Another Unprecedented Year & an Opportunity for Change
## INTRODUCTION: ANOTHER UNPRECEDENTED YEAR & AN OPPORTUNITY FOR CHANGE

We tend to think of climate change as something that impacts ice caps or forests. However, in California, we’re seeing climate change firsthand—from drought to the Dixie Fire, which burned about 80 miles east of our operations in Richvale, CA. It was the largest single wildfire in recorded California history, and the second-largest wildfire overall after the August Complex fire, which tore through our community in 2020.

Needless to say, these events—and their alarming frequency—give us a renewed sense of urgency. Not to mention the ongoing global pandemic. However, we’re also holding onto hope that another unprecedented year will become an opportunity for sustainable change if we all pull together and do our part. After all, we need only look to our company’s history to see that desperation often precedes action.

In 1937, Albert Lundberg left Nebraska in the wake of the Dust Bowl. He was nearing 50 years old and had spent his life growing wheat and corn, crops that weren’t suited to the clay soil of Northern California, so he had to start over. No doubt it was a daunting task. But Albert treated it as an inflection point—an opportunity for sustainable change so he and his family could keep growing together for generations to come.

Albert’s experience guides everything we do at Lundberg Family Farms, including our sustainability efforts, from the fields to our facilities. This year, we maintained our Platinum TRUE Zero Waste and ENERGY STAR certification, generated 21% of our total energy needs on site, grew 13,546 acres of organic rice and quinoa, and continued our partnership with TerraCycle to improve packaging recyclability.

While we’re proud of the strides we’ve made, we know we can’t cultivate a healthier world alone. Let’s keep growing together!

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We offset our Richvale, CA headquarters with solar and wind energy.

99.7% DIVERSION RATE

We diverted more than 13,103 tons of waste, equal to the weight of 2,015 African elephants!

17 Varieties of Rice Grown

We also grow quinoa along the Northern California coastline.

13,546 ORGANIC ACRES

74% of our total acreage is organic!

100% RENEWABLE ENERGY

We offset our Richvale, CA headquarters with solar and wind energy.

77 MILLION POUNDS OF RICE MILLED

Our entire company’s landfill use is equal to the waste generated by just 60 average Americans per year.

32 TONS OF LANDFILL

We are working closely with three different organizations to help protect our planet for generations to come!

1,711 RECYCLING LOCATIONS

We partnered with our friends at TerraCycle so our flexible packaging can skip the landfill for a second life as durable plastic goods!

100% RECYCLED MATERIALS

All of our paperboard boxes are made from recycled content with variable levels of post-consumer recycled content.

We maintained our on-site generation of 21%.

1.9 MW SOLAR ENERGY

44 TONS OF LANDFILL

94% of our products are made on-site.

1,900 ORGANIC ACRES
FAMILY FORWARD

At Lundberg Family Farms, we lead with a long view of family, food, and sustainability. Our founding fore-farmers—Albert, Frances, and their four sons—saw how the Dust Bowl stripped the land of its topsoil in the 1930s. When they moved to California in 1937, they decided to work in partnership with nature, becoming pioneers of organic, sustainable, and regenerative rice farming practices. We’ve been following in their footsteps ever since, growing healthy, great-tasting rice while protecting the place we call home.

Today, Lundberg Family Farms is led by the third generation of Lundbergs and owned by 35 actively engaged family members. However, our definition of “family” extends far beyond “family-owned.” It also includes a network of 38 growers and more than 400 team members. Together, we create thoughtfully crafted rice and quinoa products while tending to soil, air, water, and wildlife as carefully as our crops. It’s all part of our promise to leave the land better than we found it so we can keep growing together for generations to come!
Did you know we grow more than 20 varieties of rice and quinoa? As a vertically integrated company, we grow, dry, store, mill, manufacture, market, and distribute our own products. So when we say “farm to table,” what we really mean is: We stand behind every grain, every step of the way. Does this make some people think we’re a bit unconventional? Sure. But doing things our way—sustainably at every step—allows us to make better food for the table while leaving a better world for the next generation. Besides, we’ll take unconventional over the alternative any day. That’s why we have 96 certified organic, non-GMO products. Each one is meticulously crafted from seed to smile so you and your family can enjoy them at your table!
We may cater to a need for healthy, great-tasting food, but our mission extends far beyond the table: To honor our family farming legacy by nourishing, conserving, and innovating for a healthier world. As we work toward a healthier world, sustainability is part of everything we do, and it’s guided by our core values:

**RESPECT**
We treat others as we want to be treated, care for the environment, and use resources wisely.

**INTEGRITY**
We keep our commitments, report on our performance, and communicate truthfully.

**CONTINUOUS IMPROVEMENT**
We endeavor to improve our products, operations, and resources, and will support this with investments in people, equipment, products and processes.

