

A close-up photograph of a hand wearing a brown leather work glove, holding a dark green, textured avocado. The background is a soft-focus green, suggesting an outdoor setting like an orchard. The entire image is framed by a thin white border.

**2019  
SUSTAINABILITY  
HIGHLIGHTS  
REPORT**



I am proud to introduce Calavo's second annual sustainability report. When I was promoted into the CEO position in March 2020 this report was already underway, and watching it move through finalization has been a tremendous reminder of the variety of ways that Calavo delivers on its environmental, social, and governance commitments.

From solar power and LED lighting retrofits to green packaging innovations and community volunteerism, sustainability runs through everything we do – and not just because it feels good. Our sustainability priorities are closely tied in with changing stakeholder expectations of what a strong, well-managed company should be. Our investors want to see evidence that we are addressing climate change risks. Our customers want to see more recycled packaging on their shelves. And consumers want healthy, nutritious choices that they can feel good about, whether that's Fair Trade avocados, organic zucchini noodles, or non-GMO tomatoes. There is no corner of our business where sustainability is not a key topic of conversation, and there is no question that this trend will continue and amplify in the coming years.

Looking ahead, we are pursuing multiple sustainability initiatives that will help Calavo achieve its business and financial goals, while delivering environmental and social benefits to our stakeholders. Three examples from our 2020 sustainability action plan stand out as worthy of special mention:

- In 2020, Calavo will join the Sustainable Packaging Coalition (SPC), a membership-based collaborative that brings packaging sustainability stakeholders together on subjects as wide-ranging as compostable packaging, circular packaging systems, recycled materials standards and multi-material flexible packaging recovery. We are excited to use our membership in the SPC to ignite new ideas and innovative approaches to rethinking packaging across our entire product line.

- Expanding on a pilot project already underway, Calavo will continue to roll out How2Recycle on our product packaging. This standardized labeling system clearly communicates recycling instructions to consumers, reducing confusion by creating a well-understood and nationally harmonized label across dozens of retailers and manufacturers. By making it easier to recycle product packaging, we help to properly direct recyclable packaging away from landfills while simultaneously increasing the availability and quality of recycled material.
- Next year we will conduct our first comprehensive carbon footprint, calculating our greenhouse gas emissions across all of our manufacturing and processing facilities. And because we know that our sphere of influence extends beyond our directly controlled operations, we will be also working with a handful of third-party warehouse and logistics providers to better understand our upstream and downstream impacts.

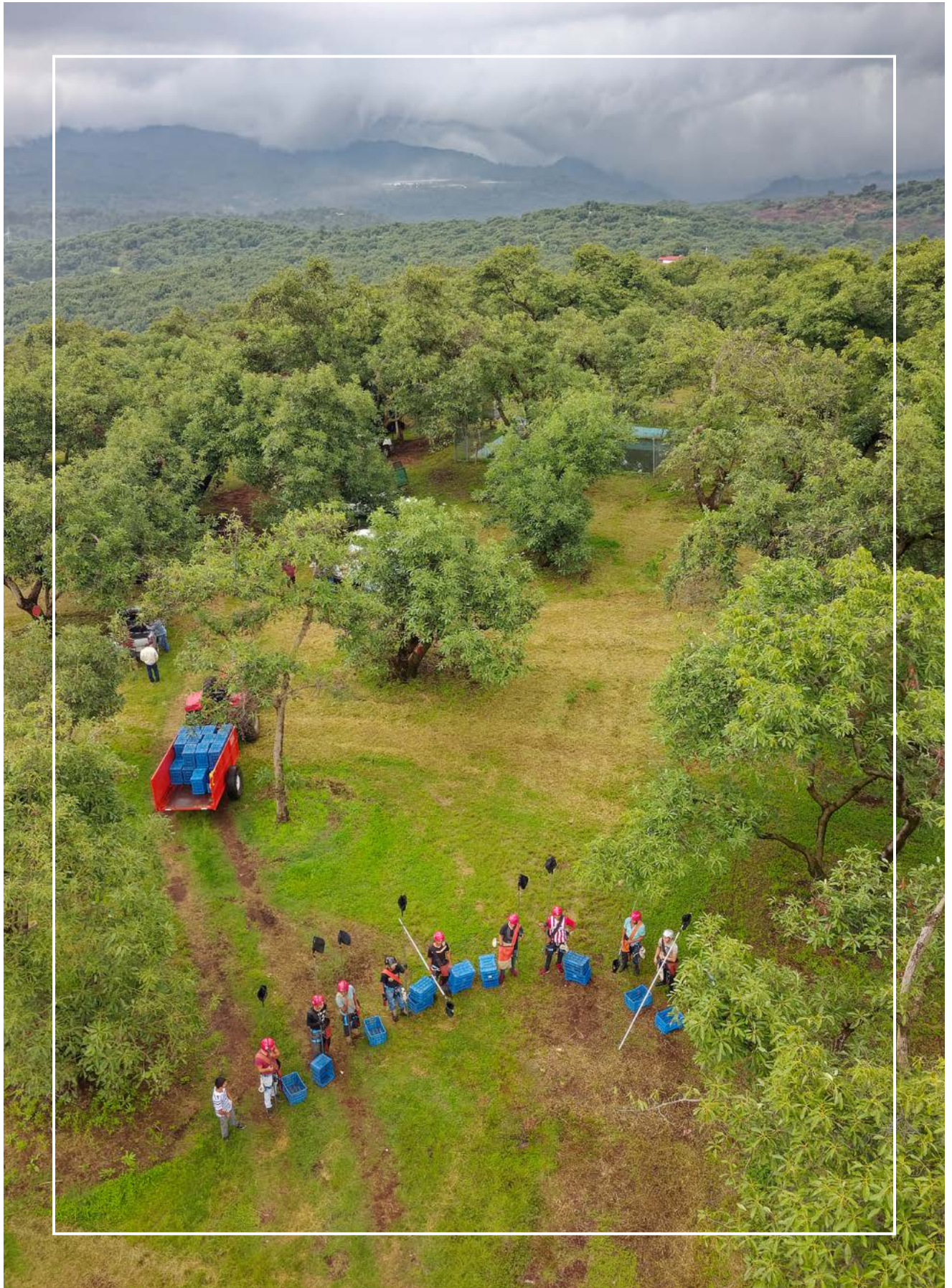
Of course, no sustainability roadmap is complete without addressing COVID-19. When the impacts of the novel coronavirus began to surface in early 2020, we took immediate steps to review and upgrade our health and safety practices, including additional personal protective equipment (PPE) for workers and plexiglass separators on our processing lines. In fact, you will see evidence of these changes in this report's photos, many of which were taken in the spring of 2020.

We are working diligently to monitor the impact of the pandemic on our supply chain, in our facilities and in the marketplace. While we are hopeful of a return to "normal" in the coming year, we are also cognizant that COVID-19 has tested our readiness to respond to major changes. We are taking these lessons learned and will include COVID-19 safety measures in our capital planning to ensure Calavo continues to improve our ability to adapt, evolve and protect our workforce as new sustainability risks and opportunities emerge. This renewed focus on resilience is good for our company, good for our customers, and good for the planet.



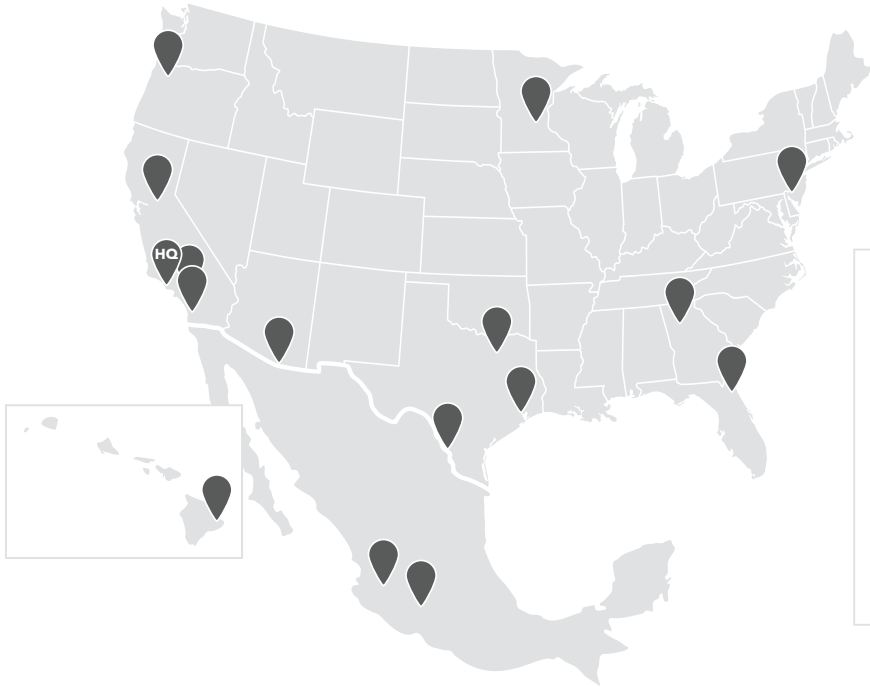
A handwritten signature in black ink, which appears to read "James E. Gibson". The signature is fluid and cursive, with a large initial "J" and a long, sweeping tail.

