LambWeston®
SEEING POSSIBILITIES IN POTATOES

Creating positive impact from potato to plate

Sustainability Report 2019-2020
Lamb Weston / Meijer

Index

Marc Schroeder
CEO Lamb Weston / Meijer

On 1 January 2021, the company welcomed new CEO Marc Schroeder. He takes over from Bas Alblas, who guided the company for 11 successful years, and who initiated and led the company's sustainability efforts that laid a very strong foundation for LW/M.

Marc's focus is on leading LW/M into the next phase of sustainable growth and development. Here, Marc outlines his thoughts and vision for the company and its sustainability agenda.

The world's resources

Resource depletion and environmental degradation don't need an introduction. They are both critical issues currently facing the planet, and their importance has been recognised by the United Nations in their 2030 Agenda for Sustainable Development. But for food producers like LW/M, their existence is not an abstract concept.

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. We are already tackling some very specific issues to help address this, such as cutting our energy & water use, developing a sustainable agriculture plan, lowering our carbon footprint and reducing our waste streams, while working to improve the communities we serve. I've always been driven by the conviction that we should look at our bigger impact: what do we contribute holistically.

And really, it's 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. Because in the end, this is what the world needs and this is what our customers need. This is what consumers want and what our employees want. 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. Using the UN's Sustainable Development Goals (SDGs) as a guide, the new agenda will focus on creating short- and long-term value both externally for the good of stakeholders and the planet, and internally for the company.

In deciding the way forward we've stepped back and said: 'Where is it that we can we make the biggest impact?' We would love to contribute to all 17 of the UN's SDGs, but that's simply not possible. So, 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 based around the power of the potato. If you look at

the potato it's first and foremost a great source of nutrition. And if you compare it to rice or wheat used to make pasta, 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 and promoting balanced diets. At the same time, we will build 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 we have made great progress, but there is still much more to be done in terms of reducing our carbon footprint and reducing water usage, as well as working within our total food system to source sustainably.

Fit for the future

As one of the first company's in the sector to truly focus on sustainability, LW/M has been recognised as a frontrunner in the industry. But is it possible to become the industry leader? And is that really the company's ultimate aim?

As initiated under Bas's leadership, we have the strong ambition to be the industry leader. This is a great statement, yet it's not easy to measure. You can ask customers for feedback, but I believe it's much more intrinsic. 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. That it's our future. I want the more than 1,800 people who work for us, from production line operators to buyers, and from senior management to receptionists, to feel emotionally connected to our sustainability ambitions. If we make it personal, then everyone is connected and begins pulling in the same direction.

Sustainability needs to be an integral part of all our discussions, inside and outside the company. In terms of what success looks like: if we are leading the industry, great. But that's the minimum. 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*.

Marc

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 always are '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.

Our Values

Our values express who we are and what unites us as a company: Drive Collaboration, Create Win-Win, Deliver on our Promise and Act with Integrity.

Drive Collaboration:

We respect, value, engage and challenge each other in order to achieve our goals together - internally, externally and through partnerships. We take ownership of our decisions.

Create Win-Win:

We seek mutual benefit in all we do - our success is not achieved at the expense of others. We respect the balance between people, profit and planet by fostering sustainability for all.

Deliver our Promise:

We strive for great results by being open-minded, continuously learn and improve in what we do.

Act with Integrity:

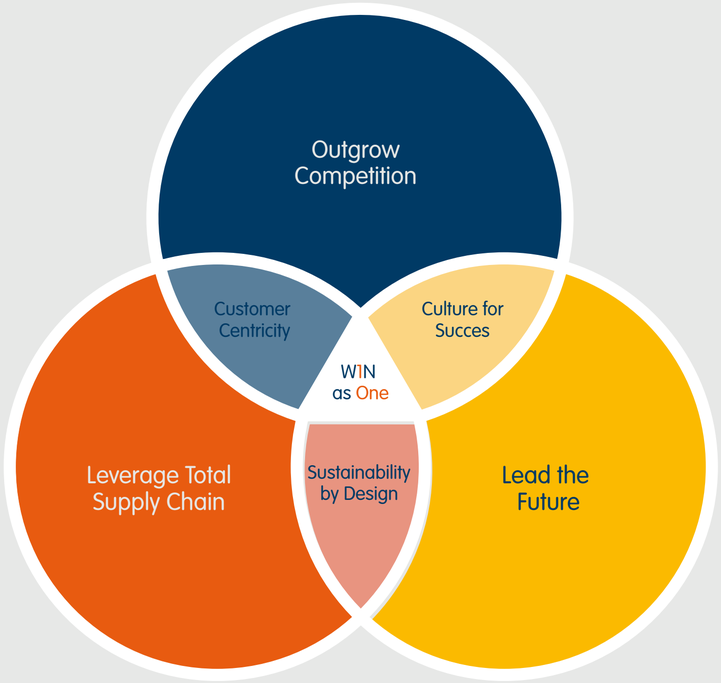
We always act with integrity, also when no-one is looking. We build trust by being truthful, behaving ethical and live up to our values.

Company Ambition

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

Company Strategic Plan

In 2019 we created a new strategic outlook for Lamb Weston / Meijer towards 2025, which we captured in a Company Strategic Plan. This has been updated in FY21 and is named 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.

Conditions for Success

To realise our ambition we have defined three conditions for success. The first, Culture for Success, is about aligning company behaviours and living up to our company values, ensuring that we create the culture needed to deliver our Strategic Plan and be the employer of choice. The second condition is Customer Centricity, where we ask our customers what's important to them and translate this into the total supply chain, so all are aligned on delivering our promise. The third condition, Sustainability by Design, means sustainability is incorporated by design in everything we do, no matter how big or small the action. This will help us to transform into a sustainable future-fit company.

Sustainability Agenda 2030

Introduction

We believe sustainability is a license to operate, and that it is an ongoing process. This has been our belief since we initiated our Sustainability Programme in 2011, and it is a view that continues to drive us forward. We are proud that we have been able to deliver most of our Sustainable Seven 2020 goals. And while 2020 is an important milestone, it is not the end of our journey. It is now time to take the next step, and make our company future-fit.

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.

The 3 key challenges

Balanced Diet | Zero Waste | Climate Action

In developing the 2030 Sustainability Agenda, we have used the UN Sustainable Development Goals (SDGs) as our compass. We have worked outside-in, by looking at global sustainability challenges and selecting those we can contribute to the most. Alongside this, stakeholder research, desk research, key global developments across our industry, and a sustainability SWOT were used as input to guide us in shaping our final strategy. The former Sustainable Seven will be absorbed into our 2030 Key Challenges.

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. Our sustainability goals have matured and developed over the last decade, as we made progress on achieving our Sustainable Seven. The new company strategic plan will take us forward, where sustainability by design is defined as condition for success, and will enable our 2030 sustainability agenda to evolve further.

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_2 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/upgrade)
- Doubling our water reuse (for porcessing argricultural purposes)

Source Sustainably

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

Our 2030 Targets (vs. 2020 reference)

- 100% Nutriscore A/B (as sold)
- -10% Fat content (as consumed)
- 50 Million meals improved

- -50% Food Waste
- ≤0.2% Food Loss (% total volume)
- 100% Recyclable or reusable packaging
- Active Role to promote plastic recycling in FS kitchens

- -25% Carbon Footprint (per MT)
- 40% Renewable energy
- -50% Water use (new lines)
- +50% Water reuse
- 100% SAI-FSA Gold
- 100% EcoVadis Silver

Our alignment to the SDGs

Our Key Challenges

1. Balanced Diet

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

Our 2030 Commitments

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- 50 Million meals improved

Our Key Challenges

At the heart of our new sustainability agenda lie three key challenges for 2030. We believe we can make the most impact by focusing on our contribution to the following three crucial global issues, which together will enable us to make impact as an agri-food company to create a better world.

[1] https://potatocongress.org/news/new-sustainable-diet-underestimates-value-of-potatoes/
[2] When compared to other staple crops rich in carbohydrates, such as rice or the wheat used for pasta, potatoes have a significantly lower water and carbon footprint.
See the key facts infographic in Balanced Diet for more information.

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[1,2] 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 a natural ‘goodie bag’, and one of the most sustainable, nutritious staple foods to help feed a growing population. By making Balanced Diet one of our 2030 Key Challenges, we will help our customers and consumers transition to a balanced diet. When we make our products, we retain as much of the potato’s natural nutrients as possible, while lowering the levels of what we add. We aim to capture 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.

All our **frozen potato products** are cut from whole potatoes and processed simply - we only peel, cut, blanch, dry, fry, freeze and then pack them. We do not add any artificial colours or flavours, as we do not need them to create our tasty, versatile potato products. Within 2 hours of receiving potatoes from our growers, from the field or potato storage, our frozen products are processed and packed: we simply freeze the freshness.

For our less well-known **dried potato flakes**, the process is even more simple. We make mashed potato by combining the small potato pieces coming from our frozen processing lines and with whole potatoes that don’t fit the specification for fries, because of length, shape or other reasons. This mash is instantly drum dried to create a highly nutritious, 100% pure potato product, that concentrates the natural goodness of the potato. Within 2 hours we pack the dried potato flakes that can be stored at ambient temperatures and are a great ingredient for multiple potato-based non-fried food solutions and fried potato snacks.

[3] See the Balanced Diet chapter for an explanation of ‘swallow foods’.

In the **coming decade** we will focus on reducing the oil content and calories in our frozen fried potato products. This could be accomplished through multiple approaches. One is moving to thicker cut fries resulting in reduced oil, used during the par-fry step of our process. Another is developing and utilising new processing techniques, which will lead to less oil being absorbed by our products. And through product innovations, such as developing more offerings suitable for oven or air fryer preparation, requiring no oil in the final cooking stage by our end users.

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’. Our Poundo Potato, launched in 2017 in Nigeria, is a great example that adds nutrition, taste, texture and convenience to the local consumer market to make their beloved swallow foods[3], a staple of their daily dinner. We will expand product solutions addressing malnutrition in developing markets.

We have translated these ambitions into a series of KPIs, outlined below. By ensuring our LW-branded labels meet the highest nutritional standards for our category, and comply with Nutri-score[4] A or B, we believe we can become part of the solution creating a balanced diet.

[4] 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. Nutri-score will be rolled out across the Netherlands from May 2021.

Our Key Challenges

2. Zero Waste

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

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

Our 2030 Targets (vs. 2020 reference)

- -50% Food Waste
- ≤0.2% Food Loss (% total volume)
- 100% Recyclable or reusable packaging
- Active Role to promote plastic recycling in FS kitchens

#2

Zero Waste

We believe strongly that we need to move beyond an extractive industrial model, and work to create a circular economy that keeps products and materials in use. Our challenge is how to contribute to a fully circular food and agriculture business, including more sustainable packaging.

We need resources to grow potatoes, including soil, water, and fertilisers. And to process our potatoes into finished products, we need energy, water, vegetable oil, and packaging materials. Over the last decade we have worked hard to further reduce our waste streams and increase the reuse and valorisation of our potato by-products. The latter are our ‘side streams’, which are either a result of processing (potato starch during cutting and blanching) or removed on purpose (potato peels, defects, shorts and slivers) to meet customers’ specifications.

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 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. And we aim to valorise all side streams using Moerman’s Ladder[5]. This means valorising our side streams along the line: food → feed → fine chemicals → fertiliser → fibres → (bio)fuel, while minimising flare (incineration) and eliminating (land)fill.

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.

These ambitions have been turned into a series of KPIs, outlined on the left.

[5] Moerman’s Ladder indicates how much value can still be extracted from food that is lost, with the rule of thumb ‘the higher up the ladder, the better’.

Our Key Challenges

3. Climate Action

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

Our 2030 Commitments

Reduce our carbon footprint

- -25 less CO_2 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/upgrade)
- Doubling our water reuse (for porcessing agricultural purposes)

Source Sustainably

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

Our 2030 Targets (vs. 2020 reference)

- -25% Carbon Footprint (per MT)
- 40% Renewable energy

- -50% Water use (new lines)
- +50% Water reuse

- 100% SAI-FSA Gold
- 100% EcoVadis Silver

These ambitions have been turned into a series of KPIs, outlined above.

[6] United Nations.

#3

Climate Action

Climate change is undoubtedly impacting our planet. The world is experiencing extreme weather events, and we recently ended the warmest decade ever recorded (2010 - 2019). And in 2019, CO2 and other greenhouse gases in the atmosphere reached their highest levels yet[6].

The focus 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% coming from the sunflower oil we use to par-fry our products. It is clear that to reduce our product carbon footprint in a meaningful way, we need to concentrate even more on helping our growers to advance sustainable agriculture. This is why we are continuing to expand our Sustainable Agriculture (SA) Plan, initiated in 2017, across our other growing regions in Europe.

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 than across our plants, and aim to invest more in enabling the reuse of our effluent for irrigation by local farmers in the proximity of our processing facilities.

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. This requires better communication, so our people know where we want to go and, most importantly, how they can contribute. Which is why our new strategy incorporates the development of 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 sustainability foundation within the company. They will also guide their teams to understand how they can contribute to our sustainability goals, and will better enable us to execute our sustainability road map and launch improvement projects that help to advance our sustainability strategy. Our goal is to have 10% of employees active as Changemakers by 2025.

From Sustainable Seven to three Key Challenges

We will absorb the Sustainable Seven, mostly focused to create more sustainable operations, into our three Key Challenges. When implementing our sustainability programme, we apply two guiding principles which are valid to our focus areas and goals: to be transparent and to look at our total supply chain.

This means we are open and honest and share progress towards our goals, as well as provide insight into our main opportunities and learnings. Our scope and efforts do not end at the borders of our owned premises; we apply a field-to-fork approach and aim to make our total supply and value chain ever-more sustainable and future-fit.

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.

How we Create Shared Value

This Value Creation Model is based on the International Integrated Reporting Council Framework (IIRC), and 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. At the bottom part we list the 2030 UN Sustainable Development Goals (SDGs) relevant for our company to focus on.

LambWeston® SEEING POSSIBILITIES IN POTATOES

Value Creation Model - Lamb Weston / Meijer (FY2020)

Input

Manufactured

Manufactured physical objects that are available for use in the production of services.

- 1 Corporate Centre (Breda, the Netherlands
- 1 Operations & Service Centre (Kruiningen, the Netherlands)
- 7 Potato processing plants (NL, UK, AT, RU*)
- 2 Commercial offices (UAE, NG)

(* minority share in LWBD facility in Russia)

Natural

All renewable and non-renewable environmental resources and processes that provide goods or services that support the past, current or future prosperity of an organisation

- 27,000 ha farm land to grow potatoes
- 1.3 billion kg potatoes: renewable crop, 100% certified vs recognised standards
- 60 million kg vegetable oil + other ingredients: renewable, certified vs recognised standards
- 3 PJ energy for processing, 23% renewable
- 4 million m^3 fresh water used for processing
- 50 million kg pack materials: 100% recyclable of which 91% renewable. Cartons 100% FSC certified, 88% recycled cardboard; Plastic packaging 100% recyclable mono-material.

Human; Intellectual

People's compeencies, capabilities and experience, and their motivations to innovate. Organisational, knowledge-based intangibles, including intellectual property and organisational 'capital'

- 1500 motivated, talented employees
- €700,000 spent on learning & development
- 57 university interns
- 70 Employees involved in innovation (product, process, systems, organisation)

Social and relationship

The institutions and relationships within and between communities, groups of stakeholders and other networks, and the ability to share information to enhance individual and collective well-being

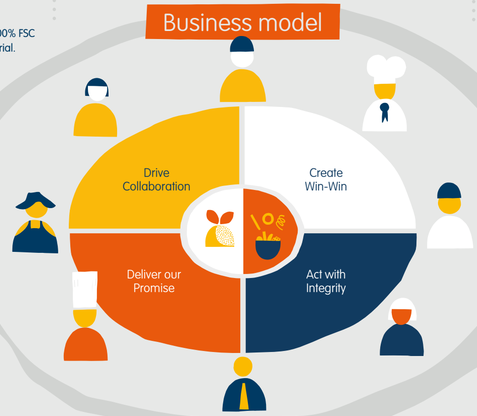
- Long-term relationship with 1700+ customers
- Long-term relationship with 600+ growers, Sustainable Agriculture Plan
- Long-term relationship with 100+ suppliers
- Partnership with 5 key logistics providers
- Partnership with universities and institutes
- Leading or contributing to sector initiatives
- Sponsorships (local sports clubs)

Financial

The pool of funds available for use in the production of goods, obtained through financing.

- 50:50 Joint Venture partnership
- Lamb Weston Holdings Inc. (USA) and Meijer Group (NL) Joint Venture* partnership Lamb Weston and Belaya Dacha (LWBD)
- Substantial financial capital invested
- Subsidies received

Business model



Purpose

Well-being through potatoes.

Mission

Serve and inspire customers and consumers with inventive potato products and solutions they love and trust.

Ambition

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

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.

Output

Manufactured

- 690 million kg packed potato products (frozen,ambient), turned into 5 billion consumer servings
- 70,000+ customer deliveries in 114 countries
- 215 million kg by-products to feed animals, and 8 million kg valorised into biobased products

Natural

- 0.3 million m^3 water evaporated in processing
- 4 million m^3 wastewater, cleaned onsite
- 100 million kg waste recycled, reused, recovered, with 40 million kg clean tare soil returned to land
- 0.3 million kg waste incinerated from processing
- 0 kg waste to landfill from processing
- 134 million kg emissions (scope 1 +2) and 277 million kg emissions (scope 3)
- 16 TJ residual heat shared with neighbour

Human; Intellectual

- 71% Trust Index / 51% positive scores Dutch plants, 76% overall participation GPTW survey
- 13 LTAs during 3 million worked hours
- 4.2% absentee rate
- 11.5% employee turnover
- 5 interns employed after graduation
- 70 New products (innovation, renovation)
- 6 Patents and 35 design patent application in various jurisdictions

Social and relationship

- Income for 600+ growers and 100+ key suppliers
- Partner in 'Together against Food Waste' (NL), WRAP signatory (UK)
- Best sustainable practices shared with customers, industry, universities, governments and regulators
- Practical support for growers to improve local agronomy practices in NW-Europe, UK and Russia
- 65% CSR score, silver rating EcoVadis (top 6%)
- C-score in CDP for Forestry and Climate change
- Supplier of the year awards from key customers

Financial

- €650 million turnover (actual FY20)
- LWBD Production facility* in Lipetsk (Russia)
- Poundo Potato business in Lagos (Nigeria)

(* minority share in LWBD facility in Russia)

Impact

Customers & Consumers

- Value creation for our customers
- Affordable, safe and nutritious food
- Creating enjoyable eating moments
- Responsible consumption, stimulating and supporting food waste reduction

Employees

- Engagement
- Good health and well-being
- Personal growth and development
- Pride, Fairness and Camaraderie

Growers (potatoes)

- Good crop yields
- Maintain soil health
- Sustainable agriculture
- Income, partnership and continuity

Suppliers (goods, services)

- Innovation, collaboration
- Income and continuity

Society

- Tax & Investments
- Employment
- Innovation
- Less CO_2 emissions
- Less fresh water intake
- Feed growing global population by processing potatoes with high yield for farmers, delivering nutrition and satiety for consumers and a low eco-logical footprint (water, carbon, land)

Business

- Be successful short and long-term, healthy ROIC for LW/M partners
- Industry leadership on sustainability
- Good employer brand reputation
- Customer and Brand loyalty
- Responsible,resource-efficient production
- Local employment in Europe, Middle-East, Russia, Brazil and Nigeria

UN Sustainable Development Goals

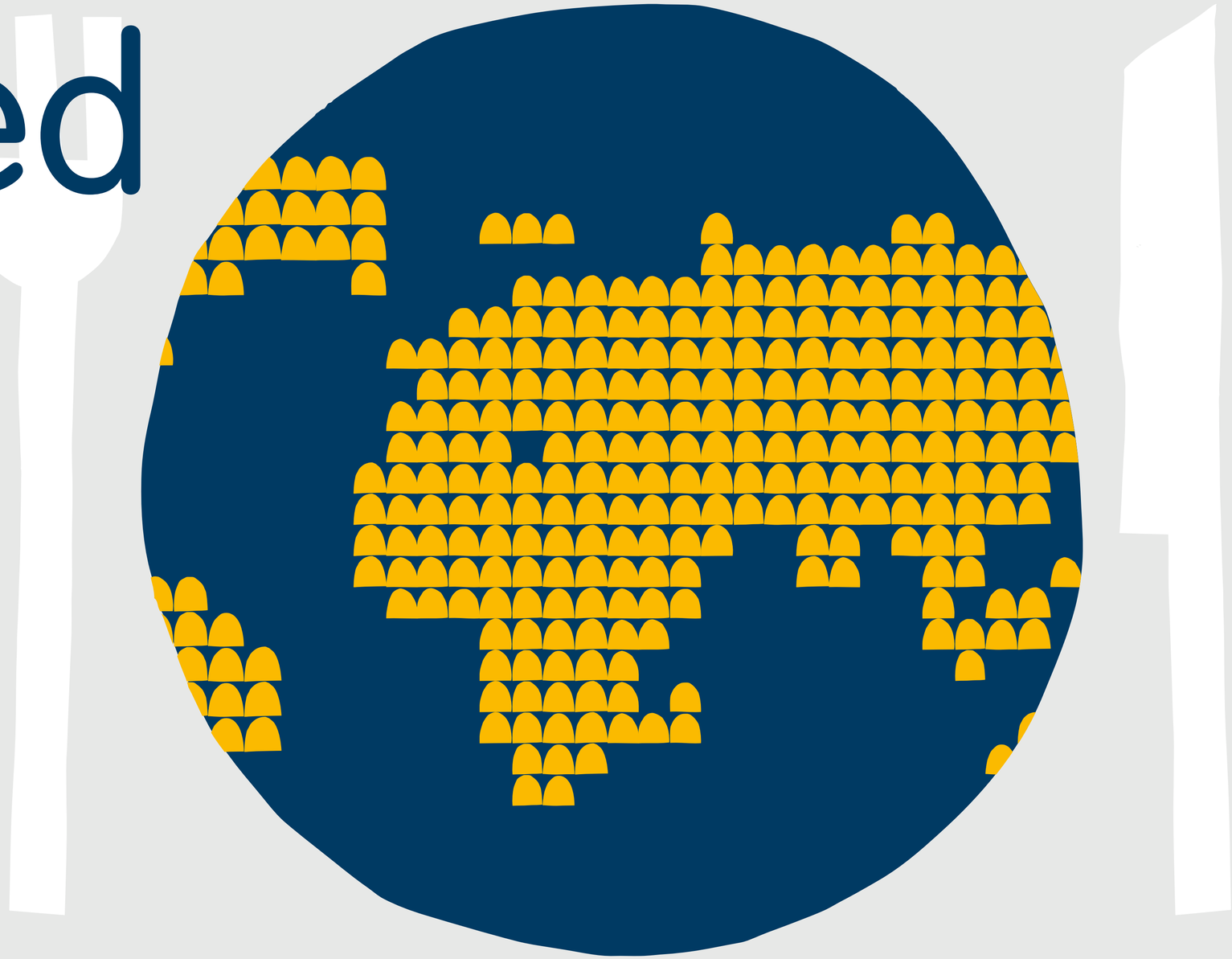
LW/M Sustainable Seven	Key Performance Indicator	Baseline FY 2008	Results FY 2020	Progress made vs baseline	2020 Objectives*
Water	Water intensity (in m^3 / MT finished product)	6.02	6.17	**2%**	-50% direct Water use per MT finished product
	Product Water Footprint (sum of blue + green + grey water)	Water consumption total product life cycle unknown	Water Footprint baseline (2013) Business Case drip irrigation UK (2017) 300 ha potatoes on drip irrigation UK (2020)	**water efficient irrigation, investigating reuse effluent**	Lower blue Water Footprint
Energy & Emissions	Energy intensity (in GJ per MT of finished)	5.062	4.255	**-25%**	-30% direct Energy use per MT finished product
	GHG emissions from energy (in MT CO_2 eq. per MT finished)	0.335	0.194	**-42%**	-30% GHG Emissions per MT finished product
	Product Carbon Footprint (in MT CO_2 eq. per MT finished)	0.784	0.614	**-22%**	Lower Carbon Footprint
	Emissions and road kms / year eliminated during customer deliveries	0 0	6.5 million kms (2019) 5,800 MT CO_2 eq. (2019)	**-8%**	Fewer road km and less emissions from transport to customers
Potato & Waste	Potato Utilisation Index ***) (= total finished / total potatoes used)	100	100,6	**1%**	+10% Potato Utilisation per MT consumed finished product
	% Waste send to landfill % Waste incinerated	Zero - Dutch plants <0.5% - Dutch plants	Zero - all plants 0.09% - all plants	**Zero to landfill** **<0.1 incinerated**	Zero Waste to landfill < 0.5% Waste incinerated
	% Waste streams recycled into usefull destination	99.5% - Dutch plants	99.9% - all plants with 69% used as animal feed	**99.9% useful destination**	Maximize the reuse of bby-products & waste streams
	Food Losses & Waste (FLW) (FLW cf. definition WUR)	FLW unknown from field to fork	6-8% waste at preparation (2013 study) Pilot done with foodservice customer (2017) WRAP UK project with retail customer (2020)	**First 'whole chain food waste reduction' plan with WRAP in UK**	More Conscious Consumption in our total value chain
Sustainable Agriculture	Roll out LW/M Sustainable Agriculture (SA) Plan in our European growing regions.	SA start in FY18	Sustainable Agriculture Plan roll-out in The Netherlands, start in United Kingdom and France	**SA plan implemented in our main growing regions**	SA implemented in LW/M growing regions (NL, UK, BE, FR, GE, AT)
	% potato volume benchmarked on SAI FSA (Farm Sustainability Assessment)	not applicable	27% FSA Gold, 71% FSA Silver, 2% not benchmarked on SAI FSA	**98% SAI-FSA Silver or higher**	100% potato volume scored at SAI FSA Silver level or higher
	% growers measured on soil label (scored versus defined soil label)	not applicable	SA soil label developed for NL and France	**Soil label developed (NL, FR), no baseline established yet**	Soil health baseline for LW/M growers in NL, BE, FR and UK
	% growers with baseline measured for water, carbon, biodiversity and plant protection products	not applicable	SA dashboard developed, Tools available for carbon, PPP and soil health	**SA dashboard + tools to measure carbon, PPP, soil health**	SA KPI baseline measured for limited # of LW/M growers in NL, BE, FR and UK

LW/M Sustainable Seven	Key Performance Indicator	Baseline FY 2008	Results FY 2020	Progress made vs baseline	2020 Objectives*
Employees	Total Incident Rate (TIR)	1.86	1.31	**-39%**	Improved Work Place Safety
	Lost Time Accidents (LTA)	0.81	0.86	**6%**	
	Absentee rate (in %)	4.0%	4.22%	**6%**	Improved Employee Health & Well-being
	Employee Learning & Development	no structured program company wide	700K spent on learning & development	**Companywide Learning & Development program**	Improved Employee Development
	Employee Turnover (in %)	10.1%	11.5%	**14%**	Improved Employee Engagement
	Employee Trust Index (in %) measured as Great Place to Work	No baseline	71% Trust Index (full survey GPtW) 51% Score (pulse survey NL plants)	**GPtW target reached in parts of organisation**	LW/M organisation qualified as Great Place to Work® (>70%)
Food Safety & Quality	First Time Right - FTR (in %) (finished meeting specification)	90%	92%	**2%**	Improved Consistent Quality
	Product Quality Complaints (# complaints / 1000 MT produced)	1.7	1.2	**-29%**	
	% Audits scoring ≥95% or A-grade	75%	89%	**19%**	Meeting implicit Customer Needs & Expectations (deliver safe food)
	# Public product recalls	0	0	**None since start of our company (1994)**	
Nutrition & Health	% frozen products parfried in healthy oil (max. 12% saturated fat)	23%	90%	**393%**	Improved Nutritional Value LW branded potato products
	Fat content frozen products (avg. oil content in g / 100g frozen)	5.9%	5.2%	**-12% oil in frozen product**	
	Salt content LW frozen products (salt in % or g /100 g frozen)	Retail: 0.5% in LW products Foodservice: 0.7% premium LW fries 1.1% seasoned LW products	Retail: <0.5% salt all labels Foodservice: 0.5% salt premium LW fries 1% salt seasoned LW products	**-30% salt in premium fries** **-10% salt in seasoned specialties**	
	Nutrition labeling in compliance & meeting customer expectations	Voluntary declaration 'big-8' nutrition information	Nutrition label included on all LW packaging (incl. foodservice)	**Compliant packaging in 114 countries**	Clear Nutrition Information to direct customers & consumers
	NQ score commercial team (NQ = Nutrition Quotient)	Basic nutrition knowledge	LW/M nutrition training not executed in 2020	**Behind on target, future focus on education**	

* 2020 Objective versus 2008 baseline
** MT: Metric tonnes = 1000 kg

*** Potato utilization is set as 100 for 2008
**** Product Quality Complaints index set as 100 for 2008

Balanced Diet



How to be part of a Balanced Diet and help to prevent malnutrition?

Our 2030 sustainability agenda identifies three key challenges, which we will focus on going forward[1].

The potato itself is a natural 'goodie bag', and one of the most sustainable, nutritious staple foods[2,3] to help feed a growing population. By making Balanced Diet one of our 2030 Key Challenges, we will support our consumers in their transition to a balanced diet. When we make 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.

The Broader Context

Heart disease and diabetes has been called the health challenge of the 21st century[4]. Driven by a variety of factors, including changes in our eating habits, a reduction in physical activity, and an increase in convenience foods, some countries are regulating to counter this burgeoning problem. One example is the recently introduced sugar tax in the United Kingdom, which taxes drinks that contain a certain amount of sugar per 100ml. Another is the publication in 2020 of new guidelines on calorie reduction for the food industry.

At the same time, 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.

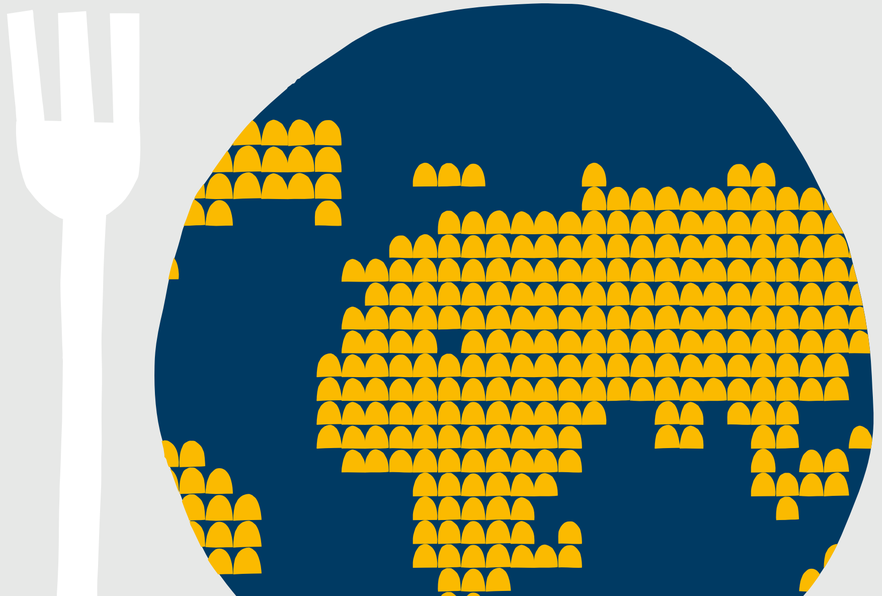
They are also searching for more simply processedfoods, with high-quality ingredients that they recognise. This is leading to a greater focus on labelling, with regulations being introduced on providing nutritional and calorific information, as well as guidelines that clearly define terms such as 'biological' or 'organic'.

For LW/M, we are modifying our portfolio to adapt to changing tastes. This includes introducing gluten-free and vegetarian or vegan choices, offering more skin-on potato and developing products that are suitable for oven or air fryer preparation, reducing their oil content and calories as consumed. It also means educating customers and consumers about portion sizes, and 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, meaning we need to be more flexible about the impact on texture, length and defects.