**TEAMWORK**
Our success is the result of collaboration between many talented individuals, including team members, growers, vendors, and customers.

To make sure we’re moving in the right direction—and at the right pace—we conduct annual performance audits. The results included in this report are relevant and necessary indicators of our progress from September 2020 to August 2021.
The Intergovernmental Panel on Climate Change (IPCC) estimates that 21% to 37% of global greenhouse gas (GHG) emissions are attributed to the world’s food system. These emissions come from agriculture, storage, transport, packaging, processing, retail, and consumption.

As a farm and food manufacturer, this means we have a huge opportunity to make a positive impact on the world. That’s why we choose to do things differently—sustainably—every step of the way.

Through the Sustainable Food Trade Association and the Climate Collaborative, we’ve committed to working toward improvement across eleven action categories ranging from land use and organic practices to energy generation and manufacturing efficiencies. While we aim to make progress in every category, we’ve decided to focus on five to maximize our impact: Waste, Soil, Energy, Packaging, and Policy Engagement.

**AREAS OF FOCUS**

- **WASTE**
- **SOIL**
- **ENERGY**
- **PACKAGING**
- **POLICY ENGAGEMENT**

**GLOBAL GREENHOUSE GAS EMISSIONS**

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<th>21%</th>
<th>Estimated Food Industry Impact</th>
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<td>37%</td>
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** AS A FARM AND FOOD MANUFACTURER, WE HAVE A HUGE OPPORTUNITY TO MAKE A POSITIVE IMPACT ON THE WORLD. **
WASTE

Goal: To reduce our landfill use by 5%, maintain our 95% diversion rate, and achieve Platinum TRUE Zero Waste certification.

We give 100% to achieving zero waste! Our zero waste journey began in 2008, when mixed recycling bins were made available in our hometown of Richvale. Since then, our zero waste program has grown to include a lot more than a few mixed recycling bins! In fact, we collect, sort, and recycle just about everything—99.7% to be exact—from packaging to scrap metal to uniforms (which are broken down and used as insulation in vehicles).

This figure, which we call company waste, includes rice byproducts such as hulls and bran. While we’re proud to divert so much material from the landfill, we realize that including byproducts can obscure the solid waste materials leaving our production facilities. So we also aim to divert 95% of facility waste, which does not include byproducts.

In 2021, we increased our total landfill use by about three tons due to recycling infrastructure changes and vendor availability—both symptoms of the ongoing pandemic. However, we were still able to meet our goal of diverting 95% of facility waste and 99.7% of company waste, enabling us to maintain Platinum TRUE (Total Resource Use and Efficiency) Zero Waste certification! We also transitioned two new materials—rice pouches and plastic strapping—to single-stream recycling.

99.7% DIVERSION RATE

We diverted more than 13,103 tons of waste, equal to the weight of 2,015 African elephants!

SOIL

Goal: To maintain soil health and better understand the impacts of our sustainable farming practices.

As Bill Gates wrote, “We should discuss soil as much as we talk about coal.” At Lundberg Family Farms, we’re more likely to reference Albert Lundberg’s motto: “Leave the land better than you found it.” Either way, we cultivate rice from the ground up using organic, sustainable, and regenerative farming practices that prioritize soil health and help mitigate climate change. Our key farming practices include:

- Planting Cover Crops: Like green juice for the ground, cover crops restore nutrients to the soil! We plant them during the winter so photosynthesis can occur year-round, bringing carbon out of the air and putting it into the ground. This creates a better home for microbes, which naturally make nitrogen, an essential part of the soil’s well-balanced diet.

- Incorporating Rice Straw: Our founders saw the value of returning rice straw to the soil long before a 1991 act was passed to curb the practice of burning it. Other farmers laughed at their efforts to turn straw into the soil because the task was so cumbersome. Now, incorporating rice straw is common practice to protect air quality. Plus, it builds organic matter!

