



sustainability

HIGHLIGHTS REPORT



I'm proud to introduce Calavo's first report dedicated to our sustainability efforts. While environmental and social responsibility has been part of our corporate culture for decades, this is the first time we've put together a summary of related activities to share with our stakeholders. With the growing interest in sustainability from our customers, investors, suppliers and communities, I anticipate this will be the first of many reports to come.

There is no question that consumers are demanding more sustainable products—whether it's organic or fair-trade certified produce, or greener packaging options in ready-to-eat snacks. In this report, you'll find examples of how we're continuously working to reduce the impact of our products—from working with our grower/suppliers through processing, all the way through packaging and distribution. For example, we're closing the loop on avocado waste by taking avocado pits and skins to rural farmers for compost and mulch. And on page 31 we share how a simple redesign of our avocado shipping box has eliminated 3.6 million pounds of cardboard a year.

Similarly, we see rising interest in our social impacts. We have recently revamped our Vendor Code of Conduct to more explicitly address human rights concerns, including prohibitions against forced labor, child labor, discrimination and harassment. To ensure that our team is equipped to uphold our values, all employees in 2018 were trained on our Code of

Conduct and sexual harassment, with selected teams also completing modules on diversity training. To support our safety program, we have cross-functional safety teams and monthly training opportunities covering topics like emergency preparedness, ergonomics and foodborne illnesses.

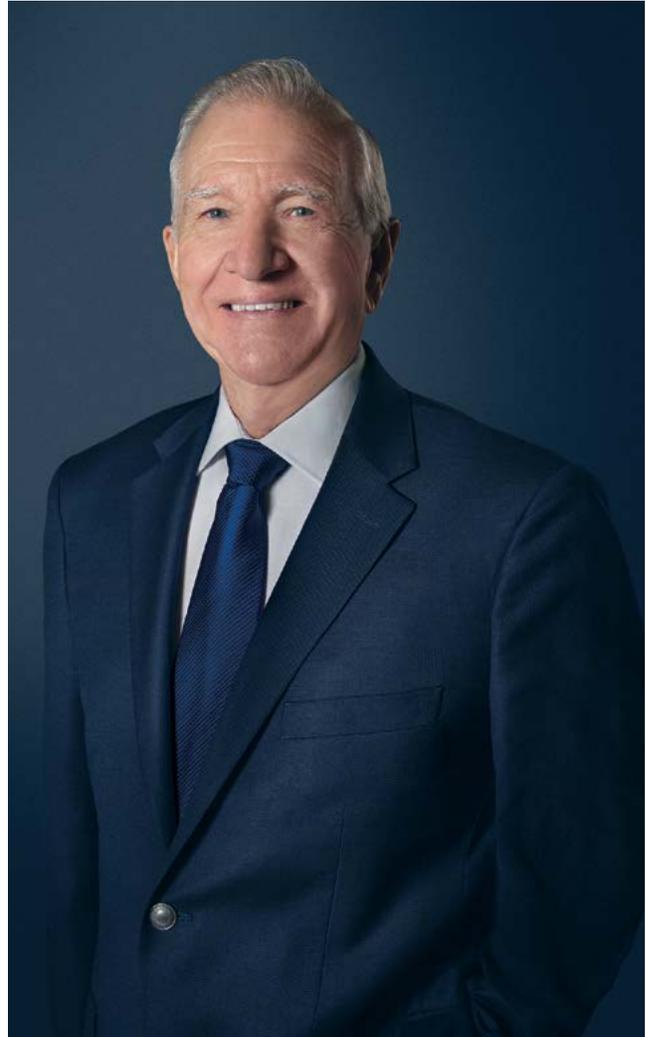
Calavo is proud to be part of an industry that cares about preserving our environment for future generations.

To me, one of the most exciting aspects is seeing our entire industry transform to meet new sustainability expectations. In particular, the avocado industry is taking a proactive stand on issues of biodiversity, habitat preservation and reforestation throughout Mexico and engaging with local communities to ensure the benefits are equitable and long-lasting. In addition, the approximately 33 million avocado

trees in North America release vital oxygen into the atmosphere. Calavo is proud to be part of an industry that cares about preserving our environment for future generations.

Over the last year we have taken a variety of steps to consolidate and clarify our sustainability strategy. We introduced a new sustainability policy and developed a framework to organize our environmental and social programs, which is featured on page 10. We have engaged sustainability experts to help us with optimizing our waste impacts. And we have formalized a process for responding to sustainability inquiries from customers, consumers and investors, to ensure that we're providing accurate and consistent information across all of our communications channels.

Looking ahead, we see opportunities to continue to improve our sustainability performance in several areas. First, we plan to centralize environmental data collection so that we can more accurately understand and manage our energy, waste and water use across our facilities. Second, we are examining how to most effectively engage suppliers in our sustainability journey—look for an update in our next report. And finally, we are already working more closely with our customers and our investors to make sure that we are responsive to their sustainability interests and priorities. We know that Calavo has a great sustainability story to tell, and we're excited to see where this journey takes us.



A handwritten signature in black ink, appearing to read "Lee Cole". The signature is fluid and cursive, written in a professional style.

