At Sun World, grapes bursting with flavor are always the goal. We rely on Mother Nature to help achieve this, but there’s more to our grapes that make them special. We use sustainable practices to nourish the vines. We protect the land and environment. We care for our people who are dedicated to their craft. Because we believe that better food, with better flavor, comes from better farms.
DEAR FRIENDS,

When I was first approached to join Sun World in 2014, I was struck by the business philosophy held by the company and its parent company Renewable Resources Group LLC; a philosophy that said we can do well as a business, while still doing good for the world. This reminded me of the way I was raised, on a fifth-generation onion and potato farm in Utah, to always respect the land that provided our livelihood. While we didn’t call it sustainability back then, there was a belief passed down that if we cared for the land it would care for us and the generations to come.

Since joining Sun World, we have grown as a company. We increased our production of company-grown grapes by 55 percent and expanded our global distribution to over 25 countries worldwide. This growth was subject to one critical criterion: it must be done sustainably so we keep our promise of having Better Farms and Better Flavor.

I am encouraged by our progress, such as being recognized by one of our key retail partners as the top grape supplier based on our sustainability performance. But, we have never been a company that rests on its laurels. In the same way that we are always looking out for how we can deliver an even tastier grape, we are carefully cultivating sustainability into the way we do business—so that we grow to be better stewards of the land, natural resources, wildlife, and our people.

To uphold the integrity of this commitment, we launched The Better Future Project in 2017. The project is led by the cross-functional Sun World Sustainability Committee who collaborates daily with farmworkers, scientists, engineers, non-profit organizations, and municipalities. We identified the priorities of people, the environment, and innovation for our vertically-integrated business operations, where we own and operate the vineyards. We look forward to sharing best practices from these efforts with licensees who grow our varieties worldwide.

Within this report you will see not only the programs of The Better Future Project, but also the metric-based goals we established to measure our programs’ success and positive impact. We began tracking our performance to bring data to these efforts and demonstrate how we see corporate responsibility as an integral part of our business strategy. The selection of the programs and targets was influenced by material sustainability topics included in the United Nations Sustainable Development Goals and other external frameworks (e.g., Sustainability Accounting Standards Board, Global Reporting Initiative).

In this report, we provide an overview of what we have already achieved and what we plan to achieve. We also introduce you to a few of the inspiring people on our team driving this progress. I commonly walk the halls and fields of Sun World to keep connected to the thousands of people who earn a living from what we do. It is the livelihood of our people, the health of their community and its natural resources, and the nutrition we provide to millions around the world that make our corporate responsibility efforts so valuable.

I look forward to sharing our continued progress with you in similar reports. And I thank our customers, vendors, grower and marketer partners, employees, and our consumers for supporting our efforts to deliver the sweetest grapes, sustainably grown.

“We are carefully cultivating sustainability into the way we do business so that we grow to be better stewards of the land, natural resources, wildlife, and our people.”

Merrill Digele
CEO & PRESIDENT
Growing grapes has always been our passion. The first seed was planted in 1976 and we have been committed to Better Farms and Better Flavor ever since. At the core of our success today, and in the future, is the understanding that the way we grow our grapes is as important as the grapes themselves.

With that aim, we are carefully cultivating sustainability by:

**Empowering our People**

- **Farmworker Initiatives:** Train 2,500 farm workers on skills that support career development and personal wellbeing.

- **Corporate Initiatives:** Improve overall workplace safety performance of Sun World staff and continue to outperform industry averages.

**Protecting our Environment**

- **Water Conservation:** Advance water conservation by sourcing 75% of our dry-year water supply from water that we recharged to the groundwater table in wet years by 2022, along with continuous improvement in water use efficiency.

- **Renewable Energy:** Generate 10% of power from renewable sources to reduce our dependency on power generated from fossil fuels.

- **Soil and Bee Health:** Plant 50% of acres with cover crops and hedgerows to support soil health and at-risk bee populations.

