

**“We are driven by the conviction that doing the right thing and building a business model grounded on treating people with dignity is not in conflict but the reason for our success”**  
*-Rodolfo Spielmann*





01	<b>Content</b>
02	<b>Message to the Stakeholders</b>
04	<b>About this report</b>
04	<b>Our Business</b>
04	Who We Are
04	Raised Right
05	Our Story
06	Our Operations and Corporate offices
06	Our Products in 2022
07	<b>Governance</b>
07	Corporate Strategy and Sustainability
08	NatureSweet Leaders
09	Materiality Analysis
10	Business Ethics
12	Human Rights
13	<b>Social Impact</b>
16	Transforming our communities
16	Our operations as Fair trade Certified

17	<b>Workers</b>
17	Demographics
20	Fair wages and benefits
23	Education and training
24	Programs for upgrading
25	The health, well-being, and safety of our Associates
28	<b>Clients</b>
28	Food safety of the product
29	Consumer's satisfaction
30	<b>Environment</b>
30	Environmental & Social Impacts of Ingredient Supply Chain
31	GMO Management
31	Agrochemical Management
32	Water
33	Energy Efficiency
33	Climate Change
34	Biodiversity Protection
35	Waste Reduction

**“The commitment to our Purpose is what drives our success, since we know that what we do really matters”**

*-Rodolfo Spielmann*

# Message to the Stakeholders

NatureSweet has played an integral role in the growing landscape of Controlled Environment Agriculture (CEA) ever since our first seeds were planted in greenhouses more than 30 years ago. We are a vertically integrated company and have developed innovative greenhouse-growing methods and processes that have positioned the company as a leader in CEA and sustainable practices. Our company is committed to transforming the agricultural industry, which historically has not placed its workers at the center or treated them as the most precious driver for success. We are driven by the conviction that doing the right thing and building a business model grounded on treating people with dignity is not in conflict but the reason for our success.

**While committed to raising the bar throughout the industry, we realize that a purpose without profit is not possible.**

Our brand produces the #1 best-selling snacking tomato in North America, and we're proud to provide consumers with a healthy assortment of produce. In 2022, we launched washed-and-ready, grab-and-go snacking options for families looking for more convenient ways to include fruits and vegetables in their diets. We also expanded our greenhouse vegetable product line to include more bite-sized,

easy-to-eat produce like mini-cucumbers and mini-sweet peppers and made them available at more supermarkets. We earned the business of 16 new retailers, and our performance level reached a company record high of 94.7% for on-time and in-full deliveries to our retailers. We also launched a partnership with a state-of-the-art distribution center that will revolutionize the way fresh produce is packaged and delivered.

**But we also believe profit without purpose is meaningless.**

We created a model in which every Associate has the opportunity to earn a better income based on his or her individual effort while also providing education, psychological support, and healthcare services.

We are providing the tools and resources agricultural workers need to enhance their lives. Our commitment to them has led to hard-earned industry certifications such as the Equitable Food Initiative (EFI) Certification to ensure our products are grown equitably. Additionally, all of our facilities are Fair Trade Certified™ showing the world our products are fairly produced and fairly traded. We also began the process of becoming B Corp Certified in 2022.

We are proud to share with you some of the most relevant highlights of our 2022 performance, which helped us achieve our company goals:

- **Our OSHA safety index was 0.28%.** We kept the safety of our Associates as a core value: we always ensure that our people work in a safe and healthy environment so that they can focus only on achieving daily objectives to improve their income. 16x better than the U.S Agricultural Industry index.
- Through our corporate social responsibility initiatives, **we have impacted 107,990 people** in 2022.
- **We expanded our Fair Trade program** through our co-producers.
- We embraced **Controlled Environment Agriculture (CEA) techniques**, specifically fertigation and drip irrigation, as integral components of our operations. These innovative methods significantly enhance the efficiency of fertilizer usage while minimizing environmental impact.
- We achieved our goal of **replacing 75% of virgin plastic** in our branded products with recycled material.



- We achieved a **recycling rate of 52.13%** for our waste materials in our operations, excluding biomass.
- We lowered our carbon footprint measuring **0.586 lb CO2eq/lb tomato**.
- Customer Service Levels (OTIF) **reached record highs (94.7%)**.
- We embarked on our Mission Project in Laredo, which is **revolutionizing the distribution network**.
- We added **16 new Customers** in 2022.
- We reduced **customer rejections by 10.2%**.
- We reduced **consumer complaints by 19.8%**.
- We **donated 8MM pounds of produce to food banks**, which provided 6.25 million meals to families in need throughout North America.

We are making a long-term commitment by becoming a B Corp company in 2023. We will continue to have a positive impact on the industry by creating initiatives that allow Associates to thrive by earning a transformational wage and attaining an education.

We're also having a positive impact on our communities and will continue to create initiatives that unite them and make them stronger.

We look forward to expanding our scope and ensuring our impact goes beyond NatureSweet and serves as a roadmap for the industry.

**Rodolfo Spielmann,**  
*President & CEO of NatureSweet*



\*At NatureSweet we refer to our employees as Associates.



# About this report

This year's Sustainability and Social Impact Report describes NatureSweet's distinctive and unique qualities that make us "the leader" in the agricultural industry. This report shows our commitment to transform the lives of agricultural workers in North America, as well as our ongoing efforts to create a positive impact on our Associates, our communities, and the environment. For any queries regarding this report, contact:



**Fernanda Suarez**  
Sustainability and Social Impact Director  
[fsuarez@naturesweet.com](mailto:fsuarez@naturesweet.com)



## Our Business

### Who We Are

We are a company dedicated to growing the freshest greenhouse-grown produce. Our purpose is to transform the lives of agricultural workers in North America by unleashing the power of people. Our commitment drives us to be the most revolutionary leader in the fresh produce industry.

It all starts with our tomatoes – they're grown using nature as a guide, handpicked at the peak of freshness, and delivered throughout the U.S., Canada, and Mexico. Our signature flavor and firmness are the perfect addition to any type of meal – from salads to snacking, sandwiches to cooking, and beyond.

NatureSweet is more than a name on fresh-grown produce packaging you see in stores. It is a brand that is transforming an industry.

### Raised Right

NatureSweet believes the more you put into something, the more you get out of it. We grow our produce with the goal of transforming lives. Having a transformational effect in the produce industry starts with our Associates. **Transforming their lives and the lives of all agricultural workers in North America** begins by providing opportunities for our Associates to earn a transformational wage, supporting continued education, and making improvements in our communities.





As we grow more goodness in the world, the growing and caring continues as our Associates harvest NatureSweet produce by hand and deliver it to our packaging centers. There, qualified Associates select the best of the best to transport to our customers in North America.

At NatureSweet, running a successful business and caring for our environment are compatible. When we decided to grow a seasonal product all year (to ensure great-tasting products in winter or summer at the same price), we wanted to do it in a natural way, reducing our carbon footprint. That’s why we do everything we can to protect our natural resources.

**Our promise is to have the best-tasting tomatoes** and high-quality greenhouse vegetables in the world for consumers to enjoy in their meals and sharing with family and friends. All of this takes patience and hard work, which are pillars of our company.

Our Story

**Our Story speaks of who we are, why we do it, and how we live daily within our culture at NatureSweet. It is the sum of whom we choose to be, Our Principles and Unleashers.**

- **Our Purpose:** Transform the lives of agricultural workers in North America.
- **Our Vision:** We are the groundbreaking leader of the fresh produce industry through unleashing the power of people.
- **Our Commitment:** NatureSweet is the single-source solution for greenhouse-grown vegetables driven by the leading and best-tasting brand of tomatoes.

**Our Unleashers are how each of us shows up**

to make our Principles real.  
**Our Principles** are the beliefs we

**embrace as a company to choose how we operate.**



We ensure our Associates are properly trained and passionate about their work. And that’s why you can taste the difference in our produce.

**The takeaway: Happy and proud workers = company success.**





# Our Products in 2022



**Cherubs®**



**Glorys®**



**Constellation®**



**Twilights®**



**Comets®**



**D'VINES Tomatoes®**



**Tomatoes  
On The Vine**



**Roma**



**Beefsteak**



**Long English  
cucumber**



**Mini Cucumbers**



**Baby Cucumbers**

## Our Operations and Corporate offices

NatureSweet is the largest vertically integrated protected agriculture company in North America. Our process starts with the grafting operation, where we select the strongest roots and vines that yield the sweetest tomatoes. This natural combination ensures that our fruit will grow strong and sweet, delivering the best flavor possible. Our grafting travels to our five greenhouses situated in Jalisco, Nayarit, and Colima located in Mexico. Once our products are centralized in one packaging facility, our distribution center ensures their prompt delivery to various distribution centers. This entire process takes only 24 hours, ensuring that our products are fresh and ready for your table.