Lee E. Cole
Chairman, President and Chief Executive Officer
August 9, 2019



table of contents

ABOUT THIS REPORT	7
ABOUT CALAVO GROWERS, INC.	9
OUR SUSTAINABILITY APPROACH.....	11
FACILITIES & OPERATIONS	14
ENERGY & EMISSIONS	14
WATER & WASTE	16
PEOPLE & COMMUNITIES.....	18
FAIR LABOR.....	18
WORKER HEALTH & SAFETY	20
COMMUNITY ENGAGEMENT	22
PRODUCTS & GOVERNANCE	24
ETHICS & INTEGRITY	24
FOOD SAFETY & HEALTH CONCERNS.....	26
SUSTAINABLE AGRICULTURE	28
PACKAGING & LOGISTICS	30



about this report

FORWARD LOOKING STATEMENTS

This is Calavo Growers, Inc.'s first sustainability highlights report, covering performance and sustainability-related initiatives across our enterprise. We believe this report contains information that is accurate, timely and balanced. While this report and the data within have not been formally assured, we have completed an internal assessment process to review the contents for clarity.

ACCURACY AND LIMITATIONS

When evaluating Calavo Growers, Inc. and its business, you should consider the factors listed in our Form 10-K, other documents that we file with the U.S. Securities and Exchange Commission, and publications we make publicly available. Our actual results could differ materially from what is presented in this report. Although we believe that the matters reflected in this report are reasonable, we cannot guarantee future results, levels of activity, performance, or achievements. You should not place undue reliance on these responses. We disclaim any obligation to update information contained in this report.

QUESTIONS OR COMMENTS

Readers with questions or comments about this report, or about Calavo's sustainability practices in general, should contact sustainability@calavo.com.



FACILITY KEY

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

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



ABOUT CALAVO GROWERS, INC.

Calavo Growers, Inc. is a global avocado-industry leader and an expanding provider of value-added fresh foods serving retail grocery, food service, club stores, mass merchandisers, food distributors and wholesalers worldwide. We operate in three business segments.

The Fresh segment procures and markets fresh avocados and select other fresh produce (tomatoes). 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 and salsa. 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.

As of October 31, 2018, we had 2,979 full-time employees (1,241 located in the United States and 1,738 located in Mexico) as well as over 1,000 seasonal or temporary workers operating out of eighteen facilities located in the US and Mexico.

FOR MORE INFORMATION

Additional information regarding our operations, corporate governance and financial performance can be found on our corporate website, ir.calavo.com.





FACILITIES & OPERATIONS

ENERGY & EMISSIONS

WATER & WASTE

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 believes sustainable practices support long term ecological balance, environmental soundness and social equity. Our sustainability strategy encompasses all aspects of our business. While our sustainability initiatives are focused primarily on our own sourcing, packing, value-added distribution and manufacturing operations, we also extend our environmental and social expectations into our supply chain, where we buy from thousands of individual growers and food producers.

ACCOUNTABILITY FOR SUSTAINABILITY PERFORMANCE

Calavo has formed a Sustainability Council comprised of representatives from each of the Company's primary business units, responsible for recommending objectives and goals relating to our sustainability policy; managing the process for responding to customer questionnaires as they relate to sustainability; developing and tracking metrics consistent with Calavo's sustainability goals; publishing the annual sustainability report; and maintaining appropriate sustainability content on the company website.

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

The Sustainability Council meets monthly and reports to an Oversight Committee led by Chairman, President and CEO, Lee Cole. 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:

- Produce Marketing Association (PMA) – The Produce Marketing Association is a trade organization representing companies from every segment of the global fresh produce and floral supply chain. PMA helps members grow by providing connections that expand business opportunities and increase sales and consumption.
 - PMA Sustainability Committee – This Committee serves PMA membership by identifying sustainability trends, information, resources and best practices to help inspire the produce and floral industries to continuously optimize processes and resources in order to drive economic, social and environmental benefits that leave the world a better place for future generations.
- United Fresh Produce Association – United Fresh brings together members across every segment of the supply chain to build relationships, empower industry leaders to shape sound government policy, deliver the resources and expertise companies need to succeed in managing complex business and technical issues and provide training and development needed for career advancement within the industry. Through these endeavors, United Fresh aims to unite the produce industry with the purpose of building long-term success for its members and grow produce consumption.
 - United Fresh Food Safety & Technical Council – This Council focuses on all aspects of food safety, food technology and food security/defense through the total supply chain, working to bring the safest, highest-quality produce most efficiently to end consumers.
 - United Fresh Fresh-Cut Processor Board – This Board is focused on the needs and issues of greatest concern to fresh-cut processors and producers of convenience produce items. Its goal is to drive innovation in delivering great-tasting and convenient fresh produce to consumers.
- Organic Produce Network (OPN) – The mission of Organic Produce Network is to inform, educate, and connect through a strong digital presence with an emphasis on original content, complemented by engaging live events which bring together various components of the organic growing community
- Mexican Avocado Producers & Packers (APEAM) – Founded in 1997, the mission of APEAM is to ensure avocados from the country of Mexico remain the leader in quality, taste, safety, traceability and sustainability on a national and international level. APEAM is made up of more than 26,000 producers and 58 packers. APEAM is a partner with the Mexican Hass Avocado Importers Association for the promotion of avocados under the brand Avocados from Mexico (AFM).
- Mexican Hass Avocado Importers Association (MHAIA) – MHAIA is an industry organization dedicated to supplying consistent high-quality avocados throughout the year, formed for the purpose of advertising, promotion, public relations and research for all stakeholders of AFM. Under agreements, MHAIA and APEAM have combined resources to fund and manage AFM, with the intent to provide a focused, highly effective and efficient marketing program in the United States.
- California Avocado Commission – Created in 1978, the California Avocado Commission strives to enhance the premium positioning of California avocados through advertising, promotion and public relations, and engages in related industry activities.

