

# Sustainability report 2023

La Lorraine Bakery Group

# Rising responsibly

Baking a  
better world  
together



**La Lorraine**  
BAKERY GROUP





Can today's bread  
be better for tomorrow?





We believe we can sustain our growth while moving towards a better world, across generations and beyond borders. Rising high by keeping our environmental footprint low.

With sharp goals for tomorrow and a strong commitment to do better, today. With our employees, suppliers, customers and family shareholders, we're going to net zero.

**That's how we're baking a better world together.**

# 2023 sustainability highlights



Improved **Ecovadis** rating: with our silver sustainability medal, we're among

the top  
**14%**

companies in our industry



Responsible sourcing

Entry into force of the **LLBG supplier code of conduct**, already covering **>80%** of our spend\*



Reporting & carbon roadmap

Reducing our company carbon footprint (scope 1, 2 & 3):

**-9%**  
vs 2022



SCIENCE  
BASED  
TARGETS

**SBTi** commitment: our carbon reduction targets have been developed & submitted for SBTi validation



Purpose-led brands

Roll-out of our new brand promise "**baking a better world together**", fully embedding sustainability into our company strategy

Baking a better world together



**La Lorraine**  
BAKERY GROUP



Energy transition & reduction

**100%**

green electricity in Poland: leading to a **45% reduction** of our scope 2 emissions vs 2022

Transformation towards a green car fleet with

**+100**

electric vehicles in 2023

\* Raw and packaging materials





Wheat & regenerative agriculture

**First harvest** of regenerative & low-carbon wheat

Exciting collaboration on low-carbon tortillas with **Paulig**



Zero food waste

Panos saves more than

**10,000** meals a month

with **Too Good To Go**



Community

**28** graduates

in the first year of our **Atelier La Lorraine** education project in Romania



Circular packaging

**97%**

of our packaging is **recyclable or reusable**

**90%**

of our packaging is **paper-based**



Happy employees

**>1,000**

colleagues participated in our **Fit Together** program



Cybersecurity training for **>2,000 employees**



Launch of the **LLBG safety policy & new golden safety rules**



Support for victims of the **Turkey earthquake** with our **LLBG Solidarity Fund**



# Table of content

1	<b>2023 sustainability highlights</b>	3
2	<b>Foreword &amp; interview</b>	6
3	<b>About LLBG</b>	12
4	<b>Sustainability at LLBG</b>	18
	Product	28
	Planet	36
	People	52
5	<b>Appendix</b>	
	GRI content index	61



**Sidonie Descheemaeker**  
Sustainability Program Manager

**Rudy Broeckaert**  
Chairman of Board  
of Directors

**Nele Van Malderen**  
Chief Communication &  
Sustainability Officer





**Guido Vanherpe**  
Group CEO



Rolling up our sleeves  
for a better and more  
sustainable world!

# Foreword & interview

A snowball is the image that Guido Vanherpe, our Group CEO, uses to describe sustainability efforts at La Lorraine Bakery Group.

“The challenge is to find the right small snowball to get started,” he says. “One that will be sticky enough to grow once it starts rolling. Once you have identified that one project that can deliver early success, it attracts other successful initiatives. And as the projects and confidence grow, so does the impact of our sustainability efforts. That can deliver big results, and I’m happy to observe that in some areas we have made faster progress than initially anticipated.”

One notable area where we achieved this snowball has been the reduction of CO<sub>2</sub>, a major pillar of our sustainability efforts, and also a sizeable challenge. We have to reduce our carbon footprint, even as we grow the company. By 2039, our 100th anniversary, we want to achieve net zero for our own emissions.

Thanks to a switch to green electricity at our plant in Poland, we achieved a 30% reduction in scope 1 & 2 carbon emissions compared to 2022 – a milestone we had not planned to hit until 2027.

These successes are often bottom-up initiatives, taken by our teams who have internalized our purpose to “bake a better world together”.

But carbon emissions are only one of the sustainability topics that La Lorraine Bakery Group is tackling. In each of our 10 sustainability projects, every successful step fuels our ambition to do better and increase our impact.

From regenerative agriculture to making sure our products are healthy and nutritious, La Lorraine Bakery Group is hungrier than ever to make an impact.

On the following pages, read more about how sustainability is part of our core strategy. We believe in sustainability not only because it brings benefits to the world and our stakeholders. We are convinced it is a competitive advantage that will ensure our continued growth for generations to come.

Business success and impact go hand in hand at La Lorraine Bakery Group: as the company grows, we can have a more positive impact on planet and society. And, as we become more sustainable, our business will grow.



“One of our major challenges is decoupling carbon emissions from company growth. I’m proud of the 30% reduction we achieved in own emissions in 2023.”

**Guido Vanherpe**  
Group CEO





## Sustainability is deeply rooted in our company

As a 100% family-owned company, sustainability is an integral part of the strategy of La Lorraine Bakery Group.

**Guido Vanherpe:** “Our sustainability strategy is deeply rooted in the values and vision of the family shareholders. As a company that relies on agriculture, issues like climate change and food waste are essential to our existence. The younger members of the family feel very strongly about it, and they expect us to lead the way. We want to make sure that we can hand over a company that is resilient and ready for the next generation, and we are all convinced that sustainability is key in achieving that. 2039 is an important milestone: La Lorraine Bakery Group will celebrate its 100th anniversary, and we want to achieve net zero for our own emissions by that time.”

**Rudy Broeckart:** “To ensure our organization remains relevant and resilient in face of global challenges, embedding sustainability in our long-term strategy is a must. For supply chain resilience, to meet the changing needs of our customers and consumers and – maybe less obvious but of increasing importance – to have access to capital. Sustainability is a must for investors and lenders, and as a growing company, we will need access to capital to continue our expansion.”



**Nele Van Malderen**  
Chief Communication &  
Sustainability Officer

The sustainability strategy and efforts are led by Nele Van Malderen, Chief Communication and Sustainability Officer and Sidonie Descheemaeker, Sustainability Program Manager, but they are embedded into the operations of every business unit through clear goals and KPIs, and a strongly improving data culture that enables us to capture progress.

**Nele Van Malderen:** “Reporting and communication built on data are essential. Not just for compliance reasons, but also because it builds confidence inside the company towards delivering on our targets, or to adjust timely where needed when facing headwinds to reach our ambitions.”

## What we achieved in 2023

La Lorraine Bakery Group links the long-term strategy to business objectives by integrating sustainability into the KPIs and goals that are defined for all business units. Sustainability is truly a company-wide effort. We have identified three major areas where we want to improve: product, planet and people, and we defined 10 projects to deliver tangible results in those three areas.

Looking at planet first, an obvious focus area is carbon emissions.

**Guido Vanherpe:** “Indeed, one of the major challenges is to decouple our carbon emissions from our company growth. I was really proud to see that thanks to a switch to green electricity at our plant in Poland, we have already achieved a 30% reduction in own emissions – much faster than anticipated. This is a good example of the snowball: reducing emissions can look like a mountain to climb, but the combination of initiatives from our teams and technology will allow us to go faster than anticipated. We want to accelerate this even more in 2024.”

We are also conscious of the fact that as a bakery, we depend on agriculture. Our business operations have an impact on the climate, but the changing climate also impacts us. Hence a strong push towards sustainable and regenerative agriculture.

**Guido Vanherpe:** "This is a challenge that will keep us occupied for the next 20 years at least, but it's also one of the most exciting areas where we can have a major impact. In 2023, we had our first harvest of regenerative and low-carbon wheat in Belgium, for which we expect a 30% lower carbon footprint. That is great progress in just two years, and it made us eager to do more. By reducing the use of synthetic fertilizers, maximizing crop rotation and cover crops, and minimizing soil disturbance, we restore the soil. It allows us to move towards agriculture that doesn't add carbon emissions but instead absorbs carbon from the atmosphere. I truly believe that we can work towards zero impact agriculture, and we're working with our suppliers and universities to find a way to do that."

As the agriculture example shows, La Lorraine Bakery Group is working closely with partners and stakeholders in its sustainability push.

**Sidonie Descheemaeker:** "Supplier engagement is key in our strategy. At this moment in time, more than 80% of our spend of raw and packaging materials is already covered by our 2023 supplier code of conduct. It's by creating a strong ecosystem that, together, we'll be able to make a difference. We look for suppliers that are serious about contributing to sustainability and we also encourage our customers to set the bar high when it comes to sustainability, even if this makes our job more complicated."

And of course, the people at La Lorraine Bakery Group are an important focus area.

**Nele Van Malderen:** "We want to build a happy, healthy and engaged workforce. This includes a push towards a zero accident workplace, but it goes further than that. As part of our Fit Together program, we climbed Alpe d'Huez together this year, incentivizing our employees to invest in their physical and mental wellbeing. We also want to give back to the communities in which we operate. We supported the victims of the Turkey

earthquake with our LLBG Solidarity Fund, and with our first Atelier La Lorraine project in Romania we want to give less-privileged youngsters access to quality education. Personally, as a mom of two teenagers, the latter was my highlight of 2023, giving true meaning to baking a better world together."

**Rudy Broeckaert:** "Looking back at our 2023 achievements, I think we can confidently say that we have set the bar for sustainability high at La Lorraine Bakery Group, focusing on the right social and environmental challenges. Our sustainability strategy is aligned with the UN Sustainable Development Goals – our 10 sustainability projects all contribute to one or more of the SDGs – and fully endorses the fundamental human rights, as outlined in the Universal Declarations of Human Rights."

## Looking ahead: food waste and product leadership

For 2024 and beyond, La Lorraine Bakery Group is focusing on a number of areas to improve, notably energy efficiency, food waste reduction, a reduction roadmap for our scope 3 emissions and a zero accident workplace.

