

2024

SUSTAINABILITY

REPORT



**LAKESIDE
FOODS** EST 1887



OUR MISSION

Increase company value with consistent profitability, by providing food products with exceptional quality and exceptional service to existing and future customers from all market segments.

OUR VISION

To grow as a leading food producer by delivering craveable products to every consumer at every meal.

OUR VALUES

GROW OUR PRODUCTS through our commitment to food safety, innovation and diversification.

GROW OUR PEOPLE by developing, engaging and empowering our teams while fostering a safe and family-centered culture.

GROW OUR PURPOSE by serving our community through a commitment to environmental sustainability and charitable support.

WE ARE A FAMILY-OWNED COMPANY PROVIDING
WHOLESOME FOODS TO ENRICH PEOPLE'S LIVES.

OUR SUSTAINABLE ROOTS

Our commitment to operating responsibly has grown out of our long history as a vegetable grower. From our earliest days, we experimented with seed varieties best suited to our climate and have used safe and effective food preservation methods. Our close partnership with the family farmers who grow crops for us has enabled us to practice sustainable agriculture while delivering the quantity and quality of products our customers expect.

We believe caring for the environment and doing good for our business don't have to be competing priorities. Having a formal structure and a focus on tangible goals will help us achieve real business results while doing good things for our society and the environment.

Over the last year, we have developed a formal sustainability program because we view sustainability as an operational imperative. Our approach is to balance the three pillars of **PLANET**, **PEOPLE** and **PRODUCT** through continuous improvement, corporate governance, and transparent reporting.

Looking at the journey ahead, we recognize that to make meaningful progress, we need to set meaningful goals. Our vision is to foster a sustainable future that enables economic and social advancement for our stakeholders, while safeguarding the planet. We hope you enjoy reading this inaugural report about our progress to date.



“We believe caring for the environment and doing good for our business don't have to be competing priorities.”

Joe Yanda

Joe Yanda | President & CEO





WHO WE ARE

Lakeside Foods is a premier supplier of high-quality frozen and canned foods to the retail, food service and industrial sectors.

Since our founding in 1887, we've remained a Wisconsin-based and family-owned producer of high-quality food products. We operate 14 locations in Wisconsin, Minnesota and Ohio and partner with retail and foodservice customers across the U.S. and internationally. Our products are on the shelves of all major U.S. retailers under their store label offerings. We also sell our products to food service distributors, national restaurants and industrial customers.

We offer a wide range of **high-quality, delicious** foods:

- Canned vegetables and beans
- Whipped toppings & frozen smoothies
- Frozen vegetables
- Smoked sausage and meats
- Frozen appetizers
- Pet food



OUR TEAM

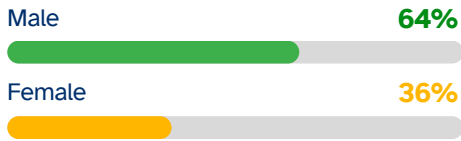
We employ more than 1,200 people year-round and hire 1,000-plus seasonal employees during the summer harvest season.

Approximately one-third of our employees do their work in an office environment, with two-thirds working in our production, warehouse and field operations. Hispanic employees represent our largest ethnic population (58 percent). Women comprise 36 percent of our workforce.

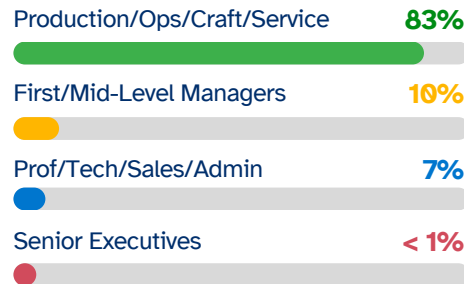


EMPLOYEE DEMOGRAPHICS

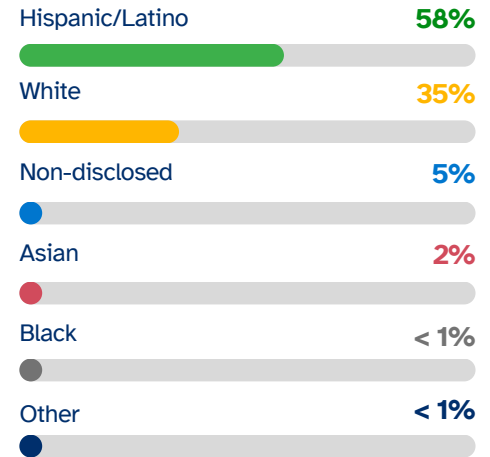
By Gender



By Category*



By Race/Ethnicity*



*Employee demographics are based on U.S. Equal Employment Opportunity Commission definitions.

