



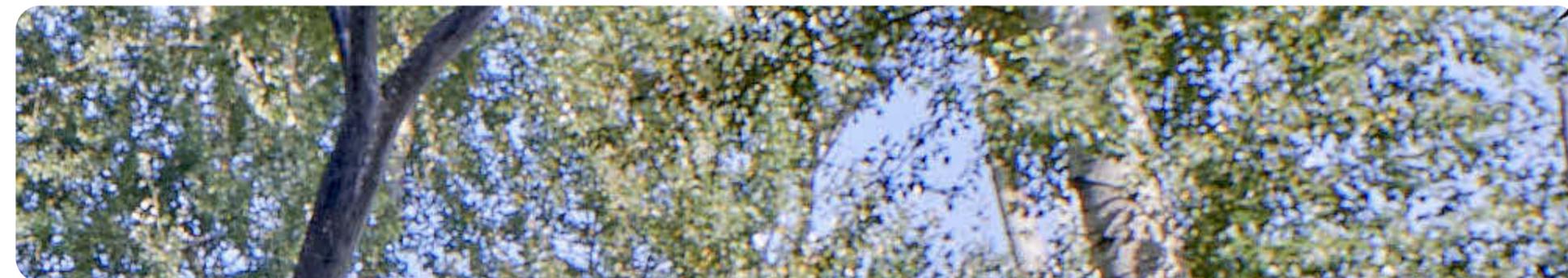
SUSTAINABILITY
REPORT
2021



Table of contents



A WORD FROM OUR CEO	6
ABOUT POPPIES BAKERIES	8
Poppies Bakeries, a truly international company	10
Our guiding principles	14
KEY RESULTS AND AMBITIONS FOR 2023	16
CHALLENGES AND OPPORTUNITIES IN THE FOOD INDUSTRY	18
Contributing to a more sustainable food value chain	20
How Poppies Bakeries responds	22
PRODUCT	24
Securing the top quality of our products	26



Sourcing sustainable ingredients	30
Embracing consumer wellbeing	32
PLANET	34
Packaging our products sustainably	36
Reducing carbon emissions	40
Making efficient use of water	42
Avoiding waste	44
PEOPLE	46
Achieving our growth ambitions, together with our people	48
Ensuring a safe and healthy working environment	52
GRI CONTENT INDEX	56

About this sustainability report

Welcome to Poppies Bakeries' first sustainability report. In this report, we are providing our stakeholders with insights into our sustainability performance, and its most material aspects. We intend to publish a new sustainability report every three years.

The sustainability report has been drawn up in accordance with the **Global Reporting Initiative (GRI) core standards**. This comprehensive framework is widely used around the world due to its credibility, consistency, and comparability, and it is now the standard for sustainability reporting.

To evaluate how our business helps advance sustainable development – by minimising negative impacts as well as by maximising positive impacts on people and the planet – we turned to **the UN's Sustainable Development Goals (SDGs)**.

The SDGs define global sustainable development priorities and aspirations for 2030 and seek to mobilise global efforts around a common set of goals and targets. Therefore, they present an opportunity for business-led solutions and technologies to be developed and implemented in order to address the world's biggest sustainable development challenges.



SCOPE OF THIS REPORT:

- Poppies Bakeries Zonnebeke (BE)
- Poppies Bakeries Wervik (BE)
- Poppies Bakeries Comines (BE)
- Poppies Bakeries d'Haubry (BE)
- Poppies Bakeries Ertvelde (BE)
- Poppies Bakeries Laudun (FR)
- Poppies Bakeries Melissant (NL)
- Poppies Bakeries Bunschoten (NL)
- Poppies Bakeries Born (NL)
- Poppies Bakeries Ekeby (SW)



A word from our CEO



In 1976, two Belgian families, Popelier and Castelein, started Poppies Bakeries with the aim of giving the world a taste of the delicious biscuits and pastries of the master baker Luc Popelier. For the past 45 years, we have worked hard at making this bold dream come true. And we've been successful. Today, Poppies Bakeries is a fast-growing international bakery group employing close to 1,000 people and conquering the taste buds of consumers in 60 countries worldwide.

One of the main ingredients behind this success has been our constant focus on the customer. From the very beginning, our motto has been to bring joy and happiness to people all over the world. Hence, we go to great lengths to offer our customers a product that perfectly meets their needs. These needs change regularly, and this is partly due to developments in the market and society alike. One trend that has become increasingly important in recent years has been sustainability. In the food sector, which is reflected in the increasing demand for fair, sustainable food from both consumers and governments. Crucial in this respect is the EU's Farm-to-Fork strategy, which aims at making food systems fair, healthy, and environmentally friendly by encouraging food processors to produce more diversified and sustainable food.

The Farm-to-Fork strategy is at the heart of the European Green Deal, the EU's strategy to become the world's first carbon-neutral continent by 2050. Why? Because food systems nowadays account for one-third of the world's emissions of greenhouse gases and consume large amounts of natural resources. Consequently, if we, as a society, want to work towards a better, more sustainable world, we must put our food systems on a sustainable path.

We want to firmly embed the concept of sustainability into our company's DNA and make it an important part of our license to operate.

At Poppies Bakeries we want to play our part in creating a better world. Therefore, we have developed our own Poppies Green Deal in which we have set ourselves short-term and long-term objectives to ensure a sustainable impact of our activities on people, planet, and product. To achieve these objectives, we want to firmly embed the concept of sustainability into our company's DNA and make it an important part of our license to operate. Hence, we want to communicate our sustainable plans, ambitions, and results to all our stakeholders, both

internally and externally. And we want to do this in an efficient way, with clear and measurable results. This is why we are presenting you with our first ever sustainability report.

In this first sustainability report, we start off with a baseline measurement and the formulation of realistic objectives. On the one hand, we are working towards short-term achievable successes, approaching our sustainability ambitions in Poppies Bakeries' trademark winner's mode. On the other hand, we have set ourselves long-term objectives. In this regard, we have already implemented an ambitious project called Apollo, which will help us significantly enhance our overall sustainable performance.

With this report, we want to emphasise our commitment to creating a more sustainable world. It reveals the various steps we have taken and how we will further roll out our sustainability strategy.

Our ambition goes much further than just enhancing the sustainable performance of Poppies Bakeries. We want to leave a positive mark on our entire value chain and even the world. And we want to share our sustainable journey with you.

Patrick Reekmans
CEO Poppies Bakeries

About Poppies Bakeries



Poppies Bakeries, a truly international company

Sweet bakery is in our DNA

While many Belgian entrepreneurial dreams started off in a garage, **our story began in an artisan bakery in 1976**. Economics-graduate Frans Castelein and his brother-in-law, master baker Luc Popelier, started baking and selling traditional Flemish pastries and biscuits to local market vendors, small shops, and local organisations. By nurturing that direct connection with their customers, they learned which products were loved, which products were appreciated, and which products sold best.

Little by little, by understanding the artisan bakery principles and finding clever ways of scaling them up – by sourcing the right ingredients, developing recipes that yield great taste, and carefully monitoring the quality – **we grew into a reliable partner for customers worldwide**.

Through a combination of organic growth and acquisitions, we have expanded our bakery expertise and our offering to become **a global reference as a trusted supplier for private labels and own brand sweet bakery products**.



Each and every day we put all our craft and passion for excellence into our products, keeping the scale to make the difference. We love the traditional sweet pastry products with those familiar tastes that we create.

