



# **THE MORNING STAR PACKING COMPANY**

**Woodland, CA**

**LH FMS AUDIT SUMMARY REPORT: INITIAL CERTIFICATION**

**June 28, 2023**





A SUBSIDIARY OF K-COE ISOM, LLP

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<b>Certification ID#</b>	AVERUM-LHFMS-2023-0008

Certification Audit     Re-Certification Audit     Surveillance Audit     Scope Extension

# MORNING STAR PACKING COMPANY

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### INTRODUCTION

This report summarizes the results of the June 28, 2023 audit conducted on The Morning Star Packing Company (Morning Star) managed production agriculture properties. The audit was conducted by Matt Armstrong, Lead Auditor for Averum. Matt Armstrong has had experience with Leading Harvest Farmland Management Standard 2020 (LH FMS) throughout its development, is an assurance provider for multiple sustainability programs, and has expertise in production agriculture on multiple crop types in North American regions. Site visits were provided by Andrew Zetterberg, Field Auditor. The audit process and reports were independently reviewed by Kyle Rusten, who is a certified public accountant in the state of California and has expertise on multiple crop types in the United States. All senior members of the audit team hold training certificates in ISO 17021:2015 (Conformity Assessment), 14001:2015 (Environmental Management Systems), as well as IAF MD-1:2018 (Certification of Multiple Sites).

### SCOPE AND OBJECTIVE

In 2023, Averum was engaged by Morning Star to perform an audit of sustainability performance on 150 sites of managed agricultural operations and determine conformance to the principles, objectives, performance measures, and indicators of the LH FMS. LH FMS objectives 1 through 12 were covered during site visits on properties in California.

Indicator 10.3.1 was modified to capture the unique situation of Morning Star's motivation for certification. Indicator 10.3.1 was modified to read: "Standard users shall provide a written commitment to the Leading Harvest Standard prepared either by the program user directly, or partner organizations that motivate program user conformance efforts. Commitments to the Leading Harvest Standard will be communicated throughout the organization, particularly to facility and farm managers."

### COMPANY INFORMATION

Morning Star is an integrated processing and packing company. Farm operating management contractors are responsible for the day-to-day farmland management services for Morning Star's properties. Morning Star opted to certify 100 percent of their grower operated supplier properties in 2023, allowing them to engage in broader sampling and simplifying the process of maintaining their certification in the future.

Morning Star contracted with Averum to provide a Stage 1 audit (or Readiness Review) on grower/supplier operated and directly operated properties in California. Results of the readiness review were shared with Morning Star. On the certification audits, thirteen (13) sites in California were selected. Managers overseeing decision making and standard compliance for sample regions were contacted for evidence requests and interviews. The properties in these regions are a representative sample of current practices in place and management decision making. The primary agricultural production on sites is tomatoes.

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### AUDIT PLAN

An audit plan was developed and is maintained on file by Averum. An online portal was established for Morning Star coordinators to upload evidence and documentation securely for auditor review, and evidence was continuously uploaded throughout the audit. An opening meeting was held on June 12, 2023, preceding site visits. Following the meeting, a document review of the provided evidence was conducted by Averum. Field sites in California were examined on June 14, 2023. A closing meeting was held on June 28, 2023.

#### Opening Meeting: Conference Call

June 12, 2023

**Attendees:**

(Morning Star) Renee Rianda

(Audit Team) Matt Armstrong, Andrew Zetterberg, Linnea Rash

**Topics:**

- Introductions of participants and their roles: Matt Armstrong
- Introduce audit team: Matt Armstrong
- Status of findings of the previous audits: N/A
- Audit plan: Matt Armstrong
- Expectations of program user staff: Matt Armstrong
- Method of reporting: Matt Armstrong

#### Closing Meeting: Conference Call

June 28, 2023

**Attendees:**

(Morning Star) Renee Rianda

(Audit Team) Matt Armstrong, Andrew Zetterberg

**Topics:**

- Opening remarks: Matt Armstrong
- Statement of confidentiality: Matt Armstrong
- Closing summary: Matt Armstrong
- Presentation of the audit conclusion: Matt Armstrong
  - Major Non-Conformances: 0
  - Minor Non-Conformances: 1
  - Opportunities for Improvement (OFI): 3
  - Notable Practices: 0
- Report timing and expectations: Matt Armstrong

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### MULTI-SITE REQUIREMENTS

Morning Star maintains operations on multiple properties in California. Morning Star qualifies for multi-site sampling since the properties within the management system are centrally controlled and directed by regional management, with regular monitoring activities. Personnel overseeing crop production and supply are responsible for developing corrective action plans regarding LH FMS conformance and report them to Morning Star management. Morning Star's current review and monitoring process is effective and ongoing.

Field visits and observations are conducted based on a sample of properties each year. Sampling methodology is provided in the LH FMS. In accordance with International Accreditation Forum Mandatory Documents (IAF-MD) methodology, all sites were initially selected at random with consideration of any preliminary examinations and then coordinated to ensure representative coverage of the complexity of the portfolio, variance in sizes of properties, environmental issues, geographical dispersion, and logistical feasibility.