**Our headquarters are located in San Antonio, Texas, with corporate offices in Guadalajara, Mexico.**

## Seasonal Medleys



**Spring**



**Summer**



**Fall**



**Holiday**



**Dia de Muertos**



**Mini Sweet  
peppers**



**Bell Peppers**



**Eclipses**



**Cherubs® To Go**



**Constellation® To Go**



**Organic  
Baby Cucumbers**



**Organic  
Bell Peppers**



**Organic Long  
English Cucumbers**



**Organic  
Mini Peppers**



**Organic Grape**





# Governance

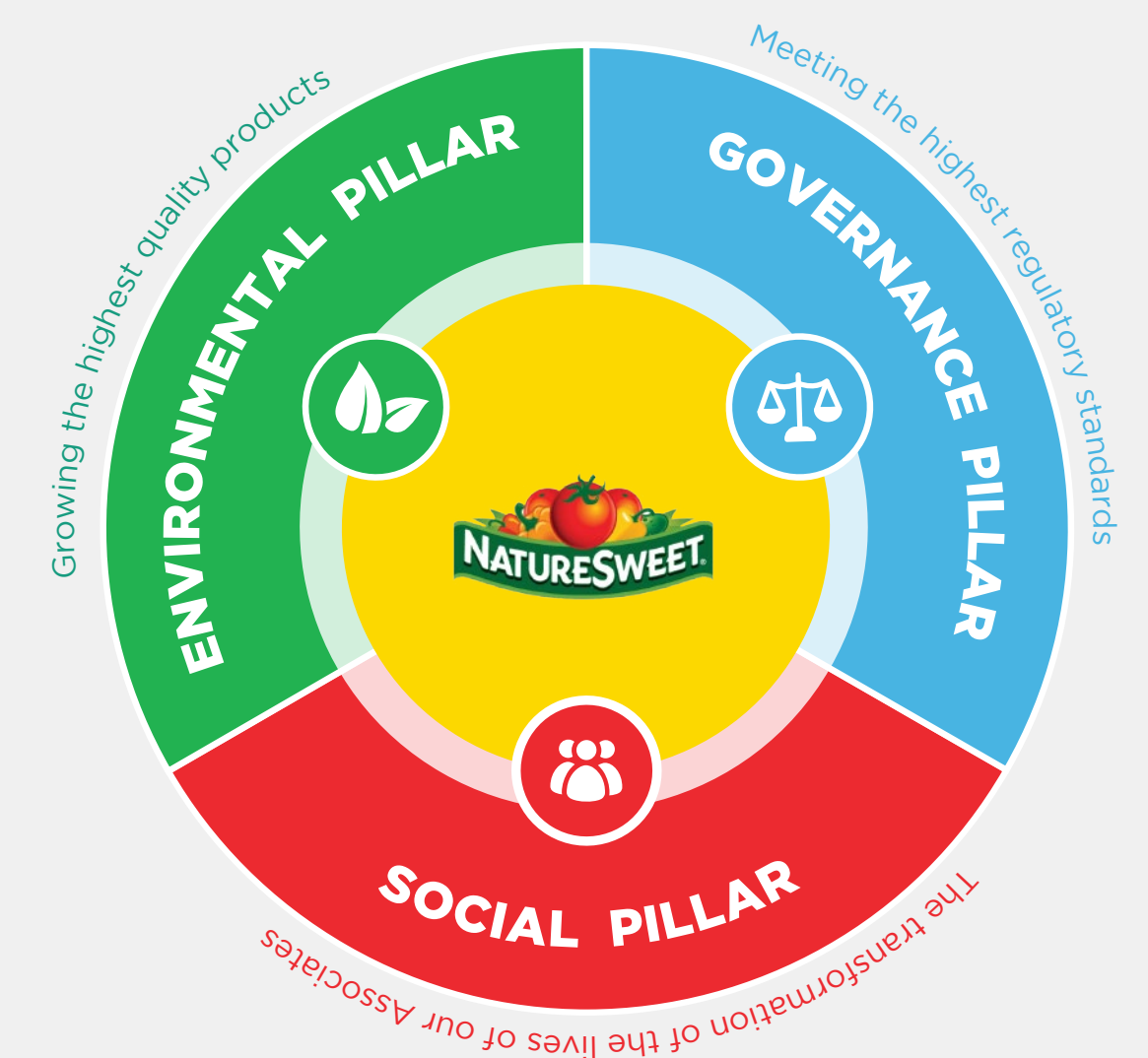
## Corporate Strategy and Sustainability

We grow our produce with the goal of transforming lives. Having a transformational effect in the produce industry starts with our Associates. Transforming their lives and the lives of all agricultural workers in North America begins by providing opportunities for our Associates to earn a transformational wage, access to quality education, and making improvements in our communities.

NatureSweet creates value by positively transforming everyone and everything we touch. We are committed to incorporating sustainable management practices as a fundamental aspect of our business and value creation in order to responsibly address the impacts we generate with all of our stakeholders. We firmly believe that success comes from doing what's right for everyone involved and making a positive impact on their lives. Our long-term commitment to sustainability has a lasting impact on the lives of our Associates, the communities we operate in, and the working relationships in the agriculture industry. Furthermore, it affects our environment and enables us to cultivate top-quality products that surpass the highest regulatory standards.

**In 2022, we made a long-term commitment to obtain our B Corp certification.** Our goal is to encourage the \$80 billion fresh produce industry to prioritize the well-being of workers and their communities in their growth strategies.

Our success is attributed to our dedicated and skilled workforce who cultivate and package our produce. We set our aim in 2022 to become a B Corp Certified company. We are proud to already be Fair Trade Certified™ and certified by the Equitable Food Initiative (EFI). By 2023, we will be the largest Controlled Environment Agriculture (CEA) company in the world to be B Corp Certified. We strive to make a positive impact not only within NatureSweet but also within the industry by setting a standard for others to follow.







NatureSweet controls the following companies:

100% ownership of NS Brands, Ltd

- NATURESWEET COMERCIALIZADORA S DE RL DE CV
- NATURESWEET MÉXICO S DE RL DE CV
- NATURESWEET TALENTO S DE RL DE CV
- NATURESWEET INVERNADEROS S DE RL DE CV
- NATURESWEET USA, LTD.
- NATURESWEET GI, LLC.

NatureSweet Leaders

Diversity:

- 18.2% are women
- 45.5% Hispanic- Latin American
- 54.5% White / Anglo / European-American



**Rodolfo Spielmann**  
CEO & President  
Chile



**Frederic Steunou**  
VP & Chief Financial Officer  
France



**Skip Hulett**  
VP General Counsel  
USA



**Alejandra Rodriguez**  
VP Human Capital  
Mexico



**Michael Chauvet**  
Senior VP of Sales  
USA



**Lori Castillo**  
VP of Marketing  
USA



**Keith Jones**  
VP Supply Chain  
USA



**Jose Alfredo Vega**  
Senior Planning Director  
Mexico



**Luis Pablo Calvo**  
VP Manufacturing  
Mexico



**Lauro Rivera**  
VP Quality  
Mexico



**Dr. Martin Ruebelt**  
Chief Scientific Officer  
and VP of R&D  
Austria



# Materiality Analysis

The materiality analysis is essential for our company and is used as a roadmap to guide our ESG journey. We run our materiality analysis every two years. The information included in this report has been defined through an analysis of topics and issues that are relevant and important to our stakeholders and the agriculture industry. The updated version of this analysis will be made by 2024.

## This materiality analysis is divided into three stages:

- 1
- Production of an extended material issues list, created from a benchmark study of the most relevant companies in the agriculture industry, which also contains other subjects that are relevant to our company.
- 2
- Consultation and collaboration with our stakeholders and others to prioritize important topics.
- 3
- The incorporation of subject matter discussed by Global Reporting Initiative (GRI) and the Sustainability Accounting Standards Board (SASB) for agricultural production and the farming industry.

## Stakeholders:

- Clients
- Company’s board
- Collaborators/Associates
- Community
- Suppliers
- Leadership Team members

Materiality Matrix



AI	Agricultural inputs	EG	Economic growth
B	Biodiversity	FM	Fertilizer Management
B&R	Brand and reputation	FW&WB	Fair wages and worker benefits
CC&GHG	Climate change and GHG emissions	HR	Human Rights
CS&S	Corporate Strategy and sustainability	I	Innovation
CSR	Corporate Social Responsibility	PM	Packaging materials
CW	Consumer Welfare	QFS	Quality, Freshness and Safe to eat
DEI	Diversity, equity and inclusion	SA	Sustainable agriculture
E&E	Energy and emissions	T&CI	Transparency and Customer information
E&SI	Environmental & social impacts of agricultural inputs in the supply chain	WC	Water conservation
E&T	Education and Training	WHW&S	Workforce health, wellness, and safety
EB	Ethics in business	WM	Waste management
		WP	Working practices



# Business Ethics

NatureSweet operates according to a spirit of ethics, learning, collaboration, and transparency with our Associates, clients, suppliers, and our supply chain.

Development, training, transparency, and accountability are very important to us at NatureSweet. Our policies and practices, as well as mandatory compliance training, reflect the commitment we have to our values.

## Governance and Ethics Committee

As part of the NatureSweet Business Ethics strategy, we have an Ethics Hotline in which all Associates, clients, or suppliers can file a complaint (which can be anonymous) for any ethical breach. The contact can be in English or Spanish through the **phone number 844-939-332 for US and 800-099-1708 for MX** or through the website at [naturesweet.ethicspoint.com](https://naturesweet.ethicspoint.com).

NatureSweet created the Ethics Committee, which is vital to good governance. It comprises six leaders from different areas with the mission to ensure ethical conduct and provide a formal framework for ethical standards and controls. The committee is responsible for investigating all ethics complaints and deciding if and what corrective action is needed.

Also, we have implemented a process for suggestions or complaints in our operations where our associates can access to suggestions box and survey where they can report any other issue related to services or diverse topics related to the work duties, and that the resolution of complaints and suggestions is reviewed

in the meetings of the EFI Leadership team in each operation.

NatureSweet is committed to conducting a successful and responsible business in the global marketplace in compliance with all laws, including the U.S. Foreign Corrupt Practices Act (“FCPA”). Consistent with this commitment, NatureSweet expects everyone associated with the Company to comply with the laws of the United States and other locally applicable laws and to maintain the highest ethical standards of business conduct. This FCPA Policy supplements the Company Code of Conduct’s prohibitions against bribery and defines responsibilities under the FCPA.

**During 2022, our Associates received ethics compliance training that included the following topics:**

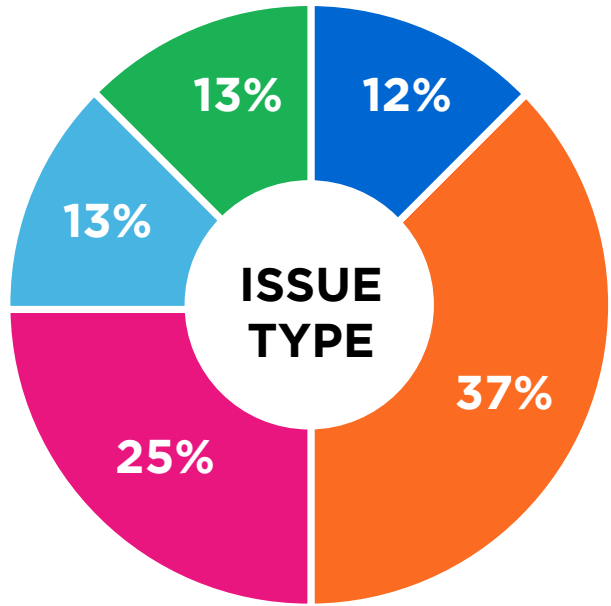
- 1. Code of conduct: **Why our values matter**
- 2. Conflicts of Interest: **Identifying a Conflict of Interest**
- 3. Conflict of Interest: **Types of Conflicts of Interest**
- 4. Speaking up and Reporting: **Our Non-Retaliation Policy**
- 5. Unconscious Bias: **Promoting Fairness in the workplace**
- 6. Workplace Harassment: **It’s a shared responsibility**





	2021	2022
Total Complaints	11	8
Complaints resulted in termination action	-	12.5%
Complaints resulted in disciplinary action	45%	0%
Complaints resulted in training, policy review, or no action necessary.	55%	87.5%

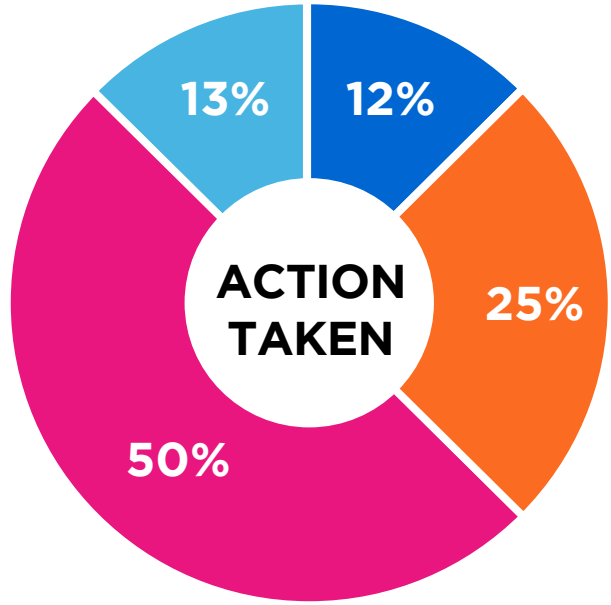
Summary



- Discrimination or Harassment
- Violation of Policy
- Violence or threat
- Data Privacy
- Conflict of Interest



In **2022**, NatureSweet received **eight complaints** of ethical breaches; of the complaints **12.5%** resulted in termination, the other **87.5%** resulted in reinforcement training, policy review or no action necessary.



