



**ALICO**  
incorporated

**2022 SUSTAINABILITY  
REPORT**



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# LETTER FROM THE CEO



I'm pleased to introduce Alico's 2022 Sustainability Report.

Although enthusiasm for ESG seems to have waned within the investment community over the past year while every company struggles to compete in the difficult global economic environment, Alico continues to

focus on being the best steward for our land, as we have done for approximately 124 years, and a responsible corporate citizen while maintaining our leadership role within the agriculture industry.

2022 saw Alico continue to be challenged by weather from a freeze event in January and a hurricane in September, but our Company remains focused on delivering the highest quality citrus fruit possible to Florida orange juice processors for years to come.

Consistent with the commitments we made in our inaugural Sustainability Report in 2021, over the past year Alico has delivered on our Environmental, Social, and Governance promises.

Some of our notable accomplishments include:

- Beginning trials for slow-release fertilizer, which have the potential to significantly reduce our carbon footprint over the long-term.
- Providing human rights training to all employees, reinforcing our commitment to labor and human rights in our operations and across our value chain.
- Launching the Alico Hispanic Council Committee, a business resource group dedicated to supporting our Hispanic and Latinx employees.
- Reinstating (after a two-year COVID-19 delay) the requirement for all harvesting crew leaders to complete a Farm Management Certification Program, which provides an extra layer of assurance on food safety and workplace safety practices.

- Continuing our membership in the United Nations Global Compact (UNGC) and aligning our sustainability efforts with the United Nations Sustainable Development Goals (UNSDGs) for Zero Hunger, Decent Work and Economic Growth, and Life on Land.

Our goal with this report is to make it easier for our stakeholders—investors, employees, customers, suppliers, industry groups and academic institutions—to identify where our interests align and explore opportunities for partnership and collaboration.

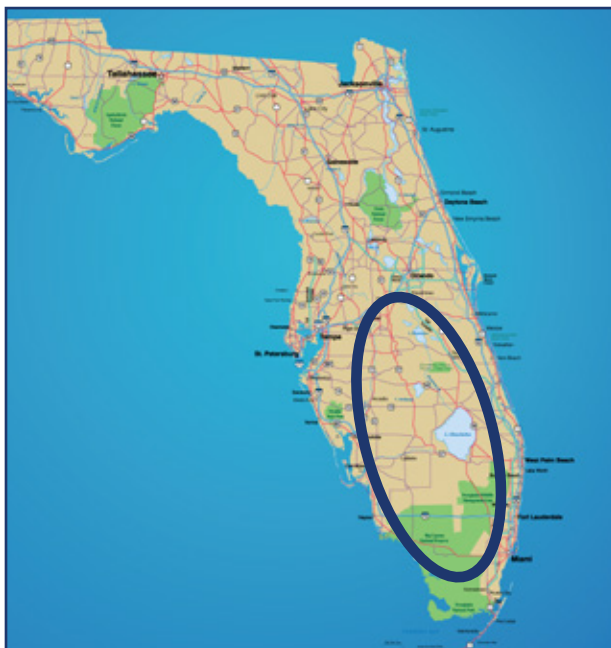
We look forward to keeping you informed about our continued progress on these important issues.

John E. Kiernan  
President and Chief Executive Officer

# ABOUT ALICO

Alico, Inc. is one of the largest citrus growers in the United States. As an agribusiness company with a legacy of achievement and innovation, we own approximately 74,000 acres of land across seven Florida counties. Our strategy is based on best management practices of our agricultural operations, as well as environmental and conservation stewardship of our rural land and natural resources.

## WHERE WE OPERATE



## COMPANY AT A GLANCE

<b>Legal Name</b>	Alico, Inc.
<b>Legal Form</b>	Public, NASDAQ: ALCO
<b>Headquarters</b>	Fort Myers, Florida
<b>2022 Revenue</b>	\$91.9 million
<b>Employees</b>	206
<b>Business Lines</b>	<ul style="list-style-type: none"> <li>• Agriculture/Citrus</li> <li>• Land Conservation/Leasing</li> </ul>
<b>Policies</b>	<p>The following documents can be found on the <a href="#">Sustainability</a> page of our website:</p> <ul style="list-style-type: none"> <li>• Sustainability Policy (including Environment, Labor and Human Rights Policy)</li> <li>• Third Party Labor Policy</li> <li>• Vendor Code of Conduct</li> <li>• Company Safety Manual</li> </ul> <p>The following documents can be found on the <a href="#">Governance Documents</a> page of our website:</p> <ul style="list-style-type: none"> <li>• Board committee charters and bylaws</li> <li>• Corporate governance principles</li> <li>• Code of Ethics</li> <li>• Whistleblower Policy</li> </ul>





## A HIGHLY SKILLED, QUALIFIED BOARD



# CORPORATE GOVERNANCE

Alico, Inc. is led by a nine-member Board of Directors and four Board committees:

**1. The Audit Committee** provides oversight for Alico’s accounting and financial reporting practices, internal controls, the audit process, and compliance with laws and regulations and our Code of Business Conduct and Ethics.

**2. The Compensation Committee** establishes remuneration plans for directors, executive and senior officers and oversees the annual evaluation process of our executive and senior management.

**3. The Nominating and Corporate Governance Committee** identifies qualified candidates for Board Directors and Board committees, leads an annual review of the Board’s performance, and develops and recommends corporate governance guidelines.

**4. The Sustainability and Corporate Responsibility Committee** provides oversight for environmental and social policies, strategies and programs.

Alico is committed to creating value through the highest standards of ethical and legal conduct while operating sustainably to create shareholder value over the long-term. Our Board of Directors’ sound corporate governance structure and values-driven integrity culture support us in delivering on this commitment. The table to the right summarizes certain key qualifications, attributes, and skills for each of our Board of Directors.



Q&amp;A with

## ADAM PUTNAM

ALICO BOARD MEMBER



*Adam, you are a 5th generation citrus grower and cattle rancher, as well as the CEO of Ducks Unlimited and a member of Alico's Board of Directors. You served as the 11th Commissioner of Agriculture of Florida from 2011 to 2019 and you were recently inducted into the Florida Citrus Hall of Fame. From your broad perspective, how do you think Florida citrus, as an industry, is responding to sustainability issues?*

We're seeing significant progress by the industry, but I don't know that any individual players are as far along, or are more mature in their sustainability programs, than Alico. The Florida citrus industry has long been good stewards of the land and water. The Florida citrus industry were leaders in the early 1980s by converting to low-volume irrigation, which has saved billions of gallons of water per year in reduced consumption and impact to the aquifer. In addition, with permanent tree crops, we are making tremendous contributions to cleansing and filtering CO2 from the atmosphere.

*In last year's sustainability report, you were featured as a leader for sustainability. Could you speak a little bit about where you see the connections between the sustainability perspective that you bring to Alico and the sustainability work that you have with your other endeavors?*

I've spent my career working with American farmers to advance the sustainability cause. We have continued to innovate in water-saving technology and improve yields on smaller footprints of agriculture in a rapidly developing state. We have supported practices in Florida agriculture that have resulted in tremendous biodiversity. Alico, in particular, provides a home to a number of endangered and threatened species.

*What do you see as the biggest challenges that Alico faces where it comes to sustainability?*

Alico faces the same challenges that global agriculture faces when it comes to inputs and finding ways for those inputs to be more sustainable. We disproportionately rely upon fossil fuels to operate pumps, operate fleets, and generate fertilizers and nutrients necessary to produce the crops that meet the market demands for a growing world.

*Where do you think the biggest opportunities to improve Alico sustainability impacts are over the next five years?*

I think there are three places where we'll see sustainability improvements focused on in the coming years. First, Alico will continue to be a better steward of water. The investments that we've made over the years in efficient pumps, efficient irrigation systems, and practices that result in less waste are a real success story for Alico. Second, emerging technologies should speed up the electrification of our fleet. Finally, improvements in slow-release fertilizers and improved nutrient tools present a great opportunity to optimize and reduce the amount of inputs required for a thriving citrus grove.



# BUSINESS ETHICS

Alico is guided by a Code of Business Conduct and Ethics and Whistleblower Policy that sets out expectations for all employees and the Board of Directors regarding business ethics and integrity. Provisions of the Code include compliance with relevant laws and regulations, conflicts of interest, confidentiality and protection and use of company assets. Our policies related to the prevention of bribery and corruption in our operations are detailed in this Code and in our supply chain through our Vendor Code of Conduct.

Every person is required to abide by the provisions of the Code as a condition of their relationship with Alico. Known or suspected

violations may be reported through a confidential, third-party whistleblower compliance hotline or email, or via a letter sent directly to the Chair of the Audit Committee. The Whistleblower Policy prohibits any retaliation against individuals who make a report of known or suspected violations in good faith.

More information about Alico's Corporate Governance, including Board committee charters, corporate governance principles, stock information and SEC filings may be found at our [Investors page](#) on our corporate website.

## GOVERNANCE PERFORMANCE

Indicator	Unit	FY 2021	FY 2022
Inquiries, complaints, or issues received by the legal or compliance office	Number (#)	0	0
Public policy spending	\$ USD	25,000	108,720
<i>Lobbying</i>	\$ USD	0	0
<i>Political contributions</i>	\$ USD	0	50,000
<i>Contributions to trade associations</i>	\$ USD	25,000	58,720 <sup>1</sup>

<sup>1</sup> Alico paid fees to Gulf Citrus Growers Association (\$31,720), Florida Citrus Mutual (\$25,000) and Highlands Citrus Growers Association, Inc. (\$2,000).





## GIVING BACK

At Alico, it is important for us to give back to the communities in which we operate. Our philanthropy and community engagement are focused on three key areas:

### NEXT GENERATION AGRICULTURE

We're proud to support the Leadership DeSoto program coordinated by the DeSoto County Economic Development Council to inform future leaders of the needs and challenges facing DeSoto County and inspire them to utilize the resources available to them to make a difference. In addition to the program itself, Leadership DeSoto also hosts fundraisers and volunteer events to support initiatives in the local community. This year, Leadership DeSoto held a Murder Mystery fundraiser to raise money to build a livestock barn for the youth of DeSoto County, and Alico was happy to participate as a lead sponsor.