James E. Gibson  
Chief Executive Officer  
July 18, 2020



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**FACILITY KEY**

- Corporate Headquarters
- Value-Added Depot
- Distribution Center
- Packinghouse
- Fresh Food Facility

- Keaau, HI
- Clackamas, OR
- Sacramento, CA
- Santa Paula, CA
- Riverside, CA
- Temecula, CA
- Nogales, AZ
- Guzman, Jalisco, MX
- Uruapan, Michoacán, MX
- Laredo, TX
- Garland, TX
- Houston, TX
- Saint Paul, MN
- Conley, GA
- Green Cove Springs, FL
- Swedesboro, NJ



## ABOUT CALAVO GROWERS, INC

Calavo Growers, Inc. is a global avocado-industry leader and pioneer in the value-added fresh foods sector serving retail grocery, food service, club stores, mass merchandisers, food distributors and wholesalers worldwide via three business segments.

The Fresh segment procures and markets fresh avocados and select other fresh produce (tomatoes and papayas). The Renaissance Food Group segment creates, markets and distributes a portfolio of healthy, fresh foods, including fresh-cut fruit, fresh-cut vegetables and prepared foods. The Foods segment manufactures and distributes guacamole, salsa and other avocado-based foods. Founded in 1924, Calavo's fresh food products are sold under the respected Calavo brand name as well as Garden Highway, Chef Essentials and a variety of private label and store brands.

We operate out of 18 facilities located in the U.S. and Mexico. Our facilities include value-added depots, housing our ripening rooms as well as cooling and storage for fresh and processed avocado products; packinghouses dedicated to cooling and storage of fresh avocados; and fresh food facilities where we produce fresh-cut and processed food items.

As of October 31, 2019, we had 3,640 full-time employees (1,569 located in the United States and 2,071 located in Mexico) as well as over 1,000 seasonal or temporary workers operating across our network of facilities.

### **For more information**

Additional information regarding our operations, corporate governance and financial performance can be found on our corporate website, [ir.calavo.com](http://ir.calavo.com).



## MATERIAL TOPICS

### **FACILITIES & OPERATIONS**

Energy & Emissions  
Waste & Water

### **PEOPLE & COMMUNITIES**

Fair Labor  
Worker Health  
& Safety  
Community  
Engagement

### **PRODUCTS & GOVERNANCE**

Ethics & Integrity  
Food Safety &  
Health Concerns  
Sustainable  
Agriculture  
Packaging  
& Logistics



# OUR SUSTAINABILITY APPROACH

Calavo's sustainability strategy includes a commitment to long-term ecological balance, environmental soundness and social equity throughout our enterprise. As we build out our sustainability strategy, we continue collecting data to identify areas of opportunity and establish key objectives for the future. For example, we are exploring solar programs to optimize energy usage, ways to reduce water consumption and technology to convert waste into compostable matter.

Sustainability is embedded into all of our decision-making processes and capital considerations, whether they occur within our own packing, value-added distribution and manufacturing operations or extend to the thousands of individual growers and food producers from whom we source.

## Accountability for Sustainability Performance

Calavo's Sustainability Council includes representatives from each of the Company's primary business units and is responsible for the implementation and direction of our sustainability strategy. In 2019, the Sustainability Council addressed various topics including:

*Determining how to most effectively collect sustainability-related data across 18 facilities throughout North America*

*Developing a process for responding to incoming sustainability questionnaires, assessments and scorecards from customers and investors*

*Communicating sustainability progress internally and externally, including the publication of our annual sustainability report*

*Aligning cross-functionally to ensure synergy between business units and departments to identify and meet sustainability goals*

*Members of the Council bring expertise from their respective areas of the business, including one member with additional sustainability training and "CSR Practitioner" certification from the Centre for Sustainability and Excellence.*

The Sustainability Council reports to an Oversight Committee led by Calavo's CEO. The responsibility of the Oversight Committee is to review and approve sustainability goals and progress towards goals, as well as review the company's annual published sustainability report.

# ENGAGING WITH THE INDUSTRY

Calavo is proud to be an advocate for sustainability within our industry. For example, we are members of the following organizations:



The Produce Marketing Association is a trade organization created to strengthen the global produce and floral community to grow a healthier world. As an organization, PMA focuses on: demand creation, industry talent, global connections, science and technology and sustainability.



United Fresh brings together members across every segment of the supply chain to: build solid industry relationships; empower industry leaders to shape sound government policy; deliver resources companies need to succeed; and provide training and development to individuals to advance their careers in produce.



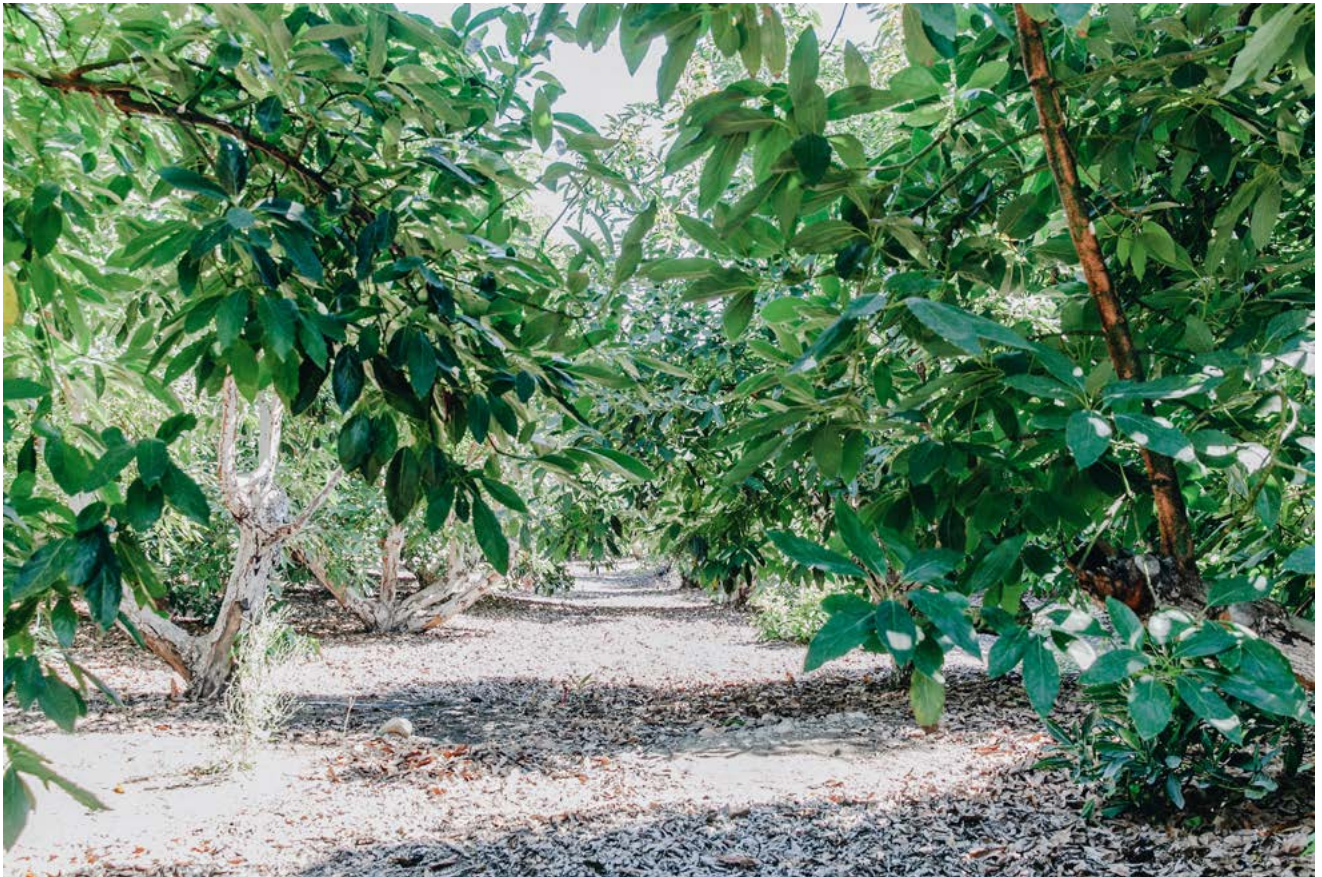
Organic Produce Network aims to inform, educate, and connect through a series of events designed to bring together various components of the organic growing community, including: in-person get-togethers, webinars and podcasts, workshops and programs and digital resources.