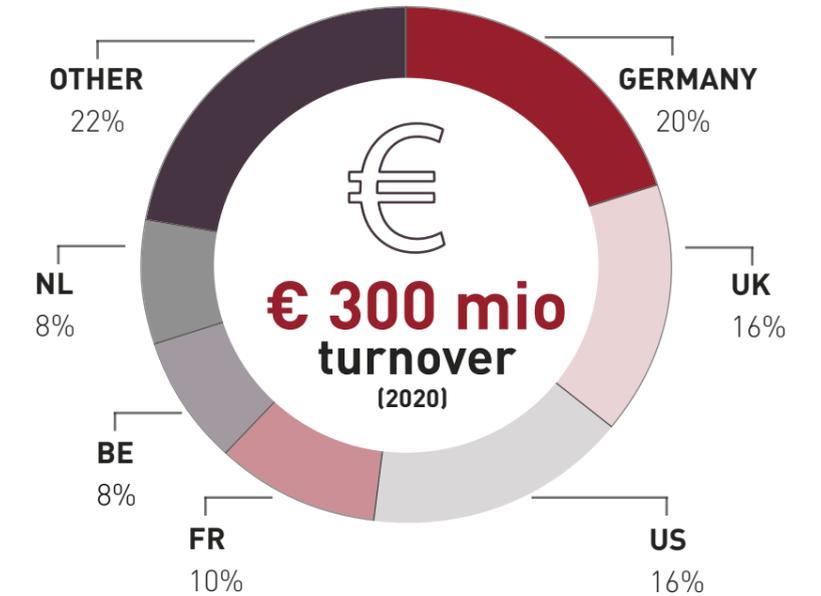
We never stop improving and adapting so that we will always be able to cater to the changing demands of the world around us.



A truly international company

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 60 countries worldwide**.

We reach our clients through **different logistical channels**: from ambient, to frozen and fresh. This enables us to grow our business even further with one goal: to serve our products with the renowned familiar taste and touch the heart of the consumer around the globe.



Member of



5 categories

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



14 bakeries

Today, Poppies has over **1,000 employees** and **14 bakeries** spread across Europe and the USA (see map on the right).

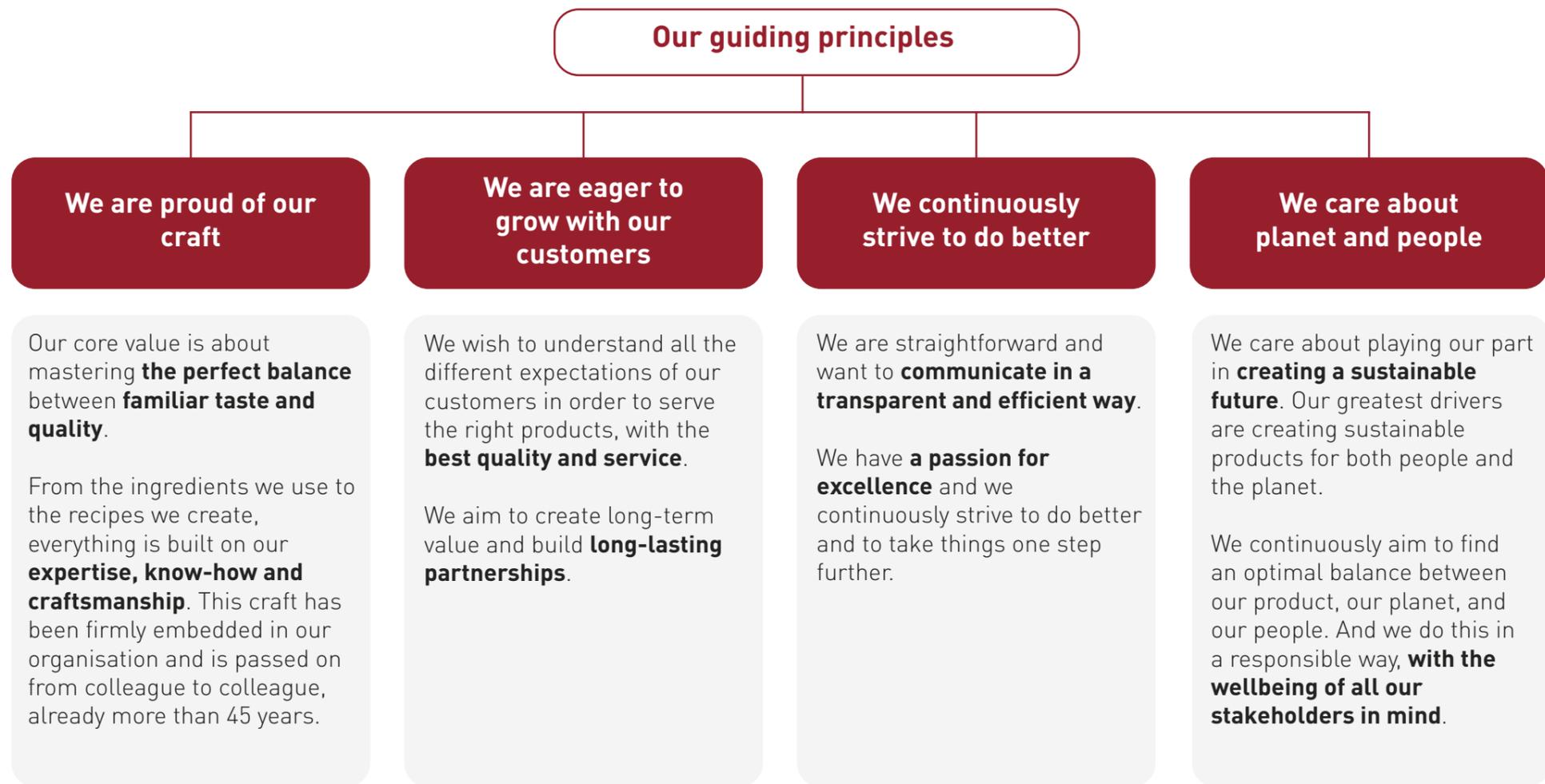
9 sales divisions

We have **9 sales divisions worldwide**:
7 in Europe (Belgium, Germany, Sweden, France, the Netherlands, Spain and UK),
1 in the USA and 1 in Asia (Singapore).



Our guiding principles

In all our actions and activities, we work and operate by a set of guiding principles. **They are the touchstone for every stakeholder** within the entire Poppies Bakeries family for the realisation of our personal and entrepreneurial ambitions.



Project Apollo, when IT supports sustainability

Poppies Bakeries started a project called Apollo to implement **a new group-wide digital transformation project** in the years 2021-2025. This project is about more than just installing a new software system. It is about improving our business processes and our organisational structure.

It will even help us enhance our sustainability performance by:

- Reducing our carbon footprint and our waste production
- Optimising our inventory levels
- Engaging our co-workers
- Improving access to data and information so that we can measure the impact of our efforts and fine-tune our actions accordingly.

In short, the new digital system will support us on our Apollo journey to build **a great and sustainable future** for Poppies Bakeries.



Key results and ambitions for 2023



Product

Securing top quality products

712 internal quality audits per year
111 external quality audits per year

Sourcing sustainable ingredients



Embracing consumer wellbeing



Planet

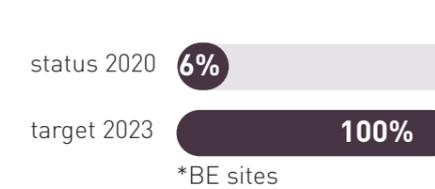
Packaging our products sustainably



Reducing carbon emissions



Maximising green electricity



Making efficient use of water

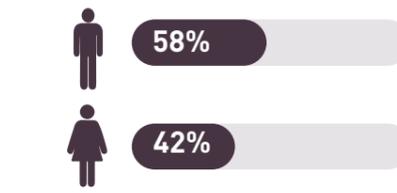


Avoiding waste



People

Achieving growth ambitions together with our people



Developing skills and capabilities



Challenges and opportunities in the food industry

The EU has concretised its ambition to make the food value chain more sustainable. As an international food company, we are fully committed to actively contributing to the objectives of the European Farm-to-Fork Strategy and the European Green Deal. We are doing this by managing the impact of our own activities, as well as by optimising different parts of our value chain.



Contributing to a more sustainable food value chain

In our mission to build a more sustainable food value chain, we have identified **six challenges**. For each of these challenges, we have evaluated how we can address them and turn them into opportunities.