CSR Practitioner serves as a member on the PMA Sustainability Committee.

VP of Food Safety & Quality Assurance serves as chairman on the United Fresh Food Safety & Technical Council.

One of our senior executives serves as chairman for the MHAIA board of directors.



19

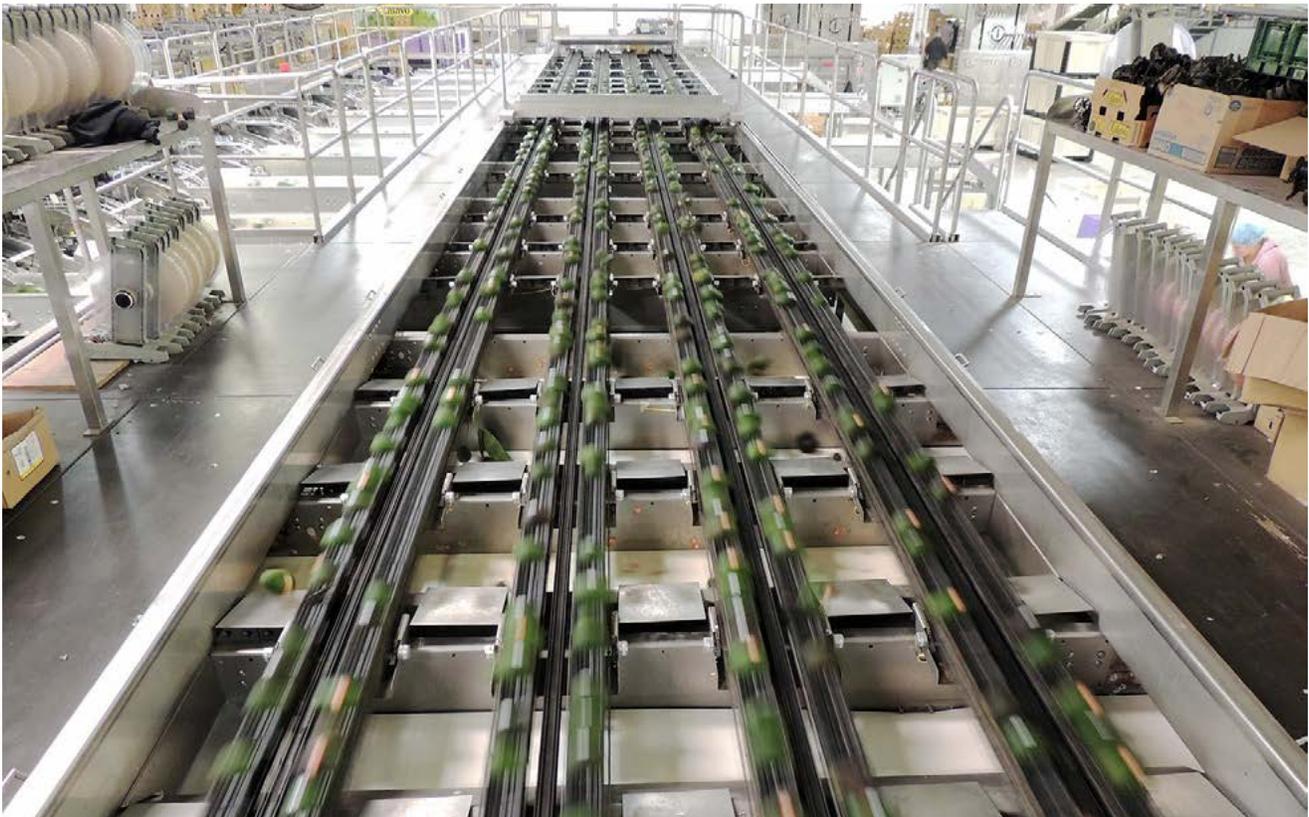
Calavo and its subsidiaries belong to 19 total industry associations represented globally.



energy & emissions

At Calavo, we constantly seek to optimize our energy use. We know that operating more efficiently will not only lower emissions but also save us money. 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



LIGHTING RETROFIT EXCEEDS EXPECTATIONS

In 2015, at our processing and distribution facility in Texas, we recognized an opportunity to dramatically reduce our energy costs by upgrading equipment and lighting. As this project was a big undertaking, we've made small strides year-over-year to achieve our overall goal of reduced energy. Almost immediately we started to see impressive results.

