



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

Environmental & Social Responsibility Policy 2026

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1 Introduction: Our Commitment to Environmental & Social Responsibility

1.1 About Us

The Bread Factory is the UK's leading artisan bakery. Founded by Gail Meja in 1993, The Bread Factory, originally known as Gail Force, began by supplying some of London's most prestigious restaurants, including many with Michelin stars. More than three decades later, we continue to work closely with the best chefs, alongside grocers, foodservice partners and our own neighbourhood bakery, GAIL's.

The Bread Factory is synonymous with quality. We have been awarded more than 100 Great Taste Awards and have held a Royal Warrant since 2016, when it was first granted by Her Majesty Queen Elizabeth II. In 2024, the warrant was renewed by His Majesty The King.

We source our ingredients thoughtfully, partnering with farmers and millers who align with our values. The result is delicious, carefully made baked goods that support a more sustainable and nutritious food system, bringing great bread to more tables every day.

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, placing the communities we serve and the environment in which we bake at the heart of everything we do.

ENVIRONMENTAL RESPONSIBILITY

We continually review how we reduce carbon emissions and lessen our overall environmental impact. Our priorities include:

- Supporting regenerative farming and soil health: investing in regeneratively grown wheat, including co-farming with UK farmers, always buying free-range eggs, free-range chicken and free-range pork as well as sustainably sourced fish.
- Supporting small suppliers who are innovating for positive environmental impact: growing a supported community of small producers (known as our Craft Community) who care about their craft and their role in the UK food system.
- Reducing waste through prevention, reuse and recycling: 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.
- Improving transport efficiency: optimising transportation and logistics to minimise fuel consumption, whilst investing in our electric van fleet.

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.
- Supporting employee well-being and diversity: looking after our people at work through a range of programmes to support well-being, including health check-ups, personal training sessions, a 24-hour GP service as well as a regular employee forum with the Managing Director.
- Developing our teams: through world-class craft training and apprenticeships.
- Improving the nutritional value of our products: increasing diversity of grains and higher fibre.
- Donating 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:	1993
BUSINESS STRUCTURE:	PRIVATE LIMITED COMPANY
COMPANY NUMBER:	03237576
ECONOMIC REVIEW	
BUSINESS SECTOR:	FOOD & BEVERAGE PRODUCERS
COMPANY TURNOVER BAND:	BAND E: £50,000,000 - £500+ Million
BUSINESS COMPANY TURNOVER:	£100.5m
EBITDA:	UNDISCLOSED
NUMBER OF EMPLOYEES:	1182
OPERATIONAL LOCATION:	UK ONLY

2.2 Mission Statement

We are dedicated to creating exceptional bread, pastries, and cakes. Our mission is to feed more people better by giving 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 bakery because we have successfully scaled craft baking while maintaining the core artisanal principles established more than 30 years ago.

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 grains and produce
- Innovating our product range
- Building strong relationships with our customers and suppliers alike

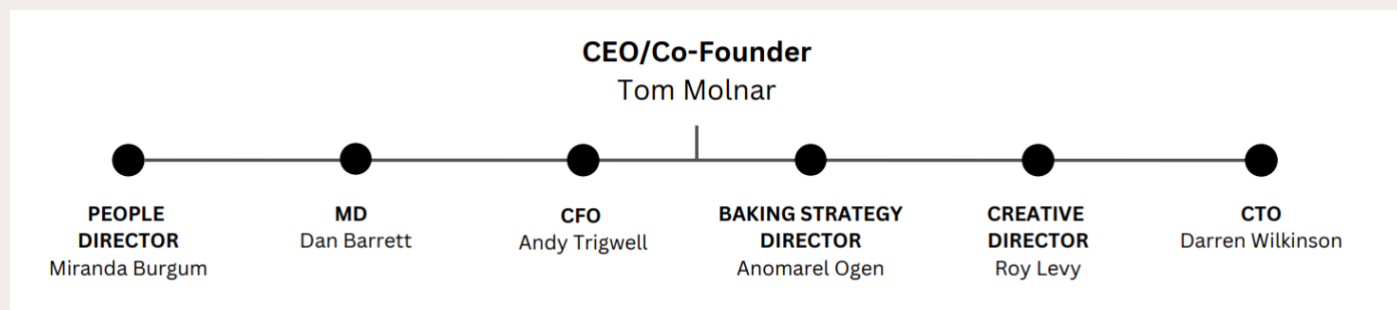
2.3 Company Values

Our core values are:

