





Welcome to our dedicated *ESG report*

This is our second dedicated Environment, Social and Corporate Governance (ESG) report, providing the detail behind the activity in our Trusted Partner ESG strategy during 2023.

Headline progress, KPI results and material updates are also featured in our Annual Report and Accounts which can be found at: www.bakkavor.com/investors/annual-reports/default.aspx. Within the Annual Report is our disclosure recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).

How to use this report

These symbols indicate that further supporting information can be found elsewhere in this report or on our website:



READ MORE



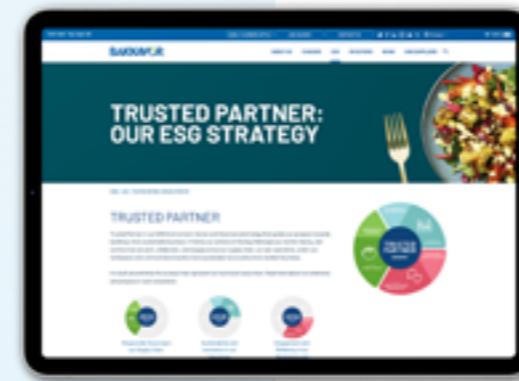
SEE MORE ONLINE

Pages 24-28 of this report contain our detailed ESG performance data.

For activities in 2022 please see our 2022 ESG Report and for previous years, our historical Annual Reports.

www.bakkavor.com/esg

ESG@bakkavor.com



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At a glance

Leading manufacturer of Fresh Prepared Food

OUR STRATEGY:

To deliver profitable and sustainable growth



UK

Drive returns by leveraging our UK number one market position



INTERNATIONAL

Accelerate profitable growth in the US and China



EXCELLENCE

Deliver superior performance through operational excellence



TRUST

Be a Trusted Partner for our people, customers, suppliers and communities

OUR THREE FOCUS AREAS:



OUR THREE ESG PRIORITIES:

Making progress in the transition to a low-carbon economy, we are committed to reaching Net Zero.

[READ MORE pg 5-6.](#)



Addressing food waste supports ingredient and climate sustainability, local communities and efficiency.

[READ MORE pg 7.](#)



Working in our supply chain to mitigate environmental impacts and support resilience.

[READ MORE pg 8.](#)

OUR METRICS:

44

total sites

3,000+

products across three markets

c. 1,300

total suppliers

£2,203.8m

Group reported revenue

c. 18,000

total colleagues

#1

position in UK Fresh Prepared Food market

OUR CULTURE:

To empower and support all our stakeholders by living our values



Respect and trust each other



Keep the customer at the heart of what we do



Get it right, keep it right



Be proud of what we do



Introduction

A resilient performance in a challenging landscape

2023 was a year of executing plans in a challenging external context. As Bakkavor's business strengthened, so too did our ESG performance. Trusted Partner complements our business strategy and is core to how Bakkavor faces into the future.

As Chair of the ESG Committee, I was pleased to see positive progress on our Trusted Partner strategic priorities during the course of the year. Seeing our non-financial KPIs being reported regularly, so that trends can be monitored and action taken responsively, reflects how important they are to the Company.

Our climate strategy has again been a major focus during 2023. Bakkavor submitted updated climate change targets to the Science Based Targets initiative (SBTi), which will be the business's 'North Star' in guiding our climate action and engagement programmes, from reducing our operational emissions to working across our supply chain.

I can clearly see how ESG priorities and Trusted Partner as our strategy have been further operationalised in the business at every level. For example, by setting incentives within the business's bonus metrics linked to food waste and emissions reductions. Furthermore, with teams getting behind our targets through local site initiatives and campaigns to address waste.

This has supported the positive progress made during the year, with all of our non-financial KPIs – carbon emissions, UK food waste, UK health & safety and UK turnover – showing improvements. To have decoupled revenue growth from emissions and waste is particularly encouraging for the future.

The Committee has also seen how our customers are increasingly aligning and engaging with us on ESG as part of day-to-day conversations. Bakkavor is pleased to support collaborative industry initiatives on our priorities, and we have been able to demonstrate how Trusted Partner adds value to our business and our relationships.

None of this progress would be possible without the commitment of our 18,000+ colleagues. Keeping them engaged and inspired to perform their best strengthens us as a Group, as does our increased activity on inclusion and diversity. 2023's Employee Engagement Survey demonstrated that more Bakkavor colleagues feel like they can be themselves at work, understand our values, and understand what the business is doing on ESG.

As we step forward with a renewed purpose, I'm confident that we have the platform to face into further challenges and keep growing the business in a sustainable way.

Umran Beba

Independent Non-Executive Director
and Chair of the ESG Board Committee

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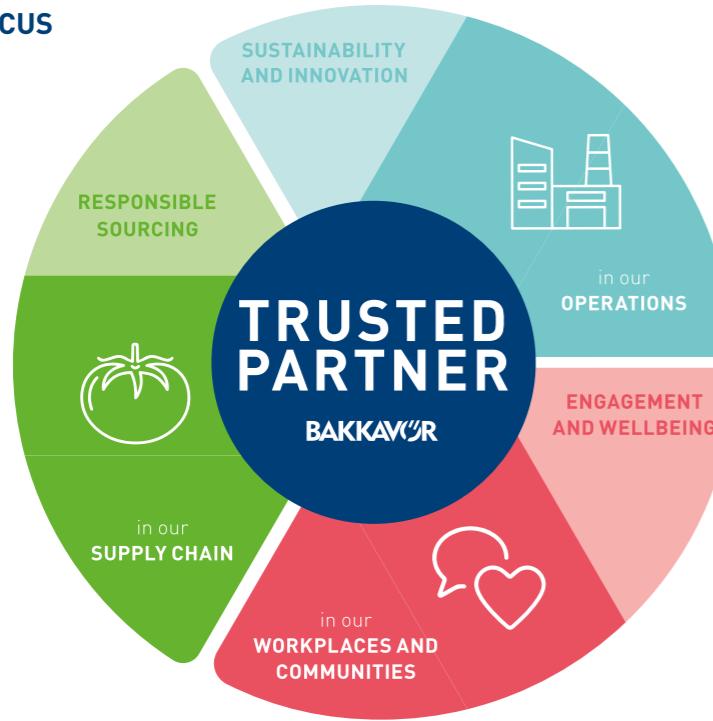
To have decoupled revenue growth from emissions and waste is particularly encouraging for the future.





About our ESG strategy

Trusted Partner

THREE FOCUS AREAS:


Read the detail on each of our strategic priorities on the following pages, with our other material ESG issues from [page 9](#).

Trusted Partner is based on a robust materiality assessment that was first conducted in 2019. It was updated in 2022 to ensure that our ESG strategy focus areas remain relevant and address the topics that are most important to our stakeholders. For details on the process used to determine these issues, please see our 2022 ESG report (page 7).

Governance of our ESG strategy can be found on [page 23](#).

SUSTAINABLE DEVELOPMENT GOALS **Alignment to the UN Sustainable Development Goals**

Throughout the report, we have indicated where our activity supports – directly or indirectly – the UN Sustainable Development Goals (SDGs). Further detail on our alignment can be found on our website.

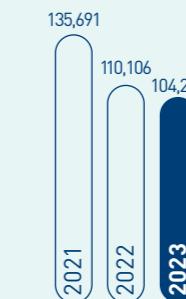
OUR THREE STRATEGIC PRIORITIES:

Our commitments:

Net Zero across our Group operations by 2040 and across all scopes by 2050.

Reduce absolute scope 1, 2 & 3¹ emissions by 42% by 2030 (2021 baseline).

[READ MORE](#) pg 5-6.

Progress:


-5.3%

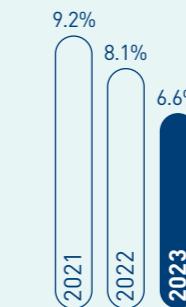
decrease in net carbon emissions in 2023

- Submitted targets to the Science Based Targets initiative (SBTi)
- 23.2% reduction Group-wide since 2021


Our commitment:

Halve our UK food waste by 2030 (2017 baseline).

[READ MORE](#) pg 7.

Progress:


-39.0%

food waste down since 2017

- Overall waste down to 6.6% in 2023
- 20.7% reduction in 2023, avoiding 7,960t


Our commitment:

100% deforestation and conversion-free sourcing of palm oil, soy, beef and wood pulp by 2025 (UK).

[READ MORE](#) pg 8.

Progress:
Palm oil:

99.9%

99.9% RSPO certified (of which, 99.9% is from segregated sources)²

Soy: 23.5% certified or verified deforestation free²

Wood pulp: 100% certified primary and secondary packaging

Beef: 100% from low-risk countries

¹ From purchased goods and services.

² Due to different commodity reporting and external verification timelines, progress data shown is for 2022. Data for 2023 will be published in our CDP Forests submission in 2024.



Strategic priority:



SUSTAINABILITY AND INNOVATION IN OUR OPERATIONS

Climate and Net Zero



Bakkavor recognises climate change as the single most significant sustainability challenge facing our world and impacting business and society. To support the shift to a low-carbon economy, in 2020 we made the commitment to Net Zero operational carbon emissions across Group-wide operations by 2040.

In 2023, we enhanced this ambition with near and long-term, science-based targets for all scopes and a commitment to reach Net Zero across the value chain (all scopes) by 2050. These targets were set in line with the latest guidance from the Science Based Targets initiative (SBTi) and will undergo the SBTi's verification process in Q2 2024.

