

Sustainable Potato Enjoyment

Sustainability Report 2021-2022 | Summary
Lamb Weston / Meijer

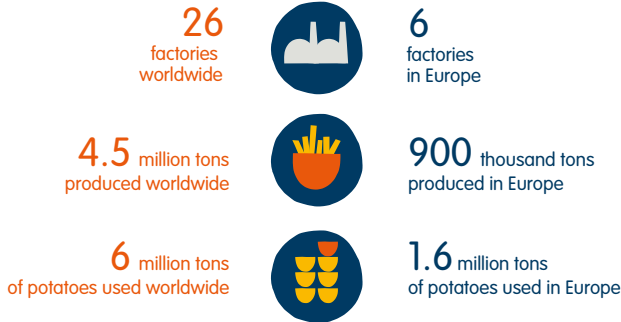
Company Facts FY2022



#2 global player

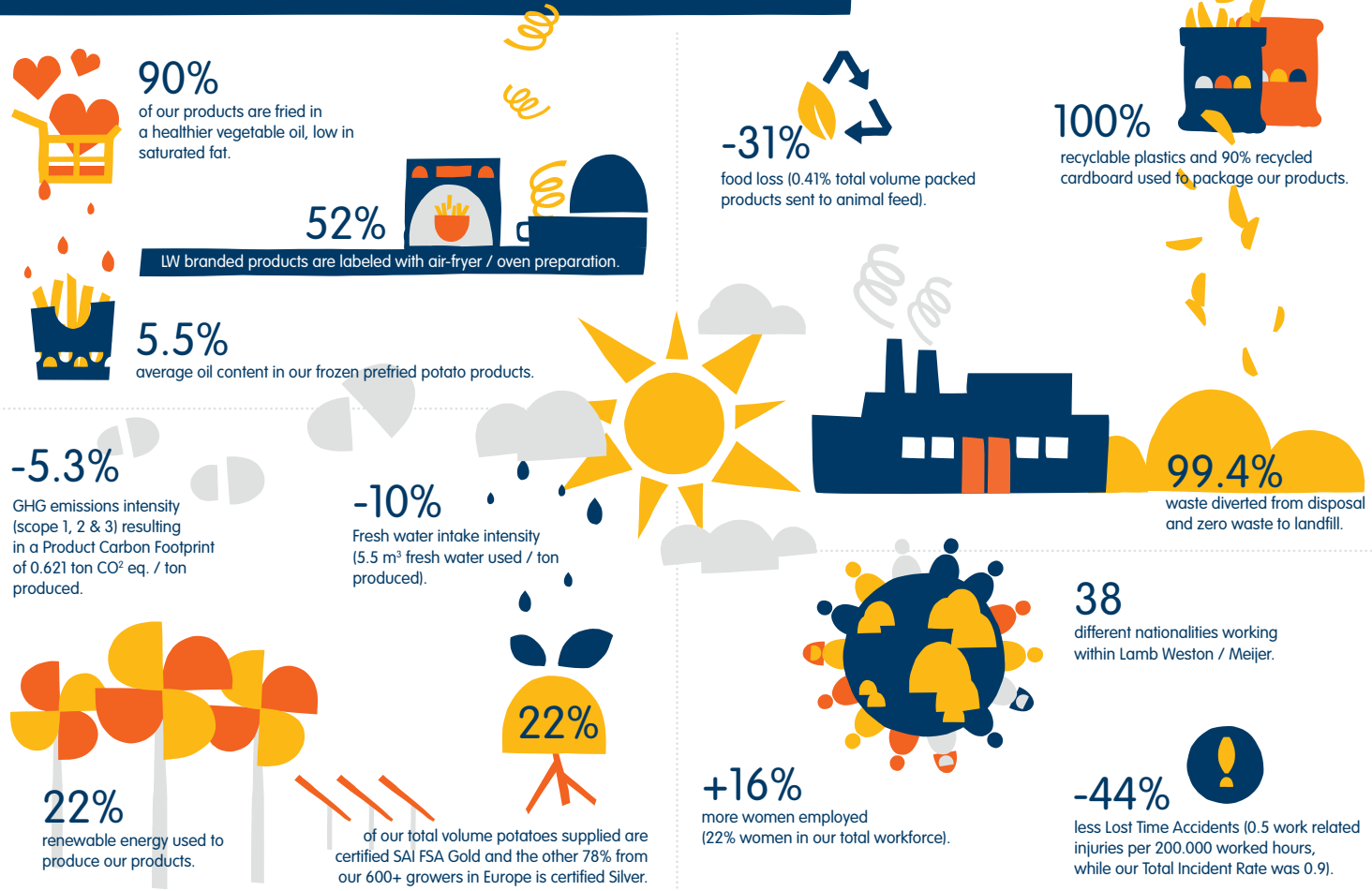


€840 million Turnover in EMEA



Lamb Weston Holdings Inc. + Lamb Weston / Meijer

Our 2022 Sustainability Highlights (progress since FY2020)



Message from Marc Schroeder

‘Sustainable Potato Enjoyment’ is what we believe in, and this encapsulates our offering to consumers: products made from a crop that is both a great source of nutrition and incredibly versatile.

Marc Schroeder
CEO Lamb Weston / Meijer

Introduction

The past years have been challenging for everyone, including Lamb Weston / Meijer. Market circumstances have been volatile, with the Covid-19 pandemic, the war in Ukraine, rising energy prices, and growing inflationary pressures impacting the company and our stakeholders. Yet despite these market challenges, we have remained resolutely focused on our Sustainability Agenda 2030 and our three key challenges: Balanced Diet, Zero Waste and Climate Action. One of our goals is to create value for the company, our customers, growers, and employees, today, tomorrow and into the future. And I am proud to say that we continue to achieve this through our sustainability journey and our long-term business direction, working in partnership with our many stakeholders. ‘Sustainable Potato Enjoyment’ is what we believe in, and this encapsulates our offering to consumers: products made from a crop that is both a great source of nutrition and incredibly versatile. Potatoes help to feed the world sustainably as they deliver more calories and valuable nutrients per hectare than

any other staple crop, while using less land, water, energy and other inputs per ton produced.

