

# Creating positive impact from potato to plate



## Company facts FY2020

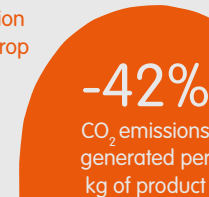
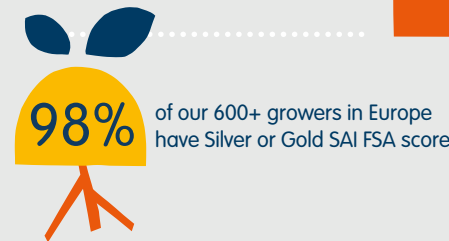
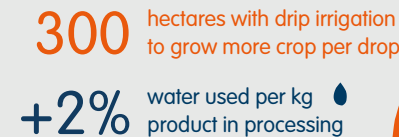
€800 million Turnover in EMEA



Lamb Weston Holdings Inc.  
+ Lamb Weston / Meijer

Lamb Weston / Meijer

## Our 2020 sustainable highlights (progress since 2008)



## Message of our CEO

Marc Schroeder, CEO Lamb Weston / Meijer

On 1 January 2021, the company welcomed new CEO Marc Schroeder. Marc's focus is on leading LW/M into the next phase of sustainable growth and development.

### The world's resources

In general, we live in a world of incredibly scarce resources, where poverty and malnutrition remain major issues. I firmly believe that we at LW/M have the obligation and opportunity to lower the stress on the planet, and the food system overall. I've always been driven by the conviction that we should look at our bigger impact: what do we contribute holistically. And I view it as being a clear-cut choice: the products we sell have to be grown, produced and delivered in a sustainable manner, otherwise the company will not survive. I firmly believe that sustainability is at the core of everything we do. Everyone needs to contribute.

### New agenda, new opportunities

In 2020 the company finalised its Sustainability Agenda 2030, which focuses on three key challenges: Balanced Diet, Zero Waste and Climate Action and uses the UN's Sustainable Development Goals (SDGs) as a guide. We've chosen to focus

on those areas where we can make a real impact, and all three of the challenges we have selected are built around the power of the potato. If you look at the potato it's first and foremost a great source of nutrition. And potatoes can be grown more sustainably, reducing stress on the planet. But in the end, it is about serving our customers and consumers with the highest quality products that meet their needs.

And in that context, two words spring to mind: enjoyment and balance. So, we look for innovative ways to ensure consumers can truly enjoy our products with friends and family, while offering the highest nutritional values. At the same time, we are building a dried potato business which will help to address malnutrition in developing countries, such as Nigeria. For each of these initiatives, consumer knowledge, customer centricity and education will be vital and thus key investment areas.

Our Zero Waste vision is to halve the food waste in our operations, and we want to really lead the push for recyclability in our industry. And on Climate Action, while we have made great progress, there is still much more to be done. For example, in terms of reducing our carbon footprint and reducing water usage, as well as working within our total food system to source sustainably.

While we have the strong ambition to be the industry leader, and this is a great statement, it's not easy to measure. But it can help us understand who we are, and I want our employees and customers to be proud.

I want people to join the company because they understand that sustainability is an indivisible part of the company. I want the more than 1,500 people who work for us to feel emotionally connected to our sustainability ambitions. I need sustainability to be an integral part of all our discussions, inside and outside the company. I want us to have a positive impact along the entire supply chain, from growers to suppliers, and from customers to consumers. In too many cases sustainability is seen as a separate discussion, but it needs to be part of the whole - it needs to be a discussion we have with everyone.

"There is a lot of stress on our planet, so we all have the responsibility to create well-being through potatoes. That is why it is in the heart of our company purpose."

*Marc*



As a global player in the potato processing industry, we consider it our responsibility to have an active and leading role in creating a better future. We want to ensure that growing and processing potatoes remains possible for many generations to come. The humble and nutritious potato is key to everything we do, and we are always 'seeing possibilities in potatoes.'

### Our Purpose

Well-being through potatoes.

### Our Mission

Inspire and serve customers and consumers with potato products and solutions they love and trust.

### Company Ambition

Our ambition as Lamb Weston / Meijer is to be - together with Lamb Weston Holdings, Inc. (USA) - the number 1 potato processing company in the world, and to double our ambient business in EMEA and Russia.

### Our Strategic Plan

To achieve our ambition, we created a new strategic outlook for Lamb Weston / Meijer towards 2025, which we captured in our Company Strategic Plan called WIN as One.

### Our Value Proposition

Our customer value proposition is built upon consistent quality, reliable services, innovation and sustainable products and solutions. Together, these provide our customers with peace of mind, leading to lasting partnerships.

### Conditions for Success

To realise our ambition we aim to be an employer of choice, consistently deliver on our customer value proposition and apply sustainability by design in all that we do.

### The 3 key challenges



Balanced Diet



Zero Waste



Climate Action

We are proud that we have been able to deliver most of our Sustainable Seven 2020 goals, but it is not the end of our journey. Over the last two years we have developed our outlook towards 2030 and have finalised our new Sustainability Agenda for 2030.