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



[1] See the Strategy & Value Creation chapter for more details.
[2] https://potatocongress.org/news/new-sustainable-diet-underestimates-value-of-potatoes/
[3] When compared to other staple crops rich in carbohydrates, such as rice or the wheat used for pasta, potatoes have a significantly lower water and carbon footprint. See the key facts infographic in Balanced Diet for more information.
[4] https://www.scor.com/en/expert-views/obesity-health-challenge-21st-century
[5] Calorie reduction: guidelines for the food industry - GOV.UK (www.gov.uk)

BALANCED DIET ROADMAP

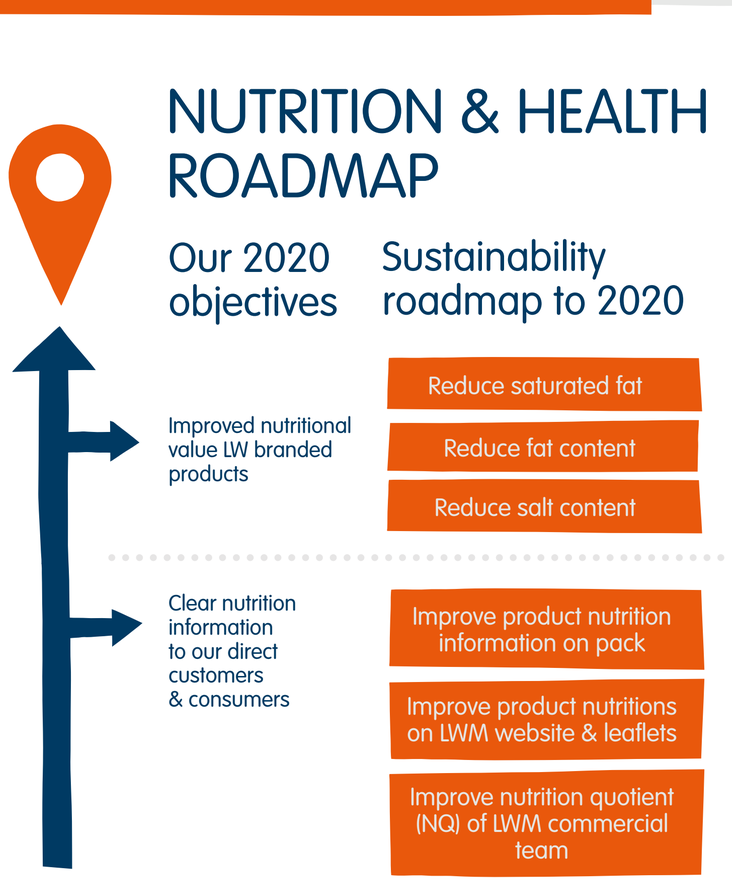
How to be part of a balanced diet and help to prevent malnutrition?

Our 2030 Commitments	LW/M Sustainability Roadmap to 2030
IMPROVE OUR NUTRITION PROFILE LW branded labels 100% in compliance with Nutri-score A or B (as sold)	Nutri-score compliance More skin-on, thicker-cut products Make sustainability and nutrition more explicit criteria in all innovation projects
- 10% oil in LW frozen parfried products (as consumed)	Reduce fat content and calories Focus on alternative preparation methods More products suitable for air fryer and oven
Expand solutions addressing malnutrition in developing markets, improve 50 million meals	Develop (fortified) flakes-based solutions Introduce Poundo Potato into new markets

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

We outline the progress we have made in this area over the reporting period, which finalises our 2012-2020 strategy. We then look forward, detailing how we will achieve key goals linked to Balanced Diet.

75% less saturated fat and 30% less salt



2020 Objective

Our 2020 objective: 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 (2008: 22.8%)
- 5.2% oil content on average in our frozen potato products (as sold), a 12% reduction (2008: 5.9%)
- 30% less salt in LW premium fries and 10% less in LW seasoned potato products (2008: 0.7% salt in premium fries and 1.0% salt in seasoned fries)
- Poundo Potato launch, our 1st ambient potato product with a comprehensive nutrition claim (2008: did not exist)
- Empotato launch, our 1st non-fried frozen potato product: 100% plant-based, gluten-free, nutritious and tasty empanada from potato dough, filled with vegetables (2008: did not exist).
- Clear nutrition labelling on all product packaging, including foodservice in EMEA & Brazil (2008: did not exist)

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. Our main achievement is a 75% reduction in saturated fats, by quadrupling our total product volume par-fried in sunflower oil. We reduced the oil content in our total volume frozen (as sold) by an average of 12%, reduced salt in our premium fries by 30% and in our seasoned specialties by 10%.

We behave responsibly when marketing our products, and ensure our packaging is labelled in compliance with local regulations in the markets in which we sell. Yet we believe we can further improve on educating our commercial teams and customers on nutrition and health.

‘One of the drivers behind ambient food products is based on the ‘feed the world’ concept: there is enough food in the world, but it’s not always possible to get it to the people who really need it. Our ambient products, such as dried potato flakes, are by definition easy to ship and easy to prepare, and they can be stored safely at room temperature with a relatively long shelf life. This enables us to get good quality, nutritious and affordable food to those areas of the world where there is malnutrition, such as parts of West-Africa, Asia or even Latin America. Even more importantly, for a large part the potatoes we use would otherwise end up as animal feed or even waste, so we are ensuring they remain in the food chain. I think our focus in this space is vitally important.’

Eltjo Toutenhoofd
Ambient Business Unit Manager, LW/M
Kruiningen, The Netherlands

Key Results 2018 – 2020

As a company that believes in seeing possibilities in potatoes, we have spent time over the past two years working to deliver products that reflect consumers' changing tastes. This includes producing 100% plant-based, gluten-free and skin-on products, but it also involves working on a nutrition charter, which will help us better understand and frame our products going forward. Our portfolio holds two distinctive categories: frozen par-fried potato products and dried potato flakes, that can be stored at ambient temperatures. The progress we have made on both is outlined below.

All our **frozen potato products** are cut from whole potatoes and processed simply – we only peel, cut, blanch, dry, fry, freeze and then pack them. We do not add any artificial colours or flavours, as we do not need them to create our tasty, versatile potato products. Within two hours of receiving potatoes from the growers, from the field or potato storage, our frozen products are processed and packed.

For our less well-known **dried potato flakes**, the process is even more simple. We make mashed potato by combining the small potato pieces coming from our frozen processing lines with whole potatoes that don't fit the specification for fries, because of length, shape or other reasons. This mash is instantly drum dried to create a highly nutritious, 100% pure potato product, which concentrates the natural goodness of the potato. Within two hours we pack the dried potato flakes that can be stored at ambient temperatures and are a great ingredient for multiple potato-based non-fried food solutions, such as gnocchi, instant mash, soups, sauces and (fried) potato snacks.

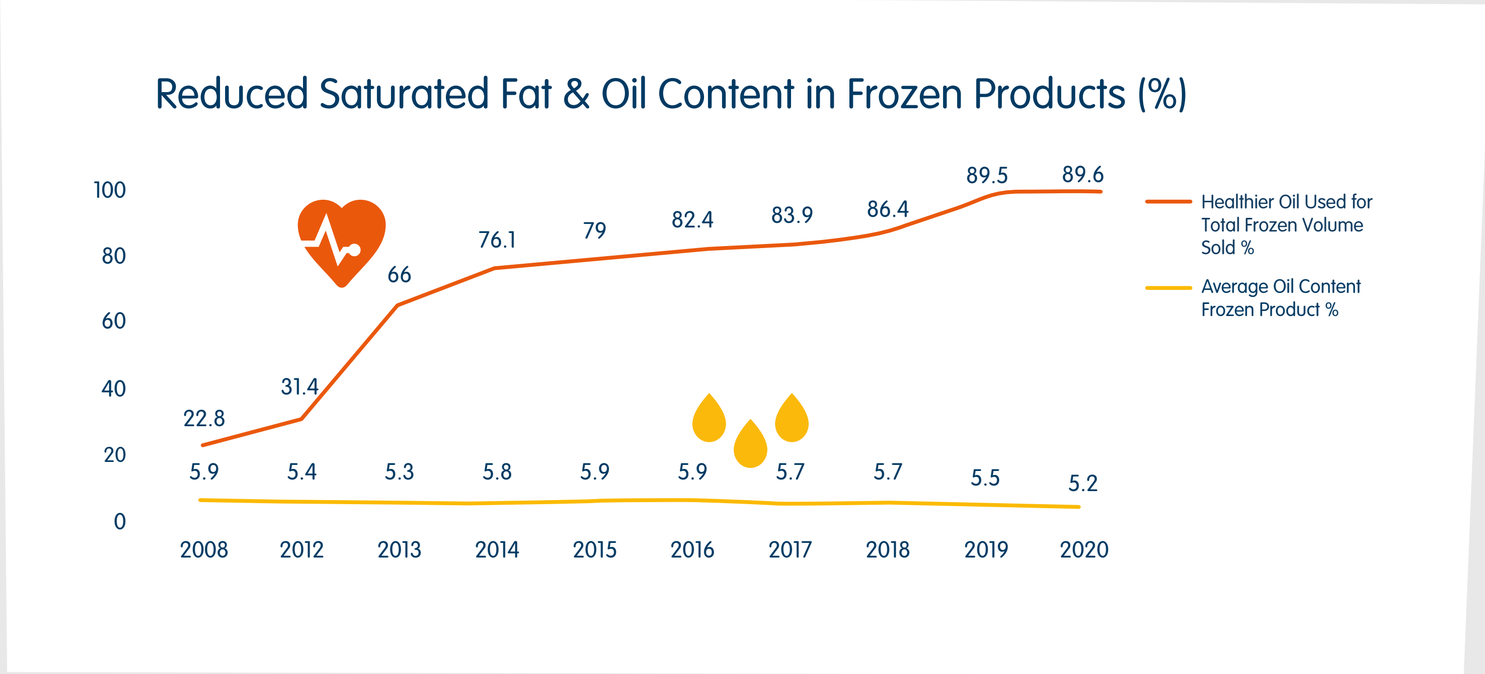
More skin, more nutrition

Tastes change. And we change with them. Over the past two years we have launched a range of skin-on products, as some markets move towards a more natural looking product. One example is the chunky-cut skin-on fry "The Dukes of Chippingdom", which we launched in the UK market. 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. In addition, this means that more of the potato is actually consumed as food.

Healthier oils, low in saturated fats

We par-fry all of our LW-branded potato products in vegetable oils, predominantly sunflower oil, with a maximum of 12% saturated fats and 1% trans-fat (oil based). In the past decade we have made enormous progress improving our frozen portfolio: from frying 77% in palm oil in 2008, to frying 90% of our total frozen volume by 2020 in a healthier sunflower oil – low in saturated fats – nearly quadrupling our 2008 baseline.

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.



Staying ahead of the curve

We adhere to the UK Food Standards Agency salt targets, the most stringent in Europe, across our product range. Yet regulation is often a reflection of trends or issues that are happening in society, and we want to remain ahead of the regulatory curve. This is why over the last two years we have continued to look at areas where we can reduce salt within our portfolio.

While the potato is naturally gluten-free, we also produce seasoned products that can have gluten in the seasoning. With our seasoning supplier we have worked on making more of our products gluten-free, creating more options for our customers and the consumer. This also benefits our operating plants, because removing gluten from certain production lines creates greater production flexibility and saves costs for additional cleaning between product change-overs.

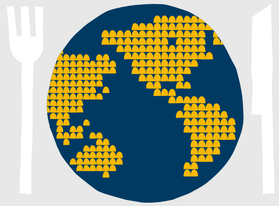
The new normal

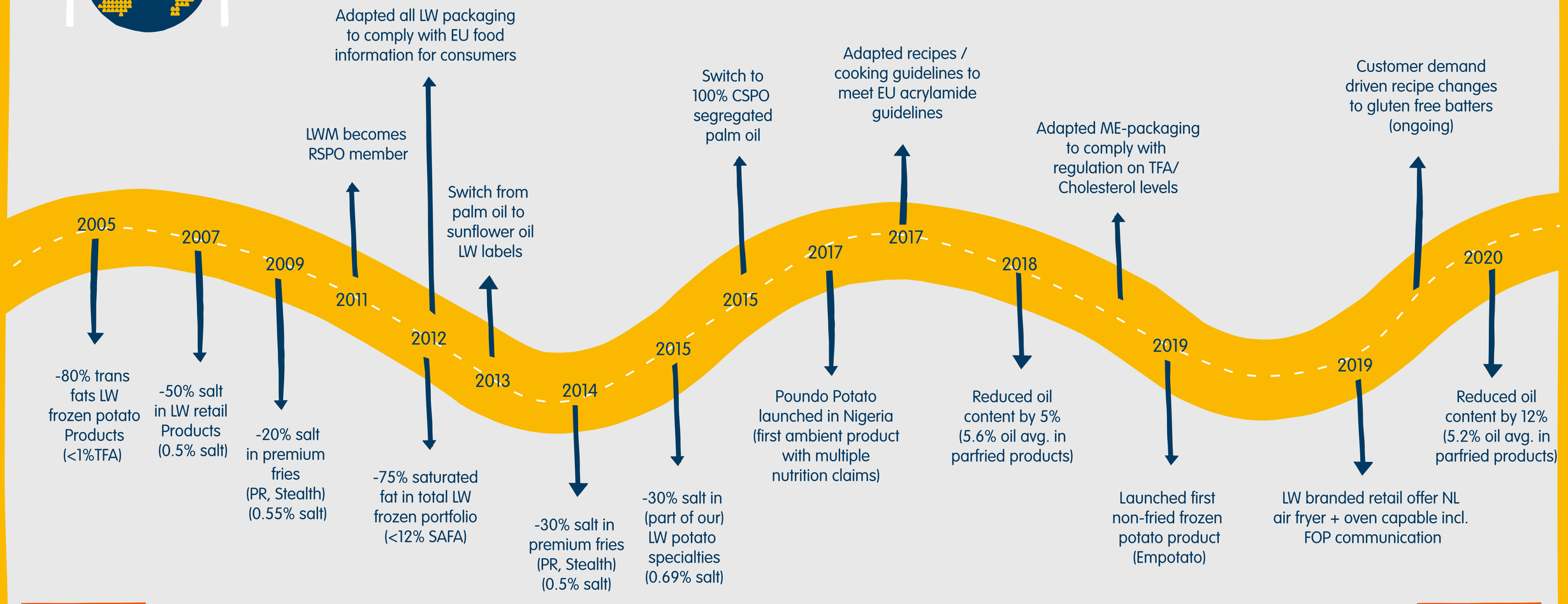
In 2018 our growing regions suffered a drought which impacted potato crops, resulting in significant yield reductions. At the same time, the potatoes themselves were also affected by the drought, resulting in size reduction, while the texture and shape of tubers were also impacted. Despite this, we were 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. So, what does this mean for our portfolio? We take pride in being as consistent as possible. However, customers are demanding more natural-looking products, resulting in a shift towards being more ‘consistently inconsistent’. This means putting measures in place across our plants to measure inconsistencies consistently, so that we can deal with not all fries looking identical while meeting and managing our product specifications and customer expectations—length and shape might change, in some cases fries will be smaller, and more products will be sold skin-on. At the same time, we will introduce new varieties of potatoes that have greater drought resistance, and use water and other agricultural inputs more efficiently. Varieties that have a lower carbon footprint for every kilo of edible product they produce, which can be stored longer and are less susceptible to storage rot and disease. And, ultimately, which contribute to a reduction in food waste.

The overview on the next page outlines our track record and milestones to improve the nutrition profile of our products.

MILESTONES ON IMPROVED NUTRITIONAL VALUE FOR LWM POTATO PRODUCTS





The potato - our natural goodie bag

Meeting customer expectations, every day

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% (2008: 90%)
- 89% of third-party audits scored ≥95% or A-grade, an improvement of 19% (2008: 75%)
- 1.19 complaints per million kgs, a 29% reducing of product quality complaints (2008: 1.71 CPTT)
- 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.

"We have a strong, mature working relationship with LW/M, and we share many of the same values. They provide us with quality products, they are reliable, and the level of food safety and quality assurance is very high. They also ensure we have access to excellent technical support, both with new products and existing products, and are competitively priced. And we share another crucial value: sustainability is as important to them as it is to Sunset Boulevard. Our own strategy is to lower our environmental footprint, for example by cutting plastics in our packaging, and safeguarding that our employees are well cared for and have a good working environment. We want to partner with firms that share our goals, and LW/M is one of those."

Mette Toft
Supply Chain & NPD Manager
Sunset Boulevard
Denmark

[6] https://www.bbc.com/future/article/20201023-food-allergies-why-nut-dairy-and-food-allergy-are-rising

Key Results 2018 – 2020

Strengthening food safety

As we develop, we continue to introduce new technologies and processes to ensure our food safety systems become even more stringent and accurate, and share learnings with all plants and co-manufacturers.

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. Over the last two years we made strong progress towards achieving our goal of zero foreign material contamination.

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. We also rolled out additional optical sorters across our locations. Our expectation is that by 2030 we will have technology in place that reduces foreign material contamination to zero.

Allergens: Making continual improvements

We often refer to the potato as our natural ‘goodie bag’, and one of its great characteristics is that the potato is not only allergen-free by nature, but the least allergenic staple food in the world. This means that everyone can enjoy potatoes. Globally, food allergy cases have risen steeply in recent years[6] and are still the number one reason for product recalls worldwide. All of our regular par-fried frozen potato products and dried potato flakes do not contain gluten nor any other allergen. However, some of our seasoned potato products might still have gluten in the seasoning. As a food producer, we want to ensure that customers have the possibility to choose products that are 100% allergen-free. Having introduced gluten-free environments across all our production plants, over the last two years we have begun looking to extend this guarantee upstream along our supply chain.

Some of our seasonings contain wheat starch, which contains gluten, an allergen. We have actively worked with the main supplier of our seasoned batter mix, used to give some products an extra crispy crust and enhanced taste, to have this delivered gluten free. The aim of this project was to ensure that gluten contamination is eliminated within the production processes of our batter mix supplier. By guaranteeing that gluten is absent in the seasoning they supply to us, we can secure our customers that our seasoned products are guaranteed gluten-free (<20 ppm) and label them as such. We want our products to be loved and trusted by every single consumer, food safety is our first priority.

Organisational strengths

In recent years we have strengthened our regulatory affairs capability, appointing a dedicated regulatory affairs manager to ensure compliance and manage ever-changing regulations and emerging issues across 100+ countries in the EMEA markets.

Since then, we have continued to adapt the way we manage food safety and quality. For example, we have moved from a reactive approach to a more preventative approach. We have food safety teams that meet frequently, with representatives from each plant. They discuss risk issues, steps that need to be taken, and best practices that can be shared across the company. As well as helping to prevent issues, this approach improves efficiency and leads to positive culture changes.

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? This approach helps us create products that live up to their claims, and will help with product development.

New technology, greater efficiency

We introduced a number of new technologies to better control our processes, leading to greater cost efficiency, higher quality products, and reduced food loss and waste.

One example is a sealing-detection system, which checks if bags of fries and other products have been closed completely. This prevents split or open bags, which could be unusable and thus wasted, being sent to the customer. The system is currently in the testing phase.

We also continued to use a tool that uses near-infrared spectroscopy to measure the solid matter content of our potato products as they travel along the production line. This has two key benefits: first, it saves us having to remove product bags from the line to carry out checks, meaning we waste less product. Second, it is faster and more cost efficient.

We also began investigating an in-line measurement tool, which measures the length of the fries as they reach the end of the production line. This means we don't have to take bags out to check the products. It also means that if we are producing at the wrong length, we can halt the production run faster, reducing waste.

Product insights

We are always looking for ways to better understand our raw product, the potato, so that we can use it more effectively in our processes. During the reporting period, we launched an improvement program that ensures we have all the necessary information on the potato crop as we begin production: length, defects, solid matter content and other physical details. This will help us cut food loss and waste and increase product quality consistency.

One example is the introduction a few years ago of size scanners on our growers' farms, which scan the potatoes before they are shipped to the plant. This provides us with more representative information on their size and weight, and enables us to produce a higher percentage of first-time-right and within specification. We also more accurately know the quality of the batch that is being delivered to the plant.

Eliminating CIPC

In 2019 the European Union announced a ban on chlorpropham (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. We will carry out audits to ensure the cleaning processes are effective. We have done the same with our service providers in the supply chain, such as those providing the trailers to transport potatoes. We have switched to alternative approved products to help control sprouting.

Balanced Diet: Outlook for 2021 – 2022

There are a number of projects we plan to concentrate on in the coming two-year period, all of which are focused on being part of the solution and contributing to more balanced diets by making an impact through our portfolio. And, of course, (food & feed) safety always comes first.

1. We aim to look at ways to prepare products other than through frying in cooking oil. Moving away from the second frying step, in restaurants or domestic kitchens, means adding less oil to the products as consumed, and this also significantly reduces the calorific content of our product. We aim to deliver products that help our customers create more balanced menus, unnoticeably reducing the calorie intake of the consumer and without compromising on taste.

   In the Netherlands, for example, our retail products perform favourably when prepared in an air fryer and oven, in comparison to traditional frying. At the same time, we see opportunities in potato products that are baked, and will continue to explore possibilities in this area. We will continue to concentrate on promoting more skin-on, thicker-cut products, which contain a slightly higher fibre content, absorb less oil and are lower in calories.

   We will also improve our ambient[7] product offerings and extend our offerings of dried potato flakes and ambient solutions to existing and new international markets. We will pack our Poundo Potato products in our new Ambient line and introduce Poundo into new markets, to meet the growing demand of West-Africans looking for an easier-to-prepare, easy-to-digest and nutritious **swallow food.**

In Nigeria, and across Africa, the swallow meal is normally a starch-based, dough-like food served alongside a soup bowl generally made with vegetables and protein. The swallow is cut and moulded into small dough balls and dipped in the soup, and swallowed.

2. To help promote a balanced diet, we will implement the Nutri-score nutrition label for LW-branded products to provide consumers with a clear, easy-to-understand overview of our products' nutritional value. Nutri-score ranks products using a code consisting of 5 letters (A-E), each with its own colour, based on the nutrients in the food. Nutri-score will be rolled out across the Netherlands from May 2021, and we will adjust our labelling from then, starting with our LW-branded retail products.

3. Internally, we will make sustainability and nutrition a more explicit criteria in all product and process innovations to ensure continuous improvement of our product portfolio. The driver is producing a tasty, indulgent and nutritionally balanced product, built on the natural goodness of the potato while minimising the processing.

With respect to Food Safety & Quality, we will concentrate in the coming two-year period on the following key areas:

1. We anticipate evolving customer expectations driven by new regulations by being both more proactive and science-based. To achieve this, we have created a governance structure composed of experts from across the company to study legislative changes and market developments, which are then translated into new directions. Because most new regulations are announced well in advance, we expect to have adequate time to develop company responses.

2. We will continue to ingrain food safety in our company culture. We believe this involves helping people understand what food safety and quality is, and how they can impact it in their day-to-day jobs. Achieving this means making investments, not only in awareness and training, but also in the right tools and equipment.

[7] Ambient products are products that can be stored at room (or ambient) temperatures, so don't need to be refrigerated or frozen.

3. We will improve the internal auditing of all management systems, including the food safety and quality systems.

Balanced Diet: Main Challenges

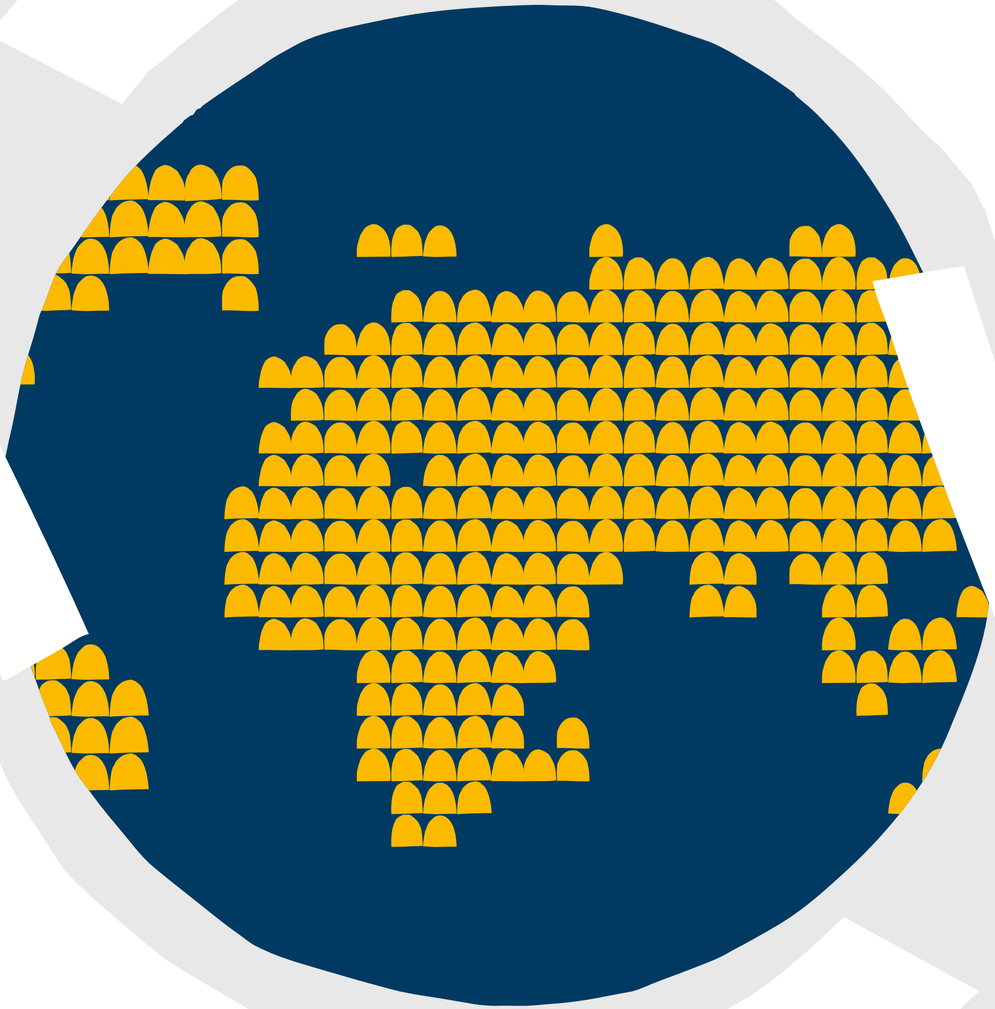
We have identified the following focus areas going forward to deliver nutritious potato products and solutions, which meet the highest nutritional and food quality standards. These are:

- Find the right balance between indulgence and an improved nutritional profile of our products. Going forward, we will focus on reducing the oil content in our frozen products, so that our fries remain tasty while calories per portion are reduced. Further lowering salt might mean that consumers add more salt after the final preparation, which is counterproductive to limiting their actual salt intake.

- Develop products that can be prepared outside the fryer. While we par-fry products in our plants, we want to explore alternatives to the second frying step before service, especially for products prepared at home, such as final preparation in the oven or air-fryer. We are also looking at developing frozen or ambient potato products that do not need to be fried at all, such as Poundo Potato in Nigeria, and mashed potato, and products made with our unique and patented potato flour.

- One of our food-quality challenges is managing changes one step at a time. We realise we cannot make every improvement we want to at once, so our aim is to focus on doing what we can do correctly. One important area will be governance, ensuring that developments are rolled out company-wide. We believe that dissemination of knowledge is key to ensuring the highest food-quality standards are maintained.

Zero Waste



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

Our new sustainability agenda identifies three key challenges, which we will focus on going forward1. One of these is Zero Waste, which is about contributing to a circular agri-food system, where we will target food loss and waste reduction from our products and their side streams, and work on more sustainable packaging.

The Broader Context

Although it's a statistic familiar to many of us, it is one worth repeating: according to the United Nations, an estimated one-third of food produced for human consumption globally is lost or wasted, rising to 45 percent for fresh fruits and vegetables[2].

Across the world, countries have recognised the importance of reversing the situation if we are to achieve a more sustainable world. The European Union and its member states have committed to meeting Sustainable Development Goal (SDG) 12.3, which aims to halve food waste per capita at the retail and consumer level by 2030, and reduce food losses along the food production and supply chains.

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.
Which is why we have continued to work on preventing and reducing waste, increasing possible re-use, and developing new ways to increase value from potato by-products and waste streams and educating our customers to prevent food waste. In this chapter we outline the steps we took to realise these goals between 2018 and 2020.

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

[1] See the Strategy & Value Creation chapter for more details.
[2] https://news.un.org/en/story/2013/09/448652

ZERO WASTE ROADMAP

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

Our 2030 Commitments	LW/M Sustainability Roadmap to 2030
HALVE OUR FOOD WASTE	Prevent food loss and waste (FLW)
Halve our food waste in our own operations	Reduce/ reuse and valorise FLW (prioritise conform Moerman Ladder)
≤0.2% Food loss (# packed finished product sent to animal feed)	Prevent food loss
	Reduce/ (Re-)sell product
	Donate prodcut to foodbanks
USE LESS OR BETTER PACKAGING	Reduce material use
100% recyclable or re-usable packaging, increase use of recycled plastic	Reuse / recycle where feasible and food safe
	Innovate for better packaging solutions
Increase plastic recycling in food service kitchens	Collaborate with supply chain partners
	Run pilots with customers

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

We share progress made in these areas over the reporting period, which finalises our 2012-2020 strategy. We then look forward, detailing how we will achieve key goals linked to Zero Waste.

Utilising the whole patato

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, exceeding our goal versus 2008 baseline (+10%). Pre-COVID-19 we improved our potato utilisation by 12% in 2020 versus our baseline. Unfortunately, the index dropped to +0.6% at the end of FY2020 due to producing more potato flakes from potatoes contracted for fries production, to limit the COVID-19 impact for our growers and our business.
- 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 committed to WRAP in the UK delivering a 'Whole Chain Food Waste Reduction Plan'
- 91% of all 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. Unfortunately, in the last year of our 10-year strategy period, the potato utilisation index dropped significantly, with the COVID-19 pandemic impacting our frozen and ambient operations. During the spring and summer of 2020, we turned millions of kilograms of contracted potatoes from our growers into dried potato flakes, one of our core products, preventing them from going to cattle feed. As of March 2020, we produced less frozen products and used significantly more whole potatoes for dried potato flakes, requiring 5 kg of potatoes per kg of flakes versus less than 2 kg for frozen par-fried potato products. This negatively impacted our recoveries.

'The link between food waste and climate change is something we can no longer ignore. Globally, around a third of all food is wasted and the IPCC estimated that food waste contributed nearly 10% of all man-made greenhouse gas emissions, between 2010 and 2016. Having the support of companies like Lamb Weston are crucial in helping to mitigate against this problem through their own actions, and by engaging with their client base. We are delighted that Lamb Weston / Meijer is supporting the UK Food Waste Reduction Roadmap in this way, and will work with its clients to influence change. We would encourage others to follow its lead.'

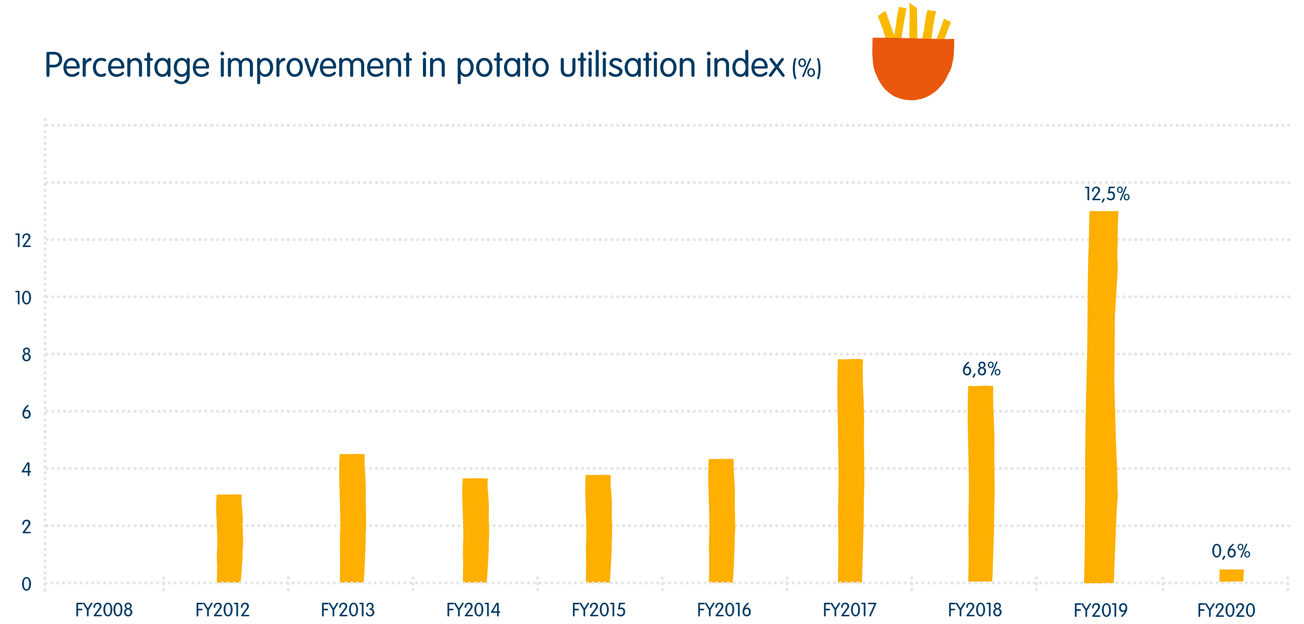
Peter Maddox, Director WRAP,
Waste Resource Action Programme,
London, United Kingdom

'The optical sorters are vital in helping us identify defects on the fries. The fries are then automatically re-directed to a machine that removes the defects, before being turned into products that satisfy customer specifications. As well as ensuring happy customers, the optical sorters also help us reduce wastage.'

