



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

Environmental & Social Responsibility Policy 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:	£93.949m
EBITDA:	UNDISCLOSED
NUMBER OF EMPLOYEES:	1215
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

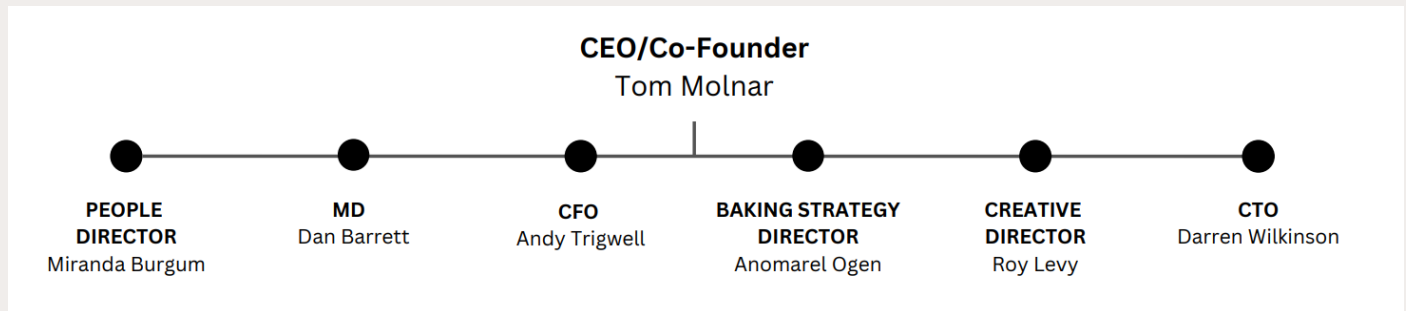
2.3 Company Values

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).

- We **care** about **nature** (We believe in growing responsibly, minimising waste, reusing or donating surplus, and making our supply chain more sustainable with every step)

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
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
Anomarel Ogen	Group Executive Head Baker	Sustainability Officer – Environment	01/01/2023
Sofia Rodriguez	Sustainability Manager	Sustainability Manager	02/05/2024

3 Environmental & 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. Explore working with a software partner to collate all current sustainability targets to aid communication with stakeholders (My Emissions).
 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)

Energy Consumption		2024/25	2023/24	Variance
Scope 1: Combustion of fuel and operation of facilities	Natural Gas (kWh)	9,411,021	9,033,028	4%
	Direct Transport Company Cars (kWh)	1,792,913	1,844,223	-3%
	Total Scope 1 Energy (kWh) exd Refrigerants	11,203,934	10,877,251	3%
Scope 2: Electricity purchased	Total Electricity (kWh)	24,616,285	20,169,880	22%
Total Scope 1 and 2 Energy Consumption (kWh)		35,820,219	31,047,131	15%

Emissions Assessment		2024/25	2023/24	Variance
Scope 1: Combustion of fuel and operation of facilities	Natural Gas (tCO ₂ e)	1,721.3	1,652.4	4%
	Direct Transport (tCO ₂ e)	452.5	465.8	-3%
	Total Scope 1 - tCO₂e	2,174	2,118	3%
Scope 2: Electricity purchased and heat and steam generated	Location Based (LB) (tCO ₂ e)	5,097.4	4,176.7	22%
	Market Based (MB) (tCO ₂ e)	597.8	3,599.5	-83%
Location Based	Total Scope 1 and 2 Emissions (tCO₂e)	7,271	6,295	16%
Market Based	Total Scope 1 and 2 Emissions (tCO₂e)	2,772	5,718	-52%

Intensity Metric Assessment		2024/25	2023/24	Variance
Intensity Ratio	Total scope 1-3 (LB) (tCO₂e/turnover £m)	26.15	27.16	-4%

4.2 Transport & 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 use route planning software to ensure we are delivering via the most efficient routes possible.
 3. To maintain our fleet to ensure vehicles retain the highest possible energy efficiency throughout their lifespan.
 4. To promote safe and energy efficient driving practices.
 5. To encourage the use of environmentally friendly transportation methods.
 6. We operate a Cycle to Work scheme and offer dedicated bike storage at our sites.
 7. To travel by public transport where it is convenient and time efficient.
 8. To plan ahead and coordinate travel to reduce unnecessary journeys, where possible using phone, e-mail, or conferencing as an alternative.
 9. Effective use of third party logistics/ haulage to maximum vehicle load and efficiency of deliveries.

