

# Trusted Partner

# BAKKAVØR



**Bakkavor Group plc**  
**ESG Report 2022**

## About BAKKAVOR\*

**45**

total sites

**c.2,900**

total products

**>1,300**

total suppliers

**£2,139.2m**

Group reported revenue

**>18,500**

total colleagues

**#1**

position in UK fresh  
prepared food market

## OUR vision:

To lead the way in bringing innovative, great-tasting, freshly prepared food to people across our markets.

## OUR purpose:

To delight our customers and consumers through the fresh, convenient and great-tasting food that we proudly create every day.

## 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

## OUR strategy:

To deliver profitable and sustainable growth.



## OUR THREE strategic ESG priorities:

Climate  
and Net  
Zero

Food  
Waste

Environmentally  
Sustainable  
Sourcing

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## About THIS REPORT

This is our first dedicated Environment, Social and Corporate Governance (ESG) report, covering activities supporting our Trusted Partner ESG strategy in 2022.

We also report the headline progress and material updates in our Annual Report and Accounts which can be found at: [www.bakkavor.com/investors/annual-reports/default.aspx](http://www.bakkavor.com/investors/annual-reports/default.aspx).

We report against the recommendations of the Taskforce for Climate-related Financial Disclosures (TCFD).

Pages 26-30 of this report contain our ESG performance data.

All data shown is for the calendar year 2022 and at a Group level, unless specified.

For activities in previous years, please see our historical Annual Reports.

Contact address for ESG and sustainability enquiries: ESG@bakkavor.com, [www.bakkavor.com/esg](http://www.bakkavor.com/esg)

# Welcome to our dedicated ESG REPORT

**Trusted Partner is our Environment, Social and Governance (ESG) strategy, and a vital part of Bakkavor, supporting our resilient performance in 2022 despite a challenging external environment.**

'Trust' as a concept is reflected in our values and also as one of the pillars in our business strategy. As our ESG strategy, Trusted Partner defines how we act on the most critical issues facing society.

This year, Bakkavor has implemented several measures to reflect the escalating importance of ESG at all levels of the business, including formalising a dedicated ESG Board Committee to oversee the agenda, of which I am pleased to Chair.

Our commitment of Net Zero operational carbon



emissions by 2040 has become a major focus for the Group. This is clearly a big and ambitious challenge that requires cross-functional support and teamwork. So, we are diving deep into the business to get a full and detailed understanding of where we stand, and what we need to do in the years to come to set and achieve our transition plan. This is by no means easy, but I've been encouraged by our progress so far and the commitment to tackling the challenge head-on in 2023.

As well as looking forward, the Board has recognised the positive progress made on many of Bakkavor's Trusted Partner commitments during 2022. Reducing food waste, accidents and carbon emissions in a challenging year for the business demonstrates the importance we place on our ESG objectives. Also seeing the scale of the achievements made on improving the sustainability of packaging is truly impressive, including the volume of plastic removed, and the materials made recyclable.

**"Trusted Partner strengthens and complements our business strategy and helps the company to fulfil its purpose, growing in a positive and sustainable way"**

As ever, collaboration and teamwork on Trusted Partner is vital to our approach. In 2022, Bakkavor engaged closely with customers, with colleagues through our regular Trusted Partner newsletter and internal events, with suppliers through forums, one-to-one conversations and assessments, and with investors through our regular updates and discussions.

Looking ahead, it looks like it's going to be another challenging year. However, I remain confident that our ESG agenda strengthens and complements Bakkavor's business strategy and helps the company to fulfil its purpose and grow in a positive and sustainable way.



**Umran Beba,**  
Independent Non-Executive  
Director and Chair of the  
ESG Board Committee

# UPDATING OUR ESG STRATEGY: *Materiality*

## Materiality assessment

To ensure our ESG strategy focus areas remain relevant and address the topics that are most important to our stakeholders in 2022, Bakkavor updated its ESG materiality assessment. This exercise was first conducted in 2019.

The process began with an updated horizon scan exercise to review the priority topics for our sector that influence sustainable development, guided by external frameworks such as the UN Sustainable Development Goals ("SDGs"), the UN Guiding Principles on Business and Human Rights and the recommendations from industry organisations such as IGD (Institute of Grocery Distribution) as well as expertise from specialists such as WWF and WRAP.

The resulting list of ESG issues was subsequently narrowed down through a process of internal consultation, and then the shortlist of ESG issues were prioritised through an internal survey to rank each issue on its relative importance for growing our business in a sustainable way. Each issue was also assessed on its relative importance to external stakeholders in contributing to sustainable development using input from conversations and engagement with external partners, including customers, suppliers, investors, and specialists.

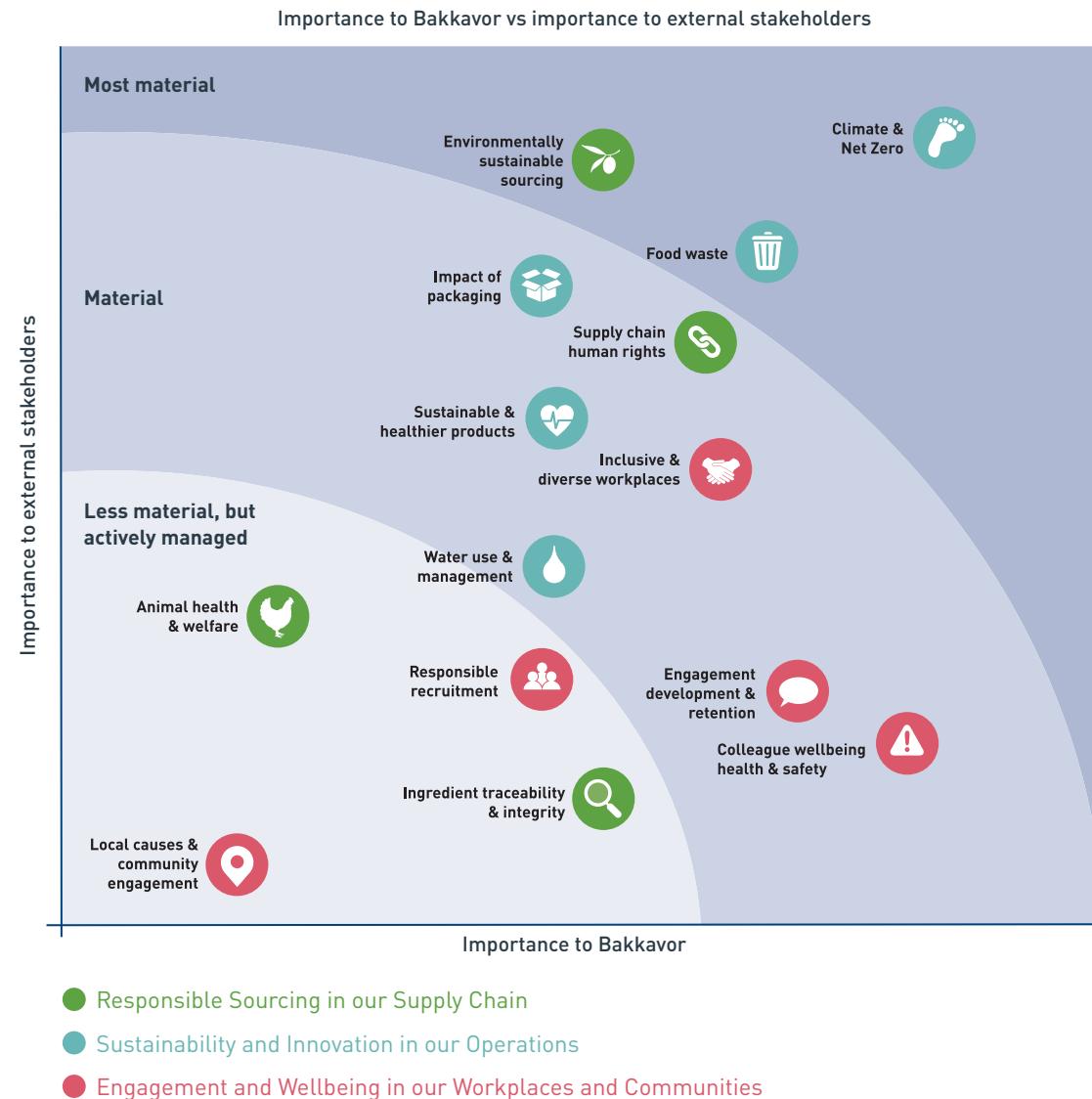
As a result of this assessment, three issues were identified as most material and will be our strategic ESG priorities going forward.

