



Baking joy,  
every day,  
*sustainably*  
for everyone

Sustainability report 2023

# ABOUT THIS REPORT

In 2023, we once again made significant progress towards our sustainability targets, initially outlined in our first Sustainability Report from 2020 (published in 2021). Last year, we provided an update on our achievements for 2021-2022. Now, we present our latest update, detailing our final accomplishments for 2023.

## Scope of this report

The scope of the sustainability data in this report encompasses the following entities, unless stated otherwise:

- Poppies Bakeries Zonnebeke (BE)
- Poppies Bakeries Wervik (BE)
- Poppies Bakeries Comines (BE)
- Poppies Bakeries d’Haubry (BE)
- Poppies Bakeries Ertvelde (BE)
- Hugo Wafels (BE)
- Polcaf (BE)
- Ficaf (BE)
- Poppies Bakeries (BE)
- Poppies Bakeries Melissant (NL)
- Poppies Bakeries Bunschoten (NL)
- Poppies Bakeries Born (NL)
- Poppies Bakeries Nederland (NL)
- Poppies Bakeries Laudun (FR)
- Poppies Bakeries Ekeby (SW)
- Poppies Bakeries Deutschland (DE)
- Poppies Bakeries France (FR)
- Poppies Bakeries Iberia (ES)
- Icefresh Foods (UK) (only sales and people results)

It excludes the sites of Eco-Biscuits (BE), Biscuiterie De Reze (BE) and Poppies Bakeries Rocky Mount (US).

## Name of the organisation

Poppies Bakeries consists of a number of companies related to the operational activities of the group. Our headquarters are located at Kasteelstraat 29, 8980 Zonnebeke, Belgium. The company’s number in the Central Register of Enterprises (KBO) is 0435.991.442.

## Reporting period

Publication date: 15 September 2024.

Reporting period: 01 January 2023 - 31 December 2023.

This report is accessible online at [www.poppiesbakeries.com](http://www.poppiesbakeries.com) where our previous reports are also available.

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# WORD FROM OUR CEO

Since the formal start of our sustainability journey in 2020 with the launch of our Green Deal program, **numerous initiatives have been undertaken** for the benefit of our people and our planet. Every step, whether large or small, in the right direction is a step towards a better world. As agreed when we initiated the Green Deal program, we are firmly committed to keeping you informed of our progress. And progress, indeed, has been made!

For the first time in Poppies Bakeries' history, **we have mapped the complete carbon footprint of the group**, covering scope 1, 2, and 3 emissions. As anticipated, scope 1 (our own generated greenhouse gases) and scope 2 (greenhouse gases from the electricity we use) represent only 4% of our total carbon footprint. The majority (96%) is generated in scope 3, resulting from our business activities downstream and upstream in the value chain. For palm oil and cacao, in particular, as major contributors, we will continue to actively engage with our suppliers to implement sustainable agricultural practices to **minimise environmental impact**.

In the coming years, one of our focus areas will be setting new, **ambitious greenhouse gas emission reduction targets** and **developing action plans** to meet these targets in a timely manner. We are proud to report **our first carbon footprint reduction results:** for scopes 1 and 2, we have managed to exceed expectations by switching to green electricity and solar panels at our Belgian sites. Further reductions are expected as our sites outside Belgium also transition to green electricity. We cannot stress enough that these efforts, which incur higher short-term costs, can only continue through collaboration with all representatives in the value chain.

As part of our efforts towards more sustainable sourcing, we have begun discussions with all our suppliers regarding our **Supplier Code of Conduct**. This code outlines our expectations in terms of fair labour practices, environmental protection, and ethical business conduct. By the end of 2023, over 86% of our direct spend was covered by either our own Supplier Code of Conduct or an equivalent from our suppliers.

In our packaging strategy, we have achieved **nearly 100% recyclable packaging**. Simultaneously, we continue our efforts to reduce packaging material as much as possible, without compromising the quality, taste, and freshness of our products.

As a family-owned company, sustainability is not just about caring for our planet; it is also about caring for our people. **We consider our employees to be the foundation of our business success**. That is why we continue to invest in creating a safe, engaging work environment where they can thrive. Various safety training sessions have been provided across our different production sites.

With **the European Corporate Sustainability Reporting Directive** now in effect, we are legally required to report extensively on our ESG initiatives. This poses a significant challenge in terms of data collection—not only financial data but also detailed, high-quality non-financial data are necessary to meet current and upcoming reporting requirements. ESG reporting increasingly requires a focused and multidisciplinary approach across the entire organisation.



**“We recognise our environmental  
and social responsibilities  
as a food company.”**

Consequently, we have decided to extend our sustainability governance structure by **appointing an internal sustainability coordinator and an ESG data controller.**

In line with our sustainability roadmap, we have initiated **a double materiality assessment.** We consulted a wide range of internal and external stakeholders to better understand their ESG focus areas. Their insights and feedback have been invaluable and will shape our sustainability agenda for the coming years. More details on this will be provided in our next sustainability report.

At Poppies Bakeries, **we recognise our environmental and social responsibilities as a food company.** We are determined to contribute to the fight against global warming and limit our environmental impact in every aspect of our operations. Additionally, we are committed to promoting the well-being of our employees and stakeholders throughout our supply chain, ensuring fair labour practices and fostering ethical business conduct.

*Patrick Reekmans  
CEO Poppies Bakeries*



# ABOUT POPPIES BAKERIES

## KEY FACTS 2023



### 100%

Belgian &  
family owned



Almost **50**  
years of experience



**5**  
product categories



**14**  
bakeries  
in 5 countries



**1,212**  
employees



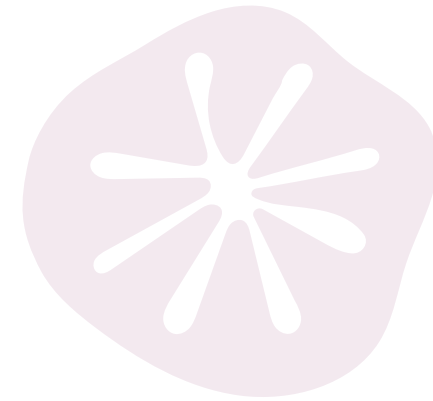
**450**  
mio euro turnover



**88,000**  
tonnes sales volume



**80%**  
private label



### A TRULY INTERNATIONAL COMPANY

Poppies Bakeries is a **Belgian family-owned company** known for its sweet bakery products. Our company was founded in **1976** and has since grown into an international player in the bakery industry, with **14 production facilities across Belgium, the Netherlands, France, Sweden and the United States**. Our ambition is to make our bakery range accessible to more and more consumers all over the world. Most of our products are sold as private label, predominantly to **retail, food service and industrial partners**. Moreover, we offer our delicacies to more than **64 countries** worldwide.





## A COMPANY WITH A PURPOSE

“By experiencing the familiar taste of our sweet bakery products, we want everyone all over the world to enjoy those small moments of indulgence throughout the day.”

# Baking JOY, EVERY DAY FOR EVERYONE

We're not just experts. We are also passionate about our craft. We want to **bring joy with everything we do**: from the creation of our wonderful products to those small moments of utter pleasure.

We focus on creating **highly accessible products** that can be shared all over the world and fit perfectly with different lifestyles and cultures.

We are committed to baking great bakery products that can be enjoyed **every moment of the day**.