Reduce our environmental impact

We measure the environmental impact of our value chain and we initiate actions to reduce this impact. For instance, the raw materials for our packaging and the ingredients for our products are sourced responsibly. Moreover, we are committed to avoiding the generation of waste and making efficient use of natural resources.



Reverse the loss of biodiversity

We are aware that the cultivation of the ingredients of our products can have a significant ecological impact. At Poppies Bakeries, we strongly advocate the use of sustainable ingredients. Therefore, we take a firm stance against deforestation and actively contribute to the protection of natural habitats and biodiversity.



Ensure food security, nutrition and public health

Our aim is to bring joy and happiness to people around the world. We do so by offering them quality desserts and snack products that meet high standards of safety and quality. At the same time, we want to substantially improve the nutritional profile of our product and help our customers achieve a healthy lifestyle.



Contribute to fair food chains

To manufacture our products, we source raw materials such as palm oil, cocoa, and eggs. To make sure our sourcing has a positive environmental and social impact, we adhere to sustainable sourcing labels that guarantee a fair income for small-scale food producers.



Provide a great place to work

Although we have 14 production sites spread across Europe and the USA, we remain a 100% family-owned business – this is something we take great pride in. Our family DNA guarantees that we manage our business with the greatest amount of care. More specifically, we are fully committed to offering our employees fair and stable long-term employment in a safe and healthy working environment. By doing so, our aim is to have a flourishing company to pass on to future generations.

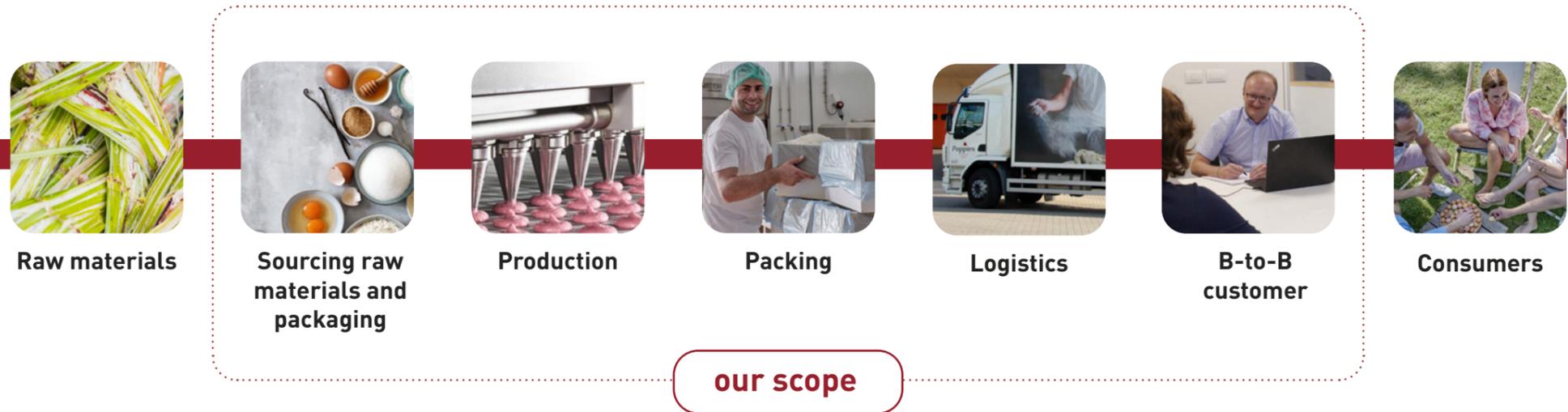


Mitigate climate change

We have firmly embedded climate change mitigation measures into our strategy and action plans. To reduce the carbon emissions of our own activities, we invest in renewable energy and improve the efficiency of our energy consumers.

How Poppies Bakeries responds

The scope of our sustainability strategy



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

- A fair, diverse, and engaging workplace
- A healthy and safe work environment

From the European Green Deal to the Poppies Green Deal

The European Green Deal aims at making Europe the first carbon-neutral continent by 2050. It outlines a new strategy for sustainable and inclusive growth to stimulate the economy, improve the health and quality of everyday life, while taking care of nature and leaving no-one behind.

Poppies Bakeries supports the European Green Deal and its **Farm-to-Fork strategy**. More specifically, we are committed to addressing the challenges of sustainable food systems and recognising the links between healthy people, healthy products, and a sustainable planet.

Product

All our sweet bakery products feature that iconic familiar taste for which Poppies Bakeries is renowned. The secret recipe for this success is our strong focus on food quality and food safety, our thoughtful selection of high-quality sustainable ingredients without compromising on taste.



Securing the top quality of our products

We leave nothing to chance in order to guarantee our customers tasty, reliable, and safe products.

Striving to achieve the highest possible level of certification

One way we do this is by achieving the highest possible level of **certification** in terms of food quality. Most of our sites are audited annually and some of these audits are unannounced in line with the **IFS Food and BRCGS Global Food Safety standard**. Both standards are recognised by the Global Food Safety Initiative (GFSI) and represent the international reference for quality and food safety. All our sites are IFS Food certified (the first one has been certified since 2004) and most of the sites are BRC certified (the first one has been certified since 2001). Every year we strive for the highest possible level of accreditation.



Targeted inspections to ensure food safety and quality

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, and allergenic risks in production processes.

ALL OF OUR PRODUCTION PLANTS HAVE EXTERNAL FOOD SAFETY CERTIFICATION (GFSI)

712 internal quality audits per year

111 external quality audits per year*

*38% of these audits were unannounced



“Since 2016, our annual BRC and IFS audits have been unannounced for most of our sites. This means that the entire BRC or IFS requirements can be audited at any given moment. Quality is thus an everyday responsibility for everyone.”

Marleen Deconynck, Quality Assurance Director



BRC and IFS certifications per site

BELGIUM

Poppies Bakeries Zonnebeke

BRC: unannounced AA+
IFS: unannounced higher level (98.08%)

Poppies Bakeries Wervik

BRC: unannounced AA+
IFS: unannounced higher level (98.79%)

Poppies Bakeries Comines

BRC: unannounced AA+
IFS: unannounced higher level (98.13%)

Poppies Bakeries d’Haubry

BRC: unannounced AA+
IFS: unannounced higher level (98.98%)

Poppies Bakeries Ertvelde

IFS: announced higher level (96.31%)

THE NETHERLANDS

Poppies Bakeries Melissant

BRC: unannounced A+
IFS: unannounced higher level (96.06%)

Poppies Bakeries Bunschoten

BRC: unannounced AA+
IFS: unannounced higher level (99.05%)

Poppies Bakeries Born

IFS: unannounced higher level (96.34%)

SWEDEN

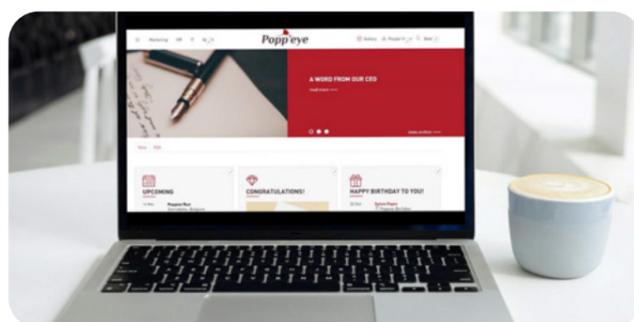
Poppies Bakeries Ekeby

BRC: announced A
IFS: announced higher level (98.35%)

FRANCE

Poppies Bakeries Laudun

BRC: unannounced AA+
IFS: unannounced higher level (97.96%)



To ensure our constant focus on quality, we work hard to maintain and improve our **food safety culture**. For example, each year we anonymously ask all our employees how they perceive quality and food safety at Poppies Bakeries, and what improvement options they see. All of the items in the survey that score less than 80% are considered points for improvement and are followed up.

This has already resulted in us paying more attention to **internal communication** and the dissemination of information via our internal communication platform (which is called Popp’eye) and the screens in the factories (e.g. following up on complaints, areas requiring improvement, etc.).