**Innovating for Sustainability**

- **Variety Development:** Continue to develop non-GMO grapes with higher yield and lower inputs and water use.
ABOUT SUN WORLD

Sun World International, LLC has grown significantly since its beginnings over 40 years ago in Bakersfield, CA. We now have vineyards on 6,000 net acres, with an additional 550 acres in recharge ponds and six acres dedicated to future solar projects in California.

As a vertically-integrated produce company, we develop premium grape varieties and then grow, harvest, and market them under the Sun World® brand. Grapes that are grown by our carefully vetted network of outside growers and international licensees can also be found under the Sun World® brand. These great-tasting grapes are enjoyed by consumers around the world.

Our team is composed of 200 full-time employees in farming, cold storage operations, research and development, sales and marketing, and administrative functions. We also provide jobs for up to 6,000 seasonal workers each year to help cultivate and harvest our grapes.

The growing regions of the Coachella Valley and the San Joaquin Valley in California are home to our nearly 40 ranches and vineyards.

As a vertically-integrated produce company, we develop premium grape varieties and then grow, harvest, and market them under the Sun World® brand. We also license proprietary varieties to grape growing regions around the world.
EMPOWERING OUR PEOPLE

From those that care for our vineyards to those that nurture our business operations, Sun World provides opportunities and resources to expand their wellbeing such as:

- **English as a Second Language (ESL), vocational, and adult education opportunities for farmworkers.**
- **Personal credit and financial asset-building courses for farmworkers.**
- **Comprehensive job training from workplace safety to interpersonal communication skills.**

2022 GOALS

- **Farmworker Initiatives:** Train 2,500 farm workers on skills that support career development and personal wellbeing.
- **Corporate Initiatives:** Improve overall workplace safety performance of Sun World staff and continue to outperform industry averages.

Farmworker Initiatives

Sun World knows that it takes the very best people to grow the very best grapes. This starts with learning what our farm crews’ needs are and providing opportunities that improve their overall quality of life such as their health, long-term financial security, and upward mobility, so they can have the capacity to be focused and motivated to do their best.

Since 2016, we partnered with the Farmworker Institute for Education and Leadership Development (FIELD) to offer free ESL classes to farmworkers and their families. With over 600 workers registering for the courses each year, interest levels have been high. Although farmworkers often face significant challenges in being able to attend, 120 workers and family members attended the courses in the two years we have offered them.

In 2017, Sun World donated funds to the non-profit organization, the Central Valley Farmworker Foundation, to offer personal wellbeing classes to farmworkers. To date, these opportunities include financial literacy, diabetes awareness and prevention education, and fitness classes.
Corporate Initiatives

Sun World is dedicated to raising the bar on workplace safety. In 2015, we launched a company safety program to actively incentivize safe behavior in the workplace. We are proud to report that each year we have exceeded our goal and achieved workplace illness and injury ratings well below the industry average. We will continue to explore creative ways to emphasize a “safety first” culture.

Although Sun World is proud to offer full-time employees and their families access to comprehensive benefits such as medical, dental, and vision coverage, flexible spending accounts, retirement accounts with company match, life insurance, and disability income protection, our benefits also go far beyond in the areas of health and wellness activities and education. In 2017, we launched an employee wellness initiative called Sun World Fitness, Inspiration and Teamwork (F.I.T.) to promote the wellbeing of our people in team-based activities. To date, Sun World F.I.T. has held five health and wellness challenges as well as sponsored two race events with a total of 130 staff participating.

We are proud to go above-and-beyond typical industry standards by offering these opportunities and will continue to seek ways to expand their reach to our people.

