

AND-MPAGI REPORT 2023

Fiscal Year 2023 – September 1, 2022 to August 31, 2023



WE EXIST TO GROW THE HIGHEST QUALITY RICE USING ORGANIC AND REGENERATIVE FARMING PRACTICES BECAUSE THE HEALTH OF OUR BODIES AND OUR PLANET DEPEND ON IT.

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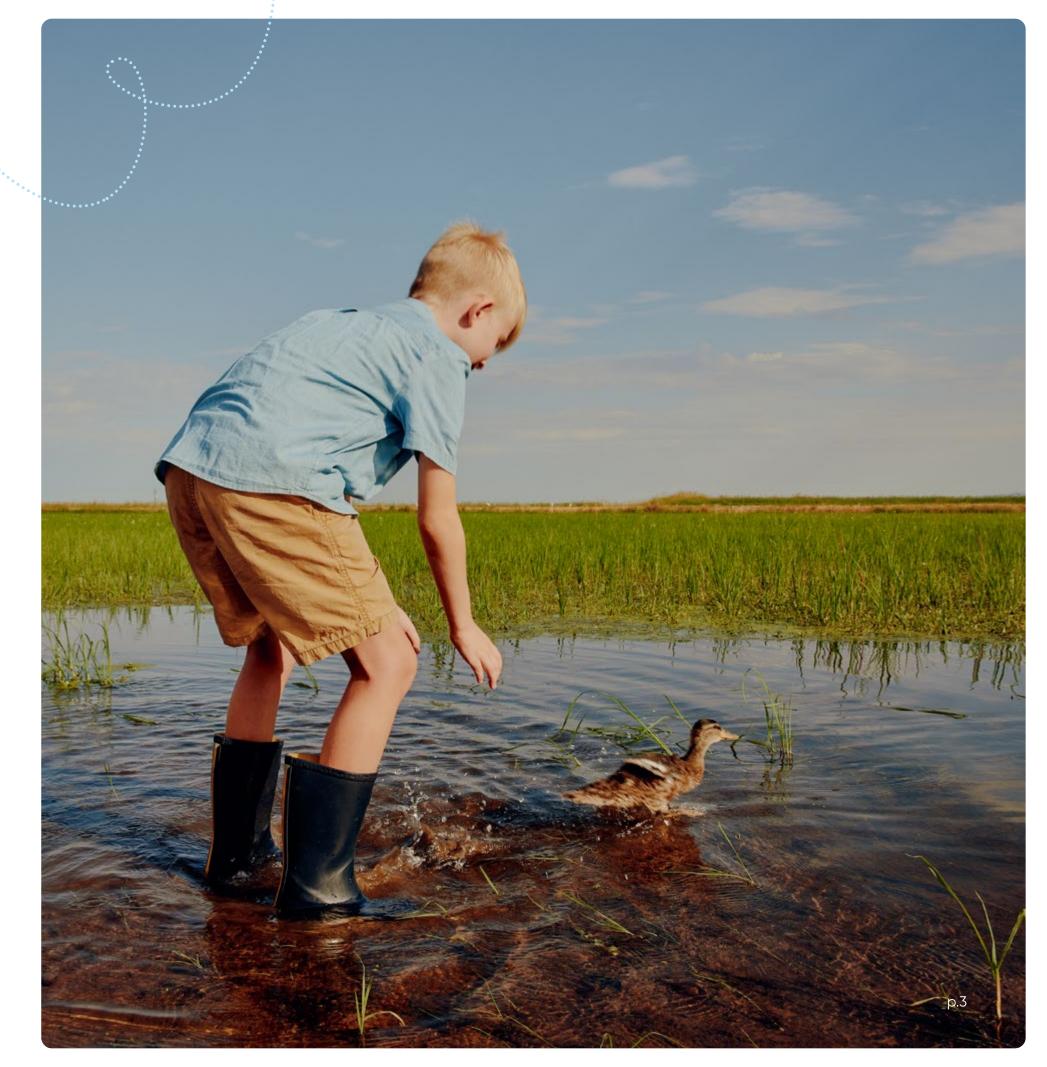
OUR STORY

Rice is a staple for more than 3.5 billion people around the world and the foundation for meals across cultures and cuisines. That means we have a massive opportunity to impact consumers' plates and the planet. We're betting the farm on it.

