



ENVIRONMENTAL POLICY

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Preamble

Lotus Bakeries is committed to operating in an environmentally responsible manner throughout its entire supply chain. This policy is part of Lotus Bakeries sustainability programme 'Care for today, respect for tomorrow' and applies to our global operations. It underlines our commitment to the UN Global Compact and our contribution to the Sustainable Development Goals (SDG's).

Policy objectives

Lotus Bakeries is dedicated to continuous improvement in the areas of reducing our carbon footprint, using sustainable packaging, and sourcing our raw materials sustainably.

- **Compliance:** Ensure full compliance with all applicable local, national, and international regulations regarding but not limited to decarbonisation, packaging and sustainable sourcing.
- **Reduction and mitigation:** Continuously reduce any negative impact our business can have on the environment.
- **SBTi Alignment:** Align our business practices with our Science Based Targets initiative (SBTi) commitment to contribute to the global effort to become net zero by 2050 and limit temperature increase to 1.5°C above pre-industrial levels, in line with the Paris Agreement.
- **Combatting Deforestation:** Seek to source our primary commodities sustainably in accordance with the EU Deforestation Regulation and SBTi guidance.

Principles

1- Reducing Carbon Footprint:

- We are committed to become net zero by 2050, in line with our Science Based Targets initiative (SBTi) commitment and the European regulatory framework.
- We will define measurable targets and a roadmap with action levers to reduce greenhouse gas emissions for our near term target in 2030 and our long term target in 2050 and regularly monitor and report on our progress.
- We are dedicated to reducing our greenhouse gas emissions in our own operations, through but not limited to levers such as energy efficiency measures in our facilities, optimising equipment usage, exploring renewable energy sources, electrification of fossil-fuel driven equipment, optimising usage of refrigerants.
- We are dedicated to reducing emissions associated with our supply chain, including sustainable sourcing of our raw materials and packaging, and minimising transportation emissions through local-for-local sourcing as well as working with logistic partners.

2- Sustainable Packaging:

- Protecting our products and providing the right packaging format for each type of household will contribute to the fight against food waste.
- We will prioritise the minimisation of our packaging weight while maintaining the highest product quality and food safety.
- We aim for technically recyclable packaging materials through innovation and collaboration with our packaging suppliers.
- We aim to increase the use of recycled content in packaging materials such as but not limited to cardboard, glass, plastic.
- We encourage consumers, through clear communication on our packaging, on proper disposal and recycling practices for our packaging.

3- Sourcing Sustainably:

- We recognise our role and responsibility in commodity-led deforestation. Our primary raw materials in that regard are palm oil, cocoa, soya and paper&pulp based packaging.
- We seek to source our key raw materials from suppliers who share our commitment to sustainable practices as outlined in Lotus Bakeries Supplier Business Principles.
- We will work collaboratively with our suppliers to identify and implement opportunities for improving sustainability throughout the supply chain.
- We will engage with suppliers to support effective remediation where and when cases of non-compliance with our standards have occurred in our supply chain.

Reporting and review

- We will regularly review and update our environmental policy to reflect best practices and evolving environmental challenges.
- We will communicate our environmental commitment to all employees, suppliers, customers, and the public.
- We will provide training to employees on our environmental policies and procedures.

Overall Commitment

We are committed to continuous improvement in our environmental performance and intend to playing a leading role in promoting a sustainable food system.