



BY APPOINTMENT TO
HIS MAJESTY THE KING
SUPPLIERS OF
ARTISAN BAKERY GOODS
THE BREAD FACTORY
LONDON

ENVIRONMENTAL & SOCIAL RESPONSIBILITY POLICY

BUSINESS YEAR 2024- 2025

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1 INTRODUCTION: OUR COMMITMENT TO ENVIRONMENTAL & SOCIAL RESPONSIBILITY

1.1 ABOUT US

The Bread Factory is a specialist craft bakery that has been serving some of the top chefs in the UK for the last 30 years. Our skilled bakers work with a variety of sourdough starters, have an unwavering attention to fermentation processes and use a mix of grains to bake breads found in some of the UK's top hotels and restaurants, including many with Michelin stars. The Bread Factory is part of the same family as GAIL's Bakery – which was founded in 2005 - and share the same mission: giving more people better access to the best bread.

1.2 OUR COMMITMENT TO ENVIRONMENTAL & SOCIAL RESPONSIBILITY

Being environmentally and socially responsible makes good business sense. We strive to make exceptional bread, pastries, and cakes, with the communities that we serve and the environment in which we bake, at the heart of everything we do.

ENVIRONMENTAL

We are constantly reviewing how we can reduce carbon emissions and lessen our overall environmental impact. These include:

- Reduce, reuse and recycle: limiting waste, turning waste into next day's bread or baked goods, and recycling as much as possible.
- Adopting renewable energy sources: buying 100% renewable energy since 2014 and installing solar panels within our bakery estate.
- Low impact distribution: optimising transportation and logistics to minimise fuel consumption, whilst investing in our electric van fleet.
- Supporting good farming practices and promoting good soil health: investing in regeneratively grown wheat, always buying free-range eggs, and higher welfare meat and fish.
- Supporting small suppliers who are innovating for positive environmental impact: partnering with small producers who care about their craft and their role in the UK food system.

SOCIAL RESPONSIBILITY

Our key initiatives include:

- Providing a safe and inclusive work environment: providing an environment where everyone can be themselves and where safety is our number 1 priority.
- Employee well-being and diversity: looking after our people at work through programmes such as mental health awareness training, whilst fostering diversity through focussed employee forums.
- Supporting the learning and development of our teams: through world class craft training and apprenticeships.
- Improving the nutritional value of our products: increasing diversity of grains and higher fibre.
- Providing donations to local charities or community projects: distributing surplus food.

2 THE BREAD FACTORY

2.1 COMPANY OVERVIEW

COMPANY OVERVIEW	
BUSINESS NAME:	BREAD LTD T/A The Bread Factory
BUSINESS ADDRESS:	UNIT 12, GARRICK ROAD INDUSTRIAL ESTATE IRVING WAY, LONDON NW9 6AQ
BUSINESS ESTABLISHED:	1996
BUSINESS STRUCTURE:	PUBLIC LIMITED
COMPANY NUMBER:	03237576
ECONOMIC REVIEW	
BUSINESS SECTOR:	FOOD & BEVERAGE PRODUCERS
COMPANY TURNOVER BAND:	BAND E: £50,000,000 - £500+ Million
BUSINESS COMPANY TURNOVER:	£67,783,470
EBITDA:	UNDISCLOSED
NUMBER OF EMPLOYEES:	1096
OPERATIONAL LOCATION:	UK ONLY

2.2 MISSION STATEMENT

We are dedicated to creating exceptional bread, pastries, and cakes. Our mission is to give more people better access to the best bread. We work with a breadth of customers – Michelin-starred restaurants, five-star hotels, nationwide retail, pub, restaurant groups and local independent cafes. Every single one of our customers is helping us towards this goal.

We are unique as a business as we have taken craft baking and grown it to a high-scale commercial operation. We have achieved this by:

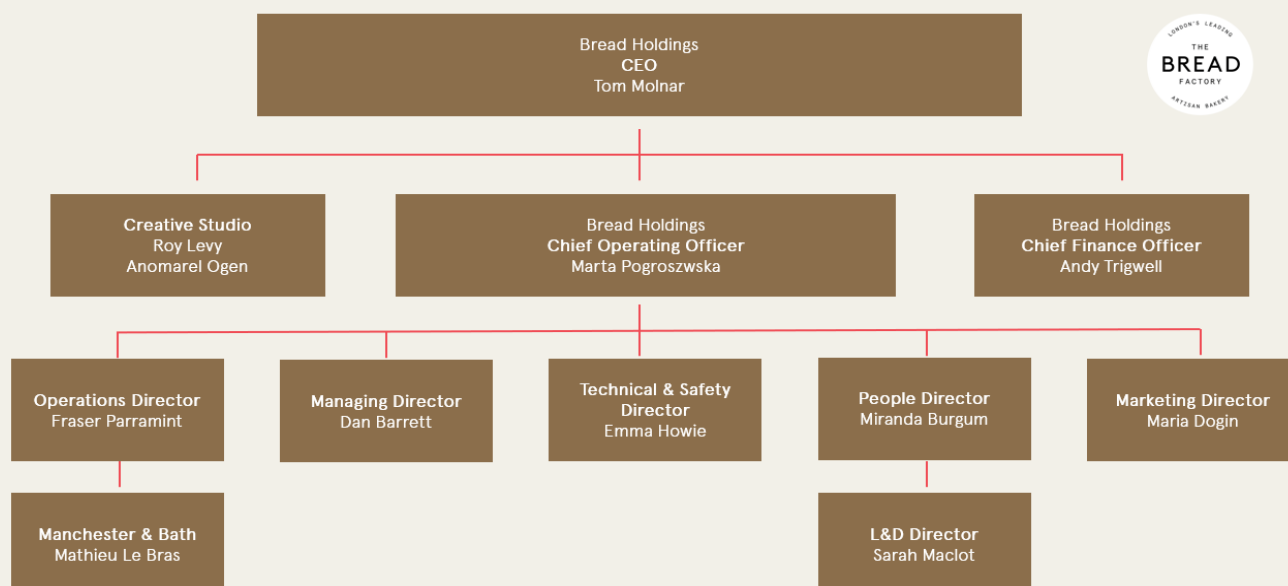
- Focusing on delivering the best quality every day
- Developing our people and creating expert bakers
- Sourcing the highest quality ingredients, with a focus on sustainable UK-grown
- Constantly innovating our product range
- Building strong relationships with our customers and suppliers alike