Region	Crop	Properties Examined During Engagement
California	Tomatoes	Thirteen (13) sites visited during the audit <ul style="list-style-type: none"><li>- Sites visited represent 8.7% of farms</li><li>- Management population: Four (4) regional managers,</li><li>- Sites visited: RVR2, RVG1, RVT4, RVADT3, RVADT5, SB8, SB57, SB159, SB58, PL1, HR1, PL2, and SF28</li></ul>

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### AUDIT RESULTS

Overall, Morning Star's agricultural operations conform to the objectives of the Leading Harvest Farmland Management Standard 2020 (LH FMS). Interviews and document reviews were performed to determine procedural and documentation conformance to the LH FMS. Documentation of practices was continuously supplied throughout the audit when requested. Documentation from multiple sites was provided to auditors. Field visits were performed on 13 operating sites in California. Visits were during the growing season, so soil and other resource management were highlighted. Central and regional management representatives, as well as operating tenants, were present and interviewed to illustrate Morning Star's conformance and policy implementation. Central office staff with roles that impact LH FMS conformance were interviewed to determine awareness of and support for LH FMS conformance, and to illustrate company practices and procedures not performed by farm managers. Morning Star management served as guides and were available throughout the entire engagement, providing logistic support and honoring evidence requests wherever needed.

The following are summarized findings, per LH FMS performance measure. Specific non-conformances, opportunities for improvement, and notable practices are described in the Key Findings section of this report.

#### Objective 1: Sustainable Agriculture Management

##### 1.1 Sustainable Agriculture Stewardship

###### **Conformance Evidence**

- Sustainability webpage
- Unilever Audit Results on compatible requirements
- The Farm Sustainability Assessment (FSA) Self-Assessment Questionnaire

###### **Auditor Notes**

- Morning Star's website provides mission statements that address environmental stewardship and overall company goals.
- Resource efficiency is addressed on Morning Star's Sustainability webpage.
- Morning Star provides feedback and guidance to grower suppliers regarding sustainability and any site concerns.
- Morning Star is audited to Unilever's Sustainable Agriculture Code 2017 and the SYSCO Sustainable/IPM | SYSCO Sustainable/IPM v09.03 standards. Comparisons between Unilever Sustainability Audits, SYSCO audits, and FSA Questionnaires have been produced by Averum to determine the compatibility of other standards with LH FMS requirements. Where compatibilities have been identified, Averum has relied on the findings in other audit results. Certification processes remained unchanged on topics without directly compatible language.
- Field days and research presentations are hosted for growers to review results from trials.
- Tomatoes are grown in 3-to-5-year cycles.
- Morning Star helps growers prepare their fields for ideal tomato growing conditions.

**Result: In Conformance**

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### Objective 1: Sustainable Agriculture Management (Continued)

#### 1.2 Critical External Factors

##### **Conformance Evidence**

- Unilever Audit Results on compatible requirements

##### **Auditor Notes**

- Grower suppliers work directly with advisors and consultants to ensure long-term profitability and sustainability of agricultural production.

- Morning Star includes grower advisors in strategy meetings to support meeting sustainability audit requirements and strategic information gathering. Direct-operated farm advisors are included to ensure critical factors are being addressed across all sites.

**Result: In Conformance**

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### Objective 2: Soil Health and Conservation

#### 2.1 Soil Health

##### **Conformance Evidence**

- Sysco Audit results on compatible requirements
- Unilever Audit Results on compatible requirements

##### **Auditor Notes**

- Crop rotations support soil health and nutrient balance, which is difficult to maintain if tomatoes are the only crops grown. Cover crops are planted and reincorporated at some sites to increase soil organic matter. Soil amendments are added to support soil health, expedite organic matter decomposition, and treat sandy soils.
- Select site uses a formal soil plan devised by crop consultants at Wilbur Ellis.
- The California Department of Food and Agriculture (CDFA) requires the use of a Nutrient Management Plan (NMP) that justifies which crops are grown, the nutrients needed for plant health, and the nutrient replacements required to replace nutrients removed from the soil. Site selected uses an NMP that covers relevant aspects of planning, soil analysis, best practices for crop applications.
- NMPs consider the net impacts of fertilizer use on soil health and water quality. Plans are defended to Morning Star oversight groups. NMP requires fertilizer application and usage rates to be recorded.
- Morning Star conducts soil testing yearly on varying grids dependent on previous soil tests. Smaller grid samples are taken if there is soil variability. Soil tests are performed by consultants who provide application recommendations to growers based on test results. Consultants maintain Pest Control Advisor (PCA) or Crop Consultant Advisor (CCA) licenses. Local PCAs utilize regional knowledge and provide region-specific recommendations.
- Turkey litter is used on selected site as fertilizer before planting to provide nutrients to the soil.
- Nitrogen testing is performed by probing in the soil at varying depths. Nitrogen management plans and crop yield data are submitted to the local water coalition.
- Soil amendments are made by variable rate application informed by soil samples. Growers consider upcoming crop needs and tailor nutrient application to specific crop needs to avoid excess application. Amendments are also adjusted based on prior year crop plantings in the rotation, current year demands, and inclement weather.
- Morning Star maintains a Soil Management and Conservation Plan.
- Grower of selected site received State Water Efficiency and Enhancement Program (SWEET) grants in California and works with the Healthy Soils program. Grower has committed to cover cropping and adopting a tomato amendment program in fields.