Some of the energy-saving upgrades were commonsense—such as installing occupancy sensors so that we weren't lighting empty cooling rooms or warehouse spaces. Other upgrades were more time—and capital—intensive, such as replacing the building's air compressor and motor controls, which we tackled first in 2015.

The following year, we focused on the first phase of a large-scale lighting upgrade, replacing 80 percent of the facility's lights with energy-efficient LED bulbs and ballasts. By the end of 2020, all remaining lighting will be converted to LED with occupancy sensors.

The results are clear: even as production increased at the facility, our energy decreased by 58 percent. In addition, we realized some money savings as a result of these upgrades, which is great for our bottom line and a benefit to the environment.



	2015	2016	2017	2018
Electricity Usage (MWh)	2,306	1,606	1,365	1,366

Electricity Use at Our Texas Facility

MAKING AVOCADOS GREENER

In 2017, Calavo made a significant investment in new, state-of-the-art packing equipment at our facility in Santa Paula, California. The new machinery processes avocados at a higher rate of speed than previous automated packing lines and uses high-tech cameras to grade the quality of each avocado at a fraction of a second. The result: a 46% decrease in the amount of energy required to process a bin of avocados.

Increases in energy efficiency can be attributed to:

- Increased speed and efficiency of the new machinery, including modernization of electrical components
- A majority of the lighting was concurrently converted to LED at this facility when the new packing line was installed
- Ripened avocados were previously being graded at a nearby facility on old, inefficient machinery; with the newly-installed machinery, fruit is graded in a more efficient manner

46%

The result: a 46% decrease in the amount of energy required to process a bin of avocados.



water & waste

Calavo seeks to minimize pollution to land, water and air. We know that responsibly managing our waste streams is essential to staying in compliance with local laws and regulations; being efficient, financially responsible and—perhaps most importantly—being good neighbors to our local communities is paramount to our sustainability success.

Being good neighbors to our local communities is paramount to our sustainability success.

At Calavo, 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. These programs vary by business unit and by facility type and are ultimately designed to be environmentally responsible and fiscally sound.

Each of our facilities maintains the relevant permits for air quality. When necessary, air quality equipment and technology is installed to ensure we are always within our allowable emissions. Similarly, 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 at facilities to ensure materials are stored, labeled and handled properly. Personnel are trained on the proper handling of chemicals and other hazardous waste, and documentation is kept to track and monitor these materials in our facilities. We have procedures in place for spills, including roles and responsibilities, emergency notifications and mitigation steps.

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.



CLOSED LOOP AVOCADOS

Approximately 45 percent of an avocado is comprised of the seed and skin, creating a large amount of non-edible waste. Calavo saw this as an opportunity and is looking to reduce avocado waste in two ways:

In Mexico:

In our Mexican processing plants, avocado residues (seed and skin) are taken to rural properties located near the processing plant where they are composted and applied to the avocado orchards as mulch. This eliminates approximately 5,500 tons of waste per year going to a landfill. As a result, the compost created reduces the need for fertilizer and also reduces the amount of irrigation needed.

In the US:

Calavo has been working with Penn State University since 2016 on a project to convert avocado seeds to natural food coloring. Research has shown the avocado seed contains a substance that would make a natural orange food color, meeting the needs of a rapidly changing color additive market by addressing consumer demand for natural food color. Calavo has provided avocado seed samples, as well as insight into the avocado market and sourcing of seeds on a commercial scale. If successful, this project could turn thousands of pounds of avocado seeds into a sustainable, enriching consumer additive.



A COMPREHENSIVE WASTE OPTIMIZATION STRATEGY

At our Renaissance Food Group (RFG) business segment, we are working with a waste management consultancy to assist us in understanding our waste streams, tracking waste generation across multiple facilities and reducing our waste-to-landfill. For example, in 2018 we were able to accomplish a 91% byproduct diversion rate at our Riverside facility.

In addition, our facilities in Sacramento and Houston partner with local farms to divert food waste into animal feed. Each year, these programs divert about 17,930 tons of food waste. Since 2015, that's more than 70,000 tons saved from a landfill.



x 5,000

70,000 TONS IS THE EQUIVALENT OF
5,000 AVERAGE SIZE GARBAGE TRUCKS!

PROTECTING AIR QUALITY

At our subsidiary, Agricola Don Memo, our tomato farming joint venture in Jalisco, Mexico, we have adopted a number of farm practices designed to protect air quality, including:

- Careful handling and storage of bulk materials (e.g., manure, waste) to reduce odors
- Erosion prevention (e.g., utilizing coconut husk, "cocopeat" as media for hydroponic farming practices)—through hydroponic farming, only the exact amount of water and nutrients are delivered directly to each tomato plant
- Modification of existing equipment to reduce emissions
- Purchase of low-emission or low-energy utilities and equipment (e.g., tractors, irrigation pumps)
- Minimized vehicle use—we provide in-house mass transit services to transport our employees from nearby villages to the workplace

fair labor

At Calavo, our success depends on our workforce. We attract and retain talent by offering competitive wages, generous health benefit options including 401(k), onboard training and opportunity for advancement—all which helps to support long term productivity and performance.

