

A close-up photograph of a hand holding a single stalk of wheat. The hand is positioned on the right side of the frame, with fingers gently gripping the stem. The wheat stalk is in sharp focus, showing its golden-brown grains and long, thin awns. The background is a vast field of similar wheat, slightly out of focus, creating a sense of depth and abundance. The overall color palette is warm and golden, evoking a sense of natural, sustainable agriculture.

La Lorraine Bakery Group Sustainability Report 2019 - 2020

Better bakery, better life
together



About this report

This is La Lorraine Bakery Group's first Group Sustainability Report. It complements our LLBG financial reporting with non-financial information, more specifically the social, environmental and economic aspects of sustainability important to La Lorraine Bakery Group and its stakeholders.

The report focuses on La Lorraine Bakery Group NV, with its registered office at Elisabethlaan 143, B-9400 Ninove (Belgium) and its 12 bakery plants in Belgium, Central Europe and Turkey.

This document covers 2019 mainly, and when available we included intermediate ytd 2020 figures. We intend to publish a sustainability report at least every two years, in accordance with the Global Reporting Initiative (GRI) standards, Core level.

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Foreword

At LLBG we aspire to grow in a sustainable and entrepreneurial way for the next 20 to 50 years. And we want to do it with a soul and passion for quality and innovation, doing well for all our stakeholders. Thus becoming a bigger, but above all a better company. To this higher purpose, we aim to inspire with a wide and unique range of superior bakery products that meet the consumer's demand for authentic, fresher and tastier bakery products as part of a well-balanced nutrition and lifestyle.

And we want to do so in full respect with what is important to us, our 3 P's: Product, People & Planet. We believe that becoming a 'better company' can be achieved best by integrating and embedding these drivers of sustainability into our business strategies.

Next to this, we apply good governance as an absolute necessity for a strong, growing family business, through a professionalized and expanded governance over the past ten years. Furthermore, the LLBG Code of Conduct and Ethics sets out the Group's standards of ethical conduct and applies to all LLBG partners and employees, in every country in which the Group operates. We also publish consolidated annual accounts since 2008. In 2016 LLBG has been awarded the Family Business Award of Excellence, recognizing family businesses that stand out in terms of good governance both in the family and business, their vision and maintenance of family values.

In this way, we will be most effective in 'doing well' for all our stakeholders and in creating continuous growth and true value for society as a whole, across generations. Respect and caring for People, Planet and our Products will lead to sustained business performance, growth and profit.

Guido Vanherpe,
CEO

Luc Van Nevel,
Chairman of the Board







About LLBG

Who we are

La Lorraine Bakery Group (LLBG) is a 100 % Belgian family-owned business active in the European milling and baking sector. Every day, over 4.000 passionate people produce and sell high-quality bakery products to retailers, wholesalers and the foodservice industry.

Today, LLBG operates 12 state-of-the-art production units: 8 in Belgium, 3 in Central Europe and 1 in Turkey. In addition, the Group has sales divisions and distribution partners in more than 25 European countries, as well as in Russia, the Middle East and Chile.

Contributing to society

LLBG is one of the most innovative and leading companies in the European bakery market. It not only ranks among the top 5 industrial bakeries in Europe (bake-off), but also among the top 10 worldwide.

Through its innovations and focus on high-quality bakery products, LLBG has greatly contributed to offering European (and especially Eastern European) and Turkish consumers a very wide range of high-quality bread and other bakery products at affordable

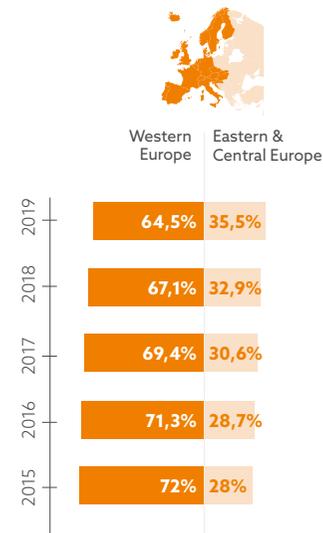
prices. Through its pioneering role and powerful development of the bake-off segment, LLBG has significantly contributed to revitalising the 'freshness experience' of a food category that has been very important to society for centuries.

LLBG contributes to local economic value creation and creates direct employment for over 4000 employees, complemented with indirect value creation and employment through its network of suppliers and partners.

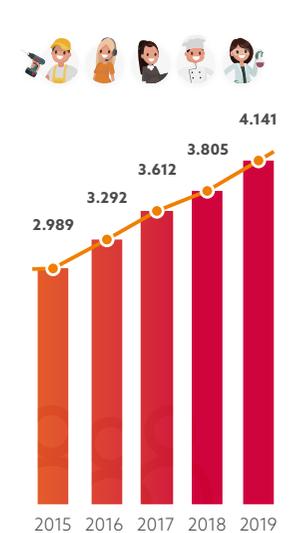
Evolution total turnover



Evolution sales per region



Evolution number of co-workers



A third generation family business

La Lorraine Bakery Group NV (LLBG) is a family holding structured into four innovative business units:



Bakery Frozen

'Bakery Frozen' is one of the European market leaders for frozen bake-off products in retail and food service under the brand names La Lorraine, Panesco and Donut Worry Be Happy. LLBG has the ambition to further transform the international bakery market through expansion outside Europe, such as Turkey, Middle East, Russia & other export markets in Asia & America.

 **La Lorraine**
Baking passion

 **PANESCO**
FOOD.COM

 **DONUT**
WORRY BE HAPPY



Bakery Fresh

'Bakery Fresh' has been the Belgian market leader for freshly made bread and pastries. From 7 Belgian production sites approximately 2.300 supermarkets and customers are supplied daily with a delicious range of fresh bread and pastries.

 **La Lorraine**
Baking passion

 **TARTE À MOI**

 **Maison**
La Lorraine



Store Concepts

Panos and Deliway are the market reference for a fast sandwich for lunch, with 400 points of sale in Belgium, the Netherlands and Luxembourg.

 **Panos**

 **DELIWAY**
HAVE A TASTY BREAK



Milling

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

 **PANIFLOWER**
Supporting Premium Bakers



LLBG values, mission and vision

Our family values



ENTREPRENEURIAL & INNOVATIVE

- Explore new horizons
- Take initiative, be pro-active
- Dare to change & innovate



NO-NONSENSE

- Keep it efficient and simple
- Do what you say, say what you do
- Open & direct communication



RESPECT

- Respect for our 3 P's:
- People
 - Product
 - Planet



OWNERSHIP & ACCOUNTABILITY

- Be accountable for the good & the bad
- Run the business as if it is yours
- Get it done, all the way



SHARED PASSION

- Aim for the best & always improve
- Share pride for products, every day
- Inspire and collaborate with enthusiasm

Our Mission and Vision

EXTERNAL MISSION

LLBG inspires with a **wide & unique** range of **superior** bakery products to meet **consumer demand** for **authentic, fresher** and **tastier** bakery products as part of a **well-balanced nutrition and lifestyle**.

INTERNAL MISSION

LLBG therefore engages **large-scale** production & **go-to-market concepts** with respect for **artisan-scale** quality to bring **innovation, consistency in quality** and product **authenticity in look and taste**.

VISION

To build a leading **international** company passionate about growth, and **transforming** the bakery market through long-standing **expertise**, new **technologies** and empowered **talent**.

A person wearing a dark jacket and overalls stands with their back to the camera, looking out over a vast field of golden crops at sunset. The sun is low on the horizon, casting a warm, golden glow over the entire scene. The background shows rolling hills under a clear sky.

Aspirational dream
for the next 20 to 50 years

To stay, across generations, a sustainable entrepreneurial company with a soul and passion for quality and innovation, doing well for all its stakeholders.

Thus becoming a bigger, but above all a better company.

Our Company Strategy

"Better bakery, better life. Together", perfectly crystalizes LLBG's mission to offer consumers more authentic, more innovative and fresher bakery products as a part of a well-balanced nutrition and lifestyle. We can only achieve this by working together. Together as a passionate LLBG team, and together with our partners and stakeholders.

'Better bakery, better life. together' is our compass that will help us stay on course over the long term. It symbolizes why we all work passionately for LLBG every day and translates concretely in what we call our 6-P strategic operating platform: Process, Product, Planet, People, Partnership and Profit.



Marc Vanherpe, COO, BU Director Fresh & Milling

"La Lorraine Bakery Group provides a wide and unique range of superior quality bakery products. By ensuring a high degree of expertise and motivation amongst our employees, constantly looking for the best standards of craftsmanship and investing in state-of-the-art technology, we combine large scale production with traditional scale quality."

LLBG's mission is to improve the bakery offer worldwide, for everybody. Upgrading bakery step by step, and giving people access to better bread, viennoiserie, savoury, American pastry and patisserie.

Having access to a more qualitative bakery offer, easily accessible, enables consumers to improve the quality of their life. Doing so in a responsible way preserving our planet is part of our journey.

Better bakery, better life together

Collaboration within our company and with our stakeholders is deeply rooted in LLBG's DNA.

*If you want to go fast, go alone;
if you want to go far, go together!*

WHAT?
Better bakery

WHY?
Better life

HOW?
Together

PROCESS

We are continuously improving our business processes, organisation and systems to work as efficiently as possible.

PRODUCT

Product leadership is our main strategy: creating added value, striving for the best quality and differentiating with innovations to meet consumer demand and bring joy and convenience to their life.

PLANET

By reducing our environmental footprint as a company, we help create a better world for all of us.

PEOPLE

We act as a strong team, fully engaged and with a strong will to become better. Our 4 LLBG engagement platforms are: Safe together, Work & Learn together, Fit together, Celebrate & Care together.

PARTNERSHIP

We want to do well for and work closely together with all our stakeholders: business partners, suppliers, local communities, governments, ...

PROFIT

By fulfilling all other P's, profit will naturally follow and allow us to create the financial health that is needed to keep growing and investing in a sustainable and entrepreneurial way.