- Natural Weed Control: In our organic fields, we manage weeds naturally—with water! A few weeks after planting, we raise the water level just high enough to drown the grass weeds, but not so high that it harms the rice. When the aquatic weeds begin to emerge, we return the water to rivers and streams, drying up the fields to control these water-loving weeds—no herbicides needed!

Our family has been prioritizing soil health since 1937. So, at this point, our goal is to maintain the healthy soil we’ve built over decades. That said, we’ve been working to better understand the full scope of our impact, including the benefits of our organic and regenerative farming practices. This year, as we continued to collect and analyze data, we also began researching new climate modeling options to more accurately assess our footprint from fields to facilities. Once we identify and complete the appropriate assessment, we’ll use the data to set long-term goals related to climate change.
The energy generated from our 1.9MW solar system is equivalent to the energy needed to drive a car about 4 million miles, reducing CO2 emissions by 37 tons over 25 years, or 24,000 tree seedlings grown over 10 years!

In 2021, our administration building outperformed 81% of similar buildings nationwide! This figure is up from 77% last year and earned us ENERGY STAR certification for the third year in a row. But at Lundberg Family Farms, we don’t stop with a star. We also harvest the sun and use it to power our headquarters, where six solar arrays generate 21% of our total energy needs.

In 2021, we completed year three of PG&E’s Strategic Energy Management (SEM) Program, through which we’ve committed to a continuous energy improvement plan. Through the SEM Program, we were able to develop an onsite air leak program to test compressed air systems, identify leaks, and prevent wasted energy. This year, our air leak program helped generate $4k in energy savings. Now, we’re awaiting integrated demand side management (IDSM) opportunities and incentives that will help balance electricity supply and demand during peak periods. We’re also working to reduce our energy intensity by building a baseline to understand energy consumption per department, piece of equipment, and more. This will help us normalize against units of production.

As we reduce energy intensity, develop additional energy efficiency projects, and move closer to 100% on-site generation, we continue to offset our grid consumption with renewable energy credits (RECs). Between on-site generation and RECs, we’ve been crafting wholesome rice and quinoa products using 100% renewable energy for 19 years running!

Packaging is a challenge for the entire food industry. To better understand the footprint of our products, we partnered with a local university and major software company. What we learned is now broadly understood within the food industry: About 75% of a food product’s carbon footprint is generated in the production of that product from the fields to the point of packaging, while around 12% of a product’s footprint can be attributed to the packaging itself. With this in mind, we prioritize the integrity of our product and take a holistic approach to sustainability, ensuring our products are created sustainably every step of the way, from seed to shelf.

Still, we’re constantly reviewing and driving innovation within the industry. This year, we were eager to participate in a bioplastic trial to conduct shelf-life testing both at our facility and with a third party. However, since bioplastics aren’t universally recyclable in the US yet, we decided to focus our efforts on recyclable plastic instead. In 2021, we participated in a packaging trial to transition from #7 to #4 rice pouches, which will help us reach our goal of increasing recyclable packaging to 65%. We’ve now completed the first round of the trial and look forward to receiving new samples for another round in 2022!

As we continue to research recyclable and compostable packaging options, we also look for ways to improve the recyclability of our current packaging. This year, we extended our partnership with TerraCycle to ensure that our flexible packaging can skip the landfill for a second life as durable plastic goods, like park benches. In 2021, we collected 56,514 pieces of packaging at 1,711 locations. Follow the link to find or start a TerraCycle collection site near you!
As Homer Lundberg says, "No one knows as much as we all know." In fact, Lundberg Family Farms was born of collaboration—among Homer, his brothers, and their parents. In this spirit, Lundberg Family Farms is committed to supporting organizations that help protect and improve our planet for generations to come. We're actively engaged in more than 15 organizations that support organic farming, water conservation, and environmental stewardship.

**Organic Farming**

[Organic Farming Research Foundation](https://www.ofrf.org)

[Rodale Institute](https://www.rodaled.org)

**Water Conservation**

[NCWA](https://www.ncwa.org)

[River Authority](https://www.riverauthority.org)

**Environmental Stewardship**

[Healthy Waters Trust](https://www.healthywaters.org)

[Alluvial](https://alluvial.org)

[California Trout](https://www.californiato Trout.org)

[California Waterfowl](https://www.cawaterfowl.org)

[Regenerative Rising](https://www.regenerativering.org)

[EcoFarm](https://www.ecofarm.org)

[California Trout](https://www.californiato Trout.org)