Our updated climate targets

Energy and industry:

- **Near-term: Reduce absolute scope 1 and 2 emissions by 42% by 2030, and absolute scope 3 emissions from purchased goods and services by 42% by 2030.**
- **Long-term: Reduce absolute scope 1, 2 and 3 emissions by 90% by 2050.**

All from a 2021 baseline.

Building the transition pathway

Group net carbon emissions is one of our non-financial KPIs, tracked and communicated at Senior Executive Team and Board level through the ESG Committee, enabling us to monitor and respond to trends more quickly.

We continued to build out our climate transition plan during 2023. Building on previous work to identify priority decarbonisation levers at site and regional level, Bakkavor prepared short and medium-term priority plans for each of our regions.

To further drive progress, the business set progress against emissions targets as part of our Long Term Incentive Plan (LTIP) (see [page 23](#)). These plans and our updated targets were approved by the Board in November and frame our progress and our business's transition pathway to Net Zero.

Decarbonising our operations

As a manufacturing company, reducing our own footprint through continually upgrading our manufacturing technologies in order to be more resource efficient has always been a business priority. We have active programmes to reduce energy consumption and associated carbon emissions.

2022 performance across the Group (scope 1&2)

	tCO ₂ e	vs. 2022
Group gross (location-based) carbon emissions	138,956	-3.5%
Total net emissions (market-based)	104,269	-5.3%
UK net emissions	62,521	-3.9%
US net emissions	13,016	-9.8%
China net emissions	28,732	-6.2%

In the UK, we purchase 100% renewable energy through certificates, and in China our solar installation at our Beijing site came online in January 2023, producing 624 MWh of clean energy for the site.

Across the UK, our focus is on emissions from both refrigeration ("F"-gas) and natural gas – the largest source of carbon for the UK. We have identified process-specific opportunities to address these, including options such as electrification and/or heat recovery that will become part of our ongoing engineering programme.

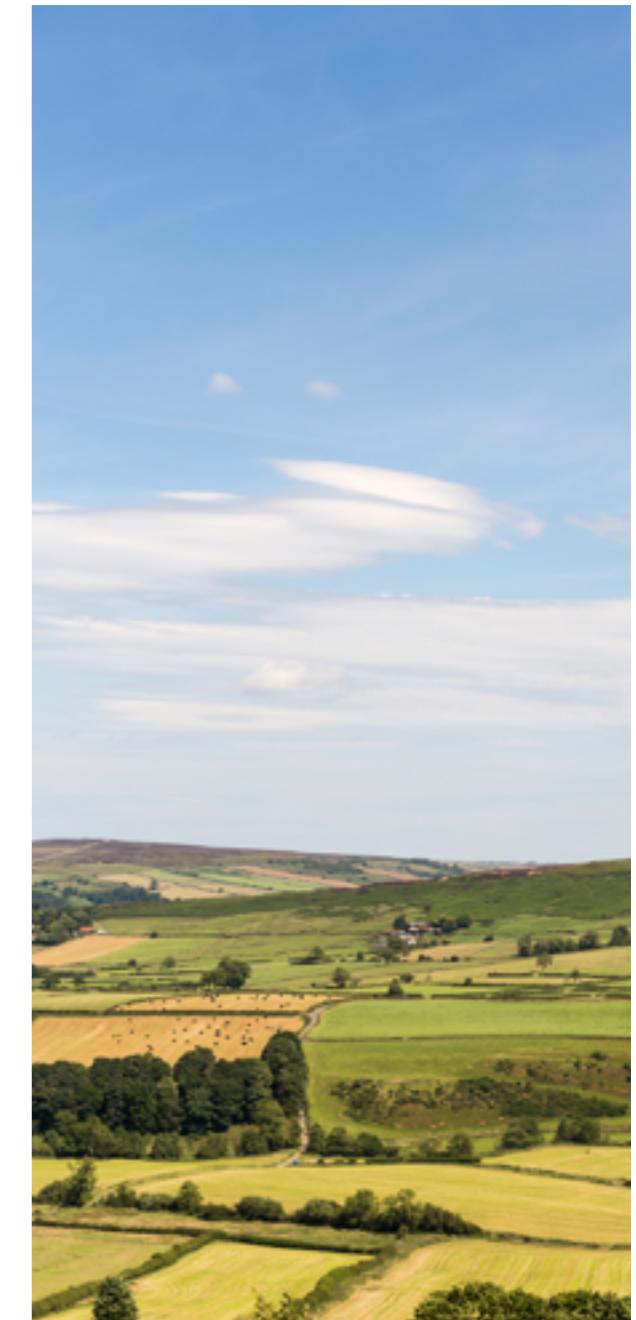
The closure of two sites in early 2023 reduced UK gross emissions by approximately 4%.

In the US, energy audits have informed efficiency opportunities and a focus on moving away from high-carbon F-gases and avoiding leaks have delivered significant improvements.

Bakkavor China continued the focus on reducing refrigeration F-gas leakages, which reduced scope 1 emissions by more than 40%.

We responded to CDP's Climate questionnaire for the fifth time, scoring a B.

Relevant SDGs





Strategic priority:



SUSTAINABILITY AND INNOVATION IN OUR OPERATIONS

Climate and Net Zero



Scope 3 emissions

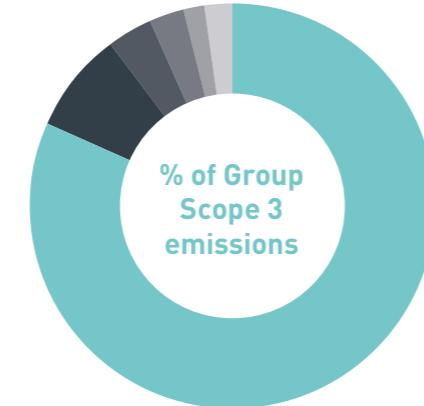
Scope 3 indirect emissions are those associated with the operation of the business that are not under our direct control, ranging from the production of raw materials, transport, packaging, colleague commuting as well as use and disposal of our products. Calculating scope 3 emissions is complex and evolving due to a reliance on secondary data sources. Bakkavor is part of an industry effort to improve scope 3 accuracy and in 2023 we extended our scope 3 footprint measurement to our USA and China businesses.

Scope 3 accounts for 89.3% of our Group footprint with the vast majority (81.7%) coming from category 1 'purchased goods and services' (see [page 25](#)).

Our science-based targets include a near-term target to reduce scope 3 emissions from purchased goods and services by 42% by 2030 and are included in our commitment to Net Zero across the value chain by 2050 (all categories).

As a business, we can most effectively reduce these emissions through supply chain engagement. Through our Responsible Sourcing workstream, we work to understand supplier climate change maturity and tackle deforestation through our sourcing of raw materials (see [page 8](#)). We also continue to innovate our packaging to reduce plastics, increase recycled content and ensure recyclability (see [page 13](#)).

Scope 3 category



Scope 3 category	% of Group Scope 3 emissions
Purchased goods and services	81.7%
End-of-life treatment of sold products	8.2%
Fuel- and energy-related	3.6%
Employee commuting	2.6%
Capital goods	1.6%
Other categories	2.2%

Standardising product footprints with Mondra

As part of a drive to better measure scope 3, in 2023 Bakkavor UK joined the BRC Mondra Coalition, to standardise product footprinting using AI to automate Life Cycle Analysis (LCA) including product-level carbon footprinting.

To be further rolled out in 2024, the platform will give us the opportunity for granular understanding of product footprints, model the impacts of product reformulation or development, and ensure the industry is working from a standardised methodology.

Forest, Land and Agriculture (FLAG)

The food industry globally is responsible for 22% of global GHG emissions due to the impacts of agriculture on land¹. As a food manufacturer, we support the need for specific action on Forest, Land and Agriculture (FLAG) sources of emissions.

As part of our submission to the Science Based Targets initiative, we have calculated FLAG emissions at a Group level. These are almost all scope 3 emissions associated with the land impacts of producing the raw materials we use, with the remainder as scope 1 emissions originating from our small salad-producing farm in China.

Our science-based targets include FLAG-specific goals:

- [Reduce absolute scope 1 and 3 FLAG GHG emissions² by 30% by 2030 from a 2021 base year.](#)
- [Reduce scope 1 and 3 FLAG GHG emissions² 72% by 2050.](#)
- [No deforestation across our primary deforestation-linked commodities, by the end of 2025.](#)

Action on FLAG emissions is directly linked to our overall scope 3 priorities and a related ESG strategic priority – Environmentally Sustainable Sourcing. That is, we work to reduce emissions and impacts through more sustainable sourcing methods for high-risk commodities.

 [READ MORE pg 8.](#)

Further information

- TCFD report (within our [2023 Annual Report](#))
- [Supplier Code of Conduct \(UK\)](#)
- [Environment Policy](#)
- [Deforestation and Conversion Free Soy Policy](#)
- [Deforestation Statement](#)

 [SEE MORE ONLINE:](#) [CDP Climate questionnaire](#)

¹ OECD, Agriculture and Climate Change, 2022.

² Target includes FLAG emissions and removals.



Strategic priority:



SUSTAINABILITY AND INNOVATION IN OUR OPERATIONS

Food Waste



According to the UN Food and Agriculture Organisation (FAO), around 14% of food is lost or wasted before it ever reaches a retail store and food waste itself accounts for between 8-10% of GHG emissions¹. For Bakkavor, addressing food waste is part of what we and our industry must do to address climate change, support communities and be a more efficient business.