For energy, the main focus will be to set up a power purchasing agreement to enable a switch to green electricity throughout the company and across all markets. That will significantly reduce the impact of our operations. Speaking of our operations, food waste will be a focal point of sustainability efforts.

**Guido Vanherpe:** "La Lorraine Bakery Group wastes very little – less than 0.1% of our bakery production goes



"To ensure our organization remains relevant and resilient in face of global challenges, embedding sustainability in our long-term strategy is a must."

**Rudy Broeckaert**  
Chairman of Board of Directors





to waste. 99.9% of our production goes to customers or, when not possible, to food donations, animal feed or biofuel. But we take our environmental and social responsibility seriously. That's why we define food waste in a strict manner, as all our surplus that is not used for human consumption."

**Sidonie Descheemaeker:** "The challenge is to balance our product leadership strategy with our sustainability ambitions. We aim for bakery products that are nutritious and light on the environment, but without compromising on our high quality standards. We need to guarantee a constant high quality, while at the same time reducing food waste and the carbon footprint of our products. It's a tough nut to crack and will require us to look at sourcing, recipes and processes."

## CSR: a team effort

Another major effort is compliance with the Corporate Sustainability Reporting Directive, or CSRD.

**Sidonie Descheemaeker:** "To date, we have been using GRI as a framework for our sustainability reporting. But CSRD goes way beyond that. We have to report on more sustainability data points and ensure that our data is as reliable and consistent as our financial reporting. We are also in the process of aligning ourselves with the Science Based Targets initiative, bringing our reporting standards to a much higher level."

**Rudy Broeckaert:** "There is still some uncertainty around CSRD, mainly as to how the Belgian legislature will implement the European directive. But on the whole, we see the CSRD as an opportunity. It increases transparency, and it allows us to communicate what



**Sidonie Descheemaeker**  
Sustainability Program Manager

sustainability means for us as a company and how it makes us more competitive. I think we have achieved significant progress over the last years, and I applaud the sustainability team on how they have driven these early successes. The fact that we were awarded an Ecovadis Silver Medal in 2023 is a nice recognition for the work of all our employees. We are rated in the top 14% of companies in our industry – and our ambition is to become even better."

**Nele Van Malderen:** "Communicating our sustainability efforts in a transparent way is also becoming more and more important to attract new talent. And here we have a virtuous circle: attracting the right people, with a strong belief in sustainability, allows us to speed up our sustainability journey, becoming an even bigger and better company. We know we have a huge challenge in attracting talent for the growing number of jobs. That's why, after launching our purposeful mission of "baking a better world together" in 2023, we also embedded sustainability in our new employer branding that will be launched in 2024."

## Our ambitions for the future

While sustainability reporting at La Lorraine Bakery Group is a relatively recent activity, we have moved decisively on the topic. And the enthusiasm in the company is pushing us to become more ambitious and more hungry for the future. We will not stop here.

**Rudy Broeckaert:** "We are doing things right – the sustainability team is delivering excellently on reporting and data – but maybe more importantly, we are doing the right things. The family is asking us not just to comply with sustainability standards but to lead the way in the industry. There is a tangible sense of optimism and purpose within La Lorraine Bakery Group, from the leadership throughout the company, and this is what we want to see."

**Guido Vanherpe:** "For me, our efforts on sustainability have offered personal growth as well. In the past, as a company we saw our impact on a smaller scale. We saw ourselves as having impact on our own company, our clients and our suppliers, maybe. Today, as our company grows and as our sustainability ambitions grow, I can increasingly see how we can have a much larger and wider impact. On our climate, soil, water and the health of our consumers. That has been a source of inspiration and gratitude in the past, and I'm curious to see how much more impact we can create in the coming years."

We are ready to roll up our sleeves for a better and more sustainable world!

Baking a  
better world  
together



Aldi

# About LLBG

## Who we are

La Lorraine Bakery Group (LLBG) is a 100% family-owned company headquartered in Belgium, with 85 years of experience in the milling and bakery sector.

Every day 5,000 enthusiastic employees create and sell high-quality bakery products to consumers, retailers and the food service industry around the world.

The Group achieved a turnover of 1.34 billion EUR, a solid growth of 13% vs 2022, with unprecedented investments to add production capacity and accelerate our growth in the next five years.

We operate from 17 state-of-the-art production sites in Belgium, Poland, Romania, the Czech Republic, Hungary, Italy, Greece, Turkey and the United Arab Emirates. From these sites, we deliver high-quality bakery products to customers in more than 35 countries, serviced by our local commercial organizations.





# Baking a better world together



## Our purposeful mission

Every day, we get up to **bake a better world together**.

We build wide access to more natural, tastier and fresher bakery products, contributing to a well-balanced daily nutrition and consumer delight.

We do it sustainably while growing people to their full potential.



## Our winning strategy

Through our four empowered and interconnected business units, we adopt a winning **product leadership strategy** engaging **large-scale production** and go-to-market concepts with respect for **artisan-scale quality**, to bring innovation, consistency in quality and differentiation in 'look & taste' in existing and new markets.



### **Bakery Frozen:**

One of the European market leaders for frozen bake-off products in retail and food service. Active in Europe, Turkey, the Middle East and many other export markets, with the ambition to further transform the market worldwide.



### **Bakery Fresh:**

Belgium's market leader for more than 50 years for freshly baked bread and pastries. Every day, seven production sites in Belgium supply more than 2,300 customers with a delicious range of fresh bread, viennoiserie and patisserie.



### **Bakery Store Concepts:**

We also sell our products directly to the consumer. In the past 40 years, we've built up a strong franchise network of Panos and Deliway shops. They are the market reference for a quick breakfast, lunch, or snack, with 450 points of sale in Belgium, the Netherlands and Luxembourg.



### **Milling:**

Paniflower is one of the largest flour producers in the Benelux. We specialize in milling wheat for innovative and complex technological applications. Our customers vary from small artisanal bakeries to large food producers.

# Corporate governance

LLBG considers corporate governance an absolute necessity for a strong, growing family business. That's why LLBG has further professionalized and expanded its governance in the past 10 years. During the transition to the third generation, the LLBG holding company was created to bring together all the Group's companies.

## Family holding

The LLBG family holding directly owns the shares in the Milling Division and the three Bakery Divisions. That structure guarantees simplicity and transparency for all stakeholders. The main financial objectives are long-term value creation and qualitative growth through innovation, continuous investment and entrepreneurship. LLBG publishes consolidated annual accounts since 2008.

## Board of directors

The LLBG board of directors is composed of four family directors and two independent directors. The chair of the board of directors is chosen from the independent directors. Relationships between shareholders, the board of directors and operational management have been clearly defined as part of a Family Governance Charter.

### Board of directors

**Rudy Broeckaert (Chairman, independent)**

**Guido Vanherpe (Group CEO)**

**Rika Coppens (Independent)**

**Anthony Vanherpe**

**Katrien Vanherpe**

**Mathieu Vanherpe**

## CEO & Executive Committee

The Group CEO is assisted by an Executive Committee, whose members are approved by the board of directors.

### CEO & Executive Committee

**Guido Vanherpe** Group CEO

**Kris Geeraert** CEO Bakery Frozen

**Marc Vanherpe** CEO Bakery Fresh & Milling

**Lotte De Vreese** Managing Director Bakery Store Concepts

**Gotzon De Aguirre** Chief Financial Officer

**Nele Van Malderen** Chief Communication & Sustainability Officer

**Bart Buyst** Chief Human Resources Officer

**Luc Verhasselt** Chief M&A & Corporate Governance Officer

The board of directors and our Executive Committee are responsible for reviewing and approving LLBG's annual sustainability report and sustainability KPIs. The board receives annual sustainability updates and our Executive Committee is fully represented in our sustainability program board. We refer to page 23 of this report for more information on how we incorporate sustainability in our governance.





## Code of Conduct

[codeofconduct.llbg.com](https://codeofconduct.llbg.com)

LLBG's Code of Conduct reflects our fundamental principles and ethical standards which form the basis of **our commitment to be a socially responsible company**. For our employees, our business partners and our planet & society. We believe that strong results must be accompanied by integrity if we want to contribute to the **economic, social and environmental development** of our society.

Our Code of Conduct applies to all LLBG employees and business partners, in every country where we operate, ensuring that everyone acting on behalf of LLBG performs their activities ethically, in accordance with the applicable laws and regulations, and in accordance with LLBG's standards.

This Code of Conduct is publicly available on our website in 8 languages. In 2023, we updated our Code of Conduct, after which more than **3,000 employees were trained on the content of our new Code**. This training is also part of our onboarding program.

To further strengthen our commitment to ethical & responsible conduct, we implemented **a whistleblowing procedure and a supplier code of conduct in 2023**. The whistleblowing procedure empowers our white and blue-collar employees to report unethical behavior or other misconduct without fear of retaliation, while our supplier code of conduct (see more on page 30) sets forth our expectations towards our suppliers on product, planet and people commitments.



### PRODUCT

LLBG aims to produce and sell a wide and unique range of superior bakery products to meet the consumer demand for fresher, tastier and authentic products as a part of a well-balanced lifestyle. We ensure the strict application of quality and food safety criteria, while applying a sustainable ingredients policy with increased focus on the health impact and environmental footprint of our ingredients.



### PLANET

LLBG is committed to lower the environmental footprint of its products, processes and services. We conduct all our operations in full compliance with the applicable environmental regulations and proactively aim to minimize our impact on the environment, focusing on carbon reduction, energy consumption, waste reduction and recycling, animal welfare, water security and giving back to the communities in which we operate.



### PEOPLE

LLBG respects its employees, customers, suppliers and subcontractors, treating everybody with integrity and fairness. We believe in the power of diversity, and we stand for appropriate working hours, employee development, fair remuneration and health and safety. We prohibit all forms of child or forced labor, discrimination and harassment.

