

# SUSTAINABLE DEVELOPMENT REPORT

FARM FRITES POLAND SA

2017  
2021

potato processing industry



farm  
frites  
poland

# TABLE OF CONTENTS

– About this Report	3
– Strategic message	4

## 1 – About us 6

- Important events in the history of our Company
- Awards
- Management
- Financial data
- Key clients
- Membership of organisations

## 2 – Our Business Model 13

- Our strategy
- Integrated management system
- Process management
- Risk management
- Information security
- Data governance & business intelligence
- Crisis management in the face of the pandemic
- Value creation model
- Ethics and values
- UN 2015-2030 sustainable development goals
- Our stakeholders and how we communicate with them

## 3 – We Create Quality 31

- Quality management culture
- Product quality and safety
- Good practices

## 4 – Sustainable Farming 42

- Partnership relationships with suppliers
- Sustainable agriculture tools
- Raw material analysis
- In search of new varieties
- Implementation of sustainable agriculture goals
- Good agricultural practices
- Sharing knowledge and working towards sustainable agriculture

## 5 – Responsible Employer 54

- Ready for challenges
- Supporting employee development and good practices
- Work during the pandemic
- Challenges to be faced in the coming years
- Employee satisfaction survey

## 6 – Safe Workplace 64

- We create workplace safety

- OHS status assessment
- Challenges
- Good Practices

## 7 – Community Involvement and Local Community Development 69

- Bringing about positive changes in the environment
- We can do more together
- Charity
- Employee volunteering

## 8 – Caring for Environment 79

- Our approach to environmental issues
- Energy consumption
- Share of renewable energy
- Emissions to atmosphere
- Water consumption and water discharge management
- Waste management

## 9 – Methodology and Indicators 88

## 10 – GRI Indicators 90

## 11 – Acknowledgements 94

# ABOUT THIS REPORT

This Report is the third report regarding sustainable development of Farm Frites Poland SA and covers the Company's operations from 2017 to 2021. In our second report covering 2014-2016, we declared that we intended to report periodically every three years. The extended reporting period is due to the circumstances that arose in early 2020 and which were related to the pandemic. Work is currently underway at the European Union level on non-financial reporting requirements for large and medium-sized companies, of which we are one, and for this reason we do not declare here when our next report

will be published. As with previously published reports, this report has been prepared in accordance with the Global Reporting Initiative (GRI) Standards.

This Sustainability Report covers the operations of Farm Frites Poland SA, based in Lębork, ul. Abrahama 13, and has been prepared without any limitation in scope and coverage, taking into account the Company's trade secrets and confidentiality of employee contracts. In addition, the Company's capital structure, supply chain, location, supplier relationships and business model remained unchanged during the period covered by this report. The data presented in the report have not been verified by independent external auditors. However, a significant part of the results presented herein is subject to periodic checks during external audits (FFS 22000, ISO 14001, ISO 27001, or ISO 45001).

Should you have any questions, concerns or suggestions regarding this Report and Farm Frites Poland SA sustainable development issues please contact Katarzyna Majchrzak – Communication and Community Involvement Manager ([katarzyna.majchrzak@ffp.pl](mailto:katarzyna.majchrzak@ffp.pl)) or Wojciech Kiedrowicz – Environmental Protection and Sustainable Development Manager ([wojciech.kiedrowicz@ffp.pl](mailto:wojciech.kiedrowicz@ffp.pl)).

# STRATEGIC MESSAGE

*Together now and in the future*

I am pleased to present the third Farm Frites Poland SA Sustainable Development Report for the years 2017-2021 to you. Although it was to be published originally in 2020, as the summary of the years 2017 to 2019, we decided to wait with its release until the situation due to the pandemic stabilized.

With the pandemic having been pushed aside now, it is still hard to talk about stable conditions for the functioning of business, which applies not only to our Company. The war in Ukraine, a skyrocketing inflation we are experiencing at the moment have negative effects on the economic condition of businesses throughout Poland. Entrepreneurs, who had to make many sacrifices and difficult choices during the pandemic in order to meet new requirements and challenges resulting from the spread of the SARS CoV-2 virus, are wrestling with a massive increase in the cost of raw materials, materials, energy and labour costs at the moment. We are all asking ourselves a question when, and at what level, our situation will stabilize, but it is hard to find the answer.

During the pandemic, and especially at the beginning of it, we saw the orders for our products drop nearly to zero, and at the same time we were still bound by contracts to buy potatoes we had made. We carried out all our contracts with suppliers, while potatoes we were not able to process due to the lack of orders were donated by us to Pomeranian foundations, foodbanks, hospitals and nursery schools. A major challenge for us during that time was to ensure over 230 employees their job stability. We did not dismiss a single person, nor did we reduce any pay or change any terms and conditions of employment because of the pandemic. In addition, we stepped in

**ADAM KLASA**  
President, and CEO



to actively help hospitals, children's homes or foundations, which we provided with masks, gloves, disinfectants, as well as potatoes. It was a sort of a responsibility test for us and I truly believe that we passed it with flying colours. That time was also one of the toughest challenges in my career, but it also showed that we can overcome all adversities when acting together.

The whole history of our Company is marked by continuous change, which enables us to go forward. The change we are experiencing now in our Company is to adapt it to increasing requirements of our clients, our owners' expectations, and first and foremost to our shared vision of development, and to look for a competitive advantage. The foundation is the 2021-2027 Farm Frites Poland Strategy based on five pillars. The first one - Business Development assumes an increase in productive capacity, which is necessary if we want to be competitive on the potato product market. In 2018, the production capability of our potato flakes lines was increased 2.5 times. In Autumn 2022, an extended potato pancakes line will be launched, and the second French fries line will have been put into operation by the end of 2023. Given the inflation and unpredictable prices, these projects present a major challenge for us. We are carrying them out with a substantial contribution and commitment of our employees, who are experts in their respective areas and support the project works. The important thing is that our business development is based on strictly defined sustainable development goals.

The second pillar - Customer Intimacy. Thanks to understanding the needs and requirements of our customers we can adjust the company activities and products to



their expectations, thereby building an image of a company which is a solid and reliable partner that is worth cooperating with. It was for our customers, namely McDonald's, Farm Frites and Aviko, that we established our Customer Relations Department in 2019 to combine our customers' expectations with our plant capabilities.

The third pillar First in Potatoes shows what our business relies on. The products we make are the result of the quality of potatoes. A high variability of climatic conditions affects the variability of raw material quality. Therefore we make a massive effort to ensure the greatest possible stability of potato quality. With almost 30 years of experience in working with this raw material, we willingly share our expertise with our suppliers as well.

The Operational Excellence pillar is linked to improving operational efficiency and is one of the most important goals ahead of us. The reason for doing business always comes down to the financial dimension. It is therefore our collective responsibility to make sure that what we do can be done better, and we know that it is possible. Technology is changing, our knowledge is evolving, new opportunities are emerging and we want to use them to build our competitive advantage.

The last pillar of our strategy is Team Development. We place great emphasis on the development of managerial skills. In today's fast-changing world, it is extremely important to be able to manage change and to be aware of how management methods affect the team of people you work with as well as the results of those teams. Another important aspect is the succession plan, as we call it. Given the long-term perspective, we need to train employees so that they can replace their colleagues who will retire in the future. And with many of our employees having been with the company since 1994, this is an important and serious challenge. I would also like every person employed in Farm Frites Poland to be aware of what the future holds for them and how they can develop in our Company. Not everyone will advance at an equal rate, but as a company we want to see everyone's potential and support them to thrive.

We constantly look at the values we chose with our employees many years ago, and which we reviewed in 2021 to see whether they were still close to us and to what extent they supported the implementation of our Company's strategy. The value that continues to be important to us at all times is cooperation – TOGETHER we make a team where we trust and help each other succeed in achieving the set goals. This being together helped us get through the hardships of the pandemic and foster the Company's development. Openness lets us see possibilities and find solutions in the

most difficult moments. We treat each other as well as outsiders, their views and opinions with respect. Thanks to our sense of responsibility we do not exist only to produce French fries and make money of this, but we comprehend the role of our Company's impact on a large group of stakeholders, local community included. Our professionalism does not allow us to stop and rest on laurels, but pushes us forward towards continuous improvement. These five, invariably valid, values have been demonstrated in concrete activities further in this Report.

The Company strategy, whose implementation is supported by the set of the values, is based on the principles of sustainable development and builds the Company organisational structure, of which we can be, and indeed are, proud.

We cannot forget about challenges to be faced by us in the coming years. Apart from the aforementioned ageing workforce, we need to take into consideration other concerns, both on a local and global scale, such as reduced availability of drinking water resources, GHG emissions or bioterrorism. Therefore, we identify potential risks on an ongoing basis and look for ways to cope with them.

This Report presents the continuity of our actions for sustainable development, openness to new solutions and striving for continuous improvement of both production processes and interpersonal relationships.

Change is said to be the only element that remains constant in the times we live in. This is why acting TOGETHER now and in the future can give us a sense of security and ensure that whatever happens, we can overcome all difficulties. I wish such certainty to all of you and would like invite you now to get to know Farm Frites Poland through this Report.



01

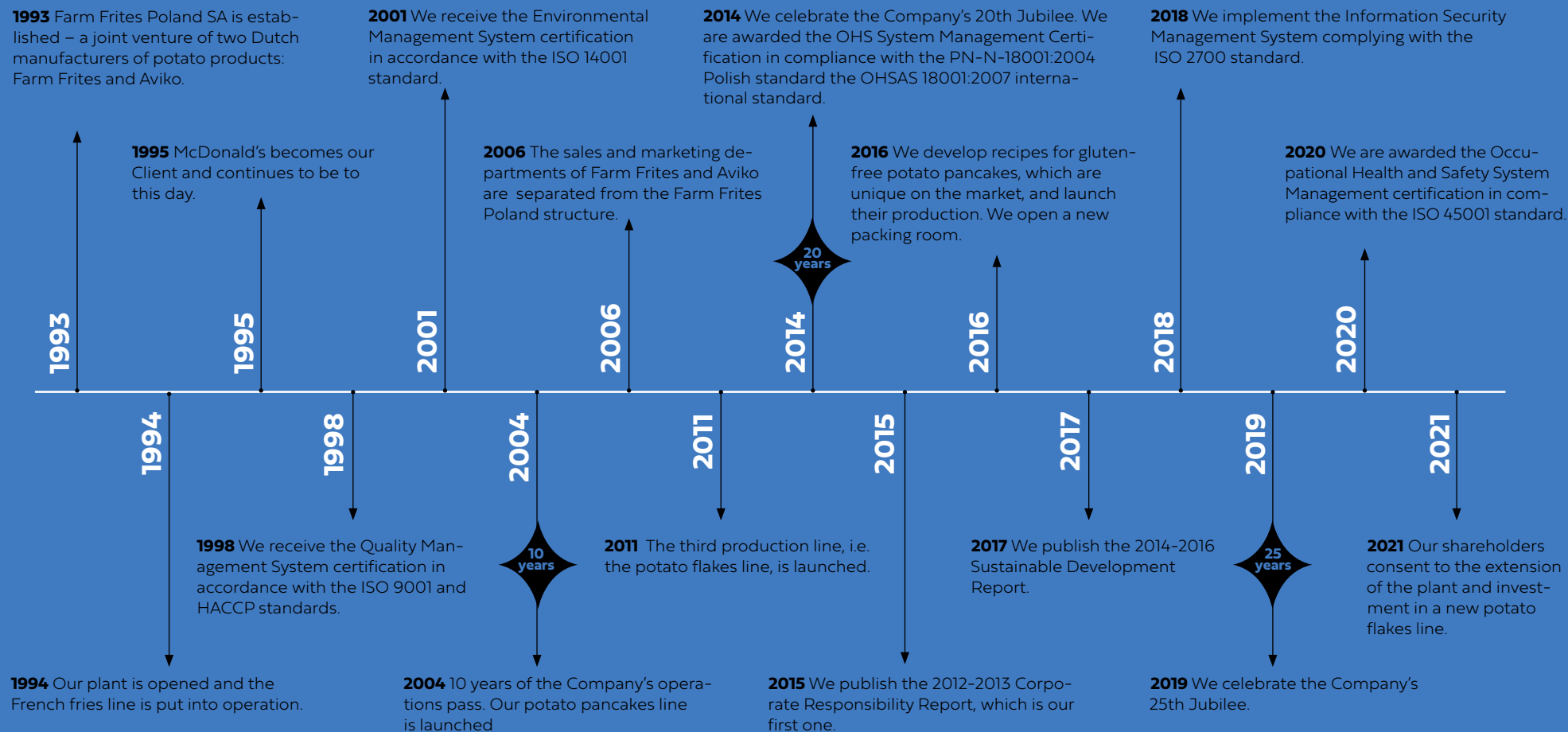


---

# ABOUT US



# IMPORTANT EVENTS IN OUR COMPANY'S HISTORY



# AWARDS AND HONOURABLE MENTIONS

**2021**

## **MENADŻER POMORZA 2020**

Nagroda przyznana Prezesowi i Dyrektorowi Naczelnemu Farm Frites Poland SA, Adamowi Klasie. Jest przyznawana menadżerom z Pomorza, których firmy rozwijają się i odgrywają kluczową rolę w kształtowaniu obrazu gospodarki regionu.

## **NAGRODA MINISTRA ROLNICTWA I ROZWOJU WSI**

Nagroda przyznana za wkład w rozwój polskiej branży ziemniaczanej

**2020**

## **VISION FOR DEVELOPMENT FORUM ECONOMIC AWARD**

for taking the first place in the Corporate Social Responsibility category.

**2019**

## **THE LĘBORK REGION PROMOTION CERTIFICATE**

A special award in recognition of our Company's 25 years of activity and initiatives benefiting the Lębork Region. The certificate is awarded to the most active companies and natural persons from the Lębork Region to thank them for promoting the region and popularising economic and social achievements.

## **ZŁOTE GODŁO QUALITY INTERNATIONAL**

które jest potwierdzeniem spełniania najwyższych standardów jakości

**2018**

## **POMERANIAN GRIFFIN ECONOMIC AWARD**

The award conferred in the Social Responsibility Leader category by the Pomeranian Council of Entrepreneurship and the Marshall of Pomeranian Voivodeship.

**2017**

## **EMPLOYER AND SAFE WORK ORGANISER**

The award for taking the second place in the Medium Enterprise category in the Pomeranian edition of the competition organised by the National Labour Inspectorate.

## **QUALITY INTERNATIONAL PEARL**

The award for meeting the highest quality management standards. It was received following the award of the Top Quality International Quality distinctions to Farm Frites Poland three times in the preceding years.

# MANAGEMENT

The following were responsible for our  
Company management in years  
2017-2021:



**ADAM KLASA**

President & CEO



**RAFAŁ RESZKA**

Vice-President & CFO



**GRAŻYNA NOWAK POŁOMSKA**

Customer Relations Director



**DOROTA MARKIEWICZ-KUBIK**

HR & Community Involvement  
Director



**MAŁGORZATA SZELĄG**

Financial Controlling Director



**JAROSŁAW KAROLIK**

Plant Manager



**DARIUSZ WIERZBICKI**

IT Manager



**JAROSŁAW WAŃKOWICZ**

Raw Material Management Director

# FINANCIAL DATA

(in M zlotych)

2017-2021

	YEAR	2017	2018	2019	2020	2021
1	Revenue	310 212	311 678	331 936	331 784	353 206
2	Operational costs	246 333	255 882	264 068	272 831	300 368
3	Employee wages and benefits	23 815	24 276	27 363	26 802	28 276
4	Payments to providers of capital	21 372	1 415	1 263	808	231
5	Payments to government	3 662	4 303	4 373	4 156	4 392
6	Community investments	80	112	96	223	173
7	Total costs	295 262	285 988	297 163	304 820	333 440
8	Economic value retained	14 950	25 690	34 773	26 964	19 766



# KEY CLIENTS



## Farm Frites BV

is one of the two founders and shareholders of FFP SA. The company was established in Oudenhooft, the Netherlands, in 1971. Farm Frites currently has 42 trade offices and 5 plants, where it employs more than 2 thousand people, and potato products made by this company are sent to over 100 countries throughout the world.



## Aviko BV (Grupa Aviko)

is the other founder and shareholder of FFP SA. The company was established by a group of 32 Dutch farmers in 1962. It currently has more than 12 plants in Europe and China, and over 20 trade offices. Aviko products reach more than 110 countries on all continents.



## McDonald's

FFP SA has been McDonald's supplier uninterruptedly since 1995. The number of markets and restaurants supplied has been growing since that time. French fries currently produced by us are delivered to nearly 1000 McDonald's restaurants in the following 11 countries: Poland, Czechia, Slovakia, Ukraine, Latvia, Lithuania, Estonia, Belarus, Serbia, Georgia and Bulgaria. Since 2018, FFP SA has not produced French fries for McDonald's restaurants in Russia. Georgia joined the group of our Clients that year.

# MEMBERSHIP OF ORGANISATIONS

As a member of Polish and international organisations, we are kept informed about changes in regulations or the latest trends in the food industry. Thanks to the involvement of our representatives in actions taken by the organisations, we can share our vision and experience. We also have an opportunity to spread ideas that are important to us, like those related to sustainable agriculture.