Climate and Net Zero

Food Waste

Environmentally Sustainable Sourcing

## Materiality matrix



# UPDATING OUR ESG STRATEGY: *Strategic Priorities*

The world around us is constantly changing, and it is vital that we respond. In 2022, we refreshed our Trusted Partner strategy, to ensure that as a business we act on the most pressing challenges that we face.

Following the update to our materiality assessment, we updated our commitments and ambitions across the board. Some are steps on a longer path which we will continually revisit. Many are ambitions we share with our customers and our sector as part of a collective push towards a more sustainable food industry.

Read a summary below, or in more detail on the pages that follow.

## Our three strategic ESG priorities:



### Climate and Net Zero

#### Our commitment:

Net Zero across our Group operations by 2040.

#### Our 2022 progress:

18.9% Decrease in carbon emissions

### Food Waste

#### Our commitment:

Halve our UK food waste by 2030.

#### Our 2022 progress:

15.8% Decrease from 9.15% to 8.05%

### Environmentally Sustainable Sourcing

#### Our commitment:

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

#### Our 2022 progress:

2025 Strengthened our deforestation commitment for high risk commodities and joined the UK Soy Manifesto.



# Strategic Priority: CLIMATE AND NET ZERO

## SUSTAINABILITY AND INNOVATION IN OUR OPERATIONS

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 we have committed to reaching **Net Zero carbon emissions across our UK, US and China operations by 2040**. In this way we support the outcomes of the Paris Agreement and the objective to limit global warming to well below 2°C, aiming for 1.5°C.

### Accurately measuring and reporting our footprint

Group net carbon emissions is one of our non-financial KPIs. To be able to track trends more quickly in 2022, we implemented quarterly Group carbon footprint analysis, which are now communicated at Executive, Management Board and Board level through the ESG Committee.

In 2022, we took major steps in developing our climate transition plan. This involved interrogating decarbonisation levers, such as technological interventions as well as deployment of renewable energy solutions. This information has been used to prepare our business's transition pathway and suggest short, medium and long-term options.

### Pursuing efficiency across 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. Energy performance of sites is closely monitored, with all eligible UK manufacturing sites operating under Climate Change Agreements (CCAs).

2022 performance across the Group (scope 1&2)		
	tCO <sub>2</sub> e	Change vs 2021
Group gross (location-based) carbon emissions	144,035	- 16.9%
Total net emissions (market-based)	110,106	-18.9%
UK net emissions	65,048	-15.3%
US net emissions	14,437	-18.7%
China net emissions	30,621	-25.5%

In the UK, we purchase 100% renewable energy through certificates, and are exploring renewable Power Purchase Agreements (PPAs) in 2023.

In the US, we conducted the first part of extensive energy audits to replicate UK analysis into efficiency opportunities.

In China, there was an intensive focus throughout the year on reducing refrigeration ("F")-gas leakages. In December, Bakkavor Beijing started installation of rooftop solar energy panels, estimated to reduce site electricity consumption by 15%.

We responded to CDP's Climate questionnaire for the fourth time, improving our score to a B.

### Addressing and understanding 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.

Scope 3 emissions calculations are complex due to a current reliance on secondary sources. Based on these calculations scope 3 accounts for 91% of our overall UK footprint with the vast majority coming from 'purchased goods and services' (see page 27).

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 9). We also continue to innovate our packaging to reduce plastics, increase recycled content and ensure recyclability (see page 14).

### Further information

- TCFD report (within our [2022 Annual Report](#))
- [Supplier Code of Conduct \(UK\)](#)
- [Environment Policy](#)
- [Deforestation and Conversion Free Soy Policy](#)  
[Deforestation Statement](#)

• **See also:** [www.cdp.net/en/responses/1362/Bakkavor-Group](http://www.cdp.net/en/responses/1362/Bakkavor-Group)

• **Detailed data:** page 26



# Strategic Priority: FOOD WASTE

## SUSTAINABILITY AND INNOVATION IN OUR OPERATIONS

As a major food manufacturer, food waste is one of our biggest priorities. As well as being an indicator of inefficiencies and waste of valuable resource, food waste is a major contributor to greenhouse gas emissions.

### Halving food waste by 2030

We support the UK food sector's effort to [reducing food waste and the Champions 12.3 commitment of halving it by 2030](#) (from a 2017 baseline).

We have been measuring our food waste since 2017 using the principles and template of 'Target, Measure, Act' – a toolkit set by the non-profit organisation WRAP and the IGD.

As one of our business's non-financial KPIs, UK food waste is tracked at a site level and reported on a monthly basis. The results are shared and challenged at Executive, Management Board and Board level through the ESG Committee.

### Implementing the food waste hierarchy

Our primary objective is to prevent waste from occurring in the first place, so each of our UK sites have targets to work towards.

We focus on waste elimination as the first priority – looking at where it occurs and identifying ways to address it through process innovation. Secondly, we prioritise redistribution by sharing suitable surplus through our staff shops, charities, or redistribution partners. Finally, we maximise recycling of waste by sending it to be used as animal feed.

### Business-wide action to drive down waste

To address an increase in waste levels seen in 2021 following a return to pre-pandemic levels of production, in 2022 we implemented a dedicated taskforce to get back on target.

This taskforce immediately focused on a new process for timely, accurate data collection and reporting and governance procedures. These were rolled out through roadshows and internal verification audits to engage our colleagues on the urgency of the task.

The team conducted additional analysis to identify root causes at processes and hotspot sites. This enabled identification of step-change opportunities in recycling of surplus at four key sites as well as opportunities to expand programmes at three other sites.

As a result of this intervention, we saw a successful turnaround in our food waste levels, reducing by 6,018 tonnes to 8.05% in 2022 (from 44,382 tonnes, 9.15% in 2021). Net food waste down 15.8%.

In addition, redistribution of surplus food increased by 9.8% to 1.5 million meal equivalents<sup>1</sup>. This included the equivalent of 360,000+ meals donated to charities.

### Encouraging innovation mindsets

To find alternative solutions for surplus food and think creatively, we have needed to energise the business and increase understanding of food waste as an issue and what can be done.

To do this, we have run roadshows and progress sharing updates at internal seminars, produced a training video and encouraged teams to come up with their own solutions.

One innovation included a partnership with Hawksbill rum, redistributing the offcuts from prepared mango and pineapple slices for use as flavouring in the distillation of their popular flavoured spiced rum range.



#### Further information

#### Detailed data: page 27

<sup>1</sup>Based on a 420g portion



# Strategic Priority: ENVIRONMENTALLY SUSTAINABLE SOURCING

## RESPONSIBLE SOURCING IN OUR SUPPLY CHAIN

At Bakkavor it's our aim to procure the raw materials we use in a way that is as environmentally sound as possible, considering for impacts on land, water and biodiversity. Environmental sustainability in food production is critical not just for the planet, but also for improving the resilience of our supply chain.

### Combatting deforestation and land use conversion

Deforestation is a key issue for the whole food industry. **We commit to working towards zero net deforestation and conversion-free sourcing by 2025** for the high-risk raw materials that we use: **palm oil, soy, carton board-based packaging** and **beef** (UK, 2020 cut-off date<sup>2</sup>).

### Sourcing deforestation risk commodities

**Soy** is used as feed for farmed animals and therefore embedded within ingredients such as meat, eggs, farmed fish, milk, butter, cream and cheese. Since 2020, Bakkavor UK has offset its embedded soy consumption with credits purchased through the Round Table on Responsible Soy (RTRS).

We require evidence from suppliers that embedded soy comes from an origin with low risk of deforestation or conversion, or by sourcing through appropriate third party, company, or regional schemes. To support this, we became signatories to the UK Soy Manifesto.