## OUR STRATEGY OF OPERATIONAL EXCELLENCE

Our bakery range consists of **5 categories** that carefully combine our craft of traditional baking with the know-how of large-scale production.



Biscuits



Cakes  
& Pastries



Macarons



Frozen  
desserts



American  
Bakery



## THE 3 PILLARS OF OUR SUSTAINABILITY STRATEGY

Poppies Bakeries' sustainability strategy is focused on **three key pillars: product, planet, and people**. In 2021, we identified the areas within each pillar that are most important to our stakeholders and where we can make the greatest impact. However, we recognise the need to accelerate our efforts to meet the requirements of the new **European Corporate Sustainability Reporting Directive (CSRD)**. This directive mandates that companies disclose sustainability information annually, alongside their financial reporting. In 2026, Poppies Bakeries will publish its first CSRD-compliant report, covering the financial year 2025. To prepare for this, we are updating our sustainability strategy and conducting a **double materiality analysis**, which includes extensive stakeholder consultation.



### PRODUCT

- Securing the top quality of our products
- Sourcing sustainable ingredients
- Embracing consumer wellbeing



### PLANET

- Packaging our products sustainably
- Reducing carbon emissions
- Making efficient use of water
- Avoiding waste



### PEOPLE

- Developing skills & capabilities
- Building a diverse and inclusive workplace
- Ensuring a safe and healthy working environment
- Upholding good labour practices



## SUSTAINABILITY GOVERNANCE STRUCTURE

In order to implement our sustainability strategy and to achieve our sustainability goals, we created a governance structure in 2023 that embeds sustainability throughout our entire organisation. In order to monitor the progress of our sustainability program, an **executive sustainability steerco** has been established, **chaired by the CEO, Patrick Reekmans**, and facilitated by the **sustainability coordinator, Gudrun Lefevere**. The sustainability steerco consists of all members of the management team, and meets at least four times per year.

### EXECUTIVE SUSTAINABILITY COMMITTEE

- Is accountable for the results of the sustainability program.
- Validates sustainability priorities.
- Approves sustainability targets and action plans.
- Reviews sustainability progress (KPI dashboard based).
- Challenges workstream leaders.
- Takes decisions on sustainability related matters and approves the budget.

### SUSTAINABILITY COORDINATOR

- Captures developments in sustainability-related regulations and ensures the company's compliance.
- Assesses sustainability priorities (materiality).
- Supports workstream leaders in setting KPI's, developing and managing action plans.
- Collaborates with finance on ESG data management.
- Is in charge of sustainability related reporting and communications.
- Coordinates the executive sustainability steerco's.

### WORKSTREAM LEADER

- Is responsible for a specific sustainability domain.
- Sets, with the support of the the sustainability coordinator, KPIs and targets on a specific sustainability domain.
- Develops and manages action plan on a specific sustainability domain.
- Reports progress towards targets on a specific sustainability domain.
- Helps in data collection on a specific sustainability domain.

### ESG DATA CONTROLLER

- Collects and analyses environmental, social, and governance data to ensure accurate and timely reporting.
- Collaborates with internal and external stakeholders in terms of ESG data management.



## SUSTAINABILITY REPORTING

Poppies Bakeries uses **the Sustainable Development Goals (SDGs)** of the United Nations as a guideline to shape our sustainability strategy. Defined in 2015, the SDGs consist of **17 global goals with a 2030 deadline**. All 193 countries in the UN General Assembly adopted this resolution. We realise that these goals cannot be met without support from the global business community. Our approach to supporting the SDGs is to focus on the goals where we can have the most impact, while screening and implementing actions that contribute to the other goals as well.



### GLOBAL REPORTING INITIATIVE

We have been publishing a Global Reporting Initiative (GRI) report since 2021. This GRI report will be published on our website under the sustainability tab: <https://www.poppiesbakeries.com>. In the future, this GRI report will become an integral part of reporting requirements established by the Corporate Sustainability Reporting Directive (CSRD) and the related European Sustainability Reporting Standards (ESRS).



### GREENHOUSE GAS PROTOCOL (GHG)

We calculate our corporate carbon footprint for the first time on the year 2023, following the Greenhouse Gas protocol.

### IDENTIFICATION OF SDGs

We have identified the following SDGs where we can make the most significant difference, which we support through the use of the relevant icons.



## MEMBERSHIPS & CERTIFICATIONS

To demonstrate and to help us to achieve our ESG commitments, we have several memberships and certifications, in line with our sustainability commitments.

### Sedex Member

Poppies Bakeries is a proud member of **Sedex**, a non-profit organisation that stands for Supplier Ethical Data Exchange. This organisation provides one of the world's leading online platforms for companies to manage and improve working conditions in global supply chains. More specifically, members share information on four pillars: labour standards, health and safety, environment, and business ethics.

**In 2023, seven production sites covered by this sustainability report were registered with Sedex and conducted the Sedex self-assessment** (Zonnebeke, Wervik, Comines, d'Haubry, Laudun, Melissant, Bunschoten).

### SMETA

Sedex self-assessments are sometimes followed by **SMETA (Sedex Members Ethical Trade Audit) two-pillar audits**. Through SMETA audits, we receive independent verification of our ethical compliance. These audits use the ETI Base Code, founded on the conventions of the International Labour Organisation, as well as relevant local laws. The two pillars that are mandatory for any SMETA audit are labour standards and health & safety.

**In 2023, three production sites received a SMETA audit** (Laudun, Melissant & Bunschoten).

### ecovadis

**EcoVadis** is a business rating platform for assessing corporate social responsibility and sustainable purchasing. The EcoVadis self-assessment tool helps companies gain insights into their maturity level. Four themes are assessed: Environment, Sustainable Procurement, Labour, and Ethics. We participated for the first time in 2022.

**Our score improved from 46 (2022) to 53/100 (2023)**. In the coming years, we will use the EcoVadis assessment tool as a management tool to enhance our overall sustainability performance.