SUSTAINABILITY VISION

Lakeside Foods is committed to **continuing** our environmental improvements through our diverse, inclusive and accountability-based corporate culture to foster a sustainable future for our business, shareholders, employees, customers and communities.

SUSTAINABILITY GOVERNANCE

Our sustainability program is championed by our President & CEO and managed by our Continuous Improvement Director. A **steering team provides guidance** and is composed of our Chief Operating Officer, VP - Human Resources, VP - Operations, VP - Supply Chain, Communications Director and Environmental Engineer. We also assembled team members from across the organization overseeing plant operations, occupational safety, product packaging, and food quality and safety for support in setting and making progress toward tangible sustainability goals.

OUR PRIORITIES

In 2023, we conducted our first materiality assessment to better understand which sustainability topics and issues matter most to our business and employees, and to a range of external stakeholders (e.g., customers, consumers, industry groups, and others). As part of this process, we conducted an employee survey, interviewed leaders within the business and consulted with **industry experts** and representatives.

OUR SUSTAINABILITY PROGRAM

Based on our materiality assessment, we identified **five areas most strategically valuable** given their high importance to both internal and external stakeholders.

1. Protect the **well-being of workers** in owned and contracted facilities.
2. Address product and **packaging** end-of-life and identify more sustainable alternatives.
3. Mitigate environmental impact associated with the use and **disposal of waste**.
4. Manage total **energy consumption** in owned operations and mitigate corresponding greenhouse gas (GHG) emissions.
5. Protect **water quality** and quantity of rivers and watersheds near our operations through conservation and best management practices.

We also identified areas of focus for our employee benefit and wellness programming, philanthropic support of the communities where we operate, and the health and nutrition of our food products.

OUR IMPACTS & 2030 AMBITIONS

This year we formalized our 2030 ambitions and goals in alignment with our strategic priorities and mission. Given where we are on our sustainability journey, we are currently focused on our processing facilities to ensure best-in-class practices across our business operations. However, we also recognize the importance of on-farm sustainability and aim to advance efforts in the future related to impact areas like field production practices.



OUR PROMISE: **HIGH-QUALITY,**
DELICIOUS FOOD

Our goal in managing our environmental footprint is to **create value, improve efficiencies,** and **eliminate waste** from our manufacturing operations. In 2023, we gathered companywide data on energy use, Scope 1 and 2 GHG emissions*, water consumption and waste byproducts to help us understand where we are today. This allowed us to calculate our current resource usage per pounds of product produced and set a baseline measurement we can use to drive improvements on an annual basis.

To chart a path forward, for each component below we will conduct gap analyses by plant to identify the main drivers of inefficiencies, build accountability plans, identify and implement improvement projects, engage staff in doing their part, and report progress annually toward our goals.

* Scope 1 GHG emissions are direct emissions from sources that an organization owns or controls, like burning fuel in manufacturing plants or in fleet vehicles. Scope 2 are indirect emissions associated with an organization purchasing energy and electricity.

ENERGY & GREENHOUSE GASES (GHG)

OUR 2030 GOALS:

- **Energy Use Efficiency:** Reduce energy use per pounds of product produced by 25% in all owned facilities vs. a 2023 baseline.
- **GHG Emissions Intensity:** Reduce Scope 1 and 2 GHG emissions per pounds of product produced by 20% vs. a 2023 baseline.
- **Interplant Fleet Efficiency:** Increase average interplant fleet efficiency (pounds sold per mile) by 20% vs. a 2023 baseline.

EFFORT TO DATE: ENERGY USE EFFICIENCY AND GHG REDUCTIONS

Prior to setting these goals, we were already making steady progress in improving energy efficiency at many of our plants. For example, we have efforts underway to:

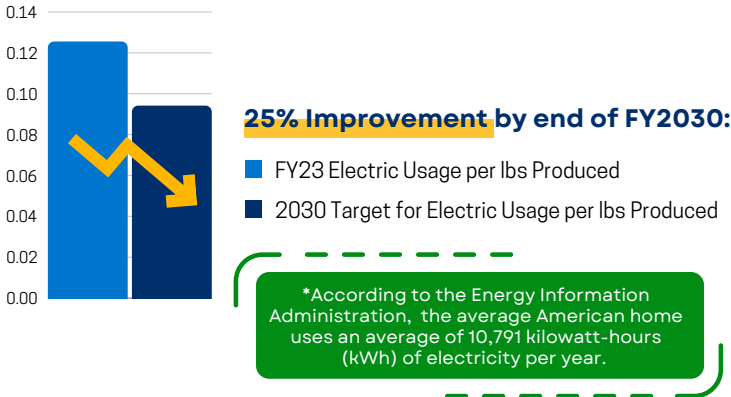
- Recover heat from cooling water produced during the vegetable canning process and use it to pre-heat boilers to **reduce energy use.**
- **Recirculate usable water** through select manufacturing processes to take advantage of its residual heat, which reduces both energy and water use.
- Use motion sensors in warehouses to **reduce lighting needs** when no one is present.
- Switch to **energy-efficient** LED lighting.
- Change filters and perform routine maintenance on air compressors for optimal performance, which **reduces energy loss** from inefficient operation.
- Check equipment regularly to ensure it is not leaking air or water to **minimize waste.**

EFFORT TO DATE: INTERPLANT FLEET EFFICIENCY

We've already made progress improving the efficiency of product transfers between our production plants. In 2020 we tracked the number of miles our trucks were traveling between facilities. We identified the opportunity to lease warehouse space in five strategic locations across the country, closer to the distribution centers of one of our largest customers. Now, green beans canned in Belgium, WI, for example, are labeled onsite, shipped by truck or railcar to an intermediary warehouse, and stored there until delivered to a customer distribution center. Through this change, we reduced canned good interplant transfers by 30 percent in the last three years. This helped reduce miles traveled and fuel use, which helps avoid GHG emissions, and contributed freight savings. In addition to fuel and expense reduction, our customer is also more satisfied because it can replenish its distribution centers within 24 hours to avoid out-of-stocks on store shelves. Building upon this success, we are working to expand the program to several other customers, with the **goal to improve interplant fleet efficiency by another 20 percent by 2030.**

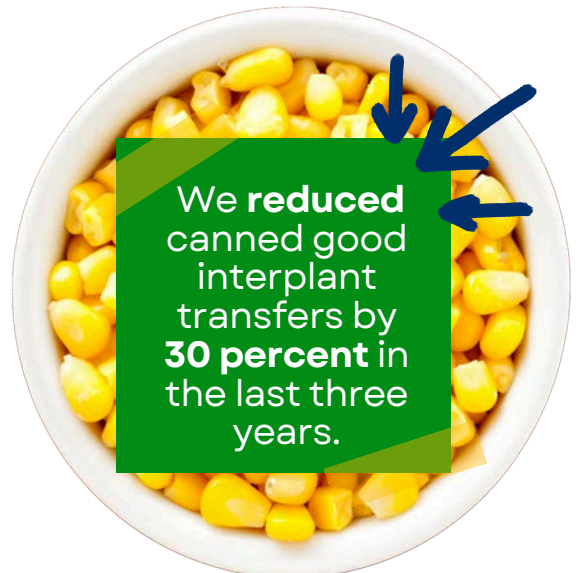
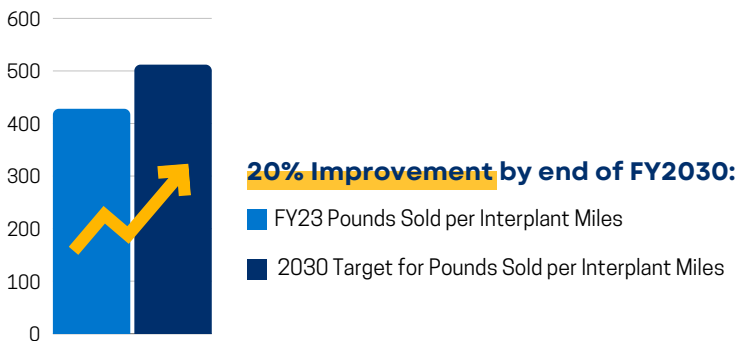
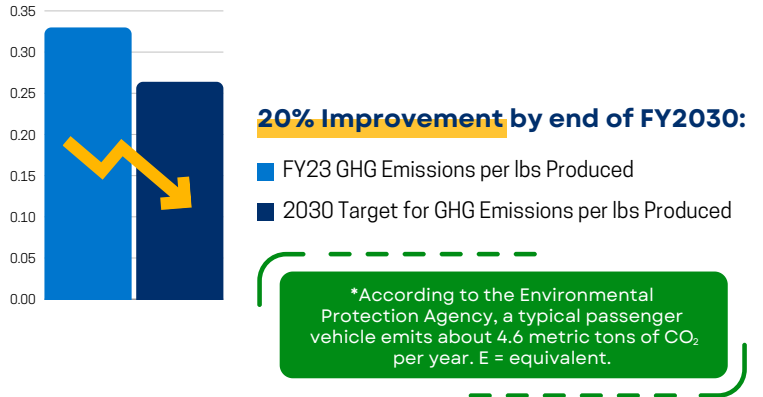
Electric Usage Baseline and Target (kWh/lbs Produced)