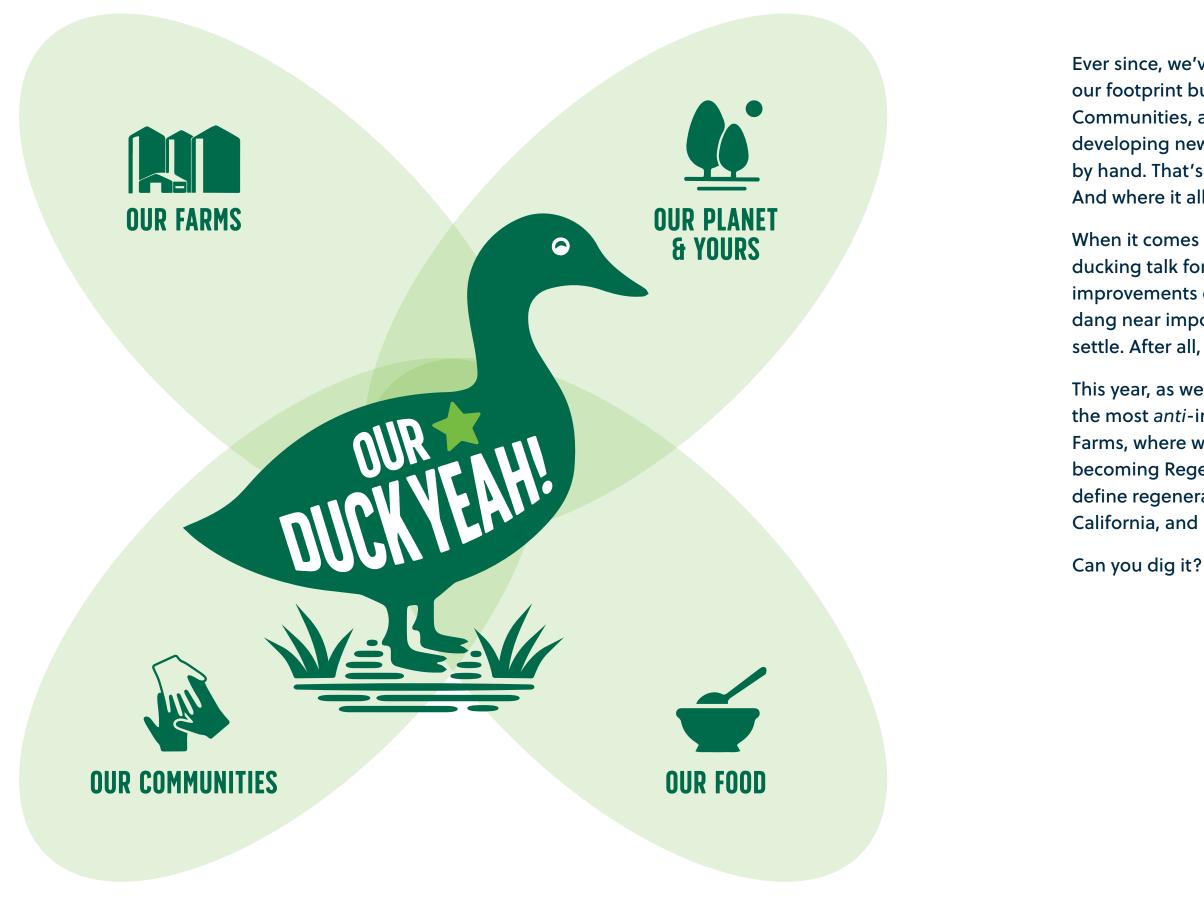
In 1937, Great-Grandpa Albert and Great-Grandma Frances Lundberg left Nebraska in the wake of the Dust Bowl, which really blew. Literally. It was an environmental disaster caused by drought and destructive farming practices that blew the topsoil away from the Midwest. So, when Albert and Frances moved to California, they brought with them their four sons, a flatbed Chevy truck, a Farmall tractor, and a new philosophy:

Leave the land *better* than you found it.

Albert Lundberg







Anti-Impact Report 2023

Ever since, we've been on a mission to not only minimize our footprint but make Our Farms, Our Planet, Our Communities, and Our Food better than before, from developing new varieties of rice to rescuing duck eggs by hand. That's why we call this our Anti-Impact Report. And where it all comes together? That's our duck yeah!

When it comes to sustainability, we've been walking the ducking talk for more than 85 years. So, at this point, improvements can be incremental and maintenance dang near impossible. But we've never been ones to settle. After all, better is always on the horizon.

This year, as we considered where we could have the most anti-impact, we decided to focus on Our Farms, where we raised the bar even higher by becoming Regenerative Organic Certified®, helping define regenerative organic rice farming practices for California, and proving that they can work at scale.

The Lundbergs

Our Anti-Impact

RICE IS A PLANT. IT GROWS IN THE GROUND. THE WAY <u>we</u> grow it matters.



1 Relative to continuous flood. Source: Linquist, B., & Perry, H. (2023). 2 Source: California Rice Commission 3 Source: California Waterfowl Association



This Year's Focus **OUR FARMS**

What in the world is regenerative? If you ask us, it starts with organic and Regenerative Organic Certified[®] is the gold standard.

