

COMMUNICATION ON PROGRESS (CoP) – BASIC TEMPLATE

Period covered by your Communication on Progress: March 8, 2021 – March 8, 2022

1. STATEMENT OF CONTINUED SUPPORT BY THE CHIEF EXECUTIVE OFFICER (OWNER OR PRESIDENT IN THE CASE OF SMALL BUSINESSES)

March 4, 2022

To our stakeholders:

I am pleased to confirm that Califia Farms reaffirms its support of the Ten Principles of the United Nations Global Compact in the areas of Human Rights, Labor, Environment and Anti-Corruption. In this annual Communication on Progress, we describe our actions to continually improve the integration of the Global Compact and its principles into our business strategy, culture and daily operations. We also commit to sharing this information with our stakeholders on an ongoing basis.

Sincerely yours,



Dave Ritterbush, CEO

1. DESCRIPTION OF ACTIONS

Human Rights

Please use the box below to describe actions your company has taken in the area of human rights.

- We recently transitioned to Rainforest Alliance (RFA) Certified Coffee. RFA certification advances the rights of rural and vulnerable communities around the world. Its assurance systems provide strategies for assessing and addressing child labor, forced labor, poor working conditions, low wages, gender inequality, and the violation of Indigenous land rights. Independent studies demonstrate that workers on certified farms are more likely to have better working conditions, personal protective gear, and labor protections.
- We ensure that Califia's employees are provided safe, suitable, and sanitary facilities through workplace health and safety measures. Such measures include complying with all OSHA requirements and completing additional sanitary training at our owned facility.
- Califia has non-discrimination and gender equality practices in place. The latter includes: pay equity; policies supporting working parents; flexible working options to support work/life balance; sexual harassment policy; and diversity and inclusion training (unconscious bias training, inclusive policies that promote hiring diverse talents, and annual review and enhancement of investments made for DEI).

Labor

Please use the box below to describe actions your company has taken in the area of labor.

- We ensure that the company does not participate in any form of forced, bonded, or child labor.
- We comply with minimum wage standards.
- We ensure that employment-related decisions are based on relevant and objective criteria.
- We maintain programs in the US, Canada, UK, and Australia to ensure compliance with each country's Modern Slavery Act.

Environment

Please use the box below to describe actions your company has taken in the area of environment.

- As noted above, we use Rainforest Alliance Certified Coffee (RFA). RFA programs promote responsible land management methods. These methods increase carbon storage while avoiding deforestation, which fuels greenhouse gas emissions. The climate-smart practices embedded in RFA's agricultural training and certification programs help farmers build resilience to droughts, flooding, and erosion. RFA's programs also promote best practices for: protecting standing forests; preventing the expansion of cropland into forests; fostering the health of trees, soils, and waterways; and protecting native forests.
- In Q4 of 2021, we began the transition to recyclable, full-sleeve labels for all of our PET bottles. This new label allows our PET bottles to be recycled without requiring consumers to remove the label. This is a significant step in our effort to support circular packaging.
- In December 2021, we achieved a 65% landfill diversion rate through an existing Zero Waste Project at our owned facility in Bakersfield, CA.
- Beginning in 2022, the Sustainable Packaging Coalition's How2Recycle logo will appear on all of our product labels. How2Recycle is a standardized labeling system that helps improve consumer understanding of recycling and encourages higher rates of recycling.
- We have implemented a renewable energy program at our plant. Today, 100% of the electricity used there is offset by renewable energy credits.
- We recently completed Scope 1, 2, and 3 Greenhouse Gas Emissions Inventory and are making emissions reduction commitments this year.
- We have provided training and awareness programs for employees.
- We have implemented water filtration technology where 100% of the water used at our owned manufacturing facility is recycled into the local water table.

Anti-Corruption

Please use the box below to describe actions your company has taken to fight corruption.

- In 2021 we adopted a Code of Conduct, which establishes minimum standards of conduct that our suppliers are expected to meet. This Supplier Code of Conduct is based on the *Ethical Trade*

Initiative Base Code, UN Guiding Principles on Business and Human Rights, and the International Labour Organization (ILO) Declaration on Fundamental Rights and Principles at Work. This Code of Conduct applies to our own manufacturing sites, as well as our direct suppliers, who, by signing it, certify that they and all entities in their supply chain meet the requirements within.

- We ensure that internal procedures support the company's anti-corruption commitment.

2. MEASUREMENT OF OUTCOMES

In the box below, please include the most relevant indicators to measure outcomes.

- Demographics of management and employees broken down by diversity factors (e.g., gender, ethnicity, etc.) and benchmarked to the US population.
- Annual paid renewal for Rainforest Alliance Certified Coffee program
- Rate of occupational diseases, injuries, and absenteeism.
- Percentage of waste diverted from landfill
- Percentage of water recycled back into local water table
- The number of food justice partners we've donated to and volunteered with. In 2021, we donated \$35,000 to four nonprofits operating in the food justice space. We also held company-wide food drives and volunteer events. We achieved our one million servings commitment, which involved donating one million, eight-ounce servings of Califia product to food banks and other food alleviation groups.
- Number of Califia employees who complete regular training and education programs