Halve food waste by 2030

In 2018 we signed up to support the UN's Champions 12.3 commitment of halving food waste by 2030 (from a 2017 baseline).

Since then, we have measured our food waste at site level using the Food Loss and Waste Accounting and Reporting Standard. Since 2022 this is reported monthly as one of our business's non-financial KPIs. The results and progress are shared and challenged at Senior Executive Team and Board level through the ESG Committee.

2023 progress

In 2023, the operationalisation of our food waste taskforce that began in 2022 resulted in our most significant progress yet, reaching 6.6% net food waste, down from 8.1% in 2022. This has helped us take a big step towards our goal of reducing net food waste to 4.6% in 2030 (from 9.2% in 2017).

Overall, we have reduced food waste tonnage by more than 19,000 tonnes since 2017 – equivalent to a 39.0% reduction meaning that we are on track towards our 2030 goal.

In 2024 and beyond we must maintain our positive progress, pursuing further efficiencies in manufacturing processes and identifying other ways to design out waste in the product development stage.

Operationalisation – phase two

Following our focus on embedding accurate reporting and targeted interventions at hotspot locations, the second phase of our operationalisation focuses on two priorities; reduction through rolling out real-time waste tracking technology as part of an Operational Excellence programme, and increasing surplus redistribution through identifying new opportunities and partnerships.

Sites that have deployed the waste tracking technology have seen immediate improvements as a result of being able to visualise in real time the biggest contributors to waste and directly link it to specific products or processes. The technology will be rolled out to the rest of our UK sites in 2024.

Increasing redistribution and recycling

Where surplus occurs and is suitable for human consumption we redistribute through our staff shops, local charities and redistribution partners.

Then, we maximise recycling opportunities by sending suitable surplus to be used as animal feed. In 2023, we increased the proportion of food redistributed by over 30% as we moved several sites away from anaerobic digestion as a recycling route. Whilst anaerobic digestion produces energy, it is considered as waste and falls lower down in the food waste hierarchy.



Working with FareShare and food charities

FareShare is a national food redistribution charity, collecting quality surplus food and sharing it with charities and community groups around the UK. In 2023 we worked with them to ensure the equivalent of 73,623 meals² were saved and redistributed to 1,151 charities and community groups including those supporting homelessness, low/no income groups, children and family groups and older people community groups.

Overall, Bakkavor donated 110 tonnes of food to charities, equivalent to over 260,000 meals.

Collaborating for The Coronation Food Project

In November 2023 we joined The Coronation Food Project, an initiative inspired by King Charles III to tackle food waste and food insecurity across the UK.

The project aims to access surplus food and redistribute it to those needing it most while reducing carbon emissions.

We are working with some of our customers and peers, plus food redistribution charities FareShare and the Felix Project, to manufacture and distribute our nutritious and tasty meals to people in need promptly and efficiently.

Bakkavor has committed to providing 500,000 meal equivalents towards the Project, doing our part for the 13 million people in the UK currently experiencing food poverty.

Relevant SDGs



1 FAO: <https://www.fao.org/3/ca6030en/ca6030en.pdf>.

2 Based on a 420g portion.



Strategic priority:



SUSTAINABILITY AND INNOVATION IN OUR OPERATIONS

Environmentally Sustainable Sourcing



Global food systems face pressures from multiple, often interconnected sources. For our business, the resilience of our supply chain is fundamental to our operations. And ensuring environmental sustainability is at the heart of this. With our supplier partners we work to understand and mitigate environmental impacts, with a particular focus on deforestation and land conversion.

Combating deforestation and land use conversion

Deforestation is a key issue for the whole food industry and a key contributor to climate change. As such, we commit to **no deforestation across our primary deforestation-linked commodities by the end of 2025¹**.

Sourcing deforestation risk commodities

Soy is a common feed for farmed animals and therefore is 'embedded' within ingredients such as meat, eggs, farmed fish, milk, butter, cream and cheese. Bakkavor UK uses sustainable sourcing experts 3Keel to measure our soy footprint. Since 2020, we have offset this consumption with credits purchased through the Round Table on Responsible Soy (RTRS).

As signatories to the UK Soy Manifesto, we work with industry partners to meet our soy policy commitment by ensuring all shipments of soy and imports of embedded soy to the UK are deforestation and conversion free by 2025.

Bakkavor has been a member of the Roundtable on Sustainable Palm Oil (RSPO) since 2012. As of 2023, 99.9% of UK-sourced **palm oil** is RSPO certified and 99.9% of that is from segregated supply chains.

All our primary **cardboard** packaging has been sourced from sustainable sources since 2021 (see [page 13](#)). In 2023, we also extended this to secondary cardboard packaging.

All of the **beef** procured for our UK business is low risk for deforestation or land use conversion, as most is sourced from within the UK or Ireland, with a small proportion from approved farms elsewhere in the EU. All UK-sourced beef originates from farms meeting Red Tractor standards or from customer-approved farms.

A key strength to our business is our on-the-ground sourcing teams in China and Spain, who work closely with many of our biggest producers and understand local challenges and support resilience.

Furthermore, our food safety specialists and integrity procedures ensure compliance with our sourcing requirements.

Sustainable sourcing beyond deforestation

As an own-label supplier, we support our retail customers' sustainable sourcing requirements on a wide range of specific commodities. These vary depending on the material and each customer's own specifications.

Bakkavor supports the need for adequate health, welfare and wellbeing of animals used in livestock production. Our Animal Welfare Policy outlines our approach and requirements for all farms producing chicken meat for Bakkavor UK products.

Alongside many of our customers, we support the shift towards **100% cage-free eggs by 2025 in the UK and Group-wide, by 2027**.

As of 2023, 80% of the eggs sourced for the UK business are from cage-free sources. In the US this proportion is 90% and in China where cage-free eggs are less commercially available, our sourcing proportion is currently 6%. We are working with our customers to meet their specifications and timelines whilst encouraging greater availability for cage-free eggs.

Further information

We respond to CDP's Forests questionnaires for soy, palm oil, timber and beef.

SEE MORE ONLINE:
www.cdp.net

Related policies and documents:

<https://www.bakkavor.com/en/esg/esg-reporting>

- Animal Welfare Policy
- Supplier Code of Conduct (UK)
- Deforestation and Conversion Free Soy Policy
- Deforestation Statement

Relevant SDGs



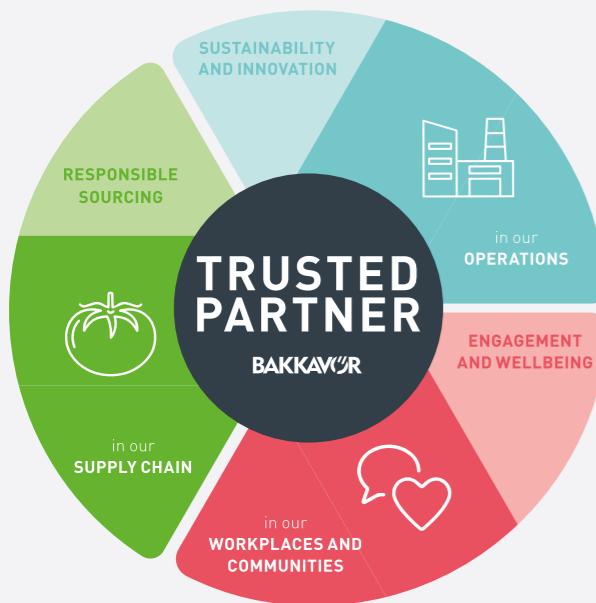
¹ Covers palm oil, soy, carton board-based packaging and beef with a 2020 cut-off date. The cut-off date (based on the definition of The Accountability Framework Initiative) defines 'the permissibility of deforestation or conversion based on the timing of such events on the ground. Clearance of natural forest after the cutoff date renders the affected area or production unit, and the commodity produced there, non-compliant with no-deforestation commitments.'



Focus areas

Trusted Partner

is focused on three areas:



Responsible Sourcing in our supply chain

For the future sustainability of our food systems a resilient supply chain is critical. At Bakkavor, we work with growers and partners to minimise environmental impacts and support the rights and livelihoods of those employed in food production.

Supply Chain Human Rights

11

Sustainability and Innovation in our operations

Bakkavor has 44 sites across three countries, manufacturing thousands of products from salads to desserts, breads to meals, and more. We work to continually improve the environmental impact of our sites and products.

Impact of Packaging

13

Sustainable and Healthier Products

14

Water Use and Management

15

Engagement and Wellbeing in our workplaces and communities

Our colleagues are our greatest asset. Providing a safe and inclusive environment for our people where everyone can thrive and develop is central to our success.

Colleague Wellbeing, Health and Safety

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Inclusive and Diverse Workplaces

18

Engagement, Development and Retention

19

Responsible Recruitment

20

Local Causes and Community Engagement

21



Responsible Sourcing

IN OUR SUPPLY CHAIN

For sustainability and resilience, we work with growers and partners to minimise environmental impacts and support the rights and livelihoods of food production workers.

Management of Responsible Sourcing

Oversight and direction set by the Responsible Sourcing Governance group which incorporates Procurement, ESG and Technical. The Responsible Sourcing Action Team implements the approach on a day-to-day basis.

Tools

Bakkavor use a bespoke supplier risk management platform that combines supplier data and global intelligence sources.

Our Supplier Code of Conduct sets out the standards that suppliers to Bakkavor UK are expected to adhere to. We take a risk-based approach to supplier engagement based on supplier responses to the Code.