Created in 1978, the California Avocado Commission strives to enhance the premium positioning of California avocados through promotion, public relations and engaging in related industry activities. The California Avocado Commission provides educational support and legislative updates to California farmers, as well as nutritional information to consumers.



MHAIA is an industry organization dedicated to supplying consistent high-quality avocados throughout the year, comprised of subsidiary companies Avocados from Mexico (AFM) and a joint venture between Mexican Avocado Producers & Packers (APEAM A.C.). Under agreements, MHAIA and APEAM have combined resources to fund and manage AFM and provide an effective and efficient avocado marketing program in the United States. The Association plays an integral role in reforestation efforts in Mexico, raising environmental awareness for future generations through educational programs and sustainable planting techniques.



**19**

*Calavo and its subsidiaries belong to 19 total industry associations represented globally.*

# ENERGY & EMISSIONS

At Calavo, our commitment to environmental responsibility includes carefully managing energy use at our facilities. Not only does optimizing our energy use reduce our emissions, it also saves us money through lower utility bills and less frequent maintenance needs. Depending on the type of facility, our approach varies and may include initiatives such as:

Replacing overhead lighting with LED fixtures and installing occupancy sensors

Retrofitting and/or upgrading packing and processing equipment

Conducting energy audits to identify opportunities to reduce energy use

Implementing energy-smart activities such as precision agriculture processes and routine equipment and vehicle maintenance



## Facilities Highlights:

- In 2019, Calavo conducted a company-wide lighting study across all company-owned facilities to guide capital investment budgeting over the next three years to ensure 100% of the company's facilities are using LED and/or high-efficiency lighting fixtures, and facilities are equipped with energy-saving motion sensors to reduce lighting in spaces such as warehouses and ripening rooms. The study evaluated all 18 Calavo facilities, assessing LED conversion percent complete to date, remaining conversion square-footage and additional lighting efficiency needs. By the end of 2019, 38 percent of Calavo's total facility square footage has been converted to LED. Because of this effort, we will be able to convert the remaining 62 percent of space to LED fixtures inside of a three-year timeline.
- By the end of 2019, 100 percent of the lighting fixtures in our Riverside, California; Conley, Georgia; and Swedesboro, New Jersey facilities have converted to LED. Additionally, 80 percent of the light fixtures in our Mexican processing plants and facilities have been retrofitted with LED lighting.
- In 2019, Calavo partnered with the Energy Trust of Oregon, a nonprofit organization dedicated to helping integrate clean energy and low emission energy technologies in residential and commercial construction projects, to advise on energy-saving opportunities of our Clackamas, Oregon facility. Based on the project report and Energy Trust of Oregon's incentive program, we were able to install eight high-speed doors in the refrigerated areas, replacing steel roll-up doors, to help control refrigeration energy costs throughout the facility. The project will reduce energy use by approximately 400,000 kWh per year at the facility.



# WASTE & WATER

Calavo seeks to minimize pollution to land, water and air because we understand responsibly managing our waste streams is important to our business and to the communities in which we operate. Each facility is subject to different legal and regulatory requirements and has different waste and water opportunities and challenges, however our approach remains consistent.

## Solid Waste

Every facility has a program for managing solid waste and recycling. To the extent possible, we aim to divert waste away from the landfill to recycling, reuse or composting.

## Spills

We have procedures in place for spills, including roles and responsibilities, emergency notifications and mitigation steps.

## Air Emissions

Each facility maintains the relevant permits for air quality. When necessary, air quality equipment and technology is installed to ensure we are always within allowable emissions.

## Hazardous Waste

All of our facilities are required to obtain and maintain relevant permits for the storage and transfer of hazardous waste, and we have policies and management systems in place at facilities to ensure materials are stored, labeled and handled properly.

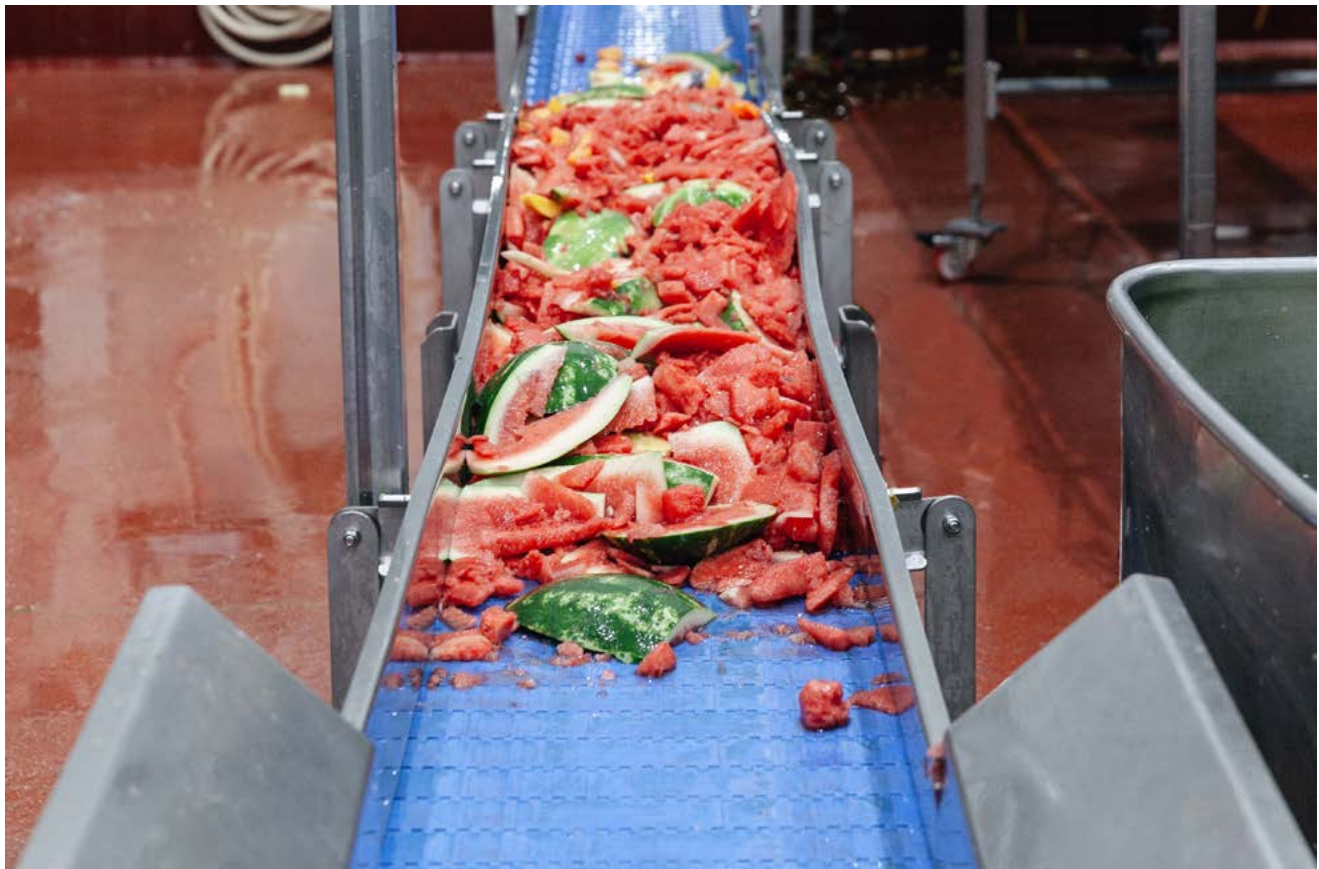
## Waste Water

Wastewater is tested at Calavo's facilities in accordance with local and state requirements. We have discharge to onsite wastewater treatment systems and municipal treatment systems, depending on the location of our operations.