Janco Hiemstra
Technical Services Manager, LW/M
Oosterbierum, The Netherlands

Key Results 2018 – 2020

Our focus over the reporting period continued to be on increasing our potato utilisation, developing projects aimed at improving white starch recovery, while working on additional ways to reduce food waste. In line with the rest of the business, some of our efforts were impeded by the emergence of the coronavirus crisis in the first quarter of 2020.

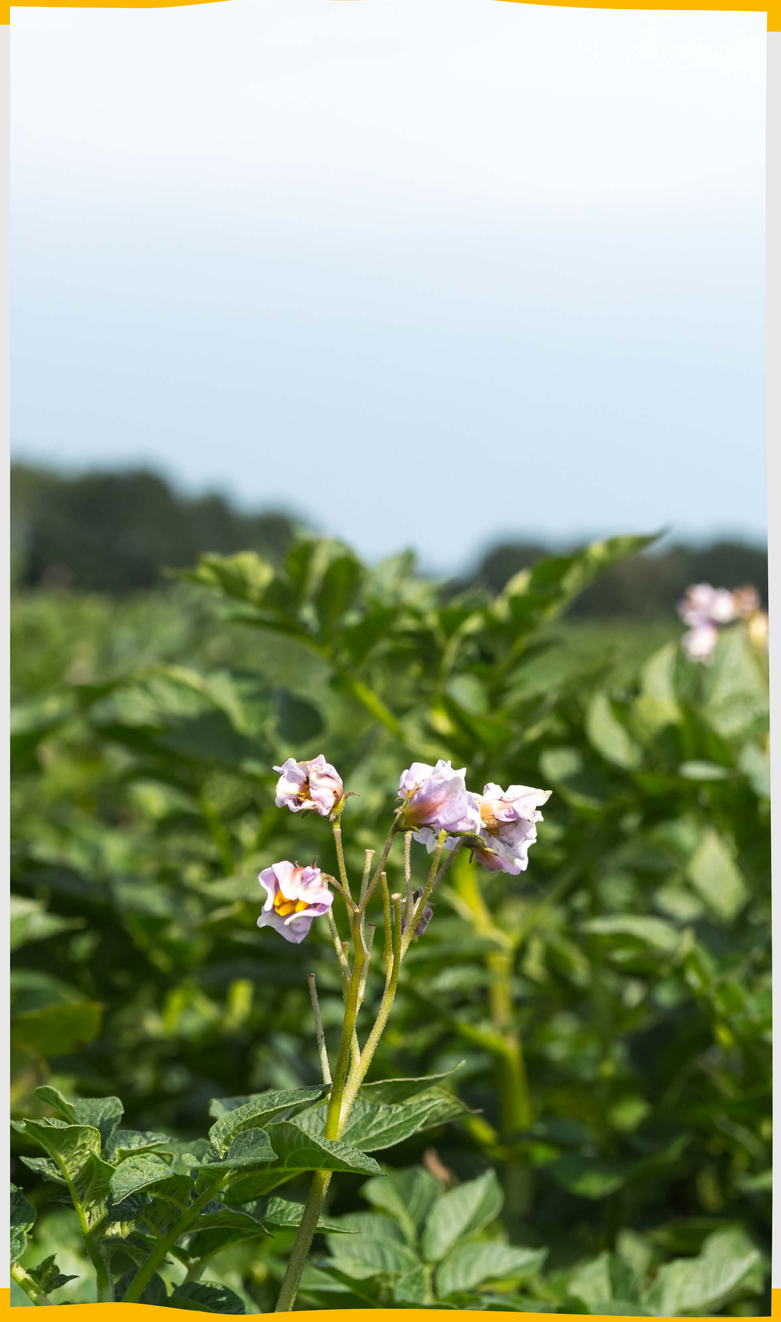


More from the humble, nutritious potato

In FY2019 we achieved our potato utilisation goal (+10%), with an increase of 12.5% over our 2008 baseline. This was driven by rolling out best practices across our production facilities, and ongoing investments in new technologies. The result was particularly pleasing given the extremely warm summer of 2018, which resulted in smaller-sized potatoes than average and a yield decrease in crop harvest (compared to the average yield over the previous few years), so we needed to utilise every single potato to keep our factories running. In collaboration with our customers, we were able to agree on adjusting the specifications of our products, taking the potatoes' reduced size into account. This avoided potential food loss and waste due to not having to grade out massive volumes of short fries, and enabled us to utilise the whole potato as much as possible.

In the first quarter of 2020, the COVID-19 pandemic led to a sharp drop in demand from major customers, resulting in reduced production and overall equipment effectiveness (OEE). While we saw an increase in demand for our dehydrated potato flakes, we had potato contracts with our growers that we honoured, which left us with a large crop volume we couldn't immediately use.

During the spring and summer of 2020, we turned millions of kilograms of contracted potatoes from our growers into dried potato flakes, one of our core products, preventing them from going to cattle feed. As a result of the market disruption in March 2020, we produced less frozen products and used significantly more whole potatoes for dried potato flakes, requiring 5 kg of potatoes per kg of flakes versus less than 2 kg for frozen par-fried potato products. This negatively impacted our total recoveries, but positively impacted our growers by turning potatoes into other food products and avoiding food waste. 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.



Next to this, we looked at multiple options to reduce the percentage of potatoes becoming food waste (anaerobic digestion). We initiated several pilots to utilise these stocks, including producing alcohol for disinfectant and distilling vodka, neither of which were feasible on a larger scale.

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, such as in batter mixes that are used to apply a crispy coating on some of our products. To help achieve this, we have invested in new technology at our Kruiningen and Broekhuizenvorst plants, and have established improvement teams to help optimise extraction.

Eye in the sky

One way to reduce waste is to ensure our products are produced first-time-right against specification, for example on length, defects, texture and colour. To help cut the percentage of French fries being rejected, we installed new optical sorters at our Oosterbierum plant, which ensure that the right potatoes make it to the right production line. Next to this, we can now more accurately sort fries directly after cutting and during frozen grading, resulting in less product losses. Our aim is to roll the technology out across additional plants when we restart our investment programme.

Accurate data figures

Understanding how much waste material leaves our plants is vital to help us develop smart circular models and promote reutilisation. We are currently working with our waste haulage partner to ensure all data is standardised and more accurately registered, while looking into ways to recycle materials (metal, paper, plastic) that we currently store onsite. One example is used plastics, which are currently difficult to sell on the open market because prices are extremely low. By working with the waste management industry, we hope to benefit from effective recycling solutions.

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. Of our plastic packaging (bags, stretch film), 100% is recyclable, made from mono-materials (PE or PP). Boxes, bulk totes and (pallet) slip-sheets are made of 100% FSC-certified paper, containing 88% recycled cardboard. The wooden pallets we use are part of a European pallet pool and are repaired when needed and reused on average 150 times during their entire life cycle.

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 reduce, recycle, renew and reuse. Our goal for 2030 is to have all our product packaging 100% reusable and/or recyclable, we commit to use less or better packaging.

See infographics on the next three pages for further explanation of our sustainable packaging strategy and roadmap.

LW/M Sustainable Packaging statement 2030

Role

The role of our packaging: to preserve, protect, distribute and communicate!

Function

LWM's packaging needs to be functional, proportionate to the product volume it contains, food safe and healthy for individuals, society and the environment throughout its entire life cycle.

Source

It should be made from 100% renewabe materials* or 100% recylable mono-materials.

End-of-life

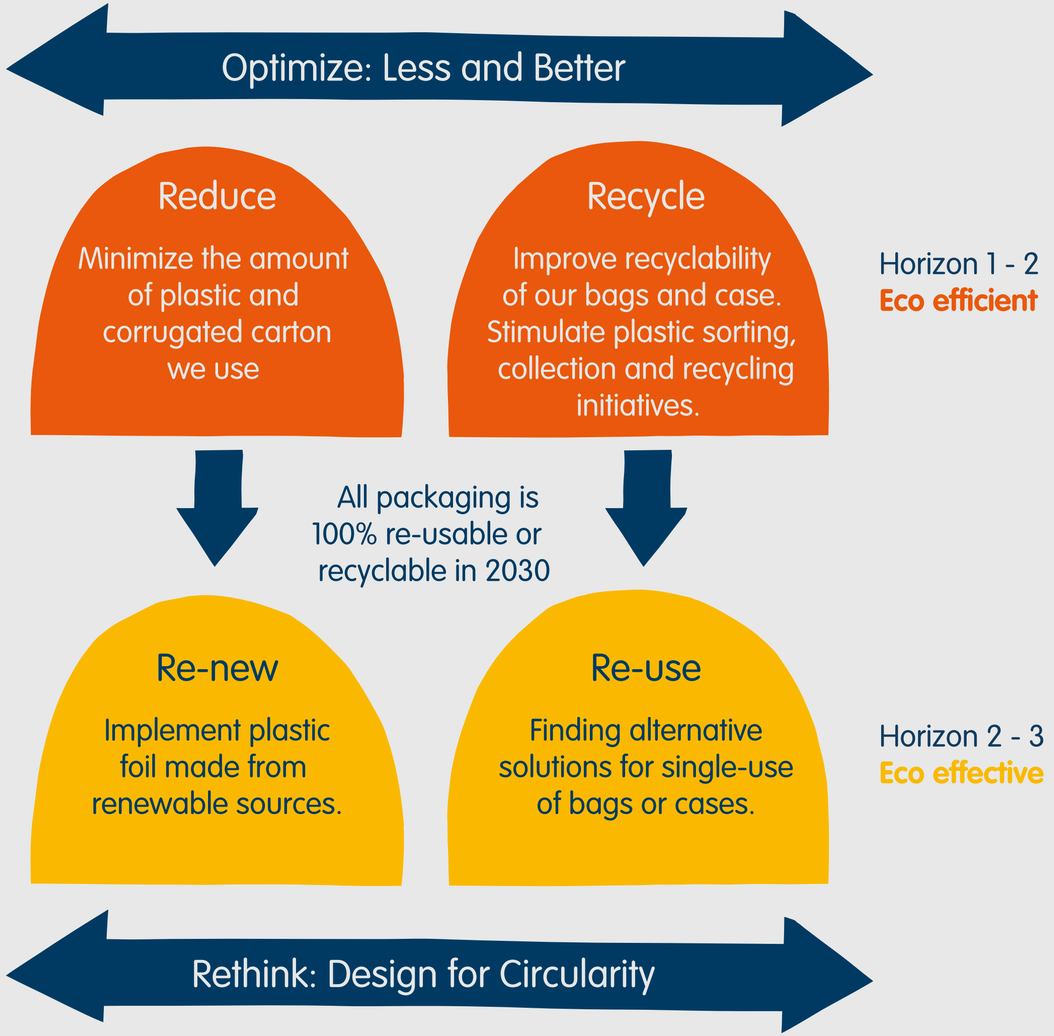
Our packaging should best be re-used (if legally allowed) or disposed of in a responsible way, i.e. pre-sorted, collected and recycled at the end of its lifecycle. Regulated disposal of packaging through "recovery of energy" or "industrial compost" needs to be avoided, which is even more relevant for packaging ending as landfill or (marine) litter.

* and it should not impact or compete with raw materials suitable for food or feed.

LW/M Sustainable Packaging Strategy towards 2030

Guiding Principles

1. Anticipate on Regulation - compliance with EU Packaging and Waste Directive (PPWD): 100% reusable or recyclable plastics by 2030, no over-packaging and recycled content promoted
2. Use the UN 2030 Sustainable Development Goals as our compass (SDG12 most applicable)
3. (Re)Design for Sustainability: Optimize the current "linear economy" (by Reduce and Recycle) and Rethink the future "circular economy" (focus on Renew and Re-use)
4. Ensure renewable materials don't impact or compete with raw materials suitable for food and feed
5. Avoid regulated disposal and ensure our packaging does not end up as landfill or marine litter
6. Use PEF (product environmental footprint) 'LCA' calculation to quantify packaging sustainability, including its impact on food waste prevention and reduction



LW/M Packaging Innovation Program FY20-25

Customer-centric Innovation

"Functional" Packaging Concepts which:

- add value to our products (and are affordable for our end-users)
- give peace of mind to our end-users (in their operation)
- differentiate us from competition and contribute to a profitable margin for LW/M

Design for Sustainability

"Sustainable" Packaging Solutions which:

- builld upon "reduce, recycle, renew and re-use" sustainability criteria
- deliver lowest achievable Product Environmental Footprint (based on a LCA incl. food waste prevention/reduction)

WRAP: Cutting food waste together

We know that cutting food waste will only work if we collaborate with partners along the entire supply chain. Which is why we 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. Of the 600 WRAP signatories in the UK, approximately 200 companies are also reporting their food waste data to WRAP and were invited to build Whole Chain Food Waste Reduction (WCFWR) plans.

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 WRAP signatories to deliver a WCFWR plan and roadmap.

Our company goal is to halve our food waste by 2030, aligned with SDG12.3. WRAP defines food waste as any food not consumed by humans or animals or turned into biobased materials, including inedible parts sent to non-food destinations such as anaerobic digestion, composting, incineration or landfill.

'United against Food Waste'— reducing together

We continued to partner in the 'Samen tegen Voedselverspilling' (United against Food Waste) initiative that is being led by Wageningen University & Research, the Dutch Ministry of Agriculture, Nature and Food Quality, Three-Sixty, Food Tech Brainport and regional public organisations. This initiative brings together companies in the Netherlands from across the food sector, as well as national and local authorities, with the aim of helping to prevent and reduce food waste. Its goal is to halve food waste by 2030, compared to 2015, in line with UN Sustainable Development Goal 12.3.

During the reporting period we collaborated with one of our key customers, partner in 'Samen tegen Voedselverspilling', to identify food waste reduction opportunities in the total potato value chain. We shared insights and learnings from our 2013 Food Loss and Waste study, with two graduate students from Wageningen University, who conducted a supply chain food waste reduction project for them in the Netherlands.

We offered to help identify ways to reduce the percentage of fries being spilled in the kitchens of their restaurants, and how to potentially valorise spilled fries as animal feed. As we progress, we hope to be able to further contribute to avoiding and reducing food waste along our supply chain, working in partnership with our customers.

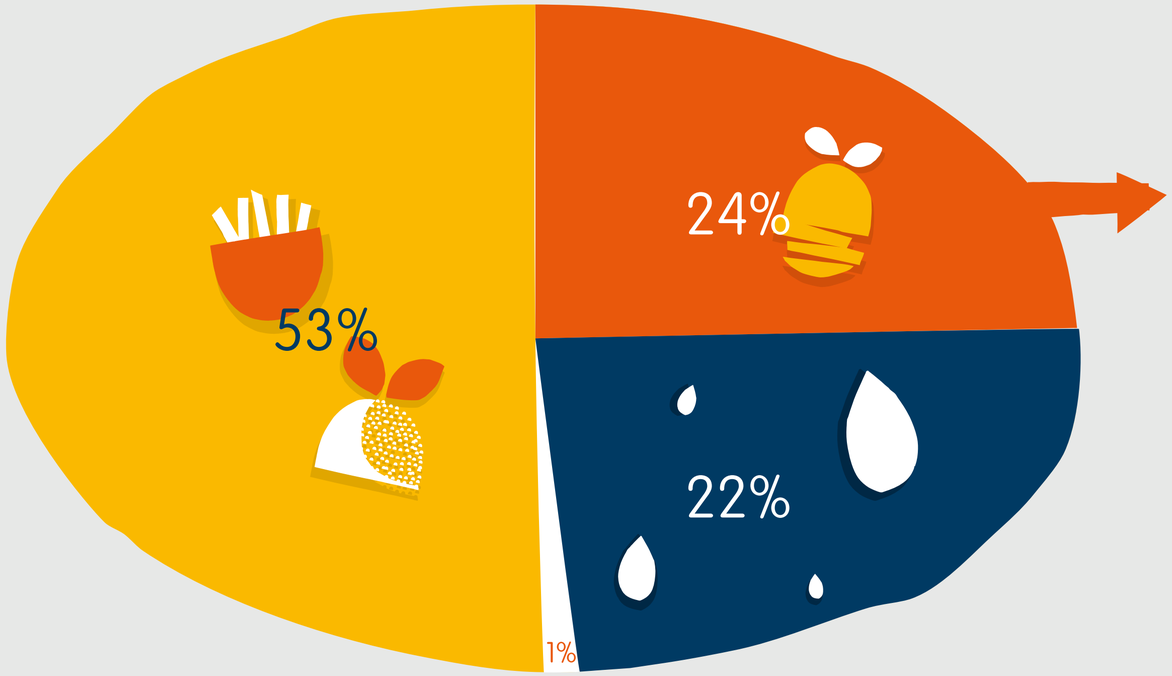
We carried out a project with EyeOn, a stakeholder in 'Samen Tegen Voedselverspilling'. Their core competence is helping companies to improve their forecasting and stock management, based on better data insights. This project aimed to build a stock insights dashboard, helping us to take better and faster decisions on unhealthy stock and prevent finished products going to animal feed, and thus losing value. Currently, returned pallets and products that are close to their best-before dates are channelled to animal feed, and we want to see our fries being consumed by people (for example, donated to food banks) rather than animals, whenever possible.

Making waste a thing of the past

In FY20 we turned 1.3 million tonnes of potatoes into 690,000 tonnes of finished potato products. At the same time, we generated 312,000 tonnes of by-products and waste streams. Of this volume, 99.9% is valorised and repurposed or reused sustainably into useful destinations.

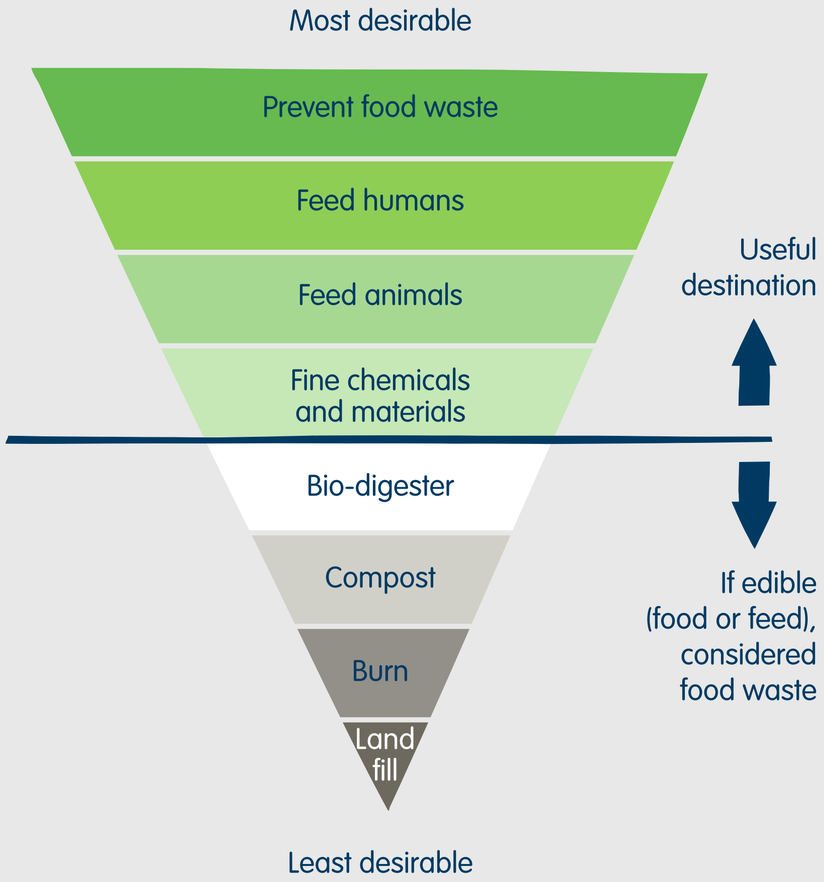
This means over 215,000 MT of potato by-products (mainly potato peels) were repurposed and used locally as animal feed, which is 69% used as (animal) feed for FY20.

We utilise the whole potato - how?

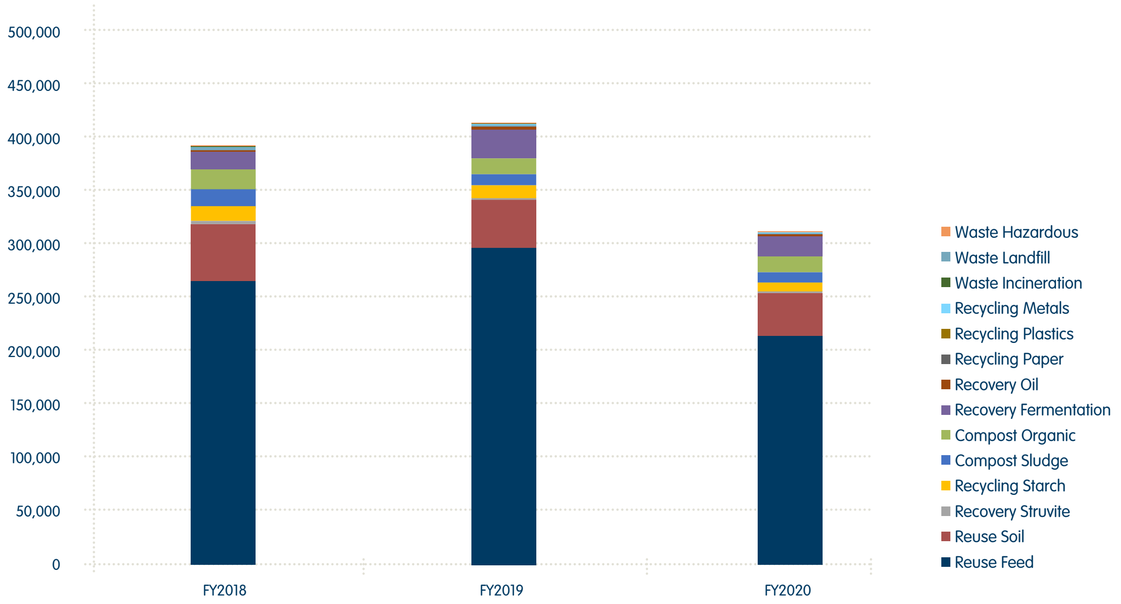


- Frozen parfried potato products + dehydrated potato flakes
- Byproducts and waste streams
- Water evaporated
- Food Loss (packed finished product)

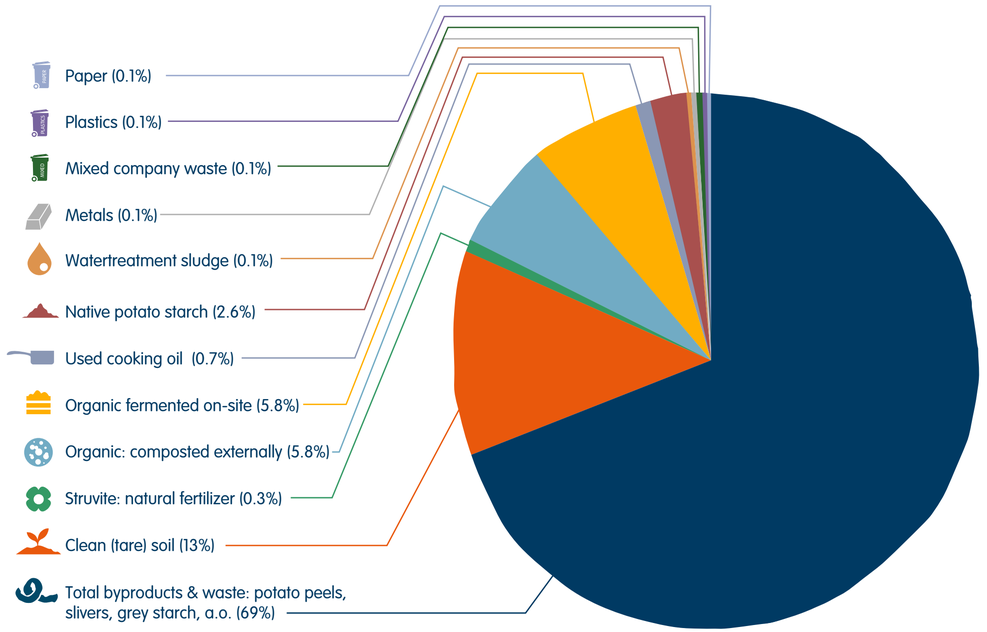
Moerman Ladder



Amount of by-products and waste streams by disposal method (Tonnes)



FY2020 Breakdown by-products and waste streams by type (%)



Zero Waste: Outlook for 2021 - 2022

There are a number of focus areas we aim to concentrate on in the coming two years to help us increase our potato utilisation (see food waste targets below), better understand our environmental footprint, and improve our packaging sustainability. These are:

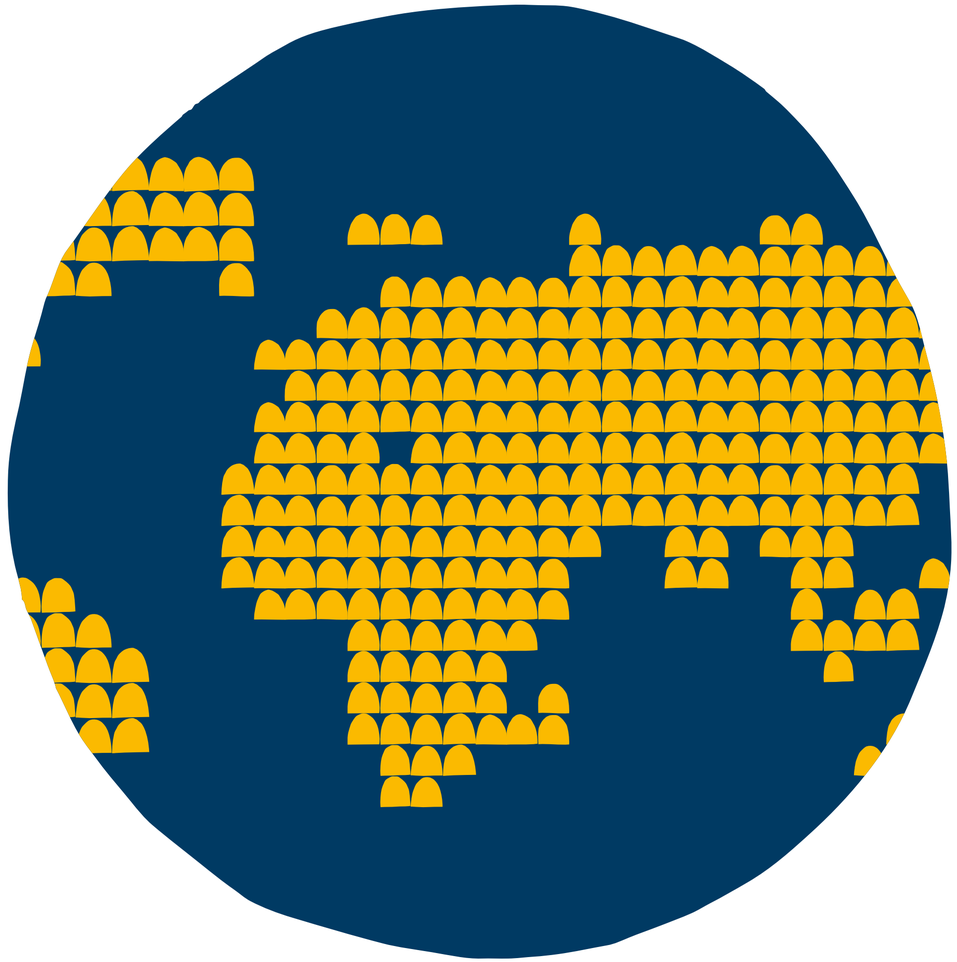
- We will continue to make investments in equipment to help us recover food-grade white starch, which is released when we cut potatoes into French fries. Our ambition is to begin using this 100% pure (native) potato starch in the manufacture of other products, such as chopped and formed products, seasonings, and other applications.
- Over the past decade we have seen a significant increase in the number of customers purchasing skin-on potato products, as end-consumers' tastes and preferences change. We want to calculate the environmental footprint of individual potato products to highlight the advantage of skin-on products.
- We use plastics and cardboard to package our 700 million kilos of goods produced annually, and it is vital that we understand their environmental impact. This is why 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. One of our first initiatives was launching a project to optimise our palletisers, which automatically wrap PE film around a stacked pallet to keep the boxes together and the stack stable on the pallet during transport.

Waste Reduction: Main Challenges

We see two main focus areas going forward. These are:

- One of our challenges is how to most effectively manage the COVID-19 pandemic through 2021, given the uncertainty that still exists over how long this pandemic will last. And within these limitations improve our potato utilisation again to pre-COVID levels and further optimise our resource efficiencies farm to fork. Although the COVID-19 pandemic had a severe negative impact on our potato utilisation figure in 2020, we have reacted quickly to limit food loss and waste and anticipated, where possible, the pandemic's impact. We have used as many potatoes as possible to produce dried potato flakes and reduced our (contracted) potato planting by 2,500 hectares to prevent a potato surplus, thereby helping to avoid food waste in the next crop season.
- Having launched the new strategy, one of our challenges will be ensuring we continue to process our by-products up the food waste hierarchy, based on the Moerman Ladder, through waste prevention, reducing inputs, increasing re-use, and continuing to look for new opportunities to increase value from any potato by-product and waste stream. At the same time, this needs to be balanced against the contribution our products make to our financial results.

Climate Action



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

Our new sustainability agenda identifies three key challenges, which we will focus on going forward[1]. One of these 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

The Broader Context

Climate change is accelerating, with the impact being felt on land, sea and in the atmosphere[2]. One aspect of this is the increase in CO_2 levels in the atmosphere, which scientists are clear contributes 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.[3]

Across Europe, for example, droughts impacted an array of sectors and industries during 2018 and 2019, leading to 25 percent lower crop yields and reduced power supplies[4]. The 10 warmest years on record have all occurred since 1998, and 9 of the 10 have occurred since 2005[5].

In many parts of the world, this is leading to food security concerns. Being able to access safe, nutritious and affordable food (SDG2) is vital to feed a fast-growing population. In addition to this, people want to lead an active, healthy and fulfilled life, enjoying nature with clean air, water and a rich biodiversity.

Food security competing with a richer biodiversity for land, in turn, is putting pressure on the world's agriculture sector, which will face a raft of challenges in the 21st century. A population expected to reach 9 billion by 2050[6] means a sharp increase in food requirements. At the same time, soil degradation and climate change remain serious threats to future food security, both impacting crop yields[7].

These issues are impacting LW/M in a number of ways. In 2018, our growing regions in the United Kingdom and the Netherlands suffered from a prolonged drought, resulting in significantly lower yields per hectare, with smaller potatoes leading to shorter fries, impacting our product specifications to ensure we could meet customer demand till the end of the season.

Concurrently, the global growth in demand for fries is placing pressure on our limited growing areas in Europe. One issue we face is that towards 2030 there is little available space to further expand the potato acreage in a sustainable way, which puts pressure on the current potato belt to fulfil future demand.

At the same time, we see salination in coastal areas, such as the province of Zeeland, accelerating and observe a reduction in the number of fresh water reservoirs. Looking ahead, we see the need to harvest rainwater in most of our growing areas, and the opportunity to reuse effluent process water within the food industry. To feed the world with limited land and natural resources, it is also vital that we continue to develop more drought-resistant potato varieties, using less water and other inputs.