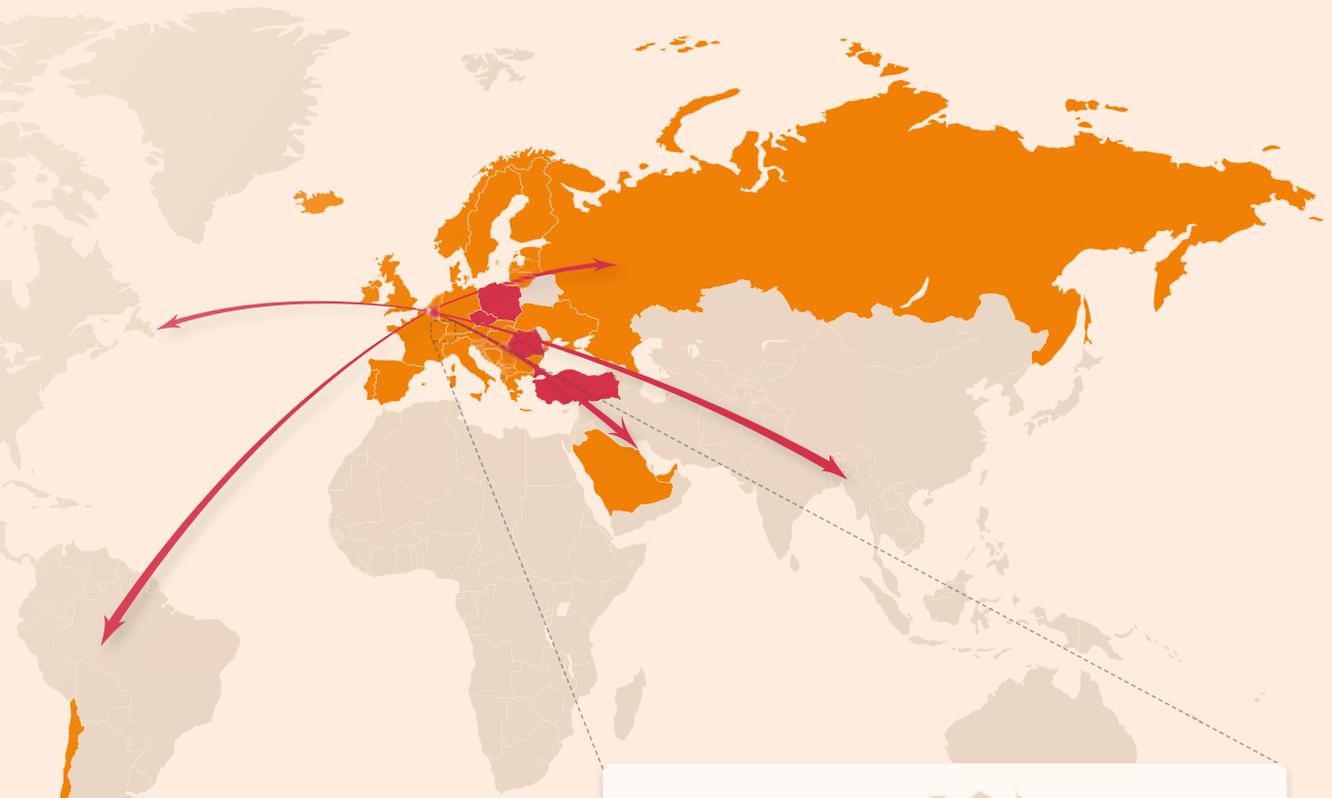
International expansion

LLBG has been able to successfully integrate vertically into a vibrant food sub-sector. Over the past ten years, La Lorraine Bakery Group boosts a mostly organic growth of 8-10% per year as the Group has gradually conquered new countries throughout Europe.

The Group has major ambitions to continue to invest in its international expansion in 'greater' Europe founded on a professional team, a feel for the market, and passion for its products and customers.

While the Bakery Fresh, the Bakery Store Concepts and the Milling divisions still offer many opportunities for growth and consolidation on a local level (mostly in Belgium), the decision was made to strongly expand and scale the Bakery Frozen division on an international level. This is called the company's 'Go East' strategy.

LLBG is pioneering the Central Eastern European markets by creating new markets for frozen bakery products. As such, the local bakery market is transforming into a fresher, more qualitative and innovative market, offering products at affordable prices for a large group of consumers.



- Production sites**
- Belgium
 - Czech Republic
 - Poland
 - Romania
 - Turkey
 - Russia (°2021)

- Sales and distribution
- Production



2019 Highlights

In 2019, LLBG continued on its path of strong, sustainable growth, realizing a Group revenue of 842Mio EUR, +9% vs 2018, an EBITDA of 118Mio EUR (+5% vs 2018) and a capex investment of 97Mio EUR. The Group continued to strengthen its market position, with solid market share growth. Additionally, it recruited over 300 new employees in 2019 to support its growth ambition.



Store Concepts

The business unit Store Concepts continued to strengthen its market leadership position and marketing strategy, opening new stores and building the coffee concept at Panos, and launching the first ecommerce pilots.



Bakery Fresh

The Fresh division continued developing its strategy of competence centers in bread and patisserie. Next to its Tarte à Moi brand, the new premium Maison La Lorraine brand was launched, together offering a unique and trendy patisserie range.



Bakery Frozen

In Frozen, the new 'Rise Together' strategy was launched, focused on product innovation and a growing industrial footprint. The company invested in new categories such as donuts, with the Donut Worry Be Happy brand, in savoury with the launch of bôrek, and in new artisanal breads, based on sour dough as part of the 'Taste needs Time' offering. Plans were initiated for building a new state of the art frozen factory in Belgium (Erpe Mere) and Russia, and the Group invested in additional production lines in its production plants in Poland, Czech Republic, Turkey and Romania.



Milling

The Milling division invested in the further modernisation and specialisation of its installations in order to produce high added value flour specialities and grain & seed mixes.



#TogetherLLBG

The Group launched platform, **4 employee engagement platforms:**

- Safe Together, installing a safety culture across the Group,
- Fit Together, promoting a healthy lifestyle,
- Learn Together to develop & growth employees and launching the LLBG Academy,
- Care & Celebrate Together, with celebration parties in all LLBG sites for the 80th anniversary of the Group in 2019.

LLBG also conducted its first **Employee Engagement Survey** end 2019, with a high participation rate of 72%, across the Group. Results were presented in the first quarter of 2020, and a company-wide action plan was put in place across 3 domains: Connecting through better communication; Growing through challenges and opportunities; Motivating through recognition and feedback.

And finally, LLBG translated its sustainability vision into a solid long term strategy and program, as reflection in this report.





Corporate governance

LLBG Governance

The Group considers governance as an absolute necessity for a strong, growing family business. Therefore, LLBG has further professionalized and expanded its governance in the past ten years. During the transition to the third generation, the LLBG holding company has been created in which all the companies of the group were brought together.

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

Board of Directors

The LLBG board of directors is composed of 4 family directors (1 per family branch) and 2 independent directors. The chairman of the board of directors has been chosen amongst the independent directors. The relationships between shareholders, the board of directors and operational management have been clearly defined as part of a Family Governance Charter.

Composition of the Board of Directors	
Luc Van Nevel*	Chairman
Guido Vanherpe	Director - CEO
Rudi Broeckaert*	Director
Anthony Vanherpe	Director
Katrien Vanherpe	Director
Mathieu Vanherpe	Director

* independent members



In 2016 LLBG has been awarded the Family Business Award of Excellence (Belgium). This award recognizes family businesses that stand out in terms of good governance both in the family and business, their vision and maintenance of family values, and ensuring the entrepreneurial spirit is passed on from generation to generation.

CEO & Executive Committee

The CEO is assisted by an Executive Committee, whose members are approved by the Board of Directors.

Composition of the Executive Committee	
Guido Vanherpe	Chief Executive Officer
Kris Geeraert	Chief Operating Officer - Bakery Frozen
Marc Vanherpe	Chief Operating Officer - Bakery Fresh & Milling
Karl Selleslags	Chief Operating Officer - Bakery Store Concepts
Gotzon De Aguirre	Chief Financial Officer
Vinciane Verbiest	Chief Human Resources Officer
Nele Van Malderen	Chief Communication & Sustainability Officer
Luc Verhasselt	Chief M&A & Procurement Officer

Ethical business conduct

The LLBG Code of Conduct and Ethics sets out the Group's standards of ethical conduct. It applies to all LLBG partners and employees, in every country in which the Group operates. All employees must perform their daily activities and their business objectives according to the highest ethical standards and principles using the LLBG Code of Conduct, translated in policies and procedures. Moreover, our company values aim to inspire our employees in their daily behavior and attitudes.



Guido Vanherpe, CEO

"LLBG's code of conduct wants to ensure that all persons acting on behalf of LLBG perform their activities ethically and in accordance with the applicable laws and regulations, as well as the standards that LLBG has set throughout its policies, guidelines and rules."



Respect for **people**, recognition of their fundamental rights and a belief in the power of their diversity are key principles underlying LLBG's policies and operations.



LLBG is committed to establish long term, sustainable and mutual beneficial relationships with **its customers** that will benefit the end consumers.



LLBG is committed to establishing long term relationships and partnerships with its **suppliers** and requests them to conduct their business responsibly.



LLBG is aware of its **corporate & social responsibility** and expresses this in respect for our 3P's: People, Product, Planet. These 3 P's form the basis of sustainable entrepreneurship within LLBG.



LLBG aims to produce and sell a wider and unique range of superior bakery products. Therefore LLBG ensures the **strict application of quality controls** at each stage of the production and logistics process and quickly reacts to any quality issue in order to correct it.



LLBG envisages a **sustainable and profitable growth**, allowing her to continuously invest in state of the art assets, continuous quality innovations and R&D, as well as a strong and motivated organization.



LLBG seeks to achieve **long-term positive partnerships** with its customers, shareholders and other stakeholders by jointly creating sustainable value.

 Download the LLBG Code of conduct on www.llbg.com

Human rights

All people are to be treated with respect, care and dignity. LLBG's business practices can only be sustainable if we respect basic human rights and value diversity, cultural and other differences. Our Code of Conduct and family values are inspired by fundamental principles such as those of the Universal Declaration of Human Rights, the European Convention on Human Rights and the United Nations Convention on the Rights of the Child.

LLBG is committed to creating working conditions which promote fair employment practices and where ethical conduct is recognized and valued. We are committed to respecting labor legislation in all markets we operate in and to create an inclusive working environment for our diverse workforce.

We recognize and respect the right to freedom of association and the right to collective bargaining within national laws and regulations. We will not contract child labor or any form of forced or compulsory labor as defined by ILO fundamental conventions. Moreover, we are opposed to discriminatory practices and do our utmost to promote equality, diversity and inclusion in all employment practices.





Group memberships and main partnerships

In 2019, LLBG was member of several industry associations and partnered in several social initiatives.

INDUSTRY ASSOCIATIONS



NUTRITION & HEALTH PARTNERHIPS



SOCIAL PARTNERHIPS







LLBG's sustainability strategy

In **2019**, LLBG decided to translate its sustainability vision in a clear strategy and program. We started by bringing together our experts, defined our stakeholders' material topics (see GRI index section) and captured all sustainability initiatives, built around the 3 strategic platforms that will make our company a better one: Product, People & Planet. Already today, these platforms are fully embedded in LLBG's business strategy of sustainable growth, across generations.

In **2020-2021**, we want to step up our sustainability ambition, looking further above the horizon and setting our LLBG long term sustainability goals and roadmap, translated in Group wide projects and initiatives, milestones and KPI's. This will be reflected in our 2021 LLBG Sustainability report, along the GRI reporting standards.

To further develop and execute on our sustainability strategy & program efficiently, we are establishing a strong governance:



Contributing to the SDGs

Our 3 strategic platforms
 - Product, People & Planet
 - each contribute to the United Nations' Sustainable Development Goals (SDG), more specifically:



Guido Vanherpe, CEO

"We want to make an impact on society by contributing to the United Nations Sustainable Development Goals (SDGs) and by acting on topics that truly matter to our stakeholders."