In it, we will concentrate on three key challenges. Using the UN Sustainable Development Goals (SDGs) as our compass, we have worked outside-in, by looking at global sustainability challenges and selecting those we believe we can most contribute to.

This summary, and our full report, finalises our 2020 sustainability program. We have absorbed the former Sustainable Seven into our 2030 Key Challenges, which means they will not reappear as such in future reports. Next steps and commitments for each of the three Key Challenges are detailed in this summary and the full report.

### Strategic Aim

Our new sustainability agenda is aimed at creating short- and long-term value both externally for the good of our stakeholders and the planet, and internally for the company and its employees. The new company strategic plan will take us forward, where sustainability by design is defined as a condition for success and will enable our 2030 sustainability agenda to evolve further.

### Our Key Challenges

At the heart of our new sustainability agenda lie three key challenges for 2030.

1. Balanced Diet
2. Zero Waste
3. Climate Action



## #1

### Balanced Diet

People choose the food they eat consciously, and their needs are changing. Increasingly, they focus on foods that are nutritious, plant-based, contribute to wellness, and have a transparent footprint. Yet they still want to indulge themselves occasionally. The potato itself is one of the most sustainable, nutritious staple foods to help feed a growing population. We are capturing the natural goodness of our nutritious and humble potato into convenient, tasty products that people love and trust around the globe, to indulge themselves once in a while.

In the coming decade we will focus on reducing the oil content and calories in our frozen fried potato products, for example by shifting to thicker cut fries, new processing techniques and developing more offerings suitable for oven or air fryer preparation. With our dried potato flakes, we offer versatile potato solutions to tackle the other side of malnutrition, caused by micro-nutrient deficiencies, often referenced to as the 'hidden hunger'. We will expand our product solutions addressing malnutrition in developing markets.

### Zero Waste

## #2

Our challenge is how to contribute to a fully circular food and agriculture business, including more sustainable packaging. Over the last decade we have further reduced our waste streams and increased the reuse and valorisation of our potato by-products. Since 2008, we have sent zero waste to landfill, while less than 0.5 percent is incinerated. We improved our potato utilisation (as produced) in 2019 by over 12% versus 2008.

We believe these are the areas in which we can make the greatest contribution to circularity. We aim to utilise the whole potato, turning it into tasty products to feed humans and, when not possible, to feed animals. To achieve our Zero Waste goal, we will also focus on packaging. In 2019 we developed a sustainable packaging strategy that combines customer-centric innovation with our sustainability criteria. When we develop or introduce new product packaging, it is (re)designed to make it more sustainable.

## #3

### Climate Action

The focus in this challenge is on reducing our impact on the planet. To help us progress, we have broken this down into three sub-challenges:

1. Sustainable Operations
2. Sustainable Agriculture
3. Sustainable Supply Chain

Currently, around 60% of our carbon footprint is attributed to the raw materials we use, with nearly 50% coming from potatoes and 10% from the sunflower oil to par-fry our products. Consequently, we need to concentrate even more on helping our growers to advance sustainable agriculture. At the same time, we will stay focused on reducing our water usage. Water remains an undervalued resource, and 90% of our total product water footprint comes from growing potatoes and oil seed crops. We know that we can make more progress saving water within our agricultural supply chain.

### Creating a movement: Changemakers

To make sustainability an integral part of the organisation, while helping to deliver on our ambitions, we need to enable our employees to feel, live and experience sustainability in their direct work environment. Which is why our new sustainability agenda incorporates a group of Changemakers across the company. Composed initially of a small team – 2% of our total workforce of 1,500 people – our Changemakers will help spread LW/M's sustainability story internally, building a stronger foundation within the company.

### How we Create Shared Value

In 2020 we took the next step on our journey towards transparency by updating our Value Creation Model. This model illustrates how we use six sources of capital and our business model to create value for all stakeholders in the short, medium and long term. Additionally, we linked the impact of our business on our stakeholders to those key UN SDGs we actively support via our Sustainability Agenda.

for the FY20 Value Creation Model.

## Our Key Challenges



### 1. Balanced Diet

How to be part of a balanced diet and help to prevent malnutrition?



### 2. Zero Waste

How to drive sustainable consumption and production and prevent (food) waste?



### 3. Climate Action

How to operate within planetary and societal boundaries and make a positive impact on our planet and people?

## Our 2030 Commitments

### Improve our nutrition profile

- LW branded labels meet highest nutritional standards for our category, and are in compliance with Nutri-score A or B (potato products as sold)
- -10% oil in our frozen parfried products (as consumed) through product renovation and innovation focused on alternative preparation methods
- Expand product solutions addressing malnutrition in developing markets, aiming to improve 50 million meals

### Halve our food waste

- -50% Food Waste in our own operations
- ≤0.2% Food Loss (=packed finished product sent to animal feed)

### Use less or better packaging

- 100% recyclable or reusable packaging, increase use of recycled plastic
- Collaborate with customers and industry organisations to increase plastic recycling in food service kitchens

### Reduce our carbon footprint

- -25 less CO<sub>2</sub> emissions (scope 1,2+3) per ton finished product
- 40% renewable energy sources used in our plants

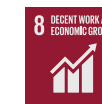
### Reduce our water footprint

- Halving our water use in operations (new lines/upgrades)
- Doubling our water reuse (for processing or agricultural purposes)

### Source Sustainably

- 100% LWM growers active in our Sustainable Agriculture plan
- 100% key impact suppliers active in Sustainable Supply Chain program

## Our alignment to the SDGs



## KEY CHALLENGE 1: Balanced Diet

Our first key challenge is **Balanced Diet**, which will help us support consumers in their transition to a balanced diet.