Achieved illness and injury rates well below the fruit and tree nut farming industry averages. Source: Bureau of Labor Statistics: https://www.bls.gov/iif/

Estela Ramirez works alongside contracted farmworker crews serving as more than a Sun World field crew supervisor but also as their advocate. Her passion for creating opportunities for our community stems from a 40-year career at Sun World starting in the field as a crew member herself. She now serves as the Sun World ambassador of the Central Valley Farmworker Foundation where she facilitates the skills training program to support career development and personal wellbeing of our valued field crews. Through Sun World’s partnerships since 2016, over 125 people were supported with ESL classes, financial literacy and planning training, and other skills instruction. Estela wholeheartedly believes that, “Today’s crew members will be tomorrow’s supervisors. These people are the future of the company and our communities.”
We depend on the land and its natural resources to grow our grapes. We continually look to advance our use of sustainable practices and technology to nourish the vines and protect our environment. Our expert team of engineers, scientists, and agronomists who are leaders in their fields explore and pilot new approaches to implement proven solutions for water, energy, and land conservation.

**Water Conservation**

Water sustains life—our business, our people, and our communities. Yet, our growing regions faced severe droughts for five of the last six years. In connection with the California Sustainable Groundwater Management Act, the California Department of Water Resources has identified various water basins in the San Joaquin region (where 70 percent of our growing acreage is located) as a high priority for future groundwater management efforts under that legislation. We took that as a call to action to exercise the most thoughtful water management processes, with a two-part approach that manages both water use and water availability.

First, we resolved to find and implement the best water efficiency practices. To that end, Sun World utilizes drip irrigation on 100 percent of our vineyards. This irrigation system has proven to be one of the best ways to efficiently and effectively deliver just the right amount of water to the vines. We also found that relying on basic irrigation schedules, external water advisors, and weather forecast-based adjustments were not enough. We surpassed those industry-standard methods with a cutting edge and rigorous irrigation management process based on real-time soil moisture monitoring and local ranch weather stations. We began using these soil moisture sensors in 2014 and by 2017 we had successfully expanded them to 98 percent of our acreage. We will continue to explore and implement the best technology available to promote water efficiency.

**2022 GOALS**

- **Water Conservation:** Advance water conservation by sourcing 75% of our dry-year water supply from water that we recharged to the groundwater table in wet years by 2022, along with continuous improvement in water use efficiency.

- **Renewable Energy:** Generate 10% of power from renewable sources to reduce our dependency on power generated from fossil fuels.

- **Soil and Bee Health:** Plant 50% of acres with cover crops and hedgerows to support soil health and at-risk bee populations.

**How Water Banking Works**

- **Transfer Piping**
- **Recharge Basin**
- **Extraction Well**
- **Sandy bottom**
- **Soil**
- **Water Table**
- **Unconfined Aquifer**

Sun World and local community water use
Second, we set aside a portion of our farmland and partnered with sister company, Homer LLC, to build six water recharge basins that are helping to restore groundwater levels. We also partnered with local water districts to build additional basin projects on a total of 550 acres of land set aside to help manage water availability. We aim to expand these programs so that in dry years at least 75 percent of our water supply will be derived from water which we recharged in wet years.

It was a particularly wet year in 2017, which allowed the Sun World and Homer water basins to capture approximately 120,000 acre-feet of water. To put it in perspective, this volume of water is roughly equivalent to the volume necessary to support Sun World’s entire Central Valley water needs for six years. Key to this effort is this water is shared with the local community to help provide critical water resources to our neighbors.

Depending on the project, we donate 10 percent to 50 percent of the recharged water to local needs, including, improving the overall health and sustainability of the underground aquifer system.

We are already expanding this approach with additional basins planned and will continue to support local water district projects by operating basins or providing land for their needs.

Renewable Energy
Sun World primarily relies on electricity to pump water for irrigation and to run our cold storage facilities. While we continue to explore opportunities to improve our energy efficiency, we are already beginning to invest in renewable energy and have set aside land for solar power installations. We aim to have 10 percent of our power generated by these on-site energy sources.