## Waste & Water Highlights:

- In September 2019, Calavo installed a sophisticated wastewater filtration system at our Uruapan, Michoacán processing facility. The filter separates wastewater from vegetative waste in a more efficient manner, reducing the amount of material trucked to disposal by 3,275 tons per year, saving the company approximately \$46,800 in hauling costs. The filtered vegetative waste previously sent to landfill is now treated with soda ash and is discharged as compost. The reductions in hauling miles, waste sent to landfill and overall costs have made a significant impact.
- In 2019, our Santa Paula packing facility converted paper labeling of each avocado carton to a direct print method. Previously, paper labels containing information on size and grade of avocados, date packed and lot number were printed and adhered on each carton. By converting to direct print on the carton, Calavo will eliminate the need for more than 2.3 million paper labels, reducing paper use in our packing facility by more than 4,500 lbs per year.



# FAIR LABOR

At Calavo, our success depends on our ability to recruit and retain a qualified workforce. That means offering competitive wages, generous health benefit options including 401(k), onboard training and opportunity for advancement—all which contributes to productivity and performance.

*Our success depends on our ability to recruit and retain a qualified workforce.*

While the exact configuration of benefits can vary, in general, full-time employees are eligible to participate in:

- Vacation/sick time/PTO
- Health care (medical, dental, vision)
- Savings and retirement planning (401k)
- Tuition reimbursement program
- Annual wellness fair and on-site wellness programming

*Calavo Growers, Inc. Retirement Savings Tax Plan for salaried employees is a defined contribution plan with a profit-sharing component and 401k feature. This plan has a BrightScope Rating of 79 and ranks in the top 15% of plans for account balances, company generosity, and salary deferral.*

## Professional Development for Leadership Series

Each quarter, employees are offered professional development in classroom, workshops, on the job and in one-on-one coaching sessions. We rolled out our professional development training sessions to 1,830 people in 2019 and will continue to invest in personal growth opportunities for all employees. In 2019, we delivered 9,448 hours of leadership training.

- Leadership Communication:
  - Body Language & Active Listening
  - Dealing with Chronic Negativity, Getting Past the Need to Be Right and Keeping Emotions in Check
  - How to Deliver Bad News, Tone
- Professional Email Etiquette
- Time Management
- Conflict Resolution
- Persuasive Communication
- Sexual Harassment Prevention for Leaders
- Work Values
- My Career Path 10 Year Plan





## Employee Spotlight: Katriona McLean-Lucas' Path to an MBA

Katriona McLean-Lucas, a member of our human resources team took advantage of Calavo's tuition reimbursement program to pursue a Master of Business Administration (MBA) degree with a concentration in organizational leadership.

*"For me, the value of Calavo's tuition reimbursement program has been personal enrichment gained from learning new concepts and expanding knowledge with every course in the program," she said. "I believe the key to growth and success is to be continuously learning and listening, and the tuition reimbursement program has afforded me this great opportunity."*

Beginning in 2018, Katriona has completed 75 percent of her coursework and is on track to graduate in May 2021.

## Commitment to Human Rights

Our Code of Business Conduct and Ethics (also referred to as our Code of Conduct) provides the following protections for all of our workers: prohibition on discrimination and harassment based on age, race, color, sex, sexual orientation, religion, national origin, ethnicity, disability, pregnancy, family status or any other legally protected status.

A process is in place for workers to state grievances, make suggestions or report problems to management without fear of reprisal, including an anonymous, bilingual, third-party hotline for reporting concerns.

Grievances are investigated and addressed in a documented process.

Calavo is also committed to responsible sourcing, including a supply chain free from forced labor and human trafficking. We expect our suppliers to lawfully conduct their business with the same standards of integrity and ethical behavior as we do, and to protect the human rights of their employees and to treat them with dignity and respect.

Our supply chain requirements include prohibiting the use of forced labor or child labor, preventing harassment, abuse and violence, and discrimination, ensuring a safe and healthy work environment, providing freedom of association and collective bargaining, complying with the minimum wage and benefits required by law, ensuring working hours do not exceed the maximum set by applicable law, and operating in strict compliance with all applicable laws and regulations in effect where the supplier does business.

In 2019, we rolled out a new Vendor Code of Conduct and thousands of suppliers were notified of our expectations for their environmental, social and ethical performance.

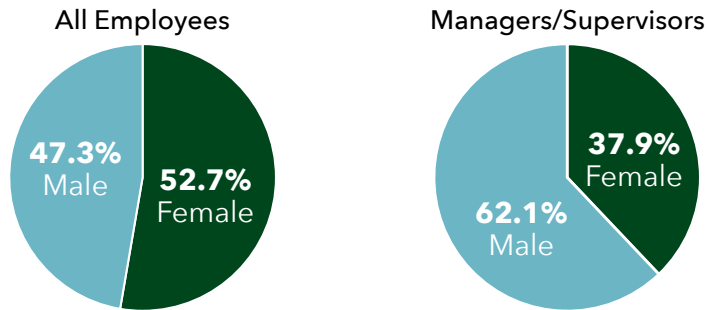


# FAIR LABOR

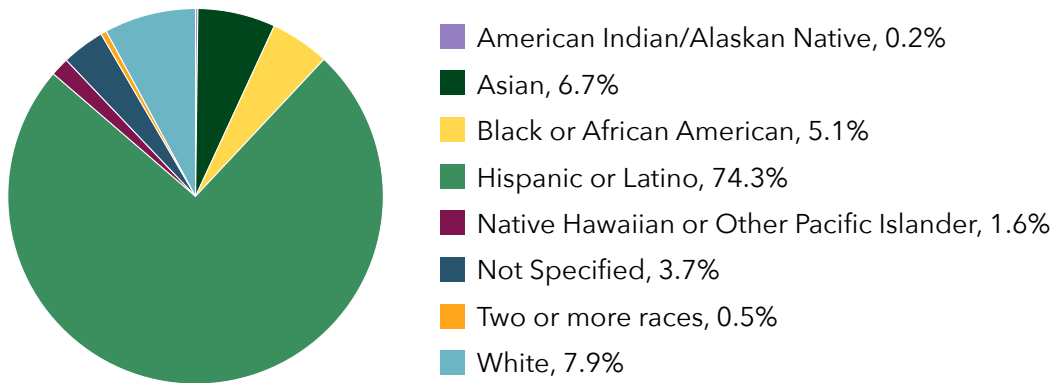
## Diversity at Calavo

Diversity and inclusion are important to the team at Calavo. With a workforce made up of 50 percent women and nearly 75 identified ethnic groups, we are focused on providing an workplace where everyone feels welcome.