**Industry associations**

Belgium



International



**Sustainability initiatives**



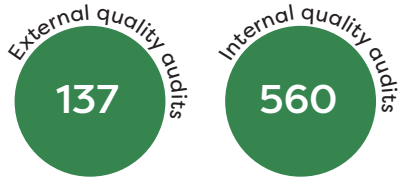


# SUMMARY RESULTS 2023

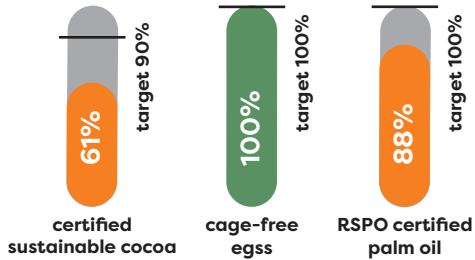


# Product

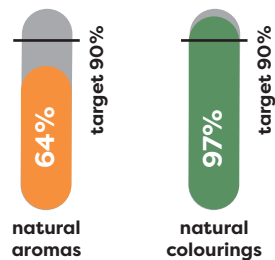
## Securing top quality products



## Sourcing sustainable ingredients

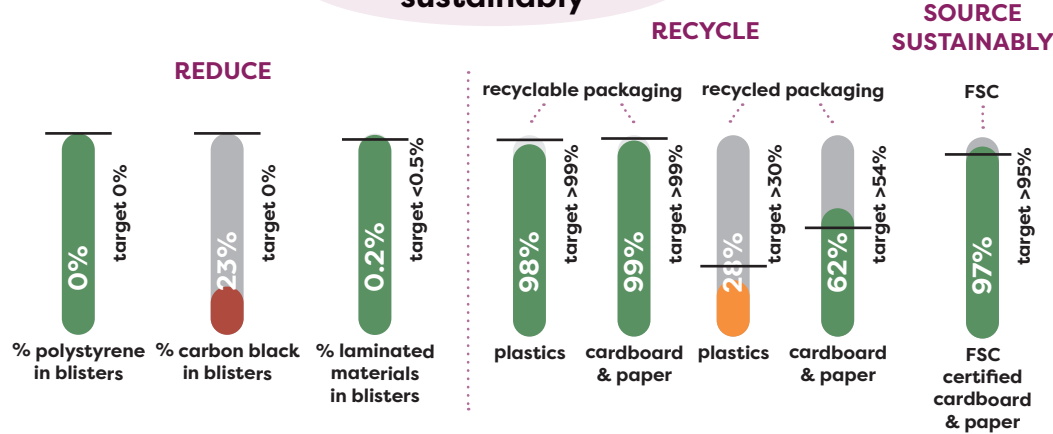


## Embracing consumer wellbeing

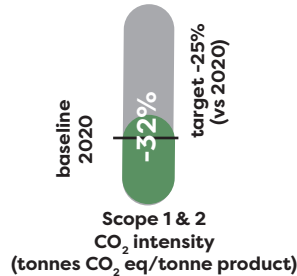


# Planet

## Packaging our products sustainably



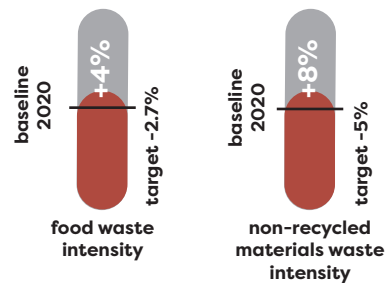
## Reducing carbon emissions



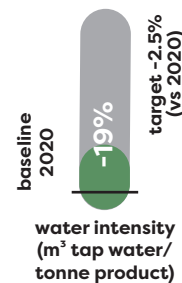
## Maximising green electricity



## Avoiding waste

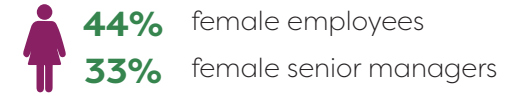


## Making efficient use of water

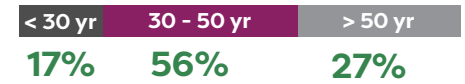


# People

## Building a diverse & inclusive workplace



### Age

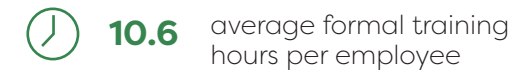


## Ensuring a safe & healthy working environment



Safety Days are organised in several production sites.

## Developing skills and capabilities





# PRODUCT

## SECURING THE TOP QUALITY OF OUR PRODUCTS

To guarantee our customers tasty, reliable, and safe products, we never compromise on food quality or safety in any way.



### STRIVING TO ACHIEVE THE HIGHEST POSSIBLE LEVEL OF CERTIFICATION

All of our production sites are **100% GFSI (Global Food Safety Initiative) certified** (except Hugo Wafels), and we encourage our suppliers, traders & logistics partners to become certified as well. Some of our external suppliers are audited by our Quality department to verify if they meet the required standards.

### QUALITY ASSURANCE OF OUR PRODUCTION PROCESSES

In addition to certification, we also ensure the quality and food safety of our food products through targeted inspections at all stages of our value chain: from raw material to finished product. For example, we carry out risk analyses of our production process based on **HACCP** (Hazard Analysis and Critical Control Points), which is a systematic preventive approach to food safety against microbiological, chemical, physical and allergenic risks in production processes. **Each employee receives essential training on HACCP** and quality process parameters during onboarding, with ongoing regular training sessions to ensure continued compliance.

To guarantee our customers tasty, reliable, and safe products, we never compromise on food quality or safety in any way.





## OUR KPIs

### INTERNAL QUALITY AUDITS

	FY 2020	FY 2021	FY 2022	FY 2023
<b>Number of internal quality audits</b>	712	577	544	<b>560</b>

In 2023 we have conducted **560 internal quality audits**. All components of the quality system are audited internally each year by independent, trained internal auditors with the aim of assessing the system's effectiveness, ensuring all relevant procedures are in place, and that these procedures are being followed. Items important for food safety and quality are audited twice a year, such as traceability and the production environment (including CCP or Critical Control Points).

### EXTERNAL QUALITY AUDITS

	FY 2020	FY 2021	FY 2022	FY 2023
<b>Number of external quality audits</b>	111	102	121	<b>137</b>

We received **137 external quality audits in 2023**. The number of external audits is on the rise again after two years of fewer external audits due to the Covid epidemic. **About 30% of external audits are unannounced.**



## SOURCING SUSTAINABLE INGREDIENTS

We make sure our ingredients are produced with respect for the concepts of the biodiversity, soil quality, forest conservation, and animal welfare.

### WE FOCUS ON THREE INGREDIENTS



#### COCOA



One of the **main ingredients** that is used in Poppies Bakeries' products is cocoa. We mainly buy cocoa products that are certified by **Rainforest Alliance (RFA)**. When requested by the customer, we also source chocolate with

Fairtrade® label. In 2023, **we reached 60,9% certified cocoa** which is far below our initial target. As the cocoa value chain faces strong structural issues such as poor working conditions and deforestation, we maintain our ambition to achieve a higher level of certified cocoa by pushing our customers to include sustainable-certified cocoa in more products. We are also preparing for the new EU Deforestation Regulation which comes into effect from 2025.



#### PALM OIL (& derivatives)



Poppies Bakeries has been member of RSPO since 2011. Almost all certified palm oil we buy follows the Segregated (SG) supply chain model and comes only from certified sources.

Next to segregated palm oil, we also accept for a very small quantity the Mass Balance (MB) supply chain model, which means sustainable palm oil from certified sources is mixed with ordinary palm oil throughout the supply chain.

In 2023, we reached **88,2% certified palm oil**, a rather stable amount since 2020. However we still commit to reach our initial goal as soon as possible.






#### EGGS

We are committed to animal welfare and source **100% eggs from cage-free hens since 2021**. Cage-free refers to a better quality of life for hens compared to those in cages.



## OUR KPIs

Metric	FY 2020	FY 2021	FY 2022	FY 2023	Target 2023	Status
% purchased volume certified sustainable cocoa	54%	28%	59%	61%	90%	
% purchased volume cage-free eggs	98%	100%	100%	100%	100%	
% purchased volume RSPO* certified palm oil and derivatives	88.4% (86.8% SG + 1.6% MB)	89.7% (86.6% SG + 3.1% MB)	89.1% (89% SG + 0.1% MB)	88.2% 87.4% SG + 0.7% MB)	100%	

\*RSPO = Roundtable for Sustainable Palm Oil

SG = Segregated

MB = Mass Balance

## IMPLEMENTING OUR SUPPLIER CODE OF CONDUCT

Metric**	FY 2020	FY 2021	FY 2022	FY 2023
% spend* (€) covered by signed Supplier Code of Conduct	n/a	n/a	n/a	86%

\*Spend = all spend from packaging and raw materials.