- Termination
- Training
- No Action Necessary
- Policy/Process Review





# Human Rights



Our Associates’ well-being is fundamental to our company. It’s why we have a Code of Conduct, policies, and certifications that maintain and demonstrate our commitment to human rights. Our NatureSweet Code of Conduct (ethics code) governs our principles and business ethics. We encourage mutual respect and non-discrimination; we do not tolerate workplace bullying and sexual harassment in the organization. Any compliance can be reported through our Anonymous Ethics Hotline as previously indicated above.

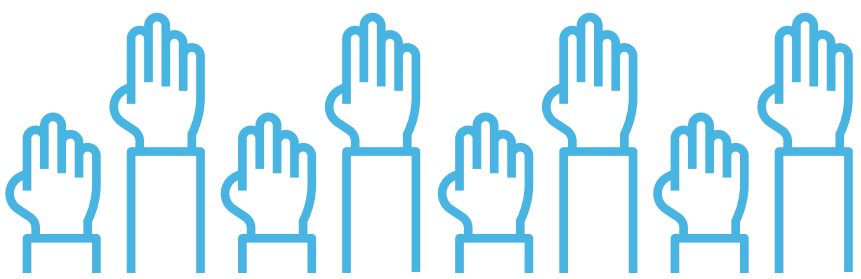
In our recruitment process, **we provide equal employment opportunities and respect people’s human and labor rights**, including non-discrimination based on race, color, national origin, sex, religion, or age. We enforce voluntary hiring and do not use child labor within the company nor through our suppliers. We avoid any risk of incidents of forced or compulsory labor and violations involving the rights of indigenous people.

**Our education program** provides our Associates with resources for school if they need it, and we encourage that their children stay in school rewarding academic excellence with an event and gifts every year, in addition to an annual voucher for the purchase of school supplies.



All our operations are certified under **EFI standards** (Equitable Food Initiative) demonstrating that our food is grown equitably through our social and labor practices, quality and management of food production, pest management, and regulatory compliance. **All of our facilities are also Fair Trade Certified™** which demonstrates that we generate products that promote sustainable livelihoods for our Associates, protects the environment and improves the communities of our Associates.

We respect the right to freedom of association and collective bargaining within the company and with our suppliers. We have four collective agreements for our companies, two in Jalisco, one in Colima and another in Nayarit, covering 100% of the total unionized workforce. **The salary increase review period is annual and every two years for a comprehensive review, salary plus benefits.**



Additionally, our company has implemented a code of conduct for all our suppliers that establishes compliance with all applicable labor, employment, health and safety, and environmental laws and regulations. We continue reinforcing our processes and policies for all of our co-producers. **Our goal for 2025 is to make sure all our supply chain has implemented EFI, Fair Trade or SMETA practices as part of their annual verification process.**




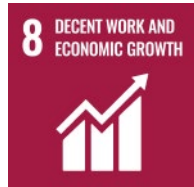





# Social Impact

Our strategy for Social Impact is based on understanding the needs of our Associates, communities, and suppliers. This helps us create a plan to execute programs that have a positive impact on all individuals we interact with, thus giving life to our purpose.

## Our Social Impact Programs:

SDG	Associates	Community
	<ul style="list-style-type: none"> <li>Quarterly Pantry Donations – for all Associates.</li> </ul>	<ul style="list-style-type: none"> <li>Bulk Product Donation.</li> <li>Donations of products in kind.</li> <li>Pantry Donations.</li> </ul>
	<ul style="list-style-type: none"> <li>Sweet Family program- Training in Human Development and Family Psychology.</li> <li>Sweet Life Program- Individual Psychological Therapies.</li> <li>Baby kits – For parents with a newborn baby, this kit includes basic products they will need.</li> </ul>	<ul style="list-style-type: none"> <li>Projects in Community - Fair Trade</li> </ul>
	<ul style="list-style-type: none"> <li>Basic, Middle and High School education Programs</li> <li>Scholarships for bachelor’s degree program</li> <li>Academic Excellence – A program has been created to recognize and reward children who have achieved excellent grades.</li> <li>School supplies bonus to help Associates’ children cover costs for school.</li> </ul>	<ul style="list-style-type: none"> <li><b>Adopt a school</b> - Investments to improve the conditions and infrastructure of schools in our communities.</li> <li><b>Earth School</b> - We develop skills related to sustainable eating by setting up greenhouses for students. These greenhouses help them learn about the environment.</li> </ul>
	<ul style="list-style-type: none"> <li>Recognition and Reward Program.</li> <li>Living wage initiative and transformational wage.</li> <li>Compensation scheme for results.</li> </ul>	
	<p>We have established a Social Impact Committee for each operation to assist our Associates who may be in disadvantaged or vulnerable situations. This assistance includes providing support for basic needs such as food, water, housing, education, medical care, transportation, clothing, and other necessities. Examples of support: In-kind, wheelchair, listening devices, medicines, etc.</p>	<ul style="list-style-type: none"> <li>Toy drive.</li> <li>Volunteering according to the needs of the nearby community.</li> <li>Support for non-profit civil associations.</li> </ul>





In 2022, we have positively impacted the lives of **107,990 individuals.**

### Our 2022 achievements include:



**5,476 hours** of voluntary work in communities



**Associates** who have earned degrees.

Our adult education program has successfully brought classes to our operation, resulting in 140 Associates graduating from primary and middle school. To date, a total of 1,896 Associates have graduated from this program. **We will help more 2,000 Associates graduate by 2023.**



### School improvements

The goal of the "Adopt a School" initiative is to improve the quality of schools in the regions where our employees' children attend and the communities where we operate.

By 2023, we will continue collaborating with these schools to develop projects that help teachers and students acquire sustainable skills.



**Students recognized** for their academic achievements

We understand that raising children is a complex task, and supporting their education is a top priority.

We strongly believe that education can transform lives and open doors to opportunities for future generations. To this end, we have initiated a program called **"Academic Excellence" that recognizes and rewards 1,040 elementary and middle school students** of our Associates who have achieved the highest scores during the academic year.



**8,211 Toys** donated.

Our annual **"Jugueton"** collected toys that our Associates delivered, and these were donated to children in need at local communities.



**812 lives** impacted through a course focused on mental health.

Our Sweet Family program is a training course that aims to enhance mental health and promote healthy interpersonal relationships among our union Associates. So far, it has positively affected the lives of **3,320 individuals.**



**1,013 lives** impacted due to improve access to mental healthcare services.

Our Sweet Life program also offers Associates access to psychological counseling and comprehensive wellness campaigns, designed to address the main issues faced in their local communities.

**So far, we have positively impacted 4,052 lives.**





*Fair Trade committee*



*Fair Trade committee*



*Earth School*



*Toy drive*



*Toy drive*



*Graduation*



*Pantry donations*



*Earth School*



*Academic excellence*





## **Transforming** our communities

**As a Fair Trade Certified company, NatureSweet has an employee-run fund called the Fair Trade Premium that generated over \$1 million (USD) in 2022.**

This fund supports community development initiatives such as improved education, access to quality health services, accommodations, development projects, and other basic services. NatureSweet prioritizes the authority of its Associates by creating systems that cultivate employee leadership and accountability within the company, thereby transforming communities.



## Our operations as **Fair trade Certified**



In 2021, NatureSweet achieved **Fair Trade Certification**. Subsequently, in 2022, each of our Mexican agricultural plants established Fair Trade Committees to represent our Associates. Over 60 Associates are members of these committees. The democratic process used to elect members allowed all Associates to participate and become transformation leaders. These committees play a crucial role in serving as the voice of nearly **6,000 Associates**.

The groups form a nonprofit called **“Transformando Comunidades para un Mejor Futuro A.C.”** or Transforming Communities for a Better Future. The organization is governed by a board of Associates who ensure that resources are used appropriately, legal requirements are met, and tax obligations are fulfilled.

In 2022, our Fair Trade committees underwent **47 hours of training** to acquire essential skills such as computer literacy, accounting, project development, and communication.

Assessments were conducted in every community we operate in to determine their main needs. These needs include access to education, childcare, quality food, health services, housing, and sanitation. Using the information gathered, a Premium Plan was created, that includes a prioritized and detailed list of projects and investments to address these needs, along with other expenses for which the Premium will be used. By the start of 2023, we will begin implementing the first six projects.

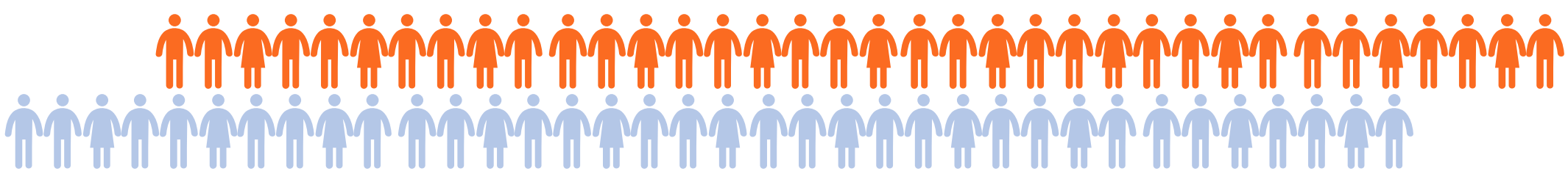
In 2022, we expanded our Fair Trade program by adding four external growers to our supply chain. These growers have certified their operations and are eligible to receive the premium as well as implement improvement projects.

Our goal for 2023 is to incorporate more growers in our supply chain and together continue improving the communities where we operate. We are proud to play a role in improving social and environmental standards for agricultural workers in North America and our commitment to transform more lives.