Policies and documents



SEE MORE ONLINE: [ESG Reporting](#)

- Supplier Code of Conduct
- Deforestation and Conversion Free Soy Policy
- Deforestation Statement
- Animal Welfare Policy
- Ethical Trade and Human Rights Policy
- Freedom of Association Policy



SEE MORE ONLINE: [CDP Forests](#)





RESPONSIBLE SOURCING IN OUR SUPPLY CHAIN



Supply Chain Human Rights

With a complex supply chain, protecting the welfare and rights of workers involved in providing our raw materials is a material priority for our business and a central element to our Responsible Sourcing strategy.

Bakkavor and our customers have been working to progress our high standards and increase transparency for many years, but we must remain vigilant to human rights risks, and continue to engage directly with our suppliers, responding when necessary.

We make our expectations clear to our suppliers as part of our onboarding process and work collaboratively to ensure that they can meet and maintain the standards required.

Our Group Ethical Trading and Human Rights programme sets out the framework through which we manage our commitment to conducting business in a fair and ethical way, both within our own operations and throughout our supply chain. This is described in more detail in our [Group Ethical Trading and Human Rights Policy](#).

Supplier Code of Conduct

Bakkavor's supply chain human rights approach is built on our Supplier Code of Conduct, against which all direct suppliers to Bakkavor UK are required to demonstrate progress. It outlines our expectations on human and labour rights topics including modern slavery, migrant labour, working hours and discrimination (see right).

We commit to working collaboratively with our suppliers on any breaches of our Code of Conduct and developing and implementing clear and appropriate corrective action plans.

In 2023 Bakkavor UK re-engaged with all of our direct suppliers, reissuing the Supplier Code of Conduct and self-assessment questionnaires to ensure full, ongoing compliance.

The questionnaires are designed to identify inadequate risk management practices. This can include for example, a supplier referring only to legal compliance or denying the existence of human rights risk in their business.

Towards the end of the year we initiated a supplier verification process using an independent third-party human rights expert. This uses a risk-based approach to prioritise suppliers for further assessment of their human rights management systems.



Steps for continuous improvement

Our preferred approach is to 'retain and engage' but we reserve the right to terminate supplier agreements in severe cases.

During 2024, Bakkavor will complete the verification programme of the identified higher-risk suppliers, using the outputs to agree corrective action plans where appropriate.

The Code of Conduct and questionnaires will become an integrated part of the supplier onboarding process and further engagement will be conducted on a risk basis.

Bakkavor also requires UK direct suppliers to be registered with Sedex's online ethical trade platform as this enables transparency of audit results and labour practices, which in turn supports ongoing improvements.

Relevant SDGs



Further information



SEE MORE ONLINE:

[Supplier Code of Conduct \(UK\)](#)[Ethical Trade and Human Rights Policy](#)[Modern Slavery Statement](#)[Freedom of Association Policy](#)

Topics addressed in our Supplier Code of Conduct

- Legal and regulatory compliance
- ETI Base Code
- Modern slavery
- Sedex
- Payment of appropriate and legal wages
- Child labour and young persons
- Working hours are not excessive and unlawful
- Working conditions are safe and clean
- Discipline and grievances
- Respect for the right for freedom of association and collective bargaining
- Employment is regular and freely chosen
- Forced labour
- Migrant labour
- No discrimination is practised
- No harsh or inhumane treatment
- Confidentiality
- Data privacy
- No bribery or corruption
- Environmental impact
- Quality and specification
- Auditing
- Transparency and traceability
- Land rights
- Continuous improvement
- Security (Supply and IT)



Sustainability and Innovation

IN OUR OPERATIONS

Bakkavor has 44 sites across three countries, manufacturing thousands of products from salads to desserts, breads to meals, and more. We work to continually improve the environmental impact of our sites and products.



READ MORE:

- Climate and Net Zero [pg 5-6](#).
- Food Waste [pg 7](#).
- Impact of Packaging [pg 13](#).
- Sustainable and Healthier Products [pg 14](#).
- Water Use and Management [pg 15](#).

Management of Sustainability and Innovation

Group carbon emissions and UK food waste are two of our core non-financial KPIs, and are therefore reported to the Senior Executive Team, and on a quarterly basis to the ESG Board Committee.

Tools

In the UK, we employ an Environmental Management System, based around 14001, which includes risk management standards, guidance and tools.

Policies and documents



SEE MORE ONLINE: [ESG Reporting](#)

- Environment Policy



SEE MORE ONLINE: [CDP \(external\)](#)





SUSTAINABILITY AND INNOVATION IN OUR OPERATIONS



Impact of Packaging

For a food manufacturing business, packaging plays a critically important role. It guarantees high standards of food safety and quality are maintained, and extends the shelf life of products, which in turn supports reducing food waste.

Bakkavor continually works to increase the overall sustainability of the packaging we use whilst ensuring we maintain our high product standards.

Plastic as a material is extremely useful as it is food-safe, lightweight, widely recyclable and lower cost. Whilst use of recycled plastic content is increasing, it is not biodegradable and originates from fossil fuels. As such, we innovate product packaging design to reduce use of plastic as far as possible, incorporate more recycled content and prioritise consumer recyclability.

The 2025 goals of the **UK Plastics Pact** have guided progress in improving the sustainability of packaging for our UK business, and we have made strong progress in recent years.



Our progress in achieving the UK Plastics Pact's targets

Eliminating problematic or unnecessary single-use packaging

- Reduced total plastic packaging volume by 8.0% in the UK business in 2023.
- Since 2020, our use of plastic has fallen by 5,000 tonnes – a 24.0% reduction.

100% reusable or recyclable plastic packaging

- 99.7% of our UK packaging is recyclable, including flexible plastic films now considered recyclable, as they are widely collected for recycling at large supermarkets.

At least 30% average recycled content in plastic packaging

- In 2023, the average recycled content of our plastic packaging was 52.9%, above the target of 30% which we first achieved in 2019.

	2020	2021	2022	2023
Plastic usage (t)	21,032	20,328	17,899	15,994
Recycled content (%)	43.4	45.6	52.9	52.9

In addition to the goals of the UK Plastics Pact, in early 2023 Bakkavor UK made additional commitments:

Reduce our total use of plastic packaging by 5%, equivalent to around 1,000t by end 2024

- By reducing plastic use by 1,905 tonnes in 2023 (an 8.0% reduction), we achieved this target ahead of schedule.

Remove 125m pieces of plastic from our packaging formats by end 2024

- 160m pieces of plastic have been removed since 2021, achieving this goal a year early.
- We have now extended this goal, to remove a further 25m pieces in 2024 for a total target of 185m in four years.

Source both primary and secondary (by 2025) cardboard from certified sustainable sources such as FSC and PEFC

- By expanding our FSC/PEFC (Forest Stewardship Council / Programme for the Endorsement of Forest Certification) sourcing practices to secondary packaging, Bakkavor has achieved this commitment a year ahead of schedule.

Bakkavor UK's Packaging Forum is a working group formed of packaging technologists, specialists and procurement. The group shares updates from respective businesses and departments, discusses challenges and cross-pollinates ideas and innovations.



Further information

SEE MORE ONLINE:

[Environment Policy](#)

[CDP Forests questionnaire \(pulp and paper\)](#)

DATA pg 25.

Delivering innovation for multiple customers

The UK Packaging Forum was able to deliver impact at scale in 2023 as the group worked to deliver a project to remove extra packaging from dips for all of our customers.

Through extensive testing and development, we could verify that removing the plastic lids had no impact on product shelf life or quality. This simple change removed 360 tonnes of plastic.

In other cases, we have switched to lighter grades of plastic, or changed the format of trays to reduce the weight.

For some products, we have switched from plastic to cardboard – for example in some dessert trays. In other products, we have changed supply to use plastic with increased recycled content.

Relevant SDGs





SUSTAINABILITY AND INNOVATION IN OUR OPERATIONS



Sustainable and Healthier Products

At Bakkavor, we want to support consumers and their families in providing exciting and delicious food that is nutritionally balanced, sustainable and affordable.

Fresh Prepared Food can make it easier for consumers to make healthier choices by fitting into busy lifestyles. Many (58%) of our products are considered 'healthier options'¹ and we work with our retail customers to continually improve nutritional attributes through product reformulation and new product development. Bakkavor is also represented in the IGD's Nutrition Forum where businesses share learnings in accelerating change in health and more sustainable diets.

As an own brand manufacturer, we commit to working with our retail customers to meet their nutrition targets on salt, sugar, saturated fat and overall calories through reformulation.

As animal products come with a higher carbon footprint compared to other proteins such as lentils and pulses, we develop innovative and exciting plant-based products to support vegan, vegetarian and flexitarian diets. These include products for our retail customers' dedicated plant-based product ranges at a range of price points, helping to make lower-carbon diets more accessible. We also look for ways to support pledges on increasing vegetable content in products like our ready meals.

We monitor the latest consumer trends and this insight is used to inform our new product development. For example, we continue to see demand for high protein prepared meals and

launched both bento boxes and salads for different customers to cater to the nutritional requirements and preferences of busy professionals.

Understanding product impacts

Bakkavor supports the need to provide consumers with more information about the sustainability of food products. We engaged with the IGD's Environmental Labelling trials in the UK through participating in the 'Consult' group.

In 2023 Bakkavor joined the Mondra BRC Coalition along with many of our UK retail customers and peers. The Coalition aims to provide the UK food industry with a unified standard for product carbon footprinting, using AI and the latest available understanding of environmental impacts to automate Life Cycle Assessments at scale.