The potato itself is a natural 'goodie bag', and one of the most sustainable, nutritious staple foods to help feed a growing population. When making our products, we retain as many of the potato's natural nutrients as possible, while lowering the levels of what we add. We aim to capture the natural goodness of the potato into convenient, tasty products that people love and trust around the globe, so they can indulge themselves occasionally.

### Broader Context

Heart disease and diabetes have been called the health challenges of the 21st century, while nearly one billion people go hungry every day and suffer from micro-nutrient deficiencies. An increasing number of people are exploring vegetarian or vegan, plant-based diets, with gluten-free options, and taking a sharper interest in the provenance of their food. They are also searching for more simply processed foods, with high-quality ingredients that they recognise.

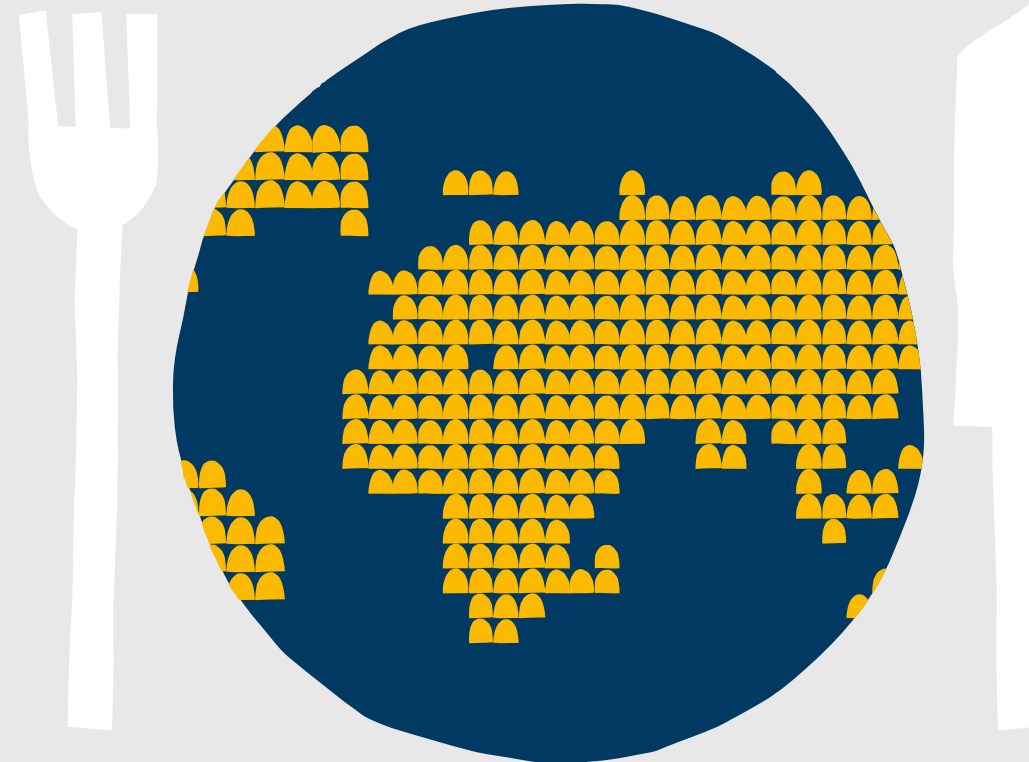
For LW/M, we are modifying our portfolio to adapt to changing tastes, which means educating customers and consumers

while creating nutritious foods for areas where food scarcity or supply-chain issues make sourcing them challenging. At the same time, we are revising our product specifications to adapt to crops that are being impacted by climate change.

### Our 2030 Commitments

#### Improve our nutrition profile

- ▲ LW branded labels meet highest nutritional standards for our category, and are in compliance with Nutri-score A or B (potato products as sold)
- ▲ -10% oil in our frozen parfried products (as consumed) through product renovation and innovation focused on alternative preparation methods
- ▲ Expand product solutions addressing malnutrition in developing markets, aiming to improve 50 million meals



### Next steps 2021-2022

- ▲ We aim to look at ways to prepare products other than through frying in cooking oil, delivering products that help our customers create more balanced menus without compromising on taste.
- ▲ To help promote a balanced diet, we will implement the Nutri-score nutrition label for LW-branded retail products to provide consumers with a clear, easy-to-understand overview of our products' nutritional value.
- ▲ We will make sustainability and nutrition a more explicit criteria in all product and process innovations to ensure continuous improvement of our product portfolio.

Because we are transitioning from the former Sustainable Seven, in this chapter we link directly to the former S7 topics: Nutrition & Health and Food Safety & Quality.