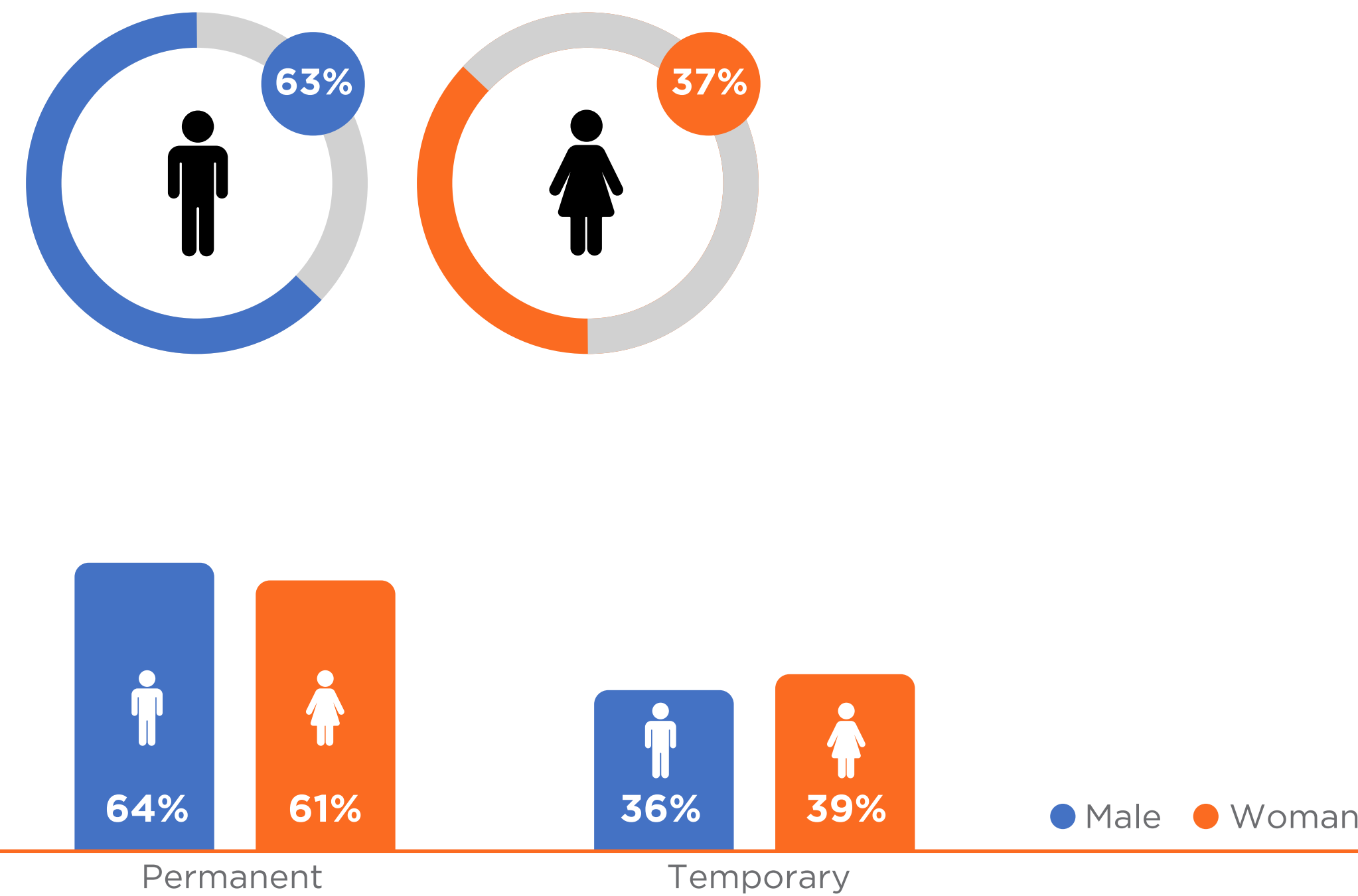
# Workers

## Demographics

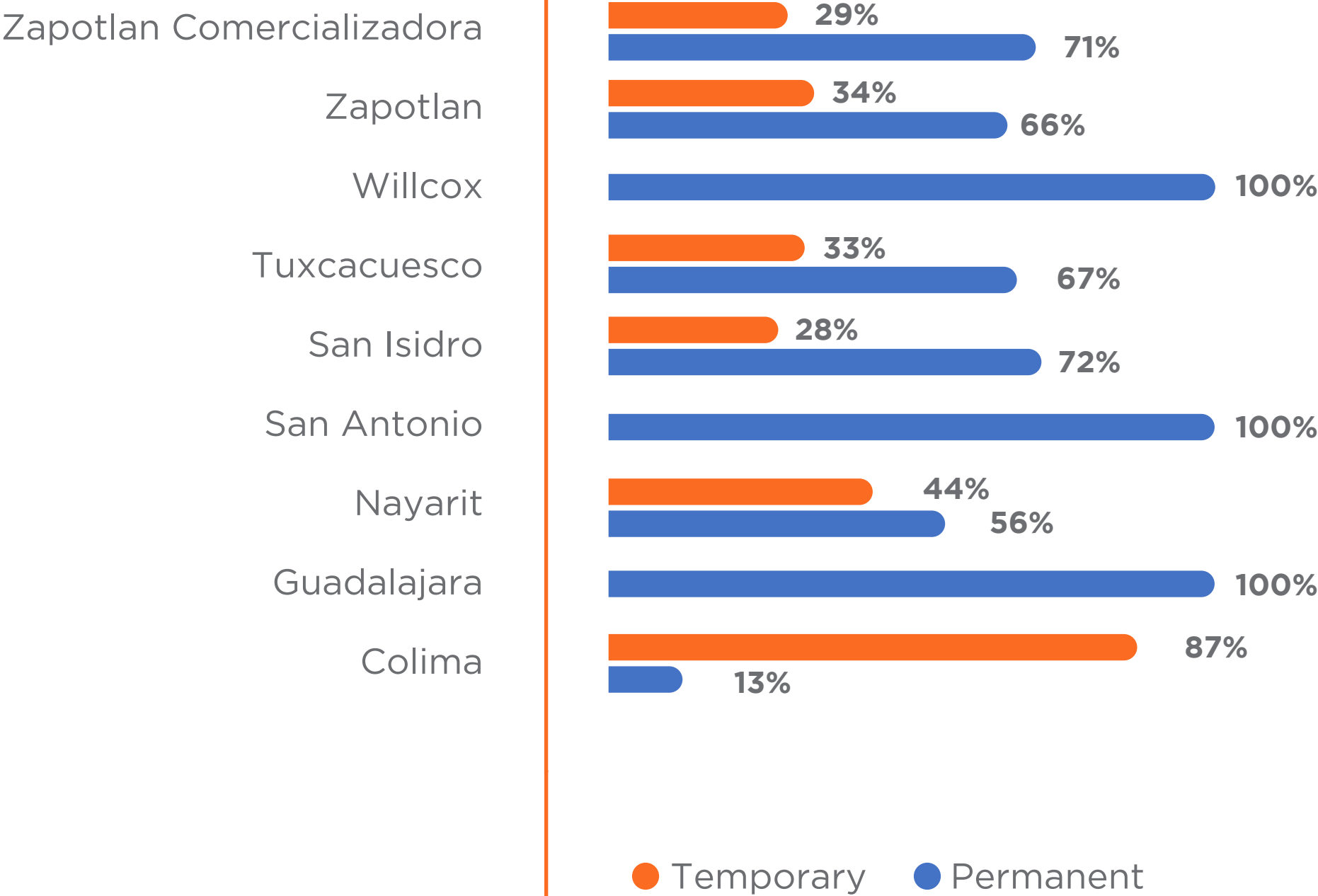


Our workforce yearly average is around **6,000 Associates**, this can increase depending on the occupancy of our production facilities. During 2022 we had a total of **9,803** permanent and temporary Associates.

Total headcount by gender, permanent and temporary.

