

2017 Sustainability Report



la Cocinera



Nomad Foods
Europe

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About this report

This is Nomad Food Europe's first sustainability report, covering all our brands, for the year ended 2017. This report has not been externally validated but has been prepared to meet the requirements of the EU Directive on Non-Financial Reporting.

Key:



This symbol indicates policies and procedures in place



This symbol indicates the activities or initiatives we will do going forward

Introduction

A message from our CEO

Welcome to Nomad Foods Europe's first sustainability report, illustrating our approach to managing the social and environmental challenges affecting our business and stakeholders and the progress we have made in 2017.

Every day, thousands of people enjoy products from our leading brands Birds Eye, Findus, iglo, Lutosa and La Cocinera. While our brands are well-established and appreciated all over Europe, Nomad Foods Europe is in fact a young company. Since 2015, we have brought together some of the biggest frozen food brands and we have a clear ambition to remain the number one frozen player in Europe.

This includes an ambition to lead on providing responsibly sourced and produced food that is tasty and nutritious, which is integral to everything we do. We've already made some great progress – for example, our brands have worked to source our fish and seafood products using sustainable fishing practices for over 20 years, and the majority of our vegetables are

grown according to our sustainable agriculture principles. Given the high share of fish and vegetables in our portfolio, we are also in a good position to contribute to healthier and more sustainable diets, which I am immensely proud of.

“We decided to look at the impact we have as an organisation in a more holistic way and develop a more unified approach to sustainability”

Whilst we celebrate and continue to drive forward this good practice, in 2017 we also recognised that we needed to look at the impact we have as an organisation in a more holistic way and develop a more unified approach to sustainability. With this in mind, we have been working to develop a comprehensive sustainability strategy, with a better fit for the future of our business.

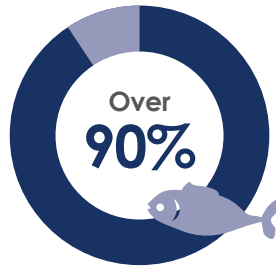
One area of increased focus is our own operations. During 2017, we initiated the work to understand the consolidated carbon footprint of all our factories for three consecutive years, and plan to use this going forward to proactively reduce our environmental impact. We're also starting to implement diversity and inclusion programmes and policies for our colleagues to reflect the diversity of our brands.

We look forward to sharing our strategy with you during 2018 and I am confident that taking the next step on our sustainability journey will contribute to our future as we continue to drive the frozen category.

Stefan Descheemaeker,
CEO



2017 sustainability highlights



of our total fish and seafood portfolio is independently certified as sustainable, primarily by the **Marine Stewardship Council (MSC)** and the **Aquaculture Stewardship Council (ASC)**



In 2017, we celebrated

20 years

of working with the MSC



of our consumer facing product portfolio is made up of **"Healthy Meal Choices"** as assessed using **our bespoke Nutrient Profiling Tool**



of products that went through our **New Product Development process** were designed or reformulated to classify as a **"Healthy Meal Choice"**



Completed our first full data mapping of Nomad Foods Europe's **carbon footprint** for the years

2015, 2016 & 2017



Launched our first **management and leadership training programme**



Published our first **sustainability report,**

which will pave the way for reporting future performance




Our business

Nomad Foods Europe (NFE) was created by bringing together some of the biggest European frozen food brands. NFE produces, markets and distributes branded frozen food products and is the leading frozen food brand producer in Europe.