- **We care about baking** - Good food is critical to physical, mental and spiritual well-being.
- **We care about each other** - 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** - Anything worth doing is worth doing well.

- **We care about nature** - 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 that our sustainability policies are followed, that targets are achieved, and that responsible business practices continue to be embedded across The Bread Factory.

In 2025/2026, 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
Elliott Kaye	Head of Procurement & Supply Chain	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

At The Bread Factory, we believe that making better bread starts with better ingredients and a healthier food system. We recognise the impact our operations have on the environment and are committed to making responsible choices across our business and supply chain.

A key area of focus is supporting more sustainable farming practices. We work closely with farmers and millers who share our commitment to regenerative agriculture, improving soil health, protecting biodiversity and creating a more resilient food system.

Our deep partnerships with Shipton Mill, Wildfarmed and Bruern Farm in the Cotswolds as well as many more UK farmers, allow us to source grains grown using regenerative methods whilst supporting farmers who are working to improve the future of agriculture. We have piloted and are continuing to develop innovative co-farming arrangements which give certainty to farmers to grow with nature, where we pay per field rather than by weight.

Alongside responsible sourcing, we continue to reduce our wider environmental impact through waste reduction, increased use of UK-grown ingredients and improvements across our operations.

4.1 Energy

Bakery operations are energy intensive, with ovens, mixers and supporting systems operating for extended periods to maintain product quality, freshness and service levels.

We have purchased 100% renewable electricity since 2014. In FY26, our carbon intensity is 0.18 kg CO₂/kWh, a low level we are committed to maintaining and improving.

Solar generation forms part of our approach to reducing energy-related emissions. Our panels at our first Milton Keynes bakery currently cover approximately 10% of the site's total energy use. We are also assessing additional solar generation opportunities across our bakery estate.

Inside our bakeries, the changes are less visible but just as deliberate: LED lighting throughout, Air circulation systems that reduce the need for energy-intensive air conditioning, and motion sensors so lights are not left on in empty rooms. In addition, we use smart monitoring to give us a live picture of where energy is being used.

We are committed to achieving net zero carbon emissions by 2040, supported by continued investment in renewable energy, energy efficiency and operational improvements.

- 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 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, providing approximately 200kW of installed solar capacity and generating around 10% of the site's overall electricity requirements.
 3. Our team of engineers service our ovens regularly in accordance with the manufacturer's guidelines.
 4. We have installed a computerised 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:
1. Explore increased rollout of solar and wind-generated electricity.
 2. Net zero carbon emissions target by 2040.

MEASURING AND REPORTING ENERGY CONSUMPTION

As a bakery, we understand that our impact goes beyond our own operations. While we continue to improve the efficiency of our bakeries, energy use and transport, we recognise that the majority of our environmental footprint comes from our wider supply chain, particularly the ingredients we source and the way they are grown.

In 2026, we took an important step by measuring our greenhouse gas emissions across our business for the first time, including Scope 3 emissions. Working with *My Emissions*, a carbon intelligence platform specialising in food businesses, we have started to build a clearer understanding of the impact associated with the ingredients we use, aligned with WRAP guidance for the food and drink sector.

This work gives us the foundation to better understand the carbon impact of the products we make, from the grains and flour we source through to the bread and bakery products we supply across The Bread Factory.

Moving forward, we will use this data to identify opportunities to reduce emissions, support more responsible sourcing decisions and work with our suppliers to develop lower-impact food systems.