- Evidence:
 1. Current van fleet size: 57. 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 2025 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

At The Bread Factory, we place learning and development at the core of how we grow talent, strengthen our craft, and contribute to the wider community. Our key initiatives include:

- **Apprenticeships** – From our entry-level *Growing Bakers* scheme to advanced *Lead Baker* and *Supply Chain* pathways, we offer structured programmes that blend hands-on bakery experience with classroom learning.
- **TBF Learning Journey** – A career development framework that supports individuals at every stage with workshops such as *Leading Change* and *Coaching for Performance*.
- **BreadYOUcation** – A unique company-wide initiative launched in 2023 to deepen knowledge of bread, food culture, and craft through workshops, masterclasses, and digital learning.
- **School & Partner Engagement** – Inspiring the next generation of bakers through school visits, college links, and industry partnerships.
- **RISE** – Our central online learning platform, offering compliance training, curated resources, and Breadflix content.

Recognition

We are proud that our work has received industry-wide recognition. At the prestigious **Learning Performance Institute (LPI) Awards**, one of the largest events in the global L&D calendar, our *Growing Bakers Apprenticeship Programme* won the **Bronze Award for Apprenticeship Programme of the Year 2025**, **Levy Employer of the Year 2024** and **Baker Apprenticeship Employer of the Year 2024**.

With thousands of entries from over 35 countries, and competition from leading organisations such as Marks & Spencer, MetLife and the London Ambulance Service, this was a remarkable achievement and a proud moment for The Bread Factory.

Future Plans

Looking ahead, we will continue to build on this success by:

- Launching **Cohort 5** of *Growing Bakers* in September, expanding intake and exploring cross-business participation, alongside our first Level 5 bakers Apprenticeship programme.
- Developing **TBF Learning Journey** further through the *Skills for Growth* project and new technical training.
- Expanding **BreadYOUcation** with specialist modules (e.g. laminated pastry), enhanced access for remote and international colleagues, and new sustainability-focused content.
- Strengthening **RISE** with refreshed branding, updated content, and improved navigation.
- Deepening **community and school engagement** to inspire and attract the next generation of bakers.

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 aim to do the right thing and know that we are doing the right thing. For this we need both standards and validation for the outcome of the choices we make against the measurables where we can have the greatest impact and support an ethical supply chain.

6.1 Our Suppliers

We work alongside suppliers who adhere to ethical standards in their operations, products, and supply chains and this 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 SEDUX 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 believe that great farming in a more holistic way, embracing biodiversity and including grazing livestock creates a nutrient dense soil and creates a thriving environment for nature to flourish. We believe that this provides all the components for us to be able to “eat the soil” and all it provides to us.

We have shared that we believe responsible sourcing is “to do the right thing and know that we are doing the right thing” so being able to trace our ingredients back to the farms they come from and test that we are sourcing ethically and sustainably is key to our approach.

Achieving the correct measurements and checkpoints to validate the results of our practices will ensure we are making progress on our journey to improve the broken food system.

- Key Metrics:

1. % of suppliers signed up to our Brand Standards
2. % of soil positive flour used in our bakery

- Current Policy:

We believe in craft baking, and craft baking takes a community. We have created guiding principles for sourcing which will protect these communities, and ensure they can flourish for years to come:

People:

- We champion the best labour standards in our supply chains, acting responsibly towards the partners who make our products
- We will ensure traceability for all ingredients and packaging to ensure that we know that we are doing the right thing. Ignorance is not bliss

Animal welfare:

- All animals in our supply chain will live in natural conditions i.e our salmon will swim freely in the sea, and our livestock will all be free range, roaming the earth as mother nature intended
- We will never use growth hormones in our meat and antibiotics will not be used as routine and will only be prescribed by a vet to help sick animals feel better, just like doctors would prescribe for humans

Deforestation and the environment:

- We want our impact on the earth to be positive, which also means minimising emissions where possible. We will never use airfreight as a routine supply chain option, only when critical for continuity of supply
- We commit to zero deforestation across our primary deforestation linked commodities, with a target of reaching this by the end of 2025
- We will take our secondary/ complementary sourced ingredients from named partner farms to use what's needed to grow for soil health

Supporting local:

- We support British agriculture and commit to growing our participation of British sourced product over time
- We commit to growing our spend through small businesses over time