Progressing towards our 2030 commitments

Since publishing our previous report in April 2021, we have worked hard on advancing our sustainability agenda. For our first commitment, Balanced Diet, we are developing a range of new products that either contain less oil and/or are suitable for preparation in a healthier way, such as in an air fryer. We are also promoting skin-on, thicker-cut products, which contain a little more fibre, absorb less oil and are therefore lower in calories. And in Nigeria, we have now sold 11 million portions of our nutritious dehydrated potato products since 2020. For our second commitment, Zero Waste, where we want to drive sustainable consumption and production as well as prevent (food) waste, we reduced our food loss by nearly one third, in part by better managing products held in cold stores. We also increased our donations of frozen potato products

to food banks in the UK, cutting food loss and, importantly, helping more vulnerable members of society. And we made progress to ensure our packaging is recyclable and made from renewable materials by 2030. We are currently exploring how we can improve the sustainability of our primary packaging and include renewable plastics.

Our ultimate goal is to have all of our packaging 100% recyclable, while ensuring the packaging waste also undergoes end-of-life recycling. For Climate Action, our third commitment, we have more work to do on the energy transition towards net zero, even though we have advanced in a number of important areas. For example, we are on track to cut our product carbon footprint by a quarter towards 2030. We also made significant progress in reducing our product water footprint, cutting our fresh water intake intensity in FY22 versus FY20. And through our Sustainable Agriculture Plan, to secure our future supply of potatoes, we are also on track and are actively involving our growers, with 22% now scoring Gold and 78% Silver on the SAI's Farm Sustainability Assessment (FSA) certification. At the same time, we made good progress with our ‘safety first’

mindset, significantly reducing both our Incident Rate and Lost Time Accidents in FY22 versus FY20. We also made strong progress developing our people.

One example is through creating a more diverse culture, and by FY22 women made up 22% of our teams, versus 19% in FY20. I am also proud to say we had 38 different nationalities working across the company at the end of FY22.

Looking ahead

Sustainability remains a fundamental aspect of our decision-making process, and going forward there are a number of key areas we will focus on. One is how to continue to make our potato products more sustainable, while making consumers aware of their nutritional benefits. We will also continue to make investments in our plants to reduce our energy and water use and improve efficiency. If you look at the current environment, we all need to think differently about energy, and the transition to sourcing renewable energy has, in recent months, been brought into sharp focus. One great example is at our site in Kruiningen, which is expected to open in 2024. The new facility

will use best-practice technologies to reduce energy and water use, and our aim is to cut water use by a quarter and gas use by up to a half, helping reduce our carbon footprint. I'm also very excited about our state-of-the-art Innovation Center, which is expected to open in spring 2023. This will provide us with the opportunity to develop new, sustainable technologies. And because the Center will run on 100% renewable energy, it will be carbon neutral.

As I said in our last report, I want us to be the industry leader on sustainability in EMEA. We aim to generate net zero emissions from direct energy use by 2040, strive for zero food waste and circular production, and offer sustainable potato enjoyment, which can be consumed as part of a plant-based balanced diet, by 2030. What motivates me is that consumers globally enjoy eating our tasty potato products. My personal drive is to make them a healthier treat that fits into a balanced diet.





Strategy & Value Creation

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 frozen potato company in the world, and to double our ambient business in EMEA

Our Strategic Plan
In 2019 we created a new strategic outlook for Lamb Weston / Meijer towards 2025, which we captured in a Company Strategic Plan. We updated this in FY21 and renamed it W1N 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.

Sustainability Agenda 2030

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



Balanced Diet



Zero Waste



Climate Action



Lamb Weston / Meijer Sustainability Agenda 2030		
<div><h3>Balanced Diet</h3><p>How to be part of a balanced diet and help to prevent malnutrition?</p></div> <div><h4>Our 2030 Commitments</h4><p>1. Improve our product nutrition profile</p><ul style="list-style-type: none">▲ LW branded labels meet highest nutritional standards for our category, and in compliance with Nutri-score A or B (potato products as sold)▲ -10% oil in LW frozen potato products (as consumed) through product renovation and innovation focused on non-fryer preparation methods▲ Expand our dehydrated potato products solutions addressing malnutrition in developing markets, aiming to improve 50 million meals<h4>Our key performance indicators</h4><ul style="list-style-type: none">▲ Percentage of volume LW branded potato products that meet criteria for Nutriscore A or B as sold (%)▲ Average vegetable oil content of frozen potato products produced (%)▲ Percentage of volume sold under LW brand with non-fryer preparation (airfryer, oven, microwave) on pack (%)▲ Number of dehydrated potato product meals sold in developing markets (#)<h4>Our 2030 Targets (vs. 2020)</h4><ul style="list-style-type: none">▲ 100% LW potato products Nutriscore A or B▲ -10% oil content in frozen potato products▲ 100% LW branded with airfryer/ oven preparation▲ 50 million meals dehydrated potato products sold in developing markets<div><p>Our alignment to the SDG's</p><div></div></div></div>	<div><h3>Zero Waste</h3><p>How to drive sustainable consumption and production and prevent (food) waste?</p></div> <div><h4>Our 2030 Commitments</h4><p>2. Halve our food loss and waste</p><ul style="list-style-type: none">▲ -50% Food Waste in our own operations▲ -50% Food Loss in our own operations<p>3. Use less or better packaging</p><ul style="list-style-type: none">▲ Develop circular packaging made from renewable feedstock and fully recyclable end-of-life solutions▲ Collaborate with customers and industry organisations to increase plastic recycling in food service kitchens<h4>Our key performance indicators</h4><ul style="list-style-type: none">▲ Percentage of 'processing side streams' not used as food, feed or biobased material compared to all ingredients used (%)▲ Percentage of packed potato products used as animal feed compared to total production volume (%)▲ Percentage fully recyclable end-of-life packaging (%)▲ Percentage renewable and/or recycled feedstock used in our plastics (%)▲ Number of initiatives to increase plastic recycling in collaboration with key stakeholders (#)<h4>Our 2030 Targets (vs. 2020)</h4><ul style="list-style-type: none">▲ -50% Food waste▲ -50% Food loss▲ 100% recyclable packaging▲ -50% fossil-based virgin plastics▲ 10 key initiatives<div><p>Our alignment to the SDG's</p><div></div></div></div>	<div><h3>Climate Action</h3><p>How to operate within planetary and societal boundaries and make a positive impact on our planet and people?</p></div> <div><h4>Our 2030 Commitments</h4><p>4. Reduce our carbon footprint</p><ul style="list-style-type: none">▲ -25% CO2 emissions (scope 1,2 + 3) per ton finished produced▲ 40% energy consumption from renewable sources<p>5. Reduce our water footprint</p><ul style="list-style-type: none">▲ -25% fresh water intake intensity for processing▲ +25% water reused for processing or agriculture<p>6. Source sustainability</p><ul style="list-style-type: none">▲ 100% LWM growers active in our Sustainable Agriculture program▲ 100% key impact suppliers active in Sustainable Supply Chain program<h4>Our key performance indicators</h4><ul style="list-style-type: none">▲ CO2 emission (scope 1, 2 and 3) intensity of potato products produced (in CO2 eq./mt)▲ Percentage of renewable energy used in scope 1 and 2 (%)▲ Fresh water intake intensity of finished products produced (in m³/mt)▲ Percentage process water recycled of fresh water withdrawn (%)▲ Percentage of SAI-FSA gold certified potatoes supplied to LWM (%)▲ Percentage of EcoVadis-silver rated key suppliers (%)<h4>Our 2030 Targets (vs. 2020)</h4><ul style="list-style-type: none">▲ -25% Carbon Footprint (scope 1,2 & 3)▲ 40% Renewable Energy▲ -25% Fresh Water Intake Intensity▲ +25% water reuse▲ 100% Growers SAI FSA Gold▲ 100% Key Suppliers EcoVadis Silver<div><p>Our alignment to the SDG's</p><div></div></div></div>