Since 2012, all UK-sourced **palm oil** is purchased to the standards set by the Roundtable on Sustainable Palm Oil (RSPO). Bakkavor sites using palm oil (a small volume used mostly in desserts and ready meals) must maintain RSPO supply chain certification. We only accept mass balance credits where segregated RSPO certified palm oil is not available. As of 2022, 98.8% of the RSPO

palm oil is from segregated supply chains. Additionally, we require that the first importers shall have credible company-wide 'No Deforestation, No Peat and No Exploitation' (NDPE) policies in place.

Since 2021, all our primary **cardboard** packaging is sourced from wood pulp from sustainable sources (PEFC or FSC chain of custody certification) and we have committed to extending this to secondary card packaging by 2024.

All of the **beef** procured for our UK business (used in some pizzas and meals) comes from retailer approved European farms that are not high risk for deforestation or land use conversion.

Our food safety and integrity procedures ensure compliance with our sourcing requirements and have dedicated sourcing teams on the ground in the UK, China and Spain who are able to work closely with many of our biggest producers and stay connected to ongoing developments, opportunities, and challenges.

### Sustainable sourcing beyond deforestation

As an own-label supplier, we support our retail customers' sourcing requirements on a wide range of specific commodities. This can include standards such as Rainforest Alliance or the Marine Stewardship Council (MSC). These vary depending on the material and each customer's own specifications.

In addition, in 2023 we will formalise an approach around our supplier expectations on animal welfare. We will also work with our UK customers in the shift towards **100% cage free eggs by 2025 and Group-wide, by 2027**.

As of 2022, 77% of our eggs in the UK are from cage-free sources. In China and the US where cage-free eggs are less commercially available, our sourcing proportion is <1% and >50% respectively. In these markets, we will work with our customers to meet their specifications and timelines whilst encouraging greater availability for cage free eggs.

<sup>2</sup> A 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.'

### Further information

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

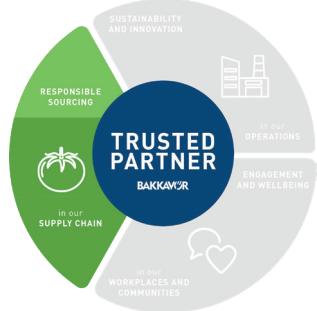
See: [www.cdp.net](http://www.cdp.net)



### Related policies and documents

- [Supplier Code of Conduct \(UK\)](#)
- [Deforestation and Conversion Free Soy Policy](#)
- [Deforestation Statement](#)

# Trusted Partner ADDRESSES 12 MATERIAL ESG ISSUES



## 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.

⚠ Environmentally Sustainable Sourcing - page 9

Supply Chain Human Rights - page 12

⚠ Strategic priority



## Sustainability and Innovation in our Operations

Bakkavor has 45 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.

⚠ Climate and Net Zero - page 7

⚠ Food Waste - page 8

Impact of Packaging - page 14

Sustainable and Healthier Products - page 15

Water Use and Management - page 16



## 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 - page 18

Inclusive and Diverse Workplaces - page 19

Engagement, Development and Retention - page 20

Responsible Recruitment and Employment - page 21

Local Causes and Community Engagement - page 22

# Responsible Sourcing

## IN OUR SUPPLY CHAIN

**Responsible Sourcing in our Supply Chain encompasses two distinct but connected material issues: Supply Chain Human Rights and Environmentally Sustainable Sourcing.**

**For our business, a resilient supply chain is critical, as is the future sustainability of our food systems. Therefore, we work with growers and partners to minimise environmental impacts, including deforestation and climate change, whilst supporting the rights and livelihoods of the millions employed in food production worldwide.**



### How we manage Responsible Sourcing

Our Responsible Sourcing strategy is overseen by a Steering Committee chaired by our UK Procurement Director. It reports to our ESG Executive Committee, tracking progress against our commitments and wider supplier engagement programme. It comprises representatives across Procurement, Technical and other specialist external support. The Steering Committee use a bespoke supplier risk management system based on supplier data and global intelligence sources.

We monitor compliance against our Supplier Code of Conduct – a requirement for all Bakkavor UK suppliers. This Code outlines the standards that we expect our suppliers to meet and forms part of our supplier selection process. Key areas include human rights, ingredient integrity and environmental sustainability.

Industry collaboration in this area is extremely important in order to address systemic issues. We are active in a number of forums, including the Food Network for Ethical Trade (FNET). Bakkavor's Responsible Sourcing Manager was nominated to the Board of FNET in 2022, a strong endorsement of our active participation in the group.

[\*\*Environmentally Sustainable Sourcing - page 9\*\*](#)

[\*\*Supply Chain Human Rights - page 12\*\*](#)

# Supply Chain HUMAN RIGHTS



## RESPONSIBLE SOURCING IN OUR SUPPLY CHAIN

The global nature and complexity of the food supply chain means that there are human rights risks including modern slavery and inadequate labour practices.

Protecting the welfare and rights of workers throughout our supply chain is a top priority for our business and a central element to our Responsible Sourcing strategy. We make our expectations clear to our suppliers and work with them to ensure that they can meet and maintain the standards required.

### Engaging compliance through our Code of Conduct

Core to our risk based approach is our Supplier Code of Conduct, against which all direct suppliers to Bakkavor UK are required to demonstrate compliance. It outlines our expectations on issues from modern slavery, migrant and child labour, working hours, discrimination, bribery and corruption, environmental impact and other important topics.

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.**

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

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](#).

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

### Steps for continuous improvement

In 2022, a small number of suppliers were delisted, or relationships paused due to inadequate responses or engagement with our Code of Conduct assessment.

For suppliers onboarded in 2022, we will re-run the assessment programme in H1 2023 to ensure full, ongoing compliance.

To expand our ethical sourcing approach to our international businesses, in 2022 we developed a Group Supplier Conduct Policy which expands the principles of the UK Supplier Code of Conduct. This will be further rolled out in our US and China businesses in the coming years.

We also engaged on whistleblowing with our UK business's suppliers by holding a webinar targeting suppliers that were viewed to have insufficient practices.



### Further information

- [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 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

We operate 45 sites and in 2022 our product portfolio comprised around 2,900 products. Sustainability and Innovation in our Operations aims to minimise the impacts of our direct operations and increase the sustainability of the food we manufacture.

This focus area comprises five material ESG issues: Climate and Net Zero, Food Waste, Impact of Packaging, Sustainable and Healthier Products and Water Use and Management. The last of these was added in 2022, following the refresh of our Trusted Partner strategy and materiality assessment.



### How we manage Sustainability and Innovation

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

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

This system, combined with increased environmental training rolled out in 2022, has contributed to improved environmental audit scores through 2021 and 2022.

[Climate and Net Zero - page 7](#)

[Food Waste - page 8](#)

[Impact of Packaging - page 14](#)

[Sustainable and Healthier Products - page 15](#)

[Water Use and Management - page 16](#)

# Impact OF PACKAGING



## SUSTAINABILITY AND INNOVATION IN OUR OPERATIONS

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. Yet plastic packaging in particular contributes to pollution and can originate from non-renewable sources.

For fresh prepared products, a fully circular reuse model is not yet feasible for food safety. Therefore, we prioritise selecting the right packaging materials and formats in order to balance shelf-life, safety, and quality alongside sustainability. At the same time, we must enable consumer recycling as much as possible.

### A shared industry approach

In 2019, we signed up to [the goals of The UK Plastics Pact](#) for our UK business, as they closely align to our goals and those of our UK customers.

We work towards these through our internal Packaging Forum working group. The group shares updates from respective businesses and departments, discusses challenges and cross-pollinates ideas and innovations.

### Our progress in achieving the UK Plastics Pact's targets

#### Eliminating problematic or unnecessary single-use packaging

- Removed 2,429 tonnes of plastic from the UK business, equivalent to a 12% reduction in total volume achieved in a year.

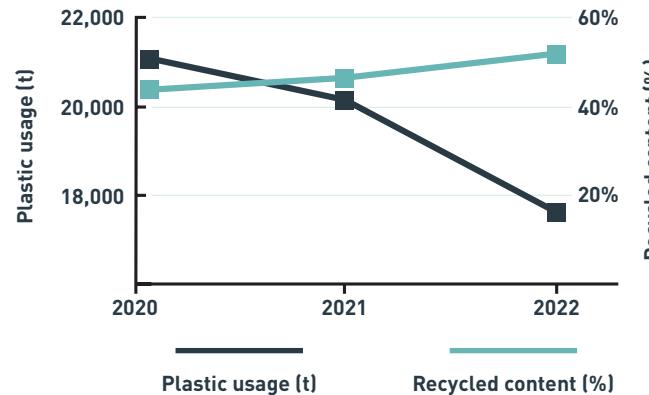
#### 100% reusable or recyclable plastic packaging

- 99.9% 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 2022, the average recycled content of our plastic packaging was 52.9%, above the target of 30% which we first achieved in 2019.



