



The face of
hunger is more
familiar than
you think



of SANTA CLARA and
SAN MATEO COUNTIES

2017-2018 Annual Report



We all need healthy food to thrive

Nutritious food can change lives. It provides the fuel we all need to fully engage in our lives and pursue our dreams. That's why we believe everyone should have access to the healthy food they need to thrive. In Silicon Valley, that's a big job because more kids, families and seniors need our help than ever before – and the number continues to rise.

The booming economy is making it impossible for many people to make ends meet because it's driven up the cost of housing. For many hardworking families, the astronomical rents leave little left over for food. Seniors on fixed incomes can't afford to pay higher rents and still buy food, and college students struggle to pay for housing and school, let alone a nutritious meal.

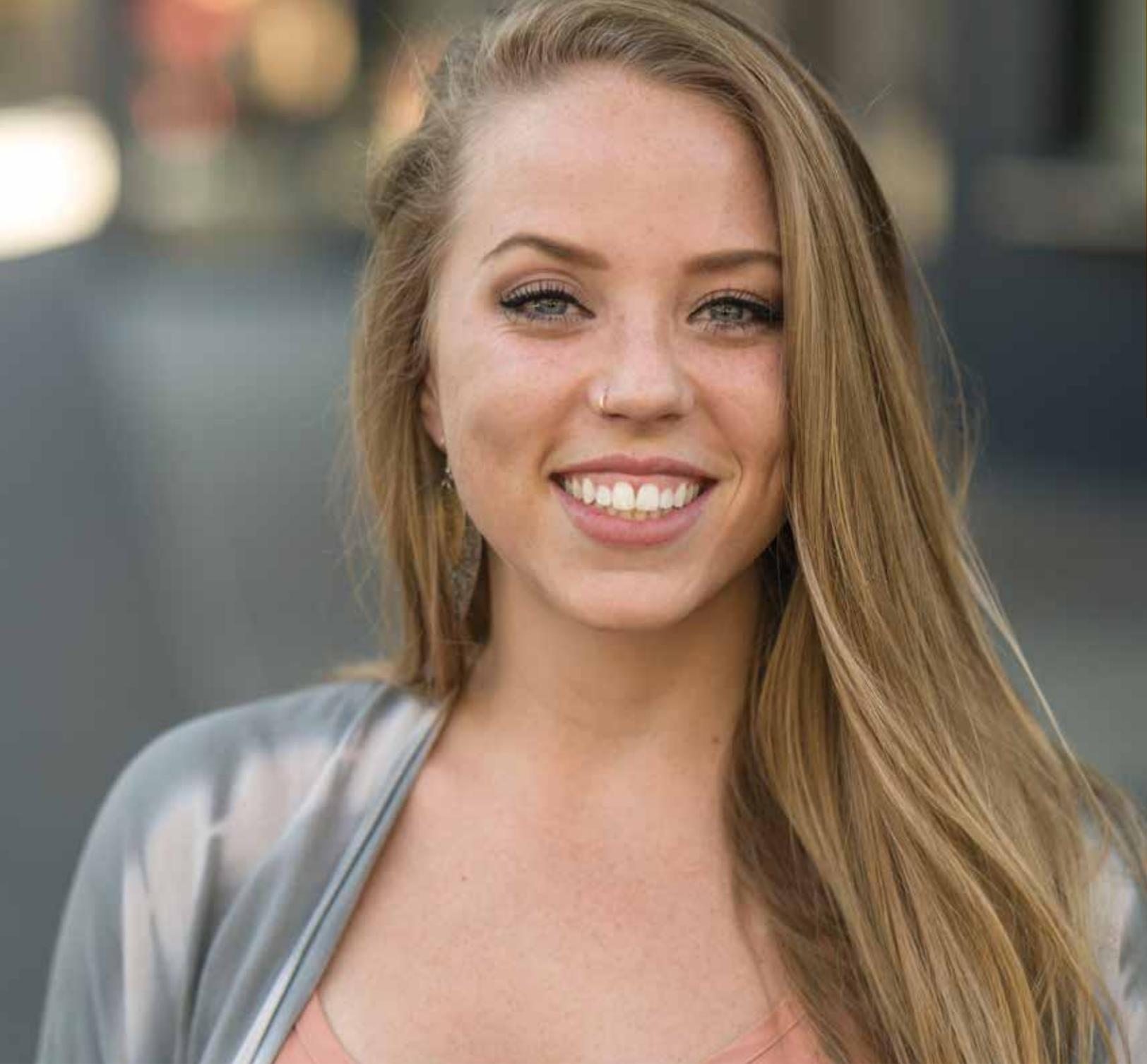
In these pages, you will see how we have doubled down on our effort to provide more nutritious food, while finding more effective ways to get additional meals into the community. We dug deep to learn about our clients and others who are at risk of hunger, and we are tailoring our services to better meet their needs – it's a more client-centric approach to food-banking. That means getting food to people where, when and how they need it.