2.3 COMPANY VALUES

Our core values are:

- We **care** about **baking** (We believe good food is critical to physical, mental and spiritual well-being).
- We **care** about **each other** (We believe we do better when we look after one another).
- We **care** about the **community** (We believe in the power of people to make a difference locally).
- We **care** about **a job well done** (We believe that anything worth doing is worth doing well).

2.4 OUR SENIOR TEAM



2.5 SUSTAINABILITY OFFICERS

We recognise the need to appoint appropriate personnel who are accountable for ensuring our sustainability policies are adhered to, targets are achieved, and we continue to promote responsible business.

In 2024/2025, our sustainability officers are:

NAME	JOB TITLE	SUSTAINABILITY ROLE	ROLE COMMENCED
Tom Molnar	CEO	Strategic Lead, Sustainability Manager – Social Responsibility	01/01/2023
Maria Dogin	Marketing Director	Sustainability Officer – Communications -	01/01/2023
Emma Howie	Technical and Safety Director	Sustainability Officer – Technical	01/01/2023
Brett Parker	Property Director	Sustainability Officer – Estate Building Management	01/01/2023
Elliott Kaye	Head Of Procurement	Sustainability Officer – Supplier	01/01/2023
Richard Phipps	Head Of Supply Chain	Sustainability Officer – Waste Management	01/01/2023
Anomarel Ogen	Group Executive Head Baker	Sustainability Officer – Environment	01/01/2023

3 ENVIROMENTAL & SOCIAL RESPONSIBILITY POLICY

3.1 AIMS

We are committed to protecting the environment and undertake regular reviews of our practices to minimise our impact on the environment. We have set forth key policies and initiatives to ensure that this becomes an integral element of our business practices.

3.2 RISK & OPPORTUNITY ASSESSMENT

The policy is informed by a comprehensive risk and opportunity assessment, ensuring that all significant issues and business impact areas are addressed.

3.3 PRINCIPLES

The policy commits The Bread Factory to a set of principles and is supported by the board and senior management, indicating top-level endorsement and commitment to its implementation.

3.4 SCOPE

The policy covers all operations listed under The Bread Factory Ltd, including both direct and indirect impacts. This ensures that the policy addresses the full extent of the business' activities and their potential environmental and social implications.

3.5 DISCLOSURE

The policy is made available to the public, fostering transparency, accountability, and stakeholder trust. Additionally, ensuring that all our people are aware of its contents promotes internal alignment and understanding of the company's sustainability commitments.

4 ENVIRONMENTAL RESPONSIBILITY

We recognise that the activities of our organisation have an effect on the environment and are committed to minimising their negative impacts.

One specific area of greater focus has been our impact on farming practices. In 2023, we formalised two partnerships: 1. Wildfarmed, a grain supplier that focusses on sustainable farming practices specifically on changing the agricultural supply chain, supporting soil regeneration, in-field bio-diversity and not using 'cides during growing. 2. Shipton Mill and a selection of UK farmers, to grow heritage grains using regenerative agricultural methods, to not only improve the soil health and biodiversity in these fields but to create a market for better grain.

4.1 ENERGY

We recognise that responsible energy use is essential to reducing our carbon footprint and ensuring we operate a more efficient business. We are committed to identifying and implementing energy-saving measures and practices wherever possible.

- Key Metrics:
 1. Monthly comparison of energy usage.
 2. £ Sales per Kwh of energy use.
 3. Annual analysis of energy intake per production (SECR reports).
- Current Policy:
 1. To buy 100% green electricity and introduce solar panels where possible across our bakery.
 2. To use energy-efficient LED light sources throughout the bakery.
 3. To promote energy awareness throughout the business with regular reviews of energy consumption by bakery department.
 4. To support government energy policies and initiatives to help achieve UK's carbon emission reduction targets.
 5. To comply with building regulations and sustainable design practices that minimise energy consumption.
 6. To utilise air circulation venting systems throughout our units, negating the need for AC.
 7. To operate a hot-desk system where possible to keep computer numbers and usage to a minimum.
 8. To keep machine use to a minimum in our artisan bakery.
 9. To turn off lights in offices where natural light is adequate. To use movement sensors to switch off lights not in use.
 10. To turn computers and monitors off at the end of the working day.
 11. To buy more energy efficient equipment whenever older equipment is retired.
- Evidence:
 1. We have been purchasing green energy since 2014.
 2. We have installed solar panels onto the roof of our manufacturing site in Milton Keynes, generating 200kW per hour of electricity, around 12% of the site's overall usage.
 3. Our team of engineers service our ovens regularly in accordance to the manufactures guidelines.

