




LESAFFRE

EXTRA FINANCIAL  
PERFORMANCE  
REPORT

2022







## Social, societal and environmental responsibility at the heart of our commitment

“ In 2050, the population of the Earth will attain 9 billion people; 9 billion

people to feed while protecting our planet. This is an unprecedented and colossal challenge.

For centuries, fermentation has been used throughout the world to preserve our food, reduce waste, add flavour, texture, etc. And for 170 years, at Lesaffre, we have been working on its amazing properties with enthusiasm and expertise. In addition to growing our business, our mission has always been to contribute to improving the food we eat and protecting the planet. We are committed to play an active role – both globally and locally.

Our fields of action in the area of corporate social responsibility are in line with our mission and are mainly centred on the following three pillars:

- **Working together...** to improve safety, well-being and diversity.
- **To better nourish...** by developing solutions using fermentation and microorganisms.
- **And protect the planet** while taking care of the resources it offers us.

Because we want to have a positive impact on society and the environment, sustainable development has always been a concern and source of inspiration for us. We are as committed to developing, promoting and marketing solutions that will have a positive impact as we are to reducing our own carbon and water footprint.

On a daily basis, we use our unique skills in fermentation and biotransformation combined with our knowledge of microorganisms to improve food, and human and animal health, and protect the environment. Advances in science and biology are opening up avenues for us to resolve increasingly complex problems.

2022 marks a milestone in the acceleration of our CSR initiatives, as you will see on reading this *EFPR* (Extra Financial Performance Report). We worked on our business model and updated our materiality matrix. Nine material sustainability issues were identified which have defined key objectives and KPIs that will be measured in the years to come. We decided to undertake many projects and initiatives to ramp up our commitments in favour of a

more sustainable planet and a more connected world. This is because, given the current environmental risks, I believe that Lesaffre's profitable growth must be sustainable and responsible.

Our teams devote their energy and enthusiasm to innovate, develop, train and make progress together on a daily basis. We get our stakeholders (customers, suppliers, partners, researchers, etc.) around the world to contribute as well. By maintaining this dialogue, we can give greater impetus to our goal of transitioning to a greener and more inclusive economy.

**By making the right choices and scientific breakthroughs, we develop confidence in the future that we are preparing for the generations of today and tomorrow. ”**

Brice-Audren RICHÉ,  
CEO, Lesaffre



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# 01

## Introduction





# Our strategy and our business model

## A strategy for dealing with a common mission: working to better nourish and protect the planet

**A**s a world leading player in fermentation for 170 years, our mission is to **work together to better nourish and protect the planet better each day.** Given the current rapid growth in the world's population, the diminishing availability of farmland and high-quality water, and extreme and chronic climatic events, our goal with our products is to feed as many people as possible in order to preserve their health reserves and quality of life. Faced with the resurgence of infectious diseases and other conditions that affect animals, humans and their environment, it seems more necessary than ever to

join forces with the various sectors dedicated to bio health to provide effective solutions for preventing these risks. The **"One Health"** approach developed by the World Health Organisation is essential for Lesaffre. It views human health, animal health and environmental health as interconnected. In order to preserve the health of people and ecosystems, our various subsidiaries or business units work together to resolve the issues of food sufficiency and security, while also controlling zoonotic diseases (diseases that can spread between animals and humans) and fighting against antibiotic resistance. Lesaffre stands fully behind this

approach by committing to promote not only safer, healthier food, but also human, animal and plant health, and nutrition, as well as by preserving the environment and biodiversity. **Our goal is to maintain our commitments to the "One Health" approach** and to encourage the sharing of expertise between our teams as well as with our partners.



## Our business sectors, product categories and our market positioning

### OUR 2 ACTIVITIES: BAKING AND NUTRITION-HEALTH AND BIOTECH

**1. BAKING:** as a leading player in the breadmaking fermentation sector since 1853, we believe that bread, which is an inexpensive source of vegetable protein and staple food, is one of the most promising solutions for feeding the growing world population in a healthy and sustainable way. In each of the 185 countries where we are present, "Baking with Lesaffre" contributes to the nutrition of local populations by giving bakers the essential solutions for making bread. From the design of our products to their delivery, we strive to pass on the following three major benefits to bakers:

- **Nutrition:** we ensure that the bread is a natural source of nutrition by reducing the amounts of certain ingredients, e.g. salt, fat and sugar, and by adding others, including vitamins and minerals.
- **Well-being:** we ensure that the bread, eaten every day in many countries around the world, contributes certain benefits to specific Groups of the population, such as children, the elderly and pregnant women.
- **Diets:** we strive to ensure that the bread is compatible with the different dietary choices of today's consumers, e.g. veganism, as well as their health requirements, e.g. gluten-free products.

### 2. OUR NUTRITION-HEALTH AND BIOTECH ACTIVITY

revolves around taste, well-being and health solutions as well as solutions for industrial biotechnologies.

#### 2.1. Taste and pleasure of food

with our Fermentis, Biospringer and Ennolys subsidiaries: our yeasts and yeast derivatives as well as our natural flavouring molecules aim to enhance the flavours and aromas of many types of food, while our fermentation yeasts help improve the taste characteristics of beer, wine and spirits.

- **Fermentis** offers the drinks industry a range of innovative alcoholic fermentation solutions, among which yeast still occupies a prominent place.
- **Biospringer** offers food and drinks producers a range of yeast extracts to improve taste, balance nutritional profiles, and create vegan and vegetarian food alternatives.
- **Ennolys** produces natural aromatic molecules using microbiological methods aimed at flavourists, and the agri-food, perfume and nutraceutical industries.

#### 2.2. Our Gnosis, Phileo and Agrauxine

subsidiaries develop solutions for well-being and health.

- **Gnosis** develops three types of products to improve human well-being and health: dietary supplements, pharmaceuticals and functional foods. Gnosis markets its products in five specific markets: immune health, digestive health, mobility and joint health, reproductive and women's health, and cognitive health.
- **Phileo** develops five product lines to improve the performance of farms while promoting the well-being and health of animals: probiotic yeasts, bacteria, yeast fractions, active ingredients and

functional proteins.

- **Agrauxine** develops three types of solutions for protecting agricultural crops, improve yields and optimise nutrition: biocontrol products, biostimulants and bionutrition products.

**2.3. Our LIS, Procelys and Leaf** subsidiaries focus on the industrial biotechnology markets.

- **LIS** offers food ingredient producers a wide range of spray drying, vacuum, granulation, micro-encapsulation technologies that help them transform food, nutraceutical, pharmaceutical or cosmetic ingredients into powder.
- **Procelys** markets fermentation nutrients for the biotechnology industries to be used in biopharmaceuticals, food cultures and probiotics, bio ingredients and renewable chemicals.
- **Leaf** provides a range of yeasts and yeast derivatives on the traditional ethanol and cellulosic markets to reduce dependence on fossil resources.



**A BUSINESS MODEL based on fermentation to actively contribute to food, and human, animal and plant health**



## CREATED VALUE



### INTELLECTUAL VALUE

- 165 patent families
- 990 brands



### SCIENTIFIC VALUE

- Writing of numerous scientific studies



### HUMAN CONTRIBUTION

- 775 employees progressed in their career
- 1597 recruitments were made: 687 operators and industrial operations supervisors (production, industrial support) and 910 employees, 45% of whom are women



### ENVIRONMENTAL VALUE

- Reduction of our water consumption
- Reduction of our fossil energy consumption
- Product innovations with a more favourable life cycle analysis than those they are replacing



### ECONOMIC VALUE

- 2.8 billion in sales
- 29 % of the industrial CAPEX for maintaining and improving the industrial system
- New production capacities
- Virtuous debt management

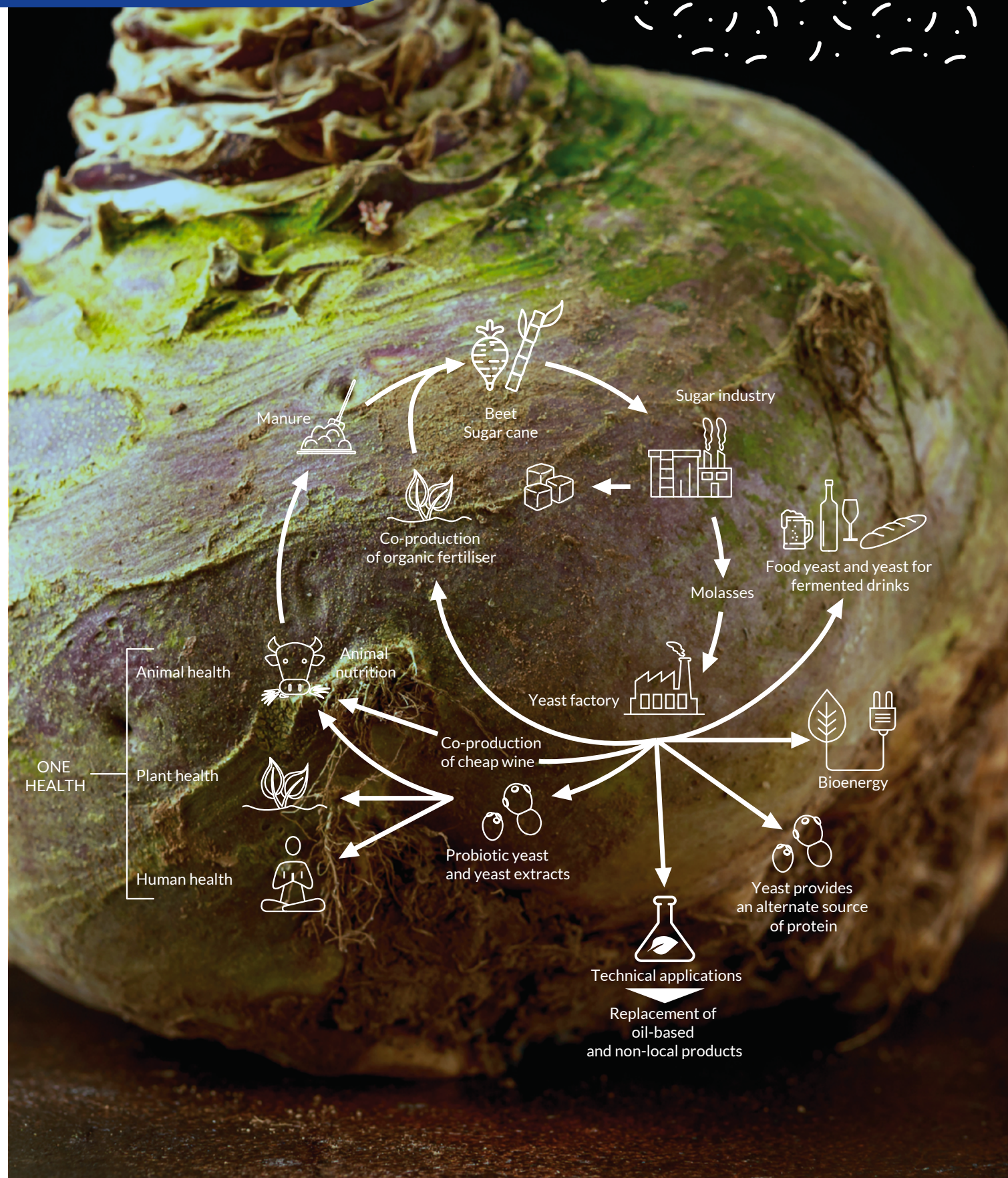


### SOCIETAL VALUE

- Contributing to the nutrition of local populations by providing breadmaking solutions to bakers
- Suggesting products:
  - With a nutritional profile that is rich in trace elements, vitamins and protein, and is compatible with vegan, gluten-free, kosher and halal diets.
  - With up to 30% less salt, fat or sugar in the final application.
- Fighting against antibiotic resistance
- Proposing solutions to improve well-being and protect good health
- Reducing the use of synthetic pesticides
- Building partnerships with local civil society associations through the ECHO program which gathers together the Group's sponsorship actions.



## From the earth to the earth the virtuous circle of yeast



## Our resources

### EMPLOYEES COMMITTED TO A COMMON MISSION

Located across every continent, our 10,456 employees representing 96 nationalities work daily to better nourish and protect the planet. This great cultural diversity guarantees open-mindedness, attentiveness to the needs of others and understanding, and is grounded in know-how acquired through a team spirit and inclusion.

### MORE THAN A CENTURY OF EXPERTISE IN FERMEN- TATION

Fermentation is at the heart of our business and our economic model to the exclusion of almost everything else. Today, our goal is to be one of the leaders of the fundamental movement to deploy fermentation: we believe it is one of the most promising answers to feeding the growing population in a healthy and sustainable way. Thanks to this experience and diversity, we work with our customers, partners and researchers, to find ever more relevant solutions to the needs for nutrition, good health and naturalness, not to mention respect for our environment. We repurpose derivative products from the sugar and starch industry. Our strains of metabolites raised at the heart of fermentation process do not affect the abundance of biodiversity, given that we know how to grow them without taking them from the Earth. Bio fermentation aims to provide more sustainable solutions than the products that it is replacing. This is why we explore and reveal the infinite potential of micro-organisms on a daily basis.



### A FAMILY SHAREHOLDING AND SOUND FINANCIAL ASSETS

As a major global player that has been dedicated to the bio sector for more than a century, we made more than €2.8 billion in sales in 2022, and are continuing to invest worldwide to develop our industrial, technological and commercial network.

### INTELLECTUAL RE- SOURCES AND A GLOBAL NETWORK OF SKILLS

The research, development and innovation teams are composed of 600 experts from around the world, including 150 scientists based at the Lesaffre Campus, distributed across 7 centres of excellence and 63 centres of applied science. Over the past 10 years, the budget of the research, development and innovation-RD&I teams at Lesaffre has grown five-fold and more than 100 scientists have joined the Group in six years. In the years to come, Lesaffre intends to increase its investment by 10 to 15% each year. Our RD&I experts are constantly striving

to provide ever more relevant solutions to nutrition and health needs, using biotechnologies and biotransformation, while always respecting the highest health and safety standards. These panels of experts, covering all of our areas of activity, work daily to bring together the needs in terms of diet, nutrition, taste and pleasure.

### INDUSTRIAL RESOURCES THAT ARE EQUAL TO THE LATEST SCIENTIFIC DEVELOPMENTS AND REQUIREMENTS

We have state-of-the-art technological equipment at our disposal for designing high-quality products while optimising the use of natural resources. With a global network of production sites, we can achieve the same levels of quality worldwide while adapting to local needs and requirements.



# Our added value

## Economic value

### FOR OUR CUSTOMERS: PRACTICAL SOLUTIONS THAT ARE CONSTANTLY IMPROVING

Our industrial excellence supports the development of our customers on their markets by giving them access to the full range of our expertise in the fields of yeast and bacteria manufacturing, fermentation and transformation: RD&I, state-of-the-art industrial pilots and tools, a demanding quality approach and a local sales policy.

## Intellectual and scientific value

### FOR THE SCIENCE: A CONSTANT DEVELOPMENT OF RESEARCH, DEVELOPMENT & INNOVATION

The men and women who work at Lesaffre continually seek to develop the infinite potential of fermentation for the benefit of humanity. Since 1853, we have studied microorganisms on a daily basis. We participate in the writing of numerous scientific studies. Lesaffre has 165 patent families and 2,870 living patents currently being assessed or issued. The Group's trademarks portfolio includes 6,700 registrations, 990 trademarks, 300 renewals and approximately 250 submissions per year.

## Human heritage

### FOR OUR EMPLOYEES: SUPPORT FOR DEVELOPING THEIR SKILLS

775 employees changed job at Lesaffre in 2022 (job creation, replacement and extension of scope, change of contract type). That same year, 1,597 recruitments were made: 687 operators and industrial operations supervisors (production, industrial support) and 910 employees, 45% of whom are women.