### YOUTH

We always look forward to opportunities to support our youth in partnership with the Cape Coral Police. Throughout the year, we participate in a variety of activities, including helping create backpacks filled with school supplies for the back-to-school rush.

### COMMUNITY SPIRIT

In FY 2022, we brought back our annual Office Volunteer Day, inviting employees across Alico to get involved in supporting the local community. This year our partner was the Midwest Food Bank, a nonprofit that has been fighting hunger throughout the United States since 2003. Today, the Fort Myers, Florida location serves over 190 agency partners in 39 counties across three states, providing foodstuffs and disaster relief to thousands of community members each year. For Office Volunteer Day, we helped load-up food, hygiene products and more for various organizations located throughout the Southwest FL area.

For a full list of community organizations that Alico supports, please visit our [Community Partnership page](#).





Q&amp;A with

## CARISA KELLER

ALICO'S DIRECTOR OF SUSTAINABILITY



*Carisa Keller, you've been with Alico for three years and serve as the Director for Sustainability. Tell us about your role and what you like most about working for Alico?*

In addition to overseeing projects related to sustainability, I also manage Alico's community relations, social media pages, recruitment, onboarding, employee engagement, diversity programs, and internship programs. Alico is a great fit for me. It's a big company, but it feels like a small company in a lot of ways and there are opportunities to do a lot of different things. Alico has really allowed me to grow in my career.

*Can you tell me about Alico's perspective on community engagement and how Alico works to support the next generation of agriculture workers?*

We do internships and tours with middle school and high school students. As a person who grew up in agriculture, it is really important to show them all the aspects of the industry—from

production to sales, to human resources to research. When interns come to Alico, they get to experience the entire variety of areas that make up agriculture. In many ways, I am still learning to do what I want to do when I "grow up" and I want to give any kid that comes in as an intern the opportunity to be able to see all the avenues of agriculture, not just the field.

*An interesting aspect of the internship program is its focus on community engagement. Can you share more about that?*

Absolutely. We also give our interns opportunities to get involved in the community. For example, we recently helped out with a Habitat for Humanity build. Also, this year we also got to support the 2022 Florida Citrus Industry Annual Conference down in Bonita Springs. This is a really great opportunity for everyone from the industry to get together to learn and also connect with one another.

*What do you think are the biggest opportunities to improve Alico's sustainability impacts over the next five years?*

Like any good organization, Alico has room to make improvements and I think over the next five years, you're likely going to see a lot of change in Florida citrus. Some areas for growth are in utilizing different products or fertilizers. We're also possibly looking at opportunities for electric or hybrid vehicles within our fleet.

*What is one thing you're really excited about in the coming year?*

I graduated from my leadership group in September, so I'm eager to see what 2023 will have in store for me. I have had the opportunity to step into some new roles and I am excited about Alico and the future!



# OUR APPROACH TO SUSTAINABILITY

Sustainability issues at Alico are governed by a Sustainability Steering Council, consisting of a cross-functional team of senior leaders across the company, and headed by the Chief Executive Officer. In FY 2022, topics discussed at these meetings included:

- Reviewing the results from our 2021 carbon footprint to identify opportunities for improvement, including options for fertilizer alternatives
- Assessing sustainability progress throughout the year, and updating the sustainability action plan where needed
- Identifying additional opportunities for sustainability efforts, including a special focus in FY 2022 on expanding our community engagement initiatives

The Sustainability Steering Council reports to the Sustainability and Corporate Responsibility Committee of the Board of Directors, which was formed in May 2021. The Committee met twice in FY 2022, with at least 75 percent attendance of all members. The Committee, chaired by independent Board Member Adam Putnam, has the following responsibilities:

**1. Sustainability and Corporate Responsibility Policies, Strategies and Programs.** Oversees and provides input to management on the Company's policies, strategies and programs related to matters of sustainability and corporate

responsibility, including, but not limited to, environment, health and safety, social risks, diversity and inclusion goals, and charitable giving policies.

- 2. External Trends.** Considers, analyzes, and provides input to management on social, political, and environmental trends in public debate, public policy, regulation, and legislation and consider additional corporate social responsibility actions in response to such issues.
- 3. Performance Goals.** Assesses the goals the Company may establish from time to time for its performance with respect to matters of sustainability and corporate social responsibility and monitor the Company's progress against those goals.
- 4. Reputation and Relationships with Stakeholders.** Receives periodic reports from the Company's management regarding relationships with key external stakeholders that may have a significant impact on the Company's business activities and performance.
- 5. Risk Management.** Supervises and provides input to the management team on the Company's identification, assessment and management of risks associated with sustainability and corporate responsibility issues, including, but not limited to, climate change and food safety.

**6. Philanthropy.** Reviews the Company's charitable-giving policies and programs and receives reports from management on charitable contributions made by the Company directly, and through its foundations.

**7. Reporting and Disclosure.** Evaluates sustainability and corporate responsibility reports issued from time to time by the Company.

**8. Shareholder Proposals.** Analyzes shareholder proposals relating to public policy, sustainability or corporate responsibility issues and recommends a response to the Nominating and Corporate Governance Committee of the Board.



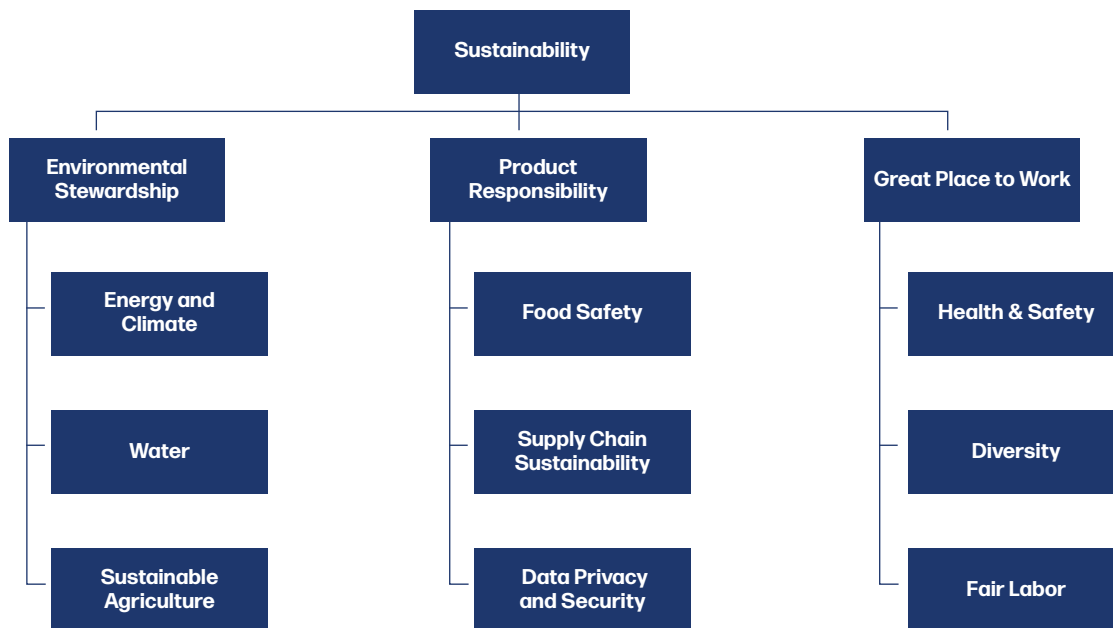


# MATERIALITY

In FY 2021, Alico undertook its first formal materiality assessment to determine the best way to organize and prioritize sustainability efforts. We interviewed key subject matter experts from around the company, examined sustainability disclosures from other agriculture companies and analyzed questionnaires, audits, and inquiries from investors and customers.

Using the SASB Five Factor Test for materiality, we identified nine material topics across three workstreams: Environmental Stewardship, Product Responsibility and Great Place to Work. These nine topics are the most important environmental, social and governance issues for our business and to our stakeholders.

In FY 2022, in preparation for developing this report, we revisited and confirmed the relevance of these material topics. In addition to guiding our internal sustainability strategy, this framework also maps to this sustainability report, with chapters for each of the major workstreams and separate pages for each material topic.





# UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS

In June 2021, Alico became a participant in the United Nations Global Compact (UNGC) and is committed to its corporate responsibility initiative and principles in the areas of human rights, labor, the environment and anti-corruption.

As part of our participation in the UNGC, we have reviewed the United Nations Sustainable Development Goals (UNSDGs), a collection of 17 interlinked global goals designed to be a “blueprint to achieve a better and more sustainable future for all.” While Alico’s approach to sustainability overlaps with many of the UNSDGs, we have identified three where we can make the most impact.



## 2

### ZERO HUNGER

Alico is a major producer of citrus, a healthy and nutritious component of a well balanced diet. See more about our approach to responsible food production on page 19.



## 8

### DECENT WORK AND ECONOMIC GROWTH

We provide good jobs with fair wages and opportunity for growth. Learn more about our employment practices on page 23.



## 15

### LIFE ON LAND

Alico uses sustainable agriculture and land conservation practices to protect our ecosystem. Details about our sustainable agriculture practices are on page 18.



# ENVIRONMENTAL

# STEWARDSHIP

Over the last 124 years, Alico has built a legacy of responsible land use. With historical experience in timber, cattle, and sugar cane, we are now focused on citrus production and land leasing. Through it all, our commitment to the environment has never wavered.

Across our 49,000 acres of groves and 25,000 acres of ranchlands in near-pristine condition, we meet a strict set of environmental regulations and continually adapt our processes to new regulatory requirements. Environmental stewardship is also very important to our communities where we operate and is essential in maintaining the trust of local stakeholders. Strong environmental management also allows us to avoid regulatory fines and project delays and helps us continuously improve efficiency and productivity.

## RESPONSIBLE LAND USE

Our business strategy is based on best management practices of our agricultural operations, as well as environmental and conservation stewardship of our rural land and natural resources. We manage our land in a sustainable manner and evaluate the effect of changing land uses while considering new opportunities.