We recognise that improving our environmental impact is an ongoing journey. As our data and understanding continue to develop, we will continue to measure our progress, set meaningful targets and share our learnings transparently.

FY26		
OUR EMISSIONS	BASELINE *(TCO2E)	% BASELINE
Stationary combustion	1,743	3.6%
Mobile combustion	397.76	0.8%
Total Scope 1	2,141	4.4%
Electricity	2,223	4.5%
Total Scope 2	2,223	4.5%
Purchased goods and services	41,767	85.3%
Fuel and energy-related activities	1,242	2.5%
Upstream transportation and distribution	623.48	1.3%
Downstream transportation and distribution	975.02	2.0%
Total Scope 3	44,608	91.1%
Total Emissions 2025/26	48,971	100.0%

4.2 Transport

Transport is a critical part of how we work. Every product we make needs to arrive fresh, on time and in the right condition for our customers. We recognise that road transport has an impact on the environment and are committed to reducing the emissions associated with moving our products.

We continue to improve the efficiency of our distribution network through better route planning, operational improvements and investment in lower-impact solutions, including the use of electric vehicles. Our focus is on delivering more efficiently while reducing fuel use, emissions and unnecessary journeys.

By improving how we plan and manage transport, we can reduce our environmental impact while also creating greater efficiencies across our operations.

Electric vehicles are becoming an increasing part of our delivery operations. Currently, 9% of deliveries are completed using electric vehicles, representing 3% of our weekly mileage across an 18,640-mile delivery network. On average, we complete between 55 and 65 electric vehicle deliveries each day, resulting in more than 20,000 deliveries annually.

Alongside investing in lower-emission vehicles, we are improving efficiency through better planning and smarter routing. Using Paragon route planning software, 97% of deliveries are now optimised to help reduce unnecessary mileage and improve operational efficiency.

Through route optimisation, we have removed four 3.5-tonne van routes from our network. Each route reduction saves approximately 20.2kg of CO₂ per week, contributing to a reduction of more than 1,000kg of CO₂ annually per vehicle.

By combining technology, better planning and investment in new solutions, we are continuing to reduce emissions while ensuring we deliver fresh bakery products reliably to our customers.

- 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. Use third-party logistics and haulage effectively to maximise vehicle loads and delivery efficiency.
- Evidence:
 1. Vehicle maintenance schedule.
 2. Current van fleet size: 57. Electric vehicle fleet: 4.
 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:
 1. 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.
 2. Fleet Vehicle Review to reduce food miles by consolidating customers and moving to a consignment-based approach.
 3. Continued reduction in the use of 3rd party logistics companies in favour of utilising our fleet with the introduction of dynamic routing.
 4. Fleet running on green energy by the year 2030.

4.3 Waste

As a bakery, we recognise that baking involves a wide range of inputs and outputs, from raw ingredients and packaging to finished products. We are committed to reducing waste across our operations by designing waste out of our processes, improving efficiency and ensuring resources are reused, recycled or recovered wherever possible.

Our approach focuses on the whole system, from working closely with suppliers and improving production planning through to finding value in ingredients and products that might otherwise go to waste.

Across The Bread Factory, we work with trusted waste partners to ensure that no waste goes to landfill. General waste is diverted to energy recovery through partners including Cawleys, Biffa and AC Shropshire, turning waste into a resource rather than an endpoint.

A key focus is keeping food within the food system wherever possible. In FY26, we diverted 1,250 tonnes of food waste to animal feed, supporting a more circular approach to resource use. We have also continued to increase the use of surplus ingredients within our products, with over 1.3 million units sold using surplus ingredients, including leftover bread and pastry offcuts.

We continue to improve our waste management and recycling processes. During FY26, cardboard waste reduced to 230 tonnes, a 34% year on year reduction from 346 tonnes in FY25. Alongside this, improvements in waste segregation increased the proportion of general waste diverted to recycling to 30%.

