

SUSTAINABILITY REPORT 2023

“WE HAVE THE
MOST TALENTED

PEOPLE

WHO CREATE THE BEST-TASTING

PRODUCE
IN THE INDUSTRY.”

Rodolfo Spielmann



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STAKEHOLDERS

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“OUR ASSOCIATES

CREATE A DIFFERENCE YOU CAN TASTE IN OUR PRODUCE.
AT NATURESWEET, WE FOSTER A FAIR AND RESPECTFUL

ENVIRONMENT

WHERE EVERY INDIVIDUAL IS VALUED,
AND THE PRINCIPLE OF REAPING
WHAT YOU SOW RESONATES DEEPLY.
THIS ETHOS EMPOWERS ARE TEAM
MEMBERS TO DEDICATE THEMSELVES,
TRANSFORM THEIR LIVES, AND NOT
JUST STAY, BUT FLOURISH AND

PROSPER

WITHIN OUR COMPANY.

Rodolfo Spielmann



WE ARE
SUCCESSFUL
BECAUSE WE HAVE
THE BEST
PEOPLE



RODOLFO SPIELMANN
President & CEO
of NatureSweet

Message
to 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.

WE BELIEVE THAT OUR PURPOSE IS THE REASON BEHIND OUR SUCCESS. WE ARE SUCCESSFUL BECAUSE WE HAVE THE BEST PEOPLE, AND THAT IS WHY WE HAVE THE BEST PRODUCTS.

We created a model in which every employee (which we refer to as 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 rigorous industry certifications such as the Equitable Food Initiative (EFI) to ensure our products are grown equitably; B Corp demonstrating our positive impact to our workers, customers, communities, environment and governance; and all our facilities are Fair Trade Certified™ showing the world our products are fairly produced and fairly traded.

WE'RE COMMITTED TO TRANSFORMING THE LIVES OF ALL AGRICULTURAL WORKERS IN NORTH AMERICA AND WE'RE INVITING EVERY COMPANY TO JOIN US. THE TRANSFORMATION OF AN ENTIRE INDUSTRY DEPENDS ON ALL OF US

We are proud to share
highlights of our 2023
performance, which
helped us achieve
our company goals:



We have become the **world’s largest Controlled Environment Agriculture (CEA) company**, that has earned Fair Trade, Equitable Food Initiative (EFI) and B Corp certifications.

We made a long-term commitment to **become a B Corp company**. NatureSweet’s first-time certification score of 114 points is 34 points above the minimum requirement. The proof that the NatureSweet model is working lies in the superior quality of the fruits and vegetables it cultivates and its less than one percent-age rate monthly among permanent associates, which is extremely low in the agricultural industry. To become B Corp Certified, NatureSweet met rigorous benchmarks in several categories including workers, customers, communities, environment and governance.



Our safety index was 0.21%. Safety of our associ-ates is a core value. We always ensure that our associates work in a safe and healthy environment so that they can focus on achieving daily objec-tives which allows them to improve their income. Our safety index was several times better than when compared to OSHA in the U.S.

Through our corporate social responsibility initia-tives, **we impacted 202,412 lives.**

We launched a bachelor’s degree program in agriculture and our first generation of associates will be earn their degrees in 2028.

We partnered with Fundación EDUCA México A.C. and launched a program called “Escuelas por la Tierra” in Mexico, where more than 1800 elemen-tary and middle school students learned about sustainable food through an educational project which included planting gardens at six schools.

We announced that NatureSweet is converting 100% of its branded snacking tomatoes to be **Fair Trade Certified** with a goal to become the largest producer of Fair Trade product in the world.

We embraced **Controlled Environment Agriculture (CEA) techniques**, specifically fertiga-tion and drip irrigation, as integral components of our operations. These innovative methods signifi-cantly enhance the efficiency of fertilizer usage while minimizing environmental impact.

We achieved a significant improvement in water efficiency, with a **1.52% reduction in total water extraction**, agricultural irrigation decreased by 3.04%, reflecting our commitment to sustainable water management practices.

We achieved our goal of **replacing 79% of virgin plastic** in our branded products with recycled material.

We achieved a **recycling rate of 52.65%** for our waste materials in our operations.

We’ve achieved a **1.42% reduction in total waste generated.**

We **lowered our carbon footprint** measuring 0.458 lb CO₂eq per unite (Scope 1 & 2).

We were the first private company in the state of Jalisco that voluntarily **protected 50.08 hectares (123 acres) in Tuxcacuesco**, Jalisco for conservation, protecting the land and species. The area is considered a pollinator corridor and will help preserve and protect various species. More than 142 species of animals have been identified on the land, 63 species of flora, including many plants endemic to Mexico.

We improved product freshness by 3.7%
(from harvesting to delivery to customers).

We had an overall reduction of 23.6% in consumer complaints related to snacking tomatoes and greenhouse vegetables compared to 2022.

We donated more than 7M pounds of produce to vulnerable communities / more than 55 non-profits and food banks. This provided 6.25 million meals to families in need throughout North America.

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 our impact goes beyond NatureSweet, inviting every company to join us on providing agricultural workers with lifechanging opportunities that incentivize good work, offer them broader access to healthcare services, and an advanced education

Rodolfo Spielmann
President & CEO of NatureSweet

**WE ARE
TRANSFORMING
THE LIVES
OF MILLIONS
OF AGRICULTURAL
WORKERS**



CHAPTER

1 OUR BUSINESS



Who We Are

WE ARE A COMPANY DEDICATED TO GROWING THE TASTIEST GREENHOUSE-GROWN PRODUCE. OUR PURPOSE IS TO TRANSFORM THE LIVES OF MILLIONS OF AGRICULTURAL WORKERS IN NORTH AMERICA THROUGH A PROFITABLE BUSINESS MODEL THAT INVITES OTHERS TO COPY IT.

WE OWN OUR PURPOSE THROUGH EACH OF OUR ACTIONS.

It all starts with our tomatoes and vegetables – 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 the stores. It is a brand that is transforming an industry.

Our Story

OWNING OUR PURPOSE VIA EACH ONE OF OUR ACTIONS.

Our Story speaks of who we are, our philosophy, and how we live our culture at NatureSweet. It is the way we choose to be. This is the NatureSweet way.

OUR PURPOSE

Transform the lives of millions of agricultural workers in North America through a profitable business model that invites other to copy it.

OUR PRINCIPLES

Are the beliefs we embrace as a company and guide us in how we operate.

OUR UNLEASHERS

Are the behaviors expected from each associate to make our Principles a reality.

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

HAPPY
AND PROUD
WORKERS

THE TAKEAWAY:

COMPANY
SUCCESS

Unleashers



I AM ACCOUNTABLE
I own the outcome.



I TALK STRAIGHT
I talk straight, on time, and with clarity.



I AM PASSIONATE
I dare to pursue my dreams.



I AM HUMBLE
I regard others with the same esteem
I regard myself. I learn from others to achieve greater things.



I AM A POWERFUL PARTNER
I collaborate with others to reach shared goals.

Principles

PROMISE
We reap what we sow.
The more you invest in something, the more you get out of it.

FREEDOM
We chose our own destiny.
Our wellbeing depends on our decisions, not our circumstances.

ABUNDANCE
We are committed to our purpose.
Our commitment is the driving force to our success, no matter the obstacles or resources.

UNLEARN
Everything evolves.
In life as with our crops, there are cycles. It si important to reinvent oneself and adapt to keep moving forward.

FUN
The joy is in the journey.
We enjoy our journey, making each moment a learning experience.

Our Operations and Corporate Offices

NATURESWEET IS THE LARGEST VERTICALLY INTEGRATED CEA (CONTROLLED ENVIRONMENT 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 and best vegetables grown in greenhouses. This natural combination ensures that our product 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.

In 2023, we expanded our operations to Bonita Arizona, opening a high- tech greenhouse and we are growing some products that are now part of our portfolio.

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





Certifications that make us unique

FAIR TRADE

It ensures that producers and partners receive fair prices and wages, work in safe conditions, protect the environment, and obtain community development funds to help their lives.

NON GMO

Certification that accredits our products as Non-Genetically Modified Organisms.

ACE and C-TPAT

Accredit us as a company that complies with the Customs and Border Protection (CBP) system and efficiency and reliability standards.

Food Safety SQF

and SENASICA

Certify that our production meets the highest standards in food safety and good agricultural practices.

EFI

The Equitable Food Initiative Certification requires a comprehensive audit by a third-party certifying body that applies broadly to all fruit and vegetable crops and can be customized to address labor conditions, food safety, and pest management to best fit farming operation's needs.

B Corp Certification

Provides a comprehensive and objective measure of a business's positive impact on society and the environment, but not its financial performance.

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 Products in 2023

SNACKING TOMATOES

Cherubs®



Comets



Cherubs To Go®



Constellation®



Constellation®
Summer Medley Tomatoes



Constellation®
Winter Medley Tomatoes



Glorys®



Twilights®



Tomatoes
on the Vine



Constellation®
Spring Medley Tomatoes



Constellation®
Fall Medley Tomatoes



Organic
Grape Tomatoes



TOMATOES

Adora- Heirloom Tomatoes



Beefsteak Tomatoes



XXL Beefsteak Tomatoes



Roma Tomatoes



GREENHOUSE VEGETABLES

Long English Cucumber



Organic
Mini Cucumbers



Mixed Bell
Peppers



Organic
Baby Cucumbers



Mini Sweet
Peppers



Organic Long English
Cucumber



Mini
Cucumbers



Organic Mixed
Bell Peppers



Organic Mini
Sweet Peppers



CHAPTER

2 ABOUT THE
REPORT



The Sustainability and ESG Report describes NatureSweet’s distinctive and unique business model that is guided by Our Purpose and shows our ESG commitment. The report refers to the period 1/1/2023 through 12/31/2023. The report’s qualitative and quantitative information refers to NatureSweet. Our 2023 results, 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