## 2020 Objective

Our 2020 objective is to improve the nutritional value of our par-fried potato products and provide our direct customers and consumers with clear nutritional information.

## 2020 Results versus 2008 Baseline

- 89.6% of all frozen potato products are fried in healthier oils, quadrupling our baseline
- 5.2% oil content on average in our frozen potato products (as sold), a 12% reduction

- 30% less salt in LW premium fries and 10% less in LW seasoned potato products
- Poundo Potato launch, our 1st ambient potato product with a comprehensive nutrition claim
- Empotato launch, our 1st non-fried frozen potato product
- Clear nutrition labelling on all product packaging, including foodservice in EMEA & Brazil

We are proud to say we successfully reached our 2020 targets by making our total product portfolio better for consumers and more sustainable over the past 10 years.

## More skin, more nutrition

Over the past two years we have launched a range of skin-on products, as some markets move towards a more natural looking product. A significant percentage of a potato's fibre is contained in the skin, as well as a range of vitamins, calcium and other nutrients, meaning skin-on fries are tastier and slightly more nutritious than those with the skin removed. And for chunkier fries, the larger size means they absorb less oil during the frying process, reducing their fat content and total calories per portion.

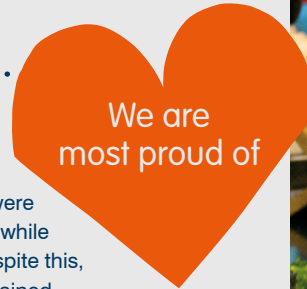
## Healthier oils, low in saturated fats

We par-fry all of our LW-branded potato products in vegetable oils, predominantly sunflower oil. And while we do still have a few customers that specify the use of palm oil for their private label-branded frozen fries, the oil we use to par-fry these private label products is 100% Segregated RSPO certified palm oil, which ensures the crops are grown, produced and sourced as sustainably as possible.

## The new normal

In 2018 our growing regions suffered a drought which impacted potato crops, resulting in significant yield reductions. At the same time, the potatoes themselves were also affected by the drought, resulting in size reduction, while the texture and shape of tubers were also impacted. Despite this, we were able to ensure the majority of our products remained unaffected in our customer offering.

However, with climate change set to cause increasing numbers of extreme weather events, we need to focus our product range based on what nature brings. For example, we will introduce new varieties of potatoes that have greater drought resistance, and use water and other agricultural inputs more efficiently.



## 2020 Objective

Our 2020 objective is to continue to improve the consistency of our product quality and service, thus meeting the specific requirements and the implicit expectations of our customers. Safety always comes first.

## 2020 Results versus 2008 Baseline

- ▲ 92% First Time Right production, an improvement of 2%
- ▲ 89% of third-party audits scored  $\geq 95\%$  or A-grade, an improvement of 19%

- ▲ 1.19 complaints per million kgs, a 29% reduction of product quality complaints
- ▲ 0 public product recalls since 1994, when our company was founded.

Overall, we can conclude that we achieved all of our objectives in the area of food safety and quality, although there is always room for further improvement. We are well aware this is key to our customers.



## Further reducing foreign material

Reducing foreign material along our supply chain and within our plants enables us to deliver a consistently high-quality product to our customers. We began using X-rays at one of our plants, which can also identify materials other than metals, such as plastics or ceramics, from only a few millimetres in length.

## The sensory panel

Based on science, we rolled out a sensory tool that helps us provide our customers with products they want and the end consumer prefers. This involves putting together a trained sensory panel, which focuses on the taste and experience of our products: how crunchy are our fries? Are they too oily? Or are they soft enough on the inside?

## Eliminating CIPC

In 2019 the European Union announced a ban on chlorprotham (or CIPC), a chemical that is globally used as the standard across the potato industry to inhibit sprouting during potato storage. CIPC has no longer been authorised for use in the EU as of crop year 2020. Sprout suppression is an important part of potato storage, and is frequently controlled through post-harvest treatments. As well as no longer using CIPC, we have also asked our growers to clean their storage areas thoroughly, including any equipment used to transport, store or process potatoes that may have been contaminated with CIPC. In collaboration with our growers, we have switched to alternative approved products to help control sprouting.





## KEY CHALLENGE 2: Zero Waste

Our second key challenge is Zero Waste, which is about contributing to a circular agri-food system.

### Broader Context

As a company that sees possibilities in potatoes, LW/M's mission is to provide customers and consumers with convenient, versatile, and nutritious potato products. We want to achieve this sustainably, ensuring that food loss and wastage is minimised along the supply chain.

### Our 2030 Commitments

#### Halve our food waste

- ▲ -50% Food Waste in our own operations
- ▲ ≤0.2% Food Loss (=packed finished product sent to animal feed)

#### Use less or better packaging

- ▲ 100% recyclable or reusable packaging, increase use of recycled plastic
- ▲ Collaborate with customers and industry organisations to increase plastic recycling in food service kitchens



### Next steps 2021-2022

- ▲ We will continue to make investments in equipment to help us recover food-grade white starch.
- ▲ We want to calculate the environmental footprint of individual potato products to highlight the advantage of skin-on products.
- ▲ We are implementing a Packaging Sustainability and Innovation Strategy and Roadmap towards 2025. We want to develop at least one differentiating, value-adding functional packaging solution or sustainable packaging solution per year.