Technical and/or managerial training is organised in the Group's different activities. Furthermore, the Group offers training activities for employees in managerial and technical areas through our Léon Lesaffre training institute.

## Societal value

### FOR THE GLOBAL POPULATION: SOLUTIONS TO IMPROVE HEALTH AND WELL-BEING

Our products provide access to healthy and sustainable food, and aim to improve the nutritional and taste quality of foods both by reducing their salt content and increasing their protein intake.



### The positive impact of our products on food and human health

- Proportion of breads in the world made with Lesaffre yeast: **1 bread out of 3**
- Number of consumers affected by salt reduction thanks to Biospringer yeast ingredients: **133 million consumers**

## Environmental value

### FOR THE PLANET: A SHARED COMMITMENT TO RESPECTING THE ENVIRONMENT

Our activities are respectful of the regions where we operate and are based on products and processes that respect the environment. Our products for agriculture and livestock breeding use less pesticides and mineral fertilisers while contributing to the enhancement of our by-products. What's more, our probiotics and yeast-derived products have numerous beneficial effects on animal nutrition and health, and contribute to the fight against the risk of antibiotic resistance in humans.



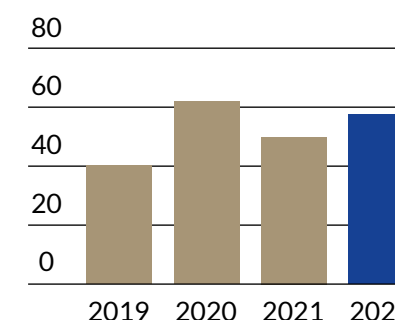
Lesaffre  
Charity  
Program

### The ECHO program – a system at the service of our mission

Created in 2019, the goal of the ECHO program is to encourage our employees around the world to take part in charitable work. In the space of four years, 200 charity projects have been completed. In addition to the financial resources, underpinning each project, we need committed men and women who volunteer to form a genuine relationship with the associations and communities that we support, with "personalised" relations and an attention paid to the needs in the field.

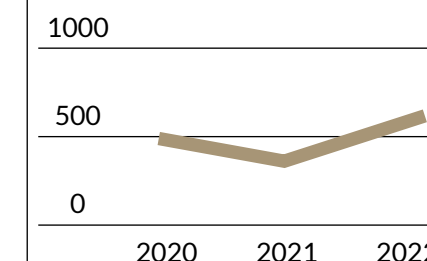
### NUMBER OF PROJECTS CONDUCTED IN 2022:

56



### NUMBER OF EMPLOYEES INVOLVED IN THESE CHARITY PROJECTS IN 2022:

709



In 2022, we defined three main criteria – education, nutrition and the environment – to select projects for the ECHO program. We also created an internal event – now held annually – dedicated to charity: the ECHO CHARITY DAY. This event aims to highlight the dedication of our project leaders in order to get even more of our employees on board by volunteering. In order to take it a step further, we will launch in 2023 a call for projects for implementing skills sponsorship.



# Constant dialogue with stakeholders

WE ARE AWARE THAT A COMPANY MUST TAKE INTO ACCOUNT THE INTERESTS AND EXPECTATIONS OF THE STAKEHOLDERS TO ENSURE ITS SUSTAINABILITY OVER TIME. THAT'S WHY WE TALK REGULARLY WITH EACH OF OUR STAKEHOLDERS

RELATIONS WITH STAKEHOLDERS		2022 INITIATIVES
Our employees	Lesaffre implements systems to ensure the health and safety of its employees, develop their skills and careers, and ensure their well-being at work.	See the "Health and safety" stake, page 30 See the "Training, development and work environment" stake, page 36
Our suppliers	Lesaffre communicates with its suppliers and passes on its requirements in terms of responsible purchasing.	See the "Responsible Purchasing" stake, page 53
Our clients	Lesaffre takes into consideration the expectations of its clients in the area of sustainable development, develops research, development & innovation partnerships and offers personalised support.	See "Our strategy and business model" introduction, page 8 See "Products, services and eco-design" stake, page 46 See "Sustainable agriculture and biodiversity" stake, page 58
Our shareholders	Lesaffre maintains a relationship of trust with its shareholders.	The management report containing the <i>EFPR</i> (extra financial performance report) is approved by the Board of Directors and presented to the shareholders who meet at the annual ordinary general meeting for approval. We contribute to the Hironde journal for shareholders, which is published four times a year.
Professional associations	We are present in 150 associations worldwide and are an active member in 70 of them.	The most important are: Cofalec, Eurasymp, ANIA, Fedima, IFIF, IPA and IMBA.
Civil society organisations	Lesaffre forms partnerships with local associations through the ECHO program which brings together the Group's charity activities.	Our beneficiaries have different profiles: NGOs, schools, associations, museums, food banks, etc. Some examples: Red Cross, People in Need, UNICEF, Maison Chance, Solidarity Tie, Arca De Crecer. See "ECHO program" introduction, page 15 The CSR Awards are an internal event that gives our subsidiaries a chance to highlight their CSR projects.
Non-financial rating agencies	Lesaffre regularly communicates with non-financial rating agencies.	Lesaffre aims to obtain the EcoVadis label at Group level. See the "Responsible Purchasing" stake, page 53 Lesaffre gets the support of Nexio and Sedex to identify areas for improvement in terms of CSR transparency. Some subsidiaries answer the CDP Water and Climate questionnaires.
The scientific community	Lesaffre positions itself as a cutting-edge research and engineering Group in addition to its industrial activities. The Group communicates and collaborates with many research centres around the world.	See "Our strategy and business model" introduction, page 8 See "Products, services and eco-design" stake, page 46 See "Sustainable agriculture and biodiversity" stake, page 58
Public authorities	Local general managers are responsible for maintaining good relations with local authorities.	





# Our governance

A governance structure at every level of the Group to support our CSR commitments

GOVERNANCE BODIES	MAIN MISSIONS
CSR committee and shareholder relations of the Board of Directors	<p>The Board of Directors has set up a committee that is fully devoted to matters relating to Corporate Social Responsibility (CSR). It makes sure material sustainability issues are taken into account within the context of the Group's economic development. It also validates this <i>Déclaration de Performance Extra-Financière</i> (Extra Financial Performance Report) each year.</p> <p><b>Number of meetings in 2022: 5</b></p>
General management	<p>The General Management validates material sustainability issues, the CSR policies, the action plans, the ESG objectives and metrics, and monitors the progress of the Group's sustainable development strategy. It also validates this <i>Déclaration de Performance Extra-Financière</i> (Extra Financial Performance Report) and regularly communicates with the members of the CSR Group of the executive committee to monitor the deployment of action plans and the achievement of objectives.</p>
CSR Group of the executive committee	<p>The CSR group of the executive committee is made up of seven members from different business units and departments of the executive committee, which meets every two months. Its mission is to identify and assess material sustainability issues for the Group in terms of impacts, risks and opportunities, and to pass them on to the Group's senior management. Its mission is also to put forward CSR policies, action plans, ESG objectives and metrics to the Group's General Management and the executive committee, for validation and deployment throughout the Group's value chain.</p> <p><b>Number of meetings in 2022: 5</b></p>
GLOBAL AND LOCAL TEAMS	MAIN MISSIONS
Group functional departments	<p>The functional departments provide technical expertise to the CSR Group of the executive committee to identify and assess material sustainability issues and to develop CSR policies, action plans, ESG objectives and metrics.</p> <ul style="list-style-type: none"> <li>• Taking care of employees: Human resources department / Industrial department / Industrial quality and sustainable development, safety and environment department</li> <li>• Producing and maintaining responsible relationships with our partners in a sustainable way: Legal, compliance and internal audit department / Industrial quality and sustainable development, safety and environment department / Purchasing department / Marketing for Baking department</li> <li>• Respecting our environment: Industrial department / Operations department with the support of an industrial sustainable development expert</li> </ul> <p>The finance department and the CSR Group of the executive committee are in charge of the European taxonomy issue for promoting sustainable investments.</p>
Senior management of the subsidiaries, business units and regional management	<p>The management of the regions, subsidiaries and business units participate in the development of CSR policies, action plans, ESG objectives and metrics using a co-construction approach with the Group. They are responsible for adapting them to their activities and deploying them operationally.</p>



## A risk management and internal control procedure aimed at integrating ESG issue

In 2022, we updated our risk map at Group level. The purpose of this map is to present and prioritise the main risks we face according to their impact and their probability of occurrence. We made sure that the ESG issues were integrated into the risk mapping process.

6 of the 19 major risks identified are linked to sustainable development: environmental damage, safety hazards, quality defects, climate change, business ethics and the deterioration of talent management. In order to properly identify the main non-financial risks within the framework of the EFPR (Extra Financial Performance Report), we used a methodology similar to that used to map out the Group's risks.



# Updating our ESG materiality analysis

## A robust methodology for identifying and assessing impacts, risks and opportunities

**2022** was a pivotal year in the development of the Group's CSR policy. In order to improve the synergies between our strategy and the growing expectations of our stakeholders in terms of sustainability, and prepare for the level of transparency required by future regulations, we started to update our materiality analysis, with the latest version dating back to 2018, according to the principle of double materiality.

We started by drawing up a list of ESG issues that were relevant to our sector of activity, taking into account the themes required under the current and future regulations (NFRD<sup>1</sup>, CSRD<sup>2</sup>, European Green Taxonomy), topics identified by international reporting initiatives (MSCI<sup>3</sup>, SASB<sup>4</sup>, GRI<sup>5</sup>) and the expectations of our stakeholders. We carried out a consultation involving nearly 40 internal and external stakeholders to assess the materiality of all of these sustainability issues with regard to the Group's activities. The internal stakeholders (functional departments, business unit senior ma-

nagement, regional departments, executive committee) assessed the materiality of the impact<sup>6</sup> and the economic materiality<sup>7</sup> based on two ratings aimed at reflecting the seriousness and frequency of each of the 21 issues identified. The external stakeholders (customers, suppliers, investors, NGOs, independent external members of the shareholder & CSR committee) only assessed the materiality of the impact to jointly reflect the seriousness and frequency of each of these issues.

- 1 - "Non-Financial Reporting Directive": directive on non-financial reporting, currently in force, adopted by the European Union in 2014 and transposed into French law in 2017.
- 2 - "Corporate Sustainability Reporting Directive": directive on sustainability reporting adopted by the European Union in 2022- it will replace the NFRD from its effective date.
- 3 - "Morgan Stanley Capital International": financial institution that publishes stock market indices including certain ESG rankings.
- 4 - "Sustainability Accounting Standards Board": non-profit organisation founded in 2011 to develop sustainability accounting standards.
- 5 - "Global Reporting Initiative": non-governmental organisation created in 1997 to establish a frame of reference of sustainability indicators.
- 6 - Materiality of impact refers to the potential or actual, negative or positive impact of the company on the environment and society.
- 7 - Economic materiality refers to the actual or potential positive or negative economic effects related to the environment and society that affect the position and performance of the company.





# Our key environmental, social and societal impacts, risks and opportunities

As a result of this work, **nine material sustainability stakes** the point of view of the real and potential impacts of Lesaffre on the environment and society, and from the point of view of the real and potential associated economic risks were identified. The dual materiality analysis is focused on raw sustainability issues, i.e. without taking into account any of the identified risk mitigation measures that the Group has already been doing for a long time. The policies, objectives and action plans implemented by Lesaffre on each of the issues identified are detailed in this *Déclaration de Performance Extra-Financière* (Extra Financial Performance Report). The precise qualification and quantification of the impacts and risks identified, as required by the future European directive – the CSRD – is under construction.



CSR PILLARS	CHALLENGES	MAIN MISSIONS	EXAMPLES OF KEY POTENTIAL RISKS
Taking care of employees	Employee health and safety	<ul style="list-style-type: none"> <li>Impacts on the health and safety of employees related to the work environment (injuries, death, illness)</li> </ul>	<ul style="list-style-type: none"> <li>Regulatory and reputational risks related to employee injuries, deaths and illnesses associated with the work environment</li> </ul>
	Training, development and work environment	<ul style="list-style-type: none"> <li>Impacts on the skills and careers of employees</li> <li>Impacts on the working environment of employees (diversity, social dialogue, working conditions)</li> </ul>	<ul style="list-style-type: none"> <li>Market risks related to the shortage of talent because of tensions on the job market, the new expectations of younger generations and changing working methods</li> <li>Market risks associated with the lack of training in certain jobs because of changes in the technical skills required</li> </ul>
Producing and maintaining responsible relationships with our partners in a sustainable way	Products, services and eco-design	<ul style="list-style-type: none"> <li>Customer health and safety impacts related to defective or hazardous products</li> <li>Impacts on the use of resources related to the manufacturing of products and packaging</li> </ul>	<ul style="list-style-type: none"> <li>Regulatory and reputational risks associated with product safety and customer satisfaction</li> <li>Chronic and extreme physical risks related to the depletion of natural resources (depletion of stocks, reduction of renewable resources)</li> </ul>
	Business ethics	<ul style="list-style-type: none"> <li>Impacts on business conduct (corruption, free competition, trade restrictions and sanctions)</li> </ul>	<ul style="list-style-type: none"> <li>Regulatory and reputational risks related to anti-competitive practices, corruption, commercial restrictions and sanctions, and fines</li> </ul>
	Responsible purchasing	<ul style="list-style-type: none"> <li>Impacts on the products (availability of resources), suppliers (human rights) and customers (health and safety)</li> </ul>	<ul style="list-style-type: none"> <li>Regulatory and reputational risks related to the non-respect of human rights in the value chain</li> <li>Market risks related to the increase in the cost of raw materials and securing the delivery of supplies</li> </ul>
Respecting our environment	Sustainable agriculture and biodiversity	<ul style="list-style-type: none"> <li>Impacts on biodiversity and ecosystems, soil health, and animal health and welfare</li> </ul>	<ul style="list-style-type: none"> <li>Chronic and extreme physical risks linked to the destruction of biodiversity (increasing shortage or variable production of key natural inputs, degradation of ecosystems)</li> <li>Market risks related to the increase in the cost of raw materials and securing the delivery of supplies</li> <li>Reputational risks related to changes in consumer expectations</li> </ul>
	Climate change	<ul style="list-style-type: none"> <li>Impacts on greenhouse gas emissions (scopes 1, 2 and 3)</li> </ul>	<ul style="list-style-type: none"> <li>Chronic and extreme physical risks related to climate events (thermal stress, heat waves)</li> <li>Regulatory risks related to new obligations (reporting)</li> <li>Technological risks associated with the transition to a low-carbon and energy-efficient economic system</li> <li>Market risks related to the increase in the cost of raw materials and securing the delivery of supplies</li> <li>Reputational risks related to changes in consumer expectations</li> </ul>
	Water and marine resources	<ul style="list-style-type: none"> <li>Impacts on water quantity and quality</li> </ul>	<ul style="list-style-type: none"> <li>Physical risks related to water quantity (water stress) and water quality (pollution)</li> <li>Regulatory risks (water restrictions)</li> </ul>
	Pollution and waste management	<ul style="list-style-type: none"> <li>Impacts on hazardous substances, air and soil pollutants, and waste</li> </ul>	<ul style="list-style-type: none"> <li>Physical risks related to pollution and waste</li> <li>Regulatory risks (new regulations)</li> </ul>



# Nine material sustainability issues, underpinning our new CSR policy

THANKS TO THE MATERIALITY ANALYSIS CONDUCTED IN 2022 AND OUR MISSION, WHICH IS AT THE MEETING POINT OF THE SOCIAL, SOCIETAL AND ENVIRONMENTAL IMPERATIVES, WE HAVE BASED OUR CSR GOAL ON THREE FUNDAMENTAL PILLARS

## OUR MISSION

**Working together**

**TAKING CARE OF EMPLOYEES**

**Health security**  
Improving the safety culture in striving towards zero accidents

**Training, development and work environment**  
Fostering employee commitment by developing their careers within a safe and inclusive working environment

**PRODUCING SUSTAINABLY AND MAINTAINING RESPONSIBLE RELATIONSHIPS**

**Products, services and eco-design**  
Guaranteeing the food safety of our products while improving their circularity

**Business ethics**  
Maintaining ethical business relationships with all stakeholders

**Responsible purchasing**  
Buying sustainable products and services from responsible suppliers

**and protect our planet**

**RESPECTING OUR ENVIRONMENT**

**Sustainable agriculture and biodiversity**  
Playing an active role in the agricultural transition by developing solutions with a positive impact

**Climate change**  
Reducing the carbon footprint of our value chain

**Water and marine resources**  
Reducing our water consumption by focusing on reducing groundwater consumption

**Pollution and waste management**  
Reducing pollution and promoting the circular economy

4 QUALITY EDUCATION

8 DECENT WORK AND ECONOMIC GROWTH

3 GOOD HEALTH AND WELL-BEING

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

2 ZERO HUNGER

6 CLEAN WATER AND SANITATION

7 AFFORDABLE AND CLEAN ENERGY

14 LIFE BELOW WATER

15 LIFE ON LAND

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

13 CLIMATE ACTION





# Our ESG dashboard

The recent update of our materiality analysis made it possible to start setting out the structure of our CSR policy and define its main guidelines, action plans, objectives and key performance indicators. This strategic work is still in progress and makes use of each functional department of the Group and member of the CSR Group of

the executive committee to achieve a successful and robust roadmap. Most of the objectives are therefore still being defined, and several identified key performance indicators will be measured and consolidated in the short term.