Corporate Sustainability Strategy

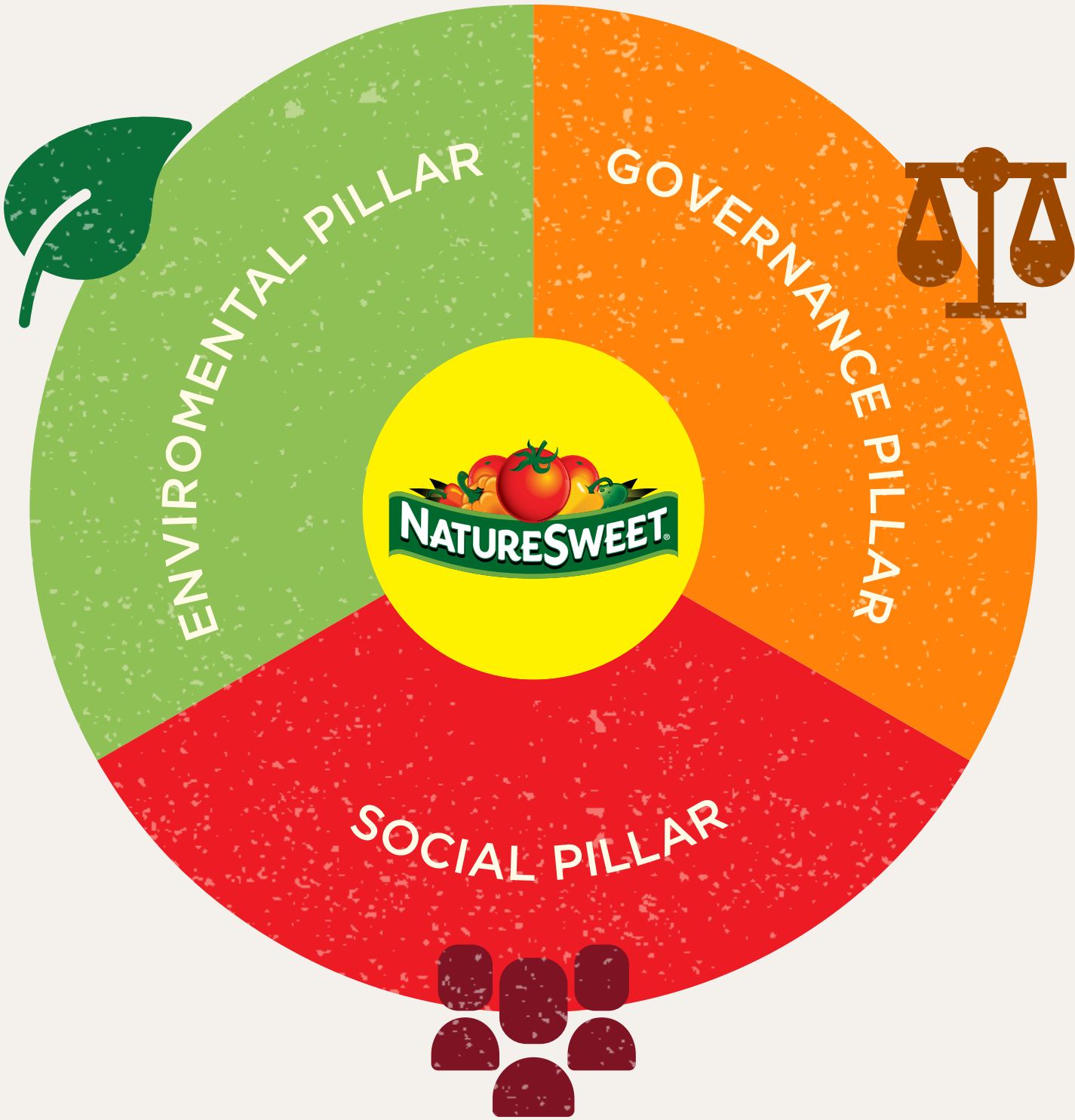
During 2023, we put in place our sustainability and ESG policy to provide clarity around sustainability, the Environmental, Social, and Governance (ESG) performance indicators, results, and the process to report and communicate to our stakeholders. The sustainability policy describes our commitment to environmental, social and governance practices by creating a material positive impact on society and the environment, taken from the business and operations of the Company.

NatureSweet measures the ESG KPIs identified as material issues that are more relevant for the industry and our stakeholder using recognized standards such as SASB, GRI, B Lab and several legal and accounting authoritative bodies including MX IFRS and US GAAP.

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.

NatureSweet has always committed to doing better for our people, our produce, and our planet. In 2023, we made a long-term commitment by becoming the largest Controlled Environment Agriculture (CEA) company in the world to do so. Our hard-earned certification as a B Corp simply proves our Raised Right commitment is an industry-leading philosophy in positive, purpose-driven business.



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. We strive to make a positive impact not only within NatureSweet but also within the industry by setting a standard for others to copy.

Our success is attributed to our dedicated and skilled workforce who grow and package our produce.

Methodology

THIS REPORT HAS BEEN PREPARED IN ACCORDANCE WITH THE GRI, SASB AND B LAB STANDARDS.

The ESG team at NatureSweet was formed to prepare this report and to effectively manage all related matters. The Team is responsible for collecting, reporting and analyzing the relevant information and data. The report was prepared with the support and expert guidance (data collection, evaluation, and authoring) of the subject matter experts in environmental, social and governance. This report has been reviewed and approved by the CEO, CFO, and General Counsel.

The materiality analysis is essential for our company and is used as a roadmap to guide our ESG journey. We update 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.

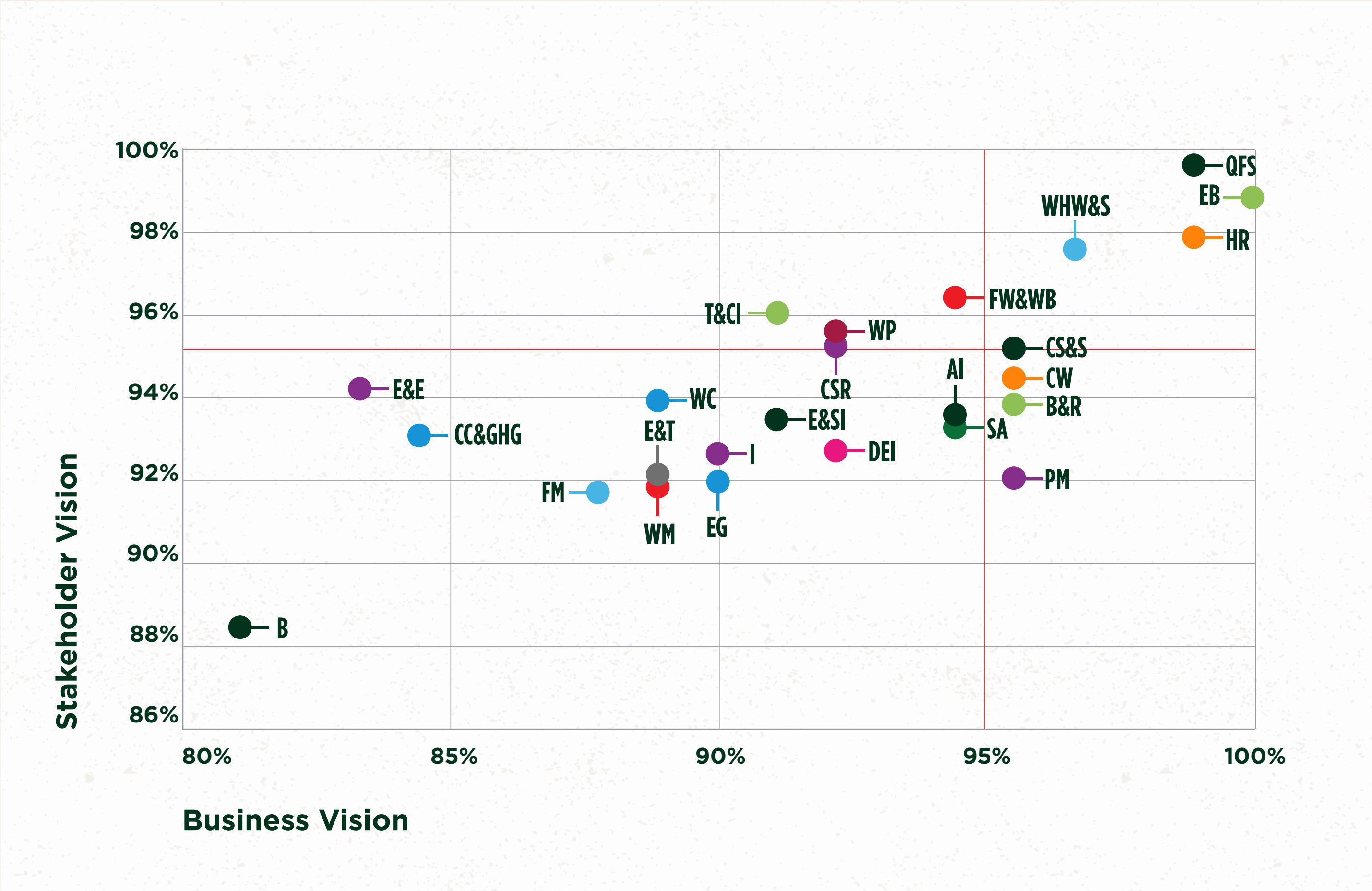
#3

The incorporation of subject matter discussed by Global Reporting Initiative (GRI), the Sustainability Accounting Standards Board (SASB) for agricultural production and the farming industry and the B Lab’s standard.

Stakeholders



Materiality matrix



RELEVANT MATERIAL TOPICS FOR OUR STAKEHOLDERS / NATURESWEET

1.

QFS Quality, Freshness and Safe to eat
2.

EB Ethics in business
3.

HR Human Rights
4.

WHW&S Workforce health, wellness, and safety
5.

CS&S Corporate Strategy and Sustainability
6.

T&CI Transparency and Customer information
7.

FW&WB Fair wages and worker benefits
8.

CSR Corporate Social Responsibility
9.

WP Working practices
10.

CW Consumer Welfare
11.

B&R Brand and reputation
12.

PM Packaging materials
13.

AI Agricultural inputs
14.

SA Sustainable agriculture
15.

WC Water conservation
16.

E&E Energy and emissions
17.

E&SI Environmental & social impacts of agricultural inputs in the supply chain
18.

CC&GHG Climate change and GHG emissions
19.

DEI Diversity, equity and inclusion
20.

E&T Innovation
21.

E&T Education and Training
22.

EG Economic growth
23.

WM Waste management
24.

FM Fertilizer Management
25.

B Biodiversity

CHAPTER

3 BUSINESS ETHICS





Business Ethics

NATURESWEET MAINTAINS A STRONG ETHICS STRATEGY AND ENCOURAGES LEARNING, COLLABORATION, AND TRANSPARENCY WITH OUR ASSOCIATES, CLIENTS, SUPPLIERS, AND OUR SUPPLY CHAIN.

Our policies and practices, as well as mandatory compliance training, reflect the commitment we have to our values.

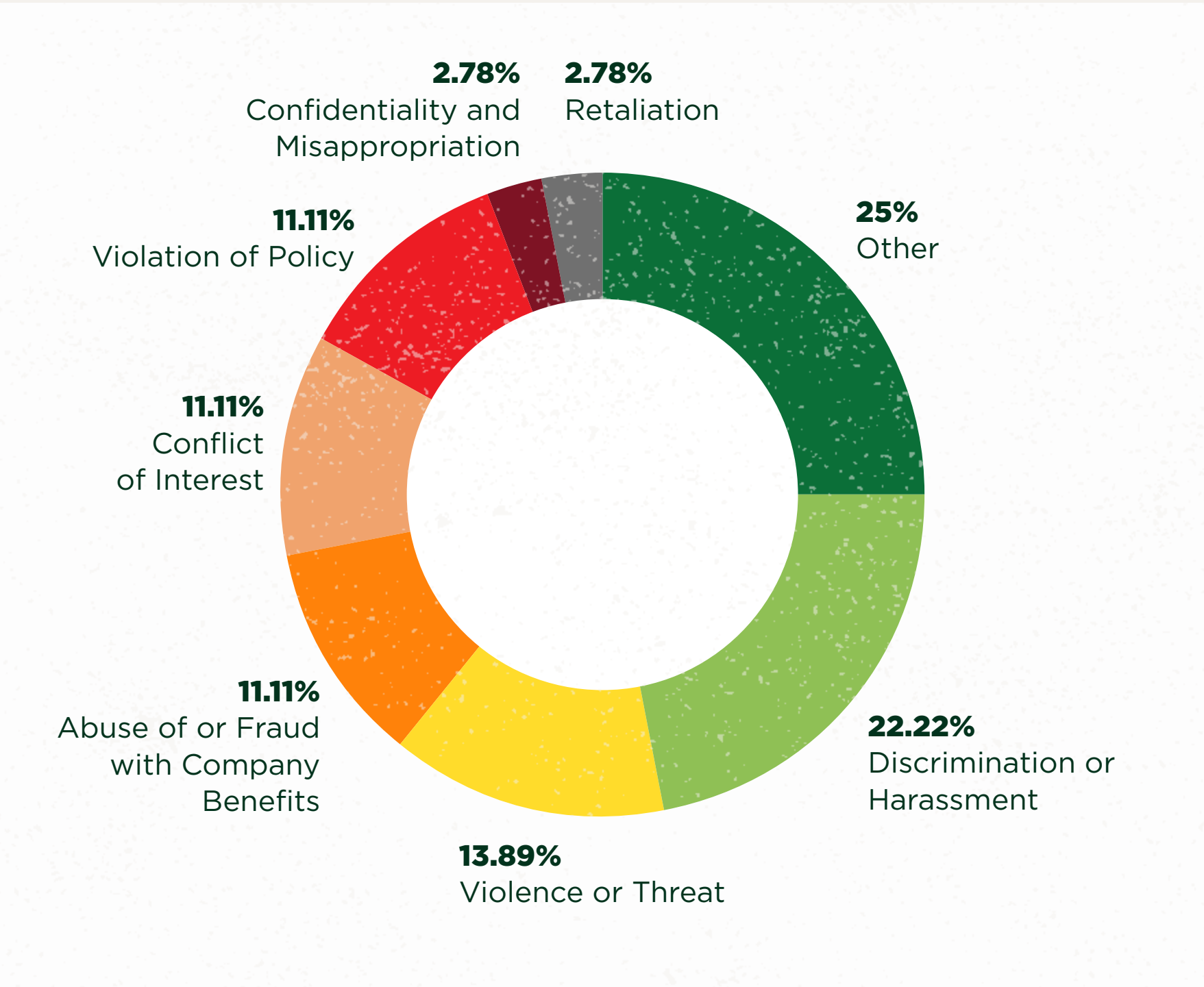
GOVERNANCE AND ETHICS COMMITTEE

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.