*Based on current volumes, this efficiency improvement is equivalent to saving the amount of electricity used by more than 1,500 homes in a year.**



Scope 1 & 2 GHG Emissions Baseline and Target (lbs CO₂e/lbs Produced)

*Based on current volumes, this efficiency improvement is equivalent to taking over 3,300 passenger vehicles off the roads for a year.**



WATER

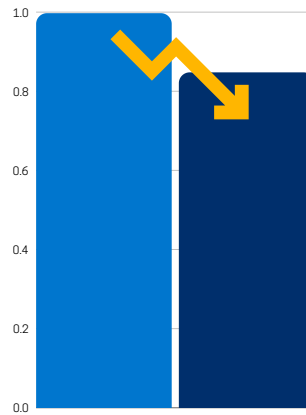
OUR 2030 GOAL:

Water Use Efficiency: Reduce water use per pounds of product produced by 15% by 2030 vs. a 2023 baseline.

EFFORT TO DATE: WATER USE EFFICIENCY

Processing vegetables is a water-intensive process, but we strive to reuse or reclaim water as much as we can. For example, we recycle water used in the early stages of the vegetable preparation process. At the end of the process, we spray our production water on fields planted with grasses selected for their ability to absorb nutrients. The grasses are harvested regularly and offered to local farmers for livestock feed.

Based on current volumes, this efficiency improvement is equivalent to saving the amount of water used by approximately 690 homes in a year.*



15% Improvement by end of FY2030:

- FY23 Water Usage per lbs Produced
- 2030 Target for Water Usage per lbs Produced

*According to the Environmental Protection Agency (EPA), the average American family household uses more than 300 gallons of water per day.

WASTE

Raw material waste is generated at different stages of production, including cleaning, processing and packaging, and can take many forms. Raw product utilization and food waste is a focus for our 2030 goals.

OUR 2030 GOALS:

Raw Product Utilization: Reduce our raw product loss rates by 10% by 2030.

Zero Food Waste to Landfill: Zero food waste to landfill by 2030.

EFFORT TO DATE: RAW PRODUCT UTILIZATION

Different raw materials have different amounts of non-usable material. Of the usable raw material, we work to maximize utilization and minimize waste produced on our lines. Going forward, our first step is to assess our baseline waste and losses so we can better identify opportunities to improve.



PLANET

EFFORT TO DATE: ZERO WASTE TO LANDFILL

Currently, most raw vegetable and protein components not suitable for human consumption are sent to farms near our production facilities to be used as animal feed. Our canning facilities work closely with waste management vendors to dispose of damaged cans in an eco-friendly manner. We plan to partner with our vendors to identify and implement additional landfill diversion strategies.



PACKAGING

We use plastic film for packaging many of our products. Our plastic packaging goal is based on the volume of raw material laminate and shrink wrap that we purchase each year. We also aim to establish an internal policy to guide more sustainable packaging design decisions by the end of FY2025.

OUR 2030 GOAL:

Plastic Packaging: Reduce total direct sourced* plastic packaging weight by 15% by 2030.

EFFORT TO DATE: PACKAGING

We recently took a step forward by reducing the thickness of our poly packaging, which will reduce the volume of post-consumer waste sent to landfill by 11 percent. The change involved several testing rounds to ensure the thinner material would hold up while in production and during shipping. In addition to reducing plastic volume ending up in landfill, the new material improves manufacturing efficiency, allowing for faster machine speeds, less changeovers, and less heat required to seal the package, all a testament to the principle that what's good for the environment is also good for business.

Next up, we plan to test ways to incorporate post-consumer recycled content into plastic food packages. If testing is successful, we will work with our customers to gain their approval to begin this changeover on roughly 30 percent of our plastic packaged products.

SUSTAINABLE PRODUCTION

Farm-level sustainability is an important element of our sustainability vision. Our agriculture team partners with farmers to grow more than 400,000 tons of vegetables for us every year. Sustainability focus areas include pesticide use, fuel consumption, irrigation control, soil health and erosion reduction.