Our 2030 Commitments

Reduce our carbon footprint

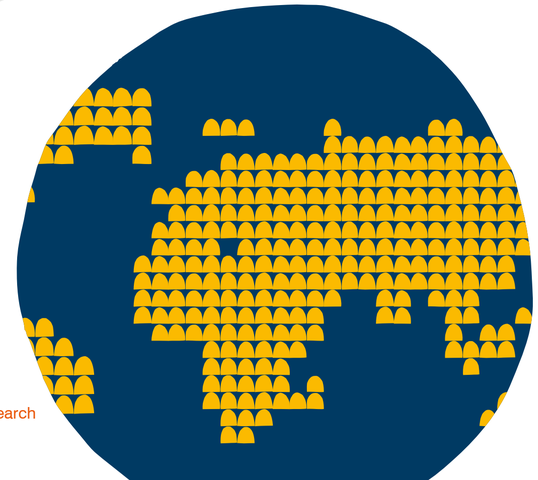
- -25 less CO2 emissions (scope 1,2+3) per ton finished product
- 40% renewable energy sources used in our plants

Reduce our water footprint

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

Source Sustainably

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



[1] See the Strategy & Value Creation chapter for more details.
[2] [UN: https://news.un.org/en/story/2020/03/1059061]
[3] [NASA]
[4] See the Strategy & Value Creation chapter for more details.
[5] https://news.un.org/en/story/2013/09/448652
[6] FAO
[7] Wageningen University & Research

CLIMATE ACTION ROADMAP

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

Our 2030 Commitments	LW/M Sustainability Roadmap to 2030
REDUCE OUR CARBON FOOTPRINT	
-25% less CO2 emissions (scope 1,2, + 3) per ton finished produced	Reduce energy use per ton Reuse (waste) heat
40% of our energy consumption from renewable sources	(Re-)design for lower carbon footprint Renewable energy sources
REDUCE OUR WATER FOOTPRINT	
Halving our water use in operations (new lines/ upgrades)	Reduce water use per ton (Re-)design for lower water footprint
Doubling our water reuse (for processing or agricultural purposes)	Reuse / recycle for processing (purification) Reuse for agriculture (irrigation purpose)
SOURCE SUSTAINABLY	
100% LWM growers active in our Sustainable Agriculture program	Engage all growers, make it relevant, practical and understood. Make it measurable & monitor Share best practices / facilitate peer learning
100% key impact suppliers active in Sustainable Supply Chain program	Engage key impact suppliers, make it relevant and understood. Make it measurable & monitor

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

Below, we outline the progress we have made in these areas over the reporting period, and detail the challenges and goals.

Conserving water, wherever and whenever

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. Over the next decade we will continue to focus on further reducing our direct water use, increasing water reuse across our plants, and investigating the potential reuse of our effluent to irrigate crops at local fields.

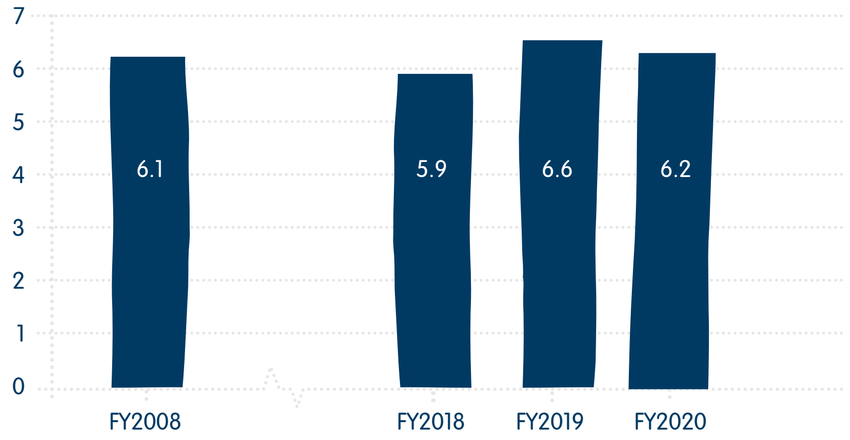
'In 2018 we began working on introducing uniformity across our waste water treatment plants (WWTP) in the Netherlands. Our first step was to introduce training with Colsen, a Dutch consultancy, to gain more in-depth knowledge of the installations we operate. The next step was to create greater alignment on the working methods we use, such as taking daily analyses to check performance. We agreed on the approach for or WWTP as an essential step for our way of working on the plant. The WWTP are not the 'sewer' but the 'kidneys' of our production process. Prevention of spillage to the gutters is key, and this also contributes to zero waste.'

Anouk Fase
Senior Process Engineer
LW/M Engineering services
Kruiningen, the Netherlands

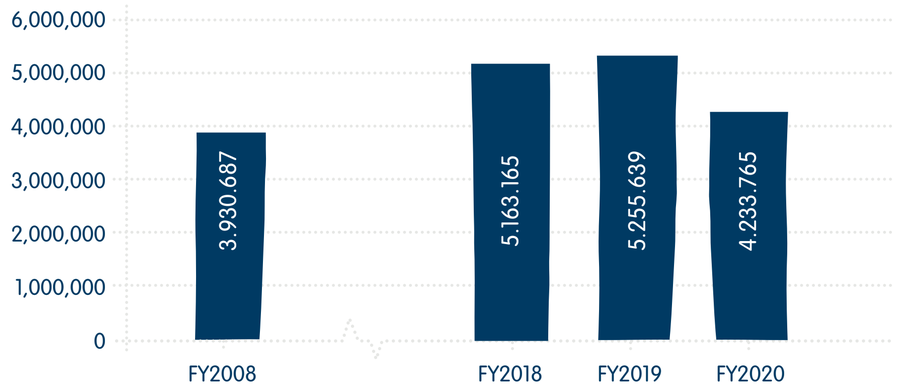
'The FRESH4Cs initiative aims to facilitate a sustainable, fresh water supply for many users in coastal, lowland regions. It is vital that water is no longer seen as a linear resource, but rather as a circular resource. LW/M's project within Fresh4Cs is to look for cooperation between sectors and to see how the different stakeholders can store and use water efficiently, and this type of partnership is vital if water is to be used more sustainably going forward.'

Fresh4Seas;
Bastiaan Notebaert
Water innovator, VLAKWA
Kortrijk, Belgium

Water intensity
(m³ / Tonne of finished product)



Total water consumption (m³)



Hollabrunn and Broekhuizenvorst are the only plants where we withdraw ground water in addition to using municipal water. In 2020, the ground water use was 8.9% of our total water consumption.

Key Results 2018 – 2020

As we indicated in our previous report, while we remain committed to our 2020 target, we recognised that it was not possible to achieve it on time. The reasons behind this are outlined below. We therefore decided to extend the deadline of achieving our goal to halve our water use per ton of finished product produced to 2030. We believe this will enable us to implement the needed projects and find the solutions that will sufficiently reduce our water use and achieve our targets.

Developing Innowater

We continued to develop our Innowater 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. The water can then be safely reused in our production processes as food contact material. However, we faced a number of challenges.

In 2019 we rolled Innowater out at our Kruiningen plant. During implementation, it became clear that not all of the variables had been properly considered during the final detailed engineering planning. This led to a series of technical and operation issues, increasing costs and delaying the project. Consequently, we have decided to halt further expansion of Innowater until the solution developed at Kruiningen has proven itself and has been validated.

New WWT production guidelines – balancing bacteria

Wastewater treatment (WWT) plants are a vital aspect of our operations and an important part of limiting our impact on the external environment. A solid and reliable WWT plant is critical if we are to comply with our (legal) license to operate and to meet the parameters defined for the Innowater project. As a WWT plant can only operate successfully with a ‘healthy bacteria balance’, there are always challenges to avoid interruptions caused by our main production process. We improved our preventive actions by introducing better procedures and mechanical pre-treatment systems to reduce these interruptions, resulting reliable WWT plants,

Consequently, we defined new operational guidelines for all plants focused on reducing (frying) oil spills, preventing white starch becoming grey starch (by investing in better starch-removing equipment) and reducing the levels of phosphates in the process water and effluent.

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. We visualised the actual water usage across our targets in the control rooms of our plants in Wisbech and Bergen op Zoom to better control our processes and to increase awareness. Prior to this, we didn’t have timely information on the separate water flows and water reuse levels across the different processes to take adequate action. We will implement this as a best practice across our other plants in the coming two years.

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. The FRESH4Cs project is subsidised with European funding to stimulate collaboration in the coastal regions across borders in the south of the Netherlands and Belgium.

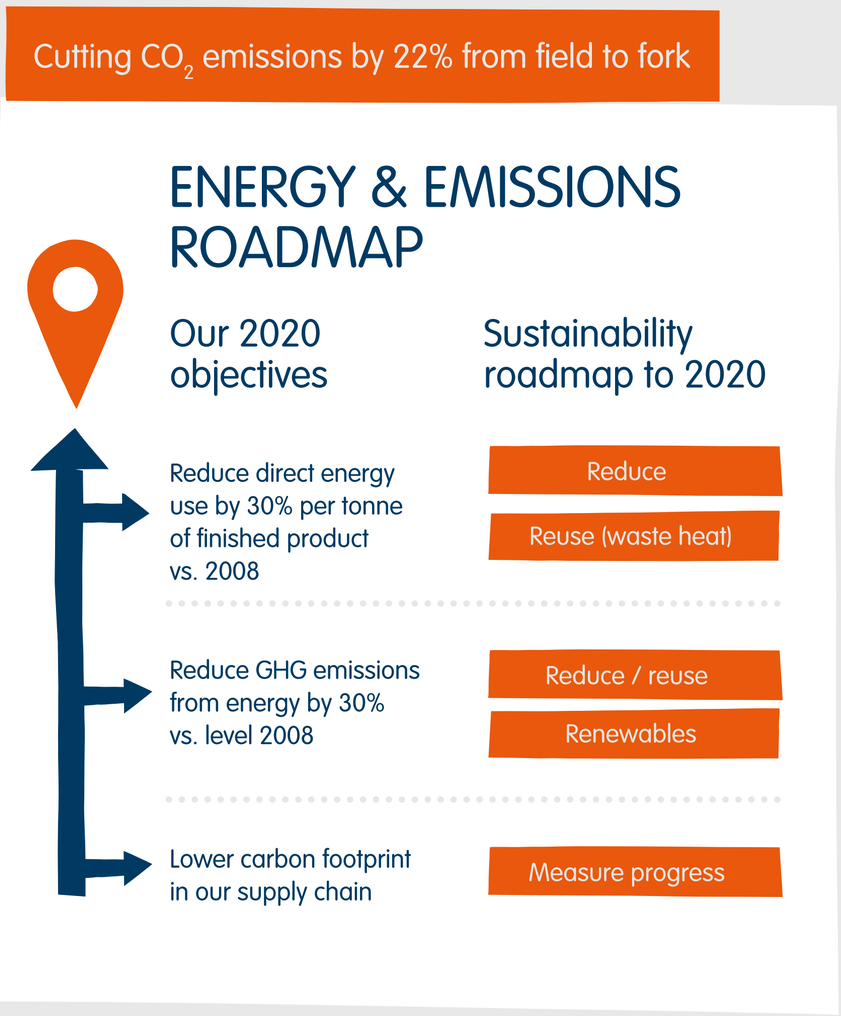
Six demonstration cases will show how different technologies can ensure future water availability in those coastal lowlands, with LW/M one of them. These demo cases are supported by a technology evaluation and by an assessment of the non-technological barriers that prevent further replication. Ultimately, the goal is to develop solutions that will help provide alternative water resources for farmers, industry, nature and drinking water production. The cases facilitate shared learning and disseminating knowledge among participants.

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.

The students first looked at the methods used for stress tests in urban areas, before producing a Multi-Criteria Analysis [MCA] tool that was specific for LW/M. This enabled the students to develop suggestions as to how we should proceed, and develop an LW/M Adaptation Climate Roadmap. Based on this roadmap, we will define necessary actions to mitigate climate risks in the future.

Cutting CO_2 emissions by 22% from field to fork



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 (2008: 5.06 GJ / MT)
- 42.1% lower emissions intensity - energy related - (2008: 0.335 MT CO_2 eq. / MT finished)
- 21.7% smaller product carbon footprint, being 0.614 MT $CO2_2$/ MT finished (2008: 0.784 MT CO_2 eq./ MT)
- 6.5 million fewer road kilometres per year, reducing GHG emissions from transporting goods to our customers by 5800 MT CO_2 equivalent, versus our baseline in 2008.

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, when our original guidance was only to monitor this key indicator. Before the COVID-19 pandemic began in March 2020, we were well on track to achieve all of our 2020 energy & emission goals. We continue to further reduce our GHG emissions.

‘Shifting from a fossil fuels economy to a sustainable fuels economy is vital if we are to protect the planet and develop a tenable future. But to achieve this we need to create a new business model, where companies view sustainable energy as long-term investments, rather than as assets with a short pay-back period. Too many companies avoid investing in renewables because they believe it is too risky. If we remove the risk, for example by enabling businesses to buy fixed-price renewable energy from an energy company, over the course of 30 or 40 years, then we’ll see more investment in sustainable energy technologies and greater acceptance from companies. This is the future.’

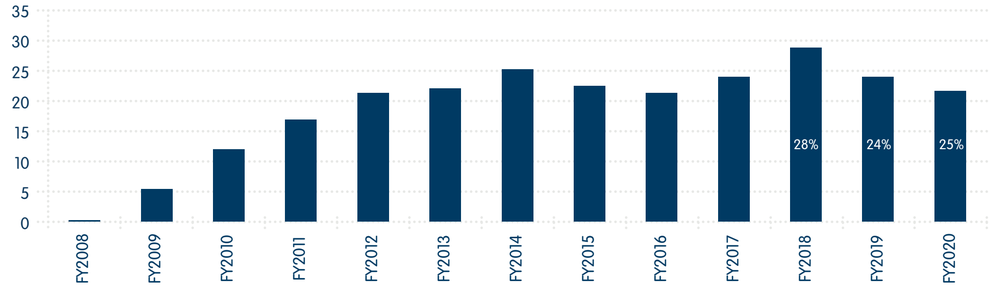
- from Douwe’s book ”How we can save the Earth” -

Douwe Faber, Founder,
E-kwadraat
Leeuwarden, The Netherlands

‘As a member of both the Water, Energy and Environmental (WEE) team and the ISO 14001/50001 team, I strongly believe that by working together on energy saving and environmental improvement projects we can make a real difference.’

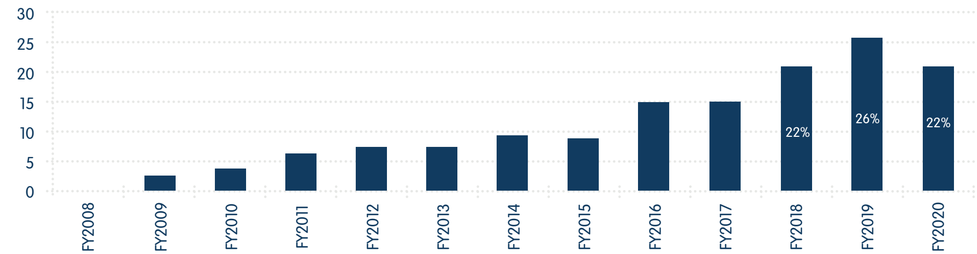
Guenther Deufl,
Continuous Improvement Manager, LW/M Hollabrunn
Hollabrunn, Austria

Reduction in energy intensity (%)

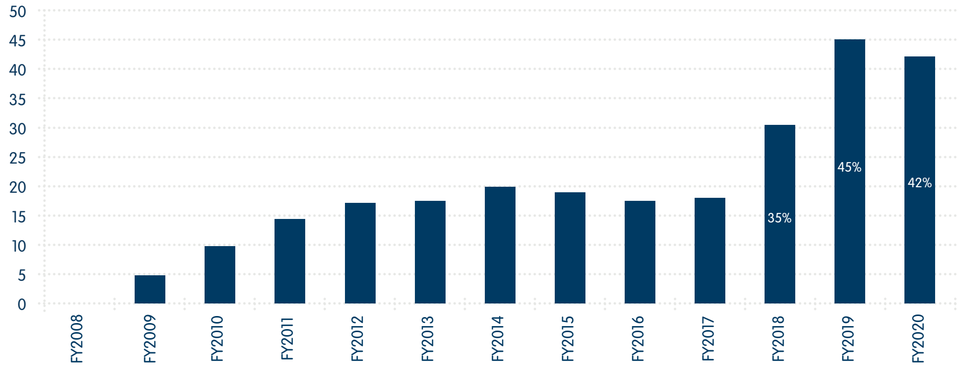


Reduction total Product Carbon Footprint (%)

(product-related GHG emissions, scope 1+2+3)

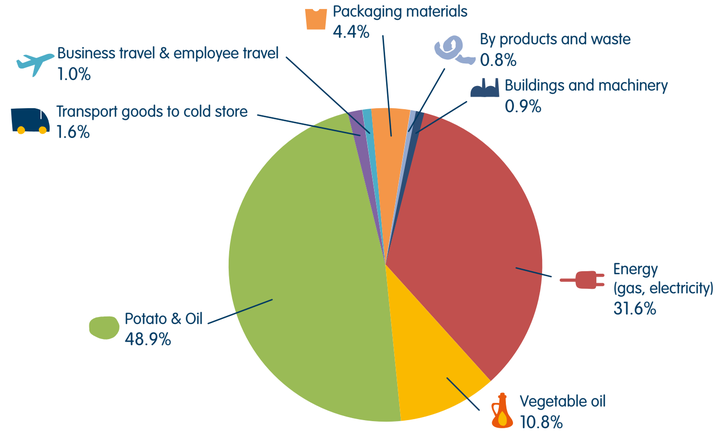


Reduction GHG emissions from energy use (%)



Breakdown of product carbon footprint (FY2020)

(Scope 1, 2 and 3 CO_2-emissions)



Key Results 2018 – 2020

The progress we made over the reporting period is outlined below.

Upgrading Broekhuizenvorst plant

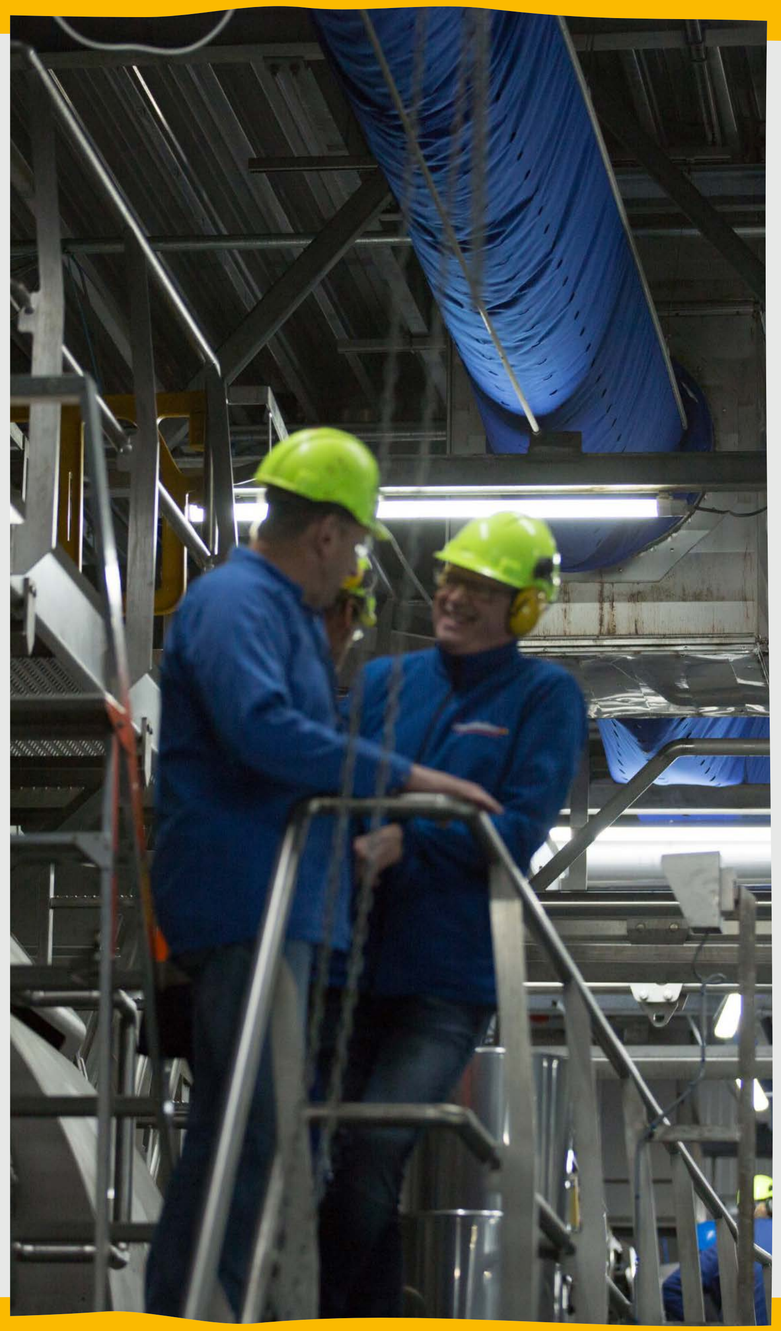
We acquired our new plant in Broekhuizenvorst to expand our production capacity. One of our first investments was in upgrading the production line, which has led to a number of efficiency gains. The improved production line has reduced our heat consumption, saving energy. We also installed a heat recovery 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.

Best practices

We included our Broekhuizenvorst plant in our company energy management system in 2019, and we were able to add it to our ISO 50001 and ISO 14001 multi-site certificates. This means the plant is now complying with our company-wide sustainability, environmental, CO_2 and energy requirements, based on the international ISO 50001 and -14001 Standards. Additionally, we have brought everyone in management positions up to the required knowledge level, and are working to increase awareness and train line operators on basic environmental and energy knowledge.

LED lighting

We have implemented LED lighting at our Hollabrunn, Bergen op Zoom, Wisbech, Kruiningen, Oosterbierum and Broekhuizenvorst plants and offices. Each plant is moving from tube lighting to LED lighting as and when the tubes need to be replaced.



To date, around 70% of the company's lighting is LED, and we expect to replace the remaining 30% within the next two years. LED lighting has a number of additional benefits, including reducing the frequency of bulb replacements, cutting maintenance costs, and it lowers energy costs as LED lights are more energy efficient.

Improving monitoring

We monitor energy use across our plants, tracking gas and electricity usage. And within our production areas, we have meters that monitor water, heat, and steam usage. Currently, this information is transferred into energy performance indicators, water performance indicators and so on, manually. However, we want to go further.

We 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. They can check their performance indicators against their budget level for these indicators, and react immediately if necessary. This will help us boost water and energy efficiency and create greater awareness about our use of resources, leading to additional energy and water savings. We plan to implement this system within the next two years.

Improving waste-heat recovery

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.

We have already started looking at how we can be more energy efficient across the company. One area is in improving heat recovery. In the frying processes, for example, we recover waste heat using a heat recovery system. During the reporting period, we successfully rolled out phase 2 of our waste heat exchange program at our Kruiningen plant. But we believe we can make this system more efficient by also utilising the lower temperature waste heat, leading to significant energy savings and helping us reduce our CO_2 emissions.

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. Looking even further into the future, we want to replace natural gas with other fuels that have low or no CO_2 emissions, such as hydrogen, geo-thermal heat, biogas, electrification or a combination of these fuels or technologies.

New ambient line Kruiningen

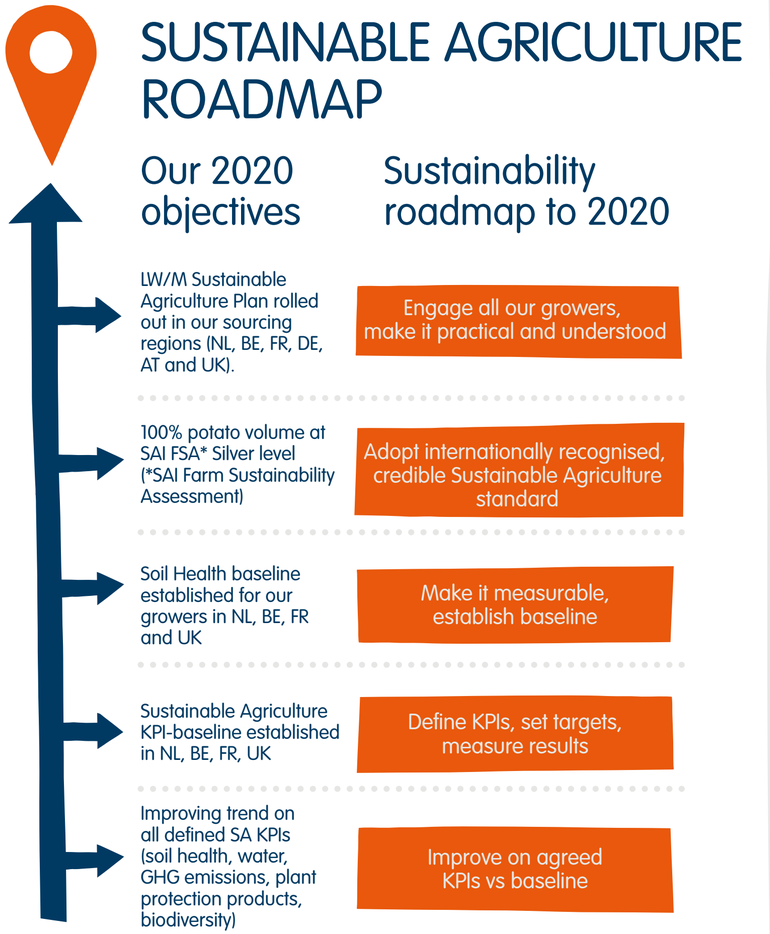
Currently, we can produce approximately 40,000 tons of dried potato flakes that our customers use as the basis for instant soups, mashed potatoes, potato croquettes, crisps, gnocchi, bread mixes and potato-based snacks. These potato flakes are produced on our ambient production lines, which we operate at most of our plants as co-product lines. 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. To deal with increased demand for dried potato flakes, and prepare for future market share growth opportunities, we are currently building a new ambient line at our Kruiningen plant, which will be operational before summer 2021. We have worked hard to make this the most efficient flakes line currently available, investing in the latest technologies.

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_2 emissions. Over the last two years, for example, and working closely with our logistics partner Visbeen (now part of DLG, Daily Logistics Group), we reduced the number of kilometers travelled per tonne of product transported by 8%. The CO_2-emissions from transporting goods to our customers are not included in our product carbon footprint. This covers the scope from 'field to freezer', while the transport emissions in this paragraph are generated from 'cold store to customer'. Transport emissions are approximately 3-4% of our total CO_2-emissions generated from crop to customer.

Going forward, we will continue to look for ways to optimise loads across our international multi-modal transportation network. In total, until 2020 this has led to an avoidance of 6.5 million road kilometers annually versus our 2008 baseline. It also led to a reduction of 5,802 MT of CO_2 equivalent from transporting goods to our customers in calendar year 2019 versus our baseline in 2008.

Engaging growers in soil health is key



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.

This will underscore our leadership on sustainable development, contributing to our brand value and company reputation. Sustainable agriculture is key if we are to feed the world using finite natural resources, while ensuring farmers can operate financially sustainable businesses, both today and for future generations.

We will achieve this by continuing to develop monitoring systems on each theme, so that we can monitor and benchmark growers' results, and trigger them to improve. Additionally, we will work with our growers to develop knowledge, insights and best practices to create tools that lead to improvements across these themes.

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_2 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. Our growers appreciate our efforts to work with them to grow their crops more sustainably. At the same time, it is clear that it takes time, effort, patience and persistency to get all growers onboard towards 2030, thereby making our potato supply chain more future fit.

‘I see the Sustainable Agriculture (SA) plan as being a vital element in the company’s future. Today, people across the industry are recognising the importance of sustainability, and the SA plan enables us to contribute to healthier soil, better irrigation, and greater awareness among our growers, leading to a more sustainable product. And there are also real benefits internally. Employees increasingly want to work for companies that make an impact sustainably, and the SA plan is helping Lamb Weston achieve this. This is a great plan, with strong, real-world goals, and it’s important we communicate this well to the outside world. We need to use this as a vehicle to get our sustainability credentials across.’

Lucy van Rijswijk,
Potato Intelligence & Potato Expert at LW/M
Breda, the Netherlands

‘I’ve been working for Wageningen University & Research for over thirty years as researcher on sandy soils in the south-eastern part of Netherlands. My specialism is sustainable agriculture, and the research we carry out on our research farm in Vredepeel is focused on the geographical area in which many of LW/M’s growers in the Netherlands are based. We try to develop new knowledge and techniques that enable potato growers to produce potatoes in a more sustainable way. For example, we look at how we can cut the diseases that impact potatoes on a grower’s land, by using less plant protection products (PPP)s, leading to a more sustainable potato crop. Knowledge sharing is very important in this respect. We have been working with LW/M on their Sustainable Agriculture Plan, helping small groups, typically of around 10 farmers, with tailor-made solutions so that we can provide direction relevant to the grower’s own circumstances. This is because there isn’t one solution that fits every situation.’

Brigitte Kroonen
Researcher, Wageningen University & Research Centre
Wageningen, The Netherlands

Sustainable Agriculture Plan - KPIs and Objectives		
TOPIC	KPIs	OBJECTIVE
1. Soil Health	Soil Label	• growth of growers scoring one level higher on the soil label towards 2030
2. Greenhouse Gas (GHG) emissions	Kg CO_2 eq/tonne	• Downward trend of carbon footprint per tonne of potatoes
3. Plant Protection Products (PPPs)	Use of selective PPPs Kg active ingredient/Kg potato	• Annual growth of more growers selecting PPPs based on t heir environmental impact • Downward trend in the use of the amount of active ingredient PPPs towards 2030
4. Water	Litres of water used for irrigation/Kg potato	• Upward trend in water use efficiency
5. Biodiversity	Percentage of growers taking measures to increase biodiversity	• Annual increase in % growers taking biodiversity measures
6. Qualitatively	SAI FSA	• 100% growers at SAI FSA Silver level by 2020, aiming for 100% at Gold level in 2025

Key Results 2018 – 2020

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. Consequently, it is vital that we monitor soil health across our growers’ farms. Sharing results and enabling our growers to compare their results with their local peers, is key to stimulating progress.

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.

The label is practical and provides growers with immediate insights and steps they can take to help develop their soil health. The soil label is based on an existing Dutch model that was not used in practice. We have further improved it for our own use with information and input from multiple stakeholders, including growers, Wageningen University & Research, the Louis Bolk Institute, Nutrient Management Institute and agricultural consultancies.

We have also developed the soil label for our French growing region, where growers face different challenges compared to the Netherlands. We also plan to do this in our other growing areas in the UK and Austria.

Expanding grower numbers

We expanded the number of active growers (our front runners) enrolled in the Sustainable Agriculture (SA) Plan from 8 to 30 during the reporting period, creating larger regional groups. This was done for a number of reasons.

First, one of the main elements of the SA Plan is to enable growers to exchange information and best-practices during group meetings. Expanding total group numbers means we can have larger regional groups, making it easier for growers to get together, travel less and learn more from each other. We aim to inspire and guide all of our growers to share and spread sustainable growing practices to other arable crop growers and embrace learning from their peers.

Second, the development and focus of teams is different in each region. Growers in the north of the country face different challenges to those in the south west, so regional get-togethers keep the meetings relevant.

Working with experimental farms

During the development of our SA Plan we began investigating areas that we should focus on. Initially, we organised meetings on topics that were relevant at that moment, such as the latest developments on spraying techniques. However, we quickly discovered that growers were already very involved and knowledgeable on these topics, so we began investigating underdeveloped knowledge areas and future developments.

This brought us in contact 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.

For example, in the south east of the Netherlands they are looking into a combination of crop rotations and cover crops that have a contra effect on the nematodes which destroy potatoes. Using a tool developed by Wageningen University & Research to assess the long-term impact of rotation and cover crops on nematodes, we can visualise the impact and support growers in making good, fact-based decisions.

Meanwhile, in the south west of the country we had a meeting about water management. This is a key topic in the region, where water is limited and crops have suffered from recent droughts. And when you remove ground water by irrigation, you increase the chance of soil salination. We visited the experimental farm to discuss what they are trialling to overcome water shortages and learned they are using water basins, which are filled with rain during the winter and spring, or from local rivers and canals when the water level is sufficient, storing it for use during the summer months, and using drip irrigation techniques to improve water efficiency.

Going forward, we will develop a series of workshops in conjunction with the experimental farms, with the aim of ultimately providing our growers with personalised advice.