## BUSINESS CENTRE CLUB

An association and a non-governmental organisation of Polish entrepreneurs and employers committed to the development of Polish economy, combating unemployment and promoting entrepreneurship and resourcefulness. Adam Klasa, the President and CEO of Farm Frites Poland, acts in the capacity of BBC Gdańsk Lodge Coordinator for the Słupsk Region.

## FORUM PRACODAWCÓW PÓŁNOCY (NORTHERN EMPLOYERS' FORUM) – MEMBER OF PRACODAWCY RP

(Employers of Poland) – an organisation acting for small, medium and large enterprises in the Pomeranian region. It takes care of good relationships and cooperation with local authorities and organisations in the business environment.

## POLSKIE STOWARZYSZENIE ROLNICTWA ZRÓWNOWAŻONEGO ASAP (ASSOCIATION FOR SUSTAINABLE AGRICULTURE IN POLAND)

our Company is one of the founders of the first Polish association of companies representing different industries in the food production chain. Its goal is to promote the idea of sustainable agriculture.

## EUROPEAN POTATO PROCESSORS' ASSOCIATION (EUPPA)

the association of potato processors, playing an active role in food safety and sustainable development areas.

## SUSTAINABLE AGRICULTURE INITIATIVE PLATFORM (SAI)

it promotes sustainable agriculture development.

## POLSKA FEDERACJA PRODUCENTÓW ŻYWNOŚCI (POLISH FEDERATION OF FOOD INDUSTRY)

Its task is to ensure effective joint participation of economic entities in creating legal, organisational and economic conditions for food industry development.

## STOWARZYSZENIE POLSKI ZIEMNIAK (POLISH POTATO ASSOCIATION)

An all-Poland organisation acting for the integration and development of potato industry and reinforcement of the potato position in the national economy.

## REKOPOL ORGANIZACJA ODZYSKU OPAKOWAŃ SA

(Packaging Recovery Organisation)– supports entrepreneurs in packaging recovery and recycling.

02



---

# OUR BUSINESS MODEL



## VISION

What we do, we do well. What we do well, we can always do better **TOGETHER**.

## MISSION STATEMENT

- We are a leading producer of potato products.
- We come up to our clients' expectations.
- We respect our employees, partners, and clients.
- We care for the environment.



# STRATEGY FOR YEARS 2021-2027

Strategia Farm Frites Poland SA na lata 2021-2027 jest oparta na pięciu filarach z uwzględnieniem celów zrównoważonego rozwoju. Realizując ją rozwijamy naszą firmę nie zapominając o ważnych dla nas wartościach.



## BUSINESS DEVELOPMENT

We are ready to expand our capabilities, while maintaining the principles of sustainable development.



## CUSTOMER INTIMACY

We are the preferred partner by our Clients. We increase FFP product share in their respective markets.



## FIRST IN POTATOES

We grow and supply potatoes in a sustainable way that benefits our partners, clients and farmers.



## OPERATIONAL EXCELLENCE

We are an effective producer in our category, ensuring quality and sustainable development standards.



## TEAM DEVELOPMENT

We are a company that is open to diversity, a highly efficient company, where all employees are competent and committed.



# INTEGRATED MANAGEMENT SYSTEM

According to our mission statement, our goal is to be a leading potato product manufacturer and to live up to our clients' expectations. Therefore, we have been successively implementing and improving subsequent systems, and integrating them into one single management system since 1995.

The system is made up of:

- **Food quality and safety management system (FSSC 22000 and our client requirements: SQMS, IKEA, PEPSICO, RSPO, HALAL, KOSHER, Global G.A.P.)**
- **Environmental management system (ISO 14001)**
- **Occupational health and safety management system (ISO 45001)**
- **Information security (ISO 27001)**
- **Risk management (ISO 31000).**

We monitor the validity of requirements within each system and adapt to changes. An example of this is the replacement of OHSAS 18001 requirements with ISO 45001 in 2020.

The crowning achievement as regards the effectiveness of the implemented requirements is the certification and subsequent regular renewal of the FSSC 22000 and SQMS, ISO 14001, ISO 45001, Halal and Kosher certifications.

## Management Culture In Farm Frites Poland SA





# PROCESS MANAGEMENT

**The process approach to management in our Company has been implemented in the following stages:**



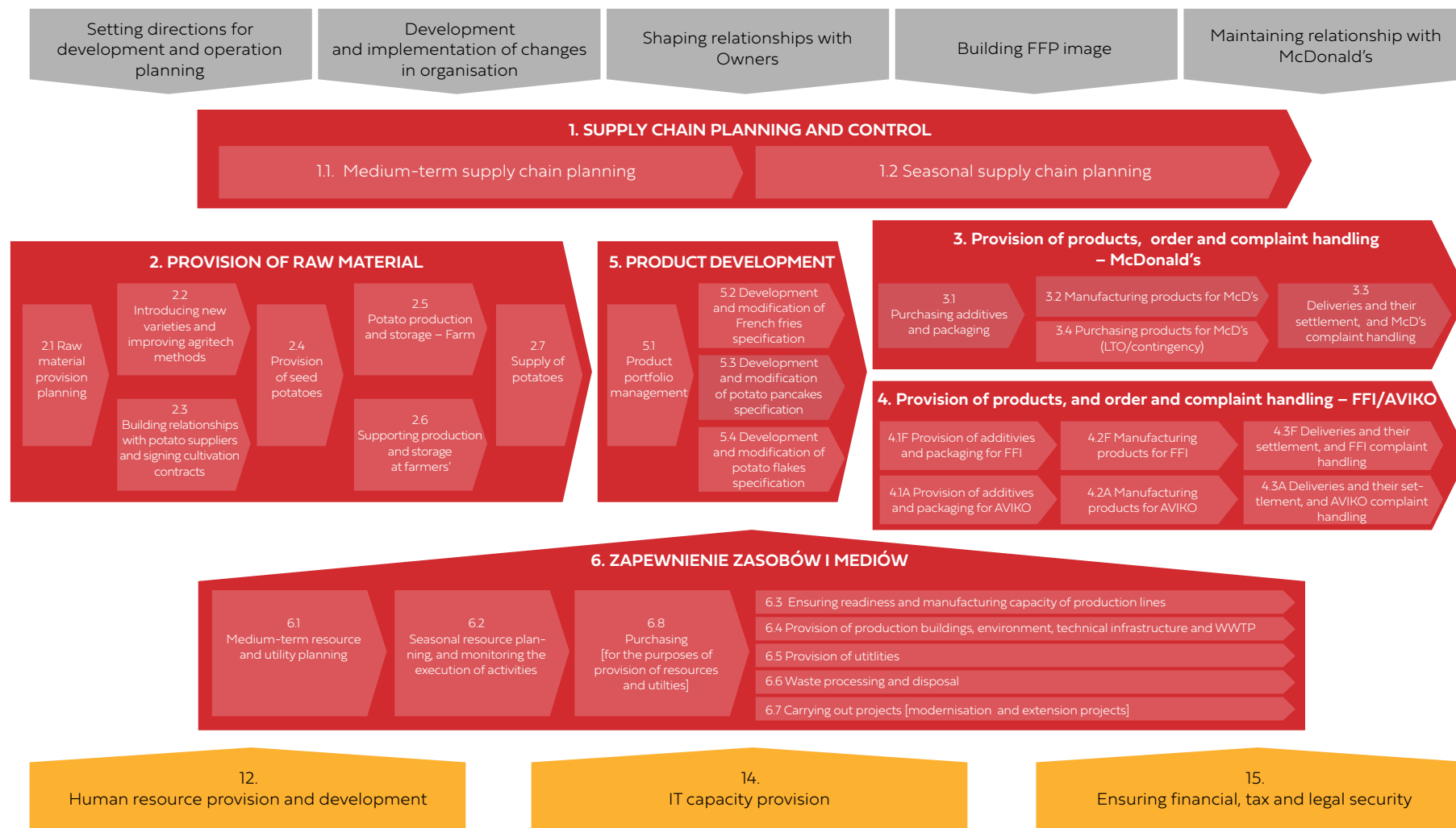
Our Company management system is based on a process approach. In addition to the traditionally functioning organisational structure, in 2017, the Company's management decided to implement a process approach as a more efficient way to achieve strategic and operational goals compared to traditional management methods.

The process architecture model demonstrates how work is organised. The work model makes it possible to assess who is involved in carrying out individual tasks and who is accountable for the same. The architecture, which covers our sister company Farm Frites Poland Dwa as well, serves also as a tool to synchronise activities of the companies through their joint strategy, planning, Shared Services Center (SSC) and operations.

# PROCESS MANAGEMENT

The model identifies three scopes of the Company activity:

- core business (**red processes**)
- management activities/setting rules and identifying directions (**grey processes**)
- supporting activities/ supporting and providing necessary resources (**yellow processes**)

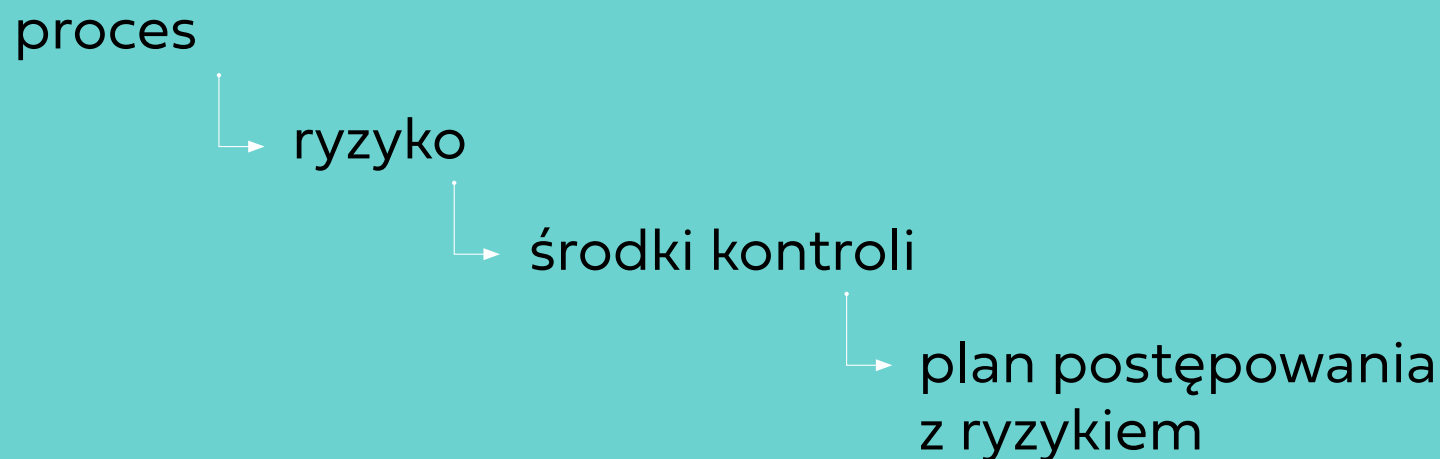


# RISK MANAGEMENT

In 2021, we embarked on a project to implement a new risk management system as a separate business process, with a view of improving our existing approach. Such a model is a consequence of the process approach being implemented.

The project is aimed at:

- **identifying risks in individual processes,**
- **naming risk owners to manage such risks and report them,**
- **creating an up-to-date risk register and risk map,**
- **recording incidents that affect the materialisation of risk.**



# INFORMATION SECURITY

We understand information security as the essential protection of information against unwanted (accidental or deliberate) disclosure, modification, destruction, or unauthorised processing.

**We attach foremost importance to security, which is embodied in the following actions:**

- maintaining compliance with the provisions of ISO 27001 standard
- maintaining compliance with the GDPR provisions and external audits
- signing an agreement with a consulting company regarding information security and personal data protection (areas: organisational, legal and IT)
- an annual risk analysis for security issues
- cyclic testing of information systems accessed by external users from the Internet level (so-called application security penetration testing)
- implementation of advanced solutions for detecting attempts to attack the IT/OT infrastructure
- training every new office employee in information security, publishing newsletters and guides on current threats (weekly newsletters supplementing knowledge about information security, and monthly guides on current threats)
- taking proper care of data quality (data governance)



# DATA GOVERNANCE & BUSINESS INTELLIGENCE

Data Governance is to ensure that our organisation has high quality information throughout the data lifecycle. As of 2014, the data governance elements have been gradually introduced into our work standard.

**Business Intelligence** means reporting and analytical tools that are at the core of work of managers and specialists dealing with analysis and strategy, in the context of creating competitive advantage of the company. Senior managers work on the basis of aggregated data (dashboards with KPIs, management information reports). They also have the ability to effectively plan for the short and long term based on the systems and reports that support multi-faceted modelling and decision making.

Operations managers make decisions based on the current status of key processes through user-specific data presentation techniques. In FFP SA, business users have been using Qlik View platform in their work for over 10 years. Migration to Qlik Sense -a next-gen application- has been in progress since the beginning of 2022.

# CRISIS MANAGEMENT IN THE FACE OF THE PANDEMIC

The handling of the crisis cannot be discussed nowadays without taking into account the epidemiological emergency caused by the SARS-CoV-2 virus. Our company had to rise to completely new challenges, which was particularly difficult due to the nature of our business - as a manufacturing company, we could not provide remote work for all our employees.

Shortly after the outbreak of the pandemic, we implemented a number of measures to combat the virus and enable us to work steadily at the same time. They included the following:

- **establishment of a crisis team** that kept track of the epidemiological situation in Poland and around the world and provided relevant recommendations to the staff of all areas,
- **providing employees with appropriate protective equipment** and implementing additional solutions to improve employee health and well-being, including disinfectant fluids, masks, pulse oximeters, rapid swab tests, free PCR testing, meeting with a consultant, 24/7 availability of crisis team staff and assistance with problem solving,
- **implementing appropriate rules on the Company premises**, i.e. keeping distance in offices and production areas, disinfection, masks,

limiting the number of outsiders entering the premises, ban on business trips,

- **regular internal communication** regarding the epidemiological situation as well as the condition of the Company, which played an important role in building the sense of security (periodic information from the crisis team regarding the situation in the company, video recordings from the top management)

**We also learnt the right lessons from the pandemic. We learnt to use new tools, such as remote working, or online meetings and audits.**



# VALUE CREATION MODEL

We aim for a more and more holistic approach to sustainable development. Our strategy focuses on the entire „From Field to Table“ value chain. This value chain encompasses many forms of capital, from indispensable natural resources necessary to manufacture our products to financial capital from the sale of our products.

## FFP Contribution

### FINANCIAL

Shareholders' equity, resources, credits and loans

### NATURAL

Land, water, energy, biodiversity and ecosystems

### HUMAN

Employees, trainings, OHS and Code of Conduct

### MATERIAL RESOURCES

Buildings, packaging, means of transport, machinery and equipment and supply chain

### SOCIAL

Local community, clients, consumers, suppliers, associations, NGOs

### INTELLECTUAL

Knowledge base and reputation/ good company

## From Field to Table



### AGRICULTURE

We mostly cooperate with farmers from the northern parts of Poland for sustainable potato production. Local sourcing is a priority because of the shared value we create for local communities and Farm Frites.



### EMPLOYEES

FFP employs over 230 people, who have access to trainings, healthcare and career development opportunities. Our Company supports everyone so as to ensure that they act in accordance with our values. Employee surveys keep track of the employee engagement level and actions are required in the areas for which results are insufficient.



### POTATO PROCESSING

Our plant is based in Lebork, Pomeranian Voivodeship. We adhere to strict safety standards. We cooperate with over 100 potato suppliers. We invest to increase production capacity. We aim for improving energy efficiency and increasing the share of eco-friendly energy used by us.



### DISTRIBUTION

We do not distribute manufactured products. Once produced, our French fries, potato pancakes and potato flakes leave our plant to be transported by our Client's companies.



### PACKAGING

We keep looking for innovations, finding ways to optimise the production of packaging materials, boosting recycling rates, and decreasing the amount of packaging waste.



### LOCAL COMMUNITY

We have impact on local community in the region where our plant is located. We create new jobs, use services of local suppliers, pay taxes, stay in contact with local authorities, support important social initiatives.

### CLIENTS

We have three direct clients: Aviko, Farm Frites, McDonald's.



### CONSUMERS

French fries, potato pancakes and flakes go to retail customers and catering facilities throughout the world.

## FFP results 2021

### FINANCIAL

Value retained= PLN 19,766K  
Taxes paid= PLN 4,392 K

### NATURAL

Water use = 696,000 m<sup>3</sup>  
Gas use = 12,703,046 m<sup>3</sup>  
Energy use = 30,749 MWh  
CO<sub>2</sub> emissions (scope 1 & 2) = 31,302 tons

### HUMAN

Number of hours worked in 2021  
= 1,288,959 hours

### RESOURCES AND PRODUCTION

3 production lines, over 250 thousand tons of potatoes processed

### SOCIAL

More than 1% of annual profit, on average, allocated to community service projects

### INTELLECTUAL

Over 25 years of experience in the field of French fries, potato pancakes and potato flakes production.

# ETHICS AND VALUES

In January 2017, the Code of Ethical Conduct came into force, in the development of which representatives of all departments were involved. Following consultations with our employees, defined were also values, which, on the one hand, are the best representation of our Company and relations prevailing in it, and, on the other hand, support the achievement of our strategic goals. In 2021, we revised the values to see whether they still met our strategic needs. As a result, the previous values were left in place with their definitions only slightly changed.