SECTIONS OF THE CSR POLICY	KEY COMMITMENTS	MAIN KEY PERFORMANCE INDICATORS <small>In taupe, the new indicators for 2022</small>	2022 RESULTS	OBJECTIVE	DUE DATE
Taking care of employees	<b>Health security</b> Improving the safety culture in striving towards zero accidents	Frequency rate of accidents with and without sick leave for Lesaffre employees (TF2r excluding first aid)	6.93	<5	2024
	<b>Training, development and work environment</b> Fostering employee commitment by developing their careers within a safe and inclusive working environment	Employee mobility rate	7.41 %	10 %	2025
Producing and maintaining responsible relationships with our partners in a sustainable way	<b>Products, services and eco-design</b> Guaranteeing the food safety of our products while improving their circularity	Proportion of sales from products sold that have been manufactured by a GFSI-certified site (%)	75 %	90 %	2025
	<b>Business ethics</b> Maintaining ethical business relationships with all stakeholders	Proportion of targeted employees (excluding operators) trained in the fight against corruption (%)	91.5 %	100 %	2023
	<b>Responsible purchasing</b> Buying sustainable products and services from responsible	Indicator currently being defined by the Group	n/a	n/a	n/a

SECTIONS OF THE CSR POLICY	KEY COMMITMENTS	MAIN KEY PERFORMANCE INDICATORS <small>In taupe, the new indicators for 2022</small>	2022 RESULTS	OBJECTIVE	DUE DATE
Respecting our environment	<b>Sustainable agriculture and biodiversity</b> Playing an active role in the transition of farming practices by developing solutions with a positive impact	Equivalent area of crops fertilised by by-products (ha)	217,000	n/a.	n/a.
		Equivalent surface area of field crops protected from water stress worldwide by our range of biostimulants (ha)	2,092,657	n/a.	n/a.
		Equivalent proportion of the production of milk and dairy products consumed worldwide covered by live yeasts produced by Phileo (per cent)	26 %	n/a.	n/a.
	<b>Climate change</b> Reducing the carbon footprint of our value chain	Scope 1 & 2 greenhouse gas emissions (t CO2eq)	1,096,478	n/a.	n/a.
		Estimated scope 3 greenhouse gas emissions in relation to the carbon footprint (%)	61 %	n/a.	n/a.
	<b>Water and marine resources</b> Reducing our water consumption by focusing on reducing groundwater consumption	Share of water recovered	83.9 %	n/a.	n/a.
		Volume of water consumed (m³)	n/a.	-2.5 % per year	2030
	<b>Pollution and waste management</b> Reducing pollution and promoting the circular economy	Indicator currently being defined by the Group	n/a.	n/a.	n/a.



# 02

## Taking care of employees





# Improving the safety culture in striving towards zero accidents

## Definition

**Health and safety** are paramount at Lesaffre. In order to maintain a safe and healthy work environment, free of injury, death and illness, we are deploying a safety management policy to achieve the ultimate goal of zero accidents. As a result, we can deal with the regulatory and reputational risks to which the Group may be exposed.

We are continually implementing action plans to ensure the health and safety of our employees, temporary workers and service providers working on our sites.

### IMPROVING THE SAFETY CULTURE USING BEHAVIOURAL AND TECHNICAL METHODS IN ORDER TO REACH THE FINAL OBJECTIVE OF ZERO ACCIDENTS

TOPICS	GUIDELINES	KEY OBJECTIVES AND PROSPECTS
Health and safety	Enforcing and improving the application of the 10 fundamental safety principles at Group level and for all sites	<ul style="list-style-type: none"> <li>Applying the 10 fundamental safety principles to all of industrial sites by 2024*</li> <li>Reducing the frequency rate of accidents with and without sick leave for Lesaffre employees (TF2r) to 5 by 2024</li> </ul>
	Developing and deploying training courses on the health and safety fundamentals and the publication of information on best practices for the executive committee and managers in particular	<ul style="list-style-type: none"> <li>Training all the leadership teams on health and safety issues by 2023*</li> </ul>
	Making behaviour-based safety visits systematic for employees working in production	<ul style="list-style-type: none"> <li>Organising at least two behaviour-based safety visits per year and per person (production employees), i.e. 11,000 visits, by 2024</li> </ul>
	Implementing a specific action plan to respond to the risk analyses and diagnoses conducted at Group level and during inspections and safety audits on the sites	<ul style="list-style-type: none"> <li>Completing 85% of the safety measures associated with the behaviour-based safety visits and safety inspections by 2023</li> </ul>

\* The indicators for following up on these objectives defined in 2022 will be available at a later date.

## Governance

The governance of our health and safety policy is set up at each level of the Group:

- The steering is provided by the Deputy General Manager.
- A safety committee at Group level made up of members of the executive committee and industrial managers, as well as the Group Safety Coordinator, oversee its implementation by defining the actions to be implemented, and by deploying the strategy at the local level.
- The Safety Coordinators in each region pursue this supervision at the regional level.
- Subsidiary Safety Officers make sure it is properly applied and ensure compliance at the local level.

In order to maintain regular communication between these different bodies, the safety community, which has been in place for several years now, is in charge of

leading the process. It is made up of 150 employees, including the Safety Officers from the subsidiaries, Regional Safety Coordinators and key safety leads. The objective of this community is to share operational experience, apply safety best practices, work on common issues and facilitate the effective deployment of the safety policy on all the sites.

The core team, made up of regional coordinators and the Group safety coordination, performs a monthly update to discuss current actions, the minimum safety requirements and the accidents. Each regional coordinator is responsible for communicating key information with their regional community, and coordinating safety and preventive measures in their region.





## Our 10 fundamental principles give a structure to the Group's safety approach in each of our subsidiaries

BY APPLYING THESE PRINCIPLES, THE FREQUENCY RATE OF ACCIDENTS WITH AND WITHOUT SICK LEAVE FOR LESAFFRE EMPLOYEES (TF2R) SHOULD DROP TO 5 BY 2024.

01

### Workplace safety policy

Once a year, each subsidiary drafts or updates a workplace safety policy signed by the Site Manager. This policy expresses the subsidiary's commitment in terms of actions, monitoring and continuous improvement. It must be communicated, shared, deployed and checked.

02

### Safety officer

Each subsidiary appoints someone qualified to take charge of ensuring that the workplace safety policy is applied and compliant. The safety organisation may be supplemented by a safety committee made up of people who are representative of the site.

03

### Laws, regulations and minimum safety requirements

Each subsidiary enforces the applicable local safety laws and regulations, and monitors their application. Each subsidiary applies Lesaffre's minimum safety requirements.

04

### Accident analysis

Each subsidiary analyses all workplace accidents (with and without sick leave) and implements corrective measures to prevent them from recurring. The analyses and actions taken must be formally documented and recorded in a dedicated register.

05

### Treatment and first aider area

Each subsidiary has a space and the necessary equipment for treating people in the event of a workplace accident and a team of first aiders depending on the activity of the subsidiary and its population.

06

### Safety training

Each subsidiary defines a safety training program for its activity and its population. This program includes the training courses required at the local level as well as those recommended following the risk assessment. Each subsidiary also provides the initial safety training for all new recruits and workstation training. These courses must be formally documented and monitored.

07

### Risk assessment

Each subsidiary identifies and assesses the professional risks to which its employees are exposed. This risk assessment must be formally documented and updated at least once a year.

08

### Workplace safety action plan

Each subsidiary defines an effective action plan aimed at reducing and, as far as possible, eliminating the professional risks identified in the risk assessment document.

09

### Behaviour-based safety inspections and visits

Each subsidiary organises safety inspections and behaviour-based safety visits at intervals that are suited to its activity and its population. These formal visits must be used to prevent hazardous situations and to oversee the practical implementation of the action plan referred to in point 8.

10

### Safety indicators

Each subsidiary sets up a monthly report that covers the six indicators relating to the safety and preventive measures as defined by the Group: frequency rate 1, 2 and 3, severity rate, number of closed safety actions / number of open actions, number of safety inspections and behaviour-based safety visits completed.





# Policies, action plans & objectives

OUR GOAL IS TO IMPROVE THE SAFETY CULTURE USING BEHAVIOURAL AND TECHNICAL METHODS IN ORDER TO REACH THE FINAL OBJECTIVE OF ZERO ACCIDENTS.

THE GROUP'S ROADMAP, VALIDATED BY THE EXECUTIVE COMMITTEE AND MONITORED BY THE SAFETY COMMITTEE, HIGHLIGHTS FIVE PILLARS TO BE IMPLEMENTED IN THE POLICIES AND ACTION PLANS:

- GOVERNANCE • DIAGNOSTICS SAFETY INDICATORS
- ORGANISATION AND TRAINING • TOOLS • COMMUNICATION

## Developing and deploying training courses on the health and safety basics, and the publication of information on best practices

We believe in the importance of including the executive committee in the deployment of our safety approach. That's why we organised a training day in 2022 for all the members of the executive committee on the health and safety basics.

In order to conduct a diagnostic assessment on how the safety measures are applied and behaviours adopted, a survey on perceptions about safety was deployed at the end of 2022 at Group level. It will be analysed and the results fed back at the local level. In order to achieve its goal of having **all the leadership teams trained on health and safety issues by 2023**, we are prioritising the deployment of this course in the regions. Another major area of work will be the continuation of the working Groups analysing and reporting back on the perception survey initiated at the end of 2022.

## Making behaviour-based safety visits systematic for employees working in production

In order to ensure that our approach is properly applied for all subsidiaries, we have implemented three levels of checks:

- The behaviour-based safety visits (BBS), which are participatory visits at the level of each position or task.
- Safety inspections, at factory or workshop level.
- Safety audits carried out by regional coordinators at site level.

In 2022, the behaviour-based visits and safety inspections were improved. The aim of this approach is **to improve our ability to prevent risky behaviour, improve our safety vigilance throughout the organisation and thereby prevent accidents at work.**

Our employees and on-site safety managers carried out more than 21,700 safety visits and inspections within the Group in 2022, at plant or workshop level, i.e. nearly 45% more than in 2021, thereby exceeding the objective that we had set ourselves (11,000 safety visits and inspections per year).



These behaviour-based visits will be gradually rolled out and digitised. A tool for performing safety inspections and behaviour-based visits using smartphones and tablets has been developed at Group level and made available to the regions.

What's more, evaluation grids for defining the safety measures to be implemented are continually being updated.

**At least two behaviour-based safety visits will be organised per year** and per person (production employees).

## Setting up a specific action plan to respond to the risk analyses, diagnostic assessments, inspections and safety audits carried out at Group level and on the sites

Following the safety perception survey conducted in 2022, **four areas were identified for the implementation of action plans:** progressive motivation, commitment, leadership, communication. These positions will guide the action plans that are currently being defined.

We have improved the follow-up of the action plans created after each safety visit and inspection to make it more effective. Our teams closed 87% of the safety measures in 2022 (compared to 89% in 2021).

Furthermore, safety diagnostic assessments were carried out on samples of sites, to support and enhance the analysis of the safety perception survey.

The action plans are gradually defined and implemented on the basis of the survey, and the diagnostic assessments and audits carried out. Work groups made up of industrial managers participate in developing this action plan. This includes proposing areas for improvement to the Group safety committee.

**85% of the safety measures that are linked to the behaviour-based safety visits and safety inspections must be completed** on each site in 2023, without fail.



# Results

TOPICS	GUIDELINES	KEY PERFORMANCE INDICATORS <small>In taupe colour, the new indicator for 2022</small>	2022 RESULT	2021 RESULT	CHANGE (%)
Health and safety	Enforcing and improving the application of the 10 fundamental safety principles at Group level and for all sites	Frequency rate of accidents with and without sick leave for Lesaffre employees (TF2r excluding first aid)  Objective: to reduce the frequency rate of accidents with and without sick leave for Lesaffre employees (TF2r) to 5 by 2024	6.93		
		Frequency rate of accidents with and without sick leave for Lesaffre employees (TF2 including first aid)	10.8	13.0	-16 %
		Frequency rate of accidents with and without sick leave for Lesaffre employees and temporary workers (TF3)	11.0	12.7	-12 %



# Fostering employee commitment by developing their careers within a safe and inclusive working environment

## Definition

The "Training, development and working environment" stake is crucial for Lesaffre. Lesaffre aims to maintain and improve human capital, particularly through training, career management and the working environment. Supporting employees in their careers through adequate training and career management can both improve the retention and adaptability of talented individuals, and increase the company's overall level of expertise.

Established on every continent, Lesaffre has approximately 11,000 employees covering 96 nationalities. The Group is committed to playing a role in the development of their skills, their professional development and their well-being at work. Given the current tensions on the job market, the new expectations of younger generations, changes in working methods and the technical skills required, Lesaffre is looking to minimise the risk of talent shortages by developing policies and action plans for managing human capital.

TOPICS	GUIDELINES	KEY OBJECTIVES AND PROSPECTS
Talent attraction (employer brand and recruitment)	Ensuring the visibility of the Group	<ul style="list-style-type: none"> <li>• In each country where Lesaffre recruits more than 15 employees per year, training a member of the local HR team in digital recruitment and integration tools using an e-learning course by the end of 2024</li> <li>• Extending partnerships to three universities outside France by 2024</li> </ul>
Skills and career development	Developing and adapting the skills of our employees to the challenges of the future	<ul style="list-style-type: none"> <li>• Increasing the total number of hours of connection to the online training platform by more than 10% by 2025 compared to 2022</li> </ul>
	Offering career advancement opportunities tailored to each of our employees	<ul style="list-style-type: none"> <li>• Maintaining an attrition rate below 6% by 2025</li> <li>• Offering every employee an annual appraisal in 2025*</li> <li>• Increasing the number of positions advertised on the WOO platform by 10%** by 2025 compared to December 2022</li> <li>• Reviewing all the leadership succession plans annually by 2025*</li> </ul>
Working environment (diversity, social dialogue, health, working conditions)  (Voluntary sub-issue, see the appendix of the table of material issues)	Ensuring respect for human rights in our operations	<ul style="list-style-type: none"> <li>• Communicating to all employees and integrating global human resources policies into the employment contract by 2025</li> <li>• Informing 100% of employees about the alert procedure and associated platform by 2025*</li> </ul>
	Promoting inclusion and well-being in the workplace	<ul style="list-style-type: none"> <li>• Training 90% of employees on the "safety, diversity and inclusion awareness-building" module by 2025*</li> <li>• Having at least two people of each sex in every recruitment agency shortlist of candidates for a leadership position by 2023</li> </ul>
	Maintaining an open social dialogue	<ul style="list-style-type: none"> <li>• Deploying social climate surveys at least every 3 years in every region by 2025 (and in 80% of regions at least every two years by the end of 2024)*</li> </ul>

\* The indicators for following up on these objectives defined in 2022 will be available at a later date.