SDG	Strategic relevance for LLBG	Link to strategic sustainability platforms
<p>3 GOOD HEALTH AND WELL-BEING Ensure healthy lives and promote well-being for all at all ages</p>	LLBG is convinced that continuously improving the quality of its products should remain its most important business goal, embracing consumer wellbeing and a well-balanced nutrition and lifestyle.	Product People
<p>8 DECENT WORK AND ECONOMIC GROWTH Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all</p>	Directly, by guaranteeing long-term employment and a safe working environment, investing in employee vitality and wellbeing, embracing diversity and nourishing people's talents and capabilities. And indirectly, by giving back to the community, so that also the less fortunate get the opportunity to improve their lives.	People
<p>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation</p>	LLBG is keen on being the product leader in the European bakery sector. Therefore the Group is committed to innovation, with 20% of sales in past 3 years being innovations. LLBG is building an international manufacturing footprint, with local production, increasing customer proximity.	Product People
<p>12 RESPONSIBLE CONSUMPTION AND PRODUCTION Ensure sustainable consumption and production patterns</p>	LLBG is doing its part by reducing the ecological impact of its activities. More specifically, by respecting our resources and aiming for zero food waste, by reducing its energy consumption, and by packaging its products sustainably	Product
<p>13 CLIMATE ACTION Take urgent action to combat climate change and its impacts</p>		Planet

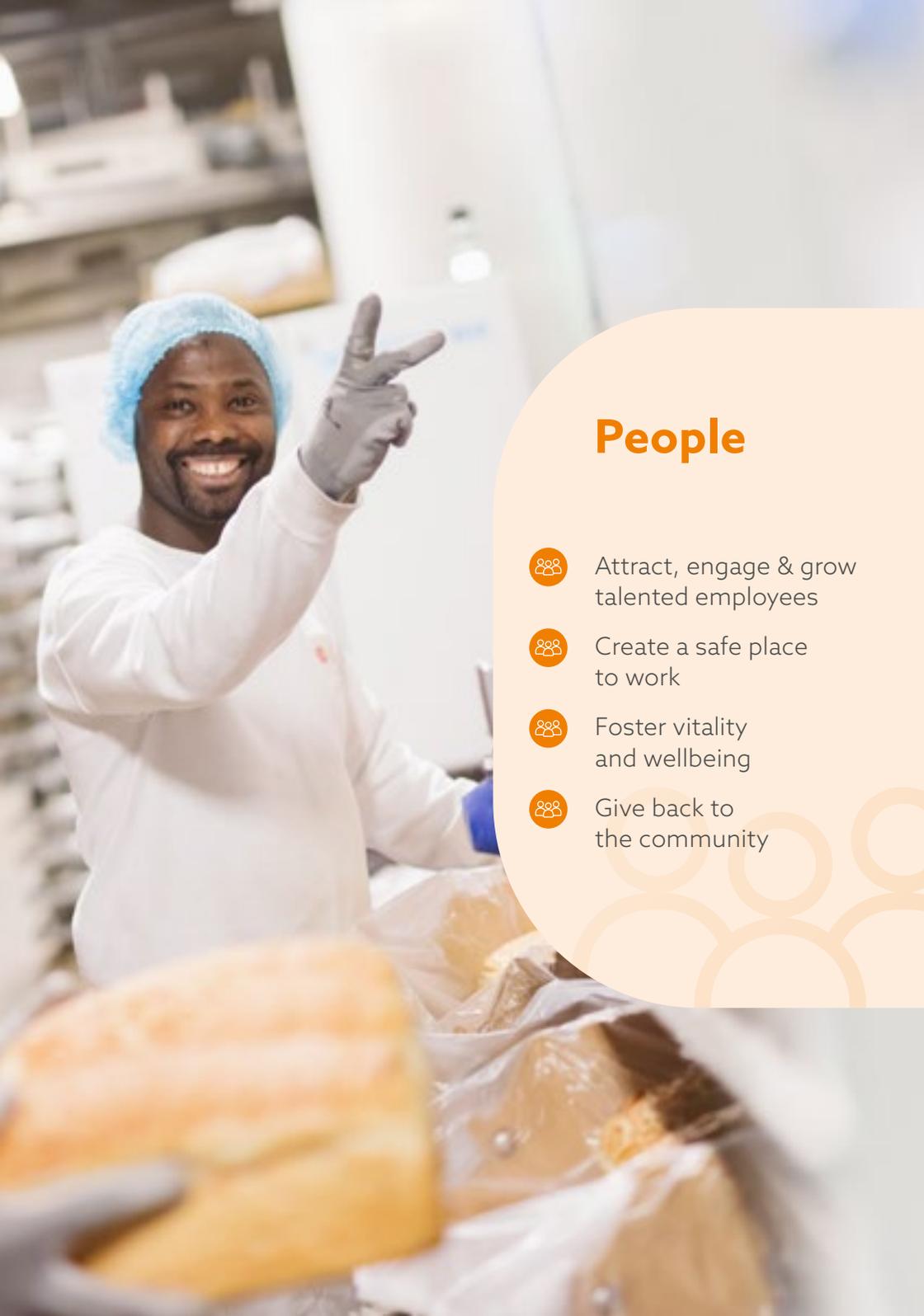
A focused sustainability strategy

At LLBG we believe that respect for our 3P's – **People, Product and Planet** – are the building blocks for sustainable growth and success, naturally leading to long-term business success and creating value to all our stakeholders.

Product

-  Put quality first
-  Sustainable innovation as driver for growth
-  Sustainable sourcing and purchasing strategy
-  Embrace consumer wellbeing





People

-  Attract, engage & grow talented employees
-  Create a safe place to work
-  Foster vitality and wellbeing
-  Give back to the community



Planet

-  Respect our precious resources
-  Transition to more sustainable packaging
-  Reduce impact on climate and environment: Lowering energy consumption & logistics footprint





Product

LLBG is convinced that continuously improving the quality of its products should remain its most important business goal, embracing consumer wellbeing and a well-balanced nutrition and lifestyle. Implementing a strategy of Product Integrity, thus creating full transparency of its recipes, and continuously improving their authenticity and naturalness, will be key to stay fully connected to consumers through a bond of sustainable trust.

Product quality first

Product quality is top priority at LLBG. Also food safety cannot be compromised in any way. It is for this reason that the Group relies on several evaluation systems for products, ingredients and packaging materials. All production plants have a GFSI (Global Food Safety Initiative) certificate : IFS (Belgium, Czech Republic, Romania), FSSC 22000 (Turkey) or BRC (Poland), which is renewed every year. All production employees receive at regular intervals training on hygiene, good manufacturing practices and food safety.

The LLBG products, both in terms of content and packaging, fully comply with what it communicates, including the legal requirements. To properly ensure product integrity, our management system monitors all operations. Each product also receives its own E-identity card (EID), describing all the parameters of the product, the recipe, the process parameters and the technology used.

KPI	2019	2020
External Food Safety certifications	Belgium: IFS Turkey: FSSC 22000 Romania: IFS Czech: IFS Poland: BRC	Belgium: IFS Turkey: FSSC 22000 Romania: IFS Czech: IFS Poland: BRC
Product quality score on our Top Range products	100%	100%
Products that pass through a metal detector at the end of the production line	100%	100%
#/% of products with E-Identity Card (EID)	n.a.	All Frozen and Fresh plants have EID, except for LL-Romania
# Plants with product integrity audits performed	100% of Belgian Plants (external PIA audit)	100% of Belgian Plants (internal audits)

Monitoring and safeguarding superior product quality

Every day a lot of attention is paid to the quality, regularity, taste and appearance of all our products. In order to obtain a consistent product quality, LLBG only uses high-quality raw materials, which come from approved and audited suppliers. All external suppliers need to be compliant with GFSI or are audited by our Quality department to verify whether they meet the required standards. Quality checks are performed from the arrival of the raw materials to the release of the products. Samples are taken during the production process, checks are carried out (weight, dimensions, visual checks) and registrations of process and product parameters are made. There is always a very last quality control before the release of the products.

To bring the quality of our products to a higher level, in addition to the classic checks of dimensions and weight, a number of other parameters are evaluated as objectively as possible, with particular emphasis on the visual appearance, crispiness and taste of our products. A number of so-called knock-outs were determined. If the product does not meet certain sensory parameters, it is irrevocably blocked.

To prove its dedication, LLBG has installed a Group Technology Team to monitor and safeguard the superior quality of its products from both a process and product technology point of view (i.e. ingredients, processes, packaging, etc.).

Sustainable innovation as a driver for growth

LLBG is keen on being one of the product innovation leaders in the European bakery, through development of unique and differentiating products. To achieve this ambition, the Group is committed to innovation. With success. In the past three years, 20% of sales have been innovations.

We focus on developing unique and differentiating products. For example, drivers of our innovations are the shift from white to fiber-rich and multi-grain bread, from big to smaller portion sizes in patisserie, more authenticity through a shift towards the use of sourdough versus improvers.

KPI	2019	2020
% of Group Sales driven by innovations	20%	available early 2021



Sustainable sourcing and purchasing

LLBG applies a sustainable ingredients policy, focused on where the ingredients come from, natural cultivation and seasonality. LLBG aims to keep its **supply chain as short as possible**. In this way, the Group is able to get the fresh ingredients from the field to the baker fast, ensuring ever tastier and fresher products.

Sustainable sourcing, an essential value of our milling division

Paniflower concluded successful partnerships with key accounts focusing on sustainable agricultural practices and the promotion of local biodiversity. Furthermore, Paniflower provides know-how to local farmers and cooperatives on the optimal cultivation of wheat in order to increase the share of local wheat that is in demand. This know-how is generated, among other things, by the sowing of wheat on trial fields of knowledge centres.

From the field to the baker - fresh, local and traditional craftsmanship

LLBG is fully committed to offer customers authentic, fresh and tasty bakery products. To achieve this, we rely on craftsman-quality ingredients and production methods. Some examples.



Our range of whole meal Equiform bread is a perfect example of a craftsman LLBG product. The wheat, sourced from a passionate farmers cooperative, is milled using authentic millstones, based on a 2000 year old method. Next, the resulting flour is transported to the small manual bakery division at the La Lorraine Morlanwelz plant. There, we manually make and bake the bread, and we give it all the time it needs to ensure optimal wheat aromas and create a 100% whole meal and wellbalanced pure bread. Because taste needs time.

In order to get the best strawberry cake, you need fresh strawberries. That's why LLBG – during the Belgian strawberry season - partners with growers throughout Belgium that apply natural, integrated production techniques. The growers deliver the strawberries within 24 hours to the local LLBG bakeries, where they are cleaned, sliced and decorated onto the cake manually. It doesn't get any more fresh and artisanal as this. In 2019, 65% of the Belgian strawberries are sourced 'from field to baker', increasing to 74% in 2020

In 2019, 10% of our apples were locally sourced 'from field to baker'. The apples (Jonagold) are picked by hand, at the right time, and directly delivered to La Lorraine Alken. There, the apples are sliced and spread out across the cake manually. When the cake comes out of the oven, the apples are perfectly brown and caramelized for great taste and structure. In 2020, local sourcing of apples increased to 38%.