Bakkavor will use the platform in 2024 as it rolls out to gain a deeper understanding of the climate and wider environmental impacts of our products.

With newly launched product ranges, vegetarian products now make up almost three-quarters of our portfolio. The vegan product range has decreased as a proportion to 15% of our portfolio from 19%.

90% of our products are already compliant with the Food Standard Agency's salt reduction targets as we work on the remaining proportion in 2024.

58% of our products are healthier options¹ (down from 62% in 2022 due to new product launches in certain categories).

More than a quarter (26%) of our products contain at least one of the recommended five portions of fruit or veg.

Relevant SDGs



73%

of our products are vegetarian

90%

compliant with FSA's salt reduction targets for 2024

58%

of our products are 'healthier options'

26%

contain at least one portion of fruit or veg

¹ As defined by the UK's Department of Health UK Nutrient Profiling Model.



SUSTAINABILITY AND INNOVATION IN OUR OPERATIONS



Water Use and Management

As a food manufacturer, access to water is critical for our business operations. Not just in food preparation and cooking, but for our rigorous hygiene standards which help ensure food safety.

100% of our sites have fully functioning, safely managed water, sanitation and hygiene (WASH) services for all workers. This is vital for our safe operating food hygiene standards and is incorporated into our Group health, safety and environment policies.

Our approach

All of our manufacturing sites have on-site water treatment plants. Usage is monitored on a monthly basis in line with our consent to discharge and/or environmental permits to ensure that we are compliant with local, regional or national water quality standards and regulations. Usage is reported internally every quarter.

Wastewater is tested and monitored for the standard parameters such as pH, Biochemical Oxygen Demand (BOD) and Total Suspended Solids (TSS) in order to apply the appropriate treatment where required.

As Bakkavor sites handle fresh agricultural produce such as salads, vegetables and grains, we also monitor our wastewater for agricultural chemicals, pesticides and fertilisers that could be transferred into wastewater via the washing process.

We have assessed our operations for water risk using the WRI Aqueduct Tool and identified any sites categorised as 'High' (40-80%) or 'Extremely High' (>80%) for baseline water stress. This is determined as the ratio of total water withdrawals to available renewable surface and groundwater supplies. A higher value indicates a greater degree of competition among water users in these areas.



Six of our UK sites (those around the Thames basin), one of our US sites (Carson, California), and three of our China sites (Beijing, Xi'an, and the head office in Shanghai) are currently within basins considered to be at high risk according to the WRI Aqueduct tool's measure of water stress. To date, we have not experienced detrimental impacts due to water availability at these or other sites, however, we committed to optimise operational water intensity per tonne of product (whilst maintaining product quality and integrity) by monitoring usage and exploring machinery upgrades that increase efficiency.

Water stewardship is of course also an important issue in our supply chain, as we source ingredients from regions that are exposed to water risks. As a business we manage this through our Responsible Sourcing steering team, using supplier data and global intelligence sources to prioritise suppliers for specific engagement.

 **READ MORE** pg 8.

Further information

 **SEE MORE ONLINE:**

[Environment Policy](#)
[CDP Water questionnaire](#)

 **DATA** pg 26.

Progress

We report our water consumption and management through CDP's water questionnaire ([www.cdp.net](#)). Our 2023 submission received a B- disclosure score – higher than the global and sector average.

This is based on 2022 data, which showed a 4% increase in water withdrawals and a 4% decrease in overall consumption, which mirrors production levels and process changes in the business.

Data for 2023 will be in 2024's questionnaire which will be submitted in 2024.

Relevant SDGs





Engagement and Wellbeing

IN OUR WORKPLACES AND COMMUNITIES

Our colleagues are our greatest asset. Providing a safe and inclusive environment for our people where everyone can thrive and develop is central to our success.



READ MORE:

Colleague Wellbeing, Health and Safety [pg 17](#).

Inclusive and Diverse Workplaces [pg 18](#).

Engagement, Development and Retention [pg 19](#).

Responsible Recruitment [pg 20](#).

Local Causes and Community Engagement [pg 21](#).

Management of Engagement and Wellbeing

UK accidents and UK employee turnover are two of our non-financial KPIs. These, including the same metrics for our US and China businesses, are reviewed at each Board meeting and monitored by management on a monthly basis.

We deliver our ambitions through cross-functional workstreams including a Wellbeing Committee, the Inclusion and Diversity Forum and a Human Rights and Ethical Programme.

Tools

In addition, we have set Global H&S Management Principles that outline standardised best practices for every site.

Policies and documents



SEE MORE ONLINE:

[ESG Reporting](#)

- Inclusion and Diversity Policy
- Ethical Trade and Human Rights Policy
- Modern Slavery Statement 2023
- Freedom of Association Policy
- Supplier Code of Conduct
- Mental Health at Work Policy
- UK Gender Pay Report





ENGAGEMENT AND WELLBEING IN OUR WORKPLACES AND COMMUNITIES



Colleague Wellbeing, Health and Safety

We have a duty of care to colleagues in ensuring their health, safety and wellbeing. We strive for zero harm as safety can never be taken for granted, and there are always opportunities to learn and improve.

Every site has dedicated Health and Safety teams who monitor compliance with our systems, report performance and implement corrective actions, as required.

As one of our principal risks, health and safety is reported through regional risk committees, the Senior Executive Team and at the Audit and Risk Committee on a quarterly basis, which reports to the Group Board on the effectiveness of the Group's risk management process and internal control systems.

Health and safety data, including near miss and accident learnings, is shared across all UK sites. Global Health & Safety Management Principles set consistent recommendations across all sites as part of a focus to standardise best practice.

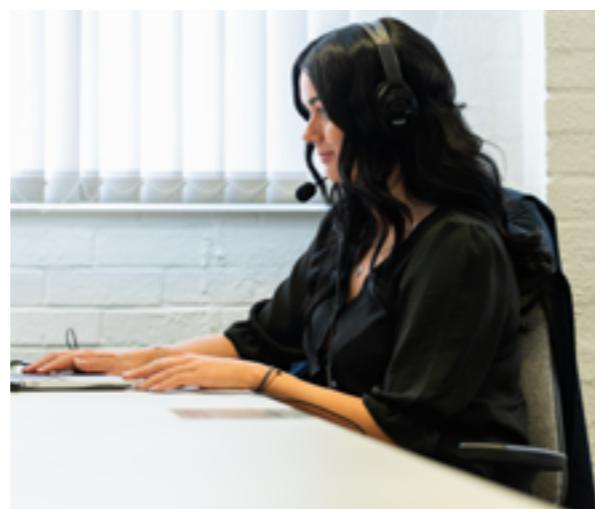
Creating a culture of continual learning and improvement

Whilst in most manufacturing environments accidents will occur, we consistently outperform industry averages on workplace safety.

In 2023 our >7 day lost-time accident rate in the UK decreased by 20.2% (to 256 measured as a rate per 100,000 employees). This outperforms the Health and Safety Executive's (HSEs) food industry benchmark by 66.5%.

Whilst incidents remained few, our UK major accident rate increased by 21% to 47 per 100,000 employees. There was 1 major¹ in the US (108 per 100k employees) and none in China. There were no fatalities in 2023 across the Group.

To continually drive the importance of maintaining our high standards, we engage our colleagues through in-person site-based initiatives. One such example is our UK Meals sector's Safety Week



involving around 9,500 colleagues across eight sites. Through a variety of activities including competitions, quizzes, health checks, talks and accident investigation scenarios, it brought Bakkavor's Health & Safety culture to life in a fun and engaging way.

Similarly, the US has seen a 62% reduction in OSHA recordable injuries¹ through monthly training, increased use of daily touch points and interventions encouraging colleagues to speak up and catch potential near misses.

Champions for wellbeing

As well as focusing on our colleagues' safety, we aim to support their wider physical, emotional and financial wellbeing.

In 2022, Bakkavor's cross-functional Wellbeing Steering Committee launched our Wellbeing Strategy and Toolkit. As part of the roll out, the business trained volunteer Wellbeing Champions across the UK business to support implementation of the strategy at a local level.

In 2023, we continued rolling this out through a number of initiatives, from health checks and trainings to campaigns including men's and women's health weeks. In November, Bakkavor UK ran our first ever Wellbeing Month. Spearheaded by our Wellbeing Champions and HR teams, sites hosted quizzes, on-site massages, remote yoga and other activities to highlight the wellbeing resources available to our colleagues, with a particular focus on mental health.



As part of this, Bakkavor signed up to the Mental Health at Work Commitment and launched our own mental health policy. By signing the pledge, Bakkavor commits to making mental health a priority for our business and working towards the Commitment's standards. As part of this, we also started our Mental Health Awareness training which will be rolled out to all our UK colleagues in 2024.

Our 110 Wellbeing Champions continued to support colleagues across the business all year round. By setting up a domestic abuse webinar to introducing book clubs, hosting menopause awareness events, organising colleague health checks and wellbeing walks, creating special wellbeing areas and more, our Champions made and continue to make a real difference at their sites and offices.

Relevant SDGs



¹ According to definition of the US Occupational Safety and Health Administration (OSHA).



ENGAGEMENT AND WELLBEING IN OUR WORKPLACES AND COMMUNITIES



Inclusive and Diverse Workplaces

As a business, we are most effective when our colleagues feel they are valued, able to be themselves, included and inspired to perform at their best.

Our success relies on the skills, experience and commitment of the diverse range of people who work for us. However, simply having a diverse workforce is not enough – we aim to attract and retain talent that reflects our society.