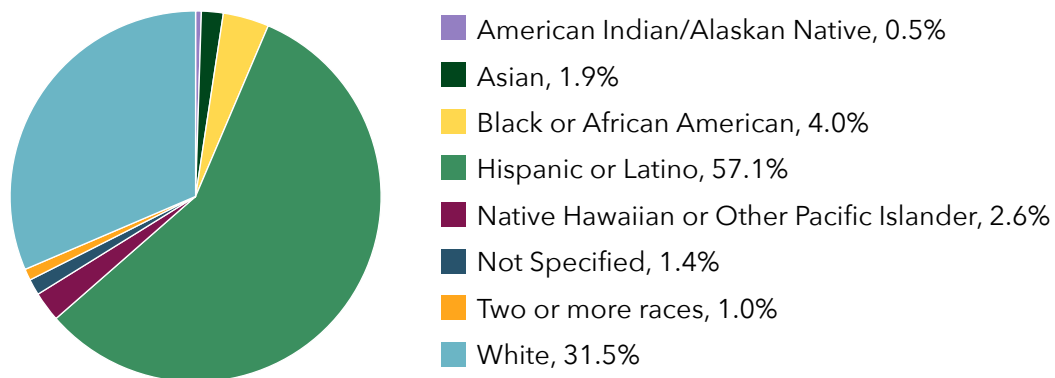
### Employees by Identified Gender



### Total Employee Count by Identified Ethnicity



### Managers by Identified Ethnicity



## Fair Trade Program

In 2019, Calavo recertified with Fair Trade USA, joining the fight against poverty and discrimination. The Fair Trade program is built on a model of responsible business, conscious consumerism and shared value to eliminate poverty and enable sustainable development for farmers, workers, their families and communities around the world.

Every time a Fair Trade Certified™ product is purchased, an additional amount of money goes into a Community Development Fund at origin. From there, a democratically elected committee of farmers or workers, called the Fair Trade Committee, votes on how the funds will be best spent based on dialog and proactive problem-solving around their community's greatest needs.

As part of the Fair Trade program in 2019, Calavo provided more than \$220,000 in funding to the Uruapan's Fair Trade Committee, which helped to deliver 3,061 individual healthcare services to employees, small growers, and their families at no cost. These services included optometry, dentistry, women's health, physical therapy and lab work.



## Fair Labor Is A Stakeholder Priority

We are in constant communication with our stakeholders about sustainability, coordinating and collaborating to ensure we are meeting their fair labor requirements. In 2019, we communicated labor-related data to key stakeholders – our investors, customers and government – to ensure we are meeting or exceeding fair labor requirements. Through industry benchmark questionnaires and company assessments, we addressed our policies on child labor, forced labor, freedom of association, human rights, compliance and training. Company-specific questionnaires, facility tours, vendor scorecards and social responsibility audits validated working conditions, wages and benefits, child labor, forced labor and human rights policies in our fields and facilities. We also provided regulatory data indicating equal opportunity and diversity, and health and safety across the enterprise.

In 2019, we provided labor-related data to stakeholders in the following ways:

Stakeholder Group	Interaction	Key Labor Issues
Investors	Industry benchmark questionnaires and company assessments	Child labor, forced labor, freedom of association, human rights, compliance, training
Customers	Company-specific questionnaires, plant tours, vendor scorecards, sustainability audits	Working conditions, wages and benefits, child labor, forced labor, human rights
Government	Regulatory data	Equal opportunity and diversity, health and safety

# WORKER HEALTH & SAFETY

Worker health and safety is a top priority at Calavo, and we have embedded safety into every level of the organization. Our Safety Management Program, the foundation for Calavo's commitment to workplace safety, sets parameters for a safe and healthy workplace and is designed to be:

- Sustainable over time
- Consistent across all locations
- Embedded within daily operations
- Measurable for progress and success
- Replicable as our company expands

Execution of the Safety Management plan happens at the facility level, where management and staff work together to ensure safety protocols are understood and met across all facets of the business. For example, we have two safety committees: Administrative Safety Committee and Leadership Safety Committee.

The Administrative Safety Committee consists of employees working on the production floor, in the warehouse, maintenance and other direct positions. Members of this committee discuss ways to make the workplace safer for their peers. The Leadership Safety Committee consists of managers from the production and support departments who discuss and implement structural and policy changes to formulate and enhance safety changes across our operations.

All of Calavo's packing and processing facilities have a safety policy in place that covers, at a minimum: roles and responsibilities, safety requirements for all building occupants, personal protective equipment (PPE) requirements and procedures for when an accident or incident takes place. Multilingual branding and communication are paramount to ensuring our Safety Management Program.



## Expanding Food-Industry-Specific Safety Training Across Operations

Calavo is a food safety company, and we believe food safety starts with an educated and well-trained workforce. From their first day on the Calavo team, employees at our production facilities are taught and trained on a food-industry-specific, digital training program.

Through training, continual reinforcement and compliance, we create a continuous learning environment to ensure employees make safe decisions every day to drive safety, quality and productivity.

Building on the successful trainings delivered thus far, Calavo is scheduled to implement the digital training program to approximately 4,000 employees in the U.S. and Mexico by the end of 2020.

### Safety Training

Each month, Calavo facilities focus on a specific food or workplace safety topic to help provide in-depth, immersive training to create lasting behavior change and practice adoption. Through live training, pop quizzes, on the job observations and coaching, daily huddles, posters and digital media, we ensure our employees are immersed in our food and workplace safety culture.

In 2019, we provided more 20,000 hours of formal training and countless hours of informal on the job mentorship, coaching and leadership development opportunities on the following topics (percent complete represents the percentage of employees who have completed the measurable elements of the training):

- January: Personal Hygiene Practices for Food Safety (99% Complete)
- February: Introduction to Food Allergens, Safety Labeling (98% Complete)
- March: Slips, Trips and Falls (75% Complete)
- April: Preventing Food Contamination for Food Safety (53% Complete)
- May: Eliminating Exposure to Blood Borne Pathogens & Proper Response to Exposure (73% Complete)
- June: Lockout / Tagout Procedures (76% Complete)
- July: Ergonomics / Repetitive Motion (85% Complete)
- August: Food Facility Defense – Addressing the Risk of Visitors/Personnel, Preventing Contamination, Security Risks, and Safety Risks (81% Complete)
- September: Emergency Preparedness (89% Complete)
- October: Lift Truck Safety (86% Complete)
- November: Back Injury Protection (78% Complete)
- December: Foodborne Illness & Reporting (62% Complete)



# WORKER HEALTH & SAFETY

*Developing a World-Class Safety Culture with Omar Martinez,  
National Director, Continuous Improvement*

Omar Martinez, National Director, Continuous Improvement, works to identify improvement opportunities across our operations. One of his areas of focus is Calavo's safety management systems (SMS) and identifying improvement opportunities within that framework, ultimately focused on creating a world-class safety culture at Calavo.

**Q:** What are the key recurring safety issues that drive overall performance at your facility?

**A:** From our historical database, we know slips, trips and falls, contusions and repetitive motion reports are our top three injury claims, respectively. Examples of key corrective actions we're taking include: ensuring all employees wear slip resistant shoes, maintaining clean and dry floors where possible, applying a rotational training program within each department and streamlining process steps to minimize motion and carrying points.

**Q:** Safety training is offered regularly at your facility. How are topics chosen?

**A:** At our facilities, we utilize a digital training platform to administer and manage safety training programs while acknowledging employee comprehension. This program also allows our facilities to set up a monthly safety training calendar that can be managed for completion percentage at each facility. Additionally, we employ the use of weekly employee huddles to meet regarding key topics within each facility. These topics vary depending on the needs of each facility.

**Q:** What is a typical training like?

**A:** Our digital trainings consist of videos on various safety topics. These videos are shown to each trainee who utilizes an individual remote control to record their answers during the training session. Additionally, questions validating employee comprehension are asked of each trainee throughout the session. Upon completion, training results are electronically documented within our own digital training system.

**Q:** What kinds of things do you incorporate into training to make sure the information "sticks"?

**A:** In addition to the ability to record employee comprehension within our digital training program, we provide the training in multiple languages, ensuring employees are trained in the language they'll best understand and retain. Also, to help answer further trainee questions, all classes are coordinated by a qualified trainer who is knowledgeable regarding the program.

**Q:** Is there a safety training topic you are looking forward to in 2020?

**A:** I am looking forward to kicking off our Safety Government sessions. I feel the Safety Government platform will work to measure the improvement of our SMS as well as review trends, provide training to all safety chairs and share learnings amongst national safety leaders.