In particular, Alico promotes and steers land purchases to conservation-minded buyers to ensure the land is protected. This includes the sale of over 22,000 acres over the past four years to the State of Florida under the Florida Forever program, Florida's premier conservation and recreation lands acquisition program focused on conserving the state's natural and cultural heritage. In FY 2022, we sold an additional 9,000 acres of land to private conservationists.

We are regularly approached by buyers interested in land development. To date, however, we have entertained offers

only when they met our standards for responsible land use and preservation. Currently, we have leases that include grazing for cattle and hunting for sportsmen under "fair chase" rules that make sure hunters have no unfair advantage over wild game.

While revenue from these leases is minimal, it covers the cost of maintenance and a caretaker to watch over the property.

## CREATING A NET POSITIVE IMPACT

With the northern edge of Everglades just 66 miles away, we are constantly cognizant of our responsibility and our privileges in protecting the land. We aim to be a net-positive impact in our community and in our local ecosystem.

The following pages outline our direct environmental impacts for energy, waste and water use, as well as our efforts to responsibly manage fertilizers, pesticides and packaging. But the larger story requires a step back to consider our overall impact on the environment.

Alico is responsible for the health and wellbeing of more than five million citrus trees—trees which sequester carbon dioxide and produce oxygen, and our ranchlands provide habitat for endangered species like the Florida panther, the bonneted bat, indigo snakes, and cara-cara. We work regularly with wildlife experts to ensure that we provide a safe place for biodiversity to thrive, now and for generations to come.



# ENERGY AND CLIMATE

As an agriculture company, we are often at the mercy of the environment. Pumping water is one of the major drivers of energy use at Alico. Fuel to power our vehicles and equipment is another source of energy consumption, as is electricity to power our buildings. As we seek to optimize our energy use, we are looking at a variety of ways to be more efficient while still being ready to respond to the daily energy needs of a 49,000-acre citrus operation.

## CARBON REDUCTION OPPORTUNITIES

Alico undertook its first corporate carbon footprint in FY 2021. The results showed that 87 percent of our Scope 1 and Scope 2 emissions were directly attributable to our use of fertilizer. Like most other agriculture companies, we use nitrogen fertilizer, which has extremely high global warming potential. As a result, any substantive reduction in our carbon footprint will need to take into account the type of fertilizers we use and the amount we apply.

We have since started to investigate alternative options that will help meet our environmental goals, including utilizing more urea in controlled-release fertilizer. We acknowledge that this is a long-term transition that is greatly influenced by production needs and fertilizer pricing. For FY 2022, our fertilizer application practices remained consistent, suggesting that our carbon footprint would not significantly vary from FY 2021 results. For that reason, we have elected to hold off on another carbon footprint exercise until we have implemented fertilizer changes significant enough to impact our overall emissions profile.

## ENERGY PERFORMANCE<sup>2</sup>

Indicator	Unit	FY 2021	FY 2022
Total Energy Use	Gigajoules (GJ)	266,828	257,550.7
<i>Electricity</i>	Gigajoules (GJ)	4,964.2	4,776.9
<i>Diesel</i>	Gigajoules (GJ)	231,240.7	224,167.4
<i>Propane</i>	Gigajoules (GJ)	214.6	As the FY 2021 calculations showed propane to have de minimus contribution to our overall energy profile, we have not tracked it this year.
<i>Gasoline<sup>3</sup></i>	Gigajoules (GJ)	30,924.9	29,141.8
Percentage electricity from grid	Percent (%)	1.9	1.9
Percentage renewable energy in existing electricity grid mix <sup>4</sup>	Percent (%)	3.9	4.7
<i>Biomass</i>	Percent (%)	2.3	2.1
<i>Solar</i>	Percent (%)	1.5	2.5
<i>Hydro</i>	Percent (%)	0.1	N/A
Percentage renewable electricity (additional)	Percent (%)	0	0
Scope 1 emissions	Metric tons CO <sub>2</sub> e (tCO <sub>2</sub> e)	54,960.3	Not tracked
<i>Non-Mechanical Field Management Emissions<sup>4</sup></i>	Metric tons CO <sub>2</sub> e (tCO <sub>2</sub> e)	48,334.5	
<i>Stationary Combustion</i>	Metric tons CO <sub>2</sub> e (tCO <sub>2</sub> e)	3,808	
<i>Mobile Combustion</i>	Metric tons CO <sub>2</sub> e (tCO <sub>2</sub> e)	2,759.4	
<i>Refrigerants</i>	Metric tons CO <sub>2</sub> e (tCO <sub>2</sub> e)	58.4	
Scope 2 emissions	Metric tons CO <sub>2</sub> e (tCO <sub>2</sub> e)	537.8	

<sup>2</sup> See page 34 for important information about methodology and restatements.

<sup>3</sup> Fleet fuel consumed for vehicles and equipment.

<sup>4</sup> Fertilizer



# TCFD DISCLOSURES

Alico uses the Taskforce on Climate-Related Financial Disclosures (TCFD) framework to align our communications about climate-related risks and opportunities—and how we’re responding to the climate change imperative.

## GOVERNANCE

The Sustainability and Corporate Responsibility Committee of the Board of Directors provides oversight for climate risks and opportunities. The committee has ultimate responsibility for the direction of Alico’s climate-related policies, strategies and programs, including the disclosure of greenhouse gas emissions and the setting of carbon reduction targets.

Alico’s Sustainability Steering Council, consisting of a cross-functional team of senior leaders across the company and headed by the Chief Executive Officer, is responsible for the management of climate-related risks and opportunities.

## RISK MANAGEMENT

While we are in the early stages of climate risk management, we are guided by external standards like the International Panel on Climate Change (IPCC) climate risk scenarios, TCFD guidance on conducting climate risk assessments and the Network for Greening the Financial System (NGFS) climate scenario data bank.

To prepare and respond to these risks, Alico is using the information gathered during our baseline carbon footprint project to estimate the potential cost of carbon regulations, examining opportunities to reduce reliance on fossil fuels and constantly testing new varieties of citrus trees to prepare for changing climate conditions. Positioned to quickly act on climate-related opportunities, Alico is actively engaged in the evolving voluntary agriculture-based carbon credit market.

	Climate Risks	Climate Opportunities
Short Term (1-5 years)	<ul style="list-style-type: none"> <li>Growth in global trade and warming conditions may increase the likelihood of more and/or different invasive pests and introduce new viral and bacterial threats to citrus trees and products.</li> </ul>	<ul style="list-style-type: none"> <li>Alico may find competitive advantage as a “first mover” on climate, including preferential treatment from customers and investors.</li> <li>Introduction of voluntary agriculture-based carbon credit markets may create new revenue sources for companies like Alico.</li> </ul>
Medium Term (6-14 years)	<ul style="list-style-type: none"> <li>Financial impact of carbon regulations, including carbon taxes, may become a significant budget consideration.</li> <li>Changes in weather conditions and atmospheric carbon levels may begin to impact productivity of citrus trees, requiring new strains to be planted that are better equipped to local conditions.</li> </ul>	<ul style="list-style-type: none"> <li>As carbon becomes regulated, the price of carbon credits is expected to rise significantly, potentially providing a material revenue source for Alico in both citrus operations and land management.</li> </ul>
Long Term (15+ years)	<ul style="list-style-type: none"> <li>Significant increase in chronic and acute physical climate risks, including higher temperatures, changes in rainfall patterns and sea-level rise, may disrupt operations and impact profitability.</li> </ul>	<ul style="list-style-type: none"> <li>As biodiversity thresholds are established and integrated into science-based targets, Alico may be well positioned to participate in biodiversity offset programs, creating yet another revenue source for the company.</li> </ul>

## CLIMATE STRATEGY

Our climate strategy is closely aligned with the Florida citrus industry, who collectively face similar challenges: an increase in extreme weather events, more frequent and more intense swings in rainfall patterns, invasive pests at least partly driven by warming temperatures, and rising seawater levels. We are working in collaboration with industry partners, including the University of Florida, to identify opportunities to mitigate our risks, prepare for the future and build resilience.

## METRICS AND TARGETS

Our focus on FY 2021 was the completion of our first carbon footprint to better understand our baseline GHG emissions-generating activities. (See page 14 for more information on our carbon footprint baseline.) Looking ahead, we will also be developing carbon intensity metrics that will allow us to understand our emissions in relation to production and revenue data. This process will enable us to more effectively integrate carbon risk into our business strategy and risk management processes. Ultimately, we expect to set science-based targets aligned with the IPCC recommended 1.5 °C global warming threshold, including a glide path to net-zero emissions by 2050.



Q&amp;A with

## DANNY SUTTON

PRESIDENT AND GENERAL MANAGER  
OF ALICO CITRUS



Danny Sutton is the President and General Manager of Alico Citrus. He has held that position since November of 2017. Mr. Sutton began his career with Alico in 1999 as a Grove Manager and was promoted to Production Manager in 2001, and then to Director of Citrus in 2006.

*You've been at Alico for more than two decades, what has kept you here for so many years?*

Alico has always been willing to make the necessary inputs that keep their groves viable and productive. It's refreshing to work with such a good group of people that have been here for so many years. I have been here for 23 years, but a lot of the people that work for Alico could almost double that. It is nice to be here with people who have been here their whole career.

*You were recently appointed to the Florida Citrus Commission (FCC). What are the roles and responsibilities of being a commissioner?*

The FCC is a nine-member board appointed by the Governor of Florida to represent citrus growers, processors and packers. You can think of us as the board of directors for the Florida Department of Citrus (FDOC). We oversee the Florida Department of Citrus and regulate the quality standards for citrus grown in Florida. We also oversee a number of marketing initiatives that promote Florida citrus to the world. I serve as a Grower representative for District Three, which covers the southern part of the state, as well as the western coast.

*Stepping back from the Florida Citrus Commission and focusing on Alico, what do you think are the biggest opportunities to improve Alico's sustainability impacts over the next five years?*

It is challenging to say, but a possible opportunity would be through a lease program or possibly selling land for a solar program. Those are not certain, but they are certainly opportunities that will be enhanced through this new bill [the Inflation Reduction Act]. We have had recent challenges with the high costs of fuel as well as with fertilizer costs, both have been brutal, we've had to cut inputs on both sides. One area we feel confident we hold value is through our agricultural contribution in putting trees in the ground and growing crops to feed the world.