## Our Values:



### Openness

We are open to dialogue, new solutions, ideas and opinions even if we disagree with them. We express our point of view straightforwardly.



### Respect

We respect each other. We are respectful to our business and community partners. We respect diversity.



### Responsibility

We take responsibility for our decisions, actions and commitments to each other, our business partners, the environment, and the local community.



### Professionalism

We are constantly learning, looking for new opportunities and solutions, using our knowledge and experience. We comply with applicable standards.

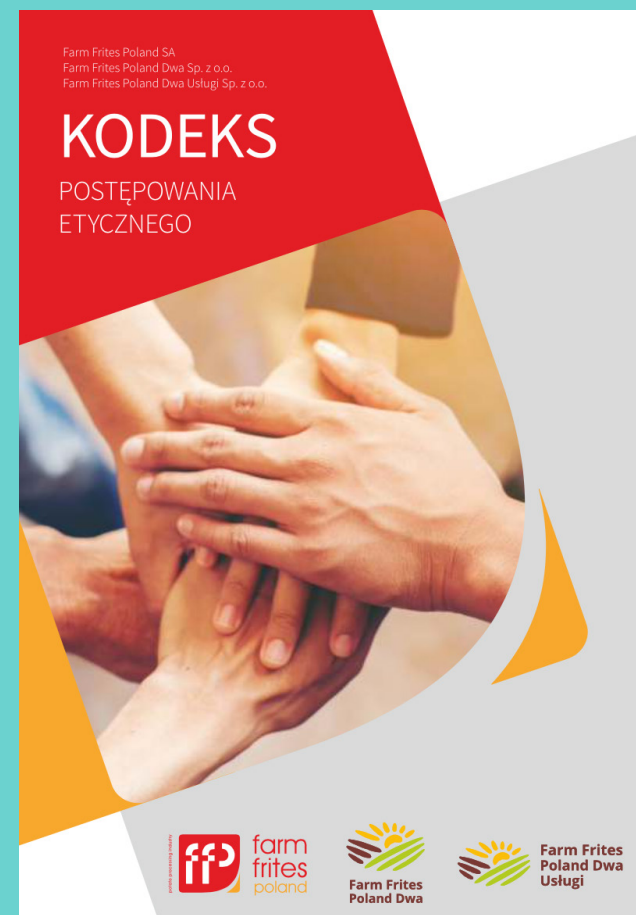


### Cooperation

Together, we make a team where we trust each other and help each other to achieve the goals we have set.

# ETYKA I WARTOŚCI

In 2019, we embarked on a review of the Code of Ethical Conduct for its principles with a view to extending it to our sister company Farm Frites Poland Dwa Usługi Sp. z o.o. (FFP Dwa). As a result, a team of representatives, composed of FFP SA and FFP Dwa employees who do not hold managerial positions and who enjoy great trust of other employees, was appointed. The reporting system was also changed by adding an option to report the Code violations anonymously. The revised Code of Ethical Conduct came into force on 1st September 2020. Relevant trainings began already in June that year in the following order: the Company management, heads of departments, line leaders, employees in other positions. By the end of 2021, all employees of FFP Dwa and 90% of FFP SA employees had been trained. We plan to train the rest of our employees by the end of April 2022. In 2022, we will expand the training to include another group, namely the managers and employees of external companies permanently cooperating with both of the abovenamed companies.



# UN 2015-2030 SUSTAINABLE DEVELOPMENT GOALS

We are contributing to the implementation of the goals of the UN 2030 Agenda for Sustainable Development. The UN sustainable development goals selected by us are in the area of our impact and related to our business operations and approach to community involvement.



- we are a cofounder of the Association for Sustainable Agriculture in Poland „ASAP”
- we promote knowledge about sustainable agriculture amongst our suppliers, clients and employees
- **97,5 % of our contracted farms are Global G.A.P. certified**, which entails high sustainability level in potato production



- **100% of our employees are provided private medical care cover**
- we organise annual screening tests for breast cancer and prostate cancer
- as part of our Company Social Fund, each employee may receive partial funding for sporting club/gym cards
- we support our employees and residents of the Lębork region in their sporting activities such as: running, Nordic walking, football, table tennis, karate



- we gradually increase the share of RES to satisfy our operational energy needs.
- **in 2021, nearly 16% of energy** used by us was generated from renewable sources, whereas the RES share was merely 3.3% in 2012.



- we employ more than 230 people, mainly from the Lębork region
- all our employees are employed under contracts of employment
- we do not accept mobbing or harassment, and our Code of Ethical Conduct clearly specifies the rights and obligations of employees towards each other and the external environment
- **in 2020 and 2021, 90% of our employees participated in ethics trainings.**

# UN 2015-2030 SUSTAINABLE DEVELOPMENT GOALS



- we support employee volunteering, nearly **20 our employees are actively engaged in volunteering**
- by our participation in local projects, we support people threatened with social exclusion- we are the initiator and partner of the Vehicle of Independence Program in Łębork, which has been supporting young people placed in foster care since 2016.



- we respond to local community needs by supporting local initiatives and our own grant fund to award ideas for increasing sustainability level in our community.
- **in 2021, the first edition of Fabryka Lokalnych Innowacji (Local Innovations Factory) was organised, in which we awarded 7 grants amounting to PLN 25,000 in total.**



- we reduce the amount of waste produced and manage waste responsibly
- the installation of the second drum dryer for potato flakes production in 2018 enabled us to make use of most of leftover raw potatoes considered unsuitable for French fries production.
- all biodegradable waste from production is sent to a local biogas plant.



- we look for solutions enabling us to increase the share of renewable energy.
- we have a concrete plan and have resolved that all electric energy used for the production of our products will come from renewable sources by 2025.



- we get involved in initiatives for Sustainable Development Goals. Together with Fundacja Inicjowania Rozwoju (Foundation for Initiating Development) UpFoundation, we award grants to Pomeranian projects implementing sustainable development goals. During Forum Inicjowania Rozwoju (Forum for Initiating Development) we discuss sustainable development issues with local businesses, local authorities and non-governmental organisations and educate about the topic.

# OUR STAKEHOLDERS AND HOW WE COMMUNICATE WITH THEM

We attach utmost importance to open and honest communication with our stakeholders as this allows us to build relationships based on respect, understanding and acceptance of each other's needs. From amongst all defined stakeholders, the Company's management identified six key ones, using two criteria: interest in the Company's operations and potential impact on the Company, and assigning them a significance level on a scale of 1-5, where 1 meant „none or very little” and 5 meant „great”. Those for whom the sum of points in these two categories was above 7 were considered the key stakeholders.

We maintain a regular and transparent dialogue with individual stakeholder groups.

Key stakeholder	Form of dialogue
<b>Owners:</b> <b>Farm Frites BV , Aviko BV</b>	<ul style="list-style-type: none"> <li>• face to face meetings</li> <li>• reports: current, periodic</li> <li>• annual report</li> </ul>
<b>Clients</b> <b>McDonald's</b> <b>Farm Frites</b> <b>Aviko (Aviko i Rixona)</b>	<ul style="list-style-type: none"> <li>• Department for Client Relations</li> <li>• face to face meetings</li> <li>• regular email and telephone contact</li> <li>• client satisfaction surveys</li> <li>• reports and statements</li> <li>• product testing</li> <li>• providing support for events/initiatives organised by Clients</li> <li>• newsletter</li> <li>• catalogues</li> <li>• Sustainable Development Report</li> </ul>
<b>Employees</b>	<ul style="list-style-type: none"> <li>• engagement surveys and opinion surveys</li> <li>• internal meetings</li> <li>• Intranet</li> <li>• direct emails</li> <li>• video recordings</li> <li>• social media: Facebook, LinkedIn</li> <li>• internal bulletin</li> <li>• employee volunteering</li> <li>• sustainable Development Report</li> <li>• selected Office365 apps</li> </ul>



# OUR STAKEHOLDERS AND HOW WE COMMUNICATE WITH THEM

Key stakeholder	Form of dialogue
<b>Potato suppliers</b>	<ul style="list-style-type: none"> <li>• regular meetings and contact with Raw Material Supply Chain Department staff – agronomists</li> <li>• industry meetings, trade fairs</li> <li>• trainings and workshops</li> <li>• assistance with certification</li> <li>• opinion surveys</li> </ul>
<b>Local community</b> <b>Residents of Łęborg region</b> <b>Local authorities</b> <b>NGOs</b>	<ul style="list-style-type: none"> <li>• local and regional mass media</li> <li>• website</li> <li>• social media: Facebook, LinkedIn</li> <li>• open days</li> <li>• employee volunteering</li> <li>• local event partnership</li> <li>• meetings with representatives of local authorities and NGOs.</li> </ul>
<b>Business partners</b> <b>Cold stores and storage rooms</b> <b>Transport companies</b> <b>Waste collectors</b> <b>HR outsourcing</b>	<ul style="list-style-type: none"> <li>• direct communication with contact persons appointed by a company</li> <li>• industry meetings, trade fairs</li> <li>• audits</li> <li>• questionnaires</li> <li>• catalogues</li> </ul>

# OUR STAKEHOLDERS AND HOW WE COMMUNICATE WITH THEM

## Examples of Tools Used for Communication with Our Stakeholders

**LINKEDIN PROFILE** – after Facebook, it is our Company's second social media profile. It was created in 2021. Through this profile, we are building the Company's position as an expert in sustainable potato production as well as sustainable French fries production, and promoting the idea of corporate social responsibility by presenting good practices implemented by us.

**OFFICE365** – In March 2020, a few days before the outbreak of the Covid-19 pandemic in Poland, we launched the Office365 Communications project to create an internal communication system based on Office 365 in Farm Frites Poland and Farm Frites Poland Dwa. Until the start of this project, employees in operational positions had not had their personal email inboxes and could access information through their supervisor, information boards in the Company departments and canteen, internal newsletters on paper and through our Intranet. The purpose of the project was to give each employee a personal email address on the Company domain.

As the start of the project coincided with the first wave of the pandemic, the swift introduction of Office365 solutions, such as a personal Outlook mailbox that can be used on mobile devices, made it possible to communicate with the guarantee of reaching

We continually review how available communication tools can meet our as well as our stakeholders' needs in respect of communication. We hardly ever give up on the tools we use. We prefer to modify them or introduce new tools to complement the existing ones. Recently, we have expanded our social media profiles to include the LinkedIn platform, and started using new Office365 applications in our internal communication (see below for a presentation of selected tools).

every employee. Thanks to that up-to-date information about work during the pandemic and the current situation of the Company could be provided to our employees, thus giving them a sense of security.

Apart from the personal mailbox, we implemented Teams app through which online meetings could take place, which was particularly important in the first period of the pandemic, but we continue to use the app to this day on a smaller scale.

**SWAY** – we use this app to prepare our internal bulletin Important Information. It was issued three times weekly during the first wave of the pandemic. Its frequency was gradually reduced in the following months until it reached two issues per month at the end of 2021. The average readership of the bulletin was 70% in 2020 and 55% in 2021.

**FORMS** – we use this app to create internal questionnaires and opinion surveys. We carried out a survey on remote work in 2020 and a survey to investigate the impact of the pandemic on our employees' well-being.

03 ✨

---

**WE CREATE  
QUALITY**



# QUALITY MANAGEMENT CULTURE

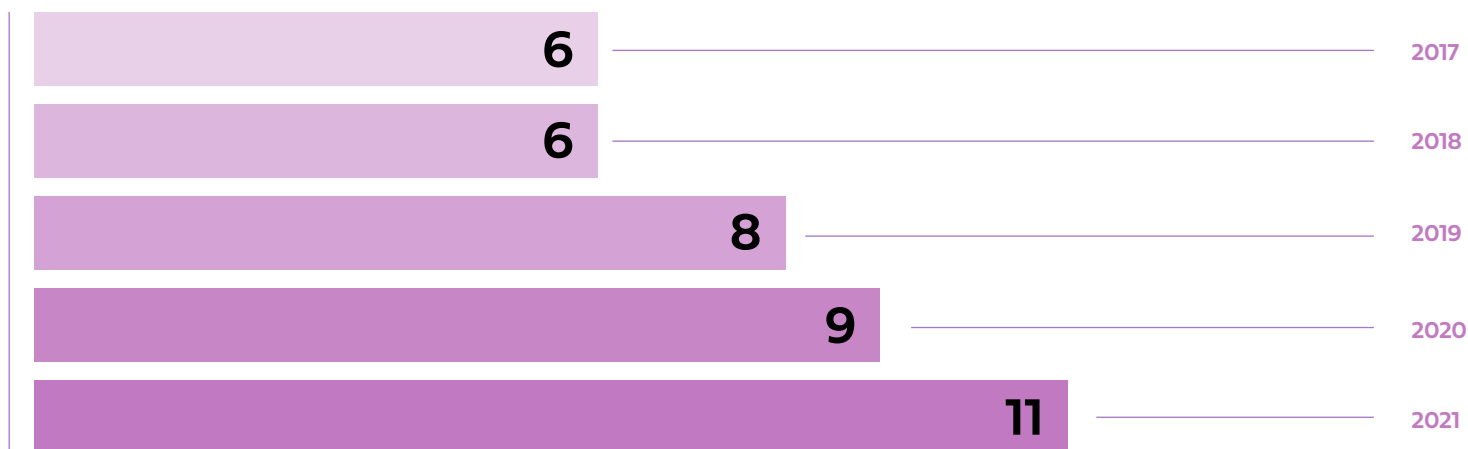
Trends in the modern market require the development and implementation of a specific catalog of standards and values through which the management culture in an organisation is formed. The attractiveness of a manufacturer in the economic system depends on the specificity of that culture. Changing requirements and increased competitiveness encourage continuous improvement.

**An element influencing the management culture** – in its every aspect - is quality. It determines the effectiveness and flexibility of an organisation whose aim is to meet the needs, expectations and, above all, requirements of its clients. Only adequate management culture quality can bring the expected results.

# TRACEABILITY

As a conscious manufacturer in the food chain, we periodically conduct traceability exercises in case a product recall is necessary. Each exercise assumes a different scenario of potential contamination and involves tracing the history of a given production batch and collecting appropriate documentation. The entire procedure is time-limited.

Traceability exercises in FFP S.A. conducted in 2017-2021



Once every two years, a product recall exercise is carried out by an external company contracted by McDonald's. Once we receive information on a potentially contaminated batch, we are required to locate it in the market, trace back information related to its production and determine the cause of the potential contamination. Such mock recalls were conducted in 2019 and 2021 and both were successfully completed.

# AUDITS AND INSPECTIONS

**Check!** The third step of the PDCA cycle plays an important role in our organisation.

FFP SA has its own team of qualified internal auditors, who carry out regular inspections and audits in cooperation with staff involved in relevant processes of the organisation.

Our good practice is the principle of partnership. Audits and inspection rounds in FFP are not an unpleasant duty, but a lesson to be learnt by the auditee and the auditor alike. We seek solutions to any identified non-conformities together and always take into account positive observations, thus appreciating the efforts of our employees and motivating them to continue to maintain the required standard.

We are subject to annual external audits, i.e. third parties audits, as well. All audits carried out in the years 2017-2021 were successfully completed with top scores.



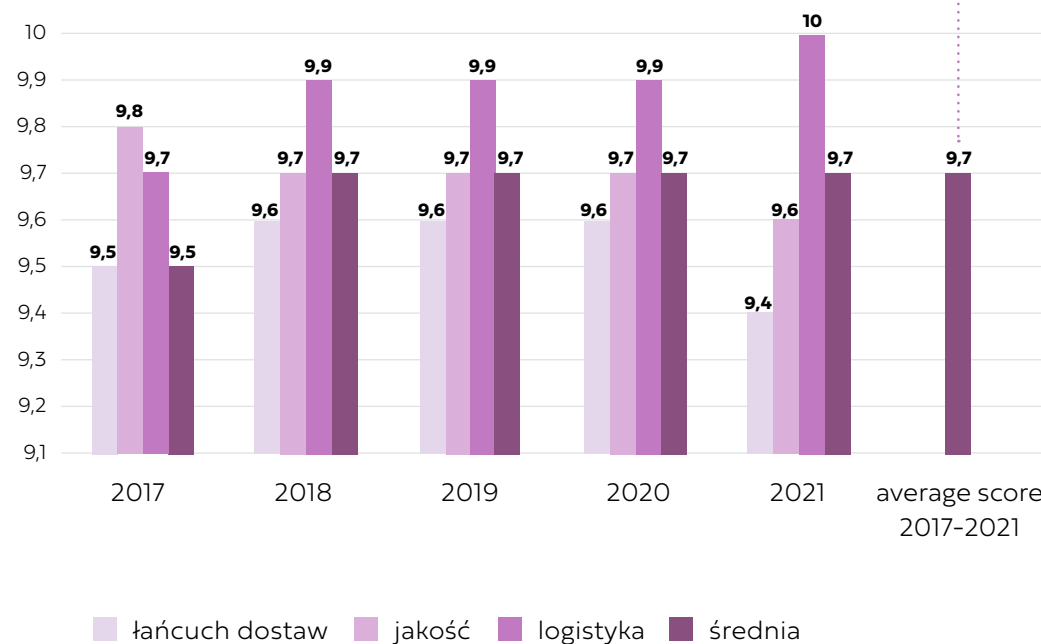
# CLIENT SATISFACTION

Client satisfaction with our products is a priority for us. Satisfaction surveys are conducted periodically, which allows us to assess the level of client satisfaction with our services, draw appropriate conclusions and plan actions to make improvements in the areas where any such improvements are needed.