In addition to the goals of The UK Plastics Pact, we have additionally committed to:

- Reduce our total use of plastic packaging by 5%, equivalent to around 1,000t by end 2024.**
- Remove 125m pieces of plastic from our packaging formats by end 2024.**
- Source primary (achieved) and secondary (by 2025) cardboard from certified sustainable sources such as PFC and PEFC.**

#### How we removed over 2,000 tonnes of plastic in a year

Where possible, we use lighter grades of plastic, for example for ready meal and cheesecake trays as well as the wrap for chilled bread products. We have also changed some formats of prepared vegetables from trays to bags, reducing in weight.

Working with our customers, we have also eliminated some formats like additional lids on pots and custards, without compromising on quality.

For some formats, we have switched from plastic to alternative, renewable materials such as cardboard, which is also easily recyclable.

Where plastic is still required, we maximise recyclability. For example, by switching from a complex laminate to a mono recyclable material for stir fry sauces, which enabled us to make 9.1m more pieces of our plastic packaging recyclable.

Finally, we work on projects to increase use of plastics with recycled content.

#### Further information

- [Environment Policy](#)
- [See also: CDP Forests questionnaire \(pulp and paper\)](#)

[Detailed data:](#) page 27

# SUSTAINABLE AND Healthier Products



## SUSTAINABILITY AND INNOVATION IN OUR OPERATIONS

It's increasingly evident that the health of the planet is linked to our own health and that of the food we eat.

We recognise that healthier and more sustainable lifestyles go hand in hand and as a business we want to help facilitate the shift to diets that are not only healthier for consumers but better for the planet.

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.**

In addition, we look for ways to support pledges on increasing vegetable content in products like our ready meals.

As a business we want to help facilitate the shift to healthier, more sustainable lifestyles by producing a wide range of healthy, innovative and great value products that suit vegan, vegetarian and flexitarian diets, including for dedicated plant-based product ranges for our customers.

We look for ways to support pledges on increasing vegetable content in products like our ready meals and have committed to **enabling sustainable diets through our product portfolio by continuing to drive plant-based fresh prepared product ranges.**

### Our approach

We monitor the latest consumer trends and this insight is used to inform our new product development. We have a cross functional team that is focused on product sustainability criteria; establishing how it can be measured and managed.

Our product developers have a particular focus on reducing food waste, for example, by using different edible parts of fruits and vegetables which have in the past been discarded.

We also continue to engage with the IGD's Environmental Labelling trials through the "Consult" group.

### Progress in 2022

Whilst there has been emphasis on simplified ranges across our customer base, Bakkavor has continued to make progress to have a progressively healthier and more sustainable product portfolio.

The number of vegetarian products we produce has increased to 52% (from 50% in 2021), with vegan options continuing to represent 19% of products we supply.

83% of our products are already compliant with the Food Standard Agency's salt reduction targets for 2024 (the same as in 2021).

62% of our products are healthier options as defined by the UK's Department of Health UK Nutrient Profiling Model (up from 60% in 2021).

Over 390 of our products contain at least one of the recommended five portions of veg portion, down slightly from 400 in 2021 due to product line simplification.



52%

of our products are vegetarian

83%

compliant with FSA's salt reduction targets for 2024

62%

of our products are 'healthier options'

# WATER USE AND Management



## SUSTAINABILITY AND INNOVATION IN OUR OPERATIONS

As a food manufacturer, a consistent and adequate supply of fresh water is critical to our business operations. For example, for hygiene purposes and in food preparation and cooking processes.

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. Water at our manufacturing sites is monitored in line with our consent to discharge and/or environmental permits to ensure we are compliant with local, regional, or national water quality standards and regulations.

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 have set ourselves a **commitment 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.

### Progress

We report our water consumption and management through CDP's water questionnaire ([www.cdp.net](http://www.cdp.net)). Data for 2022 will be in 2022's questionnaire which will be submitted in 2023.

### Further Information

- [Environment Policy](#)
- [See also: CDP Water questionnaire](#)
- [Detailed data: page 28](#)



Wastewater treatment and reuse plant.

# Engagement and Wellbeing

## IN OUR WORKPLACES AND COMMUNITIES

Our colleagues are our greatest asset, and their commitment to delivering great-tasting, quality food whilst living our values is central to our success.

To be a trusted partner, we support our workplaces and communities through our approach to our ESG material issues: Colleague Wellbeing, Health and Safety; Engagement, Development and Retention; Responsible Recruitment and Employment; Local Causes and Community Engagement, and Inclusive and Diverse Workplaces.



### How we manage Engagement and Wellbeing

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

We have set Global H&S Management Principles that outline standardised best practices for every site. In addition, a number of cross-functional workstreams support our activity in this focus area:

- Wellbeing Committee
- Inclusion and Diversity Forum
- Human Rights and Ethical Programme

[Colleague Wellbeing, Health and Safety - page 18](#)

[Inclusive and Diverse Workplaces - page 19](#)

[Engagement, Development and Retention - page 20](#)

[Responsible Recruitment and Employment - page 21](#)

[Local Causes and Community Engagement - page 22](#)

# COLLEAGUE WELLBEING, Health and Safety



## ENGAGEMENT AND WELLBEING IN OUR WORKPLACES AND COMMUNITIES

The health and safety of our colleagues is, and always will be, our biggest priority. We strive for zero harm as safety can never be taken for granted, and there are always opportunities to learn and improve.

### Minimising risk and tracking performance

Whilst in most manufacturing environments, accidents will occur, we consistently outperform industry averages on workplace safety. Each site reports and monitors performance against a number of health and safety metrics and measures, and these are reported to the Management Board monthly, with quarterly updates to Group Board.

As one of our principal risks, health and safety is reported through regional risk committees, Management Board and at the Audit and Risk Committee, 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 using a newly introduced online system, which reflects the focus on sharing health and safety best practices across the business.

### Beyond safety to wider wellbeing

We are clear that a healthy workplace is not just about the absence of physical risk of harm. We aim to provide an environment where colleagues can thrive, and feel that their broader physical, emotional and financial wellbeing is being supported. At Bakkavor, this is steered through a cross-functional Wellbeing Steering Committee that includes our Chief People Officer and is

supported by our Chief Financial Officer as Group Board Sponsor.

### Improvements made across the Group

Improved health and safety metrics were seen across the Group, supported by relentless root cause analysis, shared learnings, and targeted interventions.

The rate of >7 day accidents in the UK decreased by 3.9% to 321 per 100k employees. In China this rate fell by 38% (to 448 per 100k employees) and in the US recordable<sup>3</sup> accidents reduced by 12% to 3,539 per 100k employees. There were no fatalities in 2022.

We launched new Global Health & Safety Management Principles to set consistent recommendations across all sites as part of a focus to drive a step change in safety risks in the workplace and standardise best practice.

The Wellbeing Committee launched Bakkavor's Wellbeing Strategy which outlines our goals and objectives in this area (see right).

We trained 77 Wellbeing Champions across the UK business to support and embed the Wellbeing Strategy at a local level. Part of the Champions' remit is to promote use of our Colleague Wellbeing Toolkit – a suite of resources to promote emotional, physical and financial wellbeing – and access to the industry charity GroceryAid – which offers help, assistance and advice to colleagues on a wide range of issues.

In our 2022 Employee Engagement Survey, 67% of colleagues agreed that Bakkavor cares about their health and wellbeing. This indicates we still can do more to reach colleagues on wellbeing issues and the resources available, and so are embedding this into leadership training.

### Our wellbeing, health and safety commitments

- Continue our commitment to health and safety, targeting zero serious accidents across the Group.
- Out-perform industry averages on numbers of major accidents and >7 days lost time accidents.
- Be recognised by our colleagues as supporting them to achieve positive wellbeing.
- Continue to implement our Wellbeing Strategy and pledges across sites.
- Train Wellbeing Champions for local, on-the-ground support.
- Make regular updates to our Wellbeing Toolkit and campaigns.
- Commit to listen and ensure our actions are making a difference.