Can sustainability  
be the icing on our  
cake?





# Sustainability at LLBG

At LLBG, we see it as our responsibility to contribute to the health and wellbeing of future generations. Through the value of respect—for **product, planet, and people**—sustainability has been one of our key beliefs from the very beginning. Nevertheless, our fast-changing world is motivating us to accelerate our sustainability initiatives. Our future depends on what we do today.

In 2022, we made sustainability an integral part of our next five-year strategy, with clear and bold ambitions for 2027. Our sustainability strategy is built on the respect for our 3 Ps, with **10 company-wide projects** to deliver our sustainability ambitions.



We believe we can contribute to a better world by creating top-quality **products**, caring for our **planet** and investing in our **people**.

In 2023 we truly put our **strategy into action**: all 10 projects are up and running, each with measurable targets to track our progress. And we're proud of our tangible accomplishments to date. Yet, we are conscious that we are only at the beginning of our journey, with huge challenges still ahead.

We believe in sustainability not only because it brings benefits to the world and our stakeholders: we are convinced it is a competitive advantage that will ensure our continued growth for generations to come. **Business success and impact go hand in hand** at LLBG: as we become a bigger company, the positive impact we can have on the planet and society increases. And as we become more sustainable, our business will grow.

“The transition to a more sustainable business requires huge efforts to do things differently, requiring important investments and commitment on the short and mid-term. Yet we believe that it’s essential for our long-term viability. We believe in leveraging our sustainability initiatives, turning sustainability into a driver for business value and growth.”

**Kris Geeraert**  
CEO Bakery Frozen



# 10 company-wide projects to deliver our sustainability ambitions



## Sustainable innovation

Redefining tomorrow's bakery with sustainable innovation, creating a future-proof range of bakery products that are tasty, nutritious and light on the environment.



Crafting meaningful moments, striving for a portfolio of purpose-led brands that are forces for growth and forces for good.



## Purpose-led brands



## Reporting & carbon roadmap

Decoupling our company growth from our carbon emissions and reporting transparently, reaching net zero by 2039 for our own emissions and by 2050 for our entire value chain.



## Energy transition & reduction



Navigating the path to a greener and leaner bakery operation, reducing our energy consumption to the technical minimum and shifting to renewable energy sources.

Nourishing the future through a responsible sourcing strategy, working together with our suppliers to tackle sustainability issues linked to carbon emissions, deforestation, human rights and animal welfare.



## Responsible sourcing





## Wheat & regenerative agriculture

Safeguarding what nature has to offer by actively supporting the shift to regenerative agriculture, reducing our carbon footprint while also improving soil health and biodiversity to ensure quality wheat in the long run.



## Zero food waste

Leaving no crumb behind by committing to a zero food waste mentality, reducing our food waste to an absolute minimum and better valorizing the food waste we can't avoid.



## Happy employees

Nourishing our bakery family, creating unity between happy and healthy employees that thrive in a safe, inclusive and rewarding workplace.

Wrapping our bakery products in more sustainable packaging, creating a closed-loop system where our packaging is reduced, reused and recycled.



## Circular packaging



## Community

Rising together with our local communities by creating education opportunities for less-privileged youngsters and increasing access to good quality food.



# Stakeholder engagement

We've based our sustainability strategy on a three-step methodology. We first engaged with relevant stakeholders and proceeded by determining our material environmental, social and governance (ESG) topics, which we then translated into our sustainability strategy and reporting.



We want to ensure that our sustainability strategy focuses on the relevant ESG topics and creates value for all our stakeholders in the short, medium and long term. That's why we began by **identifying and talking to our internal and external stakeholders**, creating dialogue through a variety of channels to understand their needs and concerns.

In 2021, we defined our sustainability vision in a family shareholder workshop, followed by in-depth interviews with a range of other stakeholders and a two-day workshop with our extended leadership team.

In 2022, we involved our internal stakeholders through sustainability workshops, employee engagement surveys and dialogue during performance evaluations. We involved external stakeholders through channels like the LLBG (supplier) code of conduct, ESG questionnaires for suppliers, customer feedback, dialogue with public authorities and discussions with financial institutions, industry federation and local communities.

This process resulted in a list of **materials topics**, which then helped us shape our sustainability strategy and reporting.

# Double materiality

In preparation of the CSRD, we are undertaking a "double materiality assessment" (DMA) in 2024 to better identify which sustainability topics are truly relevant for our company and stakeholders and which topics should, as a consequence, be included in our sustainability report.



We carried out our first impact materiality assessment in 2019, which we re-evaluated in 2022. As prescribed by the CSRD, we are now adding the second dimension of financial materiality, resulting in a DMA that will be published in our 2024 report.





“By mapping the impact, risks and opportunities of sustainability on our business in the short and long term, the double materiality assessment is a tool to embed sustainability in our overall risk management process, adding meaningful value to our sustainability efforts.”

**Rudy Broeckaert,**  
Chairman of Board of Directors

Material topic	Link with P	Link with project(s)
<b>Product quality, safety &amp; traceability</b>	Product	Responsible sourcing Sustainable innovation
<b>Healthy products</b>	Product	Sustainable innovation
<b>CO2 reduction</b>	Planet	Reporting & carbon roadmap
<b>Rational use of energy</b>	Planet	Energy transition & reduction
<b>Packaging</b>	Planet	Circular packaging
<b>Food waste</b>	Planet	Zero food waste
<b>Water &amp; wastewater management</b>	Planet	Responsible sourcing*
<b>Diversity &amp; inclusion</b>	People	Happy employees
<b>Health &amp; safety at work</b>	People	Happy employees
<b>Employee physical &amp; mental wellbeing</b>	People	Happy employees
<b>Employee training</b>	People	Happy employees
<b>Environmental impact reduction</b>	Product Planet	Reporting & carbon roadmap Wheat & regenerative agriculture Responsible sourcing
<b>Sustainable procurement</b>	Product Planet	Responsible sourcing Wheat & regenerative agriculture Circular packaging
<b>Transparency &amp; communication</b>	Product Planet	Purpose-led brands Reporting & carbon roadmap
<b>Local engagement &amp; charity</b>	Planet People	Community Happy employees

\* In 2024, we will be adding a project on **sustainable water consumption & management**.

# Sustainability governance

To carry out our sustainability strategy and ensure we make it a core part of our business activities and company-wide strategy, we've developed a sustainability program with a strong governance. The program has a clear structure, is closely connected to our four business units, and brings together employees from every department in the company.

## Project level

Each of our 10 group-wide sustainability projects has a **project manager** and a **project sponsor**. All sponsors are part of our Executive Committee, so the projects are represented at the highest level. Project managers come from different countries and departments and all projects have regular **steering committee meetings**.

## Program level

The additional layer of program management ensures the coherence of our approach. We established a **sustainability program board** with quarterly program steerco's, consisting of an Executive Committee program sponsor (our Chief Communication & Sustainability Officer), a sustainability program manager, our CEO and our entire Executive Committee.

## Board of directors

We present the progress of our sustainability program and initiatives to our board of directors once a year. This creates a forum to challenge our progress and direction. The board also approves our material topics, our annual sustainability report and our sustainability KPIs.

"Sustainability is crucial for our company's long-term viability. For supply chain resilience, but also to have access to financial resources in the future. We already have a sustainability-linked loan in place, linking our interest rate to the improvement of three tailored sustainability KPIs. This creates an extra incentive to tackle our most important sustainability topics."

**Luc Verhasselt**  
Chief M&A and Corporate Governance Officer

The result: a strongly embedded sustainability strategy that's fully supported by our family shareholders, our board of directors and our Executive Committee.



# Sustainability reporting

Next to a clearly defined sustainability strategy and strong governance, we believe in the importance of reporting to increase the transparency, credibility and accountability of our initiatives. We strive to improve our reporting in line with (upcoming) sustainability legislation, reporting frameworks and global goal-setting mechanisms.



## EU legislation

LLBG is fully aware of the **EU Corporate Sustainability Reporting Directive (CSRD)**, the reporting requirements which will be mandatory for LLBG as from 2026 (reporting on 2025). In preparation of the CSRD, we are conducting our double materiality assessment and plan to continue with a CSRD gap analysis. We also closely monitor the **EU Taxonomy** developments.



## Reporting frameworks

LLBG reports its sustainability initiatives according to the **Global Reporting Initiative (GRI) Standards**. The GRI content index can be found in the Appendix to this report. Knowing that the CSRD is, to a large extent, based on the GRI Standards, we are already well positioned to comply with the CSRD reporting requirements.



## Global goals

LLBG believes the **UN Sustainable Development Goals (SDGs)** are the foundation for a sustainable future and we support their implementation. Our sustainability projects contribute to the SDGs. The link between our sustainability projects and the specific targets we support is shown on page 26.



GREENHOUSE GAS PROTOCOL



SCIENCE BASED TARGETS

## Carbon footprint

We calculate our company-wide carbon footprint on a yearly basis, following the **Greenhouse Gas (GHG) protocol**. We calculate our scope 1, 2 and 3 emissions, with the latter including both upstream and downstream emissions (see pages 37-38). Our carbon reduction targets are science-based and are in the process of being approved by the **Science Based Targets initiative** (see page 40).

“CSRD compliance will require a lot of preparation in the coming years, especially when it comes to the collection of sustainability data. Nonetheless, it’s an evolution that we support. It’s a huge job, but to measure is to know and to make progress. We also believe it’s good for business: we are all looking for sustainable economic growth and we see mandatory sustainability reporting as a means to keep us on that track.”