4. We have installed a computerized maintenance supervision system to track all malfunctions and preventative measures taken, which will increase energy efficiency.
 5. Our ovens, coolers and steamers are descaled on a quarterly basis.
 6. Our fluorescent lighting has been replaced with LED equivalents.
 7. Introduction of movement sensor operated lighting.
- Targets For Next Year:
1. Explore increased rollout of solar and wind-generated electricity.
 2. Work with a software partner to collate all current sustainability targets to aid communication with stakeholders (Greenly).
 3. Develop a sustainability dashboard which can be shared with all employees, with energy usage and targets for each production unit.

MEASURING AND REPORTING ENERGY CONSUMPTION

The total consumption and emissions figures for energy supplies reportable by Bread Holdings Limited.

Consumption (kWh) and Greenhouse Gas emissions (tCO₂e) Totals. The following figures make up the baseline reporting for Bread Holdings, as 2020/21 is the first year that the Bread Holdings are required to report this information.

Scope 1 consumption and emissions relate to direct combustion of natural gas, and fuels utilised for transportation operations, such as company vehicle fleets.

Scope 2 consumption and emissions relate to indirect emissions relating to the consumption of purchased electricity in day-to-day business operations.

Scope 3 consumption and emissions relate to emissions resulting from sources not directly owned by the reporting company. For Bread Holdings, this is related to grey fleet (business travel undertaken in employee-owned vehicles) only.

The total consumption (kWh) figures for energy supplies reportable by Bread Holdings are as follows:

Bread Holdings Limited UK Total Energy Consumption (kWh)

Utility and Scope	2022/23 Consumption (kWh)	2021/22 Consumption (kWh)
Scope 1 Total	10,698,229	12,079,483
Gaseous and other fuels (Scope 1)	7,791,433	7,999,403
Transportation (Scope 1)	2,906,796	4,080,080
Scope 2 Total	15,392,045	12,528,708
Grid-Supplied Electricity (Scope 2)	15,392,045	12,528,708
Scope 3 Total	0	16,186
Transportation (Scope 3)	0	16,186
Total	26,090,274	24,624,377

The total emission (tCO₂e) figures for energy supplies reportable by Bread Holdings are as follows:

Energy Source Breakdown

	Natural Gas	Electricity	Transport
Carbon & Energy Consumption			
kWh	7,791,433	15,392,045	2,906,796
tCO ₂ e	1,422.25	2,976.51	670.46
YOY percentage change (tCO ₂ e)	-2.93%	+11.89%	-29.41%
Carbon Intensity Metric			
tCO ₂ e per Turnover (£m)	7.82	16.37	3.69
YOY percentage change (tCO ₂ e)	-30.98%	-20.54%	-49.91%
Energy Saving Projects			
<ul style="list-style-type: none"> • EV's • ESG • Recycling • Solar 			

An intensity metric of tCO₂e per £m turnover has been applied for the annual total emissions of Bread Holdings and results of this analysis is as follows:

Bread Holdings Limited

Reporting Year: 1st March 2022 – 28th February 2023

Total Carbon Emissions

Total Carbon Emissions: 5,069.23 tCO₂e
YOY percentage change (tCO₂e): -0.12%

Overall Carbon Intensity

Intensity Metric: 27.89 tCO₂e per Turnover (£m)
YOY percentage change (tCO₂e): -29.09%

4.2 TRANSPORT AND TRAVEL

We are aware that road transport accounts for approximately 21% of the UK's green gas emissions and our policies aim to reduce the impact of travel and transport on the environment. The benefits of our policies are two-fold, with reduced emissions also providing cost-savings through efficiency and fuel reductions.

- Key Metrics:
 1. Company Fleet Size.
 2. Number of Electric Vehicles.
- Current Policy:
 1. To select and use fuel-efficient vehicles, to help reduce fossil fuel usage in our transport fleet.
 2. To maintain our fleet to ensure vehicles retain the highest possible energy efficiency throughout their lifespan.
 3. To promote safe and energy efficient driving practices.
 4. To encourage the use of environmentally friendly transportation methods.
 5. We operate a Cycle to Work scheme and offer dedicated bike storage at our sites.
 6. To travel by public transport where it is convenient and time efficient.
 7. To plan ahead and coordinate travel to reduce unnecessary journeys, where possible using phone, e-mail, or conferencing as an alternative.
 8. Effective use of third party logistics/ haulage to maximum vehicle load and efficiency of deliveries.
- Evidence:
 1. Current van fleet size: 79. Electric vehicle fleet: 4.
 2. Vehicle maintenance schedule.
 3. Review of Third party logistics to optimise loads and cut road miles.