While hunger in Silicon Valley is a big issue, we are more determined and hopeful than ever. For the last few years, we have been laying the groundwork to re-imagine how we do business, and we are well-positioned to significantly move the needle on hunger. We look forward to sharing some of the exciting new initiatives we have planned in the coming months as we work together to solve hunger. None of it will be possible without the generous support of donors and volunteers like you who share our belief that hunger is unacceptable. It's amazing what the power of caring people can accomplish. Together we are changing lives.



LESLIE BACHO

CEO, Second Harvest Food Bank
of Santa Clara and San Mateo Counties



Fresh food gives hope

Lauren was a full-time student at San Jose State University, working four jobs just to make ends meet. She was barely scraping by when she got into a car accident after falling asleep at the wheel, exhausted from the long hours spent at school and work. She knew she couldn't go on like that. After Lauren started getting food from Second Harvest at a pantry on campus, she was able to focus on schoolwork. Now a college graduate, Lauren landed a full-time job at a customer relationship management company after a six-month stint at a startup. **"When I saw how much I was able to receive from the Food Bank, I was like, 'Wow, this is something that can really benefit me,'"** she said. **"There were fresh fruits and vegetables."** Lauren said the food gave her hope because it provided the fuel she needed to succeed.

The face of hunger is more familiar than you think



An estimated 700,000 Silicon Valley residents – 1 in 4 – are at risk of hunger. That leaves an estimated 440,000 who may not be getting the nutritious food they need to fully engage in their lives.

Hunger is often hidden in Silicon Valley, but it's all around us. On any given day, you likely see many people who struggle with hunger, including kids at your child's school, cashiers at your favorite store, and health professionals who care for your family. The kids, families and seniors who need a little help putting food on the table are our neighbors, coworkers and friends.

We provide food to an average of 260,000 people every month, including over 87,000 kids.

Focusing on our clients

We intensified our effort to learn more about our clients — and determine why some people who need food aren't getting it — so we can ensure that everyone has access to the nutritious food they need to thrive. We found that transportation issues, conflicting work schedules and shame are some of the biggest barriers.

"We want to reduce the stigma around getting help. Nobody should have to feel ashamed to get food. Nutritious food is essential for life. We want to make sure everyone feels welcome and respected, no matter who they are or where they're from."

BRUNO PILLET, vice president of programs and services, Second Harvest Food Bank



Welcoming our neighbors

We launched a food sharing pilot in Pacifica last year to see how people would respond if we created a more welcoming environment. The groceries and fresh produce were presented farmers' market style and families could pick what they wanted. We included a welcome station with coffee and tea, offered food samples, and put flowers on the tables. The response was overwhelmingly positive. What we learned through our research and pilot projects is informing how we create more effective ways to connect families to food.