Soil and Bee Health
There is no doubt that growing grapes is what we’re best at. But, we also grow a significant amount of cover crops and hedgerows that help enrich soil and maintain optimal soil health for our vines. In 2017, we identified opportunities to support at-risk bee populations within our cover crops through a partnership with Project Apis m., an organization whose mission is to enhance the health and vitality of bee colonies while improving crop production. Through this effort, we became the first commercial grape grower to be given the designation of Certified Bee Friendly Farms from the Pollinator Partnership. We also expanded the plantings to include forage for butterfly species, including the imperiled Monarch butterfly, and insect-eating birds for pest control. We will continue our investment in establishing more acreage with these pollinator-friendly cover crops and hedgerows that attract bees, butterflies, and birds and do our part to sustain bee health.

Dave Dorrance, a principal at Sun World’s sister company, Homer LLC, was determined to find ways to address the perennial water availability problem faced in California where 95 percent of U.S. table grapes are grown. Instead of relying on the state and local authorities to find solutions to water availability, Homer and Sun World worked hand-in-hand with water districts to develop 550 acres of groundwater recharge basins. These basins capture water in times of excess and store it in underground aquifers for later use. This has provided sustainable water sources for our vineyards and communities. Dave notes that, “While many producers want to maximize their planted acres, Sun World sets land aside for community water sources. This strategic view to land use has exciting potential that we will continue to explore with partners across different industries and geographies.”
David Fenn grew up raising bees in Mexico with his father. With this close connection to bees and serving as the head of farming operations at Sun World, he found a way to bring both passions together with cover crops. Cover crops support grape cultivation by reducing dust that can carry diseases to the fruit and improving the soil structure and nutrient availability for the roots and vines to thrive. As we expanded our use of cover crops in 2017, through David’s leadership, we chose to have a greater impact by planting a unique blend that supports bee health. David points out that, “While grapes do not need bees for pollination, our neighboring growers need a strong bee population to sustain our global food supply. In this way we can support our grower community and gain soil health at the same time by choosing to use certain cover crops.” This restoration of essential habitat for pollinators helps the effort to recover the declining populations of bees in our region. As a result, our vineyards are certified as Bee Friendly Farms.

550 acres of water recharge basins

6000 acres with drip irrigation and close to that with water sensor technologies

2500 acres in cover crop and hedge-rows, with some including pollinator-friendly plants

WHAT STANDARDS MUST CERTIFIED BEE FRIENDLY FARMS MEET?

- Offer forage providing good nutrition for bees on 3-6 percent of land.
- Plant continuous bloom of different flowering plants throughout the growing season, especially in early spring and late autumn in temperate regions.
- Offer clean water for bees.
- Provide a variety of habitat for nesting and mating, through features such as hedgerows, natural brush, or buffer strips.
- Utilize Integrated Pest Management (IPM) practices to reduce or eliminate the use of chemicals.

Source: Pollinator Partnership http://pollinator.org/bff
INNOVATING FOR SUSTAINABILITY

Sun World is leading the way to deliver the most responsible, healthy, and flavorful produce from vine to table including:

- Development of high yielding, non-GMO grapes grown with lower inputs and water use.
- Data-driven sustainability benchmarks, measurement, and reporting, including the ability to model our greenhouse gas impact and water usage.

2022 GOALS

>> Variety Development: Continue to develop non-GMO grapes with higher yield and lower inputs and water use.

The best grapes come from the best vines. Sun World has long led in this area by cultivating vines that produce grape varieties that are more flavorful and grower-friendly. Our research teams also look for varieties with higher yield and greater disease and pest resistance to reduce the need for water and chemical fertilizers and pesticides.

We use traditional breeding processes that require patience and a good eye, informed by meaningful data. This approach has been helping us more rapidly find varieties that require fewer inputs to produce high quality grapes.

Using data to inform our decisions has been critical to our success. In addition to our data-driven approach in breeding we are beginning to use real-time soil moisture monitoring probes at different depths to inform our irrigation schedules to conserve water. We are building additional tracking capability including the ability to model our greenhouse gas impact.