We also developed a soil scorecard to help us plan future crops and (hopefully!) prove what intuition and experience tell us: Regenerative organic farming practices can help build healthy soil and resiliency in the face of climate change. Here's what we're tracking: compaction, structure, macro life, soil texture, pH, electrical conductivity, organic matter, soil organic carbon, and bulk density. In 2023, we <u>set a goal</u> to certify all the organic rice we grow as Regenerative Organic Certified[®] by 2027:





1,592 acres

of Regenerative Organic Certified® rice

3,691 acres

of conventional rice



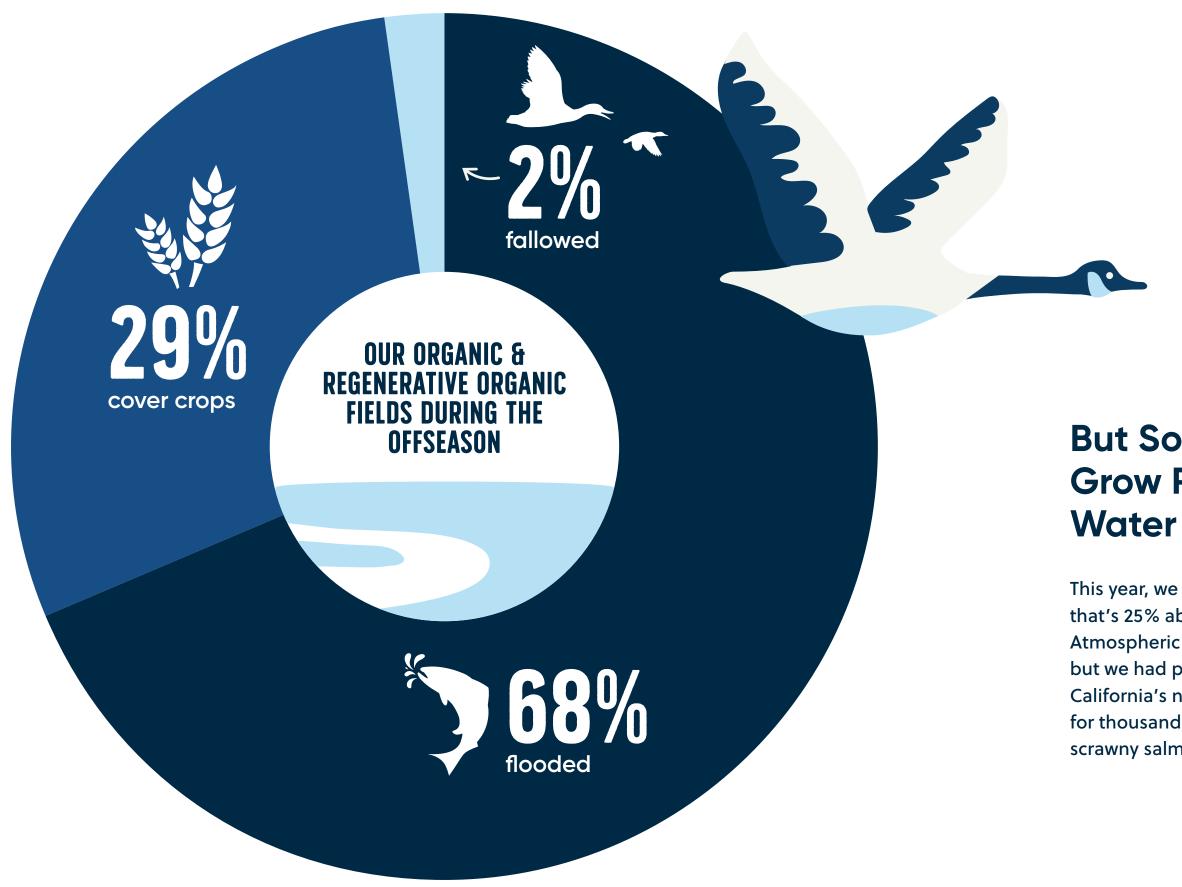
24%





100%

2027



Anti-Impact Report 2023

But Soil Isn't All We Need to **Grow Rice – We Also Need**

This year, we had plenty, with <u>66.6" precipitation</u> that's 25% above average and 54% more than last year! Atmospheric rivers drowned out our winter cover crops, but we had plenty of water to plant rice, replicate California's natural wetlands, provide food and habitat for thousands of migratory birds, and even help turn scrawny salmon into Floodplain Fatties!

OUR PLANET & YOURS!