Bringing food home

Valley Palms is one of the 57 affordable and supportive housing complexes where Second Harvest provides food. Resident volunteers help to unload the boxes and set up tables. Families gather around and chat with each other while they wait for the pantry to open. When it does, they choose from an array of nutritious groceries and fresh produce, and then take it back to their apartments. **"I want to thank this organization for helping us with the food,"** said Fabiola, a resident who helps organize the distribution. **"It has helped my family especially, and the community here at Valley Palms. I hope that you continue to support us with food every month because it makes a great impact on our families. Thank you."**

Reaching people where they are



Over the last four years, we've increased the number of K-12 schools served through our pantry program from 14 to 133, and the number of colleges served from 2 to 11. That's an increase of 850 percent and 450 percent respectively in just four years.

We know a lot of our neighbors could use our services, but often they can't get to our pantries and distributions. That's why we are bringing more food to where people are, including schools and affordable and supportive housing complexes.

“We realized years ago that schools are a great place to reach families,” said Leslie Bacho, Second Harvest CEO. “Families are familiar with their local school — it's a trusted place, and conveniently located right in their own neighborhood. So we stepped up our effort to partner with schools, which have a vested interest in making sure their students have access to nutritious food.”



Distributing more food



We are enhancing our operations to meet the unprecedented need for food. Last year we completed the first phase of our Curtner warehouse expansion under budget, doubling the size of refrigeration storage and adding 30 percent more space for shelf-stable and frozen foods. It takes a huge operation to process and distribute more than a million pounds of food each week, and we are building our capacity to provide even more nutritious food to the community.



We get the food where it needs to go with the help of three large warehouses, including a dedicated produce distribution center, and a fleet of 17 trucks. Loading and deliveries start at 6 a.m., six days a week.

Innovation in food sourcing

We depend on large-scale donations from food manufacturers, retailers, distributors and growers for the food we provide. In recent years, the hunger landscape has changed, with more busy working families and people living in unconventional spaces without access to kitchens. So we have stepped up our effort to find new ways to get more prepared meals to those who need them.

“We are always looking for ways to provide more options and a greater variety of foods to our clients. Through our partnerships with companies like Starbucks and Amazon Fresh, we are now offering more highly desired ready-to-eat meals than before. Together, these two partners donated enough food for nearly 603,000 meals last year.”

BARBARA GEHLEN, director of food sourcing and inventory, Second Harvest Food Bank