### Detailed data: page 28



<sup>3</sup>According to definition of the US Occupational Safety and Health Administration ("OSHA"). Employee numbers include agency labour.

# Inclusive AND DIVERSE WORKPLACES



## ENGAGEMENT AND WELLBEING IN OUR WORKPLACES AND COMMUNITIES

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 want to create an equal and inclusive workplace where colleagues feel valued, included, and inspired to perform at their best.

We want to create an equal workplace through understanding colleagues' points of view, being aware of different cultures and customs, and broadening our perspectives. Each and every one of us should be treated with respect and feel able to be ourselves.

We commit to **promoting an inclusive working environment, where differences are valued, and individuals feel they can be themselves, without judgement.**

### Our values and what we believe

Our 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.

We also make our position clear through our Inclusion & Diversity (I&D) Policy, available on our website, which is championed through Bakkavor's I&D Forum, first convened in January 2021.

Our Bakkavor values are clearly published and understood within the business, with our value of Trust and Respect articulating the behaviours we expect.

Our I&D Hub offers colleagues a range of learning opportunities and resources covering a range of I&D topics, including cultural diversity, LGBTQA+, and disability as well as tips on inclusive management behaviours.

### Promoting inclusive behaviours and allyship

In 2022, the Inclusion and Diversity Forum supported a programme of events to raise awareness of I&D topics. These included:

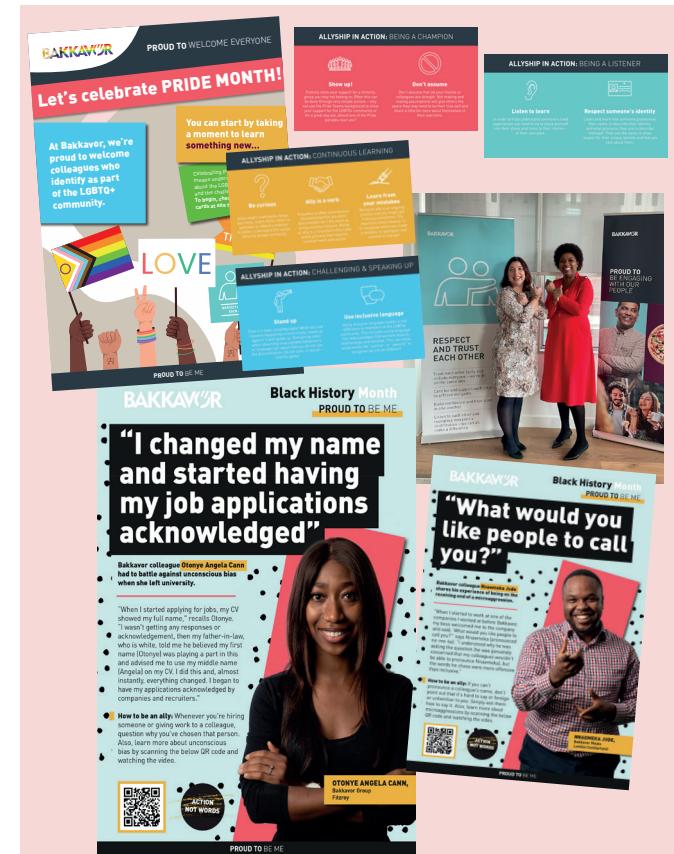
**Pride Month:** Championing the theme and value of allyship with quizzes, videos, examples of active allyship from our colleagues and a Q&A with our ESG Board Committee lead.

**Black History Month:** Celebrating the contributions of Black culture and exploring topics with our colleagues around the specific barriers, microaggressions and unconscious bias faced by Black colleagues.

**Female Mentoring Programme:** A 12-month structured development programme, designed to support female talent with their personal development and growth.

In 2023, as well as re-running our Employee Engagement Survey to track our progress around I&D, we will **continue to focus on gender balance through our female mentoring programme.**

**Values Celebration Week:** Teams came together to learn about our values and celebrate what it means to work at Bakkavor.



### Further information

- [Inclusion & Diversity policy](#)

- **Detailed data:** Employee data (page 29) and Gender Pay (page 30)



# ENGAGEMENT, DEVELOPMENT AND *Retention*

## ENGAGEMENT AND WELLBEING IN OUR WORKPLACES AND COMMUNITIES

Providing a workplace where our colleagues feel engaged, empowered, and able to be themselves is a core business priority.

This supports our objectives of attracting and retaining the best talent and contributing to the local economic development of our communities by being an employer of choice.

To do this, we have three main action areas: colleague engagement through open and constructive two-way communication; fostering an equal, inclusive and diverse workplace; and developing our talent through training and progression opportunities and fostering early careers through our Apprenticeship and Graduate Programmes.

### Our approach

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

Open and constructive communication are vital for us to be able to hear views from all levels of the business, as well as keep our >18,500 colleagues informed and updated. In 2022, we again conducted a Group-wide Employee Engagement Survey – now an annual process – and received an 86% response rate. The outcomes are shared at functional and team level in order to set action plans for improvement.

Outside of the engagement survey, our UK Group Employee Forum ('GEF') and Site Employee Forums ('SEF') create an open and regular channel of communication between employees and management.

SEF representatives are elected by peers and play a vital role in sharing best practices across sites, supporting local causes and charities, providing support and seeking advice. Jill Caseberry is a dedicated Independent Non-executive Director for Workplace Engagement, providing colleagues with a direct channel of communication and an independent champion at Group Board.

### Progress in 2022

Turnover in the UK remains high due to challenging labour market conditions faced in food and drink manufacturing. At 28.1% it is 30 basis points up on 2021 (27.8%).

Our talent and continuous learning programme was further developed with a new central hub for learning opportunities in a wide range of topics including digital skills, inclusion & diversity, communication and teamwork skills.

We also introduced a bespoke management training course for front line leaders and a female mentoring programme (see page 19).

Our Early Careers programmes continue to grow, bringing in 68 more graduates and apprentices to build our potential leadership pipeline of tomorrow.

We were proud to be named the 'Top Company for Apprentices' in the Consumer Goods & FMCG category for the third year running by TheJobCrowd.

### Updated commitments

- Reduce our UK employee turnover and maintain below industry average.
- Continue to empower our employees to speak up on issues important to them by promoting open channels of communication through our Site Employee Forums ("SEFs") and the annual Group Employee Forum.
- Continue to embed our values as the foundation of our culture, striving to create a great place to work.
- Conduct an annual Group-wide Employee Engagement Survey, aiming for an overall employee engagement score above industry average.

 Detailed employee data: page 29.

### 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

# Responsible RECRUITMENT



## ENGAGEMENT AND WELLBEING IN OUR WORKPLACES AND COMMUNITIES

Bakkavor is a major employer in the communities where we have operations, which are across four countries – the UK, USA, China and a small logistics team in Spain.

It is imperative that we guarantee human rights and ethical employment in our own operations. Responsible Recruitment and Employment ensures we have policies, practices and values which support this and our values and culture will never be compatible with any form of modern slavery.

As such, we have committed to **drive awareness and action on the issue of modern slavery, rolling out campaigns and training so that our colleagues know the indicators and how to report them.**

### Our approach

At Bakkavor, we work for ethical trade and human rights through a Group Human Rights and Ethical Programme. We develop ethical policies and processes, provide training and support, ensure that our operations understand and comply with the required standards and develop and agree the Group's ethical trade and modern slavery action plans.

Our approach is supported through our Ethical Trading and Human Rights Policy which details the principles we follow, including support of the UN Guiding Principles and meeting the ETI Base Code.

Our Code of Conduct applies to all Bakkavor businesses and is communicated to all employees. It includes topics including Modern Slavery, anti-bullying and harassment, human rights and respect for our environment and community.

In addition, Bakkavor is an AB (buyer/supplier) member of Sedex – the responsible supply chain platform. Bakkavor sites are required to enter their data and update every six months. Each site will link with their customer and share this data.

We require our suppliers to become members of Sedex and create a relationship link to Bakkavor, to enter their data onto the system, and to update the Self-Assessment Questionnaire every 12 months.

For details about our approach to human rights in our supply chain, see page 12.