**Gotzon De Aguirre**  
Chief Financial Officer



# Memberships & certificates

LLBG is a member of several industry associations, sustainability initiatives and external rating platforms. Our goal is to join forces and contribute to a more sustainable food industry.

## Industry associations

### Belgium



### International



## Sustainability initiatives & certificates



## External rating platforms



In 2023, we were awarded with a **silver EcoVadis medal**. With an overall score of 65/100, we are in the 86th percentile, meaning that we are **positioned in the top 14% of companies rated by EcoVadis** in the food manufacturing industry.

**EcoVadis** is the world's largest provider of business sustainability ratings. Based on four domains—environment, labor and human rights, ethics and sustainable procurement—EcoVadis evaluates how a company contributes to the transition to a sustainable economy.

Our sustainability performance has been rated by EcoVadis since 2021, with significant improvement along the journey.

“The Silver EcoVadis medal is a well-deserved recognition for our sustainability efforts in 2023. It underscores our dedication to become a more responsible company and motivates us to do better every year!”

**Nele Van Malderen**  
Chief Communication & Sustainability Officer



# UN Sustainable Development Goals

LLBG supports and contributes to the UN SDGs through its 10 company-wide sustainability projects.

Purpose-led brands



Sustainable innovation



Reporting & carbon roadmap



Responsible sourcing



Energy transition & reduction



Wheat & regenerative agriculture



Circular packaging



Community



Happy employees



Zero food waste









# Quality product



## A better world through top-quality products

By embedding sustainability into our sourcing strategy, product innovation and purpose-led brands, we treat the world with bakery products that are better for people and better for the planet



Responsible  
sourcing



Sustainable  
innovation



Purpose-led  
brands



# Responsible sourcing

At LLBG, we want to do business in an ethical way, from an environmental and a social perspective. Not only for our own operations, but also for our supply chain. We stand for a responsible sourcing strategy and collaborate with our suppliers to tackle sustainability issues linked to carbon emissions, deforestation, human rights and animal welfare.

Watch the video



## Our KPIs

	2022	2023 (actual)	2027
% of direct spend* covered by LLBG supplier code of conduct or supplier equivalent code of conduct	0%**	84% +9% vs target	>95%

\* Spend = raw and packaging materials

\*\* LLBG's supplier code of conduct entered into force in 2023

## Our ambition

In 2023, our **supplier code of conduct** entered into force, setting out the minimum requirements that LLBG expects all its suppliers and sub-suppliers to respect, within their own operations and those of their supply chain. In 2024, we'll work on further rolling out our supplier code of conduct.

We're working on our **scope 3 reduction roadmap** by reassessing our raw materials and engaging with our suppliers, also to safeguard the long-term availability of our raw materials.

In addition, we ensure compliance with the **EU legislation on deforestation and due diligence**.

## In practice

In 2024, to reduce our scope 3 emissions, we have a clear focus on our most important raw materials: **flour, butter, oil and yeast**. We're investigating and mapping the carbon reduction potential of these raw materials, collaborating with suppliers who are ahead of the curve to implement concrete reduction initiatives.



flour



butter



oil



yeast

## Our achievements

For many years, we've been working with responsible suppliers that support our sustainability standards, making conscious choices when sourcing our raw materials.



In 2023, **84%** of our direct spend\* was covered by our supplier code of conduct, surpassing our 75% target



We held **>100 face-to-face meetings** with suppliers, creating positive energy in our supply chain to accelerate our sustainability journey



**100% RSPO-certified palm oil**, avoiding deforestation and the destruction of vulnerable areas



**100% RFA-certified cacao**, tackling issues such as child labor and deforestation



**>95% FSC or PEFC-certified paper**, sourced from forests that are managed responsibly



**>90% cage-free eggs**, protecting animal welfare





# Sustainable innovation

Innovation shapes the future. We want to redefine tomorrow's bakery, creating a future-proof range of bakery products that are tasty, nutritious and light on the environment. That's why we incorporate sustainability, health and wellbeing into our innovation funnel—without compromising on taste and quality.

## Our ambition

The health and wellbeing of our millions of consumers matters to us, just like the health of our planet matters. Bakery products are an interesting category—nutritious, low in carbon intensity and predominantly plant-based—but we nevertheless embrace our responsibility to produce even more balanced products, for people and for planet.

In 2024, we are working on integrating sustainability into our innovation model, focusing on nutrition & environment. Based on these axes, we will evaluate which products within our range qualify as a **sustainable best product**.

In 2027, we want to achieve a significant increase of sustainable best products throughout our product categories.

## Our KPIs

We will measure sustainable innovation through the concept of **sustainable best product share (s-BPS)**, meaning the percentage of our sales volume that our "sustainable best products" represent within LLBG's total product portfolio. We will report precise s-BPS targets in our 2024 sustainability report.



## In practice

At LLBG, we believe in promoting healthier food choices. That's why we use the **Nutri-Score logo** for the large majority of our Bakery Fresh products. As consumer awareness on nutrition and health grows, we want to provide consumers a transparent and easy-to-understand overview of the nutritional quality of a product.

In 2023, the Nutri-Score algorithm was adjusted, amongst others enlarging the differentiation between whole-grain and white bread. The adjusted Nutri-Score algorithm negatively affects our bread category: while the vast majority of our bread previously had a Nutri-Score A or B, a significant amount of bread products are now shifting to Nutri-Score C or D. Nevertheless, we are committed to bring the majority of our bread products **back to Nutri-Score A and B**. How? By working on fiber, salt and fat.

**93%**  
of all products in  
Bakery Fresh carry  
a Nutri-Score logo



## Our achievements



### Multi-grain "Rustik" bread

- Nutri-Score A
- High in fibre (6g fibre/100g)
- 10% seeds
- 70% Belgian flour



### Multi-seed protein croissant

- Vegan
- Source of protein (13g protein/100g)
- Linseeds, sunflower seeds, sesame seeds & poppy seeds
- No artificial flavors, no artificial coloring (NAFNAC)



### Spinach feta cheese börek

- Lightest phyllo dough on the market
- Filling contains 55% chopped spinach leaves and real Greek feta cheese
- Made with sunflower oil, no palm oil
- No artificial flavors, no artificial coloring (NAFNAC)



### Choc Almighty

- Real Belgian chocolate pieces
- -30% fat vs leading competitor
- No artificial flavors, no artificial coloring (NAFNAC)
- RFA-certified chocolate & cocoa
- RSPO-certified palm oil



# Purpose-led brands

At LLBG, we are driven by our purpose to bake a better world together. We strive for a portfolio of purpose-led brands that are forces for growth and forces for good.

Watch the video



## Baking a better world together





## Our ambition

We want to integrate sustainability into our brands and link them to a larger societal benefit, while always focusing on our 3 Ps: product, planet and people.

In 2024, all our brands—both B2B and B2C—will reflect on their impact on the planet & society and take action to become forces for good. This means that all our brands will undergo a purpose brand check, resulting in a revamped brand positioning with inspiring & authentic brand activation plans, to consistently tell their sustainability stories to their stakeholders as of 2025.

## In practice

Throughout the years, we have already worked on the purposefulness of our brands, resulting in concrete purpose proof points:



At La Lorraine, we bake passion. With one goal and one mission: baking the best-loved product, accessible to everyone.



DNWBH aims to be the lightest & luckiest donuts on the market, sparking joy in every bite.



Panos boosts your day with freshly prepared bakery food for all, while combatting food waste and tackling the problem of empty lunch boxes in schools.



Paniflower actively supports the shift to regenerative agriculture, leading to low-carbon wheat and flour.

## Our achievements

In 2023, we launched our new corporate brand promise, **"baking a better world together"**. That's why we get up every day!

In 2024, we'll be launching our **new employer branding**, embedding purpose and sustainability.

# Ready to roll up your sleeves?





# Healthy planet



## A better world with a healthier planet

By reducing our carbon emissions to what science says is necessary, we want to keep our planet healthy and limit global warming. We're reducing the carbon emissions linked to our own operations and our upstream and downstream value chain. But caring for our planet is about more than carbon. It's also about soil health, biodiversity, waste reduction and giving back to our communities.



Reporting &  
carbon  
roadmap



Energy  
transition &  
reduction



Wheat &  
regenerative  
agriculture



Circular  
packaging



Zero food  
waste



Community





# Reporting & carbon roadmap

When it comes to carbon, to measure is to know. That's why since 2020, we've been conducting a yearly carbon footprint analysis. This gives us the insights we need to understand the carbon intensity of our activities, identify our emission hotspots and take action. We've set company goals to decouple our growth from our carbon emissions, making sure our ambitious carbon reduction targets are backed by science.

Watch the video



Every year, we calculate the greenhouse gas emissions throughout our entire value chain (scope 1, 2 and 3) following the **Greenhouse Gas Protocol**.

Our scope 3 emissions include the following categories of the GHG Protocol:

- Upstream: Purchased goods and services, capital goods, fuel- and energy-related activities, upstream transport and distribution, waste generated in operations, business travel, employee commuting
- Downstream: Processing of sold products, end-of-life treatment of sold products, franchises

Other scope 3 categories are not included because they are not applicable or insignificant to our business. We look at all greenhouse gas emissions and represent them as CO2 equivalence (CO2e).