Calavo is proud to offer a competitive suite of benefits across our operations.

Calavo is proud to offer a competitive suite of benefits across our operations. 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)



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. In 2019, we will roll out a new Vendor Code of Conduct to more formally manage these expectations.

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.

FAIR LABOR TRAINING

Calavo provides training on issues related to compliance with laws and regulations, as well as compliance with our Code of Business Conduct and Ethics. For example:

2,979

employees completed training on our Code of Conduct

2,979

employees completed sexual harassment training

242

managers and executives completed additional workplace harassment prevention training

SUPPLY CHAIN AUDITS

We are in constant communication with our customers about sustainability, coordinating and collaborating to ensure we are meeting their social and environmental requirements. This includes face-to-face meetings, answering questionnaires and scorecards, providing onsite tours of our facilities and participating in sustainability audits, including SMETA audits.

For example, several of our retail customers belong to Sedex, a collaborative platform for sharing responsible sourcing data on supply chains, used by more than 50,000 members in over 150 countries. Sedex has developed SMETA, one of the most widely used social audit procedures in the world. It provides a globally recognized way to assess responsible supply chain activities, including labor rights, health and safety, the environment and business ethics.

worker health & safety

Worker health and safety is a top priority at Calavo. All of our packing plants 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 incidence takes place.

Worker health and safety is a top priority at Calavo.

At the corporate level, we have a Safety Committee made up of a cross-functional group of executives, responsible for setting the safety program and action/investigations. In addition, we have dedicated

personnel with safety training and responsibilities at each of our major facilities. All employees receive safety training at least once a year, and all major facilities have a dedicated safety meeting at least once per quarter.



SAFETY MANAGEMENT

Calavo's Safety Management Program is the foundation for Calavo's commitment to workplace safety. It 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

Each of the tactical aspects of the Safety Management Program will support, drive and measure these core elements. Multilingual branding and communication are necessary to reinforce the overlying message of safety and accident prevention for employees. To be successful, all levels of management and staff must work together to accomplish safety improvement.

We have a number of programs in place at the facility level to encourage a collaborative approach to worker health and safety. For example, we have two safety committees—the Administrative Safety Committee and the Leadership Safety Committee that meet once per month. The Administrative Safety Committee consists of employees working on the production floor, warehouse, maintenance and other direct positions. This committee's members are bilingual, and they discuss ways to make the workplace safer. The Leadership Safety Committee consists of managers from the production and support departments.

SAFETY TRAINING

In our production facilities, we offer monthly training to employees. Recent topics have included:

- Emergency Preparedness – This course covers the basic elements of an emergency action plan, explains a basic evacuation procedure and discusses how to shelter-in-place during an emergency.
- Ergonomics / Repetitive Motion – This course covers the basic principles of ergonomics in the workplace and the relationship between ergonomics and musculoskeletal disorders. It identifies the types of activities that can contribute to problems and how to reduce body strain while working.
- Foodborne Illness & Reporting – This course provides examples of common viruses and bacteria that can cause foodborne illness and the symptoms. It also covers when to report an illness to prevent it from spreading to others.
- Lock Out, Tag Out – This course covers the importance of lockout/tagout and how following procedures can prevent injuries and work-related deaths. It also covers some of the hazardous energy sources in the facility.
- Machine Guarding – This course introduces some of the most common types of machine guards and machine safety devices. It also covers the employee's responsibilities when working with machines and discusses how to keep hands safe at work.
- Slips, Trips and Falls – This course explains how slips and trips can occur inside or outside a facility and looks at actions that can be taken to prevent these accidents from occurring.
- Active Shooter Preparedness – This course covers awareness of exit options, when and where to shelter-in-place and what to do in an emergency where an active shooter is involved.

CPR TRAINING

As part of Calavo's commitment to health and safety, we offer regular training on CPR. All supervisors are expected to attend, and we invite other employees to participate as well. Between 2015 and 2018, 91 people were trained by an American Heart Association approved instructor who makes sure that all participants are confident in their CPR skills by the time the training class is over.