Terry Bacon and Terrance Frett lead Sun World’s innovative research team in finding the best grape varieties for our vineyards. Great tasting varieties come from their work using non-GMO breeding approaches. They have additional tools at their disposal, including the ability to characterize a plant’s genes. This information helps determine, in the research stage, which plants have seeds in the fruit and should not be planted and which have resistance to diseases and other beneficial attributes. Terry summarizes the potential of this work, “It is exciting to see that we are getting closer to finding true organic varieties that require little or no chemical sprays, even those sprays that are naturally derived, due to their inherent disease resistance.”
CONTINUED CULTIVATION

While we are proud of the progress we have made, we will continue to work toward our goals and expand our efforts.

Diverting Landfill Waste
In 2017, we conducted a detailed audit of our waste and recycling, which will be used to develop additional sustainability goals for 2022 such as exploring trainings and partnerships that help reduce waste and increase recycling in the long-term.

Growing Organic Grapes
In 2016, we initiated a three-year process to convert a portion of our conventional acreage to organic following the National Organic Program. We are expecting our first certified organic harvest in 2019.

Reducing Greenhouse Gas Emissions
In addition to building solar power capacity on our vineyards, we are also exploring biomass energy conversion to further reduce our greenhouse gas emissions. Furthermore, in 2016 we audited all our farm equipment and fuel usage and have actively partnered with the San Joaquin Valley Air Pollution Control District to systematically replace dated equipment with cleaner technologies.

Leading Farmworker Empowerment
To address the farm labor shortage we are experiencing industry-wide, Sun World and its ownership partnered with expert workforce development organizations to establish California Harvesters, Inc. CA Harvesters is an independent organization who’s mission is to maximize benefits and opportunities for the farm labor force. The company is set to launch in 2018.

Transparency with Labeling
We believe that being open about our approaches, sharing best practices, and partnering with other organizations has helped us find new solutions. This is a driver for this first report on our corporate responsibility efforts. To this end, we give consumers valuable information on our packaging about heart heath benefits and nutritional value, along with the assurance that our grapes meet the guidelines set by the Non-GMO Project.

Our thoughtful approach has helped deliver quality grapes to our consumers for over 40 years and we believe that cultivating our People, Environment, and Innovation will support our continued success in providing Better Farms and Better Flavor.
COMPLIANCE
Sun World has always placed a priority in food safety and compliance, such as:

- Global Food Safety Initiative programs:
  - Global Good Agricultural Practices (GlobalGAP)
  - PrimusGFS
- Local laws and regulations (e.g., Environmental Health, Air Pollution Control, Fire Department), insurance, and customer audits.

MEMBERSHIPS
American Society of Safety Engineers
California Fresh Fruit Association
California Table Grape Commission
Canadian Produce Marketing Association
Growing Coachella Valley
Kern County Farm Bureau
Kern County Society of Human Resources
Produce Marketing Association
PMA Food Safety Gold Circle Sponsor
Spray Safe-Kern County Farm Bureau
United Fresh Produce Association
Western Growers Association

PHILANTHROPIC SUPPORT FOR:
4-H Kern County
Ag in the Classroom
Boys & Girls Club
California Women for Ag-Kern County Chapter
Central Valley Farmworker Foundation
Farmworker Institute for Education and Leadership Development
Future Farmers of America organizations
Housing & Opportunity Foundation of Kern County
Produce for Kids Power Your Lunchbox Sponsor (benefiting Feeding America)

This report contains some “forward-looking” statements concerning our outlook for the future, as well as other statements of beliefs, future plans and strategies or anticipated events, and similar expressions concerning matters that are not historical facts. Our forward-looking information and statements are subject to risks and uncertainties that could cause actual results to differ materially from those expressed in, or implied by, the forward-looking statements. Sun World does not intend, or assume any obligation, to update or revise these forward-looking statements in light of changed conditions or any other developments which might affect the statement.

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BETTER FARMS.
BETTER FLAVOR.™

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