### Progress in 2022

We rolled out training on modern slavery for the Procurement, Purchasing and HR functions, Operations managers and for Site Employee Forum (SEF) and Trade Union (TU) representatives.

We supported the development of 'Stronger Together' training workshops, guidance and toolkits. Stronger Together is a multi-stakeholder initiative working to tackle modern slavery and this supports our second commitment in this area - **to work with industry partners to share best knowledge and collaborate on responsible recruitment and employment practices.**

We refreshed our Code of Conduct in June to ensure it remains up-to-date and reflects our latest approach to ethical trading and human rights.

### 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 2022 were investigated thoroughly and escalated where required. Whistleblowing is also regularly monitored by the Group Board.

SPEAK UP SPEAK UP SPEAK UP SPEAK UP  
SPEAK UP SPEAK UP SPEAK UP SPEAK UP

### Further information

- [Ethical Trade and Human Rights policy](#)
- [Modern Slavery Statement 2022](#)
- [Freedom of Association policy](#)
- [Supplier Code of Conduct](#)

# LOCAL CAUSES AND Community Engagement



## ENGAGEMENT AND WELLBEING IN OUR WORKPLACES AND COMMUNITIES

Bakkavor believes in giving back to those communities in which we operate. To maximise our positive impact, we have committed to **support and fundraise for our Group charity partners through Group donations and colleague engagement fundraising activities**.

### New partnerships at scale

In 2022, Bakkavor began two new, three-year Group corporate charity partnerships with GroceryAid and Natasha Allergy Research Foundation.

GroceryAid is the industry charity for the grocery sector in the UK and provides a wide range of support, including financial assistance, legal advice, health and wellbeing, counselling and support with addictions.

Natasha Allergy Research Foundation is aiming to prevent and end allergic disease through pioneering allergy research, policies and education.

### Enabling local causes and activity

As a major employer in the communities in which we operate, we pride ourselves on the strong ties we create locally. Therefore, in addition to our Group charity partners, we encourage and enable our sites to support local charities, schools, sports teams, vulnerable people and projects that are important to them. By rallying our colleagues around key causes, we believe we can have a positive impact on our local areas and help communities who need it the most.

In 2022 Bakkavor US announced its support of four foodbanks local to its sites, and a matched giving scheme to raise further funds to support each foodbank.

Bakkavor China also supports local charities and causes including two local charities for the homeless.

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.

### Fundraising achievements

Bakkavor donated over £125,880 to charities in 2022. This included more than £73,000 to GroceryAid and over £25,000 to Natasha Allergy Research Foundation.

In addition, our colleagues – often led by Site Employee Forum (SEF) representatives – raised a further £13,000+ for these charities through fundraising activities. Additionally, they volunteered their time and made donations of surplus product.

Bakkavor China donated around 1,197kg of food to local frontline medical staff to thank them for their efforts in the fight against COVID-19 and our Hong Kong business has redistributed around 322kg surplus products to two local charities who deliver food to the homeless and those in need.

In the US, our Carson site in California, hosted a blood drive for the Los Angeles Children's Hospital and our Bread site in Charlotte, North Carolina donated 1,000 loaves of bread to health workers administering COVID-19 vaccines.



# Management and Governance OF ESG AT BAKKAVOR

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

In 2022, we formalised Board level responsibility for ESG, initially through a combined ESG and Nomination Committee in January, and then through a dedicated ESG Committee in June, which met a further two times during the year. In addition, the Committee received training covering topics including climate and Net Zero, sourcing issues including deforestation, food waste and packaging.

## GROUP BOARD

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

**In 2022:** The Group Board met eight times with a dedicated ESG session on three occasions.

**ESG Sponsor:** Ben Waldron, CFO (previously Agust Gudmundsson to October 2022).

## ESG COMMITTEE

Dedicated Board Committee for ESG matters. Provides oversight for to the ESG Executive Committee as well as providing recommendations to the Group Board.

**In 2022:** The ESG Committee was set up as a dedicated Board Committee, meeting twice during the year.

**Chair:** Umran Beba, Independent Non-executive Director.

## MANAGEMENT BOARD

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

**In 2022:** The Management Board agenda included ESG matters on a quarterly basis, including updates on developing our climate transition plan.

**Sponsor:** Ben Waldron, CFO (previously Agust Gudmundsson to October 2022).

## ESG EXECUTIVE COMMITTEE

Comprised of cross-functional experts, the Committee provides overall direction and coordination of the Group's Trusted Partner strategy.

**In 2022:** Met quarterly, ahead of Management Board and ESG Committee meetings.

**Chair:** Lee Miley, UK Finance Director (previously Sally Barrett-Jolley, Head of Corporate Affairs to November 2022).

# Bakkavor and the UN Sustainable Development Goals

**The long-term success of our Group depends on responding to the needs of all our stakeholders and the world around us.**

We developed Trusted Partner – our ESG strategy – in 2019, to address the critical social and environmental issues for our business. The United Nations' Sustainable Development Goals (SDGs) supported this process and our latest update by providing a blueprint for how the industry, government and civil society can make progress towards a mutually sustainable future.

We see the Goals as a valuable framework to translate our strategy to broader sustainable development objectives, provide measurement and indicators of progress, and engage and unify industry around common themes.

For example, we are part of the industry movement taking up the target 12.3 within Sustainable Consumption and Production. By signing up to Champions 12.3 we have committed to halving our food waste in the UK by 2030, and measuring and reporting progress along the way.

At Bakkavor, we have a significant contribution towards some specific SDGs, but all of them are relevant to some degree.

Our business has a vital role in promoting sustainable consumption and production. In 2018, Bakkavor signed up to the Champions 12.3 initiative – tackling target 3 of goal 12 which aims to halve food waste by 2030 (read more, page 8). We contribute towards other targets in SDG 12 by continuously embedding more sustainable practices and disclosures.

## UN SDGS WHERE BAKKAVOR HAS A SIGNIFICANT CONTRIBUTION



### Goal 3: Good Health and Wellbeing

We support healthier lives through adapting recipes to support nutritional targets.

With our own colleagues we strive for the highest standards on workplace health and safety and support physical, emotional and financial wellbeing through our Wellbeing Strategy and programme.



### Goal 5: Gender Equality

We're committed to increasing the inclusiveness of Bakkavor as a workplace and promoting gender equality at every level.

We monitor our diversity metrics and are finding ways to remove barriers to career progression, which typically affect women more than men.

 Read more, page 19.

Gender pay gap information, page 30.



### Goal 8: Decent Work and Economic Growth

We can directly support the rights of workers in our own operations through our responsible recruitment practices (read more, page 21) and indirectly through our Responsible Sourcing programme (page 12).

Our approach is supported by our Ethical Trading and Human Rights Policy.



### Goal 12: Responsible Consumption and Production

Our business has a vital role in promoting sustainable consumption and production.

In 2018, Bakkavor signed up to the Champions 12.3 initiative – tackling target 3 of goal 12 which aims to halve food waste by 2030 (read more, page 8).

We contribute towards other targets in SDG 12 by continuously embedding more sustainable practices and disclosures.



### Goal 13: Climate Action

The climate emergency is the biggest sustainability challenge facing our world.

We've committed to reducing our own operational emissions to Net Zero by 2040 and are making progress towards this (read more, page 7).

Beyond this, we are addressing supply chain emissions through an engagement programme (page 9).



### Goal 17: Partnerships for the Goals

Multi-stakeholder partnerships are critical to addressing many of the shared and systemic sustainability challenges faced by business and society.

We actively engage with a number of industry platforms, from the Food Network for Ethical Trade (FNET), IGD, Stronger Together and others.

# Bakkavor and the UN Sustainable Development Goals

## UN SDGS WHERE BAKKAVOR HAS A MODERATE CONTRIBUTION



### Goal 1: No Poverty

Across the UK, US and China, we provide jobs meeting all national minimum wage laws and offer a range of training opportunities to help our colleagues go further in their careers, as well as a range of personal benefits (see page 20).

We support job creation and ethical employment in the supply chain (see page 12).



### Goal 2: Zero Hunger

Through our Responsible Sourcing strategy, we contribute towards more sustainable agricultural practices to increase productivity and resilience whilst minimising potential harmful impacts (read more, page 9).