4. Usage of Paragon route planning software. Improved operational efficiency through optimised route planning. The ability to automatically track actual vehicle data e.g. idling time, route durations.
- Targets For Next Year:
 1. To introduce another two electric vehicles to our fleet.
 2. To reduce the number of internal unit-to-unit journeys within our estate and improve efficiency of product distribution between units. Where possible internal unit-to-unit movement will take place through electric vehicles.
 3. Fleet Vehicle Review to reduce food miles by consolidating customers and moving to a consignment-based approach.
 4. Continued reduction in the use of 3rd party logistics companies in favour of utilising our fleet with the introduction of dynamic routing.

4.3 WASTE

As a manufacturer we recognise we deal with many inputs and outputs leading to potential unnecessary waste. We are committed to investing in activities to manage these and ensure waste generated is handled as efficiently as possible, with emphasis on reducing, reusing and recycling wherever possible.

- Key Metrics:
 1. A monthly board report covers food waste, general waste, disposal costs, and total recyclable materials diverted from WTE streams.
- Current Policy:
 1. Use the DEFRA waste hierarchy to handle food waste:
 - a. Redistribute surplus food and drink
 - b. Make animal feed from former food.
 - c. Process surplus food to make biomaterials.
 - d. Recycle – anaerobic digestion and composting.
 - e. Recover waste by landspreading.
 - f. Recover energy from waste.
 - g. Dispose – send to sewer and landfill.
 2. Ensure local and national guidelines are followed for the disposal of all hazardous waste.
 3. To recycle all paper and dry mixed recyclables in the office.
 4. Food waste is recycled via diversion to animal feed.
 5. To recycle 100% of our cardboard.
 6. To drive awareness of waste amongst all our employees and wider stakeholders.
 7. To source and make efficient use of sustainable materials.
 8. To promote paperless communication.
 9. General waste is diverted from landfill to waste to energy (WTE).
 10. To retire our equipment responsibly by considering if the equipment or its components can be sold or donated to interested parties.
 11. To share food surplus with employees and charities.

- Evidence:
 1. We work with three waste partners across the group, Cawleys, Biffa and AC Shropshire.
 2. We have a dedicated cardboard recycling solution for excess packaging on-site.
 3. We recycle paper and Dry Mixed Recycling (DMR) from offices and canteens, this is then reported monthly in the board pack.
 4. We have a designated disposal bin for batteries and printer toners.
 5. We share surplus baked goods with our employees who can access any excess bread to take home.
 6. We bake leftover dough and send it to local farmers to use for animal feed.
 7. Re-using surplus materials in production. For example, our award- winning Waste-Not Sourdough, made with the surplus bread from the day before.
 8. We include recycling awareness messages to encourage recycling on our external communications.
- Targets For Next Year:
 1. Our aim for 2024 is to divert all recyclable material away from general waste.
 2. Leverage new communication channels to reach more colleagues.
 3. To develop our waste management system to incorporate further waste streams, including waste oils, and review current Units of Measure to access bulk deliveries (and reduce waste packaging).
 4. Introduction of new ERP processes allowing us to move toward a paperless production process.

4.4 WATER

Water is a key ingredient in our products and processes, but we also understand that it is natural resource that is under pressure. As a result, managing our impact on water and advocating efficient water usage of this resource is an environmental priority for us.

- Key Metrics:
 1. Monthly comparison of water usage.
 2. £ Sales per litre of water usage.
 3. Annual analysis of water usage per production.
- Current Policy:
 1. To drive awareness of efficient water usage.
 2. To maintain our water systems to prevent unnecessary leaks or wastewater.
 3. To use grease traps and interceptors cleaned quarterly to ensure no waste products enter the watercourse.
- Evidence:
 1. We have installed auto-stop push taps in our factory bathrooms.
 2. We have installed two-button flush toilets to reduce water usage.
 3. We've have taken steps to improve the consumption of water and the quality of waste water by applying methods like dry cleaning, and clean as you go and scrapping waste to the bin. This way, we are reducing the waste water generation at source.

- Targets For Next Year:
 1. To continue to monitor and report our water consumption at board level via the sustainability update.
 2. To research how we can implement practices advised in the Carbon Trust Standard for Water.
 3. To use rain harvesting from water collected on our bakery roofs.

5 SOCIAL RESPONSIBILITY

5.1 GENERAL WORKPLACE PRACTICES

We will always adhere to all applicable and relevant laws and regulations in the UK. We conduct all business activities in good faith and operate in an honest and ethical manner. All personnel are instructed to and are expected to comply with these policies, in addition to any other internal workplace rules and policies set out in their terms of employment.

5.2 DIVERSITY IN THE WORKPLACE

We operate in a global environment and understand our employees come from a variety of backgrounds, cultures and regions. Employees are asked to give appropriate consideration to these when performing duties. We strive to bring a sense of togetherness and we advocate for mutual respect. We encourage the freedom to be your complete self. We aim to understand our people and create an environment where they feel supported, respected and celebrated and run a diversity forum with our employees to encourage inclusion and understanding.