\*\*\*"WOO": digital platform dedicated to all employees guaranteeing priority access to all job offers advertised by the Group







## Governance

**O**ur policy for attracting and retaining talent is supported by the Group Human Resources Director, a member of the executive committee. An HR committee, made up of operational and functional managers, the majority of whom are members of the executive committee, works and contributes to the decisions taken to develop social policies.

The HR leadership team, which includes the Group HR team and the regional HR Directors, works

throughout the year on changes to HR policy practices and tools before their operational implementation in the Group's subsidiaries.

It is replicated in the operational implementation of our commitments by a network of HR employees, that are functionally coordinated by the HR department, which assists our managers and covers all the Group's structures at regional, national, subsidiary and plant level, working closely with our employees.

## Policies, action plans & objectives

**O**ur aim is to foster the commitment of our employees by allowing them to grow professionally within a safe and inclusive work environment. We want to offer opportunities for career advancement and enhance the talent of our employees.

Since our creation, we have improved the entrepreneurial spirit, innovation, business expertise and diversity of our employees with excellent results for the Group in France and internationally in the bio

industry. Our policy is therefore to attract talented individuals and retain them as Group employees by offering them vibrant careers and by investing in the development of their skills.

The human resources department established the 2022-2024 HR strategy with the HR committee of the executive committee that defines the areas of work to be prioritised between now and 2025. It is based on five commitments:

### 01

#### BOOSTING APPEAL

by improving the talent acquisition processes and consolidating the employer brand

### 02

#### OPTIMISING THE EMPLOYEE EXPERIENCE

by promoting managerial role models, making annual appraisals systematic for managers and experts, and by explaining career paths and making them understandable to our employees

### 03

#### IMPROVING HR EFFICIENCY

at a global level by digitising HR processes, and clarifying the roles and responsibilities of HR teams at every level of the organisation

### 04

#### SUPPORTING GROUP CHANGES

by preparing the industrial leaders of the future and by professionalising the HR community

### 05

#### ACTING AS A CATALYST FOR CULTURAL CHANGE

by preparing for new forms of work and protecting the human factor in the culture and the relationships within the Group.

To keep more in step with the rapid changes in our society and our activity, this roadmap is revised and presented to the General Management every three years, reviewed each year within the framework of the budgetary exercise and monitored twice a year by the HR leadership team. HR leaders have been appointed to champion each pillar of the HR roadmap in order to structure and monitor key actions, in line with the HR roadmaps of each region.



## Ensuring the visibility of the Group

**IN A HIGHLY COMPETITIVE CONTEXT, WE STARTED TO WORK ON BUILDING UP AND IMPROVING OUR EMPLOYER BRAND OVER FOUR YEARS AGO.**

**Employer brand training for recruiters** continued with the development of an e-learning course on cognitive bias and cultural fit in recruitment, as well as two training modules on the use of LinkedIn. In addition to the e-learning course, Lesaffre is preparing to launch workshops in 2023 on the fundamentals of recruitment including cognitive biases in particular. These workshops will be added to the development of a training module for recruiters (managers and HR) on the pillars of the employer brand.

**All the subsidiaries also benefited from internal communication tools** in order to disseminate employer brand messages.

In addition to these training efforts and in order to increase brand awareness among young talents, we have been developing **partnerships with the grandes écoles (French elite schools) and universities** for a number of years now, in the areas of activity or skills that are of particular interest to us.

In 2022, Lesaffre prepared a youth case (case study) with the ESSEC chair to get Lesaffre employees involved with the educational bodies of the schools.

In order to improve Lesaffre's visibility on the social networks, a communication plan will also be launched in 2023 to get recruiters to use LinkedIn more. The number of followers on Lesaffre's LinkedIn profile rose to more than 100,000 followers in 2022. The employer brand will also be built up **by the worldwide deployment of digital recruitment platforms**, guaranteeing the security and quality of the training and integration courses and processes.



## Developing skills and careers

### **DEVELOPING AND ADAPTING THE SKILLS OF OUR EMPLOYEES TO THE CHALLENGES OF THE FUTURE**

In order to ensure that talent is retained, we are committed to developing and adapting the skills of our employees to the challenges of the future, and to offering career advancement prospects tailored to each of our employees.

Thanks to our in-house academy, the Léon Lesaffre training institute, we have been able to inspire the expertise of our leaders for many years now. In 2022, Lesaffre continued **to digitise the training offer by developing the e-learning platform**, the Lesaffre E-learning Academy (LEA). The training offer is very broad and covers areas such as finance, project management, sales or research, development & innovation.

More than 6,000 courses and educational resources are available to the users defined as part of the platform's deployment plan in 2022. 97.3% of these users logged in at least once, and 93.5% of users attended at least one training session. A total of 20,970 training hours were recorded on the platform.

**There are dedicated training programmes** for our managers to develop their skills in management, leadership and project management while sharing the values of the Group. The academy for managers provides access to a library of courses and resources for training managers and developing skills (technical, soft skills), from the best universities. These courses are offered by grade (manager, executive) so that they are tailored to the needs.

### **OFFERING CAREER ADVANCEMENT OPPORTUNITIES TAILORED TO EACH OF OUR EMPLOYEES**

**The internal mobility of our employees** is promoted by a series of measures including annual performance monitoring and access to internal offers. This can include international transfers.

- A system of annual appraisals coordinating the process of matching the needs of the entities with the skills of our employees and their requests for advancement is made possible between managers and their employees and formalised discussions between leaders to talk about employees.
- An internal mobility system also supported by a digital platform gives Lesaffre employees access to job offers available in the Group before they are advertised

externally (706 positions advertised in 2022). Each employee is attached to an HR manager for a personalised follow-up.

- Volontariat International en Entreprise (VIE): each year, about 20 young people are offered VIE (International Volunteering in Business), thereby promoting the Group internationally in a desirable way.

In 2022, the employee mobility rate was 7.41% and the job mobility rate among the TOP450 in the leadership teams was 14.04%. The number of executives working on international courses was 89, representing 10 different nationalities. In 2022, Lesaffre hired 57% of the people who finished their VIE programmes on permanent contracts.

In the same year, Lesaffre specified the pathways and potential advancement opportunities within the Group for the two populations of "experts" and "managers". Thanks to this initiative, a common language and some consistency between the regions of the different plants can be established by facilitating the identification of needs and the detection of talent. The deployment of this frame of reference will facilitate the positioning of each of the Group's employees.

Today, annual appraisals are generally set up, particularly for all managers. However, the system concerned may differ from one country to another and from one entity to another. Lesaffre is working on deploying a Group **annual**

**appraisal which must be sufficiently adaptable while including common elements** to be used by all employees.



# Working environment

BEYOND THE OBJECTIVES SET TO ATTRACT AND RETAIN TALENT, WE ARE COMMITTED TO GUARANTEEING RESPECTFUL WORKING CONDITIONS FOR OUR EMPLOYEES.

## ENSURING RESPECT FOR HUMAN RIGHTS IN OUR OPERATIONS

On a global scale, we have launched several studies on human rights, particularly in the area of pay and social security, in order to fulfil employee expectations as much as possible.

In order to develop its actions in favour of human rights, Lesaffre is aiming to **deploy a Group policy on respect for human rights** by 2025 in all the countries where Lesaffre is present. In addition, an alert procedure will be put in place in order to make it accessible to all employees by 2025.

## PROMOTING INCLUSION AND WELL-BEING IN THE WORK-PLACE

Each Group entity oversees the welcome and support given to candidates and employees with disabilities by organising awareness-building campaigns with

the departments, HR teams, managers and employees. These measures are coordinated locally by the entities and take into account the following structural special features: nature of the professions, age pyramids, number of employees. Aware of their social impact, our companies also sign partnerships with disability-friendly establishments or collaborate in a targeted manner with *Etablissements et Services d'Aide par le Travail* (work assistance establishments and services) or *Entreprises Adaptées* (disability-friendly companies) for some of their general purchases, in order to broaden their positive contribution and promote the employment of people with disabilities.

One of the initiatives carried out in 2022 was an awareness day organised by the Biospringer subsidiary on visual impairment with the Valentin Haüy Vocational Training and Rehabilitation Centre for European disability employment week.

**Equality between men and women is one of our long-term commitments.** We keep a close eye on this at the level of the governing bodies and leadership teams, as well as the industrial sites. Annually, we publish the gender equality index for eight French entities of the Group in accordance with the *Avenir Professionnel* (professional future) law of 5 September 2018. In 2022, it was at 88, which is exactly the same result as in 2021.

Diversity and inclusion are also supported by a desire to **train all employees on these subjects. We aim to train 90% of employees in the "safety, diversity and inclusion awareness" module** by 2025. What's more, the Group took the decision, when the recruitment of a leader is entrusted to an external firm, to have at least two people of each sex in every shortlist of candidates by 2023.

## MAINTAINING AN OPEN SOCIAL DIALOGUE

In all our French companies, the **organisation of social dialogue is founded** on the staff representative bodies with multiple trade union bodies that is expressed through elections. In 2022, 20 collective agreements were signed for the Group's French entities on topics related to remote working (LINT, Ennolys, LPF), profit-sharing (LINT, LCS, LPF, SIL), annual negotiations (LINT, LIS, Biospringer, LPF, Ennolys, SIL), mandates (LCS, LIS), the company savings plan (Agrauxine), and professional equality (SIL).

By 2025, the Group aims to organise social climate surveys in every region at least every 3 years.



# Results

TOPICS	GUIDELINES	KEY PERFORMANCE INDICATORS	2022 RESULT	2021 RESULT	CHANGE (Pt)
Skills and career development	Offering career advancement opportunities tailored to each of our employees	Rate of job mobility from the TOP450, in the leadership teams (%)	14.04%	8.99%	5
		Employee mobility rate (%) Objective: attain an employee mobility rate of 10% by 2025	7.41%	6 %	1.41
		Number of executives on an international course (#)	89	94	-5 %
Talent attraction (employer brand and recruitment)	Making the Group more desirable	Turnover rate on permanent contracts (%)	11.81%	11.15%	0.66





# 03

**Producing  
and maintaining  
responsible  
relationships with  
our partners in  
a sustainable way**



# Guaranteeing the food safety of our products while improving their circularity

## Definition

The **"Products, services and eco-design"** issue deals with Lesaffre's contribution to the quality, safety, innovation, circularity and transparency of products and services. The Group must ensure that its products comply with the technical specifications imposed by the market regulations and ensure the safety of its customers. It must also be transparent about the environmental and social impact of its products so that the customers can make choices that match their expectations in terms of responsible consumption. The eco-design of products contributes to the transition from a linear ecosystem to a circular one with superior management of natural resources.

Given its status as a world key global player in the field of producing and transforming yeasts and other microorganisms, Lesaffre sells products in the agri-food and health sectors whose quality and safety requirements are essential for the health and safety of users. The Group also consumes resources in the manufacture of its products, which therefore has repercussions on the availability of resources and the state of ecosystems.

In order to reduce the impact of its products and mitigate the regulatory and reputational risks, to which Lesaffre may be exposed in the event of defects or non-compliance with applicable regulations, the Group is committed to improving the durability, quality and safety of its products at every stage of production and at every level of the company.

TOPICS	GUIDELINES	KEY OBJECTIVES AND PROSPECTS
Quality and safety of our products and services	Promoting the GFSI (Global Food Safety Initiative) certification	Setting a target level for the proportion of revenue from products sold that have been manufactured by a GFSI-certified site by 2023 to be implemented in 2024. The objective would be to reach 90% certified sites by 2025.
Innovation and circularity of products and services	Developing more sustainable new products	Raising awareness among all the project managers with projects that have been passed by the validation committee from March 2023, about the implementation of CSR criteria by the end of 2023*
	Promoting "clean label" raw materials and replacing those that do not have this classification in the development of new products	Attaining the figure of 100% for bread improvers created with clean label raw materials by the end of 2024*

\* The indicators for following up on these objectives defined in 2022 will be available at a later date.

## Governance

The deputy CEO and Group Chief Operations Officer coordinates the subject in consultation with the directors of the regions and business units.

The Industrial Quality and Sustainable Development Department is responsible for implementing product Quality and Safety issues in close collaboration with the regulatory affairs department and ensures compliance with the quality standards.

The quality teams of the nine business units and seven baking regions take part in the implementation. The research, development & innovation department oversees the launch of new sustainable products.

The M4B - Marketing For Baking department oversees the issue of promoting "clean label" raw materials and replacing those that do not have this classification in developing new products.





# Policies, action plans & objectives

OUR AMBITION IS TO GUARANTEE THE FOOD SAFETY OF OUR PRODUCTS WHILE IMPROVING THEIR CIRCULARITY.

## GUARANTEEING THE QUALITY AND SAFETY OF OUR PRODUCTS AND SERVICES

In order to continuously improve our performance, our product health quality policy is guided by **the objective of promoting the GFSI** (Global Food Safety Initiative) certification within the Group.

In order to guarantee the highest level of quality and safety for all of our products, we make sure to apply the **best possible practices in terms of traceability and food safety**. To do this, our guidelines are centred on the following three pillars: quality certification, verification and food safety.

In order to improve our certification process at all the production sites, we promote the deployment of one or more quality standards of the Global Food Safety Initiative (GFSI) in our factories throughout the Group, including:

- FSSC 22000
- BRC
- IFS

**We continually improve the GFSI certifications** (dashboard, associated frame of reference), we are monitoring the proportion of sales from products sold that have been manufactured by a GFSI-certified site, and will define a target share by the end of 2023.

**We have more than 55 control laboratories** for guaranteeing the quality and safety of our products on all of our production sites. At the same time, in order to meet the requirements of the highest international standards, we undergo numerous audits to ensure that the external verifications are of a high standard. During the course of our development, we also establish specific Group operating methods for each of our activities. Internal

audits are conducted to make sure that these methods are properly applied.

**All of the quality teams at the production sites have implemented their own specific quality policies and monitoring**, including the HACCP (Hazard Analysis Critical Control Point) procedures, which goes to show the daily commitment of our teams to take the preventive actions needed to control the risks on the finished products. These local policies are in line with the objectives of the food quality policy implemented by the Group on the products.

**Developing the sharing of good practices** is another means of getting our teams involved and ensuring the food safety of our products. The drafting of the quality guidelines was initiated in 2019 through co-construction workshops, composed of the production sites and Group experts. This was deployed to all the quality teams in 2020, in the form of about 10 webinars. In 2022, the Food Safety Day was launched to raise awareness and share best practices on the food safety of products with webinars and workshops attended by all of the Group's quality managers. The goal is to continue running the Food Safety Day on a yearly basis.



## IMPROVING THE INNOVATION AND CIRCULARITY OF OUR PRODUCTS AND SERVICES

### Developing new, more sustainable products

In 2022, we defined the first **environmental and social criteria** to be included in the development project sheets for new products. In 2023, these criteria will be reviewed and KPIs, along with an associated objective, will be defined.