\*\*Scope: all sites mentioned on page 2 except Hugo Wafels.

We take responsibility and are committed to reducing the impact of our entire supply chain. For many years, we have made conscious decisions when purchasing our packaging and raw materials. Since 2023, Poppies Bakeries has enforced its Supplier Code of Conduct, which outlines our expectations for suppliers in three key areas: labour practices, environmental protection, and ethical business conduct. By the end of 2023, **86% of our direct spend was covered by our Supplier Code of Conduct** or an equivalent code from our suppliers.



## EMBRACING CONSUMER WELLBEING

### OUR KPIs

Metric	FY 2020*	FY 2021*	FY 2022*	FY 2023	Target 2023	Status
% purchased volume natural aromas	78%**	72%	65%	64%	90%	64%
% purchased volume natural colourings	89%**	93%	95%	97%	90%	97%

\*Scope: all sites mentioned on page 2 except Hugo Wafels.

\*\*In 2020, we still reported % purchased number of natural colourings and aromas. We switched it to % purchased volume in 2021 to align with other metrics in the report.

### USING MORE NATURAL AROMAS AND COLOURINGS

In 2023, **97% of our products contain natural colourings**, thanks to the replacement of several artificial colourings in our recipes, mainly in our donuts. For natural aromas, we are still struggling to reach our target due to the complexity of reformulation. Changing the aromas in our products requires extensive research because it affects the taste, and we do not want to compromise on the quality and taste of our products.

### BRINGING JOY AND HAPPINESS IN SMALLER PORTIONS

We invested in **a new production line for mini and medium size donuts at Poppies Bakeries Born (the Netherlands)**. By providing our indulgence products in smaller portions, we respond to society's growing health consciousness and demand for reduced fat and sugar intake. Our primary goal remains to enjoy, but in moderation.

Smaller portions, but **still with fabulous taste!**









## PACKAGING OUR PRODUCTS SUSTAINABLY

At Poppies Bakeries, the highest priority is the quality of our products and their familiar taste. We do not want to compromise on that. That's why we want to protect our products the best we can. Our packaging should prevent food waste and guarantee food safety. However, we are committed to making our packaging as sustainable as possible, striving to limit our packaging's environmental footprint.

### OUR KPIs

Metric	FY 2020*	FY 2021*	FY 2022*	FY 2023
<b>Packaging intensity (volume of packaging as % of total volume sold)</b>	22%	21.7%	22.7%	<b>21.8%</b>
<b>Ratio paper &amp; cardboard packaging on total packaging (volume %)</b>	80%	81%	82%	<b>84%</b>

\*Scope: figures excluding Hugo Wafels.

### PACKAGING INTENSITY

Packaging intensity **has not significantly changed** over the past years. This metric highly depends on the product mix. The packaging intensity of a light product, such as macarons, is much higher than that of heavier products, such as donuts. Depending on the product mix, overall packaging intensity will vary.

### PAPER & CARDBOARD

In 2023, **84% of our packaging was made from paper and cardboard**, and we are gradually increasing this share. The remaining **16% consists of plastics**.





## We work on 3 areas with regards to sustainable packaging



### 1 REDUCE

Eliminate non-recyclable materials in blisters

### 2 RECYCLE

Increase recycled and recyclable content of plastic and paper & cardboard packaging

### 3 SOURCE SUSTAINABLY

Source sustainable paper & cardboard packaging

# 1 REDUCE: eliminate non-recyclable materials in blisters

## OUR KPIS

Metric	FY 2020*	FY 2021*	FY 2022*	FY 2023	Target 2023	Status
% purchased volume polystyrene in blisters	1.2%	0.2%	0.2%	0%	0%	0%
% purchased volume carbon black in blisters	37%	34%	31%	23%	0%	23%
% purchased volume laminated materials in blisters	2.2%	1.6%	0.1%	0.2%	< 0.5%	0.2%

\*Scope: figures excluding Hugo Wafels.

We are gradually phasing out non-recyclable materials in our blisters. **Polystyrene and laminated materials are almost eliminated.** However, we still have quite some carbon black in our blisters, despite our target of reaching zero by 2023. The main challenge is replacing the blisters used for our semi-finished products. We are urgently seeking a solution to use reusable blisters.

## 2 RECYCLE: increase recycled and recyclable content of plastic and paper & cardboard packaging

### OUR KPIS

Metric	FY 2020*	FY 2021*	FY 2022*	FY 2023	Target 2023	Status
% purchased volume recyclable packaging (plastics)	95%	98%	99%	98%	>99%	98%
% purchased volume recyclable packaging (paper & cardboard)	99%	100%	100%	99%	>99%	99%

Metric	FY 2020*	FY 2021*	FY 2022*	FY 2023	Target 2023	Status
% purchased volume recycled packaging (plastics)	30%	27%	25%	28%	>30%	28%
% purchased volume recycled packaging (paper & cardboard)	54%	60%	61%	62%	>54%	62%

\*Scope: figures excluding Hugo Wafels.

We are constantly searching for ways to minimise our packaging materials. Additionally, we aim to increase the use of recycled materials in our packaging. If recycled materials are not feasible, we opt for virgin materials that are used efficiently and are fully recyclable.

By the end of 2023, we achieved **a recyclability score of over 98% for both plastic and paper & cardboard packaging**. Although we strive for a circular economy, we still face challenges in increasing the use of recycled materials to close the loop. In 2023, **62% of our paper and cardboard packaging consisted of recycled content**. For plastic, we used **28% recycled content** but were unable to increase this further, mainly due to technical reasons.



### 3 SUSTAINABLY SOURCED packaging materials

#### OUR KPIs

Metric	FY 2020*	FY 2021*	FY 2022*	FY 2023	Target 2023	Status
% purchased volume certified** sustainable paper & cardboard packaging	91%	91%	97%	97%	>95%	97%

\*Scope: figures excluding Hugo Wafels.

\*\*FSC or PEFC certified.

FSC = Forestry Stewardship Council

PEFC = Programme for the Endorsement of Forest Certification

#### TARGET REACHED

As it is currently technically impossible to fully close the loop, there will always be a need for virgin materials in our packaging. However, we are committed to sourcing these materials from sustainably certified suppliers. In 2023, **97% of the paper and cardboard packaging volumes we purchased were sustainably certified**, meaning we reached our 2023 target. Sustainably certified paper and cardboard refer to materials sourced from FSC (Forest Stewardship Council) or PEFC (Programme for the Endorsement of Forest Certification) certified suppliers. Both international organisations are committed to ensuring that forests are managed responsibly, taking social, ecological, and economic factors into account.





## OUR CARBON FOOTPRINT

### REDUCING OUR CARBON EMISSIONS (SCOPE 1 & 2)

Climate change is one of the biggest challenges for this and future generations. We have committed to reducing our carbon footprint by limiting our scope 1 and 2 CO<sub>2</sub> intensity and shifting to renewable energy.

#### OUR KPIs

Metric	FY 2020*	FY 2021	FY 2022	FY 2023	Target 2023	Status
Scope 1 + 2 CO <sub>2</sub> intensity (tonnes CO <sub>2</sub> eq/tonne product)	0.20	0.16	0.16	<b>0.14</b> (-32% vs 2020)	<b>0.15</b> (-25% vs 2020)	Baseline 2020 -32%
% green electricity in Belgian sites	6%	97%	97%	<b>100%</b>	<b>100%</b>	100%
Energy intensity (kWh/tonne product)	925	932	906	<b>839</b>	No target yet	

\*Scope: figures excluding Hugo Wafels.