# WATER

Alico has groves across Florida, in both the flatwoods, characterized by sandy soils and high water tables on mostly flat land, and along the Central Florida Ridge, characterized by very sandy soils and low water tables. What this means in practice is that we must adapt our water management practices to deal with different irrigation, erosion and nutrient run-off challenges. Algae growth, excess organic matter buildup (biosolids) and sedimentation are threats that we carefully navigate with a team of grove managers with unparalleled experience.

In FY 2022, we continued our conservation easements to support water quality and eco-system health and participated in a water sampling program through the Joshua Water Control District. These programs help ensure that we are protecting the environment of our surrounding communities and promoting good growing conditions for our citrus trees.

## BEST MANAGEMENT PRACTICES

We follow the Florida Department of Agriculture and Consumer Service's "Water Quality/Quantity Best Management Practices (BMP) for Florida Citrus" to ensure that our agricultural practices stay within permitted levels and do not adversely affect local ecosystem and waterways. BMPs are individual practices or combinations of practices that, based on research, field-testing, and expert review, have been determined to be the most effective and practicable means for maintaining and/or improving water quality.



## WATER PERFORMANCE

Indicator	Unit	FY 2021	FY 2022
Total water withdrawn	Thousand cubic meters (m3)	2,640	2,318
<i>Percentage in regions with high or extremely high water risk</i>	Percent (%)	48	48
Total water consumed	Thousand cubic meters (m3)	2,640	2,318
<i>Percentage in regions with high or extremely high water risk</i>	Percent (%)	48	48
Number of incidents of water-related non-compliance	Number (#)	0	0

*Total water withdrawn includes groundwater and rainwater, which both falls directly on the groves and is captured in lagoons and used as tailwater for additional irrigation where needed. All water withdrawn is applied to the land and so is considered consumed. Using WRI's Aqueduct tool, we have determined that 48% of our groves are in areas of high baseline water stress.*

## BMPS USED AT ALICO

BMP	Description	Examples
Grove Development and Renovation	Measures to incorporate upfront design features when developing new groves or renovating existing groves affected by catastrophic disease.	<ul style="list-style-type: none"> <li>Sedimentation and erosion control measures</li> <li>Stabilization of all bare soil areas (except tree rows) with grass or other desirable vegetation</li> <li>Non-fertilized vegetated buffers between water sources and citrus grove production areas</li> </ul>
Nutrient Management	The control of the source, rate, placement, and timing of nutrient applications and soil amendments to ensure sufficient soil fertility for citrus tree production and minimize impacts to water quality.	<ul style="list-style-type: none"> <li>Use formulations of fertilizer based on nutritional needs, season (rainy vs. dry), and anticipated weather conditions</li> <li>Use leaf tissue test results to determine the need for and appropriate rates of supplemental fertilizer applications</li> <li>Protect stored fertilizer from wind and rainfall, and ensure that fertilizer spilled on the ground during loading is immediately collected and handled properly</li> </ul>
Irrigation Management	Selecting and maintaining the appropriate irrigation system, based on monitoring soil, plant, and weather conditions.	<ul style="list-style-type: none"> <li>Use available tools and data to assist in making irrigation decisions, including water table observation wells, on-site soil moisture sensors, crop water use information and weather data</li> <li>Minimize evaporation and wind drift by appropriate irrigation scheduling, such as when cloud cover is abundant and wind speed is minimal</li> <li>Design or retrofit irrigation systems to handle reclaimed water, taking into account source water quality and delivery pressures</li> </ul>
Drainage Management	The ability to manipulate and control the water table, runoff, and/or rate of discharge to ensure adequate citrus tree health and production while minimizing impacts to water quantity and quality.	<ul style="list-style-type: none"> <li>Install and use water table observation wells and inspect them periodically for any needed repairs</li> <li>Keep water velocities near drainage structures slow enough to reduce potential for soil particles to enter the drainage system</li> </ul>
Sediment and Erosion Control Measures	Temporary or permanent practices to prevent sediment loss, slow water flow, and/or trap or collect debris and sediments in runoff.	<ul style="list-style-type: none"> <li>Stabilize water furrows and ditch and canal banks by encouraging a good coverage of noninvasive vegetation</li> <li>Protect ditch and canal banks from erosion using rip-rap, concrete, headwalls, or other materials that buffer against turbulence</li> </ul>
Water Resources Protection	Distinct hydrologic features, including wetlands, springs, streams, and aquifers.	<ul style="list-style-type: none"> <li>Install and maintain non-fertilized vegetated buffers upland of the landward boundary of all wetlands and lakes</li> <li>Locate and size any stream crossings to minimize impacts to riparian buffer vegetation and function</li> </ul>
Integrated Pest Management	The monitoring of pest and environmental conditions and the judicious use of cultural, biological, physical, and chemical controls to manage pest problems.	<ul style="list-style-type: none"> <li>Store pesticides in an enclosed, roofed structure with an impervious floor and lockable door, at least 100 feet from wetlands or other waterbodies</li> <li>Use biological control agents that have a narrow range and are specific to the targeted aquatic weed species</li> </ul>



# WASTE AND RECYCLING

Relative to other agriculture companies, we generate little waste. We're proud of our efforts to close the loop on production waste and are continuously seeking opportunities to divert other sources of waste from the landfill.

## WASTE MITIGATION STRATEGIES

Waste Type	Examples	Alico Practices
Production	Tree waste, clippings, dropped fruit	Dropped fruit is left in place to compost in the groves
Business	Paper, toner cartridges, old computer equipment, furniture	Office furniture and computer equipment is donated to community organizations
Packaging	Fertilizer and nutrient bags	We follow local and county laws for packaging and incineration laws
Chemical	Leftover pesticides and insecticides	We return unused chemicals to vendors in a timely manner

## WASTE AND RECYCLING PERFORMANCE

Indicator	Unit	FY 2021	FY 2022
Hazardous waste generated	Metric tons (mt)	57	15
Non-hazardous waste generated	Metric tons (mt)	341	221
<i>Landfilled</i>	Metric tons (mt)	330	210
<i>Recycled</i>	Metric tons (mt)	11	11

*This table is based on estimated calculations.*

# SUSTAINABLE AGRICULTURE

Alico is committed to operating its citrus groves and surrounding land with an eye to sustainable and regenerative agriculture practices. Over the last four years, we planted an average of 375,000 trees a year and cared for each tree over its 25-year lifespan with precision agriculture techniques to optimize the application of fertilizers and pest management chemicals. Regular soil sampling ensures that we can track and manage nutrient levels and avoid over-application of materials that can compromise overall ecosystem balance. We collaborate with local partners to ensure that we have an ongoing pipeline of innovative opportunities to explore.

## GENETICALLY MODIFIED ORGANISMS (GMOS)

Alico does not use genetic modification in any of its citrus products, and we have no plans to do so in the future.

## COLLABORATION AND INNOVATION

Alico has long partnered with the University of Florida Institute of Food and Agricultural Sciences (UF/IFAS), whose mission is to develop knowledge in agricultural, human, and natural resources, and to make that knowledge accessible to sustain and enhance the quality of human life. Each year, Alico works with UF/IFAS on onsite agricultural trials that explore ways to improve crop yields, manage pests and improve the environmental impact of farm management practices.

## NUTRIENT MANAGEMENT

The single most important factor in the health of an agricultural enterprise is the condition of the soil. Healthy soil contains the right mix of nutrients, trace elements, bacteria and moisture. That's why Alico has a robust soil sampling program based on "nutrient boxes." Several times a year, Alico employees go into the groves to pull samples from the soil, as well as the tree leaves and tissue. These materials are sent to a third-party lab, which creates detailed reports that guide future applications of nitrogen, phosphorous and potassium, magnesium, copper, zinc and other nutrients—designed to give each block of trees exactly what it needs, and nothing more.







Q&amp;A with

## LYNN STEWARD

ALICO'S NURSERY MANAGER



*Lynn, tell us about your role and responsibilities as Nursery Manager.*

I'm responsible for growing the best citrus trees in the industry. We grow about 50,000 trees each year ourselves, and we work with a variety of contract nurseries to supply the rest of the approximately 250,000 trees we plant each year. A big part of my job is working with our partners to ensure that our rootstock varieties produce trees that can withstand evolving conditions.

*Let's talk about those conditions. Fungal and bacterial tree diseases are really giving Florida citrus a hard time right now, and invasive pests are always a challenge. How does Alico respond?*

We've been working with other nurseries and also the University of Florida's Institute of Food and Agricultural Sciences (UF/IFAS), a federal-state-county partnership devoted to agriculture

research. Working with UF/IFAS has given us the ability to work with a grower who has hands-on experience and scientists who have expertise—it's like having a teacher that we can call on when tricky problems come up. They present ideas to us, and we try them in the field, and they support us in growing a stronger product. One of those trials is all about rootstocks at our Joshua Citrus Nursery.

*Why is this particular rootstock trial important?*

Ultimately, the trials help us respond to environmental pressures. Alico has about 25 rootstocks that we have been using for years. Our goal with this trial is to add new varieties, blending characteristics from previous rootstocks to find the right balance, so that the tree will produce in a variety of climates and ground conditions. Historically, rootstock trials have taken a really long time – you have to blend the seeds, then grow those trees for

years before you know if you've got a winner. But through our partnership with UF/IFAS and improvements from the Department of Plant Industry, it now takes a little less than a year. That's a huge difference when it comes to our ability to adapt quickly to changing environmental pressures like new pests, new diseases and the impacts of climate change.

*What is one thing you are excited about in the next year?*

I am excited about citrus because we have so many new and exciting things coming up in citrus agriculture. There are a lot of great, young, smart people at UF/IFAS that are working hard to come up with solutions. It's a great time to be in the citrus growing business if you are interested in the connection between science and the land.