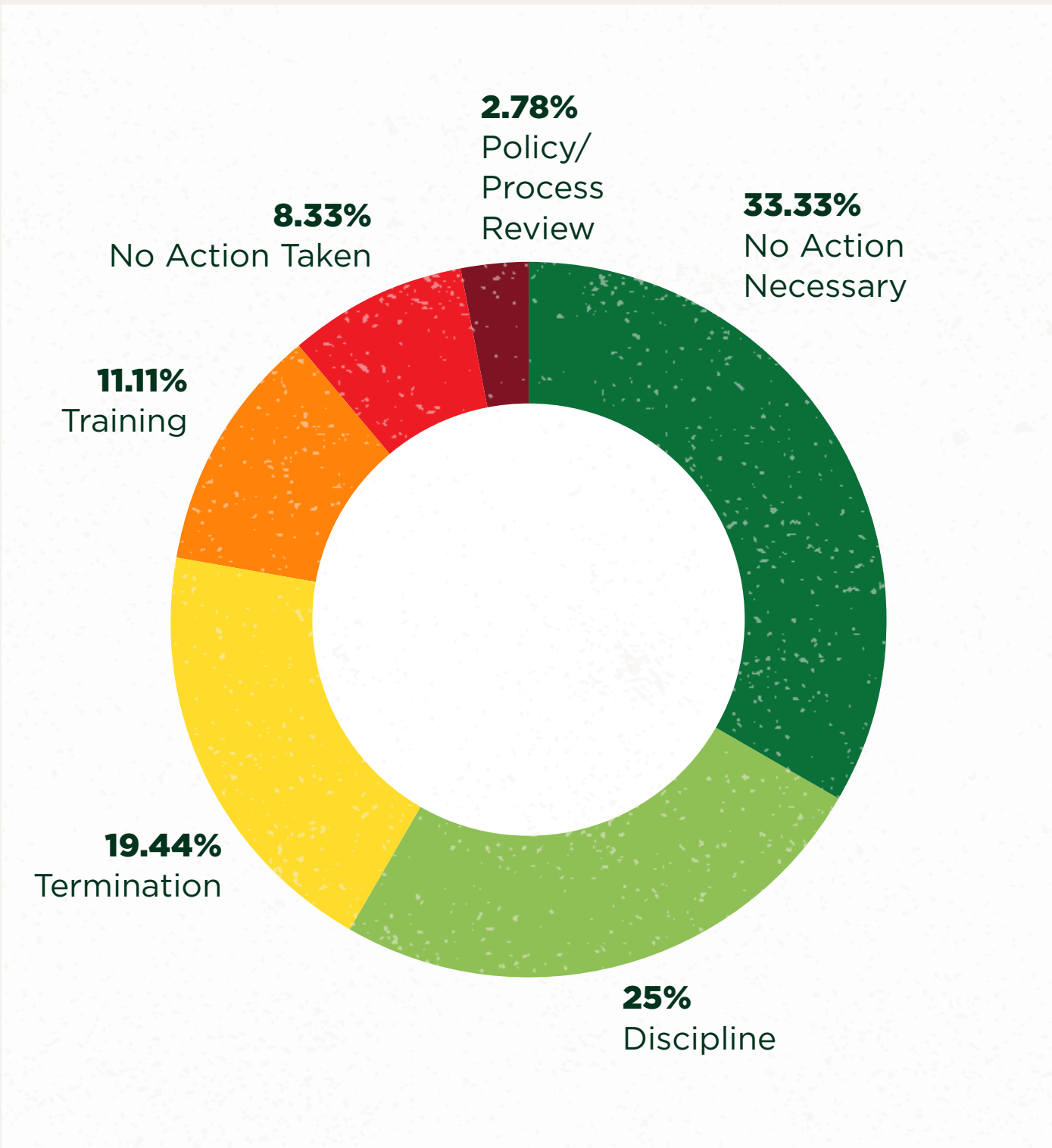
NatureSweet created the Ethics Committee, which is vital to good governance. It comprises five leaders from different areas with the mission to ensure ethical conduct and provide a formal framework for ethical standards and controls. The committee is responsible for investigating all ethics complaints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

The following charts are a summary of ethics complaints by issue type and actions taken:

Ethics complaints by issue type



Ethics complaints by action taken



Also, we have implemented a process in our operations whereby our associates can make suggestions or complaints, participate in surveys, and report any other issue related to services or diverse topics related to their work duties. The resolution of complaints and suggestions is reviewed in the EFI Leadership team meetings in which our associates actively participate.

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, Mexico 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 and other anti-bribery laws.

DURING 2023, OUR ASSOCIATES RECEIVED ETHICS COMPLIANCE TRAINING THAT INCLUDED THE FOLLOWING TOPICS:

Cybersecurity

Responsibility

Workplace Harrassment: Types of Sexual Harrassment

Stronger Together: Working Remotely

Use of Assets and Technology: Protecting Confidential Information

Bribery and Corruption: Third-Party Risks

Code of Conduct: Ethical Role Modeling

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 IMPROVE THEIR LIVES.

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.

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 grow products that promote sustainable livelihoods for our associates, protects the environment and improves the communities of our Associates.

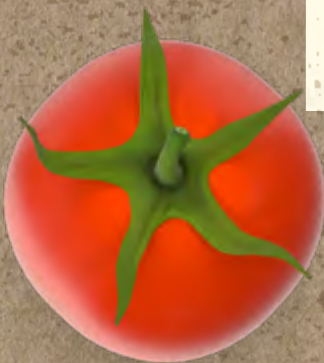
We respect the right to freedom of association and collective bargaining within the company and with our suppliers. We have four collective agreements for our companies, two in Jalisco, one in Colima and another in Nayarit, covering 100% of the total unionized workforce. The salary increase review period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



CHAPTER

4 OUR PEOPLE



“OUR ASSOCIATES ARE NOT ONLY THE REASON FOR OUR SUCCESS, BUT THEY ARE ALSO THE ‘WHY’ BEHIND WHAT WE DO”

**RODOLFO SPIELMANN,
PRESIDENT AND CEO
OF NATURESWEET.**

NatureSweet Leadership Team

Diversity

22.2%

Are women

56%

Hispanic-Latin
American

44 %

Anglo /
European-American



Rodolfo Spielmann
CEO & President
Chile
Hispanic- Latin American



Frederic Steunou
VP & Chief
Financial Officer
France
Anglo/ European- American



Skip Hulett
VP General Counsel
USA
Anglo/ European- American



Alejandra Rodriguez
VP Human Capital
Mexico
Hispanic- Latin American



Michael Chauvet
Senior VP of Sales
USA
Anglo/ European- American



Lori Castillo
VP of Marketing
USA
Hispanic- Latin American



Lauro Rivera
VP Quality
Mexico
Hispanic- Latin American



Dr. Martin Ruebelt
Chief Scientific
Officer and VP of R&D
Austria
Anglo/ European- American



Gerardo Chavez
Chief Operating
Officer
México
Hispanic- Latin American

Company Demographics

NATURESWEET
EMPLOYED

8,847

ASSOCIATES
DURING 2023

Our workforce yearly average was around 6,105 associates, this can increase depending on the occupancy of our production facilities.

Total headcount by site, age and gender

	Male			Female		
Location	<30	30-50	>50	<30	30-50	>50
Colima	278	249	8	172	179	5
Guadalajara	11	53	7	16	64	6
Nayarit	259	323	33	88	153	5
San antonio	4	26	18	4	36	15
San isidro	362	519	87	210	299	30
Tuxcacuesco	445	682	63	214	273	28
Willcox	0	5	5	0	1	1
Zapotlan	629	872	88	352	528	32
Zapotlan comercializadora	237	252	28	183	353	57
Total	2,225	2,981	337	1,239	1,886	179

Total 8,847

Total headcount by employee category, age and gender

Employee category	<30		30-50		>50	
	Male	Female	Male	Female	Male	Female
Union	2,130	1,141	2,635	1,626	286	154
Staff	56	74	129	134	12	13
Leader	38	21	118	79	9	3
Manager	1	3	77	38	10	5
Director	0	0	19	8	13	2
Vicepresident	0	0	3	1	7	2

