Lotus Bakeries aims to achieve sustainable, profitable growth by providing consumers around the world with a diverse range of branded snacks for every occasion. As part of this ambition, we aspire to create value in a sustainable way, not only today, but also for the future generations to come. The range of sustainability matters that are material to our company have been captured in the programme ‘Care for Today, Respect for Tomorrow’. This programme continues to apply, while some significant refinements were applied in 2023 following an extensive double materiality exercise aimed at further strengthening our ambitions.

The double materiality exercise strengthened our focus on risks related to environmental and social welfare, giving the Company today an even better view of the specific topics on which we want to work in the coming years. To implement that focused yet challenging strategy and achieve our ambitions, we have also scrutinised our ESG governance structures, steered by the Executive Committee, who in 2023 appointed a new ESG Director and now reports on sustainability matters to the Audit & Sustainability Committee, via the Executive Committee.

Jan Boone, CEO: “When referring to ESG, the focus is often on conducting business in the interest of, and with respect for the environment. Our company takes many steps to protect our environment. The more global our business becomes, the more we need to think locally in many areas. It is strategically important for us to source locally and close to our production sites. Reducing transport not only has a positive impact on price, but also, of course, on our carbon footprint. We further continue the work on our product packaging and aim to achieve 100% technical recyclability by 2025.”

However, it is important to recognise that ESG is not just about the environment. The ‘S’ in Social deserves equal attention and consideration. As a family-owned business, we strive to achieve profitable growth that goes hand-in-hand with fostering a healthy community of people around the world. We can only achieve this growth by retaining our current employees – with their commitment and passion – and by attracting new talent. Our focus on employee well-being contributes to this belief.”

At Lotus Bakeries, we consider it important to report in a clear way on our ESG initiatives. Therefore, we continue this year with a separate ESG-compilation and a Global Reporting Initiative (GRI) report. We are well on our way to preparing for the future disclosure requirements in accordance with the Corporate Sustainability Reporting Directive (CSRD). In this context, we have elaborated our existing materiality assessment and have carried out a comprehensive double materiality assessment.

Lotus Bakeries has responded to sustainability challenges in the past which are still solid foundations to build our onward sustainability journey. In 2023, again significant steps have been taken on our sustainability matters.

GOVERNANCE
- Implementing the new ESG Governance Structure
- Performing a Double Materiality Assessment
- Getting ready for CSRD & ERSR compliant reporting

ENVIRONMENT
- Committing to set science-based reduction targets through SBTi
- Calculating our baseline of CO₂-equivalent emissions in Scope 1, 2 and 3 for the base year 2023
- Achieving 98% technical recyclability of our branded packaging

EMPLOYEES
- Promoting employee well-being
- Obtaining ISO 45001 certification for Lotus Bakeries South Africa Manufacturing
- Issuing an Anti-Discrimination & Anti-Harassment Policy

COMMUNITY
- Installing a Human Rights Policy
- Setting up a Whistleblowing Line & Policy

At Lotus Bakeries, we do not just conduct business in the interest of, and with respect for the environment. Our company takes many steps to protect our environment. The more global our business becomes, the more we need to think locally in many areas. It is strategically important for us to source locally and close to our production sites. Reducing transport not only has a positive impact on price, but also, of course, on our carbon footprint. We further continue the work on our product packaging and aim to achieve 100% technical recyclability by 2025.

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The Executive Committee (‘EXCO’) is responsible for the sustainability strategy and objectives for Lotus Bakeries. In 2023, the EXCO has appointed an ESG Director, corporate director and member of the Leadership Team, reporting to the CFO. The ESG Director has to progressively develop the sustainability strategy and ensure compliance with new sustainability regulations. The integration of the sustainability strategy into the organisation is steered by the ESG Director and implemented by the ESG workstreams, which are owned by the business or relevant corporate departments. The workstream leaders are responsible for the delivery of the sustainability targets. The Group Sustainability Steerco, which meets at least once a month, provides oversight of ESG projects and monitors progress.

The EXCO presents Lotus Bakeries’ sustainability strategy to the Audit & Sustainability Committee. The Board of Directors has broadened the mandate of the Audit Committee with ESG matters and renamed it to the Audit & Sustainability Committee by decision of November 24, 2023.

For further details, reference is made to chapter 4 of this annual report.
As a family business, Lotus Bakeries has been focused on sustainable policies for generations. It is an integral part of what we do. We want to see a healthy Lotus Bakeries, today and tomorrow, so that future generations can enjoy it too. On the one hand, we have been working on a balanced, sustainable product range since long by developing the right portion sizes and, from 2015, by acquiring the Natural Foods brands. Our TOP values—which stand for Team, Open Dialogue and Passion—have been an important dimension of our corporate culture for many years and show our commitment to the well-being of our employees. We also made a commitment to use only recyclable packaging for our branded products by end 2025. As you can see, driving growth in a sustainable way has always been and will always be part of our Lotus DNA.

– CFO, Mike Cuvelier

The next and obvious step in the development of our ESG policy was the appointment of ESG Director Sabien Dejonckheere. The ESG Director will develop and define the sustainability strategy for the Lotus Bakeries Group in close collaboration with the EXCO, the leadership team and the area management teams. She will embed and integrate the strategy throughout the whole organisation. She will take the initiative to create even more ESG awareness by involving employees in this journey and making optimal use of best practices. In addition, she will provide structure to all the different local projects and responsibilities. ESG has also been given its proper place in our organisation by expanding the Audit Committee in the Board of Directors into an Audit and Sustainability Committee. From now on, the Committee will also advise the Board of Directors on sustainability policy and reporting.

– ESG Director, Sabien Dejonckheere

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