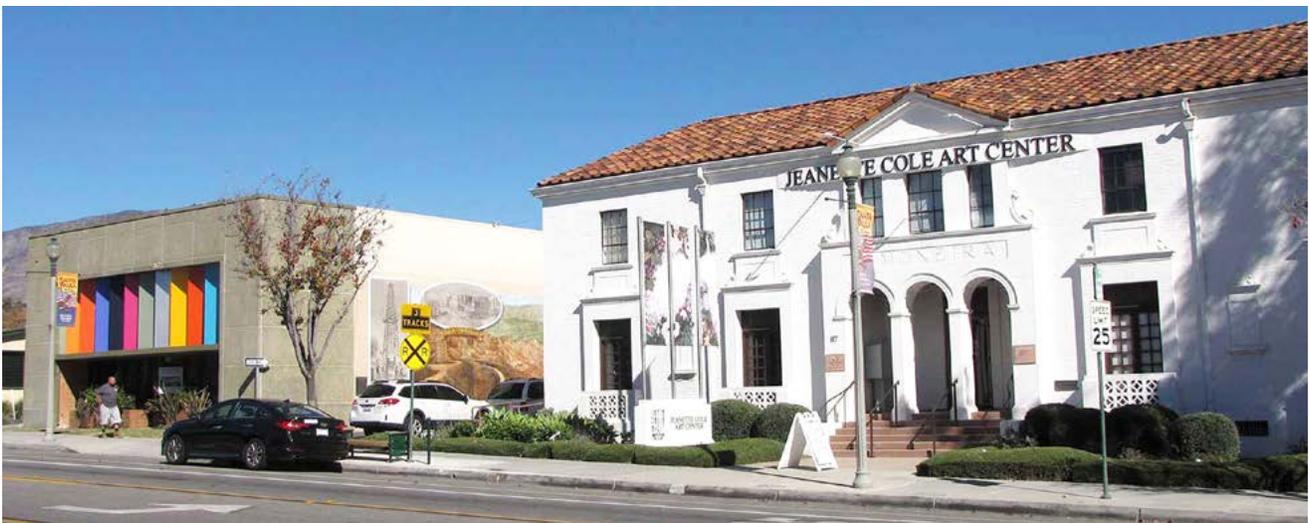
community engagement

Calavo is an active contributor to communities in which we operate. Our community engagement program includes philanthropic and in-kind donations, sponsorships, employee volunteering and partnerships with local organizations.

We focus on giving back to our local community through many different channels. In 2016, the family of Lee Cole (Chairman, President and CEO) donated to fund the Cole Creativity Center, an educational space attached to the Santa Paula Art Museum in Santa Paula, CA, where Calavo is headquartered. In addition, Calavo senior management currently sits on the Board of Directors for the museum. In 2018, Calavo employees volunteered at various organizations including the local SPCA and food bank. We also sponsor teams of employees to participate in the Ventura Corporate Games annually.

Our charitable giving provides direct funding to organizations throughout the year.

Our charitable giving provides direct funding to organizations throughout the year. In 2018, we donated to the Let's Move Salad Bars to Schools initiative, collected food and toys for local food banks and children's hospitals and donated fresh food to first responders. We encourage employee volunteering through a Volunteer Incentive Program, where employees may exchange volunteer hours worked for volunteer time off. In 2018, our employees volunteered in the community at events such as local organized races and running programs for the empowerment of young women. As determined by need, we have a paid internship program available to college students, offering the opportunity to gain experience in the different segments of our business.



FOOD DONATIONS

Calavo is proud to be a solution to the problem of food waste and food insecurity by donating to local food banks in the communities where we operate. In 2018, 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 long-time 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 2015–2018, our riders raised more than \$28,000 to put at least ten salad bars in schools across America. Collectively, Tour de Fresh has provided salad bars to over 5,000 schools, benefitting more than 3 million children.

CROP CIRCLES™

Through our RFG business unit, we are a sponsor partner of Crop Circles™, an event organized by The Tessemae's Foundation, created as a solution to food deserts across America. Crop Circles™ is a one-day "pop-up" farmer's market where residents of an underserved community are able to receive a week's worth of fresh produce, watch cooking demonstrations to learn how to prepare fruits and vegetables for consumption and become educated on exercise and proper nutrition. RFG works with our supplier partners to gather raw product donations, as well as donate our own product. Between 2015 and 2018, we have handed out more than 122,000 pounds of produce in partnership with The Tessemae's Foundation with opportunities to develop more sustainable programs over the next three years.



PERFORMANCE

\$172,000

*donated
to various
charities
in 2018*

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.

Calavo is committed to conducting its business honestly and ethically wherever we operate in the world.

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 Conduct is made available to our suppliers and management. We expect all suppliers to share the principles expressed here, and as a whole, in our Code of Conduct because the understanding of and adherence to the Code of Conduct is an important component of our supplier evaluation and selection process. Calavo management and vendors have the responsibility to report exceptions to this policy as defined in this Code of Conduct.



OUR CODE OF BUSINESS CONDUCT AND ETHICS

Calavo's Code of Business Conduct and Ethics outlines basic principles to guide all directors, officers and employees who must conduct themselves in an ethical manner, avoiding even the appearance of improper behavior. Provided in both English and Spanish, the Code of Conduct applies to all directors, executives and employees and includes provisions on the following components:

- Mandatory reporting of any non-compliance with this Code of Conduct 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 of 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 suppliers and sub-contractors) will protect the human rights of their employees and:
 - Prohibit forced labor and child labor
 - Prohibit harassment, abuse and workplace violence
 - Prohibit discrimination
 - Ensure a safe and healthy work environment
 - Permit freedom of association and collective bargaining
 - Provide at least the minimum wage and benefits required by law
 - Ensure working hours do not exceed the maximum set by law
 - Operate in strict compliance with all applicable laws and regulations
- 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 any 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 to leave a confidential message for our audit committee

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 strict controls to ensure food safety protocols are in place throughout the supply chain. Our food safety protocols include preventative control food safety plans, 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 covering and glove and hand washing requirements.