This year, we joined with other members of the Organic Trade Association to advocate for organic as part of the climate solution by signing and submitting a letter to the USDA about climate-smart agriculture. We also support organizations like the Center for Land-Based Learning and have joined the J.E.D.I. Collaborative to help cultivate a culture of inclusion at all levels of the food system!
**Transportation**

We use electric carts for tours and transport around our facility—and most of our forklifts are electric, too! We encourage our team members to participate in our Alternative Transportation Program by walking, biking, riding a motorcycle, or carpooling to work. Participants are eligible for a gift card raffle, but the real prize is our collective impact: In 2021, we saved over 47,000 miles of travel and avoided 21 tons of CO2 emissions! In response to the ongoing pandemic, some of our workforce worked remotely so, halfway through 2021, we began tracking the impact and look forward to sharing those metrics next year.

**Consumer Engagement**

We encourage consumers to eat the change they want to see in the world! In an effort to inform their choice, we prioritize consumer outreach and education through active social media channels, influencer partnerships, conferences, webinars, publicity, and more. It's all part of our commitment to communicating the value proposition of not only Lundberg products, but all products made with Mother Nature in mind.

**Labor Practices**

At Lundberg Family Farms, our definition of “family” extends far beyond “family-owned.” It’s a founding philosophy that means we take care of each other. We’re proud to be a rural employer that provides wages and benefits comparable to those available in more urban settings. Team members receive up to three free products per week, organic fruits and vegetables in the break rooms, healthier vending machine options, biannual company store credits, discounts, and seasonal flu shots. Beyond that, Lundberg Family Farms encourages team members to seek continuous improvement through education and pays for eligible expenses and professional dues. We also offer gym membership discounts, free smoking cessation classes, wellness challenges, and annual events to support each team member’s pursuit of a healthy, happy life. And, of course, we share our sustainability efforts through team member trainings, eBoards located throughout our facilities, and bimonthly sustainability newsletters!

**Climate Change**

Last year, we completed a five-year assessment of our scope 1 and 2 emissions for our manufacturing facilities. This year, as we continued to collect and analyze data to shape our climate baseline from fields to facilities, we realized some of the existing assessment tools don’t account for the positive impacts of our organic and regenerative farming practices. So we began researching new methods to more accurately assess our impact from fields to facilities. Once we identify and complete the appropriate assessment, we’ll use the data to set long-term goals related to climate change.

**Biodiversity**

Choosing organic not only means saying “no” to chemicals and GMOs, but also saying “yes” to biodiversity! Our fields are home to hundreds of species. During the winter, we flood a portion of our fields to replicate California’s once-abundant wetlands, which have been disappearing for decades. Today, 95% of the wetlands in California’s Central Valley are gone. Ducks, geese, swans, sandhill cranes, shorebirds, and other waterfowl depend on rice fields for more than 60% of their nutrition plus a place to rest while they travel the Pacific Flyway. Once they fly away, we return the water to rivers and streams, where zooplankton from the fields support endangered salmon populations. Come spring, before we start our tractors to prep for planting, we work with organizations like the California Waterfowl Association to search each and every field in which ducks have nested—up to thousands of acres per year! We rescue the eggs from the tractor’s path and transfer them to a local hatchery to be incubated, hatched, raised, and released back into the wild. Since 1993, more than 30,000 ducklings have been rescued from our fields!

**Water**

As organic farmers, water is a key component of our farming practices; as Californians, it’s one of our most precious resources. This year marked the third driest in our state’s history. Meager rain and snowfall prompted water cutbacks of at least 25% in the Sacramento Valley. Less water meant reduced rice plantings throughout our region. While we grew fewer acres than in 2020, it was enough to support the business our customers expect—and we make sure every drop of water goes as far as possible to produce wholesome food and provide vital habitat for hundreds of species, especially during drought. In our fields, we carefully plan when to apply water, how much, and when to withdraw so we can balance weed management, pest control, crop yields, rice quality, and harvest times. In our facilities, we use water-efficient fixtures, including low-flow toilets, waterless urinals, automatic faucets, and water fountains with filling stations to make single-use bottles obsolete.
At Lundberg Family Farms, we’ve built almost 85 years of earth-friendly farming momentum. But we’re just getting started. Because around here, we take pride in never settling. Always finding a better way. A way to make better food for the table while leaving a better world for the next generation. Together, we’ll deliver on our promise to nourish, conserve, and innovate for a healthier world so we can keep growing together for generations to come!