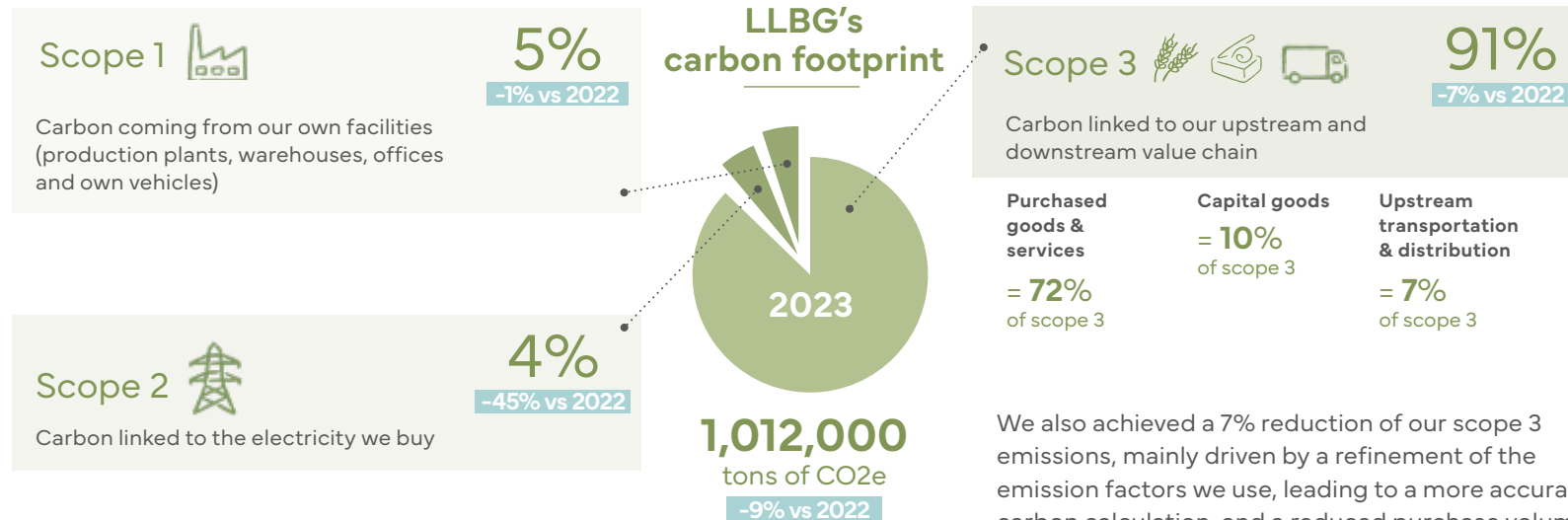


## Our KPIs

	2022 (base-year)	2023	2027	2030	2039	2050
<b>Greenhouse gas emissions, scope 1 &amp; 2</b>	129,514 ton CO2e	<b>90,067 ton CO2e</b> -30% vs 2022	-25%	-50%	Net zero	
<b>Greenhouse gas emissions, scope 3</b>	988,414 ton CO2e	<b>921,683 ton CO2e</b> -7% vs 2022		-25%		Net zero

## Our achievements

In 2023, we managed to curb our carbon emissions. Our company-wide carbon footprint now accounts for **1,012,000 tons of CO2e**, which means we emitted **9% less carbon than in 2022**.



The main driver for our scope 1 & 2 carbon reduction was the switch to 100% renewable electricity in our production site in Poland. This led to a 30% reduction, putting us ahead of schedule to reach our -25% ambition by 2027.

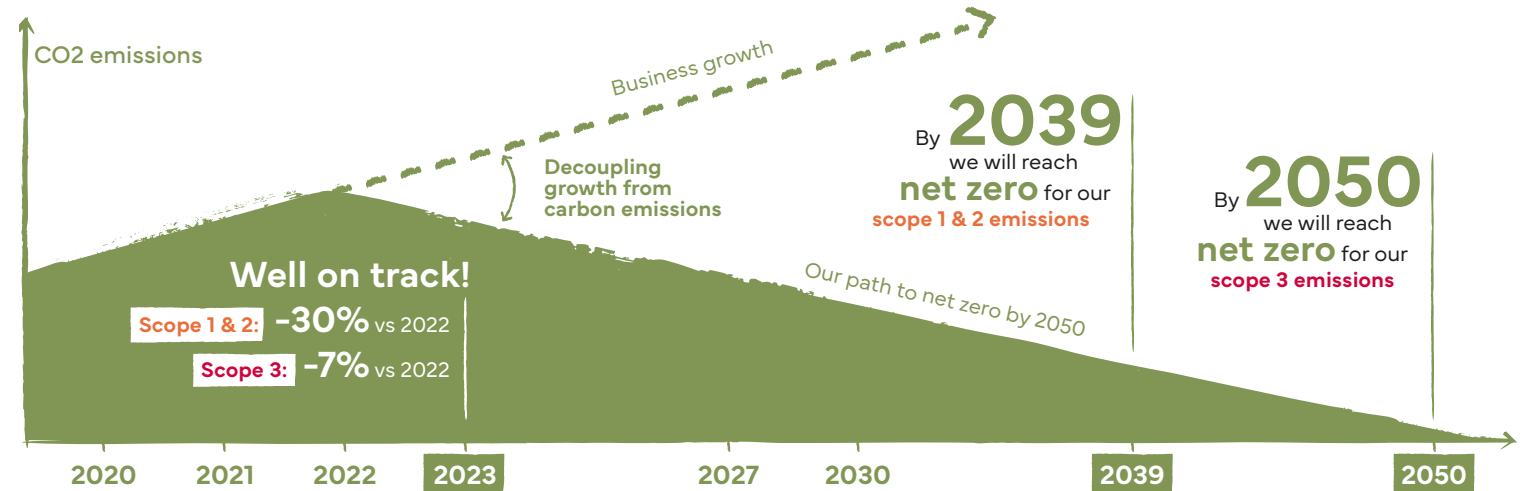
We also achieved a 7% reduction of our scope 3 emissions, mainly driven by a refinement of the emission factors we use, leading to a more accurate carbon calculation, and a reduced purchase volume of certain high-carbon ingredients. Here too, we're well on track to reach our -25% ambition by 2030.

## Our ambition





As a growing company, reaching net zero is a major challenge, because it means **decoupling our growth from our carbon emissions**. But it's a challenge we know we have to tackle. We pledge to reach **net zero by 2050** at the latest, based on our 2022 baseline, no matter how much our company grows.

While focusing on responsible sourcing, regenerative wheat farming and our product portfolio will be a part of the solution, we realize that—as of today—we don't yet have full clarity on our scope 3 reduction roadmap.

We nevertheless remain confident that we will reach our scope 3 reduction ambitions through **collaboration with our ecosystem** and relying on **new technology and innovations**.



### Scope 1 & 2 reduction initiatives

-  Increasing our energy efficiency with 2-4% per year
-  Transitioning to 100% green electricity by 2030
-  Moving to a fully electrified fleet
-  Transitioning to zero carbon heat sources by 2039

### Scope 3 reduction initiatives

-  Sourcing our ingredients responsibly
-  Innovating in a sustainable way
-  Using the power of our brands
-  Supporting the shift to regenerative agriculture
-  Improving our packaging portfolio
-  Reducing our internal food waste





## In practice

LLBG supports the ambition of the Paris Agreement and is committed to take action to limit global warming to well below 2°C. That's why we want to ensure that our carbon reduction targets are backed by science.

In March 2023, we signed the **Science-Based Targets initiative (SBTi)** commitment letter, joining the growing group of companies that are setting carbon reduction targets in line with the latest climate science. In addition to our commitment letter, we submitted our SBTi targets in December 2023, which are currently being validated by SBTi.

We follow the criteria of the SBTi Net Zero standard, making a split for our scope 3 emissions between FLAG (forest, land, agriculture) and non-FLAG emissions.

See [sustainability.llbg.com](https://sustainability.llbg.com) for our SBTi commitment letter



SCIENCE  
BASED  
TARGETS

DRIVING AMBITIOUS CORPORATE CLIMATE ACTION



# Energy transition & reduction

If it's up to us, the future is green. That's why we have an energy reduction & transition strategy in place. We're committed to reducing our energy consumption to the technical minimum. Because after all, the best energy is the energy we don't use. For the consumption we simply can't avoid, we're shifting to renewable energy sources in the years to come.

Watch the video



## Our ambition

**Energy efficiency** – We strive to reduce our energy consumption to the technical minimum by optimizing our production processes, looking for alternative baking processes and improving our installation and building techniques.

2-4%  
yearly  
reduction of  
**energy  
intensity**

**Energy transition** – For the energy consumption we can't avoid, we are decarbonizing by switching to renewable energy sources. Our first focus is to switch to 100% green electricity (scope 2) by 2030, with fuel and gas (scope 1) following by 2039.

100%  
**green  
electricity  
by 2030**

Our **power purchase agreement** is in full preparation. Soon, we'll be signing an investment contract for a renewable energy project, with the aim of switching our entire electricity consumption to green in one go, across all markets.



## Our KPIs

		2022	2023	2027	2030	2039
<b>Energy efficiency</b>	Energy intensity ratio*	857 kWh/ton	<b>893 kWh/ton</b> +4% vs 2022	2-4% yearly reduction		
	% of renewable electricity consumption (scope 2)	1.36%	<b>22%</b> x16 vs 2022	30%	100%	
<b>Energy transition</b>	% of renewable energy consumption (scope 1 + 2)	0.67%	<b>11%</b> x16 vs 2022			100%

\* Energy intensity ratio = total energy consumption (bakery) / total produced volume (bakery)

## Our achievements

Our production site in **Poland** is running on **100% renewable electricity**. This led to a **45% reduction** of our scope 2 emissions vs 2022 and, at group level, a 22% green electricity consumption.

Despite our efforts, we didn't reach our 2-4% energy reduction target in 2023. This is largely due to a shift in product mix, as we are focusing more on high-margin products with a higher energy intensity. This doesn't mean we didn't make progress: we worked on getting a clear view on our energy consumption and we now know where to go with a clear energy efficiency action plan.

## In practice

Successful implementation of energy efficiency initiatives:

**New "nearly zero-energy" office building in Romania** using sustainable techniques and materials, amongst others heat recovery from our production facility. This resulted in A+ Energy and A+ CO2 emission certificates.