## Safety Heroes - Our Employee Safety Recognition Program

Started in 2015, Calavo’s Safety Heroes Employee Recognition Programs awards employees for safety contributions and ideas ranging from helping in a medical emergency and adding safety signage to changing of safety rules and procedures. Non-managerial employees can be nominated and awarded the designation of “Safety Hero.” In 2019, three employees, two of which are pictured below, were chosen to receive the Safety Hero award for:

- Identifying a needed flooring repair to prevent slip, trip, and fall hazard
- Recommending the addition of a slip-prevention mat in a wet area of the production facility
- Adding hooks throughout the facility to hang and store “wet floor” signs for immediate access in the event of a wet floor incident



Javier Duarte (Santa Paula, CA)

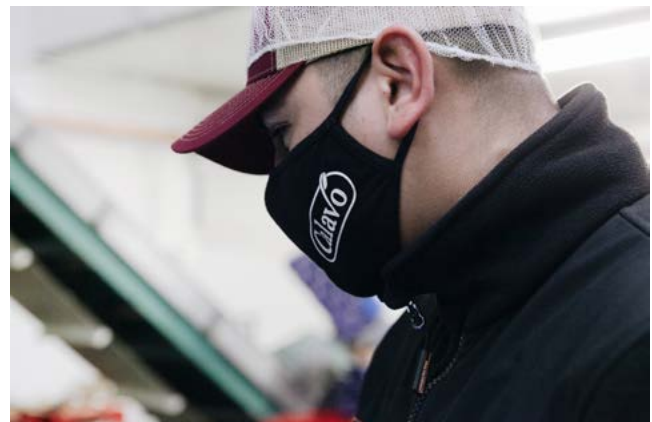


Josefina Torres (Santa Paula, CA)

## 2019 Safety Data

	U.S. Facilities
Recordable Injury Rate	6.92
DART Rate (Total Days Away, Restrictions or Transfers)	98.72

Safety data covers all U.S.-based processing facilities operated by Calavo.



# COMMUNITY ENGAGEMENT

Calavo is an active contributor to communities in which we operate. We focus on giving back to our local community through many different channels, including philanthropic and in-kind donations, sponsorships, employee volunteering and partnerships with local organizations.

## Snapshot of 2019 Community Engagement

### Charitable Giving

Sponsored the Santa Paula Unified School District's new agricultural center

Donated fresh food to "A Night To Remember" event in Ventura, CA

Donated produce to feed volunteers of 'Fill The Boot For Burns' charity drive benefitting the Firefighters Burn Institute

### Employee Volunteering

Employees volunteered at aid station during California International Marathon on behalf of Girls On The Run female empowerment organization

Employees handed out fresh fruit at the California Foundation For Ag In The Classroom's annual Farm Day event

### Partnerships with Local Organizations

Calavo Director sits on the Board of Directors for the Santa Paula Art Museum

Partnered with Sacramento Food Bank & Family Services to collect non-perishable food for holiday food drive

Employees donated toys to Shriners Hospitals of Northern California





## Food Donations

Calavo is proud to work towards solving food waste and food insecurity by donating product to local food banks in the communities where we operate. In 2019, we donated more than 10,000 pounds of fruit and vegetables to provide local families the opportunity to eat fresh and healthy.

## Tour de Fresh

Through our RFG business unit, we are a legacy supporter of Tour de Fresh, an annual bicycle ride presented by The California Giant Foundation that raises money to support the Salad Bars to Schools initiative. From 2015–2019, our riders raised more than \$37,000 to put at least fifteen salad bars in schools across America. Collectively, Tour de Fresh has provided salad bars to nearly 6,000 schools, benefitting more than 3 million children in low income areas.



## Anti-Poverty Program Assists Mexican Communities

In 2019, Calavo leadership developed the Calavo Food Master Plan, a roadmap for implementing the Semáforo de la de Pobreza (Poverty Awareness and Prevention Program) in socially responsible manner. The program works by systematically assessing poverty levels and worker quality of life, and a believe that by using a systematic approach, Calavo can better address poverty mitigation programs; by understanding different causes, effects and behaviors of communities in poverty, we can more effectively support their needs; and by investing in an anti-poverty program, we hope to improve quality of life, increase community engagement and increase employee retention across our Mexican operations.

Implementation of the program is set to begin in Uruapan, Michoacán, MX in 2020, with plans for replication and scaling as results and adjustments are carried out.



## Employees in Mexico Race for Charity

In 2019, Calavo runners participated in two charity races. In March, our team ran in the Uruapan Water Commission race, the largest race in the city, to help raise funds and awareness for water conservation issues. In September, runners participated in the Uruapan Institute of Technology anniversary race, helping support technology education programming efforts.

# \$132,674

*donated to various charities in 2019*

# ETHICS & INTEGRITY

Calavo is committed to conducting its business honestly and ethically wherever we operate in the world. We are committed to constantly improving the quality of our services, products and operations and maintaining a reputation for honesty, fairness, respect, responsibility, integrity, trust and sound business judgement.

*We are committed to constantly improving.*

Calavo's policy prohibits retaliation for a report of unethical, dishonest or illegal behavior, or of any other violation of this Code of Conduct or of other Calavo policies and procedures, if a director, officer or employee makes the report about another person's conduct in good faith. Directors, officers and employees are expected to cooperate in internal investigations regarding possible unethical, dishonest or illegal behavior or any other possible violation of this Code of Conduct or of other Calavo policies and procedures.

All new hires are required to sign their acknowledgment of, and compliance to, the Calavo Code of Business Conduct and Ethics. This process is audited annually as part of our overall financial audit process. In addition, directors and executives sign the Code of Conduct every year.

## Our Code of Business Conduct and Ethics

Calavo's Code of Business Conduct and Ethics outlines basic principles, in both English and Spanish, to guide all directors, officers and employees towards ethical behavior. The Code of Conduct includes provisions on mandatory reporting of any non-compliance to the business unit manager, Calavo's Director of Human Resources and/or Calavo's Chief Financial Officer; compliance with laws, rules and regulations, avoidance of conflicts of interest, disclosure of related parties; bribes, kickbacks and gifts, Foreign Corrupt Practices Act; confidential information, insider trading, and public disclosure information required by the Securities laws; recordkeeping, corporate opportunities, and competition and fair dealing; human trafficking and slavery, including an expectation that suppliers (and their sub-contractors) will protect the human rights of their employees; protection and proper use of company assets, reporting theft and fraud; discrimination and harassment; health and safety, including a prohibition of drugs and alcohol in the workplace; waivers and amendments of the code, enforcement of the code, and reporting concerns, including the ability for anyone to report concerns regarding the company's internal accounting controls or auditing matters by calling 1-888-279-6251 in the U.S. or online at [www.ethicspoint.com](http://www.ethicspoint.com) to leave a confidential message for our audit committee.

The full Code of Business Conduct and Ethics can be read here: <http://ir.calavo.com/corporate-governance/governance-policies-and-documents/default.aspx>



## Supplier Expectations

In 2019, our Code of Conduct was sent throughout our supply chain, with thousands of suppliers notified about our environmental, social and ethical expectations. We expect all suppliers to share the principles expressed in our Code of Conduct. Calavo management and vendors have the responsibility to report exceptions to this policy as defined in this Code of Conduct.

## Grievance Reporting

Calavo utilizes a confidential hotline through NAVEX Global for employees to submit their grievances anonymously. Issues and concerns associated with unethical or illegal activities can be reported safely and honestly while maintaining anonymity and confidentiality.

Incidents called in are sent to the Board of Director's Audit Committee Chair along with the Director, Human Resources.

NAVEX Global is certified under the EU-U.S. and Swiss-U.S. Privacy Shield Programs through the United States Department of Commerce as having security measures in place to address EU privacy initiatives and other global privacy directives.



# FOOD SAFETY & HEALTH CONCERNS

Food safety is Calavo's utmost priority and we have implemented stringent measures to ensure food safety protocols are in place throughout the supply chain, including Food Safety Plans based on the Food Safety Modernization Act (FSMA) and/or Hazard Analysis Critical Control Point (HAACP) comprehensive environmental monitoring programs, illness transmission prevention procedures, allergen control and cross-contact prevention and metal detection.

Every facility has a written protocol in place, supported by training, directing employees to practice food safety behaviors based on the facility's production processes, customer requirements and risk factors. These components include, for example, clothing requirements, hair and beard coverings and glove and hand washing requirements.

Every business unit has a dedicated plan for crises; facilities have a response plan in case of hazardous spills, as well as natural disaster recovery plans specific to their geographic region and risk profile. Each plan is tailored to the business unit and type of facility, but includes, at a minimum: roles and responsibilities for crisis management, steps to identify and mitigate the problem and directions for communication to key stakeholders as needed.