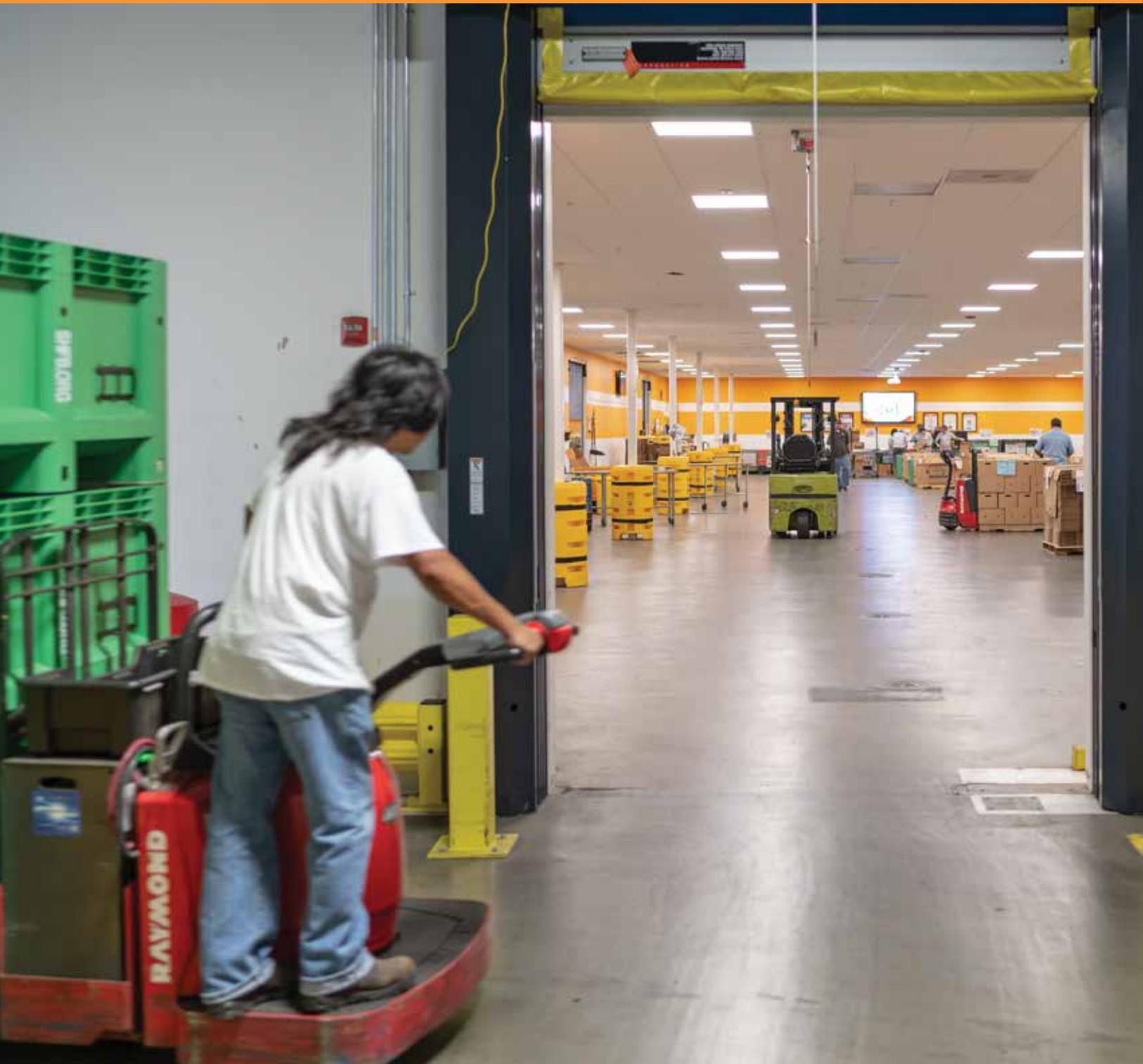


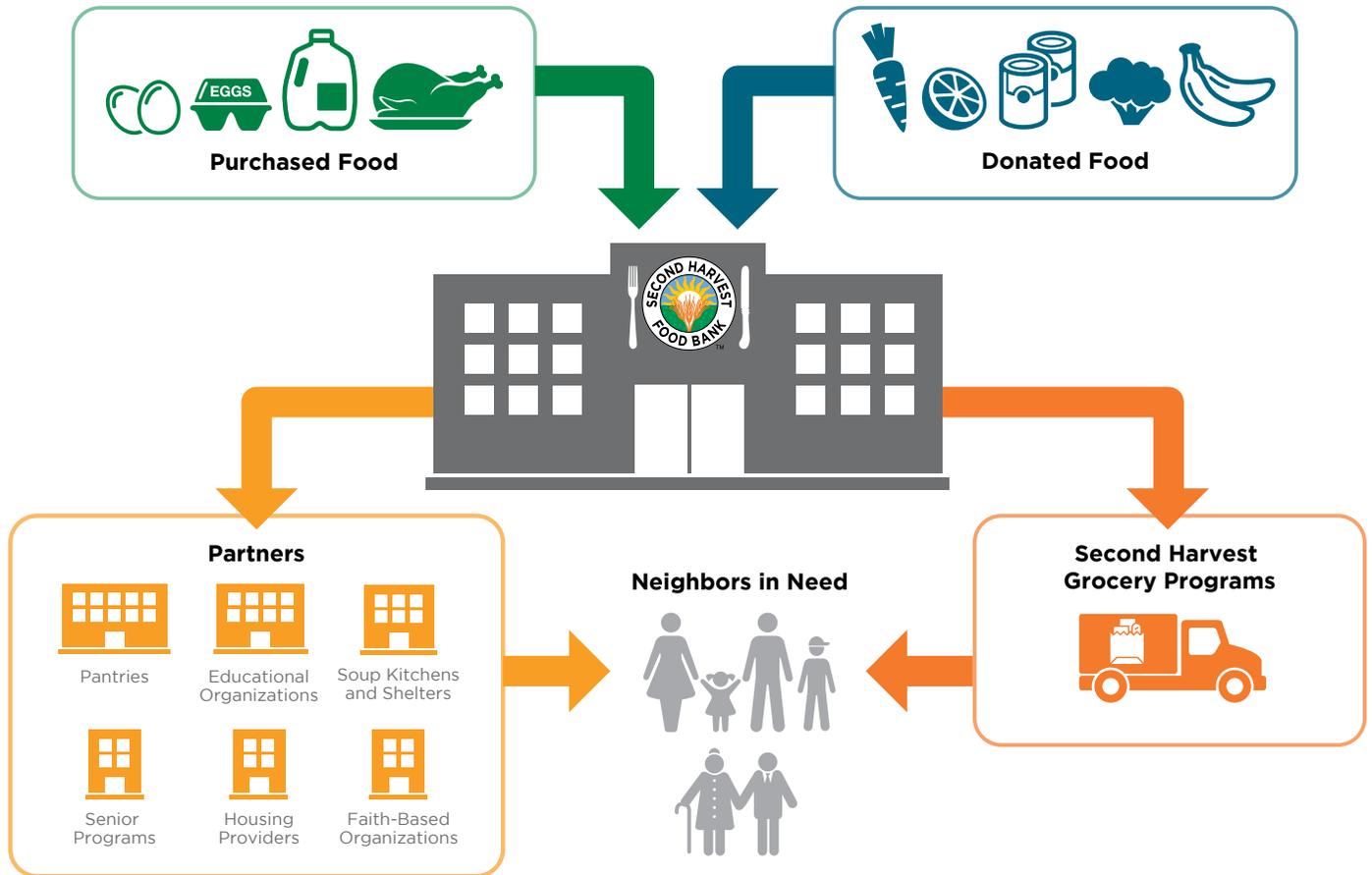


Starbucks partnership makes an impact

Our partnership with Starbucks is providing more ready-to-eat meals to some of the most vulnerable people in our community – and it shows how we can make a bigger impact through strategic collaborations. Starbucks donates its unsold prepared foods at the end of the day through its FoodShare program. Instead of picking up the food and redistributing it – costing precious time and resources – Second Harvest works directly with key partners like homeless shelters and hot meal providers. Their drivers pick up the food every night and take it back to their sites, where it can be used immediately, and we provide the food-safety training and other resources they need to make it work. Starbucks, in addition to the donated meals, provides the funding and vehicles needed to make the FoodShare program efficient and successful.

The complex world of food-banking





We worked with 309 partners to distribute food at 985 sites – a 9 percent increase in sites over the previous year.

When it comes to food-banking, there are a lot of moving parts. The food has to be sourced, sorted and distributed. Our supply chain is complicated because we rely on donated food from a variety of sources, and we don't always know what's coming. Much of the nutritious food we provide is perishable, so it has to be moved quickly. And grocery distributions are only one way we provide food. We also collaborate with a wide range of organizations to get more meals into the community.

Leading local efforts to feed kids

We are pulling every lever to ensure that kids get the nutrition they need to grow up strong and healthy. We collaborate with schools, libraries and other organizations to optimize federally funded meal programs. We provide the leadership and resources our partners need to serve more meals during the school year and over the summer.

Summers can be challenging for low-income families as they lose access to school meals. Last summer, we connected schools, libraries and summer camps to federal dollars and provided infrastructure that enabled the delivery of over 650,000 meals to children.







SECOND HARVEST
FOOD BANK™



FBI/DOJ
...
...
...