**The annual McDonald's satisfaction survey** with a 0-to-10 rating scale is conducted in three areas, being the supply chain, quality and logistics. The survey is completed by the representatives of all markets we operate on and by distribution center staff. The cooperation is evaluated in respect of periods called crop years, i.e. from September to August each year.

AVERAGE SCORE  
IN 2017-2021

9,7/10



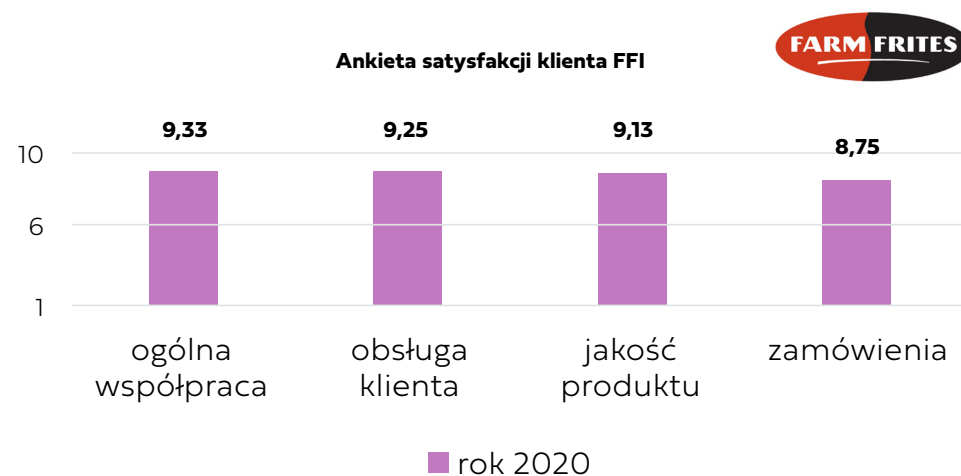


# CLIENT SATISFACTION

The satisfaction of our other two Clients – Aviko and FFI – is measured every year and the survey covers the following areas:

- **general cooperation,**
- **customer service,**
- **product quality and orders.**

Presented below are the results of the most recent satisfaction survey for 2020.



# PRODUCT QUALITY AND SAFETY

Man has always been about quality. Cicero defined the term of quality as „a certain degree of perfection“. Quality is of particular importance in the context of safety of consumer health and life. The production of quality and safe products for increasingly conscious customers is nowadays a priority in the food industry as well.

Attractiveness, including that in terms of quality, is the determinant of a consumer's choice of product brand. Therefore, there must adequate methods to assess it. In other words, we need to measure the level of perfection of our product.



**There are two basic groups that can be distinguished from amongst many available testing methods:**

**LABORATORY TESTING** – physical testing methods (density, moisture content, dry matter, acidity, colour) and microbiological testing methods (microbial load)

**ORGANOLEPTIC PRODUCT TESTING** – (otherwise sensory testing carried out with the use of senses, without specifying conditions in which it is to be conducted). It involves the following human senses: sight, hearing, smell, touch and taste.

**Statistical Process Control**  
**The Statistical Process Control (SPC)**  
**in FFP consists in continuous monitoring of parameters such as:**

- **colour and moisture content** – recently, our Quality Department has carried out a test to verify the assessment of the variability of testing/measuring processes and to remedy it by clarifying instructions and providing extra training, conducting talks with inspectors on both sides of the process (production operatives and laboratory technicians testing packed products),
- **concentration of additives used for production,**
- **temperature of French fries past the freezing tunnel.**

# MEASUREMENT SYSTEM ANALYSIS



An intrinsic element of the SPC is Measurement System Analysis (MSA), i.e. an analysis performed to evaluate the measurement system's capability. The results of measurements in FFP are used to decide on the acceptance of raw materials, to monitor and control production processes, and to verify the quality of products.

Over the past few years, the MSA has been carried out for more than a dozen parameters to assess our products. The implementation of the MSA has brought many benefits, including:

- reduced risk of erroneous decisions made in respect of process control,
- reduced costs of erroneous interventions in the production process,
- significantly reduced risk of a non-compliant product being sent to a client as a result of erroneous control decisions,
- identification of inspection weaknesses in the supply/pre-production inspection, during-production/in-line inspection and final inspection,
- evidence of reliable and credible data obtained by measurements processes.

# NON-COMPLIANT PRODUCT AND COMPLAINT HANDLING

Being a conscious manufacturer and a trading company, we make every effort to ensure that our products meet required specifications. Although the production process is meticulously planned, and despite strict quality inspections at every stage, there still may occur anomalies leading to the production of batches that do not comply the assumed requirements. This is normal for all businesses and shows how unpredictable the process can be. Product blocking can occur at any stage - from in-process control through everyday 24-hour batch control (so-called Test Panel) to storage and loading.

We take each complaint very seriously. We exercise due diligence in handling each complaint and have an internal complaint handling procedure in place for that purpose. Complaints from the market can be submitted to us in writing (letter), electronically (email) or orally (conversation). Each such event is referred to our complaints coordinator and registered by him/her in Dagorda system (our document circulation system). Once all required information has been gathered, the complaint is handled by competent staff. Sometimes, when a complaint concerns product/client/consumer safety, it may be given an urgent status, which means that it must be resolved within 24 hours. Eventually, with all circumstances having been reviewed, the complaint handling process is ended with the complaint being either accepted, rejected, or declared unfounded (known as a commercial complaint).

## Potato Pancake Line

**\*acceptable limit of accepted  
complaints per year:**

**1 complaint/16 tons  
of product**

## Potato Flake Line

**\*acceptable limit of accepted  
complaints per year:**

**1 complaint/32 tons  
of product**

## French Fries Line

**\*acceptable limit of accepted  
complaints per year:  
1 reklamacja/652 tony produktu**

**1 complaint/1301 tons  
of product in 2021**

# FOOD SAFETY

We devote much attention to food safety issues. To ensure proper production conditions and manufacture products which both meet legal requirements and do not put the life or health of the consumers at risk is our priority. We have implemented and constantly improve a number of procedures in the area of GMP, GHP and HACCP. They have become the indisputable foundation of our operations.

By organising our Company food safety management system properly, we are able to eliminate completely or mitigate any risks associated with such hazards as:

- **microbiology,**
- **physical contamination,**
- **chemical contamination,**
- **allergens,**
- **hazards related to intentional contamination of food, or food adulteration.**

Systematic analysis of potential hazards includes inspection of raw material, production process and the final product. The implemented systems of good hygienic practices (GHP) and good manufacturing practices (GMP) ensure that safe products are produced thanks to the appropriate level of hygiene of employees, machines and equipment as well as that of the production hall area.

Hygiene inspections of our production lines are carried out on a daily basis by persons appointed and trained specifically for this purpose.

Their task is to inspect machinery and equipment and their hygiene status while the production is in progress.

The sanitary inspections and internal rounds and audits enable us to monitor and analyse the level of food safety in individual production periods and its correlation with expected results.

To ensure product safety, the whole plant is cleaned cyclically by a certified external company. During the process, the machinery and equipment as well as their surroundings are thoroughly washed and disinfected, thus minimising the microbiological hazard.

An intrinsic element of food production is a special focus on identifying any foreign bodies which may potentially compromise the product. Therefore, we have put multiple stages of control in place- starting from harvesting in the field, through loading into storage, receiving raw material into the plant, to the processing stage (sorting, visual inspection). We also monitor additives used by us for production and packaging. Each occurrence of a foreign body, whether on the line or in the product, is carefully documented and analysed by us. Based on the incidence of foreign bodies in individual areas we have knowledge of the critical points needing our particular attention. We draw conclusions from every identified foreign body for continuous improvement.



# SAFETY TEAM

Our Company has its Safety Team composed of between ten and twenty members. The team analyses situations related to food safety (complaints, incidents in the production line, product traceability) and issues opinions on new equipment and ideas to be used in the production area. The team is made up of employees from different Company departments so as to ensure that each problem is given careful consideration and viewed from the widest possible perspective. Each team member has the expertise in his/her respective area and the best solution is worked out jointly. In particularly complex cases, the group is joined by other staff members, including also external experts. The number of meetings depends on current needs. There were 85 team meetings in 2021.



## GOOD PRACTICES

**Acrylamide** – is a substance that forms in a natural way in foods during high-temperature cooking processes, such as baking, roasting or frying. This chemical process results in browning and a specific aftertaste and smell of the product being prepared. Acrylamide is also formed in the production process of our French fries and potato pancakes. Therefore we decided to launch projects to test the correlation between the colour of a product and the level of acrylamide in it and to set safe specification limits for our products. The topic is nothing new to us, as we have been monitoring acrylamide levels for many years now, but in light of changing regulations and given our sense of responsibility for products as well, we want to broaden our knowledge and ensure an even better consumer safety. A group of specialists conducted about 200 tests on French fries and 75 tests on potato pancakes, and the results were used to work further on the entire manufacturing process.

04



---

# SUSTAINABLE FARMING





# YEAR 2021:



## 105 farmers / 6750 ha

Cooperation with 105 farmers who grew potatoes for us under contracts on the area of ca. 6,750 ha.

## 250,000 tons of potatoes

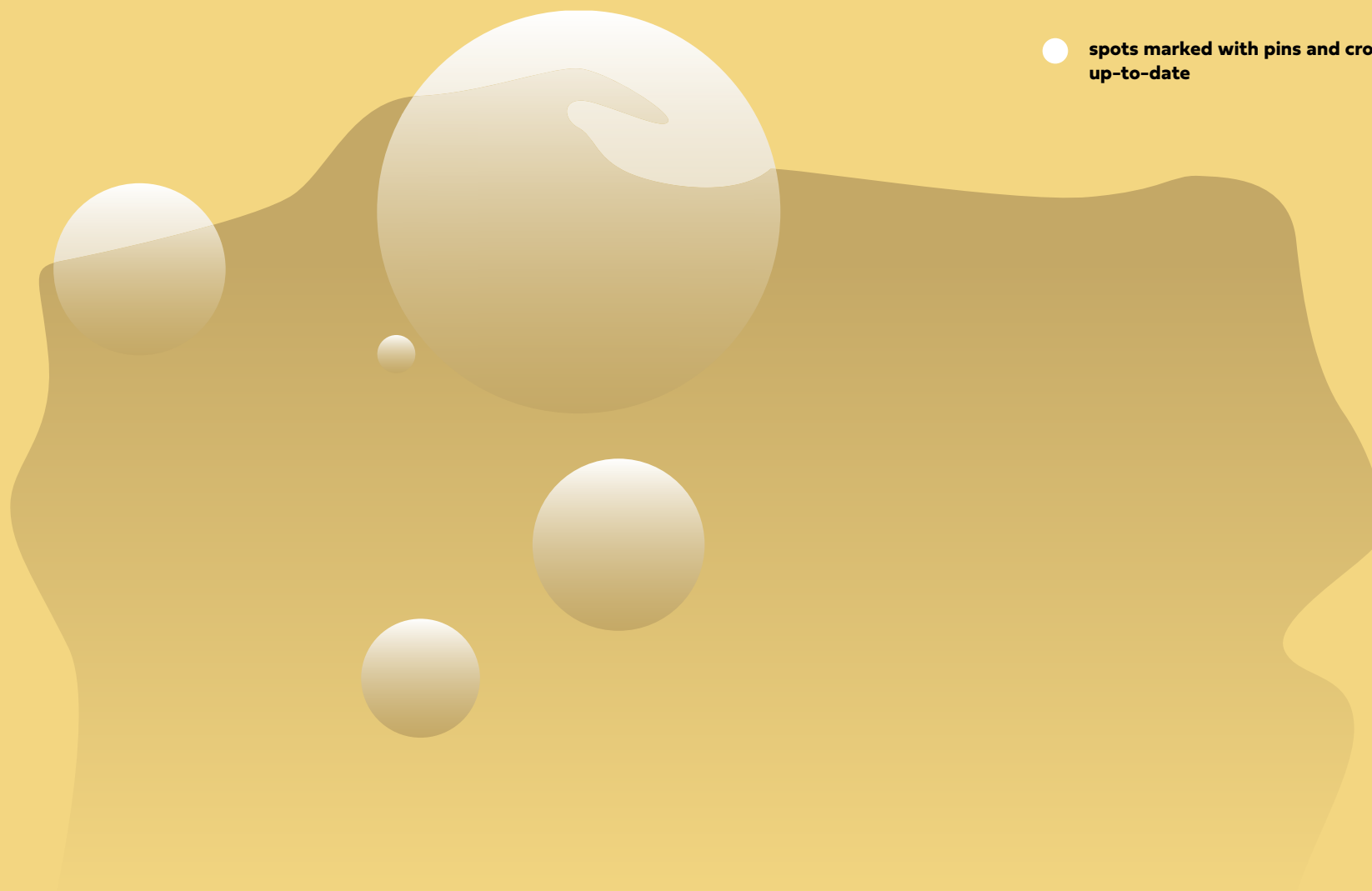
In 2021, we bought nearly 250,000 tons of potatoes for French fries, potato pancakes and potato flakes production.

## 5,000 samples

We test nearly 5,000 samples in field and storage annually.

# WHERE ARE POTATOES GROWN IN POLAND?

● spots marked with pins and crosses are all up-to-date



# POTATO



A plant originating from Peru in South America, brought to Europe in the 16th century- is now the most commonly cultivated edible crop next to corn, rice and wheat. It is present in diets in various forms throughout the world. In 1858, Julian Ursyn Niemcewicz (a Polish writer) wrote „It must be confessed that after baptism, potatoes are the greatest boon lent to people by Heaven”.

Due to its high starch content, and thus high energy value, potato can be an answer to the growing demand for food in the world. In Poland, potatoes have been invariably an important part of the diet for generations – an average Pole eats over 90 kg per year. With the selection of varieties being better and better and the cultivation technology becoming more professional, the yield per hectare has been improving year by year. Still, we cannot forget how great an impact weather has on crops. There is no denying that extended periods without any precipitation followed by flooding and waterlogging have been a very frequent occurrence in recent years.

# POTATO PRODUCTION VOLUME FOR FFP SA.

Year	Number of contracted suppliers	Net tons of potatoes supplied to our plant
2019*	106	241 777
2020	105	236 136
2021	106	249 893

\* Our data collection system changed in 2019, thus information for 2017-2018 is not given

**Being an industry leader has numerous meanings.** We buy and process potatoes in large volumes. We also have our own farm with modern machinery, which, combined with the latest production methods, allows us to use the machines to their maximum capacity. Being the leader is for us a combination of many qualities. First and foremost, we want to be a partner for our suppliers and, drawing on our own experience, help them produce potatoes for our Łębork-based plant. In most cases we shorten the chain to

two links, where the producer is at the same time a direct supplier of potatoes to FFP SA.

By implementing new technologies, we want to have a full control over raw material and thus ensure traceability of our French fries, potato pancakes and potato flakes from field to table. Our goal is to produce safe, healthy and tasty products that are affordable for every customer.

# PARTNERSHIP RELATIONSHIPS WITH SUPPLIERS



All potatoes supplied to our plant have been grown in Polish fields, mainly in the Middle Pomerania, Western Pomerania and partially in Warmia, Masuria and Greater Poland regions.

We buy nearly 250,000 tons of potatoes every year. We are very keen to maintain their high quality. Relationships with our suppliers encompass much more than just purchase and sale transactions. Our team of agronomists provides support to producers throughout the season. Arranged farm visits and field meetings give an opportunity for sharing knowledge and exchanging experience. We also offer assistance with the choice of best potato varieties and help obtain funds for the purchase of seed material on credit. Our ultimate goal is to ensure that 100% of our potato suppliers are Global G.A.P. certified, which guarantees production in accordance with internationally recognised standards. Currently, more than 97% of our farms are Global G.A.P. certified. Every year, we help farmers prepare for audits and organise the entire certification process.



# SUSTAINABLE AGRICULTURE TOOLS



„Tub Flow“ is our internal IT program for raw material management. It is a comprehensive and multi-module ERP tool which enables us to efficiently manage the entire flow of potatoes in FFP within a single IT system. Individual program modules are dedicated to specific areas that are important for the entire raw material supply process. Among others, the system is used by growers and agronomists to support production management, record agrochemical treatments, crop area, varieties, and to calculate yield. The program allows us to plan supplies in the short and long term and inventory the amount of potatoes in the field and in storage on an ongoing basis. It also has a laboratory module, where we keep records of raw material analyses.

Modern agriculture relies heavily on access to information and responding to risks. When decisions are made responsibly and at the right time, then the yield is satisfactory for a farmer. Our suppliers use electronic agronomic decision support systems to monitor weather conditions and pest pressure. They apply variable dosage of fertilizers and plant protection agents and their agricultural machines are equipped with GPS devices.

# RAW MATERIAL ANALYSIS

Our Raw Material Management Department performs daily raw material analyses. We inspect potatoes at all critical points throughout the production and storage chain. We take samples from the field during the vegetation period, bulk samples when potatoes are brought into storage, cyclic storage samples and samples on delivery to the plant. We examine the dry matter content and colour, assess the length of potatoes as well as the number, type and size of defects. The knowledge obtained from the laboratory analyses enables us to make effective decisions, such as the optimum time of harvest and delivery to the plant, and adequate allocation of potatoes for individual products.