If food safety issues arise, we implement our Corrective and Preventive Action program, which encompasses investigating to determine root causes, resolving the issue or deviation, managing corrective actions, and reviewing the Food Safety/HAACP plans. This program is managed the facility's Food Safety team and the corporate Food Safety & Quality team as needed. Investigations for nonconformities of internal audits and trended customer complaints are reviewed during the audit cycle.

## Food Safety Auditing Certification

Each Calavo facility is audited by a third-party organization at least once a year to ensure safe food production. Our food safety programs ensure compliance to all federal and state government requirements, including the Food and Drug Administration (FDA), the U.S. Department of Agriculture (USDA), the Occupational Safety and Health Administration (OSHA) and state Public Health Departments. These certification audits assure compliance to the Global Food Safety Initiative (GFSI) and are performed by certifying bodies – either the British Retail Consortium (BRC), Safe Quality Food (SQF) and PrimusGFS (Global Food Safety).

We have formally trained internal auditors at each facility, responsible for managing food safety programs and ensuring workers have appropriate training and equipment. In addition, customers are invited to conduct their own food safety measures and inspections through their own staff or via independent auditors. This transparency ensures a good working relationship while keeping food safety front and center.



## Food Safety Education Program

In 2019, United Fresh Produce Association created the first-of-its-kind Produce Safety Immersion Program, created to provide learning and development to professionals with less than five years of experience in produce food safety. Calavo sponsored the program for \$25,000. Cheryl Enlow, RFG's VP of Quality Assurance and Food Safety helped design and was a mentor for the program. In addition, Shelby Chih, Supply Chain Quality Manager at RFG participated as a fellow in the inaugural class.



## Helping Growers Improve Food Safety Practices

Calavo has a dedicated food safety team who provides training and support to our supplier growers, as well as encouragement to those seeking to obtain GFSI certification and improving Good Agricultural Practices (GAP). Our team members meet with individual growers on their farm and discuss changes in operation that must occur to achieve certification. We often find that growers are already in compliance with day-to-day practices, however improvements can be made in the areas of policy and record keeping.

Upon completion of grower efforts, the Calavo team conducts a mock audit to prepare growers for the PrimusGFS audit. Over the past four years, our team has conducted approximately 340 mock audits to support farm-level food safety certification.



# FOOD SAFETY & HEALTH CONCERNS

*Grower Engagement with Quinn Cotter,  
Calavo's Food Safety Manager*

Quinn Cotter, Food Safety Manager at Calavo discusses the importance of engaging with growers on food safety initiatives:

**Q:** Why is GFSI certification so important for farmers to achieve?

**A:** Third party audits have become an important tool to verify compliance to the guidelines made by the USDA. At the end of the day, our customers want peace of mind their food is being handled in the safest way possible from start to finish, from farm to fork.

**Q:** Food safety certificate aside, what do you see as the biggest food safety challenges facing the produce industry?

**A:** Globally, there has been a rise in food borne illness and outbreak due to microbial contamination. Despite the fact that we have a safe food supply, more research is needed to understand how contamination occurs, the risks it poses to our consumers and improvements needed to prevent issues in the future.

**Q:** Where is the biggest progress being made?

**A:** The produce industry has been working hard to improve current food safety practices by disseminating information through trade associations, commodity specific food safety guidelines and the Center for Produce Safety (CPS) Research Symposium.

**Q:** As you look ahead to 2030, what do you expect to change about the industry's approach to food safety?

**A:** As the FDA finalizes more rules to implement FSMA, we will remain focused on implementing new or enhanced preventive measures to maintain the highest level of integrity for Calavo products.



Year	# of Recalls	Details
2015	0	No recalls in 2015
2016	1	Recall issued for undeclared allergen. No reported illnesses.
2017	0	No recalls in 2017
2018	3	<ol style="list-style-type: none"> <li>1. Voluntary recall issued as cases of <i>Salmonella</i> were linked to cut melons. The <i>Salmonella</i> was not traced back to any of our products.</li> <li>2. Voluntary recall issued for undeclared nut allergen in one product. No reported illnesses.</li> <li>3. Voluntary recall issued as <i>Salmonella</i> and <i>listeria monocytogenes</i> were traced to a supplier of corn used as a component in a number of products. No reported illnesses.</li> </ol>
2019	5	<ol style="list-style-type: none"> <li>1. Voluntary recall of fresh cut watermelon, honeydew melon, cantaloupe and mixed fruit containing one of these melons due to cases of <i>Salmonella</i>. The <i>Salmonella</i> was not traced back to any of our products.</li> <li>2. Voluntary recall due to undeclared soy in mayonnaise used in various products distributed to one customer.</li> <li>3. Voluntary recall issued in ready-to-eat salads containing chicken due to undeclared soy allergen in the chicken. No reported illnesses.</li> <li>4. Voluntary recall of stuffed mushrooms due to undeclared soy allergen in the stuffing. No reported illnesses.</li> <li>5. Voluntary recalls issued as <i>listeria monocytogenes</i> was traced back to a supplier of Broccoli Slaw used as an ingredient in two products. No reported illnesses.</li> </ol>

\*\*Outline of food safety incidents from 2015–2019



# SUSTAINABLE AGRICULTURE

Calavo works with thousands of food suppliers and growers around the world. We have a joint-venture investment in a greenhouse tomato operation in Jalisco, Mexico (Agricola Don Memo), but otherwise do not have direct control over the growing practices of our suppliers. However, we are proud to work with our customers to source products grown with sustainable agriculture practices, including Fair Trade products, organic products, non-GMO products and products with specific sustainable agriculture practices.

*We are proud to work with our customers to source products grown with sustainable agriculture practices.*



Customers have their own sustainable agriculture guidelines, including sourcing Fair Trade, Organic, and Non-GMO.

Calavo processes and distributes the food, in accordance with its own standards and customer standards.

Thousands of suppliers and growers around the world, each implementing their own sustainable agriculture methods.

## Fair Trade & Non-GMO Products

While we incorporate sustainability throughout our entire company, we also have specialty programs and products that cater to customers' changing environmental and social preferences. For example, we offer Fair Trade, organic and non-GMO products in a number of areas.

## Percentage Sales Associated with Specialty Sustainability Items

	2015	2016	2017	2018	2019
Organic	3.8%	3.2%	4.1%	5.4%	5.1%
Non-GMO	65.0%	64.6%	61.8%	59.1%	58.0%



## Our Certified Products

Fair Trade
Avocados

Organic*
Avocados
Guacamole
Zucchini Noodles
Diced Sweet Potatoes
Cubed Butternut Squash
Diced Onion
Mango Chunks
<small>*Top-selling fresh-cut organic items.</small>

Non-GMO**
Avocados
Tomatoes
Guacamole
<small>**Some products such as avocados and tomatoes are naturally non-GMO. Other products such as guacamole are non-GMO project verified.</small>

## Sustainable Agriculture Beyond Operations

Food production requires building relationships with growers and respecting their connection to the land. At Calavo, we recognize our operations, as well as our grower relationships and their practices, must be designed to work with natural cycles and ecological considerations to help create more sustainable systems. As such, we encourage and support our employees and teams to leave a lasting impact on the environment and in the ecosystems in their communities.

### Tree Planting in Mexico

In August 2019, the Calavo team participated in an annual reforestation activity in Paracho, a community near our Uruapan facility. More than 50 team members worked together to plant more than 500 pine trees in support of reforestation efforts.

### Saving Endangered Sea Turtles

In coordination with the Mexican Federal Environment Department, Calavo team members visited Playa Azul Beach in October 2019 where they participated in an education and training program about sea turtle conservation. After the training session, employees supported the department's efforts by transplanting newly hatched turtles from the facility and releasing them into the sea.



# PACKAGING & LOGISTICS

At Calavo, we consider the environmental impacts of packaging throughout the entire supply chain. We work closely with our customers to determine their packaging needs, and offer products that use recyclable, biodegradable, recycled content and reusable packaging.