Because we are transitioning from the former Sustainable Seven, in this chapter we link directly to the former S7 topics: Potato & Waste. We also include the progress we made towards making our packaging more sustainable.

## 2020 Objective

Our 2020 objective is to increase our potato utilisation by 10% per tonne of consumed, finished product; to increase the valorisation of our by-products and waste streams; and to promote a more conscious consumption in our value chain, resulting in a reduced ecological footprint. This means we will need less land and fewer resources to produce the same amount of finished product. We are proud to say that we successfully reached our target.

## 2020 Results versus 2008 baseline

- ▲ 12.5% better potato utilisation (as produced) in 2019, achieving the same level in 2020 pre-COVID-19
- ▲ Zero waste sent to landfill (since 2008), while only 0.1% waste was incinerated in 2020
- ▲ 99.9% of our by-products and waste streams are reused, recycled or recovered into useful destinations
- ▲ 1st company in UK committed to WRAP delivering a 'Whole Chain Food Waste Reduction Plan'
- ▲ 91% of our packaging materials are renewable, with 100% recyclable (mono-material) plastics and cartons made from 100% FSC certified, recycled cardboard (with 88% recycled paper).

We have achieved most of our 2020 Potato & Waste goals.



## More from the humble, nutritious potato

In FY2019 we achieved our potato utilisation goal (+10%), with an increase of 12.5% over our 2008 baseline. The result was particularly pleasing given the extremely warm summer of 2018, which resulted in smaller-sized potatoes than average. In collaboration with our customers, we were able to agree on adjusting the specifications of our products. In the first quarter of 2020, the COVID-19 pandemic meant we produced less frozen products and used significantly more whole potatoes for dried potato flakes. This negatively impacted our total recoveries, but positively impacted our growers by turning potatoes into other food products. Working closely with our growers, we also decided to plant fewer potatoes in spring 2020, which will prevent potential food waste in the next crop season.

## Recapturing food-grade starch

When we cut potatoes into French fries, high-quality white (native) potato starch is released. Currently, most of our white potato starch is still used in non-food biobased applications, such as bioplastics and wallpaper glue. Our goal is to recover white starch at our plants, and use it within our own processes, for example to create crispy coatings on some products. We have invested in new technology to optimise extraction.

## Sustainable packaging

Currently, 91% of our product packaging is made from renewable materials, based on the total weight of all primary, secondary and tertiary pack materials. Over the past two years, we have developed a packaging innovation program, where customer-centric innovation is combined with design for sustainability. We have built a separate sustainable packaging strategy, with clear guiding principles, along two horizons: eco-efficiency and eco-effectiveness. Key to this is to reduce, recycle, renew and reuse. Our goal for 2030 is to have all our product packaging 100% reusable and/or recyclable.

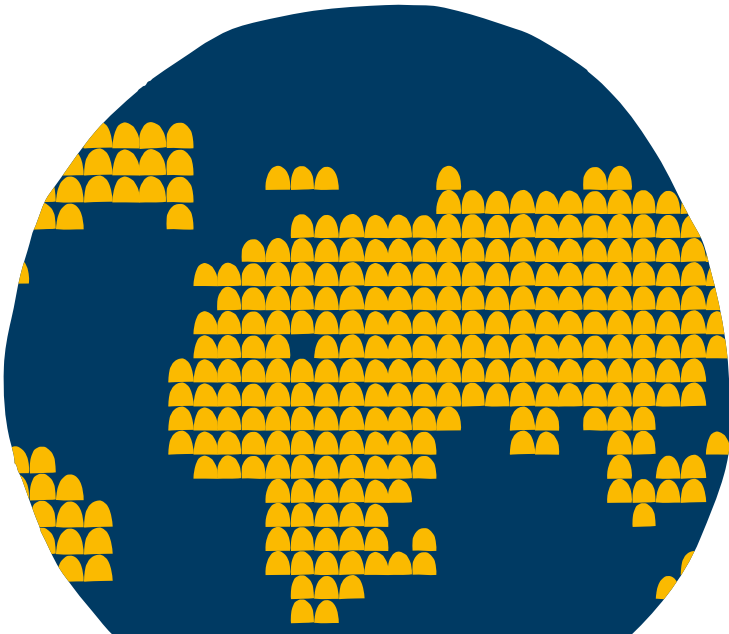
## WRAP: Cutting food waste together

At the beginning of 2020 we started a food waste reduction project, initiated by our customer Fullers Foods and retailer Sainsbury's, for whom we produce private label potato specialties from our Wisbech plant in the UK. We looked for opportunities along the entire supply chain – from farm to factory, and from warehouse to retail store – to cut food waste in each part of the operational process and supply chain. We are very proud that our LW/M site in Wisbech is the first UK company from the Waste Resource Action Plan (WRAP) signatories to deliver a Whole Chain Food Waste Reduction (WCFWR) plan and roadmap.