To do this, we commit to promoting an inclusive working environment, where differences are valued and individuals feel they can be themselves, without judgement. All appointments, including recruitments and internal promotions, are based on merit, qualification and ability, encouraging greater diversity in social and ethnic background and cognitive and personal strengths.

Our values and what we believe

The Bakkavor values are central to everything we do, with 'Trust and Respect' focusing on the behaviours we expect of each other. These are widely and regularly communicated at sites, in meetings, and through our 'Proud to Be' Awards that celebrate colleagues living our values.

Our [Inclusion and Diversity \(I&D\) Policy](#) outlines our commitment to upholding and promoting an equal workplace.

The Bakkavor Code of Conduct – available to all employees – makes our policy around equal opportunities clear. That is, that we believe everyone has the right to be treated without discrimination regardless of their age, sex, race,

disability, pregnancy or marital status, sexual orientation, gender identification or religious background. We support this from recruitment throughout the colleague's life cycle.

Established three years ago, Bakkavor's I&D Forum champions a programme of work to continually support our objectives.

Understanding experiences to inform our approach

In 2023, through the theme of 'balance is better', we focused on gender diversity in underrepresented functions (Finance, IT and Engineering), early careers, talent acquisition, and on embedding inclusive behaviours.

Our Early Careers team increased engagement with schools to reach a more diverse cohort of apprentices. They produced PR assets that showcased female apprentices in non-gender stereotypical roles, and implemented a pay review to support attraction, retention and social inclusion. As a result, our apprentice intake doubled with around half being female – also up on 2022.

The business utilised a Female Network Group established from the first cohort of our Female Mentoring Programme in 2022 along with senior leadership interviews and female focus groups to understand women's experiences in their careers and identify themes and barriers to address.

The outcomes of this research informed a number of interventions and our People priorities for 2024. For example, the business updated our parental leave policies into one Family Leave Policy, increasing paternity pay and specifying support on return to work.

In 2023, the Inclusion and Diversity Forum supported a programme of events to raise awareness of I&D topics:

Pride Month: Raising awareness of the LGBTQ+ community with quizzes, learning opportunities and a focus on unconscious bias and suggestions on how to develop as an ally.

Black History Month: Celebrating the strength of our diversity and that of Black culture. This year, we showcased colleagues' personal stories around who has inspired them and why.

Celebrate Your Culture at Work Week: In July we celebrated the diverse cultures represented across our business in Celebrate Your Culture at Work Week. Colleagues were encouraged to come in wearing clothing that represents their culture and share food and stories through our A-Z of Bakkavor – a showcase of colleagues from a country or community representing every letter of the alphabet.

Female Mentoring Programme: Following the success of our 2022 programme, we launched a 2023 cohort of 40 female front-line operational leaders matched to a senior mentor. The mentors help the female leaders develop further in their roles and prepare for opportunities for potential progression.

Relevant SDGs



Further information

SEE MORE ONLINE:
[Inclusion and Diversity Policy](#)

READ MORE
[Employee data pg 27.](#)
[Gender pay pg 28.](#)

Three key commitments in Bakkavor's I&D Policy

- 1** Living our values every day
- 2** Building an inclusive and diverse workforce across all levels of Bakkavor
- 3** Providing equal opportunities to succeed



ENGAGEMENT AND WELLBEING IN OUR WORKPLACES AND COMMUNITIES



Engagement, Development and Retention

Making Bakkavor a great place to work is vital to our core business strategy. We aim to be the local employer of choice by offering an environment where our colleagues can feel engaged and included, with opportunities to develop and grow in their careers.

UK employee turnover is one of our Group KPIs and reported on a monthly basis and at senior forums including the Senior Executive Team, and on a quarterly basis at the Group Board.

Our people plan is driven by insights from engaging proactively with our colleagues and regular feedback. Our Employee Engagement Survey (EES) is an annual exercise that is fundamental in informing our priorities and tracking progress. The outcomes are shared at functional and team level in order to set action plans for improvement.

A feedback driven people plan

Our 2023 priorities were informed by the outcomes of the 2022 EES which identified four focus areas: opportunities for personal growth and development; communicating our strategy; embedding our values; and providing relevant colleague benefits.

The EES is distributed to all of our c.18,000 colleagues across all our regions and is available in all relevant languages spoken at our sites. In 2023 the response rate increased to 88% (from 86% in 2022) and we saw an improvement in our overall engagement score.

Bakkavor's Talent team focuses on leadership development, skills development through both face-to-face delivery and online learning opportunities, an early careers programme that continues to win awards and addressing underrepresentation of women in particular functions.

 **READ MORE** pg 18.

In 2023, we launched our Effective Leadership Development programme to supplement our highly successful Front-line Leaders programme and continued to support our operational team leaders.

Supporting two-way engagement

In the UK, our Group Employee Forum (GEF) and Site Employee Forum (SEF) representatives are elected by peers and create an open and regular channel of communication between employees and management. They play a vital role in supporting local causes and charities, rolling out our colleague campaigns such as our wellbeing programme as well as sharing best practices across sites.

Sanjeevan Bala is Bakkavor's dedicated Independent Non-executive Director for Workplace Engagement. During the year he visited sites and attended two GEF events, feeding back directly to the Group Board on the topics raised.

Celebrating values, driving positive behaviours

At Bakkavor, our four Company values are the framework through which we deliver our strategy. In 2023 we continued to drive awareness and celebrate behaviours that live these values. Our monthly site-based 'Proud to Be' Values Awards reward

colleagues for living our values day to day and our annual 'Proud to Be' Awards recognise innovations and exceptional delivery of projects across the Group that demonstrate our values in action.

To further elevate understanding of our culture, in the UK we developed a short experiential workshop across all of our UK sites – 'Better behaviour, better Bakkavor' – which explored ways to further inform employees around behaviours which do not align with our values. The outcomes will inform our new Foundation Leadership programme.

One of our most popular employee benefits are our staff shops, where colleagues have access to our products at a heavily discounted rate. In the UK, we transformed our staff shop offering by expanding these to every site in 2023 and extending the products available to ensure a wider variety including our most popular ranges. We also introduced a dedicated range of high-quality pizzas and meals available only to colleagues under our 'Proud to Be' branding.

Through our responsive approach to setting our People priorities, we were pleased to see UK employee turnover – one of our non-financial business KPIs – decrease 190 basis points to 26.2% (2022: 28.1%), supported by a more stable labour market.

Relevant SDGs



Further information

 **READ MORE**

Detailed employee data pg 27.

Our Company values guide everything that we do at Bakkavor:



Respect and trust each other



Keep the customer at the heart of what we do



Get it right, keep it right



Be proud of what we do



ENGAGEMENT AND WELLBEING IN OUR WORKPLACES AND COMMUNITIES



Responsible Recruitment

As a significant employer in the communities where we operate, it is critical that we guarantee human rights and ethical employment in our own operations.

As a topic within our Trusted Partner ESG strategy, Responsible Recruitment and Employment ensures we have the policies and procedures to enable this, as our values and culture will never be compatible with any form of abuse or modern slavery.

Our approach

Our Human Rights and Ethical Programme – reviewed annually to ensure it remains focused on the latest approaches – sets our ambitions and direction towards our goals of driving awareness and action on the issue of modern slavery by coordinating a programme of activity including campaigns, training, collaboration, policies and independent assessments.

Run by senior HR professionals and supported by an external ethical trade specialist, reporting directly to the Chief People Officer, the programme utilises a number of tools to ensure a robust approach. At the core is Bakkavor's Ethical Trading and Human Rights Policy which specifies our requirements and principles, including our support of the UN Guiding Principles and meeting the ETI Base Code.

Additionally, our employee Code of Conduct applies to all Bakkavor businesses and includes topics including modern slavery, anti-bullying and harassment, human rights and respect for our local communities.

Sedex is an online ethical supply chain platform that increases transparency of supply chains around ethical trading. Bakkavor is an AB (buyer and supplier) member, meaning that the platform links us with both our retail customers and our suppliers.

Bakkavor sites are required to update their Sedex data every six months, and completed the 2023 Self Assessment Questionnaires (SAQs) well ahead of schedule. Membership and active use of the SAQs is also a requirement for direct suppliers to Bakkavor UK, therefore enabling greater transparency in supply chains (for more information on human rights in our supply chains, see [page 11](#)).

Recruitment fees are one of the biggest drivers of modern slavery. To mitigate this risk, Bakkavor works closely with Stronger Together, a multi-stakeholder initiative working on the issue along with its Responsible Recruitment Toolkit (RRT). The RRT supports Bakkavor's management approach to recruitment practices, and in 2023 we achieved RRT Business Partner status, an accreditation which demonstrates that we have implemented tools and processes to support the elimination of exploitation in recruitment practices.

Bakkavor also holds Advanced Business Partner Verified status with Stronger Together, and our partnership supports our objective of working with industry to share best knowledge and collaborate on human rights and ethical employment practices, as no one can address this issue alone.

Progressing our action plan

In 2023 our Modern Slavery action plan focused on a number of objectives:

- **Training:** Continuing training and tracking against targets for coverage across multiple functions, from recruitment to operations.
- **Policies:** Embedding policies around Remedy and Remediation. Updating our internal Human Rights and Ethical Trade Policy.
- **Best practice:** Achieving Stronger Together's Business Partner Advanced and Verified status.
- **Partnerships:** Supporting the victims of modern slavery. We are proud to have partnered with Bright Future, a co-operative whose purpose is to provide survivors of modern slavery with a pathway to paid employment and reintegration into society.
- **Third-party audits:** Completing site-level SMETA audits – required at least every four years and ensuring progressive results.
- **Internal assessments:** Ensuring sites are up-to-date with our programme's requirements, including understanding and mitigating their Sedex risk rating.