Nutritious food promotes better health



Second Harvest provides the ingredients kids, families and seniors need to eat healthier. Our team of nutritionists and volunteer Health Ambassadors work out in the community offering nutrition education, food tastings and cooking demonstrations so people can prepare healthy meals on a budget.



Our nutrition team reached more than 37,000 clients last year, ensuring families have the tools they need to make healthy eating choices.

Your support makes it possible

We are grateful for the generous support of donors and volunteers who are willing to do what it takes to ensure that anyone in our community who needs a healthy meal can get one. We are inspired by your commitment to our mission. We have big plans for ending hunger in our community, and together we can make it happen.

We leveraged more than 314,000 volunteer hours last year. Valued at more than \$7.2 million, this is equivalent to 151 full-time employees.



"One of Micron's strategic giving pillars focuses on support for basic human needs, making Second Harvest Food Bank a wonderful partner. Through collaboration we are working with Second Harvest to address food insecurity in our local community. In addition to Micron's financial contributions, our team members love volunteering with Second Harvest and have contributed both time and supplies toward the effort."

DEE MOONEY, foundation executive director,
Micron



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2017-2018 fiscal year

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Oracle Corporation

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We honored the following companies, community-based organizations, schools and individuals for their extraordinary fundraising efforts at our 2018 Make Hunger History Awards.

Brass Ring

Any company or organization that earned 500,000 points or more in a single year

Apple
Applied Materials
Cisco
Coherent
Cypress Semiconductor
Genentech Foundation
Google
Intel
Maxim Integrated
Safeway
Silicon Valley Leadership Group Foundation

Bumper Crop

Group with incredible Food and Fund Drive growth

Avidbank
Intel
Woodside Priory

Corporate Food Bowl

The company with the highest per capita points and more than 50,000 total points in a single year

Cypress Semiconductor

Employee Food Bowl

The company with the highest per capita employee points (corporate gifts not included) and more than 50,000 points in a single year

Coherent

Community Champion

Non-corporate groups with the highest total points in each of the three size categories

Fewer than 250 participants:
Dave Severns Memorial Golf Tournament

250 - 1,000 participants:
Woodside Priory

More than 1,000 participants:
National Association of Letter Carriers

Corporate Champion

The company with the highest total points in each of three size categories

Fewer than 250 participants:
Star One Credit Union

250 - 1,000 participants:
Cypress Semiconductor

More than 1,000 participants:
Applied Materials

Golden Apple

School group showing extraordinary effort
Menlo-Atherton High School

Hunger Hero

Individual or organization who demonstrates an exceptional level of commitment to hunger relief

Tunç Doluca, Maxim Integrated
Carlos Dunlap, Carlos Dunlap's [NVIDIA, Family and Friends] A-List Fundraiser
Duran & Venables
Evergreen School District
Tom Larkins, Applied Materials
Lockheed Martin

Outstanding Drive Coordinators

Recognition given to exemplary Food and Fund Drive Coordinators

Esther Alva, Premier Nissan of Stevens Creek
Anna Koch, San Mateo County Library
Lisa Mendez, Caliber Collision
Diana Woods, Fenwick & West
Katherine Yates, Vasona Vibrations

Outside the Barrel

Honor for outstanding innovation and creativity in drive efforts

Applied Materials
Proofpoint
ServiceNOW

Outstanding Youth

Recognition given to exemplary student supporters

North Star Academy

Spirit Award

Outstanding faith-based Food and Fund Drive

Congregation Beth Jacob

Stand Up For Kids Outstanding Achievement Award

The company or organization demonstrating the most excitement for the Stand Up for Kids Campaign

Wilson Sonsini Goodrich & Rosati

Million Meals Club

Any company or organization that accumulates the equivalent of a million pounds of food in points. Totals are cumulative year over year and will be recognized in increments of 5 million.