#### SCOPE 1 & 2 CO<sub>2</sub> INTENSITY

Our 2023 target is to reduce scope 1 and 2 CO<sub>2</sub> intensity with 25% compared to baseline 2020. **In 2023 we achieved a reduction of 32%, which is mainly the result of our switch to green electricity in all Belgian production sites.**

#### GREEN ELECTRICITY & REDUCING ENERGY CONSUMPTION

We purchase Guarantees of Origin and also generate renewable electricity on site with **solar panels on the roofs** of several production sites (Poppies Bakeries Comines, d'Haubry, Zonnebeke and Wervik). The goal is to maximise our own on-site energy generation through solar power systems. But next to green electricity, we also work on continuously reducing energy consumption. Examples of recent investments are the conversion to **LED lights** and better insulation of pipes and equipment. **Energy intensity in 2023 decreased with 9% compared to 2020.** We still have opportunities for improvement in this area.





## MEASURING OUR CARBON EMISSIONS (SCOPE 1, 2 & 3)

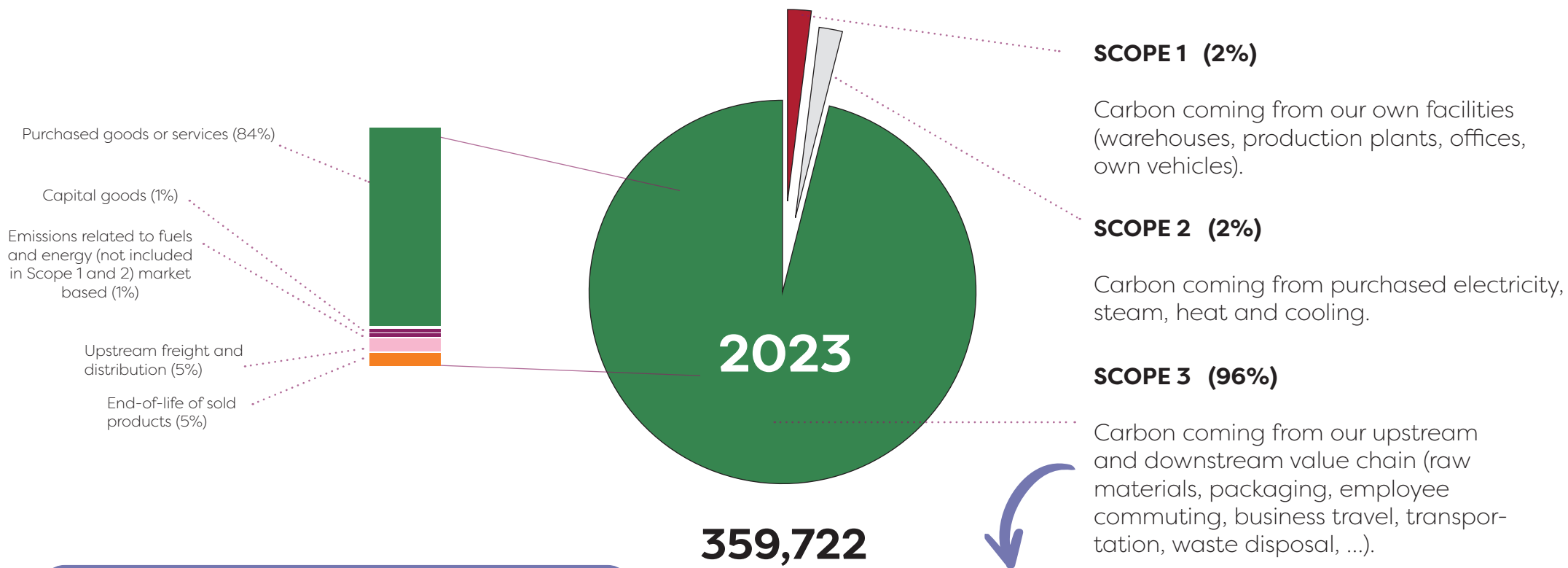
When it comes to carbon emissions, to measure is to know. That's why we have conducted **a corporate carbon footprint calculation** (scope 1, 2 and 3) according to the **Greenhouse Gas Protocol**. This provides us with a clear understanding of the carbon emissions of our operations and highlights the areas where our emissions are most concentrated.

METRIC*	FY2023
Gross Scope 1 GHG emissions (tCO <sub>2</sub> eq)	6,341
Gross location-based (Scope 2) GHG emissions (tCO <sub>2</sub> eq)	9,268
Gross market-based (Scope 2) GHG emissions (tCO <sub>2</sub> eq)	6,465
Significant** gross indirect (scope 3) GHG emissions (tCO <sub>2</sub> eq)	346,915
1. Purchased goods and services	304,379
2. Capital goods	4,164
3. Fuel and energy-related activities (not included in scope 1 or scope 2)	3,908
4. Upstream transportation and distribution	16,326
5. Waste generated in operations	1,430
6. Business traveling	241
7. Employee commuting	3
12. End-of-life treatment of sold products	16,461
<b>Total GHG emissions (location-based) (tCO<sub>2</sub>eq)</b>	<b>362,524</b>
<b>Total GHG emissions (market-based) (tCO<sub>2</sub>eq)</b>	<b>359,721</b>

\*This table covers all sites in scope mentioned on page 2, and in addition sites Icefresh (UK) and Rocky Mount (US).

\*\*Emission categories that fall under 5% threshold of total GHG footprint of Poppies Bakeries or categories that are not applicable for Poppies Bakeries are not included in this table.

**The total corporate emissions from Poppies Bakeries in 2023 amounted to 359,722 t CO<sub>2</sub> emissions**



**359,722**  
tons of CO<sub>2</sub> eq  
corporate emissions  
in 2023

**One of our biggest challenges will be to reduce our scope 3 emissions. This roadmap is not fully clear yet, and will depend on new technologies and innovations in our total value chain. However we will strongly engage with our suppliers and stakeholders to reduce our carbon emissions. During 2024 we will develop a roadmap with concrete initiatives to reduce our carbon footprint.**



**About 84% of our scope 3 emissions** is linked to our purchased goods and services, mainly from packaging and raw materials with cocoa, vegetable fats, egg and dairy products as biggest contributors. **The remaining 16% of our scope 3 emissions** is mostly linked to upstream transportation and end-of-life of our products.