Future strategic developments

We believe in the power of the potato. As a great source of nutrition, which acts as an integral part of a balanced diet. As a crop, which when compared to rice or wheat used to make pasta, can be grown more sustainably, by requiring less water, using less land, and generating less GHG emissions per ton produced, reducing stress on the planet. And as a food, which can be eaten as part of a healthy, balanced diet. Increasingly, we see that topics which impact one key challenge also influence the other challenges. One example is thicker cut skin-on fries, which as well as being more nutritious than regular fries, also help us reduce food waste and cut our carbon footprint.

Our long-term ambition is to generate net zero emissions from direct energy use, strive for zero food waste and circular production, and offer sustainable potato enjoyment that can be consumed as part of a plant-based balanced diet.

Towards 2030, we aim to contribute to feeding the world sustainably by offering customers and consumers, sustainable potato enjoyment. We are collaborating closely with our dedicated growers, guiding them on how to grow potatoes more sustainably, while in our operations we are committed to reducing our product carbon footprint by 25%, using 25% less water and generating 50% less food waste by 2030.

Consequently, to fully realise the enormous potential of the potato with countless possibilities, we are modifying our corporate strategy and taking a more holistic approach to the three key challenges of our sustainability agenda: Balanced Diet, Zero Waste, and Climate Action. These priorities will become more integrated in our development processes, overall mindset, and daily way of working. We plan on introducing an updated company strategy in 2023 that reflects this, and will provide an update in our next report.



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

Most of us are aware of the importance of a balanced diet as part of a healthier lifestyle, with consumers increasingly conscious that feeling your best is, at least partially, connected to what you eat.

And as they move towards healthier eating choices, food producers are discovering that consumers are increasingly unwilling




to compromise in a number of key areas. One is on taste, where consumers want foods to be healthier and tastier. Another is on food information and labelling, where studies show that consumers look for clear, front-of-pack nutrition labels to help them make informed purchasing decisions.

For LW/M, this has an impact on how we develop our products and labelling. Our goal is to ensure that our own branded labels meet the highest nutritional standards for our category, while complying with Nutri-Score. It also means continuing to invest heavily in R&D to further strengthen our strong record of product innovation, which will enable us to develop fries and other products that fulfil consumers’ demand for healthier and tasty, ensuring sustainable potato enjoyment.











Our 2030 Commitments

1. Improve our product nutrition profile

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

Our 2022 Progress versus Baseline

This is the first time we report on our 2030 Sustainability Agenda. In the overview below we summarise the results achieved in fiscal years 2021 and 2022 for our Balanced Diet KPIs and the progress made to reach our 2030 targets versus baseline FY2020.

Key performance indicators	Baseline	Results		Progress vs. baseline	Our 2030 Targets <small>(vs. 2020 ref.)</small>
	FY20	FY21	FY22		
 Percentage of volume LW branded potato products that meet criteria for Nutriscore A or B as sold (%)	no data	no data	Baseline measured	Baseline established	 100% LW potato products Nutriscore A or B
 Average vegetable oil content of frozen potato products produced (%)	5.2%	5.3%	5.5%	+6%	 -10% oil content in frozen potato products
 Percentage of volume sold under LW brand with non-fryer preparation (airfryer, oven, microwave) on pack (%)	45%	46%	52%	52%	 100% LW branded with airfryer/ oven preparation
 Number of dehydrated potato product meals sold in developing markets (#)	5.7 Million	2.7 Million	2.7 Million	22%	 50 million meals dehydrated potato products sold in developing markets

Key Results 2021-2022

Preparing for introduction of Nutriscore

Nutri-Score ranks products using a code consisting of 5 letters, each with its own colour, based on the nutrients in the food. 'A' is the most preferable score, while 'E' is the most detrimental score. While Nutri-Score has yet to be rolled out in the Netherlands, which means we can't add its classifications to our packaging, we have been preparing behind the scenes and are now waiting for regulators to approve the final formulas and calculations. Our aim is to score 'A' or 'B' on all the potato products we sell and, depending on the calculation results, we would make adjustments to our products to realise this. We expect Nutri-Score to be launched in the Netherlands by 2023 and, once it is, we plan to include it on the packaging of all our LW branded labels across the European Union.