Relevant SDGs



Further information

 **SEE MORE ONLINE:**

- [Ethical Trade and Human Rights Policy](#)
- [Modern Slavery Statement 2023](#)
- [Freedom of Association Policy](#)
- [Supplier Code of Conduct](#)

Whistleblowing Policy

Bakkavor's Group-wide Whistleblowing Policy provides a mechanism through which individuals can raise concerns on illegal, unsafe or inappropriate activities, including discrimination or harassment in the workplace.

It provides access to 'Speak Up', a free and independently monitored and confidential reporting hotline, available 24 hours a day/365 days a year and in 15 languages. Cases logged in 2023 were investigated thoroughly and escalated where required. Whistleblowing is also regularly monitored by the Group Board.



ENGAGEMENT AND WELLBEING IN OUR WORKPLACES AND COMMUNITIES



Local Causes and Community Engagement

Bakkavor believes in giving back to those communities in which we operate. To maximise our positive impact, we commit to supporting and fundraising for two Group charity partners – GroceryAid and Natasha Allergy Research Foundation.

2023 was the second of a three-year partnership with these organisations, and we donated over £130,000 to them in 2023.

Natasha Allergy Research Foundation is aiming to prevent and end allergic disease through pioneering allergy research, policies and education. As allergies affect around 1 in 3 people in the UK, this is an extremely important topic for our business that we are proud to support not just financially, but by raising awareness of allergen risk through conversations with our retail customers. During Allergy Awareness Week, we ran campaigns internally to increase understanding of the experiences of those living with allergies and to reinforce our duty of care to protect the health of the consumers that eat our products.

GroceryAid is an industry charity providing a range of support to those working in the sector. Their services include financial assistance, legal and health and wellbeing advice, as well as counselling and addiction support. For the third year in a row Bakkavor was awarded Gold status for our support of the charity through:

- celebrating GroceryAid Day with stalls, events and charity bake sales;
- helping colleagues to apply for GroceryAid's School Essentials Grant;
- spreading the word about GroceryAid's vital welfare services to our colleagues;
- volunteering to raise awareness of GroceryAid and the ways it can help our people; and
- raising funds by taking on challenges like a 24-hour sponsored walk and a Coast to Coast cycle.

Supporting families amid the cost-of-living crisis

In November 2023 we joined The Coronation Food Project, an initiative inspired by King Charles III to tackle UK food waste and food insecurity across the UK. The project aims to access surplus food and redistribute it to those needing it most, whilst utilising operational opportunities in food manufacturing, to produce food efficiently and at scale.

The project involves working with some of our customers and peers, alongside food redistribution charities FareShare and the Felix Project, to manufacture and distribute our nutritious meals to people in need promptly and efficiently.

Bakkavor has committed to providing 500,000 meal equivalents towards the Project.

Enabling local causes and fundraising

As a major employer our strong ties in our local communities are extremely important. In addition to our Group charity partners, we enable our sites to support causes important to them.

Our Site Employee Forum (SEF) representatives are encouraged to establish partnerships with local charities, schools, hospices and other causes important to them. They run fundraising activities such as fun runs, bake sales, and sponsorship events. Bakkavor matches each site's local fundraising up to £2,500 a year through our matched giving scheme. In 2023, Bakkavor donated an additional £100,000 to charities through this scheme in addition to our corporate partnerships and product donations. In total, the Group donated £236,000 to charities in 2023.

Our Charity and Political Donations Policy sets out the appropriate channels for philanthropic fundraising and has been cascaded to employees on our intranet 'MyBakkavor'. We do not give financial donations or other support to political individuals, representatives, parties or causes in any country where we operate.





Additional information

Management and Governance of ESG at Bakkavor 23

ESG data 24





Management and Governance of ESG at Bakkavor

ESG materiality

Trusted Partner is based on a robust materiality assessment first conducted in 2019 and updated in 2022 to ensure that our ESG strategy focus areas remain relevant and address the topics that are most important to our stakeholders. For details on the process used to determine these issues, please see our 2022 ESG report.

At Bakkavor, we have continued to increase accountability for ESG within the business through a clear governance structure.

We have established Board-level responsibility for ESG since 2022. The ESG Committee met three times in the year to review progress and ensure oversight of the Group's Trusted Partner ESG strategy. In addition, the Committee received training covering topics including climate change and Net Zero. Detailed activities of the Committee can be found in our Annual Report.

Incentivising ESG performance

To further drive performance, Bakkavor has introduced new ESG-related incentives. From 2024, progress against our UK food waste target is a measure within our Short Term Incentive Plan (STIP) and progress in our carbon reduction pathway forms a component of the Long Term Incentive Plan (LTIP) scheme.



[READ MORE](#) pg 124-127 in the 2023 Annual Report.

GROUP BOARD

Provides oversight of progress and implementation of Net Zero commitment. Reviews Group policies and commitments.

ESG Sponsor: Ben Waldron, CFO.

ESG COMMITTEE

Dedicated Board Committee for ESG matters. Provides guidance to the ESG team as well as providing recommendations to the Group Board.

Chair: Umran Beba, Independent Non-executive Director.

SENIOR EXECUTIVE TEAM

Oversight of ESG issues and performance. Receives updates from the ESG Executive Committee on performance and progress. Directs strategic implementation of capital allocation.

ESG Sponsor: Ben Waldron, CFO.

ESG FUNCTION

Chair: Lee Miley, UK Finance Director. Includes regional ESG committees for UK, China, USA.





SUSTAINABILITY AND INNOVATION IN OUR OPERATIONS

ESG Data

Greenhouse gas emissions, Group

tCO₂e, for the period 1 January 2023 – 31 December 2023

	2023	Change	2022	2021	2020
Scope 1					
UK	58,293	-2.6%	59,855	70,336	83,926
US	7,168	-14.5%	8,386	11,264	14,515
China	5,315	-41.1%	9,029	17,754	8,418
Total Scope 1 emissions	70,776	-8.4%	77,270	99,354	106,858
Scope 2					
UK	38,915	-0.5%	39,121	44,012	49,396
US	5,848	-3.4%	6,052	6,495	7,583
China	23,417	8.5%	21,592	23,375	20,708
Total Scope 2 emissions (location-based)	68,180	2.1%	66,765	73,881	77,687
Green tariff					
	34,687	5.6%	32,836	37,544	43,007
Total Scope 2 emissions (market-based)	33,492	-1.3%	33,929	36,337	34,680
Total gross emissions	138,956	-3.5%	144,035	173,235	184,545
Total net (market-based) emissions	104,269	-5.3%	110,106	135,691	141,538
Intensity ratio (gross tCO ₂ e/£m reported revenue)	63.1	-6.4%	67.3	92.6	102.9

Annual energy consumption, Group

kWh, for the period 1 January 2023 – 31 December 2023

	2023	Change	2022	2021	2020
Scope 1 (kWh)	322,710,333	-4.8%	338,883,129	352,728,213	391,680,450
Scope 2 (kWh)	245,785,716	-5.3%	257,698,953	265,077,689	269,787,168
(Of which, on-site generated renewable consumption)	623,987	-	-	-	-
Total energy (kWh)	568,496,048	-5.0%	596,582,083	617,805,902	661,467,618

Greenhouse gas emissions, UK

tCO₂e, for the period 1 January 2023 – 31 December 2023, Bakkavor Foods Limited (UK)

	2023	Change	2022	2021	2020
Scope 1	58,293	-2.6%	59,855	70,336	83,926
Location-based Scope 2 emissions	38,915	-0.5%	39,121	44,012	49,396
Green tariff	34,687	2.2%	33,928	37,544	43,007
Market-based Scope 2 emissions	4,227	-18.6%	5,193	6,468	6,389
Total gross emissions	97,208	-1.8%	98,976	114,348	133,322
Total market-based emissions	62,521	-3.9%	65,048	76,804	90,315
Intensity ratio (gross tCO ₂ e/£m reported revenue)	52.5	-5.5%	55.5	71.8	85.1

Annual energy consumption, UK

kWh, for the period 1 January 2023 – 31 December 2023, Bakkavor Foods Limited (UK)

	2023	Change	2022	2021	2020
Total non-renewable energy consumption (kWh)	468,018,080	-6.8%	501,953,056	521,885,147	573,288,445
Total renewable energy consumption (on-site generated), kWh	-	-	-	-	-
Total energy consumption (kWh)	468,018,080	-6.8%	501,953,056	521,885,147	573,288,445

Totals may not reflect sum of values shown due to rounding.



