



2025 SUSTAINABILITY / ESG STATEMENT

BAKER & BAKER



SUSTAINABILITY
COMMITMENT



Our Position on Sustainability

Sustainability is a key strand that runs through our entire business.

Baker & Baker is committed to being a responsible and sustainable company. But we refuse to stand still.

Throughout our supply chain and business operations, we're committed to reducing our environmental impact and aspiring to best practice in everything we do.

Our sustainability approach encompasses five key pillars: the environment, our people, our products, the communities in which we operate and governance.

OUR SUSTAINABLE APPROACH

Working with our customers to deliver sustainable business practices

Our ESG Strategy for Baker & Baker is built on the premise of
'Bakery Products for a Sustainable Future'





Our Environmental Footprint – Overview

At Baker & Baker, we strive to use resources responsibly and minimise our environmental footprint at all times.

The environmental pillar of our ESG strategy features three key themes:

- Emission reduction & delivering net zero
- Addressing food waste in our bakeries
- Responsible packaging sourcing & reduction

At a local level, factory managers are responsible for driving local sustainability initiatives, based on their immediate priorities, and monthly reporting on performance.



Our Environmental Footprint – Net Zero

We have a responsibility as a business to minimise and reduce our carbon footprint, via a clearly defined plan and roadmap.

Baker & Baker has committed to reach net-zero greenhouse gas emissions across the value chain by 2040.

In addition, the Group has committed to a 42% reduction in Scope 1, 2 and 3 emissions by 2030, from a baseline year of 2022. Full data on our carbon footprint is available on request.

Baker & Baker has submitted its targets to the Science Based Targets Initiative (SBTi) and is awaiting validation of these.

Baker & Baker is currently working on a carbon modelling project to identify the initiatives required to achieve net zero, and this strategy and milestones will be shared with customers in due course.



Our Environmental Footprint – Water Reduction

As a manufacturing business, we use significant volumes of water across our operations.

Our manufacturing sites are required to monitor and report on water usage on a monthly basis, and develop action plans for reducing usage wherever possible.

Baker & Baker was a founding signatory of WRAP's Water Reduction Roadmap, which provides a framework for businesses to monitor and report its water usage annually in the UK, and a requirement to develop a comprehensive water reduction strategy.

With global and local demand for water use increasing, the food & drink sector has a critical role to play in safeguarding and improving water security.



Our Environmental Footprint – Water Reduction

Baker & Baker has committed to reduce its water usage by 2% per year across its four UK sites as part of its Water Reduction Roadmap commitments.

In due course, we will be extending this reporting to all of our European manufacturing sites.

Baker & Baker is also a financial supporter of a Water Stewardship programme in the east of England in conjunction with WRAP, which is a key sourcing area for many of our ingredients.



Our Environmental Footprint – Food Waste

Food waste is a sustainability challenge that affects all food manufacturers, and we have a corporate and community responsibility to minimise our food wastage.

In 2023, Baker & Baker began partnering with FareShare to redistribute products to a broad range of community initiatives and food banks from its four UK manufacturing sites that would otherwise go to waste.

This follows a successful pilot initiative with FareShare at our Bradford site in 2022, where we donated 4.1 tonnes of food, supporting 547 charities and saved 6.6 tonnes of CO².

Only bakery products and ingredients that remain safe for human consumption are redistributed, but this will have a significant, positive impact on our food waste volumes.



Our Environmental Footprint – Quick Facts

Some examples of initiatives to reduce our environmental footprint include:

- Switched to 100% renewable energy sources for electricity across all of our UK sites
- We only use LED energy efficient lighting in our factories and intelligent lighting has reduced usage by 15% across our factories
- 60% of electricity used in our factories is derived from renewable sources
- New washing equipment has reduced electricity, water and detergent use by over a third
- We've reduced the amount of paper used per corrugated cardboard box by 40% and dedicated printer stations have saved several tonnes in paper waste



Our Environmental Footprint – Vegan

Baker & Baker has a diverse vegan product range, and we work with our key account customers to explore relevant vegan opportunities.