Through better data, improved planning and collaboration across our teams and partners, we continue to reduce waste and make better use of the resources involved in making our bakery products.

- 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. Clearly labelled recycling stations are located throughout our bakeries and offices, enabling employees to separate paper, food waste and mixed recyclables, supporting consistent waste segregation across our sites.
 5. We have a dedicated Bread Room, where surplus bread is made available for employees to take home, helping to reduce food waste.
 6. We bake leftover dough and send it to local farmers to use for animal feed.
 7. Re-using surplus materials in our bakeries. 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 and internal communications.
- Targets:
1. 70% of waste reused or recycled by 2027. Increase the proportion of waste diverted through reuse and recycling, reducing reliance on recovery methods.
 2. Remove 30 tonnes of waste from logistics packaging. Reduce secondary packaging waste by replacing single-use materials with reusable and recyclable crates across our delivery network.
 3. Reduce material losses by 20% over the next 18 months. Improve production planning, processes and data use to minimise avoidable waste.
 4. Reduce oil waste by 15%. Improve handling, usage and monitoring of oils across our operations to reduce unnecessary waste.
 5. 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 it is also a natural resource under increasing pressure. Managing our water impact and using water efficiently are therefore environmental priorities 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 have taken steps to reduce water consumption and improve wastewater quality by using methods such as dry cleaning, clean-as-you-go processes, and scraping waste into bins. This reduces wastewater generation at source.
- Targets:
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 are committed to conducting business ethically, responsibly and in full compliance with applicable legislation. Our policies establish the standards expected throughout The Bread Factory and underpin a workplace built on integrity, respect and accountability.

5.2 Diversity in the Workplace

Our colleagues come from a variety of backgrounds, cultures and regions. 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.

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 are handled fairly by an impartial member of staff, preserving anonymity wherever possible. We have an independent Whistleblowing hotline/website where employees can also raise any concerns. In addition, we have a regular employee forum, in which a group of representatives sit with our Managing Director to discuss their needs.

5.4 Equal Opportunities

We are committed to ensuring every colleague is treated fairly and with dignity. Employment decisions are based on merit, capability and business need, and we strive to create opportunities for everyone to develop and succeed.

This is measured through independent audits of our site against the Ethical Trading Initiative Base Code. 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 prohibit all forms of forced labour, modern slavery and child labour throughout our operations and expect the same standards from our suppliers.

5.6 Health & Safety

Ensuring health and safety in the workplace is a paramount concern for our organisation, 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 prioritises 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 Baker 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 noticeboards across our sites, as well as conducting staff surveys and holding a regular Employee Forum.

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 via the TBF Together app. All policies and procedures are reviewed regularly, updated and communicated to staff. We care about our employees and want to create a happy workforce in which people can reach their full potential. To support 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 bi-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 ongoing support for investment.
 4. Communicate our successes to encourage wider understanding and encourage awareness.
- Targets:
 1. To find new ways we can contribute to our community stakeholders.
- Evidence:
 1. 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.