# IN SEARCH OF NEW VARIETIES

Each year, as part of our variety search program, we test new varieties or families of potatoes on our experimental plots for agronomic and technological requirements as well as their suitability for processing. We recommend such potatoes to our suppliers and support them in the purchase of seed material. The entire process of testing the suitability of new varieties for potato products is a multi-stage process, which is strictly defined in the FFP internal standards or FFP client standards. We are in contact with producers of seed material. All decisions in respect of production are preceded by our own experiments and tests in the field and in the plant. It usually takes several years for a new potato variety to be approved and released for production.



# IMPLEMENTATION OF SUSTAINABLE AGRICULTURE GOALS

We are aware of the impact of agriculture on the environment, but at the same time we believe that farmers can produce high quality potatoes without negative impact on the environment by running their farms responsibly, relying on knowledge and experience, and using new technologies.

**Our integrated potato production system** encompasses all good practices applied in sustainable agriculture such as reducing the use of chemicals, protecting the soil, building biodiversity, managing resources wisely and ensuring the economic stability of the farm. We are committed to ensuring that growers are satisfied with their crops and that the food they produce is safe. The application of good agricultural practices by our suppliers is Global G.A.P. certified every year. Relevant audits are carried out by an independent company. We attach great importance to ensuring that potato producers obtain the certification by the second year of cooperation with us at the latest. To that end, we help them bring their processes in compliance with the requirements of the standard and perform an internal producer assessment already in the first year of our cooperation. Our partnership with SAI Platform

and the Association of Sustainable Agriculture in Poland (ASAP) means that we insist that farmers obtain Farm Sustainability Assessment (FSA) certification. It enables food companies like ourselves to independently assess and monitor the sustainability of the farms that make up their supply chains. The standard is designed as a simple set of questions and addresses farming practices, environmental impact, financial stability, and employee well-being.

**Our goal for 2022 is to purchase at least 50% of our raw material from farms that can boast the gold level of FSA certification.**

# ACHIEVING THE GOALS OF SUSTAINABLE AGRICULTURE

	2019	2020	2021	goal for 2022
<b>Number of Global G.A.P. certified contracted farms</b>	95%	95,5%	97,5%	100%
<b>Number of contracted farms subject to internal assessment according to the Global G.A.P. check list</b>	100%	100%	100%	100%
<b>Amount of potatoes coming from farms certified in accordance with FSA Gold standard</b>	3%	38%	23%	50%
<b>Monitoring GHG emissions by largest producers</b>	40%	40%	25%	50%

## GOOD PRACTICES



Soil is a living thing, and its fertility depends on nutrient abundance, water holding capacity and biological activity. The improvement of soil structure is a long-term process and needs to be continued season by season. The farmers we work with cultivate nearly 7,000 ha of fields for us. Agronomic treatments that ensure good yields and reduce pests and weeds are a must for them. In order not to cause soil erosion and deteriorate soil properties, they usually choose to rotate crops in four-year cycles, with ploughing treatments for cereals being reduced, sowing catch crop-mainly oil radish. The positive effects of catch crops also include suppressing weed growth, improving soil structure and reducing transpiration of water from the soil as well as enriching the soil with organic matter before the next crop. Leaving crop residues (e.g. cereal straw) in the field increases soil organic carbon content. Wide tramlines and the number of passes reduced to the minimum as well as lower tire pressure are used to maintain the soil structure and prevent it from becoming compacted.

# SHARING KNOWLEDGE AND WORKING TOWARDS SUSTAINABLE AGRICULTURE

We are farmers ourselves. Our sister company FFP Dwa in Bobrowniki is a farm which has 2,500 ha, with the area of 800 ha intended for growing potatoes for processing, and partly for seed material. This is the farm where we test new potato varieties and introduce modern technologies, which we subsequently recommend to the producers cooperating with us. Our Bobrowniki farm is proud to be one of the six European McDonald's Flagship Farms. It is a model farm. Potatoes grown there are processed into French fries and served in McDonald's restaurants in 11 European countries.

In 2014, together with a group of a few large companies from the entire food production chain, we established the Association for Sustainable Agriculture in Poland – the ASAP. It deals with transferring the best agricultural practices to the Polish market through educational activities and cooperation with specialists in different fields. The Association promotes the ideas of sustainable agriculture. With input from its members, it has prepared the ASAP Guide to Sustainable Agriculture, available online. The soil and water management, biodiversity, plant protection, waste management as well as how to ensure the financial stability and effective management of a farm are just a few topics covered by lessons available online.

**A competition for the best diploma thesis on sustainable agriculture is yet another initiative launched by the ASAP in cooperation with, among others, Farm Frites Poland S.A. over the past two years. In addition to financial rewards paid to them, the winners are also offered an opportunity to visit our plant in Lębork and the 2,500-hectare farm in Bobrowniki.**

Last year, experts from the ASAP and Accenture, a research firm, jointly examined the farm-to-table supply chain, paying particular attention to the prospects for market development for sustainable and environmentally friendly food. The outcome was the Sustainable Food in Poland report, published in June 2021. As it turns out, 75 percent of the people surveyed are interested in buying products from sustainable farming and willing to pay even 25 percent more for the same. It seems to be a chance for the development of the market, which has been a niche market so far.



Rolnictwo  
Zrównoważone

# SHARING KNOWLEDGE AND WORKING TOWARDS SUSTAINABLE AGRICULTURE

Sustainable Agriculture Initiative (SAI) Platform is another initiative and Farm Frites is proud to be a member of it. The association has been promoting sustainability in agricultural production worldwide since 2002. It creates tools and procedures to measure and monitor the sustainability level in agriculture. It is the originator and owner of the Farm Sustainability Assessment (FSA) international standard. The certificate is awarded to agricultural producers who meet all supply chain sustainability standards, on the basis of a third-party audit. This includes both the agricultural and economic aspects of the business and being a responsible employer who cares about its employees. We are an active member of the SAI Platform and benefit from the training provided by it.





05



---

# RESPONSIBLE EMPLOYER



# RESPONSIBLE EMPLOYER

The world has undoubtedly accelerated and evolved in recent years. The reality in which we live and work entails a continuous change and the need for ongoing development. In the world full of unlimited possibilities and, at the same time, uncertainty as to what the next day can bring, we look for a place that will give us a sense of security and stability while allowing us to spread our wings and motivating to act. Can a workplace be such a place? We truly believe that it can and it is in this spirit that we shape the culture of our organisation.

We have been redefining the role of employer as we are confident that openness to change gives us an opportunity to develop in a sustainable way. What this means is work environment that fosters adaptation to new expectations, balance and employee well-being. At the same time, we appreciate and are proud that the solid foundation for positive changes is many years' experience of our employees.

## Ready for challenges

One of the key objectives of our Company resulting from the strategy for the coming years is to ensure operational and management continuity. In order to achieve this goal, we have established the Development Academy which is to support leaders and managers in the development of their leadership skills, strengthen their self-awareness, and, last but not least, build a team with a cooperative attitude.

### We pursue the goal through:

1. Changing attitudes and established habits in the face of process management,
2. Providing support in efficient process management,
3. Building up employee engagement,
4. Enhancing managerial competencies.

# RESPONSIBLE EMPLOYER

In the face of new challenges which we take on and market trends we want to follow, we are aware that competent staff in managerial positions are the most important resource contributing to the company mission being accomplished. Therefore, we always find time for actions fostering their professional development, which undoubtedly is, and will be in the coming years, a factor determining their loyalty. Each of the leaders concerned sets the limits of their potential by their involvement level, effort put in, and ability to achieve goals, but

it is the Board to show them the way they are to follow in order to pursue the Company's strategy. We realise that in order for employees to be engaged in their work, their values and aspirations must be similar to those of the Company they work for.

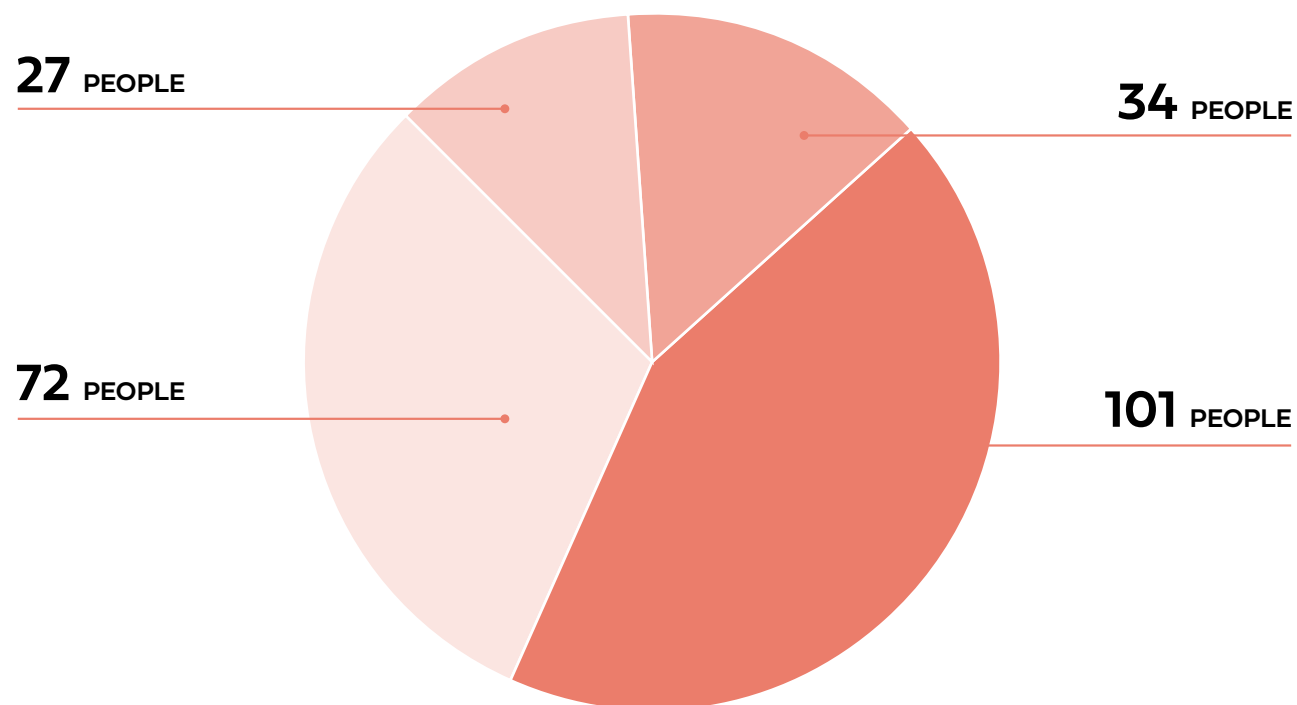
## FFP SA –234 employees on the payroll

### Employment structure (as at 31.12.2021):

length on service	less than 5 years	6-10 years	11-15 years	16-25 years	more than 25 years	total
number of women	14	4	4	8	10	40
number of men	53	33	24	48	36	194
<b>total</b>	<b>67</b>	<b>37</b>	<b>28</b>	<b>56</b>	<b>46</b>	<b>234</b>



## Age structure for people in the bands – men and women



age	More than 55 years of age	46-55 years of age	31-45 years of age	Less than 30 years of age	total
number of women	4	15	16	5	40
number of men	23	57	85	29	194
total	27 people	72 people	101 people	34 people	234

# WIELOPOKOLENIOWOŚĆ ZESPOŁU FFP

We are proud and appreciate that so many employees have been with our Company throughout their careers. As an employer, we are faced with the challenge of managing a multi-generational team ranging from Baby Boomers to X, Y, and Z generations who have recently entered the labour market. We know that a multi-generational team is a problem on the surface only. Matching different habits and skills is above all a great opportunity for an entrepreneur to build an exceptional team where innovation, creativity, open-mindedness and original thinking mix with professionalism and many years of experience. **The most important thing here is that the team members can learn from one another.**

# SUPPORTING EMPLOYEE DEVELOPMENT

**THE LEADERSHIP ACADEMY** – its task is not only to support teams, leaders and managers, but also to give feedback on how consistent the essential elements of organisational culture are for each party. It is important for us to shape and maintain the work environment that encourages professionalism. Principles which are consistent with the values and strategy of the organisation as well as with the values of each employee as an individual are important in this aspect.

The Leadership Academy workshops are not all theory. They mainly involve exercises, sharing knowledge and good practices. Workshop participants had diagnostic tests conducted so they could learn about their motivators, behavioural styles as well as personality and management profiles.

**TEAM OF INTERNAL TRAINERS** – involved in implementing the Leadership Academy program, are people with many years of experience in our organisation, who have been conducting internal trainings for years. For the purposes of the Leadership Academy, the internal trainers have been trained and prepared to build educational content, develop workshop curricula, and deliver employee development trainings and workshops and thus support their colleagues with their talent, knowledge, and skills during case-based learning.

Between 2019 and 2021, we delivered several hundred hours of training and workshops for managers at every level of the organisation. We could observe the effects of this work in the crisis situation that came with the Covid-19 pandemic.

## How did we benefit from the Leadership Academy?

- **shortened decision-making time in operational process,**
- **increased ability to deliver feedback,**
- **increased ability to analyse data and better reporting skills,**
- **increased ability to communicate difficult information,**
- **increased awareness of impact on processes at work and of decision-making in respect of these processes,**
- **greater interest in the values, vision, mission and implementation of the Company strategy,**
- **increased awareness of the role of emotional intelligence in team management,**
- **positive feedback from subordinates regarding the attitude of the superior who participated in the Academy trainings.**

 *Trener wewnątrz*

# SUPPORTING EMPLOYEE DEVELOPMENT

**E-LEARNING** – is one of the forms of training that we implemented in our organisation in 2017 and we continue it to date. This form, intended for complementary and refresher training, gives us an opportunity to reach more trainees in a shorter time. The training content that we convey to our employees in this way relates to the Integrated Management System, Company policies, Production Hygiene and Safety and Environmental Protection. The trainings are repeated regularly, which allows us to raise the employee awareness in the aforesaid areas and thus maintain the highest standards of production and sustainable development.

**SUBSIDISING VARIOUS FORMS OF EMPLOYEE EDUCATION** is yet another way in which we support ambitious people who contribute to the development culture of our organisation. Trainings, conferences, programmes of study, foreign language learning, coaching – this is the education through which our employees can develop and realize their skills and ambitions, which we have been invariably encouraging and financing for years.



**Fringe benefits, which we have been providing for our employees for years and intend to continue in the coming years:**

- **Private medical care with an option to buy a package for family members at a good price**
- **Screening breast ultrasound/ mammography for ladies and urology tests for men**
- **Additional accident insurance with an option to extend the insurance cover at a good price**
- **Subsidised sporting club/gym cards**
- **Subsidised spectacles for each employee**
- **Employee Pensions Scheme**
- **Christmas/Easter gift cards for employees and retirees**
- **Presents for employees' children for Children's Day**
- **Department social events**
- **Company social events**
- **Aid in case of difficult personal circumstances– reliefs/aids**
- **Financial help in case of a long-term illness**
- **House renovation loans paid from the Company Social Fund**
- **Subsidised sporting activities and passions pursued by employees**
- **E-book and audiobook platform**
- **Company potato products**

# WORK DURING THE PANDEMIC

**The years 2020-2021** – were the time during which we had to rise up to an unprecedented challenge posed by the Covid-19 pandemic. We managed to get through that difficult time thanks to an all-out commitment of all our employees, who, despite their concerns and fear of losing their health, job stability or generally speaking- sense of security, were willing to come to work, thanks to which we were able to continue with production uninterruptedly and carry out our contracts. As a result, we were able to ensure financial security to all our employees. We did not reduce the headcount, nor did we change any contract to the employee's disadvantage or reduce any pay. Despite the decline in orders and uncertainty as to the stability of the market, we maintained all of our existing employee support. Having such a committed and loyal team that worked continuously throughout the pandemic, we managed to survive unchanged. Those two difficult years taught us that the commitment and mutual support is our inner strength, which makes such a unique company as Farm Frites Poland. In 2021, we developed a hybrid work model, which enables nonproduction employees to work remotely and on-site depending on the Company's capabilities and needs.

## Challenges to be Faced in the Coming Years

The pandemic and the time ahead of us offer our organisation an opportunity to redefine the most important elements determining the way how relationships with our employees are built and shaped. This is the time to create a new quality that is better adjusted to workplace challenges at present. With the new reality setting in, we are faced with serious challenges such as changing the approach to our work model, new approach to recruitment processes, employee onboarding and redefining the role of a superior.

# NEW RULES ON THE LABOR MARKET

A situation when a potential new employer tries to encourage a candidate to change his or her job is becoming more and more natural in the labour market. In order to be successful, the enticements of the job presented by the employer must be more than just financial. A distinctive organisational culture, values consistent with job candidates' values, development prospects are just a few elements that may attract and interest potential new staff members.

What candidates expect from a job nowadays differs from what we have dealt with so far. We, the recruiters, learn from them how to approach a change in a new way, be more flexible, digitalise work processes. They want to work according to the hybrid work model and even only remotely. They expect much more from their superior than they have before- clearly defined expectations, frequently delivered feedback and, last but not least, information about their developmental paths. Specialists can often do their job in the other side of the world. This shows that both candidates' attitude to their work and the work model itself are changing. The hybrid work model is a good solution for both parties.