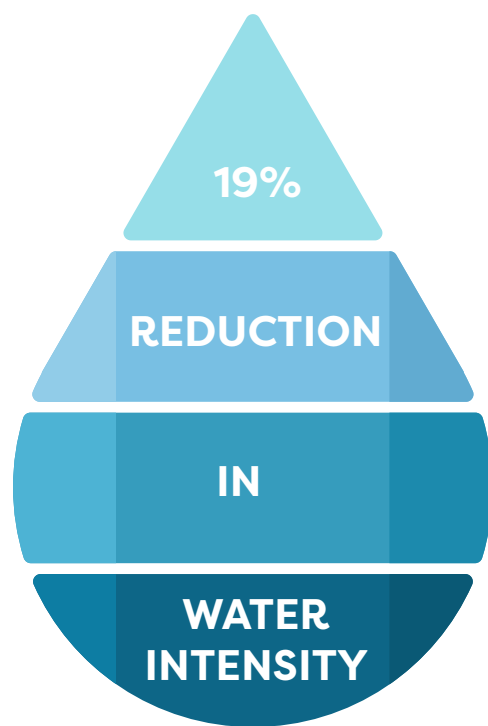
## MAKING EFFICIENT USE OF WATER

Although our manufacturing process has rather limited direct impact on water, we commit ourselves to efficient use of all natural resources, including water, as sparingly as possible. We mainly use water to ensure optimum cleaning and maximum hygiene. The water usage in our operations is monitored by means of a water intensity indicator.

### OUR KPIS

Metric	FY 2020*	FY 2021	FY 2022	FY 2023	Target 2023	Status
Water intensity (m <sup>3</sup> tap water/tonne product)	1.81	1.60	1.62	1.47 (-19% vs 2020)	1.76 (-2.5% vs 2020)	Baseline 2020 -19%

\*Figures excluding Hugo Wafels.



### IMPROVED WATER USE EFFICIENCY

In 2023, we achieved **a 19% reduction** in water intensity compared to 2020, **surpassing our 2023 target of a 2.5% reduction**.

Our operational staff at various locations have improved our water use efficiency through individual projects such as shorter cleaning processes in Laudun and the introduction of a cooling water recycling system in Ekeby (Sweden).

## AVOIDING WASTE

### 1. MINIMISING FOOD WASTE

#### OUR KPIS

Metric	FY 2020*	FY 2021	FY 2022	FY 2023	Target 2023	Status
Food waste (volume of waste as % of total volume produced)	6.1%	6.5%	7.1%	6.3% (+4% vs 2020)	5.9% (-2.7% vs 2020)	Baseline 2020 

\*Figures excluding Hugo Wafels.

Despite our focus on minimising food waste, it has increased by 4% compared to 2020, while the reduction target for 2023 was -2.7%. **The main cause of this increase is related to testing.** At Poppies Bakeries Wervik, we began producing a new product that required extensive testing. In Bunschoten, significant waste occurred due to an older production line, which has since been replaced meanwhile.

To sharpen our focus on reducing food waste, we will roll out **a food waste improvement plan** for all sites. Most of the waste is valorised as animal feed.



Operational efficiency and automation are key in our business approach. As such, we attach great importance to the efficient use of our resources and, thus, avoid creating waste as much as possible.



## 2. MAXIMISING MATERIALS RECYCLING

### OUR KPIS

Metric	FY 2020*	FY 2021	FY 2022	FY 2023	Target 2023	Status
Non-recycled materials waste (volume of waste as % of total volume produced)	1.56%	1.98%	1.91%	1.69% (+8% vs 2020)	1.48% (-5% vs 2020)	<p>Baseline 2020 Target -5% +8%</p>

\*Figures excluding Hugo Wafels.

As a food company, we consider it our responsibility to reduce our waste streams as much as possible. **Recyclable waste flows are sorted on-site** and collected by specialist companies for further processing.

**Our non-recycled materials waste** increased by 8% compared to 2020, which is below our target. The primary reason for this increase is the same as for food waste: extensive **testing** resulted in significant materials waste, mainly packaging waste.

Starting in 2024, **we will implement customised action plans for each site** to address our direct impact on waste. We need to raise awareness of waste management across our production sites by improving production efficiency, better monitoring of all processes, and more accurate forecasting and production planning.



# PEOPLE

## BUILDING A DIVERSE AND INCLUSIVE WORKPLACE

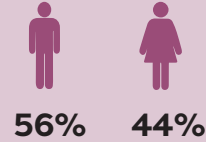
Metric	FY 2023
Permanent employees (heads, year-end)	1,147 (+17% vs 2020)
Temporary employees (heads, year-end)	55
Non-guaranteed hours employees (heads, year-end)	10
Non-employee workers	298

The majority of our workforce consists of permanent employees, totalling **1,147 in 2023**, an increase of 0.7% compared to the previous year. We also employ a significant number of non-employee workers, primarily **interim** staff. Interim workers are particularly present at sites experiencing rapid growth in volume and at locations with seasonal sales spikes.

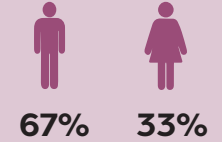
In 2023, our **total employee turnover rate was 13.6%**.

### GENDER DIVERSITY

#### EMPLOYEES

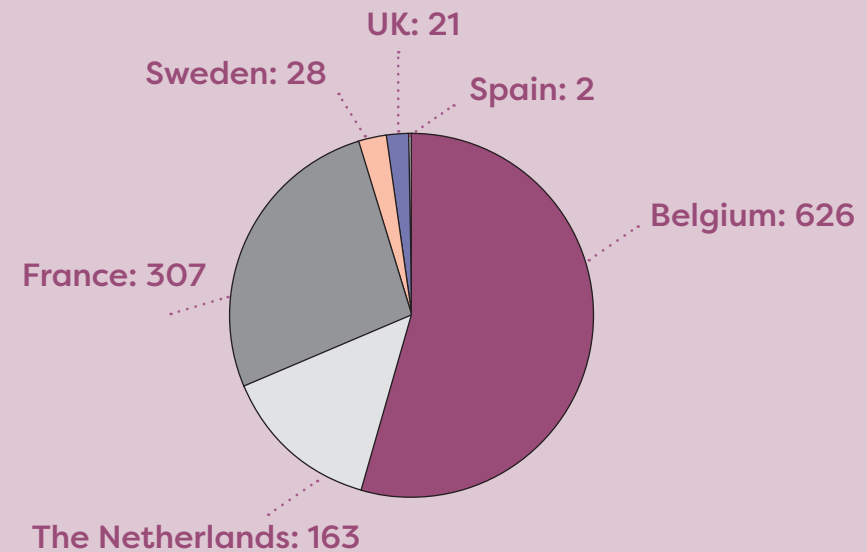


#### SENIOR MANAGEMENT

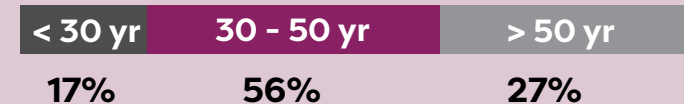


\*senior managers are defined as up to the level N-2, with N = CEO level

### EMPLOYEES PER COUNTRY



### % AGE DIVERSITY OF EMPLOYEES





## DEVELOPING SKILLS AND CAPABILITIES

We believe that we can only grow as a company if our employees grow. Investing in our continued success means investing in our people. This ensures they adapt to new developments and achieve results by gaining new experiences, maximising their strengths, and applying new or improved skills.

### TRAININGS

Across all departments and roles, we averaged a total of **10.6 hours of formal training per employee in 2023**. One example of formal training is the Safety Days, which were organised in 2023 at several production sites. These sessions included engaging workshops and interactive activities on ergonomics, self-defence, communication, HACCP, pest control, and more, all designed to enhance skills, foster teamwork, and promote a culture of continuous improvement.

### PERFORMANCE REVIEWS

In 2023, **39% of employees received a performance and development review**. Our focus for this initiative has primarily been on **white-collar workers**. Annually, typically at the start of the year, our staff discuss the previous year's performance, upcoming objectives, career ambitions, and learning requirements with their managers. These learning needs then inform the People & Organisation team's training agenda for the coming year.