Our investment in vegan products across all of our European markets, offering a genuine alternative for consumers who cannot or do not wish to consume dairy products, has a direct, positive impact on climate change.



Our Environmental Footprint – Plastic Packaging

Baker & Baker supports the EU Commission's initiatives to tackle plastic packaging use and waste, most notably, its 2017 statement 'A European Strategy for Plastics in a Circular Economy', which calls for all plastic packaging to be designed to allow durability, reuse, recycling and reduction of plastics material.

We also support the Commission's Directive on single-use plastics that came into force in 2019, and continued efforts to work with industry to solve the biggest challenges associated with plastic packaging.

In addition to meeting our legal requirements, Baker & Baker is committed to reducing plastic packaging, transitioning to mono material to increase recyclability, using recycled materials wherever feasible and focusing on reducing our packaging carbon footprint impact.



Our Environmental Footprint – Plastic Packaging

To support a more sustainable approach to packaging, we have devised a specific packaging strategy for the business.

Our packaging strategy includes:

- Providing proactive solutions to customers with a reduced environmental impact
- Explore new packaging options via R&D
- Responding to changing customer needs and requests

Via the membership of our trade association, the Food & Drink Federation (FDF), we are an active participant in their Packaging Task Force, that brings together businesses from across the food and drink industries to share best practice and consider alternative materials and approaches to packaging.



Our Environmental Footprint – Plastic Packaging

Examples of our packaging initiatives include:

UK

- PP tubs – previously used 63 tonnes of plastic per year (0% recycled content) – the new tub uses only 10 tonnes of virgin R-PET a year
- Donut Film – thickness reduction from 30 to 25mic

Belgium

- Increasing pallet utilisation by 33% and reducing carbon footprint for frozen transport and storage by reducing muffin pack sizes
- Clamshell alterations – 7% plastic saving per pack

Germany

- Substantially reduced packaging option from clamshell to flow pack for double packs of donuts (plastic reduction of 77%)

Supporting People – Supply Chain

At all levels of our business, we seek to embed a culture of transparency and collaboration, and we hold ourselves and our supply chain to the highest regulatory standards.

Baker & Baker's suppliers are obligated, in all of their activities, to operate in full compliance with the laws, rules and regulations of the countries in which they operate via our robust Supplier Code of Conduct.

Food manufacturing supply chains are global in scope, and we work on a daily basis with organisations such as Rainforest Alliance and the Roundtable on Sustainable Palm Oil (RSPO) to ensure the sourcing and accreditation of our raw materials supports communities of origin whilst being vigilant against the practices of modern slavery and human trafficking.



Supporting People – Supply Chain

In 2022, we successfully rolled out an updated Supplier Code of Conduct which holds suppliers to the same standards of integrity to which we hold our colleagues. This was updated again in 2024.

To ensure we are consistently monitoring our relationship with suppliers, we are committed to our procurement framework that adheres to our customers' and the international food industry ethical sourcing requirements.

We measure suppliers on a variety of ethical, sustainable and responsible sourcing supply factors including how they manage environmental, people, product and community considerations via the SEDEX platform.

Our sustainability scorecard provides an overall rating and basis for asking for improvement from suppliers where needed.



Supporting People – Modern Slavery & Bribery

Baker & Baker is committed to the principles of the UK Modern Slavery Act 2015 and the abolition of modern slavery and human trafficking.

We have a zero-tolerance approach to modern slavery and human trafficking in both our business and supply chains.

Baker & Baker has taken the following actions:

- Published our first Modern Slavery Statement in 2018, and our latest one in 2022
- Signed the UK Government's Modern Slavery Registry for the first time in 2021
- Partnered with Stronger Together, a UK non-profit, that helps to mitigate labour exploitation in supply chains, in 2024
- Introduced a European-wide policy on anti-bribery and corruption in 2019 that is reviewed regularly.



Supporting People – Our Values

Following the formation of Baker & Baker in March 2021, the business developed a set of culture drivers to both support employees and ensure collaboration and transparency:

- Drive for Results
- Entrepreneurship
- Ownership
- Togetherness

This approach holds employees accountable, and encourages an approach built on respect, transparency and strong, positive ethics.