We are **committed to raising awareness among all the project managers whose projects will be validated by the temporary committee from March 2023**.

### Promoting "clean label" raw materials and replacing those that do not have this classification in the development of new products.

We have initiated a number of **initiatives on the use of sustainable raw materials and excluding raw materials that do not have the "clean label" classification**. By the end of 2023, we will define a list of raw materials that do not have the "clean label" classification. We then undertake to study the replacement options in the development of new products and to inform the regions of the Group's new requirements in terms of the development of new products.

The objective is to **achieve 100%**

### newly formulated breadmaking ingredients with "clean label" raw materials by the end of 2024.

### Organising the return to nature of our by-products

Given our belief in the importance of producing in a sustainable manner, the recycling of organic materials is an integral part of the Group's environmental policy (see the "Sustainable agriculture and biodiversity" issue, page 58).

## Results

TOPICS	GUIDELINES	KEY PERFORMANCE INDICATORS <small>In taupe colour, the new indicator for 2022</small>	2022 RESULT	2021 RESULT	CHANGE (%)
Quality and safety of our products and services	Promoting the GFSI (Global Food Safety Initiative) certification	Proportion of sales from products sold that have been manufactured by a GFSI-certified site (%) *	75		

\* The KPI was not recorded in 2021.



# Maintaining ethical business relationships with all stakeholders

## Definition

The "Business Ethics" issue covers a wide range of behaviours that support transparent and sustainable practices in favour of employees, suppliers, contractors, customers and partners. The integrity of the Group's practices is fundamental and Lesaffre's priority is to align itself with the standards in force across the entire value chain in order to avoid liability claims, resulting in financial, regulatory

and reputational repercussions. As Lesaffre operates internationally, the regulations may vary depending on their location. In order to prevent and detect corruption, bribes, conflicts of interest, theft, fraud, embezzlement and money laundering, Lesaffre is committed to respecting ethical values in all its business relationships.

### MAINTAINING ETHICAL BUSINESS RELATIONSHIPS WITH ALL STAKEHOLDERS: EMPLOYEES, SUPPLIERS AND SUB-CONTRACTORS, CUSTOMERS AND PARTNERS

TOPICS	GUIDELINES	KEY OBJECTIVES AND PROSPECTS
Business ethics	Fighting against corruption and conflicts of interest	<ul style="list-style-type: none"><li>Rolling out an update of the code of conduct by 2023 for preventing corruption with annual training/awareness-building events for all the employees (excluding operators) with more than 6 months of seniority in the fight against corruption.</li><li>Analysing the results of the risk mapping in the fight against the corruption of strategic, critical and at-risk third parties to prioritise and deploy appropriate action plans by the end of 2023.</li></ul>
	Respect for the rules of free competition	<ul style="list-style-type: none"><li>Training 90% of targeted employees (excluding operators) on the new anti-trust training by the end of 2023*</li></ul>
	Respecting the rules pertaining to international trade restrictions and sanctions	<ul style="list-style-type: none"><li>Deploying the sanctions policy to 90% of the employees targeted by sanctions (managers or wholesalers of so-called at-risk third parties) by the end of 2024*</li><li>Deploying action plans by the end of 2024 to manage the risks in terms of international sanctions</li></ul>

\* The indicators for following up on these objectives defined in 2022 will be available at a later date.

## Governance

The three subjects of corruption, free competition and international trade restrictions and sanctions, are specifically overseen by the Legal, Compliance and Internal audit department. A shared governance is implemented on the auditing of third parties between the purchasing team and the legal team. In 2022, the Board of Directors and the Audit Committee reviewed the compliance policy (including

the topics of corruption, GDPR and sanctions). The Executive Committee was in charge of validating the competition policy in January 2023.



## Policies, action plans & objectives

All of our activities and our business relationships are underpinned by **ethical values, integrity, and respect for men, women and the environment**. Our ambition is to place these values at the heart of all our policies

and to ensure that they are shared by each of our stakeholders: employees, suppliers and sub-contractors, customers and partners.

### FIGHTING AGAINST CORRUPTION AND CONFLICTS OF INTEREST

We care about compliance, integrity and business ethics, committing to:

- Refusing and prohibiting any form of corruption and conflict of interest among our employees

- Ensuring the compliance of tier 1 third parties, that are strategic for the Group's activity, with ethical principles in terms of corruption and conflicts of interest. For example, we are introducing an ethics clause in our terms of purchase and our terms of sale. We also send questionnaires to suppliers and we train our

employees. In order to identify our strategic suppliers and prioritise our action plans, we mapped out the **risks linked to the suppliers and subcontractors, customers and partners**.



This mapping, initiated in 2022 and involving up to 1,000 contributors across the Group, that integrates the risk of fraud and corruption, is used to establish a list of strategic stakeholders on which to prioritise our efforts.

By 2023, Lesaffre is aiming to **prioritise third-party audits** using risk mapping, and systematise third-party audits in countries or at-risk functions. To facilitate the processing of the results, Lesaffre has acquired a special tool for auditing third parties, that takes into account the risk of national sanctions.

**In order to raise employee awareness**, an anti-corruption course was launched in February 2022. At the end of 2022, 91.5% of employees (excluding operators) were trained and the remaining 8% will receive reminders in 2023.

From 2023, all new recruits will also be trained in the fight against corruption.

We are committed to **rolling out an update of the corruption prevention code of conduct to our targeted employees** (excluding operators) by the end of 2024 (cumulatively).

From 2023, **the code of conduct and the corruption prevention guide** (containing the conflict of interest, gifts and alert procedure policy) will be updated with the results of the risk mapping.

The objective is to gradually deploy the policies and check that all the employees are aware of them (using a system of questionnaires).

**RESPECT FOR THE RULES OF FREE COMPETITION**

In 2022, the competition policy was formally recognised and presented to the executive committee. The five pillars of the policy are as follows:

- **Clear commitments** on the management of the competition programme
- **A risk map** regarding the competition
- Designating a **point of contact**
- Effective **communication, information and training measures**
- An effective mechanism for **monitoring and alerting, and disciplinary sanctions**.

The compliance programme will be rolled out across the entire Group from 2023.

**To raise awareness of this policy**, we put together an anti-trust course in 2022 based on the basic principles of free competition and case studies, in the form of an e-learning course as well as some webinars and workshops.

The objective is to train **90% of the employees targeted** according to their job role (excluding operators) by the end of 2023 using the new anti-trust course.

**RESPECTING THE RULES PERTAINING TO INTERNATIONAL TRADE RESTRICTIONS AND SANCTIONS**

In 2022, we updated the **trade sanctions policy** to take into account the analysis of third parties in the countries, and the job roles identified as at-risk.

The objective is to analyse the results of the strategic, critical and at-risk third parties to prioritise and deploy appropriate action plans on trade sanctions by the end of 2024.

**In order to raise awareness among employees**, the policy will be systematically circulated throughout the Group and the verification tools will be improved from 2023.

We are committed to **deploying the sanction policy to 90% of our employees** targeted as liable to sanctions (managers or wholesalers of so-called at-risk third parties) by the end of 2024 (cumulatively).

**Results**

TOPICS	GUIDELINES	KEY PERFORMANCE INDICATORS <small>In taupe colour, the new indicator for 2022</small>	2022 RESULT	2021 RESULT	CHANGE (%)
Business ethics	Fighting against corruption and conflicts of interest	Rolling out an update of the code of conduct by 2023 for preventing corruption with annual training/awareness-building events for all the employees (excluding operators) with more than 6 months of seniority in the fight against corruption	91.5%		

**Buying sustainable products and services from responsible suppliers**

**Defining the issue**

The **"Responsible Purchasing"** issue is about sourcing responsible products and services by working with suppliers to take into account social, societal and environmental issues across the entire value chain, in an integrated manner at each stage of the purchasing process. We think about responsible purchasing centred on the following three pillars:

- Buying responsible products – carbon-free and CSR-labelled products in particular
- Buying from responsible suppliers – raw material suppliers certified for their good CSR practices and

committed to a CSR charter in particular

- Being a responsible buyer.

As a worldwide key player, Lesaffre gets its supplies of raw materials, energy, services, transport and packaging from a wide variety of suppliers. With its sustainable and responsible purchasing policy, the Group is aiming to minimise all the potential negative impacts on society and environment, associated with its purchases along with the associated operational, regulatory, reputational or financial risks.

TOPICS	GUIDELINES	KEY OBJECTIVES AND PROSPECTS
Strategy	Disseminating our responsible purchasing standards and ensuring that the purchasing community has the required CSR skills	<ul style="list-style-type: none"><li>• Deploying the new sustainable purchasing policy to the entire purchasing community by the end of 2023</li><li>• Finalising the sustainable purchasing training module by the end of 2024</li><li>• Training the entire purchasing community in responsible purchasing by the end of 2024</li></ul>
Buying less carbon-intensive products and services	Replacing non-recyclable packaging	<ul style="list-style-type: none"><li>• Identifying alternative recyclable materials by the end of 2023</li><li>• Measuring recyclable packaging purchases by the end of 2023</li><li>• Deploying recyclable packaging for 100% of bread improvers, mixes and sourdough starters by the end of 2024</li></ul>
	Promoting the purchasing of renewable energies	<ul style="list-style-type: none"><li>• Defining a target share of renewable energy purchases in electricity contracts by 2023 for implementation in 2024</li></ul>
	Promoting purchases from material suppliers certified for their good CSR practices and/or committed to a CSR charter in particular	<ul style="list-style-type: none"><li>• Defining a target share of strategic suppliers excluding substrates with a certification or CSR policy by the end of 2023 for implementation in 2024</li></ul>
	Optimising the carbon footprint of the transport modes used for our goods	<ul style="list-style-type: none"><li>• Assessing the share of transport that uses clean fuel by 2024</li><li>• Measuring avoided emissions by 2024</li></ul>
Supplier risk management	Making the assessment of the CSR performance of our suppliers more robust	<ul style="list-style-type: none"><li>• Establishing a CSR risk map of our strategic suppliers to prioritise action plans</li></ul>



## Governance

Our sustainable and responsible purchasing policy is supported by the **Group purchasing department** under the responsibility of the Operations Department.

The Group Purchasing Department works with all of the **functional and operational departments** that are involved in purchasing.

The **regional departments** oversee the roll-out and application of the policy. The **purchasing community**, made up of buyers from Lesaffre's subsidiaries, is responsible for implementing the Group's requirements.

## Policies, action plans & objectives

**OUR GOAL IS TO PURCHASE SUSTAINABLE PRODUCTS AND SERVICES FROM RESPONSIBLE SUPPLIERS.**

### DEPLOYING OUR RESPONSIBLE PURCHASING STRATEGY

**Disseminating our responsible purchasing standards and ensuring that the purchasing community has the required CSR skills**

We put together a **responsible purchasing policy** in 2022 whose aim is to reduce the environmental impact of our products, develop proposed commitments in order to encourage our suppliers to deliver sustainable products or services, increase eco-responsible travel, and respect international recommendations in the area of human rights throughout the value chain. This new policy is based on four main areas:

- The commitment of our suppliers within the context of a CSR charter
- The Group's commitment to purchasing low-carbon materials
- Participating in renewable energy purchase initiatives and entering into green energy purchase contracts
- Improving the process of collecting and consolidating logistics, transport and travel data.

We are also developing a **training module on sustainable purchasing** that includes CSR principles as part of the purchasing academy.

### PURCHASING LOW-CARBON PRODUCTS AND SERVICES

**Replacing non-recyclable packaging**

The Group Purchasing department has been working for several years alongside the Packaging Department to come up with **innovative solutions to reduce packaging and optimise the use of recyclable packaging**, while meeting our quality and food-safety requirements (see "Products, services and eco-design" issue, page 46, and "Climate change" issue, page 63). To do this, we prioritised the following areas of work:

- Reducing the weight of films and cartons
- Reducing the thickness of plastic film and aluminium foil
- Reducing the surface area used by the films per packaging unit
- Identifying and substituting non-recyclable materials with recyclable materials.

At the same time, we are pursuing our **responsible packaging development programme aimed at replacing non-recyclable plastic and aluminium films with recyclable films**. We plan to identify the priority packaging to be treated according to the regulations in place in the countries where we sell, and to define related action plans.

### Promoting the purchasing of renewable energies

The Group Purchasing Department works with the quality and industrial sustainable Development Department to organise the **participation in renewable energy purchase initiatives** and develop **green energy contracts in targeted areas** (see "Climate change" issue, page 63).

As part of a **solar energy deployment project initiated in France** in 2022, the proposal was made to deploy solar panels on compatible roofs, as well as on available ground surfaces at all the French sites. Other initiatives using Corporate Power Purchase Agreements (CPPA) are also being studied or even being agreed to in the form of contractual relations. All of these systems aim to produce about 2% of the total power needs on site in France by 2025.

**Promoting purchases from material suppliers certified for their good CSR practices or committed to a CSR policy**

In order to prompt our suppliers to make the same commitments, in 2017 we drafted a **supplier charter**, whose requirements are inspired by the recommendations of the Organisation for Economic Co-operation and Development (OECD), the International Labour Organisation (ILO), the United Nations Global Compact and the Universal Declaration of Human Rights.

This charter, which is available on our website, will be systematically sent to new strategic suppliers from 2023. In addition to our expectations regarding our suppliers, it sets out our own commitments:

- Offering high-quality products and services that meet the needs of our customers
- Developing innovation in all our areas of activity
- Promoting respect for our partners and their development throughout their journey with the company
- Understanding the consequences of our activities by conducting responsible environmental actions.

We expect our suppliers to comply with the 12 commitments of the charter, mainly concerning compliance with applicable regulations, standards and laws, and our core values in the area of ethics, safety, well-being and sustainable development.

A **pilot project called "Raw Materials Data Management Master"** was started in 2022 on four factories with the aim of improving the traceability of the raw materials used in yeast production in order to optimise resources and maximise added value. Its deployment will take place in 2024.

The **suppliers certified for their good CSR practices** will be identified using a tool made for collecting information from 2023. This commitment applies to all tier 1 suppliers.

### Optimising the carbon footprint of the transport modes used for our goods

The Group Purchasing Department manages the decarbonisation of transport and travel with the support of the Supply Chain Department, and the Quality and Industrial Sustainable Development Department.

Several actions will be implemented by 2024. **Responsible transportation purchasing guidelines** will be formally recognised at Group level. The use of less polluting modes of transport will be integrated into the **decision-aid scenarios**. **Proposals of alternative fuels** will be introduced in invitations to tender for liquid tankers in Europe. Systems will be put in place to monitor the carbon footprint of shipping in containers at Group level.

### SUPPLIER RISK MANAGEMENT

**Making the assessment of the CSR performance of our suppliers more robust**

The evaluation of the CSR performance of our suppliers is developed jointly by the Group Purchasing Department, and the Group legal, compliance and internal audit department. This commitment applies to all tier 1 suppliers.

We are currently sending a **CSR questionnaire** to all of our new strategic suppliers so that each buyer can assess several ESG criteria during the invitations to tender and reference listing phase.

To gain visibility on the level of CSR performance of the suppliers with whom we work, we also collect any useful documentation about the implementation of their CSR strategy. We want to systematise and automate the collection of these CSR documents concerned by invitations to tender by 2024.

Going beyond what we expect of our suppliers, we are committed to being a responsible partner ourselves:

- The purchasing department adopts a consistent and fair procedure for selecting its suppliers, applies the principle of free competition and unequivocally rejects all forms of corruption (see the "Business Ethics" section, page 50)
- We are committed to adopting a responsible attitude towards our suppliers and to paying them in accordance with the provisions of the laws and regulations applicable in this area. We manage the payment due dates of our suppliers thoroughly according to a regular schedule
- The purchasing function aims to promote suppliers who give us the support we need in taking technical and social innovation and progress to the next level.
- Our goal is to deploy the EcoVadis label across the Group. In 2022, 4 Lesaffre entities have already been certified: Biospringer North America, Biospringer Groupe, LIS France, Yipixian China. Other entities will initiate the process in 2023.