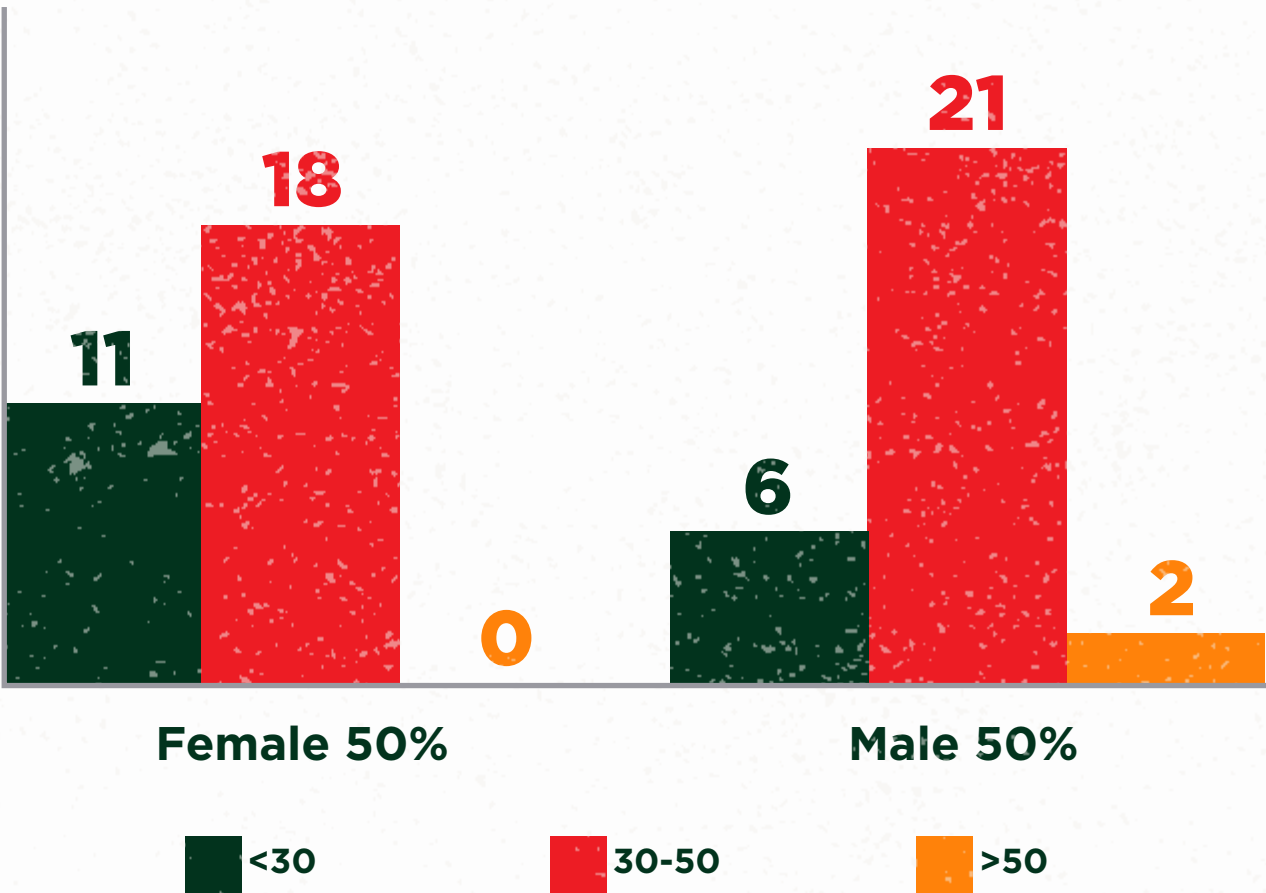
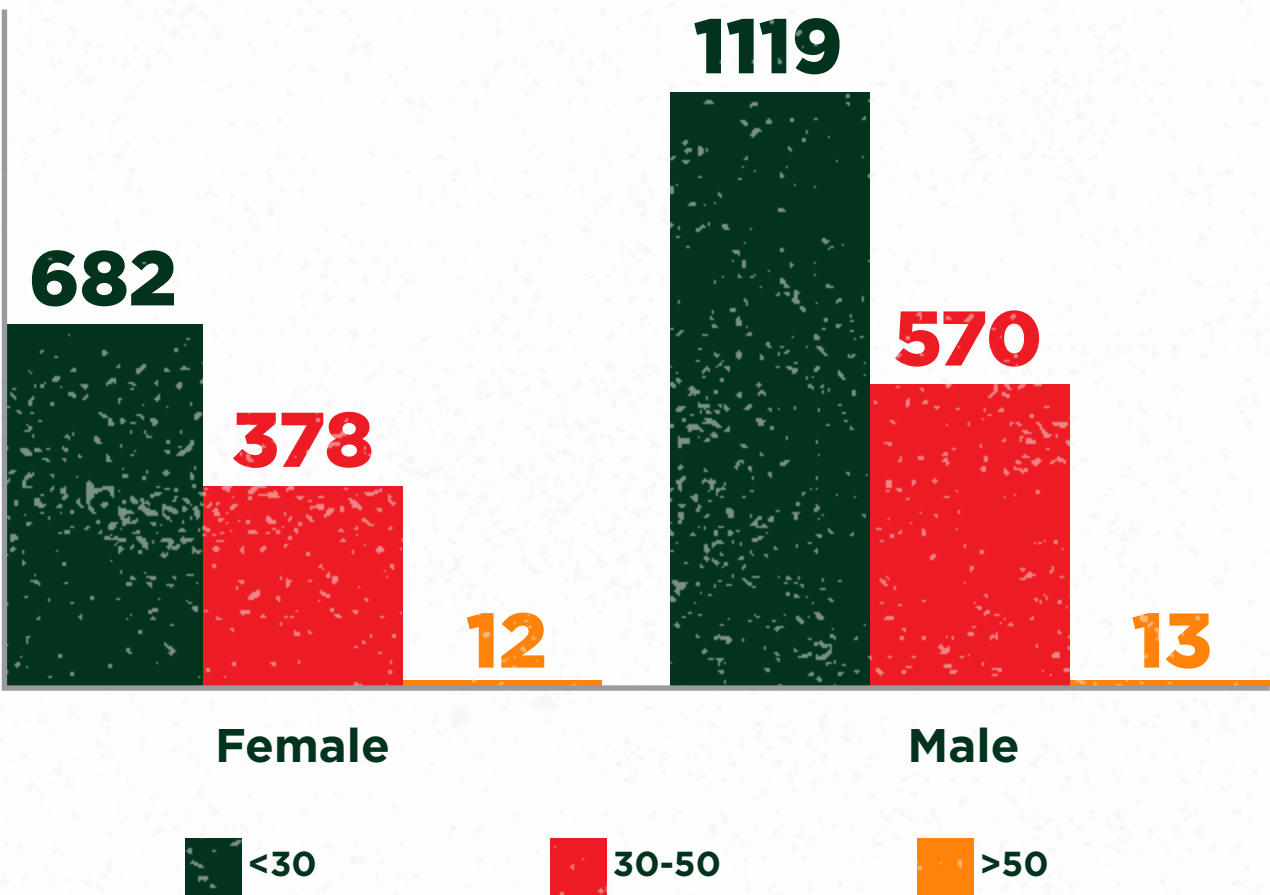
Total 2,225 1,239 2,981 1,886 337 179



Employees hired



A total of
2,774
new employees were hired
(gender and age distribution).

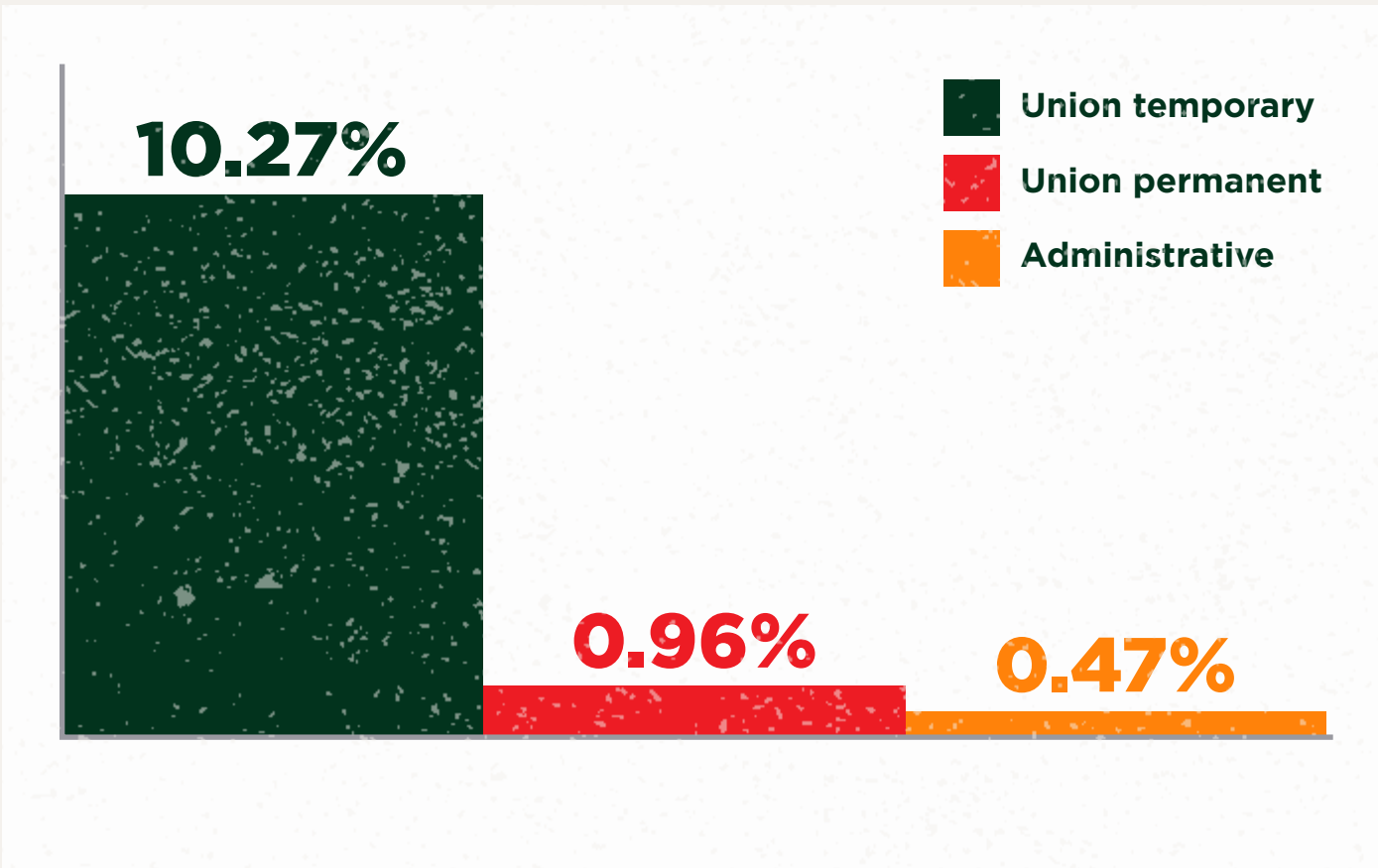


58 positions have been filled by internal candidates during the reporting period.