Every business unit has a dedicated food safety plan for crisis issues—like the discovery of a pathogen in the product. 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.

When food safety issues arise, we implement our Corrective and Preventative Action program, which covers investigating, resolving and managing corrective actions, including root cause identification, deviation resolution and critical control limits. This program is managed by our SQF Practitioner and HACCP team. Investigations for nonconformities of internal audits and customer complaints are recorded and reviewed during the audit cycle.



FOOD SAFETY AUDITING AND CERTIFICATION

Each Calavo facility is audited by a third-party organization at least once a year to ensure safe food production and determine compliance to all federal and state government requirements, including FDA, USDA, OSHA, and Public Health Departments.

We have internal auditors at each facility who are formally trained in food safety practices. They are 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 inspections through their own staff or via independent auditors. This transparency ensures a good working relationship while keeping food safety front and center.

Each of our facilities (processing, packing, warehousing and distribution) has a comprehensive food safety program in place, including third-party GFSI certification. The exact certification varies by facility and includes BRC and SQF.

KEY FOOD SAFETY CERTIFICATIONS AND STANDARDS

- British Retail Consortium (BRC) – A trade association for the UK food retail industry with food manufacturing standards that include both food safety requirements and quality requirements
- Global Food Safety Initiative (GFSI) – A private organization managed by the international trade association, the Consumer Goods Forum, which maintains a scheme to benchmark food safety standards for manufacturers as well as farm assurance standards
- GLOBALG.A.P. – A farm assurance program, translating consumer requirements into Good Agricultural Practice (GAP).
- Hazard analysis and critical control points (HACCP) – A systematic preventive approach to food safety from biological, chemical, and physical hazards in production processes that can cause the finished product to be unsafe.
- Safe Quality Food (SQF) – A farm-to-fork food safety and quality certification that helps food producers assure their buyers that their food products have been grown, processed, prepared and handled according to the highest possible global food safety standards

TRACEABILITY

We have a robust process for traceability and recall. Traceability is maintained throughout the entire supply chain, covering receiving of materials—fruit, vegetables, ingredients—packaging, food contact materials and reworked product. The system allows us to trace the chain of custody from the grower or ingredient supplier through production and pack-out, all the way to our customer.

When a concern comes up, we can trace a product back to the grower or supplier within hours. Our process is designed to provide customers with confidence that we can safely and efficiently identify whether our products are involved in any food safety issues that arise at the farm or production level.

HELPING GROWERS IMPROVE THEIR 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 Primus/GFS GAP food safety certifications. Our team members meet with the grower on their farm and discuss changes in operation that must occur to achieve GAP 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 the grower for the Primus/GFS audit. Over the past four years, our team has conducted approximately 340 mock audits to support farm-level food safety certification.

RECALLS

Year	# of Recalls	Details
2015	0	We did not have any recalls this year.
2016	1	Recall issued for undeclared allergen. No reported illnesses.
2017	0	We did not have any recalls this year.
2018	3	<ol style="list-style-type: none"> 1. Voluntary recall issued as cases of salmonella were linked to cut melons. The salmonella was not traced back to any of our products. 2. Recall issued for undeclared nut allergen on one product. No reported illnesses. 3. Recall issued as salmonella / listeria were traced to a supplier of corn used as a component in a number of products. No reported illnesses.

Outline of Food Safety Incidents from 2015–2018

sustainable agriculture

Calavo works with thousands of food suppliers and growers. 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 do 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 seek out opportunities to work with suppliers that share our values and promote sustainable agriculture practices.

We seek out opportunities to work with suppliers that share our values and promote sustainable agriculture practices. For example, a major supplier to Calavo of California avocados is Limoneira, a global agribusiness

located near our corporate headquarters. Limoneira has implemented solar power and introduced innovative water efficiency initiatives, organic composting and recycling and integrated pest management solutions to its fields that border our headquarters. Not only do we get sustainably-produced avocados, we get firsthand insight into the next generation of sustainable agriculture practices.



PROTECTING HABITATS AND PROMOTING REFORESTATION

Calavo is amongst the largest supporters and funders of the Mexican Hass Avocado Importers Association (MHAIA), dedicated to supplying consistent high-quality avocados throughout the year. We sit on the MHAIA board and contribute approximately 25 percent of the association’s budget each year.

In 2017, the MHAIA embarked upon a reforestation initiative in the State of Michoacán, in partnership with the La Cruz Habitat Protection Project and Forests for Monarchs.

The first step was to plant 200,000 trees in the buffer-zones surrounding the Monarch Butterfly Biosphere Reserve and in the watersheds of Pátzcuaro and Zirahuen. As a part of the tree planting work, educational programs were presented to schools in planting areas, raising awareness for future generations by providing hands on, practical learning opportunities.

In 2018, an additional 200,000 trees were planted, with an additional 600,000 more over the next three years for a total of one million trees.

Besides improving the Monarch butterfly habitat, these reforestation projects recharge aquifers, improve air quality, capture carbon dioxide, fight global warming and promote sustainable forest management among local landowners.

