – Energy – Carbon Connection

17% of energy use in the U.S. economy is related to the food system



- 20% **on-farm energy use**
- 40% packaging & processing
- 40% transport, storage, preparation



One third of global GHG
caused by agriculture and
food production





Our Climate Journey

Launched in 2003 – One Step Led to Another

Addressing our CO2 footprint inspired innovation within Clif Bar
Influencing communications, field marketing, HR, operations...





Sustaining our Planet in the home office

Sustainability benefits:

- Cool Commute
- Cool Home
- Cool Bike
- Sungevity solar partnership for employees



LEED Platinum HQ

Smart solar array generates
80% of electricity

Solar thermal for hot water

85% waste diversion
(90% goal)

Biodiesel and hybrid office
and marketing fleet



Our Climate Neutral Commitment Continues As our Strategy is Evolving

35 projects supported in partnership with *NativeEnergy* since 2003



- Wind Projects
- Biogas Projects
- Farm Distributed Wind
- Truck Efficiency Projects

How do we engage our supply chain in this effort?



Engaging the supply chain - Phase 1

We chose 3 sustainability goals in 2009 that involve our supply chain:

- Sourcing -- 80% organic ingredients
- Zero Waste -- 90% waste diversion in key supply chain facilities
- **Climate -- 10% reduction in carbon footprint**

What we've learned:

- People want to participate
- Setting up the data collection system is challenging
- Goals need to be more specific, clear and actionable

Key tools in supply chain engagement:

- Collaboration with Food Supply team (Operations & Procurement)
- Supplier surveys and data analysis for tracking progress
- Annual supplier summit
- External partnerships (EPA Green Power Partnership; *Native Energy*)



Focus on Green Power: 50/50 by 2020

We're asking our supply chain partners to:

1. Use green power for the electricity used to make our products, ingredients & packaging
2. Join the EPA Green Power Partnership* to demonstrate climate leadership

How will we measure success?

We're working to have 50 key supply chain facilities using at least 50% green power for their electricity by 2020.



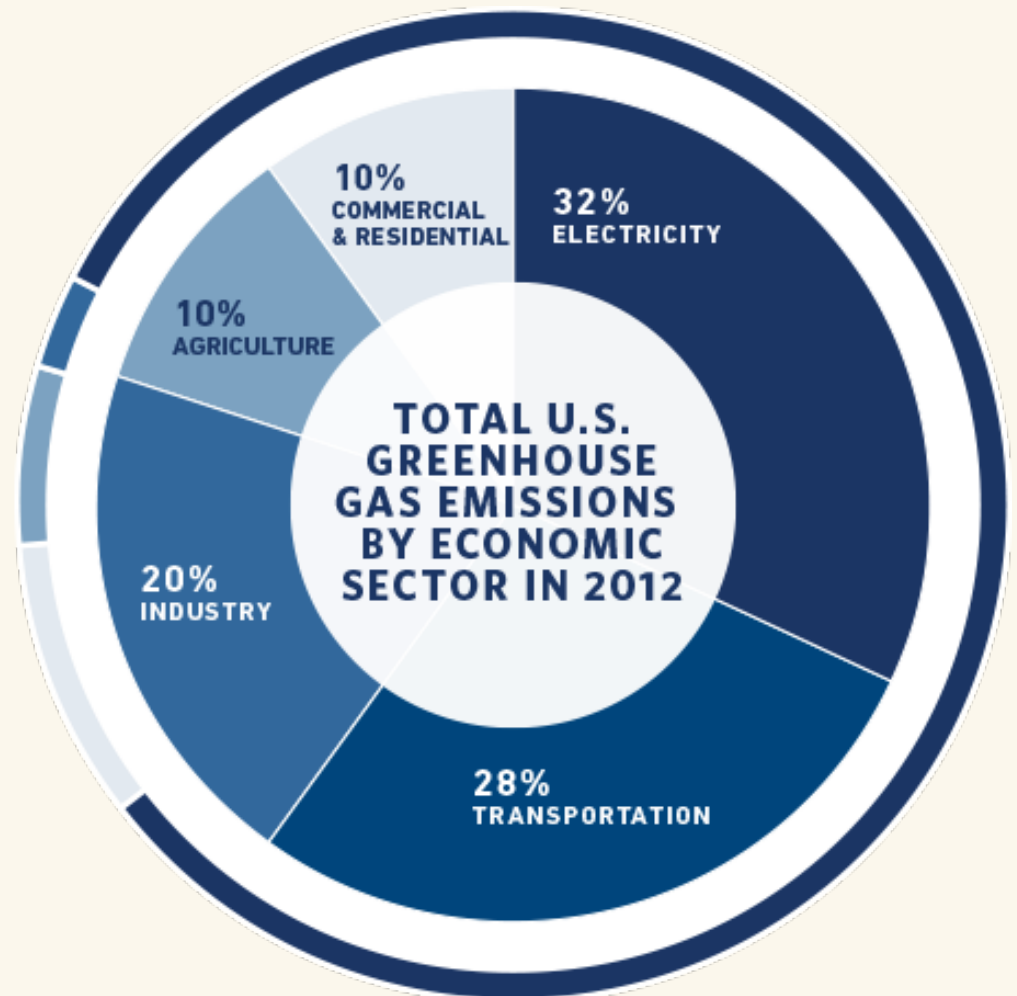
Why Focus on Electricity?

2012 Sources U.S. GHG Emissions

Electricity is the largest source of greenhouse gas emissions in the U.S.

70% of electricity comes from fossil fuels

Green power is available to everyone





50/50 by 2020

How will we track progress?

We'll track our suppliers' transition to green power like the growth of a tree:

- | | |
|----------------|------------------------|
| 1. Seedling | 20% to 35% green power |
| 2. Sapling | 35% to 50% |
| 3. Canopy tree | 50% to 100% |
| 4. Emergent | 100% green power |





Making the Case for Green Power

Green Power generates multiple benefits:

- Reduces financial risk in the supply chain
- Supports brand integrity
- Inspires innovation and energy efficiency
- Reduces water use associated with conventional energy sources
- Reduces health impacts of coal-fired electricity
- Demonstrates leadership
- Saves money
- *Add your story here*



Think Like A Tree!

Thank you

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