**Improved detection of compressed air leaks** by advanced measuring, immediate impact quantification and automatic reporting of leaks. In the Czech Republic alone, we saved more than 100 MWh through 35 early detections.



**Heat recovery from ovens**, using the gases to produce hot water. This increases our oven efficiency with 10% and leads to an energy saving of approximately 200 MWh per production line.

**Optimizing the temperature in our frozen warehouses**, resulting in less electricity consumption for cooling while ensuring our frozen products are constantly stored at below -18°C.







# Wheat & regenerative agriculture

The quality of our bakery products depends on top-quality wheat, and this is something that only a healthy planet can offer. We want to safeguard what nature has to offer by actively supporting the shift to regenerative agriculture. To reduce our carbon footprint, but also to restore the balance in our ecosystems and improve soil health and biodiversity, ensuring quality wheat in the long run.

Watch the video



## Our ambition

At LLBG, we want to accelerate the **shift to regenerative agriculture**, which we define as a set of sustainable agricultural practices that restores the balance in our ecosystems instead of depleting our natural resources, thereby improving soil health, mitigating climate change, supporting biodiversity and improving farmers' livelihood.



Minimize synthetic fertilizers



Maximize crop diversity and rotation



Maximize cover crops



Minimize soil disturbance

The aim of regenerative agriculture is not only to emit less carbon during the wheat farming process (**carbon reduction**), but also to replenish the soil with organic matter, enabling the soil to draw and store more carbon from the atmosphere (**carbon sequestration**).

We also want to contribute to a **fair incentive model** for farmers, ensuring that the shift to regenerative farming is economically feasible for the entire value chain.

## Our KPIs

	2022	2023	2027	2030
Carbon linked to purchased wheat	Baseline	-10% vs 2022		-25% vs 2022
Carbon linked to purchased flour	Baseline	+6% vs 2022		-25% vs 2022
Contracted harvest volume of regenerative wheat*	No data	3,000 tons Reaching 2023 target	50,000 tons	Still to be defined
Purchased volume of regenerative flour*	No data	No data		Still to be defined

\* Regenerative wheat and flour = at least 25% carbon reduction, compared to CarbonCloud emission factors of 2022



## Our achievements

- Harvest of our first **3,000 tons of regenerative & low-carbon wheat**, collaborating with Arvesta to support Belgian farmers 
- Gaining practical know-how on regenerative wheat farming on our test fields with the University of Ghent: promising results on innovative **fertilization solutions**
- Two up-and-running pilot projects** with a focus on the collection of primary data and the carbon impact of agricultural practices

## In practice

We can't succeed on our own. To transition to a more sustainable food system, we need to collaborate with our farmers and customers, sharing data and knowledge, and implementing actions that are in the best interests of all.

The long-term partnership between **BAT Agrar**, **Paniflower** and **Paulig** is a prime example of how we are, step by step, making the transition towards a more sustainable and lower carbon food chain. The partnership focuses on developing regenerative farming practices for the wheat that Paniflower transforms into flour and that Paulig uses to produce tortillas.

See [press.llbg.com](https://press.llbg.com) for the press release

“Through the partnership with BAT Agrar and Paulig, we’re creating an ecosystem to build our knowledge on regenerative agriculture in the field. We involve all partners in the value chain – farmers, agricultural traders, mills and food production companies – creating sustainable value for all. The result: wheat with a carbon reduction of up to 35%!”

**Marc Vanherpe**  
CEO Bakery Fresh & Milling



# Circular packaging

At LLBG, we want to create a closed-loop system in which packaging is reduced, reused and recycled. We go for a circular packaging system to preserve our natural resources, but also to reduce waste and carbon emissions. While packaging can be essential for our product quality and to reduce food waste, we strive to minimize the amount of packaging we use and design our packaging with recycling in mind.

Watch the **video**



## Our ambition

We want to reach full packaging circularity by reducing, reusing and recycling. We consider our packaging to be “circular” if:

- The amount of packaging material is minimized.
- The packaging is fully recyclable or reusable.
- The amount of recycled material in the packaging is increased, up to the maximum content allowed by law.



reduce



reuse



recycle







## Our KPIs\*

		2022	2023	2027
<b>Reduce</b>	% of packaging per finished product	8.6%	<b>8.6%</b> +0% vs 2022	7.5%
	% of packaging that is recyclable or reusable	94%	<b>97%</b> +3% vs 2022	100%
<b>Reuse &amp; recycle</b>	% of packaging containing recycled content	85%	<b>84%</b> -1% vs 2022	100%

\* This data contains all single-use packaging material purchased by the business units Fresh, Frozen and Store Concepts, in Belgium, Czech Republic, Poland, Turkey, Romania, Hungary and the Middle-East. The data relates to the packaging material used in LLBG's production facilities, the Panos and Deliway shops and the in-store packaging delivered by LLBG.

## In practice

We believe in the power of **reusable packaging**. As a significant part of our packaging material consists of cardboard boxes, we aspire to switch these cardboard boxes to reusable crates where possible.



**Current packaging**  
Single-use cardboard box  
(including plastic foil, tape and label)



**Reusable plastic crate**  
which is reused 260 times  
(including washing of crate)

When assessing potential shifts in our packaging strategy, we want to base our decisions on scientific knowledge. That's why we use **life cycle assessments** ("LCAs") to evaluate the environmental footprint of current and future packaging material.

Our LCA\* shows that the switch from single-use cardboard boxes to reusable plastic crates is positive for all four environmental parameters:

<b>-81%</b>	<b>-99%</b>	<b>-88%</b>	<b>-62%</b>
Global warming potential (in kg CO2e)	Consumption of secondary materials (in kg)	Materials for recycling (in kg)	Net consumption of freshwater resources (in m <sup>3</sup> )

\* We use the LCA "cradle-to-gate" method, assessing the environmental footprint of packaging coming from its raw material extraction, production and transportation up to the factory gate. Environmental impact is recalculated to 1 kg of bakery products

## Our achievements

**84%**  
of our packaging contains  
**recycled materials**

**97%**  
of our packaging  
**is recyclable**

**90%**  
of our packaging  
**is paper-based**





# Zero food waste

At LLBG, we commit to a zero food waste mindset: across our own operations, at our points of sale and at the level of consumers. While less than 0.1% of our bakery products is disposed, we want to set the bar even higher. That's why we made the conscious decision to define our internal food waste as all food surplus that doesn't go to human consumption. We strive to reduce our internal food waste to the absolute minimum and, for the food waste we can't avoid, we go for the best possible valorization.

Watch the video





## Our achievements

- We comply with our zero food waste policy with **less than 0.1% of our food waste being disposed**. The remaining 99.9% is diverted for animal feed, food donations and bio-gasification.
- When it comes to diverting the food surplus we can't avoid, we aim for the **highest possible valorization**. It's our belief is that the best way to deal with bakery surplus is to revalue it as an ingredient for human consumption. A part of our bread surplus is already being used for the production of **bread crumbs** and **beer**, and we're exploring other innovative valorization opportunities.
- Together with **Too Good To Go**, Panos saves more than 10,000 meals per month.

## Our KPIs

	2022	2023	2027	2030
<b>Disposed food waste (landfill or incineration)</b>	0.1%	<b>0.03%</b> on target	<0.1%	<0.1%
<b>Internal food waste*</b>	8.6%	<b>10.5%</b> +2% vs target	<7%	<6%

\* Internal food waste = food exiting our bakery division production sites without human consumption as final destination

Despite our efforts, we did not manage to reduce our internal food waste to our 2023 target of 8.5%. In 2023, the acceleration in production capacity expansion resulted in the start-up of many new lines, which led to exceptional – and temporary – food waste. By working on the right food waste initiatives, and we are confident that we will bend the internal food waste curve in 2024.

## Our ambition

We have a **zero food waste policy** meaning that we strive for a complete elimination of disposed food waste (going to landfill or incineration). This is achieved by **reducing** food waste at the source, **reusing** our surplus flour and dough within our production process and – as a last resort – **diverting** surplus food to other uses.

## In practice

When it comes to food waste, our first focus is on reducing the food waste within our own production process. We have an increased focus on operational excellence in all our factories, improving the efficiency and dough yield of our production lines. In addition, we aim to re-use the maximum amount of surplus flour and dough within our recipes.

**-30%**

**internal food waste** by 2027

through an increased focus on operational excellence in all our factories





# Community

LLBG wants to give back to the local communities it operates in, because we believe that sustainable companies deliver both profit and purpose. We focus on two community pillars, closely connected to LLBG's strengths, to really make an impact.



Good bread  
for all

With Good Bread for All, we strive for access to good, basic food for everyone through a coherent set of food donation initiatives.



Atelier  
La Lorraine

With Atelier La Lorraine, we contribute to access to quality education, especially for less-privileged youngsters.

Watch the video



## Our ambition



Good bread  
for all

We want to increase our **food donations** by strengthening the existing partnerships with our food donation partners. By 2027, we want to donate at least 500 tons of bakery products on an annual basis, which translates to 15 million slices of bread.



Atelier  
La Lorraine

By 2027, we want to have five active **Atelier La Lorraine** projects, giving at least 150 youngsters per year the opportunity to become bakers or food industry professionals.





## Our KPIs

	2022	2023	2027
Volume of donated bakery products	168 ton	<b>236 ton</b> -264 ton vs target	>500 ton
# of youngsters reached by Atelier La Lorraine initiatives each year	35	<b>66 youngsters</b> +16 vs target	>150
# of active Atelier La Lorraine initiatives across LLBG markets	0	<b>1 initiative</b> -1 vs target	5

## In practice



Panos is tackling the issue of **empty lunch boxes** in Belgian schools, together with the organization **Brood(does)nodig**. Because it's hard to thrive at school with an empty stomach.