### Goal 4: Quality Education

The training and development of our colleagues enables them to progress in their career. We offer tailored development plans and in-house e-learning opportunities.

Our award-winning Graduate and Apprenticeship Programmes enable young people to gain real-world experience and build qualifications through a structured placement scheme.



### Goal 6: Clean Water and Sanitation

Water is an important resource in both food production and manufacturing. All our sites have full water, sanitation, and hygiene (WASH) services for all workers as well as water treatment plants. This is vital for our safe operating food hygiene standards and is incorporated into Group policies.



### Goal 7: Affordable and Clean Energy

In the UK, we have used renewable electricity for our supply for a number of years and are investigating Power Purchase Agreements (PPA)

As of 2023, we have installed solar panels on our Beijing, China site and are looking for renewable opportunities in the US.



### Goal 9: Industry, Innovation and Infrastructure

Through our efforts to decrease our operational environmental impact and increase utility efficiency, we promote more sustainable manufacturing.

Innovations are encouraged and celebrated through our Celebrating 'Proud to be' Bakkavor Awards, where process improvements are highlighted.



### Goal 14: Life Under Water

Bakkavor is not a significant buyer of seafood ingredients, but what we do use is sourced to the sustainability standards required by our customers, which can include, for example, Marine Stewardship Council (MSC) certification.



### Goal 15: Life on Land

Bakkavor UK is working towards 100% deforestation and conversion-free sourcing of our forest risk commodities – soy, palm oil, beef and paper.

We source only RSPO-certified palm oil and offset our embedded soy footprint with RTRS credits (page 9).

Paper for card packaging must be FSC/PEFC certified and none of our beef originates from high-risk areas.

# ESG Data

## SUSTAINABILITY AND INNOVATION IN OUR OPERATIONS

### Greenhouse gas emissions, Group

tCO<sub>2</sub>e, for the period 1 January 2022 – 31 December 2022

	2022	Change	2021	2020	2019
Scope 1					
UK	<b>59,855</b>	-14.9%	70,336	83,926	88,521
US	<b>8,386</b>	-25.6%	11,264	14,515	9,226
China	<b>9,029</b>	-49.1%	17,754	8,418	7,066
<b>Total Scope 1 emissions</b>	<b>77,270</b>	-22.2%	99,354	106,858	104,813
Scope 2					
UK	<b>39,121</b>	-11.1%	44,012	49,396	57,741
US	<b>6,052</b>	-6.8%	6,495	7,583	6,685
China	<b>21,592</b>	-7.6%	23,375	20,708	19,668
<b>Total Scope 2 emissions (location-based)</b>	<b>66,765</b>	-9.6%	73,881	77,687	84,094
Green tariff	<b>33,928</b>	-9.6%	37,544	43,007	50,431
<b>Total Scope 2 emissions (market-based)</b>	<b>32,836</b>	-9.6%	36,337	34,680	33,663
<b>Total gross (location-based) emissions</b>	<b>144,035</b>	-16.9%	173,235	184,545	188,907
<b>Total net (market-based) emissions</b>	<b>110,106</b>	-18.9%	135,691	141,538	138,476
<b>Intensity ratio (gross tCO<sub>2</sub>e/£m reported revenue)</b>	<b>67.3</b>	-27.3%	92.6	102.9	100.2

### Annual energy consumption, Group

kWh, for the period 1 January 2022 – 31 December 2022

	2022	Change	2021	2020	2019
Scope 1 (kWh)	<b>338,883,129</b>	-3.9%	352,728,213	391,680,450	380,530,563
Scope 2 (kWh)	<b>257,698,953</b>	-2.8%	265,077,689	269,787,168	275,983,366
<b>Total energy (kWh)</b>	<b>596,582,083</b>	-3.4%	617,805,902	661,467,618	656,513,928

### Greenhouse gas emissions - UK

tCO<sub>2</sub>e, for the period 1 January 2022 – 31 Dec 2022, Bakkavor Foods Limited (UK)

	2022	Change	2021	2020	2019
Scope 1	<b>59,855</b>	-14.9%	70,336	83,926	88,521
Scope 2 emissions (location-based)	<b>39,121</b>	-11.1%	44,012	49,396	57,741
Green tariff	<b>33,928</b>	-9.6%	37,544	43,007	50,431
Scope 2 emissions (market-based)	<b>5,193</b>	-19.7%	6,468	6,389	7,310
<b>Total gross (location-based) emissions</b>	<b>98,976</b>	-13.4%	114,348	133,322	146,262
<b>Total net (market-based emissions)</b>	<b>65,048</b>	-15.3%	76,804	90,315	95,830
<b>Intensity ratio (gross tCO<sub>2</sub>e/£m reported revenue)</b>	<b>55.5</b>	-22.7%	71.8	85.1	88.5

### Annual energy consumption - UK

kWh, for the period 1 January 2022 – 31 Dec 2022, Bakkavor Foods Limited (UK)

	2022	Change	2021	2020	2019
Total renewable energy consumption (on-site generated), kWh	-	-	-	-	-
Total non-renewable energy consumption (kWh)	<b>501,953,056</b>	-3.8%	521,885,147	573,288,445	579,759,118
Total energy consumption (kWh)	<b>501,953,056</b>	-3.8%	521,885,147	573,288,445	579,759,118

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

# ESG Data

## SUSTAINABILITY AND INNOVATION IN OUR OPERATIONS

### Scope 3 greenhouse gas emissions, UK (tCO<sub>2</sub>e)

	2022 (UK)	2021 (UK)	2020 (UK)
1. Purchased goods and services	<b>952,420</b>	1,004,066	925,531
2. Capital goods	<b>11,979</b>	15,789	13,577
3. Other fuel-and-energy-related activities	<b>22,127</b>	24,997	20,593
4. Upstream transportation and distribution	<b>N/A<sup>4</sup></b>	N/A <sup>4</sup>	141
5. Waste generated in operations	<b>1,857<sup>4</sup></b>	1,873 <sup>4</sup>	2,990
6. Business travel	<b>N/A<sup>4</sup></b>	N/A <sup>4</sup>	688 <sup>5</sup>
7. Employee commuting	<b>16,501</b>	16,594	16,596
9. Downstream transportation and distribution	<b>N/A<sup>4</sup></b>	N/A <sup>4</sup>	1,281
12. End of life treatment of sold products	<b>13,798</b>	13,901	14,694
Total Scope 3 emissions	<b>1,018,682</b>	1,077,220	996,092
% of total footprint	<b>91%</b>	90%	88%

### Food waste, UK

	2022	2021	2020	2019	2018
Food waste as percentage of food produced	<b>8.05%</b>	9.15%	8.48%	8.90%	9.10%
Food waste (tonnes)	<b>38,364</b>	44,382	41,625	43,913	48,757
<b>Food waste avoided</b>					
Recycled as animal feed (tonnes)	<b>25,255</b>	21,265	24,752	27,519	30,499
Redistributed to people through FareShare and local charities (meal equivalents <sup>6</sup> )	<b>364,286</b>	412,643	189,095	165,548	86,310
Redistributed to people through other secondary markets such as redistributors (meal equivalents <sup>6</sup> )	<b>1,138,095</b>	955,405	1,538,643	989,190	1,350,000
Redistributed in Bakkavor staff shops (meal equivalents <sup>6</sup> )	<b>1,833,333</b>	1,419,667	1,332,190	1,771,810	1,327,738

<sup>4</sup>Following the baseline assessment conducted, these categories were deemed 'de minimis', as they contribute less than 1% of total Scope 3 emissions. They were therefore excluded from 2021 and 2022 calculations.

<sup>5</sup>Due to the unusual impact of Covid on business travel in 2020, data from 2019 was used to provide more representative results.

<sup>6</sup>Meal equivalent based on a 420g portion. All our UK sites send zero waste to landfill.