2. 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

At The Bread Factory, our 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 our apprentice programme, Growing Bakers, to support the development of future bakers by providing structured training, hands-on experience and opportunities for career progression, helping our apprentices build the skills and knowledge needed to become skilled bakers.
 2. We employ colleagues from over 46 nations, reflecting our commitment to building a diverse, inclusive and welcoming workplace where people from different backgrounds can thrive.
 3. We regularly review and update our people policies to ensure they remain relevant and supportive. Recent updates include our grandparents leave policy, fertility policy, new parent policy, helping to provide colleagues with clear guidance and appropriate support.
 4. We have recently launched a series of Mental Health Awareness training sessions for Unit Managers, Assistant Managers, Team and Shift Leaders and Support Team Line Managers. These sessions aim to improve understanding, confidence and capability in recognising and supporting mental health within our workplace.
 5. We have introduced development programmes focused on strengthening leadership and management capability across the business. These include our *Leaders programme* for frontline production and management teams, performance management workshops to support effective people management, and Lumina Spark profiling workshops for all salaried employees to improve self-awareness, communication and collaboration.
 6. All employees have access to Aviva Digital and app-based health support, providing medical and practical wellbeing resources. In addition, all employees are covered by life assurance, offering further support and protection.
 7. We are now in our third year of our annual *B Heard* employee engagement survey, providing colleagues with a platform to share feedback and helping us identify opportunities to continuously improve the employee experience.
- Targets:
 1. Continue to explore new ways to strengthen employee engagement, encouraging greater participation, feedback and connection across the business.
 2. Formalise our employee time donation policy and introduce a process for tracking donated hours, enabling us to better measure and understand our contribution to local communities.
 3. Launch a new *Career Pathways framework* across our Operations and Production teams, providing colleagues at all levels with clearer development routes, opportunities for progression and support to achieve their career goals.

4. Continue to develop our *Craft Your Career* appraisal programme, supporting regular conversations around performance, development and career growth, while helping colleagues reach their full potential.

6 Product & Raw Materials

Responsible sourcing is fundamental to The Bread Factory. The choices we make about ingredients, packaging and suppliers have the greatest influence on our environmental and social impact. Our sourcing standards are designed to improve traceability, strengthen farming practices and support a more resilient & ethical food system.

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.

Every supplier undergoes a structured approval process that assesses product quality, food safety, ethical standards and environmental performance. We continue to strengthen these requirements through our evolving Brand Standards and supplier engagement programme.

Our brand standards establish clear guidelines for selecting suitable partners. This gives 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. 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.

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 describe this philosophy as "eating the soil"—recognising that healthier soils produce healthier crops and, ultimately, better food.

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 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 so that we can verify that we are sourcing responsibly and in line with our standards

Animal welfare:

- All animals in our supply chain will live in natural conditions i.e. livestock will be free range, roaming the earth as 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
- 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:

1. We prioritise transparent provenance, measurable outcomes and long-term relationships with suppliers to help build a more resilient and responsible food system. Rather than focusing solely on labels such as Organic or Regenerative, we focus on working with partners who share our ambition to improve farming practices and deliver positive outcomes across the supply chain.
2. We work closely with British mills, including Shipton Mill, to source the flour used across our products, supporting trusted partnerships and ensuring traceability throughout our supply chain.
3. We have strengthened our partnership with regenerative farming company Wildfarmed, sourcing 1,500 tonnes of regenerative flour in FY26. Wildfarmed supports farmers in adopting regenerative farming practices that improve soil health, biodiversity and long-term resilience, aligning with our Soil Positive sourcing strategy.
4. In FY26, 20% of all flour used by The Bread Factory was Soil Positive, with more than 4.5 million products sold made using Soil Positive flour. We also launched 42 new products made with Soil Positive flour, helping to increase the availability of products made with more sustainable farming practices.
5. We continue to increase our sourcing of organic flour, purchasing 1,129 tonnes in FY26 through our partner farmers. This supports our commitment to improving soil health and strengthening relationships with farmers who are committed to more sustainable agricultural practices.
6. We source 100% fresh milk, cream, butter and cheddar from Red Tractor assured suppliers, including our partnership with Cotteswold Dairies in Gloucestershire for milk and cream.

7. Our commitment to British sourcing continues, with 60% of ingredients used by The Bread Factory made and grown in the UK, including 100% British Free Range eggs and 41% of fresh produce currently British-grown. We are also working towards sourcing 100% UK fruit and vegetables from LEAF Marque certified farms by October 2026.
 8. Through our Craft Community (small supplier) programme, we partner with exceptional independent 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.
 9. We use responsibly sourced packaging materials, with 100% sustainable cardboard from FSC-certified forests and made with 80% recycled content, supporting our commitment to responsible sourcing and reducing environmental impact.
 10. Through *The Way We Bake* project, we continue to improve our approach to bread-making by focusing on taste, nutrition, sustainability and innovation. This includes working with farmers using sustainable and regenerative farming methods, while exploring a wider variety of grains and fibres to improve the nutritional value of our products and support soil health.
- Targets:
 1. 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. Improve our impact by targeting the highest-impact ingredient and packaging items.