We track and offset our Scope 1* and Scope 2* emissions. But as a vertically integrated company that grows AND sells rice, farming emissions are the biggest piece of the puzzle. So, we're building our Scope 3* baseline. And yes, we have to build it because there's no model for our unconventional farming practices! Once we have the full picture, we can make a plan to get *better-er* at leaving the land better than we found it.



We've maintained TRUE (Total Resource Use and Efficiency) Platinum Zero Waste certification since 2016

* Scope 1: Direct emissions, like fuel
Scope 2: Indirect emissions, like grid electricity
Scope 3: Supply chain emissions





An estimated 2.6MIBS

of chemicals were kept off the land in 2023 thanks to our organic and regenerative organic farming practices



24% of our total energy consumption came from on-site solar arrays

95.3%

of our company waste was diverted from the landfill

Here are Some Other Ways We Take Care of Our Planet and Yours:

Synthetic Inputs

HERE

In our organic and regenerative organic fields, we drown and dry up weeds instead of dousing our fields with chemicals. Dry down can help reduce global warming potential by 49%. We also use natural methods (instead of fossil fuel-based chemical fumigants) to keep our rice clean and fresh after harvest.

Renewable Energy

We've been offsetting 100% of power used at our Richvale, CA headquarters since 2004. Offsetting is great, but insetting is better, so we installed our first solar array in 2005 and have a goal to increase onsite solar generation by 25% by 2028!

Zero Waste

We diverted 95.3% of our company waste (just shy of our 96% goal) - 99.6% if you count byproducts and food waste, like hulls, bran, and broken rice, which we sell as ingredients for pet food, livestock feed, and more.

Packaging

What can we say about packaging except dang, it's complicated! Sometimes what seems like the most obvious solution (like bioplastic or readily recyclable plastic) isn't actually better. So, as we continue to look for alternative packaging options, we're making Life Cycle Assessments standard practice.



OUR Communities

We come from a small farming town of about 200 (including cats & dogs!) so we've always understood the importance of taking care of each other. But, this year, we formalized a community strategy to help guide our giving and maximize our impact.

To drive impact across the entire ecosystem, our Larger Community strategy encompasses the three pillars of Regenerative Organic Certified®: Soil Health, Animal Welfare, and Social Fairness.

What's next? Bringing our strategy to life and amplifying on our impact!



Local Communities

We support food banks, shelters, non-profits, and more with in-kind or product donations.

22.6T.

of food donated this year, equivalent to a fully loaded city bus!

THE ORGANIC CENTER

RODALE

ORGANIC

OUNDATION

ARMING

LUNDBERG FAMILY FARMS







DT. this year,

CONSTRUCTION

CALIFORNIA TROUT

FISH WATER PEOPL



PACKAGING Collaborative

p.10

Our Team

Closer to home, we're committed to consistently paying above minimum wage (our average annual compensation is about 50% more than our county's per capita income!), providing safe working conditions, and ensuring paid time off for baby bonding. We must be doing something right because when asked to describe our culture, the top three words we heard from team members were: Family, Friendly, and Safety.

We also offer educational opportunities for our team members to support their continued growth—with additional compensation to boot! Jeniffer, who helped pilot our Total Productive Maintenance program, is part of the Training & Education Team, and chairs our Safety Committee (yeah, she's pretty awesome!) loves doing trainings and building relationships with people from around the company.

"We're more than a rice company. We're different groups that come together to collaborate around food."

And Augie, who has grown from a packing role to Rice Cakes Team Lead, says:

"I like to think that I continue this same spirit by helping cultivate and mentor our future leaders within the department."







OUR FOOD

It's not easy to grow organic and regenerative organic rice. But we're constantly making things harder on ourselves by growing 17 different varieties AND committing to strict standards so we can put our certifications where your mouth is:







Regenerative Organic Certified®













Field to Food to Footprint

But our work doesn't end with the finished product. As one of our fans shared in a <u>LinkedIn post</u> this past year, "They worry not only about the quality of their food, they worry about their footprint that they're leaving behind." So, this year, we worked to minimize our footprint by putting the whole grain of rice to good use, whether it ends up in your pantry or someplace else. How about this for an *anti*-impact?!

By now you know that rice is a plant. But did you know all rice starts out as brown (or black or red)? When we mill brown rice, we only remove the hull. But when we mill white rice, we remove the hull, germ, and several layers of bran.

All those little layers add up, and we don't want to send them to the landfill, so here's what we do instead!





ONWARD! WHAT MORE IS THERE TO SAY? AFTER ALL, GREAT-GRANDPA ALBERT'S ADVICE IS ALL ABOUT CONTINUOUS IMPROVEMENT. LEAVE THE LAND <u>BETTER</u> THAN YOU FOUND IT.