5.3 REPORTING CONCERNS

We encourage all concerns with regard to any operations or practices that violate laws or regulations to be raised promptly through the appropriate channels. We treat all reports seriously and will ensure that all investigations will be handled fairly by an impartial member of staff, preserving anonymity wherever possible. We have an independent Whistleblowing hotline/website where employees can raise any concerns. We have also established an employee forum, in which a group of representatives sit with our Senior Leadership Team on a monthly basis to discuss their needs.

5.4 EQUAL OPPORTUNITIES

The Bread Factory is committed to ensuring that our People policy practices, and the enforcement of corporate regulations, ensure the protection of the rights of all those who work for us. In many areas we aim to operate above the minimum standards required by law to ensure our employees are safe, rewarded and valued. This is measured through independent audits of our site against the Ethical Trading Initiative Base Code.

We will encourage suppliers to follow a Code of Conduct based on the standards developed by the Ethical Trading Initiative (ETI), which is an alliance of companies, non-governmental organisations and trade union members who are working towards worldwide ethical standards of trading. Whilst we are not a full member of the Ethical Trading Initiative alliance, we fully endorse their principles. We respect internationally recognised Human Rights as established in the Universal Declaration on Human Rights and the International Labour Organisation's Core Conventions.

5.5 CHILD LABOUR/FORCED LABOUR

We do not use any form of forced, involuntary or child labour. (The term 'child' refers to those younger than the legal minimum age for full-time labour in the UK, currently 16 if in part-time education or training, otherwise 18).

5.6 HEALTH & SAFETY

Ensuring health and safety in the workplace is a paramount concern for our organization, reflecting our commitment to the well-being of our people. It is imperative that all employees adhere to our internal workplace safety rules and policies, which have been crafted to address the unique risks and hazards present in our work environment. In addition to our internal guidelines, employees are required to comply with the pertinent health and safety laws and regulations.

In the context of UK health and safety regulations, employees are expected to stay abreast of and strictly adhere to legislation such as the Health and Safety at Work Act 1974, the Management of Health and Safety at Work Regulations 1999, and any other relevant statutory instruments that pertain to our industry. This includes but is not limited to measures such as conducting risk assessments, implementing control measures, providing adequate training, and fostering a culture of proactive hazard reporting.

By upholding these standards, our personnel not only contribute to a safe and secure working environment but also demonstrate a shared responsibility for the well-being of themselves and their colleagues. Compliance with both internal policies and external regulations is fundamental to fostering a workplace culture that prioritizes health and safety, ensuring that our operations align seamlessly with the stringent standards set forth by UK authorities.

We recognise that health and safety management is an essential component of running a responsible business and that priority must be placed on protecting the wellbeing of our employees. As a food manufacturer this also extends to the products we produce to ensure that they can be consumed and enjoyed safely by all.

- Key Metrics:
 1. BRC Accreditation – Global Food Standards.
 2. Accident reporting and AFR (Accident Frequency Rate) Metrics.
- Current Policy:
 1. To provide Health & Safety guidelines to every employee in their employee handbook.
 2. To meet all the requirements of the 1974 Health and Safety at Work Act.
 3. To manage the health and safety risks occurring in the workplace.
 4. To provide a safe and healthy working environment.
 5. To ensure safe handling of materials and ingredients avoiding contamination.
 6. To prevent accidents as much as possible, and act appropriately if they do occur.
 7. To ensure all employees are trained and competent to do their work safely.
 8. To provide suitable information, instruction, and supervision.
 9. To ensure all products are produced according to food safety standards.
 10. To provide traceability for all products from ingredients to finished product.
 11. To create product specifications for all products addressing food safety protocols.
- Evidence:
 1. BRC Global Food Standards – Grade A and AA Certified (since 2013, audited annually).

- Targets For Next Year:
 1. To look at how we can improve education and reporting rates of reportable accidents, and to investigate the viability of also reporting 'near misses' to help identify potential causes.

5.7 TRAINING & PERSONAL DEVELOPMENT

We encourage our employees to reach their full potential and are committed to making sure our employees receive the training and development to achieve this progression. Employees will receive all statutory training such as Health and Safety and Food Safety, where relevant.

APPRENTICESHIPS

At The Bread Factory, we recognise the vital importance of nurturing talent from the ground up, which is why our "Growing Bakers" programme stands at the forefront of our apprenticeship initiatives. Launched in 2021 in response to the pressing need for skilled Artisan Bakers in the UK, this Baker Level 2 apprenticeship programme aims to fast-track the development of novices into proficient artisans. By partnering with the University College of Birmingham and Plumpton College, we've curated a curriculum that includes 10 master classes, theory workshops, and extensive workplace learning. Our apprentices gain invaluable experience by participating in diverse roles within our operations, from Quality Auditing to engaging in New Product Development. This holistic approach not only accelerates their path to becoming multi-skilled artisans but also enriches our team's diversity and depth of knowledge. A highlight of our journey has been the extraordinary achievement of Nisha, one of our Growing Bakers, who was honoured by Plumpton College with a Values Award. This award, given to only 40 students out of 3,000, acknowledges her outstanding contribution to the college's values of ambition, enterprise, passion, professionalism, progressiveness, and support.

Our efforts were also recognised on a national level as we were shortlisted as finalists for the Apprenticeship Programme of the Year at The Learning Awards 2024, a testament to the programme's excellence and impact.