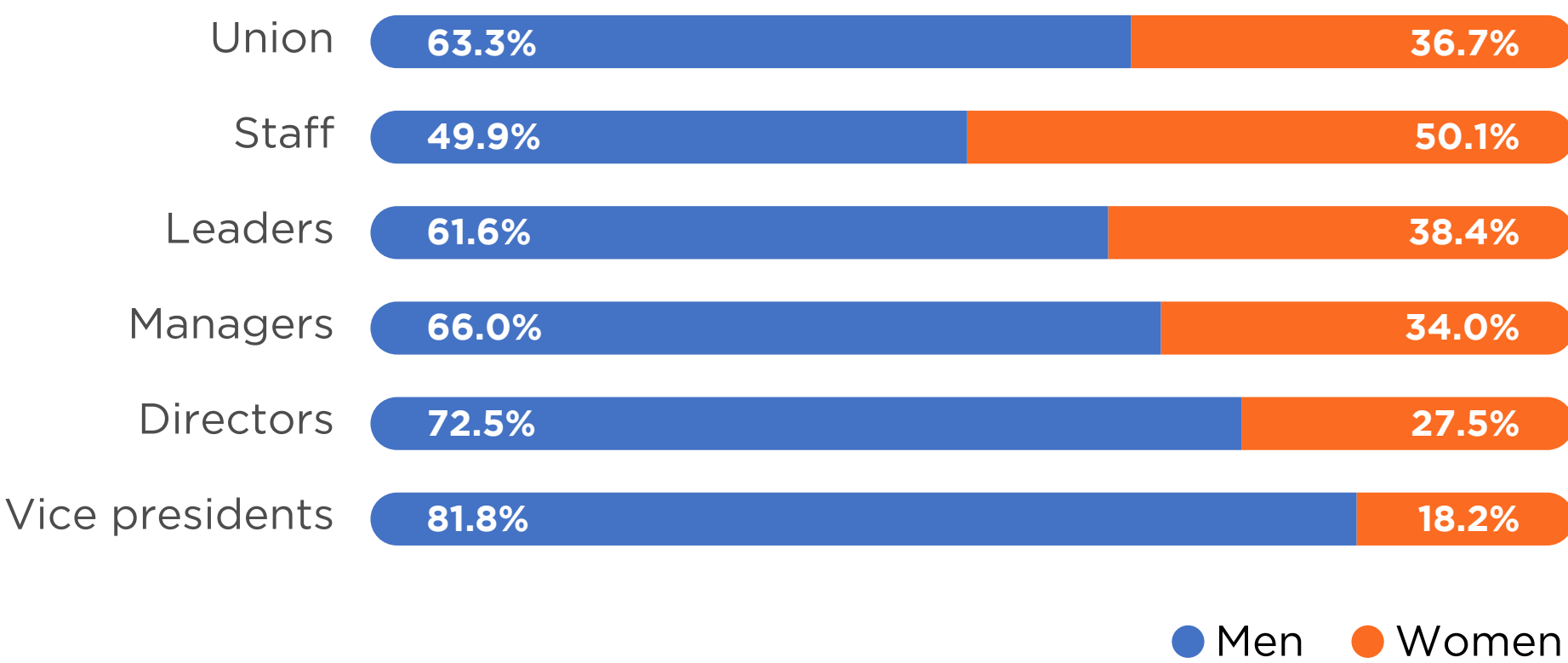


Total headcount by region, permanent and temporary

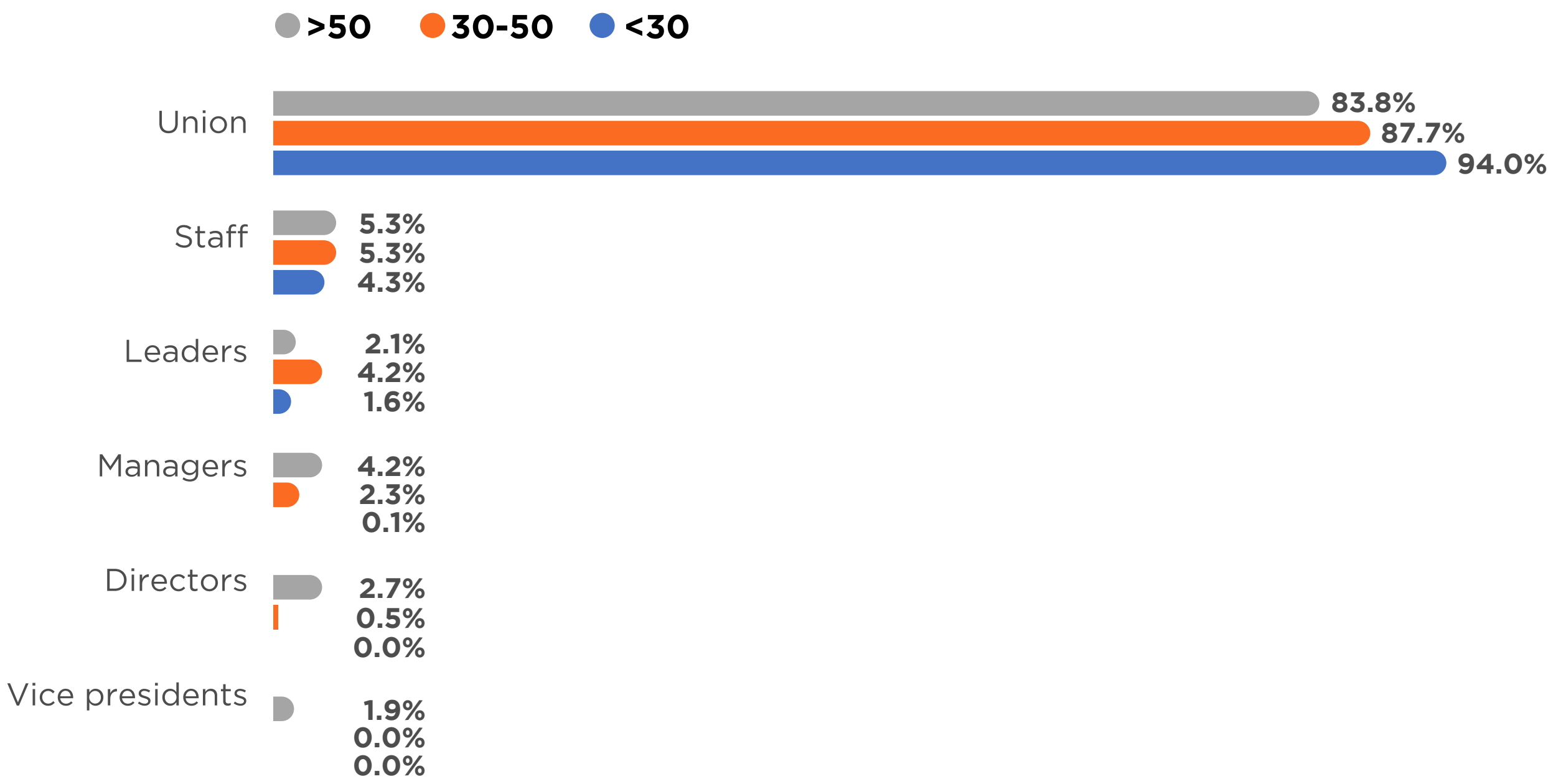




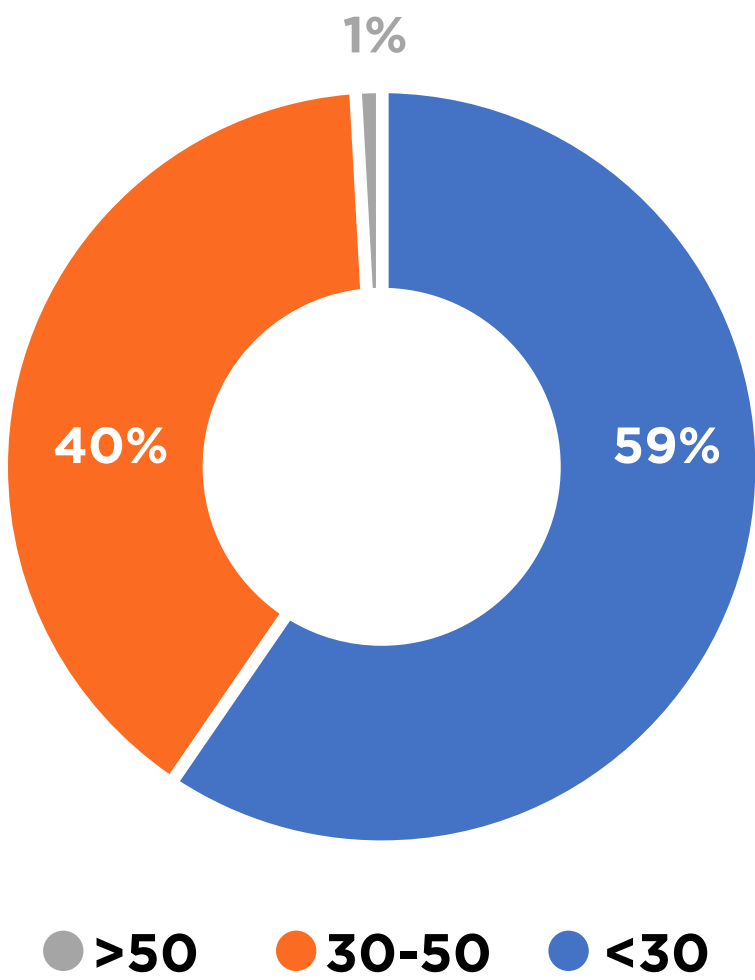
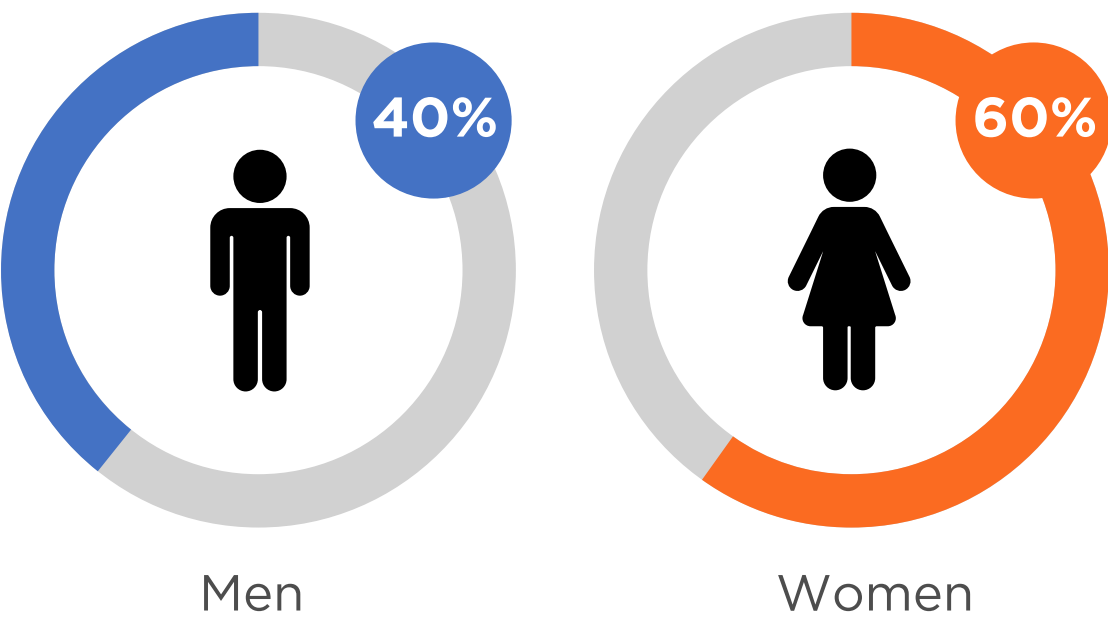
Total headcount by gender and employment category



Total headcount by age and employment category



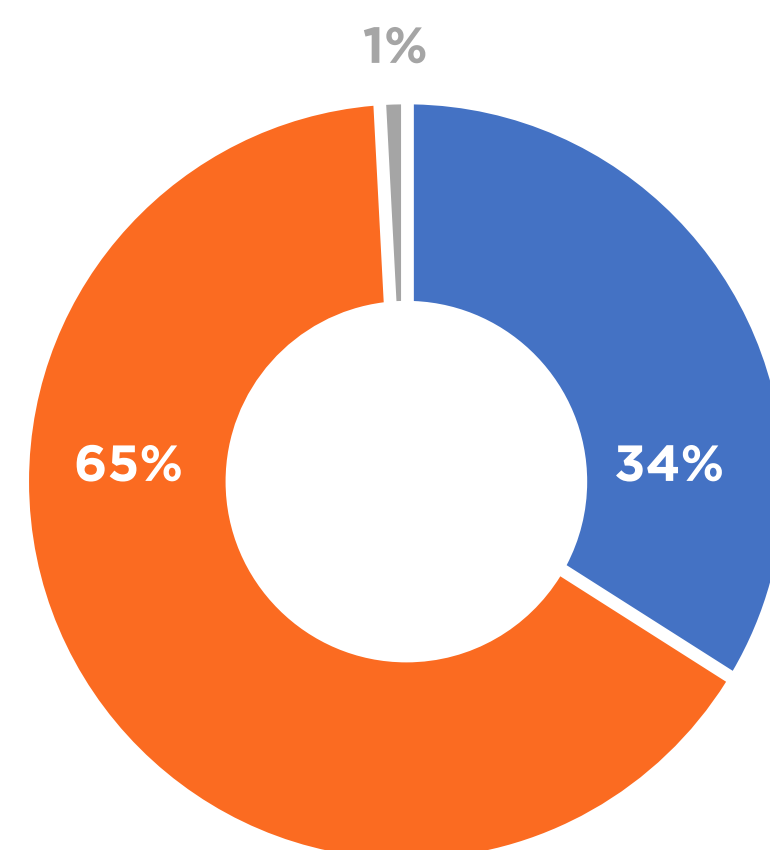
A total of 3,872 new employee were hired (gender and age distribution).





92

positions that have been filled by internal candidates during the reporting period.  
45% Women and 55% Men.



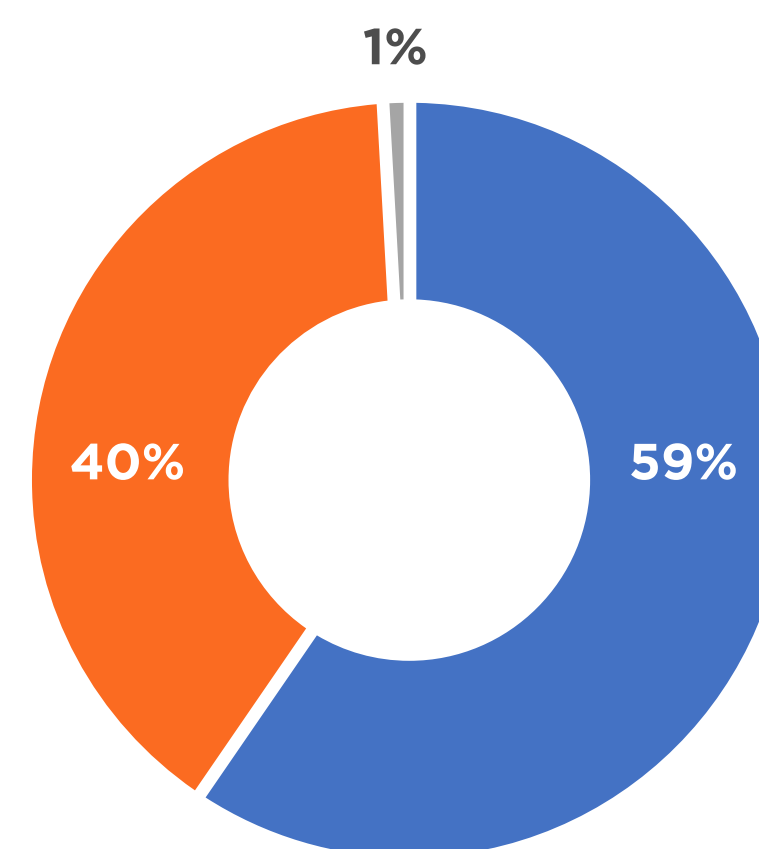
The gender breakdown

A total of 3,000

### Employees' turnover.

Rate of Employee Turnover	2021	2022
Union permanent	0.90%	1.42%
Union temporary	7.75%	10.23%
Staff	0.38%	0.90%

● >50 ● 30-50 ● <30



Employee turnover by age group







# Fair wages and benefits

One of the most common situations in the agriculture industry is that the minimum standards established for agricultural workers still need to be met.