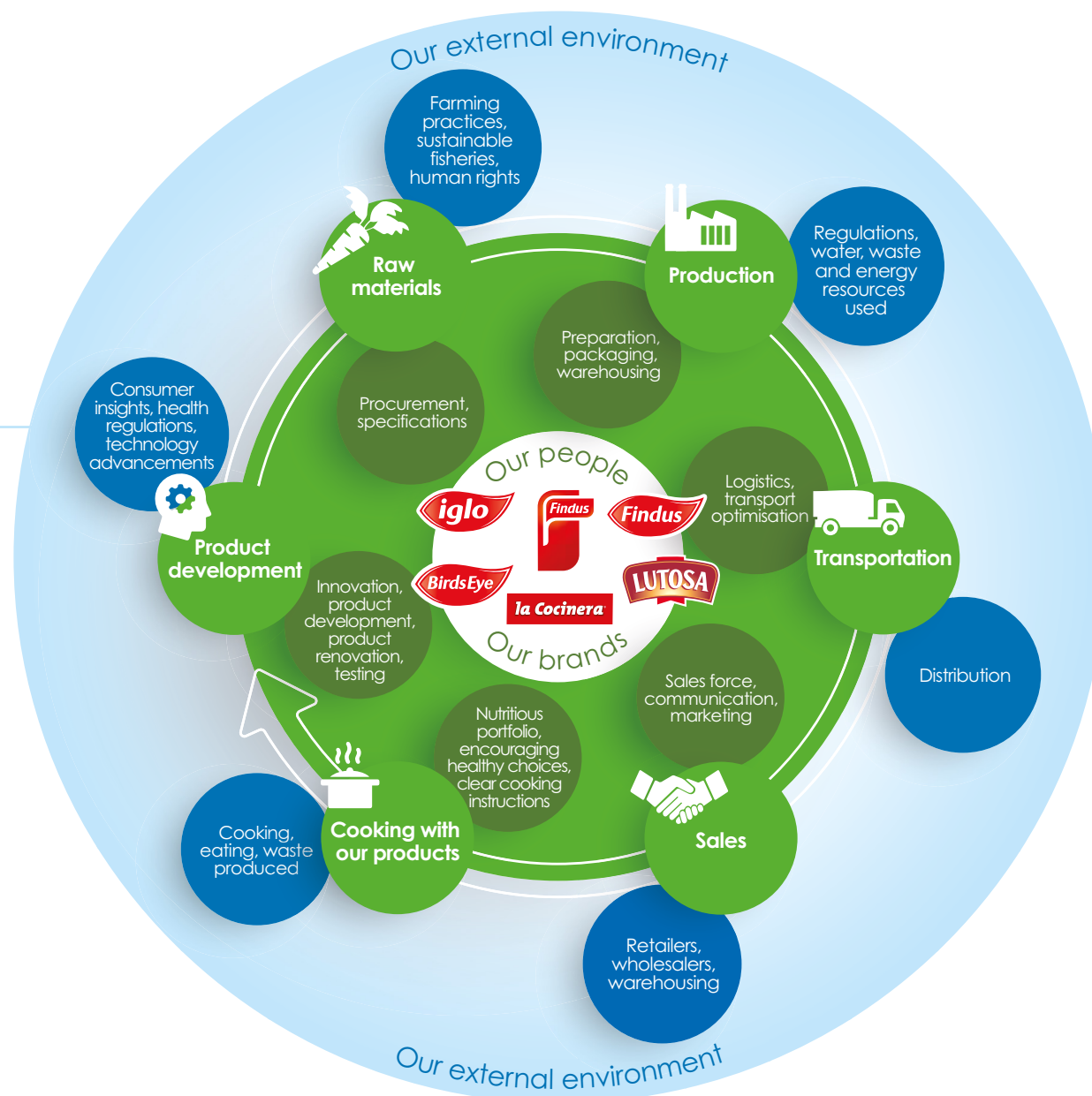
We employ 3,880 people in 17 countries. Our portfolio of brands includes Birds Eye, Findus, iglo, Lutosa and La Cocinera.

Our value chain

This illustration shows NFE's value chain, and the sustainability touchpoints along it.

-  The light green circles show the activities that take place at every step in the chain.
-  The dark green circles are the activities NFE performs, such as sourcing fish, preparing food and communicating with our consumers.
-  The dark blue circles are external activities not entirely in NFE's control, but still affecting us, such as breeding of animals and capture of fish.

In the centre of the value chain are the people in our organisation and our brands.



Having a solid foundation

Sourcing with care and respect

Providing healthy and nutritious food

Operating with a conscience

Our approach to sustainability

Sustainability priority areas

During 2017, in collaboration with relevant internal and external stakeholders, the NFE Sustainability team identified the social and environmental issues that are most important to our business. In our assessment we considered the impact each issue could have on NFE as well as the importance of that issue to our stakeholders, using the topics as defined by the Global Reporting Initiative to help inform our thinking.




We also maintain a sustainability risk heatmap, which was used to feed into this assessment. Based on regular horizon scanning and risk logging, the heatmap monitors and ranks external and internal risks to the business from a broad sustainability perspective.

Through this process we identified 19 of the most relevant issue areas, 13 of which we consider to be priority areas. We plan to periodically update this assessment to reflect changing trends and expectations.

We grouped these issue areas into the following four themes, which provides the structure for this report:





1

Having a solid foundation:

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-  Avoiding corruption Page 9
-  Avoiding anti-competitive behaviour Page 9




2

Sourcing with care and respect:

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Providing healthy and nutritious food:


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Operating with a conscience:

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-  Packaging Page 21
-  Employee health and safety Page 22
-  Diversity and inclusion Page 23
-  Training and development Page 23
-  Employee and management relations Page 23
-  Impact on local communities Page 24

Key:

 = Sustainability priority area

Whilst we take all of these issues seriously, our priority areas are those which are most significant to our business, enabling us to prioritise and shape our sustainability activities going forward. These areas are the focus of our reporting approach.



Sustainability governance

NFE's Executive Committee has ultimate accountability for the company's sustainability activities and performance. The Executive Committee is informed by the Sustainability Steering Committee (consisting of seven executive members, group functional heads, subject matter experts and market representatives) who govern NFE's long-term sustainability agenda.

The Steering Committee meets three times a year to check on progress of key performance indicators, update the risk heat map, discuss resource and prioritisation for the following period and ensure there is a strong network of local sustainability champions throughout the business.

Our sustainability strategy and agenda is led by the Group Sustainability Director who is responsible for its implementation through various functions.

Going forward, there will be a number of Sustainability Action Groups which will feed into the Sustainability Steering Committee. The aim of these groups will be to focus on particular issue areas, such as sustainable agriculture or employee engagement, and bring together the key subject matter experts from all departments to address specific issues. Alongside these, we will also have market-specific groups of local sustainability champions.