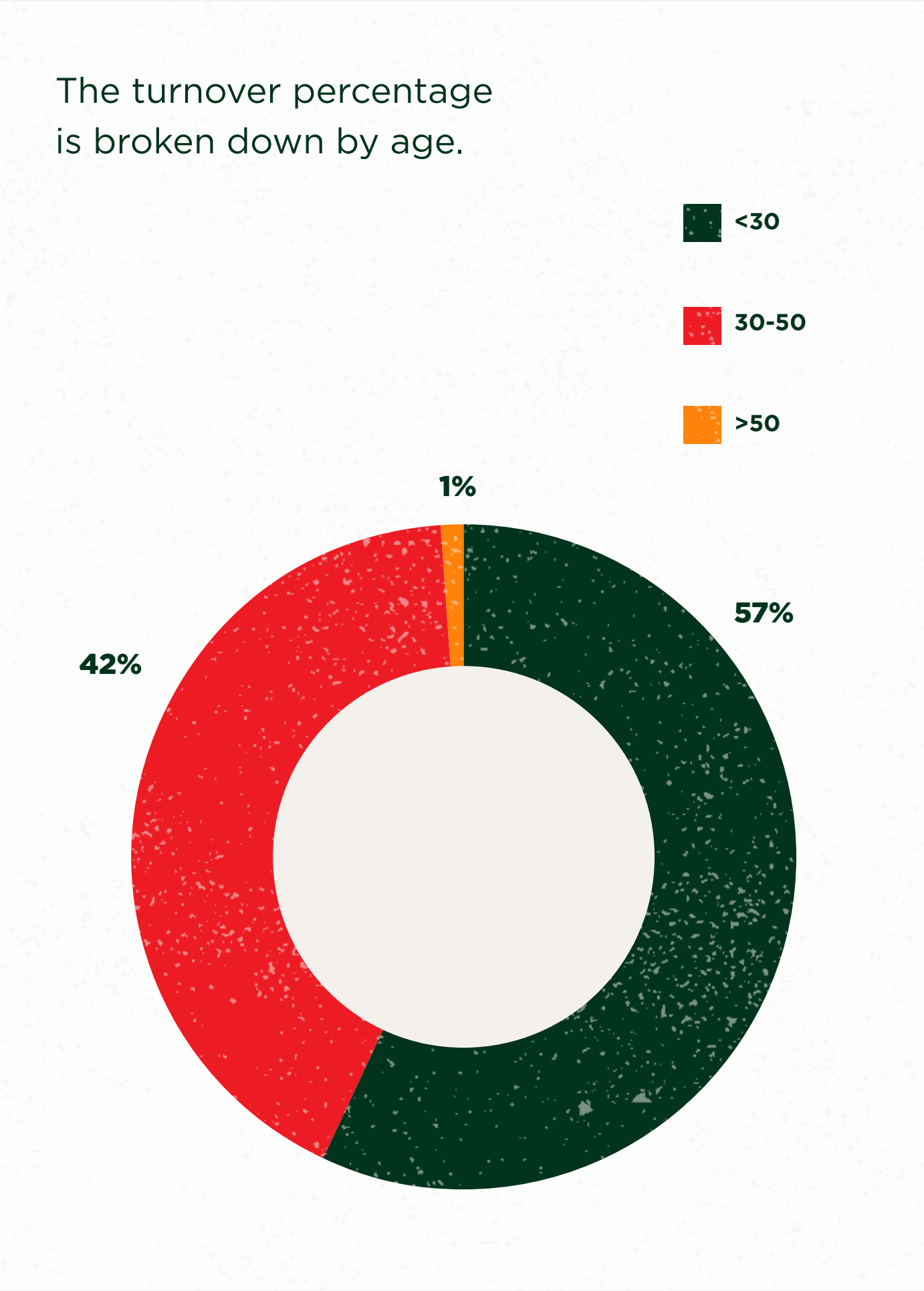
Total employee turnover: 2,038-

Case in point, our turnover rate is less than 1% monthly and among permanent associates an industry with an average employee turnover rate between 150-250% per year. Because they stay and grow, our Associates know best practices in terms of quality and safety, and they know our product inside and out. Treating employees right is a virtuous cycle: We invest in our associates and they care for the produce as if its theirs in return. (Forbes 2023 article)

The rate of employee turnover during the 2023 reporting period:



Employee turnover by age group



2023 turnover results

UNION PERMANENT EMPLOYEE
We reduced 0.46 bps from 1.42 in 2022 to 0.96 bps.

-0.46 bps

ADMINISTRATIVE
We reduced 0.43 bps from 0.90 in 2022 to 0.47 bps in 2023.

-0.43 bps

UNION TEMPORARY EMPLOYEE
We increased 0.04 bps from 10.23 to 10.27 bps even the same actions as Union permanent were implemented. During 2023, we had less union temporary associates during the month of October to December. The improvement that we´ve identified is to provide better support and follow-up during the first month that they joined our company.

+0.04 bps



**TO MAINTAIN OUR LOW TURNOVER RATES,
WE HAVE IMPLEMENTED ACTIONS:**

- ✓ **Training for Leaders:** a 3-month training course that includes topics related to their daily job to develop their operational and leadership skills.
- ✓ **We implemented an** initiative called “work environment”, the objective was bringing our operation Managers closer to associates, through various communication sessions:
 - ✓ **Trust sessions:** one manager and 20 associates meet to talk about the problems of the day-Committees to listen to and resolve complaints and suggestions were strengthened and deadlines were set to close requests.
 - ✓ **Suggestion dashboard** is maintained to ensure that every request or suggestion has a response or an action.
- ✓ **Payment structure** was simplified and made transparent. The plan also rewards productivity. This had a positive impact on productivity and helped to increase the living wage percentage.
- ✓ **Engagement action plans.** An engagement survey is distributed to associates every year to identify strengths and opportunities. This tool allows us to improve quality of work, attention, and follow-up.

Fair Wages and Benefits

ONE OF THE MOST COMMON PROBLEMS IN THE AGRICULTURE INDUSTRY IS THAT THE MINIMUM STANDARDS ESTABLISHED FOR AGRICULTURAL WORKERS ARE NOT MET.

At NatureSweet, we are committed to providing our associates with a level of income and well-being that will allow them and their families to thrive in their 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 necessities.



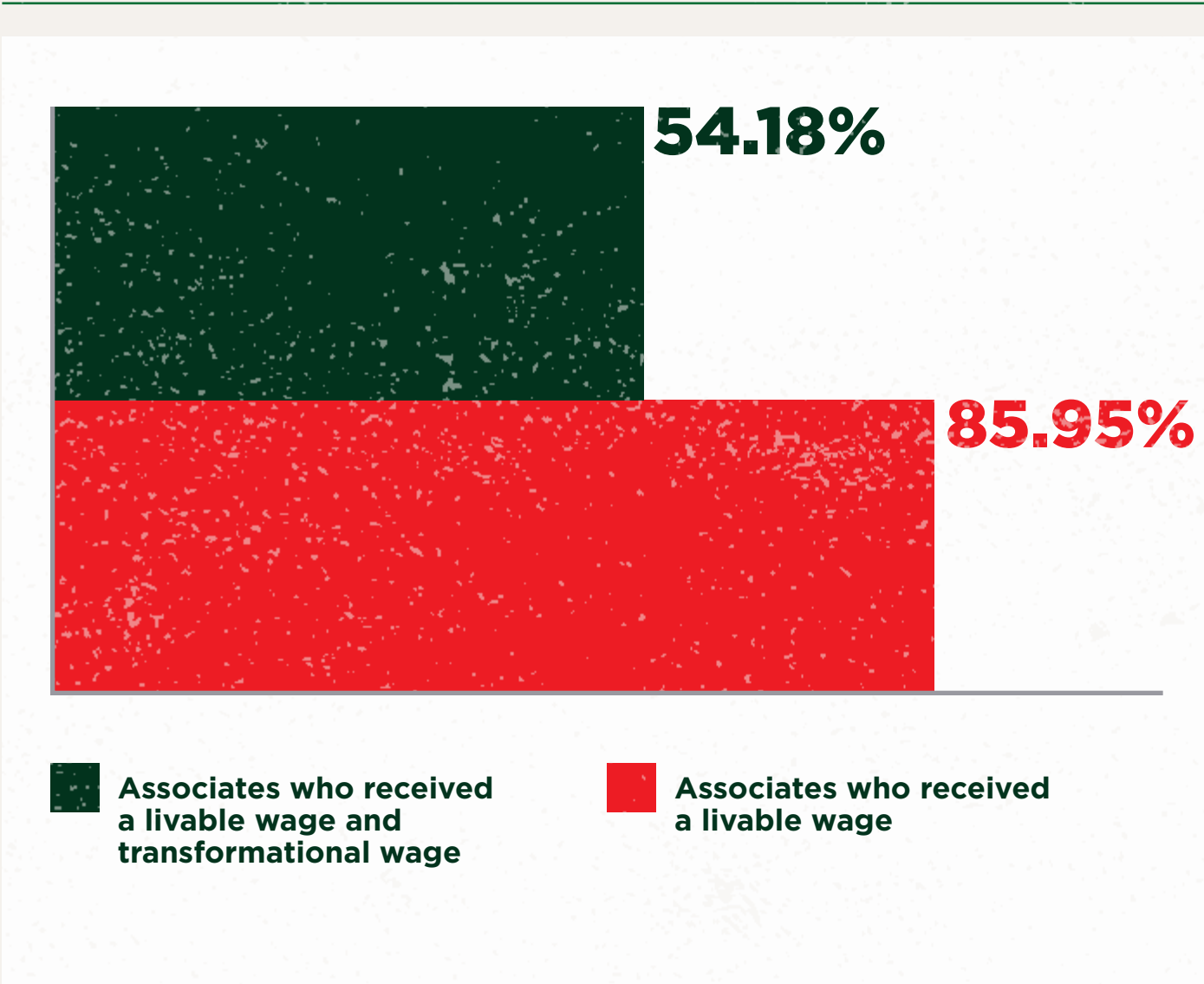
Based on this information, it is estimated that an average monthly livable wage for unionized agricultural workers in Mexico is:

14,142.75

Mexican Pesos in 2023.

“OUR COMMITMENT IS TO EMPOWER OUR ASSOCIATES WITH THE TOOLS AND RESOURCES THEY NEED TO IMPROVE THEIR LIVES. THESE EFFORTS ENCOMPASS EDUCATIONAL OPPORTUNITIES AND COMPETITIVE WAGES, AND WE’RE EXTENDING AN INVITATION TO ALL GROWERS TO JOIN THIS MOVEMENT.”

Rodolfo Spielmann



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 2023, the percentage of full-time agricultural associates who received a livable wage was: 85.95%



For administrative associates, the ratio of basic salary and remuneration of women to men by employee category was:

Compensation Ratio Women to Men		
Category	MX	US
Executive (Vice-President, Sr Director and Director)	98	86
Sr Manager	105	86
Manager	109	96
Leader	107	93
Staff	99	100
Union	91	107

IN ADDITION TO THE SALARY, ALL OUR ASSOCIATES RECEIVE BENEFITS. SUCH AS:

- ✓

Disability coverage
- ✓

Life insurance
- ✓

Medical facilities near the greenhouses
- ✓

Psychological services on site
- ✓

Materny / Paternity leave
- ✓

Baby kits for newborns
- ✓

Transportation
- ✓

Foodservice

✓

Food allowance

✓

Performance bonuses

✓

Savings Account

✓

24/7 Employee Assistance program for our Associates and their family (psychological, medical, veterinary, legal, and financial advice)

Total # of associates who took their maternity / paternity leave by gender and age

	<30	30-50	>50	Total 2023
Male	61	58	2	121
Female	44	57	-	101
Total	105	115	2	222

Retention rate of associates who took their maternity / paternity leave by gender during 2023, the distribution by gender and age group:

	<30	30-50	>50	Total 2023
Male	100%	100%	100%	100%
Female	81.8%	82.4%	0%	82.1%

82.1%

of women returned to work after maternity leave ended.

100%

of men returned to work.

Education and Training

We invest heavily in the education of our associates because we value both the empowerment and greater job satisfaction it provides for them. That’s part of how we make sure our people and produce are always Raised Right. We believe the ability to read should never be taken for granted—so that’s why we’re continually reducing the rate of illiteracy within our workforce, which is low according to industry standards. Now, we’re quickly approaching our goal to eliminate illiteracy across our entire organization.



WE HAVE DIFFERENT PROGRAMS FOR EDUCATION AND TRAINING:

- ✓ **Adult education programs** include basic, middle, high School, and bachelor’s degrees, with official validity for associates.
- ✓ **Sweet Family program:** This course aims to improve the mental health and healthy interper-sonal relationships of our associates. During 2023 we launched the virtual program for all our non-unionized associates.
- ✓ **Mentoring:** This program in 2023 was focused on non-unionized associates who had a Talent Growth Plan; The objective was to develop spe-cific competencies through mentoring and the experience of mentors.
- ✓ **Language Program:** The program aims to provide English and Spanish classes to foster a bilingual and multicultural workspace where language is not a barrier.
- ✓ **Learning:** Our virtual training platform to our non-union associates to bring them access to virtual training, including the Onboarding; This includes a variety of online courses that promote the development of soft and technical skills.

Adult Education

During 2023, our company broke a record when 222 associates earned their elementary and middle school diplomas in Mexico, the highest number of annual graduates in our company’s history.

Our adult education program brought classes to our operations, helping some associates learn to read and write. Since 2015, we graduated 2,119 associates from this program. By 2024, we will surpass 2,300 gradu-ates when 2,363 associates will have earned a diploma. The youngest Associate in the education program is 19 years old, and the oldest is 60.

