



Over the past 30 years, Rancho Laguna has built its foundation, reputation, and success on the core values of respect and honesty with its employees and community. I believe in these values, considering the first employee hired is still working for us today and many other early hires are now part of the farm's management teams. We've always had a long-term view of continual advancement for our employees through innovation and collaboration at all levels. Now, more than ever I will focus my efforts to guide Rancho Laguna with these key values in mind: safe working conditions, competitive wages for our industry, advancement opportunities, quality of life improvement for all employees and the humbleness to listen.

The Santa Maria Valley had a less than ideal start to the season with untimely frost and rain events, which was followed by a 3-day heat spell. These weather events affected the size, quantity, and quality of the fruit. This initiated a desire from some employees wanting a 10 cent per tray raise to compensate for the reduction in hours worked due to a slower production period. While some employees felt that the wages paid were competitive and in line with industry standards, they were content to continue working.

During the walkout, tensions escalated towards those who chose not to walk out and wanted to continue working. Because some employees who were walking out were very aggressively trying to force others to walk out, out of concern for all employees' safety, the Sheriff was called in to provide what we felt would be a calming influence and provide an extra safety measure. It is now clear to me how calling the sheriff was seen as a misstep and caused an erosion of trust by the employees.

Employees have since told me that instead of calling the Sheriff, I should have met with them immediately to discuss their concerns, and in hindsight that would have been the right step.

Driscoll has notified me of the complaints addressed to them by CAUSE on behalf of some of our employees regarding respect, safety, and wages. We have taken these concerns very seriously and are actively working to address these issues.

My company fundamental principles are of paramount importance to me and I personally will be addressing issues of respect with everyone to ensure that our employees feel confident in bringing their concerns forward to the company without fear of reprisal.

When it comes to employee safety, we have met or excelled all OSHA standards for over 30 years. Safety has always been at the forefront of our business. With the rise of COVID-19 in our communities, new rules have been introduced, new



procedures and protocols we have never faced. As more is learned about COVID-19, rules, regulations, and guidelines continue to change. We have responded and will continue to respond as rapidly as possible to these changes.

I want to address this allegation made that we had a foreman that had COVID-19 and came back to work early with COVID-19. According to our records and Santa Barbara County Health Department, no employees of Rancho Laguna have tested positive for COVID-19. Currently we have two employees that are in self-isolation but according to County Public Health they are not confirmed COVID-19. At the onset of COVID-19, Driscoll's Food Safety Team engaged with us to develop a "handsfree" wash station and with their involvement, our design became a model for other growers to follow. We have tripled our shade structures to provide employees with better social distancing during their break and rest periods, alternated harvest beds for more distancing, and various other measures.

As we have in previous years, we have reviewed and increased hourly wage positions and our piece rate amounts to the amount originally requested by our employees. We strive to make our employees happy and take pride in our year over year retention of harvesters, foremen, irrigators, and other positions.

In conclusion, we are making changes to our COVID-19 policies to improve in the prevention of the spread of this virus. We will also be providing training to our foreman, supervisors, and managers. Training that will help them improve their leadership skills such as minimizing favorites, showing respect and dignity, better communication, conflict resolution and other skills.