Our third key challenge is Climate Action, which will help us reduce our impact on the planet. We will achieve this by further reducing our carbon footprint, focusing on the following three key areas:

- ▲ Sustainable Operations
- ▲ Sustainable Agriculture
- ▲ Sustainable Supply Chain



### Broader Context

Climate change is accelerating, with the impact being felt on land, sea and in the atmosphere. One aspect of this is the increase in CO<sub>2</sub> levels in the atmosphere, which scientists are clear contributors to global warming. And as the planet's atmosphere continues to warm, scientists are seeing the effect it has on the climate and the distribution of water.

### Our 2030 Commitments

#### Reduce our carbon footprint

- ▲ -25 less CO<sub>2</sub> emissions (scope 1,2+3) per ton finished product
- ▲ 40% renewable energy sources used in our plants

#### Reduce our water footprint

- ▲ Halving our water use in operations (new lines/upgrades)
- ▲ Doubling our water reuse (for processing of agricultural purposes)

#### Source Sustainably

- ▲ 100% LWM growers active in our Sustainable Agriculture program
- ▲ 100% key impact suppliers active in Sustainable Supply Chain program

### Next steps 2021-2022

#### Sustainable Operations

- ▲ Apply Sustainability by design - produce more efficiently and with less waste, while using the circularity model: reduce, reuse, repair.
- ▲ Improving our ability to further reduce energy and water consumption at our plants, by giving the people in the production lines the right tools to react immediately.
- ▲ One of our strategic goals for the coming three years is to achieve the lowest energy consumption possible to make our products. Making this a reality will involve using more renewable energy, more residual waste heat, and being more energy efficient.

#### Sustainable Agriculture

- ▲ Once the COVID-19 pandemic is under control, we will look at rolling the programme out fully across our other sourcing regions in Belgium, Germany and Austria.
- ▲ Building a monitoring system, which will allow us to track the soil label, plant protection products, GHG emissions, biodiversity and water usage at individual grower level.

#### Sustainable Supply Chain

- ▲ Make our total supply chain even more sustainable, from farm to fork, by also focusing on those suppliers that have the largest impact on our carbon footprint.
- ▲ Learn from our suppliers' best practices, and aim to facilitate the process to let them learn from one another.

Because we are transitioning from the former Sustainable Seven, in this chapter we link directly to the S7 topics: Water, Energy & Emissions and Sustainable Agriculture. The former S7 chapters Water, Energy & Emissions come back under Sustainable Operations.

## 2020 Objective

Our 2020 objective is to reduce our direct water use per tonne of finished product by 50 percent and to improve the quality of our processed water. Additionally, we will reduce our blue water footprint in water stressed areas.

## 2020 Results versus 2008 baseline

- ▲ +1.6% higher water intensity, meaning we failed to reach our target of halving our water use
- ▲ 300 Ha. of potatoes grown on drip irrigation in water stressed areas

We did not achieve our primary target of halving our water intensity in processing our potato products, and, in fact, our water use is even slightly higher than our baseline year of 2008. Consequently, we have decided to extend this target to 2030.



## Developing Innewater

We continued to develop our Innewater project, the advanced wastewater treatment system that purifies our process water to meet legal potable water standards and turn this into drinking-quality water again, which can be reused in our production processes.

In 2019 we rolled Innewater out at our Krainingen plant. During implementation, it became clear that not all of the variables had been properly considered during the final detailed engineering planning. Consequently, we have decided to halt further expansion of Innewater until the solution developed at Krainingen has proven itself and has been validated.

## Monitoring water usage

During the reporting period we started to dynamically monitor water usage online across all our plants, implementing the best-practice of our Wisbech plant in the United Kingdom. Wisbech now uses real-time data to monitor

their water consumption, enabling them to make refinements to their systems to increase water efficiency. Our other plants have now set up a dashboard and begun to develop norms, which will help them further reduce their water utilisation.

## FRESH4Cs project

In 2019 we joined the FRESH4Cs project, a cooperation between 10 Belgian, Dutch and UK partners. This four-year project aims to demonstrate the provision of alternative and sustainable fresh water resources for lowland coastal regions.

## Climate stress test: HZ students

Local floods due to heavy rainfall are occurring more frequently. We worked with a group of students from the HZ University of Applied Science to develop a climate stress test for our production locations. The aim was to develop a tool that would be able to identify risks due to extreme weather, such as drought, flooding, wind and rising sea levels, and how to mitigate these risks.

Because we are transitioning from the former Sustainable Seven, in this chapter we link directly to the S7 topic Employees.



## 2020 Objective

Our 2020 objective is to reduce direct energy usage per ton of finished product by 30 percent, and to reduce greenhouse gas emissions from energy at the same level. Additionally, we are focused on reducing the total carbon footprint in our supply chain.

## 2020 Results versus 2008 baseline

- ▲ 24.7% lower energy intensity
- ▲ 42.1% lower emissions intensity - energy related

- ▲ 21.7% smaller product carbon footprint, being 0.614 MT CO<sub>2</sub>/MT finished
- ▲ 6.5 million fewer road kilometres per year, reducing GHG emissions from transporting goods to our customers by 5800 MT CO<sub>2</sub> equivalent

Overall, we performed well against our 2020 goals, with our energy intensity now 25% lower and our emission intensity 42% lower (both versus 2020 target of -30%). We also managed to reduce our total product carbon footprint by nearly 22 percent in 12 years.