We also keep the **quality awareness** of our staff up-to-date through internal and external training sessions. Moreover, we can rely on a dedicated team of quality experts who closely monitor all developments in the field of food safety and quality, and translate the many strict requirements to the work floor in a pragmatic way.

Doing business in an ethical way

BELGIUM

Poppies Bakeries Zonnebeke

Sedex member: Yes
Ethical audits: Yes (SMETA 2 pillars)

Poppies Bakeries Wervik

Sedex member: Yes
Ethical audits: Yes (SMETA 2 pillars)

Poppies Bakeries Comines

Sedex member: Yes
Ethical audits: Yes (SMETA 2 pillars)

Poppies Bakeries d’Haubry

Sedex member: Yes
Ethical audits: Yes (SMETA 2 pillars)

Poppies Bakeries Ertvelde

Sedex member: No
Ethical audits: No

THE NETHERLANDS

Poppies Bakeries Melissant

Sedex member: Yes
Ethical audits: No

Poppies Bakeries Bunschoten

Sedex member: Yes
Ethical audits: Yes (SMETA 2 pillars)

Poppies Bakeries Born

Sedex member: No
Ethical audits: No

SWEDEN

Poppies Bakeries Ekeby

Sedex member: No
Ethical audits: No

FRANCE

Poppies Bakeries Laudun

Sedex member: Yes
Ethical audits: Yes (SMETA 2 pillars)

The four pillars of SMETA

Labour Standards

Business Ethics

Health & Safety

The Environment



As a family-owned business, we are committed to doing business in an ethical way, fully respecting labour rights as well as the health and safety of all the people with whom we work.

Poppies Bakeries is a proud member of **Sedex**. 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, Safety and Welfare, Environment, and Business Ethics. As a member of this platform, Poppies Bakeries has carried out the Sedex self-assessment for two-thirds of our sites.

In most cases, the Sedex self-assessments were followed by **SMETA 2 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 Organization, as well as relevant local laws. The two pillars that are mandatory for any SMETA audit are Labour Standards and Health & Safety.

Sourcing sustainable ingredients

Reducing the impact of our supply chain

The current food system is challenging the limits of our planet and it is leaving a significant ecological footprint on our society. At Poppies Bakeries, we are taking responsibility and we are **committed to reducing the impact of our entire supply chain**. This is why we work hard to source sustainable ingredients.

In concrete terms, we make sure our ingredients are produced with **respect** for the concepts of biodiversity, soil quality, forest conservation, and animal welfare.



CERTIFIED SUSTAINABLE COCOA



CAGE-FREE EGGS



RSPO CERTIFIED PALM OIL AND DERIVATES



One of the main ingredients that is used in Poppies Bakeries' products is **cocoa**. The cocoa sector faces several challenges. Poor soil fertility management, ageing tree stocks, the improper use of chemicals and uncontrolled deforestation all represent threats to the sustainability of cocoa farming.

At the same time, farmers are faced with poor labour conditions and low incomes. This is why we source sustainably and support **Fairtrade and UTZ**, which merged with **Rainforest Alliance** in 2018. Together, they help farmers improve their productivity, efficiency, and food quality, without sacrificing the environment or the interests of their local community.



Eggs

Another basic ingredient is **eggs**. Poppies Bakeries was the first group in the Belgian bakery sector to become a member of **KAT***, which guarantees the traceability of eggs at all stages of production, from the compound feed producer via the laying farm, right up to the food companies that use the eggs as ingredients in their production processes. KAT also takes into account strict criteria in terms of animal welfare, husbandry, and hygiene that go beyond EU requirements. Nowadays, **most of the eggs we use in our products are cage-free**, which means that the hens can roam freely in the hen house (both horizontally and vertically) and that each of them has at least 0.1 m² of floor space. Moreover, the hens are fed a natural diet and are given the opportunity to exhibit natural behaviour that caged hens cannot, such as nesting, roosting, and foraging.

5 of our sites are KAT* certified for egg purchases:

- Poppies Bakeries Zonnebeke
- Poppies Bakeries d'Haubry
- Poppies Bakeries Comines
- Poppies Bakeries Bunschoten
- Poppies Bakeries Melissant

*Kontrolierte alternatieve Tierhaltung



Poppies Bakeries was also one of the first Belgian companies to join the **Roundtable on Sustainable Palm Oil (RSPO)**. We joined in 2011 and this industry-led initiative strives to make sustainable palm oil the norm. The RSPO guidelines state that producers should respect and consider local people, guarantee that no high conservation value areas are cleared, and reduce the environmental impact of production. At Poppies Bakeries, **we support the production of sustainable palm oil** by choosing a supply chain that:

- Keeps certified sustainable palm oil separate from uncertified oil (segregated)
- May mix certified sustainable palm oil with uncertified oil, but the refinery can only sell the same amount of certified sustainable palm oil as it purchased (mass balance)



Embracing consumer wellbeing

Health is of paramount importance for most consumers nowadays

when it comes to deciding what to eat. Therefore, we strive to improve the nutrition profile of our products. This requires lots of research because ingredients such as fat or sugar affect both the taste and the texture of a product, and we do not want to compromise either of these aspects.

Better-for-you positioning

We are constantly analysing our product portfolio, and while there is not a one-size-fits-all strategy, we try to find a **better-for-you positioning for each product group**. Based on our better-for-you approach, we have already achieved some important improvements. For instance, we have succeeded in **reducing the use of sugar and salt** in the majority of our recipes:

- 13% less sugar or 375 tonnes less sugar in our coconut products' rochers (222 articles)
- 50% less salt or 1,540 kg less salt in cream puff/eclairs batter (249 articles)

Natural aromas and colourings

In addition, we keep our products as natural and authentic as possible by making more use of **natural aromas and colourings**. Currently, 78% of our aromas and 89% of our colourings are natural. By 2023, we want to increase these figures to 90%.

E-numbers

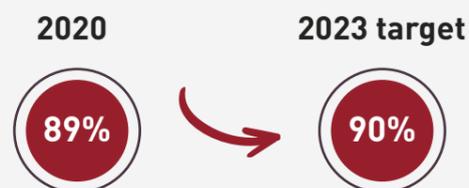
We also strive to remove as many **E-numbers** as possible from our recipes. We have recently managed to eliminate three out of six E-numbers from our doughnut recipe (92 articles), and we continue to optimise our recipes.



NATURAL AROMAS



NATURAL COLOURINGS



“ We strive to improve the nutrition profile of our products, which requires lots of research as we do not want to compromise both the taste and the texture of our products. ”

Bringing joy and happiness in smaller portions (2-bite products)

At Poppies Bakeries, we strive to bring joy and happiness to people around the world by offering them quality desserts and snack products. 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 also encourage more sharing (the **sharing concept**).



Planet

The activities of a food company such as Poppies Bakeries have a direct and indirect impact on the environment. We are well aware of this fact and therefore we are on a mission to reduce this impact as much as possible. More specifically, this has involved us launching initiatives in the following four different domains: packaging, carbon emissions, water use, and waste.



Packaging our products sustainably

Packaging is indispensable for all of our products. Its main function is to ensure the quality, food safety, freshness, and shelf life of our products, to protect our products during transport and to avoid food losses. Moreover, it needs to support the marketing objectives of our customers and provide consumers with vital product information (e.g. ingredients, Nutri-Score, etc.).

Paper and cardboard packaging

Currently, more than **80% of our packaging is made out of paper and cardboard**, and we are gradually increasing this share (+1.5% over the past two years). The remaining part (less than 20%) constitutes plastics.

“ It is not our intention to completely ban plastics from our packaging portfolio. However, we are fully committed to offering our customers the most sustainable packaging solutions. ”

Strive to make our packaging circular

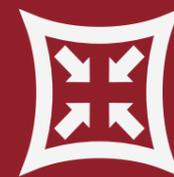
Although the view is globally contested, we still regard plastics as an invaluable material. Plastic packaging has extended the shelf life of many products, and enabled globalisation through the ability to transport foods over long distances.