## Result

**As part of the review of our CSR policy, the key performance indicators have been defined but are in the process of being consolidated. Several indicators will be available from 2023:**

- **The proportion of employees in the purchasing community that have been trained on the new sustainable purchasing policy**

- **The proportion of bread improvers, mixes and sourdough starters in recyclable packaging**
- **The proportion of strategic suppliers, excluding molasses suppliers, with a CSR certification/policy.**





# 04

## Respecting our environment



# Playing an active role in the agricultural transition by developing solutions with a positive impact

## Defining the issue

The "Sustainable Agriculture and Biodiversity" issue is being met by the combined efforts of the Group's departments and entities in favour of a greater commitment to the agricultural transition and preserving biodiversity in our operations. The world population has doubled over the past 50 years, further increasing inequalities across the globe, and food and nutritional insecurity. Consequently, pressure is mounting on conventional agricultural systems with the addition of chemical inputs and the development of more land for agriculture. These last two factors are exacerbating the pressures exerted on biodiversity, which is essential for food security and sustainable development.

Conventional agricultural methodologies must change accordingly by using a regenerative approach. To achieve this, Lesaffre is committed to delivering solutions for:

- Reducing greenhouse gas emissions
- Reducing environmental pollution by reducing the use of fertilisers and pesticides
- Preserving biodiversity and the genetic heritage of species by reducing soil sealing when it makes industrial investments
- Respecting animal welfare
- Respecting working conditions and the health of agricultural workers.

TOPICS	GUIDELINES
Positioning of Lesaffre to take on the challenges of the agricultural transition	<ul style="list-style-type: none"> <li>• Assess the impacts of our activities in the agricultural sector on biodiversity and ecosystems, and the associated risks</li> <li>• Put together our strategic positioning in terms of sustainable agriculture and biodiversity</li> </ul>
Supporting stakeholders in making agriculture more sustainable	<ul style="list-style-type: none"> <li>• Use by-products originating from sustainable raw materials</li> <li>• Improve soil health with Lesaffre products</li> <li>• Improve animal health and welfare with Lesaffre products</li> <li>• Measure the environmental impact of our solutions and demonstrate the environmental benefits of our on-farm production solutions by conducting life cycle analyses by production sector</li> <li>• Invest in the search for sustainable agricultural solutions</li> <li>• Support and train farmers and local communities</li> </ul>
Preservation of biodiversity in our operations	<ul style="list-style-type: none"> <li>• Assess microbial release related to the use of our products</li> <li>• Promote biodiversity on our operational sites</li> <li>• Contribute to preserving endangered species</li> </ul>

## Governance

The "Sustainable Agriculture and Biodiversity" work Group, supervised by the Research, Development & Innovation Department, is made up of Agrauxine, Phileo and the Operations Department. The Group is planning to meet more than three times in 2023 to reflect on a range of prospective agricultural scenarios in order to initiate strategic thinking at Group level. The goal is to assess Lesaffre's impacts on biodiversity and ecosystems, to map out the physical and transition risks affecting the Group's activities, and to organise Lesaffre's strategic positioning on this issue.

Our approach is part of a continual improvement process. To become a fully committed player, we propose to build a roadmap based on the following:

- Evaluating ourselves so that we can adopt a position to take on the challenges of the agricultural transition and identifying our future pathways for progress
- Relying on our solutions and expertise to support stakeholders in achieving their sustainable transition goals
- Evaluating our impact on biodiversity and identifying ways to preserve it more effectively.

## Policies, action plans & objectives

### LESAFFRE'S POSITIONING WITH REGARD TO CHANGES IN THE AGRICULTURAL PRACTICES OF THE FUTURE

To put together a strategic positioning, we propose to:

- 1. Learn**, create points of contact with experts on the subject, and get involved in associations or work Groups involved in the agriculture of the future in order to identify best practices and cooperate with stakeholders in the sectors of the value chain.
- 2. Define a range of target agricultural scenarios** for Lesaffre based on existing global scenarios such as those arising from the European Farm to Fork strategy, protein sectors, the One Health movement and the GHG Protocol initiative.

**3. Create a diagnostic assessment of the impacts** of agricultural activities upstream and downstream of the Group's value chain on biodiversity and ecosystems, including deforestation, supplier practices and product life cycle analyses.

**4. Identify the physical (chronic and acute risks) and transition (market and reputational risks)<sup>9</sup> risks** associated with biodiversity and ecosystems that have an effect on the Group's agricultural activities.

**5. Define a policy, an action plan and objectives** to reduce the Group's actual and potential negative impacts in the area of sustainable agriculture and biodiversity, as well as the associated risks, while maximising the positive impacts.

9 - See introduction on "Our key environmental, social and societal impacts, risks and opportunities", page 22

### SUPPORTING STAKEHOLDERS IN MAKING AGRICULTURE MORE SUSTAINABLE



#### Using by-products originating from sustainable raw materials

Our commitment to the supply of agricultural goods is managed cross-functionally by the Group's Operations Department.

We have the following two priorities on upstream agricultural activities:

- Promote raw materials from agricultural materials certified for their good CSR practices in our manufacturing processes (see the "Responsible purchasing" issue, page 53)
- Develop the traceability of the products used.

Our efforts focus on recycling the organic matter in fertilisers to create a virtuous production cycle. We aim to measure the amount of CO2 emissions avoided thanks to by-products by the end of 2025.

The **equivalent area of crops fertilised by by-products** came to 217,000 hectares in 2022. The **equivalent surface area of soy avoided on import** came to 50,000 hectares.

#### Improving soil health with Lesaffre products

Our Business Unit, Agrauxine, is managing our policy of contributing to soil health by developing and marketing **biocontrol, biostimulation and bionutrition products**, made from micro-organisms (see introduction on "Our strategy and our business model", page 8). These natural solutions protect crops against diseases and improve plant nutrition while reducing the need for chemical pesticides.

The **equivalent surface area of field crops protected against water stress throughout the world by our range of biostimulants** is on the rise. The ongoing rise in this indicator is attributable not only to volume increases in several countries where we are already present, but also to an increase in the number of new countries, particularly in Europe, that are showing a growing interest in biostimulants.



Improving animal health and welfare with Lesaffre products

Our Phileo Business Unit markets solutions that contribute to animal health, nutrition and welfare for livestock and pets (see introduction on "Our strategy and our business model", page 8).

In 2022, we were able to diversify the marketing of solutions for new species with:

- Actisaf Sc 50 Pet in the United States, a new generation of probiotics aimed at improving the intestinal health of dogs
- Nutrisaf Tor 500, a dry Torula yeast, high in amino acids, to feed Mediterranean flies which have been made sterile by certain industries in the Andean zone, specialising in the biological protection of vegetable crops in the United States
- Aquasaf Tilapia to maximise the productivity and sustainability of Tilapia fish farms.

In addition, we were able to diversify our portfolio by improving the user experience thanks to our Selsaf yeast, a reference selenium.

Investing in the search for sustainable agricultural solutions

In order to speed up the agro-ecological transition, several Research, Development & Innovation projects are being implemented at Group level to develop sustainable agricultural solutions.

At subsidiaries and Business Units levels, Agrauxine invests a quarter of its turnover in research, each year. In this way, we have active collaborations with universities, technical institutes and reputable research organisations such as INRAE or Végépolys, a world leading competitiveness cluster in the domain of innovation. We are also one of the founding members and sponsor of the "Bio4Solutions" chair at ENSAIA-University of Lorraine, the leading chair specialising in biosolutions in France. It is dedicated to the agro-ecological

transition and support for re-research. It aims to train agricultural professionals as well as future generations of engineers.

At the same time, Phileo continued in 2022 to back innovation in animal nutrition and health in order to improve the efficiency of probiotic yeasts. In particular, research is undertaken with a network of research institutes and pilot farms.

We continued the work we initiated in 2021 on life cycle analysis by conducting the first LCA from the cradle to the farm, from the production of yeast to its use on the farm in the dairy sector in order to reduce the carbon footprint of our dairy products. New farm production life cycle analyses will complement the available knowledge of our impacts and benefits related to our flagship solutions on animal production systems.

Supporting and training farmers and local communities

According to the FAO estimates made in 2021, there are more than 608 million family farms around the world. They occupy between 70 and 80% of the world's agricultural land and produce around 80% of the world's food (in value terms). Given this context, we are focusing our efforts on supporting local agricultural communities to help them produce in the best way possible, while avoiding the use of antibiotics and reducing animal mortality in particular, and ensuring that they get a decent remuneration. Our societal commitment in favour of local communities of family farmers is enhanced by projects developed within the framework of our ECHO programme (see introduction on "ECHO programme", page 15). For example, for the third year running, Phileo has maintained its research partnership in Zambia with the Melindika association

whose objective is to promote rural development by supporting peasant farms in a few villages.

SUPPORTING STAKEHOLDERS IN MAKING AGRICULTURE MORE SUSTAINABLE

We are committed to reducing the grey footprint of the land of the Group's sites and to contributing to the preservation of endangered species.

To meet these commitments, biodiversity audits will be conducted from 2023 on the Campus Lesaffre site in Marcq-en-Baroeul (Nord-France). Their results will be used in the construction of a biodiversity management plan in our operations by 2028.

In addition to our activities, we support an initiative to preserve biodiversity. By way of illustration, in 2022, Phileo financed the vaccination campaign organised in partnership with Vaxinano, a biotechnology company based near Lille, which developed a vaccine against toxoplasmosis which is an infectious disease caused by a protozoa. Without the need for any additives, the vaccine developed is administered nasally to stimulate immunity locally but also throughout the body. This vaccination of 700 endangered primates in Brazil completes the campaign initiated by Vaxinano in several zoos around the world.



Results

TOPICS	GUIDELINES	KEY PERFORMANCE INDICATORS <small>In taupe colour new indicator</small>	2022 RESULT	2021 RESULT	CHANGE (%)
Supporting stakeholders in making agriculture more sustainable	Using by-products originating from sustainable raw materials	Equivalent area of crops fertilised by by-products (ha)	217,000	217,000	Unchanged compared to 2021
		Equivalent surface area of soy avoided at import (ha)	50,000		
	Improving soil health	Equivalent surface area of field crops protected from water stress worldwide by our range of biostimulants (ha)	2.0 million	1.6 million	
	Improving animal health and welfare Please note: * +1% increase 2021/22 ** unchanged compared to 2021	Equivalent proportion of the production of milk and dairy products consumed worldwide covered by live yeasts produced by Phileo*	1/4	1/4	26% up slightly from 25% in 2021
		Equivalent proportion of eggs produced or consumed in the world covered by yeast-derived additives produced by Phileo**	1/6	1/6	Unchanged compared to 2021





Through our activities,  
we have a responsibility  
to respect our environment.  
This aim is guided by  
the following three challenges:

- CONTRIBUTING TO THE FIGHT AGAINST CLIMATE CHANGE
- REDUCING WATER CONSUMPTION BY FOCUSING ON REDUCING GROUNDWATER CONSUMPTION
- REDUCING POLLUTION AND PROMOTING THE CIRCULAR ECONOMY

Our environmental policies on "climate change", "water and marine resources" and "pollution and waste management" are driven by the **Group's Industrial Department**. The **Regional Industrial Departments**, the **Group Industrial department** and the **Group Quality and Sustainable Development Departments** are responsible for implementing these policies.

The implementation, at our main production sites over the next two years, of the **internal natural resource management system** based on the requirements of the ISO 50001 and ISO 14001 certifications, will aim to structure the Group's progress on these policies from 2024.

- In particular, this system will contribute to the following:
- **Improving environmental reporting** regarding greenhouse gas emissions, and climate-related physical and transition risks, supplies, the use and discharges of water, air and soil pollutants, problematic substances, production and waste treatment
  - **Ensuring compliance with local obligations** on climate, water, pollution and waste
  - **Evaluating and ordering the implementation of new technologies** that yield a lot of energy, increase energy efficiency, and reduce energy use and consumption
  - **Monitoring the fulfilment of objectives and improving** environmental performance.

# Reducing the carbon footprint of our value chain

## Definition

- The **"Climate change"** challenge refers to Lesaffre's contribution to gas emissions in its upstream and downstream operations, and value chain as well as its exposure to climate-related physical and transition risks.
- Climate change mitigation corresponds to the decarbonisation trajectory which aims to reduce its greenhouse gas emissions as well as the associated transition risks.
  - Adaptation to climate change is the prospect of designing a process for adjusting to physical climate risks, including the assessment of climate vulnerability and the development of adaptive solutions.
  - The energy transition refers to the development of renewable energies, such as biogas and biomass, and energy efficiency.

Because of the industrial nature of its activities, Lesaffre consumes energy and releases direct (scope 1) and indirect (scope 2) greenhouse gases at its 77 production sites. The emissions of the value chain (scope 3) represent a significant portion of the Group's greenhouse gas emissions.

The Group may also be exposed to climate risks in its operations and its value chain. Physical climate risks, e.g. thermal stress and heat waves, could alter Lesaffre's industrial processes and the availability of certain ingredients. Other extreme weather events such as floods, fires and cyclones could damage buildings and infrastructures at the production sites. What's more, phenomena linked to climate change will affect agricultural production, including the beet crops, on which Lesaffre's business model depends (see issue on "Sustainable agriculture and biodiversity", page 58).

TOPICS	GUIDELINES	KEY OBJECTIVES AND PROSPECTS
Contribution to climate change (scope 1, 2 & 3)	Standardise: implementing measurement tools	<ul style="list-style-type: none"><li>• Put in place a robust measurement tool to provide a more precise calculation of each item of the scope 3 emissions by the end of 2023</li><li>• Deploy a thermal assessment tool on the sites that consume the most by 2024</li></ul>
	Make a commitment: setting renewable energy reduction and purchase targets	<ul style="list-style-type: none"><li>• Reduce scope 1 and 2 greenhouse gas emissions by 2.5% per year between 2019 and 2030</li></ul>
	Develop innovative technologies	<ul style="list-style-type: none"><li>• Implement 8 projects per year for reducing the carbon footprint from 2023*</li></ul>

\* The tracking indicator for this objective defined in 2022 will be made available at a later date.



# Policies, action plans & objectives

OUR AMBITION IS TO REDUCE OUR CARBON FOOTPRINT THROUGHOUT OUR VALUE CHAIN.

## REDUCING OUR GREENHOUSE GAS EMISSIONS

### Standardising: setting up measurement tools

We are committed to implementing standardised tools to measure our scope 1, 2 and 3 greenhouse gas emissions. In order to structure our approach, in 2021, we recruited a sustainable development manager, reporting to the Group's Operational Department, to coordinate carbon footprint reporting across the entire value chain.

In 2022, we continued our work to measure **scope 1 and 2 green-**

**house gas emissions** from 2015 to 2022:

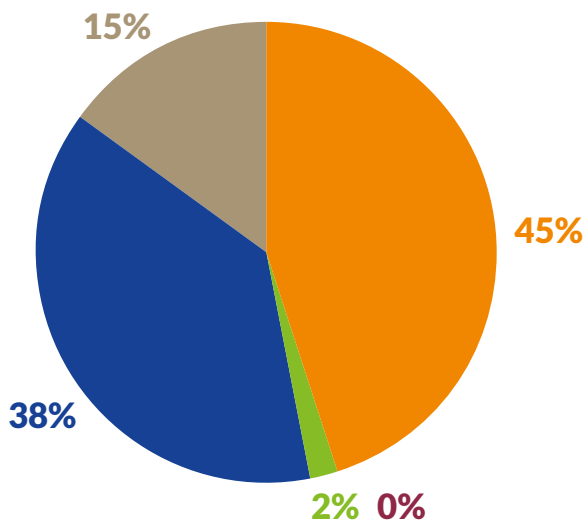
- **Scope 1** includes direct emissions from fixed or mobile facilities coming from sources owned or controlled by the Group (combustion of fixed and mobile sources, non-combustion industrial processes, refrigerant leaks, etc.)