In June 2023, 28 students graduated from their first year of the Atelier La Lorraine, and we currently have **66 youngsters** enrolled for the academic year that started in September 2023.

## Our achievements



In 2023, we donated 236 tons of bakery products to more than 20 community initiatives in all our production countries.



We launched our very first **Atelier La Lorraine in Romania!** With our two LLBG-specific courses, focusing on **bakery and technical skills**, we're providing less-privileged youngsters the opportunity to complement their existing high school education with vocational skills. Both are three-year programs, preparing the students for employment in the bakery industry. We're proud to be shaping the bakers of the future, sharing both theoretical and hands-on knowledge and offering our students a first working experience through summer internships at our production plant.







# Happy people



## A better world with happier people

People are our most important strategic asset, and it's our commitment to take good care of them. Building on our existing employee engagement platforms, we want to give our employees chances to develop to their full potential. Creating unity between happy and healthy employees that thrive in a safe, inclusive and rewarding workplace.



**WORKING & LEARNING  
TOGETHER**



**SAFE  
TOGETHER**



**CELEBRATE & CARING  
TOGETHER**



**FIT  
TOGETHER**



# Happy employees

Our four employee engagement platforms have one common goal: to create unity between happy, engaged and healthy employees who thrive in a safe, inclusive and rewarding workplace.



We measure the happiness of our employees through the overall score of our company-wide **Employee Engagement Survey (EES)**. In 2022, we reached a higher participation rate as compared to the 2019 survey, while also increasing our employee engagement score.

We organize our EES every two years, meaning that we will report on our 2024 EES score in our next sustainability report.

**By 2027, we want our employee engagement score to be in the top 25% of European companies.**

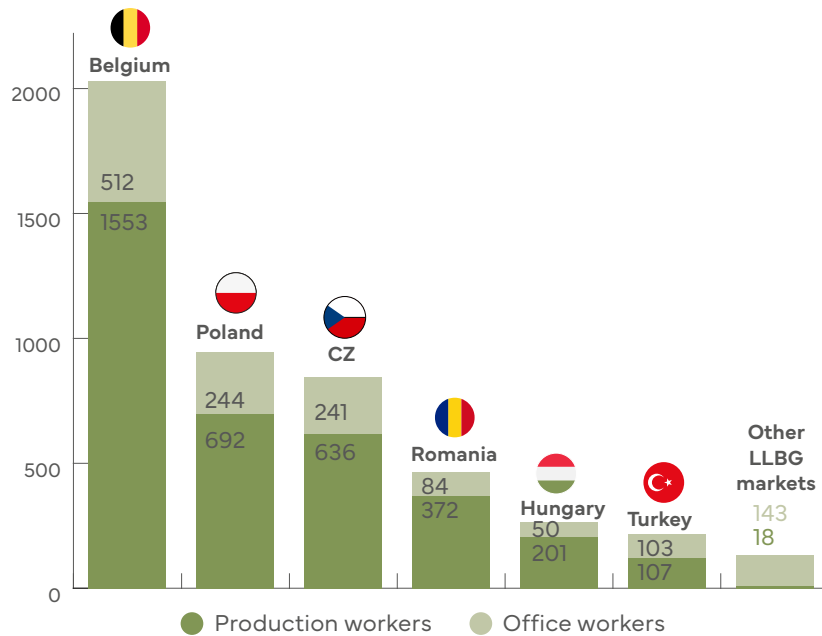
## Our KPIs

	2022	2023	2027
<b>Overall score of EES</b>	Top 50% EU benchmark	N/A*	Top 25% EU benchmark

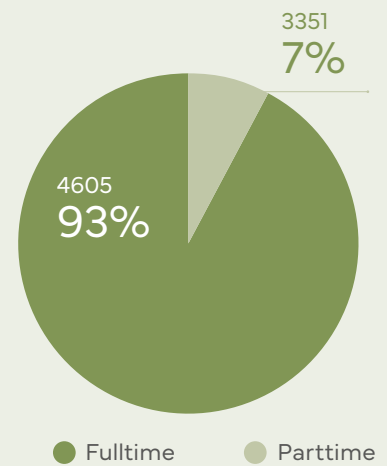
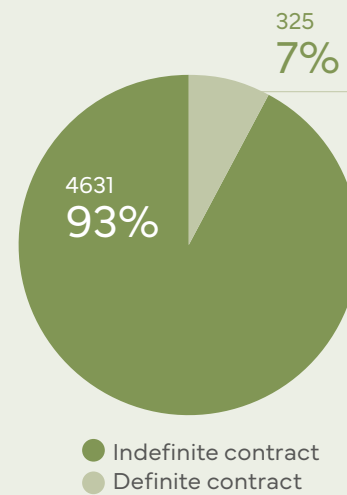
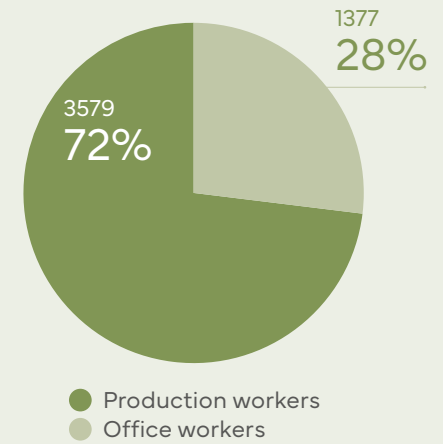
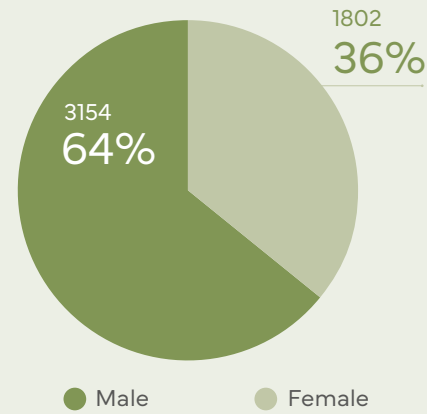
\* EES is held every two years



# Our people at a glance\*



\* Based on headcount data from the end of 2023. Temporary workers are not included.







## WORKING & LEARNING TOGETHER

Passionate and engaged employees make a company grow. At LLBG, we believe that a culture of continuous development will strongly contribute to attract, motivate & retain the best leaders and employees. And next to that, create a winning spirit with optimal job ownership, self-realization & employee happiness.

### Our KPIs

	2022	2023	2027
Average training hours per year/employee*	12.7	13.2 +4% vs 2022 -45% vs target	40
Response to EES question: "I am given a real opportunity to improve my skills at LLBG"	67%	N/A	Top 25% EU benchmark

\* Based on production countries (Belgium, Czech Republic, Poland, Romania, Hungary, Turkey)

While we see an increase in average training hours vs 2022, we didn't reach our 2023 target of 24 training hours per employee. This is partially explained by the fact that our figures only reflect "in class training". Other types of informal training (observational learning, peer learning, mentoring, etc.) are currently not included in these figures, despite the fact that we strongly invest in them. As a result, our reported figures are a serious underestimation of the actual training hours.

### Our achievements



Our **LLBG Academy** aims to accelerate our culture of lifelong learning. In 2023, our Belgian employees followed close to **4,000 training** courses on more than 100 topics.



**81%** of our white-collar employees received regular **performance evaluation** reviews in 2023.



In 2023, we facilitated **>25 internal job switches**, encouraging our employees to continuously develop their skills and knowledge.



We kickstarted the **LLBG Future Leaders Program** to identify, develop and retain talent, thereby safeguarding our leadership pipeline.



The safety of our LLBG co-workers is one of our biggest priorities. That's why we strive for nothing less than a zero-accident workplace. We strive for a strong safety culture through safety assessments, a focus on prevention and risk management, internal safety campaigns and safety trainings for our employees.

### Our KPIs

	2022	2023	2027*
Accident frequency rate*	16.3	17.9 <b>+10% vs 2022</b> <b>+43% vs target</b>	10.5
Accident severity rate**	0.25	0.33 <b>+32% vs 2022</b> <b>+57% vs target</b>	0.17

\* Number of accidents with lost time per 1 million worked hours  
 \*\* Number of lost days due to work accidents per 1000 worked hours

Regrettably, we weren't able to reduce—nor reach our target—for the accident frequency and severity rates in 2023. We see that our safety figures in Bakery Frozen, our largest business unit, have improved, thanks to the strengthening of our safety culture. Nevertheless, there is still a lot of work to do in our other business units. We know that building a strong safety culture is key to improve our safety figures. This takes a lot of effort and leadership, and it's one of our key priorities for 2024.

### Our achievements



**Cyber security** was a big safety priority in 2023. More than 2,000 employees received **trainings** on various cybersecurity topics such as phishing, security awareness, social media usage and the importance of strong passwords. We also used **phishing simulation exercises** to raise awareness and put our learnings into practice.

We launched a new safety awareness campaign, implementing our **group safety policy** and our new **10 golden safety rules**.





## CELEBRATE & CARING TOGETHER

Together, we want to celebrate and recognize the hard work and engagement of our people.

We also aim to make our workplace more diverse and inclusive, a company where everyone feels at home. We support the victims of disasters with donations to humanitarian organizations.

### Our achievements

At LLBG, we join forces to care for those in need. We created a **LLBG Solidarity Fund** to support the victims of disasters in our community.