The role of managers, their mindfulness and a multidimensional approach to problems related to the building of organisational culture, company identity and team integration, is immense. Nowadays, job candidates and employees want to have a work-life balance guaranteed. Thus, it is the employer's role to create the working environment that will ensure the balance to them. Our organisation also has to meet the challenge and we are ready to take it up.



# EMPLOYEE SATISFACTION SURVEY

We conduct employee satisfaction surveys regularly, once every 2-3 years on average. Thanks to the information obtained we know what the Company does well and what can still be done better. In 2017 and 2021, we took part in an employee engagement survey carried out by an external firm on behalf of one of our shareholders- Farm Frites. Aside from our Company, the survey also encompassed other European Farm Frites plants and sales offices. The survey enabled us to find out our employees' opinions about such areas as: my job, my workplace, workload and working conditions in my position, my team, my superior, my organisation, my future. In addition, the survey helped us see where we are amongst other Farm Frites Group branches. Having known the 2021 survey results for individual departments, the heads of the departments presented the results in their respective areas. The next step was choosing, in collaboration with the employees, 2-3 areas to be maintained and 2-3 areas to be improved, and planning supporting actions to that end. In 2022, we are planning to verify whether, and to what extent, the plan developed by the heads of the departments is being implemented or whether any support is needed, e.g. from HR Department.

Survey	2017	2021
<b>Participation</b> (%)	51,9	72,9
<b>Job satisfaction</b> (punctuation 1-10)	7,4	7,4
<b>Sense of purpose at work</b> (punctuation 1-10)	8,3	8,1
<b>Team cooperation</b> (punctuation 1-10)	8,7	8,1



06



---

# SAFE WORKPLACE



# WE CREATE WORKPLACE SAFETY

**„Safety First” is not just a slogan. It carries procedures, ways of conducting meetings and carrying out work in FFP SA as well.** The question of workplace health and safety has been growing in importance for years, with the employees and staff members responsible for these areas becoming more aware of potential risks and hazards and their possible consequences. Thanks to the cooperation and commitment on part of our employees we can work together towards a safe and friendly workplace environment.

An efficient occupational health and safety management system relies on information and suggestions from employees to a large extent. One of the major goals in the past few years was to motivate our employees and line managers to be more involved. Thanks to the employee commitment and joint actions we smoothly switched from ISO18001 to ISO45001 in 2020, which was attested by relevant certification.

# WE CREATE WORKPLACE SAFETY

**DOCUMENTATION** – Shared network resources that are available to every employee make it possible to view required documentation at any time. A virtual location with archived and current health and safety documents includes information on risk assessments, safety data sheets, current work environment assessments, and many other essential documents.

**INSPECTION ROUNDS AND REPORTS** – Rounds to inspect workstations take place regularly and are conducted by OHS services, a group of internal auditors, but also by each of our employees. Any identified irregularities, but also positive observations are reported in different forms depending on the nature of observations made. A relevant presentation is prepared for each period and presented to the Company management.

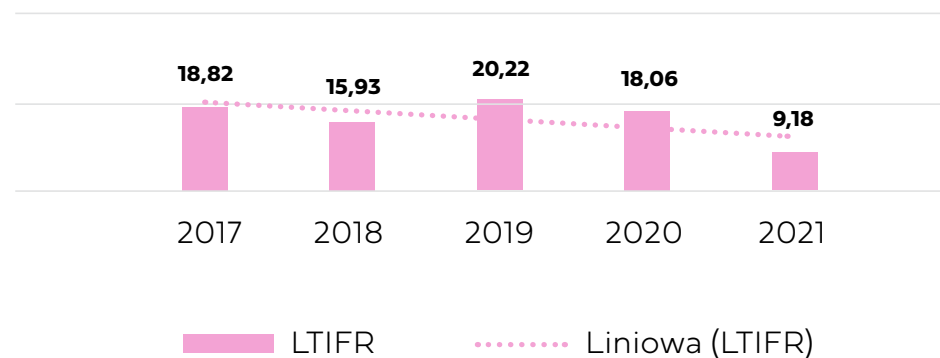
**TRAININGS** – Awareness and knowledge are part of the foundation of workplace safety. Theoretical and practical trainings taking into account FFP SA specific working conditions and hazards have been devised and are conducted. First-aid response training courses in the form of simulated situations are to develop skills required in emergencies. Using fire extinguishing agents in practice during our fire fighting trainings is often the first time an employee has ever had contact with an extinguisher. Additional trainings, e.g. in markings used on the packaging of chemical substances and mixtures, labels on protective gloves or goggles, improve employee awareness and broadens their knowledge.



# OHS STATUS ASSESSMENT

In our daily work we use a tool called SOS-OHS, which allows us to report remotely incidents and events related to technical, behavioural and organisational safety. Most of reported problems are resolved immediately or within a few days, which means that the risk is eliminated and the LTIFR (the Lost Time Injury Frequency Rate) is reduced as a result.

LTIFR 2017-2021 level



**LTIFR** definition: Lost Time Injury Frequency Rate

$$\text{LTIFR} = \frac{\text{Number of accidents}}{\text{Ilość roboczogodzin w roku}} \times 1\,000\,000$$

# CHALLENGES AND GOALS



The analysis of accidents and hazardous situations in recent years has shown us the direction we need to follow to create safer working conditions. The production environment is a specific place where some solutions are difficult to implement due to product safety. The main cause of accidents in recent years has been all kinds of slippery surfaces. Therefore, one of the overriding objectives was to identify these places and reduce potential incidents in these areas. Thanks to the time spent on the analyses, meetings with employees and testing technical solutions we have managed to reduce the number of accidents in key areas. We continue to test and look for the best safety solutions and focus on developing employee awareness.

Numerous meetings, talks, listening to suggestions from employees have helped us in our joint attempts to create a safer workplace. In the coming years, we are going to be more focused on the behavioural aspect, taking a closer look at people's conduct and behaviours in everyday work.

# GOOD PRACTICES



Communication and reporting possibilities are increasing with the development of technology. The SOS-OHS application was developed to meet our Company's needs and is intended to facilitate and accelerate communication and reporting of near misses and accidents. The tool is available on any company computer so that each employee can use it whenever necessary. The FFP SA premises have been divided into smaller areas with hosts assigned to each such area, thus making efficient action and response possible. Once a hazard is identified, e.g. mechanical damage in a machine, an employee reports his/her observations and sends them to the system. The information is received by the respective area host and the OHS Department. The area host is responsible for the elimination of the notified hazard. If solution is beyond the capabilities of the area host, he or she may seek assistance from the technical department or his or her supervisor. At each stage of the process, the informant gets email updates on the reported observation. Feedback is a very important element of the system, which is an additional factor motivating employees to be active. The observation report helps identify areas for improvement, while the SOS-OHS tool itself contributes significantly to the improvement of workplace safety and expedites the resolution of a problem so notified.



07 ✨

---

# COMMUNITY INVOLVEMENT AND LOCAL COMMUNITY DEVELOPMENT





# COMMUNITY INVOLVEMENT AND LOCAL COMMUNITY DEVELOPMENT

We have been involved in local community issues from the beginnings of our Company. We want our employees and the local community to perceive us as a socially responsible company and the leader of community involvement. We pursue this goal through open communication and engagement in activities that can bring about positive changes in the environment and are supported in our efforts by employee volunteering. The ideas translate into concrete actions. Some of these actions are on a one-off basis, but in order to respond to local community needs better, we usually act in the long term.

## Bringing about Positive Changes in the Environment

Our community involvement is greatest in the areas of sport, health and prophylactic health-care and also embodied in our support for important social initiatives. In 2021, we allocated 6% of our profit for that purpose.

# HEALTH AND PROPHYLAXIS

**Screening tests in the Ronald McDonald Foundation ambulance**, the health of the youngest residents of our region is very important to us. Thanks to our cooperation with the Ronald McDonald Foundation we know more about prophylactic healthcare programs, such as "NO to Cancer in Children".

On our own initiative, and in cooperation with local authorities, the Foundation ambulance has already visited Łębork four times: in 2014, 2016, 2018 and 2021 (due to the pandemic, the screening tests scheduled originally for 2020 were carried out in 2021).

The examinations performed in the ambulance are comprehensive ultrasound scans for children aged 9 months to 6 years. Thanks to an ultrasound scans, which is free of charge and no referral from a doctor is required, different threats to a child's health can be detected at an early stage.

**About 800 children were tested during the four events altogether.**



# HEALTH AND PROPHYLAXIS

**BE FIT AND HEALTHY WITH US** – We carried out the project in cooperation with the county authorities in 2018, 2019, 2020. The purpose of the project was to motivate local residents to get off the sofa and start moving. The aim was to compete and collect 100 thousand kilometres in the Endomondo app by walking, running and/or cycling. Once the goal was attained, our Company subsidised the purchase of equipment to help people with disabilities improve their mobility. Lots of people living in Lębork county took part in the event every year, breaking records of collected kilometres and setting new ones.



**POWIAT LĘBORSKI**  
**Z NAMI ZDROWO I SPORTOWO**

**endomondo**  
z nami zdrowo i sportowo

**PARTNER AKCJI**  
ffp farm frites poland 25 lat

**ORGANIZATOR**  
Powiat Lęborski

**Nasz cel**

- Zbieramy kilometry na wspólne konto Akcji
- Łącznie planujemy przebyć co najmniej 150 tys. km
- Partner Akcji wesprze zakup windy dla osoby niepełnosprawnej
- Chodzimy, biegamy, jeździmy na rowerze
- Rywalizujemy ze sobą w każdej kategorii - kto zbierze więcej kilometrów
- Najlepsi zostaną nagrodzeni

**Bezpieczeństwo najważniejsze**

- KAŻDY uczestnik może otrzymać kamizelkę i opaskę odbłaskową z logo Akcji

**Warunki uczestnictwa**

- Akcja jest dla wszystkich chętnych mieszkańców Powiatu Lęborskiego
- Należy zainstalować aplikację ENDOMONDO na urządzeniu mobilnym
- Należy zarejestrować się w rywalizacji „Powiat Lęborski - z nami zdrowo i sportowo”

**Czas trwania i wyniki**

- Akcja trwa od 8 lutego 2019 r. do 31 lipca 2019 r.
- Najlepsze wyniki zostaną opublikowane na stronie [www.powiat-lebork.com](http://www.powiat-lebork.com) i na Facebooku Powiatu
- Rozstrzygnięcie rywalizacji i wyróżnienie najlepszych uczestników - 25 sierpnia 2019 r. podczas imprezy plenerowej „Pożegnanie Lata” (na scenie na Placu Pokoju w Lęborku)



# HEALTH AND PROPHYLAXIS

**WE SUPPORT BUILDING OF HOSPICE** – In 2016, an idea to build the first in-patient hospice in Lębork county was conceived. The project was initiated by Fundacja Lęborskie Hospicjum Stacjonarne (Lębork In-Patient Hospice Foundation, FLHS) and our Company saw that there was a need to support the building of the hospice and develop the potential of the non-governmental organisation responsible for the initiative. About 100 events have been organised so far and most of them were possible thanks to the financial and in-kind support from our Company and our employee volunteering. When we were celebrating our Company's 25th anniversary in 2019, we asked our guest to make cash donation to FLHS, instead of giving us presents. As a result, the sum of 60 thousand Polish zlotys was collected for the construction of the hospice. We were the first company to sign an agreement with FLHS on provision of regular support for its statutory purposes in 2010. The result was two full-time positions: Donor Relations Specialist and Fundraiser.. The hospice is being built now. The construction is at a shell stage now. Although the support from our Company has been considerable, it is still insufficient to complete the project. We are happy to see that residents and other business from our region join in the effort and we can build the hospice together.

**SUPPORT IN THE PANDEMIC** – In 2020 and 2021, we had to cope with economic effects of the COVID-19 pandemic, but despite the difficulties we remembered about institutions that needed support. In 2020, we supported financially Pomeranian hospitals, including Lębork Hospital. We also donated masks, gloves and disinfectants to Sanitary and Epidemiological Station, Lębork Hospital and a care and educational establishment in Lębork. We also donated 127 tons of potatoes to non-governmental organisations, hospitals and nursery schools operating in Pomeranian Voivodeship.



# WE CAN DO MORE TOGETHER

## – MOTIVATING LOCAL COMMUNITY TO ACT

**FABRYKA LOKALNYCH INNOWACJI (LOCAL INNOVATIONS FACTORY)** – a fund of PLN 25,000 allocated for actions for sustainable development, increasing involvement of residents and NGOs from the town of Lębork and the village of Nowa Wieś Lęborska in actions for the benefit of local community.

**15 applications filed, 7 grants of PLN 2,000-5,000 awarded.**

The first edition of the grant fund called Fabryka Lokalnych Inwestycji addressed to NGOs and non-associated groups from the Lębork region was in 2021. The goal was to increase involvement of residents and NGOs from the town of Lębork and the village of Nowa Wieś Lęborska in activities benefiting the local community, inspire effective actions and innovative solutions to improve the quality of life and health of local residents and actions for education, building skills for civil society and environmental protection in the region.

**The pool of funds was 25,000PLN, and the maximum grant amount was PLN 5,000. 17 applications were submitted** and the selection board, composed of representatives of our Company, NGOs and local authorities, awarded **7 grants amounting from PLN 2,000PLN to PLN 5,000.**

Dzięki grantom zostały zrealizowane następujące pomysły:

**Nowowiejska Samoobsługowa Stacja Naprawcza**  
**Lęborski Rajd Pieszy „Tropami Przyrody”**  
**Cztery trasy na każdą porę roku**  
**Ścieżka sensoryczna**  
**Energia Przekazu**  
**Zagospodarowanie ogrodu przedszkolnego**  
**Bieg charytatywny i pasta party**



**fabryka lokalnych innowacji**

**DO ZDOBYCIA GRANTY W WYSOKOŚCI DO 5.000 ZŁ**  
 NA REALIZACJĘ INICJATYWY NA TERENIE LĘBORKA LUB NOWEJ WSI LĘBORSKIEJ

**ZGŁOSZENIA DO 12 KWIEŚNIA 2021**  
 REGULAMIN I FORMULARZ ZGŁOSZENIOWY:  
[www.forumrozwoju.org.pl/fabryka-lokalnych-innowacji](http://www.forumrozwoju.org.pl/fabryka-lokalnych-innowacji)

SPONSOR FUNDUSZU

OPERATOR FUNDUSZU

# WE CAN DO MORE TOGETHER – MOTIVATING LOCAL COMMUNITY TO ACT

**FUNDUSZ INICJOWANIA ROZWOJU (FUND FOR INITIATING DEVELOPMENT) GRANT COMPETITION** – it combines activities of Pomeranian businesses, self-government and non-governmental organisations associated with the UN 2030 UN Agenda for Sustainable Development. In 2021, the 10th Forum for Initiating Development Jubilee Interindustry Conference was held by Fundacja Inicjowania Rozwoju (Foundation for Initiating Development) UP FOUNDATION. The motto of the jubilee edition was „Climate for Change. Planet. Partnership. Leadership”. The most important social and environmental issues were raised. Business, self-governments and non-governmental organisations looked for answers to the most recent problems together and topics they discussed covered, among others, challenges to be faced by modern mass media, difficulties encountered by young people who want to get involved in building environmental awareness, the role of education, science and business.

**FORUM LOKALNE 2020** – In 2020, we were the leading partner of Lębork Local Interbusiness Forum organised by Fundacja Inicjowania Rozwoju (Foundation for Initiating Development) UP FOUNDATION. The leitmotif of the forum was social responsibility during difficult times, i.e. the coronavirus pandemic, and among those present were representatives of self-government, non-governmental organisations and companies operating in the Lębork region.





# RAZEM MOŻEMY WIĘCEJ – AKTYWIZACJA SPOŁECZNOŚCI LOKALNEJ

## Preventing Exclusion

**VEHICLE OF INDEPENDENCE** – This is an original program devised by Robinson Crusoe Foundation. It is implemented for the benefit of young people, aged 16-24 years, who are, or were, in foster care. Its goal is to develop competences necessary to live on one's own after leaving foster care.

The project has been implemented by Regionalne Centrum Młodzieży in Łębork (Łębork Regional Youth Centre) with the support from our Company since 2016.

The first edition was carried out in 2016-2017 (30 participants), and the next editions were in 2017-2018 (20), and 2018-2020 (20). The current (fourth) edition, with 12 young people participating, started in November 2021 and will be completed in June 2023. Once every two weeks, there are meetings between the young people and their consultants. One of the consultants is an employee of our Company, who is duly trained and has been a coach in this project since its first edition. During the meetings, the attendees learn new competencies and develop skills they already have. The project workshops concern law in becoming independent, communication, relations, resourcefulness, career and finding a job, healthy life style, skills necessary for instrumental activities of daily living.

### **FUNDACJA INSPIRUJĄCE PRZYKŁADY (INSPIRING EXAMPLES FOUNDATION)**

– In 2019, we started our cooperation with Fundacja Inspirujące Przykłady (Inspiring Examples Foundation), which acts as a bridge between schools and companies and shows young people who are about to make serious life decisions what entrepreneurship is and what the labour market looks like. Some secondary school students from Tri-city were our guests that year. Maybe they will join our Company and be our employees in a few or ten or more years.