- Evidence/ Case studies:
 1. We work with British mills, such as Shipton Mill and ADM, to provide flour for our products. All of our milk and cream which we use in Manufacturing comes from Cotteswold Dairies in Gloucestershire.
 2. We have recently launched our partnership with regenerative farming company Wildfarmed, buying 1,500 tonnes in FY25. Wildfarmed makes food the right way through pioneering regenerative farming, which is aligned to our soil positive sourcing strategy.
 3. We have bought 1,000 tonnes of organic flour for FY26 through our partner farmers, growing this to over 3,000 tonnes in FY27, demonstrating our commitment to our soil positive sourcing strategy and deepening our relationships with UK farmers who are passionate about improving soil 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, Wildpress Drinks, MOMO Kombucha, Eaten Alive Fermented Foods, Lincolnshire Poacher Cheese, Quicke's and Daily Dose (wonky fruit & veg juice supplier).
 5. All of our packaging is recyclable or compostable, with all paper sourced from FSC material, fully traceable to ensure no deforestation
 6. 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.
- Targets For Next Year:
 1. Finalise, publish and implement our comprehensive set of brand standards, which will serve as guiding principles for sourcing, aligning with this document to promote awareness of social and environmental responsibility.
 2. Build on our small supplier strategy aimed at enhancing support for smaller suppliers and fostering stronger relationships with them
 3. Continue collaborating with soil positive farming suppliers and sourcing more heritage grains to further contribute positively to the environment
 4. Improving our impact, targetting the highest impact ingredient and packaging items

6.3 Dairy & Eggs

- Key Metrics:
 1. Food Quality Assurance Schemes – Red Tractor and Free-Range.
- 1. Current Policy:

All of our milk and cream comes from Cotteswold Dairy in Gloucestershire. It's fully traceable and we know the farmers who make our product, and the standards they apply on the farms to their animals.

Our Eggs are predominantly British, but we use some EU material primarily as contingency against disease i.e Avian Influenza.

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:
 2. We only use British and EU eggs for all products.
 3. We only use British Milk.
 - Targets For Next Year:
 1. To work towards our long-term goal of moving all our eggs to British.
 2. 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.
 2. Our cardboard packaging boxes are 80% recycled, and 20% virgin, supplied through Smurfit Kappa.
 3. All our Paper/cardboard is FSC certified.
 4. Our print suppliers, Kingfisher Press and Saxoprint are FSC certified.
- Targets For Next Year:
 1. To replace a proportion of our cupboard boxes for reusable plastic crates in our deliveries.
 2. Deliver the packaging strategy aimed at enhancing our recyclability efforts while minimising environmental impact.

6.5 Cocoa

- Key Metrics:
 1. % sustainably sourced cocoa.
- Current Policy:

We pay more for cocoa to help farmers earn a living wage, end child labour and protect forests. All of our cocoa is traceable back to farm to ensure that we know that we are doing the right thing.

- 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 deepen our relationships with partners and explore single origin cocoa to better improve our ability to make a positive impact at source

6.4 Palm Oil

- Key metrics:
 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 RSPO 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

At The Bread Factory, we recognise that growth must go hand in hand with our responsibilities to our stakeholders, our communities, and our planet. We pursue sustainability because we are committed to driving positive, long-term change for society, our food system, and the environment.

We address social and environmental issues at a strategic level, with a dedicated team of sustainability officers meeting monthly to set actions and review progress. This work has strengthened our understanding of key social priorities—employee well-being, diversity, inclusion, and community engagement—and underpins our commitment to providing a safe, inclusive workplace and supporting local charities and community projects.

Our environmental work centres on transforming the UK food system for the better. We partner with 10 nature-led UK farms, including Bruern Farms in the Cotswolds, to grow wheat in ways that actively improve soil health, biodiversity, and flavour. Through regenerative practices such as diverse crop rotations, minimal tilling, and using livestock to naturally enrich the land, these farms are producing more resilient, nutrient-rich wheat. In return, we commit to buying their harvest, ensuring farmers have the stability to continue farming for the future.

Over the past three years, our wholegrain use has grown from 625 tonnes in 2022 to a projected 1,320 tonnes in 2025, and our soil-positive wheat—from just 19 tonnes in 2022 to 3,750 tonnes projected in 2025.

Our focus is not on labels like “Organic” or “Regenerative” but on results: transparent provenance, measurable impact, and a holistic approach to the food chain.

Looking ahead, we will:

- Advocate for good farming practices, such as through our work with Wildfarmed.
- Reduce the environmental footprint of our manufacturing.
- Improve the nutritional profile of our products, including through heritage grains in The Way We Bake project.
- Engage our communities through education and knowledge sharing.
- Our aim is to align every action with our sustainability objectives and submit our B-Corporation application by the end of the year—ensuring our commitment is not only lived but recognised.