It is not our intention to completely ban plastics from our packaging portfolio. However, we are fully committed to **offering our customers the most sustainable packaging solutions**, for instance with at least 30% recycled components.

This is why we actively strive to make our packaging circular.



We work in 3 areas



REDUCE

We use **less or thinner packaging**, without compromising the strength and protective capabilities of our packaging. This is important as the global environmental impact of food loss is greater than that of packaging.



RECYCLE

We aim to maximise the use of sustainable packaging materials and avoid plastics, opting for **recycled and recyclable materials** as much as possible.



REUSE

We analyse the potential of **reusable packaging** in our supply chain.



REDUCE

“ 19% of our total volume produced is packaging ”

RECYCLE

Eliminate non-recyclable materials

	2020	2023
Polystyrene in blisters	1.2%	0%
Carbon black in blisters	37%	0%

Reduce number of components

	2020	2023
Laminated materials in blisters	2%	<0.5%

Plastic packaging

	2020	2023
Recycled content	62%	>62%
Recyclable content	95%	>99%

Paper and cardboard packaging

	2020	2023
Recycled content	54%	>54%
Recyclable content	99%	>99%
FSC certified	91%	>95%

How we actively work towards ensuring more sustainable plastic food packaging

Poppies Bakeries has initiated several projects to reduce the amount of plastics and enhance the reuse and recyclability of our packaging portfolio. Most of our products are sold under private label, which means we need to meet the packaging requirements as specified by our customers. Still, we are committed to convincing our customers to select more sustainable packaging. Some examples:



Reducing the weight of our plastic packaging

Our first project in this regard consisted of **reducing the 4-piece and 10-piece blister for our macarons**. We reduced the weight of the bottom part from 430µ to 400µ, and the weight of the lid was reduced from 670 to 600µ. This resulted in an annual saving of 2,483 kg of PET. Our ambition is to take things a step further and reduce even more the weight of all our 4-piece, 10-piece, and 12-piece macaron blister packaging solutions. In concrete terms, we will reduce the weight of the bottom from 400 to 350µ, and the weight of the lid from 600 to 550µ. This means we will have realised **a 10% overall reduction** in plastic packaging for our macarons.



Reducing PET containing carbon black

We decided to **replace all trays for eclairs in brown PET containing carbon black with trays in transparent PET** in order to make this packaging recyclable. This project involves a total volume of 11.5 million trays per year, which represents a total weight of 125 tonnes. The same initiative has been implemented for the bottom parts of the 4-piece, 10-piece, and 12-piece macaron blister packaging: the brown PET bottom has been replaced by transparent PET for better recyclability, which has resulted in an **annual saving of some 62 tonnes of plastics**.



Replacing plastics with cardboard

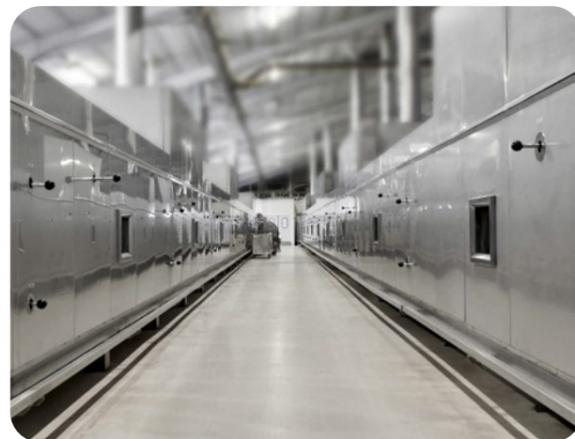
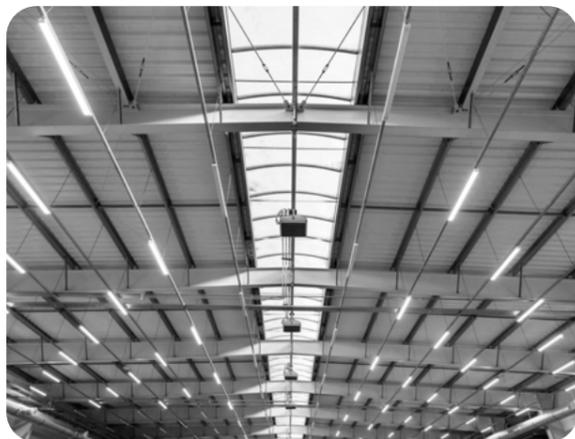
For our donut range, **we have replaced all 4-piece PET blisters with cardboard packaging**. This has resulted in a reduction of 1,763,000 plastic blisters or **50 tonnes of plastics**.

Reducing carbon emissions

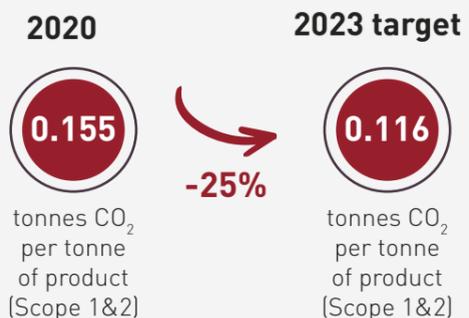
We have committed to reducing our carbon footprint by limiting the emissions under our direct ownership or operational control (Scope 1) and from our purchase of electricity (Scope 2).

First of all, we calculated the carbon intensity (Scope 1 and 2 carbon emissions per tonne of product) of each plant. Based on this analysis, we have defined **target-oriented objectives and action points**:

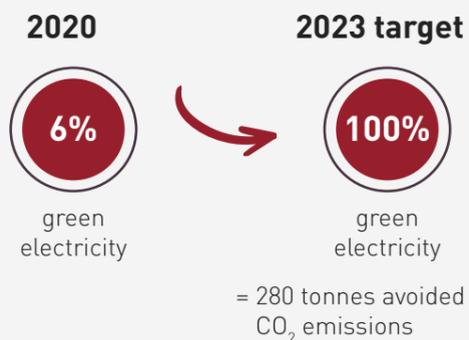
- **Gain insights** into energy use, the main energy consumers, and avoid idle power.
- **Share energy savings expertise** and best practices across our various sites.
- **Increase the share of renewable and green electricity** in the energy mix through own renewable electricity generation and the purchase of green electricity.



CARBON EMISSIONS



GREEN ELECTRICITY



“ We also strive to limit the emissions of the transport of our products and apply efficient loading techniques. For new products, we aim to use at least 80% of the pallet surface and volume, except for customised requests. ”

In recent years, a number of our plants have invested in a range of energy-saving measures:

- Solar panels (in-house or via rental of roof space)
- LED lighting
- Heat recovery
- Energy management system and consumption monitoring
- Solar collectors (water heating via solar panels)
- Insulation of hot/cold pipes
- Motion sensor LED lighting zones
- Compressor-regulating system (frequency-controlled)
- Compressed air leak detection

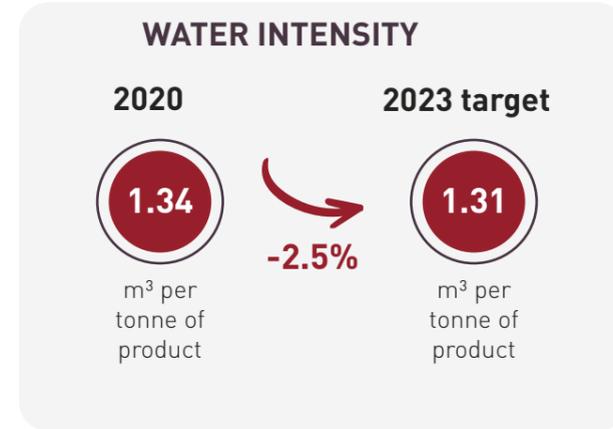


Making efficient use of water

In general, **the food sector consumes a lot of water**. This is not only for production purposes but first and foremost to ensure optimum cleaning and maximum hygiene.

