



# ENVIRONMENTAL POLICY

LORENZ GROUP



Our company's mission at Lorenz is to combine the joy of life and responsibility. We believe that we have a responsibility to protect the environment and thereby the livelihood of people. An intact nature is crucial for our business as well as future generations and we recognize that our activities and global value chains can potentially cause negative impacts. Therefore, we are committed to continuously improve our environmental performance by reducing negative impact on the environment and taking actions to combat climate change and biodiversity loss.

Our environmental policy is based on environmental legislation and regulatory requirements, as well as our core values and the Lorenz Code of Conduct. It provides a framework for our existing and future environmental actions and targets.

Acting in an environmentally friendly manner is the responsibility of every Lorenz employee. This should include the careful use of resources and the application of state-of-the-art environmental practices in daily business operations and decision-making. In line with this policy, we expect our business partners to demonstrate their commitment, as reflected in the Code of Conduct for Business Partners, and to impose similar requirements on their own supply chains.

## OUR PROCESS:

- We regularly measure our consumption of water and energy, the generation of waste and calculate greenhouse gas (GHG) emissions caused by our own operations.
- Along our value chain we additionally calculate GHG emissions, where possible directly based on primary data or indirectly based on industry data.
- We monitor regulatory changes, technological innovations and stakeholder interests.
- We actively seek information and engage in open dialogue on our environmental challenges and actions with our suppliers, employees, customers, and other stakeholders in the value chain as well as peer organizations facing similar challenges.
- We are members of sustainability initiatives like UN Global Compact, Science Based Targets initiative, Sustainable Agriculture Initiative Platform and Sustainable Nut Initiative.
- We set company-wide targets in the area of GHG emissions, energy and plastic for continuous improvement, develop measures, and monitor our progress. In other areas, e.g. water and waste, the processes are at the moment locally organized at our locations.
- We conduct annual reviews and report on our progress.
- This environmental policy is reviewed annually to keep it up to date.

**THE FOLLOWING  
AREAS &  
GUIDELINES  
ARE PARTICULARLY  
IMPORTANT  
TO US** 

# ENERGY OPTIMIZATION & USAGE OF RENEWABLE ENERGIES

We are strongly committed to increasing energy efficiency, reducing energy consumption, and generating and using our own energy based on renewable resources. Calculations are made to assess investments and potential savings per year.

## MONITORING ENERGY CONSUMPTION

We monitor and evaluate energy consumption within our operations and work continuously on improving data quality. This enables us to identify areas of high energy usage, implement energy-saving measures, and continuously improve our energy performance. Our energy management system in Germany is certified according to ISO 50001.

## ENERGY REDUCTION

We strive to save energy wherever possible throughout our operations. For example, we implement heat recovery systems and evaluate new equipment and machinery based on their energy consumption as well as prioritizing energy-efficient technologies. We use energy efficient lighting and operate our own combined heat and power plants.

## STRENGTHENING ENERGY INDEPENDENCE

We are committed to reduce our reliance on the conventional energy market and strengthen our energy independence by substitution of non-renewable energy sources. We are expanding the generation of our own green electricity through photovoltaic systems and combined heat and power (CHP) units fueled by biogas, based on production waste. This enables us to generate heat and electricity in a more sustainable manner. Where possible we are looking for greener alternatives to natural gas, which is a huge challenge. By implementing these measures we strive to decrease our dependence on non-renewable energy sources step by step and contribute to a more sustainable energy landscape.

## PURCHASING RENEWABLE ELECTRICITY

We actively promote the usage of renewable energy sources. We purchase electricity from renewable sources and rely on sustainable approaches like products with “ok power” label or national origins.

**By measuring our impact, reducing emissions in line with climate science, and promoting carbon sequestration within our supply chain, we aim to create a more sustainable food chain and contribute to achieve the targets set in international agreements like EU Green Deal and Paris climate agreement.**

## MEASURING EMISSIONS & CONTINUOUS IMPROVEMENT

We conduct a comprehensive assessment of our GHG emissions based on the GHG Protocol, a globally recognized standard. This allows us to measure our impact accurately and identify areas for improvement.

## EMISSION REDUCTION

We take appropriate measures to minimize the impact of our activities and those of our business partners on climate change. This includes addressing emissions related to land use changes, land management, energy usage in production and transportation, and other company-level emissions. In the area of energy-related emissions we are working on the substitution of natural gas, our own energy production based on renewable sources and increasing energy efficiency. The biggest part of our emissions is in the area of purchased goods. This area we can only influence in cooperation with our suppliers and contract farmers.

## CARBON SEQUESTRATION

As an agriculturally linked company, we recognize the crucial role of soil as a natural carbon sink. We prioritize measures that enhance soil health and promote carbon sequestration within our supply chain. This includes implementing sustainable land management practices and supporting regenerative agriculture techniques that promote the capture and storage of carbon in the soil. Additionally the measures lead to more resilient crops.

## TRANSPARENT COMMUNICATION

We are committed to transparently communicating our company-wide emissions and progress against science-based targets on an annual basis.

# MITIGATION & ADAPTATION TO CLIMATE CHANGE

# REDUCING WASTE & PROMOTING A CIRCULAR ECONOMY

By implementing the following measures, we aim to minimize waste generation, promote the efficient use of resources, and contribute to a circular economy. We continuously evaluate and improve our waste management processes to achieve better resource optimization.

## **SORTING & APPROPRIATE DISPOSAL OF WASTE**

We monitor our waste streams and sort them by specific categories to identify and increase the amount of recyclable and reusable waste. This helps us to feed them into the best possible recovery streams and reduce unusable waste. Hazardous-waste is stored, transported, handled and disposed of by special processes which ensures safety for people and the environment.