At NatureSweet, we are committed to providing our Associates a level of income and well-being that will allow them and their families to live a decent life and reflect the effort of their work. That’s why all our Associates, full-time and temporary, receive a salary above the minimum wage established by law, along with a series of benefits. We offer not only livable wages but access to transformational wages.

Annually, we estimate the living wage utilizing the Anker Methodology and aligned to the Global Living Wage Coalitions led by the Anker Research Institute, Fair Trade International, ISEAL Alliance, Rainforest Alliance, and Social Accountability International. This means we consider studies that estimate a salary that allows the Associate and their family to access housing, health, education, food and other basic necessities.

Based on this information, it is estimated that an average monthly livable wage for agricultural workers in Mexico is:



With improved performance, an Associate can increase his or her wage to a transformational wage. A transformational wage includes all dimensions of a livable wage but also includes the possibility of an Associate attaining goals and dreams they never believed were possible. Examples of this are vacations, building homes, access to private education, and many other things. **During 2022, the percentage of full-time agricultural workers who received a livable wage was:**





The workers who are beginning their journey with NatureSweet will often start out as a **"Temporary Worker"** for a period of three months or less. We train them so they have the skills required to succeed and have the best chance to earn a transformational wage.

Temporary agricultural workers who received a transformational wage 17.1%

Temporary agricultural workers who received a livable wage 52.3%

In addition to the salary, all our Associates receive benefits. All our agricultural (includes temporary) workers receive benefits such as:

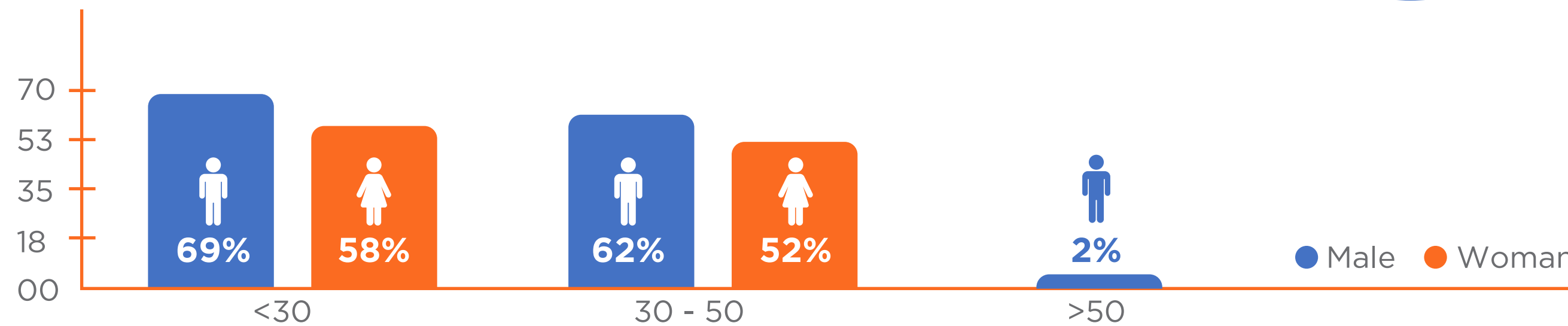
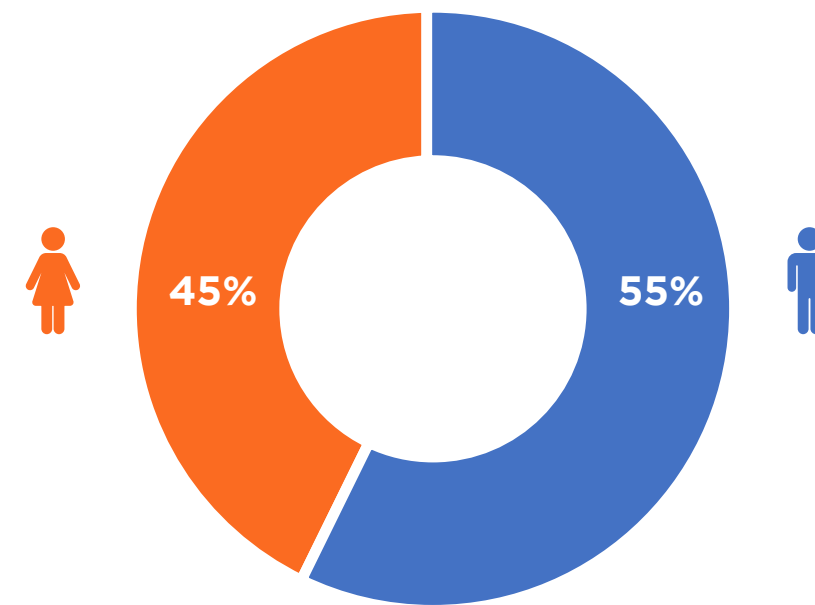
- Disability coverage
- Life insurance
- Medical facilities near the greenhouses
- Psychological services
- Paternity leave
- Baby kits for newborns
- Transportation
- Foodservice
- Food vouchers
- Pantries
- Performance bonuses





243

Associates took their paternity leave by gender during 2022, the distribution by gender and age group:



87%

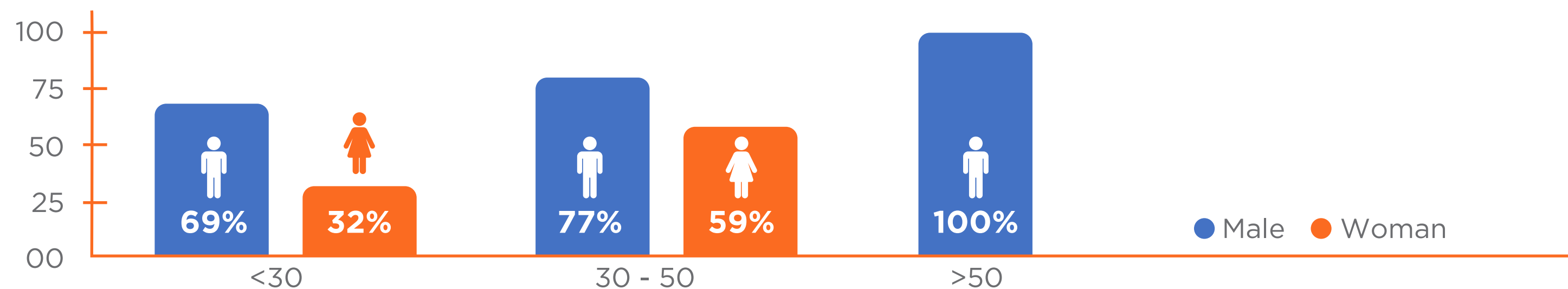
of women returned to work after maternity leave ended

100%

of men returned to work.

### Retention rate of Associates

who returned to work after paternity leave ended that were still employed 12 months after their return to work by age group and gender.







## Education and training

### Average hours of training per Associate in 2022

**9.03** hours total company



Average hours of training per gender:

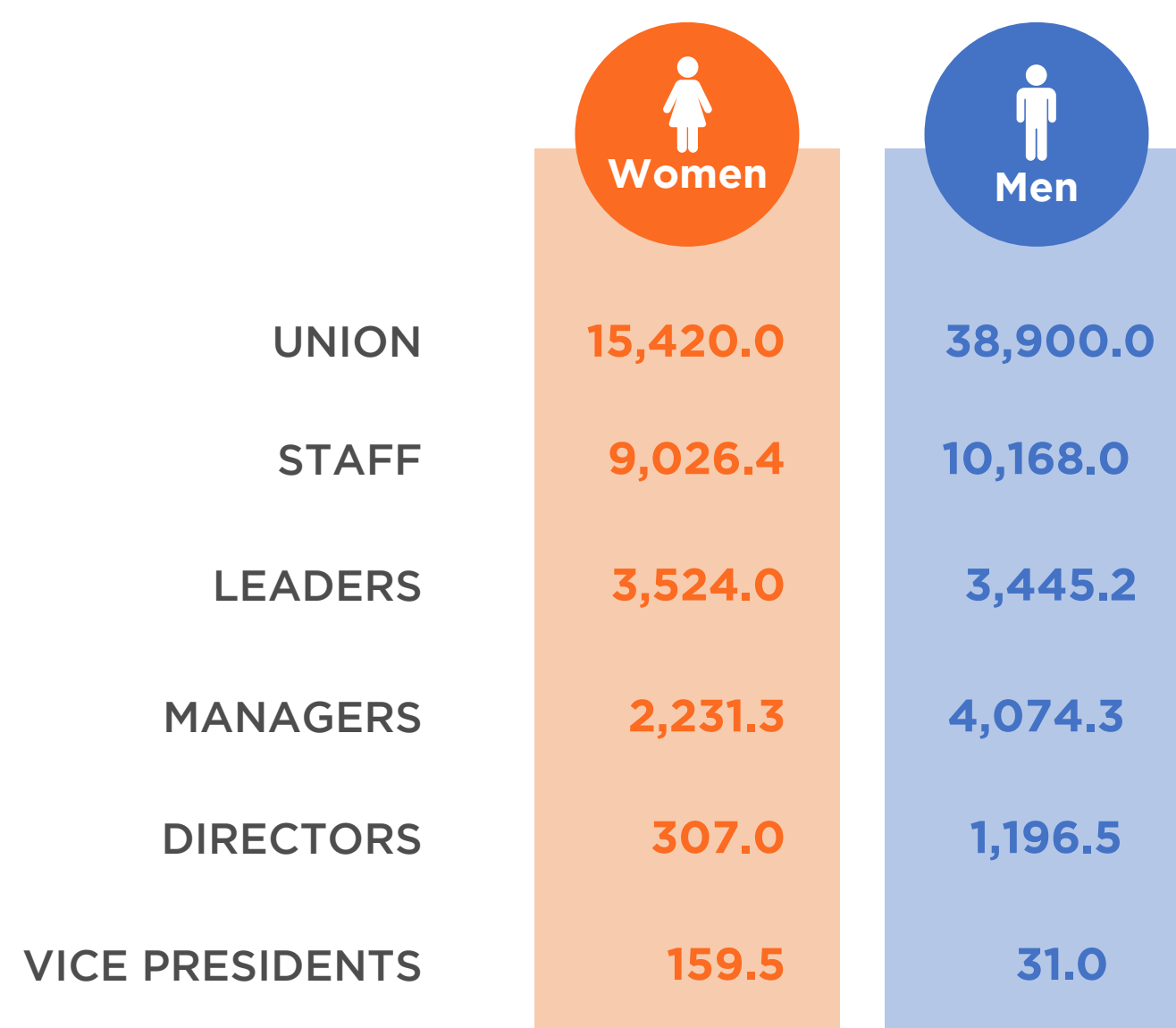


**9.4**



**8.4**





Total number of training hours provided to each category of Associates:

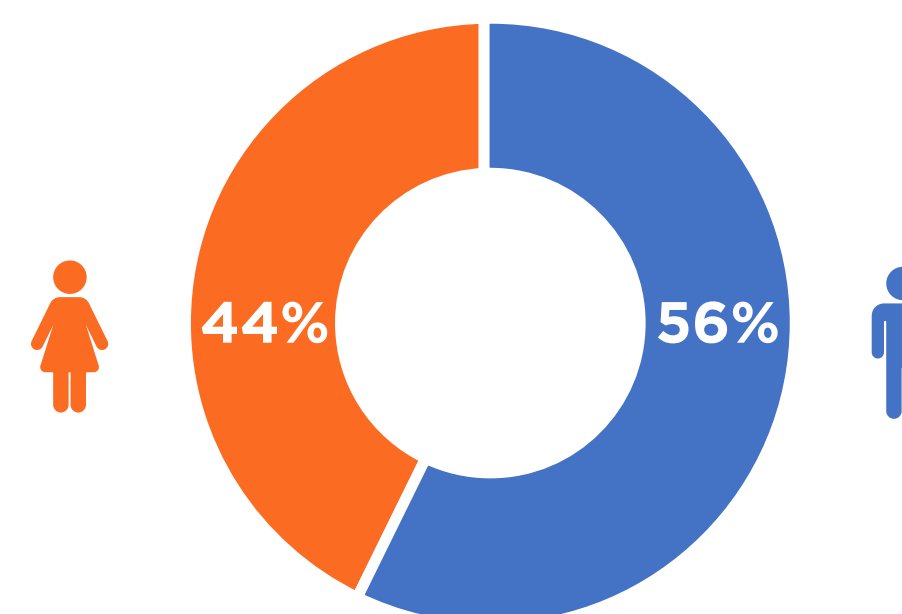


## Performance and professional development reviews

In 2022, **96%** of Associates received regular performance and professional development reviews (Union Associates are not included).

Percentage of Associates received regular performance and professional development by gender and category:

				
STAFF	169	169	50%	50%
LEADERS	130	90	59%	41%
MANAGERS	66	39	63%	37%
DIRECTORS	26	8	76%	24%
VICE PRESIDENTS	7	2	78%	22%



Total Non-unionized Associates

**706**

Of the **4%** of Associates Who did not receive an evaluation (28 Associates), 36% are women, and 64% are men.





## Programs for upgrading Associate skills



**Language Program:** The program aims to provide English and Spanish classes to foster a bilingual and multicultural workspace where language is not a barrier.



**LinkedIn Learning:** Our virtual training program to our non-union Associates to bring them access to a premium virtual training license with a wide variety of online courses that promote the development of soft and technical skills.



**Sweet Family program:** This course aims to improve the mental health and healthy interpersonal relationships of our union Associates.



**Mentoring:** This program in 2022 was exclusive for Top Talents, from Management upwards. A total of 22 participants, 11 mentors, and 11 mentees developed managerial skills for conflict resolution and innovation in solutions within the organization.



**Adult education program** includes basic, middle, high School, and bachelor's degrees, with official validity for Associates.





## The health, well-being, and safety of our Associates

We have a Health and Safety Management System in every manufacturing plant for each of our 9,830 Associates, 100% of operation sites are covered. The system is based on the international standard ISO 45001:2018. It's also certified by EFI, FAIR TRADE, and SMETA while meeting the demands of other interested parties such as Walmart, Costco, and Kroger, among others.

NatureSweet has risks and hazards identification, evaluations, and control procedures, that utilize the ZURICH analysis methodology. It assesses the risks in each of our operations. The evaluation is performed once a year and after the implementation of corrective measures that follow a FODA style of analysis.

The control hierarchy is used to eliminate the hazards and minimize the risks in the following order of priority considering their feasibility:

- 01 **Elimination of the hazard**
- 02 **Substitution of risk**
- 03 **Engineering controls**
- 04 **Administrative controls**
- 05 **Personal protective equipment**
- 06 **Transfer of risk**

## Health and Safety Management System includes:



A Safety and Hygiene Committee to lead this program. The committee meets quarterly, and union leaders are among the members. We also have a Senior Management Committee and the ISO 45001:2018 implementation Committee, which meet once a month to monitor the system.



A training matrix for our workplace Health and Safety Management system. Each of our Associates when entering the company receive a general induction about the activities of the company. They also receive an annual specialized training in the area with which they belong, to ensure their competence and awareness of the position.



Policies that include prevention protocols against any virus contamination and other infectious diseases, rules for entering the premises, policies and procedures for critical processes (high altitude work, welding, working with forklift equipment, operations using tractors, fumigation, etc.), among others



Daily activities into the operational control because safety is always a priority and workers are encouraged to never operate in an environment where their well-being might be compromised:

- 01 A safety talk, a check-up to verify safety conditions, installations, and staff's personal safety elements.
- 02 A health condition examination of the workers.
- 03 "Safe start" practice ("Arranque Seguro"), which is the most relevant activity of the procedure and is oriented to avoid mistakes.





Surveys and suggestion boxes at our plants to gather feedback. We review without delay, and action is taken when needed. Concerns are welcome without retaliation due to our zero-tolerance, No Retaliation Policy.



Campaigns following the contents established by NatureSweet's internal Industrial Safety and Occupational Health Integral System (SISSO) to teach our Associates about the risks of seasonal ailments and contagions.



We also supply vitamin supplements, have vaccination centers, and carry out preventive controls for those Associates exposed to higher risks and hazards in their working position. We rely on the VICORSAT care program, which aims to educate workers about the importance of self-care.



We have emergency services and specialized medical services for all our Associates at every plant, including external workers.

**As a company, we are committed to offering a safe environment for our workers and have created a safety management, risk, and well-being system.**



We recognize the highest number of occupational accidents can occur during the rainy season, between the months of July and September. Because of the rainfalls, the roads our Associate's use can become slippery and irregular, increasing our workers' risk of falling and injuring themselves. As a result, we take extra care through our daily operational control efforts to make sure our Associates remain aware of the risks during this season.



We are also aware that musculoskeletal injuries can occur because of heavy lifting or improper movements. At times, this happens when instructions included in our Heavy Load's Manual are not properly followed. To prevent even minor muscle aches, we started training our Associates in the correct way to lift weights, posture care, and even calisthenics before starting the activities. There are also micro health pauses during the workday as another way to prevent and mitigate muscle aches, along with other prevention activities that are in accordance with NOM 036-STPS.



We are also keenly aware accidents can result from improper handling of chemicals. We constantly perform a risk analysis of dangerous and contaminant chemical substances following NOM 05-010 STPS. Also, we perform different industrial hygiene studies regarding the vibrations our activities cause, noise, and light pollution, and others. A manual loading analysis is performed following the NOM 036 STPS guidelines, its preventive programs, laboratory, and consultancy studies, according to POES analysis.





We are dedicated to correcting every aspect of handling risks that may endanger our workers, and for this reason, this year, **we reduced the number of occupational accident-related injuries.**

### Occupational accident-related injuries

#### Comparative 2021 - 2022

	2021	2022
Deaths as a result of an occupational accident-related injuries	0	0
Occupational accident-related injuries with great consequences (Excluding deaths)	0	0

#### Comparative 2021 - 2022

	2021	2022
Recorded occupational accident-related injuries	41	17
Main types of occupational accident-related injuries	Contusions, Fractures, Sprains lower extremities	Contusions, Fractures
Number of hours worked	14,767,662	13,231,100
Rate of work accidents	0.56%	0.28%



**NatureSweet is leading the Best-in-Class safety index of 0.28 in 2022.**

**This is 3.5 times better than the world-class level for industrial safety** and 16 times better than the U.S. Agricultural Industry index.

### Work-related injuries and illnesses

During 2022, there were no fatalities due to work-related; as consequence, zero cases of recordable work-related. The main types of work-related illnesses that we have are related to muscular contractions or fractures as work-related injuries.



# Clients

## Food safety of the product



As the groundbreaking leader of the fresh produce industry, NatureSweet works hard to make sure our products contain the maximum quality standards. For that reason, strict supervision is applied to every one of our production processes to ensure food safety and quality.

During the entire production stage, our Associates follow food safety evaluation processes. These processes require the notification of any event that might compromise food safety and establish a protocol to evaluate the produce and institute appropriate remedial and preventive actions. We also have a system to measure and validate the food safety level of produce, developed from a program that allows us to understand the tendencies in microbiological findings and adherence to international safety regulations.

We also make sure our products are free from uncertified or unwanted pathogens and agrochemicals. We update our measurement and microbiological sampling methodologies to collect data more efficiently. More importantly, in order to maintain a production line and business model that is consistent with our aims and goals, we are careful to extend our requirements and verifications to our co-producers.

As a result, our 2022 food safety evaluation rating reached a grade of 96% for each of our production sites. We also managed to top every one of our goals regarding our food safety and quality standards. All of this has allowed us to obtain the Safe Quality Food (SQF) Edition 9 excellence certification, which we are very proud of.

100%

**QB31 Compliance Agrochemical**

100%

**QB31 Compliance Pathogens**

96.1%

**Samples under specifications**

This was due to the improvement in rapid microbiology analysis for expeditious obtaining of results and continuous reinforcement of the safety culture.

Our goal is to improve, grow as a business, and positively impact the people we work with both inside and outside of our organization. That is why we are committed to continuously strengthen the food safety culture among our Associates and emphasize the importance of maintaining our production standards.

Food safety certification proves our work is reliable, high quality, and safe for future consumption. Meeting these standards allows us to be present in even the most restrictive market.





For 2022, we have zero food safety incidents and no incidents of non-compliance with regulations resulting in a fine or penalty:

**zero incidents** of non-compliance with regulations resulting in a warning and zero incidents of non-compliance with voluntary codes.

**100%** of agricultural products are sourced from suppliers certified by a Global Food Safety Initiative (GFSI), most of them with PrimusGFS.



**Comparative 2021 - 2022**  
Our Consumer’s Satisfaction Survey results remain outstanding and continue to improve.

	2021	2022
Consumer’s complaints ratio	1.61	1.29
Customer rejection ratio	3.70	3.32





# Environment

## Environmental & Social Impacts of Ingredient Supply Chain

NatureSweet is committed to protecting the rights and safety of the workers who produce, process, or harvest our products. NatureSweet recognizes and respects the cultural differences found throughout the world. NatureSweet expects its suppliers and facilities to comply with all applicable labor, employment, health and safety, environmental protections, and business ethics.