At Poppies Bakeries, we want to use our natural resources, including water, as sparingly as possible. To this end, we have defined **a set of target-oriented goals and action points** that take into account the water intensity (water consumption per tonne of product) of each site:

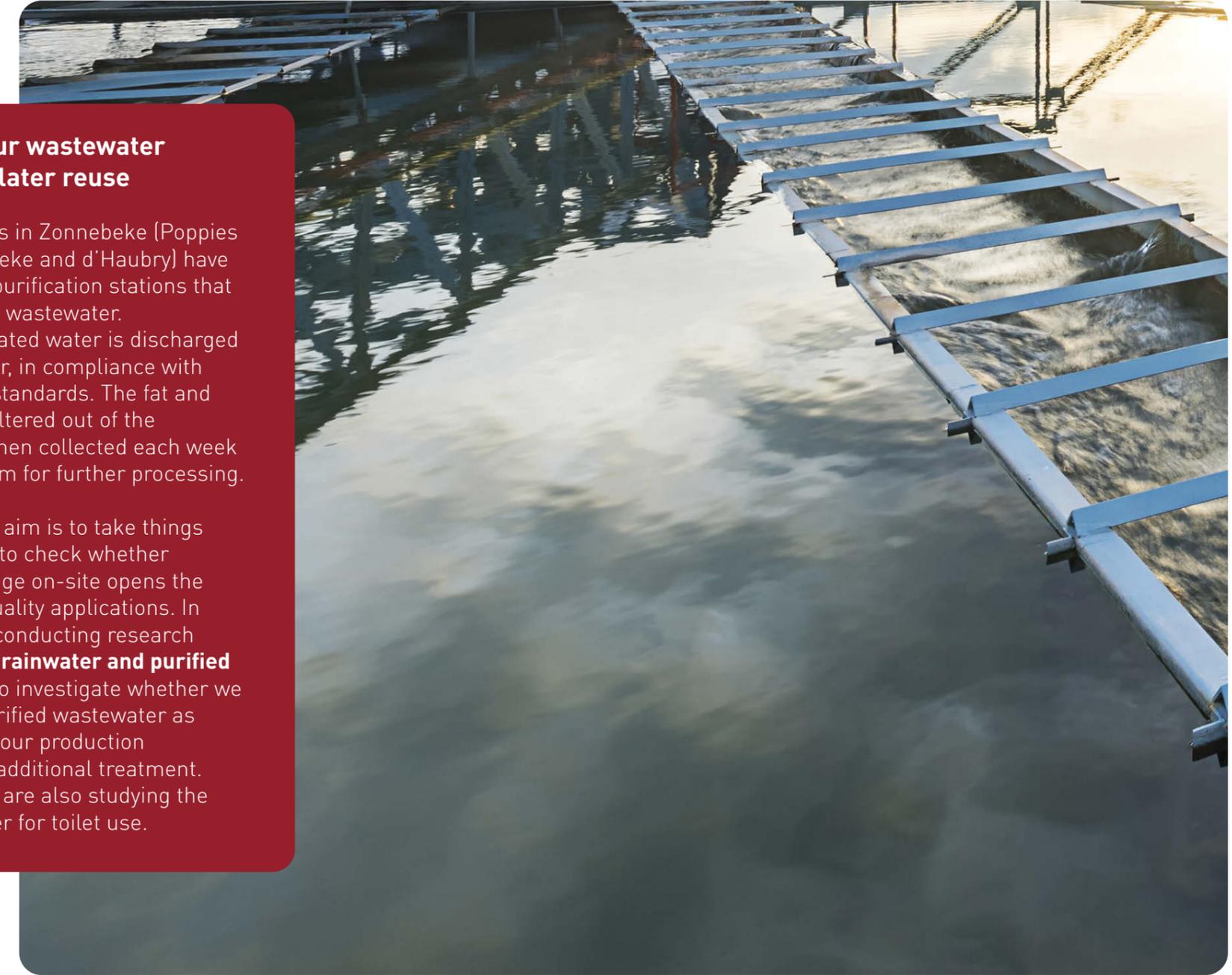
- **Gain insights** into water consumption and the main water consumers.
- **Undertake research** into the reuse of rainwater or purified water.
- **Share expertise** and best practices regarding the rational use of water.



Stepping up our wastewater treatment for later reuse

Both of our plants in Zonnebeke (Poppies Bakeries Zonnebeke and d’Haubry) have their own water purification stations that purify the on-site wastewater. Currently, the treated water is discharged into surface water, in compliance with strict discharge standards. The fat and sludge that are filtered out of the wastewater are then collected each week by a specialist firm for further processing.

In the future, our aim is to take things further. We want to check whether pressing the sludge on-site opens the path to higher-quality applications. In addition, we are conducting research into **the reuse of rainwater and purified water**. We want to investigate whether we can reuse the purified wastewater as process water in our production processes, after additional treatment. Furthermore, we are also studying the reuse of rainwater for toilet use.



Avoiding waste

Operational efficiency is one of the five pillars of 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.

Food loss

For instance, we manage to keep **food loss to only 5.5% per volume produced.** Products that do not perfectly meet customer requirements, but still have excellent quality and taste are sold as second-choice products or are donated to food banks. Other by-products are valorised as animal feed.

Waste streams

In addition, we strive to reduce our **waste streams.** We aim to keep the share of non-recyclable residual waste as low as possible. Recyclable waste flows are sorted on-site and collected by specialist companies for further processing.



MATERIAL WASTE INTENSITY



NON-RECYCLED MATERIAL WASTE INTENSITY



Valorising by-products in the feed industry

During the production of our gourmet cookies, pastries and desserts, we try to avoid creating waste as much as possible. Whilst we cannot exclude certain by-products, these are put to good use as animal feed for pigs, cattle, or fish. The by-products are sorted and checked separately in order to keep the quality of these flows as high as possible. As our by-products are rich in fats and carbohydrates, they are well-suited as a supplement for the growth and energy of animals. After crushing or grinding, the by-products are mixed to optimise the nutritional value of the animal feed. Our by-products meet **the requirements of the Feed Chain Alliance Standard**, which is a reliable quality system developed for and by the animal feed chain. This standard defines the conditions for producing, processing, trading, storing, and transporting animal feed. The FCA Standard is managed by OVOCOM with the aim of guaranteeing feed safety and quality throughout the entire animal feed chain.