KPI	2019	2020
Locally sourced apples	10%	38%
Locally sourced strawberries	65%	74%

Overall, 45% of fresh fruit used for our patisserie, is locally sourced from 'field to baker'.

To live up to our ambition, LLBG builds long-term partnerships with committed suppliers who share the same philosophy. These suppliers need to live up to specific requirements for the **raw materials** they deliver. For instance, we strive for UTZ-certified chocolate and palm oil free products (only RSPO palm oil is tolerated), and – in Belgium, Poland and Czech Republic – use only free-range, barn or organic eggs. All suppliers are evaluated annually (product quality, food safety, reliability).

In 2019, the Group also issued a supplier manual, stating our specific quality requirements next to ethical trading and sustainability conditions:

- GMO free
- Eggs are free-range, barn or organic
- Avoid palmoil, and if used only RSPO Segregated palm oil
- No peanuts, peanut oil nor lupine
- No use of partly-hardened fats, preference for solid fats
- E-numbers need to be avoided maximally
- No AZO-colorants if alternatives are available
- No flavor enhancer, anti-foaming agent, melting salt nor fillers unless used as a technological adjuvant
- No preservatives, unless essential
- Only natural aroma
- Bread improvers: maximally avoid malt, sugar & derivates, colorants or aromas



As of 2021, the following items will be added :

- All cocoa or chocolate must have the UTZ quality mark.
- All wood packaging must come from sustainable forestry (FSC/PEFC).
- All packaging must be free of Bisphenol

KPI	2019	2020
% of purchased value(raw materials & packagings) covered by LLBG supplier manual-scope BE	n.a.	>95%



Most of the products in the LLBG range are self-produced, some are bought from external partners. All our suppliers of **finished goods** have signed the LLBG Supplier Requirements. To make sure the suppliers meet these requirements, they have to supply documentation and information regarding quality, ethics, and environmental impact. These requirements are part of the annual contract agreements with each of our partners. The status for purchased products in our Frozen Bakery markets* is summarized below

KPI	2019	2020
% sku with RSPO Segregated Palm	88% RSPO MB	Minimum 88% RSPO Segregated
Rainforest/UTZ chocolate	No UTZ	Minimum 90% of references are UTZ
% sku in guideline of Non-(enriched) cage eggs	86%	95%

*scope Western-Europe, Southern-Europe, Poland and Czech Republic. As from 2021 Turkey will be added.



Embracing consumer health & wellbeing

LLBG encourages a healthy and sustainable lifestyle. Our **product range** contains healthy products that fit in a well-balanced nutrition and lifestyle, next to indulgence products, for which we help our consumers make a responsible choice.

“

S.K., Plant manager La Lorraine Turkey

“LLBG seeks to raise the profile of bread and food in general. More specifically, in Turkey where consumption of bread is growing fast due to the significantly growing population, we want to offer the Turkish people good quality and healthy products with more nutritional value than the breads available on the market today. We are the market leader in bake off products, ensuring top quality at all time. The entire system is FSSC 22000 and Halal certified to cope with this big and complex market.”

As far as bread is concerned, LLBG offers a wide range of multigrain and **wholegrain** products as they contain more dietary fiber, vitamins and minerals. They are made from the entire grain kernel and therefore contain all the good nutrients the grain has to offer, whether it's wheat, spelt, rye or another type of grain. LLBG also grew its offer of organic breads & bakery products.

But there's also a need for moments of **enjoyment and indulgence**. Our product integrity strategy gives our consumers the opportunity to make a **responsible choice**.

To help consumers adopt good eating habits, the Group is fully transparent on its product specifications through clear labels, based on a strong and consistent allergens policy, and honest, correct food claims.



L.R., New Product Development manager Bakery Fresh

“Over the past 5 years, a lot of efforts went in declaration free/ clean labels, in collaboration with our suppliers. One of the projects worth mentioning, is our Clean Label Bread project. Within our Fresh bakery portfolio, we have created the full range of “Classic loafbread” clean label (= E-free, palmfree, lactose- and soy-free), this for both fresh, pre-baked fresh and packaged bread. Our complete artisan range is also E-free.”

The vital and healthy lifestyle LLBG is promoting, is one of the main drivers for innovation. For instance, the Group’s R&D teams are constantly adjusting **recipes** to include **less trans-fatty acids, less salt, less sugar and smaller portion sizes**. In 2019 LLBG also started to evaluate and implement the nutriscore in its bakery portfolio, and as from 2020 uses nutriscore as a parameter in several innovation projects.

In collaboration with its suppliers, the Group is also looking for alternatives to **eliminate as many E-numbers as possible** in ingredients without compromising taste and quality.

KPI	2019	2020
% of bread range containing		
>3g fibre/100g (source of fibre)	38%	53%
>6g fibre/100g (rich in fibre)	5%	7%
Salt reduction in bread (-25% added salt) in Be	18% of total unpacked bread range 27% of classic unpacked bread range	n.a.
Organic bakery products*	n.a.	3%
Industrial TFA <2%	100% of bakery portfolio	100% of bakery portfolio
% bakery products palm oil free	n.a.	Fresh: 31% (18% of patisserie range, 60% of bread range) Frozen: 75% (9% of pastry range, 87% of bread range)
% bakery products* having a Nutriscore	n.a.	35%
% of which nutriscore A & B	n.a.	26%

* fresh bakery products



la Lorraine
BAKERY GROUP



People

All people should be given the chance to live their lives at the fullest, regardless of their origin, class and race. LLBG is doing its bit to give people that chance.

Directly, by guaranteeing long-term employment and embracing diversity, a safe working environment, investing in employee engagement, vitality and wellbeing, and nourishing people's talents and capabilities.

And indirectly, by giving back to the community, so that also the less fortunate get the opportunity to improve their lives.

Long term employment

LLBG is a fast-growing company, expanding internationally. End 2019, the Group accounted for more than 4000 employees, growing with over 300 new colleagues across the 25 markets it operates in.

LLBG is committed to creating working conditions which promote fair employment practices and where ethical conduct is recognized and valued. We are committed to respecting labor legislation in all markets we operate in and to create an inclusive working environment for our diverse workforce.

Embracing diversity

At LLBG, what counts is passion. We welcome diversity, as one of our fundamental values and belief that we can only grow sustainably through a workforce that is a true reflection of society, of our customer and consumer base. We are convinced that innovation power and performance are strengthened by diversity – be it age, gender, nationality, social background, culture or origin.

Our diverse workforce at LLBG counts not less than **64** nationalities.

We welcome gender diversity, reflected in the female representation at the different levels of our company:



La Lorraine Turkey - Great place to work



"Working for LLBG is working in a fast-growing, family-friendly environment. An environment where entrepreneurship and leadership are stimulated, and where the people are given the responsibility to shape the future together. And that's not just me saying it. It's what helped us win the Turkish 'Great Place to Work' award in 2017."

S.C., HR manager LL Turkey



Fast growing



"Our Romanian plant is one of the fastest growing plants of the Group. Today, we are an important player in the Romanian bakery industry, and our staff grew by 40% in 2019. The key to our success? We are continuously preoccupied to build a strong employer brand, by offering people long-term employment, recognition and a family-type working environment."

S.C., HR manager La Lorraine Romania



Caring employer



"We care about people. We empower them. We give them the opportunity to share their ideas, in cross-functional teams, through idea boxes, during dinners with management... We listen to them, and we value them, equally, regardless of nationality and gender."

L.Z., HR manager La Lorraine Czech Republic



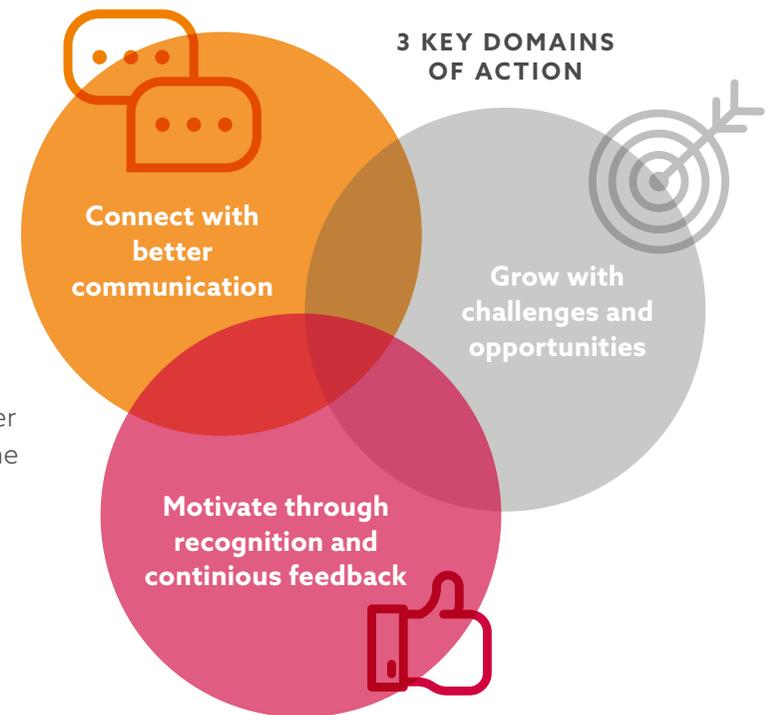
Employee engagement

First global employee engagement survey across the Group in 2019

When people are engaged, they are more productive, enjoy more their work, perform better and deliver more in terms of results for the organisation. To measure the psychosocial risk factors and to determine what is driving engagement in our organization, our first international engagement survey has been conducted in 2019.

The results give us valuable insight into employee engagement and satisfaction regarding job content, compensation, personal development, communication, cooperation, physical work environment and impact on well-being.

3 main focus domains of action have been identified across the Group: Connecting through better communication; Growing with challenges and opportunities; Motivating through recognition & feedback. To improve, action plans kicked-off in 2020, involving over 200 employee-ambassadors from all levels of the organization, & a new survey is planned for end 2021 to measure progress.



Launching our LLBG employee engagement platform

In parallel with the survey, LLBG also launched its 4 employee engagement platforms in 2019: Safe Together, Fit Together, Working & Learning Together, Celebrating & Caring Together. These are being activated across the Group, as key levers to drive engagement.



**SAFE
TOGETHER**

Safety of our LLBG team is a top priority. By means of prevention planning and safety communication, we want to create the ideal work environment and protect our employees the best we can.



**FIT
TOGETHER**

At La Lorraine Bakery Group, we believe that an active and healthy lifestyle is good for the body, the mind and our teams, but also for generating a positive and successful working spirit.



**WORKING & LEARNING
TOGETHER**

A working culture of continuous self-development and profound training is the way to attract, motivate and keep the best co-workers



**CELEBRATING & CARING
TOGETHER**

We believe that hard work, effort and motivation deserves to be rewarded. That's why we organize our annual 'thank you' events for employees. Furthermore, we take our social responsibility seriously and participate in various local and international charity projects.