In 2020, we joined Akademia Alkantara (Alkantara Academy), which is a scholarship program for the most talented students of the last year of secondary schools and offers young people not only education but also provides them with an opportunity to



undertake work placements or commence employment. Our Company sponsors a scholarship for one Alkantara Academy participant who comes from the Łębork region.

**WSPARCIE DLA DOMÓW FUNDACJI RONALDA MCDONALDA W KRAKOWIE I W WARSZAWIE** – FFPSA przekazuje środki finansowe na budowę i utrzymanie Domów Ronald McDonalda w Polsce. Krakowski Dom został otwarty w 2015 roku, a warszawski w 2021 roku. Obydwa domy to wyjątkowe miejsca, gdzie bezpłatnie mogą zamieszkać rodzice chorych dzieci z całej Polski, leczonych na oddziałach pobliskich szpitali.

# CHARITY

**IN-KIND DONATIONS** – we donate tons of our French fries, potato pancakes and potato flakes to foundations from all over Poland, local schools, nursery schools and parishes every year.

<b>2017</b>	39 000 kg
<b>2018</b>	31 400 kg
<b>2019</b>	26 300 kg
<b>2020</b>	50 000 kg
<b>2021</b>	40 700 kg

**CHRISTMAS PRESENT** – we have been actively engaged and cooperating with the Municipal Social Services Centre in Łębork in the organisation of „Christmas Present” annual event during Christmas season since 2009. So far, we have helped more that 20 families from Łębork and localities near Łębork giving them food, clothes, detergents, household equipment, fuel, firewood paid for partially by our Company and partially by our employees from their private funds.



# EMPLOYEE VOLUNTEERING

**The number of volunteers in Farm Frites Poland is growing every year. As a result, we succeed in implementing more initiatives important for our community. There are about 20 people in our volunteer group currently.**

**CAP FROM THE HEART** – our volunteers involved in this project crocheted colourful caps, which were then sold on the Ronald McDonald Foundation charity auctions.

**RUN FOR DOGS** – this is an event organised by OTOZ Animals Shelter in Dąbrówka. Our volunteers are always very happy to take part in it and willing to take the dogs living their for long walks.

**BATHROOM FOR SYLWIA'S FAMILY** – in 2019, with the help of our Company volunteers and local entrepreneurs, we renovated and fitted out a bathroom for Sylwia- a single mother raising four children.

**BUILDING A HOSPICE** – all year round, our volunteers support the building of the first in-patient hospice in Łębork county by collecting money and frying and selling French fries during fundraising events, the proceeds of which are paid into the hospice account.

**VOLUNTEERING IN THE RONALD MCDONALD FOUNDATION AMBULANCE** – our employees help carry out screening tests each time the Ronald McDonald Foundation ambulance comes to Łębork. They assist at the ambulance reception desk and help doctors during ultrasound scans.

**By organising such events, we show our employees that selfless help can be invaluable support for the beneficiary and a source of great satisfaction for the volunteer helper.**





8



---

# CARING FOR ENVIRONMENT





# CARING FOR ENVIRONMENT

We are a part of the nature that surrounds us. Therefore, air pollution, improper waste management, noise and climate changes have negative effects on our health and well-being. Poland has been notorious for its air pollution being often well above acceptable levels for years now. To change that, responsible companies introduce sustainable management, an element of which is the ESG.

The ESG, i.e. Environmental, Social and Corporate Governance, defines actions taken by companies from the point of view of the impact they can have on environmental protection (E), taking care of society (S) and corporate governance (G). Environmental protection actions refer in particular to such issues as outlays made for environmental protection, reduction of waste, cutting pollution and CO2 emission levels and energy consumption.

# OUR APPROACH TO ENVIRONMENTAL ISSUES

**We believe strongly in the long-term effect of our activities as a prerequisite for joint action towards gradual reduction of our carbon footprint and thereby stopping negative climate changes. Our company respects the provisions of the Paris Agreement and the UN Global Sustainable Development Goals. In addition, we support the EU's long-term goal of achieving climate neutrality by 2050.**

The FFP SA Environmental Management System is organised in accordance with ISO 14001:2015 international standard. The ISO system was implemented in 2001. The current certificate was issued in May 2020 by Lloyd's Register Quality Assurance and is valid through May 2023.

The most recent review of our Environmental Management System showed that our priorities in this area have not changed significantly. Presented below are the most important and most difficult issues which we describe in more detail further in this chapter:

- **energy consumption**
- **share of renewable energy**
- **emissions to the atmosphere**
- **water consumption**

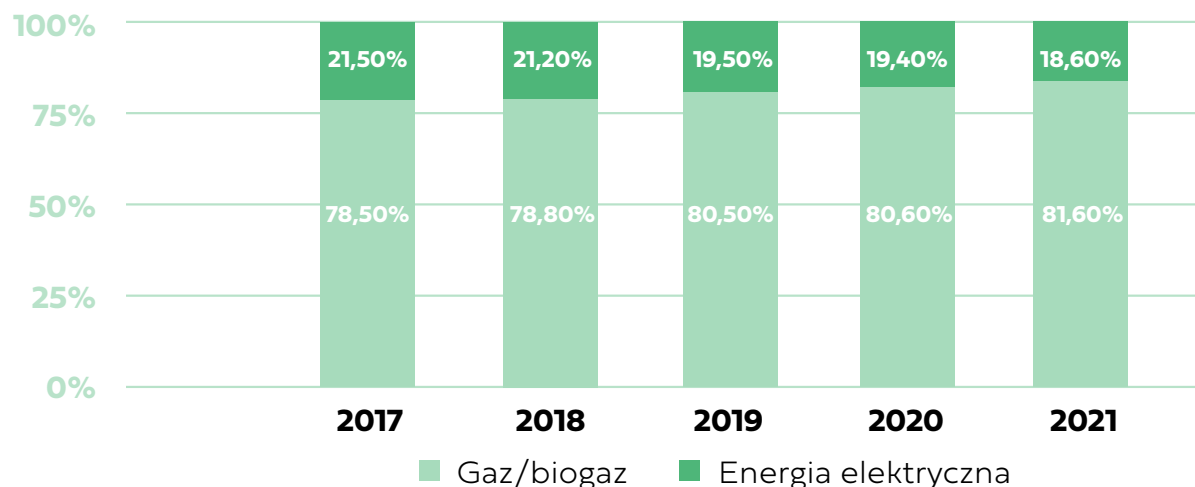


# ENERGY CONSUMPTION

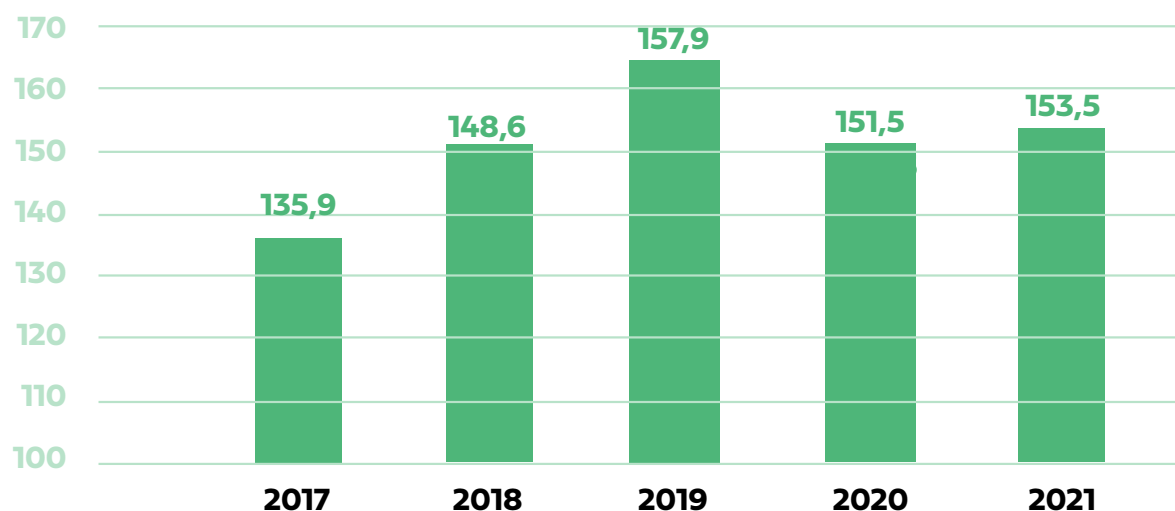
The volume of produced goods was growing gradually between 2017 and 2019, which translated into an increase in the total energy consumption. In 2020, there were periods when the production was stopped completely due to the Covid pandemic, hence the drop in the total energy consumption. In 2021, FFP worked uninterruptedly and therefore the total energy consumption rose again, but to the level which was still below that in 2019.

The most important parameter monitored by people responsible for reducing the intensity of energy consumption of our products is the rate of specific energy consumption per one ton of finished product. Our first long-term goal to reduce the rate by minimum 5% by 2020 was set in 2012. We did succeed in achieving that long-term goal. Our current goal in this area is to reduce the rate by 5.9% at the minimum by 2025 compared to 2018 as the base year.

**The Structure of Energy Consumption in FFP SA**

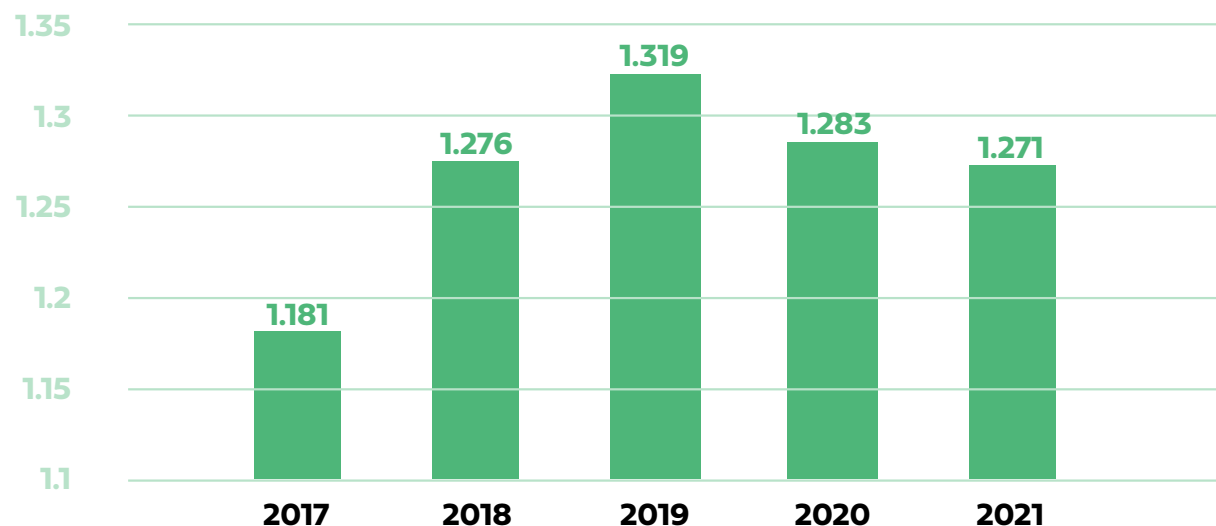


**Energy Consumption in FFP SA (GWh) in total**



# ENERGY CONSUMPTION

Jednostkowe zużycie energii elektrycznej w kWh/t



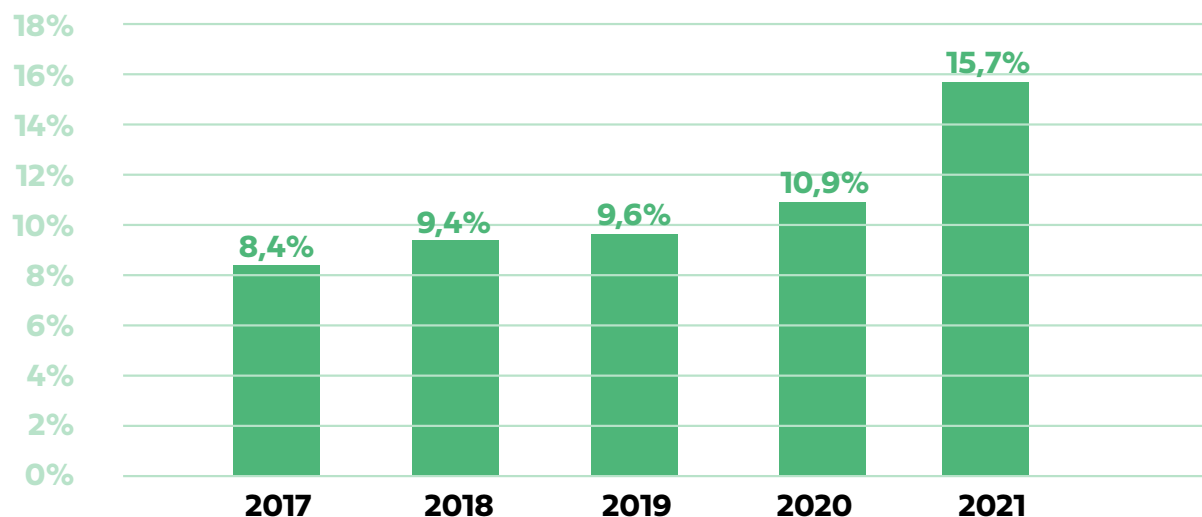
The rate increase between 2017 and 2018 was due to the commissioning of the second drum dryer in the potato flakes line. In order to produce potato flakes, three times as much energy is needed as their moisture content is 8-9%. In 2020, despite production breaks due to the pandemic, we managed to reduce the rate to the 2018 level when the new drum dryer had worked only 4 months. The rate of specific energy consumption was reduced further in 2021.

## GOOD PRACTICES

Launching of the second drum dryer in the potato flakes line enabled us to use most of raw potatoes rejected as unsuitable for the production of French fries due to their shape. Another benefit resulting from this investment is the reduction of production waste to be disposed, and thus lower GHG emissions during the transportation of potatoes or production waste.

# SHARE OF RENEWABLE ENERGY

Udział energii odnawialnej w zużyciu energii



FFP SA has been increasing the share of renewable energy in the total energy consumption for many years. The share of energy generated from renewable energy sources in the total energy consumption was 3.3 % in 2012. In our 2020 goals, we wanted to increase the rate to 10% at the minimum and we succeeded in achieving the goal. The current goal of our Company is to increase the share of renewable energy in the total energy consumption structure to the minimum of 17.5% by 2025. We intend to achieve the goal by:

- producing our own green energy,
- using electric energy generated by a solar farm with the capacity of 3.0MW which is being built opposite our plant premises,
- obtaining green certificates to confirm that energy purchased by us has been generated from renewable energy sources.

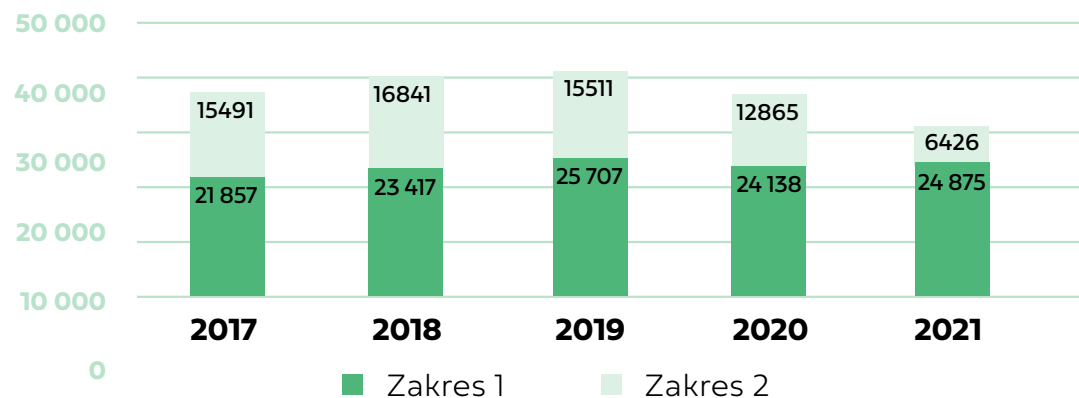
## GOOD PRACTICES

A local company is building a photovoltaic system with the capacity of 3MW opposite our plant at State Road 6. According to different sources, this is going to be the third largest solar farm in Poland. All of the generated energy will be used for the needs of our plant. We want all of the energy used for the production of our products to come from renewable energy sources and this is the FFP SA goal to be attained by 2025.