In some sites, but not all, performance reviews have also been organised for **blue-collar workers**. In sites where performance reviews for blue-collar workers have not yet been implemented, the focus has been on creating a strong annual training programme to develop skills and capabilities.

### OUR KPIS

Metric	FY 2023
Average formal training hours per employee	10.6
Vacancies filled internally (as % of total vacancies posted)	33%
% of employees in performance management and development reviews	39%

### INTERNAL MOBILITY

Another way we encourage employee development is by promoting **internal mobility**. Whenever there is a job opening at Poppies Bakeries, it is posted internally first. In 2023, **33% of our vacancies were filled internally**.





Two workers in yellow protective suits and hairnets are standing in a cleanroom, reviewing a document together. They are wearing white gloves and face masks. The worker on the right is holding a clipboard. They are standing next to a black pallet jack. The background shows a cleanroom environment with white walls, a fire extinguisher, and a yellow safety bollard.

## ENSURING A SAFE AND HEALTHY WORKING ENVIRONMENT

We continuously work on further improving our operational safety because every accident is one too many. To reduce safety risks at work, we place great importance on reporting every incident. In 2023, we introduced a template at every site for recording accidents in accordance with the definitions set out in the European Sustainability Reporting Standard (ESRS) S1 Own Workforce.

### OUR KPIS

Metric	Employees	Non-employee workers
Number of fatalities as a result of work-related injuries	0	0
Number of recordable work-related accidents	67	7
Rate* of recordable work-related accidents own workforce	39.79	13.35
Number of calendar days lost to work-related injuries	1,323	79

\*Rate is calculated as the number of accidents divided by the number of total hours worked by people and multiplied by 1,000,000.

### DAILY SAFETY INSPECTIONS

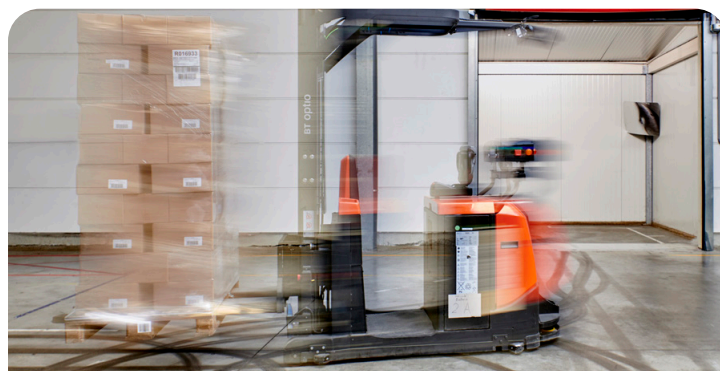
In 2023, we implemented several actions to improve worker health and safety. For example, at our site in Laudun, **we organise daily safety inspections with a multidisciplinary team** comprising production, maintenance, quality, and safety managers, along with team leaders. Once a week, team leaders hold brief discussions with line conductors, and once a month, these talks focus on safety issues such as electrical risks, noise, chemicals, safety at height, and more.

### REGISTRATION OF DANGEROUS SITUATIONS

Another best practice is the registration of near misses and/or dangerous situations. **For every near miss, an analysis is conducted** to determine what can be done to resolve the issue and prevent future accidents.

### MACHINE SAFETY

We also place great importance to machine safety. Therefore, whenever we purchase new production machinery, **we always engage an external prevention advisor to carry out an objective risk assessment** and independent evaluation.



## UPHOLDING LABOUR PRACTICES

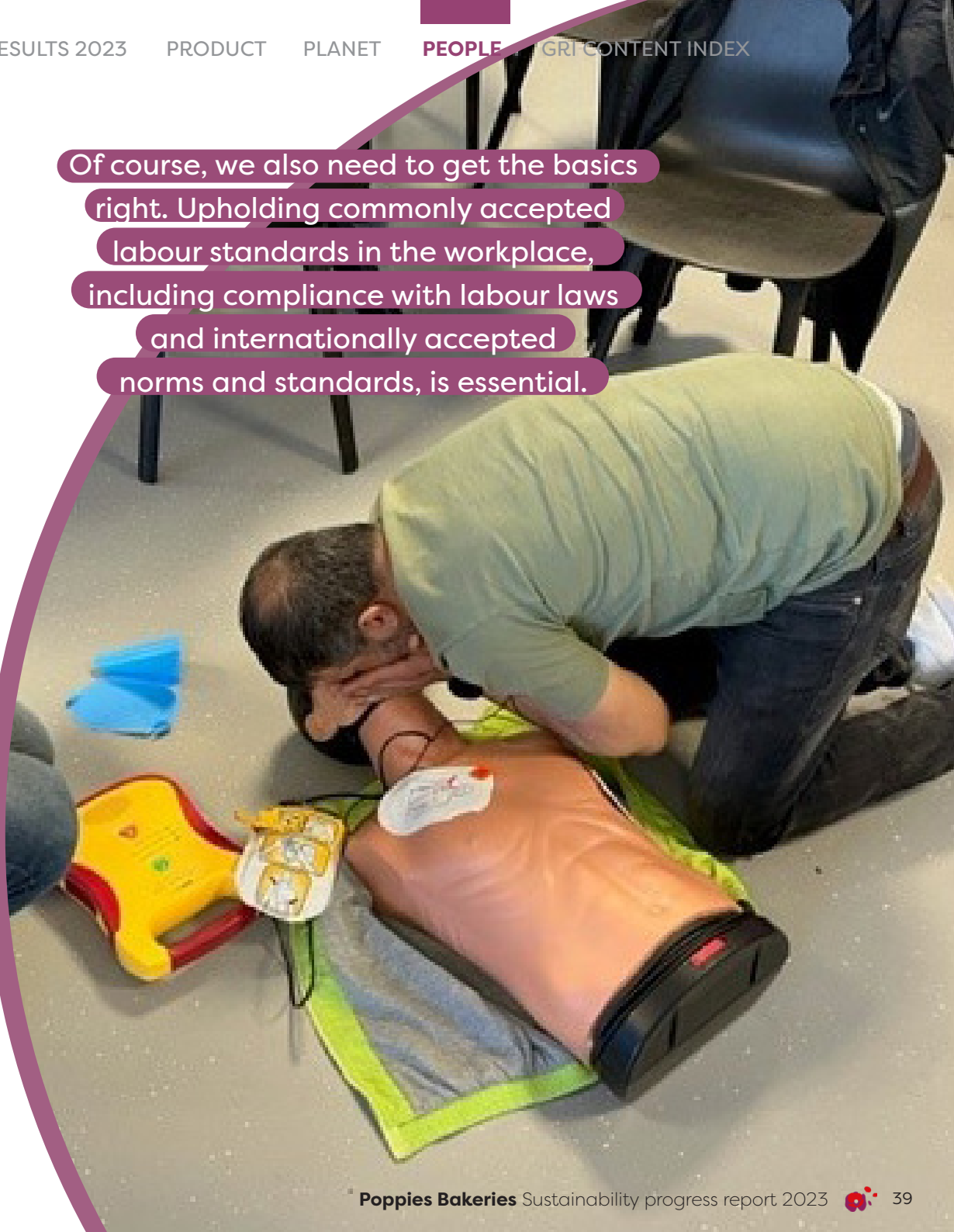
### OUR KPIs

Metric	FY2023
% employees in sites with workers' representatives	89%
% employees in EEA* sites with workers' representatives	90%
% employees covered by collective bargaining agreements	98.02%
% employees covered by collective bargaining agreements in EEA*	99.83%

\*EEA = European Economic Area.