45 Million:
Applied Materials

30 Million:
Google

5 Million:
Hewlett-Packard
Lockheed Martin
Safeway

1 Million:
Barracuda Networks
Boy Scouts of America,
Pacific Skyline Council
Cupertino Electric
eBay Foundation
IBM
Samsung Semiconductor

Thank you to our 2017-2018 major supporters

Rainmaker's Circle

(\$100,000 and up)

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Aphorism Foundation
Brin Wojcicki Foundation
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Sobrato Family Foundation
Sunlight Giving
Valhalla Charitable Foundation

Warmenhoven Family Foundation
Ronald and Ann Williams Charitable
Foundation

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(\$50,000 to \$99,999)

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Cultivator's Circle

(\$25,000 to \$49,999)

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Fermi Wang and Jean Aida Kung
The Westly Foundation
The Howard and Betty White Foundation
Neil and Teresa Williams

Thank you to our 2017-2018 sponsors



2017-2018 Revenue and expenses



Annual Funding Sources

July 1, 2017 – June 30, 2018

62%

Individuals

6%

Government

15%

Foundations

3%

Organizations

14%

Corporations

For the 12th year in a row, Second Harvest has received Charity Navigator's 4-star rating for financial stability, accountability and transparency – exceeding industry standards.

Revenue

Individuals.....	\$25,487,120
Foundations.....	\$6,349,313
Corporations.....	\$5,790,371
Government.....	\$2,436,009
Organizations.....	\$1,096,534

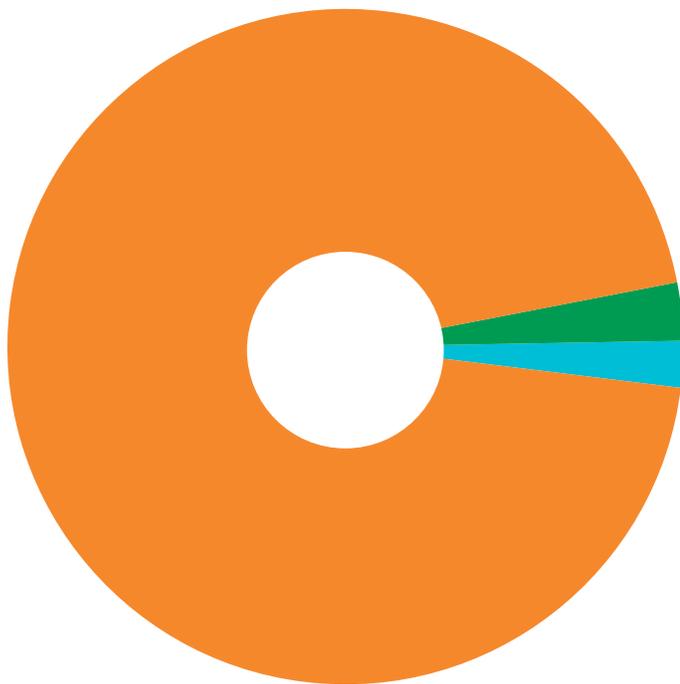
Subtotal..... \$41,159,347

Donated food and in-kind contributions.....\$82,770,112

Total operating revenue..... \$123,929,459*

*This revenue does not include the following:

- a) \$495,000 of capital funds;
- b) \$1,762,350 of Board Designated Endowment Fund;
- c) \$385,794 of investment gains.



95 percent of contributions go to client programs.

Annual Operating Expenses

July 1, 2017 – June 30, 2018

95%

Programs /
food distribution

3%

Fundraising

2%

Management

Expenses

Programs / food distribution	\$116,875,660
Fundraising	\$4,021,281
Management.....	\$2,728,841

Total operating expenses \$123,625,782

Net Assets

Net Assets \$79,391,194*

*This figure includes the value of food on hand as of June 30, 2018.



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SAN MATEO COUNTIES

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The face of hunger is more
familiar than you think



Safeway proudly partners with
Second Harvest Food Bank by
supporting hunger-relief programs
in the communities it serves.

SHFB.org



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