**Result: In Conformance**

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### Objective 2: Soil Health and Conservation (Continued)

#### 2.2 Soil Conservation

##### **Conformance Evidence**

- Unilever Audit Results on compatible requirements

##### **Auditor Notes**

- Organic matter including chopped plant trimmings are applied to fields to mitigate erosion and provide soil structure.
- Best Management Practices (BMPs) include management of onsite drainage features, planting buffer or filter strips to reduce runoff, and strategically placing windbreaks and planting cover crops to protect soil and prevent soil erosion.
- Sites were mostly flat and have no observable issues with erosion or runoff. No land is designated as highly erodible.
- Compaction may cause issues during seasons with greater rainfall. Soil profiles consist of clay and are susceptible to compaction during tillage and planting tomato beds. Gypsum and sulfur applications and heavy tillage in the fall mitigate compaction by loosening the ground.
- Sites use gypsum and nitrogen-based products to improve water retention.
- Most production land has crops on it year-round. Winter wheat is occasionally included in crop rotations.
- Impacts of soil amendments on soil health and water quality are justified using the removal rates of grown crops.
- One site selected left land fallow due to lack of water availability last year. The local water district's allocation was between 0 and 5% of a full allocation, which led the grower not to plant during California's drought condition.
- Drainage is a concern on sites with higher amounts of clay in the soil profile so growers pull beds in the fall to avoid compaction in the top portion of the beds through winter.

**Result: In Conformance**

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### Objective 3: Water Resources

#### 3.1 Water Use

##### **Conformance Evidence**

- Unilever Audit Results on compatible requirements

##### **Auditor Notes**

- Sustainable groundwater management plans require growers to avoid withdrawing water beyond the source's recharge capacity. Growing area has been expanded this year to remain in compliance with water allotments.
- Morning Star reports water usage to the California Water Resources Control Board. Water meters are placed on the river pumps to track acre feet and peak rates when pulling water.
- Morning Star tenants work with a business unit of Morning Star's research and development team called Gradient Crop Yield Solutions. Gradient helps growers monitor evapotranspiration, identify watering thresholds, monitor crops throughout the growing season, and use weather station services to inform irrigation and timing to improve efficiencies and crop yields.
- Morning Star monitors evapotranspiration since data may provide a better indication of plant health than relying only on irrigation. Clay soils may prevent water uptake.
- The California State Water Resources Board selects the limits of water placed on the regional districts, based off rainfall, snowpack, and needs of other water users. Some sites have access to wells when surface water allocations are limited. Required water withdrawal permits are maintained.
- Grower of a selected site is funding and building a pump that will access the Sacramento River. The California State Water Resources Board has approved the project.
- Site selected pulls water from the Sacramento River through riparian rights, since the ground has been farmed since 1916 for agricultural purposes. No limit is placed due to historic water use rights.
- Filtration systems are placed on each well to filter water before irrigated.
- Well depth is tested during dry years to confirm water availability for crops.
- Drop nozzles installed on overhead irrigation. Shutoff devices are triggered by rainfall to improve water usage efficiency. Furrow or flood irrigation replaced by overhead or drip irrigation to increase efficiency at selected sites. Drip line supports water conservation by watering roots directly.
- Site uses water that flows through the 2047 Canal and feeds into the farm before returning to the river at Knights Landing, so no water is wasted.
- Drip line irrigation conserves water by applying water directly to plant roots. Select sites remotely monitor and automate irrigation.
- Water usage on tomatoes varies year-to-year based on heat and weather in the current growing season, and prior year's rainfall and moisture levels.
- Morning Star growers use an irrigation activity log to track watering activities and ensure crops are getting an appropriate amount of water.

**Result: In Conformance**

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### Objective 3: Water Resources (Continued)

#### 3.2 Water Quality

##### **Conformance Evidence**

- Sysco Audit results on compatible requirements
- Unilever Audit Results on compatible requirements

##### **Auditor Notes**

- Morning Star provides programs to growers to ensure that crop protection products appropriately reach targeted areas and are not used excessively.
- Crops are monitored and scouted regularly by grower employees and PCAs. Water scouting is conducted weekly during irrigation seasons to ensure plants are receiving adequate water.
- Scouting is performed by Gradient on select sites. Gradient scouts are trained to identify dry spots in the tomato fields and issues with the drip or furrow irrigation.
- Tissue tests are taken by PCAs and studied to identify nutrient deficiencies early in the growing season. If there are deficiencies, the NMP is altered to add required nutrients at the root level.
- Buffer zones adjacent to streams, wetlands, ponds, and other bodies of water are maintained and planted with native vegetation. Select site is bordered by riparian areas. The areas are separated by a levy that is tall enough to block potential drifts during spraying.
- Employees of growers are trained to avoid the riparian areas.