Making products healthier

Part of our product innovation focuses on making our products healthier, such as by

reducing oil absorption thereby reducing calories. Over the last two years we have been carrying out a study to understand how we can potentially lower oil absorption in our products. The initial phase is now complete, and we have begun testing potential solutions on our potato products. If this proves successful, the final phase will involve carrying out line trials and scaling the process up. Our focus is on ensuring that the combination of new ingredients, the right potato variety, and the production process come together to give a great-tasting product that is also healthier.

Developing tomorrow's products, today

We are currently working on a long-term project to explore and develop innovative technologies that will enable us to produce frozen, par-fried products with a lower fat content, as consumed. This involves researching a number of areas in parallel, such as new coating technologies, adjusting production parameters or selecting specific

potato varieties. This enables us to reduce oil absorption in our products during the manufacturing process, and creates tasty potato products suitable for preparation at home or in a restaurant that does not involve frying. The project will initially deliver a 'toolbox' of ideas that have the most potential to succeed, and these will then move onto the product development phase. Our ambition is to begin delivering new products within the next five years.

Outlook 2023-2024

Our aim in the next two years is to focus on a number of key areas that will contribute to more balanced diets by making an impact across our portfolio. For example, we will continue to invest in and develop products that can be cooked without needing to be fried, such as in ovens or air fryers. We will also focus on making our products as healthy as possible, by researching ways to lower the oil content of deep-fried products. Our new Innovation Centre will help us accelerate these developments in the coming period.



Zero Waste

Our second key challenge is Zero Waste, under which we have established commitments to halve our food waste and use less or better packaging by 2030. These are supported by five KPIs. This challenge is driven by the need to conserve resources, prevent and eliminate food loss and waste, and move towards circular production where possible.

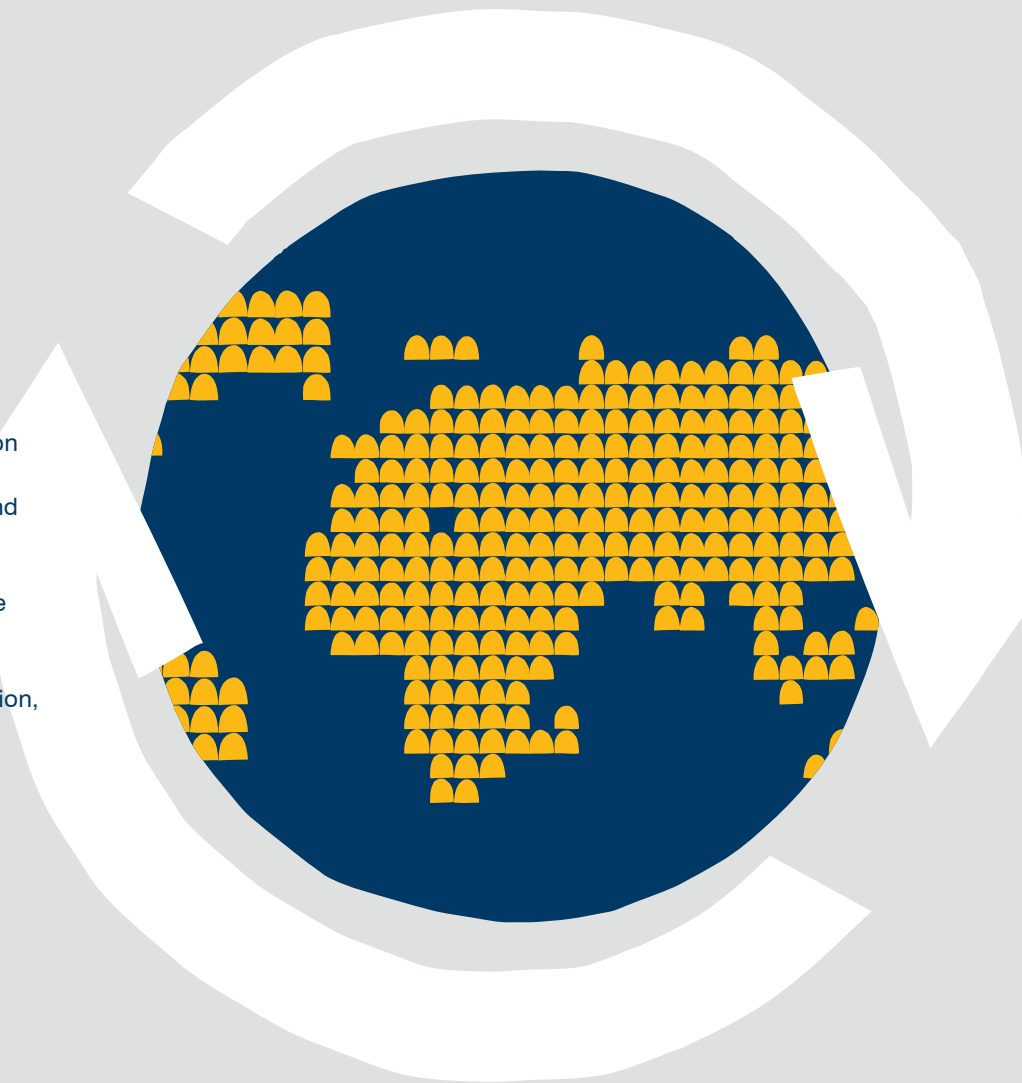
Broader Context

We only have one planet and resources are limited. Reducing food loss and waste are therefore vital sustainability, moral, and financial issues. Preventing and cutting food waste supports the sustainability of our food systems by reducing the need to produce and process arable crops and animals.

This helps to decrease greenhouse gas emissions, save energy and water, and preserve precious resources.

At LW/M, preventing food loss and waste is a key way to reduce our environmental footprint. Driving sustainable consumption and production benefits the natural environment, growers, our customers, and everyone along our supply chain.

We continue to work to increase the valorisation of our by-products and waste streams, processing by-products up the food waste hierarchy, based on the Moerman Ladder, through waste prevention, reducing inputs, and increasing re-use.