We are most proud of

## Upgrading Broekhuizenvorst plant

We acquired our new plant in Broekhuizenvorst to expand our production capacity. One of our first investments was in upgrading the production line, which has led to a number of efficiency gains. The improved production line has reduced our heat consumption, saving energy. We also installed a heat recovery system and a biogas boiler, increasing the amount of reusable energy available to us. The plant now contains one of the most efficient production lines in the company.

## Improving monitoring

We monitor energy use across our plants, and have begun developing an automated system, which will produce data quickly and simply. This can then

be used in real-time by production-line supervisors responsible for processing potatoes into finished products.

## Energy and emissions roadmap

Reduce, reuse and renewable. These are the three pillars of our energy and emissions roadmap. We have drawn up a plan with a three-year roadmap for each plant. Over the next three years we will begin working towards the lowest steam use necessary.

## New ambient plant Kruiningen

Currently, our total production capacity of dried potato flakes is approximately 40,000 tons, which our customers use as the basis for instant soups, mashed

potatoes, potato croquettes, crisps, gnocchi, bread mixes and potato-based snacks. This enables us to utilise the whole potato by transforming potatoes that don't fit the specification for fries and our 'nubbins, shorts and slivers' directly into food products.

## Transporting our goods

We continued to work on ways to transport our products in the most sustainable manner possible, with the aim of lowering our CO<sub>2</sub> emissions, and managed to reduce the number of kilometers travelled per tonne of product transported by 8%. Going forward, we will continue to look for ways to optimise loads across our international multi-modal transportation network.



## 2020 Objective

Our objective is to secure the long-term supply of high-quality processing potatoes from our main growing areas. We will achieve this by enabling and supporting growers to improve soil health, while increasing their yields with a lower environmental impact per ton of potato products produced.

## 2020 Results versus 2008 Baseline

- ▲ Sustainable Agriculture (SA) Plan roll-out in the Netherlands completed, started in UK and France
- ▲ 98% growers certified at minimum Silver level (27% FSA

Gold, 71% FSA Silver, 2% not benchmarked versus the SAI-FSA Standard)

- ▲ Soil label developed for the Netherlands and France
- ▲ SA dashboard developed and tested for pilot group of 30 growers
- ▲ Tools available to measure CO<sub>2</sub> emissions (Cool Farm Tool), plant protection products (pesticide yard stick) and Soil health (Soil label).

Overall, we are satisfied with the progress made in this key focus area, especially since our SA plan was only launched 3 years ago.



### Developing our own 'soil label'

Soil is the centre of our sustainable agriculture (SA) plan. It is the most important and scarce natural resource that our growers use to produce their crops, and is crucial to us achieving our primary goal: to secure good, long-term crop yields in our current European sourcing regions, while protecting soil health or, where possible, improving it over the long term. To enable this, we have developed a 'soil label'. The soil label is a list of measures containing a score based on their impact on soil health. A grower can take a number of measures to improve the soil parameters, like increasing the percentage of organic matter in the soil, frequency of crop rotation, percentage of cover crops, soil compaction, the soil's pH level, biodiversity measures, and so on.

### Working with experimental farms

We began working with experimental farms (called 'proefboerderijen' in Dutch), which run trials using innovative techniques and technologies that most growers are not familiar with. We are now working closely with two experimental farms in the Netherlands, where we organise grower visits, show them what is being done and discuss issues relevant to their own farms.

### Raising standard to FSA Gold level

Our goal for all of our growers is to achieve the SAI FSA Gold level by 2025. Currently, the majority of our growers in the Netherlands have the Dutch certificate from 'Voedsel- en Voederveiligheid Akkerbouw' (VVAK), which scored Silver in 2019. In 2020 we brought the VVAK standard, together with other competitor companies in the potato supply chain, to FSA Gold level, meaning we are close to reaching our goal before 2025.

### Regional sustainable agriculture projects

- ▲ Integrated crop management: We are participating in research projects into crop rotation and cover crops to help improve soil health and reduce nematodes.
- ▲ Biodiversity tool: We are working with external stakeholders, such as select NGO and banking organisations, and farm and nature organisations, to develop a biodiversity monitoring system (tool) that we can use in our programme.
- ▲ Water irrigation management: We participated in a project with Deltares, Wageningen University & Research, and regional water boards in the Netherlands. The objective is to optimise water distribution within a region.



## The Broader Context

In 2020, the world was hit by the COVID-19 crisis, which is still having a profound impact on businesses and how people work. Companies have been forced to adapt rapidly to provide a safe workplace, introducing new guidelines on how and where jobs are carried out. At the same time, employees have had to get used to working from home, with many forced to juggle home-schooling children while still being productive at work.

At LW/M, we have had to manage the coronavirus crisis carefully and sensitively. We have introduced a range of additional hygiene and safety measures across our plants and offices, and those workers who could work remotely, worked from home throughout most of 2020. In recent years we have continued to grow the company, creating an even more diverse and inclusive work environment, which we want to grow further. We will continue to focus on growth by attracting the most talented people possible, while offering all our employees training and development opportunities

## 2020 Objective

Our 2020 objective is to improve the workplace safety, health and well-being of our employees, their development and job satisfaction. We want to be a Great Place to Work®.