**Result: In Conformance**

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### Objective 4: Crop Protection

#### 4.1 Integrated Pest Management

##### **Conformance Evidence**

- Sysco Audit results on compatible requirements
- Unilever Audit Results on compatible requirements

##### **Auditor Notes**

- Growers maintain Integrated Pest Management (IPM) plans and share them with Morning Star. Morning Star reviews plans and monitors implementation. IPM Plan includes processes and criteria for selecting suitable growing areas, field rotation and varieties to minimize inoculum build-up, pest infestations, and contamination of harvested product.
- Morning Star is involved in California Pest Control Initiatives to identify the lowest risk, most selective treatment options for tomatoes.
- PCAs determine application thresholds based on regional knowledge, weather impacts, and University of California (UC) Extension suggestions. Spraying takes place after other means of pest prevention are exhausted.
- Morning Star has licensed PCAs on staff and contracts with external PCAs to apply preventatives.
- Grower suppliers and Morning Star receive Regional Pest Alerts from UC Extension Office. Grower of select sites are working with UC Extension to develop preventative measures for beet curly top virus, which can negatively impact tomatoes.
- Pests are monitored through scouting, insect traps, sweet nets, weed maps, and tracking weather conditions.
- Tissue or leaf testing and sampling is conducted to identify aphid, fruitworm, and black mold management.
- Scouts and PCAs identify the presence of beneficial insects and monitor their population to determine if a spray is needed.
- Crop rotation is very helpful with managing disease and pest pressures by disrupting pest habitats.
- Pest control and crop applications are performed in house by grower employees unless applications are applied via airplanes.

**Result: In Conformance**

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### Objective 4: Crop Protection

#### 4.2 Crop Protectant Management

##### ***Conformance Evidence***

- Sysco Audit results on compatible requirements
- Unilever Audit Results on compatible requirements

##### ***Auditor Notes***

- Growers are required to have restricted pesticide use permits.
  - Agrochemical storage areas are well-constructed, locked, dry, and well ventilated.
  - Empty chemical bins are triple rinsed and returned to the suppliers. Suppliers recycle or reuse the cleaned bins.
  - Applicators are qualified and meet minimum continuing education requirements to maintain licensure or certification.
  - Applications are coordinated and performed by hired PCAs and grower staff.
  - Relevant staff attend yearly safety training as a requirement of their chemical applicator licensures.
- Growers hold regular informal safety meetings with employees to review relevant procedures, areas to avoid after spraying, and safe application methods.

***Result: In Conformance***

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### Objective 5: Energy Use, Air Quality, and Climate Change

#### 5.1 Agricultural Energy Use and Conservation

##### **Conformance Evidence**

- Sysco Audit results on compatible requirements
- Unilever Audit Results on compatible requirements

##### **Auditor Notes**

- Morning Star growers reduce the number of passes made by equipment and emissions by selecting more effective products to treat crops.
- Drone technologies are used to map fields and create crop maps to reduce the number of passes and provide information on plants that need targeted applications.
- Reductions in petroleum-based fertilizers used on sites reduce emissions. More efficient irrigation pumps conserve energy. Sites use some electric and hybrid vehicles.
- Sites are beginning to use more renewable fuels such as biodiesel and ethanol in equipment.
- Solar panels are installed on pumps. Electricity generated creates at least 80% of the energy required for pumps to operate. Solar panels send energy back to the electricity grid for community use whenever excess energy is generated.

**Result: In Conformance**

#### 5.2 Air Quality

##### **Conformance Evidence**

- Sysco Audit results on compatible requirements
- Unilever Audit Results on compatible requirements

##### **Auditor Notes**

- Limits are placed on the number of hours outdated equipment such as tractors may be used.
- Tier 4 engines and diesel exhaust fluid (DEF) are used in farm implements to allow them to run more efficiently.
- Grower suppliers and Morning Star are in compliance with applicable California Air Resources Board (CARB) requirements.
- Growers maintain equipment inventories and maintenance schedules to ensure they are running efficiently.
- Water or magnesium chloride may be applied to roadways to mitigate airborne particulates. Activities that could contribute to dust generation are avoided on higher risk days.

**Result: In Conformance**

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### Objective 5: Energy Use, Air Quality, and Climate Change (Continued)

#### 5.3 Climate-Smart Agriculture

##### **Conformance Evidence**

- Sysco Audit results on compatible requirements
- Unilever Audit Results on compatible requirements

##### **Auditor Notes**

- Data is collected and tracked through satellite imagery and software applications to support informed decisions on equipment use.
- Staff and supplies are sourced locally whenever possible to reduce transportation emissions.
- Energy management and reduction plans are used in transportation logistics to reduce energy use and waste generated between farms and processing facilities.
- Employees are trained to identify scenarios where they may operate farm implements more efficiently during tillage, mulching, and harvesting.
- Morning Star regularly researches and conducts trials on new and more resilient tomato varieties.
- Global Positioning Systems (GPS), auto-pilot hardware, drone technology, low flow nozzles, drip irrigation, and reduced agrochemical applications help Morning Star farms run more efficiently.
- Controls are in place to mitigate the negative impacts of climate change in California. Excessive rain and frosts are common regional climate factors that negatively impact production.
- Winter rains can cause compaction on clay soils and disrupt the planting season. Gypsum applications and tilling the ground assist by loosening the soil.
- Spring rain may make it difficult for equipment to operate in wet soils and delay tomato planting. Drainage and water outlets on sites are carefully managed to avoid overly wet conditions.
- Frost in early spring can cause lethal damage to tomato crops. Young tomato vines may die if exposed to frost, and tomato fruits can be damaged by an early frost, affecting their appearance and quality. Irrigation controls defend against frost events and are remotely controlled.