- **Scope 2** includes indirect emissions from the production of electricity or steam that is imported for our operations.

This work, covering a representative scope of 64 sites (excluding the acquisitions made during the

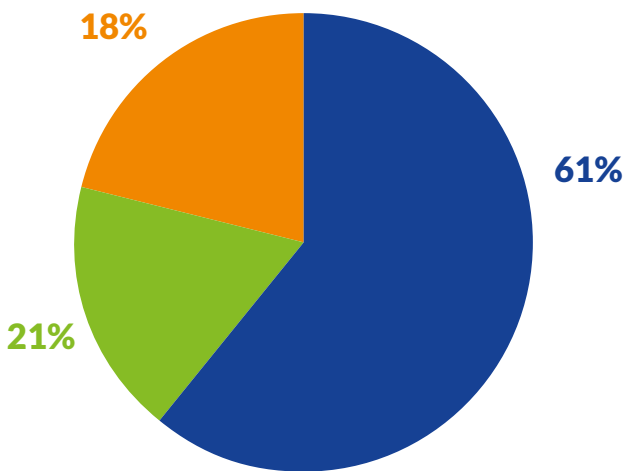
year 2022), aims to draw up an inventory and identify the main sources of greenhouse gas emissions in our factories and industrial sites. Our total scope 1 and 2 greenhouse gas emissions in 2022 came to 1,096,478 t CO<sub>2</sub>eq, of which more than 98% come from the combustion of stationary sources (scope 1) and purchases of electrical power (scope 2).

Breakdown of scope 1 and scope 2 greenhouse gas emissions



- Fugitive emissions from air conditioning
- Mobile combustion
- Location-based electricity purchases
- Utilities purchases
- Stationary combustion

Group carbon footprint



- Scope 1
- Scope 2
- Scope 3



In 2022, we also started work on collecting scope 3 greenhouse gas emissions data on a pilot sample of three exemplary sites, using the GHG Protocol methodology. By extrapolation, the main consumption items to date are product purchases, the energy not included in the "direct and indirect GHG emissions" categories, and upstream and downstream freight transport. We are planning to put in place a robust system for measuring scope 3 greenhouse gas emissions in 2023 in order to define the decarbonisation pathways upstream and downstream of our value chain. Our avoided emissions will be measured and evaluated from 2023.

The implementation of the internal system for managing natural resources will help standardise the Group's carbon footprint from 2024.

**Making a commitment: setting GHG emission reduction targets consistent with the first decarbonisation pathways identified for scopes 1 & 2**

We are committed to reducing our scope 1 and 2 greenhouse

gas emissions by 2.5% per year between 2019 and 2030 and we are committed to achieving carbon neutrality by 2050.

Our decarbonisation trajectory, steered by the Group's Industrial Department, is based on action pathways that are suited to the nature of our activities:

**1- Improve energy efficiency:** a growing number of sites are ISO50001-certified, e.g. factories of Biospringer France in 2022.

**2- Deploying electrification:** several sites are installing a heat pump system to reduce fossil fuel consumption. For example, a French site launched a project to install a waste heat recovery unit in 2022. From the two heat pumps that will be commissioned in 2025, the heat created by the fermentation activity can be reused to cover 70% of the site's heat requirements and avoid approximately 30,000 tons of CO<sub>2</sub> emissions per year.

**3- Using biomass and by-products:** LIS France acquired a biomass boiler in 2022 that will

produce more than 110,000 tonnes of steam per year in order to reduce the CO<sub>2</sub> emissions from the industrial process by 85% (see issue on "Products, services and eco-design", page 46).

**4- Optimising the use of biogas:** several sites have invested in anaerobic digesters in 2022. The volume of biogas reused per year came to 18,528,549 Nm<sup>3</sup> in 2022.

**5- Developing renewable energies:** an increasing number of sites are using renewable energies, e.g. our site in Belgium, which installed a wind turbine in 2022. The production of solar energy is preferred when it can cover a significant proportion of the consumption of a site, i.e. those that produce breadmaking ingredients in particular.



**6- Reducing the emissions associated with refrigerant leaks:** the sites are replacing their refrigeration systems e.g. air conditioning, coolers and heat pumps, in the buildings as well as the industrial processes when renovating an installation or launching a project so that fluids with a lower global warming potential (GWP) can be used.

Lesaffre is also looking at new pathways for speeding up decarbonisation in the future:

**7- Entering into long-term contracts with green energy suppliers:** a reflection is under way for the purchase of green electricity in a few

targeted countries (see the "Responsible Purchasing" challenge, page 53).

**8- Measuring and enhancing the avoided emissions of some of our products, and financing carbon offsetting and reduction projects.**

As part of our future endeavours, we are looking to better quantify how each decarbonisation pathway contributes to achieving the objective of reducing the carbon footprint.

**Developing innovative technologies**

We are committed to developing innovative technologies to decarbonise our business activities.

On the one hand, we are investing in Research, Development & Innovation to develop **innovative pilot projects aimed at reducing**

**greenhouse gas emissions** so that the fruits of these projects can be applied to as many factories as possible. Eight decarbonisation projects within scopes 1, 2 and 3 will be implemented each year from 2023.

On the other hand, our **decarbonisation objectives are integrated into all of our Research, Development & Innovation projects.**

What's more, **the impact of each new investment on greenhouse gas emissions** is currently being evaluated and integrated into the decision-making process for every major CAPEX decision. We have made a commitment to improving environmental indicators through our green financing projects.

Results

BY BUILDING ON TECHNOLOGIES THAT ARE ALREADY KNOWN AND RELYING ON THE CONTRIBUTION OF SUGAR AND ENERGY PRODUCERS TO ACHIEVING THE SAME OBJECTIVE, WE ARE COMMITTED TO ATTAINING CARBON NEUTRALITY BY 2050.

TOPICS	GUIDELINES	KEY PERFORMANCE INDICATORS <small>In taupe colour new indicator</small>	2022 RESULT	2021 RESULT	CHANGE (%)
Contribution to climate change (scope 1, 2 & 3)	Making a commitment: setting renewable energy reduction and purchase targets	Scope 1 & 2 greenhouse gas emissions (t CO2eq) Objective: to reduce scope 1 and 2 greenhouse gas emissions by 2.5% per year between 2019 and 2030	1,096,478	1,138,414	-4 %
		Estimated scope 3 greenhouse gas emissions in relation to the carbon footprint (%) * Objective: to pursue carbon neutrality by 2050	61 %		

\* The estimate of scope 3 greenhouse gas emissions is based on the GHG Protocol methodology. The input data are from 2021.

**The concrete environmental issues facing Lesaffre – biodiversity, climate, water, pollution and waste – must be understood in the round because of their interdependence. Consequently, Lesaffre is aiming to develop cross-sector initiatives to mitigate its negative impact on the environment.**

By way of illustration, the TransverSIL project, which is scheduled to be up and running in 2025, consists in recovering the residual heat from fermentation by

installing heat pumps instead of letting it dissipate into the atmosphere. This project has co-benefits for climate change mitigation and reducing water consumption. On the one hand, it makes it possible to use local green heat, reduce the dependence on fossil fuels and reduce CO2 emissions. On the other hand, it makes it possible to streamline water consumption on site and minimise cooling needs.



Reducing our water consumption by focusing on reducing groundwater consumption

Definition

The "Water and marine resources" challenge refers to Lesaffre's contribution to the sampling, consumption, discharge and treatment of water in its upstream and downstream operations, and its value chain, as well as its exposure to water-related physical and transition risks. The Group consumes water for two types of use: in the processes – water as an ingredient of the yeast itself, for the dilution and cleaning-in-place stages and for the utilities – mainly used for cooling, but also for boiler rooms, cleaning and watering. Indeed, the Group's activities can generate impacts on the use

and replenishment of water. The Group may also be exposed to water-related risks in its operations and value chain by its activities, especially because of the impact of droughts on raw materials and the impact of regulatory water restrictions on operations. The production sites as well as the suppliers may operate in areas with water quantity and quality issues such as pollution.



TOPICS	GUIDELINES	KEY OBJECTIVES AND PROSPECTS
Water consumption	Standardising: setting up measurement tools	Deploy a water balance tool on the sites that consume the most by 2023 Integrate water into the project decision matrix by 2023
	Making a commitment: setting targets for using less water	Reduce water consumption by 2.5% per year between 2022 and 2030
	Developing innovative technologies	Launch at least five projects per year to reduce water consumption by 2024*

## Policies, action plans & objectives

OUR AIM IS TO REDUCE WATER CONSUMPTION BY FOCUSING ON REDUCING GROUNDWATER CONSUMPTION.

### REDUCING OUR CONSUMPTION OF WATER

#### Standardising: setting up measurement tools

We are committed to implementing standardised tools to measure our water consumption.

In 2022, we started systematically monitoring the volume of water consumed for processes<sup>11</sup> and for utilities<sup>12</sup>. A single reporting protocol was formally recognised to help the sites in measuring these indicators, and training modules were made available to the regions to disseminate the reporting methodology for yeast and yeast extract production sites that have been part of the Group for more than five years. The item that consumes the most water is that used for the cooling of the yeast and yeast extract production sites which have been part of the Group for more than five years.

The internal natural resources management system will contribute to standardising water measurement units from 2024.

Finally, we take care to ensure that **the quality of our wastewater complies with local regulatory requirements**. The chemical oxygen demand (COD) of our water consumption is monitored on the sites in accordance with applicable local regulatory frameworks. We are developing an indicator on the proportion of non-standard

releases compared to total releases in terms of quantity.

#### Making a commitment: setting water reduction targets

We are committed to reducing our water consumption by 2.5% per year between 2022 and 2030.

By monitoring the volume of water consumed on each site, we can implement targeted action plans for each plant. Our efforts are currently focused on **reducing groundwater use** and encouraging the use of surface waters, as well as **installing closed loop water cooling systems**.

In 2022, we launched two **significant projects to reduce our water consumption**. In France, a site is running a rainwater reuse and recycling project to reduce the water needs of the cooling towers.

The percentage of water that is recovered, with a similar quality from the same catchment area, compared to the water consumed came to 83.9% in 2022.

#### Innovating: developing innovative technologies

We are committed to developing innovative technologies to reduce our water consumption.

Our approach is to invest in **innovative pilot projects for reducing water consumption** in order to standardise them.

For example, we are working on **developing the use of membrane techniques** to save water in factories as well as improve the treatment of effluents in the workshops that produce by-products, as well as finishing treatments at the outlet of biological treatments for water reuse. A site in Australia started membrane projects in 2022 for the processing of its by-products. One of our European sites also implemented a membrane project in 2022 to reuse the water treated by its wastewater treatment plant.

11 - The volume of water consumed for process use covers the volume of water consumed per tonne of yeast produced for 100% of the yeast activities, i.e. 70% of all sites. The volume of water for process use covers the volume of water consumed for yeast production needs.  
12 - The volume of water consumed for utility needs covers the volume of water consumed for cooling needs.



## Results

TOPICS	GUIDELINES	KEY PERFORMANCE INDICATORS	2022 RESULT	2021 RESULT	CHANGE (PTS)
Water consumption	Making a commitment: setting targets for using less water	Objective: reduce water consumption by 2.5% per year between 2022 and 2030	83.9 %	83.0 %	+0.9 pts
		Share of water recovered			



# Reducing pollution and promoting the circular economy

## Definition

The **"Pollution and waste management"** issue refers to Lesaffre's contribution to pollutants released into the air and soil, and to the generation of problematic substances and waste in its operations, and its upstream and downstream value chain. As an industrial player, Lesaffre may need to use certain chemical substances and emit pollutants: indeed, it produces antibiotics through its Gnosis Business Unit. The Group may be vulnerable to risks of chronic or accidental releases into the air and soil. To reduce our pollutant emissions and regulate our use of problematic substances, we are focusing on standardising a reporting and performance monitoring system. Furthermore, the Group generates different types of waste with the risk of discharges. There are two separate types of waste at Group level:

- Hazardous waste, which includes lubricants, laboratory waste and technological production aids
  - Non-hazardous waste, which mainly includes sludge from wastewater treatment plants, sludge from water clarification, cardboard, plastics and used equipment.
- To reduce and recycle our waste in a structured way, we believe that we need to apply circular principles to our waste management and track waste throughout its life cycle.

TOPICS	GUIDELINES	KEY OBJECTIVES AND PROSPECTS
Problematic substances and air and soil pollution	Overseeing the use of problematic substances, and reduce air and soil pollution	<ul style="list-style-type: none"><li>• Construct the indicator for the tonnes of pollutants released into the air as a result of the Group's operations</li><li>• Develop and standardise the best available techniques applicable to our industries</li></ul>
Waste	Optimising waste management	<ul style="list-style-type: none"><li>• Standardise and implement an indicator on the proportion of waste recycled</li></ul>

## Policies and action plans

OUR GOAL IS TO REDUCE POLLUTION AND PROMOTE THE CIRCULAR ECONOMY.

### PROBLEMATIC SUBSTANCES AND AIR AND SOIL POLLUTION

#### Overseeing the use of problematic substances, and reduce air and soil pollution

The **air and soil pollutants are generated by our yeast extract and instant dry yeast production sites**. We are planning to set **reduction targets for these pollutants** by the end of 2024, including air pollution from combustion and volatile organic compounds (VOCs). The implementation of the internal system of managing natural resources will contribute to the standardisation of water measurement units from 2024.

Several actions were implemented in 2022:

- The **measurement of problematic substances** on our yeast extract and instant dry yeast production sites is currently being organised. The standardisation of the **best available techniques applicable to our industries** for the supervision of problematic substances is also under development.
- Systems are currently being deployed to measure and limit the **volatile organic compounds (VOC)** on certain sites in France and in Argentina.
- A process electrification programme is also being rolled out to reduce **nitrogen oxide emissions (NoX)** using boilers that run on biomass (see "climate change" issue, page 63). We take care to monitor NoX emissions in accordance with the local regulatory obligations.

## WASTE MANAGEMENT

### Optimising waste management

Our main sites have systematically implemented **systems for reporting on the quantities of waste and tracking their treatment**.

Actions are regularly rolled out on **waste recycling** depending on the factory. By way of illustration, some hazardous waste, e.g. lubricants, is recycled.

Some local initiatives aim to ensure the **compliance of our waste management with local regulatory obligations**. A waste map will be produced at Group level in 2024 to specify the quantities of recycled and non-recycled waste according to their treatment method (landfill, energy/material repurposing, recycling, reuse). The implementation of the internal system of managing natural resources will contribute

to the standardisation of water measurement units and the objectives from 2024.

A target share of recycled waste will be set up from 2025 to be implemented in 2026.

## Result

As part of the review of our CSR policy, several key performance indicators on pollution and waste have been defined but are in the process of being consolidated.