Our 2030 Commitments

2. Halve our food loss and waste

- 50% Food waste in our own operations
- 50% Food loss in our own operations

3. Use less or better packaging

- Develop circular packaging made from renewable feedstock and fully recyclable end-of-life solutions
- Collaborate with customers and industry organisations to increase plastic recycling in food service kitchens

Our 2022 Progress versus Baseline

This is the first time we report on our 2030 Sustainability Agenda. In the overview below we summarise the results achieved in fiscal years 2021 and 2022 for our Zero Waste KPIs and the progress made to reach our 2030 targets versus baseline FY2020.

Key performance indicators	Baseline	Results		Progress vs. baseline	Our 2030 Targets (vs. 2020 ref.)
	FY20	FY21	FY22		
Percentage of 'processing side streams' not used as food, feed or biobased material compared to all ingredients used (%)	4.0%	4.5%	4.2%	+5%	-50% Food waste
Percentage of packed potato products used as animal feed compared to total production volume (%)	0.59%	0.36%	0.41%	-31%	-50% Food loss
"Percentage fully recyclable end-of-life packaging (%)	100%	100%	100%	100%	100% recyclable packaging
Percentage renewable and/or recycled feedstock used in our plastics (%)*	0	0	0	0	-50% fossil-based virgin plastics
Number of initiatives to increase plastic recycling in collaboration with key stakeholders (#)	0	0	1	1 initiative	10 key initiatives

Key Results 2021-2022

Fighting hunger, cutting food waste

For LW/M, reducing food loss and waste while feeding people is a win-win situation. Which is why we were particularly proud to begin working with FareShare, a national network of charitable food redistributors in the UK, to provide frozen potato products that are within a month of their sell-by date and can no longer be shipped to customers. Through FareShare, our products reach a wide range of charity organisations, from older people’s lunch clubs, homeless shelters, and community cafes. While we already contribute food to foodbanks across the countries in which we operate, based on the success of the FareShare project in the UK, we are now looking into working with similar charities in other countries. We also continued to work with the UK-based Waste and Resources Action Programme (WRAP), which helps companies in the food and beverage industry, including retailers and food service business, to create economic and environmental value from reducing food

waste. LW/M’s commitment is to halve our food waste by 2030, aligned with SDG12.3, and these projects help us work towards this goal while also providing help to those who need it most.

Focus on potato utilisation

Prevention of food waste remains a primary goal across our operations. Potato utilisation begins during the sorting process, when we separate potatoes to match the products our customers want. Following the introduction of our new ambient factory at Kruiningen, we have been able to increase the percentage of those potatoes we can’t use for frozen products, such as ‘low gravity potatoes’, in ambient products. This enables us to significantly increase potato utilisation, cutting food waste.

Sales teams highlight sustainability of skin-on products

In recent years we have launched a range of skin-on products, and when we develop new products we prefer to develop them as

skin-on. As well as having greater nutritional value, skin-on products also have another key benefit: they are more sustainable. Over the last two years, our sales teams have been giving customer presentations to emphasise that as well as being more nutritious skin-on products also enable us to reduce the percentage of by-products (as the peel is the highest volume) that we send to animal feed, and they help us reduce our carbon footprint.

Developing digital watermarks to improve packaging recycling

We are currently partnering with the European Union and the Dutch government on a project to develop digital watermarks that cover the surface of plastic packaging. These watermarks can then be read by optical sorters during the packaging recycling process, leading to better and more accurate sorting results. We aim to include the digital watermarks on our PE film when the technology becomes viable.

Outlook 2023-2024

- Working with students - We will continue to work with universities and other companies to look into ways to cut food loss and waste along the value chain, with the aim of developing prevention best practices that we can roll out internally and creating visualisations in our plants.
- Continue our work with FareShare - We aim to continue partnering with FareShare, the UK-based NGO that provides logistical support to food banks and other locations where we are proud to share food with people in need.
- Increase potato utilisation - We have started working with a company to explore the possibilities of developing new technologies to turn potato by-products into a source of new nutrients. As a food company, we will only be satisfied when we are able to successfully use 100% of the product.
- Investing in maximising potato utilisation - After cutting system optimisation at Oosterbierum, our Kruiningen plant also upgraded systems to further reduce food loss and improve potato utilisation. We plan to invest in new optical sorters at our Kruiningen plant, which we estimate will reduce the number of potatoes going to the by-product stream by 5%. This is an important additional step towards maximising potato utilisation.



Climate Action

Our third and final key challenge is Climate Action, where we commit to reducing our carbon footprint, reducing our water footprint, and sourcing sustainably by 2030. We believe focusing on these commitments will enable us to make the most progress reducing the impact we have on the world around us.

Broader Context

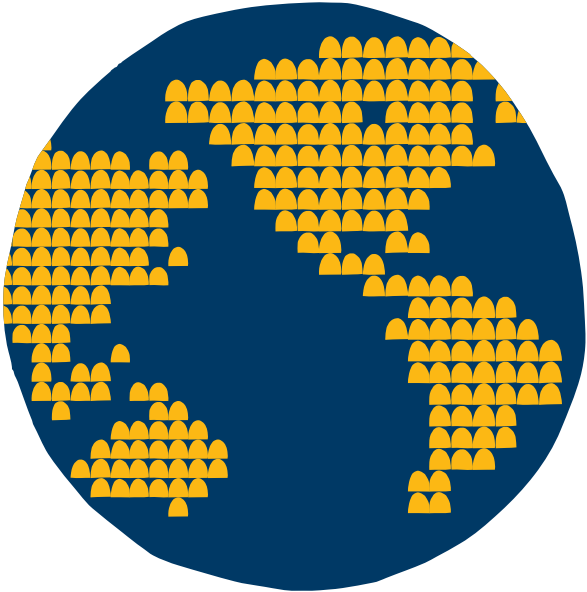
From severe fires and catastrophic storms, to water scarcity and food shortages, the world is changing as greenhouse gas concentrations reach their highest levels in 2 million years. And while climate change is impacting everyone on the planet, it affects all of us differently. In some parts of the world, changing weather patterns are leading to increased migration. In others, to food insecurity and famines as droughts and a lack of fresh water lead to widespread devastation. Parallel to this, the Covid-19 pandemic and Russia’s invasion of Ukraine have catalysed the shift to green energy within the European Union, as decreasing gas supplies mean countries and consumers are faced with rising energy and food prices, the latter driven in part by soaring fertiliser costs. Yet this green shift presents

its own challenges, with critics pointing out that time and investments will be required to develop the capacity and infrastructure needed to move rapidly towards renewables.