Rolling out SA Plan

During the reporting period we began rolling the SA Plan out in the United Kingdom (UK) and France. We selected three growers in the UK, with the aim of developing the programme at an easy pace. Our first goal was to choose the right growers, collect the data from them, and adapt the program to the UK's needs.

Once we have all the required data, we will produce a personalised sustainability report that shows the growers how they score on the five main qualitative indicators: soil health, GHG emissions, water, plant protection products (PPPs) and biodiversity.

In France, we launched the SA Plan at the beginning of 2020. We selected three French growers and, together with a French student, we collected the data to make the soil label and reports PPPs, water, carbon footprint and biodiversity. We discussed the results and our approach with the growers involved, concluding that this approach, with a few small adjustments, will also work in France too.

Our plan to further develop this in the UK and France, or roll out our SA plan in Belgium, was postponed because of the COVID-19 pandemic.

Raising standard to FSA Gold level

We use a widely recognised, credible standard for advancing sustainable agriculture, which is accepted by international (global) food companies and customers: the Farm Sustainability Assessment (FSA) from the Sustainable Agriculture Initiative (SAI) Platform.

The FSA is an instrument developed by the SAI Platform (lk,) to assess sustainability on individual farms, and covers all aspects of sustainable farming, focusing on farm conditions, farm management and operational procedures.

One of the most powerful aspects of the SAI FSA standard is that it provides a single benchmark for comparing existing national farming standards and schemes. This means growers can work against their current local standard

certification, and do not have to be inspected multiple times. The FSA scores sustainable agriculture on four performance levels: Gold, Silver, Bronze, and ‘below Bronze’.

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

We began working on a number of regional projects in the Netherlands, focused on developing sustainable agriculture. These are:

Integrated crop management

In-line with the work we are doing on experimental farms, we are also participating in research projects into crop rotation and cover crops to help improve soil health and reduce nematodes. This is currently at the very early stage of turning knowledge into practice.

Biodiversity tool

Biodiversity is a broad topic: it covers fauna, including insects and birds, the landscape, such as trees and hedges, as well as soil life. Which means it is vitally important for growers too, as soil is their primary asset. Biodiversity is also highly regional-specific, as each region has particular focus areas. As a result, a blanket monitoring system does not work and regional monitoring systems have proven to be very difficult to implement.

We have therefore decided to work 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. We will provide an update in the next report.

Water irrigation management

We are participating 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, based on water data coming from relevant stakeholders. Growers will be involved using a tool to help develop efficient irrigation. At the same time, the tool is connected to a water database, which enables water boards to monitor water distribution and assign it to areas most at need.

Climate Action: Outlook for 2021 – 2022

We have a number of goals to address Climate Action in the coming two years. Below, we outline the steps we will take for each of the three areas -- Sustainable Operations, Sustainable Supply Chain and Sustainable Agriculture -- that make up this key challenge.

Sustainable Operations - Outlook

Looking ahead, we have a number of aims within Sustainable Operations between now and 2022. These are:

Our Key Challenges

3. Climate Action

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

Our 2030 Commitments

Reduce our carbon footprint

- -25 less CO_2 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/upgrade)
- Doubling our water reuse (for porcessing argricultural purposes)

Source Sustainably

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

Sustainability-by-design within operations

We recognise that there are opportunities at our plants to produce more efficiently and with less waste, so our goal is to ensure that our plant equipment is operated according to their design. This will involve rolling out tools for operational employees, to help them address the right questions and use the circularity model: reduce, reuse, repair. At the same time, when designing new plants we need to feed ideas back to suppliers to factor-in best practices and help us prevent waste.

Water reuse for agriculture

We have seen that the amount of water used in our production processes is not declining. While we believe we can still make efficiency gains, we also need to place greater focus on water reuse. One possibility is through our Innowater project. Another is by looking for reuse opportunities within agriculture systems.

We are going to look into the options of supplying local growers with effluent water from our Kruiningen plant for irrigation purposes. We need to study whether we can get an agreement with the local government, if this is physically possible, and if it is, how we can supply the water we need through natural systems, such as ditches and other waterways, using natural aquifers. The main issue, once legally and physically allowed, is how to distribute the water at the lowest possible costs to the fields for irrigation, as transporting water is very expensive.

FRESH4Cs project

As described above, FRESH4SCs is one of the first projects we started that aims to provide the effluent water from our production locations in Zeeland, the Netherlands, to local growers, who struggle to source freshwater. Our aim is to make our effluent water clean enough to distribute through local water ways. We are also exploring the possibilities of reusing water for infiltration in ground water reservoirs, which can ultimately be used as fresh water for local crops and to help limit salination.

Pilot: reuse blanching water to validate our lab test

We have introduced a new technology to process our blanching water, with the aim of reusing the warm blanching water, and removing sugar and starch. We also want to enhance the grey starch we remove so that it can be used for animal feed, rather than in the current fermentation process. This would result in significant energy and water savings, as well as cost savings on fermentation, and lead to greater profits from potato valorisation.

So far, we have a proof of principle, but no proof of concept. The new technology has proven itself, even at high temperatures. However, we don't yet know if it will continue to work well during real-world production, where robustness and reliability are key. We will provide an update in the next report.

Roll out a new energy & emission reduction strategy

We are in the process of 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. At the same time, we will improve the governance structure to make it clear who is responsible for what. Finally, we will improve awareness for sustainability items, including energy and emissions, across the plants' workforce.

Impact of COVID-19

The COVID-19 pandemic has had a profound impact on the global economy and many business sectors, ours included. Consequently, many of our reduce-and-reuse energy projects

were postponed in 2020 to balance our cash position. This means that, in some cases, investments will be made with a delay of one year or even longer, creating a set-back in achieving our sustainability targets across the board.

Energy roadmap
We have created an energy roadmap for each of our plants, which all have been approved by senior management. However, as a result of the COVID-19 pandemic, we expect to have a delay in rolling these out, which should occur in the coming 12-18 months.

New regulations
We want to pre-empt new regulation and customer expectations, by being both more proactive and science-based. To achieve this, we have created a new governance structure composed of experts from across the company to study legislative changes and market developments, which are then translated into new directions. Because most new regulations are announced well in advance, we expect to have adequate time to develop company responses.

Sustainable Agriculture – Outlook

Looking ahead, we have the following aims within Sustainable Agriculture between now and 2022:

Monitoring system
We are 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. This will enable us to provide our growers with relevant and useful data, helping them with their decision making. At the same time, it will enable us to monitor progress on several levels and better manage the SA Plan.

COVID-19 Pandemic
Once the COVID-19 pandemic is over, or at least under control, we will again look at rolling the programme out fully across our other sourcing regions in Belgium, Germany and Austria.

Sustainable Supply Chain – Outlook

When we first developed our sustainability program in 2011, we focused on the Sustainable Six, all of which were topics under our direct scope of control. The logic for this was twofold. First, it's easier to work on topics you can influence directly; second, we felt it was our responsibility to focus initially on making our processes more sustainable *before* starting to work on our supply chain.

As the program evolved, we carried out a number of major studies and learned about the impact our primary ingredients - potatoes, oil and packaging - and, to a lesser extent, logistics, had on our product environmental footprint.

In 2017 we extended our Sustainable Six to the Sustainable Seven, by adding sustainable agriculture. Our growers, or the potatoes and how these are grown, are by far the biggest area where we can reduce our water and carbon footprint. Over the last 3 years we have worked hard to develop, communicate, and implement our sustainable agriculture plan across our European growing regions and to engage with the 600+ growers we work with.

Why add 'sustainable supply chain'?
We feel that we are ready to 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. We have already carried out many sustainability projects in our supply chain, and have made the most progress in reducing our packaging and transport of finished goods.

In our previous five sustainability reports, we shared our progress on reducing GHG-emissions from transport. We managed to cut 6 million road kilometers annually from our finished potato products as they moved from our factories to the central cold stores and to our customers in EMEA.

Thanks to the expertise of our logistical partner DLG, we moved to multi-modal transport solutions, shipping a growing percentage of our products via water and rail, while improving overall loading efficiencies. This partnership is a great example of the impact you can make when working closely with partners in the supply chain.

Who to focus on going forward?
We have decided to focus on our key 'sustainability impact' suppliers. These are defined by their impact on our sustainability performance, impact on our annual spend and their collaboration intention.

We apply the 80:20 rule, to enable our focus on the top 20% of suppliers responsible for 80% of the impact on our product environmental footprint (PEF). Within the PEF, we are focusing first on the contribution of goods and services on our total carbon footprint.

This includes all suppliers of key ingredients, such as vegetable oil and batter mix, packaging (plastic, paper), transport of potatoes and finished goods, our waste service providers and processing equipment that have an impact on our resource use efficiency (water, energy, potatoes). The analysis was finalised in 2020 and will define our final selection of key impact suppliers.

How do we engage our suppliers?
We are currently finalising our sustainable supply chain program and have defined our scope, goals, KPIs and targets. Once this is approved internally, we will begin communicating this to our supply base and the specific suppliers involved. Our aim is to organise our sustainability impact suppliers by holding a sustainability stakeholder dialogue to onboard them. We will then engage them in our program and begin discussions on how they can contribute to our sustainability goals and our 3 key challenges. We want to learn from our suppliers' best practices, and aim to facilitate the process to let them learn from one another.

What is our focus for the next 3 years?
We have a number of aims within the Sustainable Supply Chain program between now and 2022. For this we developed a 3-year roadmap, with the main focus points listed below:

- 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.

Sustainable Operations: Main Challenges

We have identified a number of challenges going forward. These are:

COVID-19

The COVID-19 pandemic has had a far-reaching impact on our water, waste and energy figures. While our absolute figures were lower, our energy consumption per ton of product increased significantly, because our zero-load was higher. In other words, despite our plants being shut down for an extended period in 2020, we continued to use energy to keep our freezers at -18C, essential systems running, lights burning, and so on. This could continue to impact us going forward.

Carbon emission reduction targets (scope 1)

Each of our plants is at a different energy efficiency level, influenced by their own production volumes. Our challenge is to ensure we make investments in those plants where it is most vital and creates the greatest impact to contribute to reducing CO_2 emissions in such a way that we meet or exceed the carbon emission reduction targets set by the EU Commission and/ or climate agreement of local governments. The real challenge centres around scope 1 emissions, which involves replacing natural gas with renewable fuels (biogas, solar, wind, hydrogen, or deep geothermal heat).

Extended water objective

We have extended our water intensity objective date from 2020 to 2030, and also included the reuse of our process water by local growers for irrigation. Accomplishing this remains a challenge. However, we believe that by remaining focused we will be able to reach our targets.

Valuing water

Fresh water is arguably the most undervalued resource on the planet[8]. Yet the cost of water in the countries in which we operate doesn't help to build a business case to invest in conserving it, primarily because the price of water is low.

Climate change

We are faced with the reality of climate change, which impacts us in a number of ways.

- First, our growing areas are experiencing droughts and flooding, both of which have a serious impact on potato crops.
- Second, sea levels are rising, which means greater salination for growers who are close to the coast.
- Third, we are faced with water stress in the Netherlands, despite having ample water in our rivers. This is partially because water authorities increasingly want to conserve fresh water in case of severe and prolonged periods of drought.

Sustainable Agriculture: Main Challenges

We have identified two challenges going forward. These are:

Alternative growing techniques

Developing alternative techniques and solutions for our growers; this will be driven by the interaction between growers, consultants, experimental farms, and so on. However, the impact of these alternative techniques is not always fully clear, which can create challenges for our growers.

Connecting to customers
We need to create a strong connection between what we are trying to achieve and what our customers will be confronted with towards the future, but are currently still unaware of; it is vital that we can communicate the importance of attaining a sustainable supply of potatoes not only for LW/M, but also for our customers and consumers. This is an opportunity to get customers interested in learning more about the sustainable story behind the humble potato.

Sustainable Supply Chain: Main Challenges

We have identified a number of challenges going forward. These are:

COVID-19 impact
Due to COVID-19 and its impact, many companies reduced their focus on sustainability. This is having a negative impact on our plans to increase sustainability. Investments that were planned have been cancelled or delayed. Additionally, demand and production fluctuations impacted productivity and sustainability goals.

Varying CSR/ sustainability standards
There is wide range of different standards, questionnaires, and certificates available when it comes to sustainability. Aligning those and identifying which are relevant for the entire supply chain, as well as LW/M and our customers, is a challenge. On the one hand, we need to avoid overloading those along supply chain with questionnaires, certificates and proof of compliance relating to different standards if these documents have a similar scope. On the other, we need to ensure we cover all relevant topics.

Availability of supply chain sustainability data
Although the awareness around sustainability within supply chains has increased over the last few years, we see that major gaps remain on the availability of sustainability data. For example, data on CO_2 outputs is not always available and, when it is, there are numerous ways of building and sharing this data. Gathering and validating these numbers is an ongoing challenge.

Connecting to customers
We need to create a strong connection between what we are working on with our suppliers and what our customers will be confronted with in the future, and may not currently be aware of. It is important to communicate about the importance of attaining a sustainable supply chain for all stakeholders, including customers and consumers.

Our People

Photo is taken pre-Covid19

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

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.

For some industries, the labour market remains challenging, especially in technical roles, as they attempt to hire the right people in a tight labour market. Globally, we are seeing an upsurge in movements to promote equality and fairness across society and within the work environment, driven by diversity and inclusion.

And climate change is changing the way people and investors view companies, with the expectation that organisations need to look beyond profit and include environmental, social, and governance issues within their day-to-day activities, creating a more all-embracing purpose.

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. We will continue to focus on growth by attracting the most talented people possible, while offering all our employees training and development opportunities.

Being the employer of choice

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 (2008: 1.86)
- 0.86 Lost Time Accidents (LTA), a 6% increase (2008: 0.81)
- 4.2% Absentee Rate, a 6% increase (2008: 4.0%)
- 11.5% Employee Turnover, a 14% increase (2008: 10.1%)
- 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 (2008: no baseline)

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. However, both our illness rate and turnover rate increased slightly versus the 2008 baseline. We significantly improved our Great Place to Work scores and reached our target in parts of the organisation. The focus in the years to come is to maintain this upward trend, while placing more focus on diversity and inclusion.

Key Results 2018 - 2020

New family member: LW/M Broekhuizenvorst

In 2018, we completed the purchase of a plant in Broekhuizenvorst, in the Dutch province of Limburg, to expand our production capacity. In the years before we acquired the plant, it was owned by private equity. Once the acquisition was completed, our assessment uncovered numerous opportunities to improve the plant from both a people and equipment perspective. This led us to installing state-of-the-art equipment and undertaking a major knowledge and skills investment programme among the workforce.

Our goal was to invest in the plant to ensure that it met our standards, revamping its product portfolio and capabilities so that it was equipped to carry out extended production runs of French fries, whilst attaining our sustainability, safety and quality standards. Achieving this required – and still requires – providing employees with additional training on the new production equipment, ensuring health and safety training was up to date, and dealing with any concerns or issues they may have had.

With the plant located in a tight local labour market where there was a relatively high number of vacancies compared to the number of jobseekers, the main issue was being able to hire skilled technical staff. However, we have built strong relationships and become a part of the local community, sponsoring local events and giving back to the area. Additionally, the employees were integrated into the LW/M labour conditions as of January 1 2021.

Poundo Potato®: going from strength-to-strength

In 2017 we launched a healthy, 100% pure potato product in Nigeria called Poundo Potato®. This is the first potato product that has had a comprehensive nutrition claim approved by the NAFDAC in Nigeria. Since then, we have further invested in our Poundo business in the country by opening an office in the capital, Lagos, and hiring a local team to support and develop the business.

The team supports the logistics, sales, and promotional side of the business.

The product's brand recognition and sales have grown strongly since we began advertising in 'Big Brother', a popular television programme in Nigeria, where the product was prepared and consumed. And we recently invested in a new factory in Kruiningen that will also produce Poundo in-house for export to the Nigerian, and other, markets.

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 some employees the new location is more convenient, while for those travelling from the province of Zeeland it requires a longer commute. For all employees, including those who remained at our Kruiningen Operations & Services Centre, where our old headquarters was based, it has resulted in a different way of working.

The Breda Corporate Centre contains a customer experience centre, which enables us to host customers in an inspiring environment, showcasing our products and initiatives. And for our international staff and customers, Breda can be reached by train from Schiphol in less than an hour.

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.

Moving to a 5-shift system

During the reporting period we moved to a 5-shift system at our production plants across the Netherlands. The move was necessary to enable us to better respond to changing and growing product demand and enable us to be more flexible.

Research has shown that a 5-shift system with a short shift-changing frequency, as we implemented, is better for employees' health, as employees have longer periods to recover between shifts.

Additionally, we moved more temporary workers to fixed-contracts. We worked closely with the works council throughout the process.

While we have returned temporarily to a 4-shift system following the onset of the coronavirus crisis, we intend to return to a 5-shift system once customer demand requires it.

Great Place to Work® survey

In 2019, as part of our focus to become a Great Place to Work®, we took a snapshot via a pulse survey of how people are feeling within the company. We had scattered results across the organisation, with a participation rate of 62%.

On an individual plant level, Hollabrunn scored a Trust Index® of 71%, above our ambition level of 70%. At Wisbech, we saw a significant increase compared to previous years.

The results of the survey conducted at the end of 2020 again show very strong results, of which we are particularly proud. Additionally, our international commercial teams have improved significantly and all score above 80%. We saw that improvement opportunities lie mostly within our Dutch plants and some of our corporate teams.

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 food 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 on June 15, they seized the opportunity to hold a double-celebration!

Managing the COVID-19 pandemic

At LW/M, safety always comes first. Across the company, we have been managing the on-going impact of the COVID-19 pandemic by solving different challenges for different groups of employees.

In our plants, production employees have had to continue working together. To ensure a safe environment, we have introduced additional safety and hygiene measures, including ensuring physical distancing, extra sanitiser and washing facilities, temperature controls, and prohibiting inter-plant travel.

For office-based employees working from home, we have set up trainings and team exercises on-line to keep them engaged and connected. We have also ensured they have the tools and support they need to work from home, including laptops and system access.

We introduced physical distancing at our work canteens, stopped office and production employees from mixing, installed routings, an external-visitors' policy, and rolled out a lunch ordering app for our office in Kruiningen.

While employees continue to feel anxious, we believe we are doing everything we can to ensure the health and safety of our employees, whilst safeguarding our business continuity and playing our role in the food-chain. To-date, only 0.05% of employees have tested positive for COVID-19, and we will continue to work extremely hard to ensure our people have a safe working environment.

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. The program allows colleagues to observe other colleagues as they work, and then provide feedback on how to improve safety or to compliment the colleague with the safe working method experienced.

The BBS teams consist of volunteer employees. We added the plant management as well as the supervisor to the observers list to include them as part of the safety team and to show ownership. The feedback received from their direct colleagues, supervisors or managers is made in a constructive manner. The sanction policy is not the driver during these observations. We also continued to meet regularly with all of the company's safety representatives at the plants to set out a policy to achieve the goal of zero accidents. This is an ongoing ambition.

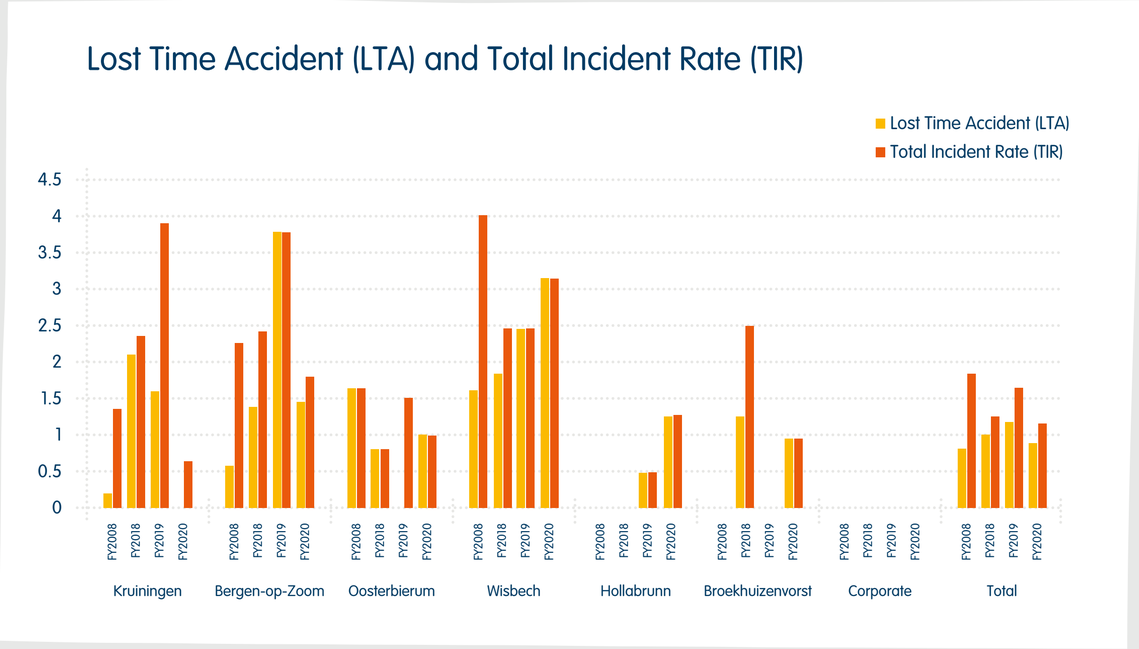
Work-related fatal accidents and occupational disease rate (ODR) were zero during the reporting period.

Total Incident Rate (TIR) in FY20 was 1.13, a 39% reduction, while our Lost Time Accident (LTA) rate was 0.86, a 6% increase, both compared to our 2008 baseline.

The increasing trend in the past two years was mainly related to working with new, inexperienced employees and having jobs filled by temporary staff due to illness or vacancies in our plants, which increases the overall work pressure. As a result of the right focus, training and priorities, we were able to halt this increasing trend in 2020.

This underlines the importance of further enhancing our Behaviour-Based Safety Culture, embracing continuous learning, and effectively integrating our high company safety standards when adding lines and new plants.

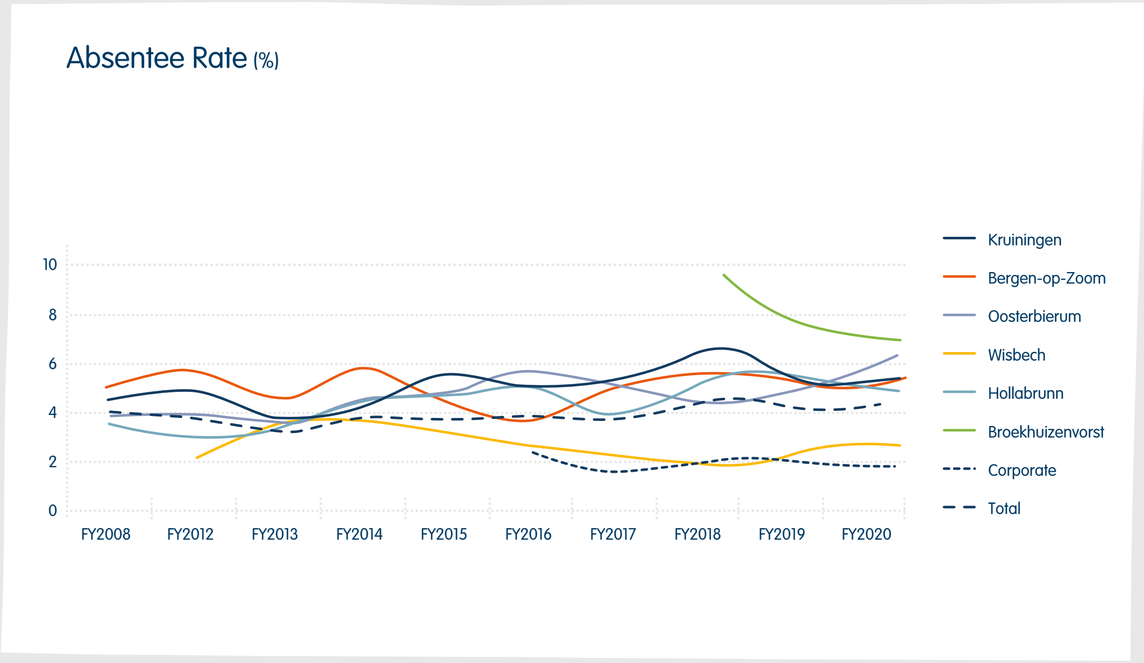
Lost Time Accident (LTA) and Total Incident Rate (TIR)



- Total Incident Rate (TIR) = amount of recordable accidents x 200,000 hours / amount of worked hours.
- Recordable accident is every accident requiring medical treatment by doctor or hospital.
- Lost Time Accident (LTA) rate = amount of recordable accidents, which has led to absence counted from first following shift x 200,000 hours / amount of worked hours.

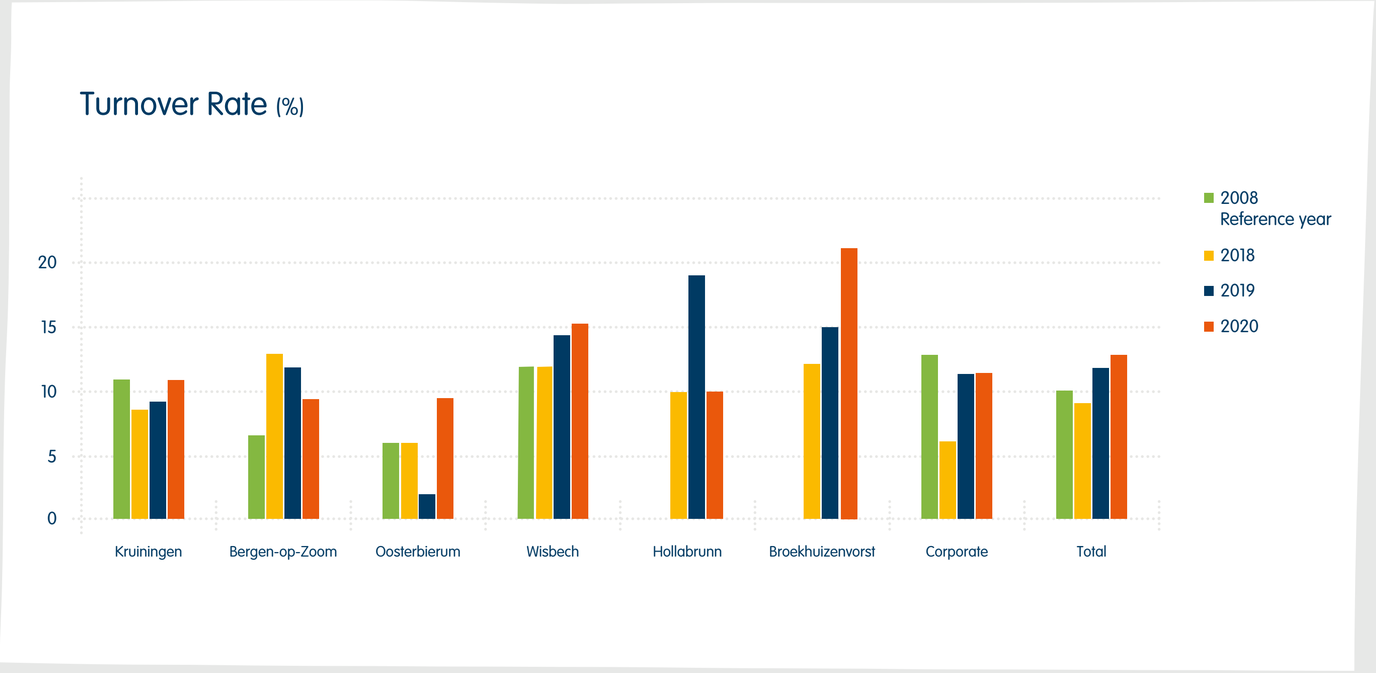
Absentee Rate (%)

Our absentee rate was 4.22% at the end of FY20, 5.5 % higher than our 2008 baseline. The differences between our locations are mainly driven by long-term illnesses, and a relatively high illness rate in Broekhuizenvorst, which we are actively working on bringing down by increasing our contact moments, working with a dedicated case manager, and finding alternative work solutions, if possible.



Turnover Rate (%)

Employee turnover was 11.5% at the end of FY20, 14% higher than our 2008 baseline (10.1%). Levels consistently decreased at most of our production facilities between 2008-2015, and have increased again since 2015. This is mainly driven by the economic situation, with few vacancies in the job market rising to a very buoyant job market. The higher turnover rates have also been partly impacted by a different way of working, due to newly-installed machines in Broekhuizenvorst and, in Wisbech, fiercer competition in a tight labour market.



Diversity and Inclusion

Diversity refers to the traits and characteristics that make people unique, while **inclusion** refers to the behaviours and social norms that ensure people feel welcome.

Diversity is important to us because we believe we are stronger when we bring together different points of view, leading to greater innovation. We also want to reflect the consumers who eat our products and the customers we serve. They are also unique.

For **diversity**, it is about getting the right mix of people in your teams. We focus on three different elements: gender, age and nationalities.

- Historically, we employ more men than women especially, in the area of manufacturing and potato sourcing. The strongest progress we have made was in our corporate teams, although the overall % of male vs female has not changed due to the acquisition of Broekhuizenvorst (which is more male dominated) and the move to 5 shifts in our Dutch plants.
- Managing age is also part of our sustainable employability approach, as we require a younger inflow. As certain roles, such as technical skilled staff, are hard to find we have initiated an internal education program for young graduates.
- We are an international company and we employ many different nationalities, including in our factories. We have increased the number of non-Dutch colleagues in our corporate teams, which has been helped by moving our corporate center to Breda. On the other hand, we shifted some roles to the different market areas – closer to our customers, which also resulted in more non-Dutch staff.

All three elements are embedded in our recruitment procedure.

When it comes to **inclusion**, we want to be a Great Place to Work®[1], which means that people need to feel they can be themselves and be at ease. This is measured in our Trust Index Survey under the chapter “respect” and “fairness”. The relevant questions about inclusion scored the highest.

Diversity new hires in corporate offices (FY20)

Diversity indicator	characteristics	number of new hires	percentage of total
Nationality	**International**	34	44%
	Dutch	44	
Age group	**≤ 35 years**	50	64%
	> 35 years	28	
Gender	**Female**	34	44%
	Male	44	
Total new Hires	**Total new Hires**	78	100%

[1] In 2020 the Dutch plants conducted a separate (pulse) survey which did not explicitly include these questions.

GPtW - Trust index survey 2020*:

Highest scoring statements	
People here are treated fairly regardless of their sexual orientation	94%
People here are treated fairly regardless of ethnicity and/ or religion	92%
People here are treated fairly regardless of their sex	89%
This is a physically safe place to work	88%

Employee breakdown by gender, age group and by employee category for FY2020**

Management Level	Man			Woman		
	30-50	<30	>50	30-50	<30	>50
Executive Leadership Team	2	0	4	1	0	0
Leadership Team	20	0	24	6	0	1
Management	125	16	57	48	11	6
Workers	413	113	417	129	26	78
Grand Total	560	129	502	184	37	85

* In 2020 the Dutch plants conducted a separate (pulse) survey which did not explicitly include these questions

** Due to rounding of the numbers the percentages in each category might not add up to 100%.

Outlook for 2021 – 2022

Looking ahead, our focus will continue to be on our people, and building a company that supports and fosters them to successfully do their job and further develop themselves. To achieve this, we will concentrate on the following key areas:

Strategic workforce planning

We need to match organisational capabilities and skills to our strategic goals. This means we may need to invest in certain new skills and capabilities, ensuring we have enough bench strength in the organisation to support the growth of the company. In 2019 we launched our first Talent Development Program with great success.

Part of strategic workforce planning is also sustainable employability. In 2018 – with endorsement of the unions – we created a sustainable employability budget. Employees can submit a request to invest in their physical or mental health, learning different skills, coaching or support.

Another example is our desire to progress further in the retail market. To realise this, we need additional internal retail knowledge, and employees with the right skills and contacts to help us achieve our ambitions. Additionally, we need to further develop succession planning. For example, we need to foster the required skill sets internally for our plant managers, so that we can ensure future bench strength, as well as provide growth opportunities for our employees.

We also need to continue to focus on diversity and inclusion. As our products are sold in many different countries, we aim to be representative of our customer base. This means we strive to have a balance between gender, and have different nationalities and cultural backgrounds in our workforce. This is embedded in our recruitment strategy.