# EMISSIONS TO ATMOSPHERE

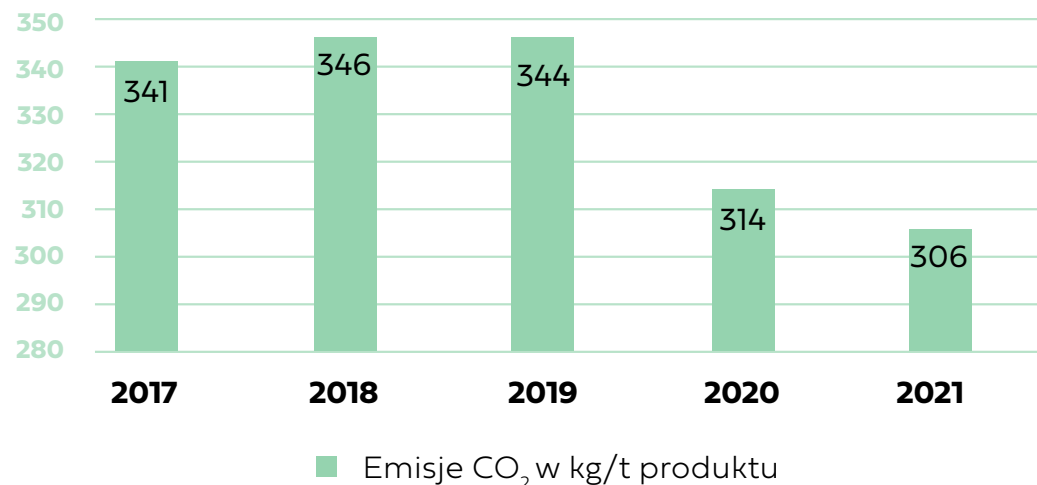
The table below shows direct GHG emissions into the atmosphere resulting from burning natural gas (Scope 1 according to GHG Protocol) and indirect emissions resulting from consuming electric energy consumption (Scope 2 according to GHG Protocol). The volume of emissions may be reduced by cutting down on energy consumption and increasing the share of renewable energy in the total energy consumption structure.

Emisje CO<sub>2</sub> zakresy 1&2 w tonach



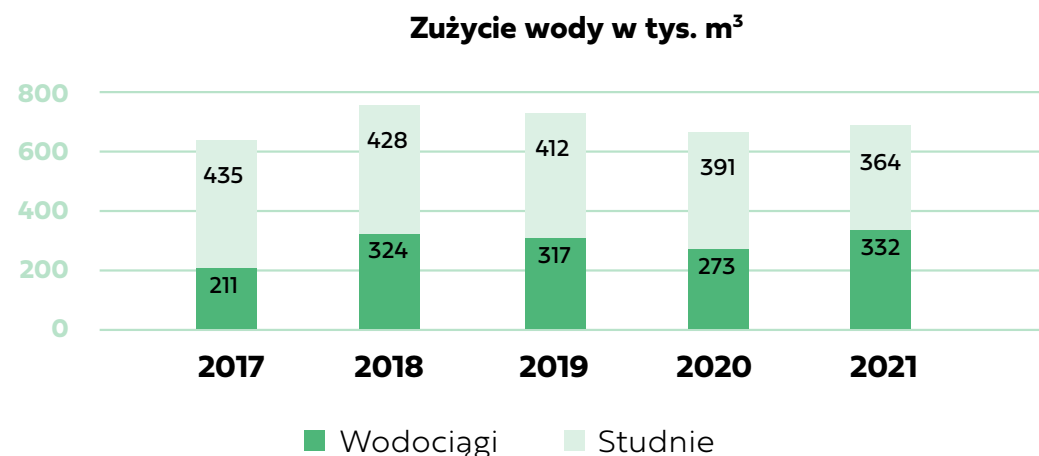
The graph below shows how the rate of specific CO2 emissions per ton of finished product evolved. The graph shows the combined direct emissions (Scope 1) from burning natural gas and the indirect emissions (Scope 2) associated with the electricity used. We have maintained a downward trend for this indicator for several years.

Emisje CO<sub>2</sub> w kg/t produktu

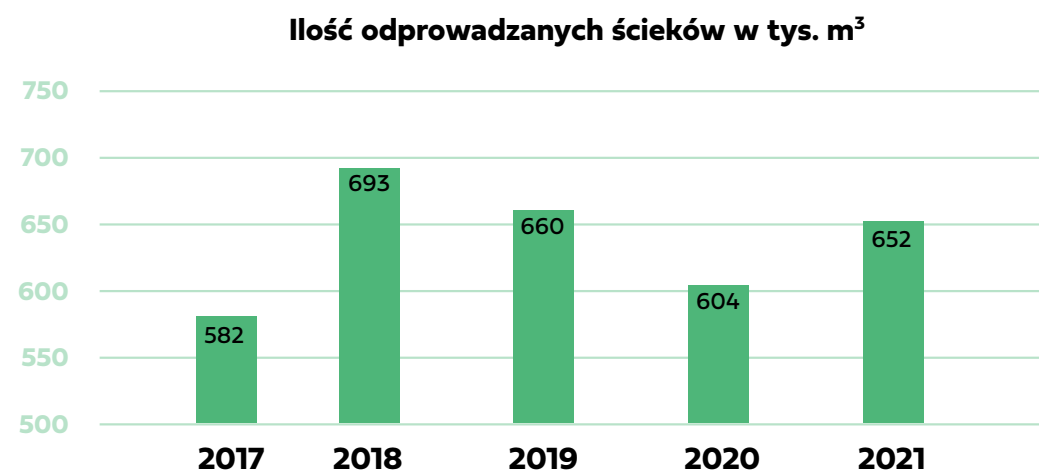


# WATER CONSUMPTION AND WATER DISCHARGE MANAGEMENT

The production of our products requires water to be used. The plant has a system in place to monitor water consumption and we take every opportunity to reuse water in other stages of the manufacturing process. We realise that the plant still has a lot to do in this area. Despite repairing leakages and sealing our water circulation system, we have not managed to reduce the per-unit water consumption to the assumed parameters. The diagram below shows the amount of water used by source.

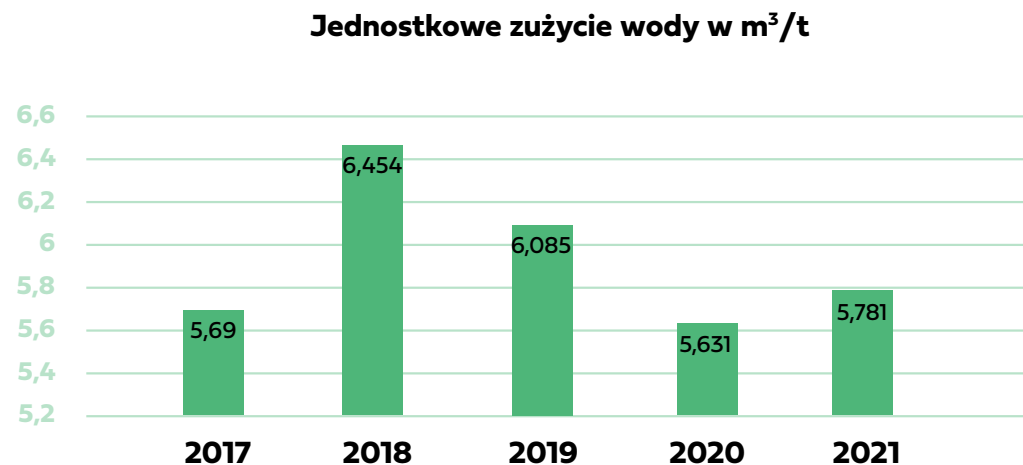


All of production wastewater is pre-treated in our wastewater pre-treatment system onsite and then discharged to Lębork Municipal Wastewater Treatment Plant under a contract signed with them. The amount of wastewater discharged is directly proportional to the amount of water drawn for the production of our products.



# ZUŻYCIE WODY I GOSPODAROWANIE ŚCIEKAMI

The amount of water used is dependent on the quality of potatoes. In some years, additional rinsing is needed because of the colour and quality of potatoes. We apply a per-unit water usage rate per ton of finished product. The indicator has been included in the list of the 2025 FFP sustainability goals. Following the years 2018-2019, during which there was a significant increase in the use of water per ton of finished product, we were successful in reducing the per-unit usage to the 2017 level in the years 2020-2021. We intend to reduce the per-unit water usage by minimum 30% in relation to the 2018 reference level by 2025. We also plan to install a wastewater pre-treatment system which will produce water meeting drinking quality standards. To this end, we intend to draw on experience of the Farm Frites plant in Lommel, where similar systems are already in use.





# METHODOLOGY AND INDICATORS

The GRI G4 disclosure standard enabled us to select the most relevant reporting aspects. The FFP team responsible for preparing the sustainability report have analysed and defined the scope of impact made by the aspects – both impact within the Company and impact on the Company's environment.

The process of defining the content of the Report was prepared with the use of GRI G4 Guidelines. One of the key elements of the process was to involve our stakeholders in the issue selection process through meetings and individual interviews with our key stakeholders, i.e. clients, employees and suppliers.

A materiality matrix was developed, which included the following:

- **a list of food industry specific topics was identified,**
- **the Company's operations and changes over the past three years were analysed,**
- **stakeholders were involved in the process of identifying key topics,**
- **a list of issues particularly important for the Company was drawn up.**

Aspect of Sustainable Development Reporting	Aspect impact within the Company	Aspect impact outside the Company
<b>Occupational Health and Safety</b>	✓	✓
<b>Food Safety and Product Quality</b> <ul style="list-style-type: none"> <li>• Health and safety of customers</li> <li>• Product labelling</li> <li>• Relationships with suppliers</li> <li>• Risk management</li> </ul>	✓	✓
<b>Good Employment Practices and Code of Ethics</b> <ul style="list-style-type: none"> <li>• Employment</li> <li>• Employee to employee relationships</li> <li>• Employee to superior relationships</li> <li>• Code of Ethics</li> </ul>	✓	✓
<b>Education and Trainings</b>	✓	✓
<b>Effective Resource Management</b> <ul style="list-style-type: none"> <li>• Water</li> <li>• Energy</li> <li>• Waste</li> </ul>	✓	✓
<b>CO<sub>2</sub> Emission into the Atmosphere</b>	✓	✓
<b>Local Community and Social Initiatives</b>	✓	✓
<b>Maintaining Financial Potential</b> <ul style="list-style-type: none"> <li>• Economic performance</li> <li>• Key client retention</li> </ul>	✓	✓
<b>Compliance with law</b> <ul style="list-style-type: none"> <li>• Complaint mechanisms</li> </ul>	✓	✓
<b>Sustainable Agriculture</b> <ul style="list-style-type: none"> <li>• Compliance with FSA 2.0</li> </ul>	✓	✓

# METHODOLOGY AND INDICATORS

The issue materiality matrix enabled us to identify topics, which have been described in the Report:

- production of healthy and safe food
- sustainable agriculture
- the impact of the Company's operations on the environment (information about potential hazards, safeguards, monitoring of events, ways of reporting events and near misses)
- monitoring the Company's impact on the environment (water, soil, air) and making relevant indicators publicly known
- relationships and cooperation with local community - communicating the Company activity, cooperating with NGOs, charity, promoting the region
- relationships and communication with employees- good employment practices
- standards of cooperation with suppliers, supply chain
- industry ethics – code of ethical conduct, building shared standards

The process of defining the scope of the Report was based on four principles of reporting, namely **materiality, inclusion of stakeholders, sustainable development context and completeness.**

## The process was made up of three stages:

1. The analysis of sustainable development issues indicated in the GRI standard, raised by the stakeholders during dialogue sessions.
2. The selection of the most important problems pertaining to sustainable development by the management, who have discussed the key sustainable development issues for the Company and defined priorities in this respect during strategic workshops.
3. The selection of indicators to best describe the key sustainable development issues for the Company.

# GRI INDICATORS

GRI STANDARD	Information	Where in Report	Comment
<b>GRI 2: General Disclosures 2021</b>			
<b>1. Organisation and its practices</b>			
Disclosure 2-1 Organizational details	2-1a Legal name	Farm Frites Poland SA	No changes
	2-1b Nature of ownership and legal form	Private company – two Dutch shareholders – Aviko B.V. and Farm Frites International B.V.	No changes
	2-1c Headquarters	84-300 Łębork Abrahama 13 street	No changes
	2-1d Country of operation	Polska	No changes
Disclosure 2-2 Entities included in this Report	2-2a List of entities included in Report	84-300 Łębork Abrahama 13 street	
	2-2b Differences between entities included in financial reporting and those included in sustainability reporting	Not applicable	Not applicable
	2-2c Approach used for consolidating results	Not applicable – Report concerns one company	No changes
Disclosure 2-3 Reporting period, contact point for queries	2-3a Reporting period	1 January 2017 – 31 December 2021. Chapter „About this Report”	FFP SA has no obligation to publish its sustainability report
	2-3b Financial reporting period	Financial report is published annually	
	2-3c Publication date of the sustainability report	June/July 2022	
	2-3d Contact point for queries	katarzyna.majchrzak@ffp.pl, wojciech.kiedrowicz@ffp.pl	
Disclosure 2-4 Restatements of information from previous reporting periods	2-4a Restatements of information from previous reporting periods	Not applicable	
Disclosure 2-5 External assurance	2-5a External assurance, verification of details contained in the report.	No external assurance has been provided	Not applicable
<b>2. Activities and Workers</b>			
Disclosure 2-6 Activities, value chain and business relationships	2-6a Sector in which the organisation is active	Production of frozen and dry potato products	No changes
	2-6b Description of supply chain	Supply chain model	
	2-6c Other business relationships	Not applicable	
	2-6d Significant changes compared to the previous report	There were no significant changes	
Disclosure 2-7 Employees	2-7a Total number of employees	Chapter “Responsible Employer”	
	2-7b Total number, and a breakdown by I. gender II. age group III. length of service	Chapter “Responsible Employer”	

# GRI INDICATORS

GRI STANDARD	Information	Where in Report	Comment
<b>3. Governance</b>			
Disclosure 2-9 Company's Board	2-9a Governance structure – Company's management	Chapter „About us – Management”	
<b>4. Business strategy, policies and practices</b>			
Disclosure 2-22 Statement from the Company's President	2-22a Statement from the Company's President	Strategic Message	
Disclosure 2-28 Mem- bership associations	2-28a Industry membership associations	Rozdział „O nas – Członkostwo w organi- zacjach”	
<b>5. Stakeholder Engagement</b>			
Disclosure 2-29 Approach to stakeholder engagement	2-29a Approach to stakeholder engagement	Chapter „About us -Membership of Or- ganisations”	

GRI STANDARD	Information	Where in Report	Comment
<b>GRI 3: Specific issues 2021</b>			
Disclosure 3-1 Process of determining key reporting topics	3-1a Process of selecting reporting aspects	Chapter “Methodology and Indicators”	
	3-1b Key stakeholders	Chapter „Our Business Model – Our Stakeholders”	
Disclosure 3-2 Most significant aspects	3-2a List of key reporting aspects	Chapter “Methodology and Indicators”	

Sustainability Chapters			
GRI STANDARD	Information	Where in Report	Comment
<b>GRI 302: Energy</b>			
Disclosure 302-1 Total energy consumption		Chapter „Caring for Environment”	
Disclosure 302-3 Energy intensity		Chapter „Caring for Environment”	

# GRI INDICATORS

GRI STANDARD	Information	Where in Report	Comment
<b>GRI 305: Emisje</b>			
Disclosure 305-1 Direct (Scope 1) GHG emissions		Chapter „Caring for Environment”	
Disclosure 305-2 Indirect (Scope 2) GHG emissions		Chapter „Caring for Environment”	
Disclosure 305-4 GHG emissions intensity		Chapter „Caring for Environment”	

<b>Sustainable Farming</b>			
GRI STANDARD	Information	Where in Report	Comment
<b>GRI 308: Supplier Environmental Assessment</b>			
Disclosure 308-1 Supplier audits using environmental and sustainability criteria		Chapter “Sustainable Farming”	

<b>Water Management</b>			
GRI STANDARD	Information	Where in Report	Comment
<b>GRI 303: Water and Discharge Water</b>			
Disclosure 303-3 Water withdrawal by source		Chapter „Caring for Environment”	
Disclosure 303-4 Waste water discharge		Chapter „Caring for Environment”	
Disclosure 303-5 Water consumption intensity		Chapter „Caring for Environment”	

# GRI INDICATORS

Worker Health and Safety			
GRI STANDARD	Information	Where in Report	Comment
Disclosure 403-1 Approach to OHS issues		Chapter "Safe Workplace"	
Disclosure 403-9 Number of accidents and incidents		Chapter "Safe Workplace"	

Waste			
GRI STANDARD	Information	Where in Report	Comment
<b>GRI 306: Waste</b>			
Disclosure 306-2 Amount of waste generated		Chapter „Caring for Environment"	
<b>GRI 404: Trainings</b>			
Disclosure 404-1 Number of hours of training in 2021		Chapter "Responsible Employer"	
<b>GRI 405: Diversity and Equal Treatment</b>			
Disclosure 405-1 Employment structure		Chapter "Responsible Employer"	

Society: Local Communities			
GRI STANDARD	Information	Where in Report	Comment
<b>GRI 413: Local Communities</b>			
Disclosure 413-1 Local initiatives and social projects		Chapter "Community Involvement and Local Community Development"	



# ACKNOWLEDGEMENTS



The photograph of Lębork on this page printed courtesy of Lębork Town Hall Archive.

This 2017-2021 Sustainable Development Report was drawn up with active participation of Farm Frites Poland SA employees and the Company Board. We would not be able to summarise the five years of our Company's operations without their expertise, experience and wholehearted cooperation.

We would like to express our special thanks to the working group that worked on the final version of the Report:

**Małgorzata Koniuszy**  
**Katarzyna Majchrzak**  
**Alina Menżyńska**  
**Agnieszka Wiśniewska**  
**Michał Frankiewicz**  
**Wojciech Kiedrowicz**  
**Marcin Makowski**  
**Andrzej Moch**

And to the rest of our colleagues who prepared the data for the report and who made their images available for this report.

Copyrights 2022 // All rights reserved

potato processing industry



farm  
frites  
poland