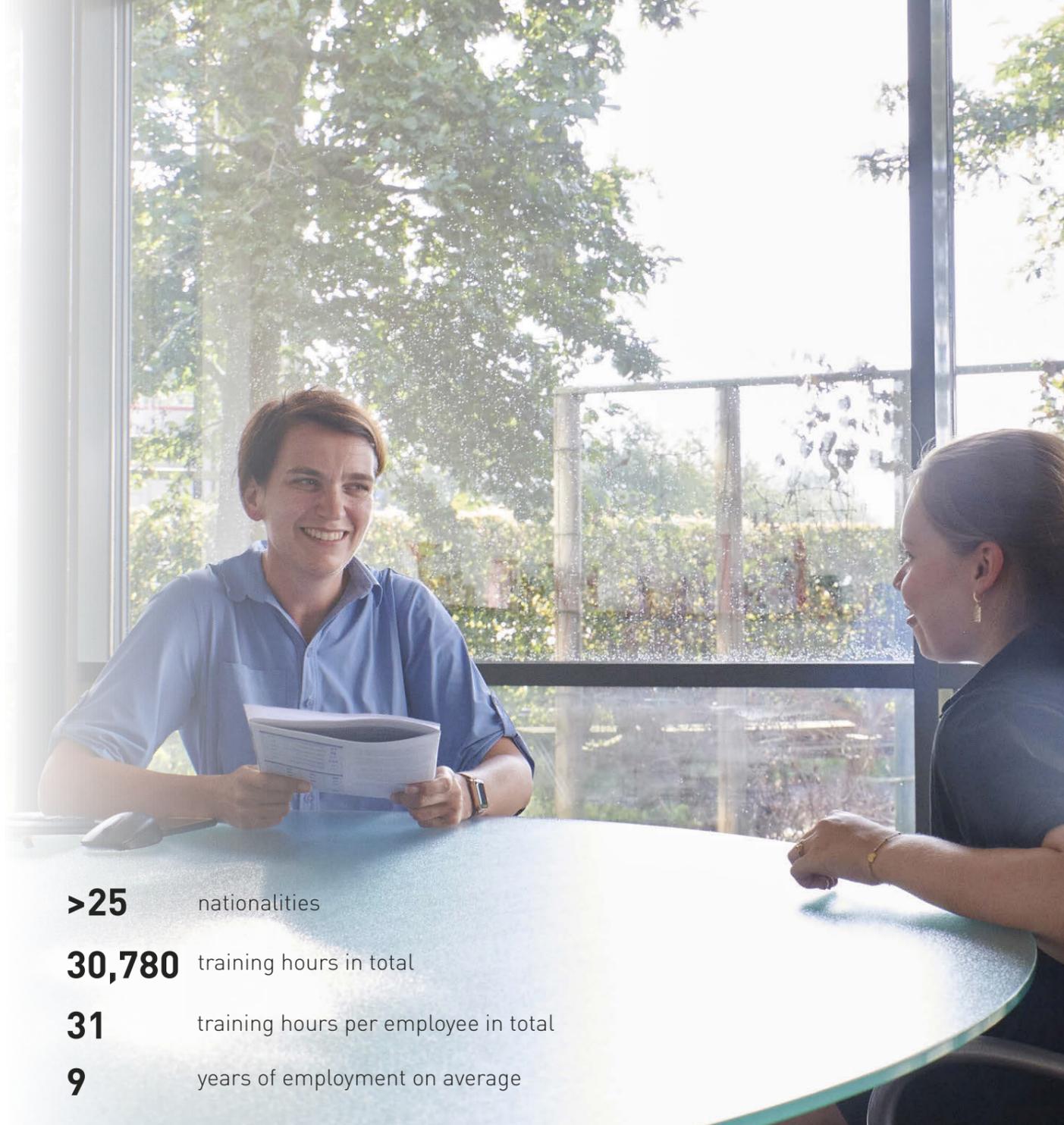
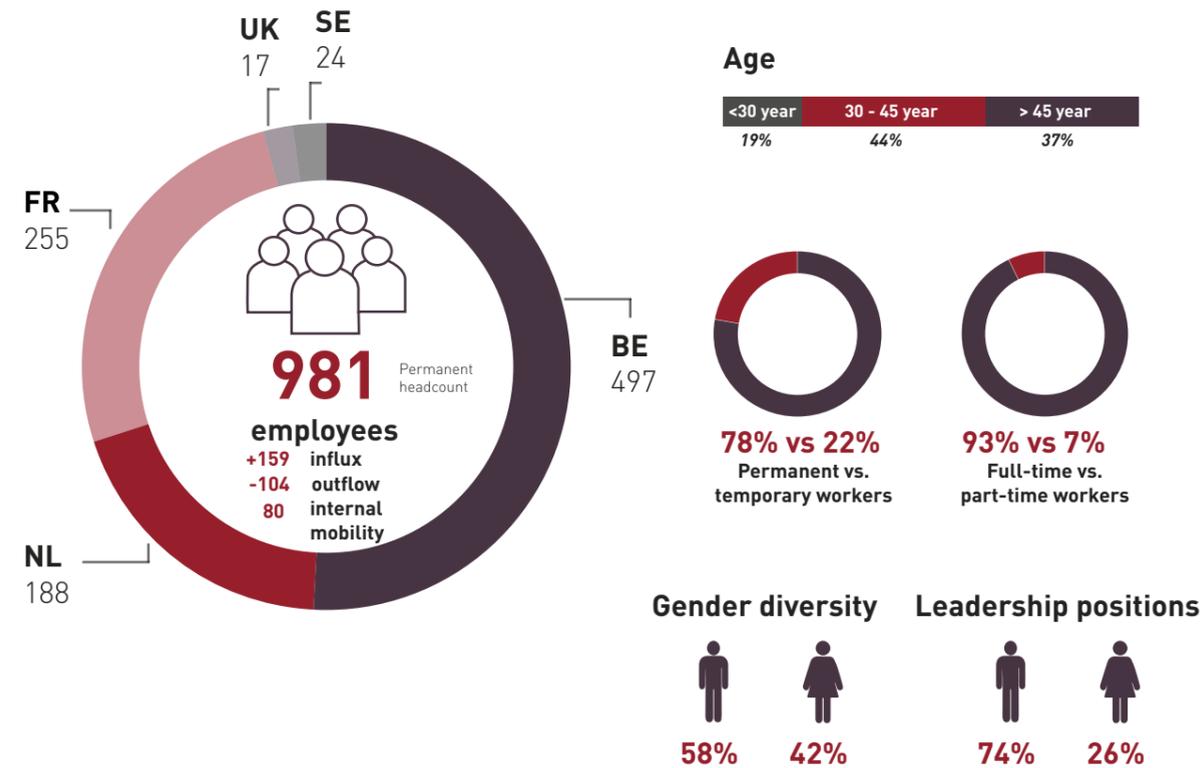
People

We consider our employees to be fundamental for our business success. Because their growth is our growth and vice versa. This is why we do everything possible to jointly create a safe, diverse, and engaging workplace in which our employees can fully use and keep developing their talents and capabilities. In this way we will keep growing and realising our ambition to bring our delicious sweet bakery products to even more people around the world.



Achieving our growth ambitions, together with our people

To this day, Poppies Bakeries remains a **100% family-owned business**. Currently, the second generation of the founding families Popelier and Castelein are active in the company. They continue to foster the true Poppies Bakeries way of working, which is built on **stability, close lines of communication, and a genuine passion for our business**.



>25 nationalities

30,780 training hours in total

31 training hours per employee in total

9 years of employment on average

As a family-owned business, we always have the long term in mind. We want to continue to support our growth, both as a company and as individuals. In order to align these growth ambitions, we have developed a five-year People & Organisation strategy, which is built **around five pillars**:

Building an agile and future-proof organisation that is ready to drive our ambitious growth

Growing as a business also means adapting as an organisation, making sure that the way we organise ourselves supports our business growth.

Attracting the talent we need to realise our future growth in a timely manner

In order for us to continue our growth, we need to identify the talent we require at an early stage and make sure we attract the right people with the right skills and attitudes to the right roles, both internally and externally.

Identifying and developing current and future skills and capabilities

As the world around us is changing fast, we need to adapt swiftly and continuously develop our skills and capabilities.

Recognising effective performance and successful collaborations

Being successful starts with defining what success means to us, determining how the different teams contribute to our success, and working together to make it happen.

Creating an engaging environment in which people use their full potential and strengths

We can only fully realise our growth ambitions if every employee feels committed and engaged to contribute to the success of our company. Therefore, it is important that our employees identify with our purpose and feel connected, committed, and empowered to achieve success together.



Growing company with familiar character

“Over the past 30 years, I have seen Poppies Bakeries Zonnebeke evolve. Although we have grown into a large company, the family character has always been preserved. Everyone is approachable.”

Bruno Allegaert, a Poppies Bakeries employee since 1990



Easy to pass on knowledge

“Understanding the process in order to guide it further, continuous learning and education are very important to me. It allows me to better explain new methods or machines to my colleagues. It gives me great satisfaction to see my team members work increasingly independently and pass on their knowledge to each other.”

Emil Zych, a Poppies Bakeries employee since 2015



A modern plant with beautiful products

“Poppies Bakeries Bunschoten is a modern plant offering beautiful products. Any newcomer is well received, guided, and trained here. Although the workload is high and it requires a lot of flexibility, the colleagues and the notion of teamwork give me the energy I need to get things done.”