In 2023, we expanded our commitment to apprenticeships by introducing five new programmes, supporting 893 training hours, and celebrating the graduation of 12 apprentices from our Baker Level 2, Team Leader Level 3, and Business Administration Level 3 programmes. This graduation ceremony, attended by our leadership team, was not just a celebration of individual achievement but a strong demonstration of our support for apprenticeships.

RISE - OUR LEARNING MANAGEMENT SYSTEM

The launch of *RISE*, our new Learning Management System, marks a significant milestone in our journey towards creating a learning and development ecosystem as enriching and satisfying as our freshly baked bread. *RISE* offers a custom-tailored experience that caters to both personal and professional development needs, featuring an array of expertly curated content across our *Breadflix* channels, *BreadYOUcation*, and *Kneading Your Career* workshops. This platform facilitates easy booking for training sessions and provides access to a wealth of materials, including podcasts, videos, articles, and book recommendations. It supports our managers in assigning training tasks and recommending resources that aid in the professional growth of their teams. *RISE* embodies our commitment to encouraging an environment of continuous learning and development, ensuring our employees have the resources they need to thrive.

KNEADING YOUR CAREER

Launched during the Leading Through Learning Week 2023, *Kneading Your Career* is an initiative that serves as a comprehensive guide to the array of learning resources, tools, workshops, and experiences we offer to empower our employees in shaping their career paths. Accessible through our LMS called *RISE*, it simplifies the exploration of development opportunities with features like a booking link for workshops. It's a testament to our dedication to providing the right support and guidance, underscored by the success stories of individuals who have crafted remarkable careers by leveraging these resources. We encourage the use of *Kneading Your Career* in discussions with line managers to tailor personal development plans, promoting a culture of continuous learning and growth.

BreadYOUcation

BreadYOUcation is our answer to the need for enhanced food education within our teams. We are doubling down on our commitment to educate our team about bread, baking, and the broader food system. This initiative is integral to our mission of driving positive change and establishing ourselves as an influential voice in the food industry. By creating a deep, accessible educational system that supports our ethical and values-driven approach, we empower our employees to have informed conversations with customers and make impactful decisions. *BreadYOUcation* is key in keeping consistent the product quality, enhancing customer engagement, and positioning The Bread Factory as a leading source of food education.

SCHOOL VISITS

Our engagement extends beyond the bakery to the heart of the community through our school visits. This initiative is designed to inspire the next generation about the art of baking and the importance of understanding the food system. By opening our doors to students, we provide a hands-on learning experience that promotes a deeper appreciation for the craft of baking. These visits not only educate but also cultivate a sense of curiosity and passion for food among young learners, aligning with our goal to influence positive changes in the food system from the ground up.

5.8 COMMUNICATION WITH EMPLOYEES

We encourage two-way communication throughout our business and recognise that effective communication is needed to engage employees and make them aware of the current working environment and policies. We have a bi-monthly magazine called *Breadlife* to share news with our team members. We also utilise screens in canteens and noticeboard as well as conducting staff surveys and listening forums.

5.9 WORKPLACE

Our goal is to create a safe, healthy and ultimately productive work environment for all. No employee should be subject to discrimination or harassment or any action that creates a hostile work environment. Care is one of our core values and our Senior Management Team are leading by example to embed it into our business practices.

5.10 POLICIES & PROCEDURES

We make our policies and procedures accessible to all staff. All policies and procedures are reviewed regularly, updated and communicated to staff. We care about our employees, and one of our key values being people, we aim to have a happy workforce, one, that lives to its peak potential. In order to ensure the happiness and development of our people we:

- Have an established employee forum in which a group of representatives sit with our Senior Leadership Team on a monthly basis to discuss their needs.
- Implement ideas that come from our people. An example of this was the building of Employee Wellbeing rooms which team members can use for prayer, meditation or just some quiet time.
- We invest heavily in our people's growth and development.
- We allow all employees to take home our products daily free of charge.
- We have a competitive benefit offering including an Employee Assistance Programme, 24 hour access to a GP, Cycle to Work Scheme and Discount Vouchers.

5.11 THE COMMUNITY & EMPLOYEES

We understand that we are in a relationship with our community and it is our duty to care. We place a strong emphasis on engaging our community stakeholders and are always looking and listening for new ways we can support and contribute.

5.12 CHARITY, SPONSORSHIP & DONATIONS

We have a long-standing commitment to give back to society and have identified supporting charities as a primary focus. We also recognise that donations are not limited to financial aid, and that staff time, inventory, and expertise are equally valuable resources.

- Current policy:
 1. To develop sustainable partnerships that create shared value with charities.
 2. To support charities through all resources we have to offer.
 3. To develop community links and provide on-going support for investment.
 4. Communicate our successes to encourage wider understanding and encourage awareness.
- Targets For Next Year:
 1. To find new ways we can contribute to our community stakeholders.
- Evidence:
 1. We partnered with six different schools to allow their students to develop an artisan sourdough into our range, with money from every loaf sold returned to the school's bursary fund to help train the bakers of tomorrow.
 2. We have installed screens in our canteens to ensure all employees are aware of our actions and our social and environmental responsibilities, in addition to encouraging participation.
 3. The Bread Factory is committed to enriching our local communities through ongoing partnerships with charitable organisations. We actively support and collaborate with several charities, including Barnet - Unitas, Clifton House, Shelter from the Storm, and Grub Club, by providing weekly donations of our bakery products.