**Result: In Conformance**

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### Objective 6: Waste and Material Management

#### 6.1 Management of Waste and Other Materials

##### ***Conformance Evidence***

- Sysco Audit results on compatible requirements
- Unilever Audit Results on compatible requirements

##### ***Auditor Notes***

- Morning Star maintains a Waste Management Plan.
- Used oil, irrigation drip tape, chemical tote containers, tires, cardboard, scrap metal, plastics, and organic crop wastes are generated by Morning Star growers during operation. Farms are compliant with national and local regulations for the safe storage and disposal of hazardous waste.
- Morning Star farms recycle materials based on the capability of recycling programs in the counties they operate. Tires, scrap iron, and used oils are recyclable under some programs.
- Morning Star farms can recycle drip tape with their suppliers. The suppliers repurpose the used drip tape to create new tape lines.
- Water used for processing is reused for irrigation.
- Culled tomatoes are diverted from landfills and sold as cattle feed.
- Chemical suppliers will pick up triple-rinsed totes from growers to reuse. Agrochemicals are stored in a secure, dry, and well-ventilated area. They are clearly labelled so they can be easily identified.
- No waste is burned on the sites visited.
- Morning Star adheres to chemical use policies, and applicators are properly trained and licensed.
- Suppliers and sub-suppliers have written policy and compliance statements regarding requirements pertaining to pesticide and nutrient application and employee health and safety, as required by LH FMS and compatible audit standards.
- Application records are maintained and housed outside of the storage unit for use by emergency personnel and staff in case of emergency.

***Result: In Conformance***

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### Objective 6: Waste and Material Management (Continued)

#### 6.2 Food and Agricultural Waste Resource Recovery

##### **Conformance Evidence**

- Sysco Audit results on compatible requirements
- Unilever Audit Results on compatible requirements

##### **Auditor Notes**

- Morning Star uses transport system from field to processing facilities designed to minimize loss of harvested crops.
- Harvesting procedures are designed and managed to prevent losses and deterioration of the quality of crops through efficient field edge storage, transportation times, and filling the containers.
- Morning Star processes harvested tomatoes into paste and stored in less than six hours.
- Rain during harvest can cause issues with crop loss, but nothing ever excessive to affect operations or market demands.
- Tomatoes are stored in 3,000 ton bins after passing through processing and are held until a customer requests a shipment. Crops can be held up to a year without any negative effect, but they are usually shipped to a customer within a month.
- Morning Star uses a barcode system on packing bins to identify characteristics and timing of tomato paste when packed.
- Transfer of crop ownership from the growers to Morning Star takes place once the crop is placed on a harvester.
- Plant material from field operations is reused. Organic crop waste is chipped and applied to the soil. Crop residue is left on top of soil to be reincorporated after harvest.

**Result: In Conformance**

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### Objective 7: Conservation of Biodiversity

#### 7.1 Species Protection

##### **Conformance Evidence**

- Unilever Audit Results on compatible requirements

##### **Auditor Notes**

- At-risk species or species of concern are identified by farmers during growing seasons.
- Morning Star and growers of selected sites are not aware of any threatened or endangered species near fields. No hunting, fishing, or gathering of rare, threatened, or endangered species takes place on farms.
- Some research is done on the growers' behalf to identify threatened and endangered species. They have not seen any occurrences of animals they are unfamiliar with. Most animals observed onsite are birds not on threatened or endangered lists.
- Morning Star and grower suppliers work with BeeWhere, which is a collaborative program between pesticide applicators and beekeepers designed to identify hive locations across California.

**Result: In Conformance**

#### 7.2 Wildlife Habitat Conservation

##### **Conformance Evidence**

- Sysco Audit results on compatible requirements
- Unilever Audit Results on compatible requirements

##### **Auditor Notes**

- Each farm has a Biodiversity Action Plan (BAP) in place focusing on the conservation of rare species, habitats, and general landscape improvements for wildlife.
- BAPs contain maps and assessments highlighting the presence or absence of areas with high conservation potential or ecosystem services.
- Morning Star received a grant from Knorr to restore a pollinator habitat. The field is no longer under ownership by Morning Star, but the site still has the pollinator habitat present.
- Select site maintains a 30-acre oak tree row which provides habitat for wildlife and canopy cover.
- Farmers are trained to be aware of bee and pollinator activities. Farmers adjust practices to avoid spraying during times when bees may be in crops.
- There is one riparian area bordering production land of selected site. Grower employees are instructed to avoid these areas. There is a levy separating the production land and riparian land, so no product usage alterations need to occur.

**Result: In Conformance**

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### Objective 7: Conservation of Biodiversity (Continued)

#### 7.3 Avoided Conversion

##### **Conformance Evidence**

- Sysco Audit results on compatible requirements
- Unilever Audit Results on compatible requirements

##### **Auditor Notes**

- Some Morning Star grower farms have been farmed for more than 100 years. Land is strategically fallowed or converted to alternate production but is not converted from production farming.
- Production sites are delineated as agricultural land and not forested areas circa the Food Security Act of 1985. Growers are not in areas where forested areas are present.
- Tomato growers are more drawn to sites with flat profiles and water availability, not near hillsides or in forests.