**100 DAYS
WITHOUT
ACCIDENTS**



A safe working environment

People are the most valuable assets of LLBG, and we value them highly. That's why offering employees a safe and healthy working environment is one of LLBG's main priorities. In 2014, LLBG evaluated its Group's safety culture (Samourai@Work®). The results showed that, despite strong performance in legal compliance and technical safety, there still was room for improvement in the integration of safety in corporate strategy and employee awareness.

KPI	2019	Target	2020	Target
Accident frequency rate	27,1	21	17,7	20
Accident severity rate	0,47	0,33	0,32	0,20

The Group's leaders aim to be exemplary in terms of safe behavior within the company and have been trained to evaluate in-the-field and follow up on safety. A dedicated Health & Safety manager supports the improvement of a safety culture through various actions that have been set in the Group's 'Safety Action Plan':

- **To measure is to know**
Monitoring and follow-up of safety figures, incl analysis of occupational accidents.
- **Safety is everybody's concern**
Supporting the promotion of good safety attitudes and culture through toolbox meetings, implementation of basic safety procedures and monthly safety themes to increase safety awareness.
- **Safety management system**
Developing a safety management system, including manual and internal audit.
- **Ensuring machine safety**
Risk analysis and formal take into service report, keep in good safe shape.
- **Enhancing fire safety**
Improve the fire safety of buildings and infrastructure and increase the readiness of the fire intervention teams.

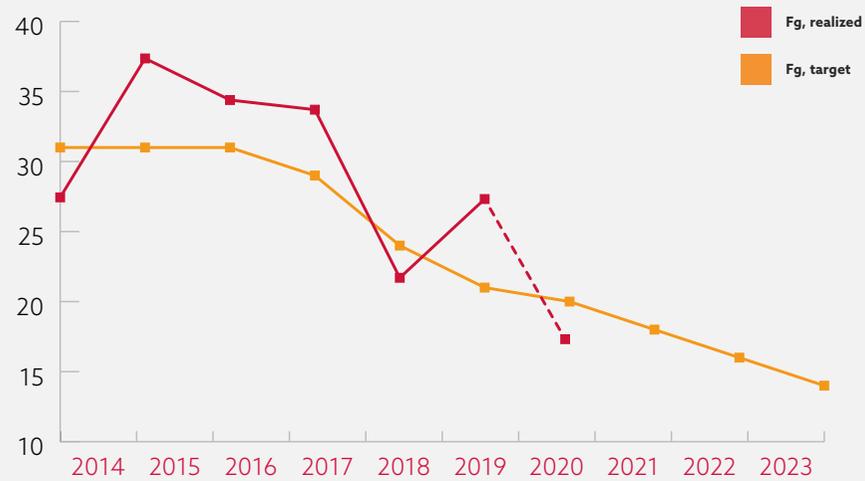
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"At La Lorraine, we continuously improve the awareness of our employees in the fields of quality, food safety, and safety at work. As regards to the latter, we reduced the number of accidents on the workforce by 50% by attacking one of the main causes: slips and trips, which we cut by 80%."

R.B. Plant manager LL Poland

Evolution Accident Frequency Fg LLBG

Frequency rate (Fg) =
Number of lost time work accidents per 1 million worked hours



Evolution Accident Severity Eg LLBG

Severity rate (Eg) =
Number of lost hours due to work accidents per 1000 worked hours





Promoting vitality & wellbeing

LLBG also promotes a well-balanced and healthy lifestyle to its employees.

Every year, La Lorraine Bakery Group challenges its employees to participate in diverse **sport events**, this could be a triathlon, a cyclo challenge or another sportive event. In the past years, hundreds of colleagues across the Group climbed the Mont Ventoux and the Stelvio, cycled along Les Vosges and tackled a few challenging hills of the cycling classic Liège-Bastogne-Liège. LLBG also supports local sporting initiatives, such as the 20km of Brussels amongst many other.

Also in 2019, the Group built further on this experience to reinforce employee wellbeing and ergonomics. Various sessions on ergonomic screening and coaching on the work floor were organized.

KPI	2019	Target
# employees registered on Fit Together platform	n.a.	834 (20%)

In 2019 LLBG has embedded this culture of sportsmanship and employee well-being into a long term health and well-being program: **the international LLBG Fit Together Digital Platform**.

Through the Platform employees are given the opportunity to set energetic goals, at their own pace and according to their own needs. They are invited to fun events and company challenges and get updates on the latest Fit Together news, healthy habits and get inspired by healthy & nutritious food ideas & recipes.

In the first year 834 employees registered on the platform! We organized 4 different challenges, gave people the opportunity to participate in existing sports events for free, shared webinars and useful tips on how to achieve a healthier lifestyle and and launched our Olympic goal of covering 80 X the distance between Ninove and Tokyo by end 2020 as one united LLBG team together!



In 2020, the LLBG employees ran, walked, biked, swam ... no less than 80 times the distance from our head-office in Belgium to Tokyo!

WORKING & LEARNING TOGETHER

Nourishing & maximizing human potential

People are the Group’s most important asset. They are the driving force behind LLBG’s winning product leadership. To nourish and maximize that human potential, the Group has launched the LLBG Academy.

The mission of the LLBG Academy is to develop passionate LLBG leaders & employees, and to maximize our human potential that is a key differentiator in becoming the winning product leadership company we want to be.

KPI	2019	Target
Average training hours/employee	10,4	n.a.



“The plant in Ninove, Belgium is the place where it all started. It’s the mothership of the Group, the one with the highest seniority, also in terms of people (average 13.5 years on the clock). As a result, the Ninove plant has a wealth of knowledge and expertise, and is often consulted by other Group members. High seniority is a blessing, it provides proof of being a good employer. But it’s also a challenge. In the next ten years we will have to recruit people and transfer all this knowledge. To prepare ourselves, we invest in intensive on-the-job training. All of our production supervisors and shift supervisors once started on the lowest level. To become a shift supervisor, you need at least 3 years of experience on the floor.”

G.H., plant manager La Lorraine Ninove

“A working culture of continuous self-development and profound training is the way to attract, motivate and keep the best co-workers. That is why we have launched the Academy in 2019.”

W.V.R, Training Manager



CELEBRATING & CARING TOGETHER

Celebrating & Caring for local communities

CELEBRATING OUR 80TH ANNIVERSARY...

In 2019, LLBG celebrated its 80 years with parties in Belgium & all its international locations. Not only did we -proudly- look back on the past 80 years, but also looked forward to the next 20 to 50 years... with cake of course !



... WITHOUT FORGETTING TO GIVE BACK TO THE COMMUNITY

Respect for people is one of the Group's five values. This does not only apply to Group's own employees, it also inspires its commitment to the local communities. LLBG offers external stakeholders insight in its activities, as well as a helping hand to society's less fortunate through a variety of projects. As an example, in 2019 we supported local initiatives in Belgium such as Habbekrats, Tada, the Foodbanks, Restos Du Coeur and many others.

“

B.B. Events manager

“Habbekrats lends a helping hand to underprivileged children and as LLBG we proudly support their cause. When employees register for our yearly sports event, all proceeds -doubled by the company- go to Habbekrats. For several years in a row, we have contributed €10.000 yearly! We also deliver free bakery products to children's homes every week so that 100 kids can enjoy their afternoon snack.”





Planet

Our Planet is the most important gift of nature. It deserves our respect. It deserves a more sustainable approach from society as a whole to protect the climate and environment for today's and future generations.

LLBG is doing its part by reducing the ecological impact of its activities. More specifically, by **respecting our resources** and **aiming for zero food waste**, by **packaging its products sustainably** and by **reducing its impact on climate and environment**, being energy consumption & logistics.

Respecting our resources, towards zero food waste

According to UN figures, roughly one third of the food produced in the world for human consumption every year – approximately 1.3 billion tonnes – gets lost or wasted. The total volume would take up more surface than China. As a food producer, LLBG wants to do its part to tackle this global issue by aiming for zero food waste.

First of all, by reducing the risk of food loss in its product offering & production process, for example by:

- **Baking off** (i.e. quick thawing followed by re-heating or baking) pre-baked products at sales outlets, in line with the sales volumes
- **Offering frozen products**, which allow for better portioning and extended storage life of the food
- **Developing systems and technology to minimize food waste** during our production processes; next to that, train our production employees accordingly. One of the key indicators is follow up of dough yield.

In addition, LLBG is **valorizing its food surpluses maximally**. These surpluses contain plenty of valuable components that can be put to good use in various ways, including:

- **Human consumption**
Food surpluses are donated to foodbanks (taking into account the storage life of our fresh products) or local Public Centres for Social Welfare, or are used for the production of bread crumbs. The quality of these surpluses is guaranteed at all time and complies to all standards for human consumption.
- **Animal feed**
Next to food banks, all Belgian LLBG plants are certified Food Chain Alliance (FCA) to ensure that bakery surpluses are eligible for processing as animal feed. Regular audits guarantee the quality of the animal feed.
- **Paniflower**
is also valorizing its food surpluses maximally, with a non-recuperation of only 50 tons / week, used for bio-gasification.



KPI	2019	2020
Recuperation of food surplus for human and animal feed	> 90%	n.a.

Transition to more sustainable packaging

Packaging is of major importance to LLBG. It is indispensable for the protection, storage life and quality of its products. Hence, packaging has a significant impact on the Group's ecological footprint.

To reduce this impact, the Group is **reducing the amount of packaging and transitioning to more sustainable packaging.**

Reducing the amount of packaging

LLBG puts a lot of attention to changing the design and supply methods of its packaging. This has already resulted in the redesign of many bakery products packaging, making it lighter or thinner, using less material, and replacing plastics with paper, cardboard, or recyclable materials.

In addition, the Group is experimenting with alternative sustainable packaging solutions such as returnable crates and linen bags for bread.

Towards more sustainable packaging solutions

In that regard, LLBG is reusing material as much as possible. Today, on **average 75% of LLBG packaging contains recycled content.** On top of that, LLBG has committed itself to **ban the use of unnecessary (singleuse) plastics** over time. To reach this ambition, several initiatives are being rolled-out:

- Making all plastic packaging fully reusable, recyclable or compostable.
- Ensuring all plastic is reused, recycled or composted. That is why LLBG prefers mono-materials for better recyclability.
- Clearing all plastic packaging of hazardous chemicals

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JM. D.V. , R&D & Quality mgr Milling

"Paniflower promotes to its customers the use of concentrated mixes for the production of various bread products. This is achieved by combining, on the one hand, maximum flour in bulk (no packaging required) and, on the other hand, concentrated blends of grains, seeds and functional ingredients packed in paper bags. Before, the entire volume of flour used to be packed in paper bags. This approach strongly reduces the consumption of packaging with approximately 60%".