Rokšana A. Belska, a Poppies Bakeries employee since 2017



Long term employment

2020 marked the start of our People & Organisation vision and strategy when we recruited a **P&O Director**. In this first year since the P&O Director arrived, we are working on our employer branding. We are also mapping out the necessary skills and capabilities as part of the continuous improvement process, and we are reinforcing our performance management process. At the same time, we are also in the process of further enhancing our internal communication.



Ensuring a safe and healthy working environment

COVID-19

We want all of our employees to return home safely after work. In 2020, this commitment called for exceptional measures. During the **COVID-19 pandemic**, the food sector was classified as an essential sector. As a result, our employees continued to work. We therefore took every possible measure to prevent any risk of contamination involving the coronavirus. Our efforts bore fruit - we registered no cluster infections within our company. In addition, we implemented **teleworking** where possible.



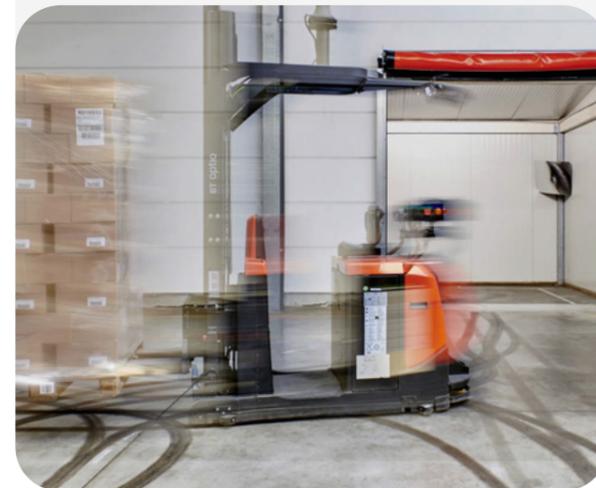
Operational safety

Besides the specific efforts to keep the coronavirus outside the company walls, we also continued to work on the further improvement of our **operational safety**. Every accident is one too many. In order to reduce safety risks at work, we attach great importance to **reporting every accident** and registering causes and preventive measures in accident reports. These reports enable us to share learning points across the various sites and decide on target-oriented actions.



Machine safety

We also attach great importance to **machine safety**. This is why we always ask an external prevention advisor to carry out an objective risk assessment and independent evaluation whenever we purchase new production machinery.



“Our main goal is to ensure the safety and wellbeing of all colleagues within Poppies Bakeries. To realise this objective, we have been given the mandate by Poppies Bakeries’ management to investigate safety issues and make adjustments where necessary. For this, we can count on the support of those Poppies Bakeries employees who are alert to any problems and who report possible bottlenecks. Ora Group’s passionate prevention advisors and coaches have been watching over the safety and wellbeing of the Poppies Bakeries employees since 2015. If we identify an opportunity for improvement, we will implement it where it has the greatest chance of success. If it proves to be successful, a roll-out to the other sites will be considered. In the future, we want to continue to focus on the involvement and proactivity of the Poppies Bakeries employees and also try out alternative forms of learning in order to continue to raise the awareness of all Poppies Bakeries employees regarding the importance of a safe and healthy workplace.”

Frank Lepoutre, Prevention Service Support



Safety at the Belgian Poppies Bakeries' plants

	2018			2019			2020		
	FR	SR	GSR	FR	SR	GSR	FR	SR	GSR
Poppies Bakeries Zonnebeke	37.11	0.48	0.48	31.3	0.15	0.15	17.62	0.18	0.18
Poppies Bakeries d'Haubry	27	0.97	0.97	23.65	0.21	0.21	65.48	1.64	1.64
Poppies Bakeries Wervik	29.58	0.18	0.18	24.84	0.37	0.37	27.76	0.92	0.92
Poppies Bakeries Comines	22.26	1.56	1.56	33.77	1.27	1.27	51.87	0.36	0.36
Poppies Bakeries Ertvelde				78.16	0.55	0.55			

FR: Frequency rate - measures the number of occupational accidents per hours worked.
SR: Accident severity rate - measures the severity of the accidents, expressed as the number of lost days per hours worked.
GSR: Global severity rate - measures the severity of the accidents, taking into account disabling injuries from the past.



“Safety is a cross-site and cross-country concern. We want to continue to learn from each other and keep on reducing the number of work accidents throughout the group. Therefore, we intend to uniformise the calculation of accidents across the group, so that these figures can serve as a good reference with which to build upon.”

Kris Vangheluwe, Plant Manager



GRI content index



GRI 102 GENERAL DISCLOSURES		
GRI Standard		Reference
1. Organisational Profile		
102-1	Name of the organisation	Cover
102-2	Activities, brands, products, and services	p 12
102-3	Location of headquarters	p 10,13, backcover
102-4	Location of operations	p 13
102-5	Ownership and legal form	p 14
102-6	Markets served	p 11
102-7	Scale of the organisation	p 11, 17, 48
102-8	Workforce	p 48
102-9	Supply chain	p 22
102-10	Changes to the organisation and its supply chain	NA
102-11	Precautionary principle or approach	p 4, 28, 29
102-12	External initiatives	p 4, 28, 29
102-13	Memberships of associations	p 11
2. Strategy		
102-14	Statement from the senior decision-maker	p 6-7
3. Ethics and integrity		
102-16	Values, principles, standards and norms of behavior	p 14, 29
4. Governance		
102-18	Governance structure	p 42

GRI 102 GENERAL DISCLOSURES		
GRI Standard		Reference
5. Stakeholders engagement		
102-40	List of stakeholder groups	p 30-33, 46-55
102-41	Collective bargaining agreements	100%
102-42	Identifying and selecting stakeholders	p 30-33, 46-55
102-43	Approach to stakeholder engagement	p 30-33, 46-55
102-44	Key topics and concerns raised	p 30-33, 46-55
6. Reporting practice		
102-45	Entities included in the consolidated financial statements	p 5
102-46	Defining report content and topic boundaries	p4, 17-23
102-47	List of material topics	p 17-23
102-48	Restatements of information	NA
102-49	Changes in reporting	NA
102-50	Reporting period	2018-2020
102-51	Date of most recent report	NA
102-52	Reporting cycle	p 4
102-53	Contact point for questions regarding the report	Backcover
102-54	Claims of reporting in accordance with the GRI-standards	p 4
102-55	GRI content index	p 56-59
102-56	External assurance	NA

MATERIAL TOPICS		
GRI Standard		Reference
Economic		
Economic performance		
201-1	Direct economic value generated and distributed	p 11
Environmental		
Materials		
103	Management approach	p 36-39
301-1	Materials used by weight or volume	p 36-39
301-2	Recycled input materials used	p 38
Energy		
103	Management approach	p 40-41
302-1	Energy consumption within the organisation	p 40-41
	Green electricity	p 40
Water		
103	Management approach	p 42-43
	Water intensity	p 42
303-3	Water recycled and reused	p 43
Emissions		
103	Management approach	p 40-41
305-1	Direct (Scope 1) GHG emissions	p 40-41
305-2	Energy indirect (Scope 2) GHG emissions	p 40-41
305-5	Reduction of GHG emissions	p 40-41
Effluents and waste		
103	Management approach	p 44-45
306-2	Waste by type and disposal method	p 44-45
Supplier Environmental Assessment		
103	Management approach	p 30-31
308-2	Negative environmental impacts in the supply chain and actions taken	p 30-31

MATERIAL TOPICS		
GRI Standard		Reference
Social		
Employment		
103	Management approach	p 48-49, 51
401-1	New employee hires and employee turnover	p 48
Occupational health and safety		
103	Management approach	p 52-55
403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	p 54
Training and education		
404-1	Average hours of training per year per employee	p 48
Diversity and equal opportunity		
405-1	Diversity of governance bodies and employees	p 48
Supplier Social Assessment		
103	Management approach	p 30-31
414-2	Negative social impacts in the supply chain and actions taken	p 30-31
Customer health and safety		
103	Management approach	p 26-28, 32-33
416-1	Assessment of the health and safety impacts of product and service categories	p 26-28, 32-33
Marketing and labeling		
103	Management approach	p 31



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