Supporting People – Employees

We are committed to providing safe working environments for our employees, and complying with the most rigorous health and safety and food safety regulations in each of the markets in which we operate.

As an equal opportunities employer, Baker & Baker is committed to ensuring a non-discriminatory and respectful environment for our employees, based on equal treatment and equal opportunity.



Supporting People – Communities

Our commitment to – and investment in – the communities in which we operate is rooted in our localised approach.

We encourage our sites in each market to support local charities and champion initiatives such as the Bremer Engel and the Tafel Delmenhorst food bank (directly opposite our factory) in Germany, as well as recurring campaigns in other countries.

In the UK, our Bradford and Daventry sites have been strong supporters of local NHS providers during the COVID-19 pandemic.

In Spain, we work with Banco de Alimentos – a prominent NGO that addresses poverty and hunger issues – to deliver products to schools and hospitals in need.





Sustainable Bakery Products – Palm Oil

Since its founding year, Baker & Baker and its predecessor companies have been a member of the Roundtable on Sustainable Palm Oil (RSPO), the industry-wide certification body that promotes the growth and use of sustainable palm oil products.

We are committed to following RSPO principles and criteria, and we require our suppliers of certified palm oil to do the same.

Where appropriate – and based on customer demand and feasibility – we are developing more products that are palm oil free, using a range of alternative, sustainable ingredients.



Sustainable Bakery Products – Palm Oil

As a business, we are increasing the percentage of certified palm oil across our supply chain, and we are putting targets in place to source only certified palm oil moving forwards.

To do this, we are working with our suppliers to achieve our objective of using 100% RSPO certified palm oil products as soon as is feasibly achievable.

Currently, 99.3% of our palm oil usage is RSPO certified as sustainable.

We have a comprehensive, annual reporting system that details our palm oil usage. These statistics are then shared with RSPO. We report on a site-by-site basis, as well as providing a breakdown of our usage of each certification scheme.



Sustainable Bakery Products – Palm Oil

All of our plants are RSPO certified, and as our Supplier Code of Conduct explains in detail, we require suppliers of certified palm oil specifically to source palm oil from plantations that:

- Comply with local laws and regulations
- Do not come from areas cleared of natural forest since November 2005
- Respect the FPIC of local and indigenous communities
- Protect high-carbon-value forests
- Protect peatlands
- Comply with the principles and criteria of the Roundtable on Sustainable Palm Oil (RSPO)



Sustainable Bakery Products – EUDR & Deforestation

Deforestation is a growing global sustainability concern, and bakery businesses use significant volumes of these commodities, such as palm oil, cocoa and soy.

Baker & Baker will be compliant with the EU's Deforestation Regulation (EUDR) by 30 December 2025.

In addition, the Group has a number of relevant policies that underline the steps it has taken to minimise sourcing that has an adverse impact on deforestation. These are:

- Deforestation
- Palm Oil
- Soy



Sustainable Bakery Products – Cocoa

Baker & Baker uses Rainforest Alliance MB certified cocoa in many of its products.

We have also transitioned to 100% RA certified sustainable cocoa across several products.

Our raw materials are grown in accordance with the RA code of conduct. RA – as well as RSPO audits – are conducted on a regular basis to ensure our suppliers and supply chain operate to the highest standards.

RA is the largest programme for the sustainable farming of coffee and cocoa in the world.



Governance

Strong, effective and transparent governance are the cornerstones of our business operations and leadership approach.

Led by our European Management Team – and CEO Matthew Acheson – Baker & Baker strives to implement and abide by stringent governance processes, and ensure the spirit of transparency and honesty is cascaded through the business.

We have developed a cross-functional sustainability working group and Standing Committees to address new industry issues and changing requirements from customers.



Governance

Our governance arrangements also extend to policies and regulations that have been implemented to support our relationships with suppliers and employees.

These include, but are not limited to:

- Environmental reporting (i.e. SECR, CFD)
- Annual Gender Pay Gap report (UK)
- Modern Slavery Statement
- UK Tax Statement
- Supplier Code of Conduct
- Anti-bribery and corruption policy



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