	2019 (vs 2018)	2020
% packaging cont recycled mat	70%	n.a.
% recyclable, reusable....	>90%	n.a.
%FSC/PEFC	> 50%	n.a.
Paper & cardboard packaging		
Evolution in weight	+5%	n.a.
Evolution in % vs produced weight	+2%	
Plastic packaging		
Evolution in weight	-7%	n.a.
Evolution in % vs produced weight	-9%	
Total packaging		
Evolution in weight	+3%	
Evolution in % vs produced weight	0%	

Reducing impact on climate and environment

One of the key targets in LLBG's long-term CSR strategy is to reduce its impact on the environment and climate, reducing its emissions. As energy consumption is a major source of greenhouse gases, LLBG subscribes to the the general ambitions of limiting these emissions through energy efficiency programmes, next to investing in renewable energy sources.

It is LLBG's ambition to **significantly reduce its energy consumption and increasingly reuse energy**. It's our ambition to continuously reduce energy consumption & carbon emissions per unit produced (scope: production plants).

The most sustainable energy, is the energy that is not used. As part of voluntary industry agreements in Belgium ('Accord de Branche' between sector federation Fevia and the Walloon government, and 'Energiebeleidsovereenkomsten' with the Flemish government), LLBG has committed itself to verify and reduce the energy consumption and carbon emissions of its largest Belgian sites. Joining these initiatives, has greatly increased the energy awareness at the participating sites (Ninove, Erpe Mere, Barchon and Morlanwelz). The plants drew up energy plans and realised (and evaluated) specific energy-saving and carbon-reducing projects. But, what's more, they have also inspired new improvement projects in other countries.

KPI	2019	2020
% electricity from renewable sources	LLNI solar on own building; LLRO solar in field	n.a.
Carbon emission info		
Full LLBG (operation sites) kg CO₂ / kg produced	0,216 kg CO ₂ / kg prod.	n.a.
LLBG (bakery sites) kg CO₂ / kg produced	0,392 kg CO ₂ / kg prod.	n.a.
Full LLBG (operation sites) - Specific energy consumption (kWh/kg produced)	253 kWh elec / kg prod. 249 kWh gas / kg prod.	n.a.
LLBG (bakery sites) - Specific energy consumption (kWh/kg produced)	440 kWh elec / kg prod. 482 kWh gas / kg prod.	n.a.

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"In recent years, the foundations have been laid to achieve structural energy management. Going forward, we'll set our long term goals towards a carbon neutral company. That's the ambition we go for! "

JS, group technical services and reliability manager

Regarding the energy that is used, it is of utmost importance that it is used as efficiently as possible. This requires that all production lines run optimally. By strongly focusing on the reliability of the various sites (i.e. reducing downtime), big steps have been made in the reliability of people (technical organisation and knowledge), systems, processes and technical content.



One third of the electricity consumed at the LLBG plant in Romania comes from photovoltaic solar panels from a local supplier.



Key realizations



Since April 2018, a new cooling plant has been commissioned at the La Lorraine site in Alken, Belgium. As a result, R404 has been replaced as a refrigerant. The new power station is more greenhouse friendly using propane and CO₂, leading to a significant reduction of the Global Warming Potential of the applied refrigerants from 3922 to 3 and 1 respectively. In addition, the new power plant is far more energy efficient.

The bakery plant in Barchon, Belgium, participated in a voluntary industry agreement to reduce energy consumption in the sector. In that regard, it included LED lighting, renewed the cooling compressors, and renewed the on-site ovens for a more efficient and better baking process.

Energy consumption has been a priority right from the start for the La Lorraine Turkey plant. We meticulously measure and evaluate all energy flows, and performed two full energy audits since the plant was inaugurated in September 2016. This has already led to several technical adjustments to further improve the plant's energy consumption, such as the replacement of electric motors by higher efficiency ones.

The LLBG plant in Czech Republic is monitoring energy flows on a daily basis. By linking these data to the daily production volumes, we were able to identify a number of issues which would

otherwise have remained unknown.

For example, we were able to significantly reduce our consumption of compressed air for cleaning baking trays.

Minimizing energy consumption was one of the challenges when building the new High Bay freezer warehouse in Erpe Mere, Belgium. This led to the implementation of energy-efficient technologies for heating and cooling. In wintertime, the plant recovers the heat from the oil cooling of the refrigeration compressors (boosted with a heat pump) to heat the nearby offices, whereas in summer, the offices receive their cooling from the recuperation of the flow to keep the inside floors ice-free.

Lowering logistics footprint

To reduce LLBG's impact on climate change, the Group focuses on the reduction of its transports (internal transports & transports to customers) as well as on the sustainability of its transportation fleet.

Optimizing transportation

We have been working on improving transportation KPI's such as reducing empty mileage, load efficiency of trucks and optimized route planning, through both customer proximity and warehouse centralization.

- **Customer proximity**

LLBG has invested in a decentralized production platform and a dense local distribution network, so that it is close to the customer and can deliver fresh products with optimal taste. In Belgium, LLBG is able to limit the order-to-delivery lead time to 15 hours. A LLBG trucks in Belgium cover on average about 40,000 km per year, giving them an average lifetime of 11 years.

- **Reducing internal transports**

Until 2018, the Belgian frozen products were stored at the Erpe Mere site in Belgium and in two external warehouses. This resulted in lots of internal transport. Hence, LLBG invested in a more sustainable solution, the High Bay Warehouse. In 2019, the frozen products that are stored in the two external warehouses were moved to the High Bay Warehouse in Erpe Mere. Thus avoiding 36 trucks per week (9100 km/month) on the road.

- **Local sourcing**

LLBG aims to keep its supply chain as short as possible. In patisserie, our program 'from acre to baker' not only brings us the fresh ingredients from the field to our bakery fast, ensuring ever tastier and fresher products, but also decreases transportation mileage significantly.



Making our fleet more green

We continue investments in our fleet to reduce carbon emissions of during transport and distribution of our bakery products.

- **Low-emission trucks**

LLBG recently bought 4 CNG-fueled vehicles to prepare for the future and continue deliveries in low emission zones.

- **Eco-driving**

The LLBG truck drivers are trained in safe eco-driving. To ensure results, fuel consumption (and accidents) are monitored closely.

- **Well-selected partners**

LLBG prefers to work with a fixed set of forward-looking transportation partners that have a fleet of modern trucks. In Belgium, 75% of all transportations to customer centers and wholesalers, as well as between the production sites is done through external partners.

KPI	2019	2020
Carbon emission of truck fleet	100% Euro IV trucks in fleet (BE) 4 CNG trucks in fleet (BE)	n.a.
Internal transport reduction	-100.000km thanks to centralization of frozen warehouses (BE)	n.a.







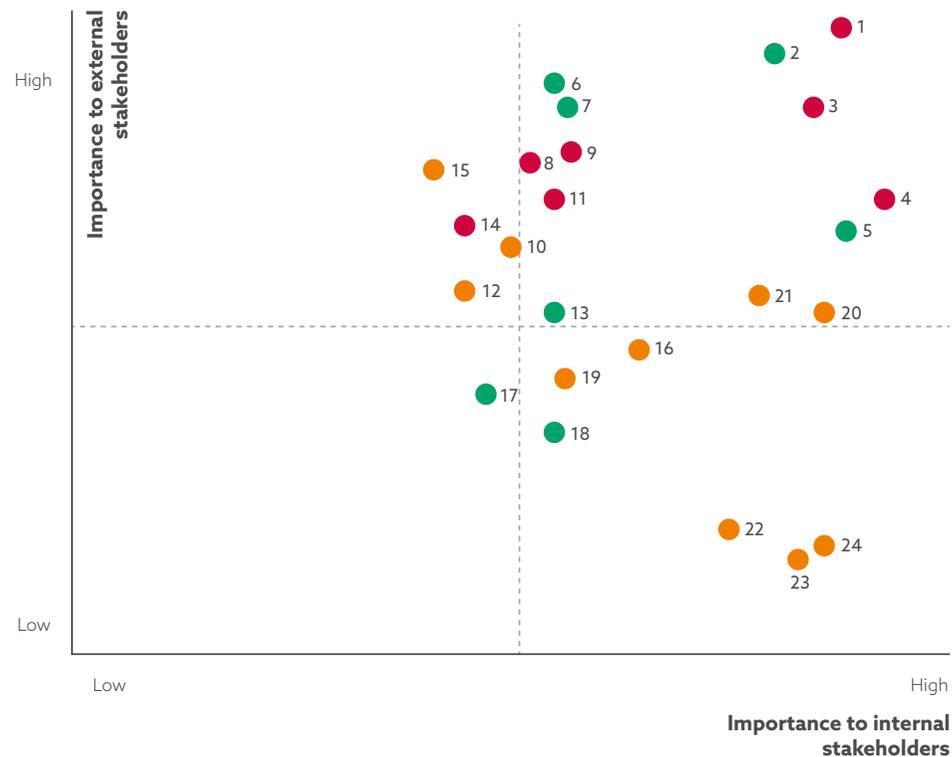
GRI reference

High material topics

LLBG conducted workshops and interviews with key internal stakeholders in 2019. The sustainability aspects that emerged, along with the priorities underpinning the LLBG sustainability strategy, were mapped out in a list of material aspects and approved by the GMM (General Management Meeting).

These formed the basis of dedicated interviews involving all business units and countries, in preparation of this first LLBG sustainability report.

1	food/product safety/traceability
2	packaging waste/litter
3	food waste
4	sustainable purchase
5	reduction CO2-emission
6	environmental impact reduction
7	reduction emission traffic; sustainable transport
8	fair trade; ethical trade
9	external communication/transparency
10	local engagement/CSR
11	health projects
12	sustainable investments
13	rational use of energy
14	clean label
15	transparency, governance
16	support charity projects
17	sustainable use/discharge of water
18	circular economy
19	employment of groups with special needs, immigrants
20	H&S at work
21	psychosocial wellbeing employees
22	internal communication
23	creation decent/workable work
24	competency/training employees



Our aim with this report is to give external and internal stakeholders insight into our sustainability journey and its most material aspects. Sustainability is considered along our entire value chain. We take responsibility for our own activities, and for those within our sphere of influence, upstream as well as downstream. Our stakeholders, which invest in and impact our activities to the greatest degree, comprise customers (including consumers), employees and suppliers.

In 2021, we want to step up our sustainability ambition, looking further above the horizon and setting our LLBG long term sustainability goals, roadmap, milestones, KPI's and translate these in Group wide projects and initiatives. This will be reflected in our LLBG Sustainability report 2021, along the GRI reporting standards (Core).