Our agriculture team monitors local university reports that track weather patterns, insect and weed emergence, and we employ a threshold system to determine the need for targeted chemical applications. This ensures peak effectiveness while limiting environmental impact and the cost of expensive treatments. We maintain pesticide application records on all produced crops and follow all environmental guidelines to reduce drift and runoff.

When we purchase planting and harvesting equipment, we consider fuel consumption and overall machine efficiency to reduce fuel usage and emissions. We use equipment with dual wheels or track systems whenever possible to reduce soil compaction, and we limit extraneous passes across the field.

We recommend that our farmer partners conduct soil sampling to determine the precise application of nutrients to support optimal plant yield, advise on reduced-till or no-till practices, and provide consultation on the use of cover crops and erosion control terraces. And while our growers manage irrigation decisions, **more than 50 percent of our contracted fields are not irrigated.** On those that are, we advise adherence to local university guidelines and encourage the use of variable rate irrigation systems to minimize water use.



Our agriculture teams also work with seed suppliers to help identify and trial new varieties with increased yield, disease resistance, drought tolerance and improved quality.

As we mature in our sustainability journey, we will further engage our farmer partners on biodiversity and soil health and help them manage crop risk to ensure their family farms are viable into the next generation.

SUSTAINABLE FOOD PRODUCTION SINCE 1887

PEOPLE

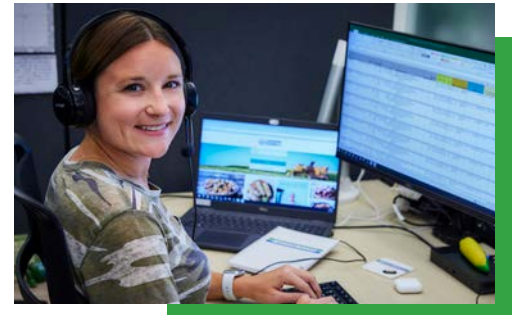
We recognize the important role and responsibility we have to support the well-being of our employees, safeguard the health of families who consume our food products, and positively contribute to the quality of life of those living in the communities where we operate.

EMPLOYEE HEALTH & SAFETY

The safety of our employees is critical to us. We've set an aggressive target to reduce our reportable accidents by 50 percent each year. Our most recent recordable injury rate was 3.22, which is **40 percent lower than the industry average of 5.3**.

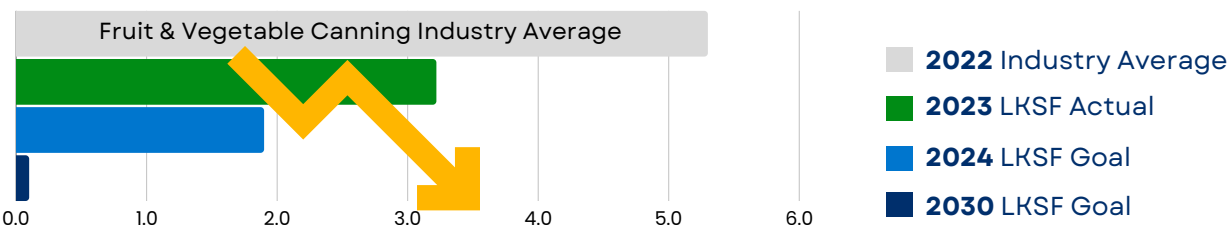
Reaching this lofty target requires commitment from every single employee at every Lakeside Foods location. Our New Richmond facility is already maintaining certification in OSHA's Voluntary Protection Program (VPP), which is attained by only two other fruit and vegetable canners nationwide. * Our Manitowoc Packaging Center has submitted its first VPP application, and our Plainview facility is certified through Minnesota's MN-SHARP (Safety and Health Achievement Recognition Program), which has been attained by only 40 companies in the state. We hold monthly meetings with our regional safety team members to review incidents and observed unsafe acts, report on hazards and near-misses, discuss OSHA emphasis programs and contractor safety, and celebrate improvements.

Going forward, we are **hiring additional safety personnel** at our facilities, installing additional safety features on key pieces of equipment, expanding OSHA safety training expectations for production managers and supervisors, and implementing a layered audit program to increase safety presence on the production floor. All locations will complete a VPP requirements review in 2024 to lay the groundwork for future formal application. In addition, teams will begin performing incident analyses on all first-aid cases and complete a formal incident report within three days whenever someone needs outside medical attention. With deliberate effort and regular tracking of employee awareness and behavior, we believe we can help ensure that every employee goes home to their family safely at the end of the workday.