For example, we've recently made the move to reusable packing containers (RPCs), which allow us to dramatically reduce the number of corrugated boxes used to transport product between packing and processing plants, and distribution centers and retail stores. In 2019, RPCs were used 929,605 times, which equates to a reduction of 897 tons of corrugate.

*In 2019, RPCs were used 929,605 times, which equates to a reduction of 897 tons of corrugate.*



## Packaging Highlights:

### Label Change Helps Facilitate Consumer Recycling

In a committed effort to improve sustainability, we saw an opportunity to increase recycling at the consumer level by providing an easy-to-peel label, complete with instructions on how to recycle. Calavo bagged avocados are comprised of two parts: netting material and a film bag header made of high-density polyethylene, a resin number 2 plastic, which means it can be easily recycled in many municipalities. In order for the plastic to be recycled in a compliant manner, the label must be removed, so our team worked to source a label possessing the necessary characteristics to withstand a cold environment and the rigors of the supply chain, while being easy to remove at the consumer level.

Although the cost of an easy-to-peel, recyclable labels runs about 30% higher than our previous label, Calavo feels the investment in this sustainable initiative supports our overall sustainability goals.

### Changing Lid Plastic to Incorporate Post-Consumer Recycled Plastic

With a majority of Calavo guacamole sold into retail channels packed into a round, plastic tub with lid, we began to analyze opportunities to make reduce plastic in this style of packaging. The plastic lid, made from polyethylene terephthalate (PETE) boasts a resin number of 1, making it the highest of ease to recycle. We worked with our plastic vendor to source post-consumer PETE, and our plastic lids now contain at least 25% post-consumer recycled material, depending on availability. In 2019, we used approximately 12,342,000 lids, translating into a total of 39,418 lbs. of post-consumer recycled material used, and therefore the same amount of virgin plastic saved.



*We are proud of our longstanding partnerships with carton suppliers certified through the Sustainable Forestry Initiative.*

# ABOUT THIS REPORT

This is Calavo Growers, Inc.'s annual sustainability report covering our performance during calendar year 2019.

## Reporting Boundaries

This Sustainability Report boundary includes all 18 facilities directly operated by Calavo. In addition, we have included selected information from joint ventures where we do not have direct control. Any exceptions to this scope are noted directly in the text.

## Independent Verification

We have engaged Strategic Sustainability Consulting (SSC) to support our sustainability reporting efforts. We believe that this report contains information that is accurate, timely, and balanced. In preparing the material for this report, we have completed an internal assessment process in conjunction with SSC to review the contents for clarity. This report has not been externally assured.

## Restatements

There are no restatements to data from past years.

## Feedback

We welcome your feedback to our Sustainability Report Team at [sustainability@calavo.com](mailto:sustainability@calavo.com).

## Disclaimer

This report contains statements relating to future events and results of Calavo (including certain projections and business trends) that are "forward-looking statements," as defined in the Private Securities Litigation Reform Act of 1995, that involve risks, uncertainties and assumptions. These statements are based on our current expectations and are not promises or guarantees. If any of the risks or uncertainties ever materialize or the assumptions prove incorrect, the actual results of Calavo may differ materially from those expressed or implied by the forward-looking statements and assumptions. All statements in this report, other than statements of historical fact, are statements that could be deemed forward-looking statements. For a further discussion of the risks and uncertainties that we face, please see the risk factors described in our most recent Annual Report on Form 10-K filed with the Securities and Exchange Commission and any subsequent updates that may be contained in our Quarterly Reports on Form 10-Q and other filings with the Securities and Exchange Commission. Forward-looking statements contained in this report are made only as of the date of this report, and we undertake no obligation to update or revise any forward-looking statement, whether as a result of new information, future events or otherwise.



# GLOBAL REPORTING INITIATIVE (GRI)

We have used the Global Reporting Initiative’s Sustainability Reporting Standard to inform our reporting processes, boundaries and content. The following table provides a reference for relevant GRI indicators. This is Calavo Growers, Inc.’s annual sustainability report covering our performance during calendar year 2019. The previous report was published in September 2019.

GRI Standard	Topic	Indicator	Description
GRI 102 - General Disclosures - 2016	Organizational Profile	102-1	Name of Organization
		102-2	Activities, brands, products and services
		102-3	Location of headquarters
		102-4	Location of operations
		102-5	Ownership and legal form
		102-6	Markets served
		102-7	Scale of the organization
		102-8	Information on employees and other workers
		102-9	Supply chain
		102-10	Significant changes to the organization and its supply chain
		102-11	Precautionary Principle or approach
		102-12	External initiatives
		102-13	Memberships of associations
	Strategy	102-14	Statement from senior decision-maker
		102-15	Key impacts, risks and opportunities
	Ethic and Integrity	102-16	Values, principles, standards, and norms of behavior
		102-17	Mechanisms for advice and concerns about ethics
	Governance	102-18	Governance structure
		102-19	Delegating authority
		102-20	Executive-level responsibility for economic, environmental, and social topics
102-29		Identifying and managing economic, environmental and social impacts	
Stakeholder Engagement	102-40	List of stakeholder groups	
	102-42	Identifying and selecting stakeholders	
	102-43	Approach to stakeholder engagement	
	102-44	Key topics and concerns raised	

# GLOBAL REPORTING INITIATIVE (GRI)

GRI Standard	Topic	Indicator	Description
GRI 102 - General Disclosures - 2016	Reporting Practice	102-45	Entities included in the consolidated financial statements
		102-46	Defining report content and topic boundaries
		102-47	List of material topics
		102-48	Restatements of information
		102-49	Changes in reporting
		102-50	Reporting period
		102-51	Date of most recent report
		102-52	Reporting cycle
		102-53	Contact point for questions regarding the report
		102-54	Claims of reporting in accordance with the GRI standards
		102-55	GRI content index
102-56	External assurance		
GRI 103 - 2016	Management Approach	103-1	Explanation of the material topic and its boundary
		103-2	The management approach and its components
GRI 301 - 2016	Materials	301-2	Recycled input materials used
GRI 302 - 2016	Energy	302-4	Reduction of energy consumption
GRI 303 - 2018	Water and Effluents	303-2	Management of water discharge-related impacts
GRI 304 - 2016	Biodiversity	304-3	Habitats protected or restored
GRI 306 - 2018	Waste	306-2	Management of significant waste-related impacts
GRI 308 - 2016	Supplier Environmental Assessment	308-1	New suppliers that were screened using environmental criteria
GRI 401 - 2016	Employment	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees
GRI 403 - 2018	Occupational Health and Safety	403-1	Occupational health and safety management system
		403-2	Hazard identification, risk assessment, and incident investigation
		403-3	Occupational health services
		403-4	Worker participation, consultation, and communication on occupational health and safety
		403-5	Worker training on occupational health and safety
		403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships
		403-8	Workers covered by an occupational health and safety management system
		403-9	Work-related injuries
GRI 404 - 2016	Training and Education	404-1	Average hours of training per year per employee
		404-2	Programs for upgrading employee skills and transition assistance programs
GRI 405 - 2016	Diversity and Equal Opportunity	405-1	Diversity of governance bodies and employees
GRI 412 - 2016	Human Rights Assessment	412-2	Employee training on human rights policies or procedures
GRI 413 - 2016	Local Communities	413-1	Operations with local community engagement, impact assessments, and development programs
GRI 414 - 2016	Supplier Social Assessments	414-1	New suppliers that were screened using social criteria

# SUSTAINABILITY ACCOUNTING STANDARDS BOARD (SASB)

SASB’s “Sustainability Accounting Standards” comprise disclosure guidance and accounting standards for use by U.S. and foreign public companies in their disclosures to investors. SASB Standards identify sustainability topics that are reasonably likely to constitute material information for a company within a particular industry. Calavo is moving towards more comprehensive reporting aligned with the SASB standard for the Processed Foods Industry. SASB indicators can be found in this report are highlighted in the table below.

<b>Topic</b>	<b>Accounting Metric</b>	<b>Page</b>
Water Management	Description of water management risks and discussion of strategies and practices to mitigate those risks	14-15
Food Safety	Number of recalls issued	31
Health and Nutrition	Discussion of the process to identify and manage products and ingredients related to nutritional and health concerns among consumers	28-29
Product Labeling & Marketing	Revenue from products labeled as non-GMO	32-33



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