Q&amp;A with

## JOBY SHERROD

DIRECTOR OF AGRONOMY



*For those readers not well-versed in citrus, the title “Director of Agronomy” sounds very mysterious. Walk us through a typical day for you.*

My job is to work with the citrus managers and directors across Alico’s groves to ensure that we are providing the right inputs to support citrus production. I spend a lot of time in my “lab” – which is really my truck. Alico’s groves are located all across the State of Florida and many times I need to be there, in person, to see the conditions on the ground. That means I’m on the road and running tests from my truck more often than you might think. We’re always trying to respond, whether it’s to pests or disease or nutrition imbalances, and you can’t beat seeing it with your own eyes.

*One of the things we hear in almost every interview is the reality that citrus growers are at the mercy of the environment—whether that’s unexpected rainfall patterns, or new pests or extreme temperature swings. How do you balance having a plan versus simply reacting to what Mother Nature throws at you?*

Well, you can plan quite extensively. Now, whether that plan will work or not... [laughs], I think it was General Patton said that plans rarely survive first contact with the enemy. So we have a plan—we

always have a plan. But we’re also trained to react to the conditions that are presented. Success for us is the combination of a well-thought-out plan, with deviations from the plan, according to the needs of the moment.

*What’s your perspective on the role of technology in citrus growing?* Whether it’s improving yield or being more efficient, we want to be on the cutting edge. One way we do that is to pay attention to other areas of agriculture to see what may be applicable to citrus. For example, a lot of precision agriculture technologies came out in the Midwest, so we look to the corn growers and what they’re doing, and then try to incorporate some of those technologies into what we do.

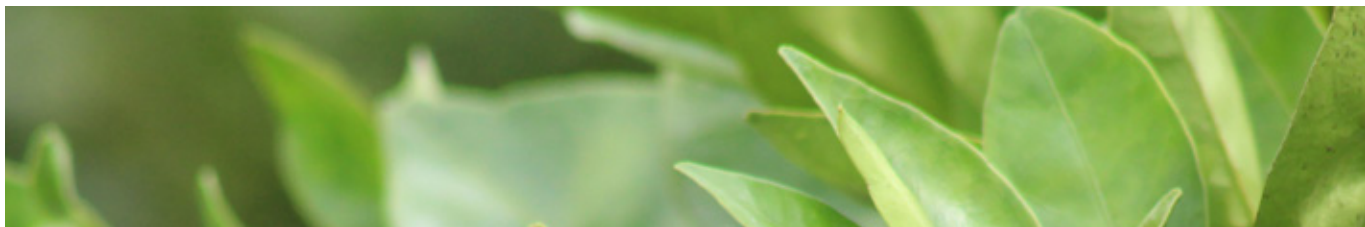
*Can you give us a practical example of how precision agriculture is helping Alico manage nutrient and pesticide application?*

Absolutely. One of the most practical, but least appreciated, areas is spray technology that detects the presence or absence of a tree. When there is a missing tree in the row, the sprayer momentarily turns off, preventing an inefficient application of materials. It’s a simple concept, but it’s incredibly effective. And it’s something that we’ve installed on virtually every spray device at Alico.

*How do you work with external stakeholders on these challenges and opportunities?*

Whether it’s doing cooperative research trials, finding new citrus varieties that can resist disease, or developing new rootstock that prefers different weather conditions—I am regularly working with both IFAS and the USDA. We’re constantly being approached by research groups with new ideas that need to be tested in the field—and we love to be a partner in exploring new technology and new approaches to growing. In addition, a lot of focus goes towards working with industry groups and directly with other growers facing similar challenges. We don’t view them as competitors when it comes to solving industry-wide problems. We’re all in it together, and the learning never stops.





# PRODUCT RESPONSIBILITY

Alico has a very straightforward business model: we grow oranges on our 49,000 acres of citrus groves. Workers pick the fruit from the tree and load it into a tractor trailer, where it is transported to customers who manage quality control and processing.

We don't have storage or processing facilities. We don't need to maintain refrigeration units to keep our citrus fresh, and we don't have to worry about food waste. We don't outsource or use contract growers to meet any of our production needs. We don't add any food ingredients to our products. Instead, we focus on growing healthy trees with great quality fruit. It's that simple.

We work closely with customers to understand and meet their social and environmental goals. We routinely participate in sustainability audits that examine our growing practices, energy and water consumption, fair labor protections, governance and oversight mechanisms and food safety protocols. While we do not currently participate in any third-party product sustainability certifications, like USDA Organic or Fair Trade Certified, it is something we are open to considering, based on customer demand.

## CUSTOMER SATISFACTION PERFORMANCE

Indicator	Unit	FY 2021	FY 2022
Customer Retention	Percent	100	100
Notices of violations for regulatory labeling and/or marketing codes	Number	0	0





Q&A with

## CHRIS MOORE

ALICO'S VICE PRESIDENT FOR LOGISTICS



*Chris, you have been with Alico for over 20 years and now serve as Vice President of Logistics, responsible for citrus harvesting and transportation. What makes you like working here?*

I enjoy my job because it is both entrepreneurial and bucolic. Alico is an industry leader. Being publicly traded keeps Alico moving forward when other entities might not have that discipline.

*After a two year pause because of the COVID pandemic, Alico recently restarted participating in the Farm Labor Management Certification Program. Can you tell us about that program?*

The Farm Management Certification Program is run by the University of Florida's Institute of Food and Agricultural Sciences (UF/IFAS), a federal-state-county partnership. The program is designed to ensure that individuals working in the field have been trained with best practices and have information for both food safety and worker safety.

*What topics does the Farm Management Certification Program cover?*

There are 8 parts and it typically takes 3 full days to complete. The classes cover compliance, communication, personal safety, emergency preparedness, equal employment opportunity, CPR/AED, first aid, and agricultural equipment and field safety. We require our crew leaders and supervisors to complete the program and obtain their certificate.

*How does having crew leaders with this training help Alico deliver a better product?*

Essentially, it is for the safety of the crew and to make them aware of the various Department of Labor regulations. While it doesn't specifically improve the quality of the oranges, it is something that Alico chooses to do to ensure worker and food safety for our product.



# FOOD SAFETY

Alico's success depends on satisfied customers and consumers. Food safety and quality are nonnegotiable ingredients in our contracts with them. We pride ourselves on our comprehensive food safety and quality policies and procedures and outstanding performance, which underpin our responsibility and commitment to deliver high-quality products to the markets we serve.

## MINIMAL HANDLING

While in our care, citrus fruit spends the vast majority of its time untouched on the tree, handled only for a few minutes when it is harvested and loaded for transport. As an added bonus, there is no product packaging and therefore no environmental concerns with excess or non-recyclable packaging. Here's how it works:

The harvest team goes into the groves, plucking fruit from the tree and putting it into a "pick sack." This is the only time the fruit is touched by human hands while in our care.

The sack is emptied into a plastic tub that can hold 900 pounds of oranges. A tub can be reused for about five years before needing to be replaced, but we can reuse the metal rim.

A field loader machine (we call it "the goat") uses a hydraulic clamp to move the fruit from tubs into the back of its modified trailer bed, further consolidating the harvest.

The goat drives a short distance and deposits the fruit into a tractor trailer, which is driven to a customer's processing station.

## TRACEABILITY

Traceability is a key element of our product responsibility program, allowing us to quickly identify the location where the fruit was grown, the date it was picked, the crew responsible for the harvest, and the trucking company that transported the fruit to the customer. This system is fully electronic and updated in real time during harvest and transit. We periodically test the system for quality control, ensuring that it takes less than three minutes to trace a customer load ticket number back to the grove.



## FOOD SAFETY PERFORMANCE

Indicator	Unit	FY 2021	FY 2022
Global Food Safety Initiative (GFSI) audit non-conformance rate <sup>5</sup>	Rate	0	0
<i>Corrective action rate for major non-conformances</i>	Rate	N/A	N/A
<i>Corrective action rate for minor non-conformances</i>			
Number of recalls	Number (#)	0	0
Volume of recalls	Metric tons (mt)	0	0

<sup>5</sup> Alico did not have any GFSI audits in FY 2021 or FY 2022.

# SUPPLY CHAIN RESPONSIBILITY

Alico is committed to conducting our business in a lawful and ethical manner, including engaging with suppliers who respect human rights, providing safe and inclusive workplaces, and promoting a sustainable future. Our teams work closely with suppliers to communicate our standards through a [Vendor Code of Conduct](#) and help suppliers build their capacity to provide working environments that are safe and respectful for all. We manage risk through:

- Vendor Code of Conduct compliance tied to purchase and contract terms
- Supplier diversification to provide redundancy
- Compliance and certification reviews

## MANAGING HAZARDOUS CHEMICALS

As part of managing our operations, we keep fertilizers, pesticides, nutrients, oil and solvents onsite. To ensure that these materials of concern are carefully managed, they are kept in designated, locked areas with limited accessibility. Chemicals are ordered on a “just in time” basis so that we don’t need to store them over long periods. In addition, every supervisor has access to a Safety Data Sheet (SDS) book with information on the properties of each chemical; the physical, health, and environmental health hazards; protective measures; and safety precautions for handling, storing, and transporting the chemical. All Alico grove managers and certain supervisors maintain Pesticide Applicator Licenses, with annual continuing education, to ensure that we use pesticides in a safe and responsible way. For more information, read our [Environmental Policy](#).