At LW/M, we are aware of our responsibility to limit climate change by reducing our footprint. As a company, we are directly impacted by many of the issues listed above. One example is weather extremes, which can impact the quantity and quality of crops produced by our growers, leading to scarcity and price increases. Another is water scarcity, with different groups across society—from consumers, businesses, and agriculture—competing for access. And with energy being one of our principal inputs, we are also acutely aware of rising energy prices.

To help us achieve our Climate Action commitments, we are focusing on three sub-challenges:

- Sustainable Operations
- Sustainable Agriculture
- Sustainable Supply Chain



Our 2030 Commitments

4. Reduce our carbon footprint

- -25% CO2 emissions (scope 1,2 & 3) per ton finished produced
- 40% energy consumption from renewable sources

5. Reduce our water footprint

- -25% fresh water intake intensity for processing
- +25% water reused for processing or agriculture

6. Source sustainability

- 100% LW/M growers active in our Sustainable Agriculture programme
- 100% key impact suppliers active in Sustainable Supply Chain programme

Our 2022 Progress versus Baseline

This is the first time we report on our 2030 Sustainability Agenda. In the below overview we summarize our results achieved in fiscal years 2021 and 2022 for our Climate Action KPI's and the progress made to reach our 2030 targets versus baseline FY2020.

Key performance indicators	Baseline	Results		Progress vs. baseline	Our 2030 Targets <small>(vs. 2020 ref.)</small>
	FY20	FY21	FY22		
• CO2 emission (scope 1, 2 and 3) intensity of potato products produced (CO2 eq./mt)	0.658	0.627	0.621	-5.3%	• -25% Carbon Footprint (scope 1,2 & 3)
• Percentage of renewable energy used in scope 1 and 2 (%)	22%	23%	22%	22%	• 40% Renewable Energy
• Fresh water intake intensity of finished products produced (m³/mt)	6.1	5.8	5.5	-10%	• -25% Fresh Water Intake Intensity
• Percentage process water recycled of fresh water withdrawn (%)	0%	5%	6%	6%	• +25% water reused
• Percentage of SAI-FSA gold certified potatoes supplied to LWM (%)	19%	19%	22%	22% Gold	• 100% Growers SAI FSA Gold
• Percentage of EcoVadis-silver rated key suppliers (%)	no data	no data	50%	50% Silver	• 100% Key Suppliers EcoVadis Silver

Sustainable Operations | Key Results 2021-2022

New ambient line in Kruiningen

In 2021 we opened a new Ambient plant at our Kruiningen facility, which will produce the dried potato flakes that customers use in a wide range of products, including instant soups, mashed potatoes, and potato-based snacks. Our ambient production process enables us to use the entire potato by transforming potatoes that don't fit the specification for fries, as well as 'nubbins, shorts and slivers', into other food products. The plant at Kruiningen is fitted with the latest technologies, including those that improve potato utilisation and packaging. Better potato utilisation helps us reduce our carbon footprint, while packaging efficiency leads to reduced material usage. We have also introduced a number of energy improvements, and see possibilities to create additional energy efficiency measures in the future.

FRESH4Cs project

The FRESH4Cs project is co-funded by the European Regional Development Fund and aims to demonstrate alternative water

resources for coastal regions in the UK, Belgium and the Netherlands. We have been active in the project for a number of years, looking into the possibility to reuse process wastewater from our Kruiningen plant as agricultural irrigation water. Currently, the treated, good quality process wastewater is discharged into the sea instead of being reused to irrigate crops. We want to change that.

Since the start of the project, we have focused on water quality and treatment requirements, as well as the technical aspects of water storage.

Over the last two years we have made strong progress, and are now entering the final stages of the project. We have received the necessary authorisation to send the processed wastewater to irrigation ditches, and expect to be able to achieve this by 2023. This will then enable growers to begin using our processed wastewater in their irrigation lines.

Energy efficiency gap analysis

Making our operations more sustainable involves identifying efficiency changes across each of our plants. While in recent years we have improved the energy efficiency of our plants by effectively utilising waste heat, some plants have developed faster than others. To respond to this, we carried out a gap analysis that identified current best practices, which will help us as we introduce the most efficient technologies across our plants. For example, in the near future we plan to implement the same waste recovery system we operate at Oosterbierum at our Broekhuizenvorst plant.



Outlook 2023-2024

- Focus on energy reduction projects - One way to achieve this will be by concentrating on the gap analysis to ensure each plant runs the most efficient waste heat recovery system possible, which will help reduce energy usage.
- New line at Kruiningen - We are currently building a new frozen potato products line at our Kruiningen facility, which is expected to open in 2024. The facility will use best-practice technologies to cut water and energy use. For example, heat recovery systems used on our peeling, drying and frying processes will be used to heat water to blanch the potatoes. We aim to cut our water use at the facility by a quarter, and our gas use by up to a half, helping reduce our carbon footprint.
- New Innovation Center - In 2023 we expect to open our new Innovation Center, which provides us with the opportunity to develop new, sustainable technologies. One of these is pre-frying chips using electricity rather than gas as the energy source, as we look ahead and see a future where we no longer rely on gas in our factories. And because the Center will run on 100% renewable electricity, it will be carbon neutral.
- Implementing proof of concept for reusing blanching water - The project to reuse blanching water (see earlier) is a key project, and will be run at our Innovation Centre. The project has the potential to deliver significant efficiency savings across our plants, helping to reduce both water and energy use, while cutting our carbon footprint.