**89% of employees** work at sites with workers' representatives. In a few smaller entities, there are currently no workers' representatives. Additionally, **98.02% of employees** are covered by collective bargaining agreements.

Of course, we also need to get the basics right. Upholding commonly accepted labour standards in the workplace, including compliance with labour laws and internationally accepted norms and standards, is essential.







# GRI CONTENT INDEX

**Statement of use** Poppies Bakeries 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	Organisational details	p 2	
	2-2	Entities included in the organisation's sustainability reporting	p 2	
	2-3	Reporting period, frequency and contact point	p 2	
	2-4	Restatements of information	none	
	2-5	External assurance	none	
	2-6	Activities, value chain and other business relationships	p 6-8	
	2-7	Employees	p 6, p 34	
	2-8	Workers who are not employees	p 34	
	2-9	Governance structure and composition	p 10	
	2-10	Nomination and selection of the highest governance body		no external publication
	2-11	Chair of the highest governance body		no external publication
	2-12	Role of the highest governance body in overseeing the management of impacts		no external publication
	2-13	Delegation of responsibility for managing impacts	p 10	
	2-14	Role of the highest governance body in sustainability reporting		no external publication
	2-15	Conflicts of interest	Poppies Bakeries Code of conduct on <a href="http://www.poppiesbakeries.com">www.poppiesbakeries.com</a>	



	2-16	Communication of critical concerns		no external publication
	2-17	Collective knowledge of the highest governance body		no external publication
	2-18	Evaluation of the performance of the highest governance body		no external publication
	2-19	Remuneration policies		no external publication
	2-20	Process to determine remuneration		no external publication
	2-21	Annual total compensation ratio		no external publication
	2-22	Statement on sustainable development strategy	p 4-5	
	2-23	Policy commitments	Poppies Bakeries Code of Conduct, Whistleblowing policy and Supplier Code of Conduct on <a href="http://www.poppiesbakeries.be">www.poppiesbakeries.be</a>	
	2-24	Embedding policy commitments	Poppies Bakeries Code of Conduct, Whistleblowing policy and Supplier Code of Conduct on <a href="http://www.poppiesbakeries.be">www.poppiesbakeries.be</a>	
	2-25	Processes to remediate negative impacts	Poppies Bakeries Code of Conduct, Whistleblowing policy and Supplier Code of Conduct on <a href="http://www.poppiesbakeries.be">www.poppiesbakeries.be</a>	
	2-26	Mechanisms for seeking advice and raising concerns	Poppies Bakeries Code of Conduct, Whistleblowing policy and Supplier Code of Conduct on <a href="http://www.poppiesbakeries.be">www.poppiesbakeries.be</a>	
	2-27	Compliance with laws and regulations	There were no significant violations of laws and regulations or fines paid during the reporting period.	
	2-28	Membership associations	p 12-13	
	2-29	Approach to stakeholder engagement	p 5	
2-30	Collective bargaining agreements	Poppies Bakeries Code of Conduct, Whistleblowing policy and Supplier Code of Conduct on <a href="http://www.poppiesbakeries.be">www.poppiesbakeries.be</a>		

GRI STANDARD	#	GRI DISCLOSURE	LOCATION	OMISSION
<b>Material topics</b>				
<b>GRI 3: Material topics 2021</b>	3-1	Process to determine material topics	p 5	
	3-2	List of material topics	p 9	
<b>Materials</b>				
<b>GRI 3: Material topics 2021</b>	3-3	Management of material topics	p 22-25	
	301-2	Recycled input materials used	p 25	
<b>Energy</b>				
<b>GRI 3: Material Topics 2021</b>	3-3	Management of material topics	p 28	
<b>GRI 302: Energy 2016</b>	302-1	Energy consumption within the organisation	Total energy consumption 61,478 MWh	
	302-3	Energy intensity	p 28	
<b>Water and effluents</b>				
<b>GRI 3: Material Topics 2021</b>	3-3	Management of material topics	p 31	
	303-3	Water withdrawal	Total (tap) water withdrawal 107,956 m <sup>3</sup>	
<b>Emissions</b>				
<b>GRI 3: Material Topics 2021</b>	3-3	Management of material topics	p 28-30	
<b>GRI 305: Emissions 2016</b>	305-1	Direct (Scope 1) GHG emissions	p 29	
	305-2	Energy indirect (Scope 2) GHG emissions	p 29	
	305-3	Other indirect (Scope 3) GHG emissions	p 29	
	305-4	GHG emissions intensity	p 28	
	305-5	Reduction of GHG emissions	p 28	

Waste				
<b>GRI 3: Material Topics 2021</b>	3-3	Management of material topics	p 32-33	
	306-3	Waste generated	Total materials waste 2,675 tonnes, Total food waste 4,643 tonnes	
	306-4	Waste diverted from disposal	Total materials waste 1,436 tonnes, Total food waste 4,629 tonnes	
	306-5	Waste directed to disposal	Total materials waste 1,240 tonnes, Total food waste 14 tonnes	
Supplier environmental assessment				
<b>GRI 3: Material Topics 2021</b>	3-3	Management of material topics	p 18-19	
<b>GRI 308: Supplier Environmental Assessment 2016</b>	308-1	New suppliers that were screened using environmental criteria	p 18-19	
	308-2	Negative environmental impacts in the supply chain and actions taken	p 18-19	
Employment				
<b>GRI 3: Material Topics 2021</b>	3-3	Management of material topics	p 34	
<b>GRI 401: Employment 2016</b>	401-1	New employee hires and employee turnover	p 34	
Occupational health and safety				
<b>GRI 3: Material Topics 2021</b>	3-3	Management of material topics	p 38	
	403-9	Work-related injuries	p 38	
Training and education				
<b>GRI 3: Material Topics 2021</b>	3-3	Management of material topics	p 36	
<b>GRI 404: Training and Education 2016</b>	404-1	Average hours of training per year per employee	p 36	
	404-2	Programs for upgrading employee skills and transition assistance programs	p 36	
	404-3	Percentage of employees receiving regular performance and career development reviews	p 36	

<b>Diversity and equal opportunity</b>				
<b>GRI 3: Material Topics 2021</b>	3-3	Management of material topics	p 34	
<b>GRI 405: Diversity and Equal Opportunity 2016</b>	405-1	Diversity of governance bodies and employees	p 34	
<b>Freedom of association and collective bargaining</b>				
<b>GRI 3: Material Topics 2021</b>	3-3	Management of material topics	p 39	
<b>Supplier social assessment</b>				
<b>GRI 3: Material Topics 2021</b>	3-3	Management of material topics	p 18-19	
<b>GRI 414: Supplier Social Assessment 2016</b>	414-1	New suppliers that were screened using social criteria	p 18-19	
	414-2	Negative social impacts in the supply chain and actions taken	p 18-19	
<b>Customer health and safety</b>				
<b>GRI 3: Material Topics 2021</b>	3-3	Management of material topics	p 16-17, p 20	









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