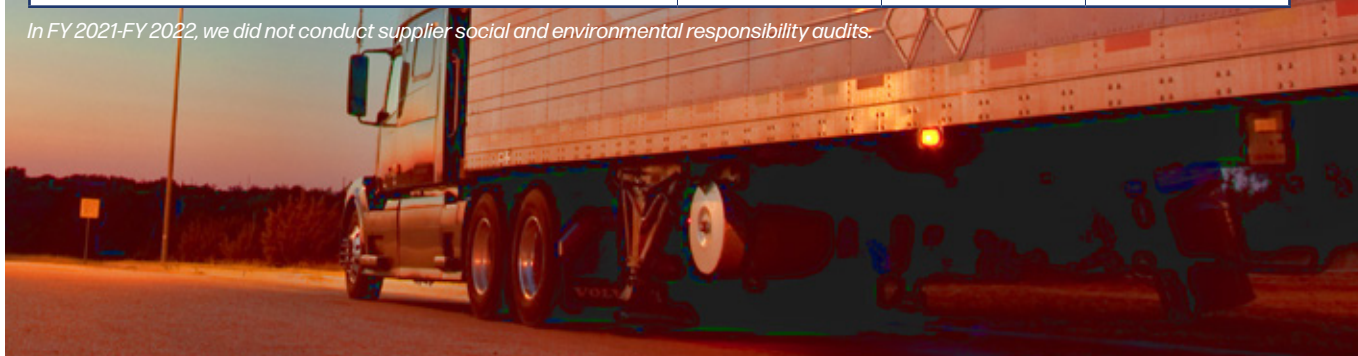
## SUPPLY CHAIN RISK MITIGATION

Supplier Category	Critical Suppliers	Key Sustainability Issues
Materials	Fertilizers & nutrients	Quality, Environment, Health and Safety
Harvest & Haul Trucking	Farm labor contractors	Environment, Health and Safety Labor and Human Rights
Services	Land management labor	Environment, Health and Safety

## SUPPLY CHAIN PERFORMANCE

Indicator	Unit	FY 2021	FY 2022
Percentage of agricultural products sourced that are certified to a third-party environmental and/or social standard	Percent (%) by cost	0	0
Suppliers' social and environmental responsibility audit non-conformance rate	Rate	N/A	N/A
<i>Corrective action rate for major non-conformances</i>	Rate	N/A	N/A
<i>Corrective action rate for minor non-conformances</i>	Rate	N/A	N/A

*In FY 2021-FY 2022, we did not conduct supplier social and environmental responsibility audits.*







## DATA PRIVACY AND SECURITY

We use cybersecurity and employ the latest technological tools to protect our customers and our equipment against data privacy and security threats. We work continuously to minimize the risk of data breaches by 24/7 monitoring of our environment and the marketplace to immediately identify and rectify any data security issues.

Led by our Chief Information Officer, we work with our security vendors to identify and apply the latest protocols to ensure data security across our value chain and make headway in new areas such as Artificial Intelligence (AI).

Our data-protection efforts also include vulnerability assessments, employee education, regular drills and phishing tests, and close cooperation with government and industry partners. We consistently earn passing grades on audits that assess our cybersecurity and data-protection standards.

For security reasons, we do not publish detailed cybersecurity metrics, as this information may be used by people with malicious intent. Our team is continuously tracking and improving our data security performance. In FY 2022, Alico had no data security incidents or complaints of substantiated incident concerning customer data or data security.



Q&A with

## LINDSAY KRILL

ALICO'S INFORMATION TECHNOLOGY DIRECTOR



*Lindsay, tell us about your role at Alico.*

I oversee the organization's IT operations and staff ensuring that Alico's systems are operating efficiently. I am also responsible for managing technical project implementations that align with the organizations goals and initiatives as well as developing and maintaining Alico's employee training program.

*Employee training is a key element of Alico's cybersecurity strategy. Why?*

Our people are the first line of defense against social engineering attacks. Security awareness doesn't just keep our employees safe at work. It keeps them safe from these threats at home too.

*How do you make cyber threats "feel real"?*

Our cybersecurity training program takes place on a weekly basis. These trainings include online videos, games, and simulated phishing attacks that create awareness in the areas of mobile device security, passwords and authentication, incident reporting, social media, internet use, email security, and strengthening our human firewall. We also have a Home Internet Security Awareness course for those employees who are not on the company network. We encourage our employees to share these resources with their families.

*How do you know if the training works?*

The simulated phishing attacks have reporting associated with them, which let us know how the users reacted to the email and measures these results against industry benchmarks. We also do a quarterly security assessment that allows us to measure training effectiveness and create more effective and targeted future training campaigns.

*Anything exciting on the horizon for 2023?*

We are eagerly anticipating working with a third-party security firm, who will review our security posture and make recommendations. It's helpful to have an outside expert assess our performance!



# GREAT PLACE TO WORK

Alico recognizes the important role that a great workplace culture plays in performance and competitive advantage. We have implemented recruitment and retention practices to meet the professional and personal needs of our employees and their families. In FY 2022, we made several changes to enhance our workplace, including:

- Adjusting our paid time off (PTO) practices so that accrued time off is available instantly to employees.
- Creating an employee newsletter to share news, highlights, reminders and opportunities.
- Reconstructing our internship program to better engage the next generation of agriculture leaders.



## COMPENSATION AND BENEFITS

Our remuneration package rewards talent from the beginning and sets us apart from others in the industry, including:

- Newly hired full-time employees start with three weeks of vacation, accruing throughout the year.
- Paid Internships to support the next generation of farmers and growers.
- At the end of FY22, Alico increased entry wage to \$12.00 per hour, above changes to Florida's minimum wage increases.
- Through our 401k plan, Alico matches the first 3% of eligible earnings and the subsequent 2% of eligible earnings are matched at 50 percent.
- Signing bonus for field workers and new hire referrals.
- Paying 92.7% of employee medical premiums, which is above the industry average.
- Supporting work/life flexibility.
- Offering discounts to local events and attractions.

## TRAINING AND DEVELOPMENT

We invest in our people at every level of seniority, providing opportunities to build job skills and leadership capacity through a structured training program designed to balance flexibility and opportunity. Our Safety Policy outlines our personnel training, job responsibilities and job operations, methods and procedures used.

In FY 2022, we continued to offer employees a variety of courses through our online learning management system, including goal setting, team communication and collaboration, situational leadership, unconscious bias and inclusive leadership, and how to have powerful conversations. Managers completed additional training related to human resource needs: how to hire and onboard, how to make quarterly reviews effective and how to properly terminate employment. Alico also paid for three employees to participate and complete leadership programs offered in the community.

## AVERAGE TRAINING PER EMPLOYEE

Indicator	Unit	FY 2021	FY 2022
Average training per employee: executives	Number of hours (#)	3	17
Average training per employee: management	Number of hours (#)	35	37
Average training per employee: permanent workforce	Number of hours (#)	40	40



Q&amp;A with

## BECKY WOOD

FIXED ASSET ACCOUNTANT AT ALICO



*Becky, you recently graduated from Lee Leadership, a program for emerging leaders in the community. How did that opportunity come about?*

My supervisor at Alico sent me information about the program and encouraged me to fill out the application. It's a 6-month program designed around field trips every two weeks. Each session focuses on a different topic in the community: we learned about agricultural, criminal justice, education, business, and even legal topics. It was so exciting and informative!

*You were honored with the Lee Leadership Change Agent award, given to the person that showed the most growth or change. How do you think that you grew or changed throughout the program?*

The first field trip was designed to build trust in our team and in each other, so we went to a rope course. I don't even really like

to climb ladders, so when I had to climb a telephone pole I was petrified. After you climb up, they lower you on ropes and by the time I hit the ground there was such a rush of emotion. The amount of encouragement and support that each team member gave to each other, and received from each other, throughout the day was overwhelming. I'm a pretty private person, and I always like to keep a very small circle. But as the course went on, I was able to open up more. I've made a couple of good friends that I think I will continue to be friends with even though the program has finished.

*What is the goal now that you have graduated from the Program?*

Now that we have gone through the graduation, as a group we had to choose an event or a cause that we want to support. Our group has decided to collect luggage for foster kids. We were told by one of the ladies in our group, who is actually a foster parent

right now, that sometimes kids go from place to place with all of their belongings in a garbage bag. We are currently working on partnering with a vendor and also collecting donations. We will then be able to present the Children's Network with our donations for the kids.

*What is the most important thing you learned through the Lee Leadership Program that you've brought back to your job at Alico?*

One of the most important things I learned is how to communicate with people who have different types of personalities—what works and what doesn't. And confidence—not just confidence in my ability to do my job, but also learning to have confidence in myself!



# HEALTH & SAFETY

At Alico, our health and safety program is designed to ensure that every person goes home safely each night. We are guided by a comprehensive Safety Manual, which covers topics including safe operations, emergency preparedness, and hazard identification and mitigation. We expect our suppliers to abide by these same safety practices, as set out in our Vendor Code of Conduct. The Alico Health and Safety Committee, which consists of both managers and staff, works with employees and third-party labor contract service providers to ensure a safe workplace. The Committee meets monthly and provides valuable feedback and recommendations to our executive team on a number of different topics such as roles and responsibilities of the Safety Committee, locations of wash-out and hydration locations, cellphone usage and Alico's COVID-19 Policy.



## SAFETY PERFORMANCE

Indicator	Unit	FY 2021	FY 2022
Total recordable incident rate (TRIR)	Rate	2.06	1.77
Fatalities	Rate	0	0
Near miss frequency rate (NMFR)	Rate	0.04	2.12

## HEALTH AND SAFETY STRATEGIES

**Track and report our safety rates, so that we can measure progress over time:** We track all health and safety metrics at the corporate level for a clear understanding of issues, trends and opportunities for improvement. As part of our health and safety program, we monitor workplace injuries, including critical injuries, lost time, healthcare and first aid injuries. We also participate in regulatory inspections, and mandatory training in compliance with the State of Florida's requirements.

**Train and equip people to do their jobs safely:** We provide uniforms, PPE, annual respirator fit tests to ensure our operational staff have the necessary tools to do their jobs safely and effectively. We are mandated to provide necessary health and safety training for those team members, including new hires, who are required by the State of Florida to complete Worker Protection Standards Training (hazardous chemicals), an 8-hour OSHA Level 2 class each year, commercial training for pesticide licensing, driver safety and CPR training.

**Focus holistically on wellbeing:** Alico has an array of healthy lifestyle programs, benefits and incentives including the flexible spending and health savings accounts. We also provide onsite health risk assessments and biometric screening.