6.3 Dairy & Eggs

All of our milk and cream comes from Cotteswold Dairy in Gloucestershire. We maintain direct relationships with our dairy partners, ensuring full traceability and high animal welfare standards.

Our eggs are British free-range.

- 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 Free Range Eggs. EU-sourced egg products may be used only as a contingency measure during supply disruption events, such as Avian Influenza outbreaks.
 3. Use only British Milk.

- Evidence:
 1. We use British eggs as our standard sourcing policy and only source alternatives under exceptional contingency circumstances.
 2. We only use British Milk.
- Targets:
 1. 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 other Paper/cardboard is FSC certified.
 4. Our print suppliers, Kingfisher Press and Saxoprint are FSC certified.
- Targets:
 1. To replace a proportion of our cardboard boxes with 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 choose to pay a premium 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 verify responsible sourcing practices.

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

6.6 Palm Oil

- Key metrics:- 1. % sustainably sourced palm oil.
- Current policy:- 1. To work with sustainable suppliers.
- Evidence:- 1. Palm oil remains in only two ingredients where there aren't suitable alternatives. Both are RSPO certified.
- Targets:- 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.

6.7 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 Good Fish Guide. All of our salmon is sourced from Global G.A.P. certified producers, ensuring high standards of traceability, food safety and responsible aquaculture.
- Targets:- 1. Provide regular updates to stakeholders on progress towards fostering transparency and accountability in our sourcing practices.
- 2. Engage with suppliers to strengthen partnerships and support initiatives aimed at improving sustainability practices within the salmon industry.
- 3. As part of our ongoing commitment to responsible sourcing, we are actively investigating emerging land-based salmon farming technologies, which have the potential to enhance traceability and provide greater control over fish health, welfare and environmental impacts.

7 The Bread Factory in the Future

At The Bread Factory, we believe better food starts with a better food system. As we continue to grow, we remain committed to making choices that support our people, our communities, our farmers and the planet.

Sustainability is embedded into how we make decisions across the business. Our teams identify priorities, set actions and review progress, ensuring our commitments translate into meaningful change. This work supports our focus on creating an inclusive workplace, investing in our people, strengthening our communities and reducing our environmental impact.

We know that the future of food depends on working more closely with farmers and suppliers who share our values. Through partnerships with nature-led farms and regenerative agriculture initiatives, including Wildfarmed and Bruern Farms, we are supporting farming practices that improve soil health, biodiversity and the resilience of our food system. By committing to buy from these farmers, we help provide the confidence and stability needed to continue farming differently for the future.

We will continue to evolve *The Way We Bake* across our products, packaging and processes. Our focus remains simple: better food, made in a better way. We believe responsible sourcing should improve not only environmental outcomes but also the nutritional quality of the food we produce.

Over the coming years, we will focus on six strategic priorities:

- Continue to invest in regenerative agriculture and strengthen relationships with farmers who are improving soil health and biodiversity.
- Reduce the environmental impact of our manufacturing, packaging and transport through practical solutions that remove waste and improve efficiency.
- Improve traceability across our supply chain, ensuring we understand where our ingredients come from and how they are produced.
- Continue developing products that support better nutrition, including through our *The Way We Bake* project and the use of heritage grains.
- Support and develop our people by building skills, creating opportunities for progression and fostering workplaces where high standards are part of everyday practice.
- Share knowledge and engage with our communities, helping more people understand the importance of better food choices and a more sustainable food system.

We believe quality, sustainability and craft are inseparable. Every investment we make in our people, ingredients and processes strengthens both the products we produce today and the business we are building for the future.