SUSTAINABILITY AND INNOVATION IN OUR OPERATIONS

ESG Data continued

Greenhouse gas emissions – Scope 3 (energy & industry), Group

tCO ₂ e	2023	Change	2022	2021
1. Purchased goods and services	707,662	-19.0%	873,932	840,486
2. Capital goods	14,078	1.3%	13,896	18,025
3. Other fuel-and-energy-related activities	31,167	-3.0%	32,136	35,764
4. Upstream transportation and distribution	5,867	-1.3%	5,945	4,682
5. Waste generated in operations	4,922	-4.9%	5,177	5,240
6. Business travel	733	175.8%	266	160
7. Employee commuting	22,449	0.5%	22,329	22,240
9. Downstream transportation and distribution	7,801	-2.2%	7,980	6,200
12. End of life treatment of sold products	71,303	10.1%	64,748	57,682
Total Scope 3 emissions	865,981	-15.6%	1,026,409	990,481
% of total footprint	89%		90%	88%

Food waste, UK

Food waste (UK)	2023	2022	2021	2020	2019	2018
Food waste as percentage of food produced	6.6%	8.1%	9.2%	8.5%	8.9%	9.1%
Food waste (tonnes)	30,404	38,364	44,382	41,625	43,913	48,757
Food waste avoided						
Recycled as animal feed	33,744	25,255	21,265	24,752	27,520	30,499
Redistributed to people through FareShare and local charities (meal equivalents ¹)	262,405	364,286	412,643	189,095	165,550	86,309
Redistributed to people through secondary markets (meal equivalents)	760,333	1,138,095	955,405	1,538,643	989,190	1,350,000
Redistributed in Bakkavor staff shops (meal equivalents)	1,455,238	1,833,333	1,419,667	1,332,143	1,771,800	1,327,738

All our UK sites send zero waste to landfill.

1 Meal equivalent based on a 420g portion.

2 As defined by HMRC Plastic Packaging Tax guidelines.

3 As of January 2022, these are now deemed recyclable according to the On-Pack Recycling Label (OPRL) scheme as collection facilities for recycling of soft plastics are more widely available in UK supermarkets.

Packaging, UK

Packaging use (UK)	2023	2022	2021	2020
Total primary packaging in products sold (tonnes), of which:	54,598	56,565	62,825	61,667
Total made from recycled and/or renewable materials	46,425	47,434	51,033	49,054
% from recycled and/or renewable materials	85.0%	83.9%	81.2%	79.5%
Total packaging that is recyclable, reusable and/or compostable	54,430	56,565	62,726	61,572
% that is recyclable, reusable and/or compostable	99.7%	99.9%	99.8%	99.8%
Packaging use by material				
Plastic (tonnes)	15,994	17,899	20,328	21,032
PE / HDPE / LDPE / LLDPE	377	372	319	314
PET, of which:				
rPET (recycled)	11,376	9,362	9,269	9,136
Average recycled content	73.0%	67.7%	64.9%	63.6%
PP	3,568	3,589	5,639	6,247
Virgin PP	3,507	3,490		
Recycled PP ²	61	99		
Laminate films ³	673	105	99	95
Average recycled content, all plastics	52.9%	52.9%	45.6%	43.4%
Paper-based packaging (tonnes)	37,964	37,973	41,764	39,918
Other primary packaging materials, e.g. aluminium	640	693	733	717

Bakkavor does not source PVC or PS (polystyrene) plastic.



SUSTAINABILITY AND INNOVATION IN OUR OPERATIONS

ESG Data continued

Sustainable and healthy products, UK

	2023	2022	2021
% UK product portfolio			
Plant-based products	15%	19%	19%
Vegetarian products	73%	52%	50%
Meeting 'healthier' criteria (lower in fat, sugar, salt than alternatives) ⁴	58%	62%	62%
Meeting the Food Standards Agency's 2024 target for salt	90%	83%	83%
Contain at least one of the recommended five portions of fruit or veg	26%	>390	>400

Water

	2022	2021	2020
Water withdrawals (mains) usage (megalitres)	3,715	3,562	3,735
Water discharges (megalitres)	3080	2,901	2,871
Total consumption (megalitres)	635	661	864
Intensity ratio (total withdrawals in megalitres per £m revenue)	1.7	1.9	2.1

We report our consumption and management of water through CDP's water questionnaires.
Table above shows 2022 data as Bakkavor's 2023 CDP Water response will be submitted in 2024.

ENGAGEMENT AND WELLBEING IN OUR WORKPLACES AND COMMUNITIES

Regional health and safety data

UK	2023	2022	2021	2020
Major ⁵ accidents per 100k employees	48	39	57	49
>7 days lost-time accidents per 100k employees	259	321	334	330
Total accidents per 100k employees	5,433	6,083	6,260	6,579
<hr/>				
China	2023	2022		
Major accidents per 100k employees	0	0		
>7 days lost-time accidents per 100k employees	400	448		
<hr/>				
US	2023	2022		
Major accidents per 100k employees	108	103		
>7 days lost-time accidents per 100k employees	1,946	2,775		

Since 2022, we have aligned our China and US businesses to UK health and safety reporting definitions. Our international businesses additionally report health and safety data as per local legislative requirements to the relevant authorities.

⁴ As per the Department of Health's UK Nutrient Profiling Model.

⁵ Number of 'major' accidents and specified injuries as defined by the UK Health and Safety Executive.



ENGAGEMENT AND WELLBEING IN OUR WORKPLACES AND COMMUNITIES

ESG Data continued

Employee data

The Group employed 18,136 colleagues in total.

	2023	2022	2021	2020	2019	2018
By location	Number	%				
United Kingdom	14,689	81%	15,567	15,863	16,356	16,942
US	925	5%	973	875	808	874
China	2,497	14%	2,009	2,205	2,125	2,266
Continental Europe (Spain, Italy)	25	<1%	31	29	29	23
Total	18,136		18,580	18,972	19,318	20,105
						19,842

	2023	2022	2021	2020	2019	2018
By function	Number	%				
Production	14,906	82%	15,283	15,578	15,938	16,759
Management and administration	2,345	13%	2,378	2,521	2,488	2,424
Sales and distribution	885	5%	919	873	892	922
Total	18,136		18,580	18,972	19,318	20,105
						19,842

	2023	2022	2021	2020	2019	2018
By gender, Group	Number	%				
Female	8,247	45%	8,420	8,450	8,654	8,864
Male	9,889	55%	10,160	10,522	10,664	11,241
Total	18,136		18,580	18,972	19,318	20,105
						19,842

	2023	2022	2021	2020	2019	2018
By gender, UK	Number	%				
Female	6,184	42%	6,670	6,612	6,888	7,011
Male	8,505	58%	8,897	9,251	9,468	9,931
Total	14,689		15,567	15,863	16,356	16,942
						17,004

	2023	2022	2021	2020	2019	2018
By gender, US	Number	%				
Female	429	46%	440	419	382	414
Male	496	54%	533	465	426	355
Total	925		973	875	808	874
						635

	2023	2022	2021	2020	2019	2018
By gender, China	Number	%				
Female	1,618	65%	1,291	1,405	1,366	1,427
Male	879	35%	718	800	759	839
Total	2,497		2,009	2,205	2,125	2,266
						2,181

	2023	2022	2021	2020	2019	2018
By gender, Continental Europe	Number	%				
Female	16	64%	19	14	18	12
Male	9	36%	12	15	11	11
Total	25		31	29	29	22



ENGAGEMENT AND WELLBEING IN OUR WORKPLACES AND COMMUNITIES

ESG Data continued

Gender pay reporting (UK)

	2023		2022		2021		2020		2019	
	M	F	M	F	M	F	M	F	M	F
Median gender pay gap	6.4%		9.3%		7.3%		2.1%		7.3%	
Mean gender pay gap	9.3%		9.6%		9.3%		8.2%		10.7%	
	2023		2022		2021		2020		2019	
1st quartile (lower paid)	47.1%	52.9%	40.9%	59.1%	51.1%	48.9%	58.8%	41.2%	49.5%	50.5%
2nd quartile	56.9%	43.1%	62.0%	38.0%	58.8%	41.5%	59.6%	40.4%	59.3%	40.7%
3rd quartile	65.4%	34.6%	66.1%	33.9%	63.8%	36.2%	58.1%	41.9%	62.5%	37.5%
4th quartile (highest paid)	67.8%	32.2%	67.8%	32.3%	65.0%	35.5%	67.6%	32.4%	67.5%	32.5%
	2023		2022		2021		2020		2019	
Median gender bonus gap	18.2%		12.1%		15.2%		14.5%		14.9%	
Mean gender bonus gap	31.9%		20.9%		17.0%		28.1%		13.6%	
	2023		2022		2021		2020		2019	
Proportion of males and females receiving a bonus	9.2%	8.0%	9.3%	7.6%	9.9%	7.8%	9.3%	7.8%	2.4%	2.0%

Senior leadership by gender

	Group Board		Senior Management ⁶		Senior Executive Team		Senior Leadership ⁷	
	Number	%	Number	%	Number	%	Number	%
Female	3	27%	5	33%	2	33%	11	24%
Male	8	73%	10	67%	4	67%	35	76%
Total	11		15		6		46	

Senior leadership by ethnicity⁸

	Group Board		Senior Management		Senior Executive Team		Senior Leadership	
	Number	%	Number	%	Number	%	Number	%
Of white European heritage	10	91%	14	93%	6	100%	38	83%
Of Black, Asian or minority ethnic heritage	1	9%	1	7%	0	0%	8	17%
Total	11		15		6		46	

UK employee turnover (%)

	2023	2022	2021	2020	2019	2018	2017
Turnover (excluding fixed-term contracts and redundancies)	26.2%	28.1%	27.8%	17.9%	20.9%	22.1%	22.7%

⁶ Refers to the definition within the Companies Act 2006 s414C (8)-(10). Data is for the financial year.⁷ Refers to the Senior Executive Team's direct reports as per the FRC's 2018 UK Corporate Governance Code Provision 23. Data is for the financial year.⁸ Reflects the Parker Review methodology and definition of 'Director of colour'.



PROUD TO BE BAKKAVOR



Respect and trust
each other



Keep the customer at the
heart of what we do



Get it right,
keep it right



Be proud of
what we do

PROUD TO LIVE OUR VALUES

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