5.13 EMPLOYEE WELLBEING & INVOLVEMENT

We realise that in this modern world a workplace is also a community, and we must be flexible and strategic in supporting our employees and providing them with opportunities for engagement and finding additional meaning at work.

- Current Policy:
 1. To engage our employees and support their interests, both in a work capacity and outside of work.
 2. To be an open employer and look for ways we can benefit our community through employment practices.

- Evidence:
 1. We run an apprentice program, Growing Bakers, to make sure our team receives growth, development and the necessary experience to become great bakers.
 2. We employee people from over 40 nations highlighting our commitment to diversity in the workplace.
 3. We run a Shaping Leaders program with different managers across the business in association with the University of Birmingham.
 4. We've recently revised several policies, including the disciplinary policy, grandparents leave policy, grievance procedure, new parent policy, and work social events policy. These updates aim to ensure our policies remain current and supportive, providing our employees with the assistance they need.
 5. We have recently launched a series of Mental Health Awareness training sessions, available for all Unit Managers, Assistant Managers, Team/Shift Leaders and Support Team Line Managers, aiming to enhance our collective understanding and skills in mental health support within our workplace.

- Targets For Next Year:
 1. To find new ways we can encourage engagement.
 2. To formalise our employee time donation policy and to start tracking donated hours.

6 PRODUCT & RAW MATERIALS

We understand that as a manufacturer we bring in many raw materials and we need to pay particular attention to the background of these ingredients to ensure they meet the relevant guidelines and standards.

6.1 OUR SUPPLIERS

Working alongside suppliers who adhere to ethical standards in their operations, products, and supply chains is fundamental to our business ethos. We are dedicated to crafting exceptional products with the assurance of sustainable traceability from their origins. In our view, conducting business responsibly and achieving success are interlinked. We aim to make a positive impact on both our business and the environment through diligent sourcing practices.

To become a supplier, candidates must complete a detailed questionnaire outlining their products and procedures. Moreover, we are transitioning to brand standards to establish clear guidelines for selecting suitable partners. This shift will offer us a definitive framework for identifying collaborators who share our values and objectives. We have recently started working on how we can align our suppliers to our sustainability goals. The plan is to align the suppliers we use on our SEDEX platform. We maintain close relationships with our suppliers and regularly evaluate whether they adopt environmentally responsible and ethically sound practices in sourcing their products, as well as ensuring their worker welfare standards align with our broader requirements.

The Bread Factory is dedicated to eradicating slavery, human trafficking, and child labour from our supply chains. We will encourage suppliers to follow a Code of Conduct based on the code developed by the Ethical Trading Initiative (ETI), which is an alliance of companies, non-governmental organisations and trade union members who are working towards worldwide ethical standards of trading. Whilst we are not a full member of the Ethical Trading Initiative alliance, we fully endorse their principles.

6.2 BRAND STANDARDS

We recognise the benefits of a code of conduct as a method to exert our policies and practices while providing traceability through our supply chain.

- Key Metrics:

1. % of suppliers signed up to our Brand Standards.

- Current Policy:

1. To source ethically and locally (British wherever possible).
2. To understand the supply chain and origin of all raw materials through detailed due-diligence and visits.
3. To run a small supplier programme which nurtures artisan industries in the UK who produce exceptional quality with a positive impact on the food system.
4. To not accept bribes, gifts, or similar extra payments in the line of work.
5. To issue clear payment guidelines and traceable PO numbers for each invoice.

- Evidence:

1. We work with British mills, such as Shipton Mill and ADM, to provide flour for our products.
2. We have recently launched our partnership with regenerative farming company Wildfarmed. Wildfarmed makes food the right way through pioneering regenerative farming. Creators of the Wildfarmed Regenerative Standards, the first third-party audited standards in the UK for arable farmers, the organisation champions bringing biodiversity back into our fields making them full of life once more. Wildfarmed wheat is grown in-line with the Standards to guarantee the gold standard of regenerative agriculture for all Wildfarmed flour. As a result, it is grown without the use of pesticides, herbicides or fungicides and grown alongside companion and cover crops restoring biodiversity, soil and ecosystem health.

3. As part of our ongoing effort to improve our bread-making process, not just in taste but also in terms of nutrition, sustainability, and innovation, we've launched a new project called "The Way We Bake." We aim to support more sustainable farming practices that benefit the soil, farmers, bakers, and consumers. This includes sourcing our flours from farms that use sustainable and regenerative methodologies. By diversifying our recipes to include a variety of grains and fibres, we not only enhance the nutritional value of our bread but also promote gut health.
 4. Our small supplier programme partners with 10 exceptional small producers who are making a positive impact on the food system, these include: Brades Milk, Islands Chocolate, Cacklebean Eggs, Wildpress Drinks, Eaten Alive Fermented Foods, Daily Dose (wonky fruit & veg juice supplier).
- Targets For Next Year:
 1. Develop a comprehensive set of brand standards to serve as guiding principles for sourcing, aligning with this document to promote awareness of social and environmental responsibility.
 2. Secure support from suppliers to uphold our brand standards, ensuring consistent application across our entire supply chain.
 3. Build on our small supplier strategy aimed at enhancing support for smaller suppliers and fostering stronger relationships with them.
 4. Work on a sustainable packaging project, such as durable crates, that aligns with our environmental policies.
 5. Continue collaborating with regenerative farming suppliers and sourcing more heritage grains to further contribute positively to the environment.