Having a solid foundation

Food safety and quality

As a major food supplier, one of our top priorities is ensuring that everything we produce meets the highest standards of food safety and quality. Our customers deserve nothing less. Failing to provide this could negatively impact the health and safety of those who consume our products.

Our approach



It is our Quality and Consumer Safety Policy that maintains high standards of food safety and quality. The policy covers every stage required to get food on to our customers' plates and applies to all operating sites and product categories, including anything manufactured by third parties. It clearly outlines the steps needed to identify, control and monitor key points of potential consumer safety risk.

This means that products supplied by Nomad Foods Europe are compliant with regulatory requirements in the EU and the country of sale as well as being safe for use with consumers and consistent in quality.

We require our suppliers to meet these high standards too. All suppliers of raw materials, packaging and co-packers are risk assessed through an accredited assurance scheme which complies with the Global Food Safety Initiative (GFSI). New suppliers must be accredited to the BRC Global Food Standard at A grade or a GFSI equivalent standard, and the certification status is reviewed annually and routinely followed up when non-conformances are raised.

Our progress

In 2017, we received 24 complaints per million products, which is better than our target for the year. Although we work to reduce the number of complaints through continuous improvement, we have not set our target to zero complaints. Our contact with our consumers is a valuable source of information around how our products perform against consumer expectations.



Avoiding corruption and anti-competitive behaviour

As well as going against our ethics and values, corruption is illegal and therefore presents a significant risk. When it comes to competition, it is important as it enforces a level playing field for everyone whilst protecting and providing more choice to the consumer.

Our approach



With regard to bribery and corruption, we adhere to all international and local legal requirements. Our Code of Business Principles, Anti-Bribery and

Corruption Policy, Gifts and Hospitality Policy and Supplier Code of Conduct all contain clauses relating to anti-bribery and corruption (ABAC). We also tackle anti-competitive behaviour in our business through a principle-based approach in our Code of Business Principles and a rule-based approach in our Competition and Anti-Trust Policy.

After a review in 2017, we updated the Code of Business Principles to integrate principles that promote conducting business with integrity and transparency. These changes were raised explicitly in a session with the NFE Extended Leadership Team, both centrally and in the countries of operation, as well as updates to the Gift and Hospitality Policy. Employees are

required to adhere to all policies and we raise awareness of these through internal campaigns and training. Through our Supplier Code of Conduct, we reinforce the importance of competition and anti-trust laws to our suppliers. Finally, we promote Speaking-Up and our Helpline SafeCall in our organisation, to help early detection and prevention of misconduct.

Our progress

No cases of bribery and corruption or anti-competitive behaviour were reported at NFE in 2017.



Sourcing with care and respect

Responsibly sourced fish and seafood

With our fish and seafood products being such an iconic part of our brands, we want to lead the way in sourcing our fish responsibly.

As the global demand for fish and seafood continues to rise, there are substantial opportunities for our brands. But over-fishing and destructive fishing practices have led to many of the world's fish stocks being fully exploited or depleted. This coupled with other man-made impacts such as climate change and ocean plastic are putting tremendous pressure on our oceans and pose a risk to marine life as well as our high quality supply.

Aquaculture production (fish and shellfish farming) is one of the newest and fastest growing forms of food production on the planet. Whilst it is part of the solution to the challenges described above and has improved the livelihoods of many in developing countries, there are concerns over possible environmental and social impacts such as waste water control or pressure on mangrove ecosystems as well as human rights.

Our approach

We've been working to safeguard seafood supplies through our brands for over 20 years.

In fact, Birds Eye was one of the founding members of the Marine Stewardship Council (MSC) in 1997 and we continue to take an active role, for example influencing the development of updated standards and reinforcement of existing ones among the fisheries we source from to push for continuous progress.

Whether our fish or seafood is sourced from the wild or farmed, we're committed to making sure it is done so sustainably, and we do this using trusted certification schemes, such as the MSC, as well as having strict policies in place:

Wild capture fish and seafood



- We only source from sources recognised by FAO or complying with the FAO Code of Conduct for Responsible Fisheries.
- We support the importance of excluding any illegal, unregulated or unreported (IUU) wild capture fish from any market and refrain from buying fish stocks that are depleted or recovering (as defined by UN FAO).
- Wherever practical and possible we only source sustainably sourced fish and seafood products that are MSC certified.



Farmed fish and seafood



- We believe that responsible standards are vital for demonstrating that fish and seafood farming can be a viable and more sustainable food production method.
- We only procure from sources recognised by FAO or complying with the FAO Technical Guidelines for Aquaculture.
- We expect farms to work to one or more of the 3 following certification schemes: Global Aquaculture Alliance (GAA BAP), GLOBAL G.A.P. or Aquaculture Stewardship Council (ASC).

Our progress



of our fish and seafood is independently certified as responsibly sourced, mainly by the **MSC** and **ASC**.



We have already achieved 100% MSC certification for ocean capture fish in our Swedish and Austrian markets.

We are by far the largest user of the MSC ecolabel globally. This leadership position means we have been able to encourage more whitefish fisheries to participate in the certification scheme and retain their certification. It's a responsibility we take seriously and we believe in continuously evolving standards to secure progress.



Traceability of our fish stock continues to be a focus for us and as of the end of 2017 we have implemented our Fish Provenance Tool in six markets, allowing consumers to discover where the fish they purchase comes from, and we are working to expand where we can.



We work to represent the industry and play an active part in being the voice of the ocean. We intend to continue being present at various industry events to encourage wider industry collaboration on this issue. We continue to focus on new certification projects, fishery retention projects and consumer facing campaigns. Recognising that aquaculture is also part of the solution, we will develop a best in class approach to it, to ensure a future focused oceans strategy.

Sustainably grown vegetables

As a leading producer of frozen vegetables, the availability of good quality, nutritious vegetables that are grown responsibly is essential to the health of our business and that of the planet.

Poor farming practices can lead to declining biodiversity, hazardous pesticide residues and water shortages which in turn put us at risk of unreliable volume and quality availability. We therefore work to develop sustainable long-term agricultural practices to secure our future supply.

Our approach

We source the majority of our vegetables (approximately two thirds) from contracted growers and farmers, such as our popular peas and spinach. This means that we contract directly with individual farmers, and through our 'Fieldstaff' we are able to closely monitor the crops so they are consistently produced according to our key principles for responsible and sustainable agriculture. It also means that our 'Fieldstaff' have control over crop management and crop protection decisions, so they can ensure crops are always harvested at peak quality and are quickly frozen, maintaining

that quality right through to the consumer. Developing long-term relationships with growers is a fundamental part of our approach and we are proud to have worked with, on average, three generations of farmers for most of the peas and spinach we source.



Our key principles for responsible and sustainable agriculture include action plans for soil health, biodiversity, nutrient management, fertilizer, pesticide use and energy management. Some of these principles are:

- Maximising food yield and nutritional quality whilst keeping resource inputs and wastage as low as possible
- Responsibly managing soil fertility, water and biodiversity through farm action plans
- Enabling local communities to maintain or improve their wellbeing and the environment they operate in

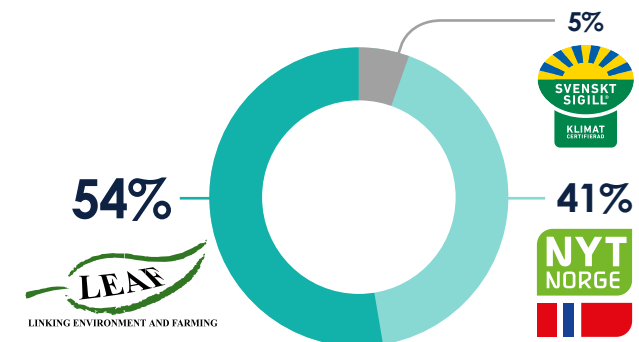
The remaining vegetables are sourced from third-party frozen vegetable suppliers, for which there are minimum standards in place that all suppliers have to abide by, such as adhering to pesticide legislation and ethical practices.

To help ensure we are sourcing our vegetables responsibly, we also work with local certification bodies and assurance schemes in some of the countries in which we are present.

Our progress on the proportion of NFE vegetables which are third-party certified:

All our UK peas are **LEAF certified**, all Norwegian vegetables are **certified by Nyt Norge** and our Swedish peas from Toppfrys bear the **Svenskt Sigill climate certification**.

This makes up **24%** of all the NFE vegetables sourced, broken down as follows:





Case Study:

LEAF sustainable farming review

2017 marked the third year that all 212 Birds Eye pea growers completed the LEAF sustainable farming review. The review is an online, self-assessment management resource based on the nine principles of Integrated Farm Management (planning, soil, crop protection, pollution, animal husbandry, energy, water, biodiversity and community), developed by LEAF, in conjunction with Birds Eye.

The results are then discussed between the farmer and Birds Eye Fieldstaff, and overall results communicated across the grower group to monitor progress. It helps to demonstrate performance annually and over time, providing benchmarking together with interactive

help and support for the grower. 2017 was a promising year and Birds Eye growers showed improvements in performance across almost all sections of the review.



Sustainable agriculture is a fundamental part of our heritage and our future. Although two thirds of our vegetables are already grown according to our own sustainable agriculture standards, we want to go further. We see the value and credibility that independent certification schemes bring, and we are working towards harmonising our approach to this across the group with a single certification body covering all our vegetables. This will be implemented in 2018, where we will be measuring existing practices across our portfolio and rolling best practice findings out to wider varieties of vegetables that we source.



Responsible procurement

Although fish and vegetables make up our priority ingredients, we use a range of other ingredients across our portfolio – from the chicken we use in our nuggets to the oil we use in our meals. We source these ingredients from suppliers through our procurement channels.

The length of our supply chain means we can be exposed to traceability risks if not managed properly. Additionally, increasing consumer focus on provenance, welfare and sustainability means that where NFE's food comes from and how it is made is increasingly scrutinised.

Our approach

Sourcing requirements for the ingredients we use are built upon our response to the variety of issues of importance from an environmental and social perspective as well as meeting food safety and other legal requirements. We take

a risk-based approach to responsible sourcing and develop NFE policies that go beyond legal requirements for higher risk ingredients, such as our approach to using palm oil.

Palm oil



We are not a significant user of palm oil, but where we do use it, we take steps to source it responsibly and independently certify it to the Roundtable for Sustainable Palm Oil (RSPO) Segregated Certification, and our brands have done so since 2010. For the vast majority of our recipes, we have replaced palm oil with alternative oils and only continue to use palm oil in a few products where, because of its physical properties, we are yet to find a substitute.

Our progress

Currently, over 90% of our palm oil is RSPO certified segregated palm oil. We are working

with our suppliers towards our goal to have 100% certified. In Sweden, Denmark and Norway we have already achieved 100% segregation in 2017.



We would like to take a more proactive approach to developing sourcing policies for our ingredients and are reviewing our risk process accordingly. For instance, we are currently reviewing our animal protein policy, clarifying our view on issues such as antibiotics and feed and will publish a revised policy in 2018. We would also like to aim for transparency throughout our supply chain, going beyond what we already do around "one up, one down" traceability.

Respecting human rights

We want to make sure that those in our supply chain are fairly treated, so we work hard to implement strict ethical policies and procedures that are adhered to through our supply chain, and that our colleagues are appropriately trained.

Thousands of people are involved in growing and producing the ingredients used in our products. The supply chain of food production and processing is a sector vulnerable to human rights violations. As a result we are seeing increasing government legislation in this area, through requirements like the Modern Slavery Act in the UK.

Our approach



All suppliers must comply with the Nomad Foods Europe Supplier Code of Conduct, which is part of our trading terms and conditions. We also require our suppliers to register with the Supplier Ethical Data Exchange (SEDEX), and complete a self-audit questionnaire.

High risk suppliers are requested to submit an independent ethical audit report, such as

SEDEX Members Ethical Trade Audit (SMETA). Careful profiling enables us to identify supply chains which may require special scrutiny in this regard.

In the event that a supplier fails to take steps to cease or prevent adverse human rights impacts, we work to improve the situation at the supplier when possible or in the case of major violations we have the right to cease trading with the supplier.

Our progress

We have been working with SEDEX for the last two years, and by the end of 2017, 50% of our direct suppliers were registered with a completed questionnaire, in line with our target. We now have a new target of 80% of our direct suppliers to be signed up by the end of 2018.

Our focus in 2017 has been on high risk suppliers with two thirds having registered. In addition, we conducted a first assessment of more than half of those to better understand their performance and potential risks. We have, so far, funded 20 SMETA audits of higher risk suppliers within the last two years and we are looking to proceed with a similar level of auditing in the future.

Percentage of suppliers registered 2017:



Percentage of high risk suppliers registered:



To ensure that our key staff are aware of the risks of modern slavery and human trafficking and can assist us in its prevention, training is provided to representatives from our management teams, sustainability teams, procurement teams and supply chain assurance teams.



Until now, our focus has been on getting the basics in place. Going forward, we are looking to develop a more active role in safeguarding human rights in our supply chain. We will start by implementing our newly developed, stricter Supplier Code of Conduct, emphasising the importance of ethical trading terms and human rights across our supply chain. We are also clarifying our supplier onboarding process to ensure suppliers are aware of our requirements and we will evolve our work with SEDEX to active risk identification and eventually mitigation.



Providing healthy and nutritious food

Having a nutritious portfolio

Every day millions of people choose our food to feed their families. As Europe's largest frozen food company, it is our responsibility to offer them healthy and nutritious choices to help them achieve a balanced diet. Given our foundation in fish and vegetables we are in a unique position to do this. In fact, today, 65% of the products we make and sell are fish or vegetables and a further 10% are chicken.

Escalating obesity and associated disease risks across our markets mean governments, NGOs and the media are putting increasing pressure on the food industry to improve the nutrition profile of products. We have seen introductions of regulatory measures around nutrition, such as sugar and salt levies as well as measures to restrict advertising of high fat, sugar and salt foods. On top of this, consumers are increasingly demanding healthier food. In light of these risks, we must ensure that our products reflect consumer preferences and keep up with changing regulations.

Our approach

We have a nutrition strategy, which is informed by our Nutrition Advisory Board of independent nutrition experts from key markets. The board

meets twice a year to review progress and frame our thinking around future policy and strategy. We focus on actively analysing and monitoring the nutrient content of our products as we innovate new ones or reformulate existing ones, to achieve healthier meal choices.



We screen our products through an externally verified and robust Nutrient Profiling Tool (see case study on next page). This allows us to objectively determine the 'healthiness' of all NFE products consistently across our brands. We use this tool to identify products that could be optimised in terms of their nutritional standpoint and track progress against our Healthier Meal Choice (HMC) aims.

All our research and development experts are trained in nutrition, including our chefs, and we apply nutrition guidelines to our recipes. Our guidelines are rooted in independent expert advice from recognised nutrition authorities including the World Health Organisation.

We operate a strict gate keeping process for innovation whereby the nutrient profile score of all products is checked before launch. Any product not classified as HMC is challenged and can be rejected and submitted back into the new product development process for nutritional improvement before launch is permitted.

Case Study

Spotlight on our nutrient profiling tool

Our Nutrient Profiling Tool (NPT) is a slightly adapted version of the UK OFCOM Nutrient Profiling Tool. It uses a simple scoring system to allocate points on the basis of the nutrient content of 100g of the food or drink.

Points are awarded for 'A' nutrients of concern: And for **positive 'C' nutrients/ingredients:**

- Energy
- Saturated fat
- Total sugar
- Sodium
- Fruit, vegetables and nut content
- Fibre
- Protein

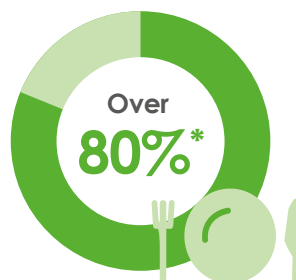
The points score for 'C' nutrients is subtracted from the points score for 'A' nutrients, to give a final Nutrient Profile Score.

Nutrient Profile Scores are then allocated to colour categories – green, amber or red – with associated actions.

Score	< 4	4 - 10	≥ 11
Healthier Meals Choice			

This tool has been verified via our independent Nutrition Advisory Board who have commended us for "raising the bar" for the food industry by adopting this model.

Our progress



of our portfolio classified as Healthier Meal Choices (HMC) according to our **Nutrient Profiling Tool**



of **new product development** classified as HMC according to our Nutrient Profiling Tool, **exceeding our target of 85%.**

New product development focused on products that help consumers increase their intake of foods that are below the recommended levels for a healthy diet. For instance, in the UK we introduced a new range of Steamfresh vegetables bringing new vegetable mixtures in ready-to-eat portions and an easy-cook format to help consumers eat more vegetables.

*These figures exclude Gastro, Food Service, Spain, CH, HU, GR, RUS as we are still working to assess all products offered in these markets against the NPT



Encouraging a balanced diet

We believe that it's not enough to provide healthy products if we don't also equip consumers with the relevant information to make informed meal choices. It's important for consumers to understand the role that our products play in their daily diet.

Some of the barriers we face are a result of the poor perception of the frozen category, where it is sometimes seen as housing non-healthy foods, and there is a risk that we lose more health-conscious consumers. Therefore, we carefully communicate the health benefits of the frozen category and of our brands.

Our approach



We aim to be transparent with the nutritional profile of our products and, as part of our commitment to help consumers make informed food choices, we use clear labelling on pack, including all key nutrients. We also use front-of-pack nutritional labelling where possible, to help advise consumers how much our food contributes to their daily reference intakes, and voluntarily label fibre to assist consumers in making sure they consume a balance of nutrients across the day. We use nutritional quality marks on pack in countries where these exist and are familiar to the consumer.

Case Study

Some of the nutritional quality marks we use

We use the Keyhole symbol on relevant fish and vegetable products in Sweden and Norway, while relevant Finnish Findus products bear the Heart Mark symbol. In the UK we use traffic light labelling to show how our products fit positively in a busy world. In all markets and

as appropriate, we label the amount of each of the key nutrients of public health concern (e.g. energy, fat, saturates, sugars and salt) in a portion of a product. This helps consumers to understand the role of our food products in their daily diet.





Responsible marketing and labelling

As an organisation where many of our products are tailored towards families we ensure that our marketing and labelling is appropriate to specific audiences and that it shapes behaviour that promotes healthy meal choices.

Our approach



All our labelling complies with or exceeds the EU/EEA nutrition labelling regulations. Decisions to include voluntary labels (such as MSC or Keyhole) and make claims on pack are dependent on the product and market, and are guided by our internal standards.

In terms of our marketing, we maintain a policy that provides for additional care towards children in our communications. We're guided by industry best practice and operate within the legal framework in the countries in which we market our products, and comply with all relevant local and Europe-wide self-regulatory codes affecting how we market our products.

Our Marketing to Children Policy supports the role of parents in making informed choices about our products. For example, we will not use visuals, language or messages that encourage children to ask parents or others to buy products and we will not develop marketing communications to appeal primarily to under 12s for any product that doesn't meet our nutritional criteria.



We're proud of the nutritious product portfolio that we have built our brands around and, going forward, we will continue to drive up the proportion of Healthy Meal Choices within our portfolio both by reformulating existing products, innovating in our new product development, and building on clean labels – using freezing as nature's preservative. We're also looking to develop initiatives in our markets to inspire nutritious consumption, with a focus on fish and vegetables.



Operating with a conscience

Our impact on the planet

Environmental footprint

Climate change is one of the biggest threats facing the planet today. It has the potential to impact everything we do so we recognise how important it is to focus on the effect that both we, and those we work with, have on the environment. In order to grow our business sustainably, we must be mindful about how we use our planet's resources and reduce our environmental impact wherever possible.

Our approach



As a relatively new company, we still have work to do with regard to tracking and reducing our impact on the environment. In 2017, for the first time, we accurately captured our consolidated Carbon Footprint for the years 2015, 2016 and 2017. Following this data collection exercise, we are now in a position to develop a new Environmental Policy which will include details on carbon emissions, water use and waste. Capturing our Carbon Footprint involved mapping all sources of emissions, gathering relevant data and converting this into carbon dioxide equivalents. This was then checked and verified by an external auditor. We used the GHG-Protocol 'control' approach as a basis to decide what was in and out of scope for this exercise. Included in the footprint are our owned factories, our owned production lines at third-party operations, our owned vehicles, our usage share of third party warehousing, our inbound logistics, as well as a proportion of other third-party production.

Our progress

Carbon Footprint in Kilotons, CO2e

60.1	Scope 1: Direct emissions from owned and controlled sources <ul style="list-style-type: none">Natural GasDiesel/PetrolLubricating OilsLiquid CO2 & Dry IcePropaneAir Conditioning
62.4	Scope 2: Indirect emissions from the generation of purchased energy <ul style="list-style-type: none">Purchased ElectricityPurchased Stream
161.4	Scope 3: Indirect emissions that occur in our value chain <ul style="list-style-type: none">Re-used materials & wasteDiesel/Petrol (leased cars)Liquid nitrogenPropaneFertiliserFresh & effluent waterElectricity in external warehousesInbound logistics
284	2017 total

There are already some positive examples of emission reduction activity from 2017 with the Valladolid factory moving to purchasing all of its electricity from renewable sources and both of our Norwegian factories moving towards LED lighting.

Water:



In 2017, we used 5,050,575 m³ of fresh water in our factories with 4,227,602 m³ of effluent water coming from our factories.

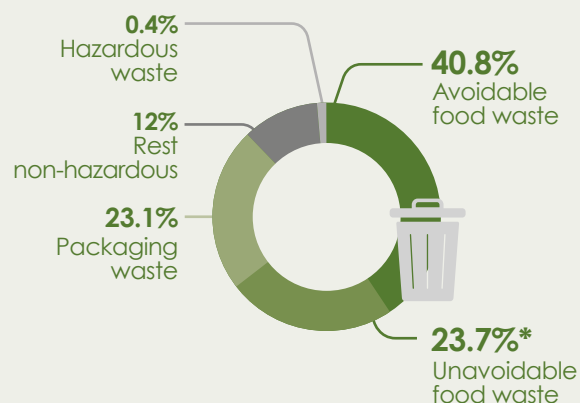
Waste:



In 2017, we generated 51,600 tonnes of waste (see breakdown below) and 19,000 tonnes of materials for re-use, the majority of which was used as animal feed.

Split of waste materials

(excluding materials for re-use)



*In the factories where we process our vegetables, our unavoidable food waste is higher due to the parts of the vegetables that are unsuitable for human consumption, such as leaves, pea pods and cabbage stems.



Now that we know our emissions baseline for the previous three years, we have initiated the analysis and benchmarking between sites to come up with clear action plans and targets for significantly reducing our environmental impact. We have committed to using the Science Based Targets methodology to secure real and significant improvements that are aligned with climate science. Measuring our food surplus and waste throughout our operations has helped us identify hotspots, and we are now working to understand the root causes and develop plans to reduce our waste, particularly where avoidable.

Packaging

It's not just our products and production that have an impact on the environment, it's the packaging that we put our products in as well. Packaging serves many purposes – It protects the product, it contains the product for optimised logistics, it helps with portion sizes and functions such as resealing ability which can help reduce food waste, and it provides crucial information for the end users on the product. So, we work to reduce the environmental impact of packaging through better design but also to optimise use.

Our approach



Our Responsible Packaging Design Code of Practice ensures all our packaging is fit for purpose. This code of practice focuses on several areas including ensuring the packaging is safe for food use, ensuring that excess packaging is avoided wherever possible and considering the overall impact that our packaging has on the environment.

Currently, around 70% of our packaging is recyclable. Development work with our material suppliers on recyclability is already underway as part of our Technical Innovation Pipeline.

Case Study

Reducing packaging size and our environmental impact

During 2017, Findus was looking for a new packaging solution for the 'Natural Burger' product launching in the Italian market. The key purpose was to maximise shelf space whilst the Responsible Packaging Design Code of Practice meant reducing the environmental impact of the product was also a focus area.

After a number of feasibility and capability studies, the technical team were able to provide a smaller box format for the product. This optimised version allowed for a better pallet scheme which lowered logistic costs and reduced truck rolls. This had a significant impact on the environment both from carbon emissions during distribution and the amount of material used.



We are aiming for 100% of our consumer packaging to be recyclable by 2022 through identifying new material developments, alongside an ambition to prioritise material from renewable sources, primarily paper based, where possible.



Our people

Our people are integral to everything we do at NFE. We currently have over 3,800 colleagues in 17 countries and if they're not a healthy, engaged and productive workforce we wouldn't function as a business. In line with our values, and our belief that great people make the difference, our aim is to treat our people like the asset we know they are. To us, this means providing a safe environment to work in, providing equal opportunities to all and providing clear communication channels.

Our approach and progress

Our annual culture survey has shown some great results. We're pleased to report an engagement score of 84%, which is in line with the high performing companies that we benchmark against. We had 2,415 responses, giving a response rate of 78% from eligible participants – a great level of engagement. The key focus areas arising from the survey are ways of working, IT, communication, careers and training. Across the business, we are developing initiatives to support these themes, which are driven by our vision and values, and our ambition is to drive our engagement score further in future years.

Employee health and safety

One of our primary responsibilities to our employees is to ensure they are safe in their place of work. This is especially true for those in riskier roles such as the 2,000+ workers in our factories.



We have an existing Occupational Health and Safety Policy, but we recognise it is in need of an update following the organisational changes to our business and the recent changes in legislation.

Some of the health and safety data we track:

01 Total lost time accidents:
53 accidents

02 Total recordable accidents*:
24 accidents

03 Total first aid accidents:
301 accidents

04 Total near misses:
715 accidents



* More severe than first aid but not losing time at work

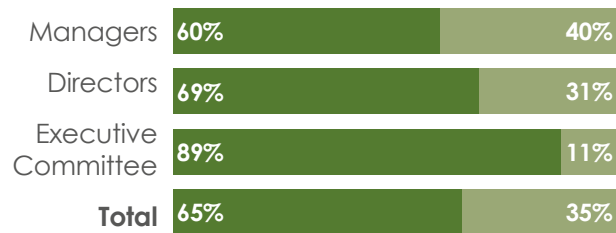
We are aware that during 2017 we had a higher number of accidents than what would be expected from a company of our size. To address this, we have hired a new Group Health and Safety Manager who will update our Occupational Health and Safety Policy and establish a common Nomad Safety Management System to outline a clear process for reporting and escalating incidents and injuries.

We have already identified two high risk areas in process/machinery related risks and workplace transport risks. We will also focus on engaging the leadership teams so that everyone is clear on roles and responsibilities and the related Health and Safety accountability.

Diversity and inclusion

Diversity and inclusion is a broad topic, with ever increasing importance in society. At NFE, we serve a very diverse consumer base and if we do not represent this adequately, we risk missing out on many opportunities. We also know that this is an area we can do better in, to drive up the proportion of women in our workforce, particularly within leadership positions.

Employees by gender



Key: ● Male ● Female



In recognition that we have work to do in this area, in 2017 we began work on preparing our first ever company-wide 'Diversity and Inclusion Policy' which will be released in early 2018.

The details of this policy are still being finalised, however, the initial focus will be on improving gender equality and the policy will outline a number of levers we can use to improve our approach to diversity and inclusion more broadly. These will include specific learning and development offerings such as unconscious bias training, highlighting success stories and best practices, as well as focused forums, training and mentoring opportunities.

Training and development

We know that if we invest in our employees, not only will they get better at their jobs, but they will also feel more engaged and motivated by the work that they are doing for NFE.

When it comes to training and development, we believe in the 70:20:10 model. This means that for a NFE employee, 70% of learning and development will happen on the job, 20% will occur through social networks and coaching and the final 10% will occur through formal training.

With regards to formal training, our colleagues can access an online platform called 'Nomad & Me' which provides an array of training programmes. We have also recently launched our first group-wide leadership and management training programme, which is a 12-18 month programme providing workshops, coaching and digital resources to high performing leaders and managers from our markets.

Employee and management relations

As a manufacturing business, we represent workers around the world who are highly dependent on our business for their livelihoods. Trade unions exist to protect these workers' interests and we are happy to work with these bodies to ensure all parties are satisfied.

The International Trade Union Representative Forum (INTREP) meets yearly with representatives from across all our marketing and factory locations. The aim is to inform representatives on business performance, any planned changes to the structure of the business and any upcoming changes to the supply chain and/or commercial strategy. We embrace the opportunity to communicate business changes through this forum.



Over the next year, we will continue to ensure our employees are well informed and well trained. We know we have work to do in updating our approach to occupational health and safety which will be spearheaded by our new Group Health and Safety Manager. The new policy will also cover environmental issues at our factories to create a consolidated Health, Safety and Environment Policy.

We will also make progress with regards to diversity and inclusion. Following the release of the new policy, many of our staff will undergo diversity and inclusion-related training and we will put a number of forums in place such as Women in Nomad Network and Early Career Network.



Our impact on local communities

Companies that actively add value to the communities that they operate in gain the trust and support of key local stakeholders. They also garner the respect of current and possible future customers and employees. NFE aims to be an integral part of the communities within which it operates.

Our approach

We believe that the best way to achieve this level of community support is to engage at a very local level. That's why we avoid top-down, one-size-fits-all community initiatives in favour of an approach where our local employees, who really understand the communities that they exist within, can decide how best to support the social causes in their region.

Many of our market units have taken this opportunity to create longstanding relationships with local charities and partners in the areas that they operate. For instance, markets in the UK, Sweden, Austria and Denmark are working closely with local foodbanks or charities to reduce the amount of food that would otherwise be wasted, to be used in a safe way for less fortunate people.

Case Study

iglo Netherlands supporting the community

The team at iglo Netherlands, for example, has created a 'Responsible Society' strategy which involves colleagues at all levels. The key focus is on education on

obesity issues and supporting the local community. In 2017, activities included educational activities where colleagues conducted cooking workshops about healthy eating for children in areas of social deprivation.

The team in the Netherlands takes its commitment to local causes even further by taking part in a number of sponsored charitable activities, such as sponsored runs for company-chosen charities.





Nomad Foods Europe

To find out more about our sustainability performance and our future commitments visit:

nomadfoodseurope.com/sustainability

If there are any questions about the report, please contact **Annelie Selander**, Group Sustainability Director at

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We plan to publish our next report covering our 2018 activity in 2019.