## **REDUCING FOOD WASTE & REUSE RESOURCES**

Our target is to minimize and prevent food waste. Our employees follow best practices to minimize waste at all stages of our operations. If possible food waste, such as leftover chips or dough, is reused in own or external biogas plants for energy generation or reused in other value chains. Additionally, we support educational campaigns like “too good to go” in Germany and Austria to reduce food waste at the stage of product consumption.

## **REDUCING PACKAGING WASTE**

We are closely working with our suppliers on reducing primary, secondary and tertiary packaging made of plastic to a minimum. By exploring thinner and shorter film options for packaging without compromising product quality and protection as well as avoiding pack add-ons such as labels, we contribute to a reduction of packaging waste after the consumption of our products.

## **RECYCLING OF PACKAGING WASTE**

We strive to increase the recyclability of our primary packaging and at the same time ensure product quality and protection. For our wood-based packaging we exclusively use FSC® Mix certified material which consists to a large extent of recycled fibers and is recyclable (FSC®-C133957).

## **ADDITIONAL ENGAGEMENT TO PLASTIC WASTE**

Outside our value chain, we support plastic collection initiatives in a partnership with the organization Plastic Bank and participate in research initiatives of well-known institutes to support the sustainable further development of our materials and their processing procedures.

**We aim to reduce water consumption, promote water reuse, and ensure the responsible management of wastewater.**

## **MONITORING AND OPTIMIZATION**

We monitor our water consumption and wastewater generation. Our target is to optimize our processes and minimize the overall water footprint of our operations. To improve this area a company-wide process needs to be worked out.

## **REDUCTION OF WATER CONSUMPTION**

We recognize the value of water as a precious resource and actively work to reduce our water consumption. We implement appropriate systems and technologies to minimize water usage in various production processes. For example, we treat the water that we use to wash the already sliced potatoes, so that we can use it a second time in the potato pre-washing process. This reduces our water consumption considerably.

## **RESPONSIBLE WASTEWATER MANAGEMENT**

We monitor and manage our wastewater discharge in a responsible and sustainable manner. At two plants, we operate our own waste water treatment. Through pre-treatment processes and separation techniques, we remove contaminants and valuable components from the wastewater. This allows us to minimize the environmental impact of our wastewater discharge. We adhere to local regulations and standards to ensure that our wastewater is properly treated and meets the required quality standards before being released back into the environment.

Beside the activities at our own sites we strive for water reduction along the supply chain. Where we have a direct influence on the cultivation of raw materials, e.g. in the area of contract farming, we support analysis and methods to reduce water consumption. Additionally, responsible resource management is a part of our Code of Conduct for business partners.

# WATER CONSERVATION & RESPONSIBLE WASTEWATER MANAGEMENT

# PROMOTING EFFICIENT TRANSPORT & DISTRIBUTION

Together with our logistic partners and customers we strive to achieve greater efficiency in our transport and distribution operations to contribute to a more sustainable logistics system while reducing our impact on the environment.

## CONTINUOUS IMPROVEMENT & OPTIMIZATION

We are committed to continuously improving our transport and distribution processes. Through ongoing monitoring and data analysis, we identify areas for optimization and measures that we aim to implement together with our partners to increase efficiency and reduce fuel consumption. Our target is to use progressive monitoring tools to regularly track and reduce carbon emissions.

## SHORTENED TRANSPORT ROUTES

We actively work towards shortening the transport routes of our raw materials, relocations, and outbound transports. By sourcing from local potato farmers and suppliers mostly located in Europe, we reduce the distance traveled and minimize transportation-related carbon emissions.

## OPTIMAL TRUCK UTILIZATION

We aim to maximize the utilization of our vehicles to minimize empty trips and optimize resource efficiency. Through careful planning and coordination, we strive to fill vehicles to their maximum capacity, reducing the number of trips required. This approach helps us minimize fuel consumption and decrease our carbon footprint.

## SUSTAINABLE TRANSPORT SOLUTIONS

We explore and adopt sustainable transport solutions, such as using alternative fuel vehicles or promoting eco-friendly technologies.

## SAVE RESOURCES

We are working on digitization and sustainability measures to minimize the use of transports, consumables and paper documents.

Through our actions we contribute to the preservation of biodiversity, support soil health, and work towards ending deforestation. We started to engage with our suppliers and other partners to promote sustainable agricultural practices.

## STOP DEFORESTATION AND AVOID LAND CONVERSION

We are dedicated to avoid the conversion of land that is classified as critical habitats, as this leads to the loss of high biodiversity value and to high GHG emissions. Deforestation is the conversion of natural forests. We commit to no-deforestation across our primary deforestation-linked commodities until 2025.

## PROMOTING SOIL HEALTH AND BIODIVERSITY

For partners engaged in agriculture and/or forestry, we encourage the adoption of sustainable farming methods such as regenerative agriculture or agroforestry. These practices help to support soil health and enhance biodiversity. Additionally, we support the phasing out of „extremely hazardous“ and „highly hazardous“ crop protection substances defined by the World Health Organization (WHO) and promote the reduction of agrochemicals and fertilizers usage in general.

## BUILDING RESILIENCE

We recognize the importance of building resilience in our supply chains. This includes implementing measures to adapt our raw materials to changing environmental conditions, mitigating risks, and enhancing the long-term sustainability of our business practices.

We implement preventive measures, such as regular equipment maintenance, employee training, and the use of advanced technologies, to minimize the risk of local and accidental pollution incidents on water, air and soil. We have strict protocols for the handling, storage, and disposal of hazardous substances to prevent any potential releases into the environment.

# PRESERVING BIODIVERSITY & ENDING DEFORESTATION

# PREVENTING LOCAL & ACCIDENTAL POLLUTION



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