**Result: Minor Non-Conformance**

#### 7.4 Crop Diversity

##### **Conformance Evidence**

- Sysco Audit results on compatible requirements
- Unilever Audit Results on compatible requirements

##### **Auditor Notes**

- Pastures may be included or converted into row crop rotations when land needs to be fallowed elsewhere.
- Sacrificial crops, also known as trap crops, are planted to drive bugs away from the desired crop plants, enhance biodiversity, and support reduced insecticide use.
- Seed varieties are tested and grown on sites to determine yield, efficiency, or environmental benefits.

**Result: In Conformance**

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### Objective 8: Protection of Special Sites

#### 8.1 Site Protection

##### **Conformance Evidence**

- Sysco Audit results on compatible requirements

##### **Auditor Notes**

- Morning Star and growers are not aware of any natural heritage sites or specially designated sites on or near production land of sites visited.  
- Research into farm locations did not identify protected or special classification sites on properties.

**Result: In Conformance, Opportunity for Improvement (OFI)**

### Objective 9: Local Communities

#### 9.1 Economic Wellbeing

##### **Conformance Evidence**

- Unilever Audit Results on compatible requirements

##### **Auditor Notes**

- Department heads handle compliance issues related to their respective business units, including operations, human resources, and legal.

**Result: In Conformance, Opportunity for Improvement (OFI)**

#### 9.2 Community Relations

##### **Conformance Evidence**

- Unilever Audit Results on compatible requirements

##### **Auditor Notes**

- Morning Star buys livestock animals from County youth fairs, supports the Tomato Festival, and provides training and demonstrations for camps and schools on tomato production.  
- Morning Star works with the Foundation for Harmony and Prosperity who engages with colleges and political organizations.  
- Morning Star employees provide donations and volunteer time with local organizations, including a partnership with Rancho Cielo, which is a juvenile detention facility committed to teaching young people trades and transferrable skills.  
- Growers of selected sites make donations to programs like Ag in the Classroom, host school tours, and reformed a local swim team that was forced to end due to lack of funding. Organized donations mostly came from agricultural producers in the area.

**Result: In Conformance**

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### Objective 9: Local Communities (Continued)

#### 9.3 Local Communities and Indigenous Peoples

##### **Conformance Evidence**

- Unilever Audit Results on compatible requirements

##### **Auditor Notes**

- Morning Star has a commitment statement on their website supporting their mission to create relationships based on mutual respect for all individuals but does not directly address Indigenous rights. Morning Star maintains business partnerships with Indigenous growers.
- The Morning Star Institute: Colleague Guidelines and management interviews communicate a recognition and respect of all individuals, regardless of location, culture, or demographic classification.
- Rights and title to property and lands of individuals, Indigenous Peoples, and local communities are respected by grower suppliers per supporting audit results.
- Complaints are received by the main office, which are directed to Office Manager.
- Complaints or concerns about growers are typically received at the County level. Most concerns or complaints regard trucking incidents or practices at harvest, including speeds, scrapes, and collisions.

**Result: In Conformance**

#### 9.4 Public Health

##### **Conformance Evidence**

- Unilever Audit Results on compatible requirements

##### **Auditor Notes**

- Signage is posted and protected areas are locked on sites to protect staff.
- Grower staff are made aware of chemical sprays through signage on site, and warning signs are posted for the public near production areas, where they are prohibited from entering.

**Result: In Conformance**

# MORNING STAR PACKING COMPANY

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### Objective 10: Employees and Farm Labor

#### 10.1 Safe and Respectful Working Environment

##### **Conformance Evidence**

- The Morning Star Institute: Colleague Guidelines

##### **Auditor Notes**

- Morning Star is as an Equal Opportunity Employer as stated in their Colleague Guidelines document. The document outlines different approaches of addressing equal opportunity employment.
- Workers are not subject to any physical, sexual, psychological, or verbal harassment, abuse, or other forms of intimidation.
- Farms have employment policies in place to prevent discrimination.

**Result: In Conformance**

#### 10.2 Occupational Training

##### **Conformance Evidence**

- Sysco Audit results on compatible requirements
- Unilever Audit Results on compatible requirements

##### **Auditor Notes**

- Trainings are documented and information is disaggregated based on gender.
- Employees involved in the application of agrochemicals are trained in proper procedures and appropriate usage of personal protective equipment (PPE).