Sustainable Agriculture | Key Results 2021-2022

Meeting EU Green Deal targets

In 2020, the European Union introduced the EU Green Deal, with the goal of making Europe the first climate-neutral continent by 2050. Integral parts of the Green Deal are the Farm to Fork Strategy and the Biodiversity Strategy, both of which aim to help the EU transition to a sustainable food system while protecting nature and ecosystems. To achieve this, the Deal's objectives are to cut the use of chemical pesticides by 50%, cut fertiliser use by 20%, and to achieve pollinator recovery. These objectives will result in a profound change to the agricultural and food sector. Despite the targets being challenging, our SA goals remain unchanged. For example, we are already working with growers to look for alternatives to herbicides and insecticides, such as mechanical weeding. We have also partnered with organisations such as Wageningen University & Research (WUR) on a major project to tackle wire worms without using pesticides. As the soil-dwelling larvae of click beetles, wire worms and their larvae can severely

damage potato crops. Currently, we are researching methods to disrupt the eggs-larvae-wireworm-beetle lifecycle, such as turning the soil annually so the eggs come to the surface, which then dry out and are eradicated.

At the same time, we are trialling new potato varieties which, for example, are resistant to certain diseases, such as late blight, and can significantly reduce the use of plant protection products, in this case fungicides. Or varieties that are 'robust' and get good yields even in drought circumstances. Going forward, we will work with customers to continue to supply the products they need while adapting to the shifting agricultural landscape.

Progress with FSA Gold level

One of the main KPIs of our SA plan is the Farm Sustainability Assessment (FSA) from the Sustainable Agriculture Initiative (SAI) Platform. The FSA scores growers' performance on sustainable agriculture on four levels: Gold, Silver, Bronze, and 'below

Bronze'. Our goal for the Farm Sustainability Assessment is to reach 100% at Gold level. Over the last two years we have only made progress, on Silver, with total grower numbers reaching now 80% Silver and 20% Gold.

When the Dutch VVAK certification is benchmarked Gold (expected by 2023) we will make a significant step towards achieving our 2030 target.

Regenerative agriculture in the UK

In the UK we have been working on a regenerative agriculture pilot. Regenerative agriculture refers to farms and growers that understand the importance of their soil and adapt their growing techniques to actively improve their soil health. Regenerative growers build an understanding that their soil is more than just water, clay, sand and silt, but is also a living biosphere. This biosphere of fungi, plants, nematodes and bacteria all interact to provide what we understand as soil. In the UK we have adopted some simple principles:

- Provide soil with cover crops, which act as armour to protect the plants against sun, wind and rain.
- Protect plant roots, feeding the soil flora host.
- Minimise disturbance; this involves looking at cultivation, use of fertiliser and crop protection to protect the soil.
- Provide biodiversity, by using mixtures of species when possible; this reduces pressure on the plants in the soil.
- Where possible, integrate animals to the growing system and rotation.

The first tentative steps to incorporate some of these principles into potato growing are showing very encouraging results and provide further evidence to help us develop potato production

Outlook 2023-2024

Sharing insights among growers

In recent years we have been developing a software system linked to data we collect from our growers. The system is designed to provide insights into where growers can make improvements, for example in the application of plant protection products. The first phase was finalised in autumn 2022, when we invited 50 growers to connect to the system to see if it works. Our aim is to broaden the data covering areas, such as irrigation and fertilisers, so that we can share best practice information among our entire group of growers.

Developing a water availability plan

We believe water availability will be a highly relevant topic for potato cultivation in the coming years, which is why we have started exploring solutions before it becomes a major issue. For example, we are looking at developing varieties that are more drought tolerant. We are also investigating the possibility of harvesting water in winter which is collected in basins and stored until needed in the summer. Another example is looking at sprinklers and drip irrigation, which are much more efficient than water guns.

Sustainable Supply Chain | Key Results 2021-2022

Supply chain issues

Supply chains were hit by a perfect storm during 2020-2022, with issues ranging from the pandemic to the blocking of the Suez Canal and Russia's invasion of Ukraine heavily affecting deliveries and the shipment of products. These issues meant that inputs were scarcer, leading to price volatility and market uncertainty. For LW/M, this resulted in managing an extremely challenging supply chain, to ensure that we could supply our customers with the products they need.

Using waste oil as biodiesel

Each year we create 1.6 million litres of used cooking oil, which is processed into biodiesel by Quatra, a specialist in the collection of used cooking oil. A much cleaner fuel than conventional diesel, the biodiesel produced from our used cooking oil results in a saving of almost 5,000 tons of CO2 emissions compared to B7 diesel. But in 2021 we agreed with Quatra to go even further. Since then, Quatra has been using the biodiesel created from our waste oil in their trucks when they transport

the waste oil from our factories to the processing plant. We are proud to be the first company within our sector to roll out such an initiative, which not only contributes to a circular economy but also leads to an additional 18 tons of CO2 emission savings annually.

Better logistics, faster shipping

The City Terminal at Rotterdam, the Netherlands, opened Cool Port 2 in 2022, a fully automatic, high-rise cold store with a storage capacity of 60,000 pallet places. The new cold store is about 35-45% more energy efficient compared to a conventional cold store, and it has been built according to the highest BREEAM (Building Research Establishment Environmental Assessment Method) requirements. The roof contains 2,700 solar panels, adding to the 11,000 solar panels on Cool Port I, enabling the company to produce a substantial proportion of its own energy needs. Pallets are delivered by self-unloading or conventional trucks and are automatically transported from the dispatch hall via roller

conveyors, turntables and locks to the cold store, where cranes automatically place the pallets in place. This extra storage space means we can ship our frozen goods to customers faster, reducing the chance that quality will be affected during shipping.



Outlook 2023-2024

Reduce our Scope 3 GHG emissions

We are starting the conversation with our key suppliers on the need to reduce our Scope 3 emissions, as two thirds of our total GHG emissions are indirect and sit in the supply chain. We will discuss with suppliers the best ways in which they can reduce our overall product carbon footprint, which opens also possibilities for further innovation, enhanced collaboration, and may stimulate them to further develop their own carbon reduction plans.

Focus on SBTi (Science Based Targets initiative) and EcoVadis tool

Looking ahead, we will work on using the EcoVadis tool to help us identify opportunities and drive improvements along our supplier value chain. At the same time, we will further focus on getting our suppliers involved in reducing their GHG emissions, our Scope 3 emissions. This includes asking our key impact suppliers to commit to setting a Science Based Target, needed to reduce our mutual impact on the planet.