Creating Changemakers

To make sustainability an integral part of the organisation, we want to enable all of our employees to feel, live and experience sustainability internally. To help achieve this, we will create small teams of Changemakers— starting with 2% of our workforce in 2020 — who will help build and share LW/M's sustainability story. This will enable them to guide their teams to better understand how they can contribute to our sustainability goals. Our goal is to have 10% of employees active as Changemakers by 2025.

Implementation WorkDay

We aim to implement a new cloud-based system that will enable us to efficiently integrate our HR-related systems with our other systems, including finance and planning. The WorkDay platform will allow us to pull more useful data together from across the company, while helping us better manage our international and diverse workforce.

Employee engagement: Great Place to Work® survey

We carried out our most recent Great Place to Work® survey in the fourth quarter of 2020. We conducted two types of survey; a full survey for our corporate teams and our plants in Hollabrunn and Wisbech, which resulted in the Trust index score of 71%; and a pulse survey at our four Dutch plants, which resulted in a positive score of 51%. We had a participation rate of 76%. Our ambition remains to be a Great Place to Work, and we see in today's climate that it is even more vital to keep our finger on the pulse of what is happening to our people and gain deeper insights into what drives them.

We saw from our latest survey that we are in an upward trend, but still have room for improvement. We will continue to focus on ensuring our people are engaged and that they can connect to the company.

New CEO
On January 1 2021, we welcomed a new CEO: Marc Schroeder. He replaces Bas Alblas, who led the company for more than eleven successful years. Marc will lead the company into the next phase of sustainable growth and development.

Our People: Main Challenges

Our primary challenge is managing the ongoing impact of the COVID-19 crisis. This will involve:

- Ensuring the safety, health and wellbeing of our people, while continuing to operate a sustainable business and protect our business continuity over the long-term.
- Reducing human ‘waste of energy’ by improving processes, clarifying roles & responsibilities, and empowering employees to take ownership and increase effectiveness.
- Investing in sustainable employability to ensure our employees remain employable – internally or externally – in the labour market, comes with a cost.
- Further increasing our flexibility to react quickly and efficiently to changing circumstances, which requires adaptability from employees and changes in current ways of working.

- **Managing the ‘new normal’:**
  - Providing employees with support and training so that they can continue to grow within the organisation, despite not being at the office.
  - Managing a hybrid way of working (home and office working) and a different way of commuting with an updated mobility policy.
  - Focusing on leading and engaging teams remotely using digitisation, enabling (digital) team meetings and collaboration at a distance.
  - Onboarding new employees when colleagues are present virtually, rather than physically.

Appendix Sustainability Report 2019 - 2020

Organisation Profile

Lamb Weston® is a world-leading producer of high-quality potato products, which are sold in 110 countries around the world. Lamb Weston / Meijer VOF (private partnership) started in 1994 as a joint venture between Lamb Weston Holland BV and Meijer Frozen Foods BV.

Lamb Weston Holland BV is owned by Lamb Weston Holdings, Inc., a publicly listed food company (NYSE: LW), while Meijer Frozen Foods BV is part of the family-owned Meijer Group (NL). Both JV partners have a 50% share in Lamb Weston / Meijer (LW/M).

LW/M serves markets in Europe, the Middle East and Africa (EMEA), as well as in Russia. The company supplies frozen potato products, such as Twisters®, Potato Dippers and Connoisseur Fries to customers in the Foodservice, Quick Service and Retail segments. LW/M is also an ingredient solutions provider for the food industry.

For 25 years we have led the industry in innovation, by introducing innovative potato products that add convenience to the operations of our customers and making eating more pleasurable for their guests.

Our production capacity at the end of FY2020 was 976,000 metric tonnes, with an annual turnover of €773 million for the actual fiscal year (ending May 31, 2020) based on a full year, in which we employed approximately 1,500 people. The infographic below displays several key facts for both the global Lamb Weston business (worldwide) and for Lamb Weston / Meijer (Europe).

Company facts FY2020

€800 million Turnover in EMEA

#2 global player

50 50 partnership
Lamb Weston and Meijer

1,500 employees at LW/M

9,100 employees worldwide

27 factories worldwide

6 factories in Europe

4 million tons produced worldwide

800 thousand tons produced in Europe

6 million tons of potatoes used worldwide every year

1.6 million tons of potatoes used in Europe every year

80 million portions sold daily worldwide

15 million portions sold daily in EMEA

Lamb Weston Holdings Inc. + Lamb Weston / Meijer

Lamb Weston / Meijer

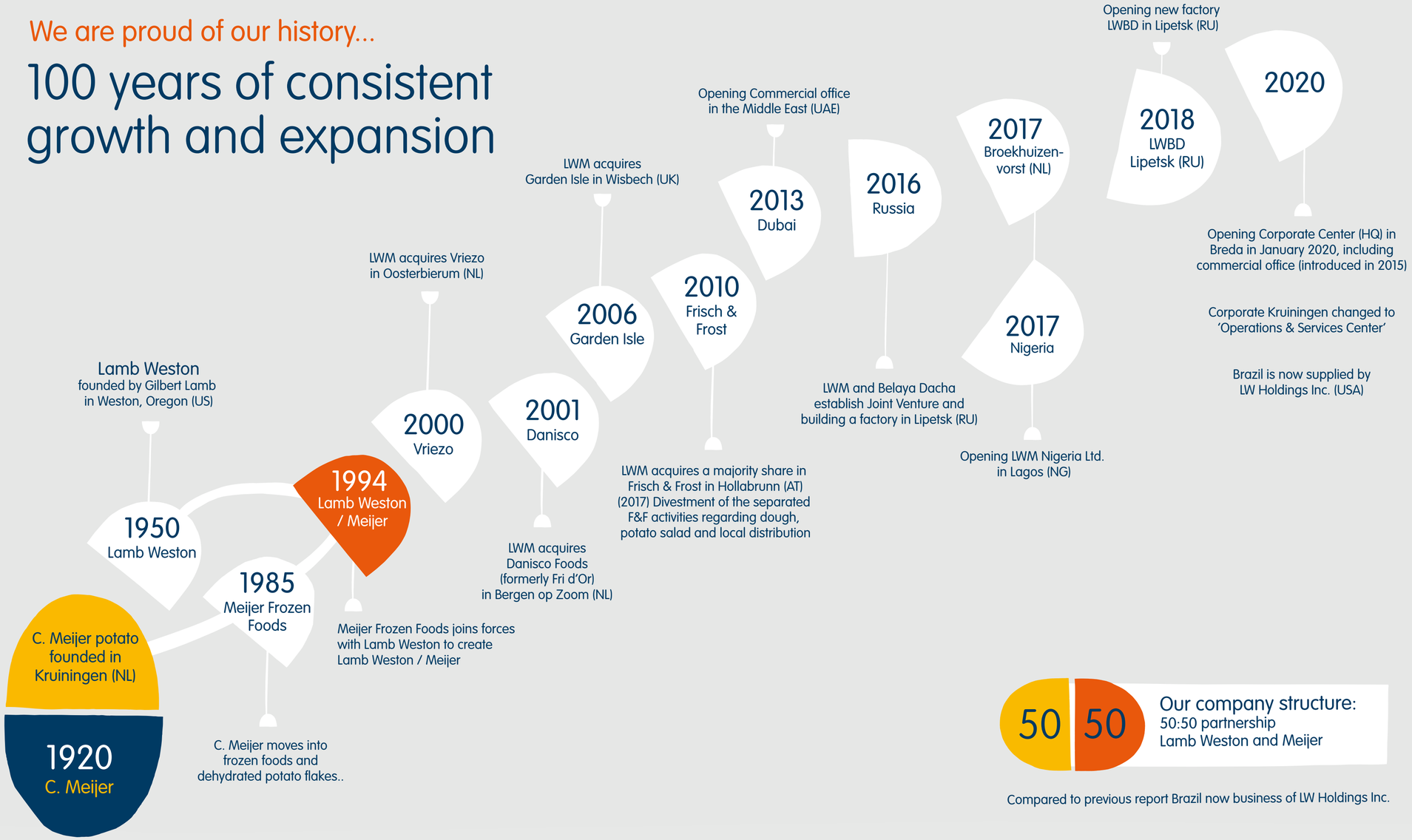
Numbers represent full 12 months fiscal year, excluding LWBD in Russia.

History

We are proud of our history, representing a century of consistent growth and expansion. Partnership and collaboration are deeply anchored in the foundation of LW/M and the way we work as Lamb Weston worldwide.

We are proud of our history...

100 years of consistent growth and expansion



50 50 Our company structure:
50:50 partnership
Lamb Weston and Meijer

Compared to previous report Brazil now business of LW Holdings Inc.

Locations

LW/M's head office is located in Breda, the Netherlands. Commercial offices are located in Dubai (UAE) and Lagos (Nigeria). The Operations & Services center is located in Kruiningen, the Netherlands. We operate six manufacturing facilities in three countries in Europe: four in the Netherlands (Kruiningen, Bergen op Zoom, Oosterbierum and Broekhuizenvorst); one in the United Kingdom (Wisbech); and a majority-owned plant in Austria (Hollabrunn), as part of a joint venture with our Austrian partner RWA (Raiffeisen Waren Anstalt).

To serve the Russian French fries market, we have established a joint venture with Russian partner Belaya Dacha, under the name Lamb Weston Belaya Dacha LLC (LWBD). LWBD operates a newly built potato processing plant in Lipetsk (Russia), which was opened in April 2018. The data in this report cover our potato processing activities in Europe and include only data from the related six LW/M facilities mentioned above.

The new production facility in Lipetsk, operational since 2018, is out of scope for this report. This is because LW/M only holds a minority share in the joint venture Lamb Weston Belaya Dacha LLC (LWBD). If, over time, Lamb Weston / Meijer acquires a majority share in LWBD, the business in Russia (including the plant in Lipetsk) will also be included in future sustainability reports.

Organizational developments since our last report

We did not have any significant organisational developments at LW/M since the publication of our last report in January 2019. The only change to note is the delivery of frozen potato products to Brazil, which has shifted from supply out of Europe by LW/M to more local supply by Lamb Weston Holdings, Inc. plants in the USA and South America.

Our Customers

Lamb Weston® is a world-leading brand in high quality potato products that are sold in over 100 countries. 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 over 25 years, Lamb Weston / Meijer has led the industry in innovation, by introducing potato products and solutions that add convenience to the operations of its customers.

Together with Lamb Weston Holdings, Inc., Lamb Weston / Meijer is the world's number 2 frozen potato company. Globally, the company operates 27 factories, including the 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 French fries factory in Russia. For many decades, Lamb Weston has been a preferred supplier of frozen potato products to major global restaurant chains.Belgium, northern France, Germany, Austria, Italy, Slovakia, and the United Kingdom. On the European continent, the average distance our potatoes travel from our growers to our production facilities is 110 km. In the UK, the average distance from our local potato growers to the factory is only 90 km.

Our Supply Chain

1. Growers (600+)
- Netherlands, Belgium, France, Germany (HAFPAL) (400)
- Austria, Slowakia (175)
- United Kingdom (30)

2. Key suppliers (100+)
- Raw materials (ingredients)
- Packaging materials
- Fuel, power, water
- Equipment
- Logistics
- Warehousing
- Services

3. Production facilities (6)
- Kruiningen (NL)
- Bergen op Zoom (NL)
- Oosterbierum (NL)
- Broekhuizenvorst (NL)
- Wisbech (UK)
- Hollabrunn (AT)

4. Cold stores (4)
- Lineage (Bergen op Zoom & Venlo, NL);
- Lineage (Wisbech, UK)
- Kloosterboer (Rotterdam, NL)
- Wiener Kuhlhaus (Vienna, AT)

5. Customers (1,700+ in EMEA)
- Quick Service Restaurants
- Foodservice
- Retail
- Food Ingredient Industry

6. Logistical partners (4)
- Visbeen
- AB Transport Group
- Maersk
- Hapag Lloyd

Our Growers

LW/M works with over 600 farmers, who grow potatoes for us in the Netherlands, Belgium, northern France, Germany, Austria, Italy, Slovakia, and the United Kingdom. On the European continent, the average distance our potatoes travel from our growers to our production facilities is 110 km. In the UK, the average distance from our local potato growers to the factory is only 90 km.

Other Key suppliers

We work with hundreds of suppliers, of which approximately 100 are identified as key suppliers for materials and services other than our potatoes. Key procurement categories are: ingredients, packaging materials, co-manufacturing, logistics and warehousing, fuel, power, water, equipment, sanitation, technical and general services. The majority of our suppliers are local, based in the countries – and often even in the regions – in which we operate. Some of our bulk ingredients, such as vegetable oils, are necessarily sourced from a global market, for example because raw materials for these ingredients are grown in other parts of the world.

Our Governance House

Over the last 3 years we have been implementing our Company Management Model based on business units. This has resulted in some changes in the organisational structure and we continue to improve our business processes.

At the same time, we have been working on our Governance House, ensuring that ownership and responsibilities are clear – who is accountable for what. This has resulted in updated policies and procedures. The Governance House is available on our intranet for all our employees.

We have developed internal trainings and a LW/M Handbook based around our empowerment culture, which has been offered to our line managers.

Our Executive Leadership Team (ELT)

The highest management body within our organisation is the Executive Leadership Team (ELT). The ELT consists of seven people. Partner meetings are held twice a year with the joint venture partners Lamb Weston Inc. and Meijer. Overall business performance, strategic investments and new business development plans are reviewed in periodic ELT meetings and regular strategic sessions with the leadership team.

Marc Schroeder
Chief Executive Officer
Dutch. Employed by LW/M since January 2021 as CEO and chair of the Executive Leadership Team (ELT). Marc gained significant experience with multi-national companies such as Procter & Gamble and, primarily, PepsiCo, where he held several leadership positions in operating, commercial, joint venture and corporate roles. During this period, he worked and lived in the Netherlands, Russia, USA and most recently Switzerland. Marc is responsible for all strategic affairs, accountable for the overall business performance and the first point of contact for the JV partners.

Marc Brillaxis
Director Frozen Commercial
French. Employed by LW/M since February 2014 as Sales Director and ELT member. Marc holds a master's degree in Business & Administration and Marketing. He previously worked for Pepsico, H.J. Heinz and The Kraft Heinz Company in senior management positions in sales and marketing in Spain and Portugal. Within the ELT he is responsible for the Frozen Commercial Business Units covering all commercial activities in Europe, Middle East and Africa, and the commercial operations activities.

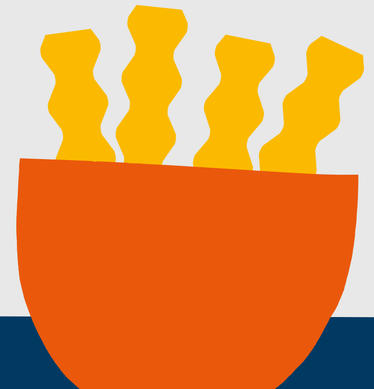
Peter van Wouwe
Chief Financial Officer
Dutch. Employed by LW/M since March 2014 as CFO and member of the ELT. Peter holds a master's degree in RA accountancy and is highly experienced in the field of finance. He previously worked in similar management positions for Cloetta, Royal Wessanen, and as a certified financial auditor at Paardekooper & Hoffman Accountants (Mazars). Within the ELT he is responsible for Control, Finance, Legal and Services.

Michel de Lepper
Director Frozen Operations
Dutch. Employed by LW/M since October 2017, appointed as Frozen Operations Director and ELT member. Michel holds a master's degree in Plant Science from Wageningen University. He brings 35+ years of experience in the food industry, built up in different international management roles and disciplines. Within the ELT he is responsible for all manufacturing sites and operational activities of the Frozen Operations Business area. He also leads the Engineering Services and the Product Application Group.

Lisette Jacobs
Director HR & Communications
Dutch. Employed by LW/M since January 2015 and member of the ELT. Lisette holds a master's degree in both Law and Economics and completed an HR Executive Program at Tias Nimbas Business School. Lisette is very experienced in the field of HR and started her career in the business – always managing and building teams. She previously worked in several (HR) management positions at Coca-Cola Enterprises, ING Life in Korea and Nationale Nederlanden. Lisette holds a seat on the board of overseers at the International School of Breda. Within the ELT, she is responsible for Human Resources, Sustainability and Corporate Communications

Niklas Andersson
Director Strategic Innovation
Swedish. Employed by LW/M since August 2018 and member of the ELT. Niklas holds a master's degree in Business Administration. He started his career with Unilever and held several positions within Marketing and Innovation in Sweden, Eastern Europe, Russia and the Netherlands. Prior to joining LW/M, Niklas worked for Cargill as Group Director Marketing & Communication Cocoa & Chocolate. Within the ELT he is responsible for Strategic Innovation which consists of Marketing, Technology Development, Digital & Business Intelligence and New Business Development.

John Wiskerke
Director Strategic Supply
Dutch. Employed by LW/M since 1997 and appointed as director and ELT member in 2007. John holds a master's degree in Plant Science from Wageningen University and is an INSEAD alumnus. He has built up a great deal of experience in the potato industry during the past twenty-five years. He previously worked in different disciplines and management positions for LW/M. Within the ELT he is responsible for Strategic Supply, the Potato Centre of Excellence, Procurement, Safety, Quality Assurance and the Ambient Business Unit



Code of Conduct

LW/M has adopted a corporate Code of Conduct (CoC) that is binding to everyone who works within the company. The principles contained in our CoC represent the values that determine the way we operate, internally as well as in relation to our customers, suppliers, competitors, authorities and other third parties. Our employees have received training to make them aware and acquainted with our corporate CoC; for new employees this is part of the company induction programme. The LW/M Corporate CoC can be found at our website. Since 2015, LW/M also works with a supplier CoC, which is binding to all suppliers who work with us. The principles contained in our supplier CoC represent the values that determine the way we ask our suppliers to operate, both internally and in relation to their suppliers, competitors, authorities and other third parties. The supplier CoC has been signed by individual suppliers as part of contractual agreements and can be found at our website.

Works Council

LW/M works closely with its works councils. Having a constructive and fruitful conversation with our employees' representatives ensures that all parties involved get heard. The works councils aim to safeguard the best interest of our employees, as well as the best interest of the company – now and over the long term. The (local) works councils have regular meetings with the management teams.

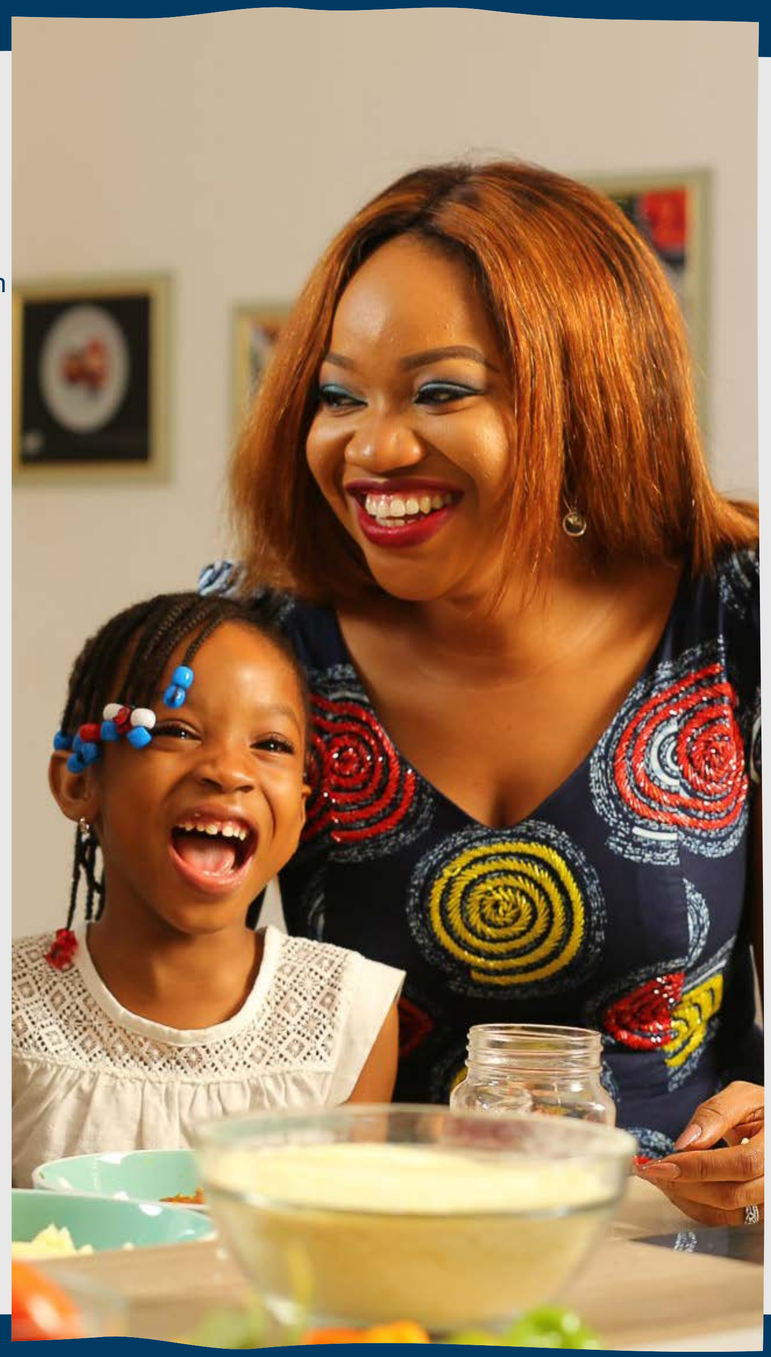
Sustainability within the organisation

The sustainability program leader is responsible for developing and communicating the sustainability strategy and leads the sustainability program. She reports into the Director of HR, Communications & Sustainability. The sustainability program is integrated into the regular business planning process and Annual Operating Plan (AOP). On an annual basis, the sustainability program leader presents the progress of the sustainability program versus its goals to the ELT. Decisions on key changes in the sustainability strategy, programme, major projects and investments related to sustainability are approved at ELT level.
The Sustainability Program Leader is supported by the LW/M Sustainability Team, which consists of 12 people, being content matter experts linked to one of the 2030 Key Challenges, and experienced colleagues from Communications, Strategic Innovation, HR, QESH, Procurement, Operations and the Commercial business units. In 2020, some were assigned to lead one of the 2030 Key Challenges, while the others represent a specific business area in the team. The sustainability team ensures the 3-year roadmap is filled with projects, and new initiatives are being developed within their scope. They monitor progress for their area in accordance with the roadmap and agreed objectives. The sustainability program leader chairs this team, which meets at least quarterly.

Each plant works with a WEE team (Water, Energy & Environment), having a crucial role in the execution of the sustainability roadmaps and environmental goals within the operational business units. The WEE teams have been given a stronger role in the new governance framework.
To supervise the implementation of our Sustainability Strategy at the highest level, in 2020 the governance was restructured and roles & responsibilities formalised into a new Executive Sustainability Governance Board, meeting twice per year. For each of the key challenges, an ELT member is appointed as sponsor and supervises implementation of the roadmap and achieving the goals.

Additionally, sustainability is now included in our company short term incentive plan, ensuring a better alignment of sustainability goals with other company objectives. The Sustainability Governance Board is led by the director HR, Communications & Sustainability.

To improve our employee engagement towards our sustainability program, we have established a group of 30 internal ambassadors to support the communication and implementation of the new 2030 sustainability strategy and program, composed of 2% of our employees. They are part of our sustainability governance and play an additional role as Sustainable ‘Changemakers’. We aim to grow this network to 10% of our total workforce in the next 5 years.



Risk Management

We ensure risk management is embedded in the way we operate, through the identification, mapping and mitigation of risks. Although the ELT has the final accountability for risk management within our company, risk management is the shared responsibility of everyone.
This is facilitated by assigned content matter experts in different disciplines, who embed risk management in the ongoing planning and performance management cycle. Via our Integrated Business Management (IBM) process, we hold regular and more forward-looking multi-disciplinary reviews on key business drivers, supporting integrated risk management. The development of our existing risk management approach into a fully functional Enterprise Risk Management (ERM) system has been on our agenda for a number of years.

In 2020, an important step was made in the development of a company-wide risk heat map. In this project, the most important risks were identified and ranked by experienced content matter experts and mapped in a risk heat map per business area. These are consolidated into an overall risk heat map to create more clarity on the most critical risks based on likelihood and impact of occurrence.
In the table below, the top risks and the related mitigating actions have been summarised. The main change with our previous top risks is that we have added ‘pandemic’ and ‘cyber-attack & data security’. Both can have a major to critical impact on the business, as the COVID-19 pandemic has taught us.

Top risks and related mitigation actions

Description of risks	Mitigating Actions
Operational Risks	
Potato crop performance: ensure a consistent quality supply to our customers while managing volatile crop and commodity prices	The risk of insufficient crop availability is mitigated through multi-year business planning and alignment between sales and procurement processes to secure sufficient raw material supply from our grower base. We cannot control nature, and the risk of large scale crop failures cannot be eliminated as the crop shortage of 2018 has taught us. However, as our grower base of over 600 highly qualified farmers is geographically spread throughout Europe, we are optimally organised to ensure maximum consistency in supply and compensation for local crop failures in specific areas, through balanced sourcing from other areas. In case of serious, broad crop failure in Europe, we have contingency planning in place with our partner Lamb Weston Holdings, Inc. in the USA.
Decreasing soil health due to reduced levels of micronutrients and soil biodiversity, which can result in decreasing yields long-term	LW/M developed a comprehensive sustainable agriculture plan with soil health at its core. This has been implemented in the Netherlands, Belgium and France, started in the UK and will be rolled out over our total growing area in NW Europe (including Germany and Austria) in the next few years. We stimulate and facilitate peer learning among our growers and are closely connected to agricultural universities and experimental arable farms for testing science-based solutions.
Environmental and climatic conditions, including extreme weather, drought or floods, affect the quantity and quality of potato crops and can damage our assets and stored goods	To mitigate water risks we have piloted drip irrigation over the last six years. We built a business case to apply drip irrigation on a wider scale in our most water-stressed growing areas. Drip irrigation delivers a better crop in terms of quantity and consistent quality. We participate in local pilot projects in our most vulnerable areas to investigate if we can store the effluent from our plants in basins to reuse in dry periods for irrigation and/or to prevent brackish groundwater in aquifers in regions suffering from salinisation. None of our factories are located in water scarce areas, however we are committed to reducing our direct water use by 50% towards 2030, by re-using our process water after 100% purification. To mitigate water risks caused by flooding we developed a climate stress scan for our production facilities, based on scenarios such as water entering production facilities after heavy rain fall. We plan to develop a standard for climate adaptive buildings.
Pandemic	In 2020 the world was confronted with a global pandemic (COVID-19). We concluded that we need to learn to live with more frequent pandemics and identify how we deal with the consequences when operating our business. Our first priority is to protect the health and safety of our employees; second, to protect the continuity of our business and production sites; and finally, to serve our customers, and support our growers and other suppliers where possible. To mitigate the potential impact, we have a rigorous and annually-tested crisis management plan and well-trained crisis team. We mitigate the risk through quick and strong decision making, frequent communication, preventive and corrective measures, and tracking consequences while capturing our learning for future improvements.

Description of risks	Mitigating Actions
Operational Risks	
Cyber-attack & Data Security	Information security is key in the world we are operating in today as many of our processes depend on IT systems. A successful cyber-attack can cause major damage to our business as it can lead to the loss of critical data. It can affect our bottom line, as well as our business' standing and consumer trust. The impact of a security breach can be broadly divided into three categories: financial, reputational and legal. Cybersecurity risk management is about ensuring business continuity and keeping business and personal data of the company and its stakeholders safe on a continuous basis. The LW/M Information Security Board, chaired by our Chief Information Security Officer (CISO), has defined the desired security level suited for our Company. We developed and implemented Information Security Policies and procedures safeguarding and managing both physical and digital access to our data, systems and networks, including using Multi-factor authentication and a Security Incident & Event Management System. We keep our systems and security measures up-to-date. This also enabled our staff to transition into working from home without any issues and without compromising any of our security measures when the impact of COVID-19 became clear. Our IT-service desk is equipped with the right knowledge and expertise to take immediate actions on reported / identified security issues, such as phishing or hacking attempts. Recently, we launched a Security Awareness Program, including training and tools to improve the awareness of all of our employees, which is an important measure to help prevent threats from becoming incidents. All of these continuous efforts help mitigate the growing cybersecurity risks we all face in today's world.
Aging workforce	To mitigate the risk of an insufficiently qualified workforce, we are working on the sustainable employability of our employees. Additionally, we attract and retain a diverse workforce, and a healthy mix of young and experienced people. LW/M's ambition is to become the employer of choice.
Reputational Risks	
Public product recalls	We mitigate this risk through a rigorous and well-founded corporate quality assurance strategy and program, with dedicated qualified QA teams at every facility, and automated quick track tracing possible if needed at the defined batch level. During the 25-year history of our company we have not had a public product recall.
Damage to our reputation as a good corporate citizen from unethical sourcing, manufacturing, and business practices, both in our own business and within our supply chain	In 2017, Sustainable Agriculture was added as a seventh focus area. Sustainability is included in our company ambitions, overall business strategy and annual operating plan, and focuses on our most material topics. We adhere to strong business ethics, operating principles and core values. We work with selected suppliers, adhering to our suppliers' code of conduct and our company code of conduct for our employees. We have a communication plan and standard procedures in place to respond to community complaints related to our facilities. Outcomes are used to improve our operations, and prevent reoccurrence where feasible and proportionate.

Description of risks	Mitigating Actions
Regulatory Risks	
Protective trade barriers aimed at limiting the importation of EU potato products by imposing very high import duties and/or apply very strict inspections at customs	We leverage our efforts through constructive collaboration with EU-sector associations to influence sound policy making in Europe and deal with protective trade barrier issues. We are preparing ourselves for a potential Brexit by developing scenarios (hard, soft, no-deal) to mitigate its impact.
Market Risks	
Responsible sourcing of key raw materials	**Potatoes** are sourced sustainably and grown according to strictly regulated, local certification standards, benchmarked against the SAI Farm Sustainability Assessment (FSA) standard. Our goal is to have all our 600+ growers scored at FSA gold level by 2025, as part of our company-wide sustainable agriculture plan and objectives. We closely monitor our progress, with 66% now certified at FSA silver standard and 28% on the gold standard for the crop processed in 2020. **Palm oil** is sourced sustainably as segregated RSPO certified palm oil, and used for a limited number of private label products (<15% total volume). Only 10% of our vegetable oil is SG CSPO palm, while 90% is sunflower oil or a blend of sunflower and rapeseed oil, both low in unhealthier saturated fatty acids and annually renewable crops that are not linked to deforestation. **Packaging materials** are sourced sustainably, while 91% of all materials are both renewable and recyclable. Our cardboard is 100% FSC certified and made from renewable and mostly recycled paper fibres. We use mono material plastics (mostly LDPE) for our primary product packaging, not reusable nor containing recycled plastic (for food safety reasons) but is 100% recyclable.

Stakeholder Engagement

The original selection of our key stakeholder groups (direct and indirect) was done by the Sustainability Team and discussed with and approved by the ELT. No changes were made in this selection in the past period, as we believe the group selected continues to be relevant.

The selection of key stakeholder groups is verified every two years by the Sustainability Team and validated by the ELT. In the table below you can find how we engage with our main stakeholders.

Our direct Stakeholders	How we engage with them
Customers	Local and national customers are visited frequently by the responsible local account managers & sales promotors. Global key accounts are managed centrally, and we have contacts throughout multiple levels and disciplines in our and their organisations. Topics discussed are linked to our value proposition: • Give them peace of mind • Provide them inspiring, profitable solutions that fit their concepts • How to improve their service reliability • Drive innovation • How to drive sustainability in our customers' business, and our business We share consumer insights and look at how to create shared value. Today, customers are more interested in talking about sustainable services and solutions, such as healthier menu options, sustainable packaging, reducing CO_2 emissions and sustainable agriculture. They see how acting responsibly from a sustainability perspective helps them improve their image with the public.
Employees	For employees, in addition to individual meetings, regular (online/offline) canteen/team meetings are held to share our company strategy, actual performance highlights and future plans. We communicate and connect regularly with our employees through various corporate channels, and frequently use digital tools, such as our Intranet and Yammer. Our employee magazine is also available online in three languages and sent to the home of every employee to share key projects and companywide developments.
Joint venture partners	The LW/M Executive Leadership Team meets at least twice a year with our two joint venture partners (Vennoten) in a formal partner meeting, with the leadership of both Meijer Group and Lamb Weston Holdings, Inc. In between partner meetings, there are frequent contact moments to stay connected. Key topics in the past two years were the investment in a new ambient factory in Kruiningen and the implications of Brexit. Environmental and other sustainability aspects are part of the agreed process for judging investment proposals.