**Result: In Conformance**

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### Objective 10: Employees and Farm Labor (Continued)

#### 10.3 Supporting Capacity for Sustainability

##### **Conformance Evidence**

- Building a Regenerative, Resilient Food System article
- Commitment statements

##### **Auditor Notes**

- Indicator 10.3.1 was modified to capture the unique situation of Morning Star's motivation for certification. Indicator 10.3.1 was modified to read: *"Standard users shall provide a written commitment to the Leading Harvest Standard prepared either by the program user directly, or partner organizations that motivate program user conformance efforts. Commitments to the Leading Harvest Standard will be communicated throughout the organization, particularly to facility and farm managers."*
- Morning Star has not made a commitment statement to the Leading Harvest Standard directly although their certification efforts are in support of customer commitments. Commitment statements to the LH FMS have been prepared by a partner organization stating an overall strategy for suppliers (such as Morning Star) to become certified to the LH FMS.
- Partner customers have committed to securing ingredient supply chains via the LH FMS certification of ingredient suppliers.
- Morning Star has complied with all requests for conformance materials and requirements of the LH FMS that apply to their operations, including activities that directly feed into Leading Harvest related supply chains and to other customers.
- Leading Harvest objective achievements are overseen by staff responsible for managing chemical reporting data, field technical services, and grower relationships.
- Business development personnel groups growers and PCAs together and collectively manage the other audits standards Morning Star engages with.
- Morning Star participates in training events with UC Davis, PCA meetings, IPM training sessions, certified web-based trainings, and UC Extension meetings.
- Topics include soil health, quality management, biological controls, scouting, monitoring, and or thresholds.
- Training records are retained and disaggregated by gender.

**Result: In Conformance**

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### Objective 10: Employees and Farm Labor (Continued)

#### 10.4 Compensation

##### **Conformance Evidence**

- Unilever Audit Results on compatible requirements

##### **Auditor Notes**

- Workers are provided with a total compensation package that includes wages, overtime pay, benefits, and paid leave. Compensation packages meet or exceed legal minimum standards or appropriate prevailing industry standards, whichever is higher.

- Compensation terms are established by legally binding collective bargaining agreements, which are implemented and adhered to.

**Result: In Conformance**

#### 10.5 Farm Labor

##### **Conformance Evidence**

- The Morning Star Institute: Colleague Guidelines

- Unilever Audit Results on compatible requirements- The Farm Sustainability Assessment (FSA) Self-Assessment Questionnaire

- Code of Conduct

##### **Auditor Notes**

- Labor on farms is non-compulsory.

- Code of Conduct and principles in Colleague Guidelines is extended to staff and contractors equally.

- Business development staff reviews compliance programs with grower suppliers at regular intervals.

**Result: In Conformance**

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### Objective 11: Legal and Regulatory Compliance

#### 11.1 Legal Compliance

##### **Conformance Evidence**

- Unilever Audit Results on compatible requirements
- Occupational Safety and Health Administration (OSHA) and Workers Rights Posters

##### **Auditor Notes**

- Human Resources is tasked with social compliance issues.
- Designated staff are tasked with ensuring environmental legal compliance.
- Each business unit has their own Compliance Officer overseeing the legal regulations affecting their particular business unit.
- Morning Star's culture supports cross-communication in business units and sharing best practices regarding legal compliance.
- Attorneys are on staff at Morning Star.
- CCA licensure by management includes Sustainability Specialty Certificate.
- Membership in Special Crop Association, Organics Association, CCAs, PCAs, Maintenance of PCA licensure requires 40 Continuing Education Units every 2 years.
- Relevant information is relayed to growers/sites by Morning Star.
- Morning Star growers are required to maintain a Restricted Pesticide Use Permit.
- On sites visited where chemical sheds were present. OSHA and workers' rights posters were present.

**Result: In Conformance**

#### 11.2 Legal Compliance Policies

##### **Conformance Evidence**

- Sysco Audit results on compatible requirements
- Unilever Audit Results on compatible requirements
- The Morning Star Institute: Colleague Guidelines

##### **Auditor Notes**

- Formal employee grievance procedures are in place.
- General training covering on farm health and safety, safety procedures, use of machinery guards and emergency stops, and use of PPEs for all relevant workers.
- The Morning Star Institute: Colleague Guidelines addresses compliance with social laws, worker rights, and health and safety.
- No forced labor on farms, including compulsory or trafficked labor, indentured labor, bonded labor, slave, or any other forms of forced labor.
- Employment policies in place to prevent discrimination or, if a smallholder, understand that discrimination is not acceptable.

**Result: In Conformance**

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### Objective 12: Management Review and Continual Improvement

#### 12.1 Farm Review and Continual Improvement

##### ***Conformance Evidence***

- Sysco Audit results on compatible requirements
- Unilever Audit Results on compatible requirements
- The Farm Sustainability Assessment (FSA) Self-Assessment Questionnaire
- Management Interviews

##### ***Auditor Notes***

- Unilever, Sysco, and FSA audits take place on grower sites each year. Data collected during audits is utilized in customer requests and meeting requirements.
- Sysco audit requires suppliers to provide information on soil erosion control, soil health improvements, water and energy use efficiency, waste repurposing and recycling, employee and trader partner relations, employee communications, annual performance reports, and shareholder communications.
- End of the year assessments are reviewed by a committee to make recommendations on project or commitment completion.
- Senior management collects information on progress towards goals and current cost of living expenses for staff during talent reviews.
- Customer surveys are implemented to gain insight from grower's perspectives to become more efficient. Feedback on survey results is provided to grower suppliers for continual improvement and resource use efficiency.
- Financial support is provided for resource use improvements at grower suppliers (irrigation or field preparation for tomatoes).
- Annual audit efforts in the future will assist in supporting continual improvement conformance demonstrations.