## BUILDING A SAFETY CULTURE

In addition to ongoing and formal safety training, Alico has also circulated smaller "quick tip" style safety and wellness information emails weekly to managers. These topics are then discussed during weekly safety meetings with all Alico employees. In FY 2022, some of the topics we covered included:

- Battling holiday depression and stress
- Workplace stress
- Back injuries
- Responding to illness and injury
- Stop the spread of germs
- Common causes of accidents
- Bites and stings
- Emergency situations
- Refueling safety
- Prevent slips
- Electrical safety
- Tractor safety
- Fire safety
- Protection from severe weather
- Dangers of substance abuse
- Fatigue can cause accidents
- Prevent heat illness at work

# DIVERSITY AND INCLUSION

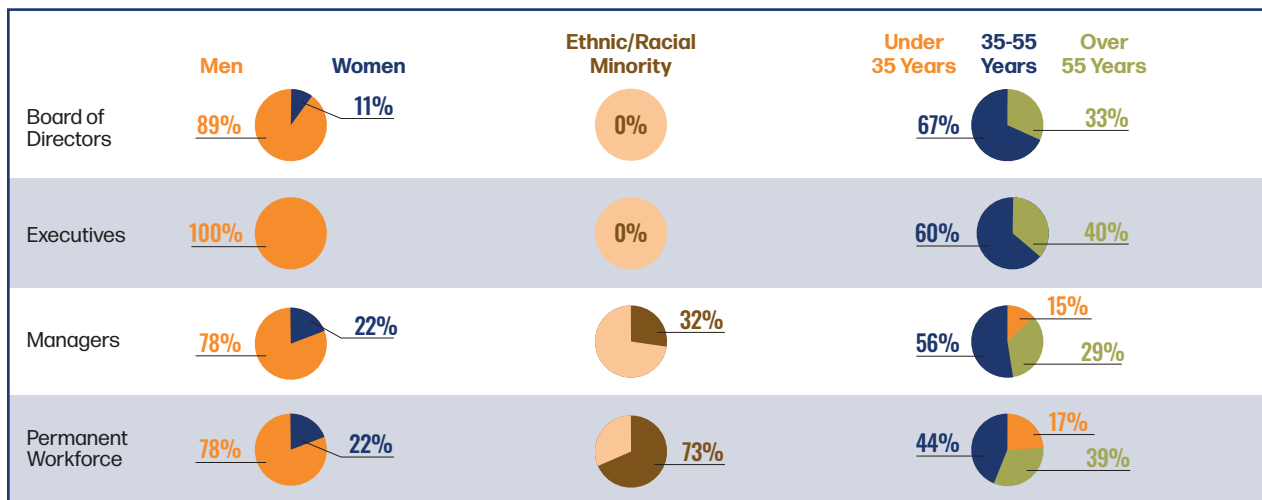
Alico makes diversity, equity and inclusion a priority throughout our workplace. Guided by our Sustainability Policy’s labor and human rights commitments, we believe that building and supporting a culture of respect enables all of our employees to perform at their best. Working as a unified team, we improve our business, increase productivity and position ourselves for long-term success in a competitive marketplace. Our strategy is based on three components:

- Enact policies and programs that create a welcoming workplace, based on respect and inclusion.
- Proactively seek to recruit and retain a diverse workforce at all levels of the company.
- Track and report our diversity numbers, so that we can measure progress over time.

## EMPLOYEE RESOURCE GROUPS

Last year, Alico created a women’s employee resource group to help foster diversity and inclusion. The Alico Women’s Council, made up of female employees from various ethnic, racial and religious backgrounds, is a place to discuss and provide ideas and mutual support on topics like wellness, balancing work/life commitments, the challenges of being a working mother, and career advancement opportunities.

## WORKPLACE DIVERSITY PERFORMANCE



In FY 2022, Alico’s Women’s Council hosted their Let’s Taco Bout A Fiesta party, a social event designed to encourage women at Alico to get to know each other more. They also “took over” the Alico Ranch for a day, exploring some of the 25,000 acres of woodlands and reconnecting with nature. For Breast Cancer Awareness Month, we are handing out goodie bags to women across the company, filled with information about prevention, screening and early detection – along with some sweets.

Building on the success of the Alico Women’s Council, in June 2022, we convened the first meeting of the Alico Hispanic Council Committee with a social event at our central location groves. We are looking forward to additional activities in the coming year.

## SUPPORTING SPANISH SPEAKERS

Located in highly populated Latino and Hispanic communities in Florida, Alico is working to ensure that language is no barrier to successful employment. We’ve made significant progress in translating our policies, procedures, and employee training and development classes into Spanish, including:

- Employee Handbook.
- Benefits and compensation packages.
- Payroll and salary deposit website.
- Employment application online training for core skills and leadership development.



# FAIR LABOR

Alico, Inc. is committed to ensuring that labor and human rights are respected throughout our workforce, including our temporary and contingent employees. Our commitments, outlined in more detail in our Sustainability Policy, include:

- Providing healthy working conditions, open communication, professional growth, and development, fair work hours, and competitive wages and benefits.
- Defending the right to equality and freedom from discrimination and harassment.
- Respecting the rights of employees to join organizations or bargaining groups for representation and to engage in collective bargaining.
- Providing a safe and healthy workplace and minimizing the risk of accidents, injury, and exposure to health risks.
- Opposing all forms of slavery, child labor, servitude, forced labor, and human trafficking.
- Engaging with employees and communities, including vulnerable and disadvantaged groups, on human rights matters that are important to them such as land rights, access to water and health.

We have a grievance process that includes the option for anonymous and confidential reporting directly to the Chair of the Audit Committee of the Alico Board of Directors. Our Whistleblower Protection Policy prohibits any retaliation against individuals who report a concern in good faith.

In FY 2022, we convened an all-hands Town Hall Meeting to review Alico's commitment to fair labor practices, where all employees completed sexual harassment and human rights training. In addition, we added Human Resources (HR) Field Representatives, who are responsible for assisting employees with any HR-related needs.



## WORKING WITH FARM LABOR CONTRACTORS

Alico uses farm labor contractors (“FLCs”) to supplement our permanent workforce. In the agriculture industry, these contractors are often the most vulnerable to labor abuses. To minimize risk to workers and to Alico's reputation, we are committed to ensuring our compliance with all applicable laws, regulations, and other employment standards when dealing with FLC service providers.

Our [Third-Party Labor Policy](#), created in FY 2021, outlines our requirements for labor brokers including, but limited to, provisions on minimum legal working age, proper work permits and documentation, prohibition on recruitment fees and bonds, prohibitions on discrimination and harassment, restrictions on holding worker documents, prohibitions on corruption and bribery, and grievance procedures and corrective action processes.

Most importantly, these provisions must be enforced throughout the entire recruitment process, from initial solicitation to final employment. During the annual contracting process, Alico uses a variety of methods to confirm that each FLC meets our standards for ethical conduct, including:

- Confirming current license and good standing by the United States Department of Labor.
- Reviewing supporting documentation directly from the broker proper compensation of its employees and compliance with the terms of its written job offers.
- Receiving a written acknowledgement of the policy from the contractor to abide by this policy document.

## EMPLOYEE TURNOVER PERFORMANCE

Indicator	Unit	FY 2021	FY 2022
Total turnover	Percent (%)	37	28
<i>Voluntary</i>	Percent (%)	32	16
<i>Involuntary</i>	Percent (%)	5	12

# ABOUT THIS REPORT

## BOUNDARIES AND SCOPE

This is Alico's second ESG report. It covers our policies, practices and performance data on a range of environmental, social and governance issues for fiscal year 2022 (October 1, 2021 to September 30, 2022). Unless otherwise specified, boundaries are based on operational control, including the grove operations and land operations. It excludes land that has been leased to third parties. The previous report was published December 8, 2021.

## ASSURANCE AND VERIFICATION

We have engaged Strategic Sustainability Consulting ("SSC"), an independent party, 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, but the report is not externally assured and the data within this report has not been third-party verified.

## RESTATEMENTS

In calculating our FY 2022 energy use, we discovered that gasoline and diesel consumption was under counted for FY 2021. We have corrected these values (see page 14) to enable an accurate comparison between FY 2021 and FY 2022 energy consumption data. We did not update FY 2021 carbon footprint results, and Scope 1 emissions data for stationary and mobile combustion remains understated in this report. The overall finding, however, remains unchanged: Scope 1 "non-mechanical field management emissions" (e.g. fertilizer) is the key driver of our total carbon footprint. We will restate FY 2021 carbon emissions when we next update our carbon footprint.

## FOR MORE INFORMATION

We welcome your feedback, comments and questions on this report and other ESG matters.

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## CAUTIONARY STATEMENT ABOUT FORWARD-LOOKING STATEMENTS

This press release contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Forward-looking statements include, but are not limited to, statements that express our intentions, beliefs, expectations, strategies, predictions or any other statements relating to our future activities or other future events or conditions. These forward-looking statements are based on Alico's current expectations, estimates and projections about our business based, in part, on assumptions made by our management and can be identified by terms such as "plans," "expect," "may," "anticipate," "intend," "should be," "will be," "is likely to," "believes," and similar expressions referring to future periods.