Our People

People are the most important part of any business, ours included. As the company evolves and grows, we continue to focus on creating a work environment that is diverse, inclusive and inspiring.

Broader Context

An extremely tight labour market is making it challenging for companies and organisations across Europe to fill vacancies. In the Netherlands, for example, there were over 130 vacancies for every 100 people searching for a job during 2022, with some sectors, such as the food industry, finding it tougher than others to fill job openings. While in some regions this has led to wage hikes, the challenge in other countries is on ensuring there is enough housing and access to education to entice workers from overseas.

At the same time, millennials, the most recent generation of workers, have a different focus on what is important in the workplace. They place greater value on a flex approach, but want to be recognised for

their contribution. They also want to work for organisations that they see as authentic and that have strong sustainability credentials. For LW/M, we remain focused on our people’s health and safety, their development and retention, while ensuring that we create and sustain an environment in which everyone feels included and free to be themselves. We believe that employer branding is an important aspect of making potential employees aware of the benefits of working in an industry like ours, and in a company that has strong sustainability and innovation credentials. As well as targeting employees, explaining the attraction of the sector may help encourage students to look for courses that would lead to careers in the food sector.



Key Results 2021-2022

We made great progress with sustaining our 'safety first' mindset, significantly reducing both our Total Incident Rate to 0.9 in FY22 (-18% vs FY20) and our Lost Time Accidents (0.5 in FY22, a 44% reduction vs FY20.)

We also made good progress further developing our people. One example is through creating a more diverse culture, and by FY22 women made up 22% of our teams, versus 19% in FY20 (+16%). And we are proud to that there were 38 different nationalities working across the company at the end of FY22.

Sustainable employability programme

Our sustainable employability programme is aimed at attracting the right people to the company, and retaining the people we have. We want to make our people happy in their work, ensuring that they feel challenged and stimulated, and that they feel free to be themselves. Alongside this, we want to ensure they are healthy and happy until they retire. This corporate HR programme has been implemented in the Netherlands, while we have other local initiatives

running in the UK and Austria. We are currently investigating how we can roll this programme out so that our entire workforce can benefit from it.

To achieve this, we have created an employability plan made up of three pillars. The first is motivation to be connected to the job and the company, which is linked to our goal of being a Great Place to Work®. The second pillar is education and development – we want people to develop as the world is changing. This means providing them with opportunities to learn new skills, develop and advance within the organisation. And when people are hesitant about being able to keep pace as their job changes, we will develop potential solutions so they can change career mid-stream.

The third pillar focuses on health and vitality, and is holistic in its approach. We want to offer our people a wide range of resources to help them stay healthy or get healthier, from lifestyle coaching and stress management, to financial advice and physical training. In autumn 2022 we began

offering a Vitality Check to our employees in the Netherlands. In Austria they organised fitness training on location, while the UK developed an internal mental health coaching programme, providing support to employees when needed.

Integrating sustainability in HR

Sustainability is integrated into the company, which is why we have rolled out a range of sustainable mobility options for our people. For example, in 2022 we made lease bikes available to all employees on our Dutch payroll, which we hope will stimulate people to come to work by (e)-bike. As well as being the healthy option, it's also better for the local environment and more cost-effective. And to help cut the carbon footprint of our people, we offer all employees in the Netherlands a public transport card, enabling them to travel by train, bus, tram and metro across the country for free. In the UK and Austria we are investigating if we can offer similar benefits, compliant with local tax regulation possibilities.

Making sustainability a remuneration target

Since 2020 we have integrated our sustainability target of reducing our product carbon footprint into our bonus scheme for those who qualify. We believe this is an additional incentive for our people to work together on achieving our ambitious GHG emission target and collaborate on addressing our 2030 Key Challenges.

Protect our people, minimise fire risk

We operate industrial-scale fryers that use hot oil, so we are extremely aware of the risk of fire. One of our goals is to prevent fryer fires, no matter how small they are. To prevent fires from breaking out, we work with plant managers to keep the fryers clean. After cleaning, we verify this by taking pictures and the start-up is then verified by a manager. Each fryer includes an extinguishing system and an oil removal system, and within a few minutes we can safely remove twenty tons of oil to an emergency tank.

Staying connected during Covid-19

The Covid-19 pandemic made it difficult for people to maintain connections, both in their personal and their professional life. At LW/M we focused on making our people feel they could carry out their work in a safe environment, and that they were always able to reach out to a colleague or manager for help or advice. For example, we gave management extra training on how to talk to their people about issues or stress they may be experiencing. We also continued to focus on being a Great Place to Work®, by highlighting inclusivity. In 2022, we started to focus on reconnecting as a team across the organisation. We introduced Tasty Tuesdays at our offices, where we cook our products and people can come together and have a coffee and a chat. This fits with our new work policy, where people work from the office at least three days per week, but can choose where to be based for the other two days.





Outlook 2023-2024

Employer branding

We are working on a campaign to make ourselves more visible and better known in the labour market, covering what we stand for, why people would want to work for us, and why they would want to develop a career with us. We plan to roll out this local campaign in 2023.

Employee attraction and development

Connected to our employer branding campaign (see above), we also want to accelerate our hiring process to fill current vacancies while strengthening other areas of the organisation to prepare us for further growth. One example is the new line being constructed at Kruiningen, where we expect to hire around 100 new employees. Going forward, we will focus on making LW/M an attractive employment proposition for people at every stage of their career.

Sustainable employability program and employee safety

We will further develop both our sustainable employability programme and employee safety in the coming years. We will also look into how to roll the sustainable employability programme out to benefit our workforce.

Certification on ISO 45001

We are currently working on ISO 45001, a standard for management systems of occupational health and safety. To date, we have trained eight people as lead auditors and the aim is to train additional auditors and carry out annual audits across our plants. We believe this will help us provide safe and healthy workplaces by helping prevent work-related injury and ill health, as well as by proactively improving our occupational health and safety performance.



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Any questions or comments?

Please do not hesitate to contact us.
We will be pleased to answer you.

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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 and Africa. 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 over 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. Lamb Weston / Meijer employs 1,500 people.

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 a pdf at: 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.