***Result: In Conformance, Opportunity for Improvement (OFI)***

# MORNING STAR PACKING COMPANY

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### Objective 12: Management Review and Continual Improvement (Continued)

#### 12.2 Support for Sustainable Agriculture

##### ***Conformance Evidence***

- Management Interviews

##### ***Auditor Notes***

- Morning Star conducts research into critical production issues including irrigation and fertilization practices, and shares results with grower suppliers.
- Data management platforms are used to support and enhance irrigation decision making.
- Morning Star compensates research partners if there are negative impacts on yield during research projects.
- Trials with new species and seed varieties are underway internally and with seed dealers and co-ops. Spacing trials are in place to determine impacts on yield. Trials at select sites also include fertilizer timing applications.
- Chemical trials with advisors are coordinated with grower supplier partners, and support is provided by Morning Star to measure information and findings.
- Research on the health and productivity of grafted vines compared to control vines is performed with grower suppliers and may improve or support the knowledge and practice of sustainable agriculture.
- Morning Star growers work with County Resource Conservation Programs in some counties.
- Morning Star Research and Development division focuses on increasing tonnage per acre in yield for their growers. The Research and Development team hosted meetings with growers and key tomato advisors to share how weeding, fungicide, and insecticide use may impact crop yields using supporting data and answer their questions.
- Variety test plots and cover crop test plots are frequently performed.
- Morning Star is trialing an artificial intelligence recommendations service that will analyze crop data and provide irrigation recommendations.

***Result: In Conformance***

# MORNING STAR PACKING COMPANY

## LH FMS AUDIT SUMMARY REPORT

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### KEY FINDINGS

**Previous Non-Conformances:** N/A

**Minor Non-Conformances:** One (1) minor non-conformance was identified during the audit.

1. 7.3.2 Deforestation

- a. Production sites are delineated as agricultural land and not forested areas, circa the Food Security Act of 1985.
- b. Growers are not located in areas where existing forested areas are present.
- c. Tomato growers are more drawn to sites with flat profiles and water availability, not near hillsides or in areas where natural forests are present.
- d. However, a written policy demonstrating the Standard user's commitment to a zero-deforestation policy that identifies the regions of application, relevant natural forest types, appropriate deforestation cut-off date(s) in areas with biome-specific or geography-specific deforestation protocols *is required* by the LH FMS.

**Opportunities for Improvement (OFI):** Three (3) opportunities for improvement were identified during the audit.

1. 8.1.2 Special Site Management

- a. No awareness of areas of concern on sites.
- b. Not much historic or cultural heritage sites in the areas of farms.
- c. No growers were aware of any special sites around production land.
- d. There was no research done by growers visited with.
- e. Research into farm locations did not identify protected or special classification sites on properties.
- f. Outreach to growers during certification or other audits may assist with demonstrating conformance to this indicator.

2. 9.1.1 Economic Contributions

- a. Conformance was marked in Unilever audit, but minimal detail was provided. Provide further information demonstrating Morning Star's conformance to this indicator.

## MORNING STAR PACKING COMPANY

### LH FMS AUDIT SUMMARY REPORT

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#### 3. 12.1.4 Annual Review and Improvement

- a. 2023 is Not Applicable, this is Morning Star's first year of certification to the standard.
- b. Annual audit efforts in the future will assist in supporting continual improvement conformance demonstrations.
- c. An annual review of progress is required by the LH FMS. Annual audits can be included as part of this annual review process.

**Notable Practices:** None (0) notable practices were identified during the audit.

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**Review of Previous Audit Cycle:** N/A

## CONCLUSIONS

Results of the audit indicate that Morning Star has implemented a management system that meets the requirements of, and is in conformance with, the Leading Harvest Farmland Management Standard 2020. Morning Star's enrolled acreage is recommended for certification to the Leading Harvest Farmland Management Standard 2020.

# MORNING STAR PACKING COMPANY

## LH FMS AUDIT SUMMARY REPORT

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Summary of Audit Findings	
<b>Program User</b>	Morning Star Packing Company
<b>Audit Dates</b>	June 12, 2023 – June 28, 2023
<b>Non-Conformances Raised (NCR):</b>	<b>Major</b> <b>Minor</b>
	0 1
<b>Follow-Up Visit Needed?</b> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> <b>Date(s)</b>	2023/06/28
<b>Follow-Up Visit Remarks</b>	
Team Leader Recommendations	
<b>Corrective Action Plan(s) Accepted</b> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/>	2023/06/28
<b>Proceed to/Continue Certification</b> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/>	2023/06/28
<b>All NCR Closed</b> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/>	2023/06/28
Standard(s) Audited Against	
Leading Harvest Farmland Management Standard 2020 (Objectives 1 through 12)	
<b>Audit Team Leader</b>	<b>Audit Team Members</b>
Matt Armstrong	Andrew Zetterberg Jacques Werleigh Linnea Rash Kyle Rusten
Scope of Audit	
Management of grower operated supplier properties.	
<b>Accreditations</b>	Approval by Leading Harvest to provide certification audits
<b>Number of Certificates</b>	1
<b>Certificate Number</b>	AVERUM-LHFMS-2023-0008
<b>Proposed Date for Next Audit Event</b>	TBD
<b>Audit Report Distribution</b>	Attn: Renee Rianda ( <a href="mailto:rrianda@morningstarco.com">rrianda@morningstarco.com</a> )