Our KPI's (annex 1)

Sustainability drivers Respect for:	Objective	KPI	Status 2019	YTD 2020
PRODUCT	Product quality	External Food Safety certifications	Belgium: IFS Turkey: FSSC 22000 Romania: IFS Czech: IFS Poland: BRC	Belgium: IFS Turkey: FSSC 22000 Romania: IFS Czech: IFS Poland: BRC
		Product quality score on our Top Range products	100%	100%
		% Products that pass through a metal detector at the end of the production line	100%	100%
		#/% of products with Eidentity Card (EID)	n.a.	All Frozen and Fresh plants have EID, except for LLRomania
	Sustainable innovation as driver for growth	# Plants with product integrity audits performed	100% of Belgian Plants (external PIA audit)	100% of Belgian Plants (internal audits)
		% of Group Sales driven (last 3y) by innovations	20%	n.a.
	Sustainable sourcing and purchasing strategy	Locally sourced apples	10%	38%
		Locally sourced strawberries	65%	74%
		% of purchased value(raw materials & packagings) covered by LLBG supplier manual- scope BE	n.a.	>95%
		% sku with RSPO Segretated Palm ²	88% RSPO MB	Minimum 88% RSPO Segregated
		Rainforest/UTZ chocolate ²	No UTZ	Minimum 90% of references are UTZ
	Embrace consumer wellbeing	% sku in guideline of Non-(enriched) cage eggs ²	86%	95%
		% of bread range containing >3g fibre/100g >6g fibre/100g, source of & rich in fibre	38% 5%	53% 7%
		Salt reduction in bread (-25% added salt) in Be	18% of total unpacked bread range 27% of classic unpacked bread range	n.a.
		Organic bakery products ³	n.a.	3%
		Industrial TFA <2%	100% of bakery portfolio	100% of bakery portfolio
		% bakery products ³ palm oil free	n.a.	Fresh: 31% (18% of patisserie range, 60% of bread range) Frozen: 75% (9% of pastry range, 87% of bread range)
		% bakery products ³ having a Nutriscore % of which nutriscore A & B	n.a. n.a.	35% 26%

¹ Belgium

² scope Western-Europe, Southern-Europe, Poland and Czech Republic. As from 2021 Turkey will be added.

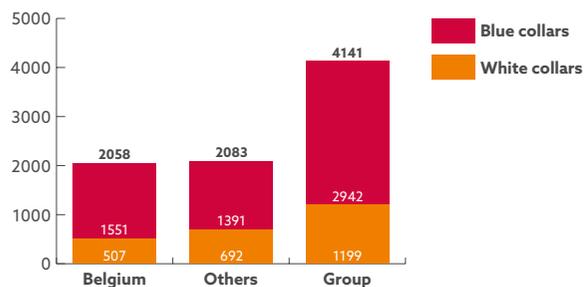
³ fresh bakery products

Our KPI's (annex 1)

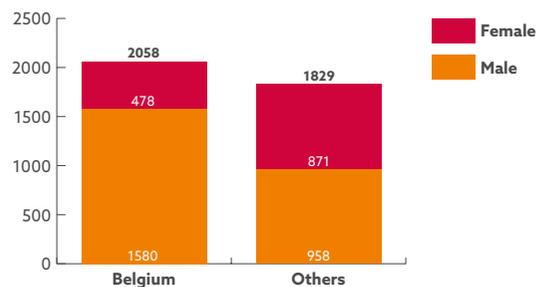
Sustainability drivers Respect for:	Objective	KPI	Status 2019	YTD 2020	
PEOPLE	Attract, engage & grow talented employees	#employees employed	4141	n.a.	
		#nationalities	64	n.a.	
		Gender diversity (%female)	35%	n.a.	
		Participation rate engagement survey	72%	n.a.	
		Average training hours/employee	10,4	n.a.	
	Create a safe place to work	Accident frequency rate	28,8	17,7	
		Accident severity rate	0,50	0,32	
	Foster vitality and wellbeing	# employees registered on platform	n.a.	834 (20%)	
	PLANET	Food waste	Recuperation of food surplus for human and animal feed	> 90%	n.a.
		Transition to more sustainable packaging	% packaging LLBG containing recycled material	70%	n.a.
% Recyclable, reusable, compostable packaging			> 90%	n.a.	
% FSC/PEFC			> 50%	n.a.	
% packaging cont recycled mat			70%	n.a.	
% recyclable, reusable....			>90%	n.a.	
%FSC/PEFC			> 50%	n.a.	
Paper & cardboard packaging Evolution in weight			+5%	n.a.	
Evolution in % vs produced weight			+2%		
Plastic packaging Evolution in weight			-7%	n.a.	
Evolution in % vs produced weight			-9%		
Total packaging Evolution in weight		+3%			
Evolution in % vs produced weight		0%			
Reduce impact on climate and environment: Lowering energy consumption & logistics footprint		% electricity from renewable sources	LLNI solar on own building; LLRO solar in field		
		Carbon emission info ? Full LLBG (operation sites) kg CO ₂ / kg produced	0,216 kg CO ₂ / kg prod.		
	LLBG (bakery sites) kg CO ₂ / kg produced	0,392 kg CO ₂ / kg prod.			
	Full LLBG (operation sites) - Specific energy consumption (kWh/kg produced)	253 kWh elec / kg prod. 249 kWh gas / kg prod.			
	LLBG (bakery sites) - Specific energy consumption (kWh/kg produced)	440 kWh elec / kg prod. 482 kWh gas / kg prod.			
	Carbon emission of truck fleet Euro IV trucks in fleet (Be)	100%			
	CNG trucks in fleet (Be)	4			
Internal transport reduction (centralization of frozen warehouses (BE))	-100.000km				

Social figures (annex 2)

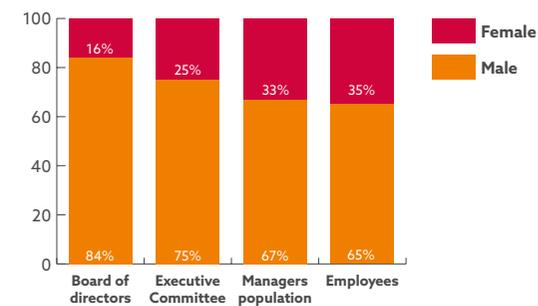
2019 Headcount white collars/blue collars



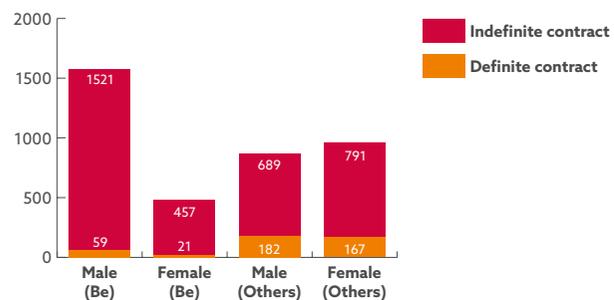
2019 Headcount male/female



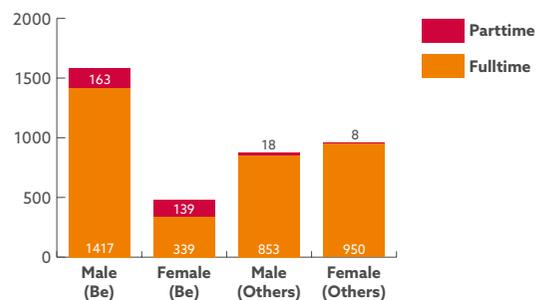
2019 Headcount male/female



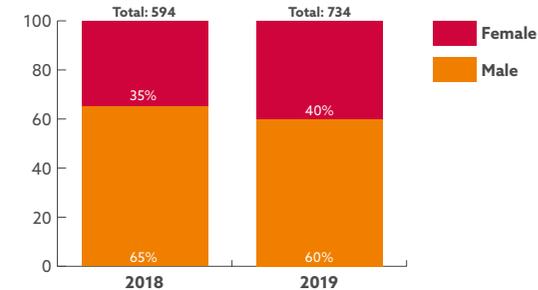
2019 Definite/Indefinite contract



2019 Headcount Fulltime/Parttime (incl. structural absences)



New Hires



GRI content index (annex 3)

The GRI content index focuses on the material topics that have high importance for external stakeholders & high importance for internal stakeholders (upper right quadrant in the LLBG materiality matrix)

	GRI Standard	#	GRI disclosure	Page, URL, information	Omission
GENERAL DISCLOSURES	Organisational profile	102-1	Name of the organization	La Lorraine Bakery Group NV; p2; https://www.llbg.com/en-en/about-us/who-we-are	
		102-2	Activities, brands, products, services	p8;9;14;15 https://www.llbg.com/en-en/our-products/product-categories	
		102-3	Location headquarters	Elisabethlaan 143, B-9400 Ninove, Belgium; p2	
		102-4	Location operations	p8;p14 https://www.llbg.com/en-en/where-you-find-us	
		102-5	Ownership & legal form	La Lorraine Bakery Group NV is a family holding; p18	
		102-6	Markets served	p14; https://www.llbg.com/en-en/where-you-find-us	
		102-7	Scale of the organization	p8;p15; https://www.llbg.com/en-en/investors	
		102-8	Information on employees	p59	
		102-9	Supply chain	p14; p30-32-33; p48-53; https://www.llbg.com/en-en/where-you-find-us	
		102-10	Changes to organization & supply chain	p14; https://www.llbg.com/en-en/where-you-find-us	
		102-12	External initiatives	p21; p45	
		102-13	Memberships of association	p21	
		Strategy	102-14	Statement of senior decision maker	p4; p12
	Ethics & integrity	102-16	Values, principles, standards, norms of behaviors	p10-11; https://www.llbg.com/en-en/about-us/our-dna ; p19-20; https://www.llbg.com/en-en/code-of-conduct	
	Governance	102-18	Governance structure	p18; https://www.llbg.com/en-en/about-us/organisation ; family charter https://www.llbg.com/en-en/corporate-governance	
		102-22	Composition highest governance body & its committees	p18; https://www.llbg.com/en-en/corporate-governance	
		102-23	Chair of highest governance body	GMT-Guido Vanherpe, CEO; Board of Directors, Luc Van Nevel, Chairman	
		102-24	Nominating & selecting highest governance body	p18; Board of Directors - remuneration committee	
		102-25	Conflicts of interest	p19-20; https://www.llbg.com/en-en/code-of-conduct	
		102-26	Role of highest governance body in setting purpose, values & strategy	GMT; Board of directors	
		102-32	Highest governance body in sustainability reporting	p24	
	Stakeholder engagement	102-35	Remuneration policies	remuneration policies and processes are determined in the remuneration committee & are being applied throughout the LLBG organization	no external publication
		102-40	List of stakeholder groups	p56	
		102-41	Collective bargaining agreements	p20	
		102-42	Identifying & selecting stakeholders	p56	
		102-43	Approach to stakeholder engagement	p56	
	Reporting practice	102-44	Key topics & concerns raised	p56	
102-45		Entities included in the consolidated financial statements	LLBG financial reports on https://www.llbg.com/en-en/investors		
102-46		Defining report content & topic boundaries	p2		
102-47		List of material topics	p56		