Our adult education program has been such a success that in 2023, we launched a bachelor’s degree program in agriculture. Thirty agricultural workers from NatureSweet’s facility in Zapotlán helped kick off the program which is called “Unleashing Your Power.” A majority of the costs associated with obtaining the degree are paid for by NatureSweet. The group takes classes on weekends and the inaugu-ral class is expected to graduate in 2028.

Sweet Family program

Our Sweet Family program provides training that aims to enhance mental health and promote healthy interpersonal relationships among our associates. Since its inception, it has positively impacted the lives of 2,610 individuals by providing tools to improve their own lives; in 2023 **728 lives were impacted**.

Sweet Life program

Our Sweet Life program also offers associates access to psychological counseling and comprehensive wellness campaigns, designed to address the main issues like psychosocial risk factors at work, personal development, couple dynamics, family dynamics, bereavement, suicide prevention and addiction problems faced in their local communities. Since the program began, we have positively impacted 4,935 lives; in 2023, **1,371 lives were impacted**.

ALSO, WE INCORPORATED A NEW TRAINING STRATEGY TITLED “LEARNING”.

LEARNING is our Learning Management System (LMS) which launched in October 2023. Its objective is to create and deliver training programs effectively, track associates’ progress, performance, and unify reports within the organization. The platform allows us to create internal content based on technical and soft necessities, including the complete Administrative Onboarding process, leadership programs, and certifications. Currently the system is focused as a first step for non-union associates.

Average hours of training per gender:

Men	5.20
Women	6.68

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

	Male	Women
Union	13489	5195
Staff	3055	4897
Leaders	2685	2583
Managers	1494	572
Directors	52	13
Vice Presidents	199	2

DURING 2023,
WE ACHIEVED:

34,236
total hours of training.

AVERAGE HOURS OF TRAINING
PER ASSOCIATE IN 2023:

5.75
hours total company



Performance and Professional Development Overview

All associates undergo a performance review. It’s through a system called giving and demanding — the more quality work completed by each employee, the more compensation that the employee has the potential to earn. While union associates earn weekly base compensation at or above minimum wage, they can also earn up to 300% in bonus compensation. Each worker’s bonus depends on their own productivity and quality of work.

For 100% of our unionized associates, the performance is considered individually, and their compensation and bonuses are not dependent on the productivity of the whole facility or of fellow associates. Productivity is calculated based on their individual performance through an online tracking system that provides the opportunity for each associate to capture their efficiencies and be monitored and tracked by their coordinator.

In 2023 associates that their roles are focused on operational activities 100% were evaluated monthly.

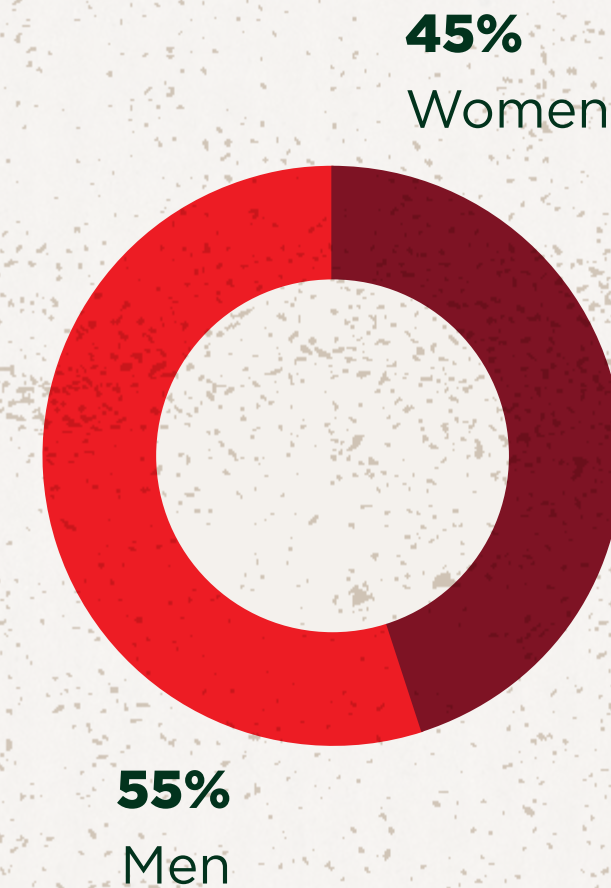
For the administrative associates, where their roles are focused on supporting the operational activities, 99% of received regular performance and professional development reviews.

Percentage of Administrative associates who received regular performance and professional development by gender and category:

	Men #	Women #	Men %	Women %
Staff	156	175	47%	53%
Leaders	128	87	60%	40%
Managers	67	34	66%	34%
Directors	24	10	71%	29%
Vice Presidents	9	2	82%	18%



692
Total Administrative Associates



Health, Well-being, and Safety of Associates

NATURESWEET IS LEADING THE BEST-IN-CLASS SAFETY INDEX OF 0.21% IN 2023.

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

To be able to have these outstanding results, we have a Health and Safety Management System in every manufacturing plant for each of our 8,847 associates, 100% of operation sites are covered. The system is based on the international standard ISO 45001:2018.

NatureSweet has a mature safety culture, which includes 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:

- 1. Elimination of the hazard
- 2. Substitution of risk
- 3. Engineering controls
- 4. Administrative controls
- 5. Personal protective equipment
- 6. 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. When a new associate begins their role at NatureSweet, they receive a general introduction about the company. They



also receive annual specialized training in their area, to help ensure competency and awareness of their 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:

- ✓ A safety talk, a check-up to verify safety conditions, installations, and staff’s personal safety elements.
- ✓ A health condition examination of the workers.
- ✓ “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 associates 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 rainfall, the roads our Associates 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 they remain aware of the risks and take precautions during this time.
- ✓ 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 began training our associates in the correct way to lift objects, posture care, and even implemented calisthenics before 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	2022	2023
Deaths as a result of an occupational accident-related injuries	0	0
Occupational accident-related injuries with great consequences (Excluding deaths)	0	0
Recorded occupational accident-related injuries	17	13
Main types of occupational accident-related injuries	Contusions, Fractures	Contusions, Fractures
Number of hours worked	13,231,100	12,646,483
Rate of work accidents	0.28%	0.21%

CHAPTER

5 SOCIAL IMPACT






Social Impact Programs

Our strategy for Social Impact is based on understanding the needs of our associates, communities, and suppliers. Based on that we build and execute programs that have a positive impact on all individuals we interact with, thus giving life to our purpose. Sustainable Development Goals (SDGs) are our guide, focusing our efforts on the followings:

- ✓ SDG 2. Zero Hunger
- ✓ SDG 3. Health and Wellbeing
- ✓ SDG 4. Quality Education
- ✓ SDG 8. Decent Work and Economic Growth
- ✓ SDG 10. Reducing Inequalities

VARIOUS PROGRAMS TO POSITIVELY IMPACT OUR ASSOCIATES AND THE COMMUNITIES WHERE WE OPERATE:

SDG's Associates

	<ul style="list-style-type: none">• Quarterly Pantry.
	<ul style="list-style-type: none">• Sweet Family program- Training in Human Development and Family Psychology.• Sweet Life Program- Individual Psychological Therapies.• Baby kits – For parents with a newborn baby, this kit includes basic products they will need.
	<ul style="list-style-type: none">• Basic, Middle and High School education Programs.• Scholarships for bachelor’s degree program.• Academic Excellence – A program has been created to recognize and reward children with excellent grades.• School supplies bonus to help associates’ children cover costs for school.
	<ul style="list-style-type: none">• Recognition and Reward Program.• Living wage initiative and transformational wage.• Compensation based on results.
	<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>

Community

<ul style="list-style-type: none">• Bulk Product Donation.• Pantry Donations.• Projects in Community- Fair Trade.
<ul style="list-style-type: none">• Projects in Community - Fair Trade.
<ul style="list-style-type: none">• Earth School - We develop skills related to sustainable eating by setting up greenhouses for students. These greenhouses help them learn about the environment.
<ul style="list-style-type: none">• Collection of toys, clothes in good condition and non-perishable and cleaning products.• Volunteering according to the needs of the nearby community.• Support for non-profit civil associations.

IN 2023, WE HAVE POSITIVELY IMPACTED THE LIVES OF **202,412** individuals.





Our 2023 Achievements Include

✓ **10,573** hours of voluntary work in communities.

The volunteers were mainly focused on three SDGs, being the following:

SDG 2. Zero Hunger: End hunger, achieve food security and improved nutrition, and promote sustainable agriculture.

SDG 3. Health and Wellbeing Guarantee a healthy life and promote well-being at all ages.

SDG 4. Quality Education: Guarantee inclusive and equitable quality education and promote life-long learning opportunities for all people.

Escuelas por la Tierra (Schools for Earth)

More than 1,800 primary and secondary students develop skills focused on sustainable food through an educational program where gardens were planted at six local schools. NatureSweet® partnered with Fundación EDUCA México A.C., to help install herb, fruit, and vegetable gardens at schools near NatureSweet facilities throughout Mexico. The program is called Escuelas por la Tierra (Schools for Earth) and during April gardens

Educational Level	School	Plant	Locality
Primary	Lázaro Cardenas	San Isidro	Ameca, Jalisco
Primary	Miguel Hidalgo	Zapotlán	Zapotiltic, Jalisco
Primary & Secondary	La Barranca	Guadalajara	Zapopan, Jalisco
Primary	Esteban Baca Calderón	Nayarit	Sta. María del Oro, Nayarit
Primary	Jaime Torres Bodet	Tuxcacuesco	Copala, Jalisco
Kindergarten	José Juan Ortega	Colima	Suchitlán, Colima

were planted at schools near NatureSweet facilities located in San Isidro, Zapotlan, Nayarit, Tuxcacuesco, Colima, and the Guadalajara office.

Seeds were planted that will attract pollinators and germinate quickly, such as amaranth, radish, lettuce, carrot, beet, cilantro, celery, squash, tomato, pea, purslane, chard, and parsley. With this program we help fulfill the mission of strengthening schools so that girls, boys, young adults, and teachers become active agents of change, contributing to sustainable development.



✓ **1,195**
children of associates recognized for
academic excellence

✓ We strongly believe that education can transform lives and open doors to opportunities for future generations. We understand that raising children is a complex task, and supporting their education is a top priority. We continued our “Academic Excellence” program that recognized and rewarded 1,195 elementary and middle school students of our associates who have achieved the highest scores during the academic year.

✓ **7,341**
donated products

- ✓ Our annual “Donatón” collects, toys, non-perishable and cleaning products and clothes in good condition to be donated to various volunteer programs throughout the year to those in need.
- ✓ The toys donated by our associates are matched by NatureSweet and distributed to impact and benefit children in our communities. We believe kids can develop through interactive play.

“Play is the only way the highest intelligence of humankind can unfold” - Chilton Pearce

✓ **Barter Market**

We reuse our resources and help others. This program allows associates to trade rice and beans in exchange for products that are no longer being used within our facilities. Together we collected more than 2,600 pounds of food through this program that was donated to food banks and different vulnerable communities.

✓ **Product Donation**

We donated more than 7M pounds of produce to vulnerable communities, nonprofits, and food banks. We continue to support the sustainable development goal of zero hunger.



✓ **We supported the population affected by “Hurricane Otis”**

Hurricane Otis struck Mexico’s Pacific coast as a ferocious Category 5 storm on October 25, 2023, breaking regional records for the strength and speed of its intensification. In the state of Guerrero, storm surges, floods and landslides were reported, in addition to damage to infrastructure, deaths and extensive damage to the population.