6.3 DAIRY & EGGS

- Key Metrics:
 1. Food Quality Assurance Schemes – Red Tractor and Free-Range.
- Current Policy:
 1. To follow EU guidelines about GMO products and their usage.
 2. Use only British and EU free range eggs.
 3. Use only British Milk.
- Evidence:
 1. We only use British and EU eggs for all products.
 2. We only use British Milk.
- Targets For Next Year:
 1. To link this with developing a policy and procurement standard for animal welfare for the dairy and eggs we purchase and the ability to trace the majority of our dairy and eggs back to source.
 2. To work towards our long-term goal of moving all our eggs to British.
 3. To understand the option to improve the provenance and welfare of eggs and dairy.

6.4 PAPER & CARDBOARD

- Key Metrics:

1. % of paper sourced from Forest & Paper Conservation Certifications – FSC, PEFC, EU Ecolabel.

- Current Policy:

1. To use paper from an environmentally certified supplier, that promotes sustainably managing forests, reclaimed timber or recycled paper practices.
2. To utilise FSC certified paper on printed attachments and marketing materials where available. To use the highest recycled content cardboard products for our packaging, where feasible.
3. To recycle paper used in the office into dedicated green recycling bins.

- Evidence:

1. We have switched our paper choice for the office to an EU Ecolabel certified supply. (<http://ec.europa.eu/environment/ecolabel/>). EU Ecolabel is a label assigned to businesses that promote environmental excellence and have a reduced environmental impact throughout their life cycle, from the extraction of raw material through to production, use and disposal.
2. Our cardboard packaging boxes are 80% recycled, and 20% virgin, supplied through Smurfit Kappa (<http://www.smurfitkappa.com/vHome/com/Sustainability>). We are currently unable to use 100% recycled cardboard as the material would produce cardboard dust when folded, contaminating the products and causing issues with the operation of the machinery.
3. All our Paper/cardboard is FSC or PEFC certified.
4. Easipac supplier uses 100% recycled materials.
5. Our print suppliers, Kingfisher Press and Saxoprint are FSC certified.

- Targets For Next Year:

1. To replace cupboard boxes for reusable plastic crates in our deliveries.
2. Crafting a comprehensive packaging strategy for FY25 aimed at enhancing our recyclability efforts while minimising environmental impact. This plan will involve evaluating alternative materials, optimising packaging designs, and implementing sustainable practices throughout our supply chain to align with our commitment to environmental policy.
3. To continue to investigate if our cardboard used for packaging purposes can contain higher % of recycled cardboard content as product quality improves.

6.5 COCOA

- Key Metrics:

1. % sustainably sourced cocoa.

- Current Policy:

1. To work with sustainable suppliers.

- Evidence:

1. We work exclusively with manufacturers and suppliers like Barry Callebaut and Island Chocolate who adhere to rigorous sustainability and ethical standards (transparency on the supply chain, good agricultural practices, preventing deforestation, human rights, child labour or slavery) of cocoa production.

- Targets For Next Year:
 1. To continue researching ways to ensure that 100% of our cocoa supply chain is sourced sustainably and slavery- free.

6.4 PALM OIL

- Key metrics:
 1. 1. % sustainably sourced palm oil.
- Current policy:
 1. To work with sustainable suppliers.
- Evidence:
 1. We only have two ingredients in the business which contain Palm Oil and it is RDPO certified.
- Targets for Next Year:
 1. To explore alternative ingredients and formulations that can replace palm oil while maintaining product quality and integrity.
 2. To communicate transparently with stakeholders about our commitment to eliminating palm oil from our business operations.

6.6 FISH & SEAFOOD

- Key metrics:
 1. % sustainably sourced fish (salmon).
- Current policy:
 1. To work with sustainable suppliers.
- Evidence:
 1. All of the fish/seafood we buy is listed on the MCS FishOnline Guide.
- Targets for Next Year:
 1. Provide regular updates to stakeholders on progress towards fostering transparency and accountability in our sourcing practices.
 1. Engage with suppliers to strengthen partnerships and support initiatives aimed at improving sustainability practices within the salmon industry.

7 THE BREAD FACTORY IN THE FUTURE

As we strive for growth, we recognise that it is imperative to uphold our values and responsibilities towards our stakeholders and our planet. The initiatives outlined in this policy are central to our commitment to our

communities and our environment. We pursue sustainability because we are dedicated to effecting positive change for the long-term benefit of our society.

Our future focus will centre on playing a positive role in the UK food system by advocating for good farming practices, reducing the impact of our manufacturing processes, improving the nutritional content of our food and engaging with our communities through knowledge sharing. Our aim is to harmonise our actions with our sustainability objectives and submit a B-Corporation application by the year's end.