	GRI Standard	#	GRI disclosure	Page, URL, information	Omission
GENERAL DISCLOSURES	Reporting practice	102-48	Restatements of information	see financial statements, https://www.llbg.com/en-en/investors	
		102-49	Changes in reporting	see financial statements, https://www.llbg.com/en-en/investors	
		102-50	Reporting period	2019 & ytd sept 2020 where available	
		102-51	Date most recent report	November 2020	
		102-52	Reporting cycle	every 2 year	
		102-53	Contact point for questions regarding the report	n.vanmalderen@llbg.com	
		102-54	Claims of reporting in accordance with GRI	p2	
		102-55	GRI content index	p60	
		102-56	External assurance	LLBG financial reports are audited & published on https://www.llbg.com/en-en/investors	
PRODUCT	HIGH MATERIAL TOPIC FOOD SAFETY & TRACEABILITY				
	GRI 103: management approach	103-1	Explanation of material topic & boundaries	Materiality matrix p56; boundaries: internal=company; external=consumers, customers, suppliers, employees	
		103-2	Management approach & components	strategic pillar Products (quality first, sustainable innovation, sustainable sourcing & purchasing, consumer wellbeing): p30-35	
		103-3	Evaluation of management approach	KPI table p57	
	GRI 416: customer health & safety	416-1	Assesment of health & safety impacts of products	p30-35	
		416-2	Incidents of non-compliance of health & safety of products	internal reporting & monitoring	no external publication
	GRI 417: products & labelling	417-1	Requirements for product information & labelling	p30-35	
	HIGH MATERIAL TOPIC FOOD WASTE				
	GRI 103: management approach	103-1	Explanation of material topic & boundaries	Materiality matrix p56; boundaries: internal=company; external=consumers, customers, suppliers, employees	
		103-2	Management approach & components	Strategic pillar Planet (respecting precious resources) p48	
		103-3	Evaluation of management approach	KPI table p57	
	GRI 306: Effluents & waste	306-2	Waste by type and disposal method	p48-49	
	HIGH MATERIAL TOPIC SUSTAINABLE PURCHASE				
	GRI 103: management approach	103-1	Explanation of material topic & boundaries	Materiality matrix p56; boundaries: internal=company (exclTurkey); external=customers, suppliers, employees, consumers	
		103-2	Management approach & components	Strategic pillar Product (sustainable sourcing & purchasing) p32-33; Strategic Pillar Planet (respecting precious resources; sustainable packaging) p49	
		103-3	Evaluation of management approach	KPI table p57	
	GRI 204: procurement practices	204-1	Proportion of spendings on local suppliers	p32	no external publication
	GRI 308: supplier environmental assessment	308-1	New suppliers that were screened using environmental criteria	p33	
		308-2	Negative environmental impacts in the supply chain and actions taken	n.a.	not available
	HIGH MATERIAL TOPIC FAIR TRADE				
	GRI 103: management approach	103-1	Explanation of material topic & boundaries	Materiality matrix p56; boundaries: internal=company; external=customers, suppliers, employees, consumers	
103-2		Management approach & components	Strategic pillar Product (sustainable sourcing & purchasing) p32-33		
103-3		Evaluation of management approach	KPI table p57		
GRI 412: human rights assessment	412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	p18-20; p33		
GRI 414: supplier social assessment	414-1	New suppliers screened	p18-20; p33		
HIGH MATERIAL TOPIC EXTERNAL COMMUNICATION/TRANSPARANCY					
GRI 103: management approach	103-1	Explanation of material topic & boundaries	Materiality matrix p56; boundaries: internal=company; external=customers, suppliers, employees, consumers, shareholders		
	103-2	Management approach & components	Corporate governance p18-21; Strategic pillar Product (consumer wellbeing) p30-35		
	103-3	Evaluation of management approach	Financial reporting; https://www.llbg.com/en-en/investors		
GRI 205: Anti-corruption	205-2	Communication & training about anti-corruption policies & procedures	business conduct & ethics, code of conduct; https://www.llbg.com/en-en/code-of-conduct		
	205-3	Confirmed incidents of corruption and actions taken	internal reporting	no external publication	

	GRI Standard	#	GRI disclosure	Page, URL, information	Omission	
PRODUCT	GRI 405: diversity	405-1	Diversity of governance bodies & employees	p38; p59 social figures		
	GRI 406: discrimination	406-1	Incidents & corrective actions taken	internal reporting; business conduct & ethics, code of conduct; https://www.llbg.com/en-en/code-of-conduct	no external publication	
	GRI 415: public policy	415-1	Political contributions	no political contributions		
	HIGH MATERIAL TOPIC HEALTH PROJECTS					
			103-1	Explanation of material topic & boundaries	Materiality matrix p56; boundaries: internal=company; external=customers, suppliers, employees, consumers	
	GRI 103: management approach		103-2	Management approach & components	Strategic pillar Product (product quality, innovation, consumer wellbeing) p30-35	
			103-3	Evaluation of management approach	KPI table p57	
			416-1	Assessment of the health and safety impacts of product and service categories	p30-35	
	GRI 416: Customer health and safety		416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	internal reporting	no external publication
PLANET	HIGH MATERIAL TOPIC PACKAGING WASTE					
			103-1	Explanation of material topic & boundaries	Materiality matrix p56; boundaries: internal=company; external=customers, suppliers, employees, consumers	
	GRI 103: management approach		103-2	Management approach & components	Strategic pillar Planet (respect for precious resources, transition sustainable packaging) p48-49	
			103-3	Evaluation of management approach	KPI table p57	
	GRI 301: Environmental – Materials		301-1	Materials used by weight or volume	p48-49 - internal reporting	
			301-2	Recycled input materials used	p48-49 - internal reporting	
	GRI 306: Effluents & waste		306-2	Waste by type and disposal method	p48-49 - internal reporting	
	HIGH MATERIAL TOPIC REDUCTION CO2 EMISSION					
			103-1	Explanation of material topic & boundaries	Materiality matrix p56; boundaries: internal=company (BE); external=customers, suppliers, employees	
	GRI 103: management approach		103-2	Management approach & components	Strategic pillar Planet (reduce impact on climate & environment; energy consumption & logistics footprint) p50-53	
			103-3	Evaluation of management approach	KPI table p57	
	GRI 305: emissions		305-1	Direct GHG emissions (scope 1)	p50-53	
			305-2/3	Energy indirect GHG emissions (scope 2-3)	p50-53	not available
			305-5	Reduction GHG emissions	p50-53	not available
	HIGH MATERIAL TOPIC ENVIRONMENTAL IMPACT					
			103-1	Explanation of material topic & boundaries	Materiality matrix p56; boundaries: internal=company (BE); external=customers, suppliers, employees	
	GRI 103: management approach		103-2	Management approach & components	Strategic pillar Planet (respect for precious resources, transition sustainable packaging, reduce impact on climate & environment; energy consumption & logistics footprint) p47-53	
			103-3	Evaluation of management approach	KPI table p57	
	GRI 201-Economic performance		201-2	Financial implications and other risks and opportunities due to climate change	p32; milling	no external reporting
	GRI 301: Materials		301-1	Materials used by weight or volume	p30-35; p49	no external reporting
	GRI 302: Energy		302-1	Energy consumption within the organization	p50-53	no external reporting
		302-4	Reduction of energy consumption	p50-53	no external reporting	
GRI 304:biodiversity		304-2	Significant impacts of activities, products, and services on biodiversity	p32		
GRI 305: emissions		305-1	Direct GHG emissions (scope 1)	p50-53		
		305-2/3	Energy indirect GHG emissions (scope 2-3)	p50-53	not available	
		305-5	Reduction GHG emissions	p50-53	not available	
GRI-308: supplier environmental impact		308-1	New suppliers that were screened using environmental criteria	supplier manual, p33, p52		
		308-2	Negative environmental impacts in the supply chain and actions taken	p 30-33, p52		
GRI 307: Environmental compliance		307-1	Non compliance with rules & regulations	LLBG complies with rules & regulations on environment		

	GRI Standard	#	GRI disclosure	Page, URL, information	Omission
PLANET	HIGH MATERIAL TOPIC SUSTAINABLE TRANSPORT				
		103-1	Explanation of material topic & boundaries	Materiality matrix p56; boundaries: internal=company (BE); external=customers, suppliers, employees	
	GRI 103: management approach	103-2	Management approach & components	Strategic pillar Planet (reduce impact on climate & environment; energy consumption & logistics footprint) p50-53	
		103-3	Evaluation of management approach	KPI table p57	
	GRI 302: Environmental - Energy	302-1	Energy consumption within the organization	p52-53	no external reporting
		302-4	Reduction of energy consumption	p52-53	no external reporting
	GRI 305: Environmental-emissions	305-1	Direct GHG emissions (scope 1)	p50-53	
		305-2/3	Energy indirect GHG emissions (scope 2-3)	p50-53	not available
		305-5	Reduction GHG emissions	p50-53	not available
	HIGH MATERIAL TOPIC RATIONAL USE OF ENERGY				
		103-1	Explanation of material topic & boundaries	Materiality matrix p56; boundaries: internal=company (BE); external=customers, suppliers, employees	
	GRI 103: management approach	103-2	Management approach & components	Strategic pillar Planet (reduce impact on climate & environment; energy consumption & logistics footprint) p50-53	
		103-3	Evaluation of management approach	KPI table p57	
GRI 302: Environmental - Energy	302-1	Energy consumption within the organization	p50-53	no external reporting	
	302-4	Reduction of energy consumption	p50-53	no external reporting	
GRI 305: Emissions	305-1	Direct GHG emissions (scope 1)	p50-53		
	305-2/3	Energy indirect GHG emissions (scope 2-3)	p50-53	not available	
	305-5	Reduction GHG emissions	p50-53	not available	
PEOPLE	HIGH MATERIAL TOPIC CSR & LOCAL ENGAGEMENTS				
		103-1	Explanation of material topic & boundaries	Materiality matrix p56; boundaries: internal=company (BE); external=partners, employees	
	GRI 103: management approach	103-2	Management approach & components	Strategic Pillar People (give back to the community) p45; https://www.llbg.com/en-en/career/togetherllbg	
		103-3	Evaluation of management approach	KPI table p57	
	GRI 413: Local communities	413-1	Operations with local community engagement, impact assessments, and development programs	p45	
	HIGH MATERIAL TOPIC EMPLOYEE HEALTH & SAFETY				
		103-1	Explanation of material topic & boundaries	Materiality matrix p56; boundaries: internal=company; external=employees	
	GRI 103: management approach	103-2	Management approach & components	Strategic pillar People (safe together) p43-44;	
		103-3	Evaluation of management approach	KPI table p57	
	GRI 403: Occupational health & safety	403-1	Occupational health and safety management system	p41-42; health & safety committees in place	
		403-2	Hazard identification, risk assessment, and incident investigation	p41-42	
		403-4	Worker participation, consultation, and communication on occupational health and safety	p41-42	
	HIGH MATERIAL TOPIC EMPLOYEE WELLBEING				
	103-1	Explanation of material topic & boundaries	Materiality matrix p56; boundaries: internal=company; external=employees		
GRI 103: management approach	103-2	Management approach & components	Strategic pillar People (attract, engage & grow talented employees; vitality & wellbeing) p38-45; https://www.llbg.com/en-en/career/togetherllbg		
	103-3	Evaluation of management approach	KPI table p57		
GRI 401: employment	401-1	New employee hires and employee turnover	p59 social figures		
GRI 404: training & education	404-1	Average number of hours per employee per year	10,4hrs/employee/year		
	404-2	Programs for upgrading employee skills and transition assistance programs	p44; https://www.llbg.com/en-en/career/llbgacademy		

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