Our direct Stakeholders	How we engage with them
Growers	Our area field supervisors spend a lot of time on field visits, one-on-one and in other meetings with growers in their area. A key discussion topic is yield and potato quality: from planting, when potatoes are in the soil, during the growing season, at harvesting, storing and when finally delivering them to our factories. A great deal of effort is spent on increasing the predictability of the final crop with an advanced sampling program. In the contracting season, selecting the right potato varieties, volumes and prices are key. The agronomy team supports growers on growing a better and more sustainable crop, covering topics like planting, crop rotation, diseases and integrated pest management, soil fertility, water management, harvesting techniques and storage strategies. During regional study club & field meetings, they share knowledge and best agronomy practices on how growers can improve yields and farm incomes in a sustainable way, or how to reduce pesticide use. The potato department organises annual grower meetings per region in every country, to discuss actual trends and issues and share results of trailing new techniques for growing, harvesting or storing potatoes. Additionally, with a quarterly digital grower newsletter we inform and engage our grower community about new developments, best practices and provide practical tools. We have approximately 40 people working in either the central potato department, or in the countries as agronomist or field super visor to actively support our growers.
Key suppliers	We maintain regular contact with all (key) suppliers to keep our business running. Additionally, our procurement department holds regular supplier meetings with key suppliers to evaluate performance, assess opportunities for improvement and to collaborate on a higher level. Our supplier sustainability scorecard was sent out for the third time, to our top-60 suppliers. in 2017, the supplier sustainability scorecard was integrated in our supplier audit questionnaire. This is sent out to suppliers every 3 years to keep supplier files up-to-date and to secure environmental awareness. The main topic is assessment of suppliers' current performance and increase involvement on sustainable development in our supply chain. Some key suppliers (for example, ingredients, packaging) are also directly involved in improvement projects, focusing on innovation, improving internal efficiencies and / or sustainable development (such as the reduction of packaging and use of materials to cut the impact on the environment).
Governments	We keep government bodies informed and involved in several ways, depending on the level we need to deal with (local, regional, national and international), and the relevance and urgency of the topic at hand. For our operations, local governments (city councils) are particularly important because of their involvement with permits and, for example, discussing local expansion plans. At local and regional levels, regular meetings take place between LW/M content matter experts and the responsible managers with local authorities and government representatives. They are invited annually to visit our company and tour the facility to improve their understanding of mutual interests. Sustainability is an important factor in dealings with authorities, for example in relation to permits and development plans. At the international level (EU Commission, Regulators), we keep governments informed and engaged by having content matter experts involved in sector representation (EUPPA) for relevant topics and emerging issues.

Our indirect Stakeholders	How we engage with them
Neighbours	As well as with our direct key stakeholders, we also have regular contact with our neighbours (local communities and local businesses). We even try to collaborate with neighbouring companies when it comes to sustainability, such as the residual heat project with Wiskerke Onions. We organise open days for neighbours at our production facilities to help create a good mutual understanding of each other's interests, reconnect and discuss potential issues. These events are always highly attended and appreciated.
Consumers	We stay engaged with our consumers through social media for our Lamb Weston-branded retail products, which are sold in a limited number of countries in Europe. In addition, we regularly perform in-depth consumer research in target markets within EMEA and Russia. This helps us understand the deeper needs of final consumers when developing new products and testing concepts, before launching them to market.
Industry associations	At national and international levels, we are actively involved in sector-specific and/or food industry associations, such as VAVI, FNLI (NL), PPA, FDF (UK) and EUPPA (European level). We work together on sharing knowledge to investigate the technical consequences of new regulatory proposals, always ensuring we stay within the boundaries of the applicable competition legislation. Our content matter experts are directly involved in sector representation for key topics and emerging issues. Working together as an industry is particularly valuable when a common interest topic, such as sustainability, is concerned or when we need to tackle non-competitive issues.
Universities & research	We stay engaged with universities (of applied science), ROCs and research institutes by jointly carrying out business-related projects, many of which are aimed at optimising the use of resources and reducing waste. We also take part in consortiums that develop technologies that add to a balanced diet. In addition to this, we offer university students the opportunity to follow project internships, or a graduation project within the company. We also occasionally carry out specific research with an university to investigate a technical issue, and we are continually exploring new partnership opportunities and collaboration on open innovations.
Non-Governmental organisations	We embrace honest and open communication with NGOs and welcome constructive discussions when needed on any relevant topic of mutual interest and public concern.

Commitments to external initiatives and memberships

We hold memberships in the following relevant associations and external initiatives in all countries in which we have physical operations (the Netherlands, the United Kingdom and Austria). Next to this, LW/M is a member of relevant organisations and initiatives at European or global levels.

The overview is not intended to be complete but indicates our most relevant membership of associations and initiatives in which we play an active role, through expert committees and/ or hold a position on the board or as chair of committees.

In the table below, the top risks and the related mitigating actions have been summarised. The main change with our previous top risks is that we have added ‘pandemic’ and ‘cyber-attack & data security’. Both can have a major to critical impact on the business, as the COVID-19 pandemic has taught us.

Association / Initiative	Relevant company memberships	Commitments to External initiatives
VAVI Vereniging voor de Aardappelverwerkende Industrie	LW/M is a direct member of VAVI since 1994, actively participates in committees (Raw Material, Processing, Market and Positioning) and holds a position at the VAVI board. www.vavi.nl	-
FNLI Federatie Nederlandse Levensmiddelen Industrie	LLW/M is a member of the FNLI through VAVI and active in the Sustainability Committee, among others. In April 2018 Bas Alblas, CEO of LW/M, was appointed as chairman of the Dutch Food Industry Federation (FNLI). **www.fnli.nl**	-
dutch biorefinery cluster	LW/M joined DBC in 2013, as one of six partners, is active in several technical working groups and holds a position on the DBC board. **www.dutchbiorefinerycluster.nl**	-
Potato Processors’ Association	W/M UK is a direct member of the UK Potato Processors Associations since 2006, and actively participates in technical working groups, represented by experts from UK business. **ppa@fdf.org.uk**	-
fdf food & drink federation passionate about food & drink	LW/M UK is a direct member of the UK Food & Drink Federation since 2014. **www.fdf.org.uk**	-
WKO	LW/M Austria is member of the Food Industry Association Austria (FIAA), which is part of the Wirtschaftskammer Osterreich (WKO). **www.wko.at**	-
EUPPA European Potato Processors’ Association	LW/M is a direct member of EUPPA since 1994 and content matter experts actively participate in the EUPPA Food Law Committee and the EUPPA Trade Committee. Jolanda Dings, LW/M sustainability program leader, is the chair of the EUPPA Sustainability Committee. Kees Meijer, shareholder of LW/M, has been the EUPPA president since 2010. **www.euppa.eu**	-

Association / Initiative	Relevant company memberships	Commitments to External initiatives
SAI PLATFORM	LW/M has been a member of SAI Platform since 2006 and is active in the Vegetable & Arable Crops Working Group. Our participation focuses on sharing insights, knowledge and best practices in order to work efficiently on our own sustainability strategy, while contributing to the worldwide development of sustainable agriculture. **www.saiplatform.org**	* We actively promote sustainable agriculture. Our goal is to have 100% of our growers score silver on the SAI FSA standard by 2020 and 100% score gold by 2025.
RSPO Roundtable on Sustainable Palm Oil	Since 2011 LW/M has been a direct ordinary RSPO member as FMCG company. More publicly available information on LW/M's commitments towards RSPO certified sustainable palm oil (CSPO) can be found under ordinary members, including our updated Annual Communication of Progress (ACOP) **www.rspo.org**	* LW/M is committed to using 100% CSPO in products with palm oil in the specification, and, since 2015, has sourced 100% segregated CSPO.
SAMEN TEGEN VOEDSELVERSPILLING	Since 2017 LW/M is one of 25 core partners in 'Samen tegen Voedselverspilling' (United against Food Loss and Waste). This is an initiative of Wageningen University & Research, the Dutch Ministry of Agriculture, Nature and Food Quality, Three Sixty and regional public organisations. Members and signatories are committed to reduce food waste by 50% in 2030, in line with SDG 12.3 and focus on better valorisation of by-products and side streams. **www.samentegenvoedselverspilling.nl**	* LW/M is committed to reducing its food waste by 50% in 2030 versus 2015 baseline, and will annually report its food waste as TCEiF core member.
wrap	WRAP (Waste Resource Action Programme) works with governments, businesses and communities to deliver practical solutions to improve resource efficiency. Since 2019, LW/M collaborates with customers, retailers and WRAP in the UK to reduce food waste. In 2020 we formally signed the commitment to reduce food waste by 50% by 2030, in line with SDG 12.3. **www.wrap.org.uk**	* LW/M is committed to reducing its food waste by 50% in 2030 versus 2015 baseline, and will annually report its food waste in the UK as signatory of WRAP.
BICEPS NETWORK	Since 2017 LW/M is a member of the BICEPS Network, a network of shippers joining forces to accelerate the transition in the global shipping sector towards more sustainability. **https://bicepsnetwork.org/**	We accelerate the transition of the global shipping sector towards greater sustainability
Sedex	Since 2006 LW/M is an ordinary member of Sedex, a global membership organisation that support companies to make it simpler to do business that's good for everyone. We reward any customer, requesting info on ethical trading, access to our membership account to enable viewing SMETA audit reports. They give insight in our ethical, environmental and social practices in order to manage risks and protect our corporate reputation. **https://www.sedexglobal.com**	We provide transparency on ethical, environmental and social practices. We provide requesting customer asking access to our data on Sedex.
IMVO Convenant Voedingsmiddelen FNLI FEDERATIE NEDERLANDSE LEVENSMIDDELEN INDUSTRIE	In 2018 LW/M agreed to support the Dutch IMVO Covenant (International CSR Conduct), which was co-signed in June 2018 by the FNLI. By signing the covenant, FNLI is committed to ensuring that every company within the food industry, in terms of capacity and size, is involved in IMVO risk management. **https://www.imvoconvenanten.nl/voedingsmiddelen**	* LW/M is committed to applying IMVO Risk Management and reports annually on its progress through the FNLI to the Dutch government.

* In the table LW/M's formal commitments to external initiatives are marked with a star and shown in orange

About this report

This is our sixth sustainability report where we explain our policies, strategies, practices, goals and performance results on environmental, social, economic and governance aspects that are material to us and our stakeholders. Unless otherwise stated, all data in this report represent the period from 16 July 2018 until 1 June 2020, being our fiscal years 2019 and 2020. We will continue sustainability reporting on a bi-annual basis.

Operational boundary

In January 2020 we moved our head office from Kruiningen to a new Corporate Center in Breda, while we continue to operate the Operations & Services Center from our Kruiningen office.

Our joint venture Lamb Weston Belaya Dacha (LWBD) in Lipetsk, Russia is not included in the numbers reported, because we had a minority share in this JV for the reporting period. In December 2020, Lamb Weston / Meijer acquired a majority share (74.9%) in the JV and will include the Lipetsk facility in future reports, beginning FY21.

This report covers data for all potato processing plants fully owned by LW/M or where we have a majority share:

- Kruiningen, the Netherlands
- Bergen op Zoom, the Netherlands
- Oosterbierum, the Netherlands
- Wisbech, United Kingdom
- Hollabrunn, Austria
- Broekhuizenvorst, the Netherlands

Our human resources data includes all (sales) offices. Our company waste data also includes waste (such as paper) from our Operations and Services Centre (office) located in Kruiningen. The office waste from the new Corporate Centre in Breda (operational since 2020) has not yet been included in the waste data.

Organisational activities

Our core activities include potato processing in our own factories. We own all of the six processing facilities, but no cold stores, no trucks or land except for a very small amount of leased land in the UK (corresponding to about 1% of the total land needed to grow potatoes processed by LW/M). On this land, LW/M takes the financial risk, instead of the farmer.

Approach to reporting

This report has been prepared in accordance with the GRI Standards: Core option. However, for three themes, we have chosen to report on a Comprehensive level of the GRI Standards. This is because we aspire to be the thought industry leader on sustainable development towards 2020 in the EMEA market. These three themes are: Water, Energy & Emissions and Potato & Waste, which are most relevant to our core business and for which we want to make a bigger impact in our total supply- and value chain. The contents of this report have been extended based on the materiality analysis we conducted in 2019 as the starting point for the development of our 2030 sustainability strategy.

Changes in data and restatements

In fiscal year (FY)2018, we started to deliver (low temperature) residual heat to a neighbouring business JWK, which they use to dry their fresh onions after harvesting. We increased the capacity of this system in FY2019, enabling our neighbour JWK to now operate their total onion storage and packing facility and office without using natural gas.

The coronavirus pandemic has had a far-reaching impact on our energy use figures. While our absolute figures in FY2020 were lower, our energy consumption per tonne of product increased significantly, because our zero-load was higher. In other words, despite our plants standing idle for an extended period in 2020, we continued to use energy to keep our freezers at -18C, essential systems running, lights burning, and so on.

Before the pandemic, our energy intensity reduction was 29% (close to our 2020 target of -30%), however we ended the FY in May with a 24.3% reduction compared to our reference in FY2008.

Data Quality and Validation

The ultimate responsibility for data quality lies with the data providers of each plant or at a corporate level. For example, the sustainability team is responsible for the Sustainable Seven. Meanwhile, the LW/M sustainability program leader is responsible for the overall content and validation of all numbers reported. In addition, the data in this report has been checked by an independent content matter expert. This included cross checks versus references and checking calculations of internal KPIs and data reported in accordance with the GRI Standards.

Specific attention was paid to the accuracy and comparability of data included in the LW/M sustainability dashboard and the Sustainable Seven (S7) master database, their reference to internal information sources, calculation of our final numbers, and improvements made versus 2008.

Materiality

The position of a topic on the axis indicates whether we consider it as having current/potential impact on the operations of our company (horizontal axis) or is regarded by our stakeholders as important (vertical axis). Topics plotted above the line are considered material and are included in this report.

For identification, prioritisation and validation of the material topics, we used the four Principles of Reporting (Stakeholder Inclusiveness, Sustainability Context, Materiality, and Completeness) of the GRI Standard.

In updating this materiality matrix, we used the matrix from our last report as the starting point to perform a thorough revalidation in early 2019 to develop our new 2030 sustainability strategy. This included desk research focused on analysing key sustainability issues related to our industry and product category, environmental, social and governance (ESG) priorities from key customers, and sustainability trends and topics in our key markets. Also a limited number of interviews were held with key stakeholders to incorporate their views and re-validate our matrix. The final draft was then critically reviewed by our Sustainability Team and used to build our new strategy.

LW/M Materiality Matrix: 'Creating positive impact'

LW/M Key Challenges for 2030:

- Balanced diet
- Zero Waste
- Climate Action

Other 'ESG' categories:

- Governance
- Business Continuity

Major changes

In 2020 we carried out a reassessment of the materiality matrix for our new report, in which we incorporated the key challenges of our final sustainability strategy and assessed the impact from the COVID-19 pandemic. We have identified two new material topics (sustainability by design, partnerships), renamed two topics (balanced diet instead of promoting healthy life styles and health & safety) and shifted the position of quite a few others (balanced diet, packaging, GHG emissions all became more important).
Together, this has led to an updated overview. No topics were excluded from the previous version. The final revised materiality matrix was reviewed by the Executive Leadership Team (ELT) at the end of 2020, who approved the final revised version shown in this report.

Our material topics

We engage with a wide range of stakeholders across our business. Understanding their needs enables us to understand the issues that are important to them.
Based on this, we are able to identify the material topics that bring us together.

By focusing our energy on those material topics, we are able to operate a successful business that positively impacts stakeholders across society. From our customers to the environment. And from our employees to our suppliers.

Topic Boundaries

The graph below illustrates the topic boundaries along our product supply chain, including upstream and downstream activities conducted by our suppliers.

Value Chain of Lamb Weston / Meijer

Sustainable Seven - material themes

Value Chain Steps	Growing, harvesting, storage and transport of potatoes / Supply of other goods and services	Processing potatoes into finished products by Lamb Weston / Meijer	Transport of finished goods to cold stores/ DCs, transport to customers	Final preparation of our products, Consumption & End-of Life
Stakeholders	Growers & Other Suppliers	LW/M Employees	Logistical Service providers	Customers & Consumers
Water	**Water efficiency measures** e.g. water footprint (WF) of potato growing, reducing blue WF in water scarce regions, business case for drip irrigation	**Water efficiency measures** e.g. total water use, reduce water intensity, reduce blue WF of processing		
Energy & Emissions	**Energy and emission efficiency measures** e.g. emission intensity, reduction potato carbon footprint, reduction GHG emissions other inputs, materials and packaging (scope 3)	**Energy and emission efficiency measures** e.g. reduce energy intensity, reduce emission intensity, reduce total GHG emissions (scope 1+2)	**Energy and emission efficiency measures** e.g. reduction GHG emissions from transport, reduce total road kilometres via multi-modalities	
Potato & Waste	**Material efficiency measures** e.g. improve material effiency, reduce waste, sustainable packaging	**Material efficiency measures** e.g. increase potato utilisation ratio, improve by-products valorisation, zero waste to landfill	**Material efficiency measures** e.g. collaboration with logistic partners to reduce food loss and waste in the supply chain	**Material efficiency measures** e.g. collaboration with customers to reduce food waste in their restaurants
Sustainable Agriculture	**Promoting sustainable agriculture practices** e.g. efficient land use, improve soil health, integrated pest management, increase water effiency, reduce emissions, protect biodiversity			
Employees		**Safety, health & wellbeing measure** e.g. Occupational health and safety performance, reduce incidents, reduce illness, improve diversity of our leadership, development of total workforce		
Food Safety & Quality	**Food Safety and quality measures** e.g. rating third party audits	**Food safety and quality measures** e.g. reduce product quality complaints, increase first time right, increase scores third party audits, reduce quality incidents		**Food safety and quality measures** e.g. reduce product quality complaints, increase customer audits scores, zero public product recalls
Nutrition & Health		**Measures to improve nutritional value** e.g. increase use of healthier oils, reduce saturated fat content, reduce total fat content, reduce salt content		**Responsible consumption** Enable making informed choices, e.g. clear nutrition labelling

Data presentation

Planet: Energy & Emissions

Data on Energy and GHG Emissions

We collect the energy consumption data from our fully-owned plants every four weeks. Data for electricity and natural gas consumption is taken from energy meters which are also used for the invoices. Biogas consumption is measured by our own meters located at each plant. Based on the energy data, we calculate our GHG emissions.

Biogas is produced as a by-product in our wastewater treatment plants. In Kruiningen, Bergen op Zoom, Oosterbierum and Broekhuizenvorst the biogas is used in our own boiler house to produce heat. In Hollabrunn, biogas is used to produce electricity which is fed back to our own plant. The heat is used to heat the water to 90 degrees centigrade. This enables us to save natural gas and reduce the amount of electricity purchased. In FY 2019, we sold residual waste heat from our Kruiningen plant to our neighbouring company JWK (Wiskerke Onions).

GHG emissions are calculated based on the Greenhouse Gas Protocol methodology of the WRI/WBCSD (GHG Protocol). We report GHG emissions in CO_2-equivalent. Conversion factors and Global Warming Potential (GWP) rates for GHG emissions are obtained from ADEME version 4 Bilan Carbone.

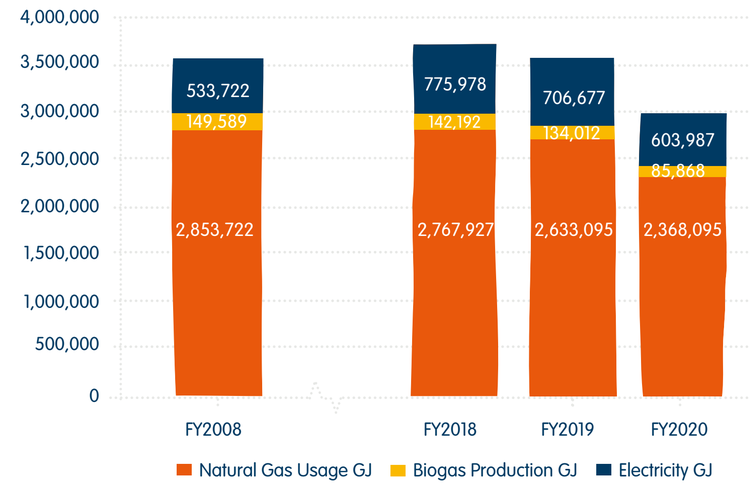
GHG emissions are reported based on Scope 1, 2 and 3:

- Scope 1: Direct CO_2 emissions – natural gas burned
- Scope 2: Indirect CO_2 emissions – electricity purchased
- Scope 3: Other indirect CO_2 emissions – related to activities on the farm, ingredients, business travel, transport, and so on.

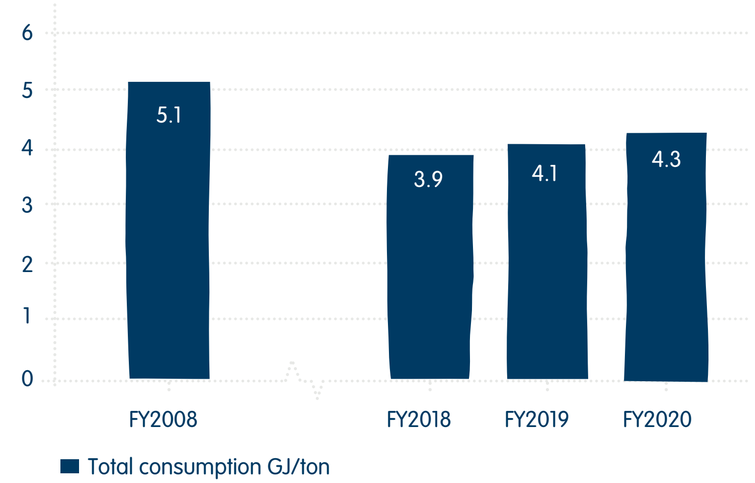
Quantitative data based on:

- Conversion factors for GHG emissions are obtained from ADEME version 4 Bilan Carbone:
  - Electricity: 186 g / MJ
  - Electricity from renewable sources: 0.002 g / MJ
  - Natural gas (MJ): 56.6 g CO_2 / MJ
  - Biogas (MJ): 0 g CO_2 / MJ
  - Carbon Footprint LW/M potato varieties by PPO (WUR), studies carried out in 2008 and 2015
- Suppliers carbon footprint (CFP) calculations
- Energy conversion factors:
  - Natural gas: 35.17 MJ / Nm3
  - Electricity; 3.6 MJ /kWh
  - Biogas: 23.3 MJ / Nm3 (when used as primary energy source)
  - Biogas for electricity production: 10.2 MJ / Nm3 (based on 44% efficiency).
  - Assumption: Energy consumption per year by a household = 76 GJ / year
- Monitoring of production in tonnes of produced products

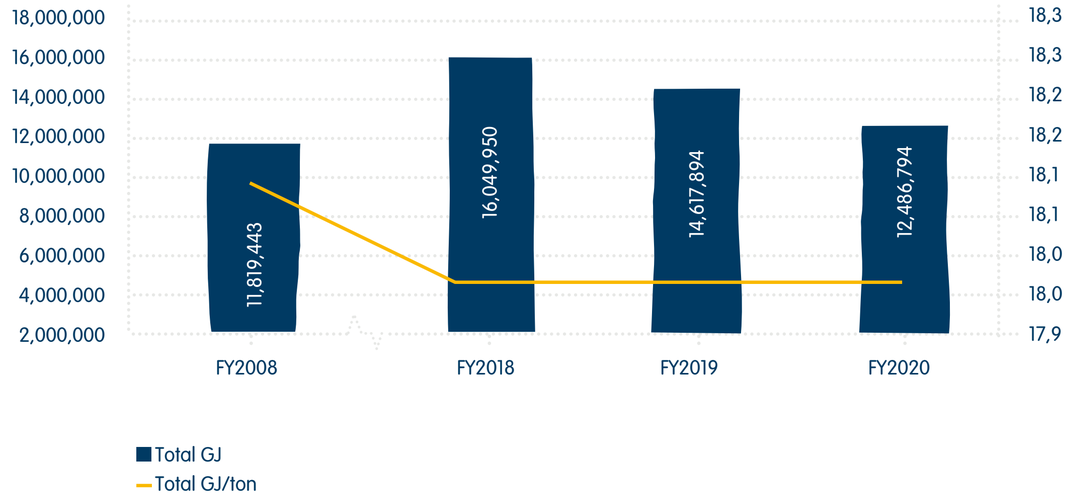
Energy consumption (own use)
(GJ / Year)



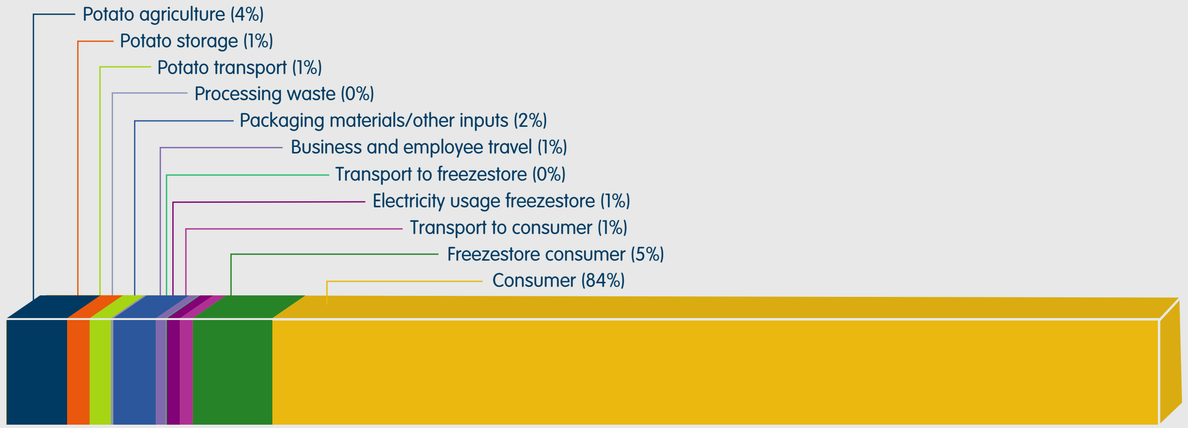
Energy intensity (GJ / Tonne of finished product)



Energy consumption in the value chain



Breakdown of energy consumption in the value chain (%)

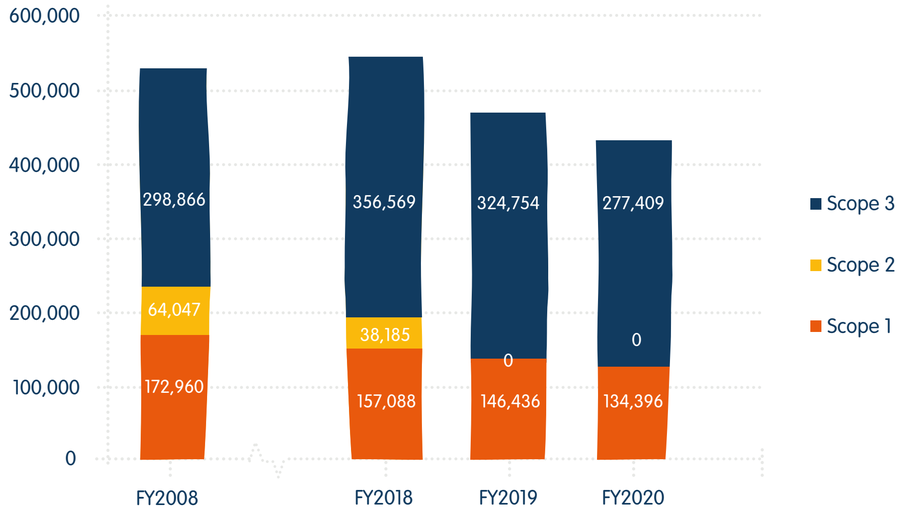


Note: This graphic is developed using FY2020 data.

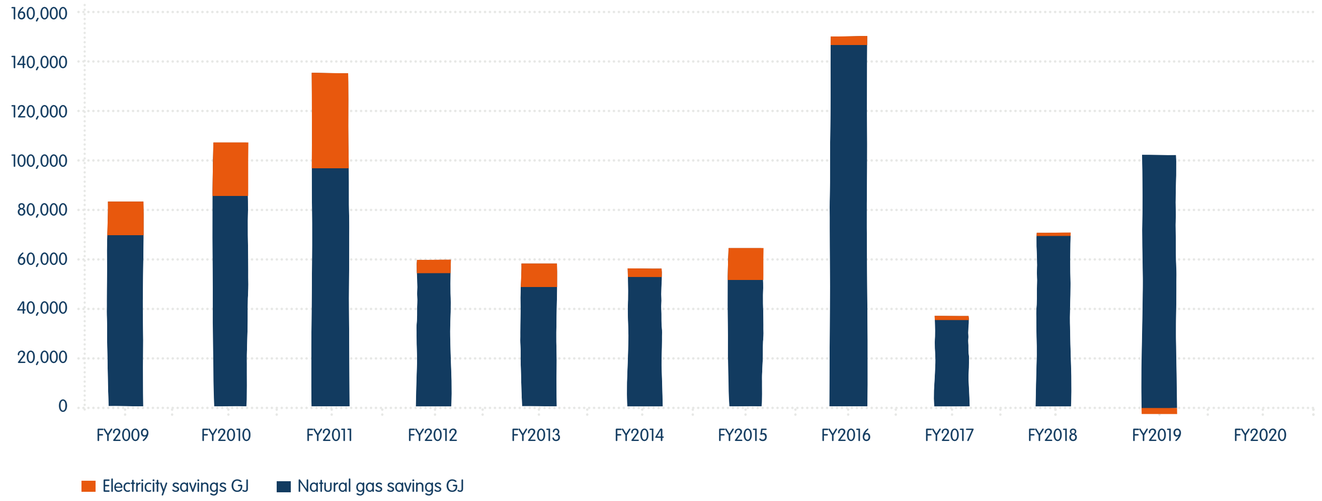
GRI 302-2 Energy consumption outside the organisation (in GJ)		
	FY2018	FY2020
Potatoes culture	445.972	443.835
Potatoes storage	166.496	165.698
Potatoes transport	155.793	155.046
Soil Waste	23.785	4.972
Peel Waste	123.683	11.687
Sludge	551	585
Packaging materials / others inputs	287.120	305.017
Business and employee travel	65.255	69.345
Transport to Freezestore	8.548	9.084
Electricity usage Freezestore	88.746	94.309
Transport to Customer	242.747	74.350
Freezestore Customer	535.087	568.628
Consumer	9.709.880	10.318.509
Total in GJ	11.853.663	12.221.066
GJ/ton product	*18,2*	*17,6*

Greenhouse gas emissions (Scope 1,2 and 3)

(Tonne CO_2-eq)



Energy saved through efficiency improvements (GJ / Year)



Amount of GHG emissions avoided (tons CO_2eq.)

Year	Reduction Raw CO_2 eq. Tons	Reduction Scope 1 CO_2 eq. Tons	Reduction Scope 2 CO_2 eq. Tons	Transport CO_2 eq. Tons	Total
FY2009	3.376	3.931	1.469	80	8.857
FY2010	2.408	4.849	2.408	922	10.587
FY2011	72	5.530	4.378	16	9.996
FY2012	2.405	3.117	532	382	6.437
FY2013	518	2.809	1.084	3.526	7.936
FY2014	959	2.974	450	16.708	21.091
FY2015	3.188	2.888	1.599	968	8.644
FY2016	5.819	8.343	415	551	15.127
FY2017	0	1.945	169	121	2.235
FY2018	849	4.157	155	4	5.165
FY2019	2.599	5.788	-271	792	8.908
FY2020	2.074	0	0	86	2.161
Total (cumulative)	24.266	46.331	12.389	24.156	107.142

Emissions to air including NOx and SO_2 emissions

We continually monitor NOx emissions from our boiler systems and report these figures to the local government. Our NOx and SO2 emission levels are measured annually by external, certified companies and reported to the government.