Recordable Injury Rate (RIR) Baseline and Target

*U.S. Department of Labor OSHA VPP Star-Certified Facilities



EMPLOYEE WELL-BEING

We believe we are **strongest together** – valuing collaborative contribution, transparency and new ideas to enable change and growth. As a result, we are committed to creating a culture in which all employees feel welcomed, respected, and valued.

We strive to support our employees with competitive pay and a holistic benefits package that balances their unique physical, emotional, social and financial needs and allows them to live a healthy, happy lifestyle.

Our focus is on expanding programs for emerging leaders, recognizing and rewarding employees for their contributions, and offering schedule flexibility when feasible to support a healthy work-life balance.



COMMUNITY & PHILANTHROPY

We are committed to supporting our communities via philanthropy, partnerships, volunteering, and community engagement efforts.

This past year, we have made in-kind donations to food pantries, food banks and charitable events of **more than 300,000 pounds**. We've also made significant cash donations to support basic needs, education, agriculture and other causes, and we were recently named Workplace Partner of the Year by the United Way of Manitowoc County. We strive to not only do more but also make sure our support goes where it can make the biggest impact, so we are proactively and strategically allocating our community support, particularly around food insecurity.



One local Manitowoc organization we've begun partnering with extensively is Grow It Forward, which runs a food pantry for seniors and underserved families, a weekly community dinner, a hydroponic lettuce farm, and a downtown café serving the general public and funneling profits into their community food programs. According to Amber Daugs, founder and CEO of Grow It Forward, support from companies like Lakeside Foods **“plays a vital role in addressing the pressing issue of hunger in our community.”** And we are so very grateful to be a part of this effort!

MORE THAN 7 SEMI-TRUCK LOADS
OF PRODUCTS DONATED TO FOOD PANTRIES THIS PAST YEAR



PRODUCT

The third aspect of **PLANET-PEOPLE-PRODUCT** represents our commitment to long-term, value-driven growth in our business through manufacturing food products that support the health and well-being of consumers and their families.

PRODUCT NUTRITION & QUALITY

We are committed to maintaining the highest quality and safety of our products and to provide consumers access to high-quality, affordable and nutritious foods. All of our wholly owned production facilities are certified SQF 3, which is the highest level attainable by the Safe Quality Food institute.

We achieve this through following Good Manufacturing Practices (GMPs), conducting regular inspections and testing, and educating our employees to further enhance our food safety culture. We also have a rigorous supplier management program to ensure all ingredients meet our high quality and food safety standards, which includes regular spot audits and third-party testing.

Next up, we are building a food safety council to include industry experts that will meet twice a year to discuss emerging trends and develop action plans to mitigate risk and incorporate new AI technologies into our program. We will continue to regularly review and update our food safety program based on new regulations and conduct regular risk assessments to identify additional vulnerabilities in our production process.

All of these actions will enable us to continue providing extraordinary products to customers and safe, nutritious food to consumers.



WHAT'S NEXT

Though this is our first year formalizing our sustainability vision and goals, Lakeside Foods has been engaging on sustainability-related efforts for many years. Looking ahead, we developed a sustainability roadmap as part of our larger 2030 Strategic Plan, to guide us toward key milestones. Our initial next steps include completing baseline assessments for key metrics aligned with our goals, and assessing our plants and processes to determine where the biggest opportunities to improve are. We will prioritize projects with the highest benefits aligned with our key priorities. We are committed to reporting on our progress and working with all stakeholders, including employees, customers and suppliers, to drive greater sustainability throughout our organization.



RESOURCE LINKS

Page 8 - Electric Usage

Source:

<https://www.eia.gov/tools/faqs/faq.php?id=97&t=3>

Page 8 - GHG Emissions

Source:

<https://www.epa.gov/greenvehicles/greenhouse-gas-emissions-typical-passenger-vehicle#:~:text=typical%20passenger%20vehicle%3F-A%20typical%20passenger%20vehicle%20emits%20about%204.6%20metric%20tons%20of%208%2C887%20grams%20of%20CO2>

Page 9- Water Usage

Source:

<https://www.epa.gov/watersense/how-we-use-water#:~:text=Water%20in%20Daily%20Life,-In%20the%20US&text=The%20average%20American%20family%20uses,in%20more%20water%20intensive%20landscapes>



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