At NatureSweet we decided to join in to support what was most needed at that time and we collected non-perishable and cleaning products. Altogether we collected 3,395 products destined for different collection centers such as the Cruz Roja Mexicana and the National System for Integral Family Development which is a Mexican public institution of social assistance that focuses on strengthening and developing the welfare of families in Mexico.

Participation shows that together we can overcome any adversity and help those who need it most.

✓ **Donation of plastic caps**

We donated 787.53 kg of plastic caps for the nonprofit Banco de Tapitas A.C., which supports children who have been diagnosed with cancer. This nonprofit promotes early detection of cancer, while executing free care programs. This is at no cost for patients from infants to 21 years old who have received a cancer diagnosis, through the collection, storage and recycling of all types of plastic lids.

With our donation we were able to impact the lives of more than 500 patients and their respective families in different areas of Mexico.

✓ **Breast Cancer Conference**

In October NatureSweet hosted a conference on Breast Cancer Prevention with the **American Cancer Society**. Prevention and risk factors were discussed for any type of cancer for both men and women. We had a participation of more than 260 associates.



Our Operations as Fair Trade Certified



As a Fair Trade Certified company, NatureSweet has an employee-run fund called the Fair Trade Premium that generates over 1M USD per year. 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 empowerment of its associates by creating systems that cultivate employee leadership and accountability within the company, thereby transforming communities.

In 2021, NatureSweet achieved Fair Trade Certification. Subsequently, in 2022, each of our facilities 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 for more than 6,000 associates.

Transforming Our Communities

The associates created a nonprofit called “Transformando Comunidades Mejores para el Futuro A.C.” 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.

Assessments were conducted in the communities where we operate to determine the various community needs. Some of the needs include access to education, childcare, quality food, health services, housing, and sanitation. Using the information gathered, a project plan was created for each community that includes a prioritized and detailed list of improvement projects and investments to address these needs, along with other expenses for which the Fair Trade premium is used.

To date, more than 2,100 NatureSweet associates have benefitted from the six projects that have been implemented this year. NatureSweet has expanded the Fair Trade program with multiple partners in the industry. In 2023, we had nine

“NATURESWEET’S LIFE-CHANGING INITIATIVES ARE AN EXAMPLE OF THE POSITIVE DIFFERENCE ONE COMPANY CAN MAKE IN AN ENTIRE INDUSTRY. WE ARE EXCITED ABOUT THEIR WORK AND CAN’T WAIT TO SEE OTHERS JOIN THE MOVEMENT.”

Paul Rice, founder and CEO of fair trade USA.



external growers as part of our supply chain. These growers have certified their operations and are eligible to receive the premium as well as implement improvement projects in their communities. It is estimated that the program will impact more than 10,000 agricultural workers.

We are proud to play a transformational role in improving social and environmental standards for the entire produce industry.

Thanks to the Fair Trade committees and the non-profit “Transformando Comunidades Mejores para el Futuro A.C.”, **in 2023 more than 5,790 lives were impacted through the NatureSweet projects described below:**



COLIMA COMMITTEE

They designed a series of workshops on basic hairdressing, electronic maintenance, and industrial welding, where tools and knowledge were provided generating job and income opportunities for community members. In total, 80 people benefited, who were registered as both NatureSweet associates and people from the communities of Colima.

ZAPOTLÁN COMMITTEE

This committee promoted healthy eating by creating a nutritional program. They hired nutritionists who provided guidance on healthy eating which included baskets containing healthy food as an example. They also promoted dental health for their communities which included more than 3,096 cleanings.



TUXCACUESCO COMMITTEE

The committee in Tuxcacuesco also focused on dental health by partnering with dentists and hygienists and provided vouchers for dental services. Dental kits were also provided for families. Through this project, the committee impacted more than 385 lives.

SAN ISIDRO COMMITTEE

The committee in San Isidro implemented an oral health campaign by offering services that included diagnosis, treatment, and cleanings. Through this program the committee impacted more than 650 lives.



NAYARIT COMMITTEE

The committee in Nayarit focused on health and well-being. They delivered vouchers for medicine and ophthalmological consultations, impacting more than 1,570 lives. **“I am grateful for the program because I urgently needed eye-glasses and did not have the resources to pay for them,” says Maria Guadalupe Sepulveda de Leon, a NatureSweet associate. “Thanks to the Fair Trade committee and their support, I was able to obtain them.”**

CHAPTER

6 CLIENTS



Food Safety

ALL NATURESWEET PRODUCTS ARE GROWN IN GREENHOUSES WHICH ALLOW US TO GROW THE PERFECT PLANTS YEAR ROUND. WE INSPECT THE GREENHOUSES AND PERFORM PROCESS AUDITS TO ENSURE THAT THE PRODUCTS ARE HARVESTED CORRECTLY.

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.

All our associates are trained to recognize and respond to food safety hazards. They are also trained in a detailed health and hygiene policy, where they also learn to identify illness and will be reassigned to tasks not involving direct contact with produce.

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. To maintain a production line and business model that is consistent with our aims and goals, we extend our requirements and verifications to our co-producers.

As a result, our 2023 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

97%
Samples under
specifications

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

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 strengthening 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.



For 2023,

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.

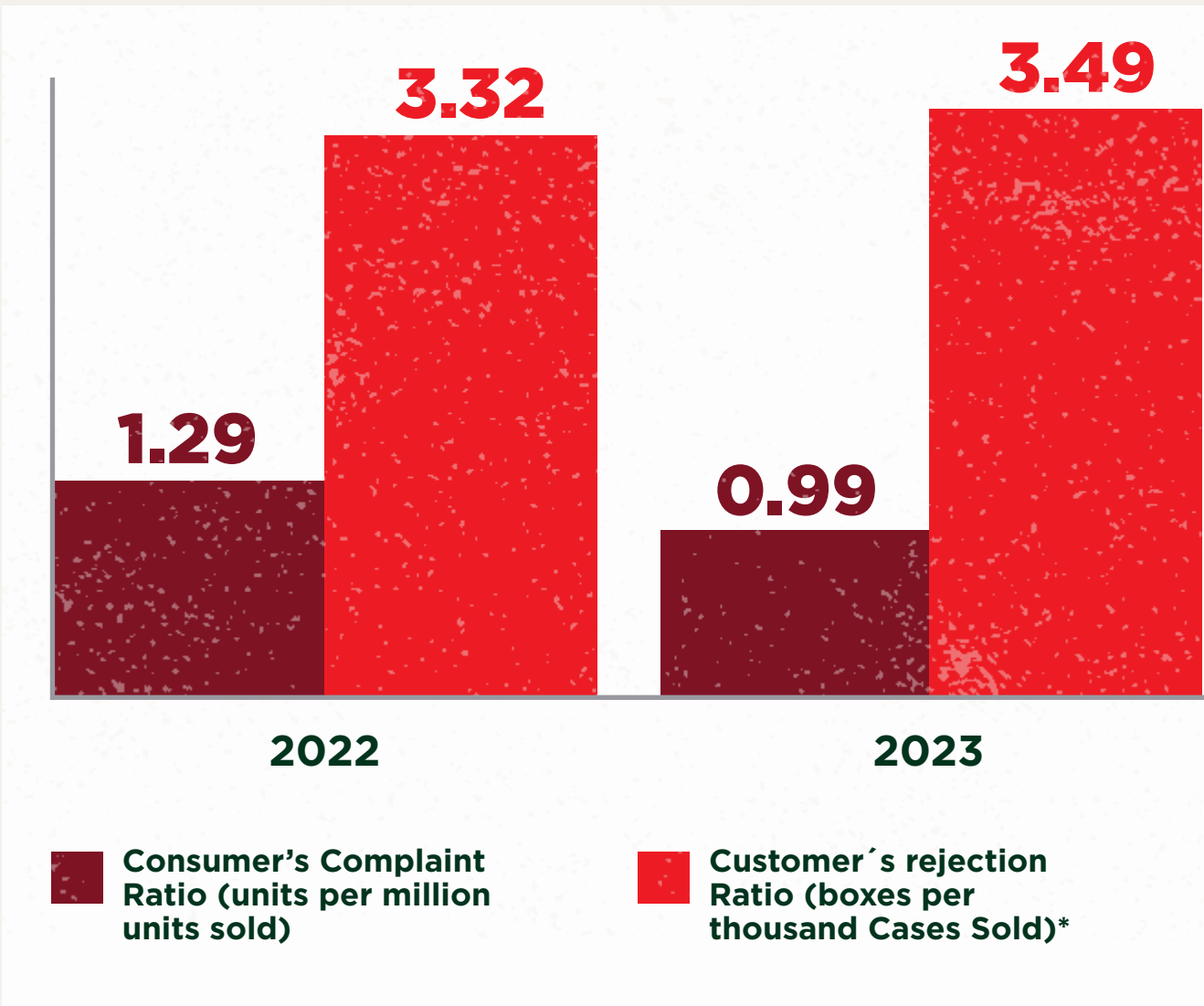
100%

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





Consumer and Customer Satisfaction: Snacking Tomatoes and Greenhouse Vegetables



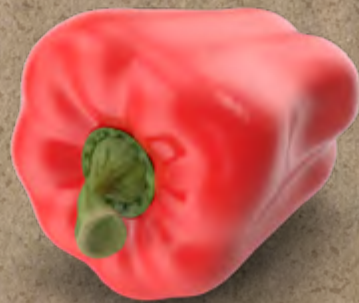
We had an overall reduction of 23.6% in consumer complaints related to snacking tomatoes and greenhouse vegetables compared to 2022.

From 2022 to 2023, we improved our Consumer Complaints Ratio by 0.3, reaffirming our commitment to providing our consumers with high-quality fruit, variety, and freshness. Our stringent quality control measures at every stage of production and supply, combined with thorough associate training and open communication channels with our consumers, have enabled us to enhance our performance and consumer satisfaction. **Achieving a Consumer Complaints Ratio of 0.99 means we have fewer than 1 complaint for every 1 million bowls or bags sold in the market, below the benchmark of Six Sigma.**

While there was a slight increase in our Customer Rejection Ratio from 3.32 in 2022 to 3.49 in 2023, representing an increase of 0.17, we view this as an opportunity for further improvement. This increase has prompted us to analyze our plans and actions, particularly in process timing, cooling, and process controls in our packing facilities, to ensure we continue to meet and exceed industry standards. **This result indicates that we had 3.49 cases rejected per thousand cases sold to our customers, which means 0.35%. This is an outstanding result, while a benchmark in the fresh produce industry is 1%, and many produce companies are between 2-4% in rejection from retailers.**

CHAPTER

ENVIRONMENT



Environmental & Social Impacts on our Supply Chain

NATURESWEET IS COMMITTED TO PROTECTING THE RIGHTS AND SAFETY OF THE WORKERS WHO PRODUCE, PROCESS, OR HARVEST OUR PRODUCTS. NATURESWEET IS COMMITTED TO SUSTAINABLE PROCUREMENT BY ANALYZING AND MITIGATING ANY RISK IN OUR SUPPLY CHAIN.

NatureSweet expects its suppliers and facilities to comply with all applicable labor, employment, health and safety, environmental protections, and business ethics.

As part of the audit process, suppliers and facilities need to fully meet the requirements set forth in our **Supplier Code of Conduct**.

NatureSweet currently mitigates the risk of child and forced labor within its agricultural supply chain by requiring that all co-producers undergo a pre-diligence screen and annual certification by EFI, Fair Trade (FT) USA or a SMETA annual audit.

During 2023, **85% percentage of our active co-production suppliers received a social compliance audit:**

Equitable Food Initiative (EFI), Fair Trade USA, or SMETA. Our goal in 2024 is to set the target to improve the % percentage of our co-production suppliers that get annual audits and third-party verification as a requirement to be part of our supply chain.