Planet: Water

Water Source

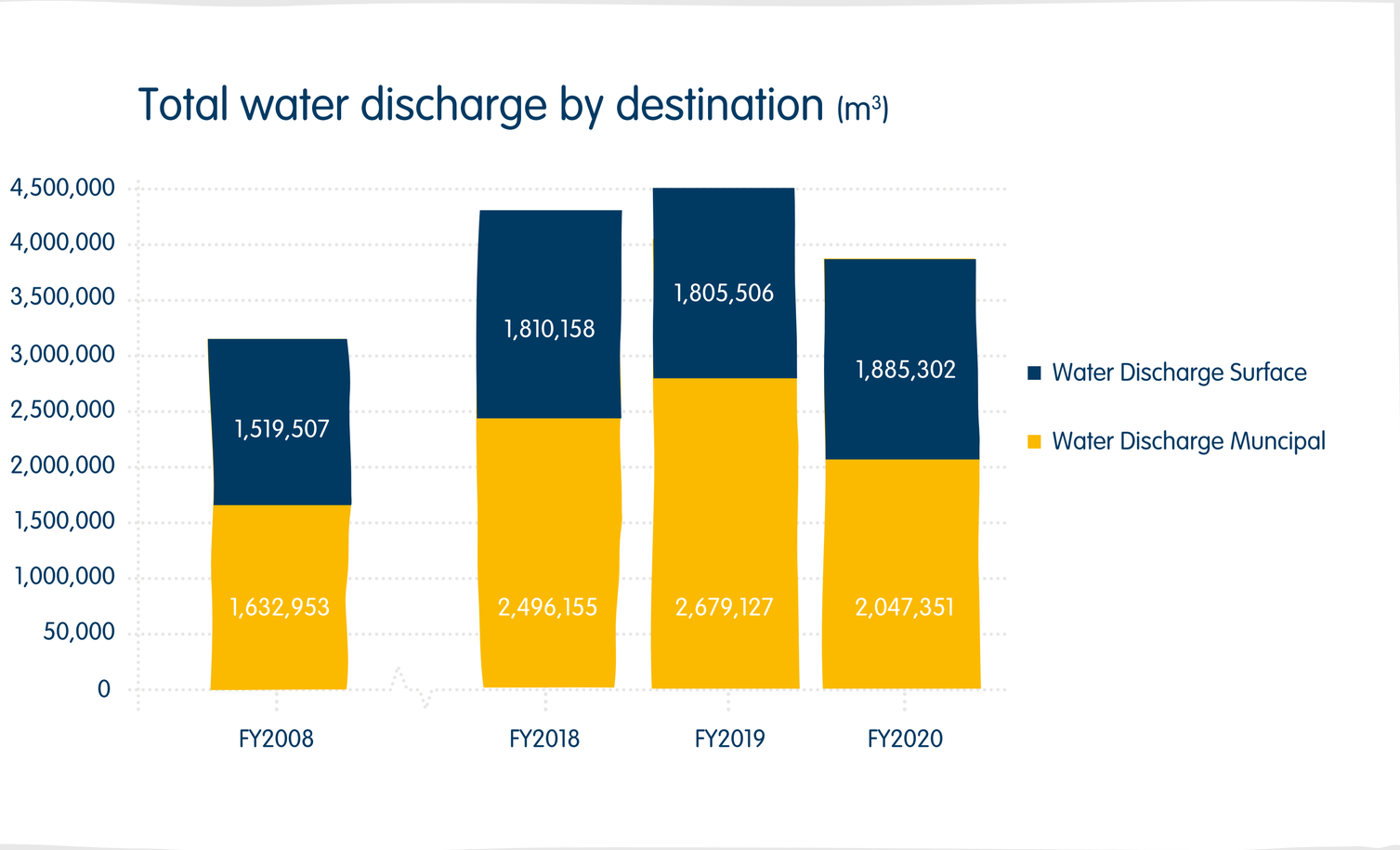
The fresh water supply used in our Dutch production facilities is taken from different water sources, all located near the plants. The water source areas are not classed as vulnerable and have the sole function of supplying water. The withdrawal of water is always within the permitted quantity, and none of the water sources used by LW/M in the Netherlands can be considered to be significantly affected by the withdrawal of water.

At Hollabrunn and Broekhuizenvorst we withdraw ground water, which we use along with municipal water in areas with low to low/medium water stress.
(source: https://www.wri.org/aqueduct)

Water Discharge

Wastewater is treated before discharge and all quality parameters are regularly measured to comply with local regulations across all our plants.

Improvements have been identified to prevent this from recurring, and corrective and preventive measures have been implemented. No water bodies or related habitats are significantly affected by the discharge of water by LW/M facilities in the Netherlands, the United Kingdom or Austria.



Planet: Waste

Amount of by-products and waste streams by disposal method (Tonnes)

Classification	FY2008	FY2018	FY2019	FY2020
Reuse (feed, soil, fertiliser)	237,519	359,182	344,692	256,688
Composted (fertiliser)	25,502	17,422	24,216	24,692
Recovery (bio fuel)	22,66	32,527	29,706	20,463
Repurpose (biobased materials)	9,134	13,044	11,837	8,187
Recycling (paper, plastic, metal)	1,808	2,010	2,543	1,686
Incineration (mass burn)	931	12,061	606	287
Total	**297,554**	**436,246**	**413,600**	**312,004**

People

Collective Labour Agreements (CLA)

We have collective labour agreements (CLAs) that cover 67.2% of our employees. In the Netherlands, a company CLA applies to 78.5% of our employees.

In April 2019 we reached an agreement with the Dutch unions for a new CLA lasting 27 months, from 1 April 2019 until 1 July 2021. For the 21.5% of employees in the Netherlands not covered by a CLA, other labour regulations apply. These are captured in our employee handbook and have been approved by our Dutch works council.

There are local differences regarding (collective) labour agreements in the other countries in which we have (production) locations. In our UK organisation, we do not have a collective bargaining agreement; in Austria, we are part of a collective agreement for the industry and this applies to all our Austrian employees except for the plant manager. Our international (sales) employees working in different countries do not have a collective bargaining agreement and we apply the employee handbook or specific local regulations and agreements.

Employee Profile

Total number of employees by employment contract by gender by location

Total number of employees by employment contract by gender and by location

Location	Year	Permanent		Permanent Total	Temporary		Temporary Total
		Man	Woman		Man	Woman	
Corporate	FY2018	251	103	**354**	8	5	**13**
	FY2019	249	113	**362**	15	15	**30**
	FY2020	264	123	**387**	17	16	**33**
Kruiningen	FY2018	253	25	**278**	10	1	**11**
	FY2019	259	25	**284**	20	2	**22**
	FY2020	256	23	**279**	4	1	**5**
Bergen op Zoom	FY2018	172	16	**188**	15	2	**17**
	FY2019	187	21	**208**	40	3	**43**
	FY2020	213	22	**235**	16	2	**18**
Oosterbierum	FY2018	85	11	**96**	6	0	**6**
	FY2019	87	11	**98**	15	3	**18**
	FY2020	93	11	**104**	5	2	**7**
Wisbech	FY2018	101	37	**138**	2	2	**4**
	FY2019	106	40	**146**	2	2	**4**
	FY2020	104	40	**144**	2	2	**4**
Hollabrunn	FY2018	128	59	**187**	0	0	**0**
	FY2019	116	56	**172**	0	0	**0**
	FY2020	120	51	**171**	0	0	**0**
Broekhuizenvorst	FY2018	60	10	**70**	13	1	**14**
	FY2019	68	10	**78**	19	3	**22**
	FY2020	79	12	**91**	18	1	**19**
LW/M Grand total	FY2018	1.050	261	**1.311**	54	11	**65**
	FY2019	1.072	276	**1.348**	111	28	**139**
	FY2020	1.129	282	**1.411**	62	24	**86**

Total number of employees by employment type by gender*

Employment type	Gender: FTE & number	LW/M Total	
		FY2019	FY2020
Full-time	Male (FTE & Number)	1126	1130
	Female (FTE & Number)	194	198
Part-time	Male (FTE)	42,3	47,1
	Female (FTE)	73	71,2
	Male (Number)	57	63
	Female (Number)	110	106
LW/M Grand Total	Total FTE	1435,3	1446,3
	Total number	1487	1497

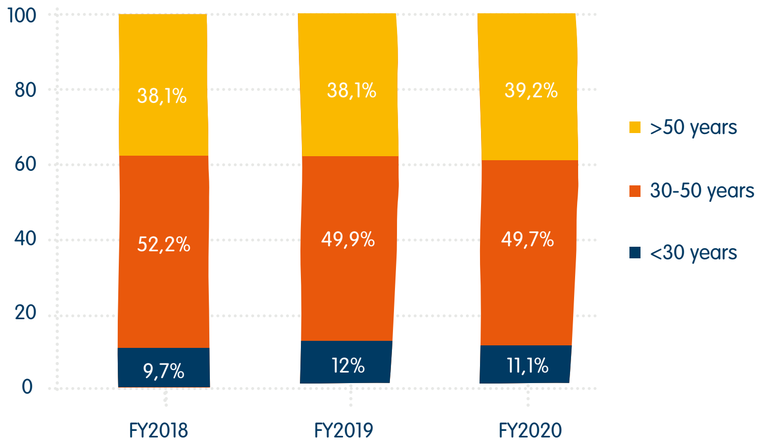
Total number of outsourced personnel (FTE)

FY2018	FY2019	FY2020
258	245	214

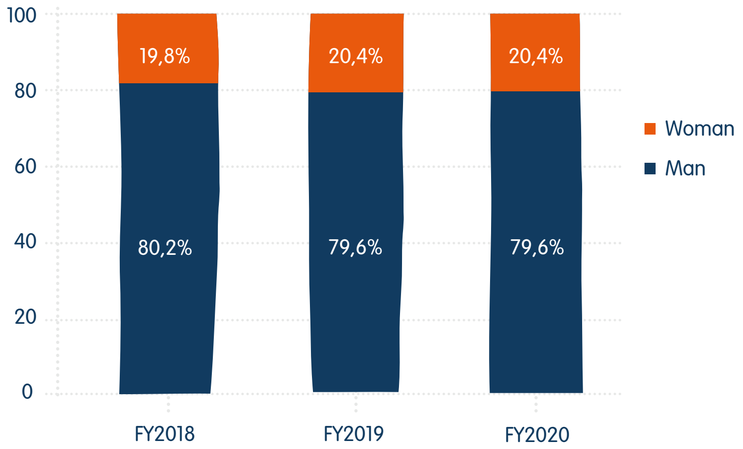
* Due to rounding of the numbers the percentages in each category might not add up to 100%.

Employee Diversity

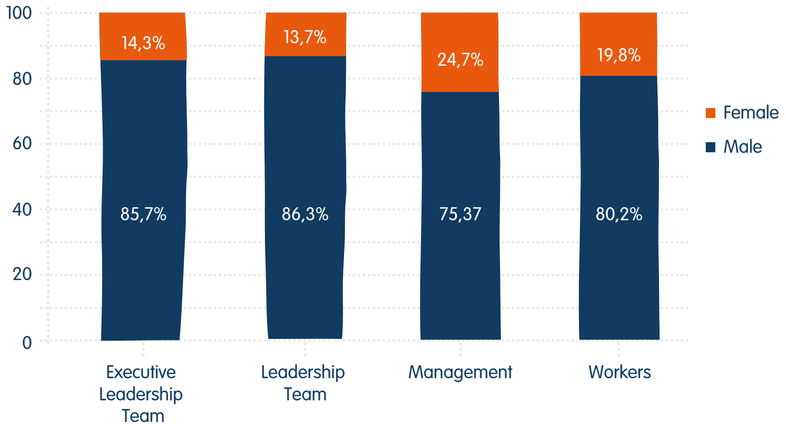
Employee breakdown by age group (%)



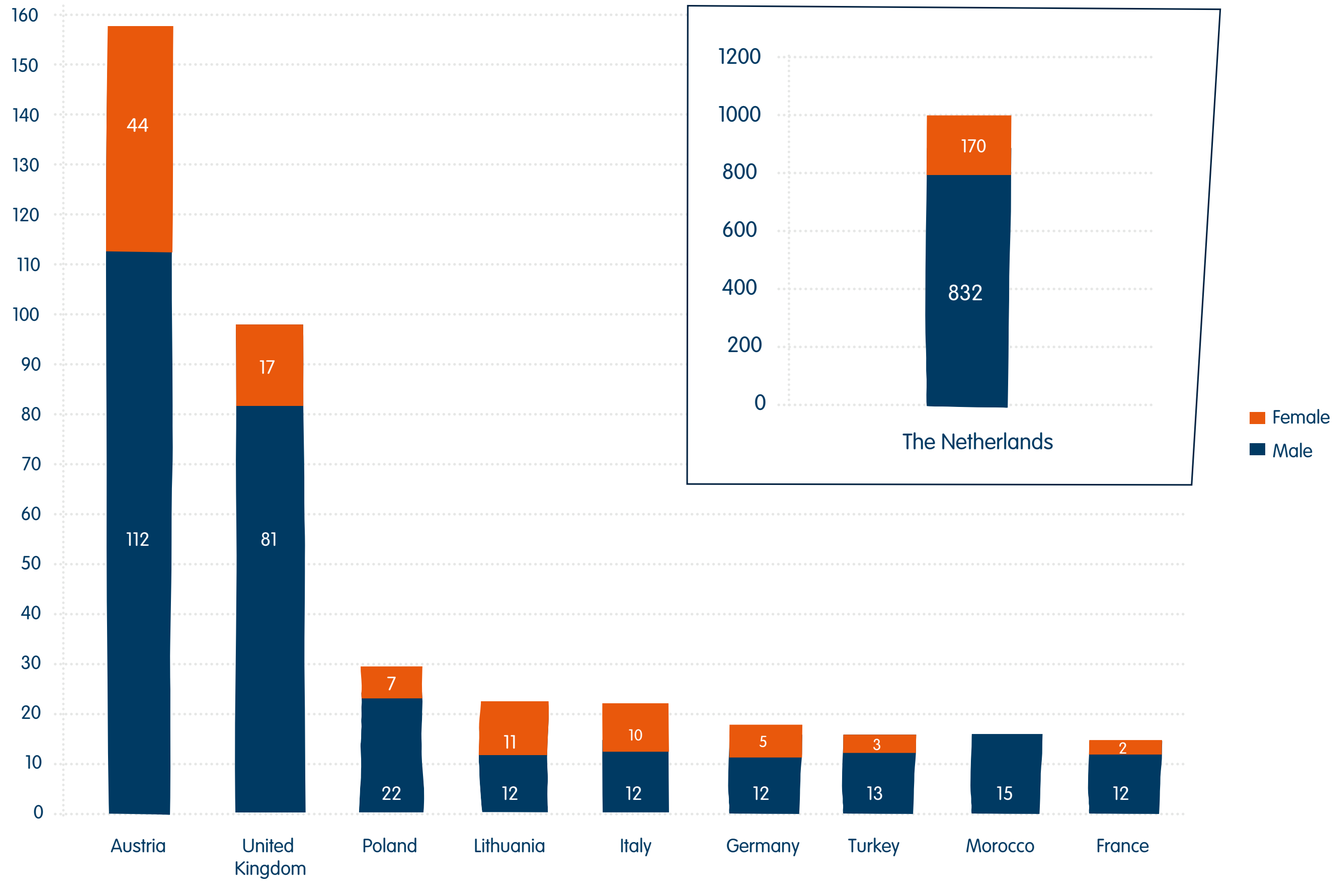
Employee breakdown by gender (%)



Employee breakdown by gender and by employee category for FY2020 (%)



Breakdown number of employees by nationality and gender
(top 10 nationalities FY2020)



At LW/M we employ people of 43 different nationalities

Total number of new employee hires by age group, gender and location

Location	Financial Year	Man			Woman		
		<30	30-50	>50	<30	30-50	>50
Corporate	2018	20	39	10	11	37	1
	2019	14	25	7	13	23	0
	2020	7	10	3	5	12	0
Kruiningen	2018	33	31	7	6	1	0
	2019	22	16	9	0	0	0
	2020	1	3	0	0	0	0
Bergen op Zoom	2018	25	24	9	0	12	0
	2019	30	37	26	2	7	3
	2020	1	7	2	0	0	0
Oosterbierum	2018	2	15	6	2	0	0
	2019	2	0	0	2	0	1
	2020	2	2	0	0	0	0
Wisbech	2018	5	22	3	3	12	0
	2019	4	11	3	3	5	0
	2020	4	5	1	0	0	0
Hollabrunn	2018	4	19	2	0	2	0
	2019	4	8	0	1	2	0
	2020	1	3	1	0	0	0
Broekhuizenvorst	2018	18	15	17	3	2	0
	2019	7	14	5	0	1	3
	2020	3	8	3	0	0	0
LW/M Grand Total	2018	107	165	54	25	66	1
	2019	83	111	50	21	38	7
	2020	19	38	10	5	12	0

Supply Chain

Purchased volume compliant with company's sourcing policy and/or internationally recognised responsible production standards

Since 2016, 100% of the palm oil we purchase is segregated RSPO certified.

Since 2014, 100% of the cardboard we purchase is FSC certified, while 88% of the total cardboard weight is made from recycled corrugated material.

The plastic we use as primary packaging and shrink film to wrap our stacked pallets, is 100% recyclable, mono-material plastic, mostly LD PE, currently all virgin plastic– to meet very strict food safety regulations for food contact materials.

Percentage of purchased potatoes compliant with an internationally recognised, responsible production standard (as % of total volume of potatoes purchased)

Grower Certification	SAI FSA benchmark	FY 2019	FY 2020	% of total volume potatoes grown to FSA Standard
VVAK	Silver	34%	29%	71% Silver
AMA Seal	Silver	8%	7%	
Global GAP	Silver	17%	18%	
Red Tractor	Silver	14%	16%	
Vegaplan	Gold	11%	13%	27% Gold
QS	Gold	12%	14%	
BRC	No benchmark	0%	0%	2% Not Benchmarked
Hygiene Code	No benchmark	4%	2%	
No certification	-	0%	0%	0% Not Certified
Total SAI-FSA certified (Farm Sustainability Assessment)	**bronze, silver, gold standard**	**100%**	**100%**	**100% FSA Certified**

Certifications per location (2020) related to food- and feed safety, environmental, and other management systems

Total number of new employee turnover by age group, gender and location

Certification*	Subject / scope	Kruiningen	Bergen op Zoom	Oosterbierum	Wisbech	Hollabrunn	Broekhuizenvorst	Corporate (total LMW)
BRC	Food safety management	A+	AA+	AA	AA+	97.2%	-	-
IFS	Food safety management	97.4%	99.2%	-	-	-	Yes	-
GMP+ (NL) FEMAS (UK)	Feed safety management	Yes	Yes	Yes	Yes	Yes	Yes	-
ISO 14001	Environmental management	Yes	Yes	Yes	Yes	Yes	Yes	Multi-site
ISO 50001	Energy management	Yes	Yes	Yes	Yes	Yes	-	Multi-site
ISO 45001	Occupational Health & Safety	-	-	-	-	yes	-	-
McD Supplier Workplace Accountability	Social Accountability, Environment & Business Ethics	Yes	Yes	-	Yes	-	-	-
SMETA-4P	Labour standards, Health & Safety, Environment and Business Ethics	Yes	Yes	Yes	Yes	-	-	-
SMETA-3P	Labour standards, Health & Safety and environ-ment	-	-	-	yes	-	Yes	-
SMETA-2P	Labour standards, Health & Safety	Yes	-	-	Yes	-	Yes	-
Halal	Religious Certification	Yes	Yes	Yes	Yes	Yes.	-	-
Kosher	Religious certification	-	Yes	Yes	Yes	-	Yes	-
SG CSPO	RSPO Certified Sustainable Palm	Yes	Yes	Yes	Yes	-	yes	-
CU-RSPO SCC	RSPO Supply Chain Certification	Yes	Yes	Yes	Yes	-	-	-
Gluten Free 2011	Allergen free processing	Yes	-	-	-	-	-	-
Red Tractor	Grower Certification (SA)	-	-	-	Yes	-	-	-
CDP	Climate Change, Forestry, Supplier Engagement self-assessment	-	-	-	-	-	-	C level for both Climate Change and Forestry B- supplier engagement
EcoVadis	Corporate Social Responsibility self-assessment	-	-	-	-	-	-	Silver medal 65% CSR score

GRI Content Index

GRI Standard	Disclosure Number	Disclosure Title	Item - Location	Omission
GRI 101: Foundation 2016				
GRI 102: General Disclosures 2016				
Organisational Profile	**102-1**	Name of the organization	Lamb Weston / Meijer VOF	
	102-2	Activities, brands, products, and services	Appendix: Organisation Profile Appendix: About this Report (Organisational activities)	
	102-3	Location of headquarters	Kruiningen, the Netherlands	
	102-4	Location of operations	Appendix: Organisation Profile (Locations)	
	102-5	Ownership and legal form	Appendix: Organisation Profile	
	102-6	Markets served	Appendix: Organisation Profile	
	102-7	Scale of the organization	Appendix: Organisation Profile	Confidentiality constraints: Lamb Weston / Meijer is not an N.V. and therefore not obliged to publically disclose its annual financial figures.
	102-8	Information on employees and other workers	Appendix: Facts & Figures (People)	
	102-9	Supply chain	Appendix: Organisation Profile (Our Supply Chain)	
	102-10	Significant changes to the organization and its supply chain	Appendix: Organisation Profile (Organizational development since our last report)	
	102-11	Precautionary Principle or approach	Appendix: Governance (Risk Management)	
	102-12	External initiatives	Appendix: Governance (Commitments to external initiatives and memberships)	
	102-13	Membership of associations	Appendix: Governance (Commitments to external initiatives and memberships)	
Strategy	**102-14**	Statement from senior decision-maker	CEO statement	
Ethics and Integrity	**102-16**	Values, principles, standards, and norms of behaviour	Appendix: Governance (Code of Conduct)	
Governance	**102-18**	Governance structure	Appendix: Governance	

GRI Content Index

Stakeholder Engagement	**102-40**	List of stakeholder groups	Appendix: Governance (Stakeholder Engagement)	
	102-41	Collective bargaining agreements	71% of our employees fall under a CLA. Appendix: Facts & Figures (People)	
	102-42	Identifying and selecting stakeholders	Appendix: Governance (Stakeholder Engagement)	
	102-43	Approach to stakeholder engagement	Appendix: Governance (Stakeholder Engagement)	
	102-44	Key topics and concerns raised	Appendix: Governance (Stakeholder Engagement)	
Reporting Practice	**102-45**	Entities included in the consolidated financial statements	Appendix: Organisation Profile (Locations)	
	102-46	Defining report content and topic boundaries	Appendix: About this Report (Materiality) Appendix: About this Report (Topic boundaries)	
	102-47	List of material topics	Appendix: About this Report (Materiality)	
	102-48	Restatements of information	Appendix: About this Report (Changes in data and restatements)	
	102-49	Changes in reporting	Appendix: About this Report (Approach to reporting) Appendix: About this Report (Changes in data and restatements)	
	102-50	Reporting period	FY2018 and FY2019	
	102-51	Date of most recent report	January 2019	
	102-52	Reporting cycle	Bi-annual	
	102-53	Contact point for questions regarding the report	Colophon	
	102-54	Claims of reporting in accordance with the GRI Standards	This report has been prepared in accordance with the GRI Standards: Core option. The topics of Emissions and Waste are reported in accordance with the Comphrehensive option, in line with our ambition to be industry leader in sustainability.	
	102-55	GRI content index	GRI Content index	
	102-56	External assurance	Appendix: About this Report (Data Quality and Validation)	

Material Topics				
Environmental Topics				
Material Efficiency & LW/M-Specific Topic: Packaging				
GRI 103: Management Approach 2016	**103-1**	Explanation of the material topic and its Boundary	Chapter Zero Waste Appendix: About this Report	
	103-2	The management approach and its components	Chapter Potato & Waste	
	103-3	Evaluation of the management approach	Chapter Zero Waste	
GRI 301: Materials 2016	**301-1**	Materials used by weight or volume	Chapter Zero Waste	
LW/M-Specific Topic: Food Security (availability)				
GRI 103: Management Approach 2016	**103-1**	Explanation of the material topic and its Boundary	Chapter Potato & Waste Appendix: About this Report	
	103-2	The management approach and its components	Chapter Potato & Waste	
Energy Efficiency				
GRI 103: Management Approach 2016	**103-1**	Explanation of the material topic and its Boundary	Chapter Climate Action: Energy & Emissions Appendix: About this Report	
	103-2	The management approach and its components	Chapter Climate Action: Energy & Emissions	
	103-3	Evaluation of the management approach	Chapter Climate Action: Energy & Emissions	
GRI 302: Energy 2016	**302-1**	Energy consumption outside of the organization	Appendix: Facts & Figures (Planet: Energy & Emissions)	
	302-2	Energy consumption outside of the organization	Appendix: Facts & Figures (Planet: Energy & Emissions)	
	302-3	Energy intensity	Appendix: Facts & Figures (Planet: Energy & Emissions)	
	302-4	Reduction of energy consumption	Chapter Climate Action: Energy & Emissions Appendix: Facts & Figures (Planet: Energy & Emissions)	
	302-5	Reductions in energy requirements of products and services		Information unavailable since the boundary of this information is outside of our control.

Water and Wastewater (effluents)				
GRI 103: Management Approach 2016	**103-1**	Explanation of the material topic and its Boundary	Chapter Climate Action: Water Appendix: About this Report	
	103-2	The management approach and its components	Chapter Climate Action: Water	
	103-3	Evaluation of the management approach	Chapter Climate Action: Water	
GRI 303: Water 2016	**303-1**	Water withdrawal by source	Chapter Climate Action: Water	
	303-2	Water sources significantly affected by withdrawal of water	Appendix: Facts & Figures (Planet: Water)	
	303-3	Water recycled and reused		Reliable data is unavailable. We will report on this in our next report
	306-1	Water discharge by quality and destination	Appendix: Facts & Figures (Planet: Water)	
Biodiversity, LW/M-Specific Topics: Soil Health and Plant Protection Products, Sustainable Supply Chain				
GRI 103: Management Approach 2016	**103-1**	Explanation of the material topic and its Boundary	Chapter Climate Action: Sustainable Agriculture Appendix: About this Report	
	103-2	The management approach and its components	Chapter Climate Action: Sustainable Agriculture	
	103-3	Evaluation of the management approach	Chapter Climate Action: Sustainable Agriculture	
GRI 304: Biodiversity 2016	**304-2**	Significant impacts of activities, products, and services on biodiversity	Chapter Climate Action: Sustainable Agriculture	
Emissions & Climate Change				
GRI 103: Management Approach 2016	**103-1**	Explanation of the material topic and its Boundary	Chapter Climate Action: Energy & Emissions Appendix: About this Report	
	103-2	The management approach and its components	Chapter Climate Action: Energy & Emissions	
	103-3	Evaluation of the management approach	Chapter Climate Action: Energy & Emissions	
GRI 305: Emissions 2016	**305-1**	Direct (Scope 1) GHG emissions	Appendix: Facts & Figures (Planet: Energy & Emissions)	
	305-2	Energy indirect (Scope 2) GHG emissions	Appendix: Facts & Figures (Planet: Energy & Emissions)	
	305-3	Other indirect (Scope 3) GHG emissions	ppendix: Facts & Figures (Planet: Energy & Emissions	

	305-4	GHG emissions intensity	Appendix: Facts & Figures (Planet: Energy & Emissions)	
	305-5	Reduction of GHG emissions	Appendix: Facts & Figures (Planet: Energy & Emissions) Chapter Climate Action: Energy & Emissions	
	305-6	Emissions of ozone-depleting substances (ODS)	LW/M does not use any Ozone Depleting Substances	
	305-7	Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	Appendix: Facts & Figures (Planet: Energy & Emissions)	
Effluents and Waste & LW/M-Specific Topics: Food Waste				
GRI 103: Management Approach 2016	**103-1**	Explanation of the material topic and its Boundary	Chapter Zero Waste Appendix: About this Report	
	103-2	The management approach and its components	Chapter Zero Waste	
	103-3	Evaluation of the management approach	Chapter Zero Waste	
GRI 306: Effluents and Waste 2016	**306-2**	Waste by type and disposal method	Chapter Zero Waste Appendix: Facts & Figures (Planet: Waste)	
	306-3	Significant spills	Zero significant spills during the reporting period.	
	306-4	Transport of hazardous waste	LMW does not generate significant amount of hazardous waste.	
	306-5	Water bodies affected by water discharges and/or runoff	Appendix: Facts & Figures (Planet: Water)	
Social Topic				
Employment & LW/M-Specific Topic: Aging Population				
GRI 103: Management Approach 2016	**103-1**	Explanation of the material topic and its Boundary	Chapter Our People Appendix: About this report	
	103-2	The management approach and its components	Chapter Our People	
	103-3	Evaluation of the management approach	Chapter Our People	
GRI 401: Employment 2016	**401-1**	New employee hires and employee turnover	Appendix: Facts & Figures (People)	

Safety & Health				
GRI 103: Management Approach 2016	**103-1**	Explanation of the material topic and its Boundary		
	103-2	The management approach and its components	Chapter Our People	
	103-3	Evaluation of the management approach	Chapter Our People	
GRI 403: Occupational Health and Safety 2016	**403-2**	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	Chapter Our People Appendix: Facts & Figures During the reporting period there were no work related fatalities or occupational diseases	Data breakdown for gender and workers is unavailable. We do not collect safety data with this specific breakdown
Training and Education & LW/M-Specific Topic: Employee Development				
GRI 103: Management Approach 2016	**103-1**	Explanation of the material topic and its Boundary	Explanation of the material topic and its Boundary	
	103-2	The management approach and its components	Chapter Our People	
	103-3	Evaluation of the management approach	Chapter Our People	
GRI 404: Training and Education 2016	**404-2**	Programs for upgrading employee skills and transition assistance programs	Chapter Our People	
	404-3	Percentage of employees receiving regular performance and career development reviews	All employees receive regular performance and career development reviews.	
Diversity & Inclusion				
GRI 103: Management Approach 2016	**103-1**	Explanation of the material topic and its Boundary	Chapter Our People Appendix: About this Report	
	103-2	The management approach and its components	Chapter Our People	
	103-3	Evaluation of the management approach	Chapter Our People	
GRI 405: Diversity & Inclusion 2016	**405-1**	Diversity of governance bodies and employees	Chapter Our People Appendix: Facts & Figures (People)	
Customer Health and Safety, LW/M-Specific Topics: Food Safety, Consistent Quality, Allergens				

GRI 103: Management Approach 2016	**103-1**	Explanation of the material topic and its Boundary	Chapter Climate Action: Food Safety & Quality	
	103-2	The management approach and its components	Chapter Climate Action: Food Safety & Quality	
	103-3	Evaluation of the management approach	Chapter Climate Action: Food Safety & Quality	
GRI 416: Customer Health and Safety 2016	**416-2**	Incidents of non-compliance concerning the health and safety impacts of products and services	Zero incidents, no recalls	
GRI G4 FPSS	**G4-FP1**	Percentage of purchased volume from suppliers compliant with company's sourcing policy	Appendix: Facts & Figures (Supply Chain)	
	G4-FP2	Percentage of purchased volume which is verified as being in accordance with credible, internationally recognized responsible production standards, broken down by standard	Appendix: Facts & Figures (Supply Chain)	
	G4-FP5	Percentage of production volume manufactured in sites certified by an independent third party according to internationally recognized food safety, management system standards	Appendix: Facts & Figures (Supply Chain)	
Marketing and Labelling, LW/M-Specific Topic: Nutrition Information				
GRI 103: Management Approach 2016	**103-1**	Explanation of the material topic and its Boundary	Chapter Food Quality & Safety Appendix: About this Report	
	103-2	The management approach and its components	Chapter Food Quality & Safety	
	103-3	Evaluation of the management approach	Chapter Plant-Based	
GRI 417: Marketing and Labeling 2016	**417-1**	Requirements for product and service information and labeling	Chapter Plant-Based	
	417-2	Incidents of non-compliance concerning product and service information and labeling	Zero incidents	
GRI G4 FPSS	**G4-FP6**	Percentage of total sales volume of consumer products, by product category, that are lowered in saturated fat, trans fats, sodium and added sugars	Chapter Plant-Based	Quantitative data are available for saturated fat, trans fat and sodium.

Note: The GRI Content Index contains our material topics identified during our materiality analysis. These include topics of the GRI Standards, GRI Sector Supplement on Food Processing and LW/M-Specific topics.
Material topics that fall under the categories of "Guiding Principles" and "Overarching Topics" are mentioned in various chapters throughout our report. They are not listed as a specific material topic in this GRI Content Index.

SEEING POSSIBILITIES IN POTATOES

Colophon:

This report was developed and produced by LW/M's Sustainability Team, with valuable input from the content matter experts. External support was provided by a Good Company team:

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