Alico believes the expectations reflected in the forward-looking statements are reasonable but cannot guarantee future results, level of activity, performance, or achievements. Actual results may differ materially from those expressed or implied in the forward-looking statements. Therefore, Alico cautions you against relying on any of these forward-looking statements. Factors which may cause future outcomes to differ materially from those foreseen in forward-looking statements include, but are not limited to: changes in laws, regulation and rules, including tax laws and tax rates; climate change; weather conditions that affect production, transportation, storage, demand, import and export of fresh product and their by-products, and that may result in impairment expense such as the freeze in the last week of January 2022, or Hurricane Ian, which occurred in the last week of September 2022; increased pressure from diseases including citrus greening and citrus canker, as well as insects and other pests; disruption of water supplies or changes in water allocations; market pricing of citrus; pricing and supply of raw materials and products; market responses to industry volume pressures; pricing and supply of energy, including, but not limited to, changes due in part to the deadly conflict in Ukraine; changes in interest rates; availability of refinancing; availability of financing for land development activities and other growth and corporate opportunities; onetime events; acquisitions and divestitures; ability to make strategic acquisitions or divestitures; our ability to maintain effective internal control over financial reporting; the impact of, and costs related to, any investigations, legal or administrative actions that may result from the restatements described in our Annual Report on Form 10-K; ability to redeploy proceeds from divestitures; ability to consummate selected land acquisitions; ability to take advantage of tax deferral options; ability to retain executive officers and to replace departed executive officers; ability to replace the Company's primary third party grove management customer and even further expand the third party grove management program; ability to complete and implement land use planning activities, including adding to entitlements applicable to owned real estate; seasonality; labor disruptions; inability to pay debt obligations; inability to engage in certain transactions due to restrictive covenants in debt instruments; government restrictions on land use; changes in land values, agricultural or otherwise; the extent to which real estate value appreciates; impact of the COVID-19 outbreak and coronavirus pandemic on our agriculture operations, including without

limitation demand for product, supply chain, health and availability of our labor force, the labor force of contractors we engage, and the labor force of our competitors; other risks related to the duration and severity of the COVID-19 outbreak and coronavirus pandemic and its impact on Alico's business; the impact of the COVID-19 outbreak and coronavirus pandemic on the U.S. and global economies and financial markets, including without limitation related legislative and regulatory initiatives; access to governmental loans and incentives; access to governmental relief programs; settlement of insurance claims; any reduction in the public float resulting from repurchases of common stock by Alico; changes in equity awards to employees; whether the Company's dividend policy, including its recent increased dividend amounts, is continued; expressed desire of certain of our stockholders to liquidate their shareholdings by virtue of past market sales of common stock, by sales of common stock or by way of future transactions designed to consummate such expressed desire; political changes and economic crises; ability to implement ESG initiatives; competitive actions by other companies; increased competition from international companies; changes in environmental regulations and their impact on farming practices; the land ownership policies of governments; changes in government farm programs and policies and international reaction to such programs; changes in pricing calculations with our customers; fluctuations in the value of the U.S. dollar, interest rates, inflation and deflation rates; length of terms of contracts with customers; impact of concentration of sales to one customer; changes in and effects of crop insurance programs, global trade agreements, trade restrictions and tariffs; soil conditions, harvest yields, prices for commodities, and crop production expenses. Other risks and uncertainties include those that are described in Alico's SEC filings, including those Risk Factors described in our Annual Report on Form 10-K for the fiscal year ended September 30, 2022, and our Quarterly Reports on Form 10-Q, which are available on the SEC's website at <http://www.sec.gov>. Alico undertakes no obligation to subsequently update or revise the forward-looking statements made in this press release, except as required by law.

This press release also contains financial projections that are necessarily based upon a variety of estimates and assumptions which may not be realized and are inherently subject, in addition to the risks identified in the forward-looking statement disclaimer, to business, economic, competitive, industry, regulatory, market and financial uncertainties, many of which are beyond the Company's control. There can be no assurance that the assumptions made in preparing the financial projections will prove accurate. Accordingly, actual results may differ materially from the financial projections.



# ESG TEARSHEET

SASB Reference	Indicator	Unit	FY 2021	FY 2022
FB-AG-110a.1	Scope 1 emissions <sup>1</sup>	Metric tons CO2e (tCO2e)	54,960.3	Not Tracked
	<i>Non-Mechanical Field Management Emissions<sup>3</sup></i>	Metric tons CO2e (tCO2e)	48,334.5	
	<i>Stationary Combustion</i>	Metric tons CO2e (tCO2e)	3,808	
	<i>Mobile Combustion</i>	Metric tons CO2e (tCO2e)	2,759.4	
	<i>Refrigerants</i>	Metric tons CO2e (tCO2e)	58.4	
	Scope 2 emissions	Metric tons CO2e (tCO2e)	537.8	
FB-AG-110a.2	Strategy to manage Scope 1 emissions and performance against targets	Discussion	See pages 14-15	
FB-AG-110a.3	Fleet fuel consumed <sup>2</sup>	Gigajoules (GJ)	30,408.5	28,606.4
	<i>Percentage renewable</i>	Percent (%)	0	0
FB-AG-130a.1	Operational energy consumed	Gigajoules (GJ)	266,828	257,550.7
	<i>Electricity</i>	Gigajoules (GJ)	4,964.2	4,776.9
	<i>Diesel<sup>3</sup></i>	Gigajoules (GJ)	231,240.7	224,167.4
	<i>Propane</i>	Gigajoules (GJ)	214.6	As the FY 2021 calculations showed propane to have de minimus contribution to our overall energy profile, we have not tracked it this year.
	<i>Gasoline<sup>2</sup></i>	Gigajoules (GJ)	30,924.9	29,141.8
	Percentage electricity from the grid	Percent (%)	3.9	4.7
	<i>Percentage renewable</i>	Percent (%)	3.9	4.7
Percentage renewable electricity (additional)	Percent (%)	0	0	

<sup>1</sup> See page 34 for important information about carbon emissions methodology and restatements.

<sup>2</sup> Fleet fuel consumed for vehicles and equipment.

<sup>3</sup> Fertilizer

SASB Reference	Indicator	Unit	FY 2021	FY 2022
FB-AG-140a.1	Total water withdrawn	Thousand cubic meters (m3)	2,640	2,318
	<i>Percentage in regions with high or extremely high water risk</i>	Percent (%)	48	48
	Total water consumed	Thousand cubic meters (m3)	2,640	2,318
	<i>Percentage in regions with high or extremely high water risk</i>	Percent (%)	48	48
FB-AG-140a.2	Water management risks and efforts to mitigate risk	Discussion	See pages 17-18	
FB-AG-140a.3	Number of incidents of water-related non-compliance	Number (#)	0	0
	Hazardous waste generated	Metric tons (mt)	57	15
	Non-hazardous waste generated	Metric tons (mt)	341	221
	<i>Landfilled</i>	Metric tons (mt)	330	210
	<i>Recycled</i>	Metric tons (mt)	11	11
FB-AG-250a.1	Global Food Safety Initiative (GFSI) audit non-conformance rate <sup>4</sup>	Rate	0 <sup>4</sup>	0 <sup>4</sup>
	<i>Corrective action rate for major non-conformances</i>	Rate	N/A	N/A
	<i>Corrective action rate for minor non-conformances</i>	Rate	N/A	N/A
	Number of recalls	Number (#)	0	0
	Volume of recalls	Metric tons (mt)	0	0
FB-AG-320a.1	Total recordable incident rate (TRIR)	Rate	2.06	1.77
	Fatality rate	Rate	0	0
	Near miss frequency rate (NMFR)	Rate	0.04	2.12
	Average training: executives	Number of hours (#)	3	17
	Average training: management	Number of hours (#)	35	37
	Average training: permanent workforce	Number of hours (#)	40	40

<sup>4</sup> Alico did not have any GFSI audits in FY 2021 or FY 2022.



SASB Reference	Indicator	Unit	FY 2021	FY 2022
	Gender diversity: Board of Directors	Percent women (%)	11	11
	Gender diversity: executives	Percent women (%)	0	0
	Gender diversity: management	Percent women (%)	16	22
	Gender diversity: permanent workforce	Percent women (%)	21	22
	Racial/ethnic diversity: Board of Directors	Percent minority (%)	0	0
	Racial/ethnic diversity: executives	Percent minority (%)	0	0
	Racial/ethnic diversity: management	Percent minority (%)	29	32
	Racial/ethnic diversity: permanent workforce	Percent minority (%)	70	73
	Age diversity: Board of Directors	Percent (%) under 35, 35-55, over 55	0, 67, 33	0, 67, 33
	Age diversity: executives	Percent (%) under 35, 35-55, over 55	0, 40, 60	0, 40, 60
	Age diversity: management	Percent (%) under 35, 35-55, over 55	13, 48, 39	15, 56, 29
	Age diversity: permanent workforce	Percent (%) under 35, 35-55, over 55	20, 42, 38	17, 44, 39
	Total turnover	Percent (%)	37	28
	<i>Voluntary</i>	Percent (%)	32	16
	<i>Involuntary</i>	Percent (%)	5	12
FB-AG-430a.1	Percentage of agricultural products sourced that are certified to a third-party environmental and/or social standard	Percent (%) by cost	0	0
	Suppliers' social and environmental responsibility audit non-conformance rate	Rate	N/A	N/A
	<i>Corrective action rate for major non-conformances</i>	Rate	N/A	N/A
	<i>Corrective action rate for minor non-conformances</i>	Rate	N/A	N/A
FB-AG-430a.3	Strategy to manage environmental and social risks arising from contract growing and commodity sourcing	N/A: Alico does not use contract growers or commodity sourcing	N/A: Alico does not use contract growers or commodity sourcing	

SASB Reference	Indicator	Unit	FY 2021	FY 2022
FB-AG-430b.1	Strategies to manage the use of genetically modified organisms (GMOs)	Discussion	See page 20	
FB-AG-440a.1	Principal crops and climate-related risks and opportunities	Discussion	See page 15	
FB-AG-440a.2	Agriculture products sourced from regions with high or extremely high baseline water stress	N/A: Alico does not use contract growers or commodity sourcing	N/A: Alico does not use contract growers or commodity sourcing	
	Inquiries, complaints, or issues received by the legal or compliance office	Number (#)	0	0
	Customer retention	Percent	100	100
	Notices of violations for regulatory labeling and/or marketing codes	Number	0	0
	Public policy spending	\$ USD	25,000	108,720
	<i>Lobbying</i>	\$ USD	0	0
	<i>Campaign contributions</i>	\$ USD	0	50,000
	<i>Contributions to trade associations</i>	\$ USD	25,000	58,720 <sup>5</sup>
FB-AG-000.A	Citrus production	Metric tons (t)	261,485	260,282
FB-AG-000.B	Number of processing facilities	Number (#)	0	0
FB-AG-000.C	Total land area under active production	Hectares (ha)	19,830	16,187
FB-AG-000.D	Cost of agricultural products sourced externally	\$ USD	0	0

<sup>5</sup> Alico paid fees to Gulf Citrus Growers Association (\$31,720), Florida Citrus Mutual (\$25,000) and Highlands Citrus Growers Association, Inc. (\$2,000).





# ALICO

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