### Packaging use (UK)

	2022	2021	2020
Total primary packaging in products sold (tonnes), of which:	56,565	62,825	61,667
Total made from recycled and/or renewable materials	47,434	51,033	49,054
% from recycled and/or renewable materials	83.9%	81.2%	79.5%
Total packaging that is recyclable, reusable, and/or compostable	56,565	62,726	61,572
% that is recyclable, reusable, and/or compostable	99.9%	99.8%	99.8%
<b>Packaging use by material</b>			
Plastic (tonnes)	17,899	20,328	21,032
PE / HDPE / LDPE / LLDPE	372	319	314
PET, of which:			
rPET (recycled)	9,362	9,269	9,136
Average recycled content (%)	67.7%	64.9%	63.6%
PP	3,589	5,639	6,247
Virgin PP	3,490		
Recycled PP	99		
Laminate films	106	99	95
Average recycled content, all plastics (%)	52.9%	45.6%	43.4%
Paper-based packaging (tonnes)	37,973	41,764	39,918
Other primary packaging materials, e.g. aluminium	693	733	717

# ESG Data

## SUSTAINABILITY AND INNOVATION IN OUR OPERATIONS

### Sustainable and healthy products, UK

	2022	2021
	% UK product portfolio	
Plant-based products	<b>19%</b>	19%
Vegetarian products	<b>52%</b>	50%
Meeting 'healthier' criteria (lower in fat, sugar, salt than alternatives) <sup>7</sup>	<b>62%</b>	62%
Meeting the Food Standards Agency's 2024 target for salt	<b>83%</b>	83%
Contain at least one of the recommended five portions of veg	<b>&gt;390</b>	>400

### Water, UK and China

	2021 m <sup>3</sup>	2020 m <sup>3</sup>
Water withdrawals (mains) usage	3,562,770	3,735,940
Water discharges	2,901,400	2,871,900
Total consumption	661,370	864,040
Intensity ratio per £m revenue	391.0	524.6

We report our water consumption and management through CDP's water questionnaire ([www.cdp.net](http://www.cdp.net)). Data for 2022 will be submitted in 2023.

## ENGAGEMENT AND WELLBEING IN OUR WORKPLACES AND COMMUNITIES

### Regional health and safety data, UK

	2022	vs 2021	2021	2020	2019	2018
Major <sup>8</sup> accidents per 100k employees	<b>39</b>	-31.6%	57	49	41	94
>7 days lost-time accidents per 100k employees	<b>321</b>	-3.9%	334	330	254	400
Total accidents per 100k employees	<b>6,083</b>	-2.8%	6,260	6,579	7,726	10,068

### Regional health and safety data, US

	2022	vs 2021	2021	2020
OSHA Recordable incidents <sup>9</sup> per 100k employees	<b>3,539</b>	-12%	4,034	9,333
OSHA Reportable injuries <sup>9</sup>	<b>0</b>	-	0	1

Our international businesses additionally report health and safety data as per local legislative requirements to the relevant authorities. US prior year numbers have been restated due to an adjusted calculation of agency labour numbers.

### Regional health and safety data, China

	2022	vs 2021	2021	2020
Major accidents per 100k employees	<b>0</b>	-	0	47
>7 days lost-time accidents per 100k employees	<b>448</b>	-38%	726	424

<sup>7</sup>As per the Department of Health's UK Nutrient Profiling Model.

<sup>8</sup>Number of 'major' accidents and specified injuries as defined by the UK Health and Safety Executive.

<sup>9</sup>According to definition of the US Occupational Safety and Health Administration ("OSHA"). Employee numbers include agency labour

# ESG Data

## ENGAGEMENT AND WELLBEING IN OUR WORKPLACES AND COMMUNITIES

**Employee data.** The Group employed 18,972 colleagues in total. Almost all colleagues (>99%) are considered permanent.

By location	2022		2021	2020	2019	2018	2017
	Number	% of total					
United Kingdom	15,567	84%	15,863	16,356	16,942	17,004	17,348
US	973	5%	875	808	874	635	595
China	2,009	11%	2,205	2,125	2,266	2,181	1,628
Continental Europe (Spain, Italy)	31	<1%	29	29	23	22	22
<b>Total</b>	<b>18,580</b>		18,972	19,318	20,105	19,842	19,593

By function	2022		2021	2020	2019	2018	2017
	Number	% of total					
Production	15,283	82%	15,578	15,938	16,759	16,706	16,653
Management and administration	2,378	13%	2,521	2,488	2,424	2,183	1,992
Sales and distribution	919	5%	873	892	922	953	948
<b>Total</b>	<b>18,580</b>		18,972	19,318	20,105	19,842	19,593

By gender, Group	2022		2021	2020	2019	2018	2017
	Number	% of total					
Female	8,420	45%	8,450	8,654	8,864	8,698	8,389
Male	10,160	55%	10,522	10,664	11,241	11,144	11,204
<b>Total</b>	<b>18,560</b>		18,972	19,318	20,105	19,842	19,593

By gender, UK	2022		2021	2020	2019	2018	2017
	Number	% of total					
Female	6,670	43%	6,612	6,888	7,011	7,055	7,116
Male	8,897	57%	9,251	9,468	9,931	9,949	10,232
<b>Total</b>	<b>15,567</b>		15,863	16,356	16,942	17,004	17,348

By gender, USA	2022		2021	2020	2019	2018	2017
	Number	% of total					
Female	440	45%	419	382	414	280	262
Male	533	55%	456	426	460	355	333
<b>Total</b>	<b>973</b>		875	808	874	635	595

By gender, China	2022		2021	2020	2019	2018	2017
	Number	% of total					
Female	1,291	64%	1,405	1,366	1,427	1,352	1,002
Male	718	36%	800	759	839	829	626
<b>Total</b>	<b>2,009</b>		2,205	2,125	2,266	2,181	1,628

By gender, Continental Europe	2022		2021	2020	2019	2018	2017
	Number	% of total					
Female	19	61%	14	18	12	11	9
Male	12	39%	15	11	11	11	13
<b>Total</b>	<b>31</b>		29	29	23	22	22

# ESG Data

## ENGAGEMENT AND WELLBEING IN OUR WORKPLACES AND COMMUNITIES

### Gender pay reporting (UK)

	2022	2021	2020	2019
Median gender pay gap	9.3%	7.3%	2.1%	7.3%
Mean gender pay gap	9.6%	9.3%	8.2%	10.7%

	2022		2021		2020		2019	
	M	F	M	F	M	F	M	F
1st quartile (lower paid)	40.9%	59.1%	49.3%	50.7%	58.8%	41.2%	49.5%	50.5%
2nd quartile	62.0%	38.0%	58.6%	41.4%	59.6%	40.4%	59.3%	40.7%
3rd quartile	66.1%	33.9%	63.0%	37.0%	58.1%	41.9%	62.5%	37.5%
4th quartile (highest paid)	67.8%	32.3%	67.0%	32.6%	67.6%	32.4%	67.5%	32.5%

	2022	2021	2020	2019
Median gender bonus gap	12.1%	15.2%	14.5%	14.9%
Mean gender bonus gap	21.0%	17.0%	28.1%	13.6%

	2022		2021		2020		2019	
	M	F	M	F	M	F	M	F
Proportion of males and females receiving a bonus	9.3%	7.6%	9.9%	7.8%	9.3%	7.8%	2.4%	2.0%

### Senior leadership by gender

	Group Board Number	Group Board %	Senior Management <sup>10</sup> Number	Senior Management %	Management Board Number	Management Board %	Senior Executives <sup>11</sup> Number	Senior Executives %
Female	3	27%	5	33%	2	33%	14	33%
Male	8	73%	10	67%	4	67%	28	67%
<b>Total</b>	<b>11</b>		<b>15</b>		<b>6</b>		<b>42</b>	

### Senior leadership by ethnicity<sup>12</sup>

	Group Board Number	Group Board %	Senior Management Number	Senior Management %	Management Board Number	Management Board %	Senior Executives Number	Senior Executives %
Of white European heritage	10	91%	14	93%	6	100%	36	86%
Director or Executive of colour	1	9%	1	7%	0	0%	6	14%
<b>Total</b>	<b>11</b>		<b>15</b>		<b>6</b>		<b>42</b>	

### UK employee turnover (%)

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

<sup>10</sup>Refers to the definition within the Companies Act 2006 s414C [8]–[10]. Data is for Financial Year.

<sup>11</sup>Refers to the Management Board's direct reports as per the FRC's 2018 UK Corporate Governance Code Provision 23. Data is for Financial Year.

<sup>12</sup>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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Bakkavor Group Plc  
Fitzroy Place 5th Floor, 8 Mortimer Street, London, England, W1T 3JJ

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