## 2020 Results versus 2008 Baseline

- ▲ 1.13 Total Incident Rate (TIR), a 39% reduction
- ▲ 0.86 Lost Time Accidents (LTA), a 6% increase
- ▲ 4.2% Absentee Rate, a 6% increase
- ▲ 11.5% Employee Turnover, a 14% increase
- ▲ 71% Trust-index for participants in full Great Place to Work® (GPTW) survey, and 51% score for participants in Pulse Survey at our Dutch plants

Our focus as an employer is on protecting the health, wellbeing and safety of our people. In 2020, we achieved a 39% reduction in our total incident rate.

## Next steps 2021 – 2022

- ▲ Strategic workforce planning: invest in certain new skills and capabilities, ensuring we have enough bench strength in the organisation to support the growth of the company.
- ▲ Creating Changemakers: make sustainability an integral part of the organisation, by enabling all of our employees to feel, live and experience sustainability internally, starting with 2% of our workforce in 2020. They help build and share LW/M's sustainability story and guide their teams to better understand how they can contribute to our sustainability goals.
- ▲ Implementation WorkDay: implement a new cloud-based system that will enable us to efficiently integrate our employee data and manage our workforce, including finance and planning.
- ▲ Employee engagement and Great Place to Work®: continue to focus on ensuring our people are engaged and that they can connect to the company.



# Our People

We are most proud of

## New family member: LWM Broekhuizenvorst

In 2018, we completed the purchase of a plant in Broekhuizenvorst, in the Dutch province of Limburg, to expand our production capacity. We improved the plant from both a people and equipment perspective, installing state-of-the-art equipment and undertaking a major knowledge and skills investment programme among the workforce.

## Our new headquarters

At the beginning of 2020, we opened a new head office in Breda, to keep pace with our recent growth and to better access a bigger labour market for specific skill sets. The Breda Corporate Centre, which is centrally located in the south of the Netherlands, remains relatively close to our plants and office in Kruiningen. For most employees, it has resulted in a different way of working. Breda has good transportation connections with airports for our international colleagues and customers, and the Breda Corporate Centre contains a customer experience centre. This enables us to host customers in an inspiring environment, showcasing our products and initiatives. The COVID-19 pandemic crisis has meant that the majority of employees who are based at an office location are now working from home. Going forward, while it's clear that working from home will become a part of the new reality, we will continue to use our offices as our core locations, stimulating cooperation, creativity and uniting us as a company.

## Celebrating 25 wonderful years

In June 2019, our company reached a historical milestone: the 25th anniversary of Lamb Weston / Meijer! It's a history we're proud of, supported by inventiveness and expansion. Beginning in 1994 with the joint venture between Meijer Frozen Foods and Lamb Weston in the Netherlands, the company has grown into a leading player in the potato processing industry, with strong partnerships in the supply chain from field to fork.

To mark the occasion, each plant and corporate location held their own celebration event between September 12 and October 12, enabling the local teams to shape the party as they wanted to. With one exception: as Hollabrunn was hosting its Sommerfest in June, they seized the opportunity to hold a double-celebration!

## Safety First

We extended the Behaviour-Based Safety (BBS) teams across all of our plants, which we introduced for the first time in 2015. The aim continues to be to reduce accidents in the plants by training employees in observation techniques. Work-related fatal accidents and occupational disease rate (ODR) were zero during the reporting period. Our overall Total Incident Rate (TIR) was reduced by 39%.



# Editorial information

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Any questions or comments?  
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We will be pleased to answer you.

This summary is available in English, Dutch, German, French, Italian and Spanish. Our full report is only available in English. Both can be downloaded as pdf at: [www.lambweston.eu/sustainability](http://www.lambweston.eu/sustainability). Since 2012 we do NOT publish a printed version of our full report to save paper, so please rethink before you print. Comprehensive references to statements made in this summary can be found in the full report.

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### About Lamb Weston / Meijer

Lamb Weston® is a world-leading brand in high-quality potato products and is sold in over 100 countries around the world. Lamb Weston / Meijer serves markets in Europe, the Middle East, Africa and Russia. The company supplies frozen potato products such as fries, Twisters®, Potato Dippers and Connoisseur Fries to customers in the Foodservice, Quick Service and Retail segments. Next to this they also provide ingredient solutions for the food industry. For 25 years, Lamb Weston / Meijer has led the industry in innovation, by introducing inventive products and solutions that add convenience to the operations of its customers. From the fields where their potatoes are grown, to proactive customer partnerships, Lamb Weston / Meijer has a clear sustainability ambition and always raises the bar. The company operates six factories in Europe: four in the Netherlands, one in the United Kingdom and one in Austria. In addition, Lamb Weston / Meijer established a Joint Venture with the Russian Belaya Dacha Group and operates the first fry factory in Russia. Lamb Weston / Meijer employs 1,800 people, including LWM RUS.



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