# APPENDICES



# Table of key performance indicators and key figures by issue

CONSOLIDATED TABLE OF METRICS: BREAKDOWN OF KEY PERFORMANCE INDICATORS AND KEY FIGURES

CHALLENGES	METRICS	KEY PERFORMANCE INDICATORS	KEY FIGURES
Employee health and safety	Frequency rate of accidents with and without sick leave for Lesaffre employees (TF2 including first aid)	X	
	Frequency rate of accidents with and without sick leave for Lesaffre employees (TF2r excluding first aid)	X	
	Frequency rate of accidents with and without sick leave for Lesaffre employees and temporary workers (TF3)	X	
	Proportion of leadership teams trained on health and safety issues		X
	Number of behaviour-based safety visits		X
	Proportion of safety measures conducted following the behaviour-based safety visits and safety inspections		X
Training, development and work environment	Number of employees (breakdown by gender and region)		X
	Number of permanent employees (breakdown by gender and region)		X
	Number of temporary employees (breakdown by gender and region)		X
	Number of full-time employees (breakdown by gender and region)		X
	Number of part-time employees (breakdown by gender and region)		X
	Rate of job mobility from the TOP450, in the leadership teams	X	
	Employee mobility rate	X	
	Employee turnover rate on permanent contracts	X	
	Proportion of open positions posted on the WOO platform		X
	Proportion of leadership succession plans (Band E) reviewed annually		X
	Number of executives working on international careers	X	
	Number of nationalities represented among executives working on international careers		X
	Percentage of <i>Volontariats Internationaux en Entreprise</i> (international volunteering in business) hired on permanent contracts		X
	Proportion of employees informed of the alert procedure and associated platform		X
	Proportion of regions with social climate surveys		X

CONSOLIDATED TABLE OF METRICS: BREAKDOWN OF KEY PERFORMANCE INDICATORS AND KEY FIGURES (CONTINUED)

CHALLENGES	METRICS	KEY PERFORMANCE INDICATORS	KEY FIGURES
Business ethics	Proportion of targeted employees (excluding operators) trained in the fight against corruption. 100% of employees with more than 6 months of seniority by the end of 2023.	X	
Products, services and eco-design	Proportion of sales from products sold that have been manufactured by a GFSI-certified site	X	
Responsible purchasing	Indicators that are ready from 2023	/	/
Sustainable agriculture and biodiversity	Equivalent area of crops fertilised by by-products	X	
	Equivalent surface area of soy avoided at import	X	
	Equivalent surface area of field crops protected from water stress worldwide by our range of biostimulants	X	
	Equivalent proportion of the production of milk and dairy products consumed worldwide covered by live yeasts produced by Phileo	X	
	Equivalent proportion of eggs produced or consumed in the world covered by yeast-derived additives produced by Phileo	X	
Climate change	Scope 1 & 2 greenhouse gas emissions	X	
	Estimated scope 3 greenhouse gas emissions in relation to the carbon footprint	X	
	Quantity of biogas reused per year		X
Water and marine resources	Volume of water consumed	X	
	Share of water that is recovered, with a similar quality from the same catchment area, compared to the water consumed	X	
Pollution and waste management	Indicators that are ready from 2023	/	/
Introduction / BM / General	Number of consumers affected by salt reduction thanks to the Biospringer yeast ingredients		X
	Share of bread made with Lesaffre yeast worldwide		X



SOCIAL DATA CHART: DISTRIBUTION OF EMPLOYEES BY GENDER

KEY FIGURES	TOTAL	WOMEN	MEN
Number of employees	10,456	3,049	7,407
Number of permanent employees	9,777	2,853	6,924
Number of temporary employees	679	196	483
Number of full-time employees	10,241	2,894	7,347
Number of part-time employees	215	155	60

SOCIAL DATA CHART: DISTRIBUTION OF EMPLOYEES BY REGION

KEY FIGURES	WESTERN EUROPE	OCEA	LATAM	MECA	NORTH AMERICA	GREATER CHINA	APAC	AFRICA
Number of employees	3,237	1,906	1,396	1,011	540	1,293	445	628
Number of permanent employees	3,053	1,800	1,365	822	528	1,290	370	549
Number of temporary employees	184	106	31	189	12	3	75	79
Number of full-time employees	3,067	1,880	1,392	1,011	535	1,292	441	623
Number of part-time employees	170	26	4	0	5	1	4	5

## CSR reporting methodology note

SCOPE OF ISSUES COVERED BY OUR DPEF (STATEMENT OF NON-FINANCIAL PERFORMANCE)  
LESAFFRE HAS INSTALLATIONS CLASSÉES PROTECTION DE L'ENVIRONNEMENT (CLASSIFIED FACILITIES FOR THE PROTECTION OF THE ENVIRONMENT).

LEGAL TEXTS	LIST OF MANDATORY ITEMS	ITEM PROCESSING
Implementing decree for the transposition of the European directive (no. 2017-1265)	Consequences on climate change of the company's activity and the use of the goods and services it produces (contribution and adaptation)	See chapters on "Guaranteeing the food safety of our products while improving their circularity", "Playing an active role in the agricultural transition by developing solutions with a positive impact", "Reducing the carbon footprint of our value chain" and "Limiting pollution and promoting the circular economy".
	Circular economy	
	Fight against food waste	Given the nature of our activities, we consider that the fight against food waste does not constitute one of the main CSR risks and therefore does not need to be developed in this management report.
	Collective agreements concluded in the company and their impact on the economic performance of the company	See chapter on "Fostering employee commitment by developing their careers within a safe and inclusive working environment".
	Actions aimed at promoting physical activities and sports	Given the nature of our business activities, we consider that actions aimed at promoting physical activities and sports do not constitute one of the main CSR risks and therefore do not need to be developed in this management report.
	Actions aimed at combating discrimination and promoting diversity, and measures taken in favour of people with disabilities	See chapter on "Fostering employee commitment by developing their careers within a safe and inclusive working environment".
Sustainable food act of 30 October 2018	Societal commitments in favour of sustainable development	See chapters on "Introduction – Our strategy and business model", "Guaranteeing the food safety of our products while improving their circularity", "Maintaining ethical business relations with all stakeholders: employees, suppliers and subcontractors, customers and partners" and "Buying sustainable products and services from responsible suppliers".
	Fight against food insecurity, respect for animal welfare, and responsible, fair and sustainable food	See chapters on "Introduction – Our strategy and our business model", "Guaranteeing the food safety of our products while improving their circularity" and "Playing an active role in the agricultural transition by developing solutions with a positive impact".



SCOPE AND CALCULATION METHOD OF OUR KEY PERFORMANCE INDICATORS

CHALLENGES	KEY PERFORMANCE INDICATORS	SCOPE	DEFINITION AND METHOD
Health security	Frequency rate of accidents with and without sick leave for Lesaffre employees (TF2r excluding first aid)	100% of the workforce (excluding temporary workers) on the production sites as well as the sales branches and Baking Centers™	<b>Definition</b> The TF2 is the frequency rate of workplace accidents including accidents with and without sick leave for Lesaffre employees (excluding temporary workers). <b>Calculation</b> $TF2 = (\text{Number of accidents with and without sick leave} * 1,000,000) / \text{Number of hours worked by Lesaffre employees.}$
Training, development and work environment	Employee mobility rate	100% of employees of the Group's legal entities under the following contracts: permanent contract, fixed-term contract, <i>Volontariats Internationaux en Entreprise</i> (international volunteering in business), work-study course, temporary salaried work for the self-employed, internship of more than 6 months	<b>Definition</b> This indicator specifies the number of employees whose career has progressed in-house during the year out of the overall number of employees. <b>Calculation</b> The share of employees concerned by internal mobility must be calculated according to the following formula: (Number of in-house transfers during the year) / Workforce on 31/12 of the year.
Products, services and eco-design	Proportion of sales from products sold that have been manufactured by a GFSI-certified site	100% of the Group's production sites	<b>Definition</b> This indicator represents the share of the sales that come from products manufactured by a GFSI-certified site <b>Calculation</b> $\text{Sum of IFRS sales from GFSI-certified factory production} / \text{total IFRS sales of the Group (excluding trade and by-product sales)}$
Business ethics	Proportion of targeted employees (excluding operators) trained in the fight against corruption	Targeted employees (excluding operators). 100% of employees with more than 6 months of seniority by the end of 2023.	<b>Definition</b> This indicator corresponds to the share (in percentage) of targeted employees who have actually been trained in the fight against corruption out of all targeted employees invited to complete the course concerned. <b>Calculation</b> The calculation is made through our LEA e-learning platform which invites all the targeted employees to attend the course on corruption and which counts those who have actually completed it
Responsible purchasing	Indicator currently being defined by the Group		

SCOPE AND CALCULATION METHOD OF OUR KEY PERFORMANCE INDICATORS

CHALLENGES	KEY PERFORMANCE INDICATORS	SCOPE	DEFINITION AND METHOD
Sustainable agriculture and biodiversity	Equivalent surface area of field crops protected from water stress worldwide by our range of biostimulants	100% of the sales of our range of biostimulants made by the Business UnitAgrauxine	<b>Definition</b> This indicator represents an estimate of the surface areas of field crops and specialised crops that have been protected against abiotic stresses worldwide thanks to our range of biostimulants. The field crops concerned are mainly soy, corn, rapeseed and cereals. The specialised crops are vineyards, tree growing and market gardening. <b>Calculation</b> 1. The number of hectares of crops treated with the range of biostimulants is defined by dividing the quantities of products sold in litres by the number of recommended applications. 2. The number of doses and applications of the product is defined according to the user instructions given to the customer by Agrauxine. 3. The result obtained is then divided by the recommended dose in litres per hectare.
	Equivalent area of crops fertilised by by-products	Part of the Group's sales of by-products recycled for fertilisation purposes	<b>Definition</b> This indicator represents an estimate of crop surface areas whose potash needs are covered by Lesaffre by-products. Lesaffre repurposes some of its by-products as fertilisers, which are sold to cover the potash needs of crops. <b>Calculation</b> Once the quantities sold have been reported, the potash content of the by-products repurposed as fertiliser is then converted into hectares based on an average dose of K2O (potassium) per hectare.
	Equivalent surface area of soy avoided at import	The scope is global. It concerns all sites that produce Viprotal as a by-product.	<b>Definition</b> Viprotal is used in animal nutrition for its protein content for ruminants, thereby replacing part of the needs for soybean meal which is generally imported. <b>Calculation</b> Summary of all the volumes of Viprotal produced in the Group, which are then converted into the equivalent surface area of soy.



CHALLENGES	KEY PERFORMANCE INDICATORS	SCOPE	DEFINITION AND METHOD
Sustainable agriculture and biodiversity	Equivalent proportion of milk and dairy products consumed worldwide covered by the live yeasts and yeast-derived additives produced by Phileo	100% of the products of the Phileo Business Unit	<p><b>Definition</b> This indicator represents an estimate of the proportion of the annual global milk production covered by Phileo products.</p> <p><b>Calculation</b> 1. Number of products marketed by Phileo worldwide 2. Average consumption per cow per year calculated from recommended daily dose and average duration of use 3. Ratio between the dairy cow population covered by Phileo and the global dairy cow population.</p> <p><b>Methodological note</b></p> <ul style="list-style-type: none"> <li>The data on the number of dairy cows and milk production come from the FAO.</li> <li>For the calculation of this KPI, it was assumed that all live yeasts and yeast additives produced by Phileo are consumed by dairy cows and laying hens.</li> <li>The average daily doses in g/day/cow taken into account for the calculation of this KPI correspond to the quantities officially registered on the European market.</li> </ul> <p>Gnosis products are excluded from the calculation of the indicators because these products are made for pets.</p>
	Equivalent proportion of eggs produced or consumed in the world covered by the yeast-derived additives produced by Phileo	100% of the products of the Phileo Business Unit	<p><b>Definition</b> This indicator represents an estimate of the proportion of the annual global egg production covered by Phileo products.</p> <p><b>Calculation</b> 1. Number of products marketed by Phileo worldwide 2. Estimate of the annual quantity of eggs with Phileo products based on feed consumption, recommended doses per tonne of feed and feed conversion rate (feed quantity / egg quantity) 3. Ratio between the annual egg production covered by Phileo and the world egg production.</p> <p><b>Methodological note</b></p> <ul style="list-style-type: none"> <li>The data on egg production are from FAO.</li> <li>For the calculation of this KPI, it was assumed that all the live yeasts and yeast-derived additives produced by Phileo are consumed by dairy cows and laying hens.</li> <li>The average inclusion rate (kg/tonne) of feed for hens used to calculate this KPI corresponds to the quantities officially registered on the European market.</li> </ul> <p>Gnosis products are excluded from the calculation of the indicators because these products are made for pets.</p>

CHALLENGES	KEY PERFORMANCE INDICATORS	SCOPE	DEFINITION AND METHOD
Climate change	Scope 1 & 2 greenhouse gas emissions	<p>64 production sites*</p> <p>*The organisational scope used for the overall assessment encompasses all the establishments identified as a "Factory" for which Lesaffre has operational control (i.e. that it runs).</p>	<p><b>Definition</b> Scope 1&amp;2 – GHG accounting: Direct and indirect emissions <b>Scope 1:</b> Direct emissions from fossil fuels (oil, gas, coal, etc.). <b>Scope 2:</b> Indirect emissions from electricity consumption and heating/cooling networks <b>Calculation and Methodology</b> GHG Protocol - Corporate Value Chain (scope1&amp;2) The data from our sites and the Emissions Factors (EF) are integrated into the formulas of the GHG Protocol that are used to calculate the result of our scope 1&amp;2 emissions of the carbon footprint.</p>
	Estimate of scope 3 greenhouse gas emissions	<p>40 production sites**</p> <p>**The organisational scope used for the overall assessment includes all of the establishments identified as "Factories producing and processing yeast cream" (Ingredient factories are not currently taken into account) for which Lesaffre has operational control (i.e. that it runs).</p>	<p><b>Definition</b> Scope 3 – GHG accounting: Indirect emissions (excluding scope 2) The scope 3 estimate supplements the scope 1&amp;2 GHG assessment by adding the indirect emissions located upstream and downstream of a company's value chain. These are GHG emissions that are not directly associated with the manufacture of the product. <b>Calculation and Methodology</b> GHG Protocol - Corporate Value Chain (scope3) Selection of significant emissions categories to be estimated (transport, purchase, energy, waste management, daily employee travel, business travel, etc.). The calculation is based on data collected from our sites, EFs from official databases (Ademe, IEA, Ecolnvent, etc.) and formulas that are specific to each category from the GHG Protocol.</p>
	Biogas Quantity of biogas reused per year (Nm <sup>3</sup> )	100% of Lesaffre sites producing and reusing biogas	<p><b>Definition</b> This indicator represents the proportion of biogas produced that returns to the plant's boiler room or cogeneration systems, i.e. the share of biogas recovered in energy production such that fossil fuel savings can be made.</p> <p><b>Calculation</b> 1. On each site producing and reusing biogas, there are meters that monitor the quantities of biogas produced and the quantities reused. 2. The quantity of biogas reused is obtained by subtracting the corresponding index from the corresponding meter at the start of the month from the meter reading at the end of the previous month. 3. The sum of the quantities of biogas reused from all the sites is used to obtain the consolidated quantity of reused biogas.</p>



SCOPE AND CALCULATION METHOD OF OUR KEY PERFORMANCE INDICATORS (CONTINUED)

CHALLENGES	KEY PERFORMANCE INDICATORS	SCOPE	DEFINITION AND METHOD
Water and marine resources	Share of water recovered compared to the water consumed (%)	100% of Lesaffre yeast and yeast extract sites acquired at least five years ago. Plants producing improvers for which this indicator is not relevant given their activity (little/no water used in the manufacture of the products)	<p><b>Definition</b></p> <p>This indicator represents the share of public water and drill water consumption from all yeast and yeast ingredient sites, which has been treated and returned to the natural environment via a wastewater treatment plant or urban station. This returned water also includes water directly discharged into the natural environment, in the context of cooling water which does not require any particular treatment in compliance with local regulations.</p> <p><b>Calculation</b></p> <p>Volume of water restored over the year / Volume of water consumed over the year.</p>
Pollution and waste management	Indicator currently being defined by the Group		





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