Suppliers and Facilities need to meet the requirements set forth in our Supplier Code of Conduct.

As a company, we have been focusing our efforts on our safety/quality management system. For that reason, any company that would like to work with us must go through an evaluation process and meet certain requirements.

As part of the audit process with our suppliers we incorporate the code of conduct as a critical part of the compliance they need to meet.

When a new supplier is considered, we review their profile which includes a thorough revision of the legal history and a review of ethics related issues concerning the company's partners and working conditions of its Associates.

**During 2022 we had 1,034 active suppliers** in our whole organization divided in the following categories: corporate, MRO, packaging materials, raw materials, and co-producers.

**During 2022, we had thirty-two active growers** that were part of our supply chain; **69%** of them comply with the standards of one or more of the following: SMETA, EFI, and/or Fair Trade. The **31%** are on the way to getting certified, and **19%** have other local recognitions.

**Our goal for 2025** is that all our co-production suppliers get annual audits and third-party verification as a requirement to be part of our supply chain.

As we acknowledge the positive aspects that characterize us as a company, we also know that there's always room for improvement.

**For 2023, one of our key focuses is to incorporate environmental evaluations for our suppliers processes.**







## Regarding the genetic modification of our products at NatureSweet, we are 100% non-GMO.

All the seeds we use to produce go through a non-GMO certification process and are **100% non-GMO certified**. The seeds are tested, approved, and a Hazard Analysis and Critical Control Points (HACCP) plan is developed for the analysis and hazard control. Once the analysis process is completed, documented, and has met all requirements, the non-GMO certification is accessible.

We continue developing new seed varieties of tomatoes that have been properly certified. The certification process of our products follows the guidelines of the NSF (program certifying house). This ensures the effectiveness of our work in developing and growing NatureSweet products.

Additionally, non-GMO certification is conducted yearly.



In our commitment to sustainable agriculture practices, NatureSweet embraces Controlled Environment Agriculture (CEA) techniques, specifically fertigation and drip irrigation, as integral components of our operations. These innovative methods significantly enhance the efficiency of fertilizer usage while minimizing environmental impact. Here's how:

- **Fertigation:** we precisely deliver fertilizers to our crops through the irrigation system. This targeted application ensures that plants receive the exact nutrients they need when they need them. By avoiding overuse or waste of fertilizers, we reduce both costs and potential environmental runoff.

- **Drip Irrigation:** delivers water and nutrients directly to the plant's root zone, minimizing water and fertilizer wastage. This precise method not only conserves resources but also prevents nutrients from leaking into surrounding ecosystems, mitigating potential harm.

This approach contrasts sharply with conventional open-field agriculture, where fertilizers are often applied in excess, leading to nutrient runoff into water bodies and subsequent environmental degradation. At NatureSweet, our commitment to responsible agrochemical use extends to the efficient application of fertilizers, which is a cornerstone of our sustainability efforts.

In the broader context of agrochemical use, we are against the use of pesticides listed on the World Health Organization's (WHO) yellow or red lists.

Our proactive approach aligns our agricultural operations with global health and safety standards, prioritizing both the well-being of our Associates and the broader ecosystem. We maintain rigorous safety protocols, comprehensive training for our Associates, medical assistance stations at production plants, and careful selection of inputs with quality and phytosanitary certificates. Our inputs undergo detailed risk analysis and regulatory compliance checks, reflecting our commitment to safety and environmental responsibility.

While we embrace Integrated Pest Management practices, with a focus on biological pest control methods, we are also actively working towards reducing the use of inorganic pesticides progressively.

In addition, we closely monitor pesticide residue levels in harvested crops to ensure compliance with safety standards and regulations. We extend this commitment to our co-producers, requiring 35 of them to conduct this analysis before entering into agreements with us. We are dedicated to delivering safe, high-quality produce to our valued customers while upholding the highest standards of environmental responsibility.

**Our commitment extends to protecting pollinators by avoiding the use of substances harmful to these essential creatures.**





## Water

**Water is an essential resource for agriculture, and its efficient use is critical to ensuring the sustainability of food production, protecting ecosystems, and addressing water scarcity challenges.** At NatureSweet, we are committed to responsible water management and conservation.

At NatureSweet, all our water comes from onsite wells. One of the key elements of our sustainable water management is the utilization of drip irrigation systems. This technology allows for precise nutrient dosing, reducing the release of agrochemicals into the environment. **We mix water with fertilizer in tanks, ensuring zero waste and exact nutrient dosing directly to the plants.** This contrasts with traditional agriculture, which spreads fertilizer to the soil or sprays it from planes, often leading to waste and environmental exposure. Our approach minimizes ground and atmospheric contamination while considerably reducing the exposure of our Associates to agrochemical products, resulting in a safer working environment.

**In 2022, we achieved a 20% increase in tomato production** compared to the previous year. This enhanced production was accompanied by a proportional rise in irrigation intensity, with 108 liters of water used for every kilogram of tomatoes produced.

**In 2022, our improvements extended to enhancing water usage during the packaging process.** We introduced chemical dosing pumps in our tomato washing machines, eliminating the need for water tanks. Furthermore, we incorporated low water consumption equipment for washing boxes, furthering our commitment to resource efficiency. Looking ahead, we are actively planning the installation of UV disinfection equipment to enable water recycling in our processes. This initiative will not only conserve water but also decrease the consumption of agrochemicals when nutrient-enriched water returns to the plants.

**Additionally, we are focused on enhancing our water source recirculation,** optimizing greenhouse designs, and continuously reviewing and updating our irrigation systems. **By 2030, we are committed to saving up to two million cubic meters of water.**

Acknowledging the water stress in regions where we operate, particularly in Mexico, we are dedicated to addressing this challenge. Our approach involves not only improving water use efficiency but also treating wastewater to meet stringent quality standards before being released to recharge the aquifer.

**Agricultural and service-related wastewater discharges are treated meticulously in biobeds and activated sludge treatment plants.** External certified laboratories monitor the physical and chemical parameters of our discharges, ensuring compliance with national water quality standards.





## Energy Efficiency

**Our commitment to sustainable practices extends to efficient energy management within our Controlled Environment Agriculture (CEA) operations.** By harnessing innovative strategies and leveraging warm climates, we've not only reduced our energy footprint but also amplified our commitment to responsible stewardship.

CEA is renowned for its high energy demand, particularly for greenhouse heating. However, our strategic choice of warm climates enables us to significantly mitigate this demand. By locating our facilities in regions with naturally favorable temperatures, we drastically reduce the energy needed compared to colder climates. This not only aligns with our sustainability goals but also contributes to substantial energy savings.

Our energy portfolio primarily consists of purchased electricity and various fuels, including gasoline, diesel, and liquefied petroleum gas (LPG). Of these, **electricity constitutes 75.28% of our energy usage**, with a significant portion allocated to our irrigation system's pumps and the product packaging process. Fuels, including diesel, gasoline, and LPG, power our agricultural machinery for our farming practices.

**In 2022**, despite witnessing increased production demands, **we sustained our electricity demand ratio at 0.14 kWh per pound** of harvested fruit, aligning with our 2021 figures. This achievement underscores our commitment to efficiency in the face of expansion.

During this period, we also embraced energy efficiency by **transitioning to 100% LED lighting**. This upgrade not only reduces electricity consumption but also enhances the quality and sustainability of our tomato production.



## Climate Change

We understand the critical role we play in minimizing the carbon footprint of our controlled environment agriculture (CEA) tomato production.

The global benchmark for carbon footprints in tomato production spans a wide range, **from 0.1 to 10.1 pounds of CO2 equivalent per pound of tomato (lb CO2eq/lb tomato)**. We're proud to report that our carbon footprint stands at the lower end of this spectrum, measuring just **0.586 lb CO2eq/lb tomato** (Scope 1 & 2). Our low carbon footprint is the direct result of strategic decision-making. By cultivating tomatoes in warm climates, we drastically reduce our demand for fossil fuels and electricity, leading to an exceptionally low energy requirement.

Traditionally, a significant portion of the CEA sector's environmental impact is attributed to fossil fuel consumption, primarily for heating purposes. For us, the primary impact arises from the distribution of our product.

While product transportation does contribute to our carbon footprint by adding approximately **0.4349 lb CO2eq/lb** to the previous figure, it's important to note that our total carbon footprint remains relatively low when compared to the global benchmark. This surprising result aligns with existing literature, highlighting that transport emissions do not surpass those associated with energy demands in the off-season cultivation of tomatoes in cold climates.

Our journey to minimize our carbon footprint doesn't stop here. We will continue to explore ways to reduce our carbon footprint while delivering high-quality, sustainable tomatoes to your table. Our next steps include further improving the footprint of our supply chain and innovating to reduce the carbon footprint of our manufacturing process.





## Biodiversity Protection

**NatureSweet is firmly dedicated to our sustainability mission in the regions of Mexico where we operate,** ensuring a harmonious balance between our activities and the ecosystems we are a part of. As a core element of our mission, we are deeply committed to protecting pollinator habitats within our facilities and safeguarding the rich diversity of local life, both in terms of flora and fauna.

**In 2022, NatureSweet conducted an in-depth study that spanned an extensive area of 50.08 hectares in the vicinity of our Tuxcacuesco, Jalisco plant.** This land plays a crucial role in recharging the regional aquifer and maintaining the overall ecological balance. The study revealed an astounding array of over **142 animal species, some of which are categorized as endangered or threatened.** Additionally, we identified an impressive diversity of **63 plant species**, many of which are exclusive to the Mexican region.

**Our next objective in biodiversity conservation is to implement targeted conservation and restoration initiatives within this area.** Our goal is to mitigate the impact of our operations on local water resources and proactively prevent any harmful emissions that could adversely affect the broader ecosystem and the well-being of our valued associates.

At NatureSweet, we take our role as stewards of this extraordinary ecosystem seriously. **By supporting the conservation of the natural environment in which we operate, we contribute to the overall health and resilience of the community.**





## **Waste Reduction**

Fresh production inevitably generates waste, but at NatureSweet, we are committed to minimizing this impact. **During 2022, we achieved a recycling rate of 52.13% for our waste materials in our operations, excluding biomass.** Our primary focus has been on recycling cardboard from packaging and plastic from greenhouse structures, both crucial aspects of our operations. However, we acknowledge the need to improve our inorganic waste recovery to further reduce landfill reliance.

Biomass waste includes the coconut slabs used as a growth medium. It represents an important aspect of our waste management strategy. When these slabs eventually reach the end of their lifecycle in our operations, we donate them to other growers or repurpose them for ornamental plant production.

Our commitment to reducing waste extends to our product and packaging materials. **In 2022, we successfully achieved our goal of replacing 75% of virgin plastic in our branded products with recycled material,** aligning our practices with sustainability objectives. We actively collaborate with our suppliers to encourage waste reduction in both our facilities and their production centers.

Our journey toward sustainable waste management continues. Our next objective is to further reduce the amount of waste sent to landfills. We are actively researching alternative waste reduction strategies and closely measuring our waste generation to identify opportunities for improvement.







[www.naturesweet.com](http://www.naturesweet.com)