GREENHOUSES MAKE TOMATOES MORE SUSTAINABLE

At our joint-venture, Agricola Don Memo, tomatoes are grown in greenhouses. Greenhouse growing minimizes the impact of agriculture on the surrounding habitat and minimizes the amount of inputs—like water, pesticides, nutrients and supplemental heating and cooling—required for a productive harvest. In addition, we have an extensive array of sustainable agriculture practices in place. These include:

- Habitat protection to support robust and biodiverse ecosystems, including buffer areas, employee training, forested areas with canopy cover, native plant species and habitat corridors. Ravines and streams are protected to prevent erosion and destruction of natural habitat.
- Thoughtful use of natural pollinators. Managed honeybee hives are inspected for disease and parasites on a monthly basis, and concerns are controlled when detected.
- Precision agriculture: our tomatoes are planted in a growing medium that is kept separate from the ground soil. Using precision application of water and nutrients, we can be extremely efficient with our inputs and control run-off.
- Air Quality: We prohibit the burning of trash, and vegetation is burned only when it is recommended for disease, insect pest or weed control

FAIR TRADE & NON-GMO PRODUCTS

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

	2015	2016	2017	2018
Organic	3.8%	3.2%	4.1%	5.4%
Non-GMO	65%	64.6%	61.8%	59.1%

Percentage Sales Associated with Specialty Sustainability Items

fair trade

AVOCADOS

organic

**AVOCADOS
GUACAMOLE
ZUCCHINI NOODLES
DICED SWEET POTATOES**

non-gmo*

**AVOCADOS
TOMATOES
GUACAMOLE**

Popular Calavo specialty products. *Some products such as avocados and tomatoes are naturally non-GMO. Other products such as guacamole are non-GMO project verified.

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.

We work closely with our customers to determine their packaging needs.

For example, we've recently made the move to reusable packing containers (RPCs), which allow us to dramatically reduce the amount of corrugated boxes used to transport product between packing and processing plants, to distribution centers and retail stores.

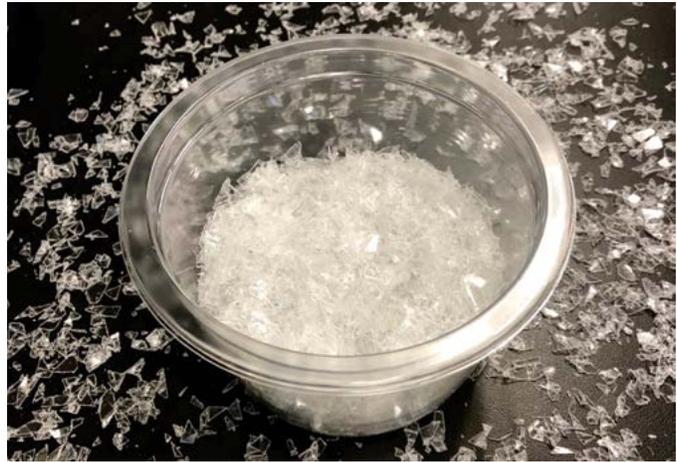


REDUCING VIRGIN PLASTIC WITH REGRIND

Many of our processed products, like guacamole, are sold in plastic tubs. We wanted to explore ways to reduce our use of virgin plastic, which is both environmentally intensive and financially expensive, and one of the best options has been to work with our packaging suppliers to use “regrind.”

Regrind is plastic that has undergone at least one processing method such as molding or extrusion but didn’t make it into the original product. Rather than being discarded, it is captured, ground or chopped and reused in a new plastic product.

Our current plastic tubs use approximately 25% regrind. In 2018 alone, that saved about 126,000 pounds of virgin plastic.



In 2018 alone, that saved about 126,000 pounds of virgin plastic.

PACKAGING REDESIGN

Back in the mid-2000s, a Calavo employee saw an opportunity to reduce the paper needed to construct an avocado shipping and storage box, while also eliminating the need for glue enclosures by introducing a snap-top lid.

He worked closely with our packaging supplier to redesign the box, ensuring that it performed as well as the previously glued top. Along the way, he found that the changes also made the cartons easier to recycle and more energy efficient (because it eliminated the energy used by glue machines, as well as the energy expended in making the glue and transporting it to our facilities).

Because the new box design also added extra structural integrity to the carton, it was also possible to add an additional layer of boxes to pallets when the avocados were stored and shipped. Increasing pallet efficiency makes shipping more efficient and reduces emissions.

The initiative was so successful that by 2018, all U.S. avocado shippers have moved to this model.



carton redesign

- 31% reduction in carton weight
- 3.6 million pounds of cardboard eliminated per year
- 240,000 pounds of petroleum-based glue eliminated per year
- \$900,000 in annual savings

pallet efficiency improvements

- Reduced pallet use by 9%
- 500,000 pounds of wood eliminated per year
- 2 million highway miles of freight transit avoided per year

Environmental Impact of Packaging Redesigns from 2009–2018



CALAVO GROWERS, INC.
1141-A CUMMINGS ROAD
SANTA PAULA, CALIFORNIA 93060
WWW.CALAVO.COM
© AUGUST 2019