

# QUALITY POLICY



16/02/2022

**The strength of our brands is determined by the value they provide to our consumers. The brands are supported by quality, price and innovative power. We endeavour to make our products increasingly attractive and are committed to make our brands competitive through a long term vision with suitable investments in production, quality, food safety and research & product development.**

This long term vision is continuously reinforced by applying a number of consistently implemented strategic choices:

## QUALITY ASSURANCE OF SUPPLIED MATERIALS

Our suppliers are selected according to predefined criteria, including the availability of a well-functioning quality and food safety management system, supported by independent food safety certification and incorporating a tracing system so that Lotus knows at all times where our raw materials come from. For ingredients and packaging materials that are critical in terms of product safety such as flour, eggs, fats, margarines, chocolate and printed packaging with direct product contact, Lotus Bakeries issues product safety requirements which must be met.

The products delivered by our suppliers are also subjected to an inbound check. In addition, the accompanying analysis report provided by the supplier is assessed and checked via regular counter analyses by our own specialist internal laboratories.

The check on our suppliers is supplemented by supplier visits and audits, which are carried out every year based on performance measurements, and on new suppliers. The only way to guarantee that we continue to work with the best suppliers at all times is through such thorough performance measurement.

## QUALITY ASSURANCE OF PRODUCTION PROCESSES

Production process critical parameters have also been devised for all of our production sites so as to guarantee the quality and safety of our products. For instance, detailed HACCP plans (hazard studies relating to product safety) have been worked out. These are updated at least once a year or on each thorough overhaul of the process or machinery. A food defence plan, aimed at preventing deliberate contamination, is also in place at each site.

Every employee receives the necessary training regarding these processes. Verification takes place via internal audits by Corporate Quality Assurance with a frequency of at least 5 occasions per year. On top of the internal audits, every Lotus Bakeries production site is BRC or IFS certified. The quality management system is analysed annually based on a range of criteria, in response to which corrective and preventive measures are taken. Lotus Bakeries believes that internal audits and external certification form a significant support for the continuous improvement of both processes and products.

Our production partners are selected based on an independent food safety certification and a preliminary audit. They are monitored by our Corporate Quality Assurance department by means of quality meetings, inspections and audits.

## QUALITY CONTROL OF OUR FINISHED PRODUCTS

End products are critically assessed via self-assessment by the production department at our production sites. The quality of our end products is also assured by analyses in our internal laboratories. The results of these lab analyses are reported on a monthly basis towards senior management and form the basis for a constant high quality appreciation by our clients. Products manufactured by production partners are assessed in the same way.

## QUALITY PROCESSES WITH OUR CUSTOMERS AND CONSUMERS

Our consumer services in each sales office respond daily to several consumer demands in quality, food safety, nutrition and sustainability. Lotus strives for its clients to a high delivery reliability and smooth administrative processing.



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First and foremost, our end products, both the product and the packaging, must comply with the relevant food legislation. Labelling of products and processing of ingredients and packaging materials according to the requirements specified in the countries in which they are sold are monitored by Corporate Quality Assurance. On top of the legal compliancy, it is our goal to provide our consumers, on pack, clear and transparent information with verified product claims. A database to manage all of this information in an efficient manner and apply it in product specifications and customer information is in place.

Complaints are received, recorded and dealt with in a systematic manner and for all sales offices in the group recorded in a central database. The number and seriousness of complaints is monitored very thoroughly and reported to senior management on a monthly basis.

In case of serious product complaints, there is a specific product withdrawal and recall procedure as well as a highly trained crisis management team at each of our sites and sales offices. This procedure is tested annually and learning points are identified and updated.

## QUALITY ASSURANCE AND OUR EMPLOYEES

Lotus Bakeries is convinced that stimulation of human potential is the key to continuous improvement. We work on a strong quality and food safety culture in the organisation: assure that employees receive an appropriate training scheme in their quality and food safety responsibilities, create risk awareness and commitment, foresee the necessary resources, a strong leadership and create the environment for an open communication.