Our goal for 2024 is to report and set a goal for the percentage of our suppliers with environmental assessments; the environmental criteria encompass key environmental aspects, including waste management, water usage, energy consumption, emissions, and an environmental management system.

Also, we will be focusing on expanding our scope of significant suppliers that have been assessed based on social criteria; a significant supplier provides products or services in the following categories: co-manufacturing, transportation of fruit, packaging, seeds, greenhouse plastics, agrochemicals, substrates, and pallets.

The social criteria encompass key labor standards and health and safety to help protect workers from unsafe conditions, overwork, discrimination, low wages, and forced labor.

As we acknowledge the positive aspects that characterize us as a company, we know there’s always room for improvement, and are always looking to improve.



GMO Management

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.

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.

We are 100% Non-GMO.



VERIFIED PRODUCTS 2023: NON- GMO NATURESWEET (BRANDS)

- ✓ Tomatoes on the Vine

✓ Eclipses

✓ Long English Cucumbers

✓ Mini Cucumbers

✓ Organics - Long English Cucumbers

✓ Cherubs To Go Tomatoes

✓ Constellation

✓ Roma Tomatoes

✓ Cherubs

✓ Premium XXL Beefsteak Tomatoes

✓ Gourmet Slic@Tomatoes

✓ Organics - Grape Tomatoes

✓ Organics - Mini Cucumbers

✓ Dolce Italiano Super Sweet Italian

✓ Style Pepper Medley

✓ Mini Sweet Peppers

✓ Organics - Mixed Bell Peppers
- ✓ Constellation To Go Tomato Medley

✓ Glorys

✓ Organics - Baby Cucumbers

✓ Adora Tomatoes

✓ Spanish Heirloom Tomatoes

✓ Twilights

✓ Baby Cucumbers

✓ D’Vines

✓ Mixed Bell Peppers

✓ Organics - Mini Sweet Peppers

✓ Comets



Agrochemical Management

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.

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 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 Management

In agriculture, efficient water management is essential to ensure sustainable food production and address water scarcity challenges. At NatureSweet, we recognize the importance of responsible water management and strive to implement innovative practices to minimize our water usage while maximizing efficiency and conservation.

All our water at NatureSweet is sourced from onsite wells, ensuring reliability and sustainability. It is carefully mixed with fertilizer in tanks, minimizing waste by providing plants with precisely the nutrients they need. Unlike traditional agricultural practices that often lead to fertilizer runoff, our method minimizes environmental impact and ensures the safety of our associates. We also employ drip irrigation systems in closed pipe systems, delivering water and fertilizer directly to the plants’ roots, reducing waste and maximizing absorption efficiency.

Moreover, we grow our plants in coconut husks, a natural growing medium that retains water and nutrients efficiently, contributing to overall water conservation efforts.



Additionally, we prioritize providing clean and safe water to both our plants and associates, using reverse osmosis plants to purify water for various uses. All water undergoes rigorous quality monitoring to ensure compliance with regulatory standards, and wastewater is treated before being released back into the environment.

In regions with scarce water resources, we take proactive measures to return unused water to the aquifer after treatment, minimizing impact on local water supplies.

In 2023, NatureSweet achieved a significant improvement in water efficiency, **with a 1.52% reduction in total water extraction compared to the previous year. Specifically, agricultural irrigation decreased by 3.04%, reflecting our commitment to sustainable water management practices.**

NatureSweet remains dedicated to enhancing our practices by prioritizing water efficiency and conservation. We aim to positively impact environmental preservation for future generations.

GENERALLY, CONTROLLED ENVIRONMENT AGRICULTURE USES ABOUT 80% LESS WATER THAN OPEN FIELD FARMING.

Energy Efficiency

In our ongoing sustainability efforts, NatureSweet prioritizes responsible energy management across all aspects of our operations, particularly within our controlled environment agriculture (CEA) facilities. CEA operations typically demand high energy, notably for greenhouse heating. However, our strategic use of warm climates helps mitigate this demand, significantly reducing our energy needs compared to colder regions.

Our energy sources include purchased electricity and fuels like gasoline, diesel, and liquefied petroleum gas (LPG). Electricity accounts for a substantial portion of our energy usage, primarily for irrigation pumps and product packaging. Fuels power our agricultural machinery.

In 2023, amidst challenges, **we prioritized energy optimization. This resulted in a 4.3 % reduction** in total electricity usage compared to the previous year, primarily through equipment upgrades in washing and packaging areas. However, we observed a significant 34% increase in fuel utilization, highlighting the necessity for continuous efforts to improve energy efficiency across our operations.

The breakdown of our electricity consumption reveals that 68 % is utilized for the irrigation system, 18% for fruit washing and product packaging processes, while the remainder is allocated to auxiliary administrative activities. Similarly, 61% of fuel usage comprises gasoline and diesel for operating machinery, while 39 % is allocated to LP gas, primarily used for food preparation, heating, sterilizing coconut substrates to prevent diseases, and drying laundry in our laundry facilities.

As we move forward, we are exploring opportunities to enhance our energy efficiency practices and evaluate the feasibility of integrating renewable energy sources into our operations. This ongoing assessment aligns with our commitment to reducing our carbon footprint and fostering environmental preservation in the medium to long term.



Compared
to 2022

21.13%

reduction
in Scope 1
emissions



Emissions - Carbon Footprint

In our pursuit to reducing our carbon footprint, we achieved an overall reduction of **16.56%** in combined Scope 1 and 2 emissions from 2022 to 2023. This reduction can be attributed to a series of initiatives that yielded results across various emission categories.

For Scope 1 emissions, which comprises of direct emissions from sources under our control, our focus has centered on biomass management and optimizing fertilizer usage. Through practices such as sterilizing and reusing coconut substrate in our cultivation processes and precisely regulating fertilizer dosages tailored to each crop variety, **we’ve achieved a significant 21.13% reduction in Scope 1 emissions compared to the previous year.**

Concurrently, our Scope 2 emissions (from purchased electricity) have been mitigated through the optimization of energy consumption across our operations. **As a result, our efforts yielded a 1.59% reduction when comparing our performance in 2023 to that of 2022.**

Our carbon footprint intensity in 2023, measuring at 0.458 lb CO₂eq per unit (Scope 1 & 2), highlights our commitment to sustainable practices. This figure aligns with the lower range of the global benchmark (0.1 – 10.1 lb CO₂eq per unit), demonstrating our efforts to minimize environmental impact. Our success is driven by our strategic utilization of warmer climates, which reduces our reliance on fossil fuels and electricity, leading to significantly lower energy demand and contributing to our reduced carbon footprint, compared to the global benchmark.

Looking ahead, we recognize the importance of analyzing our total carbon footprint throughout the entire supply chain, including Scope 3 emissions. By developing a comprehensive strategy that addresses all aspects of our operations, we aim to achieve even greater improvements.

Biodiversity Protection

At NatureSweet, our commitment to sustainability remains strong, particularly in the Mexican regions where we operate. We respect the ecosystems we inhabit and strive to align our operations with these natural environments. **Our mission focuses on protecting pollinator habitats within our facilities and preserving the rich biodiversity in our local ecosystems.**

In 2023, we intensified our conservation initiatives in Tuxcacuesco, Jalisco, where one of our farms is located. The adjacent area of 50.08 hectares (123 acres) is crucial for recharging the regional aquifer and maintaining ecological balance. Past studies revealed a diverse range of 142 animal and 63 plant species native to Mexico.

We are proud that in 2023, our Tuxcacuesco greenhouse site has been recognized as a State Area Voluntarily Destined for Conservation by the government of Jalisco- a first for private companies in the state. This recognition highlights our efforts to protect the biological diversity at our sites, serving as a vital pollinator corridor for species preservation.

In partnership with Jalisco’s Environmental Ministry (SEMADET), we have crafted a long-term biodiversity protection and conservation strategy post-certification. Our 15-year plan is divided into three stages, each aimed at restoring the ecosystem to its original state. The initial stage involves land conditioning to retain soil and moisture, fostering natural regeneration. The second stage focuses on vegetation recovery, promoting self-regeneration under optimal conditions. Species monitoring will guide us in determining if reforestation is needed to support vulnerable species. The final stage involves community engagement to raise awareness and broaden the project’s reach along the regional biological corridor. We aim to collaborate with educational institutions and volunteers to amplify our impact.

At NatureSweet, we see ourselves as caretakers of this amazing ecosystem. We play a key role in strengthening its health and resilience while promoting community welfare. We hope our efforts will inspire other landowners and businesses to join us in protecting wildlife habitats and enhancing natural ecosystems in this region.





Waste Reduction

We prioritize maximizing resource efficiency, minimizing waste generation, and promoting recycling efforts within our operations.

Beginning with our recycling initiatives, our primary goal is to divert waste from landfills. Presently, our recycling rate stands at 52.65%, with a strong emphasis on cardboard and plastic. By implementing robust recycling programs, we actively contribute to fostering a more circular economy. Nevertheless, we recognize the need to enhance the recovery of inorganic waste to reduce our dependence on landfills, especially considering the challenges associated with recycling in rural areas.

While recycling remains important, our emphasis is shifting towards waste reduction. By modifying our manufacturing processes, we’ve achieved a 1.42% reduction in total waste generated. Notably, we’ve innovatively reused coconut substrate by utilizing a disinfection process, extending its lifespan safely within our greenhouses. Additionally, we engage in

donation initiatives to further reduce waste. Any surplus coconut substrate that cannot be reused within our company is donated to nurseries and small-scale producers, supporting local communities and promoting sustainability beyond our operations.

Our sustainability commitment extends across our entire value chain. We strive to consume fewer raw materials and ensure our products generate less waste.

IN 2023, 79% OF OUR PACKAGING WAS MADE FROM RECYCLABLE PLASTIC. THIS UP 0.4 bps COMPARING TO 2022.

In our ongoing efforts to achieve sustainable waste management and promote a circular economy, our next step involves further dedication to exploring innovative solutions and identifying opportunities to minimize waste.

GRI and SASB content index

Material Topic	GRI Standard Disclosure	SASB CODE	Description	Location & notes
1: Organization and its reporting practices				
	2-1	FB-AG-000.A FB-AG-000.B FB-AG-000.C	Organizational details	NatureSweet Tomatoes page 7-9
	2-2		Entities included in the organization’s sustainability reporting	page 9
	2-3		Reporting period, frequency and contact point	January 2023-December 2023. Annual. fsuarez@naturesweet.com page 12
2: Activities and workers				
	2-6		Activities, value chain and other business relationships	page 10, 11, 16
	2-7		Employees.	8,847 Employees. page 22
3: Governance				
	2-9		Governance structure and composition.	page 13 - 14
	2-14		Role of the highest governance body in sustainability reporting	page 13
4: Strategies, Polices and Practices				
205: Anti-corruption	205-2		Communication and training about anticorruption policies and procedures.	page 17-18
	205-3		Confirmed incidents of corruption and actions taken	page 17-18
301: Materials	301-2		Recycled input materials used	page 52

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	303-2		Management of water discharge related impacts					page 48		
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308: Supplier Environmental assessment	308-1		New suppliers that were screened using environmental criteria					page 45		

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Material Topic	GRI Standard Disclosure	SASB CODE	Description	Location & notes						
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	401-2		Benefits provided to full-time employees that are not provided to temporary or part-time employees	page 26-28						
	401-3		Parental leave	page 28						
403: Occupational health and safety	403-1		Occupational health and safety management system	page 32-33						
	403-2		Hazard identification, risk assessment, and incident investigation	page 33						
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