Financial and material support to victims of the **Turkey earthquake**

### Our KPIs

	2022	2023*	2027
Response to EES question: "At LLBG, employees are treated equally and fairly regardless of their background (e.g. all ages, cultural backgrounds, genders, races, religions, etc.)"	75%	N/A	Top 25% EU benchmark
Response to EES question: "I feel as if I am part of the LLBG family"	72%	N/A	Top 25% EU benchmark
Response to EES question: "LLBG values my contribution"	72%	N/A	Top 25% EU benchmark

\* EES is held every two years







# Diversity & inclusion

At LLBG, we embrace diversity and are convinced that a diverse workforce—be it in gender, age, nationality, social background, culture, or origin—strengthens our company performance.

## Gender diversity

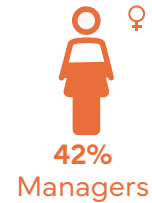
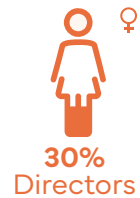
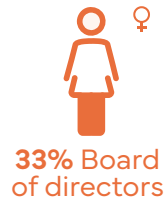
We welcome gender diversity, reflected in the female representation at the different levels of our company, and we value fair and gender-neutral remuneration.

## Generational diversity

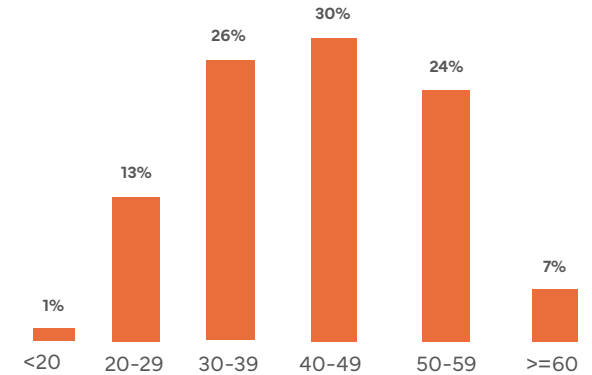
We are attentive to generational diversity, because we believe that people of different ages bring different viewpoints to the table.

**36%**  
company-wide  
**female**  
**representation**

**73**  
different  
**nationalities**



## Age Pyramid







To live and function at their best, LLBG employees must be in good physical and mental shape. Our company-wide Fit Together program encourages our employees to invest in their body and mind. Each year, we put together a varied program with physical challenges, practical workshops and inspiring keynotes on physical and mental wellbeing.

	2022	2023	2027
% of employees who attend at least 1 Fit Together event	12%	21% +1% vs target	20%
Response to EES question: "I can manage my job responsibilities in a way that enables healthy work-life balance"	80%	N/A*	Top 25% EU benchmark

\* EES is held every two years

## Our achievements

More than **1,000 employees** participated in our **Fit Together activities**



Did we cycle in 2023? Yes we did! We trained together and conquered the famous **Alpe D'Huez** mountain with **200 colleagues**



More than **400 colleagues** became **darts** professionals during our darts tour in all production plants



Our colleagues in Czech Republic organized a "**Summer in move**" program, enjoying nature during weekly physical activities





# Appendix

## GRI content index

**Statement of use** La Lorraine Bakery Group has reported in accordance with the GRI Standards for the period 1/1/2023-31/12/2023

**GRI 1 used** GRI 1: Foundation 2021

**Applicable GRI Sector Standard(s)** Not yet available

GRI STANDARD	#	GRI DISCLOSURE	LOCATION	OMISSION
<b>General Disclosures</b>				
<b>GRI 2: General Disclosures 2021</b>	2-1	Organizational details	<b>Legal name:</b> La Lorraine Bakery Group NV <b>Ownership &amp; legal form:</b> La Lorraine Bakery Group NV is a family holding <b>Location of headquarters:</b> Elisabethlaan 143, B-9400, Ninove (Belgium) <b>Countries of operation:</b> <a href="https://www.llbg.com/en-en/where-you-find-us">https://www.llbg.com/en-en/where-you-find-us</a>	
	2-2	Entities included in the organization's sustainability reporting	The scope of our sustainability reporting has been defined according to the operational control principle. In practice this means that the joint ventures Panesco Chile SPA, La Boîte à Pain, Bake Hellas SA and Bakery SPA are not included in the reporting scope.	
	2-3	Reporting period, frequency and contact point	<b>Reporting period:</b> 1 January-31 December 2023 <b>Reporting frequency:</b> annual <b>Publication date:</b> 26 April 2024 <b>Contact point:</b> <a href="mailto:sustainability@llbg.com">sustainability@llbg.com</a>	
	2-4	Restatements of information	See LLBG's financial reports at <a href="https://www.llbg.com/en-en/investors">https://www.llbg.com/en-en/investors</a>	
	2-5	External assurance	LLBG financial reports are audited & published on <a href="https://www.llbg.com/en-en/investors">https://www.llbg.com/en-en/investors</a>	
	2-6	Activities, value chain and other business relationships	p 12-14, <a href="https://www.llbg.com/en-en/about-us/who-we-are">https://www.llbg.com/en-en/about-us/who-we-are</a> <a href="https://www.llbg.com/en-en/our-products/product-categories">https://www.llbg.com/en-en/our-products/product-categories</a>	
	2-7	Employees	p 54	
	2-8	Workers who are not employees	p 54	
	2-9	Governance structure and composition	p 15 <a href="https://www.llbg.com/en-en/corporate-governance">https://www.llbg.com/en-en/corporate-governance</a>	
	2-10	Nomination and selection of the highest governance body	<a href="https://www.llbg.com/en-en/corporate-governance">https://www.llbg.com/en-en/corporate-governance</a>	
	2-11	Chair of the highest governance body	Guido Vanherpe, Group CEO Rudy Broeckkaert, Chairman of Board of Directors	
	2-12	Role of the highest governance body in overseeing the management of impacts	p 15 + p 21-23	
	2-14	Role of the highest governance body in sustainability reporting	p 15 + p 21-23	
	2-15	Conflicts of interest	LLBG Code of Conduct at <a href="http://codeofconduct.llbg.com">codeofconduct.llbg.com</a>	



GRI STANDARD	#	GRI DISCLOSURE	LOCATION	OMISSION
<b>Energy</b>				
GRI 3: Material Topics 2021	3-3	Management of material topics	p 21-22	
GRI 302: Energy 2016	302-1	Energy consumption within the organization	p 41-42; total energy consumption: 433.614 MWh	
	302-3	Energy intensity	p 41-42	
	302-4	Reduction of energy consumption	p 41-42	
<b>Water and effluents</b>				
GRI 3: Material Topics 2021	3-3	Management of material topics	p 21-22	
GRI 303: Water and Effluents 2018	303-1	Interactions with water as a shared resource		Unavailable information
<b>Emissions</b>				
GRI 3: Material Topics 2021	3-3	Management of material topics	p 21-22	
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	p 37-38	
	305-2	Energy indirect (Scope 2) GHG emissions	p 37-38	
	305-3	Other indirect (Scope 3) GHG emissions	p 37-38	
	305-4	GHG emissions intensity	p 38-39	
	305-5	Reduction of GHG emissions		Unavailable information
<b>Waste</b>				
GRI 3: Material Topics 2021	3-3	Management of material topics	p 21-22	
GRI 306: Waste 2020	306-1	Waste generation and significant waste-related impacts	p 47-48 As a food processing company, food waste is by far our most significant waste stream. That is why we report on the internal food waste generated within our own production process. Waste generated in our value chain, upstream or downstream, is not included.	
	306-2	Management of significant waste-related impacts	p 47-48	
	306-3	Waste generated	p 47-48	



GRI STANDARD	#	GRI DISCLOSURE	LOCATION	OMISSION
<b>Supplier environmental assessment</b>				
GRI 3: Material Topics 2021	3-3	Management of material topics	p 21-22	
GRI 308: Supplier Environmental Assessment 2016	308-1	New suppliers that were screened using environmental criteria	p 29-30	
	308-2	Negative environmental impacts in the supply chain and actions taken	p 29-30	
<b>Employment</b>				
GRI 3: Material Topics 2021	3-3	Management of material topics	p 21-22	
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	p 54; employee turnover: figures not yet available at moment of publication	
<b>Occupational health and safety</b>				
GRI 3: Material Topics 2021	3-3	Management of material topics	p 21-22	
GRI 403: Occupational Health and Safety 2018	403-1	Occupational health and safety management system	p 56	
	403-2	Hazard identification, risk assessment, and incident investigation	p 56	
	403-4	Worker participation, consultation, and communication on occupational health and safety	p 56	
	403-9	Work-related injuries	p 56	
<b>Training and education</b>				
GRI 3: Material Topics 2021	3-3	Management of material topics	p 21-22	
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	p 55	
	404-2	Programs for upgrading employee skills and transition assistance programs	p 55	
	404-3	Percentage of employees receiving regular performance and career development reviews	p 55	

GRI STANDARD	#	GRI DISCLOSURE	LOCATION	OMISSION
<b>Diversity and equal opportunity</b>				
GRI 3: Material Topics 2021	3-3	Management of material topics	p 21-22	
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	p 58	
	405-2	Ratio of basic salary and remuneration of women to men		Unavailable information
<b>Supplier social assessment</b>				
GRI 3: Material Topics 2021	3-3	Management of material topics	p 21-22	
GRI 414: Supplier Social Assessment 2016	414-1	New suppliers that were screened using social criteria	p 29-30	
	414-2	Negative social impacts in the supply chain and actions taken	p 29-30	
<b>Customer health and safety</b>				
GRI 3: Material Topics 2021	3-3	Management of material topics	p 21-22	
GRI 416: Customer Health and Safety 2016	416-1	Assessment of the health and safety impacts of product and service categories	100% p 31-32	
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services		No external publication, due to confidentiality constraints
<b>Marketing and labeling</b>				
GRI 3: Material Topics 2021	3-3	Management of material topics	p 21-22	
GRI 417: Marketing and Labeling 2016